

CANADA WATER AREA ACTION PLAN

VIABILITY ANALYSIS – HARMSWORTH QUAYS AND SURROUNDING AREA

FOR LB SOUTHWARK

PREPARED BY

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FEBRUARY 2013

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APPENDICES

1. INTRODUCTION

Montagu Evans has conducted a high level viability assessment of the indicative masterplan for Harmsworth Quays and surrounding land, Canada Water, Southwark. The appraisals are based on a high level masterplan prepared by Hawkins Brown, together with indicative costs prepared by Gardiner & Theobald.

The indicative masterplan is set a fairly high level reflecting the purpose of the exercise - to inform the preparation of a revised Area Action Plan for Canada Water, Southwark. The appraisal work is also undertaken on a broad brush approach: a reflection of both the masterplan and the purpose of the exercise itself. The appraisals are conducted on a today's costs, today's value basis. Overall, the appraisal work seeks to examine whether there is a reasonable prospect of the proposals being deliverable in financial terms. The approach is consistent with the guidance provided in 'Viability Testing Local Plans: Advice for planning practitioners (2012)'.

Attached at Appendix A is the indicative Cost Estimate for the masterplan (as prepared by Gardiner & Theobald) and the masterplan option assessed itself.

2. TESTING VIABILITY

Scheme viability has been tested through factoring in relevant values and into a cashflowed development appraisal. Land assembly costs are estimated on an current use basis (using Rateable Values provided by the Council as a proxy for rents, together with an additional premium of 20% of land costs). The exercise follows the guidance provided in 'Viability Testing Local Plans: Advice for planning practitioners (2012)'. Key appraisal assumptions are attached at Appendix B. The viability testing has been undertaken using a bespoke excel model, adopting the key appraisal assumptions and costs as a basis for the exercise.

Landowners/developers of individual sites within the masterplan area were consulted on the assumptions used in the study. Comments made are reported in section 4.

In undertaking the viability assessment, it is recognised that the work is intended to support the broad principles of the planning framework of the AAP. The expectation is that the proposals for Harmsworth Quays and adjacent sites will evolve as more design detail is undertaken as the scheme progresses through the development pipeline.

3. APPRAISAL OUTPUTS

The appraisal outputs are set out on per hectare basis in the table below. The cost and values are based on average returns across the masterplan area. The results also reflect a range of scenarios: in particular adopting differing returns on the student housing values, given the very significant impact this has on the appraisal outputs. Sensitivity testing is also undertaken, assuming a modest increase in the value of the residential and student accommodation by 3%. The scenarios are as follows:

Scenario 1 - £115,000 capital value per student accommodation room

Scenario 2 - £140,000 capital value per student accommodation room

Scenario 3 – As Scenario 1, plus 3% increase in residential and student accommodation values

Scenario 4 - As Scenario 2, plus 3% increase in residential and student accommodation values

Key Appraisal Outputs (Outputs Per Hectare)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Net Value per Ha	£76.1m	£80.4m	£77.9m	£82.3m
Total Costs (inc. land costs and developer's profit) per Ha	£78.6m	£78.7m	£78.6m	£78.7m

NB – Total Cost figures include a 20% profit on cost return on development.

The viability appraisal outputs show, based on the assumptions adopted:

- That under Scenarios 2 & 4 there is a good prospect of scheme delivery occurring, given that the total costs also account for a 20% return to the developer and that value exceeds costs.
- In Scenarios 1 & 3, while development costs per hectare are marginally greater than value generated there is still a reasonable prospect of scheme delivery, given that the total costs continue to factor in a substantial profit level of 20%. In the most marginal viability assessment (Scenario 1), where total costs to equate to the net value per hectare, then this would still return a developer's profit in excess of 10%.

The viability of the proposals must also be considered in light of flexibility within the appraisal itself. There is for example a very significant sum allocated as a contingency: well over £20m. Around £50m is assumed to be allocated for the Community Infrastructure Levy, and there is potential for some of these monies to be injected into the development. These and other comments and caveats are described overleaf.

4. CAVEATS AND COMMENTS

- The appraisals have been conducted at a high level, and based on readily available information. No ground investigations have for example been undertaken, albeit some cost adjustments are made for possible ground conditions and contamination issues.
- A large contingency is included within the appraisal, equating to well over £20m. This provides a significant sum to deal with unforeseen costs.
- The appraisals factor in a profit level of 20%. Montagu Evans understands that this is the maximum level Southwark has accepted on viability assessments for individual sites over the past few years and that in the council's experience this level has not deterred developers from gaining planning permission and building developments.
- The phasing of the development is important. Without doubt, the scale of the development will result in it being phased. Residential development, will for example be phased in delivery through say blocks of 100- 150 units. Land assembly costs may also be phased to account for this phased delivery. This may reduce the burden of interest costs on the appraisal.
- A broad approach to phasing delivery of the scheme is assumed. On this basis, a sales rate of 25 residential units per quarter is assumed. This sales rate assumes that more than one developer is active on the site at any one time. If this is not the case then the delivery timescale will increase. The developer would however have the ability to manage costs through controlling the rate at which units are developed out, which would be anticipated to reflect the actual sales rates achieved thus minimizing exposure to cost where possible. There may also be scope to improve sales values as the area is built out and becomes a more established residential area.
- Residential pre sales are assumed at 25%. Potentially, this may be higher at 30%, which would improve viability.
- The student housing accommodation is tested on two bases: a nominated and a direct approach. At this stage it is not known which student housing investment mechanism will eventually be adopted.
- All residential is subject to a gross to net area reduction whereas some housing will likely come forward on (or close to) a 100% gross to net basis.
- The cost of the university educational buildings is assumed to be cost neutral (i.e. paid independently by the University, and not a burden on the appraisal overall).
- The cost of all other on-site infrastructure, including a potential community leisure building, has been included. We understand that the council has funding committed to refurbish the Seven Islands Leisure Centre, but that in the longer term, there may be the potential to explore other options including a new leisure centre, hence its inclusion in the study.
- Community infrastructure costs are included based on LB Southwark's Draft Charging Schedule. These costs have not yet been adopted, and therefore may be subject to revision.
- Community Infrastructure Levy (CIL) costs are payable on net additional development. There are a number of existing buildings within the masterplan area. Offsetting the cost of these buildings will reduce the burden of the Levy – which is currently around £50m, based on the payment of CIL cost for all the new development space. This appraisal assumed a worst-case scenario i.e. that there is no existing space on the site which can be used to off-set CIL. Moreover, the appraisal assumes that student housing pays CIL. However, where the university is the majority landowner, student housing

schemes are likely to be exempt from paying CIL given the universities' charitable status.

- A section 106 allowance of £1,000 per home and £30 per sqm for other development has been factored into the appraisal to cover off-site mitigation which may be required.
- The appraisal has included 35% affordable housing, of which 70% is assumed to be social rented housing at target rents and 30% would be intermediate housing. It is assumed that no social housing grant would be available.
- Southwark's Core Strategy requires proposals for student housing to provide affordable housing. The appraisal has not factored in an affordable housing component into the student housing provision, either by way or on-site homes or a contribution in lieu. Proposals for student housing however will need to provide as much affordable housing as is viable.
- It has been assumed that new homes would need to meet Code for Sustainable Homes level 4.
- There are likely to be opportunities to value engineer the scheme and potentially produce cost savings which, in turn, could improve overall scheme viability.
- Montagu Evans consulted with landowners/developers on the assumptions made in the appraisals (Sellar Design + Development, King's College, Aviva/Frogmore and Daily Mail & General Trust). Three organisations responded. The comments which were made were that:
 - The methodology used to undertake the appraisals should be based on the RICs Financial viability in planning guidance (October 2012) which takes into account market transactions in defining viability. There is no justification for assuming a premium of 20% (one respondent made this comment).
 - The appraisals should target achieving 20% on the internal rate of return (IRR) rather than 20% profit on cost (one respondent).
 - The assumed profit level is the minimum necessary. If developments are high risk (and it is not possible to assess this at the moment), this would need to be increased (one respondent).
 - The capital value of student bed spaces should be factored in at £115,000 (one respondent).
 - A development finance arrangement fee (typically around 2% as a minimum in/out cost) is also applicable (one respondent).
 - The values for social rented accommodation (whereupon we assume nil grant) are far too high at £192.50 p.s.f. This is double the realistic rate (one respondent)..
 - The tenant incentives are insufficient in the current market and specifically in an unproven micro market (one respondent).
 - Across the various uses, a sole agency fee of 1.5% is more realistic. Furthermore it is likely that there would be joint agents instructed in this area and therefore the fees would be between 2-3% (one respondent).
 - Professional fees should be at 12%, not 10% (one respondent).
 - All the assumptions are reasonable considering the level at which the study is being carried out (one respondent).

Appendix A: Indicative Cost Schedule

Appendix B: Key Appraisal Assumptions

KEY APPRAISAL ASSUMPTIONS

The key assumptions used to test scheme viability of the indicative masterplan for Harmsworth Quays are described below. The appraisals are based on the assessing Residual Land Values and benchmarking these against current use values, estimated using rateable values for the area. The appraisals will be based on today's costs / today's values.

Site Costs

Purchasers' Costs	5.80%
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Finance Costs

Finance Costs	7%
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Construction Costs

High level construction costs are provided by Gardiner & Theobald – see Appendix A.

Construction Fees / Misc Costs

Contingency	5%
Professional Fees	10%

The above costs is expressed as a % of the total build cost.

CIL / S106 Costs

The Community Infrastructure Levy is applied to the new development space, as follows:

Residential / Student Accom	£250 per sq m including parking
Office	£0 per sq m
Retail	£125 per sq m
Hotel	£125 per sq m
Leisure	£30 per sq m

In addition, the mayoral CIL will be applied at £35 per sq m across all uses.

S106 cost are set at £1,000 per residential unit, and £30 per sq m for other uses has been allowed for any off-site mitigation required.

Agents & Legal Fees

Agents Letting Fees	10%
Legal Letting Fees	5%
Agents Sale Fee	1%
Legal Sale Fees	0.50%
Marketing Costs	2% for residential

Capital Values / Rents / Yields

Commercial Rental Income

Public Leisure	£0 psf (assumed to be public sector)
Cinema/ Commercial leisure	£15 psf
Hotel	£7,000 per room pa

Commercial – Offices	£20 psf
Commercial – Retail	£35 psf

Residential Car Spaces	£15,000 per space Capital Value
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Student accommodation	£140,000 per room Capital Value (nominated)
	£115,000 per room Capital Value (direct)

Tenant Incentive

Leisure	24 months incentive (rent free & capital contribution)
Commercial – Offices	12 months incentive (rent free & capital contribution)
Commercial – Retail	24 months incentive (rent free & capital contribution)

Yields

Commercial Leisure/cinema	7%
Hotel	6.5%
Offices	8%
Retail	6.5%

Affordable housing policies apply, related to the amount overall student accommodation and private housing space. The overall requirement is 35%, split 70/30 between social rented and intermediate.

Residential Sales Rates

Residential – Private	£550 per sq ft
Residential – Social rented	35% of private value
Residential – Intermediate	55% of private value

A gross to net ratio of 80% is applied to residential (flatted) units and 85% to office space.

Profit

Developers Profit	20% profit on cost
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Testing Viability

Land assembly costs are estimated using Rateable Values and applying an appropriate yield to provide a capital value, together with an additional premium of 20% of land costs. The total land assembly cost for the masterplan area is estimated at £51.5m



Indicative Estimate

**Harmsworth Quays -
Illustrative Master Plan - Option 4 Composite**

for Southwark Borough Council

21 January 2013

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Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Assumptions and Exclusions

Assumptions:

- The construction cost estimate has been priced at current day prices at 4Q 2012.
- Allowance for tender price inflation from current day to an assumed mid-point of construction has been excluded on Montagu Evans' instruction. Montagu Evans' appraisal includes the assumption that increases in building costs will be matched by increases in income.
- **Allowances for utilities costs are made without any indication from the utility companies. This element of cost tends to be a large risk on any development project and information should be sought from the utilities as early as possible.**
- The local infrastructure services capacity is sufficient for the development areas being proposed.
- Buildings will be of framed construction.
- Retail units will be built to 'shell and core'.
- Office will be fitted out to Category A.
- The hotel will be fitted out for the 3* economy market.
- Leisure units will be built to 'shell and core' except for the leisure centre for which a fitted out allowance has been included.
- Leisure centre assumed to have swimming pool, sports halls, gymnasium, squash courts, changing facilities, café (excluding catering equipment).
- Service corridors are excluded. It is assumed that servicing to units will be through the front.
- Areas for buildings are in accordance with information provided by Hawkins Brown.
- The standard for housing is to be Level 4 of the Code for Sustainable Homes.

- The allowance for utilities has been split into figures for each site on a notional basis. Depending on how phasing of the sites is approached, the costs for utilities are likely to be incurred as an up front infrastructure charge to provide the necessary services to the development area followed by a smaller cost per site as each site is developed.

Exclusions:

- Professional fees.
- VAT.
- Inflation.
- Legal fees, conveyancing costs, etc.
- Planning and Building Regulations fees.
- Finance costs.
- Costs associated with archaeological searches, monitoring and finds
- Furniture, fittings and equipment.
- Site surveys, soil investigation reports and associated costs.
- Rights of light awards.
- Party wall awards.
- Diversion of services eg. BT, CAT V, hydrant mains, sewers, electricity and street lighting.
- Increased capacity of utilities' local networks.
- Remediation of contaminated land.
- 106 Agreement costs.
- Work outside the red line boundary.

Schedule of Information

Information by Hawkins Brown:
Option 4 Composite

Land use, height and street hierarchy	Rev B: 21.12.2012
Parking	Rev B: 21.12.2012
Massing	Rev B: 21.12.2012
Schedule of areas	Rev B: 21.12.2012

Utilities:

No information has been obtained for utilities services serving or running through the site. Engineering services advice on utilities is not currently available.

SCHEDULE OF AREAS - GROSS EXTERNAL FLOOR AREAS (GEA)
Areas provided by Hawkins Brown.
Overall development area: 11.17 ha

	Mulberry Site Area Unit	Site E Area Unit	Harmsworth Site Area Unit	Leisure Site Area Unit	Total development Area Unit
Site area	1.36 ha	0.76 ha	5.62 ha	3.45 ha	11.19 ha
Residential	9,130 m2	13,670 m2	50,470 m2	49,485 m2	122,755 m2
Student residential (rooms)	13,240 m2 427		45,885 m2 1,480		59,125 m2
Other university	3,310 m2		21,955 m2		25,265 m2
Leisure			6,500 m2	11,105 m2	17,605 m2
Office		2,760 m2	5,705 m2		8,465 m2
Retail			1,425 m2	2,630 m2	4,055 m2
Community			1,370 m2		1,370 m2
Hotel (beds)				5,200 m2	5,200 m2
Basement car parking (spaces)		1,900 m2 63	8,895 m2 296	11,870 m2 495	22,665 m2 495
Total GEA excluding car park	25,680 m2	16,430 m2	133,310 m2	68,420 m2	243,840 m2

Initial Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Executive Summary

Description	Total £	Notes
Executive Summary		
1 Mulberry site	51,909,000	
2 Site E	36,922,000	
3 Harmsworth site	297,997,000	
4 Leisure site	143,904,000	
Current Day Total Construction Cost Summary	530,732,000	

Initial Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Mulberry Site - Summary

Description	Total £	Notes
Mulberry Site - Construction Cost Summary		
1 Demolition	235,000	
2 Site preparation	82,000	
3 Buildings	46,854,000	
4 External works	1,516,000	
5 Utilities	750,000	
sub-total	49,437,000	
6 Contingency 5%	2,472,000	
sub-total	51,909,000	
7 Tender price inflation 0%	excluded	
Current Day Total Construction Cost Summary	51,909,000	



Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Mulberry Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Demolition					
1 Break out reinforced concrete slab; assumed previous ground floor slab and the like; assumed 350mm thick	13,053	m2	18	234,954	
2 Dispose of excavated material				included	
3 Preliminaries, overheads and profit			assumed let as separate contract		
carried to Summary				234,954	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Mulberry Site - Elemental

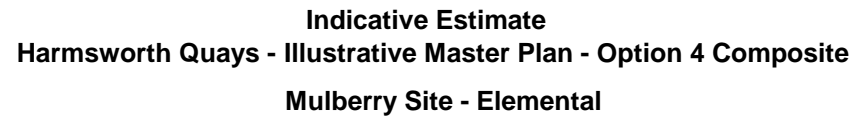
Description	Qty	Unit	Rate £	Total £	Notes
Site preparation					
1 Break out tarmac, hard standing, kerbs and foundations and remove from site	547	m2	15	8,205	
2 Allowance for earth movement to establish new levels	1	Item	20,000	20,000	
3 Extra over excavation for allowance for removal of contaminated spoil; say 30% by volume	1,444	m3	30	43,332	
4 Preliminaries, overheads and profit	15	%	71,537	10,731	
carried to Summary				82,268	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Mulberry Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Buildings					
1 Residential: apartments	3,085	m2	2,015	6,215,268	block A2
2 Residential: town houses	2,850	m2	1,550	4,417,500	
3 Residential: apartments - affordable (35% of area)	3,196	m2	1,650	5,272,575	
4 University - student accommodation	13,240	m2	1,650	21,846,000	
5 University - teaching, office, laboratory etc	3,310	m2	2,750	9,102,500	
6 Preliminaries, overheads and profit				included	
carried to Summary				46,853,843	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Mulberry Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
External works					
1 Hard landscaping to common areas including hard finishes eg resin bonded gravel and drainage, lighting, seating, bins etc	3,269	m2	225	735,525	
2 Hard landscaping in walkways under buidings	583	m2	100	58,300	
3 Highway, pavement and kerb each side, drainage and lighting	3,673	m2	125	459,125	
4 Junction with existing road	3	Nr	15,000	45,000	
5 Hard landscaping generally; assumed 40%	96	m2	80	7,680	
6 Soft landscaping; assumed 60%	143	m2	20	2,860	
7 Allowance for trees and planting	1	Item	10,000	10,000	
8 Preliminaries, overheads and profit	15	%	1,318,490	197,774	
carried to Summary				1,516,264	



Job No - Estimates/ 11 of 30 21 January 2013

Initial Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Site E - Summary

Description	Total £	Notes
Site E - Construction Cost Summary		
1 Demolition	579,000	
2 Site preparation	265,000	
3 Buildings	32,765,000	
4 External works	1,055,000	
5 Utilities	500,000	
sub-total	35,164,000	
6 Contingency 5%	1,758,000	
sub-total	36,922,000	
7 Tender price inflation 0%	excluded	
Current Day Total Construction Cost Summary	36,922,000	



Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Site E - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Demolition					
1 Demolish building	19,286	m3	20	385,720	
2 Break out reinforced concrete slab; assumed previous ground floor slab and the like; assumed 350mm thick	2,411	m2	18	43,398	
3 Dispose of excavated material				included	
4 Allowance for removal of asbestos	1	Item	150,000	150,000	
5 Preliminaries, overheads and profit			assumed let as separate contract		
carried to Summary				579,118	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Site E - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Site preparation					
1 Break out tarmac, hard standing, kerbs and foundations and remove from site	11,189	m2	15	167,835	
2 Allowance for earth movement to establish new levels	1	Item	10,000	10,000	
3 Extra over excavation for allowance for removal of contaminated spoil; say 30% by volume	1,764	m3	30	52,910	
4 Preliminaries, overheads and profit	15	%	230,745	34,612	
carried to Summary				265,357	

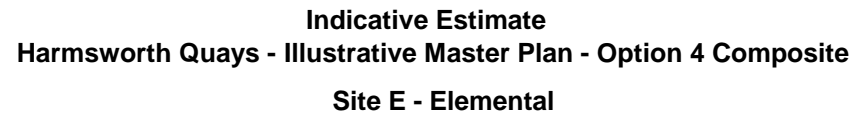
Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Site E - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Buildings					
1 Residential: apartments	8,886	m2	2,015	17,904,283	
2 Residential: apartments - affordable (35% of area)	4,785	m2	1,650	7,894,425	
3 Office; business park	2,760	m2	1,785	4,926,600	
4 Basement car park to C1 and C3	48	spaces	30,000	1,440,000	
5 Basement car park to C2	15	spaces	40,000	600,000	
6 Preliminaries, overheads and profit				included	
carried to Summary				32,765,308	



Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Site E - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
External works					
1 Hard landscaping to common areas including hard finishes eg resin bonded gravel and drainage, lighting, seating, bins etc	2,852	m2	225	641,700	
2 Highway, pavement and kerb each side, drainage and lighting	1,823	m2	125	227,875	
3 Junction with existing road	1	Nr	15,000	15,000	
4 Hard landscaping generally; assumed 40%	210	m2	80	16,800	
5 Soft landscaping; assumed 60%	314	m2	20	6,280	
6 Allowance for trees and planting	1	Item	10,000	10,000	
7 Preliminaries, overheads and profit	15	%	917,655	137,648	
carried to Summary				1,055,303	



Job No - Estimates/ 17 of 30 21 January 2013

Initial Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Harmsworth Site - Summary

Description	Total £	Notes
Harmsworth Site - Construction Cost Summary		
1 Demolition	6,097,000	
2 Site preparation	882,000	
3 Buildings	268,983,000	
4 External works	6,345,000	
5 Utilities	1,500,000	
sub-total	283,807,000	
6 Contingency 5%	14,190,000	
sub-total	297,997,000	
7 Tender price inflation 0%	excluded	
Current Day Total Construction Cost Summary	297,997,000	



Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Harmsworth Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Demolition					
1 Demolish building	314,966	m3	15	4,724,490	
2 Break out reinforced concrete slab; assumed previous ground floor slab and the like; assumed 350mm thick	20,689	m2	18	372,402	
3 Dispose of excavated material				included	
4 Allowance for removal of asbestos	1	Item	1,000,000	1,000,000	
5 Preliminaries, overheads and profit			assumed let as separate contract		
carried to Summary				6,096,892	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Harmsworth Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Site preparation					
1 Break out tarmac, hard standing, kerbs and foundations and remove from site	35,511	m2	15	532,665	
2 Allowance for earth movement to establish new levels	1	Item	25,000	25,000	
3 Extra over excavation for allowance for removal of contaminated spoil; say 30% by volume	6,966	m3	30	208,990	
4 Preliminaries, overheads and profit	15	%	766,655	114,998	
carried to Summary				881,653	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Harmsworth Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Buildings					
1 Residential: apartments	32,806	m2	2,015	66,103,083	
2 Residential: apartments - affordable (35% of area)	17,665	m2	1,650	29,146,425	
3 University - student accommodation	45,885	m2	1,650	75,710,250	
4 Extra over for tall building construction (25 storeys)	9,750	m2	150	1,462,500	
5 University - teaching, office, laboratory etc	21,955	m2	2,750	60,376,250	
6 Leisure centre	6,500	m2	1,875	12,187,500	
7 Office; business park	5,705	m2	1,785	10,183,425	
8 Retail - shell and core	1,425	m2	1,875	2,671,875	
9 Community use	1,370	m2	1,600	2,192,000	
10 Basement car park to J1	108	spaces	25,000	2,700,000	
11 Basement car park to G1 to G3, H1 to H4, R1, R2	127	spaces	30,000	3,810,000	
12 Basement car park to K1 to K3	61	spaces	40,000	2,440,000	
13 Preliminaries, overheads and profit				included	
carried to Summary				268,983,308	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Harmsworth Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
External works					
1 Hard landscaping to common areas including hard finishes eg resin bonded gravel and drainage, lighting, seating, bins etc	16,378	m2	225	3,685,050	
2 Hard landscaping in walkways under buidings	1,945	m2	100	194,500	
3 Highway, pavement and kerb each side, drainage and lighting	11,606	m2	125	1,450,750	
4 Junction with existing road	4	Nr	15,000	60,000	
5 Hard landscaping generally; assumed 40%	1,063	m2	80	85,040	
6 Soft landscaping; assumed 60%	1,594	m2	20	31,880	
7 Allowance for trees and planting	1	Item	10,000	10,000	
8 Preliminaries, overheads and profit	15	%	5,517,220	827,583	
carried to Summary				6,344,803	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Harmsworth Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Utilities					
1 Utility works for provision of services to buildings	1	Item	1,500,000	1,500,000	
2 Diversion of services				excluded	
3 Increased capacity of high voltage network in vicinity				excluded	
carried to Summary				1,500,000	

Initial Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Leisure Site - Summary

Description	Total £	Notes
Leisure Site - Construction Cost Summary		
1 Demolition	1,993,000	
2 Site preparation	603,000	
3 Buildings	128,299,000	
4 External works	4,906,000	
5 Utilities	1,250,000	
sub-total	137,051,000	
6 Contingency 5%	6,853,000	
sub-total	143,904,000	
7 Tender price inflation 0%	excluded	
Current Day Total Construction Cost Summary	143,904,000	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Leisure Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Demolition					
1 Demolish building	101,318	m3	15	1,519,770	
2 Break out reinforced concrete slab; assumed previous ground floor slab and the like; assumed 350mm thick	9,640	m2	18	173,520	
3 Dispose of excavated material				included	
4 Allowance for removal of asbestos	1	Item	300,000	300,000	
5 Preliminaries, overheads and profit			assumed let as separate contract		
carried to Summary				1,993,290	



Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Leisure Site - Elemental

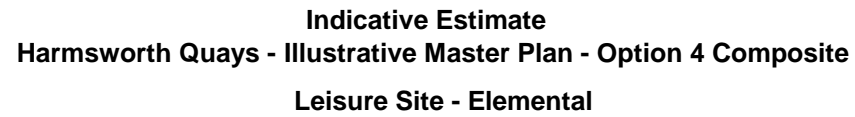
Description	Qty	Unit	Rate £	Total £	Notes
Site preparation					
1 Break out tarmac, hard standing, kerbs and foundations and remove from site	24,860	m2	15	372,900	
2 Allowance for earth movement to establish new levels	1	Item	20,000	20,000	
3 Extra over excavation for allowance for removal of contaminated spoil; say 30% by volume	4,368	m3	30	131,049	
4 Preliminaries, overheads and profit	15	%	523,949	78,592	
carried to Summary				602,541	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Leisure Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
Buildings					
1 Residential: apartments	32,165	m2	2,015	64,812,979	
2 Residential: apartments - affordable (35% of area)	17,320	m2	1,650	28,577,588	
3 Leisure - shell and core	11,105	m2	950	10,549,750	
4 Retail - shell and core	2,630	m2	950	2,498,500	
5 Hotel; 3* economy	5,200	m2	1,325	6,890,000	
6 Extra over for frame costs - 13 storey construction	5,200	m2	100	520,000	
7 Basement car park to N1	132	spaces	25,000	3,300,000	
8 Basement car park to L1 to L4, O1, P1 - P4	337	spaces	30,000	10,110,000	
9 Basement car park to Q1, Q2	26	spaces	40,000	1,040,000	
10 Preliminaries, overheads and profit				included	
carried to Summary				128,298,816	

Indicative Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Leisure Site - Elemental

Description	Qty	Unit	Rate £	Total £	Notes
External works					
1 Hard landscaping to common areas including hard finishes eg resin bonded gravel and drainage, lighting, seating, bins etc	11,605	m2	225	2,611,125	
2 Highway, pavement and kerb each side, drainage and lighting	5,359	m2	125	669,877	
3 Hard landscaping generally; assumed 40%	7,014	m2	80	561,120	
4 Soft landscaping; assumed 60%	20,700	m2	20	414,000	
5 Allowance for trees and planting	1	Item	10,000	10,000	
6 Preliminaries, overheads and profit	15	%	4,266,122	639,918	
carried to Summary				4,906,040	



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Initial Estimate
Harmsworth Quays - Illustrative Master Plan - Option 4 Composite
Plan drawing

