



GL Hearn

Part of Capita plc

Inglemere Domus Financial Viability Review

LB Lewisham

Inglemere Domus
27 Inglemere Road
London
SE23 2BB

December 2020

Prepared by

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Confidential

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Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

This document must only be treated as a draft unless it has been signed by the originators and approved by a Business or Associate Director.

DATE

3 February 2021

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Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 INTRODUCTION

Purpose of Report

- 1.1 This statement has been prepared by GL Hearn on behalf of LB Lewisham in connection with planning application DC/20/117864 submitted for a site at Inglemere Domus, 27 Inglemere Road, London, SE23 2BB.
- 1.2 The purpose of this report is to provide an independent due diligence review of the applicant's submitted evidence base to establish:
- What level of planning contributions are considered financially viable; and
 - The impact, if required, of grant and external funding.
- 1.3 Financial viability is material in the consideration of planning applications. The cumulative impact of planning policies on the cost of development should not undermine the delivery of the Statutory Development Plan.
- 1.4 Plans are expected to be aspirational and set out developer contributions, including:
- Affordable housing and/or workspace expectations;
 - Infrastructure requirements; and
 - Design standards.

Planning Policy Context

- 1.5 The National Planning Policy Framework (NPPF) and Planning Policy Guidance (PPG), along with regional and local plan policies, provide the framework within which the development proposals are embedded.
- 1.6 The NPPF is the key policy document against which financial viability should be considered, in the context of promoting sustainable development:

“Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at

the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available”.¹

1.7 Local Planning Authorities (LPAs) are responsible for assessing housing need, including affordable housing tenure requirements:

“Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:

- *Off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
- *The agreed approach contributes to the objective of creating mixed and balanced communities”.²*

1.8 PPG emphasises the requirement for transparent and robust assessments:

“Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.

The weight to be given to a viability assessment is a matter of the decision maker, having regard to all the circumstances in the case including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment”.³

1.9 The London Plan sets out further requirements and considerations when considering schemes at a development management level:

“A The maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes, having regard to;

current and future requirements for affordable housing at local and regional levels identified in line with Policies 3.8 3.10 and 3.11 and having particular regard to the guidance provided by the Mayor through the London Housing Strategy, supplementary guidance and the London plan Annual Monitoring Report (see paragraph 3.68);

- *affordable housing targets adopted in line with Policy 3.11,*
- *the need to encourage rather than restrain residential development (Policy 3.3),*
- *the need to promote mixed and balanced communities (Policy 3.9),*

¹ National Planning Policy Framework paragraph 57 p.16 2019-02

² National Planning Policy Framework paragraph 62 p.17 2019-02

³ Planning Practice Guidance paragraph 008 p.5 2019-11-01

- *the size and type of affordable housing needed in particular locations,*
- *the special circumstances of individual sites,*
- *resources available to fund affordable housing, to maximise affordable housing output and the investment criteria set by the mayor,*
- *the priority to be accorded to provision of affordable family housing in policies 3.8 and 3.11.*

B Negotiations on sites should take account of their individual circumstances including development viability, the availability of public subsidy, the implications of phased development including provisions for reappraising the viability of scheme prior to implementation ('contingent obligations'), and other scheme requirements.

C Affordable housing should normally be provided on-site. In exceptional cases where it can be demonstrated robustly that this is not appropriate in terms of the policies in this Plan, it may be provided off-site. A cash in lieu contribution should only be accepted where this would have demonstrable benefits in furthering the affordable housing where this would have demonstrable benefits in furthering the affordable housing and other policies in this Plan and should be ring-fenced and, if appropriate, pooled to secure additional affordable housing either on identified sites elsewhere or as part of an agreed programme for provision of affordable housing.”⁴

1.10 Local Plan Policy 1 outlines the LPA’s aspirations in respect of affordable housing delivery, stating that:

“The Council will seek the maximum provision of affordable housing with a strategic target for 50% affordable housing from all sources. This would equate to approximately 9,082 net new dwellings between 2010/11 and 2025/26...contributions to affordable housing should be sought on sites capable of providing 10 or more dwellings. The starting point for negotiations will be a contribution of 50% affordable housing on qualifying sites across the borough. This would be subject to a financial viability assessment. To ensure a mixed tenure and promote mixed and balanced communities, the affordable housing component is to be provided as 70% social rented and 30% intermediate housing”.

1.11 Under local policy we understand the proposal should aim to provide 50% affordable housing, and affordable provision should, by habitable room, comprise the following tenure mix:

- 70% Affordable / Social rent; and
- 30% Intermediate

⁴ Policy 3.12 Negotiating Affordable Housing on Individual Private Residential and Mixed Use Schemes. Paragraph 3.69 p.122 The London Plan: The Spatial Development Strategy for London Consolidated with Alterations Since 2011 Greater London Authority. March 2016.

- 1.12 A suite of documents was validated with the application on 20 August 2020, the adopted valuation date, and this forms the evidence base that is the subject of this due diligence review.

Table 1: Initial Information

Item	Author	Publication Date	Received Date
Financial Viability Assessment	Newsteer	03/08/2020	22/10/2020
Budget Cost Plan	Johnson Associates	20/07/2020	22/10/2020

- 1.13 Further subsequent evidence has also been supplied upon request, currently consisting of:

Table 2: Subsequent Information

Item	Author	Publication Date	Received Date
Benchmark Site Value Update	Newsteer	16/12/2020	21/12/2020

- 1.14 FVAs are required to be sufficiently detailed so that evidence and reasoning in support of key inputs and assumptions is clear and proportionate. In seeking any departures from relevant planning policies, the onus lies with the applicant to sufficiently evidence and justify their position in line with prevailing valuation best practice and other relevant guidance.

Professional Statement

- 1.15 This report has been prepared in accordance with the requirements of the RICS Valuation-Global Standards 2017 and UK National Supplement (incorporating the International Valuation Standards 2017), referred to as the Red Book.
- 1.16 Advice given by RICS members is subject to the requirements of the Red Book; under Practice Statement 1 paragraph 5.4 of the Red Book the advice given in this report is exempt from the mandatory requirements of VPS1-5, does not represent a formal valuation, and should not be relied upon as such.
- 1.17 Costs and values change over time and the advice contained herein remains valid for 3 months from the appropriate Valuation Date, to be taken as the date of the report unless otherwise stated.
- 1.18 It is confirmed that in preparing this report and providing advice to the Client no fee payable is based upon a contingent or performance related basis. The report authors hereby confirm they have the necessary skills and experience to undertake the instruction competently, and in doing so have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.

2 METHODOLOGY

Financial Viability in Planning

2.1 Methods and best practice for the valuation of land and property lie in various Professional Statements, Guidance Notes, and Information Papers published by the Royal Institution of Chartered Surveyors (RICS), including but not limited to:

- RICS Valuation – Global Standards (2017);
- RICS Financial Viability in Planning Conduct and Reporting (2019);
- RICS Viability in Planning Guidance Note (2012); and
- RICS Valuation of Land for Affordable Housing Guidance Note (2016).

2.2 There are two recognised methods used in the valuation of development assets, both of which are relevant to the assessment of financial viability in planning.

2.3 The Comparable Method relies upon the analysis of comparable market transactions, whilst the Residual Method takes the assumed value of a completed scheme and deducts costs of development (including a profit-margin to a notional developer) to estimate the value of the land.

2.4 In practice both valuation methods should be used, with the comparable method providing a check against market conditions and sentiment.

2.5 The degree to which each should be relied upon depends upon site specific circumstances and the nature and complexity of the proposal being considered.

Benchmarking

2.6 There are two approaches to benchmarking that can be relied upon to assess site specific viability in a planning context;

- Site Value (where a market-adjusted developer's return is treated as a cost of development); and
- Developer's Return (where an appropriate site value is treated as a cost of development).

2.7 In adopting the Site Value approach, the Residual Land Value of the proposed scheme (assuming an appropriate market level of developer return as a cost of development) is compared to an appropriate Benchmark Land Value.

2.8 The Developer's Return approach adopts a fixed land value as a cost of development and compares a residual profit to an appropriate hurdle developer profit margin.

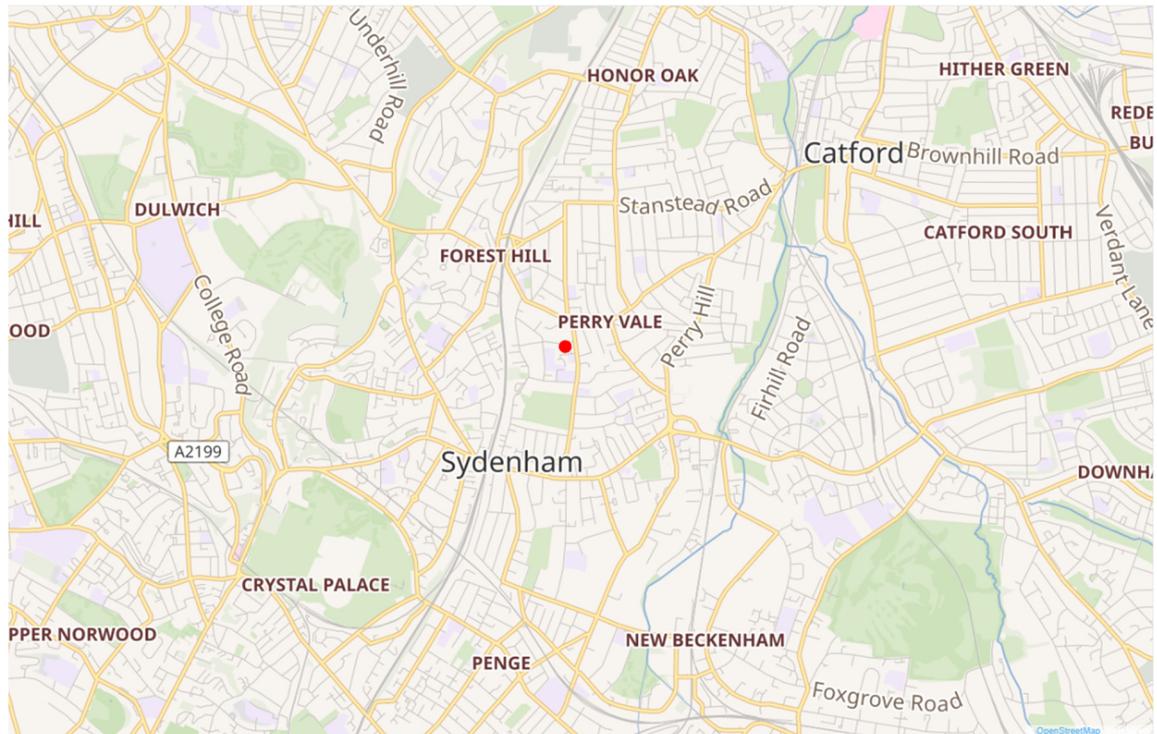
- 2.9 If the relevant metric (residual land value or hurdle profit margin) is greater than the benchmark, then the scheme can be considered viable at that level of total development costs. If less, then the scheme is unviable.
- 2.10 The subject assessment has been benchmarked on a Site Value basis.
- 2.11 Instances arise where the project programme of a proposal may span the usually anticipated development cycle, which may warrant the inclusion of projected cost and value assumptions. The subject FVA has been assessed on a present day basis.

3 PROPOSED DEVELOPMENT

Site Description

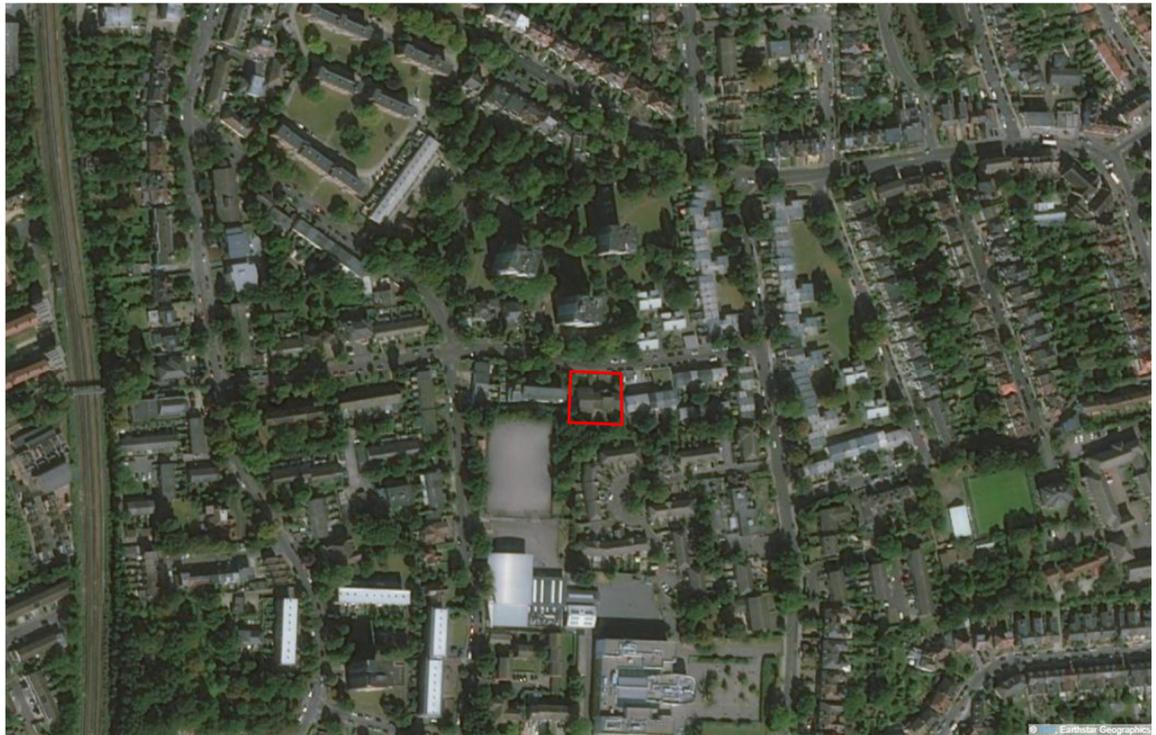
- 3.1 The site is understood to measure approximately 0.1434 hectares (0.3543 acres) and is located within the Perry Vale ward of LB Lewisham, between Forest Hill and Sydenham.

Figure 1: Location Plan



- 3.2 Situated on the south side of Inglemere Road, the site is bounded to the west and partially to the south by a vacant strip of overgrown land, and to the east by a terrace of maisonettes. Further to the west lies 1-15 Innes Lodge, a four-storey block of flats, and further to the south lies a terrace of two storey houses, whose rear elevation and back gardens face the site.
- 3.3 The site lies approximately equidistant between Forest Hill and Sydenham railway stations, to the east of the railway line that runs from north to south. Both Sydenham and Forest Hill stations provide London Overground and National Rail Services into Central London to the north and towards Croydon to the south.
- 3.4 The site's PTAL rating is 2-3.

Figure 2: Site Plan



- 3.5 Principal vehicular access is at present from Inglemere Road and surrounding land uses are predominantly residential in character.
- 3.6 The brownfield site is currently vacant and has been since 2015.
- 3.7 Existing buildings are not understood to be listed and the site is not understood to fall within a conservation area.
- 3.8 The subject assessment assumes the unencumbered freehold interest in the land is held free from any onerous restrictions on title. No independent searches on title have been undertaken as part of this review.

Development Description

- 3.9 The detailed planning application proposes the follow description of development:

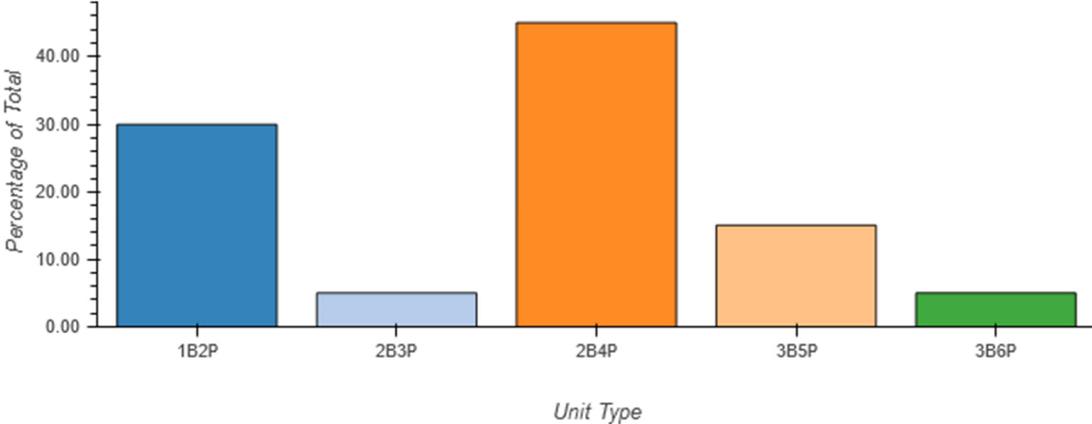
“The demolition of the existing building (Use Class C2) and the construction of a part-3 and part-4 storey building to accommodate 20 residential units (Use Class C3) with basement plant room and associated works at Inglemere Domus, 27 Inglemere Road SE23”.

- 3.10 The proposed phased development scheme comprises 20 residential units alongside surface car parking and basement plant provision. The applicant is proposing to bring forward the site with no

on-site affordable housing provision. The scheme also includes wheelchair accessible accommodation and blue badge parking.

3.11 The proposal reflects a gross density of 139.5 units per hectare, and the following residential unit mix:

Figure 3: Proposed Residential Unit Mix



4 FINANCIAL VIABILITY

Gross Development Value

- 4.1 A Gross Development Value (GDV) for the proposed scheme has been established through reference to the following elements:

Table 3: Gross Development Value Summary

Use	Assumption
Market Residential	£9.123m
Total	£9.123m

Residential Values

- 4.2 The proposed residential units offer a mix of unit type and amenity, with the majority of units benefitting from some form of outside amenity space. The units are reasonably well arranged, and have been priced to reflect differences in outlook, amenity, floor level and size.
- 4.3 The applicant has adopted the following range of unit prices within their assessment:

Table 4: Applicant Residential Value Summary

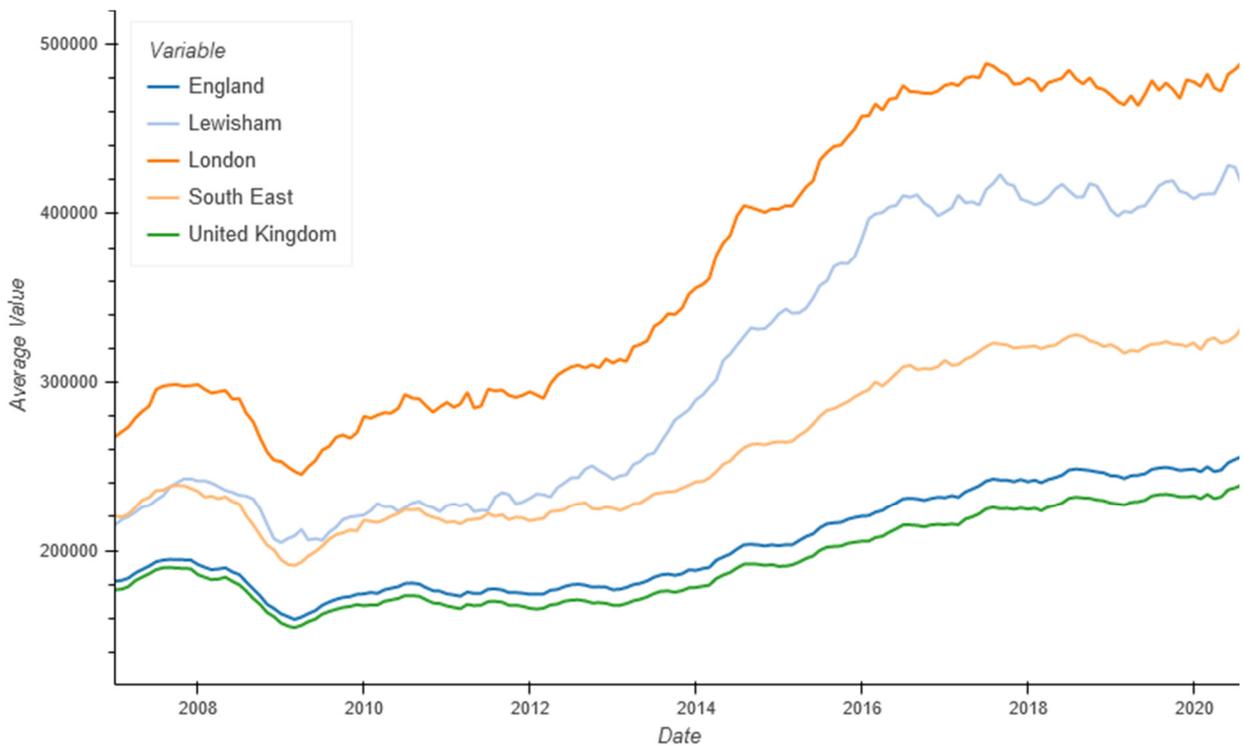
Unit Type	Market Value		
	1 Bed	2 Bed	3 Bed
Count	6	10	4
Minimum	£352,500	£412,500	£552,500
Mean	£370,833	£461,750	£570,000
Maximum	£390,000	£487,500	£582,500

- 4.4 Asking prices from a number of residential schemes have been referenced in their assessment of the achievable residential value assumptions:
- Venner Road, SE26
 - Prosperous Apartments, SE23
 - Dylon Works, SE26
 - 39 Kangley Bridge Road, SE26
 - Harfield Gardens, SE5
 - Lawrie Park Place, SE26
 - Wells Park Place, SE26

4.5 Asking prices can present a misleading picture as to achievable prices, and therefore we have looked toward actually observed transactions in the market place, and have therefore sought to corroborate the applicant’s evidence with further transactional evidence.

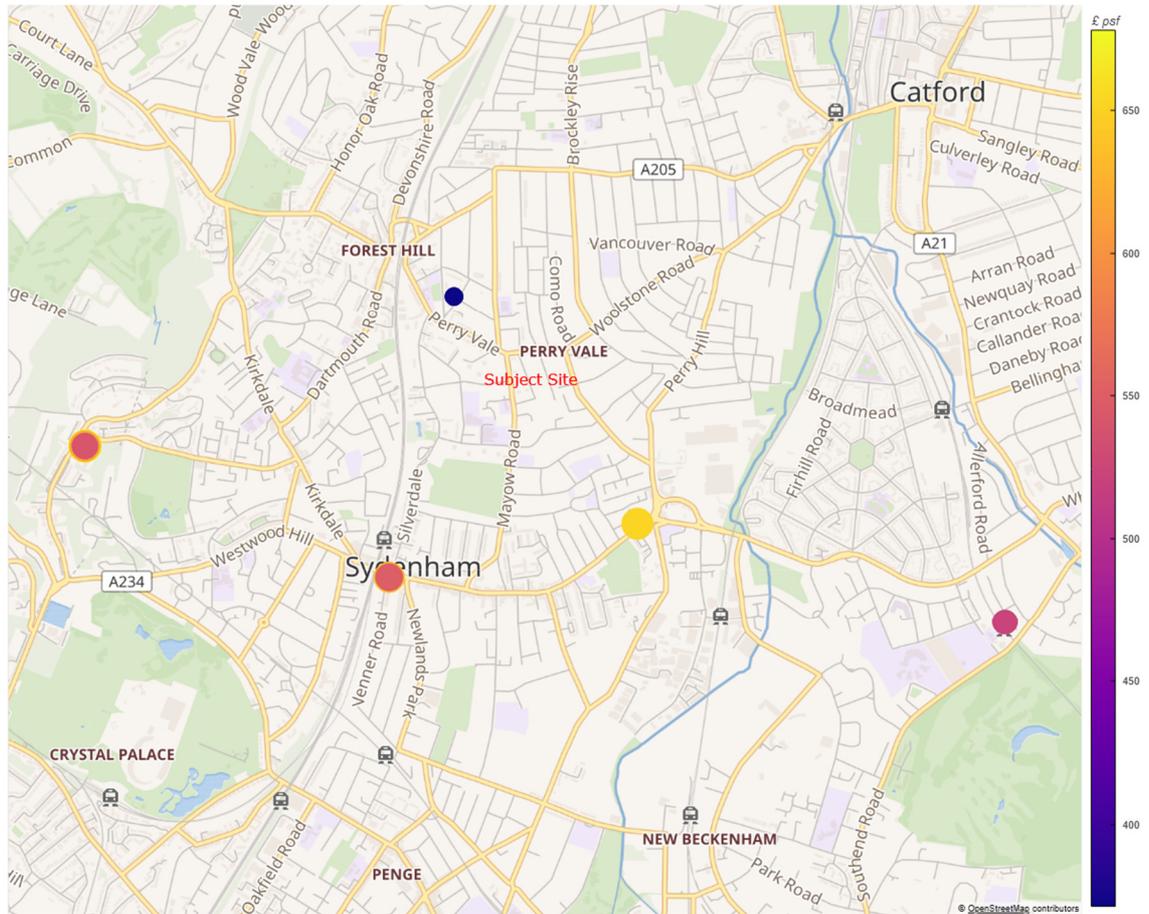
4.6 The applicant has adopted the following range of unit prices within their assessment:

Figure 4: Average Residential Values by Region to August 2020



Source: HMLR, GL Hearn

Figure 5: New Build Residential Comparable Evidence Map



Source: HMLR, MHCLG, GL Hearn

4.1 Transactional evidence from local new build schemes deemed to be most comparable and relevant has been drawn from the following:

- 351-355 Sydenham Road
- Zanara Court
- Exeter Place
- Beckenham Park Heights

4.2 Given the location it is considered prudent to review local second hand transactional evidence also, with the following consisting of useful evidence:

- 108-110 Pery Vale
- 26 Inglemere Road
- Ian Court
- 6 Wynell Road

- 4.3 A schedule of comparable evidence is set out at appendix A for reference and, following our review of wider evidence we are of the opinion the applicant's residential value assumptions are reasonable, albeit we have made adjustments to those units that benefit from private gardens, which demand premiums.
- 4.4 Capitalised residential ground rent income has been further allowed for within the assessment at prevailing market levels.

Gross Development Cost

- 4.5 The Budget Cost Plan prepared by Johnson Associates on behalf of the applicant has been reviewed by Henry Riley LLP.
- 4.6 Following an initial review of the information presented, a more detailed elemental breakdown of costs was requested by Henry Riley LLP, however this information has yet to be supplied.
- 4.7 The review is attached for reference at appendix B and has found no arithmetical errors within the cost plan, although there are apparent floor area discrepancies in relation to the communal parts, for which adjustments have been made. Allowances for preliminaries and main contractor overheads and profit have been further adjusted in line with recent tender evidence.
- 4.8 The cumulative effects of these adjustments reduce the applicant's estimate of construction costs from c.£4.617m to c.£3.942m, a c.15% reduction (excluding contingency sums). The revised costs assume a mid-level of specification.
- 4.9 Other costs are reasonably in line with current market expectations, and are outlined within the following summary table:

Table 5: Gross Development Cost Summary Inputs

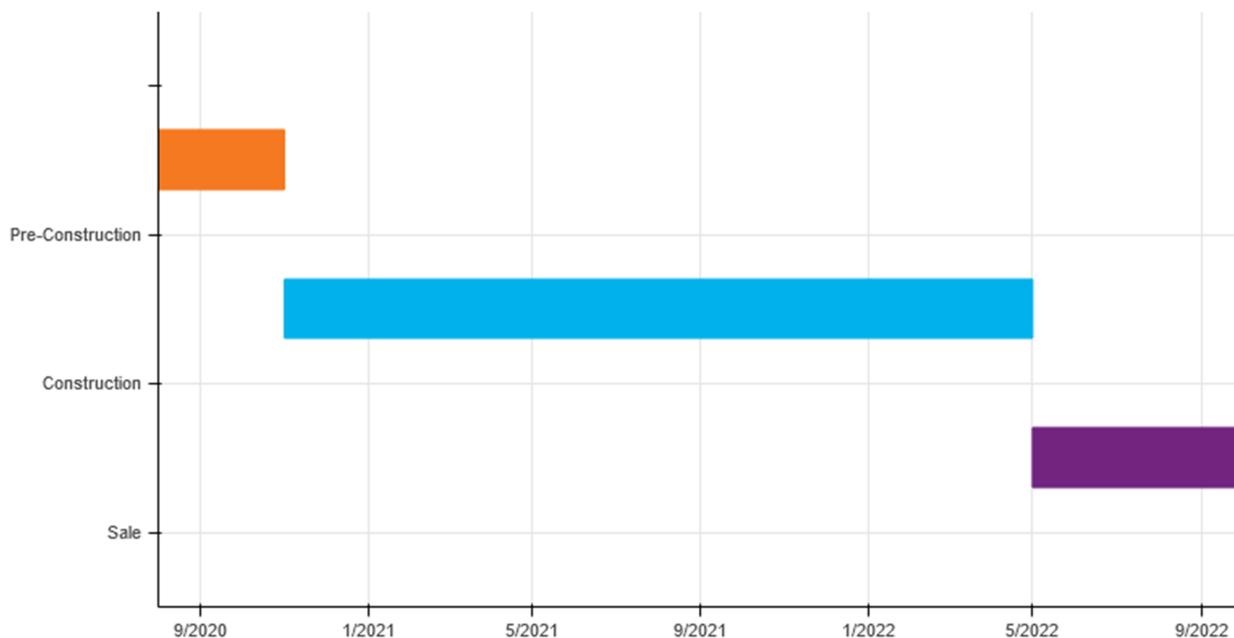
Input	Applicant Assumption	Review Assumption	Agreed Y / N
Professional Fees	10% of Build Cost	10% of Build Cost	Y
Residential Marketing Budget	2% of Value	1.5% of Value	N
Residential Agent Fee	1% of Value	1% of Value	Y
Residential Legal Fee	£800 per unit	£750 per unit	N
Developer's Return	17.5% of GDV	17.5% of GDV	Y
Finance Rate	6.0%	6.0%	Y
MCIL	£112,980	-	-
Borough CIL	£169,978	-	-
S106	£11,400	-	-

4.10 In respect of the package of planning obligations assumed we request confirmation from the LPA in due course that these sums are accurate.

Project Programme

4.11 The applicant has adopted a project programme reflecting the following assumptions, which are considered reasonable for a development of this scale and complexity:

Figure 6: Project Programme



Source: GL Hearn / Newsteer

Benchmark Site Value

4.12 The applicant's approach to the Benchmark Site Value is at present predicated upon an assessment of Existing Use Value plus a premium.

4.13 The planning application seeks a change of use from the site's existing use C2 to C3 residential. As part of this change of use the applicant has set out there is a lack of demand for C2 uses, evidenced through their statements contained within the New Steer Marketing and Demand Report dated August 2020.

4.14 The Marketing and Demand report states that:

“Given the lack of demand from C2 operators and developers to re-furbish/re-use the existing building...”

4.15 We therefore understand there to be a lack of demand from C2 operators and developers in connection with a refurbishment of the existing building:

“...we also explored demand for the asset as a development site, speaking to both C2 and C3 developers. Feedback from the C2 market in response to under-lying site specific constraints, was as follows:

- *The site was considered too small (at 0.36 acres) to provide the scale of care home development that private sector care home developers and operators are currently seeking... This site is constrained by being too small.*
- *Most care developers are seeking facilities with the potential to provide at least 50 C2 beds, and ideally 65 beds plus...the tightness of the site’s orientation, including proximity to neighbouring buildings, meant that the limitations of land area couldn’t adequately be addressed by increasing development height/density.”*

4.16 As the benchmark Site Value is predicated upon a refurbishment of the existing asset and sale to a C2 operator, for which they have stated there is no demand, it is difficult to support the methodology of approach.

4.17 With this in mind the applicant has explored an Alternative Use Value scenario predicated upon a change of use from C2 to C3 residential, whereby a proposal reflecting 8 market sale flats is assumed (see appendix C).

4.18 The update sets out a suite of land transaction evidence alongside the development scenario, accompanying evidence base and development appraisal. As set out at paragraph 2.4, this follows the requisite methodology of approach when valuing development land, insofar as both the residual and comparable methods of valuation are relied upon, with the comparable method providing a check against market conditions and sentiment.

4.19 In order to be confident that the alternative development scenario accords with the definition of SV as set out by the RICS, i.e. that it can be considered Planning Policy Compliant (PPC) we have sought comment from the LPA on the matter.

4.20 At present we are advised that there is insufficient detail contained within the SV update provided by the applicant to advise on whether or not the alternative scenarios would gain consent, and that the reliance upon an AUV in this instance is contrary to GLA guidance as there is no planning consent in place for the proposed alternative development scenario.

4.21 In conclusion, given the lack of demand identified within the Newsteer Marketing and Demand report for the site in its existing planning designation, it seems a nominal sum is appropriate as an EUV in this instance, at but say £1.

4.22 We therefore present our results against a nominal SV benchmark.

5 CONCLUSIONS

Viability Conclusions

- 5.1 GL Hearn have modelled the assumptions as set out in this report in an independent financial model reflecting a 100% market sale scheme, which generates a Residual Land Value (RLV) of c.£1.906m (see appendix C). A sensitivity analysis reflecting +/- 5% on construction costs and residential market rental values has been modelled which returns the following range of land value:

Table 6: Proposed Scheme 100% Market Sale Sensitivity Analysis

		Sales Values				
		-5%	-2.5%	0%	2.5%	5%
Construction Costs	-5%	£1.805m	£1.950m	£2.095m	£2.240m	£2.385m
	-2.5%	£1.711m	£1.855m	£2.001m	£2.146m	£2.291m
	0%	£1.616m	£1.761m	£1.906m	£2.052m	£2.196m
	2.5%	£1.522m	£1.667m	£1.812m	£1.957m	£2.102m
	5%	£1.426m	£1.573m	£1.718m	£1.863m	£2.008m

Source: GL Hearn

- 5.2 Given the current nominal SV benchmark it is therefore necessary to explore the introduction of affordable housing, starting at a PPC level, to establish the capacity of the scheme to cross-fund the provision of units to be delivered on-site in parallel with the market sale units.
- 5.3 As such a PPC appraisal has also been prepared, reflecting 50% affordable housing on-site by habitable room, and a tenure split in line with local policy requirements. Again, results are presented against a sensitivity analysis of +/-5% on construction costs and market sale residential values, with the resultant range of RLV set out below:

Table 7: Proposed Scheme 50% Affordable PPC Tenure Split Sensitivity Analysis

		Sales Values				
		-5%	-2.5%	0%	2.5%	5%
Construction Costs	-5%	£0.677m	£0.744m	£0.871m	£0.966m	£1.059m
	-2.5%	£0.577m	£0.674m	£0.771m	£0.867m	£0.963m
	0%	£0.476m	£0.573m	£0.670m	£0.767m	£0.864m
	2.5%	£0.376m	£0.473m	£0.570m	£0.667m	£0.764m
	5%	£0.275m	£0.372m	£0.469m	£0.566m	£0.663m

Source: GL Hearn

- 5.4 The PPC appraisal generates a RLV of c.£0.670m, which indicates the scheme is at present viable on a 50% by habitable room level affordable housing, reflecting a 70% London Affordable Rent: 30% London Shared Ownership tenure split.

Table 8: Financial Viability Conclusions

Proposed Scheme PPC RLV	Benchmark SV	Surplus / Deficit	Viable Y / N
£0.670m	£1	£0.670m	Y

Appendices

APPENDIX A: Residential Evidence

2 bedroom apartment for sale

Inglemere Road, Forest Hill

Sold STC
£375,000

Monthly mortgage payments

Print





Property Description

Key features

- Two Double Bedrooms
- Allocated Parking Space
- Modern Open Plan Lounge & Kitchen
- 0.5 Miles of Forest Hill Station and Town Centre
- Bright and Spacious
- Long Lease of 121 Years

Full description

Tenure: Leasehold

With TWO DOUBLE BEDROOMS, this split level conversion is located on a quiet street close to both Forest Hill and Sydenham stations. With a very bright and spacious open plan lounge and kitchen and a modern bathroom suite, the property also boasts off road parking and has a long lease of 121 years.

Energy Performance Certificate (EPC) graphs

- See full size version online

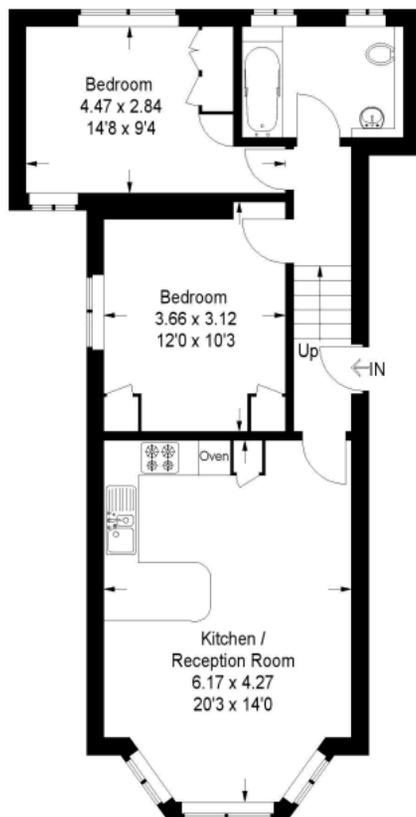


Floorplans

Benjamin Matthews...

Inglemere Road, SE23

Approximate Gross Internal Area
61.1 sq m / 658 sq ft



Ground Floor

This plan is for layout guidance only. Not drawn to scale unless stated. Windows and door openings are approximate. Whilst every care is taken in the preparation of this plan, please check all dimensions, shapes and compass bearings before making any decisions reliant upon them. (ID365167)

[map view](#)[street view](#)

Note: The pin shows the centre of the property's postcode, and does not pinpoint the exact address The pin shows the exact address of the property Street View is unavailable in this location You're in the centre of the property's postcode. Start exploring the local area from here. Take me back to the start

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Map data ©OpenStreetMap contributors.

2 bedroom apartment for sale

Sydenham Road, Sydenham, SE26

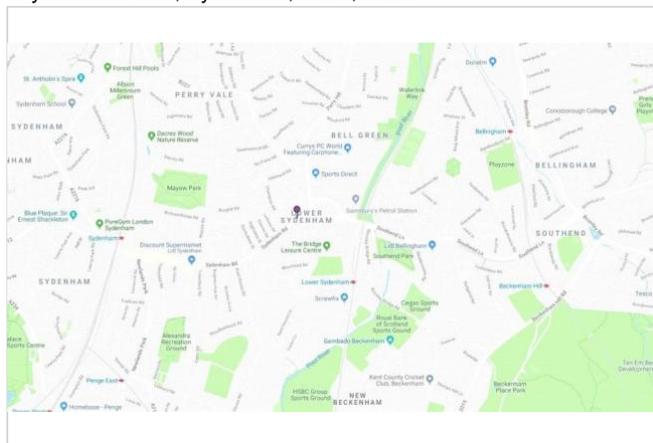
£400,000

Monthly mortgage payments

Print







Property Description

Key features

- 40% London Help to Buy available
- Spacious open plan kitchen/living
- Juliette balcony
- 10 Year NHBC warranty
- NO ONWARD CHAIN!
- Two double bedroom apartment
- All integrated appliances
- Excellent commute into Central and East London
- Ready for immediate occupation!

Full description

Tenure: Leasehold

LAST REMAINING FLAT!!

Positioned on the second floor of this newly built development this fabulous brand new two bedroom modern apartment has the benefit of London help to buy at 40%

The striking external contemporary design sets the tone for the comprehensive specification that consists throughout this apartment , the internal layout has been carefully considered to maximise both space and light with the added benefits of a Juliette balcony to the spacious open plan kitchen/living area with fully integrated appliances and neutral high gloss kitchen units with the added use of breakfast bar/dining area.

Throughout the apartment engineered oak flooring is laid up to the neutral carpets in the spacious double bedrooms , the bathroom is fully tiled and includes a thermostatically controlled shower and vanity unit.

There is the benefit of a 10 year NHBC warranty.

CALL NOW TO SPEAK TO ONE OF OUR EXPERIENCED HELP TO BUY SPECIALISTS , FOR FREE IMPARTIAL ADVICE!

DIRECTIONS

Sydenham offers a great array of local eateries, cafes and gastro pubs all rich in character and located only moments away from the famous and historic Crystal Palace Park as well as a number of other local parks and green open spaces.

Conveniently situated to both Lower Sydenham and Sydenham stations, both offering excellent easy commuting options into Central and East London , including London Bridge in only 17 minutes and Shoreditch High Street in 25 minutes. As well as regular bus services to Blackheath, Crystal Palace and West Croydon located on your door stop.

Floorplans

Picture No. 16



APARTMENT 6

Kitchen/Living	4.3m x 7.6m	14ft 1 x 24ft 11
Bedroom 1	4.2m x 2.9m	13ft 9 x 9ft 6
Bedroom 2	4.2m x 2.7m	13ft 9 x 8ft 10
Total	72.9 sqm	785 sq ft

[map view](#)[street view](#)

Note: The pin shows the centre of the property's postcode, and does not pinpoint the exact address The pin shows the exact address of the property Street View is unavailable in this location You're in the centre of the property's postcode. Start exploring the local area from here. Take me back to the start

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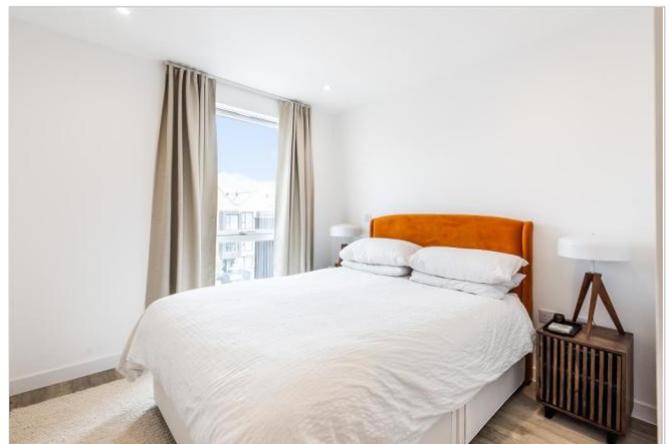
2 bedroom flat for sale

Exeter Place, LONDON

Offers in Excess of
£550,000

Monthly mortgage payments

Print





Property Description

Key features

- Charming development
- Two double bedrooms
- Private balcony and communal gardens
- Secure parking
- Two bathrooms

Full description

Tenure: Leasehold

SUMMARY

This modern and spacious two bedroom new build flat is set within a charming development off Sydenham Hill. The property is presented in fantastic decorative order throughout and is set within easy reach of both Sydenham Road and Crystal Palace Triangle.

DESCRIPTION

This modern and spacious two bedroom new build flat is set within a charming development off Sydenham Hill. The property is presented in fantastic decorative order throughout comprising of; a light and spacious open plan reception room with a stylish fitted kitchen, two double bedrooms, bathroom, and master bedroom with fitted wardrobe, dressing area and en-suite shower room. Benefits to include ample storage and private balcony, allocated secure underground parking space and communal gardens.

Dane House is set within easy reach of both Sydenham Road and Crystal Palace Triangle which combined offer a plethora of bars, shops, restaurants and transport links providing easy access to the city and surrounding areas. Wells Park and Crystal Palace Park are also close by providing a range of activities to include the National Sports Centre and Boating Lake. Transport links can be found close by at Sydenham Hill (southeastern, direct access into London Victoria in 14 minutes) and Crystal Palace (London overground Highbury and Islington via Canada Water and southern railway, direct access into London Bridge and London Victoria).

Kitchen/reception Room 23' 6" x 11' 10" (7.16m x 3.61m)

Bedroom One 11' 4" x 10' 5" (3.45m x 3.17m)

Bedroom Two 9' 8" x 9' 6" (2.95m x 2.90m)

Bathroom One

Bathroom Two

We currently hold lease details as displayed above, should you require further information please contact the branch. Please note additional fees could be incurred for items such as leasehold packs.

1. MONEY LAUNDERING REGULATIONS: Intending purchasers will be asked to produce identification documentation at a later stage and we would ask for your co-operation in order that there will be no delay in agreeing the sale.
2. General: While we endeavour to make our sales particulars fair, accurate and reliable, they are only a general guide to the property and, accordingly, if there is any point which is of particular importance to you, please contact the office and we will be pleased to check the position for you, especially if you are contemplating travelling some distance to view the property.
3. The measurements indicated are supplied for guidance only and as such must be considered incorrect.
4. Services: Please note we have not tested the services or any of the equipment or appliances in this property, accordingly we strongly advise prospective buyers to commission their own survey or service reports before finalising their offer to purchase.
5. THESE PARTICULARS ARE ISSUED IN GOOD FAITH BUT DO NOT CONSTITUTE REPRESENTATIONS OF FACT OR FORM PART OF ANY OFFER OR CONTRACT. THE MATTERS REFERRED TO IN THESE PARTICULARS SHOULD BE INDEPENDENTLY VERIFIED BY PROSPECTIVE BUYERS OR TENANTS. NEITHER SEQUENCE (UK) LIMITED NOR ANY OF ITS EMPLOYEES OR AGENTS HAS ANY AUTHORITY TO MAKE OR GIVE ANY REPRESENTATION OR WARRANTY WHATEVER IN RELATION TO THIS PROPERTY.

More information from this agent

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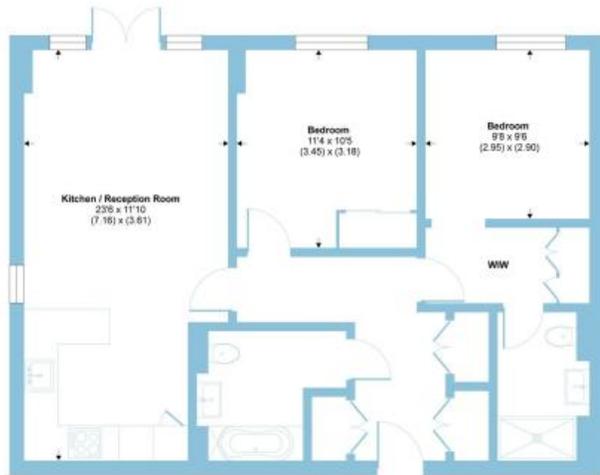
Energy Performance Certificate (EPC) graphs

■ See full size version online



Floorplans

Master Floorplan Image



FIRST FLOOR

 **Certified Property Measurement** Floor plan produced in accordance with RICS Property Measurement Standards incorporating International Property Measurement Standards (IPMS2 Residential). © richarson 2020. Produced for Barnard Marcus. REF: 100227 

[map view](#) [street view](#)

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Nearest stations

Sydenham Hill (0.3 mi)

Gipsy Hill (0.7 mi)

Sydenham (0.9 mi)

Distances are straight line measurements from centre of postcode

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Zanara Court, Sydenham Road, London, SE26 5QW

welcome to

Zanara Court, Sydenham Road, London

A great opportunity to acquire this stunning light and airy top floor flat located within a gated development and situated on Sydenham Road. This property is offered in excellent condition throughout and comprises large open plan reception room with modern fitted kitchen and breakfast bar, two double bedrooms and contemporary bathroom with the benefits to include, storage, private balcony and communal garden.

Zanara Court is set within easy reach of both Sydenham and Crystal Palace which combined offer a plethora of bars, shops, restaurants and transport links providing easy access to the city and surrounding areas.

Mayow Park, Wells Park and Crystal Palace Park are also close by providing a range of activities to include the National Sports Centre and Boating Lake

Transport links are available close by at Sydenham (London Overground and Southern Railway) and Penge East (southeastern providing direct access into London Victoria). There are also a range of bus routes available.

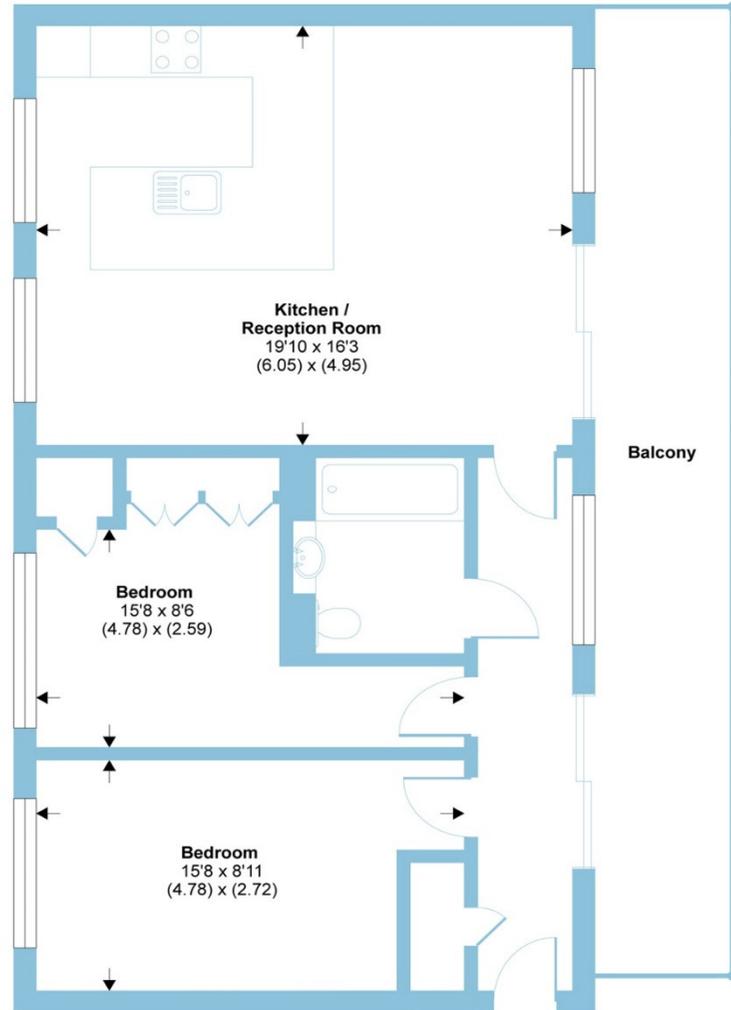
Early viewing requests are highly recommended to avoid disappointment!!



Sydenham Road, London, SE26

Approximate Area = 749 sq ft / 69.5 sq m

For identification only - Not to scale



FIRST FLOOR



Kitchen/reception

19' 10" x 16' 3" (6.05m x 4.95m)

Bedroom One

15' 8" x 8' 6" (4.78m x 2.59m)

Bedroom Two

15' 8" x 8' 11" (4.78m x 2.72m)

Bathroom

Balcony



Floor plan produced in accordance with RICS Property Measurement Standards incorporating International Property Measurement Standards (IPMS2 Residential). © ncheom 2020. Produced for Barnard Marcus. REF: 641975



welcome to

Zanara Court, Sydenham Road, London

- Gated development
- Excellent condition
- Large open plan reception with modern kitchen
- Two double bedrooms
- Healthy lease

Tenure: Leasehold EPC Rating: B

£525,000



Please note the marker reflects the postcode not the actual property

view this property online barnardmarcus.co.uk/Property/SYD101424

see all our properties on zoopla.co.uk | rightmove.co.uk | sequencehome.co.uk

Lease details are currently being compiled. For further information please contact the branch. Please note additional fees could be incurred for items such as leasehold packs.



Property Ref:
SYD101424 - 0002

1. MONEY LAUNDERING REGULATIONS Intending purchasers will be asked to produce identification documentation at a later stage and we would ask for your co-operation in order that there is no delay in agreeing the sale. 2. These particulars do not constitute part or all of an offer or contract. 3. The measurements indicated are supplied for guidance only and as such must be considered incorrect. Potential buyers are advised to recheck measurements before committing to any expense. 4. We have not tested any apparatus, equipment, fixtures or services and it is in the buyers interest to check the working condition of any appliances. 5. Where an EPC, or a Home Report (Scotland only) is held for this property, it is available for inspection at the branch by appointment. If you require a printed version of a Home Report, you will need to pay a reasonable production charge reflecting printing and other costs. 6. We are not able to offer an opinion either written or verbal on the content of these reports and this must be obtained from your legal representative. 7. Whilst we take care in preparing these reports, a buyer should ensure that his/her legal representative confirms as soon as possible all matters relating to title including the extent and boundaries of the property and other important matters before exchange of contracts.


barnard marcus



020 8776 9384



sydenham@barnardmarcus.co.uk



13 Sydenham Road, LONDON, SE26 5EX



barnardmarcus.co.uk

Address	Completion Year	Consideration	Net Sales Area sqft	£ psf	New Build
16 Zanara Court, 24, Sydenham Road	2019	£540,000	850	635	Y
2 Zanara Court, 24, Sydenham Road	2019	£390,000	678	575	Y
8 Zanara Court, 24, Sydenham Road	2019	£550,000	1001	549	Y
Flat 5, 351-355 Sydenham Road	2019	£375,000	678	553	Y
Flat 6, 351-355 Sydenham Road	2019	£375,000	743	505	Y
Flat 9, 351-355 Sydenham Road	2019	£365,000	560	652	Y
Flat 1 Dane House, Exeter Place	2019	£540,000	797	678	Y
Flat 10 Dane House, Exeter Place	2019	£568,000	936	607	Y
Flat 18 Dane House, Exeter Place	2019	£599,000	936	640	Y
Flat 25 Dane House, Exeter Place	2019	£805,000	1238	650	Y
Flat 25 Dane House, Exeter Place	2019	£805,000	1238	650	Y
Flat 26 Dane House, Exeter Place	2019	£775,000	1367	567	Y
Flat 3 Dane House, Exeter Place	2019	£590,000	969	609	Y
Flat 4 Dane House, Exeter Place	2019	£599,000	969	618	Y
Flat 5 Dane House, Exeter Place	2019	£599,000	969	618	Y
Flat 6 Dane House, Exeter Place	2019	£600,000	1109	541	Y
Flat 12 Beckenham Park Heights, Melfield Gardens	2020	£360,250	691	521	Y
Flat 1, 26 Inglemere Road	2019	£365,000	603	606	N
Flat 6, 26 Inglemere Road	2019	£427,500	775	552	N
Flat 8, 26 Inglemere Road	2020	£365,000	624	585	N

APPENDIX B: Cost Plan Review

Proposed Scheme - 20 Unit Residential Development

1.0 Review of Items, Specification and Rates

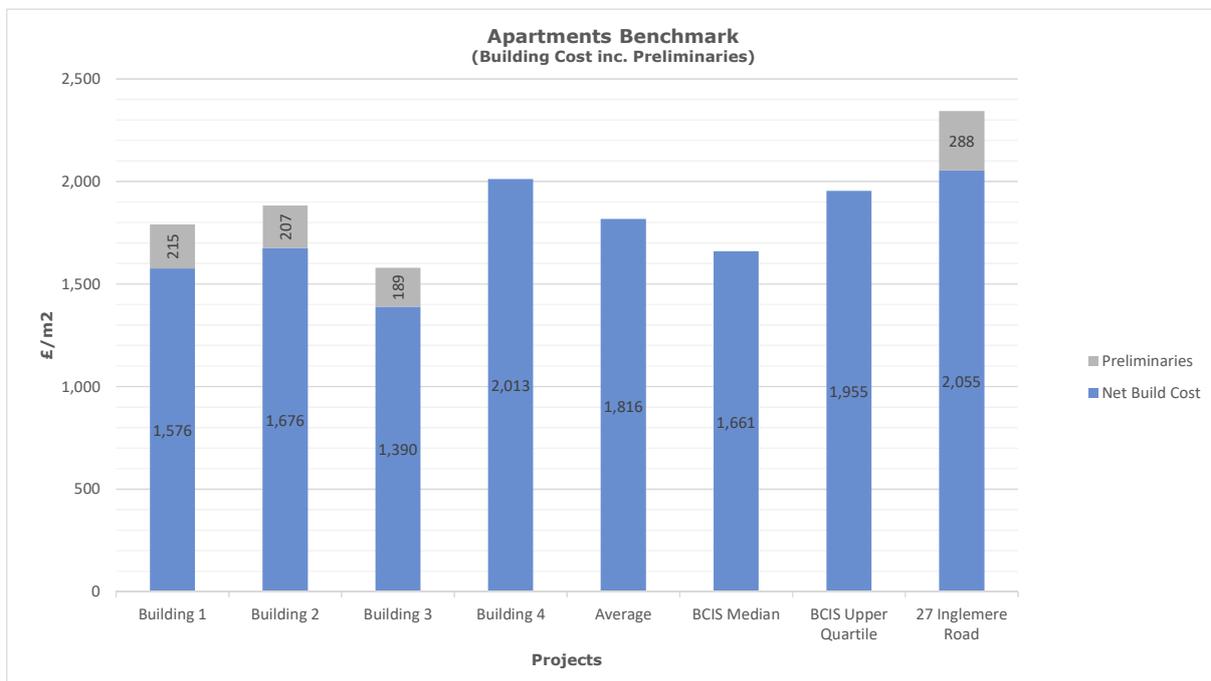
- 1.01 We have completed an arithmetical check on the Cost Plan and have found no arithmetical errors.
- 1.02 It is assumed the unit mix is 100% private as indicated in section 5.3 of report.
- 1.03 There is no indication of the quality/specification in the report, we therefore assume mid level spec.
- 1.04 There are no assumptions and exclusions included within the report.
- 1.05 The cost report is dated 20th July 2020, there is no allowance for inflation therefore we have assumed a base date of 3Q2020.
- 1.06 Main Contractor's Preliminaries & Overheads & Profit is included at a combined 21% of the net build cost. This is slightly higher than what we would expect, in recent tender returns we are seeing an average of prelims at 12% and OH&P at 5%. See section 4 for the saving.
- 1.07 Contingency is included at 7.5%. At this stage in the project we would consider this to be high and for 5% to be more reasonable. See section 4 for the saving. However we note that the appraisal summary reflects the reduced 5% in appendix F of the viability assessment.
- 1.08 The building works rate based on the GIFA is £2,343/m² (£218/ft²), which looks high. Please see section 3 benchmark graph for comparisons.
- 1.09 The demolition cost of £60,000 looks reasonable.
- 1.10 The overall cost for the external works package is £107,900 which we consider is reasonable.

2.0 Review of Measurements

- 2.01 We have checked the GIFA measure of 1,883m² and confirm this is correct.
- 2.02 We have checked the area of the communal areas and calculate this to be 198m², 77m² less than the 274m² in the Cost Plan. See section 4 for the cost saving and Section 5 for our measurement.

3.0 Benchmarking

- 3.01 We have benchmarked the Cost Plan against BCIS average prices and our in house cost data . The below rates are inclusive of preliminaries and overheads and profit but exclusive of facilitating works, external works, drainage and services and contingency.
- 3.02 Based on the average of the similar projects at £1,816/m², the Cost Plan is benchmarked at £2,343/m². A difference of £527/m² (+29%).
- 3.03 The Cost Plan is £388/m² higher than the BCIS average prices upper quartile
- 3.04 Buildings 1-3 are affordable apartment schemes therefore we would expect these to be lower than this project. Building 4 is a private apartment scheme and reflects closer to where we would expect to see this project benchmark.
- 3.05 See section 4 which identifies our Cost Plan adjustments.

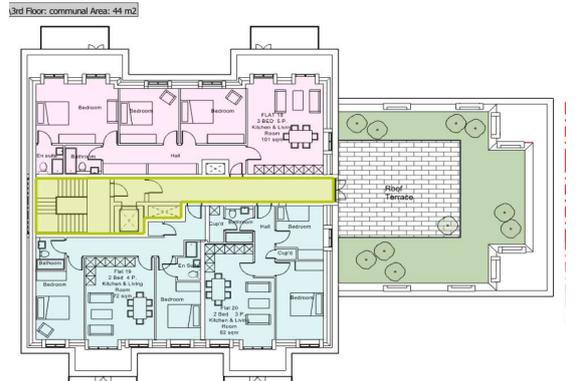
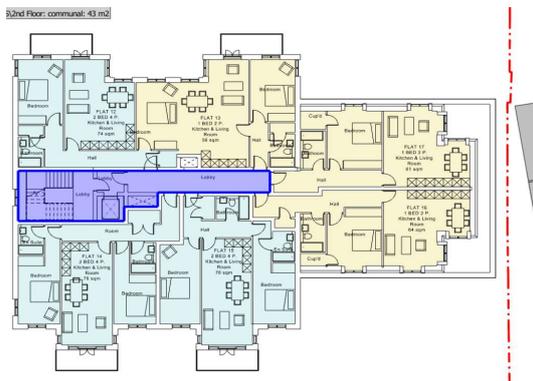
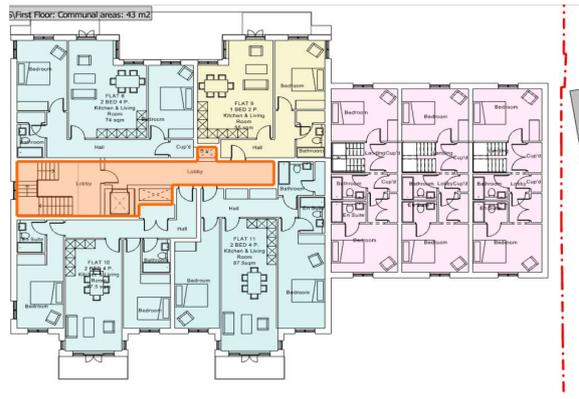


Proposed Scheme - 20 Unit Residential Development

4.0 Potential Cost Savings	Quant	Unit	Rate	Total
4.01 Reduced Communal areas by 76m2	-76	m2	1,450	-110,200
SUB-TOTAL ADJUSTMENT				-110,200
			Main Contractor Preliminaries 15%	-16,530
			Main Contractor Overheads and Profit 6%	-7,604
				-134,334
4.02 Reduced rate of prelims from 15% to 12%				-110,309
4.03 Reduced OH&P from 6% to 5%				-42,285
TOTAL ADJUSTMENT (exc benchmark adj)				-286,928
4.04 £/m2 adjustment made to align with BCIS upper quartile and Building 4 @ £1,985/m2				-387,183
TOTAL ADJUSTMENT				-674,111
4.05 Based on the cost savings in Section 4 this brings the total benchmark cost down to £3,737,755 (excluding external works and demolition) and the benchmark rate to £1,985/m2, a reduction of £358/m2. While this is subject to specification levels this is more in line with similar projects rebased to 4Q2020, London Borough of Lewisham.				

5.0 Measurement

5.01 See screenshots below of our communal area measure



APPENDIX C: Applicant Revised Viability Benchmark Methodology

16 December 2020

London Borough of Lewisham
Laurence House
1 Catford Road
London
SE6 4RU

Newsteer
Real Estate Advisers

C/O HubHub London
20 Farringdon Street
London EC4A 4AB

T +44 (0)20 3151 4850
M +44

Dear Sir / Madam,

**Financial Viability Assessment in Respect of: -
Inglemere Domus, 27 Inglemere Road, Forest Hill, London, SE23 2BB**

Further to our Financial Viability Assessment dated 3 August 2020 in respect of the above site, we have receipt of correspondence from GL Hearn; your Financial Viability Assessment Advisors noting that we may wish to reconsider the approach to the Benchmark Land Value (VBV) at the above site.

GL Hearn has noted that the VBV in our initial report is predicated upon a refurbishment of the existing asset and sale to a C2 operator, for which the planning application has been brought forward based on there being no demand.

The preferred approach adopted by the GLA in the majority of Planning Applications in assessing the VBV is to adopt the basis of the EUV Plus approach, which is the methodology adopted in our initial Viability Assessment.

Whilst for planning purposes the Applicant has demonstrated that there is no immediate purchaser for the site in its existing use, we consider that there must be some value attributable to the site on this basis and are of the opinion that some consideration should be given to this approach.

However we accept that there could be some question as to this approach **in isolation** and we appreciate the opportunity proposed by GL Hearn to review the use of the EUV Plus approach alone.

We consider that given the difficulty in applying an EUV Plus to establish a VBV that it should be possible to present the VBV on the basis of EUV Plus; supported by evidence of Land Values; as well as reference to the adoption of an Alternative Use Value (AUV) approach.

A revised methodology to establish what an appropriate VBV might reflect is therefore set out below:

Land Value – Methodology

Whilst it can difficult to find comparable evidence for land transactions we append a table to this report which sets out some recent land transactions close to the site. These transactions show that land values for similar, comparable sites in the locality have ranged between £5.7m per acre and £11.2m per acre in recent years.

If applied to the subject site area of 0.36 acres this equates to a land value ranging between **£2m - £4m**.

We have also referred to the GLA's economic evidence base dated 2016; which sets out data for residential land values across the London Boroughs. This document sets out that in Lewisham, average Residential Land Values are reflective of £14.8m per hectare.

It is of note that land values have increased since this report was published. However assuming a value of £14.8m per hectare and applying this to the subject site; reflects a Land Value of **£2,200,000**, which is in excess of the RLV of £1,053,000 set out in our Initial Report; albeit slightly lower than the previously adopted VBV on the basis of the EUV Plus Approach.

In our opinion this approach demonstrates clearly that Land transactions support a VBV which is broadly reflective of the **£2m mark** as previously submitted.

Alternative Use Value – Methodology

The GLA's Financial Viability and Affordable Housing SPG sets out that “An alternative approach will only be considered in exceptional circumstances which must be robustly justified by the applicant. One alternative approach determines the benchmark land value using the market value of land having regard to Development Plan policies and material considerations”

Therefore we have considered the Alternative Use Value of the existing property based on the following:

- Change of use to C3 residential

As set out in our initial viability report, the existing building extends to 8,498 sq ft and provides 16 no. rooms with shared bathrooms.

In forming an opinion of what might constitute an appropriate AUV we consider that the existing floorplate could be reconfigured to provide 8 flats with a similar dwelling type mix to the proposed planning application.

We have assumed a net:gross ratio of 72% to reflect the layout of the current building and areas that may not necessarily be easily converted to provide the following accommodation:

Unit Type	Sq m	Sq ft	No. units	Total NIA (sq ft)	% dwellings
1 bed flat	50	538	1	538	12.5%
2 bed flat	70	753	5	3,767	62.5%
3 bed flat	86	926	2	1,851	25%
Total			8	6,517	100%

The dwelling sizes assumed are within the minimum space standards set out by policy.

Alternative Use Value – Scheme Timings

Our development appraisal assumes a project timescale that is considered appropriate for this type and size of development. The detailed timings can be seen within the appraisal summary and are summarised briefly below: -

Phases	No. months
Pre-construction	3 months
Construction / conversion	12 months
Sales	4*
Total	17 months

*with 50% of sales pre-sales

We have allowed 3 months for pre-construction timings to allow for site preparation.

Due to the nature of the conversion we have assumed an 12 month build period for the residential element following demolition and enabling works to the ground levels. Car parking and landscaping are assumed to coincide with the residential build period.

The 4 month sales period includes an initial provision for 50% of the sales off plan, with the remainder of the sales transacting over the following 2 months.

Based upon the above timings a total period of circa 17 months has been assumed for development which is consistent with our experience of similar schemes within the locality.

Alternative Use Value – Gross Development Value

In forming an opinion of value in relation to these units we have referred to the market evidence set out in our initial report and have adopted the following values to arrive at a GDV of **£3,225,000 (c. £525psf)**.

Unit Type	Sq m	Sq ft	No. units	Market Value	Total Market Value
1 bed flat	50	538	1	£325,000.00	£325,000.00
2 bed flat	70	753	5	£390,000.00	£1,950,000.00
3 bed flat	86	926	2	£475,000.00	£950,000.00
Total			8		£3,225,000.00

We consider that the values achievable for a conversion would be slightly lower than those adopted in our initial appraisal as although they would benefit from a new specification and fit out they would not benefit from a typical “new build” premium.

Alternative Use Value – Conversion Costs

We have consulted BCIS for build prices in the area for similar schemes and have adopted a build cost for converting the building to provide 8 flats of £160psf. This is reflective of the median for all conversions in the area; as well as the median for 1-2 storey buildings. We consider this cost to be quite high particularly given the rate adopted in our EUV Plus a premium approach; but allows for abnormals that might arise in changing the configuration of the building.

In total the cost of conversion allowed for in our appraisal is **£1,317,190**.

Alternative Use Value – Summary of assumptions

The table below sets out the assumptions adopted in our appraisal and corresponding notes:

Assumption	££	Notes
Gross Development Value	£3,225,000	
Construction Costs	£1,317,190	Based on BCIS Tender Price Index
Contingency @ 5%	£65,860	
Professional Fees @ 7.5%	£98,789	Lesser allowance given that the scheme is a conversion
Planning Obligations/CIL	£82,856	Change of Use
Marketing & Disposal Fees	£42,650	£500 per unit marketing / £800 per unit Legal / 1% agency
Finance	£101,194	6% finance rate
Total Costs	£2,660,625	
Profit	£564,375	
Profit on GDV (%)	17.50%	
Residual Land Value	£903,837 say £905,000	

Alternative Use Value – VBV

Based on the above assumptions the AUV of the site is **£905,000**.

The VBV of £905,000 is reflective of **c. £2.5m** per acre (£6.4m her hectare). Given the land values evidenced above we consider this figure to be below the average residential land values for sites in the locality.

The AUV approach demonstrated above clearly shows that it is in the Applicant's interest to bring forward a more significant scheme at the subject site than a pure change of use conversion. We therefore consider whilst some weight could be paid to this approach the Land Value and EUV plus a premium approaches are more relevant to establishing a VBV.

Conclusions

We consider that given the land values set out earlier in this letter that the VBV should be reflective of somewhere between £905,000 and £2,000,000, **at least, say £1,500,000** (£10.6m per hectare).

Based on our initial appraisal when compared to a Residual Land Value of **£1,153,592**, there remains a deficit when comparing the RLV to the VBV. Therefore we maintain our opinion that the proposed scheme of 20 units should be brought forward as 100% private.

Yours faithfully,



Lizzie Sears

Development Director
lizzie.sears@newsteer.co.uk

Forest Hill - SE23 2BB

Land – Investment Comparables:

Address	Status	Date	Price	Size (acre)	£per acre	Comments	Photo
26 Westwood Hill, Sydenham, London, SE26 6QR	Sold	18/07/2019	£800,000	0.14 ac 0.5 ha	£5,714,285	<ul style="list-style-type: none"> • Comprising Four Self Contained Flats • Three x 1 Bedroom Flats and One x Studio Flats • Front and Rear Gardens • Approximate Site Area 0.06 Hectares (0.14 Acres) • The property is Grade II Listed 	
2 Bensham Grove, Thornton Heath, Surrey, CR7 8DA	Available	Unsold at auction Sept 2018	Last bid £965,000 Available £1,040,000	0.095 ac 0.38 ha	£10,157,894	<ul style="list-style-type: none"> • Freehold development site • Has planning permission for the demolition of the existing building and erection of a replacement building to comprise 9 self-contained flats and parking 	
Land to the rear of 41-43 Nightingale Grove, fronting Springbank Road, Lewisham, SW13 6HE	Sold	September 2018	£560,000	0.05 ac 0.02 ha	£11,200,000	<ul style="list-style-type: none"> • Freehold land • Development potential subject to Planning Permission 	

**27 Inglemere Road, SE23 2BB
Change of Use to provide 8 units
Alternative Use Value**

Appraisal Summary for Phase 1 Change of use - C3

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Converted Flats	8	6,157	523.79	403,125	3,225,000

NET REALISATION

3,225,000

OUTLAY

ACQUISITION COSTS

Residualised Price (0.36 Acres @ 2,510,658.37 /Acre)			903,837		
Stamp Duty			34,692	903,837	
Effective Stamp Duty Rate		3.84%			
Agent Fee		1.00%	9,038		
Legal Fee		0.50%	4,519		
					48,249

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
Converted Flats	8,498	155.00	1,317,190
Contingency		5.00%	65,860
Local CIL	8,498 ft ²	6.50	55,237
MCIL2	8,498 ft ²	3.25	27,619
			1,465,905

PROFESSIONAL FEES

Professional Fees		7.50%	98,789	98,789
-------------------	--	-------	--------	--------

MARKETING & LETTING

Marketing	8 un	500.00 /un	4,000	4,000
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DISPOSAL FEES

Sales Agent Fee		1.00%	32,250	
Sales Legal Fee	8 un	800.00 /un	6,400	
				38,650

FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			68,144	
Construction			31,947	
Other			1,103	
Total Finance Cost				101,194

TOTAL COSTS

2,660,625

PROFIT

564,375

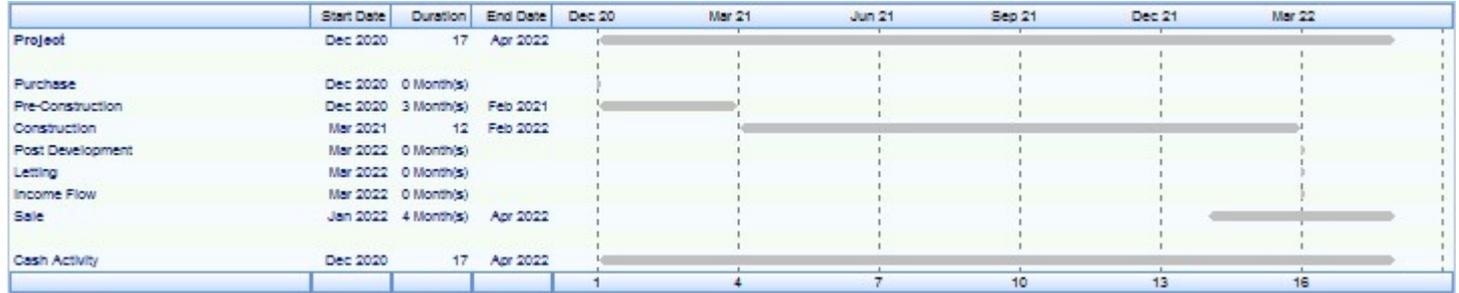
Performance Measures

Profit on Cost%	21.21%
Profit on GDV%	17.50%
Profit on NDV%	17.50%
IRR% (without Interest)	34.55%
Profit Erosion (finance rate 6.000)	3 yrs 3 mths

27 Inglemere Road, SE23 2BB
Change of Use to provide 8 units
Alternative Use Value

Project Timescale	
Project Start Date	Dec 2020
Project End Date	Apr 2022
Project Duration (Inc Exit Period)	17 months

1. Change of use - C3



APPENDIX D: Proposed Scheme Appraisal – 100% Market

Inglemere Domus
Proposed Scheme - 100% Market Sale

**Inglemere Domus
Proposed Scheme - 100% Market Sale**

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Private Units	20	16,280	562.65	458,000	9,160,000

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rents	1	4,575	4,575	4,575

Investment Valuation

Ground Rents					
Current Rent	4,575	YP @	4.5000%	22.2222	101,667

GROSS DEVELOPMENT VALUE

9,261,667

Income from Tenants	1,525
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NET REALISATION

9,263,192

OUTLAY

ACQUISITION COSTS

Residualised Price			1,906,462	
				1,906,462
Stamp Duty			142,525	
Agent Fee		1.00%	19,065	
Legal Fee		0.50%	9,532	
				171,122

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Private Units	22,340 ft ²	176.47 pf ²	3,942,425	3,942,425
Contingency		5.00%	197,121	
S106			11,400	
MCIL			112,980	
CIL			169,978	
				491,479

PROFESSIONAL FEES

Professional Fees		10.00%	413,955	
				413,955

MARKETING & LETTING

Marketing		1.50%	137,400	
				137,400

DISPOSAL FEES

Sales Agent Fee		1.00%	92,617	
Sales Legal Fee	20 un	750.00 /un	15,000	
				107,617

VAT

Total Paid			5,719	
Balance				5,719

FINANCE

Debit Rate 6.0000%, Credit Rate 0.0000% (Nominal)				
Land			217,450	
Construction			212,700	
Other			36,072	
Total Finance Cost				466,223

TOTAL COSTS

7,642,401

PROFIT

1,620,790

Performance Measures

Profit on Cost%	21.21%
Profit on GDV%	17.50%
Profit on NDV%	17.50%
Development Yield% (on Rent)	0.06%

Inglemere Domus**Proposed Scheme - 100% Market Sale**

Equivalent Yield% (Nominal)	4.50%
Equivalent Yield% (True)	4.63%
IRR	23.60%
Rent Cover	354 yrs 3 mths
Profit Erosion (finance rate 6.000%)	3 yrs 3 mths

**Inglemere Domus
Proposed Scheme - 100% Market Sale**

Table of Land Cost and Land Cost

Sales: Gross Sales					
Construction: Gross Cost	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	8,702,000	8,931,000	9,160,000	9,389,000	9,618,000
-5.000%	-1,804,896	-1,949,974	-2,095,049	-2,240,123	-2,385,198
3,745,304	-1,804,896	-1,949,974	-2,095,049	-2,240,123	-2,385,198
-2.500%	-1,710,605	-1,855,679	-2,000,755	-2,145,829	-2,290,904
3,843,864	-1,710,605	-1,855,679	-2,000,755	-2,145,829	-2,290,904
0.000%	-1,616,308	-1,761,382	-1,906,462	-2,051,535	-2,196,610
3,942,425	-1,616,308	-1,761,382	-1,906,462	-2,051,535	-2,196,610
+2.500%	-1,522,017	-1,667,089	-1,812,164	-1,957,245	-2,102,316
4,040,986	-1,522,017	-1,667,089	-1,812,164	-1,957,245	-2,102,316
+5.000%	-1,426,430	-1,572,798	-1,717,870	-1,862,947	-2,008,022
4,139,546	-1,426,430	-1,572,798	-1,717,870	-1,862,947	-2,008,022

Sensitivity Analysis : Assumptions for Calculation

Sales: Gross Sales

Original Values are varied by Steps of 2.500%.

Heading	Phase	Amount	No. of Steps
Private Units	1	£9,160,000	2 Up & Down

Construction: Gross Cost

Original Values are varied by Steps of 2.500%.

Heading	Phase	Amount	No. of Steps
Private Units	1	£3,942,425	2 Up & Down

APPENDIX E: Proposed Scheme Appraisal – 50% Affordable Housing

Inglemere Domus
Proposed Scheme - 50% Affordable PPC Tenure

**Inglemere Domus
Proposed Scheme - 50% Affordable PPC Tenure**

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Market Sale - 1B2P	2	1,292	590.17	381,250	762,500
Market Sale - 2B4P	3	2,589	557.16	480,833	1,442,500
Market Sale - 3B5P	3	3,165	552.92	583,333	1,750,000
Market Sale - 3B6P	1	1,087	508.28	552,500	552,500
Affordable Rent - 1B2P	4	2,519	222.78	140,296	561,183
Affordable Rent - 2B4P	4	3,369	222.78	187,636	750,546
Shared Ownership - 2B3P	1	667	397.27	264,979	264,979
Shared Ownership - 2B4P	2	1,593	397.27	316,426	632,851
Totals	20	16,281			6,717,059

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rents	1	2,275	2,275	2,275

Investment Valuation

Ground Rents					
Current Rent	2,275	YP @	4.5000%	22.2222	50,556

GROSS DEVELOPMENT VALUE

6,767,614

NET REALISATION

6,767,614

OUTLAY

ACQUISITION COSTS

Residualised Price			670,241		
				670,241	
Stamp Duty			23,512		
Agent Fee		1.00%	6,702		
Legal Fee		0.50%	3,351		
				33,566	

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Market Sale - 1B2P	1,608 ft ²	194.52 pf ²	312,787	
Market Sale - 2B4P	3,223 ft ²	194.50 pf ²	626,878	
Market Sale - 3B5P	3,939 ft ²	194.55 pf ²	766,329	
Market Sale - 3B6P	1,353 ft ²	194.58 pf ²	263,263	
Affordable Rent - 1B2P	3,135 ft ²	194.56 pf ²	609,936	
Affordable Rent - 2B4P	4,194 ft ²	194.53 pf ²	815,854	
Shared Ownership - 2B3P	831 ft ²	194.47 pf ²	161,607	
Shared Ownership - 2B4P	1,983 ft ²	194.54 pf ²	385,771	
Totals	20,266 ft²		3,942,425	3,942,425
Contingency		5.00%	197,121	
S106			11,400	
MCIL	20,266 ft ²	5.49 pf ²	111,260	
CIL	10,123 ft ²	11.98 pf ²	121,274	
				441,055

PROFESSIONAL FEES

Professional Fees		10.00%	206,772	
Professional Fees		10.00%	206,772	
				413,544

MARKETING & LETTING

Marketing		1.50%	67,613	
				67,613

DISPOSAL FEES

Sales Agent Fee		1.00%	67,676	
Sales Legal Fee	20 un	750.00 /un	15,000	
				82,676

VAT

Total Paid			2,011	
Balance				2,011

FINANCE

Debit Rate 6.0000%, Credit Rate 0.0000% (Nominal)

Inglemere Domus**Proposed Scheme - 50% Affordable PPC Tenure**

Total Finance Cost	188,070
TOTAL COSTS	5,841,200
PROFIT	926,415

Performance Measures

Profit on Cost%	15.86%
Profit on GDV%	13.69%
Profit on NDV%	13.69%
Development Yield% (on Rent)	0.04%
Equivalent Yield% (Nominal)	4.50%
Equivalent Yield% (True)	4.63%
IRR	29.24%
Rent Cover	407 yrs 3 mths
Profit Erosion (finance rate 6.000%)	2 yrs 6 mths

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