

# BNP Paribas Real Estate

Westferry Printworks: LBTH CIL Strategic Sites Testing

Core Appraisals

Report Date: 14 July 2014

# BNP Paribas Real Estate

## Westferry Printworks Core Appraisals

<b>Scenario 1</b>	
<b>Affordable Housing</b>	35%
<b>CIL</b>	Full
<b>Growth</b>	None
<b>IRR Achieved</b>	-5.75%

Report Date: 14 July 2014

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, CIL & Base Resi Sales Values****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>	<b>Adjustment</b>	<b>Net Sales</b>
Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	0	68,343,600
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	130	0	0.00	4,500	585,000	0	585,000
Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	0	68,343,600
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground Rents	130	0	0.00	4,500	585,000	0	585,000
Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	2,914,596	71,258,196
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	130	0	0.00	4,500	585,000	0	585,000
Pvt resi	1	105,144	650.00	68,343,600	68,343,600	6,834,360	75,177,960
Aff resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	<u>130</u>	<u>0</u>	<u>0.00</u>	<u>4,500</u>	<u>585,000</u>	<u>0</u>	<u>585,000</u>
<b>Totals</b>	<b>528</b>	<b>679,768</b>			<b>323,664,920</b>	<b>9,748,956</b>	<b>333,413,876</b>

**Rental Area Summary**

	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	3,767	25.00	94,185	94,185	94,185
Community	1	3,767		0	0	
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	<u>1</u>	<u>4,239</u>	<u>25.00</u>	<u>105,963</u>	<u>105,963</u>	<u>105,963</u>
<b>Totals</b>	<b>9</b>	<b>61,693</b>			<b>1,240,929</b>	<b>1,240,929</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, CIL & Base Resi Sales Values****Investment Valuation****Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	94,185	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,295,029

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**16,908,524****GROSS DEVELOPMENT VALUE****350,322,401**

Purchaser's Costs	5.80%	(901,131)		(901,131)	
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**NET DEVELOPMENT VALUE****349,421,269**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****35% AH, CIL & Base Resi Sales Values****NET REALISATION****349,421,269****OUTLAY****ACQUISITION COSTS**

Fixed Price		51,744,000
Stamp Duty	4.00%	2,069,760
Agent Fee	1.00%	517,440
Legal Fee	0.80%	413,952

**54,745,152****CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	5,382 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,076,400	
Community	5,382 ft <sup>2</sup>	184.00 pf <sup>2</sup>	990,288	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	32,294,229	
Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	19,902,243	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	32,294,229	
Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	19,902,243	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	32,294,229	
Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	19,902,243	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	32,294,229	
Aff resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	19,902,243	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
<b>Totals</b>	<b>1,100,270 ft<sup>2</sup></b>		<b>227,326,154</b>	<b>227,326,154</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, CIL & Base Resi Sales Values**

Contingency		5.00%	13,133,869	
Demolition			1,535,485	
Residual S106			3,235,908	
Mayoral CIL			2,524,564	
Borough CIL			8,232,764	
				28,662,590
<b>Other Construction</b>				
Decontamination			5,000,000	
Externals		15.00%	8,421,848	
Externals		15.00%	8,550,202	
Externals		15.00%	8,421,848	
Externals		15.00%	8,421,848	
				38,815,747
<b>PROFESSIONAL FEES</b>				
Architect		12.00%	32,913,092	
				32,913,092
<b>MARKETING &amp; LETTING</b>				
Resi Marketing		2.00%	5,662,467	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Commercial Marketing	28,727 ft <sup>2</sup>	1.50 pf <sup>2</sup>	43,091	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Letting Agent Fee		10.00%	124,093	
Letting Legal Fee		5.00%	62,046	
				5,935,495
<b>DISPOSAL FEES</b>				
Resi Sales Agent Fee		1.50%	4,268,433	
Commercial Sales Agent		1.00%	40,657	
Commercial Sales Agent Fee		1.00%	93,876	
Resi Sales Legal Fee		0.25%	831,282	
Commercial Sales Legal Fee		0.50%	20,329	
Commercial Sales Legal Fee		0.50%	49,542	
				5,304,119

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, CIL & Base Resi Sales Values****TOTAL COSTS** **393,702,350****PROFIT** **(44,281,080)****Performance Measures**

Profit on Cost%	(11.25)%
Profit on GDV%	(12.64)%
Profit on NDV%	(12.67)%
Development Yield% (on Rent)	0.32%
Equivalent Yield% (Nominal)	6.41%
Equivalent Yield% (True)	6.68%
 IRR	 (5.75)%
 Rent Cover	 -35 yrs -8 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

**Growth on Sales**

	<b>Ungrown</b>	<b>Growth</b>	<b>Total</b>
Pvt Resi	68,343,600	2,914,596	71,258,196
Pvt resi	68,343,600	6,834,360	75,177,960

# BNP Paribas Real Estate

## Westferry Printworks Core Appraisals

<b>Scenario 2</b>	
<b>Affordable Housing</b>	35%
<b>CIL</b>	Zero
<b>Growth</b>	None
<b>IRR Achieved</b>	-4.72%

Report Date: 14 July 2014



**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, No CIL & Base Resi Sales Values****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>	<b>Adjustment</b>	<b>Net Sales</b>
Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	0	68,343,600
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	130	0	0.00	4,500	585,000	0	585,000
Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	0	68,343,600
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground Rents	130	0	0.00	4,500	585,000	0	585,000
Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	2,914,596	71,258,196
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	130	0	0.00	4,500	585,000	0	585,000
Pvt resi	1	105,144	650.00	68,343,600	68,343,600	6,834,360	75,177,960
Aff resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	<u>130</u>	<u>0</u>	<u>0.00</u>	<u>4,500</u>	<u>585,000</u>	<u>0</u>	<u>585,000</u>
<b>Totals</b>	<b>528</b>	<b>679,768</b>			<b>323,664,920</b>	<b>9,748,956</b>	<b>333,413,876</b>

**Rental Area Summary**

	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	3,767	25.00	94,185	94,185	94,185
Community	1	3,767		0	0	
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	<u>1</u>	<u>4,239</u>	<u>25.00</u>	<u>105,963</u>	<u>105,963</u>	<u>105,963</u>
<b>Totals</b>	<b>9</b>	<b>61,693</b>			<b>1,240,929</b>	<b>1,240,929</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****35% AH, No CIL & Base Resi Sales Values****Investment Valuation****Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	94,185	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,295,029

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**16,908,524****GROSS DEVELOPMENT VALUE****350,322,401**

Purchaser's Costs	5.80%	(901,131)		(901,131)
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**NET DEVELOPMENT VALUE****349,421,269**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****35% AH, No CIL & Base Resi Sales Values****NET REALISATION****349,421,269****OUTLAY****ACQUISITION COSTS**

Fixed Price		51,744,000
Stamp Duty	4.00%	2,069,760
Agent Fee	1.00%	517,440
Legal Fee	0.80%	413,952

**54,745,152****CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	5,382 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,076,400	
Community	5,382 ft <sup>2</sup>	184.00 pf <sup>2</sup>	990,288	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	32,294,229	
Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	19,902,243	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	32,294,229	
Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	19,902,243	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	32,294,229	
Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	19,902,243	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	32,294,229	
Aff resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	19,902,243	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
<b>Totals</b>	<b>1,100,270 ft<sup>2</sup></b>		<b>227,326,154</b>	<b>227,326,154</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, No CIL & Base Resi Sales Values**

Contingency		5.00%	13,133,869	
Demolition			1,535,485	
Residual S106			3,235,908	
Mayoral CIL			2,524,564	
				20,429,826
<b>Other Construction</b>				
Decontamination			5,000,000	
Externals		15.00%	8,421,848	
Externals		15.00%	8,550,202	
Externals		15.00%	8,421,848	
Externals		15.00%	8,421,848	
				38,815,747
<b>PROFESSIONAL FEES</b>				
Architect		12.00%	32,913,092	
				32,913,092
<b>MARKETING &amp; LETTING</b>				
Resi Marketing		2.00%	5,662,467	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Commercial Marketing	28,727 ft <sup>2</sup>	1.50 pf <sup>2</sup>	43,091	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Letting Agent Fee		10.00%	124,093	
Letting Legal Fee		5.00%	62,046	
				5,935,495
<b>DISPOSAL FEES</b>				
Resi Sales Agent Fee		1.50%	4,268,433	
Commercial Sales Agent		1.00%	40,657	
Commercial Sales Agent Fee		1.00%	93,876	
Resi Sales Legal Fee		0.25%	831,282	
Commercial Sales Legal Fee		0.50%	20,329	
Commercial Sales Legal Fee		0.50%	49,542	
				5,304,119

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, No CIL & Base Resi Sales Values****TOTAL COSTS** 385,469,586**PROFIT** (36,048,316)**Performance Measures**

Profit on Cost%	(9.35)%
Profit on GDV%	(10.29)%
Profit on NDV%	(10.32)%
Development Yield% (on Rent)	0.32%
Equivalent Yield% (Nominal)	6.41%
Equivalent Yield% (True)	6.68%
IRR	(4.72)%
Rent Cover	-29 yrs -1 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

**Growth on Sales**

	<b>Ungrown</b>	<b>Growth</b>	<b>Total</b>
Pvt Resi	68,343,600	2,914,596	71,258,196
Pvt resi	68,343,600	6,834,360	75,177,960

# BNP Paribas Real Estate

## Westferry Printworks Core Appraisals

<b>Scenario 3</b>	
<b>Affordable Housing</b>	35%
<b>CIL</b>	Full
<b>Growth</b>	Yes
<b>IRR Achieved</b>	8.96%

Report Date: 14 July 2014

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, Residual S106, CIL & Growth****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>	<b>Adjustment</b>	<b>Net Sales</b>
‡ Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	25,002,144	93,345,744
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	130	0	0.00	4,500	585,000	0	585,000
‡ Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	41,019,318	109,362,918
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground Rents	130	0	0.00	4,500	585,000	0	585,000
‡ Pvt Resi	1	105,144	650.00	68,343,600	68,343,600	64,934,104	133,277,704
Aff Resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	130	0	0.00	4,500	585,000	0	585,000
‡ Pvt resi	1	105,144	650.00	68,343,600	68,343,600	95,639,035	163,982,635
Aff resi	1	64,798	185.00	11,987,630	11,987,630	0	11,987,630
Ground rents	<u>130</u>	<u>0</u>	<u>0.00</u>	<u>4,500</u>	<u>585,000</u>	<u>0</u>	<u>585,000</u>
<b>Totals</b>	<b>528</b>	<b>679,768</b>			<b>323,664,920</b>	<b>226,594,600</b>	<b>550,259,520</b>

**Rental Area Summary**

	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	3,767	25.00	94,185	94,185	94,185
Community	1	3,767		0	0	
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	<u>1</u>	<u>4,239</u>	<u>25.00</u>	<u>105,963</u>	<u>105,963</u>	<u>105,963</u>
<b>Totals</b>	<b>9</b>	<b>61,693</b>			<b>1,240,929</b>	<b>1,240,929</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****35% AH, Residual S106, CIL & Growth****Investment Valuation****Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	94,185	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,295,029

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**16,908,524****GROSS DEVELOPMENT VALUE****567,168,045**

Purchaser's Costs	5.80%	(901,131)		(901,131)
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**NET DEVELOPMENT VALUE****566,266,914**



**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****35% AH, Residual S106, CIL & Growth****NET REALISATION****566,266,914****OUTLAY****ACQUISITION COSTS**

Fixed Price		51,744,000	
Stamp Duty	4.00%	2,069,760	
Agent Fee	1.00%	517,440	
Legal Fee	0.80%	413,952	
			<b>54,745,152</b>

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
‡ Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,981,903	
‡ Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,318,788	
‡ Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	3,184,421	
‡ Office	5,382 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,251,819	
‡ Community	5,382 ft <sup>2</sup>	184.00 pf <sup>2</sup>	1,151,673	
‡ Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	3,400,693	
‡ Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,504,003	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
‡ Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	35,168,650	
‡ Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	21,673,688	
‡ Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	497,161	
‡ Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,557,149	
‡ Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	23,145,668	
‡ Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	530,926	
‡ Pvt Resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	40,107,864	
‡ Aff Resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	24,717,619	
‡ Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	566,984	
‡ Pvt resi	150,206 ft <sup>2</sup>	215.00 pf <sup>2</sup>	42,831,812	
‡ Aff resi	92,569 ft <sup>2</sup>	215.00 pf <sup>2</sup>	26,396,330	
‡ Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	605,491	
<b>Totals</b>	<b>1,100,270 ft<sup>2</sup></b>		<b>272,541,826</b>	<b>272,541,826</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, Residual S106, CIL & Growth**

Contingency		5.00%	15,731,425	
Demolition			1,535,485	
Residual S106			3,235,908	
Mayoral CIL			2,524,564	
Borough CIL			8,232,764	
				31,260,146
<b>Other Construction</b>				
Decontamination			5,000,000	
Externals		15.00%	9,171,454	
Externals		15.00%	9,943,609	
Externals		15.00%	10,459,527	
Externals		15.00%	10,976,599	
				45,551,190
<b>PROFESSIONAL FEES</b>				
Architect		12.00%	39,458,933	
				39,458,933
<b>MARKETING &amp; LETTING</b>				
Resi Marketing		2.00%	9,999,380	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Commercial Marketing	28,727 ft <sup>2</sup>	1.50 pf <sup>2</sup>	43,091	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Letting Agent Fee		10.00%	124,093	
Letting Legal Fee		5.00%	62,046	
				10,272,408
<b>DISPOSAL FEES</b>				
Resi Sales Agent Fee		1.50%	7,521,118	
Commercial Sales Agent		1.00%	40,657	
Commercial Sales Agent Fee		1.00%	93,876	
Resi Sales Legal Fee		0.25%	1,373,396	
Commercial Sales Legal Fee		0.50%	20,329	
Commercial Sales Legal Fee		0.50%	49,542	
				9,098,918

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
35% AH, Residual S106, CIL & Growth****TOTAL COSTS** **462,928,572****PROFIT** **103,338,341****Performance Measures**

Profit on Cost%	22.32%
Profit on GDV%	18.22%
Profit on NDV%	18.25%
Development Yield% (on Rent)	0.27%
Equivalent Yield% (Nominal)	6.41%
Equivalent Yield% (True)	6.68%
IRR	8.96%
Rent Cover	83 yrs 3 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

**Growth on Sales**

		<b>Ungrown</b>	<b>Growth</b>	<b>Total</b>
Pvt Resi	Growth Set 1 at 8.240% var.	68,343,600	25,002,144	93,345,744
Pvt Resi	Growth Set 1 at 8.240% var.	68,343,600	41,019,318	109,362,918
Pvt Resi	Growth Set 1 at 8.240% var.	68,343,600	64,934,104	133,277,704
Pvt resi	Growth Set 1 at 8.240% var.	68,343,600	95,639,035	163,982,635

**Inflation on Construction Costs**

		<b>Uninflated</b>	<b>Inflation</b>	<b>Total</b>
Pvt Resi	Inflation Set 1 at 3.340%	32,294,229	2,874,422	35,168,650
Aff Resi	Inflation Set 1 at 3.340%	19,902,243	1,771,445	21,673,688
Basement	Inflation Set 1 at 3.340%	471,960	25,201	497,161
Pvt Resi	Inflation Set 1 at 3.340%	32,294,229	5,262,920	37,557,149
Aff Resi	Inflation Set 1 at 3.340%	19,902,243	3,243,425	23,145,668

**Westferry Printworks - LBTH CIL Strategic Sites Testing**

**35% AH, Residual S106, CIL & Growth**

Basement	Inflation Set 1 at 3.340%	471,960	58,966	530,926
Pvt Resi	Inflation Set 1 at 3.340%	32,294,229	7,813,635	40,107,864
Aff Resi	Inflation Set 1 at 3.340%	19,902,243	4,815,376	24,717,619
Basement	Inflation Set 1 at 3.340%	471,960	95,024	566,984
Pvt resi	Inflation Set 1 at 3.340%	32,294,229	10,537,583	42,831,812
Aff resi	Inflation Set 1 at 3.340%	19,902,243	6,494,087	26,396,330
Basement	Inflation Set 1 at 3.340%	471,960	133,531	605,491
Retail	Inflation Set 1 at 3.340%	2,738,185	243,718	2,981,903
Office	Inflation Set 1 at 3.340%	1,211,000	107,788	1,318,788
Retail	Inflation Set 1 at 3.340%	2,738,185	446,236	3,184,421
Office	Inflation Set 1 at 3.340%	1,076,400	175,419	1,251,819
Community	Inflation Set 1 at 3.340%	990,288	161,385	1,151,673
Retail	Inflation Set 1 at 3.340%	2,738,185	662,508	3,400,693
Office	Inflation Set 1 at 3.340%	1,211,000	293,003	1,504,003

# BNP Paribas Real Estate

## Westferry Printworks Core Appraisals

<b>Scenario 4</b>	
<b>Affordable Housing</b>	25%
<b>CIL</b>	Full
<b>Growth</b>	None
<b>IRR Achieved</b>	-1.65%

Report Date: 14 July 2014

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, CIL & Base Resi Sales Values****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>	<b>Adjustment</b>	<b>Net Sales</b>
Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	0	78,857,350
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	150	0	0.00	4,500	675,000	0	675,000
Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	0	78,857,350
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground Rents	150	0	0.00	4,500	675,000	0	675,000
Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	3,362,968	82,220,318
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	150	0	0.00	4,500	675,000	0	675,000
Pvt resi	1	121,319	650.00	78,857,350	78,857,350	7,885,735	86,743,085
Aff resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	<u>150</u>	<u>0</u>	<u>0.00</u>	<u>4,500</u>	<u>675,000</u>	<u>0</u>	<u>675,000</u>
<b>Totals</b>	<b>608</b>	<b>670,416</b>			<b>352,380,300</b>	<b>11,248,703</b>	<b>363,629,003</b>

**Rental Area Summary**

	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	3,767	25.00	94,185	94,185	94,185
Community	1	3,767		0	0	
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	<u>1</u>	<u>4,239</u>	<u>25.00</u>	<u>105,963</u>	<u>105,963</u>	<u>105,963</u>
<b>Totals</b>	<b>9</b>	<b>61,693</b>			<b>1,240,929</b>	<b>1,240,929</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, CIL & Base Resi Sales Values****Investment Valuation****Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	94,185	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,295,029

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**16,908,524****GROSS DEVELOPMENT VALUE****380,537,527**

Purchaser's Costs	5.80%	(920,867)		(920,867)
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**NET DEVELOPMENT VALUE****379,616,661**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****25% AH, CIL & Base Resi Sales Values****NET REALISATION****379,616,661****OUTLAY****ACQUISITION COSTS**

Fixed Price		51,744,000
Stamp Duty	4.00%	2,069,760
Agent Fee	1.00%	517,440
Legal Fee	0.80%	413,952

54,745,152

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	5,382 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,076,400	
Community	5,382 ft <sup>2</sup>	184.00 pf <sup>2</sup>	990,288	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,262,264	
Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	14,216,107	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,262,264	
Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	14,216,107	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,262,264	
Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	14,216,107	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,262,264	
Aff resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	14,216,107	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
<b>Totals</b>	<b>1,086,910 ft<sup>2</sup></b>		<b>224,453,754</b>	<b>224,453,754</b>



**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, CIL & Base Resi Sales Values**

Contingency		5.00%	12,968,706	
Demolition			1,535,485	
Residual S106			3,232,676	
Mayoral CIL			2,810,752	
Borough CIL			9,760,436	
				30,308,055
<b>Other Construction</b>				
Decontamination			5,000,000	
Externals		15.00%	8,314,133	
Externals		15.00%	8,442,487	
Externals		15.00%	8,314,133	
Externals		15.00%	8,314,133	
				38,384,887
<b>PROFESSIONAL FEES</b>				
Architect		12.00%	32,496,882	
				32,496,882
<b>MARKETING &amp; LETTING</b>				
Resi Marketing		2.00%	6,533,562	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Commercial Marketing	28,727 ft <sup>2</sup>	1.50 pf <sup>2</sup>	43,091	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Letting Agent Fee		10.00%	124,093	
Letting Legal Fee		5.00%	62,046	
				6,806,590
<b>DISPOSAL FEES</b>				
Resi Sales Agent Fee		1.50%	4,926,859	
Commercial Sales Agent		1.00%	40,707	
Commercial Sales Agent Fee		1.00%	94,024	
Resi Sales Legal Fee		0.25%	906,770	
Commercial Sales Legal Fee		0.50%	20,353	
Commercial Sales Legal Fee		0.50%	50,017	
				6,038,729

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, CIL & Base Resi Sales Values****TOTAL COSTS** **393,234,049****PROFIT** **(13,617,388)****Performance Measures**

Profit on Cost%	(3.46)%
Profit on GDV%	(3.58)%
Profit on NDV%	(3.59)%
Development Yield% (on Rent)	0.32%
Equivalent Yield% (Nominal)	6.41%
Equivalent Yield% (True)	6.68%
 IRR	 (1.65)%
 Rent Cover	 -10 yrs -12 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

**Growth on Sales**

	<b>Ungrown</b>	<b>Growth</b>	<b>Total</b>
Pvt Resi	78,857,350	3,362,968	82,220,318
Pvt resi	78,857,350	7,885,735	86,743,085

# BNP Paribas Real Estate

## Westferry Printworks Core Appraisals

<b>Scenario 5</b>	
<b>Affordable Housing</b>	25%
<b>CIL</b>	Zero
<b>Growth</b>	None
<b>IRR Achieved</b>	TBC

Report Date: 14 July 2014

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, No CIL & Base Resi Sales Values****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>	<b>Adjustment</b>	<b>Net Sales</b>
Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	0	78,857,350
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	150	0	0.00	4,500	675,000	0	675,000
Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	0	78,857,350
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground Rents	150	0	0.00	4,500	675,000	0	675,000
Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	3,362,968	82,220,318
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	150	0	0.00	4,500	675,000	0	675,000
Pvt resi	1	121,319	650.00	78,857,350	78,857,350	7,885,735	86,743,085
Aff resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	<u>150</u>	<u>0</u>	0.00	4,500	<u>675,000</u>	<u>0</u>	<u>675,000</u>
<b>Totals</b>	<b>608</b>	<b>670,416</b>			<b>352,380,300</b>	<b>11,248,703</b>	<b>363,629,003</b>

**Rental Area Summary**

	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	3,767	25.00	94,185	94,185	94,185
Community	1	3,767		0	0	
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	<u>1</u>	<u>4,239</u>	25.00	105,963	<u>105,963</u>	<u>105,963</u>
<b>Totals</b>	<b>9</b>	<b>61,693</b>			<b>1,240,929</b>	<b>1,240,929</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****25% AH, No CIL & Base Resi Sales Values****Investment Valuation****Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	94,185	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,295,029

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**Retail**

Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648

**Office**

Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967

**16,908,524****GROSS DEVELOPMENT VALUE****380,537,527**

Purchaser's Costs	5.80%	(920,867)		(920,867)
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**NET DEVELOPMENT VALUE****379,616,661**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****25% AH, No CIL & Base Resi Sales Values****NET REALISATION****379,616,661****OUTLAY****ACQUISITION COSTS**

Fixed Price		51,744,000	
Stamp Duty	4.00%	2,069,760	
Agent Fee	1.00%	517,440	
Legal Fee	0.80%	413,952	
			<b>54,745,152</b>

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	5,382 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,076,400	
Community	5,382 ft <sup>2</sup>	184.00 pf <sup>2</sup>	990,288	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,262,264	
Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	14,216,107	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,262,264	
Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	14,216,107	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,262,264	
Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	14,216,107	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
Pvt resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	37,262,264	
Aff resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	14,216,107	
Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	471,960	
<b>Totals</b>	<b>1,086,910 ft<sup>2</sup></b>		<b>224,453,754</b>	<b>224,453,754</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, No CIL & Base Resi Sales Values**

Contingency		5.00%	12,968,706	
Demolition			1,535,485	
Residual S106			3,232,676	
Mayoral CIL			2,810,752	
				20,547,619
<b>Other Construction</b>				
Decontamination			5,000,000	
Externals		15.00%	8,314,133	
Externals		15.00%	8,442,487	
Externals		15.00%	8,314,133	
Externals		15.00%	8,314,133	
				38,384,887
<b>PROFESSIONAL FEES</b>				
Architect		12.00%	32,496,882	
				32,496,882
<b>MARKETING &amp; LETTING</b>				
Resi Marketing		2.00%	6,533,562	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Commercial Marketing	28,727 ft <sup>2</sup>	1.50 pf <sup>2</sup>	43,091	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Letting Agent Fee		10.00%	124,093	
Letting Legal Fee		5.00%	62,046	
				6,806,590
<b>DISPOSAL FEES</b>				
Resi Sales Agent Fee		1.50%	4,926,859	
Commercial Sales Agent		1.00%	40,707	
Commercial Sales Agent Fee		1.00%	94,024	
Resi Sales Legal Fee		0.25%	906,770	
Commercaill Sales Legal Fee		0.50%	20,353	
Commercial Sales Legal Fee		0.50%	50,017	
				6,038,729

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE**

**Westferry Printworks - LBTH CIL Strategic Sites Testing**  
**25% AH, No CIL & Base Resi Sales Values**

**TOTAL COSTS** **383,473,613**

**PROFIT** **(3,856,952)**

**Performance Measures**

Profit on Cost%	(1.01)%
Profit on GDV%	(1.01)%
Profit on NDV%	(1.02)%
Development Yield% (on Rent)	0.32%
Equivalent Yield% (Nominal)	6.41%
Equivalent Yield% (True)	6.68%
 IRR	 (0.47)%
 Rent Cover	 -3 yrs -1 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

**Growth on Sales**

	<b>Ungrown</b>	<b>Growth</b>	<b>Total</b>
Pvt Resi	78,857,350	3,362,968	82,220,318
Pvt resi	78,857,350	7,885,735	86,743,085



# BNP Paribas Real Estate

## Westferry Printworks Core Appraisals

<b>Scenario 6</b>	
<b>Affordable Housing</b>	25%
<b>CIL</b>	Full
<b>Growth</b>	Yes
<b>IRR Achieved</b>	13.38%

Report Date: 14 July 2014

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, CIL & Base Resi Sales Values & Growth****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>	<b>Adjustment</b>	<b>Net Sales</b>
‡ Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	28,848,390	107,705,740
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	150	0	0.00	4,500	675,000	0	675,000
‡ Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	47,329,592	126,186,942
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground Rents	150	0	0.00	4,500	675,000	0	675,000
‡ Pvt Resi	1	121,319	650.00	78,857,350	78,857,350	74,923,348	153,780,698
Aff Resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	150	0	0.00	4,500	675,000	0	675,000
‡ Pvt resi	1	121,319	650.00	78,857,350	78,857,350	110,351,823	189,209,173
Aff resi	1	46,285	185.00	8,562,725	8,562,725	0	8,562,725
Ground rents	<u>150</u>	<u>0</u>	0.00	4,500	<u>675,000</u>	<u>0</u>	<u>675,000</u>
<b>Totals</b>	<b>608</b>	<b>670,416</b>			<b>352,380,300</b>	<b>261,453,153</b>	<b>613,833,453</b>

**Rental Area Summary**

	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	3,767	25.00	94,185	94,185	94,185
Community	1	3,767		0	0	
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	1	4,239	25.00	105,963	105,963	105,963
Retail	1	10,361	20.00	207,214	207,214	207,214
Office	<u>1</u>	<u>4,239</u>	25.00	105,963	<u>105,963</u>	<u>105,963</u>
<b>Totals</b>	<b>9</b>	<b>61,693</b>			<b>1,240,929</b>	<b>1,240,929</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, CIL & Base Resi Sales Values & Growth****Investment Valuation**

<b>Retail</b>					
Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648
<b>Office</b>					
Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967
<b>Retail</b>					
Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648
<b>Office</b>					
Market Rent	94,185	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,295,029
<b>Retail</b>					
Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648
<b>Office</b>					
Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967
<b>Retail</b>					
Market Rent	207,214	YP @	6.5000%	15.3846	
(2yrs Rent Free)		PV 2yrs @	6.5000%	0.8817	2,810,648
<b>Office</b>					
Market Rent	105,963	YP @	6.2500%	16.0000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	6.2500%	0.8594	1,456,967
					<b>16,908,524</b>

**GROSS DEVELOPMENT VALUE****630,741,978**

Purchaser's Costs	5.80%	(920,867)	
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(920,867)

**NET DEVELOPMENT VALUE****629,821,111**

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing****25% AH, CIL & Base Resi Sales Values & Growth****NET REALISATION****629,821,111****OUTLAY****ACQUISITION COSTS**

Fixed Price		51,744,000	
Stamp Duty	4.00%	2,069,760	
Agent Fee	1.00%	517,440	
Legal Fee	0.80%	413,952	
			<b>54,745,152</b>

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
‡ Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,981,903	
‡ Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,318,788	
‡ Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	3,184,421	
‡ Office	5,382 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,251,819	
‡ Community	5,382 ft <sup>2</sup>	184.00 pf <sup>2</sup>	1,151,673	
‡ Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	3,400,693	
‡ Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,504,003	
Retail	14,801 ft <sup>2</sup>	185.00 pf <sup>2</sup>	2,738,185	
Office	6,055 ft <sup>2</sup>	200.00 pf <sup>2</sup>	1,211,000	
‡ Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	40,578,877	
‡ Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	15,481,444	
‡ Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	497,161	
‡ Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	43,334,815	
‡ Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	16,532,875	
‡ Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	530,926	
‡ Pvt Resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	46,277,923	
‡ Aff Resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	17,655,715	
‡ Basement	10,260 ft <sup>2</sup>	46.00 pf <sup>2</sup>	566,984	
‡ Pvt resi	173,313 ft <sup>2</sup>	215.00 pf <sup>2</sup>	49,420,914	
‡ Aff resi	66,121 ft <sup>2</sup>	215.00 pf <sup>2</sup>	18,854,812	
‡ Basement	<u>10,260 ft<sup>2</sup></u>	46.00 pf <sup>2</sup>	<u>605,491</u>	
<b>Totals</b>	<b>1,086,910 ft<sup>2</sup></b>		<b>269,080,422</b>	<b>269,080,422</b>

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, CIL & Base Resi Sales Values & Growth**

Contingency		5.00%	15,532,394	
Demolition			1,535,485	
Residual S106			3,232,676	
Mayoral CIL			2,810,752	
Borough CIL			9,760,436	
				32,871,743
<b>Other Construction</b>				
Decontamination			5,000,000	
Externals		15.00%	9,054,152	
Externals		15.00%	9,818,340	
Externals		15.00%	10,325,750	
Externals		15.00%	10,833,737	
				45,031,979
<b>PROFESSIONAL FEES</b>				
Architect		12.00%	38,957,375	
				38,957,375
<b>MARKETING &amp; LETTING</b>				
Resi Marketing		2.00%	11,537,651	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Commercial Marketing	28,727 ft <sup>2</sup>	1.50 pf <sup>2</sup>	43,091	
Commercial Marketing	14,599 ft <sup>2</sup>	1.50 pf <sup>2</sup>	21,899	
Letting Agent Fee		10.00%	124,093	
Letting Legal Fee		5.00%	62,046	
				11,810,679
<b>DISPOSAL FEES</b>				
Resi Sales Agent Fee		1.50%	8,679,925	
Commercial Sales Agent		1.00%	40,707	
Commercial Sales Agent Fee		1.00%	94,024	
Resi Sales Legal Fee		0.25%	1,532,281	
Commercial Sales Legal Fee		0.50%	20,353	
Commercial Sales Legal Fee		0.50%	50,017	
				10,417,307

**APPRAISAL SUMMARY****BNP PARIBAS REAL ESTATE****Westferry Printworks - LBTH CIL Strategic Sites Testing  
25% AH, CIL & Base Resi Sales Values & Growth****TOTAL COSTS** **462,914,658****PROFIT** **166,906,453****Performance Measures**

Profit on Cost%	36.06%
Profit on GDV%	26.46%
Profit on NDV%	26.50%
Development Yield% (on Rent)	0.27%
Equivalent Yield% (Nominal)	6.41%
Equivalent Yield% (True)	6.68%
 IRR	 13.38%
 Rent Cover	 134 yrs 6 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

**Growth on Sales**

		<b>Ungrown</b>	<b>Growth</b>	<b>Total</b>
Pvt Resi	Growth Set 1 at 8.240% var.	78,857,350	28,848,390	107,705,740
Pvt Resi	Growth Set 1 at 8.240% var.	78,857,350	47,329,592	126,186,942
Pvt Resi	Growth Set 1 at 8.240% var.	78,857,350	74,923,348	153,780,698
Pvt resi	Growth Set 1 at 8.240% var.	78,857,350	110,351,823	189,209,173

**Inflation on Construction Costs**

		<b>Uninflated</b>	<b>Inflation</b>	<b>Total</b>
Pvt Resi	Inflation Set 1 at 3.340% var.	37,262,264	3,316,613	40,578,877
Aff Resi	Inflation Set 1 at 3.340% var.	14,216,107	1,265,337	15,481,444
Basement	Inflation Set 1 at 3.340% var.	471,960	25,201	497,161
Pvt Resi	Inflation Set 1 at 3.340% var.	37,262,264	6,072,550	43,334,815
Aff Resi	Inflation Set 1 at 3.340% var.	14,216,107	2,316,768	16,532,875

**Westferry Printworks - LBTH CIL Strategic Sites Testing**

**25% AH, CIL & Base Resi Sales Values & Growth**

Basement	Inflation Set 1 at 3.340% var.	471,960	58,966	530,926
Pvt Resi	Inflation Set 1 at 3.340% var.	37,262,264	9,015,659	46,277,923
Aff Resi	Inflation Set 1 at 3.340% var.	14,216,107	3,439,608	17,655,715
Basement	Inflation Set 1 at 3.340% var.	471,960	95,024	566,984
Pvt resi	Inflation Set 1 at 3.340% var.	37,262,264	12,158,650	49,420,914
Aff resi	Inflation Set 1 at 3.340% var.	14,216,107	4,638,705	18,854,812
Basement	Inflation Set 1 at 3.340% var.	471,960	133,531	605,491
Retail	Inflation Set 1 at 3.340% var.	2,738,185	243,718	2,981,903
Office	Inflation Set 1 at 3.340% var.	1,211,000	107,788	1,318,788
Retail	Inflation Set 1 at 3.340% var.	2,738,185	446,236	3,184,421
Office	Inflation Set 1 at 3.340% var.	1,076,400	175,419	1,251,819
Community	Inflation Set 1 at 3.340% var.	990,288	161,385	1,151,673
Retail	Inflation Set 1 at 3.340% var.	2,738,185	662,508	3,400,693
Office	Inflation Set 1 at 3.340% var.	1,211,000	293,003	1,504,003