



## Financial Viability Review

65 Gresham Street  
London  
EC2V 7NQ

T: +44 (0)20 7911 2468  
F: +44 (0)20 7911 2560



# Vicarage Field Shopping Centre Barking

Financial Viability Review

Draft 6<sup>th</sup> December 2016



---

## Contents

1.	Introduction .....	3
2.	The Property .....	4
3.	Methodology .....	5
4.	Benchmark Land Value .....	6
5.	The Scheme .....	11
6.	Development Value - Residential .....	12
7.	Development Value – Commercial & Other Uses .....	16
8.	Development Costs .....	20
9.	Profit and Finance .....	21
10.	Appraisal Assumptions .....	22
11.	Development Timing .....	23
12.	Appraisal Results .....	24
13.	Conclusions and Recommendations .....	24

## Appendices

Appendix I Appraisal Summary

Appendix II Cost Report

Prepared By: K McGowan

Status: V1

Draft Date: 6<sup>th</sup> December 2016

# 1. Introduction

GVA has been instructed by LB Barking and Dagenham (the Council) to undertake a viability assessment of the mixed use development proposed at the Vicarage Field Shopping Centre, Barking by Lagmar (Barking) Ltd (the Applicant).

The proposal, submitted on 23<sup>rd</sup> August 2016 (Planning reference 16/01325/OUT) is for the:

“Outline application with details of scale, external appearance and landscaping reserved, for the redevelopment of the existing shopping centre to create a mixed-use scheme of up to 138,000sqm (GEA) comprising up to 25,650sqm retail floorspace (A1-A5), up to 1,250sqm B1 offices, up to 81,750sqm residential floorspace (C3), up to 7,750sqm hotel floorspace (C1), up to three-form entry primary school (D1), healthcare facilities (D1), leisure uses (D2), public realm, landscaping, basement parking, servicing, plant and associated works.”

The Applicant has assessed the benchmark land value to be in the order of £50.3m, in accordance with the valuation undertaken by DS2, although we have identified an error in the application of purchaser’s costs, which when rectified gives a benchmark land value of £48.3m. On the basis of this valuation the Applicant contends that the scheme cannot support the delivery of any affordable housing.

The purpose of this report is to consider whether the proposed development can viably incorporate policy compliant, or any, provision of affordable housing, a S106 agreement provision and a CIL. GVA have carried out analysis of the assumptions and inputs used by the Applicant in carrying out their viability assessments, and have carried out our own appraisals using the inputs we consider appropriate.

The development appraisal advice offered in this report does not constitute a valuation, and cannot be regarded, or relied upon as a valuation. It does provide a guide for feasibility in line with the purpose for which the assessment is required. This advice is exempt from the current RICS Valuation Standards (the Red Book).

We have relied on information provided by the Applicant and its agents, and information accompanying the planning application. We have based our cost assumptions on BCIS and our experience, and our view on value is based on evidence obtained through market research conducted locally.

We have carried out our appraisals of the scheme using Argus Developer software, which is a leading programme for the analysis of property developments and is used widely throughout the property industry.

### Assessor's Qualifications and Experience

The appraisals and report have been prepared by Kim McGowan MRICS, Associate, with the support of Alex Reade MRICS, Senior Surveyor. The appraisals and report have been peer reviewed by Charles Trustram Eve MRICS, RICS Registered Valuer, and Director. Charles Trustram Eve is based in GVA's London office and has 25 years' experience. He has been the Lead Director in London since 1999 for property work undertaken on behalf of Homes and Communities Agency, and its predecessors. He also advises various Local Authorities, including the GLA, Registered Providers and private developers.

### Site Visit

Kim McGowan MRICS, Associate, and Alex Reade MRICS, Senior Surveyor carried out an inspection of the Property on Thursday 27<sup>th</sup> October. Graduate Surveyor, Hattie Charlier-Poole was also in attendance.

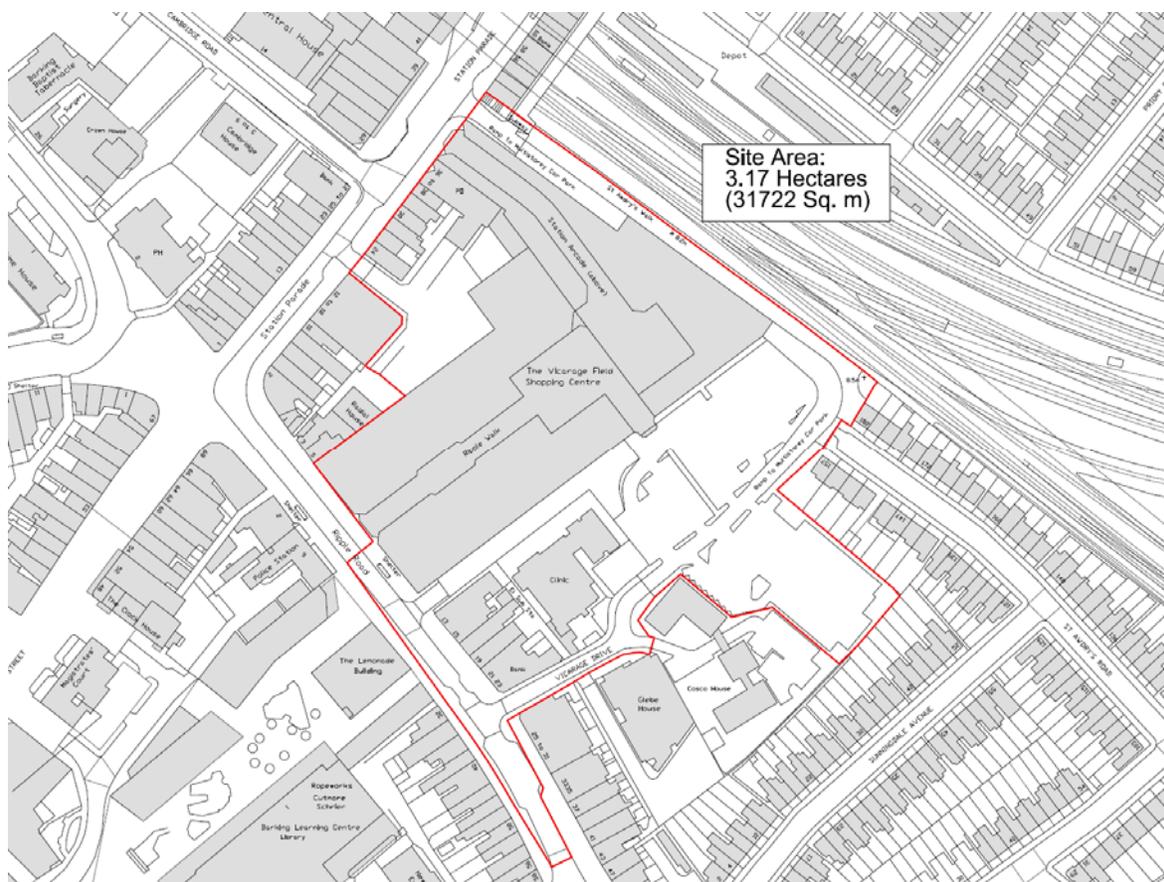
## 2. The Property

The Site is located in the London Borough of Barking and Dagenham in Barking Town Centre, in close proximity to Barking station. The bulk of the Site falls within the long leasehold interest held by the Applicant, and comprises the Vicarage Field Shopping Centre, a part two, part three storey building of late 1980s construction, with an associated service yard and surface level and roof top car parking.

The remainder of the Site comprises c. 30 separate interests, outside the Applicant's ownership. These include

- 13 to 23 Ripple Road (east side) – ground floor retail parade with two residential floors above
- 24 to 36 Station Parade (south east side) – ground floor retail parade with two upper residential floors, including the Barking Hotel at 24a Station Parade
- The Vicarage Field Health Centre, Vicarage Drive

The Site falls into the Barking Town Centre Area Action Plan designation, which targets increased retail and residential development. In addition, Barking Town Centre was designated a Housing Zone in 2015.



Red Line Plan (source: planning application 16/01325/OUT)

### 3. Methodology

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". While there is no clear consensus on the best approach, it is accepted that Market Value, Alternative Use Value, and Existing Use Value Plus approaches can be used to fulfil the requirement and identify a benchmark with which to compare the value of the proposed development. The RICS Guidance Note on Financial Viability in Planning advocates the use of Market Value, as it the most likely to reflect the workings of the market.

The Mayor's Draft Affordable Housing and Viability Supplementary Planning Guidance (SPG) (November 2016) identifies the Existing Use Value Plus approach as the most appropriate for planning purposes. The SPG notes that the 'plus' reflects the incentive necessary for the landowner to release the site for development, and will vary on a case by case basis depending on the circumstances of the site and the owner and the policy requirements.

The benchmark variable may be developer's return, which must be at an acceptable market level to compensate the developer for the risk in undertaking the development in order for the development to be viable. This is the approach adopted by DS2 in their report. Alternatively, the residual land value may be the benchmark variable, where market profit levels are included as a cost in the appraisal. The residual land value must exceed the benchmark land value for the scheme to be viable.

Our approach involves establishing a benchmark land value by assessing the current use value of the site, and comparing this with the residual land value of the proposed scheme.

## 4. Benchmark Land Value

We have been provided with the passing rents of the shopping centre, which, as we have been informed by the letting agents responsible for letting the shopping centre units, reflect the imminent redevelopment of the site and do not represent the full market rent were the site not earmarked for redevelopment. In capitalising the rent, we have had regard to the shopping centre investment market and recent comparable transactions.

### Shopping Centre Investment

Almost £2bn of shopping centre investment transactions took place in the first three quarters of the year, according to Property Data. This was down on the £3.7bn achieved in the same period last year.

In the wake of the June Brexit result, supply failed to materialise as the funds either closed or focussed on the sale of more liquid stock, and sales from other parties were put on hold pending market stabilisation. Volumes for 2016 have been particularly low, with investment transaction levels dipping quarter-on-quarter: £947m in Q1, £738m in Q2, before dropping to £194m post-referendum.

We anticipate a continuation of this trend for the remainder of 2016 and Q1 2017, with very few schemes being marketed and a particular dearth of £50m+ lot size.

Despite low volumes, the level of activity from overseas investors has increased and accounted for 55% of investment transactions this year, growing their share from 47% last year.

Average equivalent yields for shopping centres have shifted upwards from 7% in June to 7.3% in September (IPD Monthly Index). Together with the fall in average rental values, this has resulted in a fall in capital values of 7.7% since their peak at the start of the year. However, values are 23% still higher than at the bottom of the market in December 2008.

Shopping centre yields were stable in Q3 2016, with the exception of secondary shopping centres, for which yields are expected to weaken over Q4 2016.

We have had regard to the recent shopping centre transactions outlined below.

**Table 1: Shopping Centre Investment Transactions**

Address	Date	Price	Yield	Tenants	Area Sq Ft
Palace Exchange, Shopping Centre, Enfield	Nov-16	£70m	5.4%	Next, TK Maxx, H&M, River Island, New Look, TopShop	160,000
Red Rose Centre, Sutton Coldfield	Aug-16	£10.4m	7.40%	Sainsbury's, Wilko, Poundland	101,000
Whitefriars Shopping Centre (50%), Canterbury	Jul-16	£80m	6%	Fenwick, Boots, H&M, M&S	600,000
The Mall, Camberley	Jul-16	£88.5m	6.25%	House of Fraser, Primark	390,000
The Riverside Shopping Centre, Erith	Jun-16	£17m	8%	Argos, Matalan, Wilko	200,000
The Market Shopping Centre, Crewe	Jun-16	£20.3m	8.80%	Argos, Iceland	154,000
The Harpur Centre, Bedford	Jun-16	£22m	7.25%	Argos Primark, Boots	200,000
Broadway Shopping Centre, Bexley	Apr-16	£120.25m	6.7%	M&S, H&M	525,000

Vicarage Field Shopping Centre is held by the Applicant on a leasehold basis from the Mayor and Burgesses of the London Borough of Barking and Dagenham for a term of 99 years from September 1989 (72 years unexpired). In arriving at a current use value, DS2 has calculated the value of the leasehold interest as well as the value of the freehold interest. However, for the purpose of planning viability, current use value calculations are typically undertaken on a freehold basis, ignoring underleases other than occupational leases. On this basis, the benchmark land value is directly comparable to the residual land value of the proposed scheme.

DS2 highlight the 5.75% yield applied to town centre retail in the draft March 2016 GVA CIL assumptions in their justification of their yield of [REDACTED]. However, a shopping centre investment is a highly specialist market and adopting a generic 'retail' yield is not appropriate.

Having analysed the comparable transactions in relation to Vicarage Field and having regard to factors affecting value, including location, tenant mix, and term certain, we consider a capitalisation rate of [REDACTED] to be appropriate.

The table below compares DS2's assessment of existing value of the shopping centre with GVA's view.

Table 2: Shopping Centre Valuation

	Applicant	GVA
Passing Rent		
Yield		
Capital Value		
Less Purchaser's Costs		
Market Value		
Say Market Value		

### Remaining Assets

In addition to the shopping centre there are a number of additional assets which are held in third party ownership. We have been unable to obtain access to inspect these units and have formed an opinion of value based on external inspections and floor areas provided by DS2. We would caveat that these areas are based off architects plans which have been measured on a GEA basis and netted off accordingly. As we have no tenure information for the additional assets, we have assumed that they are held freehold.

We have adopted the areas below.

Table 3: Remaining Assets

Additional Assets	Use	GIA Sq Ft	GIA Sq M
24, 24a, 26 & 28 Station Parade	Retail	3,107	289
24, 24a, 26 & 28 Station Parade	Hotel	6,214	577
30 - 32 Station Parade	Retail	1,536	143
30 - 32 Station Parade	Office	3,071	285
34 Station Parade	Retail	624	58
34 Station Parade	Residential	1,249	116
36 - 38 Station Parade	Office	2,189	203
36 - 38 Station Parade	Residential	4,377	407

Additional Assets	Use	GIA Sq Ft	GIA Sq M
13 - 15 Ripple Road	Retail	3,907	363
13 - 15 Ripple Road	Residential	7,815	726
17 Ripple Road	Retail	1,536	143
17 Ripple Road	Residential	3,071	285
19 Ripple Road	Retail	1,360	126
19 Ripple Road	Residential	2,720	253
21 - 23 Ripple Road	Retail	3,979	370
21 - 23 Ripple Road	Residential	7,958	739
PCT Heath Clinic	Health	8,805	818

In arriving at an opinion of the existing value of these properties DS2 have taken its opinion of EUV for the shopping centre, divided this by the GIA to generate a capital value per sq ft and then apportioned this figure for the different asset types as follows:

**Table 4: DS2's Valuation of Remaining Assets**

Use Type	% of shopping centre EUV
Other Retail	100%
Residential	141%
Hotel	60%
Office	50%
Health Care	39%

There is no justification for the percentages adopted by the applicant and we disagree with this methodology as it has limited regard for the specifics of the individual property types, and is not a recognised method of valuation and is likely to result in significant inaccuracy.

We have adopted capital values for each of the properties having regard for the external condition of the units, the current tone of the market and the likely tenant profile. This capital value has been applied to the net areas of each property type.

Our assumptions reflect market value, which assumes a willing buyer and a willing seller. We note, however, that if CPO, or the threat of CPO, was required, the payments would include CPO costs and associated payments, possibly ransom value, as well as the market value. Even if CPO was not required, the cost of the land would need to include an incentive for the landowners to sell.

**Table 5: GVA's Adopted Capital Values for Remaining Assets**

Use Type	Basis of Value	Capital Value
Other retail		
Residential		
Hotel		
Office		
Health Care		

### Combined Value

We consider that the all of the existing interests have a current use value of [REDACTED] [REDACTED] gives a benchmark land value of £49.7m. This is broken down in the table below.

DS2's report states that the current use value of the site based on the passing rent is £50.3m. However, we point out that to arrive at this figure, purchaser's costs have been applied to the total of the value of the shopping centre and the value of the rest of the site. Purchaser's costs should only be applied to those elements of the site valued using an investment valuation. The residential elements of the site would not fall into this category.

Furthermore, we note that purchaser's costs in the order of 15.5% have been applied to DS2's calculation of the gross EUV, rather than 6.8% as indicated in the report. We have corrected DS2's net EUV figure in the below table.

**Table 6: Current Value**

	Applicant	GVA
<b>Shopping Centre - Freehold</b>		
Net Capital Value		

	Applicant	GVA
<b>Rest of Site - Freehold</b>		
Retail		
Hotel		
Office		
Health		
Residential		
Gross Capital Value		
<b>EUV</b>		
Gross Capital Value		
Net of Purchaser's Costs 6.8%		
Benchmark Land Value (EUV + 20%)		

## 5. The Scheme

The proposal submitted on 23<sup>rd</sup> August 2016 (planning reference 16/01325/OUT) is for the:

“Outline application with details of scale, external appearance and landscaping reserved, for the redevelopment of the existing shopping centre to create a mixed-use scheme of up to 138,000 sqm (GEA) comprising up to 25,650 sqm retail floorspace (A1-A5), up to 1,250 sqm B1 offices, up to 81,750sqm residential floorspace (C3), up to 7,750 sqm hotel floorspace (C1), up to three-form entry primary school (D1), healthcare facilities (D1), leisure uses (D2), public realm, landscaping, basement parking, servicing, plant and associated works.”

The proposal seeks to redevelop the existing shopping centre and car park site to provide a new modern shopping centre podium with a total of five residential lozenge-shaped buildings above, in addition to a new school to the south east of the Site. The application sets out minimum and maximum parameters for scale and massing. The height of the scheme ranges from 2-36 storeys.

For the purposes of the Applicant's financial viability assessment, the architect has put together an indicative scheme to which a blanket net to gross ratio has been applied.

We have adopted the illustrative GIAs for our appraisal, although we have adjusted the NIAs to more accurately reflect the differences in net to gross ratios between uses. Table 7 sets out the proposed scheme in terms of area.

Table 7: The Proposed Scheme - Illustrative

Use	Applicant			GVA		
	GIA sq ft	NIA sq ft	Net to Gross	GIA sq ft	NIA sq ft	Net to Gross
Retail (A1, A2, A3, A4, A5)	224,535	179,628	80%	224,535	202,081	90%
Office (B1)	10,441	8,353	80%	10,441	8,875	85%
Hotel (C1)	80,945	64,756	80%	80,945	64,756	80%
Residential (C3)	772,633	618,106	80%	772,633	618,106	80%
Health Centre (D1)	12,836	10,269	80%	12,836	10,269	80%
School (D1)	47,631	38,105	80%	47,631	38,105	80%
Bike Hub (D2)	3,849	3,079	80%	3,849	3,079	80%
Leisure (excl. gym) (D2)	35,693	28,554	80%	35,693	28,554	80%
Gym (D2)	11,345	9,076	80%	11,345	9,076	80%
Basement	208,820	NA	NA	208,820	NA	NA
Car Parking	400 spaces			400 spaces		
<i>Total</i>	1,408,727	959,926		1,408,727	982,902	

## 6. Development Value - Residential

### The UK Residential Market

According to the Nationwide House Prices Index, national house prices remained unchanged month on month in October, after fifteen successive monthly increases. Consequently, annual house price growth slowed to 4.6% from 5.3% in September, although this is still consistent with the growth rates prevailing since early 2015. The average price across all property types in the UK was £218,000 in September 2016, compared to £487,000 in London.

While national growth has shown resilience in the wake of the summer's Brexit vote, the number of sales has fallen, with current levels lower than 2014, 2015, and early 2016, according to the ONS.

In London, average prices fell between September and October by 0.2%, according to the Your Move England and Wales - House Price Index. Year-on-year, prices grew by 0.9%, the

lowest annual rise since February 2012. Demand has been dampened among investors by the potential effects of Brexit, in addition by the stamp duty rise experienced in April by buy-to-let landlords.

Although price growth in London has been slow overall, the most affordable boroughs have experienced a strong pattern of growth over the last 12 months. Price growth in Barking and Dagenham in the year to October 2016 stands at 11.2%, second only to Havering, where prices grew by 12.3%. The average price of property in Barking and Dagenham in October 2016 was £304,000, compared to £273,000 in October 2015, according to the Rightmove House Price Index.

### Barking and Dagenham

GVA has carried out a desktop review of the local residential market and contacted local agents in order to arrive at a view on likely sale prices for the residential units proposed as part of the development. In particular we have had regard to the following schemes in forming our opinion of value.

- 360° Barking
- Barking Riverside
- Barking Central
- The Horizon, Ilford

#### 360° Barking



360° Barking gained planning consent in August 2014 for 271 one and two bedroom residential units in four interlinked buildings with c 5,220 sq ft of flexible commercial space, car parking

and landscaping. Located almost adjacent to Barking station and c 100m to the north of Vicarage Field Shopping Centre, 360° Barking provides the best comparable to the proposed scheme.

The development is due to complete in Q1 2019, and of the 52 units launched in Phase 1 in mid-October 2016, only 9 remained available following the launch weekend. All the reserved units were reserved at the asking price. The sales team for 360° Barking confirmed that one bedroom flats were initially priced at £280,000 to £300,000, and two bedroom flats at £350,000 to £380,000, reflecting a blended average capital value of c £500 psf. We note that prior to this scheme, sales values in Barking were in the order of £375 to £425 psf.

### **Barking Riverside**



Outline consent was granted in 2007 for 10,800 homes on the former power station site on the bank of the Thames, 3km to the south east of Barking Town Centre. The consent included provision of commercial and amenity space, and the site will be served by an extension of the London Overground Gospel Oak to Barking line by 2020. London & Quadrant in partnership with the Greater London Authority took over the development from Bellway in early 2016.

The latest phase is Phase 6, Caspian Quarter, a block of 86 units, begun on site in Q3 2016. The phase was launched in August 2016 and 80 units had sold by the end of September, although many were via the Help to buy scheme. Asking prices currently for one bedroom units start at £238,000, two bedroom units £280,000, three bedroom units £325,000 and an average asking price of £389 psf, according to Mollor. The sales office confirmed strong demand and sales at or close to the asking price.

## Barking Central



Located opposite the subject site, Barking Central is a highly successful mixed-use regeneration scheme of seven buildings, including a learning Centre, over 500 residential units, a 66 bed hotel, bicycle storage, retail and café space, and a new town square. The scheme was completed in 2009, but we have had regard to the resale value of the private residential units in our assessment. One bedroom units in the scheme are currently achieving £200,000 to £235,000, and two bedroom units £240,000 to £260,000.

## The Horizon, Ilford



Located adjacent to Ilford station in the London Borough of Redbridge, the Horizon Building lies c 3km north of Barking town centre. The scheme comprised an office conversion providing 122 residential units, 16,000 sq ft of ground floor retail and car parking. The site was acquired in July 2011 of £5.3m by U+I, and subsequently block sold to IP Global. Completion is due in Q2 2017.

Our conversation with IP Global confirmed that the original pricing released in December 2015 was not altered. Sales values of between £495 psf and £530 psf have been achieved with three two bedroom units of c. 872 sq ft remaining, priced at £399,000, £439,000 and £474,000. The average sales value is c. £510 sq ft.

Although the subject site is in a superior location to the Horizon, we have included it as a comparable given its proximity to the station and its comparable fringe London location.

Ground rents in general are charged at £250 to £350 per annum with several units charged at £400 per annum.

### Summary

We note from the DS2 report that the Applicant is advised by Savills in respect of private residential sales rates. Although we have not been provided with the Savills sales report we understand that a blended average sales rate of £547 psf has been adopted across the proposed scheme.

GVA advises the Council's property team in respect of a number of its strategic assets within the borough and particularly for similar residential led opportunities within central Barking. We are of the opinion that the private residential sales rate adopted by the Applicant is optimistic but reflective of the anticipated growth within Barking as demonstrated by the new development 360° Barking which has elevated private residential values locally. We have adopted a blended value of £475 per sq ft across the scheme as we consider this is reflective of the residential market at present.

## 7. Development Value – Commercial & Other Uses

### Retail

DS2 have applied advice from Cushman & Wakefield in their appraisal, which identifies an overall estimated rental value of £26 psf for the retail (A1) and £32 psf for the restaurant space. We have consulted with the agents responsible for letting the units in the shopping centre, who confirmed relatively strong demand, especially on a short term, flexible basis, from lower-end mass market occupiers, convenience stores, and lower-end independent retailers. They noted that recent lettings in the shopping centre have taken account of the proposed redevelopment, reflected in short lease terms, breaks, and marginally lower rents, and that terms of ten years for shops and 20 for restaurants with breaks at year five would be achievable in the proposed scheme. Zone A rents in the area lie between £40 and £50 psf.

In addition, we have had regard to recent lettings in the area, and while our analysis highlights a large variation in overall rental values, we consider that the values applied by DS2 are not unreasonable. Rent free periods of 18 months have been adopted for both the retail and restaurant space.

### Offices

DS2 have reviewed recent letting activity in Barking and have identified a rental tone of up to £16 psf having been achieved on 'Grade A' accommodation. We are familiar with the subject transactions due to our relationship with the Council's property team and have carried out our own research into recent letting activity. We would however disagree that the transactions reflect Grade A quality and that a premium would be achieved in respect of new build accommodation. A headline rent of £17.50 psf is adopted by DS2 subject to a 15 month rent free period.

We have had regard to recent market reports and would note that Grade A office stock in Stratford is currently in the order of £35 to £39 per sq ft whilst the rental tone for Grade B stock is in the order of £16 to £20 per sq ft. We have consulted with our in house office agency team and consider a rent of £20 psf headline is achievable assuming a new 10 year lease with 12 months granted rent free period as incentive.

DS2 have adopted a yield of 8% to capitalise the new office accommodation. Although the office market in Barking is weaker than competing centres such as Stratford we would consider a yield of 7.5% to be more reasonable considering the proposed new build specification of the proposed development. A 12 month rent free period assuming a 10 year term certain is considered appropriate.

### Hotel

The illustrative scheme assumes a 150 room hotel offer extending over 6,020 sq m (64,800 sq ft) GIA. In the absence of local evidence DS2 have adopted a value of £6,000 per key capitalised at 6% based upon the GVA draft CIL assumptions. The resulting value equates to a capitalised value of £100,000 per key per room.

We have carried out a review of comparable hotel transactions within similar centres to Barking and which provide a comparable mid-range offer. We are of the opinion that there is sufficient evidence to support the assumptions laid out in the following table.

**Table 8: Development Value - Hotel**

Description	Applicant	GVA
Rent per Key	£6,000	£6,500
Total Rent pa	£900,000	£975,000
Capitalisation Rate	6%	4.75%
Capital Value	£15,000,000	£20,520,000
Capital Value per Room	£100,000	£136,800

The above figures are shown gross of purchaser's costs.

### Ground rents

A ground rent income of £300 pa per unit has been adopted by DS2 in their appraisals in respect of the residential apartments. It is assumed that the income is capitalised at 5%, less purchaser's costs following a single 'bulk' sale practical completion.

On this basis the gross rent receivable equates to £256,500 per annum which capitalises to £5.13m at 5%.

Although we consider the estimated ground rent income to be reasonable, we are of the opinion that such quantum of ground rents for new build residential accommodation on the basis of well drafted and commercially attractive lease terms allowing for market uplifts would achieve a yield of circa 4% on the investment market, which we have adopted within our appraisals.

**Table 9: Development Value – Ground Rents**

Description	Applicant	GVA
Ground Rent per Unit pa	£300	£300
Ground Rent income pa	£256,500	£256,500
Capitalisation Rate	5%	4%
Capital Value	£5,130,000	£6,412,500

## Health Centre

As noted by DS2 in their report, there is lack of comparable evidence for health centres. We understand that the health centre included in the proposed scheme is a replacement of the existing NHS-run Vicarage Field Health Centre. As such, we have assumed covenant strength reflective of such an occupier and have applied a yield of 5.5% accordingly.

We have also had regard to D1 comparables, and are of the opinion that £15 per sq ft is an appropriate assumption of rent. Given the health centre is replacing an existing facility on site we have assumed no rent free period.

## Leisure

The leisure element of the illustrative scheme by Studio Egret West comprises a gym, a 12-screen multiplex cinema, and a music venue. DS2 have applied an average rent and a single yield to the entirety of the leisure element in their report.

### Leisure Excluding Gym

The proposed scheme includes 21,500 sq ft to 53,800 sq ft of D2 leisure space. The illustrative scheme hypothesises that this will comprise a cinema and a music venue. However, these uses would not be promoted unless operators were already committed, which we consider unlikely, especially for the cinema given the number of major cinema operators already present in the borough. In addition, the level of incentives usually demanded would render a cinema a loss leader.

With this in mind, we have valued the adjoining spaces designated as cinema and music venue in the illustrative plans on a D2 basis, assuming a rent of £12.50 per sq ft on a ten year lease with 24 months' rent free period, capitalised at a yield of 7.5%.

### Gym

The illustrative scheme includes c 13,000 sqft of space identified as a gym, which, given its location isolated from the other D2 space, we have valued separately. Having assessed gyms in the area, we consider that the space is likely to appeal to a budget gym chain, and while we note that local competition exists in the shape of The Gym Barking in close proximity to the subject site, we consider that the proposed scheme is likely to generate sufficient demand for a second gym operator to be interested in the space.

Having consulted with leisure specialists, we are aware that rents for budget gyms tend to be in the range of £7 to £20 psf in Greater London. We consider that in this area, £15 psf is an

appropriate assumption of rental level. We understand that a 12 month rent free period would be appropriate.

Yields on well-known budget gym chains are generally in the region of 7% to 8%. Taking into account the location, we have applied a yield of 7.5% to the gym element of the proposed scheme.

### School

DS2 states that "the land for the school is to be gifted to the Council". DS2 have assumed that the school accounts for 74% of the D1 space based on the architect's high level, illustrative scheme, and have not attributed a value to it.

Under the CIL regulations, land cannot be gifted, and we would expect the land for the school to be sold to the Council. Therefore, the GDV should include a receipt for the land/interest granted or works undertaken.

### Bike Hub

We understand that LBBDD require the bike hub to fulfil the policy requirements for mixed-use developments. Based on the architect's illustrative plans, we have assumed the bike hub comprises c 3,600 sq ft.

We are in agreement with DS2's assumptions for the bike hub: a nominal value of £5 per sq ft capitalised at a yield of 8.5%.

### Car Parking

Parking for the sole use of residents is assumed to be for wheelchair users only and no value has been attributed for appraisal purposes.

A figure of £1,250 per annum per space has been assumed in respect of the shopping centre parking revenue which is capitalised at 6%. Applied to the 360 proposed spaces this equates to a figure of £450,000 capitalised to c. £1.59m. We consider this to be broadly reasonable and have adopted an identical figure within our appraisals.

## 8. Development Costs

DS2 have provided a feasibility cost estimate undertaken by Sweett Ltd, who concluded that the total costs estimate for the proposed scheme is £296.7m (£218 per sq ft). We have commissioned Future54 to carry out a desktop validation exercise based on the cost estimate and drawings provided by Studio Egret West Architects. Future54 did not significantly disagree

with Sweett's costings. Therefore, we consider the build costs applied by DS2 to be appropriate. A cost summary is provided in the table below and the full report from Future54 is appended.

**Table 10: Development Costs**

Element	Total Cost	£/m <sup>2</sup>	£/ft <sup>2</sup>
Building A	£55,600,000	£1,975	£183
Building B	£95,700,000	£2,065	£192
Building C	£70,700,000	£2,198	£204
Building D	NA	NA	NA
Basement and Foundations	£34,900,000	£1,802	£167
Site Works and Infrastructure	£25,600,000	NA	NA
<b>Total Building Works</b>	<b>£282,600,000</b>	<b>£2,242</b>	<b>£208</b>
Preliminaries	Included	NA	NA
Overheads & Profit	Included	NA	NA
<b>Total Construction Costs</b>	<b>£282,600,000</b>	<b>£2,242</b>	<b>£208</b>
Project Contingency	£14,100,000	£112	£10
Inflation	Excluded	NA	NA
VAT	Excluded	NA	NA
<b>Total Project Cost</b>	<b>£296,700,000</b>	<b>£2,354</b>	<b>£219</b>
<b>Total Cost 'Say'</b>	<b>£297,000,000</b>	<b>£2,400</b>	<b>£223</b>

## 9. Profit and Finance

### Profit

Rather than assess residual land value as the appraisal output, it is also possible to assume a fixed price for the site and assess the level of profit generated by the scheme as the benchmark. This is the approach taken by DS2 in their appraisal.

As discussed earlier in the report, our approach establishes a benchmark land value against which to compare the residual land value of the proposed scheme. Therefore, this approach requires profit to be applied in the appraisal. We have assumed 17.5% profit on GDV, which we consider appropriate for a scheme of this scale.

## Finance

DS2 have assumed a finance rate of 7%. We point out that in the current market this may be ambitious, especially given the apparent unviability of the proposed scheme, but do not consider it unreasonable and have applied the same rate in our appraisals.

## 10. Appraisal Assumptions

The table below summarises and compares the assumptions adopted by DS2 and GVA. We have amended the fixed land price in DS2's appraisal to reflect 6.8% purchaser's costs as discussed previously and have included the amended figure in the table below.

**Table 11: Appraisal Assumptions**

	Applicant's Appraisal Assumptions	GVA's Appraisal Assumptions
<b>Revenue</b>		
Private Residential (C3)	£338,000,000	£294,000,000
Ground Rent	£5,100,000	£6,400,000
Retail (A1)	£53,500,000	£63,300,000
Restaurant (A3)	£22,000,000	£26,000,000
Health Centre (D1)	£1,600,000	£2,800,000
Bike Hub (D1)	£180,000	£180,000
Leisure (D2)	£7,300,000 (incl Gym)	£5,400,000 (incl Gym)
Hotel (C1)	£15,000,000	£20,500,000
<b>Total Revenue (GDV)</b>	<b>£452,000,000</b>	<b>£428,000,000</b>
<b>Costs</b>		
Construction Cost	£282,500,000	£282,500,000

	Applicant's Appraisal Assumptions	GVA's Appraisal Assumptions
Other Build Costs	£11,700,000 (incl RoL)	£11,700,000 (incl RoL)
Professional Fees	£33,900,000	£28,600,000
Marketing and Letting Fees	£6,700,000	£2,500,000
Disposal Fees	£9,000,000	£8,500,000
Finance	£99,700,000	£42,937,235
<b>Total Costs</b>	<b>£518,600,000</b>	<b>£344,800,000</b>
Developer's Profit	£79,000,000 (17.5% on GDV)	£74,800,000 (17.5% on GDV)
Residual Land Value	<b>-£48,000,000</b>	<b>-£52,700,000</b>
Benchmark	£48,300,000	£49,700,000

## 11. Development Timing

DS2 indicated that they assume 70% of the units could be sold on an 'off plan' basis with the remainder selling within 18 months of completion. On interrogation of their appraisals, it is clear that all of the residential units are actually timed to sell within one month upon practical completion.

The nearby 360° Barking scheme has just been launched and we consider the timing of sales here will be highly indicative of the timing profile for the subject scheme. 20% of these units have been launched 30 months in advance of completion. Of those units launched 93% sold on launch day with agents indicating they will increase sales rates for the next tranche of launch. On this basis we consider DS2's assumption of 70% off plan sales to be appropriate and have modelled this accordingly with the remaining units spread over an 18 month period evenly.

The below table outlines the Applicant's timing assumptions compared to GVA's.

Table 12: Development Timing

Event	Applicant		GVA	
	Duration Months	Start Month	Duration Months	Start Month
Lead-In Period	6	1	6	1
Construction	57	7	57	7
Private Residential Sales Period	18	64	18	64
Rent Free - Office	18	64	12	64
Rent Free - Leisure	24	64	Leisure excl. Gym - 24 Gym - 12	64
Rent Free - Retail	18	64	18	64

## 12. Appraisal Results

Below we summarise the results of our appraisal. A full summary of the appraisal is appended.

Table 13: Appraisal Results

	Applicant	GVA
Benchmark Land Value	£48.3	£49.7
Residual Land Value	-	-£52,700,000
Surplus	None	None
Benchmark Profit on GDV	17.5%	-
Scheme Profit on GDV	-15.5%	17.5%

## 13. Conclusions and Recommendations

We have reviewed the Applicant's appraisal and assumptions, and make the following observations:

1. DS2 has run an appraisal to demonstrate that the scheme is not capable of generating a profit when their benchmark land value is adopted as a fixed residual land value;
2. We consider the benchmark land value to be c £49.7m, £1.4m more than DS2;
3. We note that the total build cost provided are in line with those expected for a scheme of this type having been reviewed by external cost experts Future54;

4. DS2's residential GDV is £44m more than GVA's;
5. DS2's assessment of GDV on the other uses apart from leisure is higher than GVA's;
6. Both DS2's and GVA's calculations find the scheme to be substantially unviable. Even if the developer takes no profit, the residual land value is £400,000, i.e. £41m below the existing use value, before the 20% premium is added;
7. In order to generate a residual land value of £49m, which equates to the benchmark land value, sales will need to increase to £770 psf. This is 62% growth on current values. House price data indicates that average values in Barking are increasing at around 10% per annum. It is likely that reserved matters will need to be submitted within 3 years of outline consent being granted. Based on current growth in residential growth rates we consider there is risk around the schemes ability to deliver any affordable housing at review;
8. It is also worth considering that there is likely to be growth in the proposed commercial units but we would raise concerns over the lettability of both the cinema and theatre/music venue space;
9. Whilst a number of investors consider there will be significant growth within Barking Town Centre, it should also be noted that rises in construction costs are also projected. A 5% increase per annum on build costs of £282m will further impact on the ability of the scheme to deliver affordable housing at review;
10. We have significant concerns about the deliverability and fundability of the proposed as both DS2 and ourselves consider it to be significantly unviable and would question why the landholder is pursuing a scheme of this nature;
11. Over 30 properties within this consent are held under third party ownership. In order to enable this scheme to be brought forward successful negotiations will need to take place with a number of tenants and freeholders. It is likely these negotiation may become protracted and costly which will further impact on the viability of this scheme. No cost to obtain vacant possession has been included within the appraisals;
12. We note that there are a number of income producing assets on the Site which brings into further question the rationale for trying to develop a scheme of this nature at present;
13. A review mechanism is proposed by the applicant at reserved matters stage which would be secured through the S106 agreement. Whilst we recommend that the Council seek to incorporate a review mechanism should consent be granted, we have run sensitivity and consider that market movement would need to be significant for any surplus to be generated from the scheme;

GVA



Appendix I  
Appraisal  
Summary

Vicarage Field Shopping Centre  
Barking  
Private and Confidential - Draft

Development Appraisal  
GVA  
06 December 2016

**Vicarage Field Shopping Centre  
Barking**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
Market Sale Residential (C3)	855	618,069	475.00	343,372	293,582,775
Hotel (C1)	150	64,799	316.67	136,800	20,520,000
<b>Totals</b>	<b>1,005</b>	<b>682,868</b>			<b>314,102,775</b>

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	855			300	256,500	256,500
Retail (A1)	1	151,561	26.00	3,940,586	3,940,586	3,940,586
Office (B1)	1	8,875	20.00	177,500	177,500	177,500
Health Centre (D1)	1	10,269	15.00	154,035	154,035	154,035
Car Park	360			1,250	450,000	450,000
School (D1)	1	38,105		0	0	
Restaurant (A3)	1	50,520	32.00	1,616,640	1,616,640	1,616,640
Bike Hub (D1)	1	3,079	5.00	15,395	15,395	15,395
Leisure (D2)	1	25,699	12.50	321,238	321,238	321,238
Gym (D2)	1	9,076	15.00	136,140	136,140	136,140
<b>Totals</b>	<b>1,223</b>	<b>297,184</b>			<b>7,068,034</b>	<b>7,068,034</b>

**Investment Valuation**

Ground Rent					
Current Rent	256,500	YP @	4.0000%	25.0000	6,412,500
<b>Retail (A1)</b>					
Market Rent	3,940,586	YP @	5.7500%	17.3913	
(1yr 5mths Unexpired Rent Free)		PV 1yr 5mths @	5.7500%	0.9239	63,313,419
<b>Office (B1)</b>					
Market Rent	177,500	YP @	7.5000%	13.3333	
(0yrs 11mths Unexpired Rent Free)		PV 0yrs 11mths @	7.5000%	0.9359	2,214,859
<b>Health Centre (D1)</b>					
Current Rent	154,035	YP @	5.5000%	18.1818	2,800,636
<b>Car Park</b>					
Current Rent	450,000	YP @	6.0000%	16.6667	7,500,000
<b>Restaurant (A3)</b>					
Market Rent	1,616,640	YP @	5.7500%	17.3913	
(1yr 5mths Unexpired Rent Free)		PV 1yr 5mths @	5.7500%	0.9239	25,974,565
<b>Bike Hub (D1)</b>					
Current Rent	15,395	YP @	8.5000%	11.7647	181,118
<b>Leisure (D2)</b>					
Market Rent	321,238	YP @	7.5000%	13.3333	
(1yr 11mths Unexpired Rent Free)		PV 1yr 11mths @	7.5000%	0.8706	3,728,768
<b>Gym (D2)</b>					
Market Rent	136,140	YP @	7.5000%	13.3333	
(0yrs 11mths Unexpired Rent Free)		PV 0yrs 11mths @	7.5000%	0.9359	1,698,765
					<b>113,824,630</b>

**GROSS DEVELOPMENT VALUE**

**427,927,405**

Purchaser's Costs	6.80%	(7,740,075)	(7,740,075)
-------------------	-------	-------------	-------------

**NET DEVELOPMENT VALUE**

**420,187,330**

**Income from Tenants**

Ground Rent	21,375
Health Centre (D1)	12,836
Car Park	37,500
Bike Hub (D1)	1,283
	72,994

**NET REALISATION**

**420,260,324**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)	(52,658,901)	(52,658,901)
------------------------------------	--------------	--------------

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost
Construction Cost	1,356,802 ft <sup>2</sup>	208.25 pft <sup>2</sup>	282,560,000
			<b>282,560,000</b>

**Vicarage Field Shopping Centre  
Barking**

Contingency		5.00%	14,128,000	
Mayoral CIL			1,511,960	
Borough CIL			4,930,890	
S106			850,000	21,420,850
<b>Other Construction</b>				
NHBC	855 un	2,500.00 /un	2,137,500	
Non-recoverable VAT	855 un			
Rights of Light				11,712,500
<b>PROFESSIONAL FEES</b>				
Professional Fees		10.00%	28,256,000	28,256,000
<b>MARKETING &amp; LETTING</b>				
Marketing			1,500,000	
Letting Agent Fee		10.00%	635,416	
Letting Legal Fee		5.00%	317,708	2,453,123
<b>DISPOSAL FEES</b>				
Sales Agent Fee Commercial		1.50%	6,418,911	
Sales Legal Fee		0.50%	2,139,637	8,558,548
<b>FINANCE</b>				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				43,070,921
<b>TOTAL COSTS</b>				<b>345,373,042</b>
<b>PROFIT</b>				<b>74,887,282</b>
<b>Performance Measures</b>				
Profit on Cost%			21.68%	
Profit on GDV%			17.50%	
Profit on NDV%			17.82%	
Development Yield% (on Rent)			2.05%	
Equivalent Yield% (Nominal)			5.79%	
Equivalent Yield% (True)			6.01%	
IRR			18.96%	
Rent Cover			10 yrs 7 mths	
Profit Erosion (finance rate 7.000%)			2 yrs 10 mths	

GVA



Appendix II  
Cost Report

# future54

Project and Cost Management

## Vicarage Field Feasibility Estimate Validation Report



for

**Bilfinger GVA**

# Draft for Review

Future54 Ltd  
Elizabeth House, 39 York Road  
London SE1 7NQ

+44 (0) 20 7821 5461  
[www.future54.com](http://www.future54.com)

**25 November 2016**

**Bilfinger GVA**

**Vicarage Field, Barking**

**Vicarage Field, Barking IGI I**

**Feasibility Estimate Validation**

## Contents

**1.0 Introduction & Summary of Validation Report**

**2.0 Feasibility Estimate Summary**

**3.0 Feasibility Estimate Validation**

## 1.0 Introduction & Summary of Validation Report

### Introduction:

This validation report provides an overview and commentary on the feasibility stage estimate received from Bilfinger GVA for the proposed works at Vicarage Field, Barking.

### Validation Summary:

The below table provides a summary of Future54's validation and an elemental comparison of the validation with Sweett Order of Cost Estimate.

Element	Sweett Estimate		F54 Validation		Difference	
	Total	Cost/m <sup>2</sup>	Total	Cost/m <sup>2</sup>	Total	Cost/m <sup>2</sup>
Building A	55,610,000	1,975	54,837,417	1,948	-772,583	-27
Building B	95,660,000	2,065	105,280,741	2,273	9,620,741	208
Building C	70,700,000	2,198	68,607,647	2,133	-2,092,353	-65
Building D	N/A	N/A	N/A	N/A	N/A	N/A
Basement & Foundations	34,950,000	1,802	35,964,013	2,145	1,014,013	343
Site Works & Infrastructure	25,640,000	N/A	26,504,001	N/A	864,001	N/A
<b>Total Building Works</b>	<b>282,560,000</b>	<b>2,242</b>	<b>291,193,820</b>	<b>2,310</b>	<b>8,633,820</b>	<b>68</b>
Preliminaries	Included	N/A	Included	N/A	N/A	N/A
Overheads & Profit	Included	N/A	Included	N/A	N/A	N/A
<b>Total Construction Costs</b>	<b>282,560,000</b>	<b>2,242</b>	<b>291,193,820</b>	<b>2,310</b>	<b>8,633,820</b>	<b>68</b>
Professional Fees	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
Project Contingency	14,140,000	112	14,559,691	116	419,691	3
Client Direct Works	N/A	N/A	N/A	N/A	N/A	N/A
Inflation	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
VAT	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
<b>Total Project Cost</b>	<b>296,700,000</b>	<b>2,354</b>	<b>305,753,511</b>	<b>2,426</b>	<b>9,053,511</b>	<b>72</b>

Refer to Sections 2 & 3 of this report for full details of the estimate and Future54's validation & commentary.

### Commentary on Validation:

• Our validated estimate is £32,063,888 or circa 11% higher than Sweett's estimate. The main differences between our validation and Sweett's estimate are:

- Building A1 - Minor adjustments to shell & core (high) and fit out (low)
- Building B - Rate for superstructure construction is low
- Building B1 - Rate for construction is low
- Building B2 - Rate for construction is low
- Building C1 - Rate for construction is high
- Building C2 - Rate for construction is low
- Building C4 - Rate for construction is high
- Basement parking - Rate for construction is low
- Site clearance - Rate for major demolition is low
- Adjustment on contingency allowance due to the above changes

• Arithmetic errors due to rounding totalling £17,000 noted in Sweett's estimate resulting a revised estimate cost of £296,717,000. We have made adjustment for these errors in our validation.

## 1.0 Introduction & Summary of Validation Report

- '• We have noted that Block C Leisure appears to include some level of fit out within the rates - we would assume that this would be undertaken by the tenant and recommend this is queried.
- We have been unable to check the areas provided, however we note that Sweett's estimate is based on the SEW Proposed Development schedule which we assume to be correct.
- The SEW Proposed Development schedule only provides the total areas by land use - there is no breakdown for the areas for each building. We are unable to cross check the areas used in the estimate against the area schedule provided to ensure they are correct.
- We have reviewed the assumptions and exclusions noted in the cost estimate and confirm that these are reasonable at this stage.
- We have noted that the estimate is priced on a good quality mid-market level of fitout however this appears to contradict the DS2 report. Please see commentary on DS2's report below.
- The allowances made for the high rise residential buildings in particular are considered to be low - we have increased the allowance to reflect our benchmarks based on the good quality mid-market scope noted in Sweett's report.
- No allowance for phasing of the works including inflation beyond 3Q2016 has been noted within the estimate - this should be taken into consideration when reviewing the overall cost of the development. We note that the Vicarage Field's Shopping Centre Tenants Schedule notes a minimum of 9 months notice is required for certain tenants to break the lease agreements which will impact on when the demolition of the existing structures can commence.
- Sweett's estimate excludes the following items which may need to be taken into consideration. Further site investigations will be needed to confirm the requirement for these items:
  - Site dewatering and pumping
  - Soil stabilisation measures
  - Gas venting measures
  - Archaeological investigations
  - Reptile / wildlife mitigation measures
- '• In reviewing the design information provided we have noted that there doesn't appear to be any access from the cores to the individual apartments in Blocks B3, B4, C1 and C4. We assume this is because the design information is illustrative only but recommend this is clarified.

### **Commentary on DS2 LLP Report:**

- DS2's report describes the development as being "high quality design internally & externally" (Section 3.23), however Sweett's estimate for residential areas is based on "good quality mid-market level of fit-out". This discrepancy should be clarified to ensure the costs are aligned with the the correct specification.
- In Section 8.2 DS2 state that the headline construction cost is £282m and contingency of 5% is included at 5% of total build cost. This statement should be clarified to show that the £282m excludes 5% contingency and the overall construction cost including contingency is £296.7m
- DS2 advise that professional fees are included at 12% of total build cost. This allowance is considered to be acceptable based on current market conditions.
- DS2's report notes a construction period of 57 months which appears reasonable based on the information received. We assume that these works would be phased however no details have been provided therefore we are unable to comment further at this stage.
- With regard to programme and phasing we note that the Vicarage Field Shopping Centre Tenancy Schedule notes the lease expiry and notice periods for every current tenants. This will need to be carefully coordinated with the construction stage programme to ensure the works are managed appropriately. These timescales will also need to be factored into the cost of the works

## 1.0 Introduction & Summary of Validation Report

### **Basis of Validation:**

Future54's validation is based on the following information:

- DS2 Financial Viability Assessment Report dated September 2016 containing:
  - Sweett Order of Cost Estimate Nr 3 rev 1 dated 12 August 2016
  - Studio Egret West Drawings reference:
    - 0247-SEW-VF-1000 Rev 08 dated 27 November 2015
    - 0247-SEW-VF-1001 Rev 07 dated 27 November 2015
    - 0247-SEW-VF-1002 Rev 05 dated 27 November 2015
    - 0247-SEW-VF-1003 Rev 06 dated 17 December 2015
    - 0247-SEW-VF-1040 Rev 04 dated 22 January 2016
    - 0247-SEW-VF-1099 Rev 04 dated 20 November 2015
- Future54's validation is a desktop exercise, no site visit has been undertaken to review the site, existing structures, etc.
- We have not undertaken a check of quantities at this stage as the cost estimate is based on the overall areas for each building.

**2.0 Order of Cost Estimate Validation Summary**

Accommodation	Sweett Estimate		F54 Validation		Difference £	Comments
	£	£/m <sup>2</sup> GIA	£	£/m <sup>2</sup> GIA		
Building A   retail   level 0 and 1	6,050,000	1,166	6,125,790	1,180	75,790	Arithmetic error in rounding
Building A1   residential   level 0-24	24,270,000	2,317	24,079,008	2,299	-190,992	Arithmetic error in rounding
Building A2   hotel   level 0-15	13,490,000	1,794	13,041,184	1,734	-448,816	
Building A3   residential   level 0-8	11,800,000	2,374	11,591,435	2,332	-208,565	
<b>Building A</b>	<b>55,610,000</b>	<b>1,975</b>	<b>54,837,417</b>	<b>1,948</b>	<b>-772,583</b>	
Building B   retail   level 0 and 1	8,680,000	963	9,160,583	1017	480,583	
Building B1   residential   level 0-35	42,690,000	2,261	49,677,742	2,631	6,987,742	
Building B2   residential   level 0-25	30,620,000	2,322	34,692,229	2,631	4,072,229	
Building B3   residential   level 0-4	5,650,000	2,839	4,759,823	2,392	-890,177	
Building B4   residential   level 0-6	5,600,000	2,932	4,568,465	2,392	-1,031,535	
Building B4   leisure (gym)   level 0 and 1	2,420,000	1,793	2,421,900	1,794	1,900	
<b>Building B</b>	<b>95,660,000</b>	<b>2,065</b>	<b>105,280,741</b>	<b>2,273</b>	<b>9,620,741</b>	
Building C   retail   level 0 and 1	7,360,000	1,105	6,771,181	1,017	-588,819	Arithmetic error in rounding
Building C   offices   level 0 and 1	1,970,000	2,031	2,030,821	2,094	60,821	
Building C   leisure   level 0 and 1	7,320,000	2,424	7,585,407	2,512	265,407	
Building C 1   residential   level 0-4	4,460,000	3,034	3,516,357	2,392	-943,643	
Building C 2   residential   level 0-12	15,640,000	2,477	16,616,193	2,631	976,193	
Building C 3   residential   level 0-17	20,100,000	2,393	19,876,870	2,366	-223,130	
Building C 4   residential   level 0-6	11,650,000	2,784	10,010,179	2,392	-1,639,821	
Building C 4   clinic   level 0 and 1	2,200,000	1,913	2,200,640	1,914	640	
<b>Building C</b>	<b>70,700,000</b>	<b>2,198</b>	<b>68,607,647</b>	<b>2,133</b>	<b>-2,092,353</b>	

**2.0 Order of Cost Estimate Validation Summary**

Accommodation	Sweett Estimate		F54 Validation		Difference	Comments
	£	£/m <sup>2</sup> GIA	£	£/m <sup>2</sup> GIA	£	
Building D   3FE school   land only	n/a	n/a	n/a	n/a	n/a	
<b>Building D</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	
<b>Total: Accommodation (Q3 2016)</b>	<b>221,970,000</b>	<b>2,081</b>	<b>228,725,806</b>	<b>2,145</b>	<b>6,755,806</b>	
<b>Basement and Foundations</b>						
Substructure; piling	9,300,000	479	9,280,929	478	-19,071	
Basement; car parking	25,650,000	1,322	26,683,084	1,375	1,033,084	
<b>Total: Basement (Q3 2016)</b>	<b>34,950,000</b>	<b>1,802</b>	<b>35,964,013</b>	<b>1,854</b>	<b>1,014,013</b>	
<b>Site Works and Infrastructure</b>						
Site clearance	3,400,000	111	4,511,547	147	1,111,547	
Public Realm	13,930,000	823	13,930,337	823	337	
Energy Centre & Utilities	7,710,000	n/a	7,484,448	n/a	-225,552	
Highways	600,000	n/a	577,668	n/a	-22,332	
<b>Total Infrastructure (Q3 2016)</b>	<b>25,640,000</b>	<b>n/a</b>	<b>26,504,001</b>	<b>n/a</b>	<b>864,001</b>	
<b>Total Construction Cost (excluding Contingency)</b>	<b>282,560,000</b>	<b>2,242</b>	<b>291,193,820</b>	<b>2,310</b>	<b>8,633,820</b>	
Project Contingency @ 5%	14,140,000	112	14,559,691	116	419,691	Arithmetic error in rounding
<b>Total including Contingency (Q3 2016)</b>	<b>296,700,000</b>	<b>2,354</b>	<b>305,753,511</b>	<b>2,426</b>	<b>9,053,511</b>	

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b				
Summary	Amount £		Amount £	Comments
<b>VICARAGE FIELD, BARKING   ILLUSTRATIVE SCHEME   855</b>				
<b>UNITS</b>				
<b>ACCOMMODATION</b>				
<b>Building A</b>				
Building A   retail   level 0 and 1	6,050,000		6,125,790	Arithmetic error in Sweett calculation
Building A1   residential   level 0-24	24,270,000		24,079,008	Arithmetic error in Sweett calculation
Building A2   hotel   level 0-15	13,490,000		13,041,184	
Building A3   residential   level 0-8	11,800,000		11,591,435	
<b>Sub Total: Building A</b>	<b>55,610,000</b>		<b>54,837,417</b>	
<b>Building B</b>				
Building B   retail   level 0 and 1	8,680,000		9,160,583	
Building B1   residential   level 0-35	42,690,000		49,677,742	
Building B2   residential   level 0-25	30,620,000		34,692,229	
Building B3   residential   level 0-4	5,650,000		4,759,823	
Building B4   residential   level 0-6	5,600,000		4,568,465	
Building B4   leisure (gym)   level 0 and 1	2,420,000		2,421,900	
<b>Sub Total: Building B</b>	<b>95,660,000</b>		<b>105,280,741</b>	
<b>Building C</b>				
Building C   retail   level 0 and 1	7,360,000		6,771,181	Arithmetic error in Sweett calculation
Building C   offices   level 0 and 1	1,970,000		2,030,821	
Building C   leisure   level 0 and 1	7,320,000		7,585,407	
Building C1   residential   level 0-4	4,460,000		3,516,357	
Building C2   residential   level 0-12	15,640,000		16,616,193	
Building C3   residential   level 0-17	20,100,000		19,876,870	
Building C4   residential   level 0-6	11,650,000		10,010,179	
Building C4   clinic   level 0 and 1	2,200,000		2,200,640	
<b>Sub Total: Building C</b>	<b>70,700,000</b>		<b>68,607,647</b>	
<b>Building D</b>				
Building D   3FE school: land only				
<b>Sub Total: Accommodation</b>	<b>221,970,000</b>		<b>228,725,806</b>	
<b>Carry Forward</b>	<b>221,970,000</b>		<b>228,725,806</b>	
Project No. VICARAGEFIELD	Page 1			

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b				
Summary	Amount £		Amount £	Comments
<b>Brought Forward Total</b>	<b>221,970,000</b>		<b>228,725,806</b>	
<b>SUB-STRUCTURE</b>				
Sub-structure: piling	9,300,000		9,280,929	
Sub-structure: basement	25,650,000		26,683,084	
<b>Sub Total: Sub-structure</b>	<b>34,950,000</b>		<b>35,964,013</b>	
<b>SITE WORKS</b>				
Site Clearance	3,400,000		4,511,547	
Public Realm	13,930,000		13,930,337	
Energy Centre & Utilities	7,710,000		7,484,448	
Highways	600,000		577,668	
<b>Sub Total: Site Works</b>	<b>25,640,000</b>		<b>26,504,001</b>	
Project Contingency	14,130,000		14,559,691	5% allowance
Rounding	10,000			
<b>Total</b>	<b>296,700,000</b>		<b>305,753,511</b>	
Project No. VICARAGEFIELD				

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A   retail   level 0 and 1					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Superstructure	769.20	3,993,000.00	772.32	4,009,175.00	5,190m²
Internal Finishes	14.35	75,000.00	14.86	77,150.00	
FFE	6.74	35,000.00	6.74	35,000.00	
Services	184.98	961,000.00	192.75	1,000,572.91	
Preliminaries	146.29	759,000.00	148.00	768,284.69	Allow 15%
OHP	44.86	233,000.00	45.39	235,607.30	Allow 4%
Rounding	(0.58)	(3,000.00)			
<b>Total</b>	<b>1,165.84</b>	<b>6,053,000.00</b>	<b>1,165.84</b>	<b>6,125,789.90</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A   retail   level 0 and 1; Superstructure;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Frame</b>							
Allowance for insitu RC columns and core walls etc.	5,190	m2	80.00	415,000.00	80.00	415,200.00	
<b>Upper Floors</b>							
Allowance for insitu RC slabs to Level 01; assumed 250mm thick	2,449	m2	160.00	392,000.00	175.00	428,575.00	Rate marginally low
<b>Roof</b>							
Insitu RC slab with waterproofing and insulation to retail roof areas at Level 02	2,447	m2	325.00	795,000.00	375.00	917,625.00	Rate is low
Allowance for roof plant screens / parapets to enclose retail tenant plant	1	Item	50,000.00	50,000.00	50,000.00	50,000.00	Allowance acceptable at this stage
Allowance for sundry plant supports, plinths, upstands, metalwork etc.	1	Item	25,000.00	25,000.00	25,000.00	25,000.00	Allowance acceptable at this stage
<b>Stairs and Ramps</b>							
Insitu or precast concrete stairs and landings with mild steel painted balustrades and handrails, nosings etc.; from ground floor to Level 01	2	Nr	7,500.00	15,000.00	7,500.00	15,000.00	Only 2nr stairs? Area of 2,500m² may require additional stairs albeit we assume this could be tenants fit out
<b>External Walls</b>							
Allowance for facades to retail elevations at ground floor and Level 01; assumed predominantly facing brickwork; assumed 5.6m storey heights and 60% solid brickwork facades (40% glazed shopfronts measured elsewhere)	2,023	m2	375.00	759,000.00	375.00	758,625.00	
Extra over for detailing around shopfront pilasters, plinths and horizontal bands etc.	1	Item	75,000.00	75,000.00	75,000.00	75,000.00	
Allowance for secondary steelwork / framing to shopfront openings, windposts and other sundry details	1	Item	50,000.00	50,000.00	50,000.00	50,000.00	
<b>Windows and External Doors</b>							
Allowance for glazed shopfronts and doors to retail units; assumed 5.6m storey heights and 40% glazing (solid brickwork facades measured elsewhere)	1,348	m2	750.00	1,011,000.00	650.00	876,200.00	Rate high
Allowance for awnings / canopies to retail units	1	Item	50,000.00	50,000.00	50,000.00	50,000.00	Further details required - allowance acceptable at this stage
Allowance for means of escape doors generally, say	3	Nr	2,500.00	8,000.00	2,000.00	6,000.00	Rate high
<b>Internal Walls and Partitions</b>							
Internal partitions to retail units and back of house service corridors	2,680	m2	115.00	308,000.00	115.00	308,200.00	
<b>Internal Doors</b>							
Fire rated doorsets to retail back of house cores	5	Nr	2,000.00	10,000.00	1,500.00	7,500.00	Rate high
Doorsets to rear of retail units	13	Nr	1,500.00	20,000.00	1,250.00	16,250.00	Rate high
<b>Carry Forward</b>				<b>3,983,000.00</b>		<b>3,999,175.00</b>	
Project No. VICARAGEFIELD							Page 4

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A   retail   level 0 and 1; Superstructure;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Brought Forward</b>				<b>3,983,000.00</b>		<b>3,999,175.00</b>	
Allowance for riser access doors generally	1	Item	10,000.00	10,000.00	10,000.00	10,000.00	
<b>Total</b>				<b>3,993,000.00</b>		<b>4,009,175.00</b>	
Project No. VICARAGEFIELD <span style="float: right;">Page 5</span> Revision Date : 12/08/2016							

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A   retail   level 0 and 1; Internal Finishes;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Wall Finishes</b>							
Allowance for wall finishes to retail back of house service corridors; painted blockwork to one side only	2,680	m2	10.00	27,000.00	10.00	26,800.00	
Allowance for wall finishes to public lift lobby at ground floor and level 01	1	Item	10,000.00	10,000.00	10,000.00	10,000.00	Extent of works & finish to be clarified - allowance acceptable
Wall finishes within Retail and Restaurant Units - EXCLUDED		Excl				Excluded	Assumed by third party
<b>Floor Finishes</b>							
Allowance for floor finishes to retail back of house service cores and corridors; assumed vinyl	538	m2	30.00	16,000.00	35.00	18,830.00	Rate low
Floor finishes within retail and restaurant units - EXCLUDED		Excl				Excluded	Assumed by third party
<b>Ceiling Finishes</b>							
Ceiling finishes to retail back of house service corridors and cores; assumed painted plasterboard	538	m2	40.00	22,000.00	40.00	21,520.00	
Ceiling finishes within Retail and Restaurant Units - EXCLUDED		Excl				Excluded	Assumed by third party
<b>Total</b>				<b>75,000.00</b>		<b>77,150.00</b>	

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking							
Order of Cost Estimate No 1; Rev 1b Building A   retail   level 0 and 1; FFE;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
Statutory signage	1	Item	10,000.00	10,000.00	10,000.00	10,000.00	
Sundry metalwork and wall/column protection to retail back of house service corridors	1	Item	25,000.00	25,000.00	25,000.00	25,000.00	
<b>Total</b>				<b>35,000.00</b>		<b>35,000.00</b>	
Project No. VICARAGEFIELD							
Page 7							
Revision Date : 12/08/2016							

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A   retail   level 0 and 1; Services;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Sanitary Appliances</b>							
WC's within retail and restaurant units by Tenants		Excl				Excluded	
Allowance for cleaners sinks to retail back of house areas	2	Nr	1,000.00	2,000.00	850.00	1,700.00	Rate high
<b>Disposal Systems</b>							
Allowance for RWO's and downpipes generally	5,190	m²	8.50	44,000.00	8.50	44,115.00	
Foul drainage above ground to Landlord's areas	538	m²	9.75	5,000.00	9.75	5,245.50	
Drainage stub connections to retail and restaurant units	12	Nr	1,000.00	12,000.00	1,000.00	12,000.00	
<b>Water Installations</b>							
Landlord's above ground potable cold water storage and distribution; including thermal insulation	538	m²	15.00	8,000.00	15.00	8,070.00	
Capped off water connections	12	Nr	1,000.00	12,000.00	1,000.00	12,000.00	
<b>Heat Source</b>							
LTHW pipework distribution from energy centre	5,190	m²	7.00	36,000.00	7.00	36,330.00	
Capped off connections to retail units	12	Nr	2,000.00	24,000.00	2,000.00	24,000.00	
<b>Space Heating and Air Conditioning</b>							
Excluded - by Retail Tenants		Excl				Excluded	
<b>Ventilation Systems</b>							
Excluded - by Retail Tenants		Excl				Excluded	
<b>Electrical Installations</b>							
Allowance for electrical sub-mains distribution	5,190	m²	25.00	130,000.00	25.00	129,750.00	
Lighting and small power to Landlord's areas	538	m²	35.00	19,000.00	35.00	18,830.00	
Retail unit connections	12	Nr	1,500.00	18,000.00	1,500.00	18,000.00	
<b>Gas Installations</b>							
Distribution from gas meter rooms	1	Item	25,000.00	25,000.00	25,000.00	25,000.00	
Allowance for metered gas supply to restaurant units	3	Nr	1,500.00	5,000.00	1,500.00	4,500.00	
<b>Lift and Conveyor Installations</b>							
Passenger Lifts; from Basement to Level 01; 3 stops; assumed 13 person	3	Nr	75,000.00	225,000.00	75,000.00	225,000.00	
Goods Lifts; from Basement to Level 01; 3 stops; assumed 2000kg	2	Nr	100,000.00	200,000.00	100,000.00	200,000.00	
<b>Fire and Lightning Protection</b>							
				<b>765,000.00</b>		<b>764,540.50</b>	
Carry Forward							
Project No. VICARAGEFIELD							
Page 8							
Revision Date : 12/08/2016							

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A   retail   level 0 and 1; Services;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Brought Forward</b>				<b>765,000.00</b>		<b>764,540.50</b>	
Allowance for Landlord's fire alarm and detection	538	m <sup>2</sup>	35.00	19,000.00	35.00	18,830.00	
Lightning protection	5,190	m <sup>2</sup>	2.50	13,000.00	2.50	12,975.00	
Fire alarm interface for retail and restaurant units	12	Nr	1,000.00	12,000.00	1,500.00	18,000.00	Rate low
Capped off sprinkler connection to retail and restaurant units	12	Nr	2,500.00	30,000.00	2,500.00	30,000.00	
<b>Communication, Security and Control Systems</b>							
Allowance for telecoms / IT and containment to Landlord's areas	538	m <sup>2</sup>	40.00	22,000.00	40.00	21,520.00	
Allowance for connections to retail and restaurant units	12	Nr	1,500.00	18,000.00	1,500.00	18,000.00	
Allowance for CCTV to Landlord's areas, say	5	Nr	4,000.00	20,000.00	4,000.00	20,000.00	
Allowance for access control to Landlord's areas, say	5	Nr	2,500.00	13,000.00	2,500.00	12,500.00	
<b>Special Installations</b>							
Allowance for remote monitoring of retail meters - LTHW, Electric and Water	12	Nr	1,200.00	14,000.00	1,200.00	14,400.00	
<b>BWIC</b>							
BWIC with services			2.50	23,000.00	5.00	46,538.28	Allowance low - increased to 5%
Testing and commissioning			1.25	12,000.00	2.50	23,269.14	Allowance low - increased to 2.5%
<b>Total</b>				<b>961,000.00</b>		<b>1,000,572.91</b>	
Project No. VICARAGEFIELD <span style="float: right;">Page 9</span> Revision Date : 12/08/2016							

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking					
Order of Cost Estimate No 1; Rev 1b Building A1   residential   level 0-24					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Shell and Core	1,410.39	14,774,000.00	1,299.99	13,617,500.00	10,475m²
Fit Out	527.20	5,522,000.00	621.99	6,515,450.00	Arithmetic error in rounding
<b>Sub Total</b>	<b>1,937.59</b>	<b>20,296,000.00</b>	<b>1,921.98</b>	<b>20,132,950.00</b>	
Preliminaries	290.64	3,044,000.00	288.30	3,019,942.50	Allow 15%
OHP	89.13	934,000.00	88.41	926,115.70	Allow 4%
Rounding	(0.38)	(4,000.00)			
<b>Total</b>	<b>2,316.98</b>	<b>24,270,000.00</b>	<b>2,298.69</b>	<b>24,079,008.20</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A1   residential   level 0-24; Shell and Core;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
Superstructure	10,475	m2	1,023.06	10,717,000.00	1,300.00	13,617,500.00	
Internal Finishes	10,475	m2	44.16	463,000.00		included	
FFE	10,475	m2	14.35	150,000.00		included	
Services	10,475	m2	328.82	3,444,000.00		included	
				<b>14,774,000.00</b>		<b>13,617,500.00</b>	
Project No. VICARAGEFIELD							

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking							
Order of Cost Estimate No 1; Rev 1b Building A1   residential   level 0-24; Fit Out;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
Private Fit Out   107 Units	7,123	m2	680.00	4,844,000.00	800.00	5,698,400.00	Rate low
Intermediate Fit Out   19 Units	1,257	m2	540.00	679,000.00	650.00	817,050.00	Rate low
<b>Total</b>				<b>5,523,000.00</b>		<b>6,515,450.00</b>	
Project No. VICARAGEFIELD							

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A2   hotel   level 0-15					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block A2 Hotel   Level 0 to 15   150 keys	1,500.00	11,280,000.00	1,450.00	10,904,000.00	7,520m²
<b>Sub Total</b>	<b>1,500.00</b>	<b>11,280,000.00</b>	<b>1,450.00</b>	<b>10,904,000.00</b>	
Preliminaries	225.00	1,692,000.00	217.50	1,635,600.00	Allow 15%
OHP	69.00	519,000.00	66.70	501,584.00	Allow 4%
Rounding	(0.13)	(1,000.00)	0.00		
<b>Total</b>	<b>1,793.87</b>	<b>13,490,000.00</b>	<b>1,734.20</b>	<b>13,041,184.00</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building A3   residential   level 0-8					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block A3 Residential   Level 0 to 8   59 Units	1,988.06	9,881,000.00	1,950.00	9,691,835.26	4,970m²
<b>Sub Total</b>	<b>1,988.06</b>	<b>9,881,000.00</b>	<b>1,950.00</b>	<b>9,691,835.26</b>	
Preliminaries	298.21	1,482,000.00	292.51	1,453,775.29	Allow 15%
OHP	91.45	455,000.00	89.70	445,824.42	Allow 4%
Rounding	(3.62)	(18,000.00)			
<b>Total</b>	<b>2,374.10</b>	<b>11,800,000.00</b>	<b>2,332.21</b>	<b>11,591,434.97</b>	
Project No. VICARAGEFIELD					

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building B   retail   level 0 and 1					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Superstructure	638.80	5,756,000.00	850.00	7,659,350.00	9,011m <sup>2</sup>
Internal Finishes	12.30	111,000.00			included
Fittings, Furnishings and Equipment	7.77	70,000.00			included
Services	146.50	1,320,000.00			included
Preliminaries	120.81	1,089,000.00	127.51	1,148,902.50	Allow 15%
OHP	37.05	334,000.00	39.10	352,330.10	Allow 4%
<b>Total</b>	<b>963.23</b>	<b>8,680,000.00</b>	<b>1,016.61</b>	<b>9,160,582.60</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building B1   residential   level 0-35					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block B1 Residential   Level 0 to 35   225 units	1,890.44	35,692,000.00	2,200.00	41,536,573.50	18,880m²
<b>Sub Total</b>	<b>1,890.44</b>	<b>35,692,000.00</b>	<b>2,200.00</b>	<b>41,536,573.50</b>	
Preliminaries	283.57	5,354,000.00	330.00	6,230,486.02	Allow 15%
OHP	86.96	1,642,000.00	101.20	1,910,682.38	Allow 4%
Rounding	0.11	2,000.00			
<b>Total</b>	<b>2,261.08</b>	<b>42,690,000.00</b>	<b>2,631.20</b>	<b>49,677,741.90</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building B2   residential   level 0-25					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block B2 Residential   Level 0 to 25   156 units	1,941.76	25,602,000.00	2,200.00	29,006,880.36	13,185m²
<b>Sub Total</b>	<b>1,941.76</b>	<b>25,602,000.00</b>	<b>2,200.00</b>	<b>29,006,880.36</b>	
Preliminaries	291.26	3,840,000.00	330.00	4,351,032.05	Allow 15%
OHP	89.32	1,178,000.00	101.20	1,334,316.50	Allow 4%
<b>Total</b>	<b>2,322.34</b>	<b>30,620,000.00</b>	<b>2,631.20</b>	<b>34,692,228.91</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building B3   residential   level 0-4					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block B3 Residential   Level 0 to 4   24 units	2,372.49	4,721,000.00	2,000.00	3,979,784.95	1,990m²
<b>Sub Total</b>	<b>2,372.49</b>	<b>4,721,000.00</b>	<b>2,000.00</b>	<b>3,979,784.95</b>	
Preliminaries	355.87	708,000.00	300.00	596,967.74	Allow 15%
OHP	109.13	217,000.00	92.00	183,070.11	Allow 4%
Rounding	2.01	4,000.00			
<b>Total</b>	<b>2,839.50</b>	<b>5,650,000.00</b>	<b>2,392.00</b>	<b>4,759,822.80</b>	
Project No. VICARAGEFIELD					

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building B4   residential   level 0-6					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block B4 Residential   Level 0 to 6   23 units	2,453.54	4,686,000.00	2,000.00	3,819,786.92	1,910m²
<b>Sub Total</b>	<b>2,453.54</b>	<b>4,686,000.00</b>	<b>2,000.00</b>	<b>3,819,786.92</b>	
Preliminaries	368.03	703,000.00	300.00	572,968.04	Allow 15%
OHP	112.86	216,000.00	92.00	175,710.20	Allow 4%
Rounding	(2.62)	(5,000.00)			
<b>Total</b>	<b>2,931.81</b>	<b>5,600,000.00</b>	<b>2,392.00</b>	<b>4,568,465.16</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building B4   leisure (gym)   level 0 and 1					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block B4 Leisure (Gym)   Level 0 and 1	1,500.00	2,025,000.00	1,500.00	2,025,000.00	1,350m²
<b>Sub Total</b>	<b>1,500.00</b>	<b>2,025,000.00</b>	<b>1,500.00</b>	<b>2,025,000.00</b>	
Preliminaries	225.00	304,000.00	225.00	303,750.00	Allow 15%
OHP	69.00	93,000.00	69.00	93,150.00	Allow 4%
Rounding	(1.48)	(2,000.00)			
<b>Total</b>	<b>1,792.52</b>	<b>2,420,000.00</b>	<b>1,794.00</b>	<b>2,421,900.00</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building C   retail   level 0 and 1					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Superstructure	682.97	4,549,000.00	850.00	5,661,522.47	6,661m²
Internal Finishes	23.50	157,000.00			included
Fittings, Furnishings and Equipment	6.76	45,000.00			included
Services	210.89	1,405,000.00			included
Preliminaries	138.62	923,000.00	127.50	849,228.37	Allow 15%
OHP	42.51	283,000.00	39.10	260,430.03	Allow 4%
Rounding	(0.15)	(1,000.00)			
<b>Total</b>	<b>1,105.10</b>	<b>7,361,000.00</b>	<b>1,016.60</b>	<b>6,771,180.87</b>	
Project No. VICARAGEFIELD					

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking					
Order of Cost Estimate No 1; Rev 1b Building C   offices   level 0 and 1					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block C Commercial Office   Level 0 and 1	1,701.55	1,651,000.00	1,750.00	1,698,010.64	970m²
<b>Sub Total</b>	<b>1,701.55</b>	<b>1,651,000.00</b>	<b>1,750.00</b>	<b>1,698,010.64</b>	
Preliminaries	255.23	248,000.00	262.50	254,701.60	Allow 15%
OHP	78.27	76,000.00	80.50	78,108.49	Allow 4%
Rounding	(5.15)	(5,000.00)			
<b>Total</b>	<b>2,029.90</b>	<b>1,970,000.00</b>	<b>2,093.00</b>	<b>2,030,820.72</b>	
Project No. VICARAGEFIELD					

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building C   leisure   level 0 and 1					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block C Leisure   Level 0 and 1	2,026.39	6,120,000.00	2,100.00	6,342,313.18	3,020m²
<b>Sub Total</b>	<b>2,026.39</b>	<b>6,120,000.00</b>	<b>2,100.00</b>	<b>6,342,313.18</b>	
Preliminaries	303.96	918,000.00	315.00	951,346.98	Allow 15%
OHP	93.21	282,000.00	96.60	291,746.41	Allow 4%
<b>Total</b>	<b>2,423.56</b>	<b>7,320,000.00</b>	<b>2,511.60</b>	<b>7,585,406.56</b>	Does this include fit out? Should be shell only for fit out by others?
Project No. VICARAGEFIELD					

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building C1   residential   level 0-4					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block C1 Residential   Level 0 to 4   17 units	2,535.97	3,728,000.00	2,000.00	2,940,097.87	1,470m²
<b>Sub Total</b>	<b>2,535.97</b>	<b>3,728,000.00</b>	<b>2,000.00</b>	<b>2,940,097.87</b>	
Preliminaries	380.40	559,000.00	300.00	441,014.68	Allow 15%
OHP	116.65	171,000.00	92.00	135,244.50	Allow 4%
Rounding	1.36	2,000.00			
<b>Total</b>	<b>3,034.38</b>	<b>4,460,000.00</b>	<b>2,392.00</b>	<b>3,516,357.05</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building C2   residential   level 0-12					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block C2 Residential   Level 0 to 12   75 units	2,071.08	13,079,000.00	2,200.00	13,893,137.88	6,315m²
<b>Sub Total</b>	<b>2,071.08</b>	<b>13,079,000.00</b>	<b>2,200.00</b>	<b>13,893,137.88</b>	
Preliminaries	310.66	1,962,000.00	330.00	2,083,970.68	Allow 15%
OHP	95.27	602,000.00	101.20	639,084.34	Allow 4%
Rounding	(0.48)	(3,000.00)			
<b>Total</b>	<b>2,476.53</b>	<b>15,640,000.00</b>	<b>2,631.20</b>	<b>16,616,192.90</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building C3   residential   level 0-17					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block C3 Residential   Level 0 to 17   100 units	2,327.20	16,816,000.00	2,300.00	16,619,456.86	7,226m²
<b>Sub Total</b>	<b>2,327.20</b>	<b>16,816,000.00</b>	<b>2,300.00</b>	<b>16,619,456.86</b>	
Preliminaries	300.28	2,522,000.00	345.00	2,492,918.53	Allow 15%
OHP	92.09	774,000.00	105.80	764,495.02	Allow 4%
Rounding	(1.43)	(12,000.00)			
<b>Total</b>	<b>2,718.14</b>	<b>20,100,000.00</b>	<b>2,750.80</b>	<b>19,876,870.40</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building C4   residential   level 0-6					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block C4 Residential   Level 0 to 6   50 units	2,327.20	9,739,000.00	2,000.00	8,369,714.68	4,185m²
<b>Sub Total</b>	<b>2,327.20</b>	<b>9,739,000.00</b>	<b>2,000.00</b>	<b>8,369,714.68</b>	
Preliminaries	349.08	1,461,000.00	300.00	1,255,457.20	Allow 15%
OHP	107.50	448,000.00	92.00	385,006.88	Allow 4%
Rounding	0.48	2,000.00			
<b>Total</b>	<b>2,784.26</b>	<b>11,650,000.00</b>	<b>2,392.00</b>	<b>10,010,178.76</b>	
Project No. VICARAGEFIELD					

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Building C4   clinic   level 0 and 1					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Block C4 Community (Clinic)   Level 0 and 1	1,600.00	1,840,000.00	1,600.00	1,840,000.00	1,150m²
<b>Sub Total</b>	<b>1,600.00</b>	<b>1,840,000.00</b>	<b>1,600.00</b>	<b>1,840,000.00</b>	
Preliminaries	240.00	276,000.00	240.00	276,000.00	Allow 15%
OHP	73.60	85,000.00	73.60	84,640.00	Allow 4%
Rounding	(0.87)	(1,000.00)			
<b>Total</b>	<b>1,912.73</b>	<b>2,200,000.00</b>	<b>1,913.60</b>	<b>2,200,640.00</b>	
Project No. VICARAGEFIELD					

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Sub-structure: piling					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Specialist foundations	401.29	7,785,000.00	400.00	7,759,974.08	19,400m²
<b>Sub Total</b>	<b>401.29</b>	<b>7,785,000.00</b>	<b>400.00</b>	<b>7,759,974.08</b>	
Preliminaries	60.19	1,168,000.00	60.00	1,163,996.11	Allow 15%
OHP	18.46	358,000.00	18.40	356,958.81	Allow 4%
Rounding	(0.57)	(11,000.00)			
<b>Total</b>	<b>479.37</b>	<b>9,300,000.00</b>	<b>478.40</b>	<b>9,280,929.00</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Sub-structure: basement					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Lowest floor construction	271.44	5,266,000.00	1,150.00	22,310,271.15	19,400m²
Basement excavation	221.15	4,290,000.00			included
Basement retaining walls	191.91	3,723,000.00			included
Superstructure	219.60	4,260,000.00			included
Internal Finishes	47.28	917,000.00			included
FFE	6.44	125,000.00			included
Services	147.67	2,865,000.00			included
Preliminaries	165.82	3,217,000.00	172.50	3,346,540.67	Allow 15%
OHP	50.85	987,000.00	52.90	1,026,272.47	Allow 4%
<b>Total</b>	<b>1,322.16</b>	<b>25,650,000.00</b>	<b>1,375.40</b>	<b>26,683,084.29</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Site Clearance					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
<b>FACILITATING WORKS</b>					
Toxic/Hazardous/contaminated material treatment	6.51	200,000.00	6.51	200,000.00	
Major demolition works	70.00	2,150,000.00	100.00	3,072,196.62	Extent of demolition unknown - rate low
Temporary support to adjacent structures - EXCLUDED		0.00			
Specialist groundworks					
Temporary diversion works	16.28	500,000.00	16.28	500,000.00	
Extraordinary site investigation works					
<b>Sub Total</b>	<b>92.79</b>	<b>2,850,000.00</b>	<b>122.79</b>	<b>3,772,196.62</b>	
Preliminaries	13.92	428,000.00	18.42	565,829.49	Allow 15%
OHP	4.27	131,000.00	5.65	173,521.04	Allow 4%
Rounding	(0.29)	(9,000.00)			
<b>Total</b>	<b>110.69</b>	<b>3,400,000.00</b>	<b>146.85</b>	<b>4,511,547.16</b>	
Project No. VICARAGEFIELD					

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Site Clearance; Toxic/Hazardous/contaminated material treatment;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Toxic/Hazardous/contaminated material treatment</b>							
Provisional allowance for removal of contaminated material, eg. Asbestos	1	Item	200,000.00	200,000.00	200,000.00	200,000.00	
<b>Total</b>				<b>200,000.00</b>		<b>200,000.00</b>	
Project No. VICARAGEFIELD <span style="float: right;">Page 32</span> <span style="float: right;">Revision Date : 12/08/2016</span>							

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking							
Order of Cost Estimate No 1; Rev 1b Site Clearance; Major demolition works;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Major demolition work</b>							
Allowance for demolishing existing structures within the red line boundary - based on a site area of 2.8Ha	30,719	m2	70.00	2,150,000.00	70.00	2,150,330.00	
<b>Total</b>				<b>2,150,000.00</b>		<b>2,150,000.00</b>	
Project No. VICARAGEFIELD <span style="float: right;">Page 33</span> <span style="float: right;">Revision Date : 12/08/2016</span>							

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Site Clearance; Specialist groundworks;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Specialist groundworks</b>							
Site dewatering and pumping - EXCLUDED		Excl				Excluded	
Soil stabilisation measures - EXCLUDED		Excl				Excluded	
Ground gas venting measures - EXCLUDED		Excl				Excluded	
<b>Total</b>				<b>0.00</b>		<b>0.00</b>	
Project No. VICARAGEFIELD							
Page 34							
Revision Date : 12/08/2016							

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Site Clearance; Temporary diversion works;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Temporary diversion works</b>							
Provisional allowance for diversion and/or removal of existing services within the red line boundary - details awaited from Scotch Partners	1	Item	500,000.00	500,000.00	500,000.00	500,000.00	
<b>Total</b>				<b>500,000.00</b>		<b>500,000.00</b>	
Project No. VICARAGEFIELD <span style="float: right;">Page 35</span> <span style="float: right;">Revision Date : 12/08/2016</span>							

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Site Clearance; Extraordinary site investigation works;							
Description	Quantity	Unit	Rate £	Amount £	Rate £	Amount £	Comments
<b>Extraordinary site investigation works</b>							
Archaeological investigation - EXCLUDED		Excl				Excluded	
Reptile/wildlife mitigation measures - EXCLUDED		Excl				Excluded	
Other extraordinary site investigation works - EXCLUDED		Excl				Excluded	
<b>Total</b>				<b>0.00</b>		<b>0.00</b>	
Project No. VICARAGEFIELD <small>Page 36</small> Revision Date : 12/08/2016							

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Public Realm					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
Street Level	100.36	1,700,000.00	100.36	1,700,000.00	16,939m²
First Floor	200.77	3,400,000.00	200.77	3,400,846.95	Unclear what these allowances cover - assumed landscaping works
Podium	386.48	6,545,000.00	386.48	6,546,592.27	
<b>Sub Total</b>	<b>687.61</b>	<b>11,645,000.00</b>	<b>687.61</b>	<b>11,647,439.22</b>	
Preliminaries	103.14	1,747,000.00	103.14	1,747,115.88	Allow 15%
OHP	31.63	536,000.00	31.63	535,782.20	Allow 4%
Rounding	0.12	2,000.00			
<b>Total</b>	<b>822.50</b>	<b>13,930,000.00</b>	<b>822.38</b>	<b>13,930,337.31</b>	
Project No. VICARAGEFIELD					

**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Energy Centre and Utilities					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
<b>Central Plant</b>					130,890m <sup>2</sup>
CHP to Energy Centre (assumed no cooling / chilled water)	26.74	3,500,000.00	26.74	3,500,000.00	
Allowance for BWIC and attendances	3.82	500,000.00	2.67	350,000.00	Allowance high - allow 10%
<b>Sub Total</b>	<b>30.56</b>	<b>4,000,000.00</b>	<b>29.41</b>	<b>3,850,000.00</b>	
<b>Rainwater harvesting</b>					
Allowance for centralised plant including tank, pumps, filters etc.	1.34	175,000.00	1.34	175,000.00	
Allowance for BWIC and attendances	0.19	25,000.00	0.13	17,500.00	Allowance high - allow 10%
<b>Sub Total</b>	<b>1.53</b>	<b>200,000.00</b>	<b>1.47</b>	<b>192,500.00</b>	
<b>Electrical</b>					
Incoming supplies from UKPN primary substation in Axe Street - based on UKPN budget quote	5.73	750,000.00	5.73	750,000.00	Based on quotation
Allowance for HV/LV panels, switchgear, transformers etc. - included in Energy Centre					
Allowance for BWIC and attendances	0.76	100,000.00	0.57	75,000.00	Allowance high - allow 10%
<b>Sub Total</b>	<b>6.49</b>	<b>850,000.00</b>	<b>6.30</b>	<b>825,000.00</b>	
<b>Potable Water</b>					
New incoming potable water supply	0.76	100,000.00	0.76	100,000.00	
Infrastructure charges for residential supplies	2.34	307,000.00	2.35	307,000.00	
Allowance for BWIC and attendances	0.38	50,000.00	0.31	40,700.00	Allowance high - allow 10%
<b>Sub Total</b>	<b>3.48</b>	<b>457,000.00</b>	<b>3.42</b>	<b>447,700.00</b>	
<b>Foul and Storm Water Sewer</b>					
Allowance for new sewer connections	1.91	250,000.00	1.91	250,000.00	
Infrastructure charges for residential units	2.34	307,000.00	2.35	307,000.00	
Allowance for BWIC and attendances	0.38	50,000.00	0.43	55,700.00	Allowance low - allow 10%
<b>Sub Total</b>	<b>4.63</b>	<b>607,000.00</b>	<b>4.68</b>	<b>612,700.00</b>	
<b>Gas</b>					
Allowance for gas supplies to retail / restaurant units, Hotel and Energy Centre	1.53	200,000.00	1.53	200,000.00	
Allowance for BWIC and attendances	0.15	20,000.00	0.15	20,000.00	Allow 10%
<b>Sub Total</b>	<b>1.68</b>	<b>220,000.00</b>	<b>1.68</b>	<b>220,000.00</b>	
<b>Telecoms</b>					
<b>Carry Forward</b>	<b>48.37</b>	<b>6,334,000.00</b>	<b>46.97</b>	<b>6,147,900.00</b>	

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Energy Centre and Utilities					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
<b>Brought Forward</b>	<b>48.37</b>	<b>6,334,000.00</b>	<b>46.97</b>	<b>6,147,900.00</b>	
Allowance for incoming telecoms / BT	0.76	100,000.00	0.76	100,000.00	
Allowance for BWIC and attendances	0.08	10,000.00	0.08	10,000.00	Allow 10%
<b>Sub Total</b>	<b>0.84</b>	<b>110,000.00</b>	<b>0.84</b>	<b>110,000.00</b>	
<b>Total (excluding Main contractor prelims, OH&amp;P)</b>	<b>49.21</b>	<b>6,444,000.00</b>	<b>47.81</b>	<b>6,257,900.00</b>	
Preliminaries	7.39	967,000.00	7.17	938,685.00	Allow 15%
OHP	2.26	296,000.00	2.20	287,863.40	Allow 4%
Rounding	0.02	3,000.00			
	<b>58.88</b>	<b>7,710,000.00</b>	<b>57.18</b>	<b>7,484,448.40</b>	
Project No. VICARAGEFIELD					

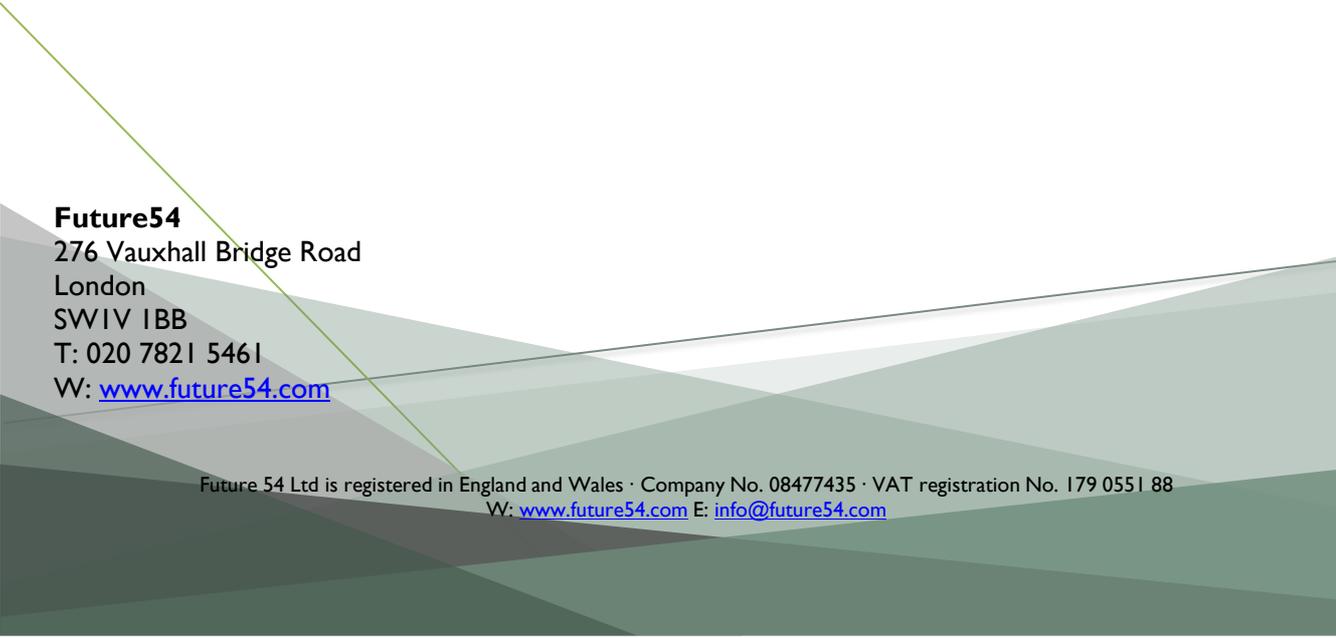
**2.0 Order of Cost Estimate Validation Summary**

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Highways				
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £
<b>Re-alignment / widening of highways to form Vicarage Drive main access (Option 5) as ttp consulting drawing 2015-2489-008.5; including temporary traffic management</b>				
<b>Roads</b>				
Allowance for removing kerbs, breaking up existing surfacing, new base course, Pavement surfacing; allowance for anti-skid surfacing to 30% of area, say		161,000.00		161,000.00
New kerbs; precast concrete HB2 standard, including bedding and haunching		6,000.00		6,000.00
Allowance for white lining and markings		16,000.00		16,000.00
<b>Sub Total</b>		<b>194,000.00</b>		<b>194,000.00</b>
<b>Footpaths</b>				
Allowance for new tarmacadm footpath surfacing including excavation and Type 1		11,000.00		11,000.00
<b>Sub Total</b>		<b>61,000.00</b>		<b>61,000.00</b>
<b>Crossings</b>				
Traffic splitter islands; including kerbs, paving etc.		3,000.00		3,000.00
Pedestrian crossings - assumed pelican		30,000.00		30,000.00
Alterations to existing signal controlled crossing		25,000.00		25,000.00
<b>Sub Total</b>		<b>58,000.00</b>		<b>58,000.00</b>
<b>Services</b>				
Allowance for alterations to streetlighting		25,000.00		25,000.00
Allowance for alterations to drainage and road gullies		10,000.00		10,000.00
Provisional allowance for diversions / lowering of existing services at crossovers - RISK !		50,000.00		50,000.00
<b>Sub Total</b>		<b>85,000.00</b>		<b>85,000.00</b>
<b>Landscaping</b>				
Allowance for trees and soft landscaping		25,000.00		25,000.00
Allowance for works to relocate signs, bus shelters etc.		10,000.00		10,000.00
<b>Sub Total</b>		<b>35,000.00</b>		<b>35,000.00</b>
<b>Traffic Management</b>				
Allowance for temporary lane closures, traffic signals, out of hours working, say		50,000.00		50,000.00
<b>Carry Forward</b>	<b>0.00</b>	<b>483,000.00</b>		<b>483,000.00</b>

Unable to validate these works due to the absence of design information / rates & quantities. We assume these allowances are acceptable at this stage.

2.0 Order of Cost Estimate Validation Summary

Vicarage Field, Barking Order of Cost Estimate No 1; Rev 1b Highways					
Description	Cost/m2 £	Amount £	Cost/m2 £	Amount £	Comments
<b>Brought Forward</b>	0.00	<b>483,000.00</b>		<b>483,000.00</b>	
<b>Sub Total</b>		<b>50,000.00</b>		<b>50,000.00</b>	
<b>Total (excluding Main contractor prelims, OH&amp;P)</b>		<b>483,000.00</b>		<b>483,000.00</b>	
Highways Contractor preliminaries @ 20%		97,000.00		72,450.00	Allow 15%
Highways Contractor overheads and profit @ 5%		29,000.00		22,218.00	Allow 4%
Rounding		(9,000.00)			
		<b>600,000.00</b>		<b>577,668.00</b>	
Project No. VICARAGEFIELD					



**Future54**

276 Vauxhall Bridge Road

London

SW1V 1BB

T: 020 7821 5461

W: [www.future54.com](http://www.future54.com)

Future 54 Ltd is registered in England and Wales · Company No. 08477435 · VAT registration No. 179 0551 88

W: [www.future54.com](http://www.future54.com) E: [info@future54.com](mailto:info@future54.com)