

SECTION 3: FINANCIAL ROBUSTNESS APPENDICES

Confidential

SW2 Enterprise Centre: Final Tender



Appendices

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A3.1 Design Development Budget

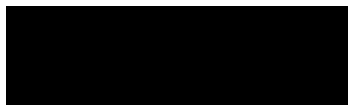
Council offices and Town Hall Net Construction to Cat B for Dev. Man. Fee calc	£50,623,000
Council offices and Town Hall Net Construction to CAT A (inc Prelims and Contingencies)	£37,940,000
Residential Net Construction (inc Prelims and Contingencies)	£19,488,866
Triangle Net Construction (inc Prelims and Contingencies)	£600,000

		Total fees per stage, excluding 1.5% design fee contingency					
		% of net construction to CAT A (inc prelims and contingencies) - £37,940,000		Fees to Planning Submission (Stage C+)			
Company	Total fee			Fees to Stage D	Fees to Stage E	Fees during Construction	
Design Fees - Town Hall/Civic Offices							
Architect	AHMM	4.750%	£1,802,150	£360,430	£405,484	£405,484	£630,753
M&E Consultant	Atelier 10	1.775%	£673,435	£101,015	£101,015	£202,031	£269,374
Civil and structural engineering	Elliott Wood	1.300%	£493,220	£73,983	£123,305	£147,966	£147,966
Cost consultant	Davis Langdon	1.100%	£417,340	£66,774	£125,202	£225,364	
Employers Agent/Contract Administrator	Davis Langdon	0.500%	£189,700				£189,700
Interior design	AHMM	0.500%	£189,700		£37,940	£56,910	£94,850
Landscape Architect	Grant Associates	0.430%	£163,142	£27,734	£32,628	£32,628	£70,151
Planning Consultant	DP9	0.575%	£218,155	£109,078	£109,078		£0
Graphics/Wayfinding/branding	tbc	0.175%	£66,395		£26,558	£39,837	£0
Rights of light consultant	tbc	0.175%	£66,395	£66,395			£0
Commissioning engineer	tbc	0.150%	£56,910				£56,910
Fire engineer	Arup	0.120%	£45,528	£6,829	£13,658	£25,040	£0
Acoustics	Arup	0.120%	£45,528	£6,829	£13,658	£25,040	£0
Conservation Consultant	tbc	0.100%	£37,940	£37,940			£0
CDM Coordinator	tbc	0.100%	£37,940	£2,000	£5,000	£5,000	£25,940
Transport engineer	Arup	0.080%	£30,352	£20,000		£8,000	£2,352
BREEAM	Atelier 10	0.075%	£28,455	£8,000	£8,000	£8,000	£4,455
Building control	tbc	0.070%	£26,558	£5,000		£5,000	£16,558
Heritage Consultant	tbc	0.050%	£18,970	£18,970			£0
Energy Modelling	Atelier 10	0.050%	£18,970	£4,000	£4,000	£4,000	£6,970
Lighting design	Atelier 10	0.050%	£18,970	£5,000	£5,000	£7,500	£1,470
Ecologist	tbc	0.040%	£15,176	£10,500			£4,676
Geotechnical engineering	Elliott Wood	0.040%	£15,176	£15,176			
Facade engineer	Elliott Wood	0.100%	£37,940			£37,940	
Total design fees, exc Contingency		12.425%	£4,714,045	£945,654	£1,010,527	£1,235,740	£1,522,125
Design fee contingency		1.500%	£569,100	£114,163	£121,995	£149,184	£183,757
Total design fees, inc Contingency		13.925%	£5,283,145	£1,059,817	£1,132,522	£1,384,924	£1,705,882
Design Fees - Surplus Sites							
Architect (Surplus sites)	SEW	1.425%	£277,716	£277,716			
Other surplus site related fees		1.000%	£194,889	£194,889			
		2.425%	£472,605	£472,605			
Design fees - Triangle site							
Architect	Coffey Architects	14.000%	£84,000	£18,900.0	£18,900.00	£18,900.00	£27,300.00
Survey Costs							
Party Wall surveyor	tbc		£25,000			25000	
Topographical (inc. measured survey of Town Hall)	tbc via Elliott Wood		£60,000	£60,000			
Verified views	tbc via DP9		£15,000	£15,000			
BIM coordinator	tbc		£25,000	£7,000	9000	9000	
Exisiting utilities	tbc via Elliott Wood/Atelier 10		£30,000	£30,000			
Archaeology	tbc		£15,000	£15,000			
Asbestos	tbc		£30,000	£30,000			
Heritage condition survey	tbc via DP9		£25,000	£25,000			
			£225,000	£182,000	£9,000	£34,000	£0
Other costs							
Planning application fees	London Borough of Lambeth		£80,000	£80,000			
Planning legal fees (S106/CIL/S278)	Lawrence Graham		£30,000		£30,000		
Building contract legal fees	Lawrence Graham		£50,000			£50,000	
Cil			£83,930				£83,930
S106			£0				£0
S278			£250,000				£250,000
Rights of light compensation			£500,000				£500,000
Public relations			£30,000	£30,000			
			£1,023,930	£110,000	£30,000	£50,000	£833,930
		% of net construction to CAT B (inc prelims and contingencies) - £50,623,000					
Development Management							
Development Manager	Kajima	2.500%	£1,265,575	£206,624	£38,742	£64,570	£645,702
Rolled up DM Fee catch-up payments	Kajima				£219,539		£90,398
			£1,265,575	£206,624	£258,281	£64,570	£736,100
			£8,354,255	£1,843,322	£1,190,422	£1,487,824	£2,567,112
Total fees per stage, excluding 1.5% design fee contingency							

A3.2 Letters of Support

Chief Executive
London Borough of Lambeth
Hambrook House
Porden Road
LONDON
SW2 5RW

Friday 13 September 2013



London Borough of Lambeth – SW2 Enterprise Centre Final Tender

I write to confirm the full support of Kajima Partnerships Ltd (KPL) for this landmark regeneration project to create the new SW2 Enterprise Centre in Lambeth.

KPL, with net assets of £29 million at 31 December 2012, will act as guarantor to the project in support of both the performance and financial obligations of Kajima Lambeth Regeneration Partnership (The Developer). The guarantee is equivalent to 22.5% of the Maximum Commitment as defined in the draft Development Agreement (DA), including the erosion of our 7.5% Outturn risk return.

We understand and fully support the Council's ambition to minimise the affordability gap and to seek a cost neutral solution. We firmly believe that our proposition, fully described in our ISFT bid, can achieve this ambition and deliver the Council's vision to create a landmark, sustainable and thriving mixed use development in the heart of Brixton.

I further confirm that, if required, we are able and willing to provide all the risk capital and debt financing needed for the project. We have a good track record in project funding and we enjoy good working relationships with a range of banking and institutional funders built up over the past 10 years or more.

I finally can confirm that we have noted and accepted the key principles of the draft Development Agreement.

This is an exciting project for us and you can be assured that we will devote experienced staff and substantial resources to create a robust and long lasting partnership with the Council and a new Enterprise Centre of which we can all be proud. Kajima Partnerships was established to promote successful partnership working with the public sector and this is a great opportunity to show you what we can do.



Managing Director



London Borough of Lambeth
Hambrook House
Porden Road
LONDON
SW2 5RW

20th June 2013

For the attention of: Chief Executive

Dear Sirs

**London Borough of Lambeth- Offices and Civic Accommodation (the “Project”) -
Funder Letter of Support**


Sumitomo Mitsui Banking Corporation Europe Limited (“SMBCE”) is pleased to confirm its support for Kajima in its response to an Invitation to Submit Detailed Solutions for the above Project.

SMBCE is an experienced debt arranger of infrastructure projects in the UK and throughout the EMEA region. The Bank has previously provided senior debt facilities to Kajima for its infrastructure projects and we would therefore be pleased to consider providing debt funding for the Kajima consortium on this accommodation project.

We confirm that we act as principal bankers for Kajima Partnerships Limited (“KPL”) and we have enjoyed a very satisfactory relationship with KPL for the past ten years, including financing various projects and developments. KPL is a wholly owned subsidiary of Kajima Corporation, Tokyo, Japan. SMBC Tokyo, Japan has acted as principal bankers for Kajima Corporation for over fifty years.

We would be pleased therefore if this Letter of Support could be included in the ISDS response. For the avoidance of doubt, this letter is not an offer of finance.

Yours faithfully



Deputy Head of Infrastructure, Transport & Islamic Finance
Structured Finance Department

A3.3 Financial model summary and output templates

Summary sheet

Scenario in use **5% Land Price Inflation 20% affordable housing**

Returns

Developer Profit on Cost %	7.50%
Council surplus / (deficit) %	(13.27%)
IRR of Project Cashflows %	n/a
NPV of Project Cashflows	(7,546)
IRR of Cashflows to Equity %	n/a
NPV of Cashflows to Equity	n/a
IRR of Cashflows to the Council %	n/a
NPV of Cashflows to the Council	(4,487)

Returns by site

	Income	Development Costs	Other Council costs	Finance Costs	Total	Overage	Site IRR	Site NPV
<i>Council Accommodation incl. Town Hall</i>		(63,507)		0	(63,507)	0	0.00%	(68,402)
<i>Olive Morris House</i>	15,603	0	(234)	0	15,369	0	6.80%	1,576
<i>Olive Morris House Leasehold Saving</i>								3,673
<i>Hambrook House/Porden</i>	12,844	0	(2,543)	0	10,302	0	1.41%	(1,029)
<i>Ivor House</i>	9,223	0	(138)	0	9,084	0	5.88%	685
<i>Phoenix House</i>	19,099	0	(286)	0	18,812	0	8.16%	2,132
<i>Wanless</i>	1,922	0	(29)	0	1,893	0	12.60%	215
<i>Authority Loan (PWLB)5%LI 20%AH</i>				(929)	(929)			
<i>Council Shortfall</i>								
Total (Aggregate) SW2 Project Cashflow	58,690	(63,507)	(3,230)	(929)	(8,976)	0	n/a	(7,546)
Total (Aggregate) Council Cashflow	0	(63,507)	0	(929)	(64,436)	0		plus 3,673 for OMH Leasehold Saving
Total (Aggregate) Non Council Cashflow	58,690	0	(3,230)	0	55,460	0		
Matches ISFT sheet:	TRUE	TRUE	TRUE	TRUE	TRUE			

Base Case surplus/(deficit) per Scenario

	12% Affordable Housing	20% Affordable Housing	40% Affordable Housing
0% Land Price Inflation	(18,369)	(22,306)	(27,637)
5% Land Price Inflation	(3,770)	(8,976)	(15,981)

Exclusions:

Olive Morris House Leasehold Saving NPV of £3,673k
Wynne Road receipt, per paragraph 4.11, of £1,000k.
Third party income and on-going costs.

Project Land Receipts per Scenario

Quarter of Sales	Council Accommodation including To	Olive Morris House	Hambrook House/Porden	Ivor House	Phoenix House	Wanless
	n/a	31-Mar-18	31-Mar-16	30-Sep-17	30-Sep-17	31-Mar-14
0% Land Price Inflation 12% affordable housing	0	13,193	0	8,500	6,804	19,099
0% Land Price Inflation 20% affordable housing	0	9,281	1	8,500	6,804	19,099
0% Land Price Inflation 40% affordable housing	0	6,270	2	6,286	6,804	19,099
5% Land Price Inflation 12% affordable housing	0	20,787	0	12,844	9,223	19,099
5% Land Price Inflation 20% affordable housing	0	15,603	1	12,844	9,223	19,099
5% Land Price Inflation 40% affordable housing	0	11,548	2	10,019	9,223	19,099

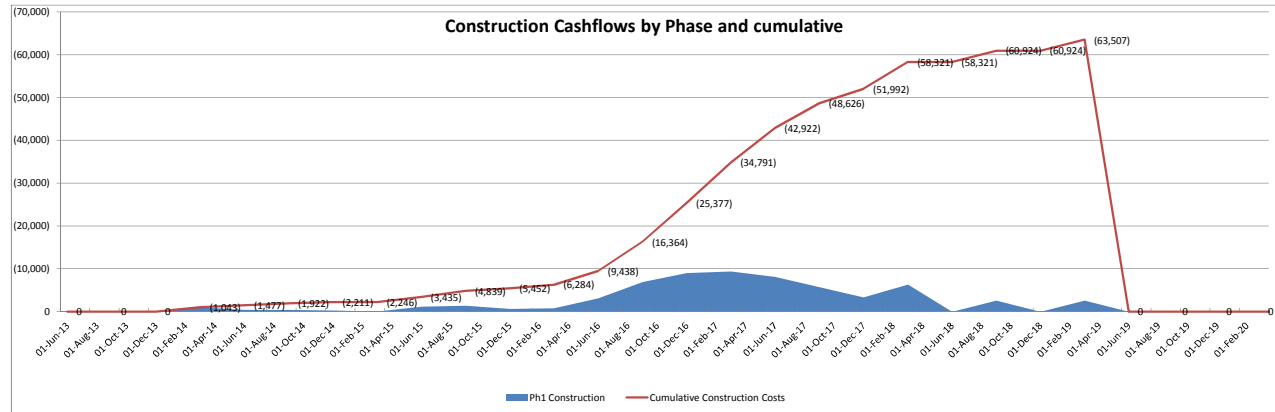
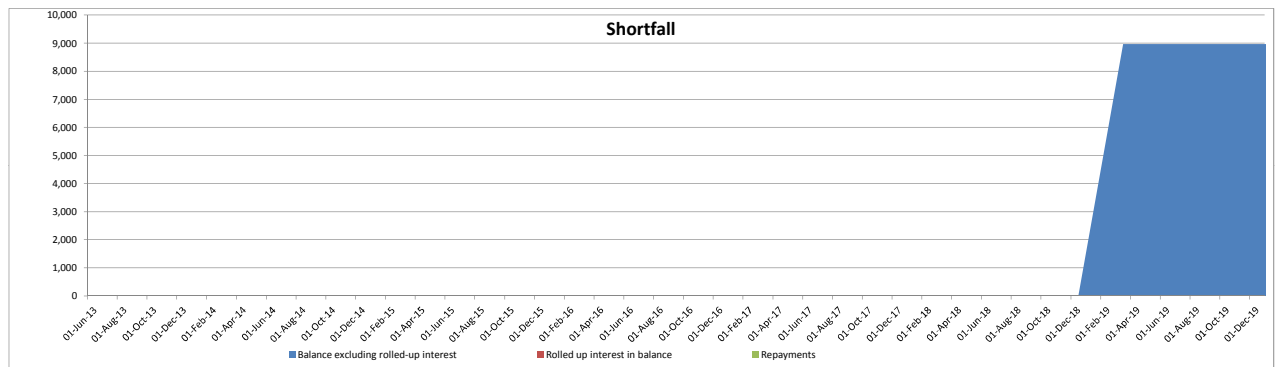
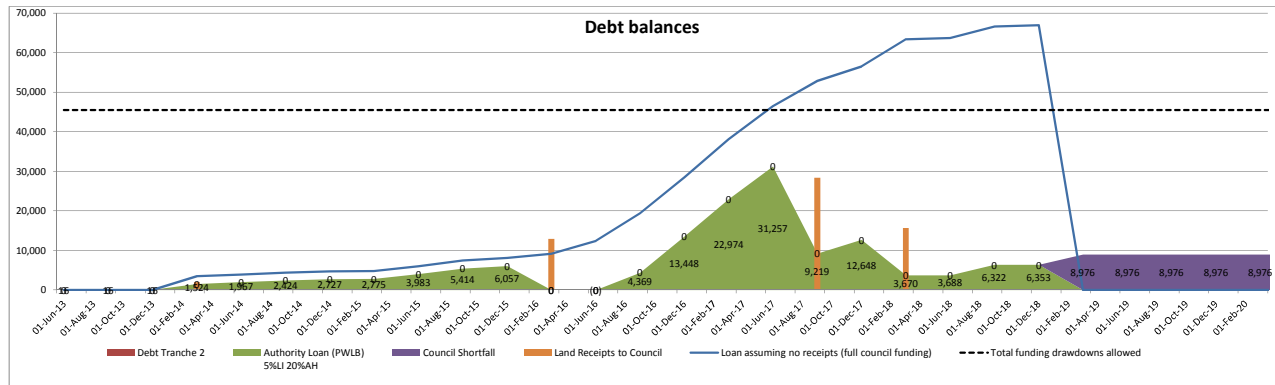
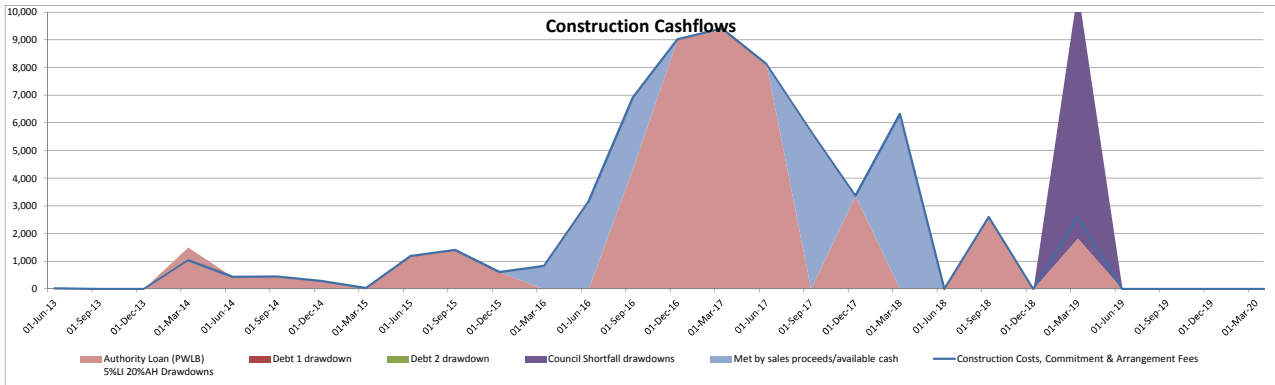
Funding Summary

Peak Consolidated Funding		Date first reached		
Authority Loan (PWLB)5%LI 20%AH (€)	31,257	30-Jun-17	Peak Gearing %	100.00%
Calculated subsidy/shortfall to be funded	8,976	31-Mar-19		
Loan	Authority Loan (PWLB)5%LI 20%AH			
Tranche Gearing	100.00%			
Drawn	As required			
Repaid	CashSweep			
First available	30-Apr-13			
Final repayment	31-Mar-19			
Interest rates:	0.00%			
Swap/base rate:	1.17%			
MLA assumption:	0.00%			
Margin:	0.80%			
Arrangement Fee rate:	0.035%			
Commitment Fee rate:	0.00%			

Lifetime Uses and Sources

Uses		Sources	
Cash Balance	0.00	Opening Cash	0.00
Costs	3,230.35	Land Receipts to Council	58,690.31
Tax paid	0.00		
<i>Total operational uses</i>	<i>3,230.35</i>	<i>Total operational sources</i>	<i>58,690.31</i>
Construction Costs	63,506.63	Sales Proceeds	0.00
<i>Total building-related uses</i>	<i>63,506.63</i>	<i>Total building-related sources</i>	<i>0.00</i>
Debt 1 Commitment and Arrangement Fees	0.00		
Debt 2 Commitment and Arrangement Fees	0.00		
Authority Loan (PWLB)5%LI 20%AH Commitment	15.93		
Debt 1 interest	0.00		
Debt 2 interest	0.00	Debt 1 interest rolled-up	0.00
Authority Loan (PWLB)5%LI 20%AH Interest	913.36	Debt 2 interest rolled-up	0.00
Debt 1 Repayment	0.00	Authority Loan (PWLB)5%LI 20%AH Interest rolled-up	913.36
Debt 2 Repayment	0.00	Debt 1 drawdown	0.00
Authority Loan (PWLB)5%LI 20%AH Repayments	45,539.74	Debt 2 drawdown	0.00
<i>Total Funding uses</i>	<i>46,469.02</i>	Authority Loan (PWLB)5%LI 20%AH Drawdowns	44,626.38
Council Shortfall interest	0.00	<i>Total Funding sources</i>	<i>45,539.74</i>
Council Shortfall repayments	0.00		
Share of gross surplus	0.00	Council Shortfall interest rolled up	0.00
Surplus on scheme	0.00	Council Shortfall drawdowns	8,975.95
<i>Total Equity uses</i>	<i>0.00</i>	Share Capital	0.00
		<i>Total Equity sources</i>	<i>8,975.95</i>
Total	113,206.00		113,206.00
Balance?	Yes		

Graphs



London Borough of Lambeth - SW2 Enterprise Centre

Proforma Financial Model Output Sheet £'000

Key to shading

Bidder to link outputs to financial model and cashflow

Insert value of cross subsidy from development sites. Value of "Cross Subsidy to Council Development" should equal total Land Value for Cross Subsidy from Development Sites". Excludes Phoenix House.

Name of Building	Council Accommodation				Development Sites Undertaken by Bidder						Total SW2 Development	
	New Council Accom. Inc Town Hall	Olive Morris House	Other Council Site (please specify)	Total Council Development	Hambrook House	Ivor House	Wanless Road	Phoenix House	Olive Morris House	Total Non Council Development		
Key Dates												
Construction Start Date	31/03/2014				31/03/2016	30/09/2017		31/03/2014	30/09/2017	31/03/2018		
Construction End Date	31/12/2018				30/09/2018	30/06/2020		31/03/2015	30/09/2019	31/12/2020		
Sales Start Date	n/a	n/a	n/a	n/a								
Sales End Date	n/a	n/a	n/a	n/a								
Income (£'000)												
Gross Development Value												
- Residential Private												
- Residential Affordable												
- Retail / Commercial												
- Other												
Land Receipts					12,844	9,223	1,922	19,099	15,603	58,690		58,690
Lease Income												
Olive Morris House Leasehold Saving NPV									3,673, not included in total SW2 return below.			
Cross Subsidy Land Value to Council Development	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a			
Total Income	0	0	0	0	12,844	9,223	1,922	19,099	15,603	58,690		58,690
Costs (£'000)												
Land Value for Cross Subsidy of Council Accommodation	n/a	n/a	n/a									
Pre-Implementation Costs	3,023			3,023								3,023
Build Costs (inc. contractor margin)	37,940			37,940								37,940
Refurbishment Costs (inc. contractor margin)												
Contingency Costs	10% in build costs											
Professional Fees	3,394			3,394								3,394
±106 / CIL Costs	383			383								383
Public Realm												
Stamp Duty												
Legal and Sales Fees	150				193	138	29	286	234	880		880
Olive Morris House purchase												
Right of Light Compensations	500			500								500
Hambrook House Option Cost					2,350					2,350		2,350
Total Capital Expenditure	45,390			45,240	2,543	138	29	286	234	3,230		48,470
Other Costs (£'000)												
Developers Profit	4,431			4,431								4,431
Development Management Fee	1,153			1,153								1,153
Project Management Fee												
Sales & Marketing Costs												
Other (please specify)												
Other (please specify)												
Cat A Fit Out Allowance	Included within build costs											
Cat B Fit Out Allowance	8,183			8,183								8,183
FF&E Fit Out Allowance												
ICT Costs Allowance	4,500			4,500								4,500
Other Costs Total	18,267			18,267								18,267
Finance Costs (£'000)												
Senior Debt Interest	913			913								913
Equity Interest												
Senior Debt Fees	16			16								16
Equity Fees												
Mezzanine Interest (if applicable)	n/a											
Mezzanine Fees (if applicable)	n/a											
Other (please specify, including any Council finance)												
Total Finance costs	929			929								929
Total Development Costs	64,586			64,436	2,543	138	29	286	234	3,230		67,666
Net Development Surplus / (Deficit)	n/a	n/a	n/a	(64,436)	10,302	9,084	1,893	18,812	15,369	55,460		(6,976)
Ratios and Returns												
Peak Funding												
Equity (£)	n/a											
Senior Debt (£)	31,257											
Other (£) - please specify, including any Council finance												
Peak Gearing %	100.00%											
Returns												
Developer Profit on Cost %	7.500%											
Developer Profit on GDV %	n/a											
IRR of Project Cashflows %	n/a											
NPV of Project Cashflows	(7,546)											
IRR of Cashflows to Equity %	n/a											
NPV of Cashflows to Equity	n/a											
IRR of Cashflows to the Council %	n/a											
NPV of Cashflows to the Council	(4,487)											

This does not include the Olive Morris House NPV saving or the third party income and on-going running costs.

Name of Building
Key Dates
Construction Start Date
Construction End Date
Sales Start Date
Sales End Date
Income (£'000)
Gross Development Value
Gross development value
Total Income
Costs (£'000)
Disposal to developer of site
Construction and development costs
Design and constr'n fees on SW2 development (includes ICT cost)
Total Capital Expenditure
Other Costs (£'000)
Development manager fee: calculated as 2.50% of above.
Development profit: calculated as 7.50% of above.
Other Costs Total
Finance Costs (£'000)
Notional Finance Charge borne by developer
Total Finance costs
Total Development Costs
Net Development Surplus / (Deficit)
Ratios and Returns
Returns
Development manager fee percentage (note: only on constr'n costs)
Developer Profit on Cost %
Developer GDV %
Developer IRR (quarterly calc'n, excluding Finance costs)
Developer NPV (quarterly calc'n, excluding Finance costs)

Check to development cashflow
Total above matches land receipts per Council Cashflow
Total SW2 development cost matches Summary sheet

Development of Council Accommodation		Total Council Development
SW2 Enterprise Centre	Total Council Development	
31/03/2014		
31/12/2018		
n/a		n/a
n/a		n/a
		-
0		0
46,123	46,123	
11,800	11,800	
57,923	57,923	
1,153	1,153	
4,431	4,431	
5,584	5,584	
n/a		-
(PWLb borrowing)	-	-
2.500%		
7.500%		
Not applicable due to structure of deal		
10.80%		
-	47,216	
	The NPV above also excludes the management fee and profit	

Development of other sites						Total Non Council Development
Hambrook House	Ivor House	Wanless Road	Phoenix House	Olive Morris House	Total Non Council Development	
31/03/2016	30/09/2017	31/03/2014	30/09/2017	31/03/2018		
30/09/2018	30/06/2020	31/03/2015	30/09/2019	31/12/2020		
36,777	24,490	3,800	37,200	47,245		149,512
36,777	24,490	3,800	37,200	47,245		149,512
12,844	9,223	1,922	19,099	15,603		58,690
18,949	11,878	1,430	10,667	25,289		68,213
						-
31,793	21,100	3,352	29,766	40,892		126,903
						-
						-
1,640	1,163	102	2,582	2,059		7,547
1,640	1,163	102	2,582	2,059		7,547
33,433	22,264	3,455	32,348	42,950		134,450
3,343	2,226	345	4,852	4,295		15,062
10.00%	10.00%	10.00%	15.00%	10.00%		11.20%
9.09%	9.09%	9.09%	13.04%	9.09%		10.07%
10.80%	12.46%	37.98%	12.53%	11.03%		
3,130	2,498	1,936	4,072	3,468		

-0.00 -0.00 0.00 0.00 0.00
TRUE
TRUE

London Borough of Lambeth - SW2 Enterprise Centre

Proforma Council Cashflow Output Sheet

Key to shading

Input Cell

Period		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Period Start		01/04/2013	01/04/2014	01/04/2015	01/04/2016	01/04/2017	01/04/2018	01/04/2019	01/04/2020	01/04/2021	01/04/2022	01/04/2023	01/04/2024	01/04/2025	01/04/2026	01/04/2027	01/04/2028	01/04/2029	01/04/2030	01/04/2031	01/04/2032
Period End		31/03/2014	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025	31/03/2026	31/03/2027	31/03/2028	31/03/2029	31/03/2030	31/03/2031	31/03/2032	31/03/2033
Total																					
Contribution / Subsidy Required from Council		£'000's																			
Construction costs	(63,507)	(1,043)	(1,203)	(4,037)	(28,508)	(23,529)	(5,186)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt interest and fees	(929)	(24)	(48)	(106)	(199)	(432)	(120)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales fees and other costs	(3,230)	(2,379)	0	(193)	0	(659)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
[Enter Description]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
[Enter Description]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Contribution / Subsidy Cashflow	(67,666)	(3,445)	(1,252)	(4,336)	(28,707)	(24,620)	(5,306)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Council Contribution / Subsidy		(3,445)	(4,697)	(9,033)	(37,740)	(62,360)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)	(67,666)
Land Receipts to Council		£'000's																			
Olive Morris House	15,603	0	0	0	0	15,603	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hambrook House & 24 Porden Road	12,844	0	0	12,844	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ivor House	9,223	0	0	0	0	9,223	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phoenix House	19,099	0	0	0	0	19,099	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wanless Road	1,922	1,922	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
[Enter Site]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
[Enter Site]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
[Enter Site]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Receipts Cashflow	58,690	1,922	0	12,844	0	43,924	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Council Receipts		1,922	1,922	14,766	14,766	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690
Net Council Cashflow	(8,976)	(1,524)	(1,252)	8,508	(28,707)	19,304	(5,306)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Net Council Cashflow		(1,524)	(2,775)	5,733	(22,974)	(3,670)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)	(8,976)
Other Items																					
Cumulative net cashflow to Mar'19 (construction end)	(8,976)	(8,976)																			
Guaranteed Olive Morris House Saving		138																			
Potential Olive Morris House Saving		138																			
Contribution to scheme cost from OMH purchase by Mar'19	828	828																			
Cumulative Net Council Cashflow inc OMH Leasehold saving at Mar '19	(8,148)	(8,148)																			
Recognise: on-going third party income to Mar'33	3,721	0	0	0	0	0	0	120	168	215	263	278	293	298	298	298	298	298	298	298	298
Recognise: on-going maintenance costs to Mar'33	(16,062)	0	0	0	0	0	0	(905)	(967)	(1,048)	(1,023)	(1,101)	(1,123)	(1,292)	(1,183)	(1,269)	(1,370)	(1,280)	(1,195)	(1,137)	(1,170)
Cumulative Net Council Cashflow inc OMH Leasehold saving at Mar '19	(8,148)	(8,148)																			

A3.4 Davis Langdon Cost Plans

Executive Summary - Commercial

Building	GIA m ²	GIA ft ²	Total £	£/m ² GIA	£/ft ² GIA	Notes
New Civic Offices - New Build Shell & Core	8,900	95,801	15,934,000	1,790	166	
New Civic Offices' - New Build Category 'A' Fit Out	8,900	95,801	3,141,000	353	33	
Town Hall Building - Refurbishment & New Build Shell & Core	9,230	99,352	14,020,000	1,519	141	
Town Hall Building - Refurbishment & New Build Category 'A' Fit Out	9,230	99,352	2,835,000	307	29	
The Triangle/Press	300	3,230	610,000	2,033	189	
Allowance for Landscaping	4,390	47,258	1,008,000	230	21	
Allowance for relocation of UKPN substations			392,000			
Allowance for Art Installations			Excluded			
			37,940,000			
Allowance for Category 'B' Fit Out to Enterprise Centre & Town Hall	13,870	149,305	8,183,000			Based on DL benchmark and on NIA
Desks			Included			
IT			4,500,000			
		TOTAL	£50,623,000			
Allowance for Category 'B' Fit Out to Enterprise Centre & Town Hall	18,130	195,153	18,130,000			Values as advised by Lambeth Council
Desks			2,000,000			Values as advised by Lambeth Council
IT			4,500,000			Values as advised by Lambeth Council
		TOTAL	£62,570,000			

Opportunities	GIA m ²	GIA ft ²	Total £	£/m ² GIA	£/ft ² GIA	Notes
Add basement - reuse existing	8,900	95,801	1,085,000	122	11	
Omit CHP and use conventional boilers	8,900	95,801	(1,696,000)	-191	-18	
Omit Green roof/Community Garden	8,900	95,801	(83,000)	-9	-1	
Omit Greywater	8,900	95,801	(64,000)	-7	-1	
Omit Goods Lift (use a passenger lift for Goods)	8,900	95,801	(170,000)	-19	-2	
Reduce CAT B allowance to £590/m2 on NIA	8,900	95,801	(15,677,000)	-1,761	-164	

Enterprise Centre - New Build Shell & Core

GEA	10,509	113,119
GIA	8,900	95,801
NIA	7,548	81,248

Item	Element/Description	Quantity	Unit	Rate	Total	£/m² GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				300,000	34	3	1.88%	
0.1	Allowance for demolition and enabling works generally	1	item	300,000	300,000				
1.0	Substructure				1,404,091	158	15	8.81%	
1.1	Allowance for dewatering all of the excavations	1	Item		5,000				Assumed reuse existing basement; no excavation required
1.2	Break out existing slabs, piles, obstructions and allowance for probing/testing	1	Item		0				Assumed reuse existing basement; slab break out included in demolition
1.3	Excavation and disposal off site; (assumed 0.5m depth)	584	m³	35	20,423				Assumed reuse existing basement; minimal excavation required
1.4	Underpinning to existing basement walls	0	m	1,200	0				Assume length - 50% of perimeter
1.5	Allowance for piled foundations	2,226	m²	275	612,095				
1.6	Allowance for RC lining wall to perimeter; 300th	0	m²	160	0				
1.7	Capping beam to secant piled wall; 1000wide x 600deep	190	m		0				Assumed reuse existing basement; no excavation required
1.8	Allowance for delta drain and blockwork cavity wall	760	m²		0				Assumed reuse existing basement; no excavation required
1.9	Allowance for localised repairs to waterproofing	0	Item	20,000	0				
1.10	Allowance for backfilling basement and excavation with imported fill for piling platform and excavation and removal of same	584	m³	40	23,340				Allow 500mm depth
1.11	Reinforced concrete basement slab 300mm thick (160kg/m2), including waterproofing		m²		170				
1.12	Cut of top of piles	86	nr	60	5,136				
1.13	Pile caps; 300mm thick; size 4m x 4m x 2m deep	30	nr	11,790	353,700				
1.14	Reinforced concrete ground bearing ground floor slab 300mm thick (160kg/m2), including waterproofing	2226	m²	120	267,096				
1.15	Reinforced concrete suspended ground floor slab 300mm thick (150kg/m2)		m²		160				
1.16	Extra over for forming lift pit	5	nr	5,000	25,000				
1.17	Allowance for temporary works		Item	20,000	0				
1.18	Allowance for attendance on archaeologists and movement monitoring	1	Item		0				Excluded - Risk Item
1.19	Allowance for breaking out obstructions	1	item	20,000	20,000				
1.20	Allowance for removing contaminated soil	1	item		0				Excluded - Risk Item
1.21	Allowance for below slab drainage	8900	m²	7	62,301				
1.22	Allowance for all other items and sundries	1	Item	10,000	10,000				
2.0	Frame				464,655	52	5	2.92%	
2.1	Columns; RC (500 x 500 or 600 dia)	866	m	200	173,160				
2.2	RC core walls, say 250th	1453	m²	180	261,495				
2.3	Allowance for other structures(such as within plant rooms, lift motor rooms)	1	item	20,000	20,000				
2.4	Allowance for expansion joints and other sundries	1	item	10,000	10,000				
3.0	Upper Floors				1,198,088	135	13	7.52%	
2.3	Slabs; 300 thick slabs to 1st, 2nd & 4th Floors	5294	m²	160	847,088				
2.4	Slabs; 400 thick slabs to 3rd Floor	1380	m²	200	276,000				
2.5	Allowance for transfer Structure at 3rd floor slab	1	Item	75,000	75,000				
2.6	E/O for bridges over main void (5 Nr)		m²		200				
4.0	Roof				908,452	102	9	5.70%	
4.1	Roof structure, assumed 300th slab	1959	m²	160	313,408				Drainage measured in M&E
4.2	Hydrotech roof covering and installation	1959	m²	130	254,644				
4.4	Glazed roof covering to 4th Floor	267	m²	1,200	320,400				
4.5	Fall arrest system	1	Item	20,000	20,000				To external roof lines 82m +75m and to atrium 64m+ 34m
5.0	Stairs				170,000	19	2	1.07%	
5.1	Main stairs to cores - Ground to 4th Floor	2	nr	80,000	160,000				Assumed steel pan staircases including concrete infills to stair treads, painted mild steel balustrades and handrails (Ground to 4th floor; 5 floors; 10 flights)
5.2	BOH stairs from Basement to Ground Floor		nr	10,000	0				spec and finishes TBC
5.3	Allowance for stairs/cat ladders and safety rails to plant rooms	1	Item	10,000	10,000				
6.0	External Walls, Windows and Doors				2,692,982	303	28	16.90%	
6.1	Cladding System; Type 1 Ground - Second Floor	1806	m²	700	1,263,990				
6.2	E/O for louvres with operable panel behind for ventilation (10% allowance)	181	m²	100	18,057				
6.3	Triple height entrance glazing	164	m²	1,000	163,800				
6.4	Cladding System; Type 2 Third - Fourth Floor	1424	m²	700	996,450				
6.5	E/O for windows for ventilation (10% allowance)	142	m²	100	14,235				
6.6	Open cladding to 4th floor set back	55	m²	450	24,570				
6.7	Glazed cladding adjacent The Electric Ground and First floors	39	m²	600	23,400				
6.8	Solid wall at Ground and 1st floors (facing Electric)	265	m²	150	39,780				
6.9	External doors - Main Entrance feature doors	2	nr	20,000	40,000				At each elevation; assumed sliding doors
6.10	External doors to Terraces; single	4	nr	2,000	8,000				Assumed 4Nr (2Nr each side)
	Allowance for other external doors not shown	1	Item	10,000	10,000				
6.11	Balustrading to Terraces	139	m	400	55,600				Taken as 1.1m high
6.12	Allowance for louvres/shutter doors to plant areas	78	m²	450	35,100				Area taken to plant and car parking area at Ground floor
7.0	Internal Walls				659,514	74	7	4.14%	
7.1	Glass partitions to meeting room areas (lxh)	704	m²		0				Category B Fit Out
7.2	Glazed atrium cladding, framed laminated glazing (ground floor only)	558	m²	400	223,080				
7.3	Balustrade to Atrium	453	m	450	203,850				
7.4	Internal walls to cores	1,581	m²	75	118,609				
7.5	Linings to Core walls (60 mins fire rated)	2,906	m²	20	58,110				
7.6	Linings to Basement walls		m²		20				
7.7	Linings to internal face of glazed external walling at WC areas	167	m²	50	8,325				
7.8	Fair faced blockwork walls to ground levels	99	m²	60	5,940				
7.9	Balustrading to bridge/atrium areas; 1.1m high	48	m	450	21,600				
8.0	Allowance for fire rated walls/acoustic requirements	1	item	20,000	20,000				
8.0	Internal Doors				137,800	15	1	0.86%	
8.1	Meeting room doors; single	2	nr		0				Cat B Fit Out
8.2	Meeting room doors; double	15	nr		0				Cat B Fit Out
8.3	Circulation/ core doors; single, assumed timber	32	nr	800	25,600				
8.4	WC doors	72	nr	600	43,200				
8.5	Riser doors, single leaf	90	nr	600	54,000				Allowance Nr only

Basement Omission

0

0

0

0

0

0

-15,600

-42,120

-15,000

0

-9,516

0

8.6	Other doors, plant rooms, additional door hatches	1	item	15,000	15,000					
9.0	Wall Finishes				184,931	21	2	1.16%		
9.1	Finish to linings to Core walls	2906	m ²	10	29,055				Skim coat & paint allowance only	-4,758
9.2	Finishes to linings to Basement walls	0	m ²	10	0				Skim coat & paint allowance only	0
9.3	Finishes to internal face of glazed external walling at WC areas	167	m ²	60	9,990				No details, so allowance only	
9.4	Finish to linings to fair faced blockwork walls to basement, ground levels	198	m ²	6	1,188				Paint allowance only	
9.5	Allowance for stone/other wall cladding to reception feature areas	66	m ²	300	19,890				Design budget to work to	
9.6	Tiles to WC & shower areas	998	m ²	120	119,808					
9.7	Allowance for bumper rails, corner protection to lift lobbies& plant areas	1	Item	5,000	5,000					
10.0	Floor Finishes				281,620	32	3	1.77%		
10.1	High quality tiles to main entrance area	615	m ²	250	153,750					
10.2	Medium quality tiles to toilets & shower areas including membrane, waterproofing, screed and skirtings	470	m ²	150	70,500					
10.3	Durable sealant/hardener to plant rooms	311	m ²	20	6,220					-5,220
10.4	Vinyl flooring to cleaners cupboard, goods lift entrance and stair entrances	423	m ²	50	21,150					
10.5	Raised floor to lift lobbies		m ²		0				See Fit Out Works	
10.6	Raised floors to office & meeting room areas		m ²		0				See Fit Out Works	
10.7	Carpet tiles to office & meeting room areas		m ²		0				See Fit Out Works	
10.8	Entrance mats and matwells	1	item	20,000	20,000					
10.9	Allowance for other floor finishes & skirtings	1	item	10,000	10,000					
11.0	Ceiling Finishes				88,155	10	1	0.55%		
11.1	Feature ceiling to Main Reception Area	35	m ²	150	5,250					
11.2	Feature ceiling to underside of bridges to main entrance lobby	240	m ²	20	4,800				Allowance for fairfaced concrete	
11.3	Ceiling finish to office & meeting room areas		m ²	70	0				See Fit Out Works	
11.4	Plasterboard ceilings to toilets	470	m ²	50	23,500					
11.5	Painted plasterboard on metal framing to corridors, circulation area	661	m ²	50	33,050					
11.6	Allowance for dust sealer to plant & BOH areas	311	m ²	5	1,555					-1,305
11.7	Allowance for access panels, bulkheads/other detailing and paint to some plant room soffits, Other sundry ceiling finish items	1	item	20,000	20,000					
12.0	Fixtures & Fittings				200,500	23	2	1.26%		
12.1	Allowance for main entrance reception desk and security desks	1	Item	25,000	25,000					
12.2	Vanity tops in toilets with holes for basins/taps and mirrors behind; toilet fittings	33	nr	2,500	82,500					
12.3	Extra for fittings to disabled toilets	10	nr	1,800	18,000					
12.4	Allowance for rubbish collector-compactor	1	nr	50,000	50,000					
12.5	Allowance for column guards, bollards/crash rails to loading bay, cycle racks, statutory signage and other fittings	1	Item	25,000	25,000					
13.0	Sanitary Appliances				41,700	5	0	0.26%		
13.1	WC Suite	33	nr	300	9,900					-1,800
13.2	WHB incl taps, waste and trap	43	nr	300	12,900					
13.3	Disabled WC suite	10	nr	1000	10,000					-1,000
13.4	Showers; incl thermostatic mixer, waste, door and trap	5	nr	1000	5,000					
13.5	Disabled showers; incl thermostatic mixer, waste, seat, grabrails, door and trap	1	nr	1900	1,900					
13.6	Cleaners sink	5	nr	400	2,000					-400
14.0	Disposal Installations				102,901	12	1	0.65%		
14.1	Rainwater disposal system	8,900	m ²	2	17,800					-2,154
14.2	Soil, waste and vent installation	8,900	m ²	7	62,301					-7,539
14.3	Extra for drainage sundries, pumping stations, shaft drainage etc	1	Item	5,000	5,000					
14.4	Condensate drainage	8,900	m ²	2	17,800					-2,154
14.5	Rainwater harvesting collection tank and pumps	8,900	m ²	5	44,501				Possible requirement identified by A10	-5,385
15.0	Water Installations				120,701	14	1	0.76%		
15.1	Cold water services: incoming, storage, pumps, distribution etc	8,900	m ²	5	44,501					-5,385
15.2	Hot water heaters and distribution	8,900	m ²	8	71,201					-8,616
15.3	Supply to miscellaneous areas; metering, trace heating etc	1	Item	5,000	5,000					
16.0	Space Heating & Air Conditioning				1,515,217	170	16	9.51%		
16.1	Bio Diesel CHP plant; 2400KW	8,900	m ²	83	738,708				£1.6m pro rata to area	-89,391
16.2	Air handling units with thermal wheel	8,900	m ²	9	80,101					-9,693
16.3	Absorption chillers and/ or ground source heat pumps and associated equipment	8,900	m ²	30	267,003				Utilising CHP lthw	-32,310
16.4	LTHW heating distribution including pumps	8,900	m ²	8	71,201					-8,616
16.5	Air conditioning installation including fans and ductwork	8,900	m ²	18	160,202					-19,386
16.6	CHW distribution and pumps	8,900	m ²	20	178,002					-21,540
16.7	IT room cooling	1	Item	20,000	20,000					
17.0	Ventilating Systems				74,501	8	1	0.47%		
17.1	Toilet extract installation	8,900	m ²	5	44,501					-5,385
17.2	Ventilation to plant room, lift motor rooms, refuse areas etc	1	Item	30,000	30,000					
17.3	Basement ventilation/Smoke Extract	0	Item	30,000	0					0
18.0	Electrical Installations				631,806	71	7	3.97%		
18.1	HV switchgear and transformer	8,900	m ²	8	71,201					-8,616
18.2	LV distribution	8,900	m ²	20	178,002					-21,540
18.3	Power to mechanical plant	8,900	m ²	7	62,301					-7,539
18.4	Small power installation	8,900	m ²	5	44,501					-5,385
18.5	Lighting, emergency lighting	8,900	m ²	20	178,002					-21,540
18.6	Lighting, emergency lighting to basement areas	0	m ²	4	0					0
18.7	Enhanced lighting in lobby and other areas	1	Item	20,000	20,000					
18.8	External building lighting	1	Item	20,000	20,000					
18.9	Standby power installation, life safety	1	Item	40,000	40,000				Required?	
18.10	Earthing and bonding	8,900	m ²	2	17,800					-2,154
19.0	Lift Installations				510,000	57	5	3.20%		
19.1	Passenger lifts, tbc person serving floors; Basement - 4th Floor	4	nr	95,000	380,000				Drawings showing 4 Nr but 5Nr confirmed by AHMM 30 May 2013	
19.2	Goods Lift, 2000kg; serving Basement to 4th floor	1	nr	130,000	130,000					
20.0	Protective Installations				53,350	6	1	0.33%		
20.1	Sprinkler installations: tanks, pumps, risers etc	8,900	m ²		0				Excl (building height below 30m)	0
20.2	Dry riser installation	1	Item	40,000	40,000					
20.3	Lightning protection	8,900	m ²	2	13,350					-1,616
21.0	Communications Installations				161,302	18	2	1.01%		
21.1	Fire alarm installations	8,900	m ²	12	106,801					-12,924
21.2	Containment for BMS, security, data etc	8,900	m ²	2	17,800					-2,154
21.3	Landlord security provisions	8,900	m ²	3	26,700					-3,231
21.4	Disabled alarm system/disabled refuge	1	Item	10,000	10,000					
22.0	Special Installations				133,502	15	1	0.84%		

GEA	10,509	113,119
GIA	9,230	99,352

Town Hall Building - Refurbishment & New Build Shell & Core

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Soft strip				991,296	107	10		
0.1	Allowance for stripping out the existing building	8,975	m²	35	314,113				Refurbishment Works
0.2	Allowance for removal of asbestos	449	m²	100	44,873				at 5% of area
0.3	Partial demolition of buildings including grubbing out and removing of foundations and drainage.	2,247	m²	100	224,700				
0.4	Extra over above for breaking out existing retaining wall	30	m	800	24,000				
0.5	Temporary propping related to above works	2,247	m²	60	134,820				
0.6	Break out existing slabs to facilitate piling operations for new build.	1,156	m²	50	57,800				
0.7	Façade retention, screed removal, beam removal, stair core								None required
0.8	Works to existing areas								
0.9	Careful removal of existing load bearing walls to office areas.	398	m	100	39,780				
0.10	Temporary propping related to above	1	Item	45,000	45,000				Assumed 30 Tons of temporary steel support
0.11	Allowance for Demolition Contractor's preliminaries	12	%		106,210				Refurbishment Works
0.12	Sundries		Item		0				Refurbishment Works
1.0	Substructure				1,002,890	109	10		
	New Build								
	<u>Excavations</u>								
1.1	Allowance to reduce levels assumed, including disposal off site, working space	3,584	m³	40	143,376				New Basement
1.2	Extra over above for removal of contaminated material	0	m³	300	0				assumed none
1.3	Excavate for pile caps, including earthwork support and disposing of site	500	m³	40	20,000				assumed quantity
1.4	Allowance for dewatering	1	Item	10,000	10,000				
1.5	Allowance for obstructions	1	Item	20,000	20,000				
1.6	Allowance for backfilling and compacting, assumed two layers of 150mm	1,156	m²	25	28,900				Geotech report to confirm requirement
	<u>Piling & Pile cap</u>								Assumed Piling foundation solution is required-
1.7	Rotary bored piles (assumed 50nr of 20m each) including pile mat, disposing of excavated material from piling, cut off top of piles, Pile testing, pile caps	785	m²	350	274,750				
	<u>Slabs</u>								
1.8	New ground bearing RC Concrete slab assumed 300mm thick and rebar at 150kg/m³	752	m²	120	90,240				
1.9	Extra over for forming lift pit	2	nr	5,000	10,000				
1.10	Connection to existing structure assumed dowelled starter bars to existing slab @ 200mm cc's	164	m	150	24,600				
1.11	Allowance for movement joint / interface with existing building	164	m	50	8,200				
1.12	New steel columns and steel frame assumed 85kg/m² including intumescent paint	64	t	2,200	140,624				
1.13	Remedial works to existing slab								assumed not required
	<u>Walls</u>								
1.14	New Retaining wall, assumed 400mm thick, rebar @100kg/m³ including working space and formwork.	120	m²	190	22,800				assumed use existing
1.15	New RC core walls assumed 250mmthick RC Concrete, standard mix including rebar @ 100kg/m³	90	m²	180	16,200				
	<u>Waterproofing</u>								
1.16	Allowance for waterproofing to new basement slab	785	m²	50	39,250				
1.17	Allowance for waterproofing to pile caps etc	1	Item	20,000	20,000				
1.18	Allowance for waterproofing to new ground slab	371	m²	50	18,550				
1.19	Drainage								
1.20	Allowance for below ground drainage.	785	m²	50	39,250				
1.21	Drainage to retaining wall	37	m	150	5,550				
	Existing Building								
	<u>Structural strengthening</u>								
1.22	Allowance for new steel beams to extend over openings	106	m	100	10,600				
1.23	Allowance for new steel columns to carry loads where openings are made in walls and brick piers unable to carry load	1	Item	20,000	20,000				
1.24	Steel box framing comprising beams and columns	1	Item	20,000	20,000				
	<u>Waterproofing</u>								
1.25	Allowance for waterproofing modifications to existing slab where new basement slab meets existing	1	Item	20,000	20,000				
2.0	Frame				570,400	62	6		
	New Build								
2.1	New steel columns and steel frame assumed 75kg/m² including intumescent paint	200	t	2,200	440,000				
2.2	New RC core walls assumed 250mmthick RC Concrete, standard mix including rebar @ 100kg/m³	270	m²	180	48,600				
	Work to existing frame								
	<u>Structural strengthening</u>								
2.3	Allowance for new steel beams to extend over openings	318	m	100	31,800				
2.4	Allowance for stability frame to stabilise façade	1	Item	50,000	50,000				

3.0	Upper Floors				377,540	41	4	
3.1	New RC Concrete slab assumed 250mm thick and rebar at 155kg/m³	2,636	m²	115	303,140			
3.2	Connection to existing structure assumed dowelled starter bars to existing slab @ 200mm cc's	372	m	150	55,800			
3.3	Allowance for movement joint / interface with existing building	372	m	50	18,600			
3.4	Remedial works to existing slab	0	m²		0			assumed not required
4.0	Roof				895,640	97		
	New Build							
	<u>Frame, slab, roof</u>							
4.1	New RC Concrete slab assumed 250mm thick and rebar at 155kg/m³	660	m²	115	75,900			
4.2	New steel columns and steel frame assumed 75kg/m² including intumescent paint	50	t	2,200	110,000			
4.3	New ETFE roof over Atrium including structural support.	281	m²	1,500	421,500			
4.4	New RC core walls assumed 300mmthick RC Concrete, standard mix including rebar @ 100kg/m³	90	m²	185	16,650			
	<u>Waterproofing</u>							
4.5	Allowance for waterproofing hydrotech monolithic membrane including insulation and aluminium finishing panel to roof	660	m²	150	99,000			
	<u>External walls</u>							
4.6	Lift overruns cladding, etc	90	m²	0	0			leave as concrete
4.7	Allowance for plant screen	1	Item	50,000	50,000			
	<u>Floor finish</u>							
4.8	Screed to falls	660	m²	25	16,500			
4.9	Allowance for paving slab assume precast concrete	100	m²	20	2,000			assumed quantities
4.10	Allowance for green / brown roof allowance	50	m²	100	5,000			assumed quantities
4.11	Allowance for grillage / stairs to roof area	300	m²	150	45,000			assumed quantities
	<u>Balustrades</u>							
4.12	Metal framed and glazed balustrades	0	m	600	0			None required on main roof
	<u>Fall arrest systems</u>							
4.13	Allowance for a Fall arrest system	1	Item	15,000	15,000			
	Existing Building							
4.15	Making good existing roof structure	123	m²	50	6,150			Refurbishment Works
	<u>Waterproofing</u>							
4.16	Allowance for waterproofing hydrotech monolithic membrane including insulation and aluminium finishing panel to roof	123	m²	135	16,605			Assume existing roof is ok
	<u>Floor finish</u>							
4.17	Screed to falls	123	m²	25	3,075			
4.18	Allowance for paving slab assume precast concrete	123	m²	20	2,460			
4.19	Balustrades							
4.20	Metal framed and glazed balustrades	18	m	600	10,800			
5.0	Stairs				55,000	6	1	
5.1	Upgrade of existing staircases; including handrail and balustrade replacement and tread finishes; to entrance reception area	1	Item	10,000	10,000			Refurbishment Works
5.2	Upgrade of existing staircases; including handrail and balustrade replacement and tread finishes	2	Nr	10,000	20,000			Refurbishment Works
5.3	New external staircase adjacent to The Electric	1	Nr	25,000	25,000			New
6.0	External Walls, Windows and Doors				1,730,225	187	17	
6.1	Retained facade works; cleaning and repointing	2,321	m²	150	348,075			assumed quantity façade area @70%
6.2	Replacement/restoration of existing windows	995	m²	700	696,150			assumed quantity façade area @30%
6.3	New Cladding System; Unitised curtain walling	598	m²	850	508,300			
6.4	E/O manual openable window (state assumed nr)	598	m²	150	89,700			
6.5	External doors - main entrance feature doors	1	Nr	25,000	25,000			
6.6	External doors - secondary entrance feature doors	1	Nr	20,000	20,000			
6.7	External doors - secondary entrance doors	4	Nr	5,000	20,000			
6.8	External doors- Ground floor; to plant areas	2	Nr	2,500	5,000			
6.9	External doors to Terraces; single	5	Nr	2,000	10,000			assumed qty
6.10	External doors to Terraces; double	2	Nr	4,000	8,000			
6.11	Balustrading to terraces		m	600	0			See roof area
6.12	Louvres		m²	350	0			See roof area
7.0	Internal Walls				646,269	70	7	
7.1	Refurbishment of existing walls i.e. making good	3,353	m²	10	33,534			Refurbishment Works
7.2	Upgrade of internal face of retained façade - Assumed plasterboard lining	2,321	m²	20	46,410			Refurbishment Works
7.3	Glass partitions to meeting room areas (lxh)	373	m²	250	93,150			
7.4	Glass partitions to atrium areas (lxh), framed laminated glazing	480	m²	450	216,000			
7.5	Glass walls to office areas overlooking assembly hall (lxh), framed laminated glazing	306	m²	450	137,700			
7.6	Block walls or plasterboard partitions, fire and acoustic rating to be determined	1,389	m²	75	104,175			
7.7	Linings to Core walls (60 mins fire rated)	360	m²	20	7,200			
7.8	Internal balustrading to bridge/atrium areas	18	m	450	8,100			
8.0	Internal Doors				107,000	12	1	
8.1	Meeting room doors; single	49	Nr	1,000	49,000			
8.2	Meeting room doors; double	2	Nr	1,500	3,000			
8.3	Circulation/ core doors; single		Nr	800	0			See allowance below

8.4	Circulation/ core doors; double		Nr	1,200	0				See allowance below
8.5	BOH doors, single leaf		Nr	800	0				See allowance below
8.6	WC doors		Nr	800	0				See allowance below
8.7	Riser doors, single leaf		Nr	450	0				See allowance below
8.8	UKPN doors	1	Item	10,000	10,000				Notional allowance
8.9	Allowance for doors yet to be indicated on drawings	1	Item	25,000	25,000				Notional allowance
8.10	Fire shutters	1	Item	20,000	20,000				Notional allowance, Fire strategy to be determined
9.0	Wall Finishes				255,195	28	3		
9.1	Wall finishes to refurbishment of existing walls assumed skimmed and painted	6,600	m ²	10	66,000				Refurbishment Works
9.2	Wall finishes to internal face of retained facade	1,599	m ²	5	7,995				Refurbishment Works
9.3	Linings to Core walls	180	m ²	20	3,600				
9.4	Allowance for stone/other wall cladding to reception feature areas	200	m ²	400	80,000				assumed quantity
9.5	Allowance for paint finish generally	3,000	m ²	5	15,000				assumed quantity
9.6	Tiles to WC areas	40	m ²	120	4,800				
9.7	Allowances for finishes to WC areas; to be determined	190	m ²	120	22,800				
9.8	Allowance for skirtings generally	1	Item	10,000	10,000				
9.9	Allowance for stainless steel architraves to lift fronts	8	nr	5,000	40,000				
9.10	Allowance for bumper rails, corner protection to lift lobbies & plant areas	1	Item	5,000	5,000				
10.0	Floor Finishes				377,475	41	4		
10.1	Make good to existing screeds	9,230	m ²	0	0				excluded
10.2	Granite/other floor finish to atrium circulation space, cores circulation, wc's, lift circulation	356	m ²	300	106,800				
10.3	Terrazzo/other floor finish to reception area	195	m ²	300	58,500				
10.4	Terrazzo/other floor finish to stairs	414	m ²	400	165,600				
10.5	Varnish floor finish to existing Assembly hall	525	m ²	8	4,200				Assumed existing floor is of sufficient quality
10.6	Allowance for floor finish to BOH circulation areas assumed rubber floor	600	m ²	25	15,000				
10.7	Allowance for anti slip paint finish to BOH stairs	200	m ²	25	5,000				
10.8	Allowance for floor sealer to plant rooms & BOH areas	495	m ²	25	12,375				
10.9	Allowance for entrance matting	1	Item	10,000	10,000				
11.0	Ceiling Finishes				77,180	8	1		
11.1	Ceiling finish to reception areas assumed plasterboard finish	195	m ²	75	14,625				
11.2	Allowance for suspended plasterboard ceilings to lift lobbies, wc circulation areas	356	m ²	55	19,580				
11.3	Allowance for suspended plasterboard ceilings to WC, incl access panels and paint finish		m ²	70	0				
11.4	Minor repairs and paint finish to ceiling to Assembly hall	525	m ²	20	10,500				Assumed existing ceiling is of sufficient quality therefore made good and painted only. Refurbishment Works
11.5	Allowance for ceiling finish to circulations areas assumed plasterboard ceiling	615	m ²	35	21,525				
11.6	Allowance for ceiling finish to BOH circulations areas assumed dust sealer	600	m ²	10	6,000				
11.7	Allowance for dust sealer to plant & BOH areas	495	m ²	10	4,950				
12.0	Fixtures & Fittings				311,200	34	3		
12.1	Feature area to ground floor circulation space	1	Item	15,000	15,000				Notional allowance
12.2	Allowance for main entrance reception desk and security desks	1	Item	25,000	25,000				
12.3	Allowance for WC cubicles assumed laminated walls to form cubicles	34	nr	2,500	85,000				
12.4	Ditto for disabled	9	nr	3,500	31,500				
12.5	Stone vanity tops in toilets with holes for basins/taps and mirrors behind; toilet fittings	34	nr	1,000	34,000				
12.6									
12.7	Extra for fittings to disabled toilets	9	nr	1,800	16,200				
12.8	Allowance for showers, say	2	nr	3,500	7,000				assumed nr
12.9	Allowance for compactor	1	nr	30,000	30,000				
12.10	Allowance for statutory signage	1	Item	15,000	15,000				
12.11	Allowance for external signage and branding	1	Item	15,000	15,000				
12.12	Allowance for furniture to building management suite	1	Item	7,500	7,500				
12.13	Allowance for cleaning maintenance assumed abseiling to façade and atriums i.e. anchor points	1	Item	10,000	10,000				
12.14	Allowance for turnstiles		Item						excluded
12.15	Allowance for cycle racks	1	Item	20,000	20,000				Notional allowance
13.0	Sanitary Appliances				44,800	5	0		
13.1	WCs, basins, cleaners sinks, urinals	76	nr	300	22,800				
13.2	Ditto but disabled	18	nr	1,000	18,000				
13.3	Allowance for showers, say	2	nr	2,000	4,000				assumed nr
14.0	Disposal Installations				106,530	12	1		
14.1	Rainwater disposal system	9,230	m ²	2	18,460				
14.2	Soil, waste and vent installation	9,230	m ²	7	64,610				
14.3	Extra for drainage sundries, pumping stations, shaft drainage etc	1	Item	5,000	5,000				
14.4	Condensate drainage	9,230	m ²	2	18,460				
15.0	Water Installations				138,835	15	1		
15.1	Cold water services: incoming, storage, pumps, distribution etc	9,230	m ²	5	46,150				
15.2	Hot water heaters and distribution	9,230	m ²	8	73,840				
15.3	Water services for future tenant requirement	9,230	m ²	2	13,845				

15.4	Supply to miscellaneous areas; metering, trace heating etc	1	Item	5,000	5,000				
16.0	Space Heating & Air Conditioning				1,570,640	170	16		
16.1	Bio Diesel CHP plant; 2400kW	9,230	m ²	83	766,090				
16.2	Air handling units with thermal wheel	9,230	m ²	9	83,070				
16.3	Absorbion chillers and/or ground source heat pumps and associated equipment	9,230	m ²	30	276,900				
16.4	LTHW heating installation including pumps	9,230	m ²	8	73,840				
16.5	Air conditioning installation including fans and ductwork	9,230	m ²	18	166,140				
16.6	CHW installation including pumps and riser pipework	9,230	m ²	20	184,600				
16.7	IT room cooling	1	Item	20,000	20,000				
17.0	Ventilating Systems				126,150	14	1		
17.1	Toilet extract installation	9,230	m ²	5	46,150				
17.2	Ventilation to plant room, lift motor rooms, refuse areas etc	1	Item	30,000	30,000				
17.3	Basement ventilation/smoke extract	1	item	50,000	50,000				
17.4	Stair and lobby pressurisation	9,230	m ²		0				Assumed not required
18.0	Electrical Installations				662,260	72	7		
18.1	HV switchgear and transformer	9,230	m ²	8	73,840				
18.2	LV distribution	9,230	m ²	20	184,600				
18.3	Power to mechanical plant	9,230	m ²	7	64,610				
18.4	Small power installation	9,230	m ²	5	46,150				
18.5	Lighting, emergency lighting	9,230	m ²	20	184,600				
18.6	Lighting, emergency lighting to basement areas	1	item	20,000	20,000				
18.7	Enhanced lighting in lobby and other areas	1	Item	20,000	20,000				
18.8	External building lighting	1	Item	30,000	30,000				
18.9	Standby power installation, life safety	1	Item	20,000	20,000				
18.10	Earthing and bonding	9,230	m ²	2	18,460				
19.0	Lift Installations				185,000	20	2		
19.1	Passenger lifts, 17 person serving 4 floors; machineroom less including destination control	1	nr	90,000	90,000				
19.2	Passenger lifts, 17 person serving 4 floors; machineroom less including destination control; fire fighting lift	1	nr	95,000	95,000				
19.3	Goods Lift, 2000kg;	0	nr		0				none shown
20.0	Protective Installations				59,995	7	1		
20.1	Sprinkler installations: tanks, pumps, risers etc	9,230	m ²		0				Excluded
20.2	Dry riser installation	9,230	m ²	5	46,150				
20.3	Lightning protection	9,230	m ²	2	13,845				
21.0	Communications Installations				166,910	18	2		
21.1	Fire alarm installations	9,230	m ²	12	110,760				
21.2	Containment for BMS, security, data etc	9,230	m ²	2	18,460				
21.3	Landlord security provisions	9,230	m ²	3	27,690				
21.4	Disabled alarm system/disabled refuge	1	Item	10,000	10,000				
22.0	Special Installations				138,450	15	1		
22.1	Building management system	9,230	m ²	15	138,450				
22.2	Leak Detection		Item		0				Not required
23.0	Builders Work in Connection with Services				138,450	15	1		
23.1	Builder's work in connection with services installations, including machine bases, fire stopping, etc: overall allowance	9230	m ²	15	138,450				
24.0	External Works & Landscaping				0	0	0		
24.1	Allowance for landscaping	1	Item						Incl in separate landscaping budget
	Sub Total				10,735,330	1163	108		
	Preliminaries			13%	1,396,000				
	MC OH&P			3%	364,000				
	MC D&B risk			2%	250,000				
	Design Reserve			5%	637,000				
	Construction Contingency			5%	637,000				
	Inflation			-					Excluded
	Sundries								
	Total				14,020,000	1519	141		

Town Hall Building - Refurbishment & New Build Category 'A' Fit Out

Item	Element/Description	Quantity	Unit	Rate	Total	£/m ² GIA	£/ft ² GIA	% of Total	Notes
1.0	Wall finishes to office areas; prepare and paint finish	900	m ²	6	5,400				
2.0	Column casings	1	Item	25,000	25,000				Notional allowance
3.0	Floor finishes to net areas; raised floor finish; carpet	5918	m ²	60	355,080				Assembly hall area excluded
4.0	Ceiling finishes to net areas; suspended ceilings	3,282	m ²	45	147,690				Assembly hall area excluded
5.0	Ceiling finishes to net areas; paint to exposed concrete	2,636	m ²	5	13,180				
6.0	Allowance for bulkheads	1	Item	20,000	20,000				Notional allowance
7.0	Signage; per floor	4	Nr	2,500	10,000				
8.0	Blinds to window openings assumed manual	1211	m ²	50	60,550				
9.0	Space Heating	6444	m ²	140	902,160				
10.0	Electrical	6444	m ²	60	386,640				Light fitting PC £190/fitting
11.0	Protective installations	6444	m ²	0	0				
12.0	Communications installations	6444	m ²	10	64,440				
13.0	Special Installations	6444	m ²	30	193,320				
14.0	BWICs	6444	m ²	5	32,220				
15.0	Sundries	6444	m ²	2	12,888				
	Sub Total				2,228,568	241	22		

Preliminaries (CAT A)	Item	10%	223,000					
MC OH&P (CAT A)	Item	3%	74,000					
MC D&B risk (CAT A)	Item	2%	51,000					
Design Reserve (CAT A)	Item	5%	129,000					
Construction Contingency (CAT A)	Item	5%	129,000					
Inflation	Item	-						Excluded
Sundries	Item		-					
Total			2,835,000		307	29		

Town Hall Building - Refurbishment & New Build Category 'B' Fit Out

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
1.0	FF& E		m²						Excluded - to be provided by Client
2.0	Sundries		Item						
	Sub Total				-	0	0		
	Preliminaries (CAT B)		Item	13%	0				
	MC OH&P (CAT B)		Item	3%	0				
	MC D&B risk (CAT B)		Item	2%	0				
	Design Reserve (CAT B)		Item	5%	0				
	Construction Contingency (CAT B)		Item	5%	0				
	Inflation		Item	-					Excluded
	Sundries		Item		-				
	Total				-	0	0		

The Triangle/Press

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
1.0	Allowance for demolition of existing buildings	1	item	25,000	25,000				
2.0	Allowance for structure with painted blockwork external walls, roof structure and cladding standing seem golden aluminium and plywood clad internal	300	m²	1,300	390,000				All in rate for structures, MEP & Cat A fit out
3.0	Paving to The Triangle circulation	190	m²		-				See separate landscaping budget
4.0	Make good existing wall including providing stability support at entrance to The Triangle	128	m²	400	51,000				
	Sub Total				466,000	N/A	5		
	Preliminaries		Item	13%	61,000				
	MC OH&P		Item	3%	16,000				
	MC D&B risk		Item	2%	11,000				
	Design Reserve		Item	5%	28,000				
	Construction Contingency		Item	5%	28,000				
	Inflation		Item	-					Excluded
	Sundries		Item		-				
	Total				610,000	N/A	6		

Landscaping

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
1.0	Hard Landscaping; natural limestone stone	1385	m²	140	193,900				Including The Triangle site paving
2.0	Hard Landscaping; red brick clay paving	2508	m²	100	250,800				
3.0	Allowance for drainage to hard landscaping	3,893	m²	20	77,860				
4.0	Soft landscape; planting & combined	497	m²	80	39,760				
5.0	Street furniture	1	Item	30,000	30,000				
6.0	Street scaping; unifying edge treatments; street planing; de cluttering	1	Item	30,000	30,000				
7.0	Allowance for lighting	1	Item	150,000	150,000				
8.0	Artworks	1	Item		-				Excluded
	Sub Total				772,320	198	8		
	Preliminaries		Item	13%	100,000				
	MC OH&P		Item	3%	26,000				
	MC D&B risk		Item	2%	18,000				
	Design Reserve		Item	5%	46,000				
	Construction Contingency		Item	5%	46,000				
	Inflation		Item	-					Excluded
	Sundries		Item		-				
	Total				1,008,320	259	10		

Substations

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
1.0	Disconnection and provision of new substation	1	Item	150,000	150,000				Current substation in Hambrook House
2.0	Disconnection and relocation of existing substation from Town Hall Parade to new Enterprise Centre	1	Item	150,000	150,000				Assume no requirements for temporary building supplies incl. Sub contractor prelims
	Sub Total				300,000	N/A	3		
	Preliminaries		Item	13%	39,000				

MC OH&P		Item	3%	10,000				
MC D&B risk		Item	2%	7,000				
Design Reserve		Item	5%	18,000				
Construction Contingency		Item	5%	18,000				
Inflation		Item	-					Excluded
Sundries		Item		-				
Total				392,000	N/A		4	

Summary

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft ² GIA	% of Total	Notes
	Town Hall Building - Refurbishment & New Build Shell & Core				14,020,000				
	Town Hall Building - Refurbishment & New Build Category 'A' Fit Out				2,835,000				
	Town Hall Building - Refurbishment & New Build Category 'B' Fit Out				0				
	The Triangle/Press				610,000				
	Landscaping				1,008,320				
	Substations				392,000				
	Total Town Hall Building				18,865,320				

Summary of Statutory Services

Building	Total £	Notes
New Civic Offices		
- Gas	5,000	Reconnect existing supply; included in MEP costs
- Water	5,000	Reconnect existing supply; included in MEP costs
- Electrical (see Substation cost below)	Included below	
- Telecoms	5,000	Reconnect existing supply; included in MEP costs
Town Hall Building		
- Gas	2,500	Use existing supply; allow to reconnect; included in MEP costs
- Water	2,500	Use existing supply; allow to reconnect; included in MEP costs
- Electrical (see Substation cost below)	Included below	
- Telecoms	2,500	Use existing supply; allow to reconnect; included in MEP costs
The Triangle/Press		
- Gas	1,500	New connection; included in MEP costs
- Water	1,500	New connection; included in MEP costs
- Electrical (see Substation cost below)	5,000	Fed from existing substation; new connection; included in MEP costs
- Telecoms	1,000	New connection; included in MEP costs
Allowance for relocation of UKPN substations	392,000	

Executive Summary - Residential 0% Affordable

Building	GIA m ²	GIA ft ²	Total £	£/m ² GIA	£/ft ² GIA	Notes
Porden Road - New Build	7,201	77,519	13,293,000	1,846	171	
Ivor House - Conversion/Refurbishment	4,715	50,757	5,945,000	1,261	117	
Olive Morris House - New Build	10,290	110,772	17,810,000	1,731	161	

GRAND TOTAL £37,048,000

Residential - Porden Road (New Build)

GEA		0
GIA	7,201	77,512

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				150,000	21			
0.1	Allowance for demolition and enabling works generally	1	item	150,000	150,000				
1.0	Residential				10,030,000	1393			
1.1	Shell & Core - Residential	7,009	m²	850	5,958,000				
1.2	Shell & Core - Retail	192	m²	850	164,000				
1.3	Fit Out - Residential - Private	5,296	m²	701	3,713,000				
1.4	Fit Out - Residential - Affordable	0	m²	495	0				
1.5	Fit Out - Retail	144	m²		0				Excluded
1.6	Service Connections	7,201	m²	27	195,000				
	Sub Total				10,180,000	1414			
	Preliminaries		Item	13%	1,323,000				
	MC OH&P		Item	3%	345,000				
	MC D&B risk		Item	2%	237,000				
	Design Reserve		Item	5%	604,000				
	Construction Contingency		Item	5%	604,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				13,293,000	1846			

Residential - Ivor House (Retained Facade)

GEA		0
GIA	3,811	41,022

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				216,000	57			
0.1	Allowance for strip out of existing, removal of rear facade and enabling works generally	1	item	216,000	216,000				
1.0	Residential				4,337,000	1138			
1.1	Shell & Core - Residential & Retail	3,811	m²	623	2,375,000				
1.2	Shell & Core - Basement Retail	904	m²	150	136,000				Shell only - minimal works, allowance only
1.3	Fit Out - Residential	2,421	m²	701	1,698,000				
1.4	Fit Out - Other TBC (Tenant Fit Out)		m²						Excluded
1.5	Service Connections	4,715	m²	27	128,000				
	Sub Total				4,553,000	1195			
	Preliminaries		Item	13%	592,000				
	MC OH&P		Item	3%	154,000				
	MC D&B risk		Item	2%	106,000				
	Design Reserve		Item	5%	270,000				
	Construction Contingency		Item	5%	270,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				5,945,000	1560			

Residential - Olive Morris House (New Build)

GEA		0
GIA	10,290	110,762

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				545,000	53			
0.1	Allowance for demolition and enabling works generally	1	item	545,000	545,000				
1.0	Residential				13,178,000	1281			
1.1	Shell & Core - Residential & Other TBC	10,290	m²	765	7,872,000				
1.2	Fit Out - Residential	7,580	m²	700	5,306,000				
1.3	Fit Out - Other TBC (Tenant Fit Out)		m²						Excluded
1.4	Service Connections	10,290	m²	27	Included				
	Sub Total				13,723,000	1334			
	Preliminaries		Item	13%	1,713,000				
	MC OH&P		Item	3%	447,000				
	MC D&B risk		Item	2%	307,000				
	Design Reserve		Item	5%	810,000				
	Construction Contingency		Item	5%	810,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				17,810,000	1731			

Executive Summary - Residential 20% Affordable

Building	GIA m ²	GIA ft ²	Total £	£/m ² GIA	£/ft ² GIA	Notes
Porden Road - New Build	7,201	77,519	13,293,000	1,846	171	
Ivor House - Conversion/Refurbishment	4,715	50,757	5,945,000	1,261	117	
Olive Morris House - New Build	10,290	110,772	17,361,000	1,687	157	

GRAND TOTAL £36,599,000

Residential - Porden Road (New Build)

GEA		0
GIA	7,201	77,512

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				150,000	21			
0.1	Allowance for demolition and enabling works generally	1	item	150,000	150,000				
1.0	Residential				10,030,000	1393			
1.1	Shell & Core - Residential	7,009	m²	850	5,958,000				
1.2	Shell & Core - Retail	192	m²	850	164,000				
1.3	Fit Out - Residential - Private	5,296	m²	701	3,713,000				
1.4	Fit Out - Residential - Affordable	0	m²	495	0				
1.5	Fit Out - Retail	144	m²		0				Excluded
1.6	Service Connections	7,201	m²	27	195,000				
	Sub Total				10,180,000	1414			
	Preliminaries		Item	13%	1,323,000				
	MC OH&P		Item	3%	345,000				
	MC D&B risk		Item	2%	237,000				
	Design Reserve		Item	5%	604,000				
	Construction Contingency		Item	5%	604,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				13,293,000	1846			

Residential - Ivor House (Retained Facade)

GEA		0
GIA	3,811	41,022

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				216,000	57			
0.1	Allowance for strip out of existing, removal of rear facade and enabling works generally	1	item	216,000	216,000				
1.0	Residential				4,337,000	1138			
1.1	Shell & Core - Residential & Retail	3,811	m²	623	2,375,000				
1.2	Shell & Core - Basement Retail	904	m²	150	136,000				Shell only - minimal works, allowance only
1.3	Fit Out - Residential	2,421	m²	701	1,698,000				
1.4	Fit Out - Other TBC (Tenant Fit Out)		m²						Excluded
1.5	Service Connections	4,715	m²	27	128,000				
	Sub Total				4,553,000	1195			
	Preliminaries		Item	13%	592,000				
	MC OH&P		Item	3%	154,000				
	MC D&B risk		Item	2%	106,000				
	Design Reserve		Item	5%	270,000				
	Construction Contingency		Item	5%	270,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				5,945,000	1560			

Residential - Olive Morris House (New Build)

GEA		0
GIA	10,290	110,762

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				545,000	53			
0.1	Allowance for demolition and enabling works generally	1	item	545,000	545,000				
1.0	Residential				12,835,000	1247			
1.1	Shell & Core - Residential & Other TBC	10,290	m²	765	7,872,000				
1.2	Fit Out - Residential	5,901	m²	700	4,131,000				
1.3	Fit Out - Residential - Affordable	1,679	m²	495	832,000				
1.4	Fit Out - Other TBC (Tenant Fit Out)		m²						Excluded
1.5	Service Connections	10,290	m²	27	Included				
	Sub Total				13,380,000	1300			
	Preliminaries		Item	13%	1,669,000				
	MC OH&P		Item	3%	435,000				
	MC D&B risk		Item	2%	299,000				
	Design Reserve		Item	5%	789,000				
	Construction Contingency		Item	5%	789,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				17,361,000	1687			

Executive Summary - Residential 40% Affordable

Building	GIA m ²	GIA ft ²	Total £	£/m ² GIA	£/ft ² GIA	Notes
Porden Road - New Build	7,201	77,519	12,945,000	1,798	167	
Ivor House - Conversion/Refurbishment	4,715	50,757	5,945,000	1,261	117	
Olive Morris House - New Build	10,290	110,772	16,804,000	1,633	152	

GRAND TOTAL £35,694,000

Residential - Porden Road (New Build)

GEA		0
GIA	7,201	77,512

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				150,000	21			
0.1	Allowance for demolition and enabling works generally	1	item	150,000	150,000				
1.0	Residential				9,763,000	1356			
1.1	Shell & Core - Residential	7,009	m²	850	5,958,000				
1.2	Shell & Core - Retail	192	m²	850	164,000				
1.3	Fit Out - Residential - Private	3,996	m²	701	2,802,000				
1.4	Fit Out - Residential - Affordable	1,300	m²	495	644,000				
1.5	Fit Out - Retail	144	m²		0				Excluded
1.6	Service Connections	7,201	m²	27	195,000				
	Sub Total				9,913,000	1377			
	Preliminaries		Item	13%	1,289,000				
	MC OH&P		Item	3%	336,000				
	MC D&B risk		Item	2%	231,000				
	Design Reserve		Item	5%	588,000				
	Construction Contingency		Item	5%	588,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				12,945,000	1798			

Residential - Ivor House (Retained Facade)

GEA		0
GIA	3,811	41,022

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				216,000	57			
0.1	Allowance for strip out of existing, removal of rear facade and enabling works generally	1	item	216,000	216,000				
1.0	Residential				4,337,000	1138			
1.1	Shell & Core - Residential & Retail	3,811	m²	623	2,375,000				
1.2	Shell & Core - Basement Retail	904	m²	150	136,000				Shell only - minimal works, allowance only
1.3	Fit Out - Residential	2,421	m²	701	1,698,000				
1.4	Fit Out - Other TBC (Tenant Fit Out)		m²						Excluded
1.5	Service Connections	4,715	m²	27	128,000				
	Sub Total				4,553,000	1195			
	Preliminaries		Item	13%	592,000				
	MC OH&P		Item	3%	154,000				
	MC D&B risk		Item	2%	106,000				
	Design Reserve		Item	5%	270,000				
	Construction Contingency		Item	5%	270,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				5,945,000	1560			

Residential - Olive Morris House (New Build)

GEA		0
GIA	10,290	110,762

Item	Element/Description	Quantity	Unit	Rate	Total	£/m2 GIA	£/ft² GIA	% of Total	Notes
0.0	Demolition & Enabling Works				545,000	53			
0.1	Allowance for demolition and enabling works generally	1	item	545,000	545,000				
1.0	Residential				12,408,000	1206			
1.1	Shell & Core - Residential & Other TBC	10,290	m²	765	7,872,000				
1.2	Fit Out - Residential	3,820	m²	700	2,674,000				
1.3	Fit Out - Residential - Affordable	3,760	m²	495	1,862,000				
1.4	Fit Out - Other TBC (Tenant Fit Out)		m²						Excluded
1.5	Service Connections	10,290	m²	27	Included				
	Sub Total				12,953,000	1259			
	Preliminaries		Item	13%	1,613,000				
	MC OH&P		Item	3%	421,000				
	MC D&B risk		Item	2%	289,000				
	Design Reserve		Item	5%	764,000				
	Construction Contingency		Item	5%	764,000				
	Inflation		Item		-				Excluded
	Sundries		Item		-				
	Total				16,804,000	1633			

A3.5 Apartment by apartment current day sales values



Ivor House (All Scenarios)

Level	Flat no.	Type	Sq M	Sq Ft	Price	£ per sq ft
1	AP-01-A	Studio	48	517	£285,000	£552
1	AP-01-B	2b4p	76	818	£430,000	£526
1	AP-01-C	2b4p	92	990	£490,000	£495
1	AP-01-D	2b4p	87	936	£475,000	£507
1	AP-01-E	2b4p	72	775	£405,000	£523
1	AP-01-F	2b4p	97	1,044	£530,000	£508
1	AP-01-G	2b4p	74	797	£410,000	£515
1	AP-01-H	2b4p	83	893	£440,000	£492
2	AP-02-A	Studio	48	517	£290,000	£561
2	AP-02-B	2b4p	76	818	£440,000	£538
2	AP-02-C	2b4p	92	990	£500,000	£505
2	AP-02-D	2b4p	87	936	£485,000	£518
2	AP-02-E	2b4p	72	775	£410,000	£529
2	AP-02-F	2b4p	97	1,044	£550,000	£527
2	AP-02-G	2b4p	74	797	£415,000	£521
2	AP-02-H	2b4p	83	893	£445,000	£498
3	AP-03-A	Studio	46	495	£295,000	£596
3	AP-03-B	2b4p	70	753	£450,000	£597
3	AP-03-C	2b4p	89	958	£520,000	£543
3	AP-03-D	2b4p	84	904	£500,000	£553
3	AP-03-E	2b4p	69	743	£415,000	£559
3	AP-03-F	2b4p	90	969	£530,000	£547
3	AP-03-G	2b4p	71	764	£420,000	£550
3	AP-03-H	2b4p	83	893	£450,000	£504
4	AP-04-A	1b2p	59	635	£320,000	£504
4	AP-04-B	2b4p	93	1,001	£500,000	£499
4	AP-04-C	2b4p	72	775	£450,000	£581
4	AP-04-D	2b4p	83	893	£520,000	£582
4	AP-04-E	2b4p	87	936	£550,000	£587
4	AP-04-F	2b4p	84	904	£540,000	£597
4	AP-04-G	2b4p	83	893	£475,000	£532
	31 Units		2,421	26,060	£13,935,000	£535

1. The above views on price are not intended as a formal valuation and should not be relied upon as such. They are given in the course of our Estate Agency role. No liability is extended to any third party and the figures suggested are given purely as guidance. 2. All prices quoted are quoted subject to contract. 3. We have assumed that all units will be sold on 999 year leases. 4. The prices provided are based upon the information provided and may be subject to amendment if the information proves other than as stated or shown. 5. We have assumed that the units are to be finished to a standard commensurate with the target market.



**JONES LANG
LASALLE®**

Olive Morris House (12% AH)

Level	Flat no.	Type	Sq M	Sq Ft	Price	£ per sq ft
G	AP-00-A	2b4p	80	861	£415,000	£482
LG - G	AP-00-B	3b6p House	145	1,561	£625,000	£400
LG - G	AP-00-C	3b6p House	145	1,561	£625,000	£400
G	AP-00-D	2b4p	76	818	£395,000	£483
LG - G	AP-00-E	3b6p House	152	1,636	£645,000	£394
LG - G	AP-00-F	3b6p House	152	1,636	£645,000	£394
G	AP-00-G	2b4p	76	818	£400,000	£489
LG - G	AP-00-H	3b6p House	145	1,561	£625,000	£400
LG - G	AP-00-I	3b6p House	145	1,561	£625,000	£400
G	AP-00-J	2b4p	80	861	£410,000	£476
1	AP-01-A	3b5p	92	990	£495,000	£500
1	AP-01-B	1b2p	50	538	£290,000	£539
1	AP-01-C	2b4p	70	753	£385,000	£511
1	AP-01-D	2b4p	72	775	£400,000	£516
1	AP-01-E	2b4p	76	818	£420,000	£513
1	AP-01-F	2b4p	72	775	£400,000	£516
1	AP-01-G	1b2p	51	549	£295,000	£537
1	AP-01-H	1b2p	51	549	£295,000	£537
1	AP-01-I	2b4p	75	807	£410,000	£508
1	AP-01-J	2b4p	76	818	£415,000	£507
1	AP-01-K	2b4p	75	807	£410,000	£508
1	AP-01-L	1b2p	51	549	£295,000	£537
1	AP-01-M	1b2p	51	549	£295,000	£537
1	AP-01-N	2b4p	72	775	£400,000	£516
1	AP-01-O	3b5p	92	990	£495,000	£500
1	AP-01-P	2b4p	72	775	£400,000	£516
1	AP-01-Q	2b4p	72	775	£400,000	£516
1	AP-01-R	1b2p	50	538	£290,000	£539
2	AP-02-A	3b6p	92	990	£500,000	£505
2	AP-02-B	1b2p	50	538	£295,000	£548
2	AP-02-C	2b4p	70	753	£390,000	£518
2	AP-02-D	2b4p	72	775	£405,000	£523
2	AP-02-E	2b4p	76	818	£425,000	£520
2	AP-02-F	2b4p	72	775	£405,000	£523
2	AP-02-G	1b2p	51	549	£300,000	£546
2	AP-02-H	1b2p	51	549	£300,000	£546
2	AP-02-I	2b4p	75	807	£415,000	£514
2	AP-02-J	2b4p	76	818	£420,000	£513
2	AP-02-K	2b4p	75	807	£415,000	£514
2	AP-02-L	1b2p	51	549	£300,000	£546
2	AP-02-M	1b2p	51	549	£300,000	£546
2	AP-02-N	2b4p	72	775	£405,000	£523
2	AP-02-O	3b6p	92	990	£500,000	£505
2	AP-02-P	2b4p	72	775	£405,000	£523
2	AP-02-Q	2b4p	72	775	£405,000	£523
2	AP-02-R	1b2p	50	538	£295,000	£548
3	AP-03-A	3b6p	92	990	£520,000	£525
3	AP-03-B	1b2p	50	538	£300,000	£557
3	AP-03-C	2b4p	70	753	£395,000	£524
3	AP-03-D	2b4p	72	775	£410,000	£529
3	AP-03-E	2b4p	76	818	£430,000	£526
3	AP-03-F	2b4p	72	775	£410,000	£529
3	AP-03-G	1b2p	51	549	£305,000	£556
3	AP-03-H	1b2p	51	549	£305,000	£556
3	AP-03-I	2b4p	75	807	£420,000	£520

3	AP-03-J	2b4p	76	818	£425,000	£520
3	AP-03-K	2b4p	75	807	£420,000	£520
3	AP-03-L	1b2p	51	549	£305,000	£556
3	AP-03-M	1b2p	51	549	£305,000	£556
3	AP-03-N	2b4p	72	775	£410,000	£529
3	AP-03-O	3b6p	92	990	£520,000	£525
3	AP-03-P	2b4p	72	775	£410,000	£529
3	AP-03-Q	2b4p	72	775	£410,000	£529
3	AP-03-R	1b2p	50	538	£300,000	£557
4	AP-04-A	3b6p	92	990	£525,000	£530
4	AP-04-B	1b2p	50	538	£305,000	£567
4	AP-04-C	2b4p	70	753	£400,000	£531
4	AP-04-D	2b4p	72	775	£415,000	£535
4	AP-04-E	2b4p	76	818	£435,000	£532
4	AP-04-F	2b4p	72	775	£415,000	£535
4	AP-04-G	1b2p	51	549	£310,000	£565
4	AP-04-H	1b2p	51	549	£310,000	£565
4	AP-04-I	2b4p	75	807	£425,000	£526
4	AP-04-J	2b4p	76	818	£430,000	£526
4	AP-04-K	2b4p	75	807	£425,000	£526
4	AP-04-L	1b2p	51	549	£310,000	£565
4	AP-04-M	1b2p	51	549	£310,000	£565
4	AP-04-N	2b4p	72	775	£415,000	£535
4	AP-04-O	3b6p	92	990	£525,000	£530
4	AP-04-P	2b4p	72	775	£415,000	£535
4	AP-04-Q	2b4p	72	775	£415,000	£535
4	AP-04-R	1b2p	50	538	£305,000	£567
5	AP-05-A	1b2p	50	538	£310,000	£576
5	AP-05-B	2b4p	70	753	£415,000	£551
5	AP-05-C	2b4p	76	818	£450,000	£550
5	AP-05-D	1b2p	51	549	£320,000	£583
5	AP-05-E	1b2p	51	549	£320,000	£583
5	AP-05-F	2b4p	76	818	£450,000	£550
5	AP-05-G	1b2p	51	549	£320,000	£583
5	AP-05-H	1b2p	51	549	£320,000	£583
5	AP-05-I	1b2p	50	538	£310,000	£576
5	AP-05-J	2b4p	70	753	£415,000	£551
6	AP-06-A	1b2p	50	538	£315,000	£585
6	AP-06-B	2b4p	70	753	£420,000	£557
6	AP-06-C	2b4p	76	818	£455,000	£556
6	AP-06-D	1b2p	51	549	£325,000	£592
6	AP-06-E	1b2p	51	549	£325,000	£592
6	AP-06-F	2b4p	76	818	£455,000	£556
6	AP-06-G	1b2p	51	549	£325,000	£592
6	AP-06-H	1b2p	51	549	£325,000	£592
6	AP-06-I	1b2p	50	538	£315,000	£585
6	AP-06-J	2b4p	70	753	£420,000	£557
LG	AP-B1-A	2b4p	78	840	£375,000	£447
LG	AP-B1-B	2b4p	78	840	£375,000	£447
LG	AP-B1-C	2b4p	78	840	£375,000	£447
LG	AP-B1-D	2b4p	78	840	£375,000	£447
	106	Units	7,580	81,593	£41,980,000	£515

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**JONES LANG
LASALLE®**

Olive Morris House (20% AH)

Level	Flat no.	Type	Sq M	Sq Ft	Price	£ per sq ft
G	AP-00-A	2b4p	80	861	£172,228	£200
LG - 0	AP-00-B	3b6p House	145	1,561	£312,162	£200
LG - 0	AP-00-C	3b6p House	145	1,561	£625,000	£400
G	AP-00-D	2b2p	76	818	£395,000	£483
LG - 0	AP-00-E	3b6p House	152	1,636	£645,000	£394
LG - 0	AP-00-F	3b6p House	152	1,636	£645,000	£394
G	AP-00-G	2b4p	76	818	£395,000	£483
LG - 0	AP-00-H	3b6p House	145	1,561	£625,000	£400
LG - 0	AP-00-I	3b6p House	145	1,561	£625,000	£400
G	AP-00-J	2b4p	80	861	£410,000	£476
1	AP-01-A	3b5p	92	990	£198,061	£200
1	AP-01-B	1b2p	50	538	£107,642	£200
1	AP-01-C	2b4p	70	753	£150,699	£200
1	AP-01-D	2b4p	72	775	£155,004	£200
1	AP-01-E	2b4p	76	818	£420,000	£513
1	AP-01-F	2b4p	72	775	£400,000	£516
1	AP-01-G	1b2p	51	549	£295,000	£537
1	AP-01-H	1b2p	51	549	£295,000	£537
1	AP-01-I	2b4p	75	807	£410,000	£508
1	AP-01-J	2b4p	76	818	£415,000	£507
1	AP-01-K	2b4p	75	807	£410,000	£508
1	AP-01-L	1b2p	51	549	£295,000	£537
1	AP-01-M	1b2p	51	549	£295,000	£537
1	AP-01-N	2b4p	72	775	£400,000	£516
1	AP-01-O	3b5p	92	990	£495,000	£500
1	AP-01-P	2b4p	72	775	£400,000	£516
1	AP-01-Q	2b4p	72	775	£400,000	£516
1	AP-01-R	1b2p	50	538	£290,000	£539
2	AP-02-A	3b6p	92	990	£198,061	£200
2	AP-02-B	1b2p	50	538	£107,642	£200
2	AP-02-C	2b4p	70	753	£150,699	£200
2	AP-02-D	2b4p	72	775	£155,004	£200
2	AP-02-E	2b4p	76	818	£425,000	£520
	AP-02-F	2b4p	72	775	£405,000	£523
2	AP-02-G	1b2p	51	549	£300,000	£546
2	AP-02-H	1b2p	51	549	£300,000	£546
2	AP-02-I	2b4p	75	807	£415,000	£514
2	AP-02-J	2b4p	76	818	£420,000	£513
2	AP-02-K	2b4p	75	807	£415,000	£514
2	AP-02-L	1b2p	51	549	£300,000	£546
2	AP-02-M	1b2p	51	549	£300,000	£546
2	AP-02-N	2b4p	72	775	£405,000	£523
2	AP-02-O	3b6p	92	990	£500,000	£505
2	AP-02-P	2b4p	72	775	£405,000	£523
2	AP-02-Q	2b4p	72	775	£405,000	£523
2	AP-02-R	1b2p	50	538	£295,000	£548
3	AP-03-A	3b6p	92	990	£198,061	£200
3	AP-03-B	1b2p	50	538	£107,642	£200
3	AP-03-C	2b4p	70	753	£150,699	£200
3	AP-03-D	2b4p	72	775	£155,004	£200
3	AP-03-E	2b4p	76	818	£430,000	£526
3	AP-03-F	2b4p	72	775	£410,000	£529
3	AP-03-G	1b2p	51	549	£305,000	£556
3	AP-03-H	1b2p	51	549	£305,000	£556
3	AP-03-I	2b4p	75	807	£420,000	£520
3	AP-03-J	2b4p	76	818	£425,000	£520

3	AP-03-K	2b4p	75	807	£420,000	£520
3	AP-03-L	1b2p	51	549	£305,000	£556
3	AP-03-M	1b2p	51	549	£305,000	£556
3	AP-03-N	2b4p	72	775	£410,000	£529
3	AP-03-O	3b6p	92	990	£520,000	£525
3	AP-03-P	2b4p	72	775	£410,000	£529
3	AP-03-Q	2b4p	72	775	£410,000	£529
3	AP-03-R	1b2p	50	538	£300,000	£557
4	AP-04-A	3b6p	92	990	£198,061	£200
4	AP-04-B	1b2p	50	538	£107,642	£200
4	AP-04-C	2b4p	70	753	£150,699	£200
4	AP-04-D	2b4p	72	775	£155,004	£200
4	AP-04-E	2b4p	76	818	£435,000	£532
4	AP-04-F	2b4p	72	775	£415,000	£535
4	AP-04-G	1b2p	51	549	£310,000	£565
4	AP-04-H	1b2p	51	549	£310,000	£565
4	AP-04-I	2b4p	75	807	£425,000	£526
4	AP-04-J	2b4p	76	818	£430,000	£526
4	AP-04-K	2b4p	75	807	£425,000	£526
4	AP-04-L	1b2p	51	549	£310,000	£565
4	AP-04-M	1b2p	51	549	£310,000	£565
4	AP-04-N	2b4p	72	775	£415,000	£535
4	AP-04-O	3b6p	92	990	£525,000	£530
4	AP-04-P	2b4p	72	775	£415,000	£535
4	AP-04-Q	2b4p	72	775	£415,000	£535
4	AP-04-R	1b2p	50	538	£305,000	£567
5	AP-05-A	1b2p	50	538	£107,642	£200
5	AP-05-B	2b4p	70	753	£150,699	£200
5	AP-05-C	2b4p	76	818	£450,000	£550
5	AP-05-D	1b2p	51	549	£320,000	£583
5	AP-05-E	1b2p	51	549	£320,000	£583
5	AP-05-F	2b4p	76	818	£450,000	£550
5	AP-05-G	1b2p	51	549	£320,000	£583
5	AP-05-H	1b2p	51	549	£320,000	£583
5	AP-05-I	1b2p	50	538	£310,000	£576
5	AP-05-J	2b4p	70	753	£415,000	£551
6	AP-06-A	1b2p	50	538	£107,642	£200
6	AP-06-B	2b4p	70	753	£150,699	£200
6	AP-06-C	2b4p	76	818	£455,000	£556
6	AP-06-D	1b2p	51	549	£325,000	£592
6	AP-06-E	1b2p	51	549	£325,000	£592
6	AP-06-F	2b4p	76	818	£455,000	£556
6	AP-06-G	1b2p	51	549	£325,000	£592
6	AP-06-H	1b2p	51	549	£325,000	£592
6	AP-06-I	1b2p	50	538	£315,000	£585
6	AP-06-J	2b4p	70	753	£420,000	£557
LG	AP-B1-A	2b4p	78	840	£167,922	£200
LG	AP-B1-B	2b4p	78	840	£375,000	£447
LG	AP-B1-C	2b4p	78	840	£375,000	£447
LG	AP-B1-D	2b4p	78	840	£375,000	£447
106 Units			7,580	81,593	£36,284,619	£445

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**JONES LANG
LASALLE®**

Olive Morris House (40% AH)

Level	Flat no.	Type	Sq M	Sq Ft	Price	£ per sq ft
G	AP-00-A	2b4p	80	861	£172,228	£200
LG - 0	AP-00-B	3b6p House	145	1561	£312,162	£200
LG - 0	AP-00-C	3b6p House	145	1561	£468,243	£300
G	AP-00-D	1b2p	76	818	£245,425	£300
LG - 0	AP-00-E	3b6p House	152	1636	£490,848	£300
LG - 0	AP-00-F	3b6p House	152	1636	£645,000	£394
G	AP-00-G	2b4p	76	818	£395,000	£483
LG - 0	AP-00-H	3b6p House	145	1561	£625,000	£400
LG - 0	AP-00-I	3b6p House	145	1561	£625,000	£400
G	AP-00-J	2b4p	80	861	£410,000	£476
1	AP-01-A	3b5p	92	990	£198,061	£200
1	AP-01-B	1b2p	50	538	£107,642	£200
1	AP-01-C	2b4p	70	753	£150,699	£200
1	AP-01-D	2b4p	72	775	£155,004	£200
1	AP-01-E	2b4p	76	818	£245,424	£300
1	AP-01-F	2b4p	72	775	£232,507	£300
1	AP-01-G	1b2p	51	549	£164,692	£300
1	AP-01-H	1b2p	51	549	£164,692	£300
1	AP-01-I	2b4p	75	807	£242,195	£300
1	AP-01-J	2b4p	76	818	£415,000	£507
1	AP-01-K	2b4p	75	807	£410,000	£508
1	AP-01-L	1b2p	51	549	£295,000	£537
1	AP-01-M	1b2p	51	549	£295,000	£537
1	AP-01-N	2b4p	72	775	£400,000	£516
1	AP-01-O	3b5p	92	990	£495,000	£500
1	AP-01-P	2b4p	72	775	£400,000	£516
1	AP-01-Q	2b4p	72	775	£400,000	£516
1	AP-01-R	1b2p	50	538	£290,000	£539
2	AP-02-A	3b6p	92	990	£198,061	£200
2	AP-02-B	1b2p	50	538	£107,642	£200
2	AP-02-C	2b4p	70	753	£150,699	£200
2	AP-02-D	2b4p	72	775	£155,004	£200
2	AP-02-E	2b4p	76	818	£245,424	£300
2	AP-02-F	2b4p	72	775	£232,507	£300
2	AP-02-G	1b2p	51	549	£164,692	£300
2	AP-02-H	1b2p	51	549	£164,692	£300
2	AP-02-I	2b4p	75	807	£242,195	£300
2	AP-02-J	2b4p	76	818	£420,000	£513
2	AP-02-K	2b4p	75	807	£415,000	£514
2	AP-02-L	1b2p	51	549	£300,000	£546
2	AP-02-M	1b2p	51	549	£300,000	£546
2	AP-02-N	2b4p	72	775	£405,000	£523
2	AP-02-O	3b6p	92	990	£500,000	£505
2	AP-02-P	2b4p	72	775	£405,000	£523
2	AP-02-Q	2b4p	72	775	£405,000	£523
2	AP-02-R	1b2p	50	538	£295,000	£548
3	AP-03-A	3b6p	92	990	£198,061	£200
3	AP-03-B	1b2p	50	538	£107,642	£200
3	AP-03-C	2b4p	70	753	£150,699	£200
3	AP-03-D	2b4p	72	775	£155,004	£200
3	AP-03-E	2b4p	76	818	£245,424	£300
3	AP-03-F	2b4p	72	775	£232,507	£300
3	AP-03-G	1b2p	51	549	£164,692	£300
3	AP-03-H	1b2p	51	549	£164,692	£300
3	AP-03-I	2b4p	75	807	£242,195	£300

3	AP-03-J	2b4p	76	818	£425,000	£520
3	AP-03-K	2b4p	75	807	£420,000	£520
3	AP-03-L	1b2p	51	549	£305,000	£556
3	AP-03-M	1b2p	51	549	£305,000	£556
3	AP-03-N	2b4p	72	775	£410,000	£529
3	AP-03-O	3b6p	92	990	£520,000	£525
3	AP-03-P	2b4p	72	775	£410,000	£529
3	AP-03-Q	2b4p	72	775	£410,000	£529
3	AP-03-R	1b2p	50	538	£300,000	£557
4	AP-04-A	3b6p	92	990	£198,061	£200
4	AP-04-B	1b2p	50	538	£107,642	£200
4	AP-04-C	2b4p	70	753	£150,699	£200
4	AP-04-D	2b4p	72	775	£155,004	£200
4	AP-04-E	2b4p	76	818	£245,424	£300
4	AP-04-F	2b4p	72	775	£232,507	£300
4	AP-04-G	1b2p	51	549	£164,692	£300
4	AP-04-H	1b2p	51	549	£164,692	£300
4	AP-04-I	2b4p	75	807	£242,195	£300
4	AP-04-J	2b4p	76	818	£430,000	£526
4	AP-04-K	2b4p	75	807	£425,000	£526
4	AP-04-L	1b2p	51	549	£310,000	£565
4	AP-04-M	1b2p	51	549	£310,000	£565
4	AP-04-N	2b4p	72	775	£415,000	£535
4	AP-04-O	3b6p	92	990	£525,000	£530
4	AP-04-P	2b4p	72	775	£415,000	£535
4	AP-04-Q	2b4p	72	775	£415,000	£535
4	AP-04-R	1b2p	50	538	£305,000	£567
5	AP-05-A	1b2p	50	538	£107,642	£200
5	AP-05-B	2b4p	70	753	£150,699	£200
5	AP-05-C	2b4p	76	818	£245,424	£300
5	AP-05-D	1b2p	51	549	£164,692	£300
5	AP-05-E	1b2p	51	549	£164,692	£300
5	AP-05-F	2b4p	76	818	£450,000	£550
5	AP-05-G	1b2p	51	549	£320,000	£583
5	AP-05-H	1b2p	51	549	£320,000	£583
5	AP-05-I	1b2p	50	538	£310,000	£576
5	AP-05-J	2b4p	70	753	£415,000	£551
6	AP-06-A	1b2p	50	538	£107,642	£200
6	AP-06-B	2b4p	70	753	£150,699	£200
6	AP-06-C	2b4p	76	818	£245,424	£300
6	AP-06-D	1b2p	51	549	£164,692	£300
6	AP-06-E	1b2p	51	549	£164,692	£300
6	AP-06-F	2b4p	76	818	£455,000	£556
6	AP-06-G	1b2p	51	549	£325,000	£592
6	AP-06-H	1b2p	51	549	£325,000	£592
6	AP-06-I	1b2p	50	538	£315,000	£585
6	AP-06-J	2b4p	70	753	£420,000	£557
LG	AP-B1-A	2b4p	78	840	£167,922	£200
LG	AP-B1-B	2b4p	78	840	£251,882	£300
LG	AP-B1-C	2b4p	78	840	£375,000	£447
LG	AP-B1-D	2b4p	78	840	£375,000	£447
	106 Units		7,580	81,593	£31,423,672	£385

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JONES LANG
LASALLE®

Hambrook House & Porden Road (12 & 20% AH)

Level	Flat no.	Type	Sq M	Sq Ft	Price	£ per sq ft
0-1	AP-00-A	3b5p	100	1,076	£495,000	£460
0-1	AP-00-B	3b5p	100	1,076	£495,000	£460
0-1	AP-00-C	3b5p	100	1,076	£495,000	£460
0	AP-00-D	1b2p	54	581	£275,000	£473
0-1	AP-00-E	3b6p	105	1,130	£525,000	£465
0-1	AP-00-F	2b4p	82	883	£425,000	£481
0-1	AP-00-G	2b4p	82	883	£425,000	£481
0-1	AP-00-H	3b6p	107	1,152	£530,000	£460
0	AP-00-J	2b3	66	710	£335,000	£472
0	AP-00-K	1b2p	51	549	£270,000	£492
0	AP-00-L	1b2p	51	549	£270,000	£492
1	AP-01-A	Studio	38	409	£230,000	£562
1	AP-01-B	1b2p	53	571	£290,000	£508
1	AP-01-C	2b4p	71	764	£385,000	£504
1	AP-01-D	1b2p	50	538	£275,000	£511
1	AP-01-E	1b2p	51	549	£280,000	£510
1	AP-01-F	1b2p	51	549	£280,000	£510
1	AP-01-G	3b6p	96	1,033	£460,000	£445
1	AP-01-H	1b2p	51	549	£280,000	£510
1	AP-01-I	1b2p	51	549	£280,000	£510
1	AP-01-J	1b2p	51	549	£280,000	£510
1	AP-01-K	1b2p	51	549	£280,000	£510
2	AP-02-A	Studio	38	409	£235,000	£575
2	AP-02-B	1b2p	53	571	£295,000	£517
2	AP-02-C	2b4p	71	764	£395,000	£517
2	AP-02-D	1b2p	50	538	£280,000	£520
2	AP-02-E	2b4p	72	775	£400,000	£516
2	AP-02-F	2b4p	72	775	£395,000	£510
2	AP-02-G	1b2p	51	549	£275,000	£501
2	AP-02-H	1b2p	51	549	£275,000	£501
2	AP-02-J	3b6p	96	1,033	£495,000	£479
2	AP-02-K	2b4p	78	840	£420,000	£500
2	AP-02-L	2b4p	76	818	£415,000	£507
2	AP-02-M	1b2p	51	549	£275,000	£501
2	AP-02-N	1b2p	51	549	£275,000	£501
2	AP-02-P	1b2p	51	549	£275,000	£501
2	AP-02-Q	1b2p	51	549	£275,000	£501
3	AP-03-A	Studio	38	409	£245,000	£599
3	AP-03-B	1b2p	53	571	£300,000	£526
3	AP-03-C	2b4p	71	764	£400,000	£523
3	AP-03-D	1b2p	50	538	£285,000	£530
3	AP-03-E	2b4p	72	775	£405,000	£523
3	AP-03-F	2b4p	72	775	£400,000	£516
3	AP-03-G	1b2p	51	549	£280,000	£510

3	AP-03-H	1b2p	51	549	£280,000	£510
3	AP-03-J	3b6p	96	1,033	£500,000	£484
3	AP-03-K	2b4p	78	840	£425,000	£506
3	AP-03-L	2b4p	76	818	£420,000	£513
3	AP-03-M	1b2p	51	549	£280,000	£510
3	AP-03-N	1b2p	51	549	£280,000	£510
3	AP-03-P	1b2p	51	549	£280,000	£510
3	AP-03-Q	1b2p	51	549	£280,000	£510
4	AP-04-A	Studio	38	409	£250,000	£611
4	AP-04-B	1b2p	53	571	£305,000	£535
4	AP-04-C	2b4p	71	764	£405,000	£530
4	AP-04-D	1b2p	50	538	£290,000	£539
4	AP-04-E	2b4p	72	775	£410,000	£529
4	AP-04-F	2b4p	72	775	£405,000	£523
4	AP-04-G	1b2p	51	549	£285,000	£519
4	AP-04-H	1b2p	51	549	£285,000	£519
4	AP-04-J	3b6p	96	1,033	£505,000	£489
5	AP-05-A	Studio	38	409	£260,000	£636
5	AP-05-B	1b2p	53	571	£310,000	£543
5	AP-05-C	2b4p	71	764	£410,000	£536
5	AP-05-D	1b2p	50	538	£295,000	£548
5	AP-05-E	2b4p	72	775	£415,000	£535
5	AP-05-F	2b4p	72	775	£410,000	£529
5	AP-05-G	1b2p	51	549	£290,000	£528
5	AP-05-H	1b2p	51	549	£290,000	£528
5	AP-05-J	3b6p	96	1,033	£410,000	£397
6	AP-06-A	Studio	38	409	£265,000	£648
6	AP-06-B	1b2p	53	571	£315,000	£552
	AP-06-C	2b4p	71	764	£415,000	£543
6	AP-06-D	1b2p	50	538	£300,000	£557
6	AP-06-E	2b4p	72	775	£420,000	£542
7	AP-07-A	Studio	38	409	£270,000	£660
7	AP-07-B	1b2p	53	571	£320,000	£561
7	AP-07-C	2b4p	71	764	£420,000	£550
7	AP-07-D	1b2p	50	538	£305,000	£567
7	AP-07-E	2b4p	72	775	£430,000	£555
8	AP-08-A	Studio	38	409	£275,000	£672
8	AP-08-B	1b2p	53	571	£325,000	£570
8	AP-08-C	2b4p	71	764	£425,000	£556
8	AP-08-D	1b2p	50	538	£310,000	£576
8	AP-08-E	2b4p	72	775	£435,000	£561
	85 Units		5,296	57,007	£29,360,000	£515

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JONES LANG
LASALLE®

Hambrook House & Porden Road (40% AH)

Level	Flat no.	Type	Sq M	Sq Ft	Price	£ per sq ft
0-1	AP-00-A	3b5p	100	1,076	£495,000	£460
0-1	AP-00-B	3b5p	100	1,076	£495,000	£460
0-1	AP-00-C	3b5p	100	1,076	£495,000	£460
0	AP-00-D	1b2p	54	581	£275,000	£473
0-1	AP-00-E	3b6p	105	1,130	£226,048	£200
0-1	AP-00-F	2b4p	82	883	£425,000	£481
0-1	AP-00-G	2b4p	82	883	£425,000	£481
0-1	AP-00-H	3b6p	107	1,152	£230,354	£200
0	AP-00-J	2b3p	66	710	£142,087	£200
0	AP-00-K	1b2p	51	549	£164,692	£300
0	AP-00-L	1b2p	51	549	£164,692	£300
1	AP-01-A	Studio	38	409	£230,000	£562
1	AP-01-B	1b2p	53	571	£290,000	£508
1	AP-01-C	2b4p	71	764	£385,000	£504
1	AP-01-D	1b2p	50	538	£275,000	£511
1	AP-01-E	1b2p	51	549	£280,000	£510
1	AP-01-F	1b2p	51	549	£280,000	£510
1	AP-01-G	3b6p	96	1,033	£460,000	£445
1	AP-01-H	1b2p	51	549	£164,692	£300
1	AP-01-I	1b2p	51	549	£164,692	£300
1	AP-01-J	1b2p	51	549	£164,692	£300
1	AP-01-K	1b2p	51	549	£164,692	£300
2	AP-02-A	Studio	38	409	£235,000	£575
2	AP-02-B	1b2p	53	571	£295,000	£517
2	AP-02-C	2b4p	71	764	£395,000	£517
2	AP-02-D	1b2p	50	538	£280,000	£520
2	AP-02-E	2b4p	72	775	£400,000	£516
2	AP-02-F	2b4p	72	775	£395,000	£510
2	AP-02-G	1b2p	51	549	£275,000	£501
2	AP-02-H	1b2p	51	549	£275,000	£501
2	AP-02-J	3b6p	96	1,033	£495,000	£479
2	AP-02-K	2b4p	78	840	£167,922	£200
2	AP-02-L	2b4p	76	818	£163,616	£200
	AP-02-M	1b2p	51	549	£164,692	£300
2	AP-02-N	1b2p	51	549	£164,692	£300
2	AP-02-P	1b2p	51	549	£164,692	£300
2	AP-02-Q	1b2p	51	549	£164,692	£300
3	AP-03-A	Studio	38	409	£245,000	£599
3	AP-03-B	1b2p	53	571	£300,000	£526
3	AP-03-C	2b4p	71	764	£400,000	£523
3	AP-03-D	1b2p	50	538	£285,000	£530
3	AP-03-E	2b4p	72	775	£405,000	£523
3	AP-03-F	2b4p	72	775	£400,000	£516
3	AP-03-G	1b2p	51	549	£280,000	£510

3	AP-03-H	1b2p	51	549	£280,000	£510
3	AP-03-J	3b6p	96	1,033	£500,000	£484
3	AP-03-K	2b4p	78	840	£167,922	£200
3	AP-03-L	2b4p	76	818	£163,616	£200
3	AP-03-M	1b2p	51	549	£164,692	£300
3	AP-03-N	1b2p	51	549	£164,692	£300
3	AP-03-P	1b2p	51	549	£164,692	£300
3	AP-03-Q	1b2p	51	549	£164,692	£300
4	AP-04-A	Studio	38	409	£250,000	£611
4	AP-04-B	1b2p	53	571	£305,000	£535
4	AP-04-C	2b4p	71	764	£405,000	£530
4	AP-04-D	1b2p	50	538	£290,000	£539
4	AP-04-E	2b4p	72	775	£410,000	£529
4	AP-04-F	2b4p	72	775	£405,000	£523
4	AP-04-G	1b2p	51	549	£285,000	£519
4	AP-04-H	1b2p	51	549	£285,000	£519
4	AP-04-J	3b6p	96	1,033	£505,000	£489
5	AP-05-A	Studio	38	409	£260,000	£636
5	AP-05-B	1b2p	53	571	£310,000	£543
5	AP-05-C	2b4p	71	764	£410,000	£536
5	AP-05-D	1b2p	50	538	£295,000	£548
5	AP-05-E	2b4p	72	775	£415,000	£535
5	AP-05-F	2b4p	72	775	£410,000	£529
5	AP-05-G	1b2p	51	549	£290,000	£528
5	AP-05-H	1b2p	51	549	£290,000	£528
5	AP-05-J	3b6p	96	1,033	£410,000	£397
6	AP-06-A	Studio	38	409	£265,000	£648
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8	AP-08-D	1b2p	50	538	£310,000	£576
8	AP-08-E	2b4p	72	775	£435,000	£561
	85 Units		3,784	57,007	£25,977,256	£456

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A3.6 Knight Frank 'London Calling - London Residential Development Report 2013'

RESIDENTIAL
RESEARCH



LONDON CALLING

Residential development 2013



2013 LONDON DEVELOPMENT

The resilience of London's residential property market in recent years has led to a rapid increase in development activity in the capital. In this report, we aim to address the question often key to development decisions: is there a risk of oversupply of housing?

"Price performance, as well as London's position as a global hub, has attracted attention from buyers and developers alike."

[Redacted], Head of UK Residential Research

London's property market has far outperformed that in the rest of the UK. Prices and activity, especially in prime central London, have bounced back much more quickly from the fall-out of the financial crisis with prices in prime central London climbing nearly 60% since the post-crisis trough. This performance, as well as London's position as a global hub, has attracted attention from buyers and developers alike.

One of the key factors underpinning any residential market is the relationship between housing demand and housing supply. The London market, like the rest of the UK, has been affected by a lack of supply of housing for many years. The financial crisis exacerbated the downturn in housebuilding, with the number of private residential units being completed in the capital dropping by nearly 30% between 2009 and 2010. At the same time, the population continued to grow – the

number of people living in the capital has risen by 20% over the last two decades.

While this points strongly to a historical structural undersupply of housing, we wanted to look at how the situation is set to develop in the coming years. Using official data, industry figures and Knight Frank market intelligence, we have measured supply and demand over the coming decade. Our inaugural [London Development Report](#) last year showed that there was an overall undersupply of housing compared to demand across the capital, and that this trend would continue.

It is now an opportune time to revisit this analysis, given the changing dynamics in the market. On the supply side, there has been a rise in development activity; while on the demand side, new official figures were published in March forecasting how many [extra households](#) are expected to be created in the capital over the next decade.

LONDON IN CONTEXT

London has continued to be the UK's economic powerhouse since the financial crisis and subsequent downturn, delivering stronger economic growth than every other English region between 2007 and 2011, according to recent data from the Office for National Statistics (figure 1). The dominance of London's economy is underlined by the fact that the capital now accounts for nearly a quarter of the country's total Gross Value Added (GVA), a measure of economic output.

Such robust economic data points towards an employment market which is healthier than the national average, and the data supports this. At the turn of the year London's overall employment rate was 0.9 percentage points higher than in the pre-crisis peak in 2007. In comparison, the average employment rate across the UK is still lagging this pre-crisis peak by nearly 2 percentage points. The number of actual jobs in London climbed by more than 260,000

between 2007 and 2012, making it one of only three regions (along with the South East and Wales) which have not seen a net decline in workforce jobs over the same period.

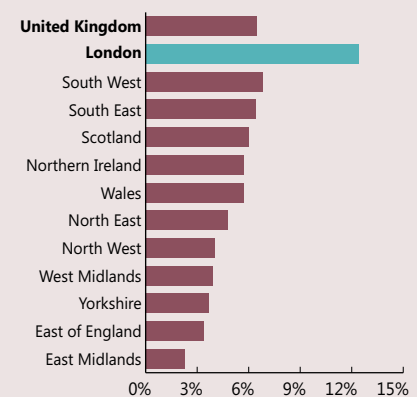
Demand for housing has been underpinned by this solid employment picture, with many people keen to move into or around London to enhance their job opportunities. This trend has helped to boost property prices across the capital (figure 2), as well as development land prices (figure 4).

Turning to prime central London, residential prices have been further enhanced by the influx of overseas capital. Overseas buyers accounted for 42% of all prime sales in central London in 2012, according to Knight Frank market intelligence. But the concentration of overseas buyers is much more noticeable in the new-build sector, with newly completed developments drawing attention from Asian buyers in particular.

Splitting purchasers by nationality, buyers from the UK are the largest group, accounting for 27% of new-build sales

last year. Singaporean purchasers accounted for 23% of sales, while those from Hong Kong bought 16% of new-build properties. These trends are covered in detail in Knight Frank's [International Investment in London](#) report.

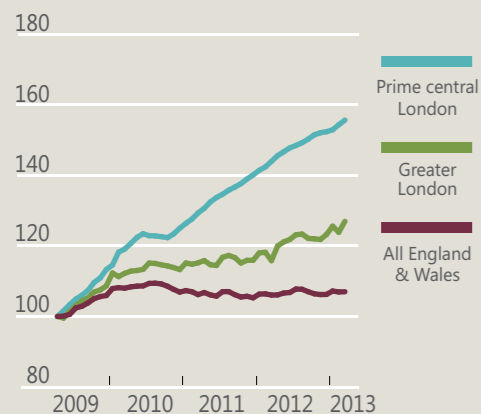
Figure 1
London's economy outperforms
Growth in nominal GVA; 2007 to 2011



Source: Knight Frank Residential Research/ONS

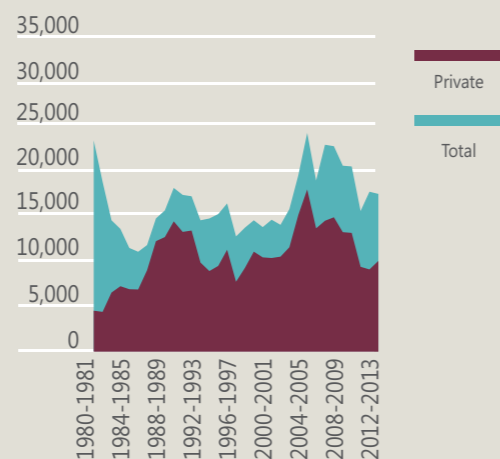
London snapshot...

Figure 2 **Prices outperform**
2009 - 2013



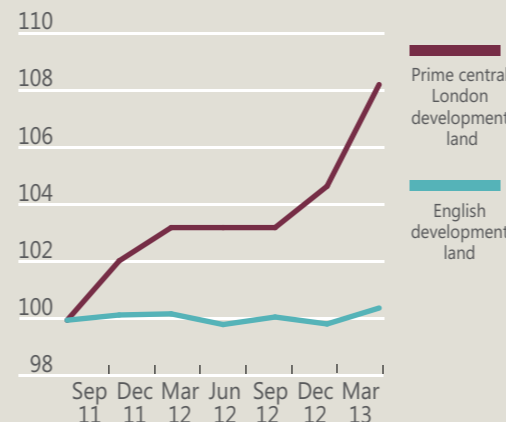
Source: Knight Frank Residential Research / Land Registry

Figure 3 **Supply is constrained**
Annual housing completions



Source: Knight Frank Residential Research / DCLG

Figure 4 **Development land prices pushed up**
Q3 2011 - Q1 2013



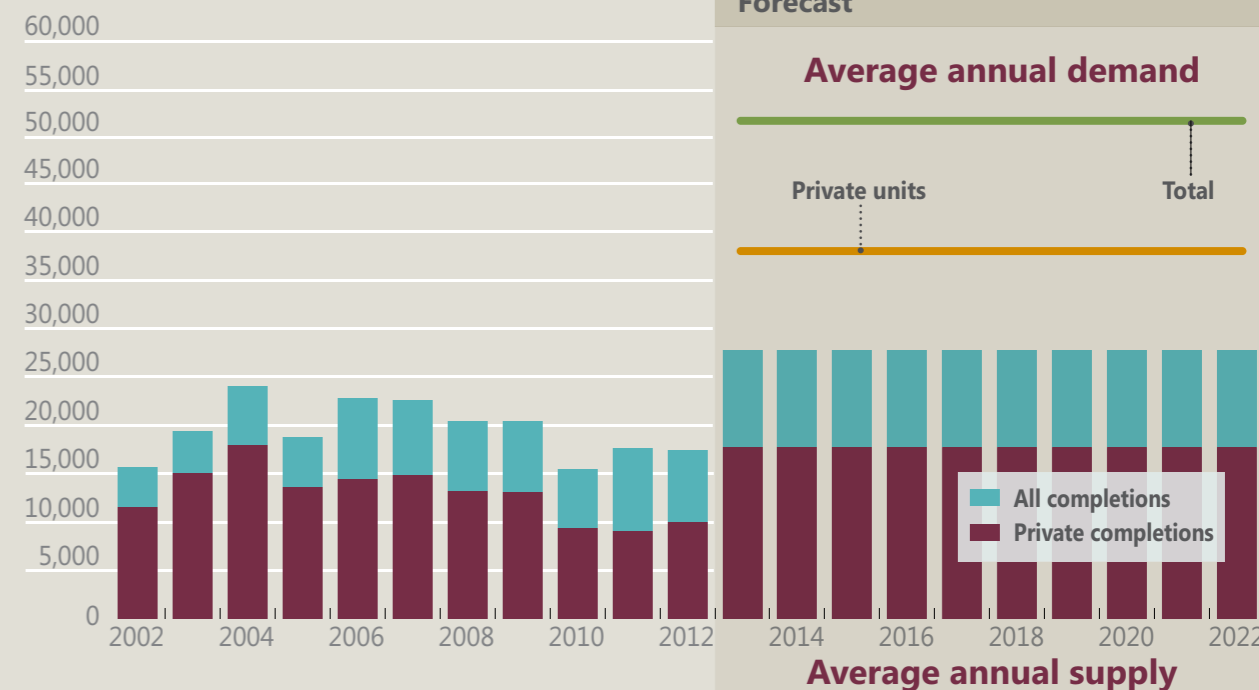
Source: Knight Frank Residential Research

Market still undersupplied...

Figure 7 **Demand vs supply**

Source: Knight Frank Residential Research / Molior London / DCLG

Greater London



Borough breakdown: supply and demand

Figure 5 **Where will private housing be delivered in the future?**
London boroughs' housing supply: % of total delivery 2013 - 2022

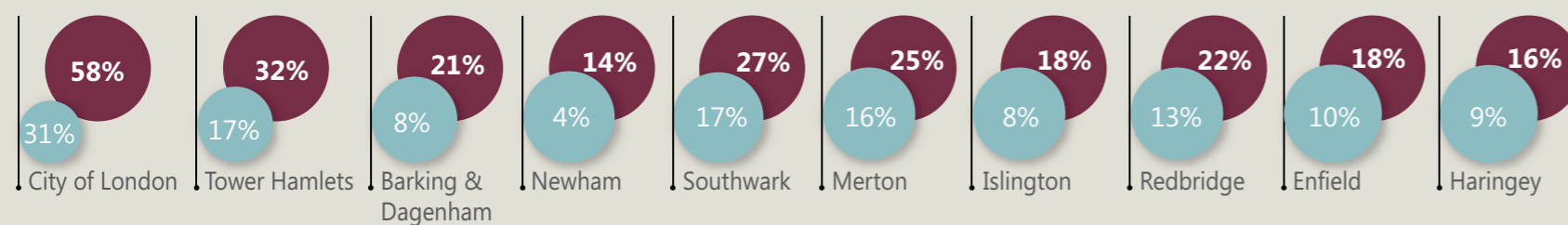
Source: Knight Frank Residential Research / Molior London



Figure 6 **Forecast growth in households 2011 - 2021**

London boroughs showing the biggest upward revisions to household growth projections

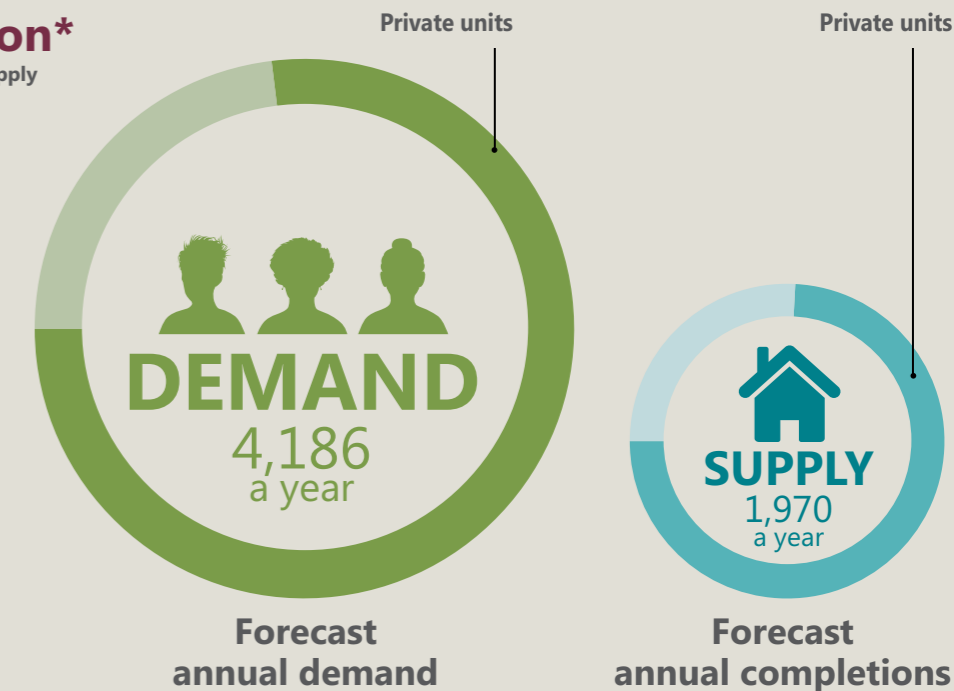
2008 forecast 2011 forecast



Source: Knight Frank Residential Research / DCLG

Central London*

Annual average demand vs supply 2013 - 2022



* Kensington & Chelsea, City of Westminster, City of London, Camden

THE PRICING FACTOR

The strength of prices and sales for prime and super-prime London property since 2009 (figure 2) has led to increasing numbers of developers targeting this portion of the market. While our data indicates that supply will fail to keep up with demand this does not mean that there is unlimited capacity for delivery at every price point.

The sheer weight of interest by developers at the top end of the market means those active in this sector will have to keep a very close eye on their pricing, especially for schemes moving away from the traditional core central prime areas.

There is also the issue of tax changes for high-value properties. Stamp duty charged on the purchase of £2m+ homes rose from 5% to 7% from March last year. Those buying a home through a company may also be liable to further charges under the Annual Tax on Enveloped Dwellings (ATED), previously referred to as ARPT, which was introduced in April this year. The ATED was introduced with wide-ranging reliefs, but those who are liable to pay face an annual tax on property held in a company structure.

The effect on the market of higher stamp duty and the new ATED rules have led to a more 'multi-speed' market, with sales activity for properties worth between £2m and £3m being most affected. Knight Frank forecasts that sales of properties worth between £2m and £5m will be 5% lower than they otherwise would have been as a result of these changes.

Measuring demand

In order to assess demand for housing, we examined official projections for household growth which indicate how many additional 'households' will be created in the capital over the next 10 years.

This data from the Department for Communities (DCLG) and Local Government (CLG) has recently been revised to take into account population data from Census 2011 for the first time. The census data showed that London's population jumped faster than expected in the decade to 2011 – climbing by 850,000 to hit 8.17 million.

The household growth forecasts anticipate population growth moving forward, but also model expectations for the average size of households, which are slowly getting smaller.

However the ONS has downgraded the rate at which households are expected to shrink, given the difficulties currently evident in the housing market. As a result – most of the country saw the forecasts for household creation downgraded as a result of the census data. London, however, is the exception.

The sheer scale of population growth expected in the capital means that the data shows that some 525,790 households are expected to be created between 2011 and 2021, a hefty 39% rise from the previous forecast for a 379,000 rise over the same period.

To assess demand for housing, we have averaged out this total to show an annual average, which indicates that there will be demand for an extra 52,579 units each year. Within this total, we see demand for private sector accommodation at 37,492 with the remaining demand being in the affordable sector (figure 7).

Focusing in on central London, which for this report includes the four boroughs of Kensington & Chelsea, Camden, City of London and Westminster, an extra 41,860 households are expected to be created between 2011 and 2021, giving an annual average uplift of 4,186. We estimate that demand for private sector homes will be around 3,218 a year.

Measuring supply

Assessing funding for development is still challenging, even six years after the start of the financial crisis, and planning regulations are also in a state of flux. These factors, which are examined in more details in our recent Housebuilding Report, increase the uncertainty about when schemes will be built out.

Despite these difficulties however, it is worth noting that there has been an uplift in development over the last year. The number of residential units granted planning permission in 2012 in London rose by 63% compared to 2011, although this was still 22% lower than the total number of units granted permission in 2008.

£80 bn

Total value of the new-build pipeline for London 2013 - 2022

In order to measure supply of housing across London, we examined the pipeline supply of schemes currently in the planning system. It is worth highlighting that we cannot second-guess when developers will bring a scheme forward – many of these decisions are based on factors unique to a scheme, such as funding, planning and development in the local area.

There are some 2,000 development schemes labelled as 'pre-planning' across London, meaning they have yet to enter the planning process. If all of the initial plans for these developments come to fruition, they could deliver 650,000 extra homes. But as yet, there is no guarantee that these schemes will be delivered.

There are more than 2,000 schemes in the planning system or currently under construction, yet some of the bigger schemes could take decades to complete. Schemes which include permission for 1,000 or more units make up 35% of the development pipeline currently in the planning system.

As such, we have analysed these schemes individually, to judge their likely phasing in order to assess the total development potential over the next decade.

As figure 7 shows, we have calculated total housing delivery between now and the end of 2022, and averaged this to achieve an annual figure, although we recognise that the total figures for yearly housing supply may fluctuate.

Our data indicates that over the next 10 years, some 277,240 residential units will be completed in Greater London. Around 177,340 of these will be private sector housing. This overall development figure is an increase from our 2012 forecast for delivery of 240,000 residential units.

In central London, around 19,700 units are expected to be delivered over the next decade, with 14,590 in the private sector.

However, these overall forecasts will mark a rise from recent housing delivery in the

capital. This has raised concerns about an oversupply of housing.

Outlook

Our analysis indicates that the supply of new housing will fall some way short of demand as indicated by the growth in new households in the capital. If the annual uplift in households in 2022 is assumed to continue on the same trajectory as the previous decade, then there is an indicated undersupply in housing of more than 40% across the capital between now and 2023.

Drilling down into the data however, it is clear that the delivery of new-build properties will vary from borough to borough, as shown in figure 5. The planning data suggests that Newham and Greenwich will see the highest levels of new units completed over the next decade.

In terms of supply by value, Tower Hamlets is out in front. Calculations based on current average house prices suggest that the total value of private sector housing which could be completed between now and the end of 2022 could be as high as £7 billion. Hammersmith and Fulham is next on this list, with a potential £6.8 billion of new-build housing in the pipeline over the next 10 years.

The estimated value of pipeline delivery which could come to market between now and 2022 in the four boroughs of central London is around £11.5 billion, with the total figure for London adding up to £80 billion.

We are not ruling out the possibility of supply outstripping demand in some local areas based purely on local data. But the ease with which people can re-locate within London means that the headline figures are probably a fairer judgement of housing supply and demand in the capital.

Residential Research

Gráinne Gilmore

Head of UK Residential Research
T +44 20 7861 5102
grainne.gilmore@knightfrank.com

Liam Bailey

Global Head of Residential Research
T +44 20 7861 5133
liam.bailey@knightfrank.com

Residential Development

Stephan Miles-Brown

Head of Residential Development
T +44 20 7861 5403
stephan.miles-brown@knightfrank.com

Justin Gaze

Head of Residential Development Land
T +44 20 7861 5407
justin.gaze@knightfrank.com

Ian Marris

Head of Residential Development Consultancy
T +44 20 7861 5404
ian.marris@knightfrank.com

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A3.7 Knight Frank Markit 'House Price Sentiment Index' report

Knight Frank/Markit House Price Sentiment Index (HPSI) – June 2013

Households' confidence over property prices hits three year high

Key headlines for June

- Households in every region expect the value of their home to rise over the next 12 months
- Optimism over future price rises is at its highest level in three years
- Londoners are the most optimistic about house price rises over the next year, closely followed by those in the East Midlands
- Households in North East expect the most modest increase in values
- Households perceive that the value of their home rose over the last month – at the fastest pace in three years

Change in current house prices

Households perceived that the value of their homes climbed in June, for the third consecutive month, according to the latest House Price Sentiment Index (HPSI) from Knight Frank and Markit.

Around 15% of the 1,500 homeowners surveyed across the UK said that the value of their home had risen over the last month, while only 8.6% indicated the value had fallen. This gives a HPSI reading of 53.2, the highest since June 2010.

Any figure under 50 indicates that prices are falling, and the lower the figure, the steeper the decline. Any figure over 50 indicates that prices are rising.

June's reading, which is up from 52.2 in May, marks the third month that the current price index has been in positive territory after 33 months of readings of 50 or under. The index signals that after three years of falling prices, households are increasingly confident that the value of their property has started to rise.

Households in London (59.5) reported that the value of their home had risen at the fastest rate over the last month, although the pace of increase was perceived to be slower than in May (64.7). Households in eight other regions also reported price rises (figure 4), while three reported price falls, with the biggest declines in Wales (46.5).

A lead indicator

Since the inception of the HPSI, the index has been a clear lead indicator for house price trends. Figure 3 shows that the index moves ahead of mainstream house price indices, confirming the advantage of an opinion-based survey which provides a current view on household sentiment, rather than historic evidence from transactions or mortgage market evidence.

Outlook for house prices

The future HPSI (figure 2), which measures what households think will happen to the value of their property over the next year, remained in positive territory for the 17th consecutive month.

Fig 1: Change in property values (HPSI)

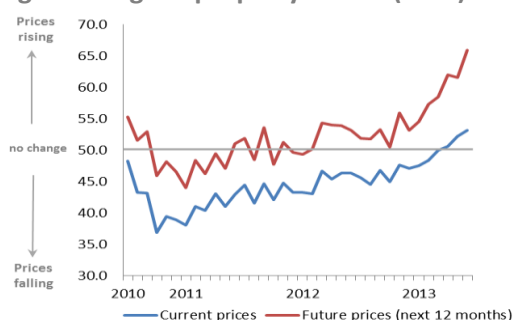
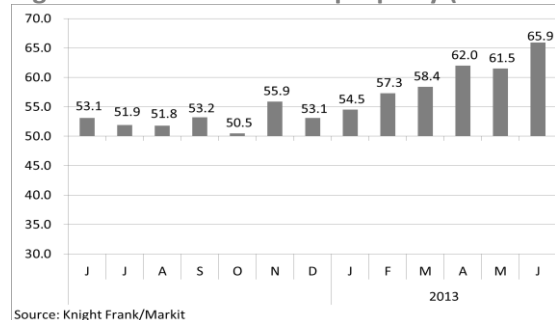


Fig 2: Outlook for value of property (Future HPSI)



NB: A score of 50 equates to no change, above or below representing growth or decline respectively.

The overall index reading for the UK was 65.9, a jump from May's reading of 61.5, and the highest reading since May 2010. On a smoother three-month average basis, the future HPSI reading was 63.1, in the three months to June 2013, up from 60.6 in the previous three-month period.

Regional outlook

While there are regional differences in the outlook for prices, respondents in all regions expect the value of their property to rise over the next 12 months. Londoners still lead from the front, with an index reading of 73.1, although this is down from 76.3 in May. London is closely followed by the East Midlands, with a reading of 72.9, up from 55.8 in May and marking the biggest monthly uplift in expectations since the index started.

Households in the North East are expecting the most modest rise in prices over the next 12 months, with a reading of 56.2, although this was up from 52.2 in May.

Expectations for future house price rises rose strongly among the over-55s (70.3) making them the most confident that the value of their home will climb by June 2014.

This is echoed in the rise in the index reading for those who own their home outright, which rose from 60.7 to 69.3, indicating that older homeowners who have built up equity in their property are now strongly expecting a turnaround in the direction of house prices.

However, households with a mortgage are even more upbeat about the possibility of price rises over the next year, with a reading of 70.3, up from 65.2 in May.

Gráinne Gilmore, head of UK residential research at Knight Frank, said:

"After three years of fairly bleak housing sentiment, June's data suggests that the market has turned a corner. London leads in terms of house price expectations, but it is interesting to note the increase in confidence across most other regions. This coincides with initial evidence of some 'green shoots' of recovery in regional economic activity in the UK.

"It seems clear that more upbeat economic data coupled with the Government's multi-billion pound plans targeted at the housing market and record-low interest rates, have contributed to a sustained improvement in households' expectations for property values."

Tim Moore, senior economist at Markit, said:

"House price expectations were already on the up when the Government's 'Help to Buy' scheme was launched in the spring, but this survey is another signal that the scheme has turned on the afterburners for UK property values. Highlighting a huge shift in sentiment since the Budget, now four times as many UK households expect house prices to rise over the coming year as those that anticipate a fall, up from twice as many in March and an evenly balanced outlook as recently as last October.

"Buoyant expectations have spread across the UK amid an upturn in current house prices and improving mortgage availability since the spring. Households reported the strongest increase in their property values for three years in June. Looking to the regional trends, while London was alone in seeing higher house prices at the end of 2012, the latest survey showed perceptions of higher property values in around two-thirds of all UK regions."

Knight Frank/Markit House Price Sentiment Index (HPSI) – Data Summary

Fig 3: HPSI vs house price indices (12 mth change)

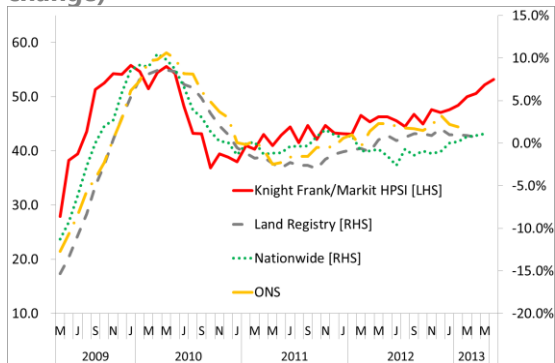


Fig 4: Regional change in current value of property



Current: Compared to one month ago, how do you think the value of the property/dwelling in which you live has changed?

	All UK	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	Wales	Scotland
Jun-12	46.3	41.9	47.4	46.9	47.7	44.3	47.2	50.7	44.3	45.0	40.4	47.4
Jul-12	45.6	42.0	44.8	43.9	41.6	46.6	48.4	51.0	46.1	44.1	43.0	43.5
Aug-12	44.5	44.2	39.5	41.9	42.8	42.5	46.9	51.9	45.0	43.9	39.8	45.8
Sep-12	46.8	47.0	44.7	46.2	45.5	43.2	50.3	53.4	48.4	46.4	44.7	40.0
Oct-12	45.0	44.8	40.5	43.4	40.5	45.0	42.0	49.5	49.1	43.6	41.9	49.0
Nov-12	47.6	46.5	45.1	44.8	46.0	47.1	48.2	54.1	50.5	47.9	39.3	45.4
Dec-12	47.1	47.6	46.4	46.8	39.9	46.8	49.0	53.2	47.8	46.3	42.0	45.7
Jan-13	47.6	45.5	45.9	47.8	47.5	43.6	48.7	54.5	47.8	50.6	42.7	42.0
Feb-13	48.4	43.4	46.0	46.4	47.3	49.4	48.3	54.1	49.3	46.5	49.4	47.1
Mar-13	50.0	41.6	52.2	48.3	44.8	45.9	51.2	58.0	53.8	47.8	45.2	46.5
Apr-13	50.6	50.1	47.9	47.6	47.2	45.7	51.3	56.8	56.2	49.9	52.3	45.1
May-13	52.2	46.6	51.1	50.5	48.6	50.6	50.7	64.7	52.4	51.5	47.7	48.4
Jun-13	53.2	47.4	49.6	50.5	55.2	53.4	56.5	59.5	53.4	52.3	46.5	53.2

Future: How do you think the value of the property/dwelling in which you live will have changed 12 months from now?

	All UK	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West	Wales	Scotland
Jun-12	53.1	45.5	47.7	52.0	52.6	52.6	55.4	60.2	55.3	46.7	54.3	54.8
Jul-12	51.9	45.5	49.7	37.9	48.5	52.3	53.9	63.5	53.6	49.1	56.2	51.8
Aug-12	51.8	46.2	44.1	52.7	48.9	47.3	53.1	61.3	53.4	52.2	49.4	52.8
Sep-12	53.2	54.6	48.5	46.4	51.0	52.2	56.2	63.1	55.7	55.0	47.9	47.1
Oct-12	50.5	45.1	42.1	43.9	44.5	53.2	49.4	59.8	60.8	47.8	43.7	49.8
Nov-12	55.9	50.3	53.8	54.1	53.6	53.9	55.8	63.3	61.1	57.1	45.2	52.8
Dec-12	53.1	48.0	52.6	55.3	48.5	48.6	53.1	61.6	54.5	56.3	45.6	48.7
Jan-13	54.5	45.7	50.3	51.5	51.5	50.8	56.4	65.5	59.8	55.9	45.2	49.7
Feb-13	57.3	52.2	53.2	52.9	55.6	54.0	58.4	64.2	62.2	56.2	60.5	53.8
Mar-13	58.4	45.7	54.9	52.4	54.3	54.3	61.6	70.4	66.4	53.6	57.1	53.6
Apr-13	62.0	62.1	59.0	60.2	54.7	56.5	64.5	70.8	66.1	60.1	63.3	57.4
May-13	61.5	52.2	59.6	61.9	55.8	60.4	59.5	76.3	62.9	58.4	52.6	59.3
Jun-13	65.9	56.2	63.7	61.1	72.9	64.9	68.4	73.1	68.2	62.8	57.4	63.7

For further information, please contact

Knight Frank

██████████
██████████ [e@knightfrank.com](mailto:██████████@knightfrank.com)
██████████

██████████, Head of UK Residential Research
██████████ [@knightfrank.com](mailto:██████████@knightfrank.com)
██████████
██████████

Markit

██████████, Director, Corporate
Communications
██████████ [@markit.com](mailto:██████████@markit.com)
██████████

██████████, Chief Economist
██████████ [@markit.com](mailto:██████████@markit.com)
██████████

Notes to editors

About the HPSI

The Knight Frank/Markit House Price Sentiment Index (HPSI) survey was first conducted in February 2009 and is compiled each month by Markit.

The survey is based on monthly responses from approximately 1,500 individuals in Great Britain, with data collected by Ipsos MORI from its panel of respondents aged 18-64. The survey sample is structured according to gender, region and age to ensure the survey results accurately reflect the true composition of the population. Results are also weighted to further improve representativeness.

Prior to September 2010, the Household Finance Index was jointly compiled by YouGov and Markit based on monthly responses from over 2,000 UK households, with data collected online by YouGovplc from its representative panel of respondents aged 18 and above. The panel was structured according to income, region and age to ensure the survey results accurately reflected the true composition of the UK population. Results were also weighted to further improve representativeness.

Index numbers

Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with readings of exactly 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration.

IpsosMORITECHNICAL DETAILS (June survey)

IpsosMORI interviewed 1500 adults aged 18-64 across Great Britain from its online panel of respondents. Interviews were conducted online between 6th and 10th June 2013. A representative sample of adults was interviewed with quota controls set by gender, age and region and the resultant survey data weighted to the known GB profile of this audience by gender, age, region and household income. Ipsos MORI was responsible for the fieldwork and data collection only and not responsible for the analysis, reporting or interpretation of the survey results.

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For the latest news, views and analysis on the world of prime property visit Knight Frank's new website Global Briefing at <http://www.knightfrankblog.com/global-briefing>. And follow us on twitter @kfglobalbrief and @knightfrank.

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A3.8 Savills UK Residential Development Land report

Market in Minutes

UK Residential

Development Land

May 2013



SUMMARY

Stronger market sentiment and funding initiatives boost the demand for land

■ Housebuilders report encouraging increases in sales activity as the mortgage market eases, aided by government funding initiatives that include FirstBuy, Funding for Lending and now Help to Buy.

■ Some major housebuilders have received a financial boost as the City looks to invest in the recovery in the housing market. This will fund more development and land buying.

■ London residential land values have grown by 87% since their low of March 2009, and have now, on

average, exceeded their 2007 peak.

■ The recently announced Help to Buy scheme will boost private housing output by as much as 30%. This will require more land.

“Housebuilders report encouraging increases in sales activity as the mortgage market eases, aided by the government funding initiatives”

Jim Ward, Savills Research

➔ **A demand for land**

Housebuilders have been increasing their development output in the wake of encouraging sales activity, and have ambition to expand further. The listed housebuilders have returned to good shape, the top eight reporting profit growth of 33% in the most recent financial year. All are actively seeking new sites to secure development pipeline, which is increasing demand for serviced land in more locations.

The housebuilding sector has seen further recapitalisation as the City looks to invest in the recovery in the housing market. Cala has been sold to new owners, a joint venture between Legal & General and Patron Capital Partners, while Countryside sold a stake to Oaktree Capital.

In February, Crest Nicholson floated on the stock market – the first initial public offering in the sector since 1996. These new injections of capital will fund new land buying and expansion, and will put upward pressure on prices, particularly as suitable sites remain in short supply. This is in spite of the recent increase in new planning consents.

Market sentiment continues to strengthen and the number of good quality sites are limited, pushing greenfield land values up by 1.4% in Q1 2013. Urban land in the right locations has seen increased demand as housebuilders and developers seek alternatives to restricted numbers of greenfield sites. Urban land values saw growth of 2% in Q1 2013, the highest quarterly price increase for two years.

Nonetheless, greenfield land values stand 32% below their former highs, with urban values still less than half their pre-crunch peak (see Table 1). There is significant variation around these averages, both at the regional and local level, with small consented

TABLE 1 **Selected regional land values vs former peak**

	Greenfield	Urban
London		1%
South East	-26%	-52%
South West	-28%	-38%
West Midlands	-28%	-53%
UK	-32%	-53%
East of England	-36%	-61%
Scotland	-41%	-44%
East Midlands	-45%	-62%
North	-58%	-73%

Source: Savills Research

sites in prime locations selling at above previous prices. Permissioned land in the right locations is in short supply. Our index figures are for the blended value of land, including both market and affordable housing. Recent price movements conceal a reduction in the value of affordable housing land, offsetting stronger growth in the value of land for market housing.

With land values outside the pockets in which it is trading still suppressed, there are opportunities to those in a position to take a long-term view.

Government initiatives

Housebuilders report encouraging increases in sales activity as the mortgage market eases, aided by the Funding for Lending initiative.

In February, a net balance of +51% of homebuilders reported increased visitors to their sites compared to a year earlier, the best year on year visitor balance since January

1994, according to HBF figures. Net reservations also rose strongly, with a balance of +22% of home builders reporting a year on year increase, the fourth successive positive reservations balance, implying improving rates of sale on new build developments. The major housebuilders have all reported improved rates of sale; the top eight cite an average of 0.54 sales per outlet per week in 2012, up from 0.46 in 2011.

Improved activity is being driven by existing home owners with equity, as well as investors and increasing numbers of first time buyers from a low base. According to the CML, lending to first-time buyers was 25% higher than January last year, accounting for 42% of all house purchase loans. The beginnings of a resurgence of first time buyer demand indicates the positive impact that NewBuy and FirstBuy have had on the market.

The recently introduced Help to Buy scheme is poised to make an even bigger impact. The £3.5 billion equity loan scheme offers up to 20% on properties up to £600,000 in value, with the purchaser providing a 5% deposit. Unlike previous schemes, no contribution is required by the developer, and it is open to all owner occupiers, not only first time buyers. ➔

.....
 “Market sentiment continues to strengthen and the number of good quality sites are limited, pushing greenfield land values up by 1.4% in Q1 2013”

Paul Tostevin, Savills Research

“Residential land values in London have consistently outperformed the rest of the country, driven by investor demand for flats in central London”

Jim Ward, Savills Research

→ We estimate that Help to Buy could increase private sector building by 30% over the life of the scheme.

Land in London

Residential land values in London have consistently outperformed the rest of the country, driven by investor demand for flats in central London, forward funded by overseas sales. London residential land values have grown by 87% since their low of March 2009, and now, on average, exceed their 2007 peak.

London residential development land remains in strong demand, with an ever increasing number of purchasers competing for a limited number of permissioned sites.

In addition to the PLC housebuilders, developers and property companies, recapitalised smaller and medium sized players are also seeking opportunities. Demand is hottest in travel zones one and two, while the outer zones offer more sites with long-term potential. ■

The changing landscape of land trading

Demand for larger sites grows

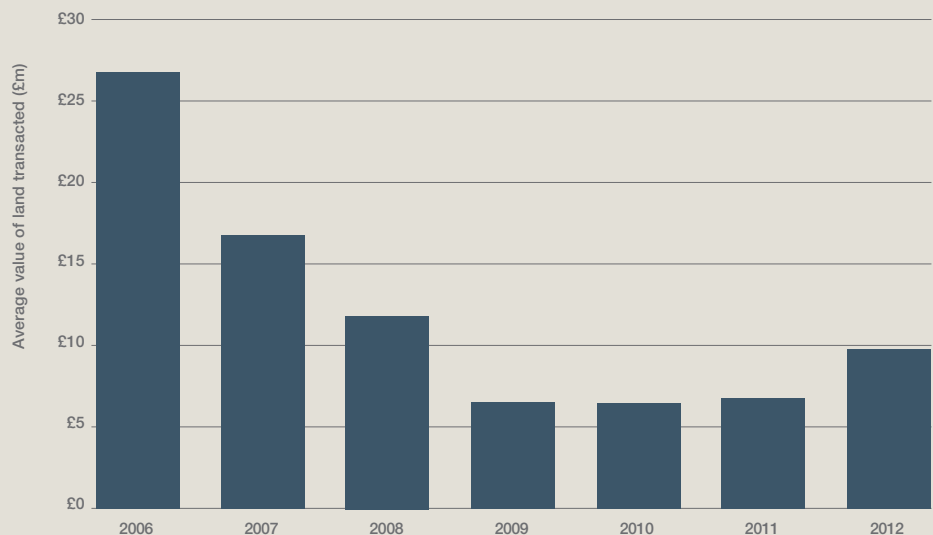
Trading of development land saw a marked shift toward smaller, oven-ready sites in the wake of the wider market downturn. The average site size of land traded has fallen significantly since 2006.

By 2011, with appetite for long-term strategic land reduced, this average had dropped to six acres as buyers focused on

easily deliverable sites. The average site price paid fell as smaller sites traded.

Last year saw an uptick in the average size of site traded, along with price paid, reflecting growing values and demand for larger sites as housebuilders and developers looked to secure land pipeline in an improving market.

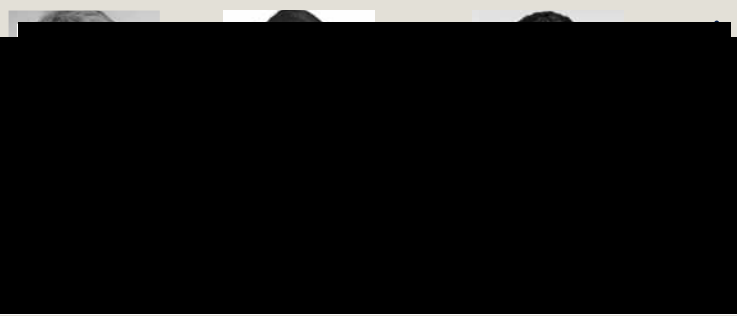
GRAPH 1 **Average value of land transacted, 2006-2012**



Source: Savills Research

Savills Research team

Please contact us for further information



Savills plc

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A3.9 Jones Lang LaSalle Brixton Town Centre Masterplan Report



Real value in a changing world

Brixton Town Centre

Residential Market Commentary
on behalf of Kajima Partnerships Ltd

June 2013

1. Market Commentary and Sales Prices

1.1 General Greater London Residential Market

Since summer 2011 the annual number of property transactions in London has increased slightly. During the year to January 2013 transaction levels in London were 3.0% higher than the preceding year which compares with no growth in England & Wales.

Transaction levels, however, are significantly below their recent peak and 10 year average due to lack of development financing and a more restrictive mortgage market during the protracted downturn. The current level of transactions in London, at 92,900 pa, is 44% lower than the 2006 average which compares with 49% lower in England & Wales. The annual number of transactions in London is 26% below the 10 year average and 33% lower across England & Wales. The rebound in annual transactions in London between the 2009 low and January 2013 is 64% which compares to a recovery of 34% in England & Wales. (Source: Land Registry).

House prices in London are significantly higher than the England & Wales average. The average house price in London was £374,600 in March 2013 compared with £161,800 in England & Wales. House price growth has been far stronger relative to England & Wales in recent years. Average house prices in London are now 26.9% higher than their 2009 low but only 7.0% higher across England & Wales. (Source: Land Registry).

House prices in Greater London grew by 3.0% during the three months to end-March 2013. This increase was higher than the 0.7% average increase registered across England & Wales. This 3.0% increase is an improvement from the 0.9% increase seen in the three months to December 2012, while a lesser improvement of 0.2% was registered in the preceding three month period. In the year to end-March 2013 house prices in Greater London increased by 9.6%, considerably higher than the 0.9% average rise in England & Wales. (Source: Land Registry).

1.2 Brixton Market

1.3 The UK Economic Backdrop

The UK economy continues to show signs of recovery, with the Q1 2013 GDP estimate of 0.3% coming in above expectations. However, this improving backdrop must be place within the context of significant underlying weakness in household finances that will drag on consumer confidence and spending for some time to come. Government deficit reduction plans will also continue to squeeze investment in capital projects, and the export-driven solution to economic growth remains elusive, although more recently the trade deficit has narrowed.

It is clear that the UK Government has turned to broad-based improvements in the housing market as a strategy to improve consumer confidence. Funding for Lending is the most significant programme, driving down bank lending rates for mortgage market activity and lending to small businesses. Although the impact of the programme has been positive, it largely benefits home movers with reasonable deposits (ie. 20-25% of purchase price) as the overall volume of mortgage lending has not significantly improved.

More recently, the 2013 Budget announcement included the Help to Buy programme, which provides an equity loan to purchasers such that only a 5% deposit is required on the purchase of a new-build property up to a value of £600,000. Although still premature to make conclusive statements, housebuilders are widely reporting an uptick in activity and transaction levels have improved

considerably since the programme began. With the second phase of the programme that supports further mortgage lending due to begin in 2014, the housing market is well-supported over the medium term. In fact, in the context of London's far more robust housing market, many are concerned about the prospects of these programmes fuelling a further housing bubble.

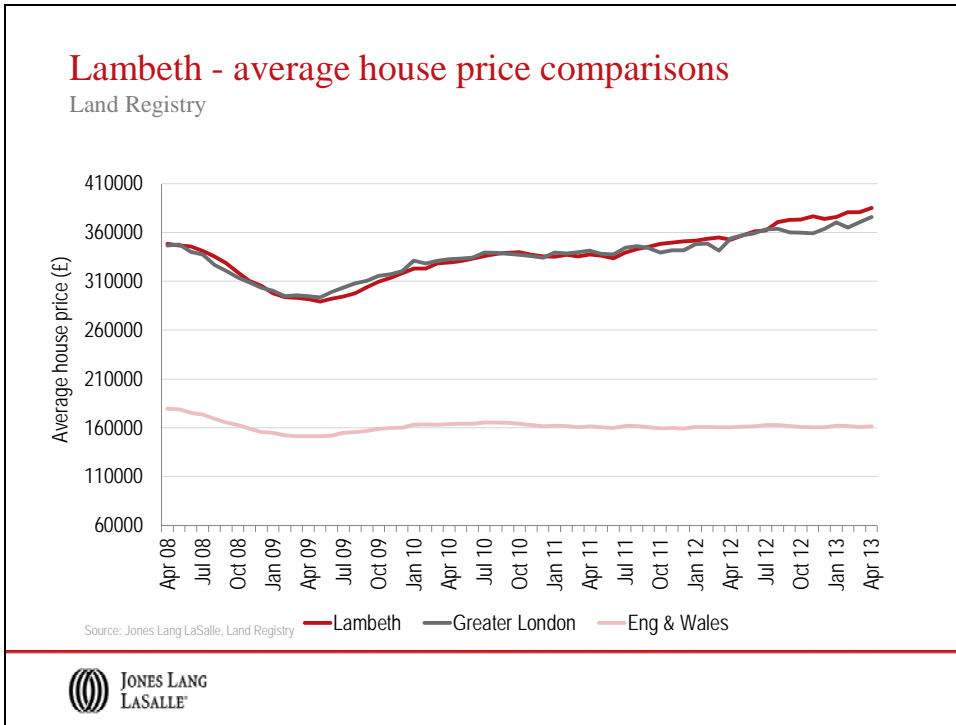
The Jones Lang LaSalle forecasts for the UK economy are in line with most commentators, up 0.9% in 2013 and with slow improvements to GDP growth predicted for the next couple of years, before returning closer to the long-run average by 2016/17.

1.4 The Brixton and Area Housing Market

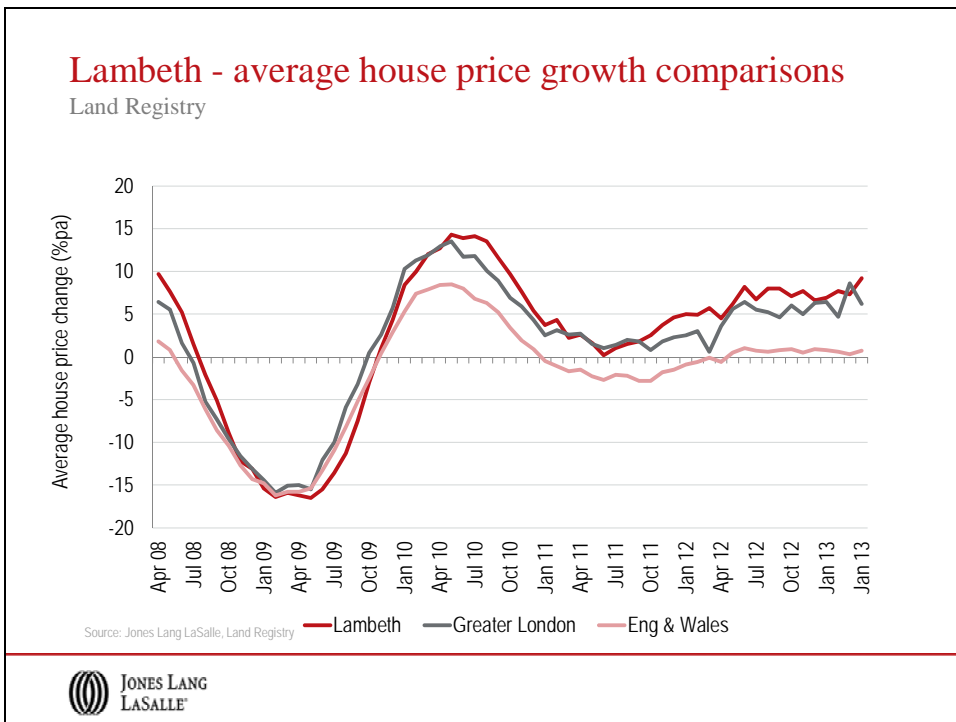
The Brixton residential market has historically had more modest average prices in comparison with some of the neighbouring housing markets such as Clapham to the west and the emerging strength of the market in Battersea/ Nine Elms to the north west. This region of inner south London is characterised by Victorian terraced streets and large social housing estates, with a predominance of the latter in or near Brixton. However the area is under strong residential price pressure as higher values in these neighbouring locations drive purchasers increasingly towards more modestly priced locations, such as Brixton. Notably, Clapham has become synonymous with young professional middle class wealth and large-scale regeneration a short distance further north in the London Borough of Lambeth will continue to drive the next wave of value growth south towards Brixton.

Residential prices in the London Borough of Lambeth have followed a similar trend to that of London over the past five years, with both showing stronger improvement than the average for England & Wales. Residential prices in Lambeth have increased by 10.5% in the five years to April 2013, above the 8.4% in London. An average decline of 10.1% was registered in England & Wales for the same period. The average house price in Lambeth is presently £385,000, significantly above the average of £162,000 in England & Wales.

In the year to April 2013 average prices increased by 9.2% in Lambeth and by 6.2% in London, while marginal growth of 0.7% was registered in England & Wales. The chart below shows average house prices in Lambeth compared with London and England & Wales.

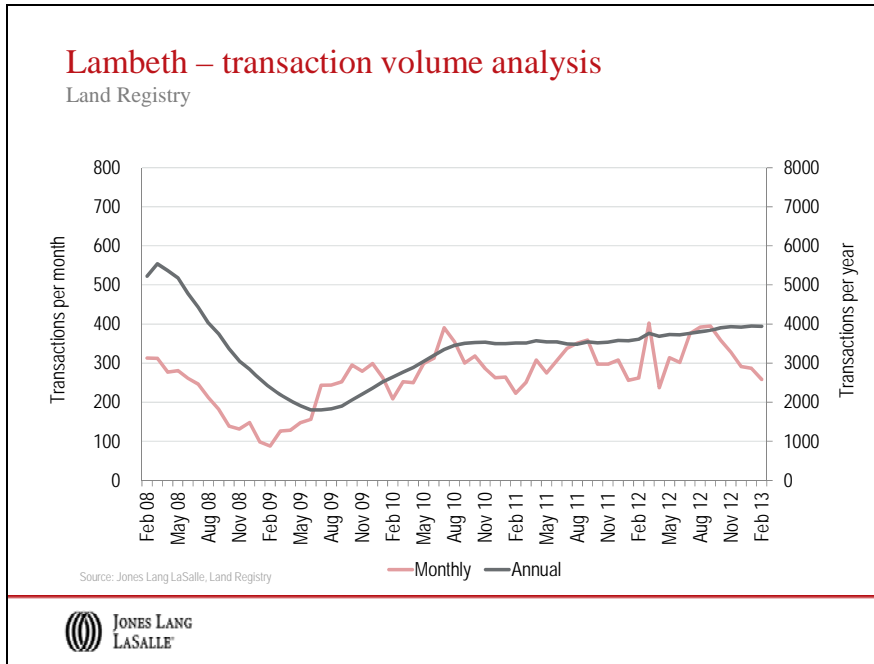


The chart below shows the house price growth in Lambeth compared with London and England & Wales over the past five years.



1.5 Lambeth Housing Transactions

There has been only modest improvements in the level of transactions in Lambeth since mid-2010, in line with national trends. The continued lack of mortgage funding has held back greater activity levels. However, the Government’s Help to Buy scheme is, alongside others, beginning to have an impact on sales rates on new build locations across the UK and notably in the South of England.



1.6 Housing Market

In line with the changing character of Brixton, tenures in the local housing market have also evolved. Ownership levels in the local area have been broadly stable, while the proportion living in the private rented sector is now around 25% of all households on average. Most Census areas in Brixton have seen PRS growth of between 50% and 80% in the decade up to the 2011 Census. In contrast, there has been a significant fall in the proportion of households living in social housing, down by around 20% on average in Census defined areas (see below).

These changes combine to highlight the significant structural transition occurring in the Brixton housing market as greater investment flows into to local area. With significant planned regeneration investment planned for Brixton Town Centre, we anticipate not only a continuation of this structural shift but an accelerated rate of change.

Brixton social rented sector



Source: Jones Lang LaSalle, ONS



The statistics above combine to underpin a fundamentally evolving local housing market in Brixton, one which is more highly orientated towards the private for sale and rental markets. These pivotal signals of demand for improved housing stock will underpin the more broad-based regeneration improvements values going forward. The extent to which ongoing regeneration investment continues to shape Brixton Town Centre as a more aspiration residential location will reinforce this demand and determine the growth rate for local house prices.

On this basis, we expect Brixton house prices to continue to outperform average growth rates for Lambeth and the rest of London, with annualised growth rates of between 4% and 7% likely over the next five years. This will be contingent on regeneration momentum continuing, including public realm improvements and new property investment that signals direction of change for Brixton as a preferred residential market.

1.6.1 Private Rental Sector (PRS) Comment

There would be strong demand from PRS investors for Brixton due to the vibrant community, relatively affordable rental market and excellent transport infrastructure. JLL has recently pre-qualified in excess of 20 funds looking to deploy circa £3bn into PRS and given the paucity of stock, the majority will look at forward purchase (off plan purchase of turnkey product) as well as income producing investments. Typical criteria for PRS purchasers include the following:

- self-contained freehold or long lease hold block
- 50 – 150 units
- 5 minute walk to station
- 30 minute commute
- access to local amenities
- concierge if appropriate

Key metrics for PRS investors include income return, base price and growth potential. Given the gentrification of the area we consider that Brixton will appeal on all fronts.

1.6.2 Latest Comparable Residential Developments

Brixton is witnessing a surge in demand from house builders and developers in response to the increasing purchaser and occupier demand to settle in its vibrant quarters. A lack of stock is resulting in new build property being snapped up quickly, as demonstrated with Crest Nicholson's Resonate development located up near Stockwell station. All 58 apartments sold off plan within four months of being launched achieving an average of £550 per sq ft. We would consider this an inferior location to the subject sites. Closer to the centre of Brixton and the subject sites is Barratt's Brixton Square development. The development comprises 155 apartments in total of which 107 are for private sale. Marketing commenced in December 2012 with 58 apartments being sold by April out of the 65 that have so far been released. Average prices achieved are circa £520 per sq ft but it is important to note that although central, this development is railway affected which has a detrimental impact on price.

The above sales rates demonstrate that there is an insatiable appetite from investors and owner occupiers for new build apartments in this area. Taking into account the subject sites' central locations, as well as the fact that they are not railway affected, we would anticipate prices well in advance of both the Resonate and Brixton Square schemes.

1.6.3 Local Retail Market

Brixton's prime retail pitch falls on A23 Brixton Road between where it junctions with Coldharbour Lane and Atlantic Road. Brixton is witnessing an influx of stronger covenants with companies such as Foxtons and Marks and Spencer recently arriving in the area. In terms of rental values prime retail lets for in excess of £200 per sq ft ITZA. 462 Brixton Rd is let to Phones 4U at a rent of £254 per sq ft ITZA. Also of note Foxtons have recently taken 506 – 508 Brixton Rd at rent of £250,000 per annum equating to £220 per sq ft ITZA. This agreement included a £100,000 premium from the landlord to the tenant. Prime retail rents in Brixton on an overall basis are in excess of £60 per ft.

Moving away from the prime retail pitch rents do fall by some distance as would be expected. Below we list two secondary comparables which demonstrate the rents being achieved for secondary retail outlets:

65a Atlantic Road, Brixton- In August 2012, the retail unit was taken on a 3 year lease with 3 months rent free for £6,500 per annum equating to approximately £23 per sq ft on an overall basis. The property is located on a secondary pitch akin to International House however is very much in a poor condition.

9 Atlantic Road, Brixton- In September 2011, Harvey & Thompson Limited took the retail unit on a 10 year lease with 3 months rent free with 5 yearly rent reviews for £40,000 per annum equating to approximately £36 per sq ft on an overall basis. The lease includes a stepped rental agreement increasing to £42,500 per annum in September 2012, £45,000 per annum in 2013 and £47,500 per annum in 2014. The property is approximately 1,121 sq ft in size and comprises a converted railway arch which now offers retail space and benefits from a dual frontage. The property is located on Atlantic Road, in a busy high street location, adjacent to Brixton over ground and underground stations.

These comparables demonstrate that for secondary retail, rents fall within the region of £20 - £40 per sq ft. However the subject sites are of an inferior location to the above comparables and as such achievable rents would likely fall within the range of £15 - £25 per ft.

With regards to yields, prime Brixton yields are at 6% although with a 10 year lease to a Tesco, Sainsbury's or Waitrose yields might be as low as 5.75%. Moving to secondary locations we would anticipate yields softening somewhat. We would anticipate achievable yields being in the region of 6.5% - 7.5% depending on covenant. For instance a typical prominent bookmakers shop would command a yield of circa 6.5%.



Real value in a changing world

[REDACTED]
Director
Residential Land
30 Warwick Street
London
W1B 5NH

+ [REDACTED]
[REDACTED]

[REDACTED]
Senior Surveyor
Residential Land
30 Warwick Street
London
W1B 5NH

+ [REDACTED]
[REDACTED]

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A3.10 Development Appraisals

Base Bid (40% Affordable Housing) Surplus Site Appraisals – Grown Costs and Values

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Base Bid (40% Affordable Housing, Grown costs and values)

64 Private Dwellings, 21 Affordable Dwellings

Grown sales and costs

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Base Bid (40% Affordable Housing, Grown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jan 2016				
Pre-Construction	3	Jan 2016	Mar 2016	Purchase	End	0
Construction	18	Apr 2016	Sep 2017	Pre-Construction	End	0
Sale	12	Oct 2017	Sep 2018	Income Flow	End	0
Phase End		Sep 2018				
Phase Length	33					

Project Length 66 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Base Bid (40% Affordable Housing, Grown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No Growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Base Bid (40% Affordable Housing, Grown costs and values)**Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Base Bid (40% Affordable Housing, Grown costs and values)**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	ft²	Rate ft²	Gross Sales	Adjustment	Net Sales
‡ Private Apartments	43,014	£521.00	22,410,294	5,356,710	27,767,004
‡ Affordable Homes	13,993	£255.00	3,568,215	822,853	4,391,068
Totals	<u>57,007</u>		<u>25,978,509</u>	<u>6,179,563</u>	<u>32,158,072</u>

Rental Area Summary	ft²	Rate ft²	Gross MRV
Hambrook Retail Unit	1,550	£20.00	31,000

Investment Valuation
Hambrook Retail Unit

Current Rent	31,000	YP @	8.0000%	12.5000	387,500
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GROSS DEVELOPMENT VALUE 32,545,572

Income from Tenants 12,917

NET REALISATION 32,558,488

OUTLAY**ACQUISITION COSTS**

Residualised Price			10,019,394	
Stamp Duty		4.00%	400,776	
Agent Fee		1.00%	100,194	
Legal Fee		0.50%	50,097	
				10,570,461

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
‡ Private Apartments	77,513	£125.95	10,514,968	10,514,968
Design Reserve		5.00%	633,061	
Construction Contingency		5.00%	633,061	
Demolition			150,000	
				1,416,121

Other Construction

Preliminaries		13.00%	1,386,446	
Contractor's OH&P		3.00%	361,542	
Contractor's D&B Risk		2.00%	248,259	
s106/CIL costs @ £12,500/Apartment			1,062,500	
				3,058,747

PROFESSIONAL FEES

Professional Fees		10.00%	1,190,141	
				1,190,141

MARKETING & LETTING

Marketing		2.00%	650,911	
				650,911

DISPOSAL FEES

Sales Agent Fee		2.00%	650,911	
Sales Legal Fee		0.50%	162,728	
				813,639

Interest and Fees not Included in Project Costs

Interest paid to Debt Sources:				
Debt (4.500%)		1,202,322		
Total Interest paid to Debt Sources:			1,202,322	
Total Interest Paid			1,202,322	
Debt Financing Fees				
Debt - (1.000%) (Single)		181,313		
Total Debt Financing Fees			181,313	

Total Interest and Fees not Included in Project Costs 1,383,635

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Base Bid (40% Affordable Housing, Grown costs and values)****TOTAL COSTS** **29,598,624****PROFIT**

Equity			
Residual Percentage (100.00%)	2,959,864		
		2,959,864	
			2,959,864

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.09%
Profit on NDV%	9.09%
Development Yield% (on Rent)	0.10%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
Gross Initial Yield%	8.00%
Net Initial Yield%	8.00%
Ungeared IRR%	11.25%
Geared IRR% (without Interest)	11.25%
Equity IRR% (without Interest)	26.74%
Rent Cover	95 yrs 6 mths

‡ Inflation/Growth applied

Growth on Sales

		Ungrown	Growth	Total
Private Apartments	5% pa growth at 5.000% var.	22,410,294	5,356,710	27,767,004
Affordable Homes	5% pa growth at 5.000% var.	3,568,215	822,853	4,391,068

Inflation on Construction Costs

		Uninflated	Inflation	Total
Private Apartments	Inflation Set 1 at 2.000% var.	9,763,000	751,968	10,514,968

SENSITIVITY ANALYSIS**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Base Bid (40% Affordable Housing, Grown costs and values)****Table of Residual Land Price (Target Rate 10.00%)****Sensitivity Analysis for Phase 1****Profit - 2.000%**

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£9,335,962	£10,586,505	£11,837,047	£13,089,222	£14,341,473
-5.000% 0 ft ²	£8,669,682	£9,918,976	£11,169,519	£12,420,061	£13,672,183
0.000% 0 ft ²	£8,003,691	£9,252,556	£10,501,990	£11,752,533	£13,003,074
+5.000% 0 ft ²	£7,337,711	£8,586,563	£9,835,430	£11,085,004	£12,335,546
+10.000% 0 ft ²	£6,672,942	£7,920,584	£9,169,447	£10,418,304	£11,668,017

Profit - 1.000%

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£9,116,845	£10,355,338	£11,593,855	£12,833,628	£14,073,836
-5.000% 0 ft ²	£8,450,712	£9,687,659	£10,926,177	£12,164,695	£13,404,397
0.000% 0 ft ²	£7,784,573	£9,021,430	£10,258,498	£11,497,017	£12,735,534
+5.000% 0 ft ²	£7,118,637	£8,355,289	£9,592,147	£10,829,338	£12,067,856
+10.000% 0 ft ²	£6,453,845	£7,689,160	£8,926,005	£10,162,865	£11,400,177

Profit 0.000%

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£8,901,842	£10,128,203	£11,354,904	£12,582,488	£13,810,859
-5.000% 0 ft ²	£8,235,565	£9,460,618	£10,687,083	£11,913,784	£13,141,280
0.000% 0 ft ²	£7,569,281	£8,794,341	£10,019,394	£11,245,963	£12,472,664
+5.000% 0 ft ²	£6,903,515	£8,128,056	£9,353,117	£10,578,170	£11,804,843
+10.000% 0 ft ²	£6,238,576	£7,461,989	£8,686,830	£9,911,893	£11,137,022

Profit + 1.000%

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£8,690,375	£9,904,804	£11,119,885	£12,335,484	£13,552,204
-5.000% 0 ft ²	£8,023,953	£9,237,403	£10,451,919	£11,666,999	£12,882,493
0.000% 0 ft ²	£7,357,525	£8,570,981	£9,784,430	£10,999,033	£12,214,114
+5.000% 0 ft ²	£6,691,924	£7,904,552	£9,118,009	£10,331,458	£11,546,148
+10.000% 0 ft ²	£6,026,840	£7,238,667	£8,451,578	£9,665,036	£10,878,485

Profit + 2.000%

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£8,482,684	£9,685,395	£10,889,062	£12,092,890	£13,298,181
-5.000% 0 ft ²	£7,816,120	£9,018,173	£10,220,954	£11,424,621	£12,628,327
0.000% 0 ft ²	£7,149,551	£8,351,609	£9,553,662	£10,756,513	£11,960,180
+5.000% 0 ft ²	£6,484,111	£7,685,039	£8,887,098	£10,089,151	£11,292,072
+10.000% 0 ft ²	£5,818,886	£7,019,332	£8,220,527	£9,422,588	£10,624,640

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE**Base Bid (40% Affordable Housing, Grown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£521.00 pf ²
Affordable Homes	1	£255.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Unit Area

Heading	Phase	Original Value
Hambrook Retail Unit	1	1,550 ft ²
Private Apartments	1	77,513 ft ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Grown costs and values)

31 Private Dwellings and GP/Pharmacy
Grown Sales & Costs
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Grown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	18	Dec 2017	May 2019	Pre-Construction	End	0
Sale	12	Jun 2019	May 2020	Income Flow	End	0
Phase End		May 2020				
Phase Length	33					

Project Length 86 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- (Manual relations applied to some Professional Fees)
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)

Assumptions

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft ²	Rate ft ²	Gross Sales	Adjustment	Net Sales
‡ Private Apartments	26,060	£535.00	13,942,100	4,056,446	17,998,546

Rental Area Summary

	ft ²	Rate ft ²	Gross MRV
GP Surgery & Pharmacy (LG/G)	16,781	£22.00	369,182

Investment Valuation

GP Surgery & Pharmacy (LG/G)					
Current Rent	369,182	YP @	6.0000%	16.6667	6,153,033

GROSS DEVELOPMENT VALUE

	24,151,579
Income from Tenants	338,417

NET REALISATION**24,489,996****OUTLAY****ACQUISITION COSTS**

Residualised Price			9,222,660	
Stamp Duty		4.00%	368,906	
Agent Fee		1.00%	92,227	
Legal Fee		0.50%	46,113	
				9,729,907

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
GP Surgery & Pharmacy (LG/G)	16,781	£130.00	2,181,530	
‡ Private Apartments	41,021	£110.99	5,068,225	
Totals	<u>57,802</u>		<u>7,249,755</u>	7,249,755

Design Reserve	5.00%	300,844	
Construction Contingency	5.00%	300,844	
Demolition		216,000	
			817,689

Other Construction

Preliminaries	13.00%	658,869	
Contractor OH&P	3.00%	171,813	
Contractor D&B Risk	2.00%	117,978	
s106/CIL Costs @ £12,500/Apartment		387,500	
			1,336,160

PROFESSIONAL FEES

Professional Fees	10.00%	880,010	
			880,010

MARKETING & LETTING

Marketing	2.00%	483,032	
			483,032

DISPOSAL FEES

Sales Agent Fee	2.00%	483,032	
Sales Legal Fee	0.50%	120,758	
			603,789

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:					
Debt (4.500%)		1,026,416			
Total Interest paid to Debt Sources:			1,026,416		
Total Interest Paid			1,026,416		
Debt Financing Fees					
Debt - (1.000%) (Single)		136,866			
Total Debt Financing Fees			136,866		

Total Interest and Fees not Included in Project Costs**1,163,282**

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Grown costs and values)**

TOTAL COSTS				22,263,624
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PROFIT

Equity				
Residual Percentage (100.00%)	2,226,371			
		2,226,371		
				2,226,371

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.22%
Profit on NDV%	9.22%
Development Yield% (on Rent)	1.66%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Ungeared IRR%	10.02%
Geared IRR% (without Interest)	10.02%
Equity IRR% (without Interest)	21.55%
Rent Cover	6 yrs

‡ Inflation/Growth applied

Growth on Sales		Ungrown	Growth	Total
Private Apartments	5% pa growth at 5.000% var.	13,942,100	4,056,446	17,998,546

Inflation on Construction Costs		Uninflated	Inflation	Total
Private Apartments	Inflation Set 1 at 2.000% var.	4,553,000	515,225	5,068,225

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Grown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,846,721	£9,547,385	£10,248,905	£10,950,740	£11,653,152
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,513,482	£9,214,050	£9,914,802	£10,616,322	£11,318,068
0.000% £110.99 ft ²	£8,180,841	£8,880,811	£9,581,371	£10,282,218	£10,983,638
+5.000% £116.54 ft ²	£7,848,379	£8,547,989	£9,248,140	£9,948,700	£10,649,519
+10.000% £122.09 ft ²	£7,515,917	£8,215,527	£8,915,137	£9,615,469	£10,315,907

Profit - 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,679,014	£9,372,933	£10,067,634	£10,762,527	£11,457,806
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,345,852	£9,039,692	£9,733,611	£10,428,375	£11,122,723
0.000% £110.99 ft ²	£8,013,391	£8,706,461	£9,400,370	£10,094,259	£10,788,584
+5.000% £116.54 ft ²	£7,680,929	£8,373,897	£9,067,139	£9,761,001	£10,454,465
+10.000% £122.09 ft ²	£7,348,585	£8,041,435	£8,734,404	£9,427,754	£10,121,133

Profit 0.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,514,365	£9,201,753	£9,889,659	£10,577,541	£11,266,012
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,181,446	£8,868,513	£9,555,900	£10,243,423	£10,931,195
0.000% £110.99 ft ²	£7,848,985	£8,535,432	£9,222,660	£9,909,582	£10,597,076
+5.000% £116.54 ft ²	£7,516,523	£8,202,971	£8,889,429	£9,576,324	£10,263,168
+10.000% £122.09 ft ²	£7,184,421	£7,870,508	£8,556,956	£9,243,077	£9,929,911

Profit + 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,352,683	£9,033,657	£9,714,587	£10,395,921	£11,077,674
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,020,003	£8,700,418	£9,381,073	£10,061,803	£10,743,137
0.000% £110.99 ft ²	£7,687,541	£8,367,586	£9,047,817	£9,728,232	£10,409,019
+5.000% £116.54 ft ²	£7,355,079	£8,035,124	£8,714,817	£9,394,975	£10,075,390
+10.000% £122.09 ft ²	£7,023,215	£7,702,661	£8,382,338	£9,061,824	£9,742,134

Profit + 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,193,904	£8,868,429	£9,542,533	£10,217,545	£10,892,699
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£7,861,442	£8,535,173	£9,209,274	£9,883,426	£10,558,439
0.000% £110.99 ft ²	£7,528,980	£8,202,569	£8,876,019	£9,550,120	£10,224,320
+5.000% £116.54 ft ²	£7,196,682	£7,870,090	£8,543,272	£9,216,864	£9,890,966
+10.000% £122.09 ft ²	£6,864,887	£7,537,610	£8,210,793	£8,883,976	£9,557,710

SW2 ENTERPRISE CENTRE - IVOR HOUSE**Base and Variant Bids (Grown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£535.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£110.99 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Base Bid (40% Affordable Housing, Grown costs and values)

53 Private Dwellings, 53 Affordable Dwellings

Grown costs and sales

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Base Bid (40% Affordable Housing, Grown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2018				
Pre-Construction	3	Mar 2018	May 2018	Purchase	End	0
Construction	18	Jun 2018	Nov 2019	Pre-Construction	End	0
Sale	12	Dec 2019	Nov 2020	Income Flow	End	0
Phase End		Nov 2020				
Phase Length	33					

Project Length 92 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Monthly
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Base Bid (40% Affordable Housing, Grown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Base Bid (40% Affordable Housing, Grown costs and values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears

This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE****Base Bid (40% Affordable Housing, Grown costs and values)**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales	Adjustment	Net Sales
‡ Private Dwellings	41,119	£513.00	21,094,047	6,398,516	27,492,563
‡ Affordable Housing	40,473	£255.00	10,320,615	3,077,995	13,398,610
Totals	<u>81,592</u>		<u>31,414,662</u>	<u>9,476,511</u>	<u>40,891,173</u>

NET REALISATION**40,891,173****OUTLAY****ACQUISITION COSTS**

Residualised Price			11,547,965		
Stamp Duty		4.00%	461,919		
Agent Fee		1.00%	115,480		
Legal Fee		0.50%	57,740		
				12,183,103	

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
‡ Private Dwellings	110,772	£112.01	13,949,548	13,949,548
Design Reserve		5.00%	855,280	
Construction Contingency		5.00%	855,280	
Demolition			545,000	
				2,255,560

Other Construction

Preliminaries		13.00%	1,813,441	
Contractor OH&P		3.00%	472,890	
Contractor D&B Risk		2.00%	324,718	
s106 /CIL costs @ £12,500/Apartment			1,325,000	
				3,936,049

PROFESSIONAL FEES

Professional Fees		10.00%	1,576,299	
				1,576,299

MARKETING & LETTING

Marketing		2.00%	549,851	
				549,851

DISPOSAL FEES

Sales Agent Fee		2.00%	817,823	
Sales Legal Fee		0.50%	204,456	
				1,022,279

Interest and Fees not Included in Project Costs

Interest paid to Debt Sources:				
Debt (4.500%)			1,473,533	
Total Interest paid to Debt Sources:			1,473,533	

Total Interest Paid			1,473,533	
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Debt Financing Fees				
Debt - (1.000%) (Single)			227,571	

Total Debt Financing Fees			227,571	
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Total Interest and Fees not Included in Project Costs				1,701,105
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TOTAL COSTS**37,173,793****PROFIT**

Equity				
Residual Percentage (100.00%)			3,717,380	
			3,717,380	
				3,717,380

Performance Measures

Profit on Cost%		10.00%		
Profit on GDV%		9.09%		

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Base Bid (40% Affordable Housing, Grown costs and values)**

Profit on NDV%	9.09%
Ungeared IRR%	11.88%
Geared IRR% (without Interest)	11.88%
Equity IRR% (without Interest)	31.31%

‡ Inflation/Growth applied

Growth on Sales

Private Dwellings	5% pa growth at 5.000% var.
Affordable Housing	5% pa growth at 5.000% var.

Ungrown	Growth	Total
21,094,047	6,398,516	27,492,563
10,320,615	3,077,995	13,398,610

Inflation on Construction Costs

Private Dwellings	Inflation Set 1 at 2.000% var.
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Uninflated	Inflation	Total
12,408,000	1,541,548	13,949,548

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Base Bid (40% Affordable Housing, Grown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£10,763,143	£9,858,952	£8,954,776	£8,051,680	£7,149,299
-5.000% £0.00 ft²	£12,365,169	£11,459,562	£10,555,370	£9,651,195	£8,747,727
0.000% £0.00 ft²	£13,967,953	£13,061,699	£12,155,982	£11,251,788	£10,347,614
+5.000% £0.00 ft²	£15,571,621	£14,664,484	£13,758,230	£12,852,402	£11,948,222
+10.000% £0.00 ft²	£17,176,601	£16,268,007	£15,361,014	£14,454,761	£13,548,822

Profit - 1.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£10,487,024	£9,582,835	£8,678,659	£7,775,965	£6,873,583
-5.000% £0.00 ft²	£12,073,283	£11,168,104	£10,263,914	£9,359,738	£8,456,695
0.000% £0.00 ft²	£13,660,705	£12,754,451	£11,849,184	£10,944,992	£10,040,817
+5.000% £0.00 ft²	£15,248,535	£14,341,873	£13,435,620	£12,530,264	£11,626,070
+10.000% £0.00 ft²	£16,838,131	£15,929,536	£15,023,042	£14,116,788	£13,211,344

Profit 0.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£10,215,927	£9,311,739	£8,407,643	£7,505,263	£6,602,881
-5.000% £0.00 ft²	£11,786,704	£10,881,946	£9,977,756	£9,073,580	£8,170,953
0.000% £0.00 ft²	£13,359,043	£12,452,789	£11,547,965	£10,643,774	£9,739,598
+5.000% £0.00 ft²	£14,931,381	£14,025,129	£13,118,875	£12,213,983	£11,309,791
+10.000% £0.00 ft²	£16,505,814	£15,597,466	£14,691,214	£13,784,960	£12,880,002

Profit + 1.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£9,949,713	£9,045,526	£8,141,818	£7,239,438	£6,337,056
-5.000% £0.00 ft²	£11,505,289	£10,600,943	£9,696,755	£8,792,741	£7,890,360
0.000% £0.00 ft²	£13,062,817	£12,156,563	£11,252,172	£10,347,983	£9,443,806
+5.000% £0.00 ft²	£14,620,344	£13,714,091	£12,807,837	£11,903,401	£10,999,211
+10.000% £0.00 ft²	£16,179,485	£15,271,618	£14,365,365	£13,459,111	£12,554,631

Profit + 2.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£9,688,242	£8,784,068	£7,880,741	£6,978,359	£6,075,966
-5.000% £0.00 ft²	£11,229,138	£10,324,945	£9,420,771	£8,517,159	£7,614,778
0.000% £0.00 ft²	£12,771,880	£11,865,842	£10,961,662	£10,057,474	£9,153,577
+5.000% £0.00 ft²	£14,314,861	£13,408,607	£12,502,546	£11,598,365	£10,694,176
+10.000% £0.00 ft²	£15,858,983	£14,951,588	£14,045,335	£13,139,250	£12,235,069

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Base Bid (40% Affordable Housing, Grown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Private Dwellings	1	£112.01 pf ²

These fields varied in Steps of 5.0000 % of the original value

Sales Rate

Heading	Phase	Original Value
Private Dwellings	1	£513.00 pf ²
Affordable Housing	1	£255.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - WANLESS ROAD

Base and Variant Bids (No cost or value growth)

4 Mews Houses and Refurbished Period Villa

No cost or Sales Growth

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 05 September 2013

SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1: Wanless Road

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2014				
Pre-Construction	3	Mar 2014	May 2014	Purchase	End	0
Construction	8	Jun 2014	Jan 2015	Pre-Construction	End	0
Phase End		Feb 2015				
Phase Length	11					

Project Length 23 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Assumptions

Net of Ground Rent deductions On
Net of Rent Additions/Costs On

Value Added Tax

Global VAT Rate 0.00%
Global Recovery Rate 0.00%
Recovery Cycle every 2 months
1st Recovery Month 2 (May 2013)
VAT Calculations in Cash Flow On

Residual

Land Cost Mode Residualised Land Value
Multi-Phasing Separate Land Residual for each phase
Target Type Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Wanless Road	10.00%	No	No

Distribution

Construction Payments are paid on S-Curve
Sales Receipts are paid on Single curve
Sales Deposits are paid on Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Summary Appraisal for Phase 1 Wanless Road

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales	
Refurbished House	2,766	£325.38	900,000	
4 Mews Houses	4,650	£623.66	2,900,000	
Totals	<u>7,416</u>		<u>3,800,000</u>	3,800,000

NET REALISATION**3,800,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,921,859	
Stamp Duty		4.00%	76,874	
Agent Fee		1.00%	19,219	
Legal Fee		0.50%	9,609	
				2,027,561

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Refurbished House	2,766	£63.27	175,000	
4 Mews Houses	6,000	£141.67	850,000	
Totals	<u>8,766</u>		<u>1,025,000</u>	1,025,000

Contingency		10.00%	102,500	102,500
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PROFESSIONAL FEES

Professional Fees		8.00%	82,000	82,000
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MARKETING & LETTING

Marketing			20,000	20,000
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DISPOSAL FEES

Sales Agent Fee		2.00%	76,000	
Sales Legal Fee		0.50%	19,000	
				95,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Mar 2014
Construction	8	Jun 2014
Total Duration	11	

Multiple Finance Rates Used (See Assumptions)

Land			85,757	
Construction			16,727	
Total Finance Cost				102,484

TOTAL COSTS**3,454,545****PROFIT****345,455****Performance Measures**

Profit on Cost%		10.00%
Profit on GDV%		9.09%
Profit on NDV%		9.09%
		19.86%
Profit Erosion (finance rate 5.000%)		1 yr 11 mths

SENSITIVITY ANALYSIS**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD****Base and Variant Bids (No cost or value growth)****Table of Residual Land Price (Target Rate 10.00%)****Sensitivity Analysis for Phase 1 Wanless Road**

Profit - 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,780,214	£1,724,456	£1,668,700	£1,612,943	£1,557,187	
-5.000% £0.00 ft²	£1,935,882	£1,880,125	£1,824,367	£1,768,611	£1,712,855	
0.000% £0.00 ft²	£2,091,550	£2,035,793	£1,980,036	£1,924,279	£1,868,522	
+5.000% £0.00 ft²	£2,247,218	£2,191,461	£2,135,704	£2,079,948	£2,024,190	
+10.000% £0.00 ft²	£2,402,886	£2,347,129	£2,291,372	£2,235,616	£2,179,859	
Profit - 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,753,794	£1,698,036	£1,642,280	£1,586,523	£1,530,767	
-5.000% £0.00 ft²	£1,907,994	£1,852,238	£1,796,480	£1,740,723	£1,684,967	
0.000% £0.00 ft²	£2,062,194	£2,006,438	£1,950,681	£1,894,923	£1,839,167	
+5.000% £0.00 ft²	£2,216,394	£2,160,638	£2,104,881	£2,049,124	£1,993,366	
+10.000% £0.00 ft²	£2,370,594	£2,314,838	£2,259,081	£2,203,325	£2,147,568	
Profit 0.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,727,854	£1,672,097	£1,616,340	£1,560,584	£1,504,827	
-5.000% £0.00 ft²	£1,880,614	£1,824,857	£1,769,099	£1,713,343	£1,657,586	
0.000% £0.00 ft²	£2,033,373	£1,977,616	£1,921,859	£1,866,101	£1,810,345	
+5.000% £0.00 ft²	£2,186,132	£2,130,375	£2,074,618	£2,018,862	£1,963,104	
+10.000% £0.00 ft²	£2,338,891	£2,283,134	£2,227,377	£2,171,621	£2,115,864	
Profit + 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,702,382	£1,646,625	£1,590,868	£1,535,112	£1,479,355	
-5.000% £0.00 ft²	£1,853,726	£1,797,969	£1,742,212	£1,686,455	£1,630,699	
0.000% £0.00 ft²	£2,005,070	£1,949,313	£1,893,557	£1,837,799	£1,782,043	
+5.000% £0.00 ft²	£2,156,414	£2,100,657	£2,044,901	£1,989,144	£1,933,386	
+10.000% £0.00 ft²	£2,307,758	£2,252,001	£2,196,245	£2,140,488	£2,084,731	
Profit + 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,677,364	£1,621,607	£1,565,851	£1,510,094	£1,454,338	
-5.000% £0.00 ft²	£1,827,319	£1,771,561	£1,715,805	£1,660,048	£1,604,292	
0.000% £0.00 ft²	£1,977,273	£1,921,516	£1,865,758	£1,810,002	£1,754,246	
+5.000% £0.00 ft²	£2,127,227	£2,071,470	£2,015,714	£1,959,956	£1,904,199	
+10.000% £0.00 ft²	£2,277,181	£2,221,424	£2,165,668	£2,109,911	£2,054,153	

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Sensitivity Analysis for Phase 1 Wanless Road

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Refurbished House	1	£63.27 pf ²
4 Mews Houses	1	£141.67 pf ²

These fields varied in Steps of 5.0000 % of the original value

Sales Rate

Heading	Phase	Original Value
Refurbished House	1	£325.38 pf ²
4 Mews Houses	1	£623.66 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Office Refurbishment
Rent £40 psf, Yield 5.75%
15% Profit on Cost (No Sensitivity)

Report Date: 11 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	9	Dec 2017	Aug 2018	Pre-Construction	End	0
Letting	12	Sep 2018	Aug 2019	Post Development	End	0
Phase End		Sep 2019				
Phase Length	24					

Project Length 78 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Assumptions

Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	15.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids****Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	ft²	Rate ft²	Gross MRV
Phoenix House	60,000	£40.00	2,400,000

Investment Valuation**Phoenix House**

Market Rent	2,400,000	YP @	5.7500%	17.3913	
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	39,469,627

GROSS DEVELOPMENT VALUE

Purchaser's Costs

5.75% (2,269,504)

39,469,627

NET DEVELOPMENT VALUE37,200,123**NET REALISATION****37,200,123****OUTLAY****ACQUISITION COSTS**

Residualised Price			19,098,876
Stamp Duty		4.00%	763,955
Agent Fee		0.75%	143,242
Legal Fee		0.40%	76,396
			20,082,468

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phoenix House	72,500	£100.00	7,250,000
Contingency		5.00%	362,500
			362,500

PROFESSIONAL FEES

Prof Fees		10.00%	725,000
			725,000

MARKETING & LETTING

Marketing			50,000
Letting Agent Fee		15.00%	360,000
Letting Legal Fee		4.00%	96,000
			506,000

Additional Costs

Void Letting Costs			840,000
			840,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Sep 2017
Construction	9	Dec 2017
Letting	12	Sep 2018
Total Duration	24	

Multiple Finance Rates Used (See Assumptions)

Land	936,254
Construction	131,996
Letting Void	1,513,710
Total Finance Cost	2,581,960

TOTAL COSTS**32,347,928****PROFIT****4,852,195****Performance Measures**

Profit on Cost%	15.00%
Profit on GDV%	12.29%
Profit on NDV%	13.04%
Development Yield% (on Rent)	7.42%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
Gross Initial Yield%	6.08%

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Net Initial Yield%	6.08%
IRR	13.49%
Rent Cover	2 yrs
Profit Erosion (finance rate 5.000%)	2 yrs 10 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Table of Residual Land Price (Target Rate 15.00%)

Sensitivity Analysis for Phase 1

Capitalisation Yield - 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£15,081,817	£14,697,021	£14,312,225	£13,927,420	£13,542,627
- £5.00 ft ² £35.00 ft ²	£18,879,729	£18,494,934	£18,110,140	£17,725,344	£17,340,549
£0.00 ft ² £40.00 ft ²	£22,677,651	£22,292,843	£21,908,050	£21,523,256	£21,138,462
+ £5.00 ft ² £45.00 ft ²	£26,475,566	£26,090,771	£25,705,975	£25,321,179	£24,936,371
+ £10.00 ft ² £50.00 ft ²	£30,273,480	£29,888,685	£29,503,890	£29,119,095	£28,734,299

Capitalisation Yield - 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£13,980,368	£13,595,572	£13,210,768	£12,825,974	£12,441,180
- £5.00 ft ² £35.00 ft ²	£17,594,707	£17,209,912	£16,825,116	£16,440,321	£16,055,525
£0.00 ft ² £40.00 ft ²	£21,209,041	£20,824,248	£20,439,454	£20,054,659	£19,669,864
+ £5.00 ft ² £45.00 ft ²	£24,823,393	£24,438,597	£24,053,801	£23,668,994	£23,284,201
+ £10.00 ft ² £50.00 ft ²	£28,437,733	£28,052,937	£27,668,142	£27,283,346	£26,898,551

Capitalisation Yield 0.000%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,974,933	£12,590,129	£12,205,336	£11,820,541	£11,435,746
- £5.00 ft ² £35.00 ft ²	£16,421,700	£16,036,905	£15,652,109	£15,267,314	£14,882,518
£0.00 ft ² £40.00 ft ²	£19,868,464	£19,483,670	£19,098,876	£18,714,081	£18,329,285
+ £5.00 ft ² £45.00 ft ²	£23,315,241	£22,930,445	£22,545,639	£22,160,845	£21,776,051
+ £10.00 ft ² £50.00 ft ²	£26,762,009	£26,377,213	£25,992,418	£25,607,622	£25,222,813

Capitalisation Yield + 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,053,502	£11,668,708	£11,283,914	£10,899,119	£10,514,323
- £5.00 ft ² £35.00 ft ²	£15,346,706	£14,961,911	£14,577,115	£14,192,319	£13,807,516
£0.00 ft ² £40.00 ft ²	£18,639,901	£18,255,107	£17,870,312	£17,485,516	£17,100,721
+ £5.00 ft ² £45.00 ft ²	£21,933,105	£21,548,299	£21,163,506	£20,778,712	£20,393,917
+ £10.00 ft ² £50.00 ft ²	£25,226,303	£24,841,507	£24,456,711	£24,071,903	£23,687,110

Capitalisation Yield + 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£11,206,008	£10,821,214	£10,436,419	£10,051,623	£9,666,828
- £5.00 ft ² £35.00 ft ²	£14,357,962	£13,973,166	£13,588,370	£13,203,567	£12,818,773
£0.00 ft ² £40.00 ft ²	£17,509,908	£17,125,113	£16,740,318	£16,355,522	£15,970,727
+ £5.00 ft ² £45.00 ft ²	£20,661,852	£20,277,058	£19,892,264	£19,507,469	£19,122,674
+ £10.00 ft ² £50.00 ft ²	£23,813,810	£23,429,014	£23,044,207	£22,659,413	£22,274,619

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids****Sensitivity Analysis for Phase 1****Sensitivity Analysis : Assumptions for Calculation****Construction Rate**

Heading	Phase	Original Value
Phoenix House	1	£100.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Rent Rate

Heading	Phase	Original Value
Phoenix House	1	£40.00 pf ²

These fields varied in Fixed Steps of £5.00 pf²

Capitalisation Yield

Heading	Phase	Original Value
Phoenix House	1	5.7500%

These fields varied in Fixed Steps of 0.2500%

Variant A Bid (20% Affordable Housing) Surplus Site Appraisals – Grown Costs and Values

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

85 Private Dwellings and Small Retail Unit
Grown Sales and Costs
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)**

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jan 2016				
Pre-Construction	3	Jan 2016	Mar 2016	Purchase	End	0
Construction	18	Apr 2016	Sep 2017	Pre-Construction	End	0
Sale	12	Oct 2017	Sep 2018	Income Flow	End	0
Phase End		Sep 2018				
Phase Length	33					

Project Length 66 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft ²	Rate ft ²	Gross Sales	Adjustment	Net Sales
‡ Private Apartments	57,007	£515.00	29,358,605	7,017,558	36,376,163

Rental Area Summary

Hambrook Retail Unit	ft ²	Rate ft ²	Gross MRV
Hambrook Retail Unit	1,550	£20.00	31,000

Investment Valuation

Hambrook Retail Unit					
Current Rent	31,000	YP @	8.0000%	12.5000	387,500

GROSS DEVELOPMENT VALUE

36,763,663

Income from Tenants

12,917

NET REALISATION**36,776,579****OUTLAY****ACQUISITION COSTS**

Residualised Price			12,844,302	
Stamp Duty		4.00%	513,772	
Agent Fee		1.00%	128,443	
Legal Fee		0.50%	64,222	
				13,550,738

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
‡ Private Apartments	77,519	£129.39	10,802,532	10,802,532
Design Reserve		5.00%	650,130	
Construction Contingency		5.00%	650,130	
Demolition			150,000	
				1,450,261

Other Construction

Preliminaries		13.00%	1,423,829	
Contractor OH&P		3.00%	371,291	
Contractor D&B Risk		2.00%	254,953	
s106/CIL costs @ £12,500/Apartment			1,062,500	
				3,112,573

PROFESSIONAL FEES

Professional Fees		10.00%	1,222,636	
				1,222,636

MARKETING & LETTING

Marketing		2.00%	735,273	
				735,273

DISPOSAL FEES

Sales Agent Fee		2.00%	735,273	
Sales Legal Fee		0.50%	183,818	
				919,092

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:				
Debt (4.500%)			1,435,034	
Total Interest paid to Debt Sources:			1,435,034	

Total Interest Paid 1,435,034

Debt Financing Fees
Debt - (1.000%) (Single) 205,109

Total Debt Financing Fees 205,109

Total Interest and Fees not Included in Project Costs 1,640,143**TOTAL COSTS****33,433,248**

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****PROFIT**

Equity			
Residual Percentage (100.00%)	3,343,331	3,343,331	3,343,331

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.09%
Profit on NDV%	9.09%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
Gross Initial Yield%	8.00%
Net Initial Yield%	8.00%
Ungeared IRR%	10.74%
Geared IRR% (without Interest)	10.74%
Equity IRR% (without Interest)	24.50%
Rent Cover	107 yrs 10 mths

‡ Inflation/Growth applied

Growth on Sales

Private Apartments 5% pa growth at 5.000% var.

Ungrown	Growth	Total
29,358,605	7,017,558	36,376,163

Inflation on Construction Costs

Private Apartments Inflation Set 1 at 2.000% var.

Uninflated	Inflation	Total
10,030,000	772,532	10,802,532

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £116.45 ft²	£11,964,432	£13,379,572	£14,795,035	£16,212,326	£17,630,147
-5.000% £122.92 ft²	£11,262,733	£12,676,262	£14,091,500	£15,506,964	£16,924,167
0.000% £129.39 ft²	£10,561,033	£11,974,563	£13,388,091	£14,803,429	£16,218,893
+5.000% £135.86 ft²	£9,860,645	£11,272,863	£12,686,393	£14,099,921	£15,515,358
+10.000% £142.33 ft²	£9,160,545	£10,572,179	£11,984,693	£13,398,223	£14,811,838

Profit - 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £116.45 ft²	£11,717,183	£13,118,367	£14,520,238	£15,923,510	£17,327,286
-5.000% £122.92 ft²	£11,015,484	£12,415,442	£13,816,705	£15,218,577	£16,621,740
0.000% £129.39 ft²	£10,313,847	£11,713,744	£13,113,702	£14,515,044	£15,916,916
+5.000% £135.86 ft²	£9,613,759	£11,012,044	£12,412,003	£13,811,962	£15,213,382
+10.000% £142.33 ft²	£8,913,661	£10,311,743	£11,710,303	£13,110,263	£14,510,221

Profit 0.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £116.45 ft²	£11,474,429	£12,861,910	£14,250,438	£15,639,945	£17,030,358
-5.000% £122.92 ft²	£10,772,730	£12,159,365	£13,546,906	£14,935,434	£16,324,812
0.000% £129.39 ft²	£10,071,450	£11,457,666	£12,844,302	£14,231,901	£15,620,430
+5.000% £135.86 ft²	£9,371,362	£10,756,130	£12,142,602	£13,529,238	£14,916,897
+10.000% £142.33 ft²	£8,671,265	£10,056,042	£11,440,902	£12,827,539	£14,214,174

Profit + 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £116.45 ft²	£11,236,049	£12,610,075	£13,985,487	£15,361,489	£16,738,780
-5.000% £122.92 ft²	£10,534,349	£11,907,902	£13,281,968	£14,657,380	£16,033,234
0.000% £129.39 ft²	£9,833,420	£11,206,203	£12,579,755	£13,953,860	£15,329,273
+5.000% £135.86 ft²	£9,133,332	£10,505,036	£11,878,056	£13,251,608	£14,625,753
+10.000% £142.33 ft²	£8,433,237	£9,804,948	£11,176,652	£12,549,909	£13,923,461

Profit + 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £116.45 ft²	£11,001,926	£12,362,736	£13,725,280	£15,088,005	£16,452,409
-5.000% £122.92 ft²	£10,300,226	£11,660,929	£13,021,761	£14,384,304	£15,746,863
0.000% £129.39 ft²	£9,599,641	£10,959,229	£12,319,932	£13,680,785	£15,043,329
+5.000% £135.86 ft²	£8,899,542	£10,258,426	£11,618,233	£12,978,936	£14,339,809
+10.000% £142.33 ft²	£8,199,459	£9,558,338	£10,917,211	£12,277,236	£13,637,939

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£515.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£129.39 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Grown costs and values)

31 Private Dwellings and GP/Pharmacy
Grown Sales & Costs
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Grown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	18	Dec 2017	May 2019	Pre-Construction	End	0
Sale	12	Jun 2019	May 2020	Income Flow	End	0
Phase End		May 2020				
Phase Length	33					

Project Length 86 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- (Manual relations applied to some Professional Fees)
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

**SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)**

Assumptions

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft ²	Rate ft ²	Gross Sales	Adjustment	Net Sales
‡ Private Apartments	26,060	£535.00	13,942,100	4,056,446	17,998,546

Rental Area Summary

	ft ²	Rate ft ²	Gross MRV
GP Surgery & Pharmacy (LG/G)	16,781	£22.00	369,182

Investment Valuation

GP Surgery & Pharmacy (LG/G)					
Current Rent	369,182	YP @	6.0000%	16.6667	6,153,033

GROSS DEVELOPMENT VALUE

	24,151,579
Income from Tenants	338,417

NET REALISATION**24,489,996****OUTLAY****ACQUISITION COSTS**

Residualised Price			9,222,660	
Stamp Duty		4.00%	368,906	
Agent Fee		1.00%	92,227	
Legal Fee		0.50%	46,113	
				9,729,907

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
GP Surgery & Pharmacy (LG/G)	16,781	£130.00	2,181,530	
‡ Private Apartments	41,021	£110.99	5,068,225	
Totals	<u>57,802</u>		<u>7,249,755</u>	7,249,755

Design Reserve		5.00%	300,844	
Construction Contingency		5.00%	300,844	
Demolition			216,000	
				817,689

Other Construction

Preliminaries		13.00%	658,869	
Contractor OH&P		3.00%	171,813	
Contractor D&B Risk		2.00%	117,978	
s106/CIL Costs @ £12,500/Apartment			387,500	
				1,336,160

PROFESSIONAL FEES

Professional Fees		10.00%	880,010	
				880,010

MARKETING & LETTING

Marketing		2.00%	483,032	
				483,032

DISPOSAL FEES

Sales Agent Fee		2.00%	483,032	
Sales Legal Fee		0.50%	120,758	
				603,789

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:				
Debt (4.500%)		1,026,416		
Total Interest paid to Debt Sources:			1,026,416	
Total Interest Paid			1,026,416	
Debt Financing Fees				
Debt - (1.000%) (Single)		136,866		
Total Debt Financing Fees			136,866	

Total Interest and Fees not Included in Project Costs**1,163,282**

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Grown costs and values)**

TOTAL COSTS				22,263,624
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PROFIT

Equity				
Residual Percentage (100.00%)	2,226,371			
		2,226,371		
				2,226,371

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.22%
Profit on NDV%	9.22%
Development Yield% (on Rent)	1.66%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Ungeared IRR%	10.02%
Geared IRR% (without Interest)	10.02%
Equity IRR% (without Interest)	21.55%
Rent Cover	6 yrs

‡ Inflation/Growth applied

Growth on Sales		Ungrown	Growth	Total
Private Apartments	5% pa growth at 5.000% var.	13,942,100	4,056,446	17,998,546

Inflation on Construction Costs		Uninflated	Inflation	Total
Private Apartments	Inflation Set 1 at 2.000% var.	4,553,000	515,225	5,068,225

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Grown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,846,721	£9,547,385	£10,248,905	£10,950,740	£11,653,152
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,513,482	£9,214,050	£9,914,802	£10,616,322	£11,318,068
0.000% £110.99 ft ²	£8,180,841	£8,880,811	£9,581,371	£10,282,218	£10,983,638
+5.000% £116.54 ft ²	£7,848,379	£8,547,989	£9,248,140	£9,948,700	£10,649,519
+10.000% £122.09 ft ²	£7,515,917	£8,215,527	£8,915,137	£9,615,469	£10,315,907

Profit - 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,679,014	£9,372,933	£10,067,634	£10,762,527	£11,457,806
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,345,852	£9,039,692	£9,733,611	£10,428,375	£11,122,723
0.000% £110.99 ft ²	£8,013,391	£8,706,461	£9,400,370	£10,094,259	£10,788,584
+5.000% £116.54 ft ²	£7,680,929	£8,373,897	£9,067,139	£9,761,001	£10,454,465
+10.000% £122.09 ft ²	£7,348,585	£8,041,435	£8,734,404	£9,427,754	£10,121,133

Profit 0.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,514,365	£9,201,753	£9,889,659	£10,577,541	£11,266,012
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,181,446	£8,868,513	£9,555,900	£10,243,423	£10,931,195
0.000% £110.99 ft ²	£7,848,985	£8,535,432	£9,222,660	£9,909,582	£10,597,076
+5.000% £116.54 ft ²	£7,516,523	£8,202,971	£8,889,429	£9,576,324	£10,263,168
+10.000% £122.09 ft ²	£7,184,421	£7,870,508	£8,556,956	£9,243,077	£9,929,911

Profit + 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,352,683	£9,033,657	£9,714,587	£10,395,921	£11,077,674
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,020,003	£8,700,418	£9,381,073	£10,061,803	£10,743,137
0.000% £110.99 ft ²	£7,687,541	£8,367,586	£9,047,817	£9,728,232	£10,409,019
+5.000% £116.54 ft ²	£7,355,079	£8,035,124	£8,714,817	£9,394,975	£10,075,390
+10.000% £122.09 ft ²	£7,023,215	£7,702,661	£8,382,338	£9,061,824	£9,742,134

Profit + 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,193,904	£8,868,429	£9,542,533	£10,217,545	£10,892,699
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£7,861,442	£8,535,173	£9,209,274	£9,883,426	£10,558,439
0.000% £110.99 ft ²	£7,528,980	£8,202,569	£8,876,019	£9,550,120	£10,224,320
+5.000% £116.54 ft ²	£7,196,682	£7,870,090	£8,543,272	£9,216,864	£9,890,966
+10.000% £122.09 ft ²	£6,864,887	£7,537,610	£8,210,793	£8,883,976	£9,557,710

SW2 ENTERPRISE CENTRE - IVOR HOUSE**Base and Variant Bids (Grown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£535.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£110.99 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid A (20% Affordable Housing, Grown costs and values)

83 Private Dwellings and 23 Affordable Dwellings

Grown costs and sales

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid A (20% Affordable Housing, Grown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2018				
Pre-Construction	3	Mar 2018	May 2018	Purchase	End	0
Construction	18	Jun 2018	Nov 2019	Pre-Construction	End	0
Sale	12	Dec 2019	Nov 2020	Income Flow	End	0
Phase End		Nov 2020				
Phase Length	33					

Project Length 92 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Monthly
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid A (20% Affordable Housing, Grown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid A (20% Affordable Housing, Grown costs and values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears

This set is not stepped

Rate	Months	Start Date
2.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE****Variant Bid A (20% Affordable Housing, Grown costs and values)**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales	Adjustment	Net Sales
‡ Private Apartments	63,520	£514.00	32,649,280	9,903,598	42,552,878
‡ Affordable Housing	18,073	£200.00	3,614,600	1,078,009	4,692,609
Totals	<u>81,593</u>		<u>36,263,880</u>	<u>10,981,607</u>	<u>47,245,487</u>

NET REALISATION**47,245,487****OUTLAY****ACQUISITION COSTS**

Residualised Price			15,602,614		
Stamp Duty		4.00%	624,105		
Agent Fee		1.00%	156,026		
Legal Fee		0.50%	78,013		
				16,460,758	

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
‡ Private Apartments	110,772	£115.87	14,429,598	14,429,598
Design Reserve		5.00%	883,775	
Construction CContingency		5.00%	883,775	
Demolition			545,000	
				2,312,550

Other Construction

Preliminaries		13.00%	1,875,848	
Contractor OH&P		3.00%	489,163	
Contractor D&B Risk		2.00%	335,892	
s106/CIL Costs @£12,500/Apartment			1,325,000	
				4,025,903

PROFESSIONAL FEES

Professional Fees		10.00%	1,630,545	
				1,630,545

MARKETING & LETTING

Marketing		2.00%	851,058	
				851,058

DISPOSAL FEES

Sales Agent Fee		2.00%	944,910	
Sales Legal Fee		0.50%	236,227	
				1,181,137

Interest and Fees not Included in Project Costs

Interest paid to Debt Sources:				
Debt (4.500%)		1,795,586		
Total Interest paid to Debt Sources:			1,795,586	

Total Interest Paid			1,795,586	
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Debt Financing Fees				
Debt - (1.000%) (Single)		263,305		

Total Debt Financing Fees			263,305	
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Total Interest and Fees not Included in Project Costs **2,058,891****TOTAL COSTS****42,950,439****PROFIT**

Equity				
Residual Percentage (100.00%)		4,295,048		
			4,295,048	
				4,295,048

Performance Measures

Profit on Cost%		10.00%		
Profit on GDV%		9.09%		

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid A (20% Affordable Housing, Grown costs and values)**

Profit on NDV%	9.09%
Ungeared IRR%	11.04%
Geared IRR% (without Interest)	11.04%
Equity IRR% (without Interest)	26.05%

‡ Inflation/Growth applied

Growth on Sales

Private Apartments	5% pa growth at 5.000% var.
Affordable Housing	5% pa growth at 5.000% var.

Ungrown	Growth	Total
32,649,280	9,903,598	42,552,878
3,614,600	1,078,009	4,692,609

Inflation on Construction Costs

Private Apartments	Inflation Set 1 at 2.000%
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Uninflated	Inflation	Total
12,835,000	1,594,598	14,429,598

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid A (20% Affordable Housing, Grown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£14,870,018	£16,524,851	£18,180,856	£19,837,627	£21,495,898
-5.000% £110.08 ft²	£13,932,669	£15,586,433	£17,241,079	£18,897,085	£20,553,417
0.000% £115.87 ft²	£12,995,700	£14,649,084	£16,302,847	£17,957,308	£19,613,314
+5.000% £121.66 ft²	£12,060,502	£13,712,036	£15,365,499	£17,019,262	£18,673,537
+10.000% £127.46 ft²	£11,125,294	£12,776,838	£14,428,372	£16,081,913	£17,735,677

Profit - 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£14,548,513	£16,186,935	£17,827,006	£19,467,290	£21,109,601
-5.000% £110.08 ft²	£13,611,164	£15,249,016	£16,887,228	£18,527,299	£20,167,386
0.000% £115.87 ft²	£12,674,667	£14,311,667	£15,949,519	£17,587,522	£19,227,593
+5.000% £121.66 ft²	£11,739,455	£13,375,114	£15,012,170	£16,650,022	£18,287,872
+10.000% £127.46 ft²	£10,804,262	£12,439,900	£14,075,562	£15,712,673	£17,350,525

Profit 0.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£14,232,853	£15,855,163	£17,479,588	£19,104,011	£20,730,329
-5.000% £110.08 ft²	£13,295,503	£14,917,733	£16,539,962	£18,164,236	£19,788,660
0.000% £115.87 ft²	£12,359,470	£13,980,384	£15,602,614	£17,224,842	£18,848,884
+5.000% £121.66 ft²	£11,424,261	£13,044,319	£14,665,265	£16,287,494	£17,909,723
+10.000% £127.46 ft²	£10,489,067	£12,109,107	£13,729,167	£15,350,145	£16,972,375

Profit + 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£13,922,779	£15,529,768	£17,138,431	£18,747,491	£20,357,889
-5.000% £110.08 ft²	£12,985,384	£14,592,420	£16,199,308	£17,807,715	£19,416,776
0.000% £115.87 ft²	£12,049,759	£13,655,070	£15,261,959	£16,868,847	£18,476,999
+5.000% £121.66 ft²	£11,114,500	£12,719,483	£14,324,610	£15,931,499	£17,538,387
+10.000% £127.46 ft²	£10,179,258	£11,784,274	£13,389,013	£14,994,150	£16,601,039

Profit + 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£13,617,625	£15,209,839	£16,803,331	£18,397,337	£19,992,101
-5.000% £110.08 ft²	£12,680,300	£14,272,445	£15,864,659	£17,457,560	£19,051,532
0.000% £115.87 ft²	£11,745,052	£13,335,131	£14,927,265	£16,519,209	£18,111,755
+5.000% £121.66 ft²	£10,809,796	£12,399,884	£13,989,962	£15,581,861	£17,173,682
+10.000% £127.46 ft²	£9,874,702	£11,464,626	£13,054,715	£14,644,616	£16,236,333

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid A (20% Affordable Housing, Grown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£514.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£115.87 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - WANLESS ROAD

Base and Variant Bids (No cost or value growth)

4 Mews Houses and Refurbished Period Villa

No cost or Sales Growth

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 05 September 2013

SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1: Wanless Road

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2014				
Pre-Construction	3	Mar 2014	May 2014	Purchase	End	0
Construction	8	Jun 2014	Jan 2015	Pre-Construction	End	0
Phase End		Feb 2015				
Phase Length	11					

Project Length 23 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Assumptions

Net of Ground Rent deductions On
Net of Rent Additions/Costs On

Value Added Tax

Global VAT Rate 0.00%
Global Recovery Rate 0.00%
Recovery Cycle every 2 months
1st Recovery Month 2 (May 2013)
VAT Calculations in Cash Flow On

Residual

Land Cost Mode Residualised Land Value
Multi-Phasing Separate Land Residual for each phase
Target Type Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Wanless Road	10.00%	No	No

Distribution

Construction Payments are paid on S-Curve
Sales Receipts are paid on Single curve
Sales Deposits are paid on Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Summary Appraisal for Phase 1 Wanless Road

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales	
Refurbished House	2,766	£325.38	900,000	
4 Mews Houses	4,650	£623.66	2,900,000	
Totals	<u>7,416</u>		<u>3,800,000</u>	3,800,000

NET REALISATION**3,800,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,921,859	
Stamp Duty		4.00%	76,874	
Agent Fee		1.00%	19,219	
Legal Fee		0.50%	9,609	
				2,027,561

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Refurbished House	2,766	£63.27	175,000	
4 Mews Houses	6,000	£141.67	850,000	
Totals	<u>8,766</u>		<u>1,025,000</u>	1,025,000

Contingency		10.00%	102,500	102,500
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PROFESSIONAL FEES

Professional Fees		8.00%	82,000	82,000
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MARKETING & LETTING

Marketing			20,000	20,000
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DISPOSAL FEES

Sales Agent Fee		2.00%	76,000	
Sales Legal Fee		0.50%	19,000	
				95,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Mar 2014
Construction	8	Jun 2014
Total Duration	11	

Multiple Finance Rates Used (See Assumptions)

Land			85,757	
Construction			16,727	
Total Finance Cost				102,484

TOTAL COSTS**3,454,545****PROFIT****345,455****Performance Measures**

Profit on Cost%		10.00%
Profit on GDV%		9.09%
Profit on NDV%		9.09%
		19.86%
Profit Erosion (finance rate 5.000%)		1 yr 11 mths

SENSITIVITY ANALYSIS**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD****Base and Variant Bids (No cost or value growth)****Table of Residual Land Price (Target Rate 10.00%)**

Sensitivity Analysis for Phase 1 Wanless Road

Profit - 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,780,214	£1,724,456	£1,668,700	£1,612,943	£1,557,187	
-5.000% £0.00 ft²	£1,935,882	£1,880,125	£1,824,367	£1,768,611	£1,712,855	
0.000% £0.00 ft²	£2,091,550	£2,035,793	£1,980,036	£1,924,279	£1,868,522	
+5.000% £0.00 ft²	£2,247,218	£2,191,461	£2,135,704	£2,079,948	£2,024,190	
+10.000% £0.00 ft²	£2,402,886	£2,347,129	£2,291,372	£2,235,616	£2,179,859	
Profit - 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,753,794	£1,698,036	£1,642,280	£1,586,523	£1,530,767	
-5.000% £0.00 ft²	£1,907,994	£1,852,238	£1,796,480	£1,740,723	£1,684,967	
0.000% £0.00 ft²	£2,062,194	£2,006,438	£1,950,681	£1,894,923	£1,839,167	
+5.000% £0.00 ft²	£2,216,394	£2,160,638	£2,104,881	£2,049,124	£1,993,366	
+10.000% £0.00 ft²	£2,370,594	£2,314,838	£2,259,081	£2,203,325	£2,147,568	
Profit 0.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,727,854	£1,672,097	£1,616,340	£1,560,584	£1,504,827	
-5.000% £0.00 ft²	£1,880,614	£1,824,857	£1,769,099	£1,713,343	£1,657,586	
0.000% £0.00 ft²	£2,033,373	£1,977,616	£1,921,859	£1,866,101	£1,810,345	
+5.000% £0.00 ft²	£2,186,132	£2,130,375	£2,074,618	£2,018,862	£1,963,104	
+10.000% £0.00 ft²	£2,338,891	£2,283,134	£2,227,377	£2,171,621	£2,115,864	
Profit + 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,702,382	£1,646,625	£1,590,868	£1,535,112	£1,479,355	
-5.000% £0.00 ft²	£1,853,726	£1,797,969	£1,742,212	£1,686,455	£1,630,699	
0.000% £0.00 ft²	£2,005,070	£1,949,313	£1,893,557	£1,837,799	£1,782,043	
+5.000% £0.00 ft²	£2,156,414	£2,100,657	£2,044,901	£1,989,144	£1,933,386	
+10.000% £0.00 ft²	£2,307,758	£2,252,001	£2,196,245	£2,140,488	£2,084,731	
Profit + 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,677,364	£1,621,607	£1,565,851	£1,510,094	£1,454,338	
-5.000% £0.00 ft²	£1,827,319	£1,771,561	£1,715,805	£1,660,048	£1,604,292	
0.000% £0.00 ft²	£1,977,273	£1,921,516	£1,865,758	£1,810,002	£1,754,246	
+5.000% £0.00 ft²	£2,127,227	£2,071,470	£2,015,714	£1,959,956	£1,904,199	
+10.000% £0.00 ft²	£2,277,181	£2,221,424	£2,165,668	£2,109,911	£2,054,153	

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Sensitivity Analysis for Phase 1 Wanless Road

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Refurbished House	1	£63.27 pf ²
4 Mews Houses	1	£141.67 pf ²

These fields varied in Steps of 5.0000 % of the original value

Sales Rate

Heading	Phase	Original Value
Refurbished House	1	£325.38 pf ²
4 Mews Houses	1	£623.66 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Office Refurbishment
Rent £40 psf, Yield 5.75%
15% Profit on Cost (No Sensitivity)

Report Date: 11 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	9	Dec 2017	Aug 2018	Pre-Construction	End	0
Letting	12	Sep 2018	Aug 2019	Post Development	End	0
Phase End		Sep 2019				
Phase Length	24					

Project Length 78 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Assumptions

Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	15.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids****Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	ft²	Rate ft²	Gross MRV
Phoenix House	60,000	£40.00	2,400,000

Investment Valuation**Phoenix House**

Market Rent	2,400,000	YP @	5.7500%	17.3913	
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	39,469,627

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.75%	(2,269,504)	39,469,627
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NET DEVELOPMENT VALUE37,200,123**NET REALISATION****37,200,123****OUTLAY****ACQUISITION COSTS**

Residualised Price			19,098,876
Stamp Duty	4.00%		763,955
Agent Fee	0.75%		143,242
Legal Fee	0.40%		76,396
			20,082,468

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phoenix House	72,500	£100.00	7,250,000

Contingency	5.00%	362,500	362,500
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PROFESSIONAL FEES

Prof Fees	10.00%	725,000	725,000
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MARKETING & LETTING

Marketing			50,000
Letting Agent Fee	15.00%		360,000
Letting Legal Fee	4.00%		96,000
			506,000

Additional Costs

Void Letting Costs		840,000	840,000
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FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Sep 2017
Construction	9	Dec 2017
Letting	12	Sep 2018
Total Duration	24	

Multiple Finance Rates Used (See Assumptions)

Land	936,254
Construction	131,996
Letting Void	1,513,710
Total Finance Cost	2,581,960

TOTAL COSTS**32,347,928****PROFIT****4,852,195****Performance Measures**

Profit on Cost%	15.00%
Profit on GDV%	12.29%
Profit on NDV%	13.04%
Development Yield% (on Rent)	7.42%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
Gross Initial Yield%	6.08%

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Net Initial Yield%	6.08%
IRR	13.49%
Rent Cover	2 yrs
Profit Erosion (finance rate 5.000%)	2 yrs 10 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Table of Residual Land Price (Target Rate 15.00%)

Sensitivity Analysis for Phase 1

Capitalisation Yield - 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£15,081,817	£14,697,021	£14,312,225	£13,927,420	£13,542,627
- £5.00 ft ² £35.00 ft ²	£18,879,729	£18,494,934	£18,110,140	£17,725,344	£17,340,549
£0.00 ft ² £40.00 ft ²	£22,677,651	£22,292,843	£21,908,050	£21,523,256	£21,138,462
+ £5.00 ft ² £45.00 ft ²	£26,475,566	£26,090,771	£25,705,975	£25,321,179	£24,936,371
+ £10.00 ft ² £50.00 ft ²	£30,273,480	£29,888,685	£29,503,890	£29,119,095	£28,734,299

Capitalisation Yield - 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£13,980,368	£13,595,572	£13,210,768	£12,825,974	£12,441,180
- £5.00 ft ² £35.00 ft ²	£17,594,707	£17,209,912	£16,825,116	£16,440,321	£16,055,525
£0.00 ft ² £40.00 ft ²	£21,209,041	£20,824,248	£20,439,454	£20,054,659	£19,669,864
+ £5.00 ft ² £45.00 ft ²	£24,823,393	£24,438,597	£24,053,801	£23,668,994	£23,284,201
+ £10.00 ft ² £50.00 ft ²	£28,437,733	£28,052,937	£27,668,142	£27,283,346	£26,898,551

Capitalisation Yield 0.000%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,974,933	£12,590,129	£12,205,336	£11,820,541	£11,435,746
- £5.00 ft ² £35.00 ft ²	£16,421,700	£16,036,905	£15,652,109	£15,267,314	£14,882,518
£0.00 ft ² £40.00 ft ²	£19,868,464	£19,483,670	£19,098,876	£18,714,081	£18,329,285
+ £5.00 ft ² £45.00 ft ²	£23,315,241	£22,930,445	£22,545,639	£22,160,845	£21,776,051
+ £10.00 ft ² £50.00 ft ²	£26,762,009	£26,377,213	£25,992,418	£25,607,622	£25,222,813

Capitalisation Yield + 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,053,502	£11,668,708	£11,283,914	£10,899,119	£10,514,323
- £5.00 ft ² £35.00 ft ²	£15,346,706	£14,961,911	£14,577,115	£14,192,319	£13,807,516
£0.00 ft ² £40.00 ft ²	£18,639,901	£18,255,107	£17,870,312	£17,485,516	£17,100,721
+ £5.00 ft ² £45.00 ft ²	£21,933,105	£21,548,299	£21,163,506	£20,778,712	£20,393,917
+ £10.00 ft ² £50.00 ft ²	£25,226,303	£24,841,507	£24,456,711	£24,071,903	£23,687,110

Capitalisation Yield + 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£11,206,008	£10,821,214	£10,436,419	£10,051,623	£9,666,828
- £5.00 ft ² £35.00 ft ²	£14,357,962	£13,973,166	£13,588,370	£13,203,567	£12,818,773
£0.00 ft ² £40.00 ft ²	£17,509,908	£17,125,113	£16,740,318	£16,355,522	£15,970,727
+ £5.00 ft ² £45.00 ft ²	£20,661,852	£20,277,058	£19,892,264	£19,507,469	£19,122,674
+ £10.00 ft ² £50.00 ft ²	£23,813,810	£23,429,014	£23,044,207	£22,659,413	£22,274,619

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids****Sensitivity Analysis for Phase 1****Sensitivity Analysis : Assumptions for Calculation****Construction Rate**

Heading	Phase	Original Value
Phoenix House	1	£100.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Rent Rate

Heading	Phase	Original Value
Phoenix House	1	£40.00 pf ²

These fields varied in Fixed Steps of £5.00 pf²

Capitalisation Yield

Heading	Phase	Original Value
Phoenix House	1	5.7500%

These fields varied in Fixed Steps of 0.2500%

Variant Bid B (12% Affordable Housing) Surplus Site Appraisals – Grown Costs and Values

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

85 Private Dwellings and Small Retail Unit
Grown Sales and Costs
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

TIMESCALE & ASSUMPTIONS**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Timescale (Duration in months)**

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jan 2016				
Pre-Construction	3	Jan 2016	Mar 2016	Purchase	End	0
Construction	18	Apr 2016	Sep 2017	Pre-Construction	End	0
Sale	12	Oct 2017	Sep 2018	Income Flow	End	0
Phase End		Sep 2018				
Phase Length	33					

Project Length 66 (Includes Exit Period)**Assumptions****Expenditure**

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft ²	Rate ft ²	Gross Sales	Adjustment	Net Sales
‡ Private Apartments	57,007	£515.00	29,358,605	7,017,558	36,376,163

Rental Area Summary

Hambrook Retail Unit	ft ²	Rate ft ²	Gross MRV
Hambrook Retail Unit	1,550	£20.00	31,000

Investment Valuation

Hambrook Retail Unit					
Current Rent	31,000	YP @	8.0000%	12.5000	387,500

GROSS DEVELOPMENT VALUE

36,763,663

Income from Tenants

12,917

NET REALISATION**36,776,579****OUTLAY****ACQUISITION COSTS**

Residualised Price			12,844,302	
Stamp Duty		4.00%	513,772	
Agent Fee		1.00%	128,443	
Legal Fee		0.50%	64,222	
				13,550,738

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
‡ Private Apartments	77,519	£129.39	10,802,532	10,802,532
Design Reserve		5.00%	650,130	
Construction Contingency		5.00%	650,130	
Demolition			150,000	
				1,450,261

Other Construction

Preliminaries		13.00%	1,423,829	
Contractor OH&P		3.00%	371,291	
Contractor D&B Risk		2.00%	254,953	
s106/CIL costs @ £12,500/Apartment			1,062,500	
				3,112,573

PROFESSIONAL FEES

Professional Fees		10.00%	1,222,636	
				1,222,636

MARKETING & LETTING

Marketing		2.00%	735,273	
				735,273

DISPOSAL FEES

Sales Agent Fee		2.00%	735,273	
Sales Legal Fee		0.50%	183,818	
				919,092

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:				
Debt (4.500%)		1,435,034		
Total Interest paid to Debt Sources:			1,435,034	
Total Interest Paid			1,435,034	
Debt Financing Fees				
Debt - (1.000%) (Single)		205,109		
Total Debt Financing Fees			205,109	

Total Interest and Fees not Included in Project Costs 1,640,143**TOTAL COSTS****33,433,248**

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****PROFIT**

Equity			
Residual Percentage (100.00%)	3,343,331	3,343,331	3,343,331

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.09%
Profit on NDV%	9.09%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
Gross Initial Yield%	8.00%
Net Initial Yield%	8.00%
Ungeared IRR%	10.74%
Geared IRR% (without Interest)	10.74%
Equity IRR% (without Interest)	24.50%
Rent Cover	107 yrs 10 mths

‡ Inflation/Growth applied

Growth on Sales

Private Apartments	5% pa growth at 5.000% var.	Ungrown	Growth	Total
		29,358,605	7,017,558	36,376,163

Inflation on Construction Costs

Private Apartments	Inflation Set 1 at 2.000% var.	Uninflated	Inflation	Total
		10,030,000	772,532	10,802,532

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%		Sales Rate				
Constr. Rate £ pf²	-10.000% £463.50 ft²	-5.000% £489.25 ft²	0.000% £515.00 ft²	+5.000% £540.75 ft²	+10.000% £566.50 ft²	
-10.000% £116.45 ft²	£11,964,432	£13,379,572	£14,795,035	£16,212,326	£17,630,147	
-5.000% £122.92 ft²	£11,262,733	£12,676,262	£14,091,500	£15,506,964	£16,924,167	
0.000% £129.39 ft²	£10,561,033	£11,974,563	£13,388,091	£14,803,429	£16,218,893	
+5.000% £135.86 ft²	£9,860,645	£11,272,863	£12,686,393	£14,099,921	£15,515,358	
+10.000% £142.33 ft²	£9,160,545	£10,572,179	£11,984,693	£13,398,223	£14,811,838	
Profit - 1.000%		Sales Rate				
Constr. Rate £ pf²	-10.000% £463.50 ft²	-5.000% £489.25 ft²	0.000% £515.00 ft²	+5.000% £540.75 ft²	+10.000% £566.50 ft²	
-10.000% £116.45 ft²	£11,717,183	£13,118,367	£14,520,238	£15,923,510	£17,327,286	
-5.000% £122.92 ft²	£11,015,484	£12,415,442	£13,816,705	£15,218,577	£16,621,740	
0.000% £129.39 ft²	£10,313,847	£11,713,744	£13,113,702	£14,515,044	£15,916,916	
+5.000% £135.86 ft²	£9,613,759	£11,012,044	£12,412,003	£13,811,962	£15,213,382	
+10.000% £142.33 ft²	£8,913,661	£10,311,743	£11,710,303	£13,110,263	£14,510,221	
Profit 0.000%		Sales Rate				
Constr. Rate £ pf²	-10.000% £463.50 ft²	-5.000% £489.25 ft²	0.000% £515.00 ft²	+5.000% £540.75 ft²	+10.000% £566.50 ft²	
-10.000% £116.45 ft²	£11,474,429	£12,861,910	£14,250,438	£15,639,945	£17,030,358	
-5.000% £122.92 ft²	£10,772,730	£12,159,365	£13,546,906	£14,935,434	£16,324,812	
0.000% £129.39 ft²	£10,071,450	£11,457,666	£12,844,302	£14,231,901	£15,620,430	
+5.000% £135.86 ft²	£9,371,362	£10,756,130	£12,142,602	£13,529,238	£14,916,897	
+10.000% £142.33 ft²	£8,671,265	£10,056,042	£11,440,902	£12,827,539	£14,214,174	
Profit + 1.000%		Sales Rate				
Constr. Rate £ pf²	-10.000% £463.50 ft²	-5.000% £489.25 ft²	0.000% £515.00 ft²	+5.000% £540.75 ft²	+10.000% £566.50 ft²	
-10.000% £116.45 ft²	£11,236,049	£12,610,075	£13,985,487	£15,361,489	£16,738,780	
-5.000% £122.92 ft²	£10,534,349	£11,907,902	£13,281,968	£14,657,380	£16,033,234	
0.000% £129.39 ft²	£9,833,420	£11,206,203	£12,579,755	£13,953,860	£15,329,273	
+5.000% £135.86 ft²	£9,133,332	£10,505,036	£11,878,056	£13,251,608	£14,625,753	
+10.000% £142.33 ft²	£8,433,237	£9,804,948	£11,176,652	£12,549,909	£13,923,461	
Profit + 2.000%		Sales Rate				
Constr. Rate £ pf²	-10.000% £463.50 ft²	-5.000% £489.25 ft²	0.000% £515.00 ft²	+5.000% £540.75 ft²	+10.000% £566.50 ft²	
-10.000% £116.45 ft²	£11,001,926	£12,362,736	£13,725,280	£15,088,005	£16,452,409	
-5.000% £122.92 ft²	£10,300,226	£11,660,929	£13,021,761	£14,384,304	£15,746,863	
0.000% £129.39 ft²	£9,599,641	£10,959,229	£12,319,932	£13,680,785	£15,043,329	
+5.000% £135.86 ft²	£8,899,542	£10,258,426	£11,618,233	£12,978,936	£14,339,809	
+10.000% £142.33 ft²	£8,199,459	£9,558,338	£10,917,211	£12,277,236	£13,637,939	

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£515.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£129.39 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Grown costs and values)

31 Private Dwellings and GP/Pharmacy
Grown Sales & Costs
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	18	Dec 2017	May 2019	Pre-Construction	End	0
Sale	12	Jun 2019	May 2020	Income Flow	End	0
Phase End		May 2020				
Phase Length	33					

Project Length 86 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- (Manual relations applied to some Professional Fees)
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)

Assumptions

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Grown costs and values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft ²	Rate ft ²	Gross Sales	Adjustment	Net Sales
‡ Private Apartments	26,060	£535.00	13,942,100	4,056,446	17,998,546

Rental Area Summary

GP Surgery & Pharmacy (LG/G)	ft ²	Rate ft ²	Gross MRV
	16,781	£22.00	369,182

Investment Valuation

GP Surgery & Pharmacy (LG/G)					
Current Rent	369,182	YP @	6.0000%	16.6667	6,153,033

GROSS DEVELOPMENT VALUE

	24,151,579
Income from Tenants	338,417

NET REALISATION**24,489,996****OUTLAY****ACQUISITION COSTS**

Residualised Price			9,222,660	
Stamp Duty		4.00%	368,906	
Agent Fee		1.00%	92,227	
Legal Fee		0.50%	46,113	
				9,729,907

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
GP Surgery & Pharmacy (LG/G)	16,781	£130.00	2,181,530	
‡ Private Apartments	41,021	£110.99	5,068,225	
Totals	<u>57,802</u>		<u>7,249,755</u>	7,249,755

Design Reserve		5.00%	300,844	
Construction Contingency		5.00%	300,844	
Demolition			216,000	
				817,689

Other Construction

Preliminaries		13.00%	658,869	
Contractor OH&P		3.00%	171,813	
Contractor D&B Risk		2.00%	117,978	
s106/CIL Costs @ £12,500/Apartment			387,500	
				1,336,160

PROFESSIONAL FEES

Professional Fees		10.00%	880,010	
				880,010

MARKETING & LETTING

Marketing		2.00%	483,032	
				483,032

DISPOSAL FEES

Sales Agent Fee		2.00%	483,032	
Sales Legal Fee		0.50%	120,758	
				603,789

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:				
Debt (4.500%)		1,026,416		
Total Interest paid to Debt Sources:			1,026,416	
Total Interest Paid			1,026,416	
Debt Financing Fees				
Debt - (1.000%) (Single)		136,866		
Total Debt Financing Fees			136,866	

Total Interest and Fees not Included in Project Costs**1,163,282**

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Grown costs and values)**

TOTAL COSTS				22,263,624
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PROFIT

Equity				
Residual Percentage (100.00%)	2,226,371			
		2,226,371		
				2,226,371

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.22%
Profit on NDV%	9.22%
Development Yield% (on Rent)	1.66%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Ungeared IRR%	10.02%
Geared IRR% (without Interest)	10.02%
Equity IRR% (without Interest)	21.55%
Rent Cover	6 yrs

‡ Inflation/Growth applied

Growth on Sales		Ungrown	Growth	Total
Private Apartments	5% pa growth at 5.000% var.	13,942,100	4,056,446	17,998,546

Inflation on Construction Costs		Uninflated	Inflation	Total
Private Apartments	Inflation Set 1 at 2.000% var.	4,553,000	515,225	5,068,225

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Grown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,846,721	£9,547,385	£10,248,905	£10,950,740	£11,653,152
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,513,482	£9,214,050	£9,914,802	£10,616,322	£11,318,068
0.000% £110.99 ft ²	£8,180,841	£8,880,811	£9,581,371	£10,282,218	£10,983,638
+5.000% £116.54 ft ²	£7,848,379	£8,547,989	£9,248,140	£9,948,700	£10,649,519
+10.000% £122.09 ft ²	£7,515,917	£8,215,527	£8,915,137	£9,615,469	£10,315,907

Profit - 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,679,014	£9,372,933	£10,067,634	£10,762,527	£11,457,806
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,345,852	£9,039,692	£9,733,611	£10,428,375	£11,122,723
0.000% £110.99 ft ²	£8,013,391	£8,706,461	£9,400,370	£10,094,259	£10,788,584
+5.000% £116.54 ft ²	£7,680,929	£8,373,897	£9,067,139	£9,761,001	£10,454,465
+10.000% £122.09 ft ²	£7,348,585	£8,041,435	£8,734,404	£9,427,754	£10,121,133

Profit 0.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,514,365	£9,201,753	£9,889,659	£10,577,541	£11,266,012
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,181,446	£8,868,513	£9,555,900	£10,243,423	£10,931,195
0.000% £110.99 ft ²	£7,848,985	£8,535,432	£9,222,660	£9,909,582	£10,597,076
+5.000% £116.54 ft ²	£7,516,523	£8,202,971	£8,889,429	£9,576,324	£10,263,168
+10.000% £122.09 ft ²	£7,184,421	£7,870,508	£8,556,956	£9,243,077	£9,929,911

Profit + 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,352,683	£9,033,657	£9,714,587	£10,395,921	£11,077,674
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£8,020,003	£8,700,418	£9,381,073	£10,061,803	£10,743,137
0.000% £110.99 ft ²	£7,687,541	£8,367,586	£9,047,817	£9,728,232	£10,409,019
+5.000% £116.54 ft ²	£7,355,079	£8,035,124	£8,714,817	£9,394,975	£10,075,390
+10.000% £122.09 ft ²	£7,023,215	£7,702,661	£8,382,338	£9,061,824	£9,742,134

Profit + 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£8,193,904	£8,868,429	£9,542,533	£10,217,545	£10,892,699
-10.000% £99.89 ft ²					
-5.000% £105.44 ft ²	£7,861,442	£8,535,173	£9,209,274	£9,883,426	£10,558,439
0.000% £110.99 ft ²	£7,528,980	£8,202,569	£8,876,019	£9,550,120	£10,224,320
+5.000% £116.54 ft ²	£7,196,682	£7,870,090	£8,543,272	£9,216,864	£9,890,966
+10.000% £122.09 ft ²	£6,864,887	£7,537,610	£8,210,793	£8,883,976	£9,557,710

SW2 ENTERPRISE CENTRE - IVOR HOUSE**Base and Variant Bids (Grown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£535.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£110.99 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid B (12% Affordable Housing, Grown costs and values)

106 Private Dwellings
Grown costs and values
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid B (12% Affordable Housing, Grown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2018				
Pre-Construction	3	Mar 2018	May 2018	Purchase	End	0
Construction	18	Jun 2018	Nov 2019	Pre-Construction	End	0
Sale	12	Dec 2019	Nov 2020	Income Flow	End	0
Phase End		Nov 2020				
Phase Length	33					

Project Length 92 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Monthly
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid B (12% Affordable Housing, Grown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid B (12% Affordable Housing, Grown costs and values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears

This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE****Variant Bid B (12% Affordable Housing, Grown costs and values)**

Summary Appraisal for Phase 1

REVENUE					
Sales Valuation	ft²	Rate ft²	Gross Sales	Adjustment	Net Sales
‡ Private Apartments	81,593	£515.00	42,020,395	12,746,164	54,766,559
NET REALISATION				54,766,559	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			20,786,738		
Stamp Duty		4.00%	831,470		
Agent Fee		1.00%	207,867		
Legal Fee		0.50%	103,934		
				21,930,008	
CONSTRUCTION COSTS					
Construction	ft²	Rate ft²	Cost		
‡ Private Apartments	110,772	£118.97	14,815,212	14,815,212	
Design Reserve		5.00%	879,415		
Construction Contingency		5.00%	879,415		
Demolition			545,000		
				2,303,829	
Other Construction					
Preliminaries		13.00%	1,925,977		
Contractor OH&P		3.00%	502,236		
Other Construction		2.00%	344,868		
s106/CIL Costs @ £12,500/Apartment			1,325,000		
				4,098,082	
PROFESSIONAL FEES					
Professional Fees		10.00%	1,674,119		
				1,674,119	
MARKETING & LETTING					
Marketing		2.00%	1,095,331		
				1,095,331	
DISPOSAL FEES					
Sales Agent Fee		2.00%	1,095,331		
Sales Legal Fee		0.50%	273,833		
				1,369,164	
Interest and Fees not Included in Project Costs					
Interest paid to Debt Sources:					
Debt (4.500%)			2,196,340		
Total Interest paid to Debt Sources:				2,196,340	
Total Interest Paid				2,196,340	
Debt Financing Fees					
Debt - (1.000%) (Single)			305,678		
Total Debt Financing Fees				305,678	
Total Interest and Fees not Included in Project Costs				2,502,018	
TOTAL COSTS				49,787,763	
PROFIT					
Equity					
Residual Percentage (100.00%)			4,978,796		
				4,978,796	
				4,978,796	
Performance Measures					
Profit on Cost%			10.00%		
Profit on GDV%			9.09%		
Profit on NDV%			9.09%		
Ungeared IRR%			10.57%		

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid B (12% Affordable Housing, Grown costs and values)**

Geared IRR% (without Interest)	10.57%
Equity IRR% (without Interest)	24.08%

‡ Inflation/Growth applied

Growth on Sales		Ungrown	Growth	Total
Private Apartments	5% pa growth at 5.000% var.	42,020,395	12,746,164	54,766,559
Inflation on Construction Costs		Uninflated	Inflation	Total
Private Apartments	Inflation Set 1 at 2.000% var.	13,178,000	1,637,212	14,815,212

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid B (12% Affordable Housing, Grown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £107.07 ft²	£19,265,256	£21,398,279	£23,532,558	£25,669,494	£27,808,541
-5.000% £113.02 ft²	£18,300,410	£20,431,493	£22,564,655	£24,698,836	£26,835,771
0.000% £118.97 ft²	£17,336,605	£19,466,647	£21,597,750	£23,731,032	£25,865,113
+5.000% £124.91 ft²	£16,374,254	£18,502,449	£20,632,885	£22,763,989	£24,897,409
+10.000% £130.86 ft²	£15,411,903	£17,540,099	£19,668,293	£21,799,122	£23,930,228

Profit - 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £107.07 ft²	£18,896,961	£21,008,942	£23,122,454	£25,238,530	£27,356,376
-5.000% £113.02 ft²	£17,932,114	£20,042,737	£22,154,827	£24,268,340	£26,384,286
0.000% £118.97 ft²	£16,968,854	£19,077,891	£21,188,514	£23,300,712	£25,414,225
+5.000% £124.91 ft²	£16,006,503	£18,114,268	£20,223,667	£22,334,290	£24,446,598
+10.000% £130.86 ft²	£15,044,388	£17,151,917	£19,259,681	£21,369,444	£23,480,066

Profit 0.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £107.07 ft²	£18,535,362	£20,626,684	£22,720,078	£24,815,402	£26,912,433
-5.000% £113.02 ft²	£17,570,514	£19,661,050	£21,752,450	£23,845,844	£25,941,009
0.000% £118.97 ft²	£16,607,789	£18,696,202	£20,786,738	£22,878,217	£24,971,611
+5.000% £124.91 ft²	£15,645,437	£17,733,143	£19,821,890	£21,912,425	£24,003,983
+10.000% £130.86 ft²	£14,683,854	£16,770,792	£18,858,498	£20,947,578	£23,038,113

Profit + 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £107.07 ft²	£18,180,278	£20,251,314	£22,324,951	£24,399,898	£26,476,488
-5.000% £113.02 ft²	£17,215,580	£19,286,239	£21,357,324	£23,430,961	£25,505,719
0.000% £118.97 ft²	£16,253,229	£18,321,391	£20,392,200	£22,463,334	£24,536,971
+5.000% £124.91 ft²	£15,290,878	£17,358,886	£19,427,352	£21,498,161	£23,569,344
+10.000% £130.86 ft²	£14,329,816	£16,396,535	£18,464,543	£20,533,313	£22,604,122

Profit + 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£463.50 ft²	£489.25 ft²	£515.00 ft²	£540.75 ft²	£566.50 ft²
-10.000% £107.07 ft²	£17,831,508	£19,882,985	£21,936,880	£23,991,814	£26,048,860
-5.000% £113.02 ft²	£16,867,281	£18,918,096	£20,969,572	£23,023,487	£25,078,202
0.000% £118.97 ft²	£15,904,883	£17,953,594	£20,004,684	£22,056,160	£24,110,093
+5.000% £124.91 ft²	£14,942,485	£16,991,197	£19,039,907	£21,091,273	£23,142,747
+10.000% £130.86 ft²	£13,981,886	£16,028,798	£18,077,510	£20,126,381	£22,177,861

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid B (12% Affordable Housing, Grown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£515.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£118.97 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - WANLESS ROAD

Base and Variant Bids (No cost or value growth)

4 Mews Houses and Refurbished Period Villa

No cost or Sales Growth

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 05 September 2013

SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1: Wanless Road

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2014				
Pre-Construction	3	Mar 2014	May 2014	Purchase	End	0
Construction	8	Jun 2014	Jan 2015	Pre-Construction	End	0
Phase End		Feb 2015				
Phase Length	11					

Project Length 23 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Assumptions

Net of Ground Rent deductions On
Net of Rent Additions/Costs On

Value Added Tax

Global VAT Rate 0.00%
Global Recovery Rate 0.00%
Recovery Cycle every 2 months
1st Recovery Month 2 (May 2013)
VAT Calculations in Cash Flow On

Residual

Land Cost Mode Residualised Land Value
Multi-Phasing Separate Land Residual for each phase
Target Type Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Wanless Road	10.00%	No	No

Distribution

Construction Payments are paid on S-Curve
Sales Receipts are paid on Single curve
Sales Deposits are paid on Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Summary Appraisal for Phase 1 Wanless Road

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales	
Refurbished House	2,766	£325.38	900,000	
4 Mews Houses	4,650	£623.66	2,900,000	
Totals	<u>7,416</u>		<u>3,800,000</u>	3,800,000

NET REALISATION**3,800,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,921,859	
Stamp Duty		4.00%	76,874	
Agent Fee		1.00%	19,219	
Legal Fee		0.50%	9,609	
				2,027,561

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Refurbished House	2,766	£63.27	175,000	
4 Mews Houses	6,000	£141.67	850,000	
Totals	<u>8,766</u>		<u>1,025,000</u>	1,025,000

Contingency		10.00%	102,500	102,500
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PROFESSIONAL FEES

Professional Fees		8.00%	82,000	82,000
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MARKETING & LETTING

Marketing			20,000	20,000
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DISPOSAL FEES

Sales Agent Fee		2.00%	76,000	
Sales Legal Fee		0.50%	19,000	
				95,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Mar 2014
Construction	8	Jun 2014
Total Duration	11	

Multiple Finance Rates Used (See Assumptions)

Land			85,757	
Construction			16,727	
Total Finance Cost				102,484

TOTAL COSTS**3,454,545****PROFIT****345,455****Performance Measures**

Profit on Cost%		10.00%
Profit on GDV%		9.09%
Profit on NDV%		9.09%
		19.86%
Profit Erosion (finance rate 5.000%)		1 yr 11 mths

SENSITIVITY ANALYSIS**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD****Base and Variant Bids (No cost or value growth)****Table of Residual Land Price (Target Rate 10.00%)**

Sensitivity Analysis for Phase 1 Wanless Road

Profit - 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,780,214	£1,724,456	£1,668,700	£1,612,943	£1,557,187	
-5.000% £0.00 ft²	£1,935,882	£1,880,125	£1,824,367	£1,768,611	£1,712,855	
0.000% £0.00 ft²	£2,091,550	£2,035,793	£1,980,036	£1,924,279	£1,868,522	
+5.000% £0.00 ft²	£2,247,218	£2,191,461	£2,135,704	£2,079,948	£2,024,190	
+10.000% £0.00 ft²	£2,402,886	£2,347,129	£2,291,372	£2,235,616	£2,179,859	
Profit - 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,753,794	£1,698,036	£1,642,280	£1,586,523	£1,530,767	
-5.000% £0.00 ft²	£1,907,994	£1,852,238	£1,796,480	£1,740,723	£1,684,967	
0.000% £0.00 ft²	£2,062,194	£2,006,438	£1,950,681	£1,894,923	£1,839,167	
+5.000% £0.00 ft²	£2,216,394	£2,160,638	£2,104,881	£2,049,124	£1,993,366	
+10.000% £0.00 ft²	£2,370,594	£2,314,838	£2,259,081	£2,203,325	£2,147,568	
Profit 0.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,727,854	£1,672,097	£1,616,340	£1,560,584	£1,504,827	
-5.000% £0.00 ft²	£1,880,614	£1,824,857	£1,769,099	£1,713,343	£1,657,586	
0.000% £0.00 ft²	£2,033,373	£1,977,616	£1,921,859	£1,866,101	£1,810,345	
+5.000% £0.00 ft²	£2,186,132	£2,130,375	£2,074,618	£2,018,862	£1,963,104	
+10.000% £0.00 ft²	£2,338,891	£2,283,134	£2,227,377	£2,171,621	£2,115,864	
Profit + 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,702,382	£1,646,625	£1,590,868	£1,535,112	£1,479,355	
-5.000% £0.00 ft²	£1,853,726	£1,797,969	£1,742,212	£1,686,455	£1,630,699	
0.000% £0.00 ft²	£2,005,070	£1,949,313	£1,893,557	£1,837,799	£1,782,043	
+5.000% £0.00 ft²	£2,156,414	£2,100,657	£2,044,901	£1,989,144	£1,933,386	
+10.000% £0.00 ft²	£2,307,758	£2,252,001	£2,196,245	£2,140,488	£2,084,731	
Profit + 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,677,364	£1,621,607	£1,565,851	£1,510,094	£1,454,338	
-5.000% £0.00 ft²	£1,827,319	£1,771,561	£1,715,805	£1,660,048	£1,604,292	
0.000% £0.00 ft²	£1,977,273	£1,921,516	£1,865,758	£1,810,002	£1,754,246	
+5.000% £0.00 ft²	£2,127,227	£2,071,470	£2,015,714	£1,959,956	£1,904,199	
+10.000% £0.00 ft²	£2,277,181	£2,221,424	£2,165,668	£2,109,911	£2,054,153	

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Sensitivity Analysis for Phase 1 Wanless Road

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Refurbished House	1	£63.27 pf ²
4 Mews Houses	1	£141.67 pf ²

These fields varied in Steps of 5.0000 % of the original value

Sales Rate

Heading	Phase	Original Value
Refurbished House	1	£325.38 pf ²
4 Mews Houses	1	£623.66 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Office Refurbishment
Rent £40 psf, Yield 5.75%
15% Profit on Cost (No Sensitivity)

Report Date: 11 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	9	Dec 2017	Aug 2018	Pre-Construction	End	0
Letting	12	Sep 2018	Aug 2019	Post Development	End	0
Phase End		Sep 2019				
Phase Length	24					

Project Length 78 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Assumptions

Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	15.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids****Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	ft²	Rate ft²	Gross MRV
Phoenix House	60,000	£40.00	2,400,000

Investment Valuation**Phoenix House**

Market Rent	2,400,000	YP @	5.7500%	17.3913	
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	39,469,627

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.75%	(2,269,504)	39,469,627
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NET DEVELOPMENT VALUE37,200,123**NET REALISATION****37,200,123****OUTLAY****ACQUISITION COSTS**

Residualised Price			19,098,876
Stamp Duty	4.00%		763,955
Agent Fee	0.75%		143,242
Legal Fee	0.40%		76,396
			20,082,468

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phoenix House	72,500	£100.00	7,250,000
Contingency		5.00%	362,500
			362,500

PROFESSIONAL FEES

Prof Fees	10.00%	725,000	725,000
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MARKETING & LETTING

Marketing			50,000
Letting Agent Fee	15.00%		360,000
Letting Legal Fee	4.00%		96,000
			506,000

Additional Costs

Void Letting Costs		840,000	840,000
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FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Sep 2017
Construction	9	Dec 2017
Letting	12	Sep 2018
Total Duration	24	

Multiple Finance Rates Used (See Assumptions)

Land	936,254
Construction	131,996
Letting Void	1,513,710
Total Finance Cost	2,581,960

TOTAL COSTS**32,347,928****PROFIT****4,852,195****Performance Measures**

Profit on Cost%	15.00%
Profit on GDV%	12.29%
Profit on NDV%	13.04%
Development Yield% (on Rent)	7.42%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
Gross Initial Yield%	6.08%

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Net Initial Yield%	6.08%
IRR	13.49%
Rent Cover	2 yrs
Profit Erosion (finance rate 5.000%)	2 yrs 10 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Table of Residual Land Price (Target Rate 15.00%)

Sensitivity Analysis for Phase 1

Capitalisation Yield - 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£15,081,817	£14,697,021	£14,312,225	£13,927,420	£13,542,627
- £5.00 ft ² £35.00 ft ²	£18,879,729	£18,494,934	£18,110,140	£17,725,344	£17,340,549
£0.00 ft ² £40.00 ft ²	£22,677,651	£22,292,843	£21,908,050	£21,523,256	£21,138,462
+ £5.00 ft ² £45.00 ft ²	£26,475,566	£26,090,771	£25,705,975	£25,321,179	£24,936,371
+ £10.00 ft ² £50.00 ft ²	£30,273,480	£29,888,685	£29,503,890	£29,119,095	£28,734,299

Capitalisation Yield - 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£13,980,368	£13,595,572	£13,210,768	£12,825,974	£12,441,180
- £5.00 ft ² £35.00 ft ²	£17,594,707	£17,209,912	£16,825,116	£16,440,321	£16,055,525
£0.00 ft ² £40.00 ft ²	£21,209,041	£20,824,248	£20,439,454	£20,054,659	£19,669,864
+ £5.00 ft ² £45.00 ft ²	£24,823,393	£24,438,597	£24,053,801	£23,668,994	£23,284,201
+ £10.00 ft ² £50.00 ft ²	£28,437,733	£28,052,937	£27,668,142	£27,283,346	£26,898,551

Capitalisation Yield 0.000%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,974,933	£12,590,129	£12,205,336	£11,820,541	£11,435,746
- £5.00 ft ² £35.00 ft ²	£16,421,700	£16,036,905	£15,652,109	£15,267,314	£14,882,518
£0.00 ft ² £40.00 ft ²	£19,868,464	£19,483,670	£19,098,876	£18,714,081	£18,329,285
+ £5.00 ft ² £45.00 ft ²	£23,315,241	£22,930,445	£22,545,639	£22,160,845	£21,776,051
+ £10.00 ft ² £50.00 ft ²	£26,762,009	£26,377,213	£25,992,418	£25,607,622	£25,222,813

Capitalisation Yield + 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,053,502	£11,668,708	£11,283,914	£10,899,119	£10,514,323
- £5.00 ft ² £35.00 ft ²	£15,346,706	£14,961,911	£14,577,115	£14,192,319	£13,807,516
£0.00 ft ² £40.00 ft ²	£18,639,901	£18,255,107	£17,870,312	£17,485,516	£17,100,721
+ £5.00 ft ² £45.00 ft ²	£21,933,105	£21,548,299	£21,163,506	£20,778,712	£20,393,917
+ £10.00 ft ² £50.00 ft ²	£25,226,303	£24,841,507	£24,456,711	£24,071,903	£23,687,110

Capitalisation Yield + 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£11,206,008	£10,821,214	£10,436,419	£10,051,623	£9,666,828
- £5.00 ft ² £35.00 ft ²	£14,357,962	£13,973,166	£13,588,370	£13,203,567	£12,818,773
£0.00 ft ² £40.00 ft ²	£17,509,908	£17,125,113	£16,740,318	£16,355,522	£15,970,727
+ £5.00 ft ² £45.00 ft ²	£20,661,852	£20,277,058	£19,892,264	£19,507,469	£19,122,674
+ £10.00 ft ² £50.00 ft ²	£23,813,810	£23,429,014	£23,044,207	£22,659,413	£22,274,619

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids****Sensitivity Analysis for Phase 1****Sensitivity Analysis : Assumptions for Calculation****Construction Rate**

Heading	Phase	Original Value
Phoenix House	1	£100.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Rent Rate

Heading	Phase	Original Value
Phoenix House	1	£40.00 pf ²

These fields varied in Fixed Steps of £5.00 pf²

Capitalisation Yield

Heading	Phase	Original Value
Phoenix House	1	5.7500%

These fields varied in Fixed Steps of 0.2500%

Base Bid (40% Affordable Housing) Surplus Site Appraisals – Ungrown

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Base Bid (40% Affordable Housing, Grown costs and values)

64 Private Dwellings, 21 Affordable Dwellings
Ungrown Costs and Values
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Base Bid (40% Affordable Housing, Grown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jan 2016				
Pre-Construction	3	Jan 2016	Mar 2016	Purchase	End	0
Construction	18	Apr 2016	Sep 2017	Pre-Construction	End	0
Sale	12	Oct 2017	Sep 2018	Income Flow	End	0
Phase End		Sep 2018				
Phase Length	33					

Project Length 66 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Base Bid (40% Affordable Housing, Grown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No Growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	12	Apr 2013
0.000%	12	Apr 2014
0.000%	12	Apr 2015
0.000%	12	Apr 2016
0.000%	Perpetuity	Apr 2017

5% pa growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Base Bid (40% Affordable Housing, Grown costs and values)**Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Base Bid (40% Affordable Housing, Grown costs and values)**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	ft²	Rate ft²	Gross Sales	Adjustment	Net Sales
Private Apartments	43,014	£521.00	22,410,294	0	22,410,294
Affordable Homes	13,993	£255.00	3,568,215	0	3,568,215
Totals	<u>57,007</u>		<u>25,978,509</u>	<u>0</u>	<u>25,978,509</u>

Rental Area Summary	ft²	Rate ft²	Gross MRV
Hambrook Retail Unit	1,550	£20.00	31,000

**Investment Valuation
Hambrook Retail Unit**

Current Rent	31,000	YP @	8.0000%	12.5000	387,500
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GROSS DEVELOPMENT VALUE 26,366,009

Income from Tenants 12,917

NET REALISATION 26,378,926**OUTLAY****ACQUISITION COSTS**

Residualised Price			6,285,754	
Stamp Duty		4.00%	251,430	
Agent Fee		1.00%	62,858	
Legal Fee		0.50%	31,429	
				6,631,470

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
Private Apartments	77,513	£125.95	9,763,000	9,763,000
Design Reserve		5.00%	588,425	
Construction Contingency		5.00%	588,425	
Demolition			150,000	
				1,326,850

Other Construction

Preliminaries		13.00%	1,288,690	
Contractor's OH&P		3.00%	336,051	
Contractor's D&B Risk		2.00%	230,755	
s106/CIL costs @ £12,500/Apartment			1,062,500	
				2,917,996

PROFESSIONAL FEES

Professional Fees		10.00%	1,105,169	
				1,105,169

MARKETING & LETTING

Marketing		2.00%	527,320	
				527,320

DISPOSAL FEES

Sales Agent Fee		2.00%	527,320	
Sales Legal Fee		0.50%	131,830	
				659,150

Interest and Fees not Included in Project Costs

Interest paid to Debt Sources:				
Debt (4.500%)		903,265		
Total Interest paid to Debt Sources:			903,265	
Total Interest Paid			903,265	
Debt Financing Fees				
Debt - (1.000%) (Single)		146,618		
Total Debt Financing Fees			146,618	

Total Interest and Fees not Included in Project Costs 1,049,883

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Base Bid (40% Affordable Housing, Grown costs and values)****TOTAL COSTS** **23,980,838****PROFIT**

Equity			
Residual Percentage (100.00%)	2,398,088		
		2,398,088	
			2,398,088

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.10%
Profit on NDV%	9.10%
Development Yield% (on Rent)	0.13%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
Gross Initial Yield%	8.00%
Net Initial Yield%	8.00%
Ungeared IRR%	11.77%
Geared IRR% (without Interest)	11.77%
Equity IRR% (without Interest)	27.95%
Rent Cover	77 yrs 4 mths

SENSITIVITY ANALYSIS**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE****Base Bid (40% Affordable Housing, Grown costs and values)****Table of Residual Land Price (Target Rate 10.00%)****Sensitivity Analysis for Phase 1****Profit - 2.000%**

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£5,893,162	£6,902,059	£7,910,968	£8,920,562	£9,930,826
-5.000% 0 ft ²	£5,276,895	£6,284,785	£7,293,683	£8,302,593	£9,312,121
0.000% 0 ft ²	£4,660,852	£5,668,400	£6,676,409	£7,685,306	£8,694,217
+5.000% 0 ft ²	£4,044,803	£5,052,357	£6,059,904	£7,068,033	£8,076,930
+10.000% 0 ft ²	£3,429,080	£4,436,305	£5,443,862	£6,451,409	£7,459,656

Profit - 1.000%

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£5,715,908	£6,715,072	£7,714,280	£8,713,871	£9,714,420
-5.000% 0 ft ²	£5,099,717	£6,097,648	£7,096,846	£8,096,055	£9,095,566
0.000% 0 ft ²	£4,483,525	£5,481,386	£6,479,422	£7,478,621	£8,477,830
+5.000% 0 ft ²	£3,867,327	£4,865,194	£5,863,056	£6,861,197	£7,860,395
+10.000% 0 ft ²	£3,251,713	£4,248,995	£5,246,864	£6,244,726	£7,242,971

Profit 0.000%

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£5,541,758	£6,531,124	£7,520,788	£8,510,535	£9,501,525
-5.000% 0 ft ²	£4,925,423	£5,913,756	£6,903,212	£7,892,876	£8,882,534
0.000% 0 ft ²	£4,309,087	£5,297,421	£6,285,754	£7,275,300	£8,264,965
+5.000% 0 ft ²	£3,692,747	£4,681,085	£5,669,419	£6,657,751	£7,647,388
+10.000% 0 ft ²	£3,077,242	£4,064,743	£5,053,083	£6,041,417	£7,029,822

Profit + 1.000%

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£5,370,677	£6,350,419	£7,330,709	£8,310,992	£9,292,391
-5.000% 0 ft ²	£4,754,198	£5,733,171	£6,712,989	£7,693,279	£8,673,562
0.000% 0 ft ²	£4,137,718	£5,116,691	£6,095,664	£7,075,559	£8,055,849
+5.000% 0 ft ²	£3,521,271	£4,500,211	£5,479,185	£6,458,157	£7,438,128
+10.000% 0 ft ²	£2,905,833	£3,883,726	£4,862,704	£5,841,678	£6,820,650

Profit + 2.000%

Constr. Unit Area	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000% 0 ft ²	£5,202,652	£6,172,942	£7,144,024	£8,115,101	£9,086,992
-5.000% 0 ft ²	£4,586,030	£5,555,810	£6,526,163	£7,497,245	£8,468,323
0.000% 0 ft ²	£3,969,400	£4,939,189	£5,908,969	£6,879,384	£7,850,467
+5.000% 0 ft ²	£3,353,066	£4,322,567	£5,292,347	£6,262,127	£7,232,606
+10.000% 0 ft ²	£2,737,485	£3,705,975	£4,675,725	£5,645,506	£6,615,285

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE**Base Bid (40% Affordable Housing, Grown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£521.00 pf ²
Affordable Homes	1	£255.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Unit Area

Heading	Phase	Original Value
Hambrook Retail Unit	1	1,550 ft ²
Private Apartments	1	77,513 ft ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Ungrown costs and values)

31 Private Dwellings and GP/Pharmacy
No sales or cost growth
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	18	Dec 2017	May 2019	Pre-Construction	End	0
Sale	12	Jun 2019	May 2020	Income Flow	End	0
Phase End		May 2020				
Phase Length	33					

Project Length 86 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- (Manual relations applied to some Professional Fees)
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Assumptions

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Ungrown costs and values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft²	Rate ft²	Gross Sales
Private Apartments	26,060	£535.00	13,942,100

Rental Area Summary	ft²	Rate ft²	Gross MRV
GP Surgery & Pharmacy (LG/G)	16,781	£22.00	369,182

Investment Valuation**GP Surgery & Pharmacy (LG/G)**

Current Rent	369,182	YP @	6.0000%	16.6667	6,153,033
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GROSS DEVELOPMENT VALUE 20,095,133

Income from Tenants 338,417

NET REALISATION 20,433,550

OUTLAY**ACQUISITION COSTS**

Residualised Price				6,804,397
Stamp Duty		4.00%		272,176
Agent Fee		1.00%		68,044
Legal Fee		0.50%		34,022
				7,178,639

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
GP Surgery & Pharmacy (LG/G)	16,781	£130.00	2,181,530
Private Apartments	41,021	£110.99	4,553,000
Totals	<u>57,802</u>		<u>6,734,530</u>

Design Reserve		5.00%	270,261
Construction Contingency		5.00%	270,261
Demolition			216,000
			756,522

Other Construction

Preliminaries		13.00%	591,890
Contractor OH&P		3.00%	154,347
Contractor D&B Risk		2.00%	105,985
s106/CIL Costs @ £12,500/Apartment			387,500
			1,239,721

PROFESSIONAL FEES

Professional Fees		10.00%	812,727
			812,727

MARKETING & LETTING

Marketing		2.00%	401,903
			401,903

DISPOSAL FEES

Sales Agent Fee		2.00%	401,903
Sales Legal Fee		0.50%	100,476
			502,378

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:			
Debt (4.500%)		835,419	
Total Interest paid to Debt Sources:			835,419

Total Interest Paid 835,419

Debt Financing Fees			
Debt - (1.000%) (Single)		114,113	

Total Debt Financing Fees 114,113

Total Interest and Fees not Included in Project Costs 949,531

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Ungrown costs and values)**

TOTAL COSTS			18,575,952
PROFIT			
Equity			
Residual Percentage (100.00%)	1,857,598		
		1,857,598	
			1,857,598

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.24%
Profit on NDV%	9.24%
Development Yield% (on Rent)	1.99%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Ungeared IRR%	10.16%
Geared IRR% (without Interest)	10.16%
Equity IRR% (without Interest)	21.91%
Rent Cover	5 yrs

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Ungrown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£6,235,836	£6,778,216	£7,320,719	£7,863,444	£8,406,205
-5.000% £123.50 ft ²	£6,127,242	£6,669,210	£7,211,713	£7,754,216	£8,296,778
0.000% £130.00 ft ²	£6,018,648	£6,560,417	£7,102,706	£7,645,209	£8,187,351
+5.000% £136.50 ft ²	£5,910,053	£6,451,823	£6,993,700	£7,536,203	£8,078,209
+10.000% £143.00 ft ²	£5,801,459	£6,343,229	£6,884,998	£7,427,197	£7,969,196

Profit - 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£6,095,868	£6,632,908	£7,170,279	£7,707,320	£8,244,880
-5.000% £123.50 ft ²	£5,987,273	£6,523,918	£7,061,273	£7,598,307	£8,135,453
0.000% £130.00 ft ²	£5,878,679	£6,415,324	£6,952,266	£7,489,294	£8,026,135
+5.000% £136.50 ft ²	£5,770,085	£6,306,730	£6,843,374	£7,380,281	£7,917,123
+10.000% £143.00 ft ²	£5,661,586	£6,198,135	£6,734,780	£7,271,269	£7,808,110

Profit 0.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£5,958,444	£6,490,243	£7,022,423	£7,554,213	£8,086,489
-5.000% £123.50 ft ²	£5,849,850	£6,381,463	£6,913,410	£7,445,201	£7,977,062
0.000% £130.00 ft ²	£5,741,255	£6,272,868	£6,804,397	£7,336,188	£7,867,978
+5.000% £136.50 ft ²	£5,632,661	£6,164,274	£6,695,716	£7,227,175	£7,758,965
+10.000% £143.00 ft ²	£5,524,364	£6,055,680	£6,587,115	£7,118,188	£7,649,953

Profit + 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£5,823,496	£6,350,169	£6,877,035	£7,403,865	£7,930,951
-5.000% £123.50 ft ²	£5,714,902	£6,241,574	£6,768,022	£7,294,853	£7,821,683
0.000% £130.00 ft ²	£5,606,307	£6,132,980	£6,659,143	£7,185,840	£7,712,670
+5.000% £136.50 ft ²	£5,497,799	£6,024,385	£6,550,542	£7,076,827	£7,603,658
+10.000% £143.00 ft ²	£5,389,614	£5,915,791	£6,441,941	£6,968,062	£7,494,645

Profit + 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£5,690,958	£6,212,508	£6,734,243	£7,256,203	£7,778,191
-5.000% £123.50 ft ²	£5,582,364	£6,103,907	£6,625,230	£7,147,190	£7,669,149
0.000% £130.00 ft ²	£5,473,769	£5,995,305	£6,516,562	£7,038,177	£7,560,136
+5.000% £136.50 ft ²	£5,365,455	£5,886,704	£6,407,961	£6,929,217	£7,451,123
+10.000% £143.00 ft ²	£5,257,270	£5,778,102	£6,299,359	£6,820,616	£7,342,110

SW2 ENTERPRISE CENTRE - IVOR HOUSE**Base and Variant Bids (Ungrown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£535.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
GP Surgery & Pharmacy (LG/G)	1	£130.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Base Bid (40% Affordable Housing, Ungrown costs and values)

53 Private Dwellings, 53 Affordable Dwellings
No sales value or cost growth
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Base Bid (40% Affordable Housing, Ungrown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2018				
Pre-Construction	3	Mar 2018	May 2018	Purchase	End	0
Construction	18	Jun 2018	Nov 2019	Pre-Construction	End	0
Sale	12	Dec 2019	Nov 2020	Income Flow	End	0
Phase End		Nov 2020				
Phase Length	33					

Project Length 92 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Monthly
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Base Bid (40% Affordable Housing, Ungrown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Base Bid (40% Affordable Housing, Ungrown costs and values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears

This set is not stepped

Rate	Months	Start Date
2.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE****Base Bid (40% Affordable Housing, Ungrown costs and values)**

Summary Appraisal for Phase 1

REVENUE			
Sales Valuation	ft²	Rate ft²	Gross Sales
Private Dwellings	41,119	£513.00	21,094,047
Affordable Housing	40,473	£255.00	10,320,615
Totals	<u>81,592</u>		<u>31,414,662</u>
NET REALISATION			31,414,662
OUTLAY			
ACQUISITION COSTS			
Residualised Price			6,269,754
Stamp Duty		4.00%	250,790
Agent Fee		1.00%	62,698
Legal Fee		0.50%	31,349
			6,614,590
CONSTRUCTION COSTS			
Construction	ft²	Rate ft²	Cost
Private Dwellings	110,772	£112.01	12,408,000
			12,408,000
Design Reserve		5.00%	763,775
Construction Contingency		5.00%	763,775
Demolition			545,000
			2,072,550
Other Construction			
Preliminaries		13.00%	1,613,040
Contractor OH&P		3.00%	420,631
Contractor D&B Risk		2.00%	288,833
s106 /CIL costs @ £12,500/Apartment			1,325,000
			3,647,505
PROFESSIONAL FEES			
Professional Fees		10.00%	1,402,104
			1,402,104
MARKETING & LETTING			
Marketing		2.00%	421,881
			421,881
DISPOSAL FEES			
Sales Agent Fee		2.00%	628,293
Sales Legal Fee		0.50%	157,073
			785,367
Interest and Fees not Included in Project Costs			
Interest paid to Debt Sources:			
Debt (4.500%)		1,032,350	
Total Interest paid to Debt Sources:			1,032,350
Total Interest Paid			1,032,350
Debt Financing Fees			
Debt - (1.000%) (Single)		174,435	
Total Debt Financing Fees			174,435
Total Interest and Fees not Included in Project Costs			1,206,786
TOTAL COSTS			28,558,783
PROFIT			
Equity			
Residual Percentage (100.00%)		2,855,879	
			2,855,879
			2,855,879
Performance Measures			
Profit on Cost%		10.00%	
Profit on GDV%		9.09%	
Profit on NDV%		9.09%	

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Base Bid (40% Affordable Housing, Ungrown costs and values)**

Ungeared IRR%	12.58%
Geared IRR% (without Interest)	12.58%
Equity IRR% (without Interest)	33.24%

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Base Bid (40% Affordable Housing, Ungrown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£5,885,562	£5,082,854	£4,280,142	£3,477,882	£2,676,521
-5.000% £0.00 ft²	£7,114,245	£6,310,872	£5,508,164	£4,705,451	£3,902,881
0.000% £0.00 ft²	£8,343,927	£7,539,632	£6,736,183	£5,933,475	£5,130,760
+5.000% £0.00 ft²	£9,573,622	£8,769,314	£7,965,020	£7,161,493	£6,358,786
+10.000% £0.00 ft²	£10,804,433	£9,999,010	£9,194,702	£8,390,407	£7,586,804

Profit - 1.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£5,673,743	£4,871,025	£4,068,324	£3,266,371	£2,465,011
-5.000% £0.00 ft²	£6,890,333	£6,087,286	£5,284,578	£4,481,866	£3,679,619
0.000% £0.00 ft²	£8,108,231	£7,303,935	£6,500,829	£5,698,121	£4,895,407
+5.000% £0.00 ft²	£9,326,139	£8,521,833	£7,717,538	£6,914,372	£6,111,664
+10.000% £0.00 ft²	£10,544,785	£9,739,742	£8,935,436	£8,131,140	£7,327,914

Profit 0.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£5,465,776	£4,663,060	£3,860,357	£3,058,705	£2,257,346
-5.000% £0.00 ft²	£6,670,492	£5,867,765	£5,065,047	£4,262,346	£3,460,417
0.000% £0.00 ft²	£7,876,820	£7,072,523	£6,269,754	£5,467,046	£4,664,334
+5.000% £0.00 ft²	£9,083,157	£8,278,851	£7,474,555	£6,671,743	£5,869,035
+10.000% £0.00 ft²	£10,289,858	£9,485,189	£8,680,883	£7,876,587	£7,073,732

Profit + 1.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£5,261,555	£4,458,841	£3,656,143	£2,854,777	£2,053,422
-5.000% £0.00 ft²	£6,454,907	£5,652,199	£4,849,483	£4,046,780	£3,245,164
0.000% £0.00 ft²	£7,649,578	£6,845,550	£6,042,843	£5,240,125	£4,437,423
+5.000% £0.00 ft²	£8,844,540	£8,040,247	£7,236,194	£6,433,486	£5,630,778
+10.000% £0.00 ft²	£10,039,524	£9,235,210	£8,430,917	£7,626,837	£6,824,130

Profit + 2.000%

Sales Rate £ pf²	Construction Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£100.81 ft²	£100.81 ft²	£106.41 ft²	£112.01 ft²	£117.61 ft²	£123.22 ft²
-10.000% £0.00 ft²	£5,060,982	£4,258,269	£3,455,861	£2,654,496	£1,853,139
-5.000% £0.00 ft²	£6,243,190	£5,440,483	£4,637,769	£3,835,117	£3,033,748
0.000% £0.00 ft²	£7,426,394	£6,622,691	£5,819,983	£5,017,268	£4,214,565
+5.000% £0.00 ft²	£8,610,198	£7,805,904	£7,002,192	£6,199,484	£5,396,766
+10.000% £0.00 ft²	£9,794,017	£8,989,709	£8,185,415	£7,381,692	£6,578,985

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Base Bid (40% Affordable Housing, Ungrown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Private Dwellings	1	£112.01 pf ²

These fields varied in Steps of 5.0000 % of the original value

Sales Rate

Heading	Phase	Original Value
Private Dwellings	1	£513.00 pf ²
Affordable Housing	1	£255.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - WANLESS ROAD

Base and Variant Bids (No cost or value growth)

4 Mews Houses and Refurbished Period Villa

No cost or Sales Growth

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 05 September 2013

SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1: Wanless Road

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2014				
Pre-Construction	3	Mar 2014	May 2014	Purchase	End	0
Construction	8	Jun 2014	Jan 2015	Pre-Construction	End	0
Phase End		Feb 2015				
Phase Length	11					

Project Length 23 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Assumptions

Net of Ground Rent deductions On
 Net of Rent Additions/Costs On

Value Added Tax

Global VAT Rate 0.00%
 Global Recovery Rate 0.00%
 Recovery Cycle every 2 months
 1st Recovery Month 2 (May 2013)
 VAT Calculations in Cash Flow On

Residual

Land Cost Mode Residualised Land Value
 Multi-Phasing Separate Land Residual for each phase
 Target Type Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Wanless Road	10.00%	No	No

Distribution

Construction Payments are paid on S-Curve
 Sales Receipts are paid on Single curve
 Sales Deposits are paid on Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Summary Appraisal for Phase 1 Wanless Road

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales	
Refurbished House	2,766	£325.38	900,000	
4 Mews Houses	4,650	£623.66	2,900,000	
Totals	<u>7,416</u>		<u>3,800,000</u>	3,800,000

NET REALISATION**3,800,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,921,859	
Stamp Duty		4.00%	76,874	
Agent Fee		1.00%	19,219	
Legal Fee		0.50%	9,609	
				2,027,561

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Refurbished House	2,766	£63.27	175,000	
4 Mews Houses	6,000	£141.67	850,000	
Totals	<u>8,766</u>		<u>1,025,000</u>	1,025,000

Contingency		10.00%	102,500	102,500
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PROFESSIONAL FEES

Professional Fees		8.00%	82,000	82,000
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MARKETING & LETTING

Marketing			20,000	20,000
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DISPOSAL FEES

Sales Agent Fee		2.00%	76,000	
Sales Legal Fee		0.50%	19,000	
				95,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Mar 2014
Construction	8	Jun 2014
Total Duration	11	

Multiple Finance Rates Used (See Assumptions)

Land			85,757	
Construction			16,727	
Total Finance Cost				102,484

TOTAL COSTS**3,454,545****PROFIT****345,455****Performance Measures**

Profit on Cost%		10.00%
Profit on GDV%		9.09%
Profit on NDV%		9.09%
		19.86%
Profit Erosion (finance rate 5.000%)		1 yr 11 mths

SENSITIVITY ANALYSIS**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD****Base and Variant Bids (No cost or value growth)****Table of Residual Land Price (Target Rate 10.00%)****Sensitivity Analysis for Phase 1 Wanless Road**

Profit - 2.000%		Construction Rate				
Sales Rate		-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000%	£0.00 ft ²	£1,780,214	£1,724,456	£1,668,700	£1,612,943	£1,557,187
-5.000%	£0.00 ft ²	£1,935,882	£1,880,125	£1,824,367	£1,768,611	£1,712,855
0.000%	£0.00 ft ²	£2,091,550	£2,035,793	£1,980,036	£1,924,279	£1,868,522
+5.000%	£0.00 ft ²	£2,247,218	£2,191,461	£2,135,704	£2,079,948	£2,024,190
+10.000%	£0.00 ft ²	£2,402,886	£2,347,129	£2,291,372	£2,235,616	£2,179,859
Profit - 1.000%		Construction Rate				
Sales Rate		-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000%	£0.00 ft ²	£1,753,794	£1,698,036	£1,642,280	£1,586,523	£1,530,767
-5.000%	£0.00 ft ²	£1,907,994	£1,852,238	£1,796,480	£1,740,723	£1,684,967
0.000%	£0.00 ft ²	£2,062,194	£2,006,438	£1,950,681	£1,894,923	£1,839,167
+5.000%	£0.00 ft ²	£2,216,394	£2,160,638	£2,104,881	£2,049,124	£1,993,366
+10.000%	£0.00 ft ²	£2,370,594	£2,314,838	£2,259,081	£2,203,325	£2,147,568
Profit 0.000%		Construction Rate				
Sales Rate		-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000%	£0.00 ft ²	£1,727,854	£1,672,097	£1,616,340	£1,560,584	£1,504,827
-5.000%	£0.00 ft ²	£1,880,614	£1,824,857	£1,769,099	£1,713,343	£1,657,586
0.000%	£0.00 ft ²	£2,033,373	£1,977,616	£1,921,859	£1,866,101	£1,810,345
+5.000%	£0.00 ft ²	£2,186,132	£2,130,375	£2,074,618	£2,018,862	£1,963,104
+10.000%	£0.00 ft ²	£2,338,891	£2,283,134	£2,227,377	£2,171,621	£2,115,864
Profit + 1.000%		Construction Rate				
Sales Rate		-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000%	£0.00 ft ²	£1,702,382	£1,646,625	£1,590,868	£1,535,112	£1,479,355
-5.000%	£0.00 ft ²	£1,853,726	£1,797,969	£1,742,212	£1,686,455	£1,630,699
0.000%	£0.00 ft ²	£2,005,070	£1,949,313	£1,893,557	£1,837,799	£1,782,043
+5.000%	£0.00 ft ²	£2,156,414	£2,100,657	£2,044,901	£1,989,144	£1,933,386
+10.000%	£0.00 ft ²	£2,307,758	£2,252,001	£2,196,245	£2,140,488	£2,084,731
Profit + 2.000%		Construction Rate				
Sales Rate		-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000%	£0.00 ft ²	£1,677,364	£1,621,607	£1,565,851	£1,510,094	£1,454,338
-5.000%	£0.00 ft ²	£1,827,319	£1,771,561	£1,715,805	£1,660,048	£1,604,292
0.000%	£0.00 ft ²	£1,977,273	£1,921,516	£1,865,758	£1,810,002	£1,754,246
+5.000%	£0.00 ft ²	£2,127,227	£2,071,470	£2,015,714	£1,959,956	£1,904,199
+10.000%	£0.00 ft ²	£2,277,181	£2,221,424	£2,165,668	£2,109,911	£2,054,153

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Sensitivity Analysis for Phase 1 Wanless Road

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Refurbished House	1	£63.27 pf ²
4 Mews Houses	1	£141.67 pf ²

These fields varied in Steps of 5.0000 % of the original value

Sales Rate

Heading	Phase	Original Value
Refurbished House	1	£325.38 pf ²
4 Mews Houses	1	£623.66 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Office Refurbishment
Rent £40 psf, Yield 5.75%
15% Profit on Cost (No Sensitivity)

Report Date: 11 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	9	Dec 2017	Aug 2018	Pre-Construction	End	0
Letting	12	Sep 2018	Aug 2019	Post Development	End	0
Phase End		Sep 2019				
Phase Length	24					

Project Length 78 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Assumptions

Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	15.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids****Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	ft²	Rate ft²	Gross MRV
Phoenix House	60,000	£40.00	2,400,000

Investment Valuation**Phoenix House**

Market Rent	2,400,000	YP @	5.7500%	17.3913	
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	39,469,627

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.75%	(2,269,504)	39,469,627
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NET DEVELOPMENT VALUE**37,200,123****NET REALISATION****37,200,123****OUTLAY****ACQUISITION COSTS**

Residualised Price			19,098,876
Stamp Duty	4.00%		763,955
Agent Fee	0.75%		143,242
Legal Fee	0.40%		76,396
			20,082,468

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phoenix House	72,500	£100.00	7,250,000
Contingency		5.00%	362,500
			362,500

PROFESSIONAL FEES

Prof Fees	10.00%	725,000	725,000
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MARKETING & LETTING

Marketing			50,000
Letting Agent Fee	15.00%		360,000
Letting Legal Fee	4.00%		96,000
			506,000

Additional Costs

Void Letting Costs		840,000	840,000
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FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Sep 2017
Construction	9	Dec 2017
Letting	12	Sep 2018
Total Duration	24	

Multiple Finance Rates Used (See Assumptions)

Land	936,254
Construction	131,996
Letting Void	1,513,710
Total Finance Cost	2,581,960

TOTAL COSTS**32,347,928****PROFIT****4,852,195****Performance Measures**

Profit on Cost%	15.00%
Profit on GDV%	12.29%
Profit on NDV%	13.04%
Development Yield% (on Rent)	7.42%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
Gross Initial Yield%	6.08%

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Net Initial Yield%	6.08%
IRR	13.49%
Rent Cover	2 yrs
Profit Erosion (finance rate 5.000%)	2 yrs 10 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Table of Residual Land Price (Target Rate 15.00%)

Sensitivity Analysis for Phase 1

Capitalisation Yield - 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£15,081,817	£14,697,021	£14,312,225	£13,927,420	£13,542,627
- £5.00 ft ² £35.00 ft ²	£18,879,729	£18,494,934	£18,110,140	£17,725,344	£17,340,549
£0.00 ft ² £40.00 ft ²	£22,677,651	£22,292,843	£21,908,050	£21,523,256	£21,138,462
+ £5.00 ft ² £45.00 ft ²	£26,475,566	£26,090,771	£25,705,975	£25,321,179	£24,936,371
+ £10.00 ft ² £50.00 ft ²	£30,273,480	£29,888,685	£29,503,890	£29,119,095	£28,734,299

Capitalisation Yield - 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£13,980,368	£13,595,572	£13,210,768	£12,825,974	£12,441,180
- £5.00 ft ² £35.00 ft ²	£17,594,707	£17,209,912	£16,825,116	£16,440,321	£16,055,525
£0.00 ft ² £40.00 ft ²	£21,209,041	£20,824,248	£20,439,454	£20,054,659	£19,669,864
+ £5.00 ft ² £45.00 ft ²	£24,823,393	£24,438,597	£24,053,801	£23,668,994	£23,284,201
+ £10.00 ft ² £50.00 ft ²	£28,437,733	£28,052,937	£27,668,142	£27,283,346	£26,898,551

Capitalisation Yield 0.000%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,974,933	£12,590,129	£12,205,336	£11,820,541	£11,435,746
- £5.00 ft ² £35.00 ft ²	£16,421,700	£16,036,905	£15,652,109	£15,267,314	£14,882,518
£0.00 ft ² £40.00 ft ²	£19,868,464	£19,483,670	£19,098,876	£18,714,081	£18,329,285
+ £5.00 ft ² £45.00 ft ²	£23,315,241	£22,930,445	£22,545,639	£22,160,845	£21,776,051
+ £10.00 ft ² £50.00 ft ²	£26,762,009	£26,377,213	£25,992,418	£25,607,622	£25,222,813

Capitalisation Yield + 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,053,502	£11,668,708	£11,283,914	£10,899,119	£10,514,323
- £5.00 ft ² £35.00 ft ²	£15,346,706	£14,961,911	£14,577,115	£14,192,319	£13,807,516
£0.00 ft ² £40.00 ft ²	£18,639,901	£18,255,107	£17,870,312	£17,485,516	£17,100,721
+ £5.00 ft ² £45.00 ft ²	£21,933,105	£21,548,299	£21,163,506	£20,778,712	£20,393,917
+ £10.00 ft ² £50.00 ft ²	£25,226,303	£24,841,507	£24,456,711	£24,071,903	£23,687,110

Capitalisation Yield + 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£11,206,008	£10,821,214	£10,436,419	£10,051,623	£9,666,828
- £5.00 ft ² £35.00 ft ²	£14,357,962	£13,973,166	£13,588,370	£13,203,567	£12,818,773
£0.00 ft ² £40.00 ft ²	£17,509,908	£17,125,113	£16,740,318	£16,355,522	£15,970,727
+ £5.00 ft ² £45.00 ft ²	£20,661,852	£20,277,058	£19,892,264	£19,507,469	£19,122,674
+ £10.00 ft ² £50.00 ft ²	£23,813,810	£23,429,014	£23,044,207	£22,659,413	£22,274,619

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Phoenix House	1	£100.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Rent Rate

Heading	Phase	Original Value
Phoenix House	1	£40.00 pf ²

These fields varied in Fixed Steps of £5.00 pf²**Capitalisation Yield**

Heading	Phase	Original Value
Phoenix House	1	5.7500%

These fields varied in Fixed Steps of 0.2500%

Variant A Bid (20% Affordable Housing) Surplus Site Appraisals – Ungrown

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

85 Private Dwellings and Small Retail Unit
Ungrown Sales and Costs
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jan 2016				
Pre-Construction	3	Jan 2016	Mar 2016	Purchase	End	0
Construction	18	Apr 2016	Sep 2017	Pre-Construction	End	0
Sale	12	Oct 2017	Sep 2018	Income Flow	End	0
Phase End		Sep 2018				
Phase Length	33					

Project Length 66 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft²	Rate ft²	Gross Sales
Private Apartments	57,007	£515.00	29,358,605

Rental Area Summary	ft²	Rate ft²	Gross MRV
Hambrook Retail Unit	1,550	£20.00	31,000

**Investment Valuation
Hambrook Retail Unit**

Current Rent	31,000	YP @	8.0000%	12.5000	387,500
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GROSS DEVELOPMENT VALUE 29,746,105

Income from Tenants 12,917

NET REALISATION 29,759,022**OUTLAY****ACQUISITION COSTS**

Residualised Price				8,499,754
Stamp Duty		4.00%		339,990
Agent Fee		1.00%		84,998
Legal Fee		0.50%		42,499
				8,967,241

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Private Apartments	77,519	£129.39	10,030,000
			10,030,000
Design Reserve		5.00%	604,274
Construction Contingency		5.00%	604,274
Demolition			150,000
			1,358,547

Other Construction

Preliminaries		13.00%	1,323,400
Contractor OH&P		3.00%	345,102
Contractor D&B Risk		2.00%	236,970
s106/CIL costs @ £12,500/Apartment			1,062,500
			2,967,972

PROFESSIONAL FEES

Professional Fees		10.00%	1,135,340
			1,135,340

MARKETING & LETTING

Marketing		2.00%	594,922
			594,922

DISPOSAL FEES

Sales Agent Fee		2.00%	594,922
Sales Legal Fee		0.50%	148,731
			743,653

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:			
Debt (4.500%)	1,090,292		
Total Interest paid to Debt Sources:			1,090,292

Total Interest Paid 1,090,292

Debt Financing Fees			
Debt - (1.000%) (Single)	165,689		

Total Debt Financing Fees 165,689

Total Interest and Fees not Included in Project Costs 1,255,981**TOTAL COSTS 27,053,655**

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****PROFIT**

Equity			
Residual Percentage (100.00%)	2,705,366	2,705,366	2,705,366

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.09%
Profit on NDV%	9.09%
Development Yield% (on Rent)	0.11%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
Gross Initial Yield%	8.00%
Net Initial Yield%	8.00%
Ungeared IRR%	11.15%
Geared IRR% (without Interest)	11.15%
Equity IRR% (without Interest)	25.62%
Rent Cover	87 yrs 3 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,960,550	£9,100,537	£10,241,421	£11,382,440	£12,524,873
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£7,310,488	£8,449,842	£9,589,879	£10,730,763	£11,871,647
0.000% £129.39 ft²	£6,660,440	£7,799,779	£8,939,134	£10,079,221	£11,220,105
+5.000% £135.86 ft²	£6,011,461	£7,149,731	£8,289,081	£9,428,425	£10,568,563
+10.000% £142.33 ft²	£5,362,700	£6,500,513	£7,639,022	£8,778,373	£9,917,717

Profit - 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,760,717	£8,889,457	£10,019,389	£11,149,321	£12,280,576
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£7,110,657	£8,239,073	£9,367,847	£10,497,779	£11,627,711
0.000% £129.39 ft²	£6,460,681	£7,589,011	£8,717,428	£9,846,237	£10,976,169
+5.000% £135.86 ft²	£5,811,921	£6,938,962	£8,067,366	£9,195,784	£10,324,626
+10.000% £142.33 ft²	£5,163,160	£6,290,053	£7,417,317	£8,545,720	£9,674,140

Profit 0.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,564,517	£8,682,215	£9,801,395	£10,920,573	£12,040,721
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£6,914,458	£8,032,136	£9,149,852	£10,269,031	£11,388,210
0.000% £129.39 ft²	£6,264,769	£7,382,076	£8,499,754	£9,617,488	£10,736,668
+5.000% £135.86 ft²	£5,616,009	£6,732,180	£7,849,693	£8,967,372	£10,085,125
+10.000% £142.33 ft²	£4,967,247	£6,083,419	£7,199,644	£8,317,311	£9,434,991

Profit + 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,371,852	£8,478,980	£9,587,327	£10,695,947	£11,805,187
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£6,721,794	£7,828,927	£8,936,055	£10,044,405	£11,153,025
0.000% £129.39 ft²	£6,072,387	£7,178,868	£8,286,002	£9,393,129	£10,501,482
+5.000% £135.86 ft²	£5,423,626	£6,529,269	£7,635,942	£8,743,076	£9,850,204
+10.000% £142.33 ft²	£4,774,865	£5,880,509	£6,986,151	£8,093,016	£9,200,151

Profit + 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,182,620	£8,279,400	£9,377,083	£10,475,332	£11,573,859
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£6,532,571	£7,629,338	£8,726,119	£9,823,790	£10,922,039
0.000% £129.39 ft²	£5,883,441	£6,979,290	£8,076,067	£9,172,839	£10,270,496
+5.000% £135.86 ft²	£5,234,679	£6,329,982	£7,426,008	£8,522,786	£9,619,558
+10.000% £142.33 ft²	£4,585,909	£5,681,221	£6,776,524	£7,872,727	£8,969,505

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£515.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£129.39 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Ungrown costs and values)

31 Private Dwellings and GP/Pharmacy
No sales or cost growth
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	18	Dec 2017	May 2019	Pre-Construction	End	0
Sale	12	Jun 2019	May 2020	Income Flow	End	0
Phase End		May 2020				
Phase Length	33					

Project Length 86 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- (Manual relations applied to some Professional Fees)
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Assumptions

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Ungrown costs and values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft²	Rate ft²	Gross Sales
Private Apartments	26,060	£535.00	13,942,100

Rental Area Summary	ft²	Rate ft²	Gross MRV
GP Surgery & Pharmacy (LG/G)	16,781	£22.00	369,182

Investment Valuation**GP Surgery & Pharmacy (LG/G)**

Current Rent	369,182	YP @	6.0000%	16.6667	6,153,033
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GROSS DEVELOPMENT VALUE 20,095,133

Income from Tenants 338,417

NET REALISATION 20,433,550**OUTLAY****ACQUISITION COSTS**

Residualised Price				6,804,397
Stamp Duty		4.00%		272,176
Agent Fee		1.00%		68,044
Legal Fee		0.50%		34,022
				7,178,639

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
GP Surgery & Pharmacy (LG/G)	16,781	£130.00	2,181,530
Private Apartments	41,021	£110.99	4,553,000
Totals	<u>57,802</u>		<u>6,734,530</u>

Design Reserve		5.00%	270,261
Construction Contingency		5.00%	270,261
Demolition			216,000
			756,522

Other Construction

Preliminaries		13.00%	591,890
Contractor OH&P		3.00%	154,347
Contractor D&B Risk		2.00%	105,985
s106/CIL Costs @ £12,500/Apartment			387,500
			1,239,721

PROFESSIONAL FEES

Professional Fees		10.00%	812,727
			812,727

MARKETING & LETTING

Marketing		2.00%	401,903
			401,903

DISPOSAL FEES

Sales Agent Fee		2.00%	401,903
Sales Legal Fee		0.50%	100,476
			502,378

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:			
Debt (4.500%)		835,419	
Total Interest paid to Debt Sources:			835,419

Total Interest Paid 835,419

Debt Financing Fees			
Debt - (1.000%) (Single)		114,113	

Total Debt Financing Fees 114,113

Total Interest and Fees not Included in Project Costs 949,531

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Ungrown costs and values)**

TOTAL COSTS			18,575,952
PROFIT			
Equity			
Residual Percentage (100.00%)	1,857,598	1,857,598	1,857,598

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.24%
Profit on NDV%	9.24%
Development Yield% (on Rent)	1.99%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Ungeared IRR%	10.16%
Geared IRR% (without Interest)	10.16%
Equity IRR% (without Interest)	21.91%
Rent Cover	5 yrs

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Ungrown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft²	£6,235,836	£6,778,216	£7,320,719	£7,863,444	£8,406,205
-10.000% £117.00 ft²					
-5.000% £123.50 ft²	£6,127,242	£6,669,210	£7,211,713	£7,754,216	£8,296,778
0.000% £130.00 ft²	£6,018,648	£6,560,417	£7,102,706	£7,645,209	£8,187,351
+5.000% £136.50 ft²	£5,910,053	£6,451,823	£6,993,700	£7,536,203	£8,078,209
+10.000% £143.00 ft²	£5,801,459	£6,343,229	£6,884,998	£7,427,197	£7,969,196

Profit - 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft²	£6,095,868	£6,632,908	£7,170,279	£7,707,320	£8,244,880
-10.000% £117.00 ft²					
-5.000% £123.50 ft²	£5,987,273	£6,523,918	£7,061,273	£7,598,307	£8,135,453
0.000% £130.00 ft²	£5,878,679	£6,415,324	£6,952,266	£7,489,294	£8,026,135
+5.000% £136.50 ft²	£5,770,085	£6,306,730	£6,843,374	£7,380,281	£7,917,123
+10.000% £143.00 ft²	£5,661,586	£6,198,135	£6,734,780	£7,271,269	£7,808,110

Profit 0.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft²	£5,958,444	£6,490,243	£7,022,423	£7,554,213	£8,086,489
-10.000% £117.00 ft²					
-5.000% £123.50 ft²	£5,849,850	£6,381,463	£6,913,410	£7,445,201	£7,977,062
0.000% £130.00 ft²	£5,741,255	£6,272,868	£6,804,397	£7,336,188	£7,867,978
+5.000% £136.50 ft²	£5,632,661	£6,164,274	£6,695,716	£7,227,175	£7,758,965
+10.000% £143.00 ft²	£5,524,364	£6,055,680	£6,587,115	£7,118,188	£7,649,953

Profit + 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft²	£5,823,496	£6,350,169	£6,877,035	£7,403,865	£7,930,951
-10.000% £117.00 ft²					
-5.000% £123.50 ft²	£5,714,902	£6,241,574	£6,768,022	£7,294,853	£7,821,683
0.000% £130.00 ft²	£5,606,307	£6,132,980	£6,659,143	£7,185,840	£7,712,670
+5.000% £136.50 ft²	£5,497,799	£6,024,385	£6,550,542	£7,076,827	£7,603,658
+10.000% £143.00 ft²	£5,389,614	£5,915,791	£6,441,941	£6,968,062	£7,494,645

Profit + 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft²	£5,690,958	£6,212,508	£6,734,243	£7,256,203	£7,778,191
-10.000% £117.00 ft²					
-5.000% £123.50 ft²	£5,582,364	£6,103,907	£6,625,230	£7,147,190	£7,669,149
0.000% £130.00 ft²	£5,473,769	£5,995,305	£6,516,562	£7,038,177	£7,560,136
+5.000% £136.50 ft²	£5,365,455	£5,886,704	£6,407,961	£6,929,217	£7,451,123
+10.000% £143.00 ft²	£5,257,270	£5,778,102	£6,299,359	£6,820,616	£7,342,110

SW2 ENTERPRISE CENTRE - IVOR HOUSE**Base and Variant Bids (Ungrown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£535.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
GP Surgery & Pharmacy (LG/G)	1	£130.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid A (20% Affordable Housing, Ungrown costs and values)

83 Private Dwellings and 23 Affordable Dwellings

No cost or sales growth

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid A (20% Affordable Housing, Ungrown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2018				
Pre-Construction	3	Mar 2018	May 2018	Purchase	End	0
Construction	18	Jun 2018	Nov 2019	Pre-Construction	End	0
Sale	12	Dec 2019	Nov 2020	Income Flow	End	0
Phase End		Nov 2020				
Phase Length	33					

Project Length 92 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Monthly
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid A (20% Affordable Housing, Ungrown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid A (20% Affordable Housing, Ungrown costs and values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears

This set is not stepped

Rate	Months	Start Date
2.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE****Variant Bid A (20% Affordable Housing, Ungrown costs and values)**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	ft²	Rate ft²	Gross Sales	
Private Apartments	63,520	£514.00	32,649,280	
Affordable Housing	18,073	£200.00	3,614,600	
Totals	<u>81,593</u>		<u>36,263,880</u>	36,263,880

NET REALISATION**36,263,880****OUTLAY****ACQUISITION COSTS**

Residualised Price			9,281,025	
Stamp Duty		4.00%	371,241	
Agent Fee		1.00%	92,810	
Legal Fee		0.50%	46,405	
				9,791,482

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
Private Apartments	110,772	£115.87	12,835,000	12,835,000
Design Reserve		5.00%	789,121	
Construction COntingency		5.00%	789,121	
Demolition			545,000	
				2,123,243

Other Construction

Preliminaries		13.00%	1,668,550	
Contractor OH&P		3.00%	435,106	
Contractor D&B Risk		2.00%	298,773	
s106/CIL Costs @£12,500/Apartment			1,325,000	
				3,727,430

PROFESSIONAL FEES

Professional Fees		10.00%	1,450,355	
				1,450,355

MARKETING & LETTING

Marketing		2.00%	652,986	
				652,986

DISPOSAL FEES

Sales Agent Fee		2.00%	725,278	
Sales Legal Fee		0.50%	181,319	
				906,597

Interest and Fees not Included in Project Costs

Interest paid to Debt Sources:				
Debt (4.500%)		1,278,357		
Total Interest paid to Debt Sources:			1,278,357	

Total Interest Paid			1,278,357	
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Debt Financing Fees				
Debt - (1.000%) (Single)		201,706		

Total Debt Financing Fees			201,706	
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Total Interest and Fees not Included in Project Costs **1,480,064****TOTAL COSTS****32,967,156****PROFIT**

Equity				
Residual Percentage (100.00%)		3,296,724		
			3,296,724	
				3,296,724

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.09%
Profit on NDV%	9.09%

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid A (20% Affordable Housing, Ungrown costs and values)**

Ungeared IRR%	11.56%
Geared IRR% (without Interest)	11.56%
Equity IRR% (without Interest)	27.45%

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid A (20% Affordable Housing, Ungrown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£8,947,124	£10,214,316	£11,482,731	£12,751,624	£14,020,594
-5.000% £110.08 ft²	£8,115,238	£9,382,415	£10,649,607	£11,917,829	£13,186,722
0.000% £115.87 ft²	£7,284,114	£8,550,529	£9,817,706	£11,084,899	£12,352,927
+5.000% £121.66 ft²	£6,453,873	£7,719,355	£8,985,820	£10,252,997	£11,520,190
+10.000% £127.46 ft²	£5,623,623	£6,889,115	£8,154,596	£9,421,111	£10,688,288

Profit - 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£8,700,703	£9,955,702	£11,211,529	£12,468,213	£13,724,897
-5.000% £110.08 ft²	£7,868,816	£9,123,804	£10,378,803	£11,634,418	£12,891,103
0.000% £115.87 ft²	£7,038,051	£8,291,917	£9,546,904	£10,801,904	£12,057,308
+5.000% £121.66 ft²	£6,207,811	£7,461,120	£8,715,017	£9,970,004	£11,225,005
+10.000% £127.46 ft²	£5,377,564	£6,630,880	£7,884,189	£9,138,118	£10,393,105

Profit 0.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£8,458,762	£9,701,791	£10,945,257	£12,189,955	£13,434,653
-5.000% £110.08 ft²	£7,626,874	£8,869,894	£10,112,923	£11,356,160	£12,600,859
0.000% £115.87 ft²	£6,796,463	£8,038,006	£9,281,025	£10,524,055	£11,767,078
+5.000% £121.66 ft²	£5,966,222	£7,207,580	£8,449,138	£9,692,157	£10,935,187
+10.000% £127.46 ft²	£5,135,955	£6,377,340	£7,618,697	£8,860,269	£10,103,289

Profit + 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£8,220,779	£9,452,375	£10,683,784	£11,916,711	£13,149,638
-5.000% £110.08 ft²	£7,389,024	£8,620,435	£9,851,822	£11,083,103	£12,315,844
0.000% £115.87 ft²	£6,558,739	£7,788,682	£9,019,937	£10,251,200	£11,482,482
+5.000% £121.66 ft²	£5,728,453	£6,958,397	£8,188,229	£9,419,316	£10,650,579
+10.000% £127.46 ft²	£4,898,162	£6,128,111	£7,357,990	£8,587,611	£9,818,694

Profit + 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£462.60 ft²	£462.60 ft²	£488.30 ft²	£514.00 ft²	£539.70 ft²	£565.40 ft²
-10.000% £104.28 ft²	£7,986,890	£9,206,903	£10,426,934	£11,648,274	£12,869,713
-5.000% £110.08 ft²	£7,155,476	£8,374,975	£9,594,988	£10,815,019	£12,035,918
0.000% £115.87 ft²	£6,325,190	£7,543,580	£8,763,060	£9,983,073	£11,202,968
+5.000% £121.66 ft²	£5,494,893	£6,713,294	£7,931,684	£9,151,145	£10,371,067
+10.000% £127.46 ft²	£4,664,614	£5,883,008	£7,101,399	£8,319,788	£9,539,181

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid A (20% Affordable Housing, Ungrown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£514.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£115.87 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - WANLESS ROAD

Base and Variant Bids (No cost or value growth)

4 Mews Houses and Refurbished Period Villa

No cost or Sales Growth

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 05 September 2013

SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1: Wanless Road

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2014				
Pre-Construction	3	Mar 2014	May 2014	Purchase	End	0
Construction	8	Jun 2014	Jan 2015	Pre-Construction	End	0
Phase End		Feb 2015				
Phase Length	11					

Project Length 23 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Assumptions

Net of Ground Rent deductions On
Net of Rent Additions/Costs On

Value Added Tax

Global VAT Rate 0.00%
Global Recovery Rate 0.00%
Recovery Cycle every 2 months
1st Recovery Month 2 (May 2013)
VAT Calculations in Cash Flow On

Residual

Land Cost Mode Residualised Land Value
Multi-Phasing Separate Land Residual for each phase
Target Type Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Wanless Road	10.00%	No	No

Distribution

Construction Payments are paid on S-Curve
Sales Receipts are paid on Single curve
Sales Deposits are paid on Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Summary Appraisal for Phase 1 Wanless Road

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales	
Refurbished House	2,766	£325.38	900,000	
4 Mews Houses	4,650	£623.66	2,900,000	
Totals	<u>7,416</u>		<u>3,800,000</u>	3,800,000

NET REALISATION**3,800,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,921,859	
Stamp Duty		4.00%	76,874	
Agent Fee		1.00%	19,219	
Legal Fee		0.50%	9,609	
				2,027,561

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Refurbished House	2,766	£63.27	175,000	
4 Mews Houses	6,000	£141.67	850,000	
Totals	<u>8,766</u>		<u>1,025,000</u>	1,025,000

Contingency		10.00%	102,500	102,500
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PROFESSIONAL FEES

Professional Fees		8.00%	82,000	82,000
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MARKETING & LETTING

Marketing			20,000	20,000
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DISPOSAL FEES

Sales Agent Fee		2.00%	76,000	
Sales Legal Fee		0.50%	19,000	
				95,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Mar 2014
Construction	8	Jun 2014
Total Duration	11	

Multiple Finance Rates Used (See Assumptions)

Land			85,757	
Construction			16,727	
Total Finance Cost				102,484

TOTAL COSTS**3,454,545****PROFIT****345,455****Performance Measures**

Profit on Cost%		10.00%
Profit on GDV%		9.09%
Profit on NDV%		9.09%
		19.86%
Profit Erosion (finance rate 5.000%)		1 yr 11 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - WANLESS ROAD

Base and Variant Bids (No cost or value growth)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1 Wanless Road

Profit - 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,780,214	£1,724,456	£1,668,700	£1,612,943	£1,557,187	
-5.000% £0.00 ft²	£1,935,882	£1,880,125	£1,824,367	£1,768,611	£1,712,855	
0.000% £0.00 ft²	£2,091,550	£2,035,793	£1,980,036	£1,924,279	£1,868,522	
+5.000% £0.00 ft²	£2,247,218	£2,191,461	£2,135,704	£2,079,948	£2,024,190	
+10.000% £0.00 ft²	£2,402,886	£2,347,129	£2,291,372	£2,235,616	£2,179,859	
Profit - 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,753,794	£1,698,036	£1,642,280	£1,586,523	£1,530,767	
-5.000% £0.00 ft²	£1,907,994	£1,852,238	£1,796,480	£1,740,723	£1,684,967	
0.000% £0.00 ft²	£2,062,194	£2,006,438	£1,950,681	£1,894,923	£1,839,167	
+5.000% £0.00 ft²	£2,216,394	£2,160,638	£2,104,881	£2,049,124	£1,993,366	
+10.000% £0.00 ft²	£2,370,594	£2,314,838	£2,259,081	£2,203,325	£2,147,568	
Profit 0.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,727,854	£1,672,097	£1,616,340	£1,560,584	£1,504,827	
-5.000% £0.00 ft²	£1,880,614	£1,824,857	£1,769,099	£1,713,343	£1,657,586	
0.000% £0.00 ft²	£2,033,373	£1,977,616	£1,921,859	£1,866,101	£1,810,345	
+5.000% £0.00 ft²	£2,186,132	£2,130,375	£2,074,618	£2,018,862	£1,963,104	
+10.000% £0.00 ft²	£2,338,891	£2,283,134	£2,227,377	£2,171,621	£2,115,864	
Profit + 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,702,382	£1,646,625	£1,590,868	£1,535,112	£1,479,355	
-5.000% £0.00 ft²	£1,853,726	£1,797,969	£1,742,212	£1,686,455	£1,630,699	
0.000% £0.00 ft²	£2,005,070	£1,949,313	£1,893,557	£1,837,799	£1,782,043	
+5.000% £0.00 ft²	£2,156,414	£2,100,657	£2,044,901	£1,989,144	£1,933,386	
+10.000% £0.00 ft²	£2,307,758	£2,252,001	£2,196,245	£2,140,488	£2,084,731	
Profit + 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,677,364	£1,621,607	£1,565,851	£1,510,094	£1,454,338	
-5.000% £0.00 ft²	£1,827,319	£1,771,561	£1,715,805	£1,660,048	£1,604,292	
0.000% £0.00 ft²	£1,977,273	£1,921,516	£1,865,758	£1,810,002	£1,754,246	
+5.000% £0.00 ft²	£2,127,227	£2,071,470	£2,015,714	£1,959,956	£1,904,199	
+10.000% £0.00 ft²	£2,277,181	£2,221,424	£2,165,668	£2,109,911	£2,054,153	

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Sensitivity Analysis for Phase 1 Wanless Road

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Refurbished House	1	£63.27 pf ²
4 Mews Houses	1	£141.67 pf ²

These fields varied in Steps of 5.0000 % of the original value

Sales Rate

Heading	Phase	Original Value
Refurbished House	1	£325.38 pf ²
4 Mews Houses	1	£623.66 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Office Refurbishment
Rent £40 psf, Yield 5.75%
15% Profit on Cost (No Sensitivity)

Report Date: 11 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	9	Dec 2017	Aug 2018	Pre-Construction	End	0
Letting	12	Sep 2018	Aug 2019	Post Development	End	0
Phase End		Sep 2019				
Phase Length	24					

Project Length 78 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Assumptions

Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	15.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids****Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	ft²	Rate ft²	Gross MRV
Phoenix House	60,000	£40.00	2,400,000

Investment Valuation**Phoenix House**

Market Rent	2,400,000	YP @	5.7500%	17.3913	
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	39,469,627

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.75%	(2,269,504)	39,469,627
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NET DEVELOPMENT VALUE37,200,123**NET REALISATION****37,200,123****OUTLAY****ACQUISITION COSTS**

Residualised Price			19,098,876
Stamp Duty		4.00%	763,955
Agent Fee		0.75%	143,242
Legal Fee		0.40%	76,396
			20,082,468

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phoenix House	72,500	£100.00	7,250,000

Contingency	5.00%	362,500	362,500
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PROFESSIONAL FEES

Prof Fees	10.00%	725,000	725,000
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MARKETING & LETTING

Marketing			50,000
Letting Agent Fee		15.00%	360,000
Letting Legal Fee		4.00%	96,000
			506,000

Additional Costs

Void Letting Costs			840,000
			840,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Sep 2017
Construction	9	Dec 2017
Letting	12	Sep 2018
Total Duration	24	

Multiple Finance Rates Used (See Assumptions)

Land	936,254
Construction	131,996
Letting Void	1,513,710
Total Finance Cost	2,581,960

TOTAL COSTS**32,347,928****PROFIT****4,852,195****Performance Measures**

Profit on Cost%	15.00%
Profit on GDV%	12.29%
Profit on NDV%	13.04%
Development Yield% (on Rent)	7.42%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
Gross Initial Yield%	6.08%

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Net Initial Yield%	6.08%
IRR	13.49%
Rent Cover	2 yrs
Profit Erosion (finance rate 5.000%)	2 yrs 10 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Table of Residual Land Price (Target Rate 15.00%)

Sensitivity Analysis for Phase 1

Capitalisation Yield - 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£15,081,817	£14,697,021	£14,312,225	£13,927,420	£13,542,627
- £5.00 ft ² £35.00 ft ²	£18,879,729	£18,494,934	£18,110,140	£17,725,344	£17,340,549
£0.00 ft ² £40.00 ft ²	£22,677,651	£22,292,843	£21,908,050	£21,523,256	£21,138,462
+ £5.00 ft ² £45.00 ft ²	£26,475,566	£26,090,771	£25,705,975	£25,321,179	£24,936,371
+ £10.00 ft ² £50.00 ft ²	£30,273,480	£29,888,685	£29,503,890	£29,119,095	£28,734,299

Capitalisation Yield - 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£13,980,368	£13,595,572	£13,210,768	£12,825,974	£12,441,180
- £5.00 ft ² £35.00 ft ²	£17,594,707	£17,209,912	£16,825,116	£16,440,321	£16,055,525
£0.00 ft ² £40.00 ft ²	£21,209,041	£20,824,248	£20,439,454	£20,054,659	£19,669,864
+ £5.00 ft ² £45.00 ft ²	£24,823,393	£24,438,597	£24,053,801	£23,668,994	£23,284,201
+ £10.00 ft ² £50.00 ft ²	£28,437,733	£28,052,937	£27,668,142	£27,283,346	£26,898,551

Capitalisation Yield 0.000%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,974,933	£12,590,129	£12,205,336	£11,820,541	£11,435,746
- £5.00 ft ² £35.00 ft ²	£16,421,700	£16,036,905	£15,652,109	£15,267,314	£14,882,518
£0.00 ft ² £40.00 ft ²	£19,868,464	£19,483,670	£19,098,876	£18,714,081	£18,329,285
+ £5.00 ft ² £45.00 ft ²	£23,315,241	£22,930,445	£22,545,639	£22,160,845	£21,776,051
+ £10.00 ft ² £50.00 ft ²	£26,762,009	£26,377,213	£25,992,418	£25,607,622	£25,222,813

Capitalisation Yield + 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,053,502	£11,668,708	£11,283,914	£10,899,119	£10,514,323
- £5.00 ft ² £35.00 ft ²	£15,346,706	£14,961,911	£14,577,115	£14,192,319	£13,807,516
£0.00 ft ² £40.00 ft ²	£18,639,901	£18,255,107	£17,870,312	£17,485,516	£17,100,721
+ £5.00 ft ² £45.00 ft ²	£21,933,105	£21,548,299	£21,163,506	£20,778,712	£20,393,917
+ £10.00 ft ² £50.00 ft ²	£25,226,303	£24,841,507	£24,456,711	£24,071,903	£23,687,110

Capitalisation Yield + 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£11,206,008	£10,821,214	£10,436,419	£10,051,623	£9,666,828
- £5.00 ft ² £35.00 ft ²	£14,357,962	£13,973,166	£13,588,370	£13,203,567	£12,818,773
£0.00 ft ² £40.00 ft ²	£17,509,908	£17,125,113	£16,740,318	£16,355,522	£15,970,727
+ £5.00 ft ² £45.00 ft ²	£20,661,852	£20,277,058	£19,892,264	£19,507,469	£19,122,674
+ £10.00 ft ² £50.00 ft ²	£23,813,810	£23,429,014	£23,044,207	£22,659,413	£22,274,619

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Phoenix House	1	£100.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Rent Rate

Heading	Phase	Original Value
Phoenix House	1	£40.00 pf ²

These fields varied in Fixed Steps of £5.00 pf²**Capitalisation Yield**

Heading	Phase	Original Value
Phoenix House	1	5.7500%

These fields varied in Fixed Steps of 0.2500%

Variant B Bid (12% Affordable Housing) Surplus Site Appraisals - Ungrown

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

85 Private Dwellings and Small Retail Unit
Ungrown Sales and Costs
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)**

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jan 2016				
Pre-Construction	3	Jan 2016	Mar 2016	Purchase	End	0
Construction	18	Apr 2016	Sep 2017	Pre-Construction	End	0
Sale	12	Oct 2017	Sep 2018	Income Flow	End	0
Phase End		Sep 2018				
Phase Length	33					

Project Length 66 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****Summary Appraisal for Phase 1****REVENUE**

Sales Valuation	ft²	Rate ft²	Gross Sales
Private Apartments	57,007	£515.00	29,358,605

Rental Area Summary	ft²	Rate ft²	Gross MRV
Hambrook Retail Unit	1,550	£20.00	31,000

**Investment Valuation
Hambrook Retail Unit**

Current Rent	31,000	YP @	8.0000%	12.5000	387,500
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GROSS DEVELOPMENT VALUE 29,746,105

Income from Tenants 12,917

NET REALISATION 29,759,022**OUTLAY****ACQUISITION COSTS**

Residualised Price				8,499,754
Stamp Duty		4.00%		339,990
Agent Fee		1.00%		84,998
Legal Fee		0.50%		42,499
				8,967,241

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Private Apartments	77,519	£129.39	10,030,000
			10,030,000
Design Reserve		5.00%	604,274
Construction Contingency		5.00%	604,274
Demolition			150,000
			1,358,547

Other Construction

Preliminaries		13.00%	1,323,400
Contractor OH&P		3.00%	345,102
Contractor D&B Risk		2.00%	236,970
s106/CIL costs @ £12,500/Apartment			1,062,500
			2,967,972

PROFESSIONAL FEES

Professional Fees		10.00%	1,135,340
			1,135,340

MARKETING & LETTING

Marketing		2.00%	594,922
			594,922

DISPOSAL FEES

Sales Agent Fee		2.00%	594,922
Sales Legal Fee		0.50%	148,731
			743,653

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:			
Debt (4.500%)	1,090,292		
Total Interest paid to Debt Sources:			1,090,292

Total Interest Paid 1,090,292

Debt Financing Fees			
Debt - (1.000%) (Single)	165,689		

Total Debt Financing Fees 165,689

Total Interest and Fees not Included in Project Costs 1,255,981**TOTAL COSTS 27,053,655**

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)****PROFIT**

Equity			
Residual Percentage (100.00%)	2,705,366	2,705,366	2,705,366

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.09%
Profit on NDV%	9.09%
Development Yield% (on Rent)	0.11%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
Gross Initial Yield%	8.00%
Net Initial Yield%	8.00%
Ungeared IRR%	11.15%
Geared IRR% (without Interest)	11.15%
Equity IRR% (without Interest)	25.62%
Rent Cover	87 yrs 3 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE

Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,960,550	£9,100,537	£10,241,421	£11,382,440	£12,524,873
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£7,310,488	£8,449,842	£9,589,879	£10,730,763	£11,871,647
0.000% £129.39 ft²	£6,660,440	£7,799,779	£8,939,134	£10,079,221	£11,220,105
+5.000% £135.86 ft²	£6,011,461	£7,149,731	£8,289,081	£9,428,425	£10,568,563
+10.000% £142.33 ft²	£5,362,700	£6,500,513	£7,639,022	£8,778,373	£9,917,717

Profit - 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,760,717	£8,889,457	£10,019,389	£11,149,321	£12,280,576
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£7,110,657	£8,239,073	£9,367,847	£10,497,779	£11,627,711
0.000% £129.39 ft²	£6,460,681	£7,589,011	£8,717,428	£9,846,237	£10,976,169
+5.000% £135.86 ft²	£5,811,921	£6,938,962	£8,067,366	£9,195,784	£10,324,626
+10.000% £142.33 ft²	£5,163,160	£6,290,053	£7,417,317	£8,545,720	£9,674,140

Profit 0.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,564,517	£8,682,215	£9,801,395	£10,920,573	£12,040,721
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£6,914,458	£8,032,136	£9,149,852	£10,269,031	£11,388,210
0.000% £129.39 ft²	£6,264,769	£7,382,076	£8,499,754	£9,617,488	£10,736,668
+5.000% £135.86 ft²	£5,616,009	£6,732,180	£7,849,693	£8,967,372	£10,085,125
+10.000% £142.33 ft²	£4,967,247	£6,083,419	£7,199,644	£8,317,311	£9,434,991

Profit + 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,371,852	£8,478,980	£9,587,327	£10,695,947	£11,805,187
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£6,721,794	£7,828,927	£8,936,055	£10,044,405	£11,153,025
0.000% £129.39 ft²	£6,072,387	£7,178,868	£8,286,002	£9,393,129	£10,501,482
+5.000% £135.86 ft²	£5,423,626	£6,529,269	£7,635,942	£8,743,076	£9,850,204
+10.000% £142.33 ft²	£4,774,865	£5,880,509	£6,986,151	£8,093,016	£9,200,151

Profit + 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£7,182,620	£8,279,400	£9,377,083	£10,475,332	£11,573,859
-10.000% £116.45 ft²					
-5.000% £122.92 ft²	£6,532,571	£7,629,338	£8,726,119	£9,823,790	£10,922,039
0.000% £129.39 ft²	£5,883,441	£6,979,290	£8,076,067	£9,172,839	£10,270,496
+5.000% £135.86 ft²	£5,234,679	£6,329,982	£7,426,008	£8,522,786	£9,619,558
+10.000% £142.33 ft²	£4,585,909	£5,681,221	£6,776,524	£7,872,727	£8,969,505

**SW2 ENTERPRISE CENTRE - PORDEN ROAD AND HAMBROOK HOUSE
Variant Bids A and B (12-20% Affordable Housing, Grown costs & values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£515.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£129.39 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Ungrown costs and values)

31 Private Dwellings and GP/Pharmacy
No sales or cost growth
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	18	Dec 2017	May 2019	Pre-Construction	End	0
Sale	12	Jun 2019	May 2020	Income Flow	End	0
Phase End		May 2020				
Phase Length	33					

Project Length 86 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- (Manual relations applied to some Professional Fees)
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

5% pa growth

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

SW2 ENTERPRISE CENTRE - IVOR HOUSE
Base and Variant Bids (Ungrown costs and values)

Assumptions

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Ungrown costs and values)**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales
Private Apartments	26,060	£535.00	13,942,100

Rental Area Summary	ft ²	Rate ft ²	Gross MRV
GP Surgery & Pharmacy (LG/G)	16,781	£22.00	369,182

Investment Valuation**GP Surgery & Pharmacy (LG/G)**

Current Rent	369,182	YP @	6.0000%	16.6667	6,153,033
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GROSS DEVELOPMENT VALUE 20,095,133

Income from Tenants 338,417

NET REALISATION 20,433,550**OUTLAY****ACQUISITION COSTS**

Residualised Price				6,804,397
Stamp Duty		4.00%		272,176
Agent Fee		1.00%		68,044
Legal Fee		0.50%		34,022
				7,178,639

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
GP Surgery & Pharmacy (LG/G)	16,781	£130.00	2,181,530
Private Apartments	41,021	£110.99	4,553,000
Totals	<u>57,802</u>		<u>6,734,530</u>

Design Reserve		5.00%	270,261
Construction Contingency		5.00%	270,261
Demolition			216,000
			756,522

Other Construction

Preliminaries		13.00%	591,890
Contractor OH&P		3.00%	154,347
Contractor D&B Risk		2.00%	105,985
s106/CIL Costs @ £12,500/Apartment			387,500
			1,239,721

PROFESSIONAL FEES

Professional Fees		10.00%	812,727
			812,727

MARKETING & LETTING

Marketing		2.00%	401,903
			401,903

DISPOSAL FEES

Sales Agent Fee		2.00%	401,903
Sales Legal Fee		0.50%	100,476
			502,378

Additional Costs**Interest and Fees not Included in Project Costs**

Interest paid to Debt Sources:			
Debt (4.500%)		835,419	
Total Interest paid to Debt Sources:			835,419
Total Interest Paid			835,419
Debt Financing Fees			
Debt - (1.000%) (Single)		114,113	
Total Debt Financing Fees			114,113

Total Interest and Fees not Included in Project Costs 949,531

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - IVOR HOUSE****Base and Variant Bids (Ungrown costs and values)**

TOTAL COSTS			18,575,952
PROFIT			
Equity			
Residual Percentage (100.00%)	1,857,598	1,857,598	1,857,598

Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.24%
Profit on NDV%	9.24%
Development Yield% (on Rent)	1.99%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
Ungeared IRR%	10.16%
Geared IRR% (without Interest)	10.16%
Equity IRR% (without Interest)	21.91%
Rent Cover	5 yrs

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - IVOR HOUSE

Base and Variant Bids (Ungrown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£6,235,836	£6,778,216	£7,320,719	£7,863,444	£8,406,205
-5.000% £123.50 ft ²	£6,127,242	£6,669,210	£7,211,713	£7,754,216	£8,296,778
0.000% £130.00 ft ²	£6,018,648	£6,560,417	£7,102,706	£7,645,209	£8,187,351
+5.000% £136.50 ft ²	£5,910,053	£6,451,823	£6,993,700	£7,536,203	£8,078,209
+10.000% £143.00 ft ²	£5,801,459	£6,343,229	£6,884,998	£7,427,197	£7,969,196

Profit - 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£6,095,868	£6,632,908	£7,170,279	£7,707,320	£8,244,880
-5.000% £123.50 ft ²	£5,987,273	£6,523,918	£7,061,273	£7,598,307	£8,135,453
0.000% £130.00 ft ²	£5,878,679	£6,415,324	£6,952,266	£7,489,294	£8,026,135
+5.000% £136.50 ft ²	£5,770,085	£6,306,730	£6,843,374	£7,380,281	£7,917,123
+10.000% £143.00 ft ²	£5,661,586	£6,198,135	£6,734,780	£7,271,269	£7,808,110

Profit 0.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£5,958,444	£6,490,243	£7,022,423	£7,554,213	£8,086,489
-5.000% £123.50 ft ²	£5,849,850	£6,381,463	£6,913,410	£7,445,201	£7,977,062
0.000% £130.00 ft ²	£5,741,255	£6,272,868	£6,804,397	£7,336,188	£7,867,978
+5.000% £136.50 ft ²	£5,632,661	£6,164,274	£6,695,716	£7,227,175	£7,758,965
+10.000% £143.00 ft ²	£5,524,364	£6,055,680	£6,587,115	£7,118,188	£7,649,953

Profit + 1.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£5,823,496	£6,350,169	£6,877,035	£7,403,865	£7,930,951
-5.000% £123.50 ft ²	£5,714,902	£6,241,574	£6,768,022	£7,294,853	£7,821,683
0.000% £130.00 ft ²	£5,606,307	£6,132,980	£6,659,143	£7,185,840	£7,712,670
+5.000% £136.50 ft ²	£5,497,799	£6,024,385	£6,550,542	£7,076,827	£7,603,658
+10.000% £143.00 ft ²	£5,389,614	£5,915,791	£6,441,941	£6,968,062	£7,494,645

Profit + 2.000%

Constr. Rate £ pf ²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£481.50 ft ²	£481.50 ft ²	£508.25 ft ²	£535.00 ft ²	£561.75 ft ²	£588.50 ft ²
-10.000% £117.00 ft ²	£5,690,958	£6,212,508	£6,734,243	£7,256,203	£7,778,191
-5.000% £123.50 ft ²	£5,582,364	£6,103,907	£6,625,230	£7,147,190	£7,669,149
0.000% £130.00 ft ²	£5,473,769	£5,995,305	£6,516,562	£7,038,177	£7,560,136
+5.000% £136.50 ft ²	£5,365,455	£5,886,704	£6,407,961	£6,929,217	£7,451,123
+10.000% £143.00 ft ²	£5,257,270	£5,778,102	£6,299,359	£6,820,616	£7,342,110

SW2 ENTERPRISE CENTRE - IVOR HOUSE**Base and Variant Bids (Ungrown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£535.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
GP Surgery & Pharmacy (LG/G)	1	£130.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid B (12% Affordable Housing, Ungrown costs and values)

106 Private Dwellings
No sales or cost growth
10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 09 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid B (12% Affordable Housing, Ungrown costs and values)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2018				
Pre-Construction	3	Mar 2018	May 2018	Purchase	End	0
Construction	18	Jun 2018	Nov 2019	Pre-Construction	End	0
Sale	12	Dec 2019	Nov 2020	Income Flow	End	0
Phase End		Nov 2020				
Phase Length	33					

Project Length 92 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Monthly
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Structured Finance
- Include interest and Finance Fees in IRR Calculations Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On
- Net of Ground Rent deductions On
- Net of Rent Additions/Costs On

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid B (12% Affordable Housing, Ungrown costs and values)

Assumptions

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	10.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Finance Rates

Interest Set 1

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Loan Set 1

Rate	Months	Start Date
4.500%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

No growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	8	Apr 2013
0.000%	12	Dec 2013
0.000%	12	Dec 2014
0.000%	12	Dec 2015
0.000%	Perpetuity	Dec 2016

5% pa growth

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
5.000%	12	Apr 2013
5.000%	12	Apr 2014
5.000%	12	Apr 2015
5.000%	12	Apr 2016
2.500%	36	Apr 2017
0.000%	Perpetuity	Apr 2020

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid B (12% Affordable Housing, Ungrown costs and values)****Assumptions****Inflation Sets****Inflation Set 1**

Inflation/Growth for this set is calculated in arrears

This set is not stepped

Rate	Months	Start Date
2.000%	90	Apr 2013
0.000%	Perpetuity	Oct 2020

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE****Variant Bid B (12% Affordable Housing, Ungrown costs and values)**

Summary Appraisal for Phase 1

REVENUE			
Sales Valuation	ft²	Rate ft²	Gross Sales
Private Apartments	81,593	£515.00	42,020,395
NET REALISATION			42,020,395
OUTLAY			
ACQUISITION COSTS			
Residualised Price			13,192,599
Stamp Duty		4.00%	527,704
Agent Fee		1.00%	131,926
Legal Fee		0.50%	65,963
			13,918,192
CONSTRUCTION COSTS			
Construction	ft²	Rate ft²	Cost
Private Apartments	110,772	£118.97	13,178,000
			13,178,000
Design Reserve		5.00%	782,232
Construction Contingency		5.00%	782,232
Demolition			545,000
			2,109,463
Other Construction			
Preliminaries		13.00%	1,713,140
Contractor OH&P		3.00%	446,734
Other Construction		2.00%	306,757
s106/CIL Costs @ £12,500/Apartment			1,325,000
			3,791,632
PROFESSIONAL FEES			
Professional Fees		10.00%	1,489,114
			1,489,114
MARKETING & LETTING			
Marketing		2.00%	840,408
			840,408
DISPOSAL FEES			
Sales Agent Fee		2.00%	840,408
Sales Legal Fee		0.50%	210,102
			1,050,510
Interest and Fees not Included in Project Costs			
Interest paid to Debt Sources:			
Debt (4.500%)		1,588,885	
Total Interest paid to Debt Sources:			1,588,885
Total Interest Paid			1,588,885
Debt Financing Fees			
Debt - (1.000%) (Single)		234,153	
Total Debt Financing Fees			234,153
Total Interest and Fees not Included in Project Costs			1,823,038
TOTAL COSTS			38,200,357
PROFIT			
Equity			
Residual Percentage (100.00%)		3,820,038	
			3,820,038
			3,820,038
Performance Measures			
Profit on Cost%		10.00%	
Profit on GDV%		9.09%	
Profit on NDV%		9.09%	
Ungeared IRR%		10.99%	

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid B (12% Affordable Housing, Ungrown costs and values)**

Geared IRR% (without Interest)	10.99%
Equity IRR% (without Interest)	25.41%

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE

Variant Bid B (12% Affordable Housing, Ungrown costs and values)

Table of Residual Land Price (Target Rate 10.00%)

Sensitivity Analysis for Phase 1

Profit - 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£12,260,145	£13,893,071	£15,527,395	£17,162,537	£18,799,092
-10.000% £107.07 ft²					
-5.000% £113.02 ft²	£11,404,390	£13,037,036	£14,669,962	£16,304,291	£17,939,433
0.000% £118.97 ft²	£10,550,312	£12,181,034	£13,813,927	£15,446,853	£17,081,187
+5.000% £124.91 ft²	£9,696,227	£11,326,956	£12,957,892	£14,590,818	£16,223,744
+10.000% £130.86 ft²	£8,842,438	£10,472,870	£12,103,601	£13,734,783	£15,367,709

Profit - 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£11,977,982	£13,595,233	£15,213,417	£16,832,861	£18,453,201
-10.000% £107.07 ft²					
-5.000% £113.02 ft²	£11,122,642	£12,739,198	£14,356,448	£15,974,614	£17,594,058
0.000% £118.97 ft²	£10,268,553	£11,883,634	£13,500,413	£15,117,663	£16,735,811
+5.000% £124.91 ft²	£9,414,481	£11,029,542	£12,644,625	£14,261,629	£15,878,879
+10.000% £130.86 ft²	£8,561,103	£10,175,471	£11,790,548	£13,405,617	£15,022,844

Profit 0.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£11,700,950	£13,302,810	£14,905,148	£16,509,179	£18,113,599
-10.000% £107.07 ft²					
-5.000% £113.02 ft²	£10,846,017	£12,446,775	£14,048,634	£15,650,931	£17,254,962
0.000% £118.97 ft²	£9,991,930	£11,591,641	£13,192,599	£14,794,459	£16,396,715
+5.000% £124.91 ft²	£9,137,857	£10,737,552	£12,337,265	£13,938,424	£15,540,284
+10.000% £130.86 ft²	£8,284,884	£9,883,480	£11,483,173	£13,082,888	£14,684,249

Profit + 1.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£11,428,909	£13,015,656	£14,602,433	£16,191,328	£17,780,221
-10.000% £107.07 ft²					
-5.000% £113.02 ft²	£10,574,377	£12,159,620	£13,746,367	£15,333,112	£16,921,976
0.000% £118.97 ft²	£9,720,291	£11,304,909	£12,890,332	£14,477,078	£16,063,823
+5.000% £124.91 ft²	£8,866,217	£10,450,822	£12,035,442	£13,621,043	£15,207,790
+10.000% £130.86 ft²	£8,013,641	£9,596,749	£11,181,352	£12,765,974	£14,351,755

Profit + 2.000%

Constr. Rate £ pf²	Sales Rate				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
£463.50 ft²	£11,161,357	£12,733,285	£14,305,212	£15,878,856	£17,452,922
-10.000% £107.07 ft²					
-5.000% £113.02 ft²	£10,307,174	£11,877,208	£13,449,136	£15,021,063	£16,594,622
0.000% £118.97 ft²	£9,453,044	£11,022,869	£12,593,060	£14,164,988	£15,736,914
+5.000% £124.91 ft²	£8,599,121	£10,168,737	£11,738,563	£13,308,911	£14,880,839
+10.000% £130.86 ft²	£7,746,694	£9,314,619	£10,884,429	£12,454,257	£14,024,762

SW2 ENTERPRISE CENTRE - OLIVE MORRIS HOUSE**Variant Bid B (12% Affordable Housing, Ungrown costs and values)**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Sales Rate**

Heading	Phase	Original Value
Private Apartments	1	£515.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Construction Rate

Heading	Phase	Original Value
Private Apartments	1	£118.97 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - WANLESS ROAD

Base and Variant Bids (No cost or value growth)

4 Mews Houses and Refurbished Period Villa

No cost or Sales Growth

10% Profit on Cost (Sensitivity +/- 2%)

Report Date: 05 September 2013

SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)

Timescale (Duration in months)

Project commences Apr 2013

Phase 1: Wanless Road

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2014				
Pre-Construction	3	Mar 2014	May 2014	Purchase	End	0
Construction	8	Jun 2014	Jan 2015	Pre-Construction	End	0
Phase End		Feb 2015				
Phase Length	11					

Project Length 23 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off
- Net of Non-Recoverable costs On

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Assumptions

Net of Ground Rent deductions On
Net of Rent Additions/Costs On

Value Added Tax

Global VAT Rate 0.00%
Global Recovery Rate 0.00%
Recovery Cycle every 2 months
1st Recovery Month 2 (May 2013)
VAT Calculations in Cash Flow On

Residual

Land Cost Mode Residualised Land Value
Multi-Phasing Separate Land Residual for each phase
Target Type Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Wanless Road	10.00%	No	No

Distribution

Construction Payments are paid on S-Curve
Sales Receipts are paid on Single curve
Sales Deposits are paid on Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Summary Appraisal for Phase 1 Wanless Road

REVENUE

Sales Valuation	ft ²	Rate ft ²	Gross Sales	
Refurbished House	2,766	£325.38	900,000	
4 Mews Houses	4,650	£623.66	2,900,000	
Totals	<u>7,416</u>		<u>3,800,000</u>	3,800,000

NET REALISATION**3,800,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,921,859	
Stamp Duty		4.00%	76,874	
Agent Fee		1.00%	19,219	
Legal Fee		0.50%	9,609	
				2,027,561

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Refurbished House	2,766	£63.27	175,000	
4 Mews Houses	6,000	£141.67	850,000	
Totals	<u>8,766</u>		<u>1,025,000</u>	1,025,000

Contingency		10.00%	102,500	102,500
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PROFESSIONAL FEES

Professional Fees		8.00%	82,000	82,000
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MARKETING & LETTING

Marketing			20,000	20,000
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DISPOSAL FEES

Sales Agent Fee		2.00%	76,000	
Sales Legal Fee		0.50%	19,000	
				95,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Mar 2014
Construction	8	Jun 2014
Total Duration	11	

Multiple Finance Rates Used (See Assumptions)

Land			85,757	
Construction			16,727	
Total Finance Cost				102,484

TOTAL COSTS**3,454,545****PROFIT****345,455****Performance Measures**

Profit on Cost%		10.00%
Profit on GDV%		9.09%
Profit on NDV%		9.09%
		19.86%
Profit Erosion (finance rate 5.000%)		1 yr 11 mths

SENSITIVITY ANALYSIS**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - WANLESS ROAD****Base and Variant Bids (No cost or value growth)****Table of Residual Land Price (Target Rate 10.00%)**

Sensitivity Analysis for Phase 1 Wanless Road

Profit - 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,780,214	£1,724,456	£1,668,700	£1,612,943	£1,557,187	
-5.000% £0.00 ft²	£1,935,882	£1,880,125	£1,824,367	£1,768,611	£1,712,855	
0.000% £0.00 ft²	£2,091,550	£2,035,793	£1,980,036	£1,924,279	£1,868,522	
+5.000% £0.00 ft²	£2,247,218	£2,191,461	£2,135,704	£2,079,948	£2,024,190	
+10.000% £0.00 ft²	£2,402,886	£2,347,129	£2,291,372	£2,235,616	£2,179,859	
Profit - 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,753,794	£1,698,036	£1,642,280	£1,586,523	£1,530,767	
-5.000% £0.00 ft²	£1,907,994	£1,852,238	£1,796,480	£1,740,723	£1,684,967	
0.000% £0.00 ft²	£2,062,194	£2,006,438	£1,950,681	£1,894,923	£1,839,167	
+5.000% £0.00 ft²	£2,216,394	£2,160,638	£2,104,881	£2,049,124	£1,993,366	
+10.000% £0.00 ft²	£2,370,594	£2,314,838	£2,259,081	£2,203,325	£2,147,568	
Profit 0.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,727,854	£1,672,097	£1,616,340	£1,560,584	£1,504,827	
-5.000% £0.00 ft²	£1,880,614	£1,824,857	£1,769,099	£1,713,343	£1,657,586	
0.000% £0.00 ft²	£2,033,373	£1,977,616	£1,921,859	£1,866,101	£1,810,345	
+5.000% £0.00 ft²	£2,186,132	£2,130,375	£2,074,618	£2,018,862	£1,963,104	
+10.000% £0.00 ft²	£2,338,891	£2,283,134	£2,227,377	£2,171,621	£2,115,864	
Profit + 1.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,702,382	£1,646,625	£1,590,868	£1,535,112	£1,479,355	
-5.000% £0.00 ft²	£1,853,726	£1,797,969	£1,742,212	£1,686,455	£1,630,699	
0.000% £0.00 ft²	£2,005,070	£1,949,313	£1,893,557	£1,837,799	£1,782,043	
+5.000% £0.00 ft²	£2,156,414	£2,100,657	£2,044,901	£1,989,144	£1,933,386	
+10.000% £0.00 ft²	£2,307,758	£2,252,001	£2,196,245	£2,140,488	£2,084,731	
Profit + 2.000%		Construction Rate				
Sales Rate	-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
-10.000% £0.00 ft²	£1,677,364	£1,621,607	£1,565,851	£1,510,094	£1,454,338	
-5.000% £0.00 ft²	£1,827,319	£1,771,561	£1,715,805	£1,660,048	£1,604,292	
0.000% £0.00 ft²	£1,977,273	£1,921,516	£1,865,758	£1,810,002	£1,754,246	
+5.000% £0.00 ft²	£2,127,227	£2,071,470	£2,015,714	£1,959,956	£1,904,199	
+10.000% £0.00 ft²	£2,277,181	£2,221,424	£2,165,668	£2,109,911	£2,054,153	

**SW2 ENTERPRISE CENTRE - WANLESS ROAD
Base and Variant Bids (No cost or value growth)**

Sensitivity Analysis for Phase 1 Wanless Road

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Refurbished House	1	£63.27 pf ²
4 Mews Houses	1	£141.67 pf ²

These fields varied in Steps of 5.0000 % of the original value

Sales Rate

Heading	Phase	Original Value
Refurbished House	1	£325.38 pf ²
4 Mews Houses	1	£623.66 pf ²

These fields varied in Steps of 5.0000 % of the original value

Profit

Heading	Phase	Original Value
Land Price	1	10.0000%

Residual mode for sensitivity : Profit on Cost

These fields varied in Fixed Steps of 1.00

Kajima Partnerships Ltd.

Development Appraisal

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Office Refurbishment
Rent £40 psf, Yield 5.75%
15% Profit on Cost (No Sensitivity)

Report Date: 11 September 2013

Prepared by JSH

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Timescale (Duration in months)

Project commences Apr 2013

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Sep 2017				
Pre-Construction	3	Sep 2017	Nov 2017	Purchase	End	0
Construction	9	Dec 2017	Aug 2018	Pre-Construction	End	0
Letting	12	Sep 2018	Aug 2019	Post Development	End	0
Phase End		Sep 2019				
Phase Length	24					

Project Length 78 (Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off

- Initial Yield Valuation Method Off
- Default Capitalisation Yield 0.0000%
- Apply Default Capitalisation to All Tenants Off
- Default stage for Sale Date Off
- Align end of income stream to Sale Date Off
- Apply align end of income stream to all tenants On
- When the Capital Value is modified in the cash flow Recalculate the Yield
- Valuation Tables are Annually in Arrears
- Rent Free method Defer start of Tenant's Rent

Finance

- Financing Method Basic (Interest Sets)
- Interest Compounding Period Quarterly
- Interest Charging Period Monthly
- Nominal rates of interest used
- Calculate interest on Payments/Receipts in final period Off
- Include interest and Finance Fees in IRR Calculations Off
- Automatic Inter-account transfers Off
- Manual Finance Rate for Profit Erosion Off

Calculation

- Site Payments In Arrears
- Other Payments In Arrears
- Negative Land In Arrears
- Receipts In Advance

- Initial IRR Guess Rate 8.00%
- Minimum IRR -100%
- Maximum IRR 99999%
- Manual Discount Rate Off
- IRR Tolerance 0.001000

- Letting and Rent Review Fees are calculated on Net of Deductions
- Development Yield and Rent Cover are calculated on Rent at Sale Date(s)
- Include Tenants with no Capital Value On
- Include Turnover Rent Off

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids

Assumptions

Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2013)
VAT Calculations in Cash Flow	On

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
Phase 1	15.00%	No	No

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
5.000%	0.000%	Perpetuity	Apr 2013

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2013

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
 This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2013

APPRAISAL SUMMARY**KAJIMA PARTNERSHIPS LTD.****SW2 ENTERPRISE CENTRE - PHOENIX HOUSE
Base and Variant Bids****Summary Appraisal for Phase 1****REVENUE**

Rental Area Summary	ft²	Rate ft²	Gross MRV
Phoenix House	60,000	£40.00	2,400,000

Investment Valuation**Phoenix House**

Market Rent	2,400,000	YP @	5.7500%	17.3913	
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	39,469,627

GROSS DEVELOPMENT VALUE

Purchaser's Costs

5.75%

(2,269,504)

39,469,627

NET DEVELOPMENT VALUE37,200,123**NET REALISATION****37,200,123****OUTLAY****ACQUISITION COSTS**

Residualised Price			19,098,876
Stamp Duty		4.00%	763,955
Agent Fee		0.75%	143,242
Legal Fee		0.40%	76,396
			20,082,468

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phoenix House	72,500	£100.00	7,250,000
Contingency		5.00%	362,500
			362,500

PROFESSIONAL FEES

Prof Fees		10.00%	725,000
			725,000

MARKETING & LETTING

Marketing			50,000
Letting Agent Fee		15.00%	360,000
Letting Legal Fee		4.00%	96,000
			506,000

Additional Costs

Void Letting Costs			840,000
			840,000

FINANCE

Timescale	Duration	Commences
Pre-Construction	3	Sep 2017
Construction	9	Dec 2017
Letting	12	Sep 2018
Total Duration	24	

Multiple Finance Rates Used (See Assumptions)

Land	936,254
Construction	131,996
Letting Void	1,513,710
Total Finance Cost	2,581,960

TOTAL COSTS**32,347,928****PROFIT****4,852,195****Performance Measures**

Profit on Cost%	15.00%
Profit on GDV%	12.29%
Profit on NDV%	13.04%
Development Yield% (on Rent)	7.42%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
Gross Initial Yield%	6.08%

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Net Initial Yield%	6.08%
IRR	13.49%
Rent Cover	2 yrs
Profit Erosion (finance rate 5.000%)	2 yrs 10 mths

SENSITIVITY ANALYSIS

KAJIMA PARTNERSHIPS LTD.

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE

Base and Variant Bids

Table of Residual Land Price (Target Rate 15.00%)

Sensitivity Analysis for Phase 1

Capitalisation Yield - 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£15,081,817	£14,697,021	£14,312,225	£13,927,420	£13,542,627
- £5.00 ft ² £35.00 ft ²	£18,879,729	£18,494,934	£18,110,140	£17,725,344	£17,340,549
£0.00 ft ² £40.00 ft ²	£22,677,651	£22,292,843	£21,908,050	£21,523,256	£21,138,462
+ £5.00 ft ² £45.00 ft ²	£26,475,566	£26,090,771	£25,705,975	£25,321,179	£24,936,371
+ £10.00 ft ² £50.00 ft ²	£30,273,480	£29,888,685	£29,503,890	£29,119,095	£28,734,299

Capitalisation Yield - 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£13,980,368	£13,595,572	£13,210,768	£12,825,974	£12,441,180
- £5.00 ft ² £35.00 ft ²	£17,594,707	£17,209,912	£16,825,116	£16,440,321	£16,055,525
£0.00 ft ² £40.00 ft ²	£21,209,041	£20,824,248	£20,439,454	£20,054,659	£19,669,864
+ £5.00 ft ² £45.00 ft ²	£24,823,393	£24,438,597	£24,053,801	£23,668,994	£23,284,201
+ £10.00 ft ² £50.00 ft ²	£28,437,733	£28,052,937	£27,668,142	£27,283,346	£26,898,551

Capitalisation Yield 0.000%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,974,933	£12,590,129	£12,205,336	£11,820,541	£11,435,746
- £5.00 ft ² £35.00 ft ²	£16,421,700	£16,036,905	£15,652,109	£15,267,314	£14,882,518
£0.00 ft ² £40.00 ft ²	£19,868,464	£19,483,670	£19,098,876	£18,714,081	£18,329,285
+ £5.00 ft ² £45.00 ft ²	£23,315,241	£22,930,445	£22,545,639	£22,160,845	£21,776,051
+ £10.00 ft ² £50.00 ft ²	£26,762,009	£26,377,213	£25,992,418	£25,607,622	£25,222,813

Capitalisation Yield + 0.250%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£12,053,502	£11,668,708	£11,283,914	£10,899,119	£10,514,323
- £5.00 ft ² £35.00 ft ²	£15,346,706	£14,961,911	£14,577,115	£14,192,319	£13,807,516
£0.00 ft ² £40.00 ft ²	£18,639,901	£18,255,107	£17,870,312	£17,485,516	£17,100,721
+ £5.00 ft ² £45.00 ft ²	£21,933,105	£21,548,299	£21,163,506	£20,778,712	£20,393,917
+ £10.00 ft ² £50.00 ft ²	£25,226,303	£24,841,507	£24,456,711	£24,071,903	£23,687,110

Capitalisation Yield + 0.500%

Rent Rate £ pf ²	Construction Rate				
	-10.000% £90.00 ft ²	-5.000% £95.00 ft ²	0.000% £100.00 ft ²	+5.000% £105.00 ft ²	+10.000% £110.00 ft ²
- £10.00 ft ² £30.00 ft ²	£11,206,008	£10,821,214	£10,436,419	£10,051,623	£9,666,828
- £5.00 ft ² £35.00 ft ²	£14,357,962	£13,973,166	£13,588,370	£13,203,567	£12,818,773
£0.00 ft ² £40.00 ft ²	£17,509,908	£17,125,113	£16,740,318	£16,355,522	£15,970,727
+ £5.00 ft ² £45.00 ft ²	£20,661,852	£20,277,058	£19,892,264	£19,507,469	£19,122,674
+ £10.00 ft ² £50.00 ft ²	£23,813,810	£23,429,014	£23,044,207	£22,659,413	£22,274,619

SW2 ENTERPRISE CENTRE - PHOENIX HOUSE**Base and Variant Bids**

Sensitivity Analysis for Phase 1

Sensitivity Analysis : Assumptions for Calculation**Construction Rate**

Heading	Phase	Original Value
Phoenix House	1	£100.00 pf ²

These fields varied in Steps of 5.0000 % of the original value

Rent Rate

Heading	Phase	Original Value
Phoenix House	1	£40.00 pf ²

These fields varied in Fixed Steps of £5.00 pf²**Capitalisation Yield**

Heading	Phase	Original Value
Phoenix House	1	5.7500%

These fields varied in Fixed Steps of 0.2500%

A3.11 Kajima Community Additional Income Potential

COMMUNITY PROPOSAL FOR LAMBETH TOWN HALL

There is a clear divide between the types of uses of both the meeting rooms and the main hall. It would be practical to keep them separate for the purposes of this illustration about usage and potential income.

Main Hall and Indoor Space

Hall - 15m x 17m with stage and small kitchenette

Indoor Space 18m x 8m

Hours of use: during daytime, evenings and weekends

Kajima Community's experience in running community facilities includes West Denton Community Centre, Newcastle and schools throughout the UK.

Daytime, Evening and Weekend Examples of Use:

Conferences and exhibitions	Short Mat Bowls	Tenants and residents meetings
Orchestral and coral groups	Public health events	Tea Dances
Slimming clubs	Church Groups	Exercise classes
Martial Arts Classes	Baby and toddler groups	Concerts and theatrical events
Weddings and social functions	Public meetings	Political rallies
Dance and drama clubs	Supplementary Schools	Birthday Parties
Collectors Fairs & table top sales	Pilates and Yoga	Dinner Dances

Hire Fees:

Regular Use:

Main Hall: Ranging from c.£30 per hour for daytime regular weekly use to £50 per hour for peak time.

Indoor Space: c.£15 per hour for daytime regular weekly use to £40 per hour for peak time.

One off events: (depending on the amount of people)

Main Hall: From £80-£110 per hour Sunday to Thursday. £150-£180 per hour Friday and Saturday

Indoor Space: From £60-£90 per hour Sunday to Thursday. £120-£150 per hour Friday and Saturday

Potential Income:

Main Hall:

Haverstock School Assembly Hall (20m x 16m) use during evenings and weekend from Jan 2013 – Dec 2013 (excluding bookings not already in for Oct – Dec) Total income £110k.

This includes accommodating for school functions of approximately 80hrs that no income is received for. This also excludes day time use.

Taking into account the smaller size of the hall to Haverstock, day time usage and not having to accommodate activities that do not have any income generation an estimation of income in year six would be £130k. In the first year the estimation of income would be £50k with yearly incremental increases year on year.

Indoor Space:

There are many flexible spaces within Haverstock school that will offer similar functionality. It is envisaged that this will not be as well used as the main hall because of the size, facilities and amenities attached to the space. However, estimated income based on similar spaces in facilities that we manage would be around £60k per year in year six, with yearly incremental increases year on year from £20k in year one.

Meeting Rooms

12 flexible meeting rooms accommodating from six to twenty people.

Our flagship adult learning and training centre is based in Northampton where we have over 100 different courses that run throughout the year. In our London schools we accommodate 12 supplementary schools in three venues.

Types of uses:

Adult Education	Seminars	Coach education courses
Training	Supplementary Schools	Community meetings
Bridge clubs	Reading and book clubs	Interviews
Coffee mornings	AGM's	Business meetings

Hire Fees:

Ranging from £15 to £25 per hour, depending on the size of room. There are no peak and off peak times for this type of hire. A small reduction would be given for regular hires though. Extra income can be generated by offering refreshments and lunches etc.. Also, through offering facilities such as projectors, screens, flip charts and video conferencing equipment.

Potential Income:

Based on hiring the rooms for 120 hours per week charging on average £18 per hour we estimate that the annual income will be £108k. This will be achieved faster than the main hall at approximately four years. There may be the potential to increase the occupancy rate however this depends on other facilities in the local area.

Kajima Community Offer

1. We could offer a marketing, administration and operational service for the client so we carry out all of the functions related to hiring the facility.
2. An introductory service where we carry out the marketing, administration and operations. Initially get things up and running smoothly with a handover after 12 months. Could either be funded by the project or from the income generated?
3. Supply the training and administration system only

KAJIMA COMMUNITY

Kajima Community seek to develop and deliver a range of innovative activities within community facilities that have a long-term, sustainable and positive impact on local communities. We promote, administer and manage community activities in a range of facilities, primarily schools.

Developed in 2003, Kajima Community is a not for profit organisation that has an expertise in developing a broad range of activities with community organisations at venues across the UK. Our successful service model is being delivered in 15 different schools and community facilities, as a consequence we offer training and mentoring services to support those organisations who have similar community focused aspirations as ourselves.

Our model is not a 'one size fits all' solution. Every facility is different and, in partnership, we will work with individual schools and organisations, to understand the needs and requirements to then add real value to their community use offer. One particular expertise lies in community engagement, tapping into local resources and developing partnerships with key organisations.

Our bespoke service offer ranges from a fully managed delivery model to just equipping organisations with the tools for them to carry it out themselves.



Service Options

BookingsPlus

Online administration system designed for schools:

- Bespoke Website
- Full room booking functionality
- Client login area
- Integrated invoice system
- Online payments

Community Lettings Health Checks

A half day visit supported with market research data to explore:

- Efficiencies in procedures
- Improvements in profitability
- Reducing administration time
- Improving communication
- Reduced impact on facilities

Training and Outsourcing

Flexible options to improve your service:

- Full outsourced managed service (profit share)
- Outsource Bookings and Administration only
- Training services:
 - Lettings Management
 - Operational Management
 - Promotion and Marketing

Consultancy

- Bid writing – Priority School Building Programme
- Feasibility Studies
- Community use solutions within a BSF contract
- Advise FM companies on community use solutions

Service Options: Case Studies

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A3.12 International House Development Potential

INTERNATIONAL HOUSE 92 APARTMENTS

OVERVIEW

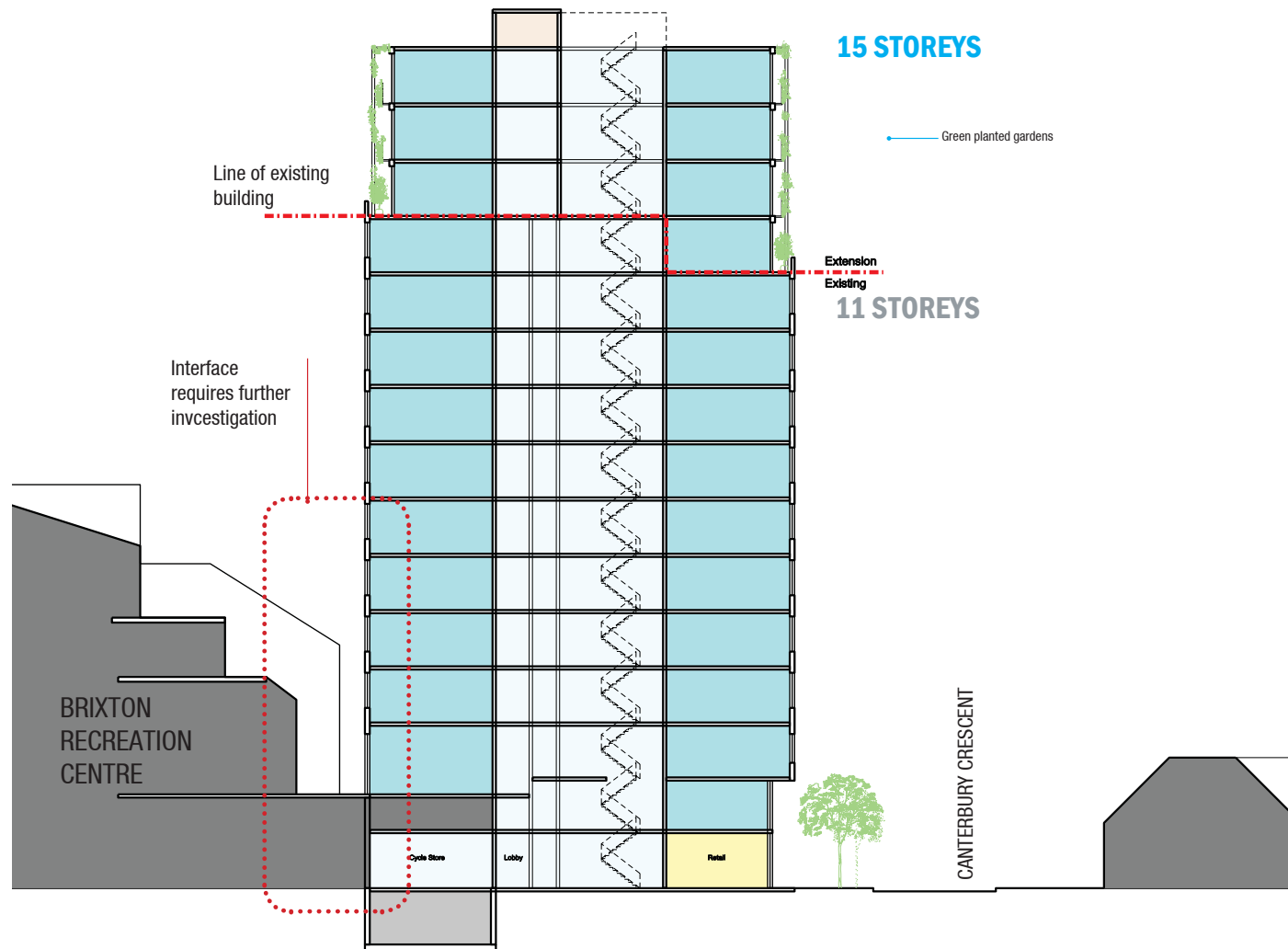
At International House the existing building will be stripped back to the concrete frame and re-clad. This new and high performance building envelope will meet to current sustainability targets and rejuvenate the buildings appearance. The ground floor will provide a flexible commercial space with generous storage areas. On the upper storeys, each floor is divided into eight apartments, a mixture of 1 and 2 beds. Above this, three additional storeys with a different cladding, more glazing and more planting will be added to the top of the building bringing its overall height to 15 storeys as specified in the ISDS brief. This green planted top references the green copper roofs of the surrounding buildings. These top floors will be set back a little from the edge of the existing building breaking up its massing. Each new floor will contain four large penthouse flats which will benefit from the best views towards central London.

The design response to this building is determined by the tight constraints of the site and the massing of the existing 12 storey building. Any new building here would have to be taller than the existing building in order to justify both demolition and rebuild. By refurbishing the existing structure value is added. Retaining the existing structure reduces construction costs compared to an entirely new build.

Secondly, the adaptation of the existing building is the most sustainable approach to the site. Upgrading the existing façade, which does not conform to modern standards of performance, will achieve the same sustainability targets of a new build but with a lower carbon footprint.



VIEW FROM BROCKWELL PARK SHOWING THE NEW INTERNATIONAL HOUSE AT CENTRE



Proximity to the existing Brixton Recreation Centre requires further investigation to determine land ownership, proximity, levels and general interface between the two buildings. The scheme has been developed using the limited information available.

Right, Sketch showing green rooftop extension, and set back planted balconies. The building has a new facade treatment while retaining the existing concrete frame.



INTERNATIONAL HOUSE PLANS

- Studio
- Apartment 1b
- Apartment 2b
- Apartment 3b
- Commercial Space
- Amenity space / Garden
- Core / Circulation / Cycle
- Plant
- Site Boundary

Statistics:

Housing NIA = 6488 m²
Retail NIA = 215 m²

Residential split:

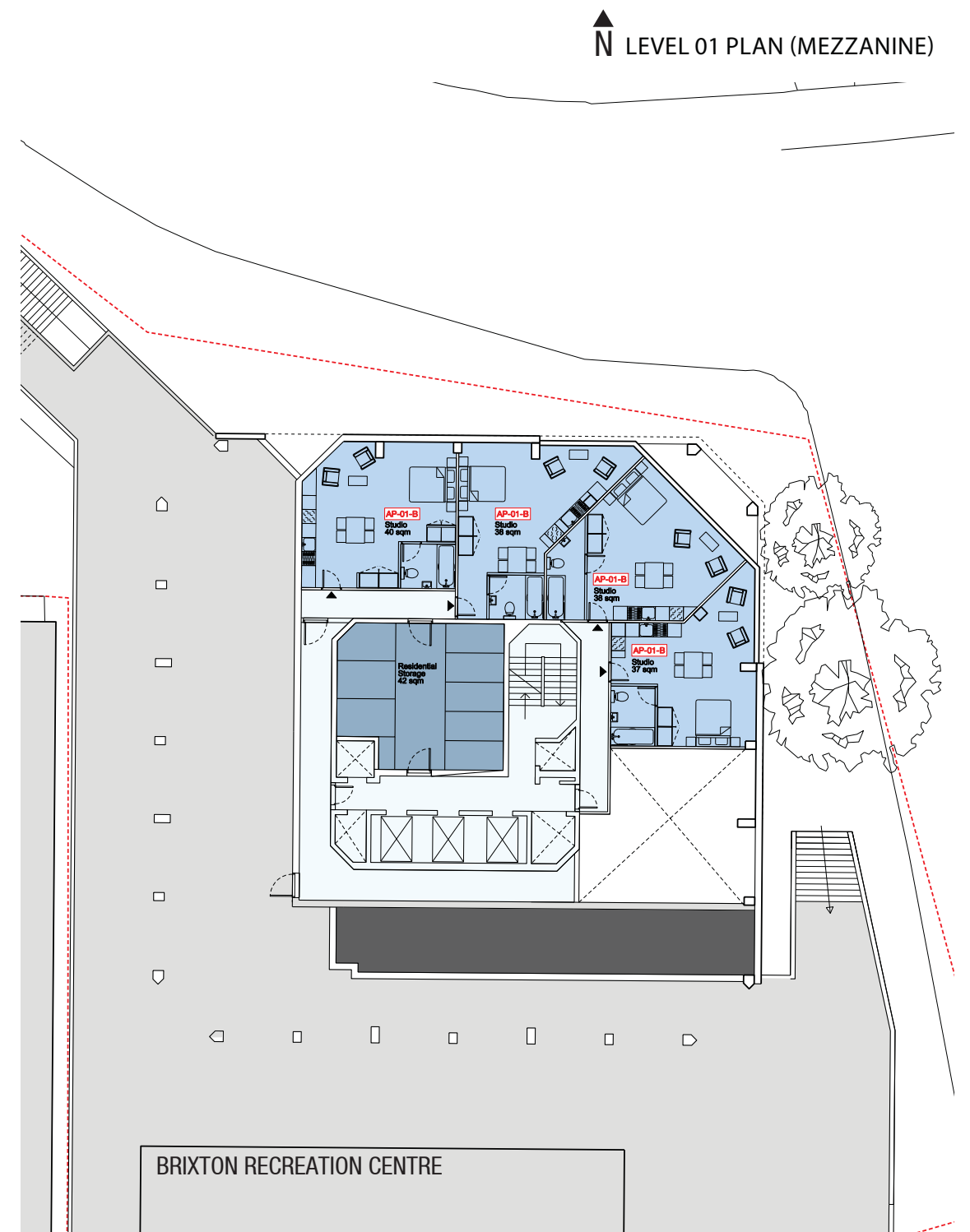
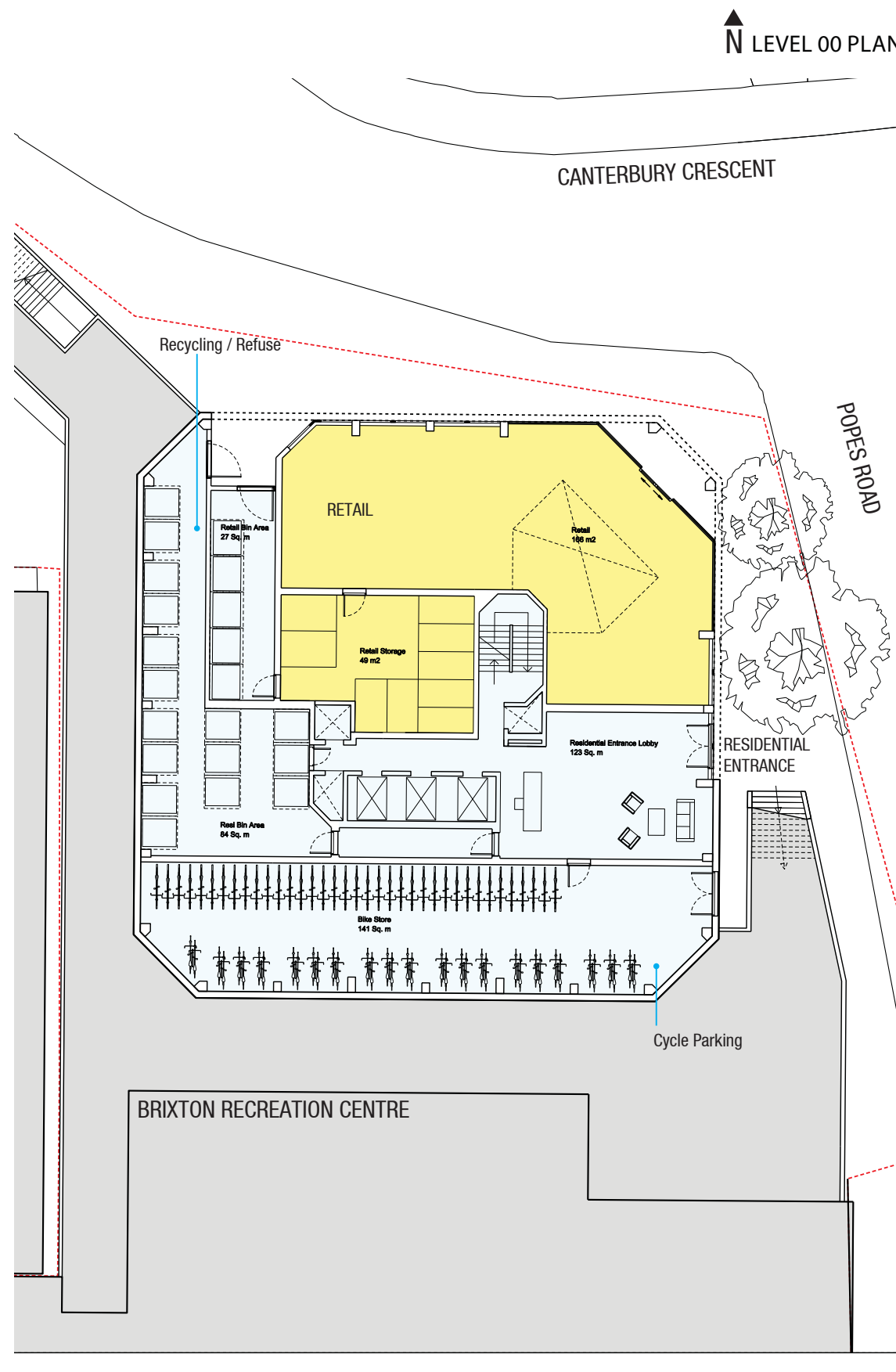
Studio	x 4
1 b	x 36
2 b	x 51
3 b	x 1

Cycle Spaces = 75

Car Spaces = 0

GROUND FLOOR PLAN

Flexible commercial space with good storage and its entrance on the corner of Pope's Road and Canterbury Crescent. Double height residential entrance off Pope's Road, including lobby, bicycle and bin stores.

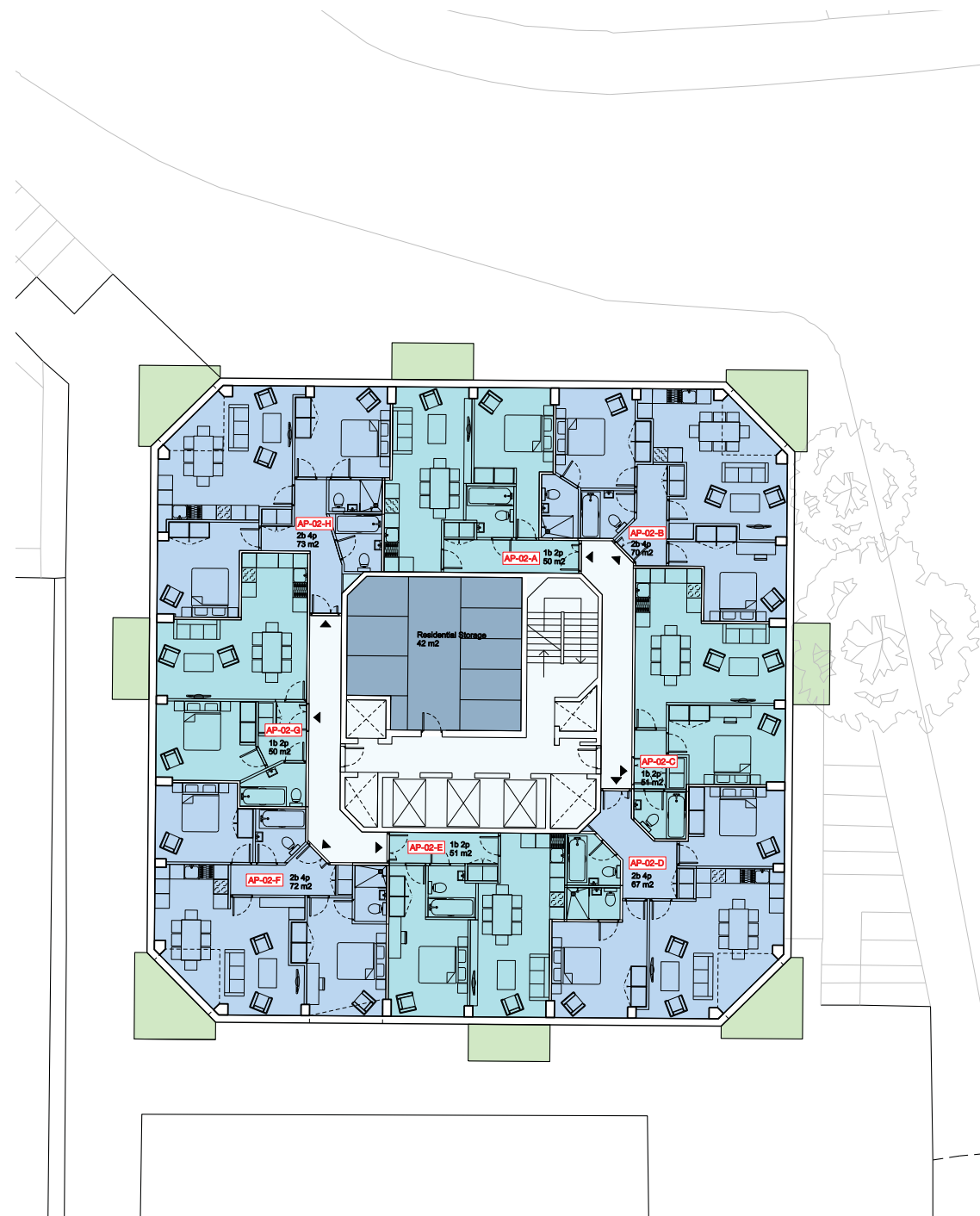


FIRST FLOOR PLAN

First floor of retail space with more retail storage.

INTERNATIONAL HOUSE PLANS

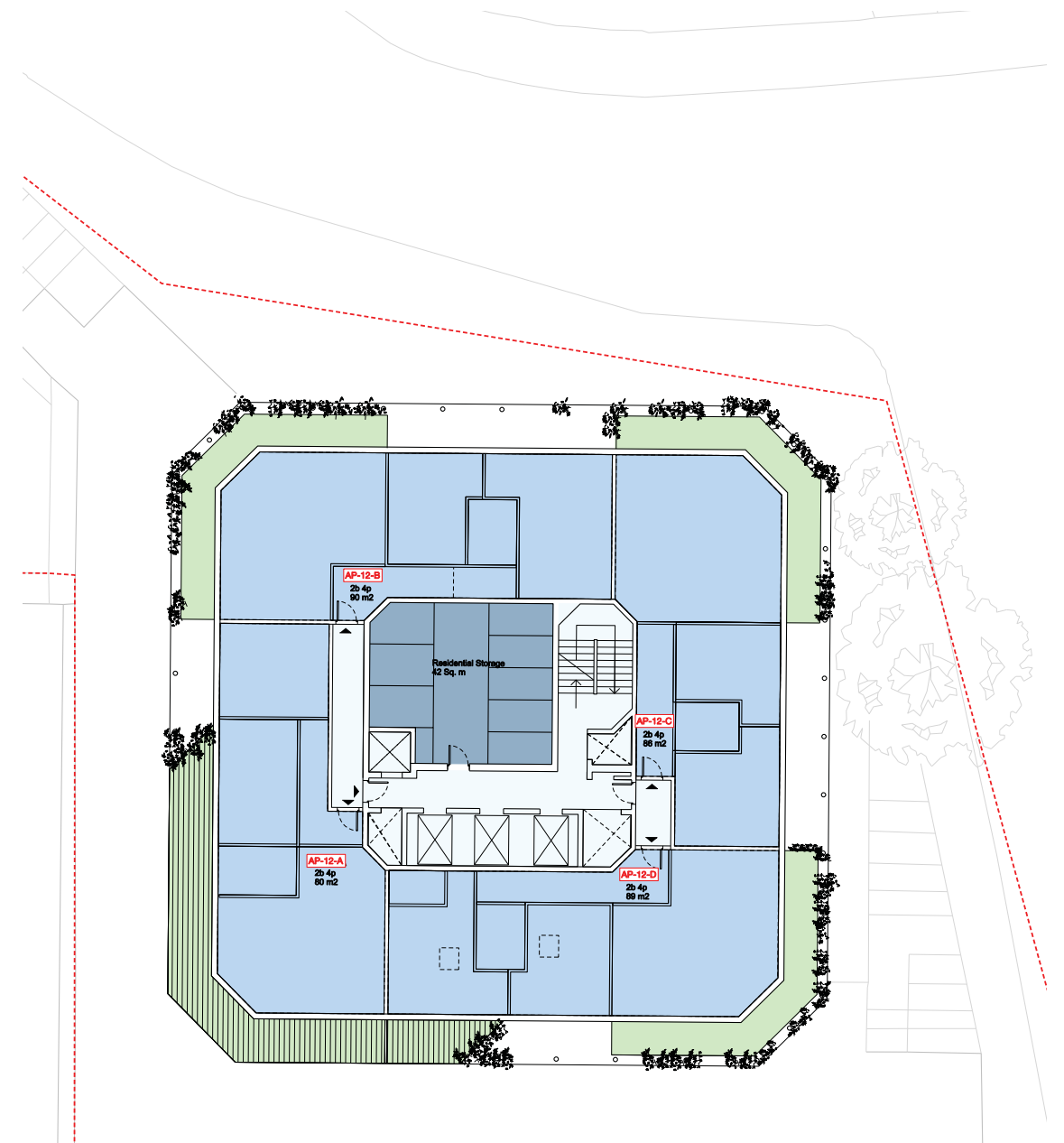
↑ N TYPICAL PLAN (LEVELS 02 - 10)



TYPICAL FLOOR PLAN

The original concrete structure and core are retained and the floor plate divided into eight apartments. Amenity space is provided with new balconies for each apartment.

↑ N TYPICAL PLAN (LEVELS 11 - 14)

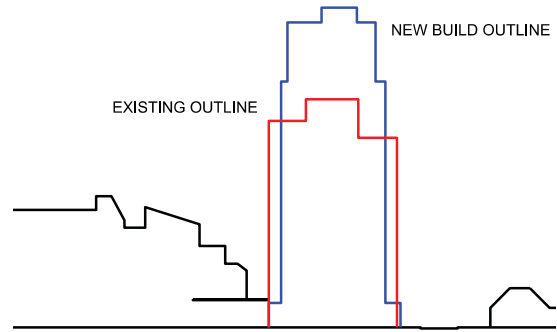


TYPICAL EXTENSION PLAN

Each floor of the extension to the roof contains four penthouse apartments which enjoy the best views of the City of London. The new build is set back slightly from the existing building line to allow for large planted balconies.

INTERNATIONAL HOUSE NEW BUILD OPTION

136 APARTMENTS



OVERVIEW

Alongside the refurbishment opportunity for International House, we have been looking at the option for a new building. This approach would echo the new build developments emerging along Pope's Road. These are namely; the Canterbury Arms proposal to demolish the existing pub opposite International House and build a nine storey residential building, and the future developments on the Pope's Road Car Park site. The existing mass of International House along with its current facade create a very prominent yet heavy presence within Brixton. The approach to add storeys to the existing building is limited to a total of fifteen storeys due to excessive loading on the structure.

There is the opportunity to create a building which engages with its context. The new twenty storey building is divided into three sections. At ground level is a podium containing a retail element, a residential lobby and large cycle parking area in accordance with Code for Sustainable Homes criteria. This level creates an active and open frontage to the street that would improve security and engage with the neighbouring developments. Made of brick, this base steps up to match the massing of the surrounding buildings and provide a domestic scale to the building. Stepping above this lower element are staggered forms with staggered balconies set amongst them. This section uses lighter and brighter materials that makes it feel and more slender and elegant than the existing building. The upper 4 storeys are set within a green planted framework that echoes the planting running up through the rest of the building. This element provides a green beacon visible around Brixton.



VIEW WEST ON CANTEBURY CRESCENT SHOWING THE NEW INTERNATIONAL HOUSE (NEW BUILD OPTION)

INTERNATIONAL HOUSE NEW BUILD OPTION PLANS

- Apartment 1b
- Apartment 2b
- Penthouse 2b
- Commercial Space
- Amenity space / Garden
- Core / Circulation / Cycle
- Plant
- Site Boundary

Statistics:

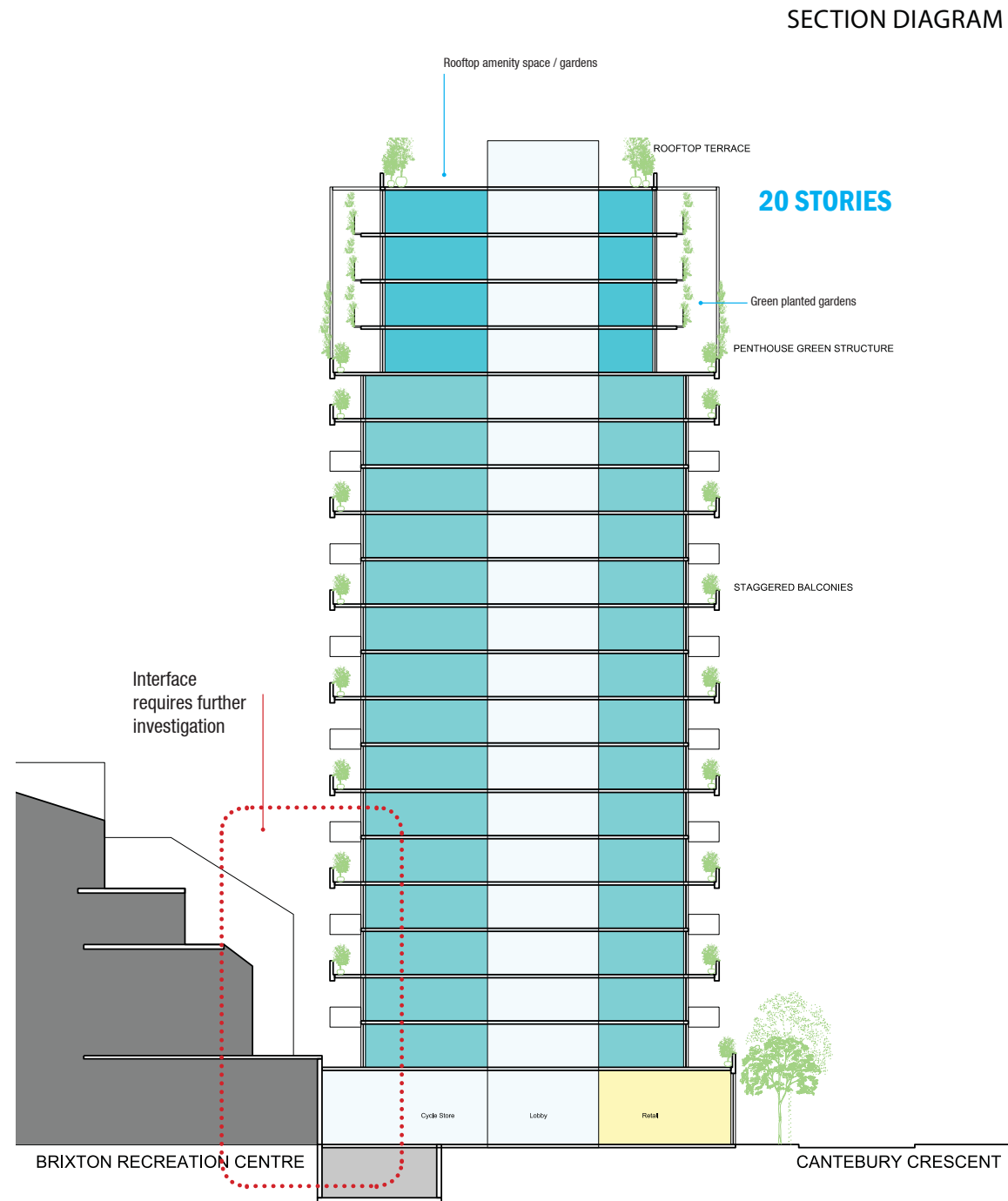
Housing NIA = 9120m²
Retail NIA = 427m²

Residential split:

1 b | x 60
2 b | x 60
PH | x 16

Cycle Spaces = 136

Car Spaces = 0

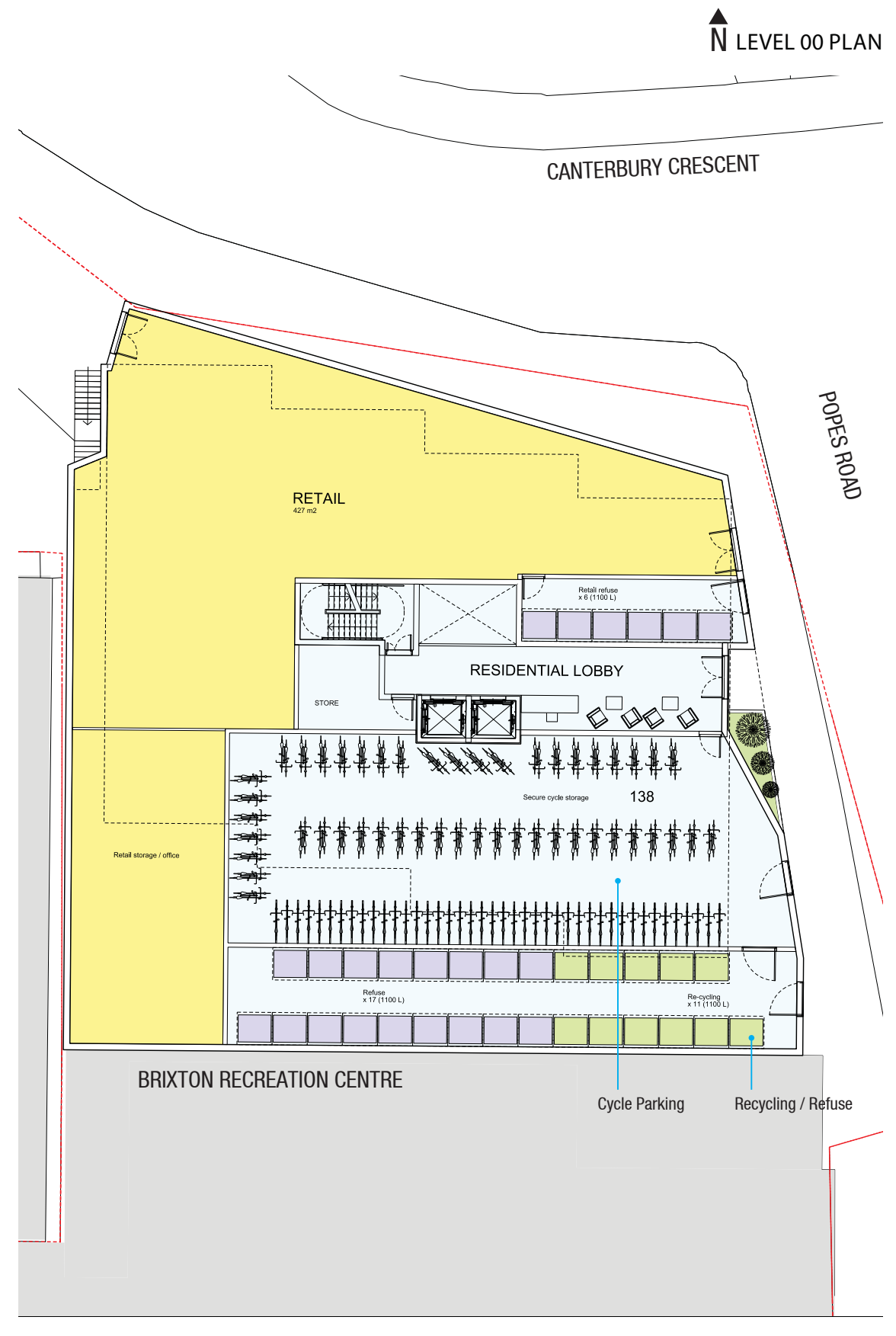


SECTION (ABOVE)

The new build option for International House creates a more slender cross section which is accentuated by the additional height of the new massing. Each apartment has a balcony, that together stagger across the building.

SECTION DIAGRAM

20 STORIES

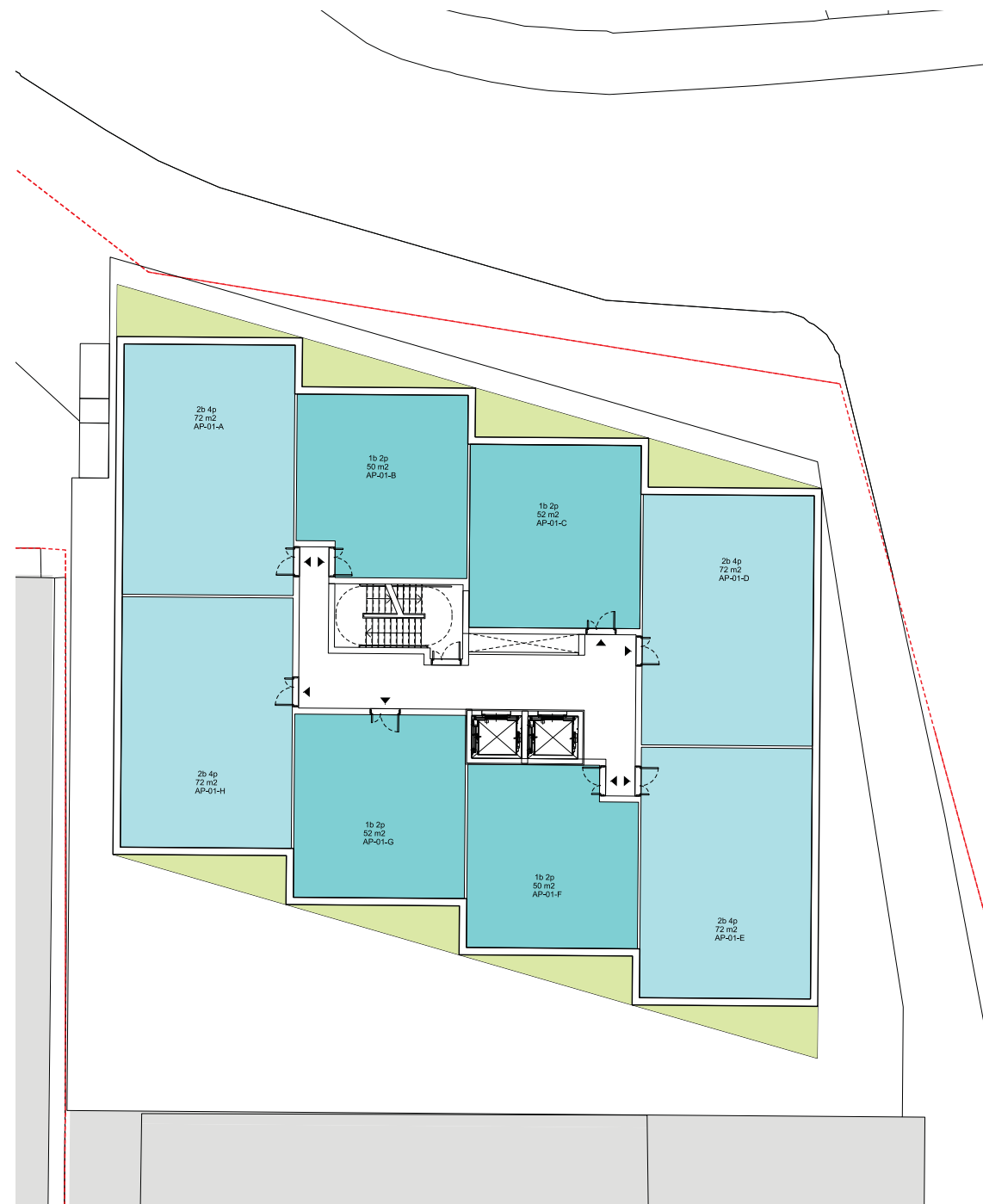


GROUND FLOOR PLAN (RIGHT)

A more flexible ground floor is achieved through the reconfiguration of the core area. A large number of cycle spaces are provided in line with Code For Sustainable Homes requirements.

INTERNATIONAL HOUSE PLANS

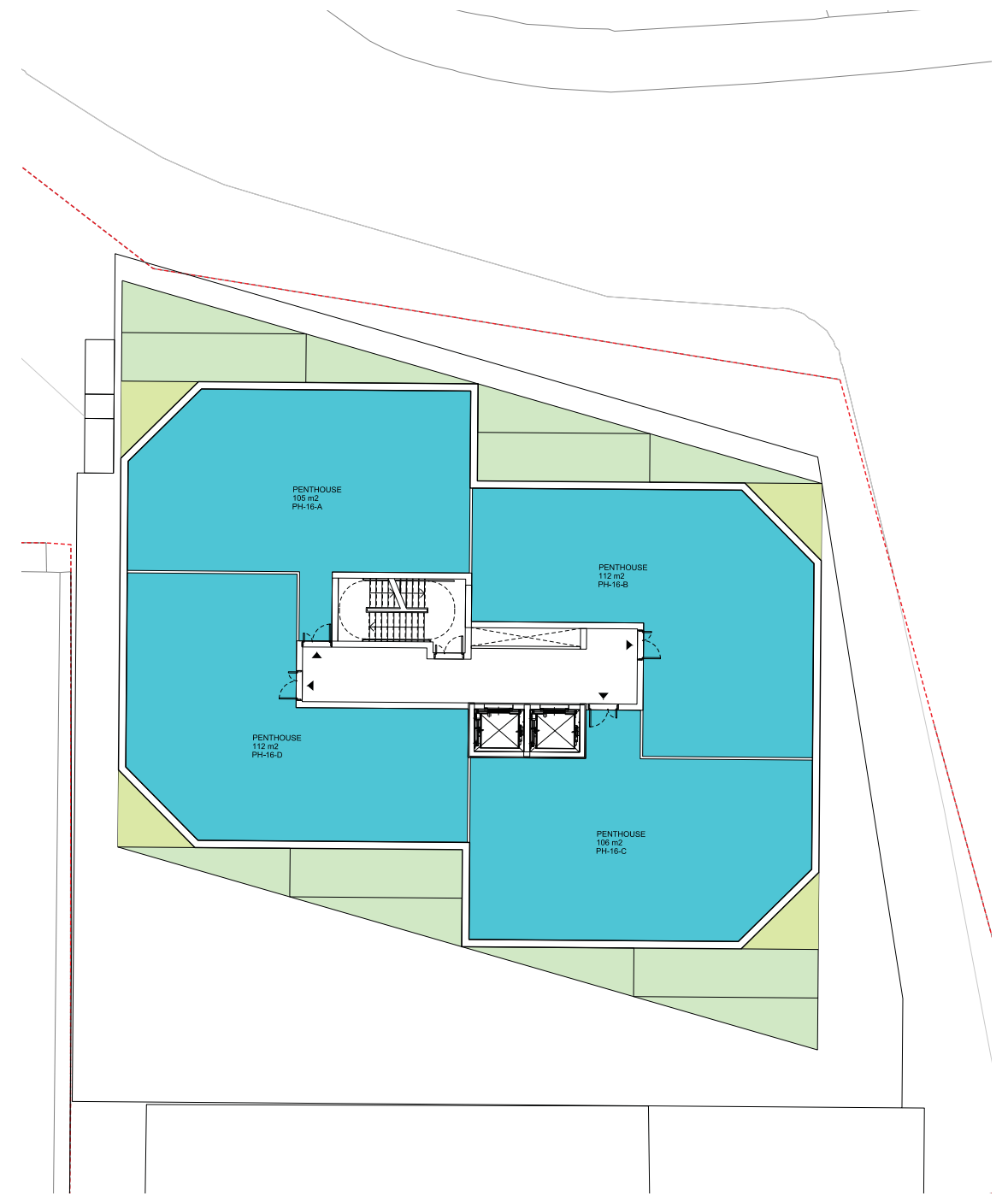
↑ N TYPICAL PLAN (LEVELS 01 - 15)



TYPICAL FLOOR PLAN

The new plan allows every apartment to have either 2 or 3 aspects greatly increasing the quality of the interior environments. Because the outline of the building is now pulled away from the Brixton Recreation Centre, apartments at the southern edge at the lower levels are also improved.

↑ N TYPICAL PLAN (LEVELS 16 - 19)



TYPICAL UPPER FLOOR PLAN

The Penthouse apartments set on the upper four levels are set back from the building outline below, and are enveloped by green terracing and planting.

A3.13 Base Case

SECTION 3: FINANCIAL ROBUSTNESS APPENDICES

BASE CASE

September 2013

INTRODUCTION

As required by section 6.9 of Instructions to Bidders in the ISFT, we have outlined below a base case summary to assist the Council in establishing a baseline to benchmark costs, noting that this base case does not form part of the Council's evaluation and nor does it constitute an offer from Kajima.

CONSTRUCTION COSTS

Clarification to ER v3 of 29/01/13 stated requirement for 11,480m² NIA of new build and 2,500m² NIA of refurbished town hall for office space which equates to 13,980m² NIA of office space requirement.

The Town Hall would need to be completely refurbished, and the entire building upgraded to current standards, to meet statutory, BREEAM and modern occupier requirements, whether the area used is 2,500m² NIA as per the ER's/clarification or 6,300m² NIA as per our variant proposal. However, if only 2500m² of NIA is occupied in a refurbished town hall, and assuming Olive Morris House is retained as office accommodation with a complete refurbishment, the new build area required would need to be 7,183m² NIA, compared to our variant proposal of 7,548m² NIA. In our estimation, this approach would result in a combined baseline construction cost for the Town Hall, Olive Morris House and new Civic Offices of circa £34-36m, for CAT A. We would assume the same assumptions as used on our variant proposal for CAT B and FF&E fit out costs and the Lambeth IT specification guidance cost of £4.5m. This assumes a BREEAM very good for the Town Hall. If BREEAM "Excellent" was required to the Town Hall as per the Employers Requirements, this would increase costs to £43-£45m, with a significant risk of the higher performance requirement never being achieved due to

the severe constraints of the building from a heritage perspective. It would additionally result in an under-utilised Town Hall and a significantly larger new Civic Office building that would be both overbearing from a planning and heritage perspective, but also impact significantly on the availability and value of adjacent surplus land for enabling development.

proposals significantly reduce the viability gap and will result in a significantly better solution from both a planning and occupier perspective.

SURPLUS SITES

With regard to surplus site values, our variant proposals provide a 40% affordable option, and all buildings save for Ivor House and the retained townhouse at Wanless Road will achieve Code for Sustainable Homes 4 standards as per the ER's. If Ivor House and the retained townhouse at Wanless Road were to achieve CSH level 4 as per the requirements of the ER's, this would impact on build costs, NIA and sales values due to the significant intervention that would be required in each of these buildings to achieve this standard. Furthermore, the significantly larger new Civic Offices required under the Base Case would have a detrimental impact upon values at both Porden Road and at Ivor House. The requirement to retain Olive Morris House as offices would remove significant enabling value from the project, particularly now that International House has been removed.

VIABILITY

The impact upon viability and the aim of achieving capital cost neutrality is significantly impeded in the Base Case scenario. This is driven principally by the baseline requirement to include affordable housing at 40%, by the Employers Requirements stipulating only 2,500m² of the Town Hall to be retained for use as Council office space and requiring the Town Hall to achieve BREEAM 'Excellent'.

It is our firmly held view that our variant

Building	Area (NIA) sq m	Cost (Cat A)	Cost (Cat A+B+FF&E)	Including IT Cost
Town Hall	2,500	£11,000,000		
Olive Morris House	4,297	£6,000,000		
New build Civic Offices	7,183	£9,000,000		
	13,980	£36,000,000	£44,130,000	£48,630,000

Building	Value (ungrown)	Value (grown)
Porden Road	£3,202,000	£5,254,000
Ivor House	£6,123,000	£7,318,000
Wanless Road	£1,921,000	£1,921,000
Wynn Road	£900,000	£900,000
	£12,146,000	£15,393,000