

DEVELOPMENT MANAGEMENT
18 FEB 2011
SIGNED

Vision Homes

Wild Rents Development

3 Dragons Modelling

Prepared for Vision Homes by Landgate (New Homes) Ltd

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SCANNED ON
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1 Project description

1.1 Terms of Reference

Landgate has been commissioned by Vision Homes to carry out an independent financial review using the 'Three Dragon's Model', for the proposed Wild Rents development located at 20-30 Wild Rents in London.

In particular, we were required to prepare a "three dragon's model" using the data provided by Vision Homes and produce a brief report that includes the description of the work done and the findings of the sensitivity analysis

The report is addressed to Vision Homes and Landgate accepts no liability for any aspect in relation to this report in respect of any third parties.

2 Methodology

The methodology adopted to complete this financial assessment has been to:

- Collect the data provided by Vision Homes;
- Input the data provided in to the 'Three Dragons' spreadsheet model template:
- Prepare a short report summarising our findings.

3 Description of the Scheme

3.1 Project description

Vision Homes acquired the site in January 2008 with detailed planning permission for the demolition of the existing building and construction of a new five storey building comprising:

- 28 residential apartments (20 private units and 8 affordable including 6 socially rented/ 2 shared ownership);
- live/work units on the upper levels;
- 5 business units at ground and first floor levels; and
- a basement car park containing 20 parking spaces, 42 bicycle spaces and a scooter bay.

Due to the fact that no RSL was interested in acquiring the S.106 units in this consented scheme, (due to poor room layouts resulting from the serpentine wall design), and due to the unrealistic and economically unsupportable inclusion of the underground car park, a revised scheme has been devised and this is the subject of this report.

On the ground floor there is 573 sq.m. of commercial space with parking for 4 cars and spaces for 49 bicycles. The residential element comprises:-

Floor	1 Bed Flat	Studio	2 Bed Flat	3 Bed Flat	Total
Ground Floor					
First Floor			3	5	7
Second Floor	8		3		9
Third Floor	8	1	3		12
4 th Floor			6		6
Total	16	1	15	5	37

The site is located in Southwark at 20-30 Wild Rents, Bermondsey, London with a total area of approximately 0.09 Ha.

3.2 *The affordable element –*

The development proposal indicates the provision of 29 %* affordable housing with the following tenure mix:

Private			Affordable			
No. Beds	No. of Units	Hab. Rooms	No. Beds	Social Rent	Equity Share	Hab. Rooms
1	16	32	1	0	0	0
Studio	1	1	2	1		4
2	15	43	3	5	0	25
Total	31	76	Total	6		29 (+6)*

3.2.1 *Summary*

- 37 units, of which 16% by residential unit are affordable.
- 105 hab rooms of which 29 +6 are affordable = 33.33%

* In the calculations we have included the one extra habitable room per wheelchair unit that is allowable to achieve equivalence under the Council's guidelines.

3.3 Market Valuation Assumptions

3.3.1 *Developers assumptions – Residential Units*

The assumed sales prices for the private residential and live/work unit have been estimated by polling the opinion of local agents (principally Stirling Ackroyd, Field and Sons and Kalmars)