



September 2019

Our ref: SD/AL/al

Fiona Dyson  
Planning Department  
London Borough of Richmond upon Thames  
Civic Centre, 44 York Street  
Twickenham, Middlesex TW1 3BZ

Dear Fiona

## **Arlington Works 23 Arlington Road TW1 2BB**

I am writing in response to Grimshaw Consulting's (GC) subsidiary report on Viability dated July 2019. I set out below our comments on the outstanding matters. These comments should be considered in conjunction with our original report and further comments of May 2018.

### **Affordable Housing**

We have updated the appraisal to reflect the 8 shared ownership units proposed. We note that this offer does not meet the Council's Plan requirements for an 80:20 rent/ shared ownership split in affordable housing provision. This reduced the surplus we identified in our previous appraisals. However, it indicates that the scheme could support an increased affordable housing element

### **Acquisition Costs**

This has been addressed in our previous reporting. We do not accept GC's assertion that these should be based on the residual value of their appraisal. Acquisition costs are based upon the Benchmark Land Value as previously stated.

### **Ground Rents**

While there have been several Government statement with regard to limit Ground Rents in the future there is as yet no legislative procedure to implement. As viability must be assessed as of the time a planning application is determined Ground Rent income must be accounted for.

### **Gross Development Value**

This has been addressed in our previous reporting and we maintain our position. We have looked at the completed sales of flats in the immediate vicinity since our original report. Although there are relatively few transactions the average values are above those we identified at the time of our original report. On this basis we cannot accept the suggested reduction in GDV.



## Conclusion

We have amended our appraisal as set out above. This shows a surplus of £1,344,000 which is available to fund on-site affordable housing. Determining the level of affordable housing should be based upon actual RP offers and discussions with the Council's Housing Department as to the availability and extent of potential grant funding.

Yours sincerely

pp **S DEVITT**  
Bespoke Property Consultants