

HOUSING DELIVERY AND VIABILITY STATEMENT

155-159 STATION ROAD, SIDCUP, DA15 7AA

MAY 2021

MONTREUX STATION ROAD SIDCUP LIMITED
MONTREUX HOUSE | THE HYTHE, STAINES
UPON THAMES, TW18 3JQ

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1 Executive Summary

- 1.1 This Housing Delivery & Viability Statement ('Statement') has been prepared in support of a S73 planning application submitted to the London Borough of Bexley ('Bexley') for the demolition and redevelopment of 155-159 Station Road, Sidcup ('the Application Site') to provide 31 residential units alongside a commercial gym at ground floor level ('the Application Scheme').
- 1.2 This Statement demonstrates the scheme cannot viably support any affordable housing. Notwithstanding this, the applicant will provide an equivalent cash-in-lieu contribution of £250,000 towards affordable housing delivery.
- 1.3 A high-level summary of the Financial Viability Appraisal is provided in Table 1, below. It shows the Residual Land Value (RLV) of the scheme is below £1 and therefore the scheme produces a viability deficit, factoring in the payment in lieu of £250,000.

Table 1: Financial Viability Appraisal Summary

Scheme Revenue	Assumption	Amount
Private Residential Revenue	£528 PSF	£10,600,000
Commercial Gym Revenue	£247 PSF	£2,852,438
Purchaser's Costs	6.8%	(£193,966)
Total Revenue	-	£13,258,472
Scheme Costs	Assumption	Amount
Construction Costs (incl. preliminaries, insurances and design contingency)	£224 PSF	£8,897,000
Payment in Lieu of AH	-	£250,000
LB Bexley Community Infrastructure Levy	£60psm	£111,818
Mayoral Community Infrastructure Levy II	£25psm	£46,574
Professional Fees	10%	£889,700
Residential Marketing	1.5%	£159,000
Letting Agent & Legal	15%	£29,619
Disposal Agent & Legal	1.5% + £800p/u	£223,677
Finance	6.5%	£633,360
Private Residential Profit	20%	£2,120,000
Commercial Profit	15%	£427,866
Total Costs	-	£13,788,614
Output Land Value		

Residual Land Value (RLV)	-	(£530,142)
Viability Threshold		
Benchmark Land Value (BLV)	-	£1+

- 1.4 Overall, this Statement demonstrates, in accordance with the statutory Development Plan and other material planning considerations, the amount, type and mix of housing proposed is appropriate for the Application Site and Application Proposals.

2 Introduction

2.1 This Housing Delivery and Viability Statement has been prepared in support of a S73 planning application submitted to the London Borough of Bexley for the for the demolition and redevelopment of 155-159 Station Road, Sidcup to provide 31 residential units alongside a commercial gym at ground floor level.

2.2 This S73 Application seeks planning permission for the following:

“Application pursuant to Section 73 of the Town and Country Planning Act (1990) to vary condition 2 (approved plans) of planning application 19/01828/FULM dated 1st July 2020 (as amended by 19/01828/FULMMIN02) for the demolition of the existing building and redevelopment to provide a part five, part four-storey building with Use Class D2 at ground floor level, undercroft parking, refuse/recycling and cycle storey and residential dwellings on the upper floors at the Former Lamorbey Swimming Centre, 157 Station Road, Sidcup, Kent”

2.3 Planning law requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise.

2.4 This Statement outlines the proposed approach to the delivery of housing. It provides evidence which demonstrates, in accordance with the statutory Local Plan and other material planning considerations, the amount, type and mix of housing proposed is appropriate for the Application Site and the development proposals.

2.5 This Statement is structured to provide:

- An introduction to the existing site and the application proposals (Section 2),
- An overview of relevant national and local planning policy (Section 3),
- A financial viability appraisal of the scheme proposals (Section 4)
- Analysis of the housing proposals (Section 5), and
- A summary of the key conclusions (Section 6).

2.6 This Statement should be read in conjunction with a number of other planning documents including the Planning Statement prepared by Icen Projects and the Application Drawings.

3 Planning Application Overview

3.1 This section of the Statement provides an overview of the Application Site and the Application Proposals.

The Application Site

3.2 The Site extends to a total area of 0.17 hectares and is located at the junction of Station and Hurst Roads in Sidcup. The Site comprises the frontage of the former Lamorbey Swimming Centre. Extending to the rear of the frontage is derelict, brownfield land. To the rear of the brownfield land, on the western boundary, is an area of paved hardstanding, currently used as a pedestrian surface for the Old Farm Avenue Public Car Park.

3.3 The Site is bordered to the north and south by town centre retail units at ground floor level and residential uses on the upper floors. Sidcup Station is within 0.2 miles walking distance for the site.

3.4 A site aerial view is set out below:



Figure 1: Site aerial view

Relevant Planning History

3.5 A planning application was previously approved at the site for 26 residential units. The S106 included a £250,000 Affordable Housing contribution.

Proposed Development

3.6 The planning permission currently sought from Bexley is for 31 residential units, incorporating along Station Road a 5-storey building with including a setback penthouse storey, in total housing 17 units. A second rear building would be a total of 4-storeys housing 14 units. Both buildings sit on a single storey podium housing the gymnasium along with bin and bike stores. On top of this podium is a mix of private garden terraces and a 385sqm landscaped communal terrace accessible to all tenants.

3.7 The proposed mix of units in the Application Scheme is set out below:

Table 2: Proposed Residential Unit Mix

Unit Type	Quantity	%
Studios	4	13%
1-bedroom	13	42%
2-bedroom	9	29%
3-bedroom	5	16%
Total	31	100%

3.8 The key features of the proposed development comprise:

- Reintegration of the site into the townscape, with a new contemporary building sensitive to the nearby conservation area,
- Local Centre commercial uses, namely a well-proportioned gym space which will be attractive to future occupiers and provide an active frontage onto Station Road, and
- An open courtyard area to the rear of the front block, communal outdoor space to the top of the gym mezzanine and private residential gardens.

3.9 A breakdown of the proposed residential scheme can be found at the Schedule of Accommodation at Appendix 1.

4 Planning Policy Considerations

- 4.1 This section of the Statement sets out relevant extracts of national and local policy and guidance which have informed the approach taken.

National Planning Policy

National Planning Policy Framework (February 2019)

- 4.2 The new National Planning Policy Framework (NPPF), released in July 2018, provides the national context for planning in England, including implementing Central Government’s housing policy objectives. The NPPF sets out economic, social and environmental “objectives”. With respect to housing, the NPPF establishes that plans and decision-taking should ensure delivery of a wide choice of high-quality homes for a range of needs for today and in the future (paragraph 8(b)). The NPPF is an important material consideration in the determination of all planning applications.
- 4.3 The NPPF has an overarching presumption in favour of sustainable development (paragraph 11), which for decision taking means approving without delay those development proposals where these are consistent with an up-to-date development plan.
- 4.4 Paragraph 57 states that where up to date policies have set out the contributions expected from development; planning applications that comply with them should be assumed to be viable. It goes on to state that it is up to the applicant to demonstrate whether circumstances justify the need for a viability assessment at the Application stage. The Applicant considers, in the context of this Application, an assessment is required given the policy amount cannot be justified in policy terms for this type of application.
- 4.5 Section 5, ‘Delivering a Sufficient Supply of Homes’, requires any scheme comprising 5 or more homes to provide affordable housing, establishing that affordable housing should be provided onsite, and in instances where a scheme is a “major” development, 10 or more homes, at least 10% to be affordable for affordable home ownership (paragraph 64.).

National Planning Policy Guidance

- 4.6 National Planning Policy Guidance was updated in July 2018 to incorporate the changes to the National Planning Policy Framework. The new guidance includes the requirements for plan makers to policy requirements for contributions from development informed by a proportionate assessment of viability taking into account of all relevant policies and local and national standards (Paragraph 001).
- 4.7 Paragraph 002 states that the role of viability assessments is primarily at the plan making stage. Viability assessments should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine the deliverability of the plan (Paragraph 002).
- 4.8 Paragraph 007 sets out that it is up to the applicant to demonstrate whether circumstances justify the need for a viability assessment at the application stage. These circumstances could include where development is on unallocated sites of a wholly different type to those used in the viability assessment that informed that plan; where further information is required on infrastructure or site costs; where the development proposed differs from standard models of

development for sale; or where a recession or similar significant changes have occurred since the plan was brought into force.

- 4.9 The revised NPPG sets out standardised inputs for viability assessments. These include looking at key elements of gross development value, costs, land value, land value premium and developer return informed by appropriate evidence and should be transparent and publicly available (Paragraph 10).
- 4.10 Paragraph 21 states that any viability assessment should be prepared on the basis that it will be made publicly available, other than in exceptional circumstances and that in those circumstances that a suitable executive summary version should be provided.

Regional Planning Policy

London Plan (2021)

- 4.11 The London Plan puts much greater emphasis on the role of small sites than its predecessor, with a new Policy H2 (Small Sites), earmarking sites under 0.25 hectares for making a greater contribution to housing need and diversification of the locations, type and mix of housing supply in London.
- 4.12 Policy H2 creates a presumption in favour of small housing developments between one and 25 homes and calls on boroughs to approve acceptable developments on such sites to achieve their 10-year housing targets. The targets, based on evidence from the 2017 London SHLAA, show that Bexley must deliver an average of 305 new homes per annum on small sites.
- 4.13 Policy H6 sets out the threshold approach to viability. Sites that do not meet the relevant threshold are required to submit a financial viability assessment under the Viability Tested Route.

Affordable Housing and Viability Supplementary Planning Guidance (August 2017)

- 4.14 The SPG reinforces the NPPF's message that viability is a material consideration in identifying the quantum of affordable housing which may (or may not) be supported by a development. Also, that the costs of delivery and a competitive return to a willing landowner and developer should be considered when reviewing scheme viability.
- 4.15 Part three of the SPG sets out the preferred approach to viability appraisals, including guidance on inputs and assumptions. Section 5 of this report discusses how the inputs used in the viability assessment for the Development are consistent with the approach in the SPG.

Local Planning Policy

LB of Bexley Core Strategy (2012)

- 4.16 Core Strategy Policy SC10 outlines local policy in relation to affordable housing need. It states the Council's aspiration is "to achieve 50% affordable housing as a proportion of all provision, over the plan period as a whole" and "Housing provision will include a mix of dwelling types, size and tenure to meet the needs of Bexley's current and future population".
- 4.17 In residential schemes of ten units or more, the Council will seek the maximum reasonable amount of affordable housing. Specifically, Policy SC10 calls for (a) a minimum of 35% of units to be affordable housing, of which (b) a target of 70% will be social rented housing and 30%

will be intermediate housing, unless otherwise agreed. Where an Applicant seeks to vary those requirements on account of site viability which does not permit full provision at the required level, this position will need to be demonstrated through a full financial appraisal.

- 4.18 The affordable housing mix is expected to reflect the need for a variety of dwelling sizes. In this respect, a balance between unit sizes is sought from individual schemes. Furthermore, to promote mixed and balanced communities, affordable housing provided as part of a market development will be expected to be integrated within the site and all new homes must meet lifetime homes standards, with 10% of those suitable or easily adapted for wheelchair users.

Local Development Framework: Lamorbey Planning Brief (2007)

- 4.19 The Planning Brief looks at the redevelopment potential of the Lamorbey Baths site and other adjacent sites which could come forward together within an area designated for primarily residential use.

Affordable Housing SPD (2006)

- 4.20 The Council have an adopted Supplementary Planning Document in respect of affordable housing. However, this dates from 2006 and as such has essentially been superseded by subsequent planning policy documents, such as the Core Strategy and London Plan.

Emerging Local Policy

Local Plan Review Consultation Document

- 4.21 A Local Plan review is currently underway and at regulation 18 stage of the process. A consultation document outlining preferred approaches for strategic and development management policies and the arrangement and designation of land use in the borough was released in February 2019. This document closed for feedback closed in April 2019 and a draft new local plan (regulation 19) is expected in summer 2021.
- 4.22 Although not a material planning consideration, the Application Site (referred to as the Former Lamorbey Baths site) is identified as having been put forward as part of Bexley's Call for Sites exercise and was proposed for housing and community uses. The consultation document acknowledges the site lies within a primarily residential area and notes the site presents an opportunity to greatly improve the frontage and improve pedestrian access through the site to the carpark at the rear. It outlines any redevelopment would be expected to provide active town centre uses on the ground floor within the town centre boundary, with residential units above and to the rear.

5 Financial Viability Appraisal

- 5.1 This section of the Statement provides an overview of the approach taken to assessing the development viability of the proposed scheme and the maximum reasonable amount of developer subsidy available to enable the provision of Affordable Housing.

Measuring Financial Viability

- 5.2 The approach taken considers the ability of the development to contribute towards Affordable Housing after the development costs, a competitive return for the landowner and the risk adjusted developer return have been deducted from the scheme revenues. The approach has been informed by the National Planning Policy Framework (NPPF) and Practice Guidance (NPPG), the RICS Financial Viability in Planning 2012 Guidance Note (RICS GN 2012) and the RICS NPPF Guidance Note (RICS GN 2021).
- 5.3 In preparing the scheme specific viability, the RICS Guidance Note confirms that ‘the nature of the applicant should normally be disregarded as should benefits or disbenefits that are unique to the applicant. The aim should be to reflect industry benchmarks having regard to the particular circumstances in both development management and plan making viability testing’.

The Financial Model

- 5.4 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 appropriate for presenting the viability position on a development of the type proposed. Further details can be accessed at www.argussoftware.com.
- 5.5 Argus works in the same way as other residual appraisal models. The value of the completed development, development costs (including either the profit margin required or land costs) can be cash-flowed over the development period and the difference between the total development value and total costs are compared.
- 5.6 The model structure provides a sound basis on which to test scheme viability and to determine the developer subsidy available from the development in accordance with national and local policy.

Inputs and Assumptions

- 5.7 In accordance with section 4.5 of the RICS Guidance Note, the approach taken has sought to be reasonable. The Council or their independent advisor is invited to engage with the Applicant at the earliest opportunity, with a view to resolving differences of opinion, and if required, additional clarification or supplementary information can be provided.
- 5.8 The inputs and assumptions adopted in the model are set out in Table 4, below:

Table 3: Inputs & Assumptions

Input	Assumption	Commentary
<i>Revenue Assumptions</i>		
Private Sale Values	£528 PSF	The private sales revenue input is a blended rate based on the mix of unit sizes for the proposed scheme and a detailed analysis

		undertaken by residential sales agents, Montagu Evans. Their report at Appendix 2 shows evidence of comparable new build and established units (i.e. units with equivalent unit sizes and similar floorspace) within the same price bracket and location and taking into account evidence like the current market conditions in the local, regional and national housing market.
Commercial Gym Value	£15 PSF 12 Month RF 6.5% Yield	The rent is informed by the following recent comparables: <ul style="list-style-type: none"> Unit 3 Gravesend Road, DA11 - £12.40 PSF (15,550 SQ FT), Sept 2020; and 70 Court Road SE9 - £18.22 PSD (10,149 SQ FT), Nov 2020 The yield is informed by the following recent comparable: <ul style="list-style-type: none"> 65-71 Lewisham High Street – 6.6% Yield (15,198 SQ FT), Dec 2020.
Purchaser's Costs	6.8%	This is an industry standard assumption which comprises 5% Stamp Duty, 1% Agent Fee, 0.5% Legal Fee and VAT on the fees.
<i>Cost Assumptions</i>		
Acquisition Costs	NIL	The residual land value is a negative value.
Construction Costs	£224 PSF	The £/psf rate is based on principally bespoke scheme specific costs and abnormals informed by chartered quantity surveyors, Johnson Associates (UK) Limited. The rate includes base construction costs and other allowances for preliminaries, insurances, and design contingency. A full cost plan is provided at Appendix 3 of this Statement.
Construction Contingency	5%	This assumption falls within the industry standard range.
Payment in Lieu of Affordable Housing	£250,000	In line with that previously approved at the site.
Professional Fees	10%	This assumption falls within the industry standard range and is considered appropriate for the Application Site, noting it is partly a complex conversion scheme.
Developers Contingency	Excluded	Contingency allowance for unknown costs which fall outside of the contractor's agreement.
Community Infrastructure Levy	£60 PSM	Calculated on the basis of the site being located within Bexley CIL Zone 2, with nil relief.
MCIL2	£25 PSM	Calculated on the basis of the site being located within MCIL2 Band 3 zone.

S106	N/A	Excluded in the current scheme appraisals.
Residential Marketing	1.5%	The marketing budget reflects the marketing campaign required to support the target sales rate and sales value. A reduction in this budget would reduce the achievable sales values.
Letting Agent & Legal	15%	This is an industry standard assumption for letting agent and legal fees applied to commercial revenues.
Disposal Agent & Legal	1.5% + £800 per unit legal fees	This is an industry standard assumption for disposal agent and legal fees applied to residential revenues.
Finance Costs	6.5%	Industry standard Assumption. The rate assumes 100% debt finance and all arrangement, valuation, survey and exit fee.

Benchmark Land Value

- 5.9 In determining the Benchmark Land Value specific regard has been given to the guidance contained in the NPPF, NPPG and RICS Guidance Note, and recognition that scheme viability should consider competitive returns to a willing landowner to enable land to be released, so development can be deliverable.
- 5.10 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. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+) (Paragraph 013).
- 5.11 Paragraph 15 of the NPPG states that the EUV is the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing Use is not the price paid and should disregard hope value.
- 5.12 The RICS Guidance Note on Financial Viability in Planning states that "The return to the landowner will be in the form of a land value in excess of current use value". Para 3.4.3 also states "Any planning obligations imposed will need to be paid out of this uplift but cannot use up the whole of this difference...". The RICS Guidance Note provides further confirmation that Site Value will be based on market value which includes regard to current use value, alternative use value and market/transactional evidence (para 3.4.5).
- 5.13 Consideration has not yet been given to the minimum Benchmark Land Value (BLV) for the Application Site due to the overall conclusions of the viability assessment which shows the scheme generates a negative land value.

Developer Return

- 5.14 The Applicant has considered the level of Developer Return required to bring forward the Application Scheme with its advisory team having regard to factors such as the complexity and risk associated with this scheme compared with other schemes, the competitiveness of the local residential market and risks associated with the UK's departure from the European Union and the COVID19 pandemic.
- 5.15 On this basis the Developer Return adopted in the financial model is 20% of GDV for private sale and 15% for the commercial component. This target level of return is also considered appropriate in view of the omission of a developer's contingency. This approach is aligned with the NPPG (2019) 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

- 5.16 A baseline development viability appraisal has been run on the basis of the present-day cost and value assumptions set out in this report. A headline summary of the appraisal is provided in Table 7, overleaf:

Table 4: Appraisal Summary

Scheme Revenue	Assumption	Amount
Private Residential Revenue	£528 PSF	£10,600,000
Commercial Revenue	£247 PSF	£2,852,438
Purchaser's Costs	6.8%	(£193,966)
Total Revenue	-	£13,258,472
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Finance	6.5%	£633,360
Private Residential Profit	20%	£2,120,000
Commercial Profit	15%	£427,866

Total Costs	-	£13,788,614
Output Land Value		
Residual Land Value (RLV)	-	(£530,142)
Viability Threshold		
Benchmark Land Value (BLV)	-	£1+

- 5.17 The output Residual Land Value (RLV) is below £1. The appraisal (provided in-full at Appendix 4) therefore evidences that, based on present day costs and values, the scheme is not required to provide any Affordable Housing in accordance with the Development Plan and the cash-in-lieu contribution of £250,000 exceeds what is possible given the viability circumstances evidenced in this Statement.
- 5.18 The applicant is taking a commercial view on future market improvements in order to provide the cash-in-lieu contribution. This should be afforded positive decision-making weight.

6 Housing Proposals Assessment

6.1 This section of the Statement provides an overview of the proposed approach to housing delivery alongside an analysis of the proposals against the considerations set out within Sections 2 through 5 of this Statement.

Housing Proposals

6.2 The overall Application Scheme seeks permission for a residential led mixed-use development comprising the demolition and redevelopment provide 31 residential units above ground level alongside a commercial gym at the ground floor.

6.3 Importantly, the provision of new homes will provide a much needed contribution to meeting the Council's housing targets, delivery of which has been below requirement as reported in the MCHLG's 2020 Housing Delivery Test.

6.4 This has been identified in emerging policy as a location for active town centre uses on the ground floor within the town centre boundary, with residential units above and to the rear. The Application Scheme proposes such a solution, utilising the ground floor for gym space and placing residential units above and to the rear. Situated on the Sidcup Station Local Centre frontage, which the Council seeks to reinvigorate in its emerging Local Plan, the proposals will generate economic development and support local businesses in the local area.

6.5 The arrangement of predominantly smaller units also suits the constraints of the site, with the provision of larger family-oriented accommodation being difficult due to the emerging policy position that residential uses should not occupy ground level. The proposed unit size mix is set out below:

Table 5: Overall Unit Mix

Type	Number	%
1-bedroom	17	55%
2-bedroom	9	29%
3-bedroom	5	16%
Total	31	100%

6.6 With respect to unit sizes types and tenures, the SHMA prioritises smaller unit sizes for Bexley to address the significant shortage of this type of accommodation in the borough currently. The Application Scheme housing proposals, which are predominantly for smaller units, factor in other considerations including site size, characteristics and location, but are overwhelmingly policy compliant.

6.7 With both the extant and emerging Local Plan in mind, as well as the relevant evidence of current housing delivery performance and unit mix needs, the Applicant has determined a mix of housing most closely aligned with Council's policy and site-specific circumstances and it should be afforded significant positive decision-making weight in the planning process.

7 Overall Conclusions

- 7.1 This Statement has been prepared in support of a S73 Application submitted to Bexley for the demolition and redevelopment of the Application Site to provide 31 residential units alongside a commercial gym at ground floor level.
- 7.2 The provision of 31 new homes overall will provide an important contribution to meeting objectively assessed need for housing, which will make a significant contribution as part of meeting the Council's housing targets.
- 7.3 This Statement demonstrates the scheme cannot viably support any affordable housing. Notwithstanding, the applicant is prepared to make a contribution towards affordable housing delivery in view in light of the Council's policy objectives for affordable housing delivery.
- 7.4 However, it would not be practically feasible to incorporate on-site affordable housing due to the small number of units and poor management efficiency for a Registered Provider. It is therefore proposed a £250,000 payment in lieu of on-site delivery be provided.
- 7.5 The mix and location of the proposed housing products is appropriate having regard to site specific circumstances including:
- Bringing forward proposals for a site which are consistent with the vision outlined in emerging policy, namely the delivery of active town centre uses on the ground floor within the town centre boundary and residential units above and to the rear,
 - Additional housing supply to help meet the Council's housing targets which are not currently being met, and
 - A mix of unit sizes is suitable considering evidence of local need from the South East London SHMA as well as local demand, site context and the characteristics of the proposed development.
- 7.6 This Statement provides evidence which demonstrates, in accordance with the statutory Development Plan and other material planning considerations, the amount, type and mix of housing proposed is appropriate for the Application Site and Application Proposals.

Appendix 1 – Accommodation Schedule

PROJECT REF:	589
PROJECT NAME:	SIDCUP STATION ROAD
DATE CREATED:	31.07.20
REVISION/DATE:	REV 06 /14.04.2021

ACCOMMODATION SCHEDULE

							STUDIO	1B2p	2B3p	2B4p	3B4p	Total Area - GIA (m2)		
01-FIRST FLOOR												FRONT BLOCK	REAR BLOCK	
BLOCK A														
BLOCK A - FLAT 1							1B2P						50	
BLOCK A - FLAT 2							1B2P						50	
BLOCK A - FLAT 3							1B2P						59	
BLOCK A - FLAT 4									2B3P				61	
BLOCK A - FLAT 5							1B2P						54	
FIRST FL. (FRONT BLOCK) DWELLING TOTAL													274	
FIRST FL. (FRONT BLOCK) O.A. FLOOR GIA TOTAL													341	
FIRST FL. (FRONT BLOCK) PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA													80%	
BLOCK B														
BLOCK B - FLAT 1							STUDIO						40	
BLOCK B - FLAT 2							STUDIO						39	
BLOCK B - FLAT 3										2B4p			73	
BLOCK B - FLAT 4									2B3p				68	
BLOCK B - FLAT 5										2B4p			73	
FIRST FL. (REAR BLOCK) DWELLING TOTAL													293	
FIRST FL. (REAR BLOCK) O.A. FLOOR GIA TOTAL													360	
FIRST FL. (REAR BLOCK) PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA													81%	
02-SECOND FLOOR												FRONT BLOCK	REAR BLOCK	
BLOCK A														
BLOCK A - FLAT 6							1B2p						50	
BLOCK A - FLAT 7							1B2p						50	
BLOCK A - FLAT 8							1B2p						54	
BLOCK A - FLAT 9											3B4p		74	
BLOCK A - FLAT 10							1B2p						54	
SECOND FL. (FRONT BLOCK) TOTAL													282	
SECOND FL. (FRONT BLOCK) O.A. FLOOR GIA TOTAL													344	
SECOND FL. (FRONT BLOCK) PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA													82%	
BLOCK B														
BLOCK B - FLAT 6							STUDIO						40	
BLOCK B - FLAT 7							STUDIO						39	
BLOCK B - FLAT 8										2B4p			73	
BLOCK B - FLAT 9											3B4p		79	
BLOCK B - FLAT 10										2B4p			73	
SECOND FL. (REAR BLOCK) TOTAL													304	
SECOND FL. (REAR BLOCK) O.A. FLOOR GIA TOTAL													361	
SECOND FL. (REAR BLOCK) PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA													84%	
03-THIRD FLOOR												FRONT BLOCK	REAR BLOCK	
BLOCK A														
BLOCK A - FLAT 11							1B2p						50	
BLOCK A - FLAT 12							1B2p						50	
BLOCK A - FLAT 13							1B2p						54	
BLOCK A - FLAT 14											3B4p		74	
BLOCK A - FLAT 15							1B2p						54	
THIRD FL. (FRONT BLOCK) TOTAL													282	
THIRD FL. (FRONT BLOCK) O.A. FLOOR GIA TOTAL													344	
THIRD FL. (FRONT BLOCK) PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA													82%	
BLOCK B														
BLOCK B - FLAT 11											3B4p		83	
BLOCK B - FLAT 12										2B4p			73	
BLOCK B - FLAT 13											3B4p		79	
BLOCK B - FLAT 14										2B4p			73	
THIRD FL. (REAR BLOCK) TOTAL													308	
THIRD FL. (REAR BLOCK) O.A. FLOOR GIA TOTAL													361	
THIRD FL. (REAR BLOCK) PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA													85%	
04-FOURTH FLOOR												FRONT BLOCK	REAR BLOCK	
BLOCK A														
BLOCK A - FLAT 16									2B3p				72	
BLOCK A - FLAT 17							1B2P						50	
FOURTH FL. (FRONT BLOCK) TOTAL													122	
FOURTH FL. (FRONT BLOCK) O.A. FLOOR GIA TOTAL													162	
FOURTH FL. (FRONT BLOCK) PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA													75%	
BLOCK B														
FOURTH FL. (REAR BLOCK) TOTAL													0	
FOURTH FL. (REAR BLOCK) O.A. FLOOR GIA TOTAL													0	
FOURTH FL. (REAR BLOCK) PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA													N/A	

	STUDIO	1B2p	2B3p	2B4p	3B4p	TOTALS
BUILDING A	0	13	2	0	2	17
FLAT TOTALS						
BUILDING B	4	0	1	6	3	14
FLAT TOTALS						
BUILDING A + B	4	13	3	6	5	31
FLAT TOTALS						

BUILDING A	960
TOTAL PROPOSED DWELLING GIA (m2) 1F to 4F	
BUILDING A	1191
TOTAL OVERALL FLOOR GIA (m2) 1F to 4F	
BUILDING A	81%
PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA (m2) 1F to 4F	
BUILDING B	905
TOTAL PROPOSED DWELLING GIA (m2) 1F to 4F	
BUILDING B	1082
TOTAL OVERALL FLOOR GIA (m2) 1F to 4F	
BUILDING B	84%
PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA (m2) 1F to 4F	
BUILDINGS A + B	1865
TOTAL PROPOSED DWELLING GIA (m2) 1F to 4F	
BUILDINGS A + B	2273
TOTAL OVERALL FLOOR GIA (m2) 1F to 4F	
BUILDINGS A + B	82%
PERCENTAGE DWELLING GIA TO O.A. FLOOR GIA (m2) 1F to 4F	

2.	These areas have been calculated in accordance with the method defined by (RCS, Client etc) net, gross etc.
3.	These areas are derived from the 2D survey base drawings.
3.	These areas have been measured off preliminary drawings using the stated conventions:
	§ There is design development yet to take place that might affect them.
	§ The building may present anomalies in relation to surveyed/drawn plans (include for existing).
	§ The Contractor is required to work to specific tolerances during construction.
4.	Take account of these factors before planning any financial or property development purpose or strategy.
5.	Seek confirmation of areas before decision-making.
6.	The areas are approximate. They relate to the likely areas of the building at the current state of design, using the stated option (GIA) from the Code of Measuring Practice 5th Edition RCSI/ISVA.

LEGEND	
F-1B2p	1 Bedroom - 2 Person
F-2B3p	2 Bedroom - 3 Person
F-2B4p	2 Bedroom - 4 Person
F-3B4p	3 Bedroom - 4 Person

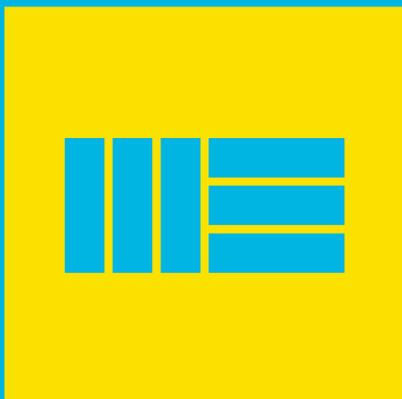
Appendix 2 – Private Sales Values

RESIDENTIAL SALES MARKET OVERVIEW

155-159 STATION
ROAD, SIDCUP,
BEXLEY, DA15 7AA

MONTREAUX LTD

APRIL 2021



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01

BACKGROUND

BACKGROUND

Montagu Evans have been instructed on behalf of Montreaux Ltd to provide an analysis of the local residential market including comparable evidence in reference to the proposed scheme at the acquired site; 155-159 Station Road, Sidcup, Bexley.

The scheme comprises 31 residential flats over two blocks reaching a maximum height of four storeys with the following mix:

Unit Type	Number	Percentage
Studio	4	13%
1 Beds	13	42%
2 Beds	9	29%
3 Beds	5	16%
Total	31	

The front building totals 17 units and the rear building 14 units. Neither propose any units on the ground floor.

In terms of unit sizes, the studios average 420-430 sq. ft. the one bed units average 538-581 sq. ft. two bed units average 657- 786 sq. ft. and three beds average 797-893 sq. ft. These unit sizes are slightly larger than the London Minimum Spaces Standards. When considering achievable prices, it is important to be mindful of the ceiling value for specific unit types.

The proposal includes a gymnasium area in the rear building totalling 14,418 sq. ft. and undercroft parking for 11 car parking spaces.



Figure 1: External Proposed Elevation CGI

02

LOCAL AREA

LOCAL AREA

The Site is situated on the western side of Station Road, approximately 0.6 miles north of Sidcup centre within the London Borough of Bexley. Station Road holds a number of commercial uses, however, the surrounding area to the south, west and north of the Site is a predominantly residential area. Immediately west of the Site is a car park allocated for residential development as part of the emerging Local Plan (2019).



Figure 2: Sidcup Train Station



Figure 3: Sidcup Park

The Site is located 0.1 miles north of Sidcup Station which provides Southeastern rail services to London Charing Cross (31 mins), London Cannon Street (36 mins) and London Bridge (17 mins). Trains are every 10 minutes during rush hour however stop at 7 stations before reaching London Bridge. It sits within travel Zone 5 and holds a PTAL rating of 4.

There are several amenities within walking distance of the Site such as two small supermarkets, a number of pubs, Sidcup Leisure Centre and Birkbeck Primary School. The centre of Sidcup however is a little further, circa 0.6 miles south, and offers a little more amenity such a chain restaurant, a doctor's surgery, Sidcup Rugby Club and a larger supermarket. Sidcup is a location which is attractive to city commuters, young professionals and families alike.

The area has spaces of open greenery. Sidcup Park is 0.1 miles from the Site and offers a large expanse of playing fields and a playground and Lamorbey Park is 0.3 miles north east and offers 57 hectares of gardens and ponds set around a Grade II listed mansion, Lamorbey House.

03

**SIDCUP
RESIDENTIAL
MARKET
COMMENTARY**

SIDCUP RESIDENTIAL MARKET

According to Land Registry data updated in April 2021, the average residential property price in Sidcup is currently £424,488, up 4% since 2019. This is 32% lower than the March 2021 London average house price of £624,975. This average is similar to other nearby areas such as Blackfen but is more expensive than Albany Park.

Most property sales over the last year in Sidcup were semi-detached properties which sold for an average of £498,677. Terraced properties sold for an average price of £397,198, whilst flats reached £253,368.

Despite the 4% rise in average property prices in Sidcup since 2019, we note that this is a market average, and not necessarily on all unit types. Additionally, the Help to Buy scheme, offering deposit/equity loans of up to 40% of the cost of the property up to the value of £600,000 and interest free for the first 5 years, has led to increased demand from first time buyers. This has helped drive house prices within the bracket. ONS statistics show that the number of Help to Buy loans in the London Borough of Bexley was 35% greater in Q1-Q3 2020 than in Q1-Q3 2019. Secondly, the year-long stamp duty holiday that commenced in June 2020 has further fuelled market demand, with HMRC figures recording 105,630 transactions in October, making it the busiest October in at least a decade. Both these initiatives have impacted the market and given that the latter is likely to have expired prior to the marketing of the units, we have taken a conservative approach when applying value growth.

Recent large scale new build residential developments have been limited in Sidcup. The most significant construction activity was seen in the years 2013 to 2016 whereby United House Developments brought forward 98 units (Athena House) outside Sidcup Station. Additionally, Peabody completed two schemes; 57 units (Hatherley House) and 37 units (Rectory Place) further south in the centre of Sidcup (Hatherley House). Another notable new build scheme during this time was Hill Residential's 38 units (Park View) which sold out in 2016.

NEW BUILD COMPARABLES

We have reviewed recent new build developments within the surrounding area to 155-159 Station Road, Sidcup and discussed the pricing and achieved sales values at each.

BOOMTOWN (PROGRESSIVE HOUSE)

Boomtown is an office to residential conversion comprising 27 one, two and three bed units in Footh Cray, Sidcup. The development began construction in Q1 2019 and is set to complete during Q2 2021. The units benefit from modern, open plan living spaces with bespoke kitchens and Smart technology throughout. Selected flats feature private balconies and parking is available on site.

The scheme launched to market in October 2020 via Acorn and seven units had sold at the end of 2020. A further three sold in Q1 2020. The current asking prices now start at £265,000 for a one bed, £345,000 for a two bed and £445,000 for a three bed.



Figure 4: Boomtown, Progressive House

IVY COURT

Ivy Court is a residential development comprising six residential units, over three storeys in nearby Blackfen. There are 4 x two-bedroom flats, and 2 x one-bedroom flats, each with a study room (second bedroom). A second floor two-bedroom flat, comprising 717 sq. ft. is currently on the market for £347,000 (£484 psf.). Flat 1, a two-bedroom flat, sold in July 2020 for £365,000 (£569 psf.) whilst Flat 4, also a two-bedroom flat, sold in November 2020 for £360,000 (£552 psf.). Flat 2, a 652 sq. ft. two bed, recently completed for £365,000 (£560psf).



Figure 5: Ivy Court

HOLMLEIGH HOUSE

Holmleigh House is a small collection of one- and two-bedroom flats adjacent to Waring Park at 17 Lansdown Road in Sidcup. The flats are within walking distance (0.4 miles) of Sidcup mainline train station and offer open plan living accommodation within a renovated Victorian building.

Data of achieved sales show Flats 6 and 7, both one beds measuring 566 sq. ft., sold in February 2020 for £275,000 (£488 psf.) whilst Flats 2 and 5, both two beds measuring 715 sq. ft., sold in March 2020 for £375,000 (£524 psf.).



Figure 6: Holmleigh House

ASHTON COURT, CLARENCE CRESCENT

A new build scheme reaching three storeys in height comprising 12 two-bedroom flats across two buildings. The development is located off Clarence Crescent close to the town centre of Sidcup, 0.4 miles south of Sidcup Station and 0.3 miles north of Sidcup High Street. The immediate area is solely residential, predominantly two storey detached Victorian housing stock.

All units have an allocated parking space and private outdoor space. The specification includes underfloor heating in the bathrooms and kitchens have integrated Bosch appliances.

We are aware of 10 sales within the development in 2019; 6 x two bed flats measuring 925 sq. ft. each sold for £400,000-£440,000, demonstrating values of £435 - £475 psf. A further 4 x two beds sold for £375,000-£390,000, achieving values of £470-490 psf. These four flats ranged from 765-800 sq. ft. It is worth noting this development comprises one new build building and one conversion which is reflected in the pricing.



Figure 7: Ashton Court

CAIRNS COURT, 41 HALFWAY STREET

Demolition of a two-storey dwelling has been replaced with a three-storey block comprising 2 x one bed flats and 3 x two bed flats with 3 car parking spaces. The development is 0.3 miles from the Site however is further from the station (0.4 miles) and other amenities. It neighbours a nursing home property to the east and a pub to the west.

Acorn New Homes have been marketing the scheme since January 2019 and to date two one beds measuring approximately 535 sq. ft. have sold for £325,000 each (£607 psf.) meanwhile a two-bed measuring approximately 646 sq. ft. sold for £350,000 (£542 psf.) and a second two bed of the same size sold for £360,000 (£557 psf.).



Figure 8: Cairns Court

Internally the units have been completed to a standard specification with integrated appliances, porcelain tiled bathroom and chrome finish. Although Cairns Court is slightly further from the station, it could be argued that Halfway Street is quieter and therefore a more desirable location, away from the busy parade of shops. That said, many purchasers may be put off by the neighbouring pub to the west.

The achieved sales illustrate a range of values between approximately £550 - £600 psf. We would expect similar values to be achieved at the proposed scheme at the Site.

GEORGE COURT, GRANVILLE ROAD

George Court is located 0.4 miles south of Sidcup station, closer to Sidcup town centre. It is a three-storey residential development comprising 3 x one-bedroom flats and 6 x two-bedroom flats. The scheme by A2 Dominion provides allocated parking for each unit to the rear of the site. The units are completed to a standard specification with Quartz kitchen worktops and integrated appliances as well as ceramic tiled walls and floors in the bathroom.

According to Land Registry, three flats sold in July 2018. Flat 2 and 3 are one beds measuring approximately 680 sq. ft. and sold for £325,000 (£477 psf.) and £320,000 (£473 psf.) respectively. Flat 5, a 798 sq. ft. two bed, sold for £425,000 (£533 psf.). A further sale was made in 2019 with Flat 8, a 1,491 sq. ft. two bed flat selling for £450,000 (£302 psf.).



Figure 9: George Court

Average prices at the development are within the £300-£540 psf. range. One-bedroom units were priced at an average of approximately £325,000 and two bedrooms £450,000. A number of the units are oversized which is why the £psf. range of values is so wide.

The final unit remaining, a basement level two-bedroom apartment measuring 1,064 sq. ft. is on the market for £485,000 (£456 psf.). Acorn Estate Agents are marketing the last remaining property.

OLD FARM PLACE

Old Farm Place is located 0.6 miles west of Sidcup Station and is a three-storey development comprising 60 residential units; 30 houses and 30 flats, with open space and allocated parking for each home. Construction is due to complete in December 2021 whilst the scheme launched this month, April 2021.

A four-bedroom, two bathroom detached property measuring 1,390 sq. ft. came to the market in April 2021 for £775,000 (£558 psf.). A three-bedroom, two bathroom detached property measuring 1,242 sq. ft. is currently on the market for £650,000 (£523 psf.). A two-bedroom, one bathroom apartment measuring 783 sq. ft. is on the market for £395,000 (£504 psf.) with private outdoor space. All three of these properties are being marketed by Site Sales in Loughton.



Figure 10: Old Farm Place

PIPELINE

The following site is currently under construction and is due to come to the market soon but marketing prices are yet to be released.

HILLCROSS PLACE (CONNECT)

Hillcross Place is located on Sidcup Hill, 0.1 miles from Sidcup High Street. It is a 42 unit scheme, with six affordable units currently being developed by Shanly Homes. The scheme comprises 21 x one-bedroom flats and 21 x two-bedroom flats across six storeys with associated landscaping and car parking. Each apartment features a form of private outdoor space with a balcony or terrace. Indicative sizing shows one beds measuring 540-600 sq. ft. and two beds measuring 760-895 sq. ft. Construction began in Q4 2020 and is due to complete Q4 2021. The marketing launch is scheduled for August 2021 when the first pricing will be released.



Figure 11: Hillcross Place

SECOND HAND COMPARABLES

The housing stock in the Sidcup area is a mix of Victorian housing; typically rows of terraced housing as well as larger semi-detached and detached 1930s properties. They are generally two storeys in height. Sought after areas include the popular county roads off the High Street. For this reason, the majority of second-hand flat sales are in fact re-sales of new build product built in the last 10 years.

We have prepared the table below to demonstrate the achieved prices of sold properties on the second-hand market within a mile radius of the Site that are most similar in terms of unit types; one- and two-bedroom flats. Unfortunately, there is little recent sales evidence for second hand three-bedroom flats so we have also used the sales of three bedroom houses as the closest comparable.

While the second-hand market analysis may not be as relevant as the new build sales comparable evidence, it is a useful exercise nonetheless in understanding the local market and reaching a firm conclusion on potential sales revenues at the proposed development. Land Registry Data has approximately a six-month delay to the current market and therefore explaining the minimal 2021 market activity included in our analysis.

ONE BED FLATS

Address	Unit Type	Price/Size (Sq. ft.)/£psf	Comments
Flat 4, Buckthorn House, Longlands Road, Sidcup, DA15 7NA	1 bed	£237,000 470 sq. ft. £504 per sq. ft.	Purpose built 1 st floor flat with allocated parking. Re-sold in January 2021.
10 Jubilee Way, Sidcup, DA14 4JP	1 Bed	£205,000 419 sq. ft. £489 per sq. ft.	Ground floor flat, in a three-storey purpose-built block. Re-sold in November 2020.
2 Darlinghurst Court, Chatswood Mews, DA14 6BF	1 Bed	£263,000 592 sq. ft. £444 per sq. ft.	Part of a modern development built in 2015. Re-sold in November 2019.

TWO BED FLATS

Address	Unit Type	Price/Size (Sq. ft.)/£psf	Comments
31, Cloudeseley Close, Sidcup, Greater London DA14 6TF	2 Bed	£310,000 700 sq. ft. £443 per sq. ft.	A second floor flat in a new development built in 2006. Re-sold in October 2020.
Flat 9, Hallam Court, 15A Hatherley Road, DA14 4DS	2 bed	£325,000 682 sq. ft. £477 per sq. ft.	Within a secure development built in 2012, close to Sidcup High Street and amenities. With allocated parking space. Re-sold July 2020.

Flat 9, Morland Court, 13 Hatherley Road, DA14 4FF	2 bed	£320,000 678 sq. ft. £472 per sq. ft.	Within a secure development built in 2012, close to Sidcup High Street and amenities. With allocated parking space. Re-sold July 2020.
18 Jubilee Way, Sidcup, DA14 4JP	2 bed	£238,000 485 sq. ft. £491 per sq. ft.	A second floor flat, in a three-storey purpose-built block. Re-sold in March 2020.

THREE BED UNITS

Address	Unit Type	Price/Size (Sq. ft.)/£psf	Comments
Flat 9, Hornbeam House, Manor Road, Sidcup, DA15 7JA	3 bed flat	£325,000 793 sq. ft. £410 psf	A three-bed apartment with allocated parking and communal gardens. Re-sold November 2020.
10 Chatswood Mews, DA14 6FE	3 bed house	£545,000 1,313 sq. ft. £415 per sq. ft.	A semi-detached house, part of a new development built in 2015. Re-sold December 2019.
3B Rectory Lane, DA14 4QN	3 bed house	£471,000 1,173 sq. ft. £402 per sq. ft.	Newly built terraced house in 2012, close to Sidcup High street. Re-sold in January 2019,

04

PRICING

CONCLUSIONS

PRICING CONCLUSIONS

- The proximity to Sidcup station and local amenities makes for a desirable location for the proposed scheme.
- We have only had view to the unit sizes and block layouts for the proposed scheme and are fully reliant on the limited information that has been provided to us, solely the Pre-Application Design Report Revision B dated April 2019 and Schedule of Accommodation by CREATE Revision 06 April 2021.
- We cannot comment on the amount of private amenity space or intended specification of the units within the proposed scheme. Additionally, the different aspects offered from the rear and front buildings. All will be influencing factors in pricing and have an impact on value as well as the location of any affordable units. It is unknown to us how the 11 car parking spaces will be allocated as these will have an effect on achievable prices too.
- The comparables in the Sidcup area show a range of capital values for one-bedroom units between £205,000-£260,000 for second-hand properties and £250,000-£325,000 for new build. Second hand two-bedroom units between £240,000-£325,000 and £315,000- £485,000 for new build.

There is little evidence for three-bedroom flats and so our recommendation on pricing for the proposed scheme is benchmarked from a single transaction of a three-bedroom flat and other three-bedroom houses. A recent three-bedroom new build flat is being marketed at a starting price of £445,000 whilst a three-bedroom new build detached house is marketed at £650,000. Recent sales in Sidcup show circa £325,000 to £545,000 for second hand three-bedroom properties. This indicates where the ceiling capital value for three-bedroom flats lies in the current market.

We believe that consideration to capital values is fundamental in pricing the proposed scheme and for this reason we recommend the following could be achieved at the Site:

Unit Type	Price	Average Size (Sq. ft.)	Typical £psf
Studio	£285,000	496	£575
One Bed	£300,000	575	£521
Two Bed (3 Person)	£375,000	735	£510
Two Bed (4 Person)	£385,000	753	£511
Three Bed	£425,000	815	£521

The units are slightly oversized and therefore provide a lower £psf. than some of the comparables despite the capital values being broadly in line.

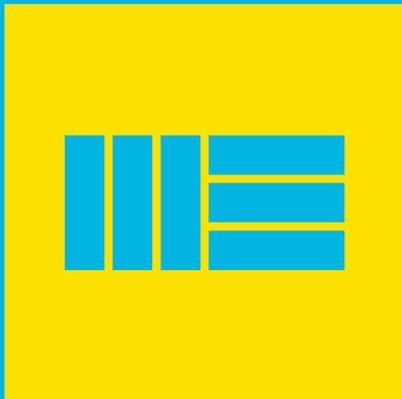
Please note that the figures provided and content of this note do not constitute a formal valuation in line with the RICS Valuation Standards and should not be relied upon as such.

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WE CONSIDER OUR CREDENTIALS, HOW WE HAVE STRUCTURED OUR BID AND OUR PROPOSED CHARGING RATES TO BE COMMERCIALY SENSITIVE INFORMATION.
WE REQUEST THAT THESE BE TREATED AS CONFIDENTIAL

Appendix 3 – Cost Plan



BUDGET COSTING EXERCISE

FOR

MIXED USE DEVELOPMENT TO PROVIDE A GYM AND 31NR RESIDENTIAL APARTMENTS

AT

FORMER LAMBORBHEY BATH SITE
155-159 STATION ROAD
SIDCUP
DA15 7AA

FOR

MONTREAUX STATION ROAD SIDCUP LTD

11 May 2021



CONTENTS

1.00 PROJECT INFORMATION

2.00 NOTES, ASSUMPTIONS, AND EXCLUSIONS

3.00 HIGH LEVEL BUDGET COST PLAN

11 May 2021

1.00 PROJECT INFORMATION

1.01 General Site Information

The site is located at the Former Lamorbey Baths Site, 155-159 Station Road, Sidcup, Kent DA15

The project comprises the demolition of the remaining part of an existing building, site clearance and the construction of a new mixed use development consisting of a new gym and 31nr residential apartments including external works.

1.02 Drawings

This Cost Plan has been compiled on the basis of the following drawings and information;

Create Design

589-CDA-ZZ-ZZ-DR-A-05-0100-REV 02-PROPOSED GROUND FL. PLAN

589-CDA-ZZ-ZZ-DR-A-05-0101-REV 02-PROPOSED FIRST FLOOR

589-CDA-ZZ-ZZ-DR-A-05-0102-REV 02-PROPOSED SECOND FL. PLAN

589-CDA-ZZ-ZZ-DR-A-05-0103-REV 02-PROPOSED THIRD FL. PLAN

589-CDA-ZZ-ZZ-DR-A-05-0104-REV 02-PROPOSED FOURTH FL. PLAN

589-CDA-ZZ-ZZ-DR-A-05-0105-REV 02-PROPOSED ROOF PLAN

589-CDA-ZZ-ZZ-DR-A-05-0400-REV 01-PROPOSED SECTION A-A & B-B

589-CDA-ZZ-ZZ-DR-A-05-0403-REV 01-PROPOSED BLOCK A & B ELEVATIONS

589-CDA-ZZ-ZZ-DR-A-05-0404-REV 01-PROPOSED NORTH & SOUTH ELEVATIONS

589-CDA-ZZ-XX-SH-A-SH-3001-REV.06

1.03 Specification

Internal finishes to the residential units is based on a medium standard of specification to reflect the location of the project and the anticipated market and letting values.

Gym unit has been taken to Developers shell only, i.e. no internal finishes; however includes incomings services, shopfront, cores and platform lifts.

All to be confirmed as the design develops.

11 May 2021

2.00 NOTES, ASSUMPTIONS, AND EXCLUSIONS

2.01 Notes

- All pricing approximate and subject to feasibility, scheme & detailed design.
- Costs are reported at current price levels and no allowance has been included for increased costs beyond 2Q 2021.
- Budget costs should be treated as provisional at this stage pending further details.
- Demolition / strip out costs can vary enormously on a project by project basis dependant on access, method, redundant and recyclable materials and the like. We would recommend that demolition allowances are market tested at the earliest opportunity.
- Selection of materials to include assessment of those easily and readily available.
- Costings based on current Building Regulations. No uplift for future requirements, future home standards, and / or any other enhancements.
- Fire engineered solution requirements, systems, and the like to be reviewed as design progresses.
- BREEAM and other sustainability matters are to be reviewed as required.
- Structural and Services design and advice should be sought at the earliest opportunity to test budget allowances / scope inclusions.
- Site Investigation to be reviewed, extent of contamination limited and localised hot spot removal allowed.
- All site abnormalities and specifics are subject to separate review.
- The cost plan sets out all inclusions made, no allowance beyond the items specifically noted has been made.

2.02 Assumptions

- The existing drainage infrastructure capacities are sufficient to support the proposed development.
- Gravity drainage can be achieved.
- Internal finishes to the residential units is based on a medium standard of specification to reflect the location of the project and the anticipated market and letting values; all to be confirmed and the design develops.
- It is assumed that the site will be vacant allowing construction works to be undertaken in a single phase.
- Phasing and sequencing of works should be reviewed and explored further to investigate / achieve the most economical sequence of development.
- Each phase of the development, once defined, will be procured on a single stage D&B contract.
- The development will be constructed by and small / medium local contractor.
- Current London Plan requirements only allowed; unless specifically noted otherwise.

11 May 2021

2.00 NOTES, ASSUMPTIONS, AND EXCLUSIONS (cont.)

2.03 Exclusions

- Professional fees.
- Land acquisition.
- Building warranty fees, bonds or similar.
- VAT.
- Party wall matters.
- Section 106, 278, CiL or similar costs and any associated fees.
- No allowance has been made for onerous planning conditions beyond those normally anticipated.
- Marketing costs.
- Specialist ground remediation, contaminated arisings and waste; above that specifically noted in the cost plan.
- Offsite infrastructure reinforcement.
- Service diversions, except where specifically noted.
- Sustainability matters, other than those noted in the Cost Plan.

11 May 2021

3.00 BUDGET COST PLAN

		Quantity	Unit	Rate	Total £
1.00	Demolition, Site Clearance & Enabling				
1.01	Site clearance and removal of vegetation	1	Item	1,500	1,500
1.02	Existing services disconnections	1	Item	12,000	12,000
1.03	Existing drainage diversions	1	Item	25,000	25,000
1.04	Demolition of existing building	600	m ²	65	39,000
1.05	e/o for asbestos removal within existing building	1	Item	12,500	12,500
1.06	Temporary works / propping to adjoining buildings	1	Item	65,000	65,000
1.07	Temporary weatherproofing of adjoining buildings	1	Item	2,500	2,500
1.08	Excavate to and break out existing pool structure	2,400	m ³	15	36,000
1.09	Infill void with excavated material from stockpile	1,200	m ³	5	6,000
1.10	Form piling mat from crushed arisings.	1,200	m ²	15	18,000
1.11	Disposal of surplus material off site	1,200	m ³	55	66,000
1.12	e/o allowance for contamination; say 20%	240	m ³	150	36,000
2.00	Ground Floor				
2.01	Gym; shell only	1,210	m ²	1,260	1,524,600
2.02	Residential communal areas; including bins & bikes	210	m ²	1,325	278,250
2.03	e/o for piled foundations	1,095	m ²	125	136,875
2.04	e/o for stepping of ground floor slab	1	Item	15,000	15,000
2.05	e/o for underpinning / propping of adjoining foundations	20	m	1,500	30,000
2.06	Gym entrance / frontage	40	m ²	750	30,000
2.07	Balustrades to gym mezzanine	34	m	500	17,000
2.08	Cores to mezzanine; incl. platform lifts	2	nr	25,000	50,000
3.00	First Floor				
3.01	Residential apartments (10nr)	567	m ²	1,585	898,695
3.02	Residential communal areas	134	m ²	1,075	144,050
3.03	Balconies	0	nr	5,000	0
3.04	Terraces	10	nr	3,500	35,000
3.05	e/o for transfer slab / structure	701	m ²	250	175,250
3.06	Landscaped podium; incl. planting & street furniture	360	m ²	325	117,000
3.07	Stepped access to podium landscaping	2	nr	7,500	15,000
3.08	External platform lifts	2	nr	10,000	20,000
3.09	Amenity / gym equipment or similar	1	Item	25,000	25,000
3.10	Soffit finishes to undercrofts	120	m ²	125	15,000
4.00	Second Floor				
4.01	Residential apartments (10nr)	586	m ²	1,585	928,810
4.02	Residential communal areas	119	m ²	1,075	127,925
4.03	Balconies	6	nr	5,000	30,000
4.04	Terraces	4	nr	3,500	14,000

11 May 2021

3.00 BUDGET COST PLAN

		Quantity	Unit	Rate	Total £
5.00	Third Floor				
5.01	Residential apartments (9nr)	590	m ²	1,585	935,150
5.02	Residential communal areas	115	m ²	1,075	123,625
5.03	Balconies	6	nr	5,000	30,000
5.04	Terraces	4	nr	3,500	14,000
6.00	Fourth Floor				
6.01	Residential apartments (2nr)	122	m ²	1,585	193,370
6.02	Residential communal areas	40	m ²	1,075	43,000
6.03	Terraces	4	nr	3,500	14,000
7.00	External Works				
7.01	Hard & soft landscaping	520	m ²	150	78,000
7.02	Boundary treatments; fencing & gates	35	m	150	5,250
7.03	External drainage; incl. rainwater harvesting &	1	Item	75,000	75,000
7.04	External lighting & bollards	1	Item	15,000	15,000
7.05	Make good existing footpath	120	m	200	24,000
7.06	Plane and re-lay existing tarmac road surface	120	m	950	114,000
7.07	Shared carriageway / crossing (raised table)	1	Item	25,000	25,000
8.00	Incoming Services				
8.01	Electric incl. substation	1	Item	175,000	175,000
8.02	Gas; for gym	1	Item	10,000	10,000
8.03	Water	1	Item	12,500	12,500
8.04	Telecoms / Fibre	1	Item	7,500	7,500
8.05	BWIC	1	Item	50,000	50,000
	SUB-TOTAL				£6,891,350
9.00	Preliminaries & OH&P				
9.01	Preliminaries	16%		6,891,350	1,102,616
9.02	Contractor's OH&P	6%		7,993,966	479,638
	SUB-TOTAL				£8,473,604
10.00	Contingency				
10.01	Contingency	5%		8,473,604	423,680
	TOTAL COST (Rounded to nearest £1,000)				£8,897,000

Total GIFA (approximate): 3,693 m²
 Cost Per m²: £2,409
 Cost Per sqft: £224

Appendix 4 – Scheme Appraisal

Station Road, Sidcup
London Borough of Bexley

Development Pro Forma
Quod
May 12, 2021

Station Road, Sidcup
London Borough of Bexley

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private Residential	31	20,075	528.02	341,935	10,600,000

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commercial	1	13,164	15.00	197,460	197,460	197,460

Investment Valuation

Commercial

Market Rent	197,460	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	2,852,438

GROSS DEVELOPMENT VALUE

13,452,438

Purchaser's Costs			(193,966)	
Effective Purchaser's Costs Rate		6.80%		

(193,966)

NET DEVELOPMENT VALUE

13,258,472

TOTAL PROJECT REVENUE

13,258,472

DEVELOPMENT COSTS

ACQUISITION COSTS

Residualized Price (Negative land)			(530,142)	(530,142)
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CONSTRUCTION COSTS

Construction

ft² Build Rate ft² Cost

Station Road, Sidcup

London Borough of Bexley

Build Costs	39,751	223.82	8,897,000	8,897,000
LB Bexley CIL	20,075 ft ²	5.57	111,818	
MCIL2	20,075 ft ²	2.32	46,574	
Affordable Housing PIL			250,000	408,392

PROFESSIONAL FEES

Professional Fees		10.00%	889,700	889,700
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MARKETING & LEASING

Marketing		1.50%	159,000	
Leasing Agent Fee		10.00%	19,746	
Leasing Legal Fee		5.00%	9,873	188,619

DISPOSAL FEES

Sales Agent Fee		1.50%	198,877	
Sales Legal Fee	31 un	800.00 /un	24,800	223,677

MISCELLANEOUS FEES

Private Profit		20.00%	2,120,000	
Commercial Profit		15.00%	427,866	2,547,866

FINANCE

Timescale	Duration	Commences
Pre-Construction	6	May 2021
Construction	24	Nov 2021
Sale	9	Nov 2023
Total Duration	39	

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Land	(69,418)
Construction	649,163
Other	53,615
Total Finance Cost	633,360

TOTAL COSTS

13,258,472