



## **Financial Viability Appraisal**

Viability Review Report

Friars Garth

The Parade

Epsom

Surrey

KT18 5DH

October 2023

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## 0 Executive Summary

The report provides a Financial Viability Assessment (FVA) of the proposed development at erection of four storey building comprising 12 residential flats (1 x 1 bedroom, 7 x 2 bedroom and 4 x 3 bedroom) together with alterations to vehicular access, landscaping and associated works, following demolition of existing dwelling.

We understand the applicant has planning consent granted for erection of a three storey building comprising 9 residential flats (1 x 1 bedroom, 6 x 2 bedroom and 2 x 3 bedroom) together with alterations to vehicular access, landscaping and associated works, following demolition of existing dwelling. This scheme is making a much reduced profit margin due to labour & material inflation and softening sales values. The applicant therefore wishes to introduce an additional three apartments to make the scheme more viable.

Benchmark Land Value we assess via the EUV+ method in the nationally recognised manner.

The key outputs from the FVA are summarised in the below table.

GDV	£5,029,344
Costs	£2,643,851
Finance	£407,180
Profit	£880,135
Benchmark Land Value	£1,150,000
Residual Land Value	£1,098,178
RLV-BLV	<b>£51,822</b>
Target Profit	17.5%
Actual Profit	17.5%

Table 1.

This FVA demonstrates that on a 100% open market value basis the resulting actual return has a deficit on the allowed profit figure. The development therefore cannot viably make an affordable housing contribution payment.

Benchmark Land Value (BLV) is assessed via the EUV+ method in line with national policy.

## 1 Introduction

**1.1** Development Consultancy have produced this report to determine the level of Affordable Housing Contribution that could be expected for a full planning application for development scheme detailed. The site currently has full planning consent, reference 21/00701/FUL for erection of a three storey building comprising 9 residential flats (1 x 1 bedroom, 6 x 2 bedroom and 2 x 3 bedroom) together with alterations to vehicular access, landscaping and associated works, following demolition of existing dwelling.

**1.2** The subject site was a detached property called Friars Garth, The Parade, Epsom, Surrey, KT18 5DH.

**1.3** The applicant is applying for consent to replicate the first floor, so 1 nr. 2 bed apartment and 2nr. 3 bed apartments. This would make a 12 property scheme and the councils' policy is that developments of 5-14 units, or sites between 0.15ha and 0.49ha will be expected to provide 20% of the proposed homes as on-site affordable housing

**1.4** The Application is made on behalf of: Weldin Builders Ltd.

**1.5** The purpose of the report is to comment on the viability of the proposed development in light of the current market conditions at the time of the report and to set out a proposal for the S106 / Affordable Housing obligations at a level the scheme can support whilst remaining viable.

**1.5.1** A variety of supplementary evidence and a copy of the development appraisal have been supplied as appendices to this report.

**1.5.2** This report is not a valuation and should not be relied upon as such. In preparing this report, no 'performance-related' or 'contingent' fees have been agreed.



## **2 Development Consultancy**

**2.1** Development Consultancy's Principal has over 25 years' experience in Property Development, having developed & managed numerous residential schemes throughout the UK.

**2.2** The author of this report is Kevin Hodgson. His area of expertise is land and property development. He has functioned as a direct developer and consultant. Over a period of 25 years, he has gained a plethora of skills and knowledge working in the private sector, on development projects. This has covered mixed-use, town centre, residential and logistics developments from inception to delivery.

**2.3** In the past few years, Kevin Hodgson and Development Consultancy have acted on numerous viability cases. The clients are primarily private sector developers. He has acted against Lambert Smith Hampton, Keppie Massie, Altair, Dixon Searle Partnership and many others.

**2.4** His years of experience in development and regeneration, and involvement in numerous viability cases acting for the private sector, makes him suitably qualified to comment/advise on matters relating to Viability in Planning

### 3 Appraisal Methodology

**3.1** The appraisals in the report have been produced using HCA Toolkit Viability software following the methodology shown below in Figure 1.

**3.2** In completing the appraisal, reference has been made to RICS Guidance Viability in Planning and the NPPF as per the updated PPG (Sept 2019).

**3.3** Build costs calculated with rebased BCIS cost index evidenced within the report and internal market data.

**3.4** Sales Market Data has been provided by Development Consultancy following an extensive review of transactional data, enquiries to local agents and a review of published data on Rightmove, Zoopla and specialist industry websites.

Appraisal Methodology
Income
Residential Sales / Gross Development Value
Less Development Costs
Build Costs (per sq ft) Professional Fees Internal Overheads (Where applicable) Financial Costs Marketing Fees Exceptional Development Costs (where applicable) Land Financing Costs Planning Obligations
Less profit
Equals Residual Land Value (RLV)

Figure 1 – Appraisal Methodology

**3.5** The Viability Guidance to accompany the NPPF is contained in the updated PPG (Sept 2019). This document states that

**3.6** “*Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.*” (Paragraph: 010)

**3.7** A positive output figure represents additional margin beyond a standard development profit and confirms viability. A zero output confirms that values and costs (including profit allowance) balance confirming viability. A negative value illustrates that the policy requirements of the plan cannot be met without threatening viability (i.e., the developers profit allowance or return for the landowner).

**3.8** “Assessing viability in planning under the National Planning Policy Framework 2019 for England” is the new Guidance Note issued by the RICS. The guidance illustrates the residual valuation framework principles contained in paragraph: 010 of the PPG, and we have reproduced the relevant diagram from the guidance below in Figure 2

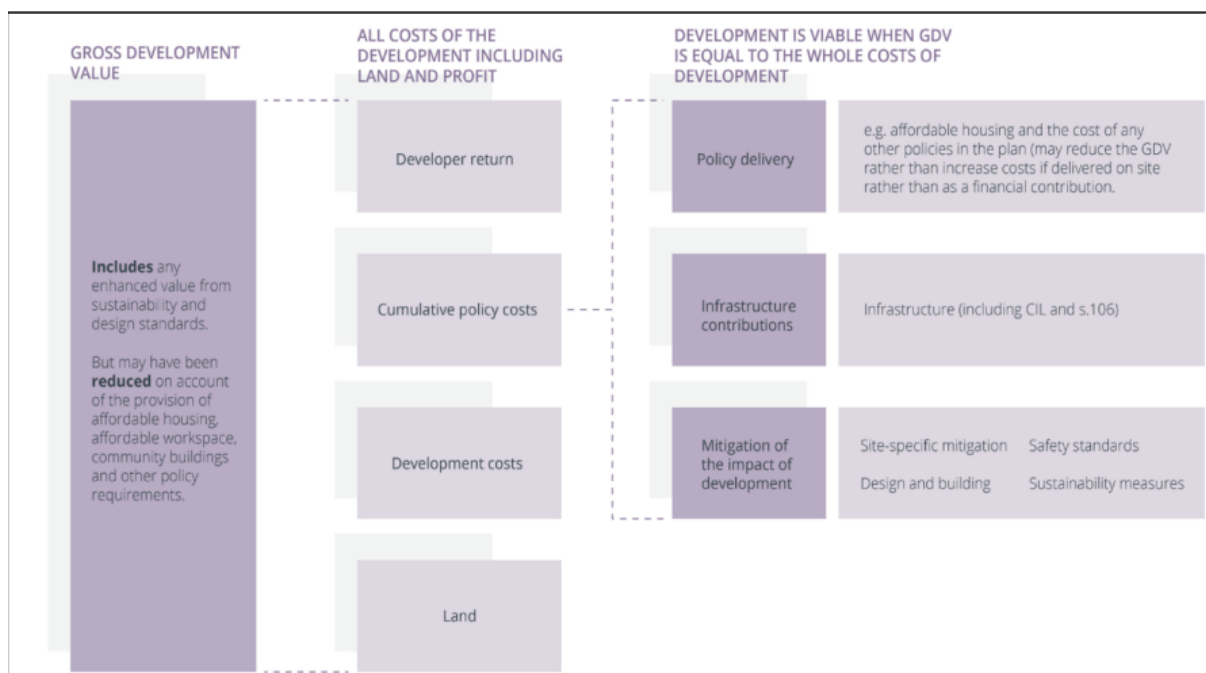


Figure 2 – RICS Diagram

## 4 Project Details & Planning Policy

**4.1** The subject site was a detached dwelling Friars Garth, The Parade, Epsom, Surrey, KT18 5DH.

**4.2** The site is area is 0.18 acres. The site is located in The Parade, Epsom. Epsom is a town in the Borough of Epsom and Ewell in Surrey, England, about 14 miles south of central London.

**4.3** Policy CS9 of the Core Strategy sets out the expectations regarding affordable housing in the Borough, this can be seen below:

### **Policy CS 9**

**The Council has a target that overall, 35% of new dwellings should be affordable. This equates to the provision of 950 new affordable homes over the period 2007 to 2022.**

**New housing developments should include a mix of dwelling types, sizes and tenures which help meet identified local housing needs and contribute to the development of mixed and sustainable communities.**

**Taking into account the viability of the development proposed and other planning objectives, the Council will negotiate to achieve the provision of affordable housing as set out below:**

**Residential developments of between five and fourteen dwellings gross (or on sites between 0.15ha and 0.49ha - irrespective of the number of dwellings proposed) should include at least 20% of dwellings as affordable.**

**Residential development of 15 or more dwellings gross (or on sites of 0.5ha or above) should include at least 40% of dwellings as affordable.**

**The Council will seek to ensure that the affordable housing remains affordable to successive as well as initial occupiers through the use of planning conditions or a planning obligation.**

**4.4** For developments of 5-14 units, or sites between 0.15ha and 0.49ha will be expected to provide 20% of the proposed homes as on-site affordable housing.



**4.5** The purpose of this FVA is to determine whether the development can support such a contribution.

**4.6** National Planning Practice Guidance (Viability Sept 2019)

**4.7** Paragraph 2 states that the role of a financial viability assessment (FVA) is primarily at the plan making stage. It is the responsibility of site promoters to engage in plan making and the price paid for land is not relevant justification for failing to accord with the relevant policies of the plan.

**4.8** Paragraph 10 states that any FVA should be supported by appropriate evidence and that the FVAs should be proportionate, simple, transparent and publicly available. This ethos is expanded upon in paragraphs 11-18 where the relative values and costs (including land value) are discussed in further detail.

**4.9** Paragraph 15 states that the EUV is the value of the land in its existing use without hope value.

**4.10** Paragraph 16 advises that the premium to be applied to the EUV should be a reasonable incentive to the landowner to bring forward the development whilst allowing for policy compliance.

**4.11** Policy Requirements for the Scheme, Epsom and Ewell council have a CIL policy and the current 2023 rate for residential dwellings is £185.67 per sq. m<sup>2</sup>.

The index figure for 2023 (1 January to 31 December inclusive) is 355. The rates per square metre that apply to planning applications granted on or before the 31<sup>st</sup> December 2023 are detailed below.

Development Type	Charging schedule levy	Indexed 2023 CIL rate
Residential dwellings (C3)	£125	£185.67

**4.12** A Location Plan and Site Plan showing the layout of the proposed scheme are provided in Appendixes 1 & 2.

## 5 Appraisal Assumptions & Inputs

### 5.1 Residential Values

**5.2** For the purposes of this report the residential element of the scheme as proposed is outlined below in Table 1.

Unit	Number of Units	Size m2	£/m2	No. of Beds	Value
Unit 1	1	73	£5,845	2	424,933
Unit 2	1	65	£5,803	2	378,365
Unit 3	1	75	£5,860	2	436,575
Unit 4	1	79	£5,806	3	459,859
Unit 5	1	79	£5,806	3	459,859
Unit 6	1	75	£5,860	2	436,575
Unit 7	1	79	£5,821	3	459,859
Unit 8	1	79	£5,821	3	459,859
Unit 9	1	75	£5,821	2	436,575
Unit 10	1	61	£5,821	2	355,081
Unit 11	1	65	£5,803	2	378,365
Unit 12	1	59	£5,821	1	343,439
Total	1	864			£5,029,344

Table 1

**5.3** The residential values are based on our own research which is benchmarked and evidenced in Appendix 4. We initially model the scheme as an 100% OMV scheme and if the residual value of the scheme exceeds the benchmark land value, we then carry out further modelling to arrive at level of contributions the scheme can viably make.

**5.4** Ground Rents The Leasehold Reform (Ground Rent) Act 2022, which recently received Royal Assent, will mean dwellings in this development are likely to be sold freehold (or as part of a commonhold) title, or long leasehold and not subject to any ground rent above a peppercorn. This effectively restricts the ground rent of the lease to zero financial value. Therefore, no value is assigned within this FVA.

**5.5** Our sales values are reflective of the current marketplace where mortgage affordability is an issue and actual selling prices are significantly lower than advertised prices.

**5.6** For the purpose of the 100% Open Market appraisal, we have adopted a Sales Values of between £5,803 and £5,860 per sq. m<sup>2</sup>. We have allocated nil value for the parking spaces and the apartment prices are reflective of one parking space per apartment being included in the sale.

**5.7** Our own research evidenced in Appendix 4 gives an average sold price of apartments in the last 9 months within 0.5 mile of KT18 5DH of £344,434 at an average selling price of £487 per sq. ft. This equates to £4,524 per sq. m<sup>2</sup>

**5.8** We have also benchmarked some apartments currently on the market below in Table 2. These asking prices range from £5,000 to £6,639 per sq. m<sup>2</sup>. Further details of these houses are within Appendix 4. This shows specification, size & the scheme environments are hugely influential on the asking price.

Address	Area m2	£/m2	Sale Price
144 East Street, Epsom - 1 bed	52	£5,769	£300,000
Asheley Road, Epsom - 2 bed	61	£6,639	£405,000
Church St, Epsom - 2 bed	66	£5,303	£350,000
Dalmeny Way, Epsom - 2 bed	62	£5,645	£350,000
St. Martins Avenue, Epsom	85	£5,000	£425,000
Alexandra Mansions, Epsom - 2 bed	81	£5,864	£475,000
The Parade, Epsom	67	£5,970	£400,000
Sandown Lodge, Avenue Road - 3 bed	109	£5,963	£650,000
Avenue Road, Epsom - 3 bed	76	£5,921	£450,000

Table 2 – Comparable properties

**5.9** The Halifax August price index shows below a fall in value of 1.9% and shows Southern England with most down pressure on property prices.

**5.10** “UK house prices fell again in August, with the monthly drop of -1.9% the steepest since last November, following a period of relative stability. The average home now costs £279,569, down by around £5,000 since July, and back to the level seen at the start of last year. On an annual basis prices fell by -4.6%, the biggest year-on-year decrease since 2009”

“We do expect further downward pressure on property prices through to the end of this year and into next, in line with previous forecasts. While any drop won’t be welcomed by current homeowners, it’s important to remember that prices remain some £40,000 (+17%) above pre-pandemic levels.

- **Average house price fell by -1.9% in August, the largest monthly fall since November 2022**
- **Property prices dropped by -4.6% on an annual basis, from -2.5% in July, though prices were at a record peak last summer**
- **Typical UK home now costs £279,569, down by around £14,000 over the last year, back to the level seen in early 2022**
- **Average prices remain around £40,000 above pre-pandemic levels**
- **Southern England and Wales seeing most downward pressure on property prices, Scotland showing greater resilience**

### Halifax House Price Index

Source: Halifax, S&P Global



## 5.11 Construction Cost

5.11.1 We refer to the BCIS database for new build costs for flats rebased to the Epsom and Ewell area. This is evidenced with Appendix 5. We reserve the right to revisit these figures. You will see below in Fig. 3 the BCIS median value is **£1,883**.

**BCIS<sup>®</sup>**

### £/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 23-Sep-2023 07:35

Rebased to Epsom and Ewell ( 113; sample 11 )

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m <sup>2</sup> gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
816. Flats (apartments)							
Generally (15)	2,003	994	1,659	1,883	2,253	6,814	855
1-2 storey (15)	1,885	1,171	1,598	1,798	2,105	3,932	181
3-5 storey (15)	1,979	994	1,649	1,880	2,230	4,164	573
6 storey or above (15)	2,364	1,445	1,918	2,220	2,573	6,814	98

Fig 3.

5.11.2 It is important to note that the BCIS costs only cover the fabric of the building and standard internal fittings. They also exclude measures required to meet the new Building regulations Part L & F build costs will increase compared to historic BCIS figures as these new requirements have not been provided for within the BCIS base build cost data. The BCIS figures exclude abnormal costs, new building regulations, superior finishing / specification and externals.

5.11.3 We have listed the external works and abnormal costs below in Table 3. We therefore feel the build costs are realistic for the nature, proposed quality and size of this property. The external cost is 10% of the total BCIS m<sup>2</sup> build cost and equates to £179,712.

5.11.4 The reduced level dig is an abnormal cost and we've applied a rate of £52 per m<sup>3</sup>, the site is 0.18 acre and the reduced level dig was 1m in depth. This equates to a cost of £37,856 including disposal.

5.11.5 Non-BCIS Build Cost Items. The BCIS data only allows for the cost of the building. Therefore, these are costs not included for within the BCIS sq. m<sup>2</sup> figures and are shown below in Table 3.

5.11.6 Demolition costs of £50,000 for the existing structure Friars Garth, including service disconnection and disposal. The site specific sustainability costs are £3,500 per unit to allow for the increased costs in complying with the new Part L standards.

Works Required	Cost
Site Preparation / Demolition	£50,000
Reduced Level Dig	£37,856
Externals	£179,712
Services	£36,000
Part L / Sustainability	£42,000
Strategic Landscaping	£22,000
Total	£367,568

Table 3 – Non-BCIS Build Cost Items

5.11.7 The build costs adopted allows for the material expected to be used in the area and specified in the planning drawings.

5.11.8 The sq. m<sup>2</sup> rates allow for builder's preliminaries costs (Welfare & storage facilities, & security fencing). The build cost total is **£2,164,693** including 5% contingency.



## 5.12 Building Contingency

5.12.1 It is normal in construction projects to allow a 5% contingency and in this particular case in our professional opinion its prudent & acceptable. This figure is within the total construction cost outlined in paragraph 5.11.8 above.

## 5.13 Professional Fees

5.13.1 In this instance we have adopted Professional Fees of **£136,924** this figure is 8% of the total construction cost value and covers the envisaged professional costs evidenced below, this list is not exhaustive.

- Architects Fees
- Structural Engineers Fees
- Building Regulation Cost
- Planning Consultant
- Building Warranty cost
- Robust Details cost
- Planning Application Fees

## 5.14 Financing Costs

5.14.1 We have assumed that the development will be 100% debt financed, at a debit rate of **8%**. The BOE base rate is currently 5.25% and the margin for borrowing is normally 4%. This results in a total finance cost of £357,180 based on the above rate and in the commercial marketplace 8% is a competitive loan rate currently. All lenders require an arrangement and exit fee and we have modelled this by including a £50,000 fee in the appraisal in addition to the interest modelled above.

## 5.15 Project Period

5.15.1 We are anticipating the build period to be 16 months and consider this is reasonable based on our commercial experience.

## 5.16 Abnormal Costs

5.16.1 Taking into account the technical challenges posed by this site any abnormal costs have been allowed for within the 5% Contingency allowance or identified above in items which are in addition to the BCIS m<sup>2</sup> cost.

## 5.17 Sales & Marketing Costs

5.17.1 We have allowed 2% of Sales Values for agent's fees, and marketing costs. Legal Fees of £1,000.

## 5.18 Planning Obligations

5.19 We understand if the 2023 prevailing rate if CIL is applied then a payment of £168,764 is due. This is included with the FVA model.

## 5.20 Developers Return for Risk & Profit

5.21 The NPGV contains the following advice at para 18:

### **How Should a return to developers be defined for the purpose of viability assessment?**

*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.*

5.21.1 Developers Profit has been assumed at **17.5%** (Profit on GDV) for the scheme. We reserve the right to revisit this figure.



## 6 Existing Use Value of the Site

**6.1** Identifying an appropriate Site Value Benchmark requires judgement bearing in mind that national planning guidance indicates that appropriate land for housing should be ‘encouraged’ to come forward for development. The NPPF provides guidance on viability benchmarks for planning purposes.

**6.2** The Planning Practice Guidance (PPG) sets out how land value should be assessed for the purpose of viability assessment. It 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 fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus (EUV+)’.”*  
(Paragraph:013 Reference ID: 10-013-20190509)

**6.3** The premium (or the ‘plus’ in EUV+), is the amount above existing use value (EUV) that goes to the landowner. The PPG states that:

*“The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.”*  
(Paragraph:016 Reference ID: 10-016-20190509)

**6.4** The PPG states that:

*“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”.*

**6.5** The application site comprised a large detached two-storey single dwelling, known as Friars Garth, set back from The Parade with a generous rear garden and frontage parking. The dwelling appears to date from the early 1930s with few alterations and which features rendered elevations, bay windows and a large pitched tiled roof.

**6.6** As evidenced within Appendix 4 a detached property with a large plot on the Parade with a good specification is worth circa £1.1 to £1.3 million as supported by a sale of 22 The Parade in October 2017 for £912,500 and 16 The Parade for £885,000 in September 2016. There has been a significant amount of house price inflation since then.

**6.7** Friars Garth also has the benefit of a planning consent for nine properties, we feel as the condition of the building was unknown an existing use value of £1,000,000 is appropriate.

**6.8** Considering the most appropriate EUV/EUV+ figure to use the premium to be applied to the EUV should be a reasonable incentive to the landowner to bring forward the development. Therefore, with a 15% premium the figure of **£1,150,000** becomes our Benchmark Land Value. We reserve the right to amend this in due course.

**6.9** We have assessed the viability of the application proposals against the BLV assessed in accordance with the PPG. The appraisal adopts a residual methodology with the costs including a fixed developers profit at 17.5% of GDV deducted from the sales revenues to leave a residual land value, which is then compared to the benchmark figure of £1,150,000.

## 7 Appraisal Results & Analysis

**7.1** We have appraised the proposed scheme against our Benchmark Land value as outlined below to establish how various contributions and the affordable housing affect the schemes viability. This establishes the maximum level of planning contributions the scheme can contribute without affecting viability.

**7.2** In the 100% Open Market Value appraisal the residual land value is **£1,098,178** and when this is compared to the Benchmark Land Value of **£1,150,000** there is an overall deficit on the scheme of **£51,822**.

**7.3** The above figures show viability is a serious concern on the 100% OMV scheme and the application of any affordable housing / S106 contribution would cause the scheme to be unviable.

**7.4** As outlined previously on Para 3.7 earlier in the report a positive output figure represents additional margin beyond a standard development profit and confirms viability.

**7.5** A negative value illustrates that the policy requirements of the plan cannot be met without threatening viability (i.e., the developers profit allowance or return for the landowner).

## 8 Conclusion

**8.1** In order to form a view on the viability of the scheme Development Consultancy has produced the appraisal which is contained within Appendix 5.

**8.2** In order to form a view on viability we have tested developers returns adopting EUV+ as the Benchmark land value.

**8.3** We have used nationally recognised software to run the viability appraisals and these offer robust outcomes. Due regard has been given to NPPF and the NPPG.

**8.4** The outcome of the appraisal clearly shows there are viability concerns with the proposed scheme, therefore due regard & consideration should be given when setting planning obligations.

**8.5** The BLV contained within the appraisal is conservative and following NPPF/ NPPG guidance, recognises the landowner would need to be incentivised to sell and uses comparative open market data.

**8.6** The viability appraisal shows the scheme is at the limit of viability, it cannot make an affordable housing contribution payment.

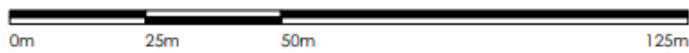
## Appendix 1

### Site Location Plan



Ordnance Survey (c) Crown Copyright 2018. All rights reserved. Licence number 100022432

Location Plan



Scale 1:1250



## Appendix 2

### Site Plan



## Appendix 3

### Schedule of Accommodation

Unit	Number of Units	Size m2	£/m2	No. of Beds	Value
Unit 1	1	73	£5,845	2	424,933
Unit 2	1	65	£5,803	2	378,365
Unit 3	1	75	£5,860	2	436,575
Unit 4	1	79	£5,806	3	459,859
Unit 5	1	79	£5,806	3	459,859
Unit 6	1	75	£5,860	2	436,575
Unit 7	1	79	£5,821	3	459,859
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Unit 10	1	61	£5,821	2	355,081
Unit 11	1	65	£5,803	2	378,365
Unit 12	1	59	£5,821	1	343,439
Total	1	864			£5,029,344



## Appendix 4

### Market Research

#### 1 bed

144 East Street, Epsom |  [See map](#)



Offers in Excess of

**£300,000** 

 Monthly mortgage payments

Reduced on 20/04/2023

PROPERTY TYPE

 Flat

BEDROOMS

 ×1

BATHROOMS

 ×1

SIZE

 560 sq. ft.  
(52 sq. m.)

TENURE 

Leasehold

#### 2 beds

Ashley Road, Epsom, KT18 5BW |  [See map](#)




**£405,000** 

Added on 21/08/2023

 13 other properties at The Woodcote

PROPERTY TYPE

 Apartment

BEDROOMS

 ×2

BATHROOMS

 ×1




SIZE

 656 sq. ft.  
(61 sq. m.)

**£350,000** [See how much I could borrow](#)

2 bed flat for sale

Church Street, Epsom KT17

 2 beds  2 baths  1 reception

Tenure:

Not available 

Council tax band:

D



Marquis Court, Station Approach, Epsom | [See map](#)



£385,000 ⓘ

Monthly mortgage payments

Added on 13/06/2023

PROPERTY TYPE

Flat

BEDROOMS

×2

BATHROOMS

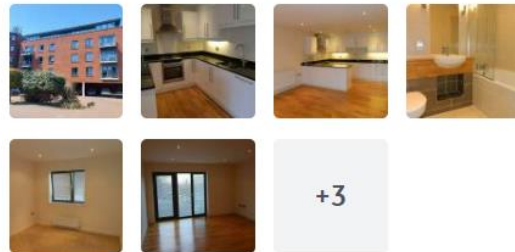
×2

TENURE ⓘ

Leasehold



1



LEASEHOLD

Guide price

£350,000 [See how much I could borrow](#)

2 bed flat for sale

Dalmeny Way, Epsom KT18

2 beds 2 baths 1 reception

St. Martins Avenue, Epsom | [See map](#)



Offers in Excess of

£425,000 ⓘ

Monthly mortgage payments

Added on 12/10/2023

PROPERTY TYPE

Flat

BEDROOMS

×2

BATHROOMS

×1

SIZE

913 sq. ft.  
(85 sq. m.)

TENURE ⓘ

Share of Freehold

## 3 beds

Avenue Road, Epsom, KT18 [See map](#)



Guide Price

**£450,000** ⓘ

Monthly mortgage payments

Added on 24/08/2023

PROPERTY TYPE	BEDROOMS	BATHROOMS	TENURE ⓘ
Flat	×3	×1	Share of Freehold

Sandown Lodge, Avenue Road, Epsom, Surrey [See map](#)



**£650,000** ⓘ

Monthly mortgage payments

Added on 28/09/2023

PROPERTY TYPE	BEDROOMS	BATHROOMS	SIZE
Flat	×3	×2	1,178 sq. ft. (109 sq. m.)
TENURE ⓘ Share of Freehold			

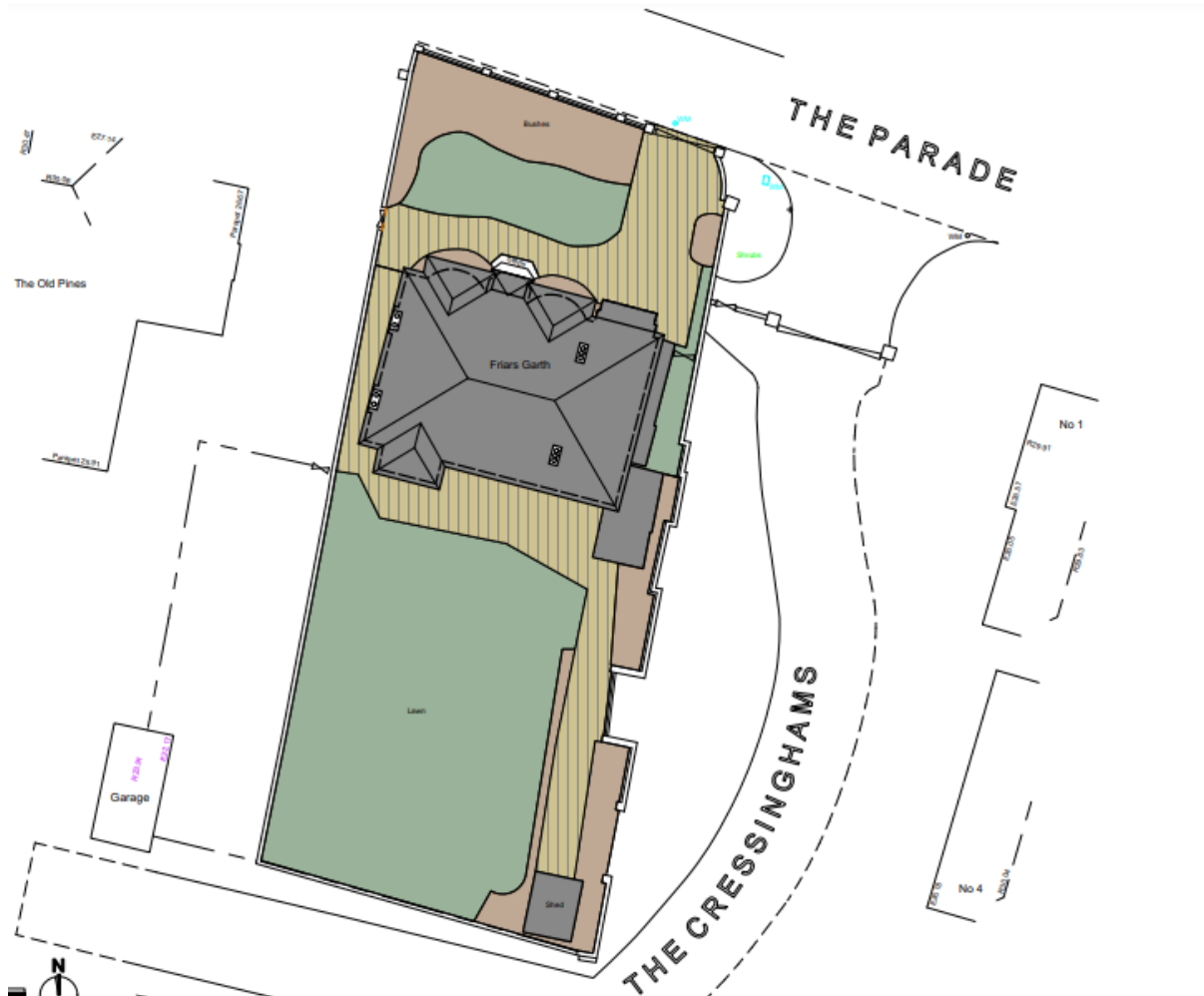


Total floor area 1108.5 sq.m. (11,778 sq.ft.) (approx.)  
This floor plan is for illustrative purposes only. It is not drawn to scale. Any measurements, floor areas (including any other floor areas),  
openings, and/or details are approximate. The estate agent guarantees this cannot be relied upon for any purchase and they are not liable  
for any agreement. Availability is based on any other, unless otherwise stated. A party viewing may wish to visit independently. Powered  
by www.foolage.com


1



## Existing Use



Sales summary
Map
Area info



Price updates supplied by HM Land Registry

The Parade is in the Town ward of Epsom and Ewell, Surrey, East and West Sussex.

The most expensive property that has sold in The Parade, KT18 5DH was for £1,100,000.

SOLD PRICE GRAPH

Total sales

3

3 properties have sold over the last 10 years in KT18 5DH.

Last sale price

£1.1M

The last sale in KT18 5DH was for £1,100,000 in April, 2022.

Property types

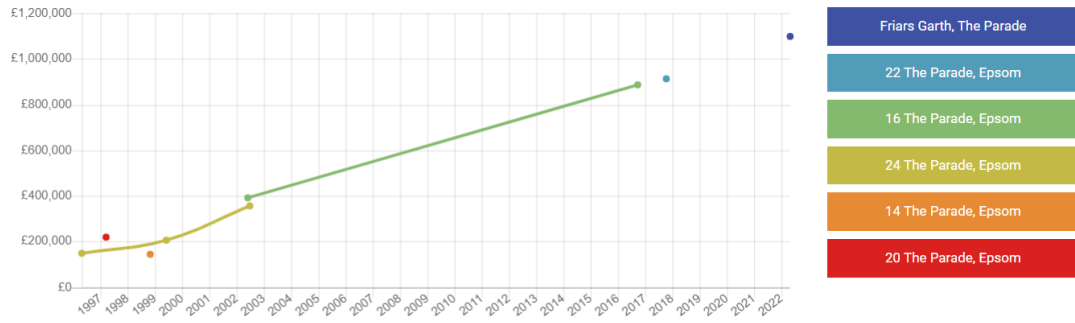
83%

83% of property sold in KT18 5DH are detached houses.

## House prices

This shows the 15 most recent properties sold along with their sold price history.

Move over the chart to find out the sale details and see how house prices have changed in The Parade, Epsom.



### 22 The Parade, Epsom, KT18 5DH

FREEHOLD

DETACHED HOUSE

Last sold - Oct 2017

**£912,500**

Estimated price

**£1,180,000 - £1,305,000**

Track

### 16 The Parade, Epsom, KT18 5DH

2 baths 5 beds 1 reception

FREEHOLD

DETACHED HOUSE

Last sold - Sept 2016

**£885,000**

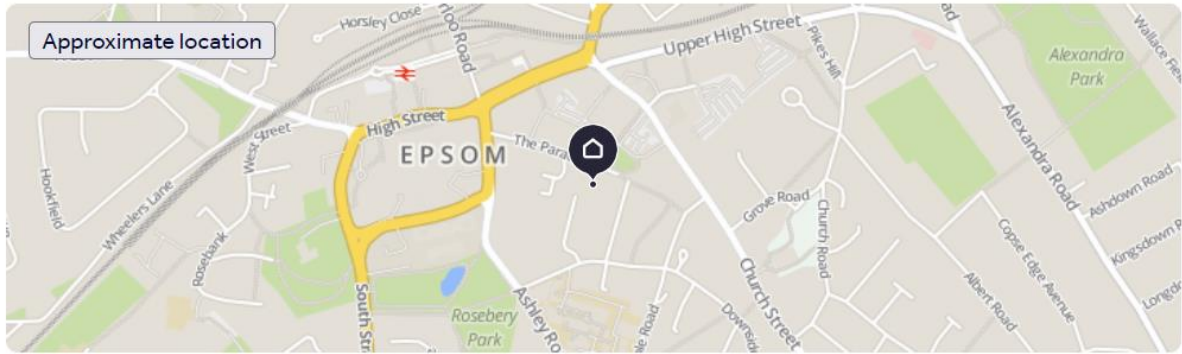
Estimated price

**£1,194,000 - £1,319,000**

Track

22, The Parade, Epsom, Surrey KT18 5DH

🏠 Detached 🛏️ ×4 🚗 ×3



### Property sale history

Date sold	Sold price	Property	Tenure
11 Oct 2017	● £912,500	Detached	Freehold

# KT18 5DH Sold Price Comparables

38 comparables found

Postcode  
KT18 5DH

Type  
Flat

Radius  
0.5 miles

Sale date  
Up to 9 months ago

Date	Address	Postcode	Type	Tenure	Age at sale	Price	Sq. ft	£/sqft	Bedrooms	Distance
2023-03-16	Flat 64, Capitol Square, 4 - 6, Church S...	KT17 4NP	Flat	Leasehold	Old stock	£330,000	-	-		0.09mi
2023-01-20	Flat 51, Capitol Square, 4 - 6, Church S...	KT17 4NP	Flat	Leasehold	Old stock	£367,000	-	-		0.09mi
2023-02-28	Flat 64, Capitol Square, 4 - 6, Church S...	KT17 4NP	Flat	Leasehold	Old stock	£330,000	-	-		0.09mi
2023-03-24	47, Church Street	KT17 4PW	Flat	Freehold	Old stock	£299,000	-	-		0.13mi
2023-01-30	6, Church Close	KT17 4PT	Flat	Leasehold	Old stock	£367,000	850	£432		0.14mi
2023-02-28	Maple Gardens, 20 - 26, 9, Upper High St...	KT17 4QR	Flat	Leasehold	Old stock	£275,000	-	-		0.16mi
2023-08-04	33, The Oaks Square	KT19 8AR	Flat	Leasehold	Old stock	£207,500	614	£338		0.17mi
2023-01-20	Flat 6, Homewater House, 30, Upper High...	KT17 4QJ	Flat	Leasehold	Old stock	£175,000	-	-		0.18mi
2023-01-20	Flat 6, Homewater House, 30, Upper High...	KT17 4QJ	Flat	Leasehold	Old stock	£175,000	732	£239		0.18mi
2023-01-31	Malvern Court, 5, Ashley Road	KT18 5BA	Flat	Leasehold	Old stock	£395,000	743	£532		0.20mi

Date	Address	Postcode	Type	Tenure	Age at sale	Price	Sq. ft	£/sqft	Bedrooms	Distance
2023-03-03	Flat 4, Diston Mansion, Chalk Lane		Flat	Leasehold	New-build	£750,000	-	-		0.20mi
2023-04-05	4, Denewood	KT17 4DL	Flat	Leasehold	Old stock	£365,000	764	£478	2	0.21mi
2023-03-15	12, Denewood	KT17 4DL	Flat	Leasehold	Old stock	£378,000	764	£495	2	0.21mi
2023-03-02	Treemount Court, 25, Grove Avenue	KT17 4DU	Flat	Leasehold	Old stock	£425,000	734	£579		0.24mi
2023-03-27	Treemount Court, 21, Grove Avenue	KT17 4DU	Flat	Leasehold	Old stock	£355,000	-	-		0.24mi
2023-03-08	Treemount Court, 34, Grove Avenue	KT17 4DU	Flat	Leasehold	Old stock	£400,000	926	£432		0.24mi
2023-04-26	Flat 37, Hudson House, Station Approach	KT19 8DJ	Flat	Leasehold	Old stock	£255,000	624	£409		0.24mi
2023-07-07	Meadside, 5, South Street	KT18 7QF	Flat	Leasehold	Old stock	£345,000	732	£471		0.24mi
2023-03-03	Flat 41, Jubilee House, Station Approach	KT19 8EU	Flat	Leasehold	Old stock	£139,500	624	£224		0.25mi
2023-06-09	18, Downs Lodge Court	KT17 4QG	Flat	Leasehold	Old stock	£397,500	797	£499		0.28mi
2023-04-21	Flat 21, Wellington Court, 34 - 42, Wate...	KT19 8EX	Flat	Leasehold	Old stock	£360,000	-	-		0.30mi
2023-02-16	Oxford Court, 12, Ashley Road	KT18 5BQ	Flat	Leasehold	Old stock	£355,000	635	£559		0.31mi
2023-02-13	28, Wimborne Close	KT17 4DP	Flat	Leasehold	Old stock	£375,000	710	£528		0.31mi
2023-08-04	Flat 15, Marquis Court, Station Approach	KT19 8BN	Flat	Leasehold	Old stock	£400,000	635	£630		0.32mi
2023-01-16	36d, Albert Road	KT17 4EH	Flat	Leasehold	Old stock	£426,000	657	£648	2	0.33mi
2023-02-03	36b, Albert Road	KT17 4EH	Flat	Leasehold	Old stock	£440,000	646	£681		0.33mi

Date	Address	Postcode	Type	Tenure	Age at sale	Price	Sq. ft	£/sqft	Bedrooms	Distance
2023-06-01	Flat 3, 2, Randolph Road	KT17 4LA	Flat	Leasehold	Old stock	£260,000	592	£439		0.37mi
2023-04-11	12b, West Hill	KT19 8HR	Flat	Leasehold	Old stock	£400,000	743	£538		0.40mi
2023-03-28	32, Rosebank	KT18 7RS	Flat	Leasehold	Old stock	£406,000	700	£580	2	0.42mi
2023-07-14	3, Burnet Grove	KT19 8HU	Flat	Leasehold	Old stock	£321,000	710	£452		0.42mi
2023-02-20	Flat 4, Jukes House, 85, East Street	KT17 1FA	Flat	Leasehold	Old stock	£205,000	312	£657		0.42mi
2023-02-21	Briavels Court, 7, Downs Hill Road	KT18 5HP	Flat	Leasehold	Old stock	£282,500	721	£392		0.42mi
2023-03-03	Briavels Court, 38, Downs Hill Road	KT18 5HP	Flat	Leasehold	Old stock	£360,000	710	£507		0.42mi
2023-05-26	Highridge Court, 39, Highridge Close	KT18 5HF	Flat	Leasehold	Old stock	£370,000	818	£452		0.44mi
2023-03-31	Flat 4, Eastcote House, East Street	KT17 1EP	Flat	Leasehold	Old stock	£325,000	678	£479		0.45mi
2023-05-25	Scott House, 19, 14, Winter Close	KT17 1AN	Flat	Leasehold	Old stock	£365,000	-	-		0.45mi
2023-04-03	Scott House, 19, 16, Winter Close	KT17 1AN	Flat	Leasehold	Old stock	£342,500	-	-		0.45mi
2023-07-14	Flat 6, Carrington House, 2, Dalmeny Way	KT18 7BF	Flat	Leasehold	Old stock	£365,000	-	-		0.49mi
						<b>£344,434</b>		<b>£487</b>		

This report was generated on 2023-10-15 with  PropertyData



## Appendix 5

### Build Cost Substantiation

**BCIS<sup>®</sup>**

#### £/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 23-Sep-2023 07:35

Rebased to Epsom and Ewell ( 113; sample 11 )

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m <sup>2</sup> gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
816. Flats (apartments)							
Generally (15)	2,003	994	1,659	1,883	2,253	6,814	855
1-2 storey (15)	1,885	1,171	1,598	1,798	2,105	3,932	181
3-5 storey (15)	1,979	994	1,649	1,880	2,230	4,164	573
6 storey or above (15)	2,364	1,445	1,918	2,220	2,573	6,814	98



## **Appendix 6**

### **Viability Appraisal**

#### **100% Open Market Value Scheme**

#### **Benchmark Land Value**



**Ground rent**

	Capitalised annual ground rent	
Social Rented	£0	
Shared Ownership	£0	
Affordable Rent	£0	
Open market (all phases)	£0	
<b>Capitalised Annual Ground Rents</b>		<b>£0</b>
<b>TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME</b>		<b>£5,029,344</b>
<b>TOTAL BUILD COST OF RESIDENTIAL SCHEME</b>	<b>£1,797,125</b>	
<b>TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME</b>		<b>£3,232,219</b>

**Non-Residential**

	Cost	Values
Office	£0	£0
Retail	£0	£0
Industrial	£0	£0
Leisure	£0	£0
Community Use	£0	£0
Community Infrastructure Levy	£0	
<b>CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b>		<b>£0</b>
<b>COSTS OF NON-RESIDENTIAL SCHEME</b>	<b>£0</b>	
<b>CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL</b>		<b>£0</b>
<b>GROSS DEVELOPMENT VALUE OF SCHEME</b>		<b>£5,029,344</b>
<b>TOTAL BUILD COSTS</b>	<b>£1,797,125</b>	
<b>TOTAL CONTRIBUTION TO SCHEME COSTS</b>		<b>£3,232,219</b>

		Per unit	% of GDV	per Hectare
<b>External Works &amp; Infrastructure Costs (£)</b>				
Site Preparation/Demolition	£50,000	4,167	1.0%	
Roads and Sewers	£0			
Services (Power, Water, Gas, Telco and IT)	£36,000	3,000	0.7%	
Strategic Landscaping	£22,000	1,833	0.4%	
Off Site Works	£0			
Public Open Space	£0			
Site Specific Sustainability Initiatives	£42,000	3,500	0.8%	
External Works & Infrastructure Costs (£)	£179,712	14,976	3.6%	
£0	£0			
Other 2	£0			
	<b>£329,712</b>		6.6%	
<b>Other site costs</b>				
Fees and certification	8.0%	£136,924	11,410	2.7%
Other Acquisition Costs (£)		£0		
<b>Site Abnormals (£)</b>				
De-canting tenants	£0			
Decontamination	£0			
Reduced Level	£37,856	3,155	0.8%	
0	£0			
0	£0			
Other 4	£0			
Other 5	£0			
	<b>£37,856</b>		0.8%	
<b>Total Site Costs inc Fees</b>	<b>£504,492</b>	42,041		
<b>Statutory 106 Costs (£)</b>				
Education	£0			
Sport & Recreation	£0			
Social Infrastructure	£0			
Public Realm	£0			
Affordable Housing	£0			
Transport	£0			
Highway	£0			
Health	£0			
Public Art	£0			
Flood work	£0			
Community Infrastructure Levy	£168,764	14,064		
Other Tariff	£0			
S106 Costs	£0			
Other 2	£0			
Other 3	£0			
Other 4	£0			
<b>Statutory 106 costs</b>	<b>£168,764</b>	14,064		
<b>Marketing (Open Market Housing ONLY)</b>				
Sales/letting Fees	2.0%	£100,587	8,382	per OM unit
Legal Fees (per Open Market unit):	£1,000	£12,000	1,000	
<b>Marketing (Affordable Housing)</b>				per affordable unit
Developer cost of sale to RP (£)		£0		
RP purchase costs (£)		£0		
Intermediate Housing Sales and Marketing (£)		£0		
<b>Total Marketing Costs</b>	<b>£112,587</b>			
<b>Total Direct Costs</b>	<b>£2,582,968</b>			
<b>Finance and acquisition costs</b>				
Land Payment	£1,098,178	91,515	per OM home	#DIV/0!
Arrangement Fee	£50,000		14.0% of interest	#DIV/0!
Misc Fees (Surveyors etc)	£0		0.00% of scheme value	
Agents Fees	£10,982			
Legal Fees	£5,491			
Stamp Duty	£44,409			
Total Interest Paid	£357,180			

**Total Finance and Acquisition Costs** **£1,566,240**

**Developer's return for risk and profit**

**Residential**

Market Housing Return (inc OH) on Valu	17.5%	£880,135	73,345 per OM unit
Affordable Housing Return on Cost	0.0%	£0	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0! per PR unit

**Non-residential**

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

**Total Operating Profit** **£880,135**

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** **£5,029,343**

**Surplus/(Deficit) at completion 1/12/2025** **£1**

**Present Value of Surplus (Deficit) at 5/10/2023** **£0**

**Scheme Investment MIRR** **18.5%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 21.8% Peak Cash Requirement -£3,865,707

Site Value (PV) per hectare No area input per hectare No area input per acre