Holloway Prison
Viability Assessment of Development Scenarios

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Prepared on behalf of the London Borough of Islington

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1.0 INTRODUCTION

1.1 We have been instructed by the London Borough of Islington ("LB Islington") to undertake an assessment of various development scenarios for the Holloway Prison site. The site is owned by the Ministry of Justice ("MoJ"). The use as a prison ended in summer 2016, and the site is currently being prepared for sale for redevelopment.

1.2 This Viability Assessment utilises preliminary analysis undertaken by LB Islington, and a Site Capacity Study prepared by Urban Initiatives Studio. The capacity study sets out a number of development scenarios, which we have then adopted by creating a viability assessment for each scenario.

1.3 This Viability Assessment is intended to form part of the evidence based supporting LB Islington's proposed Supplementary Planning Document ("SPD") for the site. LB Islington published the Holloway Prison Discussion Paper on 3 March 2017, and the consultation invited feedback on the potential contents of the SPD.

1.4 It was announced by the Government in the 2015 Autumn Statement that the prison would close, and it was concluded that its *"design and physical state…do not provide the best environment for the rehabilitation of offenders and was deemed to be inadequate and antiquated",* and *"the size and poor design make it a very difficult establishment to run".*

1.5 The site is to be included as a site allocation in the Local Plan, thus will be subject to a site specific policy. We have considered the viability of the site in the context of national, regional and local planning policies and taking into account relevant guidance in respect of viability assessment for planning purposes.

1.6 The approach in assessing development viability must meet the requirements to reflect planning policies; such as affordable housing provisions, development densities and also ensuring a competitive return to the landowner and developer. Islington's Core Strategy Policy CS12 includes the target that 50% of new housing delivered should be affordable. Both private and mixed-use proposals should provide the maximum reasonable level of affordable housing taking into account this borough strategic target of 50%. There is an expectation that many sites will deliver 50% subject to a financial viability assessment, the availability of public subsidy and individual circumstances of the site.

1.7 In accordance with London Plan policy 3.13, CS12 also requires all site capable of delivering 10 units or more to provide affordable housing on site. The Islington Development Viability SPD highlights that the 50% strategic affordable housing target is a key requirement that must be taken into account, and viability testing should therefore consider the borough strategic target as the starting point. We have considered the level of affordable housing that can be viably delivered by each of the three development scenarios.

2.0 VIABILITY RESULTS

2.1 We have undertaken three main appraisals to test the viability of the scheme at different densities:

- Scenario One: 567 unit scheme
- Scenario Two: 718 unit scheme
- Scenario Three: 878 unit scheme

2.2 The floor areas and other details of these scenarios have been provided by LB Islington, and are based on the development options that have been prepared by Urban Initiatives Studio.

2.3 Summaries of these appraisals are included in Appendix One. They all include 50% of the units as affordable housing, in line with LB Islington's Development Plan Policies. The affordable housing is split 70:30 between Social Rented and Shared Ownership respectively.

Table 1: Residual Land Values

Scenario – all with 50% affordable housing by unit	Residual land value (when Intermediate tenure is Shared Ownership)
One (567 units)	£58.38m
Two (718 Units)	£68.92m
Three (878 units)	£75.93m

2.4 We have also adjusted the appraisals above by switching the Shared Ownership units to London Living Rent (LLR) tenure. This generates the following residual land values:

Table 2: Residual Land Values with London Living Rent as intermediate tenure

Scenario – all with 50% affordable housing by unit	Residual land value with London Living Rent as intermediate tenure
One (567 units)	£51.73m
Two (718 units)	£60.58m
Three (878 units)	£65.68m

2.5 We have considered the results in the context of national, regional and local planning policies, and conclude that these scenarios with 50% affordable housing would be viable and provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

3.0 PRIVATE RESIDENTIAL SALES VALUES

3.1 We have adopted average values of £862 per sq ft for Scenario 1, £876 per sq ft for Scenario 2, and £909 per sq ft for Scenario 3. These values are based on research we have undertaken into the local residential market. We have applied a different rate to each unit type, in order to reflect the difference in rates – primarily the trend that larger units generate lower values per sq ft than smaller units.

3.2 We do not envisage any substantial changes overall due to changes in density, as whilst increasing the density may act to constrain value in some respects, it will lead to an increase in building height and thus give the potential for higher values on the upper floors. We have added a 20% premium to units above the 6th floor, and adopted a 35% premium to the top four floors of the 15-storey tower in Scenario 3.

3.3 We have undertaken a "high level" assessment of values and comparison with other schemes, as we do not have any detailed specifications and designs for the Scenarios with which to undertake a more detailed exercise[1]. These details would be available at the application stage.

3.4 In Appendix Three, we set out the sales evidence which supports the values that we have adopted. There is limited new-build evidence in the immediate vicinity, which creates some degree of uncertainty of achievable value, and for that reason we have erred on the side of caution in our estimates, and consider these estimates to arguably be conservative.

[1] Our assumptions include 10% wheelchair housing across all tenures, based on habitable rooms. The spatial requirement for wheelchair dwellings can be assumed to be roughly 30% greater than minimum space standards.

4.0 BUILD COSTS

4.1 Our retained Cost Consultant, Geoffrey Barnett Associates, have undertaken an assessment of the three scenarios to determine their likely build costs. Their report is included in Appendix Two. The appraisals (Appendix One) show the other development cost assumptions that we have adopted.

4.2 We have adopted a profit of 20% on GDV for the private market housing, 15% on GDV for the commercial uses, 6% on GDV for the affordable housing, and 6% on Cost for the community space. These are in our experience realistic profit requirements for a complex scheme such as this, having regard to the length of the development period and the risks associated with fluctuations to the market; and these rates have been considered to be reasonable by Planning Inspectors in numerous recent appeal decisions.

4.3 The ability to phase this development mitigates considerably the risks associated with bringing forward the quantum of units identified in each scenario. The absence of significant shared infrastructure also mitigates overall risk as such we see no reason to move to an IRR or similar time weighted return which could generate profit margins above the levels shown.

4.4 As advised by Planning Officers, the Mayoral CIL and Islington CIL used in the assessment has been updated by indexation in accordance with The Community Infrastructure Regulations 2010 (as amended). The RICS BCIS All-in-TPI used was 288 as of June 2017.

4.5 The S106 contributions have been estimated at different rates for each Scenario ranging from £250,000 (Scenario 1) up £350,000 (Scenario 3). In addition, a carbon off-setting rate of £1,250 per residential unit and an estimate for the commercial and community uses have been applied, as advised by Planning Officers.

5.0 DEVELOPMENT PERIOD & PHASING

5.1 We have assumed a sales rate of 10 units per month based on other schemes in the borough. This is a key factor in determining the development programme and phasing, as the later phases are programmed to start once the sales of the preceding phases has completed.

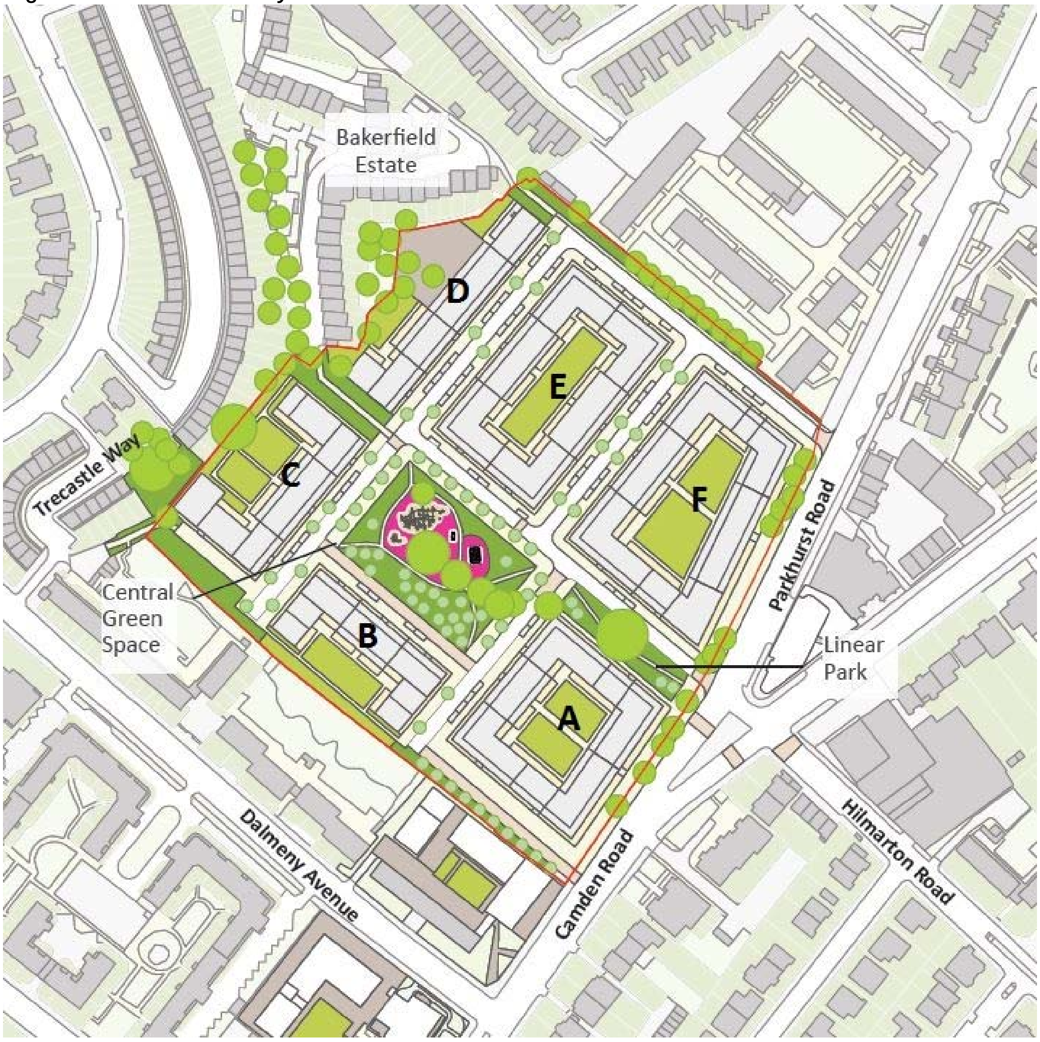
5.2 The appraisals assume three phases, the largest being the initial phase, which assumes that 50% of this initial phase's private residential units are sold off-plan.

5.3 CIL payments are timed according to the LB Islington instalment policy.

5.4 We have assumed a construction period of 18 months for each phase, and an initial preconstruction period of 9 months. The post completion sales period is determined by the 10 per month sales rate. The phases are shown in Figure 1 below and are as follows:

- o Phase One – Blocks A, B, C & D
- o Phase Two- Block E
- o Phase Three – Block F

Figure 1: Illustrative layout



5.5 This phasing plan includes affordable housing delivery in each phase, as per the plan detailed below:

Table 3: Phasing plan

Phase	Residential mix
Phase One	
Block A	MIXED
Block B	ALL PRIVATE
Block C	ALL PRIVATE
Block D	ALL AFFORDABLE
Phase Two	
Block E	MIXED
Phase Three	
Block F	MIXED

5.6 We consider the above phasing plan to be realistic in terms of practicalities of delivery. It has been designed to ensure that the scheme is practically deliverable, taking into account the difficulties such as continuing construction while minimising disturbance to the occupants of the earlier phases.

6.0 GROWTH MODELLING

6.1 We have firstly assessed viability using present-day costs and values, but are of the view that the application of growth in values and costs inflation may be appropriate in this instance. The Knight Frank East Central London growth forecast (which includes Islington borough as part of this region) has these annual rates of growth per annum up to 2012:

Table 4: Knight Frank East Central London growth forecast

	Annual growth in residential prices
2017	1.0%
2018	3.5%
2019	3.0%
2020	3.5%
2021	4.0%

6.2 The above is the most location specific forecast available to us. It is not too dissimilar to the trend shown by other forecasters, in relation to Central London as a whole:

Table 5: Savills and JLL index for Central London price growth

	Savills index of Central London house price growth	JLL index for Central London house price growth
2017	0.0%	0.0%
2018	0.0%	1.0%
2019	8.0%	3.0%
2020	5.0%	5.5%
2021	6.5%	5.0%

6.3 We have extrapolated the Knight Frank forecast after 2021 by adopting 3.5% per annum, which is the average of the last three years of the Knight Frank estimate.

6.4 With respect to the build costs, we have inflated these in line with the Tender Price Index. We have extrapolated the last three quarters of growth to give the rates after Q4 2021:

Table 6: BCIS All-in TPI forecasts

Year	Quarter	Annual growth in costs - BCIS TPI forecast
1	Q3 2017	0.0%
1	Q4 2017	0.0%
1	Q1 2018	-0.7%
1	Q2 2018	-0.7%
2	Q3 2018	0.0%
2	Q4 2018	1.1%
2	Q1 2019	1.4%
2	Q2 2019	2.1%
3	Q3 2019	3.9%
3	Q4 2019	4.5%
3	Q1 2020	5.6%
3	Q2 2020	5.5%
4	Q3 2020	6.1%
4	Q4 2020	5.7%
4	Q1 2021	6.6%
4	Q2 2021	6.2%
5	Q3 2021	6.1%
5	Q4 2021	6.0%

6.5 We have reviewed relevant growth and inflation, and initial sensitivity analysis suggests some potential improvement to the viability position if this were to be applied.

7.0 AFFORDABLE HOUSING VALUES

Shared Ownership

7.1 We have adopted the Mayor's housing income cap for the Shared Ownership, which is £90,000. We have used 40% of net income as the cap, and have determined the level of initial equity share and rent of unsold equity that will be required, based on the HCA's affordability calculator:

Table 7: Shared Ownership assumptions

Unit type	Proportion of total shared ownersip floor area	Average GIA	Initial equity share	Rent on unsold equity
1b2p	40%	62.50	25%	2.75%
2b4p	50%	87.50	25%	1.60%
3b5p	5%	107.50	25%	1%
4b7p	5%	135.00	20%	0.75%

7.2 Using these assumptions, the values are £526 per sq ft for each of the Scenarios.

Social Rent

7.3 The Social Rent unit values have been estimated taking into account Target Rent caps and the London Affordable Rent benchmarks.

Table 8: Rents adopted in Scenarios 1-3

Unit type	Service charge	Maximum rents - based on formula rent caps (exclusive of service charge)
Bedsit	£18.12	141.42
1 Bed	£23.68	149.74
2 Bed	£29.51	158.06
3 Bed	£35.00	166.38

7.4 We have used our own bespoke affordable housing valuation model, which we have developed previously in partnership with a leading London Housing Association. The overall value generated equates to £137.80 per sq ft. We have allowed for standard cost deductions when calculating the net capital values, however if an additional service charge component were included this would have the effect of reducing rents to ensure overall costs stayed within the rent cap limit and would thereby reduce capital values. We have cross-checked our valuation by making comparison to recent offers made by Registered Providers in London, which indicate that our estimate is in broadly line with these offers.

London Living Rent

7.5 We have also tested the scheme with the Shared Ownership tenure replaced by London Living Rent, which is a hybrid tenure in that the occupants are encouraged to switch from rented into Shared Ownership tenure over time. We have adopted the London Living Rent monthly rents for the St George's ward in which the site is situated: at £946 for one-beds, £1,051 for 2-beds, £1,156 for 3-beds, and £1,261 for 4-beds. As the Mayor's guidance states in respect of this tenure:

> *"The homes will be offered on tenancies of a minimum of three years. Tenants will be supported to save and given the option to buy their home on a shared ownership basis during their tenancy. They will also be given extra priority for other shared ownership homes across London."*

7.6 We have assumed that on average the units are converted from London Living Rent after 10 years. This is just an estimate as in reality we understand that the conversions may take place before and after 10 years. The value generated is £403 per sq ft for each Scenario. These values are lower than those of conventional Shared Ownership (£526 per sq ft), but are considerably higher than if the living rents continue in perpetuity without any occupants converting their homes to Shared Ownership tenure.

7.7 Taking into account the above, we have undertaken additional modelling to show the difference in residual land values between adopting Shared Ownership units and London Living Rent (LLR) as the intermediate tenure (Table 9). The lower values generated by London Living Rent (£403 per sq ft to £526 per sq ft for Shared Ownership) results in a reduction to the residual land value. For example; in Scenario One there is a reduction from £58.38m to £51.73m as a consequence of replacing the Shared Ownership intermediate tenure to London Living Rent.

Table 9: Residual Land Value comparison between Shared Ownership and London Living Rent

Scenario	**Shared Ownership**		**London Living Rent**	
	Residual land values	% of affordable housing by unit (by area)	Residual land values	% of affordable housing by unit (by area)
One (567 units)	£58.38m	50% (51%)	£51.73m	50% (51%)
Two (718 units)	£68.92m	50% (51%)	£60.58m	50% (51%)
Three (878 units)	£75.93m	50% (51%)	£65.68m	50% (51%)

7.8 Furthermore, we also explored the degree to which the overall percentage of affordable housing might change when intermediate tenure is London Living Rent, if one assumes that the residual land value is kept at the same level as under the scenarios where intermediate tenure is Shared Ownership. The results are shown in Table 10. For example, in Scenario One this resulted in a reduction of 4% in affordable housing to 47%. This is simply to illustrate how either the level of affordable housing or the residual land value change, depending on what assumptions are made.

Table 10: London Living Rent affordable housing levels after residual land values adjusted to be the same as Shared Ownership scenarios.

Scenario	**Shared Ownership**		**London Living Rent**	
	Residual land values	% of affordable housing by unit (by area)	Residual land values	% of affordable housing by area (% change)
One (567 units)	£58.38m	50% (51%)	£58.38m	47.0% (-4.0%)
Two (718 units)	£68.92m	50% (51%)	£68.92m	47.2% (-3.8%)
Three (878 units)	£75.93m	50% (51%)	£75.93m	47.4% (-3.6%)

7.9 For the London Living Rent units, it may prove to be the case that there is a faster speed of conversion to Shared Ownership tenures than we have assumed, which would have a positive impact on values. It should be noted that in cases where the London Living Rent tenant does not take up the right to buy their current home on Shared Ownership within ten years, the provider would be expected to sell it to another eligible purchaser on a Shared Ownership basis.

7.10 London Living Rent is a new affordable housing tenure, so there is inherently some uncertainty how it will work in practice at this stage. It is yet unclear how Registered Providers will approach valuations of this product when bidding.

8.0 SITE VALUE

Summary of BPS approach

8.1 The planning policy and guidance that we discuss below requires that the cost of complying with planning policies including affordable housing policies is fully reflected in the adopted site value when undertaking viability assessments for planning purposes. This approach is consistent with the NPPF and PPG, also at regional and local level; the Mayor of London and LB Islington specifically support an Existing Use Value approach to determining a site's benchmark land value. This approach is considered the most reliable way of ensuring the cost of meeting planning obligations is fully taken into account while also allowing for a suitable return to the landowner in line with the NPPF's requirement (para 173) to allow for a "competitive return" to the landowner.

8.2 The site is in a high-value part of London in respect of residential sales, with no significant constraints, nor would it be subject to significant abnormal costs in bringing it forward for development. In consequence this is a site that should be able to make a substantial contribution towards affordable housing. In addition, it has a relatively low existing use value, which minimises the constraints upon the deliverability of a large quantum of affordable housing.

8.3 LB Islington's Development Viability SPD (January 2016) highlights that the level of landowner premium ("competitive return") should, in accordance with DCLG's Planning Practice Guidance (PPG), reflect planning policies including affordable housing requirement. The SPD indicates that this should rule out significantly inflated land values built into purchase prices, transactions and/or land owner aspirations based on assumptions which do not adequately reflect planning policy. To fail to do so would make it almost inevitable that policy requirements would be found to be unviable, undermining the plan-led system.

8.4 Whilst the preferred approach of the Mayor of London and LB Islington is an existing use value approach, we have also carried out our assessment in accordance with the requirements as set out in PPG.

8.5 We have adopted a benchmark land value of £58.38m. This takes into account our optimistic EUV estimate of £27.0m, but also recognises that Scenario One can generate a similar value as this figure of £58.38m is the residual land value of Scenario One (see Appendix One), therefore we consider this to be a realistic and acceptable benchmark. It provides a 116% premium over existing use value therefore clearly delivers a "competitive return" to the landowner in line with NPPF requirements.

8.6 Taking into account the benchmark land value of £58.38m, we undertaken some further theoretical analysis on affordable housing levels. We have adjusted the appraisals for Scenarios 2 and 3 to show the maximum level of affordable housing that can be viably delivered using this benchmark land value. The results are:

- Scenario Two can deliver 56.00% affordable by area when adopting a benchmark land value of £58.38m.
- Scenario Three can deliver 57.70% affordable by area when adopting a benchmark land value of £58.38m.

Relevant planning policy & guidance

National Planning Policy

8.7 The NPPF (paragraph 173) sets out that there is a need to ensure that both the developer and land owner are able to secure competitive returns to ensure the development can come forward. PPG provides guidance on what constitutes a competitive return, the relevant extract is set out below:

> *"A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy."*

8.8 At paragraph 196, the NPPF also acknowledges:

> *"The planning system is plan-led. Planning law requires that applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise. This Framework is a material consideration in planning decisions."*

8.9 PPG clarifies that the costs of affordable housing and other obligations such as CIL should be reflected in land value. In all cases, land or site value should:

- *"Reflect policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge;*
- *provide a competitive return to willing developers and land owners (including equity resulting from those wanting to build their own homes); and*
- *be informed by comparable, market-based evidence wherever possible. Where transacted bids are significantly above the market norm, they should not be used as part of this exercise."*

Regional and Local Planning Policy

8.10 The Mayor of London's Housing Supplementary Planning Guidance (March 2016), provides guidance on the approach to identify a suitable land value at paragraph 4.4.1:

> *"It should be noted that the NPPF's benchmark for viability appraisals is that it should "take account of the normal cost of development and mitigation, provides competitive returns to a willing land owner and a willing developer to enable the development to e deliverable". In light of inference to the contrary, either 'Market Value', 'Alternative Use Value', 'Existing Use Value plus' based approaches can address this requirement where correctly applied (see below); their appropriate application depends on specific circumstances. On balance, the Mayor has found that the 'Existing Use Value plus' approach is generally most appropriate for planning purposes, not least because of the way it can be used to address the need to ensure that*

development is sustainable in terms of the NPPF and Local Plan requirements, he therefore supports this approach."

8.11 In addition, the Mayor of London's Draft Affordable Housing & Viability SPG states:

"3.46 The Mayor considers that the 'Existing Use Value plus' (EUV+) approach is usually the most appropriate approach for planning purposes. It can be used to address the need to ensure that development is sustainable in terms of the NPPF and Development Plan requirements, and in most circumstances the Mayor will expect this approach to be used."

8.12 Islington's Development Viability SPD is consistent with regional policies, and expresses a preference for the Existing Use Value plus approach to determining an appropriate benchmark for planning purposes:

"6.48. In line with this, 'Existing Use Value plus a premium' (EUV plus), is a commonly taken approach to determining the land value benchmark which is used to assess whether a residual land value provides a competitive return for the land owner. This benchmark is based on the Current or Existing Use Value of a site plus a landowner premium and follows the premise that a landowner could sell their site based on the value of the land in its current use without bringing the land forward for development. In most cases the income generating potential and value of current uses will be lost as a result of a development and so the landowner should receive at least the value of the land in its 'pre-permission' use when bringing forward land for development. A premium is added to this to provide the landowner with an additional incentive to release the site, having regard to site circumstances.

6.49. A key benefit of this approach is that it clearly identifies the uplift in value arising from the grant of planning permission because it enables comparison with the situation in which planning permission has not been secured."

Alternative Use Value

8.13 The DCLG's Planning Practice Guidance (PPG) supports the use of a realistic Alternative Use Value approach, although it cautions that this approach should only be considered if the alternative use would comply with planning policy.

8.14 We have considered the potential of the buildings to be adapted for other uses following some degree of refurbishment and reconfiguration. Whilst there may be scope for some of the floorspace of the existing buildings to be converted, Planning Officers have advised that there would be great difficulty associated with the *entire* site being subject to a straightforward single change of use (other than for residential uses). We therefore conclude that there does not appear to be any other alternative uses that would generate a substantial land value.

8.15 In this case, the impending allocation of the site for a residential-led redevelopment may render any alternative types of development unlikely to secure planning consent and unlikely to provide a land value over and above residential uses. It can therefore be argued that an AUV does not apply in this case. This also echoes provisions in the

Local Plan to protect sites allocated for residential development from being developed for other uses.

Existing Use Value

8.16 We have considered whether the site has any value in its existing use. The buildings were described by the Justice Secretary as "*inadequate and antiquated*", and that the "*design and physical state*" did not provide the best environment for the rehabilitation of offenders.

8.17 But this does not necessarily mean that the buildings are fully obsolete in respect of their ability to be used as a prison given we understand that most of the buildings on site date from the 1970's and 1980's. We have insufficient details regarding the existing buildings and the MoJ's assessment of them to give a more definitive judgement. It is, however, reasonable to assume that the prospect of securing a substantial land receipt from the sale of the site (which could offset the cost of constructing modern prison facilities) was an important consideration in deciding to close this facility. Thus while the condition of the prison was clearly considered inadequate, it is questionable whether the buildings would have been closed at this stage if it had not also been for the residential development potential of the site and the prospect of a substantial land receipt.

8.18 Whilst the prison was originally Victorian, it was rebuilt between 1971 and 1985. We have undertaken a Depreciated Replacement Cost valuation on this building, taking into account its age. This method is endorsed by the 2014 RICS *Valuation – Professional Standards* ("Red Book") as being suitable for specialist properties that are not traded and for which no market evidence of value is available. It defines this approach as *"The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."* Whilst it may be possible for the MoJ to attribute a 'book value' to the site based on its remaining use value to them – in terms of the public services the facility can help to deliver – we have not been provided with any such estimate, and insufficient information has been provided regarding the prison operation at the site to enable us to make an estimate.

8.19 It is appropriate to undertake a Depreciated Replacement Cost valuation in this case, due to the fact that prisons are rarely transacted and for that reason the more common "income approach" (determine a rent and capitalisation rate based on market evidence) cannot realistically be applied. The Red Book sets out that where Existing Use Value cannot be reached via the "income approach", the "cost approach" (i.e. Depreciated Replacement Cost) should be used, which remains tied to and informed by "comparable, market-based evidence" in the sense that the BCIS rates used are derived from cost evidence of other prison schemes. In terms of market sales evidence, PPG requires this "wherever possible" but in this case such market evidence is not available due to the highly specialised nature of the premise and that prisons are rarely transacted. We have, however, taken sales transactions into account another way – in our consideration of comparable land transactions as discussed further below.

8.20 The Mean BCIS average tender prison "Closed Prison" construction is £2,556 per sq m. With Islington's 1.23 Location Factor, this generates an adjusted build cost rate of £3,343 per sq m. Applying this to the GIA of 31,041 sq m gives £103.8m as a total build cost. Adding in 30% additional costs for externals and abnormal development costs, generates a capital cost (new build) of £135m. This valuation method then takes the cost of providing a modern replacement and discounts this figure to account for deterioration and the process of obsolescence.

8.21 Given the 32-46 age span of the buildings on site and its apparent inadequacies when seeking to meet the current needs of the DoJ, we have discounted the cost by 80% to reach a depreciated figure of **£27.0m.** This represents the site's Existing Use Value.

8.22 Adding a 20% landowner premium to this EUV give a total of **£32.4m** as a benchmark land value. This figure potentially understates the site value, taking into account the specifics of the residual valuation we have undertaken; this is because it is unrealistic to adopt a benchmark land value that is lower than the residual land value that is generated from a fully policy compliant scheme. In effect the site's allocation for a much more valuable residential use enhances the available landowner premium even allowing that the full cost of meeting planning obligations have been factored in, and it is to be expected that the remaining site value would benefit the landowner and that prospective purchasers would bid as high as the residual land value of a policy compliant scheme assuming similar assumptions were adopted concerning other valuation inputs.

Residual Valuation Approach

8.23 We have determined the residual land value that is generated by the site assuming a variety of density levels. This is informed by comparable market-based evidence of development costs and sales values, and reflects a policy compliant level of affordable housing. We have sense checked this figure by consideration of available land transactions.

8.24 The figure is shown for Scenario One as £58.38m, which can be calculated as £14.49m per Hectare or £103,000 per unit. At this level of Site Value, the proposed scheme can viably deliver 50% affordable housing which demonstrates that this Site Value fully reflects the cost of meeting planning obligations. This estimate is in line with the PPG's requirement that Site Value should reflect planning policy, and in line with the LB Islington's SPD which require the 50% target to be fully taken into account when determining land value.

8.25 In effect the site value is determined by the viability of the scheme under consideration. It is recognised that the low existing use value does not effectively represent a barrier to full compliance with the borough wide targets in respect of affordable housing delivery. The range of residual value values for scenarios tested are as follows:

Table 11: Residual Land values for all Scenarios

	Residual land value	Residual land value per residential unit	Residual land value per Hectare
Scenario One	£58.38m	£103,000	£14.49m
Scenario Two	£68.92m	£96,000	£17.10m
Scenario Three	£75.93m	£86,000	£18.84m

8.26 As can be seen above, the figure for the Scenario One is £103,000 per unit. Although the overall residual value increases with density, the net land cost per unit falls reflecting the fact that the site cost is defrayed over progressively larger numbers of units. Given the unusually large scale of this development in an Islington context it makes comparison with other much smaller sites more difficult as comparisons on a per unit land cost basis do not adequately reflect the impact of quantum as described above.

Market Value

8.27 Having considered the above methodologies, we have sought to engage with market evidence as a sense-checking exercise to inform the land value analysis. PPG states that in all cases, land or site value should:

> *"…be informed by comparable, market-based evidence wherever possible. Where transacted bids are significantly above the market norm, they should not be used as part of this exercise."*

8.28 The wording of PPG implicitly anticipates situations where it may not be possible for market evidence to determine land value. A key consideration is the extent to which circumstances of other transacted sites are sufficiently comparable. Market evidence must be truly comparable to meet the requirements of PPG; therefore, a superficial analysis of land transactions must be avoided.

8.29 RICS Valuation Information Paper 12 – Valuation of Development Land suggests that comparisons of urban sites transactions become less useful the higher the number of variables and adjustments that need to be made to account for the difference between sites:

> *"4.4 Generally, high density or complex developments, urban sites and existing buildings with development potential, do not easily lend themselves to valuation by comparison. The differences from site to site (for example in terms of development potential or construction costs) may be sufficient to make the analysis of transactions problematic. The higher the number of variables and adjustments for assumptions the less useful the comparison."*

8.30 Information about sites considered for analysis is relatively limited and in particular the assumptions adopted by purchasers in formulating their bids for these sites is unlikely to be apparent or perfectly reflected in those sites where there has been a subsequent planning consent. This means there is great difficulty in fully understanding whether these assumptions are comparable; whether the price paid in one instance should influence that paid for another site with entirely different assumptions. Land prices may for example, reflect assumptions about anticipated sales price growth or assumptions about the impact of planning obligations which mean they do not represent a land value which is purely based on current cost and value assessment such as a residual valuation.

8.31 The Mayor of London's Housing SPG at Annex 2 states that:

> *"Market Value approach should only be accepted where it can be demonstrated to properly reflect policy requirements and take account of site specific circumstances. In many cases this will require an adjustment of*

market comparable to take account of policy complaint planning obligations."

8.32 The Islington Development Viability SPD provides guidance in respect of using the "Market Value" approach to benchmarking sites. In particular, it highlights the risk where transactions do not reflect plan policy can lead to an overvaluation of land.

> *"6.59. Comparable, market-based evidence can also be used as a cross reference to help inform the benchmark land value (and premium above existing use value) and to check whether this is likely to be sufficient to encourage a landowner to release a site.*
>
> *6.60. There are however a number of potential difficulties in the transparent analysis of land market transactions (the value the land is being traded for) and in the use of transactions for the purposes of informing the benchmark in planning viability assessments. Key issues are as follows:*
>
> - *The full facts of past transactions are rarely available and bids for land may have overestimated actual value.*
> - *There is potential for transactions to not fully reflect current planning policy requirements such as those relating to affordable housing and density, as required by PPG in all cases.*
> - *Sites may have a differing "inherent" value depending on the presence or absence and nature of income generating existing uses.*
> - *Land transactions are typically based on assumptions of growth in values (whereas viability assessments are normally based on current values).*
> - *Transactions may relate to sites of different sizes, densities, mix of uses and costs to facilitate development.*
> - *Reliance on transactions that are not comparable, that do not reflect the Development Plan policies as they relate to the application site, or that are based on assumptions of growth, may lead to inflated site values. This would restrict the ability to secure development that is sustainable and consistent with the Development Plan.*
>
> *6.61. When undertaking this "sense check" it is therefore vital that transactions are genuinely comparable and that they reflect planning policy. The agreed benchmark land values for comparison sites should also be identified where available as these represent land values that have been determined for planning purposes and therefore may provide a more relevant basis for comparison than price paid. Where it is not possible to source relevant comparable evidence or adjust this appropriately to the circumstances of the application site (including policy requirements), limited weight can be given to this evidence.*
>
> *6.62. Where sufficiently comparable or adjusted, market based evidence is available this can be used to sense check a residual land value. Given the high sensitivity of residual appraisals, it may be necessary to check that overall outcomes are realistic, especially where there may be concerns that a residual*

value might be underestimated, endangering the delivery of plan requirements. In such circumstances it may be appropriate to revisit and potentially adjust relevant inputs in an appraisal (such as profits/ costs) to generate a more realistic residual value."

8.33 We have considered a number of land transactions, including those shown in Table 12 below. The unique nature and characteristic of the site represents a challenge in finding comparable evidence that is "truly comparable". Having regard to the fact that higher density schemes are likely to result in a proportionately lower land cost per unit. We do not consider comparisons on a per hectare basis to be meaningful therefore consideration of land sales evidence in this instance is useful only to the extent that our proposed values appear to be in line with or above the level indicated by the transactions.

Table 12: Sample land transactions

Site	Price	Price per Ha	Price per unit	Additional comments
Harvist Under Fives site, Islington	£3.6m in June 2015	£36m	£150,000	Cleared site. Small site, which is more "efficient" than larger sites, thus would expect lower site values per unit for larger sites.
TA Site, Parkhurst Road	£13.26m in Jan 2013	£22.84m	£88,400 (based on 150-unit scheme originally proposed)	Most cleared site, some minor low quality buildings associated with Territorial Army use. Low EUV.
351 Caledonian Road	£10.45m in Sep 2014	£5.5m	£67,000	Mostly cleared site, low EUV.
2-4a Tufnell Park Road	£2,500,000 March 2013	£17.9m	£80,600	

8.34 In addition, transactions detailed in Appendix Four indicate that the adopted benchmark of £103,000 per unit is comfortably within the range of achieved prices per unit.

APPENDIX ONE

Holloway Prison
Scenario One

APPRAISAL SUMMARY

Holloway Prison
Scenario One

Summary Appraisal for Merged Phases 1 2 3 4 5 6 7 8 9 10

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Block A - Women's Centre	1	3,186	0.00	1	1
Block - Community	1	15,725	0.00	1	1
Block A - Intermediate	1	29,122	526.00	15,317,962	15,317,962
Block A - Social Rent	1	67,950	138.00	9,377,155	9,377,155
Block B - Private	1	47,050	862.00	40,557,445	40,557,445
Block D - Community	1	2,983	0.00	1	1
Block C - Private	1	60,828	862.00	52,433,736	52,433,736
Block D - Intermediate	1	14,725	526.00	7,745,245	7,745,245
Block D - Social Rent	1	34,358	138.00	4,741,459	4,741,459
Block E - Private	1	78,911	862.00	68,021,454	68,021,454
Block E - Intermediate	1	10,771	526.00	5,665,651	5,665,651
Block E - Social Rent	1	25,133	138.00	3,468,326	3,468,326
Block F - Private	1	53,586	862.00	46,191,477	46,191,477
Block F - Intermediate	1	20,402	526.00	10,731,662	10,731,662
Block F - Social Rent	1	47,606	138.00	6,569,573	6,569,573
Totals	**15**	**512,337**			**270,821,148**

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Block F - Retail	1	11,309	25.00	282,720	282,720	282,720
Totals	**1**	**11,309**			**282,720**	**282,720**

Investment Valuation					
Block F - Retail					
Market Rent	282,720	YP @	5.0000%	20.0000	
(9mths Unexpired Rent Free)		PV 9mths @	5.0000%	0.9641	5,451,231
					5,451,231

GROSS DEVELOPMENT VALUE		**276,272,379**
Purchaser's Costs	(347,082)	
		(347,082)
NET DEVELOPMENT VALUE		**275,925,297**
Additional Revenue		
Phase 1- Capitalised Ground Rents	1,152,698	
Phase 2 - Capitalised Ground Rents	843,175	
Phase 3 - Capitalised Ground Rents	572,575	
		2,568,448
NET REALISATION		**278,493,745**

OUTLAY

ACQUISITION COSTS			
Residualised Price		58,384,160	
			58,384,160
Stamp Duty	5.00%	2,919,208	
Agent Fee	1.00%	583,842	
Legal Fee	0.75%	437,881	
			3,940,931

CONSTRUCTION COSTS

Construction	**ft²**	**Rate ft²**	**Cost**
Block F - Retail	14,136 ft²	114.00 pf²	1,611,504
Block A - Women's Centre	3,982 ft²	145.00 pf²	577,390
Block - Community	19,656 ft²	145.00 pf²	2,850,120
Block A - Intermediate	36,402 ft²	170.00 pf²	6,188,340
Block A - Social Rent	84,938 ft²	170.00 pf²	14,439,460
Block B - Private	58,813 ft²	170.00 pf²	9,998,210
Block D - Community	3,729 ft²	170.00 pf²	633,930
Block C - Private	76,035 ft²	170.00 pf²	12,925,950
Block D - Intermediate	18,406 ft²	170.00 pf²	3,129,020
Block D - Social Rent	42,948 ft²	170.00 pf²	7,301,160

Holloway Prison
Scenario One

Block E - Private	98,639 ft²	170.00 pf²	16,768,630	
Block E - Intermediate	13,464 ft²	170.00 pf²	2,288,880	
Block E - Social Rent	31,416 ft²	170.00 pf²	5,340,720	
Block F - Private	66,983 ft²	170.00 pf²	11,387,110	
Block F - Intermediate	25,503 ft²	161.51 pf²	4,118,990	
Block F - Social Rent	59,507 ft²	161.51 pf²	9,610,976	
Totals	**655,557 ft²**		**109,170,389**	**109,170,389**
Section 106 Contributions			249,999	
Carbon off-set			890,200	
Total CIL payments			10,672,061	
				11,812,260
Other Construction				
Abnormal Costs			3,470,000	
Highways Infrastructure			1,021,900	
On-site drainage			1,870,000	
Utilities			630,000	
Landscaping & External Works			1,661,000	
Energy Centre			2,570,000	
				11,222,900
PROFESSIONAL FEES				
Professional Fees		10.00%	10,917,039	
				10,917,039
MARKETING & LETTING				
Marketing			200,000	
Letting Agent Fee		10.00%	28,272	
Letting Legal Fee		5.00%	14,136	
				242,408
DISPOSAL FEES				
Sales Agent Fee		1.00%	2,759,253	
Sales Legal Fee		0.50%	1,379,626	
				4,138,879
MISCELLANEOUS FEES				
Block A - 6% on community centre		6.00%	171,007	
Block A - 6% on womens centre cost		6.00%	34,643	
Block A - 6% on affordable GDV		6.00%	1,481,707	
Block B - 20% on private resi GDV		20.00%	8,111,489	
Block D - Community 6% on Cost		6.00%	41,839	
Block C - 20% of Private resi GDV		20.00%	10,486,747	
Block D - 6% of affordable resi GDV		6.00%	749,202	
Block E - 20% of private resi GDV		20.00%	13,772,926	
Block E - 6% on affordable resi GDV		6.00%	548,039	
Block F - 20% on private resi GDV		20.00%	9,352,810	
Block F - 15% on retail GDV		15.00%	817,685	
Block F - 6% on affordable resi GDV		6.00%	1,038,074	
				46,606,169
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				22,058,610
TOTAL COSTS				**278,493,745**
PROFIT				
				0
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
Development Yield% (on Rent)		0.10%		
Equivalent Yield% (Nominal)		5.00%		
Equivalent Yield% (True)		5.16%		
IRR		3.68%		
Rent Cover		0 mths		
Profit Erosion (finance rate 7.000%)		0 mths		

Holloway Prison
Scenario Two

APPRAISAL SUMMARY

Holloway Prison
Scenario Two

Summary Appraisal for Merged Phases 1 2 3 4 5 6 7 8 9 10

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Block A - Womens Centre	1	3,142	0.00	1	1
Block A - Community Centre	1	15,725	0.00	1	1
Block A - Intermediate	1	34,346	526.00	18,066,206	18,066,206
Block A - Social Rent	1	80,142	137.80	11,043,623	11,043,623
Block B - Private	1	64,606	875.73	56,577,763	56,577,763
Block C - Private	1	77,137	875.73	67,551,010	67,551,010
Block D - Community space	1	2,983	0.00	1	1
Block D - Intermediate	1	19,198	526.00	10,098,358	10,098,358
Block D - Social Rent	1	44,797	137.80	6,172,999	6,172,999
Block E - Private	1	93,931	875.73	82,258,370	82,258,370
Block E - Intermediate	1	15,306	526.00	8,051,166	8,051,166
Block E - Social Rent	1	37,315	137.80	5,142,035	5,142,035
Block F - Intermediate	1	26,107	526.00	13,732,387	13,732,387
Block F - Social Rent	1	60,916	137.80	8,394,225	8,394,225
Block F - Private	1	68,437	875.73	59,932,159	59,932,159
Totals	**15**	**644,090**			**347,020,304**

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Block F - Retail	1	11,309	25.00	282,720	282,720	282,720
Totals	**1**	**11,309**			**282,720**	**282,720**

Investment Valuation

Block F - Retail					
Market Rent	282,720	YP @	5.0000%	20.0000	
(8mths Unexpired Rent Free)		PV 8mths @	5.0000%	0.9680	5,473,440
					5,473,440

GROSS DEVELOPMENT VALUE		**352,493,743**
Purchaser's Costs	(372,194)	
		(372,194)
NET DEVELOPMENT VALUE		**352,121,549**
Additional Revenue		
Phase 1 - Capitalised Ground Rents	1,514,542	
Phase 2 - Capitalised Ground Rents	1,003,664	
Phase 3 - Capitalised Ground Rents	731,252	
		3,249,458
NET REALISATION		**355,371,007**

OUTLAY

ACQUISITION COSTS

Residualised Price		68,919,263	
			68,919,263
Stamp Duty	5.00%	3,445,963	
Agent Fee	1.00%	689,193	
Legal Fee	0.75%	516,894	
			4,652,050

CONSTRUCTION COSTS

Construction	**ft²**	**Rate ft²**	**Cost**
Block F - Retail	14,136 ft²	158.17 pf²	2,235,891
Block A - Womens Centre	3,928 ft²	160.00 pf²	628,480
Block A - Community Centre	19,656 ft²	160.00 pf²	3,144,960
Block A - Intermediate	42,933 ft²	185.00 pf²	7,942,605
Block A - Social Rent	100,178 ft²	185.00 pf²	18,532,930
Block B - Private	80,758 ft²	185.00 pf²	14,940,230
Block C - Private	96,421 ft²	185.00 pf²	17,837,885
Block D - Community space	3,729 ft²	185.00 pf²	689,865
Block D - Intermediate	23,998 ft²	185.00 pf²	4,439,630
Block D - Social Rent	55,996 ft²	185.00 pf²	10,359,260

APPRAISAL SUMMARY

Holloway Prison
Scenario Two

Block E - Private	117,414 ft²	185.00 pf²	21,721,590	
Block E - Intermediate	19,133 ft²	185.00 pf²	3,539,605	
Block E - Social Rent	46,644 ft²	185.00 pf²	8,629,140	
Block F - Intermediate	32,634 ft²	183.00 pf²	5,972,022	
Block F - Social Rent	76,145 ft²	185.00 pf²	14,086,825	
Block F - Private	85,546 ft²	217.00 pf²	18,563,482	
Totals	**820,249 ft²**		**153,264,400**	**153,264,400**
Section 106 Contributions			300,000	
Carbon off-set			1,081,335	
Total CIL payments			13,323,820	
				14,705,155
Other Construction				
Abnormal costs			3,470,000	
Highways Infrastructure			1,021,900	
On-site drainage			1,870,000	
Utilities			630,000	
Landscape & External Works			1,661,000	
Energy Centre			3,175,000	
				11,827,900
PROFESSIONAL FEES				
Professional Fees		10.00%	15,326,440	
				15,326,440
MARKETING & LETTING				
Marketing			200,000	
Letting Agent Fee		15.00%	42,408	
Letting Legal Fee		5.00%	14,136	
				256,544
DISPOSAL FEES				
Sales Agent Fee		1.00%	3,521,215	
Sales Legal Fee		0.50%	1,760,608	
				5,281,823
MISCELLANEOUS FEES				
Block A -Womens Centre - 6% on Cost		6.00%	37,709	
Block A - Community - 6% on Cost		6.00%	188,698	
Block A - 6% on affordable GDV		6.00%	1,746,590	
Block B - 20% on private resi GDV		20.00%	11,315,553	
Block C - 20% of Private resi GDV		20.00%	13,510,202	
Block D - Community 6% on Cost		6.00%	41,392	
Block D - 6% of affordable resi GDV		6.00%	976,281	
Block E - 20% of private resi GDV		20.00%	16,451,674	
Block E - 6% on affordable resi GDV		6.00%	791,592	
Block F - 6% on affordable resi GDV		6.00%	1,327,597	
Block F - 20% on private resi GDV		20.00%	11,986,432	
Block F - 15% on retail GDV		15.00%	821,016	
				59,194,734
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				21,942,697
TOTAL COSTS				**355,371,007**
PROFIT				
				0
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
Development Yield% (on Rent)		0.08%		
Equivalent Yield% (Nominal)		5.00%		
Equivalent Yield% (True)		5.16%		
IRR		1.46%		
Profit Erosion (finance rate 7.000%)		N/A		

Holloway Prison
Scenario Three

APPRAISAL SUMMARY

Holloway Prison
Scenario Three

Summary Appraisal for Merged Phases 1 2 3 4 5 6 7 8 9 10

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Block A - Womens Centre	1	3,142	0.00	1	1
Block A - Community Centre	1	15,725	0.00	1	1
Block A - Intermediate	1	45,478	526.00	23,921,218	23,921,218
Block A - Social Rent	1	106,114	137.80	14,622,564	14,622,564
Block B - Private	1	78,542	908.52	71,356,614	71,356,614
Block C - Private	1	91,178	908.52	82,836,673	82,836,673
Block D - Intermediate	1	22,158	526.00	11,654,898	11,654,898
Block D - Social Rent	1	51,701	137.80	7,124,370	7,124,370
Block E - Private	1	114,621	908.52	104,135,289	104,135,289
Block D - Community space	1	2,983	0.00	1	1
Block E - Intermediate	1	15,308	526.00	8,052,008	8,052,008
Block E - Social Rent	1	35,719	137.80	4,922,106	4,922,106
Block F - Private	1	87,955	908.52	79,909,058	79,909,058
Block F - Intermediate	1	33,019	526.00	17,368,099	17,368,099
Block F - Social Rent	1	77,045	137.80	10,616,773	10,616,773
Totals	**15**	**780,687**			**436,519,674**

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Retail - Block F	1	11,309	25.00	282,720	282,720	282,720
Totals	**1**	**11,309**			**282,720**	**282,720**

Investment Valuation					
Retail - Block F					
Market Rent	282,720	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	5,518,129
					5,518,129
GROSS DEVELOPMENT VALUE				**442,037,804**	
Purchaser's Costs			(375,233)		
				(375,233)	
NET DEVELOPMENT VALUE				**441,662,571**	
Additional Revenue					
Phase 1 - Capitalised Ground Rents			1,813,468		
Phase 2 - Capitalised Ground Rents			1,224,741		
Phase 3 - Capitalised Ground Rents			939,812		
				3,978,021	
NET REALISATION				**445,640,592**	

OUTLAY

ACQUISITION COSTS				
Residualised Price			75,926,901	
				75,926,901
Stamp Duty		5.00%	3,796,345	
Agent Fee		1.00%	759,269	
Legal Fee		0.75%	569,452	
				5,125,066

CONSTRUCTION COSTS

Construction	**ft²**	**Rate ft²**	**Cost**
Retail - Block F	14,136 ft²	183.50 pf²	2,593,956
Block A - Womens Centre	3,928 ft²	190.00 pf²	746,320
Block A - Community Centre	19,656 ft²	190.00 pf²	3,734,640
Block A - Intermediate	56,847 ft²	215.00 pf²	12,222,105
Block A - Social Rent	132,643 ft²	215.00 pf²	28,518,245
Block B - Private	98,177 ft²	200.00 pf²	19,635,400
Block C - Private	113,972 ft²	200.00 pf²	22,794,400
Block D - Intermediate	27,697 ft²	200.00 pf²	5,539,400
Block D - Social Rent	64,626 ft²	200.00 pf²	12,925,200
Block E - Private	143,276 ft²	200.00 pf²	28,655,200

APPRAISAL SUMMARY

Holloway Prison
Scenario Three

Block D - Community space	3,729 ft²	200.00 pf²	745,800	
Block E - Intermediate	19,135 ft²	200.00 pf²	3,827,000	
Block E - Social Rent	44,649 ft²	200.00 pf²	8,929,800	
Block F - Private	109,944 ft²	227.36 pf²	24,996,868	
Block F - Intermediate	41,274 ft²	215.94 pf²	8,912,708	
Block F - Social Rent	96,306 ft²	215.94 pf²	20,796,318	
Totals	**990,995 ft²**		**205,573,359**	**205,573,359**
Section 106 Contributions			350,001	
Carbon off-set			1,284,219	
Total CIL payments			16,164,675	
				17,798,895
Other Construction				
Abnormal Costs			3,470,000	
Highway Infrastructure			1,021,900	
On-site drainage			1,870,000	
Utilities			630,000	
Lanscaping & External Works			1,661,000	
Energy Centre			3,720,000	
				12,372,900
PROFESSIONAL FEES				
Professional Fees		10.00%	20,557,336	
				20,557,336
MARKETING & LETTING				
Marketing			200,000	
Letting Agent Fee		10.00%	28,272	
Letting Legal Fee		5.00%	14,136	
				242,408
DISPOSAL FEES				
Sales Agent Fee		1.00%	4,416,626	
Sales Legal Fee		0.50%	2,208,313	
				6,624,939
MISCELLANEOUS FEES				
Block A - community - 6% on cost		6.00%	44,779	
Block A -womens centre - 6% on cost		6.00%	224,078	
Block A - 6% on affordable GDV		6.00%	2,312,627	
Block B - 20% on private resi GDV		20.00%	14,271,323	
Block C - 20% of Private resi GDV		20.00%	16,567,335	
Block D - 6% of affordable resi GDV		6.00%	1,126,756	
Block E - 20% of private resi GDV		20.00%	21,072,006	
Block D - Community 6% on Cost		6.00%	44,748	
Block E - 6% on affordable resi GDV		6.00%	778,447	
Block F - 20% on private resi GDV		20.00%	16,169,774	
Block F - 6% on affordable resi GDV		6.00%	1,679,092	
Block F - 15% on retail GDV		15.00%	827,719	
				75,118,685
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				26,300,103
TOTAL COSTS				**445,640,592**
PROFIT				
				0
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
Profit on NDV%		0.00%		
Development Yield% (on Rent)		0.06%		
Equivalent Yield% (Nominal)		5.00%		
Equivalent Yield% (True)		5.16%		
IRR		6.62%		
Rent Cover		0 mths		
Profit Erosion (finance rate 7.000%)		N/A		

APPENDIX TWO

1.0 INTRODUCTION

1.1 Geoffrey Barnett Associates are Chartered Quantity Surveyors, established in 1974, and have over 40 years experience of providing quantity surveying, project co-ordination and construction cost management services to clients throughout the UK. The firm's experience covers a wide range of project types and sizes including new build residential and commercial developments, infrastructure projects and refurbishment projects.

2.0 BASIS OF ESTIMATE

2.1 The contract build cost estimate has been prepared by using the Building Cost Information Service (BCIS) construction cost data published by the RICS. The reason for using the BCIS service is that it provides a UK wide and fully independent database compiled and continually updated by input from varied project types and locations.

2.2 BCIS publish costs as average overall prices on a cost per sq metre basis and an elemental cost per sq metre basis for new build work.

2.3 BCIS costs are updated on a quarterly basis. The most recent quarters use forecast figures, the older quarters are firm costs based on historic project data. The BCIS also provides a location adjustment facility against a UK mean index of 100, which allows adjustment of costs for any location in the UK. The BCIS also publish a Tender Price Index based on historic tender prices. This allows adjustment of costs on a time basis where necessary.

2.4 BCIS average costs are available for various categories of buildings such as apartments, offices, shops, hotels, schools, etc.

2.5 BCIS also provide a duration calculator for construction works, which allows benchmarking of the construction duration of a project.

2.6 BCIS average prices per m2 include overheads and profit (OHP) and preliminaries costs. BCIS average prices per m2 do not include for external services, external works, demolitions & site preparation, and these are calculated separately.

2.7 The costs of the apartment blocks have been estimated using the BCIS average price per m2 data for flats (apartments) adjusted for location factor LB Islington re-based to 2Q 2017. We have included a 5% contingency within the rates. The £/m2 rates include preliminaries & overheads & profit.

2.8 The BCIS includes rates for apartment blocks up to 5 storeys high, but does not include specific rates for blocks above 5 storeys high. We have estimated £/m2 rates for the higher blocks from 6 to 15 storeys high by interpolation from other data and relevant projects costs.

2.9 The cost of other built facilities contained within the apartment blocks including nursery, retail, community space, and women's centre have been assessed by adjustment of assumed fit out costs in comparison to apartment fit out cost, and the £/m2 rates adjusted accordingly.

2.10 The £/m2 rates used for the apartment blocks are shown in Table 1.

2.11 The cost of construction work not included in the BCIS rates has been calculated separately using typical unit rates adjusted for location factor to LB Islington. These additional factors include abnormal costs, infrastructure costs, drainage & utilities, landscaping & external works. A summary of these costs is given in Table 2.

2.12 The cost of the energy centre option has been researched and the estimated net additional cost for each of the four scenarios is given in Table 3

The costs are based on a combined Heat and Power (CHP) solution which will generate both heating and electricity from the same source.

The costs are net additional cost after making allowance for resultant cost savings within the apartment units including no gas main supply within the apartment blocks, no individual boiler or storage tank required within units, and similar.

Table 1

Holloway Prison

BCIS Rates: £ per m2 GIA including Prelims, 2Q 2017 LB Islington

		Block Height												Notes
		4 Storey	5 Storey	6 Storey	7 Storey	8 Storey	9 Storey	10 Storey	11 Storey	12 Storey	13 Storey	14 Storey	15 Storey	
Apartments														
Private Housing	100%	£ 1,637	£ 1,664	£ 1,825	£ 1,987	£ 2,148	£ 2,310	£ 2,363	£ 2,415	£ 2,468	£ 2,520	£ 2,573	£ 2,626	Includes 5% contingency
Affordable Housing	100%	£ 1,637	£ 1,664	£ 1,825	£ 1,987	£ 2,148	£ 2,310	£ 2,363	£ 2,415	£ 2,468	£ 2,520	£ 2,573	£ 2,626	Includes 5% contingency
Other														
Nursery	GF			£ 1,825	£ 1,987	£ 2,148	£ 2,310	£ 2,363	£ 2,415	£ 2,468	£ 2,520	£ 2,573	£ 2,626	Excludes fixtures, fittings and equipment
Retail	GF			£ 1,225	£ 1,387	£ 1,548	£ 1,710	£ 1,763	£ 1,815	£ 1,868	£ 1,920	£ 1,973	£ 2,026	Shell & core only
Community Space	GF			£ 1,561	£ 1,723	£ 1,884	£ 2,045	£ 2,099	£ 2,151	£ 2,204	£ 2,256	£ 2,309	£ 2,362	Excludes fit out
Womens Centre	UF		£ 1,400	£ 1,561	£ 1,723	£ 1,884	£ 2,045	£ 2,099	£ 2,151	£ 2,204	£ 2,256	£ 2,309	£ 2,362	Excludes fit out

Notes:

- Rates up to 5 storey are BCIS mean costs per m2 plus 5% contingency
- Rates above 5 storey are interpolated from other data and relevant project costs
- Rates include preliminaries, overheads and profit, and 5% contingency
- Rates do not include external works & abnormals

HOLLOWAY PRISON

Table 2

Geoffrey Barnett Associates

Abnormal costs	
- Demolition and asbestos removal, including perimeter wall	1,500,000
- Removal of land contamination	200,000
- Form site entrance at junction of Camden Road & Hillmarten Road	75,000
- Loading bays for deliveries	75,000
- Cut and fill excavations at building footprints	250,000
- Abnormal foundations	1,100,000
Design fee: for abnormal works @ 5%	135,000
Contigency provision @ 5%	135,000
	3,470,000
Highway Infrastructure	
- Roads & parking areas	533,000
- Pedestrian Walkways	246,000
- Cut and fill excavation for roads, parking areas	150,000
Design fees for Highway Works @ 5%	46,450
Contigency provision @ 5%	46,450
	1,021,900
On-site drainage	
- Foul system	800,000
- Storm water system	800,000
- Rainwater harvesting	excluded
- Off-site highway improvements	excluded
- Diversion of existing drains	100,000
Design fees of on-site @ 5%	85,000
Contigency provision @ 5%	85,000
	1,870,000
Utilities	
- New supplies	
- Electricity	200,000
- Gas	125,000
- Water	125,000
- Telecoms	50,000
- Substation (building works)	25,000
- Gas governor (building works)	15,000
- Diversions of existing	50,000
- Disconnections	10,000
- Off-site reinforcement of utility supplies	excluded
Congency provision @ 5%	30,000
	630,000
Landscaping and External Works	
- Site clearance	40,000
- Protection of existing trees	20,000
- Amenity areas	500,000
- Tree planting	120,000
- Shrub planting	30,000
- Grassed areas & soft landscape	200,000
- Paved areas	400,000
- accessible cycle storage	10,000
- Charging/ storage facilities for mobile scooters	20,000
- Children's play area, including equipment	70,000
- Exterior lighting	100,000
Design fees for landscaping & external works @ 5%	75,500
Contigency provision @ 5%	75,500
	1,661,000

Net Additional cost of Energy Centre

Scenario	No of units	Total net additional cost	Cost per unit
1	567	£2,570,000	£4,532
2	718	£3,175,000	£4,422
3	878	£3,720,000	£4,237

APPENDIX THREE

BPS Residential sales evidence report

1.1 BPS have been actively involved in the preparation of viability assessments in a number of new-build developments local to the HMP Holloway site. We therefore possess an in-depth understanding of the local housing market which has formed the basis of the assessment of residential sales values for the Holloway Prison redevelopment scenarios.

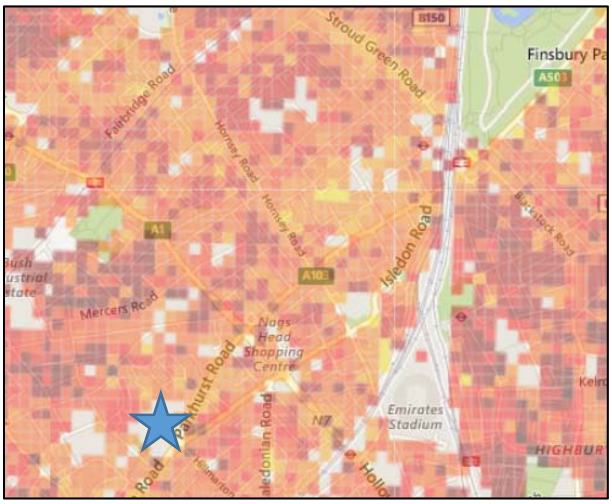
1.2 The values we have adopted as a result of this research are as follows:

1-bed 2-person unit	Average GIA of 62.50 sq m (673 sq ft)	£489,758 average unit price (£910 per sq ft)
2-bed 4-person unit	Average GIA of 87.50 sq m (942 sq ft)	£663,057 average unit price (£880 per sq ft)
3-bed 5-person unit	Average GIA of 113.16 sq m (1,218 sq ft)	£759,071 average unit price (£820 per sq ft)
4-bed 7-person unit	Average GIA of 142.11 sq m (1,530 sq ft)	£906,752 average unit price (£780 per sq ft)

1.3 This reports outlines schemes which we have assessed in order to inform our assumptions of sales value for the Holloway Prison site. By majority this evidence is of new-build schemes in similar locations to the Holloway Prison site, however there is also some consideration of good-quality second-hand evidence, as well as new-build schemes in the southern part of Islington and nearby new-build schemes.

1.4 Some of the evidence cited within this report is from as early as March 2016. Usually, we would consider this to be overly historic as supporting evidence. However, the House Price Index for Islington ‘flats and maisonettes’ only shows a very minor change from March 2016 to April 2017 (a <1% decline in values from an index of 104.73 to 103.76). This noticeably stagnant market means that more historic evidence can still represent present-day values for the purposes of viability assessment.

1.5 Some discrepancies in sales values can be explained by a lack of private outdoor space for residents, as well as unit sizes, and immediate location. As can be seen from the heat map below, prices are relatively uniform in the local area (site marked):



Bramber House, Camden Road N7

1.6 Bramber House is a small new build scheme (units now on the market) and is located on the corner of Dalmeny Avenue and Camden Road; it is therefore the closest comparable scheme to the Holloway Prison site.

1.7 The scheme comprises of 34 residential units: 8 units for private sale (6x 1b2p and 2x 2b4p) and 26 affordable units of which 16 units were allocated for social rent and 10 units for shared ownership.

1.8 The scheme integrates 455 sq m community use (library) and features a high quantum of affordable housing. Homes have been constructed to Code for Sustainable Homes Level 4.

1.9 The units within Bramber House are larger when compared to their counterpart unit types used in the Holloway Prison modelling. However, the Bramber House 1B2P average asking price when applied to the average NIA of the 1B2P units used in the Holloway prison viability modelling demonstrate a pound per square foot figure (£psf) of £910 matching the BPS valuation per sq ft of one-bed units in the Holloway Prison viability modelling.

1.10 Adopting the Bramber House 2B4P average asking price and applying it to the average NIA of the 2B4P units used within the Holloway prison viability modelling demonstrate a lower £psf when compared to BPS £psf figure for this. However, it should be noted that this is based only on two 'oversized' 2B4P units.

1.11 The asking prices outlined in the below table are now available to view on Zoopla:

Bramber House: Asking prices

Unit no	Type	Floor	O/S Space	Hab rooms	Area SQM	Area SQFT	Asking Price	Asking £psf
10	1B2P	3	Balcony	2	52.35	563	£480,000	£853
9	1B2P	3	Balcony	2	57.2	615	£492,500	£801
13	1B2P	4	Balcony	2	57.2	615	£495,000	£805
14	1B2P	4	Balcony	2	52.35	563	£485,000	£861
15	1B2P	4	Balcony	2	54.45	586	£487,000	£831
16	1B2P	4	Balcony	2	52.36	563	£497,500	£884
17	2B4P	5	Balcony	3	93.57	1009	£650,000	£644
18	2B4P	5	Balcony	3	77.24	831	£600,000	£722

2 Tufnell Park Road, N7

1.12 2 Tufnell Park Road is a new-build residential scheme constructed on an in-fill site and located on Tufnell Park Road. The scheme provided 35% affordable housing. It is important to note that not all of the scheme's private residential units benefited from outdoor amenity space.

1.13 Achieved prices for 1-bed and 2-bed flats as well as asking prices for 2-bed flats are outlined in the two tables below.

2 Tufnell Park Road: Achieved prices

Unit no	Type	Floor	O/S Space	Area SQFT	Achieved Price	Achieved £psf	Transaction Date
1	1B2P	1	None	517	£449,950	£871	April 2016
11	1B2P	3	None	517	£440,000	£851	06/04/2016
12	1B2P	3	None	495	£410,000	£828	March 2016
15	2B4P	3	None	743	£588,000	£791	01/06/2016
16	2B4P	4	Balcony	786	£640,000	£814	31/03/2016
19	2B4P	4	None	743	£647,500	£871	31/03/2016

2 Tufnell Park Road: Asking prices

Type	Floor	O/S Space	Area SQFT	Asking Price	Asking £psf
2B4P	3	None	743	£595,000	£801
2B4P	4	Balcony	850	£675,000	£794
2B4P	4	Balcony	829	£675,000	£814

North Seven, Parkhurst Road, N7

1.14 North Seven is a conversion of former commercial premises to residential and is located on the corner of Parkhurst and Holloway Roads. The scheme comprises of studios and 1-bed and 2-bed flats which benefit from being completed to a very high interior specification. The development is set above the Barclays Bank but has its own entrance which is accessible from Parkhurst Road.

North Seven: Asking prices

Unit no	Type	Floor	O/S Space	Area SQFT	Asking Price	Asking £psf
	1B2P	2	None	455	£458,000	£1,007
	1B2P	2	None	455	£500,000	£1,099
1	2B4P	1	None	571	£550,000	£963
4	2B4P	1	None	618	£525,000	£850
2	2B4P	1	None	676	£610,000	£903
3	2B4P	1	None	543	£485,000 (Under Offer)	£893
8	2B4P	2	None	656	£600,000	£915
9	2B4P	2	None	678	£625,000	£922

The Harper Building, N7

1.15 The Harper Building is a conversion scheme of former commercial premises on Holloway Road, which is adjacent to Parkhurst Road. The period façade could impose limitations on the designs of the units which might impact sales values. The scheme benefits from close proximity to Holloway Road Tube Station; however, the Harper Building did not benefit from communal or private open space that typically demand premiums in densely populated urban areas. The scheme is also sited on a busy road frontage as well as being close to a railway line, and would therefore be effected by noise pollution. Many of the smaller units in the scheme are also smaller than minimum standards notwithstanding that they have commanded a premium.

1.16 The average sales values for this scheme are £482,735 for one-bed units, £623,305 for two-beds and £708,394 for three-beds. The overall average sales rate equates to £9,729 per sq m (£904 per sq ft). Not all units had private amenity space, which may explain the discrepancies in pricing.

Harper Building: Achieved prices with HPI applied

Unit	Beds	Date	Area m^2 (ft^2)	Price (+HPI to Jan17)	£ per m^2 (ft^2)
Flat 1	3	Listed	82.2 (885)	£695,950	£8,467 (£787)
Flat 2	1	16/03/16	43.8 (472)	£459,497	£10,491 (£975)
Flat 3	1	21/03/16	53.7 (578)	£517,594	£9,639 (£895)
Flat 4	2	10/03/16	60.9 (656)	£623,225	£10,234 (£951)
Flat 5	3	Listed	81.1 (873)	£705,000	£8,693 (£808)
Flat 6	1	29/03/16	42.8 (461)	£454,215	£10,612 (£986)
Flat 7	1	17/03/16	53.2 (573)	£517,594	£9,729 (£904)
Flat 8	2	24/02/16	61.3 (660)	£623,463	£10,171 (£945)
Flat 9	3	29/03/16	82.1 (884)	£740,740	£9,022 (£838)
Flat 10	1	21/03/16	43.5 (468)	£464,778	£10,685 (£993)
Flat 12	2	18/03/16	62 (667)	£623,225	£10,052 (£934)
Flat 13	3	24/03/16	77.3 (831)	£691,886	£8,951 (£833)

321 Holloway Road, N7

1.17 321 Holloway Road is a new build scheme located in close proximity to the Harper Building. The House Price Index has been applied to sales evidence from December 2015 to December 2016. It should be noted that all of the units sold within this scheme benefited from additional amenity such as winter gardens, terraces and balcony space.

321 Holloway Road: Achieved prices with HPI applied

Beds	Count	Average Area m^2 (ft^2)	Price Achieved inc. HPI	£ per m^2 (ft^2)
1	3	54 (581)	£435,512	£8,064 (£749)
2	8	72 (780)	£569,719	£7,862 (£730)

Gillespie Court, Queensland Terrace N7

1.18 Gillespie Court forms part of the larger Queensland Terrace development located on Queensland Road. The Queensland Terrace development consists of three towers containing a mixture of studios, one-bed, two-bed and three-bed flats as well as penthouses.

Gillespie Court (Queensland Terrace): Asking prices

Type	Floor	O/S Space	Area SQFT	Asking Price	Asking £psf
1B2P	8	Balcony	574	£599,950	£1,045
1B2P	2	Terrace	588	£525,000	£893
1B2P	7	Balcony	508	£520,000	£1,024
1B2P	6	Balcony	550	£500,000	£909
1B2P	7	Balcony	527	£518,000	£983
1B2P	8	Balcony	489	£485,000	£992
1B2P	8	Balcony	527	£490,000	£930

Queensland Terrace: Asking prices

Type	Floor	O/S Space	Area SQFT	Asking Price	Asking £psf
1B2P	5	Balcony	517	£499,000	£965
1B2P	9	Balcony	495	£475,000	£960
1B2P	7	Balcony	526	£520,000	£989
2B4P	4	Balcony	774	£620,000	£801
2B4P	4	Balcony	712	£620,000	£871

City North, Finsbury Park N7

1.19 City North is a large redevelopment scheme comprising of two 22-storey towers and two further smaller buildings which will provide collectively provide 355 residential flats and 120,000 sq ft of retail, restaurant, leisure and office space. The scheme is located next to Finsbury Park Station and benefits from good transport links as well as close proximity to Finsbury Park. The scheme is set for completion in late 2019/early 2020.

City North: Asking prices

Type	Floor	O/S Space	Area SQFT	Asking Price	Asking £psf
1B2P	12	Balcony	517	£530,000	£1,025
1B2P	13	Balcony	517	£520,000	£1,006
1B2P	13	Balcony	517	£510,000	£986
1B2P	13	Balcony	517	£500,000	£967
1B2P	6	Balcony	506	£499,950	£988
1B2P	13	Balcony	517	£490,000	£948

2B4P	17	Balcony	883	£855,000	£968
2B4P	16	Balcony	883	£850,000	£963
2B4P	15	Balcony	883	£845,000	£957
2B4P	5	Balcony	980	£799,000	£815

London Square 423-425 Caledonian Road, N7

1.20 423-425 Caledonian Road is an emerging mixed-use development located in close proximity to Caledonian Road Tube Station. The scheme comprises of four separate buildings which contain 40 residential units consisting of 1-bed and 2-bed flats ranging in size from 564-786 sq ft. Building 5 is 7-storeys, Building 6 is 5-storeys, Building 9a is 7-storeys and building 9b is 8-storeys. The scheme is set to be completed in the Third/fourth quarter of 2018.

423-425 Caledonian Road: Asking prices

Type	Floor	O/S Space	Area SQFT	Asking Price	Asking £psf
1B2P	Not specified	Private winter garden	Not specified	£525,000	
2-bed	Not specified	Balcony	Not specified	£705,000	
2-bed	Not specified	Balcony	Not specified	£730,000	
2-bed	Not specified	Balcony	Not specified	£760,000	
2-bed	Not specified	Balcony	765	£689,000	£901
2-bed	Not specified	Balcony	765	£689,000	£901

1-7 Hargrave Place N7

1.21 1-7 Hargrave Place is a small new build mixed-use development comprising of six apartments and three retail units. The scheme benefits from good transport links.

Hargrave Place: Asking prices

Type	Area SQFT	Asking Price	Asking £psf
1B2P	500	£495,000	£990
2B4P	661	£599,950	£908
2B4P	649	£599,950	£924

272-276 Highbury New Park, N5

1.22 272-276 Highbury New Park is a small new-build development located within the Highbury Quadrant Estate. The development comprises of 10 residential units and two commercial units. The scheme benefits from close proximity to transport connections as well as Clissold Park.

272-276 Highbury New Park: Achieved prices

Unit no	Type	Floor	O/S Space	Area SQFT	Achieved Price	Achieved £psf	Transaction Date
3	2B4P	1	Balcony	732	£600,000	£820	30/09/2016
5	2B4P	2	Balcony	732	£625,000	£854	31/03/2016
8	2B4P	3	Balcony	732	£600,000	£820	27/01/2017
1	3-bed Duplex	LG-G	Garden and terrace	1345	£770,000	£572	02/03/2017
4	3-bed	1	Balcony and terrace	1076	£920,000	£855	30/06/2016

Second-hand Comparatives

One Bedroom

Address	Sale price	Sale date	Area m² (ft²)	£ per m² (ft²)
Flat 225 10-18 Manor Gardens N7	£500,000	15/06/16	60 (646)	£8,333 (£774)
Flat E 39 Parkhurst Road N7	£337,900	16/06/16	47 (506)	£7,189 (£668)
Flat 38 Hollins House N7	£326,500	27/05/16	51 (549)	£6,402 (£595)
Flat 327 10-18 Manor Gardens N7	£441,000	06/05/16	65 (700)	£6,785 (£630)
Flat 36 Margery Fry Court N7	£329,950	27/07/16	45 (484)	£7,332 (£681)
Average	£387,070		54 (577)	£7,208 (£670)

1.23 The above local, second-hand sales evidence shows an average price of £387,070 and a rate of £7,208 per m² (£670 per ft²) for one bed units.

Two Bedrooms

Address	Sale price	Sale date	Area m² (ft²)	£ per m² (ft²)
Flat 324 10-18 Manor Gardens N7	£637,500	16/08/16	71 (764)	£8,979 (£834)
Flat 25 Margery Fry Court N7	£426,000	03/06/16	59 (635)	£7,220 (£671)
Flat 24 433 Holloway Road N7	£425,000	22/08/16	53 (570)	£8,019 (£745)
Flat 22 Parkhurst Court N7	£420,100	04/07/16	57 (614)	£7,370 (£685)
Flat 125 10-18 Manor Gardens N7	£620,000	27/05/16	82 (883)	£7,561 (£702)
Flat 5 20 Tollington Way N7	£545,000	29/07/16	78 (840)	£6,987 (£649)
Flat 7 19 Manor Gardens N7	£550,000	27/05/16	66 (710)	£8,333 (£774)
Flat 86 3 Manor Gardens N7	£540,000	09/06/16	74 (797)	£7,297 (£678)
Average	£520,450		68 (727)	£7,721 (£717)

1.24 The above local second-hand sales evidence shows an average price of £520,450 and a rate of £7,721 per m² (£717 per ft²) for two bed units.

Additional New build overview

1.25 The **Chronicle Tower** development at 261B City Road, EC1V 1AJ was built in 2016, offering a good setting, waterside views, parking, a residents gym (inclusive of sauna and pool) and a spa. Prices for one-beds ranged between £868-£1,275 per sq ft depending on height. Two beds sold for £1,045-£1,106 per sq ft. Sales were mostly in March 2016, with some in February that year.

1.26 **Canalette Tower,** 257 City Road, EC1V 1AD sold two flats in March 2016, the first a one-bed at £500,000 (£876 per sq ft) and the second a two-bed sold for £860,000 (£1,024 per sq ft). The development was completed in May 2016 and featured a private spa, gym, cinema, club, on-site restaurant and leisure lounge.

1.27 The **Cooper Building** at 36 Wharf Road, N1 7GR also offers waterside views for some of its residences, 24-hour concierge services and excellent transportation links. One-bed flats sold in March 2016 sold for between £1,059 and £1,184 per sq ft, and two beds between £987-£1,210. Prices are dependent on unit height, available views of the nearby river, and unit size.

1.28 **City View Apartments** at Devan Grove, N4 2GP were built in 2015 but nonetheless were selling as late as September 2016. A two-bed flat sold for £693,000 (£740 per sq ft) at this time.

Recent BPS assessed schemes

65-69 Parkhurst Road, N7

1.29 BPS recently supported Islington Council at the recent high profile Appeal at 65-69 Parkhurst Road and drew upon the comparatives listed in this report to advocate higher potential sales values than those proposed by Appellant. BPS proposed values of £840-£910 per sq ft for one-bed apartments, £700-£925 for two-beds, and £660-£730 for three-beds, dependant on unit heights and amenities, and not including duplexes. The final appeal decision demonstrated that the inspector agreed with the unit values advocated by BPS. This is seen as an incredibly relevant comparable for the Holloway Prison site.

Further afield Comparatives

Woodberry Down Phase 2, London Borough of Hackney, N4

1.30 The Woodberry Down regeneration comprises multiple phases and a range of building heights with apartments set on higher floors attracting a substantial premium. The scheme benefits from close proximity to two large reservoirs and array of natural and enhanced green infrastructure as well as good transport connectivity.

Woodberry Down Phase 2 (The Nature Collection): Asking prices

Type	Floor	O/S Space	Area SQFT	Asking Price	Asking £psf
1B2P	8	Balcony	468	£540,000	£1,154
2B4P	G	Terrace	763	£790,000	£1,035
3B6P	5	Balcony	885	£832,500	£941
3B6P	1	Balcony	943	£835,000	£885
3B6P	6	Balcony	933	£872,500	£935
3B6P	11	Balcony	885	£877,500	£992
3B6P	1	Balcony	1000	£897,500	£898

Clissold Quarter, London Borough of Hackney N4

1.31 The Clissold Quarter development comprises 158 residential units consisting of a mixture of one-bed, two-bed, three-bed, duplexes and penthouses. The scheme benefits from close proximity to Clissold Park and good transport connectivity.

Clissold Quarter: Asking prices

Type	Floor	O/S Space	Area SQFT	Asking Price	Asking £psf
1B2P	3	Balcony	566	£532,500	£941
3B5P	1	Balcony	863	£770,000	£892
3B5P	2	Balcony	863	£747,500	£866
3B5P	4	Balcony	863	£752,500	£872
3B5P	6	Balcony	863	£757,500	£878
3B5P	9	Balcony	863	£765,000	£886

APPENDIX FOUR

Comparable land transactions - price per residential unit