JAMES.R.BROWN AND CO LTD
DEVELOPMENT VIABILITY & AFFORDABLE HOUSING
t: 07802 746 000 e: james.brown@jrb-c.com
www.jrb-c.com

Trevellyan Developments Limited,
Estate Management Office,
Greenhills Estate,
Tilford Road,
Tilford,
Surrey,
GU10 2DZ.

F.a.o. Lance Trevellyan

5/12/22

Dear Sirs,

BP PFS, 104A FINCHLEY ROAD, SOUTH HAMPSTEAD, NW3 5EY – VIABILITY OF RESIDENTIAL LED PROPOSAL.

Further to the BPS viability review dated 11/10/22, we comment as follows.

General:-

Clearly, current and forecast economic conditions since we prepared our viability report dated 30/6/22 have deteriorated.

Build costs, mortgage rates and finance costs have increased, and values have weakened.

Although we originally appraised the proposed scheme with 5 shared ownership units and no affordable housing provision (as 2 scenarios), we understand no affordable housing provision was/is proposed as part of the application and that this remains the case (as no affordable housing provision was/is viably sustainable).

BLV:-

BPS only seem to look for reasons to reduce the valuation produced by Avison Young which does not seem objective.

The Avison Young valuation was not produced for planning application purposes and we see no justification for doubting its integrity in context.

We are not convinced that BPS have the specialist PFS knowledge to down-value this asset.

BPS seek to make an issue of the fact that Avison Young refer to “the vast majority of recent transactions equating to around 7.5 x Fair Maintainable Operating Profit” whereas Avison Young apply a multiplier of 7.75 to their FMOP assessment. However, Avison Young have said ‘around 7.5’ and the average multiplier from their 21 comparables is 7.83.

BPS have no objective evidence or justification to reduce the Avison Young multiplier from 7.75 to 7.5 thus reducing the Avison Young valuation from £3.26m to £3.16m.

BPS have also deducted purchaser’s costs to get to £2.945m. However, the FMOP valuation approach and the comparables referred to by Avison Young already account for purchaser’s costs as the relevant FMOP multipliers are based upon ‘sale price’ comparables as opposed to ‘sale price plus purchaser’s costs’. If the multipliers are gauged against ‘sale price plus purchaser’s costs’ then the FMOP multipliers would be higher as would the gross value.

In conclusion, BPS’s BLV should be at least £3.26m (i.e. the Avison Young value).

With respect to our land-owner’s premium, we appreciate that Avison Young refer to their valuation as Market Value but they have, in effect, focussed solely on its PFS income as their valuation driver. As such, we respect and their valuation as and consider it to be an EUV. It is potentially under-valued as a Market Value.

The concept of a ‘land-owner’s premium’ has never really been recognised and/or defined by the RICS except in so far as they recognise it as a term introduced by NPPG (viability) which says:-

How should the premium to the landowner be defined for viability assessment?

The premium (or the ‘plus’ in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

See related policy: National Planning Policy Framework paragraph 57

Paragraph: 016 Reference ID: 10-016-20190509

Revision date: 09 05 2019 See previous version

In the RICS's Financial Viability in Planning (1st Edition 2012) which remains valid guidance, they say the following on page 45:-

> **Existing use value (plus a premium)**
>
> Used by some practitioners for establishing Site Value. The basis is as with EUV but then adds a premium (usually 10% to 40%) as an incentive for the landowner to sell. However, it does not reflect the market and is both arbitrary and inconsistent in practical application.

As we consider the Avison Young valuation to be an EUV (in effect), we therefore continue to consider it reasonable to add a land-owner's premium. We are simply complying with guidance.

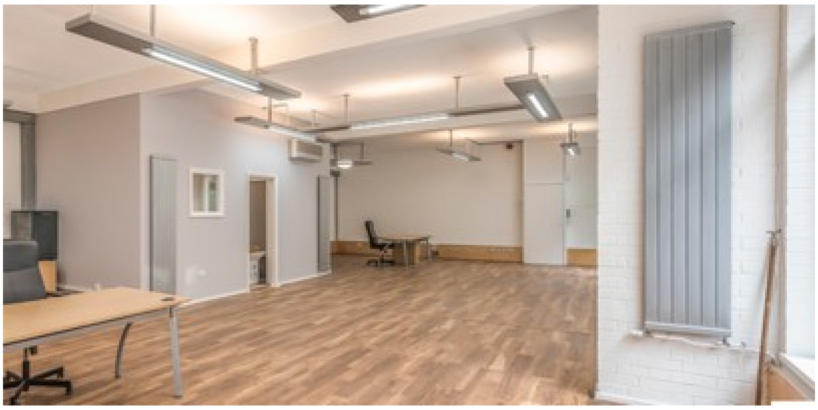
In conclusion, we consider our BLV of £3.91m to be reasonable and justified. BPS's BLV should be at least £3.26m and, reasonably, £3.91m.

Value of Proposed Commercial Space:-

BPS think the 1,775 sq. Ft. commercial unit could be let for £35 p.s.f. as opposed to the £30 p.s.f. we assumed. However, all discussions with UCS Prep until recently have been on the basis of £30 p.s.f. As the market/economy has deteriorated, we would now expect to have to offer a rent free period of at least 18 months to secure that £30 p.s.f.

BPS discard the 6 completed commercial transactions we provided (5 of which were from between 2020 – 2022) as they view this evidence as ‘relatively dated’. However, it is actual transactional evidence (as opposed to asking rents etc) from a stronger market period.

BPS think a letting at Suite B/1-3 Canfield Place (a 2021 transaction – i.e. no more up to date than our comparable transactions) and 102 Belsize Lane are more appropriate comparables (albeit we are not sure why). However, 1-3 Canfield Place was/is in a freshly refurbished Category A specification format and included 2 car parking spaces (imperative, along with the ‘no through side-road’ location, for the day nursery use to which the space has been put). The QS build cost assessment and our rent assumption in our viability report dated 30/6/22 was ‘shell & core’.



Suite B/1-3 Canfield (Category A and verging on B).

Although BPS imply that Suite B/1-3 Canfield let for £49,950 p.a., it actually let for £45,000 as confirmed by Peter Wilson of Dutch & Dutch. We would expect the subject space to let for less as it does not have parking, is/will be ‘shell & core’ and is further from the tube station.

BPS’s 102 Belsize Lane comparable is ‘asking rent’ only and is not therefore very informative.

In conclusion, our assumed rent of £30 p.s.f. seems quite optimistic based upon meaningful comparables. There is no evidence to support BPS’s £35 p.s.f.

Build Costs:-

Although BPS's QS (Geoffrey Barnet Associates) consider WWA's build cost assessment to have been reasonable, this was as at Q3 2022 and we are now in Q4 2022. The BCIS All-In Tender Price Index indicates inflation of 1.37% which means BPS should be accounting for an additional £151,000 of cost (and rising – fast).

Professional Fees:-

The proposed scheme is complicated and has/will involve intense specialist input over above what is typical. There is a London Underground train tunnel under the site and it is a PFS. This means extensive consultation with TFL is required (whereupon the applicant would have to pay their consultant's fees too) and, as the development has to cantilever over the tunnel, specialist structural engineers are required. Specialist drilling to test for contamination is also required. In summary, the professional fee account here will be much higher than normal.

BPS will also be aware from the Sunnyside appeal inquiry decision dated 15/12/21 (where BPS acted for the Council and we acted for the Appellant) that, in addition to 6.5% of professional fees already embedded within the build cost, the Inspector decided:-

Appeal Decision APP/V5570/W//21/3267951

76. Professional fees were also different with the appellant applying 5.5% and the Council 3.5%. The Council's position on this changed from 7.5% as part of their original viability assessments due to allowances being included as part of other calculations. The appellant's allowance was also originally 7.5% but has been revised downwards by a way of trying to reach common ground. I consider the appellant's position to be reasonable given that the types of fee incurred are likely to be greater[13].

Extract from Statement of Common Ground:-

Statement of Common Ground & Issues: Financial Viability
87 Sunnyside Road, London, N19 3SL (APP/V5570/W/21/3267951)
Sunnyside Road Land Limited and London Borough of Islington

OTHER COST ASSUMPTIONS		
Professional Fees (on a Build Cost including Main Contractors Design Fees of 6.5%)	5.5%	3.5%
Sales Agency, legal and marketing fees (residential)	3% plus £19,000 (legals)	3%
Commercial marketing, agents and legal fees disposal	3% plus £1,000 (legals)	1.5%

This equated to professional fees of 12%.

BPS have not provided any evidence in support of their reduced fee allowance of 10% except to say that their cost consultant considers 12% excessive. We doubt that Geoffrey Barnett Associates said this as it is not for them to comment on the wide variety of professional fees relevant to an overall development appraisal (i.e. not just fees associated to construction).

Finance Costs:-

BPS have used an all-in rate of 7% which is what we used in June 2022. However, 7% was optimistic even as at June 2022. Need we point out that the Base Rate has more than doubled since then?

Even before the most recent 0.75% Base Rate increase, we have received viability reviews within which viability consultants acting for Councils have agreed that 7.5% is reasonable.

A reasonable finance rate (including 'in/out' finance facility fees) is now <u>more than</u> even 7.5% - which is unfortunate for everybody.

BPS will be aware that they agreed an all-in finance rate of 7% on the abovementioned Sunnyside appeal inquiry in Q4 2021. It is not credible to suggest that 7% is still reasonable.

If 7.5% is disputed, we would be happy to delve into this to obtain more evidence as we know that this will justify an even higher rate. Evidence to support a rate as low as 7% does not exist.

Profit:-

BPS imply that NPPG (viability) suggests that a reasonable profit of 15%-20% on GDV only relates to the private residential element of a residential led scheme. However, NPPG (viability) does not say this. It says one can split profit between uses but its overall range of 15%-20% is the resultant range.

Furthermore, as NPPG (viability) and RICS guidance (i.e. as referred to in our viability report dated 30/6/22) was issued in 2019 and as risk has substantially increased since then (for obvious reasons), a reasonable/necessary profit target must now be higher. Profit targets exist to cover risk and profit.

Again, we would remind BPS what the Inspector decided on the Sunnyside appeal inquiry referred to above <u>and that was before market risk substantially increased</u>:-

> *Overall Residual Profit*
>
> 77. Using the Council's figures, the overall residual profit would be £2,293,791 which, on applying a 17% private residential gross development value (GDV) and 15% GDV on commercial, would result in a surplus of £500,493. The appellant's calculations would be £977,908 residual profit, and in applying an 18% allowance on overall GDV and/or 20% on costs, this would result in a shortfall of £834,403. This represents some £1.3 million difference between parties.
>
> 78. Profit target values supported by both parties fall within the advice of the PPG which specifies 15-20%. In general, 18-20% margin is standard. The Council's figures, which given the current risk factors around the economy, do seem to be overly low.

A profit target of 22.5% on cost (all private) is now low and NPPG is out of date in this regard.

Timetable:-

We suggest you ask WWA to speak to Geoffrey Barnett Associates about their belief that a reasonable contract period is 18 months as opposed to 24.

We are not contract period specialists but we can see that this is a complicated site in a logistically difficult location. We think GBA need to re-consider.

We consider BPS's assumption that all of the proposed flats would be sold within 4 months of practical completion to be completely un-realistic in the current market – especially if all 31 units are private (as was/is proposed).

Media articles such as the following are now un-surprisingly commonplace:-

Demand for new-build homes cooling fast, says Barratt

UK's largest housebuilder cuts profit estimate

Barratt said cost of living concerns compounded by reduced mortgage availability had contributed to a slowdown in demand © REUTERS

George Hammond OCTOBER 12 2022 98

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Demand for new-build housing is cooling fast with economic turmoil and higher borrowing costs putting the brakes on the property market, the UK's largest housebuilder has said.

Barratt Developments said in a trading update on Wednesday that buyers were reserving an average of 188 homes per week, compared with 281 in the past financial year.

Demand is markedly slower than in each of the past three years, it added,

Private Residential Values:-

At this stage, we have not re-visited our private residential sales value opinions as at June 2022 but, whilst evidence may not yet exist (because sales of new build flats are struggling), it is extremely likely that values have gone down given what has been happening to mortgage rates and confidence.

Conclusion:-

The conclusion in our viability report as at June 2022 was reasonable and evidentially justified.

The viability position must now be worse (and is). We attach at **Appendix 1** an update to our previous appraisal (no affordable housing) with increased build costs (as discussed herein) and a higher finance rate (at 7.5% which is more than justified herein and is in fact very optimistic).

The appraisal in **Appendix 1** indicates a profit of £2,595,428 which is an insufficient amount equivalent to only 12.16% on cost. The profit deficiency is £2,207,958 which is arrived at via total costs of £21,348,384 x 0.225 = £4,803,386 less forecast profit of £2,595,428 = £2,207,958. We also reserve the right to re-visit the values of the proposed units and our viability appraisal over the next few weeks/months as we expect the viability position to deteriorate.

BPS have not provided any evidence in support of any of their various counter-assumptions and need to add in some additional build cost due to inflation between Q3 and Q4.

Although BPS conclude that the scheme is in deficit by £180,000 if 5 x shared ownership units are provided, the scheme is clearly in much greater deficit than this and it cannot viably sustain any affordable housing provision.

Unfortunately, this is likely to be the reality on most residential led planning applications now given current and foreseeable economic conditions.

Yours faithfully,

James Brown BSc (Hons) MRICS
RICS Registered Valuer
Director

APPENDIX 1

Finchley Rd on 5/12/22 (no affordable)

Development Appraisal
Prepared by JRB
James R Brown & Company Ltd
08 December 2022

APPRAISAL SUMMARY — JAMES R BROWN & COMPANY LTD

Finchley Rd on 5/12/22 (no affordable)

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**	
Private Residential	31	23,218	927.31	694,525	21,530,284	
Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Commercial	1	1,755	30.00	52,650	52,650	52,650
Education (or Commercial)	1	3,735	30.00	112,050	112,050	112,050
Totals	**2**	**5,490**			**164,700**	**164,700**
Investment Valuation						
Commercial						
Market Rent	52,650	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	827,830	
Education (or Commercial)						
Market Rent	112,050	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,761,792	
					2,589,623	
GROSS DEVELOPMENT VALUE				**24,119,906**		
Purchaser's Costs			(176,094)			
				(176,094)		
NET DEVELOPMENT VALUE				**23,943,812**		
NET REALISATION				**23,943,812**		
OUTLAY						
ACQUISITION COSTS						
Fixed Price			3,910,000			
				3,910,000		
Stamp Duty		5.00%	195,500			
Agent Fee		1.00%	39,100			
Legal Fee		0.80%	31,280			
				265,880		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Commercial	1,755 ft²	295.91 pf²	519,322			
Education (or Commercial)	3,735 ft²	295.91 pf²	1,105,224			
Private Residential	32,194 ft²	295.91 pf²	9,526,527			
Totals	**37,684 ft²**		**11,151,072**	**11,151,072**		
MCIL2/CIL/S.106/S.278			1,900,000			
				1,900,000		
PROFESSIONAL FEES						
Professionals		12.00%	1,338,129			
				1,338,129		
MARKETING & LETTING						
Marketing		1.25%	269,129			
Letting Agent Fee		10.00%	16,470			
Letting Legal Fee			8,000			
				293,599		
DISPOSAL FEES						
Sales Agent Fee		1.50%	359,157			
Sales Legal Fee			40,000			
				399,157		
FINANCE						
Debit Rate 7.500%, Credit Rate 0.500% (Nominal)						
Land			760,288			
Construction			1,172,290			
Other			157,970			
Total Finance Cost				2,090,547		
TOTAL COSTS				**21,348,384**		
PROFIT						
				2,595,428		

This appraisal report does not constitute a formal valuation.

Finchley Rd on 5/12/22 (no affordable)

Performance Measures

Profit on Cost%	12.16%
Profit on GDV%	10.76%
Profit on NDV%	10.84%
Development Yield% (on Rent)	0.77%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR	15.10%
Rent Cover	15 yrs 9 mths
Profit Erosion (finance rate 7.500%)	1 yr 7 mths

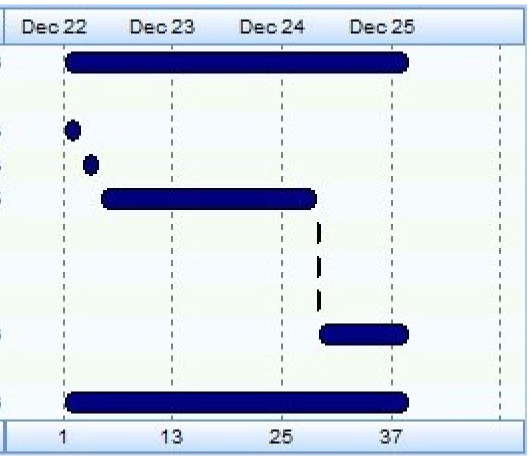
This appraisal report does not constitute a formal valuation.

Finchley Rd on 5/12/22 (no affordable)

Project Timescale	
Project Start Date	Dec 2022
Project End Date	Jan 2026
Project Duration (Inc Exit Period)	38 months

Phase 1

	Start Date	Duration	End Date
Project	Dec 2022	38 Month(s)	Jan 2026
Purchase	Dec 2022	2 Month(s)	Jan 2023
Pre-Construction	Feb 2023	2 Month(s)	Mar 2023
Construction	Apr 2023	24 Month(s)	Mar 2025
Post Development	Apr 2025	0 Month(s)	
Letting	Apr 2025	0 Month(s)	
Income Flow	Apr 2025	0 Month(s)	
Sale	Apr 2025	10 Month(s)	Jan 2026
Cash Activity	Dec 2022	38 Month(s)	Jan 2026



This appraisal report does not constitute a formal valuation.

Finchley Rd on 5/12/22 (no affordable)

Detailed Cash flow Phase 1

	001:Dec 2022	002:Jan 2023	003:Feb 2023	004:Mar 2023	005:Apr 2023	006:May 2023	007:Jun 2023	008:Jul 2023
MonthlyB/F	0	(4,175,880)	(4,175,880)	(4,228,079)	(4,228,079)	(6,212,755)	(6,489,765)	(6,767,189)
Revenue								
Cap - Commercial	0	0	0	0	0	0	0	0
Cap - Education (or Commercial)	0	0	0	0	0	0	0	0
Sale - Private Residential	0	0	0	0	0	0	0	0
Disposal Costs								
Purchaser's Costs	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0
Unit Information								
Private Residential								
Acquisition Costs								
Fixed Price	(3,910,000)	0	0	0	0	0	0	0
Stamp Duty	(195,500)	0	0	0	0	0	0	0
Agent Fee	(39,100)	0	0	0	0	0	0	0
Legal Fee	(31,280)	0	0	0	0	0	0	0
Construction Costs								
MCIL2/CIL/S.106/S.278	0	0	0	0	(1,900,000)	0	0	0
Con. - Commercial	0	0	0	0	(3,521)	(7,706)	(11,536)	(15,009)
Con. - Education (or Commercial)	0	0	0	0	(7,493)	(16,401)	(24,550)	(31,943)
Con. - Private Residential	0	0	0	0	(64,590)	(141,366)	(211,614)	(275,333)
Professional Fees								
Professionals	0	0	0	0	(9,072)	(19,857)	(29,724)	(38,674)
Marketing/Letting								
Marketing	0	0	0	0	0	0	0	0
Letting Agent Fee	0	0	0	0	0	0	0	0
Letting Legal Fee	0	0	0	0	0	0	0	0
Net Cash Flow Before Finance	**(4,175,880)**	**0**	**0**	**0**	**(1,984,676)**	**(185,330)**	**(277,424)**	**(360,959)**
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Finance Costs (All Sets)	0	(26,099)	(26,099)	(26,425)	(26,425)	(38,830)	(40,561)	(42,295)
Net Cash Flow After Finance	**(4,175,880)**	**(26,099)**	**(26,099)**	**(26,425)**	**(2,011,102)**	**(224,159)**	**(317,985)**	**(403,254)**
Cumulative Net Cash Flow Monthly	(4,175,880)	(4,201,979)	(4,228,079)	(4,254,504)	(6,265,606)	(6,489,765)	(6,807,750)	(7,211,004)

This appraisal report does not constitute a formal valuation.

Finchley Rd on 5/12/22 (no affordable)

Detailed Cash flow Phase 1

009:Aug 2023	010:Sep 2023	011:Oct 2023	012:Nov 2023	013:Dec 2023	014:Jan 2024	015:Feb 2024	016:Mar 2024	017:Apr 2024	018:May 2024
(7,128,148)	(7,691,490)	(8,193,842)	(8,754,053)	(9,517,560)	(10,167,811)	(10,850,244)	(11,747,146)	(12,468,265)	(13,195,889)
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
(18,127)	(20,889)	(23,295)	(25,344)	(27,039)	(28,377)	(29,359)	(29,985)	(30,256)	(30,170)
(38,578)	(44,455)	(49,576)	(53,938)	(57,544)	(60,391)	(62,482)	(63,815)	(64,391)	(64,209)
(332,523)	(383,185)	(427,318)	(464,923)	(495,999)	(520,547)	(538,566)	(550,056)	(555,018)	(553,451)
(46,707)	(53,823)	(60,023)	(65,305)	(69,670)	(73,118)	(75,649)	(77,263)	(77,960)	(77,740)
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
(435,935)	**(502,353)**	**(560,211)**	**(609,510)**	**(650,251)**	**(682,433)**	**(706,055)**	**(721,119)**	**(727,624)**	**(725,570)**
7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(44,551)	(48,072)	(51,212)	(54,713)	(59,485)	(63,549)	(67,814)	(73,420)	(77,927)	(82,474)
(480,486)	**(550,424)**	**(611,422)**	**(664,223)**	**(709,736)**	**(745,981)**	**(773,869)**	**(794,539)**	**(805,550)**	**(808,044)**
(7,691,490)	(8,241,914)	(8,853,337)	(9,517,560)	(10,227,296)	(10,973,277)	(11,747,146)	(12,541,685)	(13,347,235)	(14,155,279)

This appraisal report does not constitute a formal valuation.

Finchley Rd on 5/12/22 (no affordable)

Detailed Cash flow Phase 1

019:Jun 2024	020:Jul 2024	021:Aug 2024	022:Sep 2024	023:Oct 2024	024:Nov 2024	025:Dec 2024	026:Jan 2025	027:Feb 2025	028:Mar 2025
(14,155,279)	(14,870,236)	(15,566,020)	(16,512,771)	(17,144,535)	(17,731,450)	(18,586,137)	(19,057,677)	(19,458,692)	(20,137,512)
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
(29,729)	(28,932)	(27,779)	(26,270)	(24,405)	(22,184)	(19,607)	(16,675)	(13,386)	(9,742)
(63,270)	(61,573)	(59,119)	(55,908)	(51,939)	(47,212)	(41,729)	(35,488)	(28,489)	(20,733)
(545,355)	(530,731)	(509,579)	(481,897)	(447,688)	(406,949)	(359,682)	(305,886)	(245,562)	(178,709)
(76,602)	(74,548)	(71,577)	(67,689)	(62,884)	(57,161)	(50,522)	(42,966)	(34,493)	(25,102)
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
(714,957)	**(695,785)**	**(668,054)**	**(631,764)**	**(586,915)**	**(533,507)**	**(471,540)**	**(401,015)**	**(321,930)**	**(234,287)**
7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(88,470)	(92,939)	(97,288)	(103,205)	(107,153)	(110,822)	(116,163)	(119,110)	(121,617)	(125,859)
(803,427)	**(788,724)**	**(765,341)**	**(734,969)**	**(694,068)**	**(644,329)**	**(587,704)**	**(520,125)**	**(443,547)**	**(360,146)**
(14,958,706)	(15,747,430)	(16,512,771)	(17,247,740)	(17,941,808)	(18,586,137)	(19,173,840)	(19,693,965)	(20,137,512)	(20,497,659)

This appraisal report does not constitute a formal valuation.

Finchley Rd on 5/12/22 (no affordable)

Detailed Cash flow Phase 1

029:Apr 2025	030:May 2025	031:Jun 2025	032:Jul 2025	033:Aug 2025	034:Sep 2025	035:Oct 2025	036:Nov 2025	037:Dec 2025	038:Jan 2026
(20,371,799)	(7,589,843)	(5,700,820)	(4,653,910)	(3,607,000)	(2,627,166)	(1,580,256)	(533,346)	500,951	1,547,861
827,830	0	0	0	0	0	0	0	0	0
1,761,792	0	0	0	0	0	0	0	0	0
10,765,142	2,153,028	1,076,514	1,076,514	1,076,514	1,076,514	1,076,514	1,076,514	1,076,514	1,076,514
(176,094)	0	0	0	0	0	0	0	0	0
(197,680)	(32,295)	(16,148)	(16,148)	(16,148)	(16,148)	(16,148)	(16,148)	(16,148)	(16,148)
(40,000)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
(134,564)	(26,913)	(13,456)	(13,456)	(13,456)	(13,456)	(13,456)	(13,456)	(13,456)	(13,456)
(16,470)	0	0	0	0	0	0	0	0	0
(8,000)	0	0	0	0	0	0	0	0	0
12,781,956	**2,093,820**	**1,046,910**	**1,046,910**	**1,046,910**	**1,046,910**	**1,046,910**	**1,046,910**	**1,046,910**	**1,046,910**
7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(44,957)	(33,980)	(28,902)	(22,359)	(15,816)	(9,692)	(3,148)	226	657	0
12,736,999	**2,059,840**	**1,018,008**	**1,024,551**	**1,031,095**	**1,037,218**	**1,043,762**	**1,047,136**	**1,047,567**	**1,046,910**
(7,760,660)	(5,700,820)	(4,682,812)	(3,658,260)	(2,627,166)	(1,589,947)	(546,186)	500,951	1,548,518	2,595,428

This appraisal report does not constitute a formal valuation.