BNP Paribas Real Estate

Bishopsgate Goods Yard: LBTH CIL Strategic Sites Testing

Core Appraisals

Report Date: 14 July 2014

BNP Paribas Real Estate

Bishopsgate Goods Yard Core Appraisals

Scenario 1				
Affordable Housing	35%			
CIL	Full			
Growth	None			
IRR Achieved	2.48%			

Report Date: 14 July 2014

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 35% AH, Residual S106 and Borough CIL

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

DEVENUE

REVENUE							
Sales Valuation	Units	ft²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Resi	1	188,707	900.00	169,836,300	169,836,300	0	169,836,300
Affordable Resi	1	116,297	200.00	23,259,400	23,259,400	0	23,259,400
Car Parking	51	0	0.00	25,000	1,275,000	0	1,275,000
Ground rents	303	0	0.00	4,500	1,363,500	0	1,363,500
Market Resi	1	238,706	900.00	214,835,400	214,835,400	0	214,835,400
Affordable Resi	1	147,110	200.00	29,422,000	29,422,000	0	29,422,000
Ground rents	384	0	0.00	2,400	921,600	0	921,600
Market Residential	1	164,624	900.00	148,161,600	148,161,600	13,620,091	161,781,691
Affordable Resi	1	101,454	200.00	20,290,800	20,290,800	0	20,290,800
Ground rents	<u>265</u>	<u>0</u>	0.00	4,500	<u>1,192,500</u>	<u>0</u>	<u>1,192,500</u>
Totals	1,009	956,898			610,558,100	13,620,091	624,178,191
Rental Area Summary				Initial	Net Rent	Initial	
	Units	ft²	Rate ft ²	MRV/Unit	at Sale	MRV	
Retail	1	46,754	30.00	1,402,611	1,402,611	1,402,611	
Basement	1	26,815		0	0		
Retail	1	28,745	30.00	862,365	862,365	862,365	
Basement	1	30,956		0	0		
Office	1	411,453	35.00	14,400,855	14,400,855	14,400,855	
Retail	1	27,675	30.00	830,256	830,256	830,256	
Basement	1	42,434		0	0		
Retail	1	47,884	30.00	1,436,505	1,436,505	1,436,505	
Office	1	4,468	35.00	156,384	156,384	156,384	
Community	1	6,035		0	0		
Basement	<u>1</u>	<u>24,856</u>		0	<u>0</u>		
Totals	11	698,075			19,088,976	19,088,976	

APPRAISAL SUMMARY						
Bishopsgate Goods Yard - LBT 35% AH, Residual S106 and Boi Investment Valuation		es Testing				
Retail						
Market Rent	1,402,611	YP @	6.0000%	16.6667		
(2yrs Rent Free)	, ,	PV 2yrs @	6.0000%	0.8900	20,805,313	
Retail		•				
Market Rent	862,365	YP @ PV 2yrs 1mth @	6.0000% 6.0000%	16.6667 0.8857	12,729,734	
Office						
Market Rent	14,400,855	YP @	5.7500%	17.3913		
(2yrs Rent Free)		PV 2yrs @	5.7500%	0.8942	223,954,442	
Retail						
Market Rent	830,256	YP @	6.0000%	16.6667		
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	12,315,415	
Retail						
Market Rent	1,436,505	YP @	6.0000%	16.6667		
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	21,308,072	
Office						
Market Rent	156,384	YP @	5.7500%	17.3913		
(2yrs Rent Free)		PV 2yrs @	5.7500%	0.8942	2,431,993	
					293,544,969	
GROSS DEVELOPMENT VALUE				917,723,160		
Purchaser's Costs		5.80%	(17,227,309)			
				(17,227,309)		
NET DEVELOPMENT VALUE				900,495,851		
NET REALISATION				900,495,851		
OUTLAY						
ACQUISITION COSTS						

Fixed Price

File: G:\Development & Residential Consulting\Jobs\Affordable Housing\112649 - LB Tower Hamlets - CIL vibaility\Post Examination work\Info to Council 9Jul14\Strategic sites\Deliverables\BGY\Bishop ARGUS Developer Version: 6.00.002

17,808,000

BNP PARIBAS REAL ESTATE

APPRAISAL SUMMARY				BNP PARIBAS REAL E	STATE
Bishopsgate Goods Yard - LBTH (CIL Strategic Sites	Testing			
35% AH, Residual S106 and Borou		•			
Stamp Duty	•	4.00%	712,320		
Agent Fee		1.00%	178,080		
Legal Fee		0.80%	142,464		
g			,	18,840,864	
CONSTRUCTION COSTS				-1	
Construction	ft²	Rate ft ²	Cost		
Retail	66,791 ft ²	185.00 pf ²	12,356,335		
Basement	26,815 ft ²	46.00 pf ²	1,233,490		
Retail	41,065 ft ²	185.00 pf ²	7,597,025		
Basement	30,956 ft ²	43.00 pf ²	1,331,108		
Office	587,790 ft ²	200.00 pf ²	117,558,000		
Retail	39,536 ft ²	185.00 pf ²	7,314,160		
Basement	42,434 ft ²	46.00 pf ²	1,951,964		
Retail	68,405 ft ²	185.00 pf ²	12,654,925		
Office	6,383 ft ²	200.00 pf ²	1,276,600		
Community	8,622 ft ²	184.00 pf ²	1,586,448		
Basement	24,856 ft ²	46.00 pf ²	1,143,376		
Market Resi	269,581 ft ²	275.00 pf ²	74,134,893		
Affordable Resi	166,139 ft ²	275.00 pf ²	45,688,107		
Market Resi	341,009 ft ²	275.00 pf ²	93,777,357		
Affordable Resi	210,157 ft ²	275.00 pf ²	57,793,214		
Market Residential	235,177 ft ²	275.00 pf ²	64,673,714		
Affordable Resi	144,934 ft ²	275.00 pf ²	<u>39,856,929</u>		
Totals	2,310,650 ft ²		541,927,645	541,927,645	
Contingency		5.00%	31,925,010		
Demolition			100,000		
Residual S106			6,299,964		
Mayoral CIL & Crossrail S106			14,211,248		
Borough CIL			19,878,084		
				72,414,306	
Other Construction					
Abnormal costs (contamination etc)			11,712,000		
East London Line allowance			20,000,000		

APPRAISAL SUMMARY					BNP PARIBAS REAL ES	STATE
Bishopsgate Goods Yard - LBTH	CIL Strategic Sites T	esting				
35% AH, Residual S106 and Bord		_				
Externals		15.00%	19,826,900			
Externals		15.00%	23,875,139			
Externals		15.00%	18,730,824			
Externals		15.00%	2,327,696			
				96,472,560		
PROFESSIONAL FEES						
Professional Fees		12.00%	78,051,026			
				78,051,026		
MARKETING & LETTING						
Resi Marketing		2.00%	10,929,068			
Commercial Marketing	624,750 ft ²	1.50 pf ²	937,125			
Letting Agent Fee		10.00%	1,908,898			
Letting Legal Fee		5.00%	954,449			
				14,729,539		
DISPOSAL FEES						
Commercial Sales Agent Fee		1.00%	2,767,211			
Resi Sales Agent Fee		1.50%	5,770,075			
Resi Sales Agent Fee		2.00%	3,261,789			
Resi Sales Legal Fee		0.25%	1,553,643			
Commercial Sales Legal Fee		1.00%	317,226			
Commercial Sales Legal Fee		0.50%	1,224,993	44.004.000		
				14,894,936		
TOTAL COSTS				837,330,876		
PROFIT						
				63,164,975		
Performance Measures						
Profit on Cost%		7.54%				
Profit on GDV%		6.88%				
Profit on NDV%		7.01%				
Development Yield% (on Rent)		2.28%				
		2.20/0				

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 35% AH, Residual S106 and Borough CIL

Equivalent Yield% (Nominal) 5.81% Equivalent Yield% (True) 6.02%

IRR 2.48%

Rent Cover 3 yrs 4 mths
Profit Erosion (finance rate 0.000%) N/A

‡ Inflation/Growth applied

 Growth on Sales
 Ungrown
 Growth
 Total

 Market Residential
 148,161,600
 13,620,091
 161,781,691

BNP Paribas Real Estate

Bishopsgate Goods Yard Core Appraisals

Scenario 2					
Affordable Housing	35%				
CIL	Zero				
Growth	None				
IRR Achieved	3.32%				

Report Date: 14 July 2014

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 35% AH, Residual S106 and No Borough CIL

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

DEVENUE

REVENUE							
Sales Valuation	Units	ft²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Resi	1	188,707	900.00	169,836,300	169,836,300	0	169,836,300
Affordable Resi	1	116,297	200.00	23,259,400	23,259,400	0	23,259,400
Car Parking	51	0	0.00	25,000	1,275,000	0	1,275,000
Ground rents	303	0	0.00	4,500	1,363,500	0	1,363,500
Market Resi	1	238,706	900.00	214,835,400	214,835,400	0	214,835,400
Affordable Resi	1	147,110	200.00	29,422,000	29,422,000	0	29,422,000
Ground rents	384	0	0.00	2,400	921,600	0	921,600
Market Residential	1	164,624	900.00	148,161,600	148,161,600	13,620,091	161,781,691
Affordable Resi	1	101,454	200.00	20,290,800	20,290,800	0	20,290,800
Ground rents	<u>265</u>	<u>0</u>	0.00	4,500	<u>1,192,500</u>	<u>0</u>	<u>1,192,500</u>
Totals	1,009	956,898			610,558,100	13,620,091	624,178,191
Rental Area Summary				Initial	Net Rent	Initial	
-	Units	ft²	Rate ft ²	MRV/Unit	at Sale	MRV	
Retail	1	46,754	30.00	1,402,611	1,402,611	1,402,611	
Basement	1	26,815		0	0		
Retail	1	28,746	30.00	862,365	862,365	862,365	
Basement	1	30,956		0	0		
Office	1	411,453	35.00	14,400,855	14,400,855	14,400,855	
Retail	1	27,675	30.00	830,256	830,256	830,256	
Basement	1	42,434		0	0		
Retail	1	47,884	30.00	1,436,505	1,436,505	1,436,505	
Office	1	4,468	35.00	156,384	156,384	156,384	
Community	1	6,035		0	0		
Basement	<u>1</u>	<u>24,856</u>		0	<u>0</u>		
Totals	11	698,075			19,088,976	19,088,976	

Bishopsgate Goods Yard - LBTH Cl 5% AH, Residual S106 and No Bor Evestment Valuation		es Testing			
55% AH, Residual S106 and No Bornvestment Valuation	ough CIL				
vestment valuation					
Retail					
Market Rent	1,402,611	YP @	6.0000%	16.6667	
(2yrs Rent Free)	1,402,011	PV 2yrs @	6.0000%	0.8900	20,805,313
Retail		zy.o ©	0.000070	0.0000	20,000,010
Market Rent	862,365	YP @	6.0000%	16.6667	
	,	PV 2yrs 1mth @	6.0000%	0.8857	12,729,734
Office		•			
Market Rent	14,400,855	YP @	5.7500%	17.3913	
(2yrs Rent Free)		PV 2yrs @	5.7500%	0.8942	223,954,442
Retail					
Market Rent	830,256	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	12,315,415
Retail					
Market Rent	1,436,505	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	21,308,072
Office	450.004	\/D @	F 7F000/	47.0040	
Market Rent	156,384	YP @	5.7500%	17.3913	0.404.000
(2yrs Rent Free)		PV 2yrs @	5.7500%	0.8942	2,431,993 293,544,969
					293,544,969
ROSS DEVELOPMENT VALUE				917,723,160	
Purchaser's Costs		5.80%	(17,227,309)		
			(, , , = ,	(17,227,309)	
ET DEVELOPMENT VALUE				900,495,851	
ET REALISATION				900,495,851	
UTLAY					
CQUISITION COSTS					

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Fixed Price

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17,808,000

BNP PARIBAS REAL ESTATE

APPRAISAL SUMMARY				BNP PARIBAS REAL ESTA
Bishopsgate Goods Yard - LBTH (CIL Strategic Sites	Testing		
35% AH, Residual S106 and No Bo	_	· ·		
Stamp Duty	•	4.00%	712,320	
Agent Fee		1.00%	178,080	
Legal Fee		0.80%	142,464	
ŭ			,	18,840,864
CONSTRUCTION COSTS				
Construction	ft²	Rate ft ²	Cost	
Retail	66,791 ft ²	185.00 pf ²	12,356,335	
Basement	26,815 ft ²	46.00 pf ²	1,233,490	
Retail	41,065 ft ²	185.00 pf ²	7,597,025	
Basement	30,956 ft ²	43.00 pf ²	1,331,108	
Office	587,790 ft ²	200.00 pf ²	117,558,000	
Retail	39,536 ft ²	185.00 pf ²	7,314,160	
Basement	42,434 ft ²	46.00 pf ²	1,951,964	
Retail	68,405 ft ²	185.00 pf ²	12,654,925	
Office	6,383 ft ²	200.00 pf ²	1,276,600	
Community	8,622 ft ²	184.00 pf ²	1,586,448	
Basement	24,856 ft ²	46.00 pf ²	1,143,376	
Market Resi	269,581 ft ²	275.00 pf ²	74,134,893	
Affordable Resi	166,139 ft ²	275.00 pf ²	45,688,107	
Market Resi	341,009 ft ²	275.00 pf ²	93,777,357	
Affordable Resi	210,157 ft ²	275.00 pf ²	57,793,214	
Market Residential	235,177 ft ²	275.00 pf ²	64,673,714	
Affordable Resi	144,934 ft ²	275.00 pf ²	39,856,929	
Totals	2,310,650 ft ²		541,927,645	541,927,645
Contingency		5.00%	31,925,010	
Demolition			100,000	
Residual S106			6,299,964	
Mayoral CIL & Crossrail S106			14,211,248	
				52,536,222
Other Construction				
Abnormal costs (contamination etc)			11,712,000	
East London Line allowance			20,000,000	
Externals		15.00%	19,826,900	

APPRAISAL SUMMARY					BNP PARIBAS REAL ESTATE
Bishopsgate Goods Yard - LBTH	I CIL Strategic Sites T	esting			
35% AH, Residual S106 and No		J			
Externals	•	15.00%	23,875,139		
Externals		15.00%	18,730,824		
Externals		15.00%	2,327,696		
				96,472,560	
PROFESSIONAL FEES					
Professional Fees		12.00%	78,051,026		
				78,051,026	
MARKETING & LETTING					
Resi Marketing		2.00%	10,929,068		
Commercial Marketing	624,750 ft ²	1.50 pf ²	937,125		
Letting Agent Fee		10.00%	1,908,898		
Letting Legal Fee		5.00%	954,449		
				14,729,539	
DISPOSAL FEES					
Commercial Sales Agent Fee		1.00%	2,767,211		
Resi Sales Agent Fee		1.50%	5,770,075		
Resi Sales Agent Fee		2.00%	3,261,789		
Resi Sales Legal Fee		0.25%	1,553,643		
Commercial Sales Legal Fee		1.00%	317,226		
Commercial Sales Legal Fee		0.50%	1,224,993	44.004.000	
				14,894,936	
TOTAL COSTS				817,452,792	
PROFIT					
				83,043,059	
Performance Measures					
Profit on Cost%		10.16%			
Profit on GDV%		9.05%			
Profit on NDV%		9.22%			
Development Yield% (on Rent)		2.34%			
Equivalent Yield% (Nominal)		5.81%			

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 35% AH, Residual S106 and No Borough CIL

Equivalent Yield% (True) 6.02%

IRR 3.32%

Rent Cover 4 yrs 4 mths
Profit Erosion (finance rate 0.000%) N/A

‡ Inflation/Growth applied

 Growth on Sales
 Ungrown
 Growth
 Total

 Market Residential
 148,161,600
 13,620,091
 161,781,691

BNP Paribas Real Estate

Bishopsgate Goods Yard Core Appraisals

Scenario 3					
Affordable Housing	35%				
CIL	Full				
Growth	Yes				
IRR Achieved	14.52%				

Report Date: 14 July 2014

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 35% AH, Residual S106 and Borough CIL with Growth

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

REVENUE							
Sales Valuation	Units	ft²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
‡ Market Resi	1	188,707	900.00	169,836,300	169,836,300	83,476,253	253,312,553
Affordable Resi	1	116,297	200.00	23,259,400	23,259,400	0	23,259,400
Car Parking	51	0	0.00	25,000	1,275,000	0	1,275,000
Ground rents	303	0	0.00	4,500	1,363,500	0	1,363,500
Market Resi	1	238,706	900.00	214,835,400	214,835,400	215,111,540	429,946,940
Affordable Resi	1	147,110	200.00	29,422,000	29,422,000	0	29,422,000
Ground rents	384	0	0.00	2,400	921,600	0	921,600
# Market Residential	1	164,624	900.00	148,161,600	148,161,600	374,214,263	522,375,863
Affordable Resi	1	101,454	200.00	20,290,800	20,290,800	0	20,290,800
Ground rents	<u>265</u>	<u>0</u>	0.00	4,500	<u>1,192,500</u>	<u>0</u>	<u>1,192,500</u>
Totals	1,009	956,898			610,558,100	672,802,056	1,283,360,156
Rental Area Summary				Initial	Net Rent	Initial	
Rental Area Summary	Units	ft²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Rental Area Summary Retail	Units 1	ft² 46,754	Rate ft ² 30.00				
•	Units 1 1			MRV/Unit	at Sale	MRV	
Retail	Units 1 1 1	46,754		MRV/Unit 1,402,611	at Sale 1,402,611	MRV	
Retail Basement	Units 1 1 1 1	46,754 26,815	30.00	MRV/Unit 1,402,611 0	at Sale 1,402,611 0	MRV 1,402,611	
Retail Basement Retail	Units	46,754 26,815 28,746	30.00	MRV/Unit 1,402,611 0 862,365	at Sale 1,402,611 0	MRV 1,402,611	
Retail Basement Retail Basement	Units	46,754 26,815 28,746 30,956 411,453 27,675	30.00 30.00	MRV/Unit 1,402,611 0 862,365 0	at Sale 1,402,611 0 862,365 0	MRV 1,402,611 862,365	
Retail Basement Retail Basement Office	Units 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453	30.00 30.00 35.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0	MRV 1,402,611 862,365 14,400,855 830,256	
Retail Basement Retail Basement Office Retail	Units 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675	30.00 30.00 35.00 30.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256	at Sale 1,402,611 0 862,365 0 14,400,855	MRV 1,402,611 862,365 14,400,855	
Retail Basement Retail Basement Office Retail Basement	Units 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434	30.00 30.00 35.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0	MRV 1,402,611 862,365 14,400,855 830,256	
Retail Basement Retail Basement Office Retail Basement Retail Retail	Units 1 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434 47,884	30.00 30.00 35.00 30.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	MRV 1,402,611 862,365 14,400,855 830,256 1,436,505	
Retail Basement Retail Basement Office Retail Basement Retail Constitution	Units 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434 47,884 4,468	30.00 30.00 35.00 30.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	MRV 1,402,611 862,365 14,400,855 830,256 1,436,505	

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APPRAISAL SUMMAR	RY					
Bishopsgate Goods Yard - L	BTH CIL Strategic Sites Te	sting				
35% AH, Residual S106 and	Borough CIL with Growth					
Investment Valuation						
Retail	4 400 044	\ /D 0	0.00000/	40.000		
Market Rent	1,402,611	YP @	6.0000%	16.6667	00 005 040	
(2yrs Rent Free) Retail		PV 2yrs @	6.0000%	0.8900	20,805,313	
Market Rent	862,365	YP @	6.0000%	16.6667		
Market Kent	002,303	PV 2yrs 1mth @	6.0000%	0.8857	12,729,734	
Office		1 V Zylö illiül 🥌	0.000070	0.0007	12,720,704	
Market Rent	14,400,855	YP @	5.7500%	17.3913		
(2yrs Rent Free)	,,	PV 2yrs @	5.7500%	0.8942	223,954,442	
Retail		•				
Market Rent	830,256	YP @	6.0000%	16.6667		
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	12,315,415	
Retail						
Market Rent	1,436,505	YP @	6.0000%	16.6667		
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	21,308,072	
Office Market Rent	156,384	YP @	5.7500%	17.3913		
(2yrs Rent Free)	150,364	PV 2yrs @	5.7500%	0.8942	2,431,993	
(Zyrs Kent Flee)		FV Zyls @	5.7500%	0.0942	293,544,969	
					233,344,303	
GROSS DEVELOPMENT VALUE	≣			1,576,905,125		
5		5.000 /	(47.007.000)			
Purchaser's Costs		5.80%	(17,227,309)	(47.007.000)		
				(17,227,309)		
NET DEVELOPMENT VALUE				1,559,677,816		
NET REALISATION				1,559,677,816		
				.,300,0,010		
OUTLAY						
ACQUISITION COSTS						

File: G:\DEVELO~1\Jobs\AFFORD~1\112649~1\POSTEX~1\INFOTO~1\STRATE~1\DELIVE~1\BGY\Bishopsgate Goods Yard 35% CIL S106 growth.wcf.wcfx ARGUS Developer Version: 6.00.002

17,808,000

Fixed Price

Date: 01/08/2014

BNP PARIBAS REAL ESTATE

APPRAISAL SUMMARY					BNP PARIBAS REAL ESTATE
Bishopsgate Goods Yard - LBTH (CIL Strategic Sites Testing				
35% AH, Residual S106 and Borou	ugh CIL with Growth				
Stamp Duty		4.00%	712,320		
Agent Fee		1.00%	178,080		
Legal Fee		0.80%	142,464		
				18,840,864	
CONSTRUCTION COSTS					
Construction	ft²	Rate ft ²	Cost		
‡ Retail	66,791 ft ²	185.00 pf ²	13,964,409		
‡ Basement	26,815 ft ²	46.00 pf ²	1,394,018		
Retail	41,065 ft ²	185.00 pf ²	7,597,025		
‡ Basement	30,956 ft ²	43.00 pf ²	1,728,487		
‡ Office	587,790 ft ²	200.00 pf ²	152,784,497		
‡ Retail	39,536 ft ²	185.00 pf ²	9,505,863		
‡ Basement	42,434 ft ²	46.00 pf ²	2,536,874		
‡ Retail	68,405 ft ²	185.00 pf ²	18,933,526		
‡ Office	6,383 ft ²	200.00 pf ²	1,909,971		
‡ Community	8,622 ft ²	184.00 pf ²	2,373,547		
‡ Basement	24,856 ft ²	46.00 pf ²	1,710,649		
‡ Market Resi	269,581 ft ²	275.00 pf ²	83,782,929		
‡ Affordable Resi	166,139 ft ²	275.00 pf ²	51,634,032		
‡ Market Resi	341,009 ft ²	275.00 pf ²	121,772,960		
‡ Affordable Resi	210,157 ft ²	275.00 pf ²	75,046,375		
‡ Market Residential	235,177 ft ²	275.00 pf ²	96,760,862		
Affordable Resi	<u>144,934 ft²</u>	275.00 pf ²	39,856,929		
Totals	2,310,650 ft ²		683,292,952	683,292,952	
Contingency		5.00%	39,938,641		
Demolition			106,208		
Residual S106			6,299,964		
Mayoral CIL & Crossrail S106			14,211,248		
Borough CIL			19,878,084		
Other Construction				80,434,146	
Abnormal costs (contamination etc)			13,236,219		
East London Line allowance			21,241,679		

File: G:\DEVELO~1\Jobs\AFFORD~1\112649~1\POSTEX~1\INFOTO~1\STRATE~1\DELIVE~1\BGY\Bishopsgate Goods Yard 35% CIL S106 growth.wcf.wcfx ARGUS Developer Version: 6.00.002

APPRAISAL SUMMARY				BNP PARIBAS REAL ESTATE
Bishopsgate Goods Yard - LBTH CIL Strategic Sites Test	ing			
35% AH, Residual S106 and Borough CIL with Growth	J			
Externals	15.00%	22,407,205		
Externals	15.00%	30,662,454		
Externals	15.00%	24,343,554		
Externals	15.00%	3,482,557		
			115,373,667	
PROFESSIONAL FEES				
Professional Fees	12.00%	98,096,375		
			98,096,375	
MARKETING & LETTING				
Resi Marketing	2.00%	24,112,707		
Commercial Marketing 624,750 ft ²	1.50 pf ²	937,125		
Letting Agent Fee	10.00%	1,908,898		
Letting Legal Fee	5.00%	954,449		
			27,913,178	
DISPOSAL FEES				
Commercial Sales Agent Fee	1.00%	2,767,211		
Resi Sales Agent Fee	1.50%	10,248,892		
Resi Sales Agent Fee	2.00%	10,473,672		
Resi Sales Legal Fee	0.25%	3,201,598		
Commercial Sales Legal Fee	1.00%	317,226		
Commercial Sales Legal Fee	0.50%	1,224,993		
			28,233,591	
TOTAL COSTS			1,052,184,773	
PROFIT				
			507,493,042	
Performance Measures				
Profit on Cost%	48.23%			
Profit on GDV%	32.18%			
Profit on NDV%	32.54%			
Development Yield% (on Rent)	1.81%			
,				

File: G:\DEVELO~1\Jobs\AFFORD~1\112649~1\POSTEX~1\INFOTO~1\STRATE~1\DELIVE~1\BGY\Bishopsgate Goods Yard 35% CIL S106 growth.wcf.wcfx ARGUS Developer Version: 6.00.002

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 35% AH, Residual S106 and Borough CIL with Growth

Equivalent Yield% (Nominal) 5.81% Equivalent Yield% (True) 6.02%

IRR 14.52%

Rent Cover 26 yrs 7 mths
Profit Erosion (finance rate 0.000%) N/A

‡ Inflation/Growth applied

Growth on Sales		Ungrown	Growth	Total
Market Resi	Growth Set 1 at 8.240% var.	169,836,300	83,476,253	253,312,553
Market Resi	Growth Set 1 at 8.240% var.	214,835,400	215,111,540	429,946,940
Market Residential	Growth Set 1 at 8.240% var.	148,161,600	374,214,263	522,375,863
Inflation on Construction Costs		Uninflated	Inflation	Total
Market Resi	Inflation Set 1 at 3.340%	74,134,893	9,648,036	83,782,929
Affordable Resi	Inflation Set 1 at 3.340%	45,688,107	5,945,925	51,634,032
Market Resi	Inflation Set 1 at 3.340%	93,777,357	27,995,602	121,772,960
Affordable Resi	Inflation Set 1 at 3.340%	57,793,214	17,253,161	75,046,375
Market Residential	Inflation Set 1 at 3.340%	64,673,714	32,087,147	96,760,862
Retail	Inflation Set 1 at 3.340%	12,356,335	1,608,074	13,964,409
Basement	Inflation Set 1 at 3.340%	1,233,490	160,528	1,394,018
Basement	Inflation Set 1 at 3.340%	1,331,108	397,379	1,728,487
Office	Inflation Set 1 at 3.340%	117,558,000	35,226,497	152,784,497
Retail	Inflation Set 1 at 3.340%	7,314,160	2,191,703	9,505,863
Basement	Inflation Set 1 at 3.340%	1,951,964	584,910	2,536,874
Retail	Inflation Set 1 at 3.340%	12,654,925	6,278,601	18,933,526
Office	Inflation Set 1 at 3.340%	1,276,600	633,371	1,909,971
Community	Inflation Set 1 at 3.340%	1,586,448	787,099	2,373,547
Basement	Inflation Set 1 at 3.340%	1,143,376	567,273	1,710,649

BNP Paribas Real Estate

Bishopsgate Goods Yard Core Appraisals

Scenario 4				
Affordable Housing	25%			
CIL	Full			
Growth	None			
IRR Achieved	5.13%			

Report Date: 14 July 2014

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 25% AH, Residual S106 and Borough CIL

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

DEVENILE

REVENUE							
Sales Valuation	Units	ft²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Resi	1	217,740	900.00	195,966,000	195,966,000	0	195,966,000
Affordable Resi	1	83,070	200.00	16,614,000	16,614,000	0	16,614,000
Car Parking	51	0	0.00	25,000	1,275,000	0	1,275,000
Ground rents	350	0	0.00	4,500	1,575,000	0	1,575,000
Market Resi	1	275,430	900.00	247,887,000	247,887,000	0	247,887,000
Affordable Resi	1	105,079	200.00	21,015,800	21,015,800	0	21,015,800
Ground rents	443	0	0.00	2,400	1,063,200	0	1,063,200
Market Residential	1	189,951	900.00	170,955,900	170,955,900	15,715,509	186,671,409
Affordable Resi	1	72,468	200.00	14,493,600	14,493,600	0	14,493,600
Ground rents	<u>305</u>	<u>0</u>	0.00	4,500	1,372,500	<u>0</u>	1,372,500
Totals	1,155	943,738			672,218,000	15,715,509	687,933,509
Rental Area Summary				Initial	Net Rent	Initial	
	Units	ft²	Rate ft ²	MRV/Unit	at Sale	MRV	
Retail	1	46,754	30.00	1,402,611	1,402,611	1,402,611	
Basement	1	26,815		0	0		
Retail	1	28,746	30.00	862,365	862,365	862,365	
Basement	1	30,956		0	0		
Office	1	411,453	35.00	14,400,855	14,400,855	14,400,855	
Retail	1	27,675	30.00	830,256	830,256	830,256	
Basement	1	42,434		0	0		
Retail	1	47,884	30.00	1,436,505	1,436,505	1,436,505	
Office	1	4,468	35.00	156,384	156,384	156,384	
Community	1	6,035		0	0		
Basement	<u>1</u>	<u>24,856</u>		0	<u>0</u>		
Totals	11	698,075			19,088,976	19,088,976	

APPRAISAL SUMMARY					
Bishopsgate Goods Yard - LBTH		es Testing			
25% AH, Residual S106 and Boro	ugh CIL				
nvestment Valuation					
Retail					
Market Rent	1,402,611	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	20,805,313
Retail					
Market Rent	862,365	YP @	6.0000%	16.6667	10 700 701
0.00		PV 2yrs 1mth @	6.0000%	0.8857	12,729,734
Office	44 400 055	VP @	F 75000/	47.0040	
Market Rent	14,400,855	YP @	5.7500%	17.3913	000 054 440
(2yrs Rent Free)		PV 2yrs @	5.7500%	0.8942	223,954,442
Retail Market Rent	830,256	YP @	6.0000%	16.6667	
	630,236	PV 2yrs @	6.0000%	0.8900	10 015 115
(2yrs Rent Free) Retail		FV ZylS @	0.0000%	0.6900	12,315,415
Market Rent	1,436,505	YP @	6.0000%	16.6667	
(2yrs Rent Free)	1,430,303	PV 2yrs @	6.0000%	0.8900	21,308,072
Office		1 V 2y13 @	0.000070	0.0000	21,000,012
Market Rent	156,384	YP @	5.7500%	17.3913	
(2yrs Rent Free)	100,001	PV 2yrs @	5.7500%	0.8942	2,431,993
(=,,		,			293,544,969
					,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
ROSS DEVELOPMENT VALUE				981,478,478	
Purchaser's Costs		5.80%	(17,258,229)		
Turchaser 3 Costs		3.0070	(17,200,220)	(17,258,229)	
				(17,200,220)	
ET DEVELOPMENT VALUE				964,220,249	
ET REALISATION				964,220,249	
UTLAY					
CQUISITION COSTS					

ADDD AICAL CLIMMADV

Fixed Price

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17,808,000

BNP PARIBAS REAL ESTATE

APPRAISAL SUMMARY				BNP PARIBAS REAL ES	TATE
Bishopsgate Goods Yard - LBTH (IL Strategic Sites	Testing			
25% AH, Residual S106 and Borou		J			
Stamp Duty	J	4.00%	712,320		
Agent Fee		1.00%	178,080		
Legal Fee		0.80%	142,464		
S .			,	18,840,864	
CONSTRUCTION COSTS					
Construction	ft²	Rate ft ²	Cost		
Retail	66,791 ft ²	185.00 pf ²	12,356,335		
Basement	26,815 ft ²	46.00 pf ²	1,233,490		
Retail	41,065 ft ²	185.00 pf ²	7,597,025		
Basement	30,956 ft ²	43.00 pf ²	1,331,108		
Office	587,790 ft ²	200.00 pf ²	117,558,000		
Retail	39,536 ft ²	185.00 pf ²	7,314,160		
Basement	42,434 ft ²	46.00 pf ²	1,951,964		
Retail	68,405 ft ²	185.00 pf ²	12,654,925		
Office	6,383 ft ²	200.00 pf ²	1,276,600		
Community	8,622 ft ²	184.00 pf ²	1,586,448		
Basement	24,856 ft ²	46.00 pf ²	1,143,376		
Market Resi	311,057 ft ²	275.00 pf ²	85,540,714		
Affordable Resi	118,671 ft ²	275.00 pf ²	32,634,643		
Market Resi	393,471 ft ²	275.00 pf ²	108,204,643		
Affordable Resi	150,113 ft ²	275.00 pf ²	41,281,036		
Market Residential	271,359 ft ²	275.00 pf ²	74,623,607		
Affordable Resi	103,526 ft ²	275.00 pf ²	<u>28,469,571</u>		
Totals	2,291,850 ft ²		536,757,645	536,757,645	
Contingency		5.00%	31,638,516		
Demolition			100,000		
Residual S106			6,299,964		
Mayoral CIL & Crossrail S106			13,931,060		
Borough CIL			22,295,732		
				74,265,272	
Other Construction					
Abnormal costs (contamination etc)			11,712,000		
East London Line allowance			20,000,000		

					BNP PARIBAS REAL ESTATE
CIL Strategic Sites T	esting				
igh CIL					
	15.00%	19,579,754			
	15.00%	23,562,406			
	15.00%	18,730,824			
	15.00%	2,327,696			
			95,912,679		
	12.00%	77,329,061			
			77,329,061		
	2.00%	12,610,488			
624,750 ft ²	1.50 pf ²				
	10.00%				
	5.00%	954,449			
			16,410,960		
	0.50%	1,225,045	16 440 160		
			10,440,109		
			835,956,651		
			128,263,598		
	15.34%				
	13.07%				
	13.30%				
	2.28%				
		15.00% 15.00% 15.00% 15.00% 15.00% 12.00% 624,750 ft² 2.00% 5.00% 1.50 pf² 10.00% 5.00% 1.50% 2.00% 0.25% 1.00% 0.50%	15.00% 19,579,754 15.00% 23,562,406 15.00% 18,730,824 15.00% 2,327,696 12.00% 77,329,061 2.00% 12,610,488 1.50 pf² 937,125 10.00% 1,908,898 5.00% 954,449 1.00% 2,767,520 1.50% 6,657,795 2.00% 3,759,375 0.25% 1,713,005 1.00% 317,430 0.50% 1,225,045	15.00% 19,579,754 15.00% 23,562,406 15.00% 18,730,824 15.00% 2,327,696 12.00% 77,329,061 77,329,061 2.00% 12,610,488 1.50 pf² 937,125 10.00% 1,908,898 5.00% 954,449 16,410,960 1.00% 2,767,520 1.50% 6,657,795 2.00% 3,759,375 0.25% 1,713,005 1.00% 317,430 0.50% 1,225,045 16,440,169 835,956,651 128,263,598	15.00% 19,579,754 15.00% 23,562,406 15.00% 18,730,824 15.00% 2,327,696 12.00% 77,329,061 77,329,061 2.00% 12,610,488 624,750 ft² 1.50 pf² 937,125 10.00% 1,908,898 5.00% 954,449 16,410,960 1.00% 2,767,520 1.50% 6,657,795 2.00% 3,759,375 0.25% 1,713,005 1.00% 317,430 0.50% 1,225,045 16,440,169 835,956,651 128,263,598

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 25% AH, Residual S106 and Borough CIL

Equivalent Yield% (Nominal) 5.81% Equivalent Yield% (True) 6.02%

IRR 5.13%

Rent Cover 6 yrs 9 mths
Profit Erosion (finance rate 0.000%) N/A

‡ Inflation/Growth applied

 Growth on Sales
 Ungrown
 Growth
 Total

 Market Residential
 170,955,900
 15,715,509
 186,671,409

BNP Paribas Real Estate

Bishopsgate Goods Yard Core Appraisals

Scenario 5				
Affordable Housing	25%			
CIL	Zero			
Growth	None			
IRR Achieved	TBC			

Report Date: 14 July 2014

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 25% AH, Residual S106 and No Borough CIL

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

REVENUE							
Sales Valuation	Units	ft²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
Market Resi	1	217,740	900.00	195,966,000	195,966,000	0	195,966,000
Affordable Resi	1	83,070	200.00	16,614,000	16,614,000	0	16,614,000
Car Parking	51	0	0.00	25,000	1,275,000	0	1,275,000
Ground rents	350	0	0.00	4,500	1,575,000	0	1,575,000
Market Resi	1	275,430	900.00	247,887,000	247,887,000	0	247,887,000
Affordable Resi	1	105,079	200.00	21,015,800	21,015,800	0	21,015,800
Ground rents	443	0	0.00	2,400	1,063,200	0	1,063,200
Market Residential	1	189,951	900.00	170,955,900	170,955,900	15,715,509	186,671,409
Affordable Resi	1	72,468	200.00	14,493,600	14,493,600	0	14,493,600
Ground rents	<u>305</u>	<u>0</u>	0.00	4,500	<u>1,372,500</u>	<u>0</u>	1,372,500
Totals	1,155	943,738			672,218,000	15,715,509	687,933,509
Rental Area Summary				Initial	Net Rent	Initial	
Rental Area Summary	Units	ft²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Rental Area Summary Retail	Units 1	ft² 46,754	Rate ft ² 30.00				
-	Units 1 1			MRV/Unit	at Sale	MRV	
Retail	Units 1 1 1	46,754		MRV/Unit 1,402,611	at Sale 1,402,611	MRV	
Retail Basement	Units 1 1 1 1	46,754 26,815	30.00	MRV/Unit 1,402,611 0	at Sale 1,402,611 0	MRV 1,402,611	
Retail Basement Retail	Units	46,754 26,815 28,746	30.00	MRV/Unit 1,402,611 0 862,365	at Sale 1,402,611 0 862,365	MRV 1,402,611	
Retail Basement Retail Basement	Units	46,754 26,815 28,746 30,956	30.00 30.00	MRV/Unit 1,402,611 0 862,365 0	at Sale 1,402,611 0 862,365 0	MRV 1,402,611 862,365	
Retail Basement Retail Basement Office	Units 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453	30.00 30.00 35.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0	MRV 1,402,611 862,365 14,400,855	
Retail Basement Retail Basement Office Retail	Units 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675	30.00 30.00 35.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256	at Sale 1,402,611 0 862,365 0 14,400,855 830,256	MRV 1,402,611 862,365 14,400,855	
Retail Basement Retail Basement Office Retail Basement	Units 1 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434	30.00 30.00 35.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0	MRV 1,402,611 862,365 14,400,855 830,256	
Retail Basement Retail Basement Office Retail Basement Retail Basement	Units 1 1 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434 47,884	30.00 30.00 35.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	MRV 1,402,611 862,365 14,400,855 830,256 1,436,505	
Retail Basement Retail Basement Office Retail Basement Retail Office	Units 1 1 1 1 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434 47,884 4,468	30.00 30.00 35.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	MRV 1,402,611 862,365 14,400,855 830,256 1,436,505	

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Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 25% AH, Residual S106 and No Borough CIL

Investment V	/aluation
--------------	-----------

Retail

Netan					
Market Rent	1,402,611	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	20,805,313
Retail					
Market Rent	862,365	YP @	6.0000%	16.6667	
		PV 2yrs 1mth @	6.0000%	0.8857	12,729,734
Office					
Market Rent	14,400,855	YP @	5.7500%	17.3913	
(2yrs Rent Free)		PV 2yrs @	5.7500%	0.8942	223,954,442
Retail		•			
Market Rent	830,256	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	12,315,415
Retail		•			
Market Rent	1,436,505	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	21,308,072
Office		•			
Market Rent	156,384	YP @	5.7500%	17.3913	
(2yrs Rent Free)		PV 2yrs @	5.7500%	0.8942	2,431,993
,		•			293,544,969

GROSS DEVELOPMENT VALUE

981,478,478

Purchaser's Costs

5.80% (17,258,229)

(17,258,229)

NET DEVELOPMENT VALUE

964,220,249

NET REALISATION

964,220,249

OUTLAY

ACQUISITION COSTS

Fixed Price 17,808,000

APPRAISAL SUMMARY					BNP PARIBAS REAL ESTAT
Bishopsgate Goods Yard - LBTH (CIL Strategic Sites	Testing			
25% AH, Residual S106 and No Bo		.			
Stamp Duty	J	4.00%	712,320		
Agent Fee		1.00%	178,080		
Legal Fee		0.80%	142,464		
3			,	18,840,864	
CONSTRUCTION COSTS				, ,	
Construction	ft²	Rate ft ²	Cost		
Retail	66,791 ft ²	185.00 pf ²	12,356,335		
Basement	26,815 ft ²	46.00 pf ²	1,233,490		
Retail	41,065 ft ²	185.00 pf ²	7,597,025		
Basement	30,956 ft ²	43.00 pf ²	1,331,108		
Office	587,790 ft ²	200.00 pf ²	117,558,000		
Retail	39,536 ft ²	185.00 pf ²	7,314,160		
Basement	42,434 ft ²	46.00 pf ²	1,951,964		
Retail	68,405 ft ²	185.00 pf ²	12,654,925		
Office	6,383 ft ²	200.00 pf ²	1,276,600		
Community	8,622 ft ²	184.00 pf ²	1,586,448		
Basement	24,856 ft ²	46.00 pf ²	1,143,376		
Market Resi	311,057 ft ²	275.00 pf ²	85,540,714		
Affordable Resi	118,671 ft ²	275.00 pf ²	32,634,643		
Market Resi	393,471 ft ²	275.00 pf ²	108,204,643		
Affordable Resi	150,113 ft ²	275.00 pf ²	41,281,036		
Market Residential	271,359 ft ²	275.00 pf ²	74,623,607		
Affordable Resi	103,526 ft ²	275.00 pf ²	28,469,571		
Totals	2,291,850 ft ²		536,757,645	536,757,645	
Contingency		5.00%	31,638,516		
Demolition			100,000		
Residual S106			6,299,964		
Mayoral CIL & Crossrail S106			13,931,060		
-				51,969,540	
ther Construction					
Abnormal costs (contamination etc)			11,712,000		
East London Line allowance			20,000,000		
Externals		15.00%	19,579,754		

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APPRAISAL SUMMARY					BNP PARIB	AS REAL ESTATE
Bishopsgate Goods Yard - LBTH	CIL Strategic Sites T	esting				
25% AH, Residual S106 and No B	Borough CIL	_				
Externals	•	15.00%	23,562,406			
Externals		15.00%	18,730,824			
Externals		15.00%	2,327,696			
				95,912,679		
PROFESSIONAL FEES						
Professional Fees		12.00%	77,329,061			
				77,329,061		
MARKETING & LETTING						
Resi Marketing		2.00%	12,610,488			
Commercial Marketing	624,750 ft ²	1.50 pf ²	937,125			
Letting Agent Fee		10.00%	1,908,898			
Letting Legal Fee		5.00%	954,449			
				16,410,960		
DISPOSAL FEES						
Commercial Sales Agent Fee		1.00%	2,767,520			
Resi Sales Agent Fee		1.50%	6,657,795			
Resi Sales Agent Fee		2.00%	3,759,375			
Resi Sales Legal Fee		0.25%	1,713,005			
Commercial Sales Legal Fee		1.00%	317,430			
Commercial Sales Legal Fee		0.50%	1,225,045			
				16,440,169		
TOTAL COSTS				813,660,919		
PROFIT						
				150,559,330		
Performance Measures						
Profit on Cost%		18.50%				
Profit on GDV%		15.34%				
Profit on NDV%		15.61%				
Development Yield% (on Rent)		2.35%				
Equivalent Yield% (Nominal)		5.81%				

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Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 25% AH, Residual S106 and No Borough CIL

Equivalent Yield% (True) 6.02%

IRR 6.15%

Rent Cover 7 yrs 11 mths
Profit Erosion (finance rate 0.000%) N/A

‡ Inflation/Growth applied

 Growth on Sales
 Ungrown
 Growth
 Total

 Market Residential
 170,955,900
 15,715,509
 186,671,409

BNP Paribas Real Estate

Bishopsgate Goods Yard Core Appraisals

Scenario 6					
Affordable Housing 25%					
CIL	Full				
Growth	Yes				
IRR Achieved	18.99%				

Report Date: 14 July 2014

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 25% AH, Residual S106 and Borough CIL & Growth

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

REVENUE							
Sales Valuation	Units	ft²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
‡ Market Resi	1	217,740	900.00	195,966,000	195,966,000	96,319,264	292,285,264
Affordable Resi	1	83,070	200.00	16,614,000	16,614,000	0	16,614,000
Car Parking	51	0	0.00	25,000	1,275,000	0	1,275,000
Ground rents	350	0	0.00	4,500	1,575,000	0	1,575,000
‡ Market Resi	1	275,430	900.00	247,887,000	247,887,000	248,205,623	496,092,623
Affordable Resi	1	105,079	200.00	21,015,800	21,015,800	0	21,015,800
Ground rents	443	0	0.00	2,400	1,063,200	0	1,063,200
‡ Market Residential	1	189,951	900.00	170,955,900	170,955,900	431,786,212	602,742,112
Affordable Resi	1	72,468	200.00	14,493,600	14,493,600	0	14,493,600
Ground rents	<u>305</u> 1,1 55	<u>0</u>	0.00	4,500	<u>1,372,500</u>	<u>0</u>	<u>1,372,500</u>
Totals	1,155	943,738			672,218,000	776,311,099	1,448,529,099
Rental Area Summary				Initial	Net Rent	Initial	
Rental Area Summary	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Rental Area Summary Retail	Units 1	ft² 46,754	Rate ft ² 30.00				
	Units 1 1			MRV/Unit	at Sale	MRV	
Retail	Units 1 1 1	46,754		MRV/Unit 1,402,611	at Sale 1,402,611	MRV	
Retail Basement	Units 1 1 1 1	46,754 26,815	30.00	MRV/Unit 1,402,611 0	at Sale 1,402,611 0	MRV 1,402,611	
Retail Basement Retail	Units	46,754 26,815 28,746	30.00	MRV/Unit 1,402,611 0	at Sale 1,402,611 0 862,365	MRV 1,402,611	
Retail Basement Retail Basement	Units	46,754 26,815 28,746 30,956	30.00 30.00	MRV/Unit 1,402,611 0 862,365 0	at Sale 1,402,611 0 862,365	MRV 1,402,611 862,365	
Retail Basement Retail Basement Office	Units 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453	30.00 30.00 35.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0	MRV 1,402,611 862,365 14,400,855	
Retail Basement Retail Basement Office Retail	Units 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675	30.00 30.00 35.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855	at Sale 1,402,611 0 862,365 0 14,400,855 830,256	MRV 1,402,611 862,365 14,400,855	
Retail Basement Retail Basement Office Retail Basement	Units 1 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434	30.00 30.00 35.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0	MRV 1,402,611 862,365 14,400,855 830,256	
Retail Basement Retail Basement Office Retail Basement Retail Retail	Units 1 1 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434 47,884	30.00 30.00 35.00 30.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	MRV 1,402,611 862,365 14,400,855 830,256 1,436,505	
Retail Basement Retail Basement Office Retail Basement Retail Office	Units 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	46,754 26,815 28,746 30,956 411,453 27,675 42,434 47,884 4,468	30.00 30.00 35.00 30.00 30.00	MRV/Unit 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	at Sale 1,402,611 0 862,365 0 14,400,855 830,256 0 1,436,505	MRV 1,402,611 862,365 14,400,855 830,256 1,436,505	

APPRAISAL SUMMA	NRY				
Bishopsgate Goods Yard -	LBTH CIL Strategic Sites Tes	sting			
25% AH, Residual S106 an		· ·			
Investment Valuation	•				
Retail					
Market Rent	1,402,611	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	20,805,313
Retail		\ -	/		
Market Rent	862,365	YP @	6.0000%	16.6667	40 700 704
Office		PV 2yrs 1mth @	6.0000%	0.8857	12,729,734
Market Rent	14,400,855	YP @	5.7500%	17.3913	
(2yrs Rent Free)	14,400,000	PV 2yrs @	5.7500%	0.8942	223,954,442
Retail		1 1 2 Jio S	0.7 000 70	0.0012	220,001,112
Market Rent	830,256	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	12,315,415
Retail					
Market Rent	1,436,505	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	21,308,072
Office Market Rent	156,384	YP @	5.7500%	17 2012	
(2yrs Rent Free)	150,364	PV 2yrs @	5.7500%	17.3913 0.8942	2,431,993
(2)13 Nem 1 lee)		i v zyis w	3.730076	0.0342	293,544,969
					200,044,000
GROSS DEVELOPMENT VALU	UE			1,742,074,068	
Purchaser's Costs		5.80%	(17,258,229)	(47.050.000)	
				(17,258,229)	
NET DEVELOPMENT VALUE				1,724,815,839	
NET REALISATION				1,724,815,839	
OUTLAY					
ACQUISITION COSTS					
Fixed Price			17,808,000		

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BNP PARIBAS REAL ESTATE

APPRAISAL SUMMARY					BNP PARIBAS REAL ESTATE
Bishopsgate Goods Yard - LBTH					
25% AH, Residual S106 and Boro	ugh CIL & Growth				
Stamp Duty		4.00%	712,320		
Agent Fee		1.00%	178,080		
Legal Fee		0.80%	142,464	10.010.001	
00107710110110070				18,840,864	
CONSTRUCTION COSTS	412	D-1- 612	01		
Construction	ft²	Rate ft ²	Cost		
‡ Retail	66,791 ft²	185.00 pf ²	13,964,409		
‡ Basement	26,815 ft²	46.00 pf ²	1,394,018		
Retail	41,065 ft ²	185.00 pf ²	7,597,025		
‡ Basement	30,956 ft ²	43.00 pf ²	1,728,487		
‡ Office	587,790 ft²	200.00 pf ²	152,784,497		
‡ Retail	39,536 ft²	185.00 pf ²	9,505,863		
‡ Basement	42,434 ft ²	46.00 pf ²	2,536,874		
‡ Retail	68,405 ft ²	185.00 pf ²	18,933,526		
‡ Office	6,383 ft ²	200.00 pf ²	1,909,971		
‡ Community	8,622 ft ²	184.00 pf ²	2,373,547		
‡ Basement	24,856 ft ²	46.00 pf ²	1,710,649		
‡ Market Resi	311,057 ft ²	275.00 pf ²	96,673,123		
‡ Affordable Resi	118,671 ft²	275.00 pf ²	36,881,769		
‡ Market Resi	393,471 ft ²	275.00 pf ²	140,507,261		
‡ Affordable Resi	150,113 ft ²	275.00 pf ²	53,604,772		
‡ Market Residential	271,359 ft ²	275.00 pf ²	111,647,284		
Affordable Resi	103,526 ft ²	275.00 pf ²	<u>28,469,571</u>		
Totals	2,291,850 ft ²		682,222,646	682,222,646	
Contingency		5.00%	39,850,856		
Demolition			106,208		
Residual S106			6,299,964		
Mayoral CIL & Crossrail S106			13,931,060		
Borough CIL			22,295,732	00.400.000	
Other Construction				82,483,820	
Abnormal costs (contamination etc)			13,236,219		
East London Line allowance			21,241,679		

APPRAISAL SUMMARY					BNP PARIBAS REAL ESTATE
Bishopsgate Goods Yard - LBT					
25% AH, Residual S106 and Bor	rough CIL & Growth				
Externals		15.00%	22,127,895		
Externals		15.00%	30,256,359		
Externals		15.00%	24,343,554		
Externals		15.00%	3,482,557		
				114,688,262	
PROFESSIONAL FEES					
Professional Fees		12.00%	97,875,155		
				97,875,155	
MARKETING & LETTING				, ,	
Resi Marketing		2.00%	27,822,400		
Commercial Marketing	624,750 ft ²	1.50 pf ²	937,125		
Letting Agent Fee		10.00%	1,908,898		
Letting Legal Fee		5.00%	954,449		
				31,622,871	
DISPOSAL FEES					
Commercial Sales Agent Fee		1.00%	2,767,520		
Resi Sales Agent Fee		1.50%	11,825,668		
Resi Sales Agent Fee		2.00%	12,080,789		
Resi Sales Legal Fee		0.25%	3,614,494		
Commercial Sales Legal Fee		1.00%	317,430		
Commercial Sales Legal Fee		0.50%	1,225,045		
Ç				31,830,946	
TOTAL COSTS				1,059,564,564	
PROFIT					
				665,251,276	
Performance Measures					
Profit on Cost%		62.79%			
Profit on GDV%		38.19%			
Profit on NDV%		38.57%			
Development Yield% (on Rent)		1.80%			

Bishopsgate Goods Yard - LBTH CIL Strategic Sites Testing 25% AH, Residual S106 and Borough CIL & Growth

Equivalent Yield% (Nominal) 5.81% Equivalent Yield% (True) 6.02%

IRR 18.99%

Rent Cover 34 yrs 10 mths Profit Erosion (finance rate 0.000%) N/A

‡ Inflation/Growth applied

Growth on Sales		Ungrown	Growth	Total
Market Resi	Growth Set 1 at 8.240% var.	195,966,000	96,319,264	292,285,264
Market Resi	Growth Set 1 at 8.240% var.	247,887,000	248,205,623	496,092,623
Market Residential	Growth Set 1 at 8.240% var.	170,955,900	431,786,212	602,742,112
Inflation on Construction Costs		Uninflated	Inflation	Total
Market Resi	Inflation Set 1 at 3.340%	85,540,714	11,132,408	96,673,123
Affordable Resi	Inflation Set 1 at 3.340%	32,634,643	4,247,126	36,881,769
Market Resi	Inflation Set 1 at 3.340%	108,204,643	32,302,618	140,507,261
Affordable Resi	Inflation Set 1 at 3.340%	41,281,036	12,323,737	53,604,772
Market Residential	Inflation Set 1 at 3.340%	74,623,607	37,023,676	111,647,284
Retail	Inflation Set 1 at 3.340%	12,356,335	1,608,074	13,964,409
Basement	Inflation Set 1 at 3.340%	1,233,490	160,528	1,394,018
Basement	Inflation Set 1 at 3.340%	1,331,108	397,379	1,728,487
Office	Inflation Set 1 at 3.340%	117,558,000	35,226,497	152,784,497
Retail	Inflation Set 1 at 3.340%	7,314,160	2,191,703	9,505,863
Basement	Inflation Set 1 at 3.340%	1,951,964	584,910	2,536,874
Retail	Inflation Set 1 at 3.340%	12,654,925	6,278,601	18,933,526
Office	Inflation Set 1 at 3.340%	1,276,600	633,371	1,909,971
Community	Inflation Set 1 at 3.340%	1,586,448	787,099	2,373,547
Basement	Inflation Set 1 at 3.340%	1.143.376	567.273	1.710.649