Quod

FINANCIAL VIABILITY ASSESSMENT

25-27 CLARENDON ROAD, LONDON BOROUGH OF HARINGEY

JULY 2024

Contents

This Financial Viability Assessment has been produced in accordance with the NPPF (2023), PPG (2019), the RICS Viability Professional Statement on Financial Viability in Planning: Conducting and Reporting (2019) and the RICS Assessing viability in planning under the NPPF 2019 for England (2021). When producing this Financial Viability Assessment Quod has acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information. No performance related or contingent fees have been agreed for this work. The client has made no additional requirements in relation to this work. No conflicts of interests exist, including Party Conflicts, Own Interest Conflicts and Confidential Information Conflicts

Executive Summary

This Financial Viability Assessment ('FVA') has been prepared on behalf of J-Group ("the Applicant") in support of an application for detailed full planning permission submitted to the London Borough of Haringey ('LBH' or 'the Council') for the redevelopment of 25 Clarendon Road, N15 3JX (the Application Site').

The application proposes the demolition of existing buildings to facilitate a residential development providing 222 purpose built Co-Living rooms alongside a new commercial workspace ('the Application').

The Application proposes [redacted] of planning obligations including [redacted] of CIL for the delivery of borough wide health and social infrastructure and a further [redacted] of other S106 contributions which are necessary to make the development acceptable in planning terms. In accordance with policy, a financial viability appraisal has been prepared to determine the maximum reasonable contribution that can be made in addition to these sums to support off-site affordable housing delivery. A summary of the appraisal is provided in Table ES-1 below.

Table ES-1 - Appraisal Summary

Scheme Revenue	Appraisal Amount
Scheme Revenues	[redacted]
Scheme Development Costs	[redacted]
Output Return Amount	[redacted]

The financial appraisal evidences an output return is negative and therefore below the minimum return threshold. The financial appraisal therefore evidences that based on present day costs and values the scheme cannot technically support any contribution towards off-site social rented affordable housing in addition to the [redacted] of CIL and other S106 contributions. A NIL contribution towards off-site affordable housing provision would therefore technically be in accordance with policy due to financial viability considerations.

Notwithstanding this, in view of the Council's strategic objectives, the applicant has confirmed they are prepared to take an internal commercial view on a range of factors, including the potential for market growth, in order to commit to a financial contribution towards off-site social rented affordable housing. The exact amount will be discussed and agreed with offers during the determination once the viability position has been independently verified by the Council's independent advisors. This approach adds considerable upfront risk to the project.

Overall, the provision of [redacted] of CIL and other S106 contributions alongside any contribution towards affordable housing should be afforded significant positive decision weight in the planning balance.

1 Introduction

1.1 This Financial Viability Assessment ('FVA') has been prepared on behalf of J-Group ("the Applicant") in support of an application for detailed full planning permission submitted to the London Borough of Haringey ('LBH' or 'the Council') for the redevelopment of 25 Clarendon Road, N15 3JX (the Application Site').

1.2 The purpose of this FVA is to evidence that the proposed planning obligations exceed the minimum which could otherwise be proposed in accordance with policy taking account of viability considerations.

1.3 The FVA is structured as follows:

- An overview of the planning application and relevant policy (Section 2);
- A financial viability appraisal of the scheme proposals (Section 3); and
- A summary of the overall conclusions (Section 4).

1.4 This document should be read in conjunction with a number of the other planning application documents, including but not limited to the Planning Statement and the Design and Access Statement.

2 Application Context

2.1 This section of the FVA provides an overview of the application site, proposals, and relevant planning policy considerations.

Application Site

2.2 The site is located at 25-27 Clarendon Road in the London Borough of Haringey. The site comprises two warehouse/ industrial units with associated car parking and yard area. The existing floor areas are set out in Table 2-1 below.

Table 2-1: Existing Accommodation

Unit Type	No. of Units
Unit 1	9,300 SQ FT
Unit 2	3,000 SQ FT
Total	**12,300 SQ FT**

Application Proposals

2.3 The application proposes demolition of existing buildings to facilitate a residential development providing 222 purpose built Co-Living rooms and Class E commercial space ('the Application Scheme').

2.4 The key elements of the proposal are as follows:

- 222 'Sui Generis' (Co-living) Homes;
- 65 SQM of Communal Amenity Space;
- 231 SQM of Affordable Commercial Workspace; and
- Landscaping & External Improvements

Planning Policy

2.5 Planning decisions in England are required to be made in accordance with the development plan for the borough. The Haringey Development Plan comprises the London Plan (2021), the Haringey Strategic Policies DPD (2017) and the Haringey Development Management DPD (2017).

2.6 The London Plan (2021) provides the overarching strategic planning framework for London. Policy H16 of the London Plan requires large-scale purpose-built shared living developments to deliver a cash in lieu contribution towards conventional C3 affordable housing as either an: a) upfront cash in lieu payment to the local authority, or b) in perpetuity annual payment to the local authority. All large-scale purpose-built shared living schemes would normally be subject to the Viability Tested Route set out in Policy H5 of the London Plan.

2.7 Policies SP2 and DM13 of the Haringey Strategic Policies and Development Management DPD's sets out the approach required for conventional housing schemes but does not deal with Co-Living. They do however establish that affordable housing contributions are subject to financial viability considerations.

2.8 Haringey Council is preparing a new Local Plan with a consultation on a Regulation 18 New Local Plan First Steps documents taking place between 16th November 2020 and 1st February 2021. The First Steps document sets out the key issues to be addressed by the New Local Plan and seeks views on options to address them. It has very limited material weight in the determination of planning applications at this time.

2.9 National Planning Policy Guidance (NPPG) provides guidance on the application of policies set out in the NPPF (2021, as updated). Paragraph 004 (Seeking Planning Obligations) of the Planning Obligations section of the NPPG (2021, as amended) confirms planning obligations must be fully justified and evidenced by a proportionate assessment of viability. In this respect Paragraph 005 (Evidence) states that viability assessment should be used to ensure that policies are realistic, and the total cumulative cost of all relevant policies will not undermine deliverability.

2.10 Guidance is provided on the approach to be taken to viability assessment at Paragraph 010 (Standardised Inputs) of the Viability section of NPPG which confirms that viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at key elements of gross development value, costs, land value, land value premium and developer return. It also states that in decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.

Further Information

2.11 Further details of the application site, application scheme proposals and relevant planning policy considerations are set out in the Planning Statement.

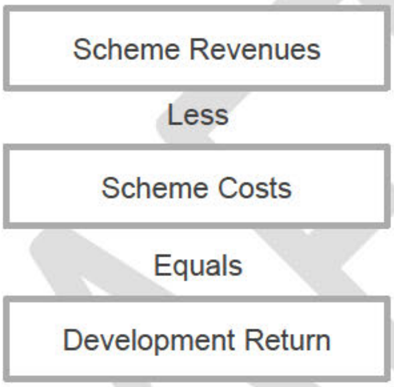
3 Viability Assessment

3.1 This section of the FVA provides an overview of the approach taken to assessing the development viability of the Application Scheme and the outcomes of the assessment.

Measuring Viability

3.2 The approach taken considers the ability of the development to provide an appropriate market-based risk adjusted return after the development costs have been deducted from the scheme revenues. The output return is then compared to a minimum risk adjusted development return.

Figure 1 Viability Approach



3.3 The approach has been informed by the National Planning Policy Framework (NPPF) (2023) and Practice Guidance (NPPG) (2021); the RICS Financial Viability in Planning 2012 Guidance Note (RICS GN); the GLA's Affordable Housing & Viability SPG (2017), the London Plan (2021); the RICS professional statement 'Financial Viability in Planning: Conduct and Reporting' (2019); the RICS Valuation of Development Property Guidance Note (2019); and the RICS Assessing Viability in Planning under the NPPF 2019 for England (2021).

The Financial Model

3.4 A financial appraisal of the proposed development has been prepared using Argus Developer Software. This development appraisal package is widely used throughout the development industry and is considered to be appropriate for presenting the viability position on a development of the type proposed. Further details can be accessed at www.argussoftware.com.

3.5 Argus utilises a residual appraisal methodology. The value of the completed development and development costs can be cash-flowed over the development period and the difference between the total development value and total costs are compared. The model structure provides a sound basis on which to test scheme viability and to determine the developer subsidy available from the development. The model structure provides a sound basis on which to test scheme viability and determine the financial position to justify the proposed. The GLA's Affordable Housing and Viability SPG (2017) and the Development Viability LPG confirms that the use of Argus Developer is an appropriate model.

Scheme Areas

3.6 The financial model has been based on the proposed application scheme as set out in Section 2 of this report. A summary is provided in Table 3-1 below. Table 3-1 - Residential Areas.

Table 3-1 – Proposed Areas

Land Use	No. of Units	NSA (sq. ft)
Co-Living Rooms	222	50,602
Workspace	1	2,487
Total	**223**	**53,089**

3.7 The full area schedule is provided in Appendix 1.

Programme & Funding

3.8 The finance costs within the financial model are calculated based on a detailed cash flow. The programme assumptions, set out in Table 3-2 below, are consistent with those adopted within the Planning Application.

Table 3-2 - Construction Programme

Building Stage	Period
Pre-Construction	6 Months
Construction	24 Months
Sales Period	1 Month

3.9 The construction period is based on a site-specific project construction programme. It is assumed that the asset is sold on practical completion (non-stabilised), and this is reflected in the investment yield adopted.

Scheme Revenues

Co-Living Revenue

3.10 The co-living revenues are based on the present-day investment value of the net income generated by the rooms. This assumes an average rent of [redacted], a [redacted] OPEX allowance [redacted]) and an investment yield of [redacted].

3.11 The rent [redacted]) is considered appropriate in the context of the following properties which are available to rent on Rightmove within 0.5 miles of the site (Rightmove 17.06.24).

- Langham Road - £750 PCM (Room/ Most Bills Included)
- Crescent Road - £820 PCM (Room/ Council Tax Included)
- Etherley Road - £850 PCM (Room/ All Bills Included)

- Langham Road - £900 PCM (Room/ Most Bills Included)
- Langham Road - £925 PCM (Room/ Most Bills Included)
- Etherley Road - £1,000 PCM (Room/ All Bills Included)
- Belmont Road - £1,100 PCM (Studio/ Most Bills Included)
- Vincent Road - £1,200 PCM (Studio/ Long Let)
- Vincent Road - £1,200 PCM (Studio/ New Build)
- Belmont Road - £1,250 PCM (Studio/ Most Bills Included)
- Haringey Green Lanes - £1,300 PCM (Studio/ Some Bills Included)

3.12 There are no operational Co-Living schemes in close proximity to the site. The most comparable is [redacted] It's studios are presently advertised at [redacted]

3.13 The OPEX allowance ([redacted]) is an industry standard figure which has been agreed on a range of other Co-Living schemes. It generates an OPEX cost of [redacted] per room which is considered reasonable in the context of recent inflation in the cost of energy, labour and maintenance materials. It also includes allowances for all mobilisation, marketing and letting related costs.

3.14 The investment yield ([redacted]) reflects a forward commit funding scenario (revenues received on practical completion ahead of stabilisation).

3.15 It is considered to be at the optimistic end of the range in light of the latest Knight Frank Residential yield guide (November 2023) which supports a [redacted] yield for Prime London Co-Living and Direct let PBSA stabilised assets. Knight Frank have confirmed Prime refers to Zone 1 assets with the highest level of amenities trading on a full let and stabilised basis.

3.16 It is also considered appropriate in the context of the following comparable transactions.

Table 3-3 – Transactional Evidence

No	Name	Address	Units	Transaction Details
1.	Collective Old Oak	Nash House, Old Oak Ln, London NW10 6FF	544	4.5% Yield Sale Sept 2022 (IPO)
2.	Collective (Ark) Canary Wharf	ARK, 20 Crossharbour Plaza, London E14 9YF	705	£190m 4.4% Yield Sale Sept 2022
3.	Collective Westbourne Park	11 Woodfield Road, London W9 3RE	286	5.3% Yield Sale Sept 2022 (IPO)
4.	Holm	44 Augustus Rd, Wimbledon, SW19 6NB	86	£21.25m 5.5% Yield Sale Jan 2023
5.	Gladstone Road	Gladstone Rd, Exeter EX1 2EB	133	£17m 4.9% Yield Sale Sept 2021 to BP
6.	College Road Corydon	College Road Corydon	817	£200m 4.9% Yield Sale March 21 to Oaktree
7.	The Mall	1A The Mall, Ealing W5 2PJ	81	£20m 4.9% Yield Sale Dec 21

3.17 Finally, it is understood the following yields have been agreed for other viability assessments when market conditions were stronger.

- Chatfield Road S73 – 4.5% agreed by BNPP in 2021
- Lowlands Road– 4.75% agreed by Savills in 2020
- Garratt Mills– 4.75% agreed by BNPP in 2019
- Chatfield Road – 4.75% agreed by BNPP in 2020
- Fife Road – 4.75% agreed by Aspinall Verdi in 2020
- Palmerston Road– 5.25% agreed by BNPP in 2018
- Blackhorse Lane – 4.5% agreed by BPS in 2020
- Kingsland Road – 4.75% agreed by BNPP in 2019

3.18 Since the agreement of these figures, the BOE base rate has increased again. This increases the risk-free return rate which in turn results in a softening of achievable Co-Living yields.

3.19 For example, CBRE residential yield data shows BTR yields have shifted outwards by over c.1% since 2022 for stabilised prime assets in Zone 3.

3.20 An investment yield of [redacted] for Co-Living wouldn't therefore be unreasonable. The applicant reserves the right to review this assumption if further evidence of yield movements becomes available.

3.21 This positions is further supported by recent Build-to Rent transactions. BTR is a much more established asset class. The properties were also fully let and stabilised (which adds a significant yield premium).

- Almeda, & Beton, Wembley Park –490 Units (c.4.75% Yield – Q1 2024)
- Alto, Montana & Dakota, Wembley Park – 490 Units (c.4.50% Yield – Q3 2023)
- Renshaw Yard Staines – 391 Units (c.4.5% Yield – Q4 2023)

3.22 The output capitalised value is [redacted] PSF (NIA) or [redacted] PSF (NIA + Amenity). This is considered to be at the upper end of the potential range.

Affordable Commercial Revenue

3.23 The commercial revenues are based on the investment value of the commercial element of the scheme. The proposed rent (£12 PSF) is based on an assumed Market Rent of £15 PSF and a 20% discount. An all risks yield of 8% has been applied.

3.24 The market comparable considered include:

- 83-89 Western Road, N22 6US – 1,568 SQ FT B1 Office (Available - £15.78 PSF);
- Parma House, N22 6XF – 1,383 SQ FT B1 Office (Available - £11.55 PSF);
- 43a Hornsey Park Road, N8 0JU - 649 SQ FT B1 Office (Available £18.73 PSF); and
- Sanctuary House, N22 6HE – 13,242 S FT B1 Office (Available £15.50 PSF).

3.25 The market rent ([redacted]) and yield [redacted] are not comparable with the EUV due to the differential in use, size and restrictions in terms of discounted rental income, use and occupation.

Land Value Cost

3.26 In determining the Benchmark Land Value specific regard has been given to the guidance contained in the NPPG, RICS Guidance Note and the GLA's SPG, and recognition that scheme viability should consider competitive returns to a willing landowner to enable land to be released, so development can be deliverable.

3.27 The NPPG states that to define land value for any viability assessment, a benchmark land value should be established on the basis of the Existing Use Value (EUV) of the land, plus a premium for the landowner, or Alternative Use Value (AUV) if the AUV fully complies with up-to-date development plan policies. The RICS Guidance Note on Viability in Planning provides further confirmation that Site Value should have regard to both current and alternative use values (Paragraph 3.4.5).

3.28 In respect of the AUV approach, the Mayor's adopted Affordable Housing SPG (2017) confirms that an AUV can be used where there is no existing implementable permission for that use provided: i) it would fully comply with development plan policies; ii) it could be implemented on the site in question; and iii) there is market demand for that use (Paragraph 3.51).

3.29 The EUV of the site has been calculated based on a rental value of [redacted] and an all risks yield of [redacted]

3.30 The rental value is informed by the following comparable transactions which are within 1 mile of the subject site.

- Unit 2, Hermitage Road, N15 3TH (7,185 SQ FT/ £25 PSF/ 01.06.23)
- Guillemot Place, Clarendon Road, N22 6XG (9,192 SQ FT / £14 PSF/ 29.09.21);
- 5 Clarendon Road, N22 6XJ (3,728/ £16 PSF/ 22.09.21)

3.31 The yield has been informed by the latest Knight Frank Yield Guide (June 2024) which has a [redacted] Yield for Greater London Estates and a [redacted] Yield for Secondary Estates.

3.32 The rent and yield adopted ([redacted]) are reasonably related to the proposed commercial floorspace including new build premium ([redacted]).

3.33 The full EUV calculation is provided in Table 3.3 below.

Table 3-2 – EUV Calculation

EUV Calculation	Input
Area	12,300
Rent	[redacted]
Total Rent	[redacted]
All Risk Yield	[redacted]
Capitalised Value	[redacted]

3.34 Where a premium of 20-30% is added to the EUV it increases to [redacted]. The lower end of this range ([redacted]) has been adopted for the purpose of viability testing. The applicant reserved the right to review this should it become apparent a higher land value could be derived from an alternative use.

Other Cost Inputs

3.35 The other inputs and assumptions adopted in the model are set out in Table 3-4. The inputs adopted are informed by proportionate evidence in accordance with the government's recommended approach to assessing viability set out in National Planning Practice Guidance (NPPG) (Standardised Inputs) and the approach set out in the GLA's Affordable Housing and Viability SPG (2017).

Table 3-4 - Inputs and Assumptions

Input	Assumption	Commentary
Purchaser Costs	6.80%	The purchaser's costs allowance is an industry standard market-based assumption. It comprises 5% Stamp Duty, 1% Agent Fee, 0.5% Legal Fee and 0.3% VAT on fees. It is important to note that Multiple Dwelling relief was abolished on 1st June 2024/
Construction Costs	[redacted]	The construction costs are based on a site-specific elemental cost plan prepared by CSA. The cost rates are informed by a bespoke cost model and benchmarking data from comparable construction projects. Additional allowances are made for external works, preliminaries, OH&P, and construction contingency (5%). Inflation is excluded from the cost plan. Further details are provided in Appendix 2.
Professional Fees	12%	Professional fees are assumed at 10% of construction costs. This assumption falls within the industry standard market-based range and is considered appropriate for the application site in consideration of the site-specific constraints and range of uses (residential, student and commercial) which will require professional input/ advice. This also includes an allowance for Planning Fees, Site Insurance, NHBC and Building Regulations which have been excluded elsewhere in the appraisal.
Community Infrastructure Levy	[redacted]	The estimated CIL calculation is based on the adopted LBH and MCIL2 charging schedules. To be agreed and confirmed by LBH.
S106	[redacted]	The estimated S106 budget required to mitigate all potential impacts of the scheme. Assumed at [redacted] per room. To be agreed and confirmed by LBH.
Disposal Agent & Legal Fees	1.5%	This is an industry standard market-based assumption for disposal agent and legal fees applied to investment disposals.

Finance Costs	11.5% (Inc Fees)	The rate adopted is within the current industry standard range for a scheme of this nature and scale. The rate assumes 100% debt finance and all arrangement, valuation, survey and exit fees. This is considered optimistic given the current market uncertainty and recent increases in the BoE base rate. Finance rates for development are determined having regard to the level of risk exposure associated with funding development over and above the BoE risk free base rate. In recent years development has been financed at c.7% above the risk free rate. The BoE base rate has since increased from less than 1% to 5.25%. This would translate into a rate of 12.25% based on the historic premium. This is before further adjustment to reflect the higher risk of funding development in the current market (in which insolvencies are running high). Notwithstanding this, a reduced rate of 11.5% has been adopted in light of the potential for BoE base rate to reduce slightly between now and the delivery finance being secured. The construction programme assumes 6 months from the date of consent for detailed design and site mobilisation etc. The construction period is 24 months. The total construction period of 30 months is considered to be at the optimistic end of the range in light of current delays (6-12 months) being caused by the new fire risk gateway requirements of the Building Safety Regulator.

Developer Return

3.36 The Applicant has considered the level of developer return required to bring forward the Application Scheme with its advisory team having regard to the current BoE base rate (5.25%), the related returns achievable from relatively low-medium risk investments (c.6-12%) and risks factors such as:

- the relative infancy of the co-living investment market compared to other asset classes;
- the risks associated with the potential for further build and operating cost inflation;
- the risks associated with rental improvements in the context of affordability constraints and the cost of living crisis;
- the risks associated with current economic uncertainty in the UK;
- the risks associated with programme delay relating to BSR gateway requirements;
- the risks associated with the potential for further regulation in respect of safety and/or sustainability;
- the latent risks associated with the instability in the Middle East and Ukraine, the Global COVID19 pandemic and the UK's decision to leave the European Union;
- the risks associated with reliance on future market growth and improvements;

3.37 On this basis a minimum Developer Return of 17.5% of GDV for Co-Living has been assumed for the purpose of viability testing.

3.38 This target level of return is also considered to be at the lower end of the potential range in view of current market risks and uncertainty and the omission of a separate developer's contingency.

3.39 This approach is consistent with the NPPG (2023, as updated) which specifically states that a developer return of up to 20% on GDV is a reasonable assumption to make for the purposes of viability assessments.

Appraisal Results

3.40 A baseline development viability appraisal has been run on the basis of the present-day cost and value assumptions set out in this report. The appraisal includes [redacted] of CIL and S106 contributions. A headline summary of the appraisal is summarised in Table 3-5 below. The full appraisal summary is provided at Appendix 4.

Table 3-5 - Summary of Scheme Viability

Scheme Revenue	Assumption	Amount
Co-Living Revenue	[redacted]	[redacted]
Commercial Workspace (B1)	[redacted]	[redacted]
Purchaser Costs	6.80%	[redacted]
Total Revenue	-	[redacted]
Scheme Costs	Assumption	Amount
Land Cost (B2/B8)	EUV+	[redacted]
Land Acquisition Costs	6.8%	[redacted]
Building Construction Costs	Fixed Amount	[redacted]
Professional Fees	12%	[redacted]
CIL	Fixed Amount	[redacted]
Other S106	[redacted]	[redacted]
Disposal Fees	1.5%	[redacted]
Finance (Inc Fees)	11.5%	[redacted]
Total Costs	-	[redacted]
Output Return		
Developers Residual Return	-	[redacted]

3.41 The output residual developer return is negative with a profit on GDV and is therefore below the minimum risk adjusted return threshold for the scheme.

3.42 The financial appraisal therefore evidences that based on present day costs and values the scheme cannot technically support any contribution towards off-site affordable housing in addition to the [redacted] of CIL and other S106 contributions.

3.43 A NIL contribution towards off-site affordable housing provision would therefore technically be in accordance with policy due to viability considerations.

Planning Obligations

3.44 Notwithstanding the present-day viability deficit, in view of the strategic objectives for the site, the applicant has confirmed they are prepared to take an internal commercial view on a range of factors in order to commit to a making a financial contribution towards the delivery off-site social rented housing in additional to [redacted] of CIL and other S106 contributions. The exact amount will be discussed and agreed with offers during the determination once the viability position has been independently verified by the Council's independent advisors.

3.45 The applicant is willing to provide contributions in excess of that required by policy (due to viability considerations), in view of the Council's strategic objectives and a range of internal commercial considerations. These considerations include: i) the potential for future market growth and improvements which would reduce the deficit; ii) the applicant's objective to create a best in class portfolio of best in class co-living schemes; and iii) the potential to obtain an appropriate development return over a longer-term period from the income stream generated by the portfolio. This approach does however add significant upfront risk to the project.

3.46 Overall, the provision of [redacted] of CIL and other S106 contributions alongside any contribution towards affordable housing should be afforded significant positive decision weight in the planning balance.

4 Conclusion

4.1 This FVA has been prepared on behalf of J-Group in support of an application for detailed full planning permission submitted to the London Borough of Haringey for the redevelopment of 25-27 Clarendon Road.

4.2 It has been prepared to determine if the proposed level of planning obligations is the maximum reasonable taking into account of viability considerations.

4.3 The application proposes demolition of existing buildings to facilitate a residential development providing 222 purpose built Co-Living rooms and a Commercial Workspace ('the Application Scheme').

4.4 The financial appraisal evidence that based on present day costs and values the scheme is, in accordance with policy, not required to provide any financial contribution towards affordable housing due to viability considerations.

4.5 Notwithstanding this, in view of the council's priorities the applicant has confirmed they are prepared to take an internal commercial view on a range of factors in order to commit to delivery of the scheme with a contribution towards the delivery of off-site social rented affordable housing. The amount will be discussed and agreed with offers during the determination once the viability position has been independently verified by the Council's independent advisors.

4.6 Overall, the provision of [redacted] of CIL and other S106 contributions alongside any contribution towards affordable housing should be afforded significant positive decision weight in the planning balance.

APPENDIX 1 – AREA SCHEDULE

BA10627 -Clarendon Rd
10.06.24 Accommodation Schedule

LEVEL	Clarendon Rd - Co-Living													
	Standard		Prem.	Acc.	Total	Co-Living Studio NIA (m²)	Co-Living Internal Amenity NIA (m²)	Co-Living Facilities Management NIA (m²)	Workspace GIA (m²)	Co-Living GIA (m²)	Total GIA (m²) inc. plant	External amenity (m²)	Plant
	18m²	21m²	24m²	27m²									
-1					**0**						117		117
Ground Floor					**0**		357	65	231	891	1,122		102
1	2	12	1	0	**15**	312	363			898	898	232	
2	6	19	2	3	**30**	636				898	898		
3	6	19	2	3	**30**	636				898	898		
4	6	19	2	3	**30**	636				898	898		
5	6	19	2	3	**30**	636				898	898		
6	6	19	2	3	**30**	636				898	898		
7	6	19	2	3	**30**	636				898	898		
8	6	16	2	3	**27**	573	67			898	898		
TOTAL	44	142	15	21	**222**	**4,701**	**788**	**65**	**231**	**8,078**	**8,427**	**232**	**219**
Mix	19.8%	64.0%	6.8%	9.5%									

APPENDIX 2 – BUILD COST PLAN

Chartered Quantity Surveyors

Co-living Development, Clarendon Road, Wood Green

J Group

Cost Plan Nr 01

26 June 2024

Contents

26 June 2024

QUALITY CHECK

Revision	Document Status	Prepared by	Checked by	Date
0	For Review	SR	RP	18-06-2024
1	For Issue	SR	RP	24-06-2024
1	For Issue	SR	RP	26-06-2024

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Revision	To	Issued By	Via	Date
0	Sarah Christie - J Group	RP	Email	18-06-2024
1	Mike Calder, Sarah Christie - J Group	RP	Email	24-06-2024
1	Mike Calder, Sarah Christie - J Group	RP	Email	26-06-2024

A. Executive Summary

26 June 2024

This estimate has been prepared for J Group to determine the economic feasibility of a proposed communal living development comprising 222 studios and associated amenity space over 9 storeys plus basement

The design layouts are as the PreApp Plans prepared by PRP Architects

The total estimated cost is in the total sum of [redacted] which equates to [redacted] and a blended rate of [redacted] per unit

The design is currently at RIBA stage of Work Stage 1

CSA
Chartered Quantity Surveyors

B. Summary

26 June 2024

	Cost Summary		Current Forecast	Previous Forecast	Movement
1	Building Works		[redacted]	N/A	N/A
2	Preliminaries & OHP		[redacted]	N/A	N/A
3	Fees		[redacted]	N/A	N/A
4	Performance Bond & Insurances		[redacted]	N/A	N/A
5	Risks		Excluded	N/A	N/A
6	Inflation		Excluded	N/A	N/A
7	Contingencies		[redacted]	N/A	N/A
8	VAT		Excluded	N/A	N/A
	TOTAL SUM		[redacted]	N/A	N/A

C. Information Used

26 June 2024

PRP Architects (CWG-PRP-)

ZZ-01-DR-A-1100	G	Ground Floor Plan
ZZ-01-DR-A-1101	F	Level 1 Floor Plan
ZZ-01-DR-A-1105	E	Typical Floor Plan (Levels 2-7)
ZZ-01-DR-A-1108	E	Level 8 Floor Plan

PRP Architects

		Pre-App Pack - June 2024 (16 pages)
	F	Pre App Accommodation Schedule - 06.06.24

D. Notes **26 June 2024**

1 **Basis of Costing**
See Section C - Information Used

2 **Assumptions**
Facilitating Works
No allowance included for any works involving hazardous/contaminated material
Service disconnections - Budget allowance of [redacted] allowed to the existing building.
No allowance for asbestos related works
All demolition arisings from the breaking up of the concrete slab and external areas removed from site
No specialist temporary support works, site dewatering or soil stabilisation measures allowed for.
No service diversion works allowed for.

Substructure Works
117 m2 GIA Basement
Piled foundations
1nr crane base have been allowed for.
Assumed excavation material to be classified as inert where carting off site.
No allowance made to deal with any obstructions in the ground.

Frame
Reinforced concrete in-situ frame allowed for.
Upper floor 225mm thick reinforced concrete slabs with assumed reinforcement of 160kg/m3.
Roof slab is reinforced concrete 250mm thick with assumed reinforcement of 160kg/m3.

Roof
Allowance for covering systems to main roof & terraces

Stairs
Pre-cast concrete stairs allowed including handrails and balustrading.

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D. Notes

26 June 2024

External Walls
External walls based on a mix of brick and aluminium glazing
Glazed entrance included

External Windows & Doors
PPC aluminium double glazed windows and louvres to plant or the like
Revolving doors (2nr)

Internal walls & Partitions
Allowance for blockwork walls/partitions to basement, ground & part level 1 (non studio areas)
Allowance for metal stud partitions to part level 1 (studios) & all to levels 2-8

Internal Doors
Bathroom pods

Floor Finishes
Woodplank effect vinyl to studios
Carpet to circulation areras

FF&E
Bathroom pods to standard studios included
Bathrooms to Accessible units are traditional construction
Kitchen pods to standard studios included
Kitchen pods to Accessible studios included
Studio furniture (assumed as plans)
Allowances for FF&E, loose furniture and finishes to Amenity/ Workshop/ Garden Room/ Lounge/ Lecture/ Workspace Dining/ Private Dining/ Laundry/ Kitchen/ Gym/ Fitness Studio
Allowances for FF&E, loose furniture and finishes to Reception/Office/Kitchenette/Pstal Storage

Services
Heat interface units to the individual apartments allowed so a centralised heat source allowed.
Electric panels heaters 1nr allowed to each individual apartment.
Comfort cooling to certain areas

External Works
Site preparation - works carried out under the Facilitating works and Road, paths and surfaces.
Allowances or hard & soft landscaping

3 **Exclusions - Project Specific**
Treatment and/or removal of site contamination including asbestos
Gas membrane
Asbestos survey and any associated removal
Services upgrades & isolations (new sub-station included)
Diversion of mains services
Off site utilities reinforcement
Diversion of foul & surface water drainage
Archaeology & ecology costs
Green/Brown roofs
Fire extinguishers
Refuse bins

4 **Exclusions - Default**
Land purchase & associated fees
Site survey and investigation costs
Pre & post contract design Fees
Professional fees - including design, principal designer, cost & contract administration, BREEAM
Contractor Pre-Contract Fees/Costs
Planning & Building Control Fees
Community Infrastructure Levy
Contractor Pre-Contract Fees/Costs
Statutory fees and charges
Local Authority charges, etc.
Legal fees, agents commission, etc.
Client financial costs and insurance
Marketing fees, marketing suite, brochures etc.; including temporary leasing for sales office
106 or 278 agreements/contributions
Party wall surveyor fees (incl adjoining owners)
Planning consultant
Acoustic consultant, survey and report
Facade consultant
Noise climate & air quality survey
Traffic Impact survey
UXO survey
Right of light survey and costs of resultant Agreement
Wind tunnel modelling
Crane oversail licence - compensation
Any specific or abnormal insurances
Client Risks & Contingencies
VAT
Tender inflation beyond 4th quarter 2024

5 Risks

No information relating to existing site or ground conditions
No information relating to underground drainage
No information relating to adequacy and location of statutory authority mains services
No architectural design for building envelope other than PreApp document listed in Section C of this Cost Plan
No Internal fit out architectural specification
No substructure design
No structural design
No MEP design
No landscaping design
Close proximity to adjoining owner properties
Rights of light issues
Archaeological issues
UXO's
Lack of any survey information
Contamination and asbestos
Ongoing impact of the war in Ukraine and other world events resulting in higher energy prices increasing the costs of materials, goods, etc.

Co-living Development, Clarendon Road, Wood Green
J Group
Cost Plan Nr 01

26 June 2024

E. Spatial Analysis

Floor/Level	Standard Studio (18.1m2)	Standard Studio (19.3m2)	Standard Studio (19.7m2)	Standard Studio (20.7m2)	Standard Studio (21m2)	Standard Studio (21.1m2)	Standard Studio (21.2m2)	Standard Studio (21.4m2)	Standard Studio (21.7m2)	Premium Studio (23.6m2)	Premium Studio (24.9m2)	Accessible Studio (26.9m2)	Accessible Studio (27.2m2)	Accessible Studio (28m2)	Total Studio
Basement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ground	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
First	0.0	19.3	19.7	20.7	63.0	126.6	42.4	0.0	0.0	0.0	24.9	0.0	0.0	0.0	316.6
Second	54.3	38.6	19.7	20.7	63.0	189.9	84.8	21.4	21.7	23.6	24.9	26.9	27.2	28.0	644.7
Third	54.3	38.6	19.7	20.7	63.0	189.9	84.8	21.4	21.7	23.6	24.9	26.9	27.2	28.0	644.7
Fourth	54.3	38.6	19.7	20.7	63.0	189.9	84.8	21.4	21.7	23.6	24.9	26.9	27.2	28.0	644.7
Fifth	54.3	38.6	19.7	20.7	63.0	189.9	84.8	21.4	21.7	23.6	24.9	26.9	27.2	28.0	644.7
Sixth	54.3	38.6	19.7	20.7	63.0	189.9	84.8	21.4	21.7	23.6	24.9	26.9	27.2	28.0	644.7
Seventh	54.3	38.6	19.7	20.7	63.0	189.9	84.8	21.4	21.7	23.6	24.9	26.9	27.2	28.0	644.7
Eighth	54.3	38.6	19.7	20.7	42.0	168.8	63.6	21.4	21.7	23.6	24.9	26.9	27.2	28.0	581.4
	380	290	158	166	483	1,435	615	150	152	165	199	188	190	196	4,766

Floor/Level	Lounge	Work-space / Dining Work-space	Kitchen	Amenity / Games	Gym / Fitness Studio	Lecture	Garden Room	Private Dining	Laundry	WC	BOH	Bin Store	Cycle Store	Plant & the Like	Circul-ation	Non-useable, e.g. walls	Total GIA (m^2)
Basement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	86.6	21.4	9.0	117
Ground	0.0	229.0	0.0	186.4	168.8	0.0	0.0	0.0	10.4	3.3	44.5	60.6	177.0	128.0	70.2	43.8	1,122
First	0.0	93.7	53.8	0.0	0.0	73.7	47.3	59.4	0.0	3.3	14.5	0.0	0.0	0.0	132.5	103.2	[illegible]
Second	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	126.6	126.7	[illegible]
Third	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	126.6	126.7	[illegible]
Fourth	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	126.6	126.7	[illegible]
Fifth	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	126.6	126.7	[illegible]
Sixth	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	126.6	126.7	[illegible]
Seventh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	126.6	126.7	[illegible]
Eighth	67.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	126.0	124.1	[illegible]
	68	323	54	186	169	74	47	59	10	7	59	61	177	215	1,110	1,039	8,423

Benchmarking Analysis

Project Description	Cost	GIA (m^2)	Cost /m^2	Client
Co-living Development, Clarendon Road, Wood Green	[redacted]	[redacted]	[redacted]	J Group
Average		[redacted]	[redacted]	

F. Room Numbers **26 June 2024**

Floor/ Level	Standard Studio (18.1m2)	Standard Studio (19.3m2)	Standard Studio (19.7m2)	Standard Studio (20.7m2)	Standard Studio (21m2)	Standard Studio (21.1m2)	Standard Studio (21.2m2)	Standard Studio (21.4m2)	Standard Studio (21.7m2)	Premium Studio (23.6m2)	Premium Studio (24.9m2)	Accessible Studio (26.9m2)	Accessible Studio (27.2m2)	Accessible Studio (28m2)	Total
Basement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ground	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
First	0	1	1	1	3	6	2	0	0	1	0	0	0	0	15
Second	3	2	1	1	3	9	4	1	1	1	1	1	1	1	30
Third	3	2	1	1	3	9	4	1	1	1	1	1	1	1	30
Fourth	3	2	1	1	3	9	4	1	1	1	1	1	1	1	30
Fifth	3	2	1	1	3	9	4	1	1	1	1	1	1	1	30
Sixth	3	2	1	1	3	9	4	1	1	1	1	1	1	1	30
Seventh	3	2	1	1	3	9	4	1	1	1	1	1	1	1	30
Eighth	3	2	1	1	2	8	3	1	1	1	1	1	1	1	27
Totals	21	15	8	8	23	68	29	7	7	8	7	7	7	7	222

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G. Elemental Summary

26 June 2024

Element / Item Description	Total	£/m²	£/ft²	%
Based on GIA of 8,423 m²				
0 – Facilitating Works	[redacted]	[redacted]	[redacted]	0.84%
1 – Substructure	[redacted]	[redacted]	[redacted]	5.11%
2 – Superstructure				
2.1 Frame	[redacted]	[redacted]	[redacted]	10.39%
2.2 Upper Floors	0	0.00	0.00	0.00%
2.3 Roof	[redacted]	[redacted]	[redacted]	1.94%
2.4 Stairs & Ramps	[redacted]	[redacted]	[redacted]	0.74%
2.5 External Walls	[redacted]	[redacted]	[redacted]	8.91%
2.6 External Windows & Doors	[redacted]	[redacted]	[redacted]	3.26%
2.7 Internal Walls & Partitions	[redacted]	[redacted]	[redacted]	2.06%
2.8 Internal Doors	[redacted]	[redacted]	[redacted]	1.66%
3 – Internal Finishes				
3.1 Wall Finishes	[redacted]	[redacted]	[redacted]	1.22%
3.2 Floor Finishes	[redacted]	[redacted]	[redacted]	1.77%
3.3 Ceiling Finishes	[redacted]	[redacted]	[redacted]	1.11%
4 – Fittings, Furnishings & Equipment				
4.1 Fittings, Furnishings & Equipment	[redacted]	[redacted]	[redacted]	11.85%
5 – Services				
5.1 Sanitaryware	[redacted]	[redacted]	[redacted]	1.44%
5.2 – 5.9 M & E Installations	[redacted]	[redacted]	[redacted]	14.17%
5.10 Lift & Conveyor Installations	[redacted]	[redacted]	[redacted]	1.19%
5.11 Fire & Lightning Protection	0	0.00	0.00	0.00%
5.12 Communications, Security & Control Installations	0	0.00	0.00	0.00%
5.13 Specialist Installations	[redacted]	[redacted]	[redacted]	0.20%
5.14 BWIC Services	[redacted]	[redacted]	[redacted]	0.79%
6 – Prefabricated Buildings & Building Units	0	0.00	0.00	0.00%
7 – Work to Existing Buildings	0	0.00	0.00	0.00%
8 – External Works				
8.1 Site Preparation Works	0	0.00	0.00	0.00%
8.2 Roads, Paths, Pavings & Surfacings	[redacted]	[redacted]	[redacted]	0.32%
8.3 Soft Landscapes, Planting & Irrigation Systems	0	0.00	0.00	0.00%
8.4 Fencing, Railings & Walls	[redacted]	[redacted]	[redacted]	0.19%
8.5 External Fixtures	0	0.00	0.00	0.00%
8.6 External Drainage	[redacted]	[redacted]	[redacted]	0.45%
8.7 External Services	[redacted]	[redacted]	[redacted]	0.65%
8.8 Minor Building Works & Ancillary Buildings	0	0.00	0.00	0.00%
BUILDING WORKS TOTAL say	[redacted]	[redacted]	[redacted]	**70.26%**

CSA Chartered Quantity Surveyors

G. Elemental Summary

26 June 2024

Element / Item Description		Total	£/m²	£/ft²	%
9 – Main Contractor's Preliminaries	19.00%	[redacted]	[redacted]	[redacted]	13.35%
10 – Main Contractor's ohp	8.00%	[redacted]	[redacted]	[redacted]	6.69%
CONSTRUCTION TOTAL	say	[redacted]	[redacted]	[redacted]	90.30%
11 – Project/design team fees - PCSA		[redacted]	[redacted]	[redacted]	4.48%
12 – Performance Bond & Insurances		[redacted]	[redacted]	[redacted]	0.45%
13 – Risks		Excluded			
14 – Inflation		Excluded			
ELEMENTAL SUMMARY TOTAL	say	[redacted]	[redacted]	[redacted]	95.24%
15 - Design Reserve/ Contingency	5.00%	1,756,000	208.48	19.37	4.76%
ESTIMATED TOTAL COST	say	[redacted]	[redacted]	[redacted]	100.00%

APPENDIX 3 – FINANCIAL APPRAISAL

Clarendon Works
Financial Appraisal

Development Pro Forma
Quod
July 18, 2024

PROJECT PRO FORMA QUOD

Clarendon Works
Financial Appraisal

Project Pro Forma for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Co-Living Rooms	222	50,602	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Workspace	1	2,487	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Totals	**223**	**53,089**			[redacted]	[redacted]	[redacted]

Investment Valuation

Co-Living Rooms
Current Rent [redacted] YP @ [redacted] [redacted]

Workspace
Current Rent [redacted] YP @ [redacted] [redacted] [redacted]

Total Investment Valuation [redacted]

GROSS DEVELOPMENT VALUE [redacted]

Purchaser's Costs 6.80% [redacted]
Effective Purchaser's Costs Rate 6.80%
[redacted]

NET DEVELOPMENT VALUE [redacted]

TOTAL PROJECT REVENUE [redacted]

DEVELOPMENT COSTS

ACQUISITION COSTS
Fixed Price [redacted]
Fixed Price [redacted]

PROJECT PRO FORMA					QUOD

Clarendon Works
Financial Appraisal

				[redacted]
Land Costs		6.80%	[redacted]	
				[redacted]
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Build Costs	1	[redacted]	[redacted]	
				[redacted]
Section 106 Costs				
CIL			[redacted]	
Section 106 Costs			[redacted]	
				[redacted]
PROFESSIONAL FEES				
Professional Fees		12.00%	[redacted]	
				[redacted]
DISPOSAL FEES				
Sales Agent Fee		1.00%	[redacted]	
Sales Legal Fee		0.50%	[redacted]	
				[redacted]
TOTAL COSTS BEFORE FINANCE				[redacted]
FINANCE				
Timescale	**Duration**	**Commences**		
Purchase	6	Jan 2023		
Construction	24	Jul 2023		
Sale	1	Jul 2025		
Total Duration	31			
Debit Rate 11.500%, Credit Rate 0.000% (Nominal)				
Land			[redacted]	
Construction			[redacted]	
Total Finance Cost				[redacted]
TOTAL COSTS				[redacted]
PROFIT				

Clarendon Works
Financial Appraisal

[redacted]