

Reading Borough Council
Civic Centre,
Bridge St,
Reading,
RG1 2LU

Our Reference: ETP230741
LPA Reference: 240068
Date: 5 April 2024

Dear Sir/Madam

**Re: Affordable Housing Viability Assessment at 2-4 Church Road
Caversham Reading RG4 7AE**

I am writing to you on behalf of the applicant with regards to application reference 240068 at 2-4 Church Road, Caversham, Reading, RG4 7AE currently being considered by the Local Planning Authority (LPA).

In summary, the planning application comprises.

'The proposal seeks permission for the Change of use and works of conversion from former bank (Class E, office) to 2 ground floor commercial units (Class E (a-f only)) and 3 upper floor dwellings (Class C3), including a part second floor extension and separate rear dormer roof extension, shopfront alterations and associated works'.

ET Planning **(ETP)** have been provided with a review of the Viability Assessment carried out by Carter Jonas **(CJ)** dated March 2024. ETP and CJ are largely in agreement regarding the Viability Inputs:

A summary of areas is listed below:

- 1) Private Residential Values
- 2) Contingency
- 3) Professional Fees
- 4) Residential Marketing, Sale and Legal Fees
- 5) Interest / Finance Costs
- 6) Developer's Profit
- 7) Project Timescales

The key areas of professional disagreement between the review of ETP and CJ reports are as follows:

1. Benchmark Land Value (EUV)
2. Build Costs

We have noted the commercial value comments within para 5.1.2 of the CJ report and have revisited the values of the proposed commercial units.

1.0 Benchmark Land Value (BLV)

We note that CJ raised concerns with the initial approach adopted to the assessment of EUV, for the site, which included a review of comparable sold evidence within a 2-mile radius, a rental value of £205psm (£19psf) adopted and capitalised at a yield of 6.8%, arriving at a gross value of £800,000 before purchaser's costs.

In the absence of a dilapidations, tender report or cost plan, for refurbishment costs we utilised rehabilitation costs from BCIS data, £1,376psm (£127.83psf) to estimate the potential refurbishment costs, multiplied by the Net Internal Area, to provide an assumed (inclusive of fees & contingencies) conversion cost of £363,360. Which were deducted from Gross Development Value, providing an estimated AUV of £435,360.

We note that CJ have used a similar approach, adopting the BCIS costs, against the GIA, with revised net conversion costs of £444,448. Furthermore, 10% was added for professional fees, contractors' profit, contingency resulting in a total refurbishment cost of £488,893.

1.1 Investment Yield

CJ have commented that the adopted yield of 6.8% based upon the Knight Frank Prime Yield Guide, November 2023 was not appropriate, that the sub-market of Caversham is not comparable to central Reading and the pitch is not considered to reflect 'prime' situation.

The appropriate yield must reflect risk and growth and we are of the view that the application of prime yield is not appropriate in this instance. We note that that CJ have referenced Knight Frank Yield Guide considers a yield of 10% as at January 2024 for 'good secondary' retail locations. That whilst they considered the application of a yield at this level to be entirely justified, for the purposes of their initial modelling, they adopted an optimistic yield of 8.5% reflecting a good, refurbished standard of accommodation, at a blended rate of £17.50psf. It was assumed the yield adopted to be reflective of an appropriate void period, producing an Alternative Use Value (AUV) of £100,000.

We agree the subject premises is vacant and has been for a number of years and therefore there is no existing income stream associated with the property. For the purposes of reaching an agreement we have adopted the CJ approach to AUV, whilst we reserve the right to review this if required.

The AUV of £100,000 has been used within our revised financial appraisal (Appendix 1).

1.2 Commercial Value

We recognise that in relation to the value of retail, usually we would value retail space on a zoned basis, however in this instance we have kept with the overall basis that has been used within both approaches.

We agree with the comparable properties put forward by CJ for the existing commercial unit, these are also comparable for the proposed retail. Further comparable properties have been identified:

- 15 Bridge Street Caversham - this is currently under offer at a rate of £23 psf but it's in a superior location with parking and rear access.
- 18 Bridge Street Caversham - 18 Bridge Street, which was, until recently, let at a rate of £19.27 psf however this unit had the significant advantage of having 3 parking spaces and rear access. The whole building is currently on the market with Hicks Baker for £375,000.
- 30 Church Street Caversham RG4 8AU – has a rate of £16.79 psf and again this unit has rear access.
- Unit 1 & 2 Archway House, Caversham, Reading, RG4 8HU - 1 & 2 Archway at £23.33 psf with rear access

Full details are provided with appendix 2.

1.3 Proposed Commercial

The proposed scheme includes 2 x ground floor commercial comprising 115.3 sqm (1,241 sq ft) and 26.9 sqm (290 sq ft) and that the following assumptions were adopted within both appraisals (ET / CJ) although CJ have noted that they consider theses to be optimistic but given the proposed space will be of high quality and situated on the ground floor only they reflected the same values.

Giving regard to CJ comments regarding Caversham High Street, not being comparable to a primary centre, such as Reading Town Centre we have undertaken further research of retail units located within a secondary location, in relation to the proposed commercial units.

Having spoken with a local specialist commercial agent with nearly 30yrs experience of the Reading market, Fiona Brownfoot MRICS Hicks Baker Commercial. Headline rents within Caversham are in the bracket of £16-26 psf. However, the advice received is that the proposed commercial units are severely compromised, which will have a negative impact on the sale/let ability of the premises with rents at the lower end of the Bracket.

- The shape of the units, mean that only half of the floor area can be considered retail, the remainder being ancillary.
- No Parking.
- No rear access.
- Hard Frontage.
- Distance from public car parks; and
- Being located on the wrong side of the junction within the left-hand filter lane

Furthermore, Hicks Baker are in agreement with CJ that a yield of 6.8% is not appropriate for the existing premises, but also the proposed commercial units. Their professional opinion being that a yield of 9% would be more appropriate, with a rent of £15,000 (£12.09 psf) for the larger unit and £5,000 (£17.24 psf) for the smaller unit respectively, with 6-months' rent free period and purchaser's costs at 6.8%. Purchaser's costs at 6.8% are aligned with the CJ assumptions as market norms.

To provide consistency, with the AUV, we have adopted a revised optimistic yield of 8.5% within the updated appraisal.

This provides a total Gross Development Value of £1,000,890 as shown below.

Proposed Development (Resi / Commercial)	£GDV
Residential Value	£775,000
Commercial Value	£225,890
Gross Development Value	£1,000,890

The above GDV has been used within our revised financial appraisal (Appendix 1).

2.0 Build Costs

Within the initial Viability Assessment, a full cost plan was provided by Thornton Firkin Cost Consultants (TF), following a site visit to the premises. The build costs for the proposed development were £892,529, reflecting a build cost of £217psf. Following the visit TF noted that there would be particular site abnormal costs associated with this scheme due to its location. A further 5% contingency was adopted with our viability appraisal.

On-behalf of the council, CJ sub-instructed quantity surveyors Johnson Associates (JA) to review the cost plan, the elemental breakdown of both cost plans is shown in the table below.

Element	Thornton Firkin Cost Plan	Johnson Associates Cost Plan
Demolition	£69,853	£69,853
Build	£369,020	£369,020
Externals	£1,500	£1,500
Drainage	£6,000	£6,000
Services	£33,750	£33,750
Sub-Total	£480,123	£480,123
Main Contractor Prelims	£240,000	£150,000
Additional Sums	£70,600	£70,600
Design Fees (5%)	£39,536	£31,533
OH&P (7.5%)	£62,269	£54,919
Total	£892,529	£787,175

The JA cost plan concluded a reduction of £105,354 before contingency, reflecting a build rate of £191psf. This is predominantly made up of a

reduction of £90,000 to prelims, the remainder is a recalculation of the Design Fees and OH&P which are calculated as a percentage of total build costs.

We have undertaken further discussions with Thornton Firkin, reference the prelims within their appraisal. We have included within appendix 4 their full response. A summary is included below:

Prior to preparing the Budget Estimate of Cost, TF undertook a site visit to fully ascertain the restrictions imposed by the building's location on the buildability of the proposed scheme.

- No access to the rear of the building.
- Very limited access to the left-hand elevation of the building – pedestrian only.
- No access to the right-hand elevation of the building.
- Limited confined access to the front of the building – width of adopted footpath only.
- Building located immediately next to a very busy left turn filter lane on a controlled junction from Caversham Bridge.
- Double yellow lines outside of the building on the public highway.
- 4no. parking bays near to the building on the public highway.
- No drop off or unloading zone for materials available.
- No storage area for materials available except within the building or on the scaffolding.
- No area for site welfare facilities available within the control of the property.

As a result of the above restrictive town centre location factors, TF allowed for the following management solutions within their preliminaries calculations:

- Site welfare will need to be constructed within the ground floor of the building and then dismantled at completion and removed from site.
- Scaffolding will need to be designed to include a crash deck to protect pedestrians using the public footpath beneath the scaffolding, temporary lights will also be needed to the pedestrian footpath link within the scaffolding; debris netting will be required to the front elevation, loading platforms will be required at 1st and 2nd floor level for distribution of material.
- A hoist will need to be constructed in the small recess by the extension to the existing building to facilitate the distribution of materials to the 1st and 2nd floors as a forklift cannot be used on a busy public highway.
- All deliveries will need to be in small loads (more expensive and less efficient) as very limited parking areas available – none if the 3 or 4no. parking bays can't be negotiated for suspension and used by the development during construction.
- All materials will need to be unloaded by hand and manually transferred to the hoist for distribution to the working areas.
- Banksman will be needed for all deliveries to manage the interface with pedestrians and vehicles on the public footpath and highways.

TF have stated in their professional opinion that without all the items stated within their Budget Estimate of Costs, that the project could not be delivered safely due to the restrictive nature of the building's location and the lack of suitable delivery, unloading and storage solution within the curtilage of the property or the building highway and footpath.

We are happy to facilitate a site inspection for CJ / JA to fully demonstrate the complexities of the build in this instance.

For the reasons stated above, we have adopted the TF build cost within our appraisal (appendix 1).

3.0 Viability Summary

A further detailed analysis has been conducted by ETP. Our Analysis presents the following outturn financial position for the project.

Assumption	Original ET Planning Assumption	Carter Jonas Assumptions	Revised ET Planning Assumptions	Comments
Revenue				
Private Residential Sales Values	£775,000 (£428psf)	£775,000 (£428psf)	—	Agreed
Commercial Values	Unit 1 - £33.07psf Unit 2 - £33.82psf Yield – 6.8%	Unit 1 - £33.07psf Unit 2 - £33.82psf Yield – 6.8%	Unit 1 - £12.09psf Unit 2 - £17.24psf Yield – 8.5%	In the interest of expediency, we have amended the Commercial Values for secondary retail.
Development Costs				
Construction Costs	£829,529 (£217 psf)	£787,175 (£191psf)	£829,529 (£217 psf)	In the interest of expediency, we have amended the construction costs as per section 2
Contingency	5%	5%		Agreed
Professional Fees	8%	8%		Agreed
Residential S&M and legal fees	2.5%	2.5%		Agreed
Commercial Sale & Legal Fees	2.5%	Sales Agency – 1% Sales Legal – 0.5% Purchaser Costs – 6.8%	Sales Agency – 1% Sales Legal – 0.5% Purchaser Costs – 6.8%	Agreed
Commercial Letting & legal fees	—	Letting – 10% Legal – 5%	Letting – 10% Legal – 5%	Agreed

Interest / Finance Costs	7% debit 0% credit	7% debit 0% credit		Agreed
CIL 5% Affordable Housing Contribution	£14,166 £38,750	£14,166 £38,750		Agreed
Developer's Profit	Residential – 17.5% GDV Commercial – 15% on GDV	Residential – 17.5% GDV Commercial – 15% on GDV		Agreed
Project timescales	Construction – 7mths Sales – 1 month	Construction – 7mths Sales – 1 month		Agreed
Summary				
Benchmark Land Value	£435,000	£100,000	£100,000	Agreed
Residual Land Value	N/A	£217,614 (Inc AH Cont)		
Project Outcome	-£282,221 (No AH cont) -£323,381 (Inc AH Cont)	£117,614		

4.0 Conclusion

In conclusion, having reviewed the previous assumptions, with allowances for comments made by CJ, the Development Appraisal has been updated as follows:

- Gross Development Value revised to £1,000,890 in line with local agent advice.
- Existing Use Value revised to £100,000, to account for refurbishment works.
- Build Cost as per Thornton Firkin

ETP have therefore re-run the appraisal.

The scheme shows a residual site value of (negative) £166,032, based upon the JA build costs, predicated on a policy compliant basis, which is below the BLV of £100,000 and therefore ETP maintain that there is no allowance to provide an affordable housing contribution. Based upon the TF Build costs the negative residual would worsen and we reserve the right to submit the appraisal showing the the TF build costs.

I trust the above is clear, however if you require any further information regarding the above or this application in general, please do not hesitate to contact me.

Yours faithfully,



Derek Clarke **MRICS MRTPI**

Director of Economics

Economics and Development | ET Planning

One St Aldates Oxford OX1 1DE

derek.clarke@etplanning.co.uk 01865 921490

Appendix 1 – Development Appraisal

Appendix 2 – Office Comparable Evidence

Appendix 3 – Thornton Firkin Letter

APPENDIX 1: DEVELOPMENT APPRAISAL

Client: Caversham Solicitors Limited
Planning Application Number: 240068
Local Authority: Reading Borough Council
2 ground floor retail units and 3 residential units above.

2-4 Church Road
Caversham
Reading
RG4 7AE

Development Pro Forma
ET Planning Limited
April 2, 2024

PROJECT PRO FORMA**ET PLANNING LIMITED**

Client: Caversham Solicitors Limited
Planning Application Number: 240068
Local Authority: Reading Borough Council

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Apartment A	1	678	405.60	275,000	275,000
Apartment B	1	398	502.51	200,000	200,000
Apartment C	<u>1</u>	<u>733</u>	409.28	300,000	<u>300,000</u>
Totals	3	1,809			775,000

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail unit 1	1	1,241	12.09	15,000	15,000	15,000
Retail unit 2	<u>1</u>	<u>290</u>	17.24	5,000	<u>5,000</u>	<u>5,000</u>
Totals	2	1,531			20,000	20,000

Investment Valuation**Retail unit 1**

Market Rent	15,000	YP @	8.5000%	11.7647	
(6mths Rent Free)		PV 6mths @	8.5000%	0.9600	169,417

Retail unit 2

Market Rent	5,000	YP @	8.5000%	11.7647	
(6mths Rent Free)		PV 6mths @	8.5000%	0.9600	56,472

Total Investment Valuation

225,890

GROSS DEVELOPMENT VALUE

1,000,890

Purchaser's Costs		(15,360)
Effective Purchaser's Costs Rate	6.80%	(15,360)

NET DEVELOPMENT VALUE

985,529

TOTAL PROJECT REVENUE

985,529

DEVELOPMENT COSTS**ACQUISITION COSTS**

Residualized Price (Negative land)	(166,032)
	(166,032)

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Retail unit 1	1,241	184.74	229,262
Retail unit 2	290	184.74	53,575
Apartment A	985	184.74	181,969
Apartment B	705	184.74	130,242
Apartment C	<u>1,040</u>	184.74	<u>192,130</u>
Totals	4,261 ft²		787,177
			787,177
Contingency		5.00%	39,359
			39,359
PROFESSIONAL FEES			
Professional fees		8.00%	62,974
			62,974

Client: Caversham Solicitors Limited
Planning Application Number: 240068
Local Authority: Reading Borough Council

MARKETING & LEASING

Marketing	1.00%	10,009	
Leasing Agent Fee	10.00%	2,000	
Leasing Legal Fee	5.00%	1,000	
			13,009

DISPOSAL FEES

Sales Agent Fee	1.50%	15,013	
			15,013

MISCELLANEOUS FEES

Community Infrastructure Levy		14,166	
S106 - Affordable payment in lieu		38,750	
			52,916

TOTAL COSTS BEFORE FINANCE**804,416****FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Land		(9,135)	
Construction		20,697	
Total Finance Cost			11,562

TOTAL COSTS**815,978****PROFIT****169,551****Performance Measures**

Profit on Cost%	20.78%
Profit on GDV%	16.94%
Profit on NDV%	17.20%
Development Yield% (on Rent)	2.45%
Equivalent Yield% (Nominal)	8.50%
Equivalent Yield% (True)	8.97%

IRR% (without Interest)	100.54%
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Rent Cover	8 yrs 6 mths
Profit Erosion (finance rate 7.000)	2 yrs 9 mths

APPENDIX 2: OFFICE COMPARABLE EVIDENCE



To Let

Unit 1 & 2 Archway House, Caversham, Reading RG4 8HU

- Located in the popular, thriving village of Caversham
- Outside space to front
- Adjacent to Waitrose car park entrance
- Excellent signage opportunity
- Parking available - see below

Ground floor	1,114 sq ft	Rent	£26,000 p.a. exclusive
ITZA	801 units	Est. Buildings Insurance	TBC p.a.
		Rates Payable	£13,598 p.a.
		TOTAL OCCUPATIONAL COST	£39,598 p.a. plus VAT

For more information please contact Hicks Baker

T: 0118 959 6144 E: retail@hicksbaker.co.uk W: hicksbaker.co.uk



USE	Class E
TENURE	Leasehold
TERM	A new lease is available direct from the Landlord on terms to be agreed
RATEABLE VALUE	£27,250. For further information on Retail, hospitality and leisure relief, visit - https://www.gov.uk/apply-for-businessrate-relief/retail-discount
EPC	C. Valid until March 2025
VAT	VAT is payable
PARKING	There is the potential to lease car space/s from the adjacent Landlord at a cost of £1,000 per parking space, plus legal cost of £1,500

Richard Duncan

Retail and Leisure

E: r.duncan@hicksbaker.co.uk

T: +44 (0) 118 955 7081



Date of publication: July 2023



Transaction



Management



Advice

Lease code

You should be aware that the Code of Practice on Commercial Leases in England and Wales strongly recommends you seek professional advice from a qualified surveyor, solicitor or licensed conveyancer before agreeing or signing a business tenancy agreement. The code is available through professional institutions and trade associations or through the [website here](#).

Misrepresentations Act 1967

Hicks Baker for themselves and for the vendors or lessors of this property, whose agents they are give, notice that: 1. The particulars are set out as a general outline only for the guidance of intended purchasers or lessees and do not constitute nor constitute part of an offer or contract. 2. All descriptions, dimensions, reference to condition and necessary permissions for use of occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them. 3. No person in the employment of Hicks Baker has any authority to make or give any representation or warranty whatsoever in relation to this property. Unless otherwise stated the terms exclude VAT.



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Map data



To Let

15 Bridge Street, Caversham, Reading RG4 8AF

- Available - ***Subject to securing Vacant possession***
- Situated on the major road through Caversham
- Prominent position
- 1 parking space to rear
- Rear access
- Character building

Ground floor	1,052 sq ft	Rent	£25,000 p.a. exclusive
ITZA	561 units	Est. Service Charge	Ad hoc basis
Built width	6.8m	Est. Buildings Insurance to 26/06/2024	£654 p.a.
Built depth	20.6m	Rates Payable	£8,487 p.a.

For more information please contact Hicks Baker

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USE	Class E
TENURE	Leasehold
TERM	A new lease is available direct from the Landlord on terms to be agreed
RATEABLE VALUE	£17,250. For further information on Retail, hospitality and leisure relief, visit - https://www.gov.uk/apply-for-business-rate-relief/retail-discount
EPC	To be confirmed
VAT	VAT is NOT payable
PARKING	There is one car parking space to the rear of the property.

Richard Duncan

Retail and Leisure

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T: +44 (0) 118 955 7081



Date of publication: December 2023



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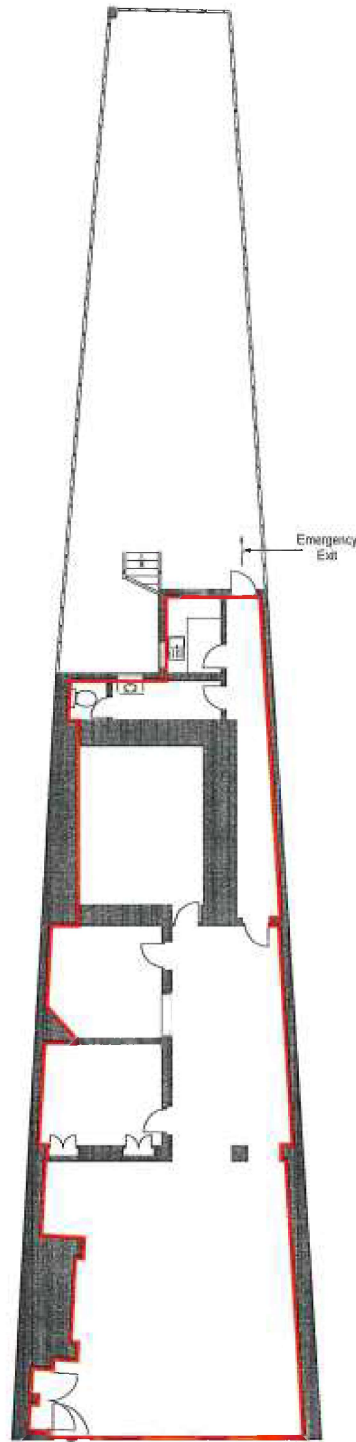
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GROUND FLOOR

Entrance
To Building

Property Details:

15 BRIDGE STREET
CAVERSHAM
READING
RG4 8AA



Surveyed and Drawn By:

BKR

Hideaway Work Space
1 Empire Mews
London
SW16 2BF

SCALE

1:200 @ A4

Plans Drawn: 31.05.2018

Tel: 0345 257 2023
info@bkrfloorplans.co.uk
www.bkrfloorplans.co.uk

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Experian Goad Plan Created: 06/12/2023
Created By: Hicks Baker

For more information on our products and services:

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To Let

30 Church Street, Caversham, Reading RG4 8AU

- Highly prominent unit
- Open plan layout
- Located in the popular, thriving village of Caversham
- Close to national and independent retailers

Ground floor	2,144 sq ft
ITZA	811 units
Rent	£37,500 p.a.
Service charge y/e 2023:	TBC
Insurance:	TBC
Rates payable:	£14,346.25
EPC	E

For more information please contact Hicks Baker

T: 0118 959 6144 E: retail@hicksbaker.co.uk W: hicksbaker.co.uk



USE	Class E
TENURE	Leasehold
TERM	A new lease is available direct from the Landlord on terms to be agreed
RATEABLE VALUE	£28,750 For further information on Retail, hospitality and leisure relief, visit - https://www.tax.service.gov.uk/business-rates-find/search
VAT	VAT is payable

Fiona Brownfoot

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Date of publication: January 2024



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Advice

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Day Lewis Property Department



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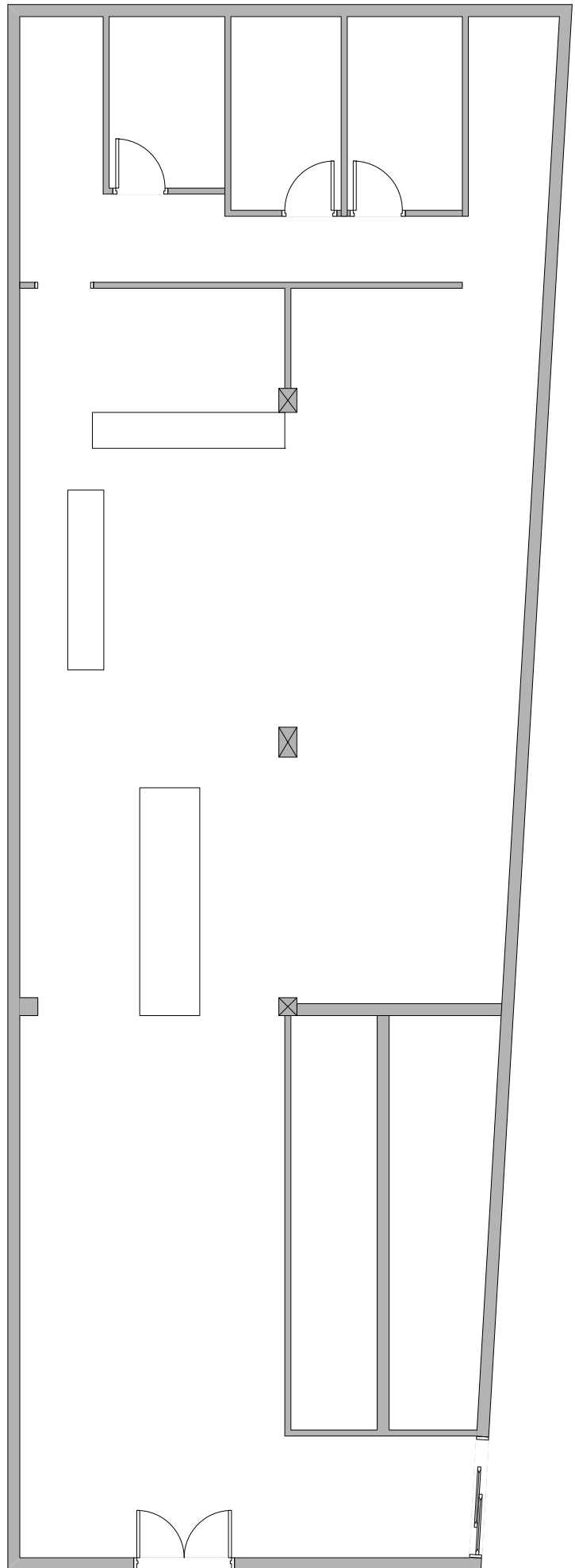
Branch No: 1:100 @ A4

Project:

Date:

Version:

Scale





Experian Goad Plan Created: 06/03/2024
Created By: Hicks Baker

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FOR
SALE ONLY



Reading
18 Bridge Street
Caversham RG4 8AA
Freehold Price: £395,000

- Situated on arterial route between Reading centre and Caversham
- Good parking to rear
- Suitable for conversion to residential (STP)

OPEN VIEWING SESSION
Tuesday 3rd October, 3pm to 4pm

BEST BIDS
By Friday 6th October, 12 noon

INFORMATION

TENURE	Freehold with Vacant Possession
VAT	VAT is not payable
PARKING	9 spaces in total. 5 are allocated to 18 Bridge St, the other 4 spaces held on a separate lease to Atlantis Holdings Ltd. at a rent of £3,600 p.a., to expire on 3 September 2027.
OPEN VIEWING	There is an open viewing session on Tuesday 3rd October from 3pm to 4pm.
BEST BIDS	Best bids are to be submitted to Richard Duncan (r.duncan@hicksbaker.co.uk) by Friday 6th October at 12 noon.
LEGAL COSTS	Each party is to bear its own legal and transaction costs.

For more information please contact **Hicks Baker**

0118 959 6144 info@hicksbaker.co.uk



ACCOMMODATION	Size sq.ft.
Ground floor sales area	934
First floor	703
Second floor	619
TOTAL	2,256
ITZA (GF only)	442

RATEABLE VALUE

Ground floor (2023) - £10,750

Upper floors (2023) - £17,000

EPC

D rating. Expires 20 August 2033.

ANTI-MONEY LAUNDERING REGULATIONS

In accordance with the current Anti-Money Laundering(AML) Regulations, the purchaser/occupier will be required to satisfy the Vendor and their agents regarding the source of the funds used to complete the transaction.

ACCESS

A right of access is required, through the car park, to a separate freehold ownership at the rear of the advertised property.

The Title Register, asbestos report, car park lease, floor plans and additional photos can be found via this link: [18 Bridge St Sale - Further information.](#)



Date of publication: August 2023

Code for Lease Business Premises

We strongly recommend you seek professional advice from a qualified surveyor, solicitor or licensed conveyancer before agreeing or signing a business tenancy agreement. The code is available through professional institutions and trade associations or through the website. [Click here](#)

Misrepresentations Act 1967

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APPENDIX 3: THORNTON FIRKIN LETTER

AJ/jk/967/03

22nd March 2024

Mr Derek Clarke
ET Planning
200 Dukes Ride,
Crowthorne,
RG45 6DS

Dear Derek

CHURCH RD, CAVERSHAM

Following receipt of the third party's response to our Budget Estimate of Cost, we note that the majority of our costs appear to have been accepted with the exception of our preliminaries allowance.

Prior to prepare the Budget Estimate of Cost we undertook a site visit to fully ascertain the restrictions imposed by the buildings locations on the buildability of the proposed scheme and we noted the following:

- No access to the rear of the building
- Very limited access to the left hand elevation of the building – pedestrian only
- No access to the right hand elevation of the building
- Limited and confined access to the front of the building – width of adopted footpath only
- Building located immediately next to the very busy left turn filter lane from Caversham Bridge
- Double yellow lines outside of the building on the public highway
- 4no. parking bays near to the building on the public highway
- No drop off or unloading zone for materials available
- No storage area for materials available except within the building or on the scaffolding
- No area for site welfare facilities

As result of the above restrictive city centre location factors we allowed for the following management solution within our preliminaries calculation:

- Site welfare will need to be constructed within the ground floor of the building and then dismantled at completion and removed from site
- Scaffolding will need to be designed to include a crash deck to protect pedestrians using the public footpath beneath the scaffolding, temporary lights will also be needed to the pedestrian footpath link within the scaffolding, debris netting will be required to the front elevation, loading platforms will be required at 1st and 2nd floor level for the distribution of material.

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- A hoist will need to be constructed in the small recess by the extension to the existing building to facilitate the distribution of materials to the 1st and 2nd floors as a forklift can not be used on the busy public highway
- All deliveries will need to be in small loads (more expensive and less efficient) as very limited parking areas are available – None if the 3 or 4no. parking bays can't be allocated to the development during construction
- All materials will need to be unloaded by hand and manually carried to the hoist for distribution to the working areas
- Banksman will be needed for all deliveries to manage the interface with pedestrians and vehicles on the public highway and footpath

Based upon the above we calculated the proposed preliminaries that were contained within our Budget Estimate of Cost as follows:

Site Labour & Supervision = £217,000

- Site manager (30 weeks at £1,500 per week)
- 2no. labourers for unloading of materials and distribution during normal working hours (30 weeks each at £1,000 per week each)
- 2no. labourers for traffic and pedestrian management during normal working hours (30 weeks each at £1,000 per week each)
- Allowance for 2no. out of hours labourers to manage out of hours deliveries (26 weeks each at £1,000 per week each)

Office Labour/Management = £30,000

- QS – Appointing sub-contractors, valuations, final accounts etc – 40 weeks at £500 per week (part time allowance)
- Contracts Manager – 30 weeks at £250 per week (part time allowance)
- Admin – 30 weeks at £50 per week (part time allowance)
- H&S inspections, preparation of construction phase H&S plan and H&S file - £1,000

Site Welfare Facilities (to comply with CDM regulations) = £15,000

- Construction of canteen area – Kitchen units, sink, taps (hot and cold drinking water) with seating and tables, extract, lights, power, drainage, flooring etc
- Construction of drying area – Benches/seats, hooks and heaters plus power, lights, extract etc
- Construction of toilets – Male and female toilet, sink, hot and cold water, extract lights, flooring, hand driers etc
- Construction of site office – Desk and chair, power, lighting etc
- Removal of all materials and making good at completion

Scaffolding = £20,000

- To all facades plus internal crash deck to roof- £15,000
- Additional cost for crash deck to front elevation, loading bays and interface with hoist plus debris netting etc - £5,000 (includes temporary lighting to retained footpath)

Hoist = £18,600

- Erection and removal - £1,500 each (includes transportation, testing and maintenance)
- Hire of hoist - £15 per hour (26 weeks @ 40 hours per week = 1,040 hours) = £15,600

Skips = £10,000

- No area for permanent skips so assumed drop and load out of hours
- Assumed 20no. skips @ £500 per skip (rate increased for out of hours and drop and load). Labour included above for loading.

Continued/.....

Sundries = £2,500

- Cleaning of welfare - 30 weeks @ £25 = £750
- H&S signage, Hi viz, hard hats etc = £250
- Consumables - stationary, cleaning products, tea, coffee etc - £100
- Fire extinguishers - £150
- Fire alarm mobile point - £100
- Purchasing of screws, nails etc and sundry building materials - £1,150

Power etc = £6,000

- Electricity bills/generates - £150 per week for 30 weeks = £4,500 (includes power usage by hoist)
- Water usage - £250
- Three phase electricity connection to hoist - £250
- Temporary lights to each floor plus task lighting - £500
- Temporary power distribution to each floor – 110v - £500

Project insurances etc = £1,500

- Contribution towards company insurance premiums, H&S scheme memberships, certifications etc - £1,500

Deliveries = £5,000

- Contribution to increased delivery costs for small loads and out of hours deliveries - £5,000

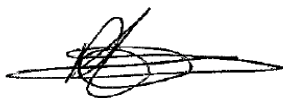
Therefore, the total cost of preliminaries included within our Budget Estimate of Cost was £325,600. If the project specific restrictions imposed by the building's locations weren't present then the following savings could be achieved to the preliminaries:

- Omission of 2no. labourers for traffic and pedestrian management during normal working hours – Saving of £60,000
- Omission of out of hours labourers to manage out of hours deliveries - Saving of £52,000
- Addition of telehandler and operator - Addition of £52,500
- Saving on site welfare by hiring of cabins - Saving of £8,000
- Saving of scaffold costs – Saving of £5,000
- Omission of hoist - Saving of £18,600
- Omission of extra over delivery costs - Saving of £5,000

The above equates to a saving of £96,100 but without these elements, we believe, that project could not be delivered safely due to the restrictive nature of the building's location and the lack of a suitable delivery, unloading and storage solution on the building highway/footpath.

I hope that the above helps to explain in more detail the logic behind the preliminary allowances we have included within our budget estimate of cost, however, if you have any queries please give me a call

Yours sincerely



A. J. JONES, BSc(Hons), MRICS, RMaPS

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