

Aylesham Centre, Peckham
Proposed Development Appraisal (GLA adjusted)

4.00% Growth / 3.50% Inflation

APPRAISAL SUMMARY

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Aylesham Centre, Peckham Proposed Development Appraisal (GLA adjusted)

Appraisal Summary for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
‡ Block N - Market Sale	64	39,095	866.51	529,316	33,876,200	4,964,884	38,841,084
‡ Block M - Market Sale	149	116,022	869.67	677,188	100,901,000	19,426,927	120,327,927
‡ Block L - Market Sale	85	61,086	845.51	607,634	51,648,900	9,109,867	60,758,767
Block P - Social Rent	50	46,974	216.00	202,929	10,146,441	0	10,146,441
‡ Block Q - Market Sale	27	22,126	773.13	633,579	17,106,625	3,275,011	20,381,636
‡ Block C - Market Sale	19	14,795	780.55	607,788	11,547,975	3,650,991	15,198,966
Block B - Shared Ownership	27	20,436	520.00	393,581	10,626,686	0	10,626,686
‡ Block A - Market Sale	19	14,081	824.10	610,745	11,604,150	3,177,642	14,781,792
‡ Block E - Market Sale	79	49,978	900.96	569,978	45,028,275	15,897,444	60,925,719
‡ Block G - Market Sale	71	51,787	844.79	616,192	43,749,625	15,925,945	59,675,570
‡ Block K - Market Sale	85	63,373	859.83	641,056	54,489,750	20,782,622	75,272,372
‡ Block J1 -Market Sale	108	78,605	861.49	627,015	67,717,625	27,933,638	95,651,263
‡ Block J2 -Market Sale	21	16,680	829.42	658,814	13,835,100	5,501,303	19,336,403
‡ Block H - Market Sale	43	37,142	828.67	715,780	30,778,550	12,881,157	43,659,707
‡ Block F -Market Sale	20	18,347	796.36	730,543	14,610,850	6,113,994	20,724,844
Totals	867	650,528			517,667,753	148,641,426	666,309,178

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
New Supermarket	1	115,303	12.49	1,440,000	1,440,000	1,440,000
Block N - Retail	1	1,014	35.00	35,490	35,490	35,490
Block L - Supermarket Kiosk	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	35.33	141,976	851,855	851,855
Block E - F&B	1	1,760	35.00	61,600	61,600	61,600
Block E - Office	1	1,673	38.00	63,574	63,574	63,574
Block G - Office	1	618	44.00	27,192	27,192	27,192
Block G - F&B	1	2,099	30.00	62,970	62,970	62,970
Block K - Retail	2	2,969	33.50	49,731	99,462	99,462
Block K - Gym (Ground Floor)	1	3,771	25.00	94,275	94,275	94,275
Block K - Gym (1st Floor)	1	4,901	17.50	85,768	85,768	85,768
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>

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Proposed Development Appraisal (GLA adjusted)

Totals	27	177,751			3,746,661	3,746,661
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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	35,490	YP @	7.5000%	13.3333		
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	440,186	

Block L - Supermarket Kiosk

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

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	851,855	YP @	7.0000%	14.2857		
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	11,373,231	

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	63,574	YP @	7.0000%	14.2857		
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	848,785	

Block G - Office

Market Rent	27,192	YP @	7.0000%	14.2857		
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	363,044	

Block G - F&B

Market Rent	62,970	YP @	7.5000%	13.3333		
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Proposed Development Appraisal (GLA adjusted)

(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	781,023
Block K - Retail					
Market Rent	99,462	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	1,233,631
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	85,768	YP @	8.5000%	11.7647	
(1yr Rent Free)		PV 1yr @	8.5000%	0.9217	929,981
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					53,342,738
GROSS DEVELOPMENT VALUE					719,651,916
Purchaser's Costs			(3,627,306)		
Effective Purchaser's Costs Rate		6.80%			
			(3,627,306)		

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NET DEVELOPMENT VALUE 716,024,610

NET REALISATION 716,024,610

OUTLAY

ACQUISITION COSTS

EUV of Petrol Station	800,000		
Premium	10.00%	80,000	
EUV of Retail Fronting Rye Lane	28,473,000		
Total Acquisition		29,353,000	
			29,353,000
Stamp Duty	5.00%	1,467,650	
Agent Fee	1.00%	293,530	
Legal Fee	0.50%	146,765	
			1,907,945

Other Acquisition Costs

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	14,595,398
Phase 2 - Demoliton and Enabling Works	<u>1 un</u>	6,055,426	<u>6,055,426</u>
Totals			26,392,417
	ft²	Build Rate ft²	Cost
‡ Phase 1 - Podium Construction	115,303	210.60	25,695,527
‡ Block N - Market Sale	63,851	288.03	20,047,558
‡ Block M - Market Sale	169,099	288.03	53,968,588
‡ Block L - Market Sale	93,849	288.03	29,901,781
‡ Block P - Social Rent	74,397	288.03	23,880,615
‡ Block Q - Market Sale	39,128	288.03	12,612,709
‡ Block C - Market Sale	27,702	270.65	9,232,708
‡ Block B - Shared Ownership	25,084	270.65	8,384,165
‡ Block A - Market Sale	27,084	270.65	9,090,916
‡ Block E - Market Sale	73,303	270.65	24,825,369
‡ Block G - Market Sale	77,214	270.65	26,335,786
‡ Block K - Market Sale	109,566	270.65	37,591,435
‡ Block J1 -Market Sale	107,967	270.65	37,482,818
‡ Block J2 -Market Sale	22,979	270.65	7,977,601
‡ Block H - Market Sale	57,166	270.65	19,963,848
‡ Block F -Market Sale	28,636	270.65	10,042,658
‡ Block D - Construction	<u>29,335</u>	270.65	<u>9,931,527</u>
Totals	1,141,663 ft²		366,965,609

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Contingency		5.00%	19,078,050	
Carbon Offset			880,000	
Phase 1 M&BCIL			6,513,997	
Phase 2 M&BCIL			5,951,091	
				425,781,164

Other Construction Costs

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%	17,184,837	
Professional Fees		10.00%	22,150,966	
				39,335,803

MARKETING & LETTING

Commercial Marketing		1.50%	799,008	
Residential Marketing		2.50%	16,138,401	
Letting Agent Fee (Supermarket)			125,000	
Letting Agent Fee		10.00%	230,666	
Letting Legal Fee (Supermarket)			62,500	
Letting Legal Fee		5.00%	115,333	
				17,470,908

DISPOSAL FEES

Commercial Sales Agent Fee		2.00%	993,003	
Residential Sales Agent Fee		2.00%	12,910,721	
Sales Legal Fee (Commercial)		0.50%	248,375	
Sales Legal Fee (Market Homes)	790 un	1,000.00 /un	790,000	
Sales Legal Fee (Affordable)		0.50%	103,866	
				15,045,965

TOTAL COSTS BEFORE FINANCE**536,572,285****FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				43,032,962

TOTAL COSTS**579,605,248****PROFIT****136,419,362****Performance Measures**

Profit on Cost%	23.54%
Profit on GDV%	18.96%

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Profit on NDV%	19.05%
Development Yield% (on Rent)	0.65%
Equivalent Yield% (Nominal)	6.59%
Equivalent Yield% (True)	6.87%
Rent Cover	36 yrs 5 mths
Profit Erosion (finance rate 7.000)	3 yrs 1 mth

‡ Inflation/Growth applied

Growth on Sales

		Ungrown	Growth	Total
Block N - Market Sale	Growth at 4.000%	33,876,200	4,964,884	38,841,084
Block M - Market Sale	Growth at 4.000%	100,901,000	19,426,927	120,327,927
Block L - Market Sale	Growth at 4.000%	51,648,900	9,109,867	60,758,767
Block Q - Market Sale	Growth at 4.000%	17,106,625	3,275,011	20,381,636
Block C - Market Sale	Growth at 4.000%	11,547,975	3,650,991	15,198,966
Block A - Market Sale	Growth at 4.000%	11,604,150	3,177,642	14,781,792
Block E - Market Sale	Growth at 4.000%	45,028,275	15,897,444	60,925,719
Block G - Market Sale	Growth at 4.000%	43,749,625	15,925,945	59,675,570
Block K - Market Sale	Growth at 4.000%	54,489,750	20,782,622	75,272,372
Block J1 -Market Sale	Growth at 4.000%	67,717,625	27,933,638	95,651,263
Block J2 -Market Sale	Growth at 4.000%	13,835,100	5,501,303	19,336,403
Block H - Market Sale	Growth at 4.000%	30,778,550	12,881,157	43,659,707
Block F -Market Sale	Growth at 4.000%	14,610,850	6,113,994	20,724,844

Inflation on Construction Costs

		Uninflated	Inflation	Total
Block N - Market Sale	Inflation at 3.500%	18,390,815	1,656,743	20,047,558
Block M - Market Sale	Inflation at 3.500%	48,705,585	5,263,003	53,968,588
Block L - Market Sale	Inflation at 3.500%	27,031,327	2,870,453	29,901,781
Block P - Social Rent	Inflation at 3.500%	21,428,568	2,452,047	23,880,615
Block Q - Market Sale	Inflation at 3.500%	11,270,038	1,342,671	12,612,709
Phase 2 & 3 Podium Construction	Inflation at 3.500%	11,780,700	2,814,698	14,595,398
Block C - Market Sale	Inflation at 3.500%	7,497,546	1,735,162	9,232,708
Block B - Shared Ownership	Inflation at 3.500%	6,788,985	1,595,180	8,384,165
Block A - Market Sale	Inflation at 3.500%	7,330,285	1,760,631	9,090,916
Block E - Market Sale	Inflation at 3.500%	19,839,457	4,985,912	24,825,369
Block G - Market Sale	Inflation at 3.500%	20,897,969	5,437,817	26,335,786
Block K - Market Sale	Inflation at 3.500%	29,654,038	7,937,397	37,591,435
Block J1 -Market Sale	Inflation at 3.500%	29,221,269	8,261,550	37,482,818
Block J2 -Market Sale	Inflation at 3.500%	6,219,266	1,758,335	7,977,601
Block H - Market Sale	Inflation at 3.500%	15,471,978	4,491,870	19,963,848
Block F -Market Sale	Inflation at 3.500%	7,750,333	2,292,324	10,042,658
Block D - Construction	Inflation at 3.500%	7,939,518	1,992,009	9,931,527
Phase 1 - Podium Construction	Inflation at 3.500%	24,282,271	1,413,256	25,695,527