

**Riverside Studios, Hammersmith, London
Residential Scheme**

**Review of Construction Estimate (26th September 2013)
Rev 01**

October 2013

Prepared by:

Matthew Cuddy MRICS MSCS

A handwritten signature in black ink, reading "Matthew Cuddy". The signature is written in a cursive style with a long horizontal stroke at the bottom.

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EXECUTIVE SUMMARY

Terms of Reference

Our instructions are received from Strutt & Parker LLP who are undertaking a review of the Mount Anvil Cost Plans dated 26th September 2013 on behalf of Hammersmith & Fulham Council. We have been asked to review the cost estimate produced by Faithful and Gould (F&G) and used in the Viability Assessment submission to Hammersmith & Fulham Council. Our report is an assessment of accuracy and validity of the cost estimate as submitted and cannot be relied upon for any other purpose.

Conclusion of Review

We have carried out a quantum and cost review of the Faithful & Gould estimate for the proposed scheme and reviewed their Outline Budget estimate dated 26th September 2013. We have concluded that the quantum assessment of the required works is accurate and valid. We have assessed the rates used by them in their estimate and having considered all aspects of the scheme we are satisfied that the costs used are reasonable and valid.

The AUV Office Scheme cost plan dated 26th September 2013 has also been assessed based on the scheme drawings provided. . We have concluded that the quantum assessment of the required works is accurate and valid. We have assessed the rates used by them in their estimate and having considered all aspects of the scheme we are satisfied that the costs used are reasonable and valid.

In conclusion, we are satisfied that the Construction Costs Estimate of **£68,359,338 (Residential Scheme)** inclusive of 5% contingency and excluding VAT is reasonable and valid. Additionally, we are satisfied that the Construction Costs Estimate of **£67,813,848 (AUV Office Scheme)** inclusive of 5% contingency and excluding VAT is reasonable and valid.

PQS PROJECT CONSULTANTS

We have wide experience of undertaking the management of complex works to a variety of Listed Buildings and Heritage sites to provide Prime Residential, Hotel, Commercial, Retail and Public Buildings. Our experience in managing , implementing and delivering projects ranges from £1Million to £1.5Billion. Our range of specialist business skills includes project managers, building surveyors, cost consultants, risk / value managers and building services cost consultants.

ONE ALDWYCH, LONDON

PQS retained as project managers & cost consultants on redevelopment at this award-winning 5 Star hotel

FRIENDS HOUSE, EUSTON ROAD, LONDON

PQS employed as Client Representative , Project Managers & Cost Consultants
2008 - 2014 Implementation of phased site upgrade, including refurbishment of the Meeting House.

BATEMANS ROW , LONDON

Finalist RIBA 2010 STIRLING AWARD
Winner RIBA 2010 LONDON AWARD
Winner RIBA 2010 LONDON BUILDING OF THE YEAR

PQS employed as Project Managers and Quantity Surveyors

CHECKPOINT CHARLIE, BERLIN

PQS employed as Client Representative and Development Managers on this high profile site. Current mixed use scheme includes 70,000 Sq.M of 5-6* hotel/ residential/ museum (Berlin Wall Museum), galleries and retail space.

Model Sketch of Museum
Open Air Exhibition at "East" Site

REVIEW OF APPLICANTS ESTIMATE

Method of Review

We received full copies of the Cost Plans produced for the Viability Assessment by Mount Anvil and have assessed the quantum calculations and the cost allocations recorded in the F&G estimates. We have based our review on the drawings and documentation provided with the planning application and the AUV Office Scheme drawings referenced A2423 249 to 258 inclusive.

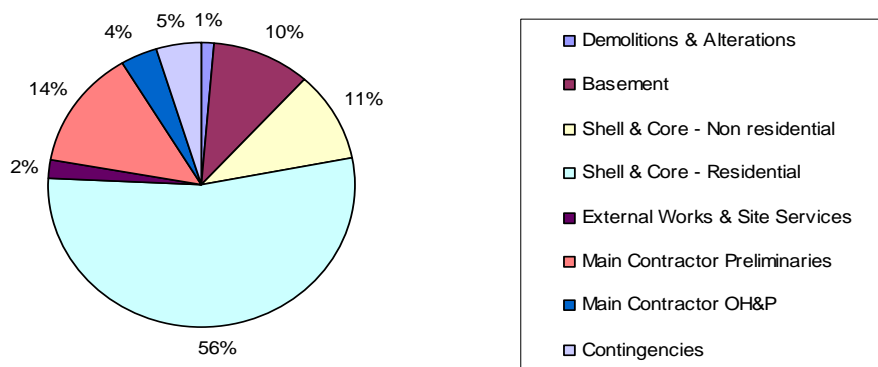
Sensitivity Analysis of Reported Costs Estimate within Viability Study

The sensitivity analysis for each of the considered schemes is set out below. Quantum and Cost checks have been carried with reference to the significance of individual elements within the analysis.

Project **Riverside Studios, Hammersmith**

31,855 sq.m GIFA

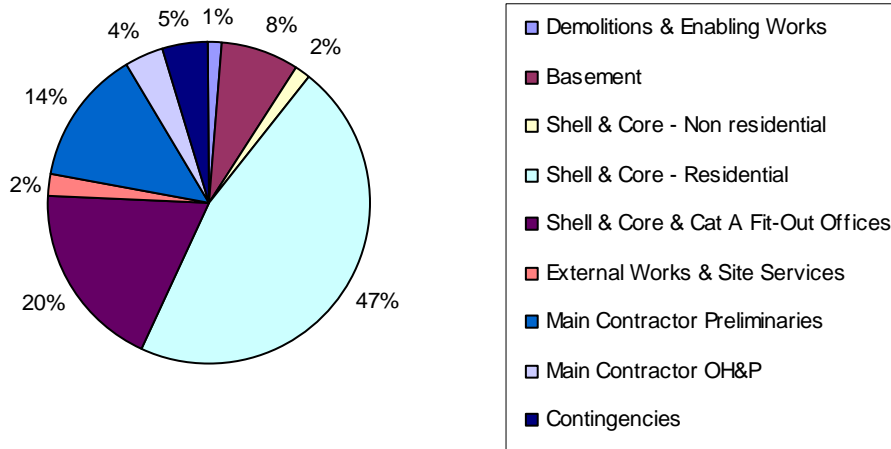
Reference	Element	Total Cost	%	£/sq.M
1.1	Demolitions & Enabling Works	£ 1,018,000	1%	£32
1.2	Basement	£ 7,150,450	10%	£224
1.3	Shell & Core - Non residential	£ 7,297,921	11%	£229
1.4	Shell & Core - Residential	£ 38,123,645	56%	£1,197
1.5	External Works & Site Services	£ 1,322,375	2%	£42
	Total Nett Building Works Cost	£ 54,912,391	80%	£ 1,724
2.1	Main Contractor Preliminaries	£ 7,687,735	14%	£241
2.2	Main Contractor OH&P	£ 2,504,005	4%	£79
2.3	Contingencies	£ 3,255,207	5%	£102
TOTAL TURN OUT COST EXCL CONTINGENCY & FEES		£ 68,359,338	100%	£ 2,146



Financial Summary (AUV Office Scheme)

33,518 sq.m GIFA

Reference	Element	Total Cost	%	£/sq.M
1.1	Demolitions & Enabling Works	£ 943,000	1%	£28
1.2	Basement	£ 5,388,811	8%	£161
1.3	Shell & Core - Non residential	£ 1,353,443	2%	£40
1.4	Shell & Core - Residential	£ 31,966,511	47%	£954
1.5	Shell & Core & Cat A Fit-Out Offices	£ 13,382,065	20%	£399
1.6	External Works & Site Services	£ 1,440,375	2%	£43
	Total Nett Building Works Cost	£ 54,474,205	80%	£ 1,625
2.1	Main Contractor Preliminaries	£ 7,626,389	14%	£228
2.2	Main Contractor OH&P	£ 2,484,024	4%	£74
2.3	Contingencies	£ 3,229,231	5%	£96
TOTAL TURN OUT COST EXCL CONTINGENCY & FEES		£ 67,813,848	100%	£ 2,023



Quantum Check

We have carried out a quantum check of the gross floor areas and the principal element quantities included in the Cost estimates and find them to be reasonable and valid for the intended works. The quantum assessment by F&G is therefore accurate and valid.

Cost Check

We have carried out a cost check on the rates used in the estimate calculations. We have examined all rates and particularly focused on the primary elements identified in the Sensitivity Analysis above. We are satisfied that the rates used are reasonable and valid for the proposed works.

Conclusion

Having reviewed the quantities and rates used in the F&G Estimate and comparing the estimated all-in unit rates of £2,146 (Residential Scheme) per Square Metre and £2,023 (AUV Office Scheme) per Square Metre to similar schemes, we are satisfied that the Construction Costs Estimates of **£68,359,338** and **£67,813,848** inclusive of contingencies excluding VAT are reasonable and valid.

ASSUMPTIONS & LIMITATIONS OF REPORT

We have based our analysis of the construction costs estimate on the following documentation:-

- Construction Cost Plans produced by Faithful & Gould dated 26th September 2013

Our instructions are received from Strutt & Parker LLP who are undertaking a review of the Mount Anvil Viability assessment on behalf of Hammersmith & Fulham Council. This report must not be relied upon for any other purpose.