

Epping Forest District Council Recommended accommodation option Dec 2018



'Ready for the Future'



Site Plan

Rear Site – Residential Redevelopment

Demolition of the Condor Building, along with the additional two car parks to the rear of these buildings opens up redevelopment opportunities for a residential scheme.

Redevelopment:

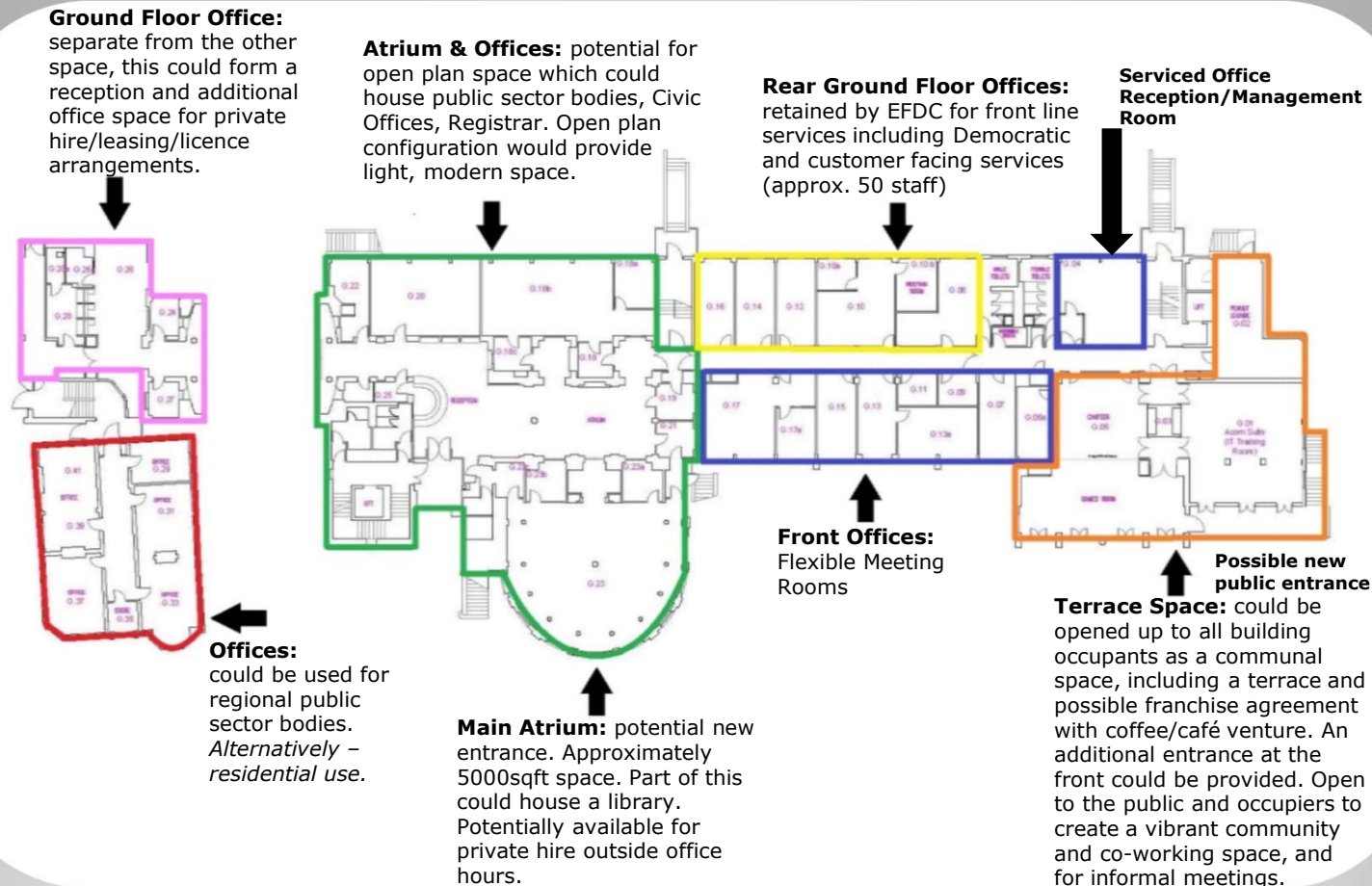
- The land would open up approximately 1.63 acres of land equating to 0.66 hectares for residential redevelopment close to the town centre.
- Allowing room for parking, access etc (i.e. 50% buildable area) this opens up potentially two blocks of dwellings, comprising:
 - 20 private flats on two bedrooms in one block, and the same in a further block.
 - With additional 13 and 12 dwellings as affordable homes.
 - Private dwellings could be expected to sell between £600-650k each.
 - Affordable homes generating £200-250k each.
 - Granting a total sale in the region of £30-33m.
- Total build costs in the region of £8-9m.
- Gross development costs including building, demolition, fees etc in the region of £20m.
- This generates a gross site value in the region of £9.5-£10.5m.
- The Listed Civic Buildings could be adapted for a range of government, community and commercial uses.

Risks:

- Key risks and assumptions include:
 - Planning;
 - No land contamination issues;
 - Wildlife conservation issues (i.e. newt pond);
 - Heritage and historic conservation area issues;
 - Traffic and access, as the site will generate more traffic from both residential occupiers and users of any Civic Building repurposing;
 - Adequate parking provision;
 - Adjoining residential properties and amenity.



Picture shown for illustration purpose only



All alternative uses and configurations would be sympathetic to the Listed status of the Civic Offices.

Civic Offices Alternative Uses - Ground Floor

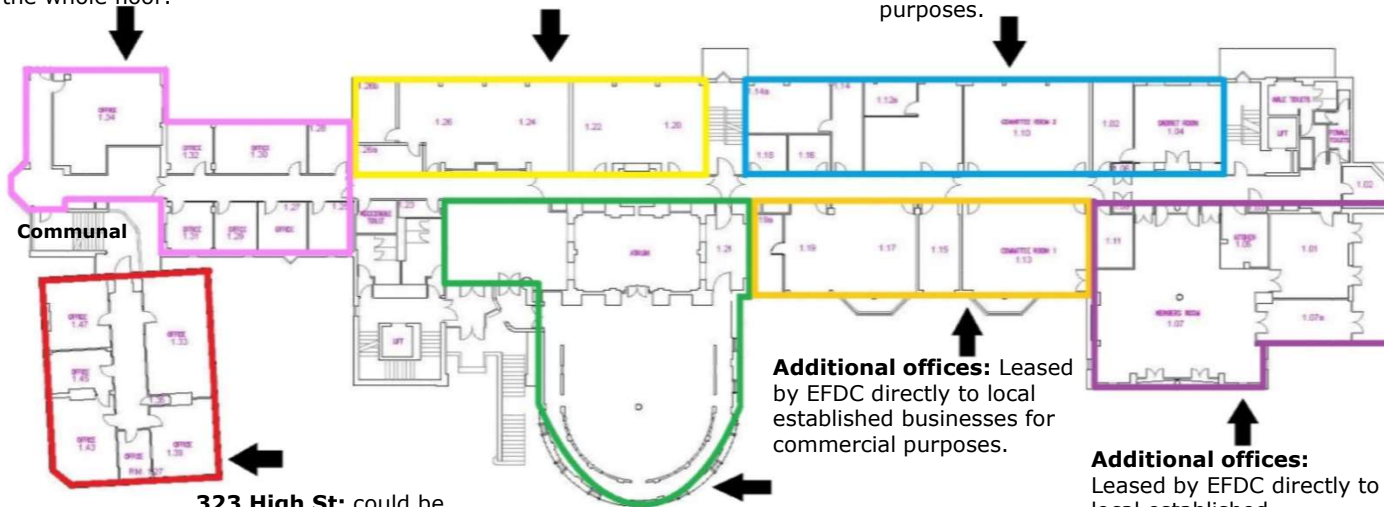


Café – ground floor

Offices: accessed via separate ground floor reception, could provide space for commercial occupiers on a licenced basis per room or a lease basis for the whole floor.

Additional offices: Leased by EFDC directly to local established businesses for commercial purposes.

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323 High St: could be retained for public sector occupation and civic uses, for example police, NHS, local authority, etc.
Alternatively, residential use.

Council Chamber: to retain for civic uses, training, seminar room etc. This could also be hired out to other bodies, public or private. This could be utilised for local marketing, seminar space and services relating to sector knowledge.

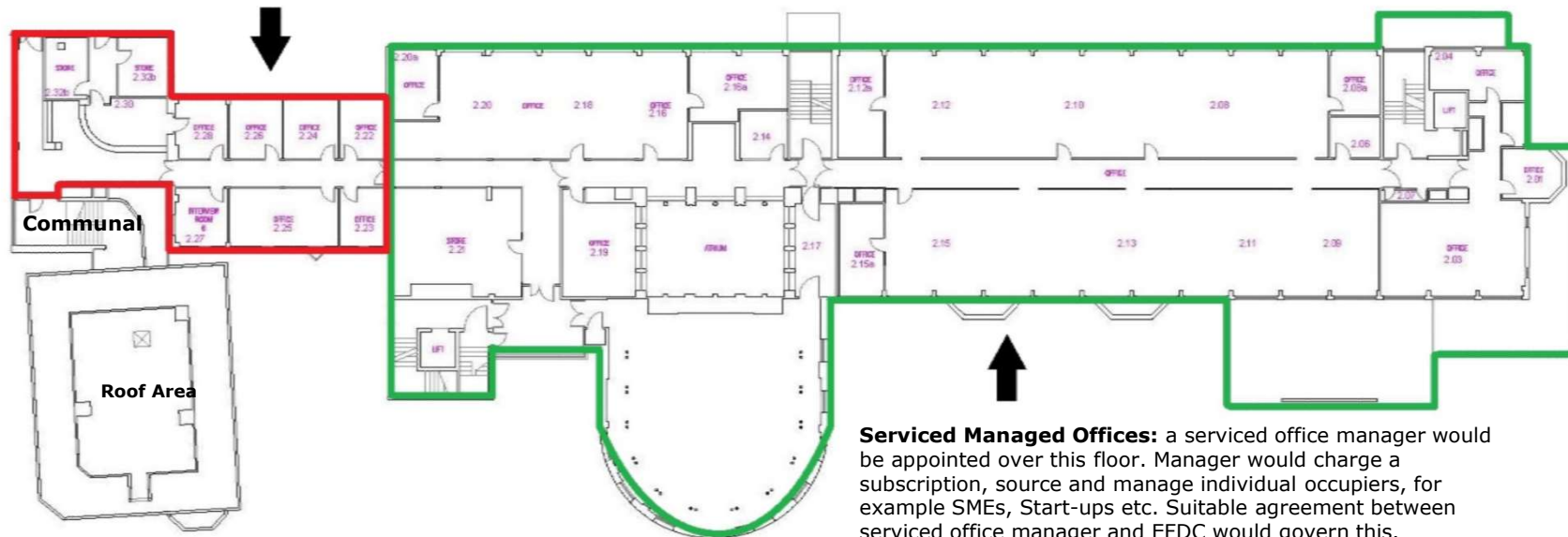
Additional offices: Leased by EFDC directly to local established businesses for commercial purposes.

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Additional offices: anticipate a range of commercial/professional occupiers, local business etc. Would it let at commercial rents with a suitable service charge for communal corridor, w/cs, reception etc.

Civic Offices Alternative Uses - First Floor

Office Space: accessed via separate communal stairwell. Anticipate commercial occupiers on a standard commercial lease basis with EFDC.



Building 323 High Street – Commercial Redevelopment

The old house, currently used for EFDC (primarily IT, GIS mapping etc) provides potential redevelopment options, primarily residential refurbishment or repurposing for commercial or community uses.

Commercial would comprise:

- A NIA of approximately 3,000 sq ft / 285 sq m.
- On refurbishment this could expect to let out in the region of £15 psf, equating to a rent of £45,000 pa for EFDC.
- Capital yields would be expected in the region of 7% if leased to commercial on standard terms or 5% if leased/occupied by government bodies due to the security of said covenants.
- This equates to a gross development value in the region of £600 – £840k with a secured income stream depending on covenant status of occupier.
- Refurbishment costs would be in the region of £300k, leaving a net residual land value of £300k - £540k.



Building 323 High Street – Residential Redevelopment

Alternatively, the property could be repurposed for residential conversion.

- We could anticipate 3 one bedroom flats, and 2 two bedroom flats being accommodated in the space available.
- The one bedroom flats would achieve around £300,000 each on sale, totalling £900,000.
- The two bedroom flats would achieve in the region of £500,000 each, totalling £1m.
- Altogether this would represent a sale value in the region of £1.9 million for a residential conversion.
- Access and parking would have to be considered, along with separating works from the rest of the remaining Civic Offices.
- Build costs would be in the region of £600,000, and with fees and ancillary works in the region of £800,000 total.
- This equates to a net residual value of around £1.1m assuming residential consent is granted.



North Weald Relocation

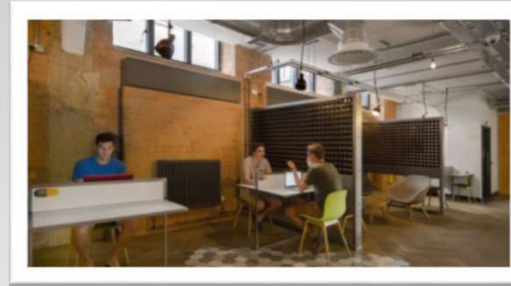
With the exception of Democratic Services and other supporting operations (approximately 40-50 staff members) the remainder of EFDC based in the Civic Offices could be relocated to nearby North Weald airfield.

This would necessitate a new build modern office accommodation on the basis of a 7:10 desk ratio.

- New build floor area 3,300 sq m / 35,500 sq ft GIA approximately, of which 17.5% of floor area set out for lifts, circulation, communal areas etc.
- New build costs in the region of £8-8.5m, with no land acquisition costs as the airfield is owned by EFDC, leaving main contingencies being planning, access, parking, land contamination (if any).



Picture shown for illustration purpose only



Workspaces:
Collaboration, Concentration, Confidential

Appraisals Appendix

RESIDUAL VALUATION - RESIDENTIAL CONVERSION

323 High St Epping

	Ft Sq	M2
Area:	1525 Sq Ft GIA	141.677075 m2 GIA
	1525 Sq Ft GIA	141.677075 m2 GIA
		x2 as over 2 floors
Total	3050 Sq Ft GIA	283.35415 m2 GIA
		Flats
		52 1Bed
		72 2 Bed
		NIA
		NIA
		Say 3 on Gnd Flor
		Say 2 on 1st Flr

SCHEME DETAILS:

Development Type:

Unit Type	No. of units	Habitable Gross Int. Area	Total areas	value per unit	total value	Exp. Child Y	Primary Contr.	Secondary C	Total Contrib	NOTES
1Bed Flat	3	6	52	156	£300,000.00					3 x 1 bed flats at £300k sale each.
2Bed Flat	2	6	72	144	£500,000.00	0.986				2 x 2 bed flats at £500k sale each (maybe £600-650 for new builds)
Totals	5	12	300							
		Gross Internal Area of flats	300							
		Gross External Area of block	375							
					£1,900,000.00	0.986	£4,476.81	£5,021.51	£9,498.32	

Anticipated Gross Development Value of completed scheme

£1,900,000.00

VARIABLES

CONSTRUCTION COSTS

Building cost RESIDENTIAL	£2,160.00
Building cost COMMERCIAL	
Location Factor	1.06
Gross External Area of residential units	375
Gross External Area of commercial units	
Demolition & Ancillary works%	1.0%
Professional fees %	8.0%
Finance Rate	
Contingencies %	2.0%
Build Period (years)	2
Sales delay period (years) (where applicable)	1
S.106 requirements Education Contribution	£9,498.32
S.106 requirements Environmental Improvements contribution	
Other abnormal costs (where applicable)	

SALES COSTS

Advertising & marketing	£85,006.25
Letting Fees %	
Sales Fees %	1.5%

ACQUISITION COSTS

Estate Agents Fees	
Conveyancing fees %	
Stamp duty %	5%

OTHER COSTS

Developers Profit on Build Cost	
Developers Profit on GDV	
VAT (where applicable)	

Stamp Duty Rates

Values under £120,000	0%	Values of £250,000-£500,000	3%
Values of £120,000-£250,000	1%	Values over £500,000	4%

NOTES

£2160 per M2 or 201 psf Build/renovation costs.
See alternative valuation for commercial refurbishment option.
Location factor for Greater London
Approximately.
N/A

Fees + contingency at 10%

Agency & Legal fees at 1.5%

Appraisals Appendix

DEVELOPMENT COSTS

Construction costs:

	£/m ²	area m ²	
Building Costs	1500.00		
X location factors for Greater London	1.06		
	1590	375	596,250.00
S.106 requirements			9,498.32
Other abnormals			0.00

Total Build Costs

£605,748.32

Other Construction Costs:

Demolition & Ancillary costs	2.0%	12,114.97	617,863.29	Total build costs inc. demo £0.62m.
Professional fees on building costs so far	8.0%	49,429.06	667,292.35	Total fees region of £700k

Construction Finance Costs:

Short term finan	0.00%	per annum over	2	Year(s)	
Finance on professional fees over build perio	2	Year(s)			
@ 0.00%	per annum x 2/3		0.00		
Finance on Building cost over build period of	2	Year(s)			
@ 0.00%	per annum over build period x		0.00		667,292.35
Advertising & Marketing (incl. Interest)			85,006.25		752,298.60 Fees £700-750k
Contingency on total costs (including interest)	2.0%		15,045.97		767,344.57

Sales Costs:

Letting fees on initial rent	0%	0.00	767,344.57
Sale fees of GDV (includes for legal fees on s	2%	28,500.00	795,844.57
Developers profit of GDV @	0%	£0.00	795,844.57
VAT @	0.0%	0.00	795,844.57

Gross Development Cost £795,844.57

Gross Site Value £1,104,155.43

Less:

Cost of Purchasing Land:

Let 'x' = land value

Acquisition Costs	5%	0.050
Finance for land acquisition	3	1.000
X =		1.050

£1,051,576.60

Net land Value say

£1,051,576.60 Total residential value say £1.1m

Achieved Land val as % of GC 55.35%

Appraisals Appendix

RESIDUAL VALUATION - COMMERCIAL RE-DEVELOPMENT

323 High St Epping

Area: **Et Sq** 3050 Sq Ft GIA **M2** 283.35 m2 GIA

Net Market Rent 283.35415 m²@ £153.00 per m² £45,053.31
YP in perpetuity 7.00% 14.29

NOTES

NIA 3000 sq ft = @ £15 psf = say £45,000 rent pa
£643,618.71 7% if private/business occupier, 5% if government (government more secure covenant).

Anticipated Gross Development Value of completed scheme

£643,618.71

VARIABLES

CONSTRUCTION COSTS

Building cost **RESIDENTIAL** £0.00 ▼
Building cost **COMMERCIAL** £815.00 ▼
Location Factor 1.06 ▼
Gross External Area of residential units 0
Gross External Area of commercial units 283.35
Demolition & Ancillary works% 2.0% ▼
Professional fees % 8.0% ▼
Finance Rate ▼
Contingencies % ▼
Build Period (years) 2 ▼
Sales delay period (years) (where applicable) 1 ▼
S.106 requirements Education Contribution £0.00
S.106 requirements Environmental Improvements contribution
Other abnormal costs (where applicable)

SALES COSTS

Advertising & marketing £0.00 ▼
Letting Fees % ▼
Sales Fees % ▼

ACQUISITION COSTS

Estate Agents Fees 1.0% ▼
Conveyancing fees % 0.5% ▼
Stamp duty % 5%

OTHER COSTS

Developers Profit on Build Cost
Developers Profit on GDV
VAT (where applicable) ▼

NOTES

See alternative valuation for residential conversion option.
£815 per M2 or £75.72 psf Refurbishment costs.
Factor for greater London.
N/A
283 M2 / 3050 sq ft GIA approx based on initial measurements.

Stamp Duty Rates

Values under £120,000	0%	Values of £250,000-£500,00	3%
Values of £120,000-£250,000	1%	Values over £500,000	4%

Appraisals Appendix

DEVELOPMENT COSTS

Construction costs:

	£/m ²	area m ²	
Building Costs	1000.00		
X location factors for Greater London	1.06		
	1060	283	300,355.40
S.106 requirements			0.00
Other abnormalities			0.00

Total Build Costs

£300,355.40

Other Construction Costs:

Demolition & Ancillary costs	2.0%	6,007.11	306,362.51	
Professional fees on building costs so far	8.0%	24,509.00	330,871.51	110.2905025 Fees and demolition equates to approx £100 psf / £1,170 per M2 1167.696

Construction Finance Costs:

Short term finan	0.00%	per annum over	2	Year(s)	
Finance on professional fees over build perio	@	0.00%	per annum x 2/3	2	Year(s)
					0.00
Finance on Building cost over build period of	@	0.00%	per annum over build period x	2	Year(s)
					0.00
Advertising & Marketing (incl. Interest)					330,871.51
Contingency on total costs (including interest)	0.0%				330,871.51

Sales Costs:

Letting fees on initial rent	0%	0.00	330,871.51
Sale fees of GDV (includes for legal fees on s	0%	0.00	330,871.51
Developers profit of GDV @	0%	£0.00	330,871.51
VAT @	0.0%	0.00	330,871.51

Gross Development Cost £330,871.51

Gross Site Value £312,747.20

Less:

Cost of Purchasing land:

Let 'x' = land value

Acquisition Costs	7%	0.065
Finance for land acquisition	3	1.000
	X =	1.065

Purchasers costs around 6.75%

£293,659.35

Net land Value say

£300,000.00 £300 - 540k depending on occupier covenant type.

Achieved Land val as % of GC **45.63%**

Appraisals Appendix

7:10 Desk Ratio (Oct 2018):					
New Building					
New Build Floor Area	3,300	m2	35,520.87	sq ft	GIA
Of which = 17.5% for common areas	578	m2	6,216.15	sq ft	Circulation
Office Build Costs	£2,250	m2			
Office Build Costs Total	£7,425,000				
No land acquisition costs	0				
15% contingency, fees, A/C plant	£8,538,750				

Appraisals Appendix

Original Calculations - September 2018

RESIDUAL VALUATION

Address The Civic Offices 323 High Street, Epping CM16 4BZ
Valuation Date 27.09.18
Scheme 4 storey; 65 flats

	Acres	m ²	ft ²	Hectares	Habitable Rooms	Max Hab Rooms
Gross Site Area	1.6310	6,600.563	71,048.497	0.6600	187	
	0.0000		0.000	0.0000		
	0.0000	0.000		0.0000		
Net site area	0.8155	3,300.211	35,523.476	0.3300	50% buildable	

SCHEME DETAILS:

Development Type:

		Residential				
Unit Type	No. of units	Habitable rooms	Gross Int. Area	Total areas	value per unit	total value
BLOCK A						
Private	20	40	0	0	£600,000.00	£12,000,000.00
Affordable	13	39	0	0	£250,000.00	£3,250,000.00
BLOCK B						
Private	20	60	0	0	£600,000.00	£12,000,000.00
Affordable	12	48	0	0	£250,000.00	£3,000,000.00
Totals	65	187				
		Gross Internal Area of flats	0			
		Gross External Area of block	0			£30,250,000.00

		Commercial	(No Commercial in scheme)		
Net Market Rent	sq ft	@	£ per sq ft	£0.00	
YP in perpetuity @	1.00%	0	0		£0.00

Anticipated Gross Development Value of completed scheme

£30,250,000.00

Appraisals Appendix

VARIABLES

CONSTRUCTION COSTS

Building cost RESIDENTIAL	£200.00	▼	
Location Factor	1.06	▼	
Gross Internal Area of residential units	42250		
Gross Internal Area of commercial units	0		
Demolition & Ancillary works%	0.0%	▼	Pre 1999; asbestos
Professional fees %	8.00%	▼	
Finance Rate	0.00%	▼	
Contingencies %	0.0%	▼	
Build Period (years)	0	▼	
Sales delay period (years) (where applicable)	0	▼	
S.106 requirements Education Contribution	£0.00		
S.106 requirements Environmental Improvements contribution			
Other abnormal costs (where applicable)			

SALES COSTS

Advertising & marketing	£0.00	▼
Letting Fees %	0%	▼
Sales Fees %	0.0%	▼

ACQUISITION COSTS

Estate Agents Fees	0.0%	▼
Conveyancing fees %	0.00%	▼
Stamp duty %	7%	

OTHER COSTS

Developers Profit on Build Cost	0.00%	
Developers Profit on GDV	0%	▼
VAT (where applicable)		

Stamp Duty Rates

Values under £125,000	0%	Values of £500,001 - £1M	4%
Values of £125,001-£250,000	1%	Values of £1M - £2M	5%
Values of £250,001-£500,000	3%	Values over £2M	7%

Appraisals Appendix

DEVELOPMENT COSTS

Construction costs:

	£/ft²	area ft²	
Building Costs	200.00		
X location factors for Greater London	1.06		
	0.00	0	-
	212	42250	8,957,000.00
S.106 requirements			0.00
Other abnormalities			0.00

Total Build Costs

£8,957,000.00

Other Construction Costs:

Demolition & Ancillary costs	0.01%	0.0%	50,000.00	9,007,000.00
Professional fees on building costs so far		10.0%	900,700.00	9,907,700.00

Construction Finance Costs:

Short term finance	0.00%	per annum over	0.5	Year(s)	
Finance on professional fees over build period of			0.5	Year(s)	
@ 5.00%		per annum x 2/3			
Finance on Building cost over build period of			0.5	Year(s)	
@ 5.00%		per annum over build period x 1/2			0.00
Advertising & Marketing (incl. Interest)					0.00
Contingency on total costs (including interest)		3.0%	297,231.00		10,204,931.00

Sales Costs:

Letting fees on initial rent	1%		0.00	10,204,931.00
Sale fees of GDV (includes for legal fees on sales)	2%		453,750.00	10,658,681.00
Developers profit of GDV @	20%	£6,050,000.00	6,050,000.00	16,708,681.00
VAT @	20.0%		3,341,736.20	20,050,417.20

Gross Development Cost £20,050,417.20
Gross Site Value £10,199,582.80

Less:

Cost of Purchasing land:

Let 'x' = land value

Acquisition Costs	7.00%	0.070
Finance for land acquisition	0	1.000
X =		1.070

£9,532,320.37

Net land Value say

£9,532,320.37

Analysis

£/Hab. Room	£50,974.98
land val. @ 40%	£12,100,000.00
£/ha	£28,883,968.90
£/acre	£11,689,182.07
£/m2	£2,888.40
£/ft2	£268.34
Achieved Land val as % of GDV	31.51%