

PRIVATE & CONFIDENTIAL

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FAO Gil Lev

By email only

20 December 2022

Dear Gil,

Lupin House, 11-13 Macklin Street, London WC2B 5NH ('the Site')
Addendum to Financial Viability Assessment dated September 2022 in relation to the subject site

Background

We were instructed in September 2022 by Aviv Riverview Ltd (the "Client"/ the "Applicant"), in relation to the proposed planning application for the redevelopment of the Lupin House, 11-13 Macklin Street, London WC2B 5NH ("the site").

At that time, we provided a Financial Viability Assessment of the proposed scheme to deliver office accommodation over the ground, mezzanine and first floors with 12x new residential apartments over the second to fifth floors, behind the existing façade. It was concluded that the proposed scheme resulted in a deficit of **-£977,314** and, therefore, cannot sustain any on site or in lieu cash contributions towards affordable housing. This was provided in September 2022.

The purpose of this letter, therefore, is to provide an update to our FVA of the proposed scheme dated September 2022 in order to reflect changes in construction costs and house prices since that date. This report and its contents have been prepared specifically to support discussions in respect of the proposed redevelopment of the site. For details of the existing site and proposed scheme, please refer to our FVA dated September 2022.

We have maintained the majority of appraisal inputs from our assessment and we refer to our earlier report for further details. We have then allowed for house price growth and construction cost inflation as discussed below.

Private Residential GDV

Comprehensive sales evidence was obtained as at September 2022 and a unit by unit valuation was provided. This was included in our FVA dated September 2022.

Since the last assessment there has been significant change in the macro-economic climate, increased mortgage rates and general cost of living which has started to affect residential values. Based upon discussions with agents, market commentary and valuation of similar properties in this location we have reduced values by 5%, which produces an updated private residential GDV of **£15,770,000**.

Commercial GDV

Comprehensive evidence was obtained as at September 2022 and a detailed investment valuation was provided. This was included in our FVA dated September 2022.

The commercial investment market has been significantly affected by the economic turbulence stated above. Based upon current yield tables we have applied a 100-basis point increase to our previous yield assumptions (4.5% NIY) to arrive at an initial yield of 5.5% NIY.

Construction Costs

Within our September 2022 FVA, we adopted construction costs at £7,570,000 (£317psf) in accordance with a cost plan provided by Gardiner & Theobald as at 1 July 2022 (Appendix 1). We note that the cost plan provided does not include construction contingency and this has been applied at 7.5% on the base cost estimate to reflect the additional risk associated with working on an existing structure.

Gardiner & Theobald have since provided an updated cost plan as at 19 December 2022 (Appendix 2), which advises a total construction cost, excluding contingency, of £7,872,000 (£330psf). This is an increase of 3.99%.

We have cross checked this against the BCIS Tender Price Index from Q2 2022 (361) to Q4 2022 (370) (Appendix 3), which reflects an increase of 2.49%.

We have therefore adopted **£7,872,000 (£330psf)** as per the updated cost plan prepared by Gardiner & Theobald.

Planning Obligations

We have been provided with updated estimates of Camden CIL and MCIL2 by the JLL Planning Team, advising a combined figure of £35,737. We have adopted these figures but note that these are subject to change according to finalised GIAs and indexation.

Finance Rate

Within our September 2022 FVA, we adopted 6.5% debit and 1% credit rate. Taking into account the rises in interest rates since that time, we now consider 7.5% and 2% to be an appropriate debit and credit rate respectively and have adopted this within our appraisal.

Benchmark Land Value

Within our September 2022 FVA, we adopted an existing use value of £2,735,000 for the residential element and £3,800,000, producing a total EUV of £6,535,000. Applying a 20% landowner's premium resulted in a Benchmark Land Value of £7,842,000.

As per the proposed scheme residential values we have applied a reduction of 5% to arrive at a residential EUV of £2,598,250. Based upon current yield tables we have applied a 100 basis point increase to our previous EUV to arrive at a commercial value of £3,130,000. The total EUV is, therefore, £5,728,250. Applying a 20% landowner's premium results in revised BLV of £6,873,900.

Updated Appraisal Results

A summary of our revised appraisal (Appendix 3), compared to the September 2022 FVA results, is outlined below:

Appraisal Input	Sep-22	Dec-22
Net Development Value (Total)	£22,466,052	£20,870,863
Costs (Total)	-£11,752,259	-£11,880,283
Profit / Risk Return	-£3,849,107	-£3,420,669
Residual Land Value	£6,864,686	£5,223,053

Appraisal Input	Sep-22	Dec-22
Benchmark Land Value	£7,842,000	£6,873,900
Surplus/Deficit	-£977,314	-£1,650,847

As shown above, a combined decrease of 7.1% in the residential and commercial NDV together with a c. 2.5% increase in construction costs since September 2022 has resulted in a larger deficit. The proposed scheme is, therefore, unable to support any on site or in lieu contributions towards affordable housing.

Scenario Testing

We have tested the impact of values and build costs +/- 5% and 10% on residual land value. The results are in the table below.

Construction Costs					
	-10%	-5%	0%	5%	10%
Residential Values and Commercial Rents	£316psf	£333psf	£351psf	£368psf	£386psf
-10%	£4,696,342	£4,294,738	£3,893,129	£3,491,527	£3,089,923
-5%	£5,361,302	£4,959,698	£4,558,093	£4,156,484	£3,754,882
0%	£6,026,260	£5,624,657	£5,223,053	£4,821,449	£4,419,845
5%	£6,691,224	£6,289,616	£5,888,013	£5,486,409	£5,084,805
10%	£7,356,184	£6,954,580	£6,552,972	£6,151,369	£5,749,765

Viable scenarios are highlighted in green. This suggest that one would need residential values and commercial to increase by 10% and construction costs to decrease by at least 5% for an improved affordable housing offer to become viable.

Conclusion

Based on indexed construction costs and private residential sales value, it is our opinion that the proposed scheme, remains unviable, albeit the level of deficit has changed. While the scheme is deliverable, it is not able to support on-site affordable housing or a payment in lieu.

Yours sincerely,



Edmund Couldrey MRICS

Director



Alice Elwood MRICS

Surveyor

Appendix 1

Proposed Scheme Cost Plan

LUPIN HOUSE - SCHEME A FEASIBILITY ESTIMATE

19-Dec-22

CONTENTS

- 1** Construction Cost Summary
- 2** Assumptions
- 3** Exclusions
- 4** Areas Schedule
- 5** Elemental Breakdown

CONSTRUCTION COST SUMMARY

CONSTRUCTION COST		Total (£)	£/Sf GIA	£/sq ft Nia
ESTIMATED ROUNDED CONSTRUCTION COST		£ 7,872,000	£ 330	£ 440
1	Facilitating Works	446,790		
2	Shell & Core	806,166		
3	Superstructure - Exterior Works	822,994		
4	Superstructure - Commercial Areas	510,727		
5	Superstructure - Residential Areas	873,830		
6	Residential Fit-Out	1,339,269		
7	Fittings /Furnishings/Equipment	31,200		
8	Scaffolding	124,800		
9	M&E Services	1,234,591		
10	External Works	249,600		
11	Main Contractor's preliminaries	1,078,772		
12	Main Contractor's Overheads and Profit	353,597		
TOTAL		7,872,336		

NOTES & ASSUMPTIONS

PROJECT OVERVIEW

- 1 This report provides an order of cost for the refurbishment of commercial use, residential conversion and rooftop extensions at Lupin House.

PROGRAMME

- 1 Programme duration currently unknown, and is subject to VP's and sequencing of works

INFORMATION USED TO PREPARE THIS ESTIMATE

- 1 This Cost Estimate has been based upon the Apt Studio Pre-app report dated 9th May 2022
Heyne Tillet Steel structural initial thoughts information issued 05/04/22

STATUS OF DESIGN

- 1 RIBA Stage 2 feasibility

KEY ASSUMPTIONS

- 1 Please refer to the detailed build up for all other key assumptions and allowances.
- 2 Estimated costs are construction costs prepared using current prices (4Qtr 2022)
- 3 Allowances have been included for main contractor preliminaries costs, and main contractor's overheads and profit is 5% across all construction works.
- 4 New build costs are based upon an assumed quality and specification to align with the current typical spaces
- 5 Client Contingencies, design development and construction risk have been excluded and to be provided for separately within the appraisal
- 6 Infrastructure upgrade costs excluded
- 7 Areas are intended for the production of the Cost Plan only and should not be relied upon for any other purpose.
- 8 Improvements to thermal performance of the existing buildings beyond window replacement has been excluded

PROCUREMENT

- 1 The procurement strategy for the works is assumed to be a competitive Design & Build route

INFLATION

- 1 Inflation is excluded
- 2 Current market conditions relating to shortage of materials and labour is a risk and may have an impact on future costs. In particular steel, plasterboard and timber and future design development may need to take this into account

EXCLUSIONS

The following should be read in conjunction with the Executive Summary and are a list of items not yet able to be included within this cost plan; however, we would like to discuss them further with yourselves and your advisors to determine whether some or all of the following can be included in the cost plan:

- 1 Value Added Tax
- 2 Land acquisition costs and fees
- 3 Client finance, legal or marketing costs
- 4 Fees or costs associated with rights of light agreement, party wall awards, oversailing agreements etc
- 5 Professional fees
- 6 Section 106 / 278 Contributions
- 7 Community Infrastructure Levy Contributions or similar
- 8 Costs resulting from zero carbon requirements or offset charges
- 9 Benefits arising from any potential Capital Allowances or other government incentives / grants
- 10 Currency and exchange rate fluctuations
- 11 Statutory changes
- 12 Works outside of the site boundary except where specifically stated
- 13 Fees, works or costs associated with abnormal ground conditions, beyond risk allowances
- 14 Changes to current building regulations
- 15 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.
- 16 Infrastructure upgrades to meet increased capacities
- 17 Tenant disruption and refit costs beyond stated allowances
- 18 External works, resurfacing the existing public realm areas
- 19 Contingencies
- 20 Consequential part L thermal improvements to existing elevations

AREA SCHEDULE

Lupin House
 Aviv Riverview Limited
 Apt Revision: 03
 19/12/2022

Existing					
Building	Residential		Commercial		Total
	NIA		NIA		NIA
Level	sqm	sqft	sqm	sqft	sqm
GF	0	0	249	2,676	249
Mezz	0	0	47	505	47
L01	0	0	245	2,636	245
L02	0	0	232	2,502	232
L03	0	0	257	2,768	257
L04	211	2,267	0	0	211
Total	211	2,267	1,030	11,087	1,241

Existing		
Building	Residential	
	GIA	
Level	sqm	sqft
GF	348	3,748
Mezz	49	523
L01	317	3,415
L02	313	3,372
L03	320	3,440
L04	278	2,996
Total	1,625	17,495

Area Schedule - Proposed					
Building	Residential		Commercial		Total
	NIA		NIA		NIA
Level	sqm	sqft	sqm	sqft	sqm
GF	39	425	142	1,529	182
Mezz	11	115	85	914	96
L01	0	-	251	2,700	251
L02	257	2,764	-	-	257
L03	264	2,844	-	-	264
L04	258	2,775	-	-	258
L05	180	1,939	-	-	180
Total	1,009	10,862	478	5,143	1,487

Area Schedule - Proposed		
Building	Total	
	GIA	
Level	sqm	sqft
GF	361	3,882
Mezz	264	3,887
L01	312	3,709
L02	310	3,336
L03	317	3,407
L04	307	3,306
L05	216	2,333
Total	2,087	23,860

Circulation Areas				
Building	Total	Total	Resi	Commercial
	NIA		68%	32%
Level	sqm	sqft	sqm	sqm
GF	45	479	30	14
Mezz	57	614	39	18
L01	33	-	23	11
L02	26	-	18	8
L03	27	-	18	9
L04	26	-	18	8
L05	10	111	7	3
Total	224	1,204	152	72

BOH Areas				
Building	Total	Total	Resi	Commercial
	NIA		68%	32%
Level	sqm	sqft	sqm	sqm
GF	86	925	59	27
Mezz	68	737	47	22
L01	-	-	-	-
L02	-	-	-	-
L03	-	-	-	-
L04	-	-	-	-
L05	15	157	10	5
Total	169	1,818	115	54

**LUPIN HOUSE, 11-13 MACKLIN STREET
FEASIBILITY ESTIMATE - SCHEME A**

Job No. : 38551
Client : Aviv Riverview Limited

Issue Date: 19/12/2022
Gross Internal Area (m²) : 2,087
Gross Internal Area (ft²) : 23,860

SUMMARY OF CONSTRUCTION COSTS				Qty	Unit	Rate	Total (£)
0.0 Facilitating Works							
	Refer to Demolition breakdown - page 13	1	Item	446,790			446,790
	Prelims, OHP etc						incl
Subtotal Facilitating Works							£ 446,790
1.0 Shell & Core							
	1.0 Refer to shell & core breakdown - page 12	1	Item	806,166			806,166
2.0 Superstructure - Exterior Works							
<u>Western façade wall</u>							
	2.1 Increase opening sizes for new windows and doors of existing façade inclusive of window facings, and sills	16	nr	1,560			24,960
	2.2 Clean, mortar and re-point existing façade	284	m2	62			17,722
	2.3 Remove render	130	m2	94			12,168
	2.4 Replacement windows type 1	16	nr	2,600			41,600
	2.5 Replacement windows type 2	15	nr	1,300			19,500
	2.6 Juliette balcony	16	nr	4,160			66,560
	2.7 Terrace balcony & balustrade	62	m2	1,040			64,480
	2.8 Entry doors at GF	4	nr	9,360			37,440
<u>Eastern façade wall</u>							
	2.9 Increase opening sizes for new windows and doors of existing façade inclusive of window facings, and sills	3	nr	2,080			6,240
	2.10 Clean, mortar and re-point existing façade	60	m2	62			3,744
	2.11 Replacement windows	3	nr	2,600			7,800
	2.12 L05 Terrace	25	m2	520			13,000
	2.13 L04 Terrace balcony & balustrade	11	m2	1,040			11,440
	2.14 L03 & L02 Terrace balcony & balustrade	51	m2	1,300			66,300
	2.15 New Façade system to C section	345	m2	520			179,400
	2.16 New windows	26	nr	2,600			67,600
	2.17 Faceted windows - level 4&5	47	m2	2,080			97,760
	2.18 E/O for L01 glazing - faceted windows	31	m2	2,080			64,480
	2.19 E/O for L01 glazing - sliding door	25	m2	832			20,800
							822,994
3.0 Superstructure - Commercial Areas							
	3.1 CAT A fit out to office (on NIA)	1	item	320,177			320,177
	3.2 E/O for spiral staircase - provisional sum	1	item	41,600			41,600
	3.3 FOH circulation areas - floor, walls & ceiling - including fit out	72	m2	1,560			112,527
	3.4 BOH areas - Floor, walls & ceiling - including fit out	54	m2	676			36,423
							510,727
4.0 Superstructure - Residential Areas							
	4.1 Floors, walls & ceiling (on NIA) - excluding fitout	1,009	m2	624			629,697
	4.2 FOH circulation areas - floor, walls & ceiling - including fit out (FFE excluded)	152	m2	1,092			166,352
	4.3 BOH areas - Floor, walls & ceiling - including fit out	115	m2	676			77,781
							873,830

Job No. : 38551
Client : Aviv Riverview Limited

Issue Date: 19/12/2022
Gross Internal Area (m²) : 2,087
Gross Internal Area (ft²) : 23,860

SUMMARY OF CONSTRUCTION COSTS				Qty	Unit	Rate	Total (£)
5.0 Residential Fit-Out							
5.1	Apartment entrance door	12	nr	2,080			24,960.00
5.2	Internal doors	56	nr	832			46,592.00
5.3	Riser doors	27	nr	520			14,040.00
5.4	Duplex stairs	2	nr	13,000			26,000.00
5.5	Floor Finishes	1,009	m2	208			209,899.04
5.6	Wall finishes including trims	3,015	m2	31			94,068.00
5.7	Ceiling finish (paint)	1,009	m2	21			20,989.90
5.8	Bathroom including sanitaryware	20	nr	7,280			145,600.00
5.9	Kitchens including appliances	12	nr	18,200			218,400.00
5.10	Wardrobes/storage joinery	28	nr	3,640			101,920.00
5.11	MEP fit out	12	nr	36,400			436,800.00
							1,339,269
6.0 Fittings /Furnishings/Equipment							
6.1	Statutory signage	1	item	10,400			10,400
6.2	External Signage - provisional sum	1	item	5,200			5,200
6.3	Lockers	6	Nr	1,300			7,800
6.4	Cycle Racks - Resi - provisional quantity	10	Nr	520			5,200
6.5	Cycle Racks - Commercial - provisional quantity	5	Nr	520			2,600
							31,200
7.0 Scaffolding							
7.1	West façade wall	391	m2	156			60,996
7.2	East façade wall	409	m2	156			63,804
							124,800
8.0 M&E Services							
8.1	M&E services - Residential	1,161	m2	494			573,765
8.2	M&E services - Commercial	550	m2	676			371,775
8.3	Commercial lift (Platform lift)	1	nr	36,400			36,400
8.4	Bike Lift (excludes enhanced finishes)	1	nr	46,800			46,800
8.5	Resi lift (excludes enhanced finishes)	1	nr	114,400			114,400
8.6	BWIC	1	item				91,451.17
							1,234,591
Sub Total Building							£ 6,190,367
9.0 External Works							
9.1	Allowance for modifications to incoming Services; Electric (excludes reinforcements and diversions)	1	Item	104,000			104,000
9.2	Allowance for modifications to incoming Services; Water (excludes reinforcements and diversions)	1	Item	52,000			52,000
9.3	Allowance for modifications to incoming Services; Drainage (excludes reinforcements and diversions)	1	Item	52,000			52,000
9.4	Allowance for modifications to incoming Services; Telecoms (excludes reinforcements and diversions)	1	Item	10,400			10,400
9.5	Allowance for Landscaping inc irrigation	1	Item	20,800			20,800
9.6	Allowance for paving to courtyard	1	item	10,400			10,400
Sub Total External Works							£ 249,600

Job No. : 38551
Client : Aviv Riverview Limited

Issue Date: 19/12/2022
Gross Internal Area (m²) : 2,087
Gross Internal Area (ft²) : 23,860

SUMMARY OF CONSTRUCTION COSTS			
	Qty	Unit Rate	Total (£)
Main Contractor's preliminaries		18%	1,078,772
Main Contractor's Overheads and Profit		5%	353,597
PCSA Fee		Excl	
Design Fees		Excl	
Design Development Risk		Excl	
Construction Risk		Excl	
Inflation to Start on Site		Excl	
Construction Inflation		Excl	
Total			£ 7,872,336
		£/sqm (GIA)	3,772
		£/sqft (GIA)	330

ELEMENTAL BREAKDOWN - CONSTRUCTION COST FOR OFFICE CAT A FIT OUT

	Qty	Unit	Rate	Total (£)
Internal Finishes				
Plasterboard lining, walls	478	m2	26	12,400
Plasterboard lining, columns	4	nr	520	2,100
New raised access floor; assume medium grade	478	m2	47	22,400
Allowance for fire cavity barrier	1	flrs	5,720	5,700
Riser Doors				- ord Base build
Allowance for decoration to exposed soffits	478	m2	21	9,900
Decorations to walls in Cat-A areas	478	m2	10	5,000
				-
Fixtures, Fittings & Equipment				
Allowance for blinds boxes				- Excl
Allowance for blinds				- Excl
Ramp and ballustrade to GF office	1	item	7,800	7,800
WC and AWC's	6	nr	3,120	18,720
				-
Mechanical, Electrical & Public Health				
Disposal installations	478	m2	10	5,000
Space heating and air conditioning	478	m2	208	99,400
Ventilation	478	m2	-	-
Electrical installations (including lighting, power to floors and containment)	478	m2	104	49,700
Fire and lightning protection	478	m2	31	14,900
Communication, security and control systems	478	m2	47	22,400
BWIC with services	478	m2	21	9,939
Testing & commissioning	478	m2	8	4,025
Services sub-contract preliminaries	478	m2	64	30,793
				-
Total				£ 320,177

Commerical NIA

478 m2

Cost £/sm NIA

670

EXCLUSIONS

- Floor boxes (by tenant).
- Suspended ceilings and / or raft ceilings.
- On floor busbar.
- Blind boxes and blinds (by tenant).
- Premium for sealing raised access floor.
- Floor finishes (Carpet, etc.).

NOTES

- Assume VRF ducted fresh air
- Assume mid range specification for the light fittings.
- No acoustic enhancements required.
- Exposed soffits solution.
- Based on tier 2/3 mechanical & electrical contractors carrying out the MEP works.

ELEMENTAL BREAKDOWN - SHELL & CORE CONSTRUCTION COST

	Qty	Unit	Rate	Total (£)	
Slab on Ground					
Foundations, ground beams	101	m2	260	26,260	
Drainage	361	m2	52	18,772	
Ground Slab	220	m2	156	34,320	
Underpinning - provisional allowance	1	item	52,000	52,000	
					131,352
Superstructure					
Steel Columns	17	tonne	4,680	78,975	
Steel Beams	53	tonne	4,680	247,455	
Allowance for strengthening works to existing RC transfer columns - provisional sum	1	item	15,600	15,600	
Allowance for strengthening works to existing RC transfer beams - provisional sum	1	item	15,600	15,600	
Timber midfloor infills	289	m2	156	45,084	
					402,714
Stairs & cores					
Commercial use stair case (blockwork)	39	m2	1,752	68,344	
Form commercial use lift core incl pit	9	m2	780	7,020	
Form residential lift core & risers GF-L04	230	m2	312	71,760	
Resi stair extension	13	m2	780	10,140	
					157,264
Roof					
Roofing, waterproofing, insulation	202	m2	312	63,024	
Rainwater	202	item	10	2,101	
Re-roof existing gable	24	m2	208	4,992	
Allowance for louvres	4	nr	4,160	16,640	
Sky lights	18	m2	1,560	28,080	
					114,837
Sub Total Building					806,166
Main Contractor's preliminaries	18%				-
Main Contractor's Overheads and Profit	5%				-
PCSA Fee	Excl				
Design Fees	Excl				
Design Development Risk	Excl				
Construction Risk	Excl				
Inflation to Start on Site	Excl				
Construction Inflation	Excl				
Total				£	806,166

ELEMENTAL BREAKDOWN - FACILITATING WORKS

	Qty	Unit	Rate	Total (£)
1.0 Demolition				
<u>Soft Strip</u>				
1.1 Soft Strip incl services (NIA)	1,241	m2	36	45,158
<u>Hard strip</u>				
1.2 Remove GF slab to commercial office space	119	m2	260	30,940
1.3 Takedown existing midfloors	389	m2	208	80,912
1.4 Takedown fire escape stairwell	60	m2	-	incl
Allowance for back propping - provisional				
1.5 allowance	1	item	52,000	52,000
Allowance to takedown structural beams,				
1.6 columns, walls	293	m2	286	83,798
1.7 Temporary propping the above	1	item		incl
1.8 Takedown façade as per HTS drawings	266	m2	104	27,664
1.9 Allowance to remove Lightwell at L01	1	item	10,400	10,400
2.0 Remove existing roof	246	m2	156	38,376
2.1 Asbestos removal				excluded
				369,248
Sub Total Building				369,248
Main Contractor's preliminaries	16%			59,080
Main Contractor's Overheads and Profit	5%			18,462
PCSA Fee	Excl			
Design Fees	Excl			
Design Development Risk	Excl			
Construction Risk	Excl			
Inflation to Start on Site	Excl			
Construction Inflation	Excl			
Total			£	446,790

Appendix 2

BCIS All-In TPI

BCIS All-in TPI #101

Base date: 1985 mean = 100 | Updated: 09-Dec-2022 | #101

Date	Index	Equivalent sample	Percentage change		
			On year	On quarter	On month
1Q 2021	328	Provisional	-2.1%	0.0%	
2Q 2021	331	Provisional	-1.2%	0.9%	
3Q 2021	339	Provisional	2.7%	2.4%	
4Q 2021	344	Provisional	4.9%	1.5%	
1Q 2022	349	Provisional	6.4%	1.5%	
2Q 2022	361	Provisional	9.1%	3.4%	
3Q 2022	366	Provisional	8.0%	1.4%	
4Q 2022	370	Provisional	7.6%	1.1%	
1Q 2023	368	Forecast	5.4%	-0.5%	
2Q 2023	370	Forecast	2.5%	0.5%	
3Q 2023	370	Forecast	1.1%	0.0%	
4Q 2023	374	Forecast	1.1%	1.1%	
1Q 2024	376	Forecast	2.2%	0.5%	
2Q 2024	378	Forecast	2.2%	0.5%	
3Q 2024	378	Forecast	2.2%	0.0%	
4Q 2024	382	Forecast	2.1%	1.1%	
1Q 2025	385	Forecast	2.4%	0.8%	
2Q 2025	388	Forecast	2.6%	0.8%	
3Q 2025	388	Forecast	2.6%	0.0%	
4Q 2025	390	Forecast	2.1%	0.5%	
1Q 2026	396	Forecast	2.9%	1.5%	
2Q 2026	399	Forecast	2.8%	0.8%	
3Q 2026	400	Forecast	3.1%	0.3%	
4Q 2026	403	Forecast	3.3%	0.8%	
1Q 2027	410	Forecast	3.5%	1.7%	
2Q 2027	413	Forecast	3.5%	0.7%	
3Q 2027	415	Forecast	3.8%	0.5%	
4Q 2027	417	Forecast	3.5%	0.5%	

Appendix 3

Appraisal Summary

Lupin House - Proposed Scheme
221219

Development Appraisal
Licensed Copy
20 December 2022

APPRAISAL SUMMARY**LICENSED COPY**Lupin House - Proposed Scheme
221219

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Residential Apartments	12	10,409	1,515.04	1,314,167	15,770,000

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale
Office Space	<u>1</u>	<u>4,893</u>	60.49	295,978	<u>295,978</u>
Totals	1	4,893			295,978

Investment Valuation**Office Space**

Market Rent	295,978	YP @	5.5000%	18.1818	
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	5,100,863

Total Investment Valuation**5,100,863****GROSS DEVELOPMENT VALUE****20,870,863**

Purchaser's Costs				(346,859)	
Effective Purchaser's Costs Rate		6.80%		(346,859)	

NET DEVELOPMENT VALUE**20,524,004****NET REALISATION****20,524,004****OUTLAY****ACQUISITION COSTS**

Residualised Price			5,223,053		5,223,053
Stamp Duty			250,653		
Effective Stamp Duty Rate		4.80%			
Agent Fee		1.00%	52,231		
Legal Fee		0.80%	41,784		
					344,668

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Construction Costs	22,456	350.55	7,872,000	
Contingency		7.50%	590,400	
CIL			35,737	
				8,498,137

Section 106 Costs

Section 106 Costs	12 un	2,000.00 /un	24,000		24,000
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PROFESSIONAL FEES

Professional Fees		12.00%	944,640		944,640
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MARKETING & LETTING

APPRAISAL SUMMARY**LICENSED COPY****Lupin House - Proposed Scheme
221219**

Letting Agent Fee	10.00%	29,598	
Letting Legal Fee	5.00%	14,799	
			44,397
DISPOSAL FEES			
Resi Sales Agency Fee	1.50%	236,550	
Comm Sales Agent Fee	1.00%	47,540	
Resi Sales Legal Fee	0.50%	78,850	
Comm Sales Legal Fee	0.50%	23,770	
			386,710
TOTAL COSTS BEFORE FINANCE			15,465,605
FINANCE			
Debit Rate 7.500%, Credit Rate 2.000% (Nominal)			
Total Finance Cost			1,637,731
TOTAL COSTS			17,103,336
PROFIT			3,420,669
Performance Measures			
Profit on Cost%	20.00%		
Profit on GDV%	16.39%		