

The Aylesham Centre, Peckham, SE15 5EW

GLA Response

Prepared on behalf of Southwark Council

Issued: 8th April 2025

Planning Reference: 24/AP/2074



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Contents

1.0 Introduction 2

2.0 Summary of GLA's Response Dated 26th March 2026 6

3.0 Private Residential GDV 7

4.0 Affordable GDV 8

5.0 Commercial GDV 9

6.0 Finance Cost..... 10

7.0 Disposal Fees..... 11

8.0 Target Profit..... 12

9.0 Development Programme..... 13

10.0 Benchmark Land Value..... 14

11.0 Author Sign Off..... 15

Appendix 1: Argus Appraisal..... 16

1.0 Introduction

- 1.1 BPS Chartered Surveyors have been instructed by Southwark Council ('the Council') to provide a review and analysis in response to the Greater London Authority ('the GLA') report dated 26th March 2025 and DS2's Rebuttal dated 3rd April 2025. We have previously issued the following reports related to the subject application: 21st September 2023, 1st March 2023, 10th February 2025 and 22nd October 2024, as well as the pre-application review related to the earlier iteration of the scheme, dated 25th September 2023.
- 1.2 This addendum should therefore be read in conjunction with the above reports.
- 1.3 BPS concluded in our previous report that the proposals produced a deficit of -£41.4m and, therefore, no affordable housing beyond 12% (by hab room) offered by the Applicant, cannot be viably provided.
- 1.4 Having considered GLA's comments, the following table summarises our **current** respective positions:

Input	DS2 (Dec 24)	BPS (Feb 25)	DS2 (April 25)	BPS (April 25)	Comments
Income					
Open Market Sales (inc. AH)	£482,283,775 (£9,172psm/ £852psf)	£501,636,686 (£9,257psm/ £860psf)	£501,636,686 (£9,257psm/ £860psf)	£501,636,686 (£9,257psm/ £860psf)	Agreed
Open Market Sales (Full Open Market Housing)	£552,248,400 (£9,138PSM/ £849psf)	£562,000,000 (£9,299psm/ £863psf)	£562,000,000 (£9,299psm/ £863psf)	£562,000,000 (£9,299psm/ £863psf)	Agreed
Shared Ownership	£10,643,746 (£5,606psm/ £520psf)	£10,643,746 (£5,606psm/ £520psf)	£10,643,746 (£5,606psm/ £520psf)	£10,643,746 (£5,606psm/ £520psf)	Ambiguous – No evidence provided by DS2. Accepted on a without prejudice, noting our respective difference in GDV to be marginal.
Social Rent	£10,158,934 (£2,328psm/ £216psf)	£10,158,934 (£2,328psm/ £216psf)	£10,158,934 (£2,328psm/ £216psf)	£10,158,934 (£2,328psm/ £216psf)	Ambiguous – No evidence provided by DS2. Accepted on a without prejudice, noting our respective difference in GDV to be marginal.

Commercial	£40,102,387 £40,814,256 (£2,428psm/ £226psf)	£50,093,837 (£4,844psm/ 450psf).	£40,102,387 £40,814,256 (£2,428psm/ £226psf)	£50,093,837 (£4,844psm/ 450psf).	Disagreed
Expenditure					
Benchmark Land Value	£33,540,000	£29,353,500	£29,353,500	£29,353,500	Agreed
Construction Costs (exc. contingency)	£333,296,967	£333,296,967	£333,296,967	£333,296,967	Agreed
Contingency	5%	5%	5%	5%	Agreed
Third Party Costs	£5,307,500	£5,307,500	£5,307,500	£5,307,500	Agreed
Tenants Compensation & Legals	£4,187,298	£nil	£4,187,298	£nil	Ambiguous – Further evidence required
Post Completion maintenance & service charge voids	£2,370,000	£2,370,000	£2,370,000	£2,370,000	Ambiguous – Further evidence required
Professional Fees	10%	10%	10%	10%	Agreed
OMS Marketing & Agent Fees	4.7%	3%	4.7%	3%	Disagreed
Commercial Sales Agent, Marketing & Legal fees	4%	1.5%	1.5%	1.5%	Agreed
Letting Agent Fee	10% (£327,221)	10%	10%	10%	Disagreed – We do not consider letting fee for the supermarket to apply
Letting Legal Fees	5% (£163,610)	5%	5%	5%	Disagreed – We do not consider letting fee for the supermarket to apply
Affordable Sales legal fee	0.50%	0.50%	0.50%	0.50%	Agreed
CIL	£12,465,088	£12,465,088	£12,465,088	£12,465,088	Ambiguous - We require confirmation from the Council on this input.
S106 charges (Carbon Offset)	£880,000	£880,000	£880,000	£880,000	Ambiguous - We require confirmation from the Council on this input.

Finance	8%	7%	8%	7%	Disagreed- Lower finance levels tested
Profit: OMS	20%	20%	20%	20%	Agreed
Affordable	6%	6%	6%	6%	
Housing	15%	15%	15%	15%	
Commercial Supermarket	15%	10%	10%	10%	
Timescales					
Pre- construction Period	6-months (phase 1) 3- months (phase 2)	6-months (phase 1) 3- months (phase 2)	6-months (phase 1) 3- months (phase 2)	6-months (phase 1) 3- months (phase 2)	Agreed
Construction Period	100-months (8.3 years)	101-months (8.3 years)	100-months (8.3 years)	101-months (8.3 years)	Agreed
Sales Rate	Unclear	6 units pcm	Unclear	6 units pcm	Agreed
Viability Position (inc. affordable)	-£80,044,255 (14.35% on GDV) (12%AH)	-£41,428,938 (7.2% on GDV) (12%AH)	-£67,317,696 (11.97% on GDV) (12%AH)	-£41,428,938 (7.2% on GDV) (12%AH)	Disagreed
Actual Profit/ Loss (inc. affordable)	+£26,602,731 (4.77% on GDV) (12%AH)	+£84,387,625 (15% on GDV) (12%AH)	+£39,348,927 (7% on GDV) (12% AH)	+£84,387,625 (15% on GDV) (12%AH)	Disagreed
Viability Position (full open market housing)	-£53,133,865 (8.97% on GDV)	-£178,000 (0.03% on GDV)	Not Assessed	-£178,000 (0.03% on GDV) (100% Private)	Disagreed
Actual Profit/ Loss (full open market housing)	£63,315,716 (10.69% on GDV)	£133,561,793 (22% on GDV)	Not Assessed	£133,561,793 (22% on GDV) (100% Private)	Disagreed

1.5 Our updated conclusions are as follows:

- We are pleased that DS2 have moved on some assumptions in their assessment, but note some still remaining to be agreed.
- We have tested the outcome of the assessment on the basis of lower finance rates. We found that even with a lower 6% finance rate, which was widely accepted when the base rate was low, the scheme remains in a substantial deficit position at the proposed 12% affordable provision. We have included our appraisal in Appendix 1 of this report.
- The Gla have identified a need to consider the IRR of the scheme which we compute as c. 1.56%. This is not the profit metric being applied by the applicant in this instance

and does not indicate a higher level of return than is shown by a more conventional return on GDV.

- We maintain the subject scheme generates a deficit of **-£41m** and, therefore, no additional affordable housing can viably be offered.

1.6 We have included our sensitivity analysis below. We have tested the impact of the sales revenue and construction costs. It can be seen that with a 6% increase in sales revenue and a 6% drop in the construction costs, the scheme would be in a surplus position.

Sales: Rate /ft ²					
Construction: Rate /ft ²	-6.000%	-3.000%	0.000%	3.000%	6.000%
-6.000%	-£40,758,146	-£27,036,588	-£13,379,150	£213,308	£13,747,933
-3.000%	-£54,877,878	-£41,093,542	-£27,373,085	-£13,715,647	-£122,394
0.000%	-£68,997,610	-£55,213,274	-£41,428,938	-£27,709,582	-£14,052,144
3.000%	-£83,117,342	-£69,333,006	-£55,548,670	-£41,764,334	-£28,046,080
6.000%	-£97,237,074	-£83,452,738	-£69,668,402	-£55,884,066	-£42,099,730

1.7 This Addendum provides a response to GLA's & DS2's latest reports as requested by the Council.

2.0 Summary of GLA's Response Dated 26th March 2026

- 2.1 The GLA report represents the position of the Greater London Authority's Viability Team in relation to DS2's submission dated December 2024, in connection with the subject planning application.
- 2.2 In their report, GLA provides the commentary on the following inputs included in DS2's assessment:
- Gross Development Value
 - Disposal Fees
 - Finance Rate
 - Profit Target
 - Development Programme
 - Benchmark Land Value
- 2.3 We note GLA made comments about growth and inflation testing in their report. In their rebuttal, DS2 states that the growth has been assumed through their sensitivity, testing in accordance with the professional standards. We have also included sensitivity analysis in our assessment, which essentially presents how much sales growth is required for the scheme to become viable. Although future growth and inflation indicators could have an impact on the developer's decisions, we do not consider there to be a solid enough evidence basis at the moment to support incorporating these into the viability outcome. There is limited evidence in the market as whole to suggest sustained above inflation increases in house prices.
- 2.4 GLA states that both parties should consider the IRR approach. In their rebuttal, DS2 does not address this point and maintains the return on GDV to be an appropriate metric. We note that the resulting IRR of the proposed scheme is c. 1.5%. No IRR target it stated as this has not been considered by the applicant but a return at this level suggests a more marginal position than indicated through an assessment of profit based on GDV.
- 2.5 We consider the salient points of GLA's & DS2's reports below.

3.0 Private Residential GDV

DS2 Feb 25	BPS Feb 25	DS2 April 25	Overall
£482,283,775 (£9,172psm/£852psf)	£501,636,686 (£9,257psm/£860psf)	£501,636,686 (£9,257psm/£860psf)	Agreed

- 3.1 We note GLA provides commentary on the comparable evidence which we broadly agree with, however, they do not provide their opinion on the values. We note that DS2 have now agreed with our assessment of the private residential GDV.
- 3.2 GLA states in their report that the efficiency of residential units is low. We note this aspect has been addressed in DS2's response and clarification was provided.

4.0 Affordable GDV

	DS2 Feb 25	BPS Feb 25	DS2 April 25	Overall
Shared Ownership	£10,643,746 (£5,606psm/ £520psf)	£10,643,746 (£5,606psm/ £520psf)	£10,643,746 (£5,606psm/ £520psf)	Ambiguous
Social Rent	£10,158,934 (£2,328psm/ £216psf)	£10,158,934 (£2,328psm/ £216psf)	£10,158,934 (£2,328psm/ £216psf)	Ambiguous

- 4.1 The results of our assessment of affordable housing units are higher than DS2's, we have however accepted their figures given that our respective differences were marginal as a % of the scheme's GDV overall. We highlight that contrary to DS2's rebuttal, the figures were not agreed by ourselves, and were accepted only on a without prejudice basis.
- 4.2 We note GLA also considers DS2's affordable values to be understated, however, acknowledges that any discrepancies would be captured as a part of a review mechanism.
- 4.3 GLA states that the proposed affordable housing level would unlikely qualify for a grant, however, recommends testing the scheme for a potential grant should the proposed affordable housing level have been increased, which we consider reasonable.
- 4.4 We, therefore, maintain our previously adopted figures in our appraisal.

5.0 Commercial GDV

DS2 Feb 25	BPS Feb 25	DS2 April 25	Overall
£40,814,256 (£2,428psm/ £226psf)	£50,093,837 (£4,844psm/ 450psf).	£40,814,256 (£2,428psm/ £226psf)	Disagreed

- 5.1 We note GLA provides generic comments in relation to the commercial assessment of respective parties. We note that no comments to address specific parts of the comparative analysis or conclusions were provided. GLA states that respective parties referred to the Net Initial Yield, but adopted an equated yield in our respective calculations, which they consider to be incorrect.
- 5.2 In their rebuttal, DS2 provides a short paragraph response from their appointed commercial agent- CF Commercial, however, it does not address GLA's point about the adoption of equated as opposed to Net yields in their appraisal. Instead, CF Commercial provides a generic response to our February report and disagrees with our conclusions. CF Commercial states our assessment to be "unfounded" and disregards any comments that we included in our FVA.
- 5.3 In our assessment we quote Net Initial Yield as it reflects the comparable evidence available. The Argus appraisal is constructed in the way that the Purchaser's Costs are deducted after the rent has been capitalised. Adoption of the net yield and incorporating the purchaser's costs in the gross rent (bringing it effectively to a net rent) would simply translate into an alternative approach to this assessment. Our approach is typically taken in assessing the viability of the scheme, where net passing rent is not yet known and an equated yield is most appropriate.
- 5.4 In summary, the application of the net equated yield would not alter our final conclusions.
- 5.5 Given that CF Commercial does not provide any additional evidence, we maintain our previous assessment to be appropriate. We consider any discrepancy could be captured at the review mechanism.

6.0 Finance Cost

DS2 Feb 25	BPS Feb 25	DS2 April 25	Overall
8%	7%	8%	Disagreed

- 6.1 GLA states that our adopted finance rate is relatively close to the rate stated in the FVA, but it is still relatively high. They recommend testing a range of finance rates and their impacts on the viability of the scheme.
- 6.2 We note that DS2 maintains their adopted 8% finance rate to be reasonable, on the basis of a generic level of base rate and gilt rates. However, no evidence has been provided.
- 6.3 The level of finance rate does not directly mirror the UK base rate, albeit we accept this to be a contributing factor. Assessment of the finance rate is based on 100% lending, which in reality is a mix of bank lending and equity. Moreover, the level of a finance rate depends on the individual circumstances of the Applicant, such as their development experience.
- 6.4 Assessment of the finance rate is undertaken on a present-day basis, but in reality, the lending could be arranged at any point within 3 years from obtaining planning permission, where the base rate is likely to be reduced. Furthermore viability assessments work to a generic assumption of 100% debt financing to avoid the assessment being skewed to the circumstances of the applicant. This is a largely unique approach to development financing and therefore comparison to market loans does not generate useful comparisons, whereas comparison to rates widely adopted in FVA's is more relevant.
- 6.5 Overall, we maintain our adopted 7% finance rate to be appropriate. We have also included scenarios with 6.5% and 6% finance for testing purposes.

7.0 Disposal Fees

Fee Type	DS2 Feb 25	BPS Feb 25	DS2 April 25	Overall
OMS Marketing & Agent Fees	4.7%	3%	4.7%	Disagreed
Commercial Sales Agent, Marketing & Legal fees	4%	1.5%	1.5%	Agreed
Letting Agent Fee	10% (£327,221)	10%	10%	Agreed
Letting Legal Fees	5% (£163,610)	5%	5%	Agreed
Affordable Sales legal fee	0.50%	0.50%	0.50%	Agreed

- 7.1 GLA agrees with BPS adopted disposal fees of 3% for residential and 1.5% for commercial to be appropriate. We note in their rebuttal, DS2 accepts 1.5% on the commercial disposal fees, however, they maintain the initially adopted private disposal fee of 4.7% to be appropriate.
- 7.2 We agree with GLA that in monetary terms, the adopted percentage fee appears to be significantly higher and given the significant length of the construction, it would incur significant additional finance costs (which are not explicitly stated in the appraisal).
- 7.3 We note DS2 states that additional marketing costs are required to meet an “optimistic 65% off plan sales rate”. We need to reiterate that the construction period agreed for the scheme is significantly longer than for any scheme of a similar scale. In our initial discussions with Berkeley we understand that this is due to the construction period following the sales rate. The “off-plan sales rate” is also applied differently than in other schemes, as it effectively means that all units would be sold off-plan.
- 7.4 This approach significantly reduces the viability of the scheme due to an increase in finance cost. Although we have accepted the applicant's reasoning behind adopting this approach, we do not consider it appropriate to use it as an additional reason for increasing other fees.
- 7.5 Until date no additional evidence has been provided to support increased disposal fees and, therefore, we maintain our previous assessment to be appropriate.
- 7.6 We note that DS2 maintains their adopted 8% finance rate to be reasonable, on the basis of a generic level of base rate and gilt rates. However, no evidence has been provided.

8.0 Target Profit

Fee Type	DS2 Feb 25	BPS Feb 25	DS2 April 25	Overall
Private Profit	20%	20%	20%	Agreed
Commercial Profit	15%	15%	15%	Agreed
Affordable Profit	6%	6%	6%	Agreed
Supermarket Profit	15%	10%	10%	Agreed

- 8.1 GLA agrees with DS2's assumption of the Commercial and Affordable profit targets, however consider lower levels should be attributed to private residential and supermarket profits.
- 8.2 In our review, we largely agreed with DS2's adopted profit target, with the exception of the supermarket profit. Given that the development programme ensures the continuity of the supermarket operation, we found that a lower figure of 10% was appropriate. We are pleased that DS2 have now accepted this figure.
- 8.3 In regards to the private residential profit target, we note GLA refers to other schemes whether this lower return of 17.5% was agreed. We also note that as GLA rightly points out, the significant disposal budget would significantly reduce a sales risk.
- 8.4 DS2 maintain their originally adopted 20% return remains appropriate and it appropriately reflects the risk connected to changes in values, construction costs and any delays. We agree with DS2 that there are very few schemes where the developer's target return is actually realised, typically the developers are willing to accept lower returns than stated by PPG. We question, however, the reason behind the necessity of the higher target return targets, especially in light of the apparent deficit which indicates that in reality the applicant must be working to lower returns or alternative assumptions regarding realisable values from the scheme.
- 8.5 We maintain our acceptance that a 20% target is appropriate on account of the substantial length of the development programme, however, we agree with both parties that it is likely that a lower return would be realised.

9.0 Development Programme

Type	DS2 Feb 25	BPS Feb 25	DS2 April 25	Overall
Pre-Construction	6-months (phase 1) 3- months (phase 2)	6-months (phase 1) 3- months (phase 2)	6-months (phase 1) 3- months (phase 2)	Agreed
Construction	100-months (8.3 years)	101-months (8.3 years)	100-months (8.3 years)	Agreed
Sales Rate	Unclear	6 units pcm	Unclear	Agreed

- 9.1 GLA provides no conclusion in respect of the development period agreed between both parties.
- 9.2 In their rebuttal, DS2 raised the concerns and requested further clarification on the sales period. They state that “it is reasonable to assume off plan sales coming at PC”, which in principle we agree on. It, however, has been agreed with the Applicant, during the course of our previous negotiations, that the development programme would be following the sales rate. This is the reason why the construction timeframe (which exceeds BCIS construction period) was in fact accepted. It, however, means that the sales period would end alongside the end of the construction, and there would be no “post completion sales period”, typically adopted in viability assessment.
- 9.3 We encourage DS2 to clarify this point with the applicant. The extended construction period has a negative impact on the viability of the scheme. Should they wish to adopt typical market assumptions, we are happy to reconsider this element of our appraisal and adopt a shorter construction period (as per the BCIS) and post-completion sales period.

10.0 Benchmark Land Value

DS2 Feb 25	BPS Feb 25	DS2 April 25	Overall
£33,540,000	£29,353,500	£29,353,500	Agreed

- 10.1 GLA consider the Capital Allowance for repairs should be reflected in the EUV assessment. They also consider the Landowner's Premium of 10% to be sufficient for the subject site. These were the main points of dispute between DS2 and ourselves in our respective assessment of the Benchmark Land Value.
- 10.2 We are pleased that DS2 have now adopted BPS's BLV. We consider this element to be now agreed.

11.0 Author Sign Off

- 11.1 This report is provided for the stated purpose and for the sole use of the named clients. This report may not, without written consent, be used or relied upon by any third party.
- 11.2 The author(s) of this report confirm that there are no conflicts of interest and measures have been put in place to prevent the risk of the potential for a conflict of interest. In accordance with the RICS Professional Statement *Financial Viability in Planning: Conduct and Reporting* September 2019, this report has been prepared objectively, impartially, and with reference to all appropriate sources of information.
- 11.3 The following persons have been involved in the production of this report:



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April 2025

Appendix 1: Argus Appraisal

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)****Finance rate 6.5%****Appraisal Summary for Merged Phases 1 2 3****Currency in £****REVENUE**

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Block N - Market Sale	64	39,095	860.00	525,339	33,621,700
Block M - Market Sale	149	116,022	860.00	669,657	99,778,920
Block L - Market Sale	85	61,086	860.00	618,050	52,534,230
Block P - Social Rent	50	46,974	216.27	203,179	10,158,934
Block Q - Market Sale	27	22,126	860.00	704,765	19,028,648
Block C - Market Sale	19	14,795	860.00	669,655	12,723,448
Block B - Shared Ownership	27	20,436	520.83	394,213	10,643,746
Block A - Market Sale	19	14,081	860.00	637,349	12,109,636
Block E - Market Sale	79	49,978	860.00	544,064	42,981,067
Block G - Market Sale	71	51,787	860.00	627,284	44,537,190
Block K - Market Sale	85	63,373	860.00	641,185	54,500,758
Block J1 -Market Sale	108	78,605	860.00	625,929	67,600,300
Block J2 -Market Sale	21	16,680	860.00	683,104	14,345,192
Block H - Market Sale	43	37,142	860.00	742,840	31,942,120
Block F -Market Sale	<u>20</u>	<u>18,347</u>	860.00	788,925	<u>15,778,493</u>
Totals	867	650,528			522,284,382

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
New Supermarket	1	47,887	30.07	1,440,000	1,440,000	1,440,000
Block N - Retail	1	1,014	25.00	25,350	25,350	25,350
Block L - Retail	1	174	35.00	6,090	6,090	6,090
Block C - Retail	2	4,229	60.00	126,870	253,740	253,740
Block B - Retail	1	4,585	50.00	229,250	229,250	229,250
Block A - Retail	1	4,596	50.00	229,800	229,800	229,800
Block D - Office	6	24,111	36.00	144,666	867,996	867,996
Block E - F&B	1	1,760	35.00	61,600	61,600	61,600
Block E - Office	1	1,673	35.00	58,555	58,555	58,555
Block G - Office	1	618	35.00	21,630	21,630	21,630
Block G - F&B	1	2,099	32.50	68,218	68,218	68,218
Block K - Retail	2	2,969	34.20	50,770	101,540	101,540
Block K - Gym (Ground Floor)	1	3,771	25.00	94,275	94,275	94,275
Block K - Gym (1st Floor)	1	4,901	18.00	88,218	88,218	88,218
Block K - Office	1	547	44.00	24,068	24,068	24,068
Block J1 - Retail	1	955	35.00	33,425	33,425	33,425
Block H - F&B	1	1,706	32.50	55,445	55,445	55,445
Block H - Retail	1	826	35.00	28,910	28,910	28,910
Block F - F&B	1	1,297	32.50	42,153	42,153	42,153
Block F - Retail	<u>1</u>	<u>617</u>	35.00	21,595	<u>21,595</u>	<u>21,595</u>
Totals	27	110,335			3,751,857	3,751,857

Investment Valuation**New Supermarket**

Market Rent	1,440,000	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	22,641,509

Block N - Retail

Market Rent	25,350	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	314,419

Block L - Retail

Market Rent	6,090	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	75,535

Block C - Retail

Market Rent	253,740	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	3,665,439

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)****Finance rate 6.5%****Block B - Retail**

Market Rent	229,250	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	3,311,665

Block A - Retail

Market Rent	229,800	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	3,319,610

Block D - Office

Market Rent	867,996	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	11,588,732

Block E - F&B

Market Rent	61,600	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	764,031

Block E - Office

Market Rent	58,555	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	781,776

Block G - Office

Market Rent	21,630	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	288,785

Block G - F&B

Market Rent	68,218	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	846,109

Block K - Retail

Market Rent	101,540	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	1,259,408

Block K - Gym (Ground Floor)

Market Rent	94,275	YP @	8.5000%	11.7647	
(1yr Rent Free)		PV 1yr @	8.5000%	0.9217	1,022,228

Block K - Gym (1st Floor)

Market Rent	88,218	YP @	8.5000%	11.7647	
(1yr Rent Free)		PV 1yr @	8.5000%	0.9217	956,552

Block K - Office

Market Rent	24,068	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	321,335

Block J1 - Retail

Market Rent	33,425	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	414,574

Block H - F&B

Market Rent	55,445	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	687,690

Block H - Retail

Market Rent	28,910	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	358,574

Block F - F&B

Market Rent	42,153	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	522,822

Block F - Retail

Market Rent	21,595	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	267,845

Total Investment Valuation**53,408,636**

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)****Finance rate 6.5%****GROSS DEVELOPMENT VALUE 575,693,018**

Purchaser's Costs		(3,631,787)	
Effective Purchaser's Costs Rate	6.80%		(3,631,787)

NET DEVELOPMENT VALUE 572,061,231**NET REALISATION 572,061,231****OUTLAY****ACQUISITION COSTS**

Premium	20.00%	160,000	
EUV of Petrol Station	800,000		
BLV	28,393,500		
Total Acquisition		29,353,500	29,353,500
Stamp Duty	5.00%	1,467,675	
Agent Fee	1.00%	293,535	
Legal Fee	0.50%	146,768	
			1,907,978

Other Acquisition

Third Party Costs	5,307,500		
			5,307,500

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Phase 1 - Facilitating Works	1 un	5,741,593	5,741,593
Phase 2 & 3 Podium Construction	1 un	11,780,700	11,780,700
Phase 2 - Demoliton and Enabling Works	1 un	6,055,426	6,055,426
Totals			23,577,719
	ft²	Build Rate ft²	Cost
Phase 1 - Podium Construction	115,303	210.60	24,282,271
Block N - Market Sale	63,851	288.03	18,390,815
Block M - Market Sale	169,099	288.03	48,705,585
Block L - Market Sale	93,849	288.03	27,031,327
Block P - Social Rent	74,397	288.03	21,428,568
Block Q - Market Sale	39,128	288.03	11,270,038
Block C - Market Sale	27,702	270.65	7,497,546
Block B - Shared Ownership	25,084	270.65	6,788,985
Block A - Market Sale	27,084	270.65	7,330,285
Block E - Market Sale	73,303	270.65	19,839,457
Block G - Market Sale	77,214	270.65	20,897,969
Block K - Market Sale	109,566	270.65	29,654,038
Block J1 -Market Sale	107,967	270.65	29,221,269
Block J2 -Market Sale	22,979	270.65	6,219,266
Block H - Market Sale	57,166	270.65	15,471,978
Block F -Market Sale	28,636	270.65	7,750,333
Block D - Construction	29,335	270.65	7,939,518
Totals	1,141,663 ft²		309,719,248
Contingency		5.00%	16,074,997
Carbon Offset			880,000
Phase 1 M&BCIL			6,513,997
Phase 2 M&BCIL			5,951,091
			362,717,052
Other Construction			
Service charge voids	325 un	1,000.00 /un	325,000
Post completion maintenance (PD)	325 un	2,000.00 /un	650,000
Service charge voids	465 un	1,000.00 /un	465,000
Post completion maintenance (PD)	465 un	2,000.00 /un	930,000
			2,370,000

PROFESSIONAL FEES

Professional Fees	10.00%	15,685,020
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APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)****Finance rate 6.5%**

Professional Fees	10.00%	17,644,677	
			33,329,697

MARKETING & LETTING

Commercial Sales, Marketing & Legal	1.50%	777,637	
Residential Sales Marketing & Legal	3.00%	15,044,451	
Letting Agent Fee	10.00%	375,186	
Letting Legal Fee	5.00%	187,593	
			16,384,867

DISPOSAL FEES

Affordable Disposal Fees		50,000	
			50,000

Additional Costs

Supermarket Profit	10.00%	2,264,151	
Affordable Profit	6.00%	609,536	
Commercial Profit	15.00%	54,515	
Private Profit	20.00%	40,992,700	
Affordable Profit	6.00%	638,625	
Commercial Profit	15.00%	4,246,729	
Private Profit	20.00%	61,848,331	
			110,654,586

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			46,879,352

TOTAL COSTS**608,954,532****PROFIT****(36,893,301)****Performance Measures**

Profit on Cost%	-6.06%
Profit on GDV%	-6.41%
Profit on NDV%	-6.45%
Development Yield% (on Rent)	0.62%
Equivalent Yield% (Nominal)	6.59%
Equivalent Yield% (True)	6.87%

Rent Cover	-9 yrs -10 mths
Profit Erosion (finance rate 6.500)	N/A

APPRAISAL SUMMARY

BPS SURVEYORS

Aylesham Centre, Peckham
Proposed Development Appraisal- 12% AH (hab room)
Finance rate 6%

Appraisal Summary for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Block N - Market Sale	64	39,095	860.00	525,339	33,621,700
Block M - Market Sale	149	116,022	860.00	669,657	99,778,920
Block L - Market Sale	85	61,086	860.00	618,050	52,534,230
Block P - Social Rent	50	46,974	216.27	203,179	10,158,934
Block Q - Market Sale	27	22,126	860.00	704,765	19,028,648
Block C - Market Sale	19	14,795	860.00	669,655	12,723,448
Block B - Shared Ownership	27	20,436	520.83	394,213	10,643,746
Block A - Market Sale	19	14,081	860.00	637,349	12,109,636
Block E - Market Sale	79	49,978	860.00	544,064	42,981,067
Block G - Market Sale	71	51,787	860.00	627,284	44,537,190
Block K - Market Sale	85	63,373	860.00	641,185	54,500,758
Block J1 -Market Sale	108	78,605	860.00	625,929	67,600,300
Block J2 -Market Sale	21	16,680	860.00	683,104	14,345,192
Block H - Market Sale	43	37,142	860.00	742,840	31,942,120
Block F -Market Sale	20	18,347	860.00	788,925	15,778,493
Totals	867	650,528			522,284,382

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
New Supermarket	1	47,887	30.07	1,440,000	1,440,000	1,440,000
Block N - Retail	1	1,014	25.00	25,350	25,350	25,350
Block L - Retail	1	174	35.00	6,090	6,090	6,090
Block C - Retail	2	4,229	60.00	126,870	253,740	253,740
Block B - Retail	1	4,585	50.00	229,250	229,250	229,250
Block A - Retail	1	4,596	50.00	229,800	229,800	229,800
Block D - Office	6	24,111	36.00	144,666	867,996	867,996
Block E - F&B	1	1,760	35.00	61,600	61,600	61,600
Block E - Office	1	1,673	35.00	58,555	58,555	58,555
Block G - Office	1	618	35.00	21,630	21,630	21,630
Block G - F&B	1	2,099	32.50	68,218	68,218	68,218
Block K - Retail	2	2,969	34.20	50,770	101,540	101,540
Block K - Gym (Ground Floor)	1	3,771	25.00	94,275	94,275	94,275
Block K - Gym (1st Floor)	1	4,901	18.00	88,218	88,218	88,218
Block K - Office	1	547	44.00	24,068	24,068	24,068
Block J1 - Retail	1	955	35.00	33,425	33,425	33,425
Block H - F&B	1	1,706	32.50	55,445	55,445	55,445
Block H - Retail	1	826	35.00	28,910	28,910	28,910
Block F - F&B	1	1,297	32.50	42,153	42,153	42,153
Block F - Retail	1	617	35.00	21,595	21,595	21,595
Totals	27	110,335			3,751,857	3,751,857

Investment Valuation

New Supermarket

Market Rent	1,440,000	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	22,641,509

Block N - Retail

Market Rent	25,350	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	314,419

Block L - Retail

Market Rent	6,090	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	75,535

Block C - Retail

Market Rent	253,740	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	3,665,439

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)****Finance rate 6%****Block B - Retail**

Market Rent	229,250	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	3,311,665

Block A - Retail

Market Rent	229,800	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	3,319,610

Block D - Office

Market Rent	867,996	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	11,588,732

Block E - F&B

Market Rent	61,600	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	764,031

Block E - Office

Market Rent	58,555	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	781,776

Block G - Office

Market Rent	21,630	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	288,785

Block G - F&B

Market Rent	68,218	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	846,109

Block K - Retail

Market Rent	101,540	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	1,259,408

Block K - Gym (Ground Floor)

Market Rent	94,275	YP @	8.5000%	11.7647	
(1yr Rent Free)		PV 1yr @	8.5000%	0.9217	1,022,228

Block K - Gym (1st Floor)

Market Rent	88,218	YP @	8.5000%	11.7647	
(1yr Rent Free)		PV 1yr @	8.5000%	0.9217	956,552

Block K - Office

Market Rent	24,068	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	321,335

Block J1 - Retail

Market Rent	33,425	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	414,574

Block H - F&B

Market Rent	55,445	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	687,690

Block H - Retail

Market Rent	28,910	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	358,574

Block F - F&B

Market Rent	42,153	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	522,822

Block F - Retail

Market Rent	21,595	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	267,845

Total Investment Valuation**53,408,636**

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)****Finance rate 6%****GROSS DEVELOPMENT VALUE 575,693,018**

Purchaser's Costs		(3,631,787)	
Effective Purchaser's Costs Rate	6.80%		(3,631,787)

NET DEVELOPMENT VALUE 572,061,231**NET REALISATION 572,061,231****OUTLAY****ACQUISITION COSTS**

Premium	20.00%	160,000	
EUV of Petrol Station	800,000		
BLV	28,393,500		
Total Acquisition		29,353,500	29,353,500
Stamp Duty	5.00%	1,467,675	
Agent Fee	1.00%	293,535	
Legal Fee	0.50%	146,768	
			1,907,978

Other Acquisition

Third Party Costs	5,307,500		
			5,307,500

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Phase 1 - Facilitating Works	1 un	5,741,593	5,741,593
Phase 2 & 3 Podium Construction	1 un	11,780,700	11,780,700
Phase 2 - Demoliton and Enabling Works	1 un	6,055,426	6,055,426
Totals			23,577,719

	ft²	Build Rate ft²	Cost
Phase 1 - Podium Construction	115,303	210.60	24,282,271
Block N - Market Sale	63,851	288.03	18,390,815
Block M - Market Sale	169,099	288.03	48,705,585
Block L - Market Sale	93,849	288.03	27,031,327
Block P - Social Rent	74,397	288.03	21,428,568
Block Q - Market Sale	39,128	288.03	11,270,038
Block C - Market Sale	27,702	270.65	7,497,546
Block B - Shared Ownership	25,084	270.65	6,788,985
Block A - Market Sale	27,084	270.65	7,330,285
Block E - Market Sale	73,303	270.65	19,839,457
Block G - Market Sale	77,214	270.65	20,897,969
Block K - Market Sale	109,566	270.65	29,654,038
Block J1 -Market Sale	107,967	270.65	29,221,269
Block J2 -Market Sale	22,979	270.65	6,219,266
Block H - Market Sale	57,166	270.65	15,471,978
Block F -Market Sale	28,636	270.65	7,750,333
Block D - Construction	29,335	270.65	7,939,518
Totals	1,141,663 ft²		309,719,248
Contingency		5.00%	16,074,997
Carbon Offset			880,000
Phase 1 M&BCIL			6,513,997
Phase 2 M&BCIL			5,951,091

362,717,052

Other Construction

Service charge voids	325 un	1,000.00 /un	325,000
Post completion maintenance (PD)	325 un	2,000.00 /un	650,000
Service charge voids	465 un	1,000.00 /un	465,000
Post completion maintenance (PD)	465 un	2,000.00 /un	930,000

2,370,000

PROFESSIONAL FEES

Professional Fees	10.00%	15,685,020
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APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)****Finance rate 6%**

Professional Fees	10.00%	17,644,677	
			33,329,697

MARKETING & LETTING

Commercial Sales, Marketing & Legal	1.50%	777,637	
Residential Sales Marketing & Legal	3.00%	15,044,451	
Letting Agent Fee	10.00%	375,186	
Letting Legal Fee	5.00%	187,593	
			16,384,867

DISPOSAL FEES

Affordable Disposal Fees		50,000	
			50,000

Additional Costs

Supermarket Profit	10.00%	2,264,151	
Affordable Profit	6.00%	609,536	
Commercial Profit	15.00%	54,515	
Private Profit	20.00%	40,992,700	
Affordable Profit	6.00%	638,625	
Commercial Profit	15.00%	4,246,729	
Private Profit	20.00%	61,848,331	
			110,654,586

FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			42,503,367

TOTAL COSTS**604,578,546****PROFIT****(32,517,315)****Performance Measures**

Profit on Cost%	-5.38%
Profit on GDV%	-5.65%
Profit on NDV%	-5.68%
Development Yield% (on Rent)	0.62%
Equivalent Yield% (Nominal)	6.59%
Equivalent Yield% (True)	6.87%

Rent Cover	-8 yrs -8 mths
Profit Erosion (finance rate 6.000)	N/A

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham
Proposed Development Appraisal- 100% OMS****Appraisal Summary for Merged Phases 1 2 3**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Block N - Market Sale	64	39,095	863.00	527,172	33,738,985
Block M - Market Sale	149	116,022	863.00	671,993	100,126,986
Block L - Market Sale	85	61,086	863.00	620,206	52,717,489
Block P - Market Sale	50	46,974	863.00	810,776	40,538,791
Block Q - Market Sale	27	22,126	860.00	704,765	19,028,648
Block C - Market Sale	19	14,795	863.00	671,991	12,767,832
Block B - Market Sale	27	20,436	863.00	653,193	17,636,212
Block A - Market Sale	19	14,081	863.00	639,573	12,151,878
Block E - Market Sale	79	49,978	863.00	545,962	43,131,001
Block G - Market Sale	71	51,787	863.00	629,473	44,692,552
Block K - Market Sale	85	63,373	863.00	643,422	54,690,877
Block J1 -Market Sale	108	78,605	863.00	628,112	67,836,115
Block J2 -Market Sale	21	16,680	863.00	685,487	14,395,234
Block H - Market Sale	43	37,142	832.00	718,655	30,902,144
Block F -Market Sale	<u>20</u>	<u>18,347</u>	832.00	763,239	<u>15,264,775</u>
Totals	867	650,528			559,619,520

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
New Supermarket	1	47,887	30.07	1,440,000	1,440,000	1,440,000
Block N - Retail	1	1,014	25.00	25,350	25,350	25,350
Block L - Retail	1	174	35.00	6,090	6,090	6,090
Block C - Retail	2	4,229	60.00	126,870	253,740	253,740
Block B - Retail	1	4,585	50.00	229,250	229,250	229,250
Block A - Retail	1	4,596	50.00	229,800	229,800	229,800
Block D - Office	6	24,111	36.00	144,666	867,996	867,996
Block E - F&B	1	1,760	35.00	61,600	61,600	61,600
Block E - Office	1	1,673	35.00	58,555	58,555	58,555
Block G - Office	1	618	35.00	21,630	21,630	21,630
Block G - F&B	1	2,099	32.50	68,218	68,218	68,218
Block K - Retail	2	2,969	34.20	50,770	101,540	101,540
Block K - Gym (Ground Floor)	1	3,771	25.00	94,275	94,275	94,275
Block K - Gym (1st Floor)	1	4,901	18.00	88,218	88,218	88,218
Block K - Office	1	547	44.00	24,068	24,068	24,068
Block J1 - Retail	1	955	35.00	33,425	33,425	33,425
Block H - F&B	1	1,706	32.50	55,445	55,445	55,445
Block H - Retail	1	826	35.00	28,910	28,910	28,910
Block F - F&B	1	1,297	32.50	42,153	42,153	42,153
Block F - Retail	<u>1</u>	<u>617</u>	35.00	21,595	<u>21,595</u>	<u>21,595</u>
Totals	27	110,335			3,751,857	3,751,857

Investment Valuation

New Supermarket						
Market Rent	1,440,000	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	22,641,509	
Block N - Retail						
Market Rent	25,350	YP @	7.5000%	13.3333		
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	314,419	
Block L - Retail						
Market Rent	6,090	YP @	7.5000%	13.3333		
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	75,535	
Block C - Retail						
Market Rent	253,740	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	3,665,439	
Block B - Retail						

APPRAISAL SUMMARY

BPS SURVEYORS

Aylesham Centre, Peckham

Proposed Development Appraisal- 100% OMS

Market Rent (1yr Rent Free)	229,250	YP @ PV 1yr @	6.5000% 6.5000%	15.3846 0.9390	3,311,665
Block A - Retail					
Market Rent (1yr Rent Free)	229,800	YP @ PV 1yr @	6.5000% 6.5000%	15.3846 0.9390	3,319,610
Block D - Office					
Market Rent (1yr Rent Free)	867,996	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	11,588,732
Block E - F&B					
Market Rent (1yr Rent Free)	61,600	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	764,031
Block E - Office					
Market Rent (1yr Rent Free)	58,555	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	781,776
Block G - Office					
Market Rent (1yr Rent Free)	21,630	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	288,785
Block G - F&B					
Market Rent (1yr Rent Free)	68,218	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	846,109
Block K - Retail					
Market Rent (1yr Rent Free)	101,540	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	1,259,408
Block K - Gym (Ground Floor)					
Market Rent (1yr Rent Free)	94,275	YP @ PV 1yr @	8.5000% 8.5000%	11.7647 0.9217	1,022,228
Block K - Gym (1st Floor)					
Market Rent (1yr Rent Free)	88,218	YP @ PV 1yr @	8.5000% 8.5000%	11.7647 0.9217	956,552
Block K - Office					
Market Rent (1yr Rent Free)	24,068	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	321,335
Block J1 - Retail					
Market Rent (1yr Rent Free)	33,425	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	414,574
Block H - F&B					
Market Rent (1yr Rent Free)	55,445	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	687,690
Block H - Retail					
Market Rent (1yr Rent Free)	28,910	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	358,574
Block F - F&B					
Market Rent (1yr Rent Free)	42,153	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	522,822
Block F - Retail					
Market Rent (1yr Rent Free)	21,595	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	267,845
Total Investment Valuation					53,408,636
GROSS DEVELOPMENT VALUE					613,028,156

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 100% OMS**

Purchaser's Costs		(3,631,787)	
Effective Purchaser's Costs Rate	6.80%		(3,631,787)

NET DEVELOPMENT VALUE **609,396,369**

NET REALISATION **609,396,369**

OUTLAY**ACQUISITION COSTS**

EUV of Petrol Station	800,000		
Premium	20.00%	160,000	
BLV	28,393,500		
Total Acquisition		29,353,500	29,353,500
Stamp Duty	5.00%	1,467,675	
Agent Fee	1.00%	293,535	
Legal Fee	0.50%	146,768	1,907,978

Other Acquisition

Third Party Costs		5,307,500	5,307,500
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CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Phase 1 - Facilitating Works	1 un	5,741,593	5,741,593
Phase 2 & 3 Podium Construction	1 un	11,780,700	11,780,700
Phase 2 - Demoliton and Enabling Works	1 un	6,055,426	6,055,426
Totals			23,577,719

	ft²	Build Rate ft²	Cost
Phase 1 - Podium Construction	115,303	210.60	24,282,271
Block N - Market Sale	63,851	288.03	18,390,815
Block M - Market Sale	169,099	288.03	48,705,585
Block L - Market Sale	93,849	288.03	27,031,327
Block P - Market Sale	74,397	288.03	21,428,568
Block Q - Market Sale	39,128	288.03	11,270,038
Block C - Market Sale	27,702	270.65	7,497,546
Block B - Market Sale	25,084	270.65	6,788,985
Block A - Market Sale	27,084	270.65	7,330,285
Block E - Market Sale	73,303	270.65	19,839,457
Block G - Market Sale	77,214	270.65	20,897,969
Block K - Market Sale	109,566	270.65	29,654,038
Block J1 -Market Sale	107,967	270.65	29,221,269
Block J2 -Market Sale	22,979	270.65	6,219,266
Block H - Market Sale	57,166	270.65	15,471,978
Block F -Market Sale	28,636	270.65	7,750,333
Block D - Construction	29,335	270.65	7,939,518
Totals	1,141,663 ft²		309,719,248
Contingency		5.00%	16,074,997
Phase 1 M&BCIL			6,513,997
Carbon Offset			880,000
Phase 2 M&BCIL			5,951,091
			362,717,052

Other Construction

Post completion maintenance (PD)	325 un	2,000.00 /un	650,000
Service charge voids	325 un	1,000.00 /un	325,000
Post completion maintenance (PD)	465 un	2,000.00 /un	930,000
Service charge voids	465 un	1,000.00 /un	465,000
			2,370,000

PROFESSIONAL FEES

Professional Fees	10.00%	15,685,020	
Professional Fees	10.00%	17,644,677	33,329,697

MARKETING & LETTING

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 100% OMS**

Commercial Sales, Marketing & Legal	1.50%	777,637	
Residential Sales Marketing & Legal	3.00%	16,259,499	
Letting Agent Fee	10.00%	375,186	
Letting Legal Fee	5.00%	187,593	
			17,599,915

Additional Costs

Supermarket Profit	10.00%	2,264,151	
Private Profit	20.00%	49,230,180	
Commercial Profit	15.00%	54,515	
Private Profit	20.00%	62,693,724	
Commercial Profit	15.00%	4,246,729	
			118,489,299

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			38,499,626

TOTAL COSTS**609,574,567****PROFIT****(178,198)****Performance Measures**

Profit on Cost%	-0.03%
Profit on GDV%	-0.03%
Profit on NDV%	-0.03%
Development Yield% (on Rent)	0.62%
Equivalent Yield% (Nominal)	6.59%
Equivalent Yield% (True)	6.87%
Profit Erosion (finance rate 7.000)	N/A

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham
Proposed Development Appraisal- 12% AH (hab room)****Appraisal Summary for Merged Phases 1 2 3**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Block N - Market Sale	64	39,095	860.00	525,339	33,621,700
Block M - Market Sale	149	116,022	860.00	669,657	99,778,920
Block L - Market Sale	85	61,086	860.00	618,050	52,534,230
Block P - Social Rent	50	46,974	216.27	203,179	10,158,934
Block Q - Market Sale	27	22,126	860.00	704,765	19,028,648
Block C - Market Sale	19	14,795	860.00	669,655	12,723,448
Block B - Shared Ownership	27	20,436	520.83	394,213	10,643,746
Block A - Market Sale	19	14,081	860.00	637,349	12,109,636
Block E - Market Sale	79	49,978	860.00	544,064	42,981,067
Block G - Market Sale	71	51,787	860.00	627,284	44,537,190
Block K - Market Sale	85	63,373	860.00	641,185	54,500,758
Block J1 -Market Sale	108	78,605	860.00	625,929	67,600,300
Block J2 -Market Sale	21	16,680	860.00	683,104	14,345,192
Block H - Market Sale	43	37,142	860.00	742,840	31,942,120
Block F -Market Sale	<u>20</u>	<u>18,347</u>	860.00	788,925	<u>15,778,493</u>
Totals	867	650,528			522,284,382

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
New Supermarket	1	47,887	30.07	1,440,000	1,440,000	1,440,000
Block N - Retail	1	1,014	25.00	25,350	25,350	25,350
Block L - Retail	1	174	35.00	6,090	6,090	6,090
Block C - Retail	2	4,229	60.00	126,870	253,740	253,740
Block B - Retail	1	4,585	50.00	229,250	229,250	229,250
Block A - Retail	1	4,596	50.00	229,800	229,800	229,800
Block D - Office	6	24,111	36.00	144,666	867,996	867,996
Block E - F&B	1	1,760	35.00	61,600	61,600	61,600
Block E - Office	1	1,673	35.00	58,555	58,555	58,555
Block G - Office	1	618	35.00	21,630	21,630	21,630
Block G - F&B	1	2,099	32.50	68,218	68,218	68,218
Block K - Retail	2	2,969	34.20	50,770	101,540	101,540
Block K - Gym (Ground Floor)	1	3,771	25.00	94,275	94,275	94,275
Block K - Gym (1st Floor)	1	4,901	18.00	88,218	88,218	88,218
Block K - Office	1	547	44.00	24,068	24,068	24,068
Block J1 - Retail	1	955	35.00	33,425	33,425	33,425
Block H - F&B	1	1,706	32.50	55,445	55,445	55,445
Block H - Retail	1	826	35.00	28,910	28,910	28,910
Block F - F&B	1	1,297	32.50	42,153	42,153	42,153
Block F - Retail	<u>1</u>	<u>617</u>	35.00	21,595	<u>21,595</u>	<u>21,595</u>
Totals	27	110,335			3,751,857	3,751,857

Investment Valuation**New Supermarket**

Market Rent	1,440,000	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	22,641,509

Block N - Retail

Market Rent	25,350	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	314,419

Block L - Retail

Market Rent	6,090	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	75,535

Block C - Retail

Market Rent	253,740	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	3,665,439

Block B - Retail

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)**

Market Rent (1yr Rent Free)	229,250	YP @ PV 1yr @	6.5000% 6.5000%	15.3846 0.9390	3,311,665
Block A - Retail					
Market Rent (1yr Rent Free)	229,800	YP @ PV 1yr @	6.5000% 6.5000%	15.3846 0.9390	3,319,610
Block D - Office					
Market Rent (1yr Rent Free)	867,996	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	11,588,732
Block E - F&B					
Market Rent (1yr Rent Free)	61,600	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	764,031
Block E - Office					
Market Rent (1yr Rent Free)	58,555	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	781,776
Block G - Office					
Market Rent (1yr Rent Free)	21,630	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	288,785
Block G - F&B					
Market Rent (1yr Rent Free)	68,218	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	846,109
Block K - Retail					
Market Rent (1yr Rent Free)	101,540	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	1,259,408
Block K - Gym (Ground Floor)					
Market Rent (1yr Rent Free)	94,275	YP @ PV 1yr @	8.5000% 8.5000%	11.7647 0.9217	1,022,228
Block K - Gym (1st Floor)					
Market Rent (1yr Rent Free)	88,218	YP @ PV 1yr @	8.5000% 8.5000%	11.7647 0.9217	956,552
Block K - Office					
Market Rent (1yr Rent Free)	24,068	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	321,335
Block J1 - Retail					
Market Rent (1yr Rent Free)	33,425	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	414,574
Block H - F&B					
Market Rent (1yr Rent Free)	55,445	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	687,690
Block H - Retail					
Market Rent (1yr Rent Free)	28,910	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	358,574
Block F - F&B					
Market Rent (1yr Rent Free)	42,153	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	522,822
Block F - Retail					
Market Rent (1yr Rent Free)	21,595	YP @ PV 1yr @	7.5000% 7.5000%	13.3333 0.9302	267,845
Total Investment Valuation					53,408,636
GROSS DEVELOPMENT VALUE					575,693,018

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)**

Purchaser's Costs		(3,631,787)	
Effective Purchaser's Costs Rate	6.80%		(3,631,787)

NET DEVELOPMENT VALUE **572,061,231**

NET REALISATION **572,061,231**

OUTLAY**ACQUISITION COSTS**

EUV of Petrol Station	800,000		
Premium	20.00%	160,000	
BLV	28,393,500		
Total Acquisition		29,353,500	29,353,500
Stamp Duty	5.00%	1,467,675	
Agent Fee	1.00%	293,535	
Legal Fee	0.50%	146,768	1,907,978

Other Acquisition

Third Party Costs	5,307,500		5,307,500
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CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Phase 1 - Facilitating Works	1 un	5,741,593	5,741,593	
Phase 2 & 3 Podium Construction	1 un	11,780,700	11,780,700	
Phase 2 - Demoliton and Enabling Works	1 un	6,055,426	6,055,426	
Totals			23,577,719	
	ft²	Build Rate ft²	Cost	
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Block G - Market Sale	77,214	270.65	20,897,969	
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Block F -Market Sale	28,636	270.65	7,750,333	
Block D - Construction	29,335	270.65	7,939,518	
Totals	1,141,663 ft²		309,719,248	
Contingency		5.00%	16,074,997	
Phase 1 M&BCIL			6,513,997	
Carbon Offset			880,000	
Phase 2 M&BCIL			5,951,091	362,717,052
Other Construction				
Post completion maintenance (PD)	325 un	2,000.00 /un	650,000	
Service charge voids	325 un	1,000.00 /un	325,000	
Post completion maintenance (PD)	465 un	2,000.00 /un	930,000	
Service charge voids	465 un	1,000.00 /un	465,000	2,370,000

PROFESSIONAL FEES

Professional Fees	10.00%	15,685,020	
Professional Fees	10.00%	17,644,677	33,329,697

MARKETING & LETTING

APPRAISAL SUMMARY**BPS SURVEYORS****Aylesham Centre, Peckham****Proposed Development Appraisal- 12% AH (hab room)**

Commercial Sales, Marketing & Legal	1.50%	777,637	
Residential Sales Marketing & Legal	3.00%	15,044,451	
Letting Agent Fee	10.00%	375,186	
Letting Legal Fee	5.00%	187,593	
			16,384,867

DISPOSAL FEES

Affordable Disposal Fees		50,000	
			50,000

Additional Costs

Supermarket Profit	10.00%	2,264,151	
Private Profit	20.00%	40,992,700	
Commercial Profit	15.00%	54,515	
Affordable Profit	6.00%	609,536	
Private Profit	20.00%	61,848,331	
Commercial Profit	15.00%	4,246,729	
Affordable Profit	6.00%	638,625	
			110,654,586

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			51,414,989

TOTAL COSTS**613,490,169****PROFIT****(41,428,938)****Performance Measures**

Profit on Cost%	-6.75%
Profit on GDV%	-7.20%
Profit on NDV%	-7.24%
Development Yield% (on Rent)	0.61%
Equivalent Yield% (Nominal)	6.59%
Equivalent Yield% (True)	6.87%

Rent Cover	-11 yrs -1 mths
Profit Erosion (finance rate 7.000)	N/A