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Your ref:  
Our ref: ADL/181219

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Dear Nathan

## **BRIXTON CREATIVE ENTERPRISE ZONE: AFFORDABLE WORKSPACE ANALYSIS**

Further to the Council's recent instructions, I am writing to outline the results of our analysis of the provision of affordable workspace within the Brixton Creative Enterprise Zone ('CEZ').

### **1. Background**

The Neighbourhoods and Growth team is working with colleagues in Planning Policy to develop the Council's policy for the provision of 'affordable and supportive workspace'. As part of this process, the Council is considering its specific approach for affordable workspace within the Brixton CEZ.

CEZs are a new initiative of the Mayor of London to designate small areas of the Capital for the provision of business space for artists and other creative businesses. The Mayor's aim is that CEZs will offer incentives to retain and attract artists and new creative businesses by offering permanent affordable workspace; business and skills support; business rates relief; super-fast broadband; and a pro-culture approach in Local Plans.

CEZs have support in Draft London Plan policies E8 and Policy HC5 with additional underpinning in policies E2 and E3, which note that "*planning obligations may be used to secure affordable workspace at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose*".

Lambeth's own emerging draft Local Plan policy may include a policy seeking affordable workspace, with an emerging policy requiring 10% of new B1 floorspace to be let at a discount that will vary across the borough, depending on viability, over a minimum of 15 years.

The Council has commissioned BNP Paribas Real Estate to test the provision of affordable and supportive workspace in developments within the Brixton CEZ.



## 2. The Brixton CEZ

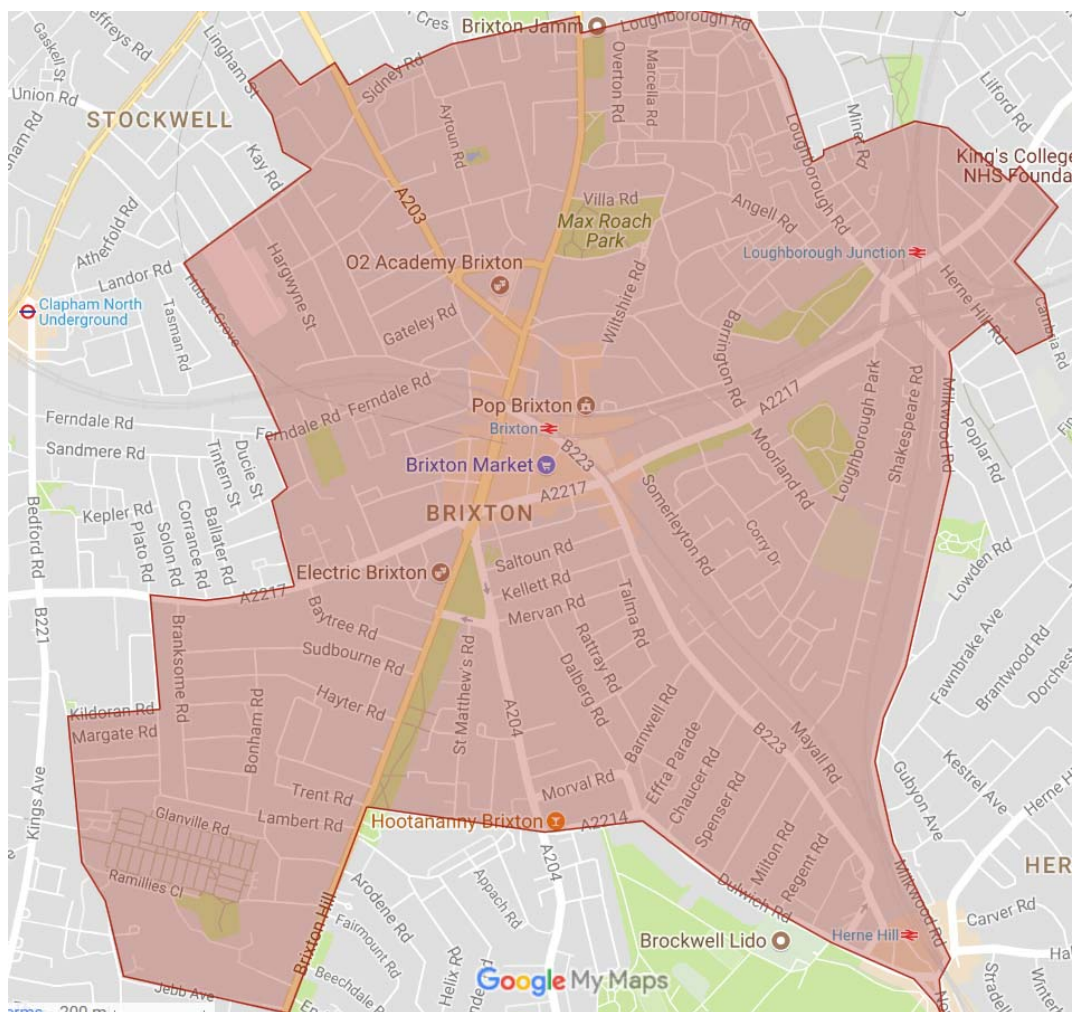
On 20 March 2018, the Mayor issued a shortlist of applications by councils in London to secure funding from a fund to support the creation of CEZs. Brixton was one of 11 boroughs to secure a place on the shortlist.

The Mayor's announcement of the shortlist provided by the following prognosis of the issues facing Brixton:

*“Brixton has a vibrant creative economy with potential for growth. But the area faces an undersupply of workspace and rising property prices put some artists and creative businesses at risk. The development grant will build on Lambeth's forthcoming Creative and Digital Industries Strategy, bringing forward measures to secure new creative workspace and inclusive growth. The Brixton Creative Enterprise Zone proposal will be developed by a consortium including Lambeth Council, Artist Studio Company, Brixton BID, Brixton Design Trail, Capital Enterprise, MakeShift, Meanwhile Space CIC, Ovalhouse, Repräsent Radio, Squire & Partners and others”.*

The extent of the proposed CEZ is shown in Figure 2.1.

**Figure 2.1: Brixton CEZ**

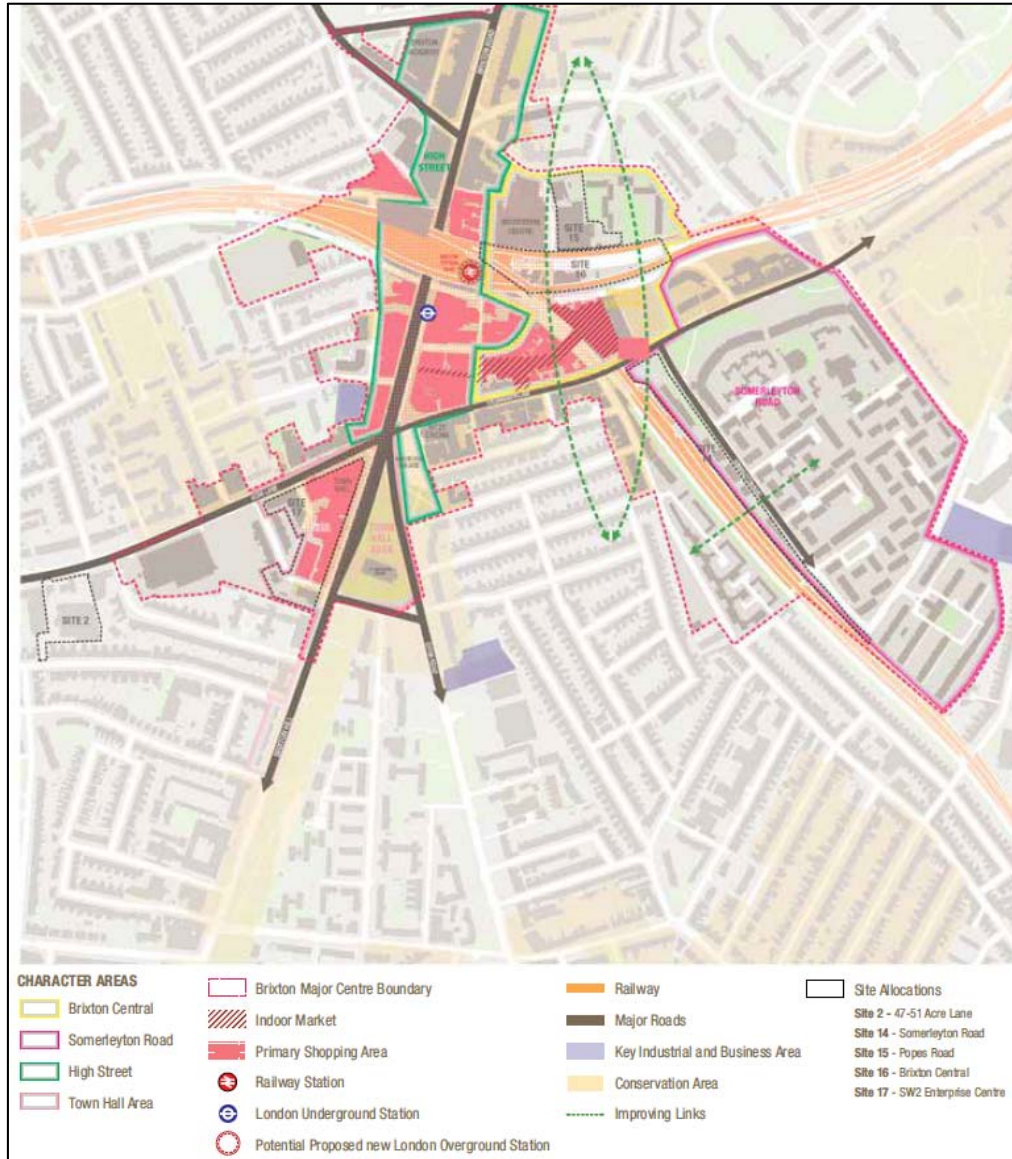


Source: LB Lambeth/Google



The extent of the 'Brixton Major Centre' boundary as defined in the Council's Local Plan is shown in Figure 2.2. As can be noted, the Brixton Major Centre is a smaller part of the wider Brixton CEZ.

**Figure 2.2: Brixton Major Centre boundary**



Source: Lambeth Local Plan

### 3. Options tested

Table 3.1 summarises the options that the Council has commissioned us to test. In all cases, discounted rents are applied to 10% of floorspace within each development, in line with the emerging Local Plan policy.



**Table 3.1: Options tested**

Scenario	Discount to market rent	Percentage of space discounted	Period of discount (years from first letting)	Brixton Major Centre	CEZ
A	20%	10%	25	✓	✓
B	35%	10%	25	✓	✓
C	50%	10%	25	✓	✓
D	35%	10%	25	✓	-
	20%	10%	25	-	✓
E	50%	10%	25	✓	-
	20%	10%	25	-	✓

**4. Appraisal assumptions**

In this section, we summarise the inputs to our appraisals.

**4.1 Hypothetical development scenarios**

We have tested three office development scenarios, representing a range of types of schemes that may come forward in the Brixton area in the future, as follows:

**Table 4.1.1: Development typologies**

Typology	Site area (hectares)	No of storeys	Gross Internal floor area (square feet)	Net lettable floorspace (% of GIA)
Scheme 1 - Small office	0.10	4	36,600	85%
Scheme 2 - Medium office	0.15	6	82,350	80%
Scheme 3 - Large office	0.20	8	146,000	77.5%

**4.2 Office rents, rent free periods and investment yields**

We have considered lettings of offices in Brixton to form a view on rents within the Major Centre boundary and the wider CEZ. Average rents and lease lengths are summarised in Table 4.2.1 and the details of each letting are attached as Appendix 1. Offices within the Major Centre clearly command higher rents than those in the wider CEZ, at £49.50 compared to £38.11 per square foot on average. It is also noteworthy that the amount of space leased is far smaller in the wider CEZ compared to the Major Centre (948 square feet on average compared to 2,504 square feet). This indicates that both the average rent and the highest rent in the wider CEZ area are distorted by the smaller lot sizes (which typically attract higher rents than larger lot sizes). Lettings of significant scale in the wider CEZ generally achieve much lower rents than the average (for example, 215 Lyham Road achieved £19.16 per square foot for lease of 5,048 square feet, whereas the letting of 6,275 square feet of space in Piano House (inside the Major Centre) achieved £45 per square foot).



**Table 4.2.1: Summary of lettings evidence**

Area	Average Rent per square foot	Highest rent per square foot	Lowest rent per square foot	Average lease length (years)	Average lot size (square feet)
Major Centre	£38.11	£49.50	£18.75	8	2,504
CEZ outside Major Centre	£28.50	£42.40	£10.83	3.5	948

For schemes within the Major Centre, we have applied a rent of £40 per square foot with 12 months rent free, capitalised at an investment yield of 5.50%. In the wider CEZ we have applied a rent of £30 per square foot with 12 months rent free, capitalised at an investment yield of 5.75%.

We have applied a higher yield to the affordable workspace to account for the additional running costs of this space<sup>1</sup>. For both the Major Centre and the wider CEZ, we have increased the yield by 1% (to 6.5% and 6.75% respectively).

#### 4.3 *Build costs*

We have applied a build cost of £217 per square foot, based on BCIS 'upper quartile' costs for air conditioned offices of 6 or more storeys, plus 10% for external works and 2% for sustainability requirements.

In addition to the base construction costs above, we have applied a 5% contingency and 10% for professional fees.

#### 4.4 *Letting and disposal fees*

We have applied the following letting and disposal fees:

- Letting agent's fee: 10% of first year's rent;
- Sales agent's fee: 1% of capital value;
- Sales legal fee: 0.75% of capital value.

#### 4.5 *CIL and Section 106*

We have applied Mayoral CIL on the gross internal floor area at a rate of £60 per square metre, reflecting the rates in the Draft Charging Schedule which is due to be examined in September.

#### 4.6 *Finance costs*

We have applied a finance rate of 6%, assuming a 2 year development period.

#### 4.7 *Developer' profit*

We have applied an allowance for Developer's profit of 18% of capital value, which is at the top end of the range for commercial developments.

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<sup>1</sup> Affordable workspace requires more intensive management as it is typically let to multiple occupiers using small amounts of space. This increases turnover and levels of tenancy management activity in comparison to an office let to a single corporate occupier on an FRI lease.



## 5. Appraisal results

The results of our appraisals are summarised in Table 5.1 and sample appraisals for each of the three schemes are attached as Appendix 2. For each of the three schemes, we have provided the residual value in the Brixton Major Centre and the wider CEZ *before* any discounted rents are applied. This provides a baseline against which to test the residual land values generated when rents are discounted.

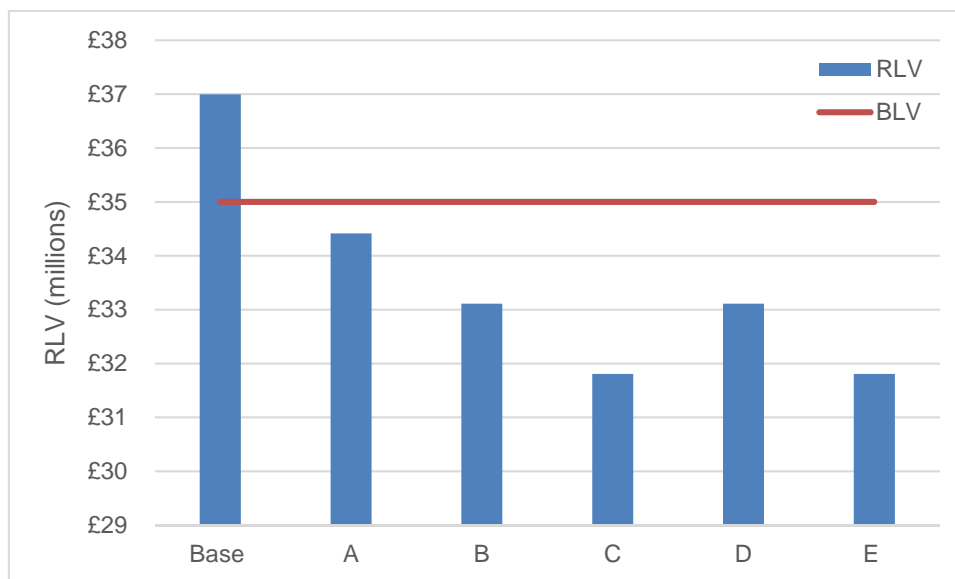
The key question is clearly whether the residual land values fall below an acceptable benchmark land value, or threshold land value and become unviable. In the Brixton Major Centre, a guideline benchmark land value would be £35 million per hectare and in the wider CEZ, approximately £10 million per hectare<sup>2</sup>.

## 6. Analysis

Scheme 1 is a low density development of 4 storeys, which is likely to be more typical of the neighbourhoods outside the Brixton Major Centre. Schemes 2 and 3, at 6 and 8 storeys respectively, will be more typically found within the Brixton Major Centre which has recently seen developments at these heights.

With no discount, Scheme 1 generates a residual value of circa £37 million inside the Brixton Major Centre, which exceeds the benchmark land value of £35 million. However, application of a discount to market rent on 10% of the floorspace results in the residual value falling below £35 million (see Figure 6.1.1).

**Figure 6.1.1: Scheme 1 residual values – Brixton Major Centre**



Within in the Brixton Major Centre, the residual value generated by scheme 1 falls below £35 million with any discount applied. However, as noted previously, this scheme is unlikely to be typical of those coming forward in the Brixton Major Centre.

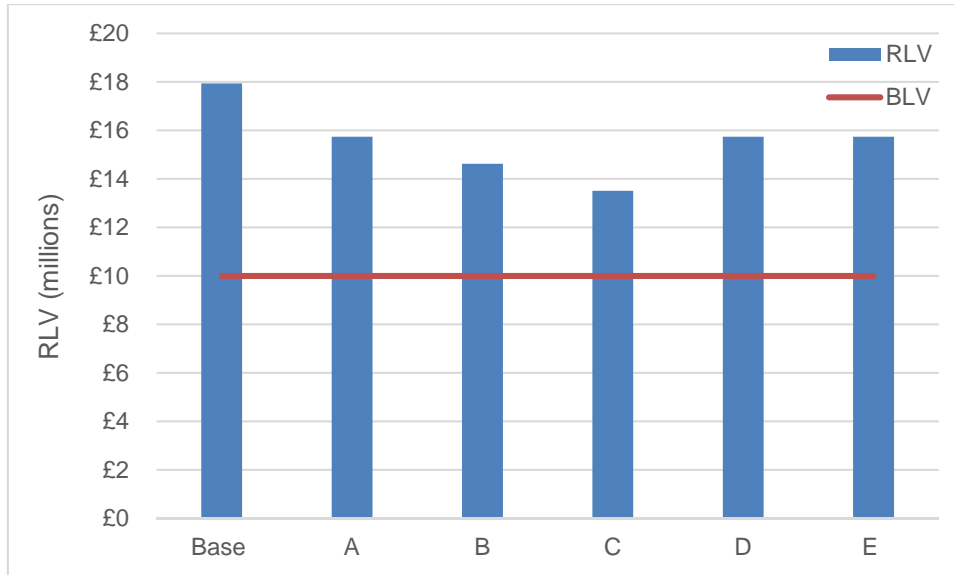
In the wider CEZ, the residual value of Scheme 1 assuming 100% of space is let at market rents generates a residual value of circa £18 million is comfortably higher than the benchmark land value of £10 million. Although the residual value falls to as low as £13.5

<sup>2</sup> See Table 4.40.1 of 'London Borough of Lambeth: Local Plan and Community Infrastructure Levy Viability Review', July 2018



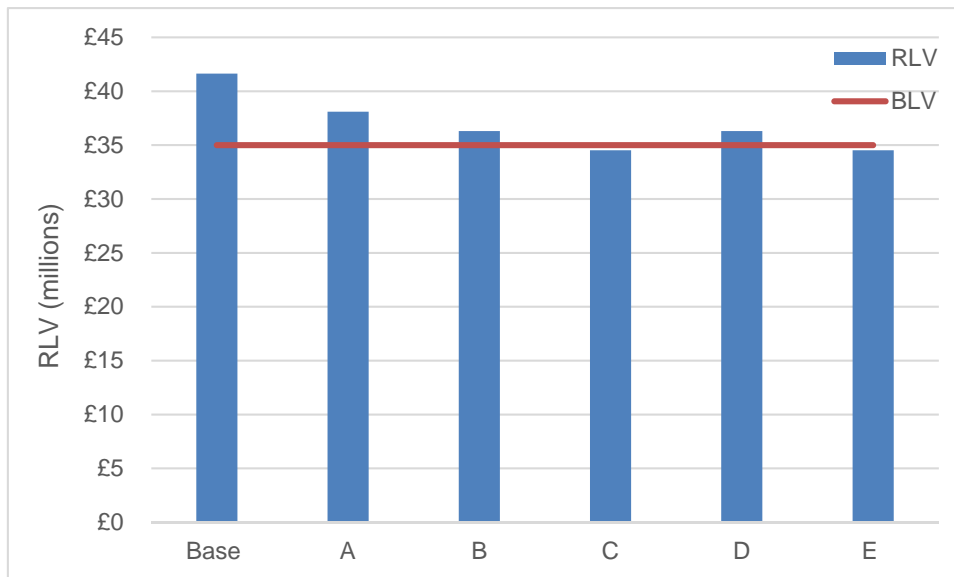
million per hectare (assuming 10% of space is let at a 50% discount), this remains higher than the benchmark land value (see Figure 6.1.2).

**Figure 6.1.2: Scheme 1 residual values – wider CEZ area**



In the Brixton Major Centre, Scheme 2 generates residual values of circa £36 million with a 35% rent discount. However, if a 50% discount is applied, the residual value falls marginally below £35 million (see Figure 6.1.3).

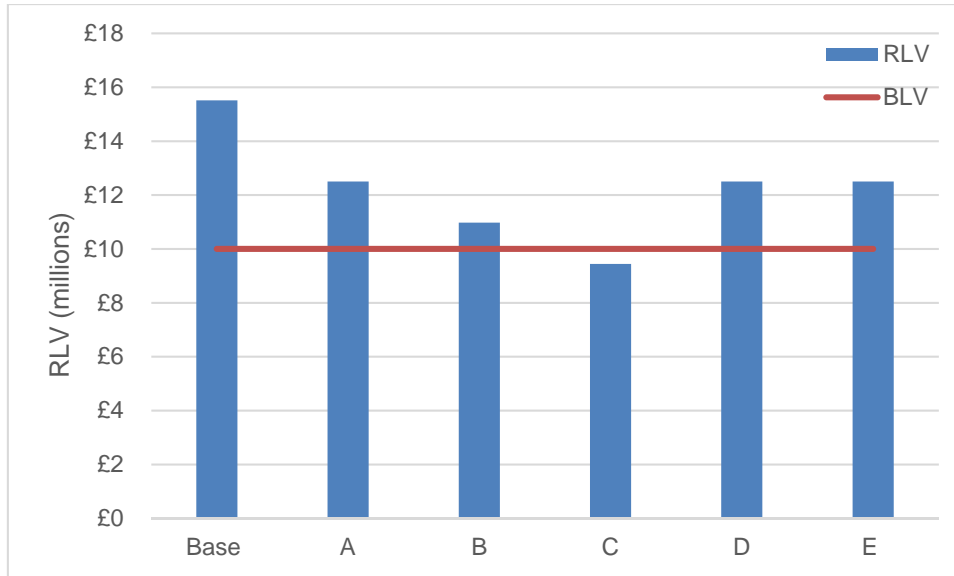
**Figure 6.1.3: Scheme 2 residual values – Major Brixton Centre**



In the wider CEZ, Scheme 2 generates residual values of circa £15.5 million before discount. The residual values exceed the benchmark land values in most cases, the exception being when a discount of 50% is applied (see Figure 6.1.4).

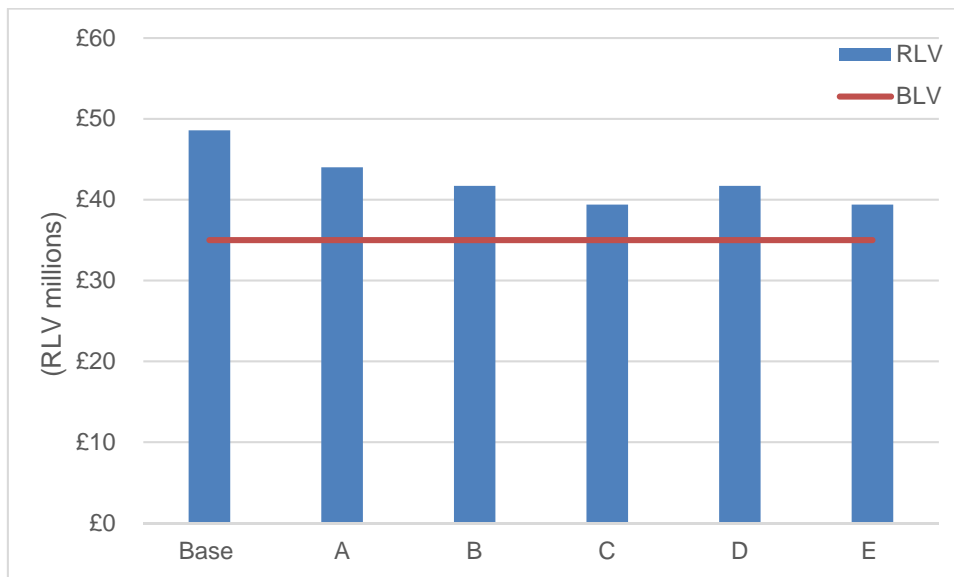


**Figure 6.1.4: Scheme 2 residual values – wider CEZ**



In the Brixton Major Centre, Scheme 3 (the highest density scheme at 8 storeys) generates residual values well in excess of £35 million even when a 50% rental discount is applied. The residual value remains above the benchmark land value in all scenarios (see Figure 6.1.5).

**Figure 6.1.5: Scheme 3 residual values (Brixton Major Centre)**

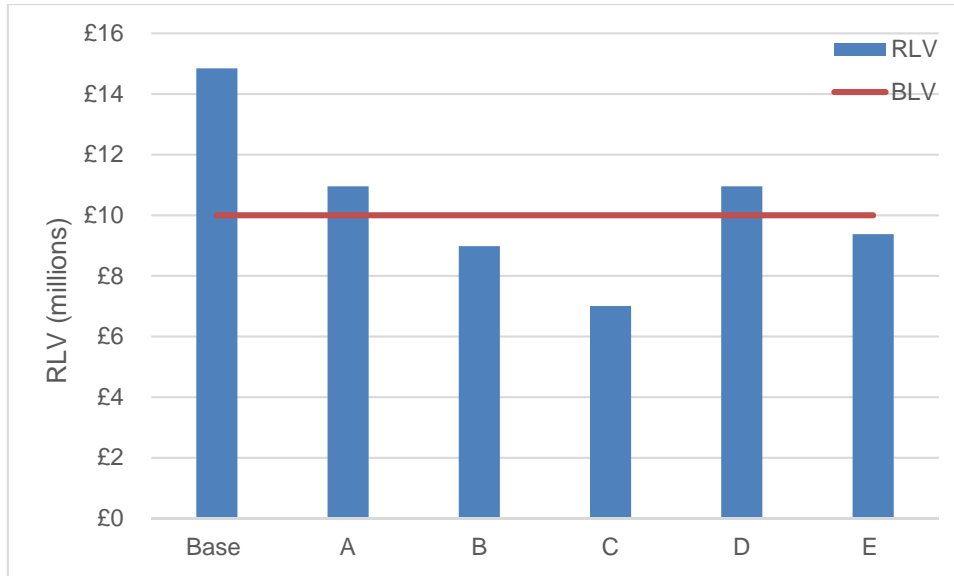


However, although Scheme 3 generates a residual value exceeding £10 million before discounts to rents are applied, the residual falls below the £10 million benchmark land value after discounts are applied. If the rent is discounted by more than 20%, the residual values fall below £10 million (see Figure 6.1.6).





**Figure 6.1.6: Scheme 3 residual values – wider CEZ**



The results indicate that all the proposed levels of discount are unlikely to adversely impact scheme viability (see summary in Table 6.1.7). Although some levels of discount reduce residual land values below the benchmark land values, these cases occur when the scheme being tested is unlikely to come forward in the area; as noted Scheme 1 is likely to be the most appropriate form of development in the wider CEZ while schemes 2 and 3 are more likely to reflect developments coming forward within the Brixton Major Centre.

**Table 6.1.7: Results summary – maximum viable discount**

	Brixton major centre	Wider CEZ
<b>Scheme 1</b>	0%	50%
<b>Scheme 2</b>	35%	35%
<b>Scheme 3</b>	50%	20%

The Council has indicated that it does not anticipate many standalone office developments to come forward within the CEZ and that a majority of office floorspace will be developed as part of a mixed use scheme. Other uses in developments may (or may not) generate additional value that could be used to subsidise the delivery of affordable workspace. This cannot, however, be relied upon as other uses may have their own planning policy requirements which require cross-subsidy. For example, residential developments or 10 or more units will have to provide affordable housing of 40% subject to viability.

**7. Commuted sums**

The Council has requested that we comment on an approach for determining a formula for calculating a payment in lieu of on-site provision of affordable workspace. Payments in lieu typically operate on the basis that they are financially neutral for the developer; in other words, the option of taking a payment in lieu provides no financial advantage, but also does not leave the developer worse off in comparison to on-site delivery.



The Council will use the payment in lieu to facilitate the delivery of affordable workspace on other sites. It is unlikely that payments in lieu would ever be used by the Council to fund direct development, as this would not be the most efficient method of investing the funds. However, the Council could arguably be entitled to add an allowance to cover officers' time for negotiating enhanced provision of affordable workspace on developments. An example formula is provided below:

		<b>Figures for worked example</b>
A	Total lettable employment floorspace in development (sq ft)	10,000
B	Percentage of floorspace to be discounted	10%
C	Amount of floorspace subject to discount	1,000
D	Market rent per sq ft before discount	£45
E	Market rent for discounted floorspace before discount	£45,000
F	Percentage discount	35%
G	Rent after discount	£29,250
H	Value of discount per annum	£15,750
I	Investment yield, sourced from investment agents	5.75%
J	Income multiplier (1 divided investment yield)	17.39
K	Capital value of discount (I x J)	£273,913
L	Council DM/PM fee (10%)	£301,304

- Step 1:  $C = (A \times B)$
- Step 2:  $E = (D \times C)$
- Step 3:  $G = (E \times F)$
- Step 4:  $H = (E - G)$
- Step 5:  $J = (1 \div I)$
- Step 6:  $K = (H \times J)$
- Step 7:  $L = (K \times 1.1)$

Worked example:

Step 1: $C = (A \times B)$	$10,000 \times 10\% = 1,000$
Step 2: $E = (D \times C)$	$£45 \times 1,000 = £45,000$
Step 3: $G = (E \times (1-35\%))$	$£45,000 \times (1-0.35) = £29,250$
Step 4: $H = (E - G)$	$£45,000 - £29,250 = £15,750$
Step 5: $J = (1 \div I)$	$1 \div 5.75\% = 17.39$
Step 6: $K = (H \times J)$	$£15,750 \times 17.39 = £273,893$
Step 7: $L = (K \times 1.1)$	$£273,893 \times 1.1 = £301,282$

In the worked example, the 10,000 square feet scheme would require a payment in lieu of £301,282.

I trust the information above is of assistance. If you have any queries, do not hesitate to contact me.

Yours sincerely

Anthony Lee  
Senior Director



**Table 5.1: Scheme 1**

Scenario	Site area (hectares)	Discount to market rent	Period of discount (years from first letting)	Residual value in Brixton Major Centre	Per hectare	Viable or unviable against £35 million benchmark land value	Residual value in wider CEZ	Per hectare	Viable or unviable against £10 million benchmark land value
Base – no discount	0.10	0%	N/A	£3,699,642	£36,996,420	Viable	£1,793,878	£17,938,780	Viable
A		20%	25	£3,441,591	£34,415,910	Unviable	£1,574,040	£15,740,400	Viable
B		35%	25	£3,311,183	£33,111,830	Unviable	£1,462,458	£14,624,580	Viable
C		50%	25	£3,180,775	£31,807,750	Unviable	£1,350,875	£13,508,750	Viable
D		35%	25	£3,311,183	£33,111,830	Unviable	-	-	-
		20%	25	-	-	-	£1,574,040	£15,740,400	Viable
E		50%	25	£3,180,775	£31,807,750	Unviable	-	-	-
		20%	25	-	-	-	£1,574,040	£15,740,400	Viable

**Table 5.2: Scheme 2**

Scenario	Site area (hectares)	Discount to market rent	Period of discount (years from first letting)	Residual value in Brixton Major Centre	Per hectare	Viable or unviable against £35 million benchmark land value	Residual value in wider CEZ	Per hectare	Viable or unviable against £10 million benchmark land value
Base – no discount	0.15	0%	N/A	£6,244,719	£41,631,460	Viable	£2,327,385	£15,515,900	Viable
A		20%	25	£5,714,288	£38,095,253	Viable	£1,875,503	£12,503,353	Viable
B		35%	25	£5,446,231	£36,308,207	Viable	£1,646,143	£10,974,287	Viable
C		50%	25	£5,178,176	£34,521,173	Unviable	£1,416,784	£9,445,227	Unviable
D		35%	25	£5,446,231	£36,308,207	Viable	-	-	-
		20%	25	-	-	-	£1,875,503	£12,503,353	Viable
E		50%	25	£5,178,176	£34,521,173	Unviable	-	-	-
		20%	25	-	-	-	£1,875,503	£12,503,353	Viable



**Table 5.3: Scheme 3**

Scenario	Site area (hectares)	Discount to market rent	Period of discount (years from first letting)	Residual value in Brixton Major Centre	Per hectare	Viable or unviable against £35 million benchmark land value	Residual value in wider CEZ	Per hectare	Viable or unviable against £10 million benchmark land value
Base – no discount	0.20	0%	N/A	£9,715,618	£48,578,090	Viable	£2,969,098	£14,845,490	Viable
A		20%	25	£8,802,098	£44,010,490	Viable	£2,190,858	£10,954,290	Viable
B		35%	25	£8,340,447	£41,702,235	Viable	£1,795,849	£8,979,245	Unviable
C		50%	25	£7,878,795	£39,393,975	Viable	£1,400,841	£7,004,205	Unviable
D		35%	25	£8,340,447	£41,702,235	Viable	-	-	-
		20%	25	-	-	-	£2,190,858	£10,954,290	Viable
E		50%	25	£7,878,795	£39,393,975	Viable	-	-	-
		20%	25	-	-	-	£1,875,503	£9,377,515	Unviable



**BNP PARIBAS  
REAL ESTATE**

**APPENDIX 1 – OFFICE COMPARABLES**

Sign Date	Start Date	Address	Area	Floor	Total SF Leased	Rent/SF/Yr	Service	Rent Type	Use	Business Rates/SF/Yr	Service Charge	Lease Type	Term	Break Date	Review Date	Expiry Date	Rent Free
11/07/2018	10/08/2018	124-128 Brixton Hill	Wider CEZ	GRND	635	25.00	FRI	Asking	Office			Direct					
01/02/2015	15/03/2015	134-136 Landor Rd	Wider CEZ	BSMT,GRND	2,474	18.19	FRI	Asking	Office/Retail	15.80		Direct	20	14/03/2020		14/03/2035	
30/01/2017	01/03/2017	139 Stockwell Rd	Wider CEZ	GRND	1,001	21.97	FRI	Effective	Office	5.71		Direct	7			29/02/2024	
27/08/2015	27/08/2015	205 Stockwell Rd	Wider CEZ	1-2	7,260	29.32		Effective	Office	5.36		Direct	10		26/08/2020	26/08/2025	5
26/01/2017	26/01/2017	215 Lyham Rd	Wider CEZ	GRND,1-2	5,048	19.16	FRI	Effective	Office	2.31		Direct	10	25/01/2022	25/01/2022	25/01/2027	3
14/03/2018	14/03/2018	Overton Rd	Wider CEZ	GRND	840	10.83	IRI	Effective	Office			Direct	3			13/03/2021	3
09/05/2018	08/06/2018	Shakespeare Business Centre 245A Col	Wider CEZ	GRND	167	42.40		Asking	Office			Direct	1				
09/05/2018	08/06/2018	Shakespeare Business Centre 245A Col	Wider CEZ	1st	402	35.28		Asking	Office			Direct					
09/05/2018	09/05/2018	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	305	27.54		Asking	Office			Direct					
09/05/2018	08/06/2018	Shakespeare Business Centre 245A Col	Wider CEZ	1-2	642	40.00		Asking	Office			Direct					
07/12/2017	01/01/2018	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	105	38.80		Achieved	Office			Direct	1			01/01/2019	
01/11/2017	01/11/2017	Shakespeare Business Centre 245A Col	Wider CEZ	1st	240	36.76		Effective	Office			Direct	1			31/10/2018	1
01/11/2017	01/11/2017	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	450	34.47		Effective	Office			Direct	1			31/10/2018	1
01/08/2017	01/08/2017	Shakespeare Business Centre 245A Col	Wider CEZ	1st	610	32.65		Asking	Office			Direct	1			31/07/2018	
01/08/2017	01/08/2017	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	490	38.20		Asking	Office			Direct	0.5			31/01/2018	
01/06/2017	01/06/2017	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	220	36.27		Asking	Office			Direct					
01/06/2017	01/06/2017	Shakespeare Business Centre 245A Col	Wider CEZ	MEZZ	173	36.76		Asking	Office			Direct					
01/04/2017	01/04/2017	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	240	37.75		Effective	Office			Direct	1			31/03/2018	
15/09/2016	15/09/2016	Shakespeare Business Centre 245A Col	Wider CEZ	GRND	490	11.73		Effective	Office	2.18		Direct	1			14/09/2017	
01/03/2016	01/03/2016	Shakespeare Business Centre 245A Col	Wider CEZ	GRND	260	33.92		Asking	Office			Direct					
01/03/2016	01/03/2016	Shakespeare Business Centre 245A Col	Wider CEZ	GRND	240	34.75		Asking	Office			Direct					
01/03/2016	01/03/2016	Shakespeare Business Centre 245A Col	Wider CEZ	1st	750	24.00	FRI	Asking	Office			Direct					
01/07/2014	01/08/2014	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	770	17.14	FRI	Effective	Office			Direct	1			31/07/2015	0
01/05/2014	01/05/2014	Shakespeare Business Centre 245A Col	Wider CEZ	1st	173	29.48	FRI	Effective	Office			Direct	1			30/04/2015	
14/10/2013	01/11/2013	Shakespeare Business Centre 245A Col	Wider CEZ	1st	776	11.83		Achieved	Office			Direct	1			31/10/2014	
25/09/2013	01/10/2013	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	500	19.08		Achieved	Office			Direct	1			30/09/2014	
09/09/2013	09/09/2013	Shakespeare Business Centre 245A Col	Wider CEZ	2nd	335	26.33		Achieved	Office			Direct	1			08/09/2014	
31/10/2017	31/10/2017	2-6 Atlantic Rd	Major Centre	2nd	1,365	29.50	FRI	Effective	Office	7.85	3.40	Direct	5	31/10/2020		30/10/2022	
07/04/2015	07/04/2015	2-6 Atlantic Rd	Major Centre	2nd	1,695	19.37	FRI	Effective	Office		2.00	Direct	5	06/04/2018		06/04/2020	0
15/12/2014	15/12/2014	409-411 Brixton Rd	Major Centre	1st	960	18.75	FRI	Achieved	Office	6.65		Direct	10		14/12/2019	14/12/2024	
30/01/2018	01/03/2018	411 Brixton Rd	Major Centre	2nd	1,050	38.09	FRI	Asking	Office			Direct				28/02/2023	
25/06/2018	25/07/2018	411A Brixton Rd	Major Centre	2nd	444	35.00	FRI	Asking	Office			Direct					
19/11/2017	19/11/2017	Piano House, 9 Brighton Terrece	Major Centre	1st	3,000	43.00	FRI	Asking	Office	9.00	7.50	Direct	5			18/11/2022	6
11/11/2017	11/12/2017	Piano House, 9 Brighton Terrece	Major Centre	1st	1,016	49.50	FRI	Asking	Office	9.00	7.50	Direct	10	11/12/2017		10/12/2027	
12/10/2017	11/12/2017	Piano House, 9 Brighton Terrece	Major Centre	3rd	6,275	45.00	FRI	Asking	Office	9.00	7.50	Direct	10	11/12/2022		10/12/2027	
30/07/2017	29/08/2017	Piano House, 9 Brighton Terrece	Major Centre	2nd	3,348	49.50	FRI	Asking	Office	9.00	7.50	Direct	5			28/08/2022	
02/09/2016	02/10/2016	Piano House, 9 Brighton Terrece	Major Centre	5th	3,300	47.50	FRI	Effective	Office	5.41	7.50	Direct	10	01/10/2021	01/10/2021	01/10/2026	
01/09/2016	02/09/2016	Piano House, 9 Brighton Terrece	Major Centre	2nd	2,900	40.00	FRI	Effective	Office	5.54	7.50	Direct	10	01/09/2021	01/09/2021	01/09/2026	
28/07/2016	15/08/2016	Piano House, 9 Brighton Terrece	Major Centre	1,4	4,696	42.07	FRI	Effective	Office	5.23	7.50	Direct	10	14/08/2021	14/06/2021	14/08/2026	6



**BNP PARIBAS  
REAL ESTATE**

**APPENDIX 2 – SAMPLE APPRAISALS**





**LOCAL PLAN AND CIL VIABILITY MODEL**

Local Authority LONDON BOROUGH OF LAMBETH  
Area(s)  
Proxy number 20  
Date 20 July 2017  
Reference 0.15

**DEVELOPMENT PERIOD CASHFLOW**

Dev hectare	Dev acreage	
<b>Revenue</b>		
Revenue	£	0
Investment value of ground rents	£	0
<b>GDV before costs of sale</b>	Sub Total	£ 0
<b>Costs of Sale</b>		
Marketing costs	£	3,000%
Legal fees	£	0.50%
<b>Sub Total</b>	£	0
<b>Net commercial investment value</b>	£	32,214,686
Retail ATAG	£	0
Retail S/Wares	£	0
B1 office	£	32,214,686
B2 industrial	£	0
B8 storage	£	0
C1 Hotel	£	0
C2 res institution	£	0
D1	£	0
D2	£	0
<b>Sub Total</b>	£	32,214,686
<b>Total commercial value</b>	£	32,214,686
<b>Speculative NDV</b>		
Affordable Housing Revenue	£	0
No fees on sale	£	0
<b>NDV</b>	Total	£ 32,214,686
<b>Standard Costs</b>		
Residential	£	0
GF infrastructure costs	£	0
Retail ATAG	£	0
Retail S/Wares	£	0
B1 office	£	18,513,031
B2 industrial	£	0
B8 storage	£	0
C1 Hotel	£	0
C2 res institution	£	0
D1	£	0
D2	£	0
Contingency	£	925,652
<b>Sub Total</b>	£	19,438,682
<b>Other Costs</b>	£	1,943,898
Professional fees	£	10,000%
<b>Sub Total</b>	£	1,943,898
<b>CIL</b>	Total	£ 0
Resi CIL	£	0
<b>Sub Total</b>	£	0
<b>Rest Section 106 Costs</b>	£	0
Accessibility standards	£	0
<b>Employment &amp; Training Levy</b>	£	526,630
Highways(S278)	£	114,792
<b>Sub Total</b>	£	641,380
<b>Total Other Costs</b>	£	641,380
<b>Total Costs</b>	£	22,023,930
<b>Developer's profit on GDV</b>	% of GDV	18.00%
<b>Residual Sum before interest</b>	% of GDV affordable	9%
<b>Residual Sum before interest</b>	£	4,392,112
<b>Cumulative residual balance for interest calculation</b>	£	-641,380
<b>Interest</b>	£	1,884,077
<b>Residual Sum for quarter after interest</b>	£	2,898,095
<b>Land Value</b>	£	2,497,194
per developable hectare	£15,515,898	
per gross hectare	£15,515,898	
<b>Residual land value</b>	£	2,497,194
Site acquisition costs	£	169,809
<b>MV (Residual Sum available to offer for Development Opportunity)</b>	£	2,327,385

Project Totals	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment value of ground rents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>GDV before costs of sale</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Costs of Sale</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Sub Total</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net commercial investment value</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail ATAG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail S/Wares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B1 office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B2 industrial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B8 storage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C1 Hotel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C2 res institution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Sub Total</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total commercial value</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Speculative NDV</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Affordable Housing Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
No fees on sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NDV</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Standard Costs</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GF infrastructure costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail ATAG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail S/Wares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B1 office	0	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129	2,314,129
B2 industrial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B8 storage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C1 Hotel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C2 res institution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706	115,706
<b>Sub Total</b>	0	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835	2,429,835
<b>Other Costs</b>	0	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898	1,943,898
Professional fees	0	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984
<b>Sub Total</b>	0	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984	242,984
<b>CIL</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resi CIL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Sub Total</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Rest Section 106 Costs</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accessibility standards	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Employment &amp; Training Levy</b>	0	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630	526,630
Highways(S278)	0	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792	114,792
<b>Sub Total</b>	0	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380	641,380
<b>Total Other Costs</b>	0	641,380	641,380	641,380	641,380																	

