

Build Costs - Apartments



We are concerned that the Viability Appraisal has an error in the calculation of build costs at para 199, which suggests that BCIS build costs for apartments will be increased by 7.5%.

The paragraph goes on to state that

...in practice a 7.5% increase could be applied to the GIA

This seems to confuse two issues.

Build costs are applied to the Gross Internal Area. For apartments the GIA will include common areas (receptions, corridors, lifts etc) which do not generate revenue.

Whatever the GIA, the correct build cost should apply to it. The table at para 195 is reproduced below shows different build rates for Estate Housing and Flats.

BCIS Classification (Median):	Norwich	Broadland	South Norfolk
Estate Housing Generally (810.1)	£1,116 / m ²	£1,163 / m ²	£1,128 / m ²
Flats (apartments) Generally (816.)	£1,305 / m ²	£1,252 / m ²	£1,265 / m ²
Flats 6 storey's or above	£1,444 / m ²	£1,505 / m ²	NA

Flats are more expensive to build than houses, but not because they have more common areas.

Analysis of the table above shows that 7.5% would not accurately reflect the cost of building apartments/flats when compared to houses.

	Rates per m2		
	Norwich	Broadland	S Norfolk
Houses	£1,116	£1,163	£1,128
Flats	£1,305	£1,252	£1,265
Flats 6+ Floors	£1,444	£1,505	
Flats to Houses	16.94%	7.65%	12.15%
Flats 6+ to Houses	29.39%	29.41%	

i Build cost for flats should be based on the appropriate BCIS rate for flats, not an artificially adjusted figure sourced from the build costs of houses.