

FRONT COVER

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Contents

Confidentiality	1
1 Introduction	1
2 May 2014 Draft Viability Submission	5
3 The Goodsyard	10
4 Proposal.....	14
5 Policy.....	21
6 Methodology	29
7 Timings	36
8 Values.....	41
9 Costs.....	45
10 Land Value	52
11 Affordable Housing.....	56
12 Present Day Results.....	59
13 Borough CIL	60
14 Concluding Statement	61

Appendices

1. Red line plan (1:5000) (A3)
2. Ground floor layout (1:1000) (A2)
3. Map (1:5000) (A1)
4. Development Specification (July 2014)
[REDACTED]
[REDACTED]
7. GVA Second London Wall Phasing Plan, August 2014
8. St Edmunds Appeal Decision Ref. APP/X5210/A/12/2173598 dated October 2012

[REDACTED]
[REDACTED]
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Tables

- 1 List of Viability Assumptions May / July 2014
- 2 Proposed Floorspace by Building
- 3 Residential Mix
- 4 Residential GIA/NIA/Units by Building
- 5 Commercial GIA/NIA by Plot
- 6 Residual Value Analysis
- 7 Proposed Development Programme
- 8 Residential Pricing Summary
- 9 Office Value Summary
- 10 Retail Value Summary
- 11 S106 / Crossrail / Mayoral CIL Calculations
- 12 Additional Development Costs
- 13 Land Value Analysis
- 14 GLA Affordability Calculation
- 15 Present Day Results
- 16 Borough CIL Calculations

Graphs

- 1 Cost and Revenue Profile
- 2 Cumulative Net Cash Flow

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Confidentiality

This Report is confidential to the London Borough of Tower Hamlets and the London Borough of Hackney and their appointed viability advisors for this scheme. We request that the report should not be disclosed to any third parties under the Environmental Information Regulations 2004 (section 14) or the Freedom of Information Act 2000 (section 41 and 43(2)) or any equivalent future iteration of these Acts or alternative, or otherwise disclosed without the prior approval in writing from DS2 or Bishopsgate Goodsynd Regeneration Limited.

This Report must not, save as expressly provided for in the fee letter be recited or referred to in any document, or copied or made available (in whole or in part) to any person without our express prior written consent.

1 Introduction

- 1.1 This Financial Viability Assessment ('FVA') has been prepared and submitted in support of the application for the redevelopment of the Bishopsgate Goods Yard, hereafter referred to as the 'The Goodsyard'.
- 1.2 References in this document to "application" should be taken to read "applications" reflecting the fact that two identical planning applications have been submitted – one to the London Borough of Hackney ('LBH') and one to the London Borough of Tower Hamlets ('LBTH').
- 1.3 Each Borough will determine whether consent should be granted for the extent of the Proposed Development that falls within its respective area. Therefore, references to "planning permission" should be taken to read "planning permissions" given that two planning permissions will be required for the Proposed Development to proceed in its entirety.
- 1.4 The Applicant is Bishopsgate Goodsyard Regeneration Limited ('the Applicant') who are a joint venture partnership comprising Hammerson plc and Ballymore Properties. The Applicant have a track record of delivering large scale residential, commercial and mixed use developments across the capital. Hammerson are a FTSE 100 Listed company who specialise in retail and mixed-use developments. Ballymore have been one of the leading residential and mixed-use developers in Tower Hamlets over the last 15 years playing a pivotal role in the regeneration of the borough.
- 1.5 The Applicant is submitting a hybrid application with detailed and outline elements. The proposals include a maximum of 1,464 homes in a range of buildings of differing heights, the provision of extensive landscaping including areas of public realm and the provision of a new public park which covers roughly one quarter of the site.
- 1.6 This FVA should be considered alongside a number of other application documents, including the Planning Statement, the Housing Statement, the Development Specification and the Design & Access Statement.
- 1.7 DS2 are instructed to test the maximum level of affordable housing and additional financial obligations, including S.106 obligations and the Mayoral Community Infrastructure Levy ('CIL'), which can be supported by the development without impeding the viability of the project and the chances of delivery.
- 1.8 As part of this exercise, DS2 have also considered the implications of the adoption of both boroughs draft CIL Charging Schedules given the respective position of both Charging Authorities in their adoption process.

- 1.9 DS2 have adopted Argus Developer to demonstrate the project's financial viability. This is commercially available and widely used development appraisal software that uses a residual valuation approach to demonstrate residual land and profit outputs for development projects.
- 1.10 Argus is considered to be better suited for viability testing for this type of project than the GLA's own Development Control Toolkit because of its ability to accurately model development timings and cash flows particularly on large scale strategic projects such as this.
- 1.11 Argus has been previously accepted by LBTH, LBH and the GLA for viability testing. Property advisors BNP Paribas have been appointed as both boroughs viability advisors on this project and have confirmed that Argus is an acceptable model to them also.
- 1.12 In testing the maximum reasonable amount of affordable housing and other obligations that the scheme can support, in accordance with adopted policy and best practice guidance, DS2 include a present day valuation with supporting information.
- 1.13 DS2 intended to include an outturn model, which is one that, given the challenging nature of the site, includes growth and inflationary measures on the major inputs. However given the complexity of the site, the scale of the present day costs and values and the longevity of the project which makes forecasting inherently volatile, the outturn approach has been excluded from this assessment. If required, growth and inflationary measures can be included once the inputs into the present day model have been agreed.
- 1.14 DS2 have appraised the site in its entirety, as opposed to separating the LBTH and LBH elements into constituent parts. This approach has been accepted by the boroughs. It is generally accepted that whilst the site is located in two boroughs the redevelopment of The Goodsyard will have significant wider regenerative benefits that will benefit both boroughs, and beyond, and as such, the viability of the site should be reviewed holistically.
- 1.15 DS2 are engaged on development viability and affordable housing matters on other projects in the vicinity of The Goodsyard, both historic and current, and have a good understanding of the property market and development economics in this location. Notable projects that DS2 are and have been involved in within the last twelve months, in close proximity include Principal Place, the Shoreditch Estate (Blossom Street), Aldgate Place and Ensign Street. Other notable current viability works in Tower Hamlets include live planning applications for 2 Millharbour and 225 Marsh Wall.
- 1.16 DS2 have also been involved on viability matters relating to the delivery of Wood Wharf and are currently working with the owners of Westferry Print Works, both of which are sites of strategic importance to Tower Hamlets. DS2 have also been involved in work related to both boroughs CIL programmes including the recent Examination in Public that took place at the end of May 2014 and the subsequent re-consultation process.

- 1.17 DS2 has a considerable amount of experience elsewhere London in assessing the development viability of sites of strategic importance and this considerable experience has informed the collation of this report.
- 1.18 This FVA has been prepared having regard to national, regional and local planning policy. We have also had regard to best practice guidance most notably in the form of the RICS Guidance Note entitled '*Financial Viability in Planning*' (09/04/2012).
- 1.19 The FVA is an impartial objective view on development viability. In order to robustly illustrate the development economics the FVA has been structured as follows:
- May 2014 draft viability submission – analysis of the previously submitted information versus that included in the full FVA.
 - Site description & ownership – summary of the location and nature of the existing asset;
 - Development proposals – review and description of the proposed planning application;
 - Planning policy – review of the key national, regional and local planning policies concerning the delivery of affordable housing subject to development viability;
 - Viability methodology – description of the methodology employed within the wider context of best practice for FVAs;
 - Development timings – description of the current proposed programme subject to a satisfactory planning consent being obtained;
 - Development value – review of the residential and commercial values alongside additional revenue streams that comprise the scheme GDV;
 - Development costs – review of the development costs for the proposed project;
 - Benchmark Land Value – analysis in relation to the proposed Site Value / Benchmark Land Value for the financial appraisals;
 - Appraisal results & sensitivity analysis – summary of the financial appraisal outputs with a review of the sensitivities attached the major present day costs and values;
 - Community Infrastructure Levy – analysis of the impact of the adoption of LBTH and LBH CIL Charging Schedules;
 - Concluding statement – statement with the formal affordable housing offer and the concluding summary.
- 1.20 The DS2 FVA is supported by information [REDACTED]
[REDACTED]
[REDACTED] We have also spoken to a large number of local and national residential agents in valuing the residential component of the scheme.
- 1.21 The appraisals and figures in this FVA do not represent formal 'red book' valuations and should not be relied upon as such. This report has been prepared in support of the planning application for the purposes of section 106, CIL and Crossrail discussions only and should only be used for the consideration of these matters.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- 1.23 This report has been compiled by Pascal Levine MRICS (Registered Valuer), a Partner at DS2 with assistance from David Lewisohn, Assistant Surveyor. The Site has been visited on a number of occasions most recently in June 2014.

2 May 2014 Draft Viability Submission

- 2.1 A letter and accompanying information was submitted to both local authorities in May 2014. The information was supplied on a without prejudice basis and provided the local authorities with a draft review of the viability in advance of the planning application being submitted.
- 2.2 Table 1 illustrates alterations that have been made to the final FVA information and for what reason.

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

3 The Goodsyard

- 3.1 A detailed site description is contained within the Planning Statement that has been submitted with the planning application. A comprehensive history of The Goodsyard and detailed analysis of the application proposals is contained within the Design & Access Statement. A summary is however provided below.
- 3.2 A red line site plan illustrating the planning application boundary, a ground floor layout and a contextual map are provided as Appendices 1 to 3.

The Goodsyard Location

- 3.3 The Goodsyard covers an area of 4.2 hectares (10.38 acres). Approximately two thirds of The Goodsyard land areas is within LBTH although the development quantum is split more evenly between LBTH and LBH. The London Overground Line runs in an east to west direction across The Goodsyard, with Shoreditch High Street Station located centrally.
- 3.4 The Goodsyard is bounded by Shoreditch High Street and Commercial Street to the west and by railways lines in and out of Liverpool Street to the south. Brick Lane, Bethnal Green Road and Sclater Street form the north and eastern boundaries. Braithwaite Street, which is closed to traffic, runs north to south through The Goodsyard.
- 3.5 The area to the north of The Goodsyard along Bethnal Green Road comprises a mix of former warehouses converted to new uses such as the Tea Building, new residential developments such as Telford's 25 storey Avant-Garde scheme, small scale industrial estates, shops and the Rich Mix Centre which an important arts and cultural venue. Further north is the Boundary Estate, an extensive residential area, developed in 1900 with wide residential streets focussed on a green space at Arnold Circus.
- 3.6 To the west of The Goodsyard, Shoreditch High Street and Old Street are busy main roads, with shops and other commercial uses. To the south west of The Goodsyard is the City of London, characterised by large scale predominantly commercial buildings with new high rise residential buildings.
- 3.7 The area to the south of The Goodsyard is characterised by the City Fringe, with its emerging business and commerce sectors, and also a network of smaller streets comprising a mix of residential, commercial and retail uses, extending south towards Spitalfields Market. The eastern edge of The Goodsyard is defined by Brick Lane, a vibrant area with a mix of small shops, popular bars and restaurants, some with residential above.

- 3.8 The Goodsyard is well served by public transport with Shoreditch High Street Station (part of the London Overground Line) located on Braithwaite Street. This station provides frequent services from Highbury and Islington, West Croydon, Clapham Junction and many others destinations.
- 3.9 The Goodsyard is within easy walking distances to Liverpool Station and other stations on the London Underground network, and it also has a number of bus routes along Bethnal Green Road, Shoreditch High Street and Commercial Street.

Site Description

- 3.10 The Goodsyard falls within two boroughs namely LBTH and LBH. The borough boundary runs in a north–south direction to the west of Braithwaite Street.
- 3.11 The Goodsyard has been identified by both boroughs as a strategic site with an opportunity for regeneration. The Goodsyard also has the benefit of Interim Planning Guidance (‘IPG’) that was adopted by the boroughs and approved by the GLA in 2010.
- 3.12 Historically The Goodsyard had been a passenger station which was opened by the Eastern Counties Railway in 1840 to serve as its new permanent terminus for the railway in London. Its construction changed the street layout and scale of the surrounding neighbourhood.
- 3.13 After the opening of Liverpool Street station in 1874, Bishopsgate station was closed to passengers and was converted to a goods station which opened in 1881. This became known as the Bishopsgate Goods Depot. As a goods station, Bishopsgate handled very large volumes of goods from the eastern ports and was arranged over three levels.
- 3.14 A fire in 1964 destroyed the station and the upper levels were demolished. The station subsequently closed and over the next 40 years The Goodsyard became derelict.
- 3.15 In 2004, the majority of the remaining Goodsyard buildings were demolished to allow for the construction of the new London Overground and Shoreditch High Street Station. However, some of the historic structures remain and these structures will be preserved and enhanced as part of the master plan for The Goodsyard. The former Forecourt Wall and Gates to Shoreditch High Street and the 260 metre long Braithwaite Viaduct are Grade II listed.
- 3.16 The large brick arches that form part of the listed viaduct, or adjoin it have been used at various times for temporary uses, including small business accommodation, sports and leisure activities. Other railway arches and boundary walls to Brick Lane and Sclater Street have also survived, but are not listed.
- 3.17 The Applicant has already paid to box in the London Overground Line as it runs across The Goodsyard in order to safeguard the future regeneration of the site, and to allow for development to take place over and around the railway line. This viaduct is clearly visible from a number of points on The Goodsyard boundary.

The Goodsyard Constraints

- 3.18 The Goodsyard, as noted above, is subject to a significant range of physical and complex constraints located above, on and below ground level. It has been shown through surveys of the entire site that due to the identified physical constraints, the area within which foundations can be placed is limited to approximately one third of The Goodsyard.
- 3.19 The physical constraints derive from existing and future infrastructure requirements, historic structures and environmental and conservation issues. There are also local and strategic townscape issues when considering the regeneration of The Goodsyard for a high density development.
- 3.20 There are two Grade II listed structures on site: Braithwaite Viaduct, the Forecourt Wall and Gates to Goods Station. There are also 272 listed buildings in the vicinity of the site comprising Grade I, Grade II* and Grade II structures.
- 3.21 The Braithwaite Viaduct in particular places a constraint on development in the following ways:
- The desire to preserve the listed fabric and for development to have a minimal impact upon the fabric of the listed structure;
 - The extent of possible loading on top of the viaduct and penetrations through the existing structure which may be needed to support buildings above;
 - The load capacity of the non-listed structures relates closely to their condition;
 - London Road running east-west along the full length of the unlisted arches is a strong feature of the historic plan of the site and contains remains of tramways and turntables.
- 3.22 The elevated London Overground Line runs west to east across The Goodsyard. The elevated structure runs through the above ground level and has been ‘boxed in’ by the Applicant, at considerable cost, to enable development to take place over and around the structure. This represents a significant intervention across The Goodsyard and places the following constraints on development:
- The siting and extent of foundations of the London Overground Line and the impact this has on the construction of basements within a scheme for the site;
 - The potential for buildings to span over the box structure;
 - The construction of the station box and London Overground Line extending across the entire site.
- 3.23 The main railway line in and out of Liverpool Street Station runs in an open cut, approximately 7m below grade level immediately to the south of the southern boundary.

4 Proposal

- 4.1 The application has been submitted by planning consultants DP9 on behalf of the Applicant for the redevelopment of The Goodsyard into a high quality, sustainable mixed-use development. We would summarise the development as follows;

Type of Planning Application

- 4.2 The planning application is submitted in outline, with part all matters reserved and part with no matters reserved for subsequent approval. The Goodsyard is divided into a number of ‘Building Plots’ within which buildings will be developed. Building Plots C, D, E, H, I, and J are wholly within LBTH. Plots A, F and L are wholly within LBH. The borough boundary runs through Plots B and G and K.
- 4.3 Detailed plans (with no matters reserved) are submitted for Building Plots C, F, G, L and the ground and basement levels of Plots H, I, J and are hereafter referred to as ‘The Detailed Component’ of the application. The remaining Plots A, B, D, E, Park Level of H, I, J and K are submitted with all matters reserved and are referred to as ‘The Outline Component’.
- 4.4 Applications for Listed Building Consent are also submitted to each Borough for the works to the listed structure in Plot L (LBH) and the ground and basement floor of Plots H I, J (LBTH). The listed building consent applications are described as follows,

Listed Building Consent Application to LB Tower Hamlets (Plots H, I, J)

Restoration and repair of the existing Grade II listed Braithwaite Viaduct and adjoining structures for proposed Class A1/A2/A3/A5 retail use at ground and basement levels. Structural interventions proposed to stabilise London Road structure, removal of sections of London Road roof to create openings over proposed new public squares; formation of new shop front openings, installation of new means of public access up to park level. Part removal of adjoining unlisted wall on Brick Lane to provide improved public realm and pedestrian access into the site.

Listed Building Consent Application to LB Hackney (Plot L)

Restoration and repair of existing Grade II listed oriel and gates, and adjoining historic structures to provide principal western pedestrian gateway into scheme and to accommodate proposed Class A1/A2/A3/A5 retail use into a number of the existing arches at ground floor. Part removal of a section of adjoining unlisted structures proposed to provide improved public realm and pedestrian access into the site.

4.5 The Outline Component of the planning application will seek approval, at this stage for the amount and use of development – the maximum and minimum amount of development proposed for each land use and development plot, as shown on the submitted parameter plans. For the Outline Component, all matters are reserved for future approval.

4.6 To be clear, the FVA includes the maximum development areas permitted for The Goodsyard.

Total Proposed Floorspace

4.7 The total maximum floorspace proposed for The Goodsyard is 262,799 sqm GEA (including basement). A copy of the Development Specification is included at Appendix 4.

Building Height & Efficiencies

4.8 A full phase by phase description is presented at paragraph 4.31. However, the project comprises a number of buildings with building F being the tallest at 46 storeys. The development efficiencies of each building also vary. In relation to the buildings where detailed planning permission is being sought, the following above podium gross to net efficiencies apply; [REDACTED]

Building Plots

4.9 The Goodsyard is subdivided into Plots to define the disposition of the Proposed Development. The maximum and minimum total floorspace figures for which planning permission is sought for each Plot is identified in the Development Specification and the maximum GEA and GIAs are also replicated in Table 2 below.

Building	Maximum GIA (sqm)	Maximum GEA (sqm)
A	[REDACTED]	29,768
B	[REDACTED]	29,080
C	[REDACTED]	59,724
D	[REDACTED]	42,183
E	[REDACTED]	15,538
F	[REDACTED]	39,994
G	[REDACTED]	36,982
H	[REDACTED]	5,016
I	[REDACTED]	2,422
J	[REDACTED]	1,523
K	[REDACTED]	297
L	[REDACTED]	272
Slater Street Cottages	[REDACTED]	593
Total	[REDACTED]	263,392 (sqm)

- 4.10 The application seeks permission for up to the maximum floorspace specified for each category of land use, to provide important flexibility over the lifetime of the delivery of the Proposed Development. Within the mix of floorspace, the overall total floorspace will not be exceeded.

Residential Accommodation

- 4.11 Table 3 includes information relating to the GIA and NIAs for each residential plot.

Unit Type	GIA (sqm)	NIA (sqm)	Units
C	██████	██████	418
D	██████	██████	335
E	██████	██████	91
F	██████	██████	327
G	██████	██████	293
TOTAL	██████	██████	1,464

- 4.12 The residential mix is set out in Table 4 below.

Plot	Studio	1 bed	2 bed	3 bed	4 bed	5 bed	Totals
C	76	140	157	40	5	0	418
D	120	74	108	33	0	0	335
E	0	21	23	29	13	5	91
F	91	104	101	31	0	0	327
G	84	92	88	29	0	0	293
TOTAL	371	431	477	162	18	5	1,464
%	25.34%	29.44%	32.58%	11.07%	1.23%	0.34%	

- 4.13 The application seeks permission for a maximum level of residential floorspace of 188,117 sqm (GEA) across the site. This comprises 132,506 sqm (GEA) submitted in detail within Plots C, F and G and up to 55,611 sqm (GEA) of residential floorspace will be distributed across the Outline Component in Plots D and E.

- 4.14 The application proposes a range of building types. This could accommodate up to a maximum of 1,464 residential units depending on the precise mix of unit sizes. The maximum figure of 1,464 homes includes 1,038 new homes within the Detailed Component (Plots C, F and G). The proportion of each unit type may change slightly, allowing for possible changes in market demand and housing needs over the period of construction of the scheme.
- 4.15 The planning application proposes 10% on-site affordable housing by habitable rooms in relation to the residential component in LBTH. It is envisaged that affordable housing provision for LBH will comprise an off-site solution given the problems of providing affordable housing in towers (plots F and G are 46 and 42 storeys respectively).
- 4.16 At this time, the exact composition of the 10% affordable housing is to be agreed with the boroughs.

Retail Uses

- 4.17 The outline element of the application seeks planning permission for a maximum of 7,193 sqm (GEA) of Use Classes A1, A2, and A3. The detailed element comprises 12,855 sqm (GEA) of Class A1, A2, A3 and A5 use.
- 4.18 The proposed retail floorspace will be distributed across a number of Building Plots. Retail floorspace has the potential to come forward within each Plot for the detailed and outline elements, with the exception of Plot I at Park Level. As part of the outline element, Building Plots A and B allow for a flexibility of retail use (Class A1, A2, A3) or Business Use (Class B1) at ground and first floor levels.
- 4.19 Potential occupiers include large scale units such as food stores, eateries, independent shops and fashion shops. Shackleton, the Applicant's retail agent, has provided a report detailing potential occupiers and their locations, which is attached at Appendix 5.

Office Use

- 4.20 The application seeks planning permission for a maximum of 55,200 sqm (GEA) of B1 floorspace and a minimum of 41,156 sqm (GEA). Plots A and B have the potential to be 100% Class B1 use or have an element of retail at ground and first floor levels.
- 4.21 Due to flexible floor plates, the scheme could accommodate a variety of business occupiers. Cushman and Wakefield, the Applicant's office agent, has provided a report detailing the office element of the scheme, which is attached at Appendix 6.

Non-Residential Institutions (Class D1 use)

- 4.22 The application seeks planning permission for a maximum of 112 sqm (GEA) Class D1 use which would be provided in either Plot D or Plot E.

Assembly and Leisure (Class D2 use)

- 4.23 A maximum of 689 sqm (GEA) Class D2 is proposed within Plots D or E within LBTH.

Sui Generis Use

- 4.24 As a result of the community consultation, the Proposed Development also includes the provision of public conveniences, which would be provided within Plots D or E.
- 4.25 Table 5 includes information relating to the GIAs and NIAs of each commercial plot.

Table 5: The Goodsyard Commercial GIA/NIA by Plot

Unit Type	Retail		Office	
	GIA (sqft)	NIA (sqft)	GIA (sqft)	NIA (sqft)
A				
B				
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
Sclater Street Cottages				
TOTAL				

Car and Cycle Parking

- 4.26 The overall development proposes a maximum of 51 car parking spaces associated with the residential accommodation. Cycle parking would total a maximum of 2,918 spaces and be provided as per the following:

- Residential cycle parking: 2,097 spaces;
- Retail cycle parking: 221 spaces;
- Business cycle parking: 500 spaces;
- Visitor cycle parking: 100 spaces;

Basement Accommodation

- 4.27 The development will include a basement area (excluding residential facilities) of up to 9,339 sqm (GEA) which is included in the total maximum of 262,799 sqm (GEA) applied for. Basement floorspace would be used for plant, services and equipment, storage, parking and energy centres, except where stated in the application.

Public Realm and Open Space

4.28 In total, the development comprises 2.2 hectares of new public realm and landscape.

- *Ground level public realm of 12,369 sqm (1.23 hectares);*
- *Park level public realm will comprise an area of 9,719 sqm (0.97 hectares).*

Private and Communal Amenity Space

4.29 The distribution of private/communal amenity space within the Proposed Development comprises 8,979 sqm (0.89 hectares) of private residential and communal amenity space.

Phasing of Development

4.30 The development comprises a number of distinct phases (described below) and it is envisaged that physical construction works will take in the region of 13 years to complete disregarding the significant pre-application phase that has been underway since 2013 and a period for post completion sales and lettings.

4.31 The delivery of the construction programme is dependent on a number of factors not least continuing economic growth and a relatively stable property market both of which come with risks.

Phase One

- *Plot C: Located on the northern edge of The Goodsyard and north-west of the public park, fronting Bethnal Green Road. The plot comprises two residential towers ranging in height from 30 to 34 storeys above retail at ground.*
- *Plot H: A square shaped plot located in the centre of The Goodsyard, which encompasses the western part of the public park.*

Phase Two:

- *Plots F and G: Situated at the south western periphery of the Goodsyard facing Commercial Street, both plots sit side by side and feature identical facades. Plot F comprises 46 storeys above retail at ground and plot G comprises 42 storeys above retail at ground. The building contains retail space on the ground floor and stands adjacent to the residential tower at Plot G.*
- *Plot K: Situated at the South West corner of The Goodsyard on Quaker Street next to plot F. This is an island site, providing retail use, separated from the main site by the open cut railway line and comprises a two storey building, including ground floor.*

Phase Three:

- *Plots A and B: Plots A and B are two mixed use buildings of 12 and 14 storeys above retail at ground. Both buildings comprise a maximum of 54,607 sqm of office (B1) space and 3,673 sqm of retail (A1, A2, A3) floorspace. The buildings are located in the North West corner of The Goodsyard, fronting onto the intersection between Shoreditch High Street and Bethnal Green Road.*

Phase Four:

- *Plot D: 2 residential buildings, ranging from 17 to 24 storeys above retail at ground, comprising a maximum of 1,199 sqm of retail floorspace and 36,478 sqm of residential use. The building is located on the north east end of The Goodsyard, between Sclater Street to the north and the listed Braithwaite Viaduct to the South.*
- *Plot E: Located at the north eastern corner of The Goodsyard. It sits between an undeveloped patch of land fronting Sclater Street to the North and the listed Braithwaite Viaduct to the South. The 17 storey building ranges from 9 to 15 storeys above retail at ground, providing a maximum of 11,350 sqm of residential space and 1,211 sqm of retail space.*
- *Plot I: A square shaped plot located between Plot H and Plot J, encompassing the centre of the public park.*
- *Plot J: Located on the eastern edge of The Goodsyard and south of plot E, encompassing the eastern part of the public park.*

4.32 A phasing plan is included at Appendix 7 of this FVA. However, please note that these timings are indicative and could change depending on sales rates, market conditions, successful tendering and so on.

5 Policy

- 5.1 The Planning Statement submitted to support the application provides a detailed review of the relevant planning policy.
- 5.2 The following section of this Statement therefore provides a summary review of the key national, regional and local planning policy that guide the delivery of affordable housing, and other planning obligations, with reference to the importance of considering financial viability and balancing the requirements of securing a reasonable level of planning obligations with the risks of non-delivery.

National Planning Policy Framework

- 5.3 The Government’s National Planning Policy Framework (“NPPF”) was adopted in March 2012. The NPPF states that housing applications should be considered in the context of a presumption in favour of sustainable development.
- 5.4 Section 50 of the NPPF relates to the setting of housing policies that assist local authorities in the delivery of a range of homes but are flexible in their requirements for affordable housing and reactive to market conditions over time. The paragraph reads:

To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- *plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);*
- *identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and*
- *where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.*

- 5.5 Sections 173 to 177 are entitled ‘Ensuring Viability and Deliverability’. In particular, the second half of paragraph 173 states:

‘To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable’.

- 5.6 The definition of affordable housing, previously in Annex B of PPS3 has been replaced by a new definition with the Glossary (Annex 2) of the NPPF:

“Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime.

It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency. Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing such as “low cost market” housing may not be considered as affordable housing for planning purposes”.

- 5.7 The introduction in the NPPF of Affordable Rent is a step change in the way in which the Government want to see rented affordable housing delivered. The previous capital based model, with grants delivered through the HCA to housing associations, is being part replaced by a revenue based model with higher rents charged at the expense of public subsidy.

National Planning Policy Guidance

- 5.8 The National Planning Policy Guidance (“NPPG”) in alignment with the NPPF contains important guidance on the delivery of new housing and the role of development viability as a material consideration.
- 5.9 The NPPG provides a general overview but focuses on viability in the context of both plan making and individual application sites. The site specific guidance covers a number of areas including different development types, brownfield sites, considering planning obligations in viability, values, costs and land value, but in particular expands upon paragraph 173 of the NPPF in regards ‘competitive returns to developers and landowners’. Paragraph 024 states:
- “A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy.”*
- 5.10 Paragraph 173 of the NPPF and the NPPG thereafter have introduced financial viability into Central Government guidance and the concept of a competitive return (for both the landowner and the developer) as a material consideration in the determination of planning applications. This is a key consideration therefore to the determination of The Goodsyard planning applications.

Regional Policy

- 5.11 The London Plan (July 2011) contains guidance on both affordable housing and development viability related matters in accordance with the NPPF.
- 5.12 The London Plan defines Affordable and Social Rented housing at Policy 3.10. It is worth noting here that the introduction of Affordable Rent is not intended to wholly replace Social Rent and this distinction needs to be made. The Further Alterations to the London Plan, which are dealt with below, seeks to update Regional policy on the definition of affordable rented accommodation following disagreements with a number of London boroughs who have questioned the true affordability of the new tenure.
- 5.13 Policy 3.11 requires Boroughs to set an overall target for affordable housing provision within development proposals, taking into account a number of key criteria including viability.
- 5.14 The London Plan states that Council’s overall targets for the amount of affordable housing provision should be based on an assessment of all housing needs and a realistic assessment of supply and as such is less prescriptive than previous versions of the Plan.
- 5.15 In regards viability, and enabling the prospects of delivery, Policy 3.12 of the Plan states that development viability should be assessed on a site by site basis taking into account a number of factors including the need to encourage rather than restrain development. The policy reads:

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

(a) Current and future requirements for affordable housing at local and regional levels identified in line with Policies 3.8 and 3.10 and 3.11;

(b) Affordable housing targets adopted in line with Policy 3.11;

(c) Need to encourage rather than restrain residential development (Policy 3.3);

(d) The need to promote mixed and balanced communities (Policy 3.9);

(e) The size and type of affordable housing needed in particular locations;

(f) The specific circumstances of individual sites.

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 schemes prior to implementation ('contingent obligations'), and other scheme requirements.

5.16 The supporting text in paragraph 3.74 repeats part C of the policy setting out that in exceptional circumstances an off-site of cash in lieu contribution may be accepted. Where cash in lieu contributions are acceptable, the text sets out that the payment should be ring fenced, and if appropriate 'pooled' to secure efficient delivery of additional affordable housing on identified sites elsewhere. These exceptional circumstances include those where, it would be possible to:

- *Secure a higher level of provision*
- *Better address priority needs, especially for affordable family housing*
- *Secure a more balanced community*
- *Better sustain strategically important clusters of economic activities, especially in parts of CAZ.*

5.17 The London Plan requires that Local Planning Authorities assess viability on a site by site basis to extract the maximum reasonable amount of affordable housing but within the context of encouraging rather than restraining development and having regard to the individual site circumstances. This is particularly relevant at The Goodsyard.

Revised Early Minor Alterations to the London Plan (REMA) October 2013

5.18 The REMA were adopted in October 2013 as formal alterations to the London Plan. The revised adopted regional strategy continues the theme of encouraging rather than restraining development and seeks the maximum reasonable amount of affordable housing and other obligations with regard to site specific viability.

Further Alterations to the London Plan (FALP) January 2014

- 5.19 The FALP sets out the basis for a higher housing targets based on increased household targets for each London borough based on an evidence base consisting of the Strategic Housing Market Assessment and the Strategic Housing Land Assessment.
- 5.20 The FALP therefore sets challenging targets for the capital but states that the requirements are achievable with a significant upturn in planning consents with on average, 55,000 new homes consented every year. The FALP recognises the challenge of converting these consents into starts and completions. The need to secure delivery is clearly expressed at several points in the FALP including at section 3.18.
- 5.21 Policy 3.3 deals with Increasing Housing Supply and states “*the Mayor recognises the pressing need for more homes in London in order to promote opportunity and provide a real choice for all Londoners*”. The Mayor sets challenging new housing targets for each borough which he notes should be met and exceeded. LBTH are challenged with delivering 3,931 homes per annum with LBH tasked with delivering 1,599 homes per annum.

GLA Housing Strategy (November 2012)

- 5.22 The GLA published their updated Housing Strategy in the form of Supplementary Planning Guidance in November 2012. The purpose of the Strategy is to provide guidance to supplement the housing policies in the London Plan.
- 5.23 The Strategy encourages local authorities to seek a balance between planning obligations whilst encouraging sites to come forward. The Strategy states at 4.4.10:
- ‘It is essential that an appropriate balance is struck between delivery of affordable housing and overall housing development, especially in current economic circumstances’.*
- 5.24 The strategy seeks to maximise the delivery of affordable housing and particularly family housing with new homes that are of a high quality design accompanied by facilities provided for those living in them that are vital to ensuring good liveable neighbourhoods.

GLA Draft London Housing Strategy ‘Homes for London’ (November 2013)

- 5.25 ‘Homes for London’ was published as a consultation document in November 2013 and subsequently revised and submitted for further consideration in April 2014. The document also sets out the reasoning for ambitious new housing targets for the capital, set out in the FALP.
- 5.26 The document also provides details on the GLA’s next affordable housing programme being 2015 to 2018 with a strategic target of 60:40 rented / intermediate homes and the delivery of 15,000 affordable homes per annum.

5.27 The Housing Strategy provides clarity on the GLA’s requirements for Affordable Rent which has been contentious in its introduction and has led to a number of local authorities seeking a Judicial Review into the GLA’s interpretation. The new definitions provided in the Housing Strategy refer to capped and discounted rents which are as follows:

- *Capped Rents – set at 50% of open market rent. The expectation is that these rent levels will be more in line with the formula target rents under the rent restructuring regime*
- *Discounted Rents – at 80% of OMR capped at LHA rates (30th percentile)*

5.28 The current prospectus expects that the lower “Capped” rents will be applicable to smaller properties (to encourage downsizers) with the higher “Discounted” rents applicable to larger family-sized homes. The GLA expect that in terms of new housing supply half of the rented products will be at capped rents and half at discounted rents.

5.29 We understand that GLA will expect everyone to sign the framework but our expectation is that local authorities are likely to want to have their own rent setting framework which would most probably be the reverse of the GLA expectation (i.e. capped rents for family sized units and discounted rents for smaller units) or even a blended rent of around the 65% OMR across the whole site. DS2 are currently adopting LBTH’s preferred POD rents on sites elsewhere in the borough.

Local Planning Policy: London Borough of Hackney

5.30 LBH’s affordable housing policy is contained within their Local Development Framework (LDF). Paragraph two of LBH’s Core Strategy Policy 20 (adopted November 2010) sets out LBH’s borough-wide affordable housing target, stating:

5.31 *‘Affordable housing will be sought on all developments comprising 10 residential units or more. New housing should seek to meet a borough-wide affordable housing target of 50% of all units subject to site characteristics, location and overall scheme viability. The Greater London Authority’s Affordable Housing Toolkit Assessment or a similar scheme appraisal model should be used in presenting the viability of a scheme.’*

5.32 The policy also states that 60% of affordable housing should be for Social Rent and 40% for intermediate housing (by unit).

5.33 In September 2011, LBH released their Interim Position Statement on the Affordable Homes Programme (2011-15). This statement provides interim guidelines for the HCA’s Investment Partners operating in LBH, and also provides particular direction with regards to the Affordable Rent tenure (this predates the Mayor’s Housing Strategy as noted above).

5.34 The guidelines for affordability levels for different bedroom sizes are 1 beds up to 70% of market rents, 2 beds up to 60% and 3 and 4 beds up to 50% dependent on local circumstances and adherence to Local Housing Allowance caps.

- 5.35 The Interim Statement also provides guidelines for the tenure mix of Hackney’s affordable rented housing programme, being 75% Affordable Rent and 25% Social Rent.
- 5.36 With regards to intermediate housing, LBH recognise that the London Plan sets upper household income limits, but states that:

‘Where housing providers are proposing to provide low cost home ownership they should ensure, and be able to demonstrate, that a high proportion of the homes are affordable to Hackney residents on moderate incomes.’

Local Planning Policy – London Borough of Tower Hamlets

- 5.37 LBTH’s affordable housing policy is contained within their Local Plan. Strategic Objective 7 of their Core Strategy states that the Council will seek a minimum of 35% affordable housing on qualifying sites and up to 50% from all sources.
- 5.38 Specifically Policy SP02 identifies the 35% minimum requirement (part 3a) on sites in excess of 10 dwellings and states (part 4) that 70% of the provision will be required as Social/Affordable Rented homes and 30% as intermediate homes.
- 5.39 Part 5 of the policy identifies that 30% of all accommodation on the site should be three bed family accommodation with 45% of all the social (affordable) rented accommodation as three bed plus family units.
- 5.40 LBTH’s Managing Development Document (MDD) was adopted in April 2013. Part 3 of Policy DM3 stipulates that developments should maximise the delivery of affordable housing on-site. Off-site contributions will only be considered in circumstances where; it can be demonstrated that it is not practical to provide affordable housing on-site; where a better outcome in terms of tenure and quality is expected from an off-site solution; and finally where a minimum of 50% affordable housing can be provided overall (subject to viability).
- 5.41 Part 4 of the policy states that for any development, affordable housing will be calculated by using habitable rooms as a primary measure. The policy further explains that under exceptional circumstances, a payment-in-lieu of on-site affordable housing will be considered.
- 5.42 Additionally, the MDD has specifically allocated The Goodsyard as a strategic, regenerative site as part of the positive planning process to make sure the borough has the infrastructure needed to support the anticipated level of growth set out in the Core Strategy. Furthermore, the MDD stipulates that any development of The Goodsyard should comply with the design principles set out in the Bishopsgate Goods Yard Interim Planning Guidance (2010).

Other Material Considerations – Interim Planning Guidance

- 5.43 The Bishopsgate Goodsyard Interim Planning Guidance was adopted in 2010 by LBTH and LBH and approved by the GLA. The document identifies a number of planning and design principles for the future comprehensive development of The Goodsyard. The aim of the document is set out in paragraph 1.3, which states:

'It will be used to inform future re-development plans and will be a material consideration when determining planning applications for the site.'

- 5.44 In essence, the guidance is aimed at facilitating the delivery of approximately 350,000 square metres of total development, comprising; up to 2,000 homes, 75,000-150,000 square metres of employment, retail and community space and approximately 1.8 hectares of publicly accessible open space.
- 5.45 Furthermore, the interim guidance draws upon a number of constraints at the Site that are derived from both existing and proposed infrastructure passing through the Site, historic structures, environmental and conservation issues, and local as well as strategic townscape views. However, it is noted in the guidance that both the London Plan and the City Fringe OAPF deal with these constraints and provide the strategic planning policy framework for the Site.
- 5.46 In relation to the delivery of affordable housing and development viability policy BG21 states in Chapter 3 of the Guidance states:

"The development must provide a mix of housing tenures, including market sale, intermediate and social rented housing to meet local needs. In line with current planning policies a minimum of 35% affordable housing (calculated by habitable room) should be provided on site, subject to viability and site circumstances as outlined in the London Plan".

Summary

- 5.47 In summary, national, regional and local planning policy encourages the delivery of sustainable development with the maximum reasonable amount of affordable housing and other financial obligations that can be viably supported whilst encouraging the prospects of delivery.

6 Methodology

- 6.1 In collating this FVA, our methodology has been framed by national, regional and local adopted planning policy as well as non-adopted best practice guidance and our own experience in undertaking FVAs.

Methodology

- 6.2 The most common method for valuing development is the Residual Valuation Method, clearly set out in the RICS's 'Valuation Information Paper 12' (VIP12), 'Valuation of Development Land' and the RICS 'Financial Viability in Planning' (FVIP) Guidance Note (94/2012).
- 6.3 The methodology underpinning viability appraisals is based upon the residual method and is a relatively simple concept. In short, the gross value of the completed development is assessed, including, amongst others, the aggregated value of any residential properties, commercial income, car parking income and ground rents. Secondly, the cost of building the development is deducted along with professional fees, finance costs and developer's profit. This is illustrated below:

Table 6: Residual Value Analysis	
Gross Development Value	
Residential sales income	
Commercial sales income	
Any additional income (ground rents, car parking)	
Less	
Costs	
Build costs	
Exceptional development costs (where applicable)	
Professional fees	
Internal overheads	
Planning obligations	
Marketing costs and disposal fees	
Finance costs	
Less	
Developer's Profit	
Equals	
Residualised Land Value	

- 6.4 In the above table, developer's profit and land value can be interchanged i.e. a fixed land value derives a residual developer's profit. In short, the gross value of the completed development is assessed, including, amongst other things, the aggregated value of any residential properties, commercial income, car parking income and ground rents. Secondly, the cost of building the development is deducted along with professional fees, finance costs, sales, marketing and letting costs, other legitimate costs and developer's profit.

- 6.5 The developers profit or margin is a cost of the scheme. Profit is the cost of risk, time and effort in completing the development.
- 6.6 The RICS state at 3.3.2 of their ‘Financial Viability in Planning’ (FVIP) Guidance Note that *“The benchmark return, which is reflected in a developer’s profit allowance, should be at a level reflective of the market at the time of the assessment being undertaken. It will include the risks attached to the specific scheme. This will include both property-specific risk, i.e. the direct development risks within the scheme being considered, and also broader market risk issues, such as the strength of the economy and occupational demand, the level of rents and capital values, the level of interest rates and availability of finance. The level of profit required will vary from scheme to scheme, given different risk profiles as well as the stage in the economic cycle”*.
- 6.7 The output of the modelling is the Residual Land Value (“RLV”). Simply, if the RLV produced by a scheme is lower than a Benchmark Land Value (“BLV”) then the scheme is deemed to be unviable. If the RLV is higher than the BLV then the scheme can come forward in principle and provide affordable housing and /or other planning obligations.
- 6.8 Through this process it is possible to determine the maximum reasonable level of affordable housing and other obligations that ensure a scheme remains financially viable thus retaining the highest possible chance of being delivered whilst balancing commercial requirements with policy requirements of the Development Plan.
- 6.9 Importantly, if a scheme is viable i.e. the RLV is higher than the BLV the extent of the viability determines the reasonable maximum amount of affordable housing that should be provided. In the event that the RLV does not meet the BLV, then the reasonable maximum level of affordable housing is zero. This principal was noted by the Inspector at the St Edmunds’ Planning Inquiry in 2012.
- 6.10 A copy of Planning Inspectorate Decision reference APP/X5210/A/12/2173598 dated October 2012 is attached as Appendix 8 of this evidence. At section 16 of the decision, in relation to the proposed provision of zero affordable housing, the Inspector states (the underlining is my own):
- “Affordable housing provision now is therefore not viable. The provision of a nil level of affordable housing would accord with the policy requirement to provide the maximum reasonable amount of affordable housing having regard to viability. The question of whether affordable housing should be on-site or off-site does not arise. These conclusions confirm incidentally the likelihood of the consented (October 2011) scheme not being developed. This shows that the aim of encouraging rather than restraining residential development as sought by the London Plan Policy 3.12 is not likely to be met were there to be an insistence on any affordable housing from this development. The appellant addresses the reasons why even at the large negative value indicated, a developer may proceed, but a decision to proceed does not justify a requirement for affordable housing provision.*

The £1.5M affordable housing contribution in the Second Schedule of the Undertaking is not necessary to make the development acceptable”.

6.11 The Inspector’s concluding statement in relation to the provision of zero affordable housing also notes that:

“That finding accords with policy that seeks the maximum reasonable amount of affordable housing, having regard to the need to encourage rather than restrain residential development, and taking account of development viability”.

6.12 It should be noted that on strategic sites with multiple constraints it is not uncommon for the RLV to be below the BLV given the respective constraints. This is not to suggest that a developer and / or their funders will bring forward a scheme at a lower profit level, but simply that they might be prepared to take a view on commercial viability given the longevity of a project. There is still an expectation that through a number of factors including cost control, more detailed design and market improvements a full project return commensurate with the risks involved can be accrued over the lifetime of the project.

6.13 In summary, the methodology adopted in this FVA compares the residual profit figure with a benchmark profit figure. The appraisal includes a fixed land value representative of a value that is consistent with the intent of section 173 of the NPPF and the NPPG.

Land Value

6.14 In order to include an appropriate and reasonable land value for viability purposes it is important to understand the policy and best practice guidance context. There are two main approaches used in London:

- GLA London Plan & Housing SPG which favours the ‘CUV plus’ approach;
- The RICS Market Value approach.

6.15 The benchmark value represents the level at which a rational landowner might release his land for development. Advocates of both approaches report that they are aligned with the intent of the NPPF; that is to encourage sites to be brought forward for development at a margin above the Current Use Value that incentivises their release for development.

Current / Existing Use Value plus Approach

6.16 The rationale for the ‘CUV plus’ approach is historically that a margin of 20% above the CUV is an appropriate site value for viability purposes. The simple accepted premise is that a landowner requires a premium in order to incentivise development.

- 6.17 The GLA toolkit led the concept of CUV plus a margin to persuade a site owner to release land for development. The RICS Guidance Note which we shall come onto has now defined ‘CUV plus a margin’ to equate to ‘Site Value’. Both technically are used in London and the Mayor’s Housing SPG notes that both are valid and appropriate and should be assessed on a site by site basis.
- 6.18 In reviewing the GLA methodology we have had regard to the GLA Toolkit guidance notes that accompany the 2014 model. The GLA Toolkit is a development appraisal model that is used by applicants and local authorities to test the viability of schemes. Argus Developer, as included in the DS2 appraisal is simply another type of residual model that adopts the same methodology.
- 6.19 The GLA Toolkit notes on page 8 state *‘The Existing Use Value (EUV) will normally be a key factor in deciding whether a scheme comes forward because this is the measure by which a landowner decides whether it is worth his/her while in making a planning application to change the use of the site’*.
- 6.20 Page 9 of the Toolkit notes states ‘the ‘EUV plus’ approach incentivises the landowner to release their site for development, although the level of the premium will depend on site specific circumstances. No explicit margin is referred to in the Toolkit notes. The Toolkit notes also refer to the RICS Guidance Note and the use of Market Value.
- 6.21 In relation to the preferred approach, the Toolkit notes state that *‘The Mayor considers that it is for Boroughs (and for himself, in cases he determines) and other Toolkit users to determine which is the most appropriate in the light of their local circumstances. In instances where there is some uncertainty over which approach to adopt, users are advised to take into account the legal precedents and established practice (noted below)’*.
- 6.22 It is worth noting that the case evidence referred to on page 12 of the Toolkit Guidance Notes all refers to Appeal Decisions made in 2007 to 2009 that pre-date the adoption of the NPPF (i.e. where a more market facing approach is introduced into planning policy). Reference to, for example the St Edmunds decision, is not made.
- 6.23 The Toolkit Guidance Notes reference the Lord Harman Local Housing Delivery Group report entitled ‘Viability Testing Local Plans – Planning Advice for Practitioners’ that was published in 2012. DS2 have reviewed the report which in the main prefers a CUV plus approach to viability in regard to policy making. The report states that the Market Value approach can be problematic given that market values are retrospective and as such not helpful in formulating new policy.
- 6.24 Page 28 of the Lord Harman report makes reference to Threshold Land Value (the same as BLV) as:
“This Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development, before payment of taxes (such as capital gains tax). We recommend that the Threshold Land Value is based on a premium over current use values and

credible alternative use values (noting the exceptions below). The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell. The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell. In setting out a Threshold Land Value, it is important to avoid assuming that land will come forward at the margins of viability”.

- 6.25 The Lord Harman report makes reference to site specific viability and helpfully discusses the CUV plus approach in some detail. The report provides a definition of viability which is:

“An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered”.

- 6.26 The report states that in estimating the margin that should be applied to the CUV regard should be had to the local market in order to ‘sense check’ inputs (reference on page 29 of the report). In doing this, the study is ensuring that land value for the purposes of policy making is not set at such a punitive level as not to encourage sites to come forward i.e. recognition that an understanding of market forces is required to aide delivery.

- 6.27 This ‘sense check’ is akin to that required by valuers as advised by the RICS in valuing land for development once a residual calculation has been undertaken. A sense check is regarded as best practice when reporting the value of development land.

- 6.28 Section 5.1 of the RICS’s Valuation of Development Land Information Paper states ‘*Where the nature of the development is such that there are no (or limited) transactions to use for the comparative method, the residual method provides an alternative valuation approach. However, even limited analysis of comparable sales can provide a useful check as to the reasonableness of a residual valuation*’.

GLA Housing SPG

- 6.29 The GLA Housing SPG favours a CUV plus approach albeit recognises that each site should be judged on its own merits. At 4.4.33 the Housing SPG states ‘*in undertaking an economic viability assessment of a specific housing outcome, the borough should take into account the impact of any planning obligations sought for benefits other than affordable housing, recognising that requirements for contributions to schools, environmental improvements, transport or social infrastructure, may limit the number and mix of affordable homes*’.

- 6.30 Section 4.4.35 of the Housing SPG recognises that each site should be assessed on its own merits and states that *'on a broader, conceptual issue, it should be noted that the NPPF's benchmark for viability appraisal is that it should "take account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable". In light of inference to the contrary, either 'Market Value' or 'Existing Use Value plus' based approaches can address this requirement; their appropriate application depends on specific circumstances'*.

Market Value Approach

RICS Guidance Note 'Financial Viability in Planning' (FVIP) (94/2012)

- 6.31 The RICS FVIP proposes the use of a risk adjusted Market Value as an appropriate Site Value in planning negotiations, being in accordance with paragraph 173 of the NPPF and the requirement for a reasonable return to the site owner.
- 6.32 Section 2.3.1 of RICS Guidance Note states that Site Value as an input into an appraisal or as a benchmark value should be defined as follows:
- 'Site Value should equate to the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan'*.
- 6.33 The RICS FVIP states in relation to Site Value based on the definition noted above that regard should be given to prospective planning obligations. The purpose of the viability appraisal is, of course, to assess the extent of these obligations while also having regard to the prevailing property market.
- 6.34 The RICS FVIP states the Site Value definition is not prescriptive and leaves the practitioner to make an appropriate judgment which must be reasonable, having regard to the workings of the property market. Clearly, if sites are not willingly delivered at competitive returns to the market, development will not take place.
- 6.35 The residual land value (ignoring any planning obligations and assuming planning permission is in place) and current use value represent the parameters within which to assess the level of any planning obligations. Any planning obligations imposed will need to be paid out of this uplift but cannot use up the whole of this difference, other than in exceptional circumstances, as that would remove the likelihood of the land being released for development.
- 6.36 The Site Value will be based on Market Value, which will be risk-adjusted, so it will normally be less than current market prices for development land for which planning permission has been secured and planning obligation requirements are known.

6.37 The practitioner will have regard to Current Use Value, Alternative Use Value, market/transactional evidence (including the property itself if that has recently been subject to a disposal/acquisition), and all material considerations including planning policy in deriving the Site Value.

Summary

6.38 In determining what constitutes a reasonable land value for viability purposes on the subject site we have had regard to the Current Use Value of The Goodsyard, any Alternative Use Values and also the Market Value of the site.

6.39 The defining principle is that the figure must be at least equal to the minimum reasonable figure that encourages the site to be sold for development with reference to market information. The figure should be an appropriate balance between that reserved for the landowner, with a reasonable profit return for the development commensurate with the risks and reflective of the range of benefits of the development being proposed. Our analysis of an appropriate land value for viability purposes is contained within Section 10.

7 Timings

Development Timings

- 7.1 The development programme is estimated from July 2014. We have adopted a 18 month pre-construction period. This includes allowances for the following:
- Obtaining a satisfactory planning consent;
 - Securing site acquisition (including legals);
 - Signing of the legal agreements;
 - Expiration of the Judicial Review period following the granting of planning;
 - Discharging of conditions;
 - Obtaining Vacant Possession;
 - Preparing the tender documentation and going to the market;
 - Securing necessary development funding; and
 - Preparation of a sale and marketing campaign and achieving the required pre-constriction sales.
- 7.2 Our development appraisals adopt the following construction programme which is set out in more detail in Table 7 below and based on GVA Second London Wall's programme which is attached at Appendix 7:

Building	Development Areas (GIA)	Construction		Duration
		Start	End	
Pre-construction		July 2014	January 2016	18 months
Plot C		July 2016	November 2019	41 months
Plot H		April 2017	November 2019	32 months
Plot G		May 2019	June 2022	38 months
Plot F		August 2021	June 2024	35 months
Plot K, L		August 2021	June 2024	35 months
Plot A		January 2021	July 2023	30 months
Plot B		March 2021	January 2024	34 months
Plot I, J		September 2024	March 2026	18 months
Plot D		October 2024	January 2028	40 months
Plot E		October 2024	April 2026	19 months

7.11 [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

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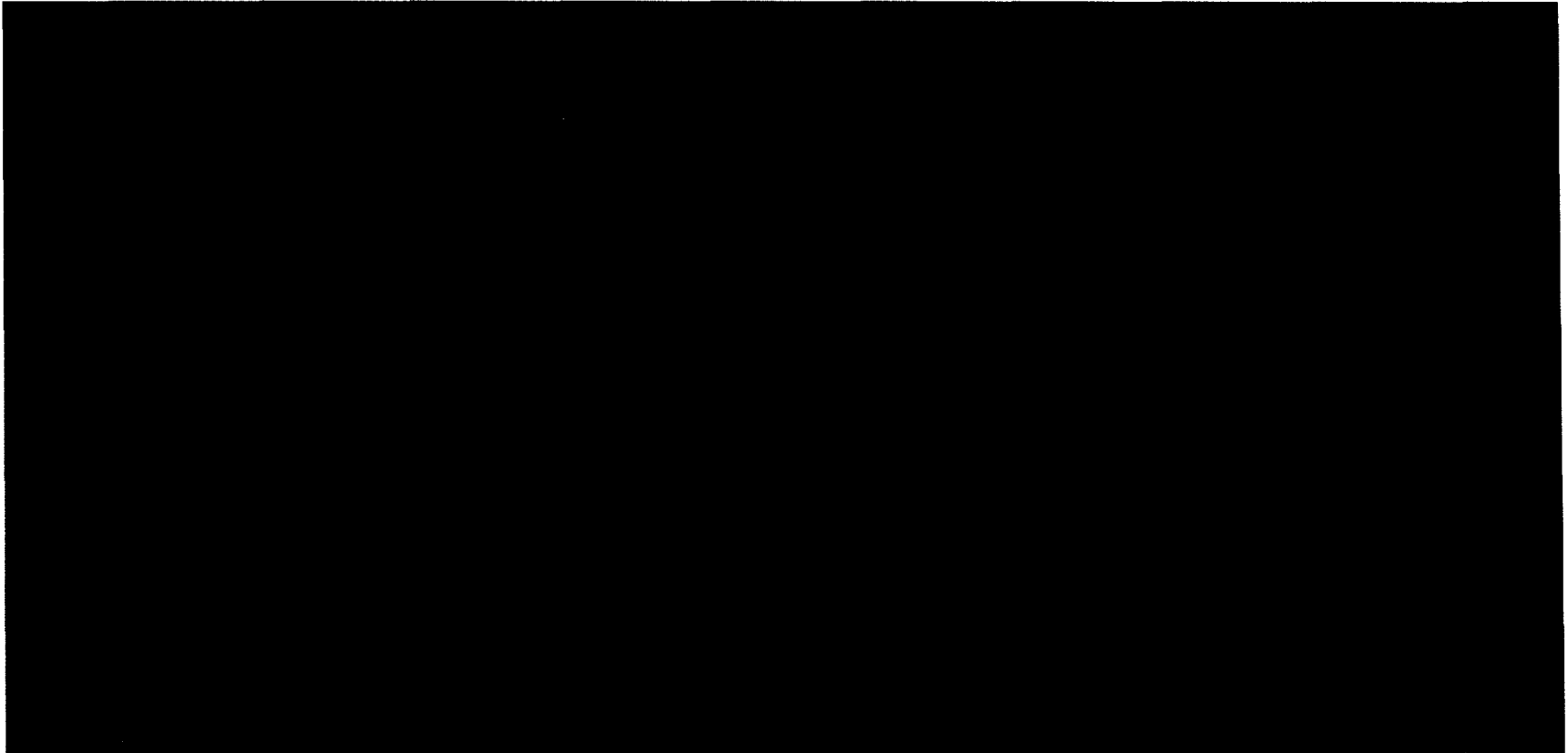
Summary

7.16 In summary, we have adopted the project manager’s timings in regard to development timings albeit they are included on the assumption that there are no problems on any of the plots and the timetable reflects an optimum programme.

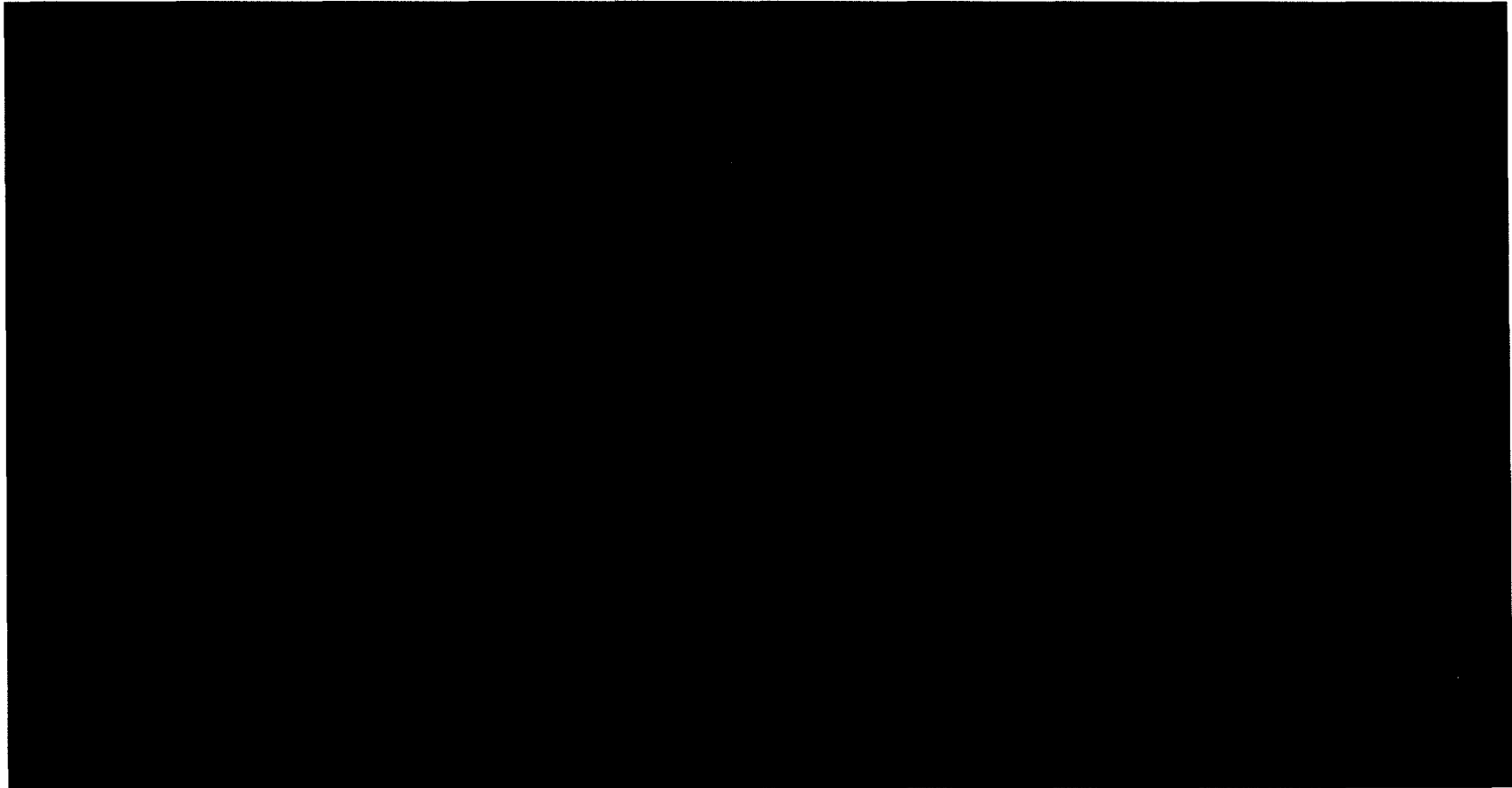
7.17 [REDACTED]
[REDACTED]
[REDACTED] Any extension to the development programme or sales timings, in simplistic terms, increases funding costs and potentially reduces the current scheme viability.

7.18 A graph illustrating the cost and revenue profile is included on the next page and a graph illustrating the cumulative net cash flow position is contained on the page after. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Graph 1: The Goodsyard Cost and Revenue Profile



Graph 2: The Goodsyard Cumulative Net Cash Flow



8 Values

8.1 All the following inputs are based on research and information available at today's date and are included on a present day basis.

Residential Specifications

8.2 [REDACTED]

[REDACTED]

8.4 The affordable specifications are subject to an agreement with the preferred Registered Provider at the appropriate time.

Private Residential Values

8.5 Our comparable evidence is presented in Appendix 10. In assessing the appropriate sales values for the private residential elements of The Goodsyard, we have searched for competing new and modern apartments in the vicinity and also had regard to schemes that are coming forward but do not yet have marketing and sales information available.

8.6 Given the heights of buildings F and G in Hackney we have had regard to evidence further afield, as there are unsurprisingly few residential buildings in London that have recently marketed that are in excess of 40 storeys.

8.7 In undertaking our research, DS2 have also utilised Molior (monitors new build developments and pricing in London), London Residential Research and a number of other property websites. [REDACTED]

8.8 Table 8 provides a summary of the pricing detail for each of the buildings.

Table 8: The Goodsyard Residential Pricing Summary July 2014

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

8.9 Residential accommodation is included at an average of [REDACTED] across The Goodsyard with an average present day private capital value of [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

8.10 The overall development proposes 1,464 residential homes of which some will meet affordable housing criteria and be delivered as such. [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

8.12 DS2 would note that there are pricing and wider economic and property market risks over the time period envisaged, and that this should be taken into consideration carefully when the current pricing profile is reviewed.

Additional Income

8.13 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

8.14 [REDACTED]
 [REDACTED]
 [REDACTED]

Office Values

8.15 The Applicant has been advised by [REDACTED] in respect of office expectations. Their advice is included at Appendix 6 of this FVA. In summary the following assumptions have been adopted.

Table 9: The Goodsyard Office Summary July 2014

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Retail Values

8.16 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Table 10: The Goodsyard Retail Summary July 2014

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Summary

8.18 The various components derive a present day Gross Development Value of [REDACTED] which is comprised as follows:

- Private residential - [REDACTED]
- Retail - [REDACTED]
- Office - [REDACTED]
- Private residential ground rents - [REDACTED]
- Car parking - [REDACTED]

8.19 The total scheme Net Realisation [REDACTED]
[REDACTED]

9 Costs

9.1 This section also provides a summary of the development costs on a Present Day basis. The overall costs comprise:

- Build costs as advised by [REDACTED]
- Exceptional costs as advised by [REDACTED]
- Professional fees
- Sales, letting, marketing & disposal costs
- Financing costs
- Profit expectations
- Planning obligations
- Mayoral CIL / Crossrail payments and
- Additional development costs.

Build Costs

9.2 We have provided a cost plan by [REDACTED]

9.3 The total base build costs are [REDACTED] on a present day basis. This includes the abnormals, preliminary costs, overheads and profit and contractor's contingency. This equates to [REDACTED] on the project GIA. When the developer's contingency of [REDACTED] of the build cost (excluding contractor's contingency) is included at [REDACTED], this equates to [REDACTED] per sq ft on the project GIA.

Professional fees

9.4 Professional fees are included at [REDACTED] of the build costs, whereby [REDACTED] of the total professional fees budget is cash flowed during the pre-construction period and [REDACTED] is split on a plot by plot basis throughout the construction programme.

9.5 The costs are reflective of a large scale regeneration project such as The Goodsyard where there are a number of architects and the full range of consultants required to cover just about every conceivable area. We would also note the considerable impact on professional fees where there are rail related works.

Sales, letting, marketing & disposal costs

- 9.6 The scale and local significance of a project such as The Goodsyard demands that, from a sales and marketing perspective, the delivery is very much focused on educating and stimulating the domestic market.
- 9.7 A detailed demonstration of what the Applicant intends to deliver in terms of the apartments themselves, the amenity offering, the environment and the commercial and retail stories will be key to the success of the scheme.
- 9.8 This will be done through the bespoke marketing suite(s) and display spaces that will be built on site together with a sustained and carefully considered PR and advertising campaign here in London. It is anticipated that The Goodsyard will also be sought after by the international market.
- 9.9 The Applicant would expect to also market the scheme abroad on the back of a successful domestic launch. As a signatory of the Mayoral Concordat on new homes for Londoners, The Goodsyard will be offered to the UK market before anywhere else.
- 9.10 For a large mixed-use central London development we would assume the following costs, which are considered market norms;

- Residential marketing – [REDACTED]
- Residential sales agent fee – [REDACTED]
- Residential sales legal fee – [REDACTED]
- Commercial marketing – [REDACTED]
- Commercial sales agent fee – [REDACTED]
- Commercial sales legal fee – [REDACTED]

9.11 DS2 have provided a [REDACTED]
 [REDACTED]
 [REDACTED]

Finance

9.12 Given the scale of the proposals and for the reasons explained, the target profit return is an IRR. Where the profit return is assessed as an IRR it is ungeared i.e. pre finance costs albeit the Applicant faces considerable challenges in raising a significant amount of capital from senior and secondary debt providers, as well as private equity, from multiple sources. In part, the target IRR is derived from the borrowing profile.

Profit Expectation

9.13 Paragraph 173 of the NPPF states as follows:

‘To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.’

9.14 Determining a level of acceptable profit/return depends upon a number of factors but is primarily focused on the perceived risks involved in undertaking the development; the size and value of the scheme, the length of the development programme, the state of the market, the level of enabling or ‘up-front’ costs involved and so on. Banks and other funding institutions will have minimum expectations in terms of profit returns aligned with the risk profile as will developers.

[REDACTED]

Planning Obligations

9.16 DS2 have not included actual costs for S106 requirements at this stage and it is anticipated that the scale of these obligations will be identified through the determination period and they will be included in the development appraisal, in the normal manner, as costs that the proposal will need to allow for.

9.17 It is clearly recognised that the Proposed Development will generate significant S106 obligations and contributions. Set out below, is a draft set of heads of terms that are likely to be attached to a planning permission issued by either LBH or LBTH:

LBTH Draft Heads of Terms

- 1) Affordable Housing
- 2) Education
 - Contribution towards education /libraries
- 3) Employment and Enterprise
 - Contribution towards Employment and Enterprise
 - Access to Employment (Local Procurement; Local Labour in Construction; end Phase local Jobs)
- 4) Idea Stores, Libraries, Community and Leisure Facilities
 - Contributions towards existing idea stores and libraries
 - Contributions to community facilities and projects
- 5) Health Facilities
 - On site provision of a health facility
- 6) Sustainable Transport, Public Transport and Highway Infrastructure
 - Contribution towards sustainable transport
 - Contribution towards bus service enhancements
 - Contribution towards provision of Cycle Hire Docking Facilities on and off-site
 - Contribution towards highway junction improvements
 - Allowing the public to pass and re-pass within the site with controlled/timed public access
 - Contribution towards annual monitoring of the approved Travel Plans
 - Enter into a S278 Agreement with LBH/LBTH or TfL for off-site highway works.
- 7) Public Realm and Open Space
 - Management Plan for the Park
 - Contribution towards improvements to Allen Gardens
 - Contributions to environmental improvements to Brick Lane, Braithwaite Street, Sclater Street and Bethnal Green Road
 - Contribution towards Legible London signage.
- 6) Construction
 - Considerate Contractor Scheme – a commitment to carry out all works in keeping with the National Considerate Contractor Scheme.
- 7) Energy
 - Allow for the future connection to a District Heating scheme

LBH Draft S106 Heads of Terms

- 1) Affordable Housing
 - Payment of a contribution to secure the provision of off-site affordable housing to be provided by an approved Registered Social Landlord.
- 2) Education
 - Contribution towards education / libraries
- 3) Affordable Workspace
 - The leasing of part of the B1 office accommodation as affordable workspace to an affordable workspace provider.
- 4) Employment
 - Engagement with LBH Ways into Work.
 - Contribution towards operational costs of Ways into Work.

- 5) Highways and Transportation
 - A contribution towards annual monitoring of the approved Travel Plans
 - Contribution towards public realm improvements within the vicinity of the development.
 - Enter into an S278 agreement with LBH
 - Payment by the landowner/developer towards Legible London signage.
- 6) Construction
 - Commitment to the Council’s local labour and construction initiatives (on site employment).
 - Considerate Contractor Scheme – a commitment to carry out all works in keeping with the National Considerate Contractor Scheme.
- 7) Energy
 - Allow for the future connection to a District Heating scheme.

Mayoral Community Infrastructure Levy (CIL) & Crossrail

- 9.18 The GLA’s SPG ‘*Use of planning obligations in the funding of Crossrail*’, and the Mayoral Community Infrastructure Levy provides guidance on the payment of Mayoral CIL and Crossrail where both are required.
- 9.19 The SPG dated April 2013 states that office development in central London should pay £140 per sq m towards Crossrail with retail charged at £90 per sq m. Section 3.34 of the SPG states that in relation to Crossrail and viability ‘*as indicated in policies 6.5Be and 8.2B of the London Plan, the Mayor will consider carefully any case in which it can be demonstrated that making a contribution under this guidance would have an effect on the economic viability of a development, or would otherwise be unreasonable or disproportionate*’.
- 9.20 The Mayoral CIL charge as set out in the Charging Schedule for Zone 2 is £35 per sq m. The sum payable is calculated in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended).
- 9.21 Section Four of the Crossrail SPG sets out how the Mayor has met the commitment made in paragraph 8.16 of the London Plan to ensure that decisions on both the CIL charging schedule and the level of section 106 contributions for Crossrail have informed each other. In relation to the payment of Crossrail S106 funds and Mayoral CIL on The Goodsyard the following principles are applied:
- Where the amount payable under the planning obligations policy is equal to, or less than, that payable in CIL, only the CIL will be payable;
 - Where the amount payable under the planning obligations policy is more than that payable in CIL, the CIL will be payable plus a “top up” so that in combination the two payments make up the amount payable under the obligations policy.

Summary of Costs

- 9.24 The costs for the application scheme on a present day basis have been presented by [REDACTED] and in their professional opinion are reflective of large scale, complicated regeneration schemes albeit they note that The Goodsyard is relatively unique in terms of scale and complication, and there are significant downside risks to the costs for the Applicant.

10 Land Value

10.1 As highlighted in Section 6 there are a variety of approaches to land value for viability purposes each with their own merits. However, the guiding principal in this assessment relates to paragraph 173 of the NPPF and what a reasonable return to the landowner is, within the context of the market information that is available.

10.2 However, it should be noted that The Goodsyard is a unique site in relation to complexity and scale and the availability of comparable site information is unsurprisingly limited. The RICS's Valuation Information Paper 12 'Valuation of Development Sites' notes the inherent difficulties of valuing development land in Section 7 and states '*In comparing sites the following factors, which are not exclusive, may be relevant:*

- *values may differ considerably within a small geographical area;*
- *the condition of the site and associated remediation costs are very site specific and could differ significantly between greenfield and brownfield, and between brownfield, sites;*
- *site and construction costs, for example, in terms of infrastructure and service requirements differ;*
- *the type of the development will vary and may reflect a requirement to provide affordable housing. In the case of residential developments the density achieved can also affect the price;*
- *the price may be affected by planning obligations; and*
- *in a rapidly changing market, the date of the sale of the comparable is relevant.*

Generally, high density or complex developments, urban sites and existing buildings with development potential, do not easily lend themselves to valuation by comparison'.

10.3 VIP12 however goes on to summarise that '*If at all possible an attempt can be made to compare the result with such market evidence as may exist because the residual method sometimes produces theoretical results that are out of line with prices being achieved in the market. For example, in a large, phased scheme (such as a major residential development) cash-flow constraints may prevent the theoretical value being realised (that is, there may be a quantum discount that applies in the market). Similarly, in some circumstances, for instance where site remediation costs are very high, the residual appraisal may produce a negative figure. There is plentiful experience of sites finding buyers even though a residual valuation shows a nil, or negative, value'.*

10.4 It is reasonable to assume that a 4.2 hectare site in central London has an inherent value to the current landowner regardless of the complexities of the development.

10.5 The Goodsyard is no exception and in the absence of an Existing or Alternative Use Value (The Goodsyard is zoned for mixed use development) market information provides the best way in which a value for viability purposes can be assessed albeit as noted in RICS VIP12 there difficulties with using the comparable method of valuation given the unique nature of development sites. The comparable method provides, at best, a range of values from which a reasonable guide is sought.

10.6 The RICS FVIP also considers that implications of comparable information not being readily available. The document states that *'In many cases, relevant and up-to-date comparable evidence may not be available, or the diversity of development sites requires an approach not based on direct comparison. The importance, however, of comparable evidence cannot be overemphasised, even if the supporting evidence is very limited, as seen in court and land tribunal decisions'*.

10.7 We have therefore sought to understand the range of site values that exist in the vicinity for schemes consented within the last few years and the available evidence is presented in Table 13 over the page albeit noting that the older the comparable, the less weight that should be attached.

10.8 [Redacted]

[Redacted]

[Redacted]

[Redacted]

10.14

[REDACTED] In sense checking this figure we note there are very few other sites of this scale in central London to benchmark against and the RICS VIP12 '*Valuation of Development Land*' notes the problems with the comparable method of valuation for development sites that are inherently unique.

10.15 This figure has been adopted as a fixed site cost in the FVA. Any value below this adopted figure could be deemed to be below a reasonable market figure based on the evidence provided (i.e. contrary to section 173 of the NPPF).

10.16 The intent of the NPPF and NPPG is to encourage sustainable development that strikes a balance between the benefits that new development brings to a community with the risks of non-delivery. As such, in DS2's opinion the stated Site Value above strikes the appropriate balance and could actually be higher given the scale and location of The Goodsyard.

Summary

10.17 In the absence of an EUV and / or an AUV the landowner still expects a reasonable return for their considerable asset in what is a central London location close to the City, regardless of the site complications.

10.18 The Goodsyard is a 4.2 hectare site located on the City fringe.

10.19 The site value included in the FVA represents a reasonable return to the landowner in reference to the market information available.

10.20 The site value is included in accordance with the intent of adopted policies including the NPPF and NPPG and balances the need for planning obligations including affordable housing and the significant wider regenerative benefits that the scheme brings with the risks of non-delivery.

Table 13: The Goodsyard Land Value Information, July 2014

The table consists of a grid of approximately 13 columns and 10 rows. The header row is black. The data rows are white with black borders. Most of the content within the grid is obscured by black redaction marks, leaving only a few small white rectangular areas visible within the cells.

11 Affordable Housing

11.1 The following section should be read in conjunction with the Housing Statement and the Planning Statement submitted with the planning application. The information below summarises that contained in the Housing Statement.

11.2 The planning application proposes the following:

- *10% Affordable Housing Provision is proposed across both boroughs*
- *LBTH, 10% delivered on site (location of these homes to be agreed with the Borough)*
- *LBH, an off-site payment in lieu to support the delivery of affordable housing elsewhere in the borough of a greater quantum and appropriateness than could be provided in tower buildings F and G. The payment provided will be equal to the delivery of 10% affordable housing on-site and the Applicant will seek a suitable off-site direct delivery solution in conjunction with LBH or such other alternatives in order to satisfy the policy requirements*

11.3 The proposed affordable housing will meet NPPF definitions (Annex 3) of affordable housing, as well as those definitions contained with regional and local adopted policy through the delivery of Affordable Rent and Intermediate homes. All affordable homes will be provided in accordance with the Mayor's London Housing Design Guide (2011), be tenure blind and meet Lifetime Homes and Secured by Design standards.

11.4 The location and mix of affordable housing is to be agreed with both boroughs. The Applicant however, is proposing the delivery of 10% affordable housing and this section sets out the guiding principles for the delivery of that affordable housing that will be secured through the Section 106 agreements for the planning applications.

Selection of an Affordable Housing Partner

11.5 The affordable housing will be constructed to the same high design standards as the private accommodation and in accordance with the London Housing Design Guide. The accommodation will seek to meet Lifetime Homes and Secured by Design standards.

11.6 An affordable housing partner or partners will be selected to take on the ownership and management of the homes. The lease offered will be at least 125 years. The affordable housing partner will likely be from the preferred lists as provided by LBTH and LBH.

Lettings & Management

- 11.7 The selected partner will be expected to work with the Applicant, the boroughs and the GLA in agreeing a robust lettings policy and management strategy for the accommodation.

Affordable Rent

- 11.8 The Government announced an intention to introduce “Affordable Rent” as part of the October 2010 Spending Review. Under this model registered providers will be able to offer tenancies at rents of up to 80% of market rent levels within the local area. The additional finance raised will be available for reinvestment in the development of new social housing.
- 11.9 The Affordable Rent model did not require new legislation. It was worked up alongside the Localism Act 2011 that contained provisions to enable social landlords to offer “flexible” tenancies with a minimum fixed-term of two years for new tenants of social housing.
- 11.10 Affordable Rent falls within the definition of social housing in section 68 of the Housing and Regeneration Act 2008 (and, in particular, the definition of low cost rental accommodation in section 69 of that Act).
- 11.11 As of April 2011, Registered Providers, Local Authorities and other providers of affordable housing were able to offer new tenancies in accordance with the definition previously contained in PPS3 and now in Annex 3 of the NPPF. Both LBTH and LBH’s view on Affordable Rent is contained within Section 11.

Intermediate Provision

- 11.12 The affordability of Intermediate units is the result of the total ‘housing costs’ that are payable by the occupier. For an Intermediate unit in the form of Shared Ownership a tenant purchases an initial equity share of the property upon which they take out a mortgage. They then pay a rent to the Registered Provider based on the percentage of equity that they do not own, typically between 0.5%-2.75% as well as the relevant service charge.
- 11.13 The combination of mortgage, rent and service charge forms the purchasers ‘housing costs’. The generally accepted practice is that these housing costs must not exceed 40% of net household income in line with HCA guidance.
- 11.14 The latest London Plan Annual Monitoring Report states that the gross income thresholds for Intermediate housing are capped at £66,000 for one and two bed properties and £80,000 for three beds and above. Due to the high market values at the Proposed Development it is proposed that the Intermediate units are made available to those occupiers on London Plan income thresholds.
- 11.15 Table 14 illustrates the affordability of 1, 2 and 3 bed apartments with private values at £800, £750 and £700 per sq ft respectively.

Variable	1 bed	2 bed	3 bed
Size sq m (minimum)	50	61	74
Size Sq Ft (minimum)	538	657	797
Type	1b2p	2b3p	3b4p
£ per sq ft	£800	£750	£700
Market Value	£430,400	£492,750	£557,900
Initial Share	25%	25%	25%
Value	£107,600	£123,200	£139,500
Mortgage @ 6% IR	£746	£857	£975
Rent @ 2.75%	£404	£462	£523
Monthly service charge £2psf	£90	£110	£133
Total Housing Cost	£1,239	£1,428	£1,631
Income threshold	£66,000	£66,000	£80,000
Net income (monthly)	£3,850	£3,850	£4,667
Housing allowance 40%	£1,540	£1,540	£1,867
Balance	-£459	-£722	-£663

11.16 As the table illustrates, with the minimum sized dwelling and relatively low capital values reflecting the likely location of intermediate accommodation on the lower floors, the homes are unaffordable.

11.17 The delivery of a £2 psf service charge is challenging given the scale of the proposals and inclusion of significant areas of public realm. Higher service charges will increase the monthly cost to the affordable tenants and in regard the intermediate homeowners this will reduce affordability. However, the Applicant is committed to providing on-site intermediate accommodation where feasible.

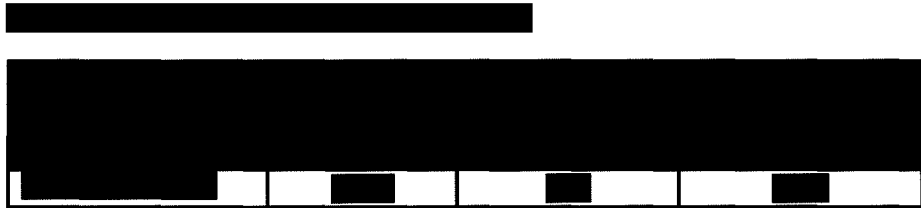
Summary

11.18 The affordable housing component will meet definitions of affordable housing as contained within national, regional and local guidance and adopted policy and will be designed on a tenure blind basis in accordance with the required specifications of locally preferred Registered Providers. The homes will be available to those with varying levels and types of housing need and demand to households within both boroughs.

11.19 The Affordable Rented homes will be available at rents in accordance with local guidance and the design and accessibility of the homes will ensure that service charges are kept at affordable levels. The intermediate homes will be available on a part-purchase part-rent basis with total costs below the GLA affordability caps.

12 Present Day Results

12.1 The results of the present day development model are presented below in Table 15. A copy of the



The table content is redacted with black boxes. Only the bottom row of the table is visible, showing several columns with varying amounts of redaction.

12.2 The application scheme produces a residual profit of [redacted] against a benchmark required return of [redacted]. The Applicant is committed to funding the delivery of the proposed 10% affordable housing target and as such whilst the profit return is low when measured against the BLV, the affordable housing target remains unadjusted.

13 Borough CIL

- 13.1 The Community Infrastructure Levy Regulations 2010 (as amended) require charging authorities, in this case Hackney and Tower Hamlets, to independently assess the viability of development in their areas and set appropriate rates for different types of property.
- 13.2 In this section we deal with the borough CIL rates only. Mayoral CIL and Crossrail are known adopted liabilities and as such these are already included.
- 13.3 The boroughs are at varying stages of the consultation process with the LBTH Examination in Public completed at the end of May 2014 albeit there will be a further hearing later in 2014.
- 13.4 LBH issued a revised draft charging schedule at the start of 2014 and the current programme is likely to result in an Examination in Public in the autumn.
- 13.5 DS2 have made representations to both LBH and LBTH in regard the impact of CIL on affordable housing delivery with particular reference to The Goodsyard which as this FVA sets out, is an extremely challenging site to deliver on commercial terms.
- 13.6 The CIL Regulations allow for relief from CIL under exceptional circumstances, however there is no clear steer from the charging authorities at this time as to whether The Goodsyard will benefit from such provision.
- 13.7 In calculating the likely CIL payments we have had regard to the LBTH draft Charging Schedule and the LBH draft Charging Schedule. The following table sets out the various property uses within each boroughs with the respective CIL rates and potential CIL liabilities subject to adoption:

Table 16: The Goodsyard Borough CIL Calculations July 2014

LBTH CIL	Retail	£70	██████████
LBTH CIL	Office	£120	██████████
LBTH CIL	Resi	£200	██████████
LBH CIL	Retail	£65	██████████
LBH CIL	Office	£50	██████████
LBH CIL	Resi	£190	██████████
Total			██████████

- 13.8 In summary the as currently drafted overall CIL liability in LBTH is ██████████ and the as currently drafted liability in LBH is ██████████. It is not clear what the residual S106 requirements would be if borough CIL were to be adopted in either or both boroughs, however initial modelling would suggest that the borough CIL rates present the scheme with additional viability concerns, even allowing for a reduced S106 liability.

14 Concluding Statement

14.1 The viability assessment clearly illustrates on a present day basis that no affordable housing can be supported.

14.2 The Goodsyard has remained undeveloped for the last 50 years largely because the regeneration of the site has proved to be economically challenging due to the significant site constraints and complexities summarised below:

- Two Grade II listed structures (the Braithwaite Viaduct and the Gateway structures) constrain development;
- The London Overground Line runs at high level west to east across the site;
- The proposed eight tracking railway safeguarding, if implemented, is likely to run through this site;
- The Central Line railway lines cut across the site;
- The Mainline and Suburban Lines run adjacent to and under the site;
- There is extensive statutory undertaker apparatus under the site, including a BT Tunnel running underneath Braithwaite Street;
- The borough boundary runs through the site;
- Two strategic views, in addition to a number of important local views, affect the site; and
- Part of the site lies within a Conversation Area and the boundaries of three Conservation Areas are located within close proximity to the site.

14.3 In summary, the range of site constraints significantly add to the costs and risks of bringing forward the development, hence the reason partially why The Goodsyard has been vacant for so long.

14.4 However, the Applicant is targeting 10% affordable housing provision as identified in the planning applications with a significant quantum of additional obligations, given the strategic priority in both boroughs and across the capital as a whole for affordable housing.

14.5 The development of The Goodsyard will result in significant regeneration benefits for the surrounding area summarised below:

- Significantly contribute to local regeneration, including local employment opportunities;
- Create a significant number of new jobs through both the construction and operational phases of the scheme;
- Contribute to meeting London's increasing demand for quality housing;
- Provide on-site affordable housing;
- Improve the provision of local retail, leisure and community facilities;

- Improve and enhance public realm, particularly open space in the area;
- Increase permeability of the site, facilitating improved pedestrian movement and access within the local area;
- Restore the historic fabric of the site, enhancing structures and emphasising The Goodsyards’ historical past and previous uses;
- Create active and engaging street frontages which improve the local environment and streetscape, and encourage a feeling of safety, particularly at night; and
- Provide a mix of uses to facilitate the delivery of this strategic site, resulting in local benefits including job creation and a new park

14.6 The figure is not directly related to the results of the viability assessment, rather a target that in the Applicant’s view reflects a reasonable figure that is not punitive and if accepted will assist in the prospects of delivery of this long vacant but strategically important central London site.

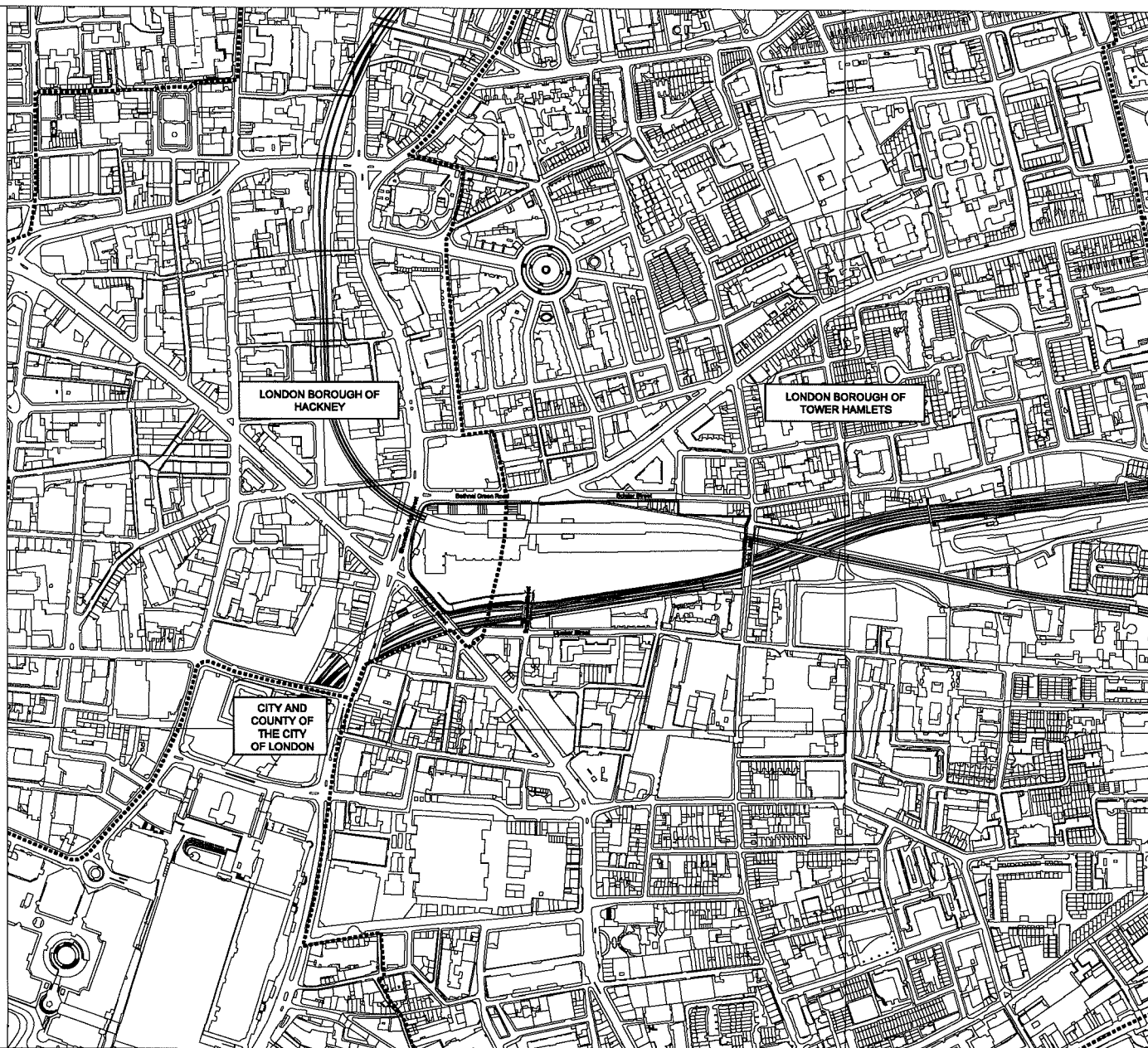
DS2 LLP

Date: July 2014

APPLICATION PLAN

KEY

- Application boundary ———
- Borough Boundary as per OS - - - - -



SCALE 1:2500 @ A1

**BISHOPSGATE GOODSYARD
REGENERATION LIMITED**

THE GOODSYARD
Planning Application Boundary
1:2500 @ A1 / 1:5000 @ A3
July 2014

BGY11-PA-03-001
For Approval

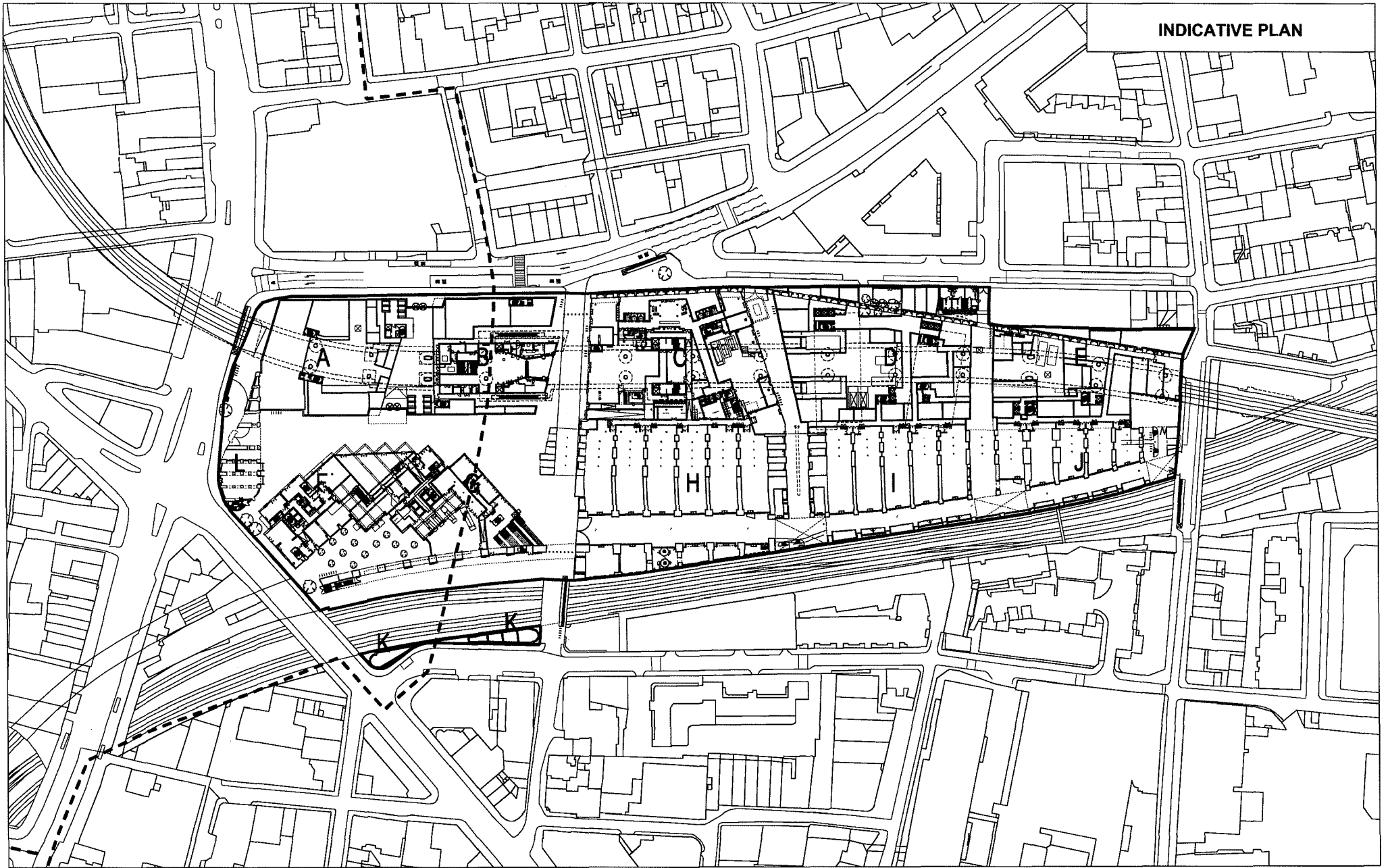


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INDICATIVE PLAN



SCALE 1:500 @ A2
SCALE 1:1000 @ A3

BISHOPSGATE GOODSYARD
REGENERATION LIMITED

THE GOODSYARD

BGY11 - Indicative Masterplan Ground Level

July 2014

BGY11-PA-03-100

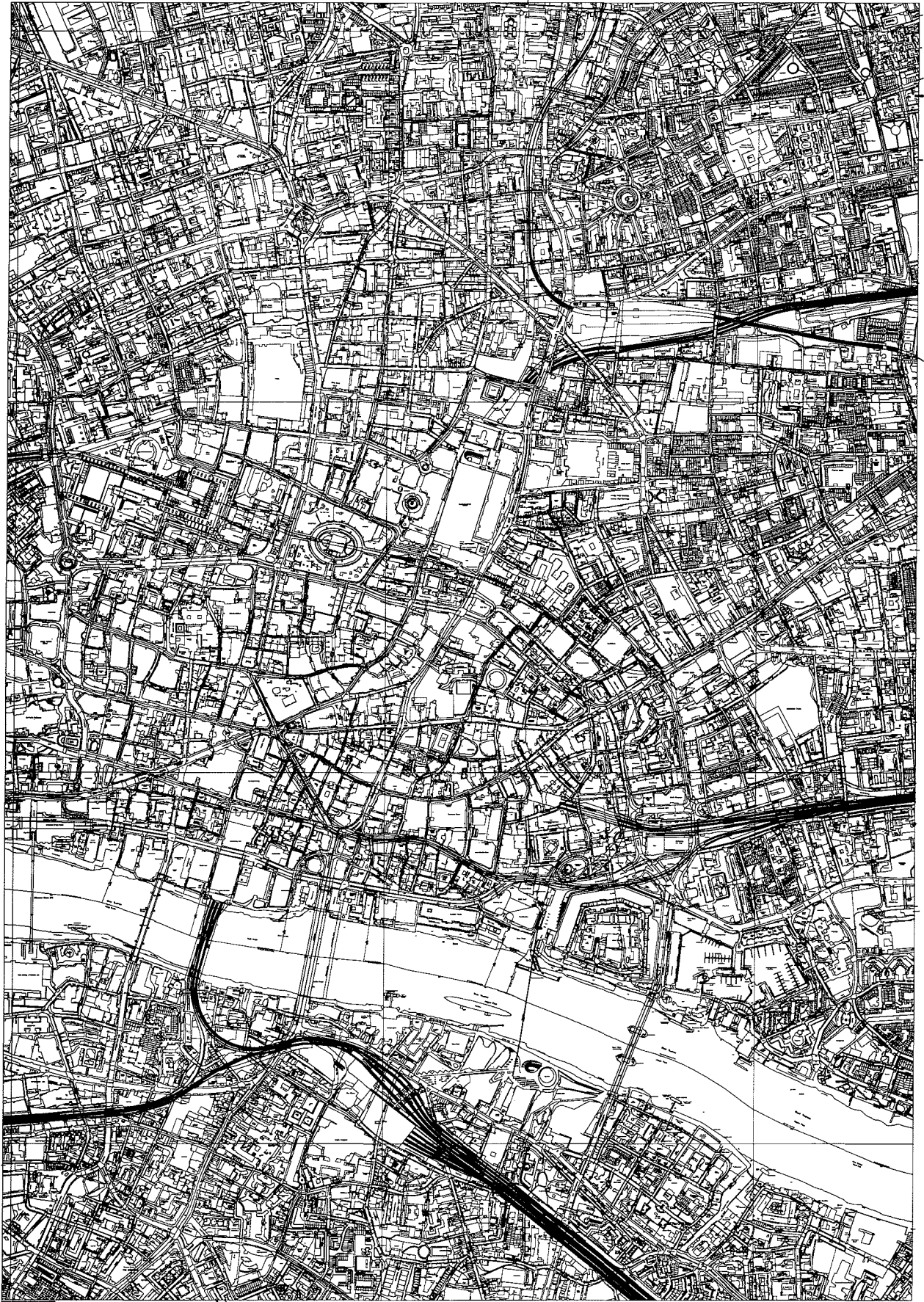


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APPENDIX FOUR

Development Specification (July 2014)

270303-15372
123

Table 1: TOTAL FLOORSPACE FOR WHICH PERMISSION IS SOUGHT (GEA M²)

PLOT	DETAIL	OUTLINE (Floorspace within plot areas not to be exceeded)	TOTAL
A		29,175	29,175
B		29,082	29,082
C	57,129		57,129
D		41,111	41,111
E		14,193	14,193
F	37,955		37,955
G	35,115		35,115
H	4,509	507	5,016
I	2,422		2,422
J	1,458	65	1,523
K		538	538
L	272		272
Total	138,860	114,671	253,531

1. This table excludes the maximum basement area of 9,339 M². Basement floorspace would be used only for plant, services, storage, car parking and energy centres, except where stated.
2. Residential floorspace total includes 8,979 M² (detailed plots only) GEA of ancillary residential facilities and amenity space.
3. Other uses include service corridors, loading bays and plant space.
4. All figures have been rounded to the nearest square meter.
5. Plot H includes basement floorspace that is used for retail.

Table 2: LAND USE SPLIT BETWEEN THE BOROUGHES (GEA M²)

LAND USE	USE CLASS	LB HACKNEY		LB TOWER HAMLETS	
		MAXIMUM (Detailed and Outline Components Combined)	MINIMUM (Detailed and Outline Components Combined)	MAXIMUM (Detailed and Outline Components Combined)	MINIMUM (Detailed and Outline Components Combined)
Residential (See Note 1)	C3	69,291	69,291	102,733	99,850
Retail	A1/A2/A3/A5	6,095	2,659	13,953	11,541
Business	B1	34,243	24,677	20,957	16,479
Non- residential Institutions	D1	n/a	n/a	112	0
Assembly and Leisure	D2	n/a	n/a	689	0
Sui Generis		n/a	n/a	37	0
Basement (See Note 2)	-	3,476	3,476	5,863	4,797
Other (See Note 3)		3,403	2,862	8,323	6,939
Total		116,508	102,965	152,667	139,606

1. Residential floorspace total includes 8,979 M² (detailed plots only) GEA of ancillary residential facilities and amenity space.
2. Basement floorspace would be used only for plant, services, storage, car parking and energy centres except where stated.
3. Other uses include service corridors, loading bays and plant space.
4. All figures have been rounded to the nearest square meter.

Table 3: DETAILED COMPONENTS (BUILDING PLOTS C, F, G, H, I, J, L): PROPOSED LAND USE MIX (GEA M²)

BUILDING PLOT	RESIDENTIAL FLOORSPACE	RETAIL FLOORSPACE (A1, A2, A3, A5)	OTHER	TOTAL
C	54,825	1,189	1,115	57,129
F	36,058	1,813	84	37,955
G	33,313	1,192	610	35,115
H	n/a	4,509		4,509
I	n/a	2,422		2,422
J	n/a	1,458		1,458
L	n/a	272		272
Total	124,196	12,855	1,809	138,860

1. Residential floorspace total includes 8,979 M² (detailed plots only) GEA of ancillary residential facilities and amenity space.
2. Other uses include service corridors, loading bays and plant space.
3. Plot H includes basement floorspace that is used for retail.
4. This table excludes a basement area of 6,699 M².
5. Basement floorspace would be used only for plant, services, storage, car parking and energy centres except where stated.
6. All figures have been rounded to the nearest square meter.

Table 4: OUTLINE COMPONENTS (BUILDING PLOTS A, B, D, E, H Park Level, K): PROPOSED LAND USE MIX (GEA M²)

BUILDING PLOT	RESIDENTIAL		RETAIL (A1, A2, A3)		BUSINESS		NON-RESIDENTIAL INSTITUTIONS		ASSEMBLY & LEISURE		SUI GENERIS		OTHER (See Note 2)		INDIVIDUAL PLOT AREA NOT TO BE EXCEEDED
	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	
A	n/a	n/a	3,180	0	26,588	18,429	n/a	n/a	n/a	n/a	n/a	n/a	2,846	2,299	29,175
B	n/a	n/a	493	0	28,019	22,451	n/a	n/a	n/a	n/a	n/a	n/a	1,169	957	29,082
D	36,478	34,990	1,199	487	593 (See Note 4)	276	112 (See Note 6)	0	392	0	37 (See Note 9)	0	3,986	3,168	41,111
E	11,350	9,955	1,211	647	n/a	n/a	112 (See Note 6)	0	297	0	37 (See Note 9)	0	1,916	1,568	14,193
H (Park Level)	n/a	n/a	507	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	507
I (Park Level)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J (Park Level)	n/a	n/a	65	59	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	65
K	n/a	n/a	538	152	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	538
Total Use Class	47,828	44,945	7,193	1,345	55,200	41,156	112	0	689	0	37	0	9,917	7,992	See Note 7

1. The sum of the maximum areas by use in plots A, B, D and E, exceeds the figure shown in the total maximums for those plots. This allows for a degree of flexibility in the distribution of compatible uses within each plot.
2. Other uses include service corridors, loading bays and plant space.

3. This table excludes a maximum basement area of 2,640 M².
4. Basement floorspace would be used only for plant, services, storage, car parking and energy centres except where stated.
5. Plot D includes basement floor space that is used for business.
6. Non-residential institutions are only counted once as these will be located in either plot D or plot E.
7. The total quantum plot are not to be exceeded for the outline plots is 114,671M²
8. All figures have been rounded to the nearest square meter.
9. Sui Generis are only counted once as these will be located in either plot D or plot E.

Table 5: OUTLINE BUILDING PLOTS - DESCRIPTION OF LAND USE

BUILDING PLOT	LAND USE
A	Principal Land Use – Business (B1/A1) Other land uses – retail use (A1, A2, A3)
B	Principal Land Use – Business (B1/A1) Other land uses – retail use (A1, A2, A3)
D	Principal Land Use – Residential (C3) Other land uses – retail use (A1, A2, A3), community use (D1), leisure (D2), Sui Generis
E	Principal Land Use – Residential (C3) Other land uses – retail use (A1, A2, A3), community use (D1), leisure (D2), Sui Generis
H (Park Level)	Principal Land Use – Park
I (Park Level)	Principal Land Use – Park
J (Park Level)	Principal Land Use – Park
	Other land uses – retail use (A1, A2, A3)
K	Principal Land Use – Retail use (A1, A2, A3)

Table 6: RESIDENTIAL

Residential Mix for the Scheme as a Whole

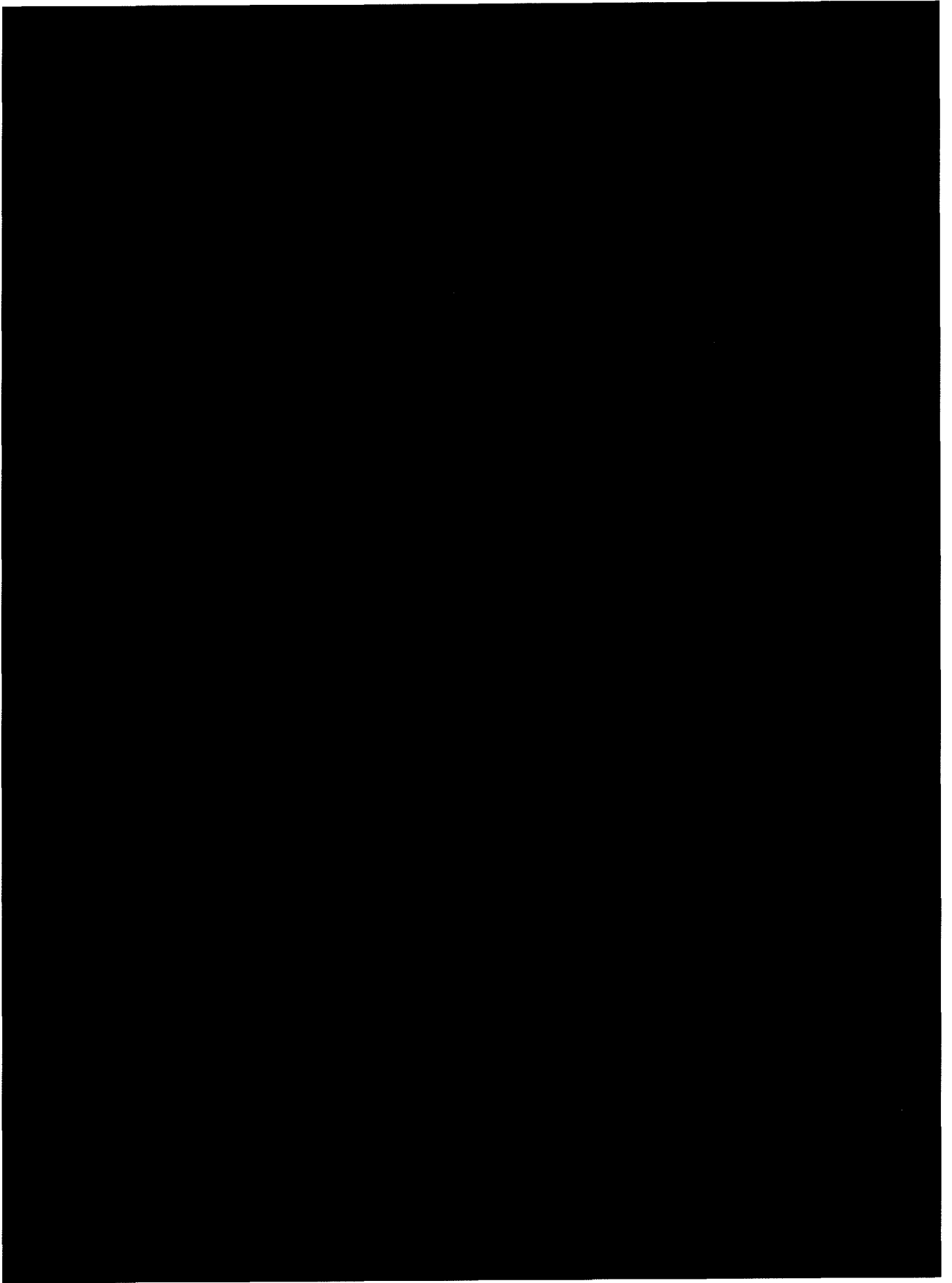
UNIT TYPE	MIX (%)	MAXIMUM NO. UNITS	MIX (%)	MINIMUM NO. UNITS
Studio	25.34	371	24.26	352
1 bed	29.44	431	31.56	458
2 bed	32.58	477	31.91	463
3 bed	11.07	162	10.68	155
4 bed	1.23	18	1.24	18
5 bed	0.34	5	0.34	5
Total	100	1,464	100	1,451

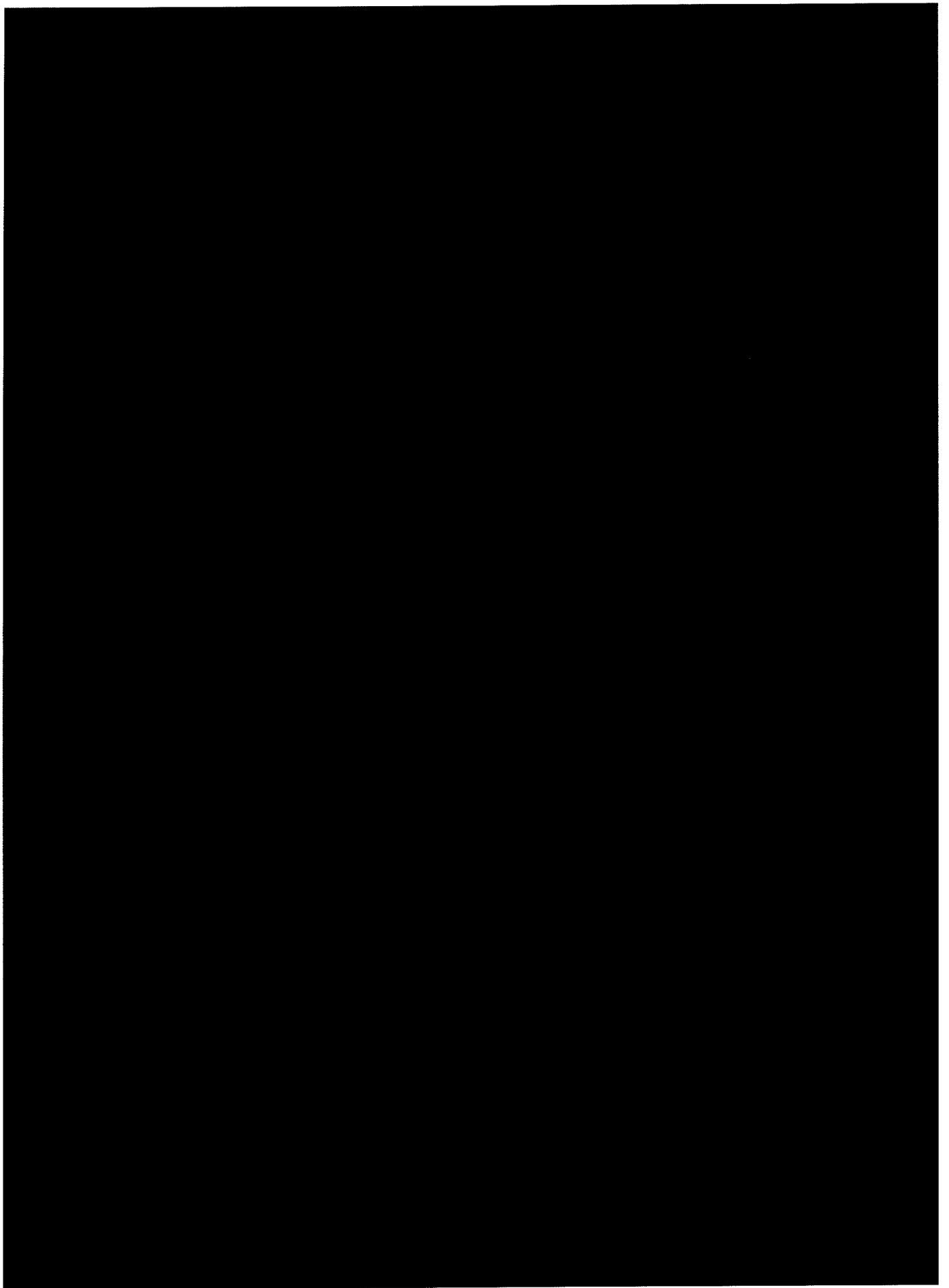
Table 7: CAR PARKING AND CYCLE PARKING

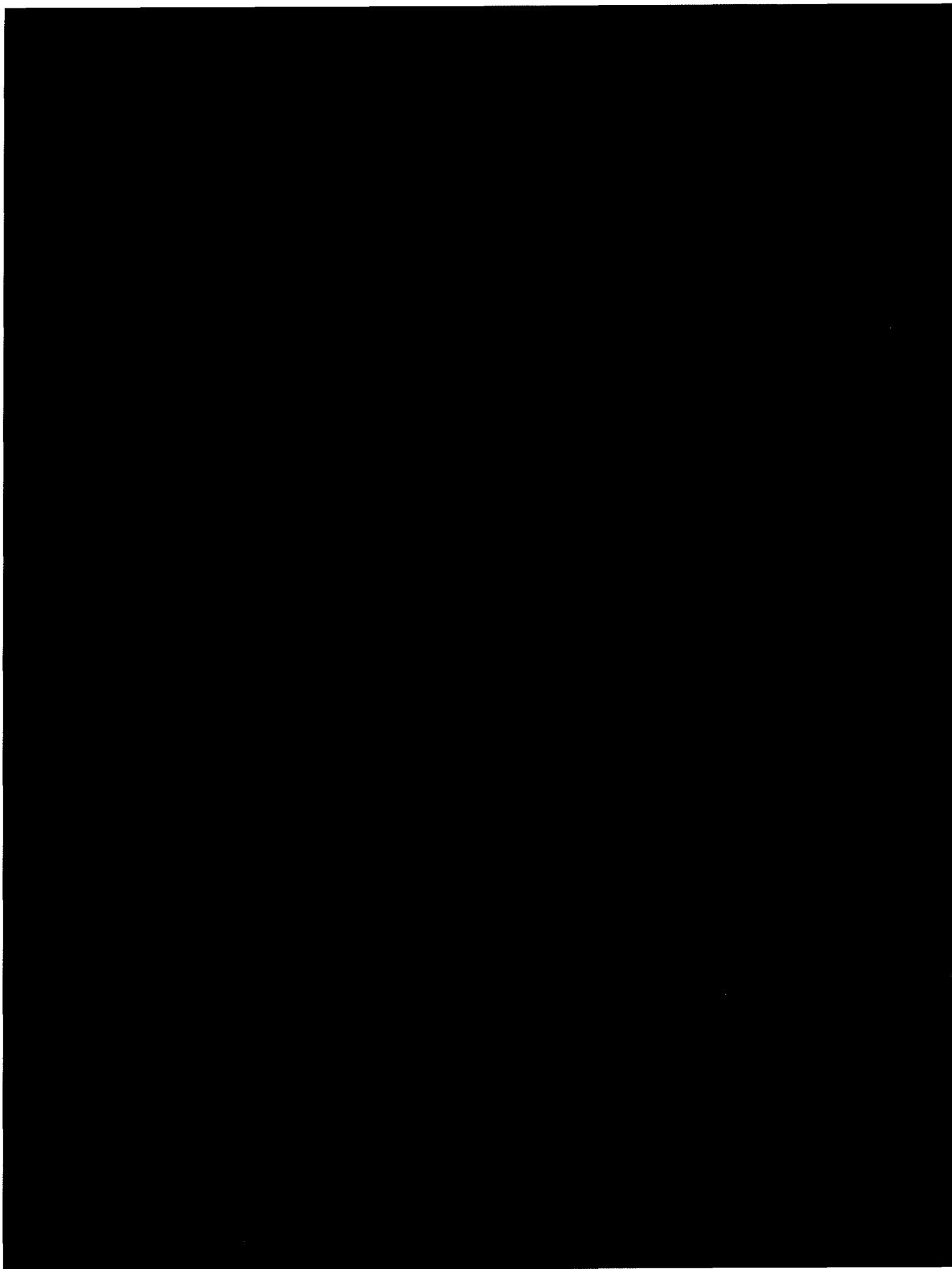
LAND USE	MAXIMUM CAR PARKING SPACES	MAXIMUM CYCLE PARKING
Residential	51	2,097
Retail	0	221
Business	0	500
Non-residential Institutions	0	0
Visitor	0	100
Total	51	2,918

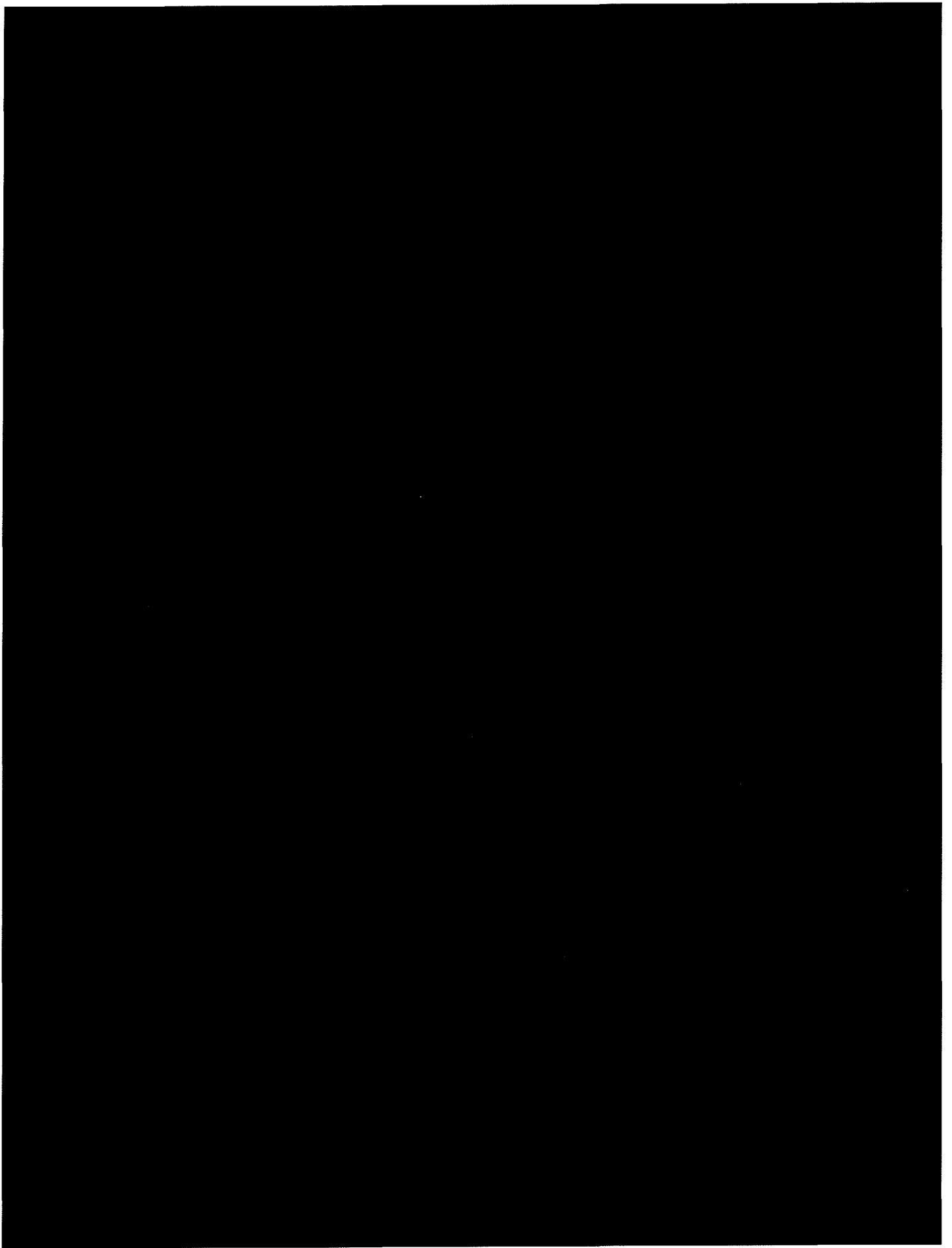
APPENDIX FIVE





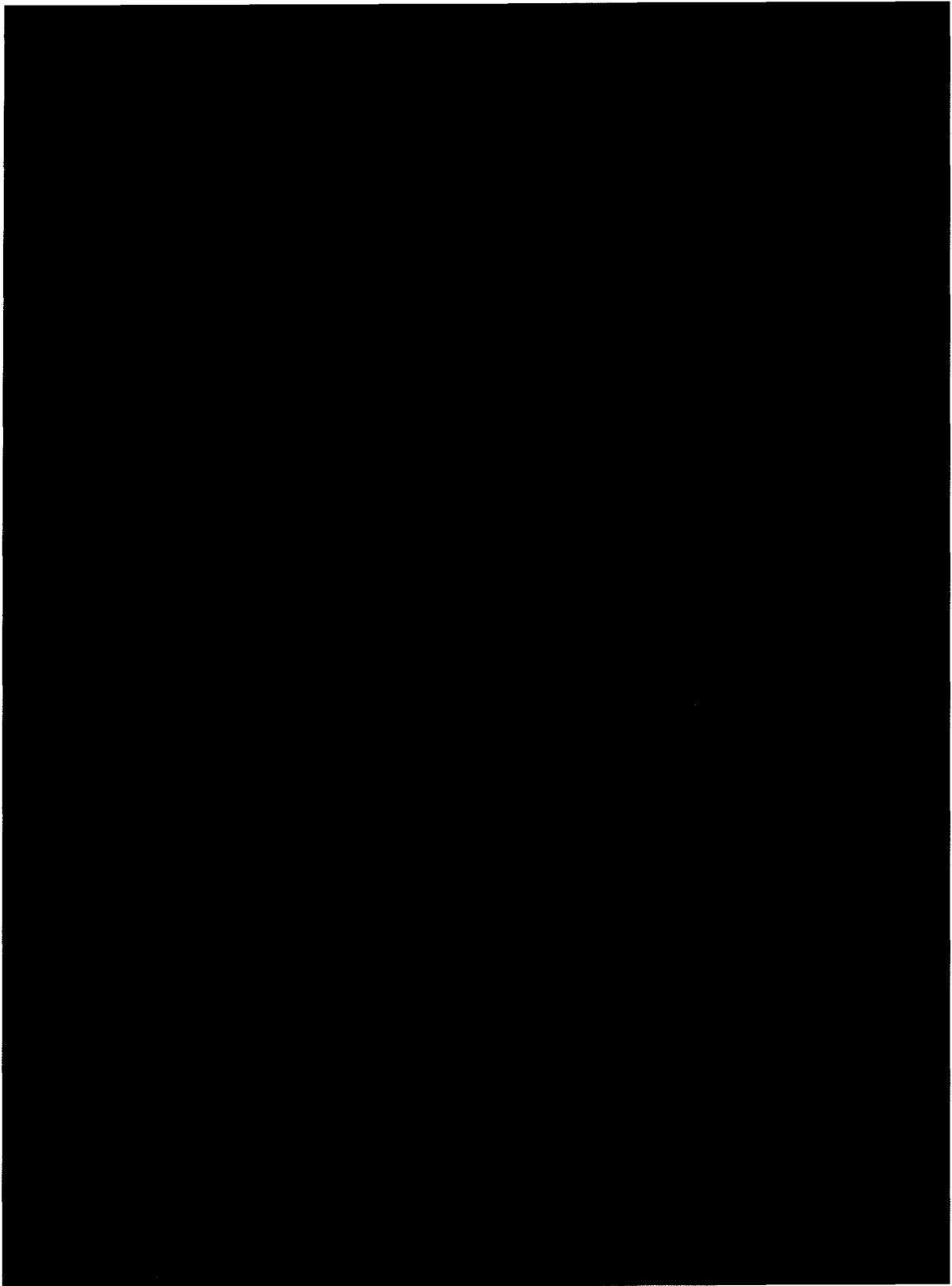


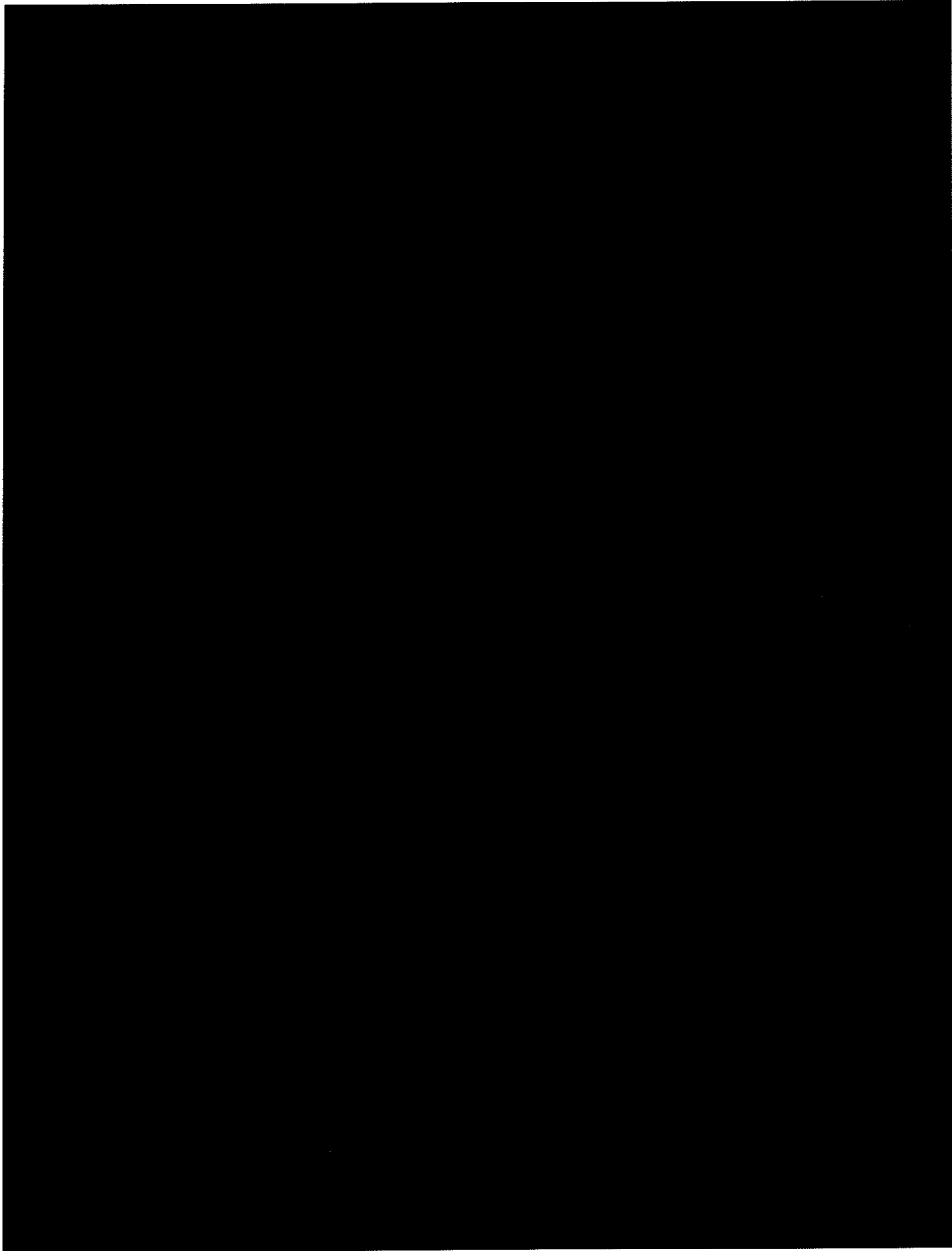


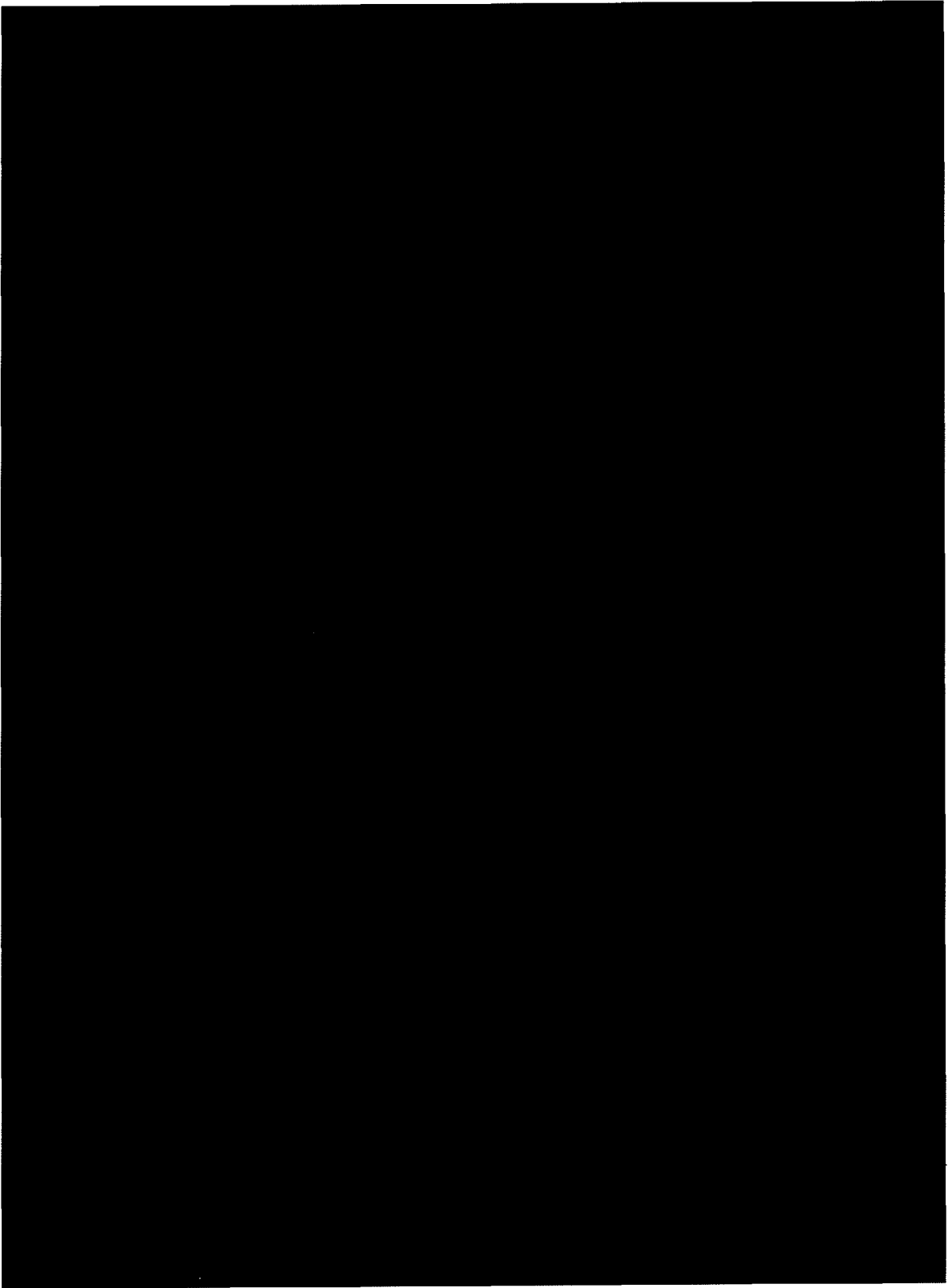


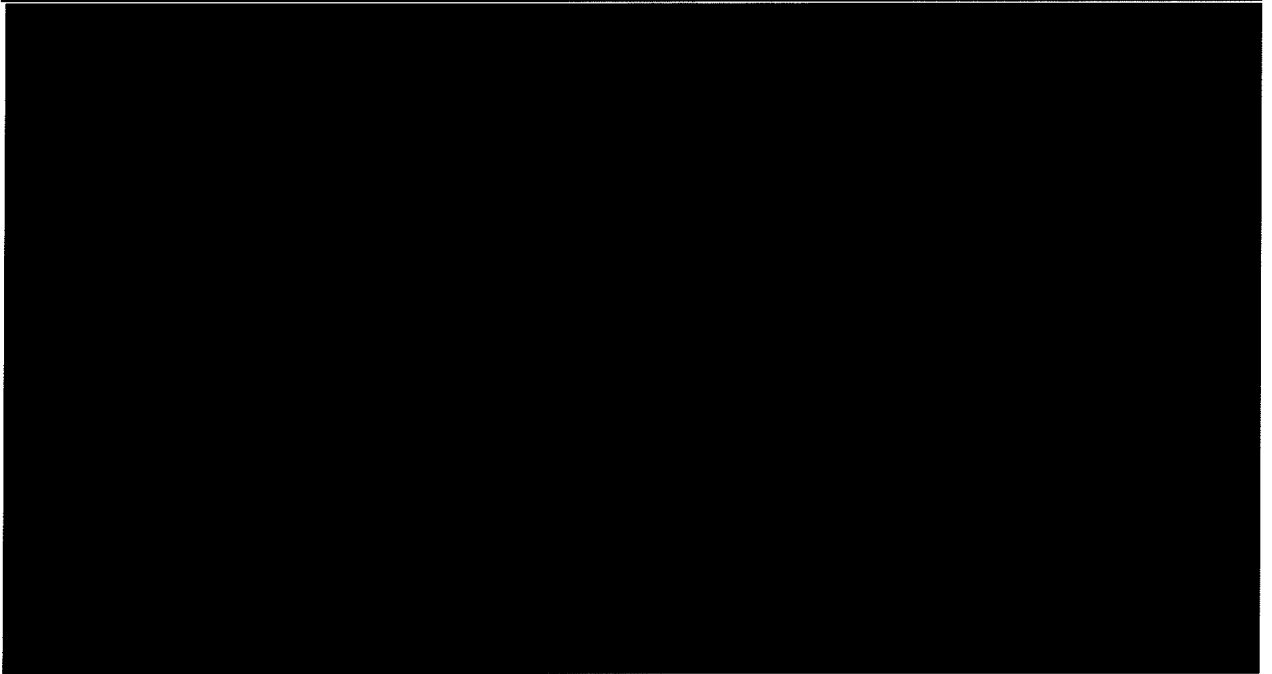
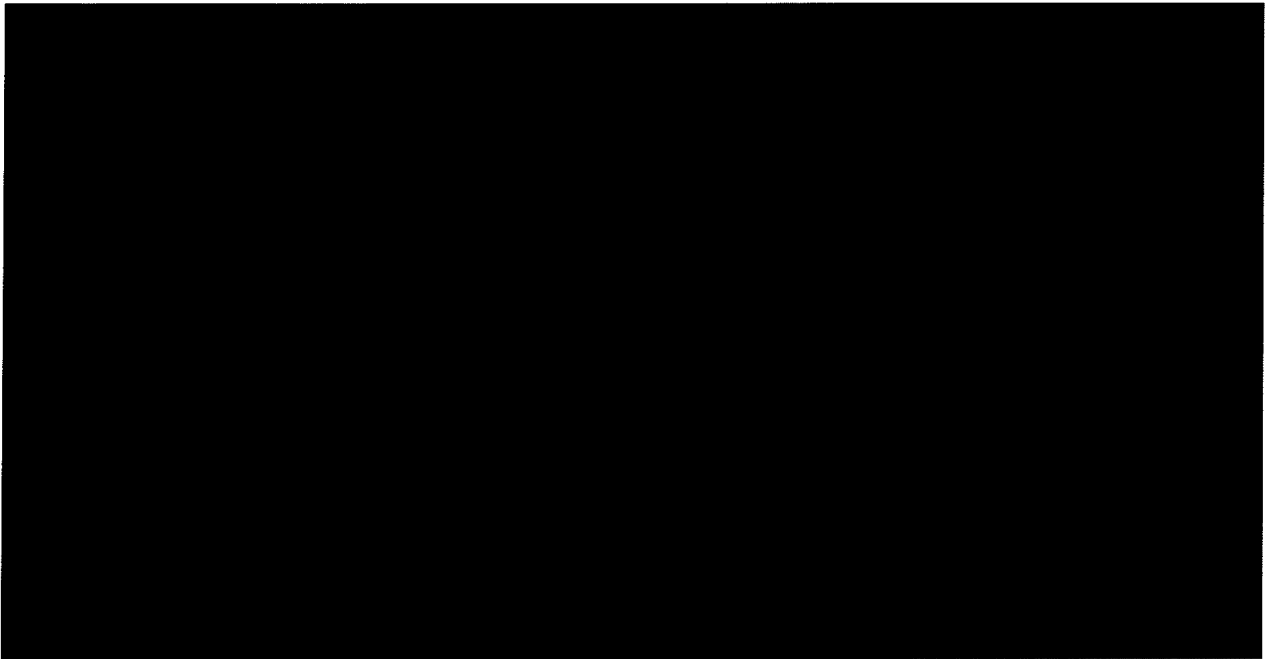
APPENDIX SIX











APPENDIX SEVEN

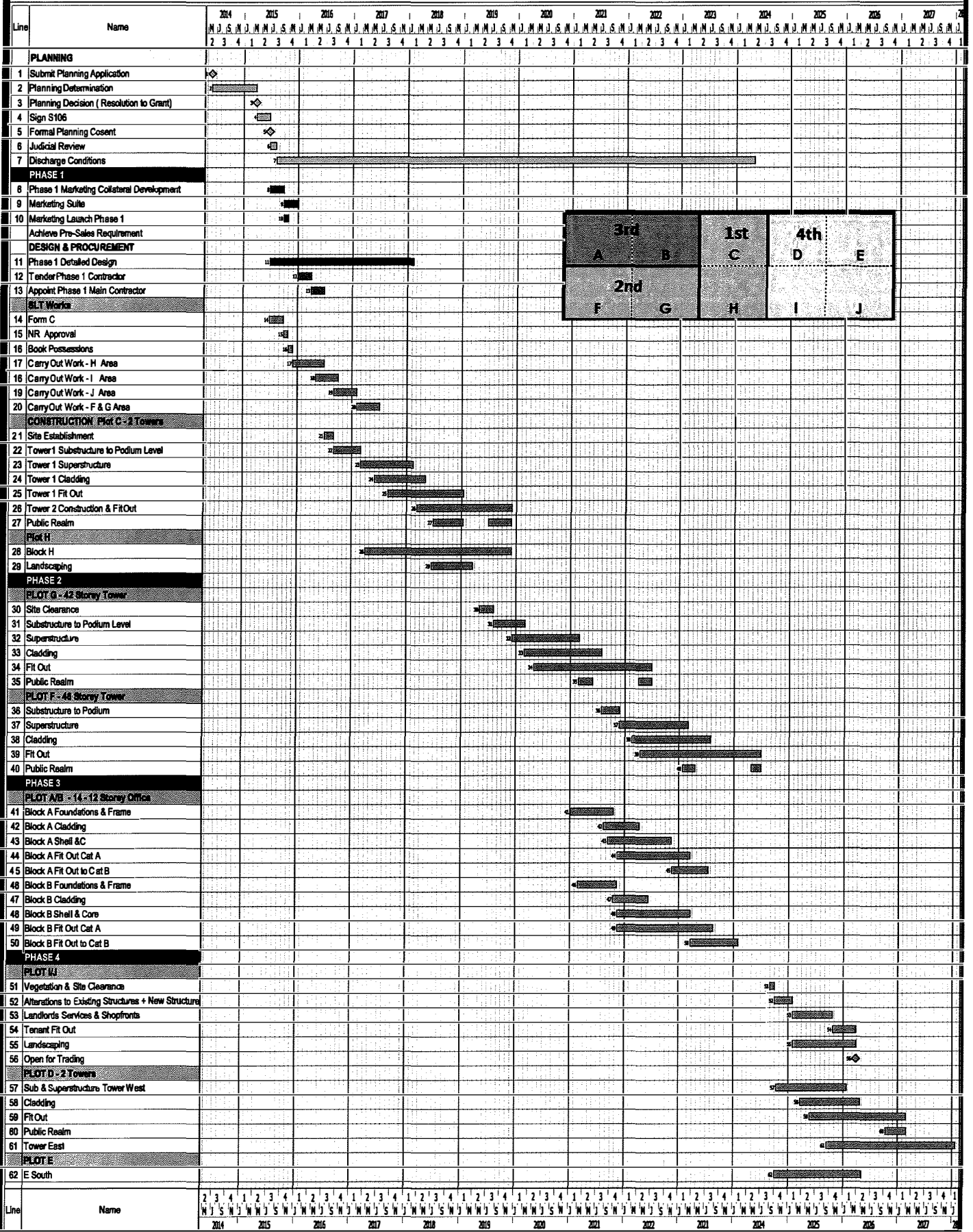
GVA Second London Wall Phasing Plan, August 2014

GVA Second London Wall

Prog. Ref: SMP1 Rev. date: 12/08/2014
 Rev.: 12 Issue date: 12/08/2014

Bishopsgate Goodsyrd

Strategic Master Programme



Key: Planning (light grey), Marketing (dark grey), Design (medium grey), Procurement (light grey with dots), Construction (dark grey with dots)

Prepared by: SLW Planning Department Root Chart:-12 Rev Comment: -

APPENDIX EIGHT

St Edmunds Appeal Decision Ref. APP/X5210/A/12/2173598 dated October 2012

Appeal Decision

Inquiry held on 4 to 7 and 11 September 2012

Site visit made on 11 September 2012

by John Papworth DipArch(Glos) RIBA

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 9 October 2012

Appeal Ref: APP/X5210/A/12/2173598

Land north of St Edmund's Terrace, London NW8 7QU

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission.
 - The appeal is made by Regents Park Estates (GP) Ltd against the decision of the Council of the London Borough of Camden.
 - The application Ref 2011/5977/P, dated 14 November 2011, was refused by notice dated 24 February 2012.
 - The development proposed is erection of three blocks of flats (two 6-storey blocks and one 5-storey block) with basement to provide 36 private tenure residential units (Use Class C3) and erection of 2 storey dwelling with basement (Use Class C3) following demolition of existing 8 flats and 2 houses.
-

Decision

1. I allow the appeal and grant planning permission for erection of three blocks of flats (two 6-storey blocks and one 5-storey block) with basement to provide 36 private tenure residential units (Use Class C3) and erection of 2 storey dwelling with basement (Use Class C3) following demolition of existing 8 flats and 2 houses at Land north of St Edmund's Terrace, London NW8 7QU in accordance with the terms of the application, Ref 2011/5977/P, dated 14 November 2011, subject to Conditions 1) to 22) on the attached Annex 3.

Main Issues

2. The Council's reasons for refusal included a number of matters which are agreed to have been overcome by the submission of a completed Unilateral Undertaking, although the method of securing two of the measures were raised in evidence and are in dispute between the parties. The main issues in the appeal are therefore;
 - Whether the maximum reasonable amount of affordable housing has been proposed and should on-site provision be made.
 - Whether the development should be subject to a Deferred Viability Assessment.
 - Whether particular mitigation measures should be secured by condition or obligation.

Inspector's Reasons

Generally

3. A previous application and grant of planning permission (Ref; 2011/0919/P dated 3 October 2011) had settled a number of issues regarding the acceptability of the development now proposed, and included affordable housing. The Primrose Hill Conservation Area Advisory Committee in their presentation to this appeal express their satisfaction with that provision of affordable housing albeit they state that they were not fully satisfied with the architectural massing of the scheme. They therefore are opposed to what they see as the loss of affordable housing now proposed. However, that scheme has not been proceeded with and the appellant states that the earlier application was in order to 'crystallize' a planning permission, and that the provision of that level of affordable housing is not viable.
4. The appeal site is presently underused and unattractive in this prominent park-side location and the proposals would provide housing and improve the character and appearance of the surrounding area. Whilst clearly providing high-value housing, weight attaches to this provision in the wider market, adding to modern housing stock in Camden. In addition, construction activity furthers the Government's aims of planning for growth and aims stated in the National Planning Policy Framework on the three dimensions to sustainable development, economic, social and environmental. Although not at issue in this appeal, these benefits of the scheme are accorded weight.
5. The London Plan 2011 seeks at Policy 3.12 the maximum reasonable amount of affordable housing, having regard to, among other things, the need to encourage rather than restrain residential development, with negotiations taking account of development viability. Boroughs should take a reasonable and flexible approach to securing affordable housing on a site by site basis. In exceptional circumstances it may be provided off-site or through a cash-in-lieu contribution ring fenced, and if appropriate 'pooled', to secure efficient delivery of new affordable housing on identified sites elsewhere. The Camden Core Strategy Policy CS6 states that the Council will aim to secure high quality affordable housing for Camden households that are unable to access market housing. Development Policy DP3 sets out the detail for affordable housing provision with a sliding scale from 10% to 50% for progressively larger developments and the comprehensive assessment of adjacent and related sites. The site is identified as a residential site in the schedule to Unitary Development Plan Policy LU1 and is expected to deliver affordable housing. The emerging Local Development Framework Site Allocations document seeks to maximise the potential of the site to provide new housing (including affordable housing).

The Amount and Location of Affordable Housing

6. The Statement of Common Ground records agreement on a number of assumptions that were fed into the Toolkit calculation. It is a fact that this site requires a high level of up-front costs to be expended as a result of the Thames Water works, and that even then there would be a sterilisation of parts of the site, reducing the developable area. What was not agreed was the benchmark value for the site, and the effect of the need for pre-sales at a discount on the

residual land value and these considerations will be addressed, followed by consideration of the resulting viability of providing affordable housing now.

7. **The benchmark value** of the site is required in order to judge the viability of the appeal proposals. The alternative use value as a benchmark is a traditional method and the appellant has undertaken work on that basis. It is supposed that the site can be split into three, based on the centre section being that presently occupied by the block of flats. That appears feasible on the ground, the location of the flats provides for reasonably sized sites on either side. The flats would be refurbished and that would not attract a policy requirement for affordable housing. The western site presently has the semi-detached pair of houses and the eastern site is vacant, although affected by underground water works. The Council argue that the two outer sites should be treated as one and hence, on the sliding scale of Policy DP3, 22% affordable housing should be assumed for the calculation. The appellant considered the two sites as being separate, and hence separately assessed on the sliding scale, resulting in the western site, having regard to the removal of the existing 2 dwellings, not needing to yield affordable housing and the eastern site would be assumed to yield 13%.
8. The concern in Policy DP3 of grouping adjacent and related sites together is to avoid multiple sites being developed each taking advantage of the lower levels of the sliding scale where together the higher levels would be result. However, what was described as being an 'economy of scale' would operate in the case of the larger site, with a larger development taking advantage of a single access, open space provision and the like, and being more able to cover infrastructure costs. Two smaller sites aggregating to the same developable area but having to bear their own costs of access, open space provision, and infrastructure costs, among other things, would be a less economic proposition. That provides a logic for the sliding scale, in recognition of these economies. Where sites are adjacent, there is the opportunity of amalgamating them for these purposes, but where they are not, as in the case of the outer appeal sites, it would not be appropriate to assess them on the basis of enjoying economies of scale that are not available to them. That appears on the appellant's submissions to give a likely alternative use value of £11m.
9. The RICS published guidance in 2012 '*Financial Viability in Planning*' and suggests that the market should be taken into account. Paragraph 3.4.7 goes to some lengths to state the difficulties of using the sales prices of comparable development sites, but concludes that the importance of comparable evidence cannot be over-stated. This is a reasonable approach and in this case there are some comparable development sites in the vicinity to provide the information. These are a range of sites, in a range of locations, with a range of proposals, and therefore supply a range of possible market values expressed as a price per unit of area. That work has been augmented by enquiries of other developers over the level of interest in purchasing the outer sites, although the precise nature of the enquiry, whether a guide price was stated and the planning assumptions made are in doubt. Doubts were also expressed over the various calculations leading to the appellant's £14.25m figure, and there are some permutations of including the Thames Water sterilised land, and the costs associated with the Thames Water works. Within the various figures it appears reasonable to consider the eastern plot as the more valuable due to its relationship with the Primrose Hill open space.

10. In conclusion on this part, an alternative use value figure of £11m is justified and a higher figure, if not to the full £14.25m claimed by the appellant, would be a reasonable assumption as to the market value.
11. **Pre-sales** are a requirement of the funders to reduce their risk, and it does not appear reasonable to assume that the risk goes away as a result, rather that it is shouldered by someone else. Those pre-sales have been attracted by the use of discounts, and purchasers are taking a view as to the out-turn value on completion weighed against the discount offered now. They secure their interest by placing a 10% deposit on the property. The Council are of the view that these deposits are available to the developer to reduce the reliance on funding and that this should be factored into the calculation. However, purchasers are taking a certain risk and view of the future in any event by buying off-plan, and it does not appear reasonable that they take a further risk of having their money unsecured in the hands of a developer. There was evidence of former arrangements whereby interest was paid, a payment for risk, or that insurance would be available to reduce or negate the risk. Both of these would have had costs associated which are not taken account of. In the event neither form of risk reduction is available now and it is said that the level of discount is such as to attract pre-sales but on the basis of the deposit being in an escrow account and secure. It does not appear reasonable to apportion much, if any, of this money as the Council contend.
12. Secondly, the Council consider that the existence of pre-sales reduces the risk to the developer and that this should be reflected in a reduced level of profit. It may well be the case that having secured a 30% level of pre-sales, that is 30% not needing to be worried about selling later, but this comes at a cost of the discount, and could limit the ability to take action later in the project to respond to changes in the market, both in sales prices and expectations, on those 30% of the properties. Furthermore, any reduction in risk later-on should be balanced against an increased risk and pressure early-on, to achieve the pre-sales by a funding deadline, with the attendant risk of needing to increase the discount as that deadline approaches. It does not appear reasonable to factor-in a lower level of return now when those risks are still at large, as that would require assumptions that cannot safely be made.
13. There is weight to be attached to the appellant's comment that if pre-sales were such an advantage, all developers would be seeking them rather than having to accept them as the price of funding. There is clearly a difference between these pre-sales at this stage of the project and the concept of pre-sales and pre-lets in referred to in paragraph D3.1 of the RICS guidance. The pre-sales are a pre-condition of the funding being released and costs cannot be fixed. The guidance goes on to state that it is rarely possible to achieve the objectives and that there is a price to be paid.
14. In conclusion on this part, the value of pre-sales, imposed by the funders, are most unlikely to result in a reduction in return or borrowing to be factored into the calculation.
15. **The Residual Land Value** is compared with the benchmark, the former is the result of the conclusions directly above on the effect of the pre-sales and the latter the earlier conclusions on the site value. To show a viable development, the residual land value needs to be above the site value. Allowing very little or no increase in residual land value as a result of the pre-sales, and taking the appellant's £14.25m site value, or even a reduction in this for the uncertainties

discussed, but not below the £11m figure of the alternative use value, gives a negative figure, and by a significant margin. This is not the marginal situation that would allow the £1.5m offer to be viable in whole or in part.

16. **Affordable housing provision** now is therefore not viable. The provision of a nil level of affordable housing would accord with the policy requirement to provide the maximum reasonable amount of affordable housing having regard to viability. The question of whether affordable housing should be on-site or off-site does not arise. These conclusions confirm incidentally the likelihood of the consented (October 2011) scheme not being developed. This shows that the aim of encouraging rather than restraining residential development as sought by the London Plan Policy 3.12 is not likely to be met were there to be an insistence on any affordable housing from this development. The appellant addresses the reasons why even at the large negative value indicated, a developer may proceed, but a decision to proceed does not justify a requirement for affordable housing provision. The £1.5 affordable housing contribution in the Second Schedule of the Undertaking is not necessary to make the development acceptable.

Deferred Viability Assessment

17. Having concluded that the provision of affordable housing now is not viable, there is the possibility put forward that this might not be the case if there was to be a re-assessment at some future time were there to be an uplift in the market. During the course of the Inquiry the nature of the re-assessment sought by the Council was further discussed and, subject to the an overall finding that this would be acceptable in policy terms and in relation to this development, the formula now proposed would appear to be realistic sharing of any upturn in sales values.
18. The London Plan Policy 3.12 section B does refer to phased schemes, and in the accompanying paragraph 3.75 states that Boroughs should consider whether it is appropriate to put in place provisions for re-appraising the viability of schemes prior to implementation. The passage further states that to take account of economic uncertainties and in respect of schemes presently anticipated to deliver low levels of affordable housing, these provisions may be used to ensure that maximum public benefit is secured over the period of the development. The reference to there being a period of development may indicate a phased form of build-out, but not exclusively so. The Mayor's Draft Supplementary Planning Guidance '*Housing*' provides for reappraisal in times of economic uncertainty regardless of build-out time or phasing, and although as a draft this can be afforded only limited weight, these are times of economic uncertainty.
19. The RICS guidance addresses viability reviews at section 3.6.4 advising that the approach is generally suited to phased schemes over the longer term rather than single phased schemes to be implemented immediately, which require certainty. The guidance goes on to look at the possibility of long-life permissions (five years or more) where re-appraisal may also be appropriate. It is reasonable therefore to consider the converse; a short-life permission, of say 18 months, as offered by the appellant with no need for a reappraisal. Such a short-life permission would be close to the immediacy of implementation referred to in the guidance.

20. As an alternative, with a three year implementation date, the appellant has completed a unilateral undertaking making provision for a reappraisal, if after 20 months implementation and the completion of the Thames Water works have not taken place. That part of the undertaking is subject to the conclusion in this Decision that it meets the requirements of Regulation 122 of the Community Infrastructure Levy Regulations 2010. This still allows for the immediacy of implementation without reappraisal, but failing that, provides a mechanism to ensure that the scheme demonstrates continuing accord with the policy requirement to provide the maximum reasonable amount of affordable housing having regard to viability. Such a reappraisal then would be in the knowledge of the out-turn costs of the Thames Water works which are only budget estimates now. The works require a large capital outlay early-on, but have not been considered as a separate phase in coming to the conclusions in this issue.
21. Whilst on the findings in the first main issue it appears that there would need to be a significant upturn in the sales value to overcome the deficit, and some previous predictions of growth have proved to be unduly optimistic, a reappraisal would settle the matter. The result might still be nil provision, but would have been proved at an appropriate time, as a reasonable balance between public interest and that of the developer. A satisfactory undertaking and mechanism has been agreed between the parties and schemes of this type require constant internal financial reappraisal in any event, so that the agreement of the reappraisal should not be unduly onerous. Having previously concluded that no affordable housing is presently justified, this possible opportunity to secure affordable housing would accord with policy aims and permission should not be granted in its absence. The Third Schedule of the Undertaking with provision for the Contingent Viability Assessment satisfies the tests in Regulation 122 of the CIL Regulations, being necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind to the development.

Mitigation Measures

22. The two areas of concern are the Demolition and Construction Management Plan, and the Travel Plan;
23. **Demolition and Construction Management Plan.** There is no argument over whether this is required, and that view if concurred with now. The details of the Plan are set out in the fourth and fifth schedules to the Undertaking and the latter in particular contains highway measures that affect activities outside the site boundary and on the public highway, such as swept path diagrams for tight corners and routes to the Transport for London Road Network. Whilst a condition requiring a scheme could result in a Plan containing these measures there is concern as to their enforceability off-site. Clearly the Seven Dials Appeal Decision cited related to a site where there was little option than to use the highway for unloading, but in the present instance it would be good practice to have the requirement within the Undertaking rather than a condition where doubts remain as to whether one of the tests, enforceability, can be met.
24. **Travel Plan.** Again, there is no argument as to the requirement. The plan would seek to mitigate the effects of additional travel needs occasioned by the increased number of dwellings on the site and unlike the Demolition and Construction Management Plan does not seek to have any direct control over

land outside the site boundary, only over future occupier's actions which can be influenced. However, part of the provisions of the Undertaking is the monitoring contribution of £2,780 and if this is justified, an Undertaking is the correct place for the requirement to be secured. Similarly, there is no doubt that monitoring would be required. The Council will have statutory duties in respect of transport and travel, and no contribution should be expected to cover such duties that should be carried out in any event. However, this is mitigation of the effects of an increased occupancy and would result in additional work to monitor the outcomes. On the evidence it is reasonable that a monitoring contribution should be made and that the Travel Plan and the contribution should be secured through an Undertaking.

25. The provision of the Demolition and Construction Management Plan and the Travel Plan and its monitoring by way of the undertaking satisfies the requirements of the CIL Regulations and full weight attaches to these parts of the Undertaking in the granting of planning permission.

Conditions and Undertaking

26. A series of conditions was presented to the Inquiry as agreed in the Statement of Common Ground and these were discussed. For the reasons detailed above, the implementation time should be three years from the date of this Decision, coupled with the provisions of the Undertaking with regard to the possibility of re-assessment. There was discussion as to whether Condition 2) should be triggered by the start of any work, to achieve an holistic design but the argument that parts of the detailed design is done by sub-contractors and suppliers later-on is accepted. With some minor alteration to wording to aid clarity and to avoid doubt as to what would be acceptable, conditions controlling the following matters are necessary; materials, lights and other fixtures, landscaping, protection of trees, noise emissions, parking and vehicular servicing, provision and maintenance of the green roof, privacy, the provision of lifetimes homes, refuse and recycling storage, sustainable urban drainage, the protection of ecology and biodiversity, the provision of highway works including street trees, and levels at the site boundary.
27. The Council put forward a suggested further condition regarding CO₂ emissions from the combined heat and power unit. It was agreed that with a suitable alteration to the Code for Sustainable Homes condition this concern can be addressed. A requirement for an engineer to be employed to oversee basement works appears necessary having mind to items seen on the site inspection with the proximity of the water works and the nature of the ground. All of the resulting conditions accord with the six tests Circular 11/95 '*The Use of Conditions in Planning Permissions*'.
28. Turning to the Undertaking, the matters of the Demolition and Construction Management Plan, the Travel Plan, the Affordable Housing Contribution and the Contingent Viability Assessment have been addressed as part of the main issues. As stated earlier, there were other reasons for refusal that were not contested at the Inquiry as they were agreed to have been addressed by the Undertaking. These matters are; a local procurement code; local employment; provisions to prevent occupiers being entitled to a parking permit; and contributions to community facilities, education, environmental matters, public open space, and trees. The provisions of the Undertaking are in accordance with the requirements of Regulation 122 of the CIL Regulations previously detailed.

Conclusions

29. The development is acceptable in its effect on the character and appearance of the area and provides the benefits of good design and the provision of housing in this sensitive location adjoining the public open space of Primrose Hill. The proposals would address the run-down and under-utilised nature of the present site. It would therefore further aims of policy at all levels. There are particular costs associated with the development of the site with regard to the Thames Water works, and the balance of the evidence indicates that the provision of affordable housing, whether on-site or off, should not be required now. That finding accords with policy that seeks the maximum reasonable amount of affordable housing, having regard to the need to encourage rather than restrain residential development, and taking account of development viability.
30. However, it is reasonable to re-assess that position if the development is not started soon, and the contingent viability assessment contained in the Undertaking is a reasonable balance between the public interest and that of the developer.
31. All other matters between the parties are properly addressed in the Undertaking to which full weight is attached, including the provision of the Demolition and Construction Management Plan, and the Travel Plan including a monitoring contribution. For the reasons given above it is concluded that the appeal should be allowed.

S J Papworth

INSPECTOR

ANNEX 1

APPEARANCES

FOR THE LOCAL PLANNING AUTHORITY:

Neil Cameron	of Queens Counsel instructed by Andrew Maughan, Head of Legal Services, London Borough of Camden
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He called;

Michael Jennings PGDip MRICS	Partner BPS Chartered Surveyors
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Jonathan Rogers BSc(Hons) MRICS	Valuation Department Copping Joyce
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Gavin Sexton BEng MA	Principal Planning Officer London Borough of Camden
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FOR THE APPELLANT:

Russell Harris	of Queens Counsel instructed by Geoffrey Searle Planning Solicitors
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He called;

Clive Riding FRICS	Consultant Montagu Evans LLP
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Ian Stuart BA(Hons)	Housing and Economic Development Consultancy
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Nicholas Sharpe BA(Hons) DipTP MCD MRTPI	Partner Montague Evans LLP
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THIRD PARTY:

Richard Simpson FSA	Chair Primrose Hill Conservation Area Advisory Committee
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ANNEX 2

DOCUMENTS

Submitted by Council;

Document	C1	Council's Opening Statement
Document	C2	Changes to Jennings Proof of evidence
Document	C3	Changes to Rogers Proof of Evidence
Document	C4	Transport for London, ' <i>Transport Assessment Best Practice Guidance Document</i> '
Document	C5	Condition additional to SOCG
Document	C6	Replacement Jennings Proof of Evidence
Document	C7	Replacement Jennings Toolkit Option 2
Document	C8	Replacement Jennings Toolkit Option 4
Document	C9	BPS June 2011 appraisal
Document	C10	Letter Montagu Evans to Appellant 13 July 2011
Document	C11	Council's Closing Statement

Submitted by Appellant;

Document	A1	Appellant's Opening Statement
Document	A2	Statement of Common Ground
Document	A3	e-mail Taylor Wimpey to Montagu Evans 15 August 2012
Document	A4	Letter Davenport Lyons to CIT Group 4 September 2012
Document	A5	Revision of Montagu Evans ' <i>15% to show 0% on western site</i> '
Document	A6	<i>'Comparator with Mike Jennings 24% affordable housing assuming 2 sites treated as one'</i>
Document	A7	<i>'Supplementary information for Development Control Committee'</i> 15 December 2011
Document	A8	Core Strategy ' <i>Strategic Objectives</i> '
Document	A9	Savills ' <i>Prime London Residential Markets</i> '
Document	A10	Additional Note for Inspector 7 September 2012 Clive Riding
Document	A11	Additional Note for Inspector 10 September 2012 Clive Riding
Document	A12	Unilateral Undertaking Dated 21 September 2012
Document	A13	Appellant's Closing Statement

Submitted by Primrose Hill Conservation Area Advisory Committee;

Document	3/1	Appeal Statement read at Inquiry
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ANNEX 3

CONDITIONS

- 1) The development hereby permitted shall begin not later than three years from the date of this decision.
- 2) Detailed drawings and/or samples of materials as appropriate, in respect of the following, shall be submitted to and approved in writing by the Local Planning Authority before the relevant part of the work is begun:
 - a) Plan, elevation and section drawings, including jambs, head and cill, of all new external windows and doors at a scale of 1:10 with typical glazing bar details at 1:1.
 - b) Typical details of new railings and balustrade at a scale of 1:10, with finials at 1:1, including method of fixing.
 - c) Samples and manufacturer's details of new facing materials including windows and door frames, glazing, balconies, balustrades, natural stone and metal cladding with a full scale sample panel of all stone facing finishes of no less than 1m by 1m including junction with window opening demonstrating the proposed colour, texture, face-bond and pointing.

The relevant part of the works shall not be carried out otherwise than in accordance with the details thus approved.

- 3) No lights, meter boxes, flues, vents or pipes, and no telecommunications equipment, alarm boxes, television aerials or satellite dishes shall be fixed or installed on the external face of the buildings, without the prior written approval of the Local Planning Authority.
- 4) A sample panel of all facing materials should be erected on-site and approved by the Local Planning Authority before the relevant parts of the work are commenced. The development shall not be carried out otherwise than in accordance with details thus approved and the sample panel shall be retained on site until the work has been completed.
- 5) No development shall take place until full details of hard and soft landscaping and means of enclosure of all un-built-upon open areas have been submitted to and approved in writing by the Local Planning Authority. Such details shall include details of any proposed earthworks including grading, mounding and other changes in ground levels. The relevant part of the works shall not be carried out otherwise than in accordance with the details thus approved.
- 6) All hard and soft landscaping works shall be carried out in accordance with the approved landscape details by not later than the end of the planting season following completion of the development or any phase of the development, whichever is the sooner. Any trees or areas of planting which, within a period of 5 years from the completion of the development, die, are removed or become seriously damaged or diseased, shall be replaced as soon as is reasonably possible and, in any case, by not later than the end of the following planting season, with others of similar size and species, unless the Local Planning Authority gives written consent to any variation.
- 7) All trees on the site, or parts of trees growing from adjoining sites, unless shown on the permitted drawings as being removed, shall be retained and protected from damage in accordance with BS5837:2012 '*Trees in Relation to Design, Demolition and Construction*'. Details shall be submitted to and

- approved in writing by the Local Planning Authority before works commence on site to demonstrate how trees to be retained shall be protected during construction work: such details shall follow guidelines and standards set out in BS5837.
- 8) Noise levels at a point 1 metre external to sensitive facades shall be at least 5dB(A) less than the existing background measurement (LA90), expressed in dB(A) when all plant/equipment (or any part of it) is in operation unless the plant/equipment hereby permitted will have a noise that has a distinguishable, discrete continuous note (whine, hiss, screech, hum) and/or if there are distinct impulses (bangs, clicks, clatters, thumps), then the noise levels from that piece of plant/equipment at any sensitive facade shall be at least 10dB(A) below the LA90, expressed in dB(A).
 - 9) Before the use commences, an acoustic report, prepared by a suitably qualified professional, detailing any plant with an external breakout and demonstrating how the Local Planning Authority's noise requirements (as set out in condition 8) will be met, shall be submitted to and approved in writing by the Local Planning Authority. The plant shall be provided with the necessary acoustic isolation and sound attenuation as recommended in the acoustic report and shall be maintained in accordance with the manufacturer's specifications. The acoustic isolation shall thereafter be maintained in effective order.
 - 10) Prior to commencement on the relevant part of the development hereby approved details of all external lighting to include location, design, specification, fittings and fixtures (including means of reducing light spillage) shall be submitted to and approved in writing by the Local Planning Authority. The building shall not be occupied until the relevant approved details have been implemented. These works shall be permanently retained and maintained thereafter.
 - 11) Prior to first occupation of the development a management scheme for ensuring that the front driveways shall be used for the purposes of servicing and drop-off/ pick-up only and shall be maintained free of parked vehicles or other obstruction, shall be submitted to and approved in writing by the Local Planning Authority. The development shall thereafter not be occupied other than in complete accordance with the measures contained in the approved scheme.
 - 12) The development hereby permitted shall be carried out in accordance with the approved plans set out in Annex 4 attached to this Decision.
 - 13) Prior to commencement of the relevant part of the development a plan showing details of the green roof including species, planting density, substrate and a section at scale 1:20 showing that adequate depth is available in terms of the construction and long term viability of the green roof, and a programme for a scheme of maintenance shall be submitted to and approved in writing by the Local Planning Authority. The green roof shall be fully provided in accordance with the approved details prior to first occupation and thereafter retained and maintained in accordance with the approved scheme of maintenance.
 - 14) The development hereby approved shall not commence until such time as a suitably qualified chartered engineer with membership of the appropriate professional body has been appointed to inspect, approve and monitor the critical elements of both the permanent and temporary basement

construction works throughout their duration to ensure compliance with the design which has been checked and approved by a building control body. The appointment shall be confirmed in writing to the Local Planning Authority prior to the commencement of development and any subsequent change shall be confirmed forthwith for the duration of the construction works.

- 15) Prior to occupation of the relevant units, all glazing to bathrooms on the East elevation of Block 1, East and West elevations of Block 2 and West elevation of Block 3 shall be fitted with obscure glazing and fixed shut to a height of 1.8 metres. Such measures shall be retained thereafter.
- 16) The lifetime homes features and facilities and 10% wheelchair units, as indicated on the drawings and documents hereby approved shall be provided in their entirety prior to the first occupation of any of the new residential units and shall be retained thereafter.
- 17) Prior to occupation of the development the refuse and recycling storage and cycle parking facilities shown on the drawings hereby approved shall be provided. All refuse and recycling storage and cycle parking facilities shall be retained thereafter.
- 18) Prior to commencement of development details of a sustainable urban drainage system (to show 50% attenuation of all runoff) shall be submitted to and approved in writing by the Local Planning Authority and such system shall be implemented as part of the development and thereafter retained and maintained.
- 19) Prior to occupation of the development, the recommendations and measures to protect and enhance biodiversity and ecology on the site as set out in the two ecology reports hereby approved, shall be implemented and thereafter retained.
- 20) The development shall achieve Level 4 of the Code for Sustainable Homes including 50% of the targets in the Water, Materials and Energy categories. The development shall not be occupied until evidence of a final Code Certificate (or any such equivalent national measure of sustainability for home design which replaces that scheme) certifying that Code Level 4 has been achieved has been issued, including evidence on emissions.
- 21) No development shall commence before a contract has been entered into with the Local Highway Authority to secure the following works:
 - a) The retention and repaving of the existing crossover at the eastern end of the southern Property boundary;
 - b) The creation of a new vehicular crossover to the western end of the southern Property boundary;
 - c) The repaving of the footway adjacent to the Property on St Edmund's Terrace.
 - d) The replacement of two street trees.The development shall not be occupied until the works that are the subject of that contract have been completed.
- 22) No development shall commence until plans demonstrating the levels at the interface of the Development, the boundary of the Property and the Public Highway have been submitted to and approved in writing by the Local Planning Authority and the development shall be carried out to the levels approved.

ANNEX 4

Schedule of drawings and documents referred to in Condition 12)

Existing Plan (1:1250 @ A3)

P_00_G100_003A Location Plan for Site (section1.2)

Existing Plan (1:500 @ A1)

P_00_JA12_001A Existing Site Plan Ground Level

Existing Plan (1:250 @ A1)

P_00_JA12_002A Existing Site Plan Ground Level

Existing Elevations (1:500 @ A1)

E_S_G100_001A Existing South Elevation

E_N_G100_001A Existing North Elevation

E_E_G100_001A Existing East Elevation

E_W_G100_001A Existing West Elevation

Existing Elevations (1:250 @ A1)

E_S_G100_002A Existing South Elevation

E_N_G100_002A Existing North Elevation

E_E_G100_002A Existing East Elevation

E_W_G100_002A Existing West Elevation

Existing Sections (1:500 @ A1)

S_AA_G100_001A Existing Section AA

S_BB_G100_001A Existing Section BB

Existing Sections (1:250 @ A1)

S_AA_G100_002A Existing Section AA

S_BB_G100_002A Existing Section BB

Proposed Plans (1:500 @ A1)

P_00_G200_001A Proposed Ground Floor Plan

P_01_G200_001A Proposed First Floor Plan

P_02_G200_001A Proposed Second Floor Plan

P_03_G200_001A Proposed Third Floor Plan

P_04_G200_001A Proposed Fourth Floor Plan

P_05_G200_001A Proposed Fifth Floor Plan

P_RF_G200_001A Proposed Roof Level Plan

P_B1_G200_001A Proposed Basement -1 Plan

P_B2_G200_001A Proposed Basement -2 Plan

Proposed Plans (1:250 @ A1)

P_00_G200_002A Proposed Ground Floor Plan

P_01_G200_002A Proposed First Floor Plan

P_02_G200_002A Proposed Second Floor Plan

P_03_G200_002A Proposed Third Floor Plan

P_04_G200_002A Proposed Fourth Floor Plan

P_05_G200_002A Proposed Fifth Floor Plan

P_RF_G200_002A Proposed Roof Level Plan

P_B1_G200_002A Proposed Basement -1 Plan

P_B2_G200_002A Proposed Basement -2 Plan

P_B1_G200_003A Proposed Basement -1 Cycle Storage

Proposed Elevations (1:500 @ A1)

E_S_G200_001C Proposed South Elevation

E_N_G200_001B Proposed North Elevation

E_E_G200_001B Proposed East Elevation

E_W_G200_001A Proposed West Elevation

Proposed Elevations (1:250 @ A1)

E_S_G200_002C Proposed South Elevation

E_N_G200_002B Proposed North Elevation

E_E_G200_002B Proposed East Elevation

E_W_G200_002A Proposed West Elevation

Proposed Sections (1:500 @ A1)

S_AA_G200_001A Proposed Section AA

S_BB_G200_001A Proposed Section BB

S_CC_G200_001A Proposed Section CC

S_DD_G200_001A Proposed Section DD

Proposed Sections (1:250 @ A1)

S_AA_G200_002A Proposed Section AA

S_BB_G200_002A Proposed Section BB

S_CC_G200_002A Proposed Section CC

S_DD_G200_002A Proposed Section DD

S_EE_G200_002A Proposed Section EE

S_FF_G200_002A Proposed Section FF

Proposed Area Block Plans (1:100 @ A1)

B1_P_00_G200_001B Block 1 Proposed Ground Floor Plan

B1_P_01_G200_001B Block 1 Proposed First Floor Plan

B1_P_02_G200_001B Block 1 Proposed Second & Third Floor Plan

B1_P_04_G200_001A Block 1 Proposed Fourth Floor Plan

B1_P_05_G200_001A Block 1 Proposed Fifth Floor Plan

B2_P_00_G200_001A Block 2 Proposed Ground Floor Plan

B2_P_01_G200_001A Block 2 Proposed First Floor Plan

B2_P_02_G200_001A Block 2 Proposed Second & Third Floor Plan

B2_P_04_G200_001A Block 2 Proposed Fourth Floor Plan

B2_P_05_G200_001A Block 2 Proposed Fifth Floor Plan

B3_P_B1_G200_001A Block 3 Proposed Basement Plan

B3_P_00_G200_001A Block 3 Proposed Ground Floor Plan

B3_P_01_G200_001A Block 3 Proposed First Floor Plan

B3_P_02_G200_001A Block 3 Proposed Second Floor Plan

B3_P_03_G200_001A Block 3 Proposed Third Floor Plan

B3_P_04_G200_001A Block 3 Proposed Fourth Floor Plan

Proposed Block Elevations (1:100 @ A1)

B1_E_S_G200_001B Block 1 Proposed South Elevation

B1_E_N_G200_001A Block 1 Proposed North Elevation

B1_E_E_G200_001B Block 1 Proposed East Elevation

B1_E_W_G200_001A Block 1 Proposed West Elevation

B2_E_S_G200_001A Block 2 Proposed South Elevation

B2_E_N_G200_001A Block 2 Proposed North Elevation

B2_E_E_G200_001A Block 2 Proposed East Elevation

B2_E_W_G200_001A Block 2 Proposed West Elevation

B3_E_S_G200_001B Block 3 Proposed South Elevation

B3_E_N_G200_001B Block 3 Proposed North Elevation

B3_E_E_G200_001B Block 3 Proposed East Elevation

B3_E_W_G200_001B Block 3 Proposed West Elevation

Proposed Detailed Drawings (1:50 @ A1)

TH_P_B1_G200_001A Town House Proposed Basement Plan

TH_P_00_G200_001A Town House Proposed Ground Floor Plan

TH_P_01_G200_001A Town House Proposed First Floor Plan

TH_E_AL_G200_001A Town House Proposed Elevations

D_AL_G251_001A Proposed Bay Detail

Proposed Flat Type Plan (1:400 @ A1)

P_AL_D811_001A Proposed Flat Type Plan

Proposed Accessible Flat Layout Plans (1:50 @ A1)

B2_P_00_D811_01_001A Block 2 Proposed 1 Bed Apartment

B2_P_01_D811_02_001A Block 2 Proposed 2 Bed Apartment

B1_P_03_D811_03_001A Block 1 Proposed 3 Bed Apartment

B3_P_02_D811_04_001A Block 3 Proposed 4 Bed Apartment

Design & Access Statement Volume I incorporating planning statement and access statement;

Addendum Planning Statement Nov 2011 by Montagu Evans;

Construction Management Plan by Knight Harwood (undated);

Structural Concept report by Fluid Structures Oct 2011;

Energy Strategy Report by RES 01/11/11;

Code for Sustainable Homes pre-assessment report by RES 01/11/2011;

Transport Statement by TPP Consulting November 2011;

Historic Environment Assessment Nov 2011;

Noise Survey & Plant Information by Sandy Brown LLP 1 Nov 2011;

Daylight and Sunlight report by GIA Nov 2011;

Report on Soil Investigation by ESG November 2011;

Air Quality Assessment WSP Nov 2011;

Arboricultural Report by DPA Nov 2011;

Ecology Report by URS Issue 1 Nov 2011;

Bat Survey Report by URS Issue 29th Oct 2010;

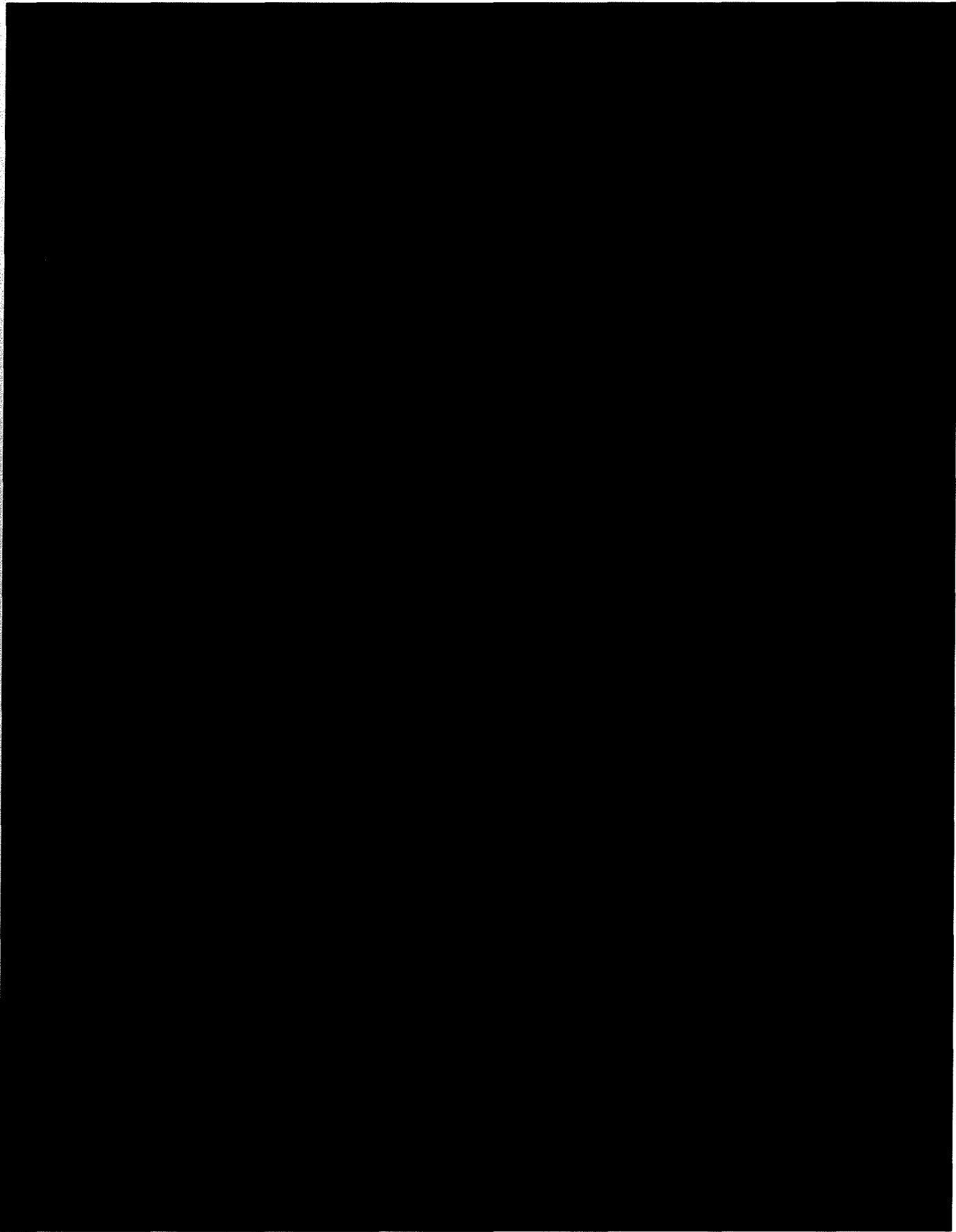
Code for Sustainable Homes Ecology Report Issue Nov 2011;

Landscape Design Statement by SCAPE 01-11- 2011 including Landscape Masterplan 230-SK-101;

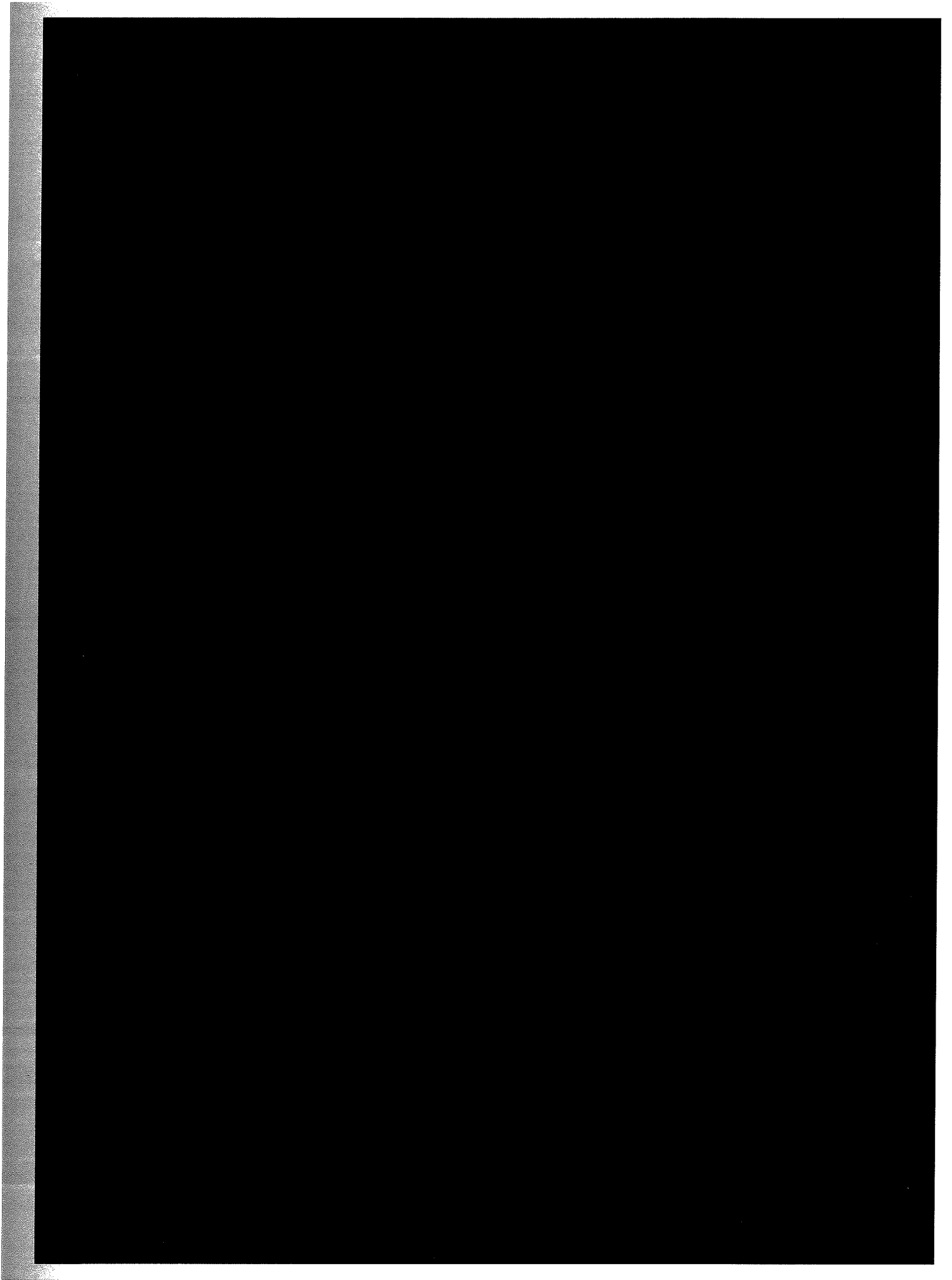
Response to BIA Screening Flowcharts by Fluid Structures April 2011;

APPENDIX NINE



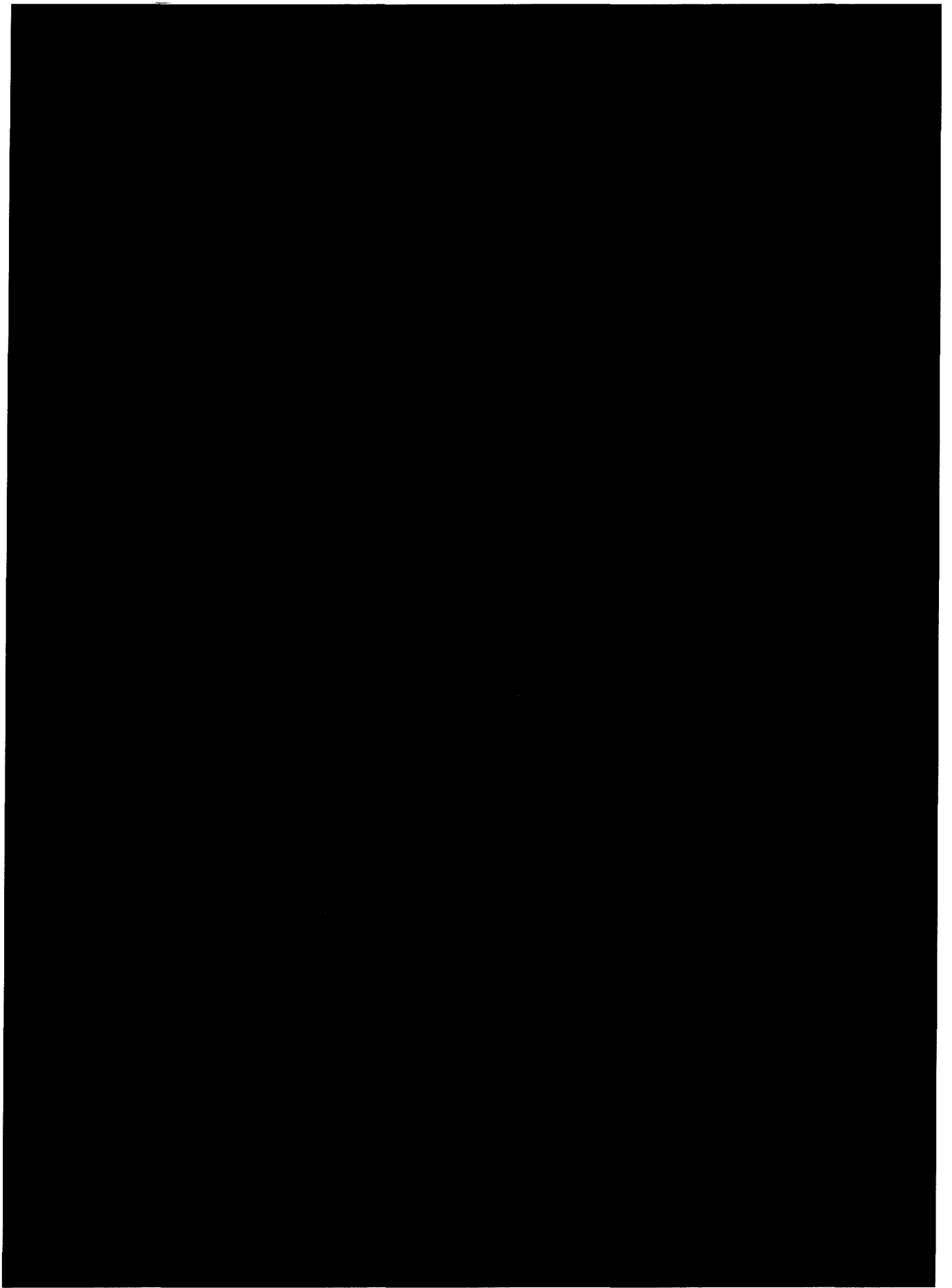






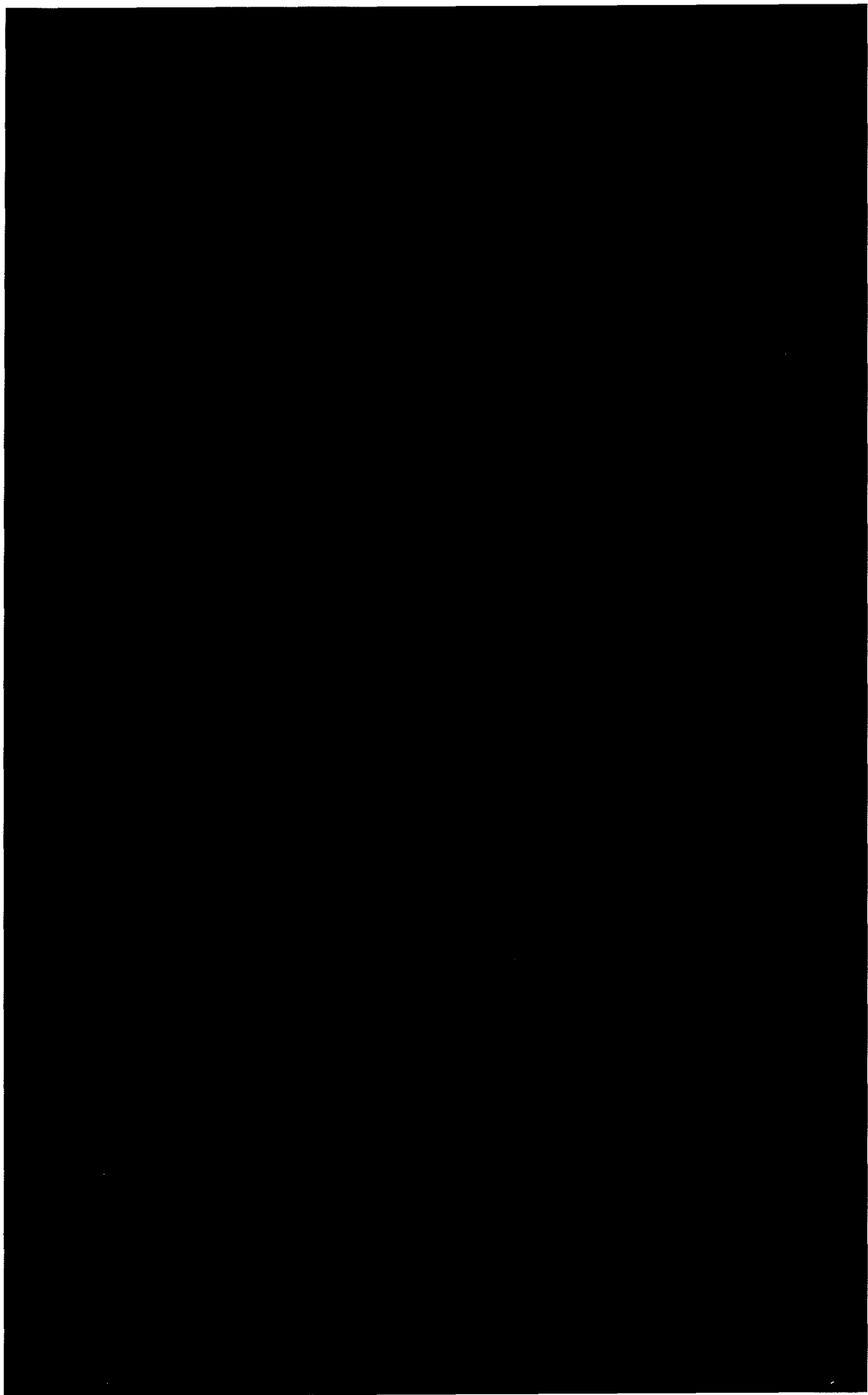
APPENDIX TEN

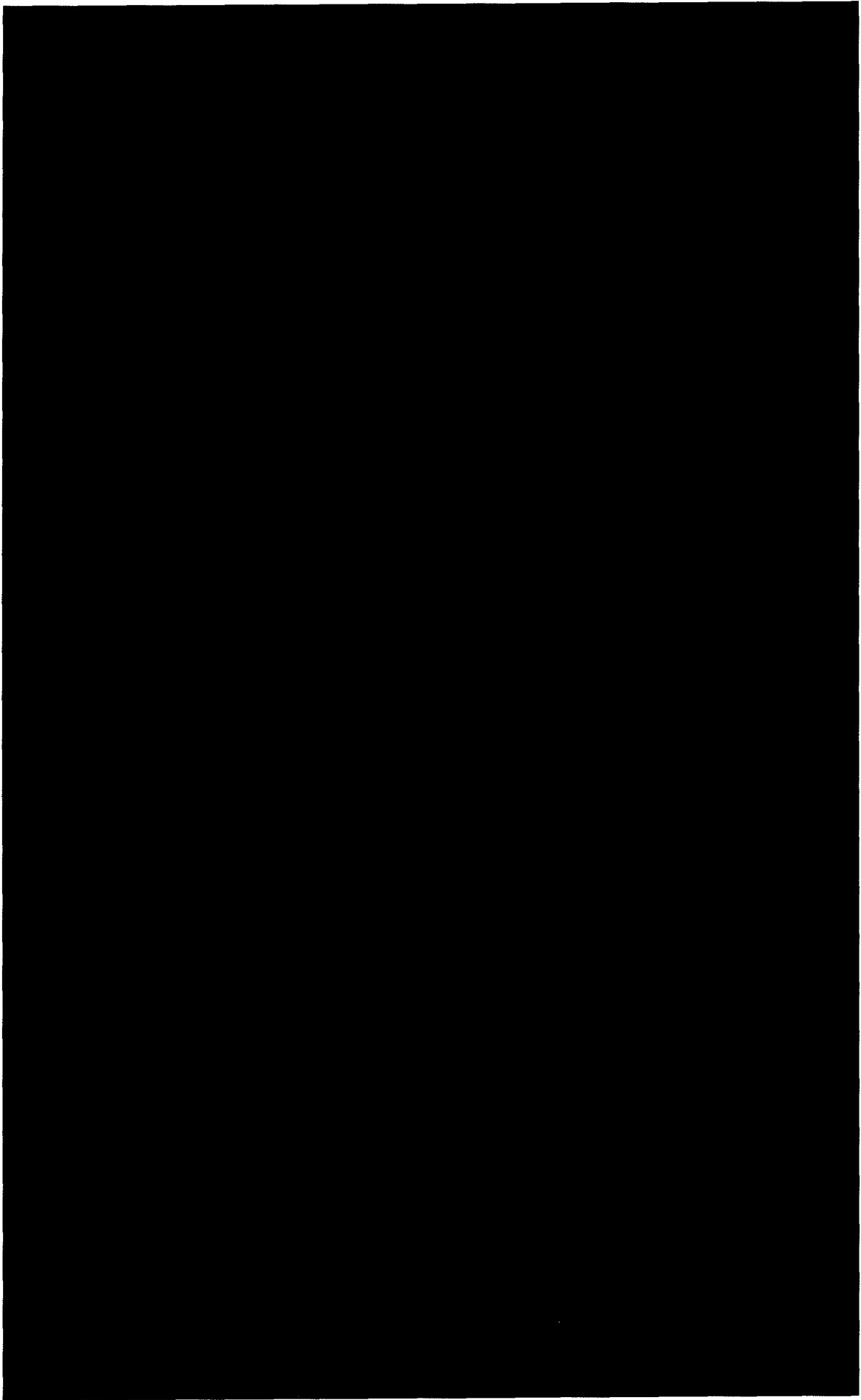


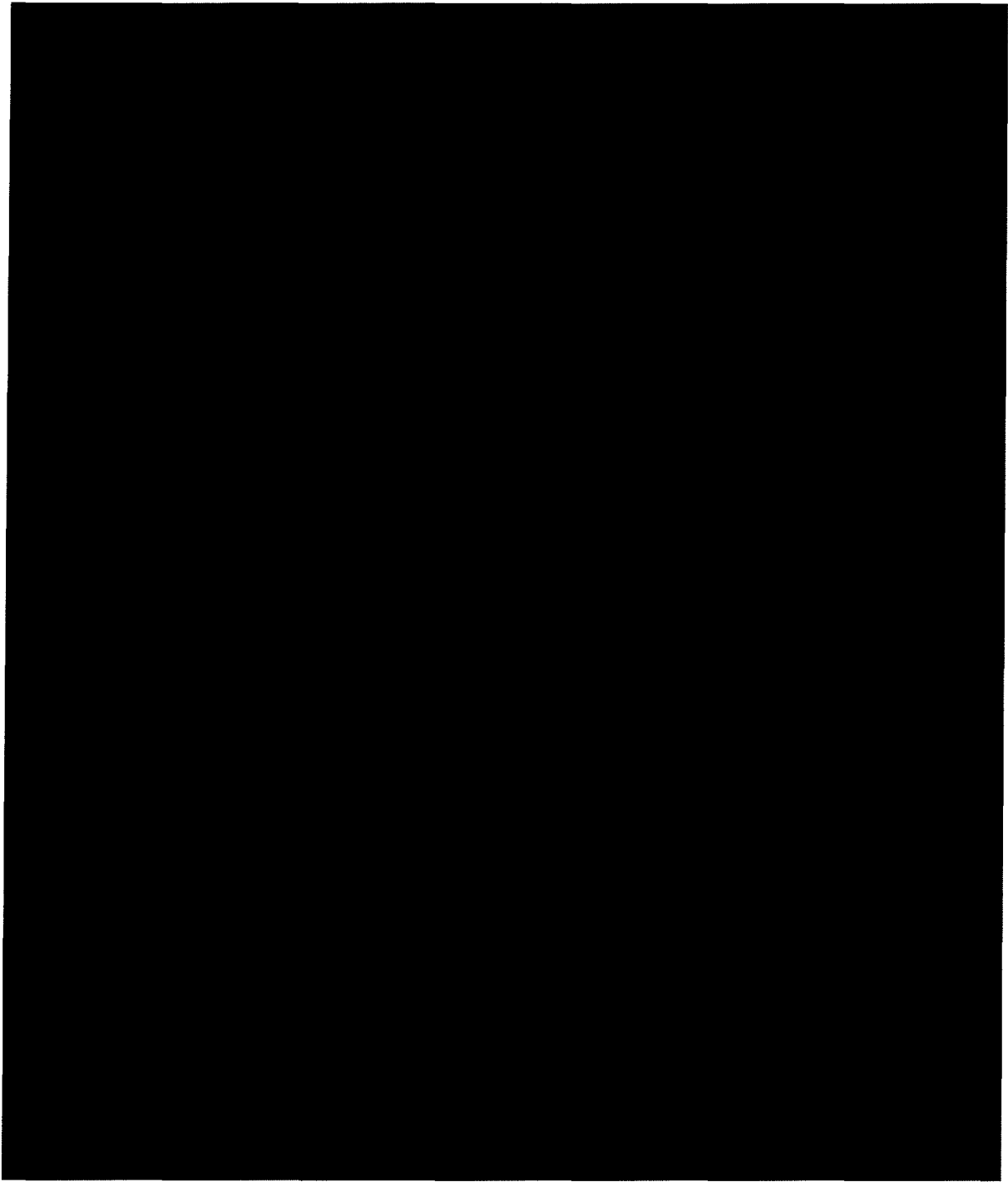


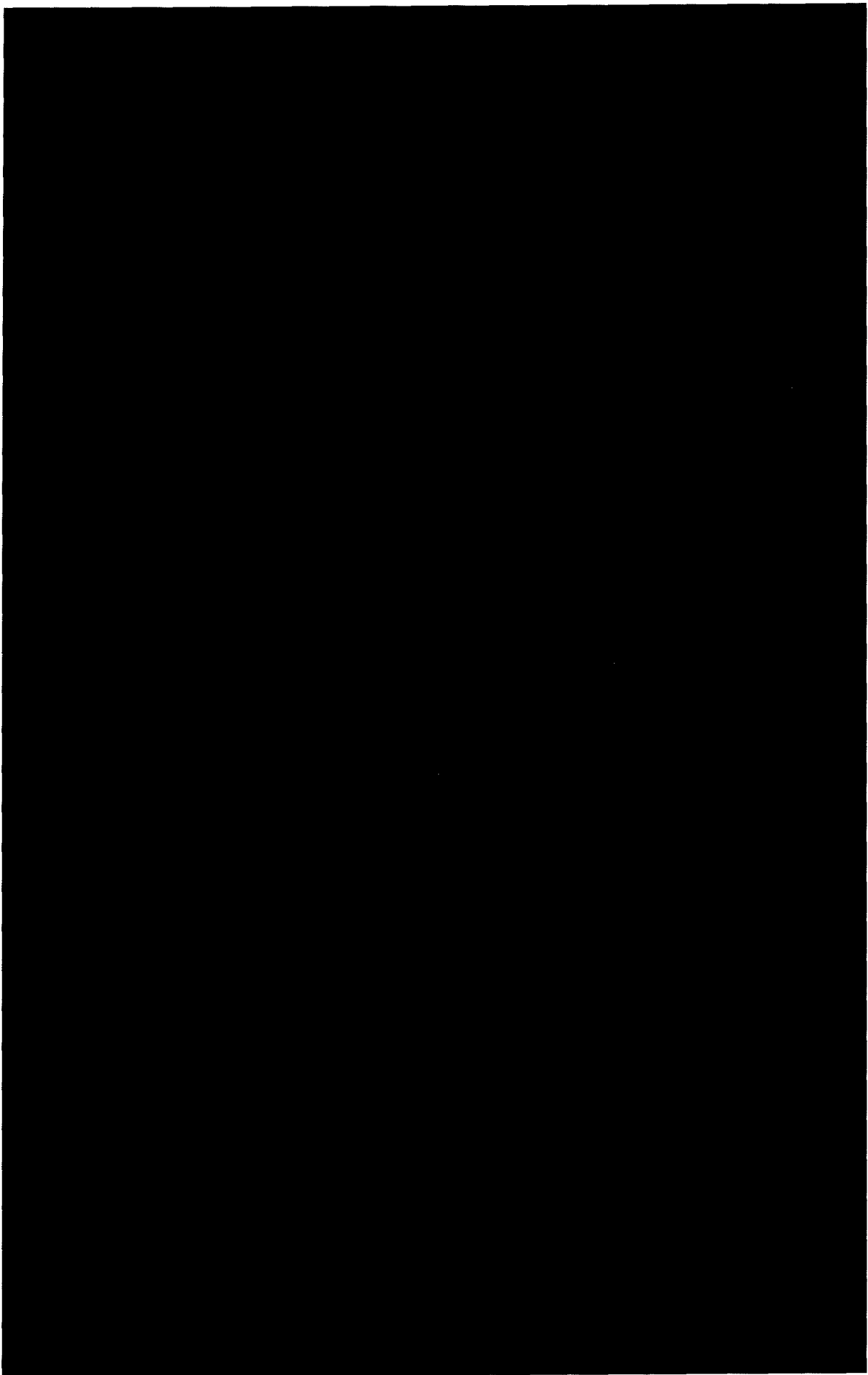
APPENDIX ELEVEN

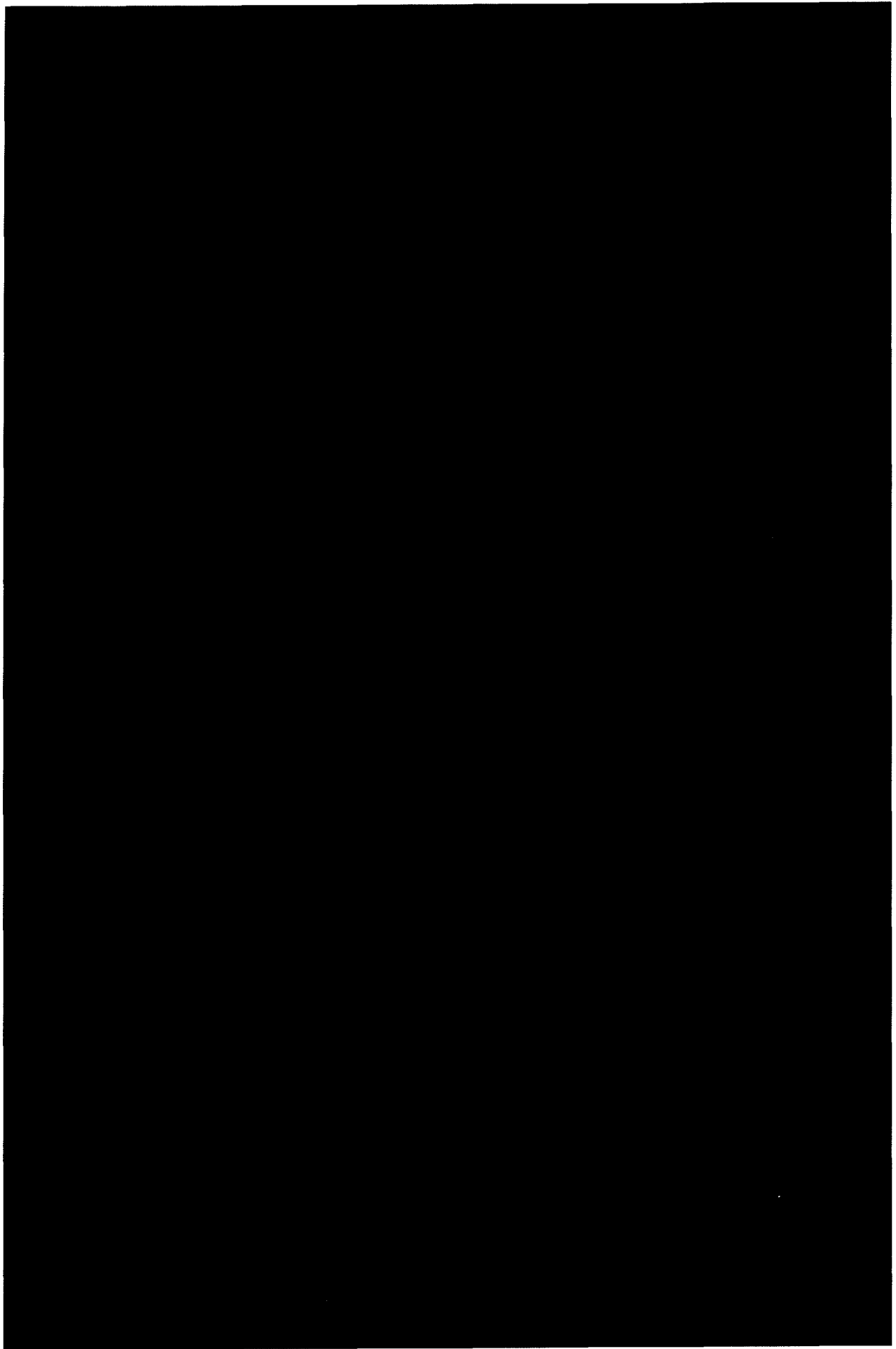


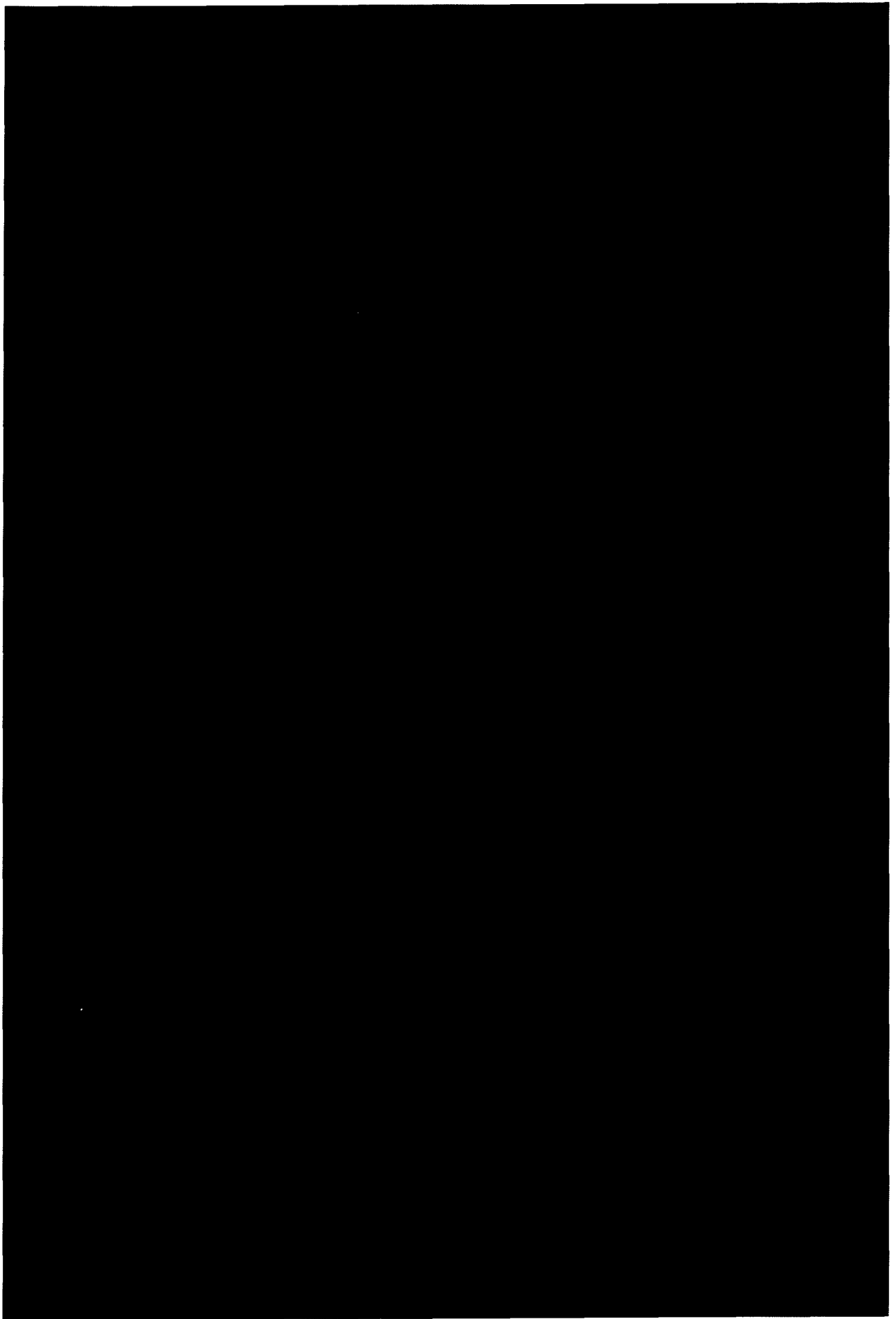


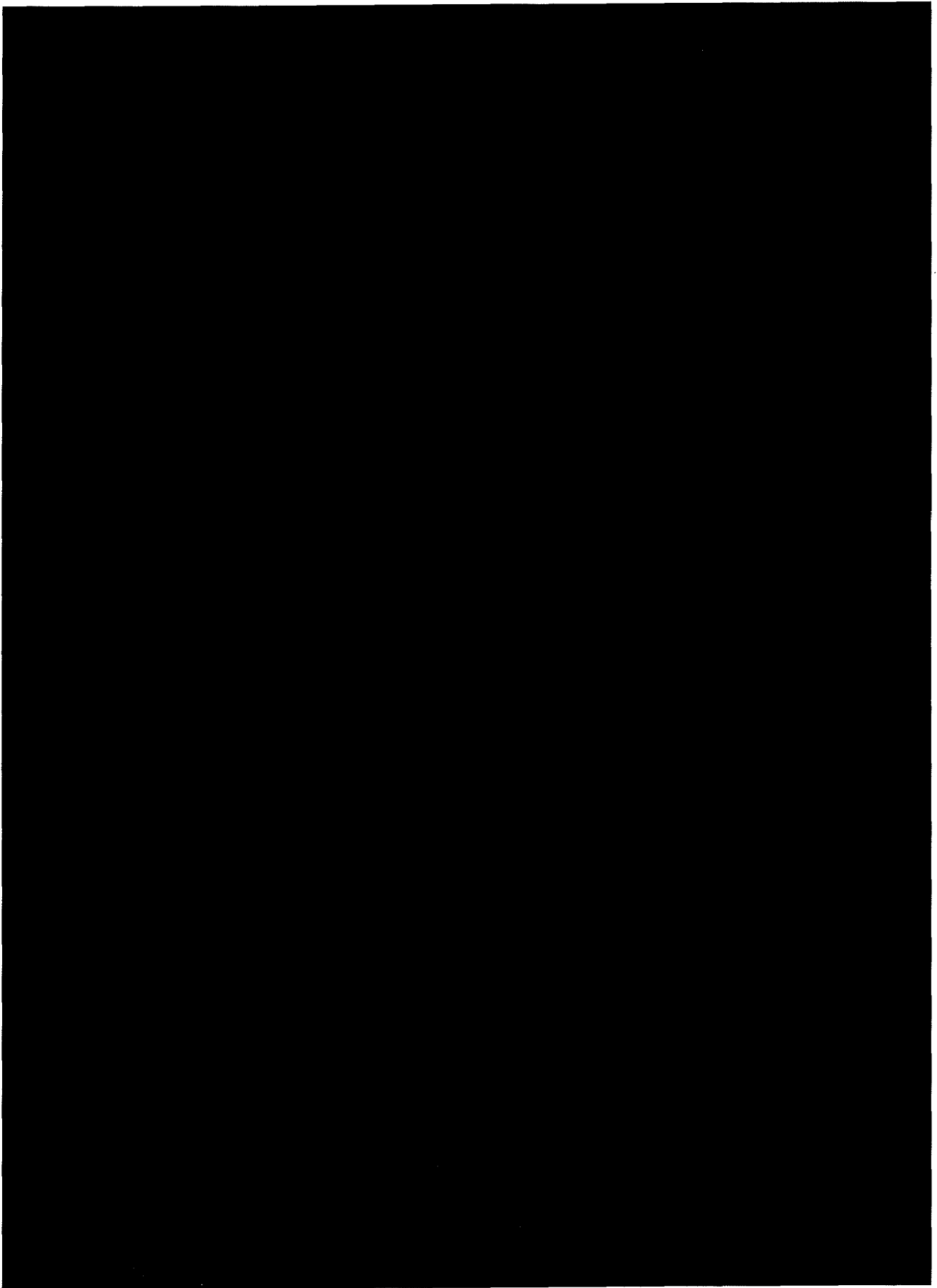


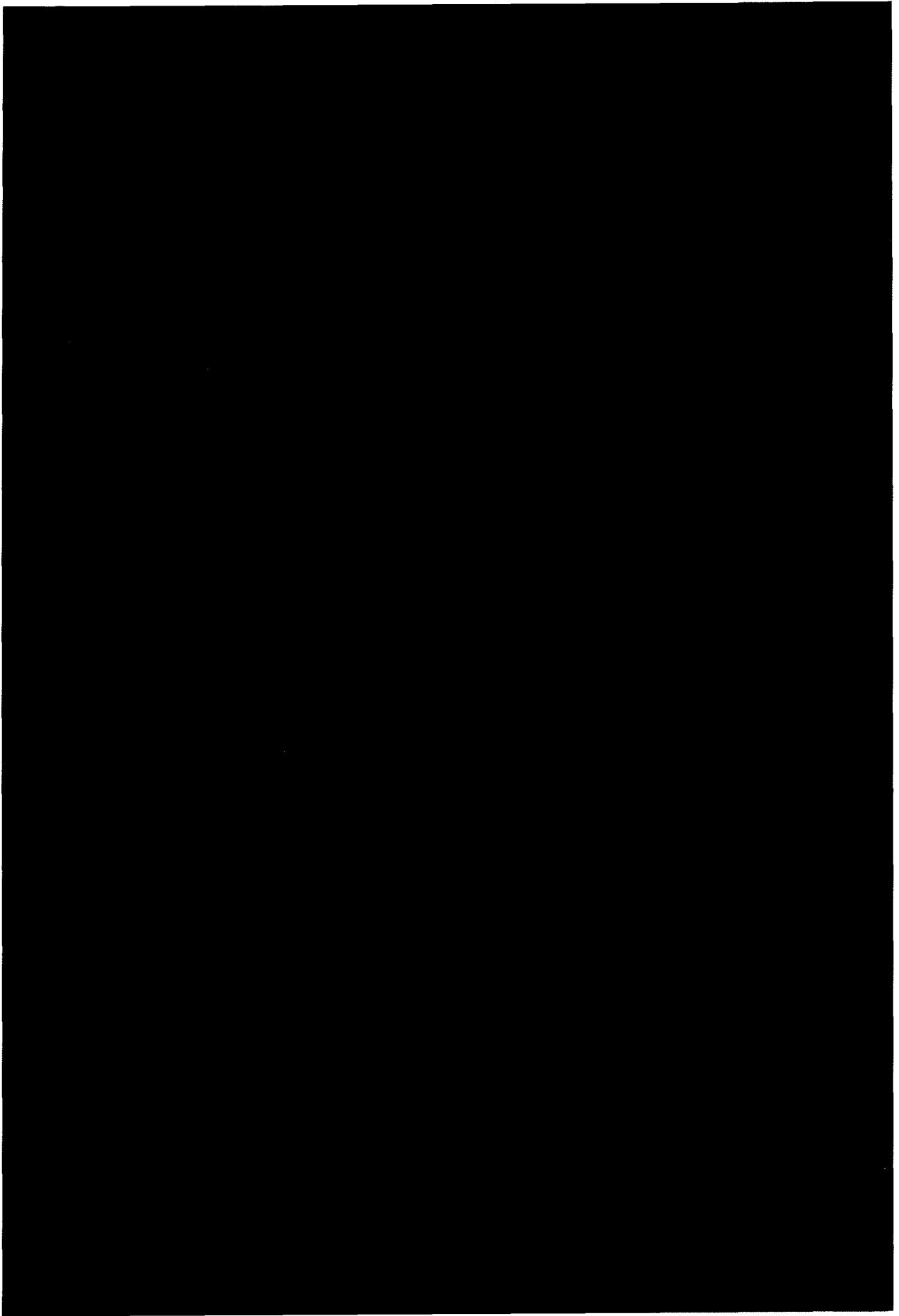


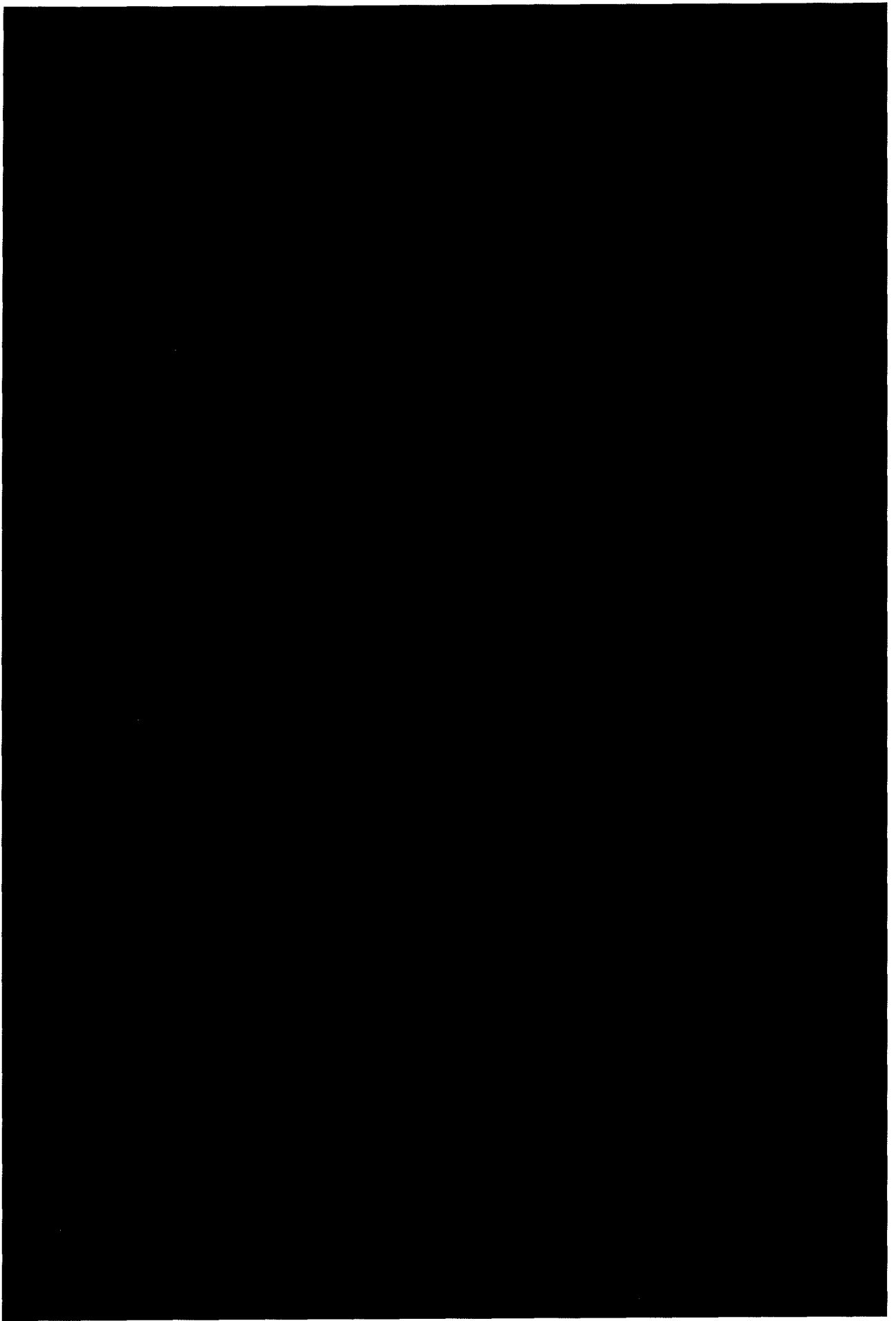


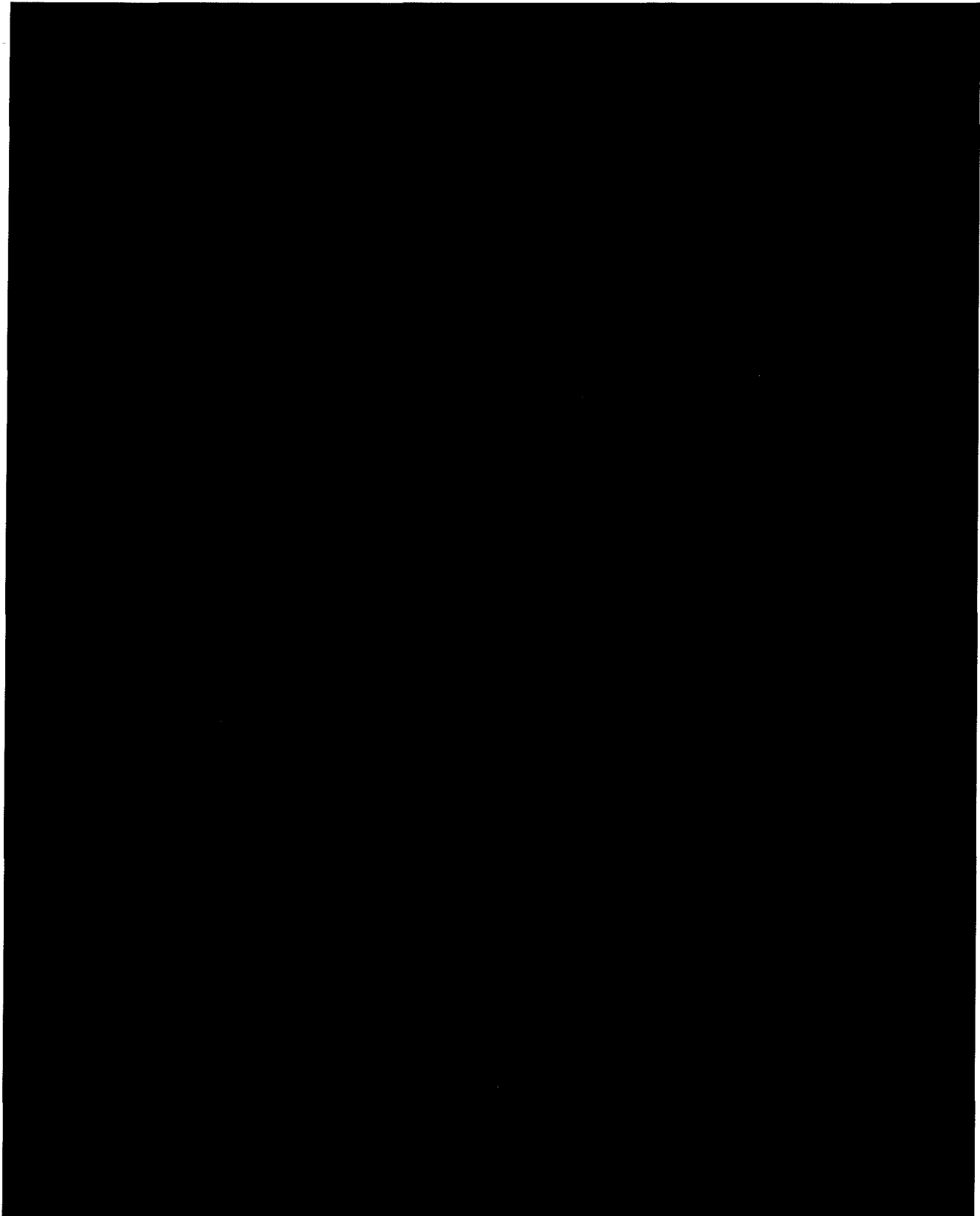


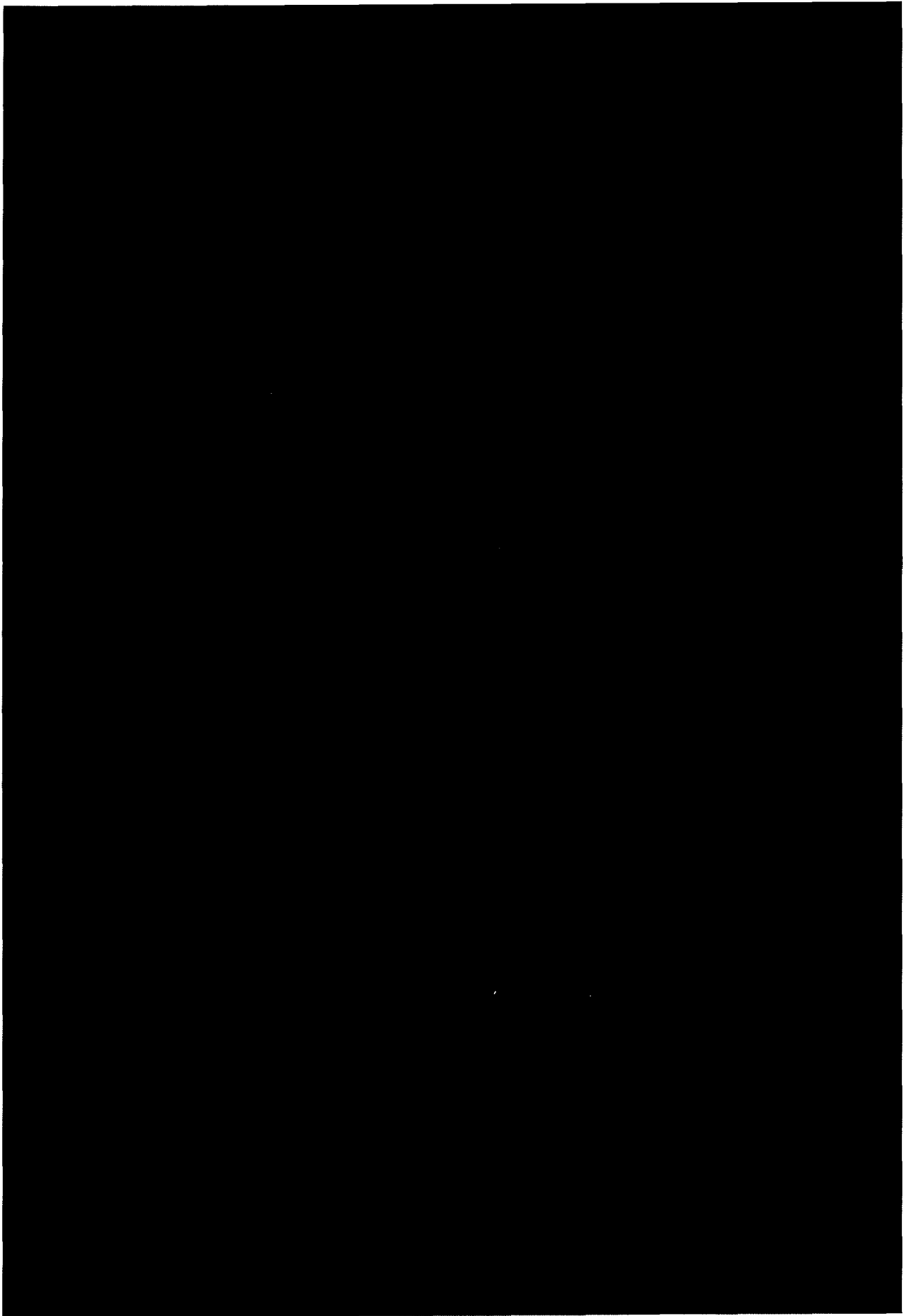


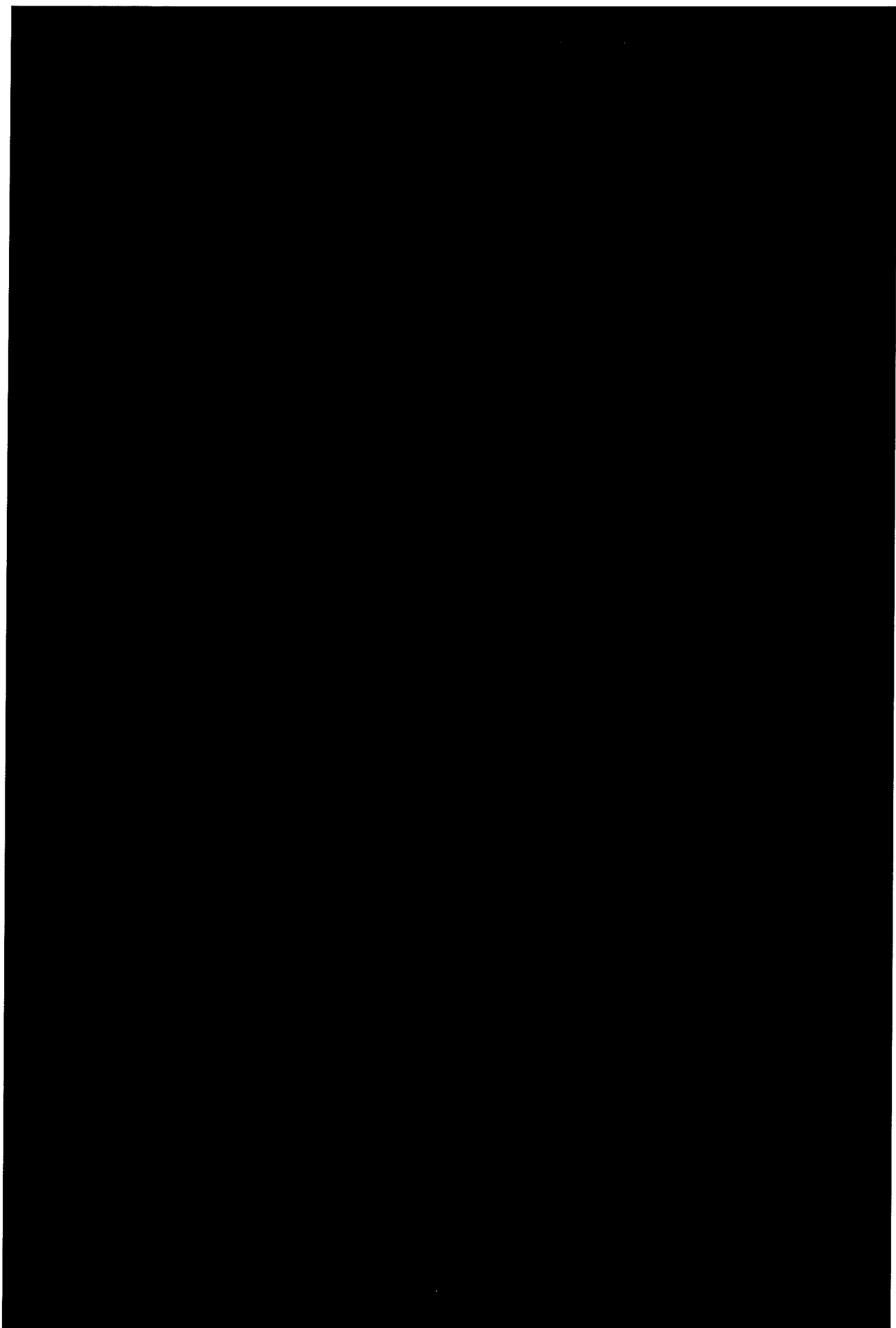


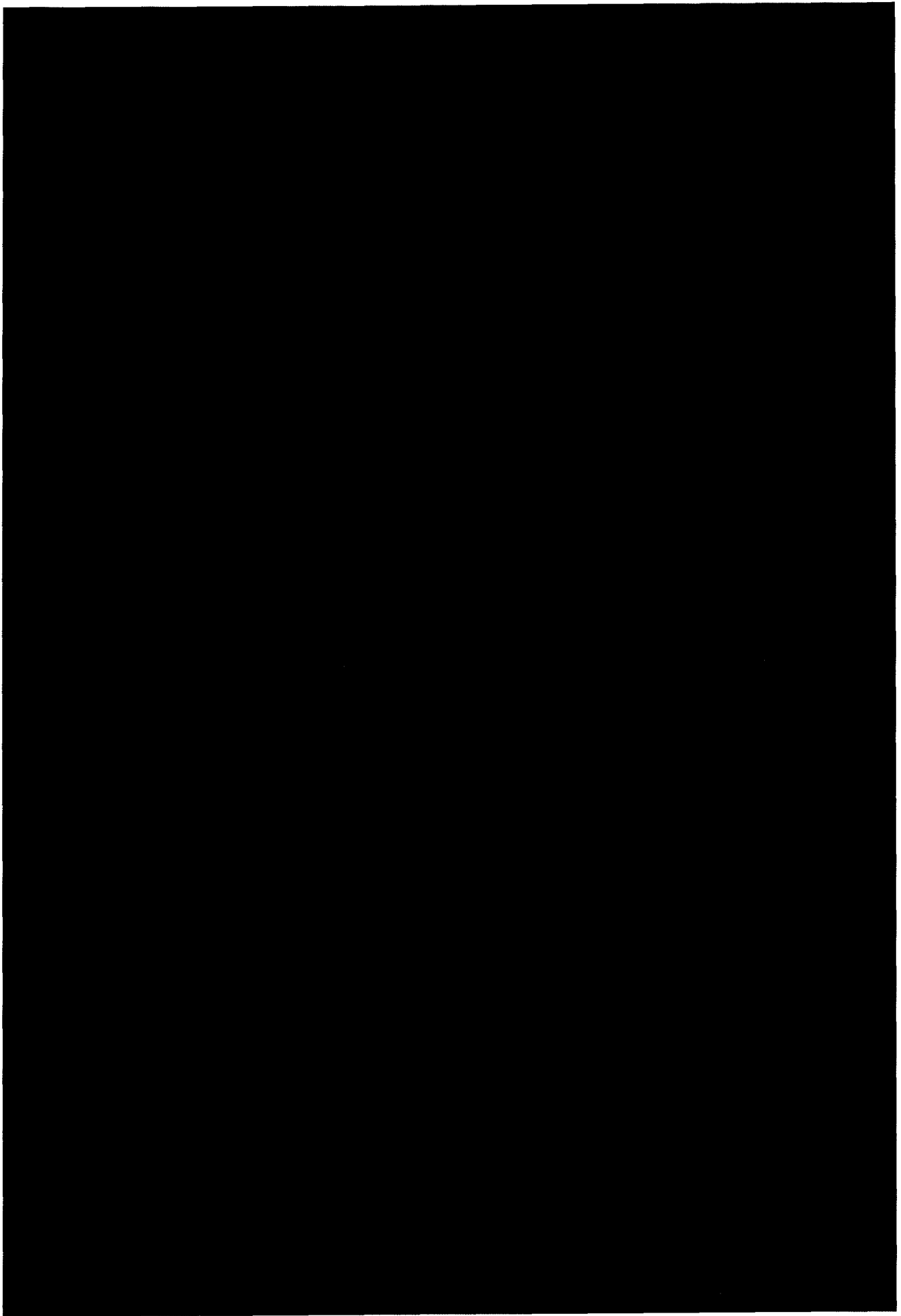


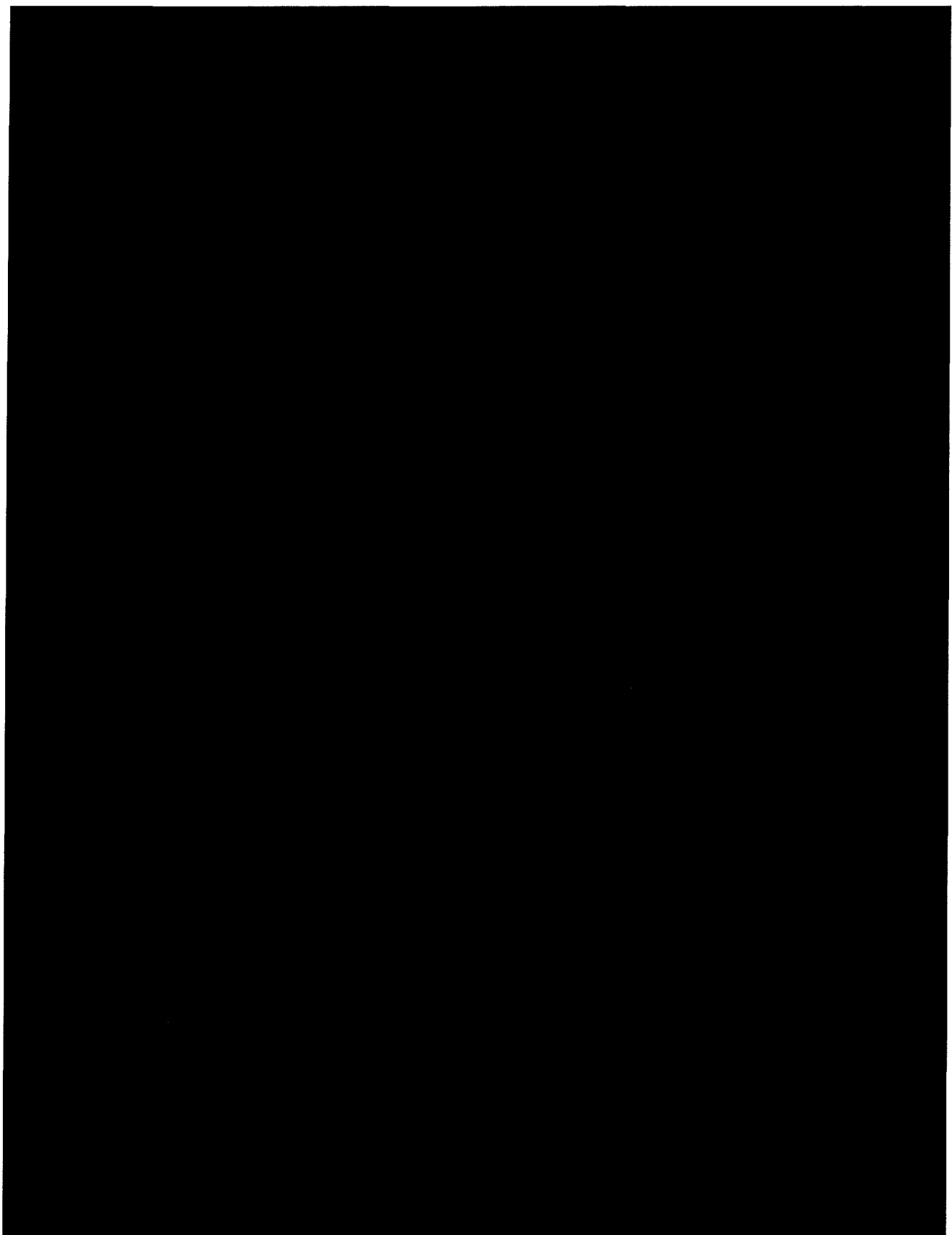


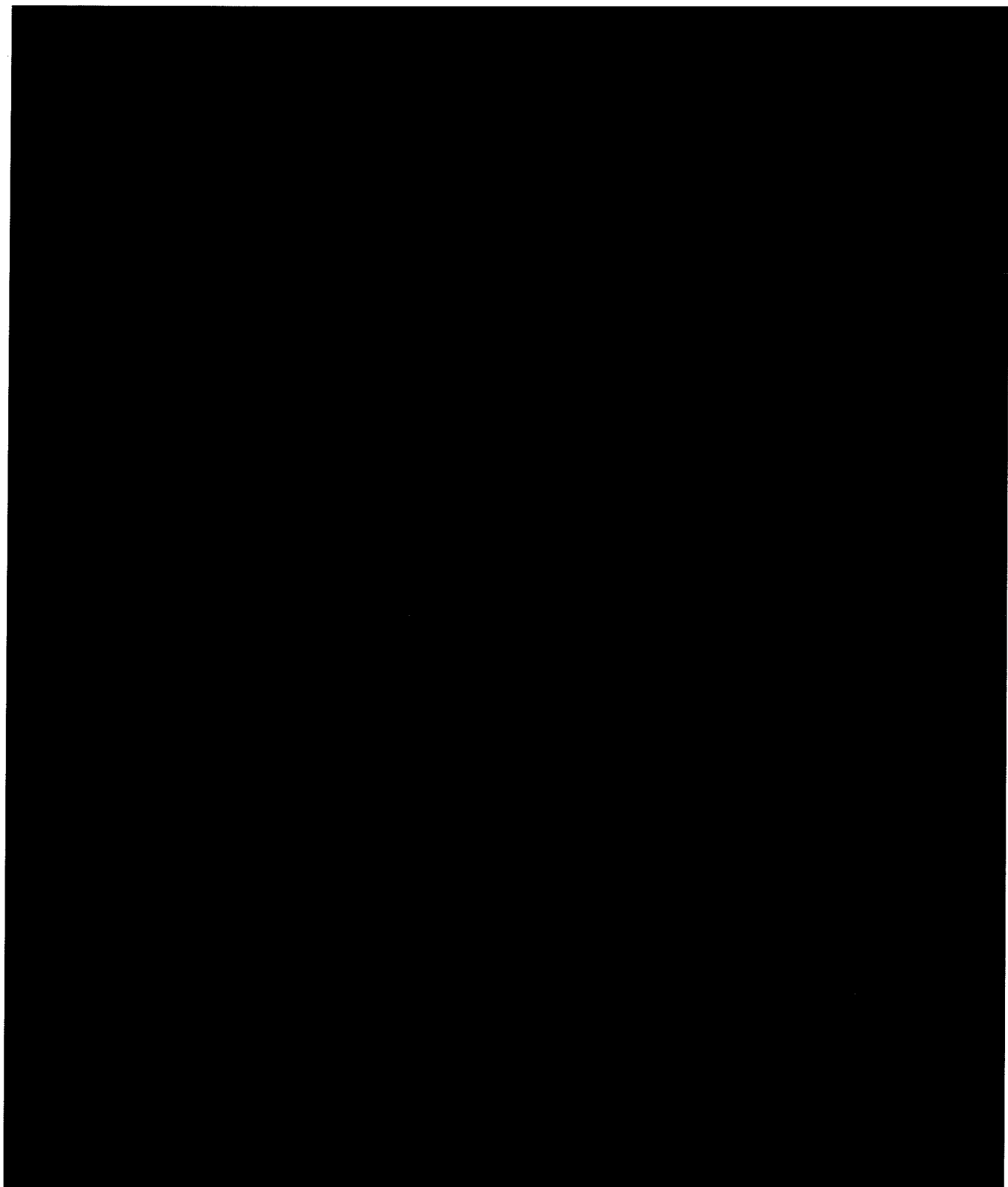








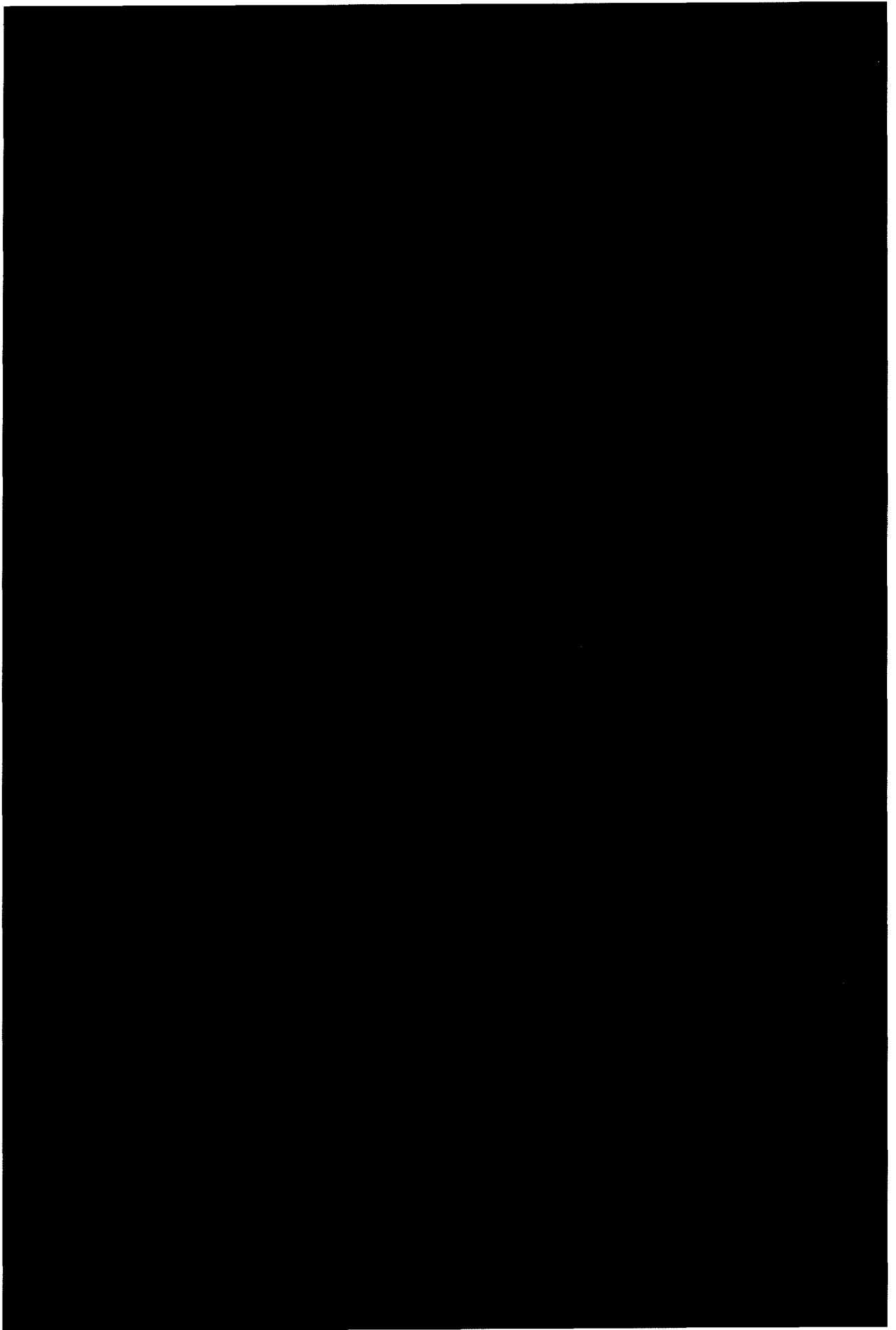


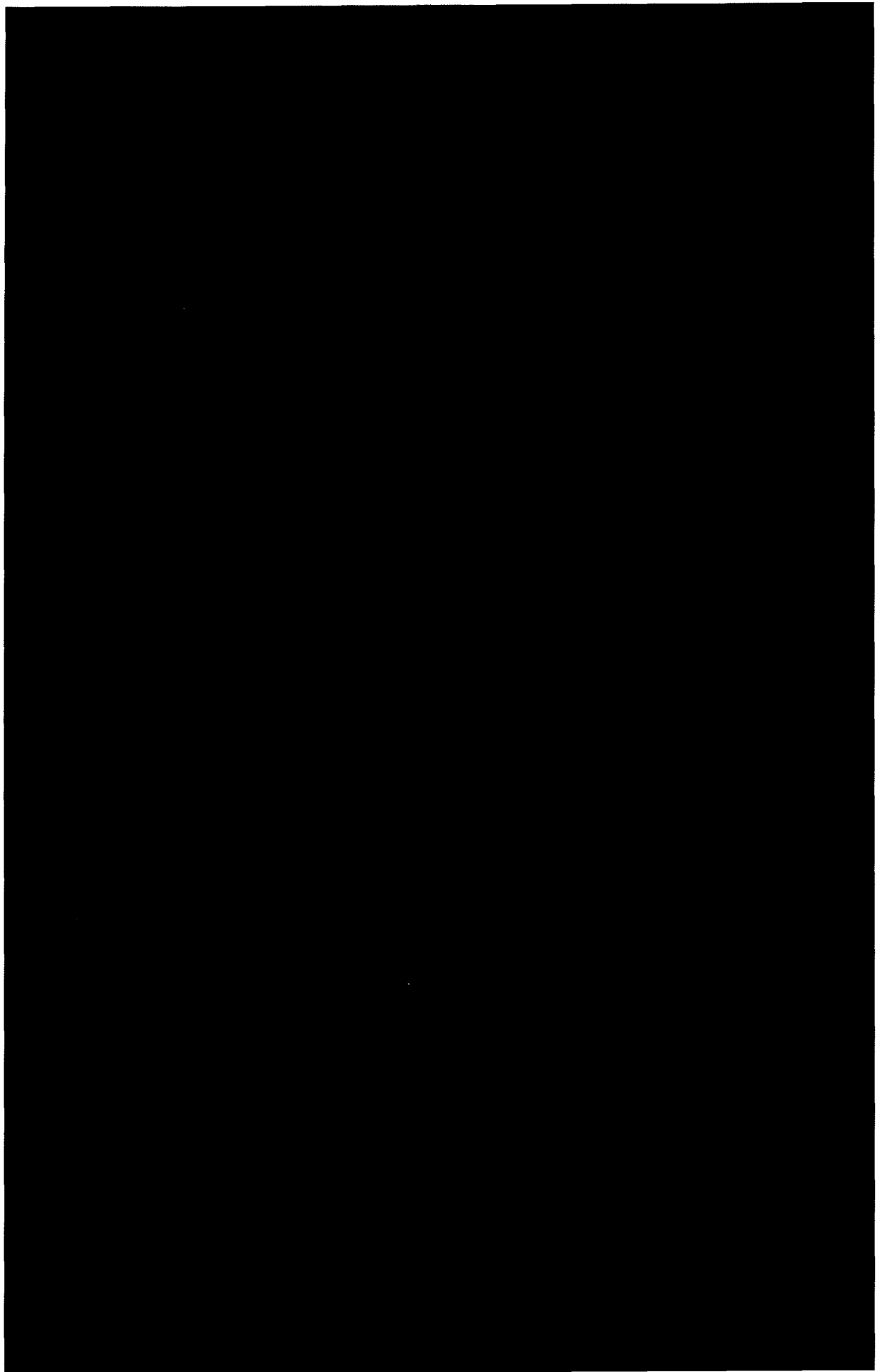


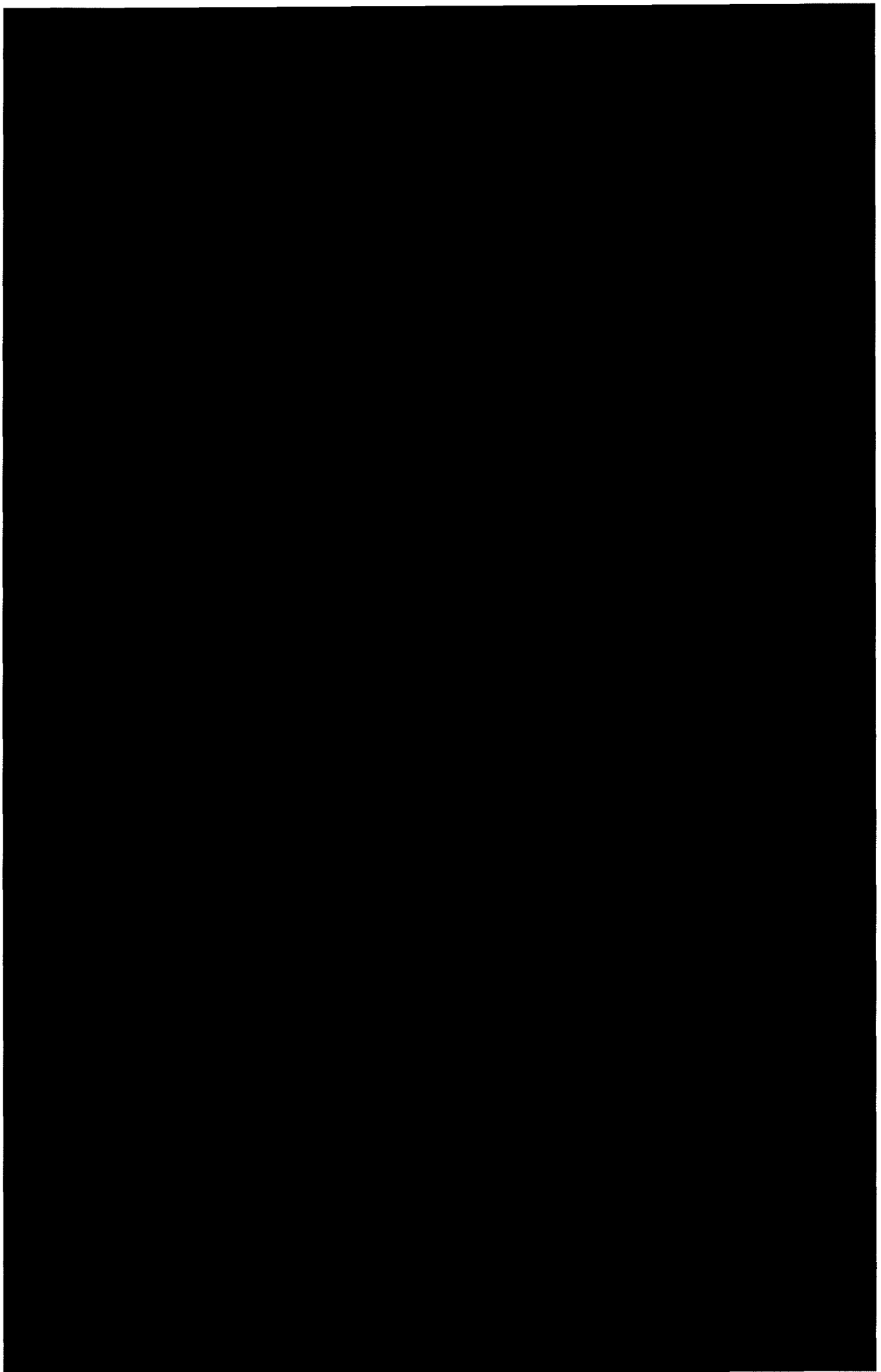


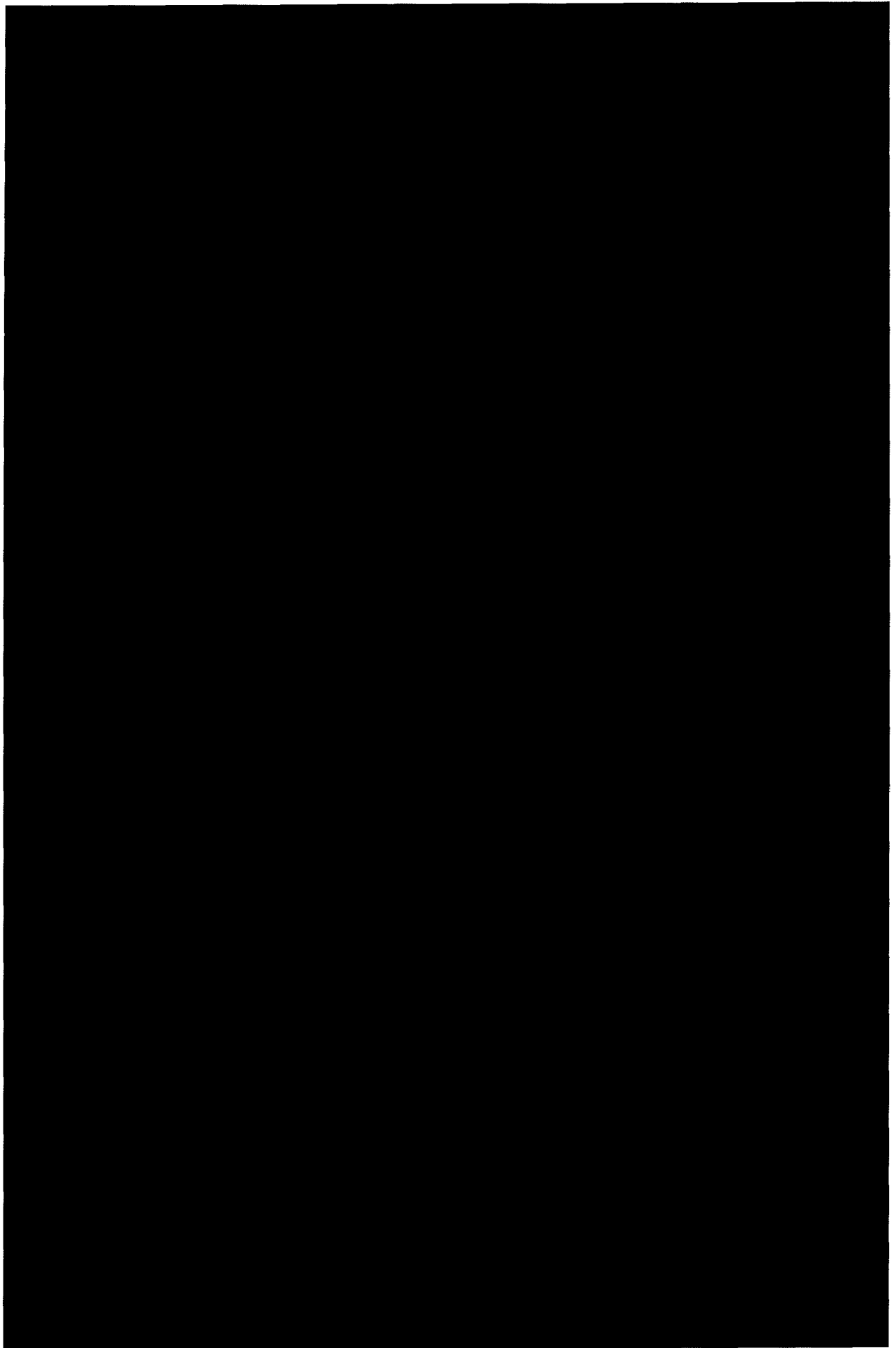
APPENDIX TWELVE

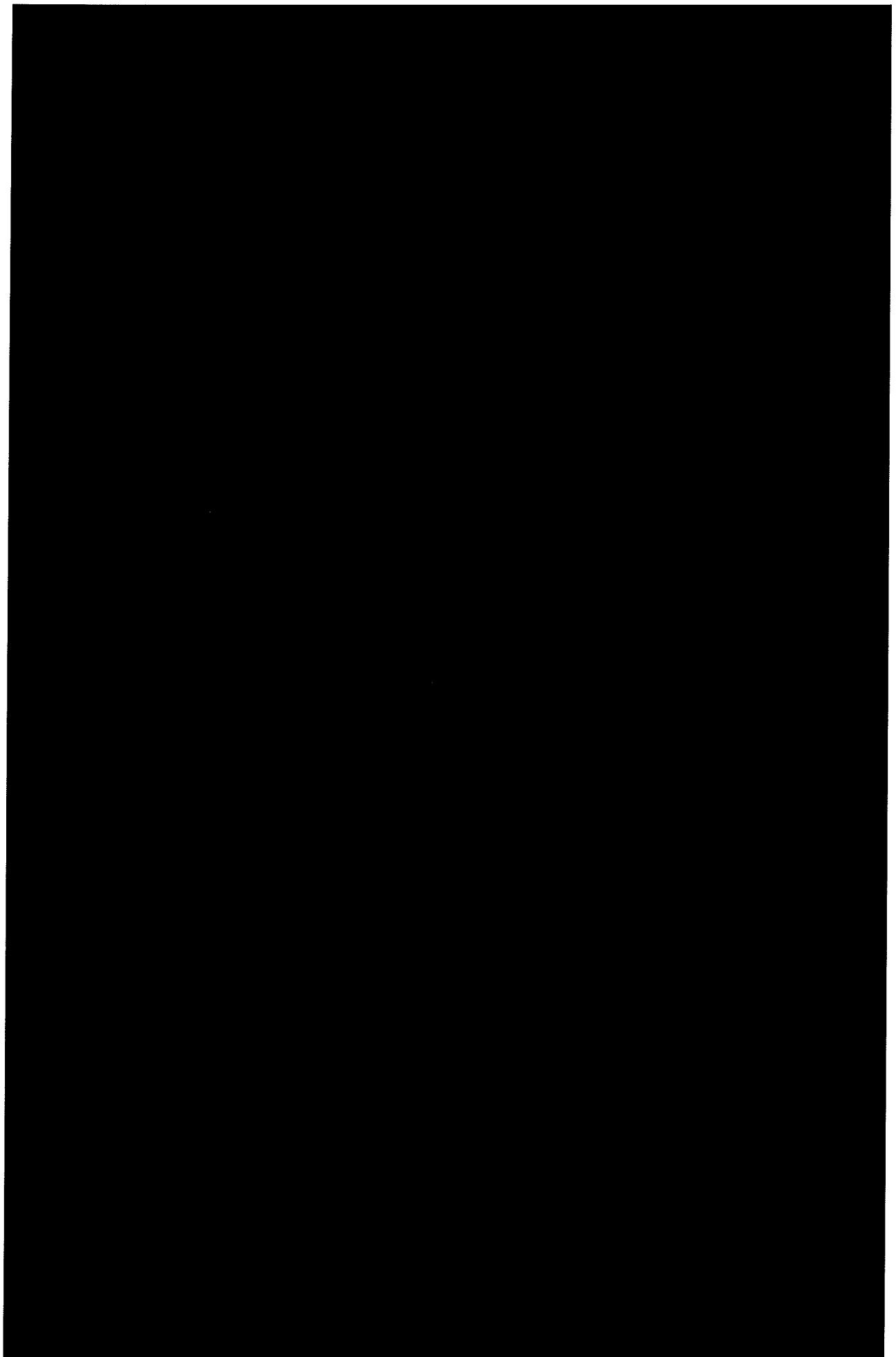


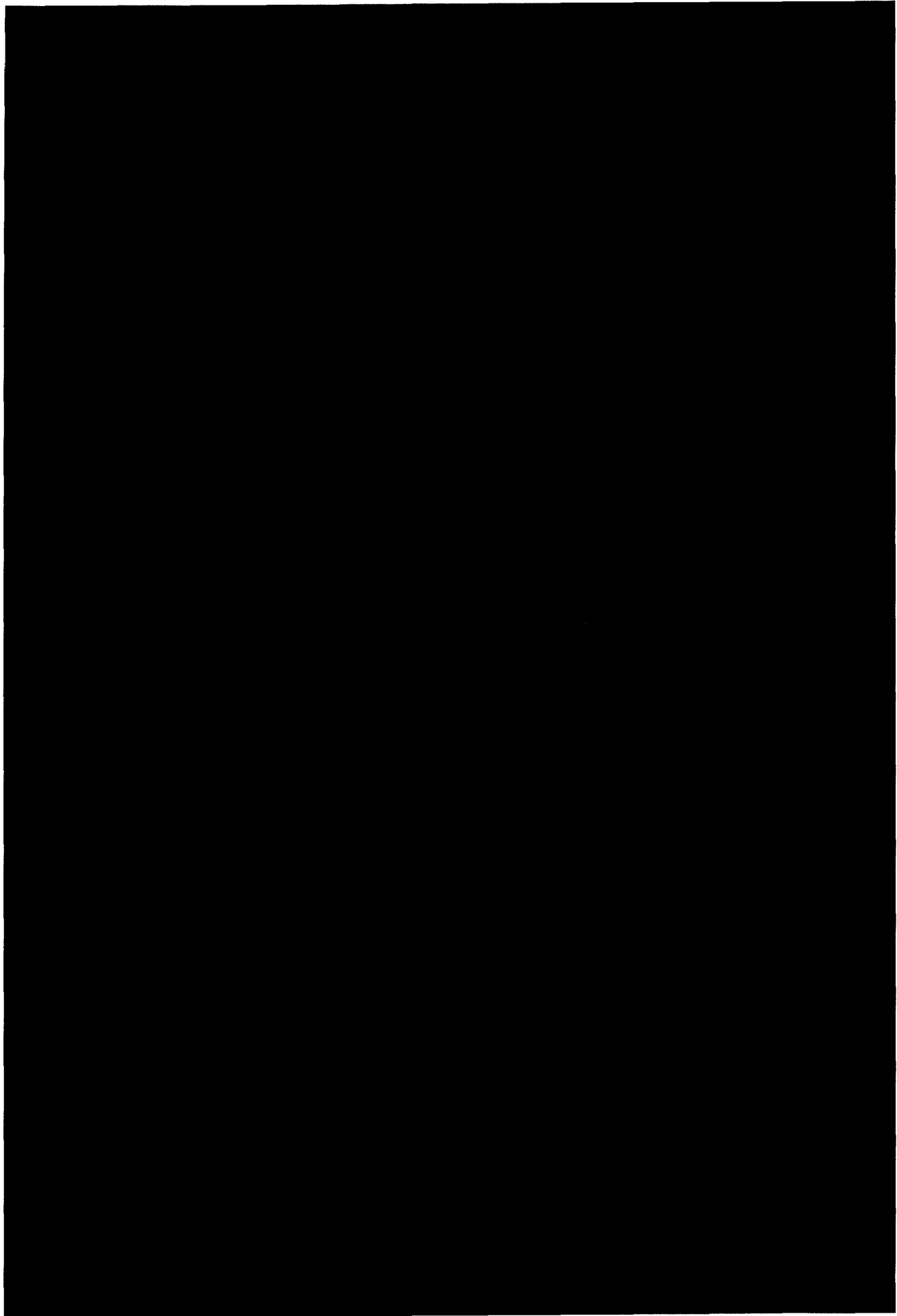


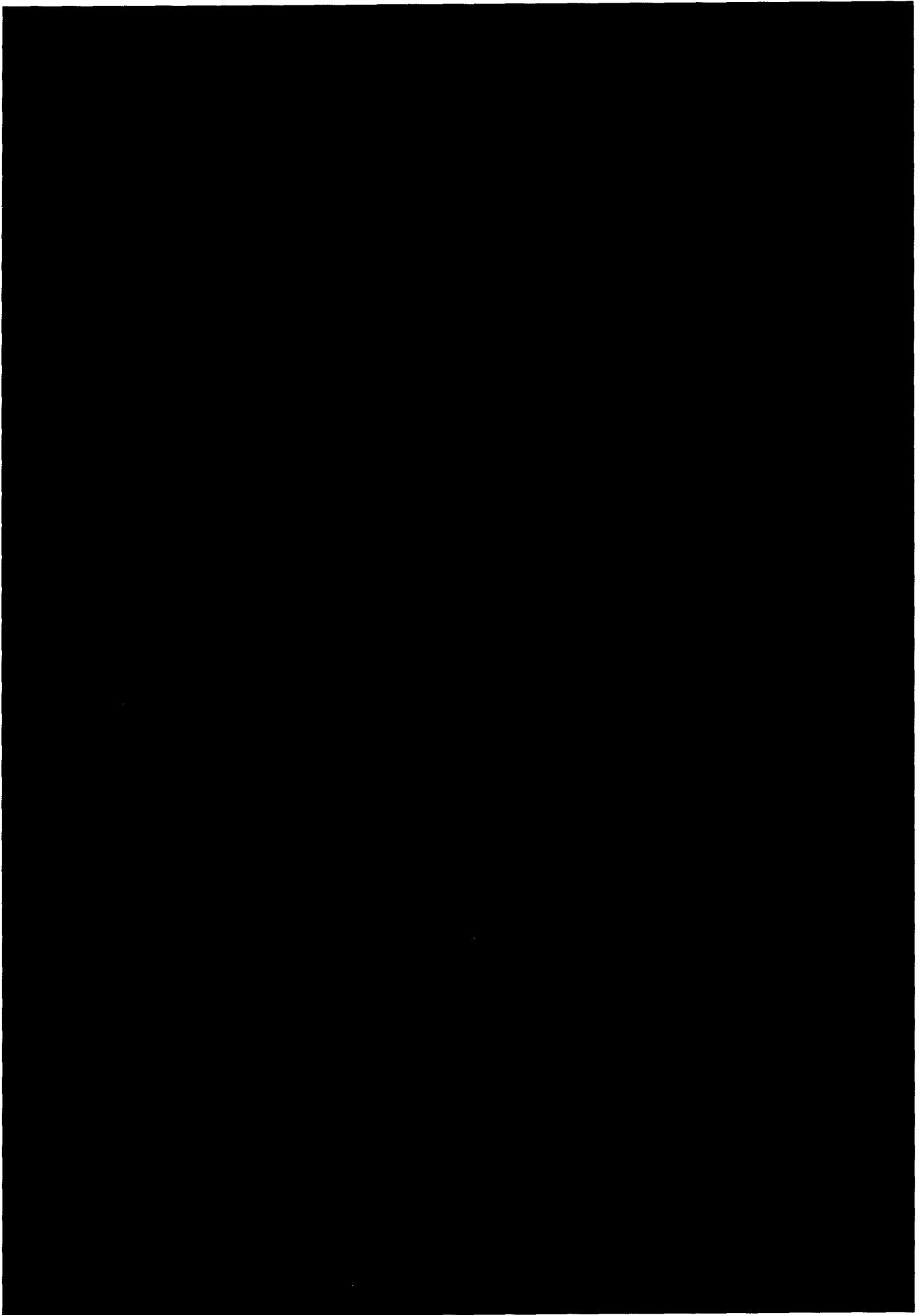


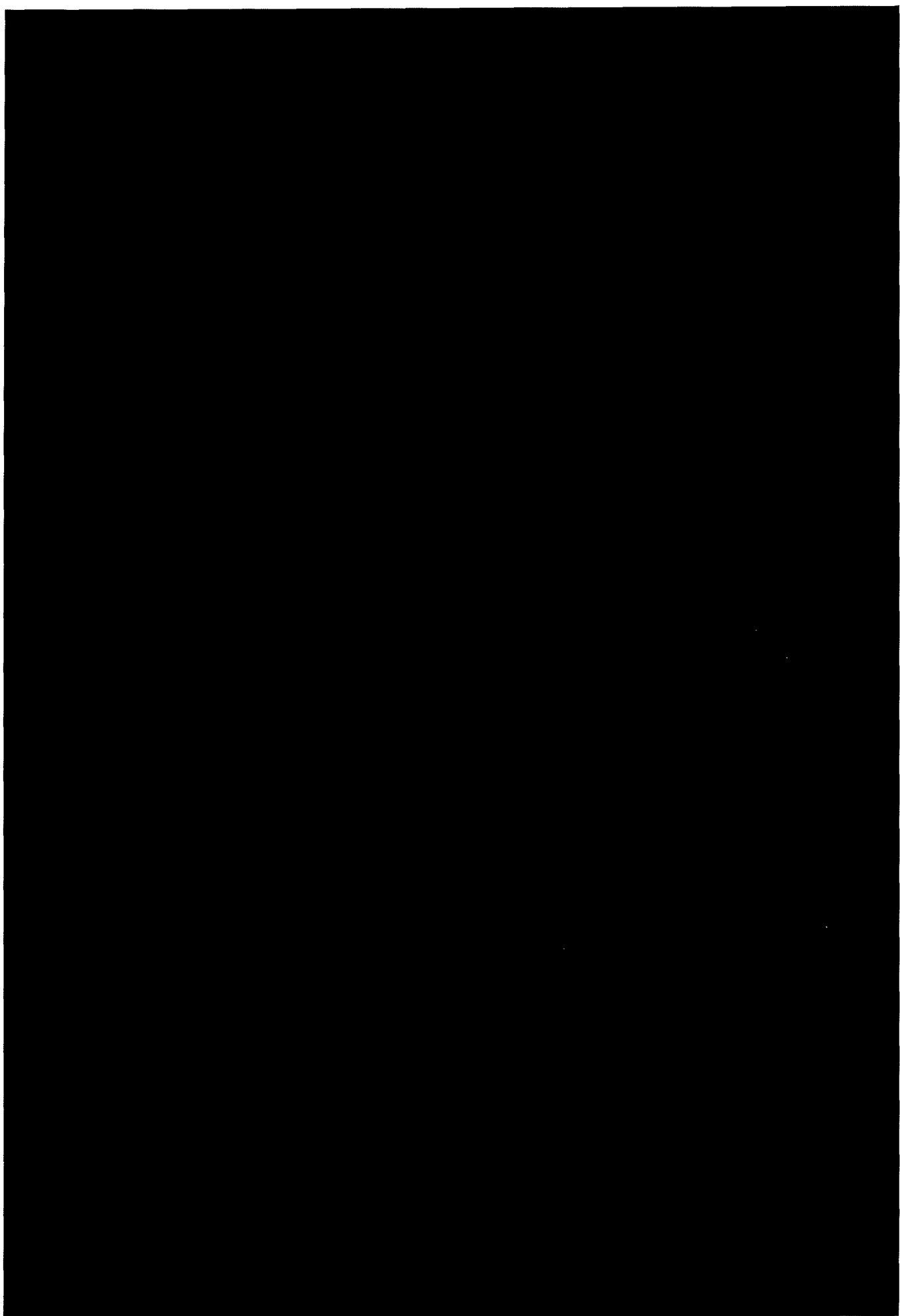


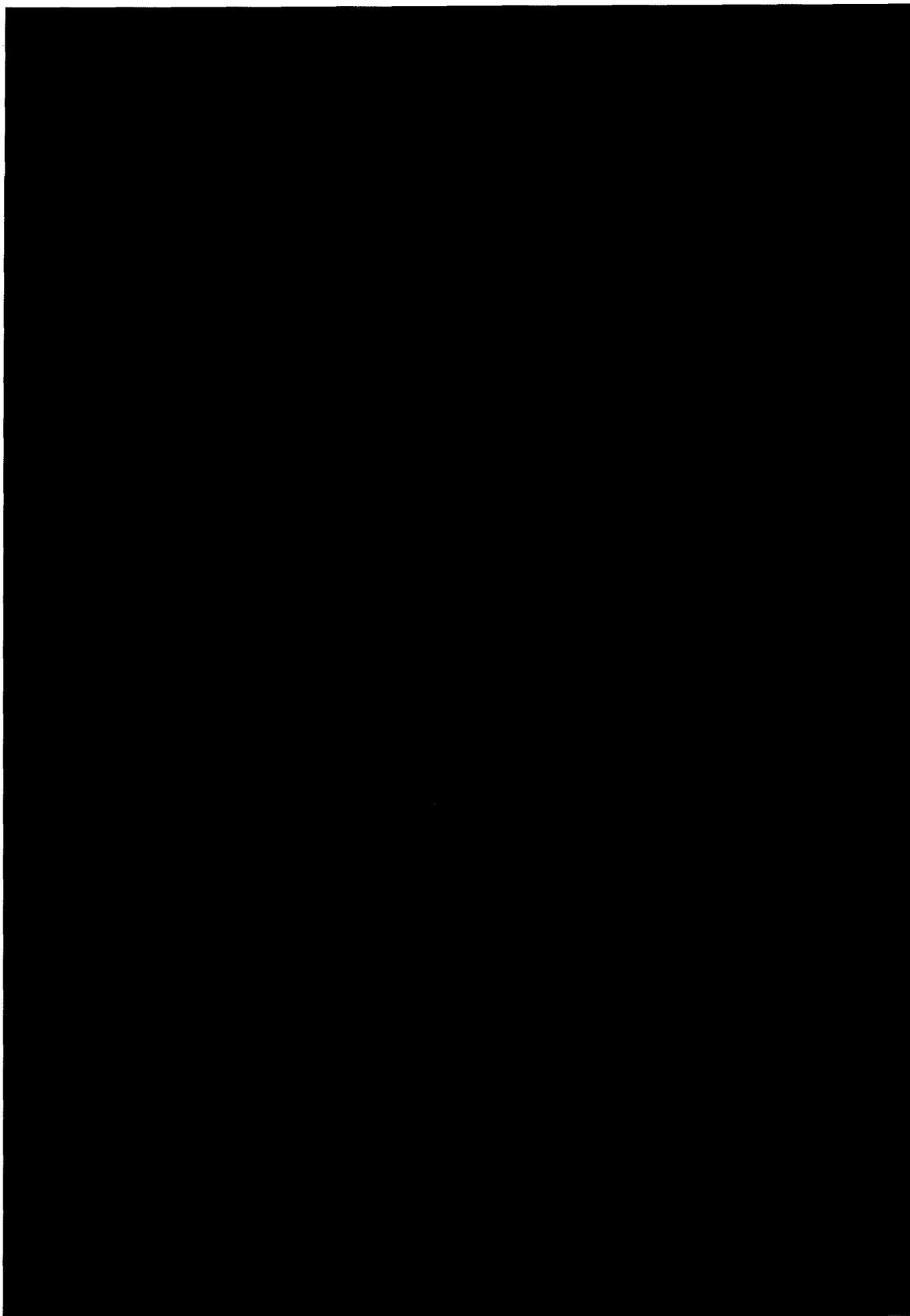


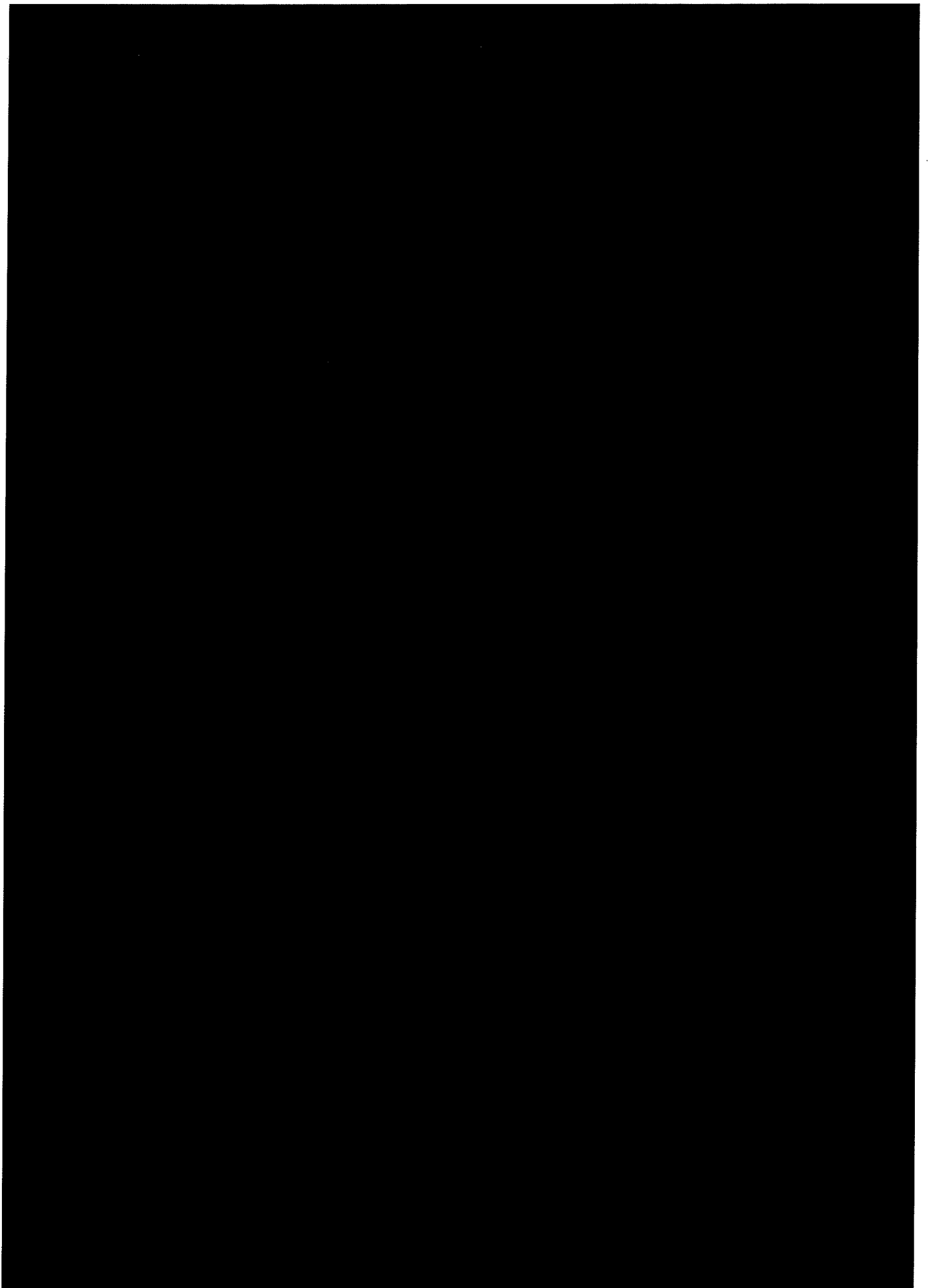


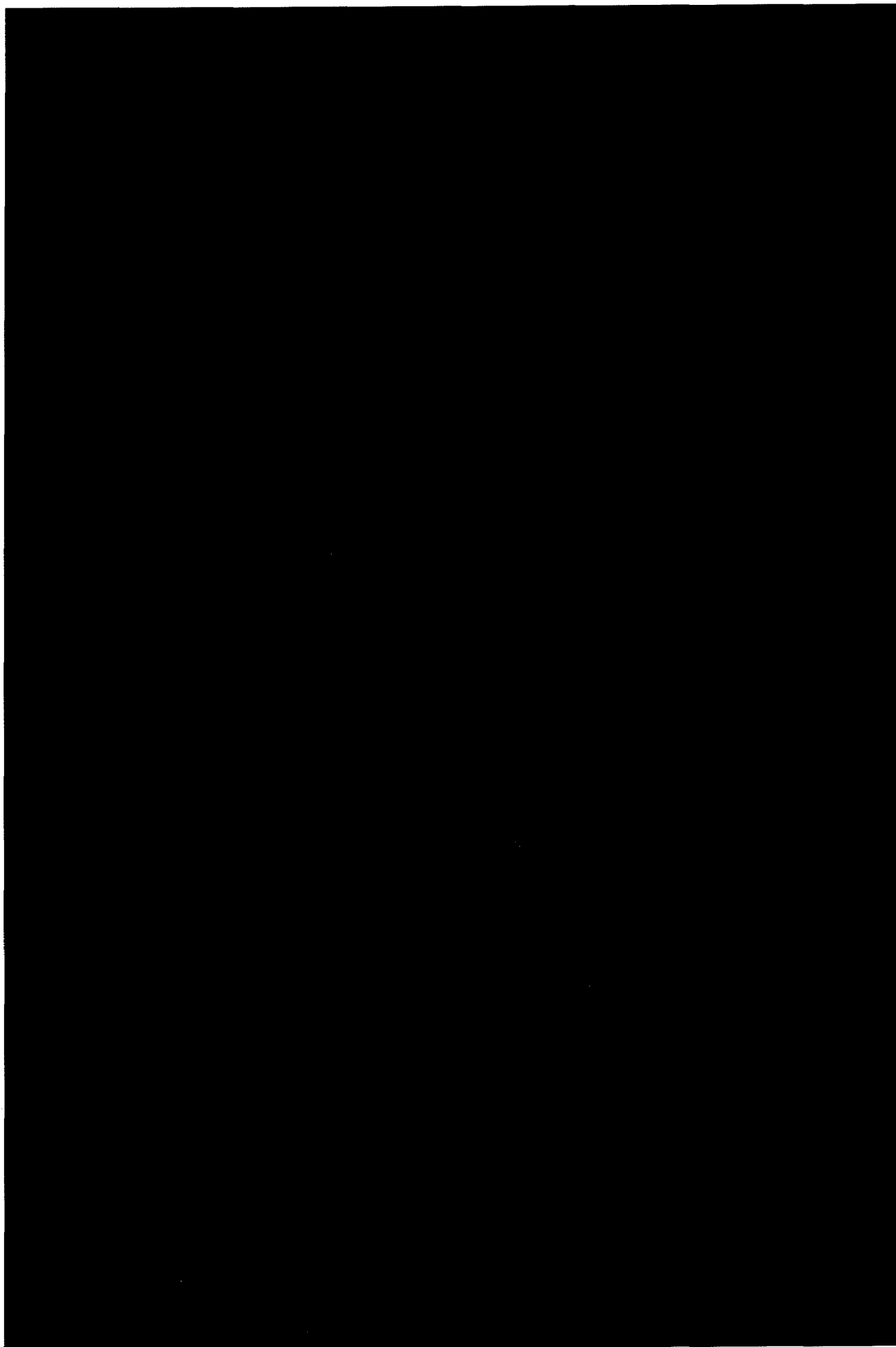






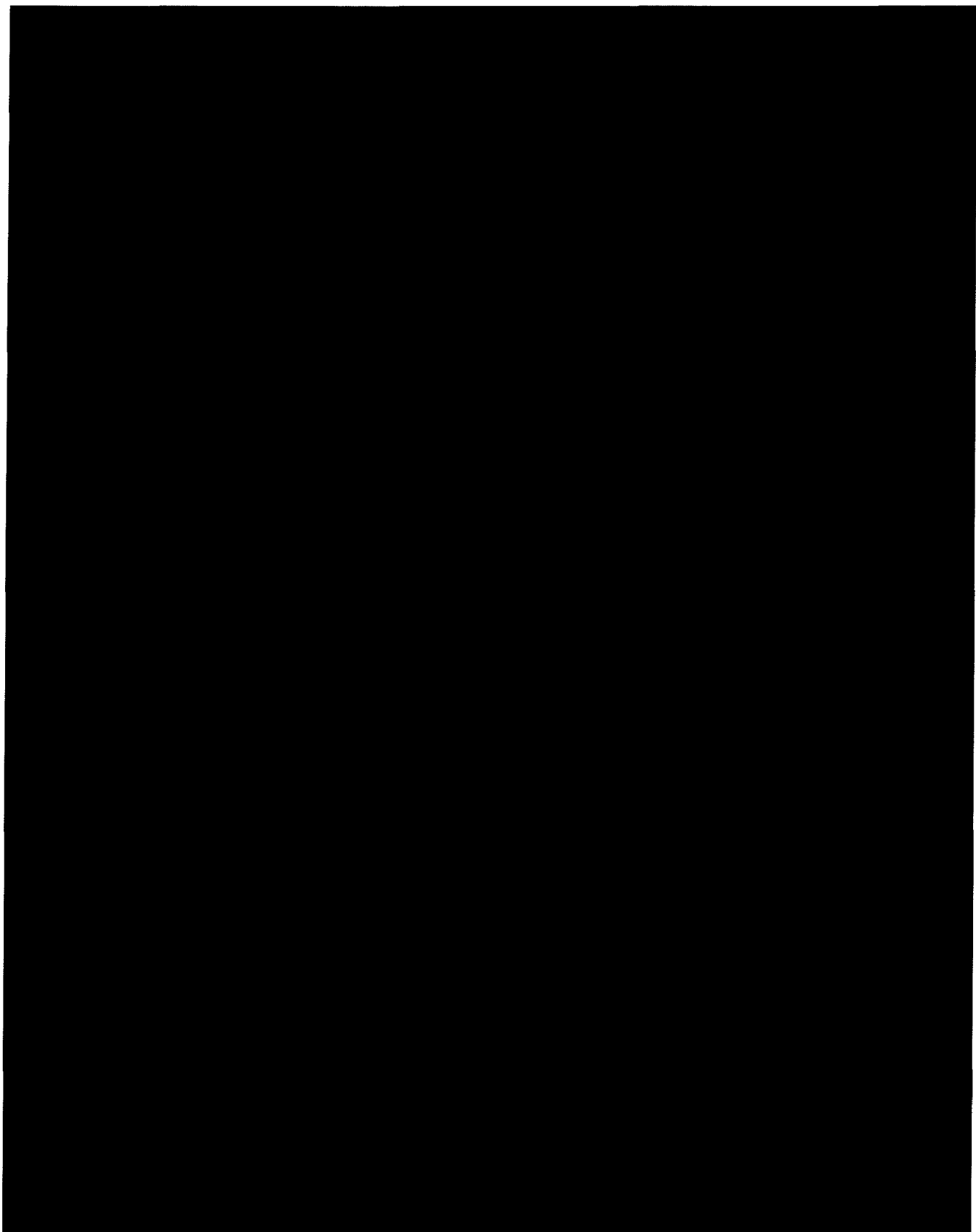


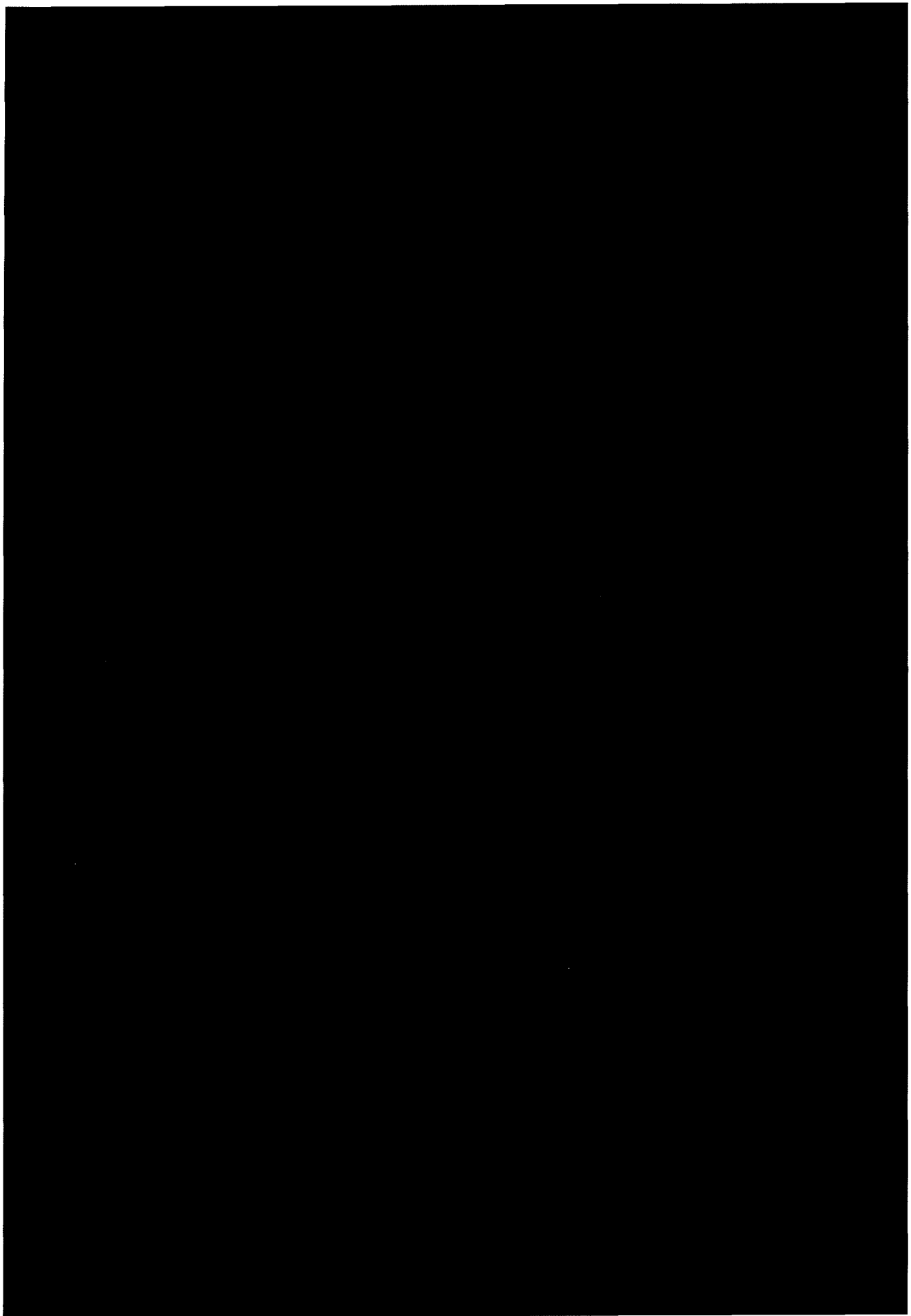


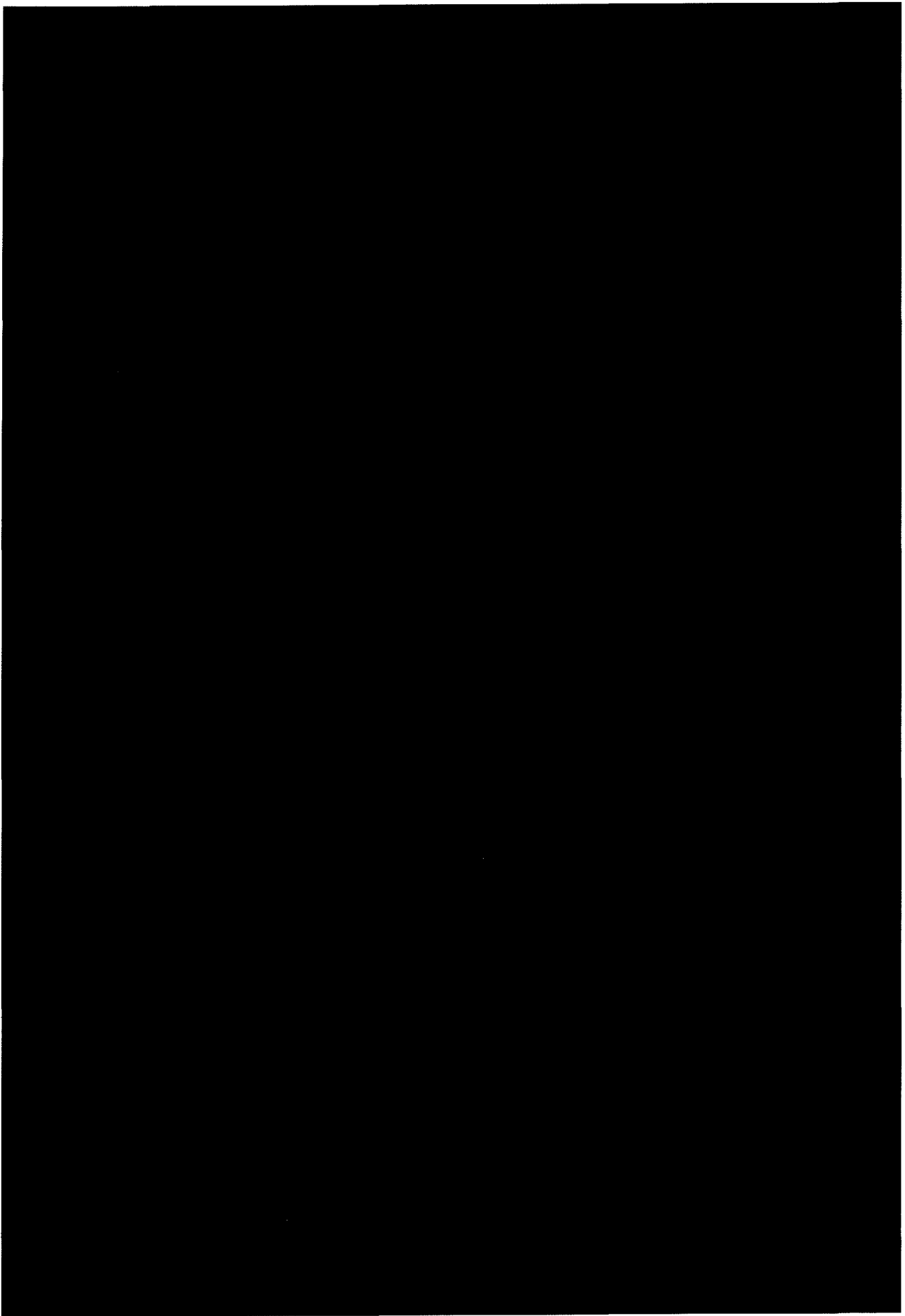


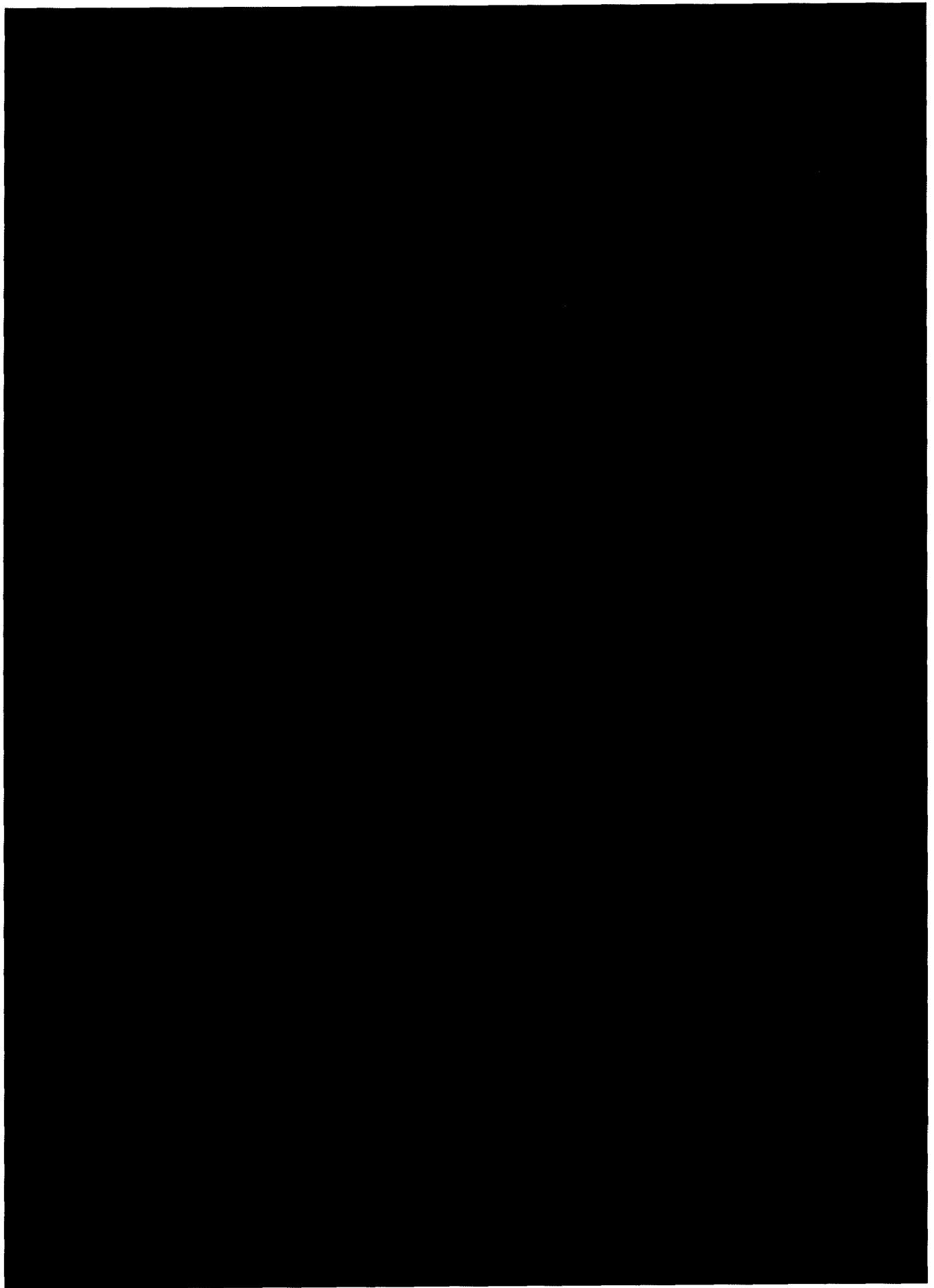
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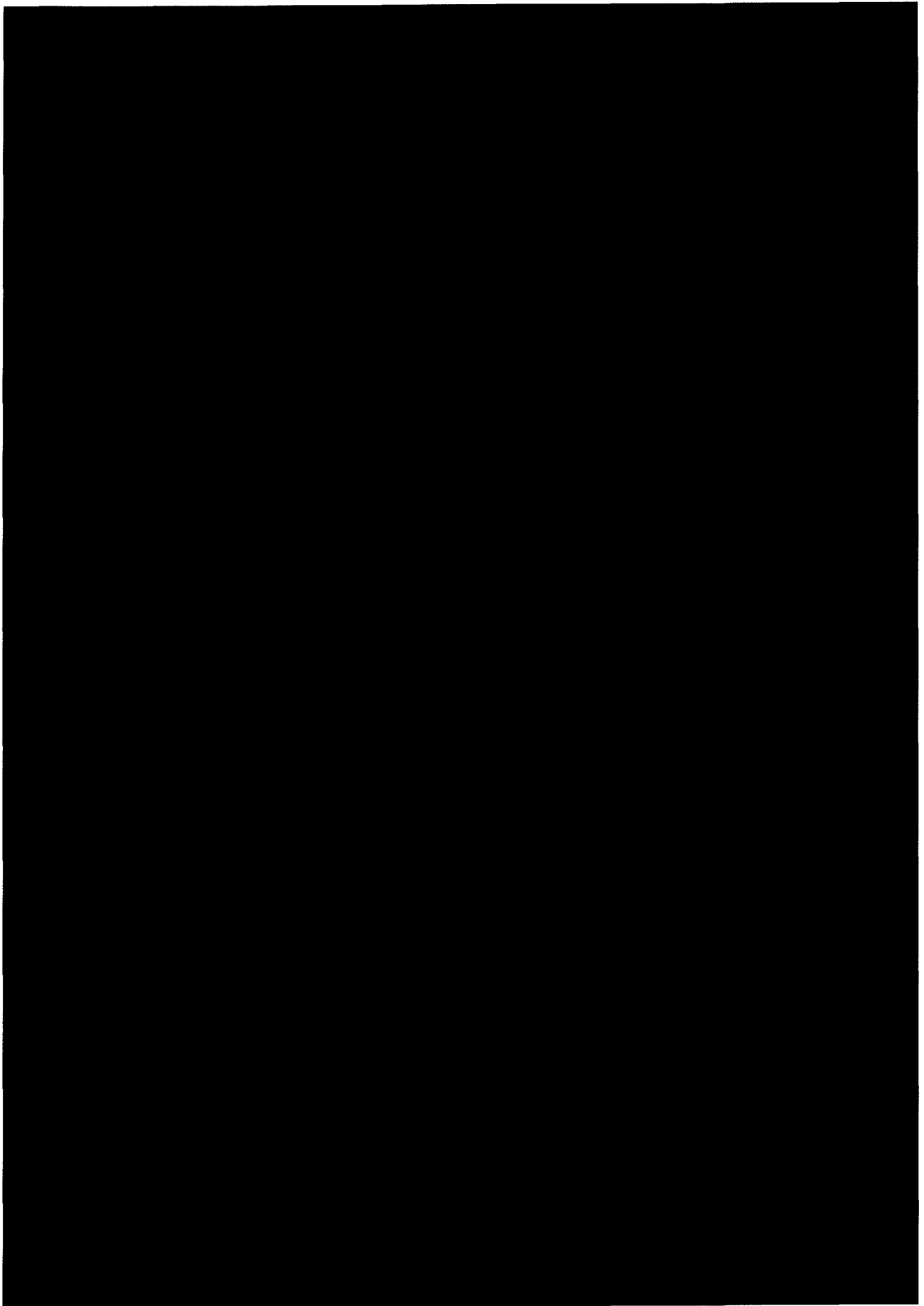


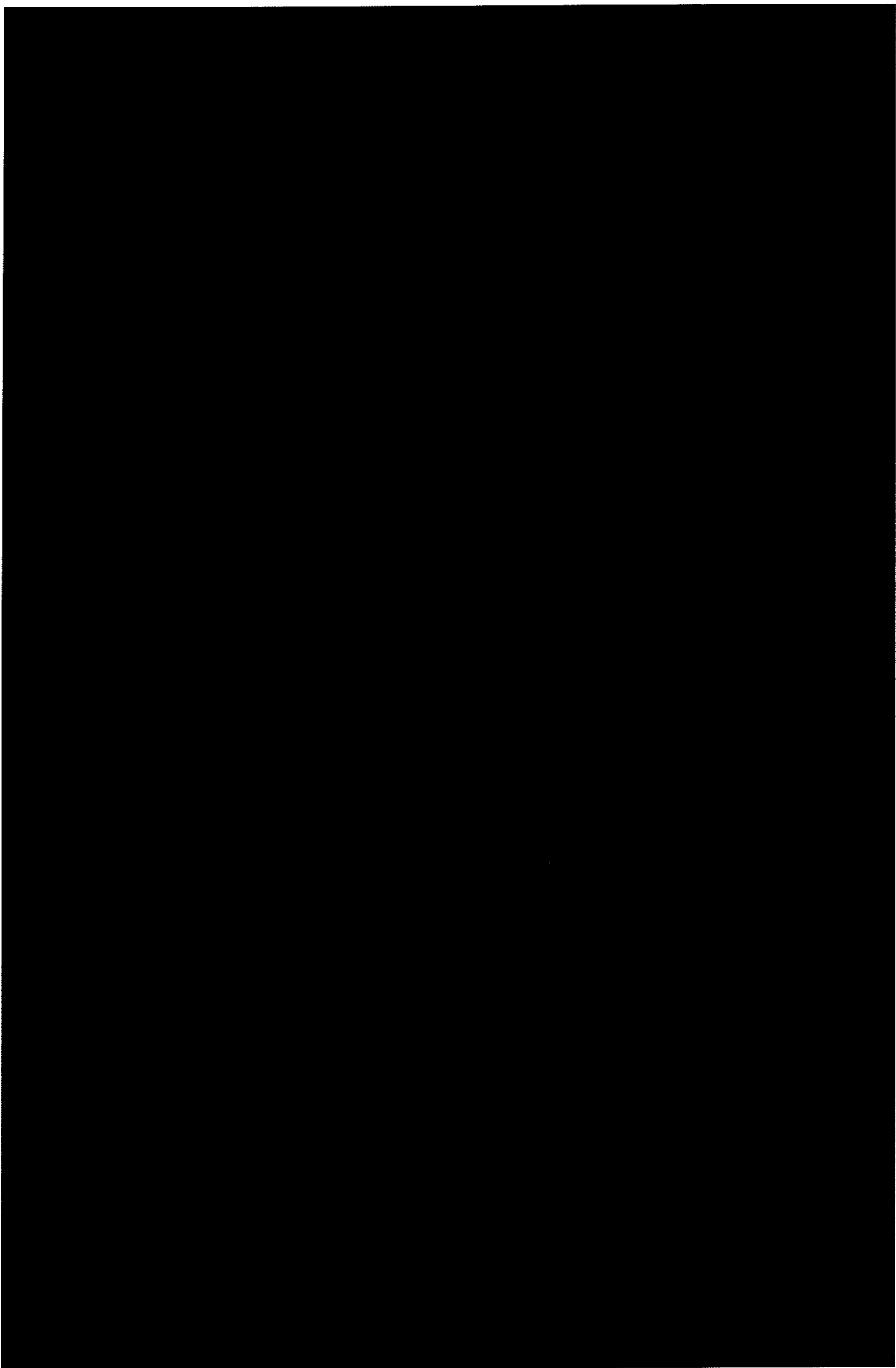


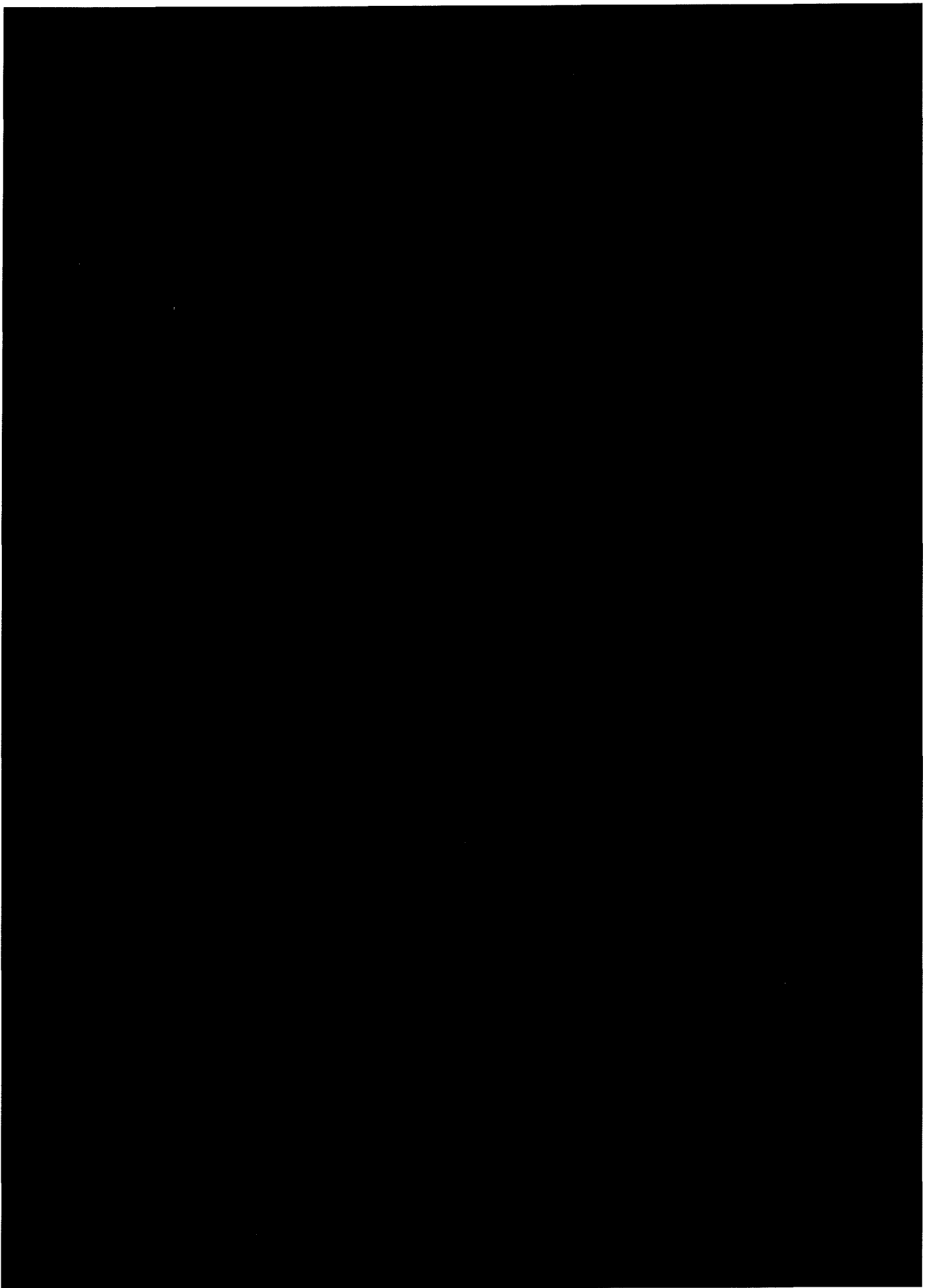


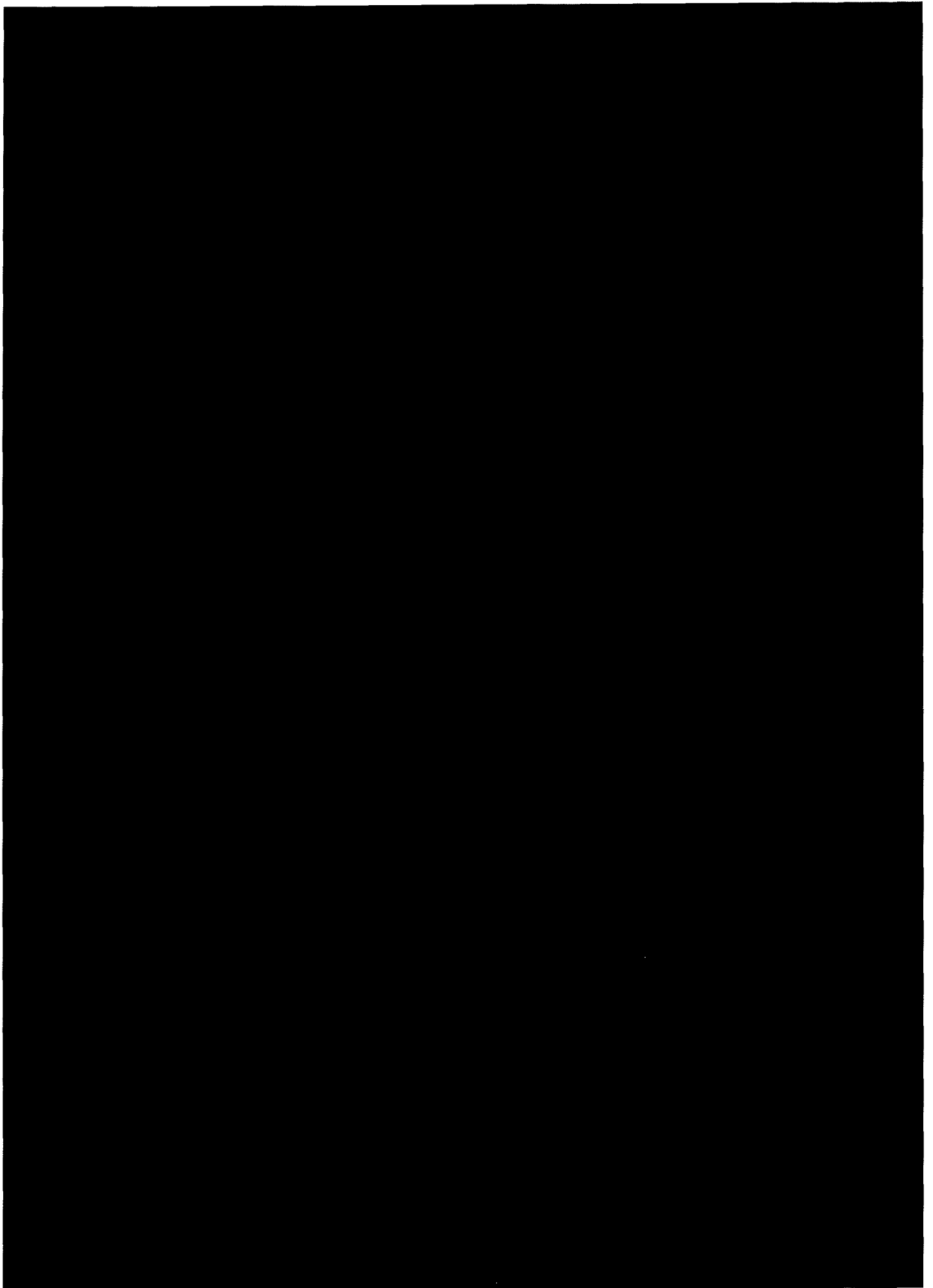


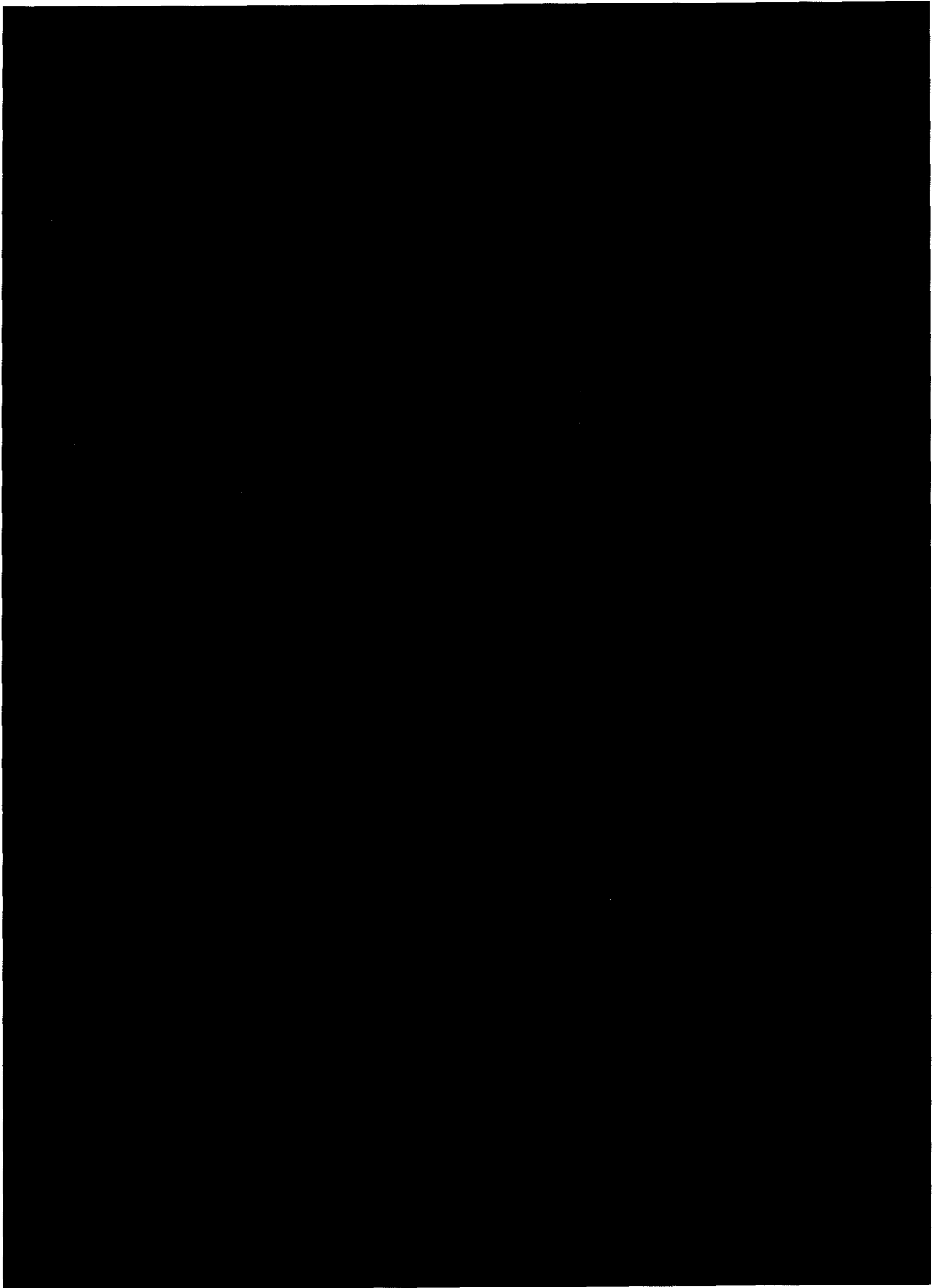


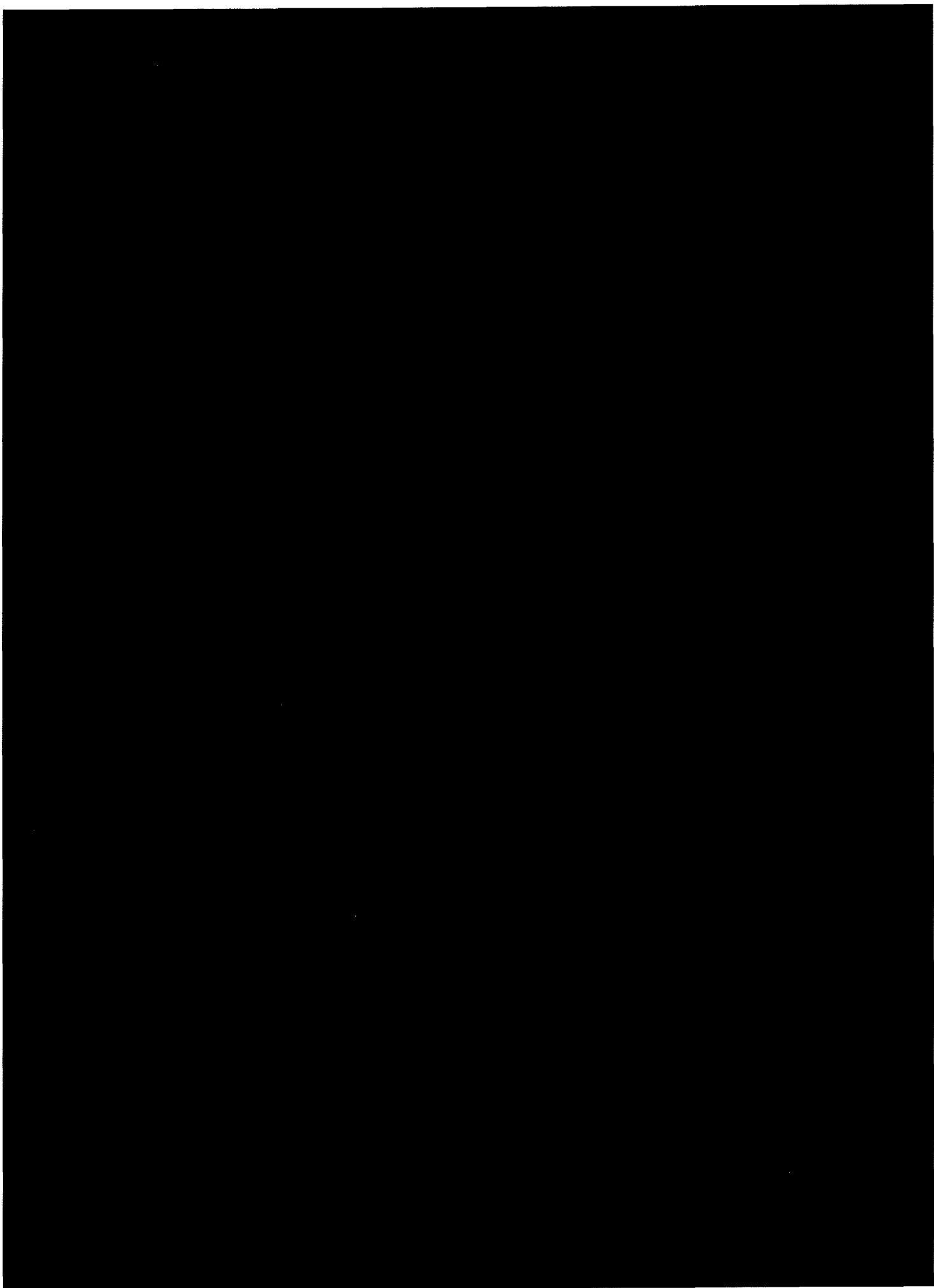


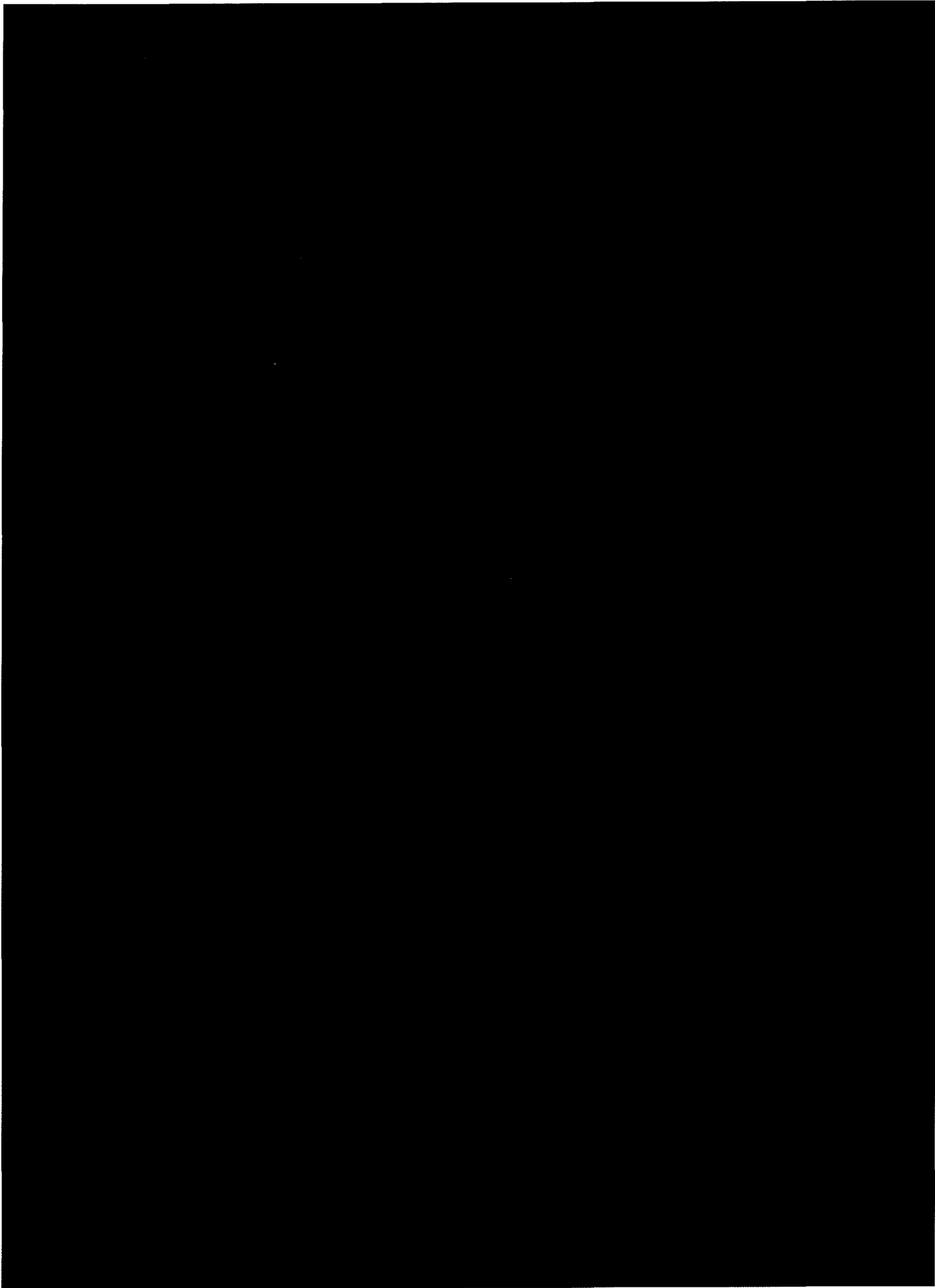


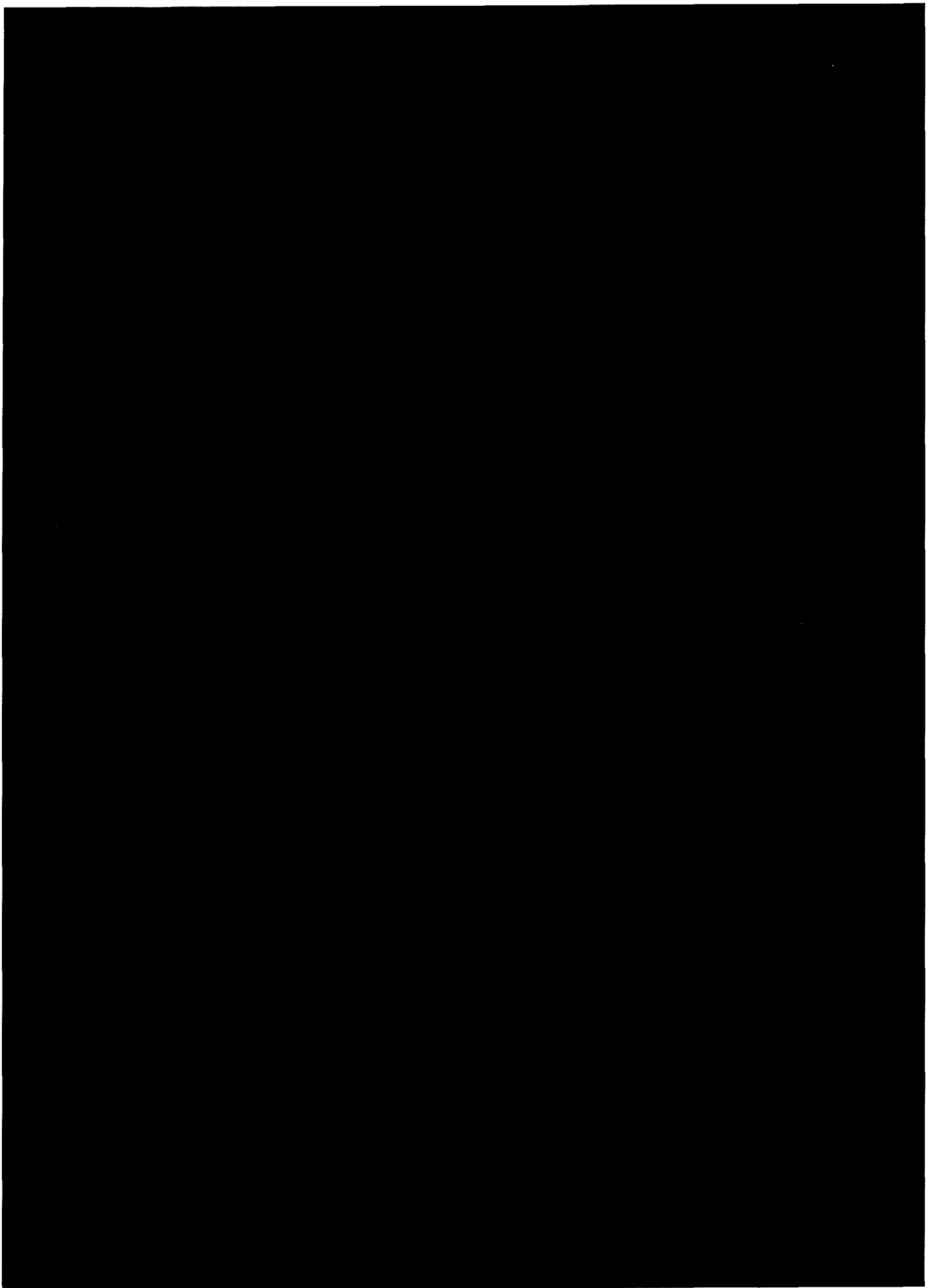


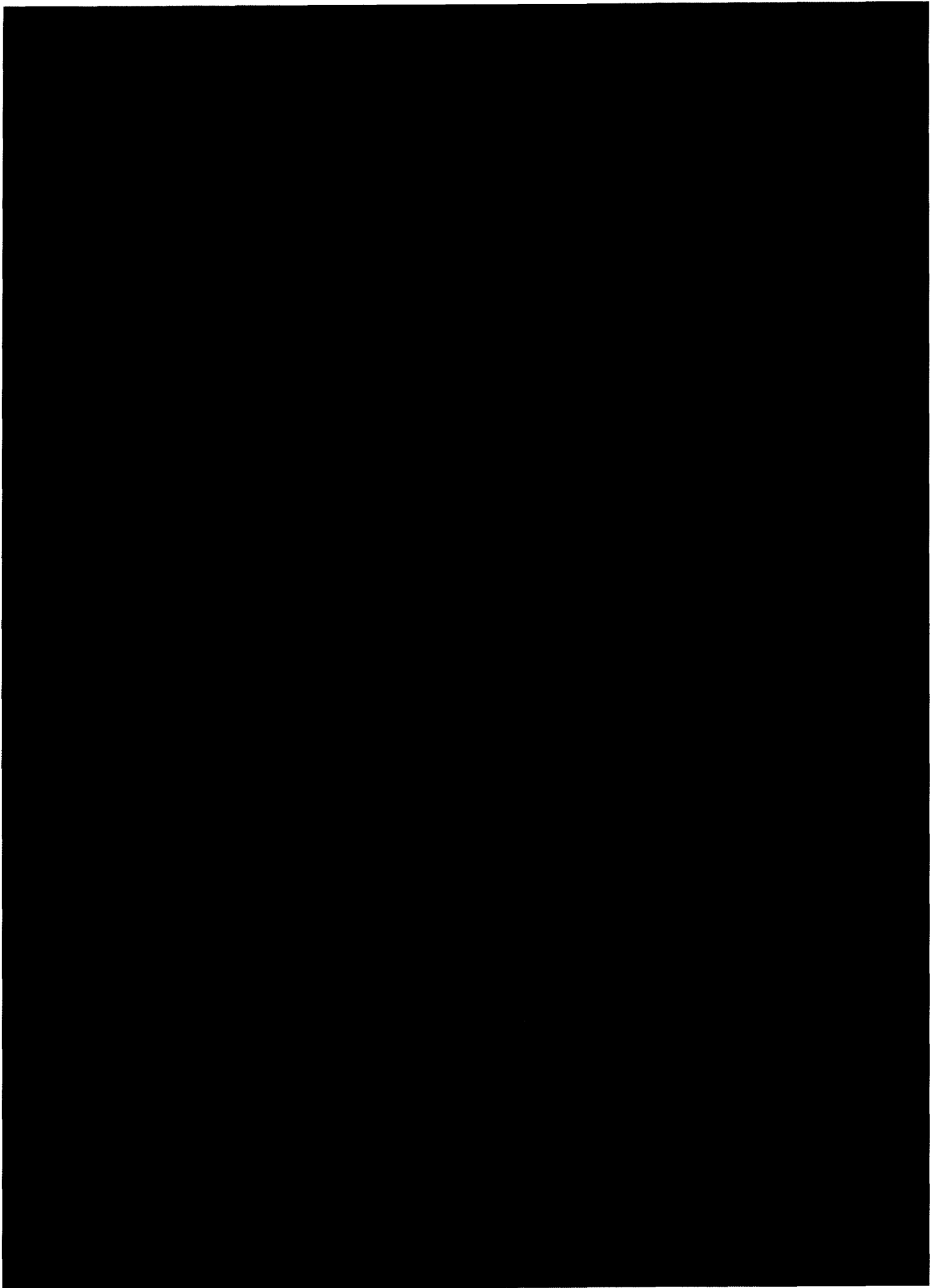


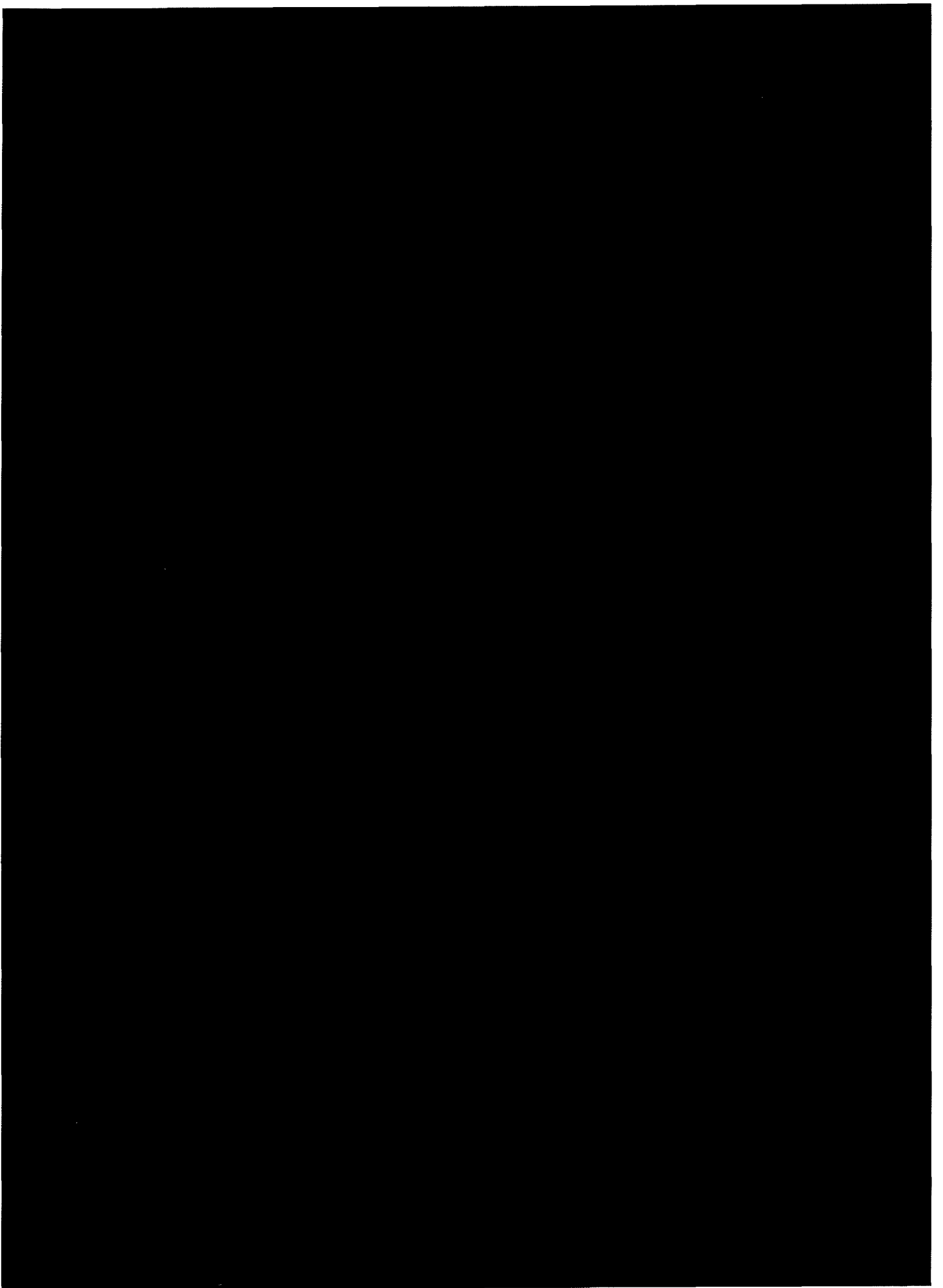


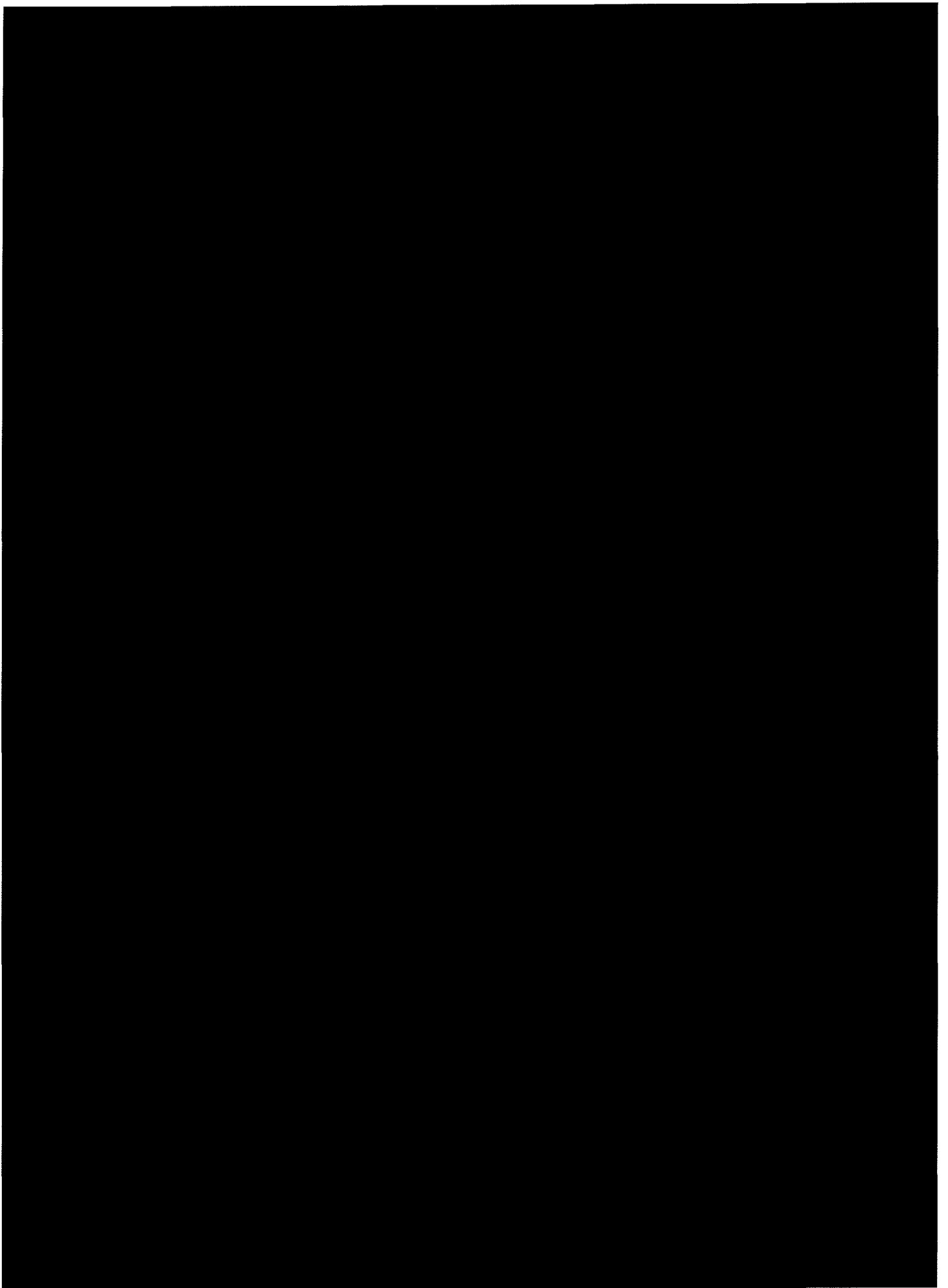


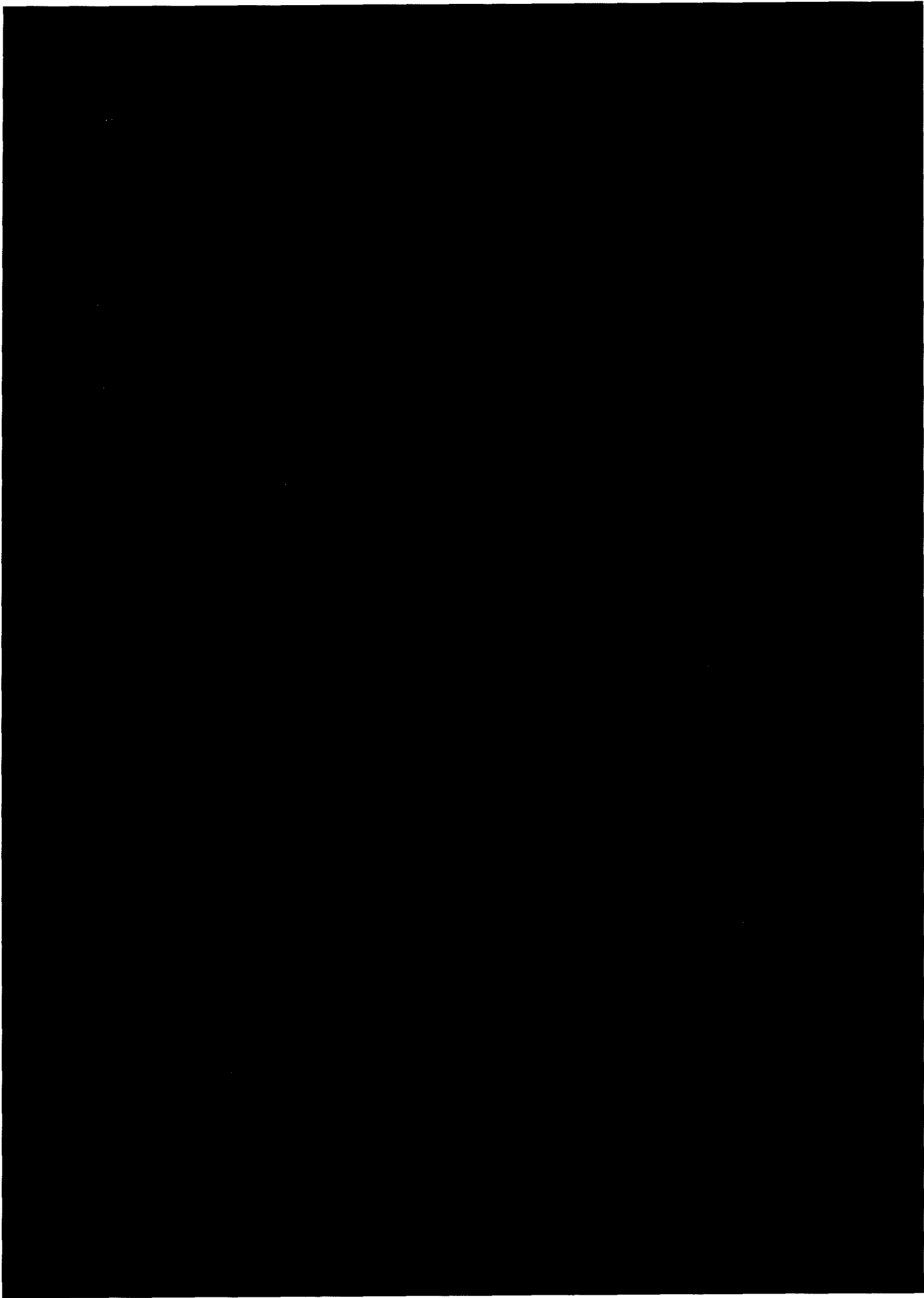


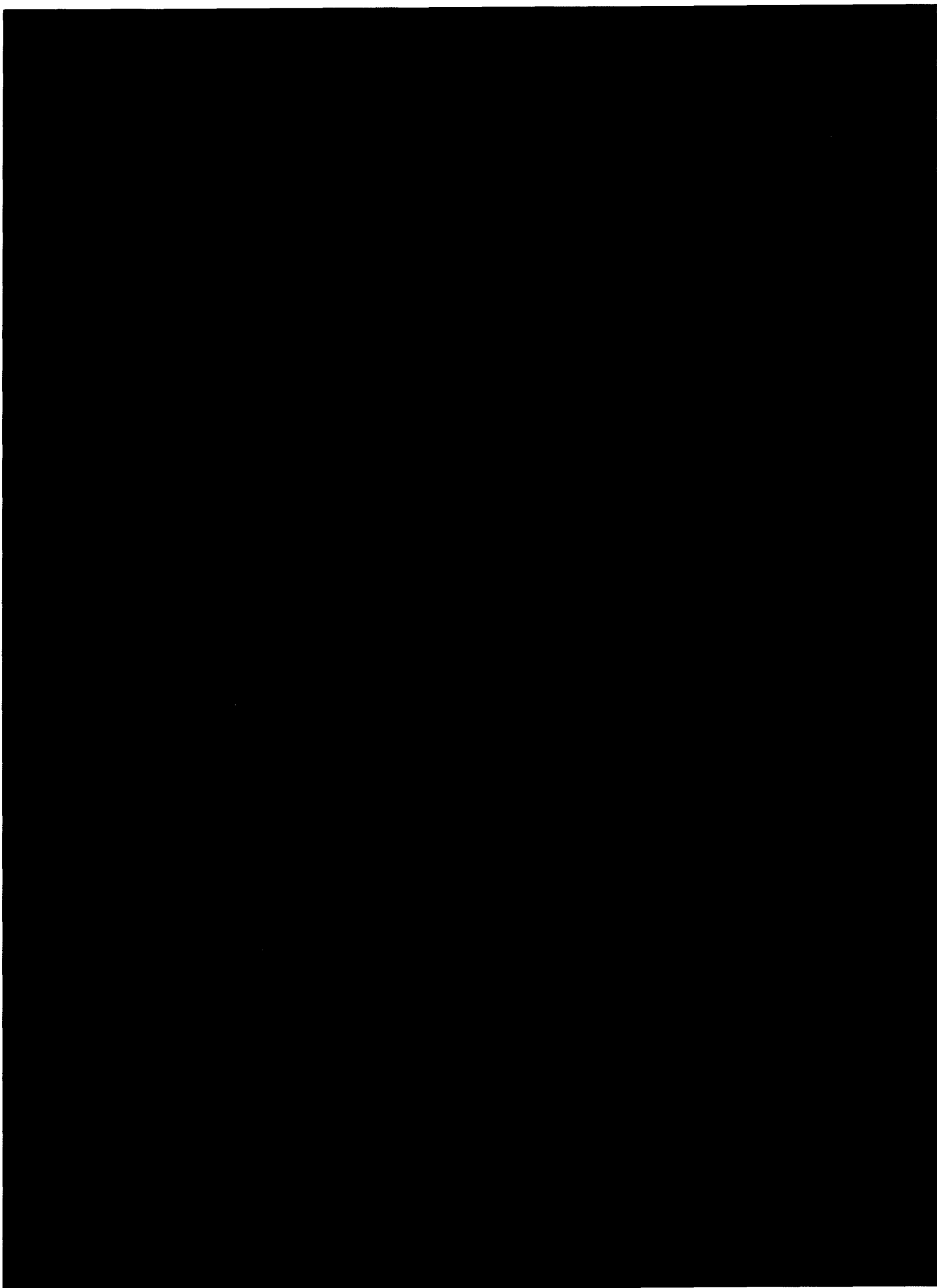


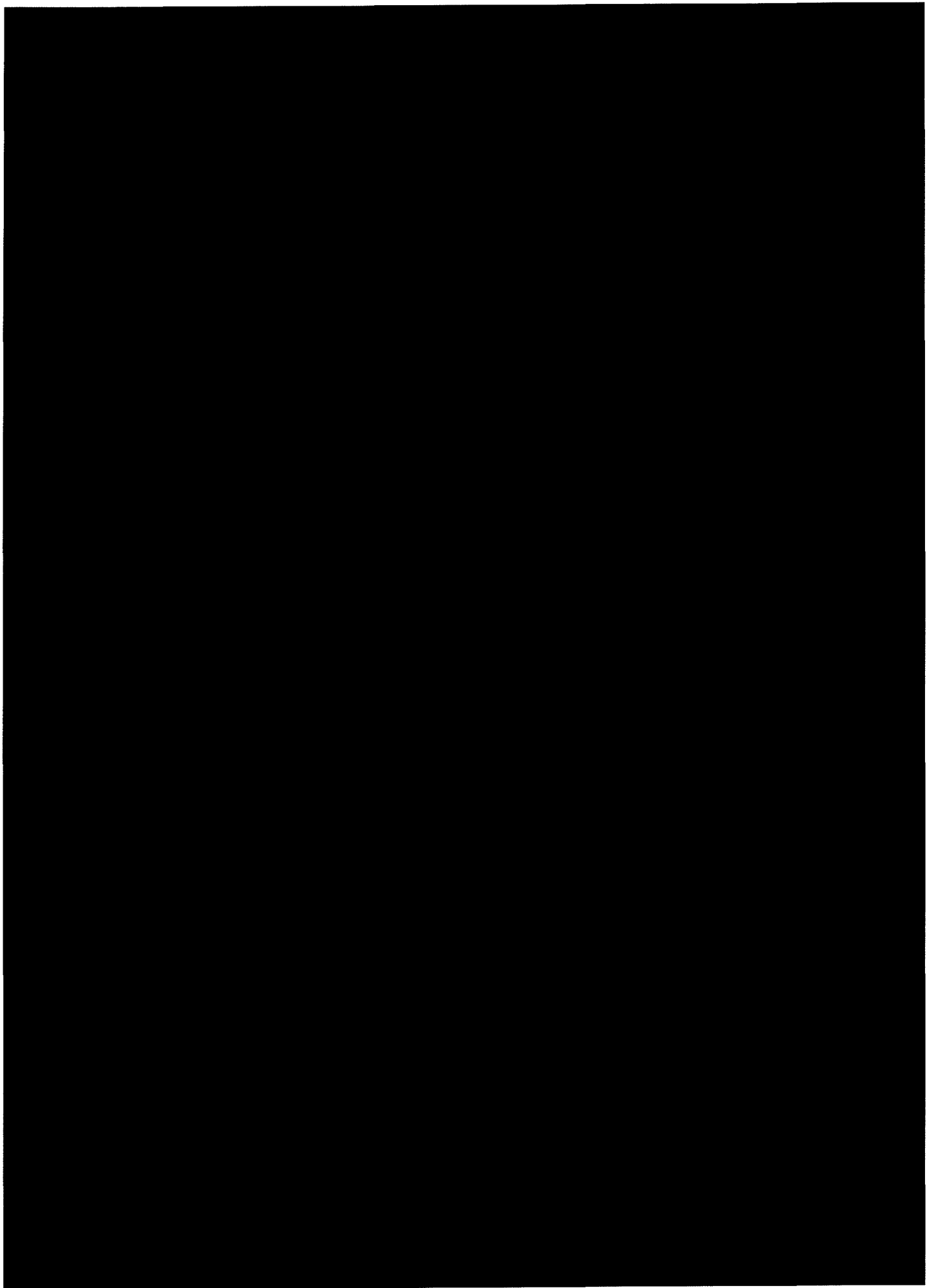


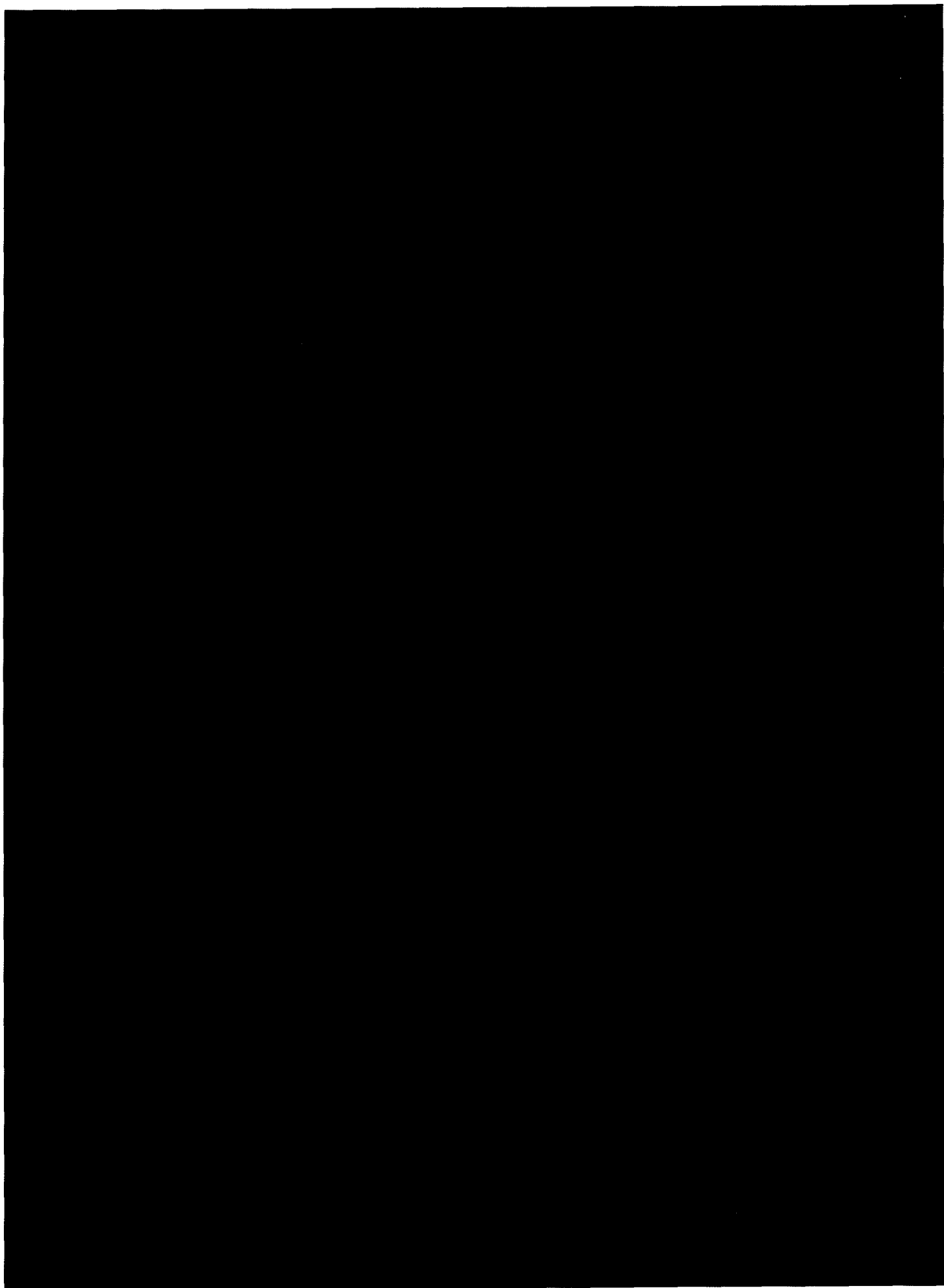


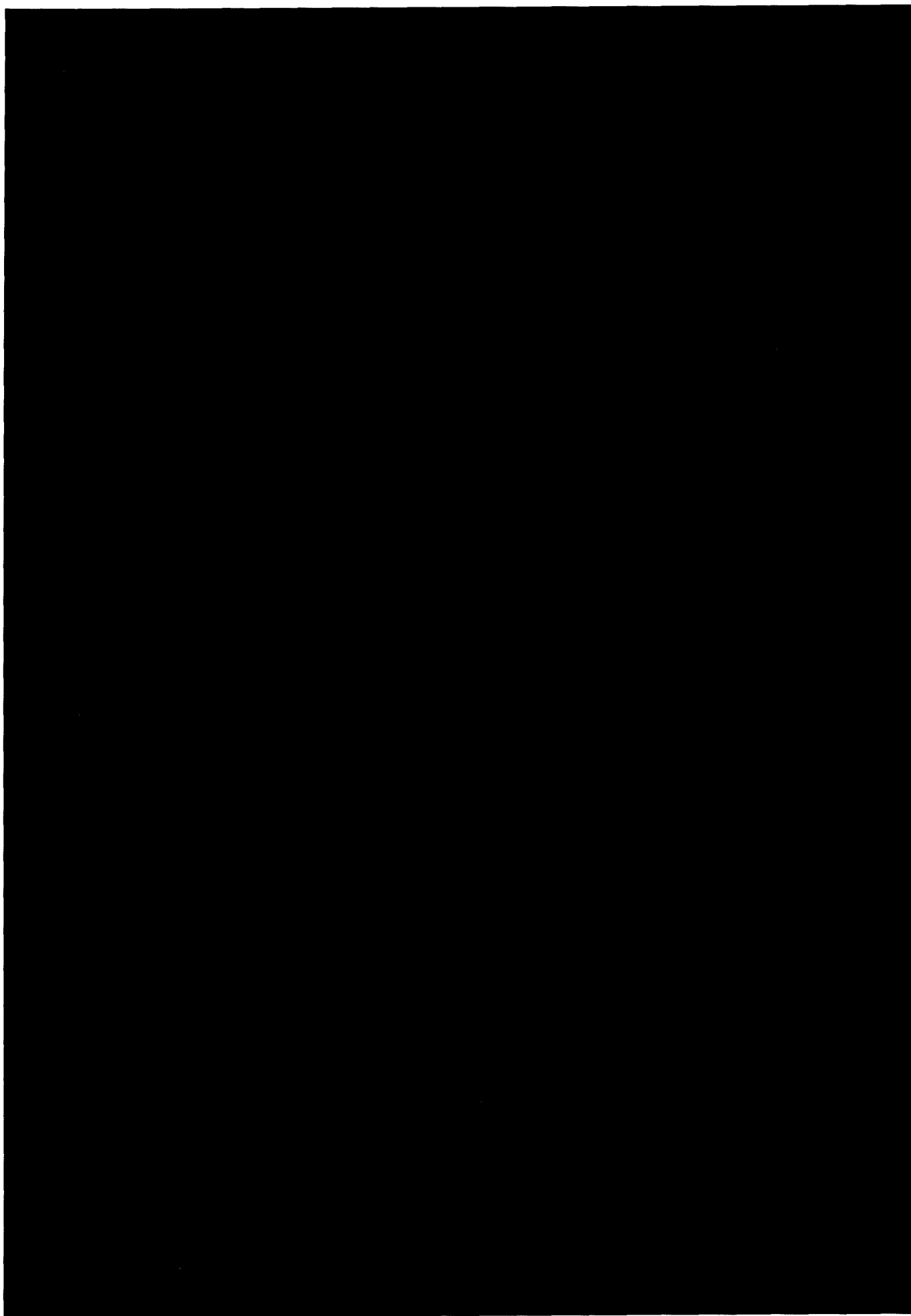


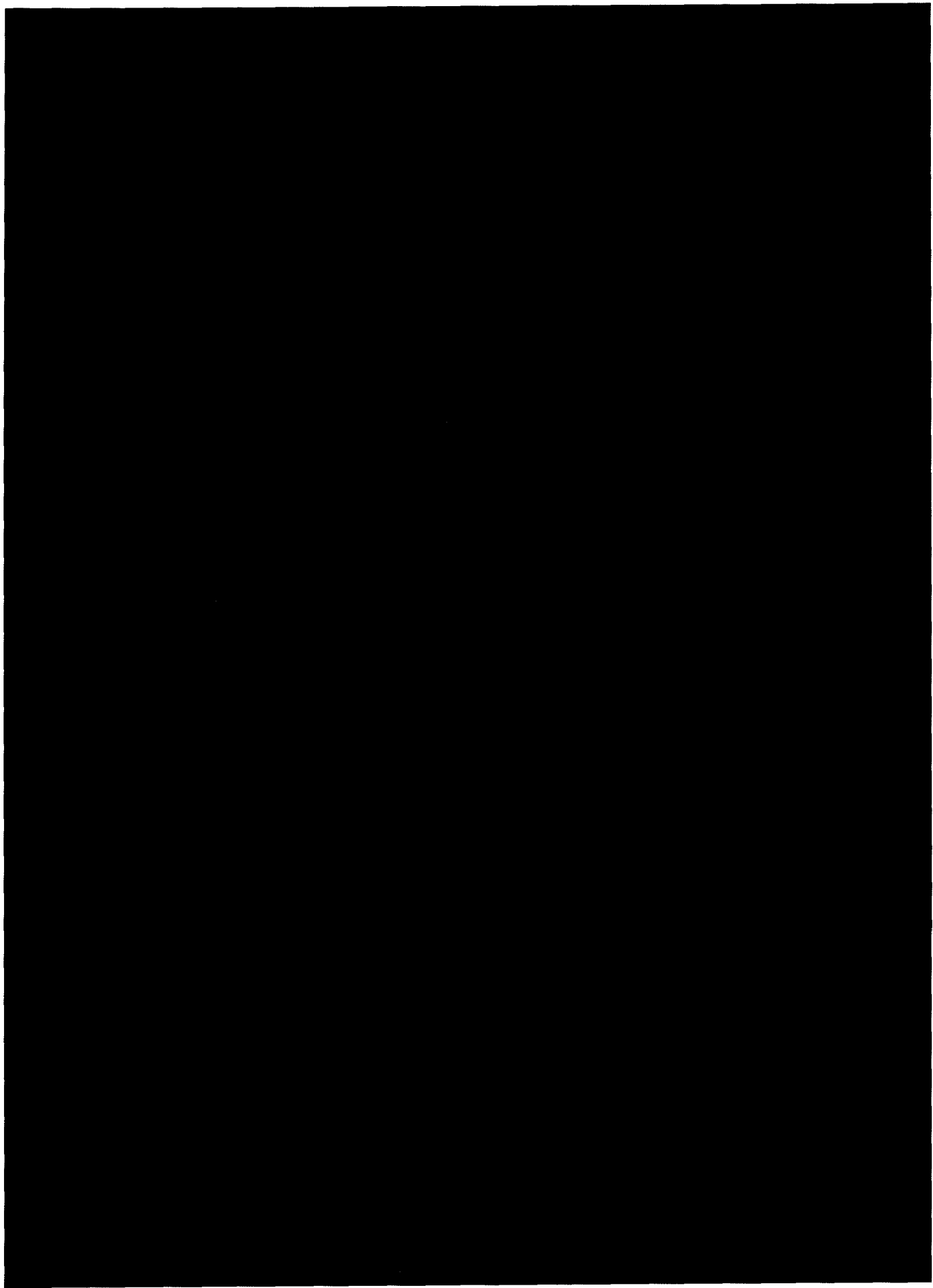


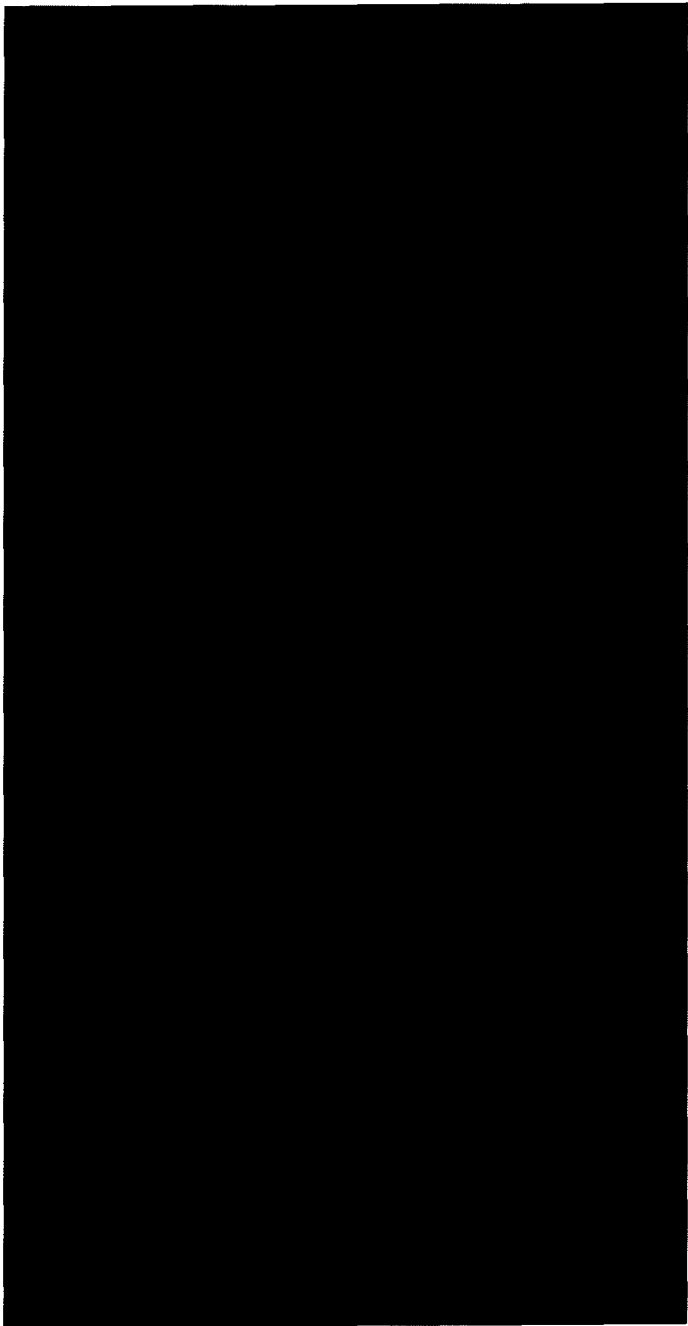


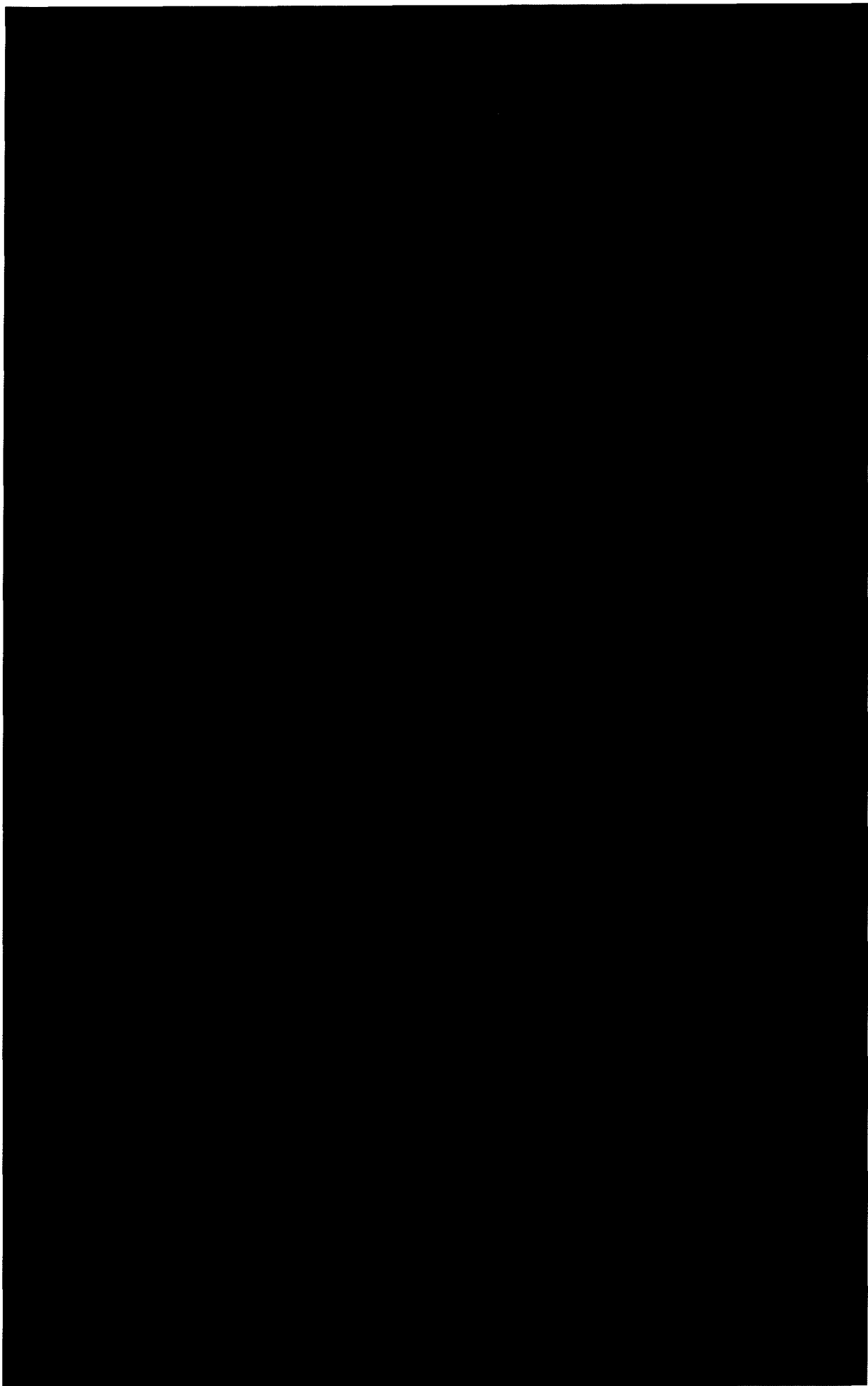


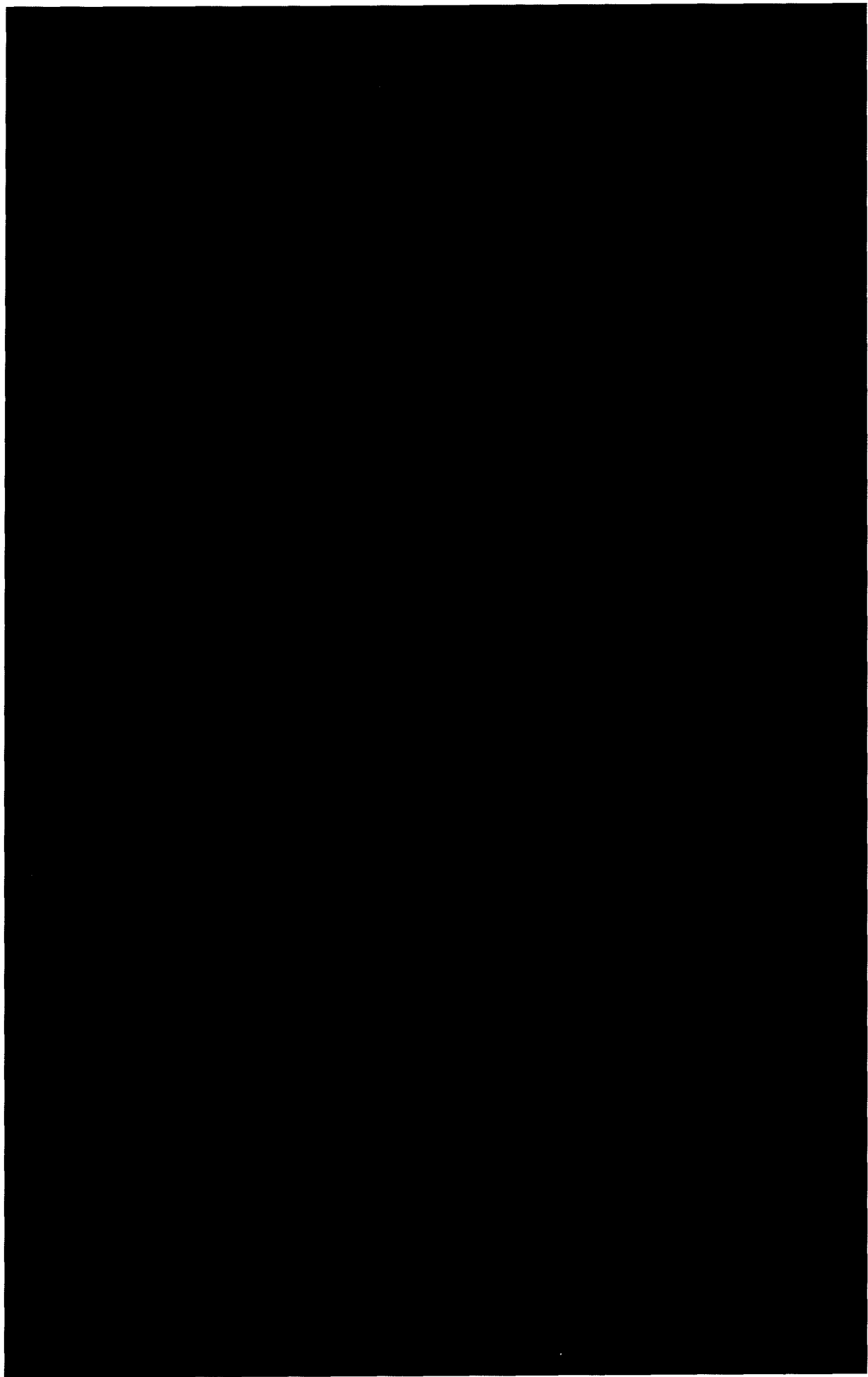


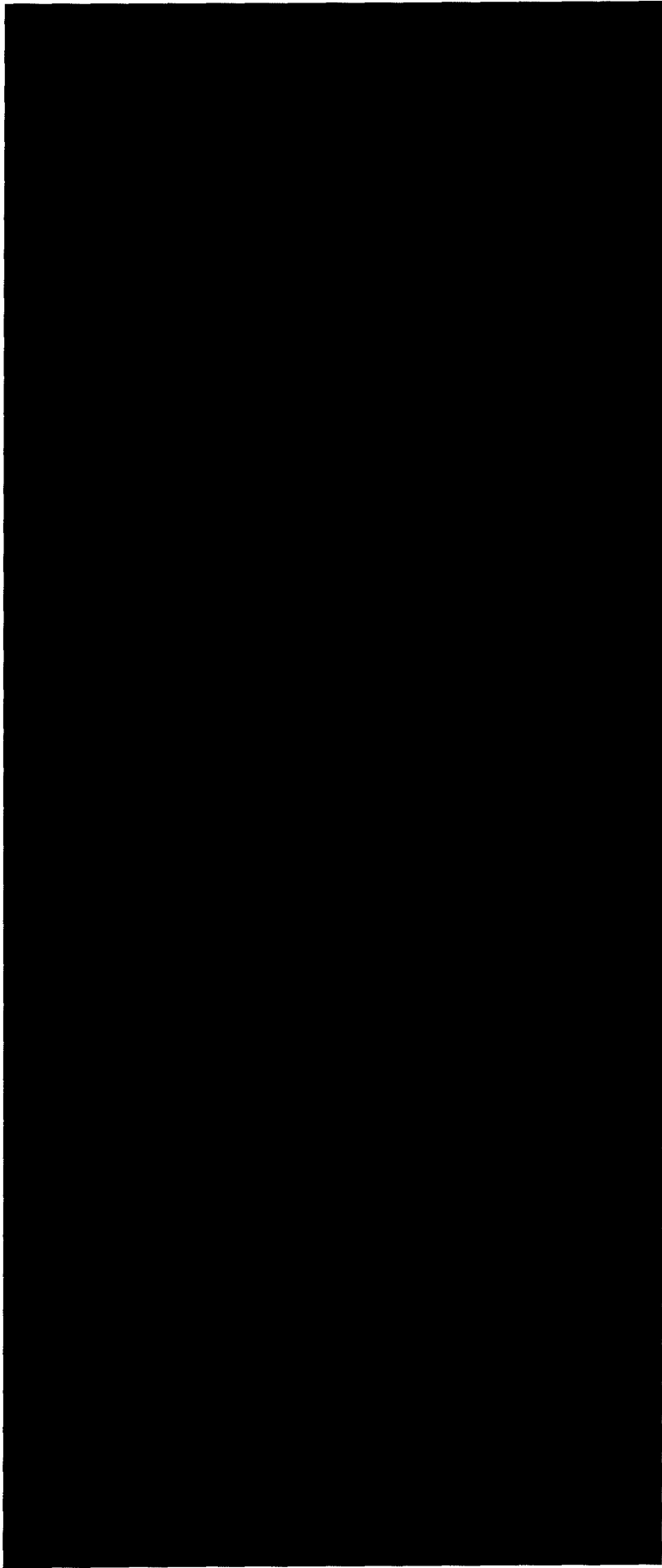


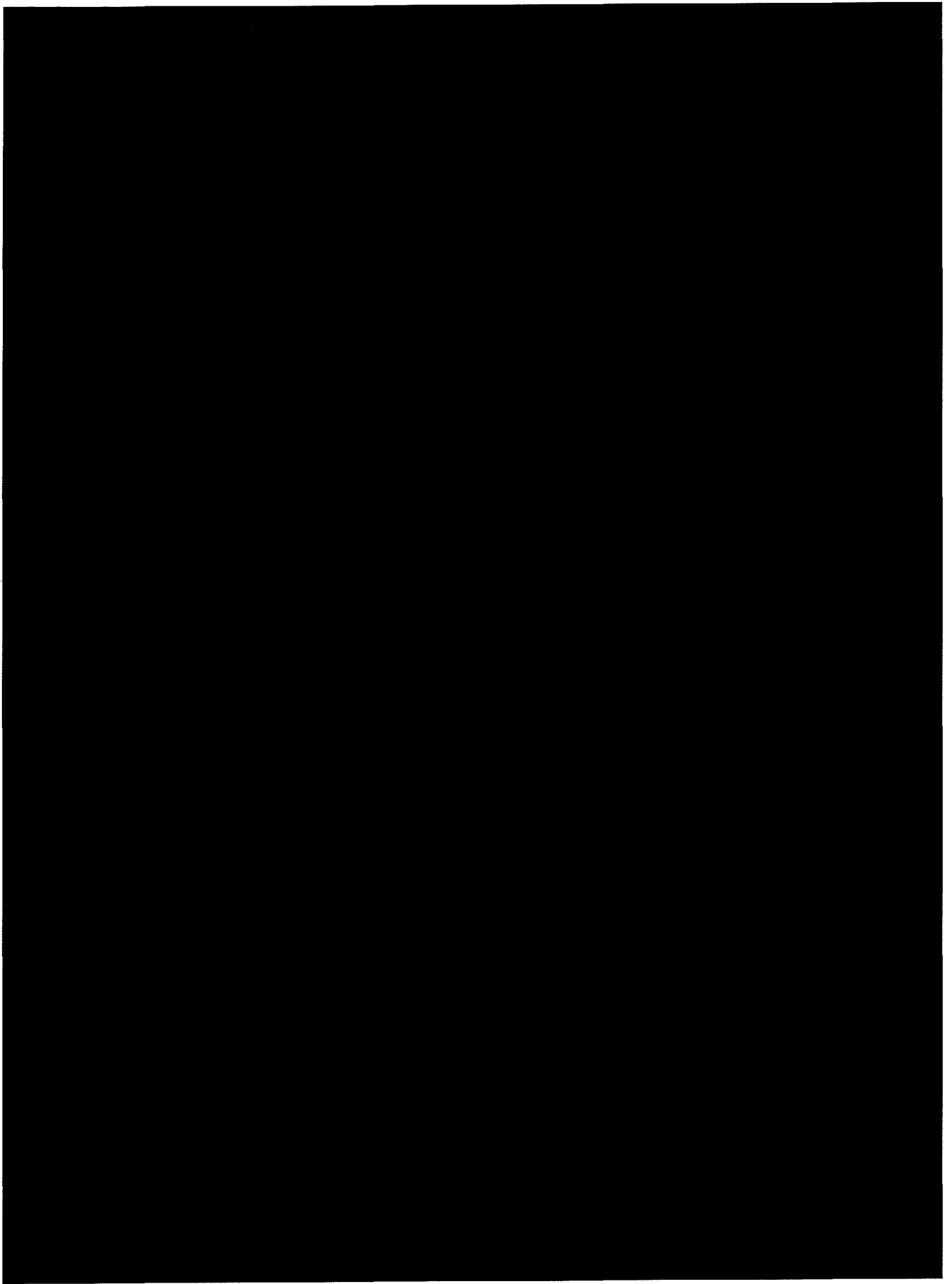


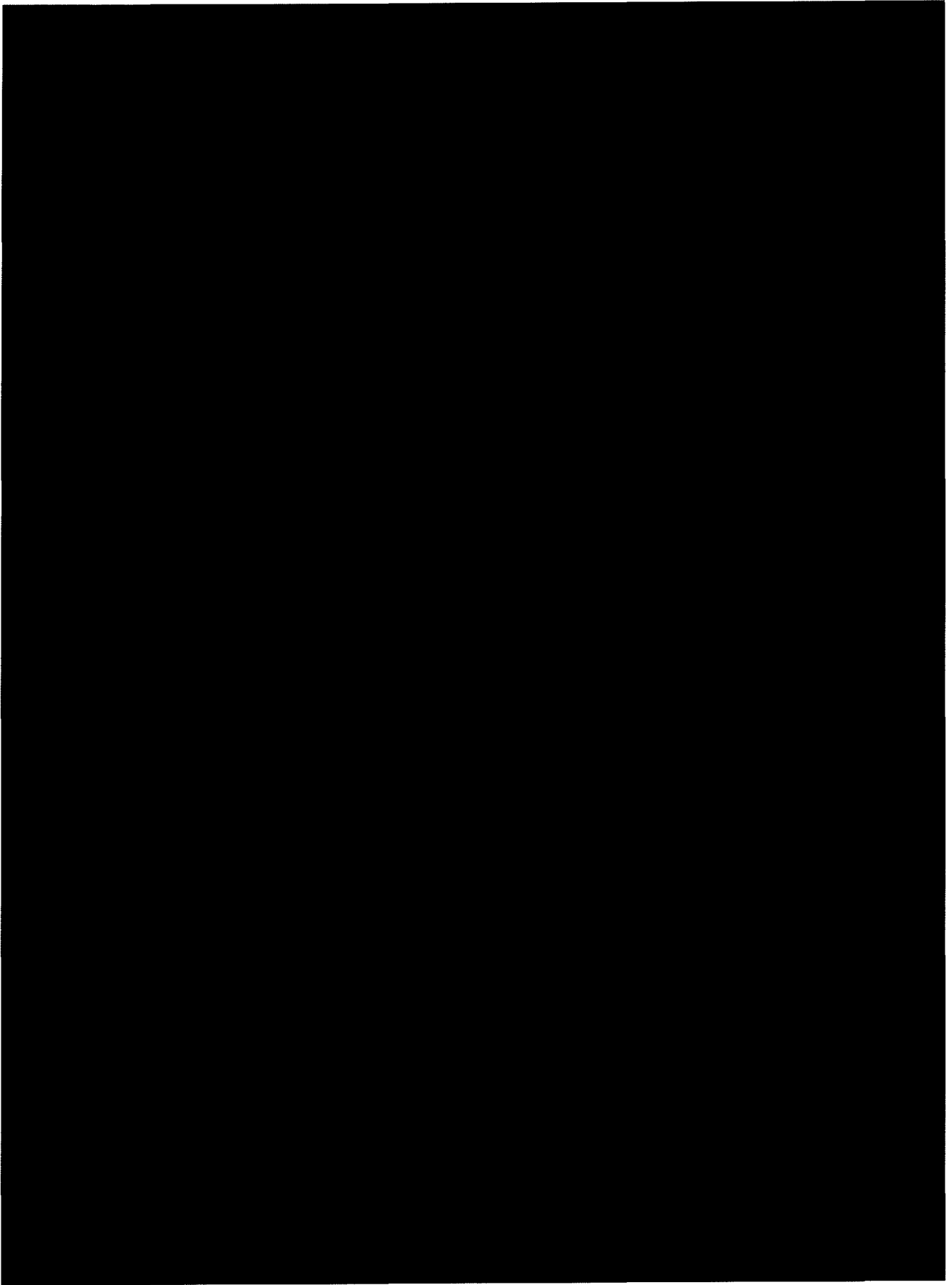


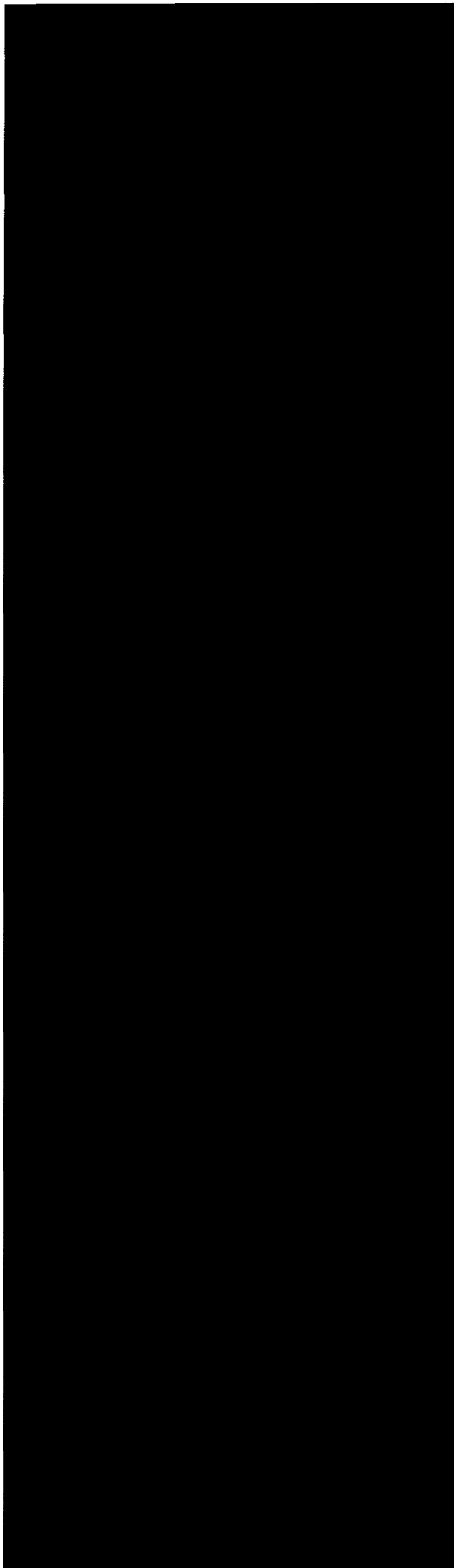


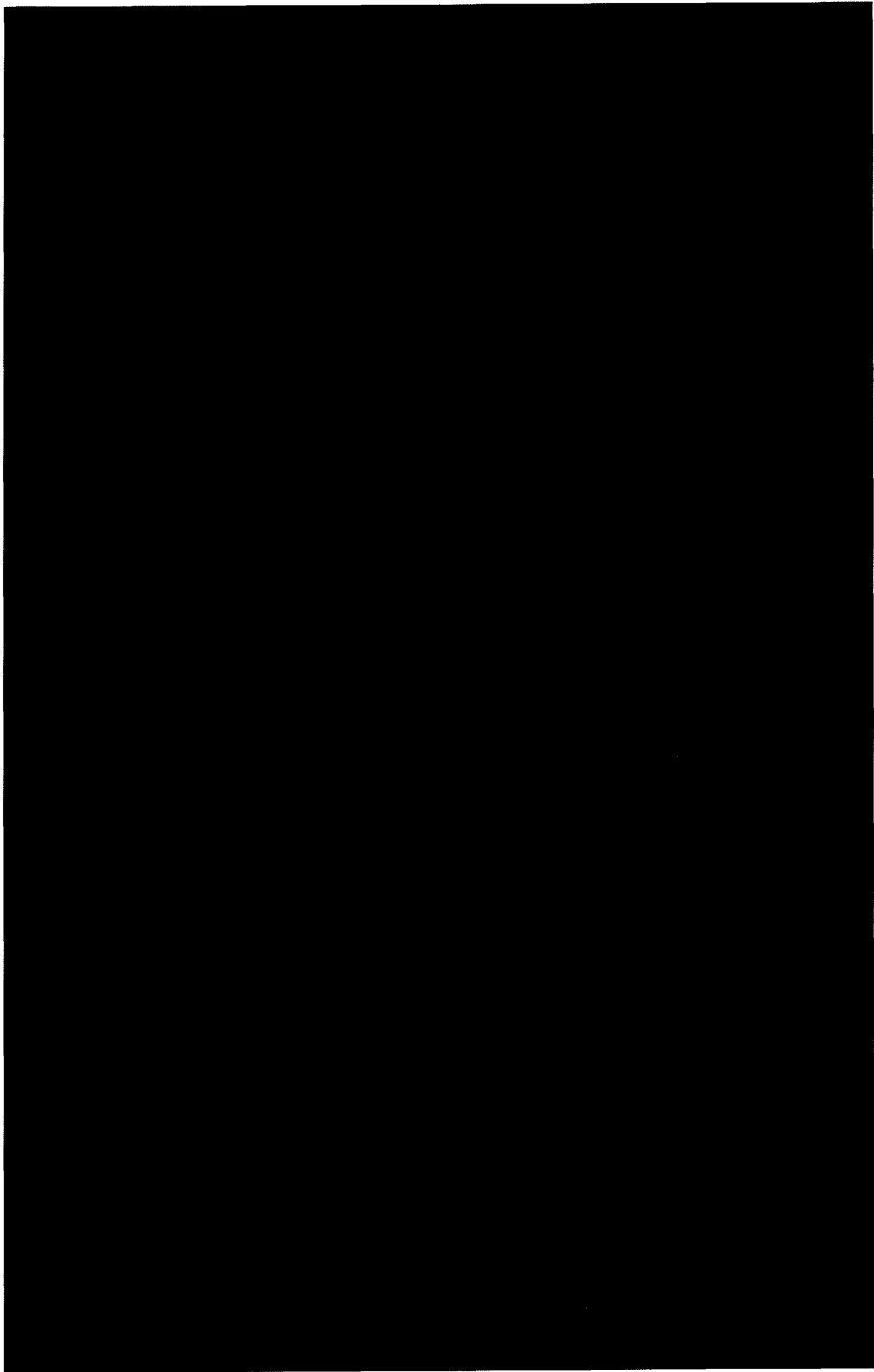


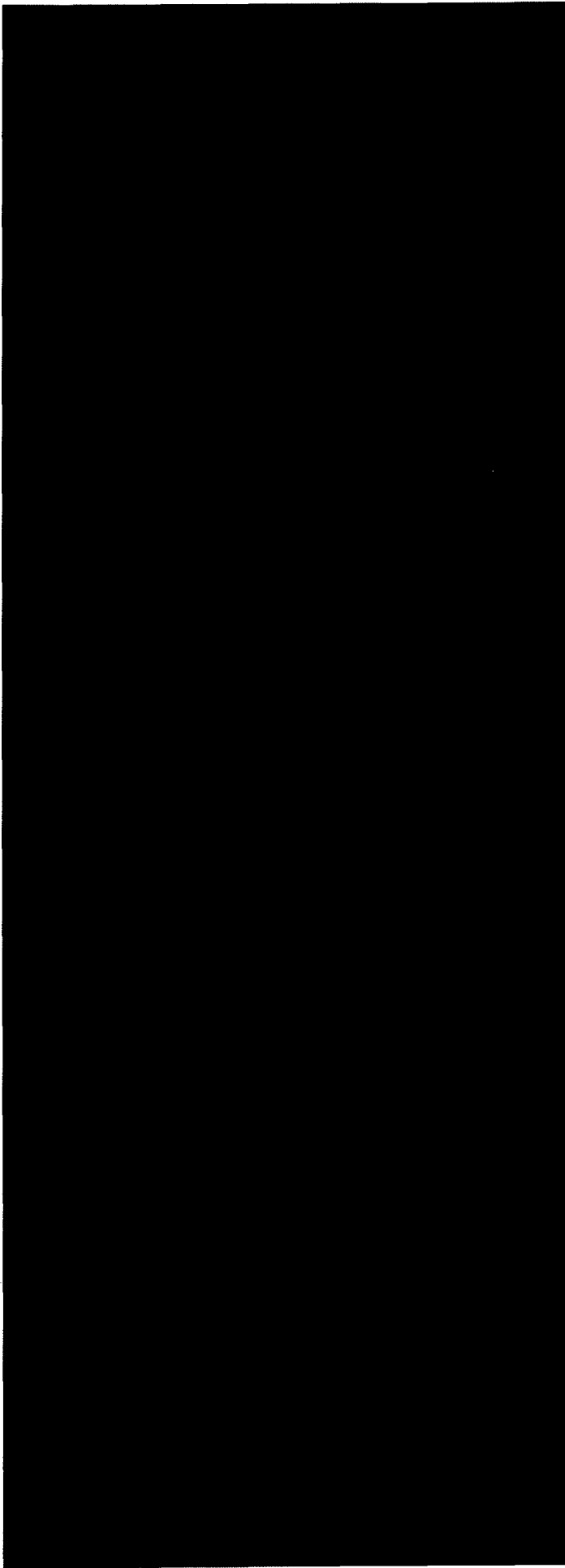


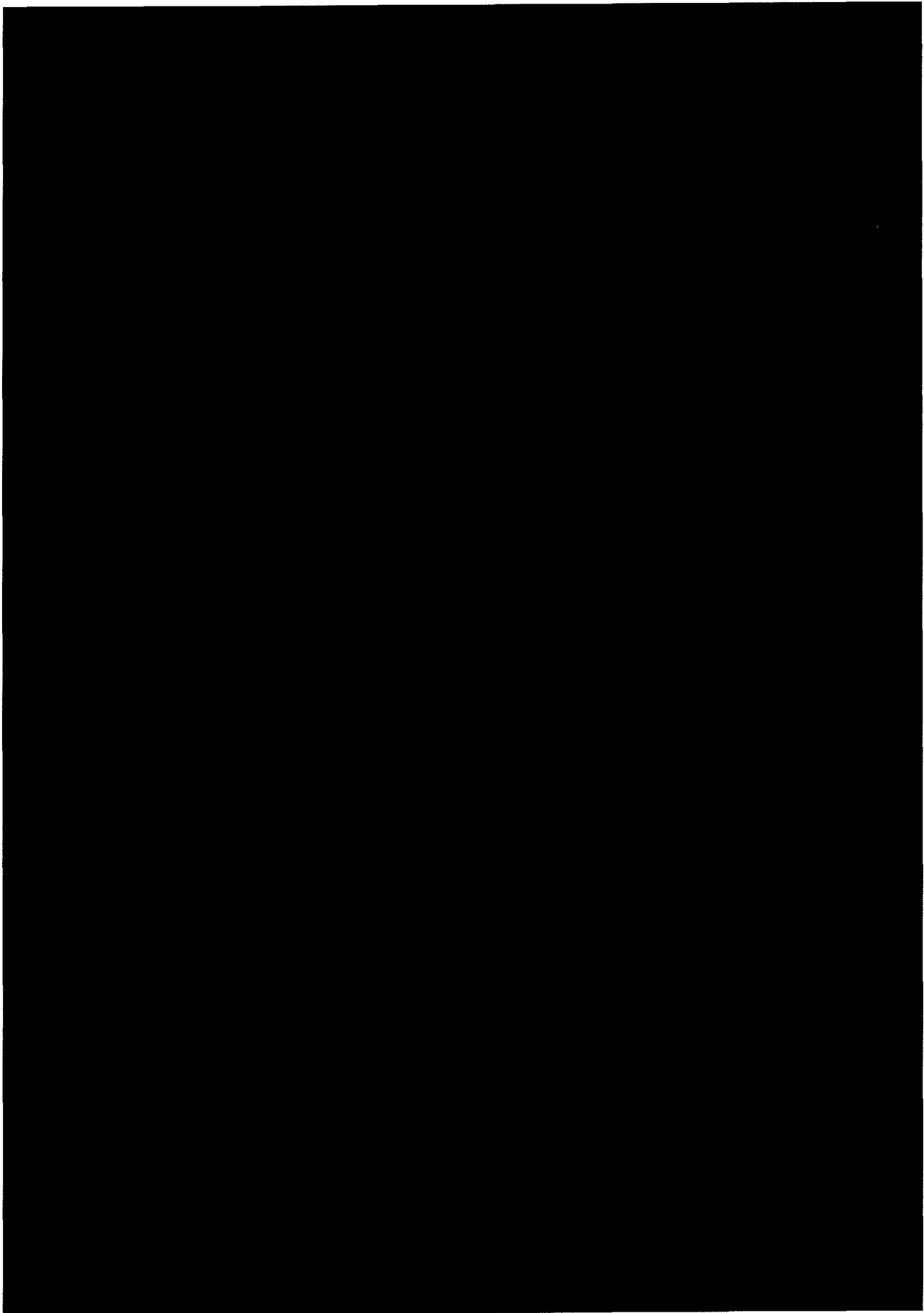


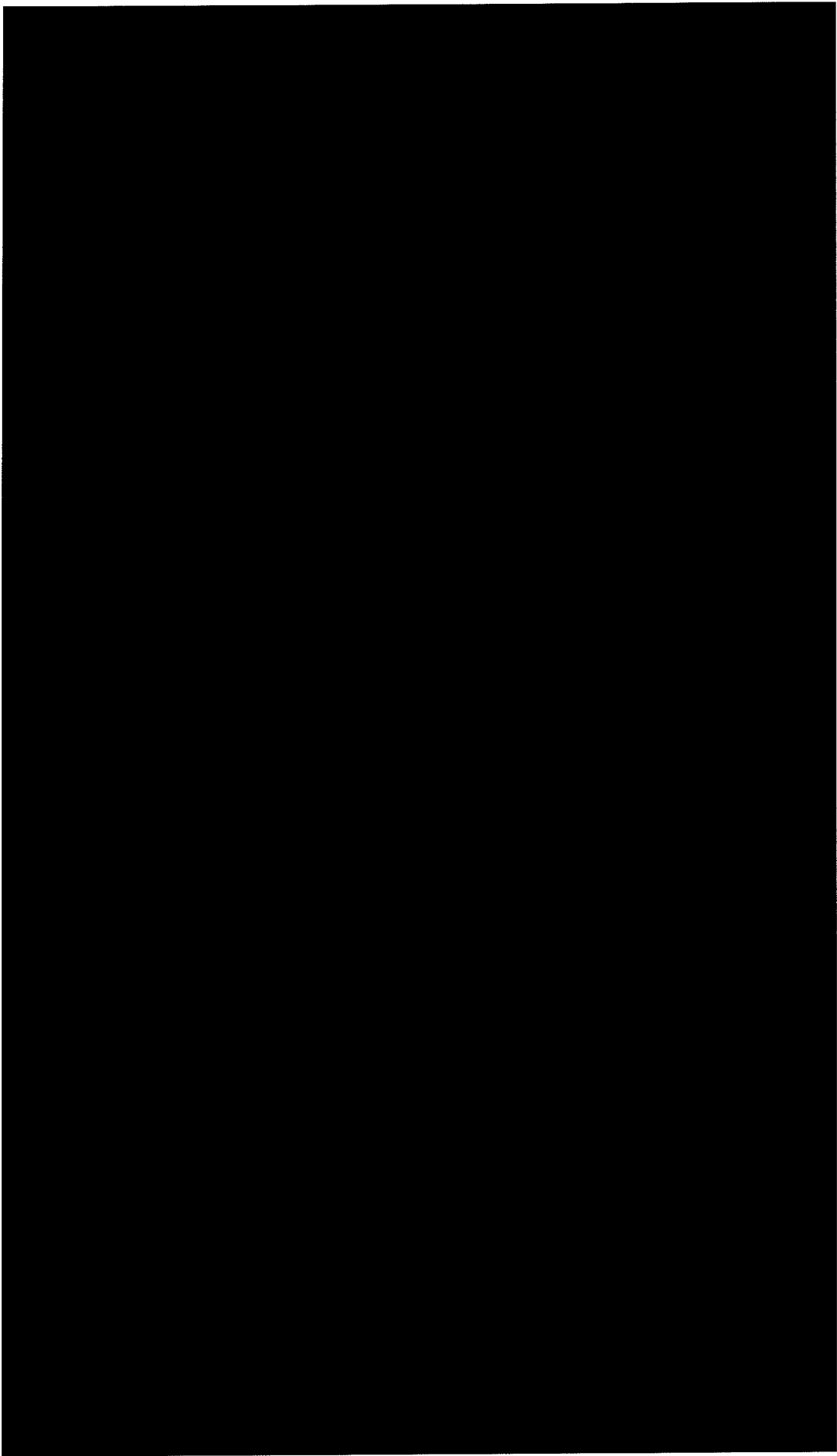


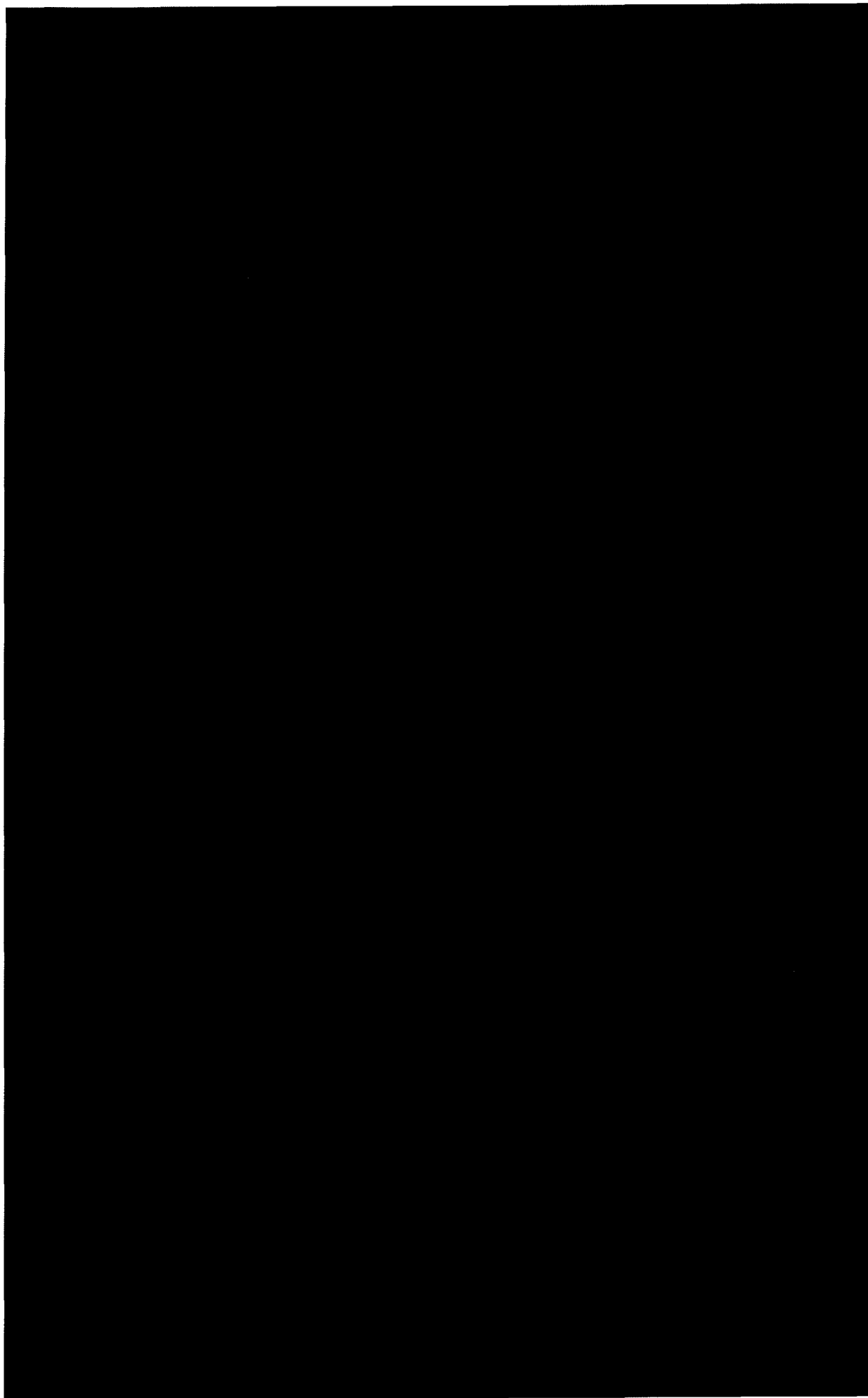


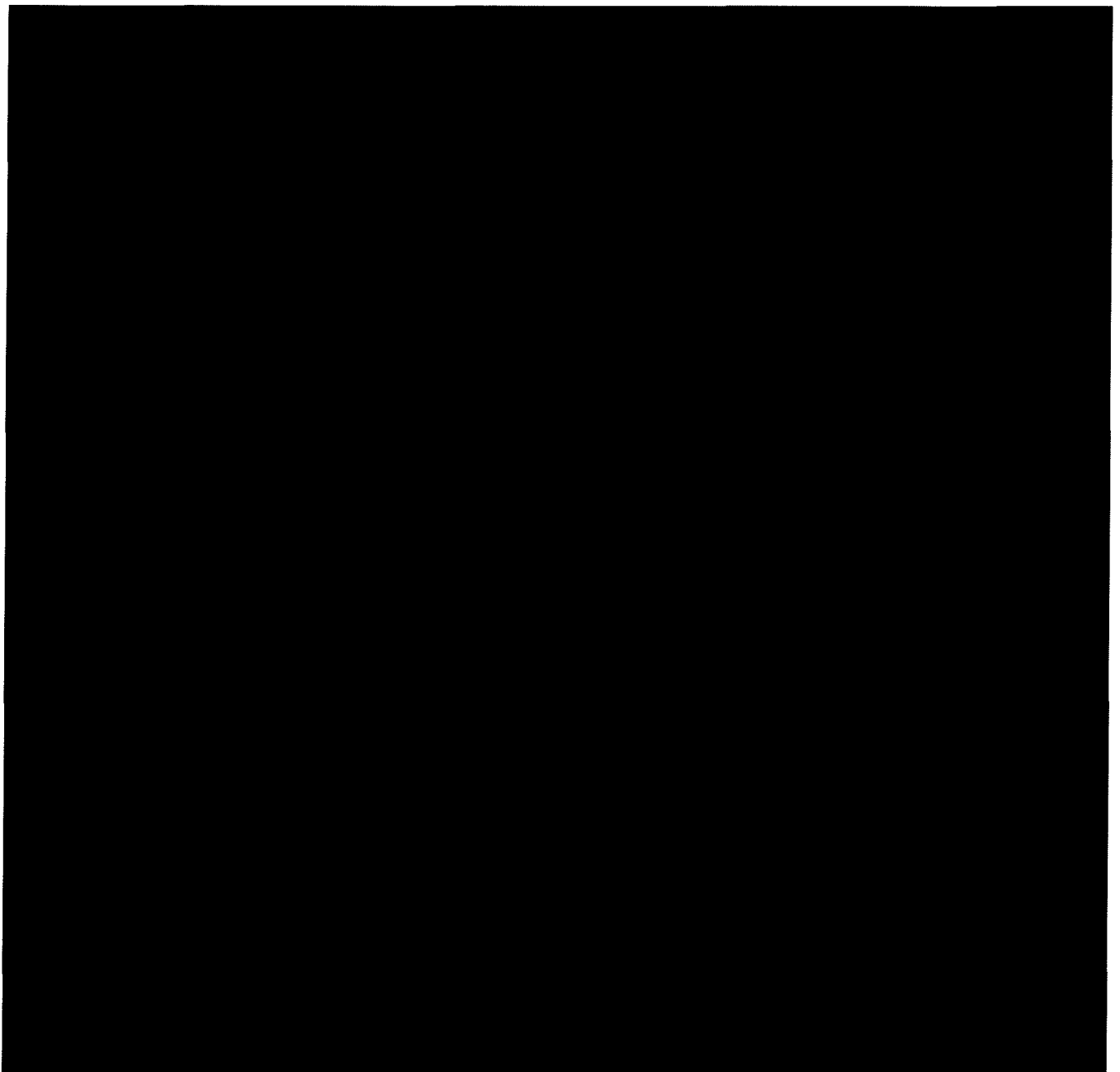


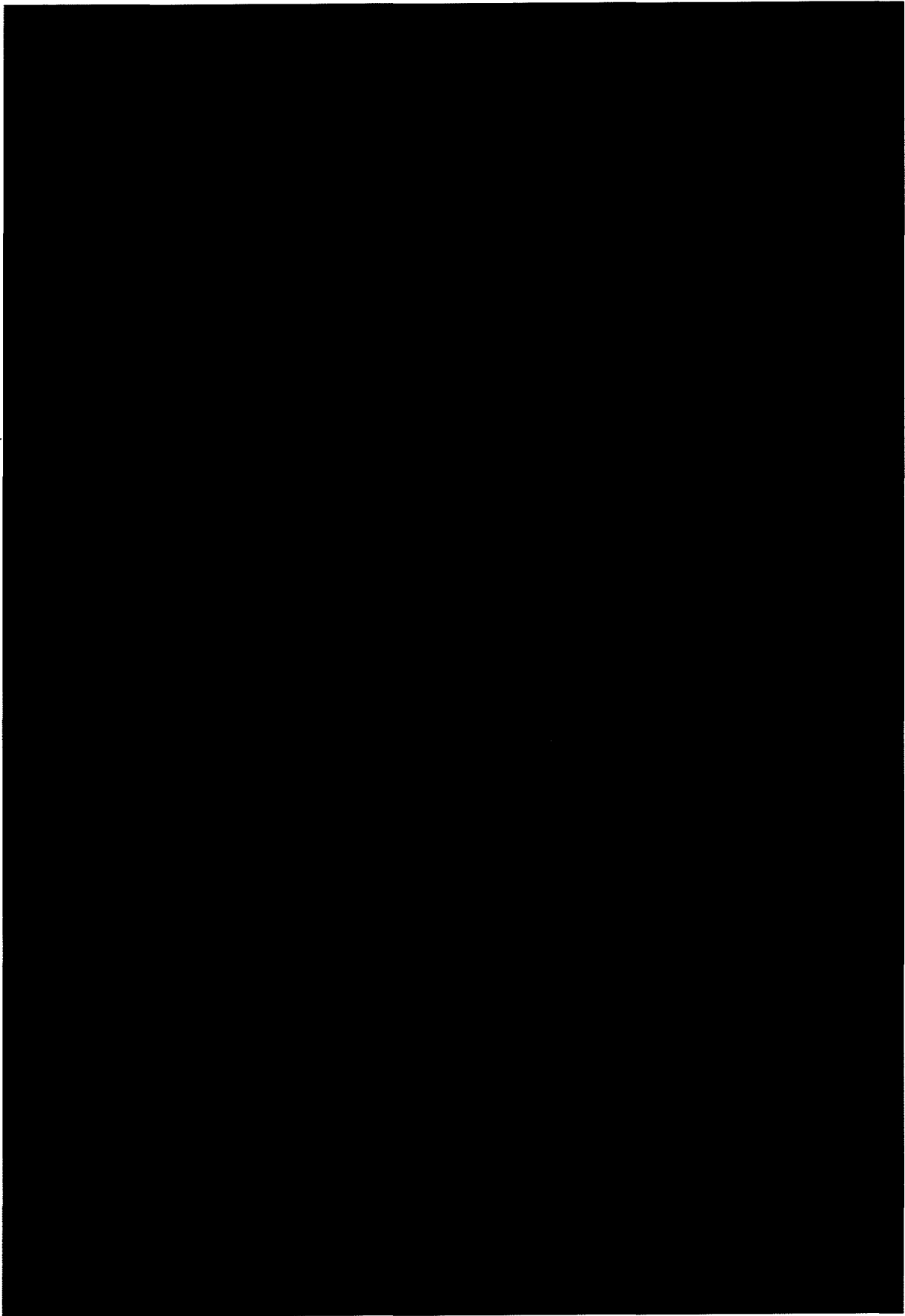


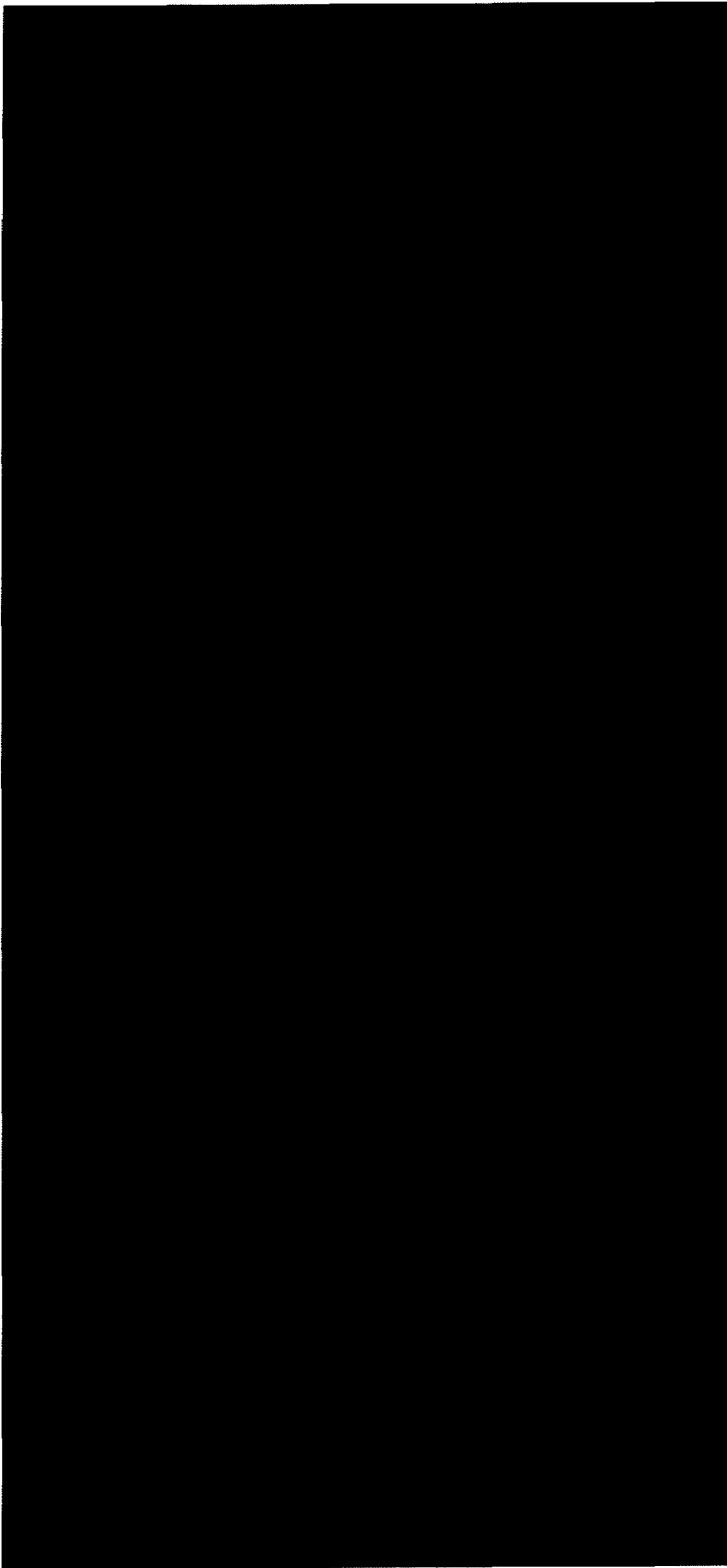


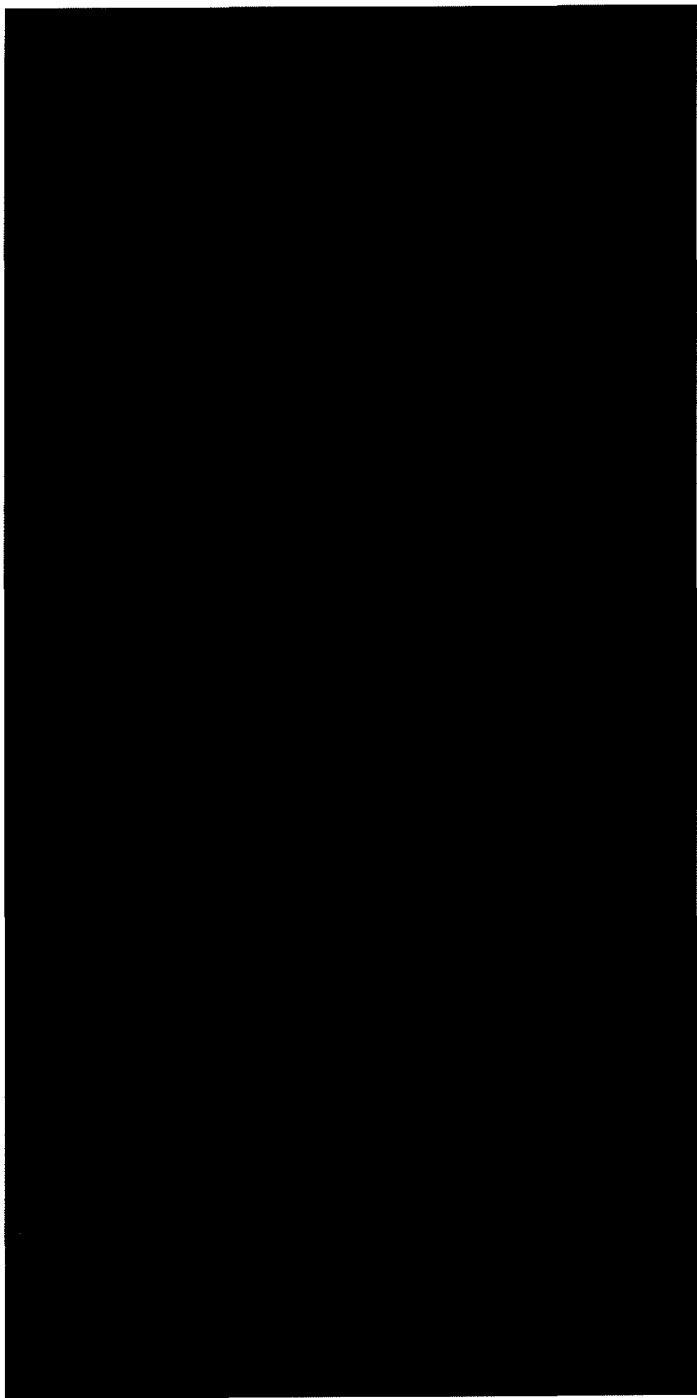




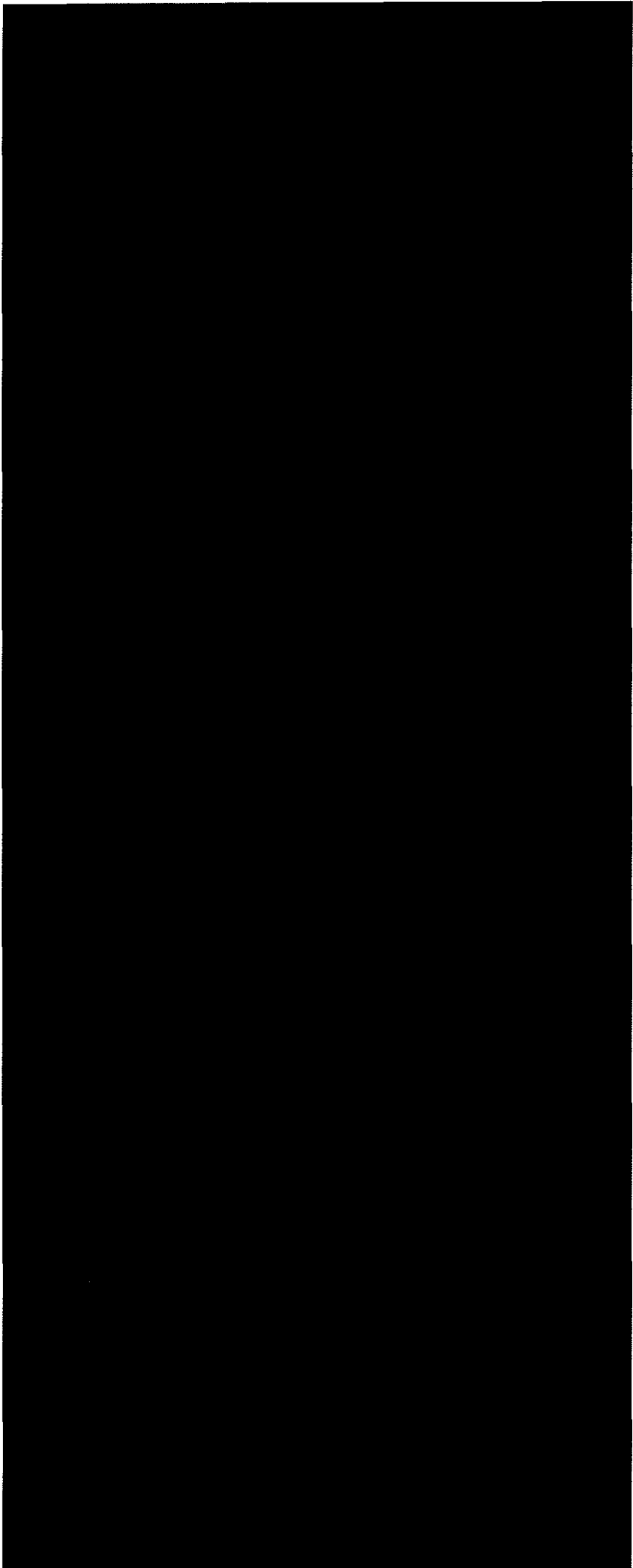


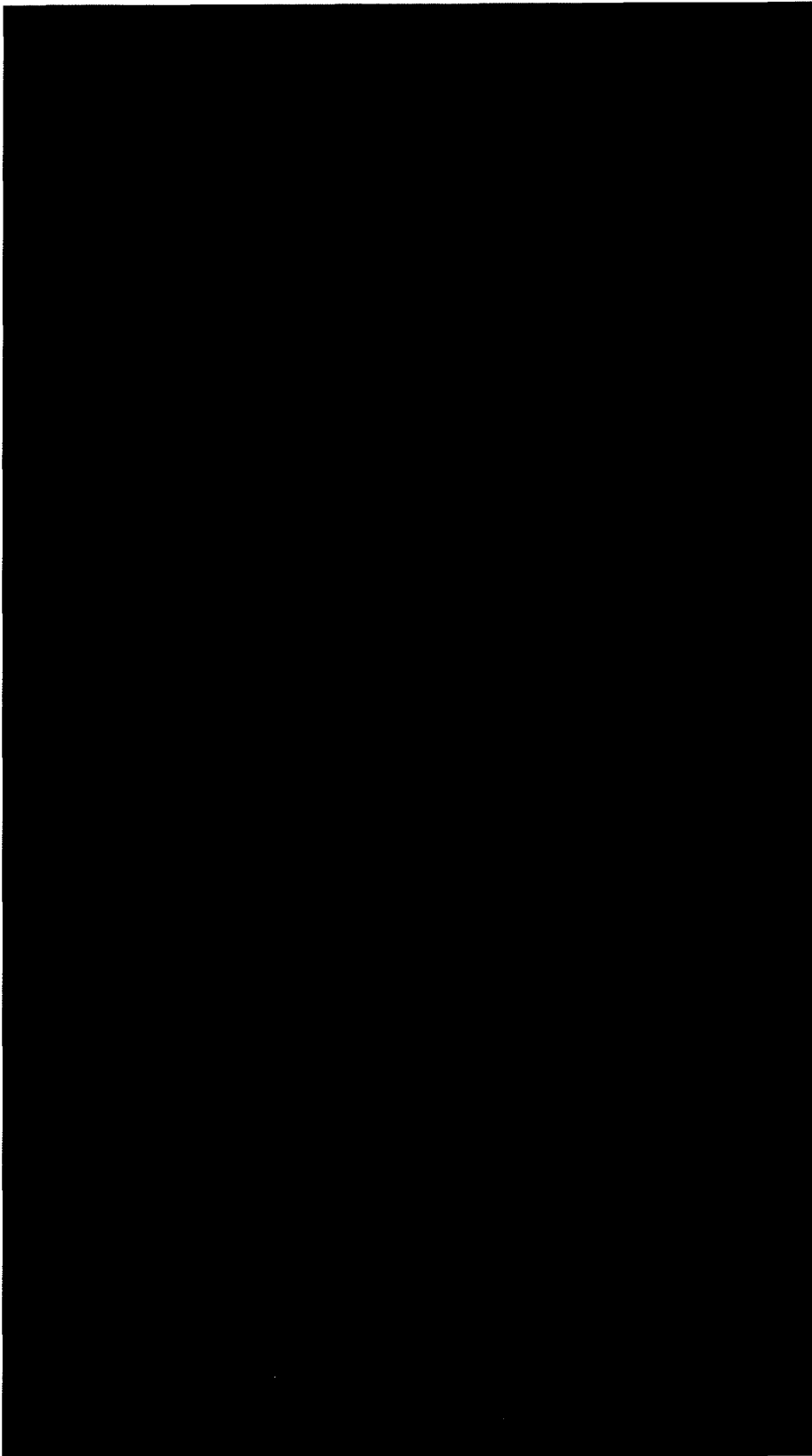


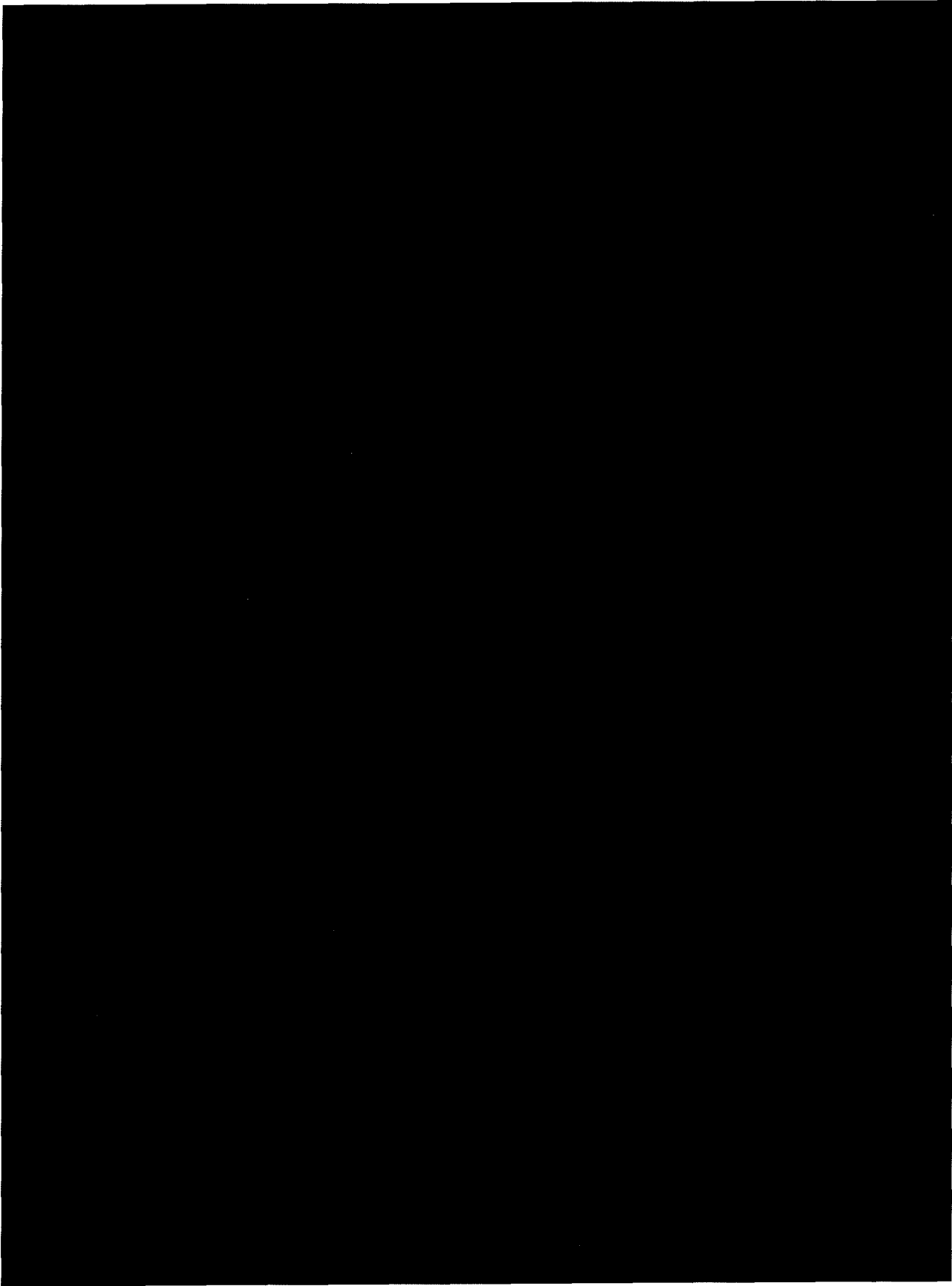


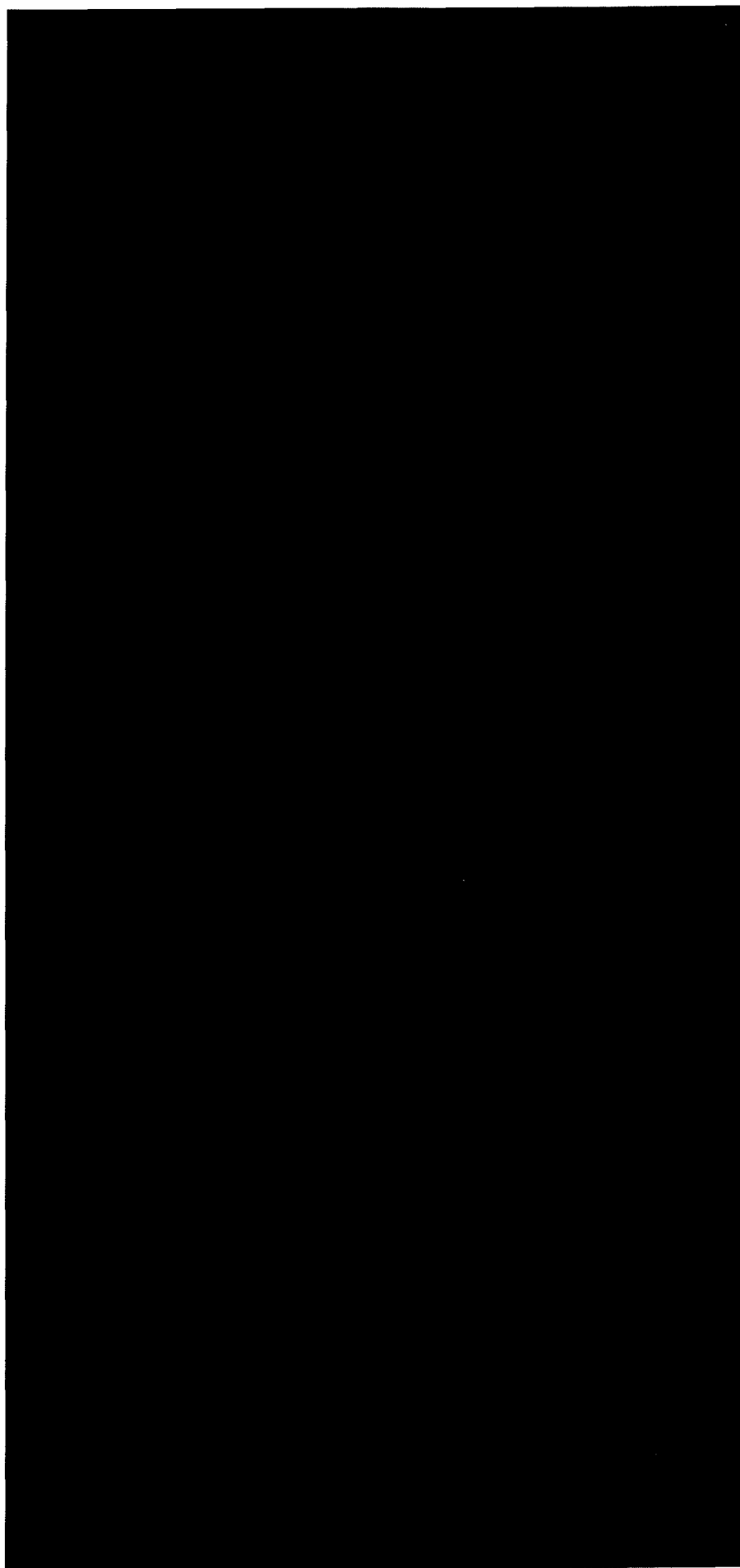


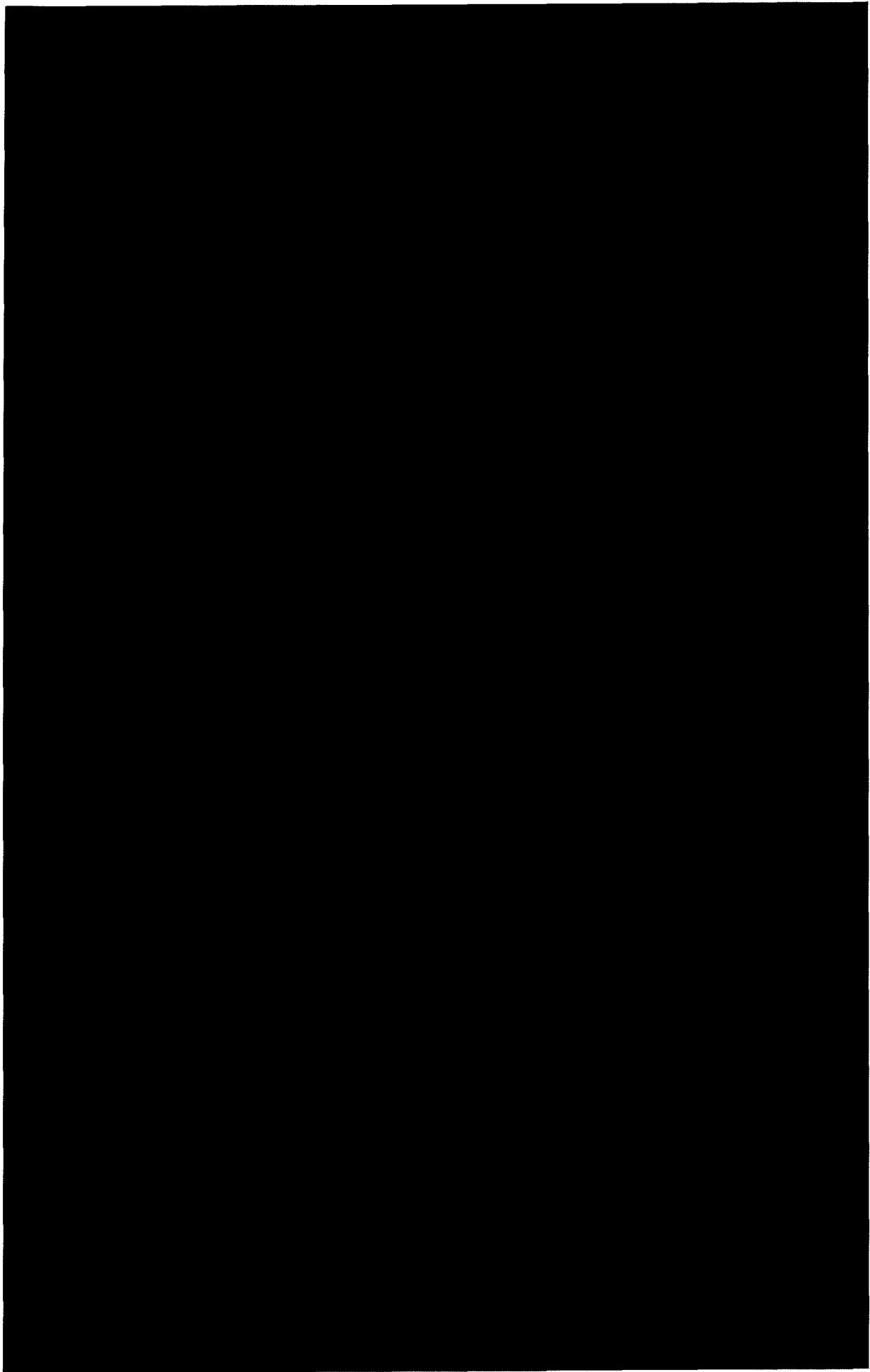




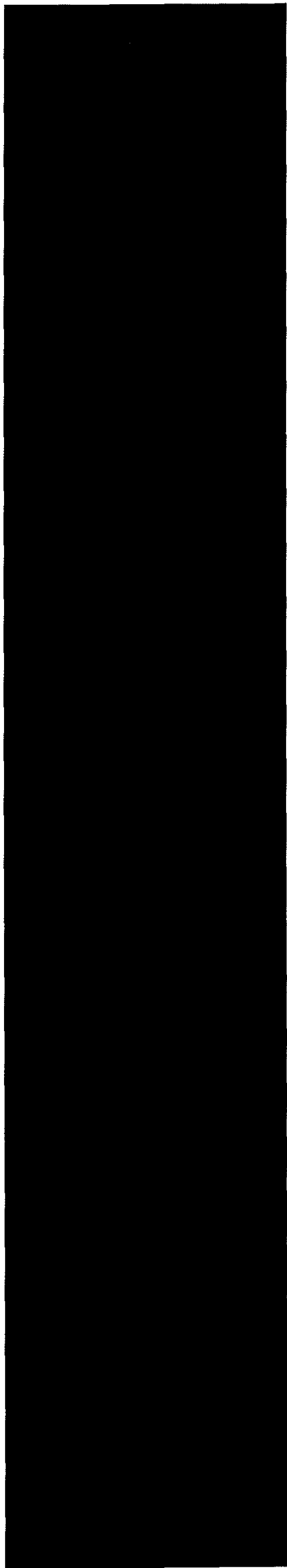


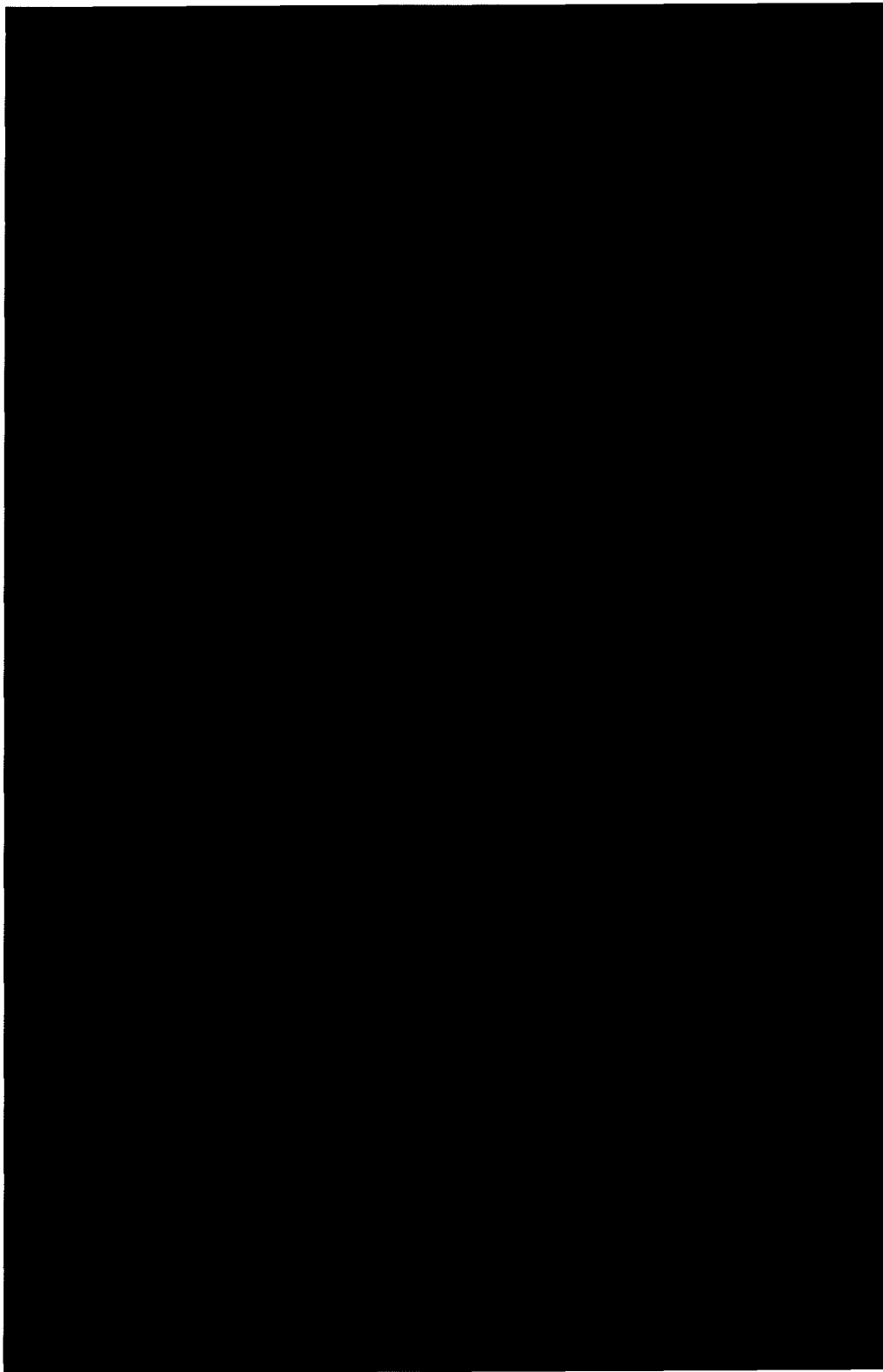


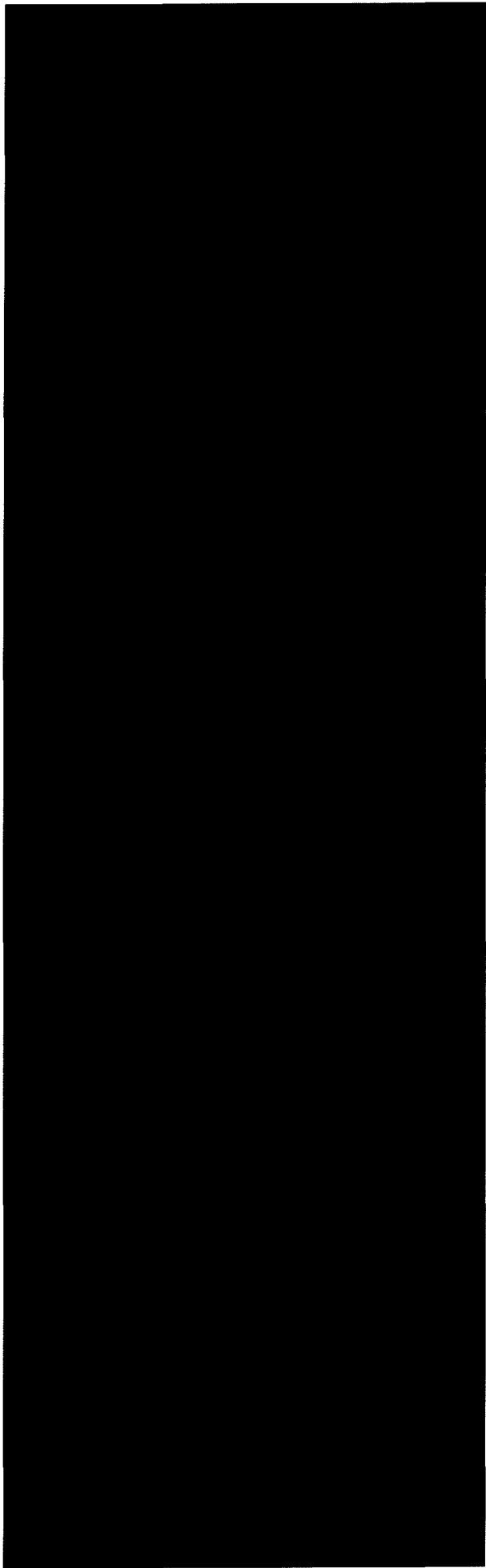


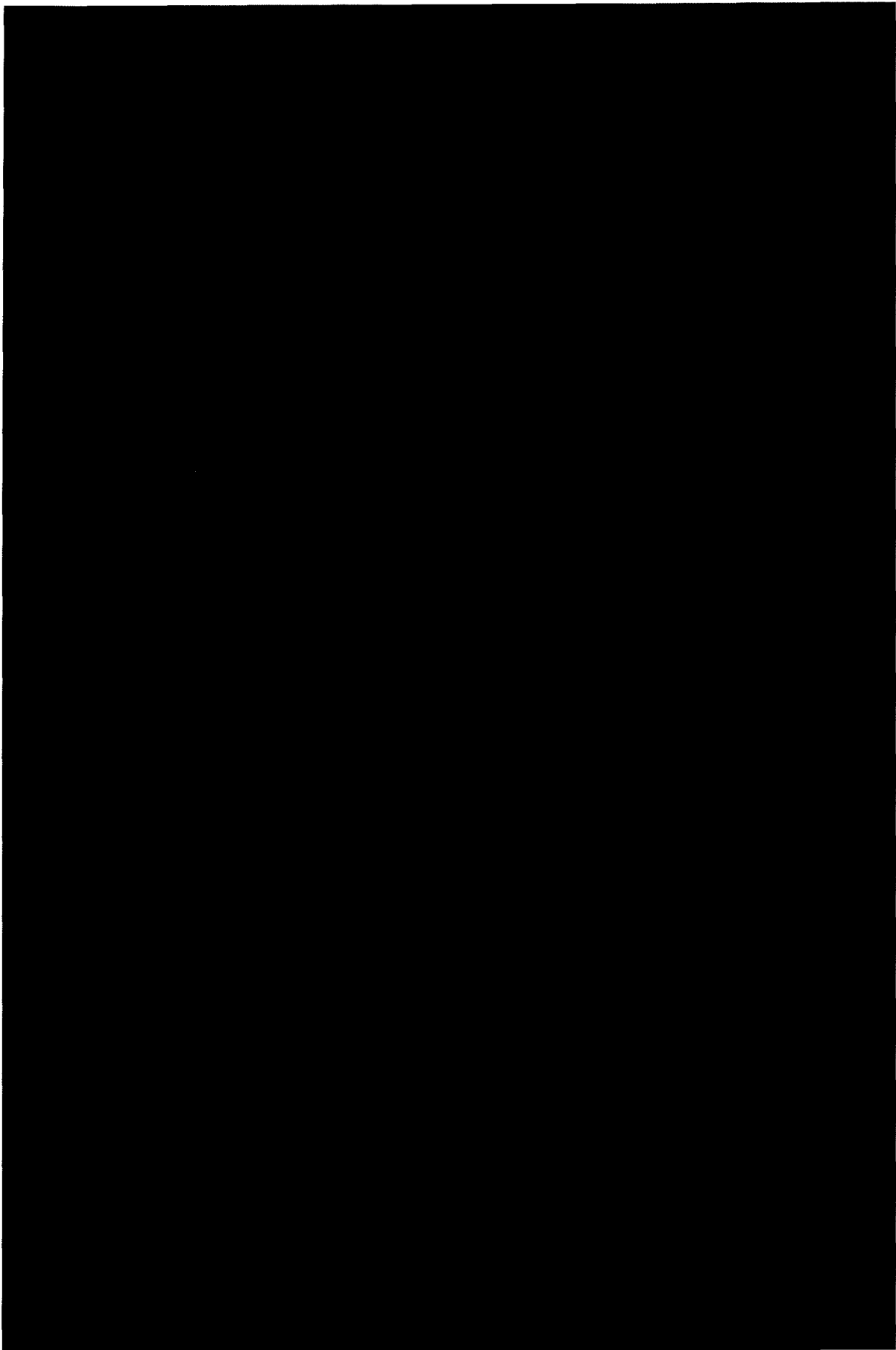


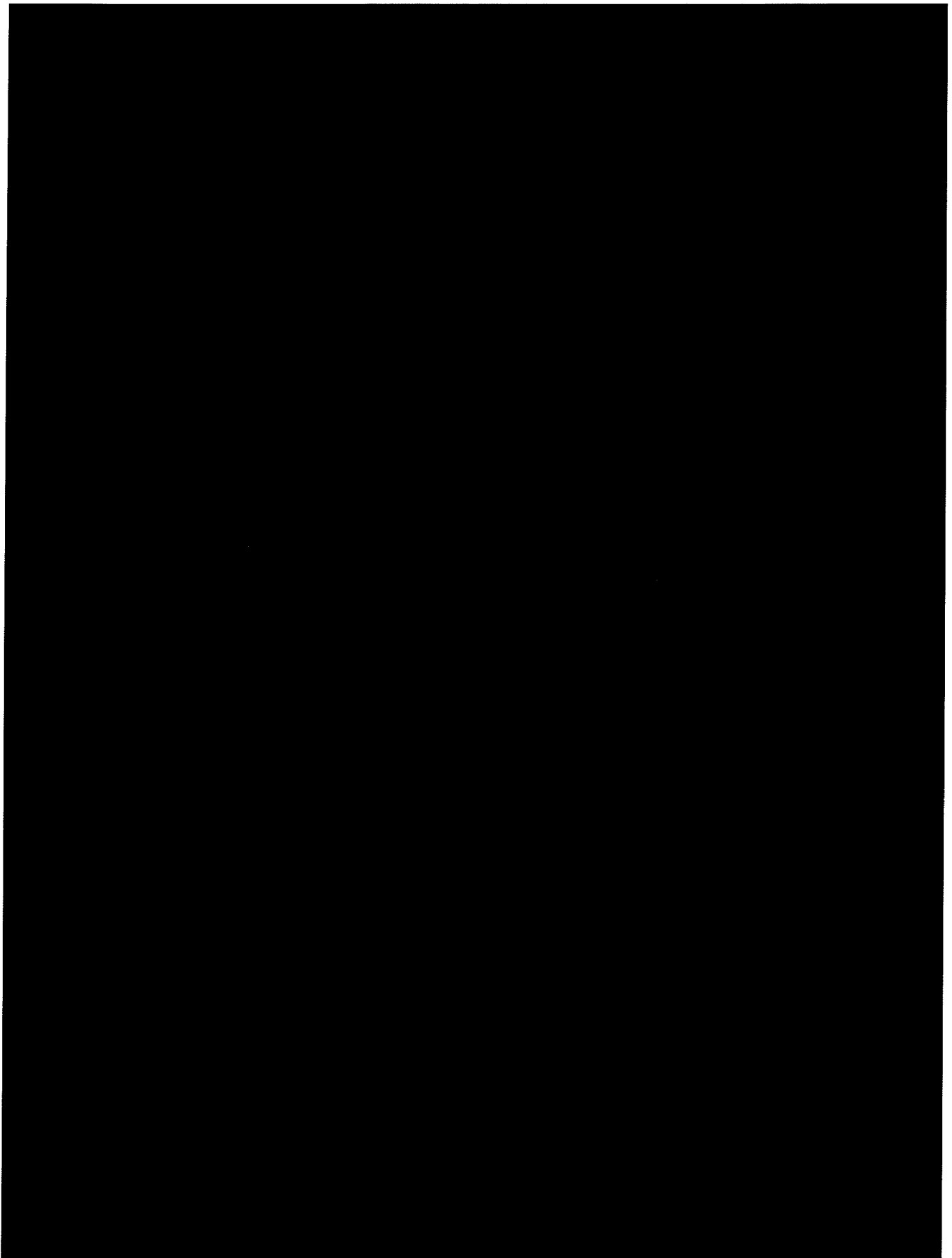


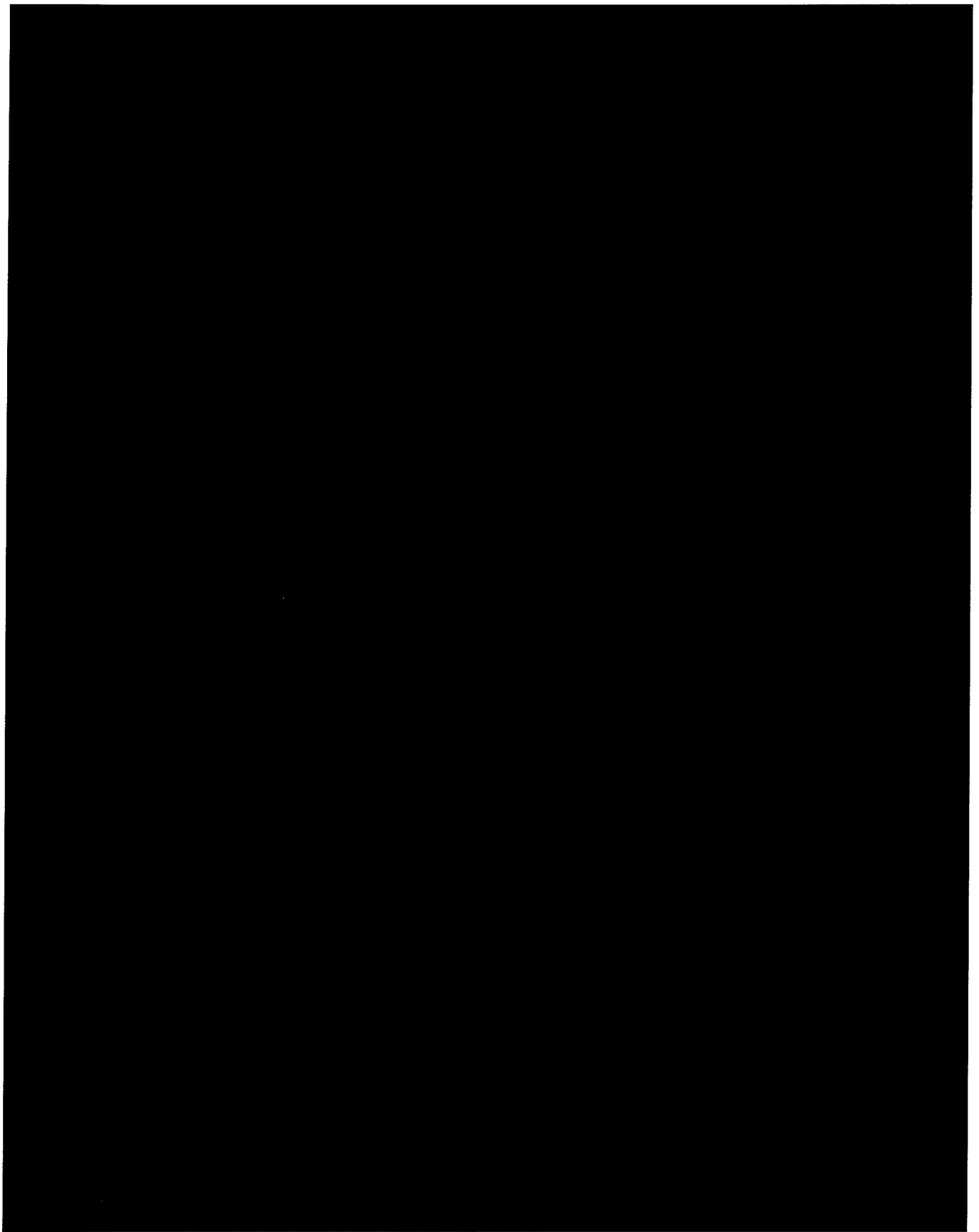


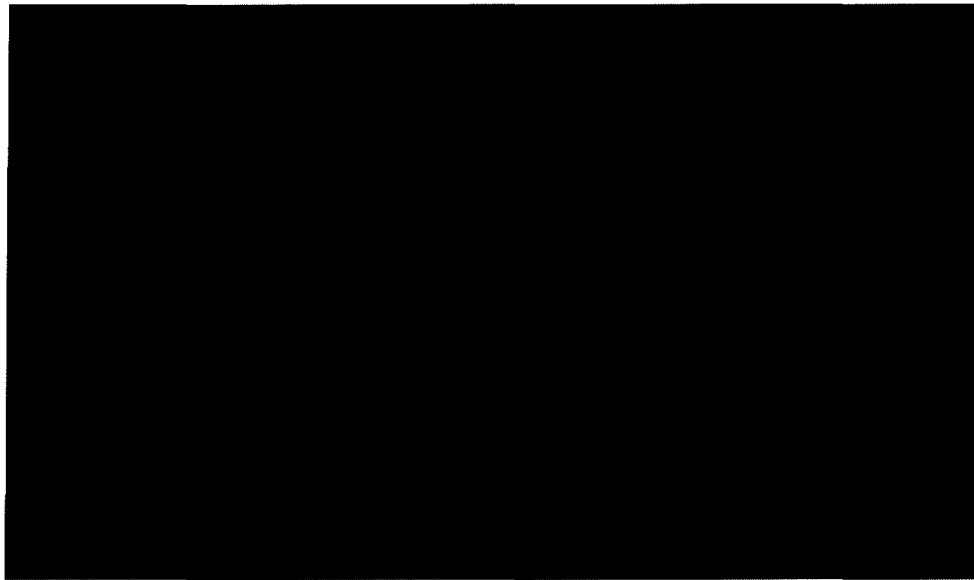






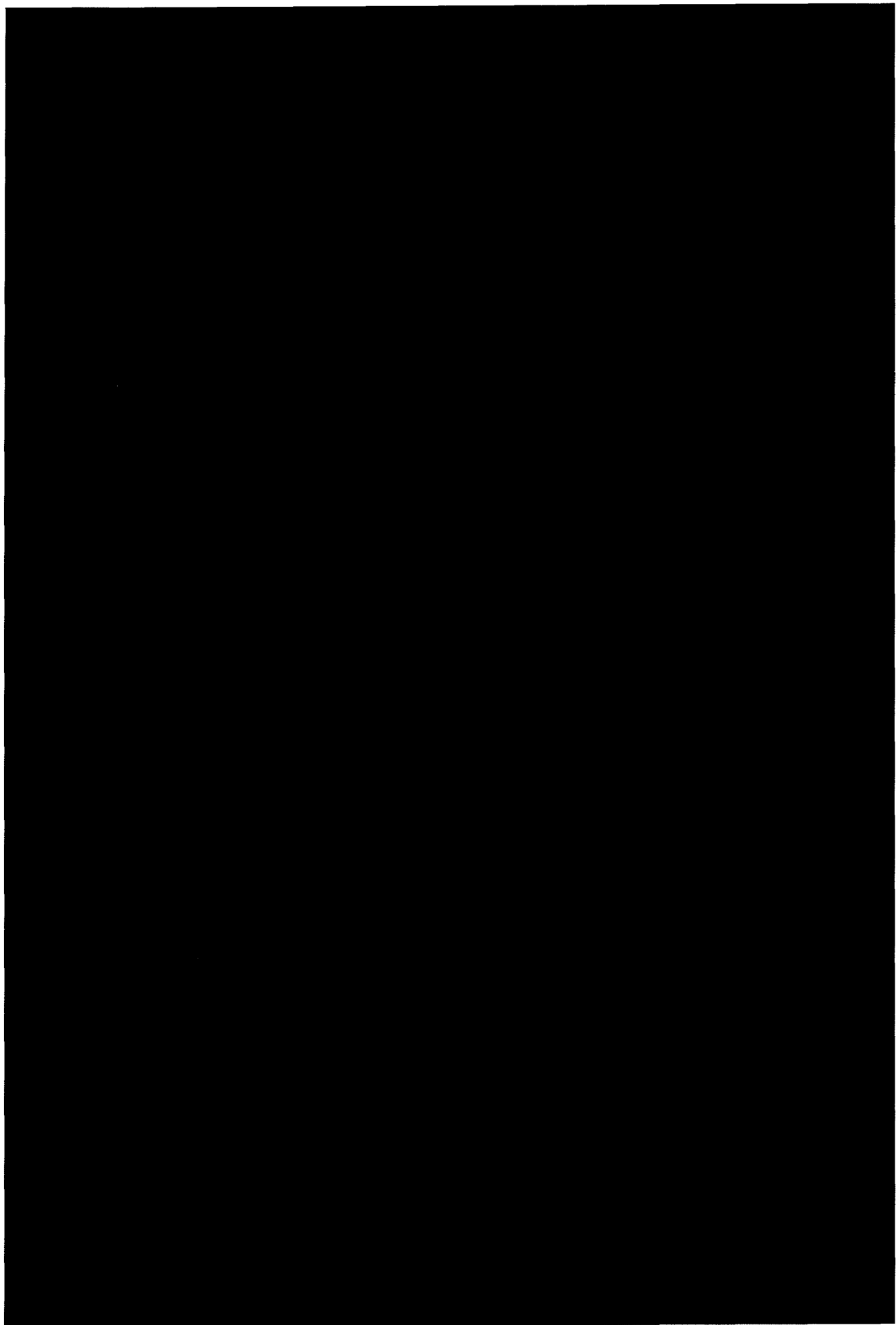


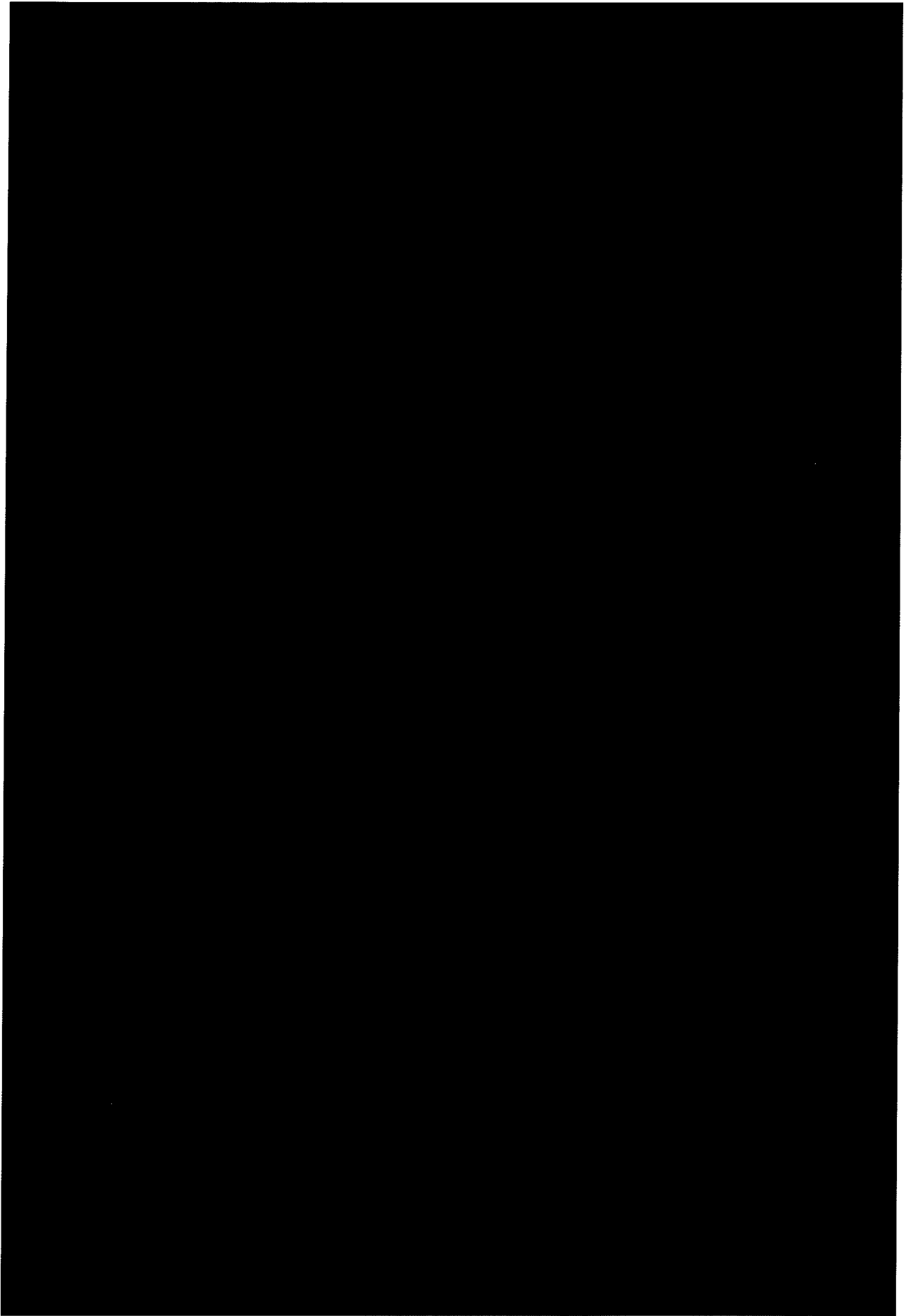


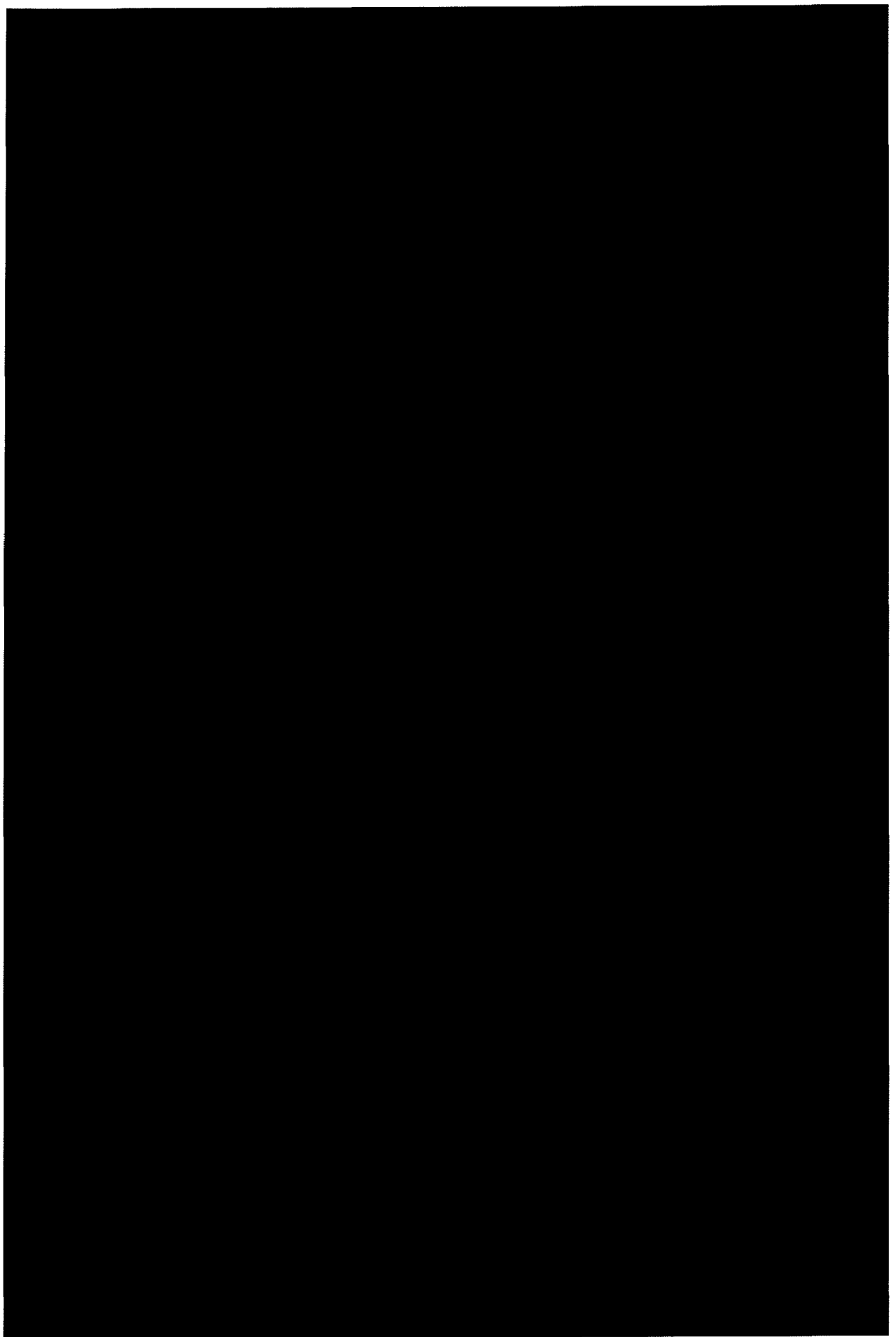


APPENDIX FOURTEEN

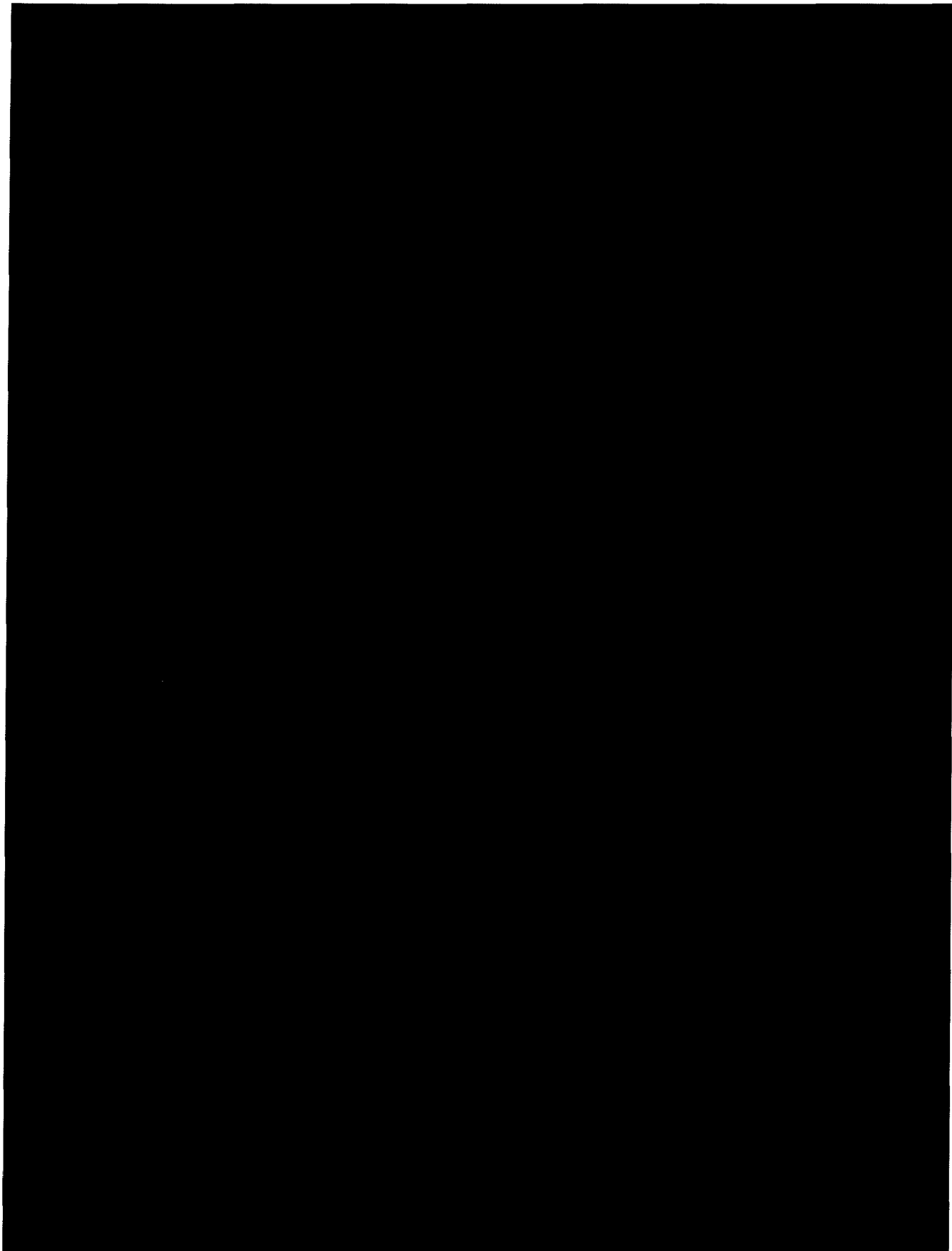


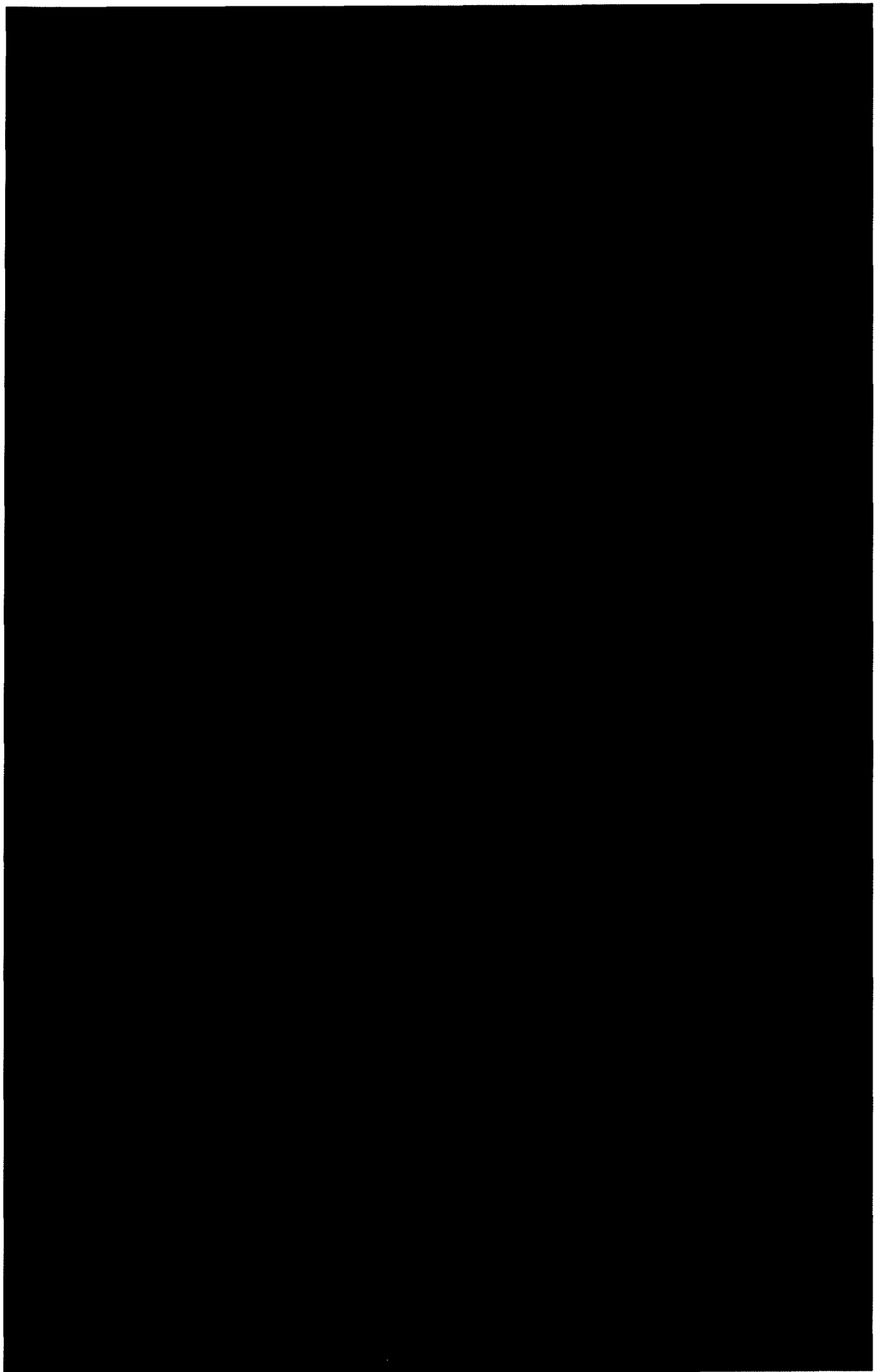


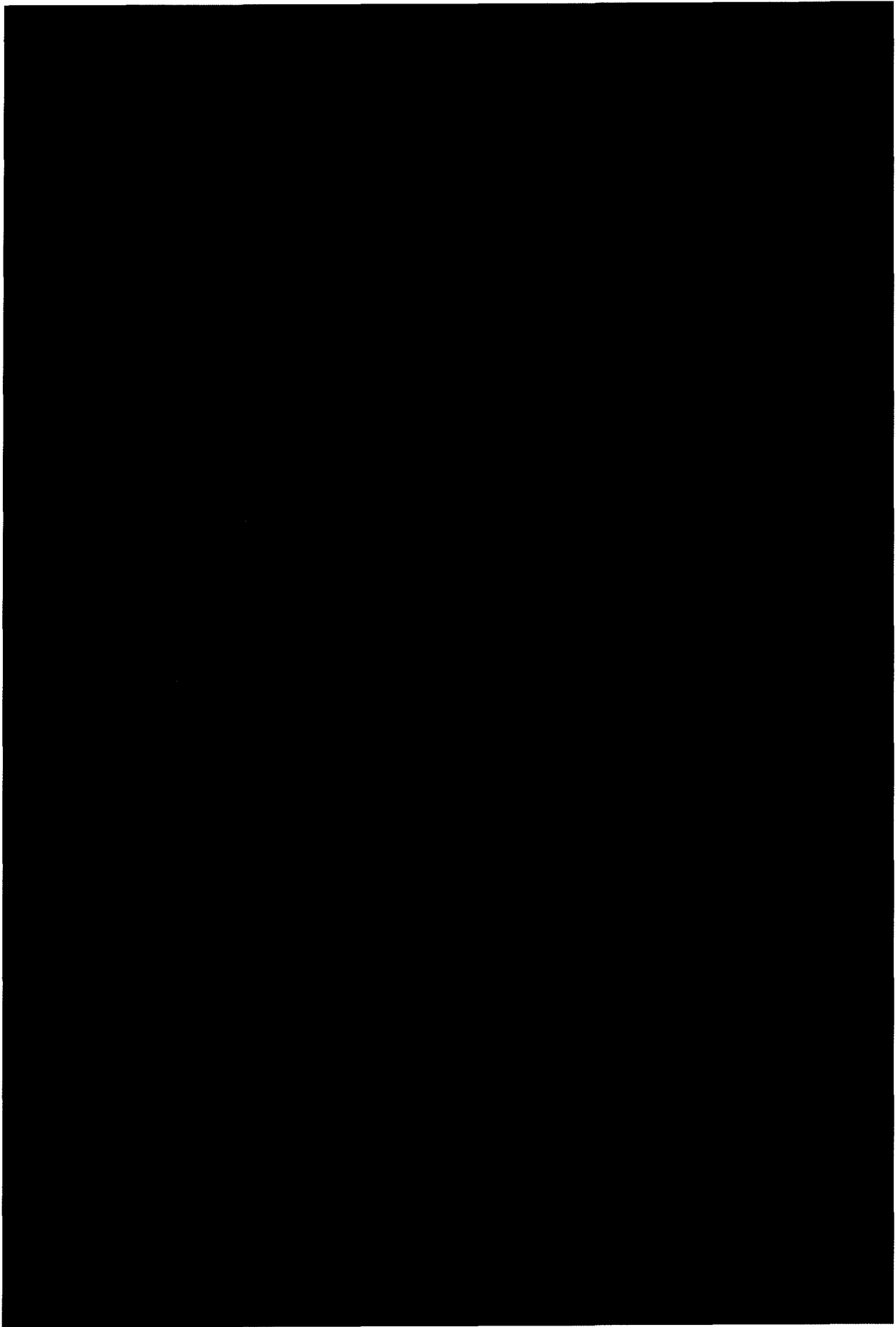


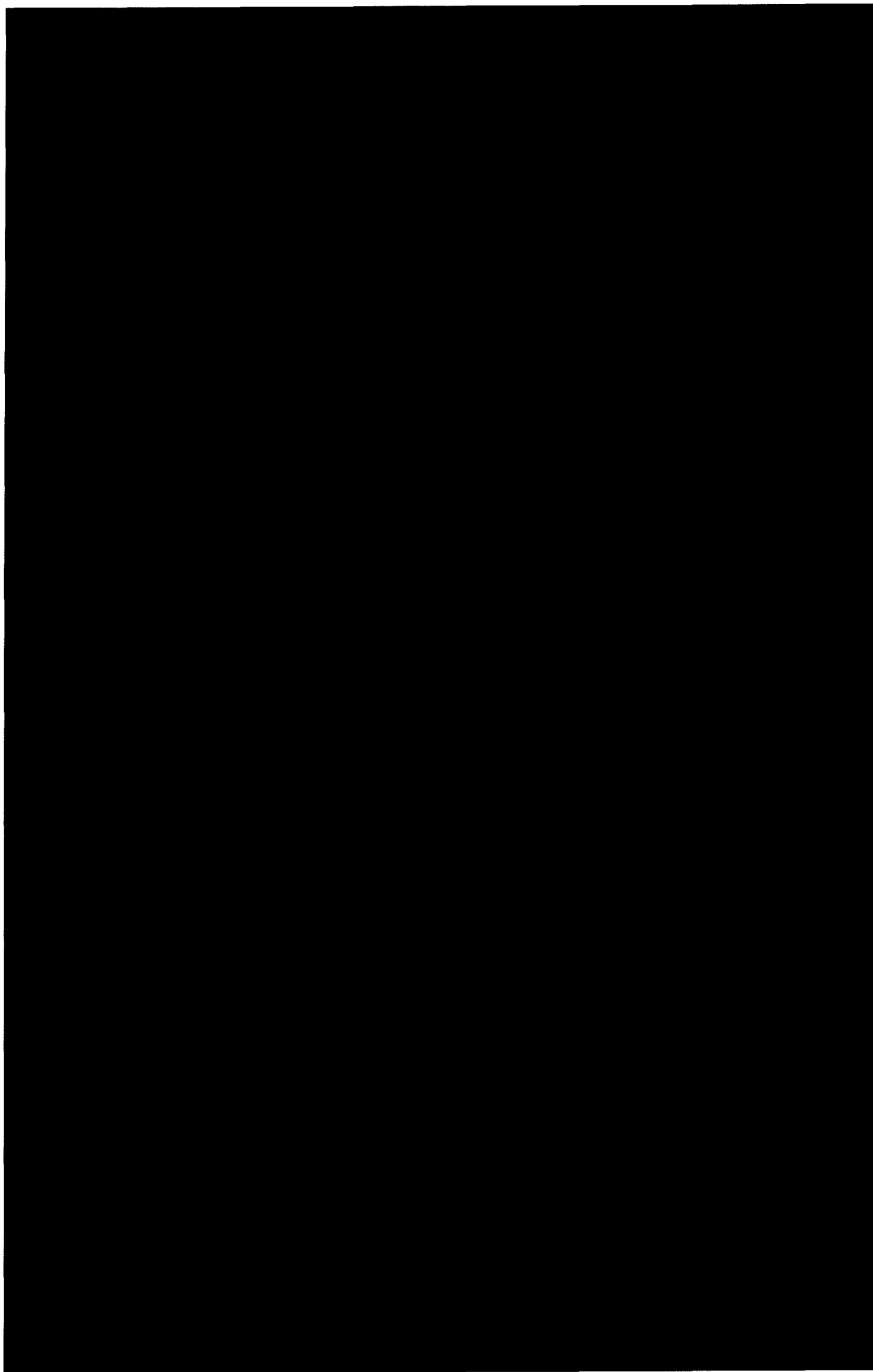


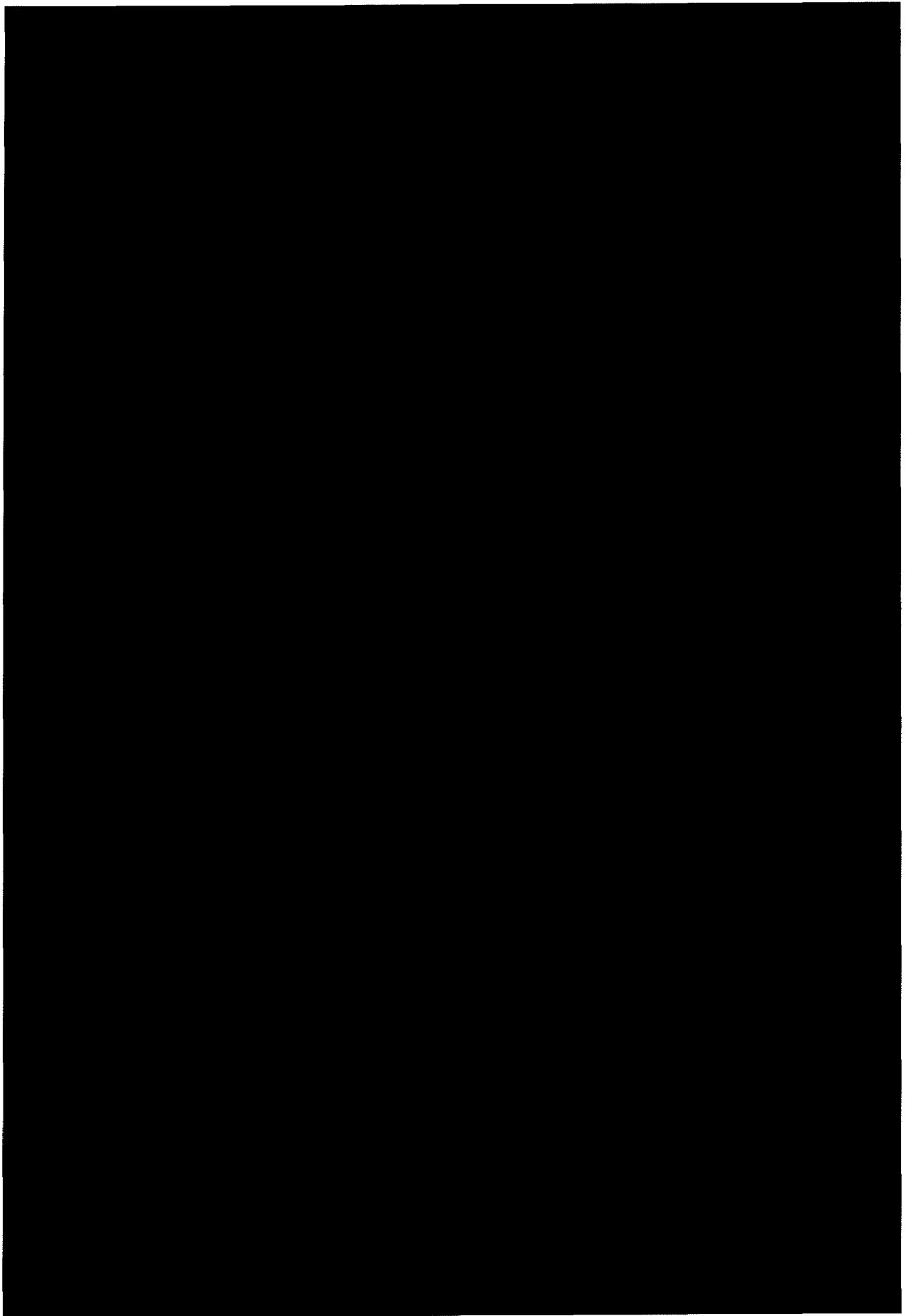


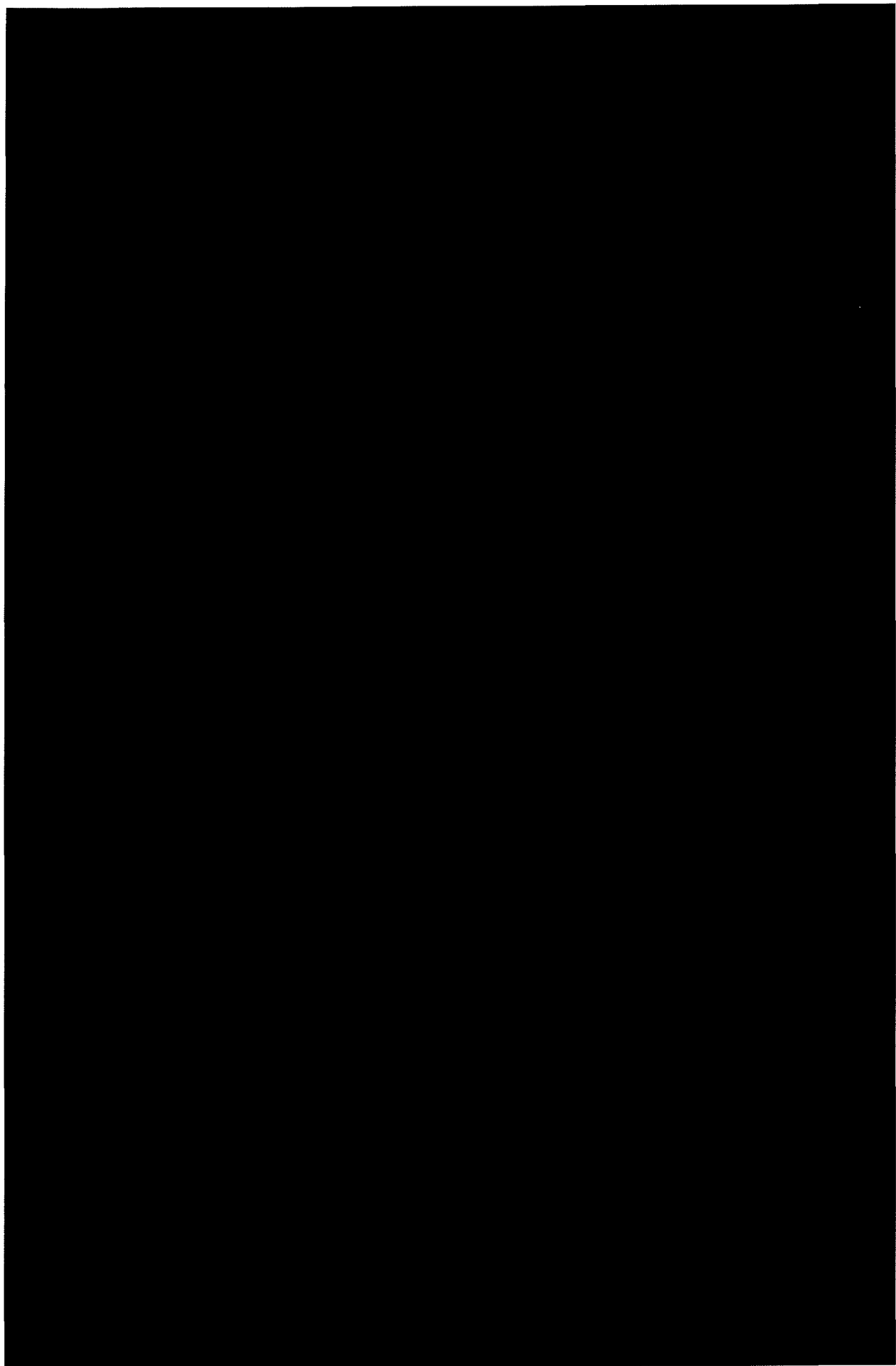


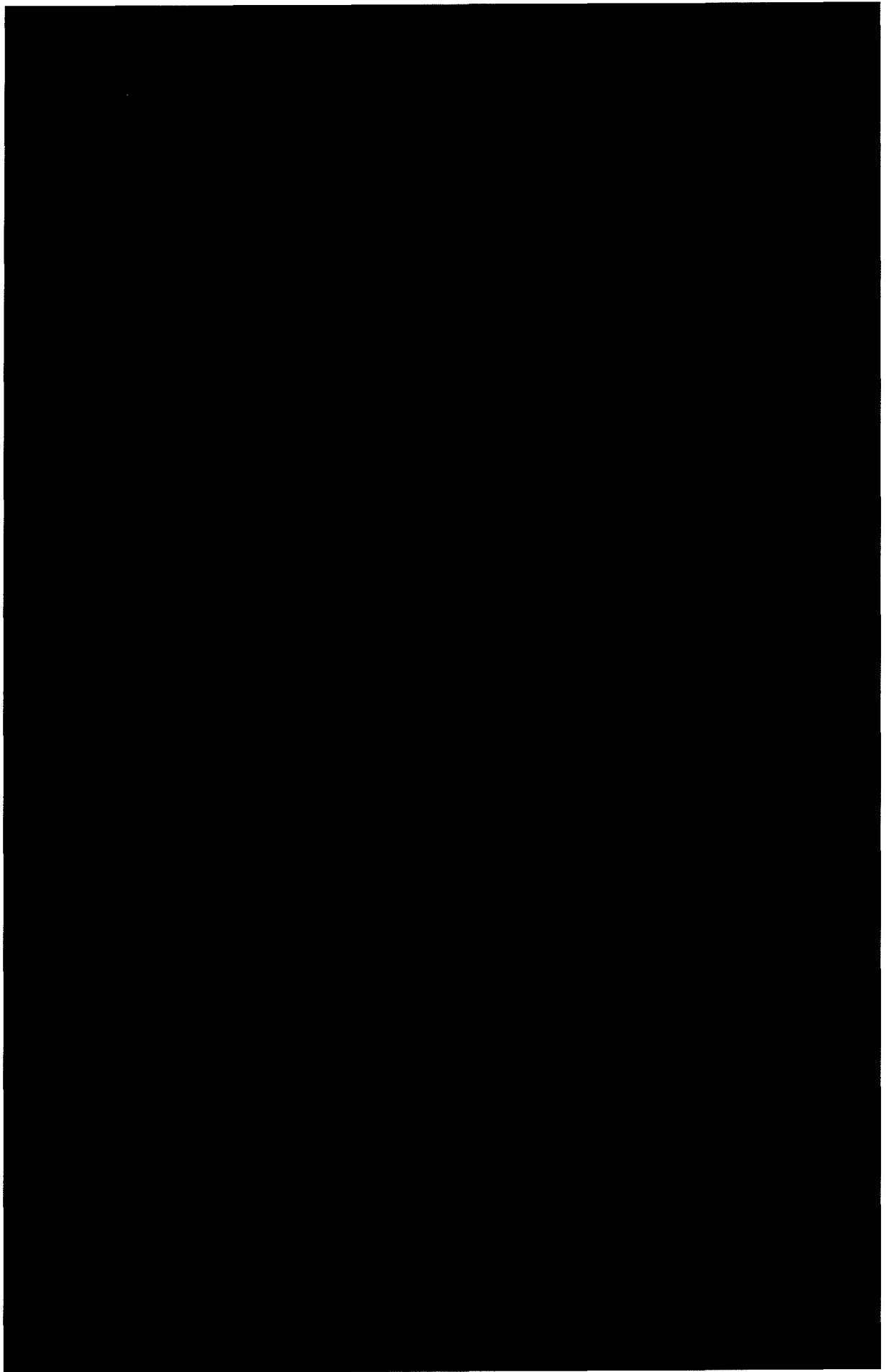


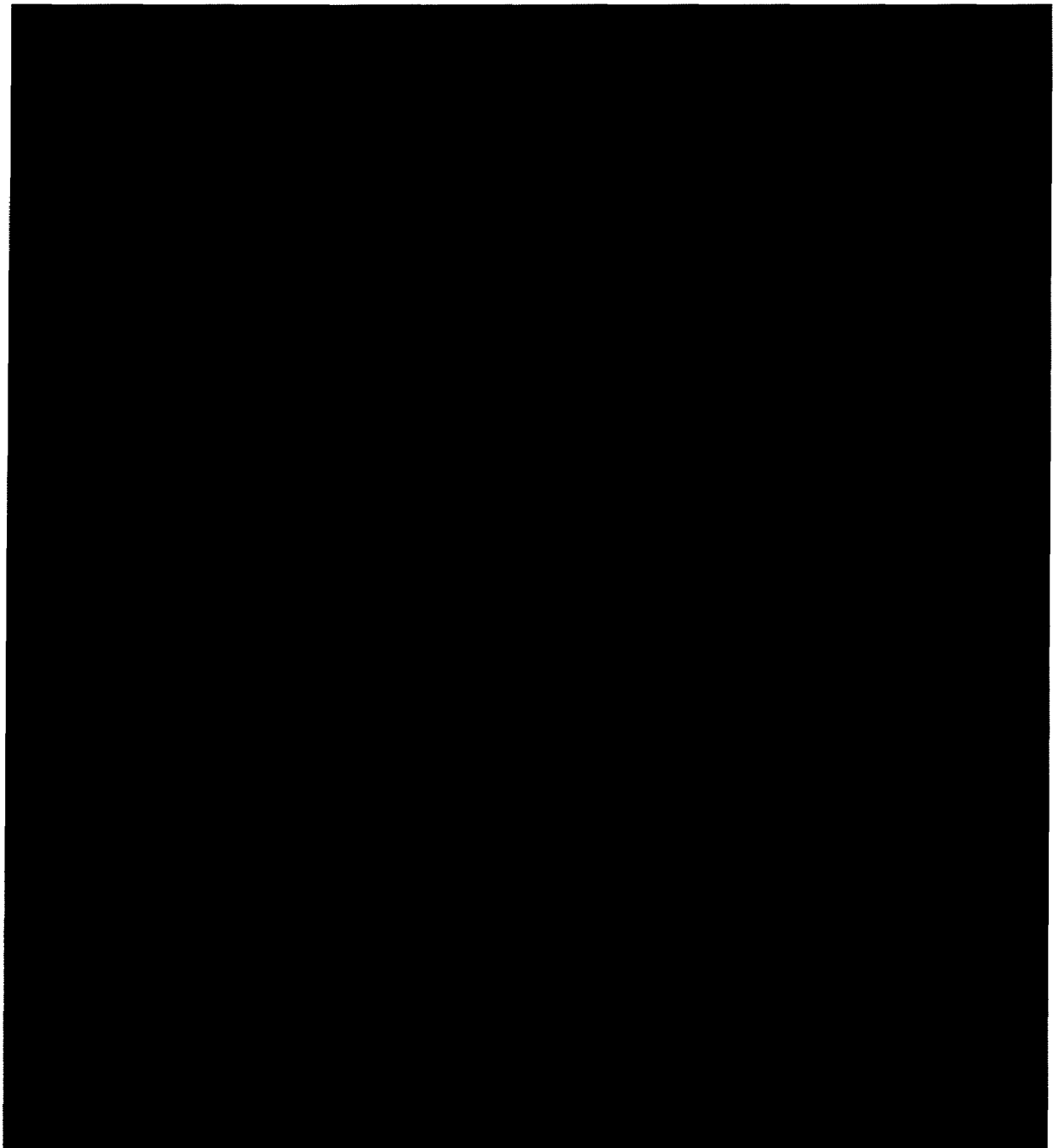












APPENDIX FIFTEEN



