



**BNP PARIBAS
REAL ESTATE**

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Affordable Housing and Economic Viability Assessment

109 Fortis Green, London, N2 9HR

Prepared for
Fortis Green Jersey Ltd

June 2021

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1 Introduction and Terms of Reference

Fortis Green Jersey Ltd (“the Applicant”) has commissioned BNP Paribas Real Estate to provide an assessment of the economic viability of the development of the land known as 109 Fortis Green, London, N2 9HR (“the Site”).

Our terms of reference are summarised as follows:

- Assess the residual value of the Proposed Scheme using an appropriate appraisal model; and
- Using the outputs of the model, consider an appropriate and economically viable level of affordable housing.

1.1 BNP Paribas Real Estate

BNP Paribas Real Estate is a leading firm of chartered surveyors, town planning and international property consultants. The practice offers an integrated service from nine offices in eight cities within the United Kingdom and over 180 offices, across 37 countries in Europe, Middle East, India and the United States of America, including 16 wholly owned and 21 alliances. In 2005, the firm expanded through the acquisition of eight offices of Chesterton and in 2007, the firm acquired the business of Fuller Peiser. We are a wholly owned subsidiary of BNP Paribas, which is the number one bank in France, the second largest bank in the Euro Zone and one of only six top rated banks worldwide.

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.

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.

Anthony Lee was 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 was a member of MHCLG’s ‘Developer contributions expert panel’ which assisted in the drafting of the viability section of the 2019 Planning Practice Guidance. He is also a member of the Mayor of London’s Housing Delivery Taskforce expert panel.

In addition, we were retained by Homes England (‘HE’) 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.

1.2 Report Structure

This report is structured as follows:

Section two provides a brief description of the Development and background;

Section three describes the methodology that has been adopted;

Section four sets out the assumptions we have adopted within our updated appraisal;

Section five sets out the results of the appraisals;

Finally, in **Section six**, we draw conclusions from the analysis.

1.3 The Status of our advice

This report is not a valuation and should not be relied upon as such. In accordance with PS1 (5.2) of the RICS Valuation – Global Standards 2020 (the ‘Red Book’), the provision of VPS1 to VPS5 are not of mandatory application and accordingly this report should not be relied upon as a Red Book valuation.

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.

This report is addressed to the Applicant only and should not be reproduced without our prior consent.

2 Development Description & Background

2.1 Site Location and Description

The Site is located on Fortis Green to the east of Eastern Road and approximately 1 kilometre from East Finchley Station providing access to the Northern Line and subsequently the wider London Underground Network. The Site currently comprises a car repair centre (B2) and a car wash (Sui generis) and the site is currently in use as a hand car wash. The surrounding properties are a mix of commercial and residential uses.

2.2 Planning History

We have reviewed the Council's planning website and note that the site has been subject to the following planning applications:

In September 2016, planning permission was granted for the following Development (Ref: 2015/3813):

"Full planning application for the demolition of all existing structures and redevelopment of the site to provide 9 residential units (Use Class C3), a flexible retail / office unit (Use Class A1/A3/B1), basement car parking and other associated works."

In July 2017 a minor material amendment (2017/0432) was granted for:

"Demolition of all existing structures and redevelopment of the site to provide 10 residential units (Use Class C3), a flexible retail / office unit (Use Class A1/A3/B1), basement car parking and other associated works".

2.3 The Proposed Scheme

As the 2017 planning consent has now expired the Applicant has resubmitted the planning application for:

"Demolition of all existing structures and redevelopment of the site to provide 10 residential units (Use Class C3), a flexible retail / office unit (Use Class A1/A3/B1), basement car parking and other associated works". We summarise in Table 2.3.1 the proposed scheme accommodation.

Table 2.3.1: Proposed Scheme Accommodation

Unit	Beds	Floor Area (sq/ft)
Commercial	-	1,432
House 1	3	1,572
House 2	3	1,625
House 3	3	1,625
House 4	3	1,572
Apartment 1	1	574
Apartment 2	3	1,044
Apartment 3	2	667
Apartment 4	1	893
Apartment 5	1	657
Apartment 6	2	603
Total/Average	-	12,264

3 Methodology

We have used 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 valuations. Further details can be accessed at www.argussoftware.com.

Argus is a cashflow-backed appraisal model, allowing the finance charges to be accurately calculated over the development/sales period. The difference between the total development value and total costs equates to either the profit (if the land cost has already been established) or the residual value. The model is normally set up to run over a development period from the date of the commencement of the project and is allowed to run until the project completion, when the development has been constructed and is occupied.

Essentially, such models all work on a similar basis:

- Firstly, the value of the completed development is assessed;
- Secondly, the development costs are calculated, using either the profit margin required or land costs (if, indeed, the land has already been purchased).

The difference between the total development value and total costs equates to either the profit (if the land cost has already been established) or the residual value.

The output of the appraisal is a Residual Land Value ('RLV'), which is then compared to an appropriate benchmark, often considered to be the Existing Use Value ('EUV') of the site plus, where appropriate, a landowner's premium.

An Alternative Use Value ('AUV') may also constitute a reasonable benchmark figure where it is considered to be feasible in planning and commercial terms, and fully compliant with planning policy requirements in line with paragraph 017 of the Planning Practice Guidance (September 2019). Development convention and GLA guidance suggests 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 benchmark, clearly a landowner would sell the site for existing or alternative use or might delay development until the RLV improves.

4 Appraisal Assumptions

In this section, we set out the assumptions we have adopted in our updated appraisal.

4.1 Market Housing Revenue

The proposed market housing units generate revenue of c. £8.31m equating to a blended capital value per sq/ft of c. £767.

In support of the sales values, we have had regard to sales of apartments and houses at the Station Court development located at 115 Fortis Green and Fortis Green Avenue. Due to the close proximity of this scheme to the subject site we consider that the sales at Station Court are a reliable indicator of values for the proposed scheme.

Table 4.1.1: Station Court Sale Values (Apartments)

Unit	Unit Type	Date	Beds	Floor Area (sq/ft)	Sale Price	£PSF
2	Apartment	Jun-2020	2	849	£675,000	£795
1	Apartment	Jun-2019	3	1,420	£900,000	£634
2F	Duplex Apartment	Aug-2018	3	1,044	£830,000	£795
3	Apartment	Jun-2018	2	801	£735,000	£918
4	Apartment	Jun-2018	2	795	£650,000	£818
2	Apartment	Jun-2018	2	849	£670,000	£789
6	Apartment	Feb-2018	2	793	£830,000	£1,047
5	Apartment	Feb-2018	2	819	£714,000	£872

We have considered the sales at Station Court and we highlight that unit 2 sold in June 2018 for £670,000 and was resold two years later for £675,000. This sale demonstrates that values have not significantly increased since the unit was originally sold in 2018.

We have also had regard to the following sale prices for houses at this development.

Table 4.1.2: Station Court Sale Values (Houses)

Unit	Date	Beds	Floor Area (sq/ft)	Sale Price	£PSF
Webb House, 2B, Fortis Green Avenue	Oct-19	4	1,744	£1,200,000	£688
Ashbee House, 2C, Fortis Green Avenue	Jun-19	4	1,787	£1,270,000	£711
Morris House, 2A Fortis Green Avenue	Mar-19	4	1,722	£1,250,000	£726
Shaw House, 2E Fortis Green Avenue	May-18	4	1,399	£1,150,000	£822

We have also had regard to current asking prices from a new build scheme located in the centre of Muswell Hill 'Dukes Mews'. We summarise current asking prices in Table 4.1.3 and we highlight that the asking prices may be subject to a discount in order to achieve sales.

Table 4.1.3: Dukes Mews Asking Prices

Unit Type	Floor Area (sq/ft)	Asking Price	£PSF
1 Bed	515	£440,000	£854
1 Bed	531	£450,000	£847

Unit Type	Floor Area (sq/ft)	Asking Price	£PSF
2 Bed	721	£635,000	£881
2 Bed	822	£695,000	£845
3 Bed	818	£700,000	£856

We have considered the current available sales evidence and we summarise in Table 4.1.4 the sales values we have adopted in our appraisal.

Table 4.1.4: Proposed Scheme Sales Values

Unit	Beds	Floor Area (sq/ft)	Sale Value	£PSF
House 1	3	1,572	£1,200,000	£763
House 2	3	1,625	£1,200,000	£738
House 3	3	1,625	£1,200,000	£738
House 4	3	1,572	£1,200,000	£763
Apartment 1	1	574	£450,000	£784
Apartment 2	3	1,044	£830,000	£795
Apartment 3	2	667	£600,000	£900
Apartment 4	2	893	£700,000	£784
Apartment 5	1	657	£465,000	£708
Apartment 6	1	603	£465,000	£771
Total/Average	-	10,832	£8,310,000	£767

4.2 Commercial Revenue

We have adopted a capital value for the commercial space of c. £0.76m based upon a rent of £30 per sq/ft capitalised at 6.25% together with a 9 month void and rent free period.

4.3 Construction Costs

The 2019 construction costs are £5.93m equating to a cost rate of £344 per sq/ft (excluding a 5% contingency). In support of this cost, we attach as Appendix 2 a construction cost plan prepared by R E Butler Consulting Ltd. Our appraisal also adopts a 5% construction cost contingency.

4.4 Professional Fees

We have adopted a professional fee allowance of 10%, which is commensurate with a scheme of this scale in this area.

4.5 Community Infrastructure Levy ('CIL')

We have adopted a CIL payment (Borough CIL & Mayoral CIL) totalling £555,128 which has been calculated on the basis of current CIL rates.

4.6 Sales, Marketing, Letting and Legal Fees

We have adopted the following costs for sales, marketing and legal fees summarised in Table 4.6.1.

Table 4.6.1: Sales, Marketing & Legal Fees

Fee	Cost
Commercial Sales Agent	1% of value
Commercial Letting Agent Fee	15% of first years rent
Commercial Letting Legal Fee	5% of first years rent
Market Housing Sales Agent & Marketing	3% of value
Commercial Sales Legal Fee	0.5% of value
Market Housing Sales Legal Fee	0.5% of value

4.7 Finance

We have adopted an all-inclusive 6.5% finance rate. Although a bank would not provide 100% of the funding required for the proposed Development it is convention 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.

4.8 Project Programme

We have adopted the following project programme summarised in Table 4.8.1.

Table 4.8.1: Project Programme

Project Stage	Duration (months)
Pre-Construction	3
Construction	11
Sales (50% off-plan sales followed by 1 unit per month)	6
Total	20

4.9 Developer's Profit

When considering the current funding 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.

We have recently experienced a range from 17% to 20% of GDV when considering developments in the London area. We have taken into account the uncertainty that is now apparent after the United Kingdom's departure from the European Union and the potential risks associated with our future trading relationships with other countries after the transition period has expired, in addition to the risks associated with the Proposed Development. We have also taken into account the outbreak of the Novel Coronavirus (Covid-19) declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020. There is also increased uncertainty in relation to house prices when the market starts to return to full operation again.

Our assessment of profit is based upon the perceived risks associated with the Proposed Development. We therefore consider a profit level of 20% of GDV for the market housing units to be appropriate for the scheme.

5 Appraisal Outputs

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

5.1 Viability Benchmark Site Value

In order for a rational landowner to pursue a residential led development, the residual value of that development must exceed an appropriate viability benchmark. In accordance with the NPPG this should be the value of the site in its existing use ('EUV') plus appropriate premium to incentivise the landowner to bring the site forward or an alternative use value ('AUV') if this is acceptable in planning terms.

The site is currently occupied by a hand car wash, which is subject to a peppercorn rent due to the short term nature of the tenancy pending redevelopment and to offset business rates. We note that there is limited rental evidence of similar uses in the locality and in order to ascertain a site value benchmark we have had regard to the Valuation Office Agency's 2017 Rating List, which sets out a rateable value of £11,500 for the site. We have capitalised this rateable value at 5% to reflect the low rent generating a site value of £0.23m.

5.2 Appraisal Results

We tabulate in Table 5.2.2 our appraisal results.

Table 5.2.2: BNPPRE Appraisal Results

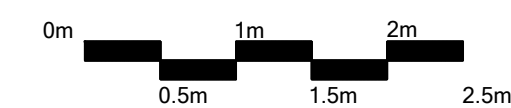
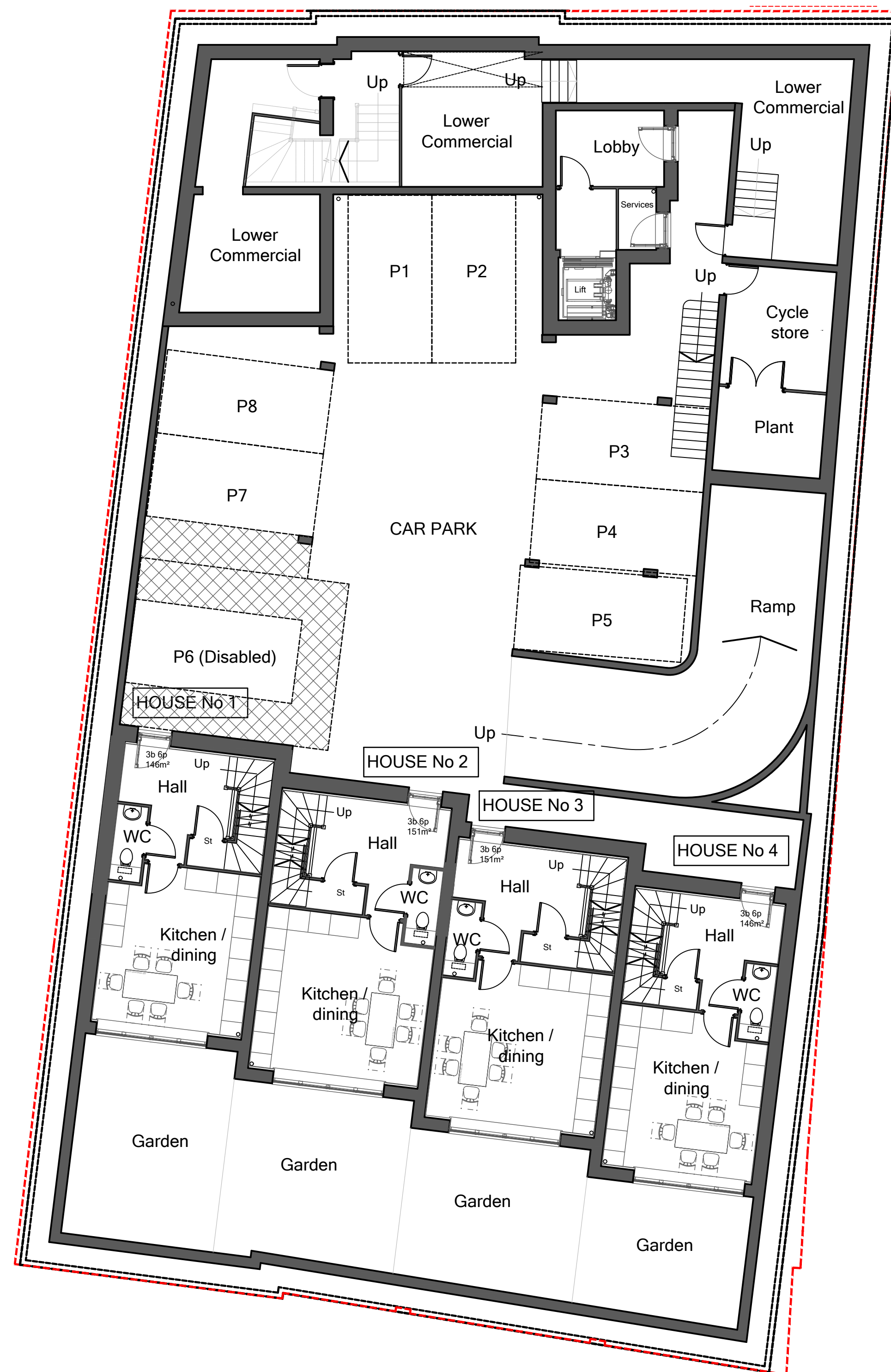
Updated Scheme Residual Land Value	Benchmark Site Value	Surplus/Deficit
c. - £0.65m	c. £0.23m	c. - £0.88m

In summary, our scheme appraisal generates a negative residual land value of c. £0.65m and when benchmarked against a site value of c. £0.23m the proposed scheme generates a deficit of c. £0.88m. Consequently, the proposed scheme cannot support a payment towards affordable housing.

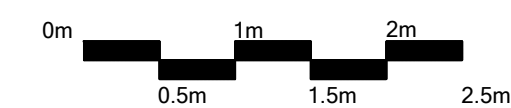
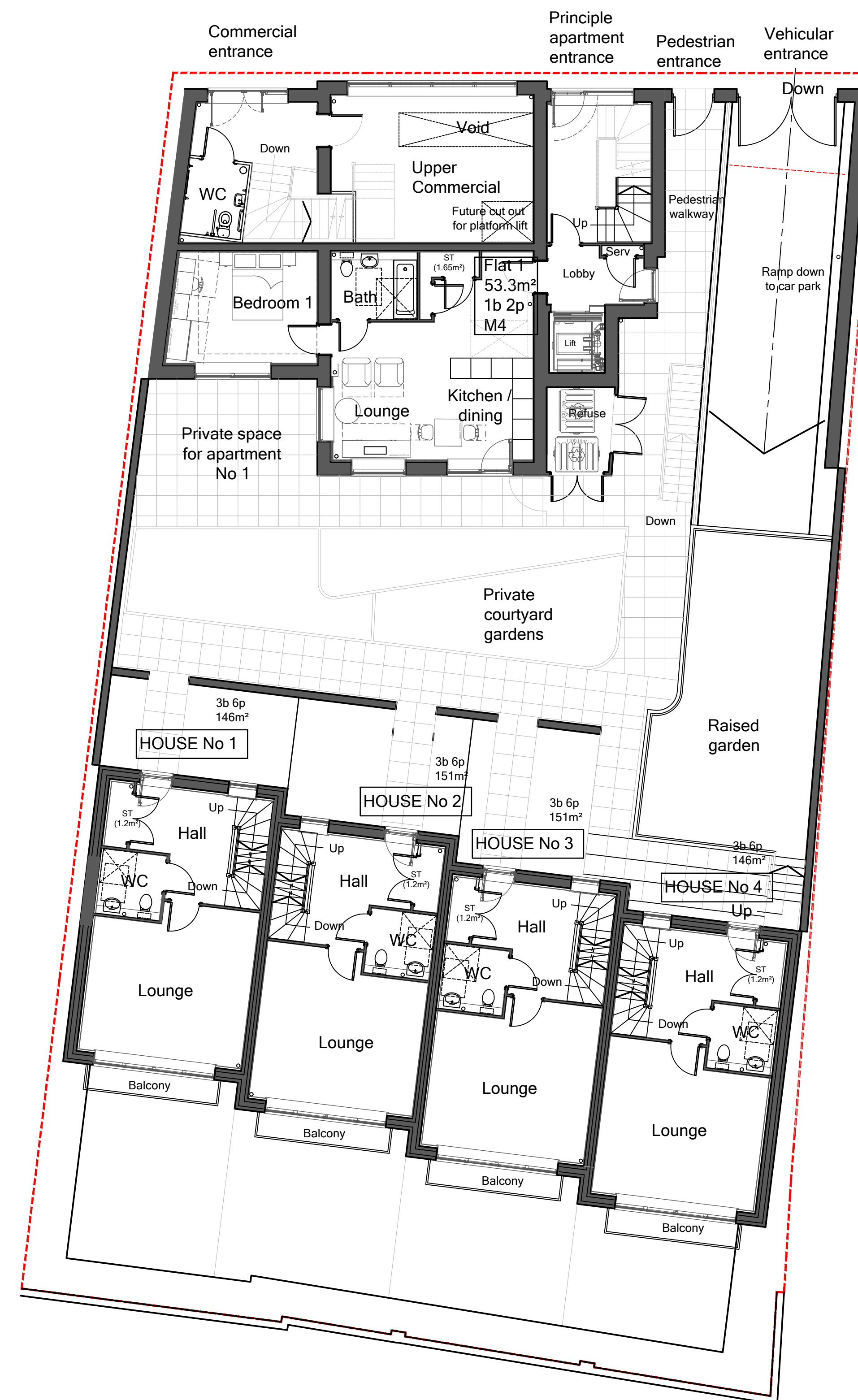
6 Conclusion

In summary, our updated scheme appraisal generates a negative residual land value of c. £0.65m and when benchmarked against a site value of c. £0.23m the proposed scheme generates a deficit of c. £0.88m. Consequently, the proposed scheme cannot support a payment towards affordable housing.

Appendix 1 - Floor Plans



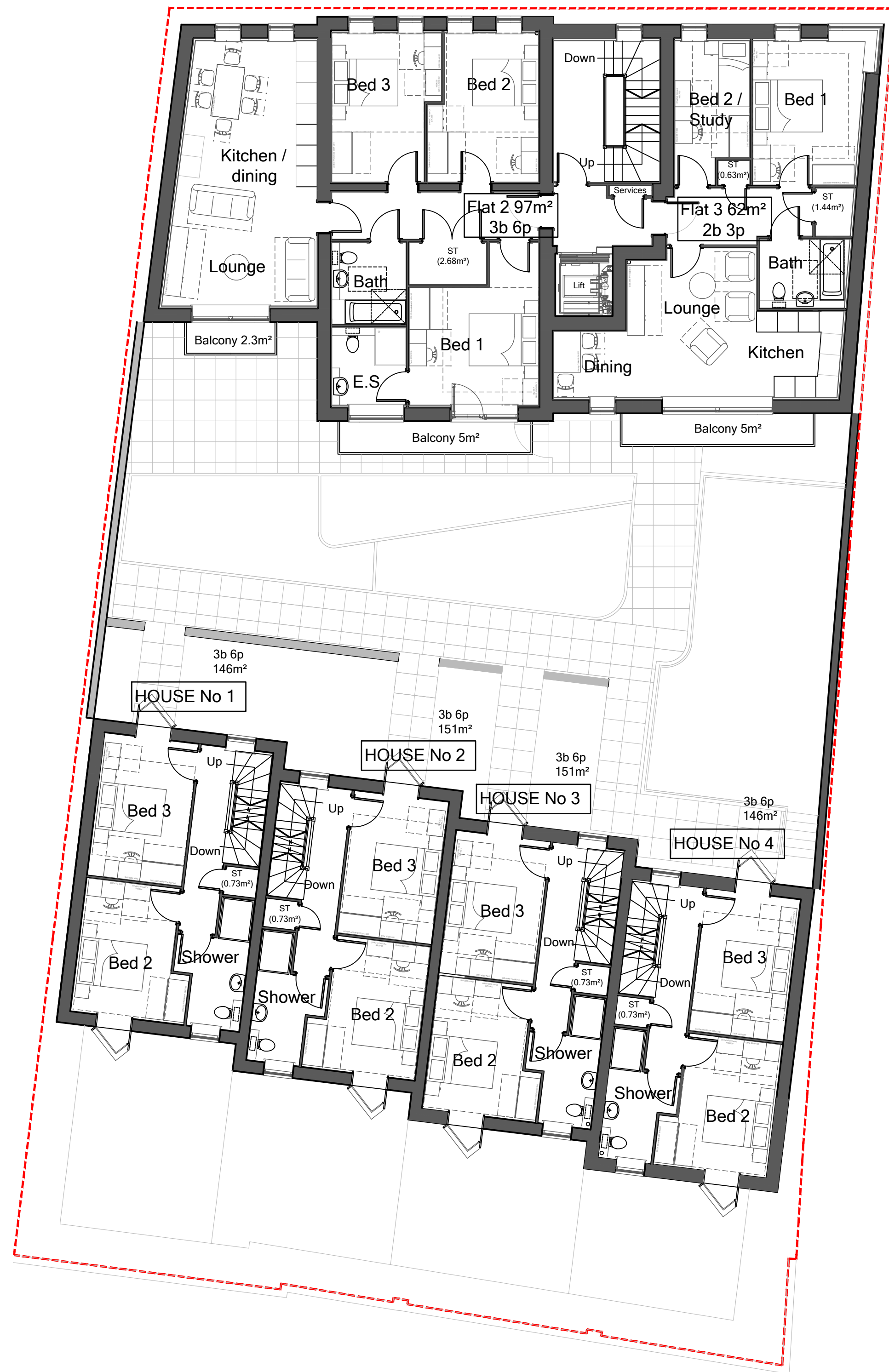
LOWER GROUND FLOOR PLAN



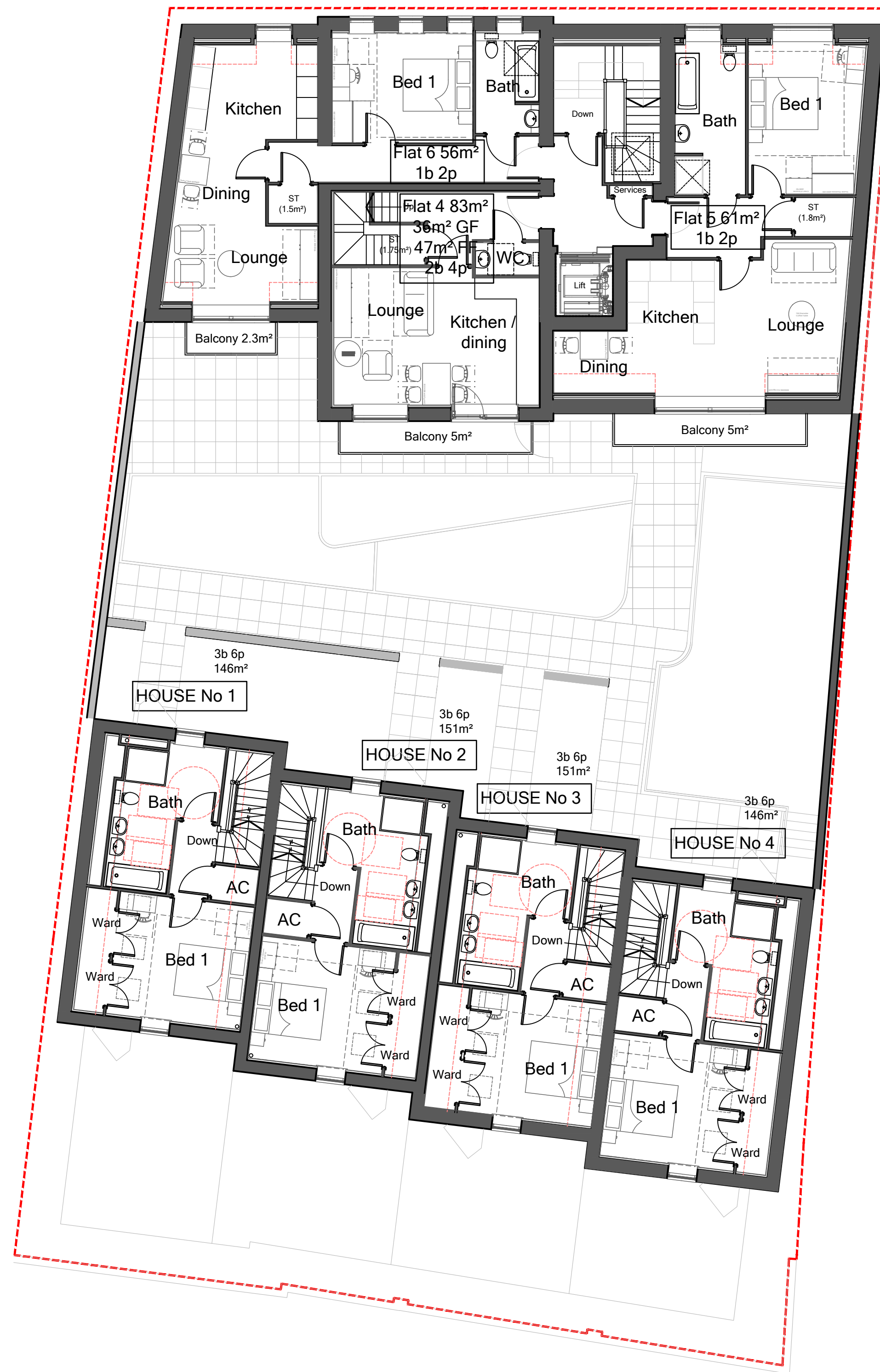
GROUND FLOOR PLAN

Red dashed line denotes site boundary

REV.	DATE	REVISION
DEVELOPMENT		
109 Fortis Green		
N2 9HR		
DRAWING TITLE		
Lower Ground & ground floor plans		
John Coltman		
Technical Design Solutions		
1b Park Offices, Monument Business Park		
Chalgrove		
Oxfordshire		
OX44 7RW		
Tel : - 01865-400620 Fax : - 01865-890822		
e-mail john.coltman@BTconnect.com		
SCALE		
1:100 @ A1		
DATE		
16-10-20		
DRAWN JC		
DRG. No.		
TDS 416 / FG 1000		
REV.		

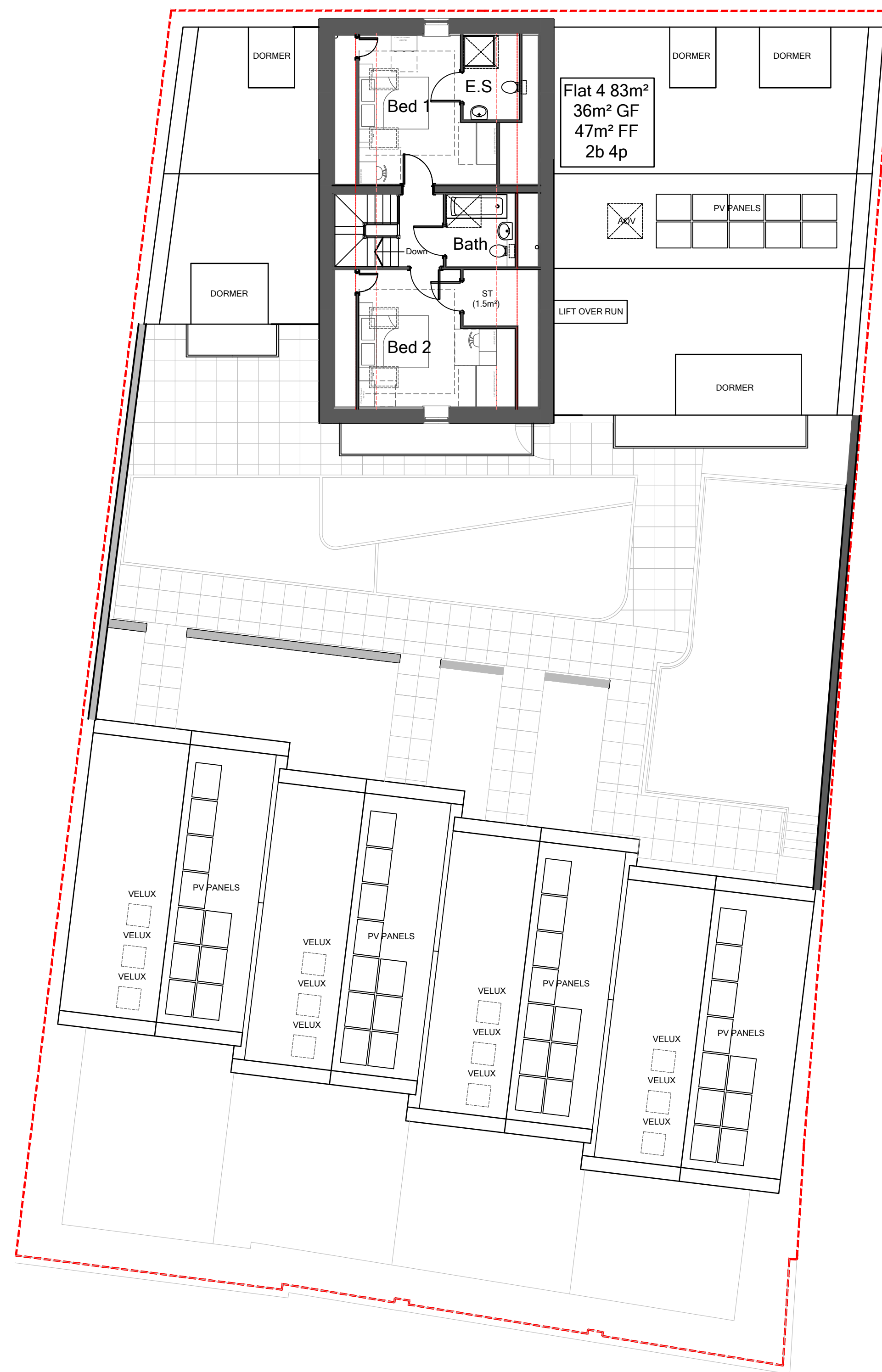


FIRST FLOOR PLAN



SECOND FLOOR PLAN

REV.	DATE	REVISION
DEVELOPMENT		
109 Fortis Green N2 9HR		
DRAWING TITLE		
First & second floor plans		
John Coltman Technical Design Solutions 1b Park Offices, Monument Business Park Chalgrove Oxfordshire OX44 7RW Tel : - 01865-400620 Fax : - 01865-890822 e-mail john.coltman@BTconnect.com		
SCALE		
1:100 @ A1		
DATE		
16-10-20 DRAWN JC		
DRG. No.		
TDS 416 / FG 1001		
REV.		



THIRD FLOOR PLAN



ROOF PLAN

REV.	DATE	REVISION
DEVELOPMENT		
109 Fortis Green N2 9HR		
DRAWING TITLE		
Third floor & roof plans		
John Coltman Technical Design Solutions 1b Park Offices, Monument Business Park Chalgrove Oxfordshire OX44 7RW Tel : - 01865-400620 Fax : - 01865-890822 e-mail john.coltman@BTconnect.com		
SCALE		
1:100 @ A1		
DATE		
16-10-20 DRAWN JC		
DRG. No.		REV.
TDS 416 / FG 1002		

Appendix 2 - Construction Cost Plan



109 FORTIS GREEN, LONDON N2 9HR

Fortis Green Jersey Ltd

Feasibility Cost Study - Order of Cost Estimate No. 1

June 2021 - Rev 02

Reference no. – 1901FOR

R E BUTLER CONSULTING LIMITED
SPECIALIST COST CONSULTANCY

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REVISION	DESCRIPTION	ISSUE DATE
00	First issue	19-07-19
01	Revised For Cost Uplift from Q3 2019 To Q2 2021	16-06-21
02	Area Adjustment and Re-Calculation	28-06-21

1.0 Executive Summary

1.1 INTRODUCTION

- Further to receiving your instruction dated 9th June 2021 the following report includes the feasibility cost study on the property as detailed below:

109 Fortis Green, London N2 9HR

- It is understood that the intention is for the residential development of the complete site to provide 6 apartments, 4 townhouses along with commercial retail space. This includes the demolition and clearance of the existing site and the excavation and construction over lower ground, ground, first, second and third floors.
- This report has been prepared solely for your use and we do not accept liability for its use by any third party.
- The assessment has been prepared on the information provided in section 2.3 of this report.
- This document has been prepared in order to demonstrate the feasibility of the proposed development.
- The indicative cost of the proposed development is as follows:

	£
Construction Works	£4,729,000
Main Contractor Preliminaries	£662,000
Main Contractor OH&P	£539,000
Total Construction Cost (2Q 2021) Say	£5,930,000

- A detailed breakdown (Order of cost estimate) is included at Appendix A.
- Exclusive of contingency, professional fees & VAT.
- This analysis is based on the assumption that the construction cost is negotiated as a single lump sum basis, the costs are current at 2nd Quarter 2021, there is no provision for inflation of cost over time.
- For a development of this nature, we estimate a build period of **48 Weeks**

Signed:



For and on behalf of R E Butler Consulting Ltd

Tom Butler MRICS - Director

2.0 Feasibility Cost Study

2.1 - AREA SCHEDULE:

Floor Area:

Level	TOTAL GIFA	
	m2	ft2
Level -1	308	3,315
Level 0	303	3,261
Level 1	363	3,907
Level 2	361	3,886
Level 3	65	700
Total	1,400	15,070

Breakdown - Residential

Unit No.	Size		GIFA (Unit)	
	Beds	People	m2	ft2
Flat 1	1	2	53.3	574
Flat 2	3	6	97.0	1,044
Flat 3	2	3	62.0	667
Flat 4	2	4	83.0	893
Flat 5	1	2	61.0	657
Flat 6	1	2	56.0	603
House 1	3	6	146.0	1,572
House 2	3	6	151.0	1,625
House 3	3	6	151.0	1,625
House 4	3	6	146.0	1,572
Total	22	43	1,006	10,832

Breakdown - Commercial & Ancillary

Unit No.			GIFA (Unit)	
			m2	ft2
Lower Commercial	8no.	Spaces	89	958
Upper Commercial			44	474
Parking			210	2,260
Communal			89	958
Ancillary			38	409
Total			470	5,059

2.2 - PRICE DRIVERS:

- Price drivers for the works are as follows:
 - Roof covering & cladding
 - Land reclamation
 - Site Access
 - Incoming utilities and supplies (inc. temporary supplies)
 - Internal joinery, doors, skirtings etc. (Hardwood v softwood)
 - Floor finishes
 - M&E specification (heat source, lighting control systems etc.), Audio Visual
 - Specification of Sanitary/Brassware, kitchen & utility cabinetry and appliances

2.0 Feasibility Cost Study

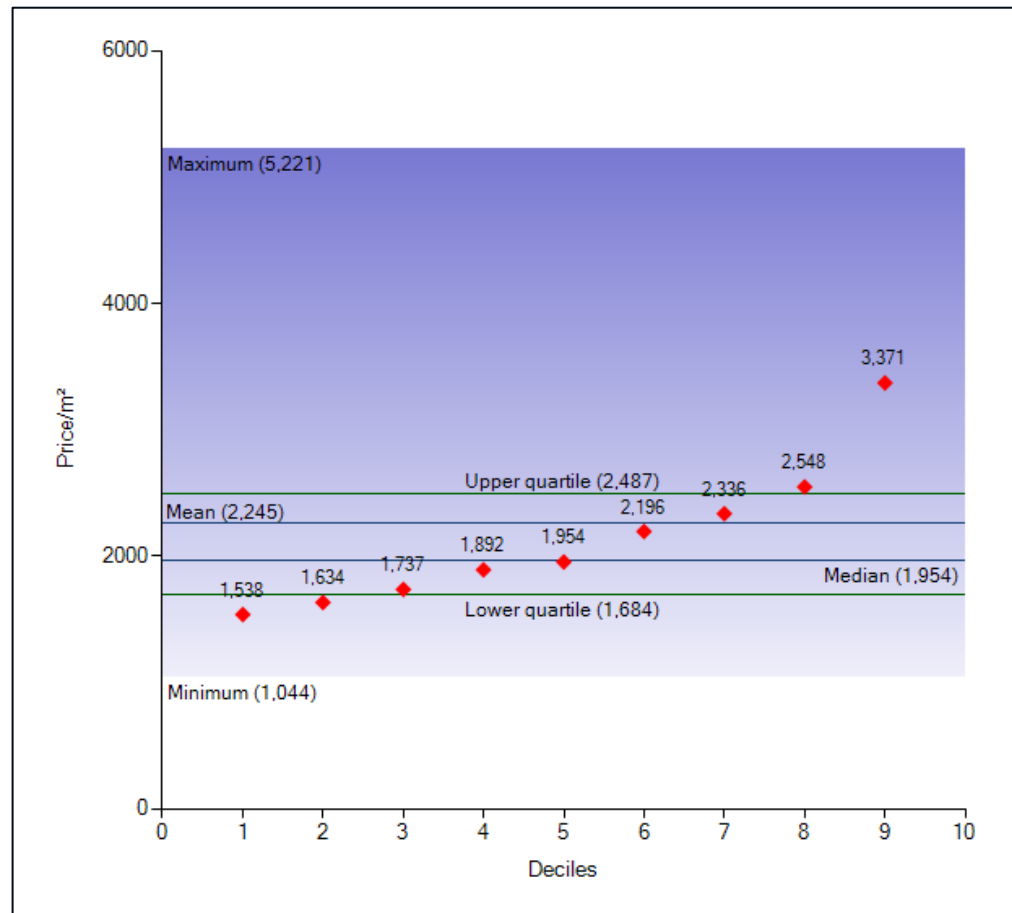
2.3 – COST STUDY:

- BCIS average prices for Flats (3-5 storeys)
- Rebased to 2Q 2021 (331; forecast) and London Borough of Haringey (131; sample 18) is summarised as follows:

Min –£1,044/m²

Max - £5,221/m²

Mean - £2,245/m² (lower quartile - £1,684/m², upper quartile - £2,487/m²)



- For a development of this nature considering the location, anticipated specification, and sales value we would suggest the upper quartile would be suitable, plus site abnormalities and additional design/specification specifics.

Average Prices Details Notes:

- The prices are exclusive of External works, Contingencies, Fees, VAT, Finance charges and the like. The £/m², Functional unit and Group element prices studies all show costs with Preliminaries apportioned by cost.
- The cost of the building with preliminaries apportioned, excluding external works, contingencies and design fees. The sample is from actual building contracts and represents a price including the contractors' overheads and profits included in the contract. The buildings sampled represent projects submitted to BCIS and will not necessarily be representative.
- The summary statistics are updated to current prices using the BCIS All-in Tender Price Index.

2.0 Feasibility Cost Study

2.4 – BUILD PERIOD:

- The estimated construction duration from Start on Site to Construction Completion is:
48 weeks (this is an average for the project).
- The 90% confidence interval for this estimate is 46 to 51 weeks.
- Individual projects will take more or less time than the average: the 90% prediction interval for individual projects is 30 to 77 weeks.
- Source – BCIS Duration Calculator

2.5 – CLARIFICATIONS:

We note below a brief summary of clarifications and assumptions made in the preparation of our cost study:

1. Our tender is based on the following information:
 - TDS - Tender Drawing package provided by client dated 20-03-19
 - TDS Drawings 416/FG1000,1001,1002 dated 16-10-2020
 - Kirk Saunders - Tender Drawing package provided by client dated 18-07-19
 - RE MEP - Tender Drawing package provided by client dated 22-05-19
 - Lockhart Garratt Landscaping Drawings 18-0045v2, 2265v1, 2266v1
2. The following are **EXCLUDED** from this cost study:
 - VAT
 - Works imposed by the Local Authority
 - Planning fees
 - Inflation
 - Intruder Alarm, CCTV, Audio Visual Installations
 - Any Artwork/Sculptures or associated works
3. We would like to clarify that all costs are based on the assumption of lump sum, tendered on a traditional method of procurement of the works.
4. No allowance has been made for phased working.
5. Costs may be subject to change following development of more detailed specification and design information.
6. We have not allowed for the cost of stoppages or delay should asbestos or any other prohibitive material/substance be discovered during the period of the works, other than those identified in the tender documents.
7. No specification as to the M&E services, finishes, Audio Visual etc. has been provided, as such we have made assumptions to the level of finish and quality.

APPENDICES

APPEN

Appendix A – Order of Cost Estimate

APPENDIX A – ORDER OF COST ESTIMATE

**Order of Cost Estimate
Issue No. 1**

109 FORTIS GREEN, LONDON N2 9HR
Fortis Green Jersey Ltd

June (2nd Quarter) 2021
Revision 02
Job Number - 1901FOR

R E Butler Consulting Ltd

Specialist Cost Consultant

No. 16 The Monza Building
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E1w 3TL

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e-mail

enquiries@rebutler.com

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2.05	Format
3.00	Elemental Summary
4.00	Elemental Estimate
5.00	Exclusions

1	Executive Summary	GIA (including car park)		17,330	1,610
		£	£	(ft ²) £/sqft	(m ²) £/m ²

1.01 Executive Summary

Construction Works	4,729,000		272.88	2,937.27
Main Contractors Preliminaries at 14%	662,000		38.20	411.18
Main Contractors overhead and profit at 10%	539,000		31.10	334.78
	5,930,000		342.18	3,683.23
Construction and Design Contingency (5%)	296,500			
	£6,226,500			
Total Construction Cost (2Q 2021)	£6,227,000	£ 359.32	£ 3,867.70	
		/sqft	/m²	

1.02 Indicative Professional Fees

12.0% 748,000

(estimated in accordance of the size and scale of the project assuming a traditional procurement)

Architect
Structural Engineer
M&E Performance specification
QS/EA
Others

Sub total for fees £ 748,000 £ 43.16 £ 464.60

Total for Construction Costs and Fees, Excluding VAT £6,975,000 £ 402.48 £ 4,332.30
/sqft /m²

1.03 Construction inflation

Inflation allowance 0.0%

1.04 Construction Period

Estimate of construction period 48 Weeks

Source - BCIS Duration Calculator

2.00 Scheme Description**2.01 Generally**

This preliminary budget estimate has been prepared to identify the construction cost of the proposed development, inclusive of an demolition and clearance of the existing site

2.02 Increased Costs

No allowance has been made for future increases in tender levels and construction prices.

2.03 Information

This estimate has been prepared based upon the following information as listed below:-

Architect

TDS - Tender Drawing package provided by client dated 20-03-19

Structural Engineer

Kirk Saunders - Tender Drawing package provided by client dated 18-07-19

Services Engineer

RE MEP - Tender Drawing package provided by client dated 22-05-19

2.04 Areas

The areas used in calculating the Estimate have been measured from the Architect's drawings.

Floor Area:

Level	TOTAL GIFA	
	m2	ft2
Level -1	308	3,315
Level 0	303	3,261
Level 1	363	3,907
Level 2	361	3,886
Level 3	65	700
Total	1,400	15,070

Breakdown - Residential

Unit No.	Size		GIFA (Unit)	
	Beds	People	m2	ft2
Flat 1	1	2	53.3	574
Flat 2	3	6	97.0	1,044
Flat 3	2	3	62.0	667
Flat 4	2	4	83.0	893
Flat 5	1	2	61.0	657
Flat 6	1	2	56.0	603
House 1	3	6	146.0	1,572
House 2	3	6	151.0	1,625
House 3	3	6	151.0	1,625
House 4	3	6	146.0	1,572
Total	22	43	1,006	10,832

Breakdown - Commercial & Ancillary

Unit No.			GIFA (Unit)	
			m2	ft2
Lower Commercial			89	958
Upper Commercial			44	474
Parking	8no.	Spaces	210	2,260
Communal			89	958
Ancillary			38	409
Total			470	5,059

*The above areas have been provided by Technical Design Solutions

2.05

Format

We have used the Elemental breakdown produced by the Building Cost Information Service Overheads and Profit, and Contingencies, in the Summary.

		Gross Internal Floor Area (m ²)		1,400	(ft ²)	15,070
3.00 Elemental Summary		Cost of Element		Cost per m ²		
		£	£	£	£	
1.00 Demolitions and Alterations		93,000	93,000	66.43	66.43	
2.00 Substructure		1,758,721	1,758,721	1,256.23	1,256.23	
3.00 Superstructure						
3.01 Frame		196,560		140.40		
3.02 Upper Floors		271,040		193.60		
3.03 Roof		163,250		116.61		
3.04 Stairs		89,500		63.93		
3.05 External Walls		298,080		212.91		
3.06 Windows and External Doors		191,900		137.07		
3.07 Internal Walls and Partitions		66,910		47.79		
3.08 Internal Doors		87,550	1,364,790	62.54	974.85	
4.00 Internal Finishes						
4.01 Wall Finishes		100,440		71.74		
4.02 Floor Finishes		181,584		129.70		
4.03 Ceiling Finishes		74,492	356,516	53.21	254.65	
5.00 Fixtures and Fittings		358,000	358,000	255.71	255.71	
6.00 Services						
6.01 Sanitary Appliances		59,850		42.75		
6.02 Services Equipment		-		-		
6.03 Disposal Installation		22,000		15.71		
6.04 Water Installation		45,284		32.35		
6.05 Heat Source		25,000		17.86		
6.06 Space heating & Air Conditioning		45,284		32.35		
6.07 Ventilation System		18,050		12.89		
6.08 Electrical Installation		116,790		83.42		
6.09 Gas & other Fuel Installation		14,000		10.00		
6.10 Lifts & Conveyors		80,000		57.14		
6.11 Fire & Lightning Protection		20,325		14.52		
6.12 Communications, Security & Control Systems		47,840		34.17		
6.13 Special Installations		-		-		
6.14 Builder's Work in Connection with Services		24,700	519,122	17.64	370.80	
7.00 External Works						
7.01 Site works		223,700		159.79		
7.02 Drainage		10,000		7.14		
7.03 Statutory Services		45,100	278,800	32.21	199.14	
Sub-Total			4,728,949		3,377.82	
8.00 Other Costs						
8.01 Contractor's Preliminaries		662,000		472.86		
8.02 Main Contractors OH+P		539,000		385.00		
			1,201,000		857.86	
Total Construction Cost (2Q 2021)		£ 5,929,949			4,235.68	
	say	£5,930,000		Cost /ft²	393.50	
				cost/m2	4,235.68	

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
1.00 DEMOLITION/ALTERATIONS					
Demolition of existing property	1	item	20,000	20,000	
Break up existing slab and compact to be used for piling mat	760	m2	50	38,000	
Allowance to remove underground fuel storage tanks (Prov Sum)	1	item	20,000	20,000	
Allowance for removal of decontamination (Prov Sum)	1	item	15,000	15,000	
					£ 93,000
2.00 SUBSTRUCTURE					
Contiguous piling assumed 10 metres deep	115	m	3,600	414,000	
Capping beam to piling	115	m	350	40,250	
Excavation to basement area including cart away off site, including extra depth for foundations, sumps, pits etc.	3,762	m3	90	338,580	
Level and compact bottom of excavations	760	m2	8	5,700	
Reinforced concrete basement slab & foundations	760	m2	260	197,600	
Reinforced concrete ramp 1:10 incline, 3000mm wide including 300mm kerbs to both sides.	1	nr	40,000	40,000	
Damp proof membrane to basement slab	760	m2	40	30,400	
75mm insulation to basement slab where inhabited	308	m2	30	9,240	
Reinforced concrete wall to piling including crystalline slurry to facing wall	460	m2	350	161,000	
Cavity drain to walls and floor	1,220	m2	60	73,200	
Allowance for reinforced columns & shear walls	760	m2	100	76,000	

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
Brickwork blockwork cavity wall including insulation	472	m2	160	75,456	
Single side stud wall to internal face of basement wall to commercial and town houses	140	m2	55	7,700	
Blockwork walls in-between town houses rear gardens	72	m2	60	4,320	
Suspended reinforced lift pit including support columns	1	item	5,000	5,000	
Suspended reinforced concrete ground floor slab / basement roof slab including formwork	534	m2	310	165,540	
Liquid waterproofing system to top of exposed slab (garden)	231	m2	75	17,325	
75mm screed and dpm to concrete ground floor slab	303	m2	40	12,120	
75mm insulation to ground floor slab	303	m2	30	9,090	
Allowance for piling rig and set up	1	item	20,000	20,000	
Allowance for structural monitoring during basement works	1	item	12,500	12,500	
Allowance for temporary propping to for basement works	1	item	30,000	30,000	
Allowance for any unknown underground structures	1	PS	5,000	5,000	
Allowance for finish to the carpark area	210	m2	35	7,350	
Allowance for line marking	9	no.	150	1,350	
					£ 1,758,721
3.00 SUPERSTRUCTURE					
3.01 Frame					
Allowance for structural frame	1,092	m²	180	196,560	
					£ 196,560

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
3.02 Upper Floors					
Allowance for 250 RC to upper floors	1,092	m²	120	131,040	
Extra over allowances for the projected windows	8	item	5,000	40,000	
Extra over allowance for balcony with glass balustrades	10	item	10,000	100,000	
					£ 271,040
3.03 Roof					
<u>Roof Structure</u>					
Pitched roof construction including insulation, felt and battening	360	m²	90	32,400	
Dormer roof construction	5	nr	800	4,000	
Allowance for lift over run	1	item	2,000	2,000	
Allowance for kitchen extract over run	1	item	750	750	
<u>Roof Covering</u>					
Slate tiling to pitched roof	360	m²	120	43,200	
Zinc roof covering to dormers	5	nr	1,500	7,500	
Lead covering to lift, kitchen extract	1	item	4,000	4,000	
Allowance for leadwork and flashings to all roof areas	1	item	6,000	6,000	
Allowance for rainwater goods	1	item	10,000	10,000	
<u>Additional Items</u>					
Velux windows	16	nr	900	14,400	
Allowance for integrated solar panels	52	nr	750	39,000	
					£ 163,250

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
3.04 Stairs					
New hardwood timber staircase with timber handrail and spindles from ground floor to second floor in the townhouses (£4,000 a flight)	4	Item	12,000	48,000	
Finish to staircase	4	Item	3,000	12,000	
Main Internal communal staircase, 3 flights	1	Item	12,000	12,000	
Finishes to main staircase including balustrades etc	1	Item	3,000	3,000	
Apartment staircases (£3,000 a flight)	2	Item	6,000	12,000	
Finishes to apartment staircase including balustrades etc	1	Item	2,500	2,500	
					£ 89,500
3.05 External Walls					
Cavity wall - decorative brick panel, insulation, blockwork and plasterboard internally to Townhouse	605	m²	200	120,960	
Cavity wall - facing brick, insulation, blockwork and plasterboard internally to Apartment Block	648	m²	220	142,560	
Blockwork, insulation, plasterboard and skim lining wall to party walls	38	m²	120	4,560	
Extra over allowance for feature brickwork to the Townhouse	1	item	15,000	15,000	
Extra over allowance for the feature brickwork to Apartment Block	1	item	15,000	15,000	
					£ 298,080
3.06 Windows and External Doors					
<u>Windows</u>					

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
Hardwood double glazed windows including ironmongery to the Apartment Block	86	m ²	650	55,900	
Powder coated composite windows to Townhouse	61	m ²	600	36,600	
<u>External Doors</u>					
Allowance for external doors including ironmongery	14	nr	2,000	28,000	
Bifolding doors	8	nr	4,800	38,400	
Balcony doors	8	nr	1,750	14,000	
Externally fixed horizontal timber privacy louvres	4	nr	1,000	4,000	
Car park entrance gates	1	item	15,000	15,000	
					£ 191,900
3.07 Internal Walls and Partitions					
200mm Party Wall blockwork partitions including plasterboard and skim to Townhouse	35	m ²	120	4,200	
100mm blockwork walls including plasterboard and skim- Apartments Walls	282	m ²	100	28,200	
Internal stud partition walls including skim to both sides to the Townhouse	123	m ²	70	8,610	
Internal stud partition walls including skim to both sides to the Apartments	370	m ²	70	25,900	
					£ 66,910
3.08 Internal Doors					
Single doors with ironmongery to communal areas	7	nr	850	5,950	
Internal apartment entrance doors with ironmongery	4	nr	900	3,600	

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
Single solid timber internal doors including ironmongery	99	nr	750	74,250	
Double solid timber internal doors including ironmongery	5	nr	750	3,750	
					£ 87,550
4.00 INTERNAL FINISHES					
4.01 Wall Finishes					
<u>Residential Areas</u>					
Emulsion paint finish, one mist and two coats to stud partitions	913	m²	15	13,695	
Emulsion paint finish, one mist and two coats to blockwork	1,955	m²	15	29,325	
Full height tiling to WC's/ Shower Rooms assumed Ceramic Tiles; PC Sum £60	527	m²	90	47,430	
Allowance for splashbacks to kitchens			Incl. within Kitchen supply		
<u>Communal Areas</u>					
Emulsion paint finish, one mist and two coats to stud partitions	666	m²	15	9,990	
					£ 100,440
4.02 Floor Finishes					
<u>Residential Areas</u>					
Screed to floors throughout	1,006	m²	30	30,189	
Engineered Timber Flooring; including sub base Living, dining, kitchen, storage, pantry, WC, hall	572	m²	150	85,845	
Bedrooms, stairs and study- carpet pc sum £60	329	m²	80	26,320	
Bathrooms and en-suites; Ceramic tiles pc sum £60	105	m²	90	9,450	

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
Allowance for skirting	983	m	20	19,660	
<u>Communal Areas</u>					
Screed to floors to communal areas	89	m ²	45	4,005	
Extra over to screed staircase	3	flights	1,000	3,000	
Allowance for floor finishes to communal area (Specification TBC)	89	m ²	35	3,115	
					£ 181,584
4.03 Ceiling Finishes					
<u>Residential Areas</u>					
Plasterboard M/F plaster skim finish to ceiling including emulsion decoration to all residential areas	1,006	m ²	55	55,347	
Allowance for access panels where required	1	item	1,500	1,500	
Extra over for plasterboard soffit to staircase	18	flights	500	9,000	
<u>Communal Areas</u>					
Plasterboard M/F plaster skim finish to ceiling including emulsion decoration to all communal areas	89	m ²	55	4,895	
Allowance for access panels where required	1	item	1,500	1,500	
Extra over for plasterboard soffit to staircase	3	flights	750	2,250	
					£ 74,492
5.00 FIXTURES & FITTINGS					
Allowance for fully fitted kitchens including appliances to all residential flats	10	nr	25,000	250,000	
Allowance for wardrobes to bedrooms	18	nr	4,000	72,000	
Allowance for walk in wardrobes to master bedrooms	4	nr	6,500	26,000	

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
Allowance for signage generally including externally to building	1	item	2,000	2,000	
Allowance for communal residential letter box	1	item	1,500	1,500	
Allowance for bike racks	1	item	5,000	5,000	
Allowance for bin store	1	item	1,500	1,500	
					£ 358,000
6.00 SERVICES					
6.01 Sanitary Appliances					
Bathrooms and/or shower rooms to residential flats (incl. taps, wastes, bath, shower, basin etc.)	23	nr	1,350	31,050	
Vanity and tops to residential flats	23	nr	400	9,200	
W.C	33	nr	350	11,550	
Mirrors to bathrooms	23	nr	100	2,300	
Towel rails	23	nr	250	5,750	
					£ 59,850
6.02 Services Equipment					
None					£ -
6.03 Disposal Installation					
Soil and waste installation to the main stack	1,400	m ²	5	7,000	
Public health waste disposal throughout apartments into central stacks	10	nr	1,500	15,000	
					£ 22,000
6.04 Water Installation					
Domestic hot and cold water distribution throughout apartments	1,006	m ²	45	45,284	
					£ 45,284
6.05 Heat Source					

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
Gas fired boiler installation	10	nr	2,500	25,000	
					£ 25,000
6.06 Space Heating & Air Conditioning					
Gas fired central heating throughout apartments	1,006	m²	45	45,284	
					£ 45,284
6.07 Ventilation System					
Mechanical ventilation to bathrooms	23	nr	350	8,050	
Allowance for mechanical ventilation system to kitchens and utility rooms	10	nr	750	7,500	
Communal stairwell automatic smoke ventilation system	1	nr	2,500	2,500	
					£ 18,050
6.08 Electrical Installation					
Mains and LV sub-mains distribution; local distribution and small power to communal areas	89	m²	40	3,560	
Lighting installation and emergency lighting to communal areas	89	m²	50	4,450	
Lighting installation and emergency lighting to communal areas	210	m²	50	10,500	
Small power and lighting throughout apartments including wiring and fittings including earthing and bonding	1,092	m²	90	98,280	
					£ 116,790
6.09 Gas & other Fuel Installation					
Incoming gas supply and distribution	1,400	m²	10	14,000	
					£ 14,000
6.10 Lifts & Conveyors					
Passenger lift including car finishes	1	nr	80,000	80,000	

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
				£	80,000
6.11 Fire & Lightning Protection					
Fire alarm to communal areas including smoke detectors & sounders	89	m ²	5	445	
Fire alarm to residential areas including smoke, heat detectors & sounders	1,092	m ²	15	16,380	
Allowance for lightning protection and earthing	1	item	3,500	3,500	
				£	20,325
6.12 Communications, Security & Control Systems					
Telephone points, TV aerial, satellite dish, including data sockets and wiring for central distribution	1,400	m ²	15	21,000	
Allowance for access control system	10	nr	500	5,000	
TV/cable/satellite and telephone/data wireways and distribution throughout apartments	1,092	m ²	20	21,840	
				£	47,840
6.13 Special Installations					
None				£	-
6.14 Builder's Work in Connection with Services					
Associated builder's work in connection with services (5%)	1	item	24,700	24,700	
				£	24,700
7.00 EXTERNAL WORKS					
7.01 Site works					
Allowance for hard landscaping, paving to podium	231	m ²	200	46,200	

Order of Cost Estimate No. 1

London

4.00 Elemental Estimate	Qty	Unit	Rate	£	£
Extra over for staircase finishes	1	item	1,500	1,500	
Allowance for planters to podium area	1	item	30,000	30,000	
Create steps and planters to townhouse gardens	4	nr	7,500	30,000	
Allowance for paving to townhouse gardens	80	m²	200	16,000	
Allowance for dividing walls/screens to townhouse gardens	3	nr	1,500	4,500	
Allowance for irrigation and controls to both podium and townhouse gardens	1	Item	10,000	10,000	
Allowance for street furniture (seating)	1	Item	5,000	5,000	
Allowance for soft landscaping	1	PS	20,000	20,000	
Allowance for trees	1	PS	20,000	20,000	
Fencing to perimeter - Allowance	100	m	80	8,000	
Allowance for boundary planting	100	m	50	5,000	
Allowance for external lighting	1	PS	7,500	7,500	
Allowance to relocate dropped kerb and associated remedial works to front pavement	1	item	20,000	20,000	
					£ 223,700
7.02 Drainage					
New foul and surface drainage below ground	1	PS	10,000	10,000	
					£ 10,000
7.03 Statutory Services					
Allow for statutory supplies:					
Allowance for incoming Gas supply	11	Nr	1,000	11,000	
Allowance for Water connection	11	Nr	850	9,350	
Electricity Meters & connection	11	Nr	1,000	11,000	
BT	11	Nr	250	2,750	
BWIC	11	Nr	1,000	11,000	
					£ 45,100

London

£ 4,728,949

8.00 OTHER COSTS

14%

£ 662,000

10%

£ 539,000

£ 5,930,000

Say £ 5,930,000

5.00 Exclusions

This Order of Cost Estimate excludes the following:-

- 1.1 VAT
- 1.2 Professional Fees, Planning costs, Building Control cost, Adjoining owners Party Wall Surveyor fees, Building Guarantee
- 1.3 Archaeological requirements
- 1.4 Other development costs, e.g. legal, funding, s1.06 Agreement etc.
- 1.5 Acquisition and land costs
- 1.6 Temporary or permanent security provision with regard to adjacent properties
- 1.7 Ground Contamination
- 1.8 Survey / remove / presence of deleterious materials (e.g. Asbestos) other than those items specifically described in this report
- 1.9 Drainage beyond boundary of site (except where stated)
- 1.10 Relocation of on or off site existing services
- 1.11 Ground water issues
- 1.12 Site abnormalities not encompassed within the scheme
- 1.13 Off-site statutory supplier infrastructure charges except where stated
- 1.14 Mechanical and Electrical works and or repairs not encompassed within the scope
- 1.15 Specialist light fittings
- 1.16 Fixtures and fittings except those identified (or allowances stated) in the budget estimate
- 1.17 Increased costs other than those stated
- 1.18 Dealing with invasive plants i.e. Japanese Knotweed
- 1.19 Additional Infrastructure for other mains services ie. Drainage, gas, water, telecoms
- 1.20 Infrastructure upgrades, ie Section 38, 278 Contributions
- 1.21 Party Wall awards, rights to light issues and associated costs
- 1.22 Legal fees
- 1.23 Survey Fees
- 1.24 Agents Fees/Marketing Costs
- 1.25 Feature hoarding to the site
- 1.26 Costs associated with the design and/or procurement of mock-ups, show apartments
- 1.27 Ecological Surveys
- 1.28 Project insurances (Main Contractor's Third Party and Works insurance only included in Preliminaries)
- 1.29 Planning application fees
- 1.30 Design team professional fees (including Contractor's design fees)
- 1.31 Artwork
- 1.32 Developer's risk allowance / overall project contingency
- 1.33 Archaeological survey or excavation costs, including attendance on the archaeologist
- 1.34 Project Collaboration Tool
- 1.35 Out of hours working
- 1.36 Road closures & diversions
- 1.37 Inflation beyond report date

Appendix B – BCIS Analysis

APPENDIX B – BCIS ANALYSIS

Analyses summary

► Rebased to 2Q 2021 (331; forecast) and London Borough of Haringey (131; sample 18)

Graphs

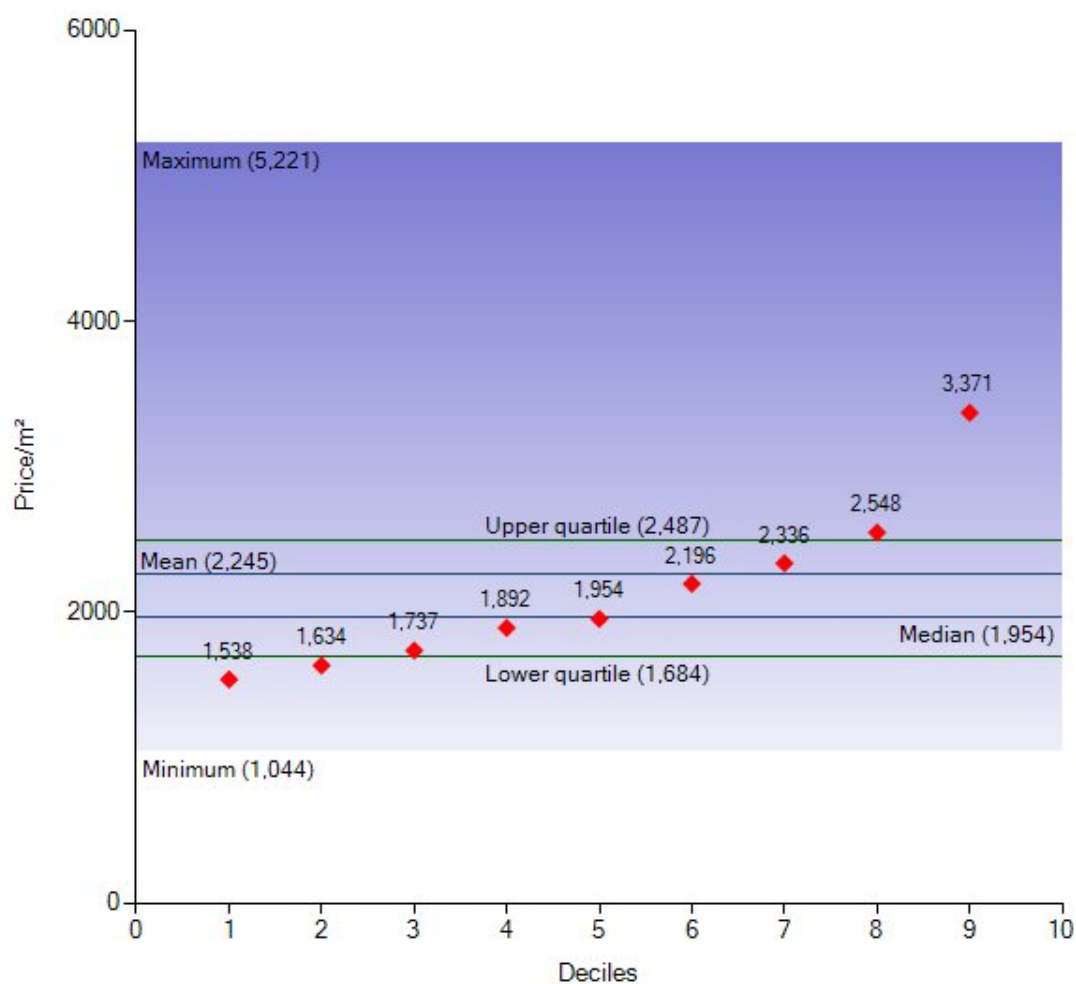
Rate per m2 gross internal floor area for the building cost including prelims.

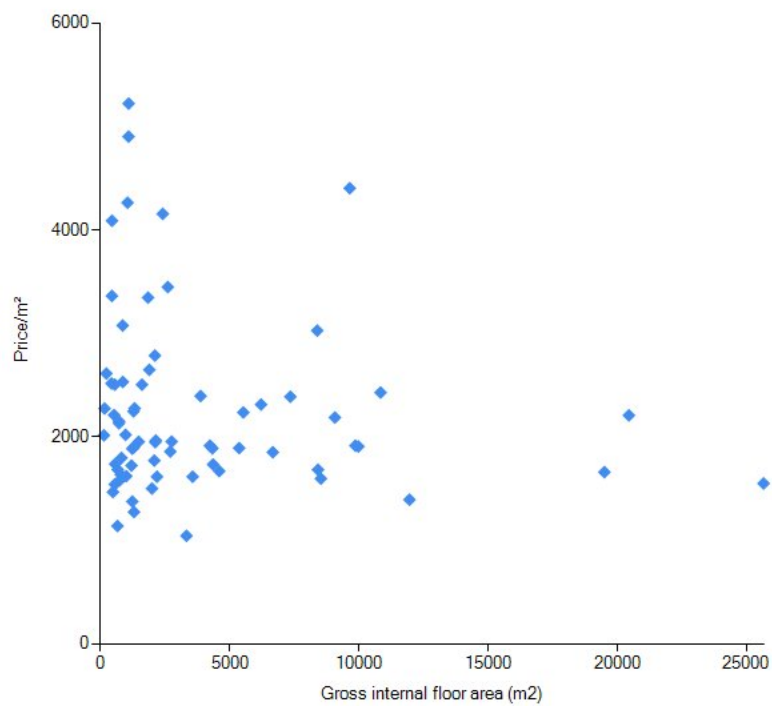
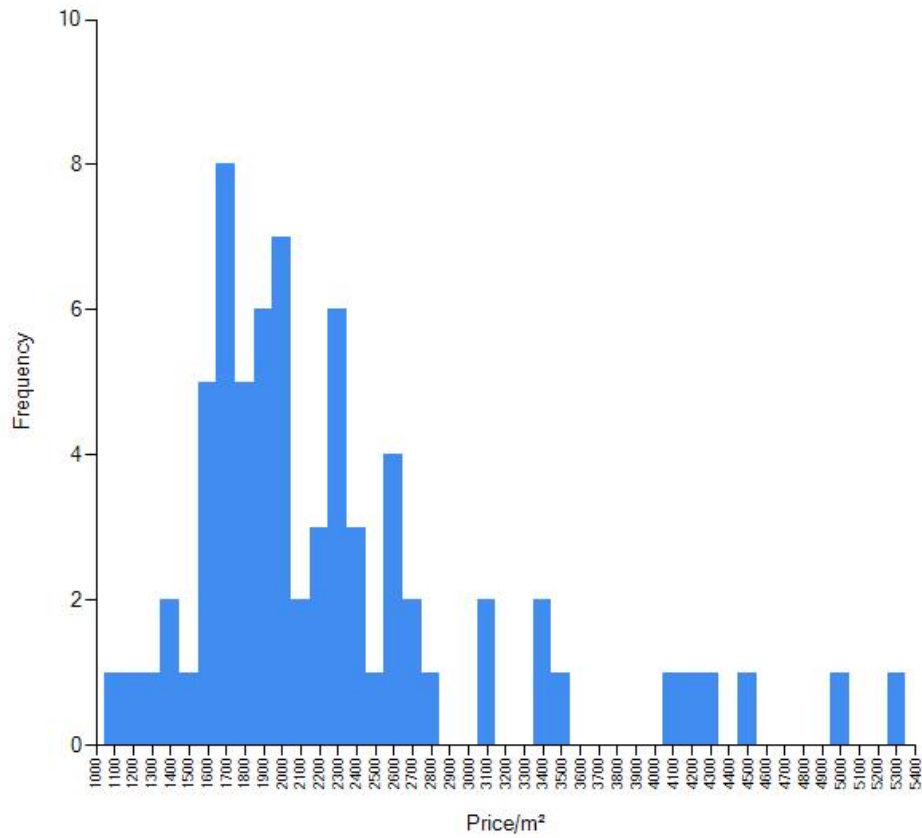
Sample: 70

Mean: 2,245

Standard deviation: 865

	Min	1	2	3	4	5	6	7	8	9	Max
Range	1,044										5,221
Deciles		1,538	1,634	1,737	1,892	1,954	2,196	2,336	2,548	3,371	
Quartiles			1,684						2,487		
Median						1,954					





Appendix 3 - Proposed Scheme Appraisal

Licensed Copy

Development Appraisal

109 Fortis Green

Report Date: 29 June 2021

Prepared by BNPPRE

APPRAISAL SUMMARY**LICENSED COPY****109 Fortis Green****Summary Appraisal for Phase 1**

Currency in £

REVENUE**Sales Valuation**

	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Market Housing Units	10	10,832	767.17	831,000	8,310,000

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
A1/A3/B1 space	1	1,653	30.00	49,590	49,590	49,590

Investment Valuation**A1/A3/B1 space**

Market Rent	49,590	YP @	6.2500%	16.0000	
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.2500%	0.9555	758,171

GROSS DEVELOPMENT VALUE**9,068,171**

Purchaser's Costs	6.80%	(51,556)	(51,556)
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NET DEVELOPMENT VALUE**9,016,616****NET REALISATION****9,016,616****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(653,747)	(653,747)
------------------------------------	-----------	-----------

CONSTRUCTION COSTS**Construction**

	Units	Unit Amount	Cost	
Market Housing Units	10 un	593,000	5,930,000	5,930,000
Contingency		5.00%	296,500	
CIL			555,128	
				851,628

PROFESSIONAL FEES

Professional fees	10.00%	593,000	593,000
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MARKETING & LETTING

Marketing	2.00%	166,200	
Letting Agent Fee	15.00%	7,439	
Letting Legal Fee	5.00%	2,480	
			176,118

DISPOSAL FEES

Sales Agent Fee	1.00%	90,166	
Sales Legal Fee	0.50%	45,083	
			135,249

Additional Costs

Market Housing Profit	20.00%	1,662,000	
Commercial Profit	15.00%	113,726	
			1,775,726

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Land		(38,966)	
Construction		223,245	
Other		24,363	
Total Finance Cost			208,642

TOTAL COSTS**9,016,616****PROFIT**

109 Fortis Green

0

Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.55%
Equivalent Yield% (Nominal)	6.25%
Equivalent Yield% (True)	6.50%
IRR	6.41%
Profit Erosion (finance rate 7.000%)	N/A