



ST ANN'S HOSPITAL

Barnet, Enfield and Haringey Mental Health Trust

Financial Viability Analysis

August 2014

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Confidentiality

We are submitting this viability assessment as Commercial In Confidence falling within the provisions of the Freedom of Information Act ("The Act"), Section 41 and 43, under which information is exempt from release to any other person or persons to whom it is not addressed.

It is the applicants view that the Council and its agents are under a duty of confidentiality not to disclose the information to the public. In satisfaction of Section 41 of the Act, we state that:

1. The information is provided in confidence; and
2. Disclosure would constitute an actionable breach of that confidence

The information is provided to the Council in support of the planning application as a necessary part of seeking planning permission. However, it is clear on consideration of the information that it differs from other supporting documentation in that it contains commercially sensitive material belonging to the applicant.

In order to support the planning application, it has been decided that a financial viability assessment would be informative. The applicant has provided information including financial information that if released would weaken its position in a competitive development market by revealing potentially useful information to developers who may seek to purchase the site.

It is the applicants' view that information is exempt information under Section 43 of the Freedom of Information Act as its disclosure would be highly likely to prejudice the commercial interest of the applicant.

Introduction

CBRE has been appointed by Barnet, Enfield and Haringey Mental Health Trust (the Trust) to undertake a financial viability analysis regarding the proposed redevelopment of St Ann's Hospital. The purpose of the viability assessment is to determine the level of affordable housing and s.106 financial contributions the scheme can sustain.

It should be noted that this report does not constitute a formal Red Book Valuation falling within the provisions of the RICS Valuation Standards (8th Edition).

A viability appraisal was previously prepared in July 2013 and this was subjected to initial review by BNP Paribas acting on behalf of Haringey Council. The project was subsequently delayed due to a number of issues and as such a final position regarding affordable housing and s.106 provision had not been reached. The purpose of this report is to provide an updated viability assessment to reflect the movement in the property market since July 2013. The report also seeks to address a number of the initial queries raised by BNP Paribas at the time of the original viability assessment.

Background

The site at St Ann's Hospital is owned by the Trust and during 2013 it publicly consulted on plans for development. It was identified that two thirds of the site were surplus to the Trust's requirements and could be disposed of in order to generate funds to provide improved healthcare facilities; with a new mental health inpatient building provided on the retained portion of the site. Residential housing (including both private and affordable dwellings) and public open space would be provided on the surplus land to the west. The masterplan is shown below and a larger version is contained in Appendix A:-

St Ann's Masterplan



Source: Broadway Malyan

Introduction

A detailed business case and costing report has been prepared by Capita regarding the cost of delivering the health campus. The cost of the healthcare campus is estimated to be £38.8m. CBRE is aware that the cost of the healthcare campus has increased from the £26m figure used in the viability assessment undertaken in July 2013.

CBRE has liaised with the Trust regarding this cost increase and understand that following extensive discussions with Stakeholders, Commissioners and other interested parties the Trust has reviewed and developed its in-patient Healthcare model.

The Healthcare proposals reflect current best practice and standards with single occupancy bedrooms, each with en-suite facilities, and extensive flexible use day space to facilitate and enhance Therapies.

The increase in cost from the original figure of £26m to £38.8m is made up of several elements. The largest element is that the Trust is now planning an increased number of inpatient mental health beds in the redevelopment from the numbers originally assumed. The original plans, which were used for the July 2013 viability assessment, were for two adult acute mental health wards, plus one specialist eating disorders ward. As a result of the pressures on inpatient mental health services nationally and locally, the Trust is now assuming that there will be a need for three adult acute mental health wards in the new development, as well as the one eating disorders ward. This increased provision, if agreed by the Trust's commissioners, would significantly increase the build costs of the new healthcare campus. The Trust has included this assumption in the Masterplan and therefore it has also been included in the viability assessment.

The other contributors to the increase in cost are additional circulation space required to support the additional overall floorspace now assumed and an overall uplift in healthcare building cost inflation since the original assessment was made. The healthcare campus costs are summarised below:

ITEM	COST (£'000)
New Ward Block	20,601
To include:	
- 36 Adult acute inpatient beds	
- 20 inpatient beds Eating Disorders	
- Ancillary day space	
- New entrance	
Refurbishment and Infrastructure	13,047
To include:	
- New road access	
- New HV and mains services	
- Refurbishment and remodelling of accommodation	
- New restaurant and meeting rooms over	
Refurbished ward	5,199
To include:	
- 18 Adult acute inpatient beds	
- Ancillary day space	
Total	38,847

Introduction

The Trust has worked closely in partnership with Wilmott Dixon, its selected Healthcare construction partner, and costs are based on market tested tender rates uplifted in accordance with RICS Building Cost Information Service PUBSEC Indices, the standard cost projection model, and reflect the revised projected construction commencement, (from Q1 2013 to Q2 2017) all costs have been reviewed and confirmed by Capita, the Trust's independent cost advisers.

It is important to note that the site will not be released for development by the Trust unless a land value of £38.8m can be achieved as the scheme has to be self-financing. CBRE has been informed that Haringey Council and the local community are generally supportive of the proposals and welcome the delivery of the health campus.

Whilst the development plans for the new health facilities are being dealt with separately from the rest of the site by the Trust, planning work on the residential element of the scheme has been undertaken by Broadway Malyan and Nexus Planning. A hybrid planning application has been submitted for consideration and determination by the Council.

Purpose of the Viability Analysis

As stated the purpose of the financial viability analysis is to assess how much affordable housing and s.106 contributions the residential element of the scheme can sustain whilst delivering a capital receipt in excess of £38.8m, which is required to pay for the health campus.

Sources of Information

CBRE have been provided with documentation from Broadway Malyan and Nexus Planning which includes the masterplan, s106 assumptions and a summary of the number and size of residential units proposed. In addition information regarding the cost of asbestos removal has been provided by the Trust.

Schedule of Accommodation

The proposed development is a mixed housing and apartment scheme containing 470 units. It includes both new build development and the conversion of some locally listed buildings. The composition of the scheme is as follows:

UNIT TYPE	NEW BUILD	CONVERSION	TOTAL UNITS	NIA PER UNIT M ²	GROSS NIA
1 bed 2 person apartment	79	6	85	50	4,250
2 bed 4 person apartment	113		113	70	7,910
3 bed 5 person maisonette	24		24	101	2,424
Admin building 2 bed 3 person		10	10	71	710
Water Tower self build unit		1	1	300	300
2 bed 4 person, 2 storey house	38	2	40	85	3,400
2 bed 4 person, 2 storey mews house - terrace	8		8	84	672
3 bed 5-6 person, 3 storey house	122	1	123	110	13,530
4 bed 6-7 person, 3 storey house	39		39	128	4,992
5 bed 10 person, 3.5 storey house	22	1	23	165	3,795
2 bed 4 person 2 storey house	2		2	95	190
3 bed 6 person 2 storey house		2	2	140	280
TOTAL	447	23	470		42,453

Source: Broadway Malyan & Nexus Planning

For the purposes of the viability assessment it has been assumed that the conversion units will not contain any affordable housing. The affordable housing contribution is therefore made up of new build properties only. Affordable housing has been proportioned equally across all the new build unit types for the purpose of assessing viability.

Methodology

The financial viability analysis has been undertaken using a residual appraisal. The residual appraisal works on the basis of:-

Gross Development Value

(Value of the completed scheme)

LESS

Costs

(Including construction costs, finance, professional fees and developers profit amongst others)

EQUALS

Residual Land Value

(How much a developer or investor may pay for the site)

The residual appraisal method is commonly used in the development industry to assess scheme viability. In this instance the residual land value generated must be equal to or more than the £38.8m cost of delivering the health campus.

In order to complete the residual appraisal it is necessary to make a number of assumptions regarding all items associated with the development such as build costs, profit, sales values and finance. CBRE has undertaken market research, used industry data and our knowledge and experience of similar schemes in order to determine the appropriate assumptions to apply. The appraisal assumptions are detailed in the next section.

Appraisal Assumptions

Private Residential Sales Values

In July 2013, at the time of the original viability assessment, CBRE conducted a detailed search of the local market. It was observed that there were no new build developments in close proximity to the subject site which made assessing the likely sales values problematic. A search of the wider market was therefore undertaken and this indicated that an average sales value of £350psf was a reasonable assumption to use when assessing the viability of the subject site – BNP Paribas concurred with this approach.

To update the appraisal a further search has been undertaken of the local market. Whilst there are new build developments within the borough, such as Roden Court in Highgate Village, and Belz Drive; which is a 4 unit gated development in the Clyde Circus Conservation area, a short walk from Seven Sisters Tube Station. There are no schemes that provide a direct comparable for the scheme proposed. In particular it is difficult to assess the impact that being located next to a mental health facility may have on sales prices/marketability.

In light of this CBRE considers that it would be appropriate to inflate the values agreed in July 2013 in line with general house price growth across the borough. According to the Land Registry values in Haringey have increased by circa 17% since July 2013. Applying this growth rate equates to a private unit sales value of £409.50psf. For the purposes of the viability assessment an average sales value of £409.50psf has been applied to all private units.

Absorption Rates

For the purpose of the appraisal we have assumed average sales of 7 units per calendar month, with sales beginning halfway through the construction period. The assumption of selling units halfway through the construction period artificially enhances the viability of the scheme. In reality developers will only receive deposits during construction with the remainder of the purchase price paid within 4 weeks of practical completion.

Ground Rents

Ground rents have been levied against all private apartments at a rate of £350 per unit per annum. An investment yield of 3.33% has been used to capitalise the income.

Affordable Housing Values

CBRE has been informed by Broadway Malyan that the Council is likely to require 70% of the affordable housing provision to be intermediate housing (in the form of shared ownership) and 30% for social rented. The viability assessment has therefore been undertaken on this basis.

Affordable housing values have been assessed by CBRE's Affordable Housing Team using the M3Pamwin Lite affordable housing valuation tool. M3Pamwin Lite lets you calculate and value affordable units from the viewpoint of a housing association. It includes standard assumptions for management and maintenance costs, and the borrowing and discount rates, derived from recent benchmark data from across the UK.

For the purposes of the viability assessment the shared ownership units have been valued at rate of £240psf and the social rented accommodation at £196psf. This is a significant increase in the values of the affordable housing from the assessment undertaken in July 2013 where shared ownership values were £235psf and social rented £115psf.

Appraisal Assumptions

It is assumed that the affordable housing income will be paid in instalments over the construction period. This assumption has a positive impact on the cashflow.

Construction Costs

CBRE's Building Consultancy Team has prepared an indicative cost estimate for constructing the scheme. Costs were obtained from a range of sources including Spons and BCIS. A copy of the cost estimate is contained in Appendix B. A range of low, average and high costs were provided to reflect the variance in levels of specification and materials.

For the purposes of the viability assessment the low cost estimates have been used. For the avoidance of doubt it is the Trusts intention to ensure that a quality development is undertaken on the site. The estimate was prepared in Q3 2013 and it is therefore necessary to inflate the costs to reflect price movement over the intervening period. The BCIS Tender Price Index has been used as the benchmark for cost growth and this shows a 7.7% increase in cost between Q3 2013 and Q3 2014. The costs used in the viability assessment are as follows:-

UNIT TYPE	BUILD COST £/SQM
1 bed 2 person apartment new build	1,373
2 bed 4 person apartment	1,373
3 bed 5 person maisonette	1,373
Admin building 2 bed 3 person	1,562
Water Tower self build unit	1,562
2 bed 4 person, 2 storey house - new build	1,158
2 bed 4 person, 2 storey mews house - terrace - new build	1,158
3 bed 5-6 person, 3 storey house - new build	1,158
4 bed 6-7 person, 3 storey house- new build	1,158
5 bed 10 person, 3.5 storey house - new build	1,158
2 bed 4 person 2 storey house - new build	936
3 bed 6 person 2 storey house - conversion	936
1 bed 2 person apartment conversion	1,562
2 bed 4 person, 2 storey house - conversion	936
3 bed 5-6 person, 3 storey house - conversion	936
5 bed 10 person, 3.5 storey house - conversion	936

Gross to Net Ratios

CBRE has assumed that the apartments (new build and conversion) will have a gross to net ratio of 85% which is at the top end of the accepted range. It is possible that the conversion units may be less efficient in design/layout and could therefore have a lower gross to net ratio. A 100% gross to net ratio has been applied to the houses. Applying a lower gross to net ratio will adversely impact scheme viability.

Contingency

Development contingency is typically applied at a rate ranging from 5% to 10% of costs. Given that relatively little information is known about the ground conditions affecting the site and that build cost have been applied at the lower end of the range, it would be

Appraisal Assumptions

prudent to included contingency at 10%. However for the purposes of the viability assessment a contingency of 5% has been used.

Phasing

For the purpose of the appraisal it is assumed that there is a 12 month pre-construction period and a 36 month build period. As stated previously it is assumed that units will begin to be sold 18 months after construction starts.

S.106

CBRE has been advised by Broadway Malyan to include the following s.106 and CIL contributions.

ITEM	£
Movement	£45,000
Education	£3,000,000
Training (£3,750 for every £1m of construction costs)	£209,825
Mayoral CIL	£872,235
Community Facilities	£200,000
Total	£4,327,060

Source: Broadway Malyan

Developer's Profit

In carrying out the appraisal we have applied developer's profit at 20% on costs. This equates to profit on GDV of circa 16%. The profit level assumed is at the lower end of the scale; in the current market developers are seeking to achieve profit margins of circa 25% on costs and 20% on GDV.

When the previous assessment was undertaken BNP argued that a lower profit rate of 6% on costs should be applied to the affordable housing. CBRE do not agree with this approach as we do not see it being applied by developers' in the market. There is also evidence of this approach being rejected at Inquiry; an example includes the appeal hearing into the Land at Manor Road in Shinfield. Within the Inspectors report (dated January 2013) it states:-

The parties were agreed that costs should be assessed at 25% of costs or 20% of gross development value (GDV). The parties disagreed in respect of the profit required in respect of the affordable housing element of the development with the Council suggesting that the figure for this should be reduced to 6%.

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

In light of the above it is CBRE's view that the profit level applied is reasonable and is indeed at the lower end of the expected range which serves to enhance the viability of the

Appraisal Assumptions

scheme. In addition no allowance has been made for project management fees or developer overheads. These can add a further 3% to 5% to scheme costs.

Professional Fees

Professional fees for residential development tend to range from 8 -15% on costs depending upon the complexity of the scheme. For the purposes of the viability assessment a rate of 10% has been applied.

Finance

A finance rate of 6% has been assumed. The finance rate is dependent upon a number of factors including the standing and track record of the developer, the relationship with the lender, the level of equity invested and the collateral offered. A rate of 6% is towards the lower end of the scale but is deemed to be reasonable for the purpose of the viability assessment. It should be noted that the model does not include finance arrangement fee, non-utilisation fees or exit fees.

Demolition and Abnormals

The demolition estimate amounts to £1.15m. An allowance of £5psf has been applied to the 230,055sqft of buildings that will be demolished to enable construction to take place.

In addition a £1.5m allowance has been included to allow for the removal of asbestos. The asbestos removal assumption has been provided by the Trusts' Estates team and is derived from its experience of removing asbestos from other parts of the site. Detailed surveys will need to be undertaken to assess the actual costs of abnormals and demolition. It should therefore be noted that these costs could potentially increase.

Other Assumptions

A number of other general assumptions have been used to complete the appraisals and these are itemised as follows:-

ITEM	ASSUMPTION
Marketing Costs	2% of GDV
Acquisition agents fee	1% of residual land value
Acquisition legal fee	0.5% of residual land value
Sales agents fee	1.5% of private unit value
Sales legal fee	0.5% of private unit value

The results of the viability assessment are detailed in the next section.

Appraisal Results

It is understood that Haringey Council has an affordable housing target of 50%. In consideration of this the initial appraisal of the scheme was undertaken on a policy compliant basis. The appraisal produced a residual value of **£28.9m** and is summarised below.

50% AFFORDABLE HOUSING	
GDV	£147,733,244
Construction Costs	£57,036,390
Other Costs	£6,982,898
Professional fees & Contingency	£8,555,459
Sales & Marketing Fees	£3,791,369
Finance	£16,122,280
Developers Profit	£24,622,207
SDLT & acquisition fees	£1,678,746
Land Value	£28,943,895

CBRE has undertaken sensitivity analysis to understand at what percentage of affordable housing the scheme can generate a land value in excess of £38.8m. It was found that an affordable housing contribution in the order of 14% is the maximum that the scheme can sustain. The residual appraisal is summarised below.

14% AFFORDABLE HOUSING	
GDV	£177,229,755
Construction Costs	£57,036,390
Other Costs	£6,982,898
Professional fees & Contingency	£8,555,459
Sales & Marketing Fees	£6,485,923
Finance	£27,412,010
Developers Profit	£29,538,292
SDLT & acquisition fees	£2,259,631
Land Value	£38,959,152

Copies of the detailed appraisals are contained in Appendix C.

Recommendations and Conclusions

The financial viability analysis undertaken demonstrates that the scheme can sustain an affordable housing contribution in the order of 14% as this scenario generates a residual land value that is equal to the cost of providing the new health campus. However to reach this conclusion CBRE has applied assumptions that could be deemed to artificially enhance the viability of the scheme. The assumptions that go some way towards improving viability include:-

- Lower than expected rate of profit
- Enhanced affordable housing values
- Increasing market absorption rates
- Applying the “low” construction cost estimate rather than the “average”
- Applying a conservative contingency allowance
- Using a keen finance rate with no fees

It is our view that if average rates were applied to the items detailed above, the scheme would not be able to sustain any affordable housing.

It should also be noted that a notional £2.65m allowance has been included for demolition and abnormals. Should detailed site investigations reveal that the site suffers from adverse ground conditions the abnormal costs could increase significantly.

The Trust has made it clear to CBRE that a scheme without any affordable housing is not an acceptable way forward and its desire is to provide as much affordable housing as possible. As we understand it the Trust's approach is underpinned by its commitment to maintaining a good working relationship with the Council whilst also doing its upmost to provide affordable homes for the community. CBRE has therefore applied a number of keener assumptions in order to demonstrate a scenario where the scheme could sustain circa 14% affordable housing. Even at this level of affordable housing however there remains a risk that the site will not generate a receipt in excess of £38.8m.

A

Masterplan

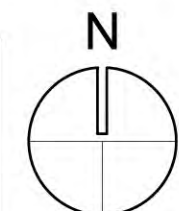


Contractors are not to scale dimensions from this drawing

WORK IN PROGRESS - NOT TO BE USED FOR CONSTRUCTION
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Key

- Extent of site
- Extent of healthcare campus
- Retained healthcare buildings
- New healthcare buildings
- Retained/converted buildings
- Energy Centre on Ground Floor and Basement
- Retail on Ground Floor
- 5 storey flats
- 4 storey flats
- 2.5-3.5 storey houses
- 2 storey houses
- 1st floor garden over car park
- Vehicular access
- Pedestrian access
- Existing trees
- New Trees
- Eye Level perspective views

Revision	Date	Description
P1	14-06-20	Issued for Planning

BroadwayMalyan^{BM}

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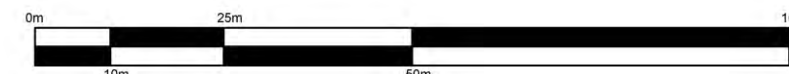
Client
BARNET, ENFIELD AND HARINGEY MENTAL
HEALTH NHS TRUST

Project
St. Ann's Hospital
Haringey

Description
Illustrative Masterplan

Status	Scale	Drawn By	Date
Planning	1:1000@A1	JD	AUG 13
Job Number	Drawing Number	Revision	
28076	A-01-003	P1	

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B

Construction Cost Estimate

SUMMARY PAGE

PROJECT DETAILS		
Project Name		
Project Location	Haringey	
Current RIBA Stage	Stage A	
Estimate Base Date	Q4 2013	
Estimated Tender Return	Q2 2014	
Nature of Works / Project Specifics	A continually phased 470no home development, comprising new build and converting existing buildings into a combination of apartments and houses.	



SUMMARY COST										
Element	Total GIA (m2)	Building Price (m2)			Total Cost (£)					
		Low	Average	High	Low		Average		High	
A Main Works					£	48,463,575	£	54,625,825	£	60,788,075
> Enabling/Facilitating Works	42,332	Excluded	Excluded	Excluded		Excluded		Excluded		Excluded
> Building Works										
<u>Apartments</u>										
1 bed 2 person terrace	4,400	£ 1,275	£ 1,438	£ 1,600	£	5,610,000	£	6,325,000	£	7,040,000
2 bed 4 person terrace	7,000	£ 1,275	£ 1,438	£ 1,600	£	8,925,000	£	10,062,500	£	11,200,000
2 bed 4 person penthouse	1,120	£ 1,275	£ 1,438	£ 1,600	£	1,428,000	£	1,610,000	£	1,792,000
3 bed 5 person maisonette	1,344	£ 1,275	£ 1,438	£ 1,600	£	1,713,600	£	1,932,000	£	2,150,400
<u>Converted existing buildings to apartments</u>										
Admin building 2 bed 3 person	1,135	£ 1,450	£ 1,613	£ 1,775	£	1,645,750	£	1,830,188	£	2,014,625
Water Tower self build unit	300	£ 1,450	£ 1,613	£ 1,775	£	435,000	£	483,750	£	532,500
<u>New build houses</u>										
2 bed 4 person, 2 storey house	3,248	£ 1,075	£ 1,213	£ 1,350	£	3,491,600	£	3,938,200	£	4,384,800
2 bed 4 person, 2 storey mews house (terrace)	672	£ 1,075	£ 1,213	£ 1,350	£	722,400	£	814,800	£	907,200
3 bed 5-6 person, 3 storey house	13,420	£ 1,075	£ 1,213	£ 1,350	£	14,426,500	£	16,271,750	£	18,117,000
4 bed 6-7 person, 3 storey house	4,973	£ 1,075	£ 1,213	£ 1,350	£	5,345,975	£	6,029,763	£	6,713,550
5 bed 10 person, 3.5 storey house	3,630	£ 1,075	£ 1,213	£ 1,350	£	3,902,250	£	4,401,375	£	4,900,500
<u>Converted existing buildings to houses</u>										
2 bed 4 person 2 storey house	190	£ 750	£ 850	£ 950	£	142,500	£	161,500	£	180,500
3 bed 6 person 2 storey house	700	£ 750	£ 850	£ 950	£	525,000	£	595,000	£	665,000
5 bed 2.5 storey house	200	£ 750	£ 850	£ 950	£	150,000	£	170,000	£	190,000
> Preliminaries @ 11%	N/A	Included	Included	Included		Included		Included		Included
> Overhead & Profit @ 2.5%	N/A	Included	Included	Included		Included		Included		Included
B Project / Design Team Fees						Excluded				
C Other Development / Project Costs						Excluded				
D Risk Allowances					£	9,692,715	£	10,925,165	£	12,157,615
> Design Development @ 5%	N/A	N/A	N/A	N/A	£	4,846,358	£	5,462,583	£	6,078,808
> Construction @ 5%	N/A	N/A	N/A	N/A	£	4,846,358	£	5,462,583	£	6,078,808
E Tender Inflation ((239-236)/236)										
	N/A	N/A	N/A	N/A	£	581,563	£	655,510	£	729,457
Estimate Final Cost					£	58,737,853	£	66,206,500	£	73,675,147

- Notes
- Costs are indicative only based on published cost data
 - Costs are exclusive of VAT
 - Areas are based on BroadwayMalyan's schedule of accommodation and are subject to change
 - Tender inflation represents inflation from the estimate base date to tender return
 - Please refer to the Terms of Reference for a full list of qualification, assumptions and exclusions.

TERMS OF REFERENCE

St Anne's Hospital, Haringey
15/10/2013

Information Used

This feasibility report is indicative only and has been based on the following information / documentation:

- BroadwayMalyan's Schedule of Accommodation
- Rates used are based on Spons 2014 (Part 3 Approximate Estimating)

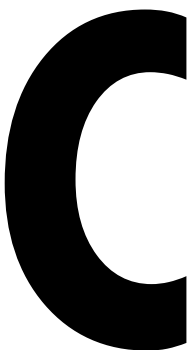
Qualifications, Assumptions & Exclusions

Exclusions Generally

- All costs are exclusive of VAT
- Site acquisition fees
- Planning Application fees
- Building Regulation fees
- Professional fees
- Site abnormalities / Investigations
- Fittings, furnishing and equipment costs
- Utilities upgrade costs
- Off-site costs (including infrastructure)
- Sections 106, 278 and Civil Levy obligations
- Service diversions
- External Works and on-site Infrastructure
- Inflation
- Structural alterations costs
- Asbestos removal
- Enabling/Facilitating Works

Assumptions Generally

- Works to be carried out in normal working hours
- Works will be continually phased and traditionally procured
- Based on residential sales values of £350 sqft
- Spons 2014 rates have been adjusted for Outer London



Residual Appraisals

Aggregate Appraisal						
Appraisal Summary 50% Affordable Housing						
Total Gross Development Value				£147,733,244		
Private Residential Sales	Units	NIA	Net Area	Sales Value	Sales Receipt	
1 bed 2 person apartment new build	37	50	1,850	£4,408 psm	£8,154,689	
2 bed 4 person apartment	53	70	3,710	£4,408 psm	£16,353,457	
3 bed 5 person maisonette	11	101	1,111	£4,408 psm	£4,897,221	
Admin building 2 bed 3 person	10	71	710	£4,408 psm	£3,129,637	
Water Tower self build unit	1	300	300	£4,408 psm	£1,322,382	
2 bed 4 person, 2 storey house - new build	18	85	1,530	£4,408 psm	£6,744,148	
2 bed 4 person, 2 storey mews house - terr	4	84	336	£4,408 psm	£1,481,068	
3 bed 5-6 person, 3 storey house - new bui	58	110	6,380	£4,408 psm	£28,122,657	
4 bed 6-7 person, 3 storey house- new bui	19	128	2,432	£4,408 psm	£10,720,110	
5 bed 10 person, 3.5 storey house - new bu	11	165	1,815	£4,408 psm	£8,000,411	
2 bed 4 person 2 storey house - new build	1	95	95	£4,408 psm	£418,754	
3 bed 6 person 2 storey house - conversior	2	140	280	£4,408 psm	£1,234,223	
1 bed 2 person apartment conversion	6	50	300	£4,408 psm	£1,322,382	
2 bed 4 person, 2 storey house - conversio	2	85	170	£4,408 psm	£749,350	
3 bed 5-6 person, 3 storey house - convers	1	110	110	£4,408 psm	£484,873	
5 bed 10 person, 3.5 storey house - conver	1	165	165	£4,408 psm	£727,320	
Total/Average	235	91 sqm	21,294 sqm	£4,408 psm	£93,862,682	
Private Ground Rent	Units	Ground Rent	Yield	Purchasers Cost	Net Capital Receipt	
	130.00	£350 per unit pa	£45,500 pa	3.33%	5.80%	£921,550
Social Rented Residential Sales	Units	NIA	Net Area	Sales Value	Sales Receipt	
1 bed 2 person apartment new build	12	50	600	£2,160 psm	£1,295,934	
2 bed 4 person apartment	18	70	1,260	£2,160 psm	£2,721,462	
3 bed 5 person maisonette	4	101	404	£2,160 psm	£872,596	
Admin building 2 bed 3 person	0	71	0	£0 psm	£0	
Water Tower self build unit	0	300	0	£0 psm	£0	
2 bed 4 person, 2 storey house - new build	6	85	510	£2,160 psm	£1,101,544	
2 bed 4 person, 2 storey mews house - te	1	84	84	£2,160 psm	£181,431	
3 bed 5-6 person, 3 storey house - new bu	19	110	2,090	£2,160 psm	£4,514,171	
4 bed 6-7 person, 3 storey house- new bu	6	128	768	£2,160 psm	£1,658,796	
5 bed 10 person, 3.5 storey house - new t	3	165	495	£2,160 psm	£1,069,146	
2 bed 4 person 2 storey house - new build	0	95	0	£0 psm	£0	
3 bed 6 person 2 storey house - conversic	0	140	0	£0 psm	£0	
1 bed 2 person apartment conversion	0	50	0	£0 psm	£0	
2 bed 4 person, 2 storey house - conversi	0	85	0	£0 psm	£0	
3 bed 5-6 person, 3 storey house - conver	0	110	0	£0 psm	£0	
5 bed 10 person, 3.5 storey house - conve	0	165	0	£0 psm	£0	
Total/Average	69.00	90 sqm	6,211 sqm	£2,160 psm	£13,415,080	
Shared Ownership Residential Sales	Units	NIA	Net Area	Sales Value	Sales Receipt	
1 bed 2 person apartment new build	30	50	1,500	£2,645 psm	£3,967,146	
2 bed 4 person apartment	42	70	2,940	£2,645 psm	£7,775,606	
3 bed 5 person maisonette	9	101	909	£2,645 psm	£2,404,090	
Admin building 2 bed 3 person	0	71	0	£0 psm	£0	
Water Tower self build unit	0	300	0	£0 psm	£0	
2 bed 4 person, 2 storey house - new build	14	85	1,190	£2,645 psm	£3,147,269	
2 bed 4 person, 2 storey mews house - te	3	84	252	£2,645 psm	£666,481	
3 bed 5-6 person, 3 storey house - new bu	45	110	4,950	£2,645 psm	£13,091,582	
4 bed 6-7 person, 3 storey house- new bu	14	128	1,792	£2,645 psm	£4,739,417	
5 bed 10 person, 3.5 storey house - new t	8	165	1,320	£2,645 psm	£3,491,088	
2 bed 4 person 2 storey house - new build	1	95	95	£2,645 psm	£251,253	
3 bed 6 person 2 storey house - conversic	0	140	0	£0 psm	£0	
1 bed 2 person apartment conversion	0	50	0	£0 psm	£0	
2 bed 4 person, 2 storey house - conversi	0	85	0	£0 psm	£0	
3 bed 5-6 person, 3 storey house - conver	0	110	0	£0 psm	£0	
5 bed 10 person, 3.5 storey house - conve	0	165	0	£0 psm	£0	
Total/Average	166.00	90 sqm	14,948 sqm	£2,645 psm	£39,533,931	
Total GDV				£147,733,244		
Gross Land Costs				(£30,622,641)		
Net Land Value				(£28,943,895)		
SDLT & acquisition fees				5.80%	(£1,678,746)	
Total Residential Build Costs				(£57,036,390)		
Private Residential Costs	Units	GIA	Gross Area	Area	Build Cost	Build Cost
1 bed 2 person apartment new build	37	59	2,176	(£1,373 psm)	(£2,988,675)	
2 bed 4 person apartment	53	82	4,365	(£1,373 psm)	(£5,993,505)	
3 bed 5 person maisonette	11	119	1,307	(£1,373 psm)	(£1,794,821)	
Admin building 2 bed 3 person	10	84	835	(£1,562 psm)	(£1,304,437)	
Water Tower self build unit	1	353	353	(£1,562 psm)	(£551,171)	
2 bed 4 person, 2 storey house - new build	18	100	1,800	(£1,158 psm)	(£2,083,995)	
2 bed 4 person, 2 storey mews house - terr	4	84	336	(£1,158 psm)	(£389,012)	
3 bed 5-6 person, 3 storey house - new bui	58	110	6,380	(£1,158 psm)	(£7,386,605)	
4 bed 6-7 person, 3 storey house- new bui	19	128	2,432	(£1,158 psm)	(£2,815,709)	
5 bed 10 person, 3.5 storey house - new bu	11	165	1,815	(£1,158 psm)	(£2,101,362)	
2 bed 4 person 2 storey house - new build	1	95	95	(£936 psm)	(£88,920)	
3 bed 6 person 2 storey house - conversior	2	140	280	(£936 psm)	(£262,080)	
1 bed 2 person apartment conversion	6	59	353	(£1,562 psm)	(£551,294)	
2 bed 4 person, 2 storey house - conversio	2	85	170	(£936 psm)	(£159,120)	
3 bed 5-6 person, 3 storey house - convers	1	110	110	(£936 psm)	(£102,960)	
5 bed 10 person, 3.5 storey house - conver	1	165	165	(£936 psm)	(£154,440)	
Total/Average	235	98 sqm	22,972 sqm	(£1,251 psm)	(£28,728,105)	
Affordable Housing Residential Costs	Units	GIA	Gross Area	Area	Build Cost	Build Cost
1 bed 2 person apartment new build	42	59 sqm	2,471 sqm	(£1,373 psm)	(£3,392,550)	
2 bed 4 person apartment	60	82 sqm	4,941 sqm	(£1,373 psm)	(£6,785,100)	
3 bed 5 person maisonette	13	119 sqm	1,545 sqm	(£1,373 psm)	(£2,121,152)	
Admin building 2 bed 3 person	0	84 sqm			-	
Water Tower self build unit	0	353 sqm			-	
2 bed 4 person, 2 storey house - new build	20	100 sqm	2,000 sqm	(£1,158 psm)	(£2,315,550)	
2 bed 4 person, 2 storey mews house - terr	4	84 sqm	336 sqm	(£1,158 psm)	(£389,012)	
3 bed 5-6 person, 3 storey house - new bui	64	110 sqm	7,040 sqm	(£1,158 psm)	(£8,150,736)	
4 bed 6-7 person, 3 storey house- new bui	20	128 sqm	2,560 sqm	(£1,158 psm)	(£2,963,904)	
5 bed 10 person, 3.5 storey house - new bu	11	165 sqm	1,815 sqm	(£1,158 psm)	(£2,101,362)	
2 bed 4 person 2 storey house - new build	1	95 sqm	95 sqm	(£936 psm)	(£88,920)	
Total/Average	235	97 sqm	22,802 sqm	(£1,241 psm)	(£28,308,286)	
Total Residential Contingency & Professional Fees				(£8,555,459)		
Residential Build Contingency				5.00%	(£2,851,820)	
Residential Professional Fees				10.00%	(£5,703,639)	
Total Other Costs				(£6,982,898)		
Description					Cost	
Demolition					(£1,151,776)	
Asbestos Removal					(£1,500,000)	
s106					-	
Movement					(£45,000)	
Education					(£3,000,000)	
Training					(£213,886)	
Open Space					-	
Community Facilities					(£200,000)	
Highway					-	
Mayoral CIL					(£872,235)	
Total					(£6,982,898)	
Sales Fees				(£3,791,369)		
Residential Marketing				2.00%	(£1,895,685)	
Residential Disposal Fees				2.00%	(£1,895,685)	
Commercial Disposal Fees				0.00%	-	
Commercial Marketing				0.00%	-	
Commercial Letting Fees				0.00%	-	
Finance Costs				(£16,122,280)		
Senior Debt Arrangement Fee				0.00%	-	
Senior Debt Interest (Rolled Up)				6.00%	(£16,122,280)	
Total Development Costs				(£123,111,037)		
Developers Profit				£24,622,207		
Return Indicators						
Land Value				£28,943,895		
Number of Hectares				12.80		
Land Value per Hectare				£2,261,242		
Developer Profit on Cost				20.00%		
Developer Profit on GDV				16.67%		
Developers Profit				£24,622,207		

Aggregate Appraisal						
Appraisal Summary 14% Affordable Housing						
Total Gross Development Value					£177,229,755	
Private Residential Sales	Units	NIA	Net Area	Sales Value	Sales Receipt	
1 bed 2 person apartment new build	67	50	3,350	£4,408 psm	£14,766,599	
2 bed 4 person apartment	96	70	6,720	£4,408 psm	£29,621,356	
3 bed 5 person maisonette	20	101	2,020	£4,408 psm	£8,904,039	
Admin building 2 bed 3 person	10	71	710	£4,408 psm	£3,129,637	
Water Tower self build unit	1	300	300	£4,408 psm	£1,322,382	
2 bed 4 person, 2 storey house - new build	32	85	2,720	£4,408 psm	£11,989,597	
2 bed 4 person, 2 storey mews house - terr	7	84	588	£4,408 psm	£2,591,869	
3 bed 5-6 person, 3 storey house - new bui	104	110	11,440	£4,408 psm	£50,426,832	
4 bed 6-7 person, 3 storey house- new bui	33	128	4,224	£4,408 psm	£18,619,138	
5 bed 10 person, 3.5 storey house - new bu	19	165	3,135	£4,408 psm	£13,818,892	
2 bed 4 person 2 storey house - new build	2	95	190	£4,408 psm	£837,509	
3 bed 6 person 2 storey house - conversior	2	140	280	£4,408 psm	£1,234,223	
1 bed 2 person apartment conversion	6	50	300	£4,408 psm	£1,322,382	
2 bed 4 person, 2 storey house - conversio	2	85	170	£4,408 psm	£749,350	
3 bed 5-6 person, 3 storey house - convers	1	110	110	£4,408 psm	£484,873	
5 bed 10 person, 3.5 storey house - conver	1	165	165	£4,408 psm	£727,320	
Total/Average	403	90 sqm	36,422 sqm	£4,408 psm	£160,545,997	
Private Ground Rent	Units	Ground Rent	Yield	Purchasers Cost	Net Capital Receipt	
	226.00	£350 per unit pa	£79,100 pa	3.33%	5.80%	£1,602,079
Social Rented Residential Sales	Units	NIA	Net Area	Sales Value	Sales Receipt	
1 bed 2 person apartment new build	4	50	200	£2,160 psm	£431,978	
2 bed 4 person apartment	5	70	350	£2,160 psm	£755,962	
3 bed 5 person maisonette	1	101	101	£2,160 psm	£218,149	
Admin building 2 bed 3 person	0	71	0	£0 psm	£0	
Water Tower self build unit	0	300	0	£0 psm	£0	
2 bed 4 person, 2 storey house - new buil	2	85	170	£2,160 psm	£367,181	
2 bed 4 person, 2 storey mews house - te	0	84	0	£0 psm	£0	
3 bed 5-6 person, 3 storey house - new bu	5	110	550	£2,160 psm	£1,187,940	
4 bed 6-7 person, 3 storey house- new bu	2	128	256	£2,160 psm	£552,932	
5 bed 10 person, 3.5 storey house - new t	1	165	165	£2,160 psm	£356,382	
2 bed 4 person 2 storey house - new builc	0	95	0	£0 psm	£0	
3 bed 6 person 2 storey house - conversic	0	140	0	£0 psm	£0	
1 bed 2 person apartment conversion	0	50	0	£0 psm	£0	
2 bed 4 person, 2 storey house - conversi	0	85	0	£0 psm	£0	
3 bed 5-6 person, 3 storey house - conver	0	110	0	£0 psm	£0	
5 bed 10 person, 3.5 storey house - conve	0	165	0	£0 psm	£0	
Total/Average	20.00	90 sqm	1,792 sqm	£2,160 psm	£3,870,524	
Shared Ownership Residential Sales	Units	NIA	Net Area	Sales Value	Sales Receipt	
1 bed 2 person apartment new build	8	50	400	£2,645 psm	£1,057,906	
2 bed 4 person apartment	12	70	840	£2,645 psm	£2,221,602	
3 bed 5 person maisonette	3	101	303	£2,645 psm	£801,363	
Admin building 2 bed 3 person	0	71	0	£0 psm	£0	
Water Tower self build unit	0	300	0	£0 psm	£0	
2 bed 4 person, 2 storey house - new buil	4	85	340	£2,645 psm	£899,220	
2 bed 4 person, 2 storey mews house - te	1	84	84	£2,645 psm	£222,160	
3 bed 5-6 person, 3 storey house - new bu	13	110	1,430	£2,645 psm	£3,782,012	
4 bed 6-7 person, 3 storey house- new bu	4	128	512	£2,645 psm	£1,354,119	
5 bed 10 person, 3.5 storey house - new t	2	165	330	£2,645 psm	£872,772	
2 bed 4 person 2 storey house - new builc	0	95	0	£0 psm	£0	
3 bed 6 person 2 storey house - conversic	0	140	0	£0 psm	£0	
1 bed 2 person apartment conversion	0	50	0	£0 psm	£0	
2 bed 4 person, 2 storey house - conversi	0	85	0	£0 psm	£0	
3 bed 5-6 person, 3 storey house - conver	0	110	0	£0 psm	£0	
5 bed 10 person, 3.5 storey house - conve	0	165	0	£0 psm	£0	
Total/Average	47.00	90 sqm	4,239 sqm	£2,645 psm	£11,211,154	
Total GDV					£177,229,755	
Gross Land Costs					(£41,218,783)	
Net Land Value					(£38,959,152)	
SDLT & acquisition fees					5.80%	(£2,259,631)
Total Residential Build Costs					(£57,036,390)	
Private Residential Costs	Units	GIA	Gross Area	Area	Build Cost	Build Cost
1 bed 2 person apartment new build	67	59	3,941		(£1,373 psm)	(£5,411,925)
2 bed 4 person apartment	96	82	7,906		(£1,373 psm)	(£10,856,160)
3 bed 5 person maisonette	20	119	2,376		(£1,373 psm)	(£3,263,310)
Admin building 2 bed 3 person	10	84	835		(£1,562 psm)	(£1,304,437)
Water Tower self build unit	1	353	353		(£1,562 psm)	(£551,171)
2 bed 4 person, 2 storey house - new build	32	100	3,200		(£1,158 psm)	(£3,704,880)
2 bed 4 person, 2 storey mews house - terr	7	84	588		(£1,158 psm)	(£680,772)
3 bed 5-6 person, 3 storey house - new bui	104	110	11,440		(£1,158 psm)	(£13,244,946)
4 bed 6-7 person, 3 storey house- new bui	33	128	4,224		(£1,158 psm)	(£4,890,442)
5 bed 10 person, 3.5 storey house - new bu	19	165	3,135		(£1,158 psm)	(£3,629,625)
2 bed 4 person 2 storey house - new build	2	95	190		(£936 psm)	(£177,840)
3 bed 6 person 2 storey house - conversior	2	140	280		(£936 psm)	(£262,080)
1 bed 2 person apartment conversion	6	59	353		(£1,562 psm)	(£551,294)
2 bed 4 person, 2 storey house - conversio	2	85	170		(£936 psm)	(£159,120)
3 bed 5-6 person, 3 storey house - convers	1	110	110		(£936 psm)	(£102,960)
5 bed 10 person, 3.5 storey house - conver	1	165	165		(£936 psm)	(£154,440)
Total/Average	403	97 sqm	39,267 sqm		(£1,246 psm)	(£48,945,401)
Affordable Housing Residential Costs	Units	GIA	Gross Area	Area	Build Cost	Build Cost
1 bed 2 person apartment new build	12	59 sqm	706 sqm		(£1,373 psm)	(£969,300)
2 bed 4 person apartment	17	82 sqm	1,400 sqm		(£1,373 psm)	(£1,922,445)
3 bed 5 person maisonette	4	119 sqm	475 sqm		(£1,373 psm)	(£652,662)
Admin building 2 bed 3 person	0	84 sqm				-
Water Tower self build unit	0	353 sqm				-
2 bed 4 person, 2 storey house - new build	6	100 sqm	600 sqm		(£1,158 psm)	(£694,665)
2 bed 4 person, 2 storey mews house - terr	1	84 sqm	84 sqm		(£1,158 psm)	(£97,253)
3 bed 5-6 person, 3 storey house - new bui	18	110 sqm	1,980 sqm		(£1,158 psm)	(£2,292,395)
4 bed 6-7 person, 3 storey house- new bui	6	128 sqm	768 sqm		(£1,158 psm)	(£889,171)
5 bed 10 person, 3.5 storey house - new bu	3	165 sqm	495 sqm		(£1,158 psm)	(£573,099)
2 bed 4 person 2 storey house - new build	0	95 sqm				-
Total/Average	67	97 sqm	6,508 sqm		(£1,243 psm)	(£8,090,989)
Total Residential Contingency & Professional Fees					(£8,555,459)	
Residential Build Contingency					5.00%	(£2,851,820)
Residential Professional Fees					10.00%	(£5,703,639)
Total Other Costs					(£6,982,898)	
Description					Cost	
Demolition					(£1,151,776)	
Asbestos Removal					(£1,500,000)	
s106					-	
Movement					(£45,000)	
Education					(£3,000,000)	
Training					(£213,886)	
Open Space					-	
Community Facilities					(£200,000)	
Highway					-	
Mayoral CIL					(£872,235)	
Total					(£6,982,898)	
Sales Fees					(£6,485,923)	
Residential Marketing					2.00%	(£3,242,962)
Residential Disposal Fees					2.00%	(£3,242,962)
Commercial Disposal Fees					0.00%	-
Commercial Marketing					0.00%	-
Commercial Letting Fees					0.00%	-
Finance Costs					(£27,412,010)	
Senior Debt Arrangement Fee					0.00%	-
Senior Debt Interest (Rolled Up)					6.00%	(£27,412,010)
Total Development Costs					(£147,691,462)	
Developers Profit					£29,538,292	
Return Indicators						
Land Value					£38,959,152	
Number of Hectares					12.80	
Land Value per Hectare					£3,043,684	
Developer Profit on Cost					20.00%	
Developer Profit on GDV					16.67%	
Developers Profit					£29,538,292	