

Appendix 12 – Savills Proposed Residential Values  
Report

---

CONFIDENTIAL

savills

# Elephant & Castle Residential Report



May 2012

# ELEPHANT & CASTLE MARKET UPDATE

savills

## Introduction

Zoe Struth and Abigail Heyworth in Savills London Residential Development team have been instructed to provide recommendations in relation to the emerging masterplan at Elephant and Castle (E&C). This includes valuation advice in relation to the private residential elements, along with in depth residential market research.

This report responds to the brief provided by Lend Lease on 23<sup>rd</sup> December 2011.

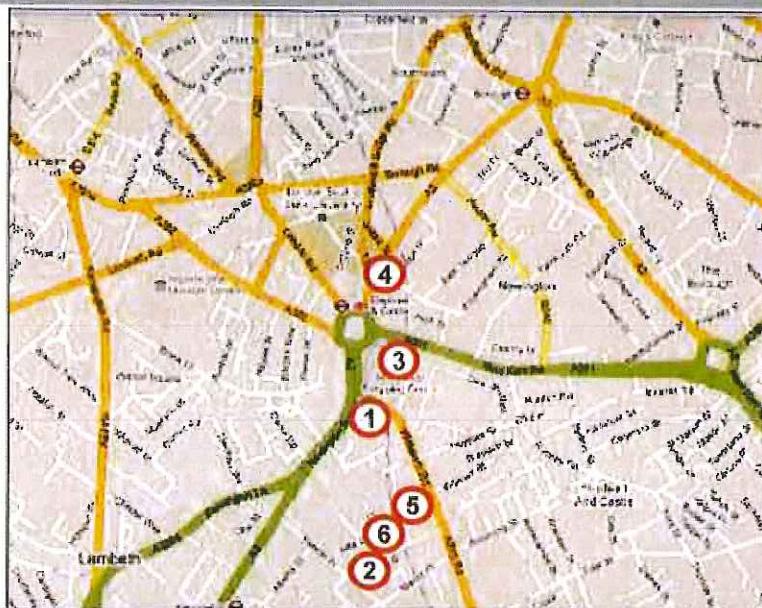
## Contents

- Comparable evidence of achieved private residential prices within Elephant and Castle and also case studies of other schemes in other London locations with similar characteristics.
- Zone 1 hot spot map.
- Private values by building within plots.
- Pricing rationale - this section will include explanations for the varying pricing across the scheme, with reference to different plot characteristics, orientation and height of blocks etc.
- Sales rates.
- Average size of deposits for residential sales.
- 
- Ground rents and service charge values.
- Conclusion.

# ELEPHANT AND CASTLE MARKET UPDATE

**savills**

## New Build Sales Comparables



Note: Values for Strata & Printworks are averages over the whole scheme

\* Total weighted average £/sq ft achieved across scheme (not average of value shown).

	Development	Address	Type	Floor	Beds	Selling Price	Size (sq ft)	£ / sq ft	Date of Sale
①	Strata	8 Walworth Road, SE1	High-rise	11-20	0	£223,038	378	£590	2010
			High-rise	11-20	1	£242,357	497	£488	2010
			High-rise	11-20	2	£352,174	756	£466	2010
			High-rise	21-30	0	£257,253	378	£681	2010
			High-rise	21-30	1	£313,934	496	£633	2010
			High-rise	21-30	2	£439,636	753	£584	2010
			High-rise	21-30	3	£604,438	982	£616	2010
			High-rise	31-42	0	£306,658	458	£670	2010
			High-rise	31-42	1	£377,176	540	£698	2010
			High-rise	31-42	2	£545,250	797	£684	2010
			High-rise	31-42	3	£950,000	1350	£704	2010
TOTAL*							£600		
②	Printworks	Amelia Street, SE17	Mid-rise	1-8	1	£227,498	490	£464	2010/2011
			Mid-rise	1-8	2	£320,284	723	£443	2010/2011
			Mid-rise	1-8	3	£498,250	929	£536	2010/2011
			TOTAL*					£450	
③	Tribeca Square	New Kent Road/Deacon Way	High-rise	4-17	All	NKN	NKN	£595	Oct 2011
④	Metro Central	Newington Causeway, SE1	High-rise	7th	0	£180,000	300	£600	10/05/2011
			High-rise	6th	2	£317,000	614	£516	12/12/2011
			High-rise	9th	3	£385,000	830	£464	Under Offer

## ELEPHANT AND CASTLE MARKET UPDATE

**savills**

### New Build Sales Comparables

⑤	South Central	Steedman Street, SE17	Mid-rise	4th	2	£240,000	n/a	n/a	08/06/2010
			Mid-rise	1st	2	£291,500	714	£408	03/06/2011
			Mid-rise	7th	2	£349,950	641	£546	On the market
			Mid-rise	4th	2	£385,000	n/a	n/a	On the market
⑥	O-Central	Crampton Street, SE17	Mid-rise	5th	1	£278,000	529	£526	14/01/2011
			Mid-rise	n/a	1	£280,000	n/a	n/a	10/10/11
			Mid-rise	4th	2	£305,000	n/a	n/a	14/12/11
			Mid-rise	4th	2	£285,000	650	£438	Under Offer
			Mid-rise	5th	2	£350,000	645	£542	31/06/11

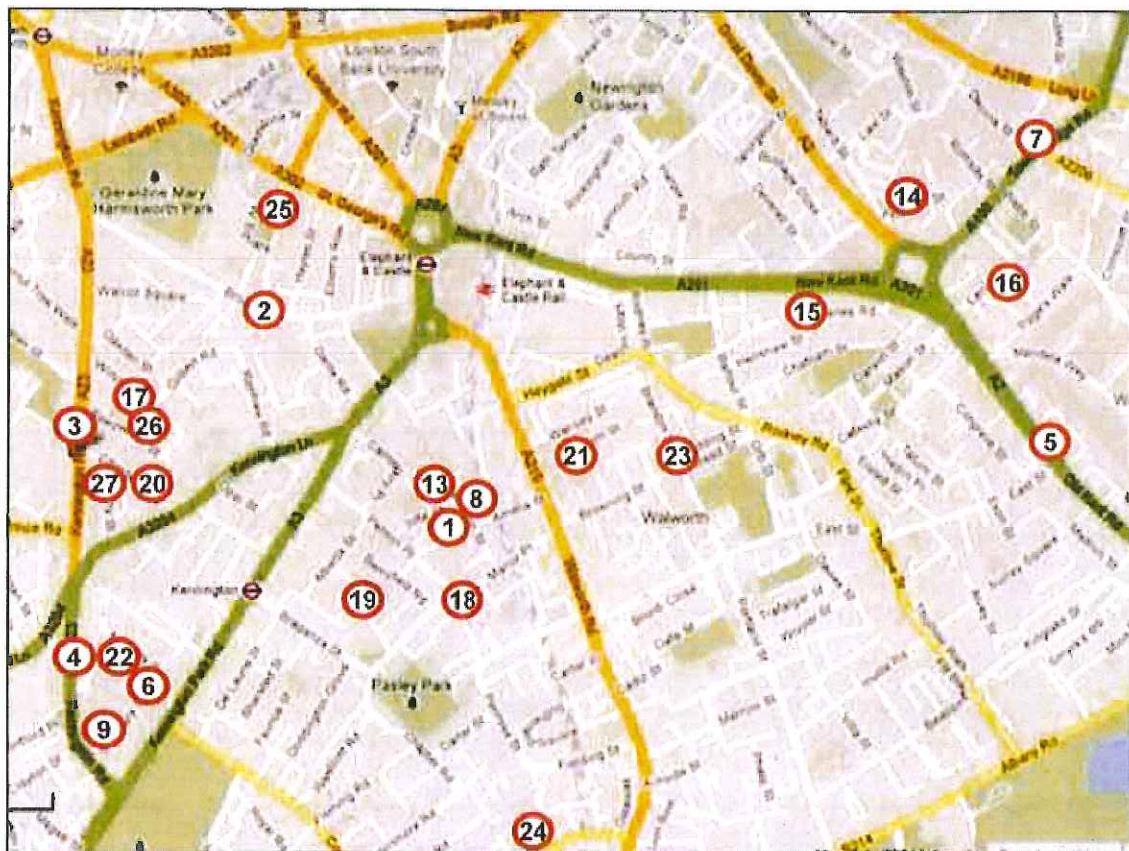
We have not demonstrated the average £/sq ft for schemes 4 – 6 as the examples we have shown are samples of more recent re-sales. The table below demonstrates the averages of the re-sales.

Unit Type	Average Size (sq ft)	Capital Value Range	Average Rate Per Square Foot
1 bed flat	529	£278,000-£280,000	£527
2 bed flat	650	£240,000-£385,000	£485
3 bed flat	830	£385,000	£464

# ELEPHANT AND CASTLE MARKET UPDATE

savills

## 2<sup>nd</sup> Hand Stock Comparables



	Address	Type	Beds	Floor	Condition	Selling Price	Size (sq ft)	£ / sq ft	Date of Sale
①	180 Amelia Street, SE17	Flat	1	Ground	Good/Basic	£235,000	537	£438	April 11
②	Flat 4, 144 Brook Drive, SE11	Flat	1	1	Good/Basic	£220,000	455	£482	April 11
③	Flat 2, Pritchard House, 214A Kennington Road, SE11	Flat	1	1	Bellway New Home	£265,000	505	£524	Sept 11
④	Flat A, 327 Kennington Road, SE11	Flat	1	1	Good/basic	£200,000	346	£578	Nov 11
⑤	23 Dovers Flats, Old Kent Road, SE1	Flat	1	Ground	Good/Basic	£185,000	392	£472	Aug 11

## ELEPHANT AND CASTLE MARKET UPDATE

**savills**

### 2<sup>nd</sup> Hand Stock Comparables

	Address	Type	Beds	Floor	Condition	Selling Price	Size (sq ft)	£ / sq ft	Date of Sale
3	Flat 3, Pritchard House, 214A Kennington Road, SE11	Flat	1 + CP	1	Bellway New Home	£277,000	505	£548	Under Offer
6	Flat 3, 1 Whitacre Mews, SE11	Flat	1	1	Good	£365,000	689	£493	Nov 11
7	11 Bridge View Court, 19 Grange Road, SE1	Flat	1	1	Good	£285,000	482	£581	Aug 11
8	Flat 502 , 83 Crampton Street, SE17	Flat	1	5	Very Good	£280,000	548	£511	Sept 11
9	Flat 5, 2 Stannary Street, SE11 4AA	Flat	2/2	3	New Build/High specification	£595,000	1,029	£578	Nov 11
10	Flat A, 17 Oswin Street, SE11	Flat	2	Ground	Good	£304,000	518	£587	Nov 11
11	Flat 1, 5 Sutherland Street, SE17	Flat	2	1	Good	£315,000	1,012	£311	Nov 11
1	116 Amelia Street, SE17	Flat	2	Ground	Fair	£270,000	568	£475	Dec 11
12	98 Carter Street, SE17	Flat	2	Ground	Good	£399,950	961	£416	Dec 11
13	Flat 514, 83 Crampton Street	Flat	2	5	Good	£365,000	677	£539	Aug 11
14	14 Tabard Centre, Prioress Street, SE1	Flat	2	2	Good	£686,500	2,063	£333	Oct 11
15	Flat 2, The Paragon, 43 Searles Road, SE1	Flat	2	Ground/1	Good	£675,000	1,101	£613	Nov 11
16	53 Pages Walk, SE1	Flat	2	Ground	Good	£510,000	392	£472	Sept 11
9	5 Stannary Street, SE11	Flat	2	3	Good	£595,000	1,029	£578	Nov 11
17	52 Vanbrugh Court, Wincott Street, SE11	Flat	2	3	Good/basic	£368,000	723	£510	Nov 11
18	4 Manor Place, 154 Duke of Clarence Court, SE17	Flat	2	G/1	Good	£400,000	1,071	£373	Sept 11
19	18 Ambergate Street, SE17	Flat	2	GF	Good	£375,000	664	£550	Aug 11
12	94 Carter Street, SE17	Flat	2	GF	Good	£332,500	643	£642	Sept 11
20	1 Chester Way	Flat	3	2	n/a	£500,000	1,026	£478	May 11
21	Colworth Grove, SE17	Flat	3	1/2	Very good	£425,000	948	£448	On the market

## ELEPHANT AND CASTLE MARKET UPDATE

**savills**

### 2<sup>nd</sup> Hand Stock Comparables

	Address	Type	Beds	Floor	Condition	Selling Price	Size (sq ft)	£ / sq ft	Date of Sale
22	35 Ravensdon Street, London, SE11	House	3	NA	Good	£850,000	1,399	£608	Jan 12
23	28 Browning Street, SE17	House	2	NA	Good/Fair	£407,000	1,381	£295	Sept 11
24	88 Langdale Close, SE17	House	2	NA	Fair	£250,000	817	£306	Aug 11
25	12 Hayles Street, SE11	House	3	NA	Good	£630,000	1,152	£547	Sept 11
26	22 Wincott Street, SE11	House	4	NA	Good	£767,000	1,661	£462	Sept 11
27	259 Kennington Road, SE11	House	5	NA	In need of modernisation	£1,219,000	2,620	£465	Oct 11

### Schedule of Second-hand Comparable Averages

Unit Type	Average Size (sq ft)	Capital Value Range	Average Rate Per Square Foot
1 bed flat	494	£185,000 - £365,000	£515
2 bed flat	813	£270,000 - £675,000	£498
3 bed flat	987	£425,000 - £500,000	£468
2-5 bed houses	1,505	£250,000-£1,219,000	£447

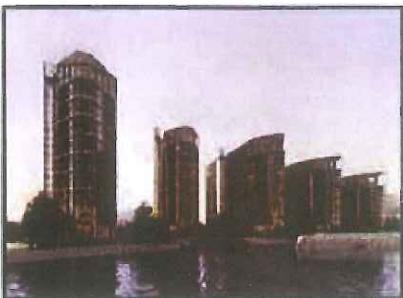
In summary, it is our opinion that the comparables support average values of £500 - £600/sq ft for low rise stock and £650+ for high rise towers as part of the proposals for the Heygate Estate Development.

# ELEPHANT AND CASTLE MARKET UPDATE

savills

## London New Build Sales Comparables

### VAUXHALL/NINE ELMS



#### Key Statistics:

No of units:	c.16,000
Existing local market value:	N/A (existing uses predominantly industrial/commercial)
Riverlight (Berkeley) (assume not waterfront – waterfront):	£600-900/sq ft
St George's Wharf waterfront (St George):	£950/sq ft
St George's Wharf not waterfront (St George):	£600/sq ft
Viridian (Barratt):	£500/sq ft
This Space (Mount Anvil):	£500/sq ft

#### Scheme Overview:

The regeneration area at Nine Elms is not under single ownership. The most significant development to have already been constructed is St George's Wharf although others are at various stages within the planning process, such as Riverlight which obtained permission in August 2011, started on site in December 2011 and has since sold c.150 units overseas (shown in picture above). It is due for completion in 2014.

St Georges Wharf Phases 2-8 were completed over 10 years ago and the final element, The Tower, is currently under construction with estimated completion in 2014. Viridian was completed in 2008 and This Space was completed more recently in 2010.

Vauxhall is a low value area in the immediate vicinity of some much more desirable locations, similar to E&C. However, unlike E&C, the majority of the area does not benefit from good transport links and the regeneration largely relies upon the extension of the Northern Line. Developments closest to Vauxhall will therefore achieve the highest values in the interim.

Vauxhall Underground and mainline stations currently provide the closest transport links and being on the Victoria Line and a short journey to London Waterloo, both provide good links to the West End, the City and Canary Wharf.

#### Travel times:

Zone	1
PTAL Vauxhall – Battersea Power Station	6b - 2
West End	6 mins
Canary Wharf	25 mins
City	17 mins

## ELEPHANT AND CASTLE MARKET UPDATE

**savills**

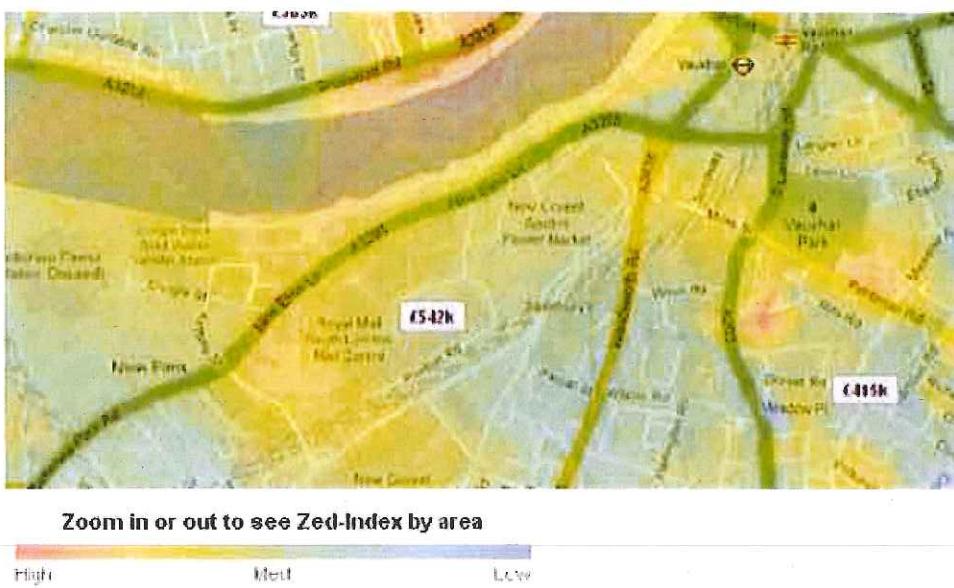
### London New Build Sales Comparables

#### VAUXHALL/NINE ELMS

The table below sets out our understanding of the average unit sizes within each of the developments.

Development	Unit Type	Average Size (sq ft)
Riverlight	1 bed	438 -574
	2 bed	808 -1,157
	3 bed	Not known
St Georges's Wharf	1 bed	c. 470
	2 bed	730-955
	3 bed	c.1,400
St George's Wharf –The Tower	Studio/1 bed	460-680
	2 bed	1,200
	3 bed	Up to 2,700
This Space	Studio	484-506
	1 bed	473-904
	2 bed	699-990

The hotspot map below demonstrates the relationship in values throughout Vauxhall and Nine Elms. It shows the premium in values alongside the Thames compared with lower levels achieved closer to Wandsworth Road.



# ELEPHANT AND CASTLE MARKET UPDATE

savills

## London New Build Sales Comparables

### BERMONDSEY SPA



#### Key Statistics:

No of private units:	1,200
No. of affordable units:	800
Existing local market value:	£590/sq ft
Values achieved in Bolanchi Building:	£475/sq ft

#### Scheme Overview:

Bermondsey Spa is a 50 acre regeneration area which will deliver in the region of 2,000 new homes, 40% of which will be affordable. The wider regeneration area is mixed use and will be delivered by a number of different developers. The regeneration is well under way having started in 2007, and a considerable portion of the units are already delivered with Site O (Harrogate & Leamington Buildings), Site J (The Dragonfly) and Sites E&H (St James Square) completing in 2009 and Sites O, E&H selling out in 2010 whilst a number of units at Site J have been rented. The Bolanchi Building, which was developed by Hyde and launched in September 2009, incorporated 138 units and whilst being complete in early 2010, has only recently sold out.

The affordable elements at Site L and Phase 1 of Site G were completed in Q4 2011 and the private elements are expected to be marketed in 2012. Site F/S/U (The Parker Building) was launched in Asia in summer 2011 and sold 24 units (sales information unavailable) and is expected to complete in 2012. Site CS has recently been purchased by Notting Hill and demolition is expected to commence in January 2012.

Bermondsey is situated to the east of E&C and they are approximately equidistant to London Bridge. Bermondsey lies close to high value riverside locations such as Shad Thames. There are other high value pockets in the immediate vicinity which achieve higher values than the new development at Bermondsey. The development has not been entirely successful, and hasn't achieved the same status as a private developer might have.

The regeneration area is situated adjacent to Bermondsey Underground station which is on the Jubilee Line. Canary Wharf is two stops away and Green Park in the West End is a 10 minute journey. The City can be easily accessed via the Jubilee and Northern Lines.

#### Travel times:

#### Average Unit Sizes:

Zone	2
PTAL	6a
West End	10 mins
Canary Wharf	4 mins
City	12 mins

Development	Unit Type	Average Size (sq ft)
Across all Phases:	1 bed	494 – 541
	2 bed	795 -1,326

# ELEPHANT AND CASTLE MARKET UPDATE

**savills**

## London New Build Sales Comparables

### KING'S CROSS



#### Key Statistics:

No of private units:	950
No of affordable units: (Shared ownership, key worker and older person – not social rent)	800
Existing local market value:	£700/sq ft
Achieved new build values:	£850/sq ft

#### Scheme Overview:

At 67 acres, King's Cross is the largest mixed use scheme in Central London and the majority of the area will be developed by Argent Group. Over the next 10-12 years, 50 buildings totalling 8 million sq ft and ten new public spaces will be created.

King's Cross will provide up to 2,000 homes and serviced apartments with 950 of the homes available for open market sale or rent. The infrastructure and public realm provided has assisted in pushing the average values of new build schemes up to £850psf with a number of units reaching £1,000psf.

The regeneration of the King's cross area is already well underway and the focus has so far been on non-residential uses and culture which have helped to support the subsequent residential values. Significant investment has also already been made in transport infrastructure and public realm. Regent Quarter, a P&O Estates development within the regeneration area, was launched off-plan overseas in October/November 2011 and 35 units were reserved at an average of £850/sq ft. It is due to complete in March 2013.

Construction started on the first of the Argent residential schemes with an affordable block starting on site in November 2010. The Arthouse was the first private block to begin construction, in 2011, and was launched in Asia in April 2011 (although details are not available) and will be launched in the UK later this year.

500,000 sq ft of retail is planned in Kings Cross Central and a further 20,500 in Regent Quarter Phase 2, which will attract higher end occupiers and boutiques, along with Michelin starred restaurants and local cafes planned to spill out into the public realm.

The Northern, Victoria and Piccadilly Lines all service King's Cross St Pancras Underground Station.

#### Time travel:

#### Average Unit Sizes:

Zone	1
PTAL	6b
West End	5 mins
Canary Wharf	25 mins
City	9 mins

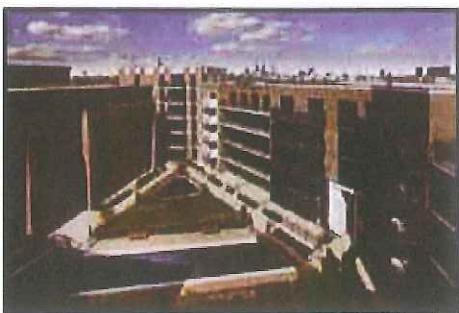
Development	Unit Type	Average Size (sq ft)
The Arthouse:	Studio	519
	1 bed	494 – 541
	2 bed	795 -1,326

# ELEPHANT AND CASTLE MARKET UPDATE

savills

## London New Build Sales Comparables

### CANADA WATER – MAPLE QUAYS



#### Key Statistics:

No of private units:	666
No. of affordable units:	236
Existing local market value:	c.£480/sq ft
Values achieved:	c.£550/sq ft

#### Scheme Overview:

The scheme at Canada Water is being developed by Barratt Homes and will incorporate 900 new homes along with multiple other uses. Phases 1 and 2, Toronto House and Montreal House, are sold out and complete and Phase 3 still has units on the market. The private units incorporate a mix of studio, one, two and three bedroom flats and no houses are included. Toronto House completed in 2009 and Montreal House in 2010. Phase 3 began construction in 2010 and comprises four private blocks, the first of which was launched in 2010 and the last is to be finished in June 2014.

The amenities include a residents' gym and 24 hour concierge. There will be a new plaza creating a social centre for the development with high street shops, bars, restaurants and a Tesco convenience store. Seven Islands Leisure Centre provides bowling, bingo, a cinema and more bars and restaurants. The scheme also benefits from views across the waterways around Canada Water. The site is further away from more established areas such as London Bridge and Borough, although it is closer to the river and benefits from its proximity to the Albion Channel and Canada Water.

Canada Water Station is on both the Jubilee Line and the London Overground Line providing good transport links.

#### Travel times:

Zone	2
PTAL	6b
West End	12 mins
Canary Wharf	2 mins
City	13 mins

#### Average Unit Sizes:

Development	Unit Type	Average Size (sq ft)
Across all Phases:	Studio	384-446
	1 bed	451-548
	2 bed	519-826
	3 bed	947-1,102

# ELEPHANT AND CASTLE MARKET UPDATE

savills

## London New Build Sales Comparables

### IMPERIAL WHARF



#### Key Statistics:

No of private units:	750
No. of affordable units:	678
Existing local market value:	c.£700/sq ft
Values achieved:	£900/sq ft

#### Scheme Overview:

Imperial Wharf is a St George scheme and will incorporate almost 1,500 new homes along with commercial and retail uses on a 32 acre riverside site in Fulham. Octavia House was the most recent phase completing in 2010 and has all sold out. The Sandford & Compass Building at Chelsea Creek were launched in September 2010 and are due for completion in Spring 2012. The Doulton building was launched early in 2011 and should complete in Spring 2013.

The amenities include 24 hour concierge, underground parking, M&S food and a number of bars and restaurants. However, the retail hasn't been very successful and there are a number of vacant and underperforming units which detract from the streetscape. In general the scheme is slightly cavernous, not helped by the poor ground level amenities and the design incorporates a lot of characterless glass and concrete which manifests itself as a featureless development. This has resulted in the absence of a sense of community and during the weekdays there is very little activity or footfall throughout the development and the atmosphere is quite desolate. The size of the blocks are all quite similar without the variation of height proposed at E&C.

Nevertheless the residential sales have achieved good prices and sales rates. It also benefits from its position as a riverside development which sets it apart from E&C, although the park proposed at E&C will help support values there.

Imperial Wharf is on the London Overground Line and the nearest underground station is Fulham Broadway which is a c.15 minute walk away.

#### Travel times:

Zone	2
PTAL	1b
West End	27 mins
Canary Wharf	45 mins
City	35 mins

#### Average Unit Sizes:

Development	Unit Type	Average Size (sq ft)
Across all Phases:	1 bed	Not known
	2 bed	830-1,449
	3 bed	1,240-2,161

A summary of the travel times in comparison to those at Elephant and Castle are included at Appendix 1.

## ELEPHANT AND CASTLE MARKET UPDATE

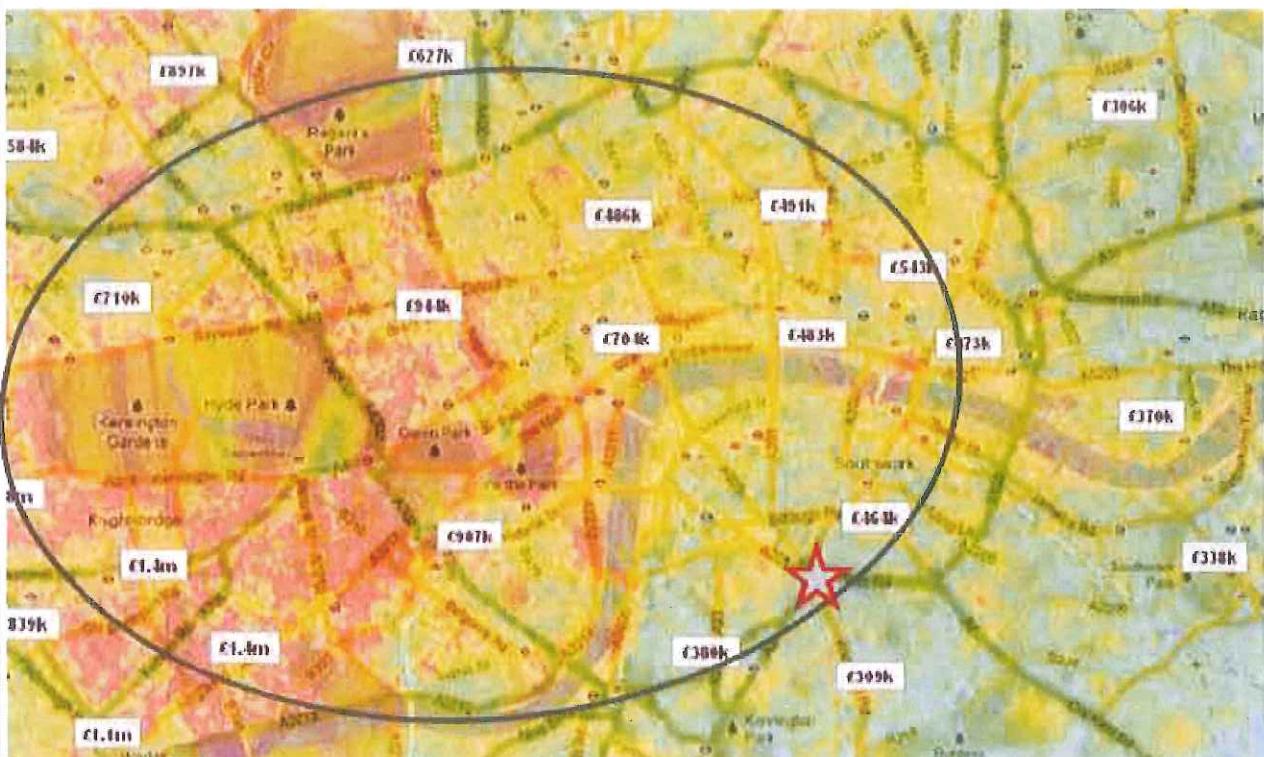
savills

### Zone 1 Hot Spot Map

The map below demonstrates that the majority of London situated within Zone 1 achieves considerably higher values than Elephant and Castle.

The grey oval broadly illustrates the areas of London in Zone 1, the vast majority of which are higher value (shown in yellow and red) than E&C. The area to the south of the river to the south east of Waterloo is an area of substantially lower value than the rest of Zone 1.

It is our opinion that a successful and appropriate development at E&C would be able to draw from the higher values along the south bank, due to its comparable travel times and Zone 1 status.



Source: Zoopla

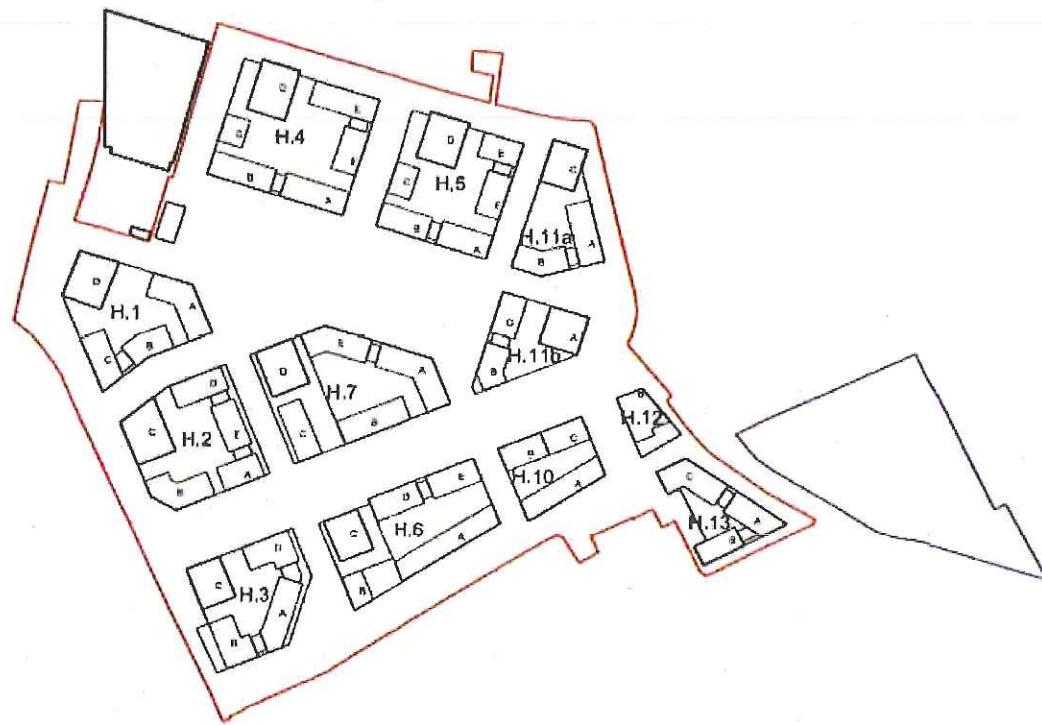
# ELEPHANT AND CASTLE MARKET UPDATE

savills

## Private Values

Savills have previously provided valuation advice on the masterplan on a plot by plot basis. This exercise will demonstrate our opinion of the individual building values within each plot.

The plan below shows the full regeneration area and the height of each building. This section then looks at each plot individually and sets out the individual building values.



### Assumptions:

- Mid to high specification level for mid-rise blocks (Printworks as a base case for these units).
- High specification for tower units (Strata and Oakmayne Plaza as a base case for these units).
- Heygate Estate is fully demolished prior to any marketing of units.
- Buildings are priced at January 2012 values.
- Tenure split between the blocks is as instructed by Lend Lease. Where values for blocks are left blank it is assumed they are affordable.
- No value has been attributed to different internal courtyard spaces as we have assumed they will all be finished to the same quality.
-

## ELEPHANT AND CASTLE MARKET UPDATE

**savills**

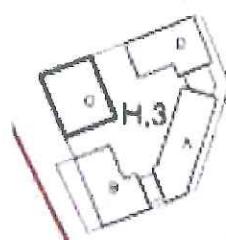
### Private Values



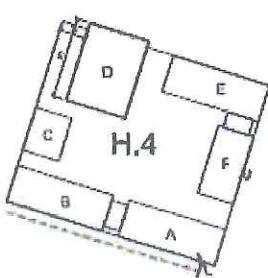
Building:	No. Storeys	Average £/sq ft:
Total Average		
A	10	
B	7	
C	7	
D	17	



Building:	No. Storeys	Average £/sq ft:
Total Average		
A	9	
B	7	
C	37	
D	9	
E	9	



Building:	No. Storeys	Average £/sq ft:
Total Average		
A	8	
B	9	
C	18	
D	8	

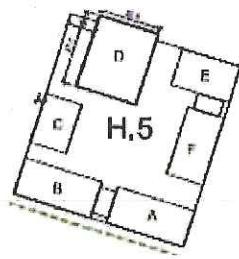


Building:	No. Storeys	Average £/sq ft:
Total Average		
A	8	
B	8	
C	4	
D	25	
E	8	
F	8	

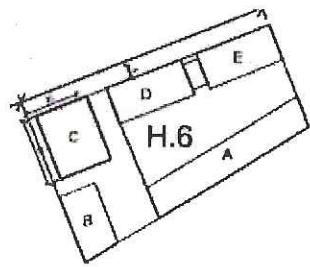
## ELEPHANT AND CASTLE MARKET UPDATE

**savills**

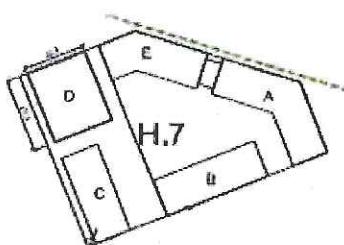
### Private Values



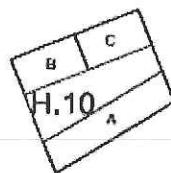
Building:	No. Storeys	Average £/sq ft:
Total Average		
A	8	
B	8	
C	8	
D	22	
E	8	
F	8	



Building:	No. Storeys	Average £/sq ft:
Total Average		
A1	3	
A2	3	
B	9	
C	15	
D	6	
E	6	



Building:	No. Storeys	Average £/sq ft:
Total Average		
A	6	
B	6	
C	8	
D	23	
E	7	

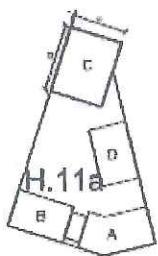


Building:	No. Storeys	Average £/sq ft:
Total Average		
A1	3	
A2	3	
B	6	
C	6	

## ELEPHANT AND CASTLE MARKET UPDATE

**savills**

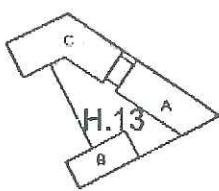
### Private Values



Building:	No. Storeys	Average £/sq ft:
Total Average		
A	7	
B	7	
C	18	



Building:	No. Storeys	Average £/sq ft:
Total Average		
A	25	
B	6	
C	7	



Building:	No. Storeys	Average £/sq ft:
Total Average		
A	3	
B	6	
C	6	

## ELEPHANT AND CASTLE MARKET UPDATE

savills

### Private Values - Pricing Rationale

This section of the report sets out our rationale behind the pricing shown in the previous section.

- We have priced the scheme taking into consideration the following main aspects; where a building sits in relation to the tube, the railway, the park, the Walworth Road, other minor roads within the scheme, other plots within the scheme, other buildings within the plot, open space provision within a plot, and heights of individual buildings.
- Pricing range has not been taken into consideration within buildings. It is assumed that the affordable residential will be split evenly across the site as a whole. It is assumed that there is no affordable in the upper levels of the towers.
- Pricing has taking into consideration the proposed phasing of the site (as provided by Lend Lease), assuming that the phases run in alphabetical order with no significant overlapping of a phase. In reality it is accepted that phases will come on stream at the same time, and whether this has any impact on value can be considered when this detail is known. It is our view that the sale of private residential units in competing phases should not have a negative impact on value, if they are aimed at different markets.
- all other elements being equal, as these blocks will benefit from the infrastructure being delivered (like the park) and the vision of the scheme being clear.
- No account has been taken for house price inflation, all values are as at January 2012.

## ELEPHANT AND CASTLE MARKET UPDATE

savills

### Private Values - Pricing Rationale

- We have assumed in all instances that some car parking will be available for the larger units.

## ELEPHANT AND CASTLE MARKET UPDATE

savills

### Sales Rates

In the development of a large regeneration area like this, rates of sale are exceptionally important in order to maintain viability. Therefore, Lend Lease should aim to maximise the rates where possible.

To increase sales rates, we would advise that there should be simultaneous sales outlets and marketing suites selling on different areas of the site, at the same time.

The outlets should provide different products to avoid competition and to take advantage of different sectors of the target market.

Providing that the different marketing suites target different purchasers, it would be possible to achieve higher sales rates.

Assuming that two phases are sold simultaneously, it is our opinion that with each selling \_\_\_\_\_ per annum, the overall sales rate could be in the region of \_\_\_\_\_ units per annum. Naturally this will be subject to ongoing market fluctuations but we would anticipate that in later phases once the area has become more of an identifiable 'place', the sales rate could improve further.

### Average Size of Deposits

At similar price points to E&C, the following is in line with current market expectation:

## ELEPHANT AND CASTLE MARKET UPDATE

savills

### Ground Rent and Service Charge Values

Scheme	Ground Rents Per Annum				Service Charge
	Studio	1 beds	2 beds	3 beds	
Strata	£225	£300	£375	£550	£2.80
Printworks		£250	£350	£500	£2.79
Highbury Square		£200	£250	£300	£2.42
This Space	£300	£350	£400		£2.90
Riverlight	£400	£500	£700-£750	£800-£850	£4.00
Acquarius House, St George's Wharf	£300	£350	£450		£4.00
Woodberry Park		£250	£300	£350	£2.56

These service charges reflect current prices, it should be noted that levels could fluctuate prior to the launch of any blocks at E&C.

In large estates such as this, there will also be estate costs to consider alongside normal service charges relating to individual building management. However, it is important that the service charge is not considerably higher than smaller schemes in the local area in order to remain competitive.

We would anticipate that economies of scale on such a large scheme should ease the cost of additional estate management costs.

From our comparable research, we would suggest that the ground rents per annum should be in the region of £250 for a studio, £300 for a one bed, £375 for a two bed, £500 for a three bed.

## ELEPHANT AND CASTLE MARKET UPDATE



### Conclusion

- The private values on the site should be: £500 - £650/sq ft for low rise blocks.  
£600 - £700/sq ft for high rise blocks.
- From our analysis of pricing of the different blocks across all plots, we believe the overall average value for the scheme to be in the order of £600 psf. However this needs to be reviewed when a final unit mix has been established.
- It is important to provide a variation of product across the site in order to have simultaneously operating marketing suites.

Our views on price are not intended as a formal valuation and should not be relied upon as such. They are given in the course of our estate agency role. No liability is given to any third party and the figures suggested are given purely as guidance.

## APPENDIX 1

**savills**

	Average £/sq ft	Zone	PTAL	Journey Times		
				West End	Canary Wharf	City
Vauxhall/Nine Elms	£725	1	6b - 2	6 mins	25 mins	17 mins
Bermondsey Spa	£475	2	6a	10 mins	4 mins	12 mins
King's Cross	£700	1	6b	5 mins	25 mins	9 mins
Canada Water	£480	2	6b	12 mins	2 mins	13mins
Imperial Wharf	£900	2	1b	27 mins	45 mins	35 mins
Elephant and Castle	£475 - £710	1	6a	11 mins	6 mins	19 mins

