

***Camley Street  
Neighbourhood Plan  
Viability Study***

Camley Street Neighbourhood Forum

May 2017 (updated April 2018)

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## Table of Contents

Glossary.....	5
1 Introduction.....	8
1.1 Context.....	8
1.2 Draft NPPF .....	9
1.3 Objective .....	9
1.4 Metric or imperial .....	11
1.5 Site concept plans.....	11
2 Viability Testing.....	12
2.1 Methodology.....	12
2.2 The meaning of ‘competitive return’ .....	13
3 Market research.....	16
3.1 Overview .....	16
3.2 New build prices paid.....	17
3.3 New build properties for sale.....	18
3.4 Second hand market.....	18
3.6 Affordable housing values .....	20
3.7 Price Assumptions for Financial Appraisals .....	22
4 Modelling Assumptions .....	23
4.1 Commercial rents and yields.....	23
4.2 Gross site area and net developable area .....	23
4.4 Policy costs.....	24
4.5 Housing types and tenures.....	25
4.6 Construction costs .....	25
4.7 Professional Fees .....	26
4.8 Contingencies.....	26
4.9 S106 Contributions and Community Infrastructure Levy .....	26
4.10 VAT.....	26
4.11 Interest rate .....	26
4.12 Voids .....	26
4.13 Phasing and timetable.....	26
4.14 Site holding costs and receipts.....	27
4.15 Site purchase costs.....	27
4.16 Sales and marketing costs .....	27
4.17 Developer’s profit.....	27
4.18 Landowner’s return (EUV+).....	29
4.19 Assumptions summary.....	34
5 Appraisal results and conclusions .....	35
6 Summary and recommendations.....	37
Appendix A Land Registry Prices Paid 2016 – 2017 .....	38
Appendix B New Build Market Survey (May 2017) .....	48
Appendix C CoStar Commercial Summary (April 2017).....	51
Appendix D Rateable Values and Lease Analysis.....	53
Appendix E Appraisal Summary Sheets .....	57

## Glossary

**Alternative use value (AUV)** Where an alternative use can be readily identified as generating a higher value for a site, the value for that alternative use would take the existing use value (determined by the market) and apply an assumption that has regard to current development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.

**Benchmark** A comparator for the outputs or inputs into the appraisal, i.e. site value or developer's return, etc.

**Building Cost Information Service (BCIS)** A subscriber service set up in 1962 under the aegis of RICS to facilitate the exchange of detailed building construction costs. The service is available from an independent body to those of any discipline who are willing and able to contribute and receive data on a reciprocal basis.

**Building costs indices** A series of indices published by BCIS relating to the cost of building work. They are based on cost models of 'average building', which measure the changes in costs of labour, materials and plant which collectively cover the basic cost to a contractor.

**Cash flow** The movement of money by way of income, expenditure and capital receipts and payments during the course of the development. The impact of cash flow assumptions on viability assessments is an important consideration. While most viability appraisals include an interest rate on capital employed, such costs are frequently applied solely to building costs pending sale. Cash flow considerations should also take into account the costs of capital employed in relation to infrastructure costs, Section 106 and CIL requirements and land purchase costs, and should incorporate realistic assumptions on build and sales rates based upon local market conditions.

**Comparable evidence** A property used in the valuation process as evidence to support the valuation of another property. It may be necessary to analyse and adjust in order to put it in a suitable form to be used as evidence for comparison purposes.

**Competitive returns** A term used in paragraph 173 of the NPPF and applied to 'a willing land owner and willing developer to enable development to be deliverable' to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered. One that would lead to a market transaction, discounting abnormal purchases or cases where landowners are selling under distressed circumstances. Consideration should be made of costs that a relocating landowner may often incur (such as capital gains tax, stamp duty, relocation costs and professional fees), since there will be no incentive to sell unless those costs are met.

**Contingency** – Contingencies are allowances that may sometimes be put within a development appraisal to cater for unexpected costs where it is

considered likely that the site poses risks which cannot easily be quantified. For example, poor ground conditions may affect the foundations, the discovery of archaeological remains and/or contamination may only be confirmed once digging commences. Normally a contingency will be expressed as an estimated percentage of costs. They should only be used to reflect those aspects of a scheme where costs cannot be accurately estimated in advance of work starting on site. They are dependent upon the nature of the development, the procurement method and the perceived accuracy of the information obtained. A contingency should not be used to cover the possibility of contract price increases which can be quantified at the time that the appraisal is carried out. Similarly, they should not be used to cover errors made in the construction phase – the latter is accounted for in the developer's margin that reflects risk.

**Current use value** Market value for the continuing existing use of the site or property assuming all hope value is excluded, including value arising from any planning permission or alternative use. This also differs from the existing use value. It is hypothetical in a market context as property generally does not transact on a CUV basis.

**Development appraisal** A financial appraisal of a development to calculate either:

- the residual site value (deducting all development costs, including an allowance for the developer's profit/return from the scheme's total capital value); or
- the residual development profit/return (deducting all development costs, including the site value/cost from the scheme's total capital value).

**Developer's return** The developer's reasonable expectation of profit reflecting development risk, having regard to the margin requirements of any investors (where relevant). It will be determined by each developer in accordance with their own business model typically in relation to either profit on value (Gross Development Value) or profit on cost (total development costs). Whilst in practice it is assessed in a variety of ways, for development viability assessment calculations, it is normally taken in relation to a percentage of GDV.

**Development risk** The risk associated with the implementation and completion of a development including post-construction letting and sales.

**Existing use value** The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after properly marketing and where the parties had each acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause market value to differ from that needed to replace the remaining service potential at least cost. It is an accounting definition of value for business use and as

such, hypothetical in a market context, as property generally does not transact on an EUV basis.

**Existing use value (plus a premium) EUV+** The benchmark or threshold land value for the purposes of assessing the viability of development for planning purposes. The value above the EUV at which a typical willing landowner is likely to release land for development. EUV+ should be informed by comparable evidence of transactions where possible. Where transacted prices are significantly above the market norm for transactions that fully reflect planning policy conditions and constraints, they should be regarded as outliers and not used as part of this EUV+. This is likely to be highest in high value urban settings but low in rural low value areas. EUV+ is not price paid and should disregard Hope Value.

**Gross development value (GDV)** The aggregate market value of the proposed development, assessed on the special assumption that the development is complete as at the date of valuation in the market conditions prevailing at that date. The total of likely sales proceeds from a completed development scheme, gross of any costs of sale but taken at today's values and not inflated by the prospect of changes in market prices.

**Gross development cost (GDC)** The cost of undertaking a development, which normally includes the following:

- land acquisition costs;
- site-specific related costs;
- build costs;
- fees and expenses;
- interest or financing costs; and
- holding costs during the development period.

**Gross external area (GEA)** The aggregate superficial area of a building, taking each floor into account. As per the RICS Code of Measuring Practice this includes: external walls and projections, columns, piers, chimney breasts, stairwells and lift wells, tank and plant rooms, fuel stores whether or not above main roof level (except for Scotland, where for rating purposes these are excluded), and open-side covered areas and enclosed car parking areas, but excludes: open balconies; open fire escapes, open covered ways or minor canopies; open vehicle parking areas, terraces, etc.; domestic outside WCs and coalhouses. In calculating GEA, party walls are measured to their centre line, while areas with a headroom of less than 1.5m are excluded and quoted separately.

**Gross internal area (GIA)** Measurement of a building on the same basis as gross external area but excluding external wall thicknesses.

**Hope value** - according to the RICS (The Valuation of Development Land 1st Edition p17 (2008)) '*Hope Value is the popular term for the element of the difference between the value of the land with the benefit of the current planning consent and the value with an enhanced, assumed, consent that is reflected in the Market Value of the land*'. It is entirely speculative and, whilst recognised in the market, is not part of the EUV+ approach or Benchmark Land Value and should not be used to define land value or the return to the landowner.

**Interest rate** The rate of finance applied in a development appraisal. As most appraisals assume 100 per cent financing, it is usual for the interest rate to reflect the total cost of finance and funding of a project, i.e. the combination of both equity and debt in applying a single rate.

**Land Value** Central to the consideration of viability is the assessment of land or site value. Land or site value will be an important input into the assessment. The most appropriate way to assess land or site value will vary from case to case but it is recommended that the starting point is an understanding of the Current Use Value (CUV) and Existing Use Value (EUV) of the land or site. The Landowner's return should normally utilise Existing Use Value 'Plus' (EUV+) in a planning context.

**Landowner's Return** - in all cases the landowner's return should reflect extant and emerging policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge and any other planning conditions for extant planning consents. Practitioners should normally utilise Existing Use Value Plus (EUV+) as an approach for determining the landowners' return in the planning context.

**Market risk adjusted return** The discount rate as varied so as to reflect the perceived risk of the development in the market.

**Market value (MV)** The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

**Net developable area versus gross site area** Many viability studies that model housing schemes assume a housing and plotting density per unit area. Such an analysis is a legitimate starting point and, provided the assumptions in relation to sales revenue and build cost are correct, produces a fully serviced land value per net developable area. However, the assumption is then made that the net developable area (i.e. income generating land) equates to the area of land that is to be acquired following the grant of planning permission. In all but the smallest redevelopment schemes, the net developable area is significantly smaller than the gross area that is required to support the development, given the need to provide open space, play areas, community facility sites, public realm, land for sustainable urban drainage schemes etc. The net area can account for less than 50%, and sometimes as little as 30% on larger sites, of the site to be acquired (i.e. the size of the site with planning permission). Failure to take account of this difference can result in flawed assumptions and inaccurate viability studies. The HCA Development Appraisal Tool used for this study produces a residual value for the gross site area.

**Net/gross ratio** Refers to the percentage of usable space or land. A typical net/gross ratio on an office is 85%, whereas on a large greenfield site it is around 60% as not all land can be developed (i.e.

some is used as open space, for distributor roads, community uses, infrastructure etc.).

**Net internal area (NIA)** The usable space within a building measured to the internal finish of structural, external or party walls, but excluding toilets, lift and plant rooms, stairs and lift wells, common entrance halls, lobbies and corridors, internal structural walls and columns and car parking areas.

**Planning obligation** Provided for under section 106 of the Town and Country Planning Act 1990, usually in connection with the grant of planning permission for a private development project. A benefit to the community, either generally or in a particular locality, to offset the impact of development, e.g. the provision of open space, a transport improvement or affordable housing. The term is usually applied when a developer agrees to incur some expenditure, surrender some right or grant some concession which could not be embodied in a valid planning condition.

**Policy Compliant** Development that meets the full requirements of all national and local planning policies. Those policy requirements should be tested at the plan-making stage to ensure that the total cumulative cost of meeting them does not render development in the area unviable.

**Price Paid** The amount paid for land by a developer. It should not be used as an element to assess viability in the planning process. Price paid should reflect the cost of being policy compliant, but this is often not the case. Price paid may include overpayment due to considerations of Hope Value or expectation of market increases to Gross Development Value or the assumed possibility of negotiating down developer contributions. For the purposes of viability assessment, the amount paid for any parcel of land by the developer is therefore irrelevant.

**Red Book** The RICS Valuation – Professional Standards 2012 (Formerly RICS Valuation Standards). The 'Red Book' contains mandatory rules, best practice guidance and related commentary for all RICS members undertaking asset valuations.

**Residual Site Value or residual land value** The amount remaining once the GDC of a scheme is deducted from its GDV and an appropriate return has been deducted.

**Residual valuation** A valuation/appraisal of land using a development appraisal.

**Return (on capital)** The ratio of annual net income to capital derived from analysis of a transaction and expressed as a percentage.

**Sales rates** The rate at which residential units are sold (either by month, quarter or year).

**Serviced land** Land where the necessary infrastructure is in place. No off-site works are required and the developer simply has to connect the development with existing infrastructure.

**Site Value (for financial viability assessments for scheme specific planning applications)** Market value subject to the following assumption: that the

value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.

**Site Value (for area wide financial viability assessments)** Site Value (as defined above) may need to be further adjusted to reflect the emerging policy/ CIL charging level. The level of the adjustment assumes that site delivery would not be prejudiced. Where an adjustment is made, the practitioner should set out their professional opinion underlying the assumptions adopted. These include, as a minimum, comments on the state of the market and delivery targets as at the date of assessment.

**Strategic infrastructure and utility costs** Many models use construction cost information provided by BCIS or other sources. While this is regarded as a legitimate starting point, care is needed in understanding what is both included and excluded from such cost indices. Cost indices rarely provide data on the costs associated with providing serviced housing parcels, i.e. Strategic infrastructure costs.

**Threshold land value** A term developed by the Homes and Communities Agency (HCA) being essentially a land value at or above that which it is assumed a landowner would be prepared to sell. Used by some practitioners for establishing site value. The basis is as with EUV but then adds a premium (usually 10% to 40%) as an incentive for the landowner to sell.

**Viability assessments/financial viability** A report including a financial appraisal to establish the profit or loss arising from a proposed development. It will usually provide an analysis of both the figures inputted and output results, together with other matters of relevance. An assessment will normally provide a judgment as to the profitability (or loss) of a development.

**Yield** As applied to different commercial elements of a scheme, i.e. office, retail, etc. Yield is usually calculated as a year's rental income as a percentage of the value of the property. The "yield" is the rent as a proportion of the purchase price. In determining development value, there is an inverse relationship i.e. as the yield goes up, the value goes down. To calculate development value multiply the rent by 1 divided by the yield e.g.  $\text{£}100,000 \times 1/10\% \text{ (i.e. } 0.1) = \text{£}1 \text{ million gross value.}$

**Sources:** AECOM, RICS (Financial viability in planning 2012), LHDG (Viability testing Local Plans 2012), PAS (Viability handbook and exercises 2011).

# 1 Introduction

## 1.1 Context

- 1.1.1 Through the Ministry of Housing, Communities & Local Government's ('**MHCLG**') Neighbourhood Planning Programme, AECOM has been commissioned to provide viability technical support to Camley Street Neighbourhood Forum ('**CSNF**'). The support is intended to inform the group's work in producing a Neighbourhood Development Plan ('**NDP**') and to provide evidence in support for the NDP's emerging policies. The viability technical support appraises.
- 1.1.2 The Camley Street Neighbourhood Area covers the covers the St Pancras and Somers Town Ward located within the London Borough of Camden ('**LBC**') - see **Figure 1** below. The LBC Local Plan was adopted in July 2017. Once adopted, the NDP will form part of the overall Development Plan for LBC along with the LBC Local Plan and Mayor's London Plan. How the three documents interface is important, the LBC Local Plan sets out the spatial vision and objectives for the Borough, including strategic policies. The NDP will provide more detailed neighbourhood policies in general conformity with the strategic policies of the Local Plan. This study assesses a development proposal for the area known as the 'Camley Street Sustainability Zone' ('**CSSZ**' – see below). The land is currently owned by LBC and contains a number of commercial units let to a wide variety of businesses. The draft NDP envisages that this area shall be redeveloped to provide a new mixed use development. Related to this the local community are exploring, with LBC, potential delivery vehicles (including consideration of a community land trust).

**Figure 1: Camley Street Neighbourhood Area**



## 1.2 Draft NPPF

- 1.2.1 This report has been published at the same time as an active national consultation<sup>1</sup> on proposed changes to the NPPF and Planning Practice Guidance ('PPG'). The content of most pertinence to the emerging NDP is discussed below.
- 1.2.2 The draft NPPF transposes a number of Written Ministerial Statements (including the 12<sup>th</sup> December 2016<sup>2</sup>) into the revised document. The aim is to protect certain NDPs in circumstances where the adverse impacts of allowing development that conflict with a neighbourhood plan are likely to significantly and demonstrably outweigh the benefits. The draft revised wording in the draft NPPF is considered (by MHCLG) to be more effective than setting out the 'weight' that should be given to plans in particular circumstances. Paragraph 14 states the following:

*14. Where a neighbourhood plan that has recently been brought into force contains policies and allocations to meet its identified housing requirement, the adverse impact of allowing development that conflicts with it is likely to significantly and demonstrably outweigh the benefits where:*

- *paragraph 75<sup>3</sup> of this Framework applies; and*
- *the local planning authority has at least a three year supply of deliverable housing sites (against its five year housing supply requirement), and its housing delivery was at least 45% of that required [Assessed against the Housing Delivery Test, from November 2018 onwards. Transitional arrangements are set out in Annex 1] over the previous three years.*

- 1.2.3 Proposed new NPPF paragraph 65 is also of relevance as it sets out that developments of 10 or more should provide 10% of units as 'affordable home ownership' products:

*65. Where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership [As part of the overall affordable housing contribution from the site], unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions should also be made where the site or proposed development:*

- *provides solely for Build to Rent homes;*
- *provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);*
- *is proposed to be developed by people who wish to build or commission their own homes; or*
- *is exclusively for affordable housing, an entry level exception site or a rural exception site.*

- 1.2.4 The draft NPPF also includes: a revised definition for affordable housing within the Glossary; renewed emphasis on the importance of viability testing at the plan making stage (including additional draft guidance within the PPG which this report broadly reflects).

## 1.3 Objective

- 1.3.1 Only a NDP that meets each of the basic conditions<sup>4</sup> can progress to a referendum. Plans should have regard to national policies and advice; and be in general conformity with the strategic policies contained in the development plan of local planning authorities. The NPPF and PPG require plan makers to consider viability and deliverability. Neighbourhood plans also need to be in general conformity with the strategic policies in the adopted Local Plan, such as affordable housing targets. Neighbourhood groups introducing: new policy requirements (that may carry costs to development over and above national and local requirements); allocating sites in an NDP; and/or bringing forward Neighbourhood Development Orders ('NDO') should consider viability. The Qualifying Body should: consider whether sites are deliverable or developable<sup>5</sup> during the plan period (or the timeframe

<sup>1</sup> Accessed at: <https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework>

<sup>2</sup> Accessed at: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-12-12/HCWS346/>

<sup>3</sup> 75. For applications which include housing, paragraph 11d of this Framework will apply if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites (with the appropriate buffer), or where the Housing Delivery Test indicates that delivery of housing has been substantially 30% below the housing requirement over the previous three years.

<sup>4</sup>The basic conditions are set out in paragraph 8(2) of Schedule 4B to the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004

<sup>5</sup> NPPF footnotes 11 and 12:

stipulated for the NDO); be satisfied that their approach does not put implementation of the Development Plan at serious risk; and facilitate development throughout the economic cycle.

1.3.2 The PPG is clear that viability must be considered when preparing Neighbourhood Plans:

*If the policies and proposals are to be implemented as the community intended a neighbourhood plan needs to be deliverable. The National Planning Policy Framework requires that the sites and the scale of development identified in a plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened.<sup>6</sup>*

1.3.3 This report is concerned with development viability for a single strategic site. This study is only one element of the NDP's wider evidence base. This document sets out the methodology used; the key assumptions made; and a high-level assessment of the proposed sites.

1.3.4 The NPPF (paragraph 158) emphasises that a proportionate evidence base should inform plans, based on 'adequate, up-to-date and relevant evidence', which takes account of 'relevant market and economic signals'. In addition, the PPG emphasises that viability evidence should be 'proportionate to ensure plans are underpinned by a broad understanding of viability'.

1.3.5 As such the assumptions in this study have drawn upon existing available evidence and policy documents produced by LBC in support of their Local Plan and Community Infrastructure Levy:

- *Local Plan Review Evidence Base: Financial Viability Study (October 2015);*
- *Strategic Housing Market Assessment (February 2016);*
- *Intermediate Housing Strategy (April 2016);*
- *Affordable Housing and Viability Supplementary Planning Guidance (GLA, August 2017);*
- *London Plan Viability Study (December 2017);*
- *Housing – Camden Planning Guidance 2 (May 2016, amended March 2018);*
- *Interim Housing – Camden Planning Guidance (March 2018); and*
- *Planning Obligations – Camden Planning Guidance 8 (March 2018).*

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To be considered **deliverable**, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

To be considered **developable**, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.

<sup>6</sup> Must a community ensure its neighbourhood plan is deliverable? Paragraph: 005 Reference ID: 41-005-20140306. Accessed at: <http://planningguidance.communities.gov.uk/blog/guidance/neighbourhood-planning/what-is-neighbourhood-planning/what-is-a-neighbourhood-plan-and-what-is-its-relationship-to-a-local-plan/>

- 1.3.6 Viability testing is an assessment of the financial viability of development. The study is purely concerned with whether or not the proposals for the CSSZ (and any relevant policy requirements within an emerging NDP) would render development unviable. Viability assessment outputs can be used (if necessary) to amend proposals or policies to help facilitate development and to ensure the cumulative impact of proposals and policies do not threaten the delivery of the NDP and Local Plan's vision, objectives and strategic policies (including LBC's housing target and economic strategies).
- 1.3.7 The NPPF includes requirements to assess the viability and the impact on development of policies contained within plans<sup>7</sup>. The requirement to test in the NPPF is a 'broad brush' one saying 'plans should be deliverable'. It is not a requirement of the NPPF that every site should be able to bear all of the Local Plan and NDP requirements. However, NDP allocations should be realistic and developable over the plan period.
- 1.3.8 There are some types of development where viability will not be at the forefront of the developer's mind and they will proceed even if a development is 'unviable' in a conventional real estate/development appraisal sense. For example, an end user of an industrial or logistics building may build a new factory or depot that will help it to grow its business or improve its operational efficiency.
- 1.3.9 Similarly some development sites will simply not be viable even without any additional requirements imposed upon them due to the prevailing market conditions and/or site constraints. The typical site should be able to bear whatever target or requirement is set and plan makers should be able to show, with a reasonable degree of confidence, that the plan is deliverable and facilitates development. Only sites with good prospects for development should be subject to viability testing (i.e. potentially deliverable or developable<sup>8</sup> sites usually identified through an earlier site assessment process).

## 1.4 Metric or imperial

- 1.4.1 The property industry uses both imperial and metric data - often working out costings in metric (£/m<sup>2</sup>) and values in imperial (£/acre and £/sqft). This is confusing so, on the whole, we have used metric measurements throughout this report. The following conversion rates may assist readers.

1m	=	3.28ft (3' and 3.37")	1ft	=	0.30m
1m <sup>2</sup>	=	10.76sqft	1sqft	=	0.093m <sup>2</sup>

- 1.4.2 A useful broad rule of thumb to convert m<sup>2</sup> to sqft is simply to add a final zero.

## 1.5 Site concept plans

- 1.5.1 **PLEASE NOTE:** All site plans and illustrations accompanying this report are for illustrative purposes only. They do not represent live schemes that would either be endorsed by the CSNF or promoted by local landowners or developers. Their primary purpose for this study is to help inform realistic assumptions for the viability modelling exercise. Future planning applications will have to accord to with the draft NDP policies and extant LBC policies, as such future schemes shall be informed by more detailed site investigations and a detailed design stage (including community engagement).

<sup>7</sup> NPPF paragraphs 47 and 173-177 include national policy direction on viability (Accessed at: <http://planningguidance.communities.gov.uk/blog/policy/achieving-sustainable-development/plan-making>)

<sup>8</sup> The NPPF states that: To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular, that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans (NPPF footnote 11). To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged (NPPF footnote 12).

## 2 Viability Testing

### 2.1 Methodology

- 2.1.1 For plan making the assessment of viability is a largely high-level quantitative process based on professional judgements and development appraisals at a snapshot in time. It is not the same level of detail used for viability appraisals accompanying a planning application nor does it constitute a market valuation of a site on the basis of the rules and practice guidance set out in the RICS 'Red Book' (see Glossary).
- 2.1.2 Whilst viability testing in the plan making context has limitations, it can help to de-risk the planning and development process by providing an indication on whether a plan (including its policies and/or site allocations) is deliverable. 'Viability Testing in Local Plans – Advice for planning practitioners' (2012)<sup>9</sup>, prepared by the Local Housing Delivery Group<sup>10</sup> (sometimes referred to as the 'Harman Guidance'), defines viability as follows (p6):

*An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.*

- 2.1.3 Put simply the process of the appraisal involves adding up all the potential income from a scheme (total sales and/or capitalised rental income from housing and/or commercial developments – including subsidy) and then subtracting all the costs associated with the creation of the product (i.e. building the houses and/or commercial property plus any associated infrastructure and external works, fees, finance costs etc.). The Residual Valuation Method (see Glossary) employed for this purpose, incorporates a simple cash flow to account for the movement of money by way of income, expenditure and capital receipts and payments during the course of the development. The residual valuation method is the typical valuation method widely used by developers/local planning authorities and is the recommended for use when testing viability at the plan making stage due to its relative simplicity (see illustration below).

Residual Valuation Method
<b>Gross Development Value</b> (The combined value of the complete development)
<b>LESS</b>
Cost of creating the asset, including a profit margin for the developer (Construction + fees + finance charges etc.)
<b>=</b>
<b>RESIDUAL VALUE</b>
The Residual Value is compared to the Existing Use Value ('EUV') of the land to determine if the premium (uplift) above the EUV would induce the landowner to sell. This is known as the Threshold Land Value ('TLV') or Benchmark Land Value

- 2.1.4 The Residual Value is the output and the theoretical top limit of what a developer could offer to pay a landowner for their site and still make a satisfactory profit margin (where the developer's return is included as a cost in the calculation). The availability and cost of land are matters at the core of viability for any development. The Residual Valuation requires the inputting of many variables and is often regarded as subjective. However, it does attempt to represent a realistic 'market' perspective (based on today's costs and values) and takes no account of the individual circumstances of any particular developer. Whilst a developer may have regard to a Residual Valuation, when assessing an offer price, they will typically undertake a more complex and detailed Development Appraisal using a

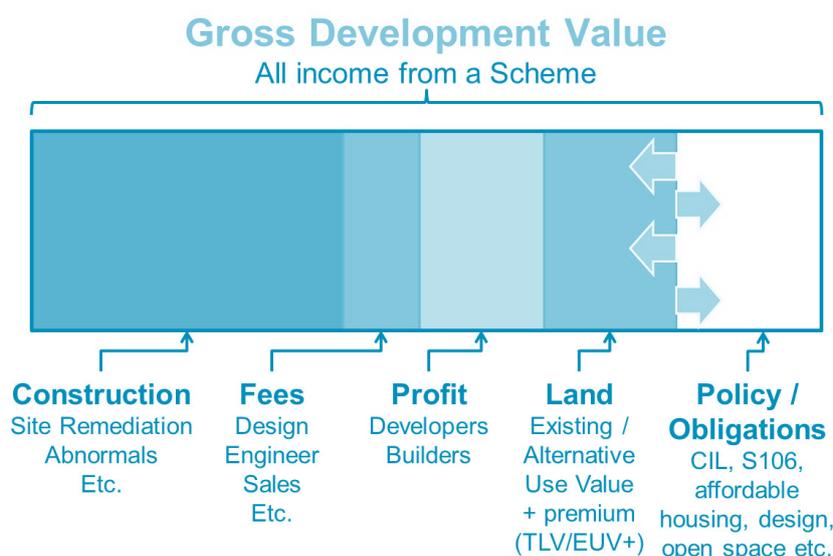
<sup>9</sup> Accessed at: [http://www.nhbc.co.uk/NewsandComment/Documents/filedownload\\_47339.en.pdf](http://www.nhbc.co.uk/NewsandComment/Documents/filedownload_47339.en.pdf)

<sup>10</sup> Viability Testing in Local Plans has been endorsed by the Local Government Association and forms the basis of advice given by the, MHCLG funded, Planning Advisory Service (PAS).

Discounted Cash Flow (DCF) / Internal Rate of Return (IRR) model, either bespoke to them or utilising an industry model (e.g. Argus Developer).

- 2.1.5 The bar illustrated below (**Figure 2**) represents all the income from a scheme – the Gross Development Value (**‘GDV’**). This is set by the market (rather than by the developer or local authority) and so is, largely, fixed. The developer has relatively little control over the costs of development (construction costs, fees etc.) and whilst there is scope to build to different standards and with different levels of efficiency, the costs are largely out of the developer’s direct control – they are what they are, depending on the development proposed (costs of labour and materials). The developers profit is included as a cost as developers need to be rewarded for taking on the risk of development. The level of profit is typically between 15-25% of GDV or of total costs (in all cases it should reflect the risk of the development). The balance between policy requirements/planning obligations and the land value is represented below by the arrows. Similarly, site specific abnormal costs can impact the viability of development.

**Figure 2: The residual valuation method**



Source: HDH Planning and Development

- 2.1.6 The essential balance in viability testing is whether the land value is sufficient to induce a landowner to release their land for development. The more policy requirements and planning obligations the Development Plan asks for the higher the likelihood that the land value of the site will be suppressed and thus the less the developer can afford to pay for the land. The landowner will only agree to sell their land to the developer if they receive a ‘competitive return’.

## 2.2 The meaning of ‘competitive return’

- 2.2.1 The competitive return for the landowner and developer, are controversial matters and it is clear that different landowners and developers will have different views depending on their personal and corporate priorities. The Residual Value generated by the development appraisals must be compared to the Existing Use Value (**‘EUV’**) or an Alternative Use Value (**‘AUV’**) of the site. The size of the uplift or premium above the EUV/AUV must be enough to incentivise a landowner to sell. The amount of the uplift/premium over and above the EUV is central to the assessment of viability. It must be at a level to provide ‘competitive returns’<sup>11</sup> to the landowner in order to produce robust viability assessments. This concept is known as the Existing Use Value ‘Plus’ a premium (**‘EUV+’**), also referred to as the Threshold Land Value (**‘TLV’**), Benchmark Land Value (**‘BLV’**) or Viability Threshold.
- 2.2.2 The EUV+ approach is accepted by PINS<sup>12</sup>. The EUV+ is the point at which a ‘reasonable’ landowner will be induced to sell their land. This concept is difficult since a landowner is unlikely to be entirely frank about the price that would be acceptable to them. This is one of the areas where an informed assumption has to be made. If a landowner owns a field in agricultural use they will expect a large premium above the EUV to release it for residential development as agricultural land is typically worth

<sup>11</sup> As required by 173 of the NPPF

tens of thousands of pounds per hectare whereas as residential land is worth hundreds of thousands of pounds per hectare.

2.2.3 In London, the Mayor's *Affordable Housing and Viability Supplementary Planning Guidance* propounds the use of EUV+ and sets out what an appropriate premium may be for brownfield sites that are in active use. The SPG provides guidance on what should be considered when determining the EUV and EUV+ benchmark<sup>13</sup> (our **emphasis**):

- *The EUV should be fully justified based on the income generating capacity of the existing use with reference to comparable evidence on rents, which excludes any hope value associated with development on the site or alternative uses. This **evidence should relate to sites and buildings of a similar condition and quality or otherwise be appropriately adjusted. Where an existing use and its value to a landowner is due to be retained in a development (and not lost as is usually the case), a lower benchmark would be expected.** Where a proposed EUV is based on a refurbishment scenario, or a redevelopment of the current use, this is an alternative development scenario and the guidance relating to Alternative Use Value (AUV) will apply.*
- *Premiums above EUV should be justified, reflecting the circumstances of the site. For a site which does not meet the requirements of the landowner or creates ongoing liabilities/ costs, a lower or no premium would be expected compared with a site occupied by profit-making businesses that require relocation. **The premium could be 10 per cent to 30 per cent, but this must reflect site specific circumstances and will vary.***
- *The level of premium can be informed by benchmark land values that have been accepted for planning purposes on other comparable sites where determined on a basis that is consistent with this guidance.*
- *As set out in PPG, in all cases land or site value should reflect Development Plan Policies, planning obligations and CIL. When determining a level of premium that would be sufficient to incentivise release of a site for development and ensure that a landowner receives a 'competitive return', this should take into account the overarching aim of delivering sustainable, policy compliant development and that an uplift in land value is dependent on the grant of full planning consent.*

2.2.4 The PPG makes it clear that when considering land value it should be in the context of current and emerging policies and based on today's costs and values disregarding any hope value<sup>14</sup>. In other words, land value should be reduced to reflect policy requirements. Historical transactions recorded under a different policy framework or less favourable market conditions (such as a recessionary period) will be less useful as comparable market data for informing assumptions for the EUV+/landowners 'competitive return'.

2.2.5 The value of land relates closely to the use to which it can be put to and will range considerably from site to site; however, high level studies will typically look at three main uses, being: agricultural/greenfield, residential and industrial/commercial uses. Consideration of what constitutes the EUV+ locally incorporates, wherever available, a review of pre-existing Local Authority research. If the Residual Value does not exceed the EUV, then the development is not viable. If it exceeds the EUV but does not exceed the EUV+ then it is still not viable as it would not induce the landowner to sell. However, it may be closer to being a viable scheme with amendments to policy or the development scheme itself if it is producing a large positive Residual Value. Only a Residual Value equal to or in excess of the EUV+ would represent a viable scheme (see illustration overleaf).

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<sup>12</sup> Paragraphs 7 To 9 of Report On The Examination of the Draft Mayoral Community Infrastructure Levy Charging Schedule By Keith Holland Ba (Hons) DIPTP MRTPI ARICS The Examiner Appointed By The Mayor Date: 27<sup>th</sup> January 2012

<sup>13</sup> p40-41 Affordable Housing and Viability Supplementary Planning Guidance (GLA, August 2017). Accessed at: [https://www.london.gov.uk/sites/default/files/ah\\_viability\\_spg\\_20170816.pdf](https://www.london.gov.uk/sites/default/files/ah_viability_spg_20170816.pdf)

<sup>14</sup> Any element of open market value of a property in excess of the current use value, reflecting the prospect of some more valuable future use or development e.g. a Green Belt site adjoining a settlement in an area that requires high housing growth could be said to carry more hope value than a site in open countryside within a District with strong historic housing delivery. It takes account of the uncertain nature or extent of such prospects, including the time which would elapse before one could expect planning permission to be obtained or any relevant constraints overcome, so as to enable the more valuable use to be implemented.

**Existing Use Value Plus (EUV+)**

*The benchmark or threshold land value for the purposes of assessing the viability of development for planning purposes. The value above the EUV at which a reasonable and willing landowner is likely to release land for development (the 'landowner's return').*



Existing Use Value (EUV)	<i>The value of the land in its existing use together with the right to carry out any development for which there are extant planning consents, including realistic deemed consents, but without regard to other possible uses that require planning consent, technical consent or unrealistic permitted development.</i>
Current Use Value (CUV)	<i>The value of land in the use to which it is currently being put. It excludes any consented use including deemed consents and any element of Hope Value.</i>

2.2.6 In practice, a wide range of considerations could influence the precise EUV and EUV+ that should apply in each case, and at the end of extensive analysis the outcome might still be contentious. One type of approach is outlined below:

- For sites previously in agricultural use, then agricultural land represents the existing use value;
- For paddock and garden land on the edge of or in a smaller settlement you should adopt a 'paddock' value;
- Where the development is on brownfield land you assume an industrial value; and
- Where the site is currently in residential use you assume a residential value.

2.2.7 The high level and broad brush viability testing that is appropriate to be used to assess Local Plans and Neighbourhood Plans does have limitations. It should be noted that this study is about the economics of development. Viability brings in a wider range than just financial factors. The PPG states that:

*Understanding Local Plan viability is critical to the overall assessment of deliverability. Local Plans should present visions for an area in the context of an understanding of local economic conditions and market realities. This should not undermine ambition for high quality design and wider social and environmental benefit but such ambition should be tested against the realistic likelihood of delivery.*

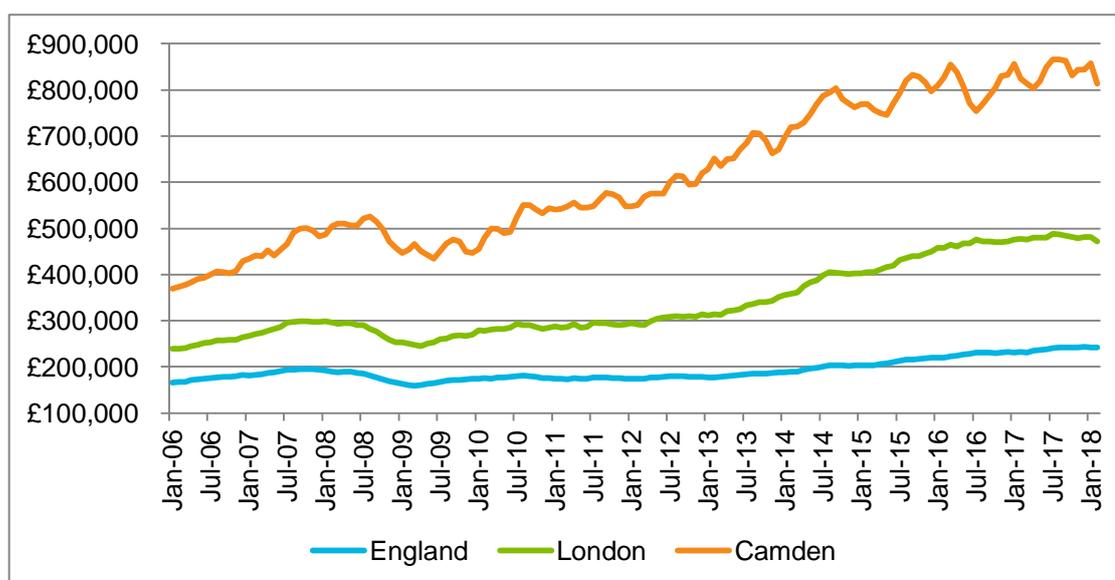
2.2.8 The PPG and Harman Guidance both emphasise the importance of the non-financial factors, viability is an important factor in the plan making process, but it is one of many planning considerations set down in national policy that needs to be considered as part of plan making. It is not viability at any cost.

## 3 Market research

### 3.1 Overview

- 3.1.1 This study is primarily concerned with the viability of new build residential property in the Camley Street Neighbourhood Area, Camden. Key inputs for the appraisals are the price assumptions for new development. We previously reviewed new build prices paid from the Land Registry from January 2016 to May 2017 and at that same time conducted a survey of new build property being marketed in May 2017 (prices paid data generally takes a few months to become available on the Land Registry database). Our survey also incorporates a snapshot of the second-hand market, to triangulate the data and assist in forming judgements for the modelling.
- 3.1.2 Although development schemes have similarities, every scheme is unique, even schemes on neighbouring sites. Market conditions broadly reflect a combination of national economic circumstances and local supply and demand factors, however even within a Borough like Camden there will be particular localities, and ultimately site specific factors, that generate different values and costs. For the purposes of this study we have used up to date market evidence to inform the price assumptions.
- 3.1.3 In October 2015, the LBC viability evidence placed market values at between **£9,688** to **£13,993** based on a combination of average sales prices transactions and market reports:
- £13,993 - Central area and Kings Cross development (High);
  - £12,379 - Central area and Kings Cross development (Medium);
  - £10,764 - Central area and Kings Cross development (Low); and
  - £ 9,688 - Zone 1 excluding Kings Cross development.
- 3.1.4 The current direction and state of the housing market has improved markedly since the housing market peaked late in 2007 (see **Figure 3**) and then fell in the 2007/2008 recession during what became known as the 'Credit Crunch'. Average house prices across England have recovered to their pre-recession peak; however, this is strongly influenced by London. Prices in London are now well in excess of the 2007/2008 peak but there is evidence of a slowing market in 2018.

**Figure 3: Average House Prices (Source: Land Registry)**



- 3.1.5 The RICS February 2018: UK Residential Market Survey<sup>15</sup>, reports that activity indicators continue to weaken. New buyer enquiries fell for the eleventh month in succession, average inventory on estate agents books have hit a record low and results continue to signal significant regional variation across the country. The survey further reports that:

*“...respondents were asked about the key factors driving demand for new build properties. At the national level, the main driver appears to be the lack of stock in the secondhand market. This is followed by the appeal of the Help to Buy scheme with developer incentives and the ‘quality’ of new homes scoring more lowly. The one region where the results are a little different is London; the shortage of existing stock is viewed as a major influence but Help to Buy is viewed as even more important.*

*The longer term indicators for sales prices and rents (over the next five years) continue to suggest that the former will increase at a slightly slower pace than the latter although in both cases, they point to growth of around 15% which would suggest an acceleration towards the end of this period given other readings from the survey.”*

## 3.2 New build prices paid

- 3.2.1 The Land Registry publishes data of all homes sold. There were 208 new homes sold between January 2016 and May 2017<sup>16</sup> in LBC<sup>17</sup>. These transactions are summarised as follows (and included in full at **Appendix A**):

**Table 1: Prices paid summary (January 2014 - December 2016)**

New build Sales 2016-17 £					
	D	S	T	F	All
Count	0	0	3	205	208
Max	-	-	1,150,000	3,280,000	3,280,000
Min	-	-	1,000,000	103,050	103,050
Mean	-	-	1,083,333	771,367	775,933
Median	-	-	1,100,000	620,000	624,000

Source: Land Registry (2014-2016)

^ The mean is the total of the numbers divided by how many numbers there are

\* The median is the middle value of a set of numbers (e.g. 1 2 **3** 4 5)

- 3.2.2 We then calculated the values on a pounds per square metre basis (£/m<sup>2</sup>) for each property by comparing prices paid with the total unit size (Gross Internal Area) of each unit sold, acquired from the Government’s Domestic Energy Performance Certificate Register<sup>18</sup>. The mean and median £/m<sup>2</sup> are summarised below and overleaf in **Table 2 and 3**.

**Table 2: Prices paid (median and mean) by type**

New build Sales 2016-17 £/m <sup>2</sup>		
	Mean £/m <sup>2</sup>	Median £/m <sup>2</sup>
Flats	12,941	12,994

<sup>15</sup> Accessed at: [https://www.rics.org/Global/2\\_WEB\\_%20February\\_2018\\_RICS\\_UK\\_Residential\\_Market\\_Survey\\_tp.pdf](https://www.rics.org/Global/2_WEB_%20February_2018_RICS_UK_Residential_Market_Survey_tp.pdf)

<sup>16</sup> Research was undertaken in October 2017 and again in March 2018. There has been no new build property transactions recorded in the database since 2016.

<sup>17</sup> London Borough of Camden – New Build Only

<sup>18</sup> Accessed at: <https://www.epcregister.com/reportSearchAddressByPostcode.html>

### 3.3 New build properties for sale

3.3.1 In addition to collecting price paid data we collected information on new build properties that were being marketed in May 2017. Prices (£/m<sup>2</sup>) ranged from between £9,797/m<sup>2</sup> for a 725,000 two bedroom flat of 74 square metres from Union Developments at Princes Park, NW5 to £26,667/m<sup>2</sup> for a £2,320,000 two bedroom flat of 87 square metres from BNP Paribas Real Estate development at the Hexagon Apartments - 43-49 Parker Street, WC2B 5PS. The average flat for sale was priced at £3,044/m<sup>2</sup> and a median of £3,009/m<sup>2</sup>. This data is set out in full in **Appendix B**.

**Table 3: For Sale Mean and Median Prices £/m<sup>2</sup> Summary (May 2017)**

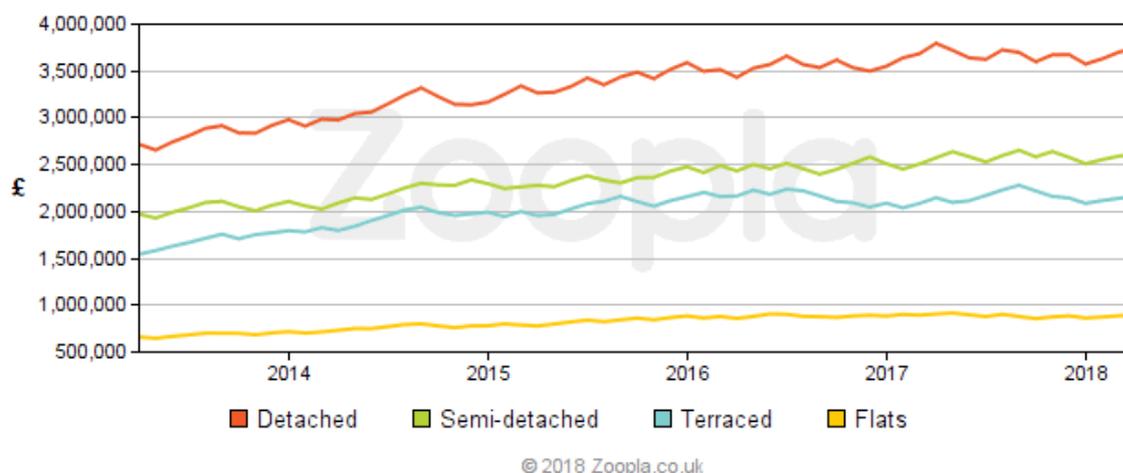
	Mean	Median
All	£16,516	£15,265

### 3.4 Second hand market

3.4.1 In addition to Land Registry price paid data and a survey of for sale prices, we have reviewed the second hand market using websites such as Zoopla and Rightmove (April 2018). This provides a useful comparison to the sales particulars and prices paid (Appendices A and B). Over the past 5 years the average price paid for property in NW1 has been £793,582 (source: Zoopla house prices tool) with an average value change of +£240,958 (+37.49%) over that 5 year period (based upon a sample of 1,853 sales, as at April 2018). The current average value for property in NW1 is estimated to be £883,594. Since April 2017 Zoopla reports a 1.3% price change decrease across all property types. This suggests the prices paid data and marketing information initially collected in May 2017 remains broadly up to date.

3.4.2 **Figure 4** shows value trends for NW1 from 2013 (a search area larger than Camley Street Neighbourhood Area).

**Figure 4: Values trends for NW1 (March 2018)**



3.4.3 Properties for sale on the open market within NW1 in April 2018 are summarised below (**Table 44**). In NW1, 536 flats were advertised for sale. Property prices using this snapshot ranged, on average, from a £578,689 for 1 bed apartments up to £3,059,000 for 5 bed apartments.

**Table 4: NW1 second hand market current asking prices April 2018**

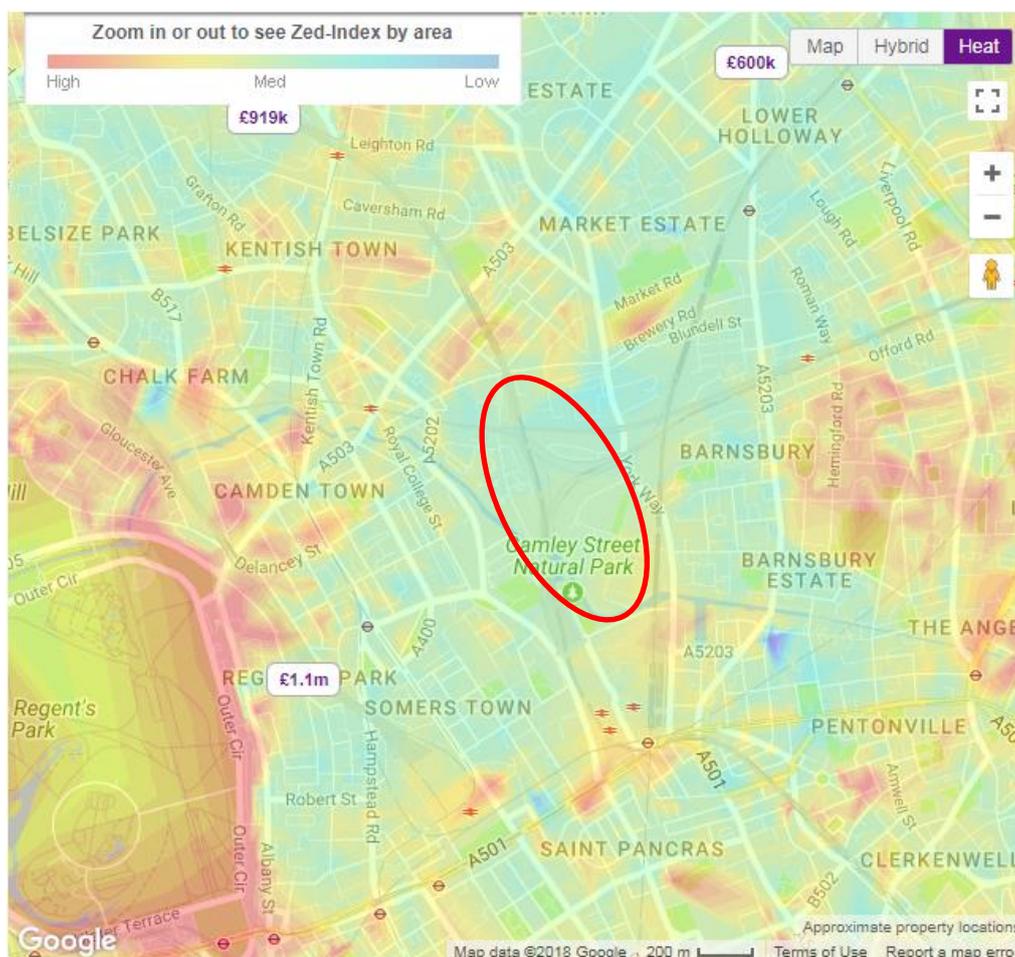
Property type	1 bed	2 beds	3 beds	4 beds	5 beds
Flats	£578,689 (143)	£909,307 (234)	£1,652,473 (117)	£1,896,590 (27)	£3,059,000 (15)

Source: Zoopla (2018)

3.4.4 Looking specifically at the Camley Street Neighbourhood Area, the least expensive dwelling advertised is a 1 bed flat for sale at £384,998 (Wrotham Road, Camden, London NW1). The most costly flat advertised within the Neighbourhood Area was a 3 bed flat within the Onyx Apartments development advertised for sale at £1,420,000 (Camley Street, King's Cross, London N1C). The Onyx Apartment is listed as 94m<sup>2</sup>, representing £15,106/m<sup>2</sup>.

3.4.5 The Zoopla heat mapping tool<sup>19</sup> (**Figure 5** below) shows that the Camley Street Neighbourhood Area house values are lower in comparison to neighbouring rural areas in the immediate vicinity. This may simply be due to a low number of transactions or more recent new build comparables coming forward in adjacent neighbourhoods.

**Figure 5: Camley Street Neighbourhood Area Values Heat Map (April 2018)**



<sup>19</sup> Zoopla use their current value estimates to generate a colour gradient overlay. Higher value areas tend towards red, and lower value areas tend towards blue. The value scale is dynamic and relative: Red in one locality may not have the same value as red in another locality, but on any given map, red is always higher value than blue.

## 3.6 Affordable housing values

- 3.6.1 In order to provide realistic affordable housing values, the study has drawn upon information for market rents (**Table 5: Market rents per calendar month (May 2017)**), social rents and affordable rents information for Camden.

**Table 5: Market rents per calendar month (May 2017)<sup>20</sup>**

	Count	Max	Min	Median
1 bed	506	4008	700	1712
2 bed	677	6500	867	2275
3 bed	211	11917	1668	2817
4+ bed	145	41167	2275	3553

- 3.6.2 Assumptions for intermediate rent (discounted market rent) are on the basis 60% of market rents, as informed by paragraphs 5.5.3 to 5.5.4 of the London Plan Viability Study (December 2017). In addition, LBC provides information on intermediate rent properties available in the Borough through Camden Living, a Council owned provider of affordable rented housing<sup>21</sup>. A development of 49 Intermediate Rented properties at Kings Cross is let for the following rents.

**Table 6: Maiden Lane, Kings Cross, NW1 - Intermediate Rents (April 2018)**

Bedrooms	Number of homes	Rent charges pcm
1 Bedroom	20	£845
2 Bedroom (3 people)	12	£932
2 Bedroom (4 people)	17	£1,625

- 3.6.3 The rents in **Table 7** broadly equate to 60% of the market rents found in Camden in May 2017. Social and affordable rents are drawn from the HCA Statistical Data Return 2016-2017<sup>22</sup> and Local Housing Allowance Rates<sup>23</sup>, all tenures summarised below.

**Table 7: Camden monthly rents summary (May 2017)**

	1 bed	2 bed	3 bed	4 bed
Market Rent	1,712.0	2,275.0	2,817.0	3,553.0
60% Market Rent	1,027.2	1,365.0	1,690.2	2,131.8
LHA Cap	1,129.4	1,310.1	1,536.0	1,807.1
HCA Aff Rent	839.8	985.8	865.4	1,069.0
HCA Social Rent	520.0	575.0	638.3	708.9

<sup>20</sup> Rightmove (7<sup>th</sup> May 2017), post code N1C 4PW (<1 mile). Long term lets only and house share and retirement excluded.

<sup>21</sup> Accessed at: <http://camdenliving.co.uk/development/maiden-lane/>

<sup>22</sup> Accessed at: <https://www.gov.uk/government/collections/statistical-data-return-statistical-releases>

<sup>23</sup> Accessed at: <https://lha-direct.voa.gov.uk>

3.6.5 In order to translate the above rental information into values (£/m<sup>2</sup>) it is necessary to calculate the annual rent (net of management costs, voids, repairs etc.) and then capitalise the net annual rent assuming an appropriate yield (see below **Table 8: Affordable Rent, Social Rent and Intermediate Rent values analysis**). The below figures reflect yields of 5% to 5.5%:

**Table 8: Affordable Rent, Social Rent and Intermediate Rent values analysis (May-December 2017)**

<b>Local Housing Allowance Rates</b>	Per Week	Per Month	Per Year
One Bedroom Rate	£260.64	£1,129.44	£13,553.28
Two Bedrooms Rate	£302.33	£1,310.10	£15,721.16
Three Bedrooms Rate	£354.46	£1,535.99	£18,431.92
Four Bedrooms Rate	£417.02	£1,807.09	£21,685.04

<b>Capitalisation of Affordable Rents</b>	1 bed	2 bed	3 bed	4 bed
Assumed AR	£13,553.28	£15,721.16	£18,431.92	£21,685.04
Net Rent	£10,842.62	£12,576.93	£14,745.54	£17,348.03
Value	£197,138.62	£228,671.42	£268,100.65	£315,418.76
m2	50	70	86	99
£/m2	£3,942.77	£3,266.73	£3,117.45	£3,186.05

<b>Camden Social Rents</b>	Per Week	Per Month	Per Year
One Bedroom Rate	£124.77	£540.67	£6,488.04
Two Bedrooms Rate	£140.65	£609.48	£7,313.80
Three Bedrooms Rate	£132.99	£576.29	£6,915.48
Four Bedrooms Rate	£142.82	£618.89	£7,426.64

<b>Capitalisation of Social Rents</b>	1 bed	2 bed	3 bed	4 bed
Assumed AR	£6,488.04	£7,313.80	£6,915.48	£7,426.64
Net Rent	£5,190.43	£5,851.04	£5,532.38	£5,941.31
Value	£103,808.64	£117,020.80	£110,647.68	£118,826.24
m2	50	70	86	99
£/m2	£2,076.17	£1,671.73	£1,286.60	£1,200.27

<b>Intermediate Rent</b>	Per Week	Per Month	Per Year
One Bedroom Rate	£237.05	1027.2	£12,326.40
Two Bedrooms Rate	£315.00	1365	£16,380.00
Three Bedrooms Rate	£390.05	1690.2	£20,282.40
Four Bedrooms Rate	£491.95	2131.8	£25,581.60

<b>Capitalisation of Intermediate Rent</b>	1 bed	2 bed	3 bed	4 bed
Assumed AR	£12,326.40	£16,380.00	£20,282.40	£25,581.60
Net Rent	£9,861.12	£13,104.00	£16,225.92	£20,465.28
Value	£179,293.09	£238,254.55	£295,016.73	£372,096.00
m2	50	70	86	99
£/m2	£3,585.86	£3,403.64	£3,430.43	£3,758.55

## 3.7 Price Assumptions for Financial Appraisals

- 3.7.1 The preceding analysis does not reveal simple clear patterns with sharp boundaries for particular areas found in and around the neighbourhood area. However, it can be assumed that market values are in the region of £9,500-16,500/m<sup>2</sup>.
- 3.7.2 We have used the current asking prices from active new build developments, the general pattern of all house prices across the study area (including analysis of prices paid and the second hand market) and existing research from LBC to form a view on the price assumptions to be used in the appraisal to calculate a Gross Development Value. For the shared ownership, LBC's appointed viability consultants had previously made comments on an interim version of this study. It was felt that when assuming the higher income threshold and reflecting the number of larger units the average values, based on our Shared ownership units, should be in the order of £3,882 per sqm. This figure was adopted for the modelling.
- 3.7.3 The prices are reflective of today's values for Camden and comparable surrounding areas and have been informed by market values to reality check the assumptions. It is important to note at this stage these professional judgements are broad brush for the purposes of a high level study to test the CSSZ proposals being considered by the CSNF, as required by the NPPF, and to inform the emerging NDP. The values between new developments and within new developments will vary considerably in reality based on location, situation, unit type and the state of the market at the point of marketing the properties.
- 3.7.4 The Harman Guidance advises that viability testing should use current prices; we have used the following price assumptions for this study in **Table 9** below.

**Table 9: Price assumptions**

Type	Price £/m <sup>2</sup>	m <sup>2</sup>	Price £/unit
1 bed Flat - Market	12,900	50	£645,000
2 bed Flat - Market	12,900	70	£903,000
3 bed Flat - Market	12,900	86	£1,109,400
4 bed Flat - Market	12,900	99	£1,277,100
1 bed Flat - Shared Ownership	3,882	50	£194,100
2 bed Flat - Shared Ownership	3,882	70	£271,740
3 bed Flat - Shared Ownership	3,882	86	£333,852
4 bed Flat - Shared Ownership	3,882	99	£384,318
1 bed Flat - Intermediate Rent	3,600	50	£180,000
2 bed Flat - Intermediate Rent	3,600	70	£252,000
3 bed Flat - Intermediate Rent	3,600	86	£309,600
4 bed Flat - Intermediate Rent	3,600	99	£356,400
1 bed Flat - Affordable Rent	3,400	50	£170,000
2 bed Flat - Affordable Rent	3,400	70	£238,000
3 bed Flat - Affordable Rent	3,400	86	£292,400
4 bed Flat - Affordable Rent	3,400	99	£336,600
1 bed Flat - Social Rent	1,600	50	£80,000
2 bed Flat - Social Rent	1,600	70	£112,000
3 bed Flat - Social Rent	1,600	86	£137,600
4 bed Flat - Social Rent	1,600	99	£158,400

## 4 Modelling Assumptions

4.1.1 This chapter considers the main assumptions required to produce financial appraisals for the modelled sites.

### 4.2 Commercial rents and yields

4.2.1 Assumptions for the office and industrial elements are drawn from CoStar, April 2017 (see **Appendix C**); and Knight Frank's Yield Guide (April 2018)<sup>24</sup>. The latter estimates that Warehouse & Industrial Space secondary estates have a yield of 5.75% (this would be reflective of the industrial estates in their current form), whereas Prime Distribution/Warehousing is between 4% to 4.25%. In arriving at appropriate values for the CSSZ the information for the Northern Fringe has been preferred.

### 4.3 Gross site area and net developable area

4.3.1 The gross site area is 2.73 hectares measured on the basis of the two main development parcels (below left). The net developable area of 1.3 hectares is based upon concept plans prepared by the CSNF's architects (below right).

**Figure 6: CSSZ Gross site area and proposed net developable area**



(Source: AECOM / Karakusevic Carson Architects)

<sup>24</sup> Accessed at: <http://content.knightfrank.com/research/522/documents/en/investment-yield-guide-april-2018-5428.pdf>

## 4.4 Policy costs

- 4.4.1 The Regulation 14 draft of the NDP includes a series of policy requirements over and above the extant Development Plan. **Table 10** below assesses whether any of the policies would incur additional development costs over and above building regulations applying a RAG score:

**Table 10: NDP policy analysis**

NDP Policy	Policy Cost
Policy EM1 Employment	EM1 (c) and (d) encourage the delivery of small commercial units and affordable work space. This would result in low rents. However, it is assumed that such units would be ancillary to larger commercial facilities.
Policy SI1 Social infrastructure	No additional costs.
Policy HO1 Housing	A minimum of 50% affordable housing requirement is consistent with extant LBC policy. The aspiration for 100% affordable units will have viability implications; a traditional developer would not be able to deliver 100% affordable housing.
Policy HO2 Housing	The policy seeks to avoid mono-use housing tenures, namely student accommodation. No additional costs.
Policy PRG11 Public realm and green infrastructure	Good design should not result in additional costs.
PRG12 Public Realm and Green Infrastructure	No additional costs for Local Green Space Designation.

## 4.5 Housing types and tenures

- 4.5.1 Extant LBC policy requires 50% affordable housing on all schemes with capacity for 25 or more additional dwellings. LBC Local Plan Policy H4 (a) includes a guideline mix of affordable housing types as 60% social/affordable rented housing and 40% intermediate housing. For simplicity we have assumed a capitalised value (£/m<sup>2</sup>) for all affordable products:
- **Social Rent:** The value of a rented property is strongly influenced by the passing rent – although factors such as the condition and demand for the units also have a strong impact. Social Rents are set at a local level through a national formula that smooths the differences between individual properties and ensures properties of a similar type pay a similar rent. This is a simplification of the reality but appropriate in the context of a high level study.
  - **Affordable Rent:** Affordable Rent can be charged at 80% of the full open market rent. However, this would not be affordable for most residents in Camden. It is assumed that, because a typical affordable rent unit will be new, it will command a premium rent that is a little higher than equivalent older private sector accommodation. On this basis it is assumed that affordable rented property is based upon Local Housing Allowance levels.
  - **Intermediate Products for Sale/Rent:** Intermediate products for sale include shared ownership and shared equity products. It also includes intermediate rent (discounted market rent).
- 4.5.2 Policy H7 of the LBC Local Plan seeks to ensure that all housing development contributes to meeting the priorities set out in the Dwelling Size Priorities **Table 11**; and includes a mix of large and small dwellings. The above evidence has been used to make assumptions on the indicative housing mix to be modelled. This approach is consistent with the emerging NDP's housing mix policies also.

**Table 11: LBC Dwelling Size Priorities Table**

	1-bedroom (or studio)	2-bedroom	3-bedroom	4-bedroom (or more)
Social-affordable rented	lower	high	high	medium
Intermediate affordable	high	medium	lower	lower
Market	lower	high	high	lower

- 4.5.3 In recent years, Homes England and Local Planning Authorities (LPAs) have aspired to ensure that affordable housing is delivered via s106 without grant and we have assumed that no grant is available.
- 4.5.4 The modelling has been appraised on the basis of varying affordable housing scenarios and different levels of developer's profit. The latter is in order to test potential impacts of non-traditional development models (e.g. a community land trust), that would not take a traditional profit from the scheme upon the sale of all units and transfer to a registered provider. Rather a long term interest would be expected which could potentially deliver a higher level of affordable housing, as per draft CSNF NDP policy.

## 4.6 Construction costs

- 4.6.1 Construction costs based upon advice from AECOM's Program Cost Consultancy (May 2017) who are working on similar sites in Camden and checked against BCIS. Traditional Exclusions apply (Professional Fee's, VAT, Site Costs, Demolition works and basements). All rates are current day and exclude future inflations. Good quality residential design economics assumed. A blended residential cost of **£3,014/m<sup>2</sup>** – which is assumed to be tenure blind and an affordable fit out for part of each block, consisting of 8 – 14 storeys each with shared services and a net to gross adjustment 25%. Office costs are assumed at £1,750/m<sup>2</sup>; and Industrial costs £1,300/ m<sup>2</sup> with a net to gross of 13%. External are assumed 7% and Infrastructure/services are £6,500/unit.

## 4.7 Professional Fees

- 4.7.1 The LBC Viability Study assumed professional fees of 10-12% of costs, depending on the complexity of the development. 12% has been adopted in the modelling.

## 4.8 Contingencies

- 4.8.1 The Viability Study assumed a generic average of 5% contingency (see Glossary). This is to account for risk relating to a specific scheme and will vary from site to site.

## 4.9 S106 Contributions and Community Infrastructure Levy

- 4.9.1 The following assumptions are based upon the Mayoral CIL, LBC CIL and residual s106 costs indexed to 4Q 2016 on the basis of advice from LBC (as at May 2017). Due to the rigid nature of the HCA DAT, some these charges are blended together on the same line in the model.
- Residential CIL £336/m<sup>2</sup>;
  - Residential s106 £2,000/unit; and
  - Commercial CIL £114/m<sup>2</sup>

## 4.10 VAT

- 4.10.1 For simplicity it has been assumed throughout, that either VAT does not arise, or that it can be recovered in full. Costs in this report are deemed net of vat as all vat on new build is recoverable including for site clearance and demolition if let as part of the development contract.

## 4.11 Interest rate

- 4.11.1 Our appraisals assume 7% per annum for debit balances (the cost of borrowing money from the lender). This may seem high given the very low base rate figure (0.5% March 2018), but reflects banks' view of risk for housing developers. In the appraisal we have prepared a simple cash flow to calculate interest. We accept that is a simplification however, due to the high level and broad brush nature of this analysis, we believe that it is appropriate. Credit balance reinvestment is assumed at 2.5%

## 4.12 Voids

- 4.12.1 On a scheme comprising mainly of individual houses one would normally assume only a nominal void period (the time that elapses before income is accrued by the developer) as the housing would not be progressed if there was no demand. In the case of apartments in blocks this flexibility is reduced. Whilst these may provide scope for early marketing, the ability to tailor construction pace to market demand is more limited. For the purpose of the present study a three month void period is assumed for all residential.

## 4.13 Phasing and timetable

- 4.13.1 Each dwelling is assumed to be built over a nine month period. The phasing programme for an individual site will reflect market take-up and would, in practice, be carefully estimated taking into account the site characteristics and, in particular, the size and the expected level of market demand. We have developed a suite of modelled assumptions to reflect site size and development type.
- 4.13.2 Average sales rate for each site of between 2 and 4 per month, depending on the size of the development and location, with the first sales taking place 5 months after a start on site.

- 4.13.3 The rate of delivery will be an important factor when LBC is considering the release of sites so as to manage the delivery of housing and infrastructure. We have considered two aspects, the first is the number of outlets<sup>25</sup> that a development site may have (land in control of one developer), and secondly the number of units that an outlet may deliver.
- 4.13.4 It is assumed a maximum delivery rate of 30-50 market units per year per outlet. On smaller sites slower rates are assumed to reflect the nature of the developer likely to bring smaller sites forward.
- 4.13.5 We believe that these are conservative and do, properly, reflect current practice. This is the appropriate assumption to be in line with the PPG and Harman Guidance.

## 4.14 Site holding costs and receipts

- 4.14.1 Each site is assumed to proceed immediately and so, other than interest on the site cost during construction, there is no allowance for holding costs, or indeed income, arising from ownership of the site.

## 4.15 Site purchase costs

- 4.15.1 Site purchase costs are set at 1.00% and legal fees of 0.75%. Stamp Duty Land Tax is calculated at the prevailing rates (as at March 2018).

## 4.16 Sales and marketing costs

- 4.16.1 For the market and the affordable housing, sales agents fees are assumed at 1.25% of private sale values. Legal fees of £500 per unit and marketing costs of £1,000 per private unit. Disposal costs of affordable housing can be reduced significantly in the real world depending on the type of product so in fact the marketing and disposal of the affordable element is probably less expensive than this in reality. This is not represented in the modelling but is one contributing factor to the lower developer's return assumption for affordable housing.

## 4.17 Developer's profit

- 4.17.1 An allowance needs to be made for developers' profit / return and to reflect the risk of development. We have considered the RICS's 'Financial Viability in Planning' (August 2012)<sup>26</sup>, the Harman Guidance Viability Testing Local Plans, Advice for planning practitioners (June 2012), and referred to the HCA's Economic Appraisal Tool. None of these documents are prescriptive, but they do set out some different approaches.
- 4.17.2 The Harman Guidance says:

### ***Return on development and overhead***

*The viability assessment will require assumptions to be made about the average level of developer overhead and profit (before interest and tax).*

<sup>25</sup> A large site would typically involve multiple developers who would be active at any one time. The precise number of active sales outlets at any one time could vary, but would typically start with a few for big sites (especially when creating a new 'place') and increase over time to a steady state. How many active outlets exist on one site will vary depending on:

- The location, nature and scale of the site, as well as its layout and phasing approach. This will influence how many separate housebuilders could be on site at any one time;
- The scale of demand within the wider housing market, General economic conditions such as job security and job mobility, and general consumer confidence about buying/moving, as well as mortgage availability;
- The business strategy and physical capacity of the homebuilder, Each housebuilder would build out units at a rate that fits their business plan, and short/long term approach to their strategic land portfolios; and
- The type and variety of products, pricing, and extent of competition from other properties for sale both within the site itself and wider geographic area.

Some of the larger national builders can even operate more than one outlet off a single site, and running these as entirely separate construction and sales outlets under different brands or aimed at different market segments.

<sup>26</sup> Accessed at: <http://www.rics.org/Documents/Financial%20viability%20in%20planning.pdf>

*The level of overhead will differ according to the size of developer and the nature and scale of the development. A 'normal' level of developer's profit margin, adjusted for development risk, can be determined from market evidence and having regard to the profit requirements of the providers of development finance. The return on capital employed (ROCE) is a measure of the level of profit relative to level of capital required to deliver a project, including build costs, land purchase, infrastructure, etc.*

*Appraisal methodologies frequently apply a standard assumed developer margin based upon either a percentage of Gross Development Value (GDV) or a percentage of development cost. The great majority of housing developers base their business models on a return expressed as a percentage of anticipated gross development value, together with an assessment of anticipated return on capital employed. Schemes with high upfront capital costs generally require a higher gross margin in order to improve the return on capital employed. Conversely, small scale schemes with low infrastructure and servicing costs provide a better return on capital employed and are generally lower risk investments. Accordingly, lower gross margins may be acceptable.*

*This sort of modelling – with residential developer margin expressed as a percentage of GDV – should be the default methodology, with alternative modelling techniques used as the exception. Such an exception might be, for example, a complex mixed use development with only small scale specialist housing such as affordable rent, sheltered housing or student accommodation.*

4.17.3 At the Shinfield appeal<sup>27</sup> (January 2013) the inspector considered this specifically saying:

***Developer's profit***

*43. The parties were agreed that costs [i.e. developer profit] should be assessed at 25% of costs or 20% of gross development value (GDV). The parties disagreed in respect of the profit required in respect of the affordable housing element of the development with the Council suggesting that the figure for this should be reduced to 6%. This does not greatly affect the appellants' costs, as the affordable housing element is 2%, but it does impact rather more upon the Council's calculations.*

*44. The appellants supported their calculations by providing letters and emails from six national housebuilders who set out their net profit margin targets for residential developments. The figures ranged from a minimum of 17% to 28%, with the usual target being in the range 20-25%. Those that differentiated between market and affordable housing in their correspondence did not set different profit margins. Due to the level and nature of the supporting evidence, I give great weight [to] it. I conclude that the national housebuilders' figures are to be preferred and that a figure of 20% of GDV, which is at the lower end of the range, is reasonable.*

4.17.4 Broadly there are five different approaches that could be taken:

- To set a different rate of return on each site to reflect the risk associated with the development of that site. This would result in a lower rate on the smaller and simpler sites – such as the greenfield sites, and a higher rate on the brownfield sites.
- To set a rate for the different types of unit produced – say 20% for market housing and 6% for affordable housing, as suggested by the HCA.
- To set the rate relative to costs and thus reflect risks of development.
- To set the rate relative to the development's Gross Development Value (as normally preferred by developers e.g. 20% of GDV).

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<sup>27</sup> APP/X0360/A/12/2179141 (Land at The Manor, Shinfield, Reading RG2 9BX)

- To set a lower rate of return on the assumption that a long term interest is retained in the site.

4.17.5 In deciding which option to adopt, it is important to note that we are not trying to re-create any particular developer's business model. Different developers will always adopt different models and have different approaches to risk. The Viability Study (2015) adopted a profit level based of 20% of GDV (inclusive of overheads) for market housing, 6% for affordable housing and 15% for commercial elements - our modelling uses the same agreed approach. The modelling also incorporates a degree of sensitivity testing to ascertain what might be possible under a non-traditional development model.

## 4.18 Landowner's return (EUV+)

4.18.1 In order to assess development viability, it is necessary to analyse Existing Use Values (EUV) i.e. the value of the land in its current use before planning consent is granted, in this case, as industrial land. Alternative Use Values (AUV) refers to any other potential use for the site that doesn't require planning permission that is realistically achievable.

4.18.2 For the purpose of the study, it is necessary to take a comparatively simplistic approach to determining the EUV/AUV. In practice, a wide range of considerations could influence the precise value that should apply in each case, and at the end of extensive analysis the outcome might still be contentious. For sites previously in agricultural use, then agricultural land represents the existing use value.

4.18.3 The results from appraisals (the Residual Value) are compared with the EUV set out above in order to form a view about the sites' viability. This is a controversial part of the viability process and the area of conflicting guidance between the Harman Guidance and the RICS Guidance. In the context of this report it is important to note that it does not automatically follow that, if the Residual Value produces a surplus over the EUV, the site is viable. The land market is more complex than this and as recognised by paragraph 173 of the NPPF, the landowner and developer must receive a 'competitive return'. The PPG includes a definition of land value as follows:

### **Land Value**

*Central to the consideration of viability is the assessment of land or site value. The most appropriate way to assess land or site value will vary but there are common principles which should be reflected.*

*In all cases, estimated land or site value should:*

- *reflect emerging policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge;*
- *provide a competitive return to willing developers and land owners (including equity resulting from those building their own homes); and*
- *be informed by comparable, market-based evidence wherever possible. Where transacted bids are significantly above the market norm, they should not be used as part of this exercise.*

PPG ID: 10-014-20140306

- 4.18.4 It is clear that for land to be released for development, the Plus/uplift/premium over the EUV needs to be sufficiently large to provide an incentive to the landowner to release the site and cover any other appropriate costs required to bring the site forward for development. It is therefore appropriate and an important part of this assessment to have regard to the potential market value of land.
- 4.18.5 The reality of the market is that each and every landowner has different requirements and different needs and will judge whether or not to sell by their own criteria. In this instance the landowner is LBC which both has a duty to deliver sustainable and also to achieve best value as a public sector body. We therefore have to consider how large such an 'uplift' or 'premium' (above EUV) should be to broadly provide a competitive return. The assumptions must be a generalisation as in practice the size of the uplift will vary from case to case depending on how many landowners are involved, each landowner's attitude and their degree of involvement in the current property market, the location of the site and so on. Nationally it is typical that a 20-30% increase about the EUV for industrial/residential land would be sufficient to induce a 'reasonable' landowner to sell their site.
- 4.18.6 The approach adopted aligns with the Harman Guidance and Planning Advisory Service (PAS) advice and has been subject to scrutiny at examination hearings. The EUV+ approach was endorsed by the Planning Inspector who approved the London Mayoral CIL Charging Schedule in January 2012<sup>28</sup> and continues to be accepted by the Inspectorate for the purposes of plan making.
- 4.18.7 Based on AECOM research the Existing Use Value of the gross CSSZ site is in the region of £12-30m (depending on the yield assumed). As part of this study a request was sent to LBC for the most recent valuation of the landholding to help act as a benchmark. The response from LBC stated the following:
- *It would not be appropriate to adopt historic valuations carried out for accounting purposes as being the existing use value of the sites.*
  - *LBC carries out revaluations on a 5 year rolling programme, not annually, and the last valuation of Cedar Way was 04/2014 - values have risen substantially since then (for 120-136 Cedar Way)*
  - *The site [CSSZ] shown includes the Booker site and 108-114 Camley St which have been sold by LBC on long leases so LBC's freehold asset valuation is not relevant as it does not show the true existing use value*
  - *Existing use value could also reflect potential to develop additional B1/2/8 space which has not been reflected in the asset valuations*
  - *The current rental profile of Cedar way and 120-136 has been significantly depressed due to the uncertainty of redevelopment with most tenants not having security of tenure. The passing rents would be enhanced if the lease length and security assumed normal commercial terms. This also impacts on the Rateable Values which will reflect passing rents*
- 4.18.8 This was a helpful clarification from LBC and it is true that valuations from 2014 would unlikely to be the most accurate means to inform the present day EUV. However, the final two bullet points (above) are not relevant for the purposes of plan making viability testing which assesses the EUV of the land in its current use and state. This approach is also propounded in the Mayor's SPG (our **emphasis**): *'The EUV should be fully justified based on the income generating capacity of the existing use with reference to comparable evidence on rents, which excludes any hope value associated with development on the site or alternative uses.'*
- 4.18.9 Feedback from Camden's viability consultants in May 2017 advised that adopting the Viability Study (2015) benchmarks would not be suitable given the rise in values and rents locally (echoing similar points made by LBC's estates team). Specifically, the Benchmark Land Value 4 (BLV 4) which relates to the value of a hectare of industrial land in Camden (valued in August 2015 at £9,973,000/Ha including a 20% premium) would be too low based on May 2017 conditions.

<sup>28</sup> Paragraphs 7 to 9 of Report On The Examination Of The Draft Mayoral Community Infrastructure Levy Charging Schedule by Keith Holland BA (Hons) DipTP MRTPI ARICS an Examiner appointed by the Mayor Date: 27<sup>th</sup> January 2012

- 4.18.10 Based upon two rent scenarios, £9.53 per sq ft and £12 per sq ft, LBC's viability consultants advised that the EUV could potentially be between £11,329,771 and £14,601,018 (gross/Ha) - approximately £13,596,000 to £17,522,000 (gross/Ha) inclusive of a 20% premium. This would equate to a EUV+ of approximately £36.8m to £47.7m for the whole of the CSSZ.
- 4.18.11 In light of the above analysis it was recommended that AECOM reconsider the approach to calculating the benchmark land value, which could include: (1) Assessing the value of the specific site in question that the hypothetical site is being developed on using such sources of information as the Valuation Office Agency's rating valuation and capitalising this figure at an appropriate yield and including a premium to this figure; or (2) using a simple calculation such as that undertaken by Viability Study (2015) BLV 4, but allowing for site/area specific appropriate assumptions.
- 4.18.12 Following this advice, we have undertaken a review of the Valuation Office Agency's rating valuation and capitalised the records of 33 properties found within the CSSZ on the basis of a 7% yield (as utilised for BLV4 and representing a suitable yield for second hand industrial units on the lease terms in place for the majority of Cedar Way and Camley Street (see **Appendix D**))
- 4.18.13 In addition to the VOA analysis, the CSNF have conducted a detailed survey of commercial leases in the CSSZ. This information is summarised and redacted (for commercial reasons) and capitalised at the same 7% yield (see Appendix D). This analysis produces a gross site EUV of £12,478,853 (on the basis of the current rents for the 24 properties surveyed). Adding a 20% premium to the gross capitalised results in a EUV+ of £14,974,623 for the CSSZ. This provides a proxy EUV+/Net Hectare of £11,518,941 (on the basis of a net developable area of 1.3 hectares).
- 4.18.14 On the basis of the lease analysis, VOA analysis and updates to BLV4 provided by LBC's viability consultant - the following ranges are evident in **Table 12** below.

**Table 112: EUV and EUV+ summary**

Camley Street Sustainability Zone EUV/EUV+	Value Range (rounded)	Mid-Point (rounded)
EUV (Gross Site 2.73Ha)	£12,400,000 to £39,900,000	£26,150,000
EUV/Gross Ha	£4,500,000 to 14,600,000	£9,550,000
EUV+ 20% (Gross Site 2.73Ha)	£14,900,000 to £47,700,000	£31,300,000
EUV+20%/Gross Ha	£5,400,000 to 17,500,000	£11,450,000
EUV+20%/Net Ha	£11,500,000 to £36,800,000	£24,150,000

4.18.15 Care has to be taken drawing on general figures without understanding the wider context and other assumptions but generally the assumptions used in this work are within the range expected for second hand Industrial land in London. It is important to appreciate that assumptions on EUV+ can only be broad approximations, subject to a wide margin of uncertainty. We take account of this uncertainty in drawing conclusions and recommendations from our analysis and the appraisals.

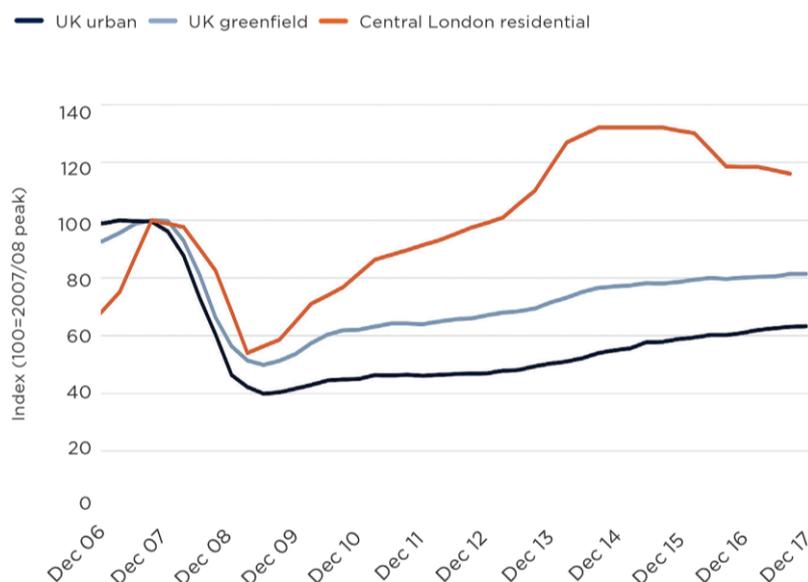
4.18.16 In addition to this local evidence, the Department for Communities and Local Government (now MHCLG) published *Land value estimates for policy appraisal* (December 2015)<sup>29</sup>. This states that estimated value of a typical residential site in Camden is £41,600,000/hectare (on the basis of post permission residential land value estimates). The valuations have been undertaken using a truncated residual valuation model. The purpose of these values is to use in appraising public sector land projects from a social perspective, in line with HM Treasury Green Book principles. The values assume nil Affordable Housing provision, CIL or s106/s278. This means that they should not be seen as estimates of market values. The figures provided are appropriate to a single, hypothetical site and should not be taken as appropriate for all sites in the locality. However, this data is a useful for benchmarking purposes.

4.18.17 The same publication provides an estimated value of a typical industrial site in London at £2,733,000/Ha. The value estimates for industrial land can be used to proxy alternative use value for developments on brownfield land. These are provided for hypothetical sites in England assuming:

- A typical urban, brownfield location, with nearby uses likely to include later, modern residential developments;
- All services are assumed available to the edge of the site;
- Use is restricted to industrial/warehouse and full planning consent is in place;
- There are no abnormal site constraints or contamination and/or remediation issues; and
- Any liability for the Community Infrastructure Levy, even where it was Planning Policy as at 1 January 2014, has been excluded.

4.18.18 Savills', in *Market in Minutes - UK residential development land* (January 2018)<sup>30</sup>, produced a land value growth chart plotting land value growth for UK urban and Central London Residential land since the 2007/08 peak (**Figure 7** below) to plot trends in the land market.

**Figure 7: Savills land value growth since 2007/08 peak**



<sup>29</sup> Accessed at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/488041/Land\\_values\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/488041/Land_values_2015.pdf)

<sup>30</sup> Accessed at: <http://pdf.euro.savills.co.uk/uk/market-in-minute-reports/uk-residential-development-land-january-2018.pdf>

4.18.19 On the basis of the evidence available it is considered that the mid-point figures in **Table 112:** EUV and EUV+ summary provide a useful proxy for a EUV+ to be compared to the residual values produced by the appraisals (see summary in Table 13 overleaf). The HCA Development Appraisal Toolkit produces results on the basis of the gross site and gross hectares i.e. the developer is required to purchase all of the land including land that would be required for public open space, SUDs, social infrastructure etc.

## 4.19 Assumptions summary

4.19.1 The below **Table 13** brings together the main assumptions discussed so far into one place.

**Table 123 Modelling and site assumptions summary sheet**

Input	Value / Cost																				
Sales values per square metre	£12,900 – Market units £3,882 – Shared Ownership £3,600 – Intermediate Rent £3,400 – Affordable Rent £1,600 – Social Rent £350 Ground Rents																				
Site mix	<table border="1"> <thead> <tr> <th></th> <th>1-bedroom (or studio)</th> <th>2-bedroom</th> <th>3-bedroom</th> <th>4-bedroom (or more)</th> </tr> </thead> <tbody> <tr> <td>Social-affordable rented</td> <td>lower</td> <td>high</td> <td>high</td> <td>medium</td> </tr> <tr> <td>Intermediate affordable</td> <td>high</td> <td>medium</td> <td>lower</td> <td>lower</td> </tr> <tr> <td>Market</td> <td>lower</td> <td>high</td> <td>high</td> <td>lower</td> </tr> </tbody> </table>		1-bedroom (or studio)	2-bedroom	3-bedroom	4-bedroom (or more)	Social-affordable rented	lower	high	high	medium	Intermediate affordable	high	medium	lower	lower	Market	lower	high	high	lower
	1-bedroom (or studio)	2-bedroom	3-bedroom	4-bedroom (or more)																	
Social-affordable rented	lower	high	high	medium																	
Intermediate affordable	high	medium	lower	lower																	
Market	lower	high	high	lower																	
Unit sizes	As per national space standards																				
Build costs	Residential - £3,014 per sq m Office - £1,750 per sq m Industrial - £1,300 per sq m																				
Site preparation / External Costs	12% externals 2% Infrastructure/services																				
Professional fees	12% of build costs for residential 10% on costs for commercial																				
Contingency	5% of build costs																				
Over extras	N/A – High base build costs and externals																				
Site purchase costs (based on residual land value)	6.8% which accounts for VAT on legal and agents fees; and SDLT.																				
Sales fees	3.5% sales fee (accounting for 0.5% legal fees added – due to HCA DAT setup) 1.5% sales/legals fees for commercial																				
Letting fees	Commercial – 10% letting fees 5% legal fees																				
Developer's profit	20% of Gross Development Value of Market Units 6% of Gross Development Value of Affordable Units 15% of Gross Development Value of commercial elements																				
Finance costs	7% per annum Credit balance reinvestment is assumed at 2.5%																				
Phasing and timetable	30-50 units per year Average sales rate of between 2 and 4 per month First sales 5 months after start																				
S106 / CIL costs	Residential s106 - £2,000 per unit Residential £336 per sq m Commercial £114 per sq m																				
Affordable housing %	50%																				
Affordable housing tenure	60% social/affordable rented housing and 40% intermediate housing																				
EUV+	EUV+ 20% (Gross Site 2.73Ha) ~£31,300,000 EUV+20%/ Gross Ha ~£11,450,000 EUV+20%/Net Ha ~£24,150,000																				

## 5 Appraisal results and conclusions

- 5.1.1 This chapter presents the results of residual appraisal (the detailed appraisal summary sheets are provided in **Appendix E** to this report). Development appraisals for the modelled site have utilised the HCA's Development Appraisal Tool, a spread sheet-based financial analysis package publicly available online<sup>31</sup>.
- 5.1.2 The appraisals use the residual valuation approach – that is, they are designed to assess the value of the land after taking into account the costs of development, the likely income from sales and/or rents and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for this value to exceed the EUV+.
- 6.1.1 The development appraisal model builds in the build costs, abnormal costs, and infrastructure costs and financial assumptions for the scheme. The results are summarised in this section deploying a colour coded Red, Amber, Green scoring:
- **Green Viable** – where the Residual Value per hectare exceeds the indicative EUV+ (Threshold Land Value) per hectare (being the Existing Use Value plus the appropriate uplift or premium to provide a competitive return for the landowner).
  - **Amber Marginal** – where the Residual Value per hectare exceeds the Existing Use Value or Alternative Use Value, but not the EUV+ per hectare. These sites should still be considered unviable when measured against the test set out – however depending on the nature of the site and the owner it may come forward with some amendments if it is close to the EUV+.
  - **Red Non-viable** – where the Residual Value does not exceed the EUV or EUV+. These sites should not be considered deliverable and the Qualifying Body should consider carefully if it developable during the entire plan period.
- 6.1.2 Plan-wide viability testing is not an exact science. The process is based on high level modelling and assumptions and development costs and assumptions. The process adopted by many developers is similar, hence the use of contingency sums, external site cost allowances, the competitive return assumptions for the developer (20% of GDV) and the generally cautious approach e.g. 5% contingency. The landowner's return (EUV+) has drawn upon a variety of sources and sought to reflect actual rents, current site conditions and lease terms and data from LBC's viability consultants, CoStar, VOA and real estate market reports.
- 6.1.3 Whilst a scheme may be shown as viable, a change in construction costs or drop in prices could make the scheme unviable. Tenure balancing, densification and/or lower policy requirements could potentially be used to provide an additional viability cushion. It is our view that the NDP can be adjudged to be deliverable in the plan making context on the basis of the results. The results are shown on the basis of the gross site residual value (the maximum that could theoretically be paid to the landowner); and per hectare basis (for the purposes of testing it against the LBC EUV+ and comparison between sites).

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<sup>31</sup> Accessed at: <https://www.gov.uk/government/publications/development-appraisal-tool>

**Table 134: Affordable Housing 50% (60/40 tenure split Affordable Rent/Intermediate)**

Developer's Profit	EUV	EUV+ (EUV+/Net Ha)	Affordable Rent / Intermediate Rent		Affordable Rent / Shared Ownership	
			Gross Site	Per Net Ha	Gross Site	Per Net Ha
<b>20% of GDV</b>	26,150,000	31,300,000 (21,450,000)	£22,812,047	£17,547,728	£24,951,183	£19,193,217
<b>15% of GDV</b>	26,150,000	31,300,000 (21,450,000)	£32,794,576	£25,226,596	£34,933,713	£26,872,086
<b>6% of GDV</b>	26,150,000	31,300,000 (21,450,000)	£50,674,452	£38,980,347	£52,811,942	£40,624,570

**Table 145: Affordable Housing 50% (50/50 tenure split Affordable Rent/Intermediate)**

Developer's Profit	EUV	EUV+ (EUV+/Net Ha)	Affordable Rent / Intermediate Rent		Affordable Rent / Shared Ownership	
			Gross Site	Per Net Ha	Gross Site	Per Net Ha
<b>20% of GDV</b>	26,150,000	31,300,000 (21,450,000)	£23,533,704	£18,102,849	£26,184,006	£20,141,543
<b>15% of GDV</b>	26,150,000	31,300,000 (21,450,000)	£33,551,375	£25,808,750	£36,201,677	£27,847,443
<b>6% of GDV</b>	26,150,000	31,300,000 (21,450,000)	£51,493,992	£39,610,763	£54,142,254	£41,647,887

## 6 Summary and recommendations

- 6.2.1 The modelling (see **Appendix E**) adopts a conservative approach to the assumptions, in some cases the costs may be cheaper following detailed design and investigations accompanying a future planning application(s). In addition, there are recent examples of market units being advertised within the Neighbourhood Area in excess of the assumed market value of £12,900/m<sup>2</sup> (e.g. Onyx Apartments are marketed at approximately >£15,000/m<sup>2</sup>).
- 6.2.2 The appraisal results show that the CSSZ can be considered developable over the plan period with the majority of scenarios producing positive residual values above the assumed EUV. However, provision of affordable housing at 50% is only shown to be viable in scenarios with a lower developer's profit (below 20% of GDV) or with a higher proportion of intermediate products.
- 6.2.3 The modelling has assumed the Local Plan's preferred mix of affordable rent and intermediate rent (60/40). The modelling also includes alternative scenarios including shared ownership products or higher proportions of intermediate products (50/50). The modelling indicates that the CSSZ could realistically come forward with affordable housing at 50% with amendments to the tenure balance. Adjustments to the affordable housing requirements and tenure balancing have the potential to deliver a fully policy compliant scheme adopting a 20% of GDV developer's profit.
- 6.2.4 Where a lower developer's profit is modelled (i.e. 15% and 6%), the CSSZ has the potential to deliver in excess of 50% affordable housing. The scenario that models the CSSZ on the basis of 6% developer's profit for all units is an attempt to provide a proxy appraisal scenario for a non-traditional developer (e.g. community land trust or Joint Venture involving LBC). Should a longer term view be taken to the CSSZ, the modelling suggests over >50% affordable housing would be viable.
- 6.2.5 In conclusion, there is sufficient evidence to demonstrate that the NDP does not put development at serious risk within the Neighbourhood Area. Policies in support of the CSSZ can help to facilitate development through economic cycles expected over the course of the plan period, providing certainty and helping to de-risk proposals for redevelopment in this location. In cooperation with LBC, CSNF should discuss what level/mix of affordable housing would be preferable and the potential to generate CIL monies to act as enabling development for neighbourhood infrastructure; and the implementation of the concept plan proposals.

## Appendix A Land Registry Prices Paid 2016 – 2017

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£635,000	26/01/2017	F	Y	FLAT 315	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	14111
£492,000	19/01/2017	F	Y	FLAT 323	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	33	14909
£465,000	05/01/2017	F	Y	FLAT 319	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	32	14531
£1,100,000	23/12/2016	F	Y	FLAT 9	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	96	11458
£1,909,965	19/12/2016	F	Y	FLAT 27	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	140	13643
£950,400	16/12/2016	F	Y	FLAT 308	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	64	14850
£534,600	15/12/2016	F	Y	FLAT 311	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	42	12729
£615,700	15/12/2016	F	Y	FLAT 321	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	13682
£580,000	14/12/2016	F	Y	FLAT 7	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	12889
£1,975,000	09/12/2016	F	Y	FLAT 3	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	154	12825
£455,700	07/12/2016	F	Y	FLAT 307	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	36	12658
£860,250	02/12/2016	F	Y	FLAT 309	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	60	14338
£520,000	30/11/2016	F	Y	FLAT 306	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	38	13684
£890,000	29/11/2016	F	Y	FLAT 304	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	68	13088
£1,000,000	25/11/2016	T	Y	8	LITTLE GREEN STREET	CAMDEN	LONDON	NW5 1BL	113	8850
£1,275,000	18/11/2016	F	Y	FLAT 18	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	96	13281
£1,725,000	15/11/2016	F	Y	APARTMENT S7-07	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	112	15402
£910,800	10/11/2016	F	Y	FLAT 216	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	64	14231
£505,000	09/11/2016	F	Y	FLAT 211	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	42	12024
£460,000	07/11/2016	F	Y	FLAT 207	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	36	12778

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£530,000	07/11/2016	F	Y	FLAT 212	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	44	12045
£650,000	07/11/2016	F	Y	FLAT 215	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	14444
£480,000	07/11/2016	F	Y	FLAT 217	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	36	13333
£745,000	03/11/2016	F	Y	FLAT 320	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	68	10956
£475,000	02/11/2016	F	Y	FLAT 223	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	33	14394
£460,000	28/10/2016	F	Y	FLAT 219	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	32	14375
£883,200	28/10/2016	F	Y	FLAT 220	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	68	12988
£625,000	28/10/2016	F	Y	FLAT 221	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	13889
£315,000	26/10/2016	F	Y	FLAT 14	BELSIZE GROVE	CAMDEN	LONDON	NW3 4UN	26	12115
£1,000,000	25/10/2016	F	Y	APARTMENT 1	JEFFREYS PLACE	CAMDEN	LONDON	NW1 9PP	78	12821
£644,000	24/10/2016	F	Y	FLAT 222	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	49	13143
£814,450	20/10/2016	F	Y	APARTMENT 4	GRAYS INN ROAD	CAMDEN	LONDON	WC1X 8HR	47	17329
£658,000	19/10/2016	F	Y	FLAT 202	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	49	13429
£624,000	19/10/2016	F	Y	FLAT 203	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	13867
£850,000	19/10/2016	F	Y	FLAT 204	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	68	12500
£450,000	19/10/2016	F	Y	FLAT 205	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	32	14063
£510,000	19/10/2016	F	Y	FLAT 206	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	38	13421
£650,000	19/10/2016	F	Y	FLAT 9	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	71	9155
£700,000	14/10/2016	F	Y	APARTMENT F7-06	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BR	49	14286
£1,190,000	07/10/2016	F	Y	FLAT 19	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	114	10439
£725,000	07/10/2016	F	Y	FLAT 7	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	77	9416
£521,100	06/10/2016	F	Y	FLAT 111	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	42	12407
£521,100	06/10/2016	F	Y	FLAT 112	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	44	11843

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£900,000	04/10/2016	F	Y	APARTMENT 2	JEFFREYS PLACE	CAMDEN	LONDON	NW1 9PP	68	13235
£3,050,000	03/10/2016	F	Y	APARTMENT S12-07	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	164	18598
£612,000	30/09/2016	F	Y	FLAT 115	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	13600
£448,850	30/09/2016	F	Y	FLAT 119	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	32	14027
£1,150,000	30/09/2016	F	Y	APARTMENT 3	JEFFREYS PLACE	CAMDEN	LONDON	NW1 9PP	69	16667
£1,200,000	30/09/2016	F	Y	FLAT 24	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	96	12500
£950,000	30/09/2016	F	Y	FLAT 8	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	102	9314
£625,650	29/09/2016	F	Y	FLAT 103	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	13903
£710,000	29/09/2016	F	Y	FLAT 22	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	76	9342
£451,200	28/09/2016	F	Y	FLAT 105	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	32	14100
£480,000	27/09/2016	F	Y	FLAT 113	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	44	10909
£495,000	27/09/2016	F	Y	FLAT 123	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	33	15000
£970,000	26/09/2016	F	Y	FLAT 104	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	68	14265
£508,250	26/09/2016	F	Y	FLAT 106	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	38	13375
£475,000	26/09/2016	F	Y	FLAT 107	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	36	13194
£901,600	26/09/2016	F	Y	FLAT 116	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	64	14088
£470,300	26/09/2016	F	Y	FLAT 117	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	36	13064
£620,000	26/09/2016	F	Y	FLAT 121	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	45	13778
£500,000	14/09/2016	F	Y	FLAT 312	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	44	11364
£500,000	14/09/2016	F	Y	FLAT 313	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	44	11364
£760,000	13/09/2016	F	Y	FLAT 114	CARLOW STREET	CAMDEN	LONDON	NW1 7BS	52	14615
£635,000	09/09/2016	F	Y	FLAT 5	PLENDER STREET	CAMDEN	LONDON	NW1 0LB	67	9478
£645,000	09/09/2016	F	Y	FLAT 9	PLENDER STREET	CAMDEN	LONDON	NW1 0LB	65	9923

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£935,000	06/09/2016	F	Y	FLAT 4	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	102	9167
£1,650,000	16/08/2016	F	Y	FLAT 19	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	105	15714
£365,000	11/08/2016	F	Y	41	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	27	13519
£375,000	11/08/2016	F	Y	47	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	27	13889
£530,000	11/08/2016	F	Y	55	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	42	12619
£375,000	11/08/2016	F	Y	65	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	27	13889
£1,892,800	04/08/2016	F	Y	APARTMENT F7-03	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BR	142	13330
£600,000	01/08/2016	F	Y	9	GRAYS INN ROAD	CAMDEN	LONDON	WC1X 8UE	41	14634
£800,000	22/07/2016	F	Y	FLAT 21	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	78	10256
£2,162,000	21/07/2016	F	Y	APARTMENT F11-02	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BR	121	17868
£775,000	18/07/2016	F	Y	FLAT 1	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	100	7750
£715,000	15/07/2016	F	Y	FLAT 8	PLENDER STREET	CAMDEN	LONDON	NW1 0LB	88	8125
£695,000	15/07/2016	F	Y	FLAT 23	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	76	9145
£705,000	08/07/2016	F	Y	FLAT 27	MAYGROVE ROAD	CAMDEN	LONDON	NW6 2DA	71	9930
£1,100,000	06/07/2016	T	Y	169	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	134	8209
£593,750	05/07/2016	F	Y	FLAT 1	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	57	10417
£641,250	05/07/2016	F	Y	FLAT 10	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	60	10688
£650,750	05/07/2016	F	Y	FLAT 12	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	52	12514
£669,750	05/07/2016	F	Y	FLAT 14	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	59	11352
£593,750	05/07/2016	F	Y	FLAT 2	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	59	10064
£608,000	05/07/2016	F	Y	FLAT 3	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	56	10857
£617,500	05/07/2016	F	Y	FLAT 6	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	56	11027
£631,750	05/07/2016	F	Y	FLAT 7	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	60	10529

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£802,750	05/07/2016	F	Y	FLAT 8	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	81	9910
£627,000	05/07/2016	F	Y	FLAT 9	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	56	11196
£655,000	01/07/2016	F	Y	FLAT 19	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	71	9225
£860,000	01/07/2016	F	Y	FLAT 2	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	76	11316
£785,000	01/07/2016	F	Y	FLAT 3	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	106	7406
£875,000	01/07/2016	F	Y	FLAT 4	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	108	8102
£2,350,000	30/06/2016	F	Y	FLAT 29	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	142	16549
£2,242,000	30/06/2016	F	Y	30	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	142	15789
£1,520,625	30/06/2016	F	Y	FLAT 11	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	113	13457
£731,500	29/06/2016	F	Y	FLAT 18	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	73	10021
£925,000	27/06/2016	F	Y	FLAT 1	WESTBERE ROAD	CAMDEN	LONDON	NW2 3RU	106	8726
£660,000	27/06/2016	F	Y	FLAT 14	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	71	9296
£585,000	24/06/2016	F	Y	FLAT 3	WESTBERE ROAD	CAMDEN	LONDON	NW2 3RU	59	9915
£855,000	24/06/2016	F	Y	FLAT 11	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	81	10556
£650,000	24/06/2016	F	Y	FLAT 13	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	61	10656
£775,000	24/06/2016	F	Y	FLAT 5	FINCHLEY ROAD	CAMDEN	LONDON	NW3 7AT	81	9568
£1,400,000	24/06/2016	F	Y	FLAT 1	PENROSE GARDENS	CAMDEN	LONDON	NW3 7BF	127	11024
£695,000	20/06/2016	F	Y	FLAT 13	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	73	9521
£755,000	17/06/2016	F	Y	FLAT 5	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	67	11269
£740,000	17/06/2016	F	Y	FLAT 17	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	70	10571
£737,500	16/06/2016	F	Y	FLAT 11	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	72	10243
£720,000	16/06/2016	F	Y	FLAT 12	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	70	10286
£499,000	14/06/2016	F	Y	FLAT 10	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	46	10848

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£499,000	14/06/2016	F	Y	FLAT 15	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	46	10848
£750,000	14/06/2016	F	Y	FLAT 16	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	72	10417
£730,000	14/06/2016	F	Y	FLAT 20	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	76	9605
£670,000	14/06/2016	F	Y	FLAT 6	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	71	9437
£725,000	14/06/2016	F	Y	FLAT 8	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	72	10069
£1,150,000	14/06/2016	T	Y	167	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	134	8582
£770,000	13/06/2016	F	Y	FLAT 13	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	67	11493
£1,160,000	10/06/2016	F	Y	FLAT 16	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	107	10841
£692,000	10/06/2016	F	Y	FLAT 7	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	69	10029
£395,000	07/06/2016	F	Y	42	BAYNES STREET	CAMDEN	LONDON	NW1 0TL	29	13621
£333,000	07/06/2016	F	Y	43	BAYNES STREET	CAMDEN	LONDON	NW1 0TL	25	13320
£330,000	07/06/2016	F	Y	44	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	25	13200
£407,500	07/06/2016	F	Y	45	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	29	14052
£360,000	07/06/2016	F	Y	46	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	27	13333
£395,000	07/06/2016	F	Y	48	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	29	13621
£330,000	07/06/2016	F	Y	49	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	25	13200
£1,025,000	06/06/2016	F	Y	FLAT 12	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	102	10049
£440,000	03/06/2016	F	Y	FLAT 4, 167	BROADHURST GARDENS	CAMDEN	LONDON	NW6 3AU	48	9167
£2,975,000	02/06/2016	F	Y	APARTMENT S9-04	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	164	18140
£2,200,000	31/05/2016	F	Y	APARTMENT F6-03	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BQ	142	15493
£103,050	26/05/2016	F	Y	FLAT 1	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	60	1718
£152,650	26/05/2016	F	Y	FLAT 2	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	86	1775
£202,300	26/05/2016	F	Y	FLAT 3	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	84	2408

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£467,000	26/05/2016	F	Y	FLAT 6	IVERSON ROAD	CAMDEN	LONDON	NW6 2RB	70	6671
£542,000	26/05/2016	F	Y	FLAT 5	BROADHURST GARDENS	CAMDEN	LONDON	NW6 3AU	55	9855
£520,000	05/05/2016	F	Y	63	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	42	12381
£276,000	29/04/2016	F	Y	FLAT 13	OAK GROVE	CAMDEN	LONDON	NW2 3LS	38	7263
£1,310,000	28/04/2016	F	Y	APARTMENT S7-02	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	92	14239
£360,000	28/04/2016	F	Y	56	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	27	13333
£360,000	28/04/2016	F	Y	61	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	27	13333
£382,500	28/04/2016	F	Y	66	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	29	13190
£340,000	27/04/2016	F	Y	50	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	25	13600
£382,500	27/04/2016	F	Y	51	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	29	13190
£370,000	27/04/2016	F	Y	52	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	27	13704
£510,000	27/04/2016	F	Y	53	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	42	12143
£518,000	27/04/2016	F	Y	54	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	42	12333
£395,000	27/04/2016	F	Y	57	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	29	13621
£330,000	27/04/2016	F	Y	58	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	25	13200
£395,000	27/04/2016	F	Y	60	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	29	13621
£520,000	27/04/2016	F	Y	62	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	42	12381
£545,950	27/04/2016	F	Y	64	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	42	12999
£330,000	27/04/2016	F	Y	67	BRUGES PLACE	CAMDEN	LONDON	NW1 0TL	25	13200
£625,000	21/04/2016	F	Y	FLAT 14	PLENDER STREET	CAMDEN	LONDON	NW1 0LB	62	10081
£570,000	21/04/2016	F	Y	FLAT 15	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	74	7703
£484,030	20/04/2016	F	Y	FLAT 14	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	33	14668
£710,000	15/04/2016	F	Y	FLAT 12	PLENDER STREET	CAMDEN	LONDON	NW1 0LB	71	10000

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£650,000	15/04/2016	F	Y	2	GRAYS INN ROAD	CAMDEN	LONDON	WC1X 8UE	49	13265
£419,900	12/04/2016	F	Y	FLAT 31	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	29	14479
£565,000	12/04/2016	F	Y	FLAT 17	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	71	7958
£565,000	08/04/2016	F	Y	FLAT 16	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	71	7958
£590,000	07/04/2016	F	Y	FLAT 13	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	76	7763
£437,500	06/04/2016	F	Y	FLAT 11	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	51	8578
£630,000	31/03/2016	F	Y	FLAT 33	OAKESHOTT AVENUE	CAMDEN	LONDON	N6 6DS	52	12115
£3,280,000	31/03/2016	F	Y	FLAT 401	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6JG	35	93714
£362,400	31/03/2016	F	Y	FLAT 402	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6JG	39	9292
£448,000	31/03/2016	F	Y	FLAT 405	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6JG	51	8784
£326,277	31/03/2016	F	Y	FLAT 501	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6JG	35	9322
£453,604	31/03/2016	F	Y	FLAT 504	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6JG	51	8894
£896,000	31/03/2016	F	Y	FLAT 13	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	64	14000
£484,000	31/03/2016	F	Y	FLAT 21	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	33	14667
£598,000	31/03/2016	F	Y	FLAT 8	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	28	21357
£1,335,000	30/03/2016	F	Y	APARTMENT S5-08	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	90	14833
£2,200,000	30/03/2016	F	Y	APARTMENT F9-01	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BR	119	18487
£499,000	30/03/2016	F	Y	FLAT 12	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	33	15121
£578,000	30/03/2016	F	Y	FLAT 17	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	40	14450
£578,000	30/03/2016	F	Y	FLAT 19	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	41	14098
£578,000	30/03/2016	F	Y	FLAT 20	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	43	13442
£882,000	30/03/2016	F	Y	FLAT 29	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	64	13781
£484,000	30/03/2016	F	Y	FLAT 30	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	33	14667

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£593,850	30/03/2016	F	Y	FLAT 9	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	42	14139
£1,320,000	29/03/2016	F	Y	APARTMENT S8-02	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	92	14348
£1,600,000	29/03/2016	F	Y	APARTMENT S9-02	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	109	14679
£598,000	29/03/2016	F	Y	FLAT 10	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	41	14585
£265,000	24/03/2016	F	Y	FLAT 12	BELSIZE GROVE	CAMDEN	LONDON	NW3 4UN	26	10192
£620,000	24/03/2016	F	Y	FLAT 18	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	42	14762
£2,600,000	24/03/2016	F	Y	FLAT A	KIDDERPORE AVENUE	CAMDEN	LONDON	NW3 7AS	229	11354
£3,000,000	24/03/2016	F	Y	FLAT B	KIDDERPORE AVENUE	CAMDEN	LONDON	NW3 7AS	226	13274
£437,390	23/03/2016	F	Y	FLAT 15	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	29	15082
£1,115,000	22/03/2016	F	Y	APARTMENT S4-05	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	109	10229
£598,000	22/03/2016	F	Y	FLAT 11	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	43	13907
£650,000	21/03/2016	F	Y	FLAT 1	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	84	7738
£687,500	21/03/2016	F	Y	FLAT 14	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	89	7725
£595,000	18/03/2016	F	Y	FLAT 10	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	78	7628
£565,000	18/03/2016	F	Y	FLAT 18	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	71	7958
£435,000	17/03/2016	F	Y	FLAT 12	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	51	8529
£585,000	17/03/2016	F	Y	FLAT 8	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	18	32500
£680,000	16/03/2016	F	Y	FLAT 9	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	20	34000
£1,600,000	15/03/2016	F	Y	APARTMENT S3-07	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	112	14286
£590,000	15/03/2016	F	Y	FLAT 5	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	17	34706
£440,000	15/03/2016	F	Y	FLAT 6	ALLCROFT ROAD	CAMDEN	LONDON	NW5 4NB	17	25882
£446,000	11/03/2016	F	Y	FLAT 16	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	28	15929
£426,000	11/03/2016	F	Y	FLAT 32	FINCHLEY ROAD	CAMDEN	LONDON	NW3 6LB	28	15214

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Locality	Town	Postcode	EPC Total Area (m2)	£/m2
£1,677,500	07/03/2016	F	Y	APARTMENT S11-03	HANDYSIDE STREET	CAMDEN	LONDON	N1C 4BP	107	15678

## Appendix B New Build Market Survey (May 2017)

Developer	Scheme	Type	Town	Town / Post code	Type of Development	Beds	m2	Price £	£/m2
Galliard Homes	Hanway Gardens		Camden	W1T	Flat	2	126	279,995	2222.2
Union Developments	Princes Park		Camden	NW5	Flat	2	74	725,000	9797.3
London Borough of Camden	The Camden Collection	Xy Apartments	Camden	NW1	Flat	2	75	750,000	10000.0
London Borough of Camden	The Camden Collection	Xy Apartments	Camden	NW1	Flat	2	77	770,000	10000.0
Barratt London	Bennett House		Camden	NW1	Flat	2	72	755,000	10486.1
Barratt London	Bainbridge House		Camden	NW1	Flat	2	73	765,500	10486.3
Barratt London	Bainbridge House		Camden	NW1	Flat	2	71	757,500	10669.0
Barratt London	Bennett House		Camden	NW1	Flat	2	71	762,500	10739.4
Fairview New Homes	Lawn Road	The Whitestone	Camden	NW3	Flat	2	65	700,000	10769.2
Barratt London	Bennett House		Camden	NW1	Flat	2	71	772,500	10880.3
Galliard Homes	Carlow House		Camden	NW1	Duplex	2	85	955,000	11235.3
Barratt London	Dickens Penthouse		Camden	NW1	Duplex	2	83	947,500	11415.7
London Borough of Camden	The Camden Collection	Xy Apartments	Camden	NW1	Flat	1	54	617,500	11435.2
Barratt London	Caulfield House		Camden	NW3	Flat	3	106	1,250,000	11792.5
Galliard Homes	Carlow House	Platinum Collection	Camden	NW1	Flat	1	59	699,995	11864.3
Fairview New Homes	Lawn Road		Camden	NW3	Flat	1	50	600,000	12000.0
London Borough of Camden	The Camden Collection	Xy Apartments	Camden	NW1	Flat	1	52	625,000	12019.2
London Borough of Camden	The Camden Collection	Xy Apartments	Camden	NW1	Flat	1	54	652,500	12083.3
Barratt London	25B Kidderpore Av		Camden	NW3	Duplex	4	202	2,450,000	12128.7
Barratt London	Caulfield House		Camden	NW3	Flat	3	106	1,300,000	12264.2
Barratt London	Caulfield House		Camden	NW3	Flat	3	106	1,325,000	12500.0
The Linton Group	The Maple Building		Camden	NW5	Flat	3	110	1,375,000	12500.0

Developer	Scheme	Type	Town	Town / Post code	Type of Development	Beds	m2	Price £	£/m2
Fairview New Homes	Lawn Road	The Primrose	Camden	NW3	Flat	1	40	510,000	12750.0
Barratt London	Caulfield House		Camden	NW3	Flat	3	114	1,459,000	12798.2
Fairview New Homes	Lawn Road		Camden	NW3	Flat	1	50	640,000	12800.0
Barratt London	Caulfield House		Camden	NW3	Flat	3	106	1,369,000	12915.1
Fairview New Homes	Lawn Road		Camden	NW3	Flat	1	50	650,000	13000.0
The Linton Group	The Maple Building		Camden	NW5	Flat	1	41	570,000	13902.4
Moun Anvil	Hampstead Manor		Camden	NW3	Flat	2	124	1,750,000	14112.9
Galliard Homes	Hanway Gardens		Camden	W1T	Duplex	3	109	1,650,000	15137.6
Mount Anvil	Rosalind Franklin		Camden	NW3	Flat	2	51	785,000	15392.2
The Linton Group	The Maple Building		Camden	NW5	Flat	2	83	1,295,000	15602.4
Fairview New Homes	Lawn Road	The Fitzrovia	Camden	NW3	Flat	2	50	800,000	16000.0
Moun Anvil	Kidderpore Avenue		Camden	NW3	Flat	3	182	2,975,000	16346.2
The Linton Group	The Maple Building		Camden	NW5	Duplex	2	118	1,950,000	16525.4
Moun Anvil	Hampstead Manor		Camden	NW3	Flat	2	103	1,750,000	16990.3
Moun Anvil	Hampstead Manor		Camden	NW3	Flat	3	158	2,695,000	17057.0
Moun Anvil	Hampstead Manor	Chapman	Camden	NW3	Flat	2	93	1,695,000	18225.8
Moun Anvil	Hampstead Manor	Chapman	Camden	NW3	Flat	2	92	1,680,000	18260.9
BNP Paribas Real Estate	Hexagon Apartments		Camden	WC2B	Flat	2	87	1,755,000	20172.4
Fairview New Homes	Lawn Road		Camden	NW3	Flat	2	50	1,050,000	21000.0
Galliard Homes	Hanway Gardens		Camden	W1T	Duplex	3	118	2,550,000	21610.2
Galliard Homes	Hanway Gardens		Camden	W1T	Flat	2	87	1,900,000	21839.1
Galliard Homes	Hanway Gardens		Camden	W1T	Flat	2	123	2,700,000	21951.2
BNP Paribas Real Estate	Hexagon Apartments		Camden	WC2B	Flat	2	87	1,935,000	22241.4

Developer	Scheme	Type	Town	Town / Post code	Type of Development	Beds	m2	Price £	£/m2
Galliard Homes	Hanway Gardens		Camden	W1T	Duplex	2	139	3,100,000	22302.2
Galliard Homes	Hanway Gardens		Camden	W1T	Flat	3	139	3,100,000	22302.2
Galliard Homes	Hanway Gardens		Camden	W1T	Duplex	2	94	2,100,000	22340.4
Galliard Homes	Hanway Gardens		Camden	W1T	Duplex	3	109	2,500,000	22935.8
Galliard Homes	Hanway Gardens		Camden	W1T	Duplex	3	109	2,500,000	22935.8
Galliard Homes	Hanway Gardens		Camden	W1T	Flat	2	122	2,850,000	23360.7
Galliard Homes	Hanway Gardens		Camden	W1T	Flat	2	124	2,900,000	23387.1
BNP Paribas Real Estate	Hexagon Apartments		Camden	WC2B	Flat	2	81	1,905,000	23518.5
Galliard Homes	Hanway Gardens		Camden	W1T	Flat	3	114	2,750,000	24122.8
BNP Paribas Real Estate	Hexagon Apartments		Camden	WC2B	Flat	2	87	2,115,000	24310.3
Galliard Homes	Hanway Gardens		Camden	W1T	Flat	5	121	2,995,000	24752.1
BNP Paribas Real Estate	Hexagon Apartments		Camden	WC2B	Flat	2	87	2,165,000	24885.1
BNP Paribas Real Estate	Hexagon Apartments		Camden	WC2B	Flat	2	81	2,140,000	26419.8
BNP Paribas Real Estate	Hexagon Apartments		Camden	WC2B	Flat	2	87	2,320,000	26666.7

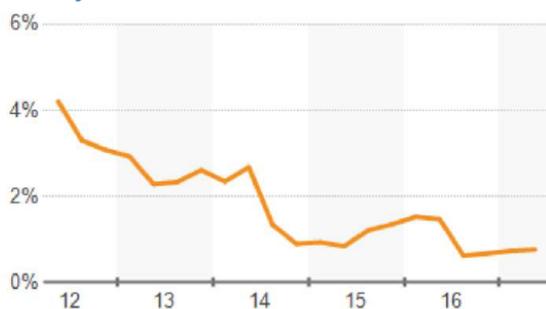
# Appendix C CoStar Commercial Summary (April 2017)

Figure 8: Northern Fringe Industrial Summary

Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
Rent Per SF	£16.90	£11.23	Existing Buildings	1,121	1,123
Vacancy Rate	0.8%	1.9%	Existing SF	12,981,211	13,004,820
Vacant SF	98,368	242,625	12 Mo. Const. Starts	0	16,161
Availability Rate	1.1%	3.3%	Under Construction	0	16,131
Available SF	147,996	434,021	12 Mo. Deliveries	0	17,957
Sublet SF	8,979	12,626			
Months on Market	5.0	10.8			

Demand	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
12 Mo. Absorption SF	96,937	41,372	Sale Price Per SF	£311	£302
12 Mo. Leasing SF	139,324	220,950	Asking Price Per SF	£420	£375
			Sales Volume (Mil.)	£18	£22
			Yield	4.9%	5.6%

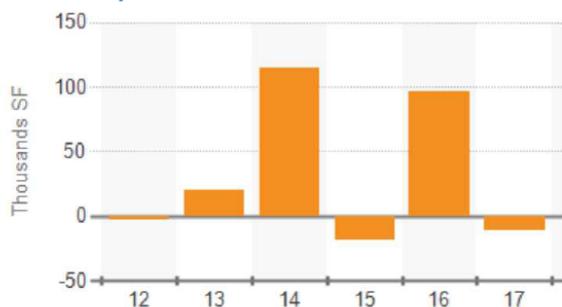
Vacancy Rate



Asking Rent Per SF



Net Absorption



**Figure 9: Northern Fringe Office Summary**

Availability	Survey	5-Year Avg
Rent Per SF	£38.41	£26.14
Vacancy Rate	2.1%	2.9%
Vacant SF	347,856	476,095
Availability Rate	3.3%	4.5%
Available SF	542,744	736,669
Sublet SF	34,241	81,831
Months on Market	4.6	7.7

Inventory	Survey	5-Year Avg
Existing Buildings	2,091	2,075
Existing SF	16,295,409	16,263,523
12 Mo. Const. Starts	62,466	119,613
Under Construction	160,694	149,633
12 Mo. Deliveries	42,736	99,435

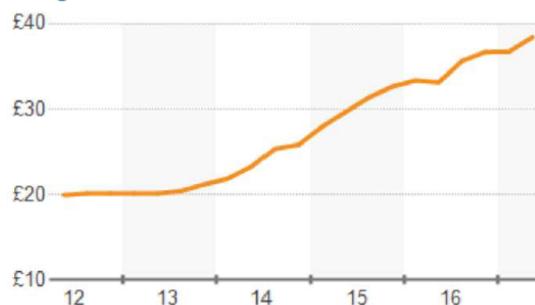
Demand	Survey	5-Year Avg
12 Mo. Absorption SF	-5,287	104,320
12 Mo. Leasing SF	343,757	466,011

Sales	Past Year	5-Year Avg
Sale Price Per SF	£547	£634
Asking Price Per SF	£714	£451
Sales Volume (Mil.)	£61	£192
Yield	4.3%	5.2%

**Vacancy Rate**



**Asking Rent Per SF**



**Net Absorption**



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26/04/2017

## Appendix D Rateable Values and Lease Analysis

Table 156: Valuation Office Agency's rating valuation (December 2017)

Address	Tenant	Description	Total area (m <sup>2</sup> /unit)	Price per m <sup>2</sup> /unit	Current rateable value	Gross Site EUV (based on 7% Yield)	Gross Site EUV +20%
Unit 5 Cedar Way, Camley Street, London, NW1 0PF	Pak Shot	Workshop and premises	163.91	£150	£17,250	£246,428.57	£295,714.3
Unit 6 Cedar Way, Camley Street, London, NW1 0PF	Pak Shot	Workshop and premises	142.30	£150	£14,750	£210,714.29	£252,857.1
Units 17-18 Cedar Way, Camley Street, London, NW1 0PF	A Models Ltd	Workshop and premises	315.80	£150	£28,250	£403,571.43	£484,285.7
Unit 19, Cedar Way, Camley Street, London, NW1 0PF	Camden storage	Workshop and premises	143.80	£150	£15,000	£214,285.71	£257,142.9
Unit 3, Cedar Way, Camley Street, London, NW1 0PF	Pak Shot	Factory and premises	151.91	£150	£15,250	£217,857.14	£261,428.6
Unit 4, Cedar Way, Camley Street, London, NW1 0PF	Pak Shot	Factory and premises	146.50	£150	£17,250	£246,428.57	£295,714.3
Unit 7, Cedar Way, Camley Street, London, NW1 0PF	Pak Shot	Factory and premises	176.42	£150	£17,750	£253,571.43	£304,285.7
Unit 8, Cedar Way, Camley Street, London, NW1 0PF	Pak Shot	Workshop and premises	182.57	£150	£19,250	£275,000.00	£330,000.0
Unit 9, Cedar Way, Camley Street, London, NW1 0PF	Richmond Laundries Ltd	Warehouse and premises	274.72	£150	£38,000	£542,857.14	£651,428.6
Unit 10, Cedar Way, Camley Street, London, NW1 0PF	Seafood Holdings Ltd	Factory and premises	327.23	£150	£39,750	£567,857.14	£681,428.6
Unit 26, Cedar Way, Camley Street, London, NW1 0PF	Outsourced Client Solution	Warehouse and premises	620.13	£150	£72,500	£1,035,714.29	£1,242,857.1

Address	Tenant	Description	Total area (m <sup>2</sup> /unit)	Price per m <sup>2</sup> /unit	Current rateable value	Gross Site EUV (based on 7% Yield)	Gross Site EUV +20%
Units 27 & 28 Cedar Way, Camley Street, London, NW1 0PF	IMS of Smithfield	Warehouse and premises	1,314.81	£135	£174,000	£2,485,714.29	£2,982,857.1
Unit 29, Cedar Way, Camley Street, London, NW1 0PF	Richmond Laundries Ltd	Warehouse and premises	247.10	£150	£32,000	£457,142.86	£548,571.4
Unit 30, Cedar Way, Camley Street, London, NW1 0PF	Plumb Centre	Warehouse and premises	383.15	£150	£63,000	£900,000.00	£1,080,000.0
Front 106-110, Camley Street, London, NW1 0PF	Booker	Warehouse and premises	4,504.00	£104	£495,000	£7,071,428.57	£8,485,714.3
Rear 106-110, Camley Street, London, NW1 0PF	Cafe	Cafe & carparking	97.22	£160	£15,750	£225,000.00	£270,000.0
Unit F 108, Camley Street, London, NW1 0PF	Alara	Warehouse and premises	642.66	£150	£80,000	£1,142,857.14	£1,371,428.6
Units 4/5 Elm Village 110-112, Camley Street, London, NW1 0PF	Alara	Warehouse and premises	620.24	£150	£88,500	£1,264,285.71	£1,517,142.9
114, Camley Street, London, NW1 0PF	RA	Warehouse and premises	392.00	£150	£46,250	£660,714.29	£792,857.1
136, Camley Street, London, NW1 0PG	D & J Motors	Workshop and premises	114.48	£150	£17,000	£242,857.14	£291,428.6
134, Camley Street, London, NW1 0PG	A W Motors Ltd	Workshop and premises	100.34	£150	£16,000	£228,571.43	£274,285.7
132, Camley Street, London, NW1 0PG	Brians Garage	Workshop and premises	99.90	£150	£19,000	£271,428.57	£325,714.3

Address	Tenant	Description	Total area (m <sup>2</sup> /unit)	Price per m <sup>2</sup> /unit	Current rateable value	Gross Site EUV (based on 7% Yield)	Gross Site EUV +20%
130, Camley Street, London, NW1 0PG	Kings X Cabs	Workshop and premises	113.70	£150	£19,000	£271,428.57	£325,714.3
128, Camley Street, London, NW1 0PG	Euro Motor	Workshop and premises	165.94	£150	£25,750	£367,857.14	£441,428.6
126, Camley Street, London, NW1 0PG	German Car Centre	Workshop and premises	151.86	£150	£24,000	£342,857.14	£411,428.6
124, Camley Street, London, NW1 0PG	Transauto Garage Ltd	Workshop and premises	278.35	£150	£34,250	£489,285.71	£587,142.9
122, Camley Street, London, NW1 0PG	BMW Auto Service	Workshop and premises	200.70	£150	£31,250	£446,428.57	£535,714.3
120, Camley Street, London, NW1 0PG	Mikes Coachworks	Workshop and premises	214.65	£150	£33,250	£475,000.00	£570,000.0
Unit 15 Cedar Way, Camley Street, London, NW1 0PD	Vidados Ltd	Factory and premises	140.00	£150	£15,000	£214,285.71	£257,142.9
Unit 16a Cedar Way, Camley Street, London, NW1 0PD	Sweet FA UK Ltd	Workshop and premises	123.41	£150	£9,200	£131,428.57	£157,714.3
Unit 16b Cedar Way, Camley Street, London, NW1 0PD	Sweet FA UK Ltd	Workshop and premises	31.18	£150	£2,950	£42,142.86	£50,571.4
Units 11-14 Cedar Way, Camley Street, London, NW1 0PF	Seafood Holdings Ltd	Factory and premises	1,307.60	£145	£125,000	£1,785,714.29	£2,142,857.1
Units 20-24 Cedar Way, Camley Street, London, NW1 0PF	Veolia	Warehouse and premises	1,043.10	£140	£143,000	£2,042,857.14	£2,451,428.6
<b>TOTAL</b>						<b>£25,773,571</b>	<b>£30,928,285</b> <b>(£23,790,989 EUV+20%/Net Ha)</b>

Table 167 CSSZ Lease Survey (May 2017)

Location	Lease length	Term	FRI	L&T Act 1954?	Dilapidation clause	Rent Review	Area sqft	Area m2	Rent £/sq ft	Rent £/m2	Gross Rent	EUV ( 7% yield)	EUV+20%
Cedar Way	Expired		No	No			2000	186	13.25	142.62	£26,500	£378,571	£454,286
Cedar Way	Expired		Yes	Yes	Yes		2000	186	12.00	129.17	£24,000	£342,857	£411,429
Cedar Way	5 years	1 yr	Yes	Yes	Yes	2018	2000	186	14.25	153.39	£28,500	£407,143	£488,571
Camley Street	3 years	2.5 yrs	Yes	No	Yes		1800	167	15.00	161.46	£27,000	£385,714	£462,857
Cedar Way	6 years	3.5 yrs	Yes	No	No	3 years	15000	1394		0.00	£0	£0	£0
Cedar Way							4100	381		0.00	£0	£0	£0
Cedar Way	Expired		Yes	Yes	Yes		14153	1315	9.60	103.33	£135,869	£1,940,983	£2,329,179
Cedar Way	Expired		Yes	Yes	Yes		15930	1480	8.93	96.12	£142,255	£2,032,213	£2,438,655
Cedar Way	15 years	6 yrs	No	No			2000	186	13.25	142.62	£26,500	£378,571	£454,286
Cedar Way			Yes	Yes			4122	383	12.00	129.17	£49,464	£706,629	£847,954
Camley Street	6 month rolling		Yes	No	Yes	5 years	2314	215	12.00	129.17	£27,768	£396,686	£476,023
Camley Street	Expired		Yes	Yes	Yes		2200	204	12.00	129.17	£26,400	£377,143	£452,571
Camley Street			Yes	Yes	Yes		2938	273	9.53	102.58	£28,000	£400,000	£480,000
Camley Street	6 month rolling		Yes	No			1636	152	17.11	184.22	£28,000	£400,000	£480,000
Camley Street			Yes	No			1786	166	15.12	162.72	£27,000	£385,714	£462,857
Camley Street	6 month rolling		Yes	No	Yes	5 years	1216	113	12.00	129.17	£14,592	£208,457	£250,149
Camley Street	6 month rolling		Yes	No	Yes	5 years	1076	100	12.00	129.17	£12,912	£184,457	£221,349
Camley Street				Yes			1080	100	12.31	132.46	£13,290	£189,857	£227,829
Camley Street				Yes			1237	115	10.74	115.64	£13,290	£189,857	£227,829
Cedar Way	Expired		Yes	Yes	Yes		6000	557	11.30	121.63	£67,800	£968,571	£1,162,286
Cedar Way	5 years	2 yrs			Yes		3000	279	10.00	107.64	£30,000	£428,571	£514,286
Cedar Way							10000	929		0.00	£0	£0	£0
Cedar Way			Yes	No	Yes		10365	963	12.00	129.17	£124,380	£1,776,857	£2,132,229

# Appendix E Appraisal Summary Sheets

Site Address	Camley Street and Cedar Way	Date of appraisal	01/05/2017	<b>Press for 4 page detail</b>
Site Reference	Profit 20% & 60/40 AR & SO	Net Residential Site Area	1.3035	
File Source		Author & Organisation	AECOM	
Scheme Description	High density mixed use urban scheme	Registered Provider (whe NA)		
<b>CAPITAL VALUE OF OPEN MARKET HOUSING</b>			<b>£362,773,800</b>	£ 9,675 psqm
<b>BUILD COST OF OPEN MARKET HOUSING inc Contingency</b>	<b>£118,663,591</b>	£ 3,165 psqm		
<b>CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING</b>				<b>£244,110,209</b>
<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)</b>			<b>£101,815,784</b>	
<b>OTHER SOURCES OF AFFORDABLE HOUSING FUNDING</b>			<b>£0</b>	
<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)</b>			<b>£101,815,784</b>	
<b>BUILD COST OF AFFORDABLE HOUSING inc Contingency</b>	<b>£119,528,546</b>	£ 3,165 psqm		
<b>CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING</b>				<b>-£17,712,762</b>
Value of Residential Car Parking			<b>£0</b>	
Car Parking Build Costs	£0			
<b>Capitalised Annual Ground Rents</b>			<b>£2,674,000</b>	
<b>TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME</b>			<b>£467,263,584</b>	
<b>TOTAL BUILD COST OF RESIDENTIAL SCHEME</b>	<b>£238,192,137</b>			
<b>TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME</b>				<b>£229,071,447</b>
<b>CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b>			<b>£77,893,419</b>	
<b>COSTS OF NON-RESIDENTIAL SCHEME</b>	<b>£30,507,007</b>			
<b>CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL</b>				<b>£47,386,412</b>
<b>GROSS DEVELOPMENT VALUE OF SCHEME</b>			<b>£545,157,003</b>	
<b>TOTAL BUILD COSTS</b>	<b>£268,699,144</b>			
<b>TOTAL CONTRIBUTION TO SCHEME COSTS</b>				<b>£276,457,859</b>
<b>External Works &amp; Infrastructure Costs (£)</b>		Per unit	% of GDV	per Hectare
Site Preparation/Demolition	£0			
Roads and Sewers	£0			
Services (Power, Water, Gas, Telco and IT)	£0			
Strategic Landscaping	£0			
Off Site Works	£0			
Public Open Space	£0			
Site Specific Sustainability Initiatives	£0			
Plot specific external works	£0			
Other 1	£27,500,000	35,854	5.0%	10,073,260
Other 2	£5,000,000	6,519	0.9%	1,831,502
	<b>£32,500,000</b>		6.0%	11,904,762
<b>Other site costs</b>				
Fees and certification	12.0%	£27,221,958	35,491	5.0%
Other Acquisition Costs (£)		£0		9,971,413
<b>Site Abnormals (£)</b>				
De-canting tenants	£0			
Decontamination	£0			
Other	£0			
Other 2	£0			
Other 3	£0			
Other 4	£0			
Other 5	£0			
	<b>£0</b>			
<b>Total Site Costs inc Fees</b>	<b>£59,721,958</b>	77,864		
<b>Statutory 106 costs</b>	<b>£13,380,204</b>	17,445		
<b>Total Marketing Costs</b>	<b>£12,697,083</b>			
<b>Total Direct Costs</b>	<b>£354,498,390</b>			
<b>Finance and acquisition costs</b>				
Land Payment	£24,951,183	65,317 per OM home	9,139,628 per hectare	
Arrangement Fee	£0	0.0% of interest		
Misc Fees (Surveyors etc)	£0	0.00% of scheme value		
Agents Fees	£249,512			
Legal Fees	£199,609			
Stamp Duty	£1,247,559			
Total Interest Paid	£72,941,774			
<b>Total Finance and Acquisition Costs</b>	<b>£99,589,638</b>			
<b>Total Operating Profit</b>	<b>£91,068,975</b>			
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)				
<b>TOTAL COST</b>	<b>£545,157,003</b>			
<b>Surplus/(Deficit) at completion 31/5/2026</b>				<b>(£)</b>
<b>Present Value of Surplus (Deficit) at 1/5/2017</b>				<b>(£)</b>
<b>Scheme Investment MIRR</b>	<b>9.3%</b>	(before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value	4.6%	Peak Cash Requirement		-£283,469,791

Site Address	Camley Street and Cedar Way	Date of appraisal	01/05/2017	Press for 4 page detail
Site Reference	Profit 20% & 50/50 AR & SO	Net Residential Site Area	1.3035	
File Source		Author & Organisation	AECOM	
Scheme Description	High density mixed use urban scheme	Registered Provider (whe NA)		
<b>CAPITAL VALUE OF OPEN MARKET HOUSING</b>			<b>£364,050,900</b>	£ 9,675 psqm
<b>BUILD COST OF OPEN MARKET HOUSING inc Contingency</b>		<b>£119,081,332</b>	£ 3,165 psqm	
<b>CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING</b>				<b>£244,969,568</b>
<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)</b>				<b>£102,960,198</b>
<b>OTHER SOURCES OF AFFORDABLE HOUSING FUNDING</b>				<b>£0</b>
<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)</b>				<b>£102,960,198</b>
<b>BUILD COST OF AFFORDABLE HOUSING inc Contingency</b>		<b>£119,317,573</b>	£ 3,165 psqm	
<b>CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING</b>				<b>-£16,357,375</b>
Value of Residential Car Parking				<b>£0</b>
Car Parking Build Costs		£0		
Capitalised Annual Ground Rents				<b>£2,681,000</b>
<b>TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME</b>				<b>£469,692,098</b>
<b>TOTAL BUILD COST OF RESIDENTIAL SCHEME</b>		<b>£238,398,905</b>		
<b>TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME</b>				<b>£231,293,193</b>
<b>CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b>				<b>£77,893,419</b>
<b>COSTS OF NON-RESIDENTIAL SCHEME</b>		<b>£30,507,007</b>		
<b>CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL</b>				<b>£47,386,412</b>
<b>GROSS DEVELOPMENT VALUE OF SCHEME</b>				<b>£547,585,517</b>
<b>TOTAL BUILD COSTS</b>		<b>£268,905,912</b>		
<b>TOTAL CONTRIBUTION TO SCHEME COSTS</b>				<b>£278,679,605</b>
<b>External Works &amp; Infrastructure Costs (£)</b>				
		Per unit	% of GDV	per Hectare
Site Preparation/Demolition	£0			
Roads and Sewers	£0			
Services (Power, Water, Gas, Telco and IT)	£0			
Strategic Landscaping	£0			
Off Site Works	£0			
Public Open Space	£0			
Site Specific Sustainability Initiatives	£0			
Plot specific external works	£0			
Other 1	£27,500,000	35,854	5.0%	10,073,260
Other 2	£5,000,000	6,519	0.9%	1,831,502
	<b>£32,500,000</b>		5.9%	11,904,762
<b>Other site costs</b>				
Fees and certification	12.0%	£27,245,589	35,522	5.0%
Other Acquisition Costs (£)		£0		9,980,069
<b>Site Abnormals (£)</b>				
De-canting tenants	£0			
Decoramination	£0			
Other	£0			
Other 2	£0			
Other 3	£0			
Other 4	£0			
Other 5	£0			
	<b>£0</b>			
<b>Total Site Costs inc Fees</b>	<b>£59,745,589</b>	77,895		
<b>Statutory 106 costs</b>	<b>£13,426,618</b>	17,505		
<b>Total Marketing Costs</b>	<b>£12,741,782</b>			
<b>Total Direct Costs</b>	<b>£354,819,901</b>			
<b>Finance and acquisition costs</b>				
Land Payment	£26,184,006	68,366 per OM home	9,591,211 per hectare	
Arrangement Fee	£0	0.0% of interest		
Misc Fees (Surveyors etc)	£0	0.00% of scheme value		
Agents Fees	£261,840			
Legal Fees	£209,472			
Stamp Duty	£1,309,200			
Total Interest Paid	£73,488,759			
<b>Total Finance and Acquisition Costs</b>	<b>£101,453,277</b>			
<b>Total Operating Profit</b>	<b>£91,312,340</b>			
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)				
<b>TOTAL COST</b>	<b>£547,585,518</b>			
<b>Surplus/(Deficit) at completion 31/5/2026</b>				<b>(£)</b>
<b>Present Value of Surplus (Deficit) at 1/5/2017</b>				<b>(£)</b>
<b>Scheme Investment MIRR</b>				
	<b>9.3%</b>	(before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value	4.8%	Peak Cash Requirement		-£285,287,053

Site Address	Camley Street and Cedar Way	Date of appraisal	01/05/2017	Press for 4 page detail
Site Reference	Profit 20% & 60/40 AR & IR	Net Residential Site Area	1.3035	
File Source		Author & Organisation	AECOM	
Scheme Description	High density mixed use urban scheme	Registered Provider (whe NA)		

<b>CAPITAL VALUE OF OPEN MARKET HOUSING</b>		<b>£362,773,800</b>	£ 9,675 psqm
<b>BUILD COST OF OPEN MARKET HOUSING inc Contingency</b>	<b>£118,663,591</b>	£ 3,165 psqm	
<b>CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING</b>			<b>£244,110,209</b>

<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)</b>		<b>£98,597,600</b>	
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<b>OTHER SOURCES OF AFFORDABLE HOUSING FUNDING</b>		<b>£0</b>	
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<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)</b>		<b>£98,597,600</b>	
<b>BUILD COST OF AFFORDABLE HOUSING inc Contingency</b>	<b>£119,528,546</b>	£ 3,165 psqm	
<b>CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING</b>			<b>-£20,930,946</b>

Value of Residential Car Parking			<b>£0</b>
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Car Parking Build Costs	£0		
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<b>Capitalised Annual Ground Rents</b>		<b>£2,674,000</b>	
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<b>TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME</b>		<b>£464,045,400</b>	
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<b>TOTAL BUILD COST OF RESIDENTIAL SCHEME</b>	<b>£238,192,137</b>		
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<b>TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME</b>			<b>£225,853,263</b>
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<b>CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b>		<b>£77,893,419</b>	
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<b>COSTS OF NON-RESIDENTIAL SCHEME</b>	<b>£30,507,007</b>		
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<b>CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL</b>			<b>£47,386,412</b>
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<b>GROSS DEVELOPMENT VALUE OF SCHEME</b>		<b>£541,938,819</b>	
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<b>TOTAL BUILD COSTS</b>	<b>£268,699,144</b>		
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<b>TOTAL CONTRIBUTION TO SCHEME COSTS</b>			<b>£273,239,675</b>
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<b>External Works &amp; Infrastructure Costs (£)</b>		Per unit	% of GDV	per Hectare
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Site Preparation/Demolition	£0			
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Roads and Sewers	£0			
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Services (Power, Water, Gas, Telco and IT)	£0			
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Strategic Landscaping	£0			
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Off Site Works	£0			
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Public Open Space	£0			
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Site Specific Sustainability Initiatives	£0			
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Plot specific external works	£0			
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Other 1	£27,500,000	35,854	5.1%	10,073,260
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Other 2	£5,000,000	6,519	0.9%	1,831,502
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	<b>£32,500,000</b>		6.0%	11,904,762
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<b>Other site costs</b>				
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Fees and certification	12.0%	£27,221,958	35,491	5.0%	9,971,413
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Other Acquisition Costs (£)		£0			
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**Site Abnormals (£)**

De-canting tenants	£0			
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Decontamination	£0			
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Other	£0			
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Other 2	£0			
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Other 3	£0			
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Other 4	£0			
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Other 5	£0			
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<b>Total Site Costs inc Fees</b>	<b>£59,721,958</b>	77,864		
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<b>Statutory 106 costs</b>	<b>£13,380,204</b>	17,445		
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<b>Total Marketing Costs</b>	<b>£12,697,083</b>			
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<b>Total Direct Costs</b>	<b>£354,498,390</b>			
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**Finance and acquisition costs**

Land Payment	£22,812,047	59,717 per OM home	8,356,061 per hectare
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Arrangement Fee	£0	0.0% of interest	
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Misc Fees (Surveyors etc)	£0	0.00% of scheme value	
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Agents Fees	£228,120		
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Legal Fees	£182,496		
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Stamp Duty	£1,140,602		
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Total Interest Paid	£72,008,188		
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<b>Total Finance and Acquisition Costs</b>	<b>£96,371,454</b>			
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<b>Total Operating Profit</b>	<b>£91,068,975</b>			
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(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

<b>TOTAL COST</b>	<b>£541,938,820</b>
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<b>Surplus/(Deficit) at completion 31/5/2026</b>	<b>(£1)</b>
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<b>Present Value of Surplus (Deficit) at 1/5/2017</b>	<b>(£)</b>
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<b>Scheme Investment MIRR</b>	<b>9.3%</b> (before Developer's returns and interest to avoid double counting returns)
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Site Value as a Percentage of Total Scheme Value	4.2%	Peak Cash Requirement	-£280,639,322
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Site Address Camley Street and Cedar Way Date of appraisal 01/05/2017  
 Site Reference Profit 20% & 50/50 AR & IR Net Residential Site Area 1.3035  
 File Source Author & Organisation AECOM  
 Scheme Description High density mixed use urban scheme Registered Provider (whe NA)

Press for 4 page detail

**CAPITAL VALUE OF OPEN MARKET HOUSING** £364,050,900 £ 9,675 psqm  
**BUILD COST OF OPEN MARKET HOUSING inc Contingency** £119,081,332 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING** £244,969,568

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)** £98,973,000

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)** £98,973,000

**BUILD COST OF AFFORDABLE HOUSING inc Contingency** £119,317,573 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING** -£20,344,573

Value of Residential Car Parking £0

Car Parking Build Costs £0

Capitalised Annual Ground Rents £2,681,000

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £465,704,900

**TOTAL BUILD COST OF RESIDENTIAL SCHEME** £238,398,905

**TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME** £227,305,995

**CAPITAL VALUE OF NON-RESIDENTIAL SCHEME** £77,893,419

**COSTS OF NON-RESIDENTIAL SCHEME** £30,507,007

**CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL** £47,386,412

**GROSS DEVELOPMENT VALUE OF SCHEME** £543,598,319

**TOTAL BUILD COSTS** £268,905,912

**TOTAL CONTRIBUTION TO SCHEME COSTS** £274,692,407

**External Works & Infrastructure Costs (£)** Per unit % of GDV per Hectare

Site Preparation/Demolition £0

Roads and Sewers £0

Services (Power, Water, Gas, Telco and IT) £0

Strategic Landscaping £0

Off Site Works £0

Public Open Space £0

Site Specific Sustainability Initiatives £0

Plot specific external works £0

Other 1 £27,500,000 35,854 5.1% 10,073,260

Other 2 £5,000,000 6,519 0.9% 1,831,502

**£32,500,000** 6.0% 11,904,762

**Other site costs**

Fees and certification 12.0% £27,245,589 35,522 5.0% 9,980,069

Other Acquisition Costs (£) £0

**Site Abnormals (£)**

De-canting tenants £0

Decontamination £0

Other £0

Other 2 £0

Other 3 £0

Other 4 £0

Other 5 £0

**£0**

**Total Site Costs inc Fees** £59,745,589 77,895

**Statutory 106 costs** £13,426,618 17,505

**Total Marketing Costs** £12,741,782

**Total Direct Costs** £354,819,901

**Finance and acquisition costs**

Land Payment £23,533,704 61,446 per OM home 8,620,404 per hectare

Arrangement Fee £0 0.0% of interest

Misc Fees (Surveyors etc) £0 0.00% of scheme value

Agents Fees £235,337

Legal Fees £188,270

Stamp Duty £1,176,685

Total Interest Paid £72,332,084

**Total Finance and Acquisition Costs** £97,466,079

**Total Operating Profit** £91,312,340

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** £543,598,320

**Surplus/(Deficit) at completion 31/5/2026** (£)

**Present Value of Surplus (Deficit) at 1/5/2017** (£)

**Scheme Investment MIRR** 9.3% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 4.3% Peak Cash Requirement -£281,780,218

Site Address Camley Street and Cedar Way Date of appraisal 01/05/2017  
 Site Reference Profit 15% & 60/40 AR & SO Net Residential Site Area 1.3035  
 File Source Author & Organisation AECOM  
 Scheme Description High density mixed use urban scheme Registered Provider (whe NA)

[Press for 4 page detail](#)

**CAPITAL VALUE OF OPEN MARKET HOUSING** £362,773,800 £ 9,675 psqm  
**BUILD COST OF OPEN MARKET HOUSING inc Contingency** £118,663,591 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING** £244,110,209

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)** £101,815,784

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)** £101,815,784

**BUILD COST OF AFFORDABLE HOUSING inc Contingency** £119,528,546 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING** -£17,712,762

Value of Residential Car Parking £0

Car Parking Build Costs £0

Capitalised Annual Ground Rents £2,674,000

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £467,263,584

**TOTAL BUILD COST OF RESIDENTIAL SCHEME** £238,192,137

**TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME** £229,071,447

**CAPITAL VALUE OF NON-RESIDENTIAL SCHEME** £77,893,419

**COSTS OF NON-RESIDENTIAL SCHEME** £30,507,007

**CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL** £47,386,412

**GROSS DEVELOPMENT VALUE OF SCHEME** £545,157,003

**TOTAL BUILD COSTS** £268,699,144

**TOTAL CONTRIBUTION TO SCHEME COSTS** £276,457,859

**External Works & Infrastructure Costs (£)** Per unit % of GDV per Hectare

Site Preparation/Demolition £0

Roads and Sewers £0

Services (Power, Water, Gas, Telco and IT) £0

Strategic Landscaping £0

Off Site Works £0

Public Open Space £0

Site Specific Sustainability Initiatives £0

Plot specific external works £0

Other 1 £27,500,000 35,854 5.0% 10,073,260

Other 2 £5,000,000 6,519 0.9% 1,831,502

**£32,500,000** 6.0% 11,904,762

**Other site costs**

Fees and certification 12.0% £27,221,958 35,491 5.0% 9,971,413

Other Acquisition Costs (£) £0

**Site Abnormals (£)**

De-canting tenants £0

Decontamination £0

Other £0

Other 2 £0

Other 3 £0

Other 4 £0

Other 5 £0

**Total Site Costs inc Fees** £59,721,958 77,864

**Statutory 106 costs** £13,380,204 17,445

**Total Marketing Costs** £12,697,083

**Total Direct Costs** £354,498,390

**Finance and acquisition costs**

Land Payment £34,933,713 91,450 per OM home 12,796,232 per hectare

Arrangement Fee £0 0.0% of interest

Misc Fees (Surveyors etc) £0 0.00% of scheme value

Agents Fees £349,337

Legal Fees £279,470

Stamp Duty £1,746,686

Total Interest Paid £80,419,123

**Total Finance and Acquisition Costs** £117,728,329

**Total Operating Profit** £72,930,285

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** £545,157,004

**Surplus/(Deficit) at completion 31/5/2026** (£1)

**Present Value of Surplus (Deficit) at 1/5/2017** (£)

**Scheme Investment MIRR** 8.8% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 6.4% Peak Cash Requirement -£296,678,503

Site Address Camley Street and Cedar Way Date of appraisal 01/05/2017  
 Site Reference Profit 15% & 50/50 AR & SO (50/50) Net Residential Site Area 1.3035  
 File Source Author & Organisation AECOM  
 Scheme Description High density mixed use urban scheme Registered Provider (whe NA)

Press for 4 page detail

**CAPITAL VALUE OF OPEN MARKET HOUSING** £364,050,900 £ 9,675 psqm  
**BUILD COST OF OPEN MARKET HOUSING inc Contingency** £119,081,332 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING** £244,969,568

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)** £102,960,198

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)** £102,960,198

**BUILD COST OF AFFORDABLE HOUSING inc Contingency** £119,317,573 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING** -£16,357,375

Value of Residential Car Parking £0

Car Parking Build Costs £0

Capitalised Annual Ground Rents £2,681,000

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £469,692,098

**TOTAL BUILD COST OF RESIDENTIAL SCHEME** £238,398,905

**TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME** £231,293,193

**CAPITAL VALUE OF NON-RESIDENTIAL SCHEME** £77,893,419

**COSTS OF NON-RESIDENTIAL SCHEME** £30,507,007

**CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL** £47,386,412

**GROSS DEVELOPMENT VALUE OF SCHEME** £547,585,517

**TOTAL BUILD COSTS** £268,905,912

**TOTAL CONTRIBUTION TO SCHEME COSTS** £278,679,605

**External Works & Infrastructure Costs (£)** Per unit % of GDV per Hectare

Site Preparation/Demolition £0

Roads and Sewers £0

Services (Power, Water, Gas, Telco and IT) £0

Strategic Landscaping £0

Off Site Works £0

Public Open Space £0

Site Specific Sustainability Initiatives £0

Plot specific external works £0

Other 1 £27,500,000 35,854 5.0% 10,073,260

Other 2 £5,000,000 6,519 0.9% 1,831,502

**£32,500,000** 5.9% 11,904,762

**Other site costs**

Fees and certification 12.0% £27,245,589 35,522 5.0% 9,980,069

Other Acquisition Costs (£) £0

**Site Abnormals (£)**

De-canting tenants £0

Decontamination £0

Other £0

Other 2 £0

Other 3 £0

Other 4 £0

Other 5 £0

**Total Site Costs inc Fees** £59,745,589 77,895

**Statutory 106 costs** £13,426,618 17,505

**Total Marketing Costs** £12,741,782

**Total Direct Costs** £354,819,901

**Finance and acquisition costs**

Land Payment £36,201,677 94,521 per OM home 13,260,688 per hectare

Arrangement Fee £0 0.0% of interest

Misc Fees (Surveyors etc) £0 0.00% of scheme value

Agents Fees £362,017

Legal Fees £289,613

Stamp Duty £1,810,084

Total Interest Paid £80,992,430

**Total Finance and Acquisition Costs** £119,655,822

**Total Operating Profit** £73,109,795

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** £547,585,517

**Surplus/(Deficit) at completion 31/5/2026** £0

**Present Value of Surplus (Deficit) at 1/5/2017** £0

**Scheme Investment MIRR** 8.8% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 6.6% Peak Cash Requirement -£298,542,264

Site Address Camley Street and Cedar Way Date of appraisal 01/05/2017  
 Site Reference Profit 15% & 60/40 AR & IR Net Residential Site Area 1.3035  
 File Source Author & Organisation AECOM  
 Scheme Description High density mixed use urban scheme Registered Provider (whe NA)

Press for 4 page detail

**CAPITAL VALUE OF OPEN MARKET HOUSING** £362,773,800 £ 9,675 psqm  
**BUILD COST OF OPEN MARKET HOUSING inc Contingency** £118,663,591 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING** £244,110,209

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)** £98,597,600

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)** £98,597,600

**BUILD COST OF AFFORDABLE HOUSING inc Contingency** £119,528,546 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING** -£20,930,946

Value of Residential Car Parking £0

Car Parking Build Costs £0

Capitalised Annual Ground Rents £2,674,000

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £464,045,400

**TOTAL BUILD COST OF RESIDENTIAL SCHEME** £238,192,137

**TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME** £225,853,263

**CAPITAL VALUE OF NON-RESIDENTIAL SCHEME** £77,893,419

**COSTS OF NON-RESIDENTIAL SCHEME** £30,507,007

**CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL** £47,386,412

**GROSS DEVELOPMENT VALUE OF SCHEME** £541,938,819

**TOTAL BUILD COSTS** £268,699,144

**TOTAL CONTRIBUTION TO SCHEME COSTS** £273,239,675

**External Works & Infrastructure Costs (£)** Per unit % of GDV per Hectare

Site Preparation/Demolition £0

Roads and Sewers £0

Services (Power, Water, Gas, Telco and IT) £0

Strategic Landscaping £0

Off Site Works £0

Public Open Space £0

Site Specific Sustainability Initiatives £0

Plot specific external works £0

Other 1 £27,500,000 35,854 5.1% 10,073,260

Other 2 £5,000,000 6,519 0.9% 1,831,502

**£32,500,000** 6.0% 11,904,762

**Other site costs**

Fees and certification 12.0% £27,221,958 35,491 5.0% 9,971,413

Other Acquisition Costs (£) £0

**Site Abnormals (£)**

De-canting tenants £0

Decontamination £0

Other £0

Other 2 £0

Other 3 £0

Other 4 £0

Other 5 £0

**Total Site Costs inc Fees** £59,721,958 77,864

**Statutory 106 costs** £13,380,204 17,445

**Total Marketing Costs** £12,697,083

**Total Direct Costs** £354,498,390

**Finance and acquisition costs**

Land Payment £32,794,576 85,850 per OM home 12,012,665 per hectare

Arrangement Fee £0 0.0% of interest

Misc Fees (Surveyors etc) £0 0.00% of scheme value

Agents Fees £327,946

Legal Fees £262,357

Stamp Duty £1,639,729

Total Interest Paid £79,485,537

**Total Finance and Acquisition Costs** £114,510,145

**Total Operating Profit** £72,930,285

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** £541,938,820

**Surplus/(Deficit) at completion 31/5/2026** (£1)

**Present Value of Surplus (Deficit) at 1/5/2017** (£)

**Scheme Investment MIRR** 8.8% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 6.1% Peak Cash Requirement -£293,848,034

Site Address Camley Street and Cedar Way Date of appraisal 01/05/2017  
 Site Reference Profit 15% & 50/50 AR & IR (50/50) Net Residential Site Area 1.3035  
 File Source Author & Organisation AECOM  
 Scheme Description High density mixed use urban scheme Registered Provider (whe NA)

Press for 4 page detail

**CAPITAL VALUE OF OPEN MARKET HOUSING** £364,050,900 £ 9,675 psqm  
**BUILD COST OF OPEN MARKET HOUSING inc Contingency** £119,081,332 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING** £244,969,568

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)** £98,973,000

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)** £98,973,000

**BUILD COST OF AFFORDABLE HOUSING inc Contingency** £119,317,573 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING** -£20,344,573

Value of Residential Car Parking £0

Car Parking Build Costs £0

Capitalised Annual Ground Rents £2,681,000

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £465,704,900

**TOTAL BUILD COST OF RESIDENTIAL SCHEME** £238,398,905

**TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME** £227,305,995

**CAPITAL VALUE OF NON-RESIDENTIAL SCHEME** £77,893,419

**COSTS OF NON-RESIDENTIAL SCHEME** £30,507,007

**CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL** £47,386,412

**GROSS DEVELOPMENT VALUE OF SCHEME** £543,598,319

**TOTAL BUILD COSTS** £268,905,912

**TOTAL CONTRIBUTION TO SCHEME COSTS** £274,692,407

**External Works & Infrastructure Costs (£)** Per unit % of GDV per Hectare

Site Preparation/Demolition £0

Roads and Sewers £0

Services (Power, Water, Gas, Telco and IT) £0

Strategic Landscaping £0

Off Site Works £0

Public Open Space £0

Site Specific Sustainability Initiatives £0

Plot specific external works £0

Other 1 £27,500,000 35,854 5.1% 10,073,260

Other 2 £5,000,000 6,519 0.9% 1,831,502

**£32,500,000** 6.0% 11,904,762

**Other site costs**

Fees and certification 12.0% £27,245,589 35,522 5.0% 9,980,069

Other Acquisition Costs (£) £0

**Site Abnormals (£)**

De-canting tenants £0

Decontamination £0

Other £0

Other 2 £0

Other 3 £0

Other 4 £0

Other 5 £0

**£0**

**Total Site Costs inc Fees** £59,745,589 77,895

**Statutory 106 costs** £13,426,618 17,505

**Total Marketing Costs** £12,741,782

**Total Direct Costs** £354,819,901

**Finance and acquisition costs**

Land Payment £33,551,375 87,602 per OM home 12,289,881 per hectare

Arrangement Fee £0 0.0% of interest

Misc Fees (Surveyors etc) £0 0.00% of scheme value

Agents Fees £335,514

Legal Fees £268,411

Stamp Duty £1,677,569

Total Interest Paid £79,835,756

**Total Finance and Acquisition Costs** £115,668,624

**Total Operating Profit** £73,109,795

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** £543,598,320

**Surplus/(Deficit) at completion 31/5/2026** (£1)

**Present Value of Surplus (Deficit) at 1/5/2017** (£)

**Scheme Investment MIRR** 8.8% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 6.2% Peak Cash Requirement -£295,035,430

Site Address	Camley Street and Cedar Way	Date of appraisal	01/05/2017	Press for 4 page detail
Site Reference	Profit 6% & 60/40 AR & SO	Net Residential Site Area	1.3035	
File Source		Author & Organisation	AECOM	
Scheme Description	High density mixed use urban scheme	Registered Provider (whe NA)		

<b>CAPITAL VALUE OF OPEN MARKET HOUSING</b>		<b>£362,773,800</b>	£ 9,675 psqm
<b>BUILD COST OF OPEN MARKET HOUSING inc Contingency</b>	<b>£118,663,591</b>	£ 3,165 psqm	
<b>CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING</b>			<b>£244,110,209</b>

<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)</b>		<b>£101,815,784</b>
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<b>OTHER SOURCES OF AFFORDABLE HOUSING FUNDING</b>		<b>£0</b>
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<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)</b>		<b>£101,815,784</b>	
<b>BUILD COST OF AFFORDABLE HOUSING inc Contingency</b>	<b>£119,528,546</b>	£ 3,165 psqm	
<b>CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING</b>			<b>-£17,712,762</b>

Value of Residential Car Parking		<b>£0</b>
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Car Parking Build Costs	£0		<b>£2,674,000</b>
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Capitalised Annual Ground Rents			<b>£2,674,000</b>
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<b>TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME</b>		<b>£467,263,584</b>
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<b>TOTAL BUILD COST OF RESIDENTIAL SCHEME</b>	<b>£238,192,137</b>
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<b>TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME</b>		<b>£229,071,447</b>
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<b>CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b>		<b>£77,893,419</b>
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<b>COSTS OF NON-RESIDENTIAL SCHEME</b>	<b>£30,507,007</b>
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<b>CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL</b>		<b>£47,386,412</b>
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<b>GROSS DEVELOPMENT VALUE OF SCHEME</b>		<b>£545,157,003</b>
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<b>TOTAL BUILD COSTS</b>	<b>£268,699,144</b>
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<b>TOTAL CONTRIBUTION TO SCHEME COSTS</b>		<b>£276,457,859</b>
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<b>External Works &amp; Infrastructure Costs (£)</b>		Per unit	% of GDV	per Hectare
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Site Preparation/Demolition	£0			
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Roads and Sewers	£0			
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Services (Power, Water, Gas, Telco and IT)	£0			
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Strategic Landscaping	£0			
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Off Site Works	£0			
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Public Open Space	£0			
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Site Specific Sustainability Initiatives	£0			
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Plot specific external works	£0			
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Other 1	£27,500,000	35,854	5.0%	10,073,260
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Other 2	£5,000,000	6,519	0.9%	1,831,502
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	<b>£32,500,000</b>		6.0%	11,904,762
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<b>Other site costs</b>				
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Fees and certification	12.0%	£27,221,958	35,491	5.0%	9,971,413
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Other Acquisition Costs (£)		£0			
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**Site Abnormals (£)**

De-canting tenants	£0			
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Decontamination	£0			
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Other	£0			
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Other 2	£0			
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Other 3	£0			
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Other 4	£0			
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Other 5	£0			
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<b>Total Site Costs inc Fees</b>	<b>£59,721,958</b>	77,864
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<b>Statutory 106 costs</b>	<b>£13,380,204</b>	17,445
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<b>Total Marketing Costs</b>	<b>£12,697,083</b>
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<b>Total Direct Costs</b>	<b>£354,498,390</b>
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**Finance and acquisition costs**

Land Payment	£52,811,942	138,251 per OM home	19,345,034 per hectare
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Arrangement Fee	£0	0.0% of interest	
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Misc Fees (Surveyors etc)	£0	0.00% of scheme value	
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Agents Fees	£528,119		
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Legal Fees	£422,496		
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Stamp Duty	£2,640,597		
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Total Interest Paid	£93,974,815		
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<b>Total Finance and Acquisition Costs</b>	<b>£150,377,970</b>
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<b>Total Operating Profit</b>	<b>£40,280,643</b>
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(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

<b>TOTAL COST</b>	<b>£545,157,003</b>
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<b>Surplus/(Deficit) at completion 31/5/2026</b>	<b>£0</b>
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<b>Present Value of Surplus (Deficit) at 1/5/2017</b>	<b>£0</b>
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<b>Scheme Investment MIRR</b>	<b>7.9%</b> (before Developer's returns and interest to avoid double counting returns)
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Site Value as a Percentage of Total Scheme Value	9.7%	Peak Cash Requirement	-£320,334,671
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Site Address	Camley Street and Cedar Way	Date of appraisal	01/05/2017	Press for 4 page detail
Site Reference	Profit 6% & 50/50 AR & SO (50/50)	Net Residential Site Area	1.3035	
File Source		Author & Organisation	AECOM	
Scheme Description	High density mixed use urban scheme	Registered Provider (whe NA)		

<b>CAPITAL VALUE OF OPEN MARKET HOUSING</b>		<b>£364,050,900</b>	£ 9,675 psqm
<b>BUILD COST OF OPEN MARKET HOUSING inc Contingency</b>	<b>£119,081,332</b>	£ 3,165 psqm	
<b>CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING</b>			<b>£244,969,568</b>

<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)</b>		<b>£102,960,198</b>	
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<b>OTHER SOURCES OF AFFORDABLE HOUSING FUNDING</b>		<b>£0</b>	
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<b>CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)</b>		<b>£102,960,198</b>	
<b>BUILD COST OF AFFORDABLE HOUSING inc Contingency</b>	<b>£119,317,573</b>	£ 3,165 psqm	
<b>CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING</b>			<b>-£16,357,375</b>

Value of Residential Car Parking			£0
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Car Parking Build Costs	£0		
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<b>Capitalised Annual Ground Rents</b>		<b>£2,681,000</b>	
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<b>TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME</b>		<b>£469,692,098</b>	
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<b>TOTAL BUILD COST OF RESIDENTIAL SCHEME</b>	<b>£238,398,905</b>		
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<b>TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME</b>			<b>£231,293,193</b>
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<b>CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b>		<b>£77,893,419</b>	
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<b>COSTS OF NON-RESIDENTIAL SCHEME</b>	<b>£30,507,007</b>		
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<b>CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL</b>			<b>£47,386,412</b>
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<b>GROSS DEVELOPMENT VALUE OF SCHEME</b>		<b>£547,585,517</b>	
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<b>TOTAL BUILD COSTS</b>	<b>£268,905,912</b>		
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<b>TOTAL CONTRIBUTION TO SCHEME COSTS</b>			<b>£278,679,605</b>
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<b>External Works &amp; Infrastructure Costs (£)</b>		Per unit	% of GDV	per Hectare
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Site Preparation/Demolition	£0			
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Roads and Sewers	£0			
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Services (Power, Water, Gas, Telco and IT)	£0			
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Strategic Landscaping	£0			
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Off Site Works	£0			
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Public Open Space	£0			
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Site Specific Sustainability Initiatives	£0			
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Plot specific external works	£0			
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Other 1	£27,500,000	35,854	5.0%	10,073,260
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Other 2	£5,000,000	6,519	0.9%	1,831,502
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	<b>£32,500,000</b>		5.9%	11,904,762
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<b>Other site costs</b>				
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Fees and certification	12.0%	£27,245,589	35,522	5.0%	9,980,069
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Other Acquisition Costs (£)		£0			
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**Site Abnormals (£)**

De-canting tenants	£0			
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Decontamination	£0			
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Other	£0			
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Other 2	£0			
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Other 3	£0			
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Other 4	£0			
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Other 5	£0			
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<b>Total Site Costs inc Fees</b>	<b>£59,745,589</b>	77,895		
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<b>Statutory 106 costs</b>	<b>£13,426,618</b>	17,505		
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<b>Total Marketing Costs</b>	<b>£12,741,782</b>			
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<b>Total Direct Costs</b>	<b>£354,819,901</b>			
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**Finance and acquisition costs**

Land Payment	£54,142,254	141,364 per OM home	19,832,328 per hectare
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Arrangement Fee	£0	0.0% of interest	
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Misc Fees (Surveyors etc)	£0	0.00% of scheme value	
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Agents Fees	£541,423		
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Legal Fees	£433,138		
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Stamp Duty	£2,707,113		
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Total Interest Paid	£94,596,476		
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<b>Total Finance and Acquisition Costs</b>	<b>£152,420,403</b>			
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<b>Total Operating Profit</b>	<b>£40,345,214</b>			
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(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

<b>TOTAL COST</b>	<b>£547,585,518</b>
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<b>Surplus/(Deficit) at completion 31/5/2026</b>	<b>(£1)</b>
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<b>Present Value of Surplus (Deficit) at 1/5/2017</b>	<b>(£)</b>
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<b>Scheme Investment MIRR</b>	<b>7.8%</b> (before Developer's returns and interest to avoid double counting returns)
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Site Value as a Percentage of Total Scheme Value	9.9%	Peak Cash Requirement	-£322,280,929
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Site Address Camley Street and Cedar Way Date of appraisal 01/05/2017  
 Site Reference Profit 6% 60/40 AR & IR Net Residential Site Area 1.3035  
 File Source Author & Organisation AECOM  
 Scheme Description High density mixed use urban scheme Registered Provider (whe NA)

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**CAPITAL VALUE OF OPEN MARKET HOUSING** £362,773,800 £ 9,675 psqm  
**BUILD COST OF OPEN MARKET HOUSING inc Contingency** £118,663,591 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING** £244,110,209

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)** £98,597,600

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)** £98,597,600

**BUILD COST OF AFFORDABLE HOUSING inc Contingency** £119,528,546 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING** -£20,930,946

Value of Residential Car Parking £0

Car Parking Build Costs £0

Capitalised Annual Ground Rents £2,674,000

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £464,045,400

**TOTAL BUILD COST OF RESIDENTIAL SCHEME** £238,192,137

**TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME** £225,853,263

**CAPITAL VALUE OF NON-RESIDENTIAL SCHEME** £77,893,419

**COSTS OF NON-RESIDENTIAL SCHEME** £30,507,007

**CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL** £47,386,412

**GROSS DEVELOPMENT VALUE OF SCHEME** £541,938,819

**TOTAL BUILD COSTS** £268,699,144

**TOTAL CONTRIBUTION TO SCHEME COSTS** £273,239,675

**External Works & Infrastructure Costs (£)** Per unit % of GDV per Hectare

Site Preparation/Demolition £0

Roads and Sewers £0

Services (Power, Water, Gas, Telco and IT) £0

Strategic Landscaping £0

Off Site Works £0

Public Open Space £0

Site Specific Sustainability Initiatives £0

Plot specific external works £0

Other 1 £27,500,000 35,854 5.1% 10,073,260

Other 2 £5,000,000 6,519 0.9% 1,831,502

**£32,500,000** 6.0% 11,904,762

**Other site costs**

Fees and certification 12.0% £27,221,958 35,491 5.0% 9,971,413

Other Acquisition Costs (£) £0

**Site Abnormals (£)**

De-canting tenants £0

Decontamination £0

Other £0

Other 2 £0

Other 3 £0

Other 4 £0

Other 5 £0

**Total Site Costs inc Fees** £59,721,958 77,864

**Statutory 106 costs** £13,380,204 17,445

**Total Marketing Costs** £12,697,083

**Total Direct Costs** £354,498,390

**Finance and acquisition costs**

Land Payment £50,674,452 132,656 per OM home 18,562,070 per hectare

Arrangement Fee £0 0.0% of interest

Misc Fees (Surveyors etc) £0 0.00% of scheme value

Agents Fees £506,745

Legal Fees £405,396

Stamp Duty £2,533,723

Total Interest Paid £93,039,471

**Total Finance and Acquisition Costs** £147,159,786

**Total Operating Profit** £40,280,643

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** £541,938,819

**Surplus/(Deficit) at completion 31/5/2026** £0

**Present Value of Surplus (Deficit) at 1/5/2017** £0

**Scheme Investment MIRR** 7.9% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 9.4% Peak Cash Requirement -£317,506,381

Site Address Camley Street and Cedar Way Date of appraisal 01/05/2017  
 Site Reference Profit 6% 50/50 AR & IR Net Residential Site Area 1.3035  
 File Source Author & Organisation AECOM  
 Scheme Description High density mixed use urban scheme Registered Provider (whe NA)

Press for 4 page detail

**CAPITAL VALUE OF OPEN MARKET HOUSING** £364,050,900 £ 9,675 psqm  
**BUILD COST OF OPEN MARKET HOUSING inc Contingency** £119,081,332 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING** £244,969,568

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)** £98,973,000

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)** £98,973,000

**BUILD COST OF AFFORDABLE HOUSING inc Contingency** £119,317,573 £ 3,165 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING** -£20,344,573

Value of Residential Car Parking £0

Car Parking Build Costs £0

Capitalised Annual Ground Rents £2,681,000

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £465,704,900

**TOTAL BUILD COST OF RESIDENTIAL SCHEME** £238,398,905

**TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME** £227,305,995

**CAPITAL VALUE OF NON-RESIDENTIAL SCHEME** £77,893,419

**COSTS OF NON-RESIDENTIAL SCHEME** £30,507,007

**CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL** £47,386,412

**GROSS DEVELOPMENT VALUE OF SCHEME** £543,598,319

**TOTAL BUILD COSTS** £268,905,912

**TOTAL CONTRIBUTION TO SCHEME COSTS** £274,692,407

**External Works & Infrastructure Costs (£)** Per unit % of GDV per Hectare

Site Preparation/Demolition £0

Roads and Sewers £0

Services (Power, Water, Gas, Telco and IT) £0

Strategic Landscaping £0

Off Site Works £0

Public Open Space £0

Site Specific Sustainability Initiatives £0

Plot specific external works £0

Other 1 £27,500,000 35,854 5.1% 10,073,260

Other 2 £5,000,000 6,519 0.9% 1,831,502

**£32,500,000** 6.0% 11,904,762

**Other site costs**

Fees and certification 12.0% £27,245,589 35,522 5.0% 9,980,069

Other Acquisition Costs (£) £0

**Site Abnormals (£)**

De-canting tenants £0

Decontamination £0

Other £0

Other 2 £0

Other 3 £0

Other 4 £0

Other 5 £0

**Total Site Costs inc Fees** £59,745,589 77,895

**Statutory 106 costs** £13,426,618 17,505

**Total Marketing Costs** £12,741,782

**Total Direct Costs** £354,819,901

**Finance and acquisition costs**

Land Payment £51,493,992 134,449 per OM home 18,862,268 per hectare

Arrangement Fee £0 0.0% of interest

Misc Fees (Surveyors etc) £0 0.00% of scheme value

Agents Fees £514,940

Legal Fees £411,952

Stamp Duty £2,574,700

Total Interest Paid £93,437,622

**Total Finance and Acquisition Costs** £148,433,205

**Total Operating Profit** £40,345,214

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** £543,598,320

**Surplus/(Deficit) at completion 31/5/2026** (£1)

**Present Value of Surplus (Deficit) at 1/5/2017** (£)

**Scheme Investment MIRR** 7.9% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 9.5% Peak Cash Requirement -£318,776,794

