



SUPPLEMENTARY STATEMENT

PLANNING APPLICATION REF: 14/01441/FUL

LAND AT JERICO CANALSIDE, OXFORD

As members will be aware, a full independent audit of the viability issues relating to this application has been undertaken by Evolution PDR. The outcome of that appraisal is summarised in the Committee report.

One of the key considerations in undertaking the assessment related to the consideration of sales values, and in short, the independent assessment indicated that the values proposed by the applicant, equating to circa £600 per sq. ft. were acceptable.

Subsequent to the independent assessment being completed, it became known that the scheme proposed at Grantham House was being brought to the market. Specifically, the press reports identified a "Show Home" apartment being advertised at a value of £730,000, and a three bedroomed penthouse apartment at a value of £1.3m. This has inevitably led to further consider the values assumed in the independent appraisal, and whether indeed they would influence the outcome of the appraisal process.

In valuation terms, when comparable evidence is to be considered, it is important to ensure that like is compared with like. There are a number of ways to establish this which would as a matter of course include unit types and floorspace comparisons. Overall sales revenues can only, at best, provide a guide, on the basis that these can also be influenced by location and other factors.

Conversations with the agent representing the Grantham House scheme have taken place in order to inform this supplementary statement. Details regarding the scheme were requested. The agent was not given authorisation to release specific unit floorspace details, nor individual unit sales revenue achieved. However, confirmation was received that a significant part of the development had been sold off plan primarily to investors. These smaller units (understood to be 1 bedroomed apartments) were confirmed as being sold at revenues of between £600 - £650 per sq. ft.

Evolution PDR has considered the detailed floorspace provision within the Grantham House scheme as detailed on the original planning application. The range and size of units are shown in the table below, together with the comparison of equivalent units at Jericho Canalside:

Grantham House		Jericho Canalside	
Unit Type	Size (sq. ft)	Unit Type	Size (sq. ft)
2 no 1 bed flat	660	2no 1 bed flat	420
1 no 1 bed flat	680	1no 1 bed flat	506
1 no 2 bed flat	1011	2 no 2 bed flat	689
		1 no 2 bed flat	657
		1no 2 bed flat	721
2 no 3 bed flat	1437		
1 no 3 bed flat	1348		

In considering this against the Jericho Canalside scheme, the following observations are made:

- i) It is noted that the size of the units proposed within the Grantham House scheme are significantly larger than those at Jericho Canalside. Caution should therefore be taken when using the Grantham House site as a true comparison on the basis that the two schemes are quite different and will appeal to different markets. Specifically, three bed penthouse apartments are not proposed within the Jericho Canalside scheme, and direct comparison with the three bedroomed houses proposed within the Jericho Canalside scheme is not appropriate due to the need to ensure like is compared with like. (i.e. “apples compared with apples”).
- ii) The recent press coverage relates to the highest value properties within the Grantham House scheme. However, from the press reports, it is noted that the two bedroomed property is advertised at the asking price of £730,000, which, when utilising the floorspace figures from the planning application (detailed above) generates a suggested value of £720/sq. ft. It is noted that this is the only 2 bedroomed apartment within this scheme. It is difficult to suggest that this is a true comparative value due to its unique position within the scheme, offer within the market place, and the size differences between the units as outlined in i) above.
- iii) Through conversation with the agent it is apparent that a number of smaller sized units have been sold off plan, and the values are reported above. The value ranges assumed within the Jericho Wharf for market value of the one and two bedroomed apartments range between £430 and £830 per sq. ft.

From this, it can be shown that the values indicated for sale at the Grantham House scheme clearly fall within the value ranges for that indicated at Jericho Canalside,. However, it is noted that this is based on conclusions deduced from unverified information, and have not been confirmed in detail by the developer. Using this as part of any evidence for the case for/against the Jericho Canalside scheme should be considered as nothing but a limited guide.

Whilst, therefore, exact details cannot be established to indicate the direct relevance as comparable evidence, the above would suggest that the assumptions made for the Jericho Canalside scheme are robust and therefore the overall viability and level of affordable housing it can support.

Evolution PDR Ltd

29th January 2015