



CONSULTANCY
CONSTRUCTION & PROJECT MANAGEMENT

Royal Borough of Kingston upon Thames
Hogsmill Valley Masterplan
Funding Appraisal - Revision B

05 October 2010





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1.0 MASTERPLAN FUNDING STRATEGY

Masterplan Costs

Cycle Routes	2,220,000	
Improvements to Lower Marsh Lane	620,000	
Playing Fields/Open Space	2,620,000	
New Allotments	400,000	
MUGA, Tennis Courts, 5-a-side Pitches	1,130,000	
Wimbledon FC		
4-Form Entry Primary School		
Running Track		
Thames Water - Odour Mitigation		
TOTAL MASTERPLAN COSTS		6,990,000

Masterplan Funding Viability

Land Receipts	Landowner	
Housing Site 3	RBK	2,696,333
Housing Site 4a	TW	
Housing Site 6	RBK	3,679,469
Housing Above School	RBK	125,992
Student Residential	TW / KU	
		6,501,794
Sub-total		
Agent's fees	1.25%	
Legal fees	0.50%	
NET LAND RECEIPTS		
Funding required for new school		
Less Masterplan Costs		
BALANCE REMAINING		



Summary

	Units	Residual Land Value
Housing Site 3	31	2,696,333
Housing Site 4a	24	4,383,858
Housing Site 4b	16	2,919,153
Housing Site 6		
Option 1	31	3,069,209
Option 2	33	(1,967,221)
Option 3	56	3,679,469
██		
Housing to Access Above School	2	125,992
Student Residential		
Option 1 (800 units)		██
Option 2 (1050 units)		██
Option 3 (1300 units)		██



2.0 DEVELOPMENT APPRAISAL

Housing Site 3 - 31 nr. dwellings

DEVELOPMENT VALUE			
Sales			
Private residential sales	36,059 ft ²	350	12,620,790
GROSS DEVELOPMENT VALUE			12,620,790

DEVELOPMENT COSTS			
Initial Costs			
Pre-planning design fees		1.50%	86,399
Planning fees			11,000
Construction Costs			
Demolition costs			200,000
Building costs			3,408,350
External works			400,538
Development costs			751,025
Contribution to relocation of industrial Units			1,000,000
Design fees		11.00%	633,590
Section 106 costs			Excluded
Disposal Costs			
Marketing costs (on Total Revenue)		2.00%	252,416
Agent's fees (on Total Revenue)		1.25%	157,760
Legal fees (on Total Revenue)		0.50%	63,104
Interest on Finance			
Total development duration	18 months		
Loan arrangement fee		1.00%	64,909
On Initial Costs	18 months	6.50%	9,496
On 50% of Construction Costs	15 months	6.50%	259,736
Profit			
Developer's profit on Total Revenue		17.50%	2,208,638
TOTAL DEVELOPMENT COSTS			9,506,961

LAND VALUE			
Land surplus			3,113,829
Stamp duty		4.00%	(124,553)
Agent's fees		1.25%	(38,923)
Legal fees		0.50%	(15,569)
Interest on land finance	15 months	6.50%	(238,451)
RESIDUAL LAND VALUE			2,696,333

NB. 'Other Costs' includes £1 million contribution to relocate existing light industrial units.



2.0 DEVELOPMENT APPRAISAL

Housing Site 4a - 24 nr. dwellings

DEVELOPMENT VALUE			
Sales			
Private residential sales	32,292 ft ²	375	12,109,500
GROSS DEVELOPMENT VALUE			12,109,500

DEVELOPMENT COSTS			
Initial Costs			
Pre-planning design fees		1.50%	56,606
Planning fees			9,000
Construction Costs			
Demolition costs			20,000
Building costs			3,003,000
External works			300,300
Development costs			450,450
Other costs			
Design fees		11.00%	415,113
Section 106 costs			Excluded
Disposal Costs			
Marketing costs (on Total Revenue)		2.00%	242,190
Agent's fees (on Total Revenue)		1.25%	151,369
Legal fees (on Total Revenue)		0.50%	60,548
Interest on Finance			
Total development duration	18 months		
Loan arrangement fee		1.00%	42,545
On Initial Costs	18 months	6.50%	6,397
On 50% of Construction Costs	15 months	6.50%	170,173
Profit			
Developer's profit on Total Revenue		17.50%	2,119,163
TOTAL DEVELOPMENT COSTS			7,046,851

LAND VALUE			
Land surplus			5,062,649
Stamp duty		4.00%	(202,506)
Agent's fees		1.25%	(63,283)
Legal fees		0.50%	(25,313)
Interest on land finance	15 months	6.50%	(387,688)
RESIDUAL LAND VALUE			4,383,858

1. Sales value increased by 7% over Site 3 for larger gardens and drives



2.0 DEVELOPMENT APPRAISAL

Housing Site 4b - 16 nr. dwellings

DEVELOPMENT VALUE			
Sales			
Private residential sales	21,528 ft ²	400	8,611,200
GROSS DEVELOPMENT VALUE			8,611,200

DEVELOPMENT COSTS			
Initial Costs			
Pre-planning design fees		1.50%	43,163
Planning fees			6,000
Construction Costs			
Demolition costs			25,000
Building costs			2,002,000
External works			200,200
Development costs			300,300
Other costs			350,000
Design fees		11.00%	316,525
Section 106 costs			Excluded
Disposal Costs			
Marketing costs (on Total Revenue)		2.00%	172,224
Agent's fees (on Total Revenue)		1.25%	107,640
Legal fees (on Total Revenue)		0.50%	43,056
Interest on Finance			
Total development duration	18 months		
Loan arrangement fee		1.00%	32,432
On Initial Costs	18 months	6.50%	4,793
On 50% of Construction Costs	15 months	6.50%	129,757
Profit			
Developer's profit on Total Revenue		17.50%	1,506,960
TOTAL DEVELOPMENT COSTS			5,240,050

LAND VALUE			
Land surplus			3,371,150
Stamp duty		4.00%	(134,846)
Agent's fees		1.25%	(42,139)
Legal fees		0.50%	(16,856)
Interest on land finance	15 months	6.50%	(258,156)
RESIDUAL LAND VALUE			2,919,153

1. Sales value increased by 7% over Site 3 for larger gardens and drives



2.0 DEVELOPMENT APPRAISAL

Housing Site 6 (Option 1) - 31 nr. dwellings

DEVELOPMENT VALUE			
Sales			
Affordable residential sales	41,711 ft ²	300	12,513,150
GROSS DEVELOPMENT VALUE			12,513,150

DEVELOPMENT COSTS			
Initial Costs			
Pre-planning design fees		1.50%	79,863
Planning fees			11,000
Construction Costs			
Demolition costs			10,000
Building costs			4,049,375
External works			404,938
Development costs			809,875
Other costs			50,000
Design fees		11.00%	585,661
Section 106 costs			Excluded
Disposal Costs			
Marketing costs (on Total Revenue)		2.00%	250,263
Agent's fees (on Total Revenue)		1.25%	156,414
Legal fees (on Total Revenue)		0.50%	62,566
Interest on Finance			
Total development duration	18 months		
Loan arrangement fee		1.00%	60,007
On Initial Costs	18 months	6.50%	8,859
On 50% of Construction Costs	15 months	6.50%	240,088
Profit			
Developer's profit on Total Revenue		17.50%	2,189,801
TOTAL DEVELOPMENT COSTS			8,968,709

LAND VALUE			
Land surplus			3,544,441
Stamp duty		4.00%	(141,778)
Agent's fees		1.25%	(44,306)
Legal fees		0.50%	(17,722)
Interest on land finance	15 months	6.50%	(271,427)
RESIDUAL LAND VALUE			3,069,209

1. Sales value is for affordable units is based on 80% of private values (£375)



2.0 DEVELOPMENT APPRAISAL

Housing Site 6 (Option 2) - 33 nr. dwellings

DEVELOPMENT VALUE			
Sales			
Affordable residential sales	44,402 ft ²	300	13,320,450
Contribution from Arrow Plastics for larger premises - TBA			1,000,000
GROSS DEVELOPMENT VALUE			14,320,450

DEVELOPMENT COSTS			
Initial Costs			
Pre-planning design fees		1.50%	160,479
Planning fees			43,000
Construction Costs			
Demolition costs			370,000
Building costs			4,272,125
External works			427,213
Development costs			764,913
Other costs - New factory			4,864,355
Design fees		11.00%	1,176,847
Section 106 costs			Excluded
Disposal Costs			
Marketing costs (on Total Revenue)		2.00%	286,409
Agent's fees (on Total Revenue)		1.25%	179,006
Legal fees (on Total Revenue)		0.50%	71,602
Interest on Finance			
Total development duration	18 months		
Loan arrangement fee		6.50%	785,130
On Initial Costs	18 months	6.50%	19,839
On 50% of Construction Costs	15 months	6.00%	445,329
Profit			
Developer's profit on Total Revenue		20.00%	2,864,090
TOTAL DEVELOPMENT COSTS			16,730,337

LAND VALUE			
Land surplus			(2,409,887)
Stamp duty		4.00%	96,395
Agent's fees		1.25%	30,124
Legal fees		6.50%	156,643
Interest on land finance	15 months	6.00%	159,504
RESIDUAL LAND VALUE			(1,967,221)

1. Sales value is for affordable units is based on 80% of private values (£375)



2.0 DEVELOPMENT APPRAISAL

Housing Site 6 (Option 3) - 56 nr. dwellings

DEVELOPMENT VALUE			
Sales			
Affordable residential sales (assume 80% net)	67,271 ft ²	340	22,872,036
GROSS DEVELOPMENT VALUE			22,872,036

DEVELOPMENT COSTS			
Initial Costs			
Pre-planning design fees		1.50%	169,639
Planning fees			18,000
Construction Costs			
Demolition costs			10,000
Building costs			9,374,400
External works			-
Development costs			1,874,880
Other costs			50,000
Design fees		11.00%	1,244,021
Section 106 costs			Excluded
Disposal Costs			
Marketing costs (on Total Revenue)		2.00%	457,441
Agent's fees (on Total Revenue)		1.25%	285,900
Legal fees (on Total Revenue)		0.50%	114,360
Interest on Finance			
Total development duration	24 months		
Loan arrangement fee		1.00%	127,409
On Initial Costs	24 months	6.50%	24,393
On 50% of Construction Costs	21 months	6.50%	713,969
Profit			
Developer's profit on Total Revenue		17.50%	4,002,606
TOTAL DEVELOPMENT COSTS			18,467,019

LAND VALUE			
Land surplus			4,405,017
Stamp duty		4.00%	(176,201)
Agent's fees		1.25%	(55,063)
Legal fees		0.50%	(22,025)
Interest on land finance	21 months	6.50%	(472,259)
RESIDUAL LAND VALUE			3,679,469

1. Sales value is for affordable units is based on 80% of private values (£425)



2.0 DEVELOPMENT APPRAISAL

Housing to Access Above School - 2 nr. dwellings

DEVELOPMENT VALUE			
Sales			
Private residential sales	2,691 ft ²	350	941,850
GROSS DEVELOPMENT VALUE			941,850

DEVELOPMENT COSTS			
Initial Costs			
Pre-planning design fees		1.50%	7,547
Planning fees			1,000
Construction Costs			
Demolition costs			125,000
Building costs			302,500
External works			30,250
Development costs			45,375
Other costs			-
Design fees		11.00%	55,344
Section 106 costs			Excluded
Disposal Costs			
Marketing costs (on Total Revenue)		2.00%	18,837
Agent's fees (on Total Revenue)		1.25%	11,773
Legal fees (on Total Revenue)		0.50%	4,709
Interest on Finance			
Total development duration	18 months		
Loan arrangement fee		1.00%	5,670
On Initial Costs	18 months	6.50%	833
On 50% of Construction Costs	15 months	6.50%	22,688
Profit			
Developer's profit on Total Revenue		17.50%	164,824
TOTAL DEVELOPMENT COSTS			796,350

LAND VALUE			
Land surplus			145,500
Stamp duty		4.00%	(5,820)
Agent's fees		1.25%	(1,819)
Legal fees		0.50%	(727)
Interest on land finance	15 months	6.50%	(11,142)
RESIDUAL LAND VALUE			125,992

MARKET RESEARCH

Residential

Map Location	Road	Beds	Baths	Parking	Balcony	PB/Conv	Sq Ft	Sq M	£	£ Sq Ft	£ Sq M
1	Kingsworthy Close	1	1	Y	N	PB	452	42	£212,500	£470	£5,060
2	Villiers Road	1	1	Y	N	PB	433	40.2	£209,950	£485	£5,223
3	Eden Street	1	1	N	N	PB	417	38.7	£209,950	£503	£5,425
4	Springfield Road	1	1	Y	N	PB	320	29.7	£194,950	£609	£6,564
5	Fife Road	1	1	Y	N	PB	463	43	£184,995	£400	£4,302
6	Upper Teddington Ro:	1	1	Y	N	PB	337	31.3	£137,500	£408	£4,393
7	The Triangle	1	1	N	Private terrace	PB	678	63	£185,000	£273	£2,937
8	Church Grove	1	1	N	Private terrace	PB	487	45.3	£265,000	£544	£5,850
1 Bed						Average:	448.4	41.7	£199,981	£460	£4,956
9	Jerome Place	2	2	Y	Private terrace	PB	824	76.5	£599,950	£728	£7,842
9	Charter Quay	2	2	Y	Y	PB	800	74.3	£439,950	£550	£5,921
9	Jerome Place	2	2	Y	Y	PB	796	74	£439,950	£553	£5,945
10	Wadbrook Street	2	2	Y	Y	PB	721	67	£415,000	£576	£6,194
11	Homersham Road	2	1	Y	Garden	Conv	1084	100.7	£364,950	£337	£3,624
4	Springfield Road	2	3	N	Garden	Conv	830	77	£299,950	£361	£3,895
2	Villiers Road	2	2	Y	N	PB	801	74.5	£282,500	£353	£3,792
12	Surbiton Crescent	2	1	N	N	Conv	566	52.6	£259,950	£459	£4,942
9	Jerome Place	2	2	Y	N	PB	947	88	£369,950	£391	£4,204
2 Bed						Average:	818.8	76.1	£385,794	£479	£5,151
18	Horace Road	3	2		Garden		1025	95.2	£399,950	£390	£4,200
19	Portland Road	3	2		Garden		980	91.0	£390,000	£397	£4,284
20	Mill lane	3	1		Garden		909	84.4	£394,940	£359	£4,677
3 Bed						Average:	971.3	90.2	394,963.3	382.0	4,386.8
13	Gloucester Road	4	2		Garden		1288	119.7	£399,950	£311	£3,342
14	Winery Lane	4	2		Garden		1296	120.4	£450,000	£344	£3,738
15	Watersplash Close	4	1		Garden		1111	103.2	£450,000	£405	£4,360
16	Chatham Road	4	1		Garden		1340	124.5	£495,000	£369	£3,976
17	Homersham	4	2		Garden		1540	143.1	£499,000	£324	£3,488
4 Bed						Average:	1,315.0	122.2	458,790.0	350.5	3,780.8
Total						Average:	888.4	82.5	359,882.1	417.8	4,568.7



MARKET RESEARCH

Commercial

Map Location	Road	Parking	Sq Ft	Sq M	£ pa	£ Sq Ft pa	£ Sq M pa
1	Southsea Road	1	730	68	£9,900	£14	£145.97
2	Surbiton Road	Y	850	79	£9,516	£11	£120.50
2	Surbiton Road	Y	875	81	£10,248	£12	£126.07
3	High Street, Hampton Wick	N	320	30	£12,000	£38	£403.63
3	High Street, Hampton Wick	N	806	75	£16,000	£20	£213.62
3	High Street, Hampton Wick	Y	5,204	483	£15,750	£3	£32.61
Average:			1,464	136	£12,236	£16	£173.73

Denotes retail

