

Covent Garden

Updated Base Appraisal with office £1 Parking at £8.463m

Development Appraisal

JLL

09 January 2018

APPRAISAL SUMMARY**JLL****Covent Garden****Updated Base Appraisal with office £1 Parking at £8.463m****Summary Appraisal for Phase 1**

Currency in £

REVENUE

| Sales Valuation | Units | ft² | Rate ft² | Unit Price | Gross Sales |
|------------------------|--------------|-----------------------|----------------------------|-------------------|--------------------|
| Apartments | 44 | 29,570 | 411.06 | 276,251 | 12,155,044 |

Rental Area Summary

| | Units | ft² | Rate ft² | Initial MRV/Unit | Net Rent at Sale | Initial MRV |
|-----------------------|--------------|-----------------------|----------------------------|-------------------------|-------------------------|--------------------|
| Offices | 1 | 24,230 | 0.00 | 1 | 1 | 1 |
| Apartment Ground Rent | 44 | | | 300 | 13,200 | 13,200 |
| Carparking | <u>617</u> | | | 0 | <u>1</u> | <u>1</u> |
| Totals | 662 | 24,230 | | | 13,202 | 13,202 |

Investment Valuation**Offices**

Manual Value

1

Apartment Ground Rent

Current Rent

13,200

YP @

5.0000%

20.0000

264,000

Carparking

Manual Value

8,463,400

8,727,401**GROSS DEVELOPMENT VALUE****20,882,445**

Purchaser's Costs

2.82%

(7,445)

(7,445)

NET DEVELOPMENT VALUE**20,875,000****NET REALISATION****20,875,000**

APPRAISAL SUMMARY**JLL****Covent Garden****Updated Base Appraisal with office £1 Parking at £8.463m****OUTLAY****ACQUISITION COSTS**

| | | | | |
|------------------------------------|--|-------------|--|-------------|
| Residualised Price (Negative land) | | (6,950,960) | | (6,950,960) |
|------------------------------------|--|-------------|--|-------------|

CONSTRUCTION COSTS

| Construction | Units | Unit Amount | Cost | |
|---------------|------------------------------|----------------------------|-------------------|-------------------|
| Carparking | 617 un | 12,471 | 7,694,328 | |
| | ft² | Rate ft² | Cost | |
| Offices | 31,173 ft ² | 162.50 pf ² | 5,065,613 | |
| Apartments | <u>34,788 ft²</u> | 155.15 pf ² | <u>5,397,395</u> | |
| Totals | 65,961 ft² | | 10,463,007 | 18,157,335 |

| | | | | |
|-------------------|--|-------|-----------|-----------|
| Contingency | | 3.00% | 544,720 | |
| Office Fit Out | | | 1,816,557 | |
| Demo and Enabling | | | 900,000 | |
| CIL Contribution | | | 189,150 | |
| | | | | 3,450,427 |

PROFESSIONAL FEES

| | | | | |
|---------------------|--|--------|-----------|-----------|
| Other Professionals | | 10.00% | 1,815,734 | |
| | | | | 1,815,734 |

MARKETING & LETTING

| | | | | |
|-------------------|--|--------|---|---|
| Letting Agent Fee | | 10.00% | 0 | |
| Letting Legal Fee | | 5.00% | 0 | |
| | | | | 0 |

DISPOSAL FEES

| | | | | |
|----------------------|--|-------|---------|---------|
| Sales Agent Fee | | 1.00% | 124,116 | |
| Marketing on Resi | | 1.00% | 121,550 | |
| Marketing on Offices | | | 1 | |
| Sales Legal Fee | | 0.50% | 62,058 | |
| | | | | 307,725 |

FINANCE

APPRAISAL SUMMARY**JLL****Covent Garden****Updated Base Appraisal with office £1 Parking at £8.463m**

| | | |
|---|-----------|---------|
| Debit Rate 6.500%, Credit Rate 0.000% (Nominal) | | |
| Land | (559,544) | |
| Construction | 1,108,487 | |
| Letting Void | 58,801 | |
| Other | 7,828 | |
| Total Finance Cost | | 615,571 |

TOTAL COSTS**17,395,833****PROFIT****3,479,167****Performance Measures**

| | |
|------------------------------|--------|
| Profit on Cost% | 20.00% |
| Profit on GDV% | 16.66% |
| Profit on NDV% | 16.67% |
| Development Yield% (on Rent) | 0.08% |
| Equivalent Yield% (Nominal) | 5.00% |
| Equivalent Yield% (True) | 5.16% |

IRR N/A

Rent Cover 263 yrs 6 mths
Profit Erosion (finance rate 6.500%) 2 yrs 10 mths