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# Orchard Lane / East Molesey

## Viability Assessment



## **Affordable Housing Financial Viability Assessment**

### **The Molesey Venture, Orchard Lane, East Molesey, Surrey KT8 0BN**

Sons of Divine Providence and Lifestyle Residences

9 November 2022



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# 1 Executive Summary

This report examines the development economics of Sons of Divine Providence and Lifestyle Residence's ("the Applicant") proposed residential redevelopment ("the Proposed Development") of the land at Orchard Lane, East Molesey, Surrey, KT8 0BN ("the Site").

Planning permission will be sought by the Applicant for the redevelopment of the site to provide a wholly residential scheme comprising 74 dwellings, across three blocks.

Our viability assessment concludes that it is not viable to provide any affordable housing, based on current cost and current values.

## 2 Introduction

The Applicant has commissioned BNP Paribas Real Estate (“BNPPRE”) to provide an assessment of the financial viability of the proposed development of the Site. Our terms of reference are summarised as follows:

- Assess the residual land value generated by the Proposed Development; and
- Using the outputs of the appraisal, consider an appropriate level of affordable housing that the Proposed Development can viably provide, whilst ensuring that the scheme is deliverable in line with requirements set out in the National Planning Policy Framework.

### 2.1 BNP Paribas Real Estate

BNP Paribas Real Estate is a leading firm of chartered surveyors, town planning and international property consultants. The firm offers clients an integrated service from 67 offices within the United Kingdom and circa 7,700 employees across 36 countries in Europe, Middle East, India and the United States of America, including 16 wholly owned and 20 alliances. In 2005, the firm expanded through the acquisition of eight offices of Chesterton, in 2007, the firm acquired the business of Fuller Peiser and in 2017 the firm merged with Strutt & Parker. We are a wholly owned subsidiary of BNP Paribas, which is the number one bank in France and was named the world’s best bank for Corporates by Euromoney in 2017. BNP Paribas is a leading bank in the eurozone and a leading global player operating in 74 countries.

BNP Paribas Real Estate has a wide ranging client base, acting for international companies and individuals, banks and financial institutions, private companies, public sector corporations, government departments, local authorities and registered providers (‘RPs’).

The full range of property services includes:

- Planning and development consultancy;
- Affordable housing consultancy;
- Valuation and real estate appraisal;
- Property investment;
- Agency and Brokerage;
- Property management;
- Building and project consultancy; and
- Corporate real estate consultancy.

This report has been prepared by Victoria Simms MRICS, RICS Registered Valuer and reviewed by Anthony Lee MRTPI, MRICS, RICS Registered Valuer.

The Development Viability and Affordable Housing Consultancy of BNP Paribas Real Estate advises landowners, developers, local authorities and RPs on the provision of affordable housing.

In 2007, we were appointed by the Greater London Authority (“GLA”) to review its ‘Development Control Toolkit Model’ (commonly referred to as the ‘Three Dragons’ model). This review included testing the validity of the Three Dragons’ approach to appraising the value of residential and mixed-use developments; reviewing the variables used in the model and advising on areas that required amendment in the re-worked toolkit and other available appraisal models and submitted our report in February 2012.

Anthony Lee is a member of the RICS ‘*Experts in Planning Service*’ panel, which was established in March 2009 to support the Planning Inspectorate on major casework and local development plan work submitted for independent examination. He was also a member of the working group which drafted guidance for planning authorities on viability, which was published by the Local Housing Delivery Group in June 2012 as ‘*Viability Testing Local Plans: Advice to Planning Practitioners*’. He is a member of the “*Developer Contributions Technical Expert Panel*” established by the Ministry of

Housing, Communities and Local Government to advise on the use of viability assessments in local plans and development management.

In addition, we were retained by the Homes England (“HE”) to advise on better management of procurement of affordable housing through planning obligations.

The firm has extensive experience of advising landowners, developers, local authorities and RPs on the value of affordable housing and economically and socially sustainable residential developments.

## 2.2 Report structure

This report is structured as follows:

- **Section three** provides a brief description of the Proposed Development;
- **Section four** describes the methodology that has been adopted;
- **Section five** outlines the inputs adopted within our appraisals;
- **Section six** sets out the results of the appraisals;
- Finally, in **Section seven**, we draw conclusions from the analysis.

## 2.3 The Status of our advice

In preparing this report and the supporting appraisals, we have given full regard to the RICS Guidance Note (‘GN’) *‘Assessing viability in planning under the National Planning Policy Framework for England 2019’* (first edition, March 2021). However, paragraph 2.2.3 of the GN acknowledges that statutory planning guidance takes precedence over RICS guidance. Conflicts may emerge between the GN and the PPG and/or other adopted development plan documents. In such circumstances, we have given more weight to the PPG and development plan documents.

In carrying out this assessment, we have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.

We are not aware of any conflicts of interest in relation to this assessment.

In preparing this report, no ‘performance-related’ or ‘contingent’ fees have been agreed.

## 3 Background and description of the Development

### 3.1 The Site

The application site comprises an irregular shaped area of land of approximately 0.75 hectares, accessed primarily by way of a single vehicular and pedestrian access point located within the southern boundary of the site and adjoining the western-most point of a residential cul-de-sac called Orchard Lane.

The site currently comprises a total of seven existing buildings, which collectively are known as the Molesey Venture. The majority of the buildings are used for residential accommodation falling within Use Class C3, although one of the buildings (Sundial House) is a care home (Use Class C2) which has the capacity to provide 7 bedspaces. The site also previously included a horticultural centre, primarily used by residents but also open to members of the public, but that centre closed down to the public during the coronavirus pandemic and has not subsequently reopened (but has remained in use by residents).

### 3.2 The Proposed Development

The proposed development will comprise *'the redevelopment of the site by way of the demolition (or partial demolition) of all existing buildings and the erection of 3 buildings comprising 74 residential units (15 x 1 bed, 48 x 2 bed and 11 x 3 bed) and ancillary facilities for residents, underground and surface level car and cycle parking, mechanical plant, soft and hard landscaping and associated diversion of Thames Water pipe.'*

The proposed scheme is arranged over three buildings. A total of 74 car parking spaces is proposed across the development (including 5% for disabled drivers), with a minimum of 20% of all spaces to be provided with fast-charge electrical sockets, and all spaces will have passive provisions to allow for future expansion of charging facilities. The majority of the parking will be located in the basement (55 spaces), accessed by way of a single width ramp, controlled by a signal control system, and there will also be surface level car parking and 3 integral garages as part of the 4 townhouses which make up Block B.

Table 3.2.1 provides a summary of the residential accommodation in Block A.

**Table 3.2.1 Proposed Scheme Residential Accommodation – Block A**

Unit Type	Number	Habitable Rooms	NIA Sq M	NIA Sq Ft	Total NIA Sq M	Total NIA Sq Ft
1 bed 2 person	3	6	53 – 60	571 – 646	166	1,787
2 bed 4 person	35	105	75 – 88	807- 947	2,807	30,215
2 bed w/c	4	12	92 - 106	990 – 1,141	396	4,263
3 bed 5 person	6	24	86 – 106	926 – 1141	588	6,329
3 bed 6 person	2	8	123	246	1,324	2,648
<b>Total</b>	<b>50</b>	<b>155</b>			<b>4,203</b>	<b>45,242</b>

Table 3.2.2 sets out the proposed units at Block B.

**Table 3.2.2 Proposed Scheme Residential Accommodation – Block B**

Unit Type	Number	Habitable Rooms	NIA Sq M	NIA Sq Ft	Total NIA Sq M	Total NIA Sq Ft
2 bed 4 person	1	5	106	1,141	106	1,141
3 bed 5 person	3	15	135	1,453	405	4,360
<b>Total</b>	<b>4</b>	<b>20</b>			<b>511</b>	<b>5,501</b>

Table 3.2.3 sets out the proposed scheme residential accommodation at Block C

**Table 3.2.3 Proposed Scheme Residential Accommodation – Block C**

Unit Type	Number	Habitable Rooms	NIA Sq M	NIA Sq Ft	Total NIA Sq M	Total NIA Sq Ft
1 bed 1 person	7	7	37 – 45	398 – 484	289	3,111
1 bed 2 person	5	10	50 – 51	538 – 549	251	2,702
2 bed 3 person	6	18	61	657	366	3,940
2 bed 4 person	2	6	70 – 72	753 – 775	142	1,529
<b>Total</b>	<b>20</b>	<b>41</b>			<b>1,048</b>	<b>11,281</b>

Table 3.2.4 sets out the total GIFA for the proposed scheme.

**Table 3.2.4 Proposed Scheme GIFA**

Block	NIA Sq M	NIA Sq Ft	GIFA Sq M	GIFA Sq Ft
Block A	4,203	45,242	5,856	63,034
Block B	511	5,501	601	6,469
Block C	1,048	11,281	1,418	15,263
Basement			2,167	23,326
<b>Total</b>	<b>5,762</b>	<b>62,024</b>	<b>10,042</b>	<b>84,766</b>

### 3.3 Site History

We note that there is no Extant consent which would have any impact on the scheme viability.

## 4 Methodology

We have used *Argus Developer* (“*Argus*”) to appraise the development proposals. Argus is a commercially available development appraisal package in widespread use throughout the industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuation. Further details can be access at [www.argussoftware.com](http://www.argussoftware.com).

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

The difference between the total development value and total costs equates to the residual land value (“RLV”). The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

Adopting the residual land value approach the output of the appraisal is an RLV. To assess viability the RLV is compared to an appropriate benchmark, often considered to be the Existing Use Value (“EUV”) of the site plus, where appropriate a landowner’s premium, to arrive at the Benchmark Land Value (“BLV”). An Alternative Use Value (“AUV”) may also constitute a reasonable benchmark figure where it is considered to be feasible in planning and commercial terms. Development convention dictates that where a development proposal generates a RLV that is higher than the benchmark, it can be assessed as financially viable and likely to proceed. If the RLV generated by a development is lower than the BLV, clearly a landowner would sell the site for existing or alternative use or might delay development until the RLV improves.

In this case, the site comprises a range of Existing Buildings, currently in use. We therefore have based our BLV on a current assessment of Existing Use Value plus appropriate land owner premium.

## 5 Assumptions

This section of the report sets out the general principles and assumptions which have been used to undertake development appraisals of the scheme.

### 5.1 Economic and housing market context

The housing and commercial property markets are inherently cyclical. The downwards adjustment in house prices in 2008/9 was followed by a prolonged period of real house price growth. Between January 2010 and January 2015 the UK national average house price grew 17.50% (Land Registry House Price Index).

The June 2016 referendum on the UK's membership of the EU resulted in a narrow decision in favour of exit. Initially, the economic impact of the vote, was a fall in the Pound Sterling to a 31-year low and stocks overselling due to the earnings of the FTSE being largely in US Dollars. As the Pound Sterling continued to remain below its pre-June 2016 levels the FTSE recovered and reported all-time highs. Despite this, since June 2016 the UK has been in a period of uncertainty in relation to many factors that impact the property investment and letting markets. However, the UK economy sustained momentum following the result of the UK's June 2016 referendum, and the performance of the UK housing market surprised many following 2016.

The majority won by the Conservatives in the December 2019 General Election provided more certainty, resulting in the passing of the EU Withdrawal Bill in the House of Commons and subsequent exit from the EU in January 2020. Markets responded positively to increased certainty, with the FTSE 100 closing the year up 12% at 7,542 points. On the ground, agents reported the week of the General Election to be the best week of 2019 for exchanges and 2020 started positively. However, market conditions were still tempered by heightened uncertainty relating to post EU exit trade and related arrangements prior to an agreed deal. A deal was agreed between the UK and EU negotiators on 24 December 2020 and has since been ratified by both sides. The trade agreement eased the uncertainty surrounding the economic and political future relationship between the United Kingdom and the EU. However, the first half of 2021 saw a significant fall in UK exports, largely as a result of an increased administrative burden for exporters and reduced demand from EU countries. Imports from EU countries have not fallen to the same extent, resulting in a worsening of the UK's balance of trade.

A number of the leading residential property consultancy companies including; BNP Paribas Real Estate ("BNPPRE"), JLL, Knight Frank and Savills agreed that uncertainty regarding the outcome of the UK's exit from the EU weighed on buyer sentiment through 2019. This was eased somewhat by the result of the 2019 General Election. Knight Frank's UK Residential Market Forecast 2020-2024 identified that in the short-term, the removal of some of the uncertainty as result of the general election would *"pave the way for the release of some of the pent-up demand that has built in recent years, though the extent to which this translates into transactions will depend on the size of the pricing expectation gap between buyers and sellers"*.

The positive start to 2020 was curtailed by the outbreak of COVID-19, a global pandemic as declared by the World Health Organisation in March 2020. The virus impacted global financial markets, with the outlook continuing to be unclear. The Bank of England ("BoE") responded to the economic impact of COVID-19 by lowering the base rate to 0.25% and introducing financial arrangements to help the bridge the economic hardship caused by COVID-19.

The UK Government introduced a series of restrictive and economically disruptive measures to slow the spread of COVID-19 and pledged a support package of £350bn to stabilise the economy during the shock caused by COVID-19. On 19 March 2020, the BoE again lowered the base rate to a historic low of 0.1%. Furthermore, the Pound Sterling fell to a 30-year low against the US Dollar at a level of \$1.00 being valued at £1.15. Since the commencement of the UK Government restrictions and financial support in March 2020, a number of packages and policy initiatives were introduced by the Government to both attempt to curb the virus spread and sustain economic activity where possible. The Chancellor's Winter Economy Plan included a six-month Job Support Scheme, as well as other tax cuts and grants / loans to support businesses. As part of the March 2021 budget, the furlough

scheme was extended to September 2021. Importantly for the housing market, the Stamp Duty holiday was extended in England until the end of June 2021 tapering until September 2021. The successful vaccine production and subsequent rollout programme allowed for the full easing of restrictions within the U.K, which in turn led to a positive rebound in economic activity. However, the rebound in economic activity has seen inflation increase significantly above the BoE's inflation target of 2%.

The BoE's Monetary Policy Committee's ('MPC') Global Inflationary Summary May 2022 identified that, "Global inflationary pressures have intensified sharply following Russia's invasion of Ukraine. This has led to a material deterioration in the outlook for world and UK growth. These developments have exacerbated greatly the combination of adverse supply shocks that the United Kingdom and other countries continue to face. Concerns about further supply chain disruption have also risen, both due to Russia's invasion of Ukraine and to Covid-19 developments in China". The August 2022 Monetary Policy Report set out that, "Inflationary pressures in the United Kingdom and the rest of Europe have intensified significantly since the May Monetary Policy Report and the MPC's previous meeting. That largely reflects a near doubling in wholesale gas prices since May, owing to Russia's restriction of gas supplies to Europe and the risk of further curbs. As this feeds through to retail energy prices, it will exacerbate the fall in real incomes for UK households and further increase UK CPI inflation in the near term. CPI inflation is expected to rise more than forecast in the May Report".

Over 2021, the economy grew by 7.5%, which was in line with market expectations. The latest HM Treasury forecasts (July 2022) report expected GDP growth of 3.6% over 2022, which is slightly lower than the latest Office for Budgetary Responsibility ('OBR') forecast (March 2022) of 3.8%. The HM Treasury and OBR both forecast lower GDP growth over 2023, (0.6% and 1.8% respectively). The return to slower growth predicted for 2023 has been tied to the *"cost-of-living squeeze, withdrawal of fiscal support, and tighter monetary policy."* The MPC's August report identifies that, the lower level level of UK GDP largely reflects *"the adverse impact on UK and world activity of the further sharp increases in wholesale gas prices, and to a much lesser extent, the impact of the higher market paths for interest rates. The measures contained in the Government's May Cost of Living Support package [of £15 billion] partly offset these."* Bank staff estimate that these measures will *"raise the level of GDP by a peak of around 0.5% in 2022 Q4 and 2023 Q1 before fading."*

The MPC's August 2022 Report summary identifies that "GDP growth in the United Kingdom is slowing. The latest rise in gas prices has led to another significant deterioration in the outlook for activity in the United Kingdom and the rest of Europe. The United Kingdom is now projected to enter recession from the fourth quarter of this year. Real household post-tax income is projected to fall sharply in 2022 and 2023, while consumption growth turns negative."

The August 2022 MPC Report goes on to state that, "Domestic inflationary pressures are projected to remain strong over the first half of the forecast period. Firms generally report that they expect to increase their selling prices markedly, reflecting the sharp rises in their costs. The labour market has remained tight, with the unemployment rate at 3.8% in the three months to May and vacancies at historically high levels. As a result, and consistent with the latest Agents' survey, underlying nominal wage growth is expected to be higher than in the May Report over the first half of the forecast period". The MPC's August 2022 Report goes on to forecast that, "Inflationary pressures are nevertheless expected to dissipate over time. Global commodity prices are assumed to rise no further, and tradable goods price inflation is expected to fall back, the first signs of which may already be evident. Although the labour market may loosen only slowly in response to falling demand, unemployment is expected to rise from 2023. Domestic inflationary pressures are therefore expected to subside in the second half of the forecast period, as the increasing degree of economic slack and lower headline inflation reduce the pressure on wage growth".

On 15 December 2021 the MPC voted by a majority of 8-1 to increase Bank Base Rate by 0.15 percentage points, to 0.25%. This was the first increase in base rate since August 2018. At this time the MPC concluded that it, *"will review developments, including emerging evidence on the implications for the economy of the Omicron variant, as part of its forthcoming forecast round ahead of the February 2022 Monetary Policy Report"*. Subsequent to this the BoE MPC voted to increase the bank base rate by 0.25% at its meeting in February 2022 and again in March 2022 taking the rate to 0.75%, in line with the pre-Covid base rate in place between August 2018 and February 2020. At its next two meetings on 4 May 2022 and 15 June, the MPC voted by a majority of 6-3 to increase Bank Rate by

0.25%. Those members in the minority preferred to increase Bank Rate by 0.5 percentage points taking the rate to 1.25%. At its meeting on 3 August 2022 however, the MPC voted by a majority of 8-1 to increase Bank Rate by 0.5 percentage points, to 1.75% citing that, *“inflationary pressures in the United Kingdom and the rest of Europe have intensified significantly since the May Monetary Policy Report and the MPC’s previous meeting”*. Only one member preferred to increase Bank Rate by 0.25 percentage points, to 1.5% at this meeting. This is the first time in almost two decades that the bank has increased the rate at six successive meetings. Forecasts expect further rises in rates over the next four or five years, but increases are expected to only be modest and steady and only up to 2% in 2022. Notwithstanding this, the rate remains low by historic standards.

The International Monetary Fund’s (“IMF”) most recent World Economic Outlook was published in July 2022. The key headline in this report was that, *“a tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize (sic). Global output contracted in the second quarter of this year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies—triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine”*.

It projected that global growth would slow from an estimated 6.1% in 2021 to 3.2% in 2022 (0.4% lower than that in the April 2022 World Economic Outlook forecast) and 2.9% in 2023, as *“inflationary monetary policy is expected to bite”*.

The July 2022 IMF World Economic Outlook also reported that the UK economy returned to positive economic growth in 2021 at rate of 7.4% following the UK economy shrinking by 9.3% in 2020. GDP growth for 2022 has however been revised down by 0.5% from the April 2022 reported figures to 3.2% as consumption is projected to be weaker than expected with inflation eroding real disposable income and tighter financial conditions are expected to cool investment. The forecast for 2023 has also been revised down by 0.7% to 0.5%.

Despite the economic headwinds facing the UK, the housing market has outperformed expectations in the last two years. Whilst the house price market has still been growing, as forecast by numerous sources in the Industry, this growth has started to slow in the last couple of months. The Nationwide Chief Economist, Robert Gardiner, reported in the July 2022 Nationwide House Price Index Report that, *“July saw a modest increase in the rate of annual house price growth to 11.0%, from 10.7% in June. Prices rose by 0.1% month-on-month, after taking account of seasonal effects – the twelfth successive monthly increase, which kept annual price growth in double digits for the ninth month in a row.”* The Nationwide report identifies the price of a typical UK home now stands at £271,209, with average prices having increased by over £26,000 in the past year. Interestingly, Russell Galley, the Managing Director of Halifax reports in the Halifax July 2022 House Price Index Report that, *“Following a year of exceptionally strong growth, UK house prices fell last month for the first time since June 2021, albeit marginally (-0.1%). This left the average house price at £293,221, down £365 from the previous month’s record high”* and that currently, *“house prices remain £30,000 higher than this time last year”*. He went on to highlight that, *“While we shouldn’t read too much into any single month, especially as the fall is only fractional, a slowdown in annual house price growth has been expected for some time. Leading indicators of the housing market have recently shown a softening of activity, while rising borrowing costs are adding to the squeeze on household budgets against a backdrop of exceptionally high house price-to-income ratios”*.

Both Nationwide and The Halifax’s July House Price Index reports highlight the buoyancy and momentum of the market. Russell Galley of the Halifax identifies that, *“some of the drivers of the buoyant market we’ve seen over recent years – such as extra funds saved during the pandemic, fundamental changes in how people use their homes, and investment demand, still remain evident. The extremely short supply of homes for sale is also a significant long-term challenge but serves to underpin high property prices”*. Whilst Robert Gardiner of Nationwide reports that, *“Demand continues to be supported by strong labour market conditions, where the unemployment rate remains near 50-year lows and with the number of job vacancies close to record highs. At the same time, the limited stock of homes on the market has helped keep upward pressure on house prices”*. He goes on to set out that, *“while there are tentative signs of a slowdown in activity, with a dip in the number of*

*mortgage approvals for house purchases in June, this has yet to feed through to price growth”* (Nationwide).

Both Halifax and Nationwide agree that, they expect house prices to come under more pressure as *“the market tailwinds fade further and the headwinds of rising interest rates and increased living costs take a firmer hold”* (Halifax). Therefore a slowing of annual house price inflation still seems the most likely scenario”.

In the March 2021 budget, the Chancellor announced a three year extension to March 2023 for the Government-backed Help to Buy mortgage scheme, however this introduced some tightening of the previous rules, extending this help to first time buyers only and introducing regional price caps. The scheme seeks to assist first time buyers secure a mortgage with just a 5% deposit to buy a house of between £186,100 to £600,000 (dependant on region with London being the highest at £600,000). The scheme is available from lenders on high streets across the country, with Lloyds, Santander, Barclays, HSBC, NatWest and Virgin Money. This scheme has been further supporting the housing market.

Savills reported within their Winter 2021 Residential Property Forecasts research report that, “Back in March 2020, all of the speculation was about how far house prices and transaction levels would fall as a result of the economic impact of Covid-19. Then, few could have predicted the scale of government intervention to support jobs and the housing market more directly. But still the market contrived to confound most housing experts, selling us the most outrageous dummy. The average UK house price rose by 12.3% over 18 months. And annual transaction levels hit 1.55 million in the year to September 2021, 30% more than the 2017-19 average. That begs the question as to what happens next, especially given the stamp duty holiday is over and many of the factors that encouraged homeowners to reconsider what they wanted from a home are fading”. Savills identified that they “expect price growth next year to be much more muted than we have seen of late, with the prospect of the current burst of inflation persisting into next year and bringing forward the first anticipated interest rate rise [which has now happened]”. They identified a number of economic factors that support decelerating price growth as opposed to something more dramatic. These being; low interest rates, low fixed mortgage rates insulating the vast majority of mortgage homeowners and unemployment appearing to have been contained, limiting the risk of forced sales. Savills went on to identify that despite a softening to demand, their anticipated moderation is further supported by a constrained housing supply, which means that undersupply will continue to characterise the market going into 2022.

As of mid-2022 the strong demand balanced against a shortage of stock has driven the continuation of the robust price growth seen in 2020 and 2021. However the pressures of rising interest rates and high inflation are being seen to add pressure to affordability and growth has been seen to slow in the last few months. It is anticipated that this pressure will continue to moderate price growth over the remainder of 2022, as buyers become more budget-conscious and demand progressively eases.

Forecasts for house price growth identify that values are expected to increase over the next five years, however this price growth is identified as being more moderate than over the past 20 years. As forecast, the stronger sales value growth has continued into the start of 2022 but is starting to unwind, which has so far been born out in the data reported for early 2022. As previously identified, this growth is due to the continued imbalance between demand and supply, which is expected to maintain growth in the short term. However, the strong house price growth experienced over the last two years and rising interest rates coupled with high inflation driving a marked cost of living squeeze will continue to impact on mortgage affordability, which will leave less capacity for further price growth. As a result, the market consensus is for no growth or even relatively modest falls in value in 2023/2024 before returning to growth in subsequent years.

## 5.2 Gross Development Value (“GDV”).

### 5.2.1 Residential Sales Values – Market Values

In order to determine the likely values achieved by the proposed scheme, we have had regard to recent property transactions within the vicinity of the subject site, and also to have regard to properties currently on the market.

Our research indicates that there are not any directly comparable properties within the immediate area which would cater potentially for the older person’s market specifically. We have therefore looked to widen the search to review specific schemes in the surrounding areas, as a guide.

The closest newbuild development to the subject site is the Cala Homes *Ember Riverside* development, with much of the scheme sales being completed in 2019. We note that this scheme comprises predominantly houses and that the private element of the scheme sold at values between £785,000 and £1,250,000, which equate to an average of £642 per sq ft. We note that the flats at this scheme were sold on the basis of shared ownership, so the values recorded (at an average of £212 per sq ft) reflect the part share only.

We note that there is currently a 4 bedroom detached house available on this scheme at an asking price of £1,200,000, reflecting a rate per sq ft of £711. In terms of other new build houses currently on the market in close proximity to the subject site, at Ember Lane, a small scheme of 2 and 3 bedroom houses are currently available for asking prices of between £675,000 and £725,000. In our opinion the four houses forming block B, will achieve between £800,000 and £981,000 depending on their size.

The majority of the proposed scheme comprises flats, arranged over Blocks A and C. We note that there are fewer newbuild flats available in the immediate vicinity of East Molesey or Thames Ditton. We note that the flats at AC Court are on the market for between £325,000 for a 1 bed (£650 per sq ft) and £550,000 for a 2 bed (£655 per sq ft). A larger 3 bedroom flat in Orchard Lane, within close proximity to the subject site is on the market for £779,950 (£531 per sq ft).

However, we consider that a premium to reflect the nature of the proposed scheme would be appropriate, and our schedule of evidence refers to similar schemes such as the McCarthy and Stone development in Walton on Thames (circa £760 per sq ft) and the Pegasus scheme in Cobham, at circa £775 per sq ft). Arguably these are higher value areas than the subject scheme.

Table 5.2.1 sets out the indicative sales values we have applied on our appraisals for the proposed scheme, and a copy of our unit by unit pricing schedule is provided at **Appendix 1**. In this, we have regard to the location of the unit within the proposed scheme.

**Table 5.2.1 Proposed Sale Values at Subject Site**

Unit	Sale Value Range	£ Per Sq Ft Range
1 bed 1 person flat	£309,000 – £373,000	£750 - £776
1 bed 2 person flat	£409,000 - £491,000	£760 - £787
2 bed 3 person flat	£486,000	£740
2 bed 4 person flat	£568,000 – £701,000	£740 - £769
2 bed w/c flat	£733,000 - £859,000	£740 - £753
2 bed 5 person house	£799,000	£675
3 bed 5 person flat	£627,000 - £767,000	£672 - £677
3 bed 5 person house	£981,000	£700
3 bed 6 person flat	£876,000	£662

A schedule of our comparable evidence is provided at **Appendix 2**.

The proposed scheme includes basement car parking for 55 car park spaces, 16 surface spaces and three garage spaces. We have included a potential additional value of £10,000 per space in our appraisal.

### 5.2.2 Ground Rents – Market Sale

The Leasehold Reform (Ground Rents) Act 2022 received Royal Assent in February 2022 and came into effect on 30 June 2022. The Act prevents landlords from charging ground rents exceeding a peppercorn. We have therefore attached a nil value to the disposal of the freehold.

### 5.2.3 Tenure mix

The Council's adopted Core Strategy policy CS21 (Affordable Housing) seeks to ensure that, on site of 15 dwellings or more, 40% of the gross number of dwellings will comprise affordable units, and that only in exceptional circumstances will an alternative to on-site provision be appropriate. We also note that the LPA's emerging Local Plan, specifically policy HOU4, advises that on brownfield sites of 10 or more units, on-site provision of 30% affordable housing will be required.

The tenure split tested is 75% affordable or social rented and 25% as intermediate or First Homes.

As such, the affordable housing provisions set out above will need to be applied when any affordable housing units are proposed in a development, subject to viability.

We have tested the following levels of affordable housing as set out in Table 5.2.3.1.

**Table 5.2.3.1 – AH Options Tested**

Option	Percentage AH (units)	AH Units	Of which rented	Of which intermediate
Option 1	0%	0	n/a	n/a
Option 2	40%	30	23	7
Option 3	30%	22	17	5
Option 4	27%	20	20	0

We set out below details of the Local Housing Allowance rents that will be used to determine the affordable housing revenue when testing affordable housing viability, as shown in Table 5.2.3.2.

**Table 5.2.3.2 – Elmbridge Local Housing Allowance per week (outer south west London BMRA)**

Unit Type	LHA	80% of LHA
1 bed	£241.61	£193
2 bed	£304.93	£244
3 bed	£368.22	£295

To value the affordable housing units, we have used a bespoke model specifically created for this purpose. This model takes into account factors such as standard levels for individual Registered Providers ("RPs") management and maintenance costs; finance rates currently obtainable in the sector, and a view on the amount of grant that may be obtainable.

Using Affordable Rent based on 80% of LHA for our affordable rented unit values, our model generates an affordable rented revenue of £250 per sq ft for Option 2. The Blended rate for affordable housing based on the tenure split noted above is £269 per sq ft.

A copy of our affordable housing revenue summary is provided at **Appendix 3**.

## 5.3 Development Costs

### 5.3.1 Build Costs – Proposed Scheme

The Applicant has commissioned Pierce Hill (“PH”) cost consultants to prepare a cost estimate for the proposed scheme.

The PH cost estimate summary is set out in Table 5.3.1. This includes the basement costs within Block A.

**Table 5.3.1 – Cost Plan Summary**

Heading	Area Sq M	Cost
Utilities	n/a	£1,159,154.04
Demolition	n/a	£387,974.19
Block A	8,023	£18,546,494.81
Block B	601	£1,586,101.12
Block C	1,418	£3,119,193.49
Landscaping		£981,156.99
Preliminaries		£2,348,300.00
<b>Total</b>	<b>10,042</b>	<b>£28,128,374.64</b>

We have adopted the total build cost of £28,128,374.64 in our appraisal.

A copy of the PH report is provided at **Appendix 4**.

### 5.3.2 Professional fees

We have assumed professional fees at 10% of construction costs in line with our experience of similar schemes.

### 5.3.3 Interest

We have adopted an interest rate of 6.5%, with no additional allowance for fees, which we consider a realistic assumption for a development of this nature in the current market. It should be noted that although a bank would not provide 100% of the funding required for the Proposed Development it is conventional to assume finance on all costs in order to reflect the opportunity cost (or in some cases the actual cost) of committing equity to the project. Given the current economic conditions, we reserve the right to review the interest rate in due course in the context of the increased base rate.

### 5.3.4 Developer’s profit

When considering the current economic climate, financial institutions have tightened their requirement for profit returns on schemes. Banks have raised their expectations in terms of risk and required returns that new developments offer. Consequently, developers for standard build for sales schemes are currently targeting profits of between 17.5% and 20% of GDV, dependent upon the specific scheme.

In this case, we have reflected a rate of 17.5% to represent the risk of delivering the proposed scheme for sale to the open market. However, we reserve the right to reflect a higher level of profit requirement subject to the pending market uncertainty.

In the options tested where affordable housing is provided, we have applied a profit rate of 6% of the affordable housing GDV reflecting the lower risk profile of this tenure.

### 5.3.5 Site purchasing costs

In line with statutory requirements and market convention we have deducted the following costs from the gross RLV:

- Stamp Duty at the prevailing rate;
- Agent fees at 1%; and
- Legal fees at 0.5%.

## 5.4 Planning obligations

The Applicant's planning Consultant Beamish Planning Consultancy has advised the potential CIL rate for the proposed scheme.

Table 5.4.1 sets out our CIL calculation assumptions for the various appraisals.

**Table 5.4.1 – CIL**

Option	GIFA Sq M	Less existing	Net Area	Less AH	Chargeable area	CIL Rate	Total CIL
Option 1	10,042	1,892	8,150	n/a	8,150	£185.27	£1,509,951
Option 2	10,042	1,892	8,150	2,046	6,104	£185.27	£1,130,888
Option 3	10,042	1,892	8,150	1,589	6,561	£185.27	£1,215,556
Option 4	10,042	1,892	8,150	1,418	6,732	£185.27	£1,247,238

We are not aware of any additional Section 106 Contributions for the proposed scheme at this point. However we can include these when any amounts agreed are available.

## 5.5 Project timetable

We have adopted the following timescale assumptions within our appraisals for the private sale scenario:

- 6-month lead in period;
- 24-month construction period; and
- 12-month sale period with the units assumed to be sold monthly instalments across the scheme.

## 6 Appraisal Results

In this section, we consider the outputs of the appraisals and the implications for the provision of affordable housing at the Proposed Development.

### 6.1 Viability benchmark

The property comprises a large site extending to 2.3 hectares (5.68 acres) adjoining the River Ember. The site comprises two elements, the northern section is undeveloped and comprises an orchard and grassland extending to 4.23 acres. However, the majority of this element of the site is not included within the proposed planning application. The Subject site comprises the southern section with direct access off Orchard Lane, and comprises the developed part of the site with a two storey block of 8 bedsits, 2 cottages, and 2 x two storey blocks providing supported housing and a care home for adults with learning disabilities, known as Sundial House and Molesey Venture. There is also a single storey day centre and horticultural unit. The developed part of the site extends to 1.45 acres and has the benefit of two vehicular access points.

The site currently comprises a total of seven existing buildings, which collectively are known as the Molesey Venture. The majority of the buildings are used for residential accommodation falling within Use Class C3, although one of the buildings (Sundial House) is a care home (Use Class C2) which has the capacity to provide 7 bedspaces. The site also previously included a horticultural centre, primarily used by residents but also open to members of the public, but that centre closed down to the public during the coronavirus pandemic and has not subsequently reopened (but has remained in use by residents). Table 6.1.1 sets out the summary of the existing buildings across the site.

**Table 6.1.1 Existing Use**

Element	Area Sq M	Area Sq Ft
Newstead House – 2 storey block of 8 small bedsits with an external walkway providing access to the first floor units.	327	3,520
Rivercroft Cottage – a two storey cottage which has been adapted to provide a 2 bedroom flat on the ground and a separate three bedroom flat on the first floor. It is located in the southwest corner of the site between the two entrances to the site. Willow Cottage – adjoins Rivercroft	238	2,562
Sundial House – 1 and 2 storey brick building opposite Newstead House. The property is a residential care home for adults with learning disabilities and includes 7 bedrooms, a gym and games room.	371	3,993
Molesey Venture – this is the most modern building on the site and is a 2 storey purpose built former care home located to the north of Newstead House. It is built in a U shape around a central courtyard and comprises communal facilities and a 1 bedroom flat on the ground floor, and 6 bedsits and a 3 bed flat on the first floor	606	6,523
Horticultural Society	350	3,767
<b>Total</b>	<b>1,892</b>	<b>20,365</b>

The various buildings across the site vary in age and condition. In our opinion, an overall value of the accommodation on site would range between £200 and £500 per sq ft, depending upon use and subject to vacant possession for the residential elements.

We consider that a rate of £250 per sq ft overall reflects a conservative value across the site, reflecting current condition. This generates a total EUV of £346,256, after deduction of purchaser's costs. In line with requirements in the Planning Practice Guidance, we have applied a premium of 20% to reflect the landowner incentive to sell the site, which falls within the typical range of 10% to 30%. Our Benchmark Land Value is therefore £6,041,149.

## 6.2 Proposed Scheme Appraisal

Table 6.2.1 sets out the appraisal results for the proposed scheme:

**Table 6.2.1 Appraisal Results**

Assumptions	Residual Land Value (RLV)	Viability Benchmark	Surplus / deficit generated against benchmark
Option 1 – 100% private sale	£1,297,043	£6,041,149	-£4,744,106
Option 2 – 40% affordable	-£4,415,927	£6,041,149	-£10,457,076
Option 3 – 30% affordable	-£2,300,769	£6,041,149	-£8,341,918
Option 4 – 27% affordable	-£1,706,505	£6,041,149	-£7,747,654

These results include the CIL and contributions as set out at Section 5.4. Copies of the appraisals are attached as appendices 5 - 8.

We have also tested option 1 if the sales values were to be increased by 10%, as set out in Table 6.2.2.

**Table 6.2.2 Appraisal Results – increased sales values by 10%**

Assumptions	Residual Land Value (RLV)	Viability Benchmark	Surplus / deficit generated against benchmark
Option 1 – 100% private sale	£3,610,165	£6,041,149	-£2,430,984

## 7 Conclusion

The proposed scheme includes redevelopment of the site to comprise three residential blocks, with associated amenity and car parking spaces. We have undertaken appraisals to determine the RLV of the proposed scheme, and this has been tested on the basis of four tenure options from provision of a wholly private scheme, 30 or 40% affordable housing, together with a further option which assumes that Block C is provided as affordable housing.

Based on current costs and values, our assessment concludes that the wholly private scheme option is currently unviable against the Benchmark Land Value. However, if the sensitivity test reflecting an increase of 10% to the sales values the current viability deficit is reduced significantly. However these results indicate that the proposed scheme cannot viably provide affordable housing.

*The Applicant has advised 'Notwithstanding this assessment, we refer to the 'Planning Statement' in respect of Block C 20 National Standard size accommodation units as discussed through the PPA process with the Elmbridge planning authority.'*

## Appendix 1 - Pricing Schedule

Block	Floor	Unit Ref	Unit Type	Habitable Rooms	Option 1 Tenure	Option 3 Tenure	Option 2 Tenure	Option 4 Tenure	Area Sq M	Area Sq Ft	value	Per Sq Ft
A	Ground	A0-1	2 bed 4 p	3	Private	Private	AH	Private	80	861	£ 637,000	£ 740
A	Ground	A0-2	2 bed 4 p	3	Private	Private	AH	Private	88	947	£ 701,000	£ 740
A	Ground	A0-3	2 bed 4 p	3	Private	Private	AH	Private	83	893	£ 661,000	£ 740
A	Ground	A0-4	2 bed 4 p	3	Private	Private	AH	Private	80	861	£ 637,000	£ 740
A	Ground	A0-5	2 bed 4 p	3	Private	Private	AH	Private	80	861	£ 637,000	£ 740
A	Ground	A0-6	2 bed 4 p	3	Private	Private	AH	Private	76	818	£ 605,000	£ 740
A	Ground	A0-7	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	Ground	A0-8	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	Ground	A0-9	2 bed 4 p	3	Private	Private	Private	Private	81	872	£ 645,000	£ 740
A	Ground	A0-10	2 bed 4 p	3	Private	Private	Private	Private	76	818	£ 605,000	£ 740
A	Ground	A0-11	1 bed 2 p	2	Private	Private	Private	Private	60	646	£ 491,000	£ 760
A	First	A1-1	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	First	A1-2	2 bed 4 p	3	Private	Private	Private	Private	88	947	£ 701,000	£ 740
A	First	A1-3	2 bed 4 p	3	Private	Private	Private	Private	83	893	£ 661,000	£ 740
A	First	A1-4	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	First	A1-5	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	First	A1-6	2 bed WC	3	Private	Private	Private	Private	106	1,141	£ 844,000	£ 740
A	First	A1-7	2 bed WC	3	Private	Private	Private	Private	92	990	£ 733,000	£ 740
A	First	A1-8	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	First	A1-9	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	First	A1-10	2 bed 4 p	3	Private	Private	Private	Private	76	818	£ 605,000	£ 740
A	First	A1-11	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	First	A1-12	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 637,000	£ 740
A	First	A1-13	2 bed 4 p	3	Private	Private	Private	Private	81	872	£ 645,000	£ 740
A	First	A1-14	2 bed 4 p	3	Private	Private	Private	Private	79	850	£ 629,000	£ 740
A	First	A1-15	1 bed 2 p	2	Private	Private	Private	Private	53	571	£ 434,000	£ 761
A	First	A1-16	2 bed 4 p	3	Private	Private	Private	Private	86	926	£ 685,000	£ 740
A	First	A1-17	2 bed 4 p	3	Private	Private	Private	Private	84	904	£ 669,000	£ 740
A	Second	A2-1	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 652,000	£ 757
A	Second	A2-2	3 bed 6p	4	Private	Private	Private	Private	123	1,324	£ 876,000	£ 662
A	Second	A2-3	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 652,000	£ 757
A	Second	A2-4	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 652,000	£ 757
A	Second	A2-5	2 bed WC	3	Private	Private	Private	Private	106	1,141	£ 859,000	£ 753
A	Second	A2-6	2 bed WC	3	Private	Private	Private	Private	92	990	£ 748,000	£ 755
A	Second	A2-7	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 652,000	£ 757
A	Second	A2-8	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 652,000	£ 757
A	Second	A2-9	2 bed 4 p	3	Private	Private	Private	Private	76	818	£ 620,000	£ 758
A	Second	A2-10	2 bed 4 p	3	Private	Private	Private	Private	80	861	£ 652,000	£ 757
A	Second	A2-11	3 bed 6p	4	Private	Private	Private	Private	123	1,324	£ 876,000	£ 662
A	Second	A2-12	2 bed 4 p	3	Private	Private	Private	Private	75	807	£ 612,000	£ 758
A	Second	A2-13	1 bed 2 p	2	Private	Private	Private	Private	53	571	£ 449,000	£ 787
A	Second	A2-14	2 bed 4 p	3	Private	Private	Private	Private	79	850	£ 644,000	£ 757
A	Second	A2-15	2 bed 4 p	3	Private	Private	Private	Private	77	829	£ 628,000	£ 758
A	Third	A3-1	3 bed 5 p	4	Private	Private	Private	Private	101	1,087	£ 732,000	£ 673
A	Third	A3-2	3 bed 5 p	4	Private	Private	Private	Private	105	1,130	£ 760,000	£ 672
A	Third	A3-3	3 bed 5 p	4	Private	Private	Private	Private	106	1,141	£ 767,000	£ 672
A	Third	A3-4	3 bed 5 p	4	Private	Private	Private	Private	94	1,012	£ 683,000	£ 675
A	Third	A3-5	3 bed 5 p	4	Private	Private	Private	Private	96	1,033	£ 697,000	£ 674
A	Third	A3-6	3 bed 5 p	4	Private	Private	Private	Private	86	926	£ 627,000	£ 677
A	Third	A3-7	2 bed 4 p	3	Private	Private	Private	Private	79	850	£ 654,000	£ 769
				155					4203	45,242	£ -	
B		B0-1	3 bed 5 p house	5	Private	Private	AH	Private	135	1,453	£ 981,000	£ 675
B		B0-2	3 bed 5 p house	5	Private	Private	AH	Private	135	1,453	£ 981,000	£ 675
B		B0-3	3 bed 5 p house	5	Private	AH	AH	Private	135	1,453	£ 981,000	£ 675
B		B0-4	2 bed 4 p house	5	Private	AH	AH	Private	106	1,141	£ 799,000	£ 700
				20					511	5,501	£ -	
C	Ground	C0-1	1 bed 1 p	1	Private	AH	AH	AH	43	463	£ 347,000	£ 750
C	Ground	C0-2	2 bed 3 p	3	Private	AH	AH	AH	61	657	£ 486,000	£ 740
C	Ground	C0-3	2 bed 3 p	3	Private	AH	AH	AH	61	657	£ 486,000	£ 740
C	Ground	C0-4	1 bed 1 p	1	Private	AH	AH	AH	41	441	£ 331,000	£ 750
C	Ground	C0-5	1 bed 1 p	1	Private	AH	AH	AH	41	441	£ 331,000	£ 750
C	Ground	C0-6	2 bed 3 p	3	Private	AH	AH	AH	61	657	£ 486,000	£ 740
C	Ground	C0-7	1 bed 2 p	2	Private	AH	AH	AH	50	538	£ 409,000	£ 760
C	First	C1-1	1 bed 2 p	2	Private	AH	AH	AH	50	538	£ 409,000	£ 760
C	First	C1-2	1 bed 2 p	2	Private	AH	AH	AH	50	538	£ 409,000	£ 760
C	First	C1-3	2 bed 3 p	3	Private	AH	AH	AH	61	657	£ 486,000	£ 740
C	First	C1-4	2 bed 3 p	3	Private	AH	AH	AH	61	657	£ 486,000	£ 740
C	First	C1-5	1 bed 1 p	1	Private	AH	AH	AH	41	441	£ 331,000	£ 750
C	First	C1-6	1 bed 1 p	1	Private	AH	AH	AH	41	441	£ 331,000	£ 750
C	First	C1-7	2 bed 3 p	3	Private	AH	AH	AH	61	657	£ 486,000	£ 740
C	First	C1-8	1 bed 2 p	2	Private	AH	AH	AH	50	538	£ 409,000	£ 760
C	Second	C2-1	2 bed 4 p	3	Private	AH	AH	AH	72	775	£ 584,000	£ 754
C	Second	C2-2	2 bed 4 p	3	Private	AH	AH	AH	70	753	£ 568,000	£ 754
C	Second	C2-3	1 bed 2 p	2	Private	AH	AH	AH	51	549	£ 427,000	£ 778
C	Second	C2-4	1 bed 1 p	1	Private	AH	AH	AH	37	398	£ 309,000	£ 776
C	Second	C2-5	1 bed 1 p	1	Private	AH	AH	AH	45	484	£ 373,000	£ 770
									1,048	11,281		

## Appendix 2 - Comparable Evidence



## Residential Comparable Evidence

October 2022

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## Contents

1 Residential Comparable Evidence	3
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# 1 Residential Comparable Evidence

Address	Number of bedrooms	Unit type	Area (sq ft)	Price (£ per sq ft)	Asking	Photograph	Comments	Distance from subject property
The Cornerways Ember Lane East Molesey KT8	3	3 bed terrace house	971	£747	£725,000		Small newbuild scheme of 4 dwellings	0.4 miles
House 4 - The Cornerways Ember Lane East Molesey KT8	2	2 bed end terrace house	874	£812	£710,000		Small newbuild scheme of 4 dwellings	0.4 miles
House 1 - The Cornerways Ember Lane East Molesey KT8	2	2 bed end terrace house	813	£830	£675,000		Small newbuild scheme of 4 dwellings	0.4 miles
Bridges Avenue East Molesey	4	4 bed detached house	1,688	£711	£1,200,000		Cala Homes Scheme	0.3 miles

AC Court Harvest Lane, Thames Ditton, KT7	2	2 bed flat First floor	840	£655	£550,000		Gated apartment development in Thames Ditton Village Close to River and Thames Ditton Station	1.2 miles
AC Court Harvest Lane, Thames Ditton, KT7	2	2 bed ground floor flat	725	£604	£437,600		Gated apartment development in Thames Ditton Village Close to River and Thames Ditton Station	1.2 miles
AC Court Harvest Lane, Thames Ditton, KT7	1	1 bed flat Second floor	508	£640	£325,000			
Taggs House 42 Summer Road Thames Ditton KT7	3	3 bed penthouse flat	1609	£590	£950,000		Riverside Location	1.4 miles
Walton Road East Molesey	2	2 bedroom flat	797	£565	£450,000			0.6 miles
Roman Court Bridge Road East Molesey KT8	2	2 bedroom ground floor flat	642	£748	£480,000		Private Garden Close to Station	1.1 miles

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Orchard Lane East Molesey KT8	3	3 bedroom	1,469	£531	£779,950			
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## Appendix 3 - AHVM

Indicative appraisal of affordable housing values

Development: Orchard

Affordable Rent Units NO GRANT ASSUMED

Unit types and values							
Unit type no	Description	No of units	No of bed-rooms	Unit size (sq m)	Total value	Capital value psm	Capital value psf
1	1 bed 1 p	5	1	41	£830,580	£4,052	£376
2	1 bed 2 p	3	1	50	£494,907	£3,299	£307
3	2 bed 3 p	5	2	61	£1,072,640	£3,517	£327
4	2 bed 4 p	6	2	81	£1,271,873	£2,617	£243
5	3 bed 5p	4	3	128	£1,027,798	£2,007	£186
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
Total capital value					£4,697,796		
On-costs					-£234,890		
Total capital value (net of on-costs)					£4,462,906		
Average capital values (net of on costs)						£2,692	£250

LA area: \*Elmbridge

Intermediate rented units CAPITAL VALUES ASSUME GRANT IS AVAILABLE

Unit types and values								
Unit type no	Description	No of units	No of bed-rooms	Unit size (sq m)	Total value	Capital value psm	Capital value psf	le against LA
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
Total capital value (net of on-costs)								
On-costs								
Total capital value (net of on-costs)								
Average capital values (net of on costs)							#DIV/0!	#DIV/0!

Shared ownership units NO GRANT ASSSUMED

Unit types and values								
Unit type no	Description	No of units	No of bed-rooms	Unit size (sq m)	Total value	Capital value psm	Capital value psf	Affordable against LA criteria?
1	1 bed 1 p	2	1	41	£44,646	£544	£51	YES
2	1 bed 2 p	2	1	50	£602,004	£6,020	£559	YES
3	2 bed 3 p	1	2	61	£307,541	£5,042	£468	YES
4	2 bed 4 p	2	2	71	£570,188	£4,015	£373	YES
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
Total capital value (net of on-costs)					£1,524,379			
On-costs					-£76,219			
Total capital value (net of on-costs)					£1,448,160			
Average capital values (net of on costs)						£3,761	£349	

'Blended' rate for all tenures	£2,893	per sq m
	£268	per sq ft

DISCLAIMER: The advice provided above is informal and indicative only and does not constitute a valuation. It should not be relied upon for any purpose.

## Appendix 4 - Cost Plan

ORCHARD LANE STAGE 2 COST PLAN

REV: 2

Ref	Description	Quantity	Units	Rate	Total	Comments
<b>1</b>	<b>Utilities</b>				<b>£ 1,159,154.04</b>	
	Thames Water	1	Item	£ 859,154.04	£ 859,154.04	
	New water connection	1	Item	£ 50,000.00	£ 50,000.00	
	Substation	1	Item	£ 250,000.00	£ 250,000.00	
<b>2</b>	<b>Enabling</b>				<b>£ 387,974.19</b>	
	<b>Demolition existing buildings</b>				<b>£ 300,000.00</b>	
	As per LR verbal quotation	1	itm	£ 25,000.00	£ 250,000.00	as advised by CIRC
	Contaminated ground removal	1	itm	£ 50,000.00	£ 50,000.00	as advised by CIRC
	<b>Temp. Works</b>				<b>£ 60,584.19</b>	
	Propping (waler, shoring, RC pads)	29	m	£ 2,089.11	£ 60,584.19	
	<b>General clearance</b>				<b>£ 27,390.00</b>	
	Lifting tarmac access road	1826	m2	£ 15.00	£ 27,390.00	
<b>3</b>	<b>Block A</b>	<b>8023</b>	<b>m2</b>	<b>2,311.67</b>	<b>£ 18,546,494.81</b>	
	<b>SUBSTRUCTURE</b>				<b>£ 3,103,917.80</b>	
	<b>Basement</b>					
	dewatering	1	Item	£ 50,000.00	£ 50,000.00	
	Bulk dig and CA G at 4.5M	11655	m3	£ 57.00	£ 664,335.00	
	Battering back	3332	m3	£ 35.00	£ 116,620.00	
	Temp works	238	m	£ 30.00	£ 7,140.00	
	300mm thk retaining wall	785	m2	£ 229.40	£ 180,079.00	
	Back fill perimeter walls	3332	Nr	£ 45.00	£ 149,940.00	
	200m hardcore below LGF slab	517	m3	£ 45.00	£ 23,265.00	
	LGF 475mm slab	2590	m2	£ 364.00	£ 942,760.00	
	<b>Forming of -</b>					
	Forming of lift pit	2	Nr	£ 5,000.00	£ 10,000.00	
	Forming of Vehicle ramp	115	m2	£ 278.50	£ 32,027.50	
	<b>Columns</b>					
	275 x 400mm columns 275kg	86	m2	£ 256.00	£ 22,016.00	
	<b>Ground Floor Slab</b>					
	GF 250mm slab (allowed for reduction of GF plant roof area)	2557	m2	£ 278.50	£ 712,124.50	
	Cutting holes for services	1	Nr	£ 5,000.00	£ 5,000.00	
	<b>Internal basement walls</b>					
	Concrete core walls (3.3m H)	222	m2	£ 205.40	£ 45,598.80	
	Blockwork walls (3.3m H)	612	m2	£ 55.00	£ 33,660.00	
	<b>Ventilation Vent Grates</b>					
	Concrete upstand	132	m	£ 151.00	£ 19,932.00	
	Flashing	132	m	£ 100.00	£ 13,200.00	
	Steel angle	132	m	£ 85.00	£ 11,220.00	
	Elefant grating	100	m2	£ 650.00	£ 65,000.00	
	<b>SUPERSTRUCTURE</b>				<b>£ 4,546,341.90</b>	
	<b>Frame</b>				<b>£ 94,720.00</b>	
	<b>Concrete Columns</b>					
	Bladed concrete columns	205	m2	£ 250.00	£ 51,250.00	
	<b>Concrete core walls</b>					
	200mm thick concrete walls	161	m2	£ 270.00	£ 43,470.00	
	<b>Upper Floors</b>				<b>£ 1,475,571.40</b>	
	<b>Slabs</b>				<b>£ 1,322,279.00</b>	
	250 thk - 1st floor slab	1923	m2	£ 278.50	£ 535,555.50	
	250 thk - 2nd floor slab	1836	m2	£ 278.50	£ 511,326.00	
	250 thk - 3rd floor slab	935	m2	£ 278.50	£ 260,397.50	
	Cutting holes for services	3	Nr	£ 5,000.00	£ 15,000.00	
	<b>Internal walls</b>				<b>£ 87,500.40</b>	
	Concrete core walls (3.3m H)	426	m2	£ 205.40	£ 87,500.40	
	Blockwork walls (3.3m H)		m2	£ 55.00		
	<b>Columns</b>				<b>£ 65,792.00</b>	
	275 x 400mm columns 275kg (66 per floor)	257	m2	£ 256.00	£ 65,792.00	
	<b>Roof</b>				<b>£ 1,096,268.00</b>	
	<b>Roof</b>				<b>£ 987,818.00</b>	
	TERRACE FLAT: VCL, insulation, SPM,	777	m2	£ 233.00	£ 181,041.00	
	MANSARD FLAT: VCL, taper insulation, SPM,	957	m2	£ 313.00	£ 299,541.00	
	PITCHED: rafters, ply, insulations, battens, slate	360	m2	£ 307.95	£ 110,862.00	
	EO dormers	25	Nr	£ 2,417.76	£ 60,444.00	
	Balustrade	270	m	£ 250.00	£ 67,500.00	
	skylights (700 x 1800)		Nr	£ 2,136.00		
	coping detail	284	m	£ 150.00	£ 42,600.00	
	gutter lining	284	m	£ 120.00	£ 34,080.00	

hopper and downpipes	10 Nr	£	1,380.00	£	13,800.00	
fall arrest	90 m	£	135.00	£	12,150.00	
green roof	355 m2	£	170.00	£	60,350.00	
terrace decking	415 m2	£	230.00	£	95,450.00	
roof access hatch	2 Nr	£	2,500.00	£	5,000.00	
Anti-pigeon measures	1 Nr	£	5,000.00	£	5,000.00	added

<b>Balcony coverings</b>				£	<b>108,450.00</b>	
Non-slip decking	185 m2	£	230.00	£	42,550.00	
Render finish to soffit	160 m2	£	90.00	£	14,400.00	
Metal Balustrade	206 m	£	250.00	£	51,500.00	

<b>Stairs</b>				£	<b>174,960.00</b>	
Basement Stair structures	3 Nr	£	15,000.00	£	45,000.00	
Stairs upper floors	6 Nr	£	15,000.00	£	90,000.00	
Handrails	108 m	£	120.00	£	12,960.00	
Balustrade	90 m	£	300.00	£	27,000.00	

<b>Windows and external doors</b>				£	<b>906,000.00</b>	
<b>Windows</b>				£	<b>810,100.00</b>	
Standard windows	394 m2	£	650.00	£	256,100.00	
Large balcony doors	335 m2	£	900.00	£	301,500.00	
Small balcony doors	173 m2	£	750.00	£	129,750.00	
Juliette railing (38nr)	65 m	£	350.00	£	22,750.00	
Budget allowance for Brise Soleil	1 itm	£	100,000.00	£	100,000.00	added

<b>External doors</b>				£	<b>95,900.00</b>	
Main entrance door set	1	£	50,000.00	£	50,000.00	
Rear bi-fold doors	1	£	30,000.00	£	30,000.00	
Single doors	1	£	2,500.00	£	2,500.00	
Store/Plant doors Alum	3	£	3,000.00	£	9,000.00	
Fire eit doors	2	£	2,200.00	£	4,400.00	

<b>External walls</b>				£	<b>798,822.50</b>	
<b>External Walls</b>				£	<b>798,822.50</b>	
Cavity wall - SFS/insul/Brick	2205 m2	£	289.50	£	638,347.50	
window head stone work	350 m	£	175.00	£	61,250.00	
Scaffold access	2205 m2	£	45.00	£	99,225.00	

**APARTMENT/CIRCULATION FIT-OUT 5,940,722.00**

<b>1-BED APARTMENT</b>				£	<b>63,904.00</b>	
Stud walls	43 m2	£	85.00	£	3,655.00	
Tiling bathroom walls	23 m2	£	105.00	£	2,415.00	
Internal walls - PB & skim	86 m2	£	39.00	£	3,354.00	
Party walls - PB & skim	60	£	39.00	£	2,340.00	
External walls - PB & skim	35	£	39.00	£	1,365.00	
doors (bed,living,bath)	4	£	375.00	£	1,500.00	
SBD front door	1	£	1,200.00	£	1,200.00	
Architraving	18	£	22.50	£	405.00	
Screed & insulation	56	£	46.00	£	2,576.00	
timber flooring (kit, liv, hall)	36	£	78.00	£	2,808.00	
Tiles	4	£	115.00	£	460.00	
Carpet	16	£	35.00	£	560.00	
Skirting	56	£	15.00	£	840.00	
MF ceilings	56	£	67.00	£	3,752.00	
Coving	56	£	22.50	£	1,260.00	
Paint walls & ceiling	237	£	12.00	£	2,844.00	
Bathroom sanware	1	£	3,500.00	£	3,500.00	
Bathroom Ass	1	£	120.00	£	120.00	
Boxing	1	£	750.00	£	750.00	
Kitchen inclu worktop	1	£	12,000.00	£	12,000.00	
Utility room	1	£	3,500.00	£	3,500.00	
H&CWS and wastes	5	£	1,850.00	£	9,250.00	
Fire places	1	£	450.00	£	450.00	added
Wardropes (per room)	1	£	3,000.00	£	3,000.00	added

<b>Other 1 beds (3no.)</b>	<b>3</b>	<b>£</b>	<b>63,904.00</b>	<b>£</b>	<b>191,712.00</b>	
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<b>2-BED APARTMENT</b>				£	<b>95,889.00</b>	
Stud walls	81	£	85.00	£	6,885.00	
Tiling bathroom walls	87	£	105.00	£	9,135.00	
Internal walls - PB & skim	163	£	39.00	£	6,357.00	
Party walls - PB & skim	58	£	39.00	£	2,262.00	
External walls - PB & skim	66	£	39.00	£	2,574.00	
doors (bed,living,bath)	6	£	375.00	£	2,250.00	
SBD front door	1	£	1,200.00	£	1,200.00	
Architraving	27	£	22.50	£	607.50	
Screed & insulation	73	£	46.00	£	3,358.00	
timber flooring (kit, liv, hall)	39	£	78.00	£	3,042.00	
Tiles	7	£	115.00	£	805.00	
Carpet	27	£	35.00	£	945.00	
Skirting	74	£	15.00	£	1,110.00	
MF ceilings	73	£	67.00	£	4,891.00	
Coving	67	£	22.50	£	1,507.50	
Paint walls & ceiling	360	£	12.00	£	4,320.00	
Bathroom sanware	1	£	3,500.00	£	3,500.00	
Showerroom sanware	1	£	4,500.00	£	4,500.00	
Bathroom Ass	2	£	120.00	£	240.00	
Boxing	2	£	750.00	£	1,500.00	
Kitchen inclu worktop	1	£	12,000.00	£	12,000.00	

Utility room	1	£	3,500.00	£	3,500.00	
H&CWS and wastes	7	£	1,850.00	£	12,950.00	
Fire places	1	£	450.00	£	450.00	added
Wardropes (per room)	2	£	3,000.00	£	6,000.00	added
<b>Other 2 beds (38no.)</b>	<b>38</b>	<b>£</b>	<b>95,889.00</b>	<b>£</b>	<b>3,643,782.00</b>	
<b>3-BED APARTMENT</b>					<b>£</b>	<b>108,177.00</b>
Stud walls	115	£	85.00	£	9,775.00	
Tiling bathroom walls	44	£	105.00	£	4,620.00	
Internal walls - PB & skim	229	£	39.00	£	8,931.00	
Party walls - PB & skim	56	£	39.00	£	2,184.00	
External walls - PB & skim	66	£	39.00	£	2,574.00	
doors (bed.living.bath)	6	£	375.00	£	2,250.00	
Internal double doors	2	£	750.00	£	1,500.00	
SBD front door	1	£	1,200.00	£	1,200.00	
Architraving	38	£	22.50	£	855.00	
Screed & insulation	96	£	46.00	£	4,416.00	
timber flooring (kit, liv, hall)	47	£	78.00	£	3,666.00	
Tiles	7	£	115.00	£	805.00	
Carpet	42	£	35.00	£	1,470.00	
Skirting	106	£	15.00	£	1,590.00	
MF ceilings	106	£	67.00	£	7,102.00	
Coving	94	£	22.50	£	2,115.00	
Paint walls & ceiling	457	£	12.00	£	5,484.00	
Bathroom sanware	1	£	3,500.00	£	3,500.00	
Showeroom sanware	1	£	4,500.00	£	4,500.00	
Bathroom Ass	2	£	120.00	£	240.00	
Boxing	2	£	750.00	£	1,500.00	
Kitchen inclu worktop	1	£	12,000.00	£	12,000.00	
Utility room	1	£	3,500.00	£	3,500.00	
H&CWS and wastes	7	£	1,850.00	£	12,950.00	
Fire places	1	£	450.00	£	450.00	added
Wardropes (per room)	3	£	3,000.00	£	9,000.00	added
<b>Other 3 beds (9no.)</b>	<b>9</b>	<b>£</b>	<b>108,177.00</b>	<b>£</b>	<b>973,593.00</b>	
<b>CIRCULATION FIT-OUT</b>					<b>£</b>	<b>1,131,635.00</b>
blockwork walls	2636 m2	£	64.00	£	168,704.00	
Party walls - PB & skim	2636 m2	£	39.00	£	102,804.00	
Core walls - PB & skim	568 m2	£	39.00	£	22,152.00	
Circ doors with glaze panel	29 Nr	£	850.00	£	24,650.00	
Circ single doors	3 Nr	£	450.00	£	1,350.00	
Aluminium double plant doors	6 Nr	£	2,200.00	£	13,200.00	
Aluminium single plant doors	1 Nr	£	1,100.00	£	1,100.00	
riser doors	36 Nr	£	550.00	£	19,800.00	
Screed & insulation	959 m2	£	46.00	£	44,114.00	
timber flooring (kit, liv, hall)	425 m2	£	78.00	£	33,150.00	
Tiles	7 m2	£	115.00	£	805.00	
Hardwearing Carpet	653 m2	£	35.00	£	22,855.00	
Paint	116 m2	£	15.00	£	1,740.00	
Line painting	1 Item	£	11,460.00	£	11,460.00	
Car park coating	2129 m2	£	17.00	£	36,193.00	
Skirting	846 m	£	15.00	£	12,690.00	
MF ceilings	1040 m2	£	67.00	£	69,680.00	
Coving	56 m	£	22.50	£	1,260.00	
Paint walls & ceiling	4244 m2	£	12.00	£	50,928.00	
Servery/commerical kitchen	1 Nr	£	100,000.00	£	100,000.00	+£80k
WC's	1 Nr	£	3,000.00	£	3,000.00	
Amenity Area fit-out (allowance for guest room fit out)	1 Item	£	325,000.00	£	325,000.00	increased to allow for guest room
Signage & branding	1 Item	£	25,000.00	£	25,000.00	
Storage lockers	1 Item	£	40,000.00	£	40,000.00	added
<b>SERVICES</b>					<b>£</b>	<b>4,483,918.11</b>
<b>Mechanical Installations</b>					<b>£</b>	<b>2,221,326.65</b>
UFH heating	5602 m2	£	70.00	£	392,140.00	
Daikin main units to basement	2 nr	£	40,000.00	£	80,000.00	
Daikin units to apartments	54 Nr	£	6,500.00	£	351,000.00	
Water booster pump	1 nr	£	30,000.00	£	30,000.00	
Individual Cooling units	54 Nr	£	4,500.00	£	243,000.00	
Mech vent to amenity spaces	421 m2	£	135.00	£	56,835.00	
Back up generator	1 nr	£	40,000.00	£	40,000.00	
BMS	5602 m2	£	18.00	£	100,836.00	
Extraction	5602 m2	£	30.00	£	168,060.00	
Dry riser	5 Nr	£	8,000.00	£	40,000.00	
Smoke Vent	1 itm	£	200,000.00	£	200,000.00	
AOVs	2 Nr	£	6,000.00	£	12,000.00	
Sub-contractor Prelims for above scope of works				5%	95,153.55	
Below ground slab drainage	2590 m2	£	159.19	£	412,302.10	
<b>Electrical Installations</b>					<b>£</b>	<b>2,029,671.50</b>
FOH Power, lighting and FA, earthing and bonding	5602 m2	£	185.00	£	1,036,370.00	
BOH Power, lighting and FA, earthing and bonding	2624 m2	£	140.00	£	367,360.00	
Data	5602 m2	£	25.00	£	140,050.00	
Warden Call System	50 Nr	£	2,250.00	£	112,500.00	
TV	50 Nr	£	600.00	£	30,000.00	
PVs	185 m2	£	330.00	£	61,050.00	
Consumer units - (in apts)	50 Nr	£	1,600.00	£	80,000.00	omitted from apartments and added
Entry system (in apt)	50 Nr	£	750.00	£	37,500.00	omitted from apartments and added
Electrical Prelims				5%	93,241.50	

Car charging ports	26 Nr	£	1,600.00	£	41,600.00	qty doubled added
Dual Fast Car charging ports	1 Nr	£	30,000.00	£	30,000.00	
<b>Lift and conveyor installations</b>				£	<b>145,000.00</b>	
Passenger - 5 stops	2 Nr	£	65,000.00	£	130,000.00	
EO FFL	1 Item	£	15,000.00	£	15,000.00	
<b>BWIC</b>				2% £	<b>87,919.96</b>	
<b>SPECIAL WORKS BWIC</b>				£	<b>101,595.00</b>	
Decorative louvres to GF floor	40 m2	£	1,300.00	£	52,000.00	
EO internal louvres	46 m2	£	450.00	£	20,700.00	
plant space floor grillage	42 m2	£	340.00	£	14,280.00	
EO perim and cross beams	79 m	£	185.00	£	14,615.00	
<b>SERVICES</b>				£	<b>370,000.00</b>	
crane and operator x 2 & base	60 Wk	£	5,000.00	£	300,000.00	
& erection / dismantle	1 Item	£	25,000.00	£	25,000.00	
Hoist + operator	1 Nr	£	10,000.00	£	10,000.00	
& erection / dismantle	Wk	£	1,200.00			
Generator	1 Item	£	5,000.00	£	5,000.00	
	30 Wk	£	1,000.00	£	30,000.00	added
<b>4 Block C (no basement)</b>	<b>1418 m2</b>		<b>2,199.71</b>	£	<b>3,119,193.49</b>	
<b>SUBSTRUCTURE</b>				£	<b>571.35</b>	£ <b>190,258.06</b>
Trench footings	260 m	£	403.15	£	104,819.00	
RLD	562 m2	£	28.13	£	15,809.06	
B&B floor	562 m2	£	75.00	£	42,150.00	
EO lift pit	1 Item	£	5,000.00	£	5,000.00	
Insulation (screed in floor finishes) on dpm	562 m2	£	40.00	£	22,480.00	
<b>SUPERSTRUCTURE</b>				£	<b>1,338,393.34</b>	
<b>Frame</b>				£	<b>182,383.88</b>	
<b>steel frame</b>				£	<b>116,881.88</b>	
Steel columns	46 Nr	£	690.53	£	31,764.38	
" Beams	390 m	£	218.25	£	85,117.50	
<b>steel frame to mansard</b>				£	<b>65,502.00</b>	
beams spanning @ 2500 cc	258 m	£	162.00	£	41,796.00	
cols + raking cols	113 m	£	162.00	£	18,306.00	
bpa	36 Nr	£	150.00	£	5,400.00	
<b>Upper Floors</b>				£	<b>137,413.50</b>	
Ribdeck and RC 1F + 2F	966 m2	£	142.25	£	137,413.50	
<b>Roof</b>				£	<b>395,917.96</b>	
<b>MANSARD</b>				£	<b>329,207.71</b>	
FLAT: joists, ply, insulation, SPM, PB under	331 m2	£	325.40	£	107,707.40	
PITCHED: PB skeellings, rafters, ply, insulations, battens, slate	265 m2	£	352.95	£	93,531.75	
EO dormers	6 Nr	£	2,417.76	£	14,506.56	
EO screens and Juliettes	6 Nr	£	6,550.00	£	39,300.00	
" skylights (700 x 1800?)	12 Nr	£	2,136.00	£	25,632.00	
coping detail	86 m	£	150.00	£	12,900.00	
concealed gutter lining	86 m	£	240.00	£	20,640.00	
hopper and downpipes	6 Nr	£	795.00	£	4,770.00	
fall arrest	73 m	£	140.00	£	10,220.00	
<b>HOUSE ROOF</b>				£	<b>66,710.25</b>	
Timber trusses 9200 span	26 Nr	£	200.00	£	5,200.00	
ply, insulation, battens, slate	155 m2	£	313.55	£	48,600.25	
vent ridge	22 m	£	275.00	£	6,050.00	
eaves / gutters	30 m	£	160.00	£	4,800.00	
downpipes	4 Nr	£	515.00	£	2,060.00	
<b>Stairs and ramps</b>				£	<b>44,000.00</b>	
PCC flights + half landings	3 Item	£	7,500.00	£	22,500.00	
metal balustrades	18 m	£	750.00	£	13,500.00	
hanrails	32 m	£	250.00	£	8,000.00	
<b>Facade</b>				£	<b>446,117.00</b>	
<b>External walls</b>				£	<b>298,417.00</b>	
dryline, blockwork inner skin plus insulated cavity	764 m2	£	128.00	£	97,792.00	
brick	473 m2	£	195.00	£	92,235.00	
insulated render system on blockwork	291 m2	£	210.00	£	61,110.00	
recon string course	86 m	£	150.00	£	12,900.00	
Scaffold access	764 m2	£	45.00	£	34,380.00	
<b>Windows</b>				£	<b>147,700.00</b>	
Juliette doors	66 m2	£	750.00	£	49,500.00	
balconies	6 Nr	£	1,875.00	£	11,250.00	
windows in block C	38 m2	£	550.00	£	20,900.00	
" Orchard Lane house	77 m2	£	550.00	£	42,350.00	
<b>Communal entrance doors</b>	1 Nr	£	10,000.00	£	10,000.00	allowance for electric opening
Private entrance doors ('house')	2 Nr	£	2,600.00	£	5,200.00	
Bin stores (double metal)	1 pr	£	4,500.00	£	4,500.00	
Plant rooms (single metal)	2 Nr	£	2,000.00	£	4,000.00	

<b>Internal walls and partitions</b>				<b>£</b>	<b>100,161.00</b>	
blockwork: lift and stair core	227 m2	£	75.00	£	17,025.00	
blockwork: BOH	137 m2	£	75.00	£	10,275.00	
EO dryline customer sides	132 m2	£	18.00	£	2,376.00	
Block corridor walls and party walls	635 m2	£	75.00	£	47,625.00	
EO dryline both sides	1270 m2	£	18.00	£	22,860.00	
<b>Internal doors</b>				<b>£</b>	<b>32,400.00</b>	
Flat entrance doors	18 Nr	£	1,200.00	£	21,600.00	
circulation doors	6 Nr	£	1,800.00	£	10,800.00	
<b>APARTMENT/CIRCULATION FIT OUT</b>				<b>£</b>	<b>731,980.00</b>	
<b>1-BED APARTMENT</b>				<b>£</b>	<b>35,664.00</b>	
stud walls	30 m2	£	85.00	£	2,550.00	
doors (bed, living / k, bath)	3 Nr	£	375.00	£	1,125.00	
Screeds + insulation	46 m2	£	45.00	£	2,070.00	
Timber to K + hall	23 m2	£	78.00	£	1,794.00	
Bedroom carpet	18 m2	£	35.00	£	630.00	
Bathroom tiles	4 m2	£	115.00	£	460.00	
sktng	51 m	£	15.00	£	765.00	
MF	46 m2	£	67.00	£	3,082.00	
Decs	184 m2	£	12.00	£	2,208.00	
Bathroom sanware	1 Item	£	2,730.00	£	2,730.00	
Kitchen	1 Nr	£	9,000.00	£	9,000.00	
H&CWS and wastes	5 Nr	£	1,850.00	£	9,250.00	
<b>Other 1 beds (12 total)</b>				<b>£</b>	<b>35,664.00</b>	<b>£ 392,304.00</b>
<b>2-bed Apartment</b>				<b>£</b>	<b>40,982.00</b>	
stud walls	44 m2	£	85.00	£	3,740.00	
doors (2 bed, living, d / k, bath)	4 Nr	£	375.00	£	1,500.00	
Screeds + insulation	64 m2	£	45.00	£	2,880.00	
Timber to K + hall	30 m2	£	78.00	£	2,340.00	
Bedroom carpet	30 m2	£	35.00	£	1,050.00	
Bathroom tiles	4 m2	£	115.00	£	460.00	
sktng	64 m	£	15.00	£	960.00	
MF	64 m2	£	67.00	£	4,288.00	
Decs	232 m2	£	12.00	£	2,784.00	
Bathroom sanware	1 Item	£	2,730.00	£	2,730.00	
Kitchen	1 Nr	£	9,000.00	£	9,000.00	
H&CWS and wastes	5 Nr	£	1,850.00	£	9,250.00	
<b>Other 2 beds (8 total)</b>				<b>£</b>	<b>40,982.00</b>	<b>£ 286,874.00</b>
<b>CIRCULATION / BOH</b>				<b>£</b>	<b>52,802.00</b>	
<b>Circulation corridors</b>						
Screed + insulaiton + carpet	135 m2	£	70.00	£	9,450.00	
MF	135 m2	£	59.00	£	7,965.00	
Decs	663 m2	£	12.00	£	7,956.00	
skirting	192 m	£	15.00	£	2,880.00	
Matwell + frame	5 m2	£	400.00	£	2,000.00	
postboxes	20 Nr	£	225.00	£	4,500.00	
<b>Staircores</b>						
Screed + insulaiton + carpet to landnigs	31 m2	£	70.00	£	2,170.00	
Carpet to T+Rs	73 Nr	£	15.00	£	1,095.00	
Nosings	73 Nr	£	35.00	£	2,555.00	
<b>Back of house</b>						
paint to fair face block	297 m2	£	15.00	£	4,455.00	
Screed + insulation	108 m2	£	45.00	£	4,860.00	
Watco paint	108 m2	£	27.00	£	2,916.00	
<b>SERVICES</b>				<b>£</b>	<b>858,562.09</b>	
<b>Space heating and air conditioning</b>				<b>£</b>	<b>430,846.58</b>	
Radiator heating	1372 m2	£	55.00	£	75,460.00	
Daikin units to apartments (heating only)	20 Nr	£	5,500.00	£	110,000.00	
Extraction	1372 m2	£	30.00	£	41,160.00	
Localised Water booster pump	1 nr	£	30,000.00	£	30,000.00	
ASHP	1 Item	£	40,000.00	£	40,000.00	
BMS	1372 m2	£	18.00	£	24,696.00	
Mech SC Prelims			5%	£	16,065.80	
AOV's	1 nr	£	4,000.00	£	4,000.00	
Below Ground Drainage allowance	562 m2	£	159.19	£	89,464.78	
<b>Electrical installations</b>				<b>£</b>	<b>294,714.00</b>	
Consumer units - (in apts)	18 Nr	£	1,600.00	£	28,800.00	omitted from apartments and added
Power, lighting and FA, earthing and bonding	1372 m2	£	140.00	£	192,080.00	
Data	1372 m2	£	25.00	£	34,300.00	
Entry system (in apt)	18 Nr	£	750.00	£	13,500.00	omitted from apartments and added
TV	20 Nr	£	600.00	£	12,000.00	
PVs	0 m2	£	330.00	£	-	removed
Electrical SC Prelims			5%	£	14,034.00	
<b>Lift and conveyor installations</b>				<b>£</b>	<b>45,000.00</b>	
Passenger - 4 stops	1 Nr	£	45,000.00	£	45,000.00	
<b>BWIC</b>				<b>2%</b>	<b>£ 15,411.21</b>	

Revised scope of works as per HL specification

omitted from apartments and added

omitted from apartments and added

removed

<b>Special BWIC</b>				<b>£</b>	<b>72,590.30</b>
Building C ASHP enclosure	1 Item	£	67,000.00	£	67,000.00
RC plinth	1 Nr	£	5,590.30	£	5,590.30
<b>5 Block B</b>	<b>601 m2</b>	<b>£</b>	<b>2,639.10</b>	<b>£</b>	<b>1,586,101.12</b>
<b>SUBSTRUCTURE</b>				<b>£</b>	<b>123,868.55</b>
Trench footings	151 m	£	403.15	£	60,875.65
RLD	330 m2	£	28.13	£	9,282.90
Blinding	318 m2	£	15.00	£	4,770.00
B&B floor	318 m2	£	75.00	£	23,850.00
Insulation (screed in floor finishes) on dpm	318 m2	£	40.00	£	12,720.00
Dwarf blockwork walls	30 m2	£	45.00	£	1,350.00
Cavity wall below DPC	76 m2	£	145.00	£	11,020.00
<b>SUPERSTRUCTURE</b>				<b>£</b>	<b>655,560.99</b>
<b>Frame (steel to mansard)</b>				<b>£</b>	<b>44,124.00</b>
beams spanning @ 2500 cc	154 m	£	162.00	£	24,948.00
cols + raking cols	98 m	£	162.00	£	15,876.00
bpa	22 Nr	£	150.00	£	3,300.00
<b>Upper Floors</b>				<b>£</b>	<b>116,360.50</b>
200mm thk hollowcore planks	818 m2	£	142.25	£	116,360.50
<b>Roof</b>				<b>£</b>	<b>228,984.49</b>
<b>MANSARD</b>					
PITCHED: PB skeellings, rafters, ply, insulations, battens, slate	187 m2	£	352.95	£	66,001.65
EO dormers	4 Nr	£	2,417.76	£	9,671.04
EO Juliettes	6 Nr	£	6,550.00	£	39,300.00
" skylights (700 x 1800?)	Nr	£	2,136.00		
coping detail	121 m	£	150.00	£	18,150.00
concealed gutter lining	31 m	£	240.00	£	7,440.00
hopper and downpipes	20 Nr	£	795.00	£	15,900.00
fall arrest	m	£	140.00		
Upstands & abutments	197 m	£	90.00	£	17,730.00
Outlets	22 Nr	£	200.00	£	4,400.00
Green roof	122 m2	£	170.00	£	20,740.00
Flat roof finishes	201 m2	£	120.00	£	24,120.00
FLAT: joists, ply, insulation, SPM, PB under	17 m2	£	325.40	£	5,531.80
<b>Stairs and ramps</b>				<b>£</b>	<b>50,400.00</b>
PCC flights	8 Item	£	4,500.00	£	36,000.00
timber balustrades	64 m	£	180.00	£	11,520.00
handrails	64 m	£	45.00	£	2,880.00
<b>External walls</b>				<b>£</b>	<b>82,432.00</b>
dryline, blockwork inner skin plus insulated cavity	224 m2	£	128.00	£	28,672.00
brick	224 m2	£	195.00	£	43,680.00
Scaffold access	224 m2	£	45.00	£	10,080.00
<b>Windows &amp; Doors</b>				<b>£</b>	<b>112,500.00</b>
juliette doors	31 m2	£	750.00	£	23,250.00
windows in block B	71 m2	£	550.00	£	39,050.00
Communal entrance doors	1 Nr	£	4,000.00	£	4,000.00
Private entrance doors ('house')	4 Nr	£	2,600.00	£	10,400.00
Glazed balcony doors single	4 Nr	£	1,875.00	£	7,500.00
Bin stores	4 pr	£	1,200.00	£	4,800.00
Plant rooms (double metal)	1 Nr	£	2,000.00	£	2,000.00
balcony balustrade	40 m	£	350.00	£	14,000.00
Garage doors (electric)	3 Nr	£	2,500.00	£	7,500.00
<b>Internal walls and partitions</b>				<b>£</b>	<b>5,760.00</b>
100 stud partition walls - insul & P/B	90 m2	£	64.00	£	5,760.00
<b>Internal doors</b>				<b>£</b>	<b>15,000.00</b>
Internal doors	40 Nr	£	375.00	£	15,000.00
<b>INTERNAL FINISHES</b>				<b>£</b>	<b>282,358.00</b>
<b>Wall finishes</b>				<b>£</b>	<b>23,457.00</b>
PB & skim	493 m2	£	39.00	£	19,227.00
Tiles and backer	50 m2	£	84.60	£	4,230.00
<b>Floor finishes</b>				<b>£</b>	<b>77,721.00</b>
Screed & insulation	914 m2	£	45.00	£	41,130.00
timber flooring (kit, liv, hall)	170 m2	£	78.00	£	13,260.00
Tiles	32 m2	£	115.00	£	3,680.00
Carpet	300 m2	£	35.00	£	10,500.00
garage coating	53 m2	£	17.00	£	901.00
Skirting	550 m	£	15.00	£	8,250.00
<b>Ceiling finishes</b>				<b>£</b>	<b>41,272.00</b>
MF ceilings	616 m2	£	67.00	£	41,272.00
<b>Decoration</b>				<b>£</b>	<b>13,308.00</b>
Paint walls & ceiling	1109 m2	£	12.00	£	13,308.00
<b>FF&amp;E</b>				<b>£</b>	<b>72,000.00</b>
Kitchen	4 Nr	£	12,000.00	£	48,000.00
Wardropes (per room)	8 nr	£	3,000.00	£	24,000.00

added  
change to electric

<b>Sanitaryware</b>				<b>£</b>	<b>54,600.00</b>	
Bathroom	4 Nr	£	3,500.00	£	14,000.00	
WC	4 Item	£	2,500.00	£	10,000.00	
Bathroom Ass	8 Nr	£	300.00	£	2,400.00	
H&CWS and wastes	12 Nr	£	1,850.00	£	22,200.00	
Consumer unit	4 Nr	£	1,500.00	£	6,000.00	
<b>SERVICES</b>					<b>524,313.58</b>	
<b>Space heating and air conditioning</b>				<b>£</b>	<b>240,042.42</b>	
UFH heating	884 m2	£	70.00	£	61,880.00	
Daikin units to apartments	4 Nr	£	6,500.00	£	26,000.00	
Individual Cooling units	4 Nr	£	4,500.00	£	18,000.00	Revised scope of works as per HL specification
Extraction	884 m2	£	30.00	£	26,520.00	
ASHP	4 Item	£	12,000.00	£	48,000.00	
Mech SC Prelims				5% £	9,020.00	
Below ground drainage	318 m2	£	159.19	£	50,622.42	
<b>Electrical installations</b>					<b>173,990.50</b>	
Consumer units	4 Nr	£	1,600.00	£	6,400.00	
Power, lighting and FA, earthing and bonding	914 m2	£	140.00	£	127,960.00	
Data	914 m2	£	25.00	£	22,850.00	
TV	4 Nr	£	600.00	£	2,400.00	
PVs	m2	£	330.00			
Elec SC Prelims				5% £	7,980.50	
Car chargers	4 Nr	£	1,600.00	£	6,400.00	
<b>BWIC</b>				<b>2% £</b>	<b>8,280.66</b>	
<b>Lift and conveyer installations</b>				<b>£</b>	<b>102,000.00</b>	
Platform - 4 stops	4 Nr	£	25,000.00	£	100,000.00	added
BWIC				2% £	2,000.00	added
<b>6 Landscaping</b>				<b>£</b>	<b>981,156.99</b>	
<b>ADOPTABLE</b>				<b>£</b>	<b>502,657.54</b>	
Highway (permeable)	958 m2	£	214.92	£	205,893.36	
Geotextile	1240 m2	£	6.00	£	7,440.00	
public footpaths	499 m2	£	185.82	£	92,724.18	
PCC kerbs	290 m	£	40.00	£	11,600.00	
street lights (TBC)	20 Nr	£	3,500.00	£	70,000.00	
street furniture	1 Item	£	30,000.00	£	30,000.00	
Ramp gates	1 Item	£	15,000.00	£	15,000.00	added
Ramp arnco barrier	20 m	£	250.00	£	5,000.00	added
external decorative lighting	1 Item	£	50,000.00	£	50,000.00	
CCTV	20 nr	£	750.00	£	15,000.00	added
<b>INFRASTRUCTURE / CIVILS</b>				<b>£</b>	<b>200,982.95</b>	
gullies	Nr	£	770.00			
ICs < 1250	9 Nr	£	1,100.00	£	9,900.00	
MHC > 1250	3 Nr	£	2,500.00	£	7,500.00	
EO hydro brake	1 Nr	£	5,000.00	£	5,000.00	
150d runs	111 m	£	195.00	£	21,645.00	
225d runs	69 m	£	230.00	£	15,870.00	
HEadwalls?	2 Nr	£	3,750.00	£	7,500.00	
ACO channels	85 m	£	155.00	£	13,175.00	
EO sumps	13 Nr	£	250.00	£	3,250.00	
Attenuation	81 m3	£	1,012.00	£	81,972.00	
Pump station	1 Item	£	12,000.00	£	12,000.00	
Swale	93 m	£	249.15	£	23,170.95	
<b>FOUL</b>				<b>£</b>	<b>66,240.00</b>	
ICs < 1250	7 Nr	£	1,100.00	£	7,700.00	
MHC > 1250	4 Nr	£	2,500.00	£	10,000.00	
150d runs	172 m	£	195.00	£	33,540.00	
Sewer connection	1 Item	£	15,000.00	£	15,000.00	
<b>PRIVATE</b>				<b>£</b>	<b>211,276.50</b>	
breedon on type 1 paths	69 m2	£	53.00	£	3,657.00	
decking	79 m2	£	130.00	£	10,270.00	
edging	164 m	£	20.00	£	3,280.00	
CBF	23 m	£	180.00	£	4,140.00	
Soft landscaping	1868 m2	£	74.00	£	138,232.00	
remove trees	6 Nr	£	750.00	£	4,500.00	
semi-mature trees	7 Nr	£	3,071.25	£	21,498.75	
* extra heavy standards	8 Nr	£	1,391.25	£	11,130.00	
* standards	15 Nr	£	971.25	£	14,568.75	

7 Prelims				£	2,348,300.00	
<b>TR PRELIMS (main)</b>						
<b>MANAGEMENT</b>						
Contract manager (OH) (5/5 days per week)	1 Wk	£	1,900.00	£	1,900.00	
Site agent	1 Wk	£	1,500.00	£	1,500.00	
Structural foreman (50%)	1 Wk	£	750.00	£	750.00	
Planner (50%)	1 Wk	£	875.00	£	875.00	
Surveyor	1 Wk	£	1,750.00	£	1,750.00	
Assistant Surveyor	Wk	£	1,200.00			
Safety officer	1 Wk	£	200.00	£	200.00	
document controller	1 Wk	£	1,500.00	£	1,500.00	
Finishing foreman	1 Wk	£	625.00	£	625.00	
Attendant labourers	3 Wk	£	625.00	£	1,875.00	
Traffic marshall	1 Wk	£	750.00	£	750.00	
Security	Wk	£	1,100.00			
<b>ACCOMMODATION</b>				£	1,620.00	
Cabins	4 Wk	£	100.00	£	400.00	
Canteen	1 Wk	£	100.00	£	100.00	
WCs	6 Wk	£	50.00	£	300.00	
Oasis	1 Wk	£	300.00	£	300.00	
Stores	4 Wk	£	40.00	£	160.00	
Supplies and consumables	1 Wk	£	300.00	£	300.00	
biometric turnstile	Wk	£	250.00			
Maintain clean above	1 Wk	£	60.00	£	60.00	
parking bay suspensions (catheine place)	Nr	£	728.00			
<b>SERVICES:</b>				£	685.00	
Phone usage	5 Wk	£	30.00	£	150.00	
Broadband usage	1 Wk	£	60.00	£	60.00	
Power usage	1 Wk	£	300.00	£	300.00	
EO for generator and fuel	Wk	£	500.00			
Water usage	1 Wk	£	175.00	£	175.00	
<b>PLANT + EQUIPMENT</b>				£	875.00	
Small tools	1 Wk	£	50.00	£	50.00	
Skips	3 Wk	£	275.00	£	825.00	
<b>Sub Total</b>				£	14,905.00	
<b>OTHER 129 WEEKS</b>		<b>130 Wk</b>	<b>£</b>	<b>14,905.00</b>	<b>£</b>	<b>1,937,650.00</b>
<b>FR PRELIMS</b>						
<b>ACCOMMODATION</b>				£	410,650.00	
<b>ACCOMMODATION</b>				£	9,750.00	
Set up accommodation and remove	1 Item	£	5,000.00	£	5,000.00	
CCS	1 Item	£	750.00	£	750.00	
Fire equipment / muster points	6 Item	£	500.00	£	3,000.00	
IT / Photocopier	Item	£	1,000.00			
PPE	1 Item	£	1,000.00	£	1,000.00	
<b>SERVICES</b>				£	7,000.00	
BT connection	Item	£	800.00			
Power connection	1 Item	£	5,000.00	£	5,000.00	
Water connection	1 Item	£	2,000.00	£	2,000.00	
<b>SCAFFOLD + HOARDING1</b>				£	168,450.00	
Gantry scaffold	Item	£	75,000.00			
Hoarding	334 m	£	175.00	£	58,450.00	
Gates to hoarding (in demo)	2 pr	£	2,500.00	£	5,000.00	
turnstile / biometric gate set up	Nr	£	1,000.00			
Scaffold (external) - in facade	m2	£	55.00			
E/O FOR ROAD CLOSURE/Licences	1 Item	£	100,000.00	£	100,000.00	
Scaffold towers	Nr	£	1,300.00			
Lift scaffolding	Item	£	75,000.00			
Wheel wash	1 Item	£	2,500.00	£	2,500.00	
Temporary road surfaces (lay and reinstate)	m2	£	75.00			
TREE fencing	m	£	60.00			
Client nameboard / branding	1 Item	£	1,500.00	£	1,500.00	
Public safety signage	1 Item	£	1,000.00	£	1,000.00	
<b>WORK RELATED ACTIVITY</b>				£	93,450.00	
Floor protection	10700 m2	£	3.50	£	37,450.00	
Clean on completion / apt	82 Nr	£	500.00	£	41,000.00	
O&Ms	1 Nr	£	15,000.00	£	15,000.00	
<b>INSURANCES</b>				£	132,000.00	
Samples - EXCLUDED	Item					
Bond - EXCLUDED	Item					
Public liability	1 Item	£	50,000.00	£	50,000.00	
Works insurance	1 Item	£	82,000.00	£	82,000.00	

added

Ref	Elemental	Area	Unit	Cost per sqm	Total
1	Utilities		n/a		£ 1,159,154.04
2	Demolition		n/a		£ 387,974.19
3	Block A	8,023	m2	£ 2,311.67	£ 18,546,494.81
4	Block B	601	m2	£ 2,639.10	£ 1,586,101.12
5	Block C	1,418	m2	£ 2,199.71	£ 3,119,193.49
6	Landscaping				£ 981,156.99
7	Prelims - based on 130 week programme		130 wks	£ 18,063.85	£ 2,348,300.00
<b>TOTAL</b>					<b>£ 28,128,374.64</b>
Inflation for the period of 6 qtrs @ 1% per qtr only from superstructure works				6%	£ 22,284,644.00
					£ 1,337,078.64
<b>Revised total including substructure works with no inflation</b>					<b>£ 29,465,453.28</b>

## Appendix 5 - Appraisal 1 – 100% Private Market Sale

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Development Appraisal

Orchard - Appendix 5

100% Private

Report Date: 09 November 2022

**Orchard - Appendix 5  
100% Private**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
Block A	50	45,242	731.67	662,040	33,102,000
Block B	4	5,501	680.24	935,500	3,742,000
Block C	20	11,281	752.06	424,200	8,484,000
Car Park Spaces	<u>74</u>	<u>0</u>	0.00	10,000	<u>740,000</u>
<b>Totals</b>	<b>148</b>	<b>62,024</b>			<b>46,068,000</b>

**NET REALISATION**

**46,068,000**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price			1,297,043	
Stamp Duty		5.00%	64,852	
Agent Fee		1.00%	12,970	
Legal Fee		0.50%	6,485	
				1,381,351

**CONSTRUCTION COSTS**

Construction	Units	Unit Amount	Cost	
Build Cost	1 un	28,128,375	28,128,375	<b>28,128,375</b>
CIL			1,509,950	1,509,950

**PROFESSIONAL FEES**

Professional Fees		10.00%	2,812,838	2,812,838
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**MARKETING & LETTING**

Marketing		1.00%	368,440	368,440
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**DISPOSAL FEES**

Sales Agent Fee		1.50%	552,660	
Sales Legal Fee	74 un	1,000.00 /un	74,000	626,660

**MISCELLANEOUS FEES**

**Orchard - Appendix 5****100% Private**

Private Profit	17.50%	8,061,900	8,061,900
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**FINANCE**

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Land		232,965	
Construction		2,081,154	
Other		864,368	
Total Finance Cost			3,178,487

**TOTAL COSTS****46,068,000****PROFIT****0****Performance Measures**

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

IRR 6.31%

Profit Erosion (finance rate 6.500%) 0 yrs 0 mths

## Appendix 6 - Appraisal 2 – 40% Affordable Housing

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Development Appraisal

Orchard - Appendix 6

40% AH

Report Date: 09 November 2022

**Orchard - Appendix 6  
40% AH**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
Block A	44	40,000	730.60	664,182	29,224,000
Affordable	30	22,024	269.00	197,482	5,924,456
Car Parking	<u>74</u>	<u>0</u>	0.00	10,000	<u>740,000</u>
<b>Totals</b>	<b>148</b>	<b>62,024</b>			<b>35,888,456</b>

**NET REALISATION**

**35,888,456**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land) (4,415,927)  
(4,415,927)

**CONSTRUCTION COSTS**

Construction	Units	Unit Amount	Cost	
Build Cost	1 un	28,128,375	28,128,375	<b>28,128,375</b>
CIL			1,130,888	1,130,888

**PROFESSIONAL FEES**

Professional Fees 10.00% 2,812,838  
2,812,838

**MARKETING & LETTING**

Marketing 1.00% 351,485  
351,485

**DISPOSAL FEES**

Sales Agent Fee 1.50% 538,327  
Sales Legal Fee 74 un 1,000.00 /un 74,000  
612,327

**MISCELLANEOUS FEES**

Private Profit 17.50% 5,243,700  
Affordable Profit 6.00% 355,467  
5,599,167

**FINANCE**

**Orchard - Appendix 6****40% AH**

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Land	(497,728)	
Construction	1,626,245	
Other	540,786	
Total Finance Cost		1,669,303

**TOTAL COSTS****35,888,456****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
IRR	8.48%
Profit Erosion (finance rate 6.500%)	N/A

## Appendix 7 - Appraisal 3 – 30% AH

Licensed Copy

Development Appraisal

orchard - Appendix 7

30% AH

Report Date: 09 November 2022

orchard - Appendix 7  
30% AH

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
Block A	50	45,242	731.67	662,040	33,102,000
Affordable	22	13,875	269.00	169,653	3,732,375
Block B	2	2,906	675.15	981,000	1,962,000
Car Parking	74	0	0.00	10,000	740,000
<b>Totals</b>	<b>148</b>	<b>62,023</b>			<b>39,536,375</b>

**NET REALISATION**

**39,536,375**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)		(2,300,769)		(2,300,769)
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**CONSTRUCTION COSTS**

Construction	Units	Unit Amount	Cost	
Build Cost	1 un	28,128,375	28,128,375	<b>28,128,375</b>
CIL			1,215,556	1,215,556

**PROFESSIONAL FEES**

Professional Fees		10.00%	2,812,838	2,812,838
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**MARKETING & LETTING**

Marketing		1.00%	368,344	368,344
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**DISPOSAL FEES**

Sales Agent Fee		1.50%	593,046	
Sales Legal Fee	74 un	1,000.00 /un	74,000	667,046

**MISCELLANEOUS FEES**

Private Profit		17.50%	6,265,700	
Affordable Profit		6.00%	223,943	6,489,642

**orchard - Appendix 7****30% AH****FINANCE**

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Land	(288,223)	
Construction	1,787,250	
Other	656,317	
Total Finance Cost		2,155,344

**TOTAL COSTS****39,536,375****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
IRR	7.09%
Profit Erosion (finance rate 6.500%)	N/A

## Appendix 8 - Appraisal 4 – 27% AH

Licensed Copy

Development Appraisal

orchard - Appendix 8

27% AH

Report Date: 09 November 2022

orchard - Appendix 8  
27% AH

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
Block A	50	45,242	731.67	662,040	33,102,000
Affordable	20	11,281	269.00	151,729	3,034,589
Block B	4	5,501	675.15	928,507	3,714,027
Car Parking	<u>74</u>	<u>0</u>	0.00	10,000	<u>740,000</u>
<b>Totals</b>	<b>148</b>	<b>62,024</b>			<b>40,590,616</b>

**NET REALISATION**

**40,590,616**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land) (1,706,505)  
(1,706,505)

**CONSTRUCTION COSTS**

Construction	Units	Unit Amount	Cost	
Build Cost	1 un	28,128,375	28,128,375	<b>28,128,375</b>
CIL			1,247,238	1,247,238

**PROFESSIONAL FEES**

Professional Fees 10.00% 2,812,838  
2,812,838

**MARKETING & LETTING**

Marketing 1.00% 361,366  
361,366

**DISPOSAL FEES**

Sales Agent Fee 1.50% 608,859  
Sales Legal Fee 74 un 1,000.00 /un 74,000  
682,859

**MISCELLANEOUS FEES**

Private Profit 17.50% 6,572,305  
Affordable Profit 6.00% 182,075  
6,754,380

**orchard - Appendix 8****27% AH****FINANCE**

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Land	(220,516)	
Construction	1,839,124	
Other	691,458	
Total Finance Cost		2,310,065

**TOTAL COSTS****40,590,616****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
IRR	6.85%
Profit Erosion (finance rate 6.500%)	N/A