

Financial Assessment Update

**Former Middle School site,
Worgret Road, Wareham**

**Prepared on behalf of
Dorset Council**

October 2021

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1. Executive summary

This report forms an addendum to and supplements the Option Appraisal Report provided to Dorset Council in May 2021 and reflects the latest design changes and revised procurement approach to the proposals on the Former Wareham Middle School site. This update report, therefore, should be considered in the context of the May 2021 report.

The latest proposals consist of three blocks with different uses, and each is analysed separately from a financial viability perspective.

The costs and financial return to the Council are appraised, on the basis of a hypothetical scenario, whereby the individual site is sold onto a Registered Provider of Social Housing and the scheme is delivered through external funding.

The results of the assessment are summarised in the following table, by tenure type.

| | Total works costs | Total on-costs | Total grant funding | NPV / Residual land value |
|---|--------------------|-------------------|---------------------|---------------------------|
| Extra care housing | £17,790,300 | £2,820,127 | £6,640,000 | -£8,032,083 |
| Supported housing | £1,324,400 | £206,938 | £640,000 | -£300,338 |
| Commercial (pharmacy/retail and GP surgery) | 33,285,700 | £1,393,006 | - | £1,133,794 |
| Total | £22,400,400 | £4,420,072 | £7,280,000 | -£7,198,627 |

The individual appraisals indicate that the 100% affordable extra care and supported housing elements are unviable, while the commercial elements produce a land value of ca. £1,134,000.

Additional grant funding of ca. £97,000 per extra care unit and £38,000 per supported housing unit would be required for the individual elements to break even, without a land value.

2. Introduction

Red Loft has been commissioned by Dorset Council (the Council) to prepare an assessment of the financial performance of the updated proposals on the Former Wareham Middle School site.

The report looks to review the latest proposals, establishing the likely residential and commercial values achievable at the development.

This Financial Assessment Update is designed to enable the Council to consider the feasibility of the envisaged development project. It sets out information that will help to inform the Council's strategy for delivering the scheme and influencing further the current proposals.

3. Basis

The appraisals and figures in this report are not formal valuations and should not be relied upon as such. This is not a RICS (Royal Institution of Chartered Surveyors) compliant valuation report and is prepared to assist the Council's internal decision-making only.

Within our report, we have relied upon information provided by the Council, national and local government publications, intelligence from various property databases including Land Registry, Rightmove and EPC Register, as well as our own professional judgement in the preparation of pricing and recommendations appraisals in relation to the subject development within Wareham.

The following documents have been used to inform the feedback contained in this report:

- New Masterplanning – Former Middle School site - Sketchbook (August 2021)
- B&M – Purbeck Gateway, Wareham - Cost Plans RIBA Stage 1 Revision (August 2021)

We cannot accept responsibility for any errors or omissions in information provided to us. This report is private and confidential and should not be shared with third parties without our permission.

The appraisal results are a point in time assessment taking into account current day costs and values. The nature of the assessments at this point in time are commensurate with the high level nature of the information available (typically RIBA stage 1). The accuracy of the appraisals should be refined as the design development and due diligence assessments of abnormal costs progresses.

4. Proposals

The proposed redevelopment of the Former Wareham Middle School site will consist of an extra care building, a GP surgery, a pharmacy/retail space, and a number of supported housing dwellings. The feasibility stage proposals are attached at **Appendix 1**.

The dwelling mix is set out below:

| Block | Unit type | Nr of units | GEA (m2) | GEA (ft2) | GIA (m2) | GIA (ft2) | NIA (m2) | NIA (ft2) |
|--------------|-----------------|-------------|-------------|---------------|-------------|--------------|-------------|--------------|
| A | Extra care | 83 | 7920 | 85250 | 7128 | 76725 | 5427 | 58416 |
| A | Pharmacy/retail | - | 300 | 3229 | 270 | 2906 | 270 | 2906 |
| B | GP surgery | - | 900 | 9688 | 810 | 8719 | 810 | 8719 |
| C | Residential | 8 | 690 | 7427 | 621 | 6684 | 528 | 5682 |
| Total | | 91 | 9810 | 105594 | 8829 | 95034 | 6630 | 71363 |

New Masterplanning have not provided NIA figures for the residential elements, therefore, we maintained our assumptions of 85% net to gross internal areas for this use, adopted in the Option Appraisal Report (May 2021).

5. Viability appraisal methodology

The estimated residual land values for the different uses/tenures within the proposed scheme have been derived using Optimix, a bespoke discounted cashflow (DCF) model, which calculates the Net Present Value (NPV) of the scheme, made up from passing rents, with deductions for standard RP on costs, management, maintenance, and major repairs costs across the cashflow period, as well as finance, land and build costs. Using this widely accepted methodology we are able to demonstrate how a Registered Provider would assess the scheme based on market standard assumptions.

In a competitive tender return for a land or package disposal, the bidding parties will make offers based on the land price or land and build price which generate a viable net present value for the units, applying the appraisal assumptions in line with the organisation's individual financial parameters. The NPV reflects the extent to which the scheme achieves the organisations internal rate of return, which is reflected in the discount rate.

Discounted cashflow appraisal assumptions will vary between organisations. Each Registered Provider employs their own internally approved assumptions, which are integrally linked to their financial position, borrowing structure and risk appetite. Our estimation of the affordable housing value has been calculated whilst applying median rates based on our RP appraisal assumptions data sample.

A summary report of our discounted cashflow appraisal can be found at **Appendix 2**.

6. Viability inputs

The assumptions employed in our discounted cashflow are detailed below.

6.1. Appraisal assumptions

| Input | Rented affordable | Explanation |
|--------------------------|---|---|
| NPV period | 30 years | The DCF period. |
| Discount rate | 5.0% | The rate by which future income and costs are discounted to today's date. |
| Rent period | 52.2 weeks | The number of rental weeks per annum. |
| Management costs | £500 (Inflation at 3.0%) | The RP's costs incurred to manage each unit per year. |
| Maintenance costs | £550 (Inflation at 3.0%) | Operational maintenance costs per unit per year. |
| Major repair costs | 0.80% of rebuild rate (Inflation at 3.0%) | Sinking fund, to accumulate and covering any major repairs. |
| Major repairs start year | Year 11 | The year this cost begins to be deducted from the cashflow. |
| Voids and bad debts | 2.0% | Average % rent not received each year due to voids & bad debt. |
| Rent inflation | 3.0% | The annual rent increase capped by government policy. |
| Finance rate | 4.50% | The rate of development and long-term finance over the cashflow period. |

6.2. Rent assumptions

6.2.1. Extra care rents

Rents for the units, have been assumed in line with comparable affordable rental extra care properties, as listed at **Appendix 3**. Pricing for 1 and 2 bedroom extra care units across England range from £90 to £152 per week, excluding service charge (£32 - £70 per week) and support charge (£3 - £7 per week), in line with Local Housing Allowance (LHA) rates for the relevant Broad Rental Market Area (BRMA).

Therefore, we have assumed rents including service charge for the subject units at LHA rates for the Bournemouth BRMA, in which Wareham is located. The prevailing rates are £137.74 per week for one and £174.9 per week for two bedroom units. Service charge is included at £50 per week per unit to reflect additional costs associated with communal spaces and extra facilities.

We have also benchmarked the rental and service charge assumptions against those experienced at Melrose Court, an extra care development in Dorchester, built in 2017 and managed by Yarlington Housing Group. The weekly costs at the example are as follows:

- £121.19 rent for 1 beds / £155 rent for 2 beds
- £52.05 service charge
- £30.97 extra care support
- £12.14 utilities

The service charge adopted in our assessment is in line with the rate charged at Melrose Court.

6.2.2. Supported housing rents

The government defines supported housing in their 2017 Funding for Supported Housing Consultation paper as:

“any housing scheme where housing is provided alongside care, support or supervision to help people live as independently as possible in the community. It covers a range of different housing types, including hostels, refuges, supported living complexes, extra care schemes and sheltered housing. Supported housing can provide long term support for years for some vulnerable groups such as older people and disabled people or very short term immediate emergency help for when people are in times of crisis, such as use of hostels and refuges.”

Accordingly, supported housing covers a range of housing types and support levels that attract different rents and service charges.

The proposals for supported housing put forward by government indicate that core rents and service charges will be capped at Local Housing Allowance levels. Therefore, in line with government proposals and the comparables referenced above, we have assumed rents including service charge for the subject units at LHA rates for the Bournemouth BRMA. The prevailing rates are £137.74 per week for one and £174.9 per week for two bedroom units. Service charge is included at £50 per week per unit.

6.3. Grant funding

We have applied Homes England grant funding at £80,000 per unit for both extra care and supported housing units.

Homes England provides grant on a scheme-by-scheme negotiated basis. In addition, it is yet to be seen what rates will be allocated under the new Affordable Homes Programme 2021-26 as these might differ from what we experienced under the previous scheme. The above rate is indicative only.

6.4. Commercial values

The proposed commercial element on site will consist of pharmacy/retail space and a GP surgery.

Red Loft have also considered the market value for the commercial units on the basis the rents chargeable reflect the market rates, as opposed to any pre-agreed terms.

We summarise the commercial properties with compatible use classes (D1/E) currently on the market in the South of England.

| Address | Use class | Size (ft2) | Rent pa | £/ft2 pa | Description |
|--|-------------------|------------|----------|----------|---|
| 1 West Hill Place, Bournemouth, Dorset, BH2 | D1 | 883 | £18,000 | £20 | The second-hand property comprises a detached three storey commercial building, fitted out as a dental practice. It was subject to a refurbishment during 2018. |
| 139-141 Brockhurst Road, Gosport, Hampshire, PO12 | E | 1930 | £27,504 | £14 | The second-hand property comprises a two-storey terraced building. It is currently configured as a medical centre. |
| 3 Church Close, Andover, Hampshire, SP10 | B1 / D1 | 1827 | £19,956 | £11 | The property is a Grade II Listed building. The available accommodation is arranged on the ground and first floor together with basement storage accommodation. The remainder of the building is occupied separately for residential use. |
| 2 Station Road, Congresbury, BS49 5DY | B1 / D1 | 985 | £9,600 | £10 | Semi-detached second-hand unit arranged over two floors. Previously used as a physiotherapy clinic. |
| School Green, Shinfield RG2 | D1 | 3336 | £87,300 | £26 | First floor space to rent located within an established medical centre situated in the town centre. Close to London |
| The Colne Clinic, 45 Station Road, Wraysbury, TW19 | D1 | 2228 | £75,000 | £34 | The two-storey second-hand property comprises a large treatment room / minor operating suite, a large reception area, four consulting rooms and a physiotherapy consulting suite. Close to London |
| The Forge, High Street, Carshalton, Surrey | A1 / A2 / A3 / D1 | 1745 | £50,004 | £29 | New development currently under construction. The ground floor premises will be finished to a shell and core condition. Close to London |
| The Pheasant Plantation Road, Amersham, HP6 6HL | D1 | 515 | £18,996 | £37 | The second-hand property provides refurbished accommodation with planning permission for a small children's nursery on ground floor. Close to London |
| East Smithfield, London, E1W | E | 5541 | £218,868 | £39 | London offices situated on the 1st and 2nd floors of a modern building in excellent condition. Fully fitted and furnished and consists of a mix of open plan office areas, meeting rooms and individual offices. |

There is a lack of comparable lettings data in the market for this use, however the below rates are considered reasonable in this market context:

- £20 per ft2
- 4% yield

We have assumed no voids or rent free period within our assessment. These assumptions give an estimated commercial GDV of £5,812,500.

6.5. Build costs

An indicative build cost estimate for the proposed development was provided by B&M in August 2021. We have utilised the current day construction works estimate identified in B&M's feasibility study in our appraisals.

The cost estimates informing the build costs in this assessment are inclusive of preliminaries, overheads, contractor's profit, and risk / contingency. B&M have included additional allowances of 11% for the client's direct consultant fees and 1% for surveys and sundry investigation. B&M advise the Council should give consideration of a contingency pot of 1.5% to cover the latter items.

B&M have excluded employer risk related to any substantial client changes during the life of the project, however, an allowance of 2% is suggested by the QS. Please refer to B&M's cost plan for a summary of assumptions / exclusions.

B&M's cost plan is attached at **Appendix 4**.

The costs utilised in our assessment are detailed in the following table.

| Use | GIA (ft2) | Construction works | Design and construction risk | Total contract cost | £/ft2 cost |
|-----------------|--------------|--------------------|------------------------------|---------------------|----------------|
| Extra care | 76725 | £16,173,000 | 10% | £17,790,300 | £231.87 |
| Pharmacy/retail | 2906 | £747,000 | 10% | £821,700 | £282.74 |
| GP surgery | 8719 | £2,240,000 | 10% | £2,464,000 | £282.61 |
| Residential | 6684 | £1,204,000 | 10% | £1,324,400 | £198.13 |
| Total | 95034 | £20,363,000 | 10% | £22,400,400 | £235.71 |

6.6. Programme

We have assumed delivery programmes, which we consider appropriate for developments of the scale and nature proposed on the subject sites. This is broken down as follows, by development:

| Pre-construction | Construction | Sales period | Total |
|------------------|--------------|----------------|-----------|
| 6 months | 24 months | Not applicable | 30 months |

6.7. Professional fees

Professional fees have been applied at 12% of total construction costs, as advised by B&M within their cost estimates. They are apportioned as 11% for consultant fees and 1% for additional fees and surveys. These fees cover all professional fees associated with the design and procurement of the development.

While within industry standard benchmark ranges, in recent experience, owing to increased costs of clerks of works and fire safety requirements, some schemes are experiencing professional fee budget inflation with on-costs totally circa 12% - 14% of works. This budget is also exclusive of insurance and easement costs which would typically be identified as design and due diligence on title and legal matters progress.

Commercial marketing costs are included at £2 per ft². Letting agent and legal fees are estimated at 10% and 5%, respectively. Sales agent and legal fees are applied at 1.5% and 0.35%, respectively. Purchaser's costs in relation to the commercial element are included at 6.8%.

These assumptions are in line with industry standards.

6.8. Planning obligations

No allowance had been made for S106 and S278 contributions at this stage. Final contributions are subject to confirmation by the Local Planning Authority. We, therefore, reserve our position on this assumption and if and when information comes forward, we will share the financial impact of these costs with the Council.

6.9. Potential legal easements and insurance costs

No costs associated with extinguishing potential easements are included within our appraisal. Equally no allowance has been made for any indemnity policies required.

Owing to the stage of the project's development the Council has not established likely costs associated with extinguishing easements or putting in place any required indemnity policy. When assessments have been completed, we will revisit the financial impact of these costs.

6.10. Profit

A profit margin is accounted for within the 0.5% uplift between the interest rate (4.5%) and the discount rate (5.0%) applied in the cashflow calculation.

7. Results

The results of our appraisals are summarised in the tables below.

| | Total works costs | Total on-costs | Total grant funding | NPV / Residual land value |
|---|--------------------|-------------------|---------------------|---------------------------|
| Extra care housing | £17,790,300 | £2,820,127 | £6,640,000 | -£8,032,083 |
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| Total | £22,400,400 | £4,420,072 | £7,280,000 | -£7,198,627 |

7.1.1. Analysis

The individual appraisals indicate that the 100% affordable extra care and supported housing elements are unviable, while the commercial elements produce a land value of ca. £1,134,000.

Additional grant funding of ca. £97,000 per extra care unit and £38,000 per supported housing unit would be required for the individual elements to break even, without a land value.

8. Sensitivity testing

We have also undertaken sensitivity testing in order to establish what potential uplift in the net present value of the proposed affordable housing can be achieved by applying a more risk-tolerant approach to appraisal assumptions.

8.1. Benchmarking

In setting out the assumptions utilised in sensitivities, we have relied on our understanding and knowledge of developing housing associations as well as information we have received in relation to Melrose Court in Dorchester, as detailed in Section 6.2.1, and a 55-unit extra care scheme in Gillingham, North Dorset. The latter example development is being delivered by Magna, a housing association operating in Dorset and Somerset, and has been granted planning permission on 27th May 2021. Key viability inputs and outputs of the scheme in Gillingham are as follows:

- Overall scheme costs including fees, interest, and all other development costs equal £2,800 per m²
- £5.9 million of subsidy has gone into the scheme, £1.6 million (ca. £30,000 per unit) of which came directly from Magna and the remainder is likely to be Homes England grant funding (ca. £80,000 per unit)
- The repayment term on the finance is 30 years
- The scheme cost is 113% of the open market value on Day One

Paul Read, Magna's Director of Development, note the following factors in relation to the Gillingham and other extra care schemes:

- The Gillingham development is in a historic area, which has added significant costs but no additional value to the scheme
- Extra care schemes broadly cost a similar amount regardless of location, hence, driving land value in higher value areas
- In Gillingham, Dorset Council considered the potential revenue savings and cost avoidances to the Social Care budget, alongside the land value generated by the scheme. Demonstrating that financial value is engineered in other ways led to acceptance of a lower-than-market price. This should form part of other extra care valuations.

8.2. Items to consider

The aim of the financial appraisal is to reflect the business plan and to ensure that the viability check for any scheme (one that passes the appraisal criteria) does not weaken the business plan. At the same time, the financial appraisal needs to allow competitive offers to be made and scheme to be delivered.

There are a number of items required in a financial appraisal that will typically replicate the business plan. Other items can be determined on a case-by-case basis in relation to specific projects and, in some cases, different assumptions can be made for different types of home and development or developments in different areas.

Rent

The rents set for extra care/supported housing units will inherently depend on the circumstances and needs of the vulnerable group(s) targeted by the managing Registered Provider as well as the services offered on site. In accordance with government guidance rents need to be reasonable and justified. Additionally, to qualify for grant funding, potential Homes England requirements also need to be taken into account.

Grant funding

Homes England provides grant on a scheme-by-scheme negotiated basis. In addition, it is yet to be seen what rates will be allocated under the new Affordable Homes Programme 2021-26 as these might differ from what we experienced under the previous scheme, and we are aware that some organisations are bidding for grant funding in the region of £100,000 per unit.

Subsidy

It is not unusual among Registered Providers of all sizes to utilise internal subsidy funding to facilitate the delivery of a project. Depending on the tenure proposed, PRs typically allocate between £20,000 and £100,000 internal subsidy per home.

This practice enables them to bid competitively on developments and make use of accumulated 'surplus' funds by reinvesting into the provision of additional affordable housing. However, the application of internal subsidy is very sensitive to timing and individual organisations' priorities, and therefore it is impossible to predict until appetite for the opportunity is tested.

Total scheme costs

It is possible that cost efficiencies can be achieved in the design and delivery of the scheme through adjustments to the internal specification of the units or in case the developing RP forms a joint venture with a private developer. Through this procurement route, whereby the contractor developer shares in the profit generated by the development, allows for lower build costs as the JV partner is likely to cut down on the contractor's margin. Whilst partnering with a developer contractor can help reduce build costs the ability to do so will depend on the type of delivery partner.

NPV period

It is typical for the NPV / discount period to be identical to the loan repayment period and be between 30 and 40 years, however, some organisations adopt longer periods of up to 100 years. The longer the discount period, the more competitive offer a Registered Provider can make.

Discount rate and finance rate

The loan interest rate would normally reflect the business plan assumption for the period over which the development is being appraised.

An adjustment will sometimes be made for the short-term interest rate, which affects the interest incurred during the development period. In some cases, the cost of borrowing in the long-term is not fixed and an assessment is made for the purposes of the business plan, including some caution for interest rate rises in the medium and long term.

It is common in the industry for Registered Providers to apply a discount rate equal to or just above the cost of finance, allowing for a risk margin, or return above repayment of costs. This will be contingent on an organisation's appetite for risk, the base loan rate, and the allocation of risk in other areas of an appraisal. The more competitive operators in the industry will often discount at the cost of capital, choosing to allocate for risk items within specific relevant inputs, such as marketing budgets and sales values.

Management cost

The allowance made for the cost to manage a home will normally be based on the organisation's incurred cost; however, it is common for adjustments to be made.

- In some areas staff salaries and travel time might be greater than other areas and a higher rate may be required for management costs.
- In areas of high concentration of homes, the addition of one development may add very little management cost and efficiencies may be reflected in the allowance included in an appraisal.
- Conversely, in areas of low concentration or where the new development is comparatively remote from existing homes, the travel time may increase the management costs.

In some cases, a different approach is used for different sized developments. For example, developments of fewer than ten homes sometimes attract no management costs in an appraisal. This is because they can be managed by the existing teams and add very little real cost to the organisation.

Maintenance cost

As with management costs, maintenance allowances will typically be based on the organisation's incurred costs but often with some adjustments by scheme.

- In some areas staff salaries and travel time might be greater than other areas and a higher rate may be required for maintenance costs.
- In some areas, different contractors or arrangements may be in place with third parties that incur different costs.
- Some homes will have fewer repair and maintenance requirements than others. One-bedroom flats for older people will require fewer repairs than a three-bedroom family house, for example.

Voids and bad debts

Whilst the void rate will be based on the performance of the organisation as a whole, adjustments should be made for different areas and property types, as demand will rarely be uniform. A reasonable assumption is that the void allowance for new developments can be less than the organisation average because new homes will generally be more attractive than existing homes. Some organisations reduce the business plan void assumptions by 1%.

It is market practice to then apply the same rate across the duration of the cashflow, and is the approach adopted by those parties reviewed in the data collection exercise. There will be some influence of the 'newness' of the block but it is not anticipated that reducing this over the cashflow period will have substantial impact on overall scheme performance.

Unlike other assumptions, bad debts reflect the circumstances and behaviour of the resident, rather than the performance of the property. As a result, the bad debts allowance usually matches the experience of the organisation and the business plan allowance.

8.3. Results and analysis

When considering amending each item in the cashflow model, it is worth noting the impact this has on the net present value of the units. Adjustments in some assumptions may only make a small difference to the NPV, while some items make a significant difference to the viability of a scheme. As

a guide, we set out the following table showing how a change to each assumption separately and then combined affects the land value associated with the units.

| Item | Value used in base case appraisal | Value used in sensitivity scenario | NPV / residual land value in base case | NPV / residual land value in sensitivity scenario | Increase in NPV / residual land value |
|---|--|---------------------------------------|--|---|---------------------------------------|
| Weekly extra care rent (excluding service charge) | £87.74 for 1 beds £124.9 for 2 beds | £121.19 for 1 beds £155 for 2 beds | -£7,198,627 | -£4,239,505 | +£2,959,122 |
| Grant funding | £80,000 per unit | £100,000 per unit | -£7,198,627 | -£5,306,948 | +£1,891,679 |
| Subsidy | £0 per unit | £30,000 per unit | -£7,198,627 | -£4,340,801 | +£2,857,826 |
| Total extra care scheme costs | £269 per ft2 / £2,895 per m2 | £255 per ft2 / £2,750 per m2 | -£7,198,627 | -£6,164,542 | +£1,034,085 |
| NPV period | 30 years | 40 years | -£7,198,627 | -£6,008,672 | +£1,189,955 |
| Discount rate and finance rate | 5.0% and 4.5% | 3.5% and 3.5% | -£7,198,627 | -£5,653,937 | +£1,544,690 |
| Management cost | £500 per unit | £450 per unit | -£7,198,627 | -£7,086,377 | +£112,250 |
| Maintenance cost | £550 per unit | £500 per unit | -£7,198,627 | -£7,086,377 | +£112,250 |
| Voids and bad debts | 2.0% | 1.5% | -£7,198,627 | -£7,117,352 | +£81,275 |
| All of the above | All of the above | All of the above | -£7,198,627 | £7,322,062 | +£14,520,689 |

The figures presented will inherently be sensitive to an organisation's wider business plan parameters. This report serves to highlight the areas in which some organisations are more competitive than others when bidding for opportunities, and to pinpoint possible assumptions which inhibit the value achievable at the subject site.

It is apparent from the above summary table that a certain level of increase in rents and the application of additional grant funding or internal subsidy have the most significant impact on the overall scheme performance. Adjustments to the discount and finance rates as well as the length of the cashflow period can also result in considerable uplift in the residual land value.

As demonstrated above, the application of more risk-tolerant assumptions across all appraisal/scheme inputs has a compound impact on the net present value of the development. For example, the combined effect of increasing the weekly rent and reducing the discount rate will have a proportionately larger impact than adjusting each in isolation, because the rent is worth more at a lower discount rate.

It is worth noting that while the above results demonstrate that the revenue within the scheme can support the land values generated, many operating RPs will have cost to value KPIs to ensure they do not overpay for opportunities, relative to the open market. For example, some organisations

impose a cap that restricts total scheme costs to 90% of open market value. Given the specialist nature of the tenure and the acknowledgement that subsidy would be required to deliver it, we do not think it is relevant to impose these restrictions within our appraisal figures.

9. Conclusion

Whilst, objectively, the proposed scheme consisting of affordable extra care, supported housing and commercial facilities is overall financially unviable, the assessment of the specific elements on the Former Wareham Middle School site masks different levels of subsidy requirements. The commercial elements including the pharmacy/retail unit and the GP surgery produce a land value of ca. £1,134,000. The supported housing and extra care elements are unviable. A hypothetical developer would require an additional subsidy of approximately £38,000 per supported housing unit and £97,000 per extra care unit to break even, without a land value.

The sensitivity analysis of the scheme demonstrates how more risk-tolerant Registered Providers could assess the development. Based on other similar developments within Dorset, it is considered that the scheme performance could be improved through adjustments to a number of appraisal inputs. On the basis of the current delivery approach, whereby the land is sold to a Registered Provider, it would be to some extent within the Council's remit to influence the following key items:

- Rent setting
- Homes England grant rates

In addition, following the approach taken in case of Magna's Gillingham development, potential revenue savings and cost avoidances to the Social Care budget should be considered, assessed, and incorporated into the evaluation of the proposed scheme's key performance indicators.

Finding the most suitable Registered Provider to take on the site is also key to the delivery of the envisaged development. As demonstrated through our sensitivity assessments, some RPs might be able to offer more for the units by way of benefitting from favourable finance rates and terms, low profit margin requirements, cost-efficient management and maintenance arrangements and/or internal subsidy funding.

APPENDICES

APPENDIX 1 – Scheme details

DRAFT



Former Middle School site

Purbeck Gateway
Wareham

August 2021

Introduction

This sketchbook is provided in draft and in confidence to inform the development review discussions regarding the Wareham Gateway project.

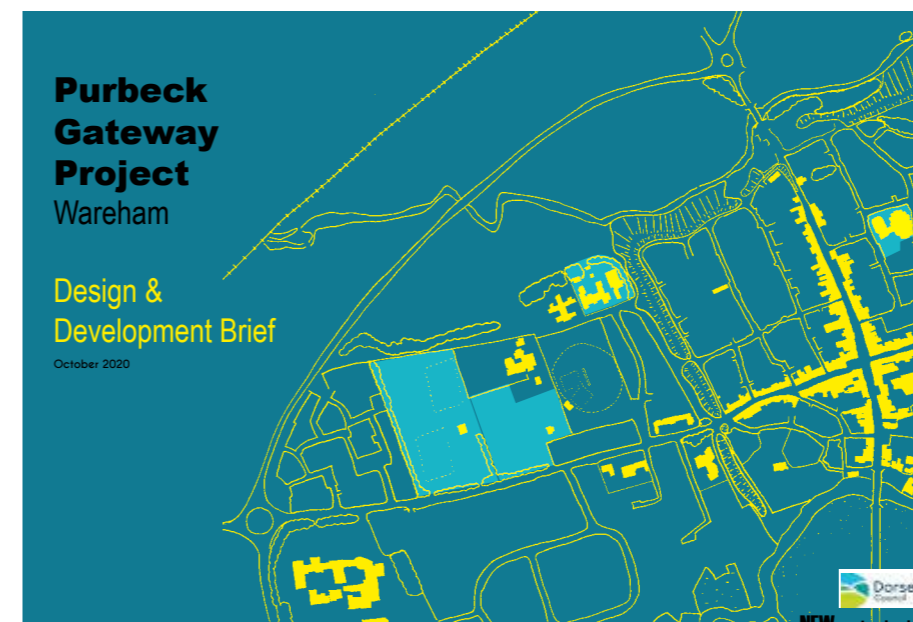
The sketchbook should be read in conjunction with the Design & Development Brief document (draft Oct 2020) which sets out the site context and technical understanding unpinning the design approaches shown in this sketchbook. This includes site analysis, key principles and parameters for the former Middle School site.

Following briefing sessions during July 2021 with Dorset Council, and an initial capacity test review presented on the 22nd July, it was agreed that NEW masterplanning would explore the potential of the site to deliver:

- **Extra-care building:** Minimum 80 dwellings within a plot area closer to a 'typical' plot of approximately 1 hectare / 2.5 acres.
- **GP surgery:** Following Dorset CCG guidance for 800 sqm total (min) amount of floor space with flexibility to be provided over two floors.
- **Pharmacy:** Following Dorset CCG guidance for 90 sqm total (min) amount of floor space with flexibility to incorporate with other buildings, including extra care and GP surgery with separate entrance arrangements.
- **Commercial space:** To include potential for a local shop / café / hairdressers to support the extra care residents given the proximity of the site to the town centre.
- **Residential dwellings:** Supported housing to replace the existing relocatable housing on the site (amount of housing to be confirmed).

An Illustrative masterplan has been prepared to explore potential development arrangements for the site, reflecting the land use requirements of the brief. A schedule of accommodation is provided. This sets out an estimate of the quantum of development, including number of dwellings and total gross floor areas by proposed use.

It should be noted that the figures presented are Gross External Area (GEA) and Gross Internal Area (GIA). 90% GIA to GEA is assumed to allow for perimeter wall and cavity thickness in the figures provided. This keeps a consistency in approach with previous appraisal work undertaken by Red Loft on behalf of Dorset Council.



Draft Design & Development Brief (Oct 2020) should be read in-conjunction with this sketchbook.

Former Middle School site: Illustrative layout

This approach highlights the potential to deliver an 83 dwelling extra care building with a pharmacy/retail unit, a GP surgery and 8 residential dwellings.

- 1 83 dwelling extra care building predominantly over 2 storeys
- 2 Pharmacy / convenience retail frontage to Worgret Road
- 3 Focal arrival space at the entrance with 'drop in' parking
- 4 Communal areas for residents with links to outside space
- 5 Parking and service access for extra care use
- 6 Tranquil internal courtyard space for residents
- 7 Existing good quality trees retained within gardens
- 8 Garden space directly accessible from dwellings
- 9 Tree lined primary access street with on-street parking
- 10 GP surgery over 2 storeys with defined parking area
- 11 2 storey residential apartment block
- 12 'Green corridor' connection
- 13 Potential future link to the primary school
- 14 Flexible use parking adjoining the school and playing fields

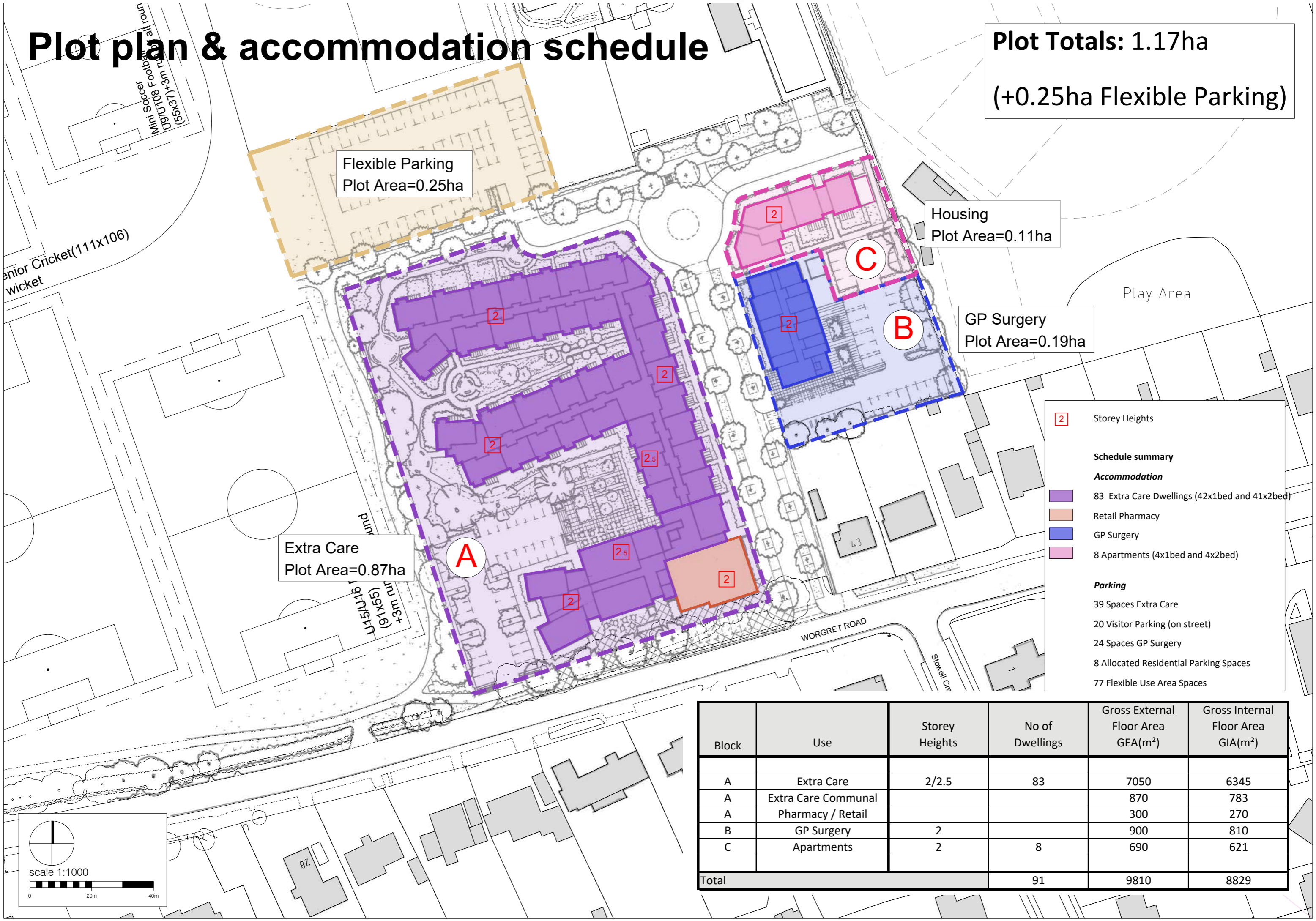


Former Middle School site: Extra care character references



Plot plan & accommodation schedule

Plot Totals: 1.17ha
 (+0.25ha Flexible Parking)



Flexible Parking
 Plot Area=0.25ha

Housing
 Plot Area=0.11ha

GP Surgery
 Plot Area=0.19ha

Extra Care
 Plot Area=0.87ha

2 Storey Heights

Schedule summary

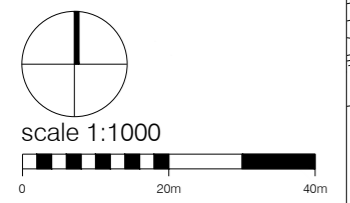
Accommodation

- 83 Extra Care Dwellings (42x1bed and 41x2bed)
- Retail Pharmacy
- GP Surgery
- 8 Apartments (4x1bed and 4x2bed)

Parking

- 39 Spaces Extra Care
- 20 Visitor Parking (on street)
- 24 Spaces GP Surgery
- 8 Allocated Residential Parking Spaces
- 77 Flexible Use Area Spaces

| Block | Use | Storey Heights | No of Dwellings | Gross External Floor Area GEA(m ²) | Gross Internal Floor Area GIA(m ²) |
|--------------|---------------------|----------------|-----------------|--|--|
| A | Extra Care | 2/2.5 | 83 | 7050 | 6345 |
| A | Extra Care Communal | | | 870 | 783 |
| A | Pharmacy / Retail | | | 300 | 270 |
| B | GP Surgery | 2 | | 900 | 810 |
| C | Apartments | 2 | 8 | 690 | 621 |
| Total | | | 91 | 9810 | 8829 |



Ground floor plan

Extra care

- 20 x 1-bed apartment
- 14 x 2-bed apartment
- Communal / service area



Residential

- 2 x 1-bed apartment
- 2 x 2-bed apartment

GP surgery

- 405 sqm (GIA)

Pharmacy / retail

- 270 sqm (GIA)

scale 1:500



First floor plan

- Residential**
- 2 x 1-bed apartment
 - 2 x 2-bed apartment

- GP surgery**
- 405 sqm (GIA)
 - Waiting area / clinical space at 1st floor for privacy

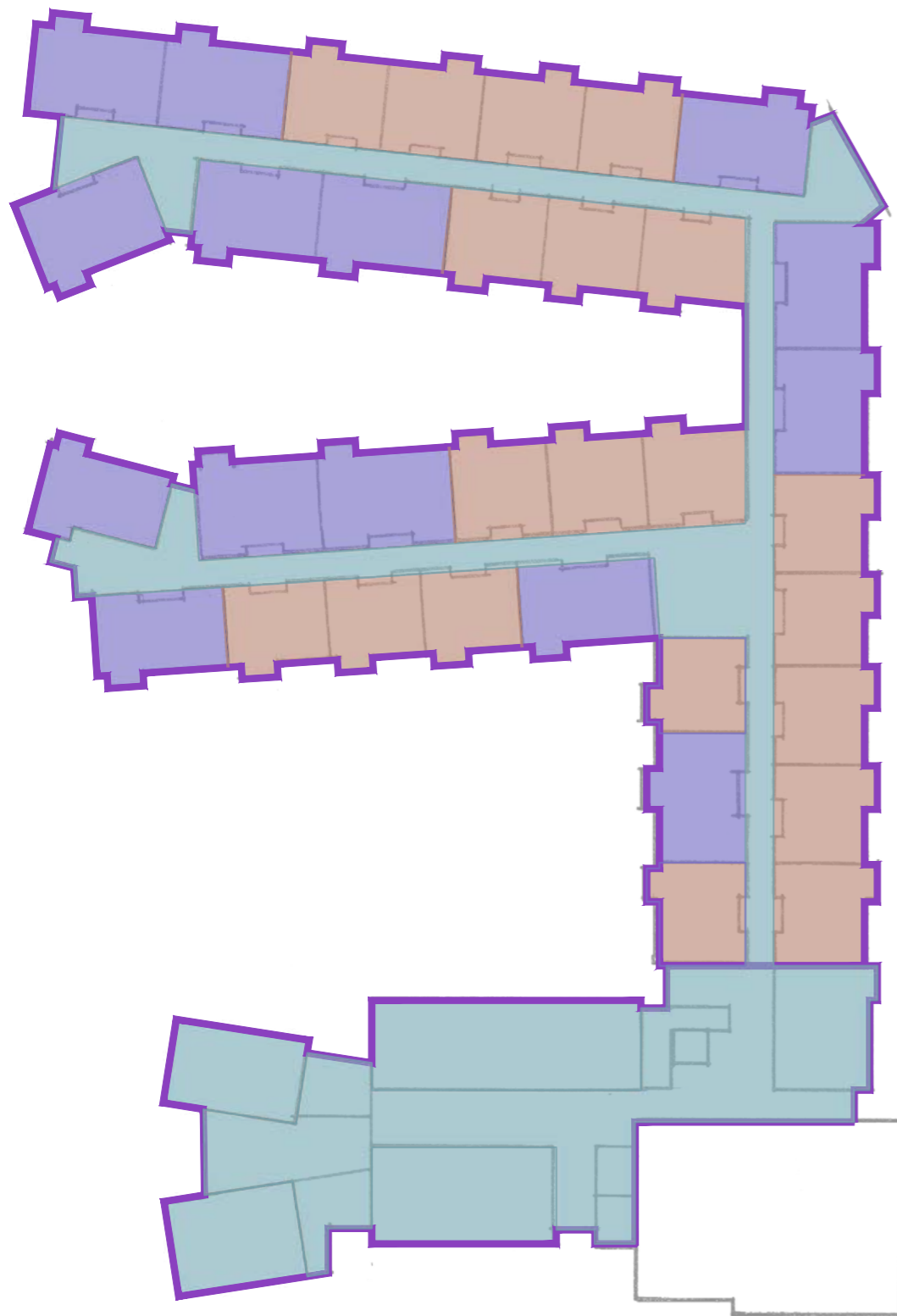
- Extra care**
- 21 x 1-bed apartment
 - 23 x 2-bed apartment

- Extra care**
- 1 x 1-bed
 - 4 x 2-bed

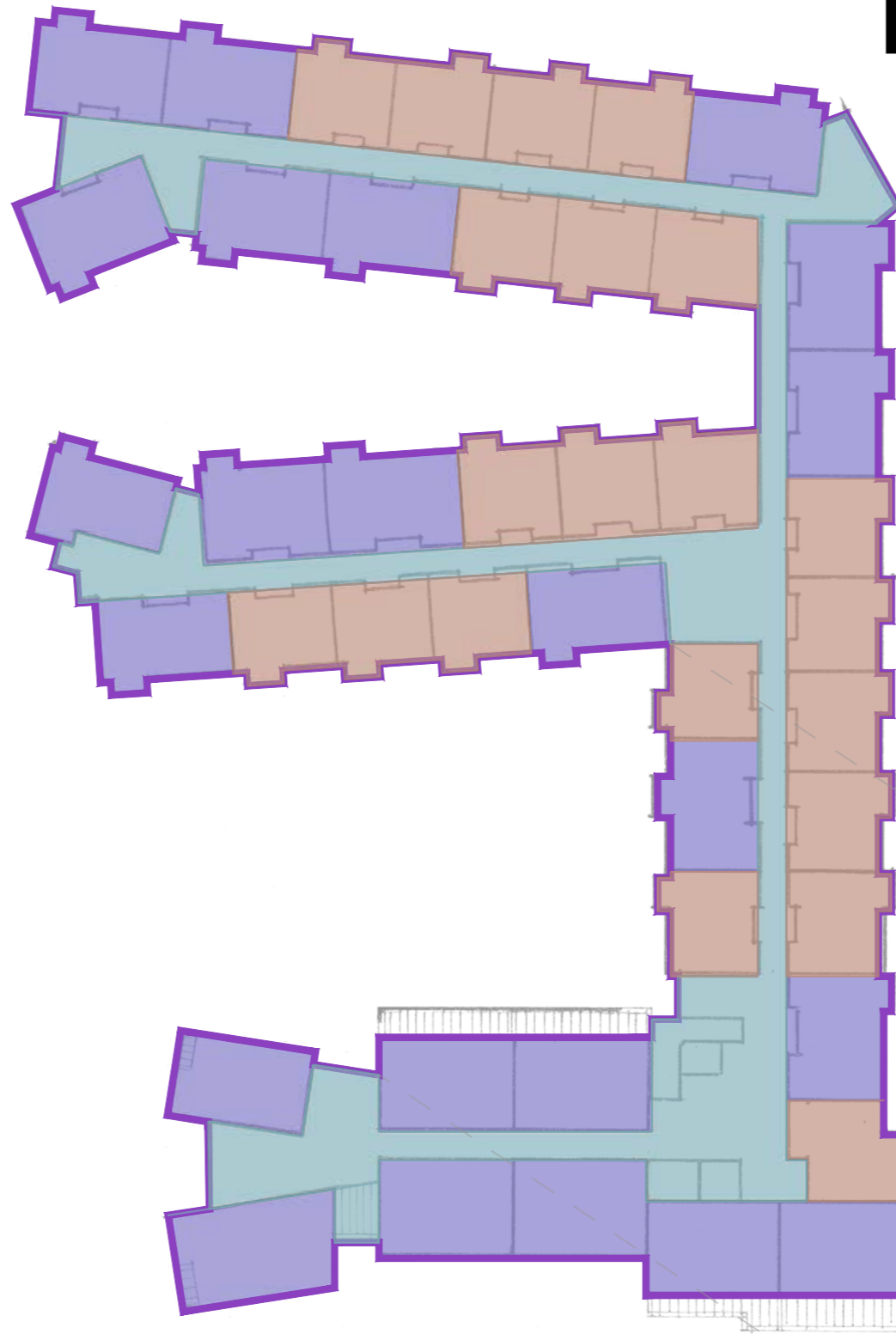
Second floor plan



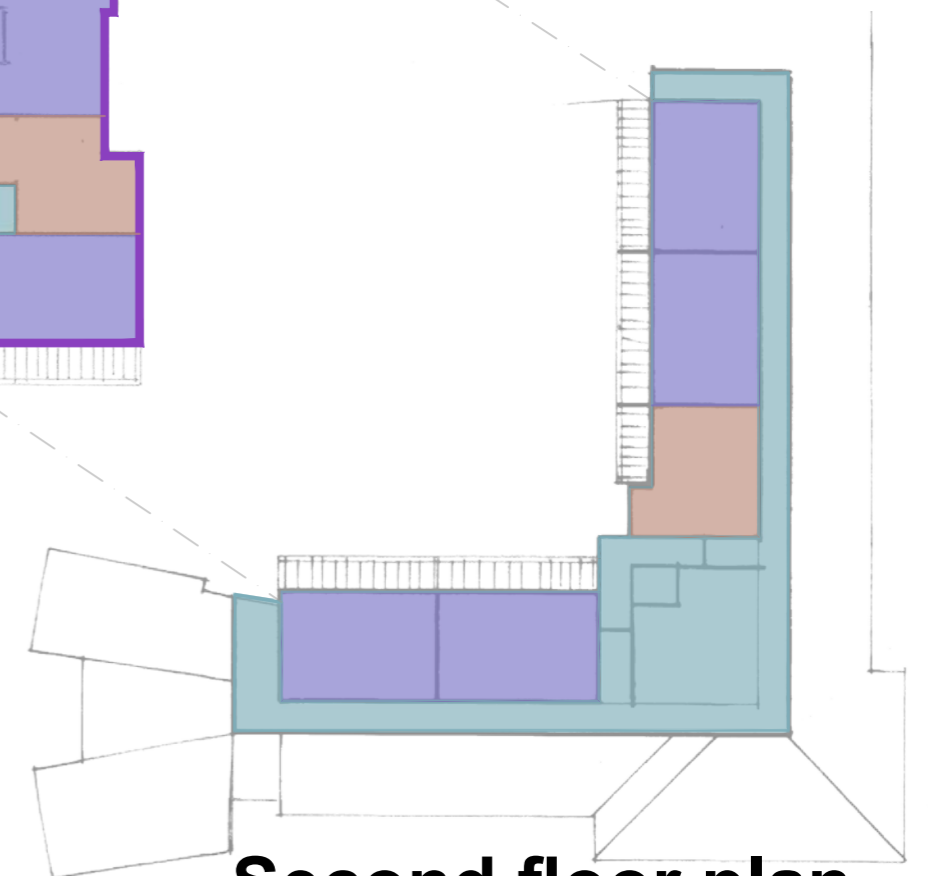
Extra Care building



Ground floor plan



First floor plan



Second floor plan

- Communal / Ancillary / Service
- 1-bed flat (average size 56 sqm)
- 2-bed flat (average size 75 sqm)

APPENDIX 2 – DCF appraisal summary



| | | | | | |
|--------------------------|---------------------------|----------------------|------------|---------|-------|
| SCHEME NAME | FORMER MIDDLE SCHOOL SITE | ACQUISITION | 01/08/2021 | VERSION | AUDIT |
| COMPLETED BY | | START ON SITE | 01/02/2022 | v3.0.6 | TRUE |
| LOCAL AUTHORITY | PURBECK | PRACTICAL COMPLETION | 01/02/2024 | | |
| BESPOKE ASSUMPTIONS USED | | | | | |

UNIT SUMMARY

| | MARKET RENT | MANUAL RENT | LONDON AFFORDABLE RENT | SHARED OWNERSHIP | LONDON LIVING RENT | PRIVATE SALE | RESIDENTIAL TOTAL | NON RESIDENTIAL RENT | NON RESIDENTIAL SALE | SCHEME TOTAL |
|-----------------|-------------|-------------|------------------------|------------------|--------------------|--------------|-------------------|----------------------|----------------------|--------------|
| No. of Units | 83 | 8 | 0 | 0 | 0 | 0 | 91 | 0 | 2 | 93 |
| Habitable Rooms | 207 | 20 | 0 | 0 | 0 | 0 | 227 | | | 227 |
| NIA SQM | 5,427 | 524 | 0 | 0 | 0 | 0 | 5,951 | 0 | 1,080 | 7,031 |
| GIA SQM | 7,128 | 617 | 0 | 0 | 0 | 0 | 7,745 | 0 | 1,080 | 8,825 |
| NIA SQFT | 58,416 | 5,640 | 0 | 0 | 0 | 0 | 64,056 | 0 | 11,621 | 75,677 |
| GIA SQFT | 76,730 | 6,641 | 0 | 0 | 0 | 0 | 83,371 | 0 | 11,621 | 94,992 |
| Persons | 248 | 24 | 0 | 0 | 0 | 0 | 272 | | | 272 |

CAPITAL COST & FUNDING (£)

| | MARKET RENT | MANUAL RENT | LONDON AFFORDABLE RENT | SHARED OWNERSHIP | LONDON LIVING RENT | PRIVATE SALE | RESIDENTIAL TOTAL | NON RESIDENTIAL RENT | NON RESIDENTIAL SALE | SCHEME TOTAL |
|------------------------------|---------------------|--------------------|------------------------|------------------|--------------------|--------------|---------------------|----------------------|----------------------|---------------------|
| Total Land Costs | | | | | | | | | | |
| Total Works Costs | £ 17,790,300 | £ 1,324,400 | | | | | £ 19,114,700 | | £ 3,285,700 | £ 22,400,400 |
| Total On Costs | £ 2,820,127 | £ 206,938 | | | | | £ 3,027,065 | | £ 1,393,006 | £ 4,420,072 |
| Total Scheme Costs | £ 20,610,427 | £ 1,531,338 | | | | | £ 22,141,765 | | £ 4,678,706 | £ 26,820,472 |
| GLA/HE Grant | £ 6,640,000 | £ 640,000 | | | | | £ 7,280,000 | | | £ 7,280,000 |
| LA Grants/RTB Receipts | | | | | | | | | | |
| RCGF/DPF | | | | | | | | | | |
| s106 Income | | | | | | | | | | |
| Capital Subsidy / Reserves | | | | | | | | | | |
| Other Funding | | | | | | | | | | |
| Sales Income | | | | | | | | | £ 5,812,500 | £ 5,812,500 |
| Retained Profit | | | | | | | | | | |
| Private Finance | £ 13,970,427 | £ 891,338 | | | | | £ 14,861,765 | | -£ 1,133,794 | £ 13,727,972 |
| Total Capital Funding | £ 20,610,427 | £ 1,531,338 | | | | | £ 22,141,765 | | £ 4,678,706 | £ 26,820,472 |

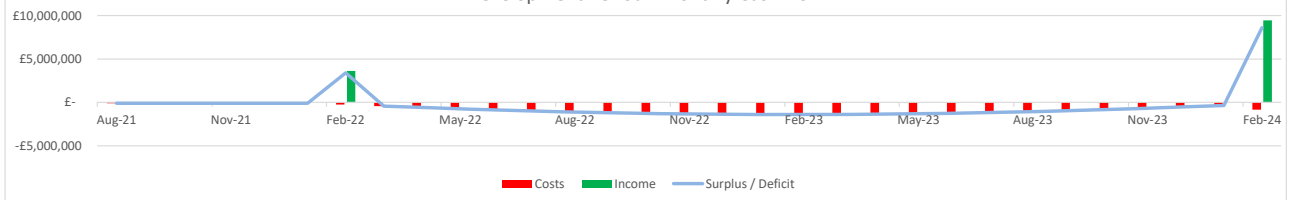
FINANCIAL PERFORMANCE

| | MARKET RENT | MANUAL RENT | LONDON AFFORDABLE RENT | SHARED OWNERSHIP | LONDON LIVING RENT | PRIVATE SALE | RESIDENTIAL TOTAL | NON RESIDENTIAL RENT | NON RESIDENTIAL SALE | SCHEME TOTAL |
|------------------------------------|---------------|--------------|------------------------|------------------|--------------------|--------------|-------------------|----------------------|----------------------|---------------|
| Net Present Value (£) | -£ 8,032,083 | -£ 300,338 | | | | | -£ 8,332,421 | | £ 1,133,794 | -£ 7,198,627 |
| Net Present Value (Unit) | -£ 96,772 | -£ 37,542 | | | | | -£ 91,565 | | £ 566,897 | -£ 77,405 |
| Internal Rate of Return | -0.95% | 1.91% | | | | | -0.75% | | 28.20% | -0.28% |
| Cost to Value | 103.62% | 79.76% | | | | | 101.52% | | 80.49% | 97.10% |
| Present Value of Income (£) | £ 5,938,344 | £ 591,001 | | | | | £ 6,529,345 | | | £ 6,529,345 |
| Open Market Value (£) | £ 19,890,000 | £ 1,920,000 | | | | | £ 21,810,000 | | £ 5,812,500 | £ 27,622,500 |
| 1st Year of Interest Cover | NO COVER | 8 | | | | | NO COVER | | n/a | 76 |
| Loan Repayment Year | NOT REPAYED | 53 | | | | | NOT REPAYED | | n/a | NOT REPAYED |
| Peak Long Term Debt (£) | -£ 28,704,863 | -£ 1,010,299 | | | | | -£ 29,690,173 | | | -£ 25,443,755 |
| Net Interest Cover (Yr1) | 55.36% | 83.87% | | | | | 57.07% | | n/a | 61.79% |
| Net Interest Cover (Yr5) - Flex. | 57.63% | 92.19% | | | | | 59.60% | | n/a | 65.10% |
| Net Interest Cover (Yr5) - Annuity | 67.01% | 101.51% | | | | | 69.08% | | n/a | 74.79% |

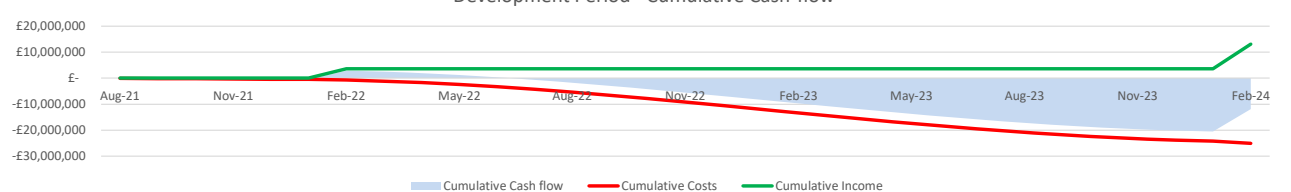
BENCHMARKS

| | MARKET RENT | MANUAL RENT | LONDON AFFORDABLE RENT | SHARED OWNERSHIP | LONDON LIVING RENT | PRIVATE SALE | RESIDENTIAL TOTAL | NON RESIDENTIAL RENT | NON RESIDENTIAL SALE | SCHEME TOTAL |
|------------------------------|-------------|-------------|------------------------|------------------|--------------------|--------------|-------------------|----------------------|----------------------|--------------|
| Total Works Cost (£/GIA SQM) | £ 2,496 | £ 2,147 | | | | | £ 2,468 | | £ 3,042 | £ 2,538 |
| Circulation Area | 31.35% | 17.75% | | | | | 30.15% | | | 25.52% |
| Total Cost (£/Unit) | £ 248,318 | £ 191,417 | | | | | £ 243,316 | | £ 2,339,353 | £ 288,392 |
| On Costs % | 15.85% | 15.63% | | | | | 15.84% | | 42.40% | 19.73% |
| OMV (£/Unit) | £ 239,639 | £ 240,000 | | | | | £ 239,670 | | £ 2,906,250 | £ 297,016 |
| OMV (£/SQFT) | £ 340 | £ 340 | | | | | £ 340 | | £ 500 | £ 365 |
| PV (£/Unit) | £ 71,546 | £ 73,875 | | | | | £ 71,751 | | | £ 70,208 |
| PV (£/SQFT) | £ 102 | £ 105 | | | | | £ 102 | | | £ 86 |
| GLA/HE Grant (£/Unit) | £ 80,000 | £ 80,000 | | | | | £ 80,000 | | | £ 78,280 |
| Other Funding (£/Unit) | | | | | | | | | | |

Development Period - Monthly Cash-flow



Development Period - Cumulative Cash-flow



APPENDIX 3 – Extra care comparables

| Scheme | Address | Unit types | Rent per week | Service charge | Support charge |
|------------------------|---|--------------------------|-------------------|----------------|----------------|
| Foylebank Court | Castle Road, Castletown, Portland, DT5 1BA | 1 & 2 bedroom properties | £90.42 - £131.85 | £45.59 | £3.8 |
| Bluebell Gardens | Hollway Road, Bristol, BS14 8AB | 1 & 2 bedroom properties | £91.05 - £135.36 | £44.29 | £4.81 |
| Diamond Court | Diamond Batch, Weston-Super-Mare, BS24 7FY | 1 & 2 bedroom properties | £110.32 - £130.03 | £42.5 | £3.94 |
| Hillside Court | Batten Road, St George, Bristol, BS5 8NL | 1 & 2 bedroom properties | £91.97 - £138.88 | £44.54 | £5.94 |
| Strawberry Gardens | 18 Moorhen Road, Yatton, Bristol, BS49 4GB | 2 bedroom properties | £127.92 - £128.3 | £47.55 | £3.47 |
| Falcon Court | New Cheltenham Road, Bristol, BS15 4FY | 1 & 2 bedroom properties | £111.1 - £130.46 | £44.66 | £4.27 |
| Caroline Square | King William Street, Portsmouth, PO1 3JG | 1 & 2 bedroom properties | £119.26 - £145.98 | £48.56 | £4.25 |
| Brunel Court | Nutfield Place, Portsmouth, PO1 4JB | 1 & 2 bedroom properties | £98.42 - £147.81 | £45.96 | £3.97 |
| Maritime House | Conan Road, Portsmouth, PO2 9DT | 1 & 2 bedroom properties | £122.58 - £145.03 | £31.5 | £2.72 |
| Brent Court | Warren Avenue, Southsea, Portsmouth, PO4 8QQ | 1 & 2 bedroom properties | £107.53 - £139.11 | £39.59 | £4.06 |
| Osprey Court | Moorings Way, Southsea, Portsmouth, PO4 8BQ | 1 & 2 bedroom properties | £120.73 - £142.61 | £47.64 | £4.18 |
| Crane Court | 55 Velder Avenue, Portsmouth, PO4 8JZ | 1 & 2 bedroom properties | £109.15 - £141.92 | £44.92 | £3.27 |
| Dairy View | Cloatley Crescent, Swindon, SN4 7FU | 1 & 2 bedroom properties | £112.66 - £132.95 | £52.76 | £5.77 |
| Maple Court | The Street, Moredon, Swindon, SN25 3AF | 1 & 2 bedroom properties | £90.65 - £140.33 | £39.38 | £4.16 |
| Alice Bye Court | Bluecoats, Thatcham, RG18 4AE | 1 & 2 bedroom properties | £125.84 - £147.6 | £46.41 | £3.5 |
| Mulberry Court | Middle Mead Road, Kingshill, Cirencester, GL7 1GG | 1 & 2 bedroom properties | £107.37 - £135.36 | £46.85 | £3.6 |
| Monaveen at Westergate | Peckham Chase, Chichester, PO20 3AR | 1 & 2 bedroom properties | £118.84 - £139.95 | £53.62 | £4.69 |
| Beeches Manor | Reading Road, Wokingham, RG41 1AA | 1 bedroom properties | £109.23 - £137.9 | £47.56 | £4.6 |
| Erdington House | Cresswell Close, Yarnton, Kidlington, OX5 1FZ | 1 & 2 bedroom properties | £115.2 - £135.61 | £49.9 | £4.8 |
| Willow Gardens | Russell Way, Chipping Norton, OX7 5FX | 1 & 2 bedroom properties | £118.67 - £139.82 | Not available | Not available |
| Hogshill Gardens | Brighton Road, Crawley, RH10 6RS | 1 & 2 bedroom properties | £111.91 - £151.91 | £55.7 | £5.54 |
| Walstead Court | Barley Close, Crawley, RH10 6BD | 1 & 2 bedroom properties | £101.38 - £147.57 | 69.68 | 6.85 |
| Stanbridge Hall | Ruskin Road, Banbury, OX16 9FZ | 1 & 2 bedroom properties | £114.19 - £134.3 | 47.65 | 4.65 |

APPENDIX 4 – B&M's cost estimate

COST SUMMARY - FORMER MIDDLE SCHOOL SITE

| | | |
|----------------------------------|---------------|-------------------------------|
| Base Date of Cost Plan | 9-Aug-2021 | |
| Gross Internal Floor Area | 8829 m2 | 95000 ft2 |
| Construction Works Estimate | 20,362,000.00 | Total (A) - see details below |
| Contract Cost Estimate | 23,421,000.00 | Total (B) - see details below |
| Project Cost Estimate (Exc. VAT) | 26,231,000.00 | Total (C) - see details below |

Elemental Cost Summary

| Ref | Description | Total (£) | Notes | £/m2 | £/ft2 |
|------------|---|-------------------|-----------------|--------------|------------|
| 1 | Construction Works | | | | |
| 1.1 | Block A - Extra Care Home Units (83nr) | 9,917,000 | BCIS £/m2 | 1,563 | 145 |
| 1.2 | Block A - Extra Care Home Units Communal | 1,224,000 | BCIS £/m2 | 1,563 | 145 |
| 1.3 | Block A - Pharmacy / Retail | 531,000 | BCIS £/m2 | 1,967 | 183 |
| 1.4 | Block B - GP Surgery | 1,592,000 | BCIS £/m2 | 1,965 | 183 |
| 1.5 | Block C - Apartments (8nr) | 804,000 | BCIS £/m2 | 1,295 | 120 |
| 1.6 | Site Works | 1,917,000 | See breakdown | 217 | 20 |
| 1.7 | Facilitating Works | 264,000 | See breakdown | 30 | 3 |
| 1.8 | Abnormals | 290,000 | See breakdown | 33 | 3 |
| | Sub-Total | 16,539,000 | | 1,873 | 174 |
| 2 | Main Contractor's Preliminaries Estimate | 2,315,000 | based on 14.0% | 262 | 24 |
| | Sub-Total | 18,854,000 | | 2,135 | 198 |
| 3 | Main Contractor's Overheads & Profit | 1,508,000 | based on 8.0% | 171 | 16 |
| (A) | Construction Works Estimate (Total) | 20,362,000 | | 2,306 | 214 |
| 4 | Inflation | | | | |
| 4.1 | Tender Inflation Estimate (2022) | 304,000 | based on 1.5% | 34 | 3 |
| 4.2 | Construction Inflation Estimate (2023 midpoint) | 719,000 | based on 3.5% | 81 | 8 |
| 5 | Risk Allowances Estimate | | | | |
| 5.1 | Design Development Risks Estimate | 1,018,000 | based on 5.0% | 115 | 11 |
| 5.2 | Construction Risks Estimate | 1,018,000 | based on 5.0% | 115 | 11 |
| 5.3 | Dayworks | - | Excluded | 0 | 0 |
| | Sub-Total | 23,421,000 | | 2,653 | 247 |
| 6 | Main Contractor Fees / Surveys | | | | |
| 6.1 | Pre Construction Fees | - | Incl. elsewhere | 0 | 0 |
| 6.2 | Professional / Design Fees | - | Incl. in 7.1 | 0 | 0 |
| 6.3 | Surveys / Reports | - | Incl. in 7.2 | 0 | 0 |
| (B) | Contract Cost Estimate (Total) | 23,421,000 | | 2,653 | 247 |
| 7 | Project/Design Team Fees | | | | |
| 7.1 | Client Direct Consultant Fees | 2,576,000 | based on 11.0% | 292 | 27 |
| 7.2 | Other Fees / Surveys | 234,000 | based on 1.0% | 27 | 2 |
| | Sub-Total | 26,231,000 | | 2,971 | 276 |
| 8 | Other Development / Project Costs | | | | |
| 8.1 | Client Direct Costs | - | N/A | 0 | 0 |
| 8.2 | Loose Fittings and Equipment | - | N/A | 0 | 0 |
| | Sub-Total | 26,231,000 | | 2,971 | 276 |
| 9 | Employer Risk Allowance | - | Excluded | 0 | 0 |
| (C) | Project Cost Estimate (excl VAT) | 26,231,000 | | 2,971 | 276 |

COST SUMMARY - MIDDLE SCHOOL SITE

| Ref | Description | Qty | Unit | Rate | Total |
|------|---|-----------|------|------------|------------|
| 1.01 | External works - roadways construction | 4,809.00 | m2 | 120.00 | 577,080.00 |
| 1.02 | External works - pathways construction | 2,946.00 | m2 | 100.00 | 294,600.00 |
| 1.03 | External works - landscaped area | 5,938.00 | m2 | 10.00 | 59,380.00 |
| 1.04 | External works - trees | 82.00 | nr | 350.00 | 28,700.00 |
| 1.05 | External works - fencing | 10.00 | m | 150.00 | 1,500.00 |
| 1.06 | External works - gates | 2.00 | nr | 1,000.00 | 2,000.00 |
| 1.07 | External works - access road works/crossover | 1.00 | item | 20,000.00 | 20,000.00 |
| 1.08 | External works - surface water drainage (all hardstanding / roof areas) | 11,885.00 | m2 | 15.00 | 178,275.00 |
| 1.09 | External works - foul water drainage (all building areas) | 8,829.00 | m2 | 25.00 | 220,725.00 |
| 1.10 | External works - external lighting allowance | 1.00 | item | 50,000.00 | 50,000.00 |
| 1.11 | External works - FF&E allowance | 1.00 | PS | 50,000.00 | 50,000.00 |
| 1.12 | External works - site supplies (water) | 1.00 | item | 50,000.00 | 50,000.00 |
| | Allowance for trenching | 100.00 | m | 250.00 | 25,000.00 |
| 1.13 | External works - site supplies (gas) | 1.00 | item | 50,000.00 | 50,000.00 |
| | Allowance for trenching | 100.00 | m | 250.00 | 25,000.00 |
| 1.14 | External works - site supplies (electric - assume generator) | 1.00 | item | 150,000.00 | 150,000.00 |
| | Allowance for trenching | 100.00 | m | 250.00 | 25,000.00 |
| | Allowance for EV charging points | 1.00 | item | 20,000.00 | 20,000.00 |
| 1.15 | External works - site supplies (BT) | 1.00 | item | 20,000.00 | 20,000.00 |
| | Allowance for trenching | 100.00 | m | 250.00 | 25,000.00 |
| 1.16 | External works - site supplies (Sewerage) | 1.00 | item | 20,000.00 | 20,000.00 |
| | Allowance for trenching | 100.00 | m | 250.00 | 25,000.00 |

Site Works 1,917,260

| Ref | Description | Qty | Unit | Rate | Total |
|------|--|-----------|------|-----------|-----------|
| 1.01 | Relocation of existing buildings (double unit) | 1.00 | nr | 10,000.00 | 10,000.00 |
| 1.02 | Relocation of existing buildings (single unit) x 1 | 1.00 | nr | 5,000.00 | 5,000.00 |
| 1.03 | Relocation of existing buildings (single unit) x 1 | 1.00 | nr | 5,000.00 | 5,000.00 |
| 1.04 | Relocation of existing buildings (single unit) x 4 | 4.00 | nr | 5,000.00 | 20,000.00 |
| 1.05 | Demolition of existing buildings (East Building) | 250.00 | m2 | 120.00 | 30,000.00 |
| 1.06 | Breaking out existing hardstandings | 3,000.00 | m2 | 30.00 | 90,000.00 |
| 1.07 | Site clearance / adjustment of levels | 17,823.00 | m2 | 5.00 | 89,115.00 |
| 1.08 | Site clearance existing tree's | 1.00 | item | 15,000.00 | 15,000.00 |

Facilitating Works 264,115

| Ref | Description | Qty | Unit | Rate | Total |
|------|---|-------|------|------------|------------|
| 1.01 | Abnormal - asbestos removal works | 1.00 | item | 10,000.00 | 10,000.00 |
| 1.02 | Abnormal - supplies to site (backup generators etc) | 1.00 | item | 100,000.00 | 100,000.00 |
| 1.03 | Abnormal - Balconies to new build (excluded from GIFA £/m2) | 36.00 | nr | 5,000.00 | 180,000.00 |

Abnormal Works 290,000

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