

Wells Court Proposal

By

NW3 CLT

January 2016

Current situation

Wells Court is a 5-storey purpose-built, Victorian housing block in the heart of Hampstead Village. It is considered a 'positive contributor' to the Hampstead Conservation Area.

The property is owned by London Borough of Camden (LBC) and was converted into sheltered housing in the 1970s.

Due to its multi-story and cellular structure, narrowness of the communal areas, lack of amenity spaces and outdated services, it is no longer fit for purpose and was decommissioned. The residents have been relocated to modern sheltered housing nearby, such as Henderson Court and elsewhere within the borough.

The LBC has put Wells Court on the market with a "vision is to create a mix of self-contained residential flats". This should include a contribution to its affordable stock, at 10%+ of the number of developed market flats.

Wells Court key facts:

- Gross internal area = 1077sqm
- Net internal area (24 bedsits/flats) = 786sqm
- Outdoor amenity area = NIL
- 'positive contributor' to Hampstead Conservation Area with decorative brickwork, lintels, and historic fenestration
- Flat-roofed, the roof used for maintenance and access to plant building occupying roughly 20% of the total roof area
- Solid masonry construction of cellular layout and load-bearing vertical circulation

Proposed development

NW3CLT propose to redevelop the property to comprise of 21 compact, one- and two - bedroom residential units. The existing 5no floors would be modestly reconfigured to provide 19 flats, and a further 2 flats would be added onto the existing roof top.

- Gross Internal Area = 1235sqm (increase of 158sqm)
- Net Internal Sales Area = 1040sqm (increase of 254sqm)
- Outdoor amenity Area = up to 195sqm (balconies + patios + roof terrace)

Intermediate Rental (IR) flats retained by NW3CLT (15 units = 70% of all units)

- 9no (one-bed) + 6no (two-bedroom) flats to 2015 Technical Housing Space Standards (Dept. for Communities and Local Government)
- all units managed by Newlon Housing Trust (HA) already locally-present with over 400 units
- most flats come with outdoor amenity space

Flats for sale on the open market to fund the development (6no = 30% of units)

- 4no 'pocket-sized' flats (35sqm)
- 2no two-bedroom penthouses (67-73sqm) developed on roof top
- all flats come with outdoor amenity space

The NW3 CLT project – description

Construction and Development:



- Limited internal alteration required to achieve residential units of a modern standard
- Retain external historic features and upgrade in keeping with the character of the building (upgrade sashes and glazing)
- Remove outdated, bulky features: chimney breasts, plant rooms, elements of structure
- Use durable, simple and natural materials, in keeping with the existing
- Given the nature of this development involving a historic property we suggest to follow a 2-stage competitive tender procurement vs D&B in order to maintain tight control of quality, cost and time-table – see next page for more detail.


Benefits of the proposal to Camden:

- Adds **15no IR units** to Camden's affordable stock. By contrast, **a market development would add 1-2no units to the stock.**
- Provides much needed affordable housing for the local workforce. By contrast, a market development would locate the affordable unit(s) elsewhere in the borough
- In line with Camden's commitment to developing new solutions with partners to reduce inequality and preserve the social mix
- Its prominent location and historical importance would signify a beacon of progress: a locally owned and administered, permanently affordable housing, benefitting Camden and many generations of its residents

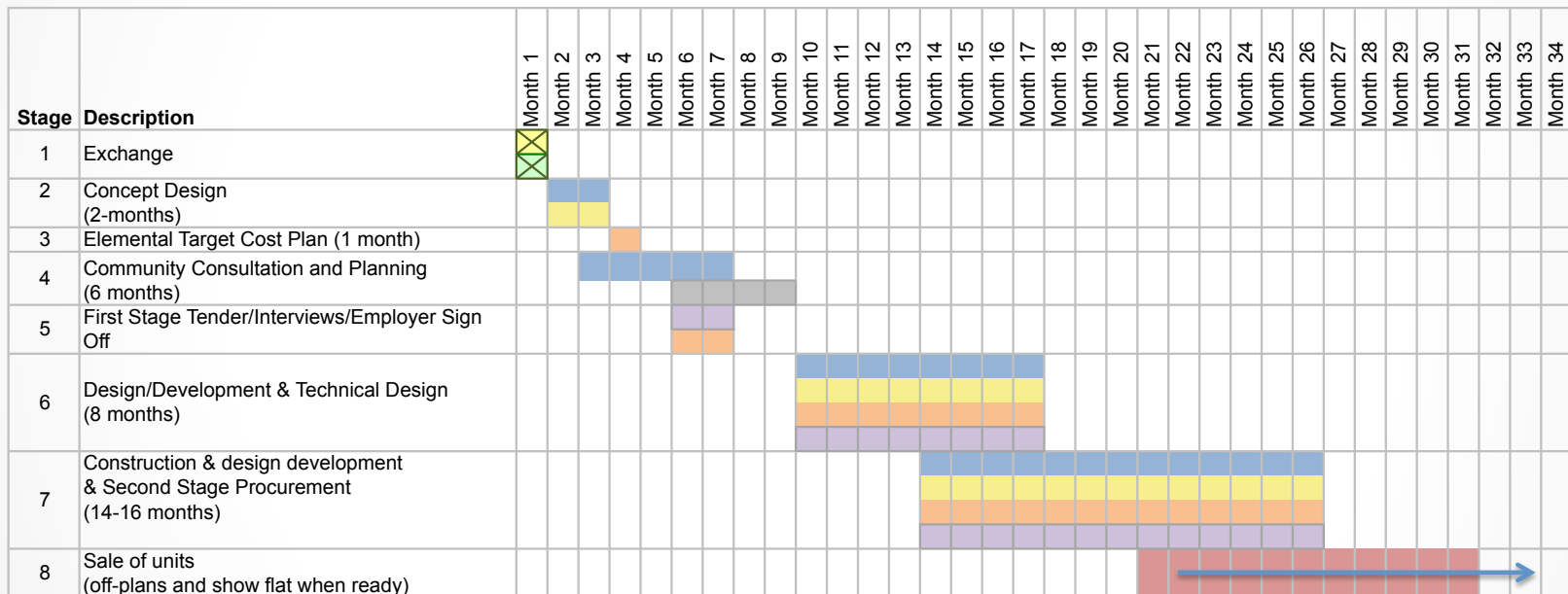
The CLT NW3 project – timeline

NW3CLT Purchaser  Project Manager / Architect / CDM 

Consultants  QS 
Services + Structural eng.

LB of Camden Vendor  LB of Camden Planning 

Contractors  Estate Agent 

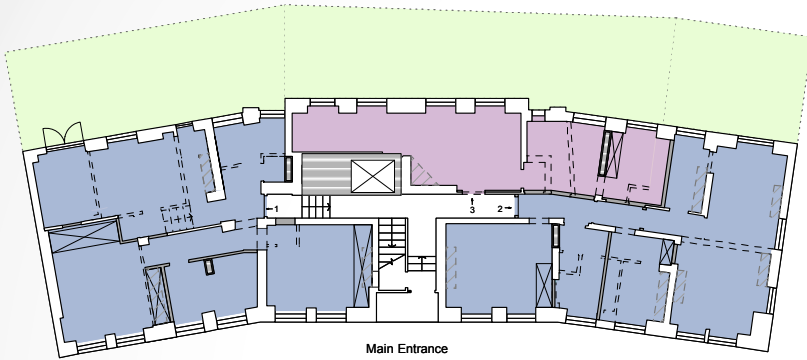


Notes on maximum timescales allowed by Heads of Lease

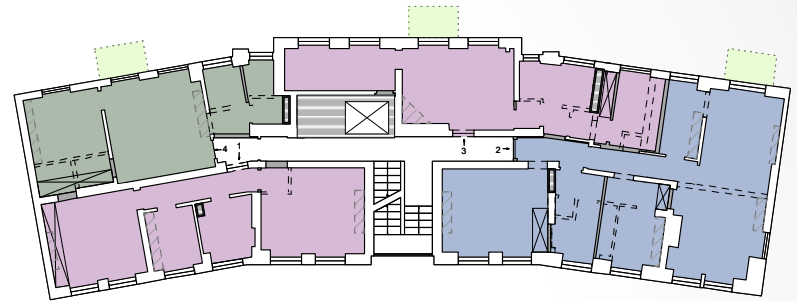
- Stage maximum timescales
- 2 1 month max
- 4 Planning application to be submitted within 6-months from date of exchange
- 7 To commence 12-month max from planning consent
- 6 Building to be completed within 30-month of commencement date of development

Sanya Polescuk Architects
 8a Belsize Court Garages, NW3 5AJ
 T 020 7431 8580
 E studio@polescukarchitects.com

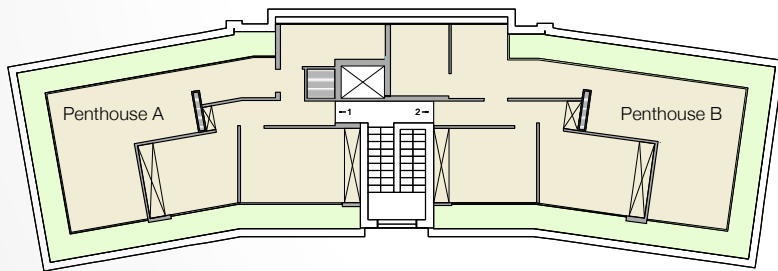
Proposed Development



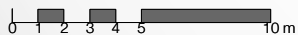
Ground Floor Plan









1st through 4th Floor Plans



Roof Plan





Annotations key



	building services		new wall
	existing wall		storage
	existing wall to be demolished		amenity space

Flat designation key

For Sale

	1 Bed flat	(4 total)
	Penthouse	(2 total)

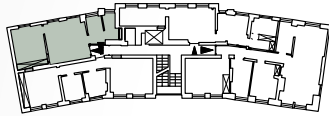
For Intermediate Rental

	1 Bedroom	(9 total)
	2 Bedroom	(6 total)

Proposed Units: For Sale

- One bed flat (4 units total):

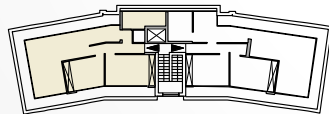
4 flats @ 35m² + 2m² amenity balcony (shown)



- Two bed Penthouse (2 units total):

1 flat @ 67m² + 26.5m² amenity space (shown)





1 flat @ 73m² + 26.5m² amenity space

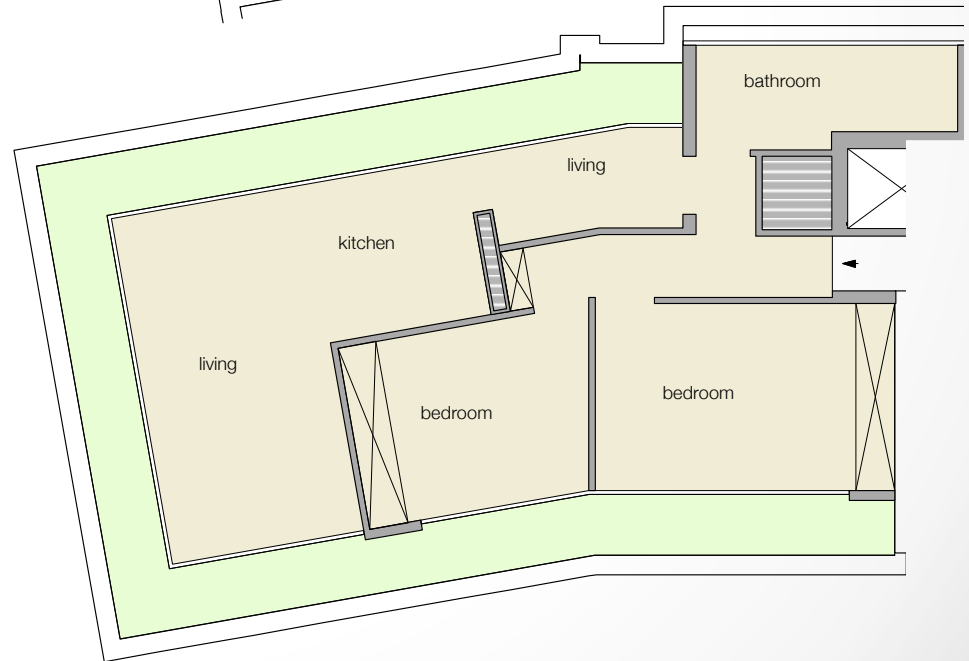


not to scale







Annotations key

	building services		storage
	new wall		amenity space

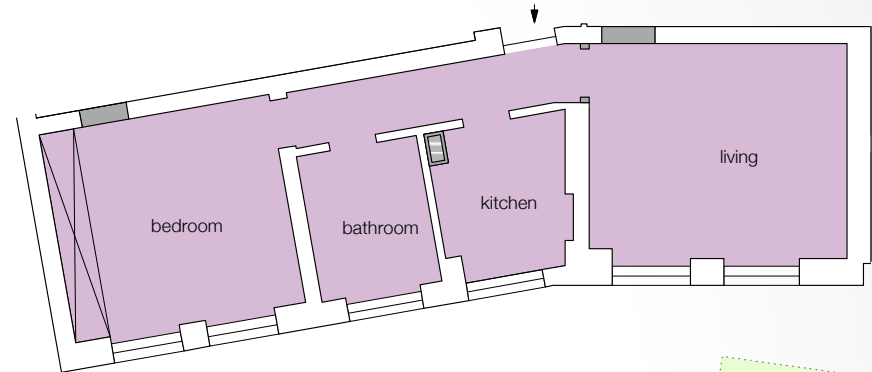
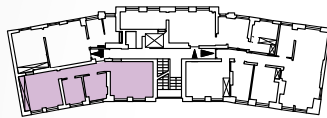


Proposed Units: Immediate Rental

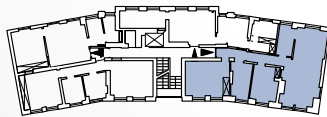
Annotations key

	building services		storage
	new wall		amenity space

- o One bed flat (9 units total):
 - 4 flats @ 41m² no amenity space (shown)
 - 4 flats @ 38m² + 2m² amenity balcony
 - 1 flat @ 38m² + up to 54m² amenity patio



- o Two bed flat (6 units total):
 - 4 flats @ 66m² + 2m² amenity balcony (shown)
 - 1 flat @ 66m² + up to 41m² amenity patio
 - 1 flat @ 77m² + up to 22m² amenity patio



not to scale



The NW3 CLT project – finance

NW3 CLT		Wells Court							
			units	m2	total m2				
accomodation planned		1 bed	13	38	494				
		2 bed	8	68	544				
			21		1038				
initial cost				running cost/a		running income/a	rent/week		
		£							
Purchase Price		-		sinking fund % of income	5%	11,778.00	weekly rent - max £40k household income.	250	117,000.00
development cost		2,000,000.00		management cost/unit	1200	25,200.00	weekly rent - max £60k household income.	380	118,560.00
Vat		400,000.00				36,978.00			235,560.00
financing cost		180,000.00							
consulting cost		220,000.00							
building control		5,000.00							
legal fees		60,000.00							
total cost		2,865,000.00							
sales proceeds of six units	number		m2/unit	total m2	open market price m2				
1-bed	4		38	152	12000				
2-bed	2		68	136	12000				
				288					
sales gross proceeds		3,456,000.00							
agent/marketing cost		103,680.00							
legal fees		69,120.00							
net proceeds from sale		3,283,200.00							
total net profit before VAT refund		418,200.00							
total net profit after VAT refund		818,200.00							
90% for Camden		736,380.00							
overage									
net running income/a		198,582.00							
50% for Camden for 10 years		99,291.00							
50% for NW3 CLT		99,291.00							
Total Profit for Camden		1,729,290.00	(including 50% of the rent for 10 years)						

The NW3 CLT project – finance

The plan is to sell six units at open market value in order to cover development costs and generate a capital receipt for Camden whilst also creating a mixed tenure scheme, strengthening the diversity of the community.

- There should be an upfront capital payment to Camden of around £750,000. The 90%/10% sharing optimises proceeds to Camden whilst ensuring the CLT is aligned with Camden given its 10% interest.
- This is equivalent to sharing with Camden approximately $\frac{1}{4}$ of the net sale price of the six flats sold at open market value.
- In addition, our initial proposal is to share 50% of the rental income from the affordable housing units with Camden, for a period of 10 years. The rest of the income would be used as seed funding for future CLT projects.
- As explained in our covering letter, we are happy to look at ways to capitalise this rental stream for Camden and/or increase the amount paid Camden.

The NW3 CLT project – offer to the community

We want to offer Intermediate Housing (IH) for the people of the community, in line with the GLA eligibility criteria:

- gross annual income not higher than £71,000 per annum
- unable to purchase a suitable home to meet housing needs on the open market
- not already owning a home

Intermediate affordable rents according to GLA criteria would be £425 p/w for intermediate housing in this area.

However, we want to follow the tighter Camden CPG2 rules for key workers who earn £40,000 of annual household income, which translates into a possible rent of approximately £250 p/w for tenants.

We also suggest in our proposal a rent of approximately £380 p/w for tenants with an annual household income of £60,000.

In addition to creating 15 affordable housing units (intermediate rental) we aim to pay Camden back approx. £ 1,700,000.