

██████████
Senior Design & Planning Manager,
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17-19 Stratford Place,
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10th December 2018

PRIVATE & CONFIDENTIAL

Dear Sirs

PROPOSED NEW CIL CHARGE FOR STUDENT ACCOMMODATION IN LAMBETH

I have read the BNP Paribas ('BNPP') report (London Borough of Lambeth: Local Plan and Community Infrastructure Levy Viability Review dated July 2018). My concerns about BNPP's report and the effects on the integrity of the proposed CIL increase for student accommodation development (using BNPP's report numbering) are:-

Table

1.7.1 In this table, BNP suggest that a reasonable indexation of the 2015 CIL charge for student accommodation development moves the charge from £215 psm to £284 p.s.m. This is over a period within which, recently, the GLA's London Plan policy H17A4 has emerged and which BNPP have accounted for. Therefore, BNPP are suggesting that it is reasonable to index the previous student CIL charge by 32.1% (approx 7.25% compound p.a. over 4 years) at a time when 35% of the bed spaces within student scheme will have been diminished in value (leaving aside market value growth) by around 30% (i.e. as a consequence of London Plan policy H17A4).

This must be equivalent to an overall GDV diminution of around 13% and, if London Plan policy H17A4 had not emerged, it must follow that BNPP would be suggesting a substantially higher indexation percentage on the £215 psm (as at 2014) – i.e. 55.1% instead of 45.1%. This begs the question as to what stratospheric index BNPP are using in this regard as, for example, we do not think student accommodation values (and/or their associated residual land values) have generally increased by 45.1% between 2014 and 2018? This is an enormous increase without any clear justification and/or clarity on what index BNPP have used. Whatever index BNPP have used, it is not realistic or reasonable.

3.7-

3.20 We comment as follows with respect to clarifying what represents a reasonable approach to Benchmark Land Values:-

If interpreted and assessed appropriately/reasonably, one should arrive at the same BLV sum using either a EUV Plus, AUV and/or Market Value (as per the definition in the RICS's GN 94/2012 as opposed to their 'Red Book') approach.

With respect to EUV Plus, the key question is what the 'Plus' addition should be? There is no standard or typical 'percentage' (as some might claim) as this would be arbitrary. Furthermore, there is no logical reason why the Plus element should be considered in percentage terms.

The Mayor's Affordable Housing SPG says that "premiums above EUV should be justified, reflecting the circumstances of the site" but it does not clarify how one could ever do this without reference to the expectations of land-owners who are, in turn, influenced by development land transaction prices. It also says the 'Plus' element "could be 10 per cent to 30 per cent, but this must reflect site specific circumstances and will vary". Equally therefore, the Plus bit might not be in the range of 10% - 30% and might be significantly higher.

A recent planning appeal in London known as 'Parkhurst' (APP/V5570/W/16/315698) is thought to be influential with regard to clarifying how reasonable BLVs should be arrived at and its outcome (and a more recent High Court challenge result) indicates that reasonable BLVs can sometimes be substantially more than EUV.

The most recent Parkhurst decision (following a High Court challenge) has upheld the former appeal decision to refuse planning consent. However, the decision reinforced the appeal Inspector's acceptance of the authority's approach to the BLV which was to start with the site's established use value (EUV) and to then apply a land-owner's premium. It is important to note that the land-owner's premium over EUV that the Inspector considered reasonable was equivalent to 864% (Eight Hundred and Sixty Four %) as the EUV was thought to be negligible or, at best, £700,000 and the Inspector considered a BLV of £6.75m to be reasonable. This observation is important because some viability consultants acting for Councils keep using 10% - 30% for the 'Plus' element without any meaningful justification except to claim that this is in some way standard (which it is not and should not be).

There appears to be no legitimate or logical way of determining what the Plus element of EUV Plus should be without 'some' reference to development land transaction evidence and/or AUV potential. Other ways are to consider whether the property is capable of generating income and assessing its worth (as an investment hold) to an owner at an assumed secured finance cost.

Parkhurst shows that there is currently a willingness by Inspectors to take policy and guidance at its word and treat land value as genuinely residual to policy requirements (even where they are expressed to be 'subject to viability' which ultimately necessitates reference to the actual market). However, it does not discredit the comparable approach, nor does it undermine the use of either a substantial premium to Existing Use Value (EUV Plus) or the use of AUV where appropriate to reflect the need for an incentive to release land. It is just a reminder of the need to critically examine evidence of comparable land values and to weed out those which failed to comply with policy in the first place (i.e. are not truly comparable).

Table

4.1.1 The site/student development typologies assumed by BNPP are not realistic. For example, Site 16 could not realistically deliver 300 student bed-spaces as, even if one optimistically assumes an 80% site footprint coverage, each floor would typically have communal parts of at least 15% plus a further 20% within each student cluster flat (i.e. kitchen/diner/lounge). Therefore, each floor-plate would not therefore facilitate the delivery of 33.33 bed-spaces per floor (i.e. $9 \times 33.3 = 300$) as suggested by BNPP because $33.33 \times 21 \text{ sq.m.} = 700 \text{ sq.m.}$ whereas:-

- Total site area = 1,000 sq.m.
- 'Optimistic' building footprint and building floorplate size = 800 sq.m.
- Net space available per floor for actual student rooms = $800 \times 65\% = 520 \text{ sq.m.}$ whereas BNPP are assuming 700 sq.m.

BNPP have assumed a development density equivalent to 3,000 per hectare for Sites 16 & 17 which is excessive as supposedly 'typical'. This level of density is not impossible but is not typical and/or appropriate for Borough wide CIL charge derivation.

This immediately indicates that BNPP has assumed inappropriately small (and commensurately cheap) sites can be purchased to deliver unrealistically excessive numbers of student units which will have sent their viability appraisals down an overly optimistic and un-realistic path.

4.13 Whilst I am not a Quantity Surveyor ('QS'), I have been provided with scheme specific build cost estimates on several large student schemes in London over the last 2 years in the course of my viability work and all of these have indicated build costs substantially in excess of the £2,104 per sq.m. assumed by BNPP.

BCIS data is only generic but, even if I refer to current data in this regard (see below), the median average cost is £2,251 p.s.m. (i.e. 12% higher than BNPP's cost assumption). On BNPP's assumed scheme/site typologies (Site 16 and 17) even a 12% difference amounts to a base build cost difference of £1.5m and £3m difference on costs which, in itself, more than erodes the student CIL increase being proposed and is therefore highly significant.

Results
 > Rebased to London Borough of Lambeth (124; sample 33) Edit

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims. ?
Last updated: 01-Sep-2018 02:05

Maximum age of results: Default period ▾

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
856.2 Students' residences, halls of residence, etc (15)	2,276	1,462	2,045	2,251	2,517	3,552	49

Again, site/scheme specific QS cost assessment usually come in at substantially more than suggested by BCIS data in any event and so increasing BNP's build cost assumption by 12% would not really be enough either.



- 4.19 I have seen a number of recent viability review reports by BNPP (local plan and/or site specific and which are publically discoverable on the internet) and in the vast majority of these, they have used a finance cost of 7% all-in. Here they have used 6%. There is no justification for reducing finance costs in current and/or foreseeable market conditions. An all-in rate of 7% was/is reasonable.
- 4.34 We note in this Borough BNPP are using 18% on private GDV as a reasonable profit target (and 6% on affordable housing) whereas, for example, they used 20% on private space in a similar viability report prepared for LB. Tower Hamlets in December 2017. There is no reasonable justification for BNPP to be reducing the profit targets they have used for local plan testing bearing in mind market/economic uncertainty has significantly increased over the course of the last year. BNPP's typical rates (for this purpose and notwithstanding BNPP indicate that targets may vary site/scheme specifically) should be increasing not decreasing. Meanwhile, we consider a profit of 22.5% on total costs to be a more appropriate way of targeting profit as this is akin to how profit is actually targeted by developers. The notion that developers split their profit targets between private and affordable accommodation and other uses is false.
- 4.38 BNPP state that they have "arrived at a broad judgement on the likely range of benchmark land values"

Bearing in mind BLVs are a critical driver of what is or is not viable, we are concerned with BNPP's this BNPP statement as it does not constitute sound evidence.

Furthermore, we do not think BNP's structuring of assumed BLVs within their Zones A, B & C reconcile with reality or are logical as, if BLVs were as per BNPP's suggestion, one would have no incentive but to pursue office planning consents on all sites in all zones.

Actual Site 16 & 17 Appraisals:-

6.8 –

6.10 We would ask for live copies of BNPP's student accommodation development appraisals so that we can reasonably and professionally check the inputs, mathematical spreadsheet workings and outputs.

As their report stands, it is completely unclear as to how BNPP conclude (as per their Section 6.46) that a new student CIL rate of £400 p.s.m. across the Borough is justified and/or how £400 p.s.m. has been arrived at and/or by whom.

In Appendix 5, BNPP present appraisals for Sites 16 & 17 that indicate following residual land values ('RLVs'):-

- Site 16 with 35% affordable student accommodation and no CIL cost = £7.51m.
- Site 17 with 35% affordable student accommodation and no CIL cost = £15.03m (*albeit BNPP's narrative in their Section 6.9m says the RLV is £10.05m which we assume is a typographical error but which nonetheless causes us some wider concern about the overall accuracy and reliability of this key evidential document*).

BNPP claim that both of these RLVs are above BLVs without stating what BLVs or BLV they have assumed. However, surely the extent to which any surplus exists over reasonable BLVs depends upon what zone the hypothetical sites are in and what the existing use is (i.e. in accordance with BNPP's Table 4.40.1 – page 35). If the subject sites were in Zone A and the existing use is office, the relevant BLVs would surely be:-

- Site 16 at 0.1 ha x £75m = £7.5m, and
- Site 17 A 0.2 ha x £75m = £15m.

If this were the case, no significant surpluses would be available to sustain any significant CIL payment as the RLVs are similar to the BLVs (prior to accounting for any CIL cost).

BNPP must have used an 'average' assumed BLV across the Borough to conclude that £400 p.s.m. is viable Borough wide but they do not indicate what that average BLV is. We are therefore unreasonably deprived of being able to consider whether it is reasonable or not.

BNPP should be asked to explain the exact sequential linkage between their appraisals for Sites 16 & 17 in their Appendix 5 and their conclusion that an appropriate CIL rate for the whole Borough is £400 p.s.m. as we cannot see any logical linkage.

Furthermore, we consider it clear that BNPP's appraisals for Site 16 & 17 are extremely over-optimistic for at least some of the reasons highlighted above. For example, if BNPP:-

- reduce the number of student beds spaces that they have assumed to be deliverable on 0.1 and 0.2 hectares (respectively) down to reasonable levels, and;
- increase their base build cost by **at least** 12% (as necessary according to up to date BCIS data and bearing in mind site/scheme specific QS cost assessments are usually substantially higher than BCIS data might suggest), and;
- change their profit target to 22.5% on cost, and;
- increase their finance cost from 6% to 7%, and;
- account for Mayoral CIL which, seemingly, has been incorrectly excluded from BNPP's appraisals.....

..... these necessary revisions would reduce the RLVs indicated above to approximately:-

- Site 16 with 35% affordable student accommodation and no CIL cost (see appraisal in **Appendix 1** attached to this letter) = £4.15m
- Site 17 with 35% affordable student accommodation and no CIL cost (see appraisal in **Appendix 2**) = £7.63m.

These reduced RLVs would be less than many of the BLVs identified by BNPP in their Table 4.40.1 although it remains unclear as to what average BLV BNPP have used to arrive at a Borough wide sustainable CIL conclusion of £400 psm. If BNPP had used the mid-point of their BLV matrix in Table 4.40.1, the surpluses driven by the BLVs above and which would be available for CIL would be:-

- Site 16 at £4.15m minus (£40.25m per ha x 0.1) = £125,000 (equivalent to 20.16 psm excluding any relief on existing buildings).
- Site 17 at £7.63m minus (£40.25 per ha x 0.2) = nil/negative.

As such, surely this points to there being no reasonable scope whatsoever to increase the existing CIL charge (i.e. from £215 psm) for student accommodation development? Indeed, reasonable evidence indicates that this should be reduced and it should be no surprise that, if the economy gets weaker (highly likely), CIL charges should be reduced if reason prevails.

Appraisal Sample Size:-

To base a proposed increase in the Borough-wide CIL charge applicable to student accommodation development by 32.1% based upon only 2 appraisals and scheme/site typologies is not sufficient, especially when those typologies are overly optimistic and where the results in Appendix 5 do not match the narrative in the main body of the report.

BNPP evidence is not sound for this reason alone and therefore nor is the proposed CIL charge increase.

Conclusion:-

Reasonably and correctly assessed evidence indicates that there is no justification for any increase to the existing CIL charge for student accommodation development.

Indeed, the evidence indicates that it should be reduced.

Potential Inbound Affordable Housing Requirement on Top of London Plan Affordable Student Requirement:-

My observations herein indicate that there is no viable scope for any additional affordable housing policy on top of the London Plan requirement for 35% affordable student bed-spaces.

In my opinion, this would substantially terminate student accommodation development in Lambeth.

Yours faithfully,



James Brown BSc (Hons) MRICS

Director

RICS Registered Valuer

APPENDIX 1

Site 16

Same Pro-Rata Student GDV as per BNPP

35% Affordable student built into Student GDV

APPRAISAL SUMMARY**JAMES R BROWN & COMPANY LTD**

Site 16

Same Pro-Rata Student GDV as per BNPP

35% Affordable student built into Student GDV

Summary Appraisal for Phase 1

Currency in £

REVENUE**Investment Valuation**

Student (223 beds)

Manual Value

27,815,564

NET REALISATION**27,815,564****OUTLAY****ACQUISITION COSTS**

Residualised Price

4,154,042

4,154,042

CONSTRUCTION COSTS**Construction**

Student (223 beds)

77,500 ft²182.32 pf²

14,130,121

14,130,121

Contingency

5.00%

706,506

Emp & Training Levy

217,000

Highways/S.278

70,000

MCIL

250,000

1,243,506

PROFESSIONAL FEES

Professional Fees

10.00%

1,413,012

1,413,012

FINANCE

Debit Rate 7.000%, Credit Rate 0.500% (Nominal)

Land

674,140

Construction

1,091,760

Total Finance Cost

1,765,901

TOTAL COSTS**22,706,582****PROFIT****5,108,982****Performance Measures**

Profit on Cost%

22.50%

Profit on GDV%

18.37%

Profit on NDV%

18.37%

IRR

24.76%

Profit Erosion (finance rate 7.000%)

2 yrs 11 mths

This appraisal report does not constitute a formal valuation.

TIMESCALE AND PHASING GRAPH REPORT JAMES R BROWN & COMPANY LTD

Site 16

Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV

Project Timescale

Project Start Date	Dec 2018
Project End Date	Mar 2021
Project Duration (Inc Exit Period)	28 months

Phase 1



This appraisal report does not constitute a formal valuation.

Site 16

**Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV**

Detailed Cash flow Phase 1

MonthlyB/F	001:Dec 2018	002:Jan 2019	003:Feb 2019	004:Mar 2019	005:Apr 2019	006:May 2019
MonthlyB/F	0	(4,154,042)	(4,154,042)	(4,202,506)	(4,202,506)	(4,857,520)
Revenue						
Cap - Student (223 beds)	0	0	0	0	0	0
Unit Information						
Acquisition Costs						
Residualised Price	(4,154,042)	0	0	0	0	0
Construction Costs						
Emp & Training Levy	0	0	0	0	(217,000)	0
Highways/S.278	0	0	0	0	(70,000)	0
Con. - Student (223 beds)	0	0	0	0	(102,620)	(226,157)
Contingency	0	0	0	0	(5,131)	(11,308)
MCIL	0	0	0	0	(250,000)	0
Professional Fees						
Professional Fees	0	0	0	0	(10,262)	(22,616)
Net Cash Flow Before Finance	(4,154,042)	0	0	0	(655,013)	(260,081)
Debit Rate 7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
Credit Rate 0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Finance Costs (All Sets)	0	(24,232)	(24,232)	(24,515)	(24,515)	(28,336)
Net Cash Flow After Finance	(4,154,042)	(24,232)	(24,232)	(24,515)	(679,528)	(288,416)
Cumulative Net Cash Flow Monthly	(4,154,042)	(4,178,274)	(4,202,506)	(4,227,021)	(4,906,549)	(5,194,965)

This appraisal report does not constitute a formal valuation.

Site 16

**Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV**

Detailed Cash flow Phase 1

007:Jun 2019	008:Jul 2019	009:Aug 2019	010:Sep 2019	011:Oct 2019	012:Nov 2019	013:Dec 2019	014:Jan 2020
(5,194,965)	(5,584,461)	(6,090,719)	(6,799,495)	(7,501,320)	(8,281,949)	(9,260,463)	(10,160,743)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(338,692)	(440,224)	(530,754)	(610,282)	(678,808)	(736,331)	(782,852)	(818,371)
(16,935)	(22,011)	(26,538)	(30,514)	(33,940)	(36,817)	(39,143)	(40,919)
0	0	0	0	0	0	0	0
(33,869)	(44,022)	(53,075)	(61,028)	(67,881)	(73,633)	(78,285)	(81,837)
(389,496)	(506,258)	(610,368)	(701,825)	(780,629)	(846,781)	(900,280)	(941,127)
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(30,304)	(32,576)	(35,529)	(39,664)	(43,758)	(48,311)	(54,019)	(59,271)
(419,800)	(538,834)	(645,897)	(741,488)	(824,387)	(895,092)	(954,300)	(1,000,398)
(5,614,765)	(6,153,599)	(6,799,495)	(7,540,984)	(8,365,371)	(9,260,463)	(10,214,763)	(11,215,161)

This appraisal report does not constitute a formal valuation.

Site 16**Same Pro-Rata Student GDV as per BNPP****35% Affordable student built into Student GDV****Detailed Cash flow Phase 1****Page A 3**

015:Feb 2020 (11,101,870)	016:Mar 2020 (12,249,243)	017:Apr 2020 (13,234,106)	018:May 2020 (14,221,858)	019:Jun 2020 (15,431,459)	020:Jul 2020 (16,387,032)	021:Aug 2020 (17,307,535)	022:Sep 2020 (18,466,885)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(842,888)	(856,402)	(858,915)	(850,425)	(830,932)	(800,438)	(758,941)	(706,442)
(42,144)	(42,820)	(42,946)	(42,521)	(41,547)	(40,022)	(37,947)	(35,322)
0	0	0	0	0	0	0	0
(84,289)	(85,640)	(85,891)	(85,042)	(83,093)	(80,044)	(75,894)	(70,644)
(969,321)	(984,863)	(987,752)	(977,988)	(955,572)	(920,503)	(872,782)	(812,408)
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(64,761)	(71,454)	(77,199)	(82,961)	(90,017)	(95,591)	(100,961)	(107,723)
(1,034,082)	(1,056,317)	(1,064,951)	(1,060,949)	(1,045,589)	(1,016,094)	(973,743)	(920,132)
(12,249,243)	(13,305,560)	(14,370,510)	(15,431,459)	(16,477,048)	(17,493,143)	(18,466,885)	(19,387,017)

This appraisal report does not constitute a formal valuation.

Site 16

**Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV**

Detailed Cash flow Phase 1

023:Oct 2020 (19,279,294)	024:Nov 2020 (20,018,675)	025:Dec 2020 (21,009,340)	026:Jan 2021 (21,564,711)	027:Feb 2021 (22,009,097)	028:Mar 2021 (22,706,582)
0	0	0	0	0	27,815,564
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(642,941)	(568,437)	(482,931)	(386,423)	(278,913)	0
(32,147)	(28,422)	(24,147)	(19,321)	(13,946)	0
0	0	0	0	0	0
(64,294)	(56,844)	(48,293)	(38,642)	(27,891)	0
(739,382)	(653,703)	(555,371)	(444,387)	(320,750)	27,815,564
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(112,463)	(116,776)	(122,554)	(125,794)	(128,386)	0
(851,844)	(770,478)	(677,925)	(570,181)	(449,136)	27,815,564
(20,238,861)	(21,009,340)	(21,687,265)	(22,257,446)	(22,706,582)	5,108,982

This appraisal report does not constitute a formal valuation.

APPENDIX 2

Site 17

Same Pro-Rata Student GDV as per BNPP

35% Affordable student built into Student GDV

APPRAISAL SUMMARY**JAMES R BROWN & COMPANY LTD**

Site 17

Same Pro-Rata Student GDV as per BNPP

35% Affordable student built into Student GDV

Summary Appraisal for Phase 1

Currency in £

REVENUE

Investment Valuation

Student (223 beds)

Manual Value

55,631,128

NET REALISATION**55,631,128****OUTLAY****ACQUISITION COSTS**

Residualised Price

7,631,984

7,631,984

CONSTRUCTION COSTS**Construction**

Student (223 beds)

ft²
155,000 ft²Rate ft²
182.32 pft²Cost
28,260,242**28,260,242**

Contingency

5.00%

1,413,012

Emp & Training Levy

436,000

Highways/S.278

140,000

MCIL

500,000

2,489,012

PROFESSIONAL FEES

Professional Fees

10.00%

2,826,024

2,826,024

FINANCE

Debit Rate 7.000%, Credit Rate 0.500% (Nominal)

Land

1,499,095

Construction

2,706,808

Total Finance Cost

4,205,902

TOTAL COSTS**45,413,165****PROFIT****10,217,963****Performance Measures**

Profit on Cost%

22.50%

Profit on GDV%

18.37%

Profit on NDV%

18.37%

IRR

21.79%

Profit Erosion (finance rate 7.000%)

2 yrs 11 mths

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TIMESCALE AND PHASING GRAPH REPORT JAMES R BROWN & COMPANY LTD

Site 17

Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV

Project Timescale

Project Start Date	Dec 2018
Project End Date	Aug 2021
Project Duration (Inc Exit Period)	33 months

Phase 1

	Start Date	Duration	End Date	Dec 18	Dec 19	Dec 20
Project	Dec 2018	33 Month(s)	Aug 2021	[Gantt bar from Dec 18 to Aug 2021]		
Purchase	Dec 2018	2 Month(s)	Jan 2019	[Gantt dot]		
Pre-Construction	Feb 2019	2 Month(s)	Mar 2019	[Gantt dot]		
Construction	Apr 2019	28 Month(s)	Jul 2021	[Gantt bar from Apr 2019 to Jul 2021]		
Post Development	Aug 2021	0 Month(s)				[Gantt tick]
Letting	Aug 2021	0 Month(s)				[Gantt tick]
Income Flow	Aug 2021	0 Month(s)				[Gantt tick]
Sale	Aug 2021	1 Month(s)	Aug 2021			[Gantt tick]
Cash Activity	Dec 2018	33 Month(s)	Aug 2021	[Gantt bar from Dec 18 to Aug 2021]		
				1	13	25

This appraisal report does not constitute a formal valuation.

Site 17

**Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV**

Detailed Cash flow Phase 1

MonthlyB/F	001:Dec 2018	002:Jan 2019	003:Feb 2019	004:Mar 2019	005:Apr 2019	006:May 2019
	0	(7,631,984)	(7,631,984)	(7,721,024)	(7,721,024)	(8,969,335)
Revenue						
Cap - Student (223 beds)	0	0	0	0	0	0
Unit Information						
Acquisition Costs						
Residualised Price	(7,631,984)	0	0	0	0	0
Construction Costs						
Emp & Training Levy	0	0	0	0	(436,000)	0
Highways/S.278	0	0	0	0	(140,000)	0
Con. - Student (223 beds)	0	0	0	0	(149,836)	(319,199)
Contingency	0	0	0	0	(7,492)	(15,960)
MCIL	0	0	0	0	(500,000)	0
Professional Fees						
Professional Fees	0	0	0	0	(14,984)	(31,920)
Net Cash Flow Before Finance	(7,631,984)	0	0	0	(1,248,311)	(367,079)
Debit Rate 7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
Credit Rate 0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Finance Costs (All Sets)	0	(44,520)	(44,520)	(45,039)	(45,039)	(52,321)
Net Cash Flow After Finance	(7,631,984)	(44,520)	(44,520)	(45,039)	(1,293,350)	(419,400)
Cumulative Net Cash Flow Monthly	(7,631,984)	(7,676,504)	(7,721,024)	(7,766,063)	(9,059,414)	(9,478,813)

This appraisal report does not constitute a formal valuation.

Site 17

**Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV**

Detailed Cash flow Phase 1

007:Jun 2019 (9,478,813)	008:Jul 2019 (10,026,634)	009:Aug 2019 (10,741,171)	010:Sep 2019 (11,784,838)	011:Oct 2019 (12,790,732)	012:Nov 2019 (13,921,265)	013:Dec 2019 (15,386,979)	014:Jan 2020 (16,724,716)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(476,366)	(621,337)	(754,111)	(874,690)	(983,073)	(1,079,259)	(1,163,250)	(1,235,044)
(23,818)	(31,067)	(37,706)	(43,735)	(49,154)	(53,963)	(58,162)	(61,752)
0	0	0	0	0	0	0	0
(47,637)	(62,134)	(75,411)	(87,469)	(98,307)	(107,926)	(116,325)	(123,504)
(547,821)	(714,537)	(867,228)	(1,005,894)	(1,130,534)	(1,241,148)	(1,337,737)	(1,420,301)
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(55,293)	(58,489)	(62,657)	(68,745)	(74,613)	(81,207)	(89,757)	(97,561)
(603,114)	(773,026)	(929,885)	(1,074,639)	(1,205,146)	(1,322,356)	(1,427,495)	(1,517,861)
(10,081,927)	(10,854,953)	(11,784,838)	(12,859,477)	(14,064,623)	(15,386,979)	(16,814,473)	(18,332,334)

This appraisal report does not constitute a formal valuation.

Site 17

**Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV**

Detailed Cash flow Phase 1

015:Feb 2020 (18,145,016)	016:Mar 2020 (19,927,019)	017:Apr 2020 (21,470,370)	018:May 2020 (23,054,208)	019:Jun 2020 (25,040,475)	020:Jul 2020 (26,663,211)	021:Aug 2020 (28,284,356)	022:Sep 2020 (30,356,484)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(1,294,642)	(1,342,044)	(1,377,250)	(1,400,260)	(1,411,074)	(1,409,692)	(1,396,114)	(1,370,339)
(64,732)	(67,102)	(68,863)	(70,013)	(70,554)	(70,485)	(69,806)	(68,517)
0	0	0	0	0	0	0	0
(129,464)	(134,204)	(137,725)	(140,026)	(141,107)	(140,969)	(139,611)	(137,034)
(1,488,839)	(1,543,351)	(1,583,838)	(1,610,299)	(1,622,735)	(1,621,146)	(1,605,531)	(1,575,890)
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(105,846)	(116,241)	(125,244)	(134,483)	(146,069)	(155,535)	(164,992)	(177,079)
(1,594,685)	(1,659,592)	(1,709,082)	(1,744,782)	(1,768,805)	(1,776,681)	(1,770,523)	(1,752,970)
(19,927,019)	(21,586,611)	(23,295,693)	(25,040,475)	(26,809,280)	(28,585,961)	(30,356,484)	(32,109,454)

This appraisal report does not constitute a formal valuation.

**Site 17
Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV**

Detailed Cash flow Phase 1

023:Oct 2020 (31,932,374)	024:Nov 2020 (33,464,599)	025:Dec 2020 (35,497,693)	026:Jan 2021 (36,900,508)	027:Feb 2021 (38,217,581)	028:Mar 2021 (40,080,145)	029:Apr 2021 (41,183,656)	030:May 2021 (42,159,348)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(1,332,369)	(1,282,202)	(1,219,840)	(1,145,281)	(1,058,526)	(959,575)	(848,428)	(725,085)
(66,618)	(64,110)	(60,992)	(57,264)	(52,926)	(47,979)	(42,421)	(36,254)
0	0	0	0	0	0	0	0
(133,237)	(128,220)	(121,984)	(114,528)	(105,853)	(95,957)	(84,843)	(72,508)
(1,532,224)	(1,474,533)	(1,402,815)	(1,317,073)	(1,217,305)	(1,103,511)	(975,692)	(833,847)
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(186,272)	(195,210)	(207,070)	(215,253)	(222,936)	(233,801)	(240,238)	(245,930)
(1,718,496)	(1,669,743)	(1,609,885)	(1,532,326)	(1,440,241)	(1,337,312)	(1,215,930)	(1,079,777)
(33,827,950)	(35,497,693)	(37,107,578)	(38,639,904)	(40,080,145)	(41,417,457)	(42,633,387)	(43,713,164)

This appraisal report does not constitute a formal valuation.

Site 17
Same Pro-Rata Student GDV as per BNPP
35% Affordable student built into Student GDV

Detailed Cash flow Phase 1

031:Jun 2021	032:Jul 2021	033:Aug 2021
(43,713,164)	(44,391,141)	(44,899,223)
0	0	55,631,128
0	0	0
0	0	0
0	0	0
(589,546)	(441,810)	0
(29,477)	(22,091)	0
0	0	0
(58,955)	(44,181)	0
(677,977)	(508,082)	55,631,128
7.000%	7.000%	7.000%
0.500%	0.500%	0.500%
(254,993)	(258,948)	0
(932,971)	(767,030)	55,631,128
(44,646,135)	(45,413,165)	10,217,963

This appraisal report does not constitute a formal valuation.