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Planning for schools DPD - Viability Assessment

Prepared for

London Borough of Ealing

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Contents

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1 Executive Summary

1.1 This report tests the ability of ten sites in the London Borough of Ealing to viably provide schools in support of the objectives set out in the '*Planning for schools: Development Plan Document: Issues and Options Consultation'* (October 2013). Alongside the provision of schools, the study tests the cumulative impact of the Council's planning policy requirements, in line with the requirements of the National Planning Policy Framework ('NPPF') and the Local Housing Delivery Group guidance '*Viability Testing Local Plans: Advice for planning practitioners*'.

Methodology

1.2 The study methodology compares the residual land values of a range of developments on sites throughout the borough to their value in current use (plus a premium), herein after referred to as 'benchmark land value'. If a development incorporating the Council's requirement for an on-site school together with other policy requirements generates a higher residual land value than the benchmark land value, then it can be judged that the Council's requirements will not adversely impact on viability. Following the adoption of policies, developers will need to reflect policy requirements in their bids for sites, in line with requirements set out in the RICS Guidance on 'Financial Viability in Planning'[1].

1.3 The study utilises the residual land value method of calculating the value of each development. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and Community Infrastructure Levy ('CIL')) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

1.4 Our understanding is that the Council intends to secure land for schools through a planning obligation, but that the developers would not be required to fund the school build costs. This study therefore considers whether the loss of residential floorspace resulting from the requirement for a school would adversely impact on viability to such a degree that the site would not come forward for development. In situations where the requirement for a school would prevent a scheme coming forward, the Council would need to provide funding for the school.

1.5 The housing and commercial property markets are inherently cyclical and the Council is testing its educational requirements at a time when the market is recovering after a severe recession. Residential values in Ealing have recovered to surpass their 2008 peak levels, but build costs now exceed those at the previous market peak. Forecasts for future house price growth suggest continuing growth in mainstream London markets over the medium term.

[1] This guidance notes that when considering site-specific viability "*Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan*". Providing therefore that Site Value does not fall below a site's existing use value, there should be no reason why policy requirements cannot be achieved.

Key findings

1.6 The key findings of the study are as follows:

- One of the sites is unable to physically accommodate any residential development after taking account of the Council's requirement for educational floorspace. The Council would need to invest its own resources to purchase this site, in addition to funding the costs of construction.

- The other sites have capacity for a school, and would also be able to accommodate residential development on the remaining land.

- However, if the Council seeks to secure affordable housing from any residential development, the residual land values generated would be lower than the value of the sites in their current use in all but two cases. Consequently, the sites would remain in their existing uses unless the Council is able to purchase them at market value.

- If the Council is prepared to reduce its affordable housing requirements, five sites would generate residual land values exceeding the current use values of the sites.

- Our assessments assume that educational and residential uses can be 'stacked' in the same building, which is likely to present design and construction challenges. This may limit interest from the market.

- All but one of the sites is in multiple ownership, which would result in delays and costs due to the need to assemble the sites. These factors may delay the potential availability of the sites for educational provision in the short term (i.e. three to five years). However, the Council may wish to include these sites for subsequent review/assessment to assist in meeting educational need in the medium to longer term.

2 Introduction

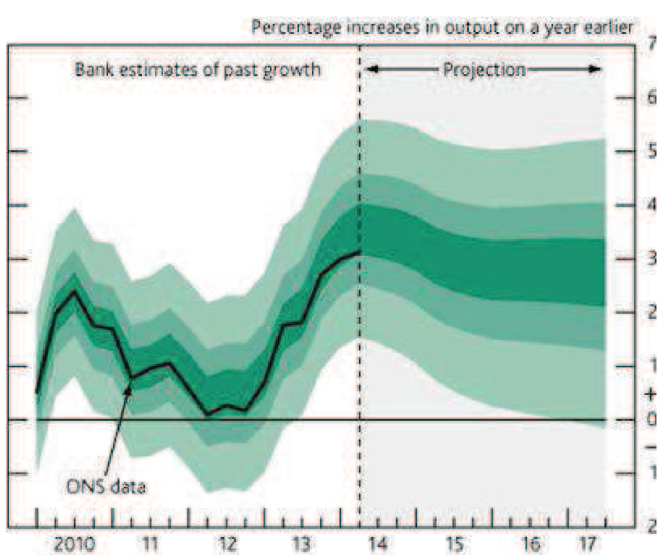
2.1 This study has been commissioned to contribute towards an evidence base to inform the Council's draft Planning for Schools Development Plan Document ('DPD'). The aim of the study is to assess the viability of some of the sites identified for the provision of schools as set out in the DPD.

2.2 In terms of methodology, we adopted standard residual valuation approaches to test the impact on ability of the sites to viably provide schools alongside other forms of development.

Economic and housing market context

2.3 The historic highs achieved in the UK housing market by mid 2007 followed a prolonged period of real house price growth. However, a period of 'readjustment' began in the second half of 2007, triggered initially by rising interest rates and the emergence of the US sub prime lending problems in the last quarter of 2007. The subsequent reduction in inter-bank lending led to a general "credit crunch" including a tightening of mortgage availability. The real crisis of confidence, however, followed the collapse of Lehman Brothers in September 2008, which forced the government and the Bank of England to intervene in the market to relieve a liquidity crisis.

2.4 The combination of successive shocks to consumer confidence and the difficulties in obtaining finance led to a sharp reduction in transactions and a significant correction in house prices in the UK, which fell to a level some 21% lower than at their peak in August 2007 according to the Halifax House Price Index. Consequently, residential land values fell by some 50% from peak levels. One element of government intervention involved successive interest rate cuts and as the cost of servicing many people's mortgages is linked to the base rate, this financial burden has progressively eased for those still in employment. This, together with a return to economic growth early 2010 (see August 2013 Bank of England GDP fan chart below, showing the range of the Bank's predictions for GDP growth to 2016) has meant that consumer confidence has started to improve to some extent.



Source: Bank of England

2.5 Throughout the first half of 2010 there were some tentative indications that improved consumer confidence was feeding through into more positive interest from potential house purchasers. Against the background of a much reduced supply of new housing, this would lead one to expect some recovery in prices. However, this brief resurgence abated with figures falling and then fluctuating in 2011 and 2012, with the Halifax House Price Indices showing a fall of 0.6% in the year to March 2012. The Halifax attributed some of the recovery during that period with first time buyers seeking to purchase prior to the reintroduction of stamp duty from 1st April 2012. The signs of improvement in the housing market towards the end of 2012 continued through 2013 and into 2014.

2.6 Both the Halifax and Nationwide report about the moderation of the housing market in their September 2014 Housing Price Index Updates. Martin Ellis, The Housing Economist at The Halifax identifies that, "Annual House price inflation may have peaked around 10%. A moderation in growth looks likely during the remainder of 2014 and into next year as supply and demand become increasingly better balanced."

2.7 This view is shared by Nationwide's Chief Economist Robert Gardiner who comments that "price growth may soften further in the final quarter of the year, given the high base for comparison from Q4 2013. There have been tentative signs from surveyors and estate agents that buyer demand may be starting to moderate."

2.8 Both reports make reference to recent slowdown of sales growth and moderation in sales values, although both significantly make reference to rise in the quarterly house prices. Halifax report states "house prices in the latest three months (July-September) were 2.7% higher than in the previous three months (April-June 2014)." In addition the Nationwide identifies that "while September saw a slowing of house price growth, the picture on a quarterly basis was still relatively strong." Both Halifax and Nationwide are therefore continuing to report positively about the housing market as a quarter on quarter change is a more reliable indicator of the underlying trend.

2.9 Of interest in Halifax's report are Martin Ellis's comments on the signs of a better balance between demand and supply i.e. "the recent rapid rise in house prices, earnings growth that remains below consumer price inflation and the possibility of an interest rate rise over the coming months appear to have tempered with housing demand." In addition, Nationwide state that "the outlook remains uncertain." It should be noted however that although Nationwide make this comment, they do not consider the moderation of the market to have imminent effect on demand, identifying that "the low level of interest rates and strong labour market suggest underlying demand is likely to remain robust."

2.10 On the supply side, The Halifax identify that the number of new buyer enquiries fell in August and "Sales in the three months to August were 1.5% lower than in the preceding three months." This results in "the ratio of house sales to the stock of unsold properties to loosen as a result of lower sales."

2.11 On this basis, if a better balance between supply and demand is sustained, the pace of house price growth will be dampened. The outlook for the UK economy appears to be moderating as we enter the final quarter and into 2015.

2.12 According to Land Registry data, residential sales values in Ealing have recovered since the lowest point in the cycle in May 2009. Prices increased by 49% between June 2009 and June 2014. In January 2014, sales values were 24% higher than the previous (April 2008) peak value (see figures 2.12.1 and 2.12.2).

Figure 2.12.1: House prices in Ealing

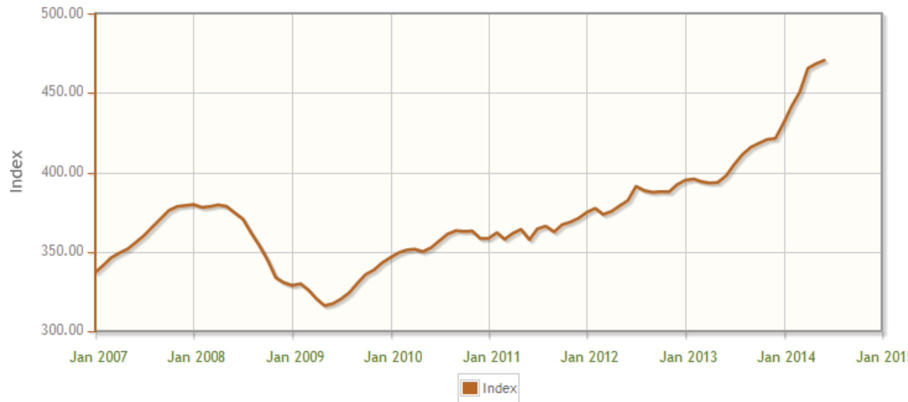


Figure 2.12.2: Sales volumes in Ealing

Source: Land Registry

2.13 The future trajectory of house prices is currently uncertain, although Savills' current prediction is that values are expected to increase over the next five years. Medium term predictions are that properties in mainstream London markets will grow over the period between 2014 to 2018[2]. Savills predict that values in mainstream London markets (i.e. non-prime) will increase by 24.4% over the period, compared to a UK average of 25.2% cumulative growth over the same period.

2.14 In common with other London boroughs, there are variations in sales values between different parts of Ealing. Highest sales values are achieved in the centre of the Borough (the area between Ealing Broadway and Pitshanger Park to parts of West Acton). Hanwell, Park Royal and West Ealing achieve slightly lower values. Lowest values are achieved in Northolt, Greenford, Southall and East Acton.

[2] Savills Research: Residential Property Focus, Quarter 4 2013

National Policy Context

The National Planning Policy Framework

2.15 Since the Council adopted its Core Strategy, the old suite of planning policy statements and planning policy guidance has been replaced by a single document – the National Planning Policy Framework ('NPPF').

2.16 The NPPF provides more in-depth guidance on viability of development than Planning Policy Statement 3, which limited its attention to requiring local planning authorities to test the viability of their affordable housing targets. The NPPF requires that local planning authorities have regard to the impact on viability of the *cumulative effect* of all their planning requirements on viability. Paragraph 173 of the NPPF requires that local planning authorities give careful attention "*to viability and costs in plan-making and decision-taking*". The NPPF requires that "*the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened*". After taking account of policy requirements, land values should be sufficient to "*provide competitive returns to a willing landowner and willing developer*".

2.17 The meaning of a "*competitive return*" has been the subject of considerable debate over the past year. For the purposes of testing the viability of a Local Plan, the Local Housing Delivery Group[3] has concluded that the current use value of a site (or a credible alternative use value) plus an appropriate uplift, represents a competitive return to a landowner. Some members of the RICS consider that a competitive return is determined by market value[4], although there is no consensus around this view.

The National Planning Practice Guidance ('NPPG')

2.18 The NPPG provides additional information to supplement the NPPF, including on viability. With regards to plan making, the NPPG stresses that evidence should be proportionate to ensure plans are underpinned by a '*broad understanding of viability*' but that '*greater detail may be necessary in areas of known marginal viability or where evidence suggests that viability might be an issue – for example in relation to policies for strategic sites which require high infrastructure investment'*. This suggests that sites required to provide major infrastructure, such as schools, should be tested to ensure they are viable.

Ealing Community Infrastructure Levy ('CIL')

2.19 Ealing consulted on its CIL Preliminary Draft Charging Schedule ('PDCS') between 28 February to 11 April 2014 and consulted on its Draft Charging Schedule ('DCS') between September and October 2014. Table 2.19.1 below summarises the rates that the Council proposes to adopt, subject to reviewing responses to the Consultation[5].

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[3] Viability Testing Local Plans: Advice for planning practitioners, June 2012

[4] RICS Guidance Note: Financial Viability in Planning, August 2012

[5] Additional information on the Council's emerging CIL can be found at www.ealing.gov.uk/info/1004/planning_policy/1536/community_infrastructure_levy_cil

Table 2.19.1: Proposed CIL rates in the DCS

Intended use of development	Ealing	Other areas
Residential and other C use classes (incl student and hotels)	£100	£50
Retail warehouse, retail parks and superstores >280 sqm	£100	£100
Other retail	£30	£30
All other uses	Nil	Nil

Local Policy context

2.20 In addition to financing infrastructure, the Council expects residential developments to provide a mix of affordable housing tenures, sizes and types to help meet identified housing needs and contribute to the creation of mixed, balanced and inclusive communities. The Council's strategic target is that at least 50% of new dwellings should be affordable. To meet this aim, the Council expects developments of 10 or more units to provide affordable housing on-site, with a tenure mix of 60% rented and 40% intermediate housing. The Council will seek the '*maximum reasonable amount of affordable housing, taking account of specific circumstances of the site (including financial viability)*[6]'. Clearly in the context of delivering other benefits (such as schools, as in the case of this assessment), the Council will need to weigh the relative benefits of different requirements.

2.21 The Council is also seeking to protect existing employment land and maintain and increase existing retail floorspace. There are specific policies for revitalising the main town centres, including Acton, Ealing, Hanwell, Southall and Greenford. Park Royal is earmarked as an area for the protection and enhancement of business and industry

Development context

2.22 Developments in Ealing range from small in-fill sites to major regeneration schemes, including Dickens Yard and estate regeneration schemes, such as the South Acton Estate. Residential sales values vary to some degree between different parts of the Borough, with the highest values in Ealing and the lowest values in Northolt. Ealing Broadway is the focus for much of the new retail floorspace in the Borough, with the Dickens Yard scheme providing new floorspace at ground floor. The Council also has ambitions to enhance the retail offer at the Arcadia Site. The Borough's main business, industry and warehousing area is located at Park Royal. New office development is likely to be limited throughout the Borough, as demand for new office floorspace is generally weak outside central London

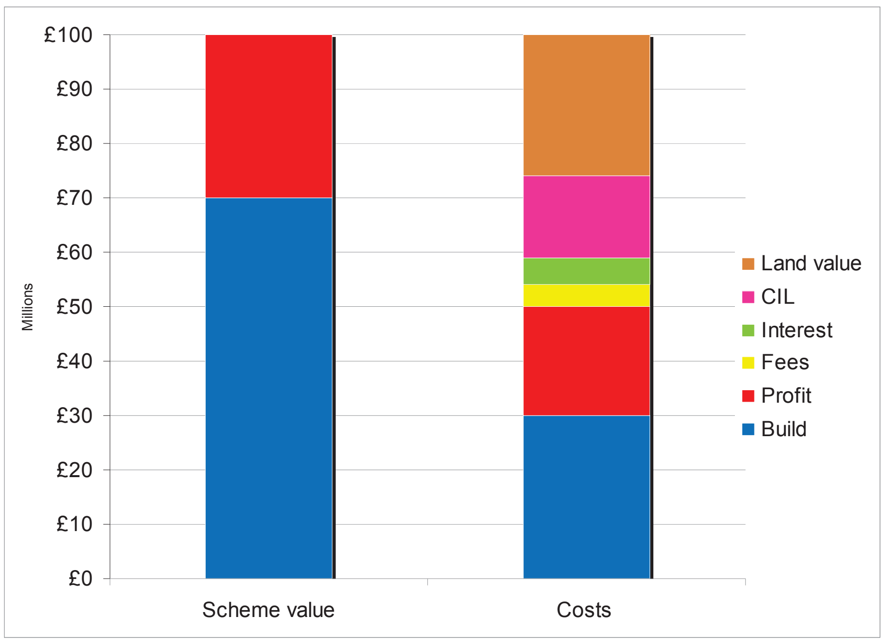
[6] Ealing Development (Core) Strategy policy 1.2(a)

3 Methodology and appraisal inputs

3.1 Our methodology follows standard development appraisal conventions, using locally-based sites and assumptions that reflect local market and planning policy circumstances. The study is therefore specific to Ealing and reflects the Council's planning policy requirements, in addition to land for schools.

Approach to testing development viability

3.2 Appraisal models can be summarised via the following diagram. The total scheme value is calculated, as represented by the left hand bar. This includes the sales receipts from the private housing and the payment from a Registered Provider ('RP') for the completed affordable housing units. For a commercial scheme, scheme value equates to the capital value of the rental income. The model then deducts the build costs, fees, interest, CIL and developer's profit. A 'residual' amount is left after all these costs are deducted – this is the land value that the Developer would pay to the landowner. The residual land value is represented by the brown portion of the right hand bar in the diagram.



3.3 The Residual Land Value is normally a key variable in determining whether a scheme will proceed. If a proposal generates sufficient positive land value (in excess of existing use value, discussed later), it will be implemented. If not, the proposal will not go ahead, unless there are alternative funding sources to bridge the 'gap'.

3.4 Ultimately, the landowner will make a decision on implementing a project on the basis of return and the potential for market change, and whether alternative developments might yield a higher value. The landowner's 'bottom line' will be achieving a residual land value that sufficiently exceeds 'existing use value[7]' or another appropriate benchmark to make development worthwhile. The margin above existing use value may be considerably different on individual sites, where there might be particular reasons why the premium to the landowner

[7] For the purposes of this report, existing use value is defined as the value of the site in its existing use, assuming that it remains in that use. We are not referring to the RICS Valuation Standards definition of 'Existing Use Value'.

should be lower or higher than other sites.

3.5 Clearly, however, landowners have expectations of the value of their land which often exceed the value of the current use. Ultimately, if landowners' expectations are not met, they will not voluntarily sell their land and (unless a Local Authority is prepared to use its compulsory purchase powers) some may simply hold on to their sites, in the hope that policy may change at some future point with reduced requirements. It is within the scope of those expectations that developers have to formulate their offers for sites. The task of formulating an offer for a site is complicated further still during buoyant land markets, where developers have to compete with other developers to secure a site, often speculating on increases in value.

Viability benchmark

3.6 The NPPF is not prescriptive on the type of methodology local planning authorities should use when assessing viability. The Local Housing Delivery Group published guidance in June 2012[8] which provides guidance on testing viability of Local Plan policies. The guidance notes that "*consideration of an appropriate Threshold Land Value [or viability benchmark] needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy*".

3.7 Certain interest groups suggest that benchmark land values should be based on market values. This would be an extremely misleading measure against which to test viability, as market values should reflect *existing policies already in place*, and would consequently tell the Council nothing as to how future policies might impact on viability. It has been widely accepted elsewhere that market values are inappropriate for testing planning policy requirements[9].

3.8 The issue of viability benchmarks has been considered at length by the Local Housing Delivery Group. The Harman Guidance counsels against using market values in testing of planning policies and CIL. Relying upon historic transactions is a fundamentally flawed approach, as offers for these sites will have been framed in the context of current planning policy requirements, so an exercise using these transactions as a benchmark would tell the Council nothing about the potential for sites to absorb as yet unadopted policies. Various Local Plan inspectors and CIL examiners have accepted the key point that Local Plan policies and CIL will ultimately result in a reduction in land values, so benchmarks must consider a reasonable minimum threshold which landowners will accept. For local authority areas such as Ealing, where the vast majority of sites are previously developed, the 'bottom line' in terms of land value will be the value of the site in its existing use. This fundamental point is recognised by the RICS at paragraph 3.4.4. of their Guidance Note on 'Financial Viability in Planning":

[8] Viability Testing Local Plans: Advice for planning practitioners, Local Housing Delivery Group, Chaired by Sir John Harman, June 2012

[9] See for example the London Mayoral CIL Examiner's report on this issue

"For a development to be financially viable, any uplift from current use value to residual land value that arises when planning permission is granted should be able to meet the cost of planning obligations while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project (the NPPF refers to this as 'competitive returns' respectively). The return to the landowner will be in the form of a land value in excess of current use value".

3.9 The Guidance goes on to state that "*it would be inappropriate to assume an uplift based on set percentages … given the diversity of individual development sites*".

3.10 Some commentators also make reference to 'market testing' of benchmark land values. This is another variant of the benchmarking using market value. These commentators advocate using benchmarks that are based on the prices that sites have been bought and sold for. There are significant weaknesses in this approach which none of the respondents who advocate this have addressed. In brief, prices paid for sites are a highly unreliable indicator of their actual value, due to the following reasons:

- Transactions are often based on bids that 'take a view' on squeezing planning policy requirements below target levels. This results in prices paid being too high to allow for policy targets to be met. If these transactions are used to 'market test' CIL rates, the outcome would be unreliable and potentially highly misleading.

- Historic transactions of housing sites are often based on the receipt of grant funding, which is no longer available.

- There would be a need to determine whether the developer who built out the comparator sites actually achieved a profit at the equivalent level to the profit adopted in the viability testing. If the developer achieved a sub-optimal level of profit, then any benchmarking using these transactions would produce unreliable and misleading results.

- Developers often build assumptions of growth in sales values into their appraisals, which provides a higher gross development value than would actually be achieved today. Given that our appraisals are based on current values, using prices paid would result in an inconsistent comparison (i.e. current values against the developer's assumed future values). Using these transactions would produce unreliable and misleading results.

3.11 For the reasons set out above, the approach of using current use values is a more reliable indicator of viability than using market values or prices paid for sites. Our assessment follows this approach, as set out in section 5.

3.12 In light of the weaknesses in the market value approach, the Local Housing Delivery Group guidance recommends that benchmark land value "*is based on a premium over current use values*" with the "*precise figure that should be used as an appropriate premium above current use value [being] determined locally*". The guidance considers that this approach "*is in line with reference in the NPPF to take account of a "competitive return" to a willing land owner*".

3.13 The examination on the Mayor of London's CIL charging schedule considered the issue of an appropriate land value benchmark. The Mayor had adopted existing use value, while certain objectors suggested that 'Market Value' was a more appropriate benchmark. The Examiner concluded that:

"The market value approach…. while offering certainty on the price paid for a development site, suffers from being based on prices agreed in an historic

policy context.” (para 8) and that “*I don’t believe that the EUV approach can be accurately described as fundamentally flawed or that this examination should be adjourned to allow work based on the market approach to be done*” (para 9).

3.14 In his concluding remark, the Examiner points out that

“the price paid for development land may be reduced [so that CIL may be accommodated]. *As with profit levels there may be cries that this is unrealistic, but* ***a reduction in development land value is an inherent part of the CIL concept****. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges’.* (para 32 – emphasis added). The points above apply equally to other planning requirements.

3.15 It is important to stress, therefore, that there is no single threshold land value at which land will come forward for development. The decision to bring land forward will depend on the type of owner and, in particular, whether the owner occupies the site or holds it as an asset; the strength of demand for the site’s current use in comparison to others; how offers received compare to the owner’s perception of the value of the site, which in turn is influenced by prices achieved by other sites. Given the lack of a single threshold land value, it is difficult for policy makers to determine the minimum land value that sites should achieve. This will ultimately be a matter of judgement for each individual Charging Authority.

4 Sites tested

4.1 The Council has identified ten sites that may be suitable for meeting part of its educational requirements. The sites are either identified in the Development Sites Development Plan Document, the Planning for Schools DPD Issues and Options consultation document (October 2013) or through the 'call for sites' process. The sites are summarised in Table 4.1.1, with additional details provided at Appendix 1 and 2.

Table 4.1.1: Sites tested in the study

	Site	Primary school required	Secondary school required	Planning for schools DPD ref no	Development sites DPD ref no	Number of owners
1	BT site on Gordon Road W13	✓	✓	S-EAL5	EAL13	2
2	Wickes, Boston Road, Hanwell W7	✓	✓	S-HAN3	HAN3	1
3	Trumpers Way	✓	✓	S-HAN2	n/a[2]	4
4	Park Royal, Southern Gateway	✓	✓	S-ACT5	n/a	11
5	58-62 Hanger Lane and 81-85 Madeley Road W5	✓	×	n/a[1]	n/a[1 2]	1
6	Perceval House car park, Longfield Avenue W5	✓	×	S-EAL9	EAL7	1
7	265 and 239 Horn Lane, W3	×	✓	S-ACT1	ACT6	2
8	Craven House, Ealing W5	×	✓	S-EAL3	EAL9	8
9	Lamertons, Ealing W5	×	✓	S-EAL7	EAL5	9
10	Park Avenue, Southall	✓	×	S-SOU2	SOU4	2

[1] Site is not included in Ealing's Development Sites DPD
[2] Site was brought forward as part of the Call for Sites

4.2 In the following sections, we assess the amount of land required to accommodate schools and consider whether the ten sites meet this criteria. We then test the viability of these sites to determine whether they could come forward with development.

4.3 In terms of delivering the sites for school development, there are likely to be significant site assembly issues at Park Royal (site 4) and Lamertons (site 9), where there are 11 and 9 landowners respectively. Even if these two sites are judged to be financially viable, site assembly issues may rule them out.

5 Suitability of sites for school development

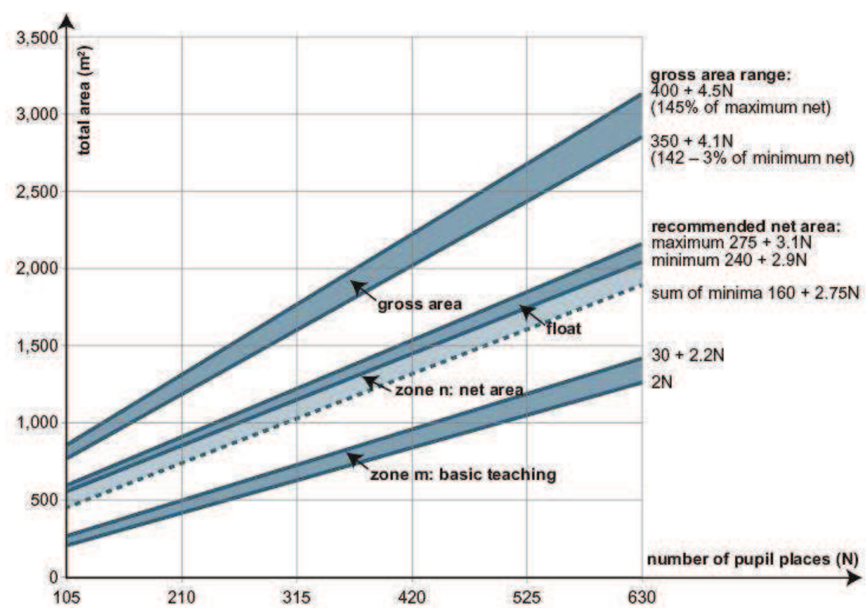
Minimum size requirements for school development

5.1 Department for Education guidance *'Area guidelines for mainstream schools'* (June 2014) sets out standard requirements for school floor areas. The guidance notes that the gross floor areas of schools will be comprised of the following:

- Net area (basic teaching area; halls, dining areas, PE spaces, learning resource areas, staff and administration and storage);
- Non-net area (toilets and personal care, kitchen facilities, circulation, plant and internal walls).

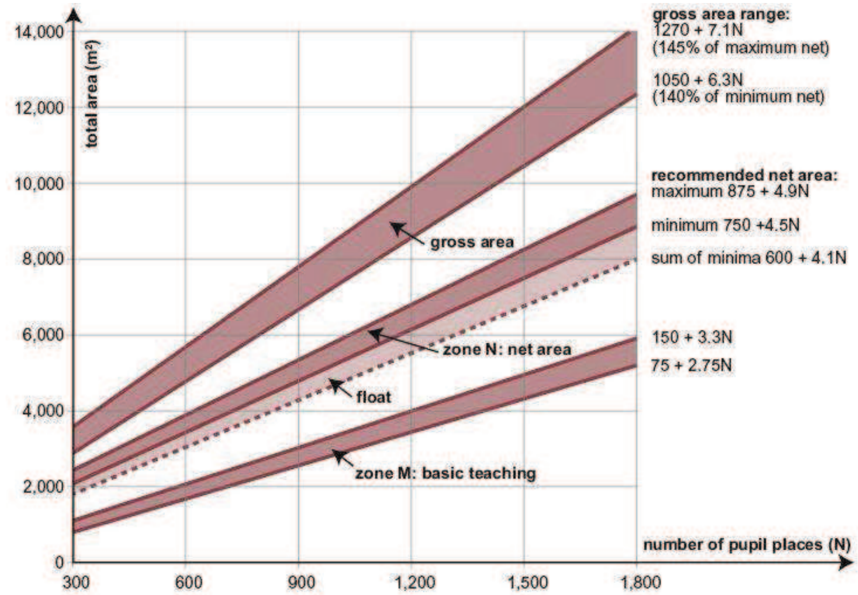
5.2 The gross area of new buildings will typically be around 145% of the net area. The DFE guidance indicates that primary schools will typically range from circa 800 square metres for a school with 105 pupil places to circa 3,200 for a school with 630 pupil places (see Figure 5.2.1). Floor areas for secondary schools will range from circa 3,000 square metres for a school with 300 pupil places to 14,000 square metres for a school with 1,800 pupil places (see Figure 5.2.2).

Figure 5.2.1: Floor area required for primary schools



Source: DFE '*Area guidelines for mainstream schools'* June 2014

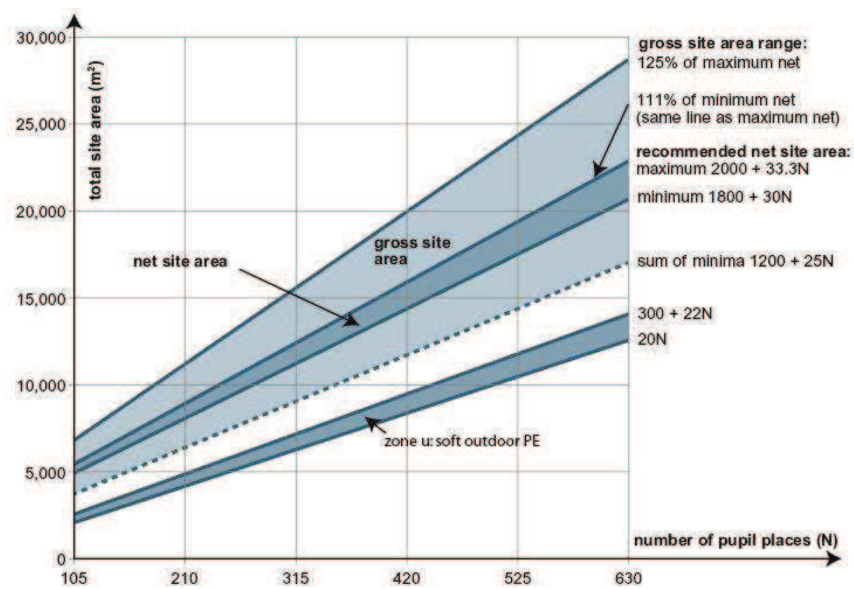
Figure 5.2.2: Floor area required for secondary schools



Source: DFE '*Area guidelines for mainstream schools'* June 2014

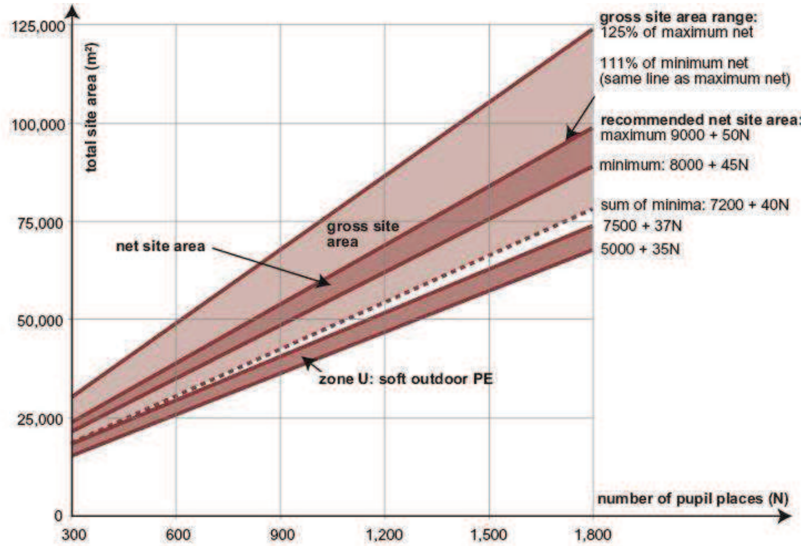
5.3 The guidance considers the amount of site area likely to be required to provide both primary and secondary schools. Gross site area for a primary school (excluding sports fields, which we understand are already provided for off-site). A primary school will require between circa 0.5 hectares for 105 pupil places to 2.25 hectares for 630 pupil places (see figure 5.3.1). The Council have advised that their assessment is that the minimum size for a primary school site is 0.56 hectares. Secondary schools will require between circa 2.5 hectares for 300 pupil places to circa 10 hectares for 1,800 pupil places.

Figure 5.3.1: Site areas for primary schools



Source: DFE '*Area guidelines for mainstream schools'* June 2014

Figure 5.3.2: Site area for secondary schools



Source: DFE '*Area guidelines for mainstream schools'* June 2014

5.4 The Council's interpretation of floor area requirements (in some cases accepting that it may not be possible to accommodate play space on the same site) is as follows:

- 2,072 square metres for a two form entry primary school; and
- 4,840 square metres for a four form entry secondary school.

5.5 Whilst it is not the Council's preferred position, given constraints on land supply in the Borough, the Council has indicated that schools do not need to be provided on their own sites. Schools could be stacked vertically with other uses (for example, a school on ground floor with residential above). This will make better use of land but also aid financial viability by improving overall site capacity.

6 Development capacity

6.1 We have assessed site capacity assuming that schools do not need to be provided on their own part of a site; different uses could therefore be stacked in order to make best use of the site and to improve financial viability. We have assumed site coverage of 50% (the remainder accommodating amenity space, access and car parking), with building heights of schools and any other development required commensurate with those of adjacent sites. Table 6.1.1 summarises our calculation of the potential capacity of each site in terms of overall floorspace. It should be noted that our assumptions on building heights, site capacity and density have been adopted for the purposes of this report only and are indicative. For the avoidance of doubt, these assumptions should not be interpreted as binding the Council on the acceptability or otherwise of a scheme of the heights/densities indicated on one of the sites if one were subsequently submitted as a planning application.

Table 6.1.1: Floorspace capacity of each site

	Site	Site area ha	Site cover	No of storeys	Max floor-space
1	BT site	1.45	50%	4	29,000
2	Wickes	0.84	50%	3	12,600
3	Trumpers Way	0.69	50%	2	6,900
4	Park Royal	5.63	50%	3	84,450
5	Madeley Road	0.54	50%	3	8,100
6	Perceval House car park	0.49	50%	6	14,700
7	Horn Lane	0.69	50%	3	10,350
8	Craven House	1.00	50%	7	35,000
9	Lamertons	0.62	50%	4	16,120
10	Park Avenue	1.16	50%	2	11,630

6.2 We then deducted from the overall floorspace capacity the amounts of floorspace required to provide a primary and/or a secondary school in accordance with the Council's requirements for each site (see Table 6.2.1). The net floorspace after deducting the amounts required for schools would then be available for residential development to cross-subsidise the delivery of the schools.

Table 6.2.1: Floorspace left on each site for residential development

	Max floor-space	Area for primary	Area for secondary	Net floor-space remaining for resi (assuming primary)	Net floor-space remaining for resi (assuming secondary)
1	29,000	2,072	4,840	26,928	24,160
2	12,600	2,072	4,840	10,528	7,760
3	6,900	2,072	4,840	4,828	2,060
4	84,450	2,072	4,840	82,378	79,610
5	8,100	2,072	-	6,028	-
6	14,700	2,072	-	12,628	-
7	10,350	-	4,840	-	5,510
8	35,000	-	4,840	-	30,160
9	16,120	-	4,840	-	11,280
10	11,630	2072	-	9,558	-

6.3 We have cross-checked the implied number of residential units and densities generated by these calculations against the London Plan density matrix (see Figure 6.3.1). Our calculations are summarised in Table 6.3.2. The numbers of residential units assume an average of 95 square metres per unit, which would put all schemes in the highest number of habitable rooms per unit scale in the London Plan density matrix.

Figure 6.3.1: London Plan density matrix

Setting	Public Transport Accessibility Level (PTAL)		
	0 to 1	2 to 3	4 to 6
Suburban	**150–200 hr/ha**	**150–250 hr/ha**	**200–350 hr/ha**
3.8–4.6 hr/unit	35–55 u/ha	35–65 u/ha	45–90 u/ha
3.1–3.7 hr/unit	40–65 u/ha	40–80 u/ha	55–115 u/ha
2.7–3.0 hr/unit	50–75 u/ha	50–95 u/ha	70–130 u/ha
Urban	**150–250 hr/ha**	**200–450 hr/ha**	**200–700 hr/ha**
3.8 –4.6 hr/unit	35–65 u/ha	45–120 u/ha	45–185 u/ha
3.1–3.7 hr/unit	40–80 u/ha	55–145 u/ha	55–225 u/ha
2.7–3.0 hr/unit	50–95 u/ha	70–170 u/ha	70–260 u/ha
Central	**150-300 hr/ha**	**300–650 hr/ha**	**650–1100 hr/ha**
3.8–4.6 hr/unit	35–80 u/ha	65–170 u/ha	140–290 u/ha
3.1–3.7 hr/unit	40–100 u/ha	80–210 u/ha	175–355 u/ha
2.7–3.0 hr/unit	50–110 u/hr	100–240 u/ha	215–405 u/ha

Table 6.3.2: Implied number of residential units and site densities

	Net floor-space remaining for resi (assuming primary school)	Implied no of resi units	Net floor-space remaining for resi (assuming secondary school)	Implied no of resi units	Implied density (units per ha)	PTAL
1	26,928	283	24,160	254	195	2 to 4
2	10,528	111	7,760	82	132	3
3	4,828	51	2,060	22	74	1 to 2
4	82,378	867	79,610	838	154	5 to 6
5	6,028	63	-	-	118	5
6	12,628	133	-	-	271	4 to 6
7	-	-	5,510	58	84	2 to 5
8	-	-	30,160	317	317	4 to 6
9	-	-	11,280	119	192	6
10	9,558	101	-	-	87	2 to 4

6.4 Having regard to the PTAL for each site, the site densities are broadly in conformity with the London Plan density matrix.

6.5 Site 3 will not be able to accommodate any residential development to fund the purchase of the site, so external funding sources will be required to deliver this site for educational use. In light of this site's lack of capacity for other uses, we have not appraised its financial viability in the next section. However, the Council could still bring this site forward for educational use, providing it is able to source sufficient funding to purchase the site.

7 Financial appraisal assumptions

7.1 Using the indicative capacities in Table 6.3.2, we have undertaken an assessment of the likely financial viability of the ten sites remaining.

7.2 In terms of the likely design of the residential element, we have assumed that 'suburban' sites will be constructed as low rise flats (3 to 5 storeys) and 'urban/central' sites will be constructed in buildings of up to 10 storeys. The categorisation of each of the sites is summarised in Table 7.2.1.

Table 7.2.1: Classification of sites

	Site	PTAL	Classification
1	BT site	2 to 4	Suburban
2	Wickes	3	Suburban
3	Trumpers Way	1 to 2	Suburban
4	Park Royal	5 to 6	Urban
5	Madeley Road	5	Urban
6	Perceval House	4 to 6	Urban
7	Horn Lane	2 to 5	Urban
8	Craven House	4 to 6	Urban
9	Lamertons	6	Urban
10	Park Avenue	2 to 4	Suburban

Residential sales values

7.3 Residential values in the area reflect national trends in recent years but do of course vary between different sub-markets. We have considered comparable evidence of transacted properties in the areas surrounding the sites and also properties on the market to establish appropriate values for each scheme for testing purposes. This exercise indicates that the developments in the area will attract average sales values ranging from circa £4,575 per square metre (£425 per square foot) to £7,040 per square metre (£654 per square foot).

Table 7.3.1: Sales values adopted in appraisals

Site No	Site	Sales values per sq m	Sales values per sq ft
1	BT site	£6,434	£598
2	Wickes	£5,500	£511
4	Park Royal	£6,060	£563
5	Madeley Road	£7,040	£654
6	Perceval House	£7,040	£654
7	Horn Lane	£6,351	£590
8	Craven House	£7,040	£654
9	Lamertons	£7,040	£654
10	Park Avenue	£4,575	£425

7.4 As noted earlier in the report, Savills predict that sales values will increase over the medium term (i.e. the next five years). Whilst this predicted growth cannot be guaranteed, we have run a series of sensitivity analyses assuming growth in sales values of 10%, accompanied by cost inflation of 7.5%[10]. This is a realistic level of growth compared with recent trends - prices increased by 49% in Ealing between May 2009 and June 2014[11]. These sensitivity analyses provide the Council with an indication of the impact of changes in values and costs on scheme viability.

Affordable housing tenure and values

7.5 The Council's Core Strategy requires that developments comprised of 10 or more units should provide the maximum reasonable amount of affordable housing on-site, up to a target of 50%, with a tenure mix of 60% rented and 40% intermediate housing. All the sites we tested would be required to provide an affordable housing contribution. However, the Council's policies are applied on a 'subject to viability' basis, so requirements could be reduced to allow for the provision of other community benefits, such as schools. We have therefore undertaken a sensitivity analysis which assumes 100% private housing.

7.6 Our appraisals assume that the rented housing is let at rents that are no higher than Local Housing Allowance caps, so that they are affordable to households subject to the Universal Credit, as shown in Table 7.5.1. It should be noted that the Local Housing Allowances are considerably lower than market rents, so our assumptions are cautious.

Table 7.5.1: Weekly rents and Local Housing Allowance limits

Unit type	Local Housing Allowance per week	Rent assumed in appraisals per week	Rent as a percentage of Local Housing Allowance
1 bed	£234	£187	80%
2 beds	£299	£239	80%
3 beds	£350	£280	80%
4+ beds	£412	£330	80%

7.7 The CLG/HCA '*2011-2015 Affordable Homes Programme – Framework'* (February 2011) document clearly states that Registered Providers will not receive grant funding for any affordable housing provided through planning obligations. Consequently, all our appraisals assume nil grant. We recommend that the Council revisits this assumption when it next reviews its charging schedule.

7.8 For shared ownership units, we have assumed that Registered Providers will sell 30% initial equity stakes and charge 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5.25%.

7.9 Assuming a range of unit types (1, 2 and 3 bed flats), our model indicates that RPs could acquire completed affordable rent units for £2,086 per square metre (£194 per square foot) and £3,112 per square metre (£289 per square foot) for shared ownership units.

[10] Our appraisals do not, however, include any inflation on existing use values, as commercial floorspace is not expected to increase in value over the next four to five years. This is due to general weakness in the economy.

[11] Although a significant proportion of this increase was a recovery in values up to trend levels.

Residential floor area

7.10 As noted in Section 6, in arriving at a number of units for each site, we have assumed an average of 95 square metre per unit.

Build costs

7.11 We have sourced build costs from the RICS Building Cost Information Service (BCIS) upper quartile cost, which is based on tenders for actual schemes. Base costs for individual schemes are provided in Table 7.11.1 and the base data is attached as Appendix 3. Where necessary, these are adjusted for site constraints and likely heights of buildings. We have assumed that 'suburban' sites (numbers 1, 2, 3 and 10) are in buildings of three to four storeys and 'urban' sites are constructed as buildings of more than six storeys.

Table 7.11.1: Base build costs (£s per sqm)

Scheme no	Base build	External works (15%)	CSH level 4	Total costs per sqm
1	£1,475	£221	£89	£1,785
2	£1,475	£221	£89	£1,785
3	£1,475	£221	£89	£1,785
4	£1,849	£277	£111	£2,237
5	£1,475	£221	£89	£1,785
6	£1.849	£277	£111	£2,237
7	£1,849	£277	£111	£2,237
8	£1,849	£277	£111	£2,237
9	£1,849	£277	£111	£2,237
10	£1,475	£221	£89	£1,785

7.12 An additional 6% of base build costs is included as an allowance across all housing tenures for meeting Code for Sustainable Homes level 4. This assumption is based on the 2010 CLG Study '*Code for Sustainable Homes: A cost review'* (2010) and subsequent studies by Davis Langdon and Element Energy.

7.13 The costs of making units wheelchair accessible is broadly neutral and is more of a design and unit size issue. The 10% wheelchair requirement will be accommodated within schemes by varying unit sizes to accommodate the additional floorspace required for turning circles.

Professional fees

7.14 In addition to base build costs, schemes will incur professional fees, covering design, valuation, highways consultants and so on. Our appraisals incorporate a 12% allowance, which is at the middle to higher end of the range for most schemes.

Development finance

7.15 Our appraisals assume that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

Marketing costs

7.16 Our appraisals incorporate an allowance of 3% for marketing costs, which includes show homes, agents' fees and sales legal fees.

Mayoral CIL and Crossrail Section 106

7.17 Mayoral CIL is payable on most developments that receive planning consent from 1 April 2012 onwards. Ealing falls within Zone 2, where a CIL of £35 per square metre will be levied. The Mayoral CIL takes precedence over borough requirements, including affordable housing. Our appraisals take into account Mayoral CIL and, where necessary, Crossrail Section 106. However, Ealing falls into the 'rest of London' charge area, where the rates are lower than Mayoral CIL (the effect being that only the Mayoral CIL is payable).

Ealing CIL

7.18 As noted previously, the Council is preparing to consult on its Draft Charging Schedule. For the purposes of our appraisals, we have assumed that the rates the Council is currently consulting on will be adopted. The rates of Borough CIL are summarised in Table 7.18.1.

Table 7.18.1: Proposed CIL rates in the PDCS

Intended use of development	Ealing	Other areas
Residential and other C use classes (incl student and hotels)	£100	£50
Retail warehouse, retail parks and superstores >280 sqm	£100	£100
Other retail	£30	£30
All other uses	Nil	Nil

7.19 The amended CIL Regulations specify that if any part of an existing building is in lawful use for sixth months within the 36 months prior to the time at which planning permission first permits development, all of the existing floorspace will be deducted when determining the amount of chargeable floorspace. This will be the case for many development sites in Ealing. However, for the purposes of our appraisals, we have assumed that there is no deduction for existing floorspace.

Section 106 costs

7.20 In the CIL viability study, we adopted an allowance of £1,000 per unit to account for 'residual' Section 106 obligations that the Council would seek following the adoption of CIL. This is an estimate only and actual sums sought will vary according to site specific circumstances.

Development and sales periods

7.21 Development and sales periods vary between type of scheme. However, our sales periods are based on an assumption of a sales rate of 8 units per month, with an element of off-plan sales reflected in the timing of receipts.

Developer's profit

7.22 Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. In 2007, profit levels were at around 15-17% of development costs.

However, following the impact of the credit crunch and the collapse in interbank lending and the various government bailouts of the banking sector, profit margins have increased. It is important to emphasise that the level of minimum profit is not necessarily determined by developers (although they will have their own view and the Boards of the major housebuilders will set targets for minimum profit).

7.23 The views of the banks which fund development are more important; if the banks decline an application by a developer to borrow to fund a development, it is very unlikely to proceed, as developers rarely carry sufficient cash to fund it themselves. Consequently, future movements in profit levels will largely be determined by the attitudes of the banks towards development proposals.

7.24 The near collapse of the global banking system in the final quarter of 2008 is resulting in a much tighter regulatory system, with UK banks having to take a much more cautious approach to all lending. In this context, and against the backdrop of the current sovereign debt crisis in the Eurozone, the banks may not allow profit levels to decrease much lower than their current level of 20%.

7.25 Our assumed return on the affordable housing GDV is 6%. A lower return on the affordable housing is appropriate as there is very limited sales risk on these units for the developer; there is often a pre-sale of the units to an RSL prior to commencement. Any risk associated with take up of intermediate housing is borne by the acquiring RSL, not by the developer. A reduced profit level on the affordable housing reflects the GLA ‘Development Control Toolkit’ guidance (February 2014) and Homes and Communities Agency’s guidelines in its Development Appraisal Tool (August 2013).

Exceptional costs

7.26 Exceptional costs can be an issue for development viability on previously developed land. Exceptional costs relate to works that are ‘atypical’, such as remediation of sites in former industrial use and that are over and above standard build costs. However, in the absence of details site investigations, it is not possible to provide a reliable estimate of what exceptional costs might be. Our analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An ‘average’ level of costs for particular foundation solutions for constructing on sites with abnormal ground conditions and some other ‘abnormal’ costs are reflected to some degree in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample.

Benchmark land values

7.27 Benchmark land values, based on the existing use value or alternative use value of sites are key considerations in the assessment of development economics for testing planning policies and tariffs. Clearly, there is a point where the Residual Land Value (what the landowner receives from a developer) that results from a scheme may be less than the land’s existing use value. Existing use values can vary significantly, depending on the demand for the type of building relative to other areas. Similarly, subject to planning permission, the potential development site may be capable of being used in different ways – as a hotel rather than residential for example; or at least a different mix of uses. Existing use value or alternative use value are effectively the ‘bottom line’ in a financial sense and therefore a key factor in this study.

7.28 The existing use value for each site is determined by the existing building and local market rents for the relevant property type. We have had regard to market data and the Valuation Office Agency ‘rateable value’ for each site, which is based on the rent that would be paid per square metre, multiplied by the total floorspace. Rateable values broadly represent the annual rent that a property could have been let for at the date of the valuation on full repairing and insuring terms.

7.29 In some cases, the rateable value has been deleted (presumably pending demolition). In these situations, we have estimated an appropriate rent for the existing floorspace by reference to lettings of similar buildings in the surrounding area. Benchmark land values for each site are shown in Table 7.29.1, with detailed calculations provided at Appendix 4. We have applied a Landowner's premium of 20% to each existing use value, to reflect the need for a competitive return. The amount of such return is ultimately a judgement in relation to individual site circumstances, which will clearly vary. For the borough-wide assessment, we do not have sufficient information to determine the precise amount of premium, so a blanket assumption of 20% has been applied.

Table 7.29.1: Benchmark Land Values (including landowner premium of 20%)

Site no	Existing uses	Benchmark land value (£ millions)
1	Telephone exchange	7.97
2	Retail warehouse	11.35
3	Industrial	4.74
4	Offices, warehouses, hotel	76.54
5	Madeley Road	13.5
6	Perceval House	Council owned land
7	Warehouse and club house	2.37
8	Offices/community use	23.87
9	Retail/restaurants/surface car parking	11.42
10	Industrial/sui generis and retail	5.50

8 Appraisal results

8.1 The full appraisals, showing the inputs and outputs for each site, are attached as Appendix 5. We have appraised all ten of the sites originally identified. Each appraisal incorporates (where relevant) the Council's 50% affordable housing requirement.

8.2 The outputs of the appraisals are summarised in Table 8.2.1 below. For each site, the table shows the residual land value ('RLV') and compares this to the benchmark land value ('BLV') for each site. This benchmark represents the likely minimum land value which will enable a developer to secure the site for redevelopment. The final column on the right of the table shows whether there is a surplus or deficit against the benchmark land value. A surplus indicates that the site could provide the land for a school to the Council, while a deficit indicates the opposite. The first set of results in Table 8.2.1 assume provision of 50% of floorspace as affordable, with a 60%/40% affordable rent to shared ownership tenure split.

Table 8.2.1: Appraisal results (50% affordable housing)

	Site	RLV £m	BLV £m	Surplus/ Deficit £m
1	BT site (with secondary)	15.11	7.97	7.14
1	BT site (with primary)	16.85	7.97	8.88
2	Wickes (with secondary)	2.47	11.35	-8.88
2	Wickes (with primary)	3.38	11.35	-7.97
3	Trumpers Way (with secondary)	1.77	4.74	-2.97
3	Trumpers Way (with primary)	4.21	4.74	-0.53
4	Park Royal (with secondary)	-12.49	76.54	-89.03
4	Park Royal (with primary)	-12.90	76.54	-89.44
5	Madeley Road (with primary)	3.94	13.5	-9.56
6	Perceval House (with primary)	2.44	Nil[12]	2.44
7	Horn Lane (with secondary)	0.39	2.37	-1.98
8	Craven House (with secondary)	5.86	23.87	-18.01
9	Lamertons (with secondary)	2.08	11.42	-9.34
10	Park Avenue	0.37	5.50	-5.13

8.3 The second set of appraisals (summarised in Table 8.3.1) apply growth of 10% to residential sales values and inflation of 7.5% to build costs. These results are illustrative of the potential impact of growth on the viability of each scheme.

[12] Council owned land

Table 8.3.1: Appraisal results (50% affordable housing, with growth)

	Site	RLV £m	BLV £m	Surplus/ Deficit £m
1	BT site (with secondary)	15.95	7.97	7.98
1	BT site (with primary)	17.78	7.97	9.81
2	Wickes (with secondary)	2.47	11.35	-8.88
2	Wickes (with primary)	3.38	11.35	-7.97
3	Trumpers Way (with secondary)	1.85	4.74	-2.89
3	Trumpers Way (with primary)	4.41	4.74	-0.33
4	Park Royal (with secondary)	-15.26	76.54	-91.80
4	Park Royal (with primary)	-15.77	76.54	-92.31
5	Madeley Road (with primary)	3.94	13.5	-9.56
6	Perceval House (with primary)	2.53	Nil[13]	2.53
7	Horn Lane (with secondary)	0.36	2.37	-2.01
8	Craven House (with secondary)	6.07	23.87	-17.80
9	Lamertons (with secondary)	2.16	11.42	-9.26
10	Park Avenue	0.13	5.50	-5.37

8.4 The final set of appraisals (summarised in Table 8.4.1) assume that the Council's affordable housing requirement is forgone, with each scheme providing 100% private housing. These results illustrate the potential trade-off between the benefits of securing affordable housing or new school provision.

Table 8.4.1: Appraisal results (100% private housing)

	Site	RLV £m	BLV £m	Surplus/ Deficit £m
1	BT site (with secondary)	34.25	7.97	26.28
1	BT site (with primary)	38.19	7.97	30.22
2	Wickes (with secondary)	6.83	11.35	-4.52
2	Wickes (with primary)	9.30	11.35	-2.05
3	Trumpers Way (with secondary)	2.87	4.74	-1.87
3	Trumpers Way (with primary)	6.80	4.74	2.06
4	Park Royal (with secondary)	32.40	76.54	-44.14
4	Park Royal (with primary)	33.55	76.54	-42.99
5	Madeley Road (with primary)	3.94	13.5	-9.56
6	Perceval House (with primary)	13.93	Nil[14]	13.93
7	Horn Lane (with secondary)	4.88	2.37	2.51
8	Craven House (with secondary)	33.31	23.87	9.44
9	Lamertons (with secondary)	12.35	11.42	0.93
10	Park Avenue	3.11	5.50	-2.39

[13] Council owned land
[14] Council owned land

9 Conclusions

9.1 The NPPF states that the cumulative impact of local planning authority standards and policies "*should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle*". This report and its supporting appendices test this proposition in relation to securing land for schools in the London Borough of Ealing.

9.2 This report tests the ability of ten sites to (a) accommodate a school in terms of minimum size standards and (b) generate sufficient cross-subsidy from development to enable the landowner to release part of the site for a school. This exercise also takes into account the Council's other requirements (affordable housing, Section 106 obligations and CIL) as well as Mayoral CIL.

9.3 The results generated by this exercise indicate that all ten sites are able to physically accommodate residential floorspace in additional to the floor area required for educational facilities.

9.4 Two of the remaining sites will be able to viably absorb a school and meet the Council's 50% affordable housing target, whilst also generating a sufficient residual land value exceeding the benchmark land values.

9.5 However, if the Council is prepared to reduce its affordable housing requirement to zero, seven sites would be able to viably provide a school and generate a sufficient residual land value to exceed the benchmark land value.

9.6 Clearly in all cases, the Council has the option of using its own resources to bridge the gap between the residual land value generated by any residential development on the sites and the benchmark land value. However, such investment would be in addition to the cost of constructing the schools, which is not included in our assessments.

9.7 Furthermore, all but one of the sites are in multiple ownership. Even if the sites are viably able to provide land for new schools, the site assembly exercise required could be expensive and take many years.

9.8 Our appraisals also assume that residential development can be 'stacked' on top of educational floorspace, which may be challenging to deliver and could narrow interest from developers. This is a relatively novel approach that many developers are unfamiliar with.

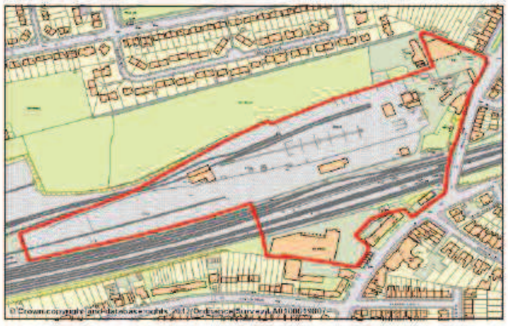
9.9 Our conclusion (in financial viability terms) is that two of the ten sites could make a contribution of land towards the Council's educational requirements without requiring any financial contribution from the Council. However, an additional four sites could contribute land at nil cost for school provision if all residential development is provided as private. There would also be challenges in terms of site assembly and stacking different uses in the same building.

Appendix 1 - Adopted Development Sites DPD December 2013 excerpts

ACTON

ACT6 Acton Crossrail Station and 239/265/267/305/307 Horn Lane

Acton W3



Site Area: 6.84ha

Ownership: Private and Network Rail

Current Use: Aggregates recycling depot, commercial waste transfer facility and construction materials to north of railway, Acton Mainline Station and Builders Yard to south of railway.

Development Strategy Policies: 1.2 (d), 1.2(g), 1.2(j), 2.4

Setting: Urban

PTAL: 2-5

Planning Designations:
Safeguarded Waste Transfer Facility
Safeguarded Aggregates Depot, Green Corridor
Adjacent to Horn Lane Sports Ground Community Open Space

Relevant Planning Applications: none

Allocation: Consolidation of industrial, aggregates and waste facilities to the north of railway, safeguarding of the rail sidings, and introduction of commercial and residential (potential for student accommodation) uses south of the railway, compatible with the functioning of the station.

Justification: In conjunction with Crossrail, Acton Mainline Station will be completely rebuilt to the south of the existing station (approximately where 267 Horn Lane currently stands) and the current station building removed. With the introduction of Crossrail there will be four services an hour to Paddington, significantly improving the public transport accessibility level and widening the station's catchment area. Redevelopment of the station presents the opportunity to consolidate essential industrial and related uses to the north thereby releasing land around the new station for mixed use development.

Indicative Delivery Timetable: 2016-2021

Site Context: The site encompasses the safeguarded aggregates and waste transfer facilities to the north of the railway, as well as the builder's yard and future station location to the south of the railway. The northern boundary of the site is formed by established residential areas and the Horn Lane Sports Ground; the site to the south the railway is a substantial infill site between existing residential properties on Horn Lane/Lynton Road, with the new station fronting Horn Lane. Flatted developments of up to five stories provide the immediate context south of the railway, with the western side of Horn Lane characterised by varied building typologies.

Design Principles: North of the railway will continue to be safeguarded for essential aggregates/waste functions and related B1(c), B2, and B8 industrial uses, including the consolidation and maximization of existing freight operations at the railways sidings. Reorganisation of the site is encouraged to allow the accommodation of additional complementary uses on the site, including the relocation of the builders yard from south of the railway. Proposals should contribute to improved site operation and

8 Development Sites DPD

ACT7 Acton Crossrail Station and 239/265/267/305/307 Horn Lane

reduction of the environmental impact of these industrial activities on the surrounding residential areas.

South of the railway, proposals will be expected to contribute to an improved sense of place around the redeveloped station through delivery of a high density, high quality mixed use development, including commercial and residential uses, that optimises the development potential of the site. This is considered a suitable location for student accommodation, with Crossrail providing quick access west to the UWL campus and east to central London campuses.

There is an opportunity to deliver a significant piece of new architecture that responds positively to the station redevelopment within the context of the surrounding residential neighbourhoods and existing commercial uses on Horn Lane. Designs should optimise the development potential of the site and deliver a significant improvement to the townscape of the area through emphasizing the location of this key transport node. Care should be taken with the height and massing of buildings to ensure that the amenity of existing residential properties is preserved and that new buildings sit comfortably within the prevailing scale of the surrounding built form.

Due to the proximity of the railway line and industrial uses to the north of the railway, a convincing case would need to be presented that proposals for residential accommodation would have a satisfactory level of amenity. Designs must include measures to mitigate the impact of railway noise and be based around a layout that ensures sufficient privacy and adequate outlook for residents of both the new development and existing residential properties.

Any residential units proposed should be dual aspect (north facing single aspect units are not acceptable) and buildings should be orientated to maximise sunlight and daylight. Both balconies and communal garden space will be expected in flatted schemes; communal garden space may be provided above ground level in the form of courtyards or roof gardens.

As an infill site, the access and servicing arrangements must be carefully considered to ensure that new development is integrated with the surrounding area while providing an acceptable level of privacy for occupants. Access/servicing requirements must be arranged in a way that does not impact the functioning of the station or interchange. The proximity to Acton Mainline Station would support a low car/car free scheme on this site. Proposals will need to have regard for Crossrail operational requirements and the outcome of the Acton Mainline Station (Corridor 3) Study and incorporate any required transport improvements into designs.

ACTON

Development Sites DPD 19

EALING

EAL5 Sandringham Mews

23-45 High Street/7-11 New Broadway/Sandringham Mews Ealing W5

Site Area: 0.63ha

Ownership: Multiple private

Current Use: Retail, restaurants/cafes, public house and surface level car park

Development Strategy Policies: 2.5, particularly 2.5(a), 2.5(b), 2.5(e) and 2.5(g)

Setting: Central

PTAL: 6

Planning Designations:
Metropolitan Centre
Ealing Town Centre Conservation Area
Setting of Grade II* Listed Parish Church of Christ the Saviour
Archaeological Interest Area

Relevant Planning Applications: none

Allocation: Mixed use development appropriate to the town centre. Potential for student accommodation.

Justification: Development presents an opportunity to enhance the townscape while making more efficient use of the site through additional floorspace and introduction of different uses appropriate to the excellent PTAL.

Indicative Delivery Timetable: 2016-2021

Site Context: The roughly triangular shaped site to the west of The Broadway Shopping Centre has frontages to New Broadway and High Street organised around an internal surface level public car park accessed from High Street that also provides access to serve the units within the site boundary and those fronting Bond Street. There is a narrow alley at the north end of Bond Street that provides alternate pedestrian access to the car park.

The site forms a transition between the retail core of the Ealing Broadway area to the east and the Cultural Quarter to the west. The proximity to the park and quality of existing building surrounding the site has lead to a number of high quality independent retailers being attracted to the area focused on High Street/Bond Street.

The chamfered corner of 43-45 High Street creates an attractive semi-public space at this prominent corner, often occupied by several small market stalls, however architectural detailing of the building itself is minimal despite its key location within the townscape. The building at 7-13 New Broadway is considered to have a negative impact on the character of the area, and the remainder of the buildings on the site are unremarkable and set within a layout that creates a discontinuous frontage to Ealing Green. The consistent four storey height along High Street, balanced by the five storey height of the Broadway Centre opposite, creates a narrow urban street with good enclosure.

EAL5 Lamertons

Design Principles: Proposals should capitalise on the existing strengths and characteristics of the immediate area to create an intimate, fine grained development with a mix of uses including small scale retail units, restaurants/cafes, small scale offices/studios and residential on upper floors; the site is considered appropriate for the provision of self-contained student accommodation.

Along High Street and to Ealing Green, development should provide continuous active frontages with high quality unified shopfronts and an upgraded public realm. There is an opportunity to introduce uses along the southern boundary that capitalise on this open space, for example al fresco restaurants and cafes.

New development at 7-13 New Broadway will need to be carefully designed to integrate successfully with the locally important heritage buildings. Both this frontage and the corner element at 43-45 High Street are also within the setting of the listed Church; while the corner element occupies a prominent location within the townscape, it must be of a scale and appearance that does not compete with the listed Church as the dominant building in this area.

Within this general perimeter block structure, the layout should ensure that the built up area within the block is in character with prevailing fine grain of the surrounding area. Successfully integration will depend on an innovative and creative layout that responds to size and structure of existing blocks within the town centre to avoid a monolithic and incongruous development. The provision of new pedestrian routes through the site that integrate with and improve the existing movement patterns of the town centre is strongly encouraged; all proposed routes should be legible, safe and defined by active frontages.

The scale of development to street frontages should be commensurate with the surrounding built form. There may be potential for additional scale along the southern boundary, subject to the amenity of the adjacent open space being preserved and the impact on the character and appearance of the Conservation Area.

Any residential units proposed should be dual aspect (north facing single aspect units are not acceptable). All residential dwellings should have access to private and/or communal garden space provided through gardens, courtyards, patios, balconies and/or roof terraces. Both balconies and communal garden space will be expected in flatted schemes; communal garden space may be provided above ground level in the form of courtyards or roof gardens.

The proximity to Ealing Green/Walpole Park will be considered when assessing the required level of provision of private amenity space only where design and layout is of sufficient high quality and contributions are made towards enhancements to these open spaces.

The proximity of this site to the traffic signal controlled junction requires careful consideration of vehicular access and servicing arrangements; servicing should be off street where possible and dedicated loading bays provided for on-street requirements. The potential to extend the width of the footway on High Street and provide kerb build-outs between parking should be explored. The high PTAL would support a low car/car free scheme.

EALING

EAL7 Longfield Avenue Car Park

Longfield Avenue Ealing W5

Site Area: 0.49ha

Ownership: Council

Current Use: Surface level car park for Perceval House

Development Strategy Policies: 2.5

Setting: Central

PTAL: 4-6

Planning Designations:
Metropolitan Centre
Setting of Ealing Town Centre Conservation Area
Green Corridor

Relevant Planning Applications: none

Allocation: Residential

Justification: Current use as a surface level car park underutilises a highly accessible town centre site.

Indicative Delivery Timetable: 2016-2021

Site Context: This long, narrow site is bounded to the north by the railway, to the east by Longfield Avenue and Dicken's Yard, to the south by Perceval House (offices) and Longfield House (residential), and to the west by established residential properties. The main access is currently from Longfield Avenue, opposite Dicken's Yard, with potential for creation of a pedestrian/cycle through route to Craven Avenue; there is a level change between the two roads.

The dominant character of the area is provided by the large floorplate office/flatted developments, which are poorly integrated with the fine grain of Craven Avenue and the residential streets to the west of the site with their low rise, semi-detached properties. The electricity substation within the site boundary provides a weak frontage to the high quality public realm of Longfield Avenue

Design Principles: The scale, massing and height of buildings must respect the amenity of adjoining properties to west. Lower elements should adjoin the existing residential development on Craven Avenue, with density massed towards Longfield Avenue and the increased scale of development at Dicken's Yard.

Due to the proximity of the railway line, a convincing case would need to be presented that proposals for residential accommodation would have a satisfactory level of amenity. Designs must include measures to mitigate the impact of railway noise and be based around a layout that ensures sufficient privacy and adequate outlook for residents of both the new development and existing properties to the east and west. Buildings should be orientated to maximise sunlight and daylight.

EALING

EAL7 Longfield Avenue Car Park

All residential units should be dual aspect (north facing single aspect units are not acceptable) and provide access to suitable private and/or communal garden space. Both balconies and communal garden space will be expected in flatted schemes; communal garden space may be provided above ground level in the form of courtyards or roof gardens. The excellent PTAL would support a low car/car free scheme on this site. The required level of parking retention will be determined based on wider town centre requirements

EAL9 Craven House, Bilton House, and land to rear of Cavalier House

58 Uxbridge Road/1-6 Crowborough Court/1-6 Craven Road, Ealing W5

Site Area: 1.03ha

Ownership: Private

Current Use: Offices with residential and Ex-servicemen's Club to rear

Development Strategy Policies: 1.2(b), 2.5, particularly 2.5(b), 2.5(d) and 2.5(e)

Setting: Central

PTAL: 4-6

Planning Designations:
Metropolitan Centre

Relevant Planning Applications: none

Allocation: Office-led (B1a) redevelopment, including ancillary commercial uses at ground floor and small scale residential and/or community uses to northern boundary. Retention or satisfactory relocation of ex-servicemen's club.

Justification: Redevelopment offers the opportunity to deliver significant additional office floorspace to retain and attract business development in the borough, supported by smaller scale residential/community uses to the northern boundary to provide better integration of the Office Quarter with the adjacent residential area.

Indicative Delivery Timetable: 2021-2026

Site Context: The u-shaped site wraps around the residential development at Cavalier House, with frontages to Uxbridge Road, St Leonard's Road and Craven Road. The mix of low-rise residential/commercial uses fronting Craven Road contrast markedly with the large-scale office buildings of Exchange Plaza and Craven House fronting Uxbridge Road. An operational fire station is located on the adjacent corner of Uxbridge Road/Leonard's Road; the fire station is a locally important heritage building.

Design Principles: Proposals for redevelopment of Exchange Plaza and Craven House, whether individually or together, must deliver a substantial net increase in office floorspace provided. Where buildings are currently vacant or partially occupied, the existing quantum of floorspace against which to measure the net increase will be taken as the total floorspace provided in the existing building(s) at first floor level and above. The provision of complementary commercial uses at the ground floor level to Uxbridge Road is at the discretion of those bringing forward proposals.

New buildings must create a positive relationship to the street, reflecting the scale precedent of the existing buildings and Cavalier House, and set within a high quality landscaped public realm to Uxbridge Road with parking provision to the rear. Density should be massed towards Uxbridge

Road, with reduced building heights and a smaller scale on the northern boundary in reflection of the suburban character of the existing residential properties to Craven Road.

The provision of residential uses to the rear of the site is subject to a satisfactory level of amenity being achieved. Designs must be based around a layout that ensures sufficient privacy and adequate outlook for residents of both the new development and existing properties, including Cavalier House. Buildings should be orientated to maximise sunlight and daylight.

All residential units should be dual aspect (north facing single aspect units are not acceptable) and provide access to suitable private and/or communal garden space space. Both balconies and communal garden space will be expected in flatted schemes; communal garden space may be provided above ground level in the form of courtyards or roof gardens. The excellent PTAL would support a low car/car free scheme on this site.

Access and servicing arrangements must consider the operations of the adjacent fire station, and ensure a negligible impact on the London Fire Brigade and its effective service. Operational traffic associated with proposals should be kept to a minimum, and on-street parking will likely be prohibited.

EALING

EAL13 Former BT Telephone Exchange

Castle House and Rome House Gordon Road West Ealing W13

Site area: 1.46ha

Ownership: British Telecom

Current uses: BT Sector Switching Centre

Development Strategy Policies: 2.10

Setting: Urban

PTAL: 2-4

Planning Designations:
Adjacent to Green Corridor

Relevant Planning Applications: none

Allocation: Residential

Justification: BT has confirmed that the building will be decommissioned within five years. The site is located within an established residential area and as such it is suitable for residential use.

Indicative Delivery Timetable: 2016-2026

Site context: The site is bounded to the north by Gordon Road, to the west by residential terraces, flatted development and the Drayton Pub garden, to the east by four storey flatted development and to the south by the railway. The largely disused and bulky building on the site was purpose built by BT as a sector switching centre since in the 1970s and features unusually high ceiling machine rooms, offices, a vacant workspace to the rear, and a large amount of underground and surface level car parking. It is set back from the established building line on Gordon Road, with vehicular and pedestrian access from Gordon Road.

The site is located outside of the designated town centre in a residential area characterized by two storey semi detached Victorian/Edwardian houses. The site's topography is characterized by a drop in ground level between Gordon Road and the railway which allows for building heights to range from currently three storeys along Gordon Road to 6 storeys at the rear of the site without overly affecting views from Gordon Road. The site is within walking distance to the shopping parade along The Avenue and West Ealing Crossrail Station.

Design Principles: The location of this site in a residential area makes it appropriate for the introduction of residential uses as part of a wider redevelopment. Any phased residential development must be supported by a clear and coherent and masterplan for the entire site as to the layout, scale, massing and design of buildings; the location of access points and routes; and the location, nature and levels of provision of garden space for residents. This should be achieved through an outline or full planning application for the site as a whole.

EAL13 Former BT Telephone Exchange

The bulk, height and massing of buildings on the site should be commensurate with the general character and height of adjacent residential development, particularly along Gordon Road where development must not be overbearing in relation to the low height of existing residential properties fronting the road. A height of three to four storeys along this frontage would be appropriate.

The downwards slope of the site towards the railway gives/may provide an opportunity for taller elements to locate at the lower level subject to views from Gordon Road being preserved and development safeguarding acceptable levels of privacy for occupiers of adjacent residential developments.

A high quality of buildings will be uniformly sought within the site. Facades along Gordon Road should be of a high quality design supported by the use of high quality materials and reflecting the positive elements of character in nearby residential properties. The size of the site is sufficient to support a mix of dwelling sizes, including family accommodation. Any residential units proposed should be dual aspect (north facing single aspect units are not acceptable).

Development must ensure adequate and generous provision of communal and private garden space for residents in the form of private gardens, communal garden space and balconies commensurate with the potential offered by the size of the site. Those should be properly screened from access roads, pedestrian footpaths and semi public spaces to ensure privacy. Communal areas may be provided at roof level through accessible roof space and terraces. The provision of playspace for children to Mayoral standards will also be required.

The site layout should establish a clear and legible hierarchy between private, semi public and public spaces through the use of paving materials, hedges, front gardens, and public realm furniture. Schemes incorporating green roofs on buildings and biodiversity features in communal spaces will be positively considered.

Residential buildings must be appropriately set back from the railway line. It is imperative that they are appropriately screened from noise, pollution and vibrations from the railway through proper ventilation and insulation. Balconies and garden space fronting the railway must achieve acceptable quality and usability standards particularly with regards to noise and air quality.

The location of the site close to a Crossrail station would support a low or no car development. Any parking space on the site and access routes should be sensitively located with regards to garden space and residential accommodation so as not to disturb the tranquility of residents within the development and in the neighbourhood. Lateral pedestrian links with Sinclair House should be investigated to provide direct access to The Avenue.

HAN3 Wickes
83-101 Boston Road Hanwell W7

Site Area: 0.84ha

Ownership: Private

Current Use: Wickes retail warehouse and associated surface level car park

Development Strategy Policies: 2.7

Setting: Urban

PTAL: 3

Planning Designations:
District Centre

Relevant Planning Applications: none

Allocation: Improved and additional retail space with introduction of residential.

Justification: Current use as a standalone retail warehouse and surface level car park underutilises a key town centre site. Scope for intensification and diversification of retail use to improve retail offer of the town centre complemented by the introduction of residential use to the site to support the vitality and viability of Hanwell.

Indicative Delivery Timetable: 2011-2016

Site Context: The site benefits from a substantial frontage to Boston Road, opposite the small public space at junction of Boston Road/Lower Boston Road, although the majority of this frontage is taken up by an underused car park and the Wickes warehouse building does not directly face the street. Building typology in the surrounding area is varied in scale and style, dominated by an imposing three-storey Victorian parade of shops with a highly detailed façade and decorative roofline on the west side of Boston Road. The site is bounded to the north and east by two storey Victorian terraces, late 20th century two storey mews houses, and contemporary flats ranging from three to five stories at Cambridge Yard. To the south of the site are several low rise warehouses accommodating employment uses.

Design Principles: In view of the local context and recent renewal experienced at this end of the town centre, there is an opportunity to intensify and diversify the uses on the site, with a focus on better integration with the town centre and creation of an appropriate interface with surrounding residential development, particularly at Cambridge Yard. There is potentially an opportunity to create a new pedestrian linkage through the site to Cambridge Yard as appropriate to the prevailing fine grain of the local area. Any routes proposed should be logical, well overlooked and serve a clear purpose.

Successful redevelopment will be dependent on an innovative design/

HAN3 Wickes

layout that optimises the use of the site and complements the varied existing building styles. The building line should follow the gentle curve of Boston Road, providing a consistent frontage with active commercial uses, mainly retail, at the ground floor. Commercial development should seek to provide a range of unit sizes in keeping with the varied character of shopping frontages in Hanwell. The reduction in parking levels provided to serve existing/future retail use is encouraged.

Residential use on ground floor frontages to Boston Road is not acceptable. Residential accommodation on upper floors and to Adelaide Court would be acceptable, subject to a satisfactory level of amenity including a suitable setback from the pavement for privacy on Adelaide Court.

All residential dwellings should be dual aspect (north facing single aspect units are not acceptable) and provide access to suitable private and/or communal garden space. Both balconies and communal garden space will be expected in flatted schemes; communal garden space may be provided above ground level in the form of courtyards or roof gardens. The site is in an area or groundwater pollution therefore designs should incorporate SUDS and other related sustainability measures.

Appendix 2 - Planning for schools DPD excerpts

S-HAN2 - Trumpers Way
Hanwell, W7

Site Area: 0.37 ha

Ownership: TBC

Current Use: Industrial

Policy Compliant (Y/N): No

HANWELL

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Note: site has been extended – see revised site plan on following page.

Amended Boundary - Trumpers Way | 0.595 ha

Ealing www.ealing.gov.uk	Reproduced from the Ordnance Survey mapping with the permission of Her Majesty's Stationery Office. Crown Copyright reserved. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings. LICENCE NO: LA100019807 2009	Scale 1/930 Centre = 515569 E 179438 N	Date 28/7/2014

S-ACT5 - Park Royal, Southern Gateway
Acton, W3

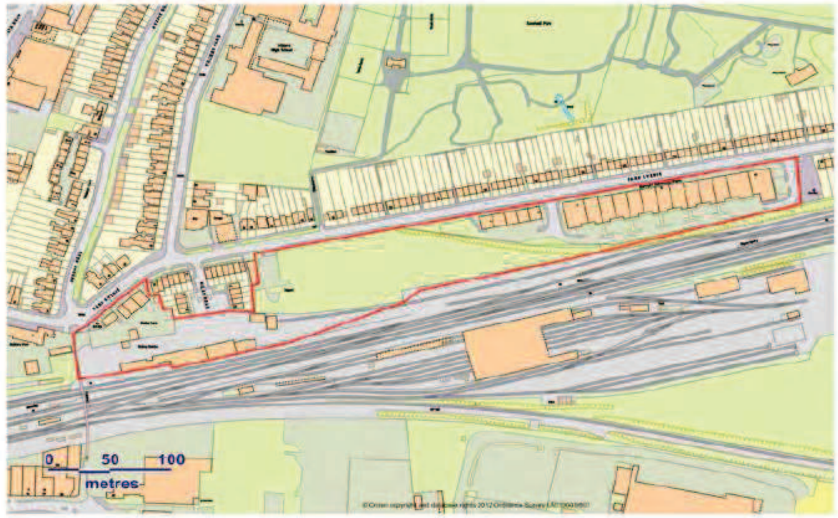
Site Area: 5.63 ha

Ownership: Private

Current Use: Mixed use residential and offices.

Policy Compliant (Y/N): No in part.

S-SOU2 - Park Avenue,
Southall, UB1



Site Area: 3.54 ha

Ownership: Private

Current Use: Various industrial, sui generis and retail.

Policy Compliant (Y/N): Yes

Appendix 3 - BCIS costs

£/m2 study

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

Last updated: 09-Aug-2014 12:19

Rebased to London Borough of Ealing

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
Estate housing							
Generally (15)	1,095	543	939	1,065	1,219	2,259	1650
Single storey (15)	1,200	632	1,028	1,162	1,371	2,069	279
2-storey (15)	1,072	543	930	1,050	1,178	2,137	1250
3-storey (15)	1,092	707	878	1,039	1,211	2,259	120
4-storey or above (25)	1,565	1,194	-	1,424	-	2,077	3
Estate housing detached (15)	1,161	852	957	1,173	1,308	1,556	15
Estate housing semi detached							
Generally (15)	1,089	558	949	1,068	1,196	2,069	370
Single storey (15)	1,247	762	1,065	1,238	1,407	2,069	63
2-storey (15)	1,058	558	937	1,048	1,170	1,840	288
3-storey (15)	1,027	760	846	1,004	1,111	1,613	19
Estate housing terraced							
Generally (15)	1,117	543	931	1,067	1,251	2,259	364
Single storey (15)	1,189	713	963	1,124	1,436	1,845	58
2-storey (15)	1,102	543	934	1,071	1,241	2,137	256
3-storey (15)	1,108	708	895	1,020	1,196	2,259	50
Flats (apartments)							
Generally (15)	1,314	646	1,099	1,263	1,482	3,955	765
1-2 storey (15)	1,238	732	1,071	1,208	1,384	2,376	188
3-5 storey (15)	1,295	646	1,091	1,262	1,475	2,653	507
6+ storey (15)	1,661	970	1,333	1,609	1,849	3,955	66

Appendix 4 - Benchmark land value calculations

Ealing Schools SPD - benchmark land value calculations

Site	Individual property	Use	Basis	Sqm	Rent psm	RV/Rent	Yield	Cap val	Premium	BLV
BT	Telephone exchange	Est - based on warehouse	Est	Pro-rata from Trumpers Way (0.595 ha)				£6,640,548	20%	**£7,968,658**
Wickes	Wickes DIY store	Warehouse	RV	3059.65	£185	£566,035.25	6%	£9,433,921	20%	£11,320,705
	Wickes DIY store	Allied office	RV	69.89	£20	£1,397.80	6%	£23,297	20%	£27,956
										£11,348,661
Trumpers Way	5 Belvedere Road	Workshop	RV	212.46	£85	£18,059	8%	£225,739	20%	£270,887
	Unit 5 Trumpers Way	Workshop	RV	146.32	£49.89	£7,300	8%	£91,250	20%	£109,500
	Unit 5A Trumpers Way	Workshop	RV	122.21	£45	£5,500	8%	£68,750	20%	£82,500
	Unit 7-8 Trumpers Way	Workshop	RV	1168.58	£79.58	£93,000	8%	£1,162,500	20%	£1,395,000
	Units 6-9 Trumpers Way	Warehouse	RV	936.9	£84.12	£69,442	8%	£868,025	20%	£1,041,630
	Yard 3	Open storage	RV	2100	£29.11	£61,137	8%	£764,213	20%	£917,055
	Yard 4	Open storage	RV	597.26	£43.38	£25,750	8%	£321,875	20%	£386,250
	Yard 6	Open storage	RV	773	£22.50	£17,393	8%	£217,413	20%	£260,895
	Yard 9	Open storage	RV	822.6	£22.50	£18,509	8%	£231,363	20%	£277,635
										£4,741,352
Park Royal	Advertising - Wales Farm Road	Advertising	RV			£2,700	6%	£45,000	20%	£54,000
	Offices - Wales Fm Road	Offices	RV	16031.19	£106.26	£1,703,500	6%	£28,391,667	20%	£34,070,000
	Stores/warehouses - Wales Farm Road	Warehouses	RV	1190.24	£64.15	£76,350	8%	£954,375	20%	£1,145,250
	Advertising/Telecoms - Portal Way	Advertising	RV			£380,800	6%	£6,346,667	20%	£7,616,000
	Warehouses	Warehouses	RV	13261.48	£95.82	£1,270,750	8%	£15,884,375	20%	£19,061,250
	Hotel	Hotel	RV			£480,000	6%	£8,000,000	20%	£9,600,000
	Offices - Portal Way	Offices	RV	1442.87	£173.09	£249,750	6%	£4,162,500	20%	£4,995,000
										£76,541,500
Madeley Road	6 houses each providing 5 flats		estimate							
	£450k per flat, allowing for condition									£13,500,000
										£13,500,000
Horn Lane	239 Horn Lane	Warehouse and related	RV	3821.85	£40.42	£154,479	8%	£1,930,990	20%	£2,317,188
	265 Horn Lane	Club house	RV	128.98	£30.91	£3,986.77	9%	£44,297	20%	£53,157
										£2,370,345
Craven House	Exchange Plaza	Office	Marketing particulars	5574	£193.75	£1,079,963	7.00%	£15,428,036	20%	£18,513,643
	Craven House	Office	Marketing particulars	1316	£193.75	£254,975	7.00%	£3,642,500	20%	£4,371,000
	R/O Craven House - Offices		RV	455.56	£94.39	£43,000	6%	£716,667	20%	£860,000
	R/O Craven House - Bowls Club	Club house	RV	343.1	£26.37	£9,050	9%	£100,556	20%	£120,667
										£23,865,310
Lamertons	All retail units and pub	Retail, restaurants, pub	RV	2742.34	£178.70	£490,050	6%	£8,167,500	20%	£9,801,000
	Units on New Broadway	Retail, restaurants, pub	RV	333.52	£242.86	£81,000	6%	£1,350,000	20%	£1,620,000
										£11,421,000
Park Avenue	Secondary industrial land	£1.5 million per ha	Estimate							£5,500,000
										£5,500,000

Appendix 5 - Development appraisals

Site 1 - BT - Secondary School
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	9,664.00	£6,434.00	62,178,186	
Affordable rent	6,764.80	£2,086.00	14,111,375	
Shared ownership	2,899.20	£3,112.00	9,022,306	
Totals	19,328.00		85,311,867	**85,311,867**
NET REALISATION				**85,311,867**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			15,112,886	
Stamp Duty		4.00%	604,515	
Agent Fee		1.00%	151,129	
Legal Fee		0.80%	120,903	
				15,989,433
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	12,080.00	£1,785.00	21,562,800	
Affordable rent	8,456.00	£1,785.00	15,093,960	
Shared ownership	3,624.00	£1,785.00	6,468,840	
Totals	24,160.00		43,125,600	**43,125,600**
Developers Contingency		5.00%	5,000	
Demolition			100,000	
				105,000
Municipal Costs				
Mayoral CIL	12,080.00 m²	35.00 pm²	422,800	
Section 106	254.00 units	1,000.00 /un	254,000	
Ealing CIL	12,080.00 m²	100.00 pm²	1,208,000	
				1,884,800
PROFESSIONAL FEES				
Professional fees		12.00%	5,175,072	
				5,175,072
MISCELLANEOUS FEES				
Profit on private		20.00%	12,435,637	
profit on affordable		6.00%	1,388,021	
				13,823,658
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			2,879,255	
Construction			1,676,893	
Other			652,154	
Total Finance Cost				5,208,302
TOTAL COSTS				**85,311,866**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.58%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 1 - BT - Primary School
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	10,771.20	£6,434.00	69,301,901	
Affordable rent	7,540.00	£2,086.00	15,728,440	
Shared ownership	3,231.20	£3,112.00	10,055,494	
Totals	21,542.40		95,085,835	**95,085,835**
NET REALISATION				**95,085,835**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			16,854,489	
Stamp Duty		4.00%	674,180	
Agent Fee		1.00%	168,545	
Legal Fee		0.80%	134,836	
				17,832,049
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	13,464.00	£1,785.00	24,033,240	
Affordable rent	9,425.00	£1,785.00	16,823,625	
Shared ownership	4,039.00	£1,785.00	7,209,615	
Totals	26,928.00		48,066,480	**48,066,480**
Developers Contingency		5.00%	5,000	
Demolition			100,000	
				105,000
Municipal Costs				
Mayoral CIL	13,464.00 m²	35.00 pm²	471,240	
Section 106	284.00 units	1,000.00 /un	284,000	
Ealing CIL	13,464.00 m²	100.00 pm²	1,346,400	
				2,101,640
PROFESSIONAL FEES				
Professional fees		12.00%	5,767,978	
				5,767,978
MISCELLANEOUS FEES				
Profit on private		20.00%	13,860,380	
profit on affordable		6.00%	1,547,036	
				15,407,416
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			3,210,695	
Construction			1,867,705	
Other			726,871	
Total Finance Cost				5,805,271
TOTAL COSTS				**95,085,834**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.58%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 2 - Wickes - secondary
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	3,104.00	£5,500.00	17,072,000	
Affordable rent	2,172.80	£2,086.00	4,532,461	
Shared ownership	931.20	£3,112.00	2,897,894	
Totals	6,208.00		24,502,355	**24,502,355**
NET REALISATION				**24,502,355**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			2,466,924	
Stamp Duty		4.00%	98,677	
Agent Fee		1.00%	24,669	
Legal Fee		0.80%	19,735	
				2,610,006
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	3,880.00	£1,785.00	6,925,800	
Affordable rent	2,716.00	£1,785.00	4,848,060	
Shared ownership	1,164.00	£1,785.00	2,077,740	
Totals	7,760.00		13,851,600	**13,851,600**
Developers Contingency		5.00%	697,580	
Demolition			100,000	
				797,580
Municipal Costs				
Mayoral CIL	3,880.00 m²	35.00 pm²	135,800	
Section 106	82.00 units	1,000.00 /un	82,000	
Ealing CIL	3,880.00 m²	50.00 pm²	194,000	
				411,800
PROFESSIONAL FEES				
Professional fees		12.00%	1,662,192	
				1,662,192
MARKETING & LETTING				
Marketing		3.00%	512,160	
				512,160
MISCELLANEOUS FEES				
Profit on private		20.00%	3,414,400	
profit on affordable		6.00%	415,548	
				3,829,948
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			359,716	
Construction			393,019	
Other			74,333	
Total Finance Cost				827,069
TOTAL COSTS				**24,502,354**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.27%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 2 - Wickes - primary
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	4,211.20	£5,500.00	23,161,600	
Affordable rent	2,948.00	£2,086.00	6,149,524	
Shared ownership	1,263.20	£3,112.00	3,931,079	
Totals	8,422.40		33,242,204	**33,242,204**
NET REALISATION				**33,242,204**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			3,381,136	
Stamp Duty		4.00%	135,245	
Agent Fee		1.00%	33,811	
Legal Fee		0.80%	27,049	
				3,577,241
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	5,264.00	£1,785.00	9,396,240	
Affordable rent	3,685.00	£1,785.00	6,577,721	
Shared ownership	1,579.00	£1,785.00	2,818,516	
Totals	10,528.00		18,792,477	**18,792,477**
Developers Contingency		5.00%	944,624	
Demolition			100,000	
				1,044,624
Municipal Costs				
Mayoral CIL	5,264.00 m²	35.00 pm²	184,240	
Section 106	111.00 units	1,000.00 /un	111,000	
Ealing CIL	5,264.00 m²	50.00 pm²	263,200	
				558,440
PROFESSIONAL FEES				
Professional fees		12.00%	2,255,097	
				2,255,097
MARKETING & LETTING				
Marketing		3.00%	694,848	
				694,848
MISCELLANEOUS FEES				
Profit on private		20.00%	4,632,320	
profit on affordable		6.00%	563,774	
				5,196,094
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			492,475	
Construction			530,059	
Other			100,848	
Total Finance Cost				1,123,381
TOTAL COSTS				**33,242,203**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.28%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 3 - Trumpers Way - secondary
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	875.50	£5,500.00	4,815,250	
Affordable rent	612.85	£2,086.00	1,278,405	
Shared ownership	262.65	£3,112.00	817,367	
Totals	1,751.00		6,911,022	**6,911,022**
NET REALISATION				**6,911,022**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			1,768,297	
Stamp Duty		4.00%	70,732	
Agent Fee		1.00%	17,683	
Legal Fee		0.80%	14,146	
				1,870,859
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	1,030.00	£1,475.00	1,519,250	
Affordable rent	721.00	£1,475.00	1,063,475	
Shared ownership	309.00	£1,475.00	455,775	
Totals	2,060.00		3,038,500	**3,038,500**
Developers Contingency		5.00%	78,463	
Demolition			50,000	
				128,463
Municipal Costs				
Mayoral CIL	1,030.00 m²	35.00 pm²	36,050	
Section 106	22.00 units	1,000.00 /un	22,000	
Ealing CIL	1,030.00 m²	100.00 pm²	103,000	
				161,050
PROFESSIONAL FEES				
Professional fees		12.00%	364,620	
				364,620
MARKETING & LETTING				
Marketing		3.00%	144,458	
				144,458
MISCELLANEOUS FEES				
Profit on private		20.00%	963,050	
				963,050
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			189,016	
Construction			51,006	
Total Finance Cost				240,022
TOTAL COSTS				**6,911,021**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.30%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 3 - Trumpers Way - primary
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	2,051.90	£5,500.00	11,285,450	
Affordable rent	1,436.50	£2,086.00	2,996,539	
Shared ownership	615.40	£3,112.00	1,915,125	
Totals	4,103.80		16,197,114	**16,197,114**
NET REALISATION				**16,197,114**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			4,210,194	
Stamp Duty		4.00%	168,408	
Agent Fee		1.00%	42,102	
Legal Fee		0.80%	33,682	
				4,454,386
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	2,414.00	£1,475.00	3,560,650	
Affordable rent	1,690.00	£1,475.00	2,492,750	
Shared ownership	724.00	£1,475.00	1,067,900	
Totals	4,828.00		7,121,300	**7,121,300**
Developers Contingency		5.00%	180,533	
Demolition			50,000	
				230,533
Municipal Costs				
Mayoral CIL	2,414.00 m²	35.00 pm²	84,490	
Section 106	51.00 units	1,000.00 /un	51,000	
Ealing CIL	2,414.00 m²	100.00 pm²	241,400	
				376,890
PROFESSIONAL FEES				
Professional fees		12.00%	854,556	
				854,556
MARKETING & LETTING				
Marketing		3.00%	338,564	
				338,564
MISCELLANEOUS FEES				
Profit on private		20.00%	2,257,090	
				2,257,090
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			448,447	
Construction			115,348	
Total Finance Cost				563,795
TOTAL COSTS				**16,197,113**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.30%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 4 - Park Royal - with secondary
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	31,844.00	£6,060.00	192,974,640	
Affordable rent	22,291.20	£2,086.00	46,499,443	
Shared ownership	9,553.60	£3,112.00	29,730,803	
Totals	63,688.80		269,204,886	**269,204,886**
NET REALISATION				**269,204,886**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			(12,491,412)	
				(12,491,412)
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	39,805.00	£2,237.00	89,043,785	
Affordable rent	27,864.00	£2,237.00	62,331,768	
Shared ownership	11,942.00	£2,237.00	26,714,254	
Totals	79,611.00		178,089,807	**178,089,807**
Developers Contingency		5.00%	8,941,990	
Demolition			750,000	
				9,691,990
Municipal Costs				
Mayoral CIL	39,805.00 m²	35.00 pm²	1,393,175	
Section 106	834.00 units	1,000.00 /un	834,000	
Ealing CIL	39,805.00 m²	100.00 pm²	3,980,500	
				6,207,675
PROFESSIONAL FEES				
Professional fees		12.00%	21,370,777	
				21,370,777
MARKETING & LETTING				
Marketing		3.00%	5,789,239	
				5,789,239
MISCELLANEOUS FEES				
Profit on private		20.00%	38,594,928	
profit on affordable		6.00%	5,342,761	
				43,937,689
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			(2,413,563)	
Construction			14,460,908	
Other			4,561,774	
Total Finance Cost				16,609,119
TOTAL COSTS				**269,204,885**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		7.11%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 4 - Park Royal - with primary
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	32,951.20	£6,060.00	199,684,272	
Affordable rent	23,065.60	£2,086.00	48,114,842	
Shared ownership	9,885.60	£3,112.00	30,763,987	
Totals	65,902.40		278,563,101	**278,563,101**
NET REALISATION				**278,563,101**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			(12,900,886)	
				(12,900,886)
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	41,189.00	£2,237.00	92,139,793	
Affordable rent	28,832.00	£2,237.00	64,497,184	
Shared ownership	12,357.00	£2,237.00	27,642,609	
Totals	82,378.00		184,279,586	**184,279,586**
Developers Contingency		5.00%	9,251,479	
Demolition			750,000	
				10,001,479
Municipal Costs				
Mayoral CIL	41,189.00 m²	35.00 pm²	1,441,615	
Section 106	867.00 units	1,000.00 /un	867,000	
Ealing CIL	41,189.00 m²	100.00 pm²	4,118,900	
				6,427,515
PROFESSIONAL FEES				
Professional fees		12.00%	22,113,550	
				22,113,550
MARKETING & LETTING				
Marketing		3.00%	5,990,528	
				5,990,528
MISCELLANEOUS FEES				
Profit on private		20.00%	39,936,854	
profit on affordable		6.00%	5,528,388	
				45,465,242
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			(2,491,790)	
Construction			14,957,491	
Other			4,720,384	
Total Finance Cost				17,186,085
TOTAL COSTS				**278,563,100**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		7.11%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 5 - 58-62 Madeley Road
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	2,411.20	£7,040.00	16,974,848	
Affordable rent	1,688.00	£2,086.00	3,521,169	
Shared ownership	723.20	£3,112.00	2,250,598	
Totals	4,822.40		22,746,616	**22,746,616**
NET REALISATION				**22,746,616**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			3,945,881	
Stamp Duty		4.00%	157,835	
Agent Fee		1.00%	39,459	
Legal Fee		0.80%	31,567	
				4,174,742
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	3,014.00	£1,785.00	5,379,990	
Affordable rent	2,110.00	£1,785.00	3,766,351	
Shared ownership	904.00	£1,785.00	1,613,640	
Totals	6,028.00		10,759,981	**10,759,981**
Developers Contingency		5.00%	540,499	
Demolition			50,000	
				590,499
Municipal Costs				
Mayoral CIL	3,014.00 m²	35.00 pm²	105,490	
Section 106	64.00 units	1,000.00 /un	64,000	
Ealing CIL	3,014.00 m²	100.00 pm²	301,400	
				470,890
PROFESSIONAL FEES				
Professional fees		12.00%	1,291,198	
				1,291,198
MARKETING & LETTING				
Marketing		3.00%	509,245	
				509,245
MISCELLANEOUS FEES				
Profit on private		20.00%	3,394,970	
profit on affordable		6.00%	322,799	
				3,717,769
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			647,674	
Construction			386,115	
Other			198,502	
Total Finance Cost				1,232,290
TOTAL COSTS				**22,746,615**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.63%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 6 - Perceval House
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	5,051.20	£7,040.00	35,560,448	
Affordable rent	3,536.00	£2,086.00	7,376,096	
Shared ownership	1,515.20	£3,112.00	4,715,302	
Totals	10,102.40		47,651,846	**47,651,846**
NET REALISATION				**47,651,846**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			2,439,648	
Stamp Duty		4.00%	97,586	
Agent Fee		1.00%	24,396	
Legal Fee		0.80%	19,517	
				2,581,148
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	6,314.00	£2,237.00	14,124,418	
Affordable rent	4,420.00	£2,237.00	9,887,540	
Shared ownership	1,894.00	£2,237.00	4,236,878	
Totals	12,628.00		28,248,836	**28,248,836**
Developers Contingency		5.00%	1,413,692	
Demolition			25,000	
				1,438,692
Municipal Costs				
Mayoral CIL	6,314.00 m²	35.00 pm²	220,990	
Section 106	133.00 units	1,000.00 /un	133,000	
Ealing CIL	6,314.00 m²	100.00 pm²	631,400	
				985,390
PROFESSIONAL FEES				
Professional fees		12.00%	3,389,860	
				3,389,860
MARKETING & LETTING				
Marketing		3.00%	1,066,813	
				1,066,813
MISCELLANEOUS FEES				
Profit on private		20.00%	7,112,090	
profit on affordable		6.00%	847,465	
				7,959,555
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			397,656	
Construction			1,168,037	
Other			415,859	
Total Finance Cost				1,981,552
TOTAL COSTS				**47,651,845**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.47%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 7 - Horn Lane
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	2,204.00	£6,351.00	13,997,604	
Affordable rent	1,543.20	£2,086.00	3,219,115	
Shared ownership	661.60	£3,112.00	2,058,899	
Totals	4,408.80		19,275,618	**19,275,618**
NET REALISATION				**19,275,618**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			389,320	
Stamp Duty		4.00%	15,573	
Agent Fee		1.00%	3,893	
Legal Fee		0.80%	3,115	
				411,901
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	2,755.00	£2,237.00	6,162,935	
Affordable rent	1,929.00	£2,237.00	4,315,173	
Shared ownership	827.00	£2,237.00	1,849,999	
Totals	5,511.00		12,328,107	**12,328,107**
Developers Contingency		5.00%	621,405	
Demolition			100,000	
				721,405
Municipal Costs				
Mayoral CIL	2,755.00 m²	35.00 pm²	96,425	
Section 106	58.00 units	1,000.00 /un	58,000	
Ealing CIL	2,755.00 m²	50.00 pm²	137,750	
				292,175
PROFESSIONAL FEES				
Professional fees		12.00%	1,479,373	
				1,479,373
MARKETING & LETTING				
Marketing		3.00%	419,928	
				419,928
MISCELLANEOUS FEES				
Profit on private		20.00%	2,799,521	
profit on affordable		6.00%	369,910	
				3,169,431
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			47,405	
Construction			361,501	
Other			44,391	
Total Finance Cost				453,297
TOTAL COSTS				**19,275,617**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		5.93%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 8 - Craven House
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	12,064.00	£7,040.00	84,930,560	
Affordable rent	8,444.80	£2,086.00	17,615,853	
Shared ownership	3,619.20	£3,112.00	11,262,950	
Totals	24,128.00		113,809,363	**113,809,363**
NET REALISATION				**113,809,363**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			5,860,044	
Stamp Duty		4.00%	234,402	
Agent Fee		1.00%	58,600	
Legal Fee		0.80%	46,880	
				6,199,927
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	15,080.00	£2,237.00	33,733,960	
Affordable rent	10,556.00	£2,237.00	23,613,772	
Shared ownership	4,524.00	£2,237.00	10,120,188	
Totals	30,160.00		67,467,920	**67,467,920**
Developers Contingency		5.00%	3,374,646	
Demolition			25,000	
				3,399,646
Municipal Costs				
Mayoral CIL	15,080.00 m²	35.00 pm²	527,800	
Section 106	318.00 units	1,000.00 /un	318,000	
Ealing CIL	15,080.00 m²	100.00 pm²	1,508,000	
				2,353,800
PROFESSIONAL FEES				
Professional fees		12.00%	8,096,150	
				8,096,150
MARKETING & LETTING				
Marketing		3.00%	2,547,917	
				2,547,917
MISCELLANEOUS FEES				
Profit on private		20.00%	16,986,112	
profit on affordable		6.00%	2,024,038	
				19,010,150
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			954,991	
Construction			2,785,648	
Other			993,213	
Total Finance Cost				4,733,853
TOTAL COSTS				**113,809,362**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.47%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 9 - Lamertons, W5
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	4,512.00	£7,040.00	31,764,480	
Affordable rent	3,158.40	£2,086.00	6,588,422	
Shared ownership	1,353.60	£3,112.00	4,212,403	
Totals	9,024.00		42,565,306	**42,565,306**
NET REALISATION				**42,565,306**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			2,080,772	
Stamp Duty		4.00%	83,231	
Agent Fee		1.00%	20,808	
Legal Fee		0.80%	16,646	
				2,201,456
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	5,640.00	£2,237.00	12,616,680	
Affordable rent	3,948.00	£2,237.00	8,831,676	
Shared ownership	1,692.00	£2,237.00	3,785,004	
Totals	11,280.00		25,233,360	**25,233,360**
Developers Contingency		5.00%	1,267,918	
Demolition			125,000	
				1,392,918
Municipal Costs				
Mayoral CIL	5,640.00 m²	35.00 pm²	197,400	
Section 106	119.00 units	1,000.00 /un	119,000	
Ealing CIL	5,640.00 m²	100.00 pm²	564,000	
				880,400
PROFESSIONAL FEES				
Professional fees		12.00%	3,028,003	
				3,028,003
MARKETING & LETTING				
Marketing		3.00%	952,934	
				952,934
MISCELLANEOUS FEES				
Profit on private		20.00%	6,352,896	
profit on affordable		6.00%	757,001	
				7,109,897
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			339,119	
Construction			1,055,750	
Other			371,467	
Total Finance Cost				1,766,336
TOTAL COSTS				**42,565,305**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.47%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		

Site 10 - Park Avenue
Base

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**m²**	**Rate m²**	**Gross Sales**	
Market residential	3,823.20	£4,575.00	17,491,140	
Affordable rent	2,676.00	£2,086.00	5,582,133	
Shared ownership	1,147.20	£3,112.00	3,570,086	
Totals	7,646.40		26,643,359	**26,643,359**
NET REALISATION				**26,643,359**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			369,075	
Stamp Duty		4.00%	14,763	
Agent Fee		1.00%	3,691	
Legal Fee		0.80%	2,953	
				390,482
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Market residential	4,779.00	£1,785.00	8,530,515	
Affordable rent	3,345.00	£1,785.00	5,970,822	
Shared ownership	1,434.00	£1,785.00	2,559,690	
Totals	9,558.00		17,061,027	**17,061,027**
Developers Contingency		5.00%	859,301	
Demolition			125,000	
				984,301
Municipal Costs				
Mayoral CIL	4,779.00 m²	35.00 pm²	167,265	
Section 106	100.00 units	1,000.00 /un	100,000	
Ealing CIL	4,779.00 m²	100.00 pm²	477,900	
				745,165
PROFESSIONAL FEES				
Professional fees		12.00%	2,047,323	
				2,047,323
MARKETING & LETTING				
Marketing		3.00%	524,734	
				524,734
MISCELLANEOUS FEES				
Profit on private		20.00%	3,498,228	
profit on affordable		6.00%	511,831	
				4,010,059
FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			58,181	
Construction			617,531	
Other			204,556	
Total Finance Cost				880,268
TOTAL COSTS				**26,643,358**
PROFIT				
				1
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
		6.27%		
Profit Erosion (finance rate 7.000%)		0 yrs 0 mths		