

**FINAL REPORT
TO
LONDON THAMES GATEWAY DEVELOPMENT
CORPORATION, GREATER LONDON
AUTHORITY AND LONDON BOROUGH OF
NEWHAM**

**REVIEW OF A DEVELOPMENT APPRAISAL
STRAND EAST / SUGAR HOUSE LANE,
STRATFORD**

**PREPARED BY CHASE & PARTNERS, ALLSOP
LLP, AND PHILIP PANK PARTNERSHIP**

FINAL REPORT
29TH JUNE 2012

PREPARED AT THE OFFICES OF

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1. Instruction

- 1.1. London Thames Gateway Development Corporation (LTGDC), in a letter dated May 4th 2012, provided us with instructions to undertake an Independent Review of the proposals and Development Appraisal prepared by the promoters in support of the planning application submitted by LandProp Holdings BV for the redevelopment of the area bounded by High Street Stratford, River Lea Navigation and Three Mill Wall River.
- 1.2. Following a site and area investigation on Friday 18th May and a meeting with LTGDC on Thursday 24th May, the consortium of Chase & Partners, Allsop LLP and Philip Pank Partnership have reviewed this large mixed-use scheme and have assessed its viability in property market value terms. We have pleasure in setting out our findings and conclusions.

2. Report

- 2.1. This report covers three broad areas, the first being a brief analysis of the location, demographic and area profile of the subject site and its surrounding catchment area. We have also provided a brief description of the development as provided by LTGDC in the tender brief dated 10th April 2012 and GL Hearn, as advisers to the promoters, in their Economic Viability Analysis dated May 2012.
- 2.2. **This is followed by Chase & Partners' assessment of the commercial elements of the scheme; Allsop LLP's analysis of the residential elements and Philip Pank Partnership's cost assessment of the proposed scheme.**
- 2.3. Finally we have assessed the outcomes of these appraisals and set out our conclusions and recommendations.
- 2.4. The original brief by LTGDC to Chase & Partners set out the requirement for an Existing Use Value / Market Value based on the development appraisals submitted by the promoter. It has been agreed between the client (LTGDC, LBN and LDA) and the consortium that an Existing Use Value of the site would delay the submission of this report and would be at a considerable extra cost to the client, with little or no benefit to the outcome and as such it has not been included in this report. Our focus has been on the market value of the scheme proposals.
- 2.5. In respect of the basis of the appraisal issued by the promoter adviser, GL Hearn, and as analysed by ourselves has reflected the price paid for the site and the

expected value of purchasing the remaining land outside the ownership of the promoter at a total of [REDACTED]. The land price is therefore an accepted assumption for the purposes of analysing the valuation of the project at this stage.

3. Location Description

- 3.1. The subject site is located within the London Borough of Newham which is situated within the east side of Greater London and includes Canning Town, West Ham and East Ham. The development site is bounded by High Street Stratford to the north, River Lea Navigation to the west and Three Mills Wall River to the south and east. It is approximately 1.5 miles to the west of Stratford.
- 3.2. The subject site has frontage onto High Street Stratford (A11) which is predominantly an area of significant residential development as part of the ongoing regeneration of Stratford initiated by the 2012 Olympics. High Street Stratford is a busy main road that runs south west from Stratford, through Bow and directly to Whitechapel and Aldgate.
- 3.3. The area is well serviced by public transport with London Overground, DLR, Central Underground and Jubilee Underground train lines either passing through, or terminating at Stratford. Stratford International rail station not only serves commuters from the east into London, but it is also part of the High Speed 1 network which provides a high speed rail service from St Pancras and the Channel Tunnel and connects with the international high speed routes between London and Paris and London and Brussels. St Pancras can be reached in approximately 6 minutes from Stratford International. Furthermore the Crossrail, due to be completed in 2017, will have a station at Stratford.
- 3.4. London City Airport is approximately 5 miles to the south east of Stratford and the development site and can be accessed by the DLR in approximately 15 minutes.
- 3.5. The site is located opposite a Porsche garage (68-70 High Street, Stratford) which was granted Planning Permission on 23/3/12 by the Olympic Delivery Authority for an 18 storey mixed use development.
- 3.6. The site is relatively isolated being nearly 1 mile to the west of the significant Stratford transport hub and south of a dual trunk road which because of fast moving traffic acts as a barrier to integrating the frontages of both sides of the road.
- 3.7. The frontages to High Street, Stratford, even for the new buildings of which there are many, are relatively lifeless having little pedestrian flows and consequently

many of the commercial units below the residential blocks above are vacant and boarded over. The vitality of the area relating to the main road frontage is consequently sterile.

- 3.8. The subject site lies between the high Street and various waterway frontages including the Lee Navigation. These waterways, although currently undeveloped do have the potential to provide a pleasant environment and profile to the subject site. Further the site is large enough to create its own environment and improve it significantly against the relatively poor profile of the existing High Street.

4. Area Profile

- 4.1. The area around Stratford is undergoing a period of extensive regeneration due to the 2012 Olympics and there are a number of mixed use and residential projects being undertaken in the areas closest to the centre of Stratford.
- 4.2. As well as the Olympic Park development, the Westfield Shopping Centre opened in 2011 totalling approximately 1,900,000 sq ft and providing approximately 300 retail units which are anchored by John Lewis and Marks & Spencer department stores. Retailers All Saints, Hollister, Karen Millen, LK Bennett and Mulberry are also represented at Westfield. The Stratford Shopping Centre adjacent to Westfield has a significantly different retail offer to Westfield with occupiers such as the 99p Store, Poundland, Peacocks and New Look.
- 4.3. Stratford, and the areas surrounding the development, has an extensive industrial history which is well documented. Following the establishment of the railway in the 19th Century Stratford became an industrial hub and the location for many different manufacturing industries including tanneries, flour mills, print works, chemical works, oil works, bone works, distilleries, gas works, meat factories and timber yards which were fully working throughout the 20th Century. As a result of this, the regeneration of Stratford has had to deal with the substantial land contamination.
- 4.4. It can be seen from plans provided to us that current/former uses on the subject site include a distillery, works and factories.

5. Population

- 5.1. Stratford is an area of limited affluence with a significantly above national average proportion of adults of working age categorised within the least affluent D and E social groups in the 2001 census. Contrastingly the most affluent AB social group

was under-represented within the Stratford area in 2001. Furthermore there is an above national average level of the local population claiming unemployment benefits.

- 5.2. Although the local population of Stratford is not particularly affluent, the opening of Westfield Stratford in 2011 has generated an increased interest in the area drawing wealthier shoppers from the north east and east side of London. Moreover the imminent start of the Olympic Games is expected to create an increased national and international tourist trade which is anticipated to continue after the events.
- 5.3. The regeneration of Stratford will offer residential opportunities that will be more attractive to those skilled and professional workers working in the city of London and the surrounding areas and, therefore it is anticipated that this may increase the wealth of the catchment population but without displacing the broad group of residents from all demographic profiles.

6. Description of Subject Development Proposal

- 6.1. The applicant is seeking outline planning permission to redevelop the site at Sugar House Lane, named Strand East, and to provide 1,192 residential units; 12,593 sq m (135,549.9 sq ft) of flexible uses including retail, financial and professional services, restaurants, cafes and bars, offices and workshops, non-residential institution and assembly and leisure; 33,950 sq m (365,434.8 sq ft) of offices and workshops; 350 bed hotel; pedestrian bridge across Three Mills River; creation of new highways and public realm; car, motorcycle and bicycle parking; servicing and ancillary works.
- 6.2. The applicant is seeking detailed planning permission for 8 residential units; 300 sq m (3,229 sq ft) of financial and professional services; 500 sq m (5,381 sq ft) public house/bar; 2,620 sq m (28,201 sq ft) of office and workshops/non-residential institution; 8,170 sq m (87,941 sq ft) of offices; creation of new highways and public realm; 28 car parking spaces; hard and soft landscaping.
- 6.3. It is noted in **GL Hearn's** Viability Report dated May 2012 that the scheme will be low in height and density proposing a maximum height of 16 storeys on only two accent blocks across approximately 10 ha. The majority of the site will be built to a maximum of 3-5 floors. According to the schedule of accommodation at Appendix 1 of the Viability Report the scheme will provide a total Gross External Floor Area (GEFA) 200,000 sq m (circa 2,152,782 sq ft) of residential and non residential space.

- 6.4. **GL Hearn's Viability Report** notes individual, abnormal circumstances affecting the viability of the development:
- 6.4.1. There is a need for floor management including improvement to the river walls and the raising of ground levels to lift the residential accommodation out of the flood plain.
 - 6.4.2. Abnormal costs including soil treatment to assess and address the contamination on the site and land re-profiling to create the landscaping and site levels.
 - 6.4.3. Below the site are a number of underground sewers that will have an impact upon the substructure of many of the buildings; therefore piling is required and the locations of the sewers need to be assessed.
- 6.5. The demolition and construction phasing plan at Appendix 5 of the Viability Report demonstrates that the development is of a considerable length with demolition beginning in some parts in 2013 and completion of the whole development in 2022, a period of 10 years.

7. Commercial Assessment

- 7.1. GL Hearn state that the scheme includes approximately 58,000 sq m (624,312 sq ft) of commercial space. This is a significant provision of new commercial accommodation which may exceed demand initially but which the phasing provisions and overall size of development should absorb on completion.
- 7.2. GL Hearn note that the location of the site is not comparable to shopping destinations in close proximity such as Westfield, Stratford, Canary Wharf and the City of London. As a result of this the site will not attract similar occupiers but **rather smaller businesses seeking a 'less "corporate" working environment'**. We agree with GL Hearn that the community facilities are more likely to be of a local nature and reflect a neighbourhood or small district type of environment **sometimes referred to as an "urban village"**.
- 7.3. Target occupiers for the number of retail A1/A3 units are as follows: restaurants, cafes and delicatessens, bakeries and patisseries, small specialist retailers, galleries and creative workshops. GL Hearn acknowledge that the specialist retailers will require financial support in the form as contributions to fit out, rent free periods and stepped rents in order to establish themselves. We agree that the likely strength of tenants will be primarily local traders but this could include good quality retailers and service providers if the environment can be made

attractive enough given the density of residential development and the business potential this will offer. In other words it is of sufficient size and diversity of use to create its own business potential.

7.4. In their appraisal GL Hearn



7.5.



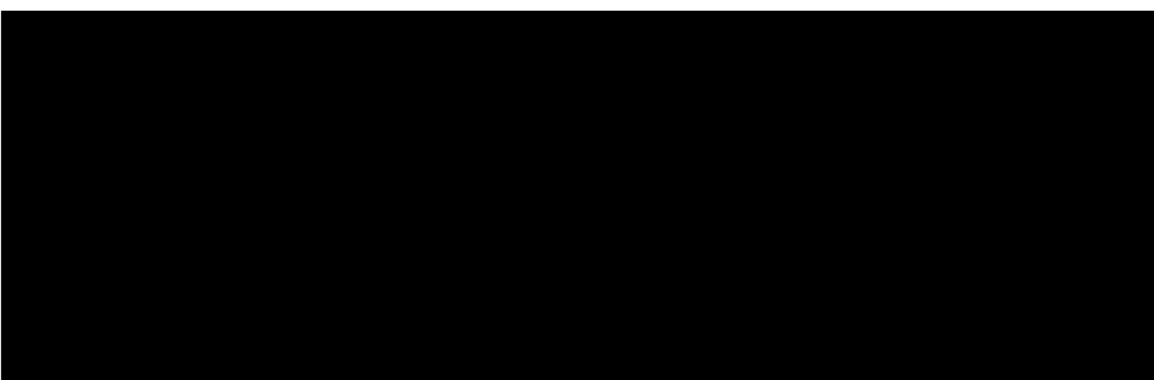
Table 1

USER	RENT	YIELD (Net Initial)
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7.6. Retail/Commercial and Community uses are discussed by GL Hearn from 6.7.1 to 6.7.6 of their report although it is not made particularly clear within the report which occupiers specifically relate to each of the users referred to in Table 1 above.

7.7. Having examined comparable evidence and following discussions with other agents, rental rates for comparable commercial space in the area are approximately psf for units on the High Street, which we regard as realistic.

7.8.



7.9. We are of the opinion that the rent and yield rates adopted by GL Hearn for the subject development are reasonable subject to the qualifications described, and have therefore adopted the same yields and rates used into our own appraisal.

Hotel

- 7.10. A rent of ██████ per room has been adopted by GL Hearn for the hotel which has then been capitalised at a ██████ yield. This is at the top end of the range of values for three star hotel accommodation of this type and with significant competition located along the High Street within half a mile of the subject site. However, the subject scheme should provide a more attractive environment than the competition although transport links are slightly more distant. Nonetheless with 350 bedrooms this is a larger facility than we would have thought appropriate for this location and therefore it may be downsized during the more detailed design exercise.
- 7.11. Our investigations have demonstrated that a rate of ██████ per room is too high for the area and also given that the development will be completed post Olympics the probable maximum rent is more likely to be ██████ per room. The higher rates of ██████ per room are obtainable but in more central locations and pre Olympics. Therefore in our appraisal we have adopted a rate of ██████ per room.

8. Residential Assessment

Residential Provision

- 8.1. The applicant proposes the delivery of 1,200 residential units on the site. As noted in more detail below, they have proposed two affordable housing scenarios. The first of these proposes 15% affordable housing by unit, with the following accommodation schedule:

Table 2

	Private Units	Affordable Rent units	DMS Units	Total Affordable Units	Total Units
Studio	8	-	-	-	8
1- bed flat	396	36	36	72	468
2- bed flat	208	18	18	36	244
3- bed flat	364	33	33	66	430
4- bed flat	30	2	2	4	34
5- bed flat	40	1	1	2	16
	1,020	90	90	180	1,200

- 8.2. It should be noted that given the outline nature of the planning application, no drawings have been submitted to illustrate unit sizes or layouts within particular blocks or phases of the scheme. We agree that it would be unreasonable to expect comprehensive layout drawings to be provided at this stage of design.

- 8.3. We therefore accept the approach of using blended sales values based on the net internal area of the scheme as appropriate for this exercise.

Private Residential Values

- 8.4. The Applicant has assumed an average capital value of [REDACTED] psf across all private residential areas within the proposed scheme.
- 8.5. Given the outline nature of the application and corresponding lack of detailed design of individual buildings or units, we agree that it is appropriate to take the approach of applying an average capital value for the site.
- 8.6. The Economic Viability Analysis report prepared by GL Hearn on behalf of the applicant provides a brief commentary on the current residential market in the Stratford area, citing the investment that has been made in areas such as the Olympic Park and notes that it is hoped that this will act as a catalyst to securing additional step-change improvements to areas which are peripheral to the Olympic Park / Stratford station areas. However, the report notes that this regeneration effect has yet to hit these peripheral areas, and is unlikely to do so in any significant measure before 2020.
- 8.7. We agree that the Strand East / Sugarhouse Lane site does sit on the periphery of the main Olympic zone, and that despite the significant potential for creating step-change regeneration through the creation of new mixed-use quarters not only on the subject site but also on the adjacent Bromley-by-Bow North and South sites, it will take a number of years for the regeneration and corresponding increase in residential sales values to be seen.
- 8.8. The applicant has provided a series of recent sales in comparable schemes in support of their assertion of an average sales value of [REDACTED] psf. We have also undertaken our own research into private residential values to verify that the value proposed by the applicant is reasonable. This was carried out by researching comparable transactional evidence from similar schemes, speaking to local estate agents and using our own knowledge following significant recent work undertaken in the local area.
- 8.9. Following our review of comparable evidence and a number of discussions with local agents, we agree that the average sales value of [REDACTED] psf proposed by the Applicant is a reasonable assumption in the current market and as such, agree that it is appropriate to use this value within our own appraisals.

Private Residential Sales Programme

- 8.10. The Appraisals submitted by the applicant assume that private residential units will be sold at a rate of 120 per annum, which is equivalent to ten units per month. We agree that it is reasonable to adopt this sales rate.
- 8.11. The Argus developer appraisals submitted by GL Hearn show units being sold at this rate, and assume that in broad terms each phase will be able to sell 50% of units before practical completion. We feel that this level of presales is over optimistic, given the current global economic slowdown which is affecting the ability of residential developers to achieve the kinds of significant pre-sales in markets such as South East Asia that they were able to achieve before 2009.
- 8.12. We have therefore amended the appraisal to reflect 25% of units being presold on each private residential phase, with the exception of phases MU1 and MU2 where no pre-sales have been assumed due to the relatively small number of units in these phases. We have assumed that the remaining units in each phase will be sold at the rate of ten units per month and have adjusted the sales periods accordingly.
- 8.13. To ensure an accurate cashflow, we have adjusted timings such that income from pre-sales is received on practical completion rather than prior as assumed in the GL Hearn appraisals. This reflects the fact that whilst an off-plan purchaser may have put deposit money down, they will not pay the balance until practical completion and therefore the developer will not receive an income stream until this point. We note that the outline scheme appears to lend itself well to flexible phasing, enabling residential units to be delivered in line with the requirements of the market.

Private residential sales, marketing and legal fees

- 8.14. The applicant has assumed that sales and marketing costs will be █████ of the private residential gross development value, and that legal fees will be █████ of the same. Therefore a total allowance of █████ of residential value has been made for these items.
- 8.15. In our view, this allowance is over generous. We have therefore adopted a value of █████ of private residential GDV to deal with all costs associated with sales and marketing of the private residential units. This is in line with the default allowance within the GLA Affordable Housing Development Control Toolkit.

Affordable housing provision and payment

- 8.16. The applicant has submitted two affordable housing scenarios.
- 8.17. Scenario 1 proposes a 15% affordable housing provision by unit, split 50% **affordable rent and 50% Discounted Market Sale ("DMS")**. This equates to a total provision of 180 affordable homes. It is assumed that purchasers of the DMS units will purchase 80% of the equity at market value, with the remaining 20% being held by London Borough of Newham.
- 8.18. Scenario 1 assumes that a subsidy of [REDACTED] per affordable rented unit will be available and on this basis the applicant has assumed a blended capital value of [REDACTED] per square foot for the affordable housing on the scheme. We have run our own appraisals of the proposed affordable housing mix and agree that the rate of [REDACTED] psf is reasonable on the basis of the assumptions that have been made.
- 8.19. Scenario 2 assumes a provision of 10% affordable housing units, which equates to 120 affordable homes. As with Scenario 1, these units are split 50% affordable rent and 50% DMS. Scenario 2 assumes that no subsidy will be available, and on this basis a capital value of [REDACTED] psf is assumed. As with Scenario 1, we have run our own appraisals and agree that the rate of [REDACTED] psf is reasonable.
- 8.20. We understand that the applicant has undertaken discussions with LB Newham regarding rents and equity sales for the affordable housing units and that the Council are content with what is being proposed.
- 8.21. The applicant has assumed a sales agent fee of [REDACTED] on the value of the affordable housing and a further [REDACTED] of this value on legal costs associated with this sale. In the 15% affordable housing scenario, these costs total circa [REDACTED]. In our view, these costs overstate the cost of sale of the affordable units.
- 8.22. We have therefore amended the sales agent and legal fees associated with the affordable housing to [REDACTED] of affordable housing GDV, which generates a total cost for this element of circa [REDACTED] which we believe should be a sufficient allowance.

9. Cost Assessment

- 9.1. Philip Pank Partnership have provided a detailed cost analysis which is attached at Appendix 1.
- 9.2. Their conclusions are as follows:

- 9.2.1. The information provided has not allowed a detailed construction build cost analysis to be completed. This is due to the fact that the submission is for outline consent with a long delivery period. The lack of a cost plan, detailed drawings and confirmed GIFA areas has meant that assumptions have had to be made and the analysis has focussed on the cost per square foot rates, abnormal costings, and the phasing programme.
- 9.2.2. After the adjustment for the public art works, we can advise that the revised build cost of [REDACTED] equates to a revised total development cost of [REDACTED] per square foot. Holistically the scheme offers value for money in the current market.
- 9.2.3. Due to inflationary pressures and the fact that the phasing requirements are yet to be determined we recommend that a detailed cost plan is requested with each phased detailed submission. This is in order to assess the construction cost in more detail at the current time and therefore avoiding having to make assumptions for inflation based on BCIS indices.

10. General Appraisal Considerations

Finance Charges

- 10.1. The applicant's appraisal assumes that the scheme will secure [REDACTED] [REDACTED] [REDACTED]. In our view, this is an incorrect assumption.
- 10.2. Through the current downturn, it has become increasingly difficult to secure debt financing for development. Lenders have become increasingly reluctant to lend either the amounts or at the rates at which they were previously prepared to lend.
- 10.3. We have therefore amended the appraisal to reflect an assumption that the project will secure [REDACTED] (Please see Appendix 2). We have assumed that debt and equity will be used to fund the project side-by-side. We have assumed that there will be no charge on the equity, and that the return to the equity provider will be taken in the form of profit through the course of the development programme. In our view, these assumptions reflect a more likely funding scenario than that assumed by the applicant in their submission.

10.4. The revision to the project funding assumptions described above reduces the costs to the scheme through lower interest charges and therefore the profit made is improved.

Professional Fees

10.5. The applicant has assumed professional fees at [REDACTED] of build cost. In the current competitive environment and given the scale of the project we are of the view that it would be possible to secure the professional fees at a lower rate than this. We have therefore amended the appraisal to reflect professional fees at [REDACTED] of build cost but they could be lower. However at this stage it would be wise not to reduce this element too far.

Contingencies

10.6. The adopted rate of [REDACTED] for construction costs may be considered low against more current rate of [REDACTED]. However, given the scale of the scheme, the actual costing figure exceeds [REDACTED] and should consequently be sufficient. Nevertheless this position should be borne in mind in any negotiations.

Appraisal Results

10.7. The following table shows the key features from the appraisal submitted by the applicants, and compares it to the same features from Allsop’s revised appraisal.

Table 3

	Applicant Appraisal	Allsop Appraisal	Difference
Revenues			
Residential Revenue			
Other Revenue			
GDV			
Purchasers Costs / Fees			
Net Realisation			
Costs			
Acquisition			
Build Costs / Planning Gain			
Professional Fees			
Commercial Letting Fees			
Finance			
Total Cost			
Performance Measures			
Profit			
Profit On Cost			
IRR			

- 10.8. As can be seen, the amended appraisal on the residential element (excluding the commercial fee elements which are all satisfactory) improves the viability position of the scheme, through a reduction in professional fees, reductions in fees to sales agents, and significantly through a reduction in finance charges due to adoption of a debt/equity finance model.
- 10.9. If considered on a profit on cost basis alone, the amended appraisal shows a return which would be likely to be considered acceptable in a good market but as it is less than [REDACTED] this could be considered as marginal in the current market.
- 10.10. However, the nature of the proposed scheme means that significant investment in infrastructure and remediation works must be undertaken before any income can be received into the project. Within the Allsop appraisal, the peak debt for the project is [REDACTED], and occurs at Month 38 of the project. [REDACTED]
[REDACTED]
[REDACTED] This fact is reflected in the geared **Internal Rate of Return ("IRR") for the project, which is [REDACTED]** and ungeared IRR at [REDACTED]. As such, in our view it would be difficult to secure debt finance from conventional market sources to allow development of a project at this level of IRR.
- 10.11. We note that GL Hearn carried out a Development Appraisal in relation to Community Space. We have not undertaken an individual appraisal for the community space; **however, having examined the appraisal we accept GL Hearn's findings and believe that the assumptions made are reasonable.**

11. Conclusions & Recommendations

- 11.1. The proposals have been submitted in outline only and therefore much of the detail in respect of design and materials are not available at this stage. We have therefore made the assumption that such detail will be provided to a satisfactory standard and quality. In particular a good quality will be a significant criteria for a successful scheme given the poor standard of building which has occurred in some examples of relatively new development especially some of the high rise blocks fronting Stratford High Street.
- 11.2. The concept of a low rise development adopted by the subject proposals is to be commended and should be retained. This has enabled the developer to promote a stronger commercial element as well as focus on the waterfront characteristics of the site in design terms. This should give the scheme a competitive edge in the medium to long term.

- 11.3. The commercial content appears to be slightly larger than would usually be required but given its isolation from other commercial locations and its ability to link with the existing Tesco at Bromley by Bow and the Three Mills film studios does reflect an inherent potential which should be progressed in the interests of a self sustaining true mixed use scheme along the lines of an "urban village".
- 11.4. The hotel provision of some 350 rooms appears to be excessive given the proximity of two large budget hotels in close proximity and the fact that the development will be completed after the Olympics.
- 11.5. Links with the docklands light railway stations and Bromley by Bow underground station requires improvement as public transport and good communications with the City and Central London will be an important driver for the success of this scheme.
- 11.6. The Commercial Property element rental figures adopted with incentives reflect current market levels but the yields used are at the top end of the spectrum and assume full occupation with lettings to tenants with a reasonable covenant status. This is perhaps optimistic in the current market but assuming an improvement in the economy such a position is not an unreasonable assumption given the length of the project programme of some 10 years and the objective of creating an "urban village" profile. .
- 11.7. The Residential content is significant resulting in a long term development timetable with several phases over a timescale of some 10 years. However the proportion affordable housing at 15% falls below the target of a minimum of 35% set out in Policy H2 of the LB Newham Core Strategy. Furthermore, the split of 50% affordable rent and 50% DMS is at variance to the target within the Core Strategy of 60%:40% in favour of affordable rent, although we understand that the proposed split has been accepted by LB Newham Housing, and it does improve viability. If subsidy to the affordable housing at the levels envisaged is not available, the promoter has stated that they will not be able to deliver the 15% affordable housing as proposed and an alternative lower level of provision will need to be agreed.
- 11.8. The analysis of costs for construction is, on the whole acceptable, with only minor concerns in certain areas at this stage. However, the analysis is incomplete as the detail falls short of what will be required to understandable given the outline stage **of the proposal. The extent of "abnormals" to deal with and ground works and contamination are significant areas of note.**

11.9. The proposals for community use, subject of a separate appraisal, are unclear and require defining in all areas. However this is not an unusual position for a project at this stage of its development.

11.10. The development appraisal (see Appendix 2) produces a less than satisfactory return on a face value basis of [REDACTED] of costs in the current market but will be acceptable in a strong market and given the significant size of the scheme. However this is far from being the only consideration on a viability assessment with other criteria of the internal rate of return and negative equity flows being determining factors in a large and long term project such as this.

11.11. We have re calculated the ungeared internal rate of return at [REDACTED] and geared internal rate of return at [REDACTED]. This falls significantly below that required by capital equity investors which in the current market usually falls between [REDACTED] and [REDACTED]. However the IRR falls significantly ahead of 5 year swap rates of [REDACTED] and 10 year swap rates of [REDACTED] (as at 01.06.2012). Against this test a large international conglomerate, of which we understand the promoter is part is more likely to have regard to an internal rate of return compared to the cost of money (i.e. the rate at which it costs the return on its own capital employed) rather than risk equity investors who are usually seeking a premium return. The [REDACTED] IRR achieved on this project falls between the swap rates and risk equity return requirements and therefore on this test does reflect a reasonable position in support of a viable project.

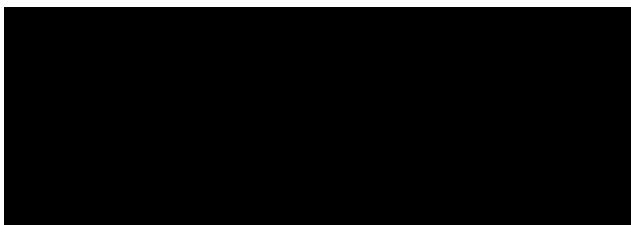
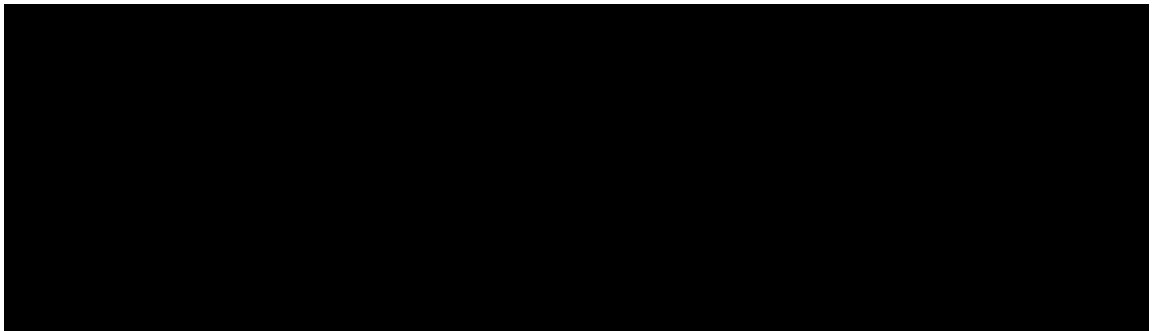
11.12. It will be noted from the cash flow arrangements that total debt requirements result in a negative cash flow peaking in month 38 at [REDACTED]. We are of the opinion that senior debt resource from usual banking facilities would not be available on a project based focus on this analysis and at this level and timescale for a significant property development based scheme such as this. Without such debt facilities mezzanine finance would equally not be forthcoming notwithstanding the premium rates that would be required. The only possible debt facility would be on a corporate recourse basis rather than on a specific project non-recourse basis, which means that only the very largest development companies with strong track records and positive cash flow profiles would be able to negotiate an arrangement to cover the necessary criteria currently being set in the banking sector for long term property development loans. Even in these circumstances loan to value ratios would be no more than [REDACTED] and in reality are more likely to be [REDACTED] at best.

11.13. The net result is that the viability of this project rests almost entirely on the commitment of the subject promoter. Arguably the scheme is in a fringe location,

although its size and content with water frontage does have the potential to create a prime real estate product. Nevertheless the exposure of the project relying on deliverability by a single international conglomerate group using a UK based new company subsidiary represents a high risk on the one hand but is probably the only realistic option to securing a development project in the current market. Although there are other groups in the market who can be categorised in a similar way the chances of an alternative promoter being found who can deliver such a project will be limited. Consequently whilst it would be sensible not to lose the interest and capability of the subject promoter, it must be recognised that this project is entirely dependent on their whims and internal decision making influenced by their external performance as an international multi faceted conglomerate but with a core activity of retailing not external property development.

11.14. For viability and deliverability to be attained we recommend that LTGDC secure appropriate assurances from the promoter of their intentions to proceed and that they have the equity and capital resources available and to be devoted to this project.

11.15.



.....
 **For and on behalf of:**

Chase & Partners


Allsop LLP

Philip Pank Partnership

29 June 2012

APPENDIX 1

Our Ref: 12/050/kt


Chase & Partners
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6th June 2012

Dear 

Strand East, Sugar House Lane, London E15

With reference to our joint appointment, we have reviewed the available construction cost estimate information provided by GL Hearn Limited in support of the planning application for the above scheme.

Please find our report enclosed. We would normally expect to receive a detailed cost plan in order to provide a robust analysis of the proposed costs; unfortunately this information is not available at the current time. Our analysis has therefore focused on the cost per square foot rates provided, the abnormals analysis, planning submission documents and the outline development programme.

In our opinion the overall rates provided are competitive in the current market but would not be sustainable over the course of the development programme.

Due to inflationary pressures, we recommend that a detailed cost plan is requested with each phased detailed submission. This is in order to assess the construction cost in more detail at the current time and therefore avoiding having to make assumptions for inflation based on BCIS indices.

Yours sincerely,



2 NO. DEVELOPMENT OPTIONS

-at-

STRAND EAST, SUGAR HOUSE LANE, LONDON, E15

CONSTRUCTION COST ANALYSIS

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- APPENDIX C - Generic Cost Plan – Alternative Construction Methods – Day and Johnson Limited 18th August 2010
- APPENDIX D - Abnormals Budget Costing Exercise, GL Hearn Limited 1st March 2012

2 NO. DEVELOPMENT OPTIONS
STRAND EAST, SUGAR HOUSE LANE, LONDON, E15

CONSTRUCTION COST ANALYSIS

1.0 EXECUTIVE SUMMARY

We would normally expect to receive a detailed cost plan in order to provide a robust analysis of the proposed costs; unfortunately this information is not available at the current time. Our analysis has therefore focused on the cost per square foot rates provided, the abnormals analysis, planning submission documents and the outline development programme.

In our opinion the overall rates provided are competitive in the current market but would not be sustainable over the course of the development programme.

Due to inflationary pressures, we recommend that a detailed cost plan is requested with each phased detailed submission. This is in order to assess the construction cost in more detail at the current time and therefore avoiding having to make assumptions for inflation based on BCIS indices.

2.0 BRIEF

On the 10th May 2012, Philip Pank Partnership were instructed in partnership with Allsop LLP & Chase & Partners on behalf of Thames Gateway & the London Borough of Newham to review the construction costs proposed in two development options.

Two affordable housing development options were assessed as part of the planning submission of a large mixed use scheme compiled by GL Hearn on the behalf of Landprop Holdings BV. The proposed planning submission has two parts, firstly the outline permission for the entire mixed use scheme and a detailed permission for a small element of the works labelled as 'the North East Corner'. In summary the mixed use development comprises:

1,192 No. Residential Units

12,593 M² (GIFA) Flexible use; Retail building class A1, Financial and Professional Services class A2, restaurant cafes and bars classes A3/A4, offices and workshops lass B1, Non Residential class D1 and assembly and leisure class D2

33,950 M² (GIFA) Offices and Workshops class B1

350 No. Bedroom hotel

A riverside park, pedestrian bridges, car motorcycles and cycle parking, and external works.

The detailed consent application for the North East Corner comprises:

8 No Residential units

300 M² (GIFA) Financial and Professional Services, class A2

500 M² (GIFA) Public House bar, class A4

2,620 M² (GIFA) flexible office/workshop/non-residential institution, class (B1/D1)

8,170 M² (GIFA) Offices, class B1

A public square

28 No. Parking spaces, 82 cycle spaces, hard and soft landscaping

2 NO. DEVELOPMENT OPTIONS
STRAND EAST, SUGAR HOUSE LANE, LONDON, E15

CONSTRUCTION COST ANALYSIS

3.0 INFORMATION RECEIVED

The following documents have been received and reviewed as part of the Construction Cost Analysis:

- Planning Submission and supporting documents
- GL Hearn Limited - Economic Viability Analysis and Justification in Respect of Strand East, Sugar House Lane, Stratford, London E15.
- GL Hearn Limited - Option 1 10% Affordable Housing, Draft Appraisal for Planning Purposes, May 08 2012
- GL Hearn Limited - Option 2 15% Affordable Housing, Draft Appraisal for Planning Purposes, May 08 2012.
- Abnormals Budget Costing Exercise, 1st March 2012

Following receipt of the above documents, Philip Pank Partnership liaised directly with GL Hearn and requested a detailed scheme cost plan and full GIFA Accommodation schedule in order to carry out a full analysis of the proposed construction costs.

GL Hearn have advised that due to the outline nature of the consent, a detailed cost plan has not yet been carried out. The proposed construction costs have been established by using cost per square foot rates against an initial accommodation schedule. Further information on the cost per square foot residential rate was provided in the following document, copy attached in Appendix C.

Generic Cost Plan – Alternative Construction Methods – Day and Johnson Limited 18th August 2010

Due to the level of information provided our analysis has focused on the rates provided, the abnormals analysis, and the outline development programme.

4.0 ACCOMMODATION SCHEDULE

As detailed above due to the outline nature of the scheme a detailed GIFA accommodation schedule was not available. Philip Pank Partnership sought clarification regarding the measurements being used for the estimate. GL Hearn advised that at this stage the design has not been worked up to sufficient detail to differentiate between GIFA and GEA advising that the areas used have been presumed to be GIFA. GL Hearn also advised that the planning application is for the number of units and that sizes have not been specified. We can confirm the following areas have been used in the proposed residential construction cost estimates.

2 NO. DEVELOPMENT OPTIONS
STRAND EAST, SUGAR HOUSE LANE, LONDON, E15

CONSTRUCTION COST ANALYSIS

4.0 ACCOMMODATION SCHEDULE (CONTD)

Studio	50 M ² GIFA
1 bedroom	50 M ² GIFA
2 bedroom	70 M ² GIFA
3 bedroom	102 M ² GIFA
4 bedroom	123 M ² GIFA
5 bedroom	137 M ² GIFA

These areas comply with the standards detailed in the Planning Submission 'Housing Statement' and meet the London Housing Design Guide standards.

As a result the following assumptions have been made in our analysis:

- The outline GIFA's provided in the Development Appraisal are correct.
- Internal building circulation areas have been included.
- Residential units will meet the London Housing Design Guide Standards.

5.0 OUTLINE CONSTRUCTION COSTS

There is a minor discrepancy between the construction costs provided in the GL Hearn Limited - Option 1 10% Affordable Housing, Draft Appraisal for Planning Purposes, May 08 2012 & GL Hearn Limited - Option 2 15% Affordable Housing, Draft Appraisal for Planning Purposes, May 08 2012.

Due to the marginal difference between the two models we have reviewed the construction costs holistically using the slightly higher costs detailed in the 10% affordable development appraisal. GL Hearn have advised that [REDACTED] figure is made up of the following components:-

	£
Main Build Cost	
Abnormals	
<u>Less</u> Bus Subsidy	
<u>Less</u> Mayoral Community Infrastructure Levy (CIL)	
<u>Less</u> Education Contribution	
<u>TOTAL Build Cost</u>	

2 NO. DEVELOPMENT OPTIONS
STRAND EAST, SUGAR HOUSE LANE, LONDON, E15

CONSTRUCTION COST ANALYSIS

5.0 OUTLINE CONSTRUCTION COSTS (CONTD.)

GL Hearn have advised that the cost per square foot rates used to generate the estimated figure of [REDACTED] are as follows:

Residential	[REDACTED]	per bedroom
Mixed Use, Shell & Core		
Business Units		
Retail/Restaurant, Shell & Core		
Community		
Hotel		
Conference Space		

These rates are inclusive of overheads and profit. GL Hearn's, Quantity Surveyor, Johnson Associates (UK) LTD have commented via email that, 'there will need to be a thorough and disciplined approach to Value Engineering the design to achieve these figures'. We agree with this assumption that the rates used are very competitive.

Further information on the residential rate was supplied in the form of the following document:

Generic Cost Plan – Alternative Construction Methods – Day and Johnson Limited 18th August 2010

The [REDACTED] PSF rate is based on the mean average of a cost plan for four different forms of construction. Whilst the document is dated August 2010, these rates are still achievable and are very competitive.

Based on a proposed total mixed use GIFA of approximately 2,155,160 square foot the completed scheme with a cost of [REDACTED] equates to a total development cost of [REDACTED] per square foot. Within the current market this rate is competitive.

We have concerns regarding the provided rates beyond the base costing date of May 2012. In our opinion the rates provided are extremely bullish reflecting the current market. Considering the proposed phased nature of the scheme with the last phase commencing in 2021-2022 we recommend that a detailed cost plan is requested at each phased detailed planning submission in order to allow a robust analysis. This will avoid the need to make assumptions based on the BCIS indices.

2 NO. DEVELOPMENT OPTIONS
STRAND EAST, SUGAR HOUSE LANE, LONDON, E15

CONSTRUCTION COST ANALYSIS

6.0 ABNORMAL CONSTRUCTION COSTS

There are a number of site abnormal costs which equate to a figure of [REDACTED] in total within the proposed build cost estimate. These costs are described in the following document:

Abnormals Budget Costing Exercise, GL Hearn Limited 1st March 2012

In summary it is envisaged the following works will be required:

- Full basement car parking
- Retaining walls and river wall works
- Extensive Site demolition, and ground decontamination including Japanese knotweed
- Bridging over existing sewers
- Extensive service diversions
- Extensive External works
- Off site infrastructure enhancement
- Maintaining access to Three Mills

These costs have been analysed against the supporting planning documents. Their total cost listed in the above document is higher than the figure of [REDACTED] in the estimate at [REDACTED]. It has been assumed that further information since the publication of document has allowed the abnormal cost estimate to be reduced. At this early stage as advised within the above document the figures provided are budgetary costings and we agree with the stated intention to provide a BCIS Elemental Cost Plan once the schemes design has progressed.

At this stage the budgetary allowances in the absence of detailed drawings appear to be in the higher price range for like works but at this stage of design development are not unreasonable.

With the exception of the public art works allowance figure of [REDACTED] which we would not consider to be part of the construction build costs, but be factored into the Section 106 agreement, the works detailed in the submitted documents are feasible considering a site of this size and location

If the public art works are removed from the estimate the total build cost is reduced to [REDACTED] which equates to a revised total development cost of [REDACTED] per square foot.

2 NO. DEVELOPMENT OPTIONS
STRAND EAST, SUGAR HOUSE LANE, LONDON, E15

CONSTRUCTION COST ANALYSIS

7.0 PHASING

As detailed on the provided Development Programme the proposed scheme is currently made up of 10 phases. Phase 10 is scheduled to start construction in 2021-2022. The abnormal pricing document advises that the phasing requirements are yet to be determined and phasing does not appear to have been taken into account within the construction cost estimate. As a result we recommend that the build costs are analysed for each phase as they are submitted for detailed planning submission.

8.0 CONCLUSION AND RECOMMENDATIONS

In conclusion, the information provided has not allowed a detailed construction build cost analysis to be completed. This is due to the fact that the submission is for outline consent with a long delivery period. The lack of a cost plan, detailed drawings and confirmed GIFA areas has meant that assumptions have had to be made and the analysis has focussed on the cost per square foot rates, abnormal costings, and the phasing programme.

After the adjustment for the public art works we can advise that the revised build cost of [REDACTED] equates to a revised total development cost of [REDACTED] per square foot. Holistically the scheme offers value for money in the current market.

Due to inflationary pressures and the fact that the phasing requirements are yet to be determined we recommend that a detailed cost plan is requested with each phased detailed submission. This is in order to assess the construction cost in more detail at the current time and therefore avoiding having to make assumptions for inflation based on BCIS indices.

APPENDIX A

GL Hearn Limited - Option 1 10% Affordable Housing,
Draft Appraisal for Planning Purposes, May 08 2012

GL Hearn Limited

Development Appraisal

Landprop - Sugar House Lane

10% Affordable Housing

Draft Appraisal for Planning Purposes

Report Date: May 08, 2012

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

Timescale (Duration in months)

Project commences Oct 2011

Phase 1: Land and Infrastructure Costs

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase/Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase/Planning	End	
Construction	24	Jun 2013	May 2015	Pre-Construction	End	
Phase End		May 2015				
Phase Length	44					

Phase 2: MU1 Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase / Planning	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

Phase 3: MU1 Private

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	17	Apr 2012	Aug 2013	Purchase	End	
Construction	12	Sep 2013	Aug 2014	Pre-Construction	End	
Sale	1	Sep 2014	Sep 2014	Income Flow	End	
Phase End		Sep 2014				
Phase Length	36					

Phase 4: MU1 Affordable

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	17	Apr 2012	Aug 2013	Purchase	End	
Construction	12	Sep 2013	Aug 2014	Pre-Construction	End	
Sale	12	Sep 2013	Aug 2014	Income Flow	End	
Phase End		Aug 2014				
Phase Length	35					

Phase 5: MU3 Other Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

Phase 6: MU3 Hotel

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase / Planning	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Phase End		Dec 2014				
Phase Length	38					

Phase 7: MU3 Private

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	18	Apr 2012	Sep 2013	Purchase	End	
Construction	14	Oct 2013	Nov 2014	Pre-Construction	End	
Sale	3	Dec 2014	Feb 2015	Income Flow	End	
Phase End		Feb 2015				
Phase Length	41					

Phase 8: MU3 Affordable

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	18	Apr 2012	Sep 2013	Purchase	End	
Construction	14	Oct 2013	Nov 2014	Pre-Construction	End	
Sale	14	Oct 2013	Nov 2014	Income Flow	End	
Phase End		Nov 2014				
Phase Length	38					

Phase 9: MU5 Hub Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase / Planning	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane

10% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 10: MU5 Private						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	6	Apr 2015	Sep 2015	Income Flow	End	
Phase End		Sep 2015				
Phase Length	48					
Phase 11: MU5 Affordable						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	18	Jan 2014	Jun 2015	Income Flow	End	
Phase End		Jun 2015				
Phase Length	45					
Phase 12: R4 Commercial						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 13: R4 Private						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	11	Jan 2015	Nov 2015	Income Flow	End	
Phase End		Nov 2015				
Phase Length	50					
Phase 14: R4 Affordable						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	18	Jan 2014	Jun 2015	Income Flow	End	
Phase End		Jun 2015				
Phase Length	45					
Phase 15: R8 Private						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	22	Jan 2016	Oct 2017	Income Flow	End	
Phase End		Oct 2017				
Phase Length	73					
Phase 16: R8 Affordable						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	24	Jan 2015	Dec 2016	Income Flow	End	
Phase End		Dec 2016				
Phase Length	63					
Phase 17: R6 Private						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	22	Jan 2016	Oct 2017	Income Flow	End	
Phase End		Oct 2017				
Phase Length	73					
Phase 18: R6 Affordable						
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	24	Jan 2015	Dec 2016	Income Flow	End	
Phase End		Dec 2016				
Phase Length	63					

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane

10% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 19: R3 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	50	Apr 2012	May 2016	Purchase	End	
Construction	19	Jun 2016	Dec 2017	Pre-Construction	End	
Sale	13	Oct 2017	Oct 2018	Income Flow	End	
Phase End		Oct 2018				
Phase Length	85					
Phase 20: R3 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	50	Apr 2012	May 2016	Purchase	End	
Construction	19	Jun 2016	Dec 2017	Pre-Construction	End	
Sale	19	Jun 2016	Dec 2017	Income Flow	End	
Phase End		Dec 2017				
Phase Length	75					
Phase 21: R7 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 22: R7 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	14	Oct 2018	Nov 2019	Income Flow	End	
Phase End		Nov 2019				
Phase Length	98					
Phase 23: R7 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	19	Jun 2017	Dec 2018	Income Flow	End	
Phase End		Dec 2018				
Phase Length	87					
Phase 24: R5 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 25: R5 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	14	Aug 2018	Sep 2019	Income Flow	End	
Phase End		Sep 2019				
Phase Length	96					
Phase 26: R5 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	19	Jun 2017	Dec 2018	Income Flow	End	
Phase End		Dec 2018				
Phase Length	87					
Phase 27: R2 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	74	Apr 2012	May 2018	Purchase	End	
Construction	19	Jun 2018	Dec 2019	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

TIMESCALE & ASSUMPTIONS

Landprop - Sugar House Lane

10% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 28: R2 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	74	Apr 2012	May 2018	Purchase	End	
Construction	19	Jun 2018	Dec 2019	Pre-Construction	End	
Sale	18	Oct 2019	Mar 2021	Income Flow	End	
Phase End		Mar 2021				
Phase Length	114					
Phase 29: R1 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	86	Apr 2012	May 2019	Purchase	End	
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End	
Sale	19	Jun 2019	Dec 2020	Income Flow	End	
Phase End		Dec 2020				
Phase Length	111					
Phase 30: R2 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	74	Apr 2012	May 2018	Purchase	End	
Construction	19	Jun 2018	Dec 2019	Pre-Construction	End	
Sale	19	Jun 2018	Dec 2019	Income Flow	End	
Phase End		Dec 2019				
Phase Length	99					
Phase 31: R1 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	85	Apr 2012	May 2019	Purchase	End	
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 32: R1 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	86	Apr 2012	May 2019	Purchase	End	
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End	
Sale	16	Jan 2021	Apr 2022	Income Flow	End	
Phase End		Apr 2022				
Phase Length	127					
Phase 33: MU4 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	57	Apr 2012	Dec 2016	Purchase	End	
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End	
Sale	12	Jan 2018	Dec 2018	Income Flow	End	
Phase End		Dec 2018				
Phase Length	87					
Phase 34: MU4 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	57	Apr 2012	Dec 2016	Purchase	End	
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End	
Sale	12	Jan 2017	Dec 2017	Income Flow	End	
Phase End		Dec 2017				
Phase Length	75					
Phase 35: MU4 Mixed Use						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	57	Apr 2012	Dec 2016	Purchase / Planning	End	
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 36: MU2 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	85	Apr 2012	Apr 2019	Purchase / Planning	End	
Construction	36	May 2019	Apr 2022	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Project Length						
		(Merged Phases - Includes Exit Period)				

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

Assumptions

Expenditure

Professional Fees are based on Construction including Contingency + Demolition & Road / Site Works
(Manual relations applied to some Professional Fees)
Purchaser's Costs are based on Net Capitalisation
Purchaser's Costs Deducted from Sale (Not added to Cost)
Sales Fees are based on Gross Capitalisation
Sales Fees Deducted from Sale (Not added to Cost)

Receipts

Show tenant's true income stream	On
Offset income against development costs	Off
Rent payment cycle	Monthly
Apply rent payment cycle to all tenants	On
Renewal Void and Rent Free apply to first renewal only	Off
Growth starts from lease start date	Off
Deduct Ground Rent from Stepped Rent,	Off
Initial Yield Valuation Method	Off
Default Capitalisation Yield	0.0000%
Apply Default Capitalisation to All Tenants	Off
Default stage for Sale Date	Off
Align end of income stream to Sale Date	Off
Apply align end of income stream to all tenants	On
When the Capital Value is modified in the cash flow	Recalculate the Yield
Valuation Tables are	Annually in Arrears
Deduct Post-Sale TI Costs & Lease Comm. from Cap. Value	Off
Rent Free method	Defer start of Tenant's Rent

Finance

Financing Method	Basic (Interest Sets)
Interest Compounding Period	Quarterly
Interest Charging Period	Monthly
Nominal rates of interest used	
Calculate interest on Payments/Receipts in final period	Off
Include interest and Finance Fees in IRR Calculations	Off
Automatic Inter-account transfers	Off
Manual Finance Rate for Profit Erosion	Off

Calculation

Site Payments	In Arrears
Other Payments	In Arrears
Negative Land	In Advance
Receipts	In Advance
Initial IRR Guess Rate	
Minimum IRR	-100%
Maximum IRR	99999%
Manual Discount Rate	Off
IRR Tolerance	0.001000
Letting and Rent Review Fees are calculated on	Net of Deductions
Development Yield and Rent Cover are calculated on	MRV at Sale Date(s)
Include Tenants with no Capital Value	On
Include Turnover Rent	Off
Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	Off
Leasing Commissions are calculated	After Non-Recoverable cost deductions For the First Term of the lease only

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	0 (Sep 2011)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Fixed Land Value
----------------	------------------

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Monthly curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
		Perpetuity	Oct 2011

TIMESCALE & ASSUMPTIONS

Landprop - Sugar House Lane
10% Affordable Housing

GL HEARN LIMITED

Assumptions

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 2

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 3

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 4

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 5

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 6

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 7

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 8

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 2

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 3

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

Assumptions

Inflation Set 4

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 5

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 6

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 7

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 8

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

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Date: 5/8/2012

APPRAISAL SUMMARY

Landprop - Sugar House Lane

10% Affordable Housing

GL HEARN LIMITED

Summary Appraisal for All Merged Phases

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Resi Parking	1013				0
MU1 Private	7	3,768			
MU1 Affordable	1	538			
MU3 Private	29	20,485			
MU3 Affordable	3	2,119			
MU5 Private	55	39,306			
MU5 Affordable	6	4,288			
R4 Private	110	88,231			
R4 Affordable	12	9,625			
R8 Private	107	83,013			
R8 Affordable	12	9,310			
R6 Private	105	92,997			
R6 Affordable	12	10,628			
R3 Private	131	112,315			
R3 Affordable	15	12,860			
R7 Private	58	43,819			
R7 Affordable	6	4,533			
R5 Private	78	68,779			
R5 Affordable	9	7,936			
R2 Private	177	145,939			
R1 Affordable	17	14,839			
R2 Affordable	20	16,490			
R1 Private	157	137,041			
MU4 Private	67	46,624			
MU4 Affordable	7	4,871			
Totals	2,214	980,353			

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
MU1 Mixed	1	2,829				
MU1 Business	1	107,484				
MU1 Retail/Gastro	1	4,994				
MU1 Community	1	32,981				
MU1 Ground Rents	7					
MU3 Mixed	1	4,136				
MU3 Business	1	50,443				
MU3 Hotel Rooms	350	176,600				
MU3 Hotel conference etc.	1	63,690				
MU3 Ground Rents	29					
MU5 Retail/Gastro	1	11,098				
MU5 Community	1	8,752				
MU5 Ground Rents	55					
R4 Retail/Gastro	1	11,216				
R4 Ground Rents	110					
R6 Ground Rents	107					
R6 Ground Rents	105					
R3 Ground Rents	131					
R7 Mixed	1	4,553				
R7 Ground Rents	58					
R5 Mixed	1	3,264				
R5 Ground Rents	78					
R2 Mixed	1	3,807				
R2 Ground Rents	177					
R1 Mixed	1	5,086				
R1 Ground Rents	157					
MU4 Ground Rents	67					
MU4 Mixed	1	17,486				
MU4 Business	1	20,461				
MU2 Mixed	1	23,316				
MU2 Business	1	257,990				
MU2 Community	1	1,561				
Totals	1,450	814,650				

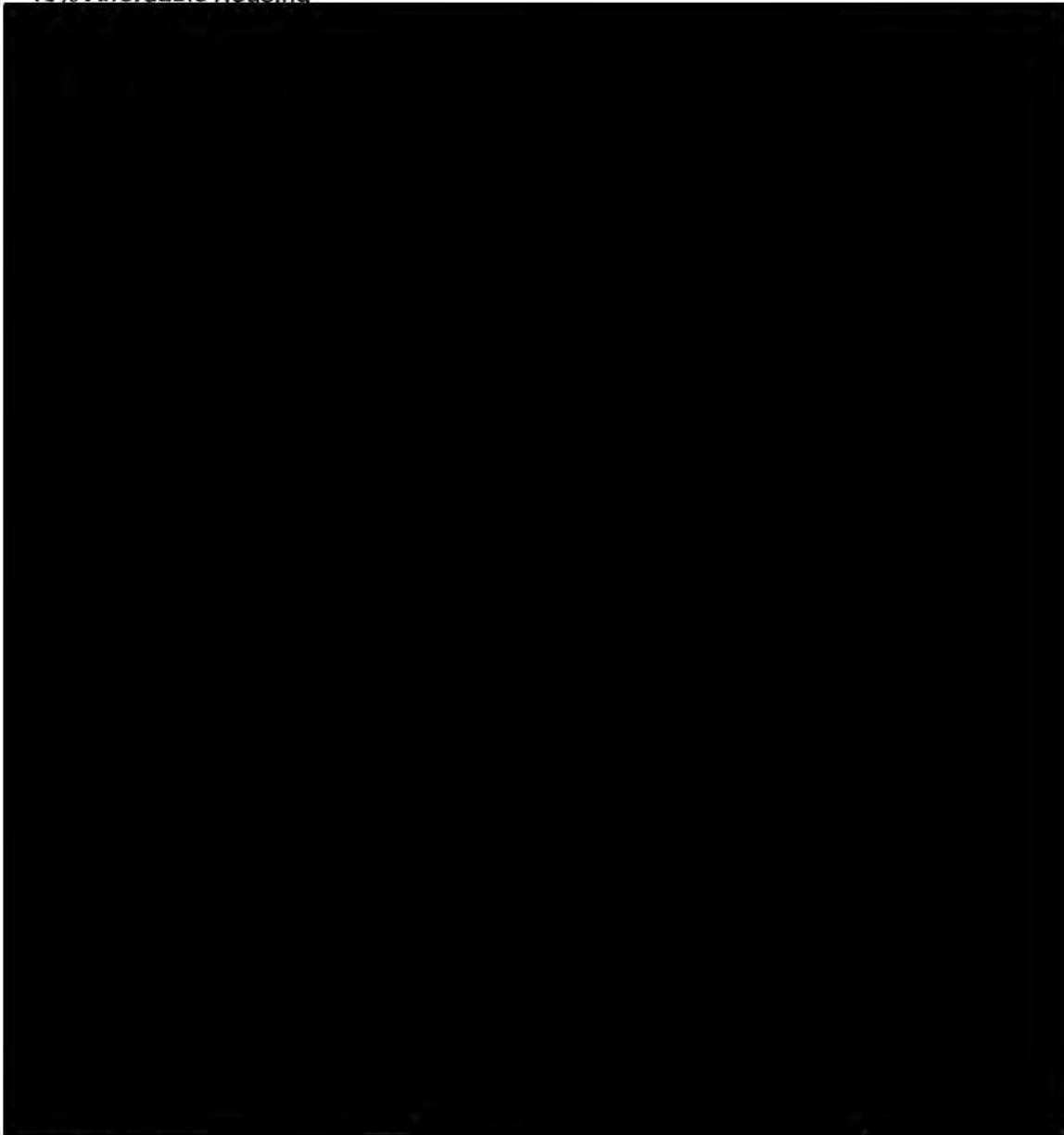
Investment Valuation

[REDACTED]					
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APPRAISAL SUMMARY

Landprop - Sugar House Lane
10% Affordable Housing

GL HEARN LIMITED



GROSS DEVELOPMENT VALUE

Purchaser's Costs

NET DEVELOPMENT VALUE

Sales Agent Fee
Sales Agent Fee
Sales Agent Fee
Sales Legal Fee
Sales Legal Fee

NET REALISATION

OUTLAY

ACQUISITION COSTS

Land Purchased from Receiver
Land Purchased from OPLC
Remaining Land Purchases
Total Acquisition
Stamp Duty
Agents Fees to date
Agent Fee - remaining purchases
Legal Fees to date
Legal Fees - remaining purchases

APPRAISAL SUMMARY

Landprop - Sugar House Lane

10% Affordable Housing

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Hotel Parking - Bsm.	160 Un		
			£'
MU1 Mixed	3,143		
MU1 Business	119,427		
MU1 Retail/Gastro	4,984		
MU1 Community	32,981		
MU3 Mixed	4,586		
MU3 Business	55,048		
MU3 Hotel Rooms	178,500		
MU3 Hotel conference etc	63,650		
MU5 Retail/Gastro	11,098		
MU5 Community	9,752		
R4 Retail/Gastro	11,216		
R7 Mixed	5,059		
R5 Mixed	3,627		
R2 Mixed	4,230		
R1 Mixed	5,651		
MU4 Mixed	19,429		
MU4 Business	22,734		
MU2 Mixed	25,909		
MU2 Business	268,656		
MU2 Community	1,561		
MU1 Private	5,502		
MU1 Affordable	829		
MU3 Private	26,570		
MU3 Affordable	2,759		
MU5 Private	50,030		
MU5 Affordable	5,458		
R4 Private	105,359		
R4 Affordable	11,821		
R8 Private	112,020		
R8 Affordable	12,563		
R6 Private	122,325		
R6 Affordable	13,980		
R3 Private	142,891		
R3 Affordable	16,362		
R7 Private	60,558		
R7 Affordable	6,265		
R5 Private	91,274		
R5 Affordable	10,532		
R2 Private	192,573		
R1 Affordable	19,238		
R2 Affordable	21,780		
R1 Private	177,668		
MU4 Private	66,203		
MU4 Affordable	6,917		
Totals	2,155,160		
Contingency			
Demolition			
Primary Roads			
Secondary Roads			
Subsidy to support new Bus Service			
Mayoral CIL			
Education in the vicinity			

Other Construction

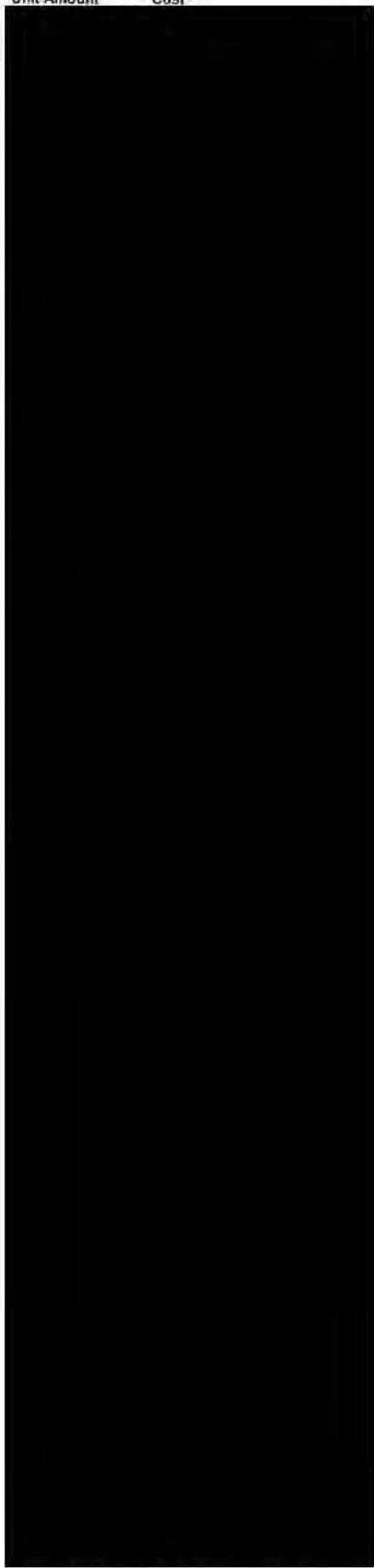
Bio Remediation
Underground Obstructions
Water Table Pumping
Foundations over major sewers
On Site Diversions
Surface Water Attenuation
Japanese Knotweed treatment
External Areas
Riverside Park / Three Mills Hub
Off Site Infrastructure Works
River Wall Works
Canal Work
Pedestrian Bridges - 2No
Vehicle Bridge
Abnormal Site Costs
Off Site Stal Diversions
Off Site Roadworks
138 Commercial Bsm Parking
912 Bsm Resi Parking
101 Semi Bsm Resi Parking
Resi Parking Abnormals
Works to OPLC Bridge
Public Art - Tower sculpture

PROFESSIONAL FEES

Professional Fees

MARKETING & LETTING

Letting Agent Fee
Letting Legal Fee



APPRAISAL SUMMARY

Landprop - Sugar House Lane
10% Affordable Housing

GL HEARN LIMITED

FINANCE

Debit Rate [REDACTED] Credit Rate [REDACTED]
Total Finance Cost [REDACTED]

TOTAL COSTS

PROFIT

Performance Measures

Profit on Cost% [REDACTED]
Profit on GDV% [REDACTED]
Profit on NDV% [REDACTED]
Development Yield% (on MRV) [REDACTED]
Equivalent Yield% (Nominal) [REDACTED]
Equivalent Yield% (True) [REDACTED]

IRR

Rent Cover [REDACTED]
Profit Erosion [REDACTED]

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ARGUS Developer Version: 5.00.001

Date: 5/8/2012

APPENDIX B

GL Hearn Limited - Option 2 15% Affordable Housing,
Draft Appraisal for Planning Purposes, May 08 2012

GL Hearn Limited

Development Appraisal

Landprop - Sugar House Lane

15% Affordable Housing

Draft Appraisal for Planning Purposes

Report Date: May 09, 2012

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Timescale (Duration in months)

Project commences Oct 2011

Phase 1: Land and Infrastructure Costs

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase/Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase/Planning	End	
Construction	24	Jun 2013	May 2015	Pre-Construction	End	
Phase End		May 2019				
Phase Length	44					

Phase 2: MU1 Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	8	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase / Planning	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

Phase 3: MU1 Private

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	17	Apr 2012	Aug 2013	Purchase	End	
Construction	12	Sep 2013	Aug 2014	Pre-Construction	End	
Sale	7	Sep 2014	Sep 2014	Income Flow	End	
Phase End		Sep 2014				
Phase Length	36					

Phase 4: MU1 Affordable

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	17	Apr 2012	Aug 2013	Purchase	End	
Construction	12	Sep 2013	Aug 2014	Pre-Construction	End	
Sale	12	Sep 2013	Aug 2014	Income Flow	End	
Phase End		Aug 2014				
Phase Length	35					

Phase 5: MU3 Other Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

Phase 6: MU3 Hotel

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	8	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase / Planning	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Phase End		Dec 2014				
Phase Length	38					

Phase 7: MU3 Private

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	18	Apr 2012	Sep 2013	Purchase	End	
Construction	12	Oct 2013	Sep 2014	Pre-Construction	End	
Sale	3	Oct 2014	Dec 2014	Income Flow	End	
Phase End		Dec 2014				
Phase Length	39					

Phase 8: MU3 Affordable

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	18	Apr 2012	Sep 2013	Purchase	End	
Construction	12	Oct 2013	Sep 2014	Pre-Construction	End	
Sale	12	Oct 2013	Sep 2014	Income Flow	End	
Phase End		Sep 2014				
Phase Length	36					

Phase 9: MU5 Hub Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase / Planning	End	
Construction	17	Jan 2014	May 2015	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane

15% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 10: MU5 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	8	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	5	Apr 2015	Sep 2015	Income Flow	End	
Phase End		Sep 2015				
Phase Length	48					
Phase 11: MU5 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	18	Jan 2014	Jun 2015	Income Flow	End	
Phase End		Jun 2015				
Phase Length	45					
Phase 12: R4 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	17	Jan 2014	May 2015	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 13: R4 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	11	Jan 2015	Nov 2015	Income Flow	End	
Phase End		Nov 2015				
Phase Length	50					
Phase 14: MU2 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	105	Apr 2012	Dec 2020	Purchase / Planning	End	
Construction	12	Jan 2021	Dec 2021	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 15: R4 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	18	Jan 2014	Jun 2015	Income Flow	End	
Phase End		Jun 2015				
Phase Length	45					
Phase 16: R8 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	8	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	22	Jan 2016	Oct 2017	Income Flow	End	
Phase End		Oct 2017				
Phase Length	73					
Phase 17: R8 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	24	Jan 2015	Dec 2016	Income Flow	End	
Phase End		Dec 2016				
Phase Length	63					
Phase 18: R6 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	22	Jan 2016	Oct 2017	Income Flow	End	
Phase End		Oct 2017				
Phase Length	73					

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane

15% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 19: R6 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	24	Jan 2015	Dec 2016	Income Flow	End	
Phase End		Dec 2016				
Phase Length	63					
Phase 20: R3 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	50	Apr 2012	May 2016	Purchase	End	
Construction	19	Jun 2016	Dec 2017	Pre-Construction	End	
Sale	13	Oct 2017	Oct 2018	Income Flow	End	
Phase End		Oct 2018				
Phase Length	85					
Phase 21: R3 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	50	Apr 2012	May 2016	Purchase	End	
Construction	19	Jun 2016	Dec 2017	Pre-Construction	End	
Sale	19	Jun 2016	Dec 2017	Income Flow	End	
Phase End		Dec 2017				
Phase Length	75					
Phase 22: R7 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 23: R7 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	14	Oct 2018	Nov 2019	Income Flow	End	
Phase End		Nov 2019				
Phase Length	58					
Phase 24: R7 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	19	Jun 2017	Dec 2018	Income Flow	End	
Phase End		Dec 2018				
Phase Length	87					
Phase 25: R5 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 26: R5 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	14	Aug 2018	Sep 2019	Income Flow	End	
Phase End		Sep 2019				
Phase Length	96					
Phase 27: R5 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	19	Jun 2017	Dec 2018	Income Flow	End	
Phase End		Dec 2018				
Phase Length	87					

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane

15% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset	
Phase 28: R2 Commercial							
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	74	Apr 2012	May 2018	Purchase	End		
Construction	19	Jun 2018	Dec 2019	Pre-Construction	End		
Letting				Post Development	End		
Phase End							
Phase Length							
Phase 29: R2 Private							
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	74	Apr 2012	May 2018	Purchase	End		
Construction	19	Jun 2018	Dec 2019	Pre-Construction	End		
Sale	18	Oct 2019	Mar 2021	Income Flow	End		
Phase End		Mar 2021					
Phase Length	114						
Phase 30: R2 Affordable							
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	74	Apr 2012	May 2018	Purchase	End		
Construction	19	Jun 2018	Dec 2018	Pre-Construction	End		
Sale	19	Jun 2018	Dec 2019	Income Flow	End		
Phase End		Dec 2019					
Phase Length	99						
Phase 31: R1 Commercial							
Phase Start		Oct 2011					
Purchase	8	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	88	Apr 2012	May 2019	Purchase	End		
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End		
Letting				Post Development	End		
Phase End							
Phase Length							
Phase 32: R1 Private							
Phase Start		Oct 2011					
Purchase	8	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	86	Apr 2012	May 2019	Purchase	End		
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End		
Sale	16	Jan 2021	Apr 2022	Income Flow	End		
Phase End		Apr 2022					
Phase Length	127						
Phase 33: R1 Affordable							
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	86	Apr 2012	May 2019	Purchase	End		
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End		
Sale	19	Jun 2019	Dec 2020	Income Flow	End		
Phase End		Dec 2020					
Phase Length	111						
Phase 34: MU4 Mixed Use							
Phase Start		Oct 2011					
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	57	Apr 2012	Dec 2016	Purchase / Planning	End		
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End		
Letting				Post Development	End		
Phase End							
Phase Length							
Phase 35: MU4 Private							
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	57	Apr 2012	Dec 2016	Purchase	End		
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End		
Sale	12	Jan 2018	Dec 2018	Income Flow	End		
Phase End		Dec 2018					
Phase Length	87						
Phase 36: MU4 Affordable							
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	57	Apr 2012	Dec 2016	Purchase	End		
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End		
Sale	12	Jan 2017	Dec 2017	Income Flow	End		
Phase End		Dec 2017					
Phase Length	75						
Project Length	136	(Merged Phases - Includes Exit Period)					

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Assumptions

Expenditure

Professional Fees are based on Construction including Contingency + Demolition & Road / Site Works
(Manual relations applied to some Professional Fees)
Purchaser's Costs are based on Net Capitalisation
Purchaser's Costs Deducted from Sale (Not added to Cost)
Sales Fees are based on Gross Capitalisation
Sales Fees Deducted from Sale (Not added to Cost)

Receipts

Show tenant's true income stream	On
Offset income against development costs	Off
Rent payment cycle	Monthly
Apply rent payment cycle to all tenants	On
Renewal Void and Rent Free apply to first renewal only	Off
Growth starts from lease start date	Off
Deduct Ground Rent from Stepped Rent	Off
Initial Yield Valuation Method	Off
Default Capitalisation Yield	0.0000%
Apply Default Capitalisation to All Tenants	Off
Default stage for Sale Date	Off
Align end of income stream to Sale Date	Off
Apply align end of income stream to all tenants	On
When the Capital Value is modified in the cash flow	Recalculate the Yield
Valuation Tables are	Annually in Arrears
Deduct Post-Sale TI Costs & Leasa Comm. from Cap. Value	Off
Rent Free method	Defer start of Tenant's Rent

Finance

Financing Method	Basic (Interest Sets)
Interest Compounding Period	Quarterly
Interest Charging Period	Monthly
Nominal rates of interest used	
Calculate interest on Payments/Receipts in final period	Off
Include interest and Finance Fees in IRR Calculations	Off
Automatic Inter-account transfers	Off
Manual Finance Rate for Profit Erosion	Off

Calculation

Site Payments	In Arrears
Other Payments	In Arrears
Negative Land	In Advance
Receipts	In Advance
Initial IRR Guess Rate	
Minimum IRR	-100%
Maximum IRR	99999%
Manual Discount Rate	Off
IRR Tolerance	0.001000
Letting and Rent Review Fees are calculated on	Net of Deductions
Development Yield and Rent Cover are calculated on	MRV at Sale Date(s)
Include Tenants with no Capital Value	On
Include Turnover Rent	Off
Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	Off
Leasing Commissions are calculated	After Non-Recoverable cost deductions For the First Term of the lease only

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	0 (Sep 2011)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Fixed Land Value
----------------	------------------

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Monthly curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
		Perpetuity	Oct 2011

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane
15% Affordable Housing

Assumptions

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 2

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 3

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 4

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 5

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 6

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 7

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 8

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 2

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 3

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Assumptions

Inflation Set 4

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 5

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 6

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 7

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 8

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

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ARGUS Developer Version: 5.00.001

Date: 5/9/2012

APPRAISAL SUMMARY
Landprop - Sugar House Lane
15% Affordable Housing

GL HEARN LIMITED

Summary Appraisal for All Merged Phases

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Parking	1013				0
MU1 Private	7	3,767			
MU1 Affordable	1	538			
MU3 Private	27	19,072			
MU3 Affordable	5	3,532			
MU5 Private	52	37,162			
MU5 Affordable	9	6,432			
R4 Private	104	83,418			
R4 Affordable	18	14,438			
R8 Private	101	78,358			
R8 Affordable	18	13,965			
R6 Private	99	87,683			
R6 Affordable	18	15,942			
R3 Private	124	106,313			
R3 Affordable	22	18,662			
R7 Private	54	40,797			
R7 Affordable	10	7,555			
R5 Private	74	65,252			
R5 Affordable	13	11,453			
R2 Private	167	138,735			
R2 Affordable	29	24,092			
R1 Private	148	129,185			
R1 Affordable	28	22,695			
MU4 Private	63	43,840			
MU4 Affordable	11	7,655			
Totals	2,213	980,752			

Rental Area Summary

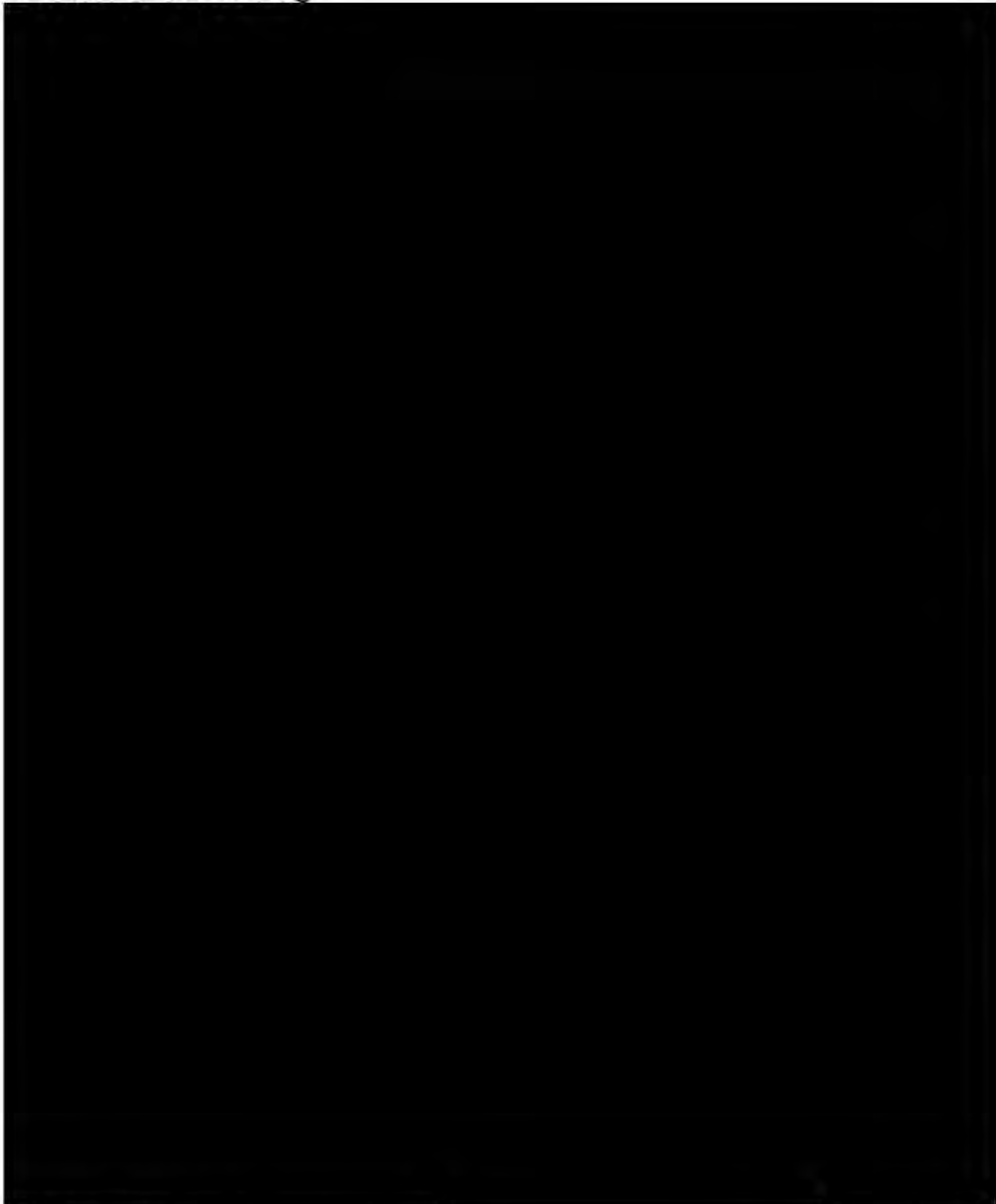
	Units	ft ²	Rate ft ²	Initial MBV/Unit	Net Rent at Sale	Initial MBV
MU1 Mixed	1	2,829				
MU1 Business	1	107,484				
MU1 Retail/Gastro	1	4,994				
MU1 Community	1	32,981				
MU1 Ground Rents	7					
MU3 Mixed	1	4,136				
MU3 Business	1	50,443				
MU3 Hotel Rooms	350	178,500				
MU3 Hotel conference etc	1	63,690				
MU3 Ground Rents	27					
MU5 Retail/Gastro	1	11,096				
MU5 Community	1	9,752				
MU5 Ground Rents	52					
R4 Retail/Gastro	1	11,216				
R4 Ground Rents	104					
MU2 Mixed	1	23,318				
MU2 Business	1	257,990				
MU2 Community	1	1,561				
R8 Ground Rents	101					
R6 Ground Rents	99					
R3 Ground Rents	124					
R7 Mixed	1	4,553				
R7 Ground Rents	54					
R5 Mixed	1	3,264				
R5 Ground Rents	74					
R2 Mixed	1	3,607				
R2 Ground Rents	167					
R1 Mixed	1	5,066				
R1 Ground Rents	148					
MU4 Mixed	1	17,486				
MU4 Business	1	20,461				
MU4 Ground Rents	63					
Totals	1,389	814,650				

Investment Valuation

[REDACTED]						
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APPRAISAL SUMMARY
Landprop - Sugar House Lane
15% Affordable Housing

GL HEARN LIMITED



GROSS DEVELOPMENT VALUE

Purchaser's Costs

NET DEVELOPMENT VALUE

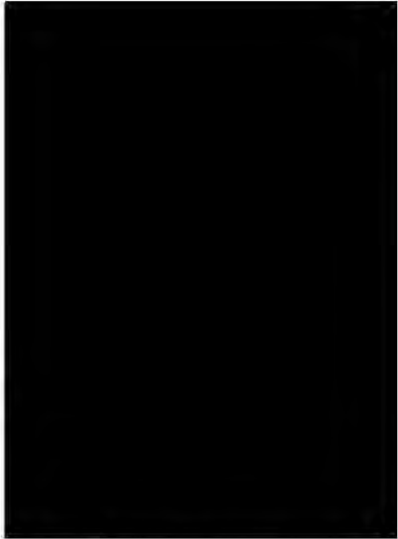
Sales Agent Fee
Sales Agent Fee
Sales Agent Fee
Sales Legal Fee
Sales Legal Fee

NET REALISATION

OUTLAY

ACQUISITION COSTS

Land Purchased from Receiver
Land Purchased from OPLC
Remaining Land Purchases
Total Acquisition
Stamp Duty
Agent Fees to date
Agent Fee - remaining purchases
Legal Fee to date
Legal Fee - remaining purchases



APPRAISAL SUMMARY

GL HEARN LIMITED

Landprop - Sugar House Lane

15% Affordable Housing

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Hotel Parking - Bsm.	160 un		
	ft ²	Rate ft ²	Cost
MU1 Mixed	3,143		
MU1 Business	119,427		
MU1 Retail/Gastro	4,894		
MU1 Community	32,881		
MU3 Mixed	4,596		
MU3 Business	56,048		
MU3 Hotel Rooms	178,500		
MU3 Hotel conference etc	63,690		
MU5 Retail/Gastro	11,098		
MU5 Community	9,752		
R4 Retail/Gastro	11,216		
MU2 Mixed	29,509		
MU2 Business	286,656		
MU2 Community	1,561		
R7 Mixed	5,059		
R5 Mixed	3,627		
R2 Mixed	4,230		
R1 Mixed	5,651		
MU4 Mixed	19,429		
MU4 Business	22,754		
MU1 Private	5,802		
MU1 Affordable	829		
MU3 Private	24,831		
MU3 Affordable	4,598		
MU5 Private	47,302		
MU5 Affordable	8,187		
R4 Private	102,449		
R4 Affordable	17,731		
R8 Private	105,738		
R8 Affordable	19,844		
R6 Private	115,335		
R6 Affordable	20,970		
R3 Private	135,256		
R3 Affordable	23,997		
R7 Private	56,382		
R7 Affordable	10,441		
R5 Private	86,594		
R5 Affordable	15,212		
R2 Private	182,620		
R2 Affordable	31,713		
R1 Private	167,483		
R1 Affordable	29,423		
MU4 Private	62,251		
MU4 Affordable	10,869		
Totals	2,155,158		
Contingency			
Demolition			
Primary Roads			
Secondary Roads			
Subsidy to support new Bus Service			
Mayoral CIL			
Education in the vicinity			

Other Construction

- Bio Remediation
- Underground Obstructions
- Water Table Pumping
- Foundations over major sewers
- On Site Diversions
- Surface Water Attenuation
- Japanese Knotweed Treatment
- External Areas
- Riverside Park / Three Mills Hub
- Off site infrastructure works
- River Wall works
- Canal Work
- Pedestrian Bridges - 2No.
- Vehicle Bridge
- Abnormal Site Costs
- Off Site Stal Diversions
- Off Site Road Works
- 136 Commercial Bsm Parking
- 912 Bsm Resi Parking
- 101 Semi Bsm Resi Parking
- Resi Parking abnormal
- Works to OPLC Bridge
- Public Art - Tower sculpture

PROFESSIONAL FEES

Professional Fees

MARKETING & LETTING

Letting Agent Fee
Letting Legal Fee

APPRAISAL SUMMARY

Landprop - Sugar House Lane

15% Affordable Housing

GL HEARN LIMITED

FINANCE

Debit Rate [REDACTED] Credit Rate [REDACTED]
Total Finance Cost [REDACTED]

TOTAL COSTS

PROFIT

Performance Measures

Profit on Cost%
Profit on GDV%
Profit on NDV%
Development Yield% (on MRV)
Equivalent Yield% (Nominal)
Equivalent Yield% (True)

IRR

Rent Cover

Profit Erosion [REDACTED]



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APPENDIX C

Generic Cost Plan – Alternative Construction Methods
– Day and Johnson Limited 18th August 2010

GENERIC COST PLAN FOR A MIXED TENURE APARTMENT BUILDING OF 100 APARTMENTS (SPLIT 65 PRIVATE / 35 AFFORDABLE)
COMPRISING A MIX OF 1 & 2 BEDROOM CONFIGURATIONS OF A GROSS INTERNAL FLOOR AREA OF 7,000M²

Apartment Element			TRADITIONAL					TRADITIONAL/PODS					LIGHT WEIGHT METAL FRAME/TIMBER FRAME					VOLUMETRIC					
	Quantity	Unit	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	
- Allowance for drainage.	1,000	Nr	42	42,000				42	42,000				42	42,000				42	42,000				
- Allowance for lift pits etc	2	Nr	3,500	7,000				3,500	7,000				3,500	7,000				3,500	7,000				
Frame and Upper Floors					1,090,500	155.79	12.7%			1,090,500	155.79	12.8%			1,323,250	189.04	15.2%			625,000	89.29	6.9%	
- Insitu reinforced concrete frame and upper	6,650	m ²	120	798,000				120	798,000				155	1,030,750				50	332,500				
- Balconies, primary and secondary frame, decking.	65	Nr	4,500	292,500				4,500	292,500				4,500	292,500				4,500	292,500				
- Extra for roof terraces and paving to terrace.	350	m ²	45	15,750				45	15,750				45	15,750				45	15,750				
- Allowance for roof drainage, roof sundries	1,000	m ²	15	15,000				15	15,000				15	15,000				15	15,000				
- Roof access equipment, lathways, cat ladder, access hatch, safety balustrade		Item		12,000					12,000					12,000					12,000				
Stairs					115,200	16.46	1.3%			115,200	16.46	1.3%			115,200	16.46	1.3%			115,200	16.46	1.3%	
- RC concrete stairs, mild steel balustrades and handrails.	14	Nr	5,800	81,200				5,800	81,200				5,800	81,200				5,800	81,200				
- Extra over for enhanced finishes to entrance level staircases.	2	Nr	200	400				200	400				200	400				200	400				
- Balustrade and parapet to terraces: polyester powder coated.	120	m	280	33,600				280	33,600				280	33,600				280	33,600				
- Extra for doors to balconies, ironmongery.	65	Nr	850	55,250				850	55,250				850	55,250					0				

**GENERIC COST PLAN FOR A MIXED TENURE APARTMENT BUILDING OF 100 APARTMENTS (SPLIT 65 PRIVATE / 35 AFFORDABLE)
COMPRISING A MIX OF 1 & 2 BEDROOM CONFIGURATIONS OF A GROSS INTERNAL FLOOR AREA OF 7,000M²**

Apartment Element			TRADITIONAL					TRADITIONAL/PODS					LIGHT WEIGHT METAL FRAME/TIMBER FRAME					VOLUMETRIC					
	Quantity	Unit	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	
- Entrance doors, aluminium framed glazed door and screen.	1	Nr	7,500	7,500				7,500	7,500				7,500	7,500				7,500	7,500				
External Walls, Windows and Doors (Cont'd)																							
- External fire escape doors, metal, polyester powder coated.	2	Nr	1,150	2,300				1,150	2,300				1,150	2,300				1,150	2,300				
Internal Walls and Partitions					631,300	90.19	7.4%			560,900	80.13	6.6%			631,300	90.19	7.2%			247,700	35.39	2.8%	
- Core walls, insitu concrete, 225 thick.	420	m ²	105	44,100				105	44,100				105	44,100				105	44,100				
- Party walls to apartments and corridors; dense concrete block; head restraint, fire stopping.	4,900	m ²	48	235,200				48	235,200				48	235,200				20	98,000				
- Metal stud partitions; 1 layer plasterboard each side; insulation; skim coat.	7,040	m ²	50	352,000				40	281,600				50	352,000				15	105,600				
Internal Doors					283,500	40.50	3.3%			263,500	37.64	3.1%			283,500	40.50	3.2%			58,500	8.36	0.7%	
- Fire doors to cores and corridors; hardwood architraves/frames, including basic ironmongery.	60	Nr	800	48,000				800	48,000				800	48,000				800	48,000				
- Fire, doors to risers; hardwood architraves/frame, including basic ironmongery.	20	Nr	525	10,500				525	10,500				525	10,500				525	10,500				
- Apartment entrance doors; solid core doors, hardwood architraves/frames, including basic quality ironmongery.	100	Nr	850	85,000				850	85,000				850	85,000									
- Flush doors, non fire rated; solid core; hardwood veneered.	400	Nr	350	140,000				300	120,000				350	140,000									
Wall Finishes					379,155	54.17	4.4%			282,180	40.31	3.3%			379,155	54.17	4.3%			94,050	13.44	1.0%	
- Plasterboard dry lining; MF framing; to external facade; emulsion paint finish.	1,010	m ²	35	35,350				35	35,350				35	35,350				5	5,050				
- Plasterboard; to concrete and blockwork walls; emulsion paint.	5,740	m ²	24	137,760				24	137,760				24	137,760									
- Ceramic tiles to kitchens.	446	m ²	45	20,070				45	20,070				45	20,070									
- Ceramic tiles to bathrooms.	2,155	m ²	45	96,975					0				45	96,975									

**GENERIC COST PLAN FOR A MIXED TENURE APARTMENT BUILDING OF 100 APARTMENTS (SPLIT 65 PRIVATE / 35 AFFORDABLE)
COMPRISING A MIX OF 1 & 2 BEDROOM CONFIGURATIONS OF A GROSS INTERNAL FLOOR AREA OF 7,000M²**

Apartment Element			TRADITIONAL					TRADITIONAL/PODS					LIGHT WEIGHT METAL FRAME/TIMBER FRAME					VOLUMETRIC					
	Quantity	Unit	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	
- Plasterboard to concrete and blockwork, with specialist painted finish; entrance hall.	500	m ²	48	24,000				48	24,000				48	24,000				48	24,000				
- Plasterboard to concrete and blockwork, with emulsion paint finish; lift lobbies and corridors.	2,600	m ²	25	65,000				25	65,000				25	65,000				25	65,000				
Floor Finishes					311,335	44.48	3.6%			290,025	41.43	3.4%			311,335	44.48	3.6%			311,335	44.48	3.5%	
- Feature ceramic floor tiles, sand cement screed; entrance hall.	50	m ²	65	3,250				65	3,250				65	3,250				65	3,250				
- Heavy duty carpet, sand cement screed;	1,050	m ²	30	31,500				30	31,500				30	31,500				30	31,500				
- Ceramic tile, sand cement screed; lift lobbies.	170	m ²	65	11,050				65	11,050				65	11,050				65	11,050				
- Skirtings, surface fixed skirting, painted MDF.	810	m	8	6,480				8	6,480				8	6,480				8	6,480				
- Suspended floor construction; ply on timber battens - excluded.	0	m ²	22	0				22	0				22	0				22	0				
- Edge fixed carpet; PC sum £20/m ² ; underlay.	4,740	m ²	28	132,720				28	132,720				28	132,720				28	132,720				
- Screed; ceramic tiling; to kitchens and	1,123	m ²	60	67,380				45	50,535				60	67,380				60	67,380				
- Skirtings; surface fixed skirting, painted MDF	5,695	m	8	45,560				8	45,560				8	45,560				8	45,560				
- Skirting; ceramic to match tiling.	893	m	15	13,395				10	8,930				15	13,395				15	13,395				
Ceiling Finishes					208,868	29.84	2.4%			191,972	27.42	2.2%			208,868	29.84	2.4%			41,100	5.87	0.5%	
- Painted plasterboard with feature bulkheads; reception.	50	m ²	90	4,500				90	4,500				90	4,500				90	4,500				
- Painted plasterboard on battens; lift lobbies and corridors.	1,220	m ²	30	36,600				30	36,600				30	36,600				30	36,600				
- Plasterboard suspended ceiling on battens; painting.	5,632	m ²	26	146,432				23	129,536				26	146,432					0				
- Feature bulkhead to junction with external wall.	646	m	16	10,336				16	10,336				16	10,336					0				
- Plasterboard bulkhead for bathroom extract ductwork.	100	Nr	110	11,000				110	11,000				110	11,000					0				
Volumetric Construction																				3,980,000	568.57	44.2%	

**GENERIC COST PLAN FOR A MIXED TENURE APARTMENT BUILDING OF 100 APARTMENTS (SPLIT 65 PRIVATE / 35 AFFORDABLE)
COMPRISING A MIX OF 1 & 2 BEDROOM CONFIGURATIONS OF A GROSS INTERNAL FLOOR AREA OF 7,000M²**

Apartment Element			TRADITIONAL					TRADITIONAL PODS					LIGHT WEIGHT METAL FRAME/TIMBER FRAME					VOLUMETRIC					
	Quantity	Unit	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	
- Hunter Construction indicative volumetric cost (supply only)	5,600	m ²		0					0					0					475	2,660,000			
- Allow for craneage, fixing in position, BWIC etc.	5,600	m ²		0					0					0					200	1,120,000			
- Adjustment for en-suite bathrooms	50	Nr		0					0					0					4,000	200,000			
Furniture & Fittings					540,000	77.14	6.3%			1,302,500	186.07	15.3%			540,000	77.14	6.2%			255,000	36.43	2.8%	
- Allowance for reception area fittings: mailboxes, signage.		Item		5,000					5,000					5,000					5,000				
- Fully fitted kitchen to developer's specification with quality laminate workshops; appliances.	100	Nr	3,800	380,000				3,800	380,000				3,800	380,000				1,500	150,000				
- Additional fittings to kitchens to 2 bed	50	Nr	350	17,500				350	17,500				350	17,500					0				
- Built-in furniture to bedrooms; MDF, softwood frame and doors.	150	Nr	500	75,000				500	75,000				500	75,000				500	75,000				
- Allowance for built-in cloak, meter and airing cupboards.	100	Nr	250	25,000				250	25,000				250	25,000				250	25,000				
- Bathroom furniture, cistern enclosure; shelving	150	Nr	150	22,500					0				150	22,500					0				
- Bathroom accessories, mirrors etc.	150	Nr	100	15,000					0				100	15,000					0				
- Prefabricated bathroom pods complete	100	Nr		0				6,000	600,000					0					0				
- Prefabricated en-suite pods complete	50	Nr		0				4,000	200,000					0					0				
Sanitary Fittings and Disposal Installations					478,824	68.40	5.6%			168,444	24.06	2.0%			478,824	68.40	5.5%			93,644	13.38	1.0%	
- Allowance for cleaners sinks.	14	Nr	350	4,900				350	4,900				350	4,900					0				
- Rainwater disposal.	7,000	m ²	4	28,000				4	28,000				4	28,000				4	28,000				
- Soil, waste and overflow installations; stacks and connections to below ground drainage.	7,000	m ²	12	84,000				6	42,000				12	84,000				2	14,000				

**GENERIC COST PLAN FOR A MIXED TENURE APARTMENT BUILDING OF 100 APARTMENTS (SPLIT 65 PRIVATE / 35 AFFORDABLE)
COMPRISING A MIX OF 1 & 2 BEDROOM CONFIGURATIONS OF A GROSS INTERNAL FLOOR AREA OF 7,000M²**

Apartment Element			TRADITIONAL					TRADITIONAL PODS					LIGHT WEIGHT METAL FRAME/TIMBER FRAME					VOLUMETRIC					
	Quantity	Unit	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	
- Fully fitted bathroom: WC, wash hand basin, pressed steel bath with power shower and screen.	100	Nr	1,800	180,000									1,800	180,000									
- Fully fitted en-suite shower room: WC, wash hand basin, power shower, tray and screen; including all fixtures and fittings.	50	Nr	1,600	80,000									1,600	80,000									
- Kitchen sink: including all fixture and fittings.	100	Nr	320	32,000				320	32,000				320	32,000				320	32,000				
- Soil waste and vent installation within apartments: connections and stacks.	838	Nr	70	58,660				60	50,280				70	58,660				10	8,380				
- Allowance for overflow pipework.	5,632	Nr	2	11,264				2	11,264				2	11,264				2	11,264				
Water Installations					395,920	56.56	4.6%			356,840	50.98	4.2%			395,920	56.56	4.5%			181,800	25.97	2.0%	
- Cold water storage tanks, booster pumps, mains distribution pipework, trace heating, water softener/ conditioner etc.	7,000	m ²	15	105,000				15	105,000				15	105,000				15	105,000				
- Hot and cold water services to landlord's areas, including local water storage heaters.	1,220	m ²	22	26,840				22	26,840				22	26,840				22	26,840				
- Cold water supply: connection, meter.	100	Nr	12	1,200				12	1,200				12	1,200				12	1,200				
- Cold water distribution within apartments: final connections with sanitary fittings and appliances.	840	Nr	110	92,400				80	67,200				110	92,400				25	21,000				
- Domestic electric water heaters.	100	Nr	525	52,500				525	52,500				525	52,500									
- Hot water distribution within apartments: final connections with sanitary fittings and appliances.	694	Nr	170	117,980				150	104,100				170	117,980				40	27,760				
Space Heating and Ventilation					521,970	74.57	6.1%			427,170	61.02	5.0%			521,970	74.57	6.0%			294,900	42.13	3.3%	
- Electric panel heaters: landlord's areas.	1,220	m ²	4	4,880				4	4,880				4	4,880				4	4,880				
- Central extract system for bathrooms: ductwork, extract fans.	7,000	m ²	20	140,000				17	119,000				20	140,000				15	105,000				
- Reception area air treatment.		Item		5,000					5,000					5,000					5,000				

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COMPRISING A MIX OF 1 & 2 BEDROOM CONFIGURATIONS OF A GROSS INTERNAL FLOOR AREA OF 7,000M²**

Apartment Element	Quantity	Unit	TRADITIONAL					TRADITIONAL PODS					LIGHT WEIGHT METAL FRAME/TIMBER FRAME					VOLUMETRIC				
			Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%
- Supply and extract; plantroom areas.		Item		12,700				12,700				12,700							12,700			
- Electrical panel heaters; local thermostatic control; power supply measured separately.	493	Nr	230	113,390				230	113,390				230	113,390					40	19,720		
- Electric heated towel rails.	150	Nr	410	61,500					0				410	61,500						0		
- Kitchen and bathroom extract, centralised bathroom system; localised kitchen extract with vent to facade extract fans. Note the foregoing costs will cover the cost of a LPHW wet radiator system.	246	Nr	750	184,500				700	172,200				750	184,500					600	147,600		
Electrical Installations					496,786	70.97	5.8%			459,606	65.66	5.4%			496,786	70.97	5.7%			209,800	29.97	2.3%
- Mains switchgear, cabling, containment and landlord's distribution boards.	7,000	m ²	8	56,000				8	56,000				8	56,000					8	56,000		
- Small power; landlord's areas.	1,220	m ²	8	9,760				8	9,760				8	9,760					8	9,760		
- Power supply to mechanical services.	7,000	m ²	4	28,000				4	28,000				4	28,000					4	28,000		
- Lighting and emergency lighting to landlord's areas.	1,220	m ²	32	39,040				32	39,040				32	39,040					32	39,040		
- Feature lighting to entrances.		Item		5,000					5,000					5,000						5,000		
- Earthing and bonding.	7,000	m ²	3	21,000				3	21,000				3	21,000					3	21,000		
- Mains and sub-mains; connection; LV distribution boards to apartments, meters.	100	Nr	410	41,000				410	41,000				410	41,000					410	41,000		
- Small power distribution; sockets and fused connection points; wiring.	2,593	Nr	32	82,976				32	82,976				32	82,976						0		
- Cooker point; wiring.	100	Nr	105	10,500				105	10,500				105	10,500						0		

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COMPRISING A MIX OF 1 & 2 BEDROOM CONFIGURATIONS OF A GROSS INTERNAL FLOOR AREA OF 7,000M²**

Apartment Element	Quantity	Unit	TRADITIONAL					TRADITIONAL/PODS					LIGHT WEIGHT METAL FRAME/TIMBER FRAME					VOLUMETRIC					
			Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	
- Lighting; pendants, ceiling roses and bulkhead connections, wiring; to general areas.	800	Nr	25	20,000				25	20,000				25	20,000									
- Lighting; low energy fluorescent and low voltage fittings, wiring; to kitchens and bathrooms.	893	Nr	95	84,835				85	75,905				95	84,835									
- Shaving outlet; wiring.	150	Nr	55	8,250					0				55	8,250									
- Lighting; 5 amp lighting sockets; wiring.	600	Nr	28	16,800				28	16,800				28	16,800									
- Lighting distribution; switches and wiring.	985	Nr	25	24,625				25	24,625				25	24,625									
- Extra for; kitchen pelmet lighting.	100	Nr	150	15,000				150	15,000				150	15,000									
- Extra for; bathroom mirror lighting.	150	Nr	120	18,000					0				120	18,000									
- Allowance for earthing and bonding.	100	Nr	160	16,000				140	14,000				160	16,000					100	10,000			
Lift Installation					110,000	15.71	1.3%			110,000	15.71	1.3%			110,000	15.71	1.3%			110,000	15.71	1.2%	
- Lift installation; 13 person fire fighting lifts serving 7 storeys.	2	Nr	55,000	110,000				55,000	110,000				55,000	110,000				55,000	110,000				
Protective, Communications and Special Installations					383,880	54.84	4.5%			383,880	54.84	4.5%			383,880	54.84	4.4%			369,880	52.84	4.1%	
- Allowance for dry riser inlets.	1,220	m ²	34	41,480				34	41,480				34	41,480				34	41,480				
- Lighting protection.	7,000	m ²	3	21,000				3	21,000				3	21,000				3	21,000				
- Fire alarm system to landlord's areas.	1,220	m ²	20	24,400				20	24,400				20	24,400				20	24,400				
- Telephone containment only.	7,000	m ²	4	28,000				4	28,000				4	28,000				4	28,000				
- TV/Satellite system; central aerial and distribution.	7,000	m ²	4	28,000				4	28,000				4	28,000				4	28,000				

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COMPRISING A MIX OF 1 & 2 BEDROOM CONFIGURATIONS OF A GROSS INTERNAL FLOOR AREA OF 7,000M²**

Apartment Element			TRADITIONAL					TRADITIONAL PODS					LIGHT WEIGHT METAL FRAME/TIMBER FRAME					VOLUMETRIC					
	Quantity	Unit	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	Rate	Sub (£)	Total (£)	Cost (£/m ²)	%	
- Localised controls for cold water system	7,000	m ²	5	35,000				5	35,000				5	35,000				5	35,000				
- CCTV and access control to perimeter.		Item		25,000					25,000					25,000					25,000				
- Fire alarm; combined detector/sounder; mains supply.	200	Nr	210	42,000				210	42,000				210	42,000				210	42,000				
- Phone points and wiring; 2 Nr points.	100	Nr	120	12,000				120	12,000				120	12,000				50	5,000				
- TV sockets and wiring; 2 Nr sockets.	100	Nr	120	12,000				120	12,000				120	12,000				50	5,000				
- Video entry phone system.	100	Nr	1,150	115,000				1,150	115,000				1,150	115,000				1,150	115,000				
Builders Work																							
- Forming holes and chases; firestopping		% varies			75,990	10.86	0.9%			57,409	8.20	0.7%			77,358	11.05	0.9%			39,667	5.67	0.4%	
Preliminaries and Contingency																							
- Contractor's preliminaries, site establishment and supervision		% varies			690,753	98.68	8.1%			616,954	88.14	7.2%			703,183	100.45	8.1%			597,984	85.43	6.6%	
- Contractors OH&P		% varies			209,145	29.88	2.4%			208,222	29.75	2.4%			212,908	30.42	2.4%			428,556	61.22	4.8%	
- Contingency excluded		-																					

APPENDIX D

Abnormals Budget Costing Exercise, GL Hearn Limited 1st March 2012

DRAFT BUDGET COSTINGS

G L HEARN

SUGAR HOUSE LANE, STRATFORD, LONDON, E15.

ABNORMALS BUDGET COSTING EXERCISE

for

LANDPROP HOLDINGS

1st MARCH 2012

REV	DATE	STATUS	INTERIM (I) FINAL (F)	PREP	CHECK	NOTES		
1	21/02/2012	DRAFT	I	GJ	CE	Initial costing exercise		
2	01/03/2012	DRAFT	I	GJ	CE	Base build notes added		
3	05/03/2012	DRAFT	I	GJ	CE	Adjustments for parkland & bridges		

CONTENTS

1.00	GENERALLY
2.00	CAR PARKING
3.00	SITE PREPARATION & EXTERNAL WORKS
4.00	ABNORMAL SITE COSTS
5.00	HIGHWAY ABNORMAL COSTS
6.00	SPECIALIST / ABNORMAL FEES
7.00	MAIN SUMMARY
APPENDIX A	PRICING NOTES

1.00 GENERALLY

1.01 These Abnormal budget costings have been prepared upon the following project information:

Peter Brett Associates Drawings / Documents

0915 / SK 41 rev A	EIA Baseline condition	Showing existing site and chimneys to be relocated.
23627-022-SK001 rev C	Demolition and Construction Plan	Showing the proposed construction phasing indicative plan. This shows 10 Phases with a 3 sub phases
223627-007-007 Rev B	Highway Layout	Showing the extent of Primary roads through the site and secondary routes to service each Phase / Plot.
A3 Coloured plan	Transport / Highways Proposal	A Presentation drawing showing key highways / transportation issues.
R03 / rev 0	Outline Soil Treatment Strategy	Includes an indicative cost plan based upon a range of levels being adopted.
Flood Defenses	Pricing Document	Summary of conditions and anticipated costs for river/ canal wall works.

1.02 These budget costings are intended to provide a high level cost overview for the project Abnormals, a number of items are currently provisional or require further refinement and these will be changed as the project progresses.

1.03 These costs reflect current day prices and no allowance has been included for inflation to the start on site date.

1.04 It would be the intention to produce a quantified cost framework/BCIS Elemental Cost Plan once the scheme design process has progressed.

1.05 A meeting was held with Peter Brett Associates (PBA) on Friday the 17th February to review the project and specifically the site abnormals.

1.00 GENERALLY (Cont'd)

- 1.06 Commentary from the above meeting is included within the comments column of the costing exercise included in Sections 2.00 - 6.00 of this report.
- 1.07 A site visit occurred on 14 February 2012 and a photographic record of key elements of the project was undertaken.
- 1.08 These costs are based upon the information made available and the review undertaken at the 17 February 2012 meeting with PBA.
- 1.09 It is anticipated that the costs will be reviewed as the scheme design develops and more accurate environmental and survey information becomes available.
- 1.10 The base build pricing in the Appraisal has been provided as follows;
 - 1. Residential [REDACTED]
 - 2. Mixed use [REDACTED]
 - 3. Business [REDACTED]
 - 4. Retail / Gastro [REDACTED]
 - 5. Community [REDACTED]
 - 6. Hotel [REDACTED] per room with [REDACTED] psf on the conference spaceNote the mixed use, retail and gastro are to a basic shell finish.

Item	Quant	Unit	Rate	Total £	Comments
2.00					
CAR PARKING					
2.01					
<u>Parking at grade</u>					
Standard parking bays, roadways and lighting		m2			Limited parking at grade is anticipated. See separate section for requirement to use reclaimed materials (Section 3.10).
Total to Summary					
2.02					
<u>Undercroft Parking</u>					
Undercroft parking at grade, roadway and lighting	0	No			PBA Meeting 17/2/12 Majority of parking is full basement with no under-croft parking envisaged - refer to Site Levels strategy undertaken.
Total to Summary					
2.03					
<u>Semi - Basement level parking</u>					
Semi - Basement parking 75% below finished ground level, lighting, pulsed fan ventilation no sprinklers. Constructed to Park Mark standards i.e. decorated soffit and walls, CCTV etc. No sprinklers, drainage or car wash facilities.	101	No			PBA Meeting 17/2/12 Parking total provision 1309 spaces i.e. Residential 1200 units x 0.85 = 1020 (1013 allowed as Planning) plus Hotel 160 and Commercial 136 = 1316 spaces in total. 10% of residential parking allowed as semi basement - subject to design development.
Total to Summary					NB Basement excavation allowed in 3.03 / 3.10

Item		Quant	Unit	Rate	Total £	Comments
2.00	CAR PARKING					
2.04	<u>Full Basement parking -1 level</u>					PBA Meeting 17/2/12
	Full basement parking i.e. 100% below finished ground level on single level. Specification all as Semi - Basement parking plus entrance / exit ramps.	1,208	No			Majority of parking is basement given proposed levels strategy. Balance of parking allowed here. Clear height allows at 2.10 / 2.20m at present.
	Total to Summary					Cross check - 1214 spaces x 30m2 per space = [REDACTED]
						NB Basement excavation allowed in 3.03 / 3.10.
2.05	<u>Full Basement Parking - 2 level</u>					
	Full basement parking at level -2 i.e. double basement specification all as above.		No			No double basement parking anticipated at this stage.
	Total to Summary					
2.06	<u>Enhanced retaining walls given proximity to public highway</u>					PBA Meeting 17/2/12
	Additional construction and safety factors given close proximity to the public highway.	157	m ²			To be reviewed as actual design criteria are developed. Some enhancement will be required to the Stratford High Street elevation of the Hotel and commercial basement car parking.
	Total to Summary					

Item		Quant	Unit	Rate	Total £	Comments
2.00	CAR PARKING					
2.07	<u>Car Park Controls</u>					
	Allowance for car park controls, entrance barriers etc. Based on 10 no carpars at present.	10	No			Strategy for car park controls to be developed. Base provision within the cost per space figures. Allowance for enhance controls / security.
	Total to Summary					
2.08	<u>Provision for Car Wash Facility</u>					
	Provision for foul water drainage, demarcation, spray curtain etc	1	No			NB Effluent discharge license required. Allowance for the Hotel car park only at this stage.

Item		Quant	Unit	Rate	Total £	Comments
2.00	CAR PARKING					
	SUMMARY					
2.01	Parking at Grade					
2.02	Undercroft Parking					
2.03	Semi Basement Parking					
2.04	Full Basement Parking Level -1					
2.05	Full Basement Parking Level -2					
2.06	Enhanced Retaining Walls					
2.07	Car Park Controls					
2.08	Car Wash Facility					
2.09	Preliminaries @ [REDACTED]					
2.10	OHP @ [REDACTED]					
	TOTAL TO MAIN SUMMARY			£		

Item		Quant	Unit	Rate	Total £	Comments
3.00	SITE PREPARATION & EXTERNAL WORKS					
3.01	<u>Demolition</u>					Demolition figures for works to date to be obtained fro Landprop.
	Allow for demolishing existing industrial units.		Item			
	Provision for general site demolitions spot items, i.e. removal of lighting, fencing, barriers and the like.		Item			
	Total to Summary			£		
3.02	<u>Asbestos Removal</u>					
	Allowance for asbestos surveys/reports and asbestos removal.		Item			Surveys/reports to be produced at earliest opportunity no Type 2 / 3 surveys or asbestos registers currently available.
	Total to Summary			£		

Item		Quant	Unit	Rate	Total £	Comments
3.00	SITE PREPARATION & EXTERNAL WORKS					
3.03	<u>Remediation / Soil Treatment Strategy</u>					PBA meeting 17/2/12
	Refer to PBA export (see notes opposite).					
	The PBA report seeks to identify the most cost effective solution to the remediation and levels strategy for the site and reviews various options and solutions.					Refer to PBA Report - Outline Soil Treatment Strategy and Indicative cost plan dated December 2011 (ref R03/rev0). At this stage the costs on p13 calculated on a Development level of 6.15 OD . NB previous site uses include printing works, asphalt works and chemical works.
	Treatment costs	55,700	m3			Based upon treatment rates of [REDACTED] See para 5.1 of the above report, material to be either re-used on site and/or to limit the active waste component of material to be removed off site.
	Import of Fill / export of Inert Waste	34,000	m3			Based upon a rate of [REDACTED] Again see para 5.1 of the above report. Balancing calculation
	Landfill Tax - Inert Waste	34,000	m3			See para 5.1.
	Export Non-Hazardous / Hazardous Waste	34,300	m3			Ditto. Ratio of hazardous to non-hazardous tbc.
	Landfill Tax	34,300	m3			Check split on quantities.
	Total to Summary					

Item	Quant	Unit	Rate	Total £	Comments
3.00 SITE PREPARATION & EXTERNAL WORKS					
3.04 <u>Underground Obstructions</u>					
Allowance for removal of underground obstructions. Note previous site usages to be investigated and further assessment to then be made once more detail available.		Item			Reassessment will be required once site history is more clearly identified this figure would allow for breaking out/removal of approximately 500m ³ of concrete or similar.
Allowance for removal of redundant fuel tanks		Item			For review once numbers of tanks known.
Total to Summary				£	NB assumed demolition works include "combing" the site down to say 2.00m below EGL.
3.05 <u>Water Table/Pumping</u>					
Allowance for dewatering for basement works and foundations.		Item			Extent of dewatering to be reviewed in conjunction with water table levels etc.
Total to Summary				£	PBA 17/2/12 Meeting Ground water level approx 2.5 OD so localise dewatering only allowed at this stage.

Item		Quant	Unit	Rate	Total £	Comments
3.00	SITE PREPARATION & EXTERNAL WORKS					
3.06	<u>Foundations Over Major Sewers</u>					PBA Meeting 17/2/12.
	Allowance for bridging over existing major sewers running under the site - ref PBA Existing Utilities Plan 23627/009/002 rev B. Piling to be undertaken each side of the sewer easement and bridge beams constructed across the drain line to support the structure over.	355	m			Location of major subterranean sewers to be ascertained by TW. North London Flood Relief sewer runs under the Northern part of the site and the Lower Level 2 Sewer runs under the southern part of the site.
	Total to Summary					Design to be developed to enable accurate pricing.
3.07	<u>On Site Service Diversions</u>					PBA Meeting 17/2/12
	Allowance for on-site service diversions.		Item			The existing services on the site generally serve the site and will be capped off / removed as part of the demolition works.
	Allowance for relocation of existing substations.	3	Nr			
	Total to Summary					NB Check O2 mast relocation.

Item	Quant	Unit	Rate	Total £	Comments
3.00 SITE PREPARATION & EXTERNAL WORKS					
3.08 <u>Surface Water Attenuation</u>					PBA Meeting 17/2/12
Provision for over sizing of primary drain runs to provide an element of attenuation, say -	950	m			Significant surface water attenuation works anticipated on the basis of a 50% attenuation requirement.
Attenuation tanks and vessels below ground possibly constructed as part of the basement works.	10	No			Size / volume of tanks to be ascertained.
SUDS paving extra over provision - say	10,500	m ²			Area notional and subject to design.
Total to Summary					NB Check any foul water restrictions.
3.09 <u>Japanese Knotweed Treatment</u>					PBA Meeting 17/2/12
Provision for removal of Japanese Knotweed and removal of material off site and reinstatement.		Item			Initial JKW irradiation programme yet to be completed - check current position with Landprop.
Provisional allowance subject to survey.					For review is likely to require increasing if excavation / removal and backfilling required (in lieu of herbicide).
Total to Summary					

Item		Quant	Unit	Rate	Total £	Comments
3.00	SITE PREPARATION & EXTERNAL WORKS					
3.10	<u>External Works</u>					
	Break-up existing tarmac/concrete surfacing.	50,000	m2			All approximate quantities
	Remove tarmacadam/concrete from site.	incl	m3			Included in levels exercise.
	Allowance for site preparation.	100,000	m2			Minor items of preparation / protection.
	Bulk excavation, grading and working of material	100,000	m3			As PBA budget [REDACTED]
	New access roads within site - primary	778	m			All in rate incl lighting / fpppaths etc.
	New access roads within site - secondary	1,036	m			Ditto.
	E/O for reuse of existing materials - say	1,500	m2			Reuse of granite setts and the like.
	Strategic Drainage to site	950	Item			Primary drains subject to design [REDACTED]
	Allowance for street furniture to pedestrian areas & play equipment to play areas.		Item			All subject to confirmation/design.
	Allowance for park land / play areas	7,413	m2			To SW boundary of development.
	Enhancement of Three Mills canal basin.	2,503	m2			Predominantly hard landscaping.
	Total to Summary					

Item		Quant	Unit	Rate	Total £	Comments
3.00	SITE PREPARATION & EXTERNAL WORKS					
3.11	<u>Off site Infrastructure Enhancements</u>					PBA Meeting 17/2/12
	Electricity		Item			Potentially very significant given proximity of
	Gas		Item			Generally not high risk (subject to obtaining quote)
	Water		Item			Potential issue subject to quote / TW.
	BT		Item			Generally not high risk (subject to obtaining quote)
	Other		Item			For review / checking once details available.
	Total to Summary					
3.12	<u>Public Work of Art</u>					
	Provision for Public Work of Art	1	No			Understood to be erected 1/2QTR 2012
	Total to Summary					Check if bwic provision required.
						NB Actual cost to be provided by Landprop.

Item		Quant	Unit	Rate	Total £	Comments
3.00	SITE PREPARATION & EXTERNAL WORKS					
3.01	Demolition					
3.02	Asbestos Removal					
3.03	Remediation					
3.04	Underground Obstructions					
3.05	Water Table/Pumping					
3.06	Foundations Over Sewer					
3.07	On Site Service Diversions					
3.08	Surface Water Attenuation					
3.09	Japanese Knotweed Treatment					
3.10	External works					
3.11	Off site Infrastructure Enhancements					
3.12	Public Work of Art					
3.12	Preliminaries @ [REDACTED]					
3.13	OH&P @ [REDACTED]					
	TOTAL TO MAIN SUMMARY			£		

Item		Quant	Unit	Rate	Total £	Comments
4.00	ABNORMAL SITE COSTS					
4.01	<u>River Wall Works</u>					PBA Meeting 17/2/12
	Works required [REDACTED]		Item			Refer to PBA Cost estimate for flood relief works.
	Ditto [REDACTED]		Item			Ditto.
	Ditto [REDACTED]		Item			Ditto
	Add [REDACTED] Treasury optimism bias		Item			[REDACTED] In PBA Report - CHECK
	[REDACTED]		Item			Check if required.
	Preliminaries provision					8no repairs @ [REDACTED] and 12no new @ [REDACTED]
	Total to Summary				£	Check 1047 lm of wall over all equates to [REDACTED]
						quotes from Land and water for another local site
						ranged from [REDACTED] depending on type.
4.02	<u>Works to the Canal / Water Course generally</u>					
	Allowance for enhancement to amenity i.e. decoration, making good, local enhancements etc		Item			
	Allowance for 2 barges for the "Canal Community"		Item			
	Total to Summary				£	

Item		Quant	Unit	Rate	Total £	Comments
4.00	ABNORMAL SITE COSTS					
4.03	<u>Pedestrian bridge over the Canal</u>					17/2/12 PBA meeting
	Construction of a pedestrian bridge approx 3m wide over canal, steel construction, steel hand rails, timber walkway - to east of site.	55	m			Fairly simple construction i.e. functional rather than architectural including landing and transition slabs.
	Ditto to west of site.	35	m			Subject top land ownership.
	Total to Summary					NB 2 No bridges allowed for this cost exercise
4.04	<u>Vehicular Bridge over the Canal</u>					
	Construction of vehicular bridge say 8m wide over canal, concrete / steel construction, armco barriers, tarmacadam roadway	60	m			Landing arrangements to southern end to be confirmed. Costs include for the bridge plus transition slabs but no highways works.
	Allowance for making good to Three Mills bridge		Item			The OPLC Bridge as GLH email 5/3/12.
	Total to Summary					
4.05	<u>Archaeology</u>					
	Provision for WSI		Item			Check actual price with Landprop.
	Allowance for on site works		Item			Ditto
	Total to Summary					

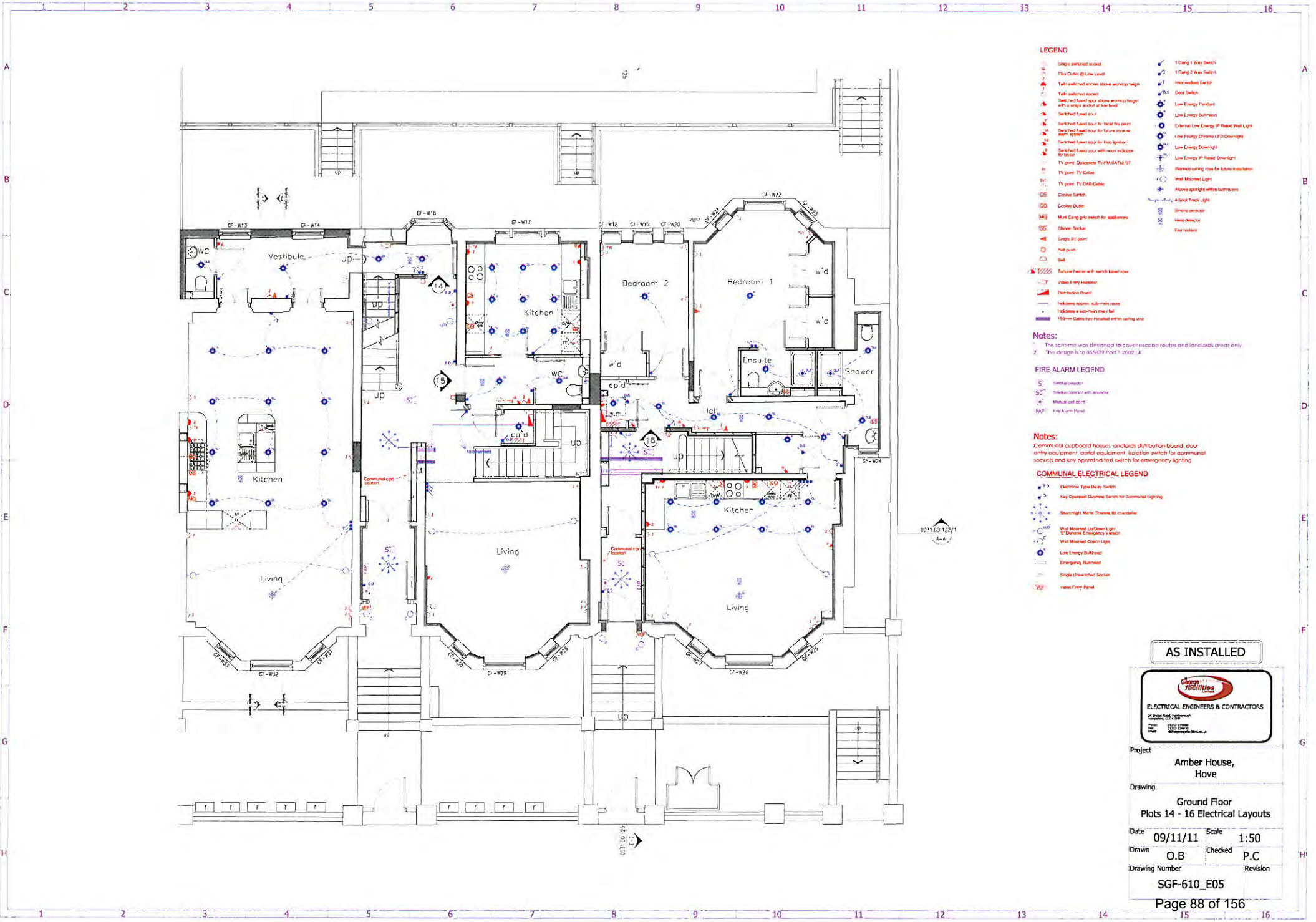
Item	Quant	Unit	Rate	Total £	Comments
4.00					ABNORMAL SITE COSTS
4.06					<u>Piling (basic piling included in base build rate)</u>
	0	m2			Allowance for piling to all buildings. Subject to review and interpretation of the SI.
		Item			Allowance for pile probing. Obstructions and possible UXB.
					Total to Summary NB check pile arisings cost and possible sleeving.
4.07					<u>Maintaining Access for Three Mills</u>
		Item			There is a requirement to maintain safe vehicular access for the duration of the works to Three Mills. Access to be maintained for the duration of the works see Phasing plan. Method of achieving this tba possibly a separate road construction.
					Total to Summary NB cost to be re calculated once method for achieving this requirement is established.

Item		Quant	Unit	Rate	Total £	Comments
4.00	ABNORMAL SITE COSTS					
4.08	<u>Unexploded Ordinance</u>					17/2/12 PBA Meeting
	Allowance for survey and interpretive report.	1	No			Site classified as moderate risk See section 4.07 for pile probing.
	Total to Summary					
4.09	<u>Existing building Retention</u>					
	Allowance for retaining / relocating existing buildings - brick chimney	1	No			
	Total to Summary					
4.10	<u>Public Transport facilities</u>					
	Bus stop / bus stand provision		Item			NB Check [redacted] contribution requirement is this to be allowed here.
	Water bus stop	1	No			
	Other		No			Check
	Total to Summary					

Item		Quant	Unit	Rate	Total £	Comments	
4.00	ABNORMAL SITE COSTS SUMMARY						
4.01	River Wall Works						
4.02	Work to Canal Water Course						
4.03	Pedestrian Bridge(s)						
4.04	Vehicular Bridge(s)						
4.05	Archaeology						
4.06	Piling						
4.07	Maintaining Access for Three Mills						
4.08	Unexploded Ordinance						
4.09	Existing Building Retention						
4.10	Public Transport Facilities						
4.11	Preliminaries @					£	
4.12	OH&P @						
	TOTAL TO MAIN SUMMARY						

Item		Quant	Unit	Rate	Total £	Comments
5.00	HIGHWAY ABNORMAL COSTS					
5.01	<u>Off Site Statutory Services Diversions</u>					
	Early investigation required regarding extent.					Possible fibre optics in Stratford High Street.
	Allowance for lowering/diverting existing services.		Item			This is a risk area and one which will require further
	Total to Summary				£	
5.02	<u>Off Site Road Works</u>					
	Sugar House Lane		Item			PBA 17/2/12 Meeting.
	Hunts Lane		Item			All subject to Highways approval/traffic analysis.
	Provision for possible TfL works/input i.e. significant		Item			TfL is a risk item signalling included above.
	Total to Summary				£	

Item		Quant	Unit	Rate	Total £	Comments
5.00	HIGHWAY ABNORMAL COSTS					
5.00	SUMMARY					
5.01	Off Site Statutory Service Diversions					
5.02	Off Site Road Works					
5.03	Preliminaries @ [REDACTED]					
5.04	OHP @ [REDACTED]					
TOTAL TO MAIN SUMMARY					£ [REDACTED]	



- LEGEND**
- Single switched socket
 - Fluo Dimm @ Low Level
 - Twin switched socket above working height
 - Twin unswitched socket
 - Switched fused spur above working height with a single socket at low level
 - Switched fused spur
 - Switched fused spur to heat the panel
 - Switched fused spur for future interior lighting
 - Switched fused spur for Hot Tapout
 - Switched fused spur with neon indicator for alarm
 - TV point Quiescent TVFM SAT/ST
 - TV point TV Cable
 - TV point TV DAB Cable
 - Cooker Switch
 - Cooker Outlet
 - Multi Gang 1 pole switch for appliances
 - Shaver Socket
 - Single BT port
 - Hot plug
 - Bed
 - Tubular heater with switch fused spur
 - Voice Entry Intercom
 - Distribution Board
 - Indicates approx. sub-main route
 - Indicates a sub-main that is full
 - 150mm Cable tray installed within ceiling void
 - 1 Gang 1 Way Switch
 - 1 Gang 2 Way Switch
 - Intermediate Switch
 - Dim Switch
 - Low Energy Pendant
 - Low Energy Downlight
 - External Low Energy IP Rated Wall Light
 - Low Energy Chime & F.O Downlight
 - Low Energy Downlight
 - Low Energy IP Rated Downlight
 - Marked ceiling tray for future installation
 - Wall Mounted Light
 - Alcove spotlight within bathroom
 - 4 foot Track Light
 - Shower Extractor
 - Heat detector
 - Exit Indicator

Notes:

- This schematic was designed to cover escape routes and landlords areas only
- This design is to BS5859 Part 1: 2002 LA

- FIRE ALARM LEGEND**
- Smoke Detector
 - Smoke detector with aspirator
 - Manual Call point
 - Fire Alarm Panel


Notes:

Communal cupboard houses, landlords distribution board, door entry equipment, control equipment, isolation switch for communal sockets and key operated test switch for emergency lighting

- COMMUNAL ELECTRICAL LEGEND**
- Electronic Type Delay Switch
 - Key Operated Downlight for Communal Lighting
 - Beamlight Micro Thermo BS 5446/1
 - Wall Mounted Up/Down Light
 - Emergency Vibration
 - Wall Mounted Down Light
 - Low Energy Sublight
 - Emergency Illuminated
 - Single Unswitched Socket
 - Voice Entry Panel



AS INSTALLED



ELECTRICAL ENGINEERS & CONTRACTORS

24 Brierley Road, Lymington, Hampshire, SO41 1AA

Phone: 01534 820000
Fax: 01534 820001
Email: info@gwynfacilities.co.uk

Project: **Amber House, Hove**


Drawing: **Ground Floor Plots 14 - 16 Electrical Layouts**

Date: **09/11/11** Scale: **1:50**

Drawn: **O.B** Checked: **P.C**

Drawing Number: **SGF-610_E05** Revision:

Page 88 of 156

Item		Quant	Unit	Rate	Total £	Comments
6.00	FEES					
6.01	Provision for Specialist consultant fees.		Item			FEES EXCLUDED AT THIS STAGE CHECK ELSEWHERE
6.02	Provision for Party Wall Surveyor Fees.		Item			
	TOTAL TO MAIN SUMMARY			£		

Item		Quant	Unit	Rate	Total £	Comments
7.00	<u>MAIN SUMMARY</u>					
2.00	Car Parking					
3.00	Site Preparation and Groundwork's					
4.00	Abnormal Site Costs					
5.00	Off Site Highway Costs					
6.00	Professional Fees					
	SUB TOTAL			£		
	Increased costs					
	TOTAL BUDGET COSTS			£		

APPENDIX A - NOTES / ASSUMPTIONS / EXCLUSIONS

- 1.00 VAT excluded.
- 2.00 Increased costs beyond first quarter 2012 excluded.
- 3.00 Land acquisition or associated costs excluded..
- 4.00 Fibre optic cable diversions excluded.
- 5.00 Other exclusions noted in the main body of the cost report.
- 6.00 Off site junction works other than noted in the report.
- 7.00 Costings are based upon the information currently made available to GLH.
- 8.00 Phasing requirements - to be determined.

APPENDIX 2

**Landprop - Sugar House Lane
15% Affordable Housing**

Summary Appraisal for All Merged Phases

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Parking	1013	0			
MU1 Private	7	3,767			
MU1 Affordable	1	538			
MU3 Private	27	19,072			
MU3 Affordable	5	3,532			
MU5 Private	52	37,162			
MU5 Affordable	9	6,432			
R4 Private	104	83,418			
R4 Affordable	18	14,438			
R8 Private	101	78,358			
R8 Affordable	18	13,965			
R6 Private	99	87,683			
R6 Affordable	18	15,942			
R3 Private	124	106,313			
R3 Affordable	22	18,862			
R7 Private	54	40,797			
R7 Affordable	10	7,555			
R5 Private	74	65,252			
R5 Affordable	13	11,463			
R2 Private	167	138,735			
R2 Affordable	29	24,092			
R1 Private	148	129,185			
R1 Affordable	26	22,695			
MU4 Private	63	43,840			
MU4 Affordable	<u>11</u>	<u>7,655</u>			
Totals	2,213	980,752			

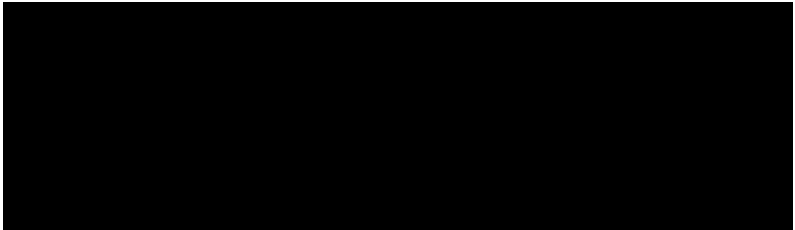
Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
MU1 Mixed	1	2,829				
MU1 Business	1	107,484				
MU1 Retail/Gastro	1	4,994				
MU1 Community	1	32,981				
MU1 Ground Rents	7					
MU3 Mixed	1	4,136				
MU3 Business	1	50,443				
MU3 Hotel Rooms	350	178,500				
MU3 Hotel conference etc	1	63,690				
MU3 Ground Rents	27					
MU5 Retail/Gastro	1	11,098				
MU5 Community	1	9,752				
MU5 Ground Rents	52					
R4 Retail/Gastro	1	11,216				
R4 Ground Rents	104					
MU2 Mixed	1	23,318				
MU2 Business	1	257,990				
MU2 Community	1	1,561				
R8 Ground Rents	101					
R6 Ground Rents	99					
R3 Ground Rents	124					
R7 Mixed	1	4,553				
R7 Ground Rents	54					
R5 Mixed	1	3,264				
R5 Ground Rents	74					
R2 Mixed	1	3,807				

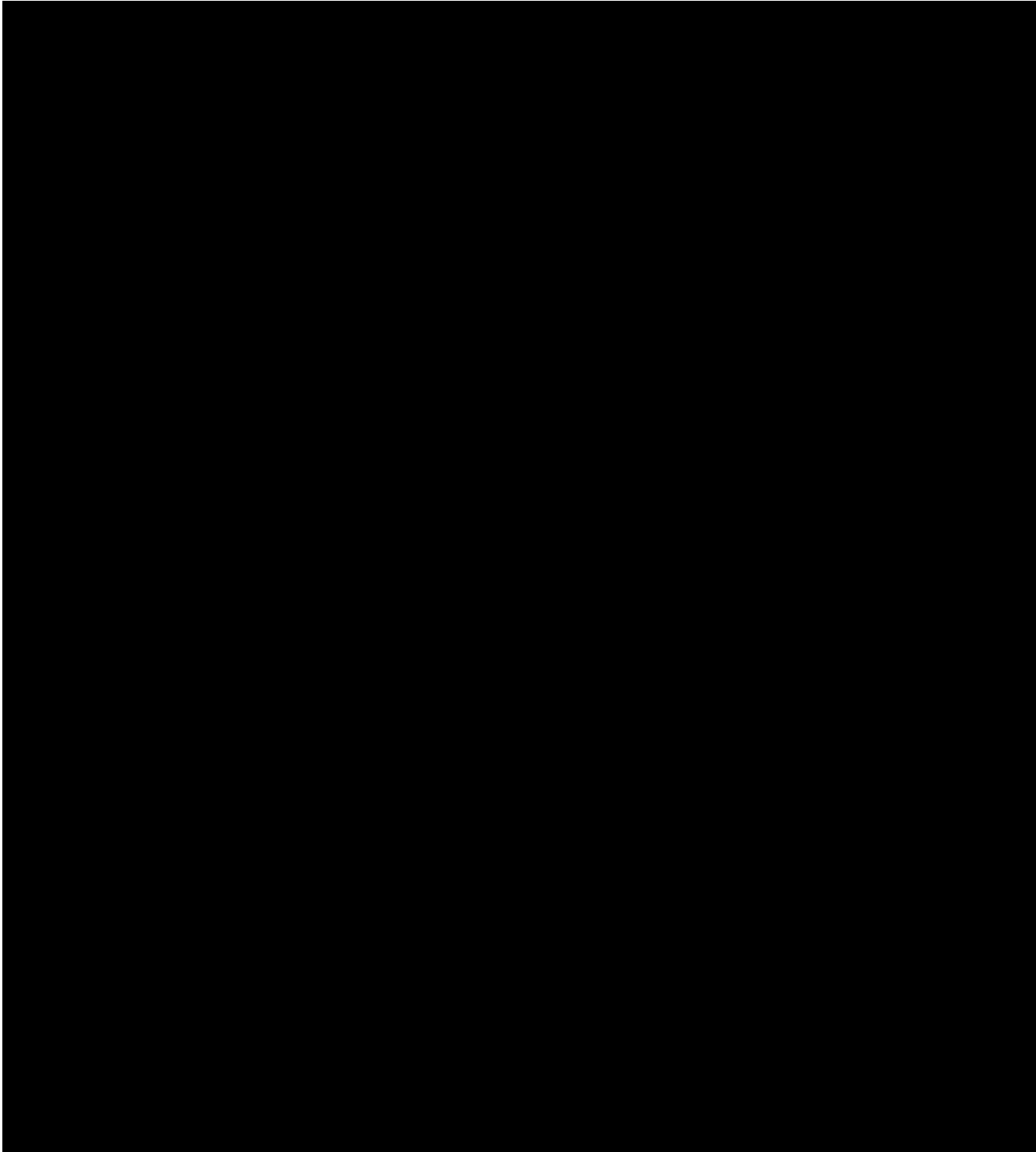
Landprop - Sugar House Lane

15% Affordable Housing

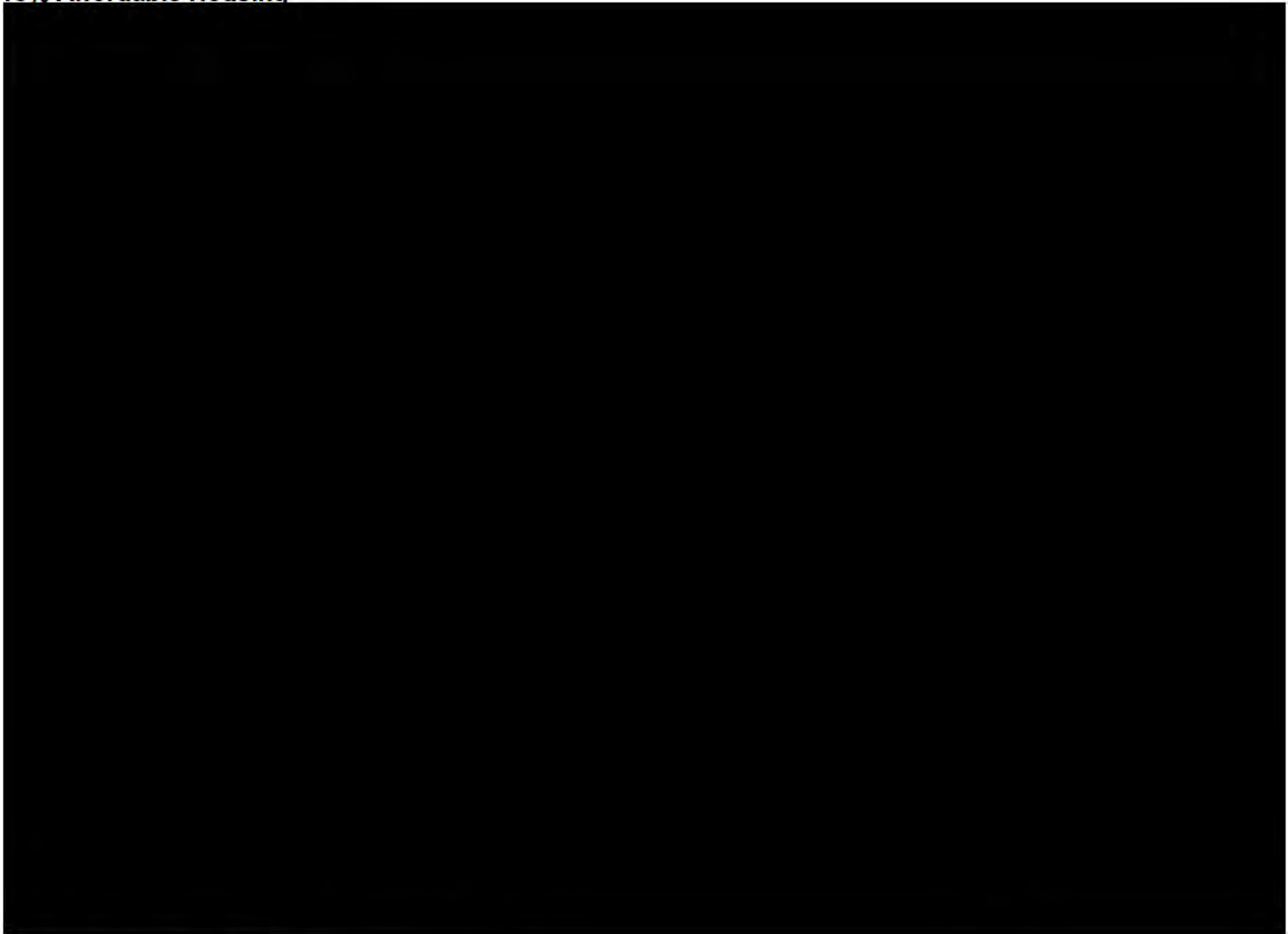
R2 Ground Rents	167	
R1 Mixed	1	5,086
R1 Ground Rents	148	
MU4 Mixed	1	17,486
MU4 Business	1	20,461
MU4 Ground Rents	63	
Totals	1,389	814,650



Investment Valuation



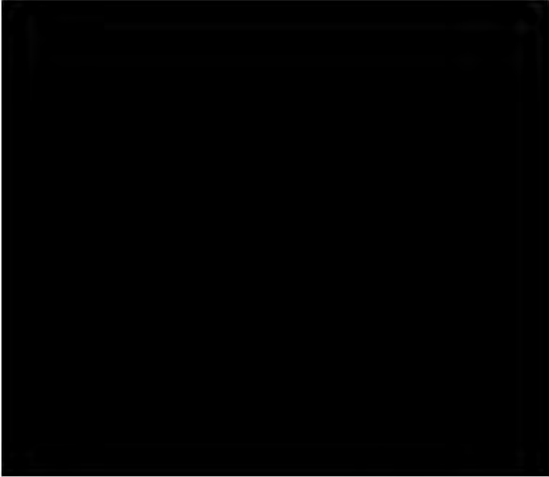
Landprop - Sugar House Lane
15% Affordable Housing



GROSS DEVELOPMENT VALUE

Purchaser's Costs
NET DEVELOPMENT VALUE

- Sales Agent Fee
- Sales & Marketing (private resi)
- Sales & Marketing (ground rents)
- Sales Agent Fee
- Sales Agent Fee (ground rents)
- Sales Agent Fee (ground rents)
- Sales Legal Fee
- Sales Legal Fee



NET REALISATION

OUTLAY

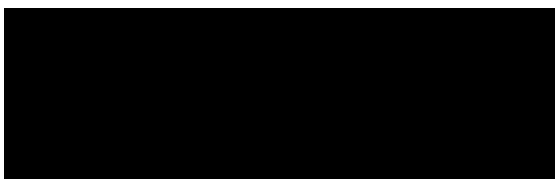
ACQUISITION COSTS

- Land Purchased from Receiver
- Land Purchased from OPLC
- Remaining Land Purchases
- Total Acquisition
- Stamp Duty



**Landprop - Sugar House Lane
15% Affordable Housing**

Agent Fees to date
Agent Fee - remaining purchases
Legal Fee to date
Legal Fee - remaining purchases



CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Hotel Parking - Bsm.	160 un	£20,000	3,200,000

	ft ²	Rate ft ²	Cost
MU1 Mixed	3,143		
MU1 Business	119,427		
MU1 Retail/Gastro	4,994		
MU1 Community	32,981		
MU3 Mixed	4,596		
MU3 Business	56,048		
MU3 Hotel Rooms	178,500		
MU3 Hotel conference etc	63,690		
MU5 Retail/Gastro	11,098		
MU5 Community	9,752		
R4 Retail/Gastro	11,216		
MU2 Mixed	25,909		
MU2 Business	286,656		
MU2 Community	1,561		
R7 Mixed	5,059		
R5 Mixed	3,627		
R2 Mixed	4,230		
R1 Mixed	5,651		
MU4 Mixed	19,429		
MU4 Business	22,734		
MU1 Private	5,802		
MU1 Affordable	829		
MU3 Private	24,831		
MU3 Affordable	4,598		
MU5 Private	47,302		
MU5 Affordable	8,187		
R4 Private	102,449		
R4 Affordable	17,731		
R8 Private	105,738		
R8 Affordable	18,844		
R6 Private	115,335		
R6 Affordable	20,970		
R3 Private	135,256		
R3 Affordable	23,997		
R7 Private	56,382		
R7 Affordable	10,441		
R5 Private	86,594		
R5 Affordable	15,212		
R2 Private	182,620		
R2 Affordable	31,713		
R1 Private	167,483		
R1 Affordable	29,423		
MU4 Private	62,251		
MU4 Affordable	10,869		
Totals	<u>2,155,158</u>		
Contingency			
Demolition			
Primary Roads			
Secondary Roads			
Subsidy to support new Bus Service			

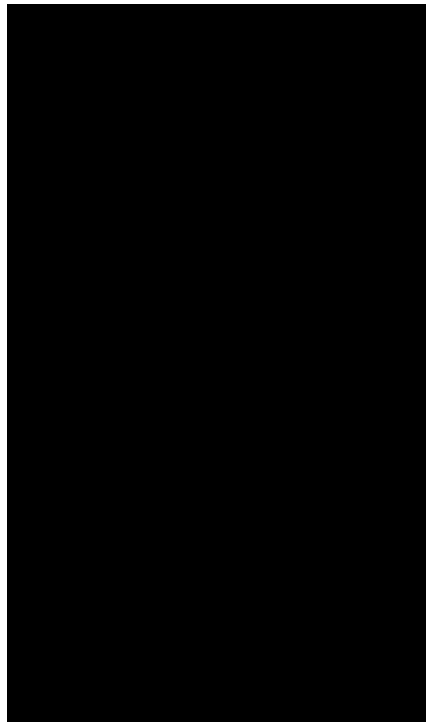


**Landprop - Sugar House Lane
15% Affordable Housing**

Mayoral CIL 3,642,460
Education in the vicinity 2,390,000

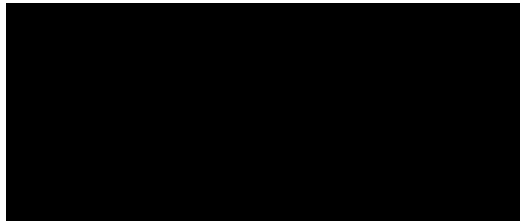
Other Construction

Bio Remediation
Underground Obstructions
Water Table Pumping
Foundations over major sewers
On Site Diversions
Surface Water Attenuation
Japanese Knotweed Treatment
External Areas
Riverside Park / Three Mills Hub
Off site infrastructure works
River Wall works
Canal Work
Pedestrian Bridges - 2No.
Vehicle Bridge
Abnormal Site Costs
Off Site Stat Diversions
Off Site Road Works
136 Commercial Bsm Parking
912 Bsm Resi Parking
101 Semi Bsm Resi Parking
Resi Parking abnormal
Works to OPLC Bridge
Public Art - Tower sculpture



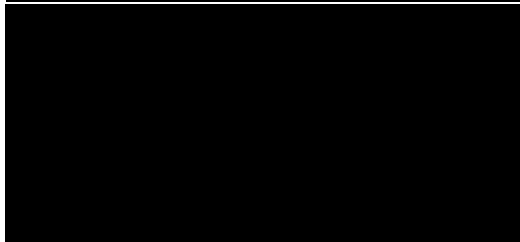
PROFESSIONAL FEES

Professional Fees



MARKETING & LETTING

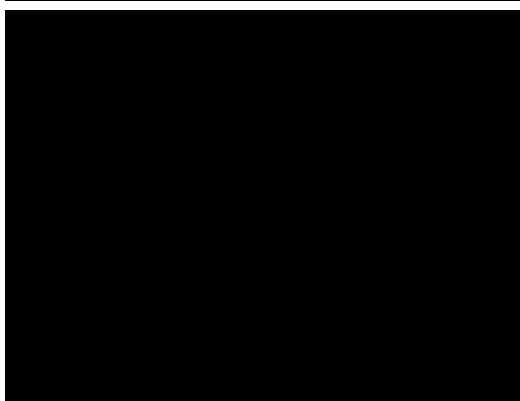
Letting Agent Fee
Letting Legal Fee



Interest and Fees

Interest paid to Debt Sources:
Debt
Total Interest paid to Debt Sources:

Total Interest Paid



TOTAL COSTS

PROFIT

Equity
Residual Percentage

Performance Measures

Profit on Cost%
Profit on GDV%

Ungeared IRR%
Geared IRR% (without Interest)



APPENDIX 3

Project:
Sugar House Lane
Masterplan

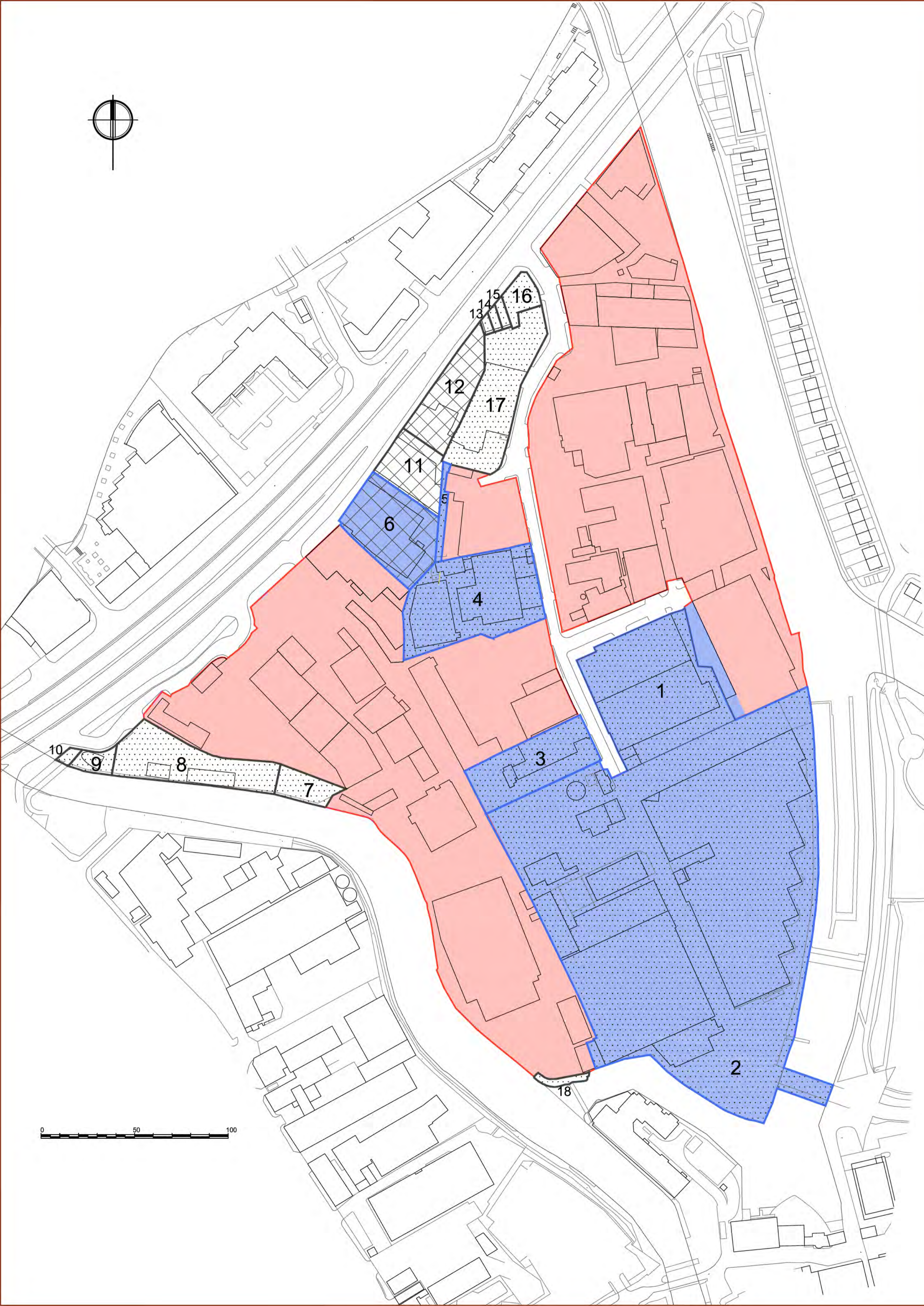
Location:
Bromley By Bow
London E15 2QS

Prepared for:
LandProp Holding

ARC-ML Architects / Designers Ltd.

Trinity House - Church Road
Tunbridge Wells TN11 1AG
UK
Tel: +44 (0) 1892 / 51 46 20
Fax: +44 (0) 1892 / 51 99 93
Web: www.arc-ml.com

In association with:



Plot B					
Title Number	Address	Proprietor	Type	Parties	Area m ²
1	EGL331159	Land and Buildings on the south and East sides of Sugar House Lane, Stratford, London	London Development Agency	Freehold	4142.8
2	EGL331162	Land and Buildings on the south side of Sugar House Lane, Stratford, London	London Development Agency	Freehold	25921.2
Total Area					30064
Plot C					
Title Number	Address	Proprietor	Type	Parties	Area m ²
3	EGL381366	24 Sugar House Lane, Stratford, London E15 2QS	London Development Agency	Freehold	1801.3
Total Area					1801.3
Plot D					
Title Number	Address	Proprietor	Type	Parties	Area m ²
4	EGL59355	Sugar House Yard, 20 Sugar House Lane, London E15 2QS	London Development Agency	Freehold	3134.4
5	EGL88656	Land lying to the West of Sugar House Lane, Stratford, London	London Development Agency	Freehold	178.6
Total Area					3313
Plot E					
Title Number	Address	Proprietor	Type	Parties	Area m ²
6	EGL88212175	107 High Street, Stratford, London E15 2QQ	London Development Agency	Leasehold: 99 Years from 1 November 1961	1897.7
Total Area					1897.7
Combined Total area					37076
Areas Not Within Purchasing Boundary					
Title Number	Address	Proprietor	Type	Parties	Area m ²
7	EGL158716	Land and buildings at Meesons Wharf, High Street, London	Paddington Churches Housing Association Limited	Freehold	1804.2
8	EGL162404	Land lying to the south east of High Street, Stratford, London.	Paddington Churches Housing Association Limited	Freehold	464.2
9	EGL463237	land and buildings at Bow Bridge Wharf, High Street, Stratford, London	Forest Property Developers Limited	Freehold	248.6
10	EGL96918	Land lying to the South East of High Street, near Bow Bridge, Stratford	National Grid Electricity Transmission Plc	Freehold	67.5
11	NGL85663	109, High Street, Stratford, London, E15 2QQ	Rani Limited	Leasehold; 97 Years from 1 November 1963	979.6
12	EGL536276	111 High Street, Stratford, London (E15 2QQ)	J. P. McDougall & Co. Limited	Leasehold; 10 Years from 29 September 2007	1312
The Freehold land shown edged with red on the plan of the above Title filed at the Registry including equal half part in width of and in the wall separating the property from 115 High Street and being 113 High Street, Stratford (E15 2QQ).					
13	EGL127339	113 and 115 High Street, Stratford	Gallagher Holdings Limited	Freehold	52
14	EX18215	117 High Street, Stratford, London (E15 2QQ)	Gallagher Holdings Limited	Freehold	61.7
15	EGL248303	117 High Street, Stratford, London (E15 2QQ)	Mohammed Bashir	Freehold	77.9
16	EGL321685	119 AND 121 HIGH STREET, STRATFORD, LONDON, E15 2QQ	Mohammed Bashir	Freehold	344.7
17	EGL123902	125 to 131 (odd) High Street and 10 Sugar House Lane, Stratford.	Gallagher Holdings Limited	Freehold	2225.5
18	EGL409203	Land on the east side of the River Lea and north side of Three Mills Wall River	British Waterways Board	Freehold	112.2
Combined Total area					7750.1

- New Purchase Area
- Existing Purchase Boundary
- Titles Not Within Purchasing Boundary
- Leasehold Titles
- Freehold Titles

* Areas of ownership taken from drawings received from Ashurst via Andrew Smith on 25th October 2010.

- Notes:
- Do not scale drawings
 - Site verify all dimensions prior to construction
 - Report all discrepancies to ARC-ML immediately
 - This drawing is to be read in conjunction with all relevant documents and drawings

Revisions

No.	Description	Date	By:

Drawing Status

INFORMATION

ARC-ML Project Number	Scale:	1:1250 @ A1
0915	Date drawn:	20/07/2010
	Drawn by:	FY
	Reviewed by:	JS

Drawing Title
Land Ownership and Title Areas

Original drawing sheet is A1
Drawing Number: **SK 15**
Revision: -

GL Hearn Limited

Development Appraisal

Landprop - Sugar House Lane

10% Affordable Housing

Draft Appraisal for Planning Purposes

Report Date: May 08, 2012

TIMESCALE & ASSUMPTIONS

Landprop - Sugar House Lane 10% Affordable Housing

Timescale (Duration in months)

Project commences Oct 2011

Phase 1: Land and Infrastructure Costs

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase/Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase/Planning	End	
Construction	24	Jun 2013	May 2015	Pre-Construction	End	
Phase End		May 2019				
Phase Length	44					

Phase 2: MU1 Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase / Planning	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

Phase 3: MU1 Private

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	17	Apr 2012	Aug 2013	Purchase	End	
Construction	12	Sep 2013	Aug 2014	Pre-Construction	End	
Sale	1	Sep 2014	Sep 2014	Income Flow	End	
Phase End		Sep 2014				
Phase Length	36					

Phase 4: MU1 Affordable

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	17	Apr 2012	Aug 2013	Purchase	End	
Construction	12	Sep 2013	Aug 2014	Pre-Construction	End	
Sale	12	Sep 2013	Aug 2014	Income Flow	End	
Phase End		Aug 2014				
Phase Length	35					

Phase 5: MU3 Other Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

Phase 6: MU3 Hotel

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase / Planning	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Phase End		Dec 2014				
Phase Length	38					

Phase 7: MU3 Private

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	18	Apr 2012	Sep 2013	Purchase	End	
Construction	14	Oct 2013	Nov 2014	Pre-Construction	End	
Sale	3	Dec 2014	Feb 2015	Income Flow	End	
Phase End		Feb 2015				
Phase Length	41					

Phase 8: MU3 Affordable

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	18	Apr 2012	Sep 2013	Purchase	End	
Construction	14	Oct 2013	Nov 2014	Pre-Construction	End	
Sale	14	Oct 2013	Nov 2014	Income Flow	End	
Phase End		Nov 2014				
Phase Length	38					

Phase 9: MU5 Hub Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase / Planning	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

TIMESCALE & ASSUMPTIONS

Landprop - Sugar House Lane 10% Affordable Housing

Timescale (Duration in months)

Phase	Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 10: MU5 Private	Phase Start		Oct 2011				
	Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
	Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
	Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
	Sale	6	Apr 2015	Sep 2015	Income Flow	End	
	Phase End		Sep 2015				
	Phase Length	48					
	Phase 11: MU5 Affordable	Phase Start		Oct 2011			
Purchase		6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction		21	Apr 2012	Dec 2013	Purchase	End	
Construction		18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale		18	Jan 2014	Jun 2015	Income Flow	End	
Phase End			Jun 2015				
Phase Length		45					
Phase 12: R4 Commercial		Phase Start		Oct 2011			
	Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
	Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
	Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
	Letting				Post Development	End	
	Phase End						
	Phase Length						
	Phase 13: R4 Private	Phase Start		Oct 2011			
Purchase		6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction		21	Apr 2012	Dec 2013	Purchase	End	
Construction		18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale		11	Jan 2015	Nov 2015	Income Flow	End	
Phase End			Nov 2015				
Phase Length		50					
Phase 14: R4 Affordable		Phase Start		Oct 2011			
	Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
	Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
	Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
	Sale	18	Jan 2014	Jun 2015	Income Flow	End	
	Phase End		Jun 2015				
	Phase Length	45					
	Phase 15: R8 Private	Phase Start		Oct 2011			
Purchase		6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction		33	Apr 2012	Dec 2014	Purchase	End	
Construction		24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale		22	Jan 2016	Oct 2017	Income Flow	End	
Phase End			Oct 2017				
Phase Length		73					
Phase 16: R8 Affordable		Phase Start		Oct 2011			
	Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
	Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
	Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
	Sale	24	Jan 2015	Dec 2016	Income Flow	End	
	Phase End		Dec 2016				
	Phase Length	63					
	Phase 17: R6 Private	Phase Start		Oct 2011			
Purchase		6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction		33	Apr 2012	Dec 2014	Purchase	End	
Construction		24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale		22	Jan 2016	Oct 2017	Income Flow	End	
Phase End			Oct 2017				
Phase Length		73					
Phase 18: R6 Affordable		Phase Start		Oct 2011			
	Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
	Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
	Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
	Sale	24	Jan 2015	Dec 2016	Income Flow	End	
	Phase End		Dec 2016				
	Phase Length	63					

TIMESCALE & ASSUMPTIONS

Landprop - Sugar House Lane 10% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 19: R3 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	50	Apr 2012	May 2016	Pre-Construction	End	
Construction	19	Jun 2016	Dec 2017	Pre-Construction	End	
Sale	13	Oct 2017	Oct 2018	Income Flow	End	
Phase End		Oct 2018				
Phase Length	85					
Phase 20: R3 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	50	Apr 2012	May 2016	Pre-Construction	End	
Construction	19	Jun 2016	Dec 2017	Pre-Construction	End	
Sale	19	Jun 2016	Dec 2017	Income Flow	End	
Phase End		Dec 2017				
Phase Length	75					
Phase 21: R7 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	62	Apr 2012	May 2017	Pre-Construction	End	
Construction	19	Jun 2017	Dec 2018	Post Development	End	
Letting						
Phase End						
Phase Length						
Phase 22: R7 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	62	Apr 2012	May 2017	Pre-Construction	End	
Construction	19	Jun 2017	Dec 2018	Income Flow	End	
Sale	14	Oct 2018	Nov 2019			
Phase End		Nov 2019				
Phase Length	98					
Phase 23: R7 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	62	Apr 2012	May 2017	Pre-Construction	End	
Construction	19	Jun 2017	Dec 2018	Income Flow	End	
Sale	19	Jun 2017	Dec 2018			
Phase End		Dec 2018				
Phase Length	87					
Phase 24: R5 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	62	Apr 2012	May 2017	Pre-Construction	End	
Construction	19	Jun 2017	Dec 2018	Post Development	End	
Letting						
Phase End						
Phase Length						
Phase 25: R5 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	62	Apr 2012	May 2017	Pre-Construction	End	
Construction	19	Jun 2017	Dec 2018	Income Flow	End	
Sale	14	Aug 2018	Sep 2019			
Phase End		Sep 2019				
Phase Length	96					
Phase 26: R5 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	62	Apr 2012	May 2017	Pre-Construction	End	
Construction	19	Jun 2017	Dec 2018	Income Flow	End	
Sale	19	Jun 2017	Dec 2018			
Phase End		Dec 2018				
Phase Length	87					
Phase 27: R2 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011		Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	74	Apr 2012	May 2018	Pre-Construction	End	
Construction	19	Jun 2018	Dec 2019	Post Development	End	
Letting						
Phase End						
Phase Length						

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset	
Phase 28: R2 Private							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	74	Apr 2012	May 2018	Purchase	End		
Construction	19	Jun 2018	Dec 2019	Pre-Construction	End		
Sale	18	Oct 2019	Mar 2021	Income Flow	End		
Phase End		Mar 2021					
Phase Length	114						
Phase 29: R1 Affordable							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	86	Apr 2012	May 2019	Purchase	End		
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End		
Sale	19	Jun 2019	Dec 2020	Income Flow	End		
Phase End		Dec 2020					
Phase Length	111						
Phase 30: R2 Affordable							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	74	Apr 2012	May 2018	Purchase	End		
Construction	19	Jun 2018	Dec 2019	Pre-Construction	End		
Sale	19	Jun 2018	Dec 2019	Income Flow	End		
Phase End		Dec 2019					
Phase Length	99						
Phase 31: R1 Commercial							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	86	Apr 2012	May 2019	Purchase	End		
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End		
Letting				Post Development	End		
Phase End							
Phase Length							
Phase 32: R1 Private							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	86	Apr 2012	May 2019	Purchase	End		
Construction	19	Jun 2019	Dec 2020	Pre-Construction	End		
Sale	16	Jan 2021	Apr 2022	Income Flow	End		
Phase End		Apr 2022					
Phase Length	127						
Phase 33: MU4 Private							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	57	Apr 2012	Dec 2016	Purchase	End		
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End		
Sale	12	Jan 2018	Dec 2018	Income Flow	End		
Phase End		Dec 2018					
Phase Length	87						
Phase 34: MU4 Affordable							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	57	Apr 2012	Dec 2016	Purchase	End		
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End		
Sale	12	Jan 2017	Dec 2017	Income Flow	End		
Phase End		Dec 2017					
Phase Length	75						
Phase 35: MU4 Mixed Use							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	57	Apr 2012	Dec 2016	Purchase / Planning	End		
Construction	12	Jan 2017	Dec 2017	Pre-Construction	End		
Letting				Post Development	End		
Phase End							
Phase Length							
Phase 36: MU2 Commercial							
Stage Name		Oct 2011					
Phase Start		Oct 2011					
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start		
Pre-Construction	85	Apr 2012	Apr 2019	Purchase / Planning	End		
Construction	36	May 2019	Apr 2022	Pre-Construction	End		
Letting				Post Development	End		
Phase End							
Phase Length							
Project Length							
		(Merged Phases - Includes Exit Period)					

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

Assumptions

Expenditure

Professional Fees are based on Construction including Contingency + Demolition & Road / Site Works
(Manual relations applied to some Professional Fees)
Purchaser's Costs are based on Net Capitalisation
Purchaser's Costs Deducted from Sale (Not added to Cost)
Sales Fees are based on Gross Capitalisation
Sales Fees Deducted from Sale (Not added to Cost)

Receipts

Show tenant's true income stream	On
Offset income against development costs	Off
Rent payment cycle	Monthly
Apply rent payment cycle to all tenants	On
Renewal Void and Rent Free apply to first renewal only	Off
Growth starts from lease start date	Off
Deduct Ground Rent from Stepped Rent,	Off
Initial Yield Valuation Method	Off
Default Capitalisation Yield	0.0000%
Apply Default Capitalisation to All Tenants	Off
Default stage for Sale Date	Off
Align end of income stream to Sale Date	Off
Apply align end of income stream to all tenants	On
When the Capital Value is modified in the cash flow	Recalculate the Yield
Valuation Tables are	Annually in Arrears
Deduct Post-Sale TI Costs & Lease Comm. from Cap. Value	Off
Rent Free method	Defer start of Tenant's Rent

Finance

Financing Method	Basic (Interest Sets)
Interest Compounding Period	Quarterly
Interest Charging Period	Monthly
Nominal rates of interest used	
Calculate interest on Payments/Receipts in final period	Off
Include interest and Finance Fees in IRR Calculations	Off
Automatic Inter-account transfers	Off
Manual Finance Rate for Profit Erosion	Off

Calculation

Site Payments	In Arrears
Other Payments	In Arrears
Negative Land	In Advance
Receipts	In Advance
Initial IRR Guess Rate	████████
Minimum IRR	-100%
Maximum IRR	99999%
Manual Discount Rate	Off
IRR Tolerance	0.001000
Letting and Rent Review Fees are calculated on	Net of Deductions
Development Yield and Rent Cover are calculated on	MRV at Sale Date(s)
Include Tenants with no Capital Value	On
Include Turnover Rent	Off
Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	Off
Leasing Commissions are calculated	After Non-Recoverable cost deductions For the First Term of the lease only

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	0 (Sep 2011)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Fixed Land Value
----------------	------------------

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Monthly curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	████████	Credit Rate	████████	Months	Perpetuity	Start Date	Oct 2011
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TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

Assumptions

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 2

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 3

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 4

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 5

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 6

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 7

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 8

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 2

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 3

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

Assumptions

Inflation Set 4

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 5

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 6

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 7

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 8

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

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ARGUS Developer Version: 5.00.001

Date: 5/8/2012

APPRAISAL SUMMARY

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

Summary Appraisal for All Merged Phases

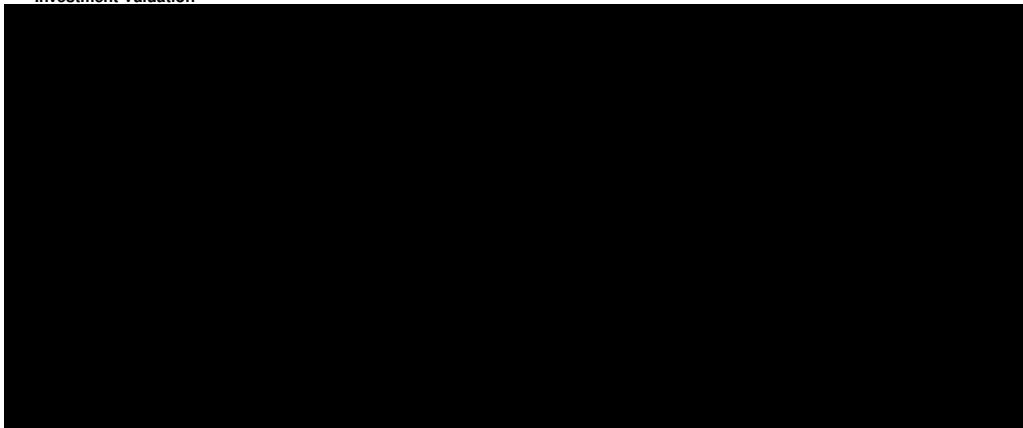
REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Resi Parking	1013	0			
MU1 Private	7	3,768			
MU1 Affordable	1	538			
MU3 Private	29	20,485			
MU3 Affordable	3	2,119			
MU5 Private	55	39,306			
MU5 Affordable	6	4,288			
R4 Private	110	88,231			
R4 Affordable	12	9,625			
R8 Private	107	83,013			
R8 Affordable	12	9,310			
R6 Private	105	92,997			
R6 Affordable	12	10,628			
R3 Private	131	112,315			
R3 Affordable	15	12,860			
R7 Private	58	43,819			
R7 Affordable	6	4,533			
R5 Private	78	68,779			
R5 Affordable	9	7,936			
R2 Private	177	145,939			
R1 Affordable	17	14,839			
R2 Affordable	20	16,490			
R1 Private	157	137,041			
MU4 Private	67	46,624			
MU4 Affordable	7	4,871			
Totals	2,214	980,353			

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
MU1 Mixed	1	2,829				
MU1 Business	1	107,484				
MU1 Retail/Gastro	1	4,994				
MU1 Community	1	32,981				
MU1 Ground Rents	7					
MU3 Mixed	1	4,136				
MU3 Business	1	50,443				
MU3 Hotel Rooms	350	178,500				
MU3 Hotel conference etc	1	63,690				
MU3 Ground Rents	29					
MU5 Retail/Gastro	1	11,098				
MU5 Community	1	9,752				
MU5 Ground Rents	55					
R4 Retail/Gastro	1	11,216				
R4 Ground Rents	110					
R8 Ground Rents	107					
R6 Ground Rents	105					
R3 Ground Rents	131					
R7 Mixed	1	4,553				
R7 Ground Rents	58					
R5 Mixed	1	3,264				
R5 Ground Rents	78					
R2 Mixed	1	3,807				
R2 Ground Rents	177					
R1 Mixed	1	5,086				
R1 Ground Rents	157					
MU4 Ground Rents	67					
MU4 Mixed	1	17,486				
MU4 Business	1	20,461				
MU2 Mixed	1	23,318				
MU2 Business	1	257,990				
MU2 Community	1	1,561				
Totals	1,450	814,650				

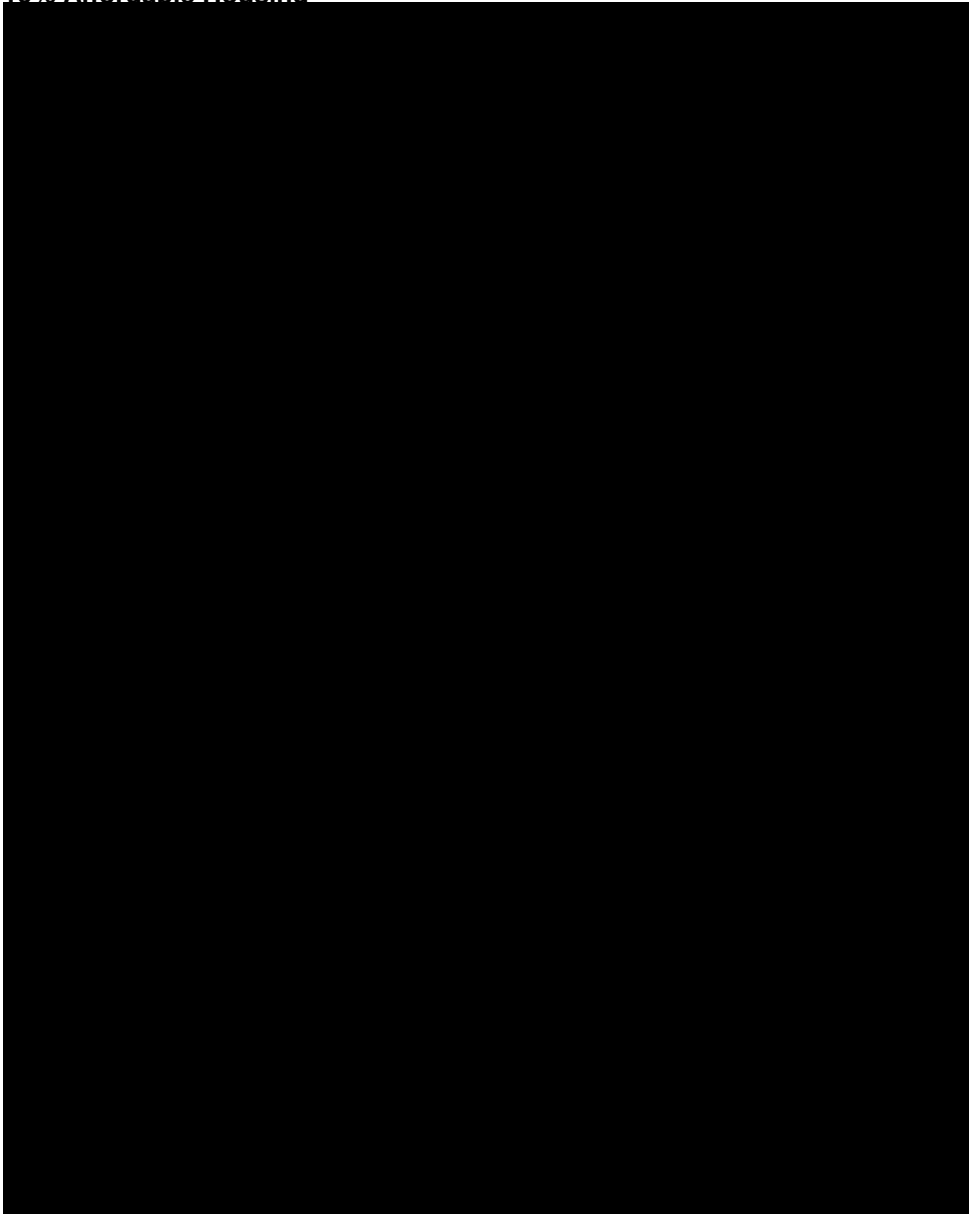
Investment Valuation



APPRAISAL SUMMARY

GL HEARN LIMITED

**Landprop - Sugar House Lane
10% Affordable Housing**



GROSS DEVELOPMENT VALUE

Purchaser's Costs

NET DEVELOPMENT VALUE

Sales Agent Fee
Sales Agent Fee
Sales Agent Fee
Sales Legal Fee
Sales Legal Fee

NET REALISATION

OUTLAY

ACQUISITION COSTS

Land Purchased from Receiver
Land Purchased from OPLC
Remaining Land Purchases
Total Acquisition
Stamp Duty
Agents Fees to date
Agent Fee - remaining purchases
Legal Fees to date
Legal Fees - remaining purchases



APPRAISAL SUMMARY

GL HEARN LIMITED

Landprop - Sugar House Lane 10% Affordable Housing

FINANCE

Debit Rate [REDACTED] Credit Rate [REDACTED]
Total Finance Cost [REDACTED]

TOTAL COSTS

PROFIT

Performance Measures

Profit on Cost%
Profit on GDV%
Profit on NDV%
Development Yield% (on MRV)
Equivalent Yield% (Nominal)
Equivalent Yield% (True)

IRR

Rent Cover

Profit Erosion [REDACTED]



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ARGUS Developer Version: 5.00.001

Date: 5/8/2012

GL Hearn Limited

Development Appraisal

Landprop - Sugar House Lane

15% Affordable Housing

Draft Appraisal for Planning Purposes

Report Date: May 09, 2012

TIMESCALE & ASSUMPTIONS

Landprop - Sugar House Lane 15% Affordable Housing

Timescale (Duration in months)

Project commences Oct 2011

Phase 1: Land and Infrastructure Costs

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase/Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase/Planning	End	
Construction	24	Jun 2013	May 2015	Pre-Construction	End	
Phase End		May 2019				
Phase Length	44					

Phase 2: MU1 Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase / Planning	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

Phase 3: MU1 Private

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	17	Apr 2012	Aug 2013	Purchase	End	
Construction	12	Sep 2013	Aug 2014	Pre-Construction	End	
Sale	1	Sep 2014	Sep 2014	Income Flow	End	
Phase End		Sep 2014				
Phase Length	36					

Phase 4: MU1 Affordable

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	17	Apr 2012	Aug 2013	Purchase	End	
Construction	12	Sep 2013	Aug 2014	Pre-Construction	End	
Sale	12	Sep 2013	Aug 2014	Income Flow	End	
Phase End		Aug 2014				
Phase Length	35					

Phase 5: MU3 Other Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

Phase 6: MU3 Hotel

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	14	Apr 2012	May 2013	Purchase / Planning	End	
Construction	18	Jun 2013	Nov 2014	Pre-Construction	End	
Phase End		Dec 2014				
Phase Length	38					

Phase 7: MU3 Private

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	18	Apr 2012	Sep 2013	Purchase	End	
Construction	12	Oct 2013	Sep 2014	Pre-Construction	End	
Sale	3	Oct 2014	Dec 2014	Income Flow	End	
Phase End		Dec 2014				
Phase Length	39					

Phase 8: MU3 Affordable

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	18	Apr 2012	Sep 2013	Purchase	End	
Construction	12	Oct 2013	Sep 2014	Pre-Construction	End	
Sale	12	Oct 2013	Sep 2014	Income Flow	End	
Phase End		Sep 2014				
Phase Length	36					

Phase 9: MU5 Hub Commercial

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase / Planning	End	
Construction	17	Jan 2014	May 2015	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 10: MU5 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	6	Apr 2015	Sep 2015	Income Flow	End	
Phase End		Sep 2015				
Phase Length	48					
Phase 11: MU5 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	18	Jan 2014	Jun 2015	Income Flow	End	
Phase End		Jun 2015				
Phase Length	45					
Phase 12: R4 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	17	Jan 2014	May 2015	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 13: R4 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	11	Jan 2015	Nov 2015	Income Flow	End	
Phase End		Nov 2015				
Phase Length	50					
Phase 14: MU2 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase / Planning	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	105	Apr 2012	Dec 2020	Purchase / Planning	End	
Construction	12	Jan 2021	Dec 2021	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 15: R4 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	21	Apr 2012	Dec 2013	Purchase	End	
Construction	18	Jan 2014	Jun 2015	Pre-Construction	End	
Sale	18	Jan 2014	Jun 2015	Income Flow	End	
Phase End		Jun 2015				
Phase Length	45					
Phase 16: R8 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	22	Jan 2016	Oct 2017	Income Flow	End	
Phase End		Oct 2017				
Phase Length	73					
Phase 17: R8 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	24	Jan 2015	Dec 2016	Income Flow	End	
Phase End		Dec 2016				
Phase Length	63					
Phase 18: R6 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	22	Jan 2016	Oct 2017	Income Flow	End	
Phase End		Oct 2017				
Phase Length	73					

TIMESCALE & ASSUMPTIONS

Landprop - Sugar House Lane 15% Affordable Housing

Timescale (Duration in months)

Phase Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 19: R6 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	33	Apr 2012	Dec 2014	Purchase	End	
Construction	24	Jan 2015	Dec 2016	Pre-Construction	End	
Sale	24	Jan 2015	Dec 2016	Income Flow	End	
Phase End		Dec 2016				
Phase Length	63					
Phase 20: R3 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	50	Apr 2012	May 2016	Purchase	End	
Construction	19	Jun 2016	Dec 2017	Pre-Construction	End	
Sale	13	Oct 2017	Oct 2018	Income Flow	End	
Phase End		Oct 2018				
Phase Length	85					
Phase 21: R3 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	50	Apr 2012	May 2016	Purchase	End	
Construction	19	Jun 2016	Dec 2017	Pre-Construction	End	
Sale	19	Jun 2016	Dec 2017	Income Flow	End	
Phase End		Dec 2017				
Phase Length	75					
Phase 22: R7 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 23: R7 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	14	Oct 2018	Nov 2019	Income Flow	End	
Phase End		Nov 2019				
Phase Length	98					
Phase 24: R7 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	19	Jun 2017	Dec 2018	Income Flow	End	
Phase End		Dec 2018				
Phase Length	87					
Phase 25: R5 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Letting				Post Development	End	
Phase End						
Phase Length						
Phase 26: R5 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	14	Aug 2018	Sep 2019	Income Flow	End	
Phase End		Sep 2019				
Phase Length	96					
Phase 27: R5 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011				
Purchase	6	Oct 2011	Mar 2012	Phase Start	Start	
Pre-Construction	62	Apr 2012	May 2017	Purchase	End	
Construction	19	Jun 2017	Dec 2018	Pre-Construction	End	
Sale	19	Jun 2017	Dec 2018	Income Flow	End	
Phase End		Dec 2018				
Phase Length	87					

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Timescale (Duration in months)

Phase	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase 28: R2 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	74	Apr 2012	May 2018	Pre-Construction	End	
Construction	19	Jun 2018	Dec 2019	Post Development	End	
Letting						
Phase End						
Phase Length						
Phase 29: R2 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	74	Apr 2012	May 2018	Pre-Construction	End	
Construction	19	Jun 2018	Dec 2019	Income Flow	End	
Sale	18	Oct 2019	Mar 2021			
Phase End		Mar 2021				
Phase Length	114					
Phase 30: R2 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	74	Apr 2012	May 2018	Pre-Construction	End	
Construction	19	Jun 2018	Dec 2019	Income Flow	End	
Sale	19	Jun 2018	Dec 2019			
Phase End		Dec 2019				
Phase Length	99					
Phase 31: R1 Commercial						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	86	Apr 2012	May 2019	Pre-Construction	End	
Construction	19	Jun 2019	Dec 2020	Post Development	End	
Letting						
Phase End						
Phase Length						
Phase 32: R1 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	86	Apr 2012	May 2019	Pre-Construction	End	
Construction	19	Jun 2019	Dec 2020	Income Flow	End	
Sale	16	Jan 2021	Apr 2022			
Phase End		Apr 2022				
Phase Length	127					
Phase 33: R1 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	86	Apr 2012	May 2019	Pre-Construction	End	
Construction	19	Jun 2019	Dec 2020	Income Flow	End	
Sale	19	Jun 2019	Dec 2020			
Phase End		Dec 2020				
Phase Length	111					
Phase 34: MU4 Mixed Use						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase / Planning	6	Oct 2011	Mar 2012	Purchase / Planning	End	
Pre-Construction	57	Apr 2012	Dec 2016	Pre-Construction	End	
Construction	12	Jan 2017	Dec 2017	Post Development	End	
Letting						
Phase End						
Phase Length						
Phase 35: MU4 Private						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	57	Apr 2012	Dec 2016	Pre-Construction	End	
Construction	12	Jan 2017	Dec 2017	Income Flow	End	
Sale	12	Jan 2018	Dec 2018			
Phase End		Dec 2018				
Phase Length	87					
Phase 36: MU4 Affordable						
Stage Name		Oct 2011				
Phase Start		Oct 2011	Mar 2012	Phase Start	Start	
Purchase	6	Oct 2011	Mar 2012	Purchase	End	
Pre-Construction	57	Apr 2012	Dec 2016	Pre-Construction	End	
Construction	12	Jan 2017	Dec 2017	Income Flow	End	
Sale	12	Jan 2017	Dec 2017			
Phase End		Dec 2017				
Phase Length	75					
Project Length	136	(Merged Phases - Includes Exit Period)				

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Assumptions

Expenditure

Professional Fees are based on Construction including Contingency + Demolition & Road / Site Works
(Manual relations applied to some Professional Fees)
Purchaser's Costs are based on Net Capitalisation
Purchaser's Costs Deducted from Sale (Not added to Cost)
Sales Fees are based on Gross Capitalisation
Sales Fees Deducted from Sale (Not added to Cost)

Receipts

Show tenant's true income stream	On
Offset income against development costs	Off
Rent payment cycle	Monthly
Apply rent payment cycle to all tenants	On
Renewal Void and Rent Free apply to first renewal only	Off
Growth starts from lease start date	Off
Deduct Ground Rent from Stepped Rent,	Off
Initial Yield Valuation Method	Off
Default Capitalisation Yield	0.0000%
Apply Default Capitalisation to All Tenants	Off
Default stage for Sale Date	Off
Align end of income stream to Sale Date	Off
Apply align end of income stream to all tenants	On
When the Capital Value is modified in the cash flow	Recalculate the Yield
Valuation Tables are	Annually in Arrears
Deduct Post-Sale TI Costs & Lease Comm. from Cap. Value	Off
Rent Free method	Defer start of Tenant's Rent

Finance

Financing Method	Basic (Interest Sets)
Interest Compounding Period	Quarterly
Interest Charging Period	Monthly
Nominal rates of interest used	
Calculate interest on Payments/Receipts in final period	Off
Include interest and Finance Fees in IRR Calculations	Off
Automatic Inter-account transfers	Off
Manual Finance Rate for Profit Erosion	Off

Calculation

Site Payments	In Arrears
Other Payments	In Arrears
Negative Land	In Advance
Receipts	In Advance
Initial IRR Guess Rate	████████
Minimum IRR	-100%
Maximum IRR	99999%
Manual Discount Rate	Off
IRR Tolerance	0.001000
Letting and Rent Review Fees are calculated on	Net of Deductions
Development Yield and Rent Cover are calculated on	MRV at Sale Date(s)
Include Tenants with no Capital Value	On
Include Turnover Rent	Off
Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	Off
Leasing Commissions are calculated	After Non-Recoverable cost deductions For the First Term of the lease only

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	0 (Sep 2011)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Fixed Land Value
----------------	------------------

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Monthly curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	████████	Credit Rate	████████	Months	Perpetuity	Start Date	Oct 2011
------------	----------	-------------	----------	--------	------------	------------	----------

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Assumptions

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 2

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 3

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 4

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 5

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 6

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 7

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Growth Set 8

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 2

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 3

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

TIMESCALE & ASSUMPTIONS

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Assumptions

Inflation Set 4

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 5

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 6

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 7

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

Inflation Set 8

Inflation/Growth for this set is calculated in advance
This set is not stepped

Rate	Months	Start Date
0.00%	Perpetuity	Oct 2011

File: J:\visualdeveloper\Data\Landprop\SHL\April 2012\Final Appraisals for FVA\SHL Draft Appraisal 270412 15% affordable.wcf
ARGUS Developer Version: 5.00.001

Date: 5/9/2012

APPRAISAL SUMMARY

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

Summary Appraisal for All Merged Phases

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Parking	1013	0			
MU1 Private	7	3,767			
MU1 Affordable	1	538			
MU3 Private	27	19,072			
MU3 Affordable	5	3,532			
MU5 Private	52	37,162			
MU5 Affordable	9	6,432			
R4 Private	104	83,418			
R4 Affordable	18	14,438			
R8 Private	101	78,358			
R8 Affordable	18	13,965			
R6 Private	99	87,683			
R6 Affordable	18	15,942			
R3 Private	124	106,313			
R3 Affordable	22	18,862			
R7 Private	54	40,797			
R7 Affordable	10	7,555			
R5 Private	74	65,252			
R5 Affordable	13	11,463			
R2 Private	167	138,735			
R2 Affordable	29	24,092			
R1 Private	148	129,185			
R1 Affordable	26	22,695			
MU4 Private	63	43,840			
MU4 Affordable	11	7,655			
Totals	2,213	980,752			

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
MU1 Mixed	1	2,829				
MU1 Business	1	107,484				
MU1 Retail/Gastro	1	4,994				
MU1 Community	1	32,981				
MU1 Ground Rents	7					
MU3 Mixed	1	4,136				
MU3 Business	1	50,443				
MU3 Hotel Rooms	350	178,500				
MU3 Hotel conference etc	1	63,690				
MU3 Ground Rents	27					
MU5 Retail/Gastro	1	11,098				
MU5 Community	1	9,752				
MU5 Ground Rents	52					
R4 Retail/Gastro	1	11,216				
R4 Ground Rents	104					
MU2 Mixed	1	23,318				
MU2 Business	1	257,990				
MU2 Community	1	1,561				
R8 Ground Rents	101					
R6 Ground Rents	99					
R3 Ground Rents	124					
R7 Mixed	1	4,553				
R7 Ground Rents	54					
R5 Mixed	1	3,264				
R5 Ground Rents	74					
R2 Mixed	1	3,807				
R2 Ground Rents	167					
R1 Mixed	1	5,086				
R1 Ground Rents	148					
MU4 Mixed	1	17,486				
MU4 Business	1	20,461				
MU4 Ground Rents	63					
Totals	1,389	814,650				

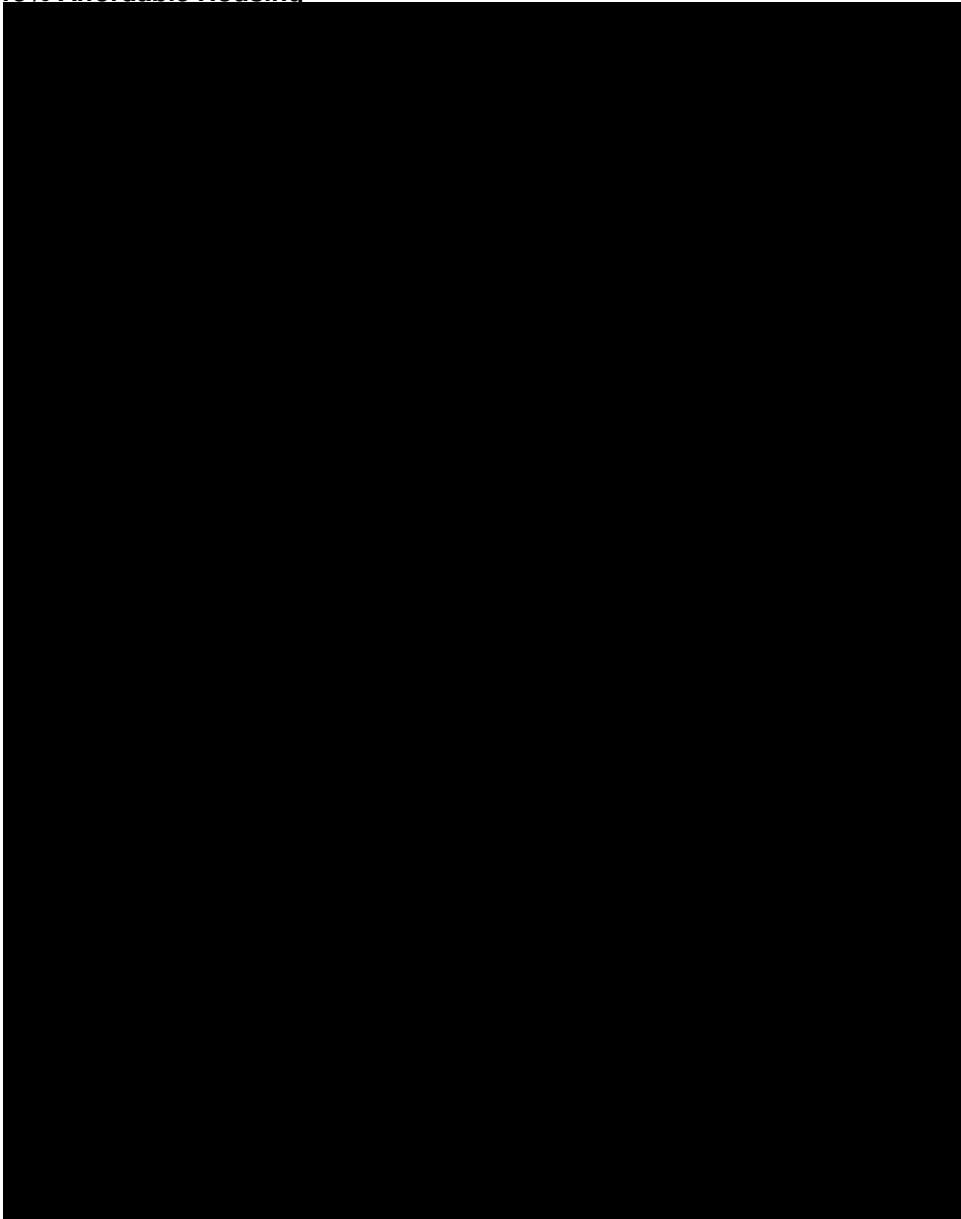
Investment Valuation

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APPRAISAL SUMMARY

GL HEARN LIMITED

**Landprop - Sugar House Lane
15% Affordable Housing**



GROSS DEVELOPMENT VALUE

Purchaser's Costs

NET DEVELOPMENT VALUE

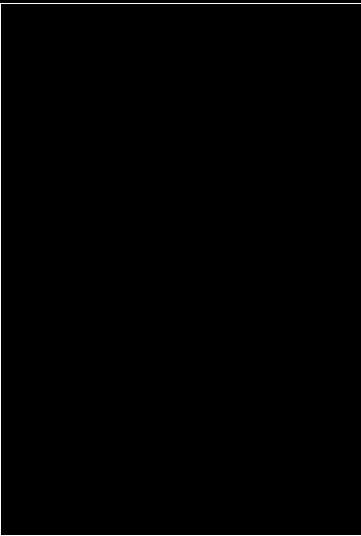
Sales Agent Fee
Sales Agent Fee
Sales Agent Fee
Sales Legal Fee
Sales Legal Fee

NET REALISATION

OUTLAY

ACQUISITION COSTS

Land Purchased from Receiver
Land Purchased from OPLC
Remaining Land Purchases
Total Acquisition
Stamp Duty
Agent Fees to date
Agent Fee - remaining purchases
Legal Fee to date
Legal Fee - remaining purchases



APPRAISAL SUMMARY

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

CONSTRUCTION COSTS

Construction	Units	ft²	Rate ft²	Cost
Hotel Parking - Bsm.	160 un			
MU1 Mixed		3,143		
MU1 Business		119,427		
MU1 Retail/Gastro		4,994		
MU1 Community		32,981		
MU3 Mixed		4,596		
MU3 Business		56,048		
MU3 Hotel Rooms		178,500		
MU3 Hotel conference etc		63,690		
MU5 Retail/Gastro		11,098		
MU5 Community		9,752		
R4 Retail/Gastro		11,216		
MU2 Mixed		25,909		
MU2 Business		286,656		
MU2 Community		1,561		
R7 Mixed		5,059		
R5 Mixed		3,627		
R2 Mixed		4,230		
R1 Mixed		5,651		
MU4 Mixed		19,429		
MU4 Business		22,734		
MU1 Private		5,802		
MU1 Affordable		829		
MU3 Private		24,831		
MU3 Affordable		4,598		
MU5 Private		47,302		
MU5 Affordable		8,187		
R4 Private		102,449		
R4 Affordable		17,731		
R8 Private		105,738		
R8 Affordable		18,844		
R6 Private		115,335		
R6 Affordable		20,970		
R3 Private		135,256		
R3 Affordable		23,997		
R7 Private		56,382		
R7 Affordable		10,441		
R5 Private		86,594		
R5 Affordable		15,212		
R2 Private		182,620		
R2 Affordable		31,713		
R1 Private		167,483		
R1 Affordable		29,423		
MU4 Private		62,251		
MU4 Affordable		10,869		
Totals		2,155,158		
Contingency				
Demolition				
Primary Roads				
Secondary Roads				
Subsidy to support new Bus Service				
Mayoral CIL				
Education in the vicinity				
Other Construction				
Bio Remediation				
Underground Obstructions				
Water Table Pumping				
Foundations over major sewers				
On Site Diversions				
Surface Water Attenuation				
Japanese Knotweed Treatment				
External Areas				
Riverside Park / Three Mills Hub				
Off site infrastructure works				
River Wall works				
Canal Work				
Pedestrian Bridges - 2No.				
Vehicle Bridge				
Abnormal Site Costs				
Off Site Stat Diversions				
Off Site Road Works				
136 Commercial Bsm Parking				
912 Bsm Resi Parking				
101 Semi Bsm Resi Parking				
Resi Parking abnormals				
Works to OPLC Bridge				
Public Art - Tower sculpture				

PROFESSIONAL FEES

Professional Fees

MARKETING & LETTING

Letting Agent Fee
Letting Legal Fee

APPRAISAL SUMMARY

GL HEARN LIMITED

Landprop - Sugar House Lane 15% Affordable Housing

FINANCE

Debit Rate [REDACTED] Credit Rate [REDACTED]
Total Finance Cost [REDACTED]

TOTAL COSTS

PROFIT

Performance Measures

Profit on Cost%
Profit on GDV%
Profit on NDV%
Development Yield% (on MRV)
Equivalent Yield% (Nominal)
Equivalent Yield% (True)

IRR

Rent Cover

Profit Erosion [REDACTED]



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ARGUS Developer Version: 5.00.001

Date: 5/9/2012

GL Hearn Limited

Development Appraisal

Landprop - Sugar House Lane

Financial Viability Appraisal - Cost of Community Space

Report Date: May 08, 2012

APPRAISAL SUMMARY

GL HEARN LIMITED

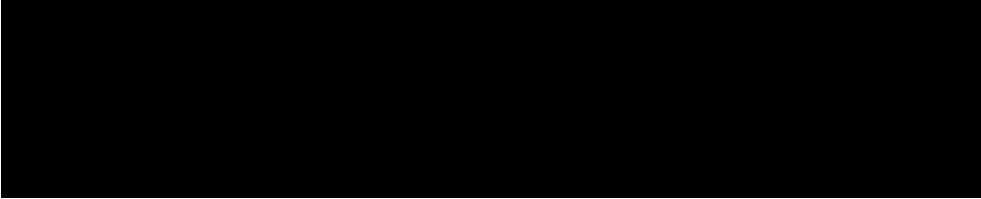
Landprop - Sugar House Lane

Summary Appraisal for All Merged Phases

REVENUE

Rental Area Summary	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
MU1 Community	1	32,981				
MU5 Community	1	9,752				
MU2 Community	1	1,561				
Totals	3	44,294				

Investment Valuation



GROSS DEVELOPMENT VALUE

Purchaser's Costs

NET DEVELOPMENT VALUE

Sales Agent Fee

Sales Legal Fee

NET REALISATION

OUTLAY

ACQUISITION COSTS

Residualised Price

CONSTRUCTION COSTS

Construction	ft ²
MU1 Community	32,981
MU5 Community	9,752
MU2 Community	1,561
Totals	44,294

Contingency

PROFESSIONAL FEES

Professional Fees

MARKETING & LETTING

Letting Agent Fee

Letting Legal Fee

FINANCE

Debit Rate ██████████ Credit Rate ██████████

Total Finance Cost

TOTAL COSTS

PROFIT

Performance Measures

Profit on Cost%

Profit on GDV%

Profit on NDV%

Development Yield% (on MRV)

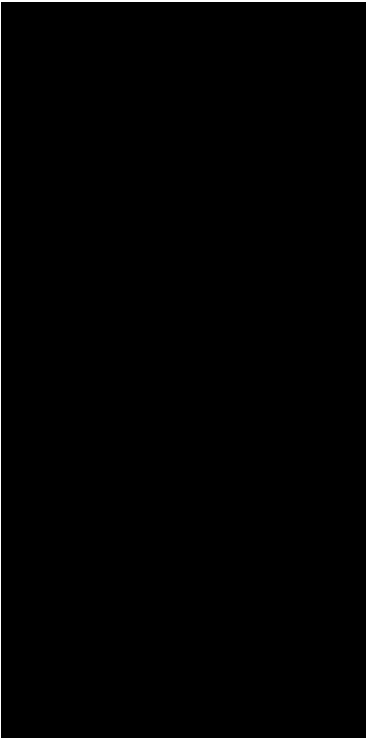
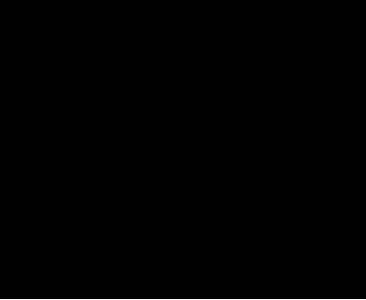
Equivalent Yield% (Nominal)

Equivalent Yield% (True)

IRR

Rent Cover

Profit Erosion ██████████



APPENDIX 4

Economic Viability Analysis and
Justification in Respect of :
Strand East, Sugar House Lane,
Stratford, London E15

LandProp Holding B.V.

May 2012

Prepared by

GL Hearn Limited
20 Soho Square
London W1D 3QW

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3 DETAILS OF THE PROPOSED DEVELOPMENT	8
4 AFFORDABLE HOUSING PROVISION	12
5 VIABILITY AND LAND VALUE	14
6 VIABILITY APPRAISAL	15
7 CONCLUSIONS	27
8 THIRD PARTIES	28



Appendices

1. Site Layout Plans and Accommodation Summary
2. Residential Schedules for Appraisals
3. Land Ownership Plans
4. ARGUS Developer Appraisal Summaries
5. Development Phasing Programme
6. Development Appraisal re: Community Space
7. Construction Costs

Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

DATE	ORIGINATORS	APPROVED
11 May 2012	 RICS Registered Valuer	 RICS Registered Valuer



Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

C N I D E

SUMMARY

On 28 February 2012 a planning application was submitted by GL Hearn on behalf of LandProp Holding B.V., the applicant, in respect of a major mixed use regeneration scheme known as Strand East in the Sugar House Lane area of Stratford. We briefly summarise the proposed development below:-

The proposed development is for a mixed use scheme incorporating 1,200 new homes of a range of types and size. The scheme also includes 80,670m² of creative industry premises, offices, a hotel, as well as local retail, cafés and community facilities.

This report considers the financial viability of the proposals and provides justification in economic viability terms for the level of affordable housing and other planning benefits which the scheme can support.

This economic viability appraisal based on technical advice from GL Hearn assumes:

- Provision of 15% Affordable Housing on site.
- An average grant contribution of [REDACTED] per Affordable Housing unit.
- The provision of approximately 58,000 m² (624,312 ft²) of space for commercial uses targeting the creative/Tech City industries and community facilities.
- Contribution to an improved Bus service.
- Bridge infrastructure of £2.02m.
- Contribution towards improvement to Education services in the vicinity of the site of £2.39m.
- Provision of two new public open spaces – The Riverside Park and Hub
- Total contributions in kind towards the Planning Obligations Community Benefit Strategy tariff of £15.765m.
- Community Infrastructure Levy of approximately £3.65m.

Based upon these assumptions the findings herein show that the proposed scheme provides significant regeneration benefit in kind but produces a low return to the developer. Notwithstanding the low level of financial return predicted, we recognise the fact that certain minimum levels of planning benefit are required from a scheme of this kind at the outset and we are prepared to work with the Planning Authority to ensure the scheme is a success although this may represent a higher than typical developers risk. At this early stage we regard the scheme as a long term investment and consider it an acceptable risk over the delivery life of the scheme.

1.1 The planning application is submitted with a number of supporting documents in addition to this planning statement comprising:

Statement of Community Involvement - prepared by GL Hearn;

- Design and Access Statement - prepared by Accord Architecture;
- Transport Assessment - prepared by Waterman Boreham;
- Travel Plan - prepared by Waterman Boreham.

1.2 In addition to the above documents a full set of plans are submitted prepared by Accord Architecture – as set out in the covering letter, as well as necessary planning application forms, fee, notices and certificates.

1.2.1 A Daylight and Sunlight Report, being prepared by GL Hearn will be submitted within a week of the application being made, this report is just being finalised at the date of submission. A draft S106 Agreement will be prepared by Berwin Leighton Paisner, however it is proposed that whilst the Heads of Terms are set out in section 3 the financial contributions need to be discussed with the Council.

OFFER

1.0 INTRODUCTION

- 1.1 This report has been prepared for LandProp Holding B.V. with technical valuation input from GL Hearn in order to consider the profitability resulting from the proposed redevelopment of the Strand East site and to demonstrate the level of affordable housing and other planning benefits that can be delivered within the proposed scheme. The assessment has been undertaken on the assumption that an average of [REDACTED] per unit of Social Housing Grant (SHG) will be secured.
- 1.2 GL Hearn have undertaken a development appraisal using the industry recognised ARGUS Developer Model (formerly Circle Developer) and we attach this as an Appendix. The contents of this report do not constitute a valuation in accordance with of the RICS Valuation Standards and should not be relied upon as such.
- 1.3 The report will give a brief overview of LandProp's investment approach and of the proposed scheme and will detail the assumptions contained within the development appraisals. This will allow conclusions to be drawn in respect of the level of affordable housing that it is economically viable to provide on the site having regard to the level of further planning benefits in kind and by way of financial contribution being offered.

2.0 LANDPROP'S APPROACH

- 2.1 LandProp is committed to securing a planning consent that will enable the delivery of a high quality neighbourhood in which future owners and occupiers will aspire to live and work. The quality of this environment is achieved by reducing building heights and density; by creating a healthy balance of workspace against living space (even in the knowledge that the site is not a prime commercial location); by creating links across infrastructure barriers that have severed connections between communities and contributed to the area's historic decline; and by encouraging occupiers that in the long run will add to the character of the "place" even though they may not achieve the highest rent and yield profile. As we hope is made clear from the content of the planning application we have chosen to prioritise our commitment to the quality of the environment created over the need to maximise the financial performance of the scheme. The fundamental decisions about density and occupier mix that flow from that decision have an unavoidable impact on the amount of additional contributions that the scheme can afford.
- 2.2 LandProp has taken a significant risk in assembling the site without planning consent, has worked closely with the Planning Authorities for the past 2 years to prepare a planning application and in doing so have generated seemingly unprecedented support for the approach taken and the quality of the scheme. Once all the necessary approvals are in place LandProp hope to go forward and work up the detailed design of the outline elements of the scheme and secure its delivery. In doing so we acknowledge that there will be further risk in investing a considerable sum in an area that is currently on the fringes of Stratford City and Olympic Park. The Sugar House Lane/Pudding Mill Lane areas, within which Strand East lies, have not yet seen the level of investment and regeneration that other areas in Stratford, nearer the transport interchange, have experienced in recent years and in particular, following the announcement of the London 2012 Games. However, we believe this area will start to experience those benefits, not least because of LandProp's investment, over the next 10 years
- 2.3 This approach is consistent with our usual long term investment strategy. Rather than seeking a quick return, LandProp is willing to invest in delivering an attractive environment on the basis of lower initial returns and will seek to manage and nurture the scheme to create a vibrant place that will deliver improved returns over the longer term.

3.0 DETAILS OF THE PROPOSED DEVELOPMENT

- 3.1 We attach as Appendix I a proposed site layout plan and accommodation schedule. In accordance with this we briefly detail the proposed accommodation below:-
- 3.2 Strand East is a major regeneration scheme that will transform this western edge of Stratford into a vibrant, high quality, mixed use neighbourhood, low in height and of human scale with 1,200 new homes of a range of types and sizes and 80,670m² (868,332ft²) of creative industry premises, offices, a hotel, as well as local retail, cafes, and community facilities (e.g. childcare and multi-use venue). The scheme will provide local amenities that will create a vibrant new neighbourhood that embraces and supports existing provision in the area.
- 3.3 The application for Strand East is a hybrid application comprising of a detailed element and outline element. The overall scheme is outlined below and reference should be made to the planning statement for a full description of the two elements:

Overall Mixed Use Scheme (detailed and outline elements):

- Creation of 1,200 residential units (use class C3); (Please note in the outline planning application the residential element is described in terms of number of units not floor area)
 - studio – 8 (1%)
 - 1 bed – 468(39%)
 - 2 bed – 244 (20%)
 - 3 bed – 430 (36%)
 - 4 bed – 34 (3%)
 - 5 bed – 16 (1%)

(10% of residential units will be wheelchair adaptable)

- Shops (use class A1);
- Financial and professional services (use class A2);
- Restaurants and cafes (use class A3);
- Businesses, offices and workshops (use class B1);
- Hotel (use class C1) 350 bedroom;
- Non-residential institution (use class D1);
- Assembly and leisure (use class D2);
- Ancillary parking comprising 1309 spaces;
- A new riverside park

- A new pedestrian bridge from the east side of the Strand East development site across Three Mills Wall River to Three Mills Green.
- Associated infrastructure;
- Means of access.

3.4 The mix of homes to be provided at Strand East has been carefully considered to ensure it helps to meet a range of shared objectives to:

- create a balanced and sustainable community;
- meet housing need and demand;
- to be high quality but low in cost (in comparable terms);
- provide proportionally more family homes than many local housing schemes; and
- encourage people to remain in the borough.

Further details are included in the Housing Statement submitted as part of the application. All homes will be built to London Design Guide and London Plan standards. The assumed size, mix and tenure of the units are set out in the tables below.

3.5 The minimum size:

House type	Beds/Persons	m2
Flat	1b2p	50
	2b3p	61
	2b4p	70
	3b4p	74
	3b5p	86
	3b6p	95
	4b5p	90
	4b6p	99
	2 storey house	2b4p
3b4p		87
3b5p		96
4b5p		100
4b6p		107
3 storey house	3b5p	102
	4b5p	106
	4b6p	113

3.6 The **overall** residential mix:

Type	No. of Type	% (unit basis)
Studio	8	1%
1 bed, flats	468	39%
2 bed, flats	244	20%
3 bed, houses	430	36%
4 bed, houses	34	3%
5 bed, houses	16	1%
	1200	100.0%

3.7 The **Affordable Rent** mix (assumes 15% affordable):

Type	No. of Type	% (unit basis)
1 bed, flats	36	40%
2 bed, flats	18	20%
3 bed, houses	33	37%
4 bed, houses	2	2%
5 bed, houses	1	1%
	90	100.0%

3.8 The **DSM** mix (assuming 15% affordable):

Type	No. of Type	% (unit basis)
1 bed, flats	36	40%
2 bed, flats	18	20%
3 bed, houses	33	37%
4 bed, houses	2	2%
5 bed, houses	1	1%
	90	100.0%

- 3.9 We attach as Appendix 2 details of how these size, mix and tenure assumptions and the base information for the scheme provided by the architects has been interpreted to arrive at residential floor areas required for use within the GL Hearn development appraisals.

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4.0 AFFORDABLE HOUSING PROVISION

4.1 The affordable housing policies of both the GLA and London Borough of Newham make it clear that a key factor in determining the proportion/number of affordable homes in a development is the *individual circumstances of the site and its development viability* (including availability of subsidy). There are a number of individual circumstances impacting on the viability of Strand East which influence the affordable housing offer, as follows:

- Approximately 58,000m² (624,312 ft²) of offices, workshops, shops, leisure and community space plus the Hotel. Planning Policy requires the replacement of a similar amount of employment generating accommodation to that which was previously accommodated within the site. This new accommodation has a lower return than residential in this location. Given the peripheral location of the site for office use and resulting occupational market that we will be targeting, the rental and yield profile achievable will be comparatively low and will therefore have a negative impact on viability.
- 40% family housing (3bed +) which exceeds the policy requirements for London and Newham and is a far greater percentage than any other scheme in the area. The provision of larger housing units will result in a lower sales rate per unit area than would be achieved in many schemes in the area thus impacting on the viability of the scheme.
- A human scale of development compared to previous proposals on this site and as developed in the surrounding area. The scheme proposes a maximum height of 16 storeys on only two elegant accent blocks, across approximately 10 ha, and is considerably lower in height and density compared to 20, 30 and 40 storeys in the vicinity. The majority of the site will be built to a maximum of only 3-5 floors.
- A high percentage of open space, to create an environment that will attract families and help create a thriving neighbourhood. This is provided as private, semi-private and public space, as described in more detail in paragraph 3 of the Housing Statement and is covered within the Design and Access Statement.
- Considerable expenditure on infrastructure including a much-needed pedestrian crossing and 'all-movements' junction at the Sugar House Lane and High Street intersection and improved bus routes that are vital to the improvement of the site and the wider community.
- Flood management, in particular the improvement to the river walls and necessary raising of ground levels within the site to lift the residential accommodation out of the flood plain.

- The construction of below ground car parking to limit the traffic across the site and ensure an environment is created that will be pedestrian and child friendly.
 - Other abnormal costs (as set out in detail in paragraph 6.8.2 of this report) including extensive soil treatment to address contamination on site and land re-profiling to create the landscaping and site levels.
 - Contributions towards Pedestrian and Bus bridges to connect the site to the surrounding communities, both eastwards to Three Mills Green (initially) and westwards to Bromley by Bow (in line with delivery of development on that side of the River Lee Navigation).
- 4.2 The development is also required to make other significant monetary planning contributions, including the Mayoral Community Infrastructure Levy (CIL), funding for education and bus route improvements, which further reduce the amount of funding available to provide further affordable housing. These are set out in detail in paragraph 6.10 of this report.
- 4.3 The ethos behind this development is to create a place where families aspire to live and work and will, as a result, assist in making the Borough a more balanced community. There is however a cost in viability terms in bringing forward such a scheme which needs to be recognised when considering the overall benefits which this scheme has the potential to deliver.

5.0 VIABILITY AND LAND VALUE

5.1 The majority of the site was purchased recently in the open market following an extensive marketing exercise by the vendors and at a price reflecting hope value for a mixed use scheme including residential development but reflecting the lack of any planning permission. Approximately 5.5Ha of the total site was purchased from receivers at open market value and significantly below the purchase price paid for the site by the previous developer who had assembled the land in the overheated market prior to the crash in late 2008. A second large portion was more recently purchased from the OPLC. GL Hearn have reported that taking in to account land values generally in the area the aggregate price paid reflects the market value for this type of property.

5.2 We have estimated the cost of the remaining land interests and rights at [REDACTED]. We have not included details of individual expected land costs for confidentiality reasons, however we will be pleased to discuss these figures further with your independent financial advisor if you so wish. We include as Appendix 3 a plan detailing the original land purchase in pink, the OPLC land in blue and the remaining parcels in white.

5.3 The total purchase price amounts to:

Land Purchased from Receiver	£23,000,000
OPLC Land	£20,510,000
Remaining Interests and Rights	[REDACTED]
Total Expected Purchase Price	[REDACTED]

5.4 GLH Hearn have adopted this total expected land purchase price as the land value against which scheme viability should be tested.



6.0 VIABILITY APPRAISAL

6.1 Following discussions with the London Borough of Newham the viability of the scheme has been tested against two assumptions:-

- The inclusion of 15% affordable housing throughout the scheme with a 50:50 mix between Affordable Rent and Intermediate Housing and the assumption that [REDACTED] per Affordable Housing unit of grant will be available.
- The inclusion of 10% Affordable Housing throughout the scheme with a 50:50 mix between Affordable and Intermediate Housing on the assumption that no grant is available for the Affordable Housing units.

6.2 Attached as Appendix 4 are the Argus Developer development appraisal summaries considering the profitability of the submitted scheme on the two bases above. We consider below the assumptions made within the attached Argus Developer appraisal summaries

6.3 Development Programme

6.3.1 We have submitted a phasing plan with the planning application which dictates the build programme within the appraisal. An aggressive sales rate of approximately 120 units per annum has been adopted. The phasing plan is attached is Appendix 5.

6.4 Market Residential Values

6.4.1 There has been a great deal of interest in this part of East London in the last 5 years because of the catalytic effect of Olympic regeneration and the subsequent investment in infrastructure from the Government and private enterprise. This interest has been heavily focused on the areas closest to the transport interchange in Stratford which have seen some very intense development. By contrast, more peripheral areas have yet to see any real benefit from the momentum that this regeneration has created. The Strand East scheme is the first major residential-led mixed use scheme to be promoted by the private sector in the area and it is situated away from the epicentre of development surrounding Stratford station and is in an area that has yet to benefit from the investment generated by the Olympics.

6.4.2 From recent reports we understand that the as part of the Legacy of the games the southern areas of the Olympic park, close to the Strand East scheme, will be made ready as development plots but are scheduled for delivery within London Legacy Development Corporations phasing plans towards the end of the Legacy transformation works. Whilst access to the Queen Elizabeth Olympic Park is expected to be permitted from mid 2014, with the prospect of some temporary uses in this area, this southern part of the park is unlikely to see significant change until 2020 and beyond.

- 6.4.3 A factor which often blights very large regeneration projects is that the residential elements are built independently of the main regeneration project by various developers and in relatively quick time, creating dwelling ready for occupation before the benefits of the main project are evident. In these circumstances, the lack of speculative investors and reliance upon owner-occupiers to buy into the schemes becomes a major issue. The Olympic zone has fared better than most in this respect, as the majority of planned infrastructure investment in the area (with the exception of Crossrail) was completed prior to the delivery of surrounding schemes generating a confidence in investors/buyers in the area
- 6.4.4 Whilst the focus of public sector investment has been in the Olympic Park and the corresponding transport infrastructure there continues to be gross under investment in the quantity and quality of school places in the area for both primary and secondary children. Whilst new and improved facilities are proposed in the area as part of the Legacy of the games these will take some time to come forward and there is little prospect of funding being available from the public sector to deliver these much needed facilities.
- 6.4.5 Further, during the past 6 years or so, where residential development has been permitted the trend has been for the erection of tall buildings along High Street, Stratford, maximising the number of 1 and 2 bedroom units that could be accommodated within a scheme. The development sites on which these schemes have been built were considered to be suitable for mixed use development thereby requiring the provision of an element of commercial accommodation within the resulting schemes. Unfortunately, as these commercial elements were not the key value drivers for the developers of the schemes the quality and usability of the resulting commercial units have been compromised. The high proportion of boarded up ground floor units under tall residential buildings is testimony to this and is a trend that LandProp do not wish to repeat.
- 6.4.6 In estimating the potential residential sales values of a new build scheme in this location, we have considered schemes within the area between the already developed and sold parts of Stratford and the area around Bromley by Bow underground station. There are and have been numerous developments around these areas in the recent past which represent sound comparable evidence, even though their location might currently be considered more favourable than the subject site.
- 6.4.7 Below is a list of recent sales in comparative developments we have utilised in forming our opinion of the potential sales values for the subject scheme:

Development	Accommodation Range	Sale Price Ranges	£ per sq ft Range (Av)
Fusion (Phase 3) St Andrews Hospital Devas Street E3	1, 2 & 3 bedroom flats	£208,000 - £330,000	£297 - 443 (£386)
Bow Cross West (Phase 5), Campbell Road E3	1, 2 & 3 bedroom flats	£166,00 - £270,000	£323 - 395 (£361)
Aurora, 223-231 High Street E15	1, 2 & 3 bedroom flats	£188,950 - £304,950	£298 - 423 (£369)
1A Lett Road E15 (The Edge)	1, 2 & 3 bedroom flats	£199,950 - £650,000	£397 - 640 (£508)
Matchmakers Wharf, Homerton Road E9	1, 2 & 3 bedroom flats	£175,000 - £395,000	£264 - 493 (£361)
Merchants Quarter, Merchant Street E3	1, 2 & 3 bedroom flats	£207,500 - £317,500	£330 - 453 (£411)

- 6.4.8 In respect of the exceptional value achieved at the development of The Edge in Lett Road, it should be noted that this reflects the sale of the penthouse flats that were completed to a higher standard and not a level achievable on the more standard units lower in the building.
- 6.4.9 The higher value achieved on the penthouse units does impact on the overall average value on the scheme and should be discounted when assessing a comparable price.
- 6.4.10 We have selected the above comparables as they represent recent sales and overall projects that have not faltered (significantly) during the recession. They cover a fairly wide area, but there is clearly an indication that a sizeable new build scheme of commensurate quality in the area will sell for between [REDACTED] and [REDACTED] per square foot.
- 6.4.11 Bearing in mind the above and the quality of scheme proposed, GL Hearn estimate that an average sale value of the subject scheme will be in the region of [REDACTED] per sq ft. which would result in the following unit prices:-

Type	Av Price	Av Size m ²	Av Size ft ²	£/psf	Mix

Average Price based on Proposed Mix
Average Price per Square Foot
Average Unit Size



6.5 Affordable Residential Values

- 6.5.1 With regard to the potential provision of any Affordable Housing element for this scheme LandProp Holding B.V. has been in discussions with the Council's Housing team in respect of the level and tenure of Affordable Housing suitable for this project.
- 6.5.2 LandProp Holding B.V. shares Newham Council's vision to create balanced and sustainable communities and this is a driving force behind the design and future management arrangements for Strand East. It has been discussed with the Council that, in order to create this vision, the affordable tenure mix will be 50% Affordable Rent and 50% Intermediate Housing consisting of Discount Market Sale (DMS). This will help to meet the housing need for people on varying income levels.
- 6.5.3 In terms of the rents for the 'Affordable Rent' tenure, these are proposed to be charged at 80% of market rates for the one and two bedroom units in line with the HCA guidance, but lower at 60% of market rates for the 3 bedroom and larger family units to help meet the housing need for those people on the Council's waiting list for larger units.
- 6.5.4 As outlined above DMS will be offered as Intermediate Housing to first time buyers at 80% of market value and further details of this scheme are outlined in the Housing Statement accompanying the planning application.
- 6.5.5 In order to estimate the Affordable Housing receipts, GL Hearn have appraised the affordable units on SDS ProVal, an industry recognised appraisal model adopted by many of the Registered Providers (RPs), to establish a price for the affordable units based on parameters approved by the respective RPs Boards. This produces a blended receipt in the

region of [REDACTED] with the grant assumed at [REDACTED] per unit for the rented units and [REDACTED] if no grant is secured for the units.

- 6.5.6 LandProp have also been in discussion with East Thames Group regarding the values they would put on the affordable rent element. Independently of GL Hearn's considerations the average value for the units within the scheme suggested by East Thames is in line with GL Hearn's figures and we are therefore satisfied that they reflect an accurate assessment of market values for this element of the scheme.

6.6 Hotel Rent and Capital Value

- 6.6.1 GL Hearn have adopted a rent of [REDACTED] per room in line with current market values for hotels of the standard envisaged. This is capitalised at a [REDACTED] yield in line with recent open market evidence of hotel sales for the operators of the standard envisaged.
- 6.6.2 GL Hearn have had regard to the build costs adopted at other similar developments on a per room basis and also the advice received from Johnson Associates, LandProp's cost advisor. The costs adopted equate to [REDACTED] per room with an additional rate applied to the conference space.

6.7 Retail / Commercial and Community Values

- 6.7.1 The scheme includes approximately 58,000 m² (624,312 ft²) of commercial space. The location is not comparable to the main employment hubs of Stratford's Westfield centre, Canary Wharf and the City of London that are all within close proximity of the site. The nature of the occupier attracted to this site is likely to be smaller business's seeking a less "corporate" working environment. We propose to target creative and "Tech City" style occupiers in order to contribute towards the environment we wish to create. These occupiers require relatively small unit sizes on flexible leases to allow growth and contraction as demanded by the changes within the business. These factors will result in a comparably low rental income and high yield profile thereby resulting in a low capital value. The affordable workspace statement in the London Thames Gateway Development Corporation's application at Hackney Wick Hub states that for that scheme "It is considered that the appropriate rental level would be around £15.00 psf per annum" and this value has been assumed within the Viability Report submitted as part of this application".
- 6.7.2 In relation to buildings in the North East Quarter LandProp is in discussions with a number of existing tenants who would like to remain on site but in new facilities. LandProp consider that their presence would help to animate the environment bringing a healthy balance of employees and visitors to the area. Some of these potential tenants are 'not for profit' organisations helping talented young people enter the music business. Due to the nature of the business they cannot afford to pay a market rent and are struggling to find the funds to

carry out the necessary fitting out for their specific use. LandProp is helping to resolve these issues to ensure that these important service providers remain in the area with the result of a negative impact on the viability of the scheme as the rent and yield profile generated by the letting barely covers the costs of preparing the building for their use.

6.7.3 GL Hearn is also dealing with an application at Fish Island where the developer is seeking to include significant levels of low cost commercial accommodation. In this case the developer has received detailed offers from various operators who would take the overall space on either a freehold or leasehold basis and sublet small units to the creative industries. Three offers were received from the Artist's Studio Company (ASC), Space and Bow Arts. The offers ranged between [REDACTED] psf per annum on a rental basis. GL Hearn also acted in respect of the recent Tesco Stores Limited planning application at Bromley By Bow, where a lease premium was offered for the long leasehold interested in the built space by ACME equating to [REDACTED] psf (equating to a rent of [REDACTED] psf pa) and was accepted in relation to the viability assessment in that case. In terms of the suitability of the space for these occupiers LandProp consider Strand East to be comparable to the Tesco Scheme at Bromley by Bow albeit that the quantum of space is considerably greater.

6.7.4 In addition to the commercial workspace there are a number of retail A1/A3 units included within the scheme. These units will serve the residential and commercial community on site and the immediate surroundings. We recognise the need for a sustainable community to include small specialist occupiers that add to the rich mix of occupiers on the site. We further recognise the attraction of independent occupiers selling a quality of product that will be within the affordability of local residents and occupiers but provide "something different" to your traditional high street retailer. We hope to attract restaurant, bars, cafes and delicatessens, bakeries and patisseries, small specialist retailers, galleries and creative workshops that will add to the living experiences of those who chose to live and work in the area. However we also acknowledge that these specialist independent retailers will not have the resources or covenant strength of the chain stores and will require financial support to establish themselves such as contributions to fit out, rent free periods and stepped rents to allow the business to become established over time. The financial implications of this approach is that the scheme will generate relatively low rental returns and higher yield profiles with a lower resulting capital value of the property investment. In this relatively peripheral location we would expect headline rents for this space to range from [REDACTED] psf. We would also expect significant incentives to be required in order to attract occupiers of a reasonable quality which the scheme will require to ensure its overall success.

6.7.5 In the supporting appraisals GL Hearn have sought to provide a robust appraisal by adopting the upper end of the range of values noted above and have been relatively aggressive in only assuming [REDACTED]

[REDACTED] The levels of rent adopted are:

- Mixed Use spaces
- Business spaces
- Community Uses
- Retail/Gastro

[REDACTED]

The yields adopted are:

- Mixed Use spaces
- Business spaces
- Community Uses
- Retail/Gastro

[REDACTED]

6.7.6 A separate appraisal is included as Appendix 6 which shows the community space delivering a realistic level of developer return based on a rental level of [REDACTED] psf; this being the maximum that the occupiers providing community services are likely to be will be able to afford. This element of the appraisal shows a negative land value of [REDACTED]. This is a cost to the scheme which should be offset against the tariff payable under the Planning Obligations Community Benefit Strategy.

6.8 Development Costs

6.8.1 GL Hearn have worked with consultants Johnson Associates (UK) Limited to assess the construction costs of the scheme (attached as Appendix 7). Johnson Associates are a firm of experienced cost consultants who have been actively involved in many schemes in the area. Advice relating to the levels, remediation, phasing, infrastructure and engineering has also been sought from Peter Brett Associates, the engineers on this project.

6.8.2 We have assessed the abnormal costs that are to be associated with this project and whilst they are considerable they are justified considering the complex nature of the scheme. There are a number of reasons for this as set out below:-

Abnormals

- There are significant levels of contamination on the site as a result of the diversity of unregulated historic uses.
- The level of the ground in relation to the surrounding waterways gives significant flooding issues. The solution to this is to re-profile the site to allow car parking to be created below the podium deck on which the housing is situated

Cost

[REDACTED]

above the flood levels.

- The river walls require significant works to ensure their stability and suitability for the future of the scheme. Areas of the river wall along the western boundary of the site are to be broken out to soften the banks of the Riverside Park. [REDACTED]
- Off site infrastructure enhancements, including improved road junctions, pedestrian crossing, bridge improvements and contributions towards bridges. [REDACTED]
- The site is crossed by a number of below ground sewers that impact upon the substructure of many of the buildings. Due to the presence of made ground on much of the site piling is required and their location needs to be assessed to avoid the zones of influence of each of the sewer structures. [REDACTED]

6.8.3 The delivery of the scheme requires the comprehensive replacement of utilities to serve the new accommodation proposed. This has been accommodated within the construction costs. During the construction works it is necessary to ensure that access and utilities that connect to Three Mills Island are not interrupted. This has had an impact on our phasing plans and will increase the cost of implementation.

6.9 Marketing, Acquisition and Sale Fees

6.9.1 Details of the estimated marketing, acquisition and sales fees are contained within our appraisal (attached as Appendix 4). The fees have been applied having regard to industry standards for a development of this nature.

6.10 Planning Obligations

6.10.1 The London Thames Gateway Development Corporation Planning Obligations Community Benefit Strategy (POCBS) sets out a tariff to pay for major infrastructure projects within its area. It aims to ensure that development contributes appropriately, financially or in kind, towards the infrastructure that needs to be provided in the London Thames Gateway Development Corporation area.

6.10.2 The total standard charge which the London Thames Gateway Development Corporation seeks is £22,400 per unit in the Lower Lea Valley (previously £22,600 per unit), however they recognise that in most cases to seek a charge at this level in the current market would inhibit regeneration. To reflect this, a discounted charge of £10,000 per unit has been set

which attempts to balance the need for infrastructure without stifling development. For this scheme this would equate to £12,000,000.

6.10.3 As stated above the scheme proposes significant strategic infrastructure that will benefit the wider population beyond the boundaries of the development and in accordance with LTGDC's policy the cost of such works may be offset against the total standard charge. In this case we would seek to offset against the change the cost of the following items:-

Item	Cost
The Hub Open Space and Riverside Park	£1.105m
New Bus service	£1.00m
Contribution towards Bridge Links	£2.02m
Community Accommodation	£2.60m
Off site highway works	£3.00m
Contribution to Education	£2.39m
CIL	£3.65m
Total	£15.765m

We will consider these items in more detail below.

6.10.4 Open space required to create an environment which will attract families to the site is an important part of the scheme. As well as the spaces between residential blocks two significant public spaces are to be created. The Riverside Park and The Hub; these spaces will provide good quality open space not only for the enjoyment of people living and working within the scheme but also for others. One of the proposed new foot bridges links directly into the park from the East Thames scheme at Bromley By Bow North and the Hub will be enjoyed by occupants of the surrounding neighbourhoods.

6.10.5 The proposed scheme encourages improvements to bus services in the area. LandProp have been in discussion with the Buses team at Transport for London to understand the cost involved in delivering these improvements but have not received a formal response. In addition we have received some general initial comments from TfL and LB Newham highways team as result of the public consultation. For the purposes of this appraisal we have assumed that negotiations will conclude at a contribution of £1,000,000 but we reserve our position and figures within the appraisals may have to be revised once these discussions have concluded.

6.10.6 The scheme will contribute towards and deliver a number of new and upgraded bridge links for both pedestrian and vehicular (for bus use). This will ensure the connectivity of the site with its surrounding communities.

- 6.10.7 The majority of the above items are easily quantified but further explanation of our assessment of the cost to the scheme of the community accommodation is required. As stated above GL Hearn have adopted [REDACTED] psf per annum for the community accommodation on site and as the appraisal attached as Appendix 5 shows that the provision of this accommodation within the scheme is a cost burden to its viability of [REDACTED]
- 6.10.8 In addition to the community space, we are intending to bring forward a significant amount of commercial space which will be targeted at the creative and Tech City industries and is unlikely to achieve rents above [REDACTED] psf. When an appropriate yield is applied to this rental stream having consideration to the nature of the leases and covenants of the occupiers the accommodation represents a significant cost to the scheme.
- 6.10.9 The scheme will deliver a much needed pedestrian crossing and all movements junction at the Sugar House Lane and High Street intersection and improved bus routes which will have considerable benefit to the wider community.
- 6.10.10 LandProp recognise that the proposed scheme will increase demand on school places in the area and, consistent with discussions with the planning authority the scheme does not propose a new school. As a result LandProp are prepared to make a contribution towards improvements to Education in establishments that will serve the residents of the scheme. The appraisals attached show a contribution of [REDACTED] as indicated during recent meetings with LB Newham Officers.
- 6.10.11 LandProp will work closely with the Local Council Education team and the principle decision makers within each of the schools to assess the needs of the schools and allocate the funds directly. LandProp will assist in ensuring that the funds are spent as efficiently as possible, assisting in contract negotiations if required to ensure the maximum benefit is achieved with the funds available.
- 6.10.12 In addition to the standard charge a contribution to the Mayoral CIL will be payable

We have calculated the CIL as follows:-

Assuming 15% Affordable Housing:

GIA of total Development	200,036 sqm
GIA of Affordable Housing	17,913 sqm
Area for Calculation of CIL	182,123 sqm
@ £20 psm	x 20
	£3,642,460

Assuming 10% Affordable Housing:

GIA of total Development	200,036 sqm
GIA of Affordable Housing	11,936 sqm
Area for Calculation of CIL	188,100 sqm
@ £20 psm	x 20
	£3,762,000

We believe that this figure should be offset against the tariff payable under the POCBS as CIL is to cover infrastructure which is also covered within the tariff. To pay both and not allow it to be off set by the tariff would be double counting. In addition development in the fringes of but outside of the boundary of the Development Corporation is only required to pay CIL yet would benefit from the infrastructure paid for by the Tariff.

6.10.13 In summary it is exceptional in the current economic climate that a development scheme is able to provide the breadth of benefits that this scheme is seeking to deliver. This scheme proposes to knit the site back in to the surrounding neighbourhood, provide significant amounts of commercial accommodation in a peripheral location, deliver a reasonable amount of Affordable Housing with a mix that will be affordable and pay the Mayoral CIL.

6.11 Developers Profit

6.11.1 In the current market any funding party will want to ensure that a project is going to return at least [REDACTED] on gross development value and in this case we would argue that it should be higher in view of the high risk relating to the scale of the project, its mixed use nature and the amount of peripheral commercial space within the scheme.

6.12 Appraisal Results

6.12.1 We detail below the results of the attached development appraisals (Appendix 4):-

10% Affordable 15% Affordable

	10% Affordable	15% Affordable
Income		
Private GDV		
Parking		
Affordable Receipts		
Ground Rents		
Commercial Receipts		
Total Gross Income		
Less Purchasers Costs		
Total Net Income		
Costs		
Acquisition Costs Including Stamp & Fees		
Build costs (Excluding s.106)		
Professional Fees		
Finance		
Marketing and sale costs		
Total Costs		
Planning Benefits		
Mayoral CIL		
Subsidy to support New Bus Service		
Contribution to Education in the vicinity		
Profit		
Profit		
Profit on Cost %		
Profit on GDV %		

6.12.2 The profit generated by the scheme in the current economic climate is lower than we would expect to achieve from a complex scheme of this nature. The expectation is that as the economy improves the values and take up rates of both the residential and commercial accommodation will improve. Indeed it is our belief that in accordance with the phasing plan the market will have improved to a degree by the time the first units are completed. As the scheme is delivered over the coming 10 years or so values should improve to a level that will deliver an acceptable level of developer's profit.

7.0. CONCLUSIONS

- 7.1 The mix of uses, the density and height of the buildings, the quantum of open space will produce a high quality scheme that has been widely supported during the pre-application process. This, together with the considerable costs resulting from demolition, remediation, river-walls, flood protection as well as the need to connect this 'island' to its neighbouring communities, all make this scheme more financially challenging than others, as has been shown.
- 7.2 As a result the following are the maximum planning contributions which the scheme can deliver:
- Provision of 15% Affordable Housing on site on the assumption of an average grant contribution of [REDACTED] per Affordable Housing unit.
 - The provision of approximately 58,000 m² (624,312 ft²) of space for commercial uses targeting the creative/Tech City industries and community facilities.
 - Contribution to an improved Bus service.
 - Bridge infrastructure of 2.02m.
 - Contribution towards improvement to Education services in the vicinity of the site of £2.39m.
 - Provision of two new public open spaces – The Riverside Park and Hub.
 - Total contributions in kind towards the Planning Obligations Community Benefit Strategy tariff of £15.765m.
 - Community Infrastructure Levy of approximately £3.65m.
- 7.3 Any requirement for any further planning benefits would make the scheme undeliverable at the current time.

8.0. THIRD PARTIES AND PUBLICATIONS

- 8.1 Neither the whole nor any part of this report or any reference thereto may be included in any published document, circular or statement, nor published, reproduced, shared via email or referred to in any way without our prior written approval of the form and context in which it may appear.
- 8.2 This report is not a valuation for purchase, or sale, but an appraisal to give some indication of possible capital values. It does not constitute a formal valuation report and any indication of value may not be used for the purposes of obtaining finance, inclusion in balance sheets, sale or purchase of property. The projected estimates of value are based upon the information known to us at this time and do not constitute formal opinions of value.

Yours faithfully



R.D. LandProp Holding B.V.

GL Hearn

GL Hearn