

BNP Paribas Real Estate

Development Appraisal

Old Kent Road OA Viability Study - Small Site 5

Base Position Current CIL @ 35% AH

Report Date: 21 July 2017

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE**

Old Kent Road OA Viability Study - Small Site 5
 Base Position Current CIL @ 35% AH

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Affordable Housing	26	18,581	143.00	102,195	2,657,083

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Student Accommodation	185	8,190	1,515,073	1,515,073
Totals	185		1,515,073	1,515,073

Investment Valuation**Student Accommodation**

Current Rent	1,515,073	YP @	5.0000%	20.0000	30,301,460
					30,301,460

GROSS DEVELOPMENT VALUE**32,958,543**

Purchaser's Costs	5.80%	(1,757,485)	(1,757,485)
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NET DEVELOPMENT VALUE**31,201,058****NET REALISATION****31,201,058****OUTLAY****ACQUISITION COSTS**

Residualised Price			2,174,560
Stamp Duty	4.00%		86,982
Agent Fee	1.00%		21,746
Legal Fee	0.80%		17,396
			2,300,685

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Construction costs	1 un	16,746,289	16,746,289
			16,746,289

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Developers Contingency	5.00%	859,264	
Demolition and site prep		439,000	
CIL		585,425	
Residual S106		185,575	
			2,069,264

PROFESSIONAL FEES

Professional fees	10.00%	1,718,529	
			1,718,529

MARKETING & LETTING

Marketing	1.00%	303,015	
			303,015

DISPOSAL FEES

Sales Agent Fee	1.00%	285,440	
Sales Legal Fee	0.50%	156,005	
			441,445

Additional Costs

Private Profit	20.00%	6,060,292	
Aff Profit	6.00%	159,425	
			6,219,717

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Land		327,377	
Construction		1,074,738	
Total Finance Cost			1,402,114

TOTAL COSTS**31,201,058****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	4.86%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%

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IRR 6.54%

Profit Erosion (finance rate 7.000%) N/A