

David Robinson
Principal Planning Officer
London Borough of Lewisham
Laurence House
1 Catford Road, London
SE6 4RU

By E-mail

23 April 2020

Dear David,

Re: Besson Street, New Cross Gate, London, SE14 5AS

I refer to our telephone conversation this afternoon when we discussed this project.

By way of background we circulated our initial draft report in January 2020 that demonstrated the applicants proposed scheme is not viable based upon current day costs and values. Although in considering the potential deliverability of the project the applicants viability advisor Avison Young demonstrated the scheme was viable after adopting a growth scenario.

Our report identified a construction cost of c. £75.521m which equates to £241.38psf and was c. £3.290m lower than the Applicant's cost plan. Since circulation of our initial draft report we have received a response from the Applicant and following review of this our cost consultant has revised his opinion to c. £77.183m equivalent to £246.69psf.

Therefore, as our opinion of construction costs have increased it serves to highlight the construction costs reflected in our January 2020 dated report are understated. Whilst we have not prepared revised development scenario appraisals it is clear the viability of the proposal does not improve. In fact the present day scenarios are less viable.

I do hope this note is sufficient and would be happy to chat through if anything is unclear.

Yours sincerely



Andrew Murphy
Director