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## **Community Infrastructure Levy: Viability Study**

Prepared for  
London Borough of Southwark

July 2012

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# 1 Executive Summary

- 1.1 This report tests the ability of a range of developments throughout the London Borough of Southwark to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL'). Levels of CIL have been tested in combination with the Council's other planning requirements, including the provision of affordable housing.

## Methodology

- 1.2 The study methodology compares the residual land values of a range of developments on sites throughout the borough to their value in current use (plus a premium), herein after referred to as 'benchmark land value'. If a development incorporating a given level of CIL generates a higher value than the benchmark land value, then it can be judged that the proposed level of CIL will render the scheme unviable.
- 1.3 The study utilises the residual land value method of calculating the value of each development. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.
- 1.4 The housing and commercial property markets are inherently cyclical and the Council is testing its proposed rates of CIL at a time when the market is recovering after a severe recession. Values have recovered to surpass their 2008 peak levels. Despite this recovery, there is some uncertainty as to the likely short term trajectory of house prices. We have allowed for this by running a sensitivity analysis which vary the base sales values and build costs, as follows:
- Sales values +10% and build costs +5%;
  - Sales values +10% and build costs +10%;
  - Sales values +20% and build costs +10%; and
  - Sales values +10% and build costs -10%.
- 1.5 This analysis is indicative only, but is intended to assist the Council in understanding the levels of CIL that are viable in today's terms but also the impact of changing markets on viability. Our commercial appraisals incorporate sensitivity analyses on rent levels and yields.

## Key findings and recommendations

- 1.6 The key findings of the study are as follows:
- The results of this study are reflective of current market conditions, which are likely to improve over the medium term. It is therefore important that the Council keeps the viability situation under review so that levels of CIL can be adjusted to reflect any future changes.
  - The ability of **residential and student housing schemes** to make CIL contributions varies depending on area and the current use of the site. Having regard to these variations, residential schemes should be able to absorb the following CIL rates (after allowing for a 'buffer' below the maximum rate):

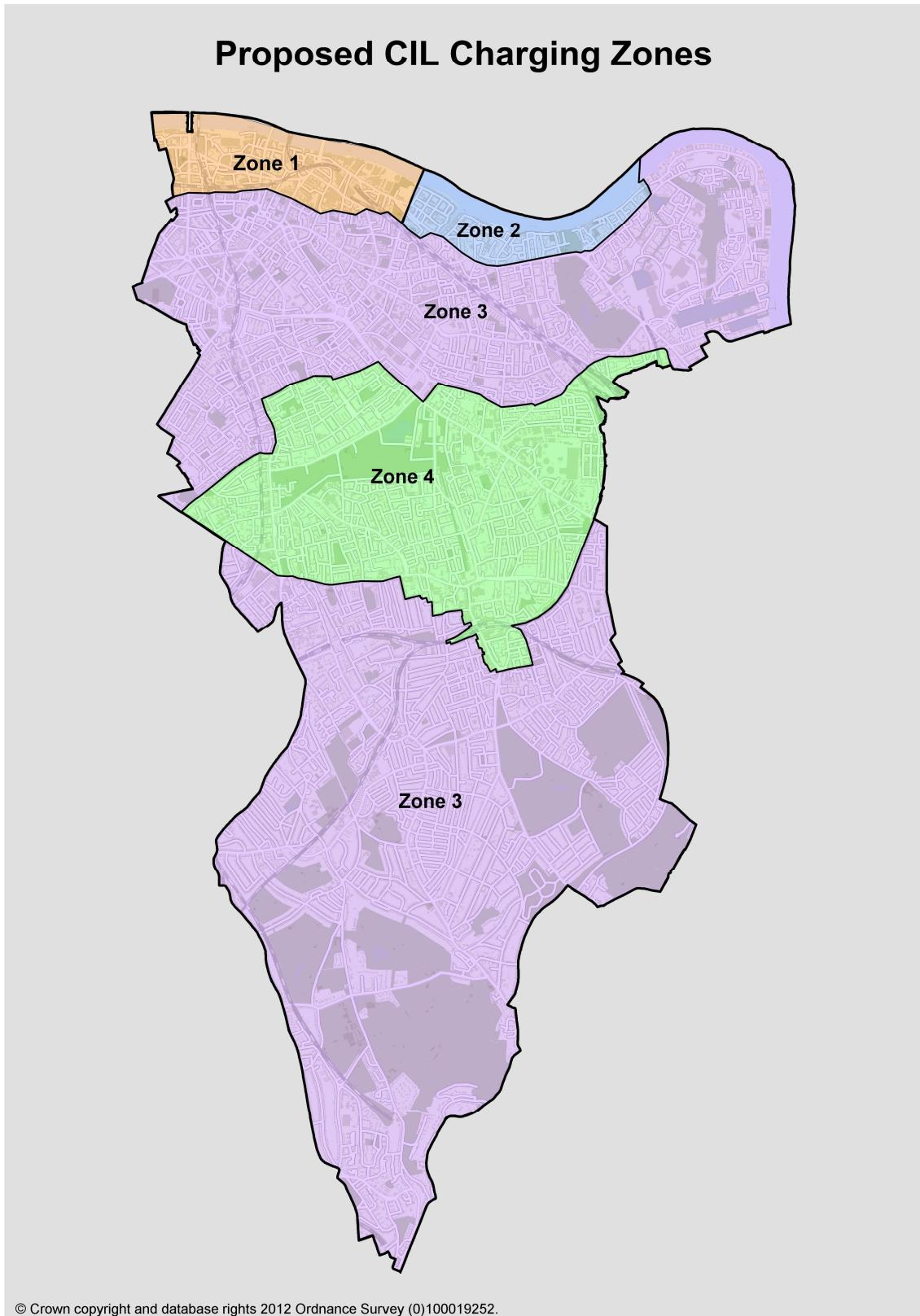
- **Zones 1 and 2 (North of borough):** £400 per square metre;
- **Zone 3 (Mid and south areas of borough) :** £250 per square metre;
- **Zone 4 (Central area of borough):** £50 per square metre.
  
- Whilst the maximum rates are in some cases higher than the proposed rates, the buffer will help to mitigate a number of risk factors (primarily the potentially adverse impact on land supply of setting the rates at a high level and 'shocking' the market). However, there is no prescribed percentage buffer and this is entirely a matter for the Charging Authority's judgement.
- Our appraisals of **hotel developments** indicate that, in the north of the borough, a CIL of £250 per square could be absorbed, while in the rest of the borough a CIL of £125 per square metre could be absorbed.
- In the north of the borough, our appraisals indicate that **office development** will be sufficiently viable to absorb a CIL of £100 per square metre, allowing for a buffer below the maximum rate. Elsewhere in the borough, office rents are considerably lower and development is unlikely to come forward in the short to medium term as the capital values generated are insufficient to cover development costs. We therefore recommend that the Council sets a nil rate for office development outside the north of the borough.
- Residual values generated by **retail developments** are higher than existing use values to varying degrees across the borough. However, to a degree smaller retail development will involve the re-use of existing retail space which will not be CIL liable. However, in order to capture value from schemes that add floorspace, and in particular larger stores that generate higher value, differential rates could be adopted. For small schemes (less than 280 square metres) we recommend that the Council considers a nil rate. Larger developments of between 280 and 2,500 square metres, should be able to absorb a CIL of £125 per square metre. Large retail developments comprising more than 2,500 square metres should be able to absorb a CIL of £250 per square metre. The Council would need to satisfy itself that the current CIL regulations permit differential rates for the same use class<sup>1</sup>.
- Our appraisals of developments of **industrial and warehousing floorspace** indicate that these uses are unlikely to generate positive residual land values. We therefore recommend a zero rate for industrial floorspace.
- D1 and D2 uses often do not generate sufficient income streams to cover their costs. Consequently, they require some form of subsidy to operate. This type of facility is very unlikely to be built by the private sector<sup>2</sup>. However, there will be some commercial uses within the D1/D2 use classes that operate on commercial terms (e.g. cinemas, bowling alleys etc) that could make a contribution to local infrastructure. The decision to open such a facility would be primarily driven by demand and demographic factors. Applying a modest CIL to such uses is unlikely to adversely affect the viability of such developments.

<sup>1</sup> This was challenged by Sainsbury's at Borough of Poole's CIL examination. Notwithstanding viability evidence of the differences between general retail and supermarkets, Sainsbury's argued that the regulations simply do not permit differential rates on the same type of development. We suggest that the Council may wish to seek clarification from CLG on this point.

<sup>2</sup> Many uses that fall within these use classes are operated by charities (e.g. private hospitals and schools are predominantly run by charitable trusts, or companies that do not distribute profits to shareholders).

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- 1.7 Table 1.7.1 summarises the recommended rates. Figure 1.7.1 set out overleaf is a map showing the boundaries of the proposed charging zones. This is also attached at Appendix 1.

Figure 1.7.1 Map showing proposed CIL charging zones



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**Table 1.7.1: Proposed CIL rates**

Use	Area	Size	CIL Rate (excluding mayoral CIL) £/sqm
Office	North Area (Zone 1)	N/A	£100
	Rest of borough (Zones 2-4)	N/A	£0
Hotel	North Area (Zone 1)	N/A	£250
	Rest of borough (Zones 2-4)	N/A	£125
Resi and student accommodation	North Area (Zones 1 and 2)	N/A	£400
	Mid +South Area (Zone 3)	N/A	£250
	Central Area (Zone 4)	N/A	£50
Retail	Whole borough	Up to 280m <sup>2</sup>	£0
		280m <sup>2</sup> - 2500m <sup>2</sup>	£125
		2500m <sup>2</sup> +	£250
Industrial	Whole borough	N/A	£0
Other floorspace	Whole borough	N/A	£50

- 1.8 For residential schemes, the application of CIL at the rates proposed is unlikely to be an overriding factor in determining whether or not a scheme is viable. When considered in context of total scheme costs, the proposed rates of CIL will account for a very modest proportion of costs (typically less than 5% of total development costs, i.e. no more than a developer's contingency). Some schemes would be unviable even if a zero CIL were adopted. We therefore recommend that the Council pays limited regard to these sites.
- 1.9 Assuming the schemes in the Council's housing trajectory are delivered within the anticipated timescale, the proposed rates of CIL will generate income of £10.56 million per annum over the first five years after adoption. Table 1.9.1 summarises the potential CIL income, although this excludes any income potentially arising from commercial development.

**Table 1.9.1: Potential CIL income based on proposed rates**

Period	2013 – 2018	2018 – 2021	2021 – 2026
Annual income (£ millions)	10.56	7.12	4.79
Total income over period (£ millions)	52.83	35.63	23.96

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## 2 Introduction

- 2.1 This study has been commissioned to contribute towards an evidence base to inform the London Borough of Southwark's ('the Council') CIL Preliminary Draft Charging Schedule ('PDCS'), as required by Regulation 14 of the CIL Regulations April 2010 (as amended in 2011). The aims of the study are summarised as follows:
- to test the impact upon the economics of residential development of a range of levels of CIL;
  - for residential schemes, to test CIL alongside the Council's requirements for affordable housing and other planning standards and obligations; and
  - to test the ability of commercial schemes to make a contribution towards infrastructure through CIL; and
  - to assess the potential amount of CIL which may be generated over the next 13 years.
- 2.2 In terms of methodology, we adopted standard residual valuation approaches to test the impact on viability of a range of levels of CIL. However, due to the extent and range of financial variables involved in residual valuations, they can only ever serve as a guide. Individual site characteristics (which are unique), mean that conclusions must always be tempered by a level of flexibility in application of policy requirements on a site by site basis. It is therefore essential that levels of CIL are set so as to allow a sufficient margin to allow for these site specific variations.

### National Policy Context

- 2.3 The CIL regulations state that in setting a charge, local authorities must aim to strike "*what appears to the Charging Authority to be an appropriate balance*" between revenue maximisation on the one hand and the potentially adverse impact upon the viability of development on the other. The regulations also state that local authorities should take account of other sources of available funding for infrastructure when setting CIL rates. This report deals with viability only and does not consider other sources of funding (this is considered elsewhere within the Council's evidence base).
- 2.4 Local authorities must consult relevant stakeholders on the nature and amount of any proposed CIL. Following consultation, a charging schedule must be submitted for independent examination.
- 2.5 The regulations allow a number of reliefs and exemptions from CIL. Firstly, affordable housing and buildings with other charitable uses (if controlled by a charity) are subject to relief. Secondly, local authorities may, if they choose, elect to offer an exemption on proven viability grounds. The exemption would be available for 12 months, after which time viability of the scheme concerned would need to be reviewed. To be eligible for exemption, regulation 55 states that the Applicant must enter into a Section 106 agreement (and the costs of complying with the agreement must exceed the amount of CIL that would have been payable); and that the Authority must be satisfied that granting relief would not constitute state aid.
- 2.6 The CIL regulations enable local authorities to set differential rates (including zero rates) for different zones within which development would take place and also for different types of development.

- 2.7 The 2010 regulations set out clear timescales for payment of CIL, which varied according to the size of the payment, which by implication is linked to the size of the scheme. The 2011 amendments to the regulations allow local authorities to set their own timescales for the payment of CIL if they choose to do so. This is an important issue that the Council will need to consider, as the timing of payment of CIL can have an impact on an Applicant's cashflow (the earlier the payment of CIL, the more interest the Applicant will bear before the development is completed and sold).
- 2.8 Several local authorities have undertaken viability assessments and have drafted CIL charging schedules, which they have submitted for independent examination. To date, a number of charging authorities (including the Mayor of London, Portsmouth, Newark and Sherwood, Huntingdon, Wandsworth, Shropshire, Bristol, Poole and Redbridge) have been through the examination process and are at various stages of implementation.

### **Local Policy context**

- 2.9 The study has taken into account the Mayor's CIL and other proposals, and policies and standards set out in the saved Southwark Plan and the adopted Core Strategy. These include, but are not exclusive to:
- An affordable housing requirement:
    - In addition to financing infrastructure, the Council expects residential developments to provide a mix of affordable housing tenures, sizes and types to help meet identified housing needs and contribute to the creation of mixed, balanced and inclusive communities. The Council expects developments of 10 or more units to provide 35% affordable housing on-site (50% in the Aylesbury Core Area). The tenure mix of the affordable housing varies between different parts of the borough (see Table below). The Council's requirements are applied flexibly, having regard to individual site circumstances, including viability of development.

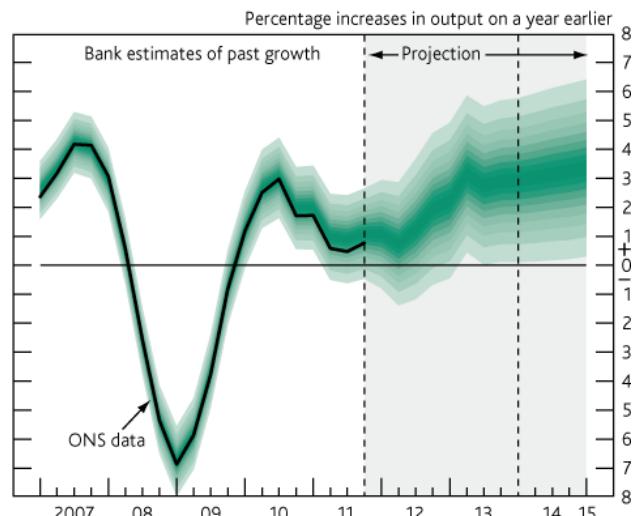
Area designation	Social rented (%)	Intermediate (%)
Central Activities zone	70	30
Urban zone	70	30
Suburban zone	70	30
Elephant and Castle opportunity area	50	50
Old Kent Road action area	50	50
Peckham and Nunhead action area	30	70
Camberwell action area	50	50

Source: Southwark Draft Affordable Housing SPD June 2011

- 10% of units on every site to be accessible by disabled people and the mobility impaired;
- A requirement to provide a minimum number of two and three bed dwellings. This varies in different parts of Southwark and is set out in Core Strategy policy 7;
- Residential space standards as set out in Southwark's 2011 Residential Design Standards SPD;
- Code for Sustainable Homes (Level 4) and BREEAM (excellent); and
- The maximum car parking standards in appendix 16 of the Southwark Plan.

### **Economic and housing market context**

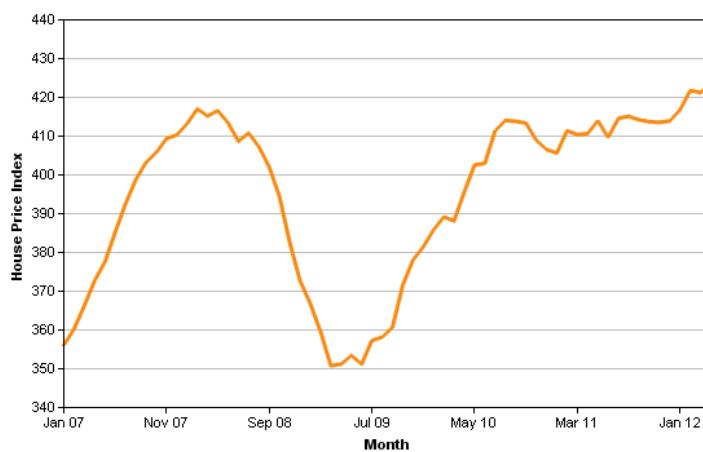
- 2.10 The historic highs achieved in the UK housing market by mid 2007 followed a prolonged period of real house price growth. However, a period of 'readjustment' began in the second half of 2007, triggered initially by rising interest rates and the emergence of the US sub prime lending problems in the last quarter of 2007. The subsequent reduction in inter-bank lending led to a general "credit crunch" including a tightening of mortgage availability. The real crisis of confidence, however, followed the collapse of Lehman Brothers in September 2008, which forced the government and the Bank of England to intervene in the market to relieve a liquidity crisis.
- 2.11 The combination of successive shocks to consumer confidence and the difficulties in obtaining finance led to a sharp reduction in transactions and a significant correction in house prices in the UK, which fell to a level some 21% lower than at their peak in August 2007 according to the Halifax House Price Index. Consequently, residential land values fell by some 50% from peak levels. One element of government intervention involved successive interest rate cuts and as the cost of servicing many people's mortgages is linked to the base rate, this financial burden has progressively eased for those still in employment. This, together with a return to economic growth early 2010 (see February 2012 Bank of England GDP fan chart below, showing the range of the Bank's predictions for GDP growth to 2015) has meant that consumer confidence has started to improve to some extent.



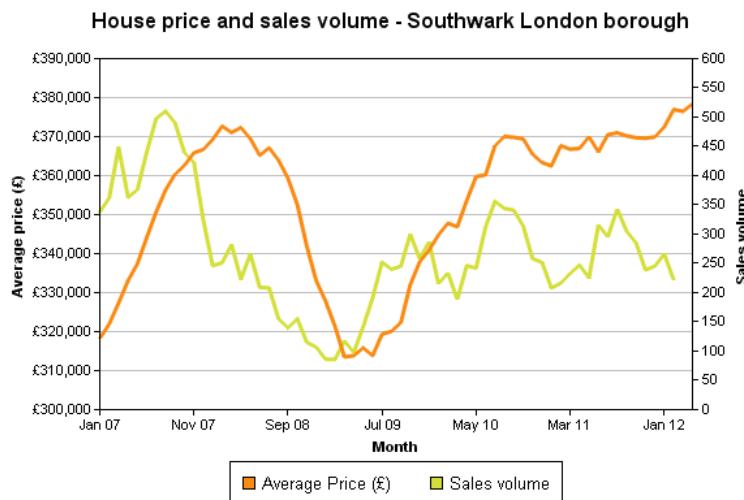
Source: Bank of England

- 2.12 Throughout the first half of 2010 there were some tentative indications that improved consumer confidence was feeding through into more positive interest from potential house purchasers. Against the background of a much reduced supply of new housing, this would lead one to expect some recovery in prices. However it is evident that this brief resurgence has abated, with the Halifax House Price Indices showing a fall of 0.6% in the year to March 2012. The Halifax attributes at least some of the recent recovery in sales values to first time buyers seeking to purchase prior to the reintroduction of Stamp Duty from 1 April 2012.
- 2.13 The balance of opinion is that house prices will remain flat in the short term, with continuing high levels of unemployment likely to result in increased repossession and increased supply of homes into the market. At the same time, demand is expected to remain subdued, due to the continuing difficulties consumers face in securing mortgages.

**Figure 2.12.1: House prices in Southwark**



**Figure 2.12.2: Sales volumes in Southwark**



Source: Land Registry

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- 2.14 According to Land Registry data, residential sales values in Southwark have recovered since the lowest point in the cycle in March 2009. Prices increased by 21% between April 2009 and April 2012. In April 2012, sales values were 1.6% higher than the April 2008 peak value.
  - 2.15 The future trajectory of house prices is currently uncertain, although Savills' current prediction is that values are expected to increase over the next five years. Medium term predictions are that properties in mainstream London markets will grow over the period between 2012 to 2016<sup>3</sup>. Savills predict that values in mainstream London markets (i.e. non-prime) will fall by 0.5% in 2012, but increase by 1% in 2013, 5% in 2014, 6% in 2015 and 6.5% in 2016. This equates to cumulative growth of 19.1% between 2012-2016 inclusive, compared to a UK average of 6% cumulative growth over the same period.

### Development context

- 2.16 Developments in Southwark range from small in-fill sites to major regeneration schemes, including Elephant and Castle and the Aylesbury Estate. There are significant variations in residential sales values between different parts of the Council's area, with areas to the north of the borough (especially riverside locations) with the highest values and parts of Peckham, Faraday, Livesey and Camberwell Green wards with lowest values. Outside the northern part of the borough, commercial development is more limited in scale. The borough's retail centres are performing well, and growth is expected at Elephant and Castle and Canada Water in particular. There is also a limited amount of office and industrial development in many parts of the borough.

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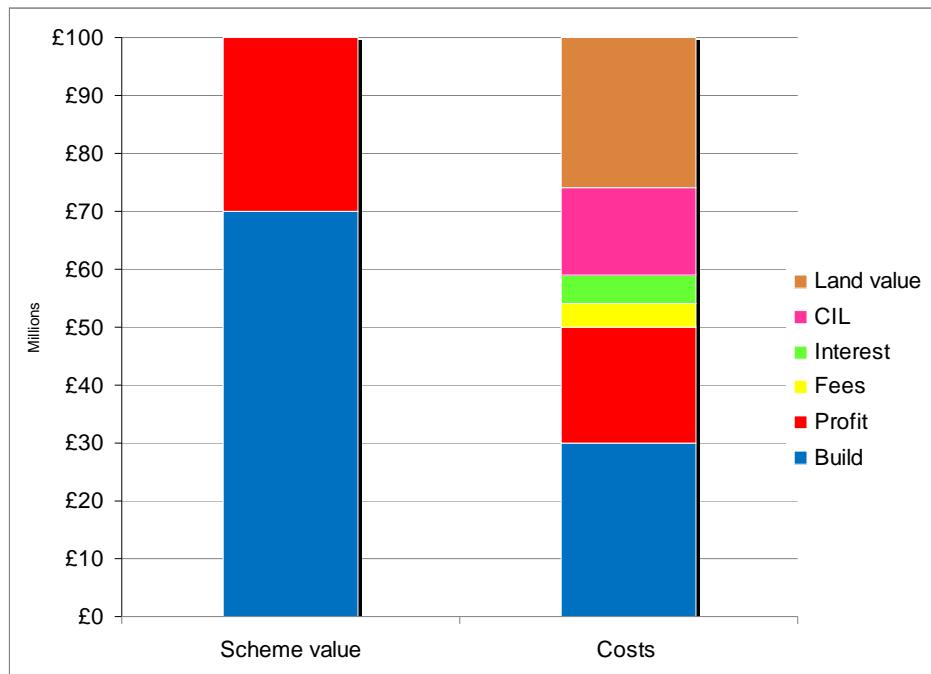
<sup>3</sup> Savills Research: Residential Property Focus, April 2012

### 3 Methodology and appraisal inputs

- 3.1 Our methodology follows standard development appraisal conventions, using assumptions that reflect local market and planning policy circumstances. The study is therefore specific to Southwark and reflects the Council's planning policy requirements.

#### Approach to testing development viability

- 3.2 Appraisal models can be summarised via the following diagram. The total scheme value is calculated, as represented by the left hand bar. This includes the sales receipts from the private housing and the payment from a Registered Social Landlord ('RSL') for the completed affordable housing units. The model then deducts the build costs, fees, interest, CIL (at varying levels) and developer's profit. A 'residual' amount is left after all these costs are deducted – this is the land value that the Developer would pay to the landowner. The residual land value is represented by the brown portion of the right hand bar in the diagram.



- 3.3 The Residual Land Value is normally a key variable in determining whether a scheme will proceed. If a proposal generates sufficient positive land value (in excess of existing use value), it will be implemented. If not, the proposal will not go ahead, unless there are alternative funding sources to bridge the 'gap'.
- 3.4 Problems with key appraisal variables can be summarised as follows:
- Development costs are subject to national and local monitoring and can be reasonably accurately assessed in 'normal' circumstances. In boroughs like Southwark, many sites will be previously developed. These sites can sometimes encounter 'exceptional' costs such as decontamination. Such costs can be very difficult to anticipate before detailed site surveys are undertaken;

- Development value and costs will also be significantly affected by assumptions about the nature and type of affordable housing provision and other Planning Obligations. In addition, on major projects, assumptions about development phasing; and infrastructure required to facilitate each phase of the development will affect residual values. Where the delivery of the obligations are deferred, the less the real cost to the applicant (and the greater the scope for increased affordable housing and other planning obligations). This is because the interest cost is reduced if the costs are incurred later in the development cashflow; and
  - While Developer's Profit has to be assumed in any appraisal, its level is closely correlated with risk. The greater the risk, the higher the profit level required by lenders. While profit levels were typically up to around 15% of completed development value at the peak of the market in 2007, banks now require schemes to show a higher profit to reflect the current risk. Typically developers and banks are targeting 20-25% Internal Rate of Return on a development scheme. IRR is used as a key hurdle rate in determining viability, since it accounts for the length of time a development takes, with a higher IRR reflecting a shorter period to realise a return on an investment. Although IRR is readily comparable with other investment opportunities, other measures of profitability can include profit on cost or profit on Gross Development Value (GDV). Our appraisal summaries provide reference to all three measures, although IRR is targeted at 20%.
- 3.5 Ultimately, the landowner will make a decision on implementing a project on the basis of return and the potential for market change, and whether alternative developments might yield a higher value. The landowner's 'bottom line' will be achieving a residual land value that sufficiently exceeds 'existing use value'<sup>4</sup>, or another appropriate benchmark to make development worthwhile. The margin above existing use value may be considerably different on individual sites, where there might be particular reasons why the premium to the landowner should be lower or higher than other sites.
- 3.6 Clearly, however, landowners have expectations of the value of their land which often exceed the value of the current use. CIL will be a cost to the scheme and will impact on the residual land value. Ultimately, if landowners' expectations are not met, they will not voluntarily sell their land and (unless a Local Authority is prepared to use its compulsory purchase powers) some may simply hold on to their sites, in the hope that policy may change at some future point with reduced requirements. It is within the scope of those expectations that developers have to formulate their offers for sites. The task of formulating an offer for a site is complicated further still during buoyant land markets, where developers have to compete with other developers to secure a site, often speculating on increases in value.

### **Viability benchmark**

- 3.7 The CIL Regulations provide no specific guidance on how local authorities should test the viability of their proposed charges. However, there is a range of good practice generated by both the Homes and Communities Agency and appeal decisions that assist in guiding planning authorities on how they should approach viability testing for planning policy purposes.

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<sup>4</sup> For the purposes of this report, existing use value is defined as the value of the site in its existing use, assuming that it remains in that use. We are not referring to the RICS Valuation Standards definition of 'Existing Use Value'.

- 3.8 In 2009, the Homes and Communities Agency published a good practice guidance manual ‘Investment and Planning Obligations: Responding to the Downturn’. This defines viability as follows: “*a viable development will support a residual land value at level sufficiently above the site’s existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner*”.
- 3.9 A number of planning appeal decisions provide guidance on the extent to which the residual land value should exceed existing use value to be considered viable:

**Barnet & Chase Farm: APP/Q5300/A/07/2043798/NWF**

*“the appropriate test is that the value generated by the scheme should exceed the value of the site in its current use. The logic is that, if the converse were the case, then sites would not come forward for development”*

**Bath Road, Bristol: APP/P0119/A/08/2069226**

*“The difference between the RLV and the existing site value provides a basis for ascertaining the viability of contributing towards affordable housing.”*

**Beckenham: APP/G5180/A/08/2084559**

*“without an affordable housing contribution, the scheme will only yield less than 12% above the existing use value, 8% below the generally accepted margin necessary to induce such development to proceed.”*

**Oxford Street, Woodstock: APP/D3125/A/09/2104658**

*“The main parties’ valuations of the current existing value of the land are not dissimilar but the Appellant has sought to add a 10% premium. Though the site is owned by the Appellants it must be assumed, for valuation purposes, that the land is being acquired now. It is unreasonable to assume that an existing owner and user of the land would not require a premium over the actual value of the land to offset inconvenience and assist with relocation. The Appellants addition of the 10% premium is not unreasonable in these circumstances.”*

- 3.10 It is clear from the planning appeal decisions above and HCA good practice publication that the most appropriate test of viability for planning policy purposes is to consider the residual value of schemes compared to the existing use value plus a premium. As discussed later in this report, our study adopts a range of benchmark land values, reflecting differing circumstances in which sites are brought forward.
- 3.11 The recent examination on the Mayor of London’s CIL charging schedule considered the issue of an appropriate land value benchmark. The Mayor had adopted existing use value, while certain objectors suggested that ‘Market Value’ was a more appropriate benchmark. The Examiner concluded that:

*“The market value approach.... while offering certainty on the price paid for a development site, suffers from being based on prices agreed in an historic policy context.” (para 8) and that “I don’t believe that the EUV approach can be accurately described as fundamentally flawed or that this examination should be adjourned to allow work based on the market approach to be done” (para 9).*

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- 3.12 In his concluding remark, the Examiner points out that
- "the price paid for development land may be reduced [so that CIL may be accommodated]. As with profit levels there may be cries that this is unrealistic, but a reduction in development land value is an inherent part of the CIL concept. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges. (para 32 – emphasis added).*
- 3.13 HCA and CLG sponsored guidance on testing the viability of local planning requirements was published on 22 June 2012<sup>5</sup>. This guidance also recognises current or existing use value plus a margin as a suitable benchmark for testing CIL.
- 3.14 It is important to stress, however, that there is no single threshold land value at which land will come forward for development. The decision to bring land forward will depend on the type of owner and, in particular, whether the owner occupies the site or holds it as an asset; the strength of demand for the site's current use in comparison to others; how offers received compare to the owner's perception of the value of the site, which in turn is influenced by prices achieved by other sites. Given the lack of a single threshold land value, it is difficult for policy makers to determine the minimum land value that sites should achieve. This will ultimately be a matter of judgement for each individual Charging Authority.

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<sup>5</sup> Viability TestingLocal Plans, Advice for planning practitioners Local Housing Delivery Group, Chaired by Sir John Harman, June 2012

## 4 Development appraisals

### Residential development

- 4.1 We have appraised 36 developments, reflecting both the range of sales values/capital values and also sizes/types of development and densities of development across the borough. The inputs to the appraisals are based on research on the local housing market.

### Residential sales values

- 4.2 Residential values in the area reflect national trends in recent years but do of course vary between different sub-markets. We have considered comparable evidence of transacted properties in the area and also properties on the market to establish appropriate values for testing purposes. This exercise indicates that developments in the borough will attract average sales values ranging from circa £3,500 per square metre (£325 per square foot) to £9,200 per square metre (£855 per square foot).
- 4.3 As noted earlier in the report, Savills predict that sales values will increase over the medium term. Whilst this predicted growth cannot be guaranteed, we have run a series of sensitivity analyses assuming growth in sales values of between 10% and 20%, accompanied by cost inflation of between 5% as well as a fall of 10%. These analyses provide the Council with an indication of the impact of changes in values and costs on viability.

### Affordable housing tenure and values

- 4.4 The Council's policy position is that developments comprised of 10 or more units should provide 35% affordable housing, subject to viability, with a tenure mix of that varies according to area (as noted at paragraph 2.15).
- 4.5 The Council is currently formulating its approach to the 'Affordable Rent' tenure and the likely outcome is currently uncertain. In view of the benefits caps under the Universal Credit, it is possible that rent levels cannot be increased to a significantly higher level than target rents. We have therefore assumed that the rented element of schemes will be provided as social rent at target rents.
- 4.6 The CLG/HCA '2011-2015 Affordable Homes Programme – Framework' (February 2011) document clearly states that RSLs will not receive grant funding for any affordable housing provided through planning obligations. Consequently, all our appraisals assume nil grant. We recommend that the Council revisits this assumption when it next reviews its charging schedule, by which time a new funding programme may have been introduced by central government.
- 4.7 For shared ownership units, we have assumed that RSLs will sell 30% initial equity stakes and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5.25%. In all cases, the values are capped (if necessary) to ensure that total housing costs (mortgage payment, rent and service charge) are affordable to households on incomes identified in the Council's Draft Affordable Housing SPD.

### The sample developments

- 4.8 We have run appraisals of schemes identified by the borough as representing the broad spread of development coming forward across the borough. The sample includes wholly residential schemes, wholly commercial schemes, and mixed use schemes. Details of the schemes are provided at Appendix 2.

### Residential build costs

- 4.9 We have sourced build costs for the residential schemes from the RICS Building Cost Information Service (BCIS), which is based on tenders for actual schemes. However, adjustments to the base costs are necessary to reflect the specification of development in the borough, which is reflective of high specification and high value property. Costs for individual scheme are provided in the scheme appraisals (attached as Appendix 4).
- 4.10 An additional 6% allowance is included across all tenures for meeting Code for Sustainable Homes level 4, which is reflective of the findings of work undertaken by Cyril Sweett on behalf of CLG.

### Professional fees

- 4.11 In addition to base build costs, schemes will incur professional fees, covering design, valuation, highways consultants and so on. Our appraisals incorporate a 10% allowance, which is at the higher end of the range for most schemes.

### Marketing costs

- 4.12 Our appraisals incorporate an allowance of 3% for marketing costs, which we consider to be an appropriate allowance.

### Mayoral CIL

- 4.13 Mayoral CIL will be payable on most developments that receive planning consent after 1 April 2012. Southwark falls within Zone 2, where a CIL of £35 per square metre will be levied. The Mayoral CIL takes precedence over borough requirements, including affordable housing. The Council is required to have regard to the Mayoral CIL when setting its own CIL. Our appraisals do not include Mayoral CIL as a cost, so the outputs (in terms of viable levels of CIL) incorporate the Mayoral CIL, which should be deducted for the purposes of setting a borough CIL.

### Section 278 and residual Section 106 costs

- 4.14 Our appraisals incorporate a notional allowance of £1,000 per unit to address any Section 278 and residual Section 106 costs. This is an estimate only, as the actual amounts of Section 106 will vary depending on the extent of mitigation required. This allowance has been widely adopted by other authorities, including Poole and Bristol councils whose charging schedules have been examined.

### Development and sales periods

- 4.15 Development and sales periods vary between type of scheme. However, our sales periods are based on an assumption of a sales rate of 5 units per month. This is reflective of current market conditions, whereas in improved markets, a sales rate of up to 8 units per month might be expected.

### **Developer's profit**

- 4.16 Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. In 2007, profit levels were at around 15-17% of development costs. However, following the impact of the credit crunch and the collapse in interbank lending and the various government bailouts of the banking sector, profit margins have increased. It is important to emphasise that the level of minimum profit is not necessarily determined by developers (although they will have their own view and the Boards of the major housebuilders will set targets for minimum profit).
- 4.17 The views of the banks which fund development are more important; if the banks decline an application by a developer to borrow to fund a development, it is very unlikely to proceed, as developers rarely carry sufficient cash to fund it themselves. Consequently, future movements in profit levels will largely be determined by the attitudes of the banks towards development proposals.
- 4.18 The near collapse of the global banking system in the final quarter of 2008 is resulting in a much tighter regulatory system, with UK banks having to take a much more cautious approach to all lending. In this context, and against the backdrop of the current sovereign debt crisis in the Eurozone, the banks may not allow profit levels to decrease much lower than their current level of 20%.
- 4.19 Our assumed return on the affordable housing GDV is 6%. A lower return on the affordable housing is appropriate as there is very limited sales risk on these units for the developer; there is often a pre-sale of the units to an RSL prior to commencement. Any risk associated with take up of intermediate housing is borne by the acquiring RSL, not by the developer. A reduced profit level on the affordable housing reflects the GLA 'Development Control Toolkit' guidance and Homes and Communities Agency's guidelines in its Economic Appraisal Tool.

### **Exceptional costs**

- 4.20 Exceptional costs can be an issue for development viability on previously developed land. Exceptional costs relate to works that are 'atypical', such as remediation of sites in former industrial use and that are over and above standard build costs. However, for the purposes of this exercise, it is not possible to provide a reliable estimate of what exceptional costs would be, as they will differ significantly from site to site. Our analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An 'average' level of costs for decontamination, flood risk mitigation and other 'abnormal' costs is already reflected in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample.

### **Benchmark land values**

- 4.21 Benchmark land values, based on the existing use value or alternative use value of sites are key considerations in the assessment of development economics for testing planning policies and tariffs. Clearly, there is a point where the Residual Land Value (what the landowner receives from a developer) that results from a scheme may be less than the land's existing use value. Existing use values can vary significantly, depending on the demand for the type of building relative to other areas. Similarly, subject to planning permission, the potential development site may be capable of being used in different ways – as a hotel rather than residential for example; or at least a

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different mix of uses. Existing use value or alternative use value are effectively the 'bottom line' in a financial sense and therefore a key factor in this study.

- 4.22 The existing use value for each site is determined by the existing building and local market rents for the relevant property type. Details of the benchmark land values, and our assumptions in arriving at each value, are provided for each development in Appendix 4.

### **Commercial development**

- 4.23 Many of the sample schemes incorporate an element of commercial development, while other schemes are wholly commercial. Our approach to appraising the commercial elements of the schemes is outlined in the paragraphs below.

#### **Commercial rents and yields**

- 4.24 Our research on lettings of commercial floorspace indicates a range of rents achieved, as shown in the individual scheme appraisals (attached as Appendix 4).

#### **Commercial build costs**

- 4.25 We have sourced build costs for the commercial schemes from the RICS Building Cost Information Service (BCIS), which is based on tenders for actual schemes, plus an additional allowance for meeting BREEAM 'Very Good' standards. These costs vary between different uses and include external works and fees. Costs for each type of development are shown in the individual scheme appraisals (attached as Appendix 4)

#### **Profit**

- 4.26 In common with residential schemes, commercial schemes need to show a risk adjusted profit to secure funding. Profit levels are typically around 20% of development value and we have incorporated this assumption into our appraisals.

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## 5 Appraisal outputs

- 5.1 The full outputs from our appraisals of various developments are attached as Appendix 2. We have appraised 36 developments, reflecting different densities and types of development across the borough. Each appraisal incorporates (where relevant) the Council's requirement for 35% affordable housing.
- 5.2 We have run a series of scenarios and sensitivity analyses on each appraisal, as follows:
  - 1. Base sales/capital values and base costs (including Code for Sustainable Homes Level 4); 35% affordable housing (where relevant);
  - 2. Sales values and capital values increased by 10%; costs increased by 5%;
  - 3. Sales values and capital values increased by 10%; costs increased by 10%;
  - 4. Sales values and capital values increased by 20%; costs increased by 10%; and
  - 5. Sales values and capital values increased by 10%; costs decreased by 10%.
- 5.3 We assume that all development types will meet Code for Sustainable Homes level 4. Level 4 is reflected through a 6% adjustment to our base build costs for all tenures.
- 5.4 The residual land values from each development is then compared to the site's existing use value plus an appropriate premium based on local evidence. In some cases, the sites are cleared and do not have an existing use value. In these situations, our benchmarks are based on an appropriate land value, such as an alternative use value. This comparison enables us to determine the maximum potential CIL rates that could be levied without rendering schemes unviable. In some cases, the equation RLV less BLV results in a negative number, so the development would not proceed, whether CIL was imposed or not. We therefore focus on situations where the RLV is greater than BLV and where (all other things being equal) the development would proceed. In these situations, CIL (if set at too high a level) has the potential to 'tip the balance' of viability into a negative position.

## 6 Assessment of the results

- 6.1 This section should be read in conjunction with the full results attached at Appendix 4. In these results, the residual land values are calculated for scenarios with sales values and capital values reflective of market conditions across the borough. These RLVs are then compared to benchmark land values for each site.
- 6.2 The CIL regulations state that in setting a charge, local authorities must “aim to strike *what appears to the charging authority* to be an appropriate balance” between revenue maximisation on the one hand and the potentially adverse impact of CIL upon the viability of development across the whole area on the other. Our recommendations are that:
- Firstly, councils should take a strategic view of viability. There will always be variations in viability between individual sites, but viability testing should establish the most typical viability position; not the exceptional situations.
  - Secondly, councils should take a balanced view of viability – residual valuations are just one factor influencing a developer’s decision making – the same applies to local authorities.
  - Thirdly, while a single charge is attractive, it may not be appropriate for all authorities, particularly in areas where sales values vary between areas.
  - Fourthly, markets are cyclical and subject to change over short periods of time. Sensitivity testing to test levels of CIL to ensure they are robust in the event that market conditions improve over the life of a Charging Schedule is essential.
  - Fifthly, local authorities should not set their rates of CIL at the limits of viability. They should leave a margin or contingency to allow for change and site specific viability issues.
- 6.3 The early examinations have seen a debate on how viability evidence should translate into CIL rates. It has now been widely recognised that there is no requirement for a Charging Authority to slavishly follow the outputs of residual valuations. At Shropshire Council’s examination in public, Newark & Sherwood Council argued that rates of CIL should be set at the level dictated by viability evidence which would (if followed literally) have resulted in a Charging Schedule with around thirty different charging zones across the Shropshire area. Clearly this would have resulted in a level of complexity that CIL is intended to avoid. The conclusion of this debate was that CIL rates should not necessarily be determined solely by viability evidence, but *should not be logically contrary* to the evidence. Councils should not follow a mechanistic process when setting rates – appraisals are just a guide to viability and are widely understood to be a less than precise tool.

### Assessment – residential development

- 6.4 As CIL is intended to operate as a fixed charge, the Council will need to consider the impact on two key factors. Firstly, the need to strike a balance between maximising revenue to invest in infrastructure on the one hand and the need to *minimise* the impact upon development viability on the other. CLG guidance recognises that CIL may make some developments unviable. Secondly, as CIL will effectively take a ‘top-slice’ of development value, there is a potential impact on the percentage or tenure mix of affordable housing that can be secured. This is a change from the current system of negotiated financial contributions, where the planning authority can weigh the need for contributions against the requirement that schemes need to contribute towards

affordable housing provision.

- 6.5 In assessing the results, it is important to clearly distinguish between two scenarios; namely, schemes that are unviable *regardless of the level of CIL* (including a nil rate) and schemes that are viable *prior* to the imposition of CIL at certain levels. If a scheme is unviable before CIL is levied, it is unlikely to come forward and CIL would not be a factor that comes into play in the developer's/landowner's decision making. We have therefore disregarded the 'unviable' schemes in recommending an appropriate level of CIL. The unviable schemes will only become viable following a degree of real house price inflation, or in the event that the Council agrees to a lower level of affordable housing in the short term.

#### **Determining maximum viable rates of CIL for residential development**

- 6.6 As noted in paragraph 6.5, where a scheme is unviable the imposition of CIL at a zero level will not make the scheme viable. Other factors (i.e. sales values, build costs or benchmark land values) would need to change to make the scheme viable. For the purposes of establishing a maximum viable rate of CIL, we have had regard to the development scenarios that are currently viable and that might, therefore, be affected by a CIL requirement. All the results summarised below assume that current affordable housing requirements are met in full. In addition, the rates discussed below are **inclusive of the Mayoral CIL of £35 per square metre.**

**Table 6.6.1: Maximum CIL rates – residential**

Site number:	Area	Maximum CIL (including Mayoral CIL)
11	Zone 3	£259
12	Zone 3	£822
14	Zone 3	£487
19	Zone 3	£425
20	Zone 3	-£347
21	Zone 3	£263
28	Zone 3	£532
30	Zone 3	-£4,728
32	Zone 3	£720
33	Zone 3	£378
36	Zone 3	£715
37	Zone 3	£361
40	Zone 3	£1,350
41	Zone 3	£2,759
2	Zones 1 and 2	£843
6	Zones 1 and 2	£1,366
24	Zones 1 and 2	£682
26	Zones 1 and 2	£790

**Table 6.6.1: Maximum CIL rates – residential (continued)**

<b>Site number:</b>	<b>Area</b>	<b>Maximum CIL (including Mayoral CIL)</b>
1	Zone 4	£33
13	Zone 4	£207
16	Zone 4	-£759
18	Zone 4	£170
22	Zone 4	£193
23	Zone 4	£145
34	Zone 4	-£631

- 6.7 In the north area (Zones 1 and 2), our appraisals indicate significant surplus values above existing use values, which result in high levels of maximum CIL. The average maximum CIL is £920.25 per square metre. However, one of the sites has a maximum CIL of £683 per square metre. A CIL of £400 per square metre (£435 including the Mayoral CIL) would leave a substantial viability ‘buffer’ below the least viable scheme tested in this area.
- 6.8 In the Mid & South area (Zone 3), the least viable site generates a maximum CIL of £259 per square metre and the most viable sites generating maximum CIL levels of £1,350 and £2,759 per square metre. The average CIL level in this area is £756 per square metre. Having regard to the least viable sites, a CIL of £250 per square metre (£285 per square metre including Mayoral CIL) should be readily absorbed by a majority of sites in this area.
- 6.9 Sites in the Central area (Zone 4) generate the lowest residual values in the borough. The average residual value generated by the viable sites is £262 per square metre. In this area, developments should be able to absorb a CIL of £50 per square metre (£85 including the Mayoral CIL).
- 6.10 In all areas, the viability of student housing will be broadly similar to that general residential development. We therefore suggest that the Council applies a consistent CIL rate on both residential and student accommodation.

#### **Sensitivity analysis on values and costs**

- 6.11 As noted in Section 5, we carried out further analyses which consider the impact of increases in sales values of 10% and 20%, accompanied by an increase in build costs of 5% and 10%, and a decrease of 10%. This data is illustrative only, as the future housing market trajectory is very uncertain given the economic outlook. However, if such increases were to occur, the tables in Appendix 2 show the results in terms of the levels of CIL that could be absorbed.

#### **Assessment – commercial development**

- 6.12 Our appraisals indicate that the potential for commercial schemes to be viably delivered varies between different uses and between areas across the borough. Certain types of retail development (e.g. large retail) are more viable than other types of development and might generate sufficient surplus residual value to absorb a CIL. Outside the North of the borough, there is unlikely to be considerable amounts of office development and rents are unlikely to be appreciably higher than rents for existing space.

## Retail development

- 6.13 Table 6.13.1 below summarises the results of our appraisals of retail developments across the borough. The average maximum CIL across all viable schemes in the borough is £882 per square metre. However, the most viable schemes are those with larger footplates (e.g. covered malls, superstores and retail warehouses). Sites 28, 29 and 34 all include retail schemes which provide over 2,500sqm of net additional retail space. Many smaller retail developments are likely to involve recycling existing floorspace, which would not be liable for CIL.

**Table 6.13.1: Maximum CIL rates – retail**

Site number:	Area	Maximum CIL (including Mayoral CIL)
14	Zone 3	£3
20	Zone 3	£1,295
28	Zone 3	-£304
29	Zone 3	£2,659
33	Zone 3	£332
2	Zones 1 and 2	£262
3	Zones 1 and 2	£660
4	Zones 1 and 2	£126
9	Zones 1 and 2	-£715
24	Zones 1 and 2	£1,292
26	Zones 1 and 2	£1,101
13	Zone 4	£576
16	Zone 4	-£394
22	Zone 4	£1,179
23	Zone 4	£939
34	Zone 4	£779

- 6.14 The results suggest that the Council should consider a nil rate for small retail and higher rates for larger retail development. The Council would need to establish whether the regulations permit different rates for the same type of development based on size<sup>6</sup>. Our findings suggested that small retail schemes tend to be less viable. Sunday trading laws define large units as those above 280 square metres. Therefore this is arguably an appropriate threshold for defining large units. With regard to very large retail developments, the NPPF prescribes a default threshold of 2,500 square metres at which point retail impact assessments are required. This captures the largest developments, which are likely to have the most significant impacts. Subject to acceptability in terms of the regulations, this could be considered an appropriate threshold. It is expected that very few schemes would be above this threshold. In the last 10 years only 5 schemes<sup>7</sup> have

<sup>6</sup> Sainsburys recently challenged Borough of Poole's proposed rate of CIL on superstores on the basis that – in their view – the regulations do not permit such variations, as it is not possible to distinguish supermarkets as different 'types' of development. The Council may wish to raise this point with CLG before proceeding.

<sup>7</sup> Surrey Quays shopping centre, 3,463 sqm net additional space (application no. 04/AP/0238); Bankside 1, 2, 3, 4,000 sqm net additional space (05-AP-2257); Canada Water Site C, 2,914 sqm

been submitted to Southwark which are above this threshold.

### **Office development**

- 6.15 Table 6.15.1 below summarises the results of our appraisals of office developments across the borough. The results indicate that, at the current time, office development is unlikely to be viable. However, there are office proposals in the planning pipeline and these schemes will only be implemented when rents increase to a sufficient level for them to be viable. A modest CIL requirement is unlikely to prevent these schemes coming forward. A CIL of £100 (plus Mayoral CIL of £35 per square metre) has been suggested by other boroughs with potential office developments in the Central Activities Zone as there is potential for rents of over £40 per square foot to be achieved on good quality office/Grade A office space, which is 60% higher on average than office rents for lower quality stock and offices elsewhere in the borough (i.e. £25 per square foot). For example, we understand that UBM have recently secured a 15 year term for a pre-let of 105,648 sq ft of offices at 240 Blackfriars Road from the Great Ropemaker Partnership (GRP) at a headline rent of £47 per sq ft due to be completed in march 2014. Incentives agreed include 36 months rent-free, along with a 39 month rent free period for the 11th floor. The majority of new office space is expected to come forward in the CAZ.

**Table 6.15.1: Maximum CIL rates – offices**

<b>Site number:</b>	<b>Area</b>	<b>Maximum CIL (including Mayoral CIL)</b>
20	Zone 3	-£701
21	Zone 3	-£927
28	Zone 3	-£384
3	Zone 1	-£17
4	Zone 1	-£535
9	Zone 1	-£1,942
26	Zone 1	-£417
16	Zone 4	-£1,254
22	Zone 4	-£819

### **Hotel development**

- 6.16 The results suggest that hotel developments in the North of the borough are likely to generate considerable surplus values, part of which would fund a CIL. The average maximum CIL is £1,653 per square metre. A CIL of £250 per square metre in the North of the borough would provide significant headroom below the maximum rate. There have been very few proposals for hotels in the rest of the borough and a previous appraisal carried out on behalf of the Council by BNP Paribas Real Estate identified capital values to be significantly lower than those achievable in the North of the Borough and particularly with River views e.g. a budget hotel in SE17 has been appraised at capital value of £65,000 per room, which is between 57% to 67% less than the capital values which are achievable in SE1 i.e. between £152,500 and £200,000 per room. It is therefore considered that a CIL rate of 50% of the proposed rate for the North would suitably reflect the differential in capital values.

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net additional space (09-AP-1783); Kings Reach Tower, 3,701 sqm net additional space (11-AP-1071) and; Surrey Quays Shopping Centre, 10,564 sqm net additional space, (11/AP/4206).

**Table 6.16.1: Maximum CIL rates – hotels**

<b>Site number:</b>	<b>Area</b>	<b>Maximum CIL (including Mayoral CIL)</b>
2	Zone 1	£2,160
8	Zone 1	-£1,401
25	Zone 1	£1,356

#### **Industrial development**

- 6.17 The Council does not expect any significant levels of development of additional floorspace for industrial and warehousing use based upon a strategic assessment of the demand and supply of land in industrial and related uses over the next 20 years. We have tested four developments of this type of development, with the results summarised in Table 6.17.1. All of the developments generate negative residual land values. In light of the Council's expectation of very little development activity and the lack of viability, we suggest a nil CIL rate.

**Table 6.17.1: Maximum CIL rates – industrial/warehousing**

<b>Site number:</b>	<b>Area</b>	<b>Maximum CIL (including Mayoral CIL)</b>
10	Zone 4	-£44
15	Zone 4	-£80
17	Zone 4	-£1,348
27	Zone 3	-£929

#### **D1 and D2 floorspace development**

- 6.18 D1 and D2 floorspace typically includes uses that do not accommodate revenue generating operations, such as schools, health centres, museums and places of worship. Other uses that do generate an income stream (such as swimming pools) have operating costs that are far higher than the income and require public subsidy. Many D1 uses will be infrastructure themselves, which CIL will help to provide. It is therefore unlikely that D1 and D2 uses will be capable of generating any contribution towards CIL. However, there will be some commercial uses within the D1/D2 use classes that operate on commercial terms (e.g. cinemas, bowling alleys etc) that could make a contribution to local infrastructure. The decision to open such a facility would be primarily driven by demand and demographic factors. Applying a modest CIL to such uses is unlikely to adversely affect the viability of such developments..

#### **Suggested CIL rates**

- 6.19 The results indicate that it should be possible for the Council to levy rates of CIL across all areas, subject to allowing for a buffer or margin to address risks to delivery. There are four key risk factors:
- the first is that individual sites might incur exceptional costs (decontamination, difficult ground conditions etc) and as a result the residual land value could fall. Developers will try and reflect such costs in their offer to the landowner, but the extent of any issues is not always fully apparent until the land value is fixed. Where sites have an existing use, an owner will not be prepared to accept a reduction below the value of the current building to accommodate exceptional costs on a redevelopment;

- Secondly, existing use values on individual sites will inevitably vary and will fall somewhere between the values used in our appraisals. As a result, the ability of schemes to absorb high rates of CIL could be adversely affected.
  - Thirdly, sales values could fall or normal build costs could rise over the life of the Charging Schedule, adversely affecting scheme viability; and
  - Fourthly, imposing a high rate of CIL (that vastly exceeds the current levels of Section 106 obligations) in the Council's first Charging Schedule could 'shock' the land market with a consequential risk that land supply falls. This factor has led many charging authorities to seek to limit their CIL rates to around 5% of development costs.
- 6.20 In arriving at a conclusion on proposed rates, it is important to consider that where a scheme is shown as unviable before the application of CIL, it will be other factors such as sales values and build costs that will need to adjust for the scheme to become viable.
- 6.21 Given the range of results above, and the risk factors outlined in the previous paragraph, our recommendation is that the Council should consider the following rates of CIL on residential development:

**Table 6.21.1: Recommended CIL rates**

Use	Area	Size	CIL Rate (excluding mayoral CIL) £/sqm
Office	North Area (Zone 1)	N/A	£100
	Rest of borough (Zones 2-4)	N/A	£0
Hotel	North Area	N/A	£250
	Rest of borough (Zones 2-4)	N/A	£125
Resi and student accommodation	North Area (Zones 1 and 2)	N/A	£400
	Mid +South Area (Zone 3)	N/A	£250
	Central Area (Zone 4)	N/A	£50
Retail	Whole borough	Up to 280m <sup>2</sup>	£0
		280m <sup>2</sup> - 2500m <sup>2</sup>	£125
		2500m <sup>2</sup> +	£250
Industrial	Whole borough	N/A	£0
Other floorspace	Whole borough	N/A	£50

- 6.22 In determining the maximum levels of CIL and the recommended rates above, we have based our assessment on current costs and values only. We have run a set of appraisals that show the impact of an increase in sales values,

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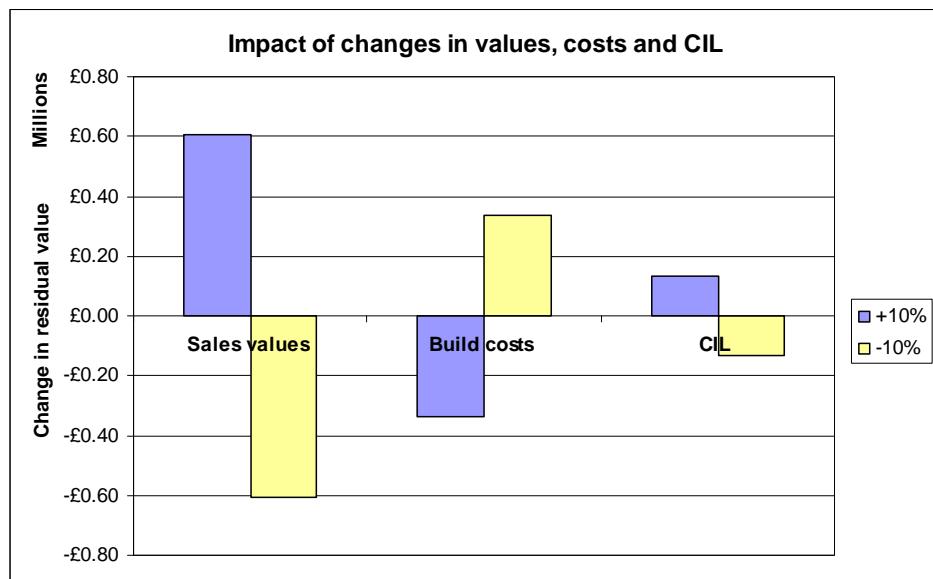
accompanied by an increase in build costs (the results are included in Appendix 3). These appraisals provide an indication of the likely movement in viability that the ‘buffer’ below the maximum rates would need to accommodate. The rates in table 6.21.1 allow for a sufficient buffer to accommodate these changes.

- 6.23 The boundaries of the residential zones have been informed by post code data on house prices sourced from the VOA, which show average value bands and broad geographical breaks between areas. See Appendix 5 for a map identifying the average house price variances in the key boundary areas.
- 6.24 With regard to the commercial boundaries, it has been identified that large office developments north of Union Street and Snowfields can command higher rental values, Circa £45 per square metre and is the area in which new office floorspace has been concentrated over the last 10 years. The charge for hotels is varied between the north of the borough (north of Union Street) and the remainder of the borough. This reflects differences in the values that are commanded in the north of the borough, which directly influences viability and which in turn is borne out by the geographic concentration of hotel development in recent years. See Appendix 6 for maps showing the concentration of office and hotel developments within the borough over the last few years.

## 7 Conclusions and recommendations

- 7.1 The results of our analysis indicate a degree of variation in viability of development in terms of different uses. In light of these variations, two options are available to the Council under the CIL regulations. Firstly, the Council could set a single CIL rate across the borough, having regard to the least viable types of development and least viable locations. This option would suggest the adoption of the ‘lowest common denominator’, with sites that could have provided a greater contribution towards infrastructure requirements not doing so. In other words, the Council could be securing the benefit of simplicity at the expense of potential income foregone that could otherwise have funded infrastructure. Secondly, the Council has the option of setting different rates for different types of development and different areas. The results of our study point firmly towards the second option as our recommended route, particularly for residential development.
- 7.2 We have also referred to the results of development appraisals as being highly dependent upon the inputs, which will vary significantly between individual developments. In the main, the imposition of CIL is not *the* critical factor in determining whether a scheme is viable or not (with the relationship between scheme value, costs and land value benchmarks being far more important). This point is illustrated in Chart 7.2.1 below, which compares the impact on the residual value of a scheme of a 10% increase and decrease in sales values and a 10% increase and decrease in build costs to a £100 per sq metre change in CIL.

**Chart 7.2.1: Impact of changing levels of CIL in context of other factors**



- 7.3 Given CIL’s nature as a fixed tariff, it is important that the Council selects rates that are not on the limit of viability. This is particularly important for commercial floorspace, where the Council does not have the ability to ‘flex’ other planning obligations to absorb site-specific viability issues. In contrast, the Council could in principle set higher rates for residential schemes as the level of affordable housing could be adjusted in the case of marginally viable schemes. However, this approach runs the risk of frustrating one of the Council’s other key objectives of delivering affordable housing. Consequently, sensitive CIL rate setting for residential schemes is also vital.

7.4 Our recommendations on levels of CIL are therefore summarised as follows:

- The results of this study are reflective of current market conditions, which are likely to improve over the medium term. It is therefore important that the Council keeps the viability situation under review so that levels of CIL can be adjusted to reflect any future changes.
- The ability of **residential and student housing schemes** to make CIL contributions varies depending on area and the existing use of the site. Having regard to these variations, residential schemes should be able to absorb the following CIL rates (after allowing for a 'buffer' below the maximum rate):
  - Zones 1 and 2 (North of borough): £400 per square metre;
  - Zone 3 (Mid and south areas of borough): £250 per square metre;
  - Zone 4 (Central area): £50 per square metre.
- Whilst the maximum rates are in some cases higher than the proposed rates, the buffer will help to mitigate a number of risk factors (primarily the potentially adverse impact on land supply of setting the rates at a high level and 'shocking' the market). However, there is no prescribed percentage buffer and this is entirely a matter for the Charging Authority's judgement.
- Our appraisals of **hotel developments** indicate that, in the north of the borough, a CIL of £250 per square could be absorbed, while in the rest of the borough a CIL of £125 per square metre could be absorbed.
- In Zone 1 (the north of the borough), our appraisals indicate that **Office development** will be sufficiently viable to absorb a CIL of £100 per square metre, allowing for a buffer below the maximum rate. Elsewhere in the borough (Zones 2-4), office rents are considerably lower and development is unlikely to come forward in the short to medium term as the capital values generated are insufficient to cover development costs. We therefore recommend that the Council sets a nil rate for office development outside the north of the borough.
- Residual values generated by **Retail developments** are higher than existing use values to varying degrees across the borough. However, to a degree smaller retail development will involve the re-use of existing retail space which will not be CIL liable. However, in order to capture value from schemes that add floorspace, and in particular larger stores that generate higher value, differential rates could be adopted. For small schemes (less than 280 square metres) we recommend that the Council considers a nil rate. Larger developments of between 280 and 2,500 square metres, should be able to absorb a CIL of £150 per square metre. Large retail developments comprising more than 2,500 square metres should be able to absorb a CIL of £250 square metres. The Council would need to satisfy itself that the current CIL regulations permit differential rates for the same use class<sup>8</sup>.
- Our appraisals of developments of **industrial and warehousing floorspace** indicate that these uses are unlikely to generate positive residual land values. We therefore recommend a zero rate for industrial floorspace.

<sup>8</sup> This was challenged by Sainsbury's at Borough of Poole's CIL examination. Notwithstanding viability evidence of the differences between general retail and supermarkets, Sainsbury's argued that the regulations simply do not permit differential rates on the same type of development. We suggest that the Council may wish to seek clarification from CLG on this point.

- D1 and D2 uses often do not generate sufficient income streams to cover their costs. Consequently, they require some form of subsidy to operate. This type of facility is very unlikely to be built by the private sector. We therefore suggest that a nil rate of CIL be set for D1 uses. However, there will be some commercial uses within the D1/D2 use classes that operate on commercial terms (e.g. cinemas, bowling alleys etc) that could make a contribution to local infrastructure. The decision to open such a facility would be primarily driven by demand and demographic factors. Applying a modest CIL to such uses is unlikely to adversely affect the viability of such developments.
- 7.5 Table 7.5.1 summarises the recommended rates. A map showing the boundaries of the proposed charging zones is attached as Appendix 1.
- Table 7.5.1: Proposed CIL rates**
- | Use                            | Area                        | Size                                   | CIL Rate (excluding mayoral CIL) £/sqm |
|--------------------------------|-----------------------------|--|--|
| Office                         | North Area (Zone 1)         | N/A                                    | £100                                   |
|                                | Rest of borough (Zones 2-4) | N/A                                    | £0                                     |
| Hotel                          | North Area (Zone 1)         | N/A                                    | £250                                   |
|                                | Rest of borough (Zones 2-4) | N/A                                    | £125                                   |
| Resi and student accommodation | North Area (Zones 1 and 2)  | N/A                                    | £400                                   |
|                                | Mid +South Area (Zone 3)    | N/A                                    | £250                                   |
|                                | Central Area (Zone 4)       | N/A                                    | £50                                    |
| Retail                         | Whole borough               | Up to 280m <sup>2</sup>                | £0                                     |
|                                |                             | 280m <sup>2</sup> - 2500m <sup>2</sup> | £125                                   |
|                                |                             | 2500m <sup>2</sup> +                   | £250                                   |
| Industrial                     | Whole borough               | N/A                                    | £0                                     |
| Other floorspace               | Whole borough               | N/A                                    | £50                                    |
- 7.6 For residential schemes, the application of CIL at the rates proposed is unlikely to be an overriding factor in determining whether or not a scheme is viable. When considered in context of total scheme costs, the proposed rates of CIL will account for a very modest proportion of costs (typically less than 5% of total development costs, i.e. no more than a developer's contingency). Some schemes would be unviable even if a zero CIL were adopted. We therefore recommend that the Council pays limited regard to these sites.
- 7.7 A CIL income model has been prepared utilising information from the Council's housing trajectory and the three proposed CIL rates proposed in this report (excluding mayoral CIL) of £400, £250 & £50 for Zones 1 and 2, 3 and 4 respectively. The model assumes:

- the schemes in the Council's housing trajectory are delivered within the anticipated timescale;
- affordable housing at 35%;
- net additional space at 70%;
- average unit size of 80 sq m.

On the basis of the above assumptions the proposed rates of CIL will generate income of £10.56 million per annum over the first five years after adoption. Table 7.7.1 summarises the potential CIL income, although this excludes any income potentially arising from commercial development.

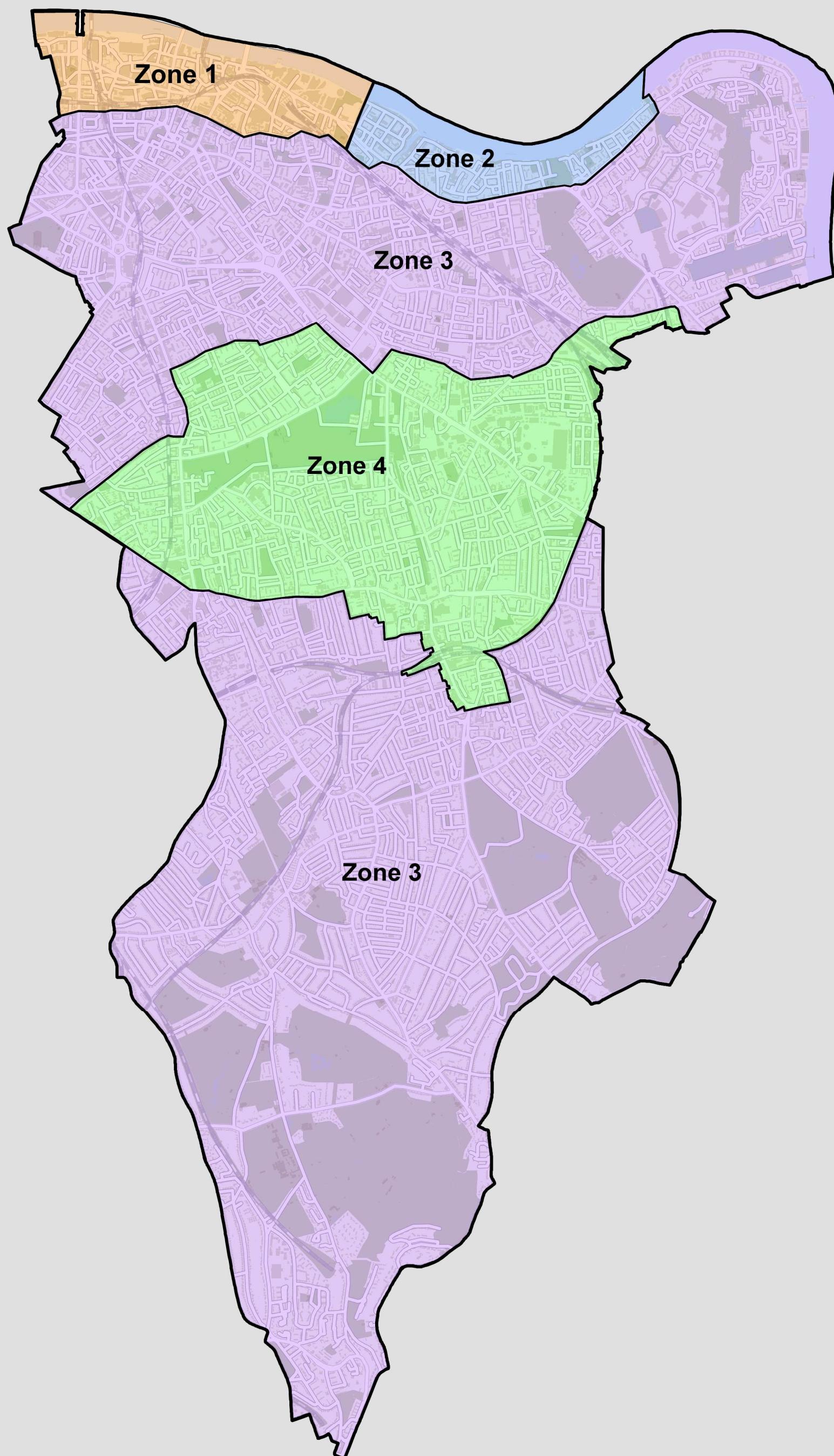
**Table 7.7.1: Potential CIL income based on proposed rates**

Period	2013 – 2018	2018 – 2021	2021 – 2026
Annual income (£ millions)	10.56	7.12	4.79
Total income over period (£ millions)	52.83	35.63	23.96

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## Appendix 1 Charging zones map

# Proposed CIL Charging Zones



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## Appendix 2 Sites details and appraisal results

**LB Southwark CIL Site Testing**

02-Jul-12

Site details				Proposed use			Existing use						Base Case CIL Calculations			
Site ref	Postcode	Ward	Site Area (ha)	Use Appraised	Gross Floorspace housing (Sq m)	RLV of Proposed Use	Existing floorspace (Sq m)	% split of floorspace	Apportioned floorspace (Sq m)	Benchmark value	Basis of EUV	Apportionment of benchmark	Chargeable floorspace (Sq m)	Surplus / Deficit	Max CIL per Sq m	
1	SE5 7	Camberwell Green	2.11	residential	20,671	£6,464,000	0	100.00%	0	£6,000,000	Valuation assessed site as being worth £11,000,000 with grant and £6,000,000 without grant.	£6,000,000	14,263	£464,000	£33	
2a	SE1 8	Cathedrals	0.65	residential	49,418	£53,644,000	0	80.50%	0	£33,005,000	CUV office £11,150 sq m (+10%)	£26,570,245	32,122	£27,073,755	£843	
2b	SE1 8			hotel	10,509	£28,350,000	0	17.12%	0			£5,650,304	10,509	£22,699,696	£2,160	
2c	SE1 8			retail	1,459	£1,166,000	0	2.38%	0			£784,451	1,459	£381,549	£262	
3a	SE1 8	Cathedrals	0.045	office	2,038	£159,000	0	95.06%	0	£203,000	Capitalised Rateable Value	£192,964	2,038	-£33,964	£17	
3b	SE1 8			retail	106	£80,000	0	4.94%	0			£10,036	106	£69,964	£660	
4a	SE1 8	Cathedrals	0.16	office	29,148	£1,426,000	0	98.46%	0	£17,287,000	CUV office £5,840 sq m (+10%)	£17,021,296	29,148	-£15,595,296	£313	
4b	SE1 8			retail	455	£323,000	0	1.54%	0			£265,702	455	£57,298	£126	
5	SE1 6	Cathedrals	0.51		19,944	£7,950,000	12,472			£14,710,000	E&C study figure		6,814	-£6,760,000	-£912	
6	SE1 8	Cathedrals	0.12	residential	4,640	£5,281,000	518	100.00%	518	£1,620,000	CUV of 45 Garages +20% premium		2,679	£3,661,000	£1,366	
8	SE1 8	Cathedrals	0.098	hotel	11,709	£4,971,000	5,413	100.00%	5,413	£13,793,000	Capitalisation of rateable value	£13,793,000	6,296	-£8,822,000	-£1,481	
9a	SE1 8	Cathedrals	0.098	office	11,709	£913,000	5,413	97.31%	5,267	£13,793,000	Capitalisation of rateable value	£13,421,610	6,442	-£12,508,610	-£1,842	
9b	SE1 8			retail	324	£244,000		2.69%	146			£371,390	178	-£127,390	-£715	
10	SE15 6	East Walworth	1.08	industrial / warehousing	8,998	£826,000	0	100.00%	0	£1,222,560	Industrial land value based on £1,132,000 per Ha	£1,222,560	8,998	-£396,560	-£44	
11	SE17	East Walworth	9.9		252,500	£24,757,000	105,640	100.00%	N/A	E&C study figure	N/A		95,459	£24,757,000	£259	
12	SE1 6	East Walworth	0.22		6,856	£4,661,779	733	100.00%	733	£600,000	E&C study figure	£600,000	4,941	£4,061,779	£822	
13a	SE17 1	Faraday		residential	73,816	£3,030,000	44,661	99.66%	44,510	£0	Nil Land value based on land ownership by Council and Council will seek to get highest amount of Affordable Housing provision.		£0	14,653	£3,030,000	£207
13b	SE17 1			retail	250	£57,000		0.34%	151			£0	99	£57,000	£576	
14a	SE1 3	Grange	1.23	residential	14,594	£11,373,000	3,150	94.83%	2,987	£8,120,000	Based on valuation provided by Council	£7,700,018	7,545	£3,672,982	£487	
14b	SE1 3			retail	796	£422,000		5.17%	163			£419,982	633	£2,018	£3	
15	SE15 6	Livesey	1.08	industrial: warehousing	7,107	£652,000	0	100.00%	0	£1,222,560	Industrial land value based on £1,132,000 per Ha	£1,222,560	7,107	-£570,560	-£80	
16a	SE15 2	Livesey	1.65	residential	24,788	£2,427,000	0	93.54%	0	£15,675,000	Based on comparable evidence of resi land values circa £9,500,000 per Ha	£14,662,889	16,112	-£12,235,889	-£750	
16b	SE15 2			retail	1,027	£203,000		3.88%	0			£607,503	1,027	-£404,503	-£384	
16c	SE15 2			office	684	£-453,000		2.58%	0			£404,608	684	-£857,608	-£1,254	
17	SE15 1	Livesey	0.3	industrial: light industry	352	£-135,000	0	100.00%	0	£339,600	Industrial land value based on £1,132,000 per Ha	£339,600	352	-£474,600	-£1,349	
18	SE16 2	Livesey	0.9	residential	10,168	£2,509,000	5,188	100.00%	5,188	£2,000,000	Based on previous valuation advice and transaction price.	£2,000,000	3,003	£509,000	£170	
19	SE1 6	Newington	0.23	residential	8,226	£2,472,758	535	100.00%	535	£400,000	E&C study figure	£400,000	4,876	£2,072,758	£425	
20a	SE5 0	Newington	0.52	residential	10,681	£-981,000	0	89.31%	89%	£1,601,896	Resi land value based on £3,080,569 per Ha from Sprevious valuaiton without grant.	£1,430,589	6,943	-£2,411,589	-£347	
20b	SE5 0			retail	665	£950,000		5.56%	6%			£89,069	665	£860,931	£1,295	
20c	SE5 0			office	614	£-348,000		5.13%	5%			£82,238	614	-£430,238	-£701	
21a	SE17 3	Newington		residential	17,680	£5,912,000	3,786	90.39%	3,422	£3,840,000	Capitalisation of rateable value	£3,470,920	9,268	£2,441,080	£263	
21b	SE17 3			office	1,880	£-1,037,000	3,786	9.61%	364			£369,080	1,516	-£1,406,080	-£977	
22a	SE15 6	Peckham	1.35	residential	8,424	£1,417,000	3,225	38.50%	1,242	£1,344,000	Capitalisation of rateable value	£517,487	4,668	£899,513	£193	
22b	SE15 6			office	13,185	£-8,400,000	3,225	60.27%	1,944			£809,987	11,241	-£9,209,987	-£819	
22c	SE15 6			retail	269	£287,000	3,225	1.23%	40			£16,525	229	£270,475	£1,179	
23a	SE15 6	Peckham	0.64	Residential	9,120	£2,032,000	0	89.61%	0	£1,309,000	Capitalisation of rateable value	£1,173,045	5,928	£858,955	£145	
23b	SE15 6			retail	1,057	£1,128,000		10.39%	0			£135,955	1,057	£992,045	£939	

**LB Southwark CIL Site Testing**

02-Jul-12

Site details				Proposed use			Existing use						Base Case CIL Calculations			
Site ref	Postcode	Ward	Site Area (ha)	Use Appraised	Gross Floorspace housing (Sq m)	RLV of Proposed Use	Existing floorspace (Sq m)	% split of floorspace	Apportioned floorspace (Sq m)	Benchmark value	Basis of EUV	Apportionment of benchmark	Chargeable floorspace (Sq m)	Surplus / Deficit	Max CIL per Sq m	
24a	SE16 4	Riverside	2	residential	62,463	£35,558,000	0	99.56%	0	£7,904,000	Capitalisation of rateable value	£7,869,354	40,601	£27,688,646	£682	
24b	SE16 4			retail	275	£390,000		0.44%	0				£34,646	275	£355,354	£1,292
25	SE1 2	Riverside	0.24	hotel	5,105	£2,084,000	3,568	100.00%	3,568	£240,000	Nominal value of £1,000,000 per Ha for Educational use		1,537	£2,084,000	£1,356	
26a	SE1 2	Riverside	1.55	residential	44,948	£47,808,000	0	96.09%	0	£25,730,000	Based on value of £16,600,000 per Ha	£24,724,475	29,216	£23,083,525	£790	
26b	SE1 2			retail	914	£1,509,000		1.95%	0			£502,763	914	£1,006,237	£1,101	
26c	SE1 2			office	914	£122,000		1.95%	0			£502,763	914	£380,763	-4417	
27	SE16	Rotherhithe	0.04	light industrial	224	-£77,000	-	100.00%		£131,000	Capitalisation of rateable value		224	-£208,000	-4349	
28a	SE16 2	Rotherhithe	2.9	residential	35,280	£24,564,000	6,190	75.26%	4,658	£18,561,000	Based on floor area supplied (6,190 sqm) - CUV (before landowner premium) comparable to sale price in 2000 (Egi)	£13,968,559	19,904	£10,595,441	£532	
28b	SE16 2			retail	10,723	£1,418,000	6,190	22.87%	1,416			£4,245,603	9,307	-£2,827,603	-4394	
28c	SE16 2			office	876	£55,000	6,190	1.87%	116			£346,838	760	-£291,838	-4394	
29	SE16 7	Rotherhithe	1.52	retail	10,616	£28,229,000	0	100.00%	0	£7,118,786	Site could accommodate approximately 517 spaces (15200 sq m gross space, say 12,920 net developable (85%) - assume 25 sq m per car parking space). Union car parks on St Thomas Street (02073789749) charge £12 daily or £440 quarterly. Annual fee assumed to be £1,760 Note: Uncovered parking assume 70% of annual fee. (£1,760 X 130) X 0.70= £160,160 Yield: 8.5% £1884.235 (Charge for maintenance and attendant, 5% of revenue = £94,212)		10,616	£28,229,000	£2,659	
30	SE22 8	South Camberwell	0.078	residential	582	£594,000	486	100.00%	486	£1,047,930	Resi land value based on comparable evidence at £13,435,000 per Ha.	£1,047,930	96	-£453,930	-£4,789	
32	SE16 6	Surrey Docks	1.95	residential	15,250	£7,138,000	0	100.00%	0	£596,000	Capitalisation of rateable value of health centre		9,913	£7,138,000	£720	
33a	SE16 7	Surrey Docks	2.2	residential	34,094	£20,887,000	0	98.46%	0	£12,705,000	Capitalisation of rateable value	£12,508,714	22,161	£8,378,286	£378	
33b	SE16 7			retail	535	£374,000		1.54%	0			£196,286	535	£177,714	£332	
34a	SE15 4	The Lane	1.39	residential	42,960	£2,604,000	7,800	89.20%	6,958	£19,483,000	Capitalisation of rateable value	£17,379,354	23,401	-£14,775,354	-4031	
34b	SE15 4			retail	5,200	£5,500,000	7,800	10.80%	842			£2,103,646	4,358	£3,396,354	£779	
36	SE15 3	The Lane	0.26	residential	1,360	£685,000	445	100.00%	445	£260,000	Based on nominal land value of £1,000,000 per Ha	£260,000	595	£425,000	£715	
37	SE24 9	Village	0.76	residential	6,000	£2,768,000	3,521	100.00%	3,521	£2,187,000	Capitalisation of rateable value	£2,187,000	1,611	£581,000	£361	
40	SE22 0	Peckham and Rye	0.043	residential	380	£556,000	0	100.00%		£43,000	Based on nominal land value of £1,000,000 per Ha for D1 Church use.	£43,000	380	£513,000	£1,350	
41	SE22 0	Peckham and Rye	0.068	residential	770	£1,153,000	368	100.00%		£44,000	Capitalisation of rateable value	£44,000	402	£1,109,000	£2,759	

## LB Southwark CIL Site Testing

02-Jul-12

Site details				Proposed use		Sensitivity																
						Values +10% and Build Costs +5%				Values +10% and Build Costs +10%				Values +20% and Build Costs +10%				Values +10% and Build Costs -10%				
Site ref	Postcode	Ward	Site Area (ha)	Use Appraised	Gross Floorspace housing (Sq m)	RLV of Proposed Use	RLV	Chargeable floorspace (Sq m)	Surplus / Deficit	Max CIL per Sq m	RLV	Chargeable floorspace (Sq m)	Surplus/Deficit	Max CIL per Sq m	RLV	Chargeable floorspace (Sq m)	Surplus / Deficit	Max CIL per Sq m	RLV	Chargeable floorspace (Sq m)	Surplus / Deficit	Max CIL per Sq m
1	SE5 7	Camberwell Green	2.11	residential	20,671	£6,464,000	£7,671,163	14,263	£1,671,163	£117	£6,071,768	14,263	£71,768	£5	£8,878,519	14,263	£2,878,519	£202	£12,469,348	14,263	£6,469,348	£454
2a	SE1 8	Cathedrals	0.65	residential	49,418	£53,644,000	£63,043,953	32,122	£36,473,708	£1,135	£60,149,610	32,122	£33,579,365	£1,045	£72,443,749	32,122	£45,873,504	£1,428	£71,726,981	32,122	£45,156,736	£1,406
2b	SE1 8			hotel	10,509	£28,350,000	£7,781,474	10,509	£2,131,170	£203	£6,959,341	10,509	£1,309,037	£125	£9,236,275	10,509	£3,585,971	£341	£10,247,873	10,509	£4,597,569	£437
2c	SE1 8			retail	1,459	£1,166,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3a	SE1 8	Cathedrals	0.045	office	2,038	£159,000	£339,762	2,038	-£5,310,542	-£2,606	£174,773	2,038	-£5,475,531	-£2,687	£520,639	2,038	-£5,129,665	-£2,517	£834,728	2,038	-£4,815,576	-£2,363
3b	SE1 8			retail	106	£80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4a	SE1 8	Cathedrals	0.16	office	29,148	£1,426,000	£3,886,782	29,148	-£1,763,522	-£61	£1,569,122	29,148	-£4,081,182	-£140	£6,347,090	29,148	£696,786	£24	£10,839,763	29,148	£5,189,459	£178
4b	SE1 8			retail	455	£323,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	SE1 6	Cathedrals	0.51		19,944	£7,950,000	£8,686,248	6,814	-£6,023,752	-£884	£8,522,256	6,814	-£6,187,744	-£908	£9,422,515	6,814	-£5,287,485	-£776	£9,178,224	6,814	-£5,531,776	-£812
6	SE1 8	Cathedrals	0.12	residential	4,640	£5,281,000	£6,160,077	2,679	£4,540,077	£1,695	£5,891,375	2,679	£4,271,375	£1,594	£7,039,294	2,679	£5,419,294	£2,023	£6,966,183	2,679	£5,346,183	£1,995
8	SE1 8	Cathedrals	0.098	hotel	11,709	£4,971,000	£6,490,972	6,296	-£7,302,028	-£1,160	£5,467,619	6,296	-£8,325,381	-£1,322	£8,011,381	6,296	-£5,781,619	-£918	£9,561,030	6,296	-£4,231,970	-£672
9a	SE1 8	Cathedrals	0.098	office	11,709	£913,000	£1,952,049	6,442	-£11,840,951	-£1,838	£1,004,134	6,442	-£12,788,866	-£1,985	£2,991,249	6,442	-£10,801,751	-£1,677	£4,795,795	6,442	-£8,997,205	-£1,397
9b	SE1 8			retail	324	£244,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	SE15 6	East Walworth	1.08	industrial / warehousing	8,998	£826,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	SE17	East Walworth	9.9		252,500	£24,757,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	SE1 6	East Walworth	0.22		6,856	£4,661,779	£5,237,809	4,941	£4,637,809	£939	£5,104,965	4,941	£4,504,965	£912	£5,813,839	4,941	£5,213,839	£1,055	£5,636,341	4,941	£5,036,341	£1,019
13a	SE17 1	Faraday		residential	73,816	£3,030,000	£7,271,308	14,653	-£7,271,308	£496	£4,979,924	14,653	-£4,979,924	£340	£11,512,158	14,653	-£11,512,158	£786	£14,145,461	14,653	-£14,145,461	£965
13b	SE17 1			retail	250	£57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14a	SE1 3	Grange	1.23	residential	14,594	£11,373,000	£13,398,441	7,545	£5,698,423	£755	£12,686,222	7,545	£4,986,204	£661	£15,423,742	7,545	£7,723,724	£1,024	£15,535,095	7,545	£7,835,077	£1,039
14b	SE1 3			retail	796	£422,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	SE15 6	Livesey	1.08	industrial: warehousing	7,107	£652,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16a	SE15 2	Livesey	1.65	residential	24,768	£2,427,000	£4,281,961	16,112	-£10,380,928	-£644	£3,037,803	16,112	-£11,625,086	-£722	£6,132,342	16,112	-£8,530,547	-£529	£8,011,007	16,112	-£6,651,882	-£413
16b	SE15 2			retail	1,027	£203,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16c	SE15 2			office	684	-£453,000	-£435,336	684	-£15,098,225	-£22,073	-£498,242	684	-£15,161,131	-£22,165	-£417,780	684	-£15,080,669	-£22,048	-£246,972	684	-£14,909,861	-£21,798
17	SE15 1	Livesey	0.3	industrial: light industry	352	-£135,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	SE16 2	Livesey	0.9	residential	10,168	£2,509,000	£3,293,497	3,003	£1,293,497	£431	£2,869,628	3,003	£869,628	£290	£4,077,541	3,003	£2,077,541	£692	£4,565,101	3,003	£2,565,101	£854
19	SE1 6	Newington	0.23	residential	8,226	£2,472,758	£3,116,480	4,876	£2,716,480	£330	£2,687,149	4,876	£2,287,149	£4,275	£3,760,200	4,876	£3,360,200	£6,281	£4,404,468	4,876	£4,004,468	£7,485
20a	SE5 0	Newington	0.52	residential	10,681	-£981,000	£7,931,087	6,943	£6,500,498	£936	£6,927,431	6,943	£5,496,842	£792	£9,949,936	6,943	£8,519,347	£1,227	£1,717,287	6,943	£286,698	£41
20b	SE5 0			retail	665	£950,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20c	SE5 0			office	614	-£348,000	-£326,392	614	-£408,630	-£666	-£382,441	614	-£464,679	-£757	-£305,110	614	-£387,348	-£631	-£158,827	614	-£241,065	-£393
21a</td																						

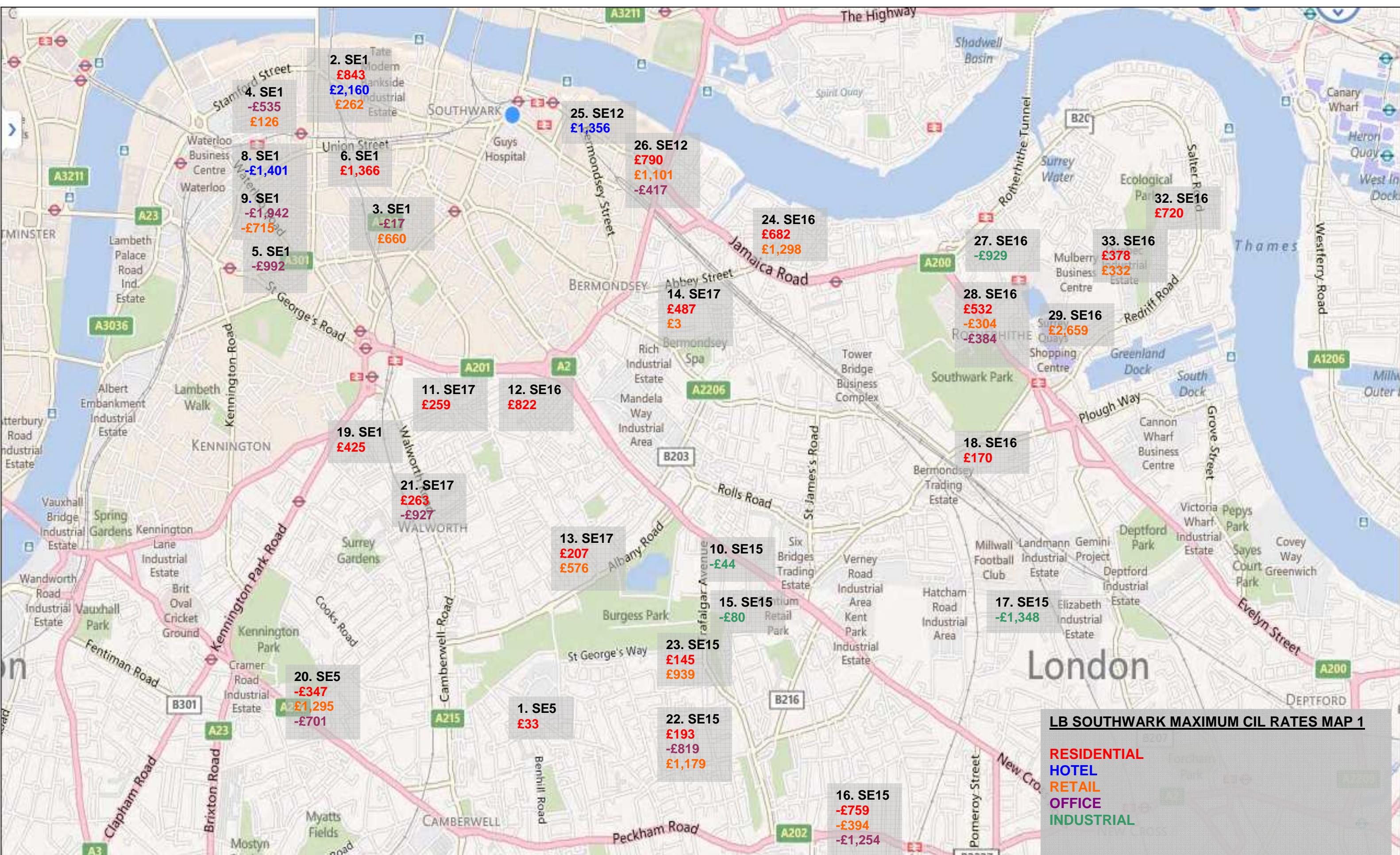
## LB Southwark CIL Site Testing

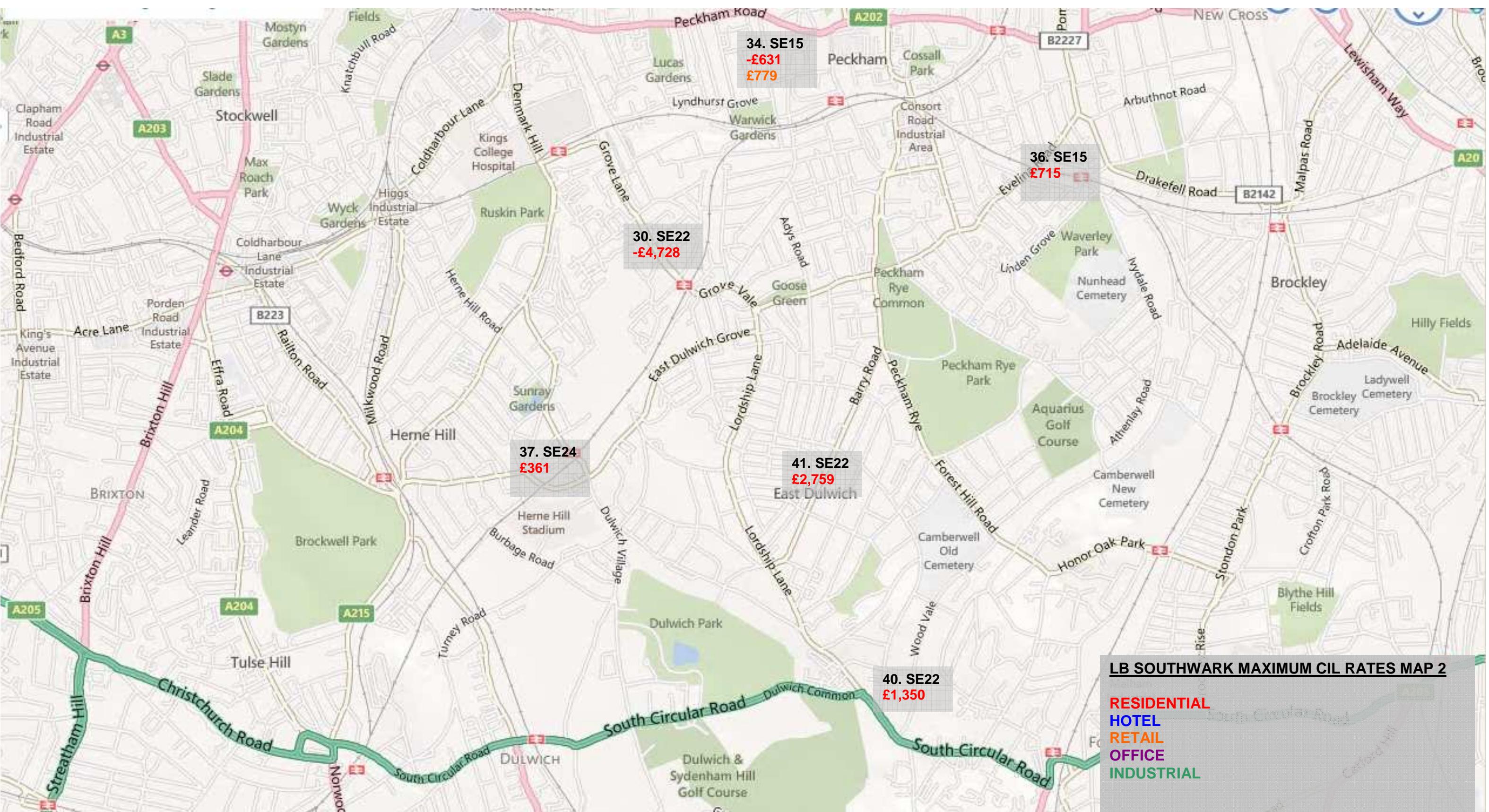
02-Jul-12

Site details				Proposed use		Sensitivity																	
						Values +10% and Build Costs +5%				Values +10% and Build Costs +10%				Values +20% and Build Costs +10%				Values +10% and Build Costs -10%					
Site ref	Postcode	Ward	Site Area (ha)	Use Appraised	Gross Floorspace housing (Sq m)	RLV of Proposed Use	RLV	Chargable floorspace (Sq m)	Surplus / Deficit	Max CIL per Sq m	RLV	Chargable floorspace (Sq m)	Surplus/Deficit	Max CIL per Sq m	RLV	Chargable floorspace (Sq m)	Surplus / Deficit	Max CIL per Sq m	RLV	Chargable floorspace (Sq m)	Surplus / Deficit	Max CIL per Sq m	
24a	SE16 4	Riverside	2	residential	62,463	£35,558,000	£43,943,727	40,601	£36,074,373	£889	£40,572,972	40,601	£32,703,618	£805	£52,329,673	40,601	£44,460,319	£1,095	£54,055,991	40,601	£46,186,637	£1,138	
24b	SE16 4			retail	275	£390,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	SE1 2	Riverside	0.24	hotel	5,105	£2,064,000	-£2,679,887	1,537	-£2,679,887	-£1,744	-£3,178,345	1,537	-£3,178,345	-£2,068	-£2,471,665	1,537	-£2,471,665	-£1,608	-£2,600,464	1,537	-£2,600,464	-£1,692	
26a	SE1 2	Riverside	1.55	residential	44,948	£47,808,000	£55,953,525	29,216	£31,229,050	£1,069	£53,515,549	29,216	£28,791,074	£985	£64,099,053	29,216	£39,374,578	£1,348	£63,267,454	29,216	£38,542,979	£1,319	
26b	SE1 2			retail	914	£1,509,000																	
26c	SE1 2			office	914	£122,000	£208,395	914	-£294,368	-£322	£133,797	914	-£368,966	-£404	£295,157	914	-£207,606	-£227	£432,189	914	-£70,574	-£77	
27	SE16	Rotherhithe	0.04	light industrial	224	-£77,000																	
28a	SE16 2	Rotherhithe	2.9	residential	35,280	£24,564,000	£30,099,835	19,904	£16,131,276	£810	£27,904,273	19,904	£13,935,714	£700	£35,635,726	19,904	£21,667,167	£1,089	£36,686,519	19,904	£22,717,960	£1,141	
28b	SE16 2			retail	10,723	£1,418,000																	
28c	SE16 2			office	876	£55,000	£131,820	760	-£215,018	-£283	£60,287	760	-£286,551	-£377	£208,833	760	-£138,005	-£182	£346,417	760	-£421	-£1	
29	SE16 7	Rotherhithe	1.52	retail	10,616	£28,229,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	SE22 8	South Camberwell	0.078	residential	582	£594,000	£691,009	96	-£356,921	-£3,718	£411,074	96	-£636,856	-£6,634	£486,929	96	-£561,001	-£5,844	£489,459	96	-£558,471	-£5,817	
32	SE16 6	Surrey Docks	1.95	residential	15,250	£7,138,000	£9,075,727	9,913	£9,075,727	£916	£8,205,424	9,913	£8,205,424	£828	£11,013,888	9,913	£11,013,888	£1,111	£11,686,636	9,913	£11,686,636	£1,179	
33a	SE16 7	Surrey Docks	2.2	residential	34,094	£20,887,000	£25,741,211	22,161	£13,232,497	£597	£23,437,746	22,161	£10,929,032	£493	£30,595,900	22,161	£18,087,186	£816	£32,651,605	22,161	£20,142,891	£909	
33b	SE16 7			retail	535	£374,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34a	SE15 4	The Lane	1.39	residential	42,960	£2,604,000	£5,332,351	23,401	-£12,047,003	-£515	£3,407,142	23,401	-£13,972,212	-£597	£8,060,227	23,401	-£9,319,127	-£398	£11,107,978	23,401	-£6,271,376	-£288	
34b	SE15 4			retail	5,200	£5,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
36	SE15 3	The Lane	0.26	residential	1,360	£685,000	£632,864	595	£372,864	£627	£575,917	595	£315,917	£531	£580,731	595	£320,731	£539	£803,703	595	£543,703	£914	
37	SE24 9	Village	0.76	residential	6,000	£2,768,000	£3,435,545	1,611	£1,248,545	£775	£3,141,525	1,611	£954,525	£592	£4,103,483	1,611	£1,916,483	£1,189	£4,317,607	1,611	£2,130,607	£1,322	
40	SE22 0	Peckham and Rye	0.043	residential	380	£556,000	£630,158	380	£587,158	£1,545	£608,472	380	£565,472	£1,488	£704,586	380	£661,586	£1,741	£695,219	380	£652,219	£1,716	
41	SE22 0	Peckham and Rye	0.068	residential	770	£1,153,000	£1,318,904	402	£1,274,904	£3,171	£1,267,198	402	£1,223,198	£3,043	£1,484,868	402	£1,440,868	£3,584	£1,474,021	402	£1,430,021	£3,557	

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## Appendix 3 Location of sites and results by type of development





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## Appendix 4 Individual site development appraisals

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
Site 1 - SE5 7

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	Units	Unit Amount	Gross Sales
Pvt Resi 1 Bed	60 units at	£197,000	11,820,000
Ground rents	1 unit at	£637,000	637,000
Car Parking	1 unit at	£450,000	450,000
Pvt Resi 1 Bed 2 person (WC)	10 units at	£207,000	2,070,000
Pvt Resi 2 Bed 3 person	16 units at	£253,000	4,048,000
Pvt Resi 2 Bed 3 person (WC)	10 units at	£263,000	2,630,000
Pvt Resi 2 Bed 4 person	76 units at	£273,000	20,748,000
Pvt Resi 3 Bed 5 person	6 units at	£315,000	1,890,000
Pvt Resi 3 Bed 5 person house	7 units at	£360,000	2,520,000
Pvt Resi 2 Bed 4 person duplex	5 units at	£302,000	1,510,000
Pvt Resi 3 Bed 5 person duplex	2 units at	£343,000	686,000
Social rented units	1 unit at	£4,520,000	4,520,000
Affordable Rent units	1 unit at	£3,800,000	3,800,000
Shared ownership units	1 unit at	£3,540,000	3,540,000
Totals			<u>60,869,000</u>

### NET REALISATION

**60,869,000**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (2.11 Ha £3,063,415.85 pHect)		6,463,807
Stamp Duty	4.00%	258,552
Agent Fee	1.00%	64,638
Legal Fee	0.50%	32,319
		6,819,317

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Construction costs	1 unit at	£33,338,000	<b>33,338,000</b>
Statutory/LA			192,000

192,000

#### PROFESSIONAL FEES

Architect	10.00%	3,333,800
		3,333,800

#### MARKETING & LETTING

Marketing	3.00%	1,451,160
		1,451,160

#### DISPOSAL FEES

Sales Agent Fee	1.50%	735,135
Sales Legal Fee	0.25%	152,173
		887,307

#### MISCELLANEOUS FEES

Private Profit	20.00%	9,674,400
Affordable Profit	6.00%	711,600
		10,386,000

#### FINANCE

Debit Rate 6.75% Credit Rate 0.00% (Nominal)		
Land		875,378
Construction		1,046,784
Other		2,539,253
Total Finance Cost		4,461,416

#### TOTAL COSTS

**60,869,000**

## APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing

Site 1 - SE5 7

PROFIT

0

### Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Profit Erosion (finance rate 6.750%)	6.43% N/A

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
Site 2a - SE1 8

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Market Resi	27,284.15	£8,945.00	244,056,722	
Aff Resi - Social Rent	10,459.25	£1,695.00	17,728,429	
Aff Resi - Shared Ownership	4,261.90	£1,888.00	8,046,467	
Totals	<u>42,005.30</u>		<u>269,831,618</u>	<b>269,831,618</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground rents	458 units at	£250	114,500

### Investment Valuation

#### Ground rents

Market Rent	114,500	YP @	6.0000%	16.6667	
		PV 6yrs 7mths @	6.0000%	0.6814	1,300,341

### GROSS DEVELOPMENT VALUE

271,131,959

Purchaser's Costs	5.80%	(71,285)
NET DEVELOPMENT VALUE		<u>271,060,674</u>

### NET REALISATION

**271,060,674**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.65 Ha £82,529,472.32 pHect)			53,644,157	
Stamp Duty	4.00%		2,145,766	
Agent Fee	1.00%		536,442	
Legal Fee	0.50%		268,221	
				56,594,586

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Market Resi	32,099.00	£1,963.00	63,010,337	
Aff Resi - Social Rent	12,305.00	£1,963.00	24,154,715	
Aff Resi - Shared Ownership	5,014.00	£1,963.00	9,842,482	
Totals	<u>49,418.00</u>		<u>97,007,534</u>	<b>97,007,534</b>

Contingency	5.00%	4,850,377
Statutory/LA		458,000

5,308,377

#### PROFESSIONAL FEES

Professional Fees	10.00%	10,185,791	
			10,185,791

#### MARKETING & LETTING

Marketing	3.00%	7,321,702	
			7,321,702

#### DISPOSAL FEES

Sales Agent Fee	1.50%	3,660,851	
Sales Legal Fee	0.25%	677,652	
			4,338,503

#### MISCELLANEOUS FEES

Private Profit	20.00%	49,071,413	
Affordable Profit	6.00%	1,546,494	
			50,617,906

#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	20,270,092

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****Site 2a - SE1 8**

Construction	3,492,484
Other	15,923,700
Total Finance Cost	39,686,276

**TOTAL COSTS****271,060,674****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.04%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	8.81%
Net Initial Yield%	8.81%

Rent Cover	6.92%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**Site 2.b - SE1 8**

**Summary Appraisal for Phase 1****REVENUE****Sales Valuation**

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross Sales</b>
Hotel	256 units at	£300,000	76,800,000

Purchaser's Costs	5.80%	(4,210,208)
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NET DEVELOPMENT VALUE		<u>72,589,792</u>
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<b>NET REALISATION</b>		<b>72,589,792</b>
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**OUTLAY****ACQUISITION COSTS**

Residualised Price (0.65 Ha £43,614,511.55 pHect)		28,349,433
Stamp Duty	4.00%	1,133,977
Agent Fee	1.00%	283,494
Legal Fee	0.50%	141,747
		29,908,651

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Hotel	9,406.66	£1,727.02	16,245,476
Contingency		5.00%	812,274
			812,274

**PROFESSIONAL FEES**

Professional Fees		10.00%	1,705,775
			1,705,775

**MARKETING & LETTING**

Marketing		3.00%	487,364
			487,364

**DISPOSAL FEES**

Sales Agent Fee		1.50%	1,152,000
Sales Legal Fee		0.25%	192,000
			1,344,000

**MISCELLANEOUS FEES**

Private Profit		20.00%	15,360,000
			15,360,000

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		5,462,079	
Construction		1,264,248	
Total Finance Cost			6,726,327

**TOTAL COSTS**

<b>72,589,867</b>
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**PROFIT**

<b>(75)</b>
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**Performance Measures**

Profit on Cost%	(0.00)%
Profit on GDV%	(0.00)%
Profit on NDV%	(0.00)%
Profit Erosion (finance rate 7.000%)	6.87%
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**2.c - SE1 8**

**Summary Appraisal for Phase 1****REVENUE****Rental Area Summary**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
Retail	1,316.65	£269.00	354,179

**Investment Valuation****Retail**

Market Rent (0yrs 6mths Rent Free)	354,179	YP @ PV 0yrs 6mths @	6.7500% 6.7500%	14.8148 0.9679	5,078,496
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs		5.80%	(278,405)	5,078,496
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**NET DEVELOPMENT VALUE**

				<u>4,800,090</u>
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**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.65 Ha £1,793,571.05 pHect)			1,165,821	
Stamp Duty		4.00%	46,633	
Agent Fee		1.00%	11,658	
Legal Fee		0.50%	5,829	
				1,229,941

**CONSTRUCTION COSTS**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Construction				
Retail	1,549.00	£1,040.00	1,610,960	<b>1,610,960</b>
Contingency		5.00%	80,548	80,548

**PROFESSIONAL FEES**

Professional Fees		10.00%	169,151	
				169,151

**MARKETING & LETTING**

Marketing		3.00%	152,355	
Letting Agent Fee		10.00%	35,418	
Letting Legal Fee		5.00%	17,709	
				205,482

**DISPOSAL FEES**

Sales Agent Fee		1.50%	76,177	
Sales Legal Fee		0.25%	12,696	
				88,874

**MISCELLANEOUS FEES**

Private Profit		20.00%	1,015,699	
				1,015,699

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			127,103	
Construction			57,129	
Other			215,202	
Total Finance Cost				399,434

<b>TOTAL COSTS</b>				<b>4,800,089</b>
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**PROFIT**

1

**Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****2.c - SE1 8**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.38%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	6.97%
Net Initial Yield%	6.97%
Rent Cover	6.85%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing  
3.a - SE1 8**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
Office	1,732.30	£269.00	465,989

**Investment Valuation**

Office	465,989	YP @ PV 1yr @	6.7500% 6.7500%	14.8148 0.9368	6,467,017
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(354,525)	6,467,017
NET DEVELOPMENT VALUE			<u>6,112,493</u>

**NET REALISATION****6,112,493****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.04 Ha £3,972,123.88 pHect)		158,885	
Stamp Duty	4.00%	6,355	
Agent Fee	1.00%	1,589	
Legal Fee	0.50%	794	
			167,624

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Office	2,038.00	£1,612.00	3,285,256
Contingency		5.00%	164,263

164,263

**PROFESSIONAL FEES**

Professional Fees	10.00%	344,952	
			344,952

**MARKETING & LETTING**

Marketing	3.00%	194,011	
Letting Agent Fee	10.00%	46,599	
Letting Legal Fee	5.00%	23,299	
			263,909

**DISPOSAL FEES**

Sales Agent Fee	1.50%	97,005	
Sales Legal Fee	0.25%	16,168	

113,173

**MISCELLANEOUS FEES**

Private Profit	20.00%	1,293,403	
			1,293,403

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		23,852	
Construction		182,155	
Other		273,903	
Total Finance Cost			479,910

**TOTAL COSTS****6,112,490****PROFIT****3****Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****3.a - SE1 8**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.62%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	7.21%
Net Initial Yield%	7.21%
Rent Cover	6.83%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing  
3b - SE1 8**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
Retail	90.10	£269.00	24,237
<b>Investment Valuation</b>			
Retail			
Market Rent (0yrs 6mths Rent Free)	24,237	YP @ PV 0yrs 6mths @	6.7500% 6.7500%
			14.8148 0.9679
GROSS DEVELOPMENT VALUE			347,529
Purchaser's Costs		5.80%	(19,052)
NET DEVELOPMENT VALUE			<u>328,477</u>
<b>NET REALISATION</b>			<b>328,477</b>

**OUTLAY****ACQUISITION COSTS**

Residualised Price (0.04 Ha £1,994,484.76 pHect)		79,779	
Stamp Duty	4.00%	3,191	
Agent Fee	1.00%	798	
Legal Fee	0.50%	399	
			84,167

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Retail	106.00	£1,040.00	110,240
Contingency		5.00%	5,512
			5,512

**PROFESSIONAL FEES**

Professional Fees	10.00%	11,575	
			11,575

**MARKETING & LETTING**

Marketing	3.00%	10,426	
Letting Agent Fee	10.00%	2,424	
Letting Legal Fee	5.00%	1,212	
			14,061

**DISPOSAL FEES**

Sales Agent Fee	1.50%	5,213	
Sales Legal Fee	0.25%	869	
			6,082

**MISCELLANEOUS FEES**

Private Profit	20.00%	69,506	
			69,506

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		8,698	
Construction		3,909	
Other		14,727	
Total Finance Cost			27,334

**TOTAL COSTS****328,477****PROFIT****0****Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****3b - SE1 8**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.38%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	6.97%
Net Initial Yield%	6.97%
Rent Cover	6.85%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**4.a SE1 8**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
Office	24,775.80	£269.00	6,664,690

**Investment Valuation**

Office	6,664,690	YP @	6.7500%	14.8148	
Market Rent (1yr Rent Free)		PV 1yr @	6.7500%	0.9368	92,492,879

GROSS DEVELOPMENT VALUE

Purchaser's Costs

NET DEVELOPMENT VALUE

**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.16 Ha £8,915,467.70 pHect)			1,426,475	
Stamp Duty		4.00%	57,059	
Agent Fee		1.00%	14,265	
Legal Fee		0.50%	7,132	
				1,504,931

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Office	29,148.00	£1,612.00	46,986,576	<b>46,986,576</b>
Contingency		5.00%	2,349,329	2,349,329

**PROFESSIONAL FEES**

Professional Fees		10.00%	4,933,590	
				4,933,590

**MARKETING & LETTING**

Marketing		3.00%	2,774,786	
Letting Agent Fee		10.00%	666,469	
Letting Legal Fee		5.00%	333,235	
				3,774,490

**DISPOSAL FEES**

Sales Agent Fee		1.50%	1,387,393	
Sales Legal Fee		0.25%	231,232	1,618,625

**MISCELLANEOUS FEES**

Private Profit		20.00%	18,498,576	
				18,498,576

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			274,839	
Construction			3,563,996	
Other			3,917,429	
Total Finance Cost				7,756,264

**TOTAL COSTS****PROFIT****0****Performance Measures**

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

### LB Southwark CIL Site Testing

#### 4.a SE1 8

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.62%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	7.21%
Net Initial Yield%	7.21%
Rent Cover	6.87%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**4.b SE1 8**

**Summary Appraisal for Phase 1****REVENUE****Rental Area Summary**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
Retail	386.75	£269.00	104,036

**Investment Valuation****Retail**

Market Rent (0yrs 6mths Rent Free)	104,036	YP @ PV 0yrs 6mths @	6.7500% 6.7500%	14.8148 0.9679	1,491,750
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(81,778)	1,491,750
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**NET DEVELOPMENT VALUE**

<b>NET REALISATION</b>	<b>1,409,971</b>
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**OUTLAY****ACQUISITION COSTS**

Residualised Price (0.16 Ha £2,018,268.35 pHect)		322,923	
Stamp Duty	4.00%	12,917	
Agent Fee	1.00%	3,229	
Legal Fee	0.50%	1,615	
			340,684

**CONSTRUCTION COSTS**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Construction			
Retail	455.00	£1,040.00	473,200
Contingency		5.00%	23,660
			23,660

**PROFESSIONAL FEES**

Professional Fees	10.00%	49,686	
			49,686

**MARKETING & LETTING**

Marketing	3.00%	44,752	
Letting Agent Fee	10.00%	10,404	
Letting Legal Fee	5.00%	5,202	
			60,358

**DISPOSAL FEES**

Sales Agent Fee	1.50%	22,376	
Sales Legal Fee	0.25%	3,729	
			26,106

**MISCELLANEOUS FEES**

Private Profit	20.00%	298,350	
			298,350

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		48,478	
Construction		26,237	
Other		63,213	
Total Finance Cost			137,928

<b>TOTAL COSTS</b>	<b>1,409,971</b>
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**PROFIT**

<b>0</b>
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**Performance Measures**

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

### LB Southwark CIL Site Testing

#### 4.b SE1 8

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.38%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	6.97%
Net Initial Yield%	6.97%
Rent Cover	6.90%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**Southwark CIL Study**  
**Site 5 - SE11**

**Summary Appraisal for Phase 1****REVENUE****Sales Valuation**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Market residential	2,701.00	£6,010.00	16,233,010	
Affordable residential	1,454.00	£1,550.00	2,253,700	
Office	11,517.50	£3,200.00	36,856,000	
Retail	1,267.20	£2,800.00	3,548,160	
Totals	<u>16,939.70</u>		<u>58,890,870</u>	<b>58,890,870</b>

**Additional Revenue**

Ground rent	235,000	
		<b>235,000</b>

**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.64 Ha £12,421,845.53 pHect)		7,949,981	
Stamp Duty	4.00%	317,999	
Agent Fee	1.00%	79,500	
Legal Fee	0.50%	39,750	
			<b>8,387,230</b>

**CONSTRUCTION COSTS****Construction**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Market residential	3,241.00	£1,240.00	4,018,840	
Affordable residential	1,745.00	£1,240.00	2,163,800	
Office	13,550.00	£1,506.00	20,406,300	
Retail	1,408.00	£1,000.00	1,408,000	
Totals	<u>19,944.00</u>		<u>27,996,940</u>	<b>27,996,940</b>

Contingency	5.00%	1,466,372	
Demolition		805,500	
Road/Site Works	0.64 m <sup>2</sup> 250,000.00 pm <sup>2</sup>	160,000	

2,431,872

**Other Construction**

CSH		365,000	
			<b>365,000</b>

**PROFESSIONAL FEES**

Architect	10.00%	3,079,381	
			<b>3,079,381</b>

**MARKETING & LETTING**

Marketing	4.00%	2,265,487	
			<b>2,265,487</b>

**FINANCE**

Debit Rate 6.50% Credit Rate 0.00% (Nominal)			
Land		1,735,654	
Construction		2,510,848	
Total Finance Cost			<b>4,246,502</b>

**TOTAL COSTS****48,772,412****PROFIT****10,353,458****Performance Measures**

Profit on Cost%	21.23%
Profit on GDV%	17.58%
Profit on NDV%	17.58%

## **APPRAISAL SUMMARY**

## **BNP PARIBAS REAL ESTATE**

**Southwark CIL Study**

**Site 5 - SE11**

Profit Erosion (finance rate 6.500%)	20.00%
	2 yrs 12 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
6 - SE1 8

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Market Resi	2,584.00	£7,000.00	18,088,000	
Aff Resi - Social Rent	952.00	£1,695.00	1,613,640	
Aff Resi - Shared Ownership	408.00	£1,888.00	770,304	
Totals	<u>3,944.00</u>		<u>20,471,944</u>	<b>20,471,944</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground rents	38 units at	£250	9,500

### Investment Valuation

#### Ground rents

Market Rent	9,500	YP @ PV 0yrs 7mths @	6.0000% 6.0000%	16.6667 0.9666	153,042
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### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(8,390)
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### NET DEVELOPMENT VALUE

20,616,596

### NET REALISATION

**20,616,596**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.12 Ha £44,007,163.85 pHect)		5,280,860	
Stamp Duty	4.00%	211,234	
Agent Fee	1.00%	52,809	
Legal Fee	0.50%	26,404	
			5,571,307

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Market Resi	3,040.00	£1,760.00	5,350,400
Aff Resi - Social Rent	1,120.00	£1,760.00	1,971,200
Aff Resi - Shared Ownership	480.00	£1,760.00	844,800
Totals	<u>4,640.00</u>		<b>8,166,400</b>

Contingency	5.00%	408,320	
Statutory/LA		58,000	
			466,320

#### PROFESSIONAL FEES

Professional Fees	10.00%	857,472	
			<b>857,472</b>

#### MARKETING & LETTING

Marketing	3.00%	542,640	
			<b>542,640</b>

#### DISPOSAL FEES

Sales Agent Fee	1.50%	271,320	
Sales Legal Fee	0.25%	51,541	
			<b>322,861</b>

#### MISCELLANEOUS FEES

Private Profit	20.00%	3,648,208	
Affordable Profit	6.00%	143,037	
			<b>3,791,245</b>

#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)		
Land		747,464

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****6 - SE1 8**

Construction	144,265
Other	6,622
Total Finance Cost	898,351

**TOTAL COSTS****20,616,596****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.05%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.21%
Net Initial Yield%	6.21%
Rent Cover	6.37%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**8. SE1 8**

**Summary Appraisal for Phase 1****REVENUE****Sales Valuation**

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross Sales</b>
Hotel	286 units at	£152,500	43,615,000

Purchaser's Costs	5.80%	(2,390,992)
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NET DEVELOPMENT VALUE		<u>41,224,008</u>
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<b>NET REALISATION</b>		<b>41,224,008</b>
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**OUTLAY****ACQUISITION COSTS**

Residualised Price (0.09 Ha £55,228,474.76 pHect)		4,970,563
Stamp Duty	4.00%	198,823
Agent Fee	1.00%	49,706
Legal Fee	0.50%	24,853
		5,243,944

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Hotel	11,709.00	£1,727.00	20,221,483
Contingency		5.00%	1,011,074
			1,011,074

**PROFESSIONAL FEES**

Professional Fees		10.00%	2,123,256
			2,123,256

**MARKETING & LETTING**

Marketing		3.00%	606,644
			606,644

**DISPOSAL FEES**

Sales Agent Fee		1.50%	654,225
Sales Legal Fee		0.25%	109,038
			763,263

**MISCELLANEOUS FEES**

Private Profit		20.00%	8,723,000
			8,723,000

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		957,677	
Construction		1,573,667	
Total Finance Cost			2,531,344

<b>TOTAL COSTS</b>		<b>41,224,008</b>
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**PROFIT**

0

**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Profit Erosion (finance rate 7.000%)	6.71%
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**9.a - SE1 8**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
Office	9,952.65	£269.00	2,677,263

**Investment Valuation**

Office	Market Rent (1yr Rent Free)	2,677,263	YP @ PV 1yr @	6.7500% 6.7500%	14.8148 0.9368	37,155,181
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(2,036,862)	37,155,181
NET DEVELOPMENT VALUE			<u>35,118,318</u>

**NET REALISATION****35,118,318****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.16 Ha £5,705,306.09 pHect)	912,849	
Stamp Duty	4.00%	36,514
Agent Fee	1.00%	9,128
Legal Fee	0.50%	4,564
		963,056

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Office	11,709.00	£1,612.00	18,874,908	<b>18,874,908</b>
Contingency		5.00%	943,745	943,745

**PROFESSIONAL FEES**

Professional Fees	10.00%	1,981,865	1,981,865
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**MARKETING & LETTING**

Marketing	3.00%	1,114,655	
Letting Agent Fee	10.00%	267,726	
Letting Legal Fee	5.00%	133,863	
			1,516,245

**DISPOSAL FEES**

Sales Agent Fee	1.50%	557,328	
Sales Legal Fee	0.25%	92,888	
			650,216

**MISCELLANEOUS FEES**

Private Profit	20.00%	7,431,036	7,431,036
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		137,038	
Construction		1,046,544	
Other		1,573,665	
Total Finance Cost			2,757,247

**TOTAL COSTS****35,118,318****PROFIT****0****Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****9.a - SE1 8**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.62%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	7.21%
Net Initial Yield%	7.21%
Rent Cover	6.83%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
9.b SE1 8

### Summary Appraisal for Phase 1

#### REVENUE

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
Retail	275.40	£269.00	74,083

#### Investment Valuation

Retail	Market Rent (0yrs 6mths Rent Free)	74,083	YP @ PV 0yrs 6mths @	6.7500% 6.7500%	14.8148 0.9679	1,062,260
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(58,234)	1,062,260
NET DEVELOPMENT VALUE			<u>1,004,027</u>

#### NET REALISATION

**1,004,027**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.09 Ha £2,709,497.05 pHect)		243,855	
Stamp Duty	4.00%	9,754	
Agent Fee	1.00%	2,439	
Legal Fee	0.50%	1,219	
			257,267

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Retail	324.00	£1,040.00	336,960
Contingency		5.00%	16,848

#### PROFESSIONAL FEES

Professional Fees	10.00%	35,381	35,381
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#### MARKETING & LETTING

Marketing	3.00%	31,868	
Letting Agent Fee	10.00%	7,408	
Letting Legal Fee	5.00%	3,704	
			42,980

#### DISPOSAL FEES

Sales Agent Fee	1.50%	15,934	
Sales Legal Fee	0.25%	2,656	

18,590

#### MISCELLANEOUS FEES

Private Profit	20.00%	212,452	212,452
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#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		26,586	
Construction		11,950	
Other		45,014	
Total Finance Cost			83,549

#### TOTAL COSTS

**1,004,027**

#### PROFIT

**0**

#### Performance Measures

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****9.b SE1 8**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.38%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	6.97%
Net Initial Yield%	6.97%
Rent Cover	6.85%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
Site 10 - SE15 6

### Summary Appraisal for Phase 1

#### REVENUE

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
Industrial - Warehousing	8,098.20	£118.00	955,588
<b>Investment Valuation</b>			
Industrial - Warehousing			
Market Rent (1yr Rent Free)	955,588	YP @ PV 1yr @	7.0000% 7.0000%
			14.2857 0.9346
			12,758,184
GROSS DEVELOPMENT VALUE			
Purchaser's Costs		5.80%	(699,409)
NET DEVELOPMENT VALUE			<u>12,058,775</u>
<b>NET REALISATION</b>			
			<b>12,058,775</b>

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price (1.08 Ha £764,760.19 pHect)			825,941
Stamp Duty		4.00%	33,038
Agent Fee		1.00%	8,259
Legal Fee		0.50%	4,130
			871,368

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Industrial - Warehousing	8,998.00	£666.00	5,992,668
Contingency		5.00%	299,633
			299,633

#### PROFESSIONAL FEES

Professional Fees		10.00%	599,267
			599,267

#### MARKETING & LETTING

Marketing		3.00%	382,746
Letting Agent Fee		10.00%	95,559
Letting Legal Fee		5.00%	47,779
			526,084

#### DISPOSAL FEES

Sales Agent Fee		1.50%	191,373
Sales Legal Fee		0.25%	31,895

223,268

#### MISCELLANEOUS FEES

Private Profit		20.00%	2,551,637
			2,551,637

#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land			123,991
Construction			330,833
Other			540,022
Total Finance Cost			994,847

#### TOTAL COSTS

**12,058,772**

#### PROFIT

4

#### Performance Measures

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****Site 10 - SE15 6**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.92%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.49%
Net Initial Yield%	7.49%
Rent Cover	6.85%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

Southwark CIL Study  
Site 11 - SE17

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	Units	Unit Amount	Gross Sales
Hotel - 200 room budget	200 units at	£65,000	13,000,000
Ground rent	1 unit at	£7,332,000	7,332,000
Totals			<u>20,332,000</u>

	m <sup>2</sup>	Rate m <sup>2</sup>	Gross Sales
Market residential	136,765.36	£5,607.00	766,843,388
Affordable residential	76,559.44	£1,550.00	118,667,128
Office	2,550.00	£2,960.00	7,548,000
Retail	13,500.00	£3,159.00	42,646,500
Community	2,337.50	£2,018.00	4,717,075
Leisure & Entertainment	2,337.50	£2,397.00	5,602,988
Student	4,875.00	£5,010.00	24,423,750
Totals	<u>238,924.80</u>		<u>970,448,828</u>
			<b>990,780,828</b>

### Additional Revenue

### NET REALISATION

**990,780,828**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price	24,757,101		
Fixed Price	50,000,000		
Total Acquisition (9.90 Ha £7,551,222.37 pHect)		74,757,101	
Stamp Duty	4.00%	2,990,284	
Agent Fee	1.00%	747,571	
Legal Fee	0.50%	373,786	
			78,868,742

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Market residential	164,125.00	£1,974.00	323,982,750
Affordable residential	91,875.00	£1,974.00	181,361,250
Office	3,000.00	£1,506.00	4,518,000
Retail	15,000.00	£1,000.00	15,000,000
Underground parking	1,808.00	£542.00	979,936
Undercroft parking with landscapi	1,808.00	£900.00	1,627,200
Community	2,750.00	£1,000.00	2,750,000
Leisure & Entertainment	2,750.00	£1,000.00	2,750,000
Student	6,500.00	£1,505.00	9,782,500
Totals	<u>289,616.00</u>		<u>542,751,636</u>
Contingency		5.00%	28,583,332
Demolition			15,000,000
Road/Site Works	9.90 m <sup>2</sup>	250,000.00 pm <sup>2</sup>	2,475,000
			46,058,332

#### Other Construction

CSH		11,440,000	
			11,440,000

#### PROFESSIONAL FEES

Architect	10.00%	60,024,997	
			60,024,997

#### MARKETING & LETTING

Marketing	4.00%	34,591,268	
			34,591,268

#### FINANCE

Debit Rate 6.50% Credit Rate 0.00% (Nominal)

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Southwark CIL Study****Site 11 - SE17**

Land	18,067,387
Construction	4,790,810
Total Finance Cost	22,858,197

<b>TOTAL COSTS</b>	<b>796,593,172</b>
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<b>PROFIT</b>	<b>194,187,656</b>
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**Performance Measures**

Profit on Cost%	24.38%
Profit on GDV%	19.60%
Profit on NDV%	19.60%
Profit Erosion (finance rate 6.500%)	20.00% 3 yrs 5 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

Southwark CIL Site Testing  
Site 12 - SE1 6

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Market residential	2,042.00	£5,651.00	11,539,342	
Affordable residential	1,100.00	£1,550.00	1,705,000	
Office	2,108.00	£2,800.00	5,902,400	
Retail	544.50	£2,800.00	1,524,600	
Totals	<u>5,794.50</u>		<u>20,671,342</u>	<b>20,671,342</b>

#### Additional Revenue

Ground rent	180,000	
		<b>180,000</b>

#### NET REALISATION

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.22 Ha £21,189,904.95 pHect)		4,661,779	
Stamp Duty	4.00%	186,471	
Agent Fee	1.00%	46,618	
Legal Fee	0.50%	23,309	
			<b>4,918,177</b>

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Market residential	2,451.00	£1,240.00	3,039,240
Affordable residential	1,320.00	£1,240.00	1,636,800
Office	2,480.00	£1,506.00	3,734,880
Retail	605.00	£1,000.00	605,000
Totals	<u>6,856.00</u>		<u>9,015,920</u>
Contingency		5.00%	469,666
Demolition			47,400
Road/Site Works	0.22 m <sup>2</sup>	250,000.00 pm <sup>2</sup>	55,000
			<b>572,066</b>

#### Other Construction

CSH		275,000	
			<b>275,000</b>

#### PROFESSIONAL FEES

Architect	10.00%	986,299	
			<b>986,299</b>

#### MARKETING & LETTING

Marketing	4.00%	758,654	
			<b>758,654</b>

#### FINANCE

Debit Rate 6.50% Credit Rate 0.00% (Nominal)			
Land		787,344	
Construction		460,334	
Total Finance Cost			<b>1,247,679</b>

#### TOTAL COSTS

**17,773,794**

#### PROFIT

**3,077,548**

#### Performance Measures

Profit on Cost%	17.32%
Profit on GDV%	14.89%
Profit on NDV%	14.89%

## APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

Southwark CIL Site Testing

Site 12 - SE1 6

Profit Erosion (finance rate 6.500%)	20.00%
	2 yrs 6 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**13.a - SE17**

**Summary Appraisal for Phase 1****REVENUE****Sales Valuation**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Market Resi	31,372.00	£4,090.00	128,311,480	
Aff Resi - Social Rent	23,845.05	£1,143.00	27,254,892	
Aff Resi - Shared Ownership	7,526.75	£1,666.00	12,539,566	
Totals	<u>62,743.80</u>		<u>168,105,938</u>	<b>168,105,938</b>

**Rental Area Summary**

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground rents	440 units at	£250	110,000

**Investment Valuation**

<b>Ground rents</b>					
Current Rent	110,000	YP @	6.0000%	16.6667	1,833,333

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(100,504)	
NET DEVELOPMENT VALUE	<u>169,838,767</u>		

**NET REALISATION****169,838,767****OUTLAY****ACQUISITION COSTS**

Residualised Price		3,030,457	
Stamp Duty	4.00%	121,218	
Agent Fee	1.00%	30,305	
Legal Fee	0.50%	15,152	
			3,197,132

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Market Resi	36,908.24	£1,400.00	51,671,529	
Aff Resi - Social Rent	28,053.00	£1,400.00	39,274,200	
Aff Resi - Shared Ownership	8,855.00	£1,400.00	12,397,000	
Totals	<u>73,816.24</u>		<u>103,342,729</u>	<b>103,342,729</b>
Contingency		5.00%	5,167,136	
Statutory/LA			880,000	
				6,047,136

**PROFESSIONAL FEES**

Professional Fees	10.00%	10,850,987	
			<b>10,850,987</b>

**MARKETING & LETTING**

Marketing	3.00%	3,849,344	
			<b>3,849,344</b>

**DISPOSAL FEES**

Sales Agent Fee	1.50%	1,952,172	
Sales Legal Fee	0.25%	424,848	
			2,377,020

**MISCELLANEOUS FEES**

Private Profit	20.00%	26,028,963	
Affordable Profit	6.00%	2,387,667	
			<b>28,416,630</b>

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)		
Land		1,396,391
Construction		5,770,144

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****13.a - SE17**

Other	4,591,252
Total Finance Cost	11,757,787
<b>TOTAL COSTS</b>	
<b>PROFIT</b>	

**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Profit Erosion (finance rate 7.000%)	6.60% N/A

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
13.b - SE17

### Summary Appraisal for Phase 1

#### REVENUE

##### Rental Area Summary

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
Retail	212.50	£194.00	41,225

#### Investment Valuation

##### Retail

Market Rent	41,225	YP @ PV 1yr 11mths @	7.0000% 7.0000%	14.2857 0.8784	517,301
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(28,359)	517,301
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#### NET DEVELOPMENT VALUE

			<u>488,943</u>
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#### NET REALISATION

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price		57,481	
Stamp Duty	4.00%	2,299	
Agent Fee	1.00%	575	
Legal Fee	0.50%	287	
			60,643

#### CONSTRUCTION COSTS

Construction	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Retail	250.00	£1,040.00	260,000	<b>260,000</b>
Contingency		5.00%	13,000	13,000

#### PROFESSIONAL FEES

Professional Fees	10.00%	27,300	27,300
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#### DISPOSAL FEES

Sales Agent Fee	1.50%	7,760	
Sales Legal Fee	0.25%	1,293	
			9,053

#### MISCELLANEOUS FEES

Private Profit	20.00%	103,460	103,460
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#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		6,267	
Construction		9,220	
Total Finance Cost			15,487

#### TOTAL COSTS

**488,943**

#### PROFIT

**0**

#### Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	8.43%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****13.b - SE17**

Gross Initial Yield%	7.97%
Net Initial Yield%	7.97%

Rent Cover	6.30%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
Site 14.a - SE1 3

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Market Resi	8,182.10	£5,760.00	47,128,896	
Aff Resi - Social Rent	2,886.75	£1,476.00	4,260,837	
Aff Resi - Shared Ownership	1,336.20	£1,882.00	2,514,728	
Totals	<u>12,405.05</u>		<u>53,904,461</u>	<b>53,904,461</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground rents	137 units at	£250	34,250

### Investment Valuation

#### Ground rents

Market Rent	34,250	YP @ PV 2yrs 2mths @	6.0000% 6.0000%	16.6667 0.8814	503,130
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### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(27,582)	
NET DEVELOPMENT VALUE			<u>54,380,009</u>

### NET REALISATION

**54,380,009**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (1.23 Ha £9,246,454.67 pHect)			11,373,139	
Stamp Duty	4.00%		454,926	
Agent Fee	1.00%		113,731	
Legal Fee	0.50%		56,866	
				11,998,662

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Market Resi	9,626.00	£1,500.00	14,439,000	
Aff Resi - Social Rent	3,396.00	£1,500.00	5,094,000	
Aff Resi - Shared Ownership	1,572.00	£1,500.00	2,358,000	
Totals	<u>14,594.00</u>		<u>21,891,000</u>	<b>21,891,000</b>

Contingency	5.00%	1,094,550
Statutory/LA		205,000

1,299,550

#### PROFESSIONAL FEES

Professional Fees	10.00%	2,298,555	
			2,298,555

#### MARKETING & LETTING

Marketing	3.00%	1,413,867	
			1,413,867

#### DISPOSAL FEES

Sales Agent Fee	1.50%	714,480		
Sales Legal Fee	0.25%	136,019		
				850,499

#### MISCELLANEOUS FEES

Private Profit	20.00%	9,526,405		
Affordable Profit	6.00%	406,534		
				9,932,939

#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	2,152,404

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****Site 14.a - SE1 3**

Construction	1,056,281
Other	1,486,251
Total Finance Cost	4,694,937

**TOTAL COSTS****54,380,009****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.81%
Net Initial Yield%	6.81%
 Rent Cover	6.75%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**14.b - SE1 3**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
Commercial	676.60	£269.00	182,005

**Investment Valuation**

Commercial	Market Rent (1yr Rent Free)	YP @ PV 1yr @	6.7500% 6.7500%	14.8148 0.9368	2,525,874
	182,005				

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(138,469)	2,525,874
NET DEVELOPMENT VALUE			<u>2,387,404</u>

**NET REALISATION****2,387,404****OUTLAY****ACQUISITION COSTS**

Residualised Price (1.23 Ha £343,052.13 pHect)		421,954	
Stamp Duty	4.00%	16,878	
Agent Fee	1.00%	4,220	
Legal Fee	0.50%	2,110	
			445,162

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Commercial	796.00	£1,040.00	827,840
Contingency		5.00%	41,392
			41,392

**PROFESSIONAL FEES**

Professional Fees	10.00%	86,923	
			86,923

**MARKETING & LETTING**

Marketing	3.00%	75,776	
Letting Agent Fee	10.00%	18,201	
Letting Legal Fee	5.00%	9,100	
			103,077

**DISPOSAL FEES**

Sales Agent Fee	1.50%	37,888	
Sales Legal Fee	0.25%	6,315	

44,203

**MISCELLANEOUS FEES**

Private Profit	20.00%	505,175	
			505,175

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		81,298	
Construction		62,793	
Other		189,542	
Total Finance Cost			333,633

**TOTAL COSTS****2,387,404****PROFIT****0****Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****14.b - SE1 3**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.62%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	7.21%
Net Initial Yield%	7.21%
Rent Cover	6.99%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**Site15 - SE15**

**Summary Appraisal for Phase 1****REVENUE**

<b>Rental Area Summary</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
Industrial - Warehousing	6,396.30	£118.00	754,763

**Investment Valuation**

<b>Industrial - Warehousing</b>	<b>Market Rent</b>	<b>YP @</b>	<b>7.0000%</b>	<b>14.2857</b>	
	<b>(1yr Rent Free)</b>	<b>PV 1yr @</b>	<b>7.0000%</b>	<b>0.9346</b>	<b>10,076,943</b>

**GROSS DEVELOPMENT VALUE**

<b>Purchaser's Costs</b>	<b>5.80%</b>	<b>(552,422)</b>	<b>10,076,943</b>
<b>NET DEVELOPMENT VALUE</b>			<b>9,524,520</b>

**NET REALISATION****9,524,520****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.30 Ha £2,174,543.51 pHect)			652,363	
Stamp Duty	4.00%		26,095	
Agent Fee	1.00%		6,524	
Legal Fee	0.50%		3,262	
				<b>688,243</b>

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Industrial - Warehousing	7,107.00	£666.00	4,733,262	<b>4,733,262</b>

## Contingency

5.00% 236,663  
**236,663****PROFESSIONAL FEES**

Professional Fees	10.00%	473,326	
			<b>473,326</b>

**MARKETING & LETTING**

Marketing	3.00%	302,308	
Letting Agent Fee	10.00%	75,476	
Letting Legal Fee	5.00%	37,738	
			<b>415,523</b>

**DISPOSAL FEES**

Sales Agent Fee	1.50%	151,154	
Sales Legal Fee	0.25%	25,192	

176,346

**MISCELLANEOUS FEES**

Private Profit	20.00%	2,015,389	
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2,015,389

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		97,934	
Construction		261,306	
Other		426,532	
Total Finance Cost			<b>785,772</b>

**TOTAL COSTS****9,524,524****PROFIT**

(4)

**Performance Measures**

## APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

### LB Southwark CIL Site Testing

#### Site15 - SE15

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.92%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.49%
Net Initial Yield%	7.49%
Rent Cover	6.85%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
Site 16.a - SE15

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Market Resi	15,300.00	£3,660.00	55,998,000	
Aff Resi - Social Rent	5,848.30	£1,166.00	6,819,113	
Aff Resi - Shared Ownership	2,312.00	£2,120.00	4,901,440	
Totals	<u>23,460.30</u>		<u>67,718,553</u>	<b>67,718,553</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground rents	225 units at	£250	56,250

#### Investment Valuation

##### Ground rents

Market Rent	56,250	YP @ PV 3yrs 8mths @	6.0000% 6.0000%	16.6667 0.8076	757,152
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(41,507)	
NET DEVELOPMENT VALUE			<u>68,434,198</u>

#### NET REALISATION

**68,434,198**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (1.65 Ha £1,470,812.65 pHect)			2,426,841	
Stamp Duty	4.00%		97,074	
Agent Fee	1.00%		24,268	
Legal Fee	0.50%		12,134	
				2,560,317

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Market Resi	18,000.00	£1,400.00	25,200,000	
Aff Resi - Social Rent	6,880.00	£1,400.00	9,632,000	
Aff Resi - Shared Ownership	2,720.00	£1,400.00	3,808,000	
Totals	<u>27,600.00</u>		<u>38,640,000</u>	<b>38,640,000</b>

Contingency	5.00%	1,932,000
Statutory/LA		345,000
		2,277,000

#### PROFESSIONAL FEES

Professional Fees	10.00%	4,057,200	
			4,057,200

#### MARKETING & LETTING

Marketing	3.00%	1,679,940	
			1,679,940

#### DISPOSAL FEES

Sales Agent Fee	1.50%	851,327	
Sales Legal Fee	0.25%	171,189	
			1,022,517

#### MISCELLANEOUS FEES

Private Profit	20.00%	11,351,030	
Affordable Profit	6.00%	703,233	
			12,054,264

#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	406,842

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****Site 16.a - SE15**

Construction	2,066,820
Other	3,669,269
Total Finance Cost	6,142,931

**TOTAL COSTS****68,434,168****PROFIT****30****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	7.43%
Net Initial Yield%	7.43%
Rent Cover	6.76%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**16.b - SE15**

**Summary Appraisal for Phase 1****REVENUE****Rental Area Summary**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
Retail	872.95	£194.00	169,352

**Investment Valuation****Retail**

Market Rent (0yrs 6mths Rent Free)	169,352	YP @ PV 0yrs 6mths @	7.0000% 7.0000%	14.2857 0.9667	2,338,839
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(128,216)	2,338,839
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**NET DEVELOPMENT VALUE**

			<u>2,210,623</u>
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**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (1.65 Ha £122,770.00 pHect)		202,571	
Stamp Duty	4.00%	8,103	
Agent Fee	1.00%	2,026	
Legal Fee	0.50%	1,013	
			213,712

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Retail	1,027.00	£1,040.00	1,068,080	<b>1,068,080</b>
Contingency		5.00%	53,404	53,404

**PROFESSIONAL FEES**

Professional Fees	10.00%	112,148	112,148
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**MARKETING & LETTING**

Marketing	3.00%	70,165	
Letting Agent Fee	10.00%	16,935	
Letting Legal Fee	5.00%	8,468	
		95,568	

**DISPOSAL FEES**

Sales Agent Fee	1.50%	35,083	
Sales Legal Fee	0.25%	5,847	40,930

**MISCELLANEOUS FEES**

Private Profit	20.00%	467,768	467,768
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		22,085	
Construction		37,877	
Other		99,051	
Total Finance Cost		159,013	

**TOTAL COSTS****2,210,623****PROFIT****0****Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****16.b - SE15**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.66%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.24%
Net Initial Yield%	7.24%
Profit Erosion (finance rate 7.000%)	6.80%
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**16.c- SE15**

**Summary Appraisal for Phase 1****REVENUE****Rental Area Summary**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
Office	581.40	£161.00	93,605

**Investment Valuation**

Office	93,605	YP @ PV 1yr @	6.7500% 6.7500%	14.8148 0.9368	1,299,055
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(71,215)	1,299,055
NET DEVELOPMENT VALUE			<u>1,227,840</u>

**NET REALISATION****1,227,840****OUTLAY****ACQUISITION COSTS**

Residualised Price		(452,947)	(452,947)
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**CONSTRUCTION COSTS**

Construction	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Office	684.00	£1,612.00	1,102,608	<b>1,102,608</b>

## Contingency

5.00% 55,130 55,130

**PROFESSIONAL FEES**

Professional Fees		10.00%	115,774	115,774
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**MARKETING & LETTING**

Marketing		3.00%	38,972
Letting Agent Fee		10.00%	9,361
Letting Legal Fee		5.00%	4,680
			53,012

**DISPOSAL FEES**

Sales Agent Fee		1.50%	19,486
Sales Legal Fee		0.25%	3,248
			22,733

**MISCELLANEOUS FEES**

Private Profit		20.00%	259,811	259,811
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		(22,403)	
Construction		39,102	
Other		55,020	
Total Finance Cost		71,718	

**TOTAL COSTS****1,227,840****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****16.c- SE15**

Development Yield% (on Rent)	7.62%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
Gross Initial Yield%	7.21%
Net Initial Yield%	7.21%
Rent Cover	10.34%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**Site 17 - SE15**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
Light Industrial (B1)	316.80	£118.00	37,382

**Investment Valuation**

Light Industrial (B1)	37,382	YP @ PV 0yrs 6mths @	7.0000% 7.0000%	14.2857 0.9667	516,265
Market Rent (0yrs 6mths Rent Free)					

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(28,302)	516,265
NET DEVELOPMENT VALUE			<u>487,963</u>

**NET REALISATION****487,963****OUTLAY****ACQUISITION COSTS**

Residualised Price		(135,167)	(135,167)
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**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Light Industrial (B1)	352.00	£1,143.00	402,336	<b>402,336</b>

## Contingency

5.00% 20,117 20,117

**PROFESSIONAL FEES**

Professional Fees		10.00%	40,234	40,234
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**MARKETING & LETTING**

Marketing		3.00%	15,488	
Letting Agent Fee		10.00%	3,738	
Letting Legal Fee		5.00%	1,869	
				21,095

**DISPOSAL FEES**

Sales Agent Fee		1.50%	7,744	
Sales Legal Fee		0.25%	1,291	
				9,035

**MISCELLANEOUS FEES**

Private Profit		20.00%	103,253	103,253
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			(5,070)	
Construction			10,266	
Other			21,864	
Total Finance Cost				27,061

**TOTAL COSTS****487,963****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

### LB Southwark CIL Site Testing

#### Site 17 - SE15

Development Yield% (on Rent)	7.66%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.24%
Net Initial Yield%	7.24%
	8.75%
Rent Cover	0 yrs 0 mths
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
Site 18 - SE16

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross Sales</b>	
Car Parking	48 units at	£10,000	480,000	
	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Market Resi	5,217.00	£3,875.00	20,215,875	
Aff Resi - Social Rent	1,984.00	£1,043.00	2,069,312	
Aff Resi - Shared Ownership	1,272.00	£2,093.00	2,662,296	
Totals	<u>8,473.00</u>		<u>24,947,483</u>	<b>25,427,483</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground rents	87 units at	£250	21,750

### Investment Valuation

<b>Ground rents</b>	<b>Units</b>	<b>YP @</b>	<b>6.0000%</b>	<b>16.6667</b>	
Market Rent	21,750	PV 1yr 4mths @	6.0000%	0.9252	335,403

### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(18,387)	
NET DEVELOPMENT VALUE	<u>25,744,499</u>		

### NET REALISATION

**25,744,499**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.90 Ha £2,788,280.63 pHect)		2,509,453	
Stamp Duty	4.00%	100,378	
Agent Fee	1.00%	25,095	
Legal Fee	0.50%	12,547	
			2,647,472

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Market Resi	6,138.00	£1,400.00	8,593,200	
Aff Resi - Social Rent	2,334.00	£1,400.00	3,267,600	
Aff Resi - Shared Ownership	1,496.00	£1,400.00	2,094,400	
Totals	<u>9,968.00</u>		<u>13,955,200</u>	<b>13,955,200</b>

Contingency	5.00%	697,760	
Statutory/LA		128,000	
			825,760

#### PROFESSIONAL FEES

Professional Fees	10.00%	1,465,296	
			1,465,296

#### MARKETING & LETTING

Marketing	3.00%	620,876	
			620,876

#### DISPOSAL FEES

Sales Agent Fee	1.50%	315,469	
Sales Legal Fee	0.25%	64,407	
			379,876

#### MISCELLANEOUS FEES

Private Profit	20.00%	4,206,256	
Affordable Profit	6.00%	283,896	
			4,490,152

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****Site 18 - SE16****FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	454,517
Construction	636,876
Other	268,473
Total Finance Cost	1,359,866

**TOTAL COSTS****25,744,499****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.48%
Net Initial Yield%	6.48%
	6.49%
Rent Cover	0 yrs 0 mths
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**Southwark CIL Study**  
**Site 19 - SE17**

**Summary Appraisal for Phase 1****REVENUE****Sales Valuation**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Student Accommodation	3,066.75	£4,021.00	12,331,402	
B1 - incubator	864.00	£1,800.00	1,555,200	
A1 - retail	79.50	£2,018.00	160,431	
Affordable Housing - 35%	1,651.50	£1,550.00	2,559,825	
<b>Totals</b>	<b>5,661.75</b>		<b>16,606,858</b>	<b>16,606,858</b>

**NET REALISATION****16,606,858****OUTLAY****ACQUISITION COSTS**

Residualised Price		2,472,758	
Stamp Duty	4.00%	98,910	
Legal Fee	0.25%	6,182	
			<b>2,577,850</b>

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Student Accommodation	4,089.00	£1,505.00	6,153,945	
B1 - incubator	864.00	£1,000.00	864,000	
A1 - retail	106.00	£1,000.00	106,000	
Affordable Housing - 35%	2,202.00	£1,505.00	3,314,010	
<b>Totals</b>	<b>7,261.00</b>		<b>10,437,955</b>	<b>10,437,955</b>

Contingency	5.00%	521,898	
Demolition		30,000	
			<b>551,898</b>

**PROFESSIONAL FEES**

Architect	8.00%	835,036	
			<b>835,036</b>

**DISPOSAL FEES**

Sales Agent Fee	1.00%	166,069	
Sales Legal Fee	0.25%	41,517	
			<b>207,586</b>

**FINANCE**

Debit Rate 6.50% Credit Rate 0.00% (Nominal)			
Land		246,640	
Construction		338,431	
Total Finance Cost			<b>585,070</b>

**TOTAL COSTS****15,195,396****PROFIT****1,411,462****Performance Measures**

Profit on Cost%	9.29%	
Profit on GDV%	8.50%	
Profit on NDV%	8.50%	
Profit Erosion (finance rate 6.500%)	20.00%	
	1 yr 5 mths	

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

London Borough of Southwark Site Testing  
20.a - SE5 0

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	5,947.00	£3,767.00	22,402,349	
Social Rented Units	2,193.00	£1,186.00	2,600,898	
Shared Ownership Units	939.00	£2,106.00	1,977,534	
Totals	<u>9,079.00</u>		<u>26,980,781</u>	<b>26,980,781</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	76 units at	£250	19,000

#### Investment Valuation

##### Ground Rents

Current Rent	19,000	YP @	6.0000%	16.6667	316,667
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(17,360)	
NET DEVELOPMENT VALUE			<u>27,280,088</u>

Income from Tenants		17,417	
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#### NET REALISATION

**27,297,505**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		(980,548)	(980,548)
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#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	6,996.00	£1,754.52	12,274,622	
Social Rented Units	2,580.00	£1,754.52	4,526,662	
Shared Ownership Units	1,105.00	£1,754.52	1,938,745	
Totals	<u>10,681.00</u>		<u>18,740,028</u>	<b>18,740,028</b>

Contingency	5.00%	937,001	
Section 106		116,000	1,053,001

#### PROFESSIONAL FEES

Professional Fees	10.00%	1,874,003	1,874,003
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#### MARKETING & LETTING

Letting Agent Fee	10.00%	1,900	
Letting Legal Fee	5.00%	950	
			2,850

#### DISPOSAL FEES

Sales Agent Fee	1.50%	409,201	
Sales Legal Fee	0.25%	68,200	

477,402

#### Additional Costs

Profit on Affordable	6.00%	274,706	
Profit on Private	20.00%	4,543,803	

4,818,509

#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)		
Land		(124,857)
Construction		1,087,975

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****London Borough of Southwark Site Testing****20.a - SE5 0**

Other	349,142
Total Finance Cost	1,312,260
<b>TOTAL COSTS</b>	<b>27,297,505</b>
<b>PROFIT</b>	<b>0</b>

**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
	3.72%
Rent Cover	0 yrs 0 mths
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

**LB Southwark CIL Site Testing  
Site 20b - SE5 0**

### Summary Appraisal for Phase 1

#### REVENUE

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
A1 space	565.22	£376.74	212,941

#### Investment Valuation

<b>A1 space</b>				
Market Rent (0yrs 10mths Unexpired Rent Free)	212,941	YP @ PV 0yrs 10mths @	7.0000% 7.0000%	14.2857 0.9452 2,875,244

#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(157,622)
NET DEVELOPMENT VALUE		<u>2,717,622</u>

#### NET REALISATION

**2,717,622**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price		949,746	
Stamp Duty	4.00%	37,990	
Agent Fee	1.00%	9,497	
Legal Fee	0.25%	2,374	
			999,608

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
A1 space	665.00	£1,044.10	694,326
Contingency		5.00%	34,716

#### PROFESSIONAL FEES

Professional Fees	10.00%	69,433	69,433
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#### MARKETING & LETTING

Marketing	3.00%	86,257	
Letting Agent Fee	10.00%	21,294	
Letting Legal Fee	5.00%	10,647	
			118,198

#### DISPOSAL FEES

Sales Agent Fee	1.50%	40,764	
Sales Legal Fee	0.25%	6,794	

#### Additional Costs

Profit on Private	20.00%	575,049	575,049
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#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		122,601	
Construction		31,388	
Other		24,745	
Total Finance Cost			178,733

#### TOTAL COSTS

**2,717,622**

#### PROFIT

**0**

#### Performance Measures

## APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

### LB Southwark CIL Site Testing

#### Site 20b - SE5 0

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.84%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.41%
Net Initial Yield%	7.41%
Rent Cover	6.64%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CII Site Testing**  
**Site 20c - SE5 0**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
B1 space	521.93	£172.22	89,887

**Investment Valuation**

<b>B1 space</b>				
Market Rent (1yr Rent Free)	89,887	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346 1,200,091

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(65,789)	1,200,091
NET DEVELOPMENT VALUE			<u>1,134,301</u>

**NET REALISATION****1,134,301****OUTLAY****ACQUISITION COSTS**

Residualised Price		(347,674)	(347,674)
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**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
B1 space	614.00	£1,614.59	991,358

## Contingency

5.00% 49,568 49,568

**PROFESSIONAL FEES**

Professional Fees	10.00%	99,136	99,136
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**MARKETING & LETTING**

Marketing	3.00%	36,003	
Letting Agent Fee	10.00%	8,989	
Letting Legal Fee	5.00%	4,494	
			49,486

**DISPOSAL FEES**

Sales Agent Fee	1.50%	17,015	
Sales Legal Fee	0.25%	2,836	
			19,850

**Additional Costs**

Profit on Private	20.00%	240,018	240,018
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		(22,581)	
Construction		44,815	
Other		10,325	
Total Finance Cost			32,559

**TOTAL COSTS****1,134,301****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****Site 20c - SE5 0**

Development Yield% (on Rent)	7.92%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.49%
Net Initial Yield%	7.49%
	14.08%
Rent Cover	0 yrs 0 mths
Profit Erosion (finance rate 7.000%)	N/A

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

London Borough of Southwark CIL Site Testing  
Site 21a - SE17 3

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	9,724.00	£5,000.00	48,620,000	
Social Rented Units	3,672.00	£1,365.00	5,012,280	
Shared Ownership Units	1,632.00	£1,928.00	3,146,496	
Totals	<u>15,028.00</u>		<u>56,778,776</u>	<b>56,778,776</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	143 units at	£250	35,750

#### Investment Valuation

##### Ground Rents

Current Rent	35,750	YP @	6.0000%	16.6667	595,833
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(32,664)
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#### NET DEVELOPMENT VALUE

57,341,946

Income from Tenants		53,625
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#### NET REALISATION

**57,395,571**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		5,912,239	
Stamp Duty	4.00%	236,490	
Agent Fee	1.00%	59,122	
Legal Fee	0.50%	29,561	
			6,237,412

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	11,440.00	£1,754.52	20,071,709	
Social Rented Units	4,320.00	£1,754.52	7,579,526	
Shared Ownership Units	1,920.00	£1,754.52	3,368,678	
Totals	<u>17,680.00</u>		<u>31,019,914</u>	<b>31,019,914</b>

##### Contingency

Section 106	5.00%	1,550,996	
		221,000	1,771,996

#### PROFESSIONAL FEES

Professional Fees	10.00%	3,101,991	
			3,101,991

#### MARKETING & LETTING

Letting Agent Fee	10.00%	3,575	
Letting Legal Fee	5.00%	1,788	
			5,363

#### DISPOSAL FEES

Sales Agent Fee	1.50%	860,129	
Sales Legal Fee	0.25%	143,355	
			1,003,484

#### Additional Costs

Profit on Affordable	6.00%	489,527	
Profit on Private	20.00%	9,843,167	
			10,332,693

### FINANCE

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****London Borough of Southwark CIL Site Testing****Site 21a - SE17 3**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	877,360
Construction	1,166,427
Other	1,878,931
Total Finance Cost	3,922,718

**TOTAL COSTS****57,395,571****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Rent Cover	6.63%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CII Site Testing**  
**Site 21b - SE17 3**

**Summary Appraisal for Phase 1****REVENUE****Rental Area Summary**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
B1 Office space	1,598.03	£172.22	275,213

**Investment Valuation****B1 Office space**

	275,213	YP @ PV 0yrs 10mths @	7.0000% 7.0000%	14.2857 0.9452	3,716,071
Market Rent (0yrs 10mths Unexpired Rent Free)					

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(203,717)	3,716,071
NET DEVELOPMENT VALUE			<u>3,512,354</u>

**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price		(1,037,326)	(1,037,326)

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
B1 Office space	1,879.99	£1,614.59	3,035,413

Contingency	5.00%	151,771	151,771
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**PROFESSIONAL FEES**

Professional Fees	10.00%	303,541	303,541
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**MARKETING & LETTING**

Marketing	3.00%	111,482	
Letting Agent Fee	10.00%	27,521	
Letting Legal Fee	5.00%	13,761	
			152,764

**DISPOSAL FEES**

Sales Agent Fee	1.50%	52,685	
Sales Legal Fee	0.25%	8,781	
			61,466

**Additional Costs**

Profit on Private	20.00%	743,214	743,214
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		(67,688)	
Construction		137,218	
Other		31,981	
Total Finance Cost			101,511

**TOTAL COSTS**

3,512,354	
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**PROFIT**

0	
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**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

### LB Southwark CIL Site Testing

#### Site 21b - SE17 3

Development Yield% (on Rent)	7.84%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.41%
Net Initial Yield%	7.41%
	13.09%
Rent Cover	0 yrs 0 mths
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
Site 22a - SE15 6

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	4,716.04	£3,500.00	16,506,140	
Social Rented Units	1,680.06	£1,142.00	1,918,629	
Shared Ownership Units	764.03	£2,139.00	1,634,260	
Totals	<u>7,160.13</u>		<u>20,059,029</u>	<b>20,059,029</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	77 units at	£250	19,250

#### Investment Valuation

##### Ground Rents

Current Rent	19,250	YP @	6.0000%	16.6667	320,833
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(17,588)	
NET DEVELOPMENT VALUE			<u>20,362,274</u>

Income from Tenants		14,438	
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#### NET REALISATION

**20,376,711**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		1,417,443	
Stamp Duty	4.00%	56,698	
Agent Fee	1.00%	14,174	
Legal Fee	0.50%	7,087	
			1,495,403

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	5,548.26	£1,400.00	7,767,564	
Social Rented Units	1,976.51	£1,400.00	2,767,114	
Shared Ownership Units	898.84	£1,400.00	1,258,376	
Totals	<u>8,423.61</u>		<u>11,793,054</u>	<b>11,793,054</b>

##### Contingency

Section 106	5.00%	589,653	
		117,000	706,653

#### PROFESSIONAL FEES

Professional Fees	10.00%	1,179,305	
			1,179,305

#### MARKETING & LETTING

Marketing	3.00%	504,809	
Letting Agent Fee	10.00%	1,925	
Letting Legal Fee	5.00%	963	
			507,697

#### DISPOSAL FEES

Sales Agent Fee	1.50%	305,434	
Sales Legal Fee	0.25%	50,906	
			356,340

#### Additional Costs

Profit on Affordable	6.00%	213,173	
Profit on Private	20.00%	3,365,395	
			3,578,568

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing  
Site 22a - SE15 6****FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	207,011
Construction	355,945
Other	196,735
Total Finance Cost	759,692

**TOTAL COSTS****20,376,711****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Rent Cover	6.23%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**London Borough of Southwark Site Testing**  
**Site 22b - SE15 6**

**Summary Appraisal for Phase 1****REVENUE**

<b>Rental Area Summary</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
B1 space	11,207.36	£161.46	1,809,540

**Investment Valuation**

<b>B1 space</b>					
Market Rent (1yr Rent Free)	1,809,540	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346	24,159,417

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(1,324,429)	24,159,417
NET DEVELOPMENT VALUE			<u>22,834,988</u>

**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price		(8,400,400)	(8,400,400)
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**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
B1 space	13,185.08	£1,614.59	21,288,498	<b>21,288,498</b>

**Contingency**

Contingency	5.00%	1,064,425	1,064,425
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**PROFESSIONAL FEES**

Professional Fees	10.00%	2,128,850	2,128,850
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**MARKETING & LETTING**

Marketing	3.00%	724,783	
Letting Agent Fee	10.00%	180,954	
Letting Legal Fee	5.00%	90,477	
			996,214

**DISPOSAL FEES**

Sales Agent Fee	1.00%	228,350	
Sales Legal Fee	0.25%	57,087	285,437

**Additional Costs**

Profit on Private	20.00%	4,831,883	4,831,883
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		(532,318)	
Construction		962,363	
Other		210,035	
Total Finance Cost			640,080

**TOTAL COSTS**

		<b>22,834,988</b>
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**PROFIT**

		<b>0</b>
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**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****London Borough of Southwark Site Testing****Site 22b - SE15 6**

Development Yield% (on Rent)	7.92%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.49%
Net Initial Yield%	7.49%

Rent Cover	N/A
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

London Borough of Southwark  
Site 22c - SE15 6

### Summary Appraisal for Phase 1

#### REVENUE

##### Rental Area Summary

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
A space	228.63	£344.45	78,752

#### Investment Valuation

A space	78,752	YP @ PV 0yrs 10mths @	7.5000% 7.5000%	13.3333 0.9415	988,609
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(54,196)	988,609
NET DEVELOPMENT VALUE			<u>934,413</u>

#### NET REALISATION

**934,413**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price		287,077	
Stamp Duty	4.00%	11,483	
Agent Fee	1.00%	2,871	
Legal Fee	0.25%	718	
			302,149

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
A space	269.05	£1,044.10	280,915	<b>280,915</b>
Contingency		5.00%	14,046	14,046

#### PROFESSIONAL FEES

Professional Fees	10.00%	28,092	28,092
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#### MARKETING & LETTING

Marketing	3.00%	29,658	
Letting Agent Fee	10.00%	7,875	
Letting Legal Fee	5.00%	3,938	
			41,471

#### DISPOSAL FEES

Sales Agent Fee	1.00%	9,344	
Sales Legal Fee	0.25%	2,336	

11,680

#### Additional Costs

Profit on Private	20.00%	197,722	197,722
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#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		37,058	
Construction		12,699	
Other		8,581	
Total Finance Cost			58,338

#### TOTAL COSTS

**934,413**

#### PROFIT

**0**

#### Performance Measures

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****London Borough of Southwark****Site 22c - SE15 6**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	8.43%
Equivalent Yield% (Nominal)	7.50%
Equivalent Yield% (True)	7.87%
Gross Initial Yield%	7.97%
Net Initial Yield%	7.97%
Rent Cover	6.61%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

London Borough of Southwark CIL site testing  
Site 23a - SE15

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	5,032.08	£3,660.00	18,417,402	
Social Rented Units	1,836.03	£1,166.00	2,140,809	
Shared Ownership Units	884.02	£2,120.00	1,874,120	
Totals	<u>7,752.12</u>		<u>22,432,330</u>	<b>22,432,330</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	74 units at	£250	18,500

#### Investment Valuation

<b>Ground Rents</b>					
Current Rent	18,500	YP @	6.0000%	16.6667	308,333

#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(16,903)	<u>22,723,760</u>
<b>NET DEVELOPMENT VALUE</b>			

Income from Tenants		12,333
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<b>NET REALISATION</b>		<b>22,736,094</b>
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### OUTLAY

#### ACQUISITION COSTS

Residualised Price		2,031,950	
Stamp Duty	4.00%	81,278	
Agent Fee	1.00%	20,320	
Legal Fee	0.50%	10,160	
			2,143,708

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	5,920.00	£1,400.00	8,288,000	
Social Rented Units	2,160.00	£1,400.00	3,024,000	
Shared Ownership Units	1,040.00	£1,400.00	1,456,000	
Totals	<u>9,120.00</u>		<u>12,768,000</u>	<b>12,768,000</b>

Contingency	5.00%	638,400	
Section 106		114,000	
			752,400

#### PROFESSIONAL FEES

Professional Fees	10.00%	1,276,800	
			1,276,800

#### MARKETING & LETTING

Marketing	3.00%	561,772	
Letting Agent Fee	10.00%	1,850	
Letting Legal Fee	5.00%	925	
			564,547

#### DISPOSAL FEES

Sales Agent Fee	1.50%	340,856	
Sales Legal Fee	0.25%	56,809	
			397,666
			397,666

#### Additional Costs

Profit on Affordable	6.00%	240,896	
Profit on Private	20.00%	3,745,147	
			3,986,043
			3,986,043

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**London Borough of Southwark CIL site testing  
Site 23a - SE15**

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	297,943
Construction	363,788
Other	185,200
Total Finance Cost	846,931

**TOTAL COSTS****22,736,094****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Profit Erosion (finance rate 7.000%)	6.23% N/A

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

London Borough of Southwark  
Site 23b - SE15

### Summary Appraisal for Phase 1

#### REVENUE

##### Rental Area Summary

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
A space	898.47	£344.45	309,478

#### Investment Valuation

A space	309,478	YP @ PV 0yrs 10mths @	7.5000% 7.5000%	13.3333 0.9415	3,885,034
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(212,979)	3,885,034
NET DEVELOPMENT VALUE			<u>3,672,055</u>

#### NET REALISATION

**3,672,055**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price		1,128,434	
Stamp Duty	4.00%	45,137	
Agent Fee	1.00%	11,284	
Legal Fee	0.25%	2,821	
			1,187,677

#### CONSTRUCTION COSTS

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Construction	1,057.05	£1,044.10	1,103,666	<b>1,103,666</b>
A space				
Contingency		5.00%	55,183	55,183

#### PROFESSIONAL FEES

Professional Fees	10.00%	110,367	110,367
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#### MARKETING & LETTING

Marketing	3.00%	116,551	
Letting Agent Fee	10.00%	30,948	
Letting Legal Fee	5.00%	15,474	
			162,973

#### DISPOSAL FEES

Sales Agent Fee	1.00%	36,721	
Sales Legal Fee	0.25%	9,180	45,901

#### Additional Costs

Profit on Private	20.00%	777,007	777,007
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#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		145,667	
Construction		49,892	
Other		33,723	
Total Finance Cost			229,282

#### TOTAL COSTS

**3,672,055**

#### PROFIT

**0**

#### Performance Measures

## APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

London Borough of Southwark

Site 23b - SE15

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	8.43%
Equivalent Yield% (Nominal)	7.50%
Equivalent Yield% (True)	7.87%
Gross Initial Yield%	7.97%
Net Initial Yield%	7.97%
Rent Cover	6.61%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

# APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

London Borough of Southwark CII Site Testing  
Site 24 - Se16 4

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross Sales</b>
Car Parking	183 units at	£10,000	1,830,000
	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>
Private Residential Units	34,461.00	£8,000.00	275,688,000
Social Rented Units	13,043.00	£1,656.00	21,599,208
Shared Ownership Units	5,590.00	£1,814.00	10,140,260
Totals	<u>53,094.00</u>		<u>307,427,468</u> <b>309,257,468</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	381 units at	£250	95,250

### Investment Valuation

#### Ground Rents

Current Rent	95,250	YP @	6.0000%	16.6667	1,587,500
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(87,027)	<u>310,757,941</u>
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NET DEVELOPMENT VALUE			
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Income from Tenants			976,313
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#### NET REALISATION

**311,734,253**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		35,557,781
Stamp Duty	4.00%	1,422,311
Agent Fee	1.00%	355,578
Legal Fee	0.50%	177,789
		37,513,459

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Private Residential Units	40,542.00	£1,754.52	71,131,750
Social Rented Units	15,345.00	£1,754.52	26,923,109
Shared Ownership Units	6,576.00	£1,754.52	11,537,724
Totals	<u>62,463.00</u>		<u>109,592,583</u> <b>109,592,583</b>

Contingency	5.00%	5,479,629
Section 106		587,000
		6,066,629

#### PROFESSIONAL FEES

Professional Fees	10.00%	10,959,258
		10,959,258

#### MARKETING & LETTING

Marketing	3.00%	8,318,265
Letting Agent Fee	10.00%	9,525
Letting Legal Fee	5.00%	4,763
		8,332,552

#### DISPOSAL FEES

Sales Agent Fee	1.50%	4,661,369
Sales Legal Fee	0.25%	776,895
		5,438,264

#### Additional Costs

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****London Borough of Southwark CII Site Testing****Site 24 - Se16 4**

Profit on Affordable	6.00%	1,904,368
Profit on Private	20.00%	55,455,100
		57,359,468

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	10,037,055
Construction	12,316,568
Other	54,118,416
Total Finance Cost	76,472,040

**TOTAL COSTS****311,734,253****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.03%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
	7.04%
Rent Cover	0 yrs 0 mths
Profit Erosion (finance rate 7.000%)	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing  
Site 24b - SE16 4**

**Summary Appraisal for Phase 1****REVENUE****Rental Area Summary**

A space	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
	233.74	£344.45	80,512

**Investment Valuation**

A space	Market Rent (0yrs 10mths Unexpired Rent Free)	80,512	YP @ PV 0yrs 10mths @	6.5000% 6.5000%	15.3846 0.9489	1,175,316
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(64,431)	1,175,316
NET DEVELOPMENT VALUE			<u>1,110,884</u>

**NET REALISATION**

**1,110,884**

**OUTLAY****ACQUISITION COSTS**

Residualised Price		390,318	
Stamp Duty	4.00%	15,613	
Agent Fee	1.00%	3,903	
Legal Fee	0.25%	976	
			410,809

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
A space	274.99	£1,044.10	287,117
Contingency		5.00%	14,356
			14,356

**PROFESSIONAL FEES**

Professional Fees		10.00%	28,712	
			28,712	

**MARKETING & LETTING**

Marketing		3.00%	35,259	
Letting Agent Fee		10.00%	8,051	
Letting Legal Fee		5.00%	4,026	
			47,336	

**DISPOSAL FEES**

Sales Agent Fee		1.00%	11,109	
Sales Legal Fee		0.25%	2,777	
			13,886	

**Additional Costs**

Profit on Private		20.00%	235,063	
			235,063	

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land		50,385		
Construction		12,979		
Other		10,239		
Total Finance Cost			73,604	

**TOTAL COSTS**

**1,110,883**

**PROFIT**

**1**

**Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 24b - SE16 4**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.25%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
Gross Initial Yield%	6.85%
Net Initial Yield%	6.85%
Rent Cover	6.64%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing**  
**Site 25 - SE1 2**

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>
Hotel	4,339.27	£4,839.53	21,000,000
Purchaser's Costs		5.80%	(1,151,229)
NET DEVELOPMENT VALUE			<u>19,848,771</u>

**NET REALISATION** **19,848,771**

**OUTLAY****ACQUISITION COSTS**

Residualised Price			2,084,035
Stamp Duty		4.00%	83,361
Agent Fee		1.00%	20,840
Legal Fee		0.50%	10,420
			2,198,656

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Hotel	5,105.02	£2,000.00	10,210,040
Contingency		5.00%	510,502

**PROFESSIONAL FEES**

Professional Fees		10.00%	1,021,004
			1,021,004

**MARKETING & LETTING**

Marketing		3.00%	630,000
			630,000

**DISPOSAL FEES**

Sales Agent Fee		1.50%	297,732
Sales Legal Fee		0.25%	49,622
			347,353

**Additional Costs**

Profit on Private		20.00%	4,200,000
			4,200,000

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		269,663	
Construction		461,553	
Total Finance Cost			731,215

**TOTAL COSTS** **19,848,771**

**PROFIT**

**0**

**Performance Measures**

Profit on Cost%		0.00%
Profit on GDV%		0.00%
Profit on NDV%		0.00%
Profit Erosion (finance rate 7.000%)		6.44%
		N/A

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark Cil Site Testing  
Site 26a - SE1

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross Sales</b>
Car Parking	142 units at	£10,000	1,420,000
	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>
Private Residential Units	24,838.00	£9,190.00	228,261,220
Social Rented Units	9,407.00	£1,695.00	15,944,865
Shared Ownership Units	4,017.00	£1,869.00	7,507,773
Totals	<u>38,262.00</u>		<u>253,133,858</u>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	230 units at	£250	57,500

### Investment Valuation

#### Ground Rents

Current Rent	57,500	YP @	6.0000%	16.6667	958,333
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### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(52,536)	254,092,191
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### NET DEVELOPMENT VALUE

Income from Tenants			436,042
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### NET REALISATION

**254,475,697**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		47,807,997	
Stamp Duty	4.00%	1,912,320	
Agent Fee	1.00%	478,080	
Legal Fee	0.50%	239,040	
			50,437,437

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Private Residential Units	29,196.00	£1,754.52	51,224,966
Social Rented Units	11,058.00	£1,754.52	19,401,482
Shared Ownership Units	4,722.00	£1,754.52	8,284,843
Totals	<u>44,976.00</u>		<u>78,911,292</u>

Contingency	5.00%	3,945,565	
Section 106		354,000	4,299,565

#### PROFESSIONAL FEES

Professional Fees	10.00%	8,285,686	8,285,686
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#### MARKETING & LETTING

Marketing	3.00%	6,847,837	
Letting Agent Fee	10.00%	5,750	
Letting Legal Fee	5.00%	2,875	
			6,856,462

#### DISPOSAL FEES

Sales Agent Fee	1.50%	3,458,805	
Sales Legal Fee	0.25%	635,099	
			4,093,904

#### Additional Costs

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 26a - SE1**

Profit on Affordable	6.00%	1,407,158
Profit on Private	20.00%	45,843,911
		47,251,069

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	13,495,554
Construction	8,627,333
Other	32,217,396
Total Finance Cost	54,340,283

**TOTAL COSTS****254,475,697****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.02%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Rent Cover	7.02%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark Cil Site Testing  
Site 26b - SE1

## Summary Appraisal for Phase 1

### REVENUE

#### Rental Area Summary

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
A space	776.48	£376.74	292,531

#### Investment Valuation

A space	Market Rent (0yrs 10mths Unexpired Rent Free)	292,531	YP @ PV 0yrs 10mths @	6.5000% 6.5000%	15.3846 0.9489	4,270,388
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(234,104)	4,270,388
NET DEVELOPMENT VALUE			<u>4,036,283</u>

#### NET REALISATION

**4,036,283**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		1,508,616	
Stamp Duty	4.00%	60,345	
Agent Fee	1.00%	15,086	
Legal Fee	0.25%	3,772	
			1,587,818

#### CONSTRUCTION COSTS

Construction	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
A space	913.52	£1,044.10	953,806	<b>953,806</b>
Contingency		5.00%	47,690	47,690

#### PROFESSIONAL FEES

Professional Fees	10.00%	95,381	95,381
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#### MARKETING & LETTING

Marketing	3.00%	128,112	
Letting Agent Fee	10.00%	29,253	
Letting Legal Fee	5.00%	14,627	
			171,991

#### DISPOSAL FEES

Sales Agent Fee	1.00%	40,363	
Sales Legal Fee	0.25%	10,091	50,454

#### Additional Costs

Profit on Private	20.00%	854,078	854,078
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#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		194,744	
Construction		43,118	
Other		37,204	
Total Finance Cost			275,065

#### TOTAL COSTS

**4,036,283**

#### PROFIT

**0**

#### Performance Measures

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 26b - SE1**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.25%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
Gross Initial Yield%	6.85%
Net Initial Yield%	6.85%
Rent Cover	6.66%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing  
Site 26c - SE1**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
B1 space	776.48	£269.10	208,951

**Investment Valuation**

<b>B1 space</b>				
Market Rent (1yr Rent Free)	208,951	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346 2,789,730

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(152,934)	2,789,730
NET DEVELOPMENT VALUE			<u>2,636,796</u>

**NET REALISATION****2,636,796****OUTLAY****ACQUISITION COSTS**

Residualised Price		121,634	
Stamp Duty	4.00%	4,865	
Agent Fee	1.00%	1,216	
Legal Fee	0.25%	304	
			128,020

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
B1 space	913.52	£1,614.59	1,474,960	<b>1,474,960</b>
Contingency		5.00%	73,748	73,748

**PROFESSIONAL FEES**

Professional Fees	10.00%	147,496	
			147,496

**MARKETING & LETTING**

Marketing	3.00%	83,692	
Letting Agent Fee	10.00%	20,895	
Letting Legal Fee	5.00%	10,448	
			115,035

**DISPOSAL FEES**

Sales Agent Fee	1.00%	26,368	
Sales Legal Fee	0.25%	6,592	

Profit on Private	20.00%	557,946	
			557,946

**Additional Costs**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		15,701	
Construction		66,677	
Other		24,253	
Total Finance Cost			106,631

<b>TOTAL COSTS</b>		<b>2,636,796</b>
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**PROFIT****0****Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 26c - SE1**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.92%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.49%
Net Initial Yield%	7.49%
Rent Cover	6.32%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing  
Site 27 - SE16**

**Summary Appraisal for Phase 1****REVENUE**

**Rental Area Summary**  
Light Industrial

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
	201.60	£123.78	24,954

**Investment Valuation****Light Industrial**

Market Rent	24,954	YP @ PV 1yr 1mth @	7.0000% 7.0000%	14.2857 0.9293	331,292
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs		5.80%	(18,162)	331,292
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**NET DEVELOPMENT VALUE**

313,130

**NET REALISATION**

**313,130**

**OUTLAY****ACQUISITION COSTS**

Residualised Price			(76,881)	(76,881)
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**CONSTRUCTION COSTS**

**Construction**  
Light Industrial

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
	224.08	£1,156.91	259,240

Contingency

	5.00%	12,962	12,962
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**PROFESSIONAL FEES**

Professional Fees		10.00%	25,924
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25,924

**MARKETING & LETTING**

Marketing		3.00%	9,939
Letting Agent Fee		10.00%	2,495
Letting Legal Fee		5.00%	1,248

13,682

**DISPOSAL FEES**

Sales Agent Fee		1.00%	3,131
Sales Legal Fee		0.25%	783

3,914

**Additional Costs**

Profit on Private		20.00%	66,258
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66,258

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		(4,053)	
Construction		9,154	
Other		2,930	
Total Finance Cost			8,031

**TOTAL COSTS**

**313,130**

**PROFIT**

**0**

**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 27 - SE16**

Development Yield% (on Rent)	7.97%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.53%
Net Initial Yield%	7.53%
Rent Cover	10.22%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing**  
**Site 28a - SE16 2**

**Summary Appraisal for Phase 1****REVENUE****Sales Valuation**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	19,515.84	£5,554.18	108,394,484	
Social Rented Units	7,343.89	£1,431.60	10,513,510	
Shared Ownership Units	3,128.00	£1,797.57	5,622,799	
Totals	<u>29,987.73</u>		<u>124,530,793</u>	<b>124,530,793</b>

**Rental Area Summary**

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	287 units at	£250	71,750

**Investment Valuation**

<b>Ground Rents</b>					
Current Rent	71,750	YP @	6.0000%	16.6667	1,195,833

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(65,556)	
NET DEVELOPMENT VALUE			<u>125,661,070</u>

Income from Tenants		263,083	
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**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price		24,563,967	
Stamp Duty	4.00%	982,559	
Agent Fee	1.00%	245,640	
Legal Fee	0.50%	122,820	
			25,914,985

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	22,960.00	£1,754.52	40,283,779	
Social Rented Units	8,640.00	£1,754.52	15,159,053	
Shared Ownership Units	3,680.00	£1,754.52	6,456,634	
Totals	<u>35,280.00</u>		<u>61,899,466</u>	<b>61,899,466</b>

Contingency	5.00%	3,094,973	
Section 106		441,000	
			3,535,973

**PROFESSIONAL FEES**

Professional Fees	10.00%	6,189,947	
			6,189,947

**MARKETING & LETTING**

Marketing	3.00%	3,287,710	
Letting Agent Fee	10.00%	7,175	
Letting Legal Fee	5.00%	3,588	
			3,298,472

**DISPOSAL FEES**

Sales Agent Fee	1.50%	1,884,916	
Sales Legal Fee	0.25%	314,153	
			2,199,069

**Additional Costs**

Profit on Affordable	6.00%	968,179	
Profit on Private	20.00%	21,918,064	
			22,886,242

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

LB Southwark Cil Site Testing

Site 28a - SE16 2

**TOTAL COSTS****125,924,153****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Profit Erosion (finance rate 0.000%)	0.00% N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing**  
**Site 28b - SE16 2**

**Summary Appraisal for Phase 1****REVENUE****Rental Area Summary**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
A1 space	8,846.88	£193.75	1,714,083
A3 space	267.75	£161.46	43,231
Totals	<u>9,114.63</u>		<u>1,757,314</u>

**Investment Valuation**

<b>A1 space</b>					
Market Rent	1,714,083	YP @	7.5000%	13.3333	
(0yrs 10mths Unexpired Rent Free)		PV 0yrs 10mths @	7.5000%	0.9415	21,517,750
<b>A3 space</b>					
Market Rent	43,231	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	536,197
					<b>22,053,948</b>

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(1,209,007)	
<b>NET DEVELOPMENT VALUE</b>			<u>20,844,941</u>

**NET REALISATION****20,844,941****OUTLAY****ACQUISITION COSTS**

Residualised Price		1,417,910	
Stamp Duty	4.00%	56,716	
Agent Fee	1.00%	14,179	
Legal Fee	0.25%	3,545	
			1,492,350

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
A1 space	10,408.11	£1,044.10	10,867,108	
A3 space	315.03	£1,044.10	328,923	
Totals	<u>10,723.14</u>		<u>11,196,030</u>	<b>11,196,030</b>
Contingency		5.00%	559,802	
				559,802

**PROFESSIONAL FEES**

Professional Fees	10.00%	1,119,603	
			1,119,603

**MARKETING & LETTING**

Marketing	3.00%	661,618	
Letting Agent Fee	10.00%	175,731	
Letting Legal Fee	5.00%	87,866	
			925,216

**DISPOSAL FEES**

Sales Agent Fee	1.00%	208,449	
Sales Legal Fee	0.25%	52,112	
			260,562

**Additional Costs**

Profit on Private	20.00%	4,410,790	
			4,410,790

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)		
Land		183,035
Construction		506,125
Other		191,429

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 28b - SE16 2**

Total Finance Cost

880,589

**TOTAL COSTS****20,844,941****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	8.43%
Equivalent Yield% (Nominal)	7.50%
Equivalent Yield% (True)	7.87%
Gross Initial Yield%	7.97%
Net Initial Yield%	7.97%
Rent Cover	6.36%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing  
Site 28c - SE16 2**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
B1 space	744.62	£258.33	192,358

**Investment Valuation**

<b>B1 space</b>				
Market Rent (1yr Rent Free)	192,358	YP @ PV 1yr @	7.0000% 7.0000%	14.2857 0.9346 2,568,193

**GROSS DEVELOPMENT VALUE** 2,568,193

Purchaser's Costs	5.80%	(140,789)
<b>NET DEVELOPMENT VALUE</b>		<b>2,427,404</b>

**NET REALISATION** 2,427,404

**OUTLAY****ACQUISITION COSTS**

Residualised Price		54,806	
Stamp Duty	4.00%	2,192	
Agent Fee	1.00%	548	
Legal Fee	0.25%	137	
			57,684

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
B1 space	875.98	£1,614.59	1,414,349	<b>1,414,349</b>
Contingency		5.00%	70,717	70,717

**PROFESSIONAL FEES**

Professional Fees	10.00%	141,435	
			141,435

**MARKETING & LETTING**

Marketing	3.00%	77,046	
Letting Agent Fee	10.00%	19,236	
Letting Legal Fee	5.00%	9,618	
			105,899

**DISPOSAL FEES**

Sales Agent Fee	1.00%	24,274	
Sales Legal Fee	0.25%	6,069	

**Additional Costs**

Profit on Private	20.00%	513,639	
			513,639

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		7,075	
Construction		63,937	
Other		22,327	
Total Finance Cost			93,339

**TOTAL COSTS** 2,427,404

**PROFIT**

0

**Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 28c - SE16 2**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.92%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.49%
Net Initial Yield%	7.49%
Rent Cover	6.28%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing**  
**Site 29 - SE16 7**

**Summary Appraisal for Phase 1****REVENUE**

<b>Rental Area Summary</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
Shopping Centre Extension	9,023.67	£538.20	4,856,539

**Investment Valuation**

<b>Shopping Centre Extension</b>	<b>Market Rent</b>	<b>YP @</b>	<b>6.5000%</b>	<b>15.3846</b>	
(0yrs 7mths Unexpired Rent Free)	4,856,539	PV 0yrs 7mths @	6.5000%	0.9639	72,021,076

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(3,948,225)	72,021,076
NET DEVELOPMENT VALUE			<u>68,072,850</u>

**NET REALISATION****68,072,850****OUTLAY****ACQUISITION COSTS**

Residualised Price		28,228,546	
Stamp Duty	4.00%	1,129,142	
Agent Fee	1.00%	282,285	
Legal Fee	0.25%	70,571	
			29,710,544

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Shopping Centre Extension	10,616.12	£1,199.96	12,738,919	<b>12,738,919</b>
Contingency		5.00%	636,946	636,946

**PROFESSIONAL FEES**

Professional Fees	10.00%	1,273,892	1,273,892
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**MARKETING & LETTING**

Marketing	3.00%	2,160,632	
Letting Agent Fee	10.00%	485,654	
Letting Legal Fee	5.00%	242,827	
			2,889,113

**DISPOSAL FEES**

Sales Agent Fee	1.00%	680,729	
Sales Legal Fee	0.25%	170,182	

**Additional Costs**

Profit on Private	20.00%	14,404,215	14,404,215
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		4,227,669	
Construction		703,269	
Other		637,372	
Total Finance Cost			5,568,310

**TOTAL COSTS****68,072,850****PROFIT****0****Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 29 - SE16 7**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	7.13%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
Gross Initial Yield%	6.74%
Net Initial Yield%	6.74%
Rent Cover	6.74%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark Cil Site Testing  
Site 30 - SE22

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>
Private Residential Units	494.70	£4,250.00	2,102,475

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	5 units at	£250	1,250

#### Investment Valuation

##### Ground Rents

		YP @			
Current Rent	1,250	6.0000%	16.6667	20,833	

#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(1,142)	2,123,308
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#### NET DEVELOPMENT VALUE

Income from Tenants	104
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#### NET REALISATION

2,122,270
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### OUTLAY

#### ACQUISITION COSTS

Residualised Price	593,878
Stamp Duty	23,755
Agent Fee	5,939
Legal Fee	2,969
	626,541

#### CONSTRUCTION COSTS

Construction	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>
Private Residential Units	582.00	£1,300.00	756,600
Contingency		5.00%	37,830
Section 106			5,000
			42,830

#### PROFESSIONAL FEES

Professional Fees	10.00%	75,660	75,660
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#### MARKETING & LETTING

Marketing	3.00%	63,699
Letting Agent Fee	10.00%	125
Letting Legal Fee	5.00%	63
		63,887

#### DISPOSAL FEES

Sales Agent Fee	1.50%	31,832
Sales Legal Fee	0.25%	5,305
		37,138

#### Additional Costs

Profit on Private	20.00%	424,662	424,662
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#### FINANCE

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	64,747
Construction	27,044
Other	3,162
Total Finance Cost	94,953

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

LB Southwark Cil Site Testing

Site 30 - SE22

**TOTAL COSTS****2,122,270****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Rent Cover	6.46%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark Cil Site Testing  
Site 32 - SE16 6

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	8,432.00	£5,554.18	46,832,846	
Social Rented Units	3,238.00	£1,431.60	4,635,521	
Shared Ownership Units	1,293.00	£1,797.57	2,324,258	
Totals	<u>12,963.00</u>		<u>53,792,625</u>	<b>53,792,625</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	138 units at	£250	34,500

#### Investment Valuation

<b>Ground Rents</b>					
Current Rent	34,500	YP @	6.0000%	16.6667	575,000

#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(31,522)	<u>54,336,103</u>
<b>NET DEVELOPMENT VALUE</b>			

Income from Tenants		60,375
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#### NET REALISATION

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		7,137,565	
Stamp Duty	4.00%	285,503	
Agent Fee	1.00%	71,376	
Legal Fee	0.50%	35,688	
			7,530,131

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	9,920.00	£1,754.52	17,404,838	
Social Rented Units	3,809.00	£1,754.52	6,682,967	
Shared Ownership Units	1,521.00	£1,754.52	2,668,625	
Totals	<u>15,250.00</u>		<u>26,756,430</u>	<b>26,756,430</b>

Contingency	5.00%	1,337,822	
Section 106		212,000	
			1,549,822

#### PROFESSIONAL FEES

Professional Fees	10.00%	2,675,643	
			2,675,643

#### MARKETING & LETTING

Marketing	3.00%	1,422,235	
Letting Agent Fee	10.00%	3,450	
Letting Legal Fee	5.00%	1,725	
			1,427,410

#### DISPOSAL FEES

Sales Agent Fee	1.50%	815,042	
Sales Legal Fee	0.25%	135,840	
			950,882

#### Additional Costs

Profit on Affordable	6.00%	417,587	
Profit on Private	20.00%	9,481,569	
			9,899,156

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 32 - SE16 6****FINANCE**

Debit Rate 7.00%	Credit Rate 0.00% (Nominal)	
Land		1,060,790
Construction		931,965
Other		1,614,249
Total Finance Cost		3,607,004

**TOTAL COSTS****54,396,478****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
	6.62%
Rent Cover	0 yrs 0 mths
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark Cil Site Testing  
Site 33a - SE16

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	22,722.00	£5,554.18	126,202,078	
Social Rented Units	4,472.00	£1,431.60	6,402,115	
Shared Ownership Units	1,786.00	£1,797.57	3,210,460	
Totals	<u>28,980.00</u>		<u>135,814,653</u>	<b>135,814,653</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	291 units at	£250	72,750

#### Investment Valuation

<b>Ground Rents</b>					
Current Rent	72,750	YP @	6.0000%	16.6667	1,212,500

#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(66,470)	
NET DEVELOPMENT VALUE	<u>136,960,683</u>		

Income from Tenants		212,188	
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#### NET REALISATION

OUTLAY			
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#### ACQUISITION COSTS

Residualised Price		20,886,521	
Stamp Duty	4.00%	835,461	
Agent Fee	1.00%	208,865	
Legal Fee	0.50%	104,433	
			22,035,280

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	26,732.00	£1,754.52	46,901,829	
Social Rented Units	5,261.00	£1,754.52	9,230,530	
Shared Ownership Units	2,101.00	£1,754.52	3,686,247	
Totals	<u>34,094.00</u>		<u>59,818,605</u>	<b>59,818,605</b>

Contingency	5.00%	2,990,930	
Section 106		366,000	3,356,930

#### PROFESSIONAL FEES

Professional Fees	10.00%	5,981,860	
			5,981,860

#### MARKETING & LETTING

Marketing	3.00%	3,822,437	
Letting Agent Fee	10.00%	7,275	
Letting Legal Fee	5.00%	3,638	
			3,833,350

#### DISPOSAL FEES

Sales Agent Fee	1.50%	2,054,410	
Sales Legal Fee	0.25%	342,402	
			2,396,812

#### Additional Costs

Profit on Affordable	6.00%	576,755	
Profit on Private	20.00%	25,482,916	
			26,059,670

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing  
Site 33a - SE16**

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	4,014,469
Construction	2,885,643
Other	6,790,251
Total Finance Cost	13,690,364

**TOTAL COSTS**

**137,172,871**

**PROFIT**

**0**

**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.05%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Rent Cover	6.80%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	0 yrs 0 mths

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing  
Site 33b - SE16**

**Summary Appraisal for Phase 1****REVENUE****Rental Area Summary**

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross MRV</b>
A space	454.76	£204.51	93,003

**Investment Valuation**

	<b>Market Rent</b>	<b>93,003</b>	<b>YP @</b>	<b>5.5000%</b>	<b>18.1818</b>	
	(0yrs 10mths Unexpired Rent Free)	PV 0yrs	10mths @	5.5000%	0.9564	1,617,175

**GROSS DEVELOPMENT VALUE**

	<b>Purchaser's Costs</b>	<b>5.80%</b>	<b>(88,654)</b>	<b>1,617,175</b>
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**NET DEVELOPMENT VALUE****1,528,521****NET REALISATION****1,528,521****OUTLAY****ACQUISITION COSTS**

Residualised Price			<b>373,821</b>	
Stamp Duty		4.00%	14,953	
Agent Fee		1.00%	3,738	
Legal Fee		0.25%	935	
				<b>393,447</b>

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
A space	535.03	£1,044.10	558,625	<b>558,625</b>
Contingency		5.00%	27,931	27,931

**PROFESSIONAL FEES**

Professional Fees		10.00%	55,862	55,862
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**MARKETING & LETTING**

Marketing		3.00%	48,515	
Letting Agent Fee		10.00%	9,300	
Letting Legal Fee		5.00%	4,650	
				<b>62,466</b>

**DISPOSAL FEES**

Sales Agent Fee		1.00%	15,285	
Sales Legal Fee		0.25%	3,821	
				<b>19,107</b>

**Additional Costs**

Profit on Private		20.00%	323,435	323,435
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			48,256	
Construction			25,253	
Other			14,140	
Total Finance Cost				<b>87,648</b>

**TOTAL COSTS****1,528,521****PROFIT****0****Performance Measures**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 33b - SE16**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	6.08%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
Gross Initial Yield%	5.75%
Net Initial Yield%	5.75%
Rent Cover	6.56%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

LB Southwark Cil Site Testing  
Site 34a - SE15

### Summary Appraisal for Phase 1

#### REVENUE

##### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	23,800.04	£3,660.00	87,108,150	
Social Rented Units	8,908.11	£1,166.00	10,386,857	
Shared Ownership Units	3,807.94	£2,120.00	8,072,839	
Totals	<u>36,516.10</u>		<u>105,567,847</u>	<b>105,567,847</b>

##### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	350 units at	£250	87,500

##### Investment Valuation

###### Ground Rents

Current Rent	87,500	YP @	6.0000%	16.6667	1,458,333
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##### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(79,946)	<u>106,946,234</u>
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NET DEVELOPMENT VALUE			
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Income from Tenants			415,625
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##### NET REALISATION

**107,361,859**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price		2,604,476	
Stamp Duty	4.00%	104,179	
Agent Fee	1.00%	26,045	
Legal Fee	0.50%	13,022	
			2,747,722

##### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	28,000.00	£1,400.00	39,200,000	
Social Rented Units	10,480.00	£1,400.00	14,672,000	
Shared Ownership Units	4,480.00	£1,400.00	6,272,000	
Totals	<u>42,960.00</u>		<u>60,144,000</u>	<b>60,144,000</b>

###### Contingency

Section 106	5.00%	3,007,200	
		537,000	3,544,200

##### PROFESSIONAL FEES

Professional Fees	10.00%	6,014,400	
			6,014,400

##### MARKETING & LETTING

Marketing	3.00%	2,656,995	
Letting Agent Fee	10.00%	8,750	
Letting Legal Fee	5.00%	4,375	
			2,670,120

##### DISPOSAL FEES

Sales Agent Fee	1.50%	1,604,194	
Sales Legal Fee	0.25%	267,366	
			1,871,559

##### Additional Costs

Profit on Affordable	6.00%	1,107,582	
Profit on Private	20.00%	17,713,297	
			18,820,879

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing  
Site 34a - SE15**

**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	472,961
Construction	2,786,237
Other	8,289,782
Total Finance Cost	11,548,980

**TOTAL COSTS****107,361,859****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Rent Cover	6.82%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark Cil Site Testing  
Site 34b - SE15**

**Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	m <sup>2</sup>	Rate m <sup>2</sup>	Gross MRV
A space	4,420.00	£269.10	1,189,422

**Investment Valuation**

<b>A space</b>				
Market Rent (0yrs 10mths Unexpired Rent Free)	1,189,422	YP @ PV 0yrs 10mths @	8.0000% 8.0000%	12.5000 0.9379 13,944,176

**NET REALISATION****13,944,176****OUTLAY****ACQUISITION COSTS**

Residualised Price			5,500,461	
Stamp Duty		4.00%	220,018	
Agent Fee		1.00%	55,005	
Legal Fee		0.25%	13,751	
				5,789,235

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
A space	5,200.00	£1,044.10	5,429,320	<b>5,429,320</b>
Contingency		5.00%	271,466	271,466

**PROFESSIONAL FEES**

Professional Fees		10.00%	542,932	542,932
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**MARKETING & LETTING**

Marketing		3.00%	418,325	
Letting Agent Fee		10.00%	118,942	
Letting Legal Fee		5.00%	59,471	
				596,739

**DISPOSAL FEES**

Sales Agent Fee		1.00%	139,442	
Sales Legal Fee		0.25%	34,860	
				174,302

**Additional Costs**

FINANCE				
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			710,043	
Construction			245,437	
Other			184,702	
Total Finance Cost				1,140,182

**TOTAL COSTS****13,944,176****PROFIT**

0

**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	8.53%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 34b - SE15**

Gross Initial Yield% 8.53%

Net Initial Yield% 8.53%

Rent Cover 6.72%

Profit Erosion (finance rate 7.000%) 0 yrs 0 mths

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark Cil Site Testing  
Site 36 - SE15

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	748.00	£4,000.00	2,992,000	
Social Rented Units	272.00	£1,217.00	331,024	
Shared Ownership Units	136.00	£2,076.00	282,336	
Totals	<u>1,156.00</u>		<u>3,605,360</u>	<b>3,605,360</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	11 units at	£250	2,750

#### Investment Valuation

##### Ground Rents

Current Rent	2,750	YP @	6.0000%	16.6667	45,833
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#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(2,513)	
NET DEVELOPMENT VALUE			<u>3,648,681</u>

Income from Tenants		458
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#### NET REALISATION

**3,649,139**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		684,996	
Stamp Duty	4.00%	27,400	
Agent Fee	1.00%	6,850	
Legal Fee	0.50%	3,425	
			722,671

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	880.00	£1,271.00	1,118,480	
Social Rented Units	320.00	£1,271.00	406,720	
Shared Ownership Units	160.00	£1,271.00	203,360	
Totals	<u>1,360.00</u>		<u>1,728,560</u>	<b>1,728,560</b>

##### Contingency

Section 106	5.00%	86,428	
		17,000	103,428

#### PROFESSIONAL FEES

Professional Fees	10.00%	172,856	
			172,856

#### MARKETING & LETTING

Marketing	3.00%	91,135	
Letting Agent Fee	10.00%	275	
Letting Legal Fee	5.00%	138	
			91,547

#### DISPOSAL FEES

Sales Agent Fee	1.50%	54,730	
Sales Legal Fee	0.25%	9,122	
			63,852

#### Additional Costs

Profit on Affordable	6.00%	36,802	
Profit on Private	20.00%	607,567	
			644,368

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 36 - SE15****FINANCE**

Debit Rate 7.00%	Credit Rate 0.00% (Nominal)	
Land		73,238
Construction		38,118
Other		10,500
Total Finance Cost		121,856

**TOTAL COSTS****3,649,139****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Rent Cover	6.19%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

# APPRAISAL SUMMARY

# BNP PARIBAS REAL ESTATE

LB Southwark Cil Site Testing  
Site 37 - SE24

## Summary Appraisal for Phase 1

### REVENUE

#### Sales Valuation

	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>	
Private Residential Units	3,332.04	£4,575.00	15,244,097	
Social Rented Units	1,292.00	£1,302.00	1,682,184	
Shared Ownership Units	476.00	£1,985.00	944,860	
Totals	<u>5,100.04</u>		<u>17,871,141</u>	<b>17,871,141</b>

#### Rental Area Summary

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground Rents	49 units at	£250	12,250

#### Investment Valuation

<b>Ground Rents</b>	<b>Market Rent</b>	<b>Units</b>	<b>YP @</b>	<b>6.0000%</b>	<b>16.6667</b>	
		12,250	PV 0yrs 6mths @	6.0000%	0.9713	198,304

#### GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%	(10,871)	
NET DEVELOPMENT VALUE			<u>18,058,574</u>

#### NET REALISATION

**18,058,574**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price		2,767,604	
Stamp Duty	4.00%	110,704	
Agent Fee	1.00%	27,676	
Legal Fee	0.50%	13,838	
			2,919,822

#### CONSTRUCTION COSTS

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private Residential Units	3,920.00	£1,500.00	5,880,000	
Social Rented Units	1,520.00	£1,500.00	2,280,000	
Shared Ownership Units	560.00	£1,500.00	840,000	
Totals	<u>6,000.00</u>		<u>9,000,000</u>	<b>9,000,000</b>

Contingency	5.00%	450,000	
Section 106		75,000	525,000

#### PROFESSIONAL FEES

Professional Fees	10.00%	900,000	
			900,000

#### MARKETING & LETTING

Marketing	3.00%	507,788	
Letting Agent Fee	10.00%	1,225	
Letting Legal Fee	5.00%	613	
			509,626

#### DISPOSAL FEES

Sales Agent Fee	1.50%	270,879	
Sales Legal Fee	0.25%	45,146	

316,025

#### Additional Costs

Profit on Affordable	6.00%	157,623	
Profit on Private	20.00%	3,088,480	

3,246,103

### FINANCE

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark Cil Site Testing****Site 37 - SE24**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)	
Land	411,335
Construction	197,694
Other	32,970
Total Finance Cost	641,998

**TOTAL COSTS****18,058,574****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.18%
Net Initial Yield%	6.18%
Rent Cover	6.20%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**Site 40 - SE22 0**

**Summary Appraisal for Phase 1****REVENUE****Sales Valuation**

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross Sales</b>	
Car Parking	3 units at	£10,000	30,000	
Market Resi	m <sup>2</sup> 340.00	£4,306.00	Gross Sales 1,464,040	<b>1,494,040</b>

**Rental Area Summary**

	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground rents	5 units at	£250	1,250

**Investment Valuation****Ground rents**

Market Rent	1,250	YP @ PV 0yrs 1mths @	6.0000% 6.0000%	16.6667 0.9952	20,732
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**GROSS DEVELOPMENT VALUE**

Purchaser's Costs	5.80%	(1,137)	
NET DEVELOPMENT VALUE			<b>1,513,636</b>

**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.04 Ha £13,893,283.00 pHect)			555,731	
Stamp Duty	4.00%		22,229	
Agent Fee	1.00%		5,557	
Legal Fee	0.50%		2,779	
				586,297

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Market Resi	380.00	£1,106.00	420,280	<b>420,280</b>
Contingency		5.00%	21,014	
Statutory/LA			5,000	26,014

**PROFESSIONAL FEES**

Professional Fees	10.00%	44,129	44,129
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**MARKETING & LETTING**

Marketing	3.00%	44,821	44,821
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**DISPOSAL FEES**

Sales Agent Fee	1.50%	22,722	
Sales Legal Fee	0.25%	3,787	
			26,509

**MISCELLANEOUS FEES**

Private Profit	20.00%	302,954	302,954
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		49,462	
Construction		11,008	
Other		2,162	
Total Finance Cost		62,632	

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****LB Southwark CIL Site Testing****Site 40 - SE22 0****TOTAL COSTS****1,513,636****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.03%
Net Initial Yield%	6.03%
Rent Cover	6.41%
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths
	N/A

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**LB Southwark CIL Site Testing**  
**Site 41 - SE22 0**

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Gross Sales</b>
Market Resi	770.00	£4,306.00	3,315,620

**Rental Area Summary**

<b>Ground rents</b>	<b>Units</b>	<b>Unit Amount</b>	<b>Gross MRV</b>
Ground rents	6 units at	£250	1,500

**Investment Valuation****Ground rents**

Market Rent	1,500	YP @ PV 0yrs 1mths @	6.0000% 6.0000%	16.6667 0.9952	24,879
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**GROSS DEVELOPMENT VALUE**

3,340,499

**Purchaser's Costs**

5.80%

(1,364)

**NET DEVELOPMENT VALUE**3,339,135**NET REALISATION****3,339,135****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.06 Ha £19,215,670.97 pHect)			1,152,940	
Stamp Duty	4.00%		46,118	
Agent Fee	1.00%		11,529	
Legal Fee	0.50%		5,765	1,216,352

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Market Resi	906.00	£1,106.00	1,002,036	<b>1,002,036</b>
Contingency		5.00%	50,102	
Statutory/LA			6,000	

56,102

**PROFESSIONAL FEES**

Professional Fees	10.00%	105,214	105,214
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**MARKETING & LETTING**

Marketing	3.00%	99,469	99,469
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**DISPOSAL FEES**

Sales Agent Fee	1.50%	50,107	
Sales Legal Fee	0.25%	8,351	58,459

58,459

**MISCELLANEOUS FEES**

Private Profit	20.00%	668,100	668,100
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**FINANCE**

Debit Rate 7.00% Credit Rate 0.00% (Nominal)			
Land		102,616	
Construction		25,964	
Other		4,824	
Total Finance Cost			133,404

**TOTAL COSTS****3,339,135****PROFIT**

## APPRAISAL SUMMARY

## BNP PARIBAS REAL ESTATE

LB Southwark CIL Site Testing  
Site 41 - SE22 0

0

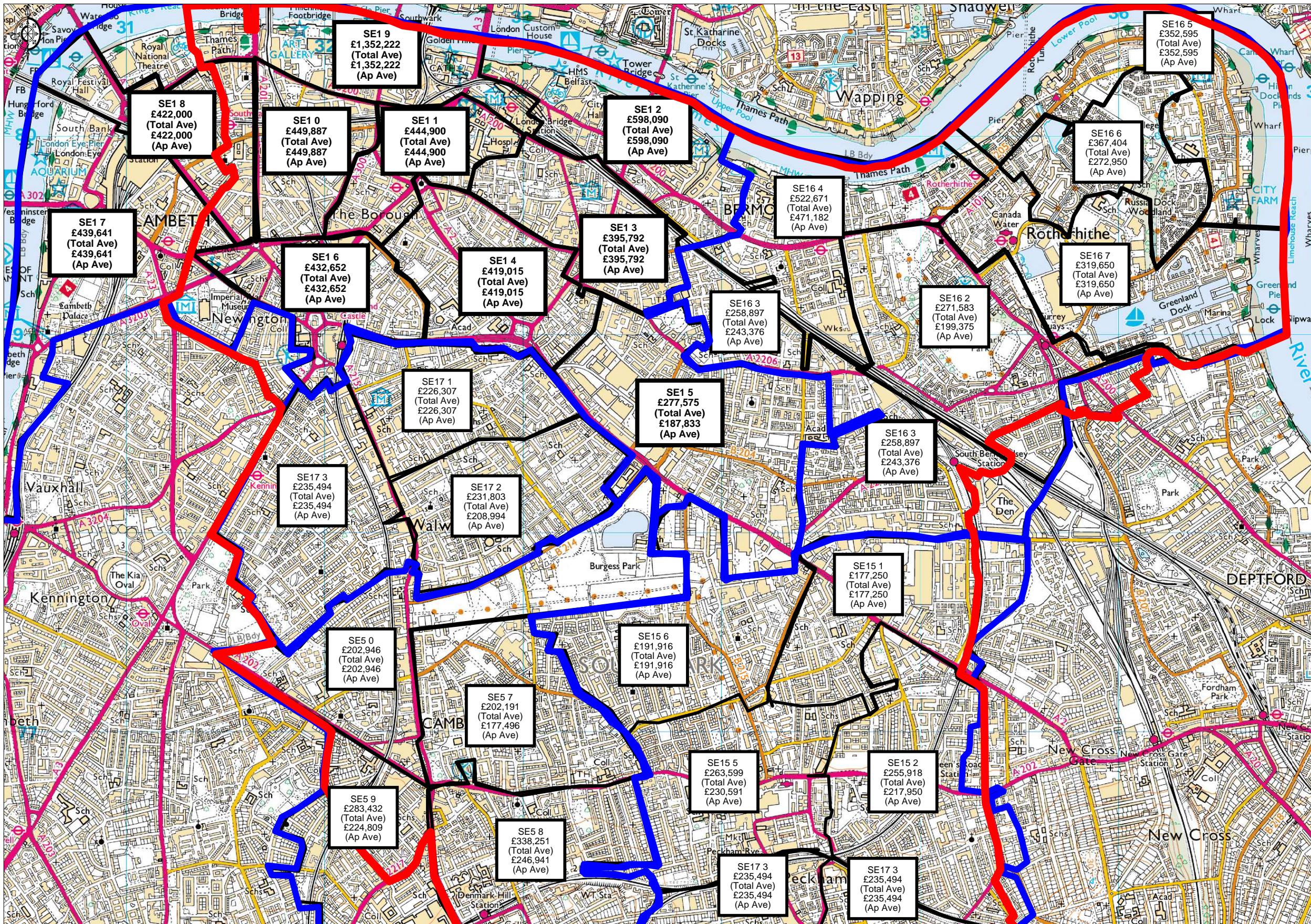
### Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.04%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.03%
Net Initial Yield%	6.03%
	6.38%
Rent Cover	0 yrs 0 mths
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths

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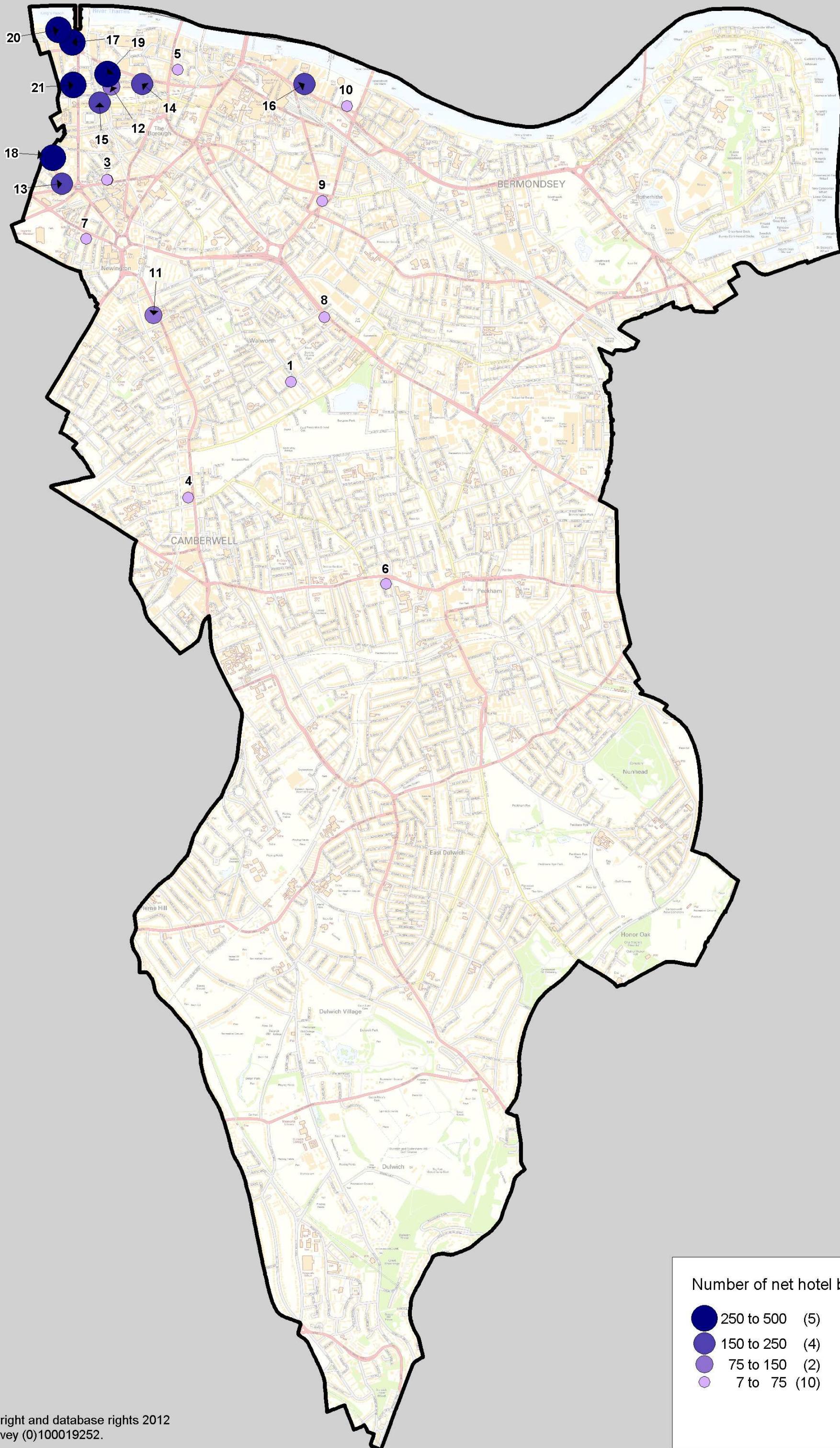
## Appendix 5 Map showing average house price variances in the key boundary areas

Southwark CIL Charging Areas (North)



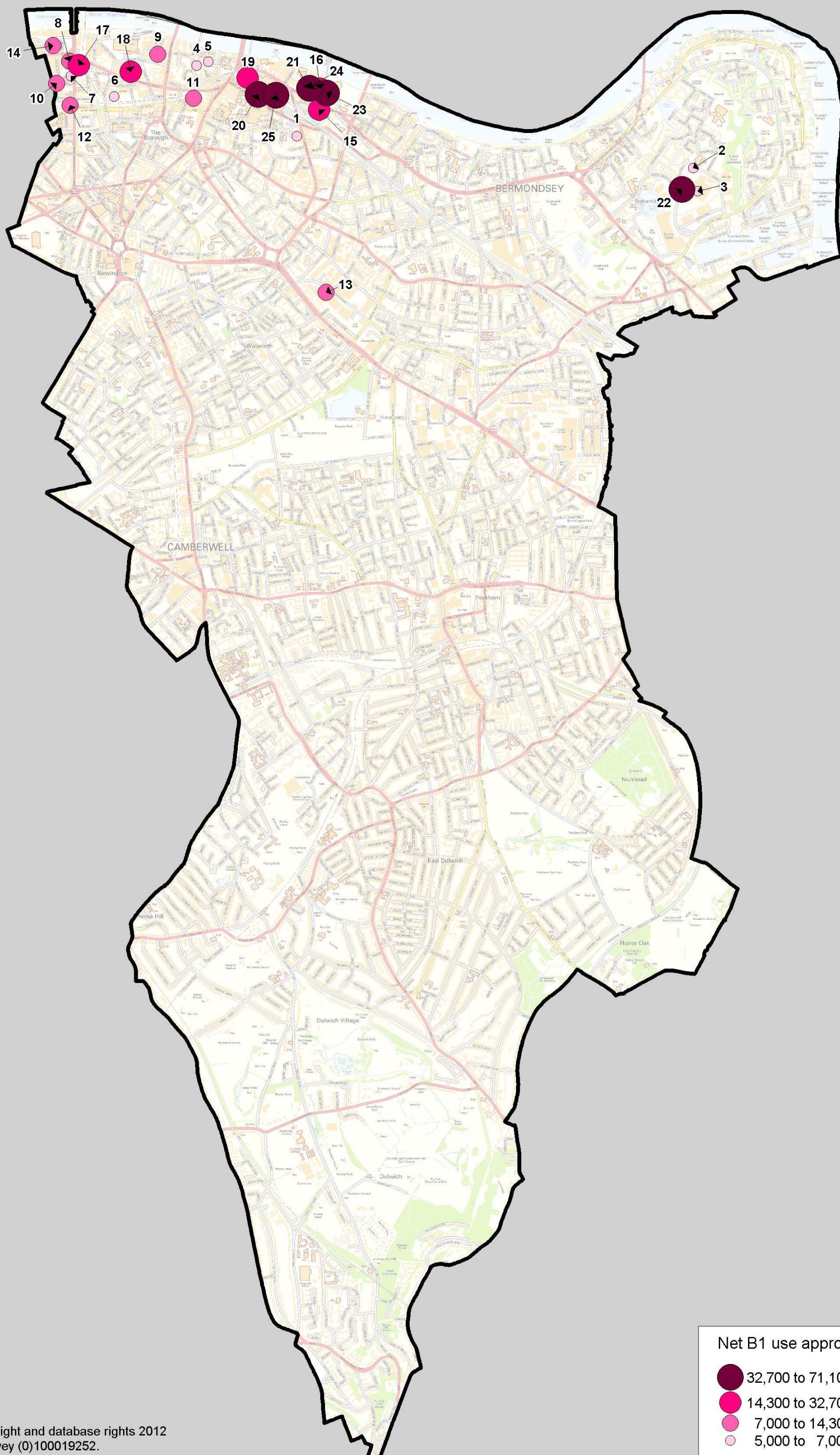
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## Appendix 6 Maps showing the concentration of office and hotel developments within the borough over the last 10 years



**LB Southwark - Net Hotel Approvals**

ID	Permission reference	Net C1 Hotel Bedrooms	Site Name/Number	Street Name	Postcode
1	07-AP-1783	9	Hour Glass P.H., 131	Beaconsfield Road	SE17 2BX
2	08-AP-2742	10	29 - 30	Borough Road	SE1 0AJ
3	04-AP-1311	11	Bridge House P.H., 30	Borough Road	SE1
4	0202092	12	Hotel Pasha, 158	Camberwell Road	SE5
5	06-AP-2188	21	Southwark Rose Hotel, 43-47	Southwark Bridge Road	SE1 9HH
6	10-AP-1661	22	Lord Denning Court	Grummant Road	SE15 5PZ
7	07-AP-2346	32	Prince Of Wales 51-57	Georges Road	SE1 6ER
8	09-AP-2006 / 05 AP-1647	57	190-202	Old Kent Road	SE1 5TY
9	06-AP-1376	64	New Caledonian Market, Bermondsey Square	Tower Bridge Road	SE1
10	11-AP-3515	70	Former Lambeth College	Tooley Street	SE1 2JR
11	10-AP-1831	75	144-152	Walworth Road	SE17 1JL
12	09-AP-2840	122	Land At	Great Suffolk Street	SE1
13	09-AP-0408	177	284-302	Waterloo Road	SE1 8RS
14	09-AP-2320	191	Surrey House, 20	Lavington Street	SE1 0NZ
15	05-AP-0673	202	202-206	Union Street	SE1
16	04-AP-0465	245	Plot 5, More London Place, Rear Of 115-121	Tooley Street	SE1
17	06-AP-2117	261	Bounded By	Blackfriars Road	SE1 9UF
18	06-AP-0521	284	Saint George's House, 195 - 203	Waterloo Road	SE1 8UX
19	07-AP-2267	330	Land Bounded By	Prices Street	SE1 0UG
20	11-AP-1955	358	Sea Containers House, 20	Upper Ground	SE1 9PD
21	09-AP-1749	479	46-49	Blackfriars Road	SE1 8NZ



**LB Southwark - Net Class B1 Use Approvals**

ID	Permission reference	Net B1 approvals	Site name/number	Street Name	Postcode
1	06-AP-1980	5,026	56-58	Bermondsey Street	SE1 3UD
2	07-AP-2806	5,105	Mulberry Business Centre	Quebec Way	SE16 7LB
3	0101195	5,720	Harmsworth Quays Printing Ltd.	Surrey Quays Road	SE16 1PJ
4	0101531	5,747	Riverside Studios, 28-32	Park Street	SE1
5	03-AP-0466	6,000	Blows Yard + 16	Winchester Walk	SE1
6	0201153	6,097	Ewer Street Viaduct, 27	Great Suffolk Street	SE1
7	07-AP-2332	6,296	Wedge House, 32-40	Blackfriars Road	SE1 8PB
8	07-AP-0301	7,029	20	Blackfriars Road	SE1 8NY
9	02-AP-1799	7,150	4-8	Emerson Street	SE1 9DU
10	04-AP-2168	7,972	6	Paris Gardens	SE1
11	0201865	8,832	15-23	Southwark Street	SE1
12	0101418	11,040	68-71	Blackfriars Road	SE1
13	10-AP-2312	11,423	Unit 7-14	Mandela Way	SE1
14	05-AP-0227	14,272	Kings Reach And Land And Buildings	Rennie Street	SE1 9LS
15	06-AP-0581	18,093	156-172	Tooley Street	SE1 2TZ
			Plot 4' [Ex Plot 3b], More London Riverside, R/O 123-141		
16	04-AP-1267	19,280		Tooley Street	SE1
17	10-AP-3372	23,490	231 - 241	Blackfriars Road	SE1 8NW
18	05-AP-2257	29,680	'Bankside 1,2,3'	Southwark Street	SE1 0TE
19	07-AP-0815	30,780	New London Bridge House, 25	London Bridge Street	SE1
20	0100476	32,719	Land Adjoining London Bridge Station	St Thomas Street	SE1
21	0200108	35,767	Plot 7, B/B River Thames,Pottersfield Pk	Braidwood Street	SE1
22	0101100	40,972	Site E, Canada Water, Land Bounded By	Canada Water	SE16
23	04-AP-1266	44,390	Plot '3' [Ex Plot 3a], More London Riverside, B/B	Tooley Street	SE1
24	07-AP-0649	56,717	Plot 7, More London, 123-137	Tooley Street	SE1
25	0000333	71,018	London Bridge Station, Bounded By, 64-84	Tooley Street	SE1