

# SITE SPECIFIC FINANCIAL VIABILITY ASSESSMENT (FVA)

16-24 Whitfield Street and 55 Tottenham Court  
Road, London, W1T 2RA

On behalf of:  
Mayhunt Properties Limited

Date: **08 September 2023**

Prepared by: James Brierley  
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## RICS MANDATORY REQUIREMENTS

Requirement	This assessment has been produced having regard to and abiding to the requirements of RICS Professional Statement Financial Viability in Planning: conduct and reporting (1st edition 2019) (re issued as a Professional Standard in April 2023).
Impartiality	In preparing this viability assessment, we confirm that we have acted with reasonableness, impartiality and without interference. We have also complied with the requirements of PS2 Ethics, competency, objectivity, and disclosures in the RICS Valuation – Global Standards 2017 in connection with valuation reports.
Terms & Conflicts	This document sets out our terms of engagement for undertaking this viability assessment. We declare that to the best of our knowledge there is no conflict of interest (paragraph 1.1 of the Conflict-of-Interest Professional Statement of January 2018), Other than, if necessary, where stated in the report circumstances which fall under Informed Consent (as per the Conflict-of-Interest Professional Statement).
Fee	We confirm that our fee basis for undertaking this viability assessment is neither performance related nor involves contingent fees.
Commercial Sensitivity	We confirm that this viability assessment has been prepared in the full knowledge that it may be made public at some point in the future. Where we believe there to be information, which is commercially sensitive, that we have relied upon in arriving at our opinion we have stated so in our report.
Area Wide	We confirm that we have not undertaken an area-wide viability assessment concerning existing and future policies against which the scheme will in due course be considered. We have confirmed with the instructing party that no conflict exists in undertaking the viability assessment, we have also highlighted to the Council where we have previously provided advice relating the site in question. Should this position change, we will immediately notify the parties involved. We understand that if any of the parties identified in this report consider there to be a conflict that we would immediately stand down from the instruction.
Evidence	Throughout this viability assessment we have set out a full justification of the evidence and have also supported our opinions where they differ from the applicant’s advisor with a reasoned justification. We note in due course the emphasis within the RICS Professional Statement on conduct and reporting in Financial Viability in Planning the need to see to resolve differences of opinion wherever possible
BLV	In determining Benchmark Land Value (if required) we have followed NPG (Viability) (2019) setting out this in detail within the Benchmark Land Value section.
Purpose	We make a clear distinction in our report between preparation/review of a viability assessment and subsequent negotiations. Such negotiations may be identified as part of an addendum documents and may relate to S106 agreements.
Sensitivity Analysis	Sensitivity analysis and accompanying explanation and interpretation of the results is undertaken for the purposes of a viability assessment. This enables the reader to consider the impact on the result of changes to key variables in the appraisal having regard to the risk and return of the scheme.
Transparency	We confirm we advocate transparent and appropriate engagement between the Applicant and Council’s viability advisors.
Summary	This report includes a non-technical summary at the commencement of the report which includes all key figures and issues relating to the assessment.

Reporting	We confirm this report has been formally reviewed and signed off by the individuals who have carried out the assessment and confirm that this FVA [as above] has been prepared in accordance with the need for objectivity, impartiality and without interference. Subject to the completion of any discussion and resolution or note of differences, we will be retained to then subsequently advise upon and negotiate the Section 106 Agreement.
Contributions	All contributors to this report have been considered competent and are aware of the RICS requirements and as such understand they must comply with the mandatory requirements.
Time	We were provided an adequate time to produce this report, proportionate to the scale of the project and degree of complexity of the project.

## SIGN OFF

This report has been prepared by Naomi Bolt MRICS and Jai Sidhu MRICS and reviewed by James Brierley MRICS.		
<b>AUTHORISED</b>	<b>AUTHORISED</b>	<b>AUTHORISED</b>
<b>Jai Sidhu</b> MRTPI MRICS, Senior Surveyor	<b>Naomi Bolt</b> MRICS, Associate	<b>James Brierley</b> MRICS, Partner
For and on behalf of Gerald Eve LLP	For and on behalf of Gerald Eve LLP	For and on behalf of Gerald Eve LLP

NOTE: This report has been produced in accordance with National Planning Policy Framework (2021) and Planning Policy Guidance (as amended). Gerald Eve LLP can confirm that the report has been produced by suitably qualified Practitioners of the Royal Institution of the Chartered Surveyors (RICS) and that the report has been produced in accordance with RICS Practitioner guidance on viability in planning matters.

The contents of this report are specific to the circumstance of the Proposed Scheme and date of publication; and it together with any further information supplied shall not be copied, reproduced, or distributed to any third parties for any purpose other than determining the application for which it is intended. Furthermore, the information is being supplied to **the client** on the express understanding that it shall be used only to assist in the financial assessment in relation to the Application. The information contained within this report is believed to be correct as at the date of publication, but Gerald Eve LLP give notice that:

- I. all statements contained within this report are made without acceptance of any liability in negligence or otherwise by Gerald Eve LLP. The information contained in this report has not been independently verified by Gerald Eve LLP.
- II. none of the statements contained within this report are to be relied upon as statements or representations of fact or warranty whatsoever without referring to Gerald Eve LLP in the first instance and taking appropriate legal advice.
- III. references to national and local government legislation and regulations should be verified with Gerald Eve LLP and legal opinion sought as appropriate.
- IV. Gerald Eve LLP do not accept any liability, nor should any of the statements or representations be relied upon, in respect of intending lenders or otherwise providing or raising finance to which this report as a whole or in part may be referred to.
- V. Any estimates of values or similar, other than specifically referred to otherwise, are subject to and for the purposes of discussion and are therefore only draft and excluded from the provisions of the RICS Valuation – Professional Standards 2014; and
- VI. Information in this report should not be relied upon or used as evidence in relation to other viability assessments without the agreement of Gerald Eve LLP.

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## EXECUTIVE SUMMARY (NON-TECHNICAL)

<b>Instruction</b>	<p>i. Gerald Eve LLP ('GE') has been instructed to undertake a Financial Viability Assessment ('FVA') on behalf of Mayhunt Properties Limited ('the Applicant'), to demonstrate the circumstances which justify why the application cannot be assumed to be viable when complying with plan policy on-site requirements in accordance with Paragraph 58 of the National Planning Policy Framework (2021).</p>
<b>NPPF (2021)</b>	<p>ii. The FVA reflects the recommended approach set out in National Planning guidance ('NPG') (2019), including standardised inputs, as set out in Paragraph 58 of the National Planning Policy Framework. It has also been written adhering to the RICS Professional Statement Financial Viability in Planning (2023) (the 'RICS PS') and the RICS Professional Statement on Conduct and Reporting in Viability (2019) (the 'RICS Professional Statement') (re issued as a Professional Standard in April 2023) that supports the RICS GN.</p>
<b>Proposed Scheme</b>	<p>iii. The proposed redevelopment ('the Proposed Scheme') comprises the following:</p> <p><i>'Partial demolition; change of use to offices (Class E); extensions at first, second, third and fourth floors to provide additional office (Class E) floorspace; new replacement façades at Whitfield Street and Tottenham Court Road elevations; partial new replacement facades at north and south elevations; rooftop plant equipment, PV panels and green roof; external amenity areas at first, second, third and fourth floors; removal of basement car parking, ramp and vehicle dock; and associated external alterations.'</i></p>
	<p>iv. The purpose of this report is to set out financial justification for any proposed deviation from anticipated plan policy contributions, specifically in relation to the London Borough of Camden ('LBC') mixed-use policy on-site requirements (Policy H2). These policies require a proportion of the uplift in commercial floorspace to be provided as market and affordable housing. The Proposed Scheme consists of commercial office and retail space and as such would be deviating from LBC's planning policy. We understand that providing on-site housing on this Site is considered to create a constrained development with sub-par residential units (single aspect only) and impacts the quality of the remaining office floorspace. As such, GE has been instructed to test the viability of the Proposed Scheme (with the inclusion of a policy compliant PiL payment), as well as testing the viability of a scheme where Policy H2 is met with regards to on-site provision.</p>
<b>Consented Scheme</b>	<p>v. It should be noted that the Site already benefits from a consented redevelopment scheme (2022/2626/P) (the 'Consented Scheme') which was granted planning in November 2022, we understand that this is to be implemented by the Applicant shortly. This Consented Scheme added 200sqm GIA of new commercial office space over the 'change of use' proposals, under Camden's mixed-use policy, any uplift of commercial space over 200sqm GIA should provide 50% of that space as residential use. The Applicant could therefore continue to bring the Consented Scheme forward with no residential provision or contribution, but we understand their preference would be to develop out their 'Proposed Scheme' (as detailed above), which benefits from a higher quality external design, enhanced sustainability credentials and an improved office provision. The Applicant will not bring forward an alternative Scheme which is significantly less viable than the Consented – i.e., does not achieve the target rate of return of 15% on GDV.</p>

<b>Site</b>	vi. The Site, which measures 0.32 acres (0.133 hectares), comprises a single building located between Whitfield Street and Tottenham Court Road in LBC; it has frontages onto both of these thoroughfares. It currently comprises four floors above ground and one lower ground level. The ground floor retail is in active occupation with M&S Food and the office space which was originally built for the British Transport Police in 2001, is now vacant, with initial strip out works having commenced.
<b>Approach</b>	vii. Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. Assessment should include review of key elements of gross development value, costs, land value, landowner premium, and developer return.
<b>Standardised Assumptions</b>	viii. In undertaking this FVA, GE has had regard to planning documents and cost reports provided by the Applicant; and has undertaken financial analysis in accordance with the standardised approach set out in viability guidance.
	ix. Furthermore, in accordance with NPG, where possible and appropriate, the report applies standardised inputs and has regard to the specifics of the Site and the Proposed Development. Standardised evidence means it is sourced from primary, secondary, or tertiary data sources, including evidence from other relevant viability assessments in LBC and Greater London. These are set out in the summary of inputs tables overleaf.
<b>GDV</b>	x. In accordance with NPG (2019) GE has determined the Gross Development Value ('GDV') of the Proposed Scheme to be c. £63.24m.
<b>Cost</b>	xi. In accordance with NPG (2019) GE has determined the total costs included in the assessment to be c. £49.77m. These costs include: <ul style="list-style-type: none"> <li>• Acquisition costs</li> <li>• Build costs</li> <li>• Site Specific infrastructure</li> <li>• Relevant policy compliant requirements – CIL, S106 (Inc. On-Site Housing PIL)</li> <li>• Finance costs</li> <li>• Professional fees</li> <li>• Other Costs</li> </ul>
<b>Return</b>	xii. In accordance with NPG, the FVA includes a return to the developer to reflect the risk of undertaking the development. We have tested the proposals against a target rate of return reflective of 15% on value for the commercial floorspace.
<b>BLV</b>	xiii. A BLV of £19.575m has been determined having regard to the value of the Consented Scheme, which in planning terms is considered by the NPG as an Alternative Use Value ('AUV'). This AUV does not include any additional premium and fully complies with policy requirements, in line with NPG (2019).
<b>EUV</b>	xiv. For the purposes of this FVA the EUV reflects AUV as the Consented Scheme is implemented by not completed.

<b>Viability</b>	xv. Based upon the analysis undertaken, our appraisal of the Proposed Scheme, including a policy compliant On-Site Housing PIL, results in a return of 14.49% profit on GDV. This is below the target of 15% profit on GDV. In order to achieve a viable outcome at a target profit return of 15% on GDV, the PIL would need to reduce to circa £325k.
<b>Sensitivity Testing</b>	xvi. GE has tested the Proposed Scheme on alternative assumptions to provide further understanding of the viability: <ol style="list-style-type: none"> <li>1. Variations to commercial values;</li> <li>2. Variations to build costs; and</li> <li>3. Variations to the interest rate.</li> </ol>
<b>Sensitivity Conclusions</b>	xvii. Sensitivity testing indicates that small changes to the key inputs of the Proposed Scheme appraisal can significantly impact the profit return to an unacceptable level. While the Proposed Scheme with a policy compliant affordable housing PIL contribution is currently just below the accepted threshold of viability, further built cost inflation and interest rate rises increase the risk of the Proposed Scheme becoming further unviable and therefore the ability for the Applicant to provide a PIL.
<b>Scenario Testing</b>	xviii. We understand that a policy compliant level of on-site housing would equate to 400.5 sqm GIA of market residential use. A scheme which would meet this area requirement is shown within the accompanying Design and Access Statement prepared by Halebrown, this shows four residential flats). We have tested the following scenario: <ul style="list-style-type: none"> <li>• Appraisal of policy compliant scheme (including on-site residential) (referred to as '<i>the Office/Residential Scheme</i>')</li> </ul>
<b>Scenario Testing Conclusions</b>	xix. Based upon the analysis undertaken, the Office/Residential Scheme at Savills advised rents results in a return of 7.87% profit on GDV. This return is significantly below the target of 15.14% profit on GDV.
<b>Scenario sensitivity</b>	xx. As noted, Savills advise that the Office/Residential Scheme would achieve lower rents when compared to the Proposed Scheme as it has an inferior internal configuration. In any case, GE has tested a 'counterfactual scenario' where rents reflect the level of the Proposed Scheme.
	xxi. This Counterfactual sensitivity results in a return of 12.56% profit on GDV. This return remains below the target of 15.13% profit on GDV. We re-iterate this counterfactual scenario does not represent rents which would be considered achievable at the Office/Residential Scheme.
<b>Conclusions</b>	xxii. Based upon the analysis undertaken, GE concludes that the Proposed Scheme achieves a residual return below the target rate of return and therefore the maximum reasonable contribution that can be required having regard to viability is PIL of £325,750. We understand that the applicant is also willing to offer a £50,000 Highways contribution, CIL contributions and 255 sqm of on-site affordable workspace. On this basis, any further contributions or on-site provision of housing cannot therefore be justified at this stage, based upon viability.

<b>Deliverability</b>	xxiii.	GE understands that the Site is available for redevelopment and consider that it has a realistic prospect of being delivered with an appropriate level of policy contributions (CIL, PIL and other S106 contributions inc. affordable workspace and transport contributions).
<b>FVA</b>	xxiv.	This FVA should not be considered a financial certainty – it is an assessment of the Proposed Scheme having regard to the best available evidence at the time of the review.
<b>Commercial Sensitivity</b>	xxv.	It is anticipated that this report will be published and contains no confidential information which has not been reasonably identified and addressed (aggregated) to enable the report to be shared.
	xxvi.	GE consider that all inputs into our appraisal have been reasonably justified. GE has clearly set out supporting and reasonable justification for all inputs considered and have undertaken appropriate sensitivity to demonstrate the impact of variance.



## SUMMARY OF INPUTS

### THE PROPOSED SCHEME AREAS (NIA & GIA)

Use	Areas (NIA)	Areas (GIA)
Office	3,682 sqm (39,633 sq. ft)	4,115 sqm (44,293 sq. ft)
Affordable Workspace	224 sqm (2,411 sq. ft)	255 sqm (2,745 sq. ft)
Retail (M&S)	1,267 sqm (13,638 sq. ft)	1,383 sqm (14,886 sq. ft)
Ancillary Space and Common Parts	-	566 sqm (6,092 sq. ft)
<b>Total</b>	<b>5,173 sqm (55,682 sq. ft)</b>	<b>6,319 sqm (68,017 sq. ft)</b>

### GDV INPUTS

Use	Proposed Scheme
Commercial (office)	Rent: Avg. £80 Yield: 4.50% Rent Free & Void: 34m
Affordable Workspace	Rent: 50% discount to MR Yield: 5.50% Rent Free 12m

### COST INPUTS

Cost	Proposed Scheme
Construction (Including demolition and enabling works)	£16,733,000
BLV	£19,575,000
Other Costs	£1,120,000
Contingency	5%
Professional fees	10%
Letting Agent Fee	15%
Letting Legal Fee	5%
Marketing / Sales Agents / Legal	1.5% / 1% / 0.5%
Finance	8.5%
Purchase Costs	6.8%

### NOTIONAL PLANNING OBLIGATIONS

Planning Obligation	Proposed Scheme
CIL	£273,000
S106 (Mixed Use Payment)	£600,750
S106 (Highways & Other works)	£50,000
Affordable Workspace	224 sqm NIA (2,411 sq. ft) at 50% discount to MR

PROGRAMME (SAME FOR ALL SCHEMES)

Period	Duration
Pre-Construction	1 months
Construction	22 months
<b>Total Programme</b>	<b>1 years 11 months</b>

TARGET AND RESIDUAL RETURN

Assumption	Proposed Scheme
Target Profit Return	15%
Residual Profit Return	14.49%

## 1. INTRODUCTION

<b>Intro</b>	1.1.	This section sets the scene for important factors and requirements of undertaking an FVA and the purpose of the report.
<b>Economic Climate and Influencing Factors</b>	1.2.	This report has been prepared as of September 2023 in the context of the prevailing economic climate and reflects the market and the scheme now. Should these circumstances change, it may be necessary to revise and update the inputs to the financial appraisal, and therefore resulting outturns.
<b>Instructions</b>	1.3.	Gerald Eve LLP ('GE') has been instructed to undertake a Financial Viability Assessment ('FVA') on behalf of Mayhunt Limited ('the Applicant'). This assessment will determine the appropriate level of planning obligations including Section 106 contributions and affordable housing contributions.
<b>Relevant Guidance and Policy</b>	1.4.	This FVA has been prepared having regard to the NPPF (2021); National Planning Guidance ('NPG'); the Mayor's Affordable Housing and Viability SPG (August 2017); Council's Local Plan (2011); Housing and Developer Obligations (adopted January 2021); the Publication London Plan (adopted March 2021); the RICS Professional Standard: Financial Viability in Planning 2023 ('the RICS PS'), the RICS Guidance Note: Assessing viability in planning under the National Planning Policy Framework 2021 for England (July 2021), conduct and reporting Professional Standard 2023 ('the RICS PS'); and generally accepted principles of undertaking (site specific) FVAs.
	1.5.	Looking more specifically at this Site, the key relevant policy is Local Plan Policy H2 which sets out Camden's position on providing on-site housing within mixed-use developments. Further information on these policies can be found in Sections 4 and 8.
<b>NPG (2019)</b>	1.6.	The purpose of this report is to provide justification for any proposed deviation from anticipated plan policy contributions to help in striking a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.
	1.7.	In the instance that the Proposed Scheme return exceeds the target, the surplus will represent potential additional Section 106 financial contributions that the Proposed Scheme could viably support. If it is confirmed that there is a deficit to the target, it indicates that the Proposed Scheme cannot viably deliver any further contributions over and above those allowed for in the FVA.
<b>Conflict of Interest Declaration</b>	1.8.	We declare that to the best of our knowledge there is no conflict of interest (paragraph 1.1 of the Conflict-of-Interest Professional Statement of January 2018); and that our fee basis for undertaking this viability assessment is neither performance related nor involves contingent fees. It should be noted that GE's Planning department are advising on the planning application in relation to this Site.
<b>Transparency and Confidentiality</b>	1.9.	We confirm that this viability assessment has been prepared in the full knowledge that it will be made publicly available at some point in the future. Where we are of the view that there is information, which is commercially sensitive, that we have relied upon in arriving at our opinion, we have stated so in our report.

<b>Structure</b>	1.10.	<p>This report will look to address the following:</p> <ul style="list-style-type: none"> <li>• Specific Requirement for an FVA and Viability Guidance</li> <li>• Site, Background and Planning Context</li> <li>• The Proposed Scheme</li> <li>• Applied GDV</li> <li>• Applied Costs</li> <li>• S106 Package</li> <li>• Applied Developers Return</li> <li>• Benchmark Land Value ('BLV')</li> <li>• Scheme Appraisal</li> <li>• Sensitivity Testing and Scenario Testing</li> <li>• Conclusions</li> </ul>
<b>Outcome</b>	1.11.	<p>The viability of the Proposed Scheme can be compared against a target rate of profit return. If the profit return is less or equal to the target return, then the assumed S106 contribution package will be deemed to be the maximum reasonable that can be justified by viability.</p>
<b>Area-wide Assessment</b>	1.12.	<p>We confirm that we have not undertaken an area-wide viability assessment concerning existing and future policies against which the scheme will in due course be considered. We have, however where possible had regard to the assumptions presented in the Area-wide Viability Assessment ('AWVA') and where relevant applied and not deviated from them.</p>
<b>Supporting Information</b>	1.13.	<p>The Applicant has instructed the following consultants to act on their behalf alongside GE as the Viability Consultant:</p> <ul style="list-style-type: none"> <li>• Hale Brown Architects (Architects);</li> <li>• G&amp;T (Cost Consultants);</li> <li>• Savills (Commercial values);</li> <li>• Gerald Eve (Planning Consultants); and</li> <li>• Gerald Eve (Residential Values).</li> </ul>
<b>Information Reliance</b>	1.14.	<p>For key relevant planning policies at national, regional, and local level please refer to the Planning Statement.</p>
<b>Planning Policy</b>	1.15.	<p>The application is situated within the LBC and therefore assessment of planning obligations must have regard to LBC's Local Plan; the London Plan (adopted 2021); and the Mayor of London Development Viability Supplementary Planning Document (adopted 2<sup>nd</sup> October 2017) and addendum 2019.</p>
	1.16.	<p>The LBC Local Plan Review Evidence Base: Financial Viability Study was prepared by BNP Paribas in October 2015. We have had reference to this evidence base during the drafting of this FVA.</p>
<b>Professional Judgment</b>	1.17.	<p>As outlined in the RICS GN, in undertaking this exercise, GE is formulating an appropriate judgement based upon information provided by the Applicant as to the viability of the Proposed Scheme and the viability of the Office/Residential Scheme to determine the maximum reasonable level of S106 contributions and requirements the Site could afford. GE assessed the Proposed Scheme with a PiL and the Office/Residential Scheme with on-site housing to determine this.</p>
<b>Viability Model</b>	1.18.	<p>A financial appraisal has been compiled using an industry standard licensed Argus development appraisal to assess the viability of the Proposed Scheme. Whilst this report does have regard to current day costs and values, sensitivities have been made for purposes of the financial modelling and resultant conclusions. These are explained further within the report and results are provided via a present-day appraisal.</p>

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**Sensitivity**

1.19. A risk analysis has been provided to test the sensitivity and robustness of appraisal outputs having regard to changes in the inputs. This is in accordance with RICS Guidance Viability in Planning (2021) and normal practice when undertaking financial viability assessments in respect of schemes of this nature.

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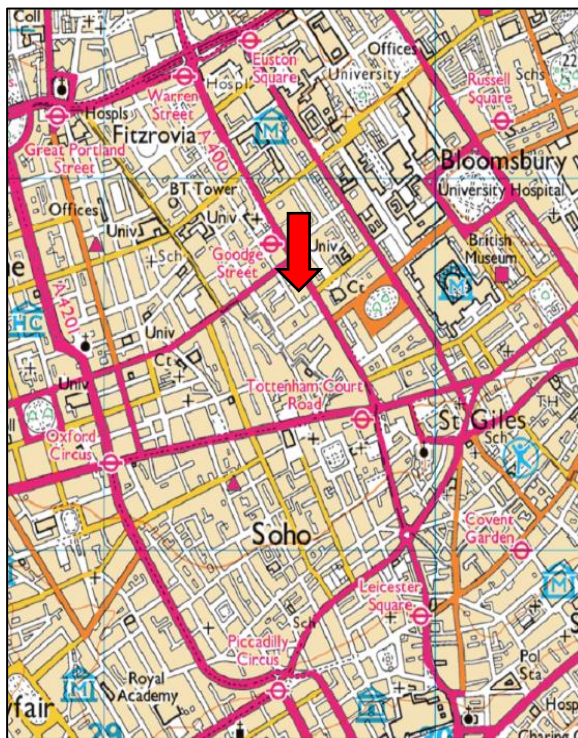
## 2. REQUIREMENT FOR THE FVA AND VIABILITY GUIDANCE

<b>Intro</b>	2.1. This section aims to address the need to undertake an FVA in accordance with the National Planning Policy Framework.
<b>Relevant Local Policy and Guidance</b>	2.2. In addition to the NPPF (2021) and National Planning Guidance ('NPG') this report has regard to LBC's Local Plan; the London Plan (adopted 2021); and the Mayor of London Development Viability Supplementary Planning Document (adopted 2 <sup>nd</sup> October 2017) and addendum 2019.
	2.3. LBC Local Plan Policy H2 sets out the requirements of developments, providing over 200sqm (GIA) of new/additional floorspace, to provide 50% of all additional floorspace as self-contained housing. The Proposed Scheme only includes commercial office and retail space and as such would be considered to be deviating from LBC's planning policy. Providing on-site housing on this Site creates a constrained development with sub-par residential units (single aspect only), thus impacting the quality of the remaining office floorspace. As such, GE has been instructed to justify whether the inclusion of residential space is financially viable, considering the impact this inclusion has on the Proposed Scheme's GDV and costs.  Further detail on this policy is provided at Sections 4 and 8.
<b>Viability Guidance</b>	2.4. Viability in planning has its focus in the NPPF originally published in March 2012 and revised in 2021 which sets out the Government's planning policies for England and how these are expected to be applied. The NPPF recognises the place of viability testing, in both plan-making and decision-making.
	2.5. Further guidance relating to interpreting the NPPF is set out in National Planning Guidance (NPG) which refers to viability both in planning obligations (PPG 2016) and viability (NPG 2019 as amended) and indicates that planning viability assessments are recommended to reflect NPG, in determined appropriate planning obligations.
	2.6. The NPG indicates that viability assessments are to be undertaken by suitably qualified practitioners. The Royal Institute of Chartered Surveyors (RICS) has published practitioner guidance in 2012 and 2021 regarding viability assessments in planning. The RICS also produced a Professional Statement (September 2019 which was re-issued as a Professional Standard in 2023) which indicates mandatory guidance for qualified practitioners for when undertaking viability in planning.
<b>NPPF paragraph 58</b>	2.7. Paragraph 58 of the National Planning Policy Framework states:  <i>Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable.</i>  <u><i>It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.</i></u>  <i>The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force.</i>  <i>All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance [NPG], including standardised inputs, and should be made publicly available.</i>

<b>Reasons for an FVA</b>	<p>2.8. Paragraph 007 of the NPG indicates:</p> <p><i>Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.</i></p>
<b>FVA Justification</b>	<p>2.9. In this circumstance, the Applicant considers that providing a policy compliant provision of on-site housing would result in an inferior scheme and as such seeks justification to instead provide a PiL to make the scheme policy compliant, if viable.</p>
<b>NPPF</b>	<p>2.10. Further guidance relating to interpreting the NPPF is set out in within Planning Practice Guidance and more specifically National Planning Guidance (NPG) regarding Viability (2019). Viability is further referenced in planning obligations (PPG 2016) and indicates that planning viability assessments are recommended to reflect NPG, in determining appropriate planning obligations. Paragraph 10 of the NPG sets out an approach to standardised assumptions which should be tested against a BLV.</p>
	<p>2.11. Furthermore, RICS also produced a Professional Statement (September 2019, re-issued as a Professional Standard in 2023) which indicates mandatory guidance for qualified practitioners when undertaking viability in planning, whether acting on submission or review.</p>

### 3. SITE BACKGROUND AND PLANNING CONTEXT

<b>Intro</b>	3.1.	This section looks to provide background information about the Site, including geography and use.
<b>Town / Setting</b>	3.2.	The Site is located within the LBC within Greater London and extends to approximately 0.328 acres (0.133 hectares) and comprises a 4-storey building above ground and one lower ground floor level fronting Tottenham Court Road and Whitfield Street.
<b>Location</b>	3.3.	The Site is located at 55 Tottenham Court Road and 16 Whitfield Street, nestled between Goadge Street and Tottenham Court Road underground stations. The area is a popular retail destination with Oxford Street situated approximately 0.7 miles to the southwest.



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Location map (1:25,000). Not to scale



©Crown Copyright 2022. Licence no 100022432.  
Location map (1:1,250). Not to scale.

<b>Connectivity</b>	3.4.	<p>The Site is highly accessible in regard to public transport links and is situated between two prominent underground stations.</p> <p>Goodge Street is situated approximately 0.1 miles to the north and is served by the Northern Line; with Tottenham Court Road underground station being situated approximately 0.3 miles to the south, benefitting from access to the Central, Northern and Elizabeth Line. The Site is a short walk to several National Rail railway stations, including Euston (0.7 miles) and Kings Cross St Pancras (1.3 miles), providing access to locations across the UK and Continental Europe.</p>
<b>Existing Use</b>	3.5.	<p>The Site is currently occupied by Marks and Spencer ('M&amp;S') on the lower ground and ground floor, with vacant office on the upper floors. The Site was originally developed in 2001 for the British Transport Police; it was built under a PFI-funded contract and was subsequently not built to a high design standard. At the time of this report, the property is being fully stripped out, ready for redevelopment</p>



## 4. PLANNING CONTEXT

<b>Planning Policy and Related Matters</b>	<p>4.1. As noted, the application is situated within LBC and therefore assessment of planning obligations must have regard to LBC’s Local Plan; the London Plan (adopted 2021); and the Mayor of London Development Viability Supplementary Planning Document (adopted 2<sup>nd</sup> October 2017) and addendum 2019.</p> <p>Camden Local Plan Policy H2 sets out the requirements of developments, providing over 200sqm (GIA) of new/additional floorspace, to provide 50% of all additional floorspace as self-contained housing.</p> <p>We understand that the Consented Scheme does not trigger this policy requirement, as it does not provide in excess of 200sqm (GIA) of new/additional floorspace. The Proposed Scheme does trigger this on-site requirement; we have modelled the Proposed Scheme (with the inclusion of a policy compliant PiL payment), as well as testing the viability of a scheme where Policy H2 is met with regards to on-site provision.</p>
<b>Affordable Workspace</b>	<p>4.2. LBC’s policy on affordable workspace is stated below:</p> <p><i>‘A key priority of the Camden Plan is to ensure that Camden’s residents and businesses are able to access the wealth of opportunity provided by inclusive growth in the borough. We use the planning process and Section 106 agreements (s106) to help deliver this by ensuring opportunities for affordable workspace, training, apprenticeships, work experience, local recruitment and procurement.’</i></p>
<b>Site Wide Designations</b>	<p>4.3. GE understand the key planning designations to be:</p> <ul style="list-style-type: none"> <li>• Charlotte Street Conservation Area;</li> <li>• Central London Area;</li> <li>• GLA Central Activities Zone; and</li> <li>• Conservation Area Retail frontage (though no retail designation as part of the Local Plan)</li> </ul>
<b>Planning History</b>	<p>4.4. The existing Site’s lawful planning use is Retail Class E(a) at 55 Tottenham Court Road, with 16-24 Whitefield Street holding Sui Generis associated with the previous occupier, the British Transport Police.</p> <p>4.5. The Site gained full planning permission in November 2022 (refs. 2022/2626/P) for extensions at the second to fourth floors to provide commercial Class E floorspace. This scheme remains extant and the Applicant is likely to go ahead with developing out this scheme if the Proposed Scheme does not achieve planning permission.</p>
<b>Summary</b>	<p>4.6. The NPPF has a clear presumption in favour of sustainable development and local planning authorities should take account of this when determining planning applications. GE would note that the Proposed Scheme has stronger ESG and design credentials when compared to the Consented Scheme.</p>
	<p>4.7. For detailed analysis of the planning context and please refer to the Town Planning Statement.</p>

## 5. PROPOSED SCHEME

<b>Intro</b>	5.1. This section looks to set out the design and use principles of the Proposed Scheme, setting out proposed uses, quantum and design principles. The Proposed Scheme sets the context for determining the GDV and Costs.
<b>The Proposed Scheme</b>	5.2. The proposed redevelopment ('the Proposed Scheme') comprises a planning application for the:  <i>'Partial demolition; change of use to offices (Class E); extensions at first, second, third and fourth floors to provide additional office (Class E) floorspace; new replacement façades at Whitfield Street and Tottenham Court Road elevations; partial new replacement facades at north and south elevations; rooftop plant equipment, PV panels and green roof; external amenity areas at first, second, third and fourth floors; removal of basement car parking, ramp and vehicle dock; and associated external alterations.'</i>
	5.3. The Proposed Scheme seeks to repurpose the existing British Transport Police building into high quality Class E office space, while also maintaining retail space (occupied by M&S) at LG and G level. The Proposed Scheme will provide office accommodation from LG to L4 of 16-24 Whitfield Street; levels 1-4 will also benefit from outdoor terraces while the wider scheme will provide enhanced facilities in the form of cycle storage space and shower/changing space. In addition to this, the existing retail space (occupied by M&S) at 55 Tottenham Court Road will benefit from an upgraded M&E system. GE note that the Proposed Scheme does not intend to modify the M&S retail space at LG and G level, with the exception of upgrades to the plant room and we understand M&S will continue occupying the Site following refurbishment.
	5.4. The proposals will also seek to make substantial upgrades to the building's façades to ensure it is of an improved design.
	5.5. To summarise, the proposals will re-invigorate an underutilised building in a prominent location, to ensure it better meets the requirements of office occupiers and the ambitions of the CAZ.
<b>Retail (Marks and Spencer)</b>	5.6. We understand the retail space is let to M&S which encompasses a 30-year lease expiring on the 10 March 2032.  We have not attributed any value to the M&S space within our viability appraisal as the rent is confidential. In any case, the rent would be same in the BLV and the Proposed Scheme (as the space shall continue to be occupied by M&S on the same terms upon delivery of the works) and therefore its exclusion was considered acceptable as it would effectively be a cost neutral value.
<b>Consented Scheme Comparison</b>	5.7. The Proposed Scheme intends to provide higher quality office space when compared to the Consented Scheme. These improvements include superior architectural detailing to the façade, improved massing of the building which fronts Tottenham Court Road, outdoor amenity space, an enhanced office entrance and improved sustainability credentials.
	5.8. Key design enhancements include stylistic improvements to the Whitfield Street entrance, the elevations shall be upgraded providing improved detailing and more terrace space, and an updated façade of spandrel panels and brick piers are included to elevate the external detailing.
	5.9. The Proposed Scheme also looks to deliver a greater level of external amenity space delivering superior workspace for occupiers, while also providing enhanced sustainability credentials in the form of a green/biodiverse roof.

<b>Accommodation Schedule</b>	5.10.	We have provided a summary of the accommodation at Table 1 below, for a full accommodation schedule please refer to <b>Appendix 1</b> .
<b>Car Parking</b>	5.11.	The scheme does not propose to provide any car parking.

**Table 1: Proposed Scheme Accommodation Schedule**

<b>Use</b>	<b>Areas (NIA)</b>	<b>Areas (GIA)</b>
Office	3,682 sqm (39,633 sq. ft)	4,115 sqm (44,293 sq. ft)
Affordable Workspace	224 sqm (2,411 sq. ft)	255 sqm (2,745 sq. ft)
Retail (M&S)	1,267 sqm (13,638 sq. ft)	1,383 sqm (14,886 sq. ft)
Ancillary Space and Common Parts	-	566 sqm (6,092 sq. ft)
<b>Total</b>	<b>5,173 sqm (55,682 sq. ft)</b>	<b>6,319 sqm (68,017 sq. ft)</b>

## 6. GROSS DEVELOPMENT VALUE

<b>Intro</b>	6.1.	This section looks to address the identified Gross Development Value ('GDV') in accordance with the NPPG (2019) paragraphs 10 and 11. GDV is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grants and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.
<b>Commercial Office Values</b>	6.2.	Savills has provided a market report, attached in <b>Appendix 2</b> , which sets out the applied commercial value assumptions including rents, yields and rent-free periods for the office space.
<b>Commercial Office Assumptions</b>	6.3.	For the purposes of the Argus Developer model, we have combined the rent free and void period as a single event (34 months for the private office space and 12 months for the affordable workspace) to ensure the cash flow is modelled accurately.

**Table 2: Commercial Office Rents and Yields**

Use	Rent (average) (Per sq. ft)	Yield %	Rent Free Period (Months)	Void (months)
Office	£80	4.50%	22	12
Affordable Office	£25	5.50%	6	6

<b>Commercial Comparables (Rental)</b>	6.4.	Savills has undertaken an analysis of the commercial office rental market and has provided a list of nearby comparables. GE has summarised these below and further detail can be found at <b>Appendix 2</b> .
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**Table 3: Commercial Office Rental Comparables**

Address	From	Areas (sqft)	Rent £ psf	Comments
1 Newman Street, W1T 1PB	Q2 2023	7,923	£94.78	Let to Bazaarvoice on a 10-year lease with a mutual break after 4.5 years. 10 Months' rent free.
60 Charlotte Street, W1T 2NU	Q2 2023	11,997	£91.00	Let to Coremonth on a 10 Year lease with a tenant break option (TBO) in the 5 <sup>th</sup> year. The tenant benefits from 14 months rent free, plus a further 10 months if they do not exercise their break.
The Manufactory Tottenham Court Road, W1T 7LQ	Q1 2023	11,544	£90.00	Let to Mission Co. on a 12 year lease with a TBO in the 7 <sup>th</sup> year. The tenant benefits from 14 months rent free, plus a further 10 if they do not exercise their break.
Wells & More, 45 Mortimer Street, W1W 8HJ	Q4 2022	10,980	£97.50	Let to Synova on a 10 year lease, the tenant benefits from a break in the 5 <sup>th</sup> year.
Met Building, 22 Tower Street, WC2H 9NS	Q4 2022	9,054	£105.00	Let to Select Equity Group on a straight 10-year lease. The tenant benefited from 20 months' rent free.
Met Building, 22 Tower Street, WC2H 9NS	Q4 2022	4,464	£105.00	Let to Lapithus Management on a 10-year lease. The tenant has the benefit of a break option in the 5 <sup>th</sup> year. Further incentives include 12 months' rent free. The

				tenant also benefits from a further 10 months' rent free if they choose to not exercise their break.
Yalding House, 156 Great Portland Street, W1W 6AJ	Q4 2022	5,393	£90	Let to Lion Field Holdings on a 10-year term. The tenant benefits from 12 months rent free. They also have the option to break from the lease at the 5 <sup>th</sup> year. However, a further 10 months rent free incentive is offered if the break is not exercised.
101 New Cavendish Street	Q3 2022	13,250	£67.50	Let to Fin Tech Partners on a 10-year lease. The tenant benefits from 15 months' rent free with a further 9 months granted if the tenant does not exercise their break option in year 5.
101 New Cavendish Street	Q3 2020	11,080	£70	Let to Integral Ad Science on a 10-year lease. The tenant benefits from 14 months' rent free with a further 10 months granted if the tenant does not exercise their break option in year 5.
101 New Cavendish Street	Q2 2022	13,250	£67.50	Let to FT Partners on a 10-year lease. The tenant benefits from 15 months' rent free with a further 9 months granted if the tenant does not exercise their break option in year 5.
90 Whitfield Street	Q2 2022	18,851	£72.50	Let to Michael Kors on a 10-year lease with 24 months' rent free. The tenant has a break option available at the 3 <sup>rd</sup> anniversary.
Wells and More, 45 Mortimer Street	Q4 2022	10,980	£87.50	Let to Synova on a 10 year term with a break option in the 5 <sup>th</sup> . The tenant benefits from 11 months of rent free, with a further 10 months' if the tenant does not exercise their break option.
1 Newman Street	Q4 2022	13,972	£93.50	10 Year lease to AKO Capital the tenant benefits from 12.5 months of rent free plus a further 10.5 months if the tenant waives their break option at the 5 <sup>th</sup> anniversary.
	6.5.	Savills, using their comparable data, has provided Estimated Rental Values ('ERV') for each floor of the Proposed Scheme, taking into account site-specific features such as the extent of outdoor terraces. The blended average of Savills' ERV equates to £80 psf. Full details of the ERV by floor can be found at <b>Appendix 2</b> .		
<b>Commercial Comparables (Transactional)</b>	6.6.	Savills has also undertaken an analysis of the commercial office transactional market and has provided a list of key transactional comparables which GE has summarised below, further detail can be found in <b>Appendix 2</b> .		

**Table 4: Commercial Office Investment Comparables**

Address	Date	Areas (sqft)	NIY	Comments
19-22, Rathbone Place, W1T 1HY	Jun-23	41,170	4.68%	The property transacted for £61,480,000. The asset is multi let office to 4 tenants with a WAULT of 2 years at sale. The property was purchased for a capital value of £1,493.
27, Soho Square, W1D 3QR	Jun-23	30,990	4.65%	The asset transacted for £45,500,000. The property comprises of a multi let office/retail unit, ground floor retail is let to Barclays Bank, while 4 office tenants and two

					vacant floors. The property has a WAULT of 2.19 years till expiry.
7-11, Herbrand Street, WC1N 1AF	May-22	67,097	4.64%		The asset transacted for £85,000,000 with a WAULT of 4.00 years. Fully let to a single company. The property had a capital value at sale of £1,267.
GPS House, 215-226, Great Portland Street, W1W 5PN	May-23	34,253	3.98%		The asset transacted for £52,750,000 with a WAULT at sale of 17.50 and let to a single organisation, HCA International. The sale reflected a capital value of £1,540.
33, Foley Street, W1W 7TL	Mar-23	42,199	4.32%		The asset transacted for £82,000,000 with a WAULT at sale 19.75 years, single let to Kier Limited. The sale reflected a capital value of £1,943.
20 Golden Square, 5-8 Lower John Street, W1F 9JL	Mar-22	24,695	3.44%		The asset transacted for £49,000,000 with a WAULT of 7.00 years with two tenants in occupation. The property is fully let. The sale reflected a capital value of £1,984.
12-13, Wells Mews, W1T 3UW	Mar-22	22,798	4.44%		The asset transacted for £43,280,000 with a WAULT of 7.50. The property is part let at sale. The transaction reflected a capital value of £1,898.
	6.7.	Based on the evidence provided by Savills, a Net Initial Yield of 4.50% has been utilised for the private office floorspace and 5.50% for the affordable workspace.			
<b>Retail</b>	6.8.	While GE recognise there is retail space at lower ground and ground level, we would note that the space is currently leased to M&S. Therefore, there will be no additional value from this space as part of the proposals. Notwithstanding this, £500,000 has been allowed for within the appraisal to upgrade the M&E equipment associated with the M&S store.			
<b>GDV Summary</b>	6.9.	We set out a breakdown for the uses in the table below:			

**Table 5: GDV Summary**

Type	Total GDV
Affordable Office	£826,455
Office	£62,416,132
Retail	£0
<b>Total</b>	<b>£63,242,587</b>

## 7. COSTS AND PROGRAMME

<b>Intro</b>	7.1.	This section considers the costs applied within our appraisal. Costs associated with Site value and development return are addressed in later sections, as well as other inputs identified in the NPG (paragraph 12), including CIL, S106, finance and fees.				
<b>Adopted Assumptions/ Approach</b>	7.2.	We have relied upon a cost estimate provided by Gardiner & Theobald ('G&T') attached at <b>Appendix 3</b> , which includes a full cost estimate for the Proposed Scheme.				
<b>BCIS/actual</b>	7.3.	Paragraph 12 of the NPG states that assessment of costs should be based on evidence which is reflective of local market conditions. Costs should include appropriate data, abnormal costs and site-specific infrastructure costs.				
<b>Construction Costs</b>	7.4.	G&T has provided a construction Cost Plan for the Proposed Scheme, dated June 2023, of £16,733,000. This figure excludes contingency and professional fees.				
<b>Abnormal Costs</b>	7.5.	NPG highlights that an FVA should look to identify development specific abnormal costs which need to be accounted for when assessing viability.				
<b>Other Costs</b>	7.6.	We have been advised that there are potential abnormal costs of £620,000, which we have entered into our appraisal under the heading of 'Other Costs'. <i>These costs are commercially sensitive and should be treated as confidential.</i>				
<b>Contingency</b>	7.7.	A contingency of 5% on construction costs has been allowed for within our appraisals as the G&T Cost Plan does not include a contingency allowance. This assumption has regard to the nature and risk associated within a development of this nature.				
<b>Planning Obligations</b>	7.8.	GE has been provided with indicative S106 contributions by GE's Planning team. We have therefore allowed for S106 contributions totalling £50,000 of highways contributions as well as on-site affordable workspace.  This is set out in more detail within section 8.				
	7.9.	GE has tested the inclusion of a policy compliant on-site housing PiL of £600,750, as provided by GE's Planning team, but this has been found to be unviable. The total viable PiL contribution the Proposed Scheme can afford has been found to be £325,750.  Therefore, while tested at the full policy compliant level of £650,750, the maximum reasonable amount of obligations the Proposed Scheme can afford equates to c. £375,750.				
<b>CIL</b>	7.10.	CIL costs have been calculated at £273,000 by GE's Planning team.				
<b>Finance Costs</b>	7.11.	We have included a finance rate of 8.5% within our appraisal. GE considers this rate to be appropriate and in line with the market and other FVAs undertaken in LBC. The approach and reasoning behind this are set out fully at <b>Appendix 4</b> .				
	7.12.	<p><b>Table 6: Finance Rate</b></p> <table border="1"> <thead> <tr> <th></th> <th>Allowance</th> </tr> </thead> <tbody> <tr> <td>Finance rate</td> <td>8.50%</td> </tr> </tbody> </table>		Allowance	Finance rate	8.50%
	Allowance					
Finance rate	8.50%					

<b>Project/Design Team Fees</b>	7.13.	General industry assumptions for professional fees range between 8% and 15% depending upon the specific nature of the scheme.												
	7.14.	<p>We have applied a rate of 10% within our appraisals as we deem this to be reflective of a scheme of this nature. Contingency has not been applied to these costs.</p> <p>The professional fees accounted for in the 10% allowance include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• Architect</li> <li>• Planning</li> <li>• Cost consultant</li> <li>• Structural engineer</li> </ul>												
<b>Marketing, Legal and Disposal Fees</b>	7.15.	As part of our assumptions, it is correct to allow for fees associated with the marketing, letting and sale of the commercial floorspace. Our assumptions in respect of these fees and budgets are set out in Table 7 below:												
	7.16.	<p><b>Table 7: Summary of Commercial Marketing and Disposal fees</b></p> <table border="1"> <thead> <tr> <th>Disposal Fee</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>Commercial Letting Agent fee</td> <td>15%</td> </tr> <tr> <td>Commercial Letting Legal fee</td> <td>5%</td> </tr> <tr> <td>Commercial Marketing Fee</td> <td>1.5%</td> </tr> <tr> <td>Commercial Sales Agent Fee</td> <td>1%</td> </tr> <tr> <td>Commercial Legal fee</td> <td>0.5%</td> </tr> </tbody> </table>	Disposal Fee	Fee	Commercial Letting Agent fee	15%	Commercial Letting Legal fee	5%	Commercial Marketing Fee	1.5%	Commercial Sales Agent Fee	1%	Commercial Legal fee	0.5%
Disposal Fee	Fee													
Commercial Letting Agent fee	15%													
Commercial Letting Legal fee	5%													
Commercial Marketing Fee	1.5%													
Commercial Sales Agent Fee	1%													
Commercial Legal fee	0.5%													
<b>Land Acquisition fees</b>	7.17.	We have applied standard land acquisition costs in our appraisal including agent's fees at 1%, legal fees at 0.5% and SDLT at 5%. This reflects current day standard viability assumptions.												
<b>Programme</b>	7.18.	We have been provided with a programme by the Applicant which sets out the construction timescales of the Proposed Scheme, these have been summarised in Table 8 below. Please see <b>Appendix 5</b> for further details on the programme.												

**Table 8: Development Programme**

Type	Period (months)
Pre-construction	1 months
Construction	1 years 10 months
<b>Total</b>	<b>1 year 11 months</b>

Source: The Applicant



## 8. PLANNING OBLIGATIONS (NOTIONAL)

Intro	8.1. Whilst associated costs are identified in the Cost section of this report. GE further highlights the assumed Local Plan policy contributions which have been assumed in this report. Sensitivity testing may look to adjust these assumptions and it is recognised that these may change during the application process which may affect viability.
S106	8.2. At this stage GE’s Planning Team have advised us that the total S106 package would be c. £650,700 (this includes a policy compliant PiL). This has been included in the assessment to represent anticipated S106 costs. The breakdown of the contributions are set out below: <ul style="list-style-type: none"> <li>• PiL (off-site housing) – £600,750<sup>1</sup></li> <li>• Highways Work – £50,000</li> <li>• On-site Affordable workspace</li> </ul>
Mixed-Use Payment / On-site Housing	8.3. LBC Local Plan Policy H2 promotes the provision of residential development in mixed use schemes where non-residential land uses are promoted. In the Central London Area, where development involves additional floorspace (GIA of 200 sq. m+), LBC seeks 50% of all additional floorspace to be self-contained housing. Where LBC is satisfied that providing on-site housing is not practical, LBC will, in exceptional circumstances, seek a mixed-use payment in lieu of this provision. <p>LBC’s policy on mixed-use developments (H2) is set out below:</p> <p><i>‘To support the aims of Policy H1, where non-residential development is proposed the Council will promote the inclusion of self-contained homes as part of a mix of uses:</i></p> <ul style="list-style-type: none"> <li>• <i>In the Central London Area and the town centres of Camden Town, Finchley Road/ Swiss Cottage and Kilburn High Road, where development involves additional floorspace of more than 200sqm (GIA), we will require 50% of all additional floorspace to be self- contained housing, subject to the following considerations.</i></li> </ul> <p><i>Where housing is required as part of a mix of uses, we will require self-contained housing to be provided on site, particularly where 1,000sqm (GIA) of additional floorspace or more is proposed. Where the Council is satisfied that providing on-site housing is not practical or housing would more appropriately be provided off-site, we will seek provision of housing on an alternative site nearby, or exceptionally a payment-in-lieu.’</i></p>
	8.4. Given the parameters of the Site’s location, with it being in a Conservation Area, and taking into account the nature of the proposals (refurbishment and small extension rather than demolish and re-build), the opportunity to provide on-site housing is extremely limited and impractical.
	8.5. In order to further assess the Proposed Scheme and its viability, Halebrown Architects prepared plans for a scheme which includes a policy compliant level of on-site housing (the ‘Office/Residential Scheme’). GE as part of sensitivity testing has assessed the Office/Residential Scheme to determine if providing on-site housing is a viable proposition when compared to the Proposed Scheme, which does not provide any.
Affordable Workspace	8.6. Policy E2(f) of LBC’s Local Plan states that higher density redevelopment will be considered where they include floorspace such as managed affordable workspace. Camden Planning Guidance document ‘Employment sites and business premises’ paragraph 36 sets out that affordable

<sup>1</sup> As per the Camden Planning Guidance Housing January 2021: Self-Contained on-site housing target (sqm) (GIA) x £1,500

	workspace will be sought from large scale employment developments with a floorspace of 1,000 sqm (GIA) or more.
	8.7. Paragraph 37 of the Employment Sites and Business Premises CPG (2021) provides examples of how affordability has been defined in recent schemes. Para 38 states that LBC will ‘consider alternative suggestions for providing affordable workspace’. For the purposes of this FVA we have allowed for a 50% reduction on MR values in relation to the Affordable Workspace, covering a 10-year period. This percentage and length of time is in line with the extant permission and in consistent with the heads of terms within the accompanying Planning Statement.
<b>Community Infrastructure Levy</b>	8.8. LBC has an adopted CIL schedule, as does the GLA. GE’s Planning Team have used these to calculate indicative figures which we have provided below: <ul style="list-style-type: none"> <li>• Total CIL Liability - £273,000</li> </ul> <p>We note that these are indicative estimates only.</p>

## 9. RETURN TO THE DEVELOPER

<b>Intro</b>	<p>9.1. A significant factor in undertaking viability assessments for development purposes is the level of return which a developer might reasonably require from undertaking the development and in turn on what basis the Proposed Scheme could be funded and financed. This will depend on several factors including the size of the development, the perceived risks involved, the degree of competition between funding and finance institutions for the Proposed Scheme, the state of the market in terms of demand for and lot size of the completed development and the anticipated timescales for development and for receiving a return.</p>
	<p>9.2. Development profit is usually necessary to attain investment to implement and deliver any given project. The level of profit is essentially the reward to the developer for the time, expertise and risk involved in carrying out the process of development.</p>
	<p>9.3. It is important to distinguish between the return required to undertake (and implement) a development and that which could be implied when undertaking Market Valuations of the Site in accordance with the RICS Red Book. Also, the RICS Red Book Valuation is an unrestricted value of the Site compared to a restricted value under the RICS GN. Finally, implied returns cannot be market evidenced, are heavily reliant on other inputs into an appraisal and do not represent the terms upon which the bank will lend in accordance with the principles set out in paragraph 2.5.2 of the RICS GN.</p>
	<p>9.4. Measurements of return such as ‘profit on cost’, ‘profit on value’, ‘development yield’, or ‘internal rates of return’ (IRR) ratios are commonly used as comparable benchmark ratios. The return (profitability) of a scheme should be tested against a target benchmark return based on the risks of the scheme.</p>
	<p>9.5. It is, however, more common for standard development opportunities to be considered on a return on gross revenue (GDV) basis as indicated in the NPG (2018). The NPG (2018) indicates that potential risk to development is accounted for in the assumed return for developers and it regarded as the role the developers, not plan makers or decision makers, to mitigate these risks, not for obligations to maintain them.</p>
	<p>9.6. Determination of an appropriate target rate of return can depend on several factors, but it is predicated on the risk associated with developing out the proposed Site. The more risk involved, the higher return the developer will require.</p> <p>The development return adopted in this instance considers the following factors, which are specific to the Site and the Proposed Scheme:</p> <ul style="list-style-type: none"> <li>• The Proposed Scheme comprises a substantial refurbishment and extension;</li> <li>• Local market conditions and competing schemes within the vicinity;</li> <li>• Ongoing uncertainty following Brexit;</li> <li>• Ongoing uncertainty with regards to macro-economic pressures throughout 2023;</li> <li>• Continued increases to the BoE base rate;</li> <li>• Continued cost inflation;</li> <li>• Variation to the abnormal / other costs stated; and</li> <li>• National Planning Guidance on viability.</li> </ul>
<b>Return on GDV</b>	<p>9.7. We have allowed for a profit (on GDV) of 15% on the office floorspace and 15% on the affordable workspace. This level of return on the office element remains within NPG guidance and has regard to associated risks at the plan stage. As we have excluded the retail GDV from our assessment, we have not applied a profit return on this element of the Proposed Scheme.</p>



9.8.	<p>We have targeted a 15% profit return on the commercial space.</p> <p><b>Table 9: Applied Target Rate of Return</b></p> <table border="1" data-bbox="469 465 1104 560"><thead><tr><th colspan="2" data-bbox="469 465 1104 515">Profit Return</th></tr></thead><tbody><tr><td data-bbox="469 515 785 560">Commercial</td><td data-bbox="785 515 1104 560">15%</td></tr></tbody></table>	Profit Return		Commercial	15%
Profit Return					
Commercial	15%				
9.9.	<p>We consider that all inputs into our appraisal have been reasonably justified. GE has clearly set out supporting and reasonable justification for all inputs considered.</p>				

## 10. BENCHMARK LAND VALUE (BLV)

<b>Intro</b>	10.1. To define the viability of a proposed scheme a BLV should be established on the basis of the Existing Use Value (EUV) of the land, plus a premium for the landowner, or by calculating an Alternative Use Value (AUV). This value is compared to the Residual Land Value (RLV) of the Scheme, thus informing if deviation from plan policy requirements is justifiable.
<b>NPG</b>	10.2. NPG expects that viability is determined using a BLV which reflects the aggregate of the site's EUV (component 1) and a premium for incentivising the landowner to release the land for development (component 2), or an AUV (which is not subject to an additional premium as the 'alternative use' is considered to already reflect this), having regard to policy. Therefore, in accordance with NPG, this section looks to establish the BLV for this Site.
	10.3. As set out below there are two primary elements to consider when considering the BLV: <ul style="list-style-type: none"> <li>• EUV plus a premium; and/or</li> <li>• AUV.</li> </ul>
	10.4. The BLV should also account for any abnormal costs which would be required to deliver the proposed value. Furthermore, where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. For clarity, where the existing use is taken and a premium added, this will be considered as an EUV + premium when establishing BLV.
<b>AUV</b>	10.5. For viability assessments, AUV refers to the value of land for uses other than its existing use. The AUV of the land may be informative in establishing the BLV. When applying alternative uses to establish BLV, such AUVs should be limited to those uses which would fully comply with up-to-date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the Local Plan. For the purposes of establishing a BLV, a refurbished existing use would be acceptable.
	10.6. In this instance, to calculate the BLV we have assumed an AUV which is reflective of the approved and implemented planning application (ref. 2022/2626/P) ('the Consented Scheme'). The Consented Scheme assumes the floorspace is refurbished to a good standard and also includes an extension at second to fourth floor levels to provide additional office floorspace, new external plant and amenity areas are also provided at the third and fourth floors.
	10.7. GE would re-iterate that as the Consented Scheme is implemented, the Applicant intends to deliver this scheme if the Proposed Scheme cannot be progressed.
	10.8. GE has prepared an appraisal reflecting the AUV, whereby: <ul style="list-style-type: none"> <li>• The property is refurbished and extended (as per the approved Consented Scheme and in line with the cost estimate provided by G&amp;T – <b>Appendix 6</b>);</li> <li>• The property is then re-let on appropriate lease terms (as per the Savills ERVs – <b>Appendix 2</b>).</li> </ul>
	10.9. The applied rents, rent free periods and capitalisation rates therefore reflect the improved specification compared with the existing condition, albeit these are slightly below the Proposed Scheme to reflect the Proposed Scheme's superior design, ESG credentials and configuration.

	10.10.	Assuming the above, GE has determined the AUV to be <b>c. £19.575 million</b> .
	10.11.	It should be noted that in a case where the Proposed Scheme or the Office/Residential Scheme was determined to be <i>significantly</i> less viable than the Consented Scheme; the Applicant could opt to deliver the Consented Scheme as this has been implemented.
<b>EUV</b>	10.12.	For the purposes of this FVA the EUV reflects AUV as the Consented Scheme is implemented by not completed.
<b>Premium</b>	10.13.	NPG indicates that the premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'Existing Use Value Plus' ('EUV+'). Alternatively, the difference between the EUV and AUV is also considered to reflect the 'premium'.
	10.14.	The NPG at paragraph 16 states that establishing a reasonable premium will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration.
<b>BLV Summary</b>	10.15.	In arriving at the BLV, we have had regard to the methodology and approach in determining BLV set out in this Section. We have also had regard to the NPPF, NPG, Affordable Housing and Viability SPG, the RICS GN and mandatory requirements of the RICS Practice Statement in respect of reporting and conduct. We summarise our establishment of BLV below.
	10.16.	We have arrived at an opinion of BLV at which a reasonable landowner would be willing to sell for development by: <ul style="list-style-type: none"> <li>• Applying a reasonable valuation judgement;</li> <li>• Informed by the relevant available facts;</li> <li>• Regard to the obligations and considerations related to the Site;</li> <li>• With a realistic understanding of the local area and the operation of the market;</li> <li>• Reflecting all policy requirements;</li> <li>• Delivering a reasonable return to the landowner; and</li> <li>• Assuming the Site is free of any encumbrances, or restrictions on title which would adversely affect the value.</li> </ul>
<b>Applied BLV</b>	10.17.	Taking all the above into account, we have adopted a BLV for viability testing in planning of: <p style="text-align: center;"><b>£19,575,000</b> <b>(Nineteen Million Five Hundred and Seventy Fifty Thousand)</b></p>
	10.18.	GE recognise that this proposed BLV may not reflect the Market Value of the property and we do not consider it is reflective of purchase price which may take into consideration other assumptions beyond those set out in NPG. We further recognise that the NPG makes it clear that price paid cannot be used to support BLV.
	10.19.	The full Argus appraisal for the Consented Scheme / BLV can be found at <b>Appendix 7</b> .

## 11. RESIDUAL LAND VALUE APPRAISAL

<b>Intro</b>	11.1.	This section sets out the viability outcome of applying the assumptions presented in earlier sections.
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**Table 10: Proposed Scheme Appraisal Summary**

Appraisal Output	Output
Affordable Workspace	£0.82m
Office	£62.42m
Retail	£0
<b>Total GDV</b>	<b>£63.24m</b>
<b>Total NDV</b>	<b>£58.94m</b>
BLV	£19.575m
Acquisition Costs (on BLV)	£1.26m
Build Cost	£16.73m
Contingency	£0.83m
Professional Fees	£1.67m
On-Site Housing PiL	£0.60m
Other Costs (S106, CIL, M&E, Other)	£1.39m
Marketing and letting	£1.59m
Disposal Fees	£0.94m
Finance	£5.11m
<b>Total Dev Cost</b>	<b>c. £49.70m</b>
Target Profit Return	15%
Actual Return on GDV (15%)	14.49%
<b>Able to support any further contributions?</b>	<b>No</b>

<b>Initial Viability Conclusion</b>	11.2.	The output of our viability assessment for the Proposed Scheme, which includes a policy compliant PiL amongst other contributions, as set out above, indicates that the Proposed Scheme produces a return below the target rate of return.
	11.3.	While the Applicant recognises this position, the Applicant is also clear on their preference, which is to deliver the Proposed Scheme (over the Consented Scheme) to ensure they can hold the property as a long-term asset which is designed and geared to meet the needs of good covenanted office occupiers.
	11.4.	GE has sought to undertake sensitivity and scenario testing to further scrutinise this outcome, see Section 12 below. We have undertaken further analysis into providing a policy compliant level of housing as per the mixed-use policy, the findings are detailed in 12.10 onwards.
	11.5.	The full Argus appraisal for the Proposed Scheme can be found at <b>Appendix 8</b> .

## 12. SENSITIVITY

<b>RICS</b>	<p>12.1. The RICS requires that all FVAs and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation of respective calculations on viability, having regard to risks and an appropriate return(s). This is to:</p> <ul style="list-style-type: none"> <li>• Allow the applicant, decision- and plan-maker to consider how changes in inputs to a financial appraisal affect viability, and;</li> <li>• Understand the extent of these results to arrive at an appropriate conclusion on the viability of the application scheme (or of an area-wide assessment).</li> </ul> <p>This also forms part of an exercise to ‘stand back’ and apply a viability judgement to the outcome of a report.</p>																																													
<b>Sensitivity 1 – Present Day</b>	<p>12.2. A sensitivity analysis is a simplistic (but widely used) approach for testing viability and the robustness of the Proposed Scheme. Uncertainties can be identified in respect of the inputs and their effects can then be looked at in terms of the development return and then the level of planning payment. In short, this is a straightforward deterministic approach from which a judgement needs to be made as to the appropriateness of the outcome. Benchmarks can be used as performance measures. A prudent developer will also consider the sensitivities of a development and assess the risks of the project.</p>																																													
	<p>12.3. GE has run a sensitivity test on the effect of variations in revenue and build costs, looking at a variation of <math>\pm 2.5\%</math> to <math>\pm 5\%</math> to the commercial values and construction costs. The impact on the profit return is presented in the following table.</p>																																													
	<p>12.4. <b>Table 11: Scheme – Scheme Sensitivity Analysis – Rent Values and Construction Cost</b></p> <table border="1" data-bbox="488 1200 1493 1507"> <thead> <tr> <th colspan="2"></th> <th colspan="5">Rental Values</th> </tr> <tr> <th colspan="2"></th> <th>-5%</th> <th>-2.5%</th> <th>0%</th> <th>+2.5%</th> <th>+5%</th> </tr> </thead> <tbody> <tr> <th rowspan="5">Gross Construction Costs</th> <th>-5%</th> <td>12.28%</td> <td>14.25%</td> <td>16.12%</td> <td>17.91%</td> <td>19.60%</td> </tr> <tr> <th>-2.5%</th> <td>11.42%</td> <td>13.41%</td> <td>15.31%</td> <td>17.11%</td> <td>18.83%</td> </tr> <tr> <th>0%</th> <td>10.56%</td> <td>12.58%</td> <td>14.49%</td> <td>16.31%</td> <td>18.05%</td> </tr> <tr> <th>+2.5%</th> <td>9.70%</td> <td>11.74%</td> <td>13.68%</td> <td>15.52%</td> <td>17.27%</td> </tr> <tr> <th>+5%</th> <td>8.84%</td> <td>10.90%</td> <td>12.86%</td> <td>14.72%</td> <td>16.49%</td> </tr> </tbody> </table>			Rental Values							-5%	-2.5%	0%	+2.5%	+5%	Gross Construction Costs	-5%	12.28%	14.25%	16.12%	17.91%	19.60%	-2.5%	11.42%	13.41%	15.31%	17.11%	18.83%	0%	10.56%	12.58%	14.49%	16.31%	18.05%	+2.5%	9.70%	11.74%	13.68%	15.52%	17.27%	+5%	8.84%	10.90%	12.86%	14.72%	16.49%
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	<p>12.5. If the Proposed Scheme saw rental values increase by 5% and construction costs reduce by 5%, the profit output would be 19.60% (on GDV), exceeding the target rate of return by 4.60% (15% profit on GDV). This would indicate the Proposed Scheme could (in this instance) afford the full PiL. On the contrary, if rents did not increase but construction costs increased by 5%, this would indicate the Proposed Scheme could not viably afford the full PiL (by a greater margin than at present), as the profit return would fall to 12.86%.</p>																																													
<b>Sensitivity 2 – Interest Rates</b>	<p>12.6. Due to recent increases in interest rates, we have run a sensitivity to demonstrate the potential effect this could have on the Proposed Scheme’s viability position. The base position reflects an interest rate of 8.50%, with the sensitivity then modelling an incremental increase of 0.25% up to an aggregate interest rate of 9.50%.</p>																																													



12.7. **Table 12: Interest Rate Increase – Sensitivity Analysis**

	Interest Rates (+0.25%)				
	8.50%	8.75%	9.00%	9.25%	9.50%
<b>Profit on GDV</b>	14.49%	14.24%	13.99%	13.73%	13.48%

12.8. The above sensitivity illustrates that if finance rates continue their upward trend, there would be a further significant impact upon the viability of the Proposed Scheme, with an increase of 1% reducing the Proposed Scheme return by 1.01.% to 13.48%.

**Sensitivity Test 3 – Comparison against Consented Scheme**

12.9. GE has also analysed the Proposed Scheme on a Residual Land Value basis to determine the viability of the Proposed Scheme against the Consented Scheme. This shows that with providing the full policy compliant PiL of £600,750, the Proposed Scheme RLV is £19.31m, approximately £250,000 lower than the RLV of the Consented Scheme. When reducing the PiL to the maximum affordable amount (£325,750), the RLV of the Proposed Scheme increases to £19.57m, which is comparable to the Consented Scheme in viability terms (setting aside other scheme benefits of the Proposed Scheme).

**Scenario Test (Residential / Office Scheme)**

12.10. We have also undertaken scenario testing to determine the outcome of developing out a policy compliant scheme including four on-site residential market units. This 'Office/Residential Scheme' fully meets LBC's mixed-use policy H2.

12.11. While we note the Proposed Scheme and Office/Residential Scheme designs are externally similar, the impact of providing additional residential flats within this constrained Site impacts the proposed office area floorplates which become compromised. Further, the proposed residential units within this option are also of low quality, being single aspect with limited outlook, especially to the rear.

12.12. The large number of required entrances at street level will not create an active and well considered streetscape. These units would also have limited on-site facilities (e.g., concierge) and there is a risk of acoustic issues due to commercial space being over the residential. Given the size of the site, only four residential units can be included. The area breakdown of this scheme can be found at **Appendix 9**.

12.13. GE has undertaken a detailed analysis of the local residential market and determine reasonable sales values to be:

**Table 13: Residential Values**

Unit Type	Capital Value (£)	Price p/sqft (£)
2b3p (market)	£861,000	£1,230
2b3p (market)	£903,600	£1,200
1b2p (market)	£726,300	£1,350
1b2p (market)	£823,650	£1,275

These have been included in our opinion of GDV for the Office/Residential Scheme.

12.14. GE has assumed the following profit return for the Office/Residential Scheme:

- Office (market and affordable): 15%
- Residential: 17.5%

<b>Scenario Testing Results</b>	12.15. Based upon the analysis undertaken, the Office/Residential Scheme at Savills advised rents ( <b>Appendix 2</b> ) results in a return of 7.87% profit on GDV. This return reflects a financial deficit of -7.27% against the target of 15.14% profit on GDV.								
	<p>12.16. <b>Table 14: Office/Residential Scheme Scenario Test Summary</b></p> <table border="1" data-bbox="486 517 981 712"> <thead> <tr> <th data-bbox="486 517 730 589">Input</th> <th data-bbox="730 517 981 589">Residential/Office Scheme</th> </tr> </thead> <tbody> <tr> <td data-bbox="486 589 730 629">GDV</td> <td data-bbox="730 589 981 629">£58.37m</td> </tr> <tr> <td data-bbox="486 629 730 669">Target Profit on GDV</td> <td data-bbox="730 629 981 669">15.14%</td> </tr> <tr> <td data-bbox="486 669 730 712"><b>Profit Return on GDV</b></td> <td data-bbox="730 669 981 712"><b>7.87%</b></td> </tr> </tbody> </table>	Input	Residential/Office Scheme	GDV	£58.37m	Target Profit on GDV	15.14%	<b>Profit Return on GDV</b>	<b>7.87%</b>
Input	Residential/Office Scheme								
GDV	£58.37m								
Target Profit on GDV	15.14%								
<b>Profit Return on GDV</b>	<b>7.87%</b>								
	12.17. This sensitivity illustrates that the Office/Residential Scheme is significantly more unviable than the Proposed Scheme when using the rents advised by Savills, which reflect the internal configuration of the Office/Residential Scheme. GE therefore conclude that providing on-site housing is not a viable or practical option for this Site. The Applicant is instead willing to make a policy complaint PiL (which makes the Proposed Scheme unviable, albeit by a smaller margin) in place of on-site provision.								
<b>Scenario Sensitivity (Counterfactual Rents)</b>	12.18. As an additional sensitivity to the Scenario Test, GE has modelled the Office/Residential Scheme at counterfactual office rents equivalent to the Proposed Scheme to demonstrate this would not impact the overall outcome. As previously noted, Savills advise that the Office/Residential Scheme would achieve lower rents when compared to the Proposed Scheme as it has an inferior internal configuration.								
	12.19. This Counterfactual sensitivity results in a return of 12.56% profit on GDV. This return reflects a financial deficit of -2.57% against the target of 15.13% profit on GDV. We re-iterate this counterfactual scenario does not represent rents which would be considered achievable at the Office/Residential Scheme.								
	12.20. GE therefore note that the viability results indicate that the provision of a policy compliant level on-site housing is not a viable proposition. A full comparison of inputs between the Proposed Scheme and Office/Residential Schemes can be found at <b>Appendix 9</b> .								

## 13. CONCLUDING STATEMENT

<b>Instruction</b>	<p>13.1. Gerald Eve LLP ('GE') has been instructed to undertake a Financial Viability Assessment ('FVA') on behalf of Mayhunt Limited ('the Applicant'), to demonstrate the particular circumstances which justify why the application cannot be assumed to be viable when complying with plan policy contributions in accordance with Paragraph 58 of the National Planning Policy Framework (2021).</p>
	<p>13.2. The purpose of this report is to provide justification for any proposed deviation from anticipated plan policy contributions. To summarise, the Proposed Scheme does not provide on-site housing due to the impacts this would have on the office accommodation and the overall Scheme's viability. The Proposed Scheme therefore deviates from LBC Local Plan policy H2. To quantify this impact, GE has modelled the Office/Residential Scheme, which provides on-site housing, to determine if this is a viable proposition. GE has also modelled the Proposed Scheme to determine if a policy compliant housing PiL can be afforded.</p>
	<p>13.3. For reference, the Proposed Scheme comprises the:</p> <p><i>'Partial demolition; change of use to offices (Class E); extensions at first, second, third and fourth floors to provide additional office (Class E) floorspace; new replacement façades at Whitfield Street and Tottenham Court Road elevations; partial new replacement facades at north and south elevations; rooftop plant equipment, PV panels and green roof; external amenity areas at first, second, third and fourth floors; removal of basement car parking, ramp and vehicle dock; and associated external alterations.'</i></p>
<b>BLV</b>	<p>13.4. In this instance, to calculate the BLV we have undertaken an AUV assessment utilising the Consented Scheme (reference 2022/2626/P). This scheme was approved in November 2022 and is inferior in design, ESG credentials and office accommodation provision when compared to the Proposed Scheme (which includes additional affordable workspace and office accommodation). GE note that the Consented Scheme does not trigger LBC's mixed-use policy requiring the provision of on-site residential accommodation and therefore is not required to provide on-site housing or a PiL of housing. GE note that the Applicant has implemented the Consented Scheme and is therefore able to deliver this scheme at any time should it wish; however, the Applicant's ambition is to deliver the enhanced Proposed Scheme.</p>
	<p>13.5. Based upon our assessment of the Consented Scheme, GE considers the BLV of the Site to be c. £19.575m. This figure is used as a fixed land value in assessing the Proposed Scheme and Office/Residential Scheme appraisals.</p>
<b>Results</b>	<p>13.6. Based upon the analysis undertaken, our appraisal of the Proposed Scheme, including a policy compliant On-Site Housing PiL, results in a return of 14.49% profit on GDV. This return is slightly below the target of 15% profit on GDV.</p>
	<p>13.7. We understand that a policy compliant level of on-site housing would equate to four units. Setting aside the impracticalities of delivering housing on-site due to the practical and management constraints of the Site, we have tested this scenario. Based upon the analysis undertaken, the Office/Residential Scheme at Savills advised rents results in a return of 7.87% profit on GDV. This return is below the target of 15.14% profit on GDV.</p>



13.8.	Savills advise that the Office/Residential Scheme would achieve lower rents when compared to the Proposed Scheme as it has an inferior internal configuration. In any case, GE has tested a 'counterfactual scenario' where rents reflect the level of the Proposed Scheme. This Counterfactual sensitivity results in a return of 12.56% profit on GDV. This is below the target of 15.13% profit on GDV. We re-iterate this counterfactual scenario does not represent rents which would be considered achievable at the Office/Residential Scheme.
13.9.	Based upon the analysis undertaken, GE concludes that the Proposed Scheme achieves a residual return below the target rate of return and therefore the maximum reasonable contribution that can be required having regard to viability is £325,750. We understand that the Applicant is willing to offer £325,750 PiL, £50,000 Highways contribution, CIL contributions and 255 sqm GIA of on-site affordable workspace. On this basis any further contributions or on-site provision of housing cannot therefore be justified at this stage, based upon viability.



Appendices



Appendix 1

**Proposed Area Schedules-Rev P10**

Existing	NIA		GIA		GEA	
Floor	Area (sqm)	Area (sqft)	Area (sqm)	Area (sqft)	Area (sqm)	Area (sqft)
Fourth	0	0	224	2,411	234	2,519
Third	765	8,234	816	8,783	868	9,343
Second	873	9,397	925	9,957	980	10,549
First - Office	778	8,374	831	8,945	1,169	12,583
First - Retail Plant	0	0	282	3,035		
Ground - Retail	635	6,835	683	7,352	721	7,761
Ground - Police Station	504	5,425	538	5,791	567	6,103
Basement - Retail	632	6,803	675	7,266	705	7,589
Basement - Car Park Etc	0	0	544	5,856	570	6,135
<b>Total</b>	<b>4,187</b>	<b>45,068</b>	<b>5,518</b>	<b>59,395</b>	<b>5,814</b>	<b>62,581</b>
<b>Notes</b>						
GEA- Measured to outside face or centre of dividing wall between demises. Area measured includes the UKPN substation						
GIA - Measured as demises of separate uses (measured to centre of dividing walls between separate uses). Area measured includes the UKPN substation						
NIA - Police station measured as office area without internal partitions						
Proposed Scheme	NIA		GIA		GEA	
Floor	Area (sqm)	Area (sqft)	Area (sqm)	Area (sqft)	Area (sqm)	Area (sqft)
Roof	0	0	25	269	35	377
Fourth	700	7,535	780	8,396	835	8,988
Third	780	8,396	865	9,311	930	10,010
Second	950	10,226	1,060	11,410	1,125	12,109
First - Office	1,008	10,850	1,123	12,088	1,215	13,078
First - Retail Plant	0	0	25	269		
Ground - Retail	635	6,835	683	7,352	721	7,761
Ground Office - Reception	0	0	102	1,098	568	6,114
Ground - Office	129	1,389	152	1,636		
Ground - Affordable Office	73	786	85	915		
Ground - Cycle Store + circulation	0	0	200	2,153		
Basement - Retail	632	6,803	675	7,266	705	7,589
Basement - Office	115	1,238	135	1,453	570	6,135
Basement - Affordable Office	151	1,625	170	1,830		
Basement - Showers + circulation	0	0	239	2,573		
<b>Total</b>	<b>5,173</b>	<b>55,682</b>	<b>6,319</b>	<b>68,017</b>	<b>6,704</b>	<b>72,161</b>
<b>Difference to Existing</b>	<b>986</b>	<b>10,613</b>	<b>801</b>	<b>8,622</b>		
GEA- Measured to outside face or centre of dividing wall between demises. Area measured includes the UKPN substation						
GIA - Measured as demises of separate uses (measured to centre of dividing walls between separate uses). Area measured includes the UKPN substation						



Appendix 2



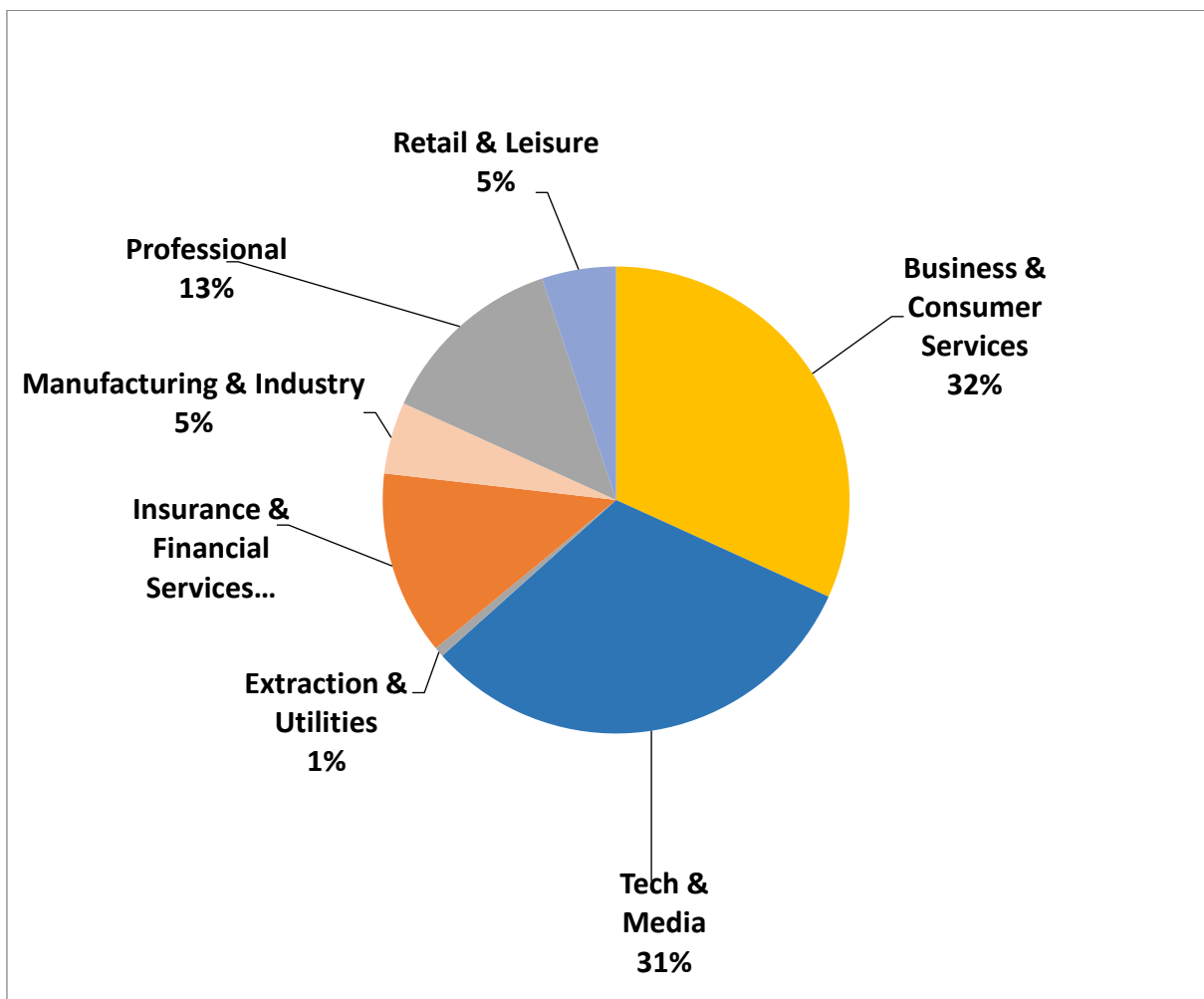
At the Half Year 2023, take-up in the West End is 36% down on last year and 22% down on the five year average. Take Up in the West End is currently 1,470,000 sq feet with under offers at 1,100,000 sq feet.

93% of this take up has been new builds or refurbishments and majority of take-up being in the “greener” office buildings. 53% of the take-up in the first six of 2023 in the West End was in buildings with a BREEAM rating of Excellent or Outstanding.

While take up has been low, forward indications for take-up are positive, with 3.8m sq ft of space under offer within Central London at the end of June 2023. This is the highest level of under offers since October 2021, and is 57% above the long term average.

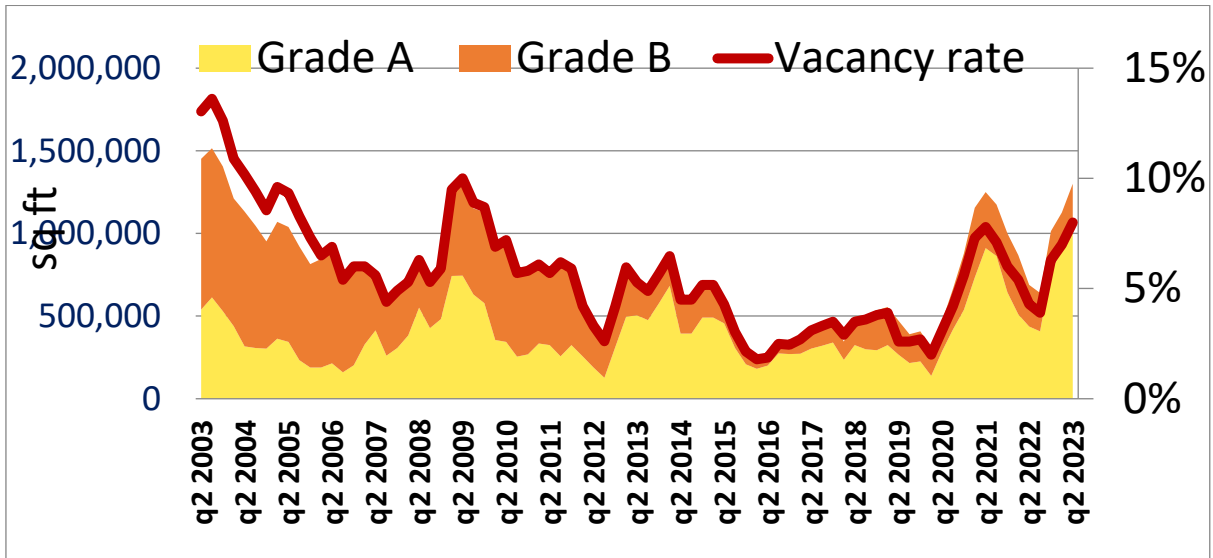
Insurance and Financial Services have accounted for 44% of take up in 2023 with Tech & Media the next highest sector at 19%. In the NOX Sub market Business & Consumer Services was the highest sector with 32% of Take Up, closely followed by Tech & Media at 31%.

#### NOX East Take Up by Business Sector



Vacancy rates in the West End are currently 7.2 % with 8 % in the North of Oxford East sub market. Tenant controlled space has reduced to 18% from a high of 37% in 2020. A large proportion of the vacant space is the Meta building in Triton Street.

**NOX Supply & Vacancy Rate**



The first six months of this year saw the average prime rent achieved in the West End reach a record level of £134.67/sq ft. Best rents are being achieved on prime buildings with the highest environmental standards. For example, in the first six months of 2023 the average rent achieved in the West End on space with a BREEAM rating of Outstanding or Excellent was £23/sq ft higher than the average rent achieved on space with a rating of Very Good or Good.

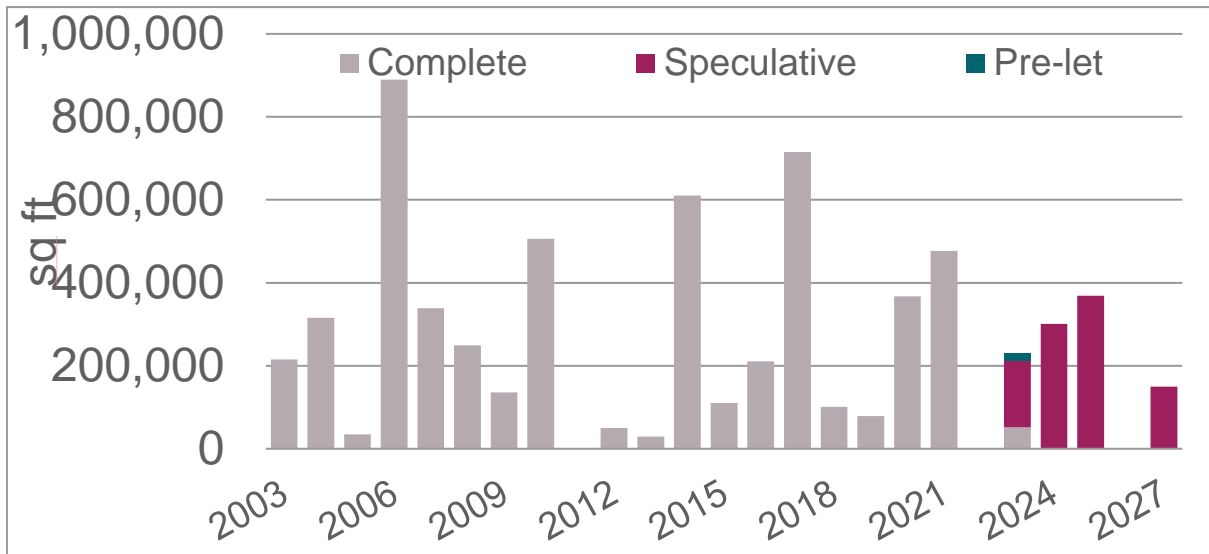
Prime Rents for NOX East are currently £97.50 psf.

The average rent-free period achieved on a typical 10 year lease has remained broadly stable across central London in 2023, at 22 months in the West End and 23 months in the City.

The Development Pipeline for NOX East is presently 180,000 sq feet in 5 schemes scheduled for completion this year, 10% of which have been pre-let.

Current figures show that between 2024 and 2025, 670,380 sq ft is scheduled to complete. The largest of these schemes is Derwent's new development at Network Building, 95-100 Tottenham Court Road (132,000 sq ft)

### NOX East Development Pipeline



Recent deals in the vicinity include Mission Co taking 11,544 sq feet at The Manufactory at a rent of £90 psf, Bazaarvoice acquiring 7,923 sq ft at 1 Newman Street at £94.78 psf and Synova taking 10,980 sq feet at Wells & More at £87.50 psf.

Further recent transactions are shown below:-

Address	Date	Landlord	Tenant	Size Sq Ft	Rent	Lease	Rent Free	Comments
Arthur Stanley House	U/O	Westbrook	Confidential	G-4,198 LG-3,746 B-4,833	£70's O/A	TBC	TBC	New Refurb with Private Outside Space.
101 New Cavendish Street, W1	U/O	BGO	Confidential	10,968	£79.50	10 (5)	6 + 6	Fully Fitted
101 New Cavendish Street	Q3 2022	BGO	Fin Tech Partners	13,250	£67.50	10(5)	15 + 9	Cat A
101 New Cavendish Street	Q3 2022	BGO	Integral Ad Science	11,080	£70	10 (5)	14 + 10	Cat A
101 New Cavendish Street	Q2 2022	BGO	FT Partners	13,250	£67.50	10(5)	15 + 9	Cat A

90 Whitfield Street	Q2 2022	Derwent London	Michael Kors	18,851	£72.50	10 (3)	24	Cat A
1 Newman Street, W1	Q2 2023	Scape	Bazaarvoice	7,923	£94.78	10 (4.5) - mutual break	10 (4.5) - mutual break	New Development with Communal Terrace. Fitted Floor
The Manufactory Tottenham Court Road, WC1	Q1 2023	General Projects / KKR	Mission Co	11,544	£90.00	12 (7)	14 + 10	New Refurb
Wells & More, 45 Mortimer Street, W1	Q4 2022	GPE	Synova	10,980	£87.50	10 (5)	11 + 10	New Refurb with communal courtyard
1 Newman Street, W1	Q4 2022	GPE	AKO Capital	13,972	£93.50	10 (5)	12.5 + 10.5	New Development with Communal Terrace
Met Building, 22 Tower Street, W1	Q4 22	Lazari	Select Equity Group	9,054	£105.0	10	20	Tower Building. New Refurb with Views
Met Building, 22 Tower Street, W1	Q4 22	Lazari	Lapithus Management	4,464	£105.00	10 (5)	10 + 8 mths	Tower Building. New Refurb with Views
Yalding House, 156 Great Portland Street	Q4 22	Macquarie	Lion Field Holdings	6-2,102 5-3,291	£90	10 (5)	12 + 10	Fitted

16 Whitfield Street

Viability Assumptions

### Proposed Scheme

Areas Based on Current Pre-App 02 Scheme

Rents are subject to finalisation of current design.

Floor	Size (Sq Ft)	Rent PSF	Rent Per Annum
4th	7,535	£95	£715,825
3rd	8,396	£85	£713,660
2nd	10,226	£80	£818,080
1st	10,850	£75	£813,750
Ground	1,389	£60	£83,340
Lower Ground	1,238	£30	£37,140
GF & LG	2,627	£45.86	£120,480
GF Affordable	786		
LG Affordable	1,625		

### Consented Scheme

Floor	Size (Sq Ft)	Rent PSF	Rent Per Annum
4 <sup>th</sup>	2637	£90	£237,330
3 <sup>rd</sup>	7,804	£85	£663,340
2 <sup>nd</sup>	10,010	£80	£800,800
1 <sup>st</sup>	10,925	£72.50	£792,063
GF-Office	2,368	£62.50	£148,000
LG Office	3,498	£32.50	£113,685
GF & LG	5,866	£44.61	£261,685
GF-Affordable	2,530		

### Residential

Floor	Size (Sq Ft)	Rent PSF	Rent Per Annum
4 <sup>th</sup>	7,535	£92.50	£696,986
3 <sup>rd</sup>	8,396	£80.00	£671,680
2 <sup>nd</sup>	9,149	£75.00	£686,175
1 <sup>st</sup>	8,880	£67.50	£599,400
GF-Office	1,389	£57.50	£79,868
LG Office	1,238	£27.50	£34,045
GF & LG	2,627	£343.36	£113,913
GF-Affordable	753		
LG-Affordable	1,625		

### Investment

The Central London Investment market is undergoing a period of re-pricing with the value assessments buyers are placing on assets often falling below vendors' pricing aspirations, expectations that are typically set by historic transactional evidence. Since early 2022 a multitude of factors have caused investors to reconsider their willingness to assume risk, become more discerning in their assessment of value and show heightened caution.

Market factors negatively influencing buyer confidence include inflationary pressures, the increased cost of debt, rising construction costs against constrained supply chains and the need to meet rising sustainability standards. The war in Ukraine also poses a constant political anxiety, while domestically Q3 /Q4 2022 was heavily disrupted by changes in the UK political leadership and direction of policy which undoubtedly rippled through into H1 2023, challenging market sentiment.

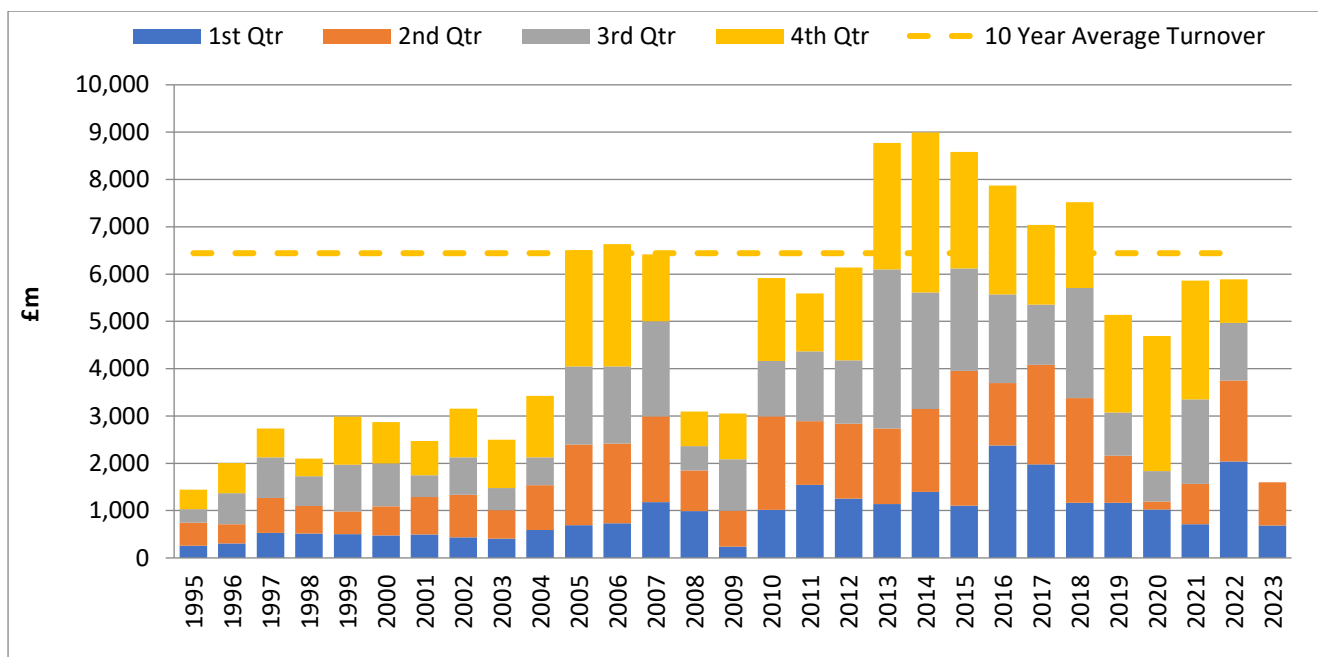
Coupled with this, buyers are displaying increasingly opportunistic behaviour aiming to capitalise on the challenging backdrop and leverage potential vendor distress to secure low prices. Multiple buyers adopting this approach has the affect of depressing prices across the market, as successful transactions create new market evidence which is subsequently treated as a benchmark for future trades.

There are multiple instances where vendors have been unwilling to yield to opportunistic pricing levels, leading to protracted sales processes and a rise in asset withdrawals from the market. As a result, the Central London market has shown subdued transactional volumes relative to previous years. Savills has tracked £3.84bn of deals in H1 2023 split across 76 transactions, reflecting a fall in investment volumes of 37% compared to the five-year average of £6.11bn.

As we expect these highlighted trends to continue into H2 2023, alongside a continued period of pricing correction between stakeholders across the Central London market. As a response to market evidence Savills have, over the last 12 months, moved the prime yield for City offices out from 3.75% to 5.00% and the prime yield for West End offices from 3.25% to 4.00%.

There is an increasing polarisation between the West End and City market in 2023. With investment activity slumped in the City (41% below the 5 year average), the core West End markets have seen slightly more sustained levels of activity and are currently down 20% from the 5 year average. The increased West End activity levels compared to the City is down to multiple factors including; the generally smaller lot sizes (compared to the City) which are more manageable to acquire all-cash, the long term wealth preservation characteristics of the West End for international money in turbulent times, together with the more constrained development pipeline and general view of a robust leasing market.

West End Investment Turnover (by quarter)



### Recent transactional evidence:

Address	Area (sq ft)	Tenure	Tenancy	WAULTC	Price	NIY	Capital Value (psf)	Date	Vendor	Purchaser
<b>Entry Evidence</b>										
Film House, 142, Wardour Street, W1	103,380	LLH (124 yrs at peppercorn)	Refurbished for WeWork occupation - under construction.	-	£132.50 M	-	£1,282	Jun-23	WeWork Capital Advisors	Hines
19-22, Rathbone Place, W1	41,170	FH	Multi-let to 4 office tenants. 4 years to lease expiry and 2 years to breaks	2.00	£61.48 M	4.68%	£1,493	Jun-23	Lothbury	JP Morgan
77, Grosvenor Street, W1	55,506	LLH (131 yrs at 10% gearing)	Vacant possession achievable in December 2023	0.50	£100.00 M	-	£1,802	May-23	Private	Brookfield
27, Soho Square, W1	30,990	FH	Retail let to Barclays Bank until June 2025. Offices multi-let to 4 tenants and 2 floors available.	2.19	£45.50 M	4.65%	£1,468	Jun-23	Hermes	Kajima
141, Wardour Street, W1	29,683	FH	Vacant Possession	-	£39.00 M	-	£1,314	May-23	Orchard Street	GPE
Whitfield Studios, 31-37, Whitfield Street, W1	19,893	FH	Consent for refurbishment scheme to create 21,015 sq ft of offices	-	£27.00 M	-	£1,357	Jul-22	Aviva	Virgin (Richard Branson)
12, Soho Square, W1	15,300	FH	Full vacant possession by December 2022	0.75	£23.50 M	1.20%	£1,536	May-22	Lothbury	ARAX / Cambridge
7-11, Herbrand Street, WC1	67,097	FH	Fully-let to fintech company Thought Machine until October 2026.	4.40	£85.00 M	4.64%	£1,267	May-22	LabTech Investments Teddy Sagi	Life Science REIT
Boston House, 36-38, Fitzroy Square, W1	20,951	FH	Vacant Possession	-	£29.00 M	-	£1,384	Mar-22	Private UK	Randox Health
<b>Exit Evidence</b>										
33, Foley Street, W1	42,199	FH	Single let to Kier Limited until December 2042, RPI-linked rent reviews compounded annually in 2027, 2032 and 2037 (capped and collared at 4% and 2% pa).	19.75	£82.00 M	4.32%	£1,943	Mar-23	Abrdn	Pontegadea

GPS House, 215-226, Great Portland Street, W1	34,253	FH	Single-let let to HCA International Limited, until December 2040 with a tenant option to renew for a further 25 years.	17.50	£52.75 M	3.98%	£1,540	May-23	Amsprop	Cathay
20 Golden Square, 5-8 Lower John Street, W1	24,695	FH	Fully let to two tenants.	7.00	£49.00 M	3.44%	£1,984	Mar-22	Crosstree	Weybourne Holdings (Dyson)
12-13, Wells Mews, W1	22,798	LLH (124 yrs at 5% gearing)	2nd - 5th floors let to Ayden NV, with the ground and 1st floor under offer to Motorway	7.50	£43.28 M	4.44%	£1,898	Mar-22	Angelo Gordon / Hondo	DWS





Appendix 3

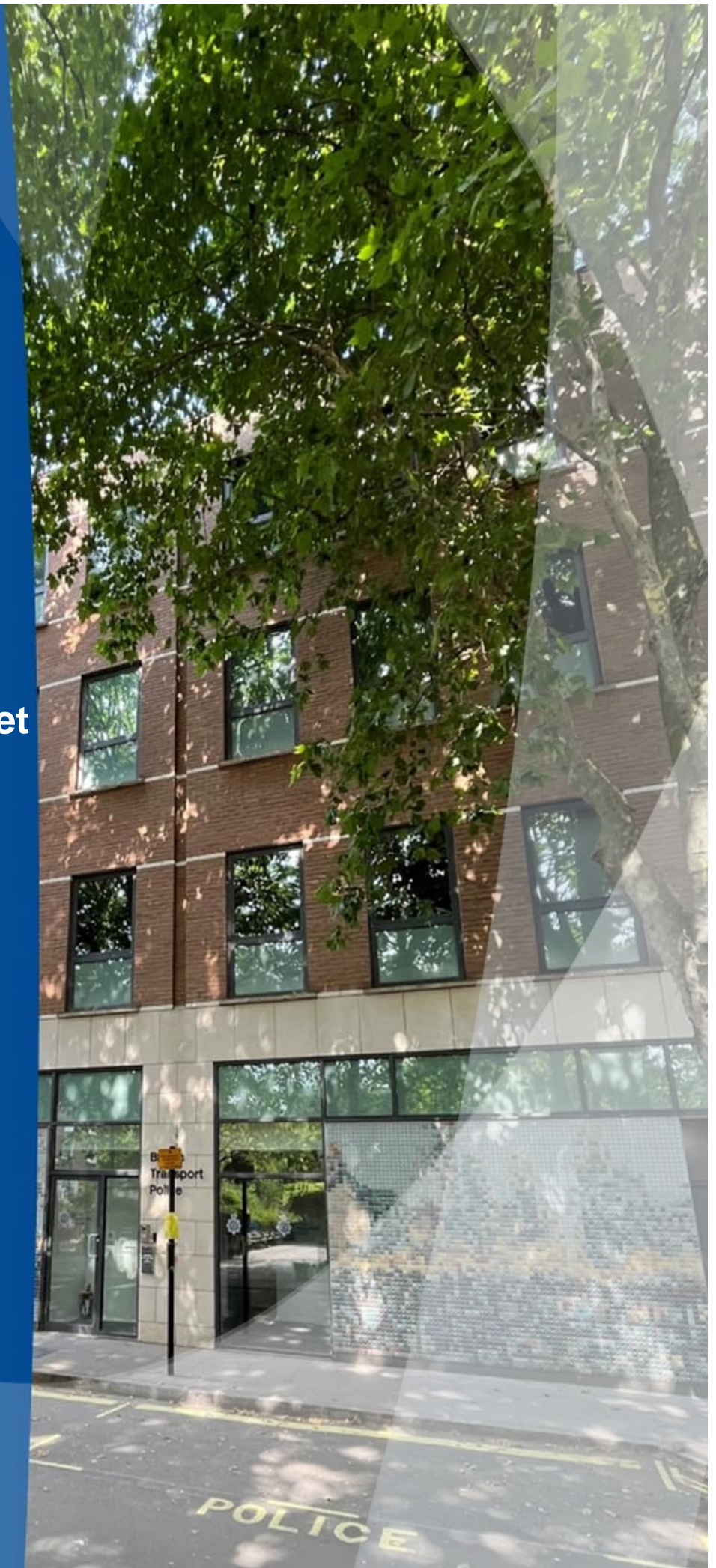
# 16 Whitfield Street

Stage 2 Cost Plan

*Revision No. 1*

*Mayhunt Properties Limited*

Issued Date: June 2023





## YOUR COST MANAGEMENT TEAM



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### *Control Issue*

Revision	Status	Prepared by	Authorized by	Date of issue	Commentary
A	Final	E. Duncalf and D. Harvey	W. Galley	08/06/2023	

Job No: 41419

Base Date: 08/06/2023

RIBA Stage: Stage 2



## 1.1 CONSTRUCTION COST - BLOCK BY BLOCK SUMMARY

A	Strip Out Contract	£274,836	71	7	2
B	16 Whitfield Street	£16,732,898	3,384	314	98
<b>TOTAL</b>		<b>£17,007,734</b>	<b>1,926</b>	<b>179</b>	<b>100</b>
<b>ESTIMATED ROUNDED TOTAL</b>		<b>£17,008,000</b>	<b>1,926</b>	<b>179</b>	

BLOCK NAME	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
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## 1.2 CONSTRUCTION COST - Strip Out Contract SUMMARY

Construction Cost	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
0 Facilitating Works	£274,836	-	-	-
1 Substructure	Excl	-	-	-
2 Superstructure	Excl	-	-	-
3 Internal Finishes	Excl	-	-	-
4 Fittings, furnishings and equipment	Excl	-	-	-
5 Services	Excl	-	-	-
6 Prefabricated Buildings & Building Units	Excl	-	-	-
7 Works to Existing Buildings	Excl	-	-	-
8 External Works	Excl	-	-	-
F.O Fit Out	Excl	-	-	-
<b>Sub Total</b>	<b>£274,836</b>	-	-	-
9 Main Contractors Preliminaries	Excl	-	-	-
10 Main Contractors On Costs	Excl	-	-	-
<b>Main Contract Total</b>	<b>£274,836</b>	-	-	-
11 Project / Design Team Fees	Excl	-	-	-
12 Other Development / Project Costs	Excl	-	-	-
<b>Base Date Total</b>	<b>£274,836</b>	-	-	-
13 Risk	Excl	-	-	-
<b>Total - Excluding Inflation</b>	<b>£274,836</b>	-	-	-
14 Inflation	Excl	-	-	-
<b>Total - Including Inflation</b>	<b>£274,836</b>	-	-	-
<b>Estimated Rounded Construction Cost</b>	<b>£275,000</b>	-	-	-



## 1.3 CONSTRUCTION COST - 16 Whitfield Street SUMMARY

Construction Cost	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
0 Facilitating Works	£247,450	50	5	1
1 Substructure	£167,625	34	3	1
2 Superstructure	£5,614,080	1,135	105	34
3 Internal Finishes	£302,605	61	6	2
4 Fittings, furnishings and equipment	£301,470	61	6	2
5 Services	£3,897,240	788	73	23
6 Prefabricated Buildings & Building Units	Excl	-	-	-
7 Works to Existing Buildings	Excl	-	-	-
8 External Works	£373,000	75	7	2
F.O Fit Out	£2,047,439	414	38	12
<b>Sub Total</b>	<b>£12,950,909</b>	<b>2,619</b>	<b>243</b>	<b>77</b>
9 Main Contractors Preliminaries	£1,942,636	393	36	12
10 Main Contractors On Costs	£1,839,353	372	35	11
<b>Main Contract Total</b>	<b>£16,732,898</b>	<b>3,384</b>	<b>314</b>	<b>100</b>
11 Project / Design Team Fees	Excl	-	-	-
12 Other Development / Project Costs	Excl	-	-	-
<b>Base Date Total</b>	<b>£16,732,898</b>	<b>3,384</b>	<b>314</b>	<b>100</b>
13 Risk	Excl	-	-	-
<b>Total - Excluding Inflation</b>	<b>£16,732,898</b>	<b>3,384</b>	<b>314</b>	<b>100</b>
14 Inflation	Excl	-	-	-
<b>Total - Including Inflation</b>	<b>£16,732,898</b>	<b>3,384</b>	<b>314</b>	<b>100</b>
<b>Estimated Rounded Construction Cost</b>	<b>£16,733,000</b>	<b>3,384</b>	<b>314</b>	

## 2.1 Basis

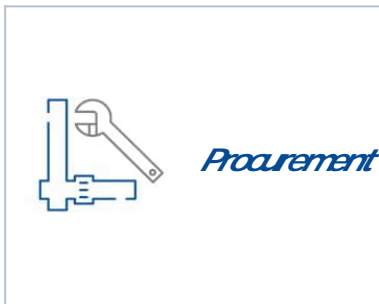
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- An office refurbishment, creating an additional story of 66,576ft<sup>2</sup>. Across the 4 floors reinstatement CAT A replacing all M&E installations with an 'on-floor' arrangement.



- The construction programme has yet to be concluded. At present we have assumed the following programme;
- Demolition/Strip Out - Q2 23
- Main works - Q4 23



- The procurement strategy for the works is yet to be determined but it is assumed to be a competitive, single stage and a separate strip out demolition contract from the main works.
- Design and Build 2016 JCT Contract - design at Stage 3.



- Measurement has been completed by Gardiner and Theobald. The areas have been measured in accordance with the RICS code of measuring practice 6th edition.
  - Gross and net internal areas of the proposed building have been measured from the architects general arrangements as listed in the design information schedule.
-



## 2.2 Key Assumptions

The following should be read in conjunction with Sections 1-3 and are a list of key assumptions that have been made to inform the basis of our costs:

Key Assumptions	
1	Estimated costs have been prepared using current day pricing levels (Q2 2023), with separate allowances included for Tender and Construction inflation.
2	Allowances have been included for Main Contractor preliminaries and Main Contractor's overheads and profit across all construction works.
3	Design and construction risk allowances have been included to reflect the status of the design. This has not been discussed with the Architect.
4	New build costs that has been discussed in principle with the Architects where not specifically noted in the Stage 2 documentation.
5	Any specific client / other risk allowances deemed to be included elsewhere by the client and have not been provisioned for within this Cost Estimate.
6	An allowance for phasing of the works has not been included within the Cost Plan. No allowance has been made for working outside of normal working hours.
7	The procurement strategy for the works is yet to be determined but is assumed to be a competitive lump sum with all works tendered under one main contract.
8	We have assumed the demolition/strip out is to be completed under a separate contract from the main works.
9	It is assumed that the existing structure is sufficient and no strengthening of foundations is required to sustain the top floor.
10	Gross and Net internal areas of the existing building have been measured by Gardiner and Theobald. There are differences between the Hale Brown measure and Gardiner and Theobald's measure. We will need to review this with Hale Brown as the both the NIA/GIA slightly vary.
11	Gross and Net internal areas of the proposed buildings have been measured from the drawings included in the drawing reference list.
12	Gross and Net internal areas of the proposed buildings have been measured from the drawings included in the drawing reference list.
13	Areas are intended for the production of the Cost Estimate only and should not be relied upon for any other purpose.
14	The project has been costed on the basis of current Building Regulations and makes no allowance for the results of the Consultation Paper with Government regarding Banning the use of Combustible materials in the external walls of high-rise residential buildings and any other further changes to the Building Regulations such as the introduction of secondary means of escape etc.
15	The designs comply with current Building Regulations.





## 2.3 List of Inclusions / Exclusions

The following should be read in conjunction with the Sections 1-3 and are a list of inclusions / exclusions that have been used to inform the basis of our costs. The items highlighted as 'included' below have been allowed for within our Cost Estimate. No allowances have been costed for those items identified as 'excluded' below. The items noted under the heading 'client' are deemed to have been accounted for by the client elsewhere in their development appraisal.

List of inclusions/exclusions		Ind.	Exd.	Client
1	Value Added Tax			X
2	Land acquisition costs and fees			X
3	Client finance, legal or marketing costs			X
4	Professional fees (e.g. design, PCSA, PM, surveys etc.)			X
5	Planning and building regulation fees			X
6	Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc.			X
7	Project insurances			X
8	Section 106 / 278 Contributions including cycle hire costs and parking bay removal			X
9	Community Infrastructure Levy Contributions or similar			X
10	Benefits arising from any potential Capital Allowances or other government incentives / grants		X	
11	Fluctuation of exchange rate		X	
12	Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union		X	
13	Statutory changes		X	
14	Works outside of the site boundary except where specifically stated		X	
15	Public art installations or contributions		X	
16	Phasing of works		X	
17	Works outside of normal working hours generally		X	
18	Mock-ups, prototypes, off site benchmark and the like, save for where specifically stated		X	
19	Tenants costs or contributions		X	
20	Loose fittings, furnishings and equipment and external furniture		X	
21	Asbestos removal; full survey should be carried out		X	
22	Fees, works or costs associated with abnormal ground conditions, including contamination		X	
23	Underpinning of adjoining structures	X		
24	Archaeological investigations and exploratory or resulting works	X		
25	Diversion of existing below ground services		X	
26	Cost associated with LUL/Cross rail 2 surveys and monitoring		X	



## 2.3 List of Inclusions / Exclusions

List of inclusions/exclusions	Ind.	Exd.	Oient
27 Carbon offset payments		X	
28 Increased design criteria for bomb protection and hostile vehicle mitigation		X	
29 IT hardware		X	
30 Connection to district heating system		X	
31 Changes in costs and / or programme caused by an epidemic or pandemic disease; advice or guidance issued and / or laws or actions taken by the UK Government or other relevant governmental or regulatory bodies (including the NHS) in the UK (or abroad) in relation thereto		X	
32 Power factor correction and harmonics		X	
33 Audio visual installations and equipment		X	
34 Spares and maintenance costs		X	
35 Tenant fit out beyond Cat A		X	
36 The project has been costed on the basis of current Building Regulations and makes no allowance for the results of the Consultation Paper with Government regarding Banning the use of Combustible materials in the external walls of high-rise residential buildings and any other further changes to the Building Regulations such as the introduction of secondary means of escape etc		X	
37 Costs relating from force majeure events		X	



### 3.1 AREA SCHEDULE 16 Whitfield Street – m<sup>2</sup>

LEVEL	GIA	Net Internal Area	Nett	Nett: Gross
	Total	Commercial	Total	%
Roof	151		0	0%
4	771	687	687	89%
3	857	770	770	90%
2	1,040	952	952	92%
1	1,082	986	986	91%
G	503	210	210	42%
<b>Above Ground</b>	<b>4,404</b>	<b>3,605</b>	<b>3,605</b>	<b>82%</b>
B1	541	262	262	48%
<b>Below Ground</b>	<b>541</b>	<b>262</b>	<b>262</b>	<b>48%</b>
<b>Total</b>	<b>4,945</b>	<b>3,867</b>	<b>3,867</b>	<b>78%</b>



### 3.2 AREA SCHEDULE 16 Whitfield Street – ft<sup>2</sup>

LEVEL	GIA	Net Internal Area	Nett	Nett: Gross
	Total	Commercial	Total	%
Roof	1,625		0	0%
4	8,299	7,395	7,395	89%
3	9,225	8,288	8,288	90%
2	11,194	10,247	10,247	92%
1	11,647	10,613	10,613	91%
G	5,414	2,260	2,260	42%
<b>Above Ground</b>	<b>47,404</b>	<b>38,804</b>	<b>38,804</b>	<b>82%</b>
B1	5,823	2,820	2,820	48%
<b>Below Ground</b>	<b>5,823</b>	<b>2,820</b>	<b>2,820</b>	<b>48%</b>
<b>Total</b>	<b>53,227</b>	<b>41,624</b>	<b>41,624</b>	<b>78%</b>

## **4. COST ESTIMATE DETAIL**

### **Strip Out Contract**



#### 4.0 Facilitating Works – Strip Out Contract – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Facilitating Works	£274,836			100
<b>Facilitating Works – Total</b>	<b>£274,836</b>	<b>£0</b>	<b>£0</b>	<b>100%</b>
<b>Estimated Rounded Facilitating Works Cost</b>	<b>£275,000</b>	<b>£0</b>	<b>£0</b>	<b>100%</b>



## 4.0 Facilitating Works – Strip Out Contract – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 Facilitating Works- Unallocated</b>							
<b>1.1 Facilitating Works- Unallocated</b>							
1 Enabling works, strip out of existing building by D advance	1	item	274,836.00	274,836		6.57	
<b>Facilitating Works- Unallocated Sub Total</b>				<b>£274,836</b>		<b>7</b>	<b>100%</b>
<b>Facilitating Works- Unallocated (Total)</b>					<b>£274,836</b>		<b>100%</b>
<b>FACILITATING WORKS (TOTAL)</b>					<b>£274,836</b>	<b>£0</b>	<b>100%</b>

## **4. COST ESTIMATE DETAIL**

**16 Whitfield Street**





#### 4.0 Facilitating Works – 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Facilitating Works	£247,450	£50	£5	100
<b>Facilitating Works – Total</b>	<b>£247,450</b>	<b>£50</b>	<b>£5</b>	<b>1%</b>
<b>Estimated Rounded Facilitating Works Cost</b>	<b>£247,000</b>	<b>£50</b>	<b>£5</b>	<b>1%</b>





#### 4.1 Substructure – 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Substructure	£167,625	£34	£3	100
<b>Substructure – Total</b>	<b>£167,625</b>	<b>£34</b>	<b>£3</b>	<b>1%</b>
<b>Estimated Rounded Substructure Cost</b>	<b>£168,000</b>	<b>£34</b>	<b>£3</b>	<b>1%</b>



## 4.1 Substructure – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 Substructure</b>							
<b>1.1 Substructure</b>							
<b>Basement Upgrade to waterproofing</b>							
1 Cavity drain to basement slab	541	m2	75	40,575		0.76	
2 Screed to basement slab	541	m2	50	27,050		0.51	
3 Blockwork liner wall	400	m2	250	100,000		1.88	
		<b>Substructure</b>	<b>Sub Total</b>	<b>£167,625</b>		<b>3</b>	<b>100%</b>
			<b>Substructure (Total)</b>		<b>£167,625</b>	<b>£3</b>	<b>100%</b>
<b>SUBSTRUCTURE (TOTAL)</b>					<b>£167,625</b>	<b>£ 3</b>	<b>1%</b>



## 4.2 Superstructure – 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Frame	£1,150,272	£233	£22	20
2 Upper Floors	£160,595	£32	£3	3
3 Roof	£1,203,814	£243	£23	21
4 Stairs & Ramps	£156,750	£32	£3	3
5 External Walls	£1,363,750	£276	£26	24
6 Windows & External Doors	£1,109,900	£224	£21	20
7 Internal Walls & Partitions	£287,700	£58	£5	5
8 Internal Doors	£181,300	£37	£3	3
<b>Superstructure – Total</b>	<b>£5,614,080</b>	<b>£1,135</b>	<b>£105</b>	<b>34%</b>
<b>Estimated Rounded Superstructure Cost</b>	<b>£5,614,000</b>	<b>£1,135</b>	<b>£105</b>	<b>34%</b>



## 4.2 Superstructure – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 Frame</b>							
<b>1.1 Steel Frames</b>							
<u>Steel Frame to Upper Floors</u>							
1 SB 01 254x191x82UB	7.05	t	4,000.00	28,200		0.53	
2 SB 02 533x210x122UB	15.49	t	4,000.00	61,960		1.16	
3 SB 03 406x178x54UB	23.81	t	4,000.00	95,240		1.79	
4 SB 04 533x210x82UB	9.35	t	4,000.00	37,400		0.70	
5 SB 05 457x191x74UB	1.55	t	4,000.00	6,200		0.12	
6 SC1 254x254x89UC	31.15	t	4,000.00	124,600		2.34	
7 SC5 254X254X73UC	1.02	t	4,000.00	4,080		0.08	
8 SC6 254X254X107UC	59.92	t	4,000.00	239,680		4.50	
9 Extra over for fittings	30	t	4,000.00	119,472		2.24	
10 Secondary Steel @ 5%	9	t	4,000.00	35,842		0.67	
11 Fire Protection to steel @ 60mins	188	t	620	116,664		2.19	
<u>Sub-Contractor Preliminaries</u>							
12 Sub Contractor Preliminaries @ 10%	10	%	869,338.01	86,934		1.63	
13 Existing structure allowance (assumed 90mins)	194	t	1,000.00	194,000		3.64	
		<b>Steel Frames</b>	<b>Sub Total</b>	<b>£1,150,272</b>		<b>22</b>	<b>20%</b>
				<b>Frame (Total)</b>	<b>£1,150,272</b>	<b>£22</b>	<b>20%</b>
<b>2 Upper Floors</b>							
<b>2.1 Upper Floors</b>							
1 Concrete RC32/40 slab 120mm thick	140	m3	220	30,800		0.58	
2 Structural decking; Comflor R51+ profile or similar	1,166	m2	55	64,130		1.20	
3 Reinforcement; assumed 115kg/m3	16	t	1,750.00	28,175		0.53	
4 Powerfloat finish to slabs	1,166	m2	15	17,490		0.33	
5 Allowance for infill of slabs	1	item	20,000.00	20,000		0.38	
		<b>Upper Floors</b>	<b>Sub Total</b>	<b>£160,595</b>		<b>3</b>	<b>3%</b>
				<b>Upper Floors (Total)</b>	<b>£160,595</b>	<b>£3</b>	<b>3%</b>



## 4.2 Superstructure – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>3 Roof</b>							
<b>31 Roof</b>							
<b>Steel Frame to Upper Floors</b>							
1 SB 01 254x191x82UB	3.61	t	4,000.00	14,440		0.27	
2 SB 02 533x210x122UB	11.10	t	4,000.00	44,400		0.83	
3 SB 03 406x178x54UB	15.77	t	4,000.00	63,080		1.19	
4 SB 04 533x210x82UB	0.74	t	4,000.00	2,960		0.06	
5 SC9 293X293X52UC	3.69	t	4,000.00	14,760		0.28	
6 Extra over for fittings	7	t	4,000.00	27,928		0.52	
7 Secondary Steel @ 5%	2	t	4,000.00	8,378		0.16	
8 Fire Protection to steel @ 60mins	44	t	620	27,272		0.51	
9 Concrete RC32/40 slab 120mm thick	18	m3	220	3,960		0.07	
10 Structural decking Comflor R51+ profile or similar	151	m2	55	8,305		0.16	
11 Roof membrane, insulation and waterproofing	1,082	m2	200	216,400		4.07	
12 Reinforcement; assumed 115kg/m3	2	t	1,750.00	3,623		0.07	
13 Powerfloat finish to slabs	151	m2	15	2,265		0.04	
<b>Sub-Contractor Preliminaries</b>							
14 Sub Contractor Preliminaries @ 15%	15	%	437,770.59	65,666		1.23	
<b>Roof upstand</b>							
15 Concrete; C35/40	24	m3	250	6,000		0.11	
16 Reinforcement; 150kg/m3	4	t	1,750	6,300		0.12	
17 Formwork to slab edges	121	m	25	3,025		0.06	
18 Finish	42	m2	10	420		0.01	
<b>General</b>							
19 Plant enclosure (including a roof)	321	m2	750	240,750		4.52	
20 Allowance for a green roof	133	m2	200	26,600		0.50	
21 PV panels	220	m2	250	55,000		1.03	
22 Mansafe system	1	item	12,000.00	12,000		0.23	
23 Maintenance paving	1	item	10,000.00	10,000		0.19	
24 Balustrading to roof	144	m	400	57,600		1.08	
<b>Terraces</b>							



## 4.2 Superstructure – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>3 Roof</b>	<i>(Continued)</i>						
<b>31 Roof</b>							
25 Paving to roof terraces	279	m2	300	83,700		1.57	
26 Upstand to all terraces (excluding roof - measure above)	160	m	120	19,170		0.36	
27 Allowance for balustrade; including fittings and fixtures	160	m	750	119,813		2.25	
28 Metal powder coated lightweight canopy to Third floor terrace	1	item	30,000.00	30,000		0.56	
29 Allowance for planters to facade	1	item	30,000.00	30,000		0.56	
		<b>Roof</b>	<b>Sub Total</b>	<b>£1,203,814</b>		<b>23</b>	<b>21%</b>
				<b>Roof (Total)</b>	<b>£1,203,814</b>	<b>£23</b>	<b>21%</b>
<b>4 Stairs &amp; Ramps</b>							
<b>41 Stairs &amp; Ramps</b>							
1 New precast concrete staircase for roof access; incl. balustrades and handrails	1	nr	12,000.00	12,000		0.23	
2 New stair to 4th floor; incl. balustrades and handrails	2	nr	15,000.00	30,000		0.56	
3 New internal stair from ground to basement in cycle store; incl. balustrades and handrails	1	nr	15,000.00	15,000		0.28	
4 New feature stair from ground to basement for the office and affordable office incl. balustrades and handrails	2	nr	15,000.00	30,000		0.56	
5 Balustrading to voids on the ground floor	26	m	750	19,500		0.37	
6 Handrails to main stair core	67	m	750	50,250		0.94	
		<b>Stairs &amp; Ramps</b>	<b>Sub Total</b>	<b>£156,750</b>		<b>3</b>	<b>3%</b>
				<b>Stairs &amp; Ramps (Total)</b>	<b>£156,750</b>	<b>£3</b>	<b>3%</b>





## 4.2 Superstructure – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>5 External Walls</b>							
<b>51 External Walls</b>							
1 New facade to Whitfield Street	292	m2	1,350.00	394,200		7.41	
2 New facade to TCR 1, 2, 3 and 4	197	m2	1,350.00	265,950		5.00	
3 New facade to north elevation	230	m2	1,350.00	310,500		5.83	
4 New facade to south elevation	176	m2	1,350.00	237,600		4.46	
5 Juliet balconies to the rear facade	4	nr	5,000.00	20,000		0.38	
6 Allowance to create openings in Whitfield Street	4	nr	5,000.00	20,000		0.38	
7 Plant enclosure 1st Floor	154	m2	750	115,500		2.17	
		<b>External Walls</b>	<b>Sub Total</b>	<b>£1,363,750</b>		<b>26</b>	<b>24%</b>
				<b>External Walls (Total)</b>	<b>£1,363,750</b>	<b>£26</b>	<b>24%</b>
<b>6 Windows &amp; External Doors</b>							
<b>61 External Windows</b>							
1 Glazing to all new facades	592	m2	1,200.00	710,400		13.35	
2 New sky light on 1st floor; including all associated costs	1	item	75,000.00	75,000		1.41	
3 New skylight on ground floor; including all associated costs	1	item	75,000.00	75,000		1.41	
		<b>External Windows</b>	<b>Sub Total</b>	<b>£860,400</b>		<b>16</b>	<b>15%</b>
<b>62 External Doors</b>							
1 New ground floor, glazed office entrance doors	3	nr	30,000.00	90,000		1.69	
2 New ground refuse doors to refuse store	1	nr	5,000.00	5,000		0.09	
3 Bike store/UKPN entrance door	1	nr	5,000.00	5,000		0.09	
4 Double leaf sliding glazed doors on the terraces	3	nr	10,000.00	30,000		0.56	
5 Single leaf glazed doors on the terraces	5	nr	5,000.00	25,000		0.47	
6 Single leaf glazed doors on the facade (opening up to bolt on balcony)	3	nr	3,000.00	9,000		0.17	
7 Sliding bi-fold doors to terraces	26	m	3,000.00	78,000		1.47	
8 External single leaf doors to BOH areas on the roof/plant	3	nr	2,500.00	7,500		0.14	
		<b>External Doors</b>	<b>Sub Total</b>	<b>£249,500</b>		<b>5</b>	<b>4%</b>
				<b>Windows &amp; External Doors (Total)</b>	<b>£1,109,900</b>	<b>£21</b>	<b>20%</b>



## 4.2 Superstructure – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>7 Internal Walls &amp; Partitions</b>							
<b>7.1 Walls and partitions</b>							
1 Plasterboard internal partitions	519	m2	150	77,850		1.46	
2 Firerated plasterboard partitions with acoustic	666	m2	250	166,500		3.13	
3 Glazed fire rated walls	23	m2	1,200.00	27,600		0.52	
4 New core to the 4th floor	63	m2	250	15,750		0.30	
		<b>Walls and partitions</b>	<b>Sub Total</b>	<b>£287,700</b>		<b>5</b>	<b>5%</b>
		<b>Internal Walls &amp; Partitions (Total)</b>		<b>£287,700</b>		<b>£5</b>	<b>5%</b>
<b>8 Internal Doors</b>							
<b>8.1 Int Doors</b>							
1 Leaf and a half door to office floor plate	10	nr	5,000.00	50,000		0.94	
2 Single leaf WC doors	36	nr	2,000.00	72,000		1.35	
3 Single leaf shower doors	6	nr	2,000.00	12,000		0.23	
4 Single leaf stair/BOH/plant room doors	16	nr	1,800.00	28,800		0.54	
5 Double leaf BOH doors to tank room	1	nr	3,500.00	3,500		0.07	
6 Allowance for riser doors	20	nr	750	15,000		0.28	
		<b>Int Doors</b>	<b>Sub Total</b>	<b>£181,300</b>		<b>3</b>	<b>3%</b>
		<b>Internal Doors (Total)</b>		<b>£181,300</b>		<b>£3</b>	<b>3%</b>
<b>SUPERSTRUCTURE (TOTAL)</b>				<b>£5,614,080</b>		<b>£105</b>	<b>34%</b>



#### 4.3 Internal Finishes– 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Wall Finishes	£94,600	£19	£2	31
2 Floor Finishes	£113,510	£23	£2	38
3 Ceiling Finishes	£94,495	£19	£2	31
<b>Internal Finishes– Total</b>	<b>£302,605</b>	<b>£61</b>	<b>£ 6</b>	<b>2%</b>
<b>Estimated Rounded Internal Finishes Cost</b>	<b>£303,000</b>	<b>£61</b>	<b>£ 6</b>	<b>2%</b>



## 4.3 Internal Finishes – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 Wall Finishes</b>							
<b>1.1 Walls</b>							
<u>Reception</u>							
1	Paint to walls in reception	146	m2	10	1,460	0.03	
2	E/O Allowance for feature wall to reception	26	m2	300	7,800	0.15	
<u>Lobby/Stair/Amenity Spaces</u>							
3	Paint to stair core	922	m2	10	9,220	0.17	
4	Paint to plantroom/BOH areas	331	m2	10	3,310	0.06	
5	Paint to cycle store	173	m2	10	1,730	0.03	
6	Moisture resistant paint finish to shower area	180	m2	15	2,700	0.05	
<u>WCs</u>							
7	Paint to Gypsum board partition system in WCs	438	m2	10	4,380	0.08	
8	E/O for feature wall to toilets; assumed half height tiling to cubicles	256	m2	250	64,000	1.20	
		<b>Walls</b>	<b>Sub Total</b>	<b>£94,600</b>		<b>2</b>	<b>31%</b>
					<b>Wall Finishes (Total)</b>	<b>£94,600</b>	<b>£2 31%</b>
<b>2 Floor Finishes</b>							
<b>2.1 Floor Finishes</b>							
<u>Reception</u>							
1	Porcelain tiled finish to reception	122	m2	300	36,600	0.69	
2	Entrance matting to reception	3	nr	5,000.00	15,000	0.28	
<u>Lobby/Stair/Amenity Spaces</u>							
3	Carpet stair floor finish	203	m2	100	20,300	0.38	
4	Plantroom/BOH paint floor finishes	171	m2	10	1,710	0.03	
5	Cycle store non-slip vinyl	91	m2	100	9,100	0.17	
6	Tiled floor finish to shower area	33	m2	200	6,600	0.12	
<u>WCs</u>							
7	Tiled floor finishes to WCs	121	m2	200	24,200	0.45	
		<b>Floor Finishes</b>	<b>Sub Total</b>	<b>£113,510</b>		<b>2</b>	<b>38%</b>
					<b>Floor Finishes (Total)</b>	<b>£113,510</b>	<b>£2 38%</b>



## 4.3 Internal Finishes – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>3 Ceiling Finishes</b>							
<b>31 Ceiling Finishes</b>							
<u>Reception</u>							
1	Paint finish to reception ceiling	122 m2	25	3,050		0.06	
2	E/O Allowance for feature ceiling	1 item	15,000.00	15,000		0.28	
<u>Lobby/Stair/Aminety Spaces</u>							
3	Paint to underside of stair & circulation	203 m2	155	31,465		0.59	
4	BOH/plant room paint to ceiling	171 m2	25	4,275		0.08	
5	Paint to cycle store ceiling	91 m2	25	2,275		0.04	
6	Moisture resitant paint to shower room ceiling	33 m2	160	5,280		0.10	
<u>WCs</u>							
7	Paint finishes to WCs ceiling	121 m2	150	18,150		0.34	
8	Allowance for access panels	1 item	15,000.00	15,000		0.28	
	<b>Ceiling Finishes</b>		<b>Sub Total</b>	<b>£94,495</b>		<b>2</b>	<b>31%</b>
			<b>Ceiling Finishes (Total)</b>	<b>£94,495</b>		<b>£2</b>	<b>31%</b>
<b>INTERNAL FINISHES (TOTAL)</b>					<b>£302,605</b>	<b>£ 6</b>	<b>2%</b>



#### 4.4 Fittings, furnishings and equipment – 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 FF&E	£301,470	£61	£6	100
<b>Fittings, furnishings and equipment – Total</b>	<b>£301,470</b>	<b>£61</b>	<b>£6</b>	<b>2%</b>
<b>Estimated Rounded Fittings, furnishings and equipment Cost</b>	<b>£301,000</b>	<b>£61</b>	<b>£6</b>	<b>2%</b>



## 4.4 Fittings, furnishings and equipment – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 FF&amp;E</b>							
<b>1.1 FF&amp;E</b>							
<u>Reception</u>							
1 Allowance for Reception Desk; spec TBC	1	item	50,000.00	50,000		0.94	
2 Allowance for seating to Reception area	1	item		Excluded			
3 Allowance for water fountain/coffee machine	1	item		Excluded			
4 Allowance for lighting feature to reception	1	item	15,000.00	15,000		0.28	
5 Reception signage	1	item	10,000.00	10,000		0.19	
<u>Cycle Store</u>							
6 Cycle Storage; double stacked spaces	52	nr	1,000.00	52,000		0.98	
7 Cycle storage; Sheffield spaces	8	nr	500	4,000		0.08	
8 Allowance for drying rack	1	item	10,000.00	10,000		0.19	
9 Allowance for lockers; double stacked	34	nr	200	6,800		0.13	
10 Integrated bench to locker room	6	m	1,000.00	6,000		0.11	
11 Allowance for vanity unit to locker room	4	m	2,000.00	8,000		0.15	
<u>General</u>							
12 Statutory signage	4,945	m2	3	14,835		0.28	
13 Wayfinding signage	4,945	m2	3	14,835		0.28	
14 Genral e/o allowance for internal lift	2	nr	10,000.00	20,000		0.38	
15 Allowance for fire curtains in front of the lifts	12	nr	7,500.00	90,000		1.69	
		<b>FF&amp;E</b>	<b>Sub Total</b>	<b>£301,470</b>		<b>6</b>	<b>100%</b>
				<b>FF&amp;E (Total)</b>	<b>£301,470</b>	<b>£6</b>	<b>100%</b>
<b>FITTINGS, FURNISHINGS AND EQUIPMENT (TOTAL)</b>					<b>£301,470</b>	<b>£ 6</b>	<b>2%</b>



#### 4.5 Services– 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Sanitary installations	£91,300	£18	£2	2
2 Disposal installations	£184,886	£37	£3	5
3 Water installations	£244,343	£49	£5	6
4 Space heating and air conditioning	£666,945	£135	£13	17
5 Ventilation	£234,045	£47	£4	6
6 Electrical Installation	£930,906	£188	£17	24
7 Lifts	£310,000	£63	£6	8
8 Fire and lightning protection	£72,138	£15	£1	2
9 Communication, security and control systems	£631,505	£128	£12	16
10 Specialist Installations	£240,325	£49	£5	6
11 BWIC	£108,792	£22	£2	3
12 MEP Prelims	£112,056	£23	£2	3
13 MEP	£70,000	£14	£1	2
<b>Services– Total</b>	<b>£3,897,240</b>	<b>£788</b>	<b>£73</b>	<b>23%</b>
<b>Estimated Rounded Services Cost</b>	<b>£3,897,000</b>	<b>£788</b>	<b>£73</b>	<b>23%</b>





## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 Sanitary installations</b>							
<b>1.1 Sanitary</b>							
<u>WCs</u>							
1 Water Closet	32	nr	650	20,800		0.39	
2 Urinals	0	nr	Nil	Nil			
3 Wash Hand Basin c/w sensor taps	34	nr	650	22,100		0.42	
4 Cleaners Sink	5	nr	550	2,750		0.05	
5 Disabled Water Closet & Wash Hand Basin Doc M	5	nr	1,400.00	7,000		0.13	
6 Shower c/w tray and tapware	7	nr	1,200.00	8,400		0.16	
7 Disabled Shower c/w tray and tapware	1	nr	2,500.00	2,500		0.05	
8 Sinks	0	nr	Nil	Nil			
9 Zip Tap - Tenant fit out	0	Item	Nil	Nil			
10 Dishwasher - Tenant fit out	0	Item	Excluded	Excluded			
11 Macerators - no - opex cost	0	Item	Excluded	Excluded			
12 Blade Hand dryers - assumed hand dryers	37	nr	750	27,750		0.52	
		<b>Sanitary</b>	<b>Sub Total</b>	<b>£91,300</b>		<b>2</b>	<b>2%</b>
		<b>Sanitary installations (Total)</b>		<b>£91,300</b>		<b>£2</b>	<b>2%</b>
<b>2 Disposal installations</b>							
<b>2.1 Disposal</b>							
1 Rainwater installations	6,295	m <sup>2</sup>	8	47,213		0.89	
2 Rainwater goods including rainwater outlets, gutters, etc - Included in Roofing package	1	Item		Excluded			
3 Rainwater attenuation tank - if required, included in substructure	1	Item		Excluded			
4 Acoustic insulation	10	%	47,212.50	4,721		0.09	
5 Soil, waste and vent stacks	6,295	m <sup>2</sup>	8	47,213		0.89	
6 Soil, waste and vent stacks - Future tenant - assumed no dedicated stacks provided	1	Item		Excluded			
7 Soil, waste and vent stacks - stub connections for Retail demises - allowance per Retail Unit	2	nr	3,000.00	6,000		0.11	
8 Soil, waste and vent horizontal distribution (allowance per fixture)	89	pts	350	31,150		0.59	
9 Condensate drainage	6,295	m <sup>2</sup>	1	6,295		0.12	
10 Drains etc.	6,295	m <sup>2</sup>	1	6,295		0.12	



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>2 Disposal installations</b>	<i>(Continued)</i>						
<b>21 Disposal</b>							
11 Foul Sump pump	1	nr	10,000.00	10,000		0.19	
12 Plant drainage sump pump	1	nr	10,000.00	10,000		0.19	
13 Allowance for pumped drainage	1	Item	10,000.00	10,000		0.19	
14 Acoustic insulation- assumed none required	1	Item	Excluded	Excluded			
15 Grease trap; assumed part of Tenant fit out works	1	Item		Excluded			
16 Cavity drainage	1	Item		Excluded			
17 Allow for terrace drains (L1 to L4)	4	nr	1,500.00	6,000		0.11	
		<b>Disposal</b>	<b>Sub Total</b>	<b>£184,886</b>		<b>3</b>	<b>5%</b>
<b>Disposal installations (Total)</b>					<b>£184,886</b>	<b>£3</b>	<b>5%</b>
<b>3 Water installations</b>							
<b>31 Water</b>							
<u>Boosted Cold Water Installation</u>							
1 Mains cold water pipework including meter arrangement	1	Item	3,500.00	3,500		0.07	
2 Cold water tank	1	Item	20,000.00	20,000		0.38	
3 Cold water booster set	1	Item	30,000.00	30,000		0.56	
4 Water conditioner	1	Item	7,500.00	7,500		0.14	
5 Chlorine dosing plant	1	Item	12,000.00	12,000		0.23	
6 Cold water basement and riser distribution	6,295	m <sup>2</sup>	7	40,918		0.77	
7 Cold water distribution to Basement Hot water calorifier c/w water conditioner	1	nr	3,000.00	3,000		0.06	
8 Cold water distribution to Retail Units	2	nr	2,000.00	4,000		0.08	
9 Cold water horizontal distribution (allowance per fixture)	89	pts	275	24,475		0.46	
10 Cold water horizontal distribution to EWH (allowance per fixture)	5	pts	275	1,375		0.03	
11 Cold water shut off valve to WC block	5	nr	375	1,875		0.04	
12 Cold water sub metering	10	nr	500	5,000		0.09	
13 Allow for terrace water supply (capped-off)	5	nr	1,000.00	5,000		0.09	
<u>Boosted Cold Water Installation - Future Tenant capped connections</u>							
14 Allowance for BCWS tenant risers	1	Item		Excluded			
15 Capped sub metered connections	8	nr	1,000.00	8,000		0.15	



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>3 Water installations</b>	<i>(Continued)</i>						
<b>31 Water</b>							
<u>Softened Water System - assumed none required</u>							
16	Softened Water plant including boosted pumpset	1	Item		Excluded		
17	Softened water distribution	1	Item		Excluded		
<u>CAT 5 water system serving BMU, Irrigation and Miscellaneous basement areas</u>							
18	Packaged CAT 5 tank and pumpset	1	nr	5,000.00	5,000	0.09	
19	CAT 5 distribution serving Bin Store	1	Item	3,000.00	3,000	0.06	
<u>Hot Water Installation</u>							
20	Electric immersion heater c/w expansion vessel (Basement sgower)	1	nr	10,000.00	10,000	0.19	
21	Hot water circulating pump	1	Item	2,500.00	2,500	0.05	
22	Localised Hot Water heaters (undersink EWH)	5	nr	2,000.00	10,000	0.19	
23	Hot water basement and riser distribution	1	item	5,000.00	5,000	0.09	
24	Hot water horizontal distribution (allowance per fixture) - Localised	52	pts	400	20,800	0.39	
25	Hot water horizontal distribution (allowance per fixture) - Basement shower via Electric immersion heater	0	pts		Excluded		
26	Thermostatic mixing valves to Wash Hand basins, cleaners sink and Doc M WHB only	52	nr	200	10,400	0.20	
27	Hot water shut off valve to WC block	1	Item	1,000.00	1,000	0.02	
28	Allowance for trace heating	1	Item	10,000.00	10,000	0.19	
<u>Rainwater / Greywater Harvesting system</u>							
29	Extraover for rainwater harvesting collection	1	Item		Excluded		
30	Rainwater Harvesting plant	1	Item		Excluded		
31	Extraover for rainwater mains distribution	1	Item		Excluded		
<b>Water Sub Total</b>				<b>£244,343</b>		<b>5</b>	<b>6%</b>
<b>Water installations (Total)</b>					<b>£244,343</b>	<b>£5</b>	<b>6%</b>



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>4 Space heating and air conditioning</b>							
<b>41 Space Heating</b>							
<u>Supply and Extract Air Systems serving Offices</u>							
1 Local Office MVHR	16	nr	12,000.00	192,000		3.61	
2 Attenuators	64	nr	300	19,200		0.36	
3 Extraover for carbon filters	1	Item		Excluded			
4 Intake and Exhaust ductwork to façade	32	nr	2,500.00	80,000		1.50	
5 Supply and Extract ductwork		m <sup>2</sup>		Excluded			
6 Branch Connections to CAT A		nr		Excluded			
<u>Supply and Extract Air Systems serving LG Showers and GF reception</u>							
7 Local Office MVHR (Landlord spaces)	2	nr	12,000.00	24,000		0.45	
8 Attenuators	8	nr	300	2,400		0.05	
9 Extraover for carbon filters	1	Item		Excluded			
10 Intake and Exhaust ductwork to façade	4	nr	5,000.00	20,000		0.38	
11 Supply and Extract ductwork	2	nr	15,000.00	30,000		0.56	
12 Extraover for Fire rated ductwork in basement (passive smoke clearance and make-up)	1,241	m <sup>2</sup>	50	62,050		1.17	
<u>VRF System</u>							
13 VRF Condenser units	10	nr	15,000.00	150,000		2.82	
14 Refrigerant pipeworks risers	10	nr	3,000.00	30,000		0.56	
15 Allow for refrigerant leak detection system	1	item	20,000.00	20,000		0.38	
<u>Miscellaneous Systems</u>							
16 Fan Coil Units to Lift Lobbies		nr		Excluded			
17 VRF cooling to Reception and FM room	2	nr	5,000.00	10,000		0.19	
18 VRF cooling to Landlord Comms room (x1no.)	1	nr	5,000.00	5,000		0.09	
19 Reception desk electric heater	1	Item	1,000.00	1,000		0.02	
20 Split system cooling to electrical equipment rooms - assumed none required	1	Item		Excluded			
21 Main entrance air curtains	2	nr	5,000.00	10,000		0.19	
22 Electric Trench heaters (LG areas)	1	item	5,000.00	5,000		0.09	



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>4 Space heating and air conditioning</b>	<i>(Continued)</i>						
<b>41 Space Heating</b>							
23 Allowance for miscellaneous heaters	6,295	m <sup>2</sup>	1	6,295		0.12	
		<b>Space Heating</b>	<b>Sub Total</b>	<b>£666,945</b>		<b>13</b>	<b>17%</b>
<b>Space heating and air conditioning (Total)</b>					<b>£666,945</b>	<b>£13</b>	<b>17%</b>
<b>5 Ventilation</b>							
<b>51 Ventilation</b>							
<u>Smoke Ventilation system (Assumed central main stairs only)</u>							
1 Fire rate smoke duty / standby extract fans	1	nr	15,000.00	15,000		0.28	
2 Smoke vent riser - assumed BWIC shaft	1	item		Excluded			
3 Smoke damper and louvre assembly including ductwork (allowance per level)	6	nr	4,000.00	24,000		0.45	
4 Smoke controls	6	nr	4,000.00	24,000		0.45	
5 Automatic opening Vent (AOVs)	1	nr	3,000.00	3,000		0.06	
<u>Toilet Extract System serving Office</u>							
6 Toilet Extract Fans c/w attenuators	2	nr	7,500.00	15,000		0.28	
7 Toilet Extract riser ductworks	1	item	15,000.00	15,000		0.28	
8 Toilet Extract riser branches and ancillaries	6	nr	1,000.00	6,000		0.11	
9 Toilet Extract connection from riser and grilles	42	nr	650	27,300		0.51	
10 PIR vent speed control	1	Item		Included			
<u>Kitchen Extract System serving Office Tenant areas</u>							
11 Fire rated kitchen extract fan - tenant fit out, space only	1	Item		Excluded			
12 Fire rated kitchen extract ductwork - riser only	1	Item		Excluded			
13 Kitchen Extract hood c/w fire suppression (Included in Kitchen fit out package)	1	Item		Excluded			
<u>Kitchen Extract System serving Retail unit</u>							
14 Fire rated kitchen extract fan - tenant fit out, space only	1	Item		Excluded			
15 Fire rated kitchen extract ductwork - riser only (prov. Sum)	1	Item		Excluded			
16 Kitchen Extract hood c/w fire suppression (Included in Kitchen fit out package)	1	Item		Excluded			
17 Retail louvres	7	nr	1,500.00	10,500		0.20	
<u>Miscellaneous Systems</u>							



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>5 Ventilation</b>	<i>(Continued)</i>						
<b>51 Ventilation</b>							
18 Natural ventilation-mixed mode (manually openable window), wireless sensor and BMS interface to FCU - prov. Sum (TBC if required)	6,295	m <sup>2</sup>	10	62,950		1.18	
19 Refuse store extract system	1	item	5,000.00	5,000		0.09	
20 Cycle store ventilation system	1	item	10,000.00	10,000		0.19	
21 Loading Bay ventilation		Item		Excluded			
22 Gas meter room ventilation - Fire rated duct		Item		Excluded			
23 Oil Tank room ventilation - Fire rated duct		Item		Excluded			
24 UKPN Substation ventilation - allowance for FR ductworks only	1	Item	10,000.00	10,000		0.19	
25 Lift shaft ventilation - Assumed not required	1	Item		Excluded			
26 Generator ventilation system (roof)- assumed not required	1	Item		Excluded			
27 Diesel Sprinkler pump ventilation system		Item		Excluded			
28 Allowance for miscellaneous ventilation	6,295	m <sup>2</sup>	1	6,295		0.12	
		<b>Ventilation</b>	<b>Sub Total</b>	<b>£234,045</b>		<b>4</b>	<b>6%</b>
				<b>Ventilation (Total)</b>	<b>£234,045</b>	<b>£4</b>	<b>6%</b>
<b>6 Electrical Installation</b>							
<b>61 Electrical</b>							
<u>High Voltage System (HV)</u>							
1 Private Landlord Transformers	1	Item		Excluded			
2 HV switchgear and distribution	1	Item		Excluded			
<u>Low Voltage System (LV)</u>							
3 Incoming LV cable	1	item	15,000.00	15,000		0.28	
4 Main Low Voltage Switchgear including PFC	1	Item	50,000.00	50,000		0.94	
5 Extraover for Packaged plantroom	1	Item		Excluded			
6 Rising busbars, 800A (Prov. Qty)	50	m	650	32,500		0.61	
7 Tap offs	6	nr	900	5,400		0.10	
8 Low Voltage submain distribution	6,295	Item	15	94,425		1.77	
9 Tenant Split Distribution boards c/w meter (L&P)	7	nr	3,500.00	24,500		0.46	
10 Distribution boards - Landlord (Prov. Qty)	7	nr	2,500.00	17,500		0.33	



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>6 Electrical Installation</b>	<i>(Continued)</i>						
<b>61 Electrical</b>							
11 MER room fit out (x1no.)	1	Item	10,000.00	10,000		0.19	
12 Retail unit power supply	2	nr	5,000.00	10,000		0.19	
<u>Life Safety Low Voltage System (LSS)</u>							
13 LSS switchgear	1	nr	15,000.00	15,000		0.28	
14 LSS submain distribution	4	Item	5,000.00	20,000		0.38	
15 Automatic Transfer Switches	4	nr	7,000.00	28,000		0.53	
16 Life Safety Standby Generator (Diesel) including fuel system, controls, etc (assumed 250KVA) - roof mounted	250	KVA	500	125,000		2.35	
17 Busbar Link from Generator to LSS Switchgear	1	Item		Included			
18 Generator flue	1	item	3,000.00	3,000		0.06	
19 Diesel fuel bulk storage system - assumed not required (manual filling)		item		Excluded			
<u>Tenant Standby Generator - Space only</u>							
20 Tenant Standby Generator (Diesel) including fuel system, controls, flues, etc - assumed space only	1	Item		Excluded			
21 Local UPS for security/IT	1	Item	20,000.00	20,000		0.38	
22 Containment	6,295	m <sup>2</sup>	15	94,425		1.77	
23 EWIC to mech plant	6,295	m <sup>2</sup>	5	31,475		0.59	
24 Lighting	1,040	m <sup>2</sup>	90	93,600		1.76	
25 Safety Lighting to Retail	242	m <sup>2</sup>	8	1,936		0.04	
26 Emergency Lighting	1,040	m <sup>2</sup>	9	9,360		0.18	
27 Allowance for specialist lighting - Main Entrance	1	Item	20,000.00	20,000		0.38	
28 Lighting control	6,295	m <sup>2</sup>	6	37,770		0.71	
29 Small power	6,295	m <sup>2</sup>	15	94,425		1.77	
30 Earthing and bonding	6,295	m <sup>2</sup>	2	12,590		0.24	
31 Allow for e-bike charging points	1	Item	5,000.00	5,000		0.09	
32 Photovoltaic System (PV panels)	200	m <sup>2</sup>	300	60,000		1.13	
	<b>Electrical</b>	<b>Sub Total</b>		<b>£930,906</b>		<b>17</b>	<b>24%</b>
<b>Electrical Installation (Total)</b>					<b>£930,906</b>	<b>£17</b>	<b>24%</b>



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>7 Lifts</b>							
<b>7.1 Lifts</b>							
1 Passenger lift 1; @ 1.6m/s, 800kg/10 person travelling B1, Grd, L1 to L4; serving 6no. Levels	1	nr	170,000.00	170,000		3.19	
2 Passenger lift 2; @ 1.6m/s, 800kg/10 person travelling Grd, L1 to L4; serving 5no. Levels	1	nr	140,000.00	140,000		2.63	
3 Extraover for fire fighting lift	1	nr	20,000.00	Excluded			
		<b>Lifts</b>	<b>Sub Total</b>	<b>£310,000</b>		<b>6</b>	<b>8%</b>
				<b>Lifts (Total)</b>	<b>£310,000</b>	<b>£6</b>	<b>8%</b>
<b>8 Fire and lightning protection</b>							
<b>8.1 Fire and lightning</b>							
1 Lightning protection	6,295	m <sup>2</sup>	3	15,738		0.30	
2 Sprinkler protection infrastructure		m <sup>2</sup>		Excluded			
3 Sprinkler protection to Landlord Areas		m <sup>2</sup>		Excluded			
4 Sprinkler protection to ceiling voids - assumed 10%		m <sup>2</sup>		Excluded			
5 Sprinkler protection to Retail units (assumed as existing)	2	nr		Excluded			
6 Allow for foam Inlet to genset room	1	Item		Excluded			
7 Preaction for loading bay	1	Item		Excluded			
8 Gaseous fire suppression to Comms room (assumed not required)	1	Item	20,000.00	20,000		0.38	
9 Gaseous fire suppression to electrical room (assumed not required)	1	Item		Excluded			
10 Dry Riser Inlet	2	nr	5,000.00	10,000		0.19	
11 Dry riser	12	nr	2,200.00	26,400		0.50	
12 Fire shutters - Included in building section	1	Item		Excluded			
13 Fire Curtains - Included in building section	1	Item		Excluded			
		<b>Fire and lightning</b>	<b>Sub Total</b>	<b>£72,138</b>		<b>1</b>	<b>2%</b>
				<b>Fire and lightning protection (Total)</b>	<b>£72,138</b>	<b>£1</b>	<b>2%</b>





## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>9</b> <b>Communication, security and control systems</b>							
<b>9.1 Comms &amp; Security</b>							
<u>Fire alarm system</u>							
1 Fire alarm system	6,295	m <sup>2</sup>	15	94,425		1.77	
2 VESDA to MER	1	Item		Excluded			
3 Public Address Voice Alarm (PAVA) system	6,295	m <sup>2</sup>		Excluded			
4 FA interface to Retails	2	nr	1,000.00	2,000		0.04	
<u>Disabled systems</u>							
5 Combined Disabled Refuge and Fire telephone	10	nr	1,800.00	18,000		0.34	
6 Fire telephone	1	Item		Included			
7 Main Panels	1	Item	5,000.00	5,000		0.09	
8 Disabled WC alarm	5	nr	1,250.00	6,250		0.12	
<u>Communications</u>							
9 ICT communication systems - wireways only	6,295	m <sup>2</sup>	2	12,590		0.24	
10 ICT backbone - Copper and Fibre Optic	6,295	m <sup>2</sup>	3	18,885		0.35	
11 Structured cabling - Landlord areas only	6,295	m <sup>2</sup>	4	25,180		0.47	
12 Combined Network System (CNS)	6,295	m <sup>2</sup>	13	81,835		1.54	
13 Wireless LAN - Landlord areas only	6,295	m <sup>2</sup>	3	18,885		0.35	
14 TV / Satellite Systems - Tenant fit out via IT	1	Item		Excluded			
15 Induction loops etc - assumed main entrance only	1	Item	1,000.00	1,000		0.02	
<u>Security Installations</u>							
16 CCTV Installation	6,295	m <sup>2</sup>	10	62,950		1.18	
17 Access Control	6,295	m <sup>2</sup>	8	50,360		0.95	
18 Intruder alarm	6,295	m <sup>2</sup>	1	6,295		0.12	
19 Intercom system	1	Item	5,000.00	5,000		0.09	
20 Security Head End Equipment	1	Item	20,000.00	20,000		0.38	
<u>Controls</u>							
21 Building Management system (including CO2 sensors)	6,295	m <sup>2</sup>	25	157,375		2.96	
22 Energy Management system	6,295	m <sup>2</sup>	5	31,475		0.59	
23 Blind control - assumed not required	1	Item		Excluded			
<u>Miscellaneous</u>							



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>9 Communication, security and control systems</b>	<i>(Continued)</i>						
<b>9.1 Comms &amp; Security</b>							
24 Audio Visual infrastructure only including containment and cabling only	1	Item	3,000.00	3,000		0.06	
25 Links to existing systems - assumed not required	1	Item		Excluded			
26 Lift redcare	1	Item	3,000.00	3,000		0.06	
27 Leak Detection allowance - mains meter and plant areas only	1	Item	5,000.00	5,000		0.09	
28 Distributed Antennae System (DAS) - Survey only	1	item	3,000.00	3,000		0.06	
29 Distributed Antennae System (DAS) - assumed not required		m <sup>2</sup>		Excluded			
<b>Comms &amp; Security Sub Total</b>				<b>£631,505</b>		<b>12</b>	<b>16%</b>
<b>Communication, security and control systems (Total)</b>					<b>£631,505</b>	<b>£12</b>	<b>16%</b>
<b>10 Specialist Installations</b>							
<b>10.1 Specialist Installations</b>							
<u>General Allowances for Consideration</u>							
1 Procurement route - Full design, Competitive tender	1	Item		Included			
2 Working out of hours	1	Item		Excluded			
3 Working in existing building	1	Item		Excluded			
4 Preventative Maintenance - 12 months	1	Item		Excluded			
5 Factory Testing	1	Item		Included			
6 Material and Plant Handling - Standard	1	Item		Included			
7 Fuel for Commissioning	1	Item	20,000.00	20,000		0.38	
8 Temporary works	1	Item		Excluded			
9 Spares - standard provisions for main plant items	1	Item		Included			
10 Design - CDP elements included	1	Item		Excluded			
11 Mechanical and Electrical Validations	1	Item		Excluded			
12 Cleaning of existing services	1	Item		Excluded			
13 Nominated Services installers ie Fire alarm, Security, BMS, Sprinklers	1	Item		Excluded			
14 Diversion of existing services	1	Item		Excluded			
15 Contingency	1	Item		Excluded			
16 Strip out works	1	Item		Excluded			



## 4.5 Services – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>10 Specialist Installations</b>	<i>(Continued)</i>						
<b>101 Specialist Installations</b>							
17 Allowance for Smart Enablement	6,295	m <sup>2</sup>	35	220,325		4.14	
	<b>Specialist Installations</b>		<b>Sub Total</b>	<b>£240,325</b>		<b>5</b>	<b>6%</b>
	<b>Specialist Installations (Total)</b>			<b>£240,325</b>		<b>£5</b>	<b>6%</b>
<b>11 BMC</b>							
<b>12 MEP Prelims</b>							
<b>13 MEP</b>							
<b>131 MEP</b>							
1 Allowance for booster signal for mobile phones	1	item	70,000.00	70,000		1.32	
		<b>MEP</b>	<b>Sub Total</b>	<b>£70,000</b>		<b>1</b>	<b>2%</b>
	<b>MEP (Total)</b>			<b>£70,000</b>		<b>£1</b>	<b>2%</b>
<b>SERVICES (TOTAL)</b>				<b>£3,897,240</b>		<b>£73</b>	<b>23%</b>



#### 4.8 External Works– 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 External Works	£373,000	£75	£7	100
<b>External Works– Total</b>	<b>£373,000</b>	<b>£75</b>	<b>£7</b>	<b>2%</b>
<b>Estimated Rounded External Works Cost</b>	<b>£373,000</b>	<b>£75</b>	<b>£7</b>	<b>2%</b>



## 4.8 External Works – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 External Works</b>							
<b>1.1 External Services</b>							
1 Water mains supply	1	Item	10,000.00	10,000		0.19	
2 Sewer mains supply	1	Item	10,000.00	10,000		0.19	
3 Fire mains supply	1	Item		Included			
4 New incoming UKPN LV supply (say 1000KVA load)	1	Item	250,000.00	250,000		4.70	
5 Allowance for UKPN temporary building supply - deemed included in Main Contractor Prelims	1	Item		Excluded			
6 Telecommunications connections	1	Item	20,000.00	20,000		0.38	
7 Gas mains supply	1	Item		Excluded			
8 District heating connections - ducts only for future connection	1	Item		Excluded			
<u>Existing services diversion</u>							
9 Diversion works	1	Item		Excluded			
<u>Infrastructure Charges - assumed minimal</u>							
10 Mains Water Infrastructure charge	1	Item		Excluded			
11 Electrical Mains Infrastructure charge	1	Item		Excluded			
<u>External Services</u>							
12 External lighting - Main Entrance	1	Item	15,000.00	15,000		0.28	
13 Allowance for lighting to Terraces	1	item	20,000.00	20,000		0.38	
14 External CCTV - coverage to main entrance only	5	nr	3,000.00	15,000		0.28	
15 Builderswork in Connection 10%	1	nr	33,000.00	33,000		0.62	
	<b>External Services</b>		<b>Sub Total</b>	<b>£373,000</b>		<b>7</b>	<b>100%</b>
				<b>External Works (Total)</b>	<b>£373,000</b>	<b>£7</b>	<b>100%</b>
<b>EXTERNAL WORKS (TOTAL)</b>					<b>£373,000</b>	<b>£7</b>	<b>2%</b>



#### 4.F.O Fit Out – 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Fit Out - Commercial	£2,047,439	£529	£49	100
Wall finishes	£6,500	£2	£0	0%
Floor Finishes	£365,025	£94	£9	18%
Ceiling Finishes	£386,700	£100	£9	19%
Services	£1,289,214	£333	£31	63%
<b>Fit Out – Total</b>	<b>£2,047,439</b>	<b>£529</b>	<b>£49</b>	<b>12%</b>
<b>Estimated Rounded Fit Out Cost</b>	<b>£2,047,000</b>	<b>£529</b>	<b>£49</b>	<b>12%</b>



## 4.F.O Fit Out – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1</b>	<b>Fit Out - Commercial</b>						
<b>1.1</b>	<b>Wall finishes</b>						
1.1.1	<u>Wall Finishes</u>						
1	Painted wall finish to the central cores	510	m2	10.00	5,100	0.12	
2	Painted wall finishes to the columns	140	m2	10.00	1,400	0.03	
		<u>Wall Finishes</u>		<u>Sub Total</u>	<u>£6,500</u>	<u>£0.16</u>	<u>0%</u>
		<b>Wall finishes</b>		<b>Sub Total</b>	<b>£6,500</b>	<b>0</b>	<b>0%</b>
<b>1.2</b>	<b>Floor Finishes</b>						
1.2.1	<u>Raised Access Floor</u>						
1	Raised Access floor	3,867	m2	65.00	251,355	6.04	
2	Dust sealent below raised access floor	3,867	m2	10.00	38,670	0.93	
3	Allowance for floor cavity barriers	5	nr	15,000.00	75,000	1.80	
		<u>Raised Access Floor</u>		<u>Sub Total</u>	<u>£365,025</u>	<u>£8.77</u>	<u>18%</u>
		<b>Floor Finishes</b>		<b>Sub Total</b>	<b>£365,025</b>	<b>9</b>	<b>18%</b>
<b>1.3</b>	<b>Ceiling Finishes</b>						
1.3.1	<u>Finishes to Ceilings</u>						
1	Paint to soffit (assumed spray services)	3,867	m2	10.00	38,670	0.93	
2	Allowance for acoustic rafts (assumed 30% of NIA)	1,160	m2	300.00	348,030	8.36	
		<u>Finishes to Ceilings</u>		<u>Sub Total</u>	<u>£386,700</u>	<u>£9.29</u>	<u>19%</u>
		<b>Ceiling Finishes</b>		<b>Sub Total</b>	<b>£386,700</b>	<b>9</b>	<b>19%</b>



## 4.F.O Fit Out – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1</b>	<b>Fit Out - Commercial</b>		<i>(Continued)</i>				
<b>1.4</b>	<b>Services</b>						
1.4.1	<u>Services</u>						
	<u>Disposal Installations</u>						
1	Condensate drainage - VRF indoor unit	133	nr	300.00	39,900	0.96	
	<u>Space Heating and Air Treatment</u>						
	<u>Low Temperature Hot Water (LTHW)</u>				N/A		
	<u>Chilled Water (CHW)</u>				N/A		
	<u>Fresh Air Ductwork system (via raised floor)</u>						
2	Primary supply air ductworks (allow for extending the duct from MMHR)	3,867	m <sup>2</sup>	15.00	58,005	1.39	
3	Primary supply air VAV box - assumed not required				Excluded		
4	Primary supply air MSFD - assumed not required				Excluded		
5	Floor grilles	3,867	m <sup>2</sup>	4.00	15,468	0.37	
	<u>VRF System</u>						
6	VRF Condenser units	10	nr		Shell&Core		
7	Refrigerant pipeworks risers	10	nr		Shell&Core		
8	Refrigerant pipeworks from BS box to VRF unit	133	nr	1,300.00	172,900	4.15	
9	VRF Indoor units (inc. BS box)	133	nr	1,200.00	159,600	3.83	
10	Secondary ductwork to Fan Coil Units	133	nr	1,000.00	133,000	3.20	
11	Extraover for enhance finishes to exposed services (based on neat and tidy only, excludes Al. cladding)	3,867	m <sup>2</sup>	5.00	19,335	0.46	
	<u>Electrical Installations</u>						
12	Containment	3,867	m <sup>2</sup>	20.00	77,340	1.86	
13	Lighting - assumed LED	3,867	m <sup>2</sup>	85.00	328,695	7.90	
14	Emergency lighting	3,867	m <sup>2</sup>	10.00	38,670	0.93	
15	Lighting control	3,867	m <sup>2</sup>	15.00	58,005	1.39	
16	Small power; power to VRF and BS box	266	nr	180.00	47,880	1.15	
17	Small power; power to Cleaners sockets	3,867	m <sup>2</sup>	3.00	11,601	0.28	
18	Underfloor power - to be provided by tenant as per specification	1	Item		Excluded		
19	Earthing and bonding	3,867	m <sup>2</sup>	1.50	5,801	0.14	





#### 4.F.O Fit Out – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1</b>	<b>Fit Out - Commercial</b>		<i>(Continued)</i>				
<b>1.4</b>	<b>Services</b>						
1.4.1	<u>Services</u>						
	<u>Fire and Lightning Protection</u>						
20	Sprinkler Installation - assumed not required		m <sup>2</sup>	Excluded			
	<u>Communications, Security and Control Systems</u>						
21	Fire alarm system	3,867	m <sup>2</sup>	10.00	38,670	0.93	
22	Public Address Voice Alarm (PAVA) system	3,867	m <sup>2</sup>	Excluded			
23	Building Management system	133	nr	350.00	46,550	1.12	
24	Builderswork in Connection	0.02		1,251,491.50	25,030	0.60	
25	Testing Commissioning	0.01		1,276,447.89	12,764	0.31	
	<u>Services</u>	<u>Sub Total</u>		<u>£1,289,214</u>		<u>£30.97</u>	<u>63%</u>
	<b>Services</b>	<b>Sub Total</b>		<b>£1,289,214</b>		<b>31</b>	<b>63%</b>
	<b>Fit Out - Commercial (Total)</b>				<b>£2,047,439</b>	<b>£49</b>	<b>100%</b>
<b>FIT OUT (TOTAL)</b>					<b>£2,047,439</b>	<b>£49</b>	<b>12%</b>



#### 4.9 Main Contractors Preliminaries – 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Main Contractors Cost items	£1,942,636	£393	£36	100
<b>Main Contractors Preliminaries – Total</b>	<b>£1,942,636</b>	<b>£393</b>	<b>£36</b>	<b>12%</b>
<b>Estimated Rounded Main Contractors Preliminaries Cost</b>	<b>£1,943,000</b>	<b>£393</b>	<b>£36</b>	<b>12%</b>



#### 4.9 Main Contractors Preliminaries – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 Main Contractors Cost items</b>							
<b>1.1 Main Contractors Preliminaries as a %</b>							
1 Main Contractors Preliminaries as % of Measured Works	15.000	%	12,950,909	1,942,636		36.50	
<b>Main Contractors Preliminaries as a %</b>			<b>Sub Total</b>	<b>£1,942,636</b>		<b>36</b>	<b>100%</b>
			<b>Main Contractors Cost items (Total)</b>		<b>£1,942,636</b>	<b>£36</b>	<b>100%</b>
<b>MAIN CONTRACTORS PRELIMINARIES (TOTAL)</b>					<b>£1,942,636</b>	<b>£36</b>	<b>12%</b>



#### 4.10 Main Contractors On Costs – 16 Whitfield Street – SUMMARY

Description	Total (£)	£/m <sup>2</sup>	£/ft <sup>2</sup>	%
1 Main Contractors on Costs	£1,839,353	£372	£35	100
<b>Main Contractors On Costs – Total</b>	<b>£1,839,353</b>	<b>£372</b>	<b>£35</b>	<b>11%</b>
<b>Estimated Rounded Main Contractors On Costs Cost</b>	<b>£1,839,000</b>	<b>£372</b>	<b>£35</b>	<b>11%</b>



#### 4.10 Main Contractors On Costs – 16 Whitfield Street – ESTIMATE DETAIL

Description	Qty	Unit	Rate	Total (£)	Total (£)	£/ft <sup>2</sup>	%
<b>1 Main Contractors on Costs</b>							
<b>1.1 OH&amp;P</b>							
1 Main Contractors OH&P on Measured Works	7.000	%	12,950,909	906,564		17.03	
2 Main Contractors OH&P on Preliminaries	7.000	%	1,942,636	135,985		2.55	
		<b>OH&amp;P</b>	<b>Sub Total</b>	<b>£1,042,548</b>		<b>20</b>	<b>57%</b>
<b>1.2 D&amp;BRisk</b>							
1 Main Contractors D&B Risk on Measured Works	5.000	%	12,950,909	647,545		12.17	
2 Main Contractors D&B Risk on Preliminaries	5.000	%	1,942,636	97,132		1.82	
3 Main Contractors D&B Risk on OH&P	5.000	%	1,042,548	52,127		0.98	
		<b>D&amp;BRisk</b>	<b>Sub Total</b>	<b>£796,805</b>		<b>15</b>	<b>43%</b>
				<b>Main Contractors on Costs (Total)</b>	<b>£1,839,353</b>	<b>£35</b>	<b>100%</b>
<b>MAIN CONTRACTORS ON COSTS (TOTAL)</b>				<b>£1,839,353</b>		<b>£35</b>	<b>11%</b>



Appendix 4

# Development Finance Rates

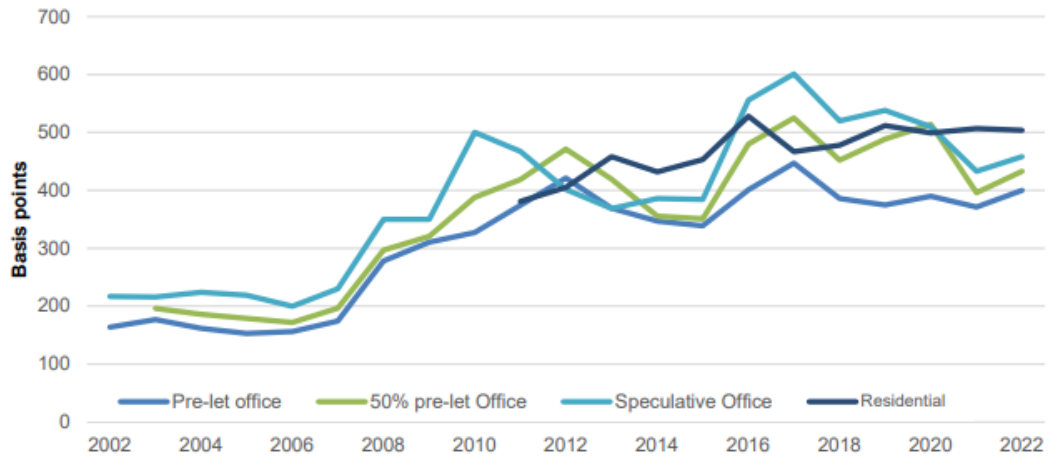
August 2023

## 1. FINANCE COSTS

	<p>1.1. The finance rate applied in the appraisal represents a total cost of capital in financing the Scheme. The rate adopted represents the combined cost of both debt and equity financing. When broken down, the debt element of the cost of finance includes a margin and risk premium above a 5-year swap rate. The equity element should in theory reflect an equity return which when combined with the debt element sums to the weighted average cost of capital (WACC). The equity element of the finance cost is also considered in view of the development return, which is the amount of profit a scheme is producing. It follows that to avoid double-counting, the finance cost should broadly consist of debt finance plus a margin to reflect the more costly equity whilst the developer return is reflected in the development profit.</p>
	<p>1.2. Bayes Business School (formerly Cass) Commercial Real Estate (CRE) Lending Report Mid-Year 2022 collates a sample of the conditions under which lenders offer development finance.</p>
	<p>1.3. The survey which has been running for over twenty years comments on the changes in the commercial real estate lending cycle over the period since 1999 as follows:</p> <ul style="list-style-type: none"><li>• Throughout the history of the survey there has been a strong correlation of 2:1 between real estate transactions and loan origination. In other words, for every £1 in real estate transactions 50p is generated in loan origination.</li><li>• The survey notes that there appears to be no enduring connection between transaction volumes and the “health” of the market, measured in terms of movements in capital values.</li><li>• The exception to this norm is seen in the years leading up to and even through the start of the market crisis during which loan origination significantly exceeded the level that could be expected from market activity and continued even whilst capital values fell.</li><li>• The result of the extreme lending market was a wave of loan defaults which peaked in 2012 and only returned to normal levels by 2016 approximately ten years after capital values reached their highest levels.</li><li>• In 2020, property transactions fell by 16% while loan originations fell by 23%. 2020 was the second consecutive year of decline in both investment and debt transactions.</li><li>• The Mid Year 2022 survey reports that in the first half of 2022 property transactions and debt origination is on par with 2021</li></ul>
	<p>1.4. UK banks are the largest lenders for residential development, while other lenders concentrate upon commercial property.</p>
	<p>1.5. Development lending margins are higher than in 2021. At the end of H1 2022 pre let commercial development margins were at 400bps and 458bps for speculative schemes, both up by 6 to 8 percent. Residential development margins were at 504bps.</p>
	<p>1.6. Fewer lenders provide development finance on speculative development even when 50% pre-let.</p>



Figure 39. Target senior lending margins for development loans bps, 2002–June 2022



Source: Bayes Business School Commercial Real Estate (CRE) Lending Report

Table 11. Average senior lending terms for development loans, June 2022

	Lending margin bps	Arrangement Fee bps	Loan to Cost Ratio %	Lenders quoting Dec 2022	Lenders quoting Dec 2021
Commercial pre-let	400	118	58%	23	22
Commercial 50% Pre-let	433	121	59%	14	13
Commercial Speculative	458	154	57%	14	12
Residential	504	116	62%	27	26

Source: Bayes Business School Commercial Real Estate (CRE) Lending Report

	1.7. Margins have increased since end of year 2021.
	1.8. Junior loans provide a useful benchmark for required returns for originating loans. This is because lenders will use a combination of lending margin, arrangement fee, exit fees and some form of participation in profit. For senior development finance, target IRR’s on pre-let commercial schemes stand at 12.5% to 20%, for residential development at 12% to 25% and 7% to 14% for both hotel and student housing projects.
	1.9. Given that senior debt is generally offered at 50% to 90% of cost of development projects, the remainder of project financing will, in most cases, be comprised of equity and in some cases varying levels of junior debt, mezzanine debt.
	1.10. Junior debt and particularly mezzanine debt are typically provided by specialist platforms, and a lack of available research exists as to average lending criteria. The IPF, for example, states that “mezzanine finance is not a product that many banks provide” and “this type of finance is typically associated with projects funded on a profit share basis”.

1.11. Given the lack of available research and idiosyncratic nature of subordinate debt arrangements for real estate development funding, we have omitted this from our assessment of the market rate for development finance. The remaining project cost not provided by senior debt is therefore assumed to be equity financed.

1.12. In response to the COVID-19 pandemic, the Bank of England cut interest rates to 0.1%. Since December 2021, in response to rising inflation, the bank has raised interest rate several times, most recently setting the rate in August 2023 at 5.25%, the highest rate in 14 years. The Bank of England has also signalled that further rate rises are likely in order to control inflation.

Chart 2: Historic Rates



	<p>1.13. Following the developments in Ukraine and the impact that the outbreak of war is having on world markets we have adopted a cautious approach to the cost of finance, and we advise that there is a higher than usual degree of risk around this item.</p>
	<p>1.14. Considering the market uncertainty, the total cost of capital for financing the scheme would be in the order of 8% to 9%. This figure also takes into account arrangement, monitoring and related fees.</p>
	<p>1.15. This finance rate we have adopted is subject to a higher degree of uncertainty than usual and therefore we recommend that this is kept under review. We also reserve the right to revise this figure should more evidence come to light.</p>

**Table 1: Finance Rate Adopted**

Description	Spot Allowance Appraisals /Valuations
Finance Rate	8.50%

Source: Gerald Eve





Appendix 5





Appendix 6

**16 Whitfield Street - Base Scheme  
Planning Approved Proposed Scheme B  
Feasibility Estimate**

Job No. : #####  
Client : Global Holdings UK Management

Issue Date : 10-Feb-23  
Base Date : Q1 2023

GIA	5,727	61,641.30
NIA	5,089	54,775.23
Office NIA	3,582	38,552.52
Workspace NIA	203	2,190.02
Retail NIA	1304	14,032.68

	Quantity	Unit	Rate	Total
<b>Strip Out</b>				
Enabling works, strip out of the existing building	5,561	m2	75	417,084
Demolition of the plant room	221	m2	100	22,100
E/O demolition of the jail cells	104	m2	200	20,800
Demolition of the ramp	1	item	50,000	50,000
<b>Frame &amp; Upper Floors</b>				
New concrete slab	176	m2	250	44,013
Allowance for structural alterations in the core	1	item	50,000	50,000
Additional structure for roof extension	176	m2	50	8,803
<b>Stairs</b>				
New stair access to roof	1	item	12,000	12,000
<b>Roof</b>				
New Roof Finishes	670	m2	300	200,976
New Man safe	1	item	25,000	25,000
<b>External Walls &amp; Doors</b>				
Reclad existing 1st and 2nd floor	168	m2	1,500	252,000
Cladding to new story	210	m2	1,500	315,000
Cladding to additional space 2nd floor	75	m2	1,500	112,500
Make good and clean existing façade	878	m2	100	87,840
Replace existing windows	367	m2	1,200	440,640
Replace existing doors	12	nr	2,500	30,000
Louvres	60	m2	750	45,000
New front entrance	1	item	50,000	50,000
New external doors to terraces	6	nr	3,000	18,000
<b>Landlord Area Fit Out</b>				
Reception area (assumed area)	91	m2	1,500	136,500
Internal doors	50	nr	2,000	100,000
Works to BOH stairs and communal areas	433	m2	300	129,870
New Toilets - Super Loos	40	nr	7,000	280,000
New Cycle Storage and showers	1	item	75,000	75,000
<b>MEP and Lifts</b>				
New MEP Equipment	5,727	m2	600	3,436,002
New lifts	2	nr	150,000	300,000
New lift to affordable workspace	1	nr	50,000	50,000
<b>CAT A Fit Out</b>				
Category A works	3,785	m2	600	2,271,066
<b>External Works &amp; Utilities</b>				
Allowance for external works to roof terrace	174	m2	400	69,600
Allowance for Utilities	1	item	150,000	150,000
<b>Total Construction Cost</b>	<b>61,641</b>		<b>149</b>	<b>9,199,793</b>
Main Contractors Prelims	15%		9,199,793	1,379,969
Main Contractor OH&P	6.5%		10,579,762	687,685
Design development Risk	5%		11,267,446	563,372
Construction Risk	5%		11,267,446	563,372

Total Construction Cost

£

12,394,191

201





Appendix 7

16-24 Whitfield Street and 55 Tottenham Court Road  
Consented Scheme / BLV  
U0023999

Development Appraisal  
ARGUS Software  
September 6, 2023

**16-24 Whitfield Street and 55 Tottenham Court Road  
Consented Scheme / BLV**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Lower Ground Office	1	3,498	32.50	113,685	113,685	113,685
Ground Floor Office	1	2,368	62.50	148,000	148,000	148,000
Ground Floor Affordable Office	1	2,530	31.25	79,063	79,063	79,063
First Floor Office	1	10,925	72.50	792,063	792,063	792,063
Second Floor Office	1	10,010	80.00	800,800	800,800	800,800
Third Floor Office	1	7,804	85.00	663,340	663,340	663,340
Fourth Floor Office	1	2,637	90.00	237,330	237,330	237,330
<b>Totals</b>	<b>7</b>	<b>39,772</b>			<b>2,834,280</b>	<b>2,834,280</b>

**Investment Valuation**

<b>Lower Ground Office</b>						
Market Rent	113,685	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	2,230,118	
<b>Ground Floor Office</b>						
Market Rent	148,000	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	2,903,263	
<b>Ground Floor Affordable Office</b>						
Market Rent	79,063	YP @	5.5000%	18.1818		
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	1,362,559	
<b>First Floor Office</b>						
Market Rent	792,063	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	15,537,606	
<b>Second Floor Office</b>						
Market Rent	800,800	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	15,709,007	
<b>Third Floor Office</b>						
Market Rent	663,340	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	13,012,503	
<b>Fourth Floor Office</b>						
Market Rent	237,330	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	4,655,618	
<b>Total Investment Valuation</b>					<b>55,410,674</b>	

**GROSS DEVELOPMENT VALUE**

**55,410,674**

Purchaser's Costs	(3,767,926)
Effective Purchaser's Costs Rate	6.80%
	(3,767,926)

**NET DEVELOPMENT VALUE**

**51,642,748**

**NET REALISATION**

**51,642,748**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price	19,578,745
	19,578,745
Stamp Duty	968,437
Effective Stamp Duty Rate	4.95%
Agent Fee	195,787
Legal Fee	97,894
	1,262,118

**16-24 Whitfield Street and 55 Tottenham Court Road  
Consented Scheme / BLV**

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>Units</b>	<b>Unit Amount</b>	<b>Cost</b>	
Construction Costs	1 un	12,394,191	12,394,191	
Contingency		5.00%	619,710	
CIL			70,000	
				13,083,901
<b>Other Construction Costs</b>				
Other Construction Costs			300,000	
M&S Plant and Machinery			1,000,000	
				1,300,000
<b>Section 106 Costs</b>				
Section 106 Costs			11,675	
				11,675

**PROFESSIONAL FEES**

Professional Fees	10.00%	1,239,419		1,239,419
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**MARKETING & LETTING**

Marketing	1.50%	831,160		
Letting Agent Fee	15.00%	425,142		
Letting Legal Fee	5.00%	141,714		
				1,398,016

**DISPOSAL FEES**

Sales Agent Fee	1.00%	554,107		
Sales Legal Fee	0.50%	277,053		
				831,160

**TOTAL COSTS BEFORE FINANCE**

**38,705,034**

**FINANCE**

Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			3,477,077	
Construction			1,149,036	
Total Finance Cost				4,626,113

**TOTAL COSTS**

**43,331,147**

**PROFIT**

**8,311,601**

**Performance Measures**

Profit on Cost%	19.18%
Profit on GDV%	15.00%
Profit on NDV%	16.09%
Development Yield% (on Rent)	6.54%
Equivalent Yield% (Nominal)	4.52%
Equivalent Yield% (True)	4.65%
IRR% (without Interest)	22.11%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 8.500)	2 yrs 1 mth



Appendix 8

16-24 Whitfield Street and 55 Tottenham Court Road  
Proposed Scheme  
U0023999

Development Appraisal  
ARGUS Software  
September 6, 2023

**16-24 Whitfield Street and 55 Tottenham Court Road  
Proposed Scheme**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Lower Ground - Affordable Office	1	1,625	15.00	24,375	24,375	24,375
Lower Ground - Office	1	1,238	30.00	37,140	37,140	37,140
Ground - Affordable Office	1	786	30.00	23,580	23,580	23,580
Ground - Office	1	1,389	60.00	83,340	83,340	83,340
First - Office	1	10,850	75.00	813,750	813,750	813,750
Second - Office	1	10,226	80.00	818,080	818,080	818,080
Third - Office	1	8,396	85.00	713,660	713,660	713,660
Fourth - Office	1	7,535	95.00	715,825	715,825	715,825
<b>Totals</b>	<b>8</b>	<b>42,045</b>			<b>3,229,750</b>	<b>3,229,750</b>

**Investment Valuation**

<b>Lower Ground - Affordable Office</b>						
Market Rent	24,375	YP @	5.5000%	18.1818		
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	420,078	
<b>Lower Ground - Office</b>						
Market Rent	37,140	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	728,562	
<b>Ground - Affordable Office</b>						
Market Rent	23,580	YP @	5.5000%	18.1818		
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	406,377	
<b>Ground - Office</b>						
Market Rent	83,340	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	1,634,851	
<b>First - Office</b>						
Market Rent	813,750	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	15,963,042	
<b>Second - Office</b>						
Market Rent	818,080	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	16,047,982	
<b>Third - Office</b>						
Market Rent	713,660	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	13,999,613	
<b>Fourth - Office</b>						
Market Rent	715,825	YP @	4.5000%	22.2222		
(2yrs 10mths Rent Free)		PV 2yrs 10mths @	4.5000%	0.8827	14,042,083	
<b>Total Investment Valuation</b>					<b>63,242,587</b>	

**GROSS DEVELOPMENT VALUE 63,242,587**

Purchaser's Costs (4,300,496)  
 Effective Purchaser's Costs Rate 6.80% (4,300,496)

**NET DEVELOPMENT VALUE 58,942,091**

**NET REALISATION 58,942,091**

**OUTLAY**

**ACQUISITION COSTS**

Fixed Price 19,575,000  
 Fixed Price 19,575,000  
 19,575,000

**16-24 Whitfield Street and 55 Tottenham Court Road**

**Proposed Scheme**

Stamp Duty		968,250	
Effective Stamp Duty Rate	4.95%		
Agent Fee	1.00%	195,750	
Legal Fee	0.50%	97,875	
			1,261,875

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>Units</b>	<b>Unit Amount</b>	<b>Cost</b>	
Construction Costs	1 un	16,733,000	16,733,000	
Contingency		5.00%	836,650	
CIL			273,000	
				17,842,650

**Other Construction Costs**

Other Construction Costs			620,000	
M&S Plant and Machinery			500,000	
				1,120,000

**Section 106 Costs**

Section 106 Costs			650,750	
				650,750

**PROFESSIONAL FEES**

Professional Fees		10.00%	1,673,300	
				1,673,300

**MARKETING & LETTING**

Marketing		1.50%	948,639	
Letting Agent Fee		15.00%	484,463	
Letting Legal Fee		5.00%	161,488	
				1,594,589

**DISPOSAL FEES**

Sales Agent Fee		1.00%	632,426	
Sales Legal Fee		0.50%	316,213	
				948,639

**TOTAL COSTS BEFORE FINANCE**

**44,666,803**

**FINANCE**

Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			3,476,412	
Construction			1,633,979	
Total Finance Cost				5,110,391

**TOTAL COSTS**

**49,777,193**

**PROFIT**

**9,164,898**

**Performance Measures**

Profit on Cost%	18.41%
Profit on GDV%	14.49%
Profit on NDV%	15.55%
Development Yield% (on Rent)	6.49%
Equivalent Yield% (Nominal)	4.51%
Equivalent Yield% (True)	4.64%
IRR% (without Interest)	22.08%
Rent Cover	2 yrs 10 mths
Profit Erosion (finance rate 8.500)	2 yrs





Appendix 9

#### THE PROPOSED SCHEME AREAS (NIA & GIA)

Use	Areas (NIA)	Areas (GIA)
Office	3,682 sqm (39,633 sq. ft)	4,115 sqm (44,293 sq. ft)
Affordable Workspace	224 sqm (2,411 sq. ft)	255 sqm (2,745 sq. ft)
Retail (M&S)	1,267 sqm (13,638 sq. ft)	1,383 sqm (14,886 sq. ft)
Ancillary Space and Common Parts	-	566 sqm (6,092 sq. ft)
<b>Total</b>	<b>5,173 sqm (55,682 sq. ft)</b>	<b>6,319 sqm (68,017 sq. ft)</b>

#### THE OFFICE/RESIDENTIAL SCHEME AREAS (NIA & GIA)

Use	Areas (NIA)	Areas (GIA)
Office	3,399 sqm (36,586 sq. ft)	3,799 sqm (40,892 sq. ft)
Affordable Workspace	221 sqm (2,379 sq. ft)	255 sqm (2,745 sq. ft)
Residential	245 sqm (2,637 sq. ft)	401 sqm (4,316 sq. ft)
Retail (M&S)	1,267 sqm (13,638 sq. ft)	1,383 sqm (14,886 sq. ft)
Ancillary Space and Common Parts	-	536 sqm (5,769 sq. ft)
<b>Total</b>	<b>5,132 sqm (55,240 sq. ft)</b>	<b>6,374 sqm (68,608 sq. ft)</b>

#### THE CONSENTED SCHEME AREAS (NIA & GIA)

Use	Areas (NIA)	Areas (GIA)
Office	3,460 sqm (37,243 sq. ft)	3,775 sqm (40,634 sq. ft)
Affordable Workspace	235 sqm (2,530 sq. ft)	280 sqm (3,014 sq. ft)
Retail (M&S)	1,295 sqm (13,939 sq. ft)	1,370 sqm (14,747 sq. ft)
Ancillary Space and Common Parts	-	175 sqm (1,884 sq. ft)
<b>Total</b>	<b>4,990 sqm (53,712 sq. ft)</b>	<b>5,600 sqm (60,279 sq. ft)</b>

#### GDV INPUTS

Use	Proposed Scheme	Office/Residential Scheme	Consented Scheme
Commercial (office)	Rent: Avg. £80 Yield: 4.50% Rent Free & Void: 34m	Rent: Avg. £75.30 (Savills Suggested) Avg. £80.25 (counterfactual), Yield: 4.50% Rent Free & Void: 34m	Rent: Avg. £74.15 Yield: 4.50% Rent Free & Void: 34m
Affordable Workspace	Rent: 50% discount to MR Yield: 5.50% Rent Free 12m	Rent: 50% discount to MR Yield: 5.50% Rent Free 12m	Rent: 50% discount to MR Yield: 5.50% Rent Free 12m
Residential	N/A	2b3p - £861,000 (£1,230 psf) 1b2p - £726,300 (£1,350 psf) 1b2p - £823,650 (£1,275 psf)	N/A
Affordable Housing	N/A	2b3p - £150,600 (£200 psf)	N/A

#### COST INPUTS

Cost	Proposed Scheme	Office/Residential Scheme	Consented Scheme
Construction (Including demolition and enabling works)	£16,733,000	£17,635,000	£12,394,191
Other Costs	£1,120,000	£1,120,000	£1,300,000

Contingency	5%
Professional fees	10%
Letting Agent Fee	15%
Letting Legal Fee	5%
Marketing / Sales Agents / Legal	1.5% / 1% / 0.5%
Finance	8.5%
Purchase Costs	6.8%

#### NOTIONAL PLANNING OBLIGATIONS

Planning Obligation	Proposed Scheme	Office/Residential Scheme	Consented Scheme
Borough CIL	£273,000	£422,000	£70,000
MCIL			
S106 (Mixed Use Payment)	£600,750	N/A	N/A
S106 (Highways & Other works)	£50,000	£50,000	£11,675
Affordable Workspace	224 sqm NIA (2,411 sq. ft) at 50% discount to MR	221 sqm NIA (2,379 sq. ft) at 50% discount to MR	235 sqm NIA (2,530 sq. ft) at 50% discount to MR

#### PROGRAMME (SAME FOR ALL SCHEMES)

Period	Duration
Pre-Construction	1 months
Construction	22 months
<b>Total Programme</b>	<b>1 years 11 months</b>

