

Affordable Housing Financial Viability Assessment for  
Jockey Club Racecourses Ltd

**SANDOWN PARK RACECOURSE  
PORTSMOUTH ROAD  
ESHER  
KT10 9AJ**

**21 February 2019**

**Our Ref: AAMJ/18-01839**

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## INSTRUCTIONS

We have been instructed by Jockey Club Racecourses Ltd (the Applicant) to provide an affordable housing Financial Viability Assessment (FVA) of their development proposals at Sandown Park Racecourse, Portsmouth Road, Esher, KT10 9AJ (the Subject Site).

Jockey Club Racecourse Ltd (JCR) are seeking consent for a single hybrid planning application pursuant to the Sandown Park Masterplan Document. The only element of the application being sought in detail relates to track widening and bell mouth accesses, whilst the outline elements cover all other parts of the application and include improvements and enhancements to the existing racecourse facilities, car parking and new family / community zone, together with residential development of circa 318 units, re-provision of a nursery or D1 community use and new hotel, to be delivered across the development sites.

The scheme proposals derive from the need for substantial investment in the racecourse to secure its future, and the corresponding need for this investment to be funded by facilitating development. A selection of sites will feature course enhancement and rationalisation (Sites A, B, C, D, E1/E2, F and race track widening). In addition there are proposed improvements to the existing pedestrian link from Esher Station to Sandown Park Racecourse. These essential improvement works will be facilitated by the sale of a selection of sites that will be led by residential development (Sites 1, 2, 3, 4 and 5). The masterplan outlining the 10 development sites is attached at **Appendix 1**.

JCR is seeking to make a contribution to the Borough's affordable housing requirements that are appropriate in terms of the balance between established need, viability and the need for ensuring that the quantum of development in the Green Belt is no more than is required in order to support the necessary improvements to the racecourse.

The purpose of this report is to consider, in an open book format, the financial viability of the proposed scheme and the level of affordable housing and financial Section 106 contributions that can be supported in addition to the required CIL contribution.

In preparing this viability report we have considered Elmbridge Developer Contributions Supplementary Planning Document (SPD) (2012) specifically Core Strategy Policy CS21 and Kingston and North Surrey Strategic Housing Market Assessment (SHMA) 2016.

The financial viability assessment considers the total value of the completed scheme and the total cost of its delivery, using recognised residual appraisal software - Argus Developer. The resulting residual land value is then compared with an appropriate benchmark value to determine the scheme's viability.

The advice set out in this report is provided in the context of negotiating planning obligations and therefore in accordance with PS 1 of the RICS Valuation - Professional Standards (July 2017) incorporating the IVSC International Valuation Standards (Red Book), the provisions of VPS 1 - 5 are not of mandatory application and accordingly this report should not be relied upon as a Red Book Valuation.

Specifically we would state:

- Our advice and opinions contained herein are given without liability, therefore falling outside the scope of the requirement of the RICS Valuation - Professional Standards July 2017 Edition.
- We have not conducted a full survey, inspection and measurement nor undertaken all the necessary enquiries required in providing a Red Book Valuation.

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We have been provided with, and relied upon, the following key information:

- Residential sales values for the proposed residential schemes prepared by Leaders Romans (Estate Agents and Valuers).
- Hotel site value for the proposed hotel scheme prepared by Savills (Chartered Surveyors).
- Build costs for the proposed residential schemes prepared by Calford Seaden (Quantity Surveyors).
- Build costs for proposed racecourse enhancement works prepared by Leslie Clarke (Quantity Surveyors).
- Design and Access statement and scheme drawings prepared by PRC Architects.

## 2 BACKGROUND

Sandown Park Racecourse is located in Esher, Surrey; an outer suburb of London with excellent access from London, Surrey and further afield. The racecourse is entirely within the Green Belt and located immediately to the north of Esher Town Centre and within short walking distance from Esher Railway Station. It is bounded by Portsmouth Road (south east), More Lane (west), Lower Green Road and the railway line (north) and Station Road (east). Main access to Sandown Park is via Portsmouth Road to the north of Esher town centre.

Sandown Park is a longstanding Jump and Flat racing venue, having begun in 1875. It hosts 25 racing fixtures annually including popular and notable races such as the Coral Eclipse, Grand Military Gold Cup and Tingle Creek Chase. It is also an important cultural and leisure venue hosting conferences, events, weddings and public exhibitions. Sandown Park attracts a significant number of visitors to the racing fixtures and non-racing events.

Sandown Park extends to 66 ha / 163 acres with existing racecourse buildings and structures including the Grandstand, the Racecourse, stables, a paddock and associated facilities and car park being located in the southern part of the race track. In addition, there is a gym/fitness centre with a dry-ski slope, a children's nursery, houses for racecourse staff, go-kart circuit and a golf course located with the centre.

Sandown Park faces a number of challenges to its long term success, including:

- The existing racecourse infrastructure is ageing and absorbs a significant maintenance spend;
- Investment is required to maintain a competitive race programme and to raise its position as a world class racing venue;
- The existing buildings require upgrading to ensure that the venue keeps pace with the future needs of users and visitors, and
- The visitor experience requires investment to retain existing customers and to attract new audiences.

In light of these challenges, JCR has prepared a Masterplan in order to determine the overall vision for Sandown Park and to deliver future regeneration and upgrades of existing facilities to secure the long term future and excellence of Sandown Park. These areas are described as Sites A - F. The Masterplan also includes proposed residential developments, utilising surplus, and predominately previously developed, areas of Sandown Park which would provide the capital investment necessary to facilitate the regeneration and upgrades of Sandown Park and improve linkages with the townscape.



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### 3 SITES WITH EXISTING FACILITIES

As mentioned, there are a selection of sites where the existing facilities require modernisation and rationalisation:

#### The Grandstand

The current Grandstand was opened in 1973 and, at that time, was a first class example of multi-use venue. Now 45 years old, the grandstand infrastructure does not meet current needs of race day or events customers. Further, the grandstand incurs increasingly significant maintenance costs each year in order to continue to operate and deliver at its current level. This ongoing cost does not contribute to enhancements to customer proposition.

At the same time other sporting arenas, stadiums and leisure attractions nationwide are seeing significant levels of investment to sustain their future and offer the highest level of customer experience to attract new and retain existing customers, meaning a challenging marketplace is becoming increasingly competitive. This is confirmed by recent research of Sandown Park customers (September 2018), which identified that the current facilities do not meet their needs or expectations.

#### SITE A

Site A measures 2.2 hectares / 5.4 acres and is used for site operations relating to the functioning of the racecourse facility. This includes provisions for the horses (stables, washing, medical, horse box parking), a 21 room hotel (Sandown Park Lodge), and car parking areas. The stables consist of a number of single storey buildings including a veterinary first aid unit, a sampling unit, 110 stable units, toilet block, along with tack boxes, security office and storage units. The stable block was built over a number of years dating back to the 1930's and some parts even earlier. Existing stables run along the western boundary with residential dwellings beyond. The northern boundary meets the Warren to the western end, and further racecourse facilities and buildings at the eastern end. The boundary to the south is shared with Site 2.

JCR's annual structural survey from October 2018 highlighted a number of issues and defects in the existing stables. This repeated findings from previous surveys going back a number of years. The stables are nearing the end of their economic life, run down and in need of work in a number of areas. The timber is rotting in many places and generally in need of repainting to prevent further deterioration. Electrical installation, drainage and water supply are all areas needing upgrades.

A number of other works are required to ensure ongoing welfare standards, including the need for replacement stable staff accommodation (as the existing lodge requires significant investment over the forthcoming years to maintain operational delivery, the building and its facilities/infrastructure are at the end of their lives) and newly re-aligned pre-parade ring, as well as horsebox drop off and saddling boxes.

#### SITE B

Site B is an area adjacent to the eastern end of the Sandown Park Racecourse Grandstand measuring 0.3 hectares / 0.74 acres in size. The land is currently vacant of buildings but is used for overflow car parking. The majority of the site is hardstanding with minimal landscaping.

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## SITE C

Site C measures 3.3 hectares / 8.15 acres and is an area in the centre of the racecourse that is currently used for powered kart racing and consists of a large area of tarmac roadway, bounded by tyre walls, with associated now dilapidated out-buildings and car parking. The karting track lease concludes in June 2019 and the area will return to the Jockey Club Racecourses.

On race days the site is used as a “cut-through” pedestrian route which allows racegoers another route to the Grandstand from Esher railway station; it is also used as a viewing area on racedays.

## SITE D

Site D, covering 3.5 hectares / 8.6 acres, is an area in the centre of the race course adjacent to Site C. It is currently used for overflow car parking for high capacity race days, and parking for the golf course visitors, with access in the south west corner to More Lane. Access to Site C runs along the southern boundary via a tarmac road.

The racetrack passes closely along the north, south and west boundaries of Site D with Site C to the east. Further to the north is the golf course and further south the Grandstand.

## SITE E1 & E2

Site E1 & Site E2 are areas which have been identified for racetrack widening. Site E1 measures 0.46 hectares / 1.13 acres and is located towards the southwestern edge of Sandown Park and borders development site.

Site E2 measures 0.22 hectares / 0.54 acres is located towards the North eastern edge of Sandown Park. Site E1 is currently used as part of the overflow car parking area on high capacity race days. Site E2 will utilise some of the golf course area, with golf course landscape features adjusted to suit.

## SITE F

Site F measures 3.68 hectares / 9 acres and is located towards the south eastern corner of Sandown Park. The area comprises the entrance to Sandown Park and the current car park which is predominantly hard standing with an area of grass overflow car parking in the northern section of the site bordering the racecourse which comprises the existing broadcasting compound with turnstiles and kiosk.

# 4 RESIDENTIAL DEVELOPMENT SITES

The majority of the proposed residential development sites are previously developed areas of Sandown Park. All sites have good accessibility, being located in close proximity to the town centre and railway station. As such, all sites are highly sustainable locations for the delivery of residential development. A description of the five residential sites is set out below:

## SITE 1

Site 1 measures 0.24 hectares / 0.59 acres and accommodates overflow stables for Sandown Park. The site is positioned at the south-west edge of Sandown Park on More Lane and Esher Green. The stables within the site are single storey, brick built with tiled pitched roofs, positioned to the north and south edges of the site allowing for an open hard landscaped central area. The existing ground levels on the site raise up from the entrance at More Lane to the stable with the levels stepping up from the southern to the northern boundary.

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There is existing woodland adjacent to the northern boundary of Site 1 known as The Warren which is classified as ancient woodland. The south-western edge of the site is bounded by the north-eastern edge of the Esher Conservation Area with adjacent properties fully within the Conservation Area. Also located to the south-west is Esher Green which is a small area of public open space with the surrounding area being mainly residential.

## SITE 2

Site 2 is currently a parking area positioned at the south-west corner of Sandown Park on A307 Portsmouth Road and High Street. The site measures 0.46 hectares / 1.13 acres in size.

The land is currently hardstanding in use as car parking for Sandown Park Lodge which is a 21-bedroom hostel. The Lodge is a 2 storey brick built hotel operated by The Jockey Club. The site also accommodates the end of a terrace of stables along the south-west boundary. Site 2 is bordered by brick and timber close boarded fencing along the south-west and south-eastern boundaries. The south-eastern edge is also lined with a dense tree screen along the road frontage and as such is fairly well screened from outside of Sandown Park.

The levels bank up steeply from Portsmouth Road with a shallow rise thereafter towards Sandown Lodge. The raised levels at the southern end gradually reduce to meet the level of Portsmouth Road at the entrance junction. The site adjoins Sandown Park at the north-west and north-east edges.

## SITE 3

Site 3 is located in the northwest corner of Sandown Park. The site is 1.76 hectares / 4.2 acres in size and is currently developed with single and two storey structures that serve the Racecourse and staff accommodation. More Lane runs along the western boundary and is characterised by large residential plots with detached 3 storey apartment blocks in the form of villas or manor houses.

The environment along the northern boundary is screened from the road by a thicket of trees and overgrown shrubs. The ground levels are fairly flat along the length of the site and the character of the surrounding area is predominantly residential. Site 3 is fully designated as Green Belt land and is partially covered by Flood Zone 2.

## SITE 4

This is currently an infill site at the southeast corner of Sandown Park on Station Road measuring 0.57 hectares / 1.4 acres in size. The land is used for occasional raceday parking, with no buildings and no trees and shrubs around the perimeter. Site 4 has a generally flat topography with no significant level difference across the site.

Access is available from Station Road (B357) into the south-east corner of Site 4 with Station Road being a primary route to Esher railway station, which is located approximately 320 metres north-east of Site 4.

The site adjoins Sandown racecourse to the north. To the south is a 2 storey restaurant (Cafe Rouge) which fronts the junction of Station Road and Portsmouth Road. To the western boundary of Site 4 are office buildings of 2 and 3 storeys in height, together with open car parking between the buildings. The character of the surrounding area is mixed use with larger commercial building types and blocks of residential apartments.

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## SITE 5

Site 5 is effectively split into two halves totalling 0.99 hectares / 2.44 acres in size. The western half is in use as an informal overflow car parking area for Sandown Park and also a through route into the eastern half. The eastern half currently accommodates a children's nursery.

Located towards the southern edge of Sandown Park, the site adjoins Sandown Park on its western and northern boundaries. The eastern edge of the site is bounded by a residential plot with a single building of apartments, named Cheltonion Place. Opposite the site on the southern side are further residential dwellings in the form of large detached houses. The southern boundary adjoins the Portsmouth Road and to the west of the site are Grade II Listed gates and railings to Sandown Park Racecourse.

Part of the nursery building is a former 'Toll House', and is a locally important heritage asset. This has been extended over the years with further single storey buildings. Adjoined to the Toll House building is a Grade II Listed Post.

## 5 ASSUMPTIONS

In undertaking this report, unless otherwise specifically stated, we have made the following assumptions:

- We assume that the site is held on a freehold basis with vacant possession and free from all encumbrances such as onerous covenants, easements and rights of way.
- We assume that there are no items that could lead to adverse development costs such as contamination, adverse ground conditions, right of light issues or the designation of an area of archaeological significance.
- We assume that the sites (apart from a small section of Site 3) do not fall within a flood zone and therefore no overly onerous costs are required to deal with flood prevention measures.
- We have not arranged nor undertaken any investigations to determine whether or not any deleterious sub-standard or hazardous materials have been used in the construction, services or finishes of the existing structures or have been since incorporated.
- We have assumed that planning permission will be granted for the development as described above.

If any of these assumptions prove to be incorrect we may need to amend our conclusion.

## 6 PROPOSED RESIDENTIAL SCHEMES

The outline application proposes that 318 residential apartments will be delivered across the 5 residential sites. Given this is an outline application we have made assumptions with regard to the individual residential unit sizes which has been informed by advice from Leaders Romans. The table below details the indicative average individual unit sizes that we have assumed across the residential sites:

Unit type	Size (Sq Ft)	Size (Sq M)
Studio	395	36.7
1 bed 2 person apartment	550	51.0
2 bed 3 person apartment	700	65.0
2 bed 4 person apartment	800	74.3
3 bed 5 person apartment	950	88.2

Assuming the floor areas above, the table below summarises the number of apartments that will be delivered across the 5 sites.

	Studio	1B 2P	2B 3P	2B 4P	3B 5P	Total
Site 1	0	5	0	10	0	15
Site 2	0	4	8	18	19	49
Site 3	0	27	0	87	0	114
Site 4	2	0	0	39	31	72
Site 5	0	36	0	24	8	68
<b>Total</b>	<b>2</b>	<b>72</b>	<b>8</b>	<b>178</b>	<b>58</b>	<b>318</b>

The table below summarises the mix of unit types delivered across the 5 sites.

Apartment Type	Percentage
1 bed	23%
2 bed	58%
3 bed	18%

The total NIA of the proposed residential development sites is 243,490 sq ft with a total GIA of 311,897 sq ft assuming a gross to net ratio of 80% to allow for common parts within each block. The table below details the NIA and GIA for each site.

Site	NIA (Sq Ft)	GIA (Sq Ft)
1	10,750	13,438
2	40,250	50,313
3	84,450	105,563
4	61,440	76,800
5	46,600	58,250

A schedule of accommodation for each residential site can be found at **Appendix 2**.

Full details relating to the design and layout of the proposed residential development schemes on Sites 1-5 can be found in the Design & Access Statement prepared by PRC Architects and forming part of the planning application. For the sake of completeness we summarise below the main proposals.

#### Site 1

As detailed, the existing ground levels of the site raise up from the entrance at More Lane to the stable with the levels stepping up from the southern to the northern boundary. The proposal is to demolish the existing stables and level the site which will involve a significant cut exercise to create the new levels. It also requires the extension of the retaining wall which runs along the upper level of new stables (Site A).

Once the site has been cleared and levelled, the proposal is to deliver a residential block delivering 5 x 1-bedroom flats and 10 x 2-bedrooms flats, with 21 associated car parking spaces. The indicative building heights are split into two elements, one at 2 storeys and one at 3 storeys. Currently it is assumed the development will have a flat roof to keep the massing as low as possible.

#### Site 2

As mentioned, Site 2 is currently a parking area positioned at the south-west corner of Sandown Park on A307 Portsmouth Road and High Street. It is currently raised up from street level behind an embankment. The proposals for Site 2 involve the demolition of the existing Sandown Park Lodge and undertaking a large cut exercise so that the new ground floor entrance is at street level (Portsmouth Road). This involves a significant amount of ground engineering works which includes a large retaining wall between the boundary of Site 2 and Site A where the new levels will step up considerably. Once the ground works and retaining wall have been completed the proposal is to deliver a 3 storey residential block delivering 49 residential apartments with an undercroft parking area providing 72 car parking spaces.

The flats facing into Sandown Park overlook a landscaped podium deck over the undercroft car parking. Facing Portsmouth Road, the proposed building will be 3 storeys to match the scale of the existing adjacent buildings on Portsmouth Road. Facing Sandown Park the building will be predominantly 2 storeys above the podium deck with elements of 3 storeys. The podium deck is 1 storey above the level of Portsmouth Road.

#### Site 3

The proposal involves the demolition and removal of the existing 8 structures and a substantial amount of low grade vegetation to clear a site for 9 'villas', each containing flats over 3 storeys in a form similar to the larger developments along More Lane.

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The 'villas' will be located close to the racecourse boundary to the south, affording the residents views over Sandown Park. The internal layouts are designed so that each flat has an aspect facing the racecourse. The proposal provides 27 x 1-bedroom flats and 87 x 2 bedroom flats with 158 associated car parking spaces. Each 'villa' is 3 storeys and currently proposed to be of flat roof form. Site 3 is partially located in a flood zone and therefore each block is required to be raised by circa 1.5 meters so that there is no living accommodation at ground floor level.

Associated car parking and site access will be at existing levels so as to retain existing trees and landscaping where possible, and the relationship with Lower Green Road. The site access will be relocated further to the east along Lower Green Road, away from the junction with More Lane to help improve safety. Each 'villa' will access its own refuse store close to the property.

#### Site 4

The proposal on Site 4 is to deliver a residential block that will be stepped to 4, 5 and 6 storeys, providing rooftop terraces and views out across the racecourse. The proposal provides 2 x studio flats, 39 x 2 bedroom flats and 31 x 3-bedroom flats with 117 associated car parking spaces that will be split between basement level and ground floor.

The building steps from 4 storeys adjacent to the 3 storey offices in Thames Mews, to 5 and 6 storeys adjacent to Station Road. This block of apartments is proposed to be flat roof form with semi-recessed balconies. Facing the racecourse it is envisaged the glazing will be maximised to take advantage of the views across Sandown Park and create a contemporary high quality development.

#### Site 5

It is proposed that the existing nursery buildings and landscaping will be demolished, apart from the original toll house element which will be renovated and utilized as a community benefit.

The majority of the site will accommodate 4 new 'villas' each containing flats over 4 storeys, with the fourth floor set back or within a pitched roof. The flats will have a south facing aspect, set back from Portsmouth Road overlooking the communal gardens, with more than half having views towards the racecourse. The communal gardens run the length of the boundary with Portsmouth Road which retains much of the existing tree screening with further trees added to help preserve the current perceived density of trees.

The proposed scheme provides 36 x 1-bedroom flats, 24 x 2 bedroom flats and 8 x 3 bedroom flats with 87 associated car parking spaces.

The existing nursery will be rebuilt and relocated in the western area of the site. The nursery building has a similar footprint to the adjacent 'villas' but will step down to 2 storeys. This will be set-back from Portsmouth Road. Car parking will be allocated and amenity space will be provided within the nursery site demise. Each 'villa' will access its own refuse store close to the property.

#### Amendments to Design

Our viability assessment is based on the outline planning drawing submitted with the planning application. If during the course of the application amendments to any of the schemes are required we reserve the right to update our viability assessment in line with any updates.

JCR has spent a considerable amount of time reviewing the necessary level of works that are required for Sandown Park Racecourse to maintain excellence and guarantee its long term success. As mentioned, it has been identified that the existing racecourse infrastructure is ageing and the existing buildings require upgrading to ensure that the venue keeps pace with the future needs of users and visitors.

In light of this, JCR have compiled a list of essential works and supporting community enhancements. Full details relating to the design and layout of the proposed facilities enhancement and rationalisation on Sites A-E can be found in the Design & Access Statement and Planning Statement prepared by PRC Architects and Rapleys Planning and forming part of the planning application. Leslie Clark (Chartered Building Surveyors) has also prepared a cost plan that accounts for the proposed facilities enhancement and rationalisation. Their cost plan is attached at **Appendix 3**. Significant value engineering and revision of designs have already taken place to ensure the proposed works are as cost efficient as possible, whilst achieving their intended objectives.

For the sake of completeness we summarise the main proposals below.

### The Grandstand

Initial proposals for the improvement to the grandstand included the refurbishment of the entire structure including the Eclipse Stand. Following an extensive cost review exercise, the now submitted proposals have a more limited scope but deal with the essential improvements so that the racecourse continues to meet current needs of race day or events customers. Further, the grandstand incurs increasingly significant maintenance costs each year in order to continue to operate and deliver at its current level.

Accordingly, the existing furnishings and Mechanical & Engineering equipment (M & E) will be stripped out of a selection of areas of the existing grandstand. Surrey Hall is part of the grandstand and will be refurbished including floor, wall and ceiling finishes, all Furniture Fixtures and Equipment (FF&E), plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV and Building Management System (BMS). The toilets, back of house and circulation areas of Surrey Hall will also be refurbished.

Sandown View will be subject to a refurbishment, including floor, wall and ceiling finishes FF&E, plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV and BMS. The toilets, back of house and circulation areas of Sandown View will be refurbished.

The second floor boxes within the grandstand will be subject to refurbishment including floor, wall and ceiling finishes, FF&E, plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV and BMS.

There will be additional soft and hard landscaping works in the immediate vicinity of the grandstand. There is an allowance for some structural alterations within the existing grandstand.

### Site A

It is proposed all the existing facilities in this area will be demolished / removed (stables, existing lodge, pre-parade ring etc.) and new ones built to current British Horseracing Authority standards. The existing ground level of the site raises up from Site 2 to the south and therefore a significant levelling exercise is required with the installation of retaining



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walls to create new levels. This involves undertaking a significant ground engineering project.

The pre-parade ring and associated saddling boxes will relocate closer to the main events area. The area required for horse box parking and unloading are located along the southern boundary of the site. This will double as standard car parking on non-race days. This will share a boundary with Site 2 and will be screened with hedging and trees.

A new facility to accommodate race day staff will be located at the northern boundary of the site providing 20 rooms at first floor and a canteen and changing facilities at ground floor. New stables and associated facilities will accommodate much of the area of the existing stables albeit in an optimised layout.

Predominantly the structures within this area are single storey, the majority of which are the horse stables. The raceday staff hostel and canteen will be 2 storeys. The buildings will be brick to match the existing buildings and preserved retaining walls from the back of the existing (demolished) stables. Stables and associated facilities will be mono-pitch roofs to retain the character of the existing stabling facilities. The staff hostel will also have a pitched roof.

### Site B

On Site B, a business class mid-range 150 bed hotel over 6 storeys is proposed. The location close to the existing Grandstand will create the perception that the hotel is an extension to the Grandstand facilities and part of the local cluster group of buildings. The massing of the hotel will extend no higher than the Grandstand roof. The proposal is 6 storeys with the upper 5 storeys narrower than the ground floor.

Access will be via the main gate into Sandown Park and sufficient parking will be allocated within the racecourse's general car parking area. The ground floor consists of lounge, bar, restaurant and back of house / servicing. The floors above contain the bedrooms, half of which will enjoy premium views across the racecourse. The first floor will also include an external terrace with views out across Sandown Park.

### Site C

The proposal on Site C is to convert the existing kart track to a cycle track and create a new Family / Community Zone to attract families and children to come racing at Sandown Park, ensuring it is a focal point for the community all year around with a range of attractive family centric facilities and activities.

The facilities include a number of new outdoor spaces including an open park, children's play, viewing area and a cycle track for children. A café provides much needed facilities and a focus for the proposal, consisting of a 'soft play' café for families and young children, and an additional linked café associated with the open park and viewing area. The new café building will be single storey sensitively designed to suit the Green Belt location, and reduce the visual impact.

### Site D

Site D involves works to provide a better quality parking provision to the centre of the course and includes proposals to add surfacing where required to help with vehicular access throughout the site, while retaining the greenness of the open space. In this way Site D will provide optimised car parking.

The aim is to retain the appearance of much of the green space, while making the area more suitable for car parking utilising a ground reinforcement system which would allow the grass to grow through.

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The proposed car park will include a range of surfaces that are appropriate in light of the existing ground and drainage conditions. The majority of the car park will remain as grass, being made good where necessary. In addition to this, gravel bound tarmac surfacing and grasscrete type surfacing will be installed with appropriate water drainage where necessary.

#### Site E1 & E2

Site E1 & E2 will provide additional width to the racetrack by relocating the guide rail and integrating the new track area with the existing track with the require specification of surfacing and drainage.

Site E1 includes improvement to the existing road in from More Lane, with an improved specification of surfacing as it crosses the track providing a suitable all weather racing surface. Site E2 will involve relocating a number of golf course features and racecourse drainage routes.

#### Site F

On Site F, improvements to the existing car parking are proposed with amendments to layout through soft and hard landscaping, including relocation of the existing broadcasting compound, turnstiles/kiosk elsewhere within Site F and installation of a new ring main unit.

The proposals will involve a site-wide strip of the existing surfacing area of car parking. Grasscrete surfacing will then be installed to the car park. Hard and soft landscaping will be delivered where required with surface water drainage to car parking and external lighting to car park. A new pedestrian arrival/rest area will include hard and soft landscaping where required.

#### Houses Refurbishment

A minor refurbishment is proposed internally to existing staff houses/ flats on site with an allowance for site utilities as well as services connections and external services generally.

## 8 INTRODUCTION TO VIABILITY

In preparing our advice we have paid regard to Paragraph 57 of the recently published National Planning Policy Framework (NPPF) July 2018, the new Viability Guidance prepared by the Ministry of Housing, Communities & Local Government that sits alongside the new NPPF, RICS Guidance Note “Financial Viability and Planning (First Edition) August 2012” (FVIP), Viability Testing Local Plans (Harman Report) LHDG June 2012, and DCLG Guidance April 2013.

The RICS FVP defines financial viability as:

*“an objective financial viability test of the ability of a development to meet its costs, including the cost of planning obligations whilst ensuring an appropriate site value for the landowner and a market risk adjusted return to the developer in delivering that project”.*

DCLG Guidance April 2013 defines viability as:

*“the current cost of building out the entire site (at today’s prices) is at a level that would enable the developer to sell all the market units on the site (in today’s market) at a rate of build-out evidenced by the developer and make a competitive return to a willing developer and a willing landowner.”*

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The new Viability Guidance prepared alongside the 2018 NPPF at Paragraph: 010 Reference ID: 10-010-20180724 states:

*“Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.*

The new NPPF and updated Viability guidance note advocates the use of viability assessments at the plan-making, rather than the decision-taking, stage. Specifically, paragraph 57 of the recently published NPPF details:

*“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force.”*

The new NPPF therefore puts the responsibility on the applicant to demonstrate whether particular circumstances justify the need for a viability assessment. In terms of the weight given to an assessment this is now a matter for the decision maker having regard to the all of the circumstances in the case. The decision maker needs to pay regard to whether the plan and the viability evidence underpinning it are up to date.

The new NPPF is seeking to move the focus of viability studies to the plan making stage. Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage. Given that the new NPPF was only published in July 2018 the process of preparing viability evidence to underpin local plans is still in its infancy. Therefore considerable weight needs to be given to viability submissions prepared at the application stage.

Planning policy obligations should not be overly onerous nor undermine the deliverability of an application. Having investigated the overall viability position of the proposed scheme we have established that there is a requirement for a Financial Viability Assessment to demonstrate that in this instance the delivery of policy compliant planning obligations would undermine the deliverability of the scheme detailed in this application.

Paragraph 57 goes on to say:

*“All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”*

This viability assessment, with respect to the assessment of the proposed residential sites follows the recommended approach detailed in the Viability Guidance Note including the adoption of the standardised inputs. It is therefore reasonable and accords with policy requirements. With regard to our approach to the assessment of the benchmark land value, this is set out further down in the report.

A scheme is considered viable, in planning terms, if the Gross Development Value is equal to, or in excess of, the sum of the site value, the cost of development, the cost of the

planning obligations and the cost of providing a competitive return to a developer and willing landowner.

In summary, the viability assessment process is as follows:



**9 VIABILITY APPROACH**

We have considered the acceptable level of profit required by a developer and tested whether once the anticipated revenue and all the costs, including planning obligations, likely to be incurred in bringing the development forward are taken into account, a residual land value can be generated that is in excess of an appropriate benchmark land value.

The Viability Guidance for the new NPPF advocates that for the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

In this context we have had regard to the current residential development market and economic circumstances and are of the opinion that a willing developer would require a 17.5% return on the Gross Development Value (GDV) for all private sale units. We assess profit on any affordable tenure units at 6% on GDV. We have assumed 15% on GDV for any commercial elements of the proposed scheme. We have applied these returns in order to test whether the resultant residual land value would provide the landowner with a competitive return and result in a viable scheme.

In terms of the delivery of affordable housing, as discussed with Officers previously, it is proposed that affordable housing arising from all sites may be accommodated on specific sites (and/or through commuted payments) rather than evenly distributed across all sites. This will allow greater flexibility in terms of tenure types and demand from Registered Providers, who prefer to control entire sites rather than having to deal with mixed cores and management / service charge issues.

In light of this, where viable, the affordable housing will be located on the following sites:

Affordable Housing Position	Affordable Housing Sites
0%	-
10%	Site 2.
15%	Site 2.
20%	Site 2 and Site 1.
30%	Site 2, Site 1 and part Site 5.
40%	Site 2, Site 1 and part Site 5.
50%	Site 2, Site 1, Site 5 and part Site 4.

### JCR Essential Workers

The affordable housing provision will also include low cost housing designated for essential workers in connection with the operation of the Racecourse. The essential workers are involved with core racecourse related work that sustains the operation of Sandown Park Racecourse. There are currently 11 households of essential JCR staff residing on Sandown Park that require rehousing. They are currently housed within staff accommodation on Site 3. JCR will accommodate as many of these workers as possible, currently confirmed as 3 households, within remaining staff accommodation across the site however there will be a shortfall of 8 units which will need to be provided as part of the on-site affordable provision. These essential workers need to be located on-site as they are integral to the management and operation of the site.

The definition of Social Rented Housing in Elmbridge's Developer Contribution SPD, referred to above is:

*"Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant\*."*

\* Our emphasis.

The proposal within this application is that these essential workers will be offered accommodation at social rents in perpetuity and will need to meet the affordability criteria as required by Registered Providers or the Local Authority as directed.

In the event that the essential workers accommodation is no longer required by JCR then the nomination rights will revert to the Local Authority or Registered Provider, whichever is dictated by the terms of the s.106 Agreement.

## 10 APPRAISAL INPUTS

We have adopted inputs that reflect cost and values as at the date of this report. There is a possibility that our assumptions may change in accordance with the market as the scheme evolves and further information comes to light.

We have used Argus Visual Developer Version 8.1 (Argus) to appraise the development proposals. Argus is a commercially available development appraisal package in widespread use throughout the industry. It has been accepted by the majority of local authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending purposes.

We set out below our assumptions in respect of these inputs.

## 11 PRIVATE RESIDENTIAL SALES VALUES

We have sought residential sales advice from Leaders Romans. They are particularly active in the immediate residential market and have prepared a sales report which is attached at **Appendix 4**.

Leaders Romans have researched comparable evidence for similar schemes in the locality and analysed local market conditions, demographics, local facilities, site conditions, and immediate competition in the surrounding area. Full details of their research is provided within the sales report, which concludes that an appropriate average private sales rate across all 5 residential sites is **£676 per sq ft**.

The appropriate private sales rate varies from site to site depending on location and the table below summarises the average private sales rate for each residential site as confirmed by Leaders Romans.

Site	House Type	Number of plots	Sq. Ft	Achievable Value	Total Sq.Ft	Total Value	£ per Sq.Ft
1	1B	5	550	£350,000	2,750	£1,750,000	£636
1	2B	10	800	£520,000	8,000	£5,200,000	£650
2	1B	4	550	£350,000	2,200	£1,400,000	£636
2	2B	8	700	£475,000	5,600	£3,800,000	£679
2	2B	18	800	£520,000	14,400	£9,360,000	£650
2	3B	19	950	£585,000	18,050	£11,115,000	£616
3	1B	27	550	£370,000	14,850	£9,990,000	£673
3	2B	87	800	£565,000	69,600	£49,155,000	£706
4	Studio	2	395	£255,000	790	£510,000	£646
4	2B	39	800	£565,000	31,200	£22,035,000	£706
4	3B	31	950	£630,000	29,450	£19,530,000	£663
5	1B	36	550	£360,000	19,800	£12,960,000	£655
5	2B	24	800	£540,000	19,200	£12,960,000	£675
5	3	8	950	£605,000	7,600	4,840,000	£637
Total		318			243,490	£164,605,000	£676

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## 12 AFFORDABLE HOUSING VALUES

There is an identified need for affordable housing at the local level, with latest housing evidence base confirming that across the last six monitoring years, Elmbridge Borough Council - on average - failing to meet its Local Plan target of 77 affordable homes per annum. The current SHMA shows a need for 332 affordable homes per annum.

Elmbridge Developer Contributions SPD (2012) sets out guidance on Community Infrastructure Levy and general planning obligations, including affordable housing contributions. Local planning policy in respect of affordable housing is set out in Policy CS21.

It details that the Council will aim to deliver at least 1,150 affordable homes between 2011-2026. In the event that overall housing targets are exceeded, the target for affordable housing delivery will rise proportionately.

The Council will require provision of affordable housing in accordance with the following, where viable:

- 40% of the gross number of dwellings on sites of 15 dwellings or more
- 30% of the gross number of dwellings on sites of 6 - 14 dwellings
- 20% of the gross number of dwellings on sites of 5 dwellings

Where exceptionally development is proposed on a greenfield site, at least 50% of the gross number of dwellings should be affordable on any site of 15 dwellings or more. A target of at least 50% will apply to public land, regardless of the number of dwellings proposed. On-site provision will be expected for sites of 5 or more dwellings. Only in exceptional circumstances will an alternative to on-site provision be appropriate. The target tenure mix of affordable housing and housing types and sizes shall be in accordance with those identified in the most up to date SHMA or SPD.

The Council have acknowledged that most, if not all of the proposed residential sites are previously developed land, and a 40% target would apply there. Where development may occur on those parcels of sites which are greenfield, a target of 50% would apply. Assuming there is no greenfield, then a 40% target would apply. If there was a mix of greenfield and brownfield, then the Council have proposed that a blended proportion (of between 40-50%).

The Council have stated that their utmost priority as evidenced by the most recent SHMA is that circa 70% of the affordable housing will comprise Social Rented units, c4% will be Affordable Rented and the remaining 16% will be of intermediate tenures. Any variation to that tenure mix should start from the assumption that the overall proportion of rented affordable homes would remain close to the 75% of the total number of affordable homes.

It should be noted that the above targets as set out in the SHMA do not add up to 100%. For the purpose of our viability testing we have followed the Council's preferred rented mix (70% social rent and 4% affordable rent) and have then allowed for 26% in intermediate sale (shared ownership).

In terms of size and mix of affordable units, the Council have confirmed that they would expect that the size-mix of the affordable provision would be similar to the market mix and the mix overall. The Council have suggested restricting the number of three bedroom units available for shared-ownership and other forms of intermediate tenure.



## SOCIAL RENT TENURE

Elmbridge define that social rented housing is rented housing owned and managed by local authorities and registered social landlords for which guideline target rents are determined through the national rent regime. We have modelled the social rent units based on guideline target rents subject to the national rent cap regime as set out in the Guidance on Rents for Social Housing (DCLG May 2014):

Unit type	Weekly rent
1 Bed	£145
2 Bed	£169
3 Bed	£178

On the above income streams we have reflected sinking fund, management costs, repairs, voids and other outgoings. We apply a suitable capitalisation rate against the net income (5.75%), and have undertaken a comparative Discounted Cash Flow analysis over a 40 year term.

We then account for on-costs of the RP to arrive at the Existing Use Value for Social Housing (EUV-SH). The rate adopted for the Social Rent tenure units does depend on which of the flats within the scheme are allocated to this tenure, but the average rate is equivalent to around £175 per sq ft or 27% of Private Sales Value. This is set out below:

	Social Rent Units	Package Price	£/SQFT	% Market Value
10% Affordable Housing	23	£3,149,222	£174	27%
15% Affordable Housing	34	£4,811,274	£173	27%
20% Affordable Housing	45	£6,177,790	£174	27%
30% Affordable Housing	66	£8,617,997	£175	27%
50% Affordable Housing	112	£14,957,112	£178	27%

In the event that the basis for calculating social rent differs from the adopted weekly rents specified above, we reserve the right to amend our conclusions.

## AFFORDABLE RENT TENURE

Elmbridge Developer Contributions SPD details that Affordable Rented housing is rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.

The SPD sets out principles for rent levels being related directly to the Local Housing Allowance (LHA) rates and aim to ensure properties remain affordable to prospective tenants. The SPD recommends the use of a sliding scale for LHA rates and recommends the following principles.



For one and two-bedroom properties, the Council expects that the gross rent (including service charges) should not exceed the lower of the following:

- 80% of the market rent, or
- 90% of the Local Housing Allowance cap applying to the relevant property size for the month in which the property is to be first let.

We have assumed that the affordable rent for one and two bedroom units should not exceed 90% of the Local Housing Allowance (LHA) cap. We have therefore applied the following weekly rents based on the Local Housing allowance rates for the KT10 post code:

Unit type	Weekly LHA rate	90% Weekly LHA rate
1 Bed	£178.61	£161
2 Bed	£221.72	£200
3 Bed	£276.67	£249

On the above income streams we have reflected sinking fund, management costs, repairs, voids and other outgoings. We apply a suitable capitalisation rate against the net income (5.75%), and have undertaken a comparative Discounted Cash Flow analysis over a 40 year term.

We then account for on-costs of the RP to arrive at the Existing Use Value for Social Housing (EUV-SH). The rate adopted for the Affordable Rent tenure units does depend on which of the flats within the scheme are allocated to this tenure, but the average rate is equivalent to around £215 per sq ft or 33% of Private Sales Value. This is set out below:

	Affordable Rent Units	Package Price	£/SQFT	% Market Value
10% Affordable Housing	1	£158,055	£226	33%
15% Affordable Housing	2	£367,685	£210	33%
20% Affordable Housing	2	£367,685	£210	33%
30% Affordable Housing	4	£667,158	£215	33%
50% Affordable Housing	6	£974,948	£219	33%

In the event that the basis for calculating affordable rent differs from the adopted weekly rents specified above, we reserve the right to amend our conclusions.

### SHARED OWNERSHIP TENURE

We have assumed that the units provided as intermediate tenure will be shared ownership. In undertaking our appraisal of the value of any completed shared ownership units we have adopted the 100% market share values as set out earlier, but have assumed a lower initial minimum 25% tranche disposal. We have adopted assumed future staircasing receipts whereby purchasers will step up to a 100% equity ownership over a 30 year period, with a corresponding reduction in rental return over this period, and capitalise this on a

discounted cash flow appraisal based upon a suitable discount rate 5.75% taking account of anticipated management costs, allowance for bad debts, and long term inflation 1.5%.

In our assessment of the value of the shared ownership units we have therefore assumed the following:

Unit Type	100% Average Market Value	Minimum Share Purchase	Minimum Purchase	Retained Rent
Studio	£255,000	25%	£63,750	2.50%
1B2P	£362,500	25%	£90,625	2.50%
2B3P	£475,000	25%	£118,750	2.50%
2B4P	£554,551	25%	£138,638	2.50%
3B5P	£611,810	25%	£152,953	2.50%

Therefore the package price for the shared ownership tenure units is as follows:

	Shared Ownership Units	Package Price	£/SQFT	% Market Value
10% Affordable Housing	8	£2,938,278	£482	74%
15% Affordable Housing	13	£5,057,691	£473	74%
20% Affordable Housing	17	£6,473,103	£474	74%
30% Affordable Housing	25	£9,140,897	£480	74%
50% Affordable Housing	41	£15,247,178	£486	74%

The rate adopted for shared ownership tenure units does depend on which of the flats within the scheme are allocated to this tenure, but as an average the adopted rate is in the region of £480 per sq ft. This is equivalent to 74% of the private tenure rate. We consider this assessment of the shared ownership tenure units to be at the upper end of the range that Registered Providers (RPs) would bid for these shared ownership tenure unit on a package price basis.

### PACKAGE PRICE FOR AFFORDABLE TENURES

The total Package Price for the Affordable Tenure units based on the following percentage of affordable housing is therefore as follows:

	Social	Affordable Rent	Shared Ownership	Total	No. of affordable units	Blended MV £/SQFT
10% Affordable Housing	£3,149,222	£158,055	£2,938,278	£6,245,555	32	39%
15% Affordable Housing	£4,811,274	£367,685	£5,057,691	£10,236,651	48	39%
20% Affordable Housing	£6,177,790	£367,685	£6,473,103	£13,018,579	64	40%
30% Affordable Housing	£8,617,997	£667,158	£9,140,897	£18,426,051	95	40%
50% Affordable Housing	£14,957,112	£974,948	£15,247,178	£31,179,239	159	40%

This is equivalent to an average blended rate for the affordable units of around 40% of private sales values.

### NURSERY VALUATION

For the proposed nursery on Site 5, we have assumed a commercial land value on the assumption that the site will be sold to a nursery developer / operator who will take possession of the land on the basis that it is cleared. The purchaser would then have to carry out all of the works associated with the delivery and construction of a 6,000 sq ft nursery. As this is in effect the residual land value for this section of the site and we do not apply profit to the agreed price. Hence, we have considered Profit on Cost at 0.00% for the nursery component within our appraisals.

We have assumed that the land will be acquired by a nursery developer / operator for £1,050,000 and we have adopted this anticipated land value receipt in our appraisal.

The area of the new nursery site is 0.18 HA / 0.44 acres. This is an equivalent rate of £2.39m per acre.

### HOTEL VALUATION

For the proposed hotel on Site B, we have assumed a commercial land value on the assumption that the site will be sold to a hotel developer / operator. Savills have been instructed to provide a short form desktop advice as to the site value of the potential hotel on Site B. Their report can be found at **Appendix 5**.

Savills have based their valuation on the plans prepared by PRC architects that have been submitted with the planning application. The Property is designed as an upper midscale branded hotel and currently refers to Hilton Garden Inn as a good example of this product level. It is understood that the hotel would comprise 150 keys, two meeting rooms, bar,

dining area, outdoor seating, terrace and reception. Savills have assumed that 150 car parking spaces will be made available for use by the hotel.

Savills conclude that the site value is £2,473,000 which equates to approximately £16,500 per key assuming that the site benefits from planning permission for the hotel as per the preliminary hotel layout prepared by PRC.

We have therefore adopted an anticipated land value receipt of £2.47 million in our appraisal. Again, as this is in effect the residual land value for this section of the site we do not apply profit to the agreed price. Hence, we have considered Profit on Cost at 0.00% for the hotel component within our appraisals.

#### **FAMILY/COMMUNITY ZONE SOFTPLAY CAFÉ**

The family/community zone will be provided as benefit to the local community and JCR will not charge local residents to use this area outside of race days (when access will be included within the wider entrance fee).

The family/community zone will provide a 'soft play' café for families and young children as part of the enhancement and rationalisation works to Site C. The proposed soft play and café measures 700 sq m / 7,539 sq ft and we have assumed that it will be delivered as shell and core by JCR and then leased to an operator. We carried out research on comparable rental information and liaised with Rapleys Investment regarding likely yield levels.

In light of this we have assumed a rent of £15 per sq ft and applied a yield of 7%. This equates to an investment value of £1,500,000 after allowing for purchaser costs of 6%.

### **13 COSTS**

#### **CONSTRUCTION COSTS**

A full cost plan of the residential sites has been provided by Calford Seaden (Quantity Surveyors) and is attached at **Appendix 6** with a full breakdown of Calford Seaden's cost assumptions.

To summarise, the total inclusive construction cost of the five residential sites as provided by Calford Seaden is £72,533,000. This is equivalent to £2,640 per sq m / £245 per sq ft. This is inclusive of main contractors Preliminaries and Overheads and Profit as well as the Main Contractor's design fee, which varies depending on site (see table below). The total construction cost is also inclusive of Design Development Risk contingency of 3% and construction risk Contingency of 5%, equivalent to a total of 8% contingency.

However, within our appraisals we have assumed a total contingency of 5% which is based on our experience in negotiating viability. This reduces the total build cost that we have applied within our appraisal to **£67,160,625**, equivalent to **£2,314 per sq m / £215 per sq ft**. All other cost assumptions are as set out in the attached cost plan.

#### **PROFESSIONAL FEES**

It is our experience that for schemes of this size the accepted range for professional fees is 8% - 12%. Taking into account the size of the proposed scheme and quantum of the build cost estimate we have adopted an overall level of professional fees at 8%.

Within the cost plan we have been provided Calford Seaden make allowances for some elements of professional fees (as set out in the table below). We have adopted these fee rates and then supplemented them within our appraisal so that the level of professional fees is equivalent to 8%.

Site	Calford Seaden Main Contractor's design fee	Rapleys Professional fees within appraisal.	Total professional fees
Site 1	6%	2%	8%
Site 2	5.5%	2.5%	8%
Site 3	5%	3%	8%
Site 4	5.5%	2.5%	8%
Site 5	5.5%	2.5%	8%

## SECTION 106 COSTS & S.278 CONTRIBUTIONS

At this stage we have not been provided with any detailed information regarding s106 contributions for the proposed scheme and have therefore adopted the following rate per unit:

- £3,000 per unit, equivalent to a total contribution of £954,000

At this stage we have not been provided with any detailed information regarding s278 contributions for the proposed scheme and have therefore adopted the following rate per unit.

- £1,500 per unit, equivalent to a total contribution of £477,000

If we are provided with further information in this regard we reserve the right to amend our viability assessment.

## COMMUNITY INFRASTRUCTURE LEVY (CIL)

CIL will be chargeable on the net additional floorspace (gross internal area) of all new development. The charging rate for residential dwellings is £125 per sq m / £11.61 per sq ft. When subjected to indexation, this equates to £177.50 per sq m / £16.49 per sq ft.

Given the complexity of the site delivery we reserve the right to amend our adopted CIL figures once further information is available. The following CIL payments are produced on the various affordable housing positions.

Position	Total CIL Payment
100% Private	£4,722,801
10% Affordable Housing	£4,210,589
15% Affordable Housing	£4,085,266
20% Affordable Housing	£3,671,564
30% Affordable Housing	£3,445,239
50% Affordable Housing	£2,282,282

We have assumed any affordable housing units will be CIL exempt. We have also accounted for following existing areas on Site 3 and applied a credited against the proposed new areas.

Bungalows	SQ FT	SQM
161, 163,165, 167	2,821	262.0773
153,155	1,608	149.3868
157,159	1,880	174.6563
Total	6,309	586

We are not specialists in calculating CIL contributions and recommend that further, more detailed advice is provided in this regard. Our adopted CIL figure should not be relied upon in the preparation and submission of CIL liability forms.

#### ACQUISITION AND PREPARATION COSTS

We have taken into account Stamp Duty Land Tax at the appropriate rate and assumed agents fees of 1.0% and legal fees of 0.50%.

We have also made an allowance for planning costs at £50,000 per residential site inclusive of the applicable local authority planning fee, which equates to a total of £250,000.

#### MARKETING COSTS

We have assumed the following fees for the residential units:

- 2.5% agency and marketing fee.
- 1.0% agency and marketing fee for affordable units.
- £600 per unit legal fee

#### FINANCE

We have included finance costs at 6% inclusive of arrangement fees and a debit rate of 0.75%

## TIMESCALES AND PHASING

For the purpose of viability testing we have assumed that the residential development sites are being phased and delivered on the following basis (Please note that this is an indicative phasing schedule and could be subject to change):

Phase	Site	Start Date	End Date	Duration
Phase 1	Site 3 - Construction	February 2019	January 2021	24 months
Phase 1	Site 3 - Sales	August 2020	July 2021	12 months
Phase 2a	Site 1 - Construction	February 2021	March 2022	14 months
Phase 2a	Site 1 - Sales	April 2022	June 2022	3 months
Phase 2b	Site 2 - Construction	February 2021	October 2022	21 months
Phase 2b	Site 2 - Sales	November 2022	November 2022	1 months
Phase 2c	Commercial - Sales	November 2022	November 2022	1 months
Phase 3	Site 5 - Construction	November 2022	August 2024	22 months
Phase 3	Site 5 - Sales	February 2024	January 2025	12 months
Phase 4 -	Site 4 - Construction	September 2024	July 2026	23 months
Phase 4	Site 4 - Sales	February 2026	January 2027	12 months
Total Project (including overlapping stages)		February 2019	February 2027	96 months

The individual residential schemes are being phased and delivered on the following basis:

### Site 3

Timescale	Period
Construction	24 months
Sales	12 months (beginning 6 months prior to construction completion)
<b>Total</b>	<b>30 months</b>

### Site 1

Timescale	Period
Construction	14 months
Sales	3 months
<b>Total</b>	<b>17 months</b>

## Site 2

Timescale	Period
Construction	21 months
Sales	1 month
<b>Total</b>	<b>22 months</b>

## Site 5

Timescale	Period
Construction	22 months
Sales	12 months (beginning 6 months prior to construction completion)
<b>Total</b>	<b>31 months</b>

## Site 4

Timescale	Period
Construction	18 months
Sales	12 months (beginning 6 months prior to construction completion)
<b>Total</b>	<b>31 months</b>



## 14 VIABILITY APPRAISALS

Taking all of the above factors into account we have carried out development appraisals of the site. The full viability appraisals can be found at **Appendix 7**. We have used the adopted affordable housing values as set out in this report together with the assessment of the private tenure sales values provided by Leaders Romans to arrive at the following residual land values:

Affordable Housing position	No. of affordable units	Location of affordable units	RLV
100% Private	0	-	£47.59 million
10% Affordable Housing	32	Site 2.	£41.87 million
15% Affordable Housing	48	Site 2.	£37.88 million
20% Affordable Housing	64	Site 2 and Site 1.	£35.57 million
30% Affordable Housing	95	Site 2, Site 1 and part Site 5.	£30.83 million
50% Affordable Housing	159	Site 2, Site 1, Site 5 and part Site 4.	£19.51 million

## 15 BENCHMARK LAND VALUE

The standard approach to assessing Benchmark land Value as set out by the NPPF and PPG on Viability is to undertake an assessment of the exiting use value (EUV) of the land, plus a premium to the landowner. In this case it is necessary to depart from the standard approach to reflect the nature of this application and the intention of releasing the 5 residential sites.

As set out in detail within the Planning Statement the applicant has engaged with the Local Authority regarding the necessary upgrades to the existing facilities on Sites A - E in order to deliver the future regeneration and secure the long term future of Sandown Park. It has been clarified that substantial investment in the racecourse is required to maintain the wider economic benefit of the racecourse to the local economy whilst simultaneously safeguarding the greenbelt. The corresponding need for this investment is to be provided by facilitating development on Sites 1 - 5. The costs associated with the rationalisation of the race course facilities have been assessed by Leslie Clarke and their cost plan can be found at **Appendix 3**. A summary of Leslie Clarke's cost plan is detailed in the table below:

Summary of Proposed Works	Total Build Cost (£)
Stables (Site A)	£8,005,000
Stable Lads Hostel/ Canteen (Site A)	£3,201,000
Grandstand Refurbishment	£ 16,161,000
Car Parking to Middle of Course (Site C)	£1,363,000
Family Enclosure (Site D)	£5,989,000
Track Improvement works (Site E1 and E2)	£901,000
Staff Houses Refurbishment	£132,000
Re align access road and car park	£1,145,000
Pedestrian Entrance Arrival	£1,193,000
<b>Total Project Cost</b>	<b>£38,090,000</b>

The costs associated with the course modernisation will allow Sandown Park to maintain market competitiveness and continue to provide facilities that enhance the public experience and local economy whilst delivering much needed housing. As a critical leisure destination and employer in Elmbridge, the course modernisation and rationalisation will enable Sandown Park to deliver a wider and enhanced community provision and meet modern customer standards and expectations. The course enhancement will ensure that Sandown Park continues to maintain excellence and safeguard the greenbelt.

The costs of the improvements need to be met by the release of the identified 5 residential sites together with the sale of the land for the hotel, the land for the nursery and the capitalised income received from the proposed café / soft-play centre within the new family enclosure (the Development Land). The Development Land is only being released in order to fund the improvements. If the receipts from the sale of the Development Land do not cover the cost of undertaking the improvements the Development Land will not be released and no residential development or hotel will come forward and consequently the critical improvements and upgrading of Sandown Park Racecourse will be prevented.

By adopting a standard approach to the assessment of benchmark land value i.e. an EUV plus methodology, the resulting value will be very low. Across the 5 residential sites there is a fairly nominal existing use value. If the benchmark land value is very low the quantum of residential development necessary to deliver policy compliant levels of affordable housing would be far in excess of the scope achievable from the identified 5 residential sites whilst still generating land receipts that will facilitate the improvement works which are at the heart of this application. It is therefore necessary in this particular case to assess the benchmark land value based on the costs of the necessary improvements. Therefore the benchmark land value in this instance needs to be equivalent to the cost of the improvements works at £38,090,000. The applicant has sought to deliver as much affordable housing as is capable across the identified 5 residential sites whilst ensuring land receipts will allow the facilitating works to come forward. At this stage we have not made any allowance for any Capital Gains Tax resulting from the land receipts. In addition, the build programme might necessitate the closure of the course for a period of time. At this stage we have not taken into account any loss of income as a result of the potential course closure.

## 16 CONCLUSION

We therefore set out below our assessment of the scheme based on varying levels of affordable housing and compare the residual land values against a Benchmark Land Value of £38,090,000.

Affordable Housing Position	RLV	BLV	Viable / Not Viable
100% Private	£47.59m	£38.09m	Viable
10% Affordable Housing	£41.87m	£38.09m	Viable
15% Affordable Housing	£37.88m	£38.09m	Viable
20% Affordable Housing	£35.57m	£38.09m	Not Viable
30% Affordable Housing	£30.83m	£38.09m	Not Viable
50% Affordable Housing	£19.51m	£38.09m	Not Viable

The table demonstrates that the proposed scheme is viable when delivering 15% affordable housing with all the affordable units being delivered within Site 2. This 15% affordable housing offer is based on the assumption that the affordable housing provision on Site 2 will include low cost housing designated for 8 households of essential workers/staff for the operation of the Racecourse.

The provision of affordable housing from the proposed development will make a contribution to the Borough's affordable housing requirements that is appropriate in terms of the balance between established need, viability and the need for ensuring that the quantum of development in the Green Belt is no more than is required in order to support the necessary improvements to the racecourse.

## 17 QUALITY ASSURANCE

This report has been prepared within the quality system operated at Rapleys LLP according to British Standard ISO 9001:2008.

Created by:	Archie Mackay-James MRICS <a href="mailto:Archie.mackay-james@rapleys.com">Archie.mackay-james@rapleys.com</a>
Signature:	
Checked by:	Nick Fell MRICS <a href="mailto:Nick.fell@rapleys.com">Nick.fell@rapleys.com</a>
Signature:	

Appendix 1

# MASTERPLAN



Revisions:	Drawn / Chkd:	Date:
A Building updated to date	MC	04.12.18
B Round up of site. Boundaries adjusted to trip / Titles. Track widening boundaries added.	MC	08.01.19
C Site boundaries added	MC	11.01.19
D Site G boundary line removed	MC	17.01.19
E Site F removed. Site 2 boundary adjusted	MC	23.01.19
F Site F added. Parking layouts updated	MC	03.02.19

### Legend

- Jockey Club Race course  
boundary line
- Application Site Boundary

### Preliminary Issue

Client:  
The Jockey Club

Project:  
Sandown Park

Drawing Title:  
Masterplan



24 Church St, Woking,  
Surrey, GU21 6HT  
01483 404 350

info@prc-group.com  
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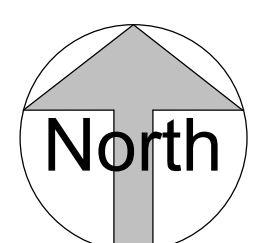
#### Architecture

Scale: @ A0: 1:2000  
Checked by: MC  
Date: 12.11.2018  
Job No: 11071  
Stage: Drawing No: FE\_101  
Rev: F

Issue Status:  
Construction ☐ Preliminary ☒  
Information ☐ Approval ☐  
Tender ☐  
Working London  
Milton Keynes  
Worlwar

PRC Architecture & Planning  
03/02/2019 11:48:03

Scale 1:2000  
0 60 100 m





Appendix 2

# RESIDENTIAL SITES ACCOMMODATION SCHEDULES

## SCHEDULE OF ACCOMMODATION

Site 1

January 2019

Unit No.	Type	Area (SQFT)
1	1B2P	550
2	1B2P	550
3	1B2P	550
4	1B2P	550
5	1B2P	550
6	2B4P	800
7	2B4P	800
8	2B4P	800
9	2B4P	800
10	2B4P	800
11	2B4P	800
12	2B4P	800
13	2B4P	800
14	2B4P	800
15	2B4P	800
15		10,750

## SCHEDULE OF ACCOMMODATION

Site 2

January 2019

Unit No.	Type	Area (SQFT)
1	1B2P	550
2	1B2P	550
3	1B2P	550
4	1B2P	550
5	2B3P	700
6	2B3P	700
7	2B3P	700
8	2B3P	700
9	2B3P	700
10	2B3P	700
11	2B3P	700
12	2B3P	700
13	2B4P	800
14	2B4P	800
15	2B4P	800
16	2B4P	800
17	2B4P	800
18	2B4P	800
19	2B4P	800
20	2B4P	800
21	2B4P	800
22	2B4P	800
23	2B4P	800
24	2B4P	800
25	2B4P	800
26	2B4P	800
27	2B4P	800
28	2B4P	800
29	2B4P	800
30	2B4P	800
31	3B5P	950
32	3B5P	950
33	3B5P	950
34	3B5P	950
35	3B5P	950
36	3B5P	950
37	3B5P	950
38	3B5P	950
39	3B5P	950



40	3B5P	950
41	3B5P	950
42	3B5P	950
43	3B5P	950
44	3B5P	950
45	3B5P	950
46	3B5P	950
47	3B5P	950
48	3B5P	950
49	3B5P	950
49		40,250

## SCHEDULE OF ACCOMMODATION

Site 3

January 2019

Unit No.	Type	Area (SQFT)
1	1B2P	550
2	1B2P	550
3	1B2P	550
4	1B2P	550
5	1B2P	550
6	1B2P	550
7	1B2P	550
8	1B2P	550
9	1B2P	550
10	1B2P	550
11	1B2P	550
12	1B2P	550
13	1B2P	550
14	1B2P	550
15	1B2P	550
16	1B2P	550
17	1B2P	550
18	1B2P	550
19	1B2P	550
20	1B2P	550
21	1B2P	550
22	1B2P	550
23	1B2P	550
24	1B2P	550
25	1B2P	550
26	1B2P	550
27	1B2P	550
28	2B4P	800
29	2B4P	800
30	2B4P	800
31	2B4P	800
32	2B4P	800
33	2B4P	800
34	2B4P	800
35	2B4P	800
36	2B4P	800
37	2B4P	800
38	2B4P	800
39	2B4P	800

40	2B4P	800
41	2B4P	800
42	2B4P	800
43	2B4P	800
44	2B4P	800
45	2B4P	800
46	2B4P	800
47	2B4P	800
48	2B4P	800
49	2B4P	800
50	2B4P	800
51	2B4P	800
52	2B4P	800
53	2B4P	800
54	2B4P	800
55	2B4P	800
56	2B4P	800
57	2B4P	800
58	2B4P	800
59	2B4P	800
60	2B4P	800
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62	2B4P	800
63	2B4P	800
64	2B4P	800
65	2B4P	800
66	2B4P	800
67	2B4P	800
68	2B4P	800
69	2B4P	800
70	2B4P	800
71	2B4P	800
72	2B4P	800
73	2B4P	800
74	2B4P	800
75	2B4P	800
76	2B4P	800
77	2B4P	800
78	2B4P	800
79	2B4P	800
80	2B4P	800
81	2B4P	800
82	2B4P	800

83	2B4P	800
84	2B4P	800
85	2B4P	800
86	2B4P	800
87	2B4P	800
88	2B4P	800
89	2B4P	800
90	2B4P	800
91	2B4P	800
92	2B4P	800
93	2B4P	800
94	2B4P	800
95	2B4P	800
96	2B4P	800
97	2B4P	800
98	2B4P	800
99	2B4P	800
100	2B4P	800
101	2B4P	800
102	2B4P	800
103	2B4P	800
104	2B4P	800
105	2B4P	800
106	2B4P	800
107	2B4P	800
108	2B4P	800
109	2B4P	800
110	2B4P	800
111	2B4P	800
112	2B4P	800
113	2B4P	800
114	2B4P	800
114		84,450

## SCHEDULE OF ACCOMMODATION

Site 4

January 2019

Unit No.	Type	Area (SQFT)
1	Studio	395
2	Studio	395
3	2B4P	800
4	2B4P	800
5	2B4P	800
6	2B4P	800
7	2B4P	800
8	2B4P	800
9	2B4P	800
10	2B4P	800
11	2B4P	800
12	2B4P	800
13	2B4P	800
14	2B4P	800
15	2B4P	800
16	2B4P	800
17	2B4P	800
18	2B4P	800
19	2B4P	800
20	2B4P	800
21	2B4P	800
22	2B4P	800
23	2B4P	800
24	2B4P	800
25	2B4P	800
26	2B4P	800
27	2B4P	800
28	2B4P	800
29	2B4P	800
30	2B4P	800
31	2B4P	800
32	2B4P	800
33	2B4P	800
34	2B4P	800
35	2B4P	800
36	2B4P	800
37	2B4P	800
38	2B4P	800

39	2B4P	800
40	2B4P	800
41	2B4P	800
42	3B5P	950
43	3B5P	950
44	3B5P	950
45	3B5P	950
46	3B5P	950
47	3B5P	950
48	3B5P	950
49	3B5P	950
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62	3B5P	950
63	3B5P	950
64	3B5P	950
65	3B5P	950
66	3B5P	950
67	3B5P	950
68	3B5P	950
69	3B5P	950
70	3B5P	950
71	3B5P	950
72	3B5P	950
72		61,440

## SCHEDULE OF ACCOMMODATION

Site 5

January 2019

Unit No.	Type	Area (SQFT)
1	1B2P	550
2	1B2P	550
3	1B2P	550
4	1B2P	550
5	1B2P	550
6	1B2P	550
7	1B2P	550
8	1B2P	550
9	1B2P	550
10	1B2P	550
11	1B2P	550
12	1B2P	550
13	1B2P	550
14	1B2P	550
15	1B2P	550
16	1B2P	550
17	1B2P	550
18	1B2P	550
19	1B2P	550
20	1B2P	550
21	1B2P	550
22	1B2P	550
23	1B2P	550
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25	1B2P	550
26	1B2P	550
27	1B2P	550
28	1B2P	550
29	1B2P	550
30	1B2P	550
31	1B2P	550
32	1B2P	550
33	1B2P	550
34	1B2P	550
35	1B2P	550
36	1B2P	550
37	2B4P	800
38	2B4P	800

39	2B4P	800
40	2B4P	800
41	2B4P	800
42	2B4P	800
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56	2B4P	800
57	2B4P	800
58	2B4P	800
59	2B4P	800
60	2B4P	800
61	3B5P	950
62	3B5P	950
63	3B5P	950
64	3B5P	950
65	3B5P	950
66	3B5P	950
67	3B5P	950
68	3B5P	950
68		46,600



Appendix 3

# LESLIE CLARK COST PLAN

# Leslie Clark

---

## SANDOWN PARK RACECOURSE MASTERPLAN

at

SANDOWN PARK RACECOURSE  
PORTSMOUTH ROAD, ESHER, SURREY, KT10 9AJ

**PRIVATE AND CONFIDENTIAL**

## ORDER OF COST ESTIMATE 1 - Rev 6

for

THE JOCKEY CLUB

---

Date: **21 February 2019**  
Quantity Surveyor: **Leslie Clark**  
**High Holborn House**  
**52-54 High Holborn**  
**London**  
**WC1V 6RL**

LESLIE CLARK		
	Initial	Date
Prepared by	AY	21/02/2019
Comp check	BH	21/02/2019
Approved by	GAB	21/02/2019

# Leslie Clark

SANDOWN PARK RACECOURSE MASTERPLAN  
ORDER OF COST ESTIMATE 1 - Rev 6

21-Feb-19

## CONTACTS

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## COST ESTIMATING STAGES

New Rules of Measurement

NRM	RIBA	Work Stages
OCE*	1 (A / B)	Brief
FCP Nr. 01*	2 (C)	Concept
FCP Nr. 02**	3 (D)	Development
FCP Nr. 03**	4 (E)	Technical
PTE***	4 (F)	Tender

\* Order of Cost Estimate

\*\* Formal Cost Plan

\*\*\* Pre-Tender Estimate

## VERSION CONTROL

Document	Issue	Date Issued	Description	Approved by
OCE 1	-	20/12/2018	Order of Cost Estimate 1	Gordon Balharrie
OCE 1	-	04/01/2019	Order of Cost Estimate 1 - Reduce fee and risk	Gordon Balharrie
OCE 1	Rev 1	08/01/2019	Order of Cost Estimate 1	Gordon Balharrie
OCE 1	Rev 2	11/01/2019	Order of Cost Estimate 1	Gordon Balharrie
OCE 1	Rev 3	18/01/2019	Order of Cost Estimate 1	Gordon Balharrie
OCE 1	Rev 4	24/01/2019	Order of Cost Estimate 1	Gordon Balharrie
OCE 1	Rev 4	12/02/2019	Order of Cost Estimate 1	Gordon Balharrie
OCE 1	Rev 5	18/02/2019	Order of Cost Estimate 1	Gordon Balharrie
OCE 1	Rev 6	21/02/2019	Order of Cost Estimate 1	Gordon Balharrie

## 1.0 EXECUTIVE SUMMARY

### 1.1 Terms of Reference

This Cost Plan is based upon the design information provided by PRC Group and Rapleys from November 2018.

### 1.2 Construction Costs

The estimated current day fixed prices of the options (4Q 2018 price date) **excluding inflation and VAT** are:

1.0 - Summary of Proposed Works	Works Area (m <sup>2</sup> )	£ /m <sup>2</sup> of Total Cost	Construction Cost (£)	Total Build Cost (£)
2.0 - Stables			£ 6,601,000	£ 8,005,000
3.0 - Stable Lads Hostel/ Canteen	1000m <sup>2</sup>	£3,201 /m <sup>2</sup>	£ 2,640,000	£ 3,201,000
4.0 - Grandstand Refurbishment	8755m <sup>2</sup>	£1,846 /m <sup>2</sup>	£ 13,325,000	£ 16,161,000
5.0 - Eclipse Refurbishment			£ -	£ -
6.0 - Car Parking to Middle of Course			£ 1,124,000	£ 1,363,000
7.0 - Family Enclosure			£ 4,938,000	£ 5,989,000
8.0 - Track Improvement Works			£ 814,000	£ 901,000
9.0 - Pedestrian Enhancements from Station			£ -	£ -
10.0 - Staff Houses Refurbishment			£ 109,000	£ 132,000
11.0 - Re-align access road and car park			£ 944,000	£ 1,145,000
12.0 - Pedestrian Entrance Arrival			£ 984,000	£ 1,193,000
<b>Total Project Cost</b>			<b>£ 31,479,000</b>	<b>£ 38,090,000</b>

### 1.3 Key Issues

A number of key risks are highlighted below which should be taken into account when considering the costs within this document:

- Risks associated with working in an existing building and potential unknown works, a construction contingency has been included for items such as this however we wish to highlight this as a potential risk.
- Risks associated with the development of the design moving forward, a design contingency has been included for items such as this however we wish to highlight this as a potential risk.
- Risks associated with costs based on high level information only.
- Risks associated with inflation, there is no programme information as to when each section of these works will commence. Therefore we have excluded inflation from our estimate.

### 1.4 Basis of Cost

This Estimate is based on the following information:

PRC Group Information

### 1.5 Assumptions

## 1.0 EXECUTIVE SUMMARY

This Order of Cost Estimate is based on the following assumptions:

- Priced on 4Q 2018 rates.
- Form of procurement is assumed to be a single stage competitive tender.
- Preliminaries costs are allowed on a percentage basis.
- OH&P is allowed on a percentage basis in line with current market rates.
- Design and construction risk allowance has been included on a percentage basis (lower than JCR standard).
- Fees have been allowed on the basis of 10% (lower than JCR standard at this stage of project).
- Costs associated with fencing entire racecourse would be in the order of £1,425,000.00. Works to railway footpath would be in the order of £250,000.00.

## 1.6 Exclusions

This Order of Cost Estimate excludes the following items:

- Inflation.
- Value Added Tax.
- Pre-contract surveys / investigations.
- Statutory upgrades
- Statutory diversions
- Contamination and asbestos
- Ground water
- Bulk landscaping unless otherwise stated
- Various structures where noted temporary have been excluded
- Section 106/278 Works excluded

2.0 Stables		Quant	Unit	Rate	Amount
2.1	<b>FACILITATING WORKS</b>				
2.1.1	Demolition of existing stables	1	Item	100,000.00	£100,000.00
2.1.2	Demolition of existing stable lads hostel, pre-parade ring	1	Item	250,000.00	£250,000.00
2.1.3	Break up the existing base to site of stable lads hostel	22,500	m²	10.00	£225,000.00
2.1.4	Asbestos within existing stables - Provisional	1	Item	100,000.00	£100,000.00
2.1.5	Major earthworks to level site for new stables complex and hostel/ canteen	3,700	m²	120.00	£444,000.00
2.1.6	Boundary wall to residential gardens - repair and strengthen	265	m	300.00	£80,000.00
2.1.7	Major earthworks to level site for horse box parking	3,975	m²	120.00	£477,000.00
2.1.8	Major earthworks to level site for new residential buildings at site 6	4,250	m²	175.00	£744,000.00
2.2	<b>BUILDING WORKS</b>				
2.2.1	New stables complex, including foundations, superstructure, finishes etc	102	Nr	11,000.00	£1,122,000.00
2.2.2	E.O for sundry works - wash down, sampling, jockey hospital etc	1	Item	350,000.00	£350,000.00
2.2.3	Retaining walls	225	m	750.00	£169,000.00
2.3	<b>PRE-PARADE RING</b>				
2.3.1	Pre-parade ring including sub-base, imported fill, surfacing, edging/ kerbs, gates, fencing	1	Item	150,000.00	£150,000.00
2.3.2	Saddling boxes	16	Nr	8,000.00	£128,000.00
2.3.3	Retaining walls	25	m	750.00	£19,000.00
2.4	<b>EXTERNAL WORKS</b>				
2.4.1	Hard landscaping to stables complex	7,125	m²	50.00	£356,000.00
2.4.2	Soft landscaping to stables complex	1	Item	3,000.00	£3,000.00
2.4.3	Landscaping to pre-parade ring	1,736	m²	15.00	£26,000.00
2.4.4	Allowance for horsewalk, crossings etc	1	Item	50,000.00	£50,000.00
2.4.5	Allowance for drainage	7,675	m²	17.50	£134,000.00
2.4.6	Allowance for external lighting	1	Item	35,000.00	£35,000.00
2.4.7	Allowance for fencing	1	Item	25,000.00	£25,000.00
2.4.8	Allowance for access gates - double	1	Nr	10,000.00	£10,000.00
2.5	<b>EXTERNAL SERVICES</b>				
2.5.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	250,000.00	£250,000.00

2.0 Stables		Quant	Unit	Rate	Amount
2.6	SUB-TOTAL: PACKAGE WORKS ESTIMATE	-	m²		£5,247,000.00
2.7	Main Contractor Allowances				
2.7.1	Preliminaries	52	wks	£20,000.00	£1,040,000.00
2.7.2	Overheads & Profit	5.0%	Item	£6,287,000.00	£314,000.00
2.8	SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE	-	m²		£6,601,000.00
2.9	Professional Fees				
2.9.1	Project / Design Team Fees	10.0%	Item	£6,601,000.00	£660,000.00
2.10	SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees & inflation)	-	m²		£7,261,000.00
2.11	Risk Allowances				
2.11.1	Design Development Risk / Contingency	5.0%	Item	£7,261,000.00	£363,000.00
2.11.2	Construction Risk / Contingency	5.0%	Item	£7,624,000.00	£381,000.00
2.12	SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)	-	m²		£8,005,000.00
2.13	Inflation				
2.13.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£8,005,000.00	Excluded
2.13.2	Construction inflation (fixed price contract)		Item	8,005,000.00	Excluded
2.14	TOTAL PROJECT CONSTRUCTION COST (excl. VAT)	-	m²		£8,005,000.00

3.0 Stable Lads Hostel/ Canteen - New Build		Quant	Unit	Rate	Amount
3.1	<b>FACILITATING WORKS</b>				
3.1.1	Groundworks to facilitate onstruction of stable lads hostel/ canteen - included in 2.0.				Excluded
3.2	<b>BUILDING WORKS</b>				
3.2.1	Construction of new stable lads hostel/ canteen	1,000	m²	1,250.00	£1,250,000.00
3.3	<b>EXTERNAL WORKS</b>				
3.3.1	Hard landscaping to stable lads hostel/ canteen	2,500	m²	50.00	£125,000.00
3.3.2	Soft landscaping to stable lads hostel/ canteen	1	Item	15,000.00	£15,000.00
3.3.3	Allowance for drainage	2,500	m²	17.50	£44,000.00
3.3.4	Allowance for external lighting	1	Item	20,000.00	£20,000.00
3.3.5	Allowance for fencing	1	Item	25,000.00	£25,000.00
3.3.6	Allowance for access gates	2	Nr	2,500.00	£5,000.00
3.4	<b>EXTERNAL SERVICES</b>				
3.4.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	150,000.00	£150,000.00
3.5	<b>SUB-TOTAL: PACKAGE WORKS ESTIMATE</b>	1,000	m²	1,634.00	£1,634,000.00
3.6	<b>Main Contractor Allowances</b>				
3.6.1	Preliminaries	44	wks	£20,000.00	£880,000.00
3.6.2	Overheads & Profit	5.0%	Item	£2,514,000.00	£126,000.00
3.7	<b>SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE</b>	1,000	m²	2,640.00	£2,640,000.00
3.8	<b>Professional Fees</b>				
3.8.1	Project / Design Team Fees	10.0%	Item	£2,640,000.00	£264,000.00
3.9	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees &amp; inflation)</b>	1,000	m²	2,904.00	£2,904,000.00
3.10	<b>Risk Allowances</b>				
3.10.1	Design Development Risk / Contingency	5.0%	Item	£2,904,000.00	£145,000.00
3.10.2	Construction Risk / Contingency	5.0%	Item	£3,049,000.00	£152,000.00
3.11	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)</b>	1,000	m²	3,201.00	£3,201,000.00
3.12	<b>Inflation</b>				
3.12.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£3,201,000.00	Excluded
3.12.2	Construction inflation (fixed price contract)		Item	3,201,000.00	Excluded
3.13	<b>TOTAL PROJECT CONSTRUCTION COST (excl. VAT)</b>	1,000	m²	3,201.00	£3,201,000.00



4.0 Grandstand Refurbishment		Quant	Unit	Rate	Amount
4.1	<b>FACILITATING WORKS</b>				
4.1.1	Strip out existing furnishings, M&E etc to all areas of existing grandstand	8,755	m²	35.00	£306,000.00
4.2	<b>BUILDING WORKS</b>				
4.2.1	Allowance for structural alterations within existing grandstand, assumed limited	1	Item	500,000.00	£500,000.00
4.2.2	Refurbishment of Esher Hall including floor, wall and ceiling finishes FF&E, plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV, BMS etc	1,323	m²	1,300.00	
4.2.3	Refurbishment of toilets to Esher Hall including all finishes and services, etc	220	m²	1,500.00	
4.2.4	Refurbishment of circulation and back of house areas to Esher Hall including all finishes, services, sundries, etc	1,014	m²	1,000.00	
4.2.5	Allowance for FF&E including furniture, direct costs etc	1	Item	100,000.00	
4.2.6	Refurbishment of Surrey Hall including floor, wall and ceiling finishes FF&E, plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV, BMS etc	3,757	m²	1,300.00	£4,884,000.00
4.2.7	Refurbishment of toilets to Surrey Hall including all finishes and services, etc	268	m²	1,500.00	£402,000.00
4.2.8	Refurbishment of back of house areas to Surrey Hall including all finishes, services, sundries, etc	1,173	m²	1,200.00	£1,408,000.00
4.2.9	Refurbishment of circulation areas to Surrey Hall including all finishes, services, sundries, etc	1,128	m²	895.00	£1,010,000.00
4.2.10	Allowance for FF&E including furniture, direct costs etc	1	Item	300,000.00	£300,000.00
4.2.11	Refurbishment of Solario including floor, wall and ceiling finishes FF&E, plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV, BMS etc	352	m²	1,300.00	
4.2.12	Refurbishment of Sandown View including floor, wall and ceiling finishes FF&E, plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV, BMS etc	570	m²	1,300.00	£741,000.00
4.2.13	Refurbishment of toilets to Sandown View including all finishes and services	40	m²	1,500.00	£60,000.00
4.2.14	Refurbishment of back of house areas to Sandown View including all finishes, services, sundries, etc	155	m²	1,200.00	£186,000.00
4.2.15	Refurbishment of circulation areas to Sandown View including all finishes, services, sundries, etc	391	m²	895.00	£350,000.00
4.2.16	Allowance for FF&E including furniture, direct costs etc	1	Item	150,000.00	£150,000.00
4.2.17	Refurbishment of second floor boxes including floor, wall and ceiling finishes FF&E, plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV, BMS etc	136	m²	1,400.00	£190,000.00
4.2.18	Refurbishment of toilets to second floor including all finishes and services, etc	125	m²	1,500.00	£188,000.00
4.2.19	Refurbishment of back of house areas to second floor including all finishes, services, sundries, etc	994	m²	1,200.00	

4.0 Grandstand Refurbishment		Quant	Unit	Rate	Amount
4.2.20	Refurbishment of circulation areas to second floor including all finishes, services, sundries, etc	84	m²	895.00	£75,000.00
4.2.21	Allowance for FF&E including furniture, direct costs etc	1	Item	100,000.00	£100,000.00
4.3	<b>EXTERNAL WORKS</b>				
4.3.1	Allowance for hard landscaping around grandstand	1	Item	150,000.00	£150,000.00
4.3.2	Allowance for soft landscaping around grandstand	1	Item	25,000.00	£25,000.00
4.3.3	Alterations to existing foul and surface drainage	1	Item	75,000.00	£75,000.00
4.3.4	External lighting improvements	1	Item	50,000.00	£50,000.00
4.4	<b>EXTERNAL SERVICES</b>				
4.4.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	500,000.00	£500,000.00
4.5	<b>SUB-TOTAL: PACKAGE WORKS ESTIMATE</b>	8,755	m²	1,330.67	£11,650,000.00
4.6	<b>Main Contractor Allowances</b>				
4.6.1	Preliminaries	52	wks	£20,000.00	£1,040,000.00
4.6.2	Overheads & Profit	5.0%	Item	£12,690,000.00	£635,000.00
4.7	<b>SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE</b>	8,755	m²	1,521.99	£13,325,000.00
4.8	<b>Professional Fees</b>				
4.8.1	Project / Design Team Fees	10.0%	Item	£13,325,000.00	£1,333,000.00
4.9	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees &amp; inflation)</b>	8,755	m²	1,674.24	£14,658,000.00
4.10	<b>Risk Allowances</b>				
4.10.1	Design Development Risk / Contingency	5.0%	Item	£14,658,000.00	£733,000.00
4.10.2	Construction Risk / Contingency	5.0%	Item	£15,391,000.00	£770,000.00
4.11	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)</b>	8,755	m²	1,845.92	£16,161,000.00
4.12	<b>Inflation</b>				
4.12.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£16,161,000.00	Excluded
4.12.2	Construction inflation (fixed price contract)		Item	16,161,000.00	Excluded
4.13	<b>TOTAL PROJECT CONSTRUCTION COST (excl. VAT)</b>	8,755	m²	1,845.92	£16,161,000.00

4.0A Eclipse Refurbishment		Quant	Unit	Rate	Amount
4.1	<b>FACILITATING WORKS</b>				
4.1.1	Strip out existing furnishings, M&E etc to all areas of existing grandstand	1,943	m²	35.00	£68,000.00
4.2	<b>BUILDING WORKS</b>				
4.2.1	Allowance for structural alterations within existing Eclipse building	1	Item	15,000.00	£15,000.00
4.2.2	Refurbishment of Eclipse boxes and bars including floor, wall and ceiling finishes FF&E, plumbing, mechanical, electrical and lift installations together with all ancillary services including catering, alarms, CCTV, BMS etc	873	m²	1,300.00	£1,135,000.00
4.2.3	Refurbishment of toilets to Eclipse building including all finishes and services, etc	130	m²	1,500.00	£195,000.00
4.2.4	Refurbishment of circulation and back of house areas to Eclipse building including all finishes, services, sundries, etc	755	m²	1,000.00	£755,000.00
4.2.5	Refurbishment of kitchens to Eclipse building including equipment	187	m²	1,500.00	£281,000.00
4.2.6	Allowance for FF&E including furniture, direct costs etc	1	Item	50,000.00	£50,000.00
4.3	<b>EXTERNAL WORKS</b>				
4.3.1	Allowance for hard landscaping around Eclipse building	1	Item	25,000.00	£25,000.00
4.3.2	Allowance for soft landscaping around Eclipse building	1	Item	10,000.00	£10,000.00
4.3.3	Alterations to existing foul and surface drainage	1	Item	15,000.00	£15,000.00
4.3.4	External lighting improvements	1	Item	10,000.00	£10,000.00
4.4	<b>EXTERNAL SERVICES</b>				
4.4.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	50,000.00	£50,000.00
4.5	<b>SUB-TOTAL: PACKAGE WORKS ESTIMATE</b>	1,943	m²	1,342.77	£2,609,000.00
4.6	<b>Main Contractor Allowances</b>				
4.6.1	Preliminaries	32	wks	£16,500.00	£528,000.00
4.6.2	Overheads & Profit	5.0%	Item	£3,137,000.00	£157,000.00
4.7	<b>SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE</b>	1,943	m²	1,695.32	£3,294,000.00
4.8	<b>Professional Fees</b>				
4.8.1	Project / Design Team Fees	10.0%	Item	£3,294,000.00	£329,000.00
4.9	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees &amp; inflation)</b>	1,943	m²	1,864.64	£3,623,000.00
4.10	<b>Risk Allowances</b>				
4.10.1	Design Development Risk / Contingency	5.0%	Item	£3,623,000.00	£181,000.00
4.10.2	Construction Risk / Contingency	5.0%	Item	£3,804,000.00	£190,000.00
4.11	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)</b>	1,943	m²	2,055.58	£3,994,000.00
4.12	<b>Inflation</b>				
4.12.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£3,994,000.00	Excluded
4.12.2	Construction inflation (fixed price contract)		Item	3,994,000.00	Excluded
4.13	<b>TOTAL PROJECT CONSTRUCTION COST (excl. VAT)</b>	1,943	m²	2,055.58	£3,994,000.00

6.0 Car Parking to Middle of Course		Quant	Unit	Rate	Amount
6.1	<b>FACILITATING WORKS</b>				
6.1.1	Site strip of existing soft landscaping to area of proposed car parking	15,000	m²	5.00	£75,000.00
6.2	<b>BUILDING WORKS</b>				
6.2.1	No works anticipated				
6.3	<b>EXTERNAL WORKS</b>				
6.3.1	Gravel bound tarmac surfacing to car park	2,100	m²	35.00	£74,000.00
6.3.2	Grasscrete type surfacing to car park	12,900	m²	35.00	£452,000.00
6.3.3	Existing grass to remain as car parking - make good where necessary	15,600	m²	2.50	£39,000.00
6.3.4	Allowance for hard landscaping (footpaths, etc)	1	Item	-	
6.3.5	Allowance for soft landscaping	1	Item	-	
6.3.6	Surface water drainage to car parking - connections to existing; alterations as necessary	1	Item	75,000.00	£75,000.00
6.3.7	External lighting to car park	1	Item	-	
6.3.8	Sundry items such as; bins, signage, white linings etc	1	Item	5,000.00	£5,000.00
6.4	<b>EXTERNAL SERVICES</b>				
6.4.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	50,000.00	£50,000.00
6.5	<b>SUB-TOTAL: PACKAGE WORKS ESTIMATE</b>	-	m²		£770,000.00
6.6	<b>Main Contractor Allowances</b>				
6.6.1	Preliminaries	40	wks	£7,500.00	£300,000.00
6.6.2	Overheads & Profit	5.0%	Item	£1,070,000.00	£54,000.00
6.7	<b>SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE</b>	-	m²		£1,124,000.00
6.8	<b>Professional Fees</b>				
6.8.1	Project / Design Team Fees	10.0%	Item	£1,124,000.00	£112,000.00
6.9	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees &amp; inflation)</b>	-	m²		£1,236,000.00
6.10	<b>Risk Allowances</b>				
6.10.1	Design Development Risk / Contingency	5.0%	Item	£1,236,000.00	£62,000.00
6.10.2	Construction Risk / Contingency	5.0%	Item	£1,298,000.00	£65,000.00
6.11	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)</b>	-	m²		£1,363,000.00
6.12	<b>Inflation</b>				
6.12.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£1,363,000.00	Excluded
6.12.2	Construction inflation (fixed price contract)		Item	1,363,000.00	Excluded
6.13	<b>TOTAL PROJECT CONSTRUCTION COST (excl. VAT)</b>	-	m²		£1,363,000.00

7.0 Family Enclosure to Middle of Course		Quant	Unit	Rate	Amount
7.1	<b>FACILITATING WORKS</b>				
7.1.1	Demolition of existing building to go-kart track including removing all ancillary structures and slabs, together with go-kart track	1	Item	150,000.00	£150,000.00
7.1.2	Major earthworks to level site for Zone B - younger children's play area	1,700	m²	50.00	£85,000.00
7.1.3	Major earthworks to level site for Zone C - older children's play area	3,600	m²	50.00	£180,000.00
7.1.4	Major earthworks to level site for Zone D - central open park space	4,000	m²	50.00	£200,000.00
7.1.5	Allowance for enhancement works for Zone E - cycle track on existing go kart track	1	Item	250,000.00	£250,000.00
7.1.6	Major earthworks to level site for Zone F - viewing area	1,300	m²	50.00	£65,000.00
7.2	<b>BUILDING WORKS</b>				
7.2.1	Zone A - Coffee shop and play area building (similar to Jelly Lounge in Windsor)	700	m²	2,750.00	£1,925,000.00
7.2.2	Zone G - entrance booth	1	Nr	50,000.00	£50,000.00
7.2.3	Bicycle/Segway dock with big screen over - excluded	1	Item	-	
7.3	<b>EXTERNAL WORKS</b>				
7.3.1	Hard and soft landscaping to Zone A - pavilion café	2,100	m²	100.00	£210,000.00
7.3.2	Hard and soft landscaping to Zone B - younger children's play area	1,700	m²	50.00	£85,000.00
7.3.3	Hard and soft landscaping to Zone C - older children's play area	3,600	m²	50.00	£180,000.00
7.3.4	Hard and soft landscaping to Zone D - central open park space	4,000	m²	50.00	£200,000.00
7.3.5	Hard and soft landscaping to Zone E - cycle track - exsting	19,200	m²	-	
7.3.6	Hard and soft landscaping to Zone F - viewing area	3,000	m²	15.00	£45,000.00
7.3.7	Re-alignment of racecourse service access road	1	Item	50,000.00	£50,000.00
7.3.8	Surface water drainage to Areas B, C, D and F - supplement existing	10,600	m²	5.00	£53,000.00
7.3.9	Allowance for foul and surface drainage to pavilion café to area A	2,100	m²	17.00	£36,000.00
7.3.10	External lighting improvements to Areas A, B, C, D, E and F	1	Item	50,000.00	£50,000.00
7.3.11	Allowance for fencing to Areas A, B, C, D, E and F	1	Item	75,000.00	£75,000.00
7.3.12	Sundry items such as; bins, signage, white linings etc	1	Item	25,000.00	£25,000.00
7.3.13	Children's pay area equipment	1	Item	35,000.00	£35,000.00
7.3.14	Cycle track - existing go kart track	1	Item	-	
7.4	<b>EXTERNAL SERVICES</b>				
7.4.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	250,000.00	£250,000.00

# Leslie Clark

SANDOWN PARK RACECOURSE MASTERPLAN  
ORDER OF COST ESTIMATE 1 - Rev 6

21-Feb-19

7.0 Family Enclosure to Middle of Course		Quant	Unit	Rate	Amount
7.5	SUB-TOTAL: PACKAGE WORKS ESTIMATE	-	m <sup>2</sup>		£4,199,000.00
7.6	Main Contractor Allowances				
7.6.1	Preliminaries	12.0%	Item	£4,199,000.00	£504,000.00
7.6.2	Overheads & Profit	5.0%	Item	£4,703,000.00	£235,000.00
7.7	SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE	-	m <sup>2</sup>		£4,938,000.00
7.8	Professional Fees				
7.8.1	Project / Design Team Fees	10.0%	Item	£4,938,000.00	£494,000.00
7.9	SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees & inflation)	-	m <sup>2</sup>		£5,432,000.00
7.10	Risk Allowances				
7.10.1	Design Development Risk / Contingency	5.0%	Item	£5,432,000.00	£272,000.00
7.10.2	Construction Risk / Contingency	5.0%	Item	£5,704,000.00	£285,000.00
7.11	SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)	-	m <sup>2</sup>		£5,989,000.00
7.12	Inflation				
7.12.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£5,989,000.00	Excluded
7.12.2	Construction inflation (fixed price contract)		Item	£5,989,000.00	Excluded
7.13	TOTAL PROJECT CONSTRUCTION COST (excl. VAT)	-	m <sup>2</sup>		£5,989,000.00

8.0 Track Improvement Works		Quant	Unit	Rate	Amount
8.1	<b>GENERALLY</b>				
8.1.1	Tender returns from groundworks contractors for track widening areas	1	Item	600,000.00	£600,000.00
8.1.2	Track related improvements	1	Item	50,000.00	£50,000.00
8.1.3	Works to track crossing utilising Polytrack	1	Item	100,000.00	£100,000.00
8.2	<b>EXTERNAL SERVICES</b>				
8.2.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	25,000.00	£25,000.00
8.3	<b>SUB-TOTAL: PACKAGE WORKS ESTIMATE</b>	-	m²		£775,000.00
8.4	<b>Main Contractor Allowances</b>				
8.4.1	Preliminaries	-	wks	£15,000.00	
8.4.2	Overheads & Profit	5.0%	Item	£775,000.00	£39,000.00
8.5	<b>SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE</b>	-	m²		£814,000.00
8.6	<b>Professional Fees</b>				
8.6.1	Project / Design Team Fees	8.0%	Item	£814,000.00	£65,000.00
8.7	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees &amp; inflation)</b>	-	m²		£879,000.00
8.8	<b>Risk Allowances</b>				
8.8.1	Design Development Risk / Contingency		Item	£879,000.00	
8.8.2	Construction Risk / Contingency	2.5%	Item	£879,000.00	£22,000.00
8.9	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)</b>	-	m²		£901,000.00
8.10	<b>Inflation</b>				
8.10.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£901,000.00	Excluded
8.10.2	Construction inflation (fixed price contract)		Item	901,000.00	Excluded
8.11	<b>TOTAL PROJECT CONSTRUCTION COST (excl. VAT)</b>	-	m²		£901,000.00

10.0 Refurbishment of Existing Staff Houses on Site		Quant	Unit	Rate	Amount
10.1	<b>BUILDING WORKS</b>				
10.1.1	Minor refurbishment internally to existing staff houses/ flats on site	1	Item	75,000.00	£75,000.00
10.2	<b>EXTERNAL SERVICES</b>				
10.2.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	15,000.00	£15,000.00
10.3	<b>SUB-TOTAL: PACKAGE WORKS ESTIMATE</b>	-	m²		£90,000.00
10.4	<b>Main Contractor Allowances</b>				
10.4.1	Preliminaries	15.0%	Item	£90,000.00	£14,000.00
10.4.2	Overheads & Profit	5.0%	Item	£104,000.00	£5,000.00
10.5	<b>SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE</b>	-	m²		£109,000.00
10.6	<b>Professional Fees</b>				
10.6.1	Project / Design Team Fees	10.0%	Item	£109,000.00	£11,000.00
10.7	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees &amp; inflation)</b>	-	m²		£120,000.00
10.8	<b>Risk Allowances</b>				
10.8.1	Design Development Risk / Contingency	5.0%	Item	£120,000.00	£6,000.00
10.8.2	Construction Risk / Contingency	5.0%	Item	£126,000.00	£6,000.00
10.9	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)</b>	-	m²		£132,000.00
10.10	<b>Inflation</b>				
10.10.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£132,000.00	Excluded
10.10.2	Construction inflation (fixed price contract)		Item	132,000.00	Excluded
10.11	<b>TOTAL PROJECT CONSTRUCTION COST (excl. VAT)</b>	-	m²		£132,000.00



11.0 Re-Align Access Road and Portsmouth Road Car Park		Quant	Unit	Rate	Amount
11.1	<b>FACILITATING WORKS</b>				
11.1.1	Site strip of existing surfacing to area of car parking	9,800	m²	15.00	£147,000.00
11.2	<b>EXTERNAL WORKS</b>				
11.2.1	Grasscrete surfacing to car park	1,000	m²	35.00	£35,000.00
11.2.2	Grasscrete surfacing to car park - Area 8 by hotel site	8,800	m²	35.00	£308,000.00
11.2.3	Allowance for hard landscaping (footpaths, etc)	1	Item	50,000.00	£50,000.00
11.2.4	Allowance for soft landscaping	1	Item	25,000.00	£25,000.00
11.2.5	Surface water drainage to car parking	9,800	m²	15.00	£147,000.00
11.2.6	External lighting to car park	1	Item	25,000.00	£25,000.00
11.2.7	Sundry items such as; bins, signage, white linings etc	1	Item	5,000.00	£5,000.00
11.3	<b>EXTERNAL SERVICES</b>				
11.3.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	75,000.00	£75,000.00
11.4	<b>SUB-TOTAL: PACKAGE WORKS ESTIMATE</b>	-	m²		£817,000.00
11.5	<b>Main Contractor Allowances</b>				
11.5.1	Preliminaries	10.0%	Item	£817,000.00	£82,000.00
10.5.2	Overheads & Profit	5.0%	Item	£899,000.00	£45,000.00
11.6	<b>SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE</b>	-	m²		£944,000.00
11.7	<b>Professional Fees</b>				
11.7.1	Project / Design Team Fees	10.0%	Item	£944,000.00	£94,000.00
11.8	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees &amp; inflation)</b>	-	m²		£1,038,000.00
11.9	<b>Risk Allowances</b>				
11.9.1	Design Development Risk / Contingency	5.0%	Item	£1,038,000.00	£52,000.00
11.9.2	Construction Risk / Contingency	5.0%	Item	£1,090,000.00	£55,000.00
11.10	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)</b>	-	m²		£1,145,000.00
11.11	<b>Inflation</b>				
11.11.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£1,145,000.00	Excluded
11.11.2	Construction inflation (fixed price contract)		Item	1,145,000.00	Excluded
11.12	<b>TOTAL PROJECT CONSTRUCTION COST (excl. VAT)</b>	-	m²		£1,145,000.00

12.0 Entrance Arrival From Portsmouth Road		Quant	Unit	Rate	Amount
12.1	<b>FACILITATING WORKS</b>				
12.1.1	Site strip of existing car parking for proposed pedestrian arrival/rest area	4,400	m²	15.00	£66,000.00
12.2	<b>EXTERNAL WORKS</b>				
12.2.1	Hard landscaping to pedestrian arrival/rest area	4,400	m²	125.00	£550,000.00
12.2.2	Allowance for hard landscaping, steps from high street	1	Item	50,000.00	£50,000.00
12.2.3	Allowance for soft landscaping	1	Item	15,000.00	£15,000.00
12.2.4	Surface water drainage to pedestrian arrival/rest area	4,400	m²	15.00	£66,000.00
12.2.5	External lighting to pedestrian arrival/rest area	1	Item	20,000.00	£20,000.00
12.2.6	Sundry items such as; bins, signage, seating etc	1	Item	10,000.00	£10,000.00
12.3	<b>EXTERNAL SERVICES</b>				
12.3.1	Allowance for site utilities; services connections and external services generally including CCTV, alarms, PA systems etc	1	Item	75,000.00	£75,000.00
12.4	<b>SUB-TOTAL: PACKAGE WORKS ESTIMATE</b>	-	m²		£852,000.00
12.5	<b>Main Contractor Allowances</b>				
12.5.1	Preliminaries	10.0%	Item	£852,000.00	£85,000.00
12.5.2	Overheads & Profit	5.0%	Item	£937,000.00	£47,000.00
12.6	<b>SUB-TOTAL: CONSTRUCTION WORKS COST ESTIMATE</b>	-	m²		£984,000.00
12.7	<b>Professional Fees</b>				
12.7.1	Project / Design Team Fees	10.0%	Item	£984,000.00	£98,000.00
12.8	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. fees &amp; inflation)</b>	-	m²		£1,082,000.00
12.9	<b>Risk Allowances</b>				
12.9.1	Design Development Risk / Contingency	5.0%	Item	£1,082,000.00	£54,000.00
12.9.2	Construction Risk / Contingency	5.0%	Item	£1,136,000.00	£57,000.00
12.10	<b>SUB-TOTAL: PROJECT COST ESTIMATE (excl. inflation)</b>	-	m²		£1,193,000.00
12.11	<b>Inflation</b>				
12.11.1	Tender inflation ( based on BCIS TPI 4Q 2018 - 1Q 2021)		Item	£1,193,000.00	Excluded
12.11.2	Construction inflation (fixed price contract)		Item	1,193,000.00	Excluded
12.12	<b>TOTAL PROJECT CONSTRUCTION COST (excl. VAT)</b>	-	m²		£1,193,000.00

Appendix 4

# LEADERS ROMANS SALES REPORT

# Esher, Surrey Market Report

Sandown Park Race Course

Crowthorne House  
Nine Mile Ride  
Crowthorne  
Wokingham  
RG40 3GZ



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## LEADERS ROMANS

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GROUP



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# Executive Summary

This market report has been prepared by Romans, Leaders (Development Consultancy) and Rapleys in respect of Sandown Park Race Course, Esher, Surrey. We have assumed that the development will consist of a total of 318 apartments. Based on the analysis of the local market conditions, demographics, local facilities, site conditions, and immediate competition in the surrounding area included in this report we recommended the below values.

House Type	Sq.Ft	Achievable Value	£ per Sq.Ft	Number of Plots	Total Sq.Ft
Studio Apartment	395	£255k	£646	2	790
1 Bedroom Apartment	550	£350k - £370k	£636 - £673	72	39,600
2 Bedroom Apartment	700	£475k	£679	8	5,600
2 Bedroom Apartment	800	£520k - £565k	£650 - £706	178	142,400
3 Bedroom Apartment	950	£585k - £630k	£616 - £663	58	55,100
Total:				318	243,490

Site	House Type	Number of Plots	Sq.Ft	Achievable Value	Total Sq.Ft	Total Value	£ per Sq.Ft
1	1 Bedroom Apartment	5	550	£350,000	2,750	£1,750,000	£636
1	2 Bedroom Apartment	10	800	£520,000	8,000	£5,200,000	£650
2	1 Bedroom Apartment	4	550	£350,000	2,200	£1,400,000	£636
2	2 Bedroom Apartment	8	700	£475,000	5,600	£3,800,000	£679
2	2 Bedroom Apartment	18	800	£520,000	14,400	£9,360,000	£650
2	3 Bedroom Apartment	19	950	£585,000	18,050	£11,115,000	£616
3	1 Bedroom Apartment	27	550	£370,000	14,850	£9,990,000	£673
3	2 Bedroom Apartment	87	800	£565,000	69,600	£49,155,000	£706
4	Studio Apartment	2	395	£255,000	790	£510,000	£646
4	2 Bedroom Apartment	39	800	£565,000	31,200	£22,035,000	£706
4	3 Bedroom Apartment	31	950	£630,000	29,450	£19,530,000	£663
5	1 Bedroom Apartment	36	550	£360,000	19,800	£12,960,000	£655
5	2 Bedroom Apartment	24	800	£540,000	19,200	£12,960,000	£675
5	3 Bedroom Apartment	8	950	£605,000	7,600	£4,840,000	£637
Total:		318			243,490	£164,605,000	£676

GDV - 318 homes: £164,605,000

## Site Analysis

Strengths	<ul style="list-style-type: none"><li>• Ideally placed to benefit from Esher High Street, which includes a good selection of shops, restaurants and leisure facilities.</li><li>• Close proximity to the M25, M3 and A3.</li><li>• Close proximity to Esher train station with the fastest train to London Waterloo taking 23 minutes.</li><li>• Affluent area with a high demand for properties.</li><li>• Close proximity to a number of schools rated good or outstanding by Ofsted.</li><li>• Many proposed units benefitting from views of the open spaces and race track.</li><li>• A number of units falling inside the Help to Buy threshold of £600,000.</li></ul>
Weaknesses	<ul style="list-style-type: none"><li>• Less affordable area as per the lower quartile 2015 data on earnings and property values.</li><li>• An increase of 44% for time taken to sell apartments in the KT10 postcode area between November 2017 to 2018. An increase of 57 days from 129 to 186 days.</li></ul>

Table 3

### Summary of Key Points

- House Price decrease of 2.8% in Elmbridge Borough in the year up to October 2018.
- A number of the units fall within the Help to Buy threshold.
- Good site in a desirable location which will appeal to a range of buyers including young families, professionals, first time buyers and investors.
- Average earnings in 2015 within Elmbridge Borough of £38,667 a year is above the South East average of £29,895 a year.
- Higher average property values in Esher when compared to surrounding areas.



# Introduction

The proposed development at Sandown Park, Esher, comprises of 318 luxury apartments located over 5 strategic sites.

Many units will enjoy great views of the open spaces and race track which hosts a number of horse racing and other events throughout the year.

The individual site positions are outlined on the map in figure 1. The table shows the number of units at each site with the proposed plans included on this spread also.

The development outline currently consists of studio, 1, 2 and 3 bedroom apartments up to a maximum of 5 storeys in height.



Figure 1: Sandown Park site locations

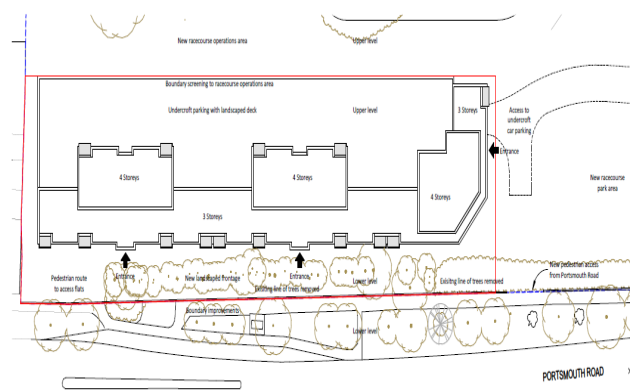
- |                      |                |
|----------------------|----------------|
| • Site 1 - Mews      | 15 Apartments  |
| • Site 2 - Courtyard | 49 Apartments  |
| • Site 3 - Villas 1  | 114 Apartments |
| • Site 4 - Crescent  | 72 Apartments  |
| • Site 5 - Villas    | 68 Apartments  |

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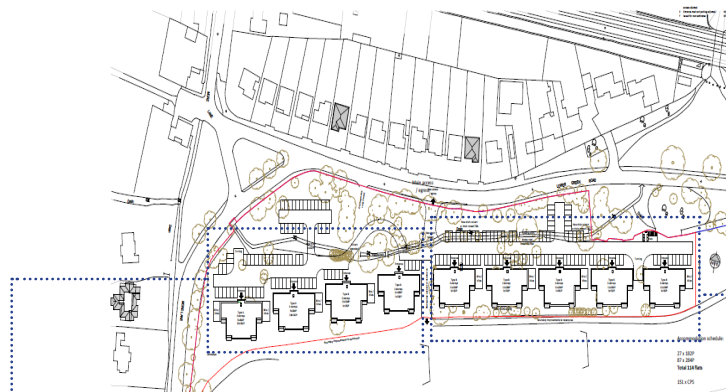
Total:	318 Apartments
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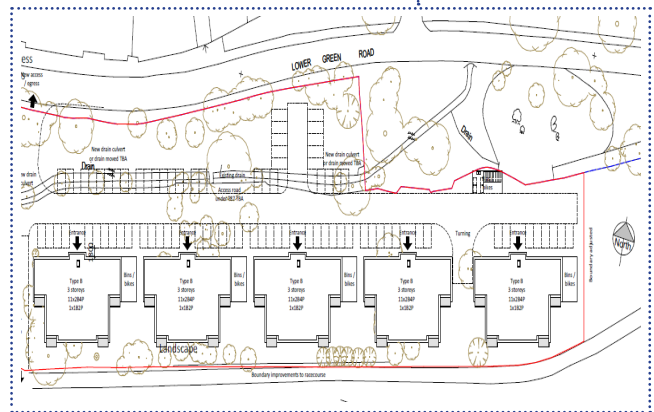
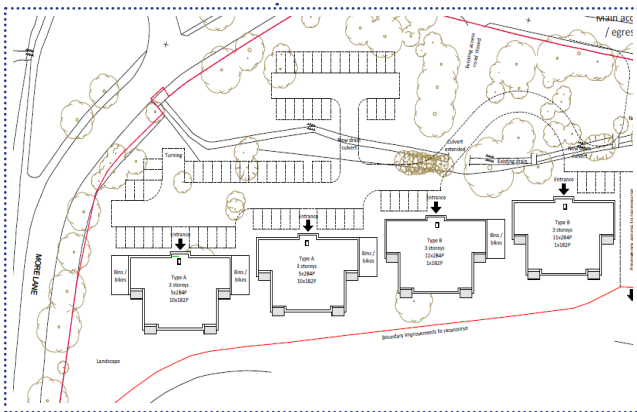
Site 1 - Mews, 15 Apartments



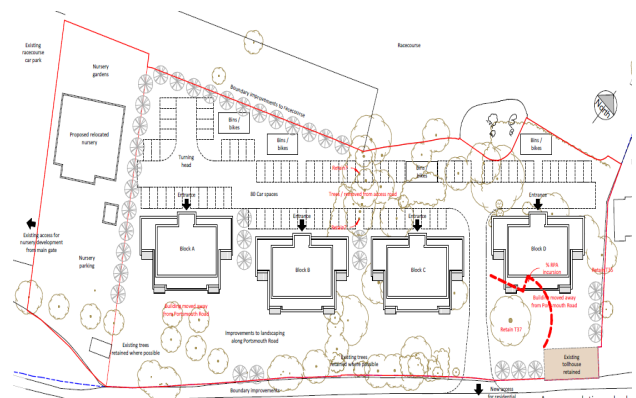
Site 2 - Courtyard, 49 Apartments



Site 3 - Villas, 114 Apartments



Site 4 - Crescent, 72 Apartments



Site 5 - Villas, 68 Apartments

# Office Maps

The map below illustrates the Leaders Romans Group nationwide offices. The approximate site location is indicated by the orange circle.

Surbiton and Walton-on-Thames are our closest branches to the development, located just 3.2 & 3.5 miles away respectively.

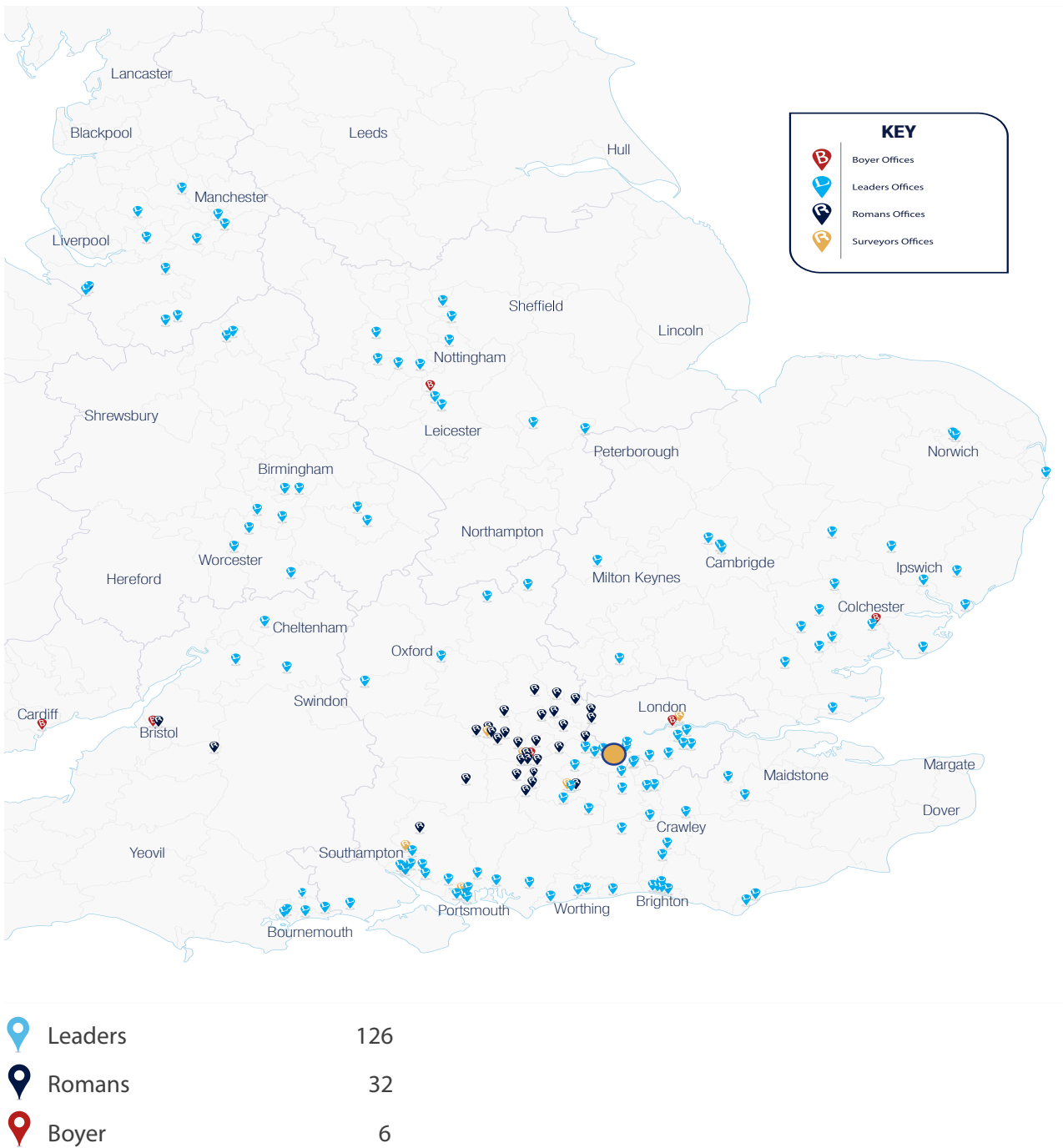


Figure 2: Leaders Romans Group offices map

## Area Overview, Esher

Esher is a town located in the county of Surrey and is an outlying suburb of London. The town forms part of Elmbridge Borough Council's jurisdiction, who's other principle towns include Walton-on-Thames, Weybridge, Oxshott, Cobham & Molesey.

The town is an affluent area and is popular among families with access to a variety of well performing schools rated 'Good' or 'Outstanding' by Ofsted, as well as its close proximity to further education colleges such as Esher College and also Kingston University.

The town offers residents an abundance of shops, restaurants, cafes, bars and leisure activities.

Sandown Park Race Course hosts a number of horse racing events throughout the calendar year as well as a variety of concerts and other shows.



Figure 3: Sandown Park Race Course Entrance

Esher also has a strong selection of well performing local sports clubs.

The M25, M3 & A3 are easily accessible from Esher, providing excellent access to London, the Home Counties and further motorway network.

Central London is located 19 miles east via the A3. Heathrow Airport is located 10.8 miles from Esher and Gatwick Airport 26.5 miles away.

Esher is a popular commuter town with direct train lines to London Waterloo, the shortest journey taking just 23 minutes and runs regularly during peak times. Other stations along the line include Woking, Weybridge, Walton-on-Thames, Hersham, West Byfleet & Surbiton.



Figure 4: Esher High Street



# Location Map

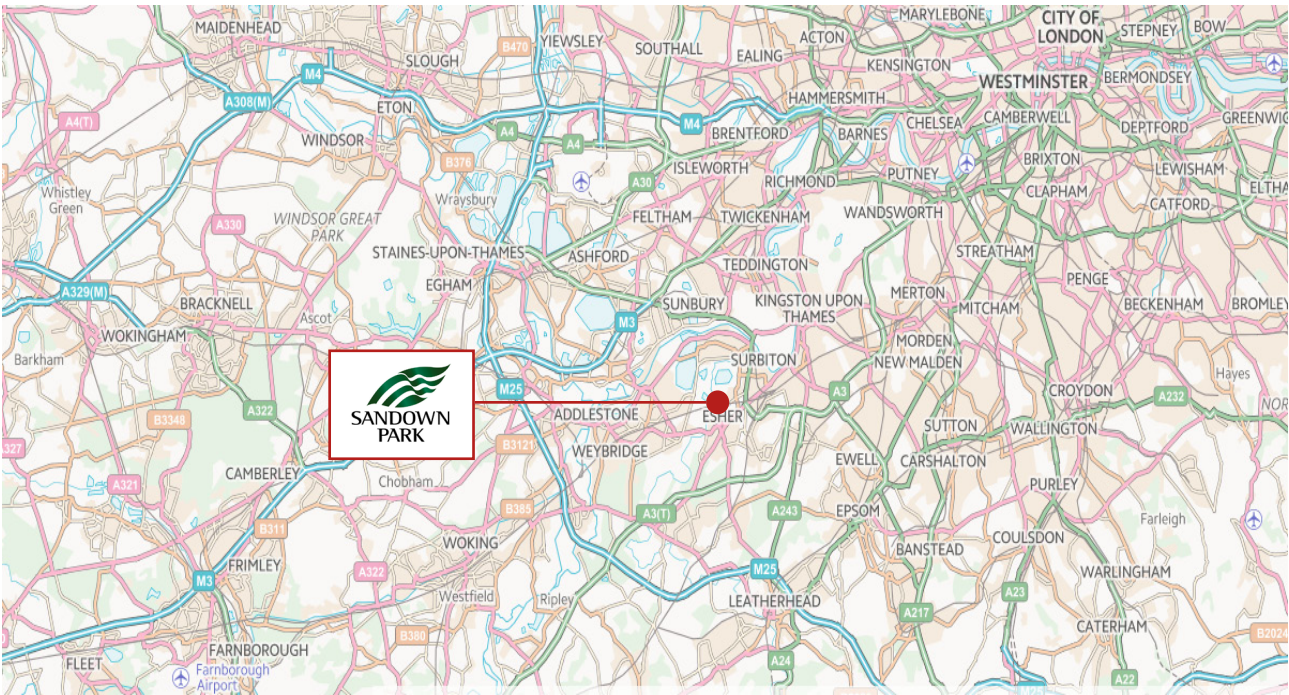


Figure 5: Site location

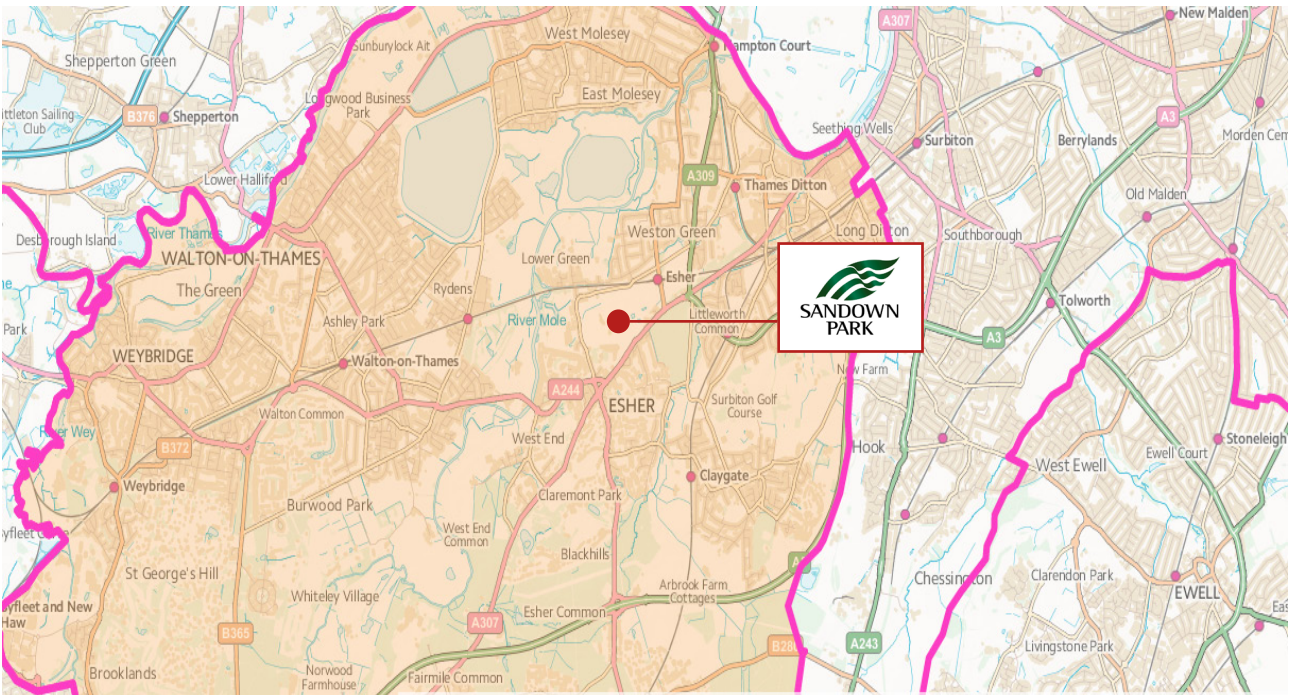


Figure 6: Site location

# Demographics

## Population

Sandown Park Race Course is located in the Esher Ward within the Borough of Elmbridge, as shown in figures 5 & 6.

The population of Esher Ward increased from 6,280 to 6,743 (+463 people) over the ten year period to 2011, representing an increase of 7.4%. This increase was slightly above the 7.3% rate of population growth experienced by Elmbridge Borough but lower than the 7.9% increase across the South East as a whole.

Esher Ward's highest rate of increase in population was in the 16-24 age category with an increase of 15.6%. This was in contrast to the regional trends with Elmbridge and the South East's highest increasing population category being the 85+ age group.

The regional and also national trend is of an ageing population and the reduced mobility of the oldest residents.

Esher Ward's 85+ age category in contrast to Elmbridge and the South East declined during the ten year period up to 2011, reducing by 2.1% whereas Elmbridge and the South East increased by 12.2% and 23.6% respectively.



Population by Age Group: Esher Ward

Year	0-15	16-24	25-64	65-84	85+	Total
2001	1,404	494	3,257	937	188	6,280
2011	1,506	571	3,549	933	184	6,743
Variance	7.3%	15.6%	9.0%	-0.5%	-2.1%	7.4%

Table 4, Source: ONS 2001 & 2011 Census

As mentioned previously, the category with the largest increase during the ten year period up to 2011 within Esher Ward was for the 16-24 age bracket, increasing by 15.6%. This was higher larger than the increase experienced across Elmbridge and the South East which saw increases of 8.5% and 14.5% respectively during this period.

The second highest increasing population age category within Esher Ward was in the 25-64 age range, which increased by 9.0% between 2001 to 2011. This was higher than the increase in Elmbridge Borough which saw an increase of 5.8% and also the South East which increased by 6.8% during the same period.

The population aged 0-15 years increased by the third highest rate in Esher Ward at 7.3% compared to 10.6% in Elmbridge Borough and 3.0% in the South East. This illustrates the desirability of the area to young families.

Esher Ward's 65-84 age category saw a decrease of 0.5% which again is against the regional trend. Elmbridge Borough increased by 5.1% and the South East by 11.7% during the same period.

Overall, Esher Ward appears to have a declining ageing population with both the 65-84 & 85+ categories decreasing between 2001 to 2011, whereas Elmbridge and the South East increased substantially during the same time frame.

#### Population by Age Group: Elmbridge Borough

Year	0-15	16-24	25-64	65-84	85+	Total
2001	25,185	9,863	66,925	16,986	2,977	121,936
2011	27,870	10,706	70,781	17,856	3,662	130,875
Variance	10.6%	8.5%	5.8%	5.1%	12.2%	7.3%

Table 5, Source: ONS 2001 & 2011 Census

#### Population by Age Group: South East

Year	0-15	16-24	25-64	65-84	85+	Total
2001	1,594,219	846,539	4,251,265	1,132,832	175,790	8,000,645
2011	1,642,084	969,055	4,541,591	1,264,813	217,207	8,634,750
Variance	3.0%	14.5%	6.8%	11.7%	23.6%	7.9%

Table 6, Source: ONS 2001 & 2011 Census

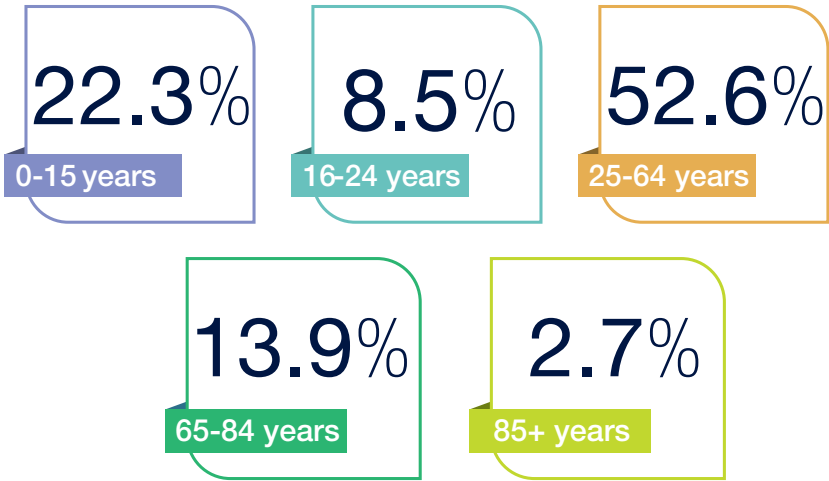


The population mix by age group in Esher Ward is largely consistent with the averages for Elmbridge Borough and the South East as shown in table 7, indicating a healthy proportion of residents at working age as well as young children and retirees. However, given the location of the site at the heart of the town centre and the apartments proposed we expect the average age of buyers at Sandown Park Race Course to be lower than the Esher Ward or Elmbridge Borough's averages. We anticipate

that first time buyers, investors and young professionals will make up the greatest proportion of buyers, along with retirees & downsizers.

In conclusion, the overall population of Esher Ward is growing in line with Elmbridge Borough and the South East, increasing by 7.4%, 7.3% and 7.9% respectively. However Esher Ward's individual age categories don't necessarily conform with the wider regional and national trend.

Population by age group: Esher 2011



Population by Age Group 2011

Place	0-15	16-24	25-64	65-84	85+	Total
Esher	22.3%	8.5%	52.6%	13.9%	2.7%	100%
Elmbridge	21.3%	8.2%	54.1%	13.6%	2.8%	100%
South East	19.0%	11.2%	52.7%	14.6%	2.5%	100%

Table 7, Source: ONS 2011 Census



# Housing Tenure and Type

Table 9 overleaf shows the number of households in Esher Ward, Elmbridge Borough and the South East from the 2001 and 2011 census, with the figures broken down by property type. Table 8 below also provides the proportion of households of each house type.

In 2011 Esher Ward had 2,904 households, representing 5.2% of the total number of households in Elmbridge Borough.

Overall, between 2001 and 2011 the number of households in Elmbridge Borough increased by 6.2%, which was higher than the South East average at 4.7%. Considering that the population of the borough increased in line with the South East, the higher increase in households in

Elmbridge Borough would suggest there is a great deal of demand for residential property in the area.

In the ten years up to 2011 by far the greatest increase in households was in the number of flats for all areas, rising by 49.0%, 19.1% & 17.3% for Esher Ward, Elmbridge Borough and the South East respectively.

Furthermore in 2011 the proportion of flats were 22.8% in Esher Ward and 23.8% in Elmbridge Borough which was above the South East average of 20.5%, indicating the desirability of this property type in the area.





	 Detached	 Semi Detached	 Terraced	 Flats
Esher Ward	49.8%	14.8%	12.6%	22.8%
Elmbridge Borough	33.8%	25.6%	16.8%	23.8%
South East	28.4%	28.3%	22.8%	20.5%

Table 8, Source: ONS 2011 Census

The greatest proportion of households were detached properties in Esher Ward, Elmbridge and the South East at 49.8%, 33.8% & 28.4% respectively, indicating again the desirability of this property type in the area also.

In addition the proportion of semi-detached and terraced properties in Esher Ward and Elmbridge Borough was below the average for the South East in 2011.

The South East's proportion of semi-detached properties was 28.3% and 22.8% for terraced properties in 2011, whereas Esher Ward's figures were 14.8% & 12.6% respectively. Elmbridge Borough's proportion of semi-detached properties was 25.6% and 16.8% for terraced properties, outlining there may be less demand for this property type in the area.

### Household Type:



Esher Ward	Detached	Semi Detached	Terraced	Flats	Total
2011	1,409	416	321	445	2,591
2011	1,446	429	366	663	2,904
Variance	2.6%	3.1%	14.0%	49.0%	12.1%

### Elmbridge Borough

2001	18,389	13,841	9,076	11,146	52,452
2011	18,817	14,245	9,386	13,274	55,722
Variance	2.3%	2.9%	3.4%	19.1%	6.2%

### South East

2001	996,140	967,850	786,473	614,581	3,365,044
2011	1,002,515	998,124	801,641	720,703	3,522,983
Variance	0.6%	3.1%	1.9%	17.3%	4.7%

Table 9, Source: ONS 2001 & 2011 Census

Between 2001 and 2011 home ownership dropped from 76% to 72% in Esher Ward with an near equivalent rise in the private rented sector. Home ownership also fell by a similar level across Elmbridge Borough and the South East.

The 2008 recession dramatically reduced the availability of mortgage loans and increased the volatility in the property market. The limited access to financing made ownership unaffordable for many and forced large numbers of would be buyers into the private rented sector.

The private rented sector in Esher Ward increased from 9% to 16% of households between 2001 and 2011, which was in line but still above the South East figure which increased from 10% to 14% during the same period.

Due in part to low average income growth many people continue to rent making the private rented sector more significant today.

The social rented sector in Esher Ward decreased from 12% in 2001 to 10% in 2011. Elmbridge Borough remained unchanged at 10% in each census, however in contrast the South East increased by 2% during the same period.

With a growing economy home ownership has steadily increased following the decline after the 2008 recession and with interest rates currently low there are some great mortgages available to boost home ownership further.

Although the Bank of England recently raised interest rates to 0.75% in August 2018 with further gradual rises likely dependent upon a growing UK economy. However, there is considerable uncertainty surrounding the impact of the UK leaving the EU on the British economy.

Government initiatives such as the Help to Buy scheme have also helped to make home ownership affordable for an increasing number of people.

Household Tenure Type:



Esher Ward					Total
2001	76%	9%	12%	3%	100%
2011	72%	16%	10%	2%	100%

Elmbridge Borough					
2001	78%	10%	10%	2%	100%
2011	74%	15%	10%	1%	100%

South East					
2001	74%	10%	14%	2%	100%
2011	69%	14%	16%	1%	100%

Table 10, Source: ONS 2001 & 2011 Census

## Employment

Between July 2017 and June 2018 ONS figures show that 79.3% of the population of Elmbridge was economically active, making proximity to work a deciding factor when choosing where to live for a large proportion of the population.

Table 11 shows that in 2011 residents in Esher were mainly employed in the higher paying Professional Occupations at 25.3% compared to the South East average of 18.7%.

The second highest occupation category for Esher residents were as Managers, Directors and Seniors Officials. This accounted for 23.8% of employment above the South East average of 12.3%.

In contrast the lowest proportion of Esher's residents were employed in Sales and Customer Service Occupations at 3.7% and Process, Plant and Machine Operatives at 2.4%. These figures are 4.2% and 3.3% lower than the South East average respectively for the occupations.

Within Elmbridge there are a number of large multinational corporations, these include the likes of Sony, Procter & Gamble, LG Electronics, GlaxoSmithKline and many more.

**SONY**



Figure 7

## Employment by Occupation 2011

	Esher Ward	Elmbridge	South East
Managers, Directors and Senior Officials	23.8%	18.7%	12.3%
Professional Occupations	25.3%	24.4%	18.7%
Associate Professional and Technical Occupations	18.9%	17.7%	13.8%
Administrative and Secretarial Occupations	9.6%	10.8%	11.5%
Skilled Trades Occupations	5.7%	7.4%	11.1%
Caring, Leisure and Other Service Occupations	5.9%	7.5%	9.3%
Sales and Customer Service Occupations	3.7%	5.3%	7.9%
Process, Plant and Machine Operatives	2.4%	3.0%	5.7%
Elementary Occupations	4.8%	5.3%	9.7%
Total	100%	100%	100%

Table 11, Source: ONS 2011 Census

The Gross Value Added (GVA) is a measure of an area's contribution to the UK economy based on the value of the goods and services it produces per year. The South East total GVA was over £257 billion in the year 2016. Of this total, Elmbridge contributed in excess of £4.6 billion.

**£4.6bn**  
GVA of Elmbridge 2016