



BATTERSEA DESIGN & TECH QUARTER
APPENDICES | 10-02-2020

WE MADE THAT



HATCH
REGENERIS

urban
movement
RESEARCH | PLANNING | STRATEGY | DESIGN

GRAHAM HARRINGTON
PLANNING ADVICE

Stockdale

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1.0

INTRODUCTION

1.1 About this project

Wandsworth Borough Council wishes to promote a creative and technology hub in East Battersea/Nine Elms, building on a strong existing creative economy which is forecast to develop further with future investment in the Nine Elms area, including the arrival of the UK HQs of Apple and Penguin Random House.

The creative and technology hub falls within the Vauxhall Nine Elms Battersea (VNEB) Opportunity Area which is seeing the development of central London's newest mixed-use district, part of the Central Activities Zone (CAZ), with two new Zone 1 tube stations on the Northern Line Extension. The new district will be truly mixed use with a planning target of 20,000 new homes and 25,000 new jobs by 2031. Development is well underway, and these targets are on course to be met.

Wandsworth Council has commissioned a multi-disciplinary team to devise a framework that sets out how the Battersea Design & Technology Quarter concept can be defined, mobilised and delivered in a way that maximises the opportunity to deliver a high performing economic and creative cluster which supports their vision for the area and the borough as a whole. This document forms that framework.

1.2 About Battersea Design & Tech Quarter

Battersea Design & Tech Quarter (DTQ) is an area of change where LB Wandsworth are seeking to deliver a vision for high quality buildings and public realm that bring a modern and flexible workspace offer to the area.

The quarter is located at the western end of the Vauxhall Nine Elms Battersea (VNEB) Opportunity Area which is seeing the development of central London's newest mixed-used district, part of the Central Activities Zone (CAZ), with two new Zone 1 stations on the Northern Line Extension.

Battersea DTQ is building on a strong existing creative economy which is forecast to develop further with future investment in the Nine Elms area including the arrival of the Apple UK headquarters and Penguin Random House. The quarter also draws on a strong existing design community in this part of Battersea with creative enterprises such as Foster & Partners and Vivienne Westwood as well the expanding Battersea Campus of the Royal College of Art which provides a focus for design research and houses InnovationRCA.

1.3 About the team

We Made That

Role: Physical Development Framework (Lead consultant)

Established in 2006, We Made That is an energetic architecture and urbanism practice with a strong public conscience. We work with our public sector clients to prepare incisive urban research, to develop responsive area strategies and masterplans and to deliver distinctive architecture and public realm projects. All our work is public, and we aim to make imaginative and considered contributions to the built environment through socially engaged design processes.

Hatch Regeneris

Role: Economic & commercial appraisal

Hatch Regeneris specialises in social and economic research into places, communities and projects. We have established a reputation for providing high quality consultancy support and advice on economic development and regeneration, based on strong research and evidence. Hatch Regeneris is expert in the production of business cases and CPD accredited to provide training on Green Book appraisal. This has meant that they have undertaken a vast number of appraisals that have been used to secure over £750m of public investment in projects over the last decade.

Urban Movement

Role: Transport & connectivity advice

Urban Movement specialises in research, planning, strategy + design for streets, spaces + transport infrastructure. We are an inter-disciplinary team with all the skills necessary to work creatively + flexibly in all urban environments. We not only see from all angles, we're also very keen to work with all those whose own perspective can help ensure our

designs have the necessary character and flexibility to enable the public realm of an area to shoulder the many and varied demands and aspirations placed upon it.

Graham Harrington Planning Advice (GHPA)

Role: Planning considerations

Graham Harrington runs a single-handed town planning consultancy, which he established in 2002. Graham's wide spread of experience enables him to provide total planning solutions across plan-making, development management and development promotion. He is advising on the planning policy framework and implementation strategy.

Stockdale

Role: Cost advice

Stockdale is a quantity surveying consultancy. The primary aim of the practice is to facilitate quality building development within budget and on programme. To achieve this aim Stockdale works closely with acknowledged designers utilising an understanding and appreciation of design whilst applying specific expertise in cost management and procurement.

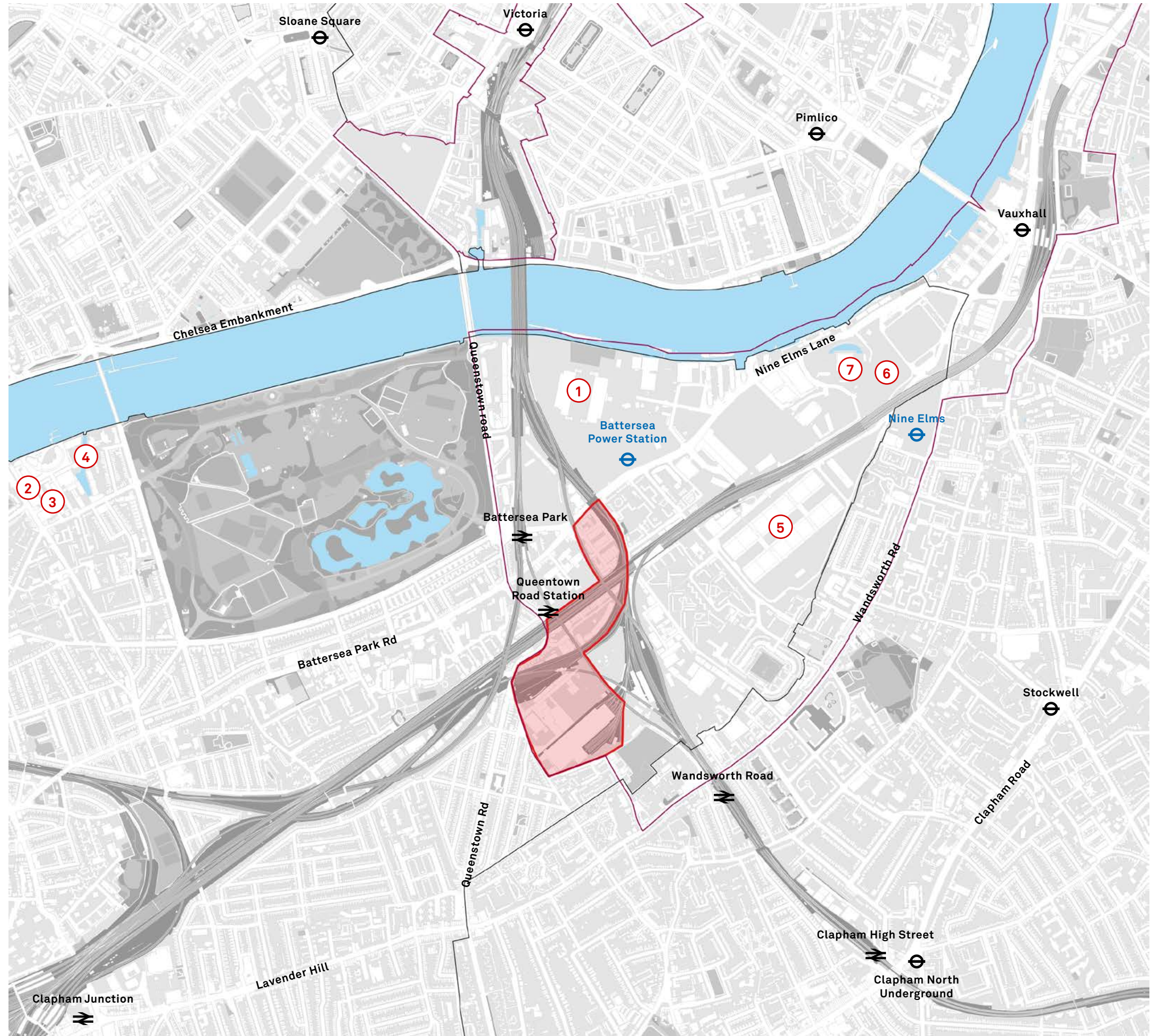
2.0
WIDER AREA



Vauxhall and Nine Elms area, 2019

2.1
POLICY CONTEXT

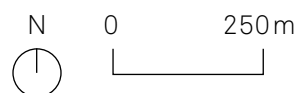
Study area



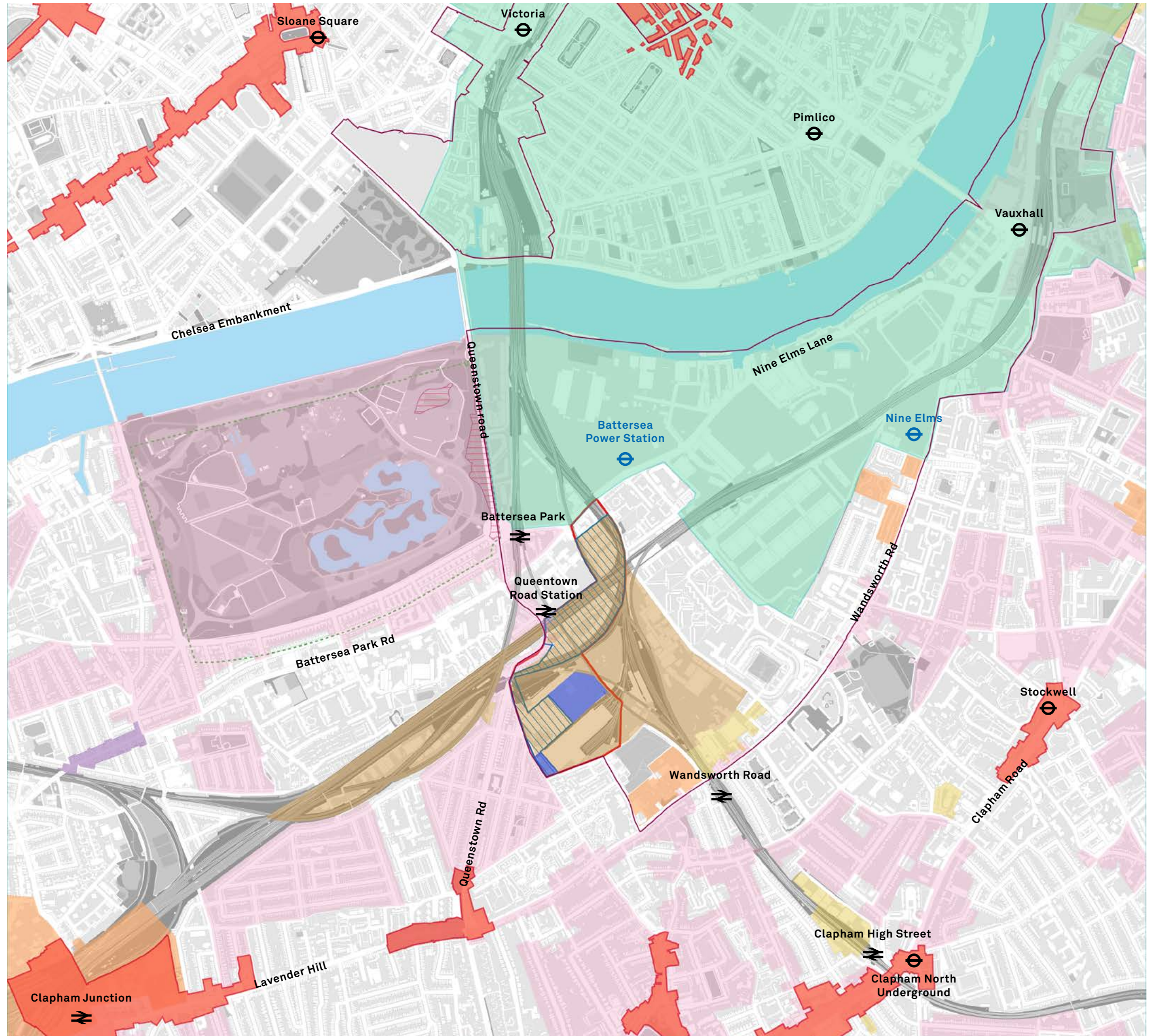
KEY

- 1. Apple UK headquarters
- 2. Royal College of Art, Battersea campus
- 3. Innovation RCA
- 4. Foster & Partners
- 5. New Covent Garden Market
- 6. Penguin Random House UK
- 7. U.S. Embassy

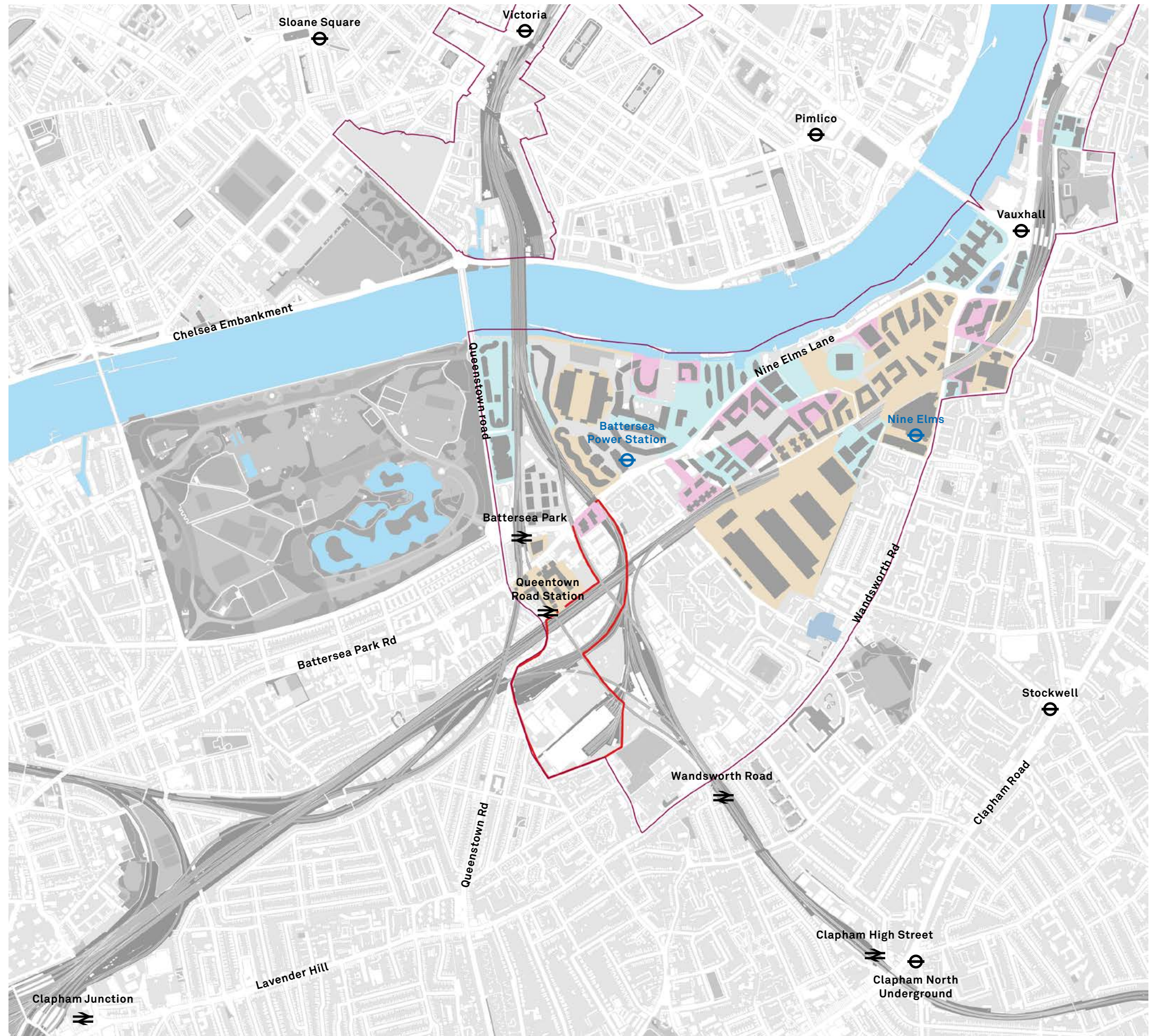
- Battersea Design & Tech Quarter boundary
- Borough boundary
- Opportunity Area boundary



Planning policy context



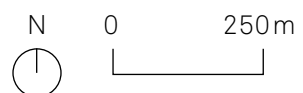
Vauxhall & Nine Elms master plan


















KEY

- Complete
- Under construction
- Application approved
- Pre-development
- Battersea Design & Tech Quarter boundary
- OAPF boundary

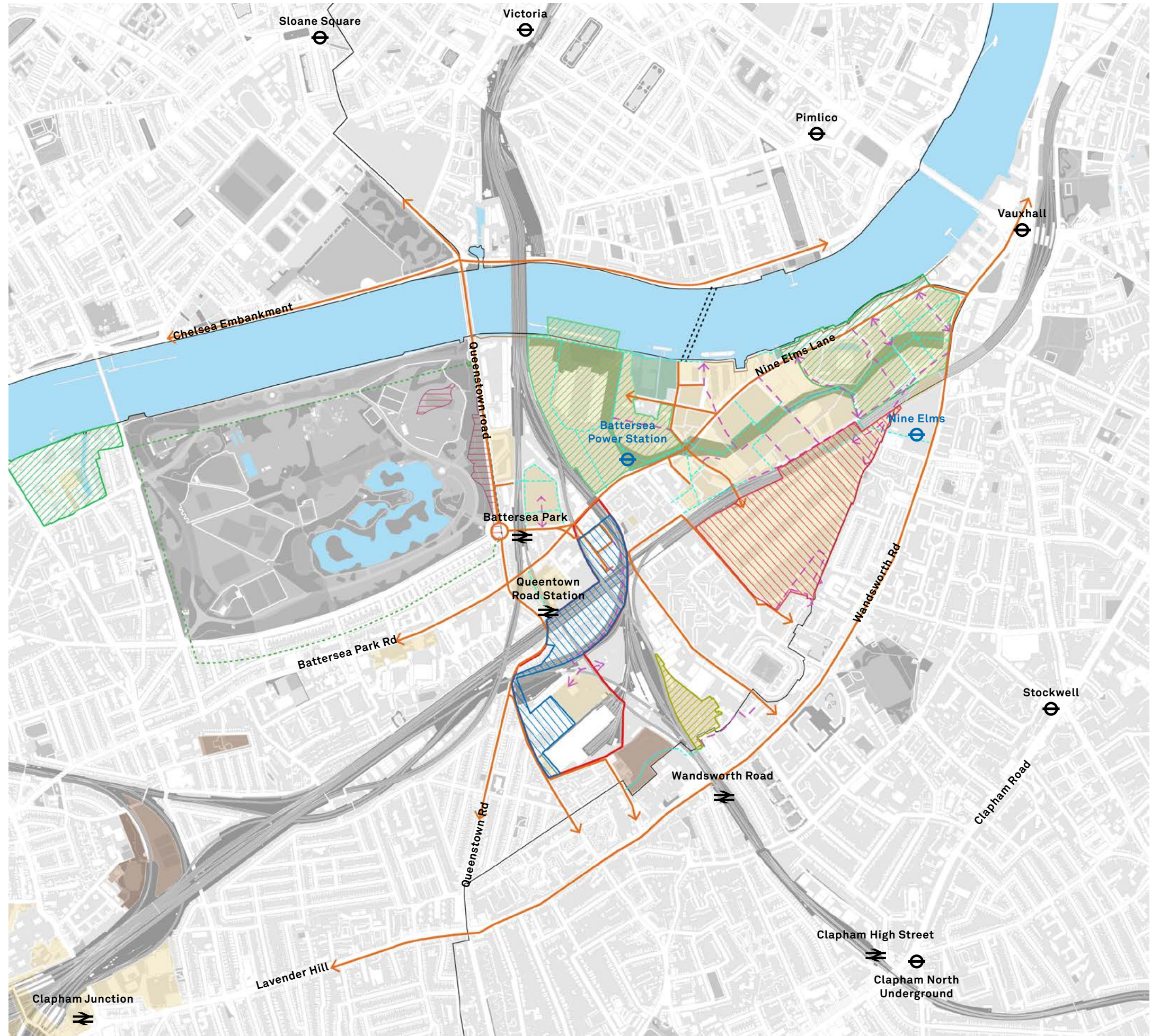
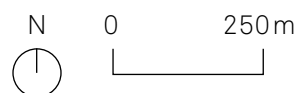
Source: Vauxhall Nine Elms Commercial and Development Map (2019)



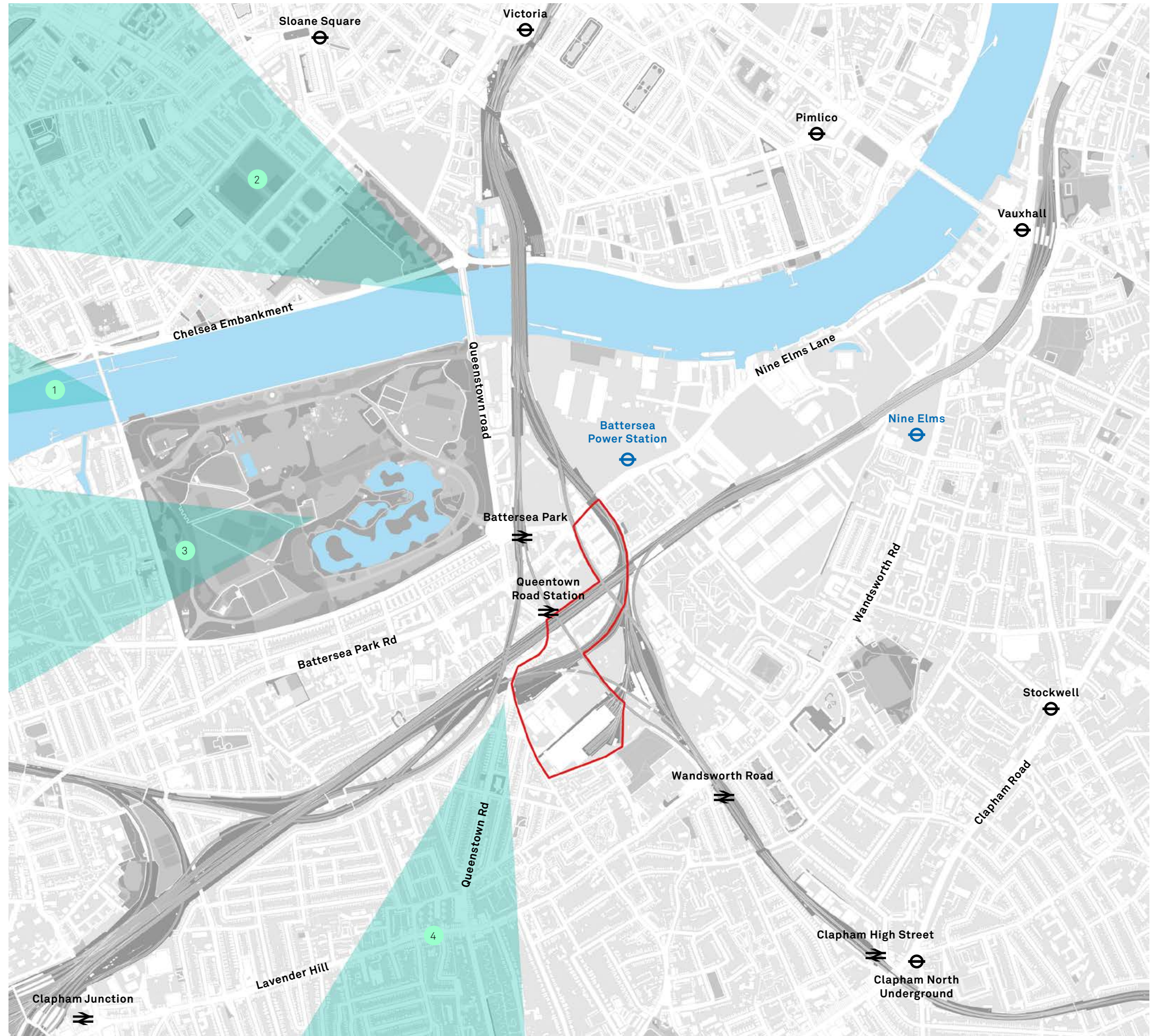
Local plan review

- KEY
-  Existing vehicular routes
 -  Suggested new vehicular routes
 -  Suggested pedestrian routes
 -  Suggested new bridge link
 -  Focal point
 -  Industrial Business Park (I.B.P)
 -  Developed market site
 -  Waste management
 -  SSAD site
 -  Safeguarded wharves
 -  Larger protected open spaces
 -  Indicative green link
 -  Battersea Design & Tech Quarter boundary
 -  Borough boundary
 -  OAPF boundary

Source: Local Plan - Site specific allocations document (adopted March 2016)



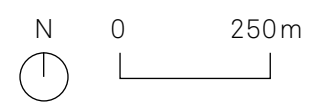
Local views



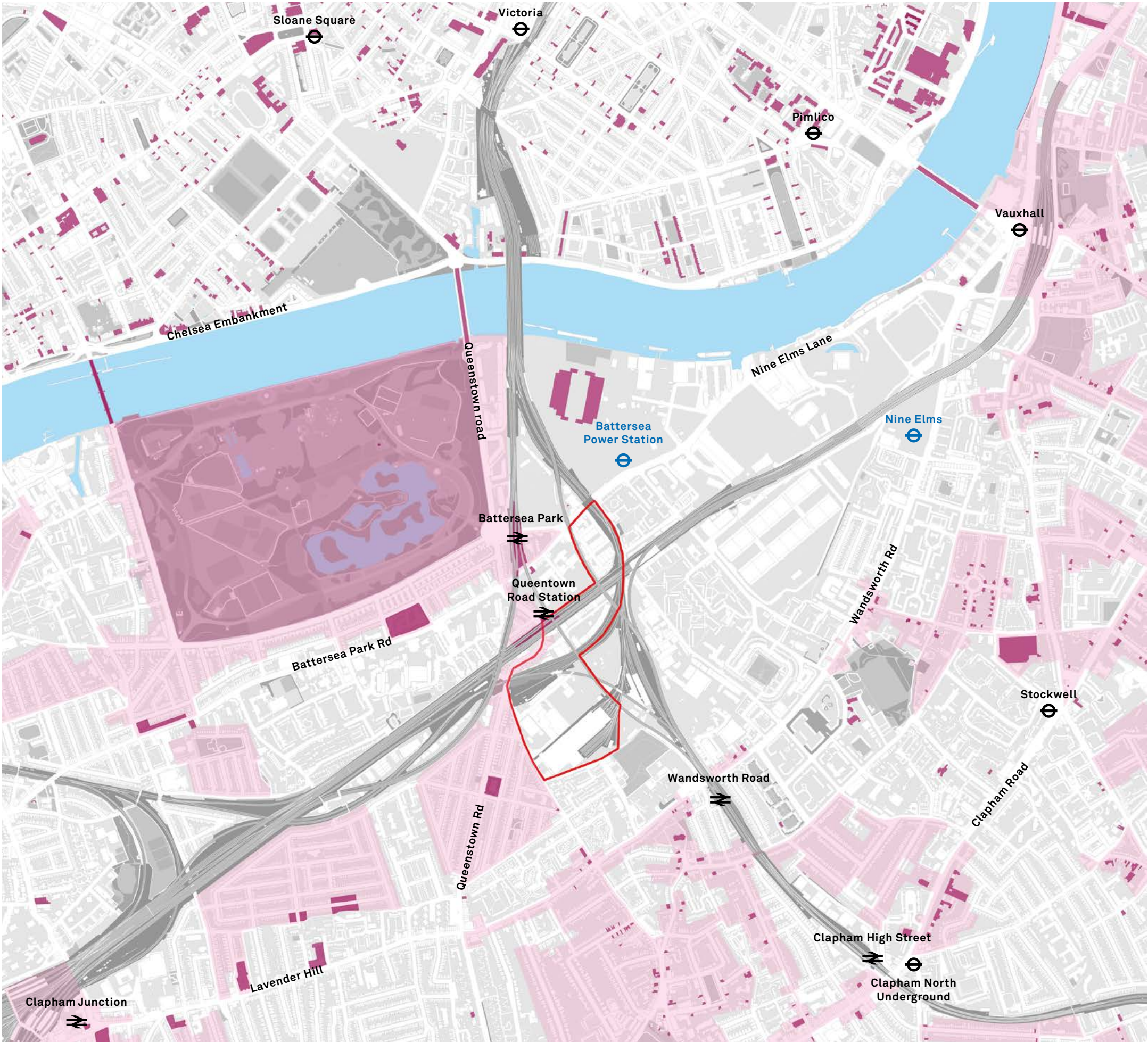
- KEY**
- Views**
- 1 Albert Bridge to Battersea Power Station
 - 2 Chelsea Bridge to Battersea Power Station
 - 3 Battersea Park to Battersea Power Station
 - 4 Queenstown Road to Battersea Power Station

Other

- Study area boundary



Conservation and heritage



KEY

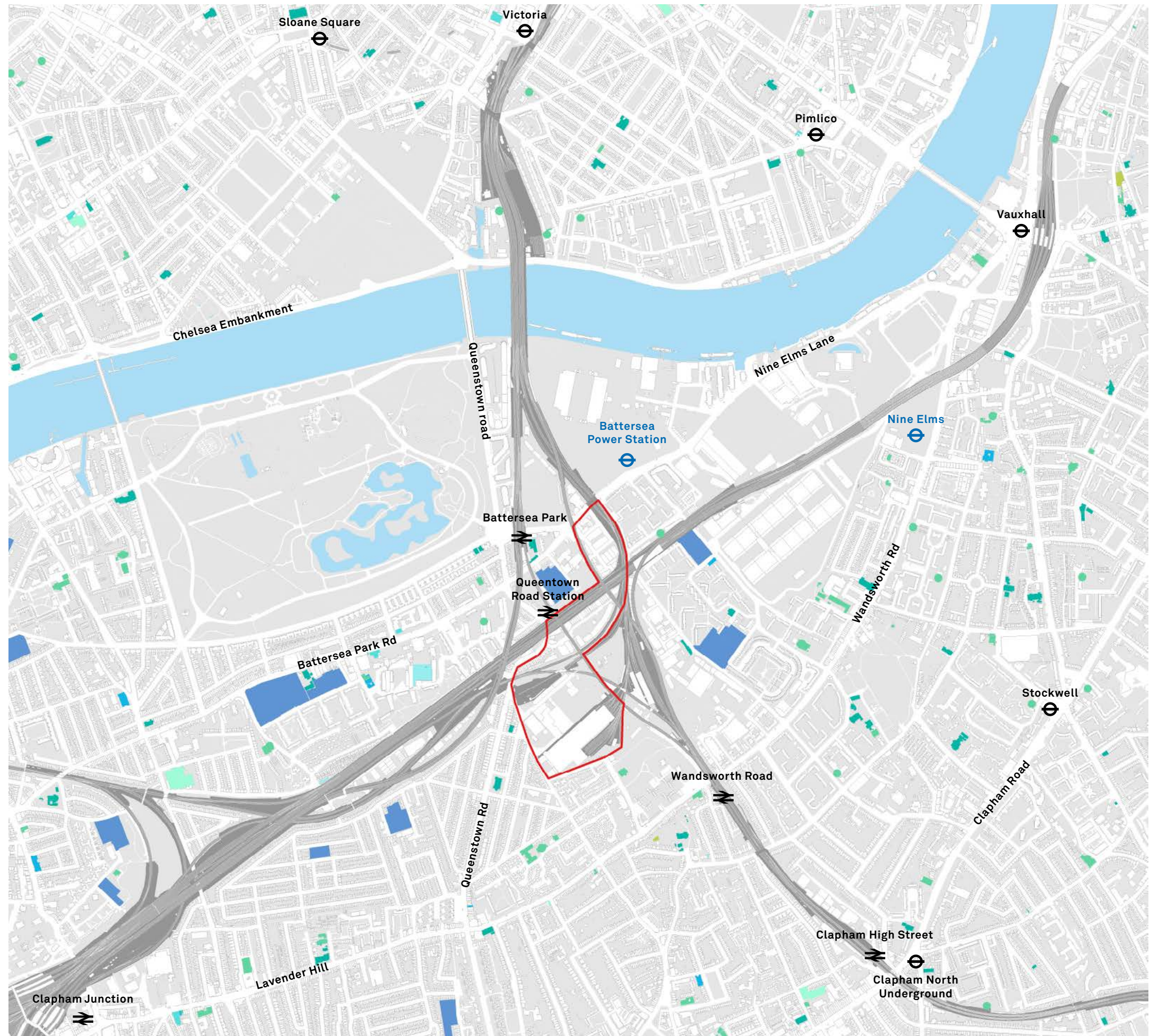
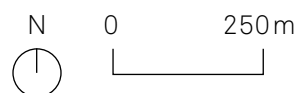
- Listed buildings
- Historic park & gardens
- Conservation areas
- Battersea Design & Tech Quarter boundary
- Borough boundary

N 0 250m

2.2
SOCIAL & CULTURAL
INFRASTRUCTURE

Social infrastructure

- KEY
- London community infrastructure (2016)**
- Community centre
 - Leisure centre
 - Library
 - Place of Worship
- Other**
- Schools & childcare
 - Doctor's surgery
 - Makerspace
 - Allotment



Wider cultural infrastructure

CULTURAL PRODUCTION

Artist workspaces

- 401 studios
- Bread & Roses
- ACME studios / Glassyard
- TMC Artists Studios
- Odd Corners Illustration

Creative workspaces

- Battersea Studios

Dance rehearsal studios

- Off The Rails

Fashion design and manufacturing

- Hotmamas

Makerspace

- Hired Woodwork Space
- London Southwest Workshops Ltd
- Clapham Pottery
- North Street Potters

Music office

- Liquid Management
- Dollhouse Records Ltd

Music rehearsal studio

- Tone Hound Studio

Theatre rehearsal studio

- RSC
- Turbine Theatre

Film production

- Chocolate Films (forthcoming)

Food production

- Mission Kitchen

CULTURAL CONSUMPTION

Commercial/private galleries

- Pumphouse Gallery
- Caroline Wiseman
- Amstel Art Gallery
- Matt's Gallery (forthcoming)
- The Sunday Painter
- Chelsea Space
- John Adams Fine Art
- Saatchi Gallery
- Tryon St
- Flying Colours Gallery
- Cabinet Gallery
- Tate Britain

Archives

- Franco-British Society
- Foster + Partners
- Royal College of Art
- Socialist Party of Great Britain
- Catholic Truth Society
- UAL: Chelsea College of Art and Design
- Chelsea Physic Garden

Arts Centres

- Battersea Arts Centre
- Omnibus Arts Centre
- Battersea Barge

Dance performance venues

- Testbed 1
- Landor Theatre

Theatres

- Theatre503
- Above The Stag Theatre
- Royal Court Theatre
- Omnibus Theatre
- Turbine Theatre

Music venues

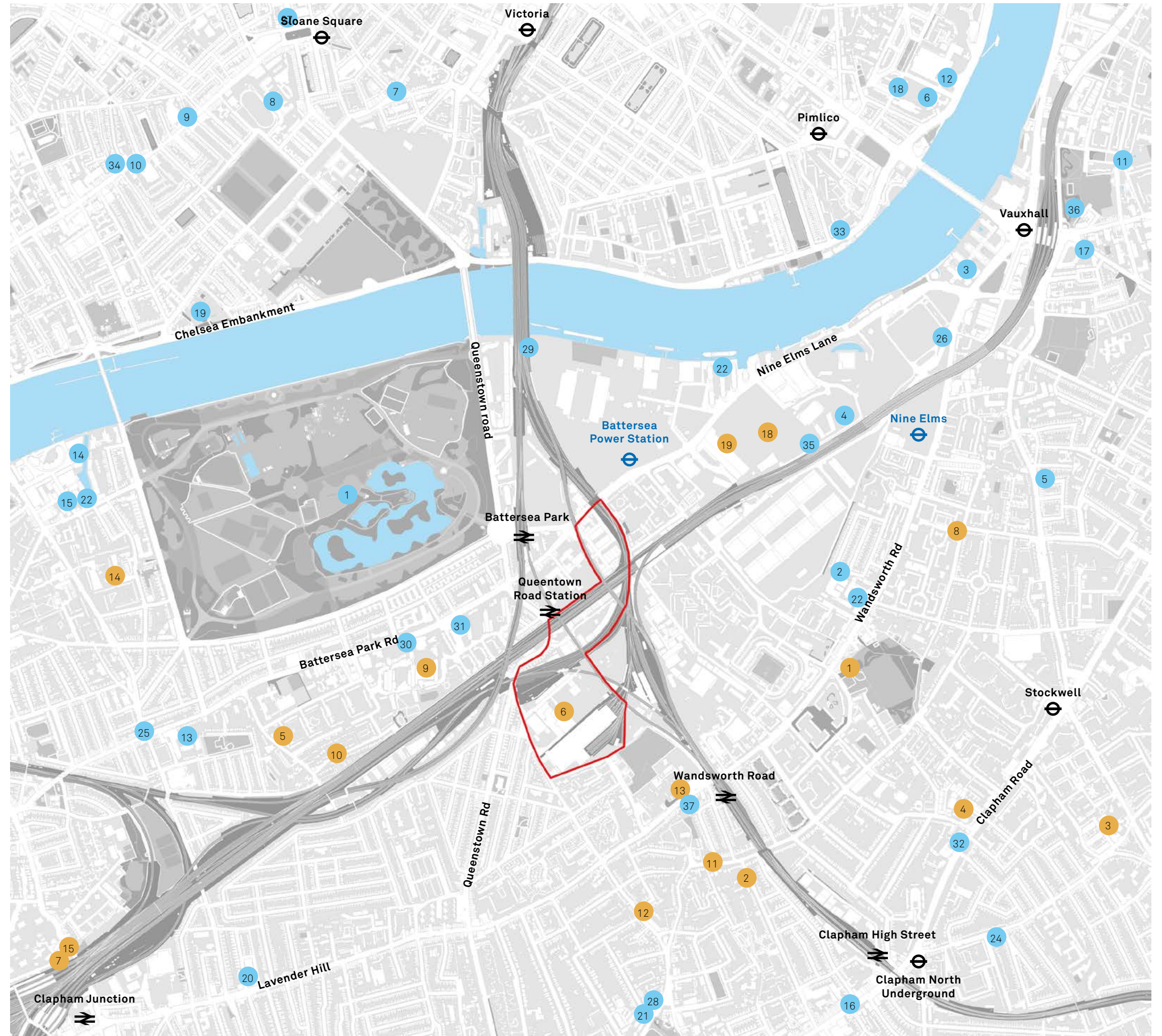
- The Magic garden
- The Grove
- Phoenix
- Grosvenor
- The Pheasantry
- World Heart Beat (forthcoming)

LGBTQ+ venues

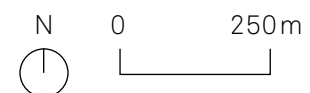
- Royal Vauxhall Tavern

Heritage

- 575 Wandsworth Road

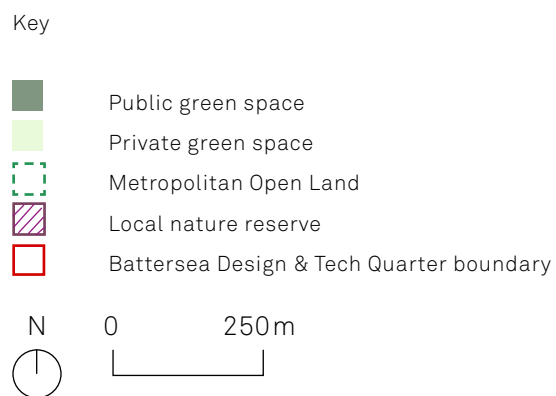


 Battersea Design & Tech Quarter boundary



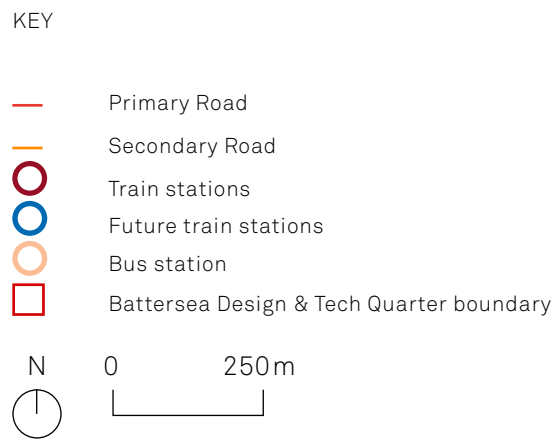
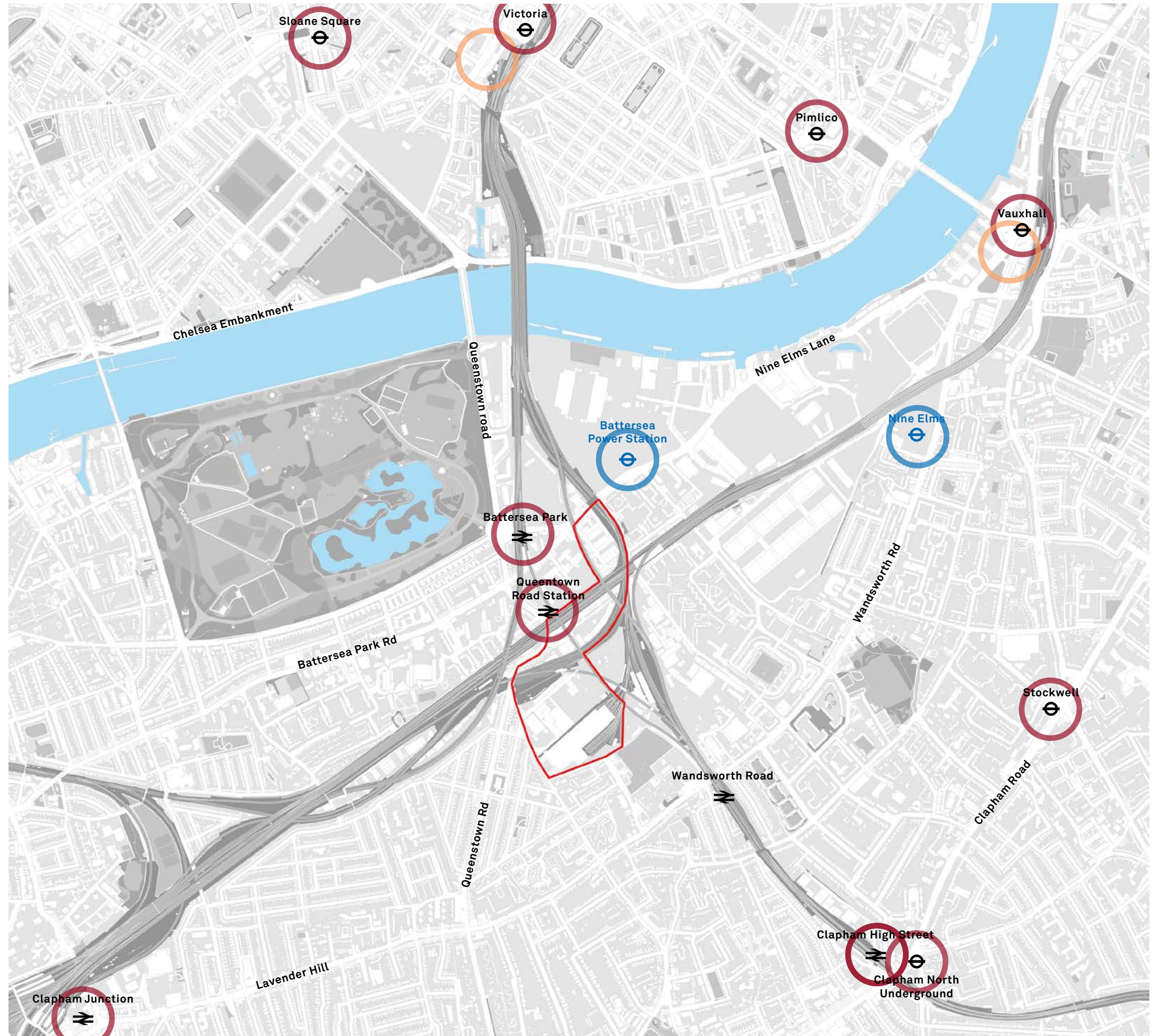
2.3
OPEN SPACE

Green space and
Metropolitan Open Land

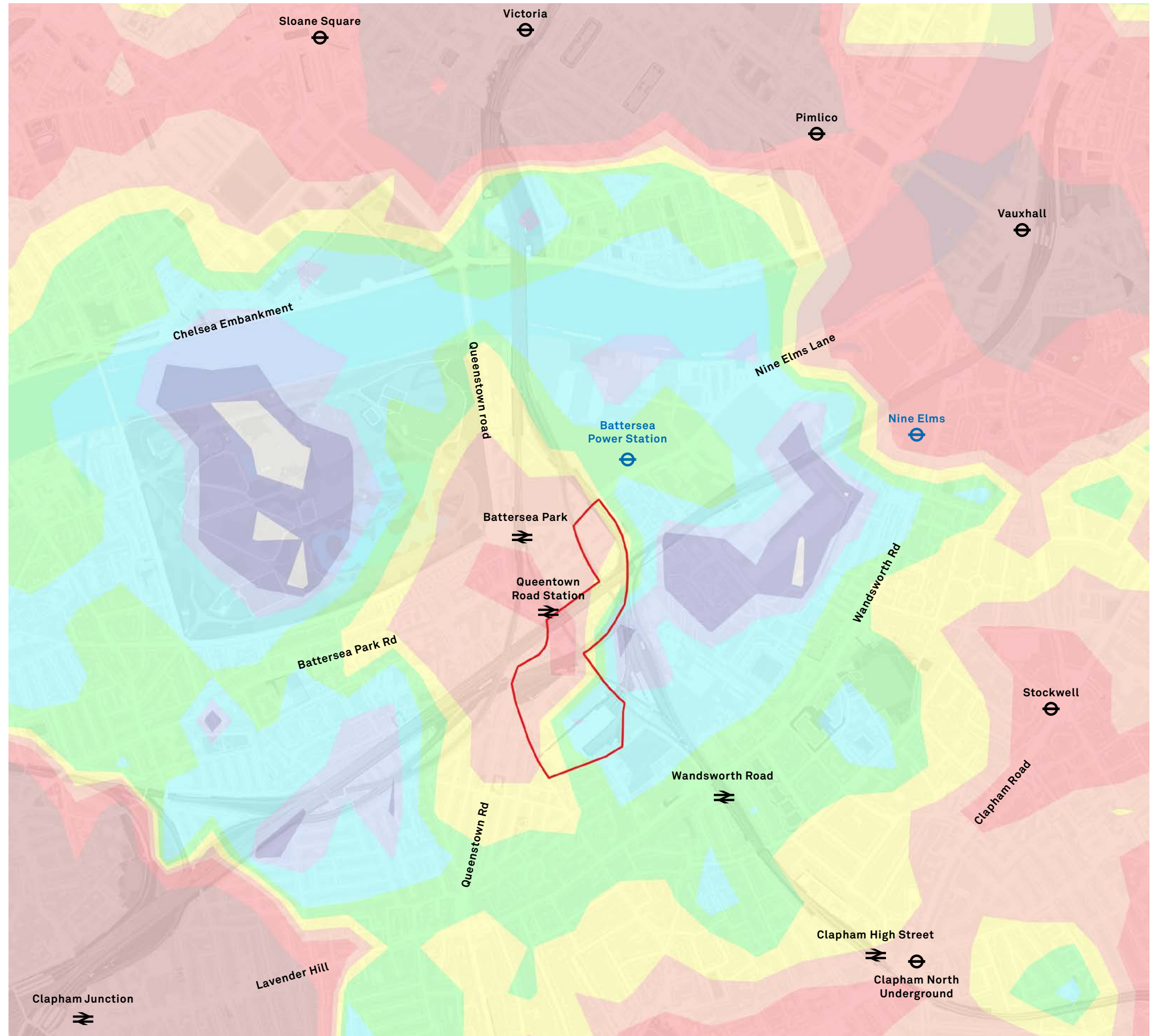


2.4
 TRANSPORT &
 MOVEMENT

Transport nodes



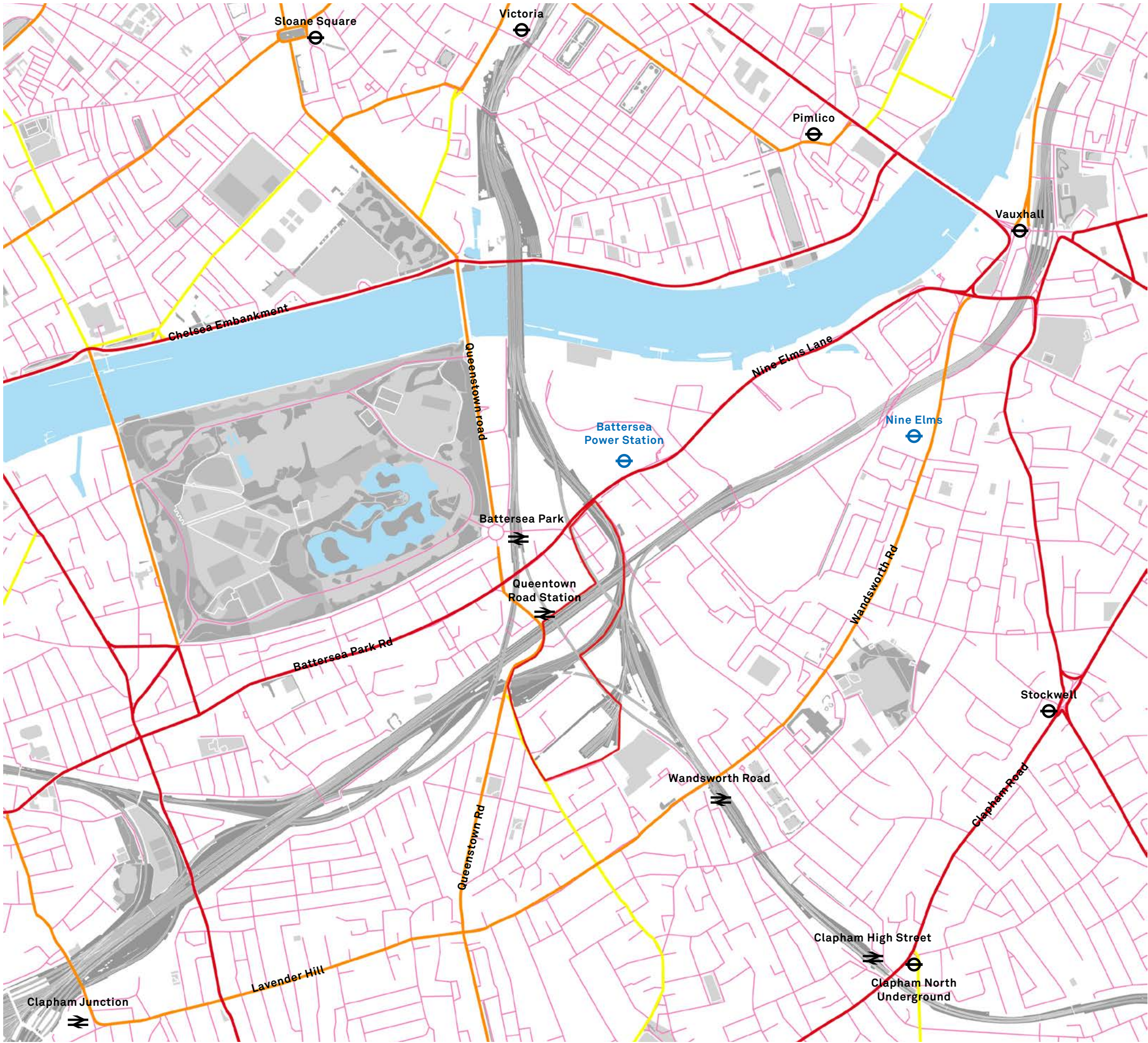
PTAL map



- KEY
- 0
 - 1a
 - 1b
 - 2
 - 3
 - 4
 - 5
 - 6a
 - 6b

N 0 250m

Existing road network classification



KEY

- Minor road
- B-Road
- A-Road (secondary)
- A-Road
- Battersea Design & Tech Quarter boundary

N 0 250m

Bus routes and stops

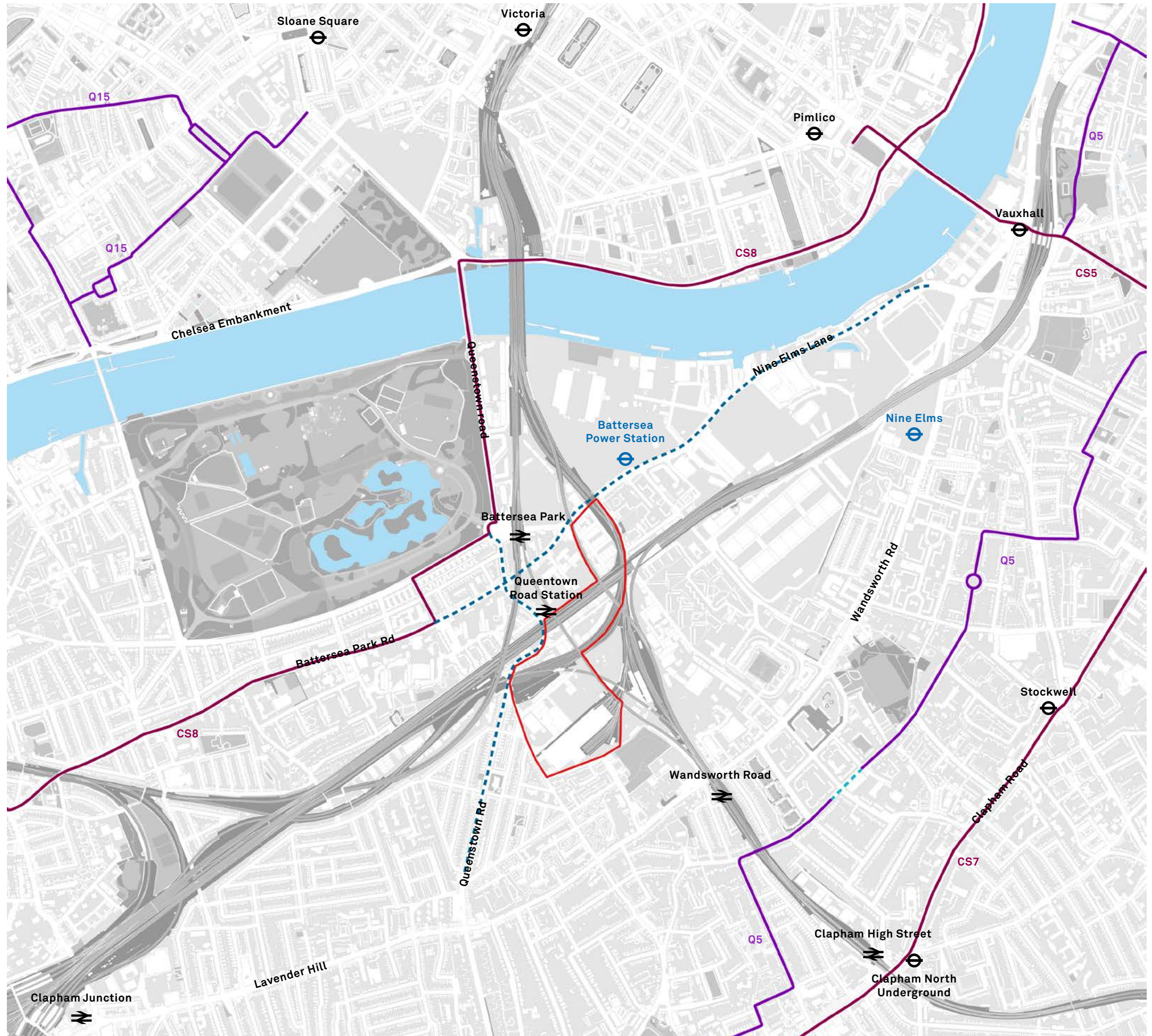


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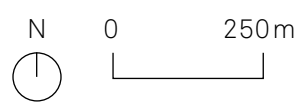
- Bus route
- Bus stop
- Battersea Design & Tech Quarter boundary

N 0 250m

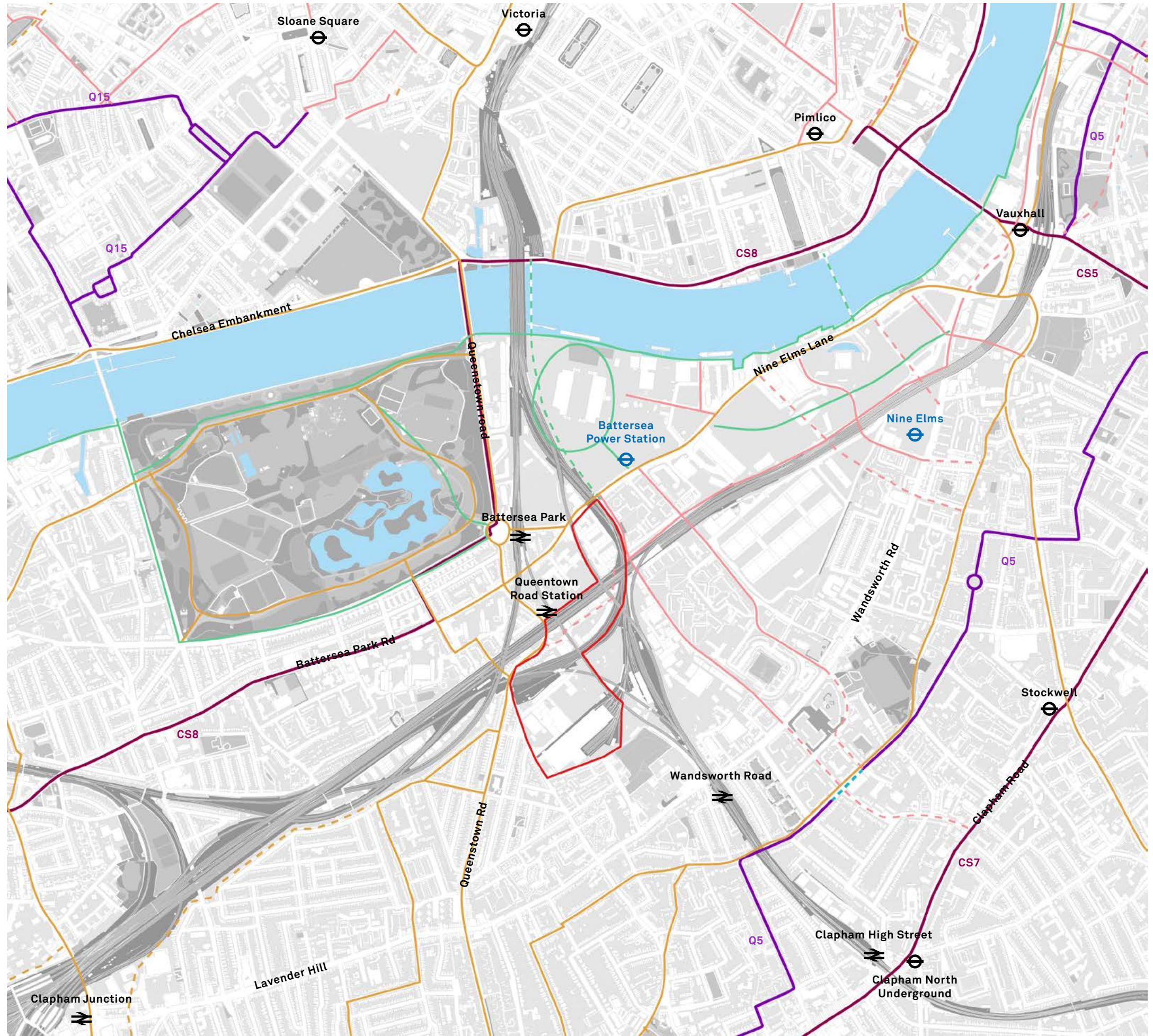
Existing cycling routes



- KEY
- Cycle superhighway
 - Quietway
 - - - New cycle routes 2022
 - - - Consultation complete
 - Battersea Design & Tech Quarter boundary

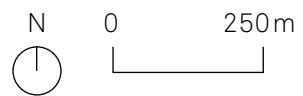


Proposed cycling routes

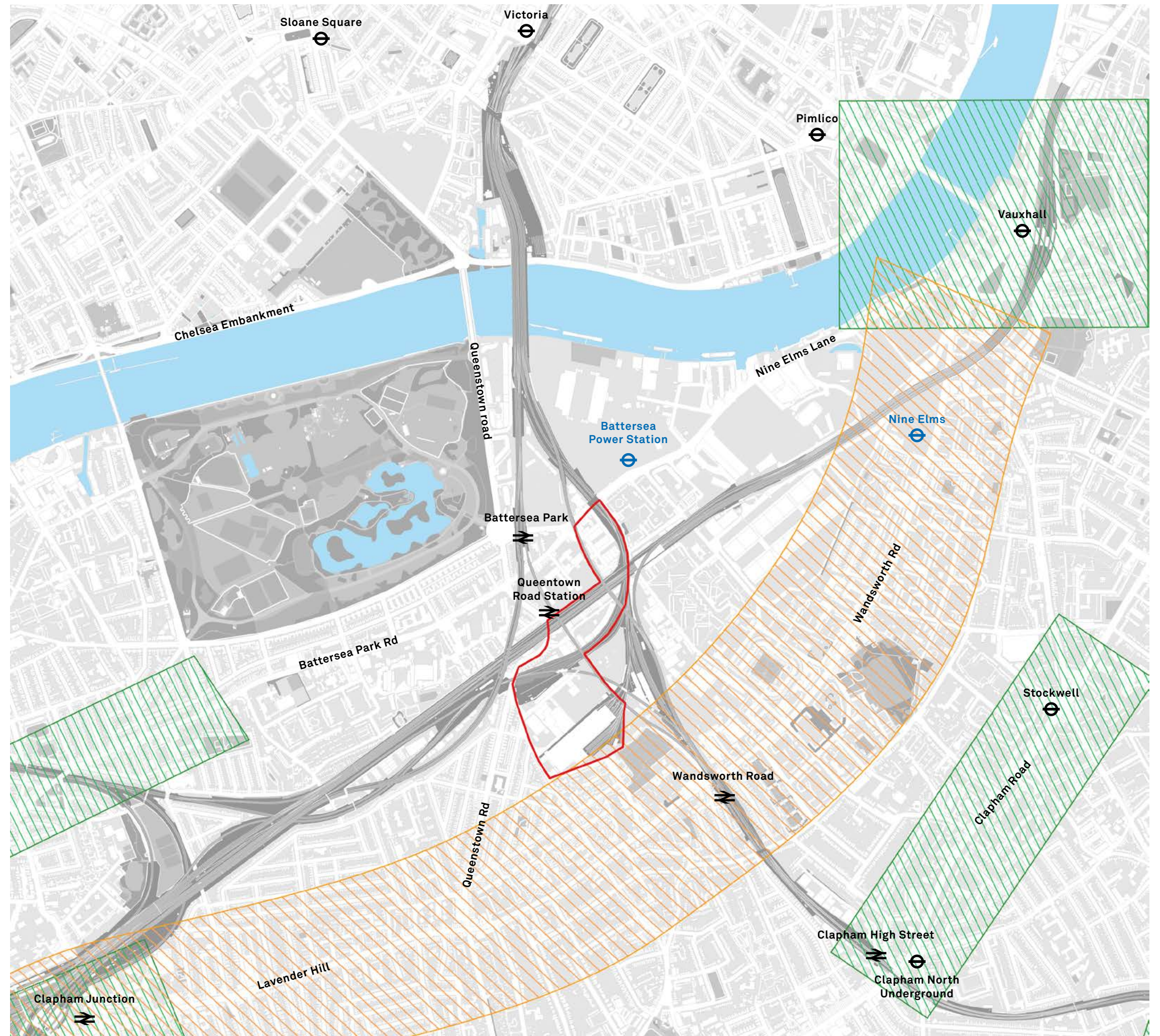





- KEY
- Quietway
 - London cycle network
 - Proposed quietway
 - Green way
 - Consultation complete
 - Battersea Design & Tech Quarter boundary

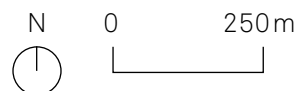
Source: Nine Elms Cycling and Public Realm Projects Manual (2016)



Air quality



- Key
-  Low emission bus zones
 -  LAEI focus areas 2013
 -  Battersea Design & Tech Quarter boundary



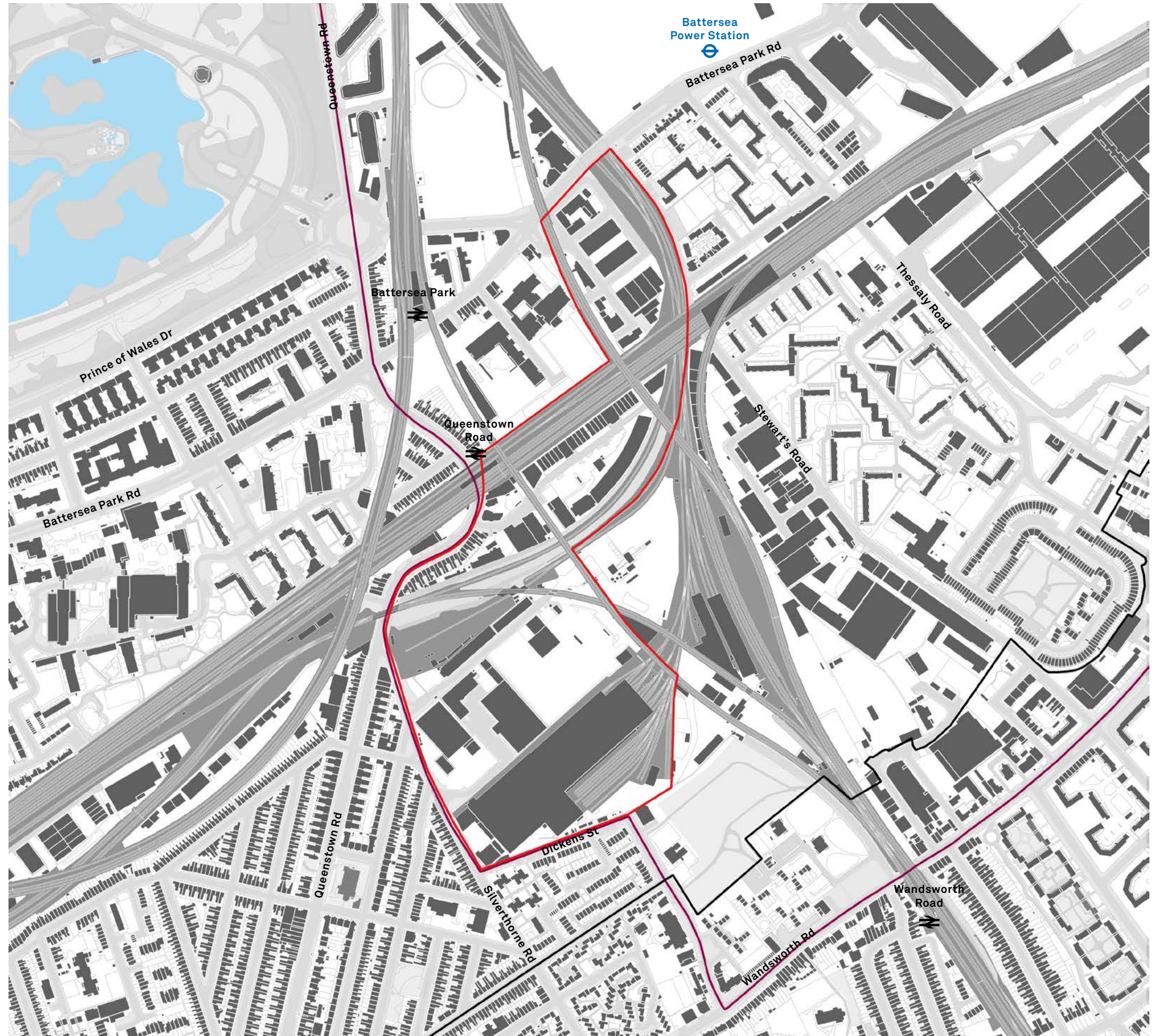
3.0
STUDY AREA






Havelock Terrace, 2019

3.1
POLICY CONTEXT

Study area



- KEY
-  Battersea Design & Tech Quarter boundary
 -  Borough boundary
 -  OAPF boundary



Planning Policy map

KEY

- Strategic industrial locations (SIL)
- Locally Significant Industrial Locations (LSIL)
- Conservation areas
- Housing Zone
- Industrial Business Park (I.B.P)
- Battersea Design & Tech Quarter boundary
- Borough boundary
- OAPF boundary













N

0 200m

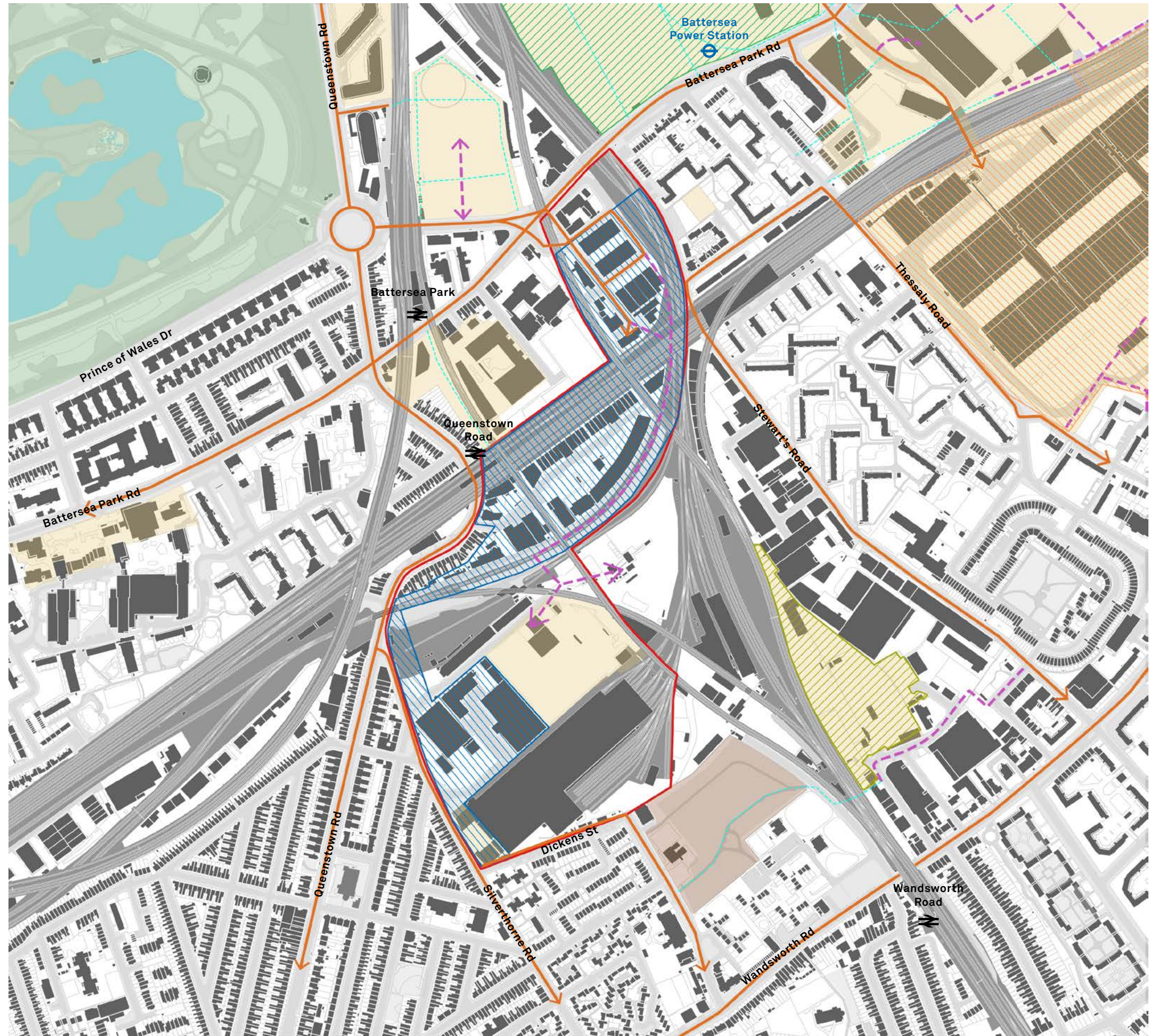


Local plan review

KEY

-  Existing vehicular routes
-  Suggested new vehicular routes
-  Suggested pedestrian routes
-  Focal point
-  Industrial Business Park (I.B.P)
-  Developed market site
-  Waste management
-  SSAD site
-  Larger protected open spaces
-  Battersea Design & Tech Quarter boundary
-  Borough boundary
-  OAPF boundary

Source: Local Plan - Site specific allocations document (adopted March 2016)



Conservation and heritage

KEY

- Listed buildings
- Locally listed buildings
- Historic park & gardens
- Conservation areas
- Battersea Design & Tech Quarter boundary
- Borough boundary

N 0 200m



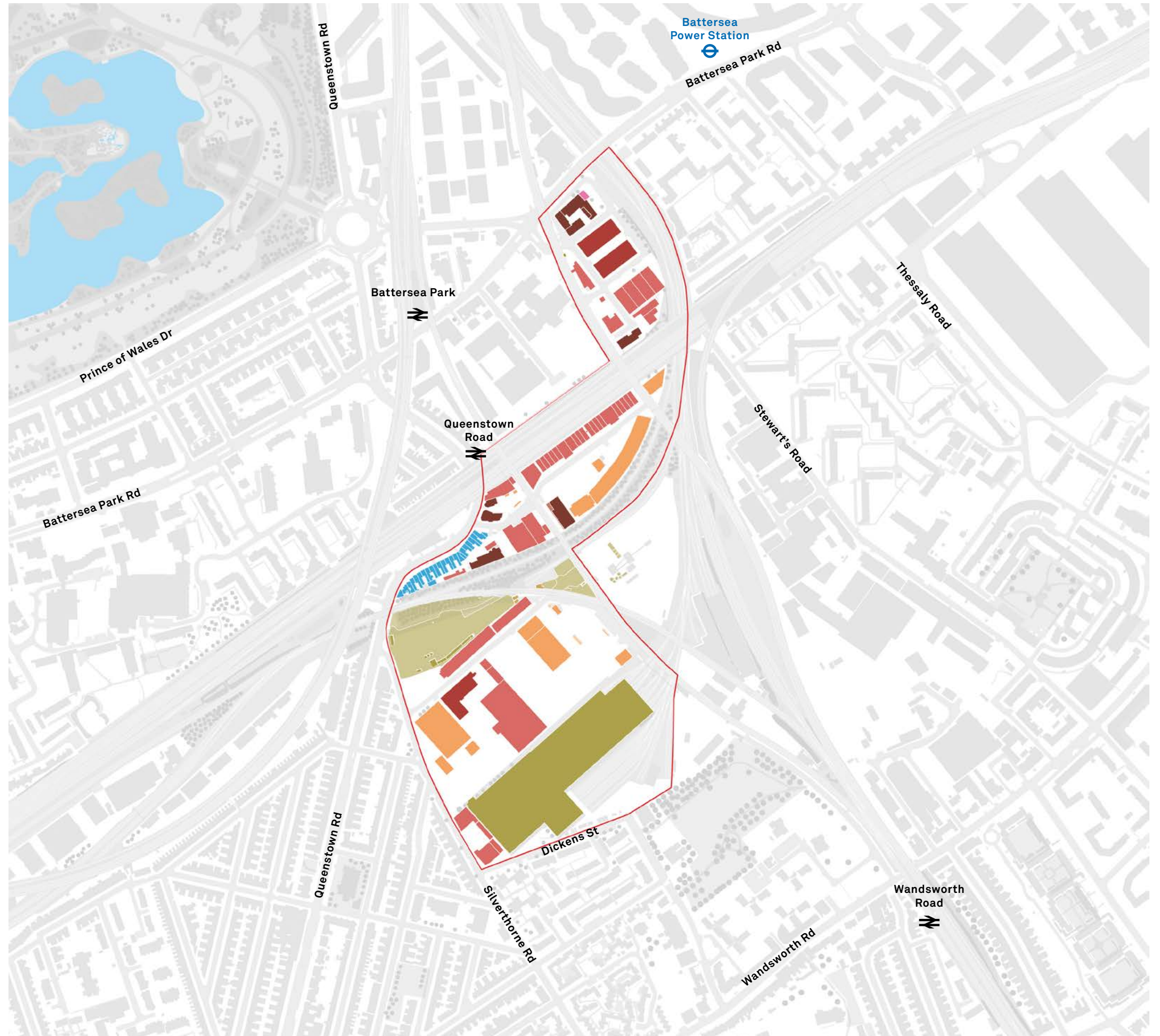
3.2 LAND USES AND BUILDING TYPES

Existing dominant planning use

KEY

- A4 Drinking Establishment
- B1a Office
- Mix B1a/B1c office/light industrial
- B1c light industrial
- B2 General industry
- B8 Storage or distribution
- C3 Residential
- Study area boundary
- Borough boundary
- Opportunity area boundary

N 0 200m



Proposed dominant planning use

Under construction

1. Battersea Exchange: Mixed used development including 3,676sqm of employment use (A1-4/ B1a/D1-2)

Approved

2. Palmerston Court: Mixed-use development including 623sqm of retail/pub space and 5703sqm of B1 office floorspace including 141sqm of affordable workspace.
3. 38 Havelock Terrace: Redevelopment to provide 544sqm of B1c light industrial floorspace, 3,000 of B1a office floorspace, 83sqm of shared B1a-B1c
4. Forum Auction House site: Conversion from office to residential (not implemented)
5. 4 Ingate Place: Extension to existing to provide an additional 1,119sqm of B1a office floorspace
6. 6-10 Ingate Place: Demolition and provision of 6,931sqm of B1a office space, 1,212 of B1c light industrial and 1,474sqm of flexible office/light industrial (B1a/B1c).

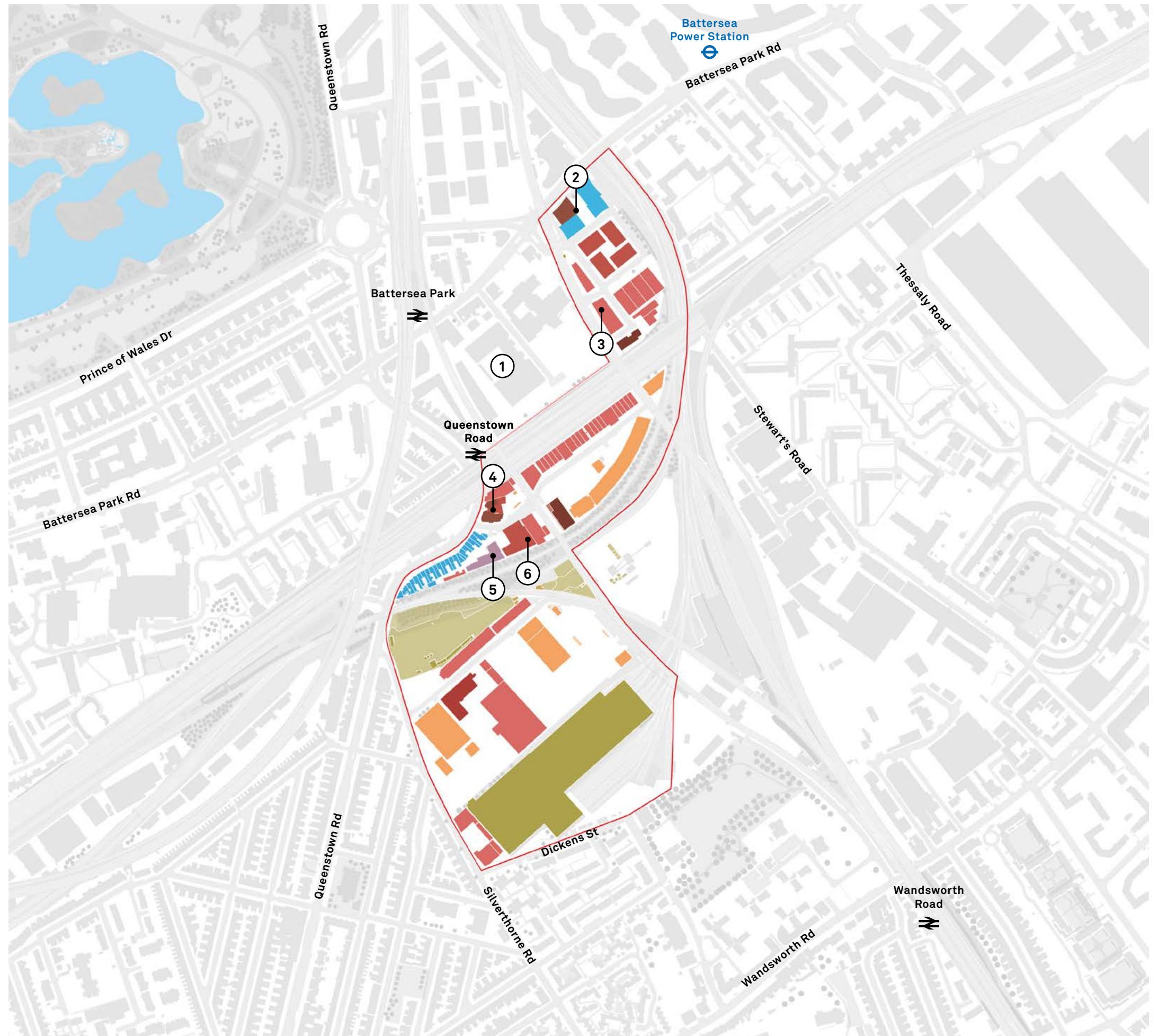
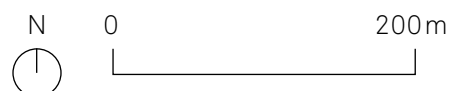
Pre-application

There are a number of confidential pre-application discussions between owners/prospective developers and the Borough in relation to new development and revisions to approved schemes.

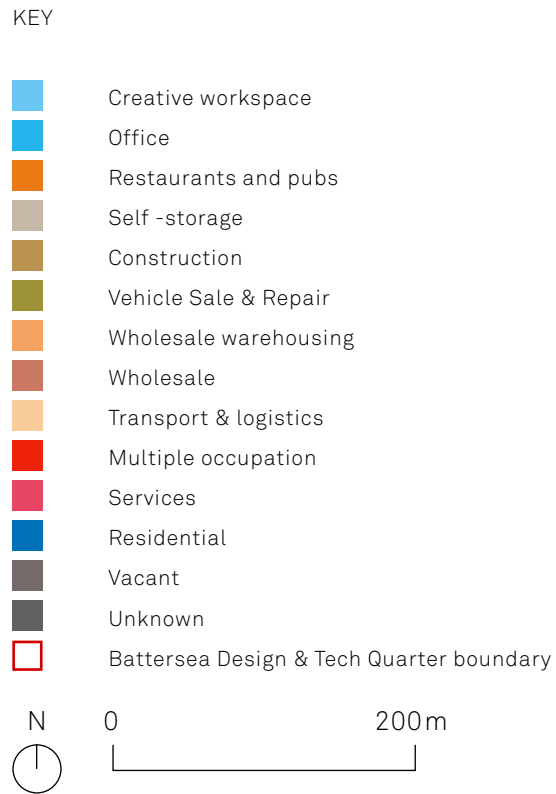
KEY

- A4 Drinking Establishment
- B1a Office
- Mix B1a/B1c office/light industrial
- B1c light industrial
- B2 General industry
- B8 Storage or distribution
- C3 Residential

Study area boundary



Business clusters



Existing spatial typologies

Plot ID	Existing Plot Area (m ²)	Existing Floorspace (m ²)	Existing Spatial Typology
A	2373	2394	Office
B	3571	6738	Workshops*
C	754	451	Small
D	3142	2335	Medium
E	963	502	Small
F	500	0	Vacant
G	874	387	Small
H	686	1480	Office
I(1)	5312	944	Office
I(2)	5312	5306	Small
J	3582	10085	Small*
K(1)	2560	2199	Office
K(2)	2560	2083	Small*
L	889	966	Small
M	835	1723	Office
N	606	620	Small
O	1630	952	Small
P(1)	1424	190	Office
P(2)	1424	1478	Medium
Q	7777	0	Yard space
R	3409	2657	Medium
S	17566	2050	Medium
T(1)	10643	6200	Office
T(2)	10643	7686	Workshops*
U	6823	3022	Medium
V	2458	1268	Medium
Total	78377	63555	

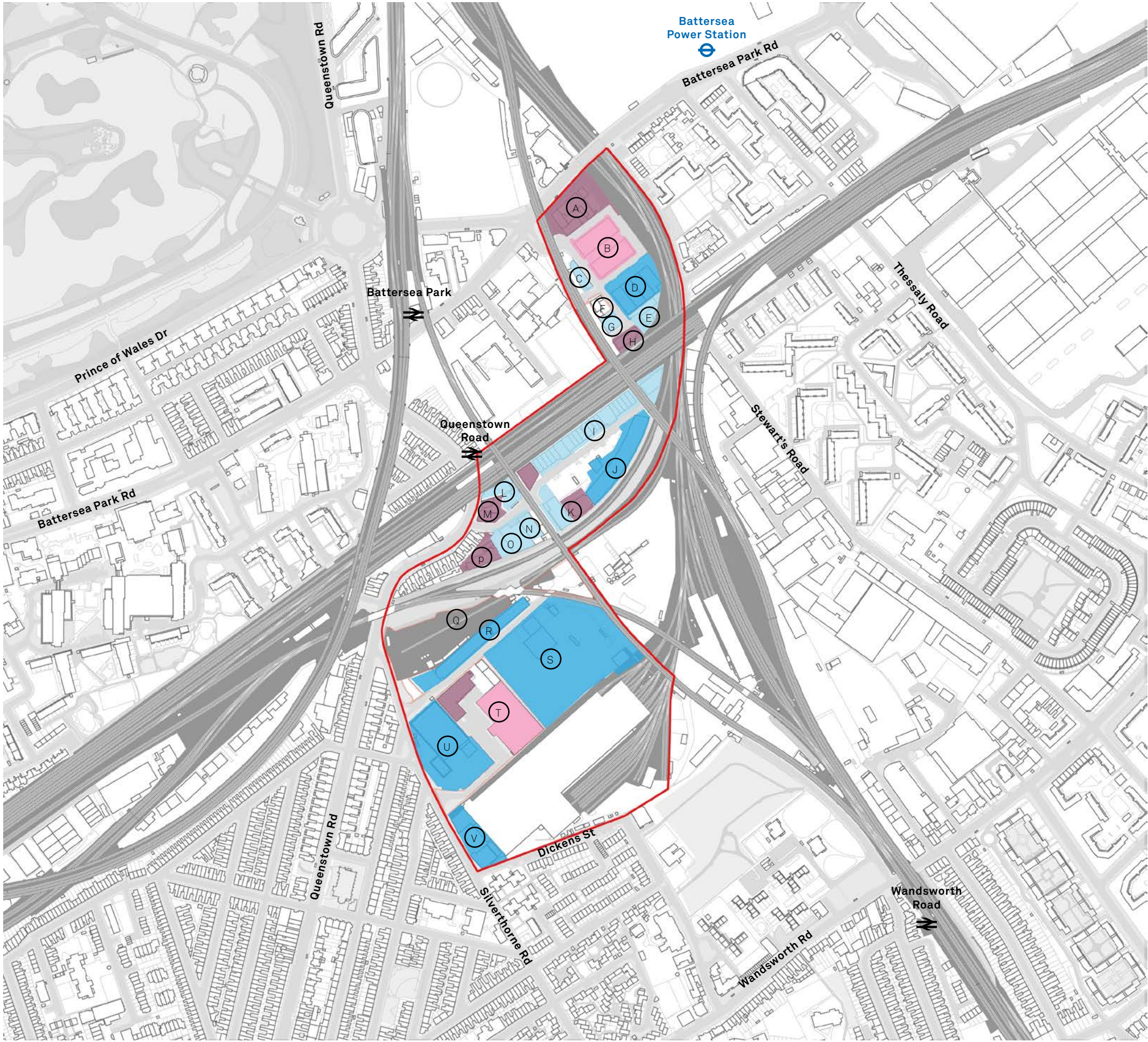
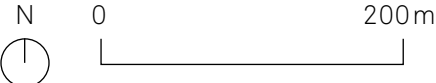
KEY

Building Types

- Workshops and studios
- Small industrial
- Medium industrial
- Large industrial
- Office

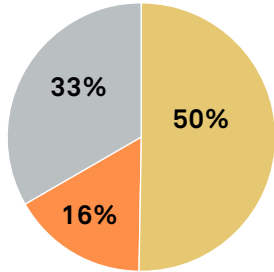
Other

- Study area boundary



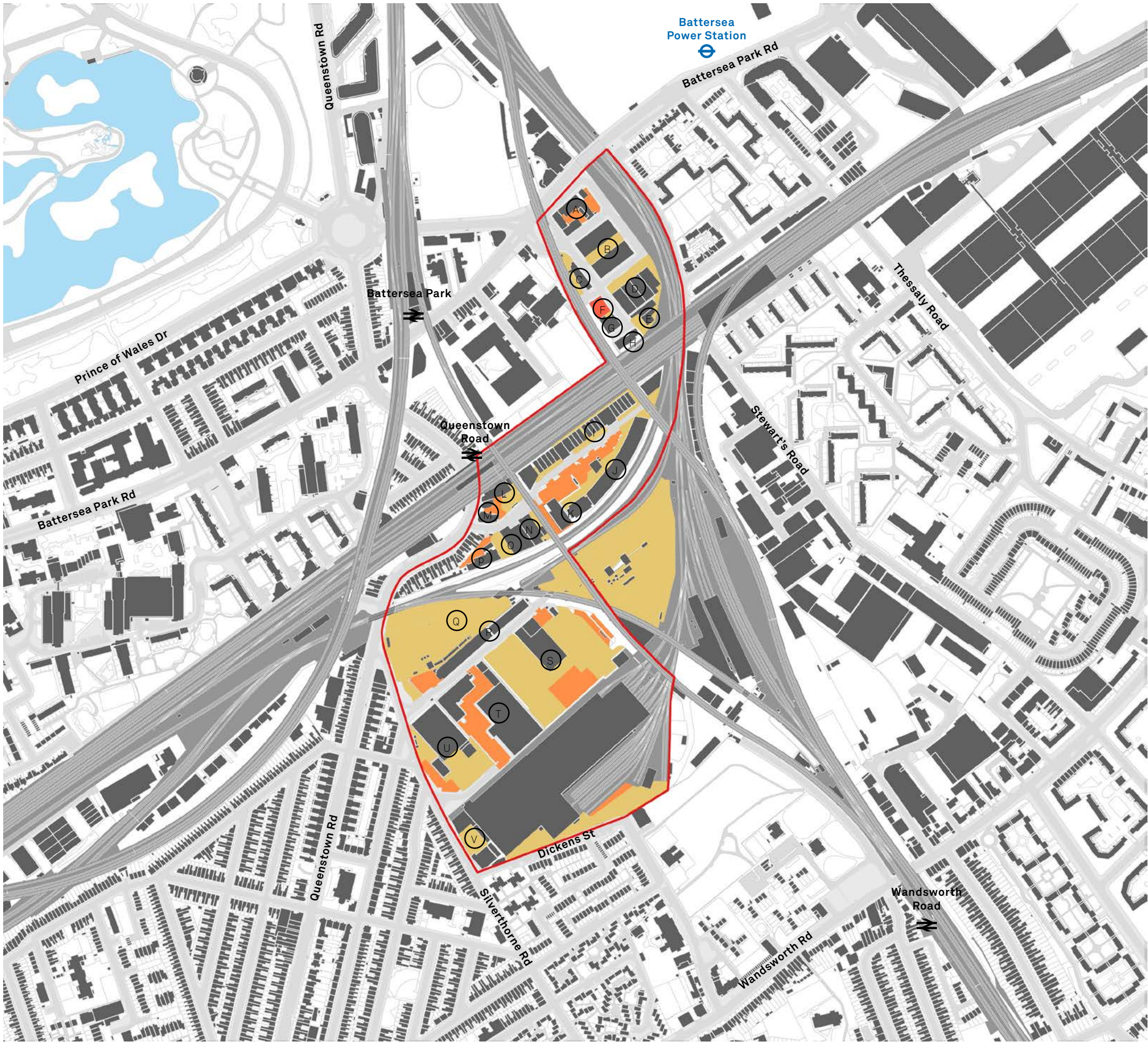
Existing yard space & parking

Plot ID	Existing Plot Area (m ²)	Operational yard space (m ²)	Car Park (m ²)
A	2373	0	569
B	3571	646	305
C	754	400	9
D	3142	900	0
E	963	265	0
F	500	0	0
G	874	49	0
H	686	0	0
I/J	13573	1778	2598
K	2560	694	2598
L	889	483	0
M	835	0	354
N	606	176	78
O	1630	582	0
P	1424	0	251
Q	7777	9504	0
R	3409	0	634
S	17566	9819	2623
T	10643	0	2698
U	6823	2578	671
V	2458	14583	393
Total	84783	42457	13781
%		50%	16%

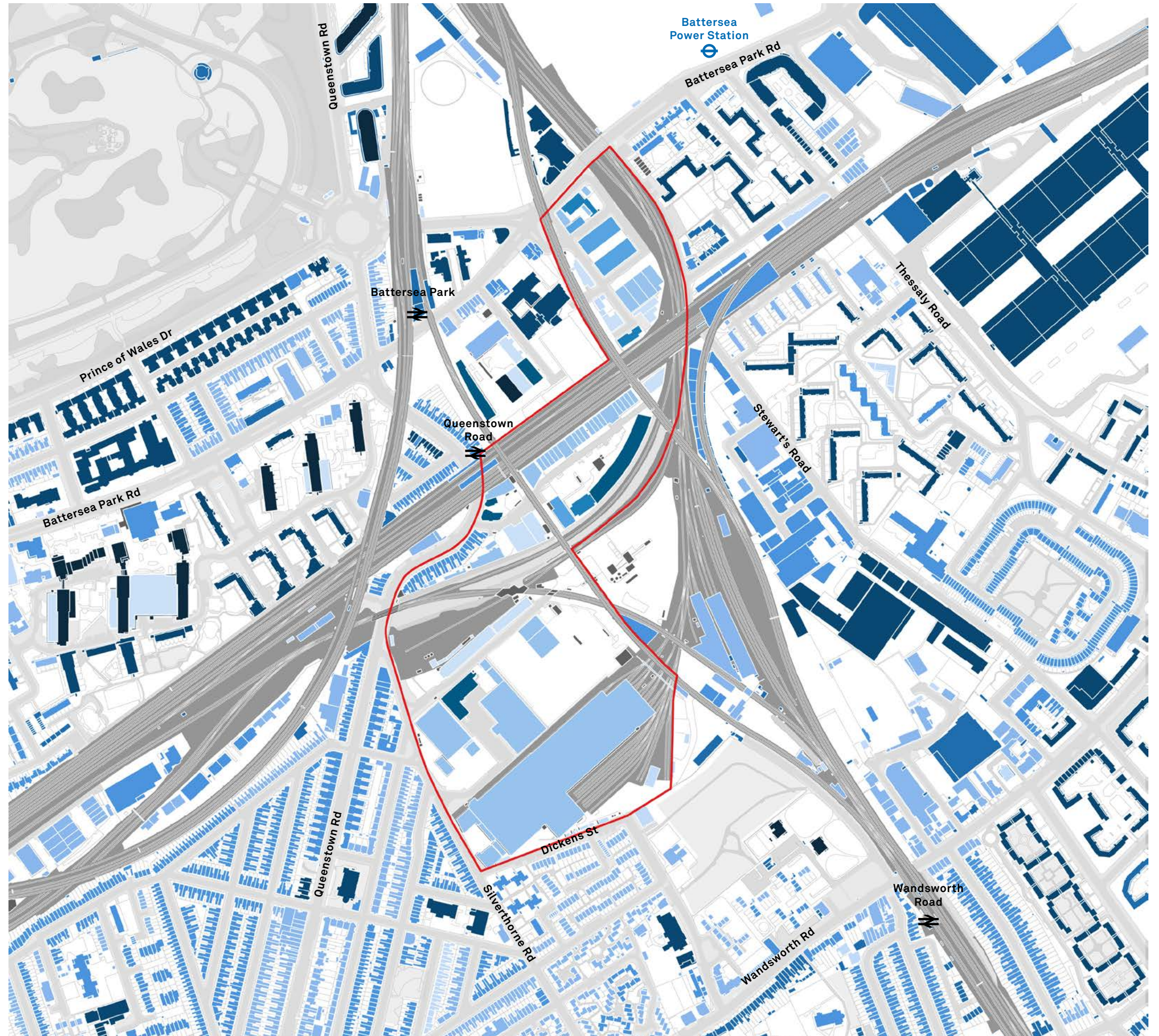
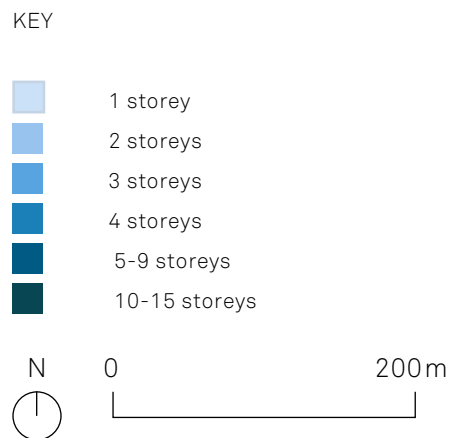


KEY

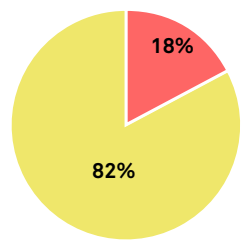
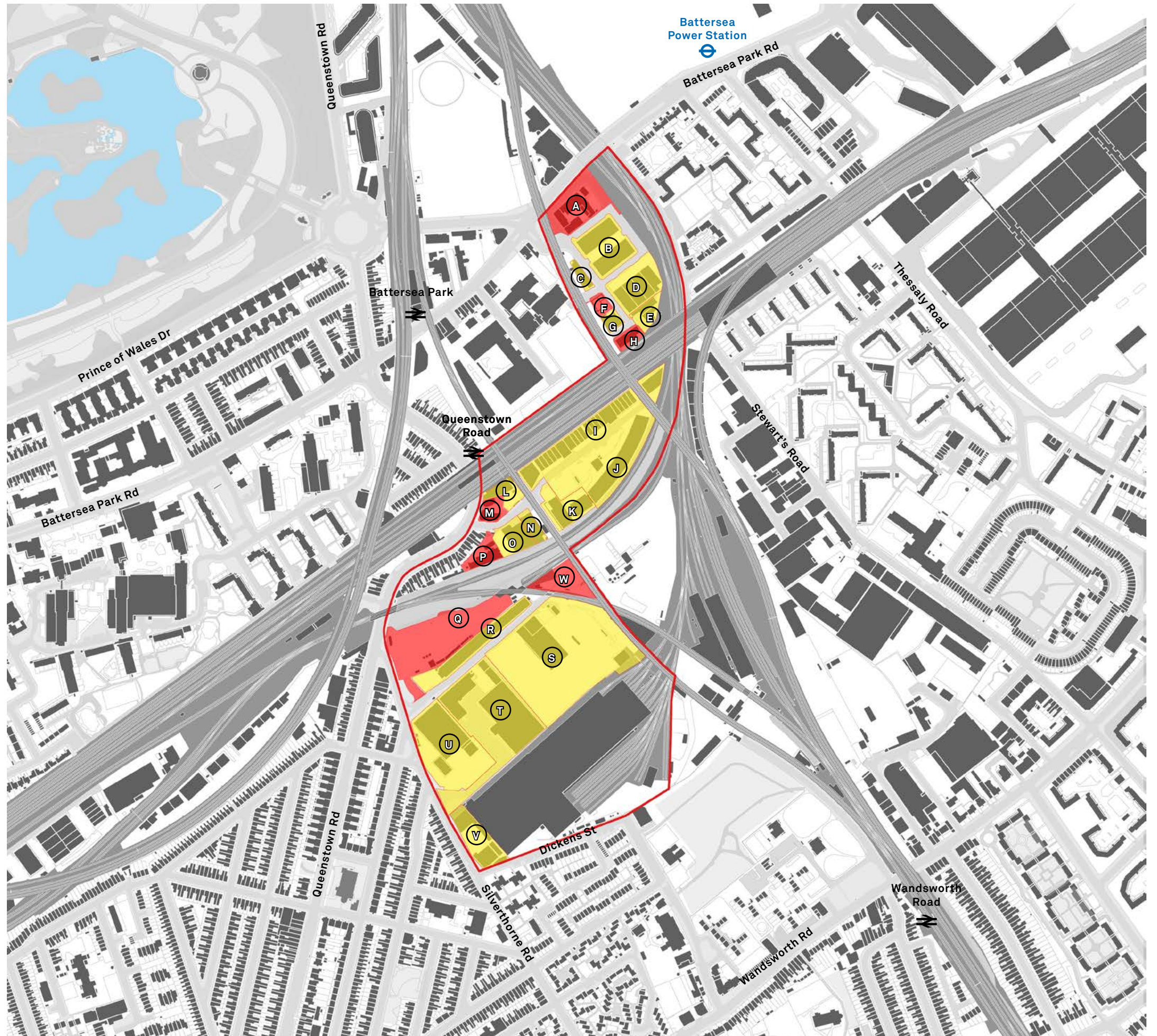
- Operational yard space
- Car parking
- Plot/building



Existing building heights



Assessment against draft London Plan Policy E7



KEY

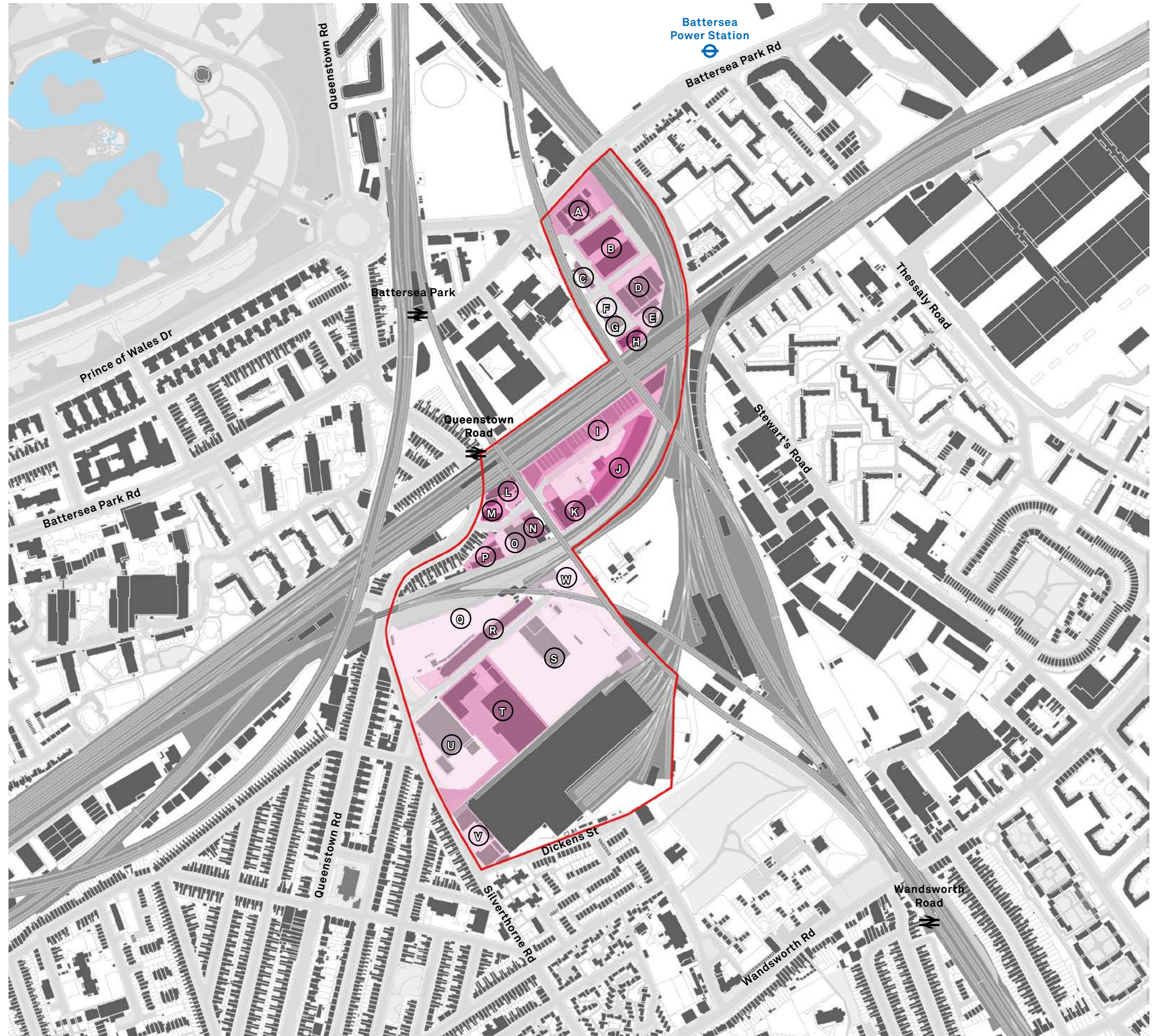
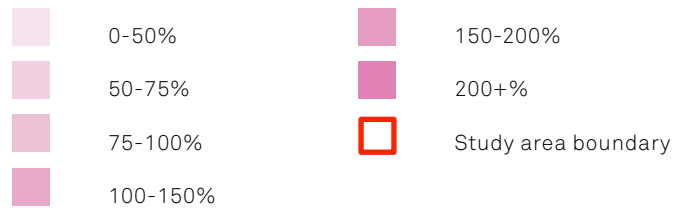
- Compliant (industrial floorspace > 65% plot area)
- Non-compliant (industrial floorspace < 65% plot area)



Existing area
floorspace ratio

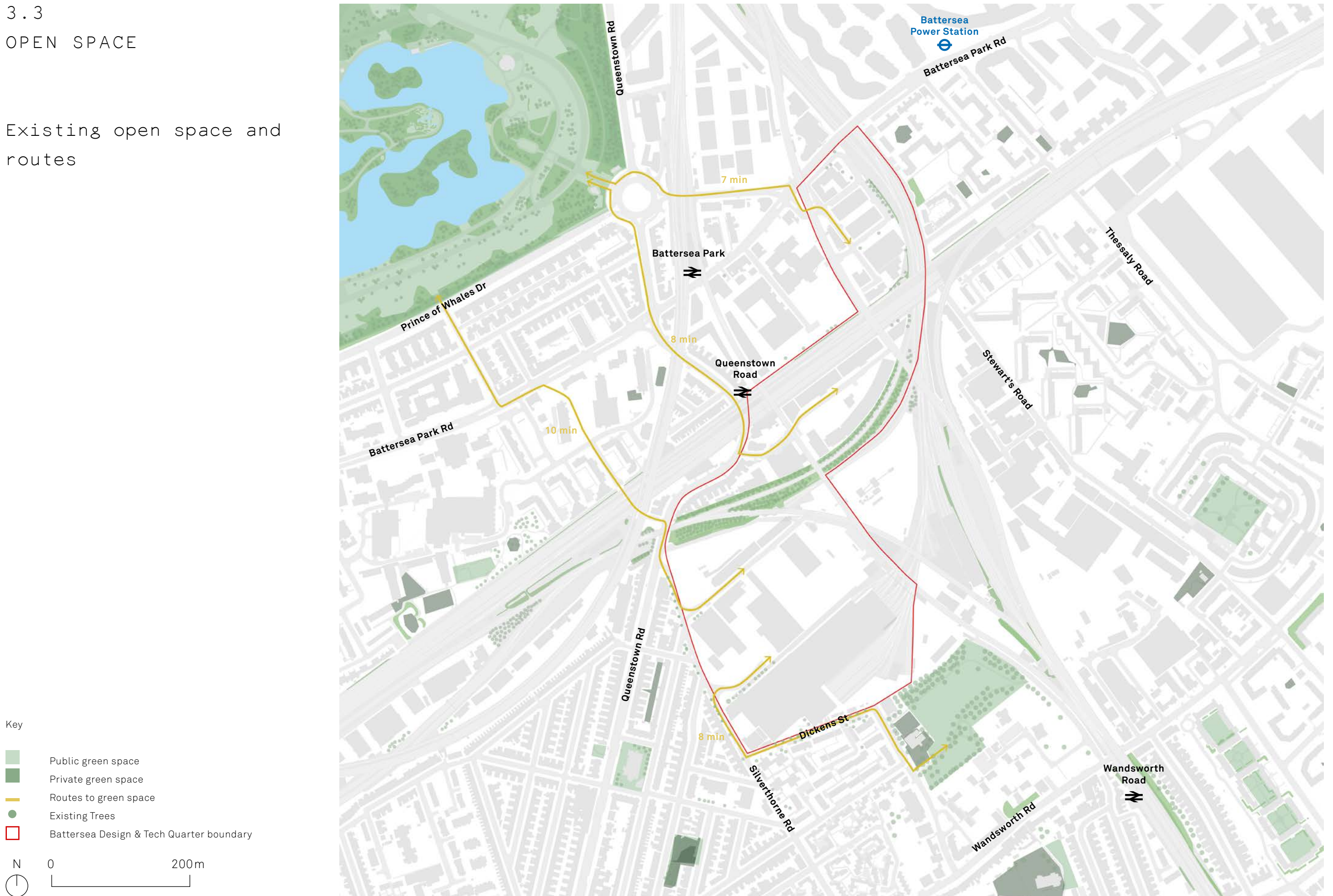
Plot ID	Existing Plot Area (m ²)	Existing Floorspace (m ²)	Existing Floorspace Ratio (%)
A	2373	3722	157
B	3571	6738	189
C	754	451	60
D	3142	2335	74
E	963	502	52
F	500	0	0
G	874	387	44
H	686	1480	216
I	5312	6250	118
J	3582	10085	282
K	2560	4282	167
L	889	966	109
M	835	1723	206
N	606	620	102
O	1630	1005	62
P	1424	961	67
Q	9504	0	0
R	3409	2657	78
S	17566	2050	12
T	10643	13886	130
U	6823	3022	44
V	2458	1268	52
Total	80104	64390	80

KEY



3.3
OPEN SPACE

Existing open space and routes



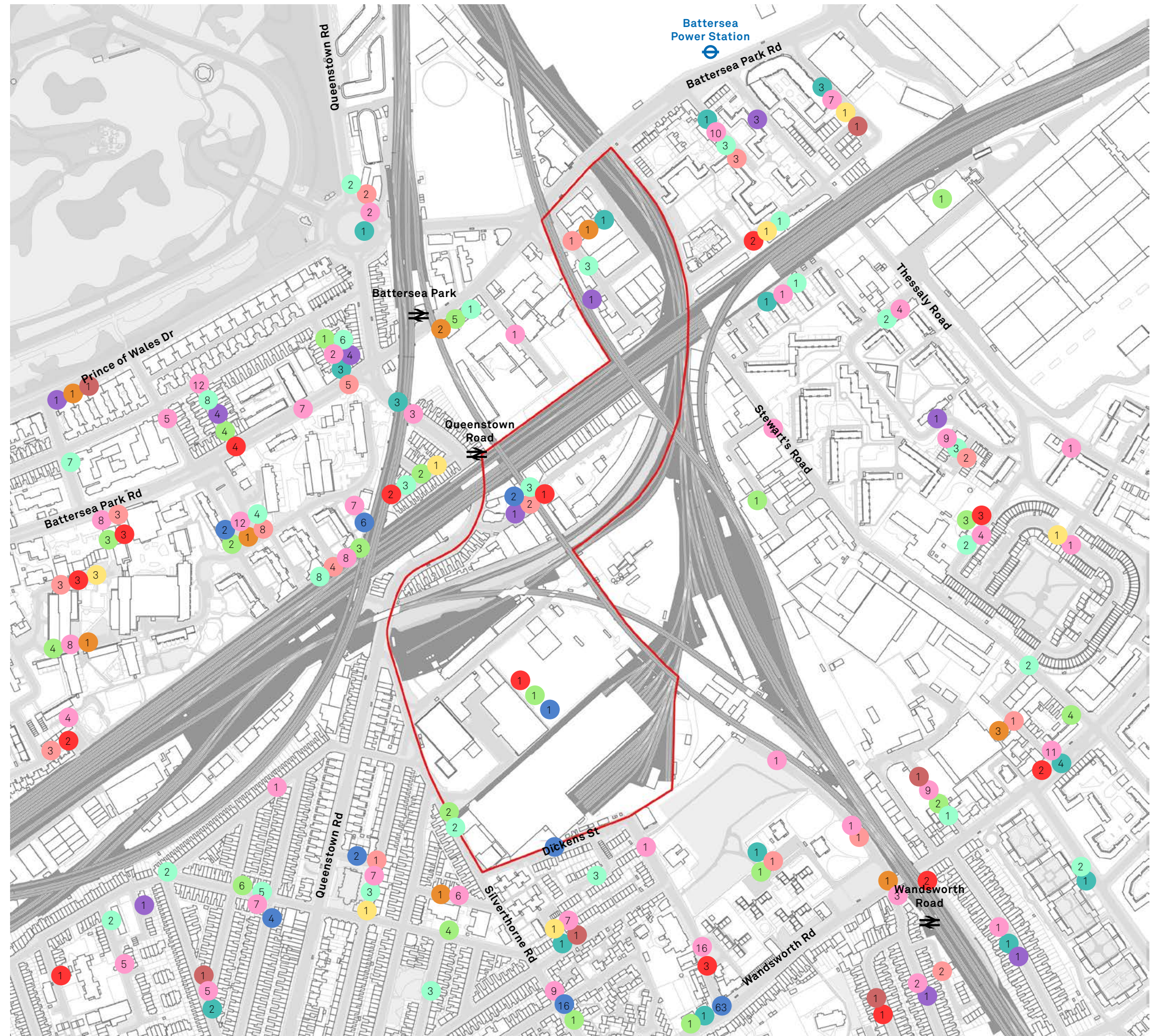
Reported crime (February 2019-August 2019)

The following crimes were recorded in the area in between February 2019 and August 2019
(Source - www.police.uk)

KEY







- Violence & sexual offences
- Shoplifting
- Bicycle theft
- Criminal damage & arson
- Anti social behaviour
- Drugs
- Public order
- Robbery
- Burglary
- Possession of weapons
- Theft from person
- Vehicle Crime
- Other theft
- Other crime
- Battersea Design & Tech Quarter boundary

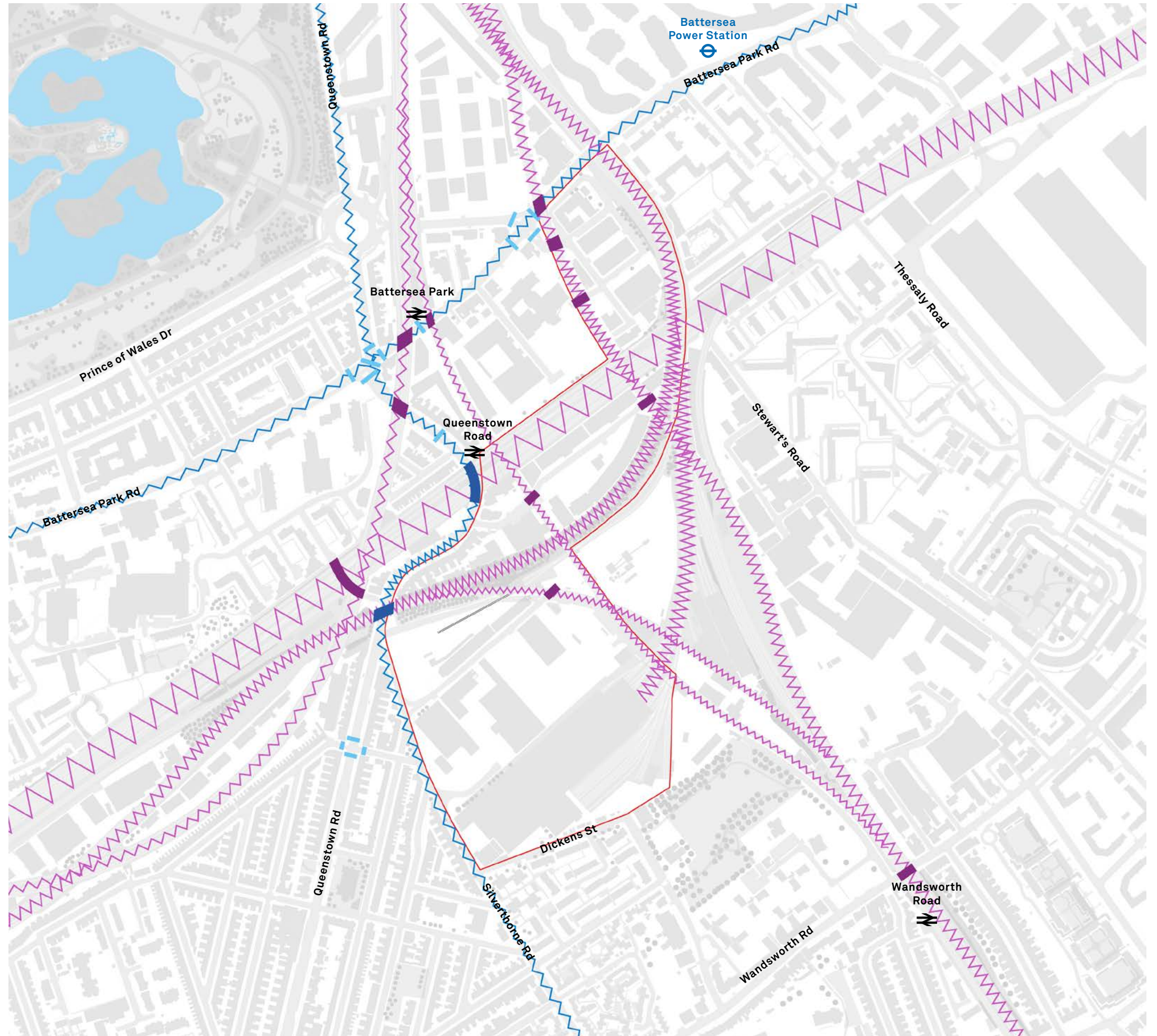
N 0 200m



3.4
TRANSPORT &
MOVEMENT

Key thresholds
and severance

- KEY
-  Severance caused by roads
 -  Severance caused by rails
 -  Formal crossings
 -  Threshold crossing of severance
 -  Threshold crossing with level difference
 -  Battersea Design & Tech Quarter boundary



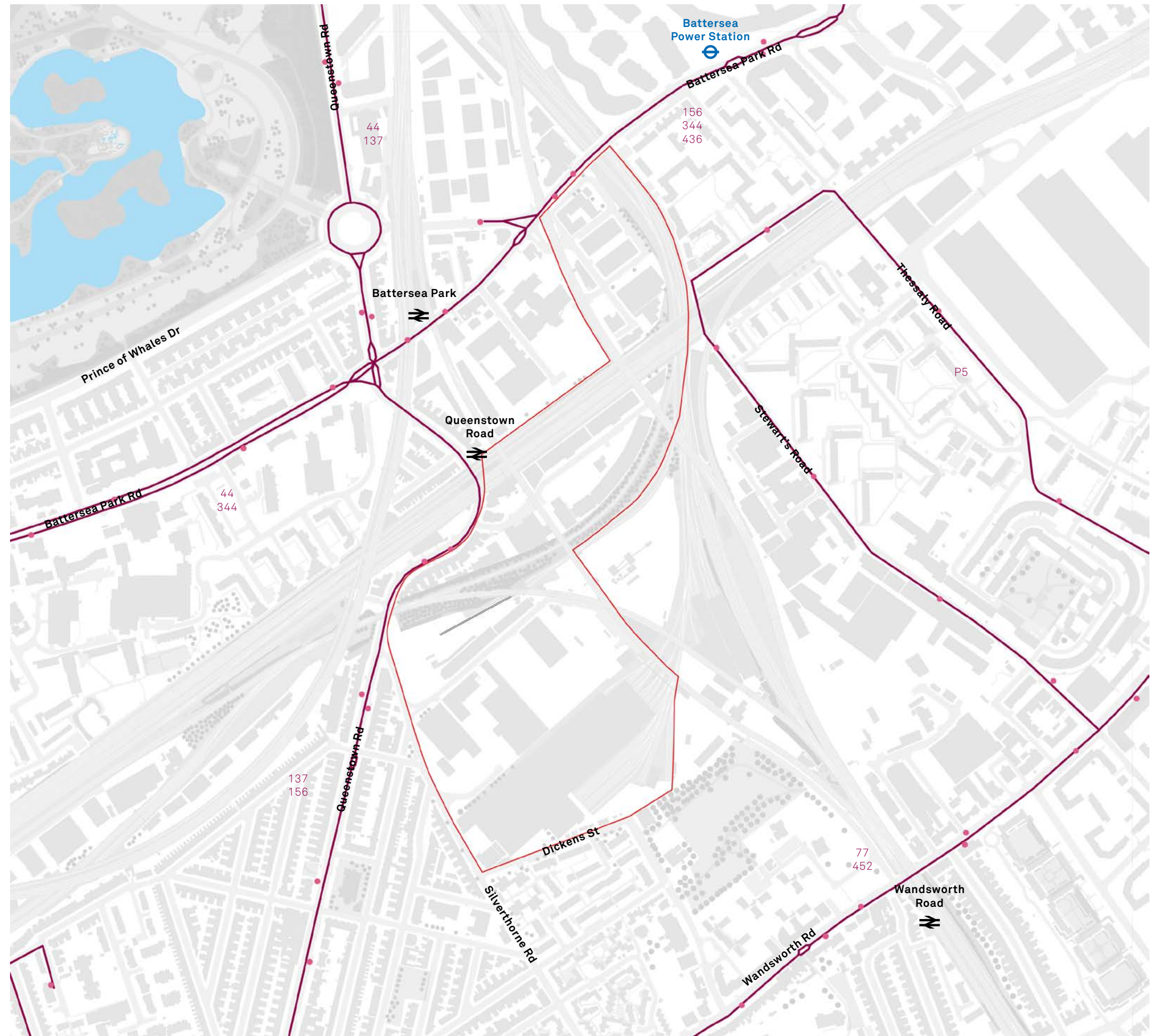
Existing road network



- KEY
- Primary Road
 - Secondary Road
 - Tertiary Road
 - Battersea Design & Tech Quarter boundary



Bus routes and stops

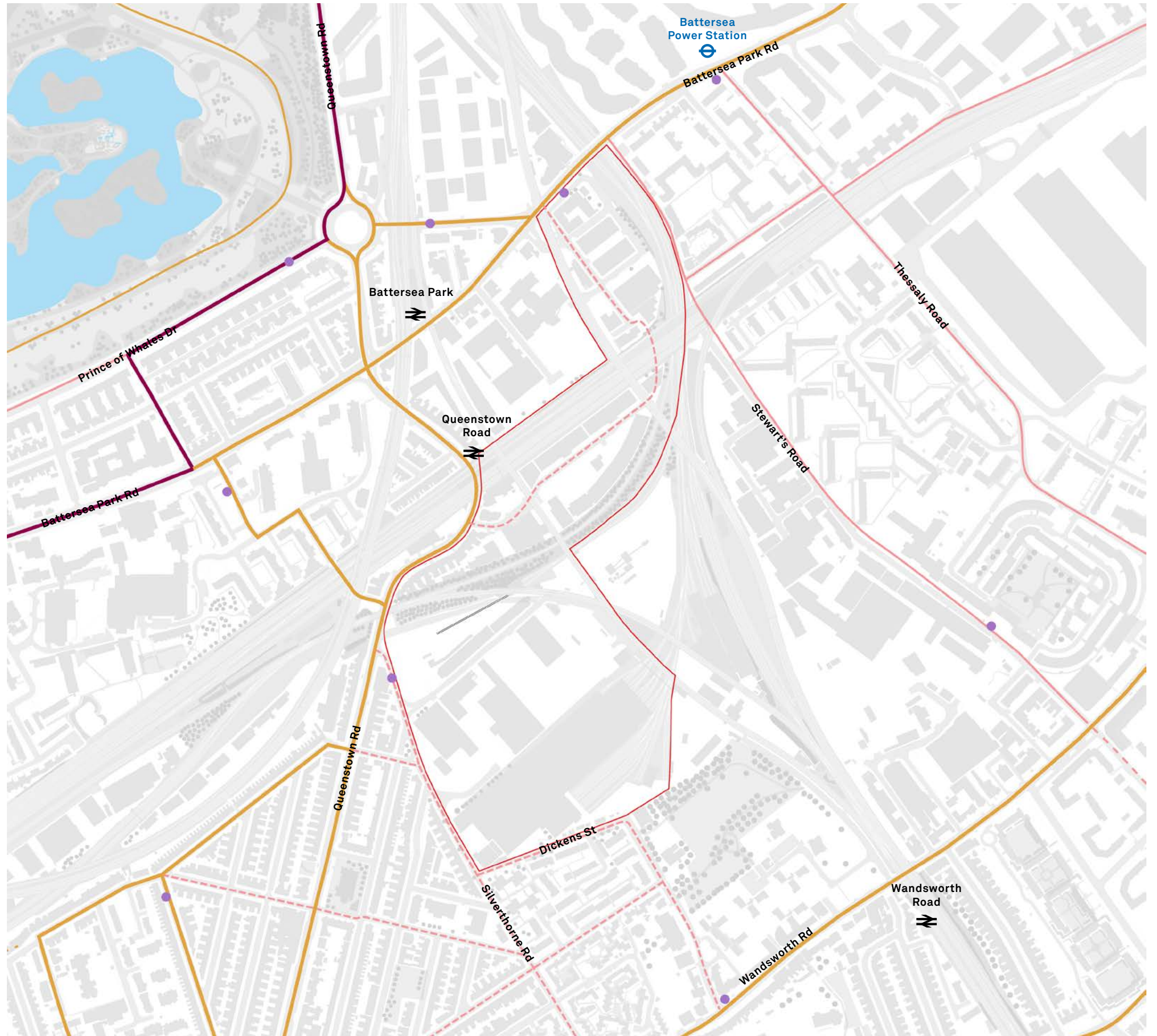


KEY

- Bus route
- Bus stop
- Battersea Design & Tech Quarter boundary

N 0 200m

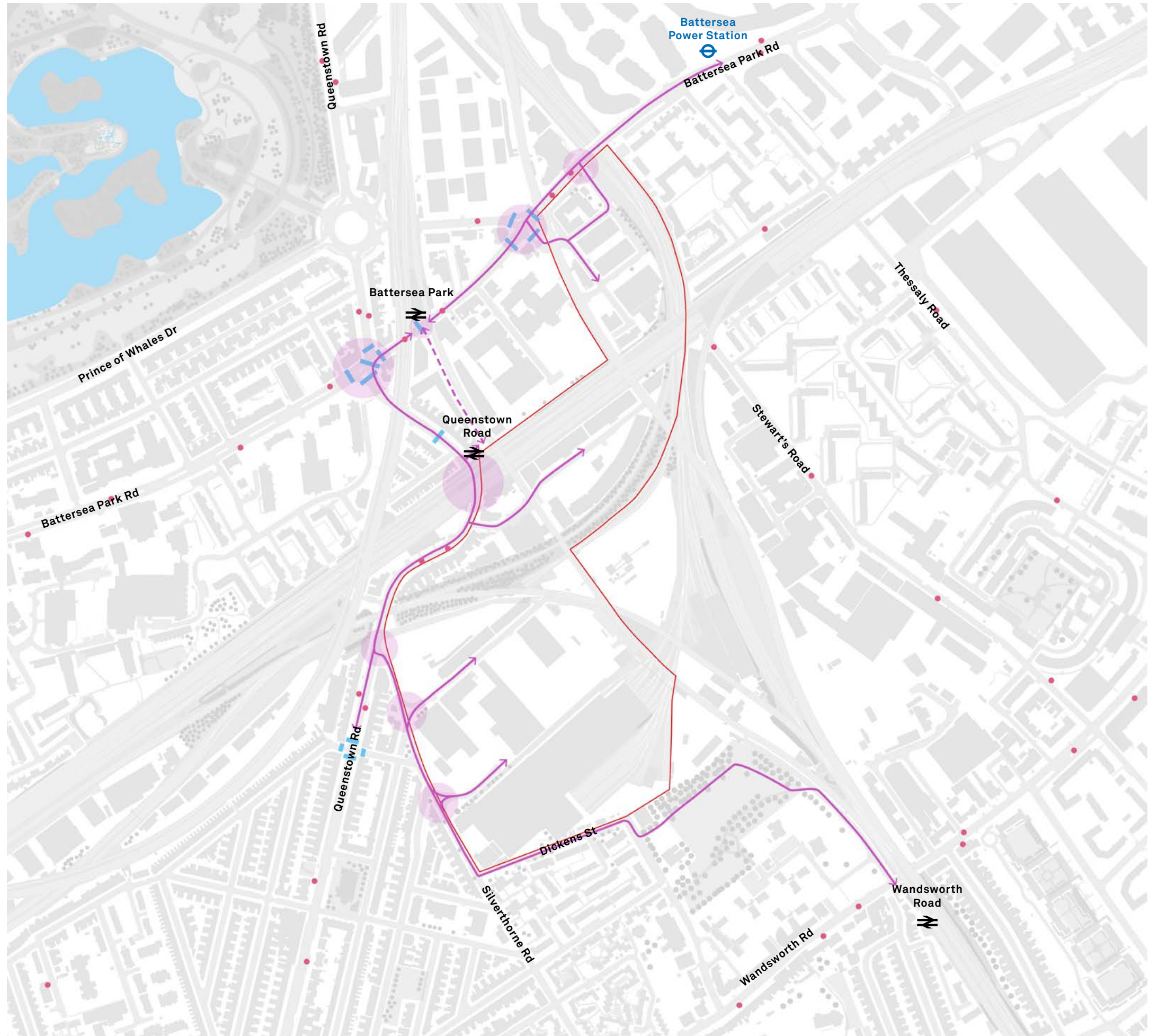
Existing & proposed cycling routes



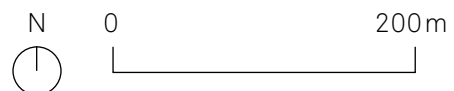
- KEY
- Cycle superhighway
 - London cycle network
 - - - Proposed quietway (NESB cycling strategy)
 - - - Proposed quietway
 - Existing Santander stops
 - Battersea Design & Tech Quarter boundary



Existing routes to stations



- KEY
- Key routes to stations
 - - - Pedestrian connection (under construction)
 - Key thresholds/junctions
 - Bus stop
 - Formal crossings
 - Battersea Design & Tech Quarter boundary



4.0 FOCUS AREAS



KEY

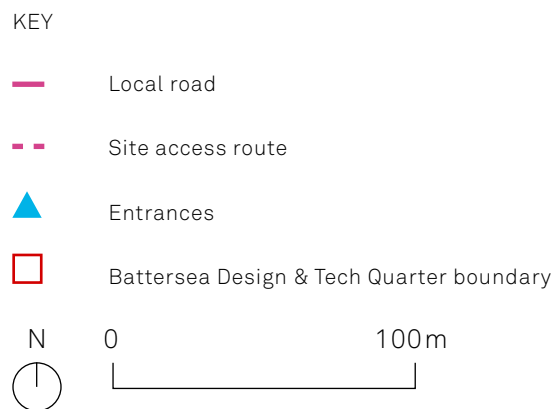
- 1. Havelock Terrace
- 2. Ingate place
- 3. Battersea studios

- Battersea Design & Tech Quarter boundary
- Borough boundary
- OAPF boundary

N 0 200m

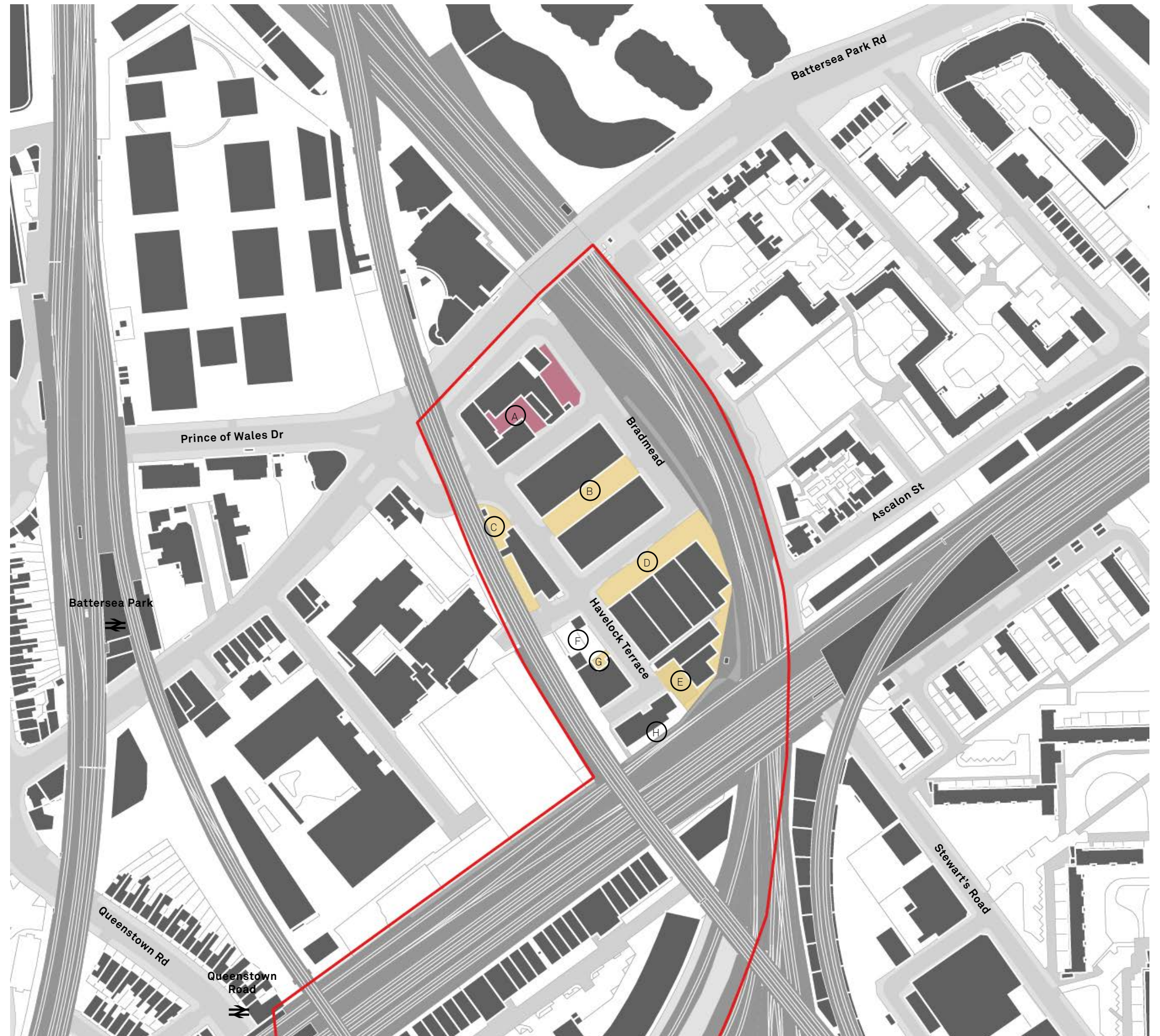
4.1
HAVELOCK TERRACE

Access & Entrances



Existing Yard space & car parking

Plot ID	Existing Plot Area (m ²)	Yard space	Parking
A	2373	0	569
B	3571	646	305
C	754	1146	9
D	3142	900	0
E	963	265	0
F	500	0	0
G	874	49	0
H	686	0	0



KEY

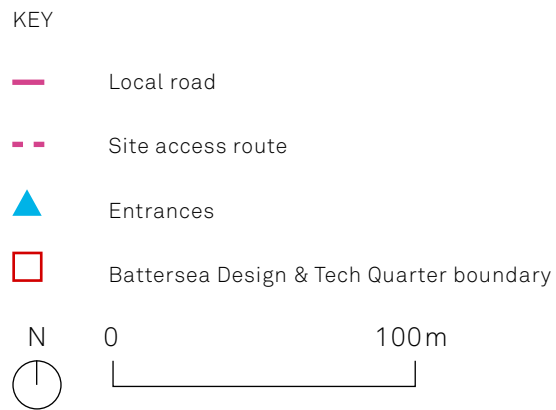
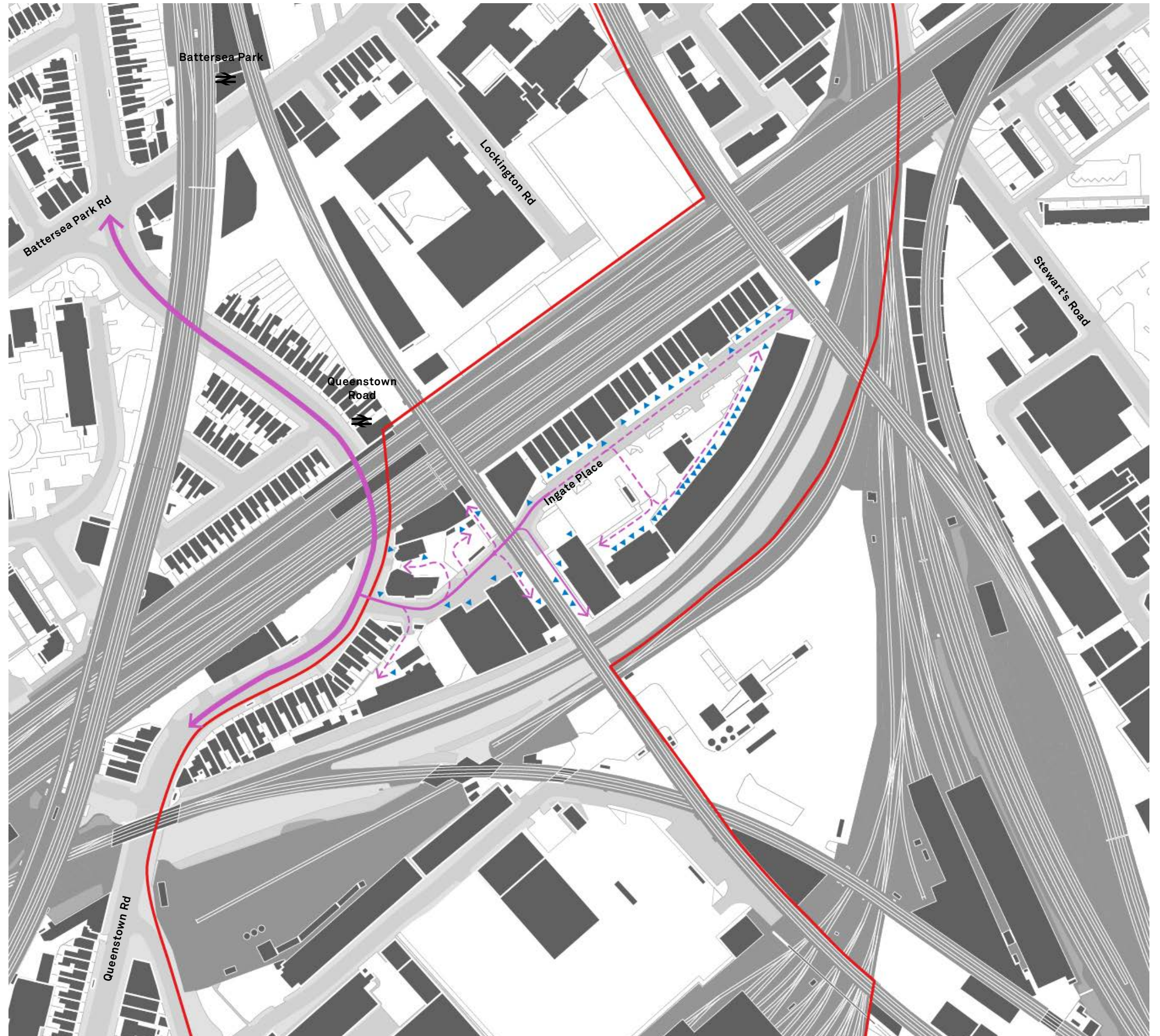
- Yard space
- Car parking
- Battersea Design & Tech Quarter boundary

N

0 100m

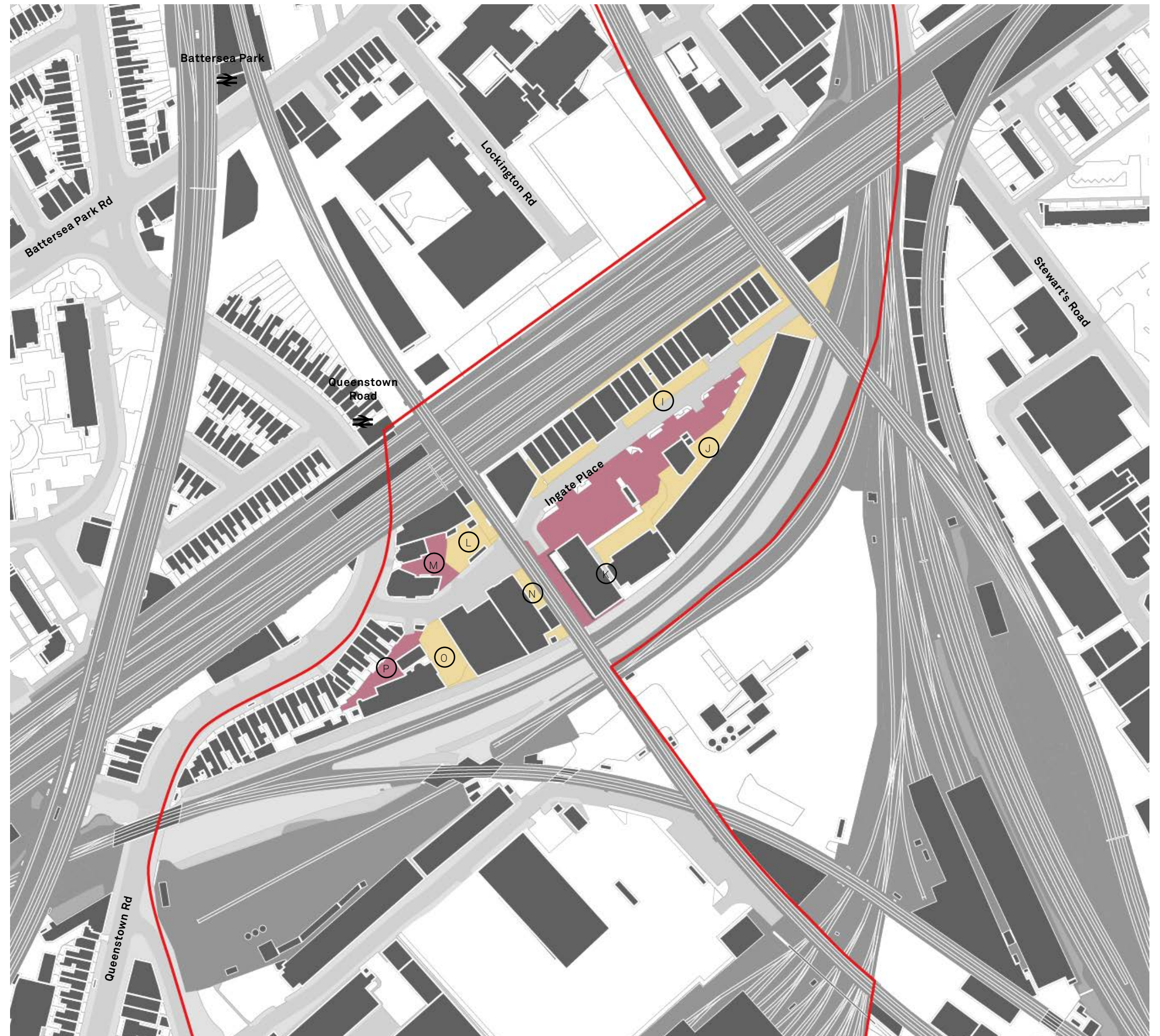
4.2
INGATE PLACE

Access & Entrances



Existing yard space & car parking

Plot ID	Existing Plot Area (m ²)	Yard space (m ²)	Parking (m ²)
I/J	13573	1778	2598
K	2560	542	75
L	889	483	0
M	835	0	354
N	606	176	78
O	1630	582	0
P	1424	0	251
Total	21517	3561	3356

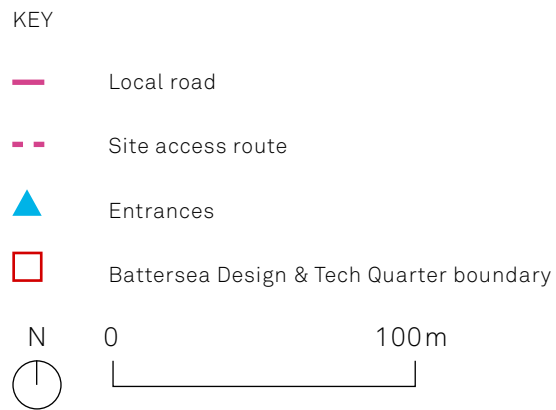
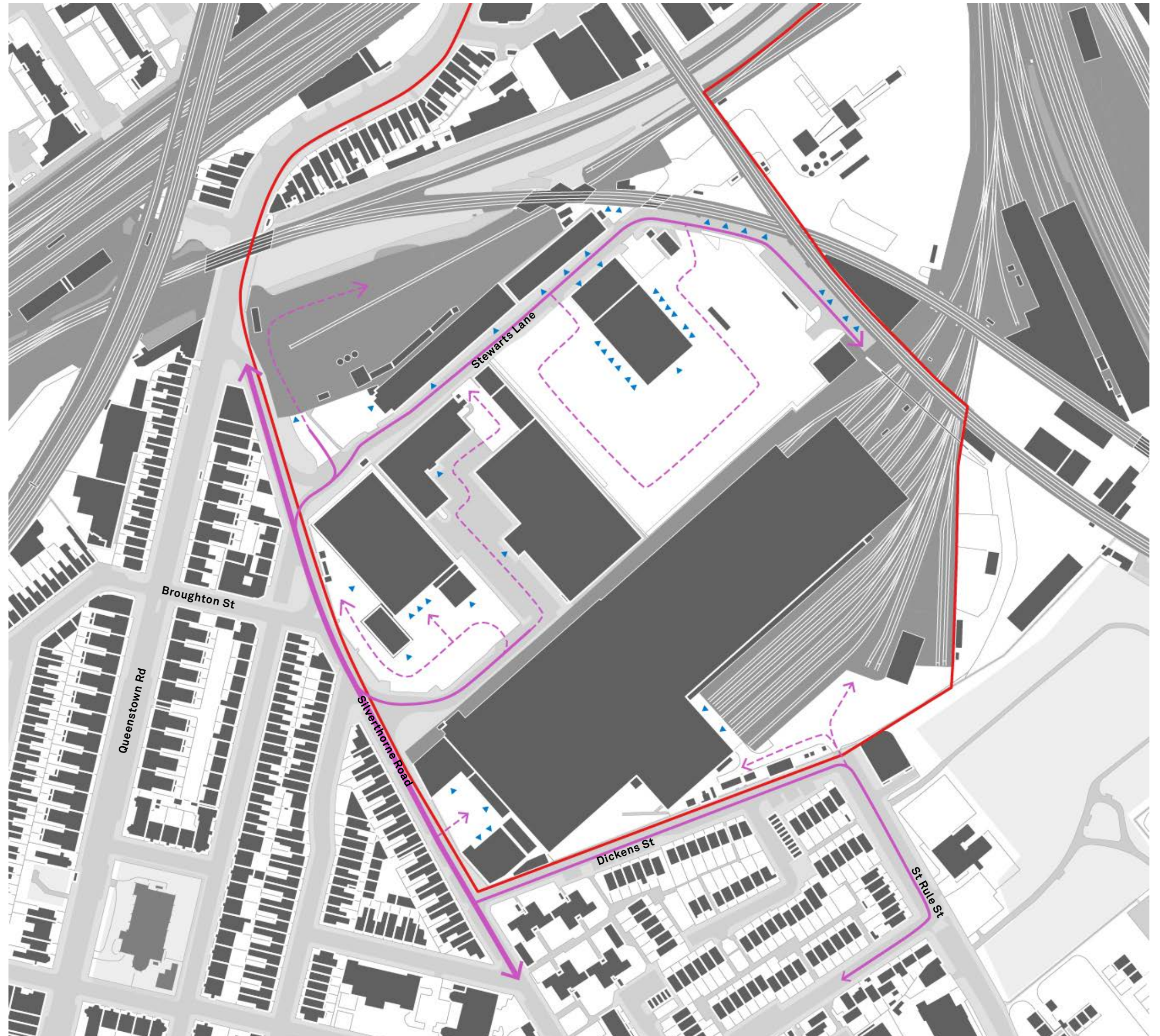


- KEY
- Yard space
 - Car parking
 - Private space/dead space
 - Public/green space
 - Battersea Design & Tech Quarter boundary



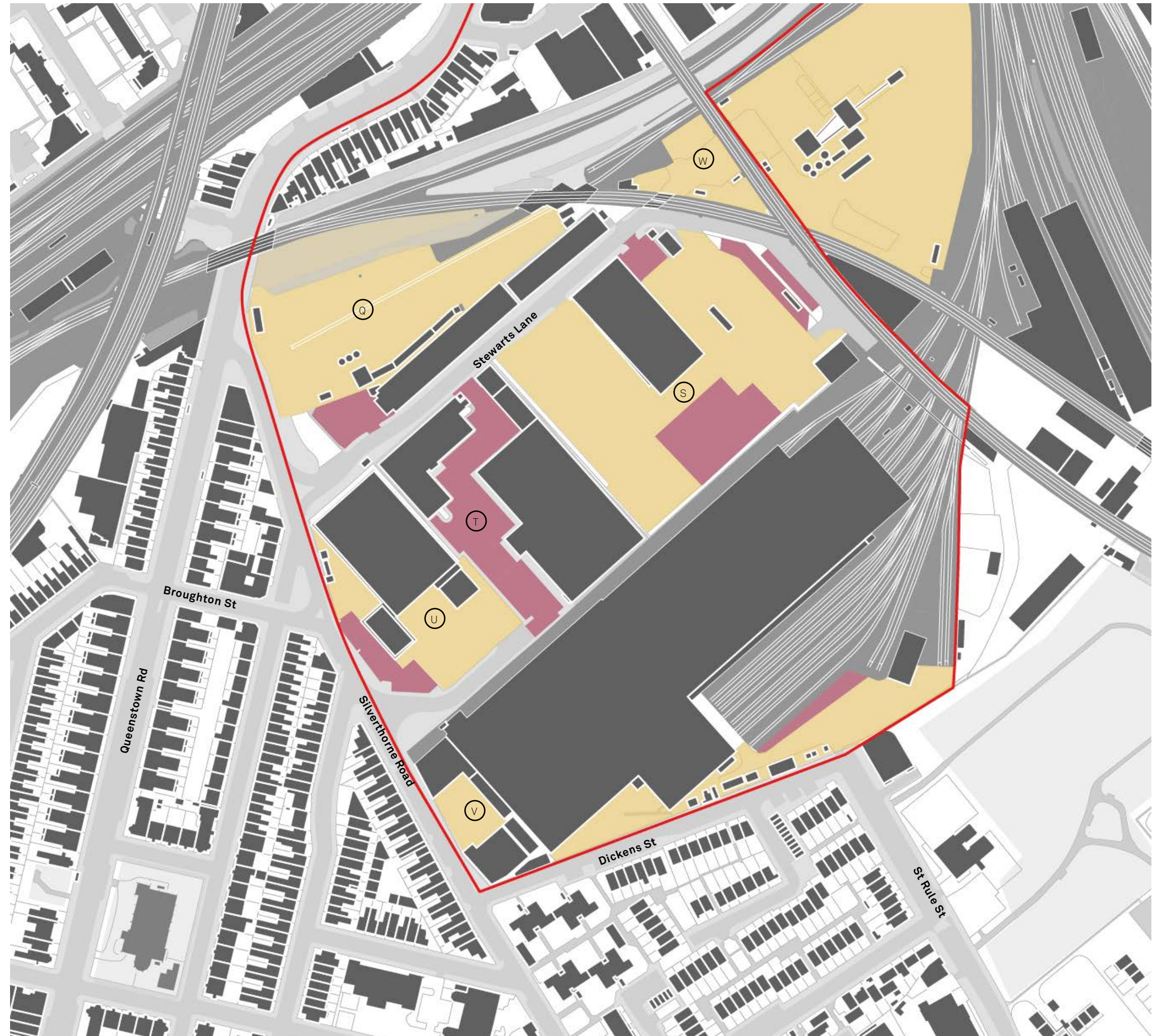
4.3
SILVERTHORNE ROAD

Access & Entrances



Existing yard space & car parking

Plot ID	Existing Plot Area (m ²)	Yard space (m ²)	Parking (m ²)
Q	7777	9504	0
R	3409	0	634
S	17566	9819	2623
T	10643	0	2698
U	6823	2578	671
V	2458	14583	393
Total	78377	36484	4321



KEY

- Yard space
- Car parking
- Battersea Design & Tech Quarter boundary

N

0 100m

5.0
ON-SITE
OBSERVATIONS



Flanagan's of Battersea, Havelock Terrace, 2019

5.1 Area character

Opposite are a number of key observations of the public realm across the study area boundary, which unveil opportunities for interventions.



Distinctive historic buildings currently in employment use include the Forum Auction House on Queenstown Road



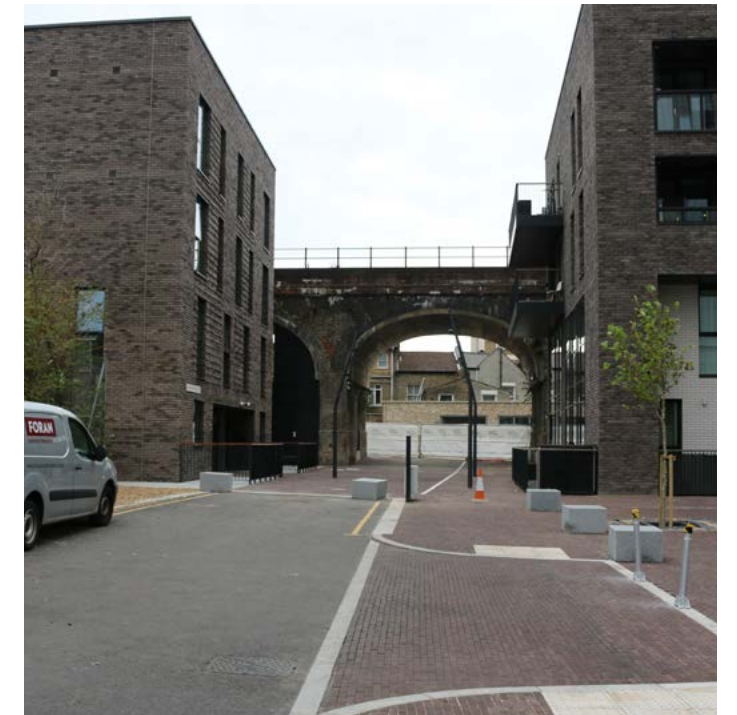
The Safe Store factory building provides a successful example of a characterful and high density employment building typology. It also contributes to a unique local character



Hewlett House hosts different types of creative activities such as lighting design, graphic design and fabric & clothes manufacturing



Flanagan pub is the main meeting point for both people that work at Havelock Terrace and neighbours of adjacent areas



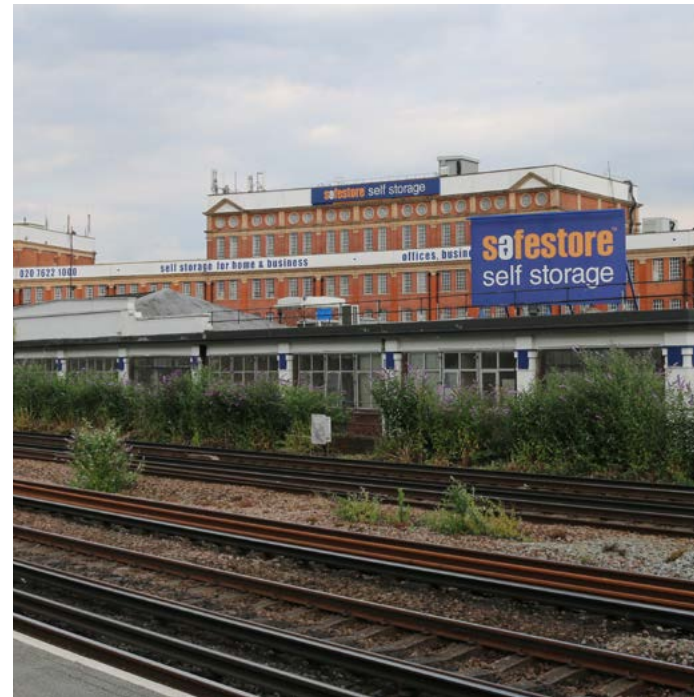
Interplay between the new housing at the Battersea Exchange development and the old railway infrastructure creates a moment of interest.



A number of businesses occupy spaces within the railway arches

5.2 Connectivity & Movement

Opposite are a number of key observations considering main junctions, bridge undercrofts and streetscape which unveil opportunities for interventions.



The area is severed by rail infrastructure and movement is bottlenecked, resulting in the 3 sub-areas feeling like island sites with poor through permeability.



Main routes connecting the 3 sub-areas, Havelock Terrace, Queenstown Road and Silverthorne Road, are heavily trafficked .



Abellio London Battersea Bus Depot situated at the back of the plot characterised by constant movement of vehicles.



The junction linking the Stewarts Lane and Silverthorne Rd is unnecessarily complex. There is a significant amount of industrial traffic in the area, due to the concrete sites.



Lorries queueing in front of Battersea studios during rush hour creating an a less inviting and attractive space for the visitors.



Pedestrian island in Silverthorne road provides opportunities to cross but predominantly favours vehicular traffic

5.3 Public space

Opposite are a number of key observations of the public realm across the study area boundary, which unveil opportunities for interventions.



Open space at the Safestore site is currently used as a parking space and a loading area. Potential to create shared yard space and amenity space for the employees and the visitors



Public art and facade upgrades to the Battersea Studios provide wayfinding and legibility on a prominent corner to a fairly landlocked site.



Business signage along Stewarts Lane are disorderly and inconsistently placed making it difficult for visitors to navigate.



Lack of civic spaces and shared amenities for the local community. Only amenity at Battersea Studios lacks visibility and doesn't refer to adjacent businesses.



Lack of public space. Sitting areas only in the leftover spaces at the edge of Havelock Terrace site.



The edges of Havelock Terrace are lined with hostile fencing, often collecting rubbish which detracts from the green asset and create an unattractive space for the employment areas.

5.4 Streetscape

Opposite are a number of key observations considering main junctions, bridge underpasses and streetscape which unveil opportunities for interventions.



Unwelcoming entrance from Battersea Park Rd. Non-inclusive design due to the level change, pavement improvements needed.



Adjacent bridge underpass spaces are poorly lit and uninviting. Improvements to lighting and stepped pedestrian paths and integration of large-scale signage needed.



Despite containing primarily industrial uses, a number of mature trees in the northern part of the quarter contribute to a pleasant public realm



Narrow pavements and stepped kerbs create an unattractive arrival point for the pedestrians.

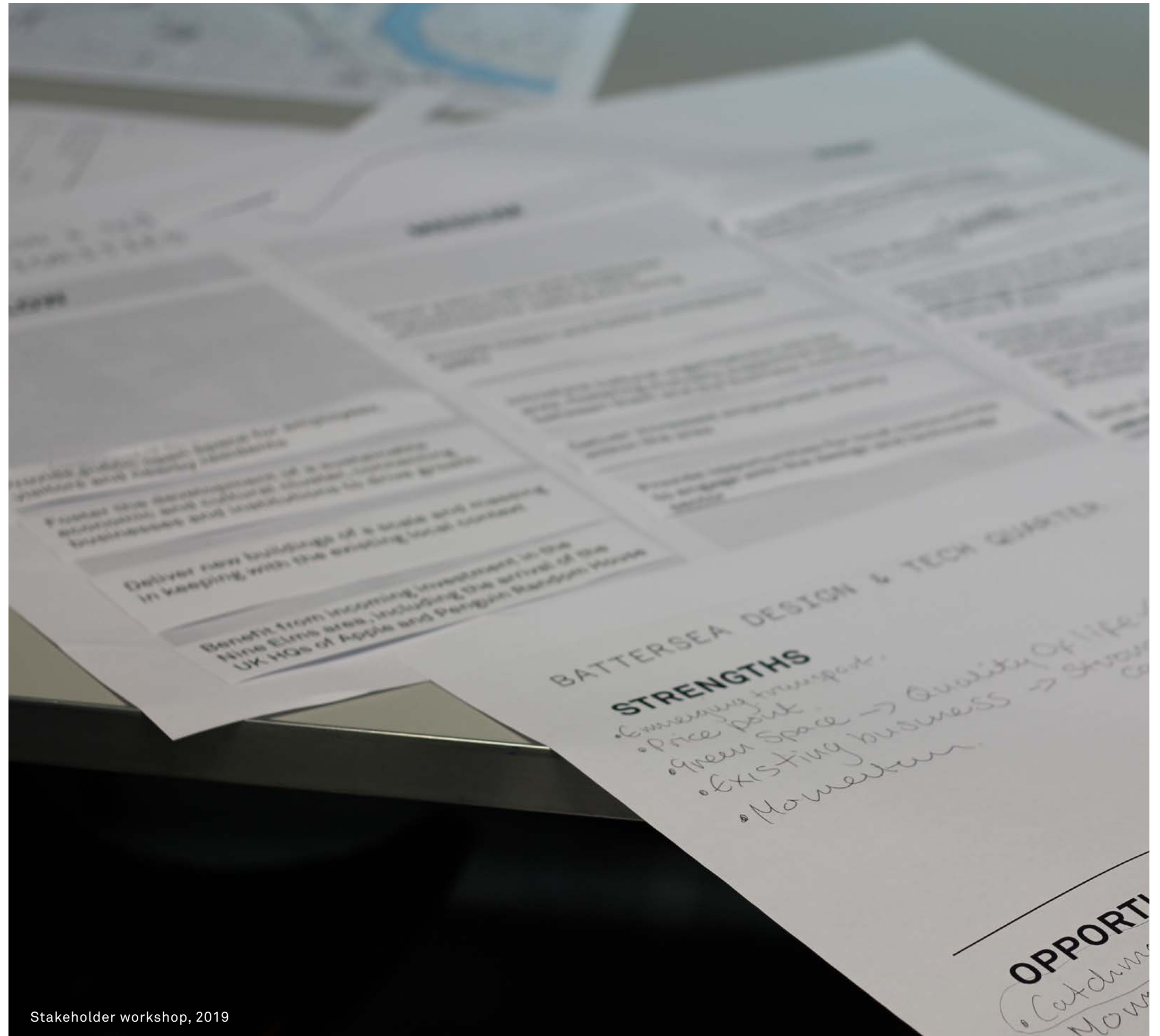


Lack of cycle lanes at Battersea Park road. Cyclists are using pavements as the main street feels dangerous.



Gatwick Express depot site obscured by a perimeter wall creating inactive frontage. Tree screening and pavement improvements needed to create a more pleasant route to Heathbrook Park.

6.0
IMPLEMENTATION
STRATEGY



Stakeholder workshop, 2019

PRE-APPLICATION DISCUSSIONS CHECKLIST

General Process issues

This checklist is to help borough planning case officers (Development Management) to be effective in capturing and steering emerging proposals, so that they are the highest-quality they can be and help deliver the spatial strategy for the Design Quarter.

General Process Issues	
Planning Performance Agreements	Use Planning Performance Agreements constructively to (amongst other things) agree scheme-specific stakeholder engagement and planning application requirements.
Talk with internal consultees, industry experts and local people.	Engage in early discussion with key stakeholders to ensure that they help inform proposed design, specification and management arrangements. This should include discussions with: <ol style="list-style-type: none"> 1. Borough internal consultees (e.g. planning policy, economic development, environmental health, transport, licensing and inclusive design); and 2. Statutory consultees and industry bodies where appropriate (e.g. Theatres Trust and Music Venue Trust). <p>Ask the prospective applicant to do the same and provide names and contact details and provide advice on what public consultation with local residents and businesses is expected at the pre-application stage.</p>
Talk with the GLA	Ensure that the GLA Culture and Creative Industries Unit and Regeneration Unit are involved in pre-application discussions for emerging strategic development proposals involving cultural facilities or workspace.
Talk with potential occupiers/operators	Ask the prospective applicant to identify and involve an intended operator of proposed cultural space and/or a preferred workspace provider and involve them in pre-application discussions. <p>Where none is identified, ask the prospective applicant to commission a feasibility study so that it is clear what sort of cultural facility or workspace is proposed.</p>
Talk about the difficult stuff early	The sooner discussions start about detailed matters the better.
Get the right documents	Agree the scope, methodology and technical detail of documents needed to support planning applications for proposed cultural facilities and workspace. This could include the following: <ul style="list-style-type: none"> — Design & Access Statement to include a section on (i) how the proposed development meets the requirements of the Physical Development Framework and (ii) how the proposed workspace and/or cultural space has been designed to be fit for purpose, taking account of specialist guidance (below); — Cultural Action Plans for large schemes (10,000sqm or more) and how this relates to the area-wide Battersea and Nine Elms Cultural Strategy; — Noise and other impact assessments (including location, timing and duration of background noise surveys); and — Proposed s106 Heads of Terms and potential conditions. <p>Ask prospective applicants to commission these at the pre-application stage, where appropriate, to provide everyone with confidence on the emerging proposals.</p>
Think about ‘meanwhile uses’	For large and multi-phased schemes, discuss the scope for ‘meanwhile’ (temporary) cultural facilities and workspace prior to development taking place to test the concept and viability of these uses and to maintain activity in the area during redevelopment.
Use the design review process	Encourage the prospective applicant to present the emerging scheme to the Wandsworth Design Review Panel to help shape emerging schemes that include cultural facilities or workspace and ensure that the Panel includes members that have the requisite skills and experience.
Think about the site next door	Make sure that you consider how the proposal could affect the development of adjoining land and buildings so that individual proposals do not prejudice development.

PRE-APPLICATION
DISCUSSIONS CHECKLIST

Employment space - land
issues

Employment space - land use issues	Policy/guidance reference
<p>Loss of existing businesses Seek to retain existing businesses on site (taking in to consideration existing space requirements, lease terms and rent levels and any other reasonable business requirements if businesses wish to remain. Non -retention will need to be justified through a viability appraisal.</p>	Policy EI 5 (4)
<p>Ensure no net loss of industrial floorspace & provide increase where possible</p> <ul style="list-style-type: none"> — Proposals must provide full replacement of existing B1(c), B2 or B8 floorspace — Intensification for industrial purposes is encouraged – with the London Plan encouraging no net loss or the potential floorspace that could be accommodated on site at a 65% plot ratio (whichever is the greater). — Local Planning Application Requirements require Marketing Report and Justification Statement to demonstrate that there is no viable potential for business floorspace above the amount proposed. 	Policy EI 6 (2) London Plan Policy E4 (supporting text 6.4.5) Local Planning Application Requirements
<p>Other acceptable economic uses Provided a “significant industrial function” is retained, research and development (B1b) and SME offices (B1a) may be acceptable, provided that these do not erode the effective operation of the industrial function of the SIL.</p> <p>Consider the acceptability of these other uses in terms of the likely impact on the operation of the SIL, including:</p> <ul style="list-style-type: none"> — access arrangements — layout and design — ability to operate 24 hours — compatibility with uses within the wider area. <p>Only B1c, B2, B8 and appropriate sui generis use of railway arches is supported in the area.</p>	Policy EI 6 (6) Policy EI 3 8 (b)
<p>Lease terms All economic uses are expected to be leased at reasonable rents and under flexible leasing arrangements taking account of the Code for Leasing and Business Premises in England and Wales 2007</p>	Policy EI 4 (1)
<p>Managed Workspace</p> <ul style="list-style-type: none"> — Less than 1000sqm of economic floorspace – provide a range of unit sizes (unless a specific end user has been identified at submission stage or it is co-working workspace). N.B. Queenstown Road Battersea SIL identified as particularly suitable for SMEs — Provide a minimum of 400sqm or 10% of gross economic floorspace (whichever is the greater) — Identify workspace provider at application stage 	Policy EI 4 supporting text 2.14 Draft Planning Obligations SPD (2020) 6.17 to 6.20
<p>Affordable workspace Major schemes should provide 10% of gross economic floorspace capped at a rate of 20% less than the prevailing market rate for comparable premises in the borough. (N.B. This may need to be higher in VNEB to make premises affordable). S106 obligations will need to address all Heads of Terms issues in Table 5 of the Planning Obligations SPD.</p>	Draft Planning Obligations SPD (2019) 6.17 to 6.23, including Table 5.
<p>Cultural, creative workspace Policy requires the provision of cultural workspace in the Battersea Design Quarter</p>	Policy EI 4 (3)
<p>Employment Training Raise the need for the following to be secured by s106 obligations: Construction Phase (Employment & Skills Plan, Notification of vacancies, trainee apprenticeships, local labour, financial contribution End Use Phase (financial contribution, Local Procurement Plan – where value of scheme exceeds £5m)</p>	Draft Planning Obligations SPD (2020)

PRE-APPLICATION
DISCUSSIONS CHECKLIST

Employment space - design
issues

Employment space - design issues	Policy/guidance reference
<p>Floorspace requirements – all economic uses</p> <ul style="list-style-type: none"> — Adequate floor-to-ceiling heights, allowing for clear operation of the proposed use as well as servicing requirements such as ventilation, heating, lighting, electricity and cabling; — Adequate doorway and corridor widths, and clear and flexible floorplates with few supporting columns within the space, to allow for movement and appropriate configurations of furniture and equipment; — Level thresholds and access throughout the building; — Appropriate kitchen and toilet facilities (usually per floor); — Natural light and ventilation, avoiding windowless and basement offices; — Good telecommunications connectivity, including super-fast broadband connections where appropriate; and — Active Design which encourages wellbeing and greater physical movement as part of everyday routines. 	Policy EI 5 (1)
<p>Additional floorspace requirements – B1c, B2 and B8 uses</p> <ul style="list-style-type: none"> — Servicing and loading facilities including access bays and service yards; — Floor to ceiling heights of at least 3.35m — Space on site for servicing/parking of commercial vehicles; — Goods lifts for multi-storey developments (with minimum loading of 500kg) — See guidance in Section 5.2 of the Physical Development Framework 	Policy EI 5 (2)
<p>Level of Fit-out Seek to secure full fit-out beyond shell and core</p>	Policy EI 5 supporting text (2.24)

PRE-APPLICATION DISCUSSIONS CHECKLIST

Hubs

Hubs

Planning policy at national, London-wide and local level adopts a 'town centre first' approach to cultural consumption spaces and directs such activities to the Borough's town centres and the VNEB CAZ area (particularly the proposed CAZ Frontage around Battersea Power Station).

The proposed hubs are intended as multi-functional spaces that support employment uses by providing socialising, networking and marketing spaces which may include cultural activities (such as a café/restaurant/bar, product launches, promotional events, live music, performance etc.). However, they are to be 'ancillary' spaces that support individual businesses and the ecology of the area as a whole.

It is envisaged that one hub will serve each 'area of change':

1. Event space/cafe
2. Public facing/gallery space
3. Incubator/accelerator space

Hubs - land use issues	Policy/guidance reference
Flexible & ancillary uses — Allow for a range of uses that are ancillary to and support the employment uses in the area (retail, cafe/bar, restaurant, exhibitions, product launches, networking, social events, live music etc.)	Core Policies PL8 & PL11 ('town centre first principle' for retail/leisure)
Responsibility & management — Use planning obligations to secure a Management Plan to manage the permitted uses and include review periods (be flexible to facilitate a commercial operator).	Core Policies PL8 & PL11 ('town centre first principle' for retail/leisure)
In-kind provision & financial contributions — Use planning obligations to secure the space within the host building (provided to shell and core before an appropriate trigger date) — Use Arts & Culture Plan commuted sums from other development in the sub-area that the hub serves to fund fit-out beyond shell and core and cultural activities.	Draft Planning Obligations SPD (2020)

Hubs - design issues	Policy/guidance reference
Event space — 250 sqm ~ 500 people standing, 250 seated, 167 workshop — 4.5m minimum height — Clear spanning spaces for flexibility — Auxillary office support space for the administration and support team — Appropriate scale of storage space — Supporting cafe/kitchen space — Loading bay access	Policy EI 5 (1)
Gallery space — 4.5m minimum height — Auxillary office support space for the administration and support team — Appropriate scale of storage space — Supporting cafe/kitchen space	Policy EI 5 (3)
Co-working space — Adequate floor-to-ceiling heights, allowing for clear operation of the proposed use as well as servicing requirements such as ventilation, heating, lighting, electricity and cabling; — Adequate doorway and corridor widths, and clear and flexible floorplates with few supporting columns within the space, to allow for movement and appropriate configurations of furniture and equipment; — Level thresholds and access throughout the building; — Appropriate kitchen and toilet facilities (usually per floor); — Natural light and ventilation, avoiding windowless and basement offices; — Good telecommunications connectivity, including super-fast broadband connections where appropriate; and — Active Design which encourages wellbeing and greater physical movement as part of everyday routines.	Policy EI 5
Level of Fit-out Seek to secure full fit-out beyond shell and core	

Glossary

Term	Definition
Affordable workspace	London Plan definition: Workspace that is provided at rents maintained below the market rate for that space for a specific social, cultural, or economic development purpose
Creative industries	DCMS categorise the creative industries as including the following sectors: <ul style="list-style-type: none"> — Advertising and marketing — Architecture — Crafts — Design: Product, Graphic and Fashion Design — Film, TV, video radio and photography — IT, software and computer services — Publishing — Museums, Galleries and Libraries — Music, performing and visual arts — Cultural industries – Creative industries that have a cultural focus.
Economic/ employment uses	B1a (office), B1b (research and development), B1c (light industry), B2 (general industry), B8 (storage and distribution), appropriate sui generis uses including transport depots, waste processing sites, vehicle sales showrooms, builders' yards and merchants, and other sui generis uses that have an industrial character
Business sizes	Businesses are categorised according to the number of employees as follows: <ul style="list-style-type: none"> — 1 – 9 employees: micro — 10 to 49 employees: small — 50 to 249 employees: medium — 250+ employees: large
Industrial uses	B1c, B2 and B8 uses as well as sui generis uses that are industrial in nature, such as builders' yards, car sales showrooms, waste transfer stations or bus depots.

Term	Definition
Managed workspace	Workspace within one or more of the B use classes, where the management of the workspace goes significantly beyond straightforward servicing of the building and includes elements that provide business support, operational flexibility and/or affordability features, as described in the supporting text for policy EI4 (Paragraph 2.12 notes that managed workspace tends to include some or all of the following: <ul style="list-style-type: none"> — Business support, advice and mentoring; — Networking spaces and events; — Direct access to financial institutions and investors; — Shared secondary spaces, such as meeting rooms; — Pay-as-you-go rent models; — Flexible leasing arrangements giving access to both short-term and long-term contracts depending on business needs; — Flexible spaces with easily removable partition walls or spaces of different sizes that can be modified as businesses grow or consolidate and allow for peak-time operation; — Cross-subsidy from more established businesses to emerging firms or those operating in low-income sectors such as the cultural industry or third sector; — Direct support or rent subsidies for businesses that provide services or undertake volunteering for the local community.
SME	Small and Medium-sized Enterprises. This includes all micro, small and medium sized businesses (see Business Sizes definition)

**CURRENT S106
CONTRIBUTIONS & CIL
LIABILITES**

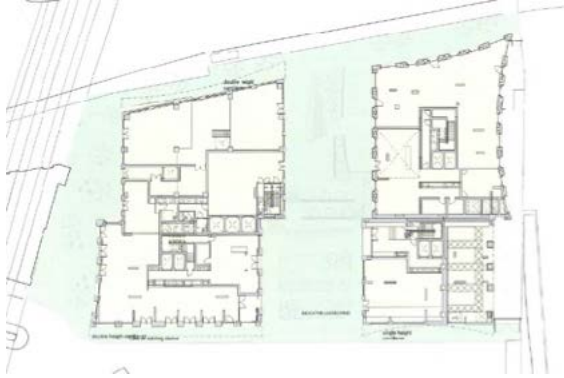

The following is a summary for extant schemes only (i.e. those that have been permitted and could be implemented).

4 Ingate Place (2017/3392) – granted 10/11/17 (On Site)	
Borough CIL liable – Approx. £136,865 No s106 planning obligations	
6-10 Ingate Place ((2018/0544) – Full PP Granted 13/02/2019	
Borough CIL Liable – Approx. £1,255,732 Plus, the following s106 planning obligations (financial contributions and works) - with all contributions to be paid on or before Commencement of Development.	
Alternative Employment Opportunity Contribution	£27,004.84
Cultural Strategy – means a strategy developed in collaboration with the Council’s Nine Elms Strategic Lead for Culture which responds to and supports the adopted Cultural Strategy for the VNEB Opportunity Area	Schedule 3 Cultural Strategy – to be submitted to the Council for approval in writing prior to First Occupation of the Development and to comply with the terms of the approved Cultural Strategy
Cultural Strategy Contribution	£69,961.40 (£20,653.80 for arts & public realm and £41,307.60 for arts and cultural infrastructure)
Employment Skills & Enterprise Contribution	£69,961.40
Schedule 4 - The Council covenants to use the Contribution and Alternative Employment Opportunity Contribution for the purpose of implementing the terms of the Local Employment Agreement contained in Schedule 5.	
Frontage Strip	£19,965.34
Section 278 works to highway at front of site	Details in Agreement
Public Realm Contribution for the Ingate Masterplan Area (Ingate Place and the immediate area)	£50,000
To include road/highway improvements, footway improvements, street furniture and landscaping, general maintenance and upgrading to improve the placemaking of the area.	

CURRENT S106
CONTRIBUTIONS & CIL
LIABILITES

38 Havelock Terrace (2017/7026) – Current application Borough CIL Liabie – Approx. £615, 290 Plus, the following s106 planning obligations (financial contributions and works) – based on Heads of Terms in Committee Report	
Alternative Employment Opportunity Contribution	£10,857.48
Employment Skills & Enterprise Contribution	£8,027.20
Frontage Strip Section 278 works to highway at front of site	Removal of dropped kerbs on Havelock Terrace and Pagden Street and provision of 6 cycle parking spaces.
Public Realm Contribution	To be agreed with the Transport Strategy Team Manager)
Site at Palmerston Court (2016/5422) – Granted PP 16/04/2018 Borough CIL Liabie – Approx. £XX Plus, the following s106 planning obligations (financial contributions and works).	
Air Quality Contribution — To be used to improve air quality in the VNED Area in accordance with the Air Quality Action Plan. — To be paid before occupation of development.	£400
Affordable Workspace	122sqm — To be subject of an approved Affordable Workspace Management Strategy — Peppercorn rent in perpetuity
Cultural Space	268sqm GIA within Block D.
Cultural Strategy — Means a strategy prepared by the Owners that demonstrates how the Cultural Space will be developed (and Cultural Occupiers secured and implemented throughout the Development or any amendment variation or revision thereto agreed in writing by the Council — Details set out in Schedule 3 Part 6.	In summary the strategy is to set out: — Engagement strategy — Cultural Space to be provided to a cultural user at a peppercorn rent for 10 years — Category A fit out or equivalent — Lessees of the pub is to be encouraged to host cultural events Developer to work with the Council to prepare a detailed 10-year cultural action plan based on an approved strategy.
Cycle Hire Docking Station Contribution — To be paid on or before commencement of development (TfL to approve details)	£110,000 (to fund re-provision of 40-point docking stations)

CURRENT S106
CONTRIBUTIONS & CIL
LIABILITES

Site at Palmerston Court (2016/5422) – Granted PP 16/04/2018 Borough CIL Liable – Approx. £XX Plus, the following s106 planning obligations (financial contributions and works).	
Local Employment Agreement Contribution To be used for implementing the Local Employment Agreement contained in Schedule 4. To be paid on commencement of development.	£44,222 if an Employment & Skills Plan is first agreed with the Council, otherwise £132,665.
Public Open Space – means the area shown on Plan 3 (to be laid out in accordance with the Public Open Space Specification and maintained in accordance with the Public Open Space Management & Maintenance Scheme). Principally the area in between and to the west of the two blocks (green on plan 3). Details set out in Schedule 3 Part Four of Agreement	
Signage Contribution — Towards the costs of providing information points and signs to enhance pedestrian wayfinding on the site and the immediate vicinity of the site. — To be paid on or before first occupation of the development.	£11,880
TfL Highway Works – Plan 4 – along southern pavement of Battersea Park Road (yellow on Plan 4) Wandsworth Highway Works – Plan 4 - along Bradmead (north and west) and along the north side of Palmerston Way (Green on Plan 4).	

7.0

DOCUMENT REFERENCES

[Draft New London Plan \(Policy E7\), GLA](#)

[Industrial Intensification and Co-location study, GLA](#)

[State of Small Businesses, Nesta, 2017](#)

[Innovation Ecosystem, Brookings Institute](#)

[Wandsworth Local Plan Employment and Industry Document, 2017](#)

[VNEB Development Infrastructure Finance Study \(DIFS\), 2010](#)

[Wandsworth Local Plan Core Strategy, 2016](#)

[Mayor of London Civic Innovation Challenge](#)

8.0
COMMERCIAL
VIABILITY REVIEW

BATTERSEA DESIGN & TECH QUARTER: HAVELOCK TERRACE COMMERCIAL VIABILITY REVIEW JANUARY 2020

BACKGROUND

The proposed BDTQ sits within the Vauxhall Nine Elms Battersea (VNEB) Opportunity Area, a 227 hectare site earmarked by the Mayor of London to deliver 6.5m sqft of commercial space, 2.8m sqft of retail and leisure as well as over 3m sqft of new office space, with major town centres at Vauxhall and Battersea Power Station. This is accompanied by an indicative employment capacity of 25,000 jobs and will be supplemented by major infrastructure investment in the form of an extension to the Northern Line with two new stations at Battersea Power Station and Nine Elms. The extension to the Underground in particular is seen as a 'game changer' for the local economy that can give the area a more central London feel.

The local area is already attracting significant occupiers such as world leading publisher Penguin Random House (One Embassy Gardens), the Embassy of the United States and perhaps most notably Apple, whose new headquarters will occupy 500,000 sqft at Battersea Power Station. The latter has unsurprisingly drawn comparison to Google locating in King's Cross, and many believe such prominent occupiers will provide a unique draw to potential occupiers and investors, as well as attracting an entirely new business community in the creative, design and tech sectors.



AIM OF THE REPORT

This report accompanies from the We Made That report titled 177_Battersea_Design_Quarter (issued 24th January 2020). The data, commentary and proposed scheme designs contained within the We Made That report have been adopted herein and act as the basis of our analysis. With the aim of keeping this report concise, we have decided not to repeat a majority of the relevant information from the WMT report.

The purpose of the PRD report is to assess the viability of Havelock Terrace based on the scheme design contained within the WMT report (shown below). Havelock Terrace is representative of the array of commercial accommodation proposed for the wider BDTQ and therefore should identify any viability concerns for the site itself and also the remaining scheme.

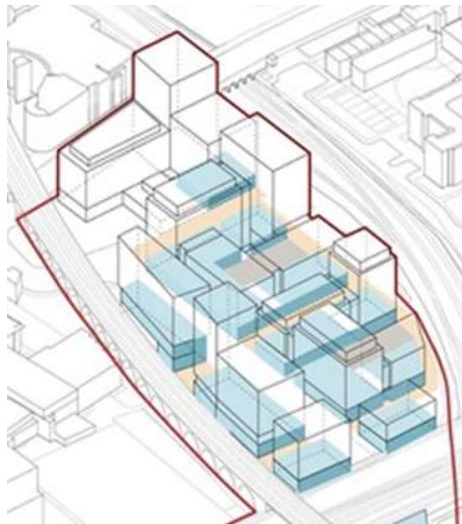
Viability will be determined by running a phased development appraisal and assessing the residual land value (or surplus value). A positive land value / surplus will indicate a viable scheme. To measure the degree of viability, we have applied a viability score to each of the property use-types to demonstrate the degree of robustness and therefore the resilience of the scheme to changes in the inputs.



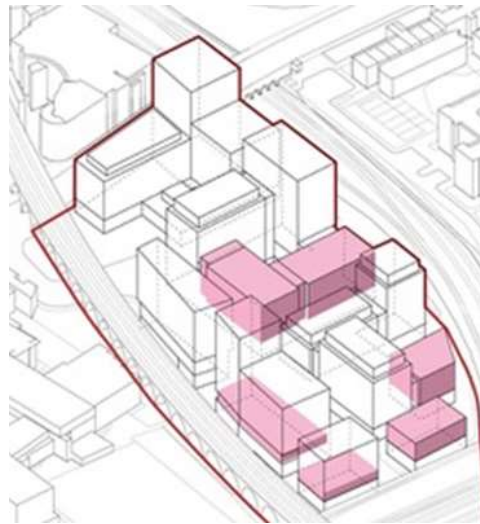
ACCOMMODATION SCHEDULE

COMMERCIAL ACCOMMODATION SCHEDULE									
	SPACE MIX (ON NIA)	GIA (SQFT)	GIA:NIA	NIA (SQFT)	BUILD RATE PSF	RENT PSF	RENTAL VALUE	AVERAGE YIELD	NET VALUE
LIGHT INDUSTRIAL	11%	62,915	90%	56,624	115	25.00	1,415,589	6.00%	20,022,680
WORKSHOP	14%	82,204	85%	69,873	205	36.00	2,515,442	6.25%	34,048,816
OFFICE	75%	476,658	80%	381,327	230	45.00	17,159,697	5.25%	279,699,692
Total	100%	621,777	82%	507,824	215	41.53	21,090,727	N/A	333,771,188

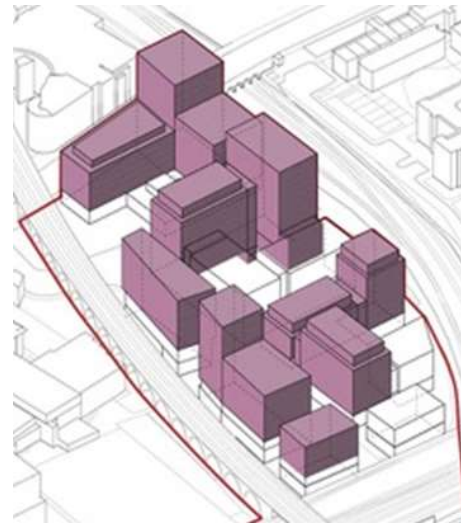
LIGHT INDUSTRIAL



WORKSHOP AND STUDIO UNITS



OFFICES



AREA MIX

- LIGHT INDUSTRIAL
- WORKSHOP
- OFFICE



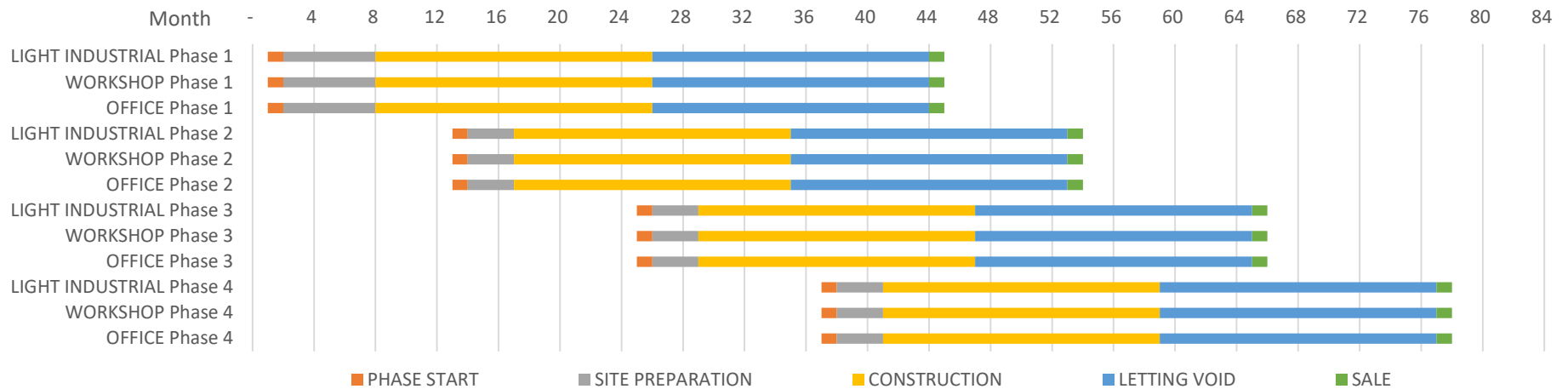
PHASING

For the purpose of this analysis only, the following four phases have been assumed (plot references can be seen on the diagram from Page 2).

PHASE	PLOT	LIGHT INDUSTRIAL	WORKSHOP / STUDIO	OFFICE	PHASE TOTALS
Phase 1	A	4,900	4,840	132,720	142,460
Phase 2	B	17,240	47,760	123,380	188,380
Phase 3	C	5,910	-	31,390	
Phase 3	F/G	22,990	17,730	113,750	
Phase 3	H	8,330	8,330	61,280	269,710
Phase 4	D/E	3,540	3,540	14,140	21,220
TOTALS		62,910	82,200	476,660	621,770

5 - YEAR DEVELOPMENT PROGRAMME

The following programme has been adopted and is indicative of the 5-year timeframe proposed by WMT.



APPRAISAL ASSUMPTIONS

INPUT DESCRIPTION	LIGHT INDUSTRIAL	WORKSHOP	OFFICE
Phasing	4 Phases, comprising: Site Preparation: 3 months Construction: 18 months Sales/Letting: 18 months	4 Phases, comprising: Site Preparation: 3 months Construction: 18 months Sales/Letting: 18 months	4 Phases, comprising: Site Preparation: 3 months Construction: 18 months Sales/Letting: 18 months
Areas	GIA: 62,915 sqft (5,845 sqm) NIA: 56,624 sqft (5,261 sqm) Gross-to-Net: 90.0%	GIA: 82,204 sqft (7,637 sqm) NIA: 69,873 sqft (6,491 sqm) Gross-to-Net: 85.0%	GIA: 476,658 sqft (44,283 sqm) NIA: 381,327 sqft (35,426 sqm) Gross-to-Net: 80.0%
Build Costs	Build rate: £115 psf (£1,238 psm)	Build rate: £205 psf (£2,207 psm)	Build rate: £230 psf (£2,476 psm)
Other Costs	e.g.: Demolition, Services, External Works, Landscaping etc		
	Total Other Cost: £1,400,000	Total Other Cost: £1,830,000	Total Other Cost: £10,610,000
Cost Contingency	5.0%	5.0%	5.0%
CIL	CIL (Borough and MCIL2): £467,600 SECTION 106: £500,000	CIL (Borough and MCIL2): £610,960 SECTION 106: £750,000	CIL (Borough and MCIL2): £10,185,090 SECTION 106: £3,750,000
Professional Fees	Pre-Construction: 4.0% Post-Construction: 6.0%	Pre-Construction: 4.0% Post-Construction: 6.0%	Pre-Construction: 4.0% Post-Construction: 6.0%
Fee Contingency	5.0%	5.0%	5.0%
Finance Costs	6.00% APR	6.00% APR	6.00% APR
Profit Levels	Profit on cost: 15%	Profit on cost: 15%	Profit on cost: 15%
Commercial Rent	£25.00 psf	£36.00 psf	£45.00 psf
Commercial Yield	6.00%	6.25%	5.25%
Rent Free Period	12 months	12 months	12 months

- Development has been phased over a 5-year programme, in keeping with the WMT timeline.
- Gross External Areas have been provided by WMT, along with an advisory 90% discount for GIA.
- Build costs have been sourced from industry data and benchmarked against similar schemes with which we have been involved.
- 'Other Costs' cover the demolition of the existing accommodation and an assumed External Works costs equating to 10% of the construction cost to cover public realm, services, access etc.
- Borough CIL and Mayoral CIL2 have been calculated at the prevailing rates, and a nominal sum has been assumed for any future Section 106 contributions (further investigation is required).
- Light industrial and office rents have been determined from analysing a combination of historic lettings (EGi), properties currently on the market (EGi), general rental tones for the wider area (Hatch), and opinions garnered from speaking to local commercial agents. The affordable workspace rent has been calculated as a 20% discount to the office rent, as per the Borough of Wandsworth Planning Policy EI 4.
- Light industrial and office investment yields have been determined from industry reports and market knowledge. The affordable workspace yield has been calculated by adding 1% to the office yield, to account for the more intensive management required over the affordable workspace.
- All other inputs are based on market knowledge and experience, and fall within the parameters considered to be industry standard for this type of scheme.



MARKET COMMENTARY

Plans for the site at Havelock Terrace currently set out a mix of uses including workshops and studios, office, small and medium industrial uses, as well as various other spaces for amenity, parking and public realm. This will result in a net total of 56,600 sq.ft of light industrial floorspace, 69,900 sq.ft of workshop/studio floorspace, and 381,300 sq.ft of office floorspace.

There are various important factors to take into account when considering the values this development is likely to achieve. As is seen with comparable schemes, good connectivity is crucial, however severance and lack of access to amenity and green space can clearly have a negative impact. Plans that can overcome severance and integrate sensitive public realm interventions will undoubtedly contribute to greater values being achieved here. As seen with Battersea Studios, the potential to create a community of complementary businesses can also have a positive effect.

One should also consider the amount of workspace to be provided at discounted rates. Rent free periods should also be taken into account, which for the Southbank area (Southwark, Waterloo, London Bridge, Borough, Battersea / Vauxhall) tends to be 9-12 months for 5 year leases, and up to 24 months for a 10 year lease. Furthermore, having consulted local agents (Edward Charles & Partners; Houston Lawrence), demand for both office and industrial type space is strong, and notable deals for office space at Battersea Studios (£40-45psf) and Parkfield Industrial Estate (£25-£30psf) suggest that values for new build premises at Havelock Terrace could certainly match if not exceed this.

Overall, the Havelock Terrace development site benefits from excellent transport connectivity (Battersea Park, Queenstown Road, Battersea Park Road), access to green space and amenity (Battersea Park) as well as being in a prime location to capitalise on large-scale change and regeneration throughout the Vauxhall Nine Elms Opportunity Area and the subsequent extension of the Northern Line.



LAND VALUES – INDIVIDUAL

The following displays the headline sales and costs figures derived from the appraisals, and subsequently the residual land values being determined on an individual and overall basis.

LIGHT INDUSTRIAL (56,625 sq ft NIA) (62,925 sq ft GIA) Total Sales: £20,023,000	Build Costs: £7,235,000
	Other Dev't Cost: £4,405,000
	Finance @ 6.0%: £1,437,000
	Profit-on-cost @ 15.0%: £2,612,000
GROSS RESIDUAL LAND VALUE (sales minus costs) £4,334,000 (£69 per sq ft GIA)	
NET RESIDUAL LAND VALUE (incl. land purchase costs deduction) £3,534,000 (£56 per sq ft GIA)	

WORKSHOP (69,875 sq ft NIA) (82,200 sq ft GIA) Total Sales: £34,049,000	Build Costs: £16,852,000
	Other Dev't Cost: £7,351,000
	Finance @ 6.0%: £3,033,000
	Profit-on-cost @ 15.0%: £4,441,000
GROSS RESIDUAL LAND VALUE (sales minus costs) £2,372,000 (£29 per sq ft GIA)	
NET RESIDUAL LAND VALUE (incl. land purchase costs deduction) £1,938,000 (£24 per sq ft GIA)	

OFFICE (381,325 sq ft NIA) (476,650 sq ft GIA) Total Sales: £279,700,000	Build Costs: £109,631,000
	Other Dev't Cost: £53,086,000
	Finance @ 6.0%: £17,316,000
	Profit-on-cost @ 15.0%: £36,483,000
GROSS RESIDUAL LAND VALUE (sales minus costs) £63,183,000 (£133 per sq ft GIA)	
NET RESIDUAL LAND VALUE (incl. land purchase costs deduction) £51,402,000 (£108 per sq ft GIA)	

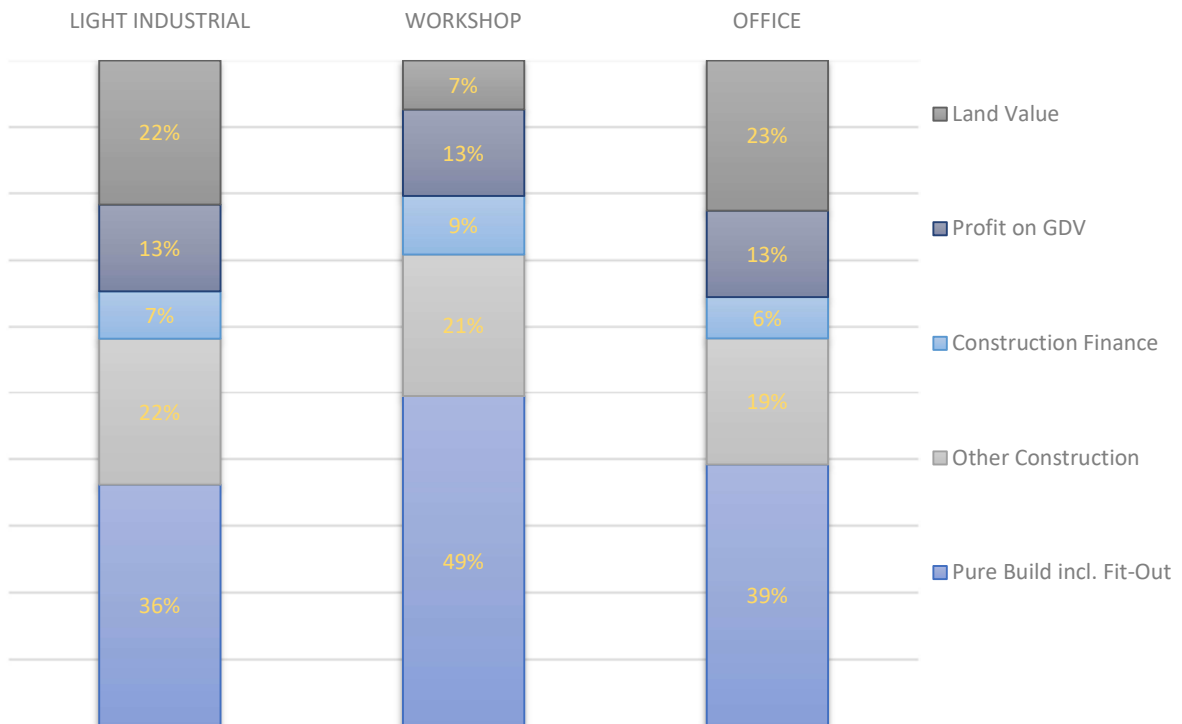
LAND VALUE – TOTAL

AGGREGATED LAND VALUES	
LIGHT INDUSTRIAL	£4,334,000
WORKSHOP	£2,372,000
OFFICE	£63,183,000
GROSS RESIDUAL LAND PRICE	£69,889,000
Finance @ 6.00%	-£9,177,000
Purchaser's Costs at 6.78%	-£3,855,000
NET RESIDUAL PRICE	£56,857,000 (£91 per sq ft GIA)

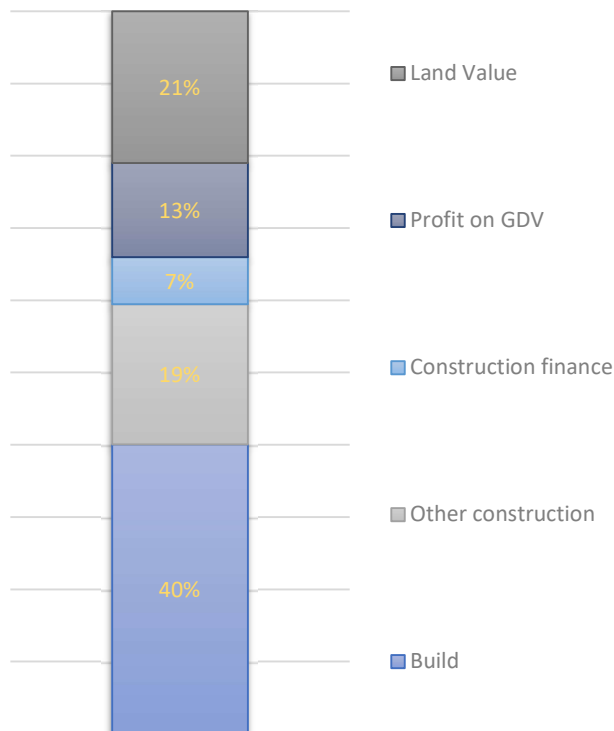


COST SUMMARY

Total Costs Summary by Property Type



Total Costs Summary



VIABILITY SCORING

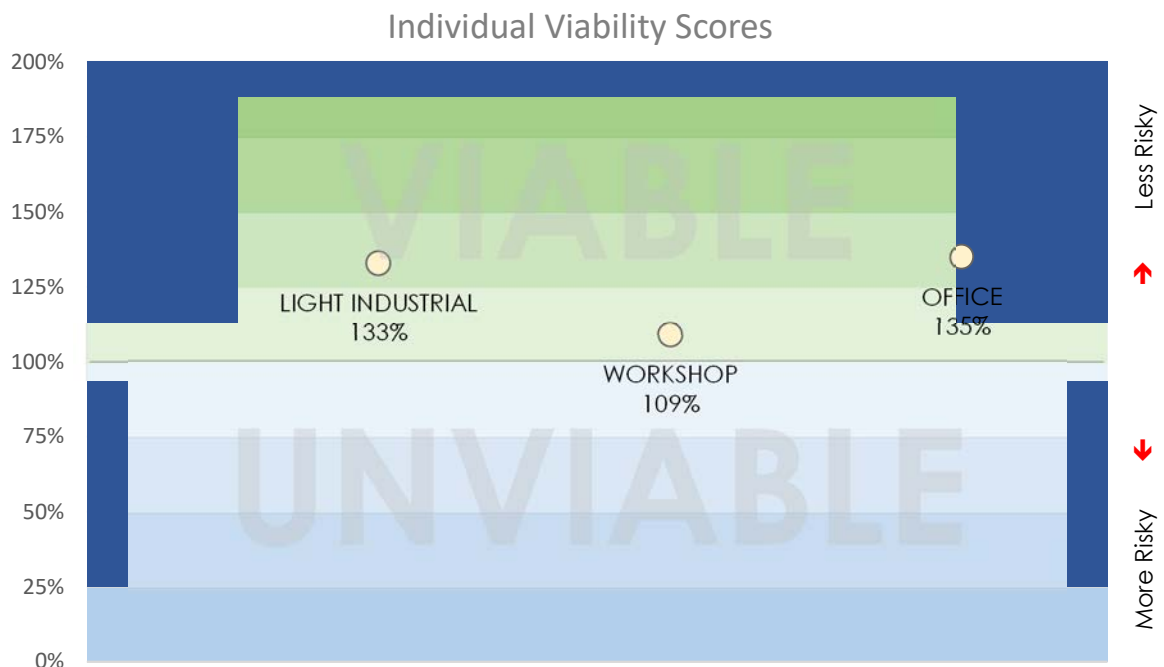
In the analysis below, viability has been scored by assessing the relationship (ratio) between revenues and costs, with 100% being the determinant point at which a use / plot / scheme is deemed viable or unviable. The score will demonstrate the level of 'surplus' as a proportion of the total costs so that the constituent parts of the scheme can be analysed on a like-for-like basis regardless of their size.

The higher the viability score, the greater the resilience to input changes such as increased build costs and lower sales values (explained in more detail below), and the more profitable they are deemed.

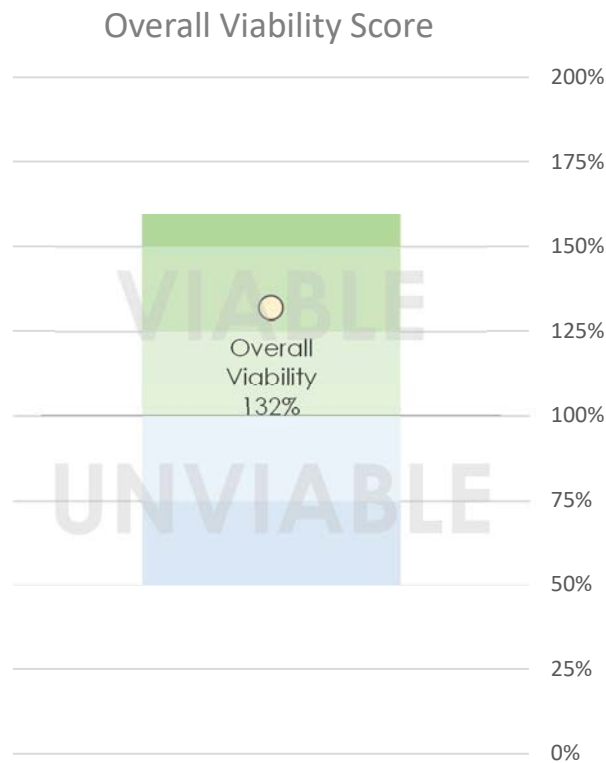
A score of less than 100% indicates an unviable element to the scheme. This may manifest in a negative land value (if the land value is the variable being measured) or a scheme that generates lower levels of profit than are typically required by developers / investors (if the land price is already fixed and the profit level / surplus is the variable being measured). In some instances, the viability analysis will indicate that no profit is received and that costs would exceed revenues, thus creating a loss-making scheme.

The scores for Havelock Terrace are as follows:

Individual Viability Scores	
LIGHT INDUSTRIAL	133%
WORKSHOP	109%
OFFICE	135%



The score for the overall scheme, encompassing all the property uses, is as follows:



To put the viability score into context, the table below demonstrates some of the inputs changes that would have to occur within the appraisal for the score to move up/down to the neutral viability position at 100%.

VIABILITY ROBUSTNESS:

INPUT MOVEMENTS REQUIRED TO SHIFT THE VIABILITY SCORE ↑/↓ TO 100%

STARTING VIABILITY SCORE	RENTS	BUILD COSTS	PROFESSIONAL FEES	CONTINGENCY	BUILD / LETTING TIMETABLE	YIELD SHIFT
175%	↓ 13-15%	↑ 13-15%	↑ 100%	↑ 100%	↑ 50%	+0.50%
150%	↓ 13-15%	↑ 13-15%	↑ 50%	↑ 50%	↑ 50%	
125%	↓ 10-12%	↑ 10-12%				
100%						
75%	↑ 8-10%	↓ 8-10%				
50%	↑ 11-13%	↓ 11-13%		↓ 50%		
25%	↑ 11-13%	↓ 11-13%		↓ 100%	↓ 50%	-0.50%



CONCLUDING OBSERVATIONS

- Havelock Terrace is mixed-use scheme with a predominance of office space equating to 75% of the total amount.
- The overall scheme creates a positive land value / surplus of circa £56.9m, which suggests that (at a minimum) a landowner could receive payment for the land and a developer could receive sufficient profit to justify undertaking the scheme.
- The overall scheme has a viability score of 132%, which demonstrates a degree of robustness against small shifts in value and cost inputs.
- Individually, all the property use-types create positive land values / surpluses.
- Office use has the highest viability score at 135%, although Light Industrial demonstrates a similar level of viability at 133%.
- Workshop / Studio uses have a lower score at 109%, reflecting their affordable status and the lowering of their rents by 20% compared to market levels.
- All the above is subject to the notes, caveats and limitations stated below, and they must be read in conjunction with this report.



NOTES ON THE ASSUMPTIONS

1. The assumptions are made on a generalised basis and are based on high level rather than detailed schemes.
2. All appraisals assume that planning consent will be granted for each scheme.
3. All appraisals assume that vacant possession can be achieved for properties required to progress the development.
4. All appraisals assume that the various negotiations with neighbouring landowners and holders of rights and easements across the subject land can be achieved in a timely manner and at a reasonable cost.
5. Revenues are based on general market conditions supported by high level market evidence.
6. No detailed analysis has been undertaken on the rate of market absorption for the level of development indicated.
7. Unless specifically stated, construction costs are assumed at a general rate irrespective of individual site or scheme characteristics.
8. Some allowances may have been made as provisional sums for abnormal costs or contingencies. These are not intended to offer an exhaustive list of such costs and no warranty or assurance is provided as to their adequacy to cover the actual costs.
9. No allowances made for potential contamination, remediation, asbestos removal or other environmental costs.
10. No allowances made for site assembly costs or existing use values.

CAVEATS AND LIMITATIONS

1. The appraisals are provided purely for indicative purposes based on illustrative schemes. They are not provided for use in detailed negotiations on specific sites.
2. Residual land values depend on the assumptions made. Any changes to the assumptions made can have a significant effect on value and viability.
3. A wide range of bids will be made in the market for a site, based upon differing assumptions made by developers many of which may depend upon their requirements.
4. The appraisals represent an assessment of land values at a specific point in time. They should not be considered indicative for the medium to long term but are for short term illustration only.
5. Whilst carried out based upon the principles and guidance notes of the RICS Valuation, Global Standards 2017 (the Red Book) the appraisals should be considered outside of the parameters of the Red Book due to the high level nature of the schemes and assumptions adopted.



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