

PSP Warwick - Covent Garden and Riverside House

Summary Appraisal for Phase 1 Covent Garden

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Cov Gdn Residential	44	29,823	411.06	278,615	12,259,042

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Cov Gdn Offices	1	24,230	21.00	508,830	508,830	508,830
Cov Gdn Car Park	617			404	249,543	249,543
Cov Gdn Ground rents	<u>44</u>			300	<u>13,200</u>	<u>13,200</u>
Totals	662	24,230			771,573	771,573

Investment Valuation

Cov Gdn Offices						
Market Rent	508,830	YP @	5.0000%	20.0000		
		PV 2yrs 7mths @	5.0000%	0.8816	8,971,472	
Cov Gdn Car Park						
Current Rent	249,543	YP @	5.0000%	20.0000	4,990,860	
Cov Gdn Ground rents						
Current Rent	13,200	YP @	5.0000%	20.0000	264,000	
					14,226,332	

GROSS DEVELOPMENT VALUE

26,485,374

Purchaser's Costs	6.45%	(861,999)		(861,999)
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NET DEVELOPMENT VALUE

25,623,374

NET REALISATION

25,623,374

OUTLAY

ACQUISITION COSTS

Residualised Price		(3,671,312)		(3,671,312)
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CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Cov Gdn Car Park	617 un	12,470	7,694,000	
	ft²	Rate ft²	Cost	
Cov Gdn Offices	31,173 ft ²	162.50 pf ²	5,065,612	
Cov Gdn Residential	<u>36,468 ft²</u>	<u>155.15 pf²</u>	<u>5,658,010</u>	
Totals	67,641 ft²		10,723,623	18,417,623

Cov Gdn Contingency	3.00%	552,529		
Site wide demo and enabling		900,000		1,452,529

Other Construction

Office fit out		1,816,557		1,816,557
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PROFESSIONAL FEES

Professional fees	10.00%	1,841,762		1,841,762
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MARKETING & LETTING

Marketing	1.00%	122,590		
Letting Agent Fee	10.00%	26,274		
Letting Legal Fee	5.00%	13,137		
				162,002

DISPOSAL FEES

Sales Agent Fee	1.00%	256,234		
Sales Legal Fee	0.50%	128,117		
				384,351

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)				
Land			(343,512)	
Construction			1,179,297	
Other			146,422	
Total Finance Cost				982,206

TOTAL COSTS

21,385,718

PSP Warwick - Covent Garden and Riverside House**PROFIT****4,237,656****Performance Measures**

Profit on Cost%	19.82%
Profit on GDV%	16.00%
Profit on NDV%	16.54%
Development Yield% (on Rent)	3.61%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	33.80%
Rent Cover	5 yrs 6 mths
Profit Erosion (finance rate 7.000%)	2 yrs 7 mths