



STAG BREWERY FINANCIAL APPRAISAL OF FINAL AFFORDABLE HOUSING OFFER

This note should be read alongside Gerald Eve's note 'Stag Brewery – Affordable Housing' issued on 4 April 2023, which sets out the Applicant's final affordable housing comprising 65 affordable housing units (52 (80%) social rented units and 13 (20%) intermediate units).

The overall unit mix is summarised in Table 1.

Table 1: Proposed unit mix incorporating final affordable housing

Unit type	Private	Social rented	Intermediate	Total units
Studio	45	0	0	45
One bed	263	0	8	271
Two bed	460	3	5	468
Three bed	211	44	0	255
Four bed	24	5	0	29
Total units	1,003	52	13	1,068
<i>Total habitable rooms</i>	<i>2,938</i>	<i>210</i>	<i>31</i>	<i>3,179</i>

We have appraised this scheme using all of the previously adopted inputs, including cumulative growth, with the exception of sales values, where we have used Carter Jonas' assumed sales values¹ of £957 per square foot. In addition, Gerald Eve have updated their CIL estimate to reflect the quantum and locations of the affordable housing, as follows:

- No existing floorspace passes vacancy test: £59,041,050 ('Higher CIL')
- All existing floorspace passes vacancy test: £45,910,552 ('Lower CIL')

The appraisal (attached as Appendix 1) incorporating the Higher CIL liability, generates a profit of **14.16%** of GDV, against the target profit of 18.15% of GDV. With the Lower CIL, the appraisal (attached as Appendix 2) generates a profit of **15.67%**.

This offer therefore delivers a lower profit than the target profit agreed between BNP Paribas Real Estate and Carter Jonas.

BNP Paribas Real Estate
2 May 2023

¹ This is the only substantive point of difference between BNPPRE and Carter Jonas.



**APPENDIX 1: DEVELOPMENT APPRAISAL WITH FINAL AFFORDABLE HOUSING OFFER
(HIGHER CIL)**

**Stag Brewery - Hybrid Scheme
Final AH offer - 80% Rent 20% Intermediate - Bldgs 18 and 19**

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

REVENUE	Units	ft²	Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
Sales Valuation							
‡ Building 2 residential	118	110,642	957.00	897,325	105,884,394	10,195,922	116,080,316
‡ Building 3 residential	48	41,656	957.00	830,516	39,864,792	3,838,699	43,703,491
‡ Building 4 residential	20	22,981	957.00	1,099,641	21,992,817	2,117,753	24,110,570
Plot 1A Basement Car Parking	478	0	38.94	50,000	23,900,000	0	23,900,000
‡ Building 6 residential	24	20,516	957.00	818,075	19,633,812	492,451	20,126,263
‡ Building 7 residential	87	74,788	957.00	822,668	71,572,116	5,697,584	77,269,700
‡ Building 8 residential	100	92,010	957.00	880,536	88,053,570	7,009,610	95,063,180
‡ Building 9 residential	13	13,842	957.00	1,018,984	13,246,794	1,275,573	14,522,367
‡ Bulding 11 residential	52	50,741	957.00	933,830	48,559,137	4,675,903	53,235,040
‡ Building 12 residential	48	41,915	957.00	835,680	40,112,655	3,862,566	43,975,221
‡ Building 10 residential	39	26,264	957.00	644,478	25,134,648	2,420,290	27,554,938
‡ Building 13 Residential	42	31,108	957.00	708,818	29,770,356	3,415,249	33,185,605
‡ Building 14 Residential	34	25,597	957.00	720,480	24,496,329	2,810,214	27,306,543
‡ Building 15 Residential	112	77,296	957.00	660,467	73,972,272	8,486,084	82,458,356
‡ Building 16 residential	73	47,393	957.00	621,303	45,355,101	5,203,128	50,558,229
‡ Building 17 Residential	73	50,827	957.00	666,321	48,641,439	5,580,136	54,221,575
‡ Building 20 Private	16	23,433	957.00	1,401,586	22,425,381	2,159,406	24,584,787
‡ Building 21 Private	7	12,056	957.00	1,648,227	11,537,592	1,110,989	12,648,581
‡ Building 19 Affordable	38	41,312	266.00	289,184	10,988,992	609,646	11,598,638
‡ Building 18 Private	97	106,800	957.00	1,053,687	102,207,600	10,585,055	112,792,655
‡ Building 18 Affordable	27	25,963	266.00	255,784	6,906,158	383,139	7,289,297
Totals	1,546	937,140			874,255,955	81,929,398	956,185,353

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Building 1 Office	1	19,373	40.00	774,920	774,920	774,920
Building 1 Flexible use	1	1,116	35.00	39,060	39,060	39,060
Building 1 Cinema	1	17,288	14.33	247,809	247,809	247,809
Building 2 flexible use	1	4,789	35.00	167,615	167,615	167,615
Builidng 4 flexible use	1	4,281	35.00	149,835	149,835	149,835
Building 5 flexible use	1	10,860	35.00	380,100	380,100	380,100
Building 5 office	1	14,290	40.00	571,600	571,600	571,600
Building 5 hotel	1	13,299		0	0	
Building 6 flexible use	1	3,746	35.00	131,110	131,110	131,110
Building 7 flexible use	1	4,623	35.00	161,805	161,805	161,805
Building 8 Affordable flexible use	1	4,429	27.50	121,798	121,798	121,798
Building 9 flexible use	1	3,132	35.00	109,620	109,620	109,620
Building 10 flexible use	1	888	35.00	31,080	31,080	31,080
Building 11 flexible use	1	2,564	35.00	89,740	89,740	89,740
Building 12 flexible use	1	3,341	35.00	116,935	116,935	116,935
Totals	15	108,019			3,093,027	3,093,027

Investment Valuation

Building 1 Office						
Market Rent	774,920	YP @	6.0000%	16.6667		
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	11,494,601	
Building 1 Flexible use						
Market Rent	39,060	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	623,163	
Building 1 Cinema						
Market Rent	247,809	YP @	6.0000%	16.6667		
(0yrs 3mths Rent Free)		PV 0yrs 3mths @	6.0000%	0.9855	4,070,422	
Building 2 flexible use						
Market Rent	167,615	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	2,674,128	
Building 4 flexible use						
Market Rent	149,835	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	2,390,466	
Building 5 flexible use						
Market Rent	380,100	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	6,064,112	
Building 5 office						
Market Rent	571,600	YP @	6.0000%	16.6667		
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	8,478,699	
Building 5 hotel						
Manual Value					13,215,000	
Building 6 flexible use						
Market Rent	131,110	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	2,091,728	
Building 7 flexible use						
Market Rent	161,805	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	2,581,436	
Building 8 Affordable flexible use						
Market Rent	121,798	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	1,943,156	
Building 9 flexible use						
Market Rent	109,620	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	1,748,877	
Building 10 flexible use						
Market Rent	31,080	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	495,850	
Building 11 flexible use						
Market Rent	89,740	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	1,431,711	
Building 12 flexible use						
Market Rent	116,935	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	1,865,580	
					61,168,929	

**Stag Brewery - Hybrid Scheme
Final AH offer - 80% Rent 20% Intermediate - Bldgs 18 and 19**

GROSS DEVELOPMENT VALUE **1,017,354,283**

Purchaser's Costs	6.80%	(4,159,487)	(4,159,487)
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NET DEVELOPMENT VALUE **1,013,194,795**

NET REALISATION **1,013,194,795**

OUTLAY

ACQUISITION COSTS

Fixed Price		36,000,000	
Stamp Duty	5.00%	1,800,000	
Agent Fee	1.00%	360,000	
Legal Fee	0.80%	288,000	
			38,448,000

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
‡ Building 1 Office	27,675	316.47 pf ²	9,161,766	
‡ Building 1 Flexible use	1,313	316.47 pf ²	434,667	
‡ Building 1 Cinema	17,288	316.47 pf ²	5,723,165	
‡ Building 2 flexible use	5,634	316.47 pf ²	1,865,127	
‡ Building 4 flexible use	5,036	316.47 pf ²	1,667,160	
‡ Building 5 flexible use	12,777	316.47 pf ²	4,207,770	
‡ Building 5 office	20,414	316.47 pf ²	6,722,815	
‡ Building 5 hotel	18,998	316.47 pf ²	6,256,493	
‡ Building 6 flexible use	4,407	316.47 pf ²	1,451,330	
‡ Building 7 flexible use	5,439	316.47 pf ²	1,791,192	
‡ Building 8 Affordable flexible use	5,211	316.47 pf ²	1,716,106	
‡ Building 9 flexible use	3,685	316.47 pf ²	1,219,913	
Building 10 flexible use	1,045	316.47 pf ²	330,711	
‡ Building 11 flexible use	3,017	316.47 pf ²	998,773	
‡ Building 12 flexible use	3,931	316.47 pf ²	1,301,351	
‡ Building 2 residential	139,487	316.47 pf ²	46,176,954	
‡ Building 3 residential	54,055	316.47 pf ²	17,894,823	
‡ Building 4 residential	31,784	316.47 pf ²	10,522,044	
‡ Building 3 and 4 above ground car parking	2,868	316.47 pf ²	949,447	
‡ Building 6 residential	29,053	316.47 pf ²	9,567,843	
‡ Building 7 residential	97,243	316.47 pf ²	32,024,429	
‡ Building 8 residential	117,495	316.47 pf ²	38,693,894	
‡ Building 9 residential	18,164	316.47 pf ²	6,013,164	
‡ Building 11 residential	62,212	316.47 pf ²	20,595,185	
‡ Building 12 residential	54,455	316.47 pf ²	18,027,243	
‡ Building 10 residential	43,359	316.47 pf ²	14,353,929	
‡ Building 10 above ground car parking	2,831	316.47 pf ²	937,198	
‡ Building 13 Residential	38,590	316.47 pf ²	12,902,278	
‡ Building 14 Residential	32,378	316.47 pf ²	10,825,343	
‡ Building 15 Residential	95,822	316.47 pf ²	32,037,370	
‡ Building 16 residential	59,380	316.47 pf ²	19,853,260	
‡ Building 17 Residential	64,268	316.47 pf ²	21,487,526	
‡ Building 20 Private	26,451	316.47 pf ²	8,797,621	
‡ Building 21 Private	13,683	316.47 pf ²	4,550,975	
‡ Building 19 Affordable	52,489	316.47 pf ²	17,457,877	
‡ Building 18 Private	135,293	316.47 pf ²	44,998,460	
‡ Building 18 Affordable	<u>32,936</u>	316.47 pf ²	<u>10,954,536</u>	
Totals	1,340,166 ft²		444,469,736	444,469,736

Developers Contingency	5.00%	27,401,240	
Demolition		2,900,000	
			30,301,240

Other Construction

Infrastructure works	31,150,000	
Basement	66,940,000	
Public Realm works	5,540,000	
Capital contribution to cinema fito	1,000,000	
Highways works	4,518,000	
Pavement works	341,000	
Public realm works	4,380,000	
Highways works	4,905,000	
Pavement works	1,825,000	
Public realm works	2,140,000	
Highways works	2,045,000	
Public realm works	8,290,000	
Public realm works	4,710,000	
		137,784,000

Municipal Costs

Carbon offset	2,250,000	
TFL bus contribution	3,195,000	
TfL pedestrian improvement scheme	228,878	
Air quality	160,000	
LBRUT CPZ cost	130,000	
Health mitigation	620,985	
Community Park maintenance	147,700	
Cavat	114,096	
Level crossing works	151,776	
Travel plan inc implementation/mntr	249,984	
Construction mngr monitoring	30,000	
Tow path improvement works	39,520	
Waste management	50,375	
Barnes Eagles licence termination	90,750	
Mortlake Green	129,763	
Grass pitch improvements	24,000	
CIL Borough and Mayoral (Ph 2)	59,041,050	
		66,653,877

**Stag Brewery - Hybrid Scheme
Final AH offer - 80% Rent 20% Intermediate - Bldgs 18 and 19**

PROFESSIONAL FEES

Professional fees	10.00%	57,319,920		57,319,920
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MARKETING & LETTING

Marketing	2.00%	17,716,850		
Letting Agent Fee	10.00%	172,870		
Letting Legal Fee	5.00%	377,250		18,266,970

DISPOSAL FEES

Sales Agent Fee		1.00%	10,131,948	
Sales Legal Fee residential	338 un	1,250.00 /un	422,500	
Sales Legal Fee commercial		0.50%	99,038	
Sales Legal Fee residential	211 un	1,250.00 /un	263,750	
Sales Legal Fee commercial		0.50%	186,009	
Sales Legal Fee residential	334 un	1,250.00 /un	417,500	
Sales Legal Fee	158 un	1,250.00 /un	197,500	11,718,245

FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Nominal)				
Total Finance Cost				64,166,100

TOTAL COSTS

869,128,088

PROFIT

144,066,707

Performance Measures

Profit on Cost%	16.58%
Profit on GDV%	14.16%
Profit on NDV%	14.22%
Development Yield% (on Rent)	0.36%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR	16.34%
Rent Cover	46 yrs 7 mths
Profit Erosion (finance rate 6.000%)	2 yrs 7 mths

‡ Inflation/Growth applied

Growth on Sales

		Ungrown	Growth	Total
Building 2 residential	Growth Set 1 at 2.000% var.	105,884,394	10,195,922	116,080,316
Building 3 residential	Growth Set 1 at 2.000% var.	39,864,792	3,838,699	43,703,491
Building 4 residential	Growth Set 1 at 2.000% var.	21,992,817	2,117,753	24,110,570
Building 6 residential	Growth Set 1 at 2.000% var.	19,633,812	492,451	20,126,263
Building 7 residential	Growth Set 1 at 2.000% var.	71,572,116	5,697,584	77,269,700
Building 8 residential	Growth Set 1 at 2.000% var.	88,053,570	7,009,610	95,063,180
Building 9 residential	Growth Set 1 at 2.000% var.	13,246,794	1,275,573	14,522,367
Building 11 residential	Growth Set 1 at 2.000% var.	48,559,137	4,675,903	53,235,040
Building 12 residential	Growth Set 1 at 2.000% var.	40,112,655	3,862,566	43,975,221
Building 10 residential	Growth Set 1 at 2.000% var.	25,134,648	2,420,290	27,554,938
Building 13 Residential	Growth Set 1 at 2.000% var.	29,770,356	3,415,249	33,185,605
Building 14 Residential	Growth Set 1 at 2.000% var.	24,496,329	2,810,214	27,306,543
Building 15 Residential	Growth Set 1 at 2.000% var.	73,972,272	8,486,084	82,458,356
Building 16 residential	Growth Set 1 at 2.000% var.	45,355,101	5,203,128	50,558,229
Building 17 Residential	Growth Set 1 at 2.000% var.	48,641,439	5,580,136	54,221,575
Building 20 Private	Growth Set 1 at 2.000% var.	22,425,381	2,159,406	24,584,787
Building 21 Private	Growth Set 1 at 2.000% var.	11,537,592	1,110,989	12,648,581
Building 19 Affordable	Growth Set 1 at 2.000% var.	10,988,992	609,646	11,598,638
Building 18 Private	Growth Set 1 at 2.000% var.	102,207,600	10,585,055	112,792,655
Building 18 Affordable	Growth Set 1 at 2.000% var.	6,906,158	383,139	7,289,297

Inflation on Construction Costs

		Uninflated	Inflation	Total
Building 2 residential	Inflation Set 1 at 2.000%	44,143,451	2,033,503	46,176,954
Building 3 residential	Inflation Set 1 at 2.000%	17,106,786	788,037	17,894,823
Building 4 residential	Inflation Set 1 at 2.000%	10,058,682	463,361	10,522,044
Building 3 and 4 above ground car parking	Inflation Set 1 at 2.000%	907,636	41,811	949,447
Building 6 residential	Inflation Set 1 at 2.000%	9,194,403	373,440	9,567,843
Building 7 residential	Inflation Set 1 at 2.000%	30,774,492	1,249,937	32,024,429
Building 8 residential	Inflation Set 1 at 2.000%	37,183,643	1,510,251	38,693,894
Building 9 residential	Inflation Set 1 at 2.000%	5,748,361	264,803	6,013,164
Building 11 residential	Inflation Set 1 at 2.000%	19,688,232	906,954	20,595,185
Building 12 residential	Inflation Set 1 at 2.000%	17,233,374	793,869	18,027,243
Building 10 residential	Inflation Set 1 at 2.000%	13,721,823	632,107	14,353,929
Building 10 above ground car parking	Inflation Set 1 at 2.000%	895,927	41,272	937,198
Building 13 Residential	Inflation Set 1 at 2.000%	12,212,577	689,701	12,902,278
Building 14 Residential	Inflation Set 1 at 2.000%	10,246,666	578,677	10,825,343
Building 15 Residential	Inflation Set 1 at 2.000%	30,324,788	1,712,582	32,037,370
Building 16 residential	Inflation Set 1 at 2.000%	18,791,989	1,061,271	19,853,260
Building 17 Residential	Inflation Set 1 at 2.000%	20,338,894	1,148,632	21,487,526
Building 20 Private	Inflation Set 1 at 2.000%	8,370,948	426,673	8,797,621
Building 21 Private	Inflation Set 1 at 2.000%	4,330,259	220,716	4,550,975
Building 19 Affordable	Inflation Set 1 at 2.000%	16,611,194	846,683	17,457,877
Building 18 Private	Inflation Set 1 at 2.000%	42,816,096	2,182,364	44,998,460
Building 18 Affordable	Inflation Set 1 at 2.000%	10,423,256	531,280	10,954,536
Building 1 Office	Inflation Set 1 at 2.000%	8,758,307	403,458	9,161,766
Building 1 Flexible use	Inflation Set 1 at 2.000%	415,525	19,141	434,667
Building 1 Cinema	Inflation Set 1 at 2.000%	5,471,133	252,032	5,723,165
Building 2 flexible use	Inflation Set 1 at 2.000%	1,782,992	82,135	1,865,127
Building 4 flexible use	Inflation Set 1 at 2.000%	1,593,743	73,417	1,667,160
Building 5 flexible use	Inflation Set 1 at 2.000%	4,043,537	164,232	4,207,770
Building 5 office	Inflation Set 1 at 2.000%	6,460,419	262,396	6,722,815
Building 5 hotel	Inflation Set 1 at 2.000%	6,012,297	244,195	6,256,493
Building 6 flexible use	Inflation Set 1 at 2.000%	1,394,683	56,646	1,451,330

Stag Brewery - Hybrid Scheme**Final AH offer - 80% Rent 20% Intermediate - Bldgs 18 and 19**

Building 7 flexible use	Inflation Set 1 at 2.000%	1,721,280	69,912	1,791,192
Building 8 Affordable flexible use	Inflation Set 1 at 2.000%	1,649,125	66,981	1,716,106
Building 9 flexible use	Inflation Set 1 at 2.000%	1,166,192	53,722	1,219,913
Building 11 flexible use	Inflation Set 1 at 2.000%	954,790	43,983	998,773
Building 12 flexible use	Inflation Set 1 at 2.000%	1,244,044	57,308	1,301,351



**APPENDIX 2: DEVELOPMENT APPRAISAL WITH FINAL AFFORDABLE HOUSING OFFER
(LOWER CIL)**

**Stag Brewery - Hybrid Scheme
Final AH offer - 80% Rent 20% Intermediate - Bldgs 18 and 19**

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

REVENUE	Units	ft ²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
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‡ Building 4 residential	20	22,981	957.00	1,099,641	21,992,817	2,117,753	24,110,570
Plot 1A Basement Car Parking	478	0	38.94	50,000	23,900,000	0	23,900,000
‡ Building 6 residential	24	20,516	957.00	818,075	19,633,812	492,451	20,126,263
‡ Building 7 residential	87	74,788	957.00	822,668	71,572,116	5,697,584	77,269,700
‡ Building 8 residential	100	92,010	957.00	880,536	88,053,570	7,009,610	95,063,180
‡ Building 9 residential	13	13,842	957.00	1,018,984	13,246,794	1,275,573	14,522,367
‡ Bulding 11 residential	52	50,741	957.00	933,830	48,559,137	4,675,903	53,235,040
‡ Building 12 residential	48	41,915	957.00	835,680	40,112,655	3,862,566	43,975,221
‡ Building 10 residential	39	26,264	957.00	644,478	25,134,648	2,420,290	27,554,938
‡ Building 13 Residential	42	31,108	957.00	708,818	29,770,356	3,415,249	33,185,605
‡ Building 14 Residential	34	25,597	957.00	720,480	24,496,329	2,810,214	27,306,543
‡ Building 15 Residential	112	77,296	957.00	660,467	73,972,272	8,486,084	82,458,356
‡ Building 16 residential	73	47,393	957.00	621,303	45,355,101	5,203,128	50,558,229
‡ Building 17 Residential	73	50,827	957.00	666,321	48,641,439	5,580,136	54,221,575
‡ Building 20 Private	16	23,433	957.00	1,401,586	22,425,381	2,159,406	24,584,787
‡ Building 21 Private	7	12,056	957.00	1,648,227	11,537,592	1,110,989	12,648,581
‡ Building 19 Affordable	38	41,312	266.00	289,184	10,988,992	609,646	11,598,638
‡ Building 18 Private	97	106,800	957.00	1,053,687	102,207,600	10,585,055	112,792,655
‡ Building 18 Affordable	27	25,963	266.00	255,784	6,906,158	383,139	7,289,297
Totals	1,546	937,140			874,255,955	81,929,398	956,185,353

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Building 1 Office	1	19,373	40.00	774,920	774,920	774,920
Building 1 Flexible use	1	1,116	35.00	39,060	39,060	39,060
Building 1 Cinema	1	17,288	14.33	247,809	247,809	247,809
Building 2 flexible use	1	4,789	35.00	167,615	167,615	167,615
Builidng 4 flexible use	1	4,281	35.00	149,835	149,835	149,835
Building 5 flexible use	1	10,860	35.00	380,100	380,100	380,100
Building 5 office	1	14,290	40.00	571,600	571,600	571,600
Building 5 hotel	1	13,299		0	0	
Building 6 flexible use	1	3,746	35.00	131,110	131,110	131,110
Building 7 flexible use	1	4,623	35.00	161,805	161,805	161,805
Building 8 Affordable flexible use	1	4,429	27.50	121,798	121,798	121,798
Building 9 flexible use	1	3,132	35.00	109,620	109,620	109,620
Building 10 flexible use	1	888	35.00	31,080	31,080	31,080
Building 11 flexible use	1	2,564	35.00	89,740	89,740	89,740
Building 12 flexible use	1	3,341	35.00	116,935	116,935	116,935
Totals	15	108,019			3,093,027	3,093,027

Investment Valuation

Building 1 Office						
Market Rent	774,920	YP @	6.0000%	16.6667		
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	11,494,601	
Building 1 Flexible use						
Market Rent	39,060	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	623,163	
Building 1 Cinema						
Market Rent	247,809	YP @	6.0000%	16.6667		
(0yrs 3mths Rent Free)		PV 0yrs 3mths @	6.0000%	0.9855	4,070,422	
Building 2 flexible use						
Market Rent	167,615	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	2,674,128	
Building 4 flexible use						
Market Rent	149,835	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	2,390,466	
Building 5 flexible use						
Market Rent	380,100	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	6,064,112	
Building 5 office						
Market Rent	571,600	YP @	6.0000%	16.6667		
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	8,478,699	
Building 5 hotel						
Manual Value					13,215,000	
Building 6 flexible use						
Market Rent	131,110	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	2,091,728	
Building 7 flexible use						
Market Rent	161,805	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	2,581,436	
Building 8 Affordable flexible use						
Market Rent	121,798	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	1,943,156	
Building 9 flexible use						
Market Rent	109,620	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	1,748,877	
Building 10 flexible use						
Market Rent	31,080	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	495,850	
Building 11 flexible use						
Market Rent	89,740	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	1,431,711	
Building 12 flexible use						
Market Rent	116,935	YP @	6.0000%	16.6667		
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	6.0000%	0.9572	1,865,580	
					61,168,929	

**Stag Brewery - Hybrid Scheme
Final AH offer - 80% Rent 20% Intermediate - Bldgs 18 and 19**

GROSS DEVELOPMENT VALUE **1,017,354,283**

Purchaser's Costs	6.80%	(4,159,487)	(4,159,487)
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NET DEVELOPMENT VALUE **1,013,194,795**

NET REALISATION **1,013,194,795**

OUTLAY

ACQUISITION COSTS

Fixed Price		36,000,000	
Stamp Duty	5.00%	1,800,000	
Agent Fee	1.00%	360,000	
Legal Fee	0.80%	288,000	
			38,448,000

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
‡ Building 1 Office	27,675 ft ²	316.47 pf ²	9,161,766	
‡ Building 1 Flexible use	1,313 ft ²	316.47 pf ²	434,667	
‡ Building 1 Cinema	17,288 ft ²	316.47 pf ²	5,723,165	
‡ Building 2 flexible use	5,634 ft ²	316.47 pf ²	1,865,127	
‡ Building 4 flexible use	5,036 ft ²	316.47 pf ²	1,667,160	
‡ Building 5 flexible use	12,777 ft ²	316.47 pf ²	4,207,770	
‡ Building 5 office	20,414 ft ²	316.47 pf ²	6,722,815	
‡ Building 5 hotel	18,998 ft ²	316.47 pf ²	6,256,493	
‡ Building 6 flexible use	4,407 ft ²	316.47 pf ²	1,451,330	
‡ Building 7 flexible use	5,439 ft ²	316.47 pf ²	1,791,192	
‡ Building 8 Affordable flexible use	5,211 ft ²	316.47 pf ²	1,716,106	
‡ Building 9 flexible use	3,685 ft ²	316.47 pf ²	1,219,913	
Building 10 flexible use	1,045 ft ²	316.47 pf ²	330,711	
‡ Building 11 flexible use	3,017 ft ²	316.47 pf ²	998,773	
‡ Building 12 flexible use	3,931 ft ²	316.47 pf ²	1,301,351	
‡ Building 2 residential	139,487 ft ²	316.47 pf ²	46,176,954	
‡ Building 3 residential	54,055 ft ²	316.47 pf ²	17,894,823	
‡ Building 4 residential	31,784 ft ²	316.47 pf ²	10,522,044	
‡ Building 3 and 4 above ground car parking	2,868 ft ²	316.47 pf ²	949,447	
‡ Building 6 residential	29,053 ft ²	316.47 pf ²	9,567,843	
‡ Building 7 residential	97,243 ft ²	316.47 pf ²	32,024,429	
‡ Building 8 residential	117,495 ft ²	316.47 pf ²	38,693,894	
‡ Building 9 residential	18,164 ft ²	316.47 pf ²	6,013,164	
‡ Building 11 residential	62,212 ft ²	316.47 pf ²	20,595,185	
‡ Building 12 residential	54,455 ft ²	316.47 pf ²	18,027,243	
‡ Building 10 residential	43,359 ft ²	316.47 pf ²	14,353,929	
‡ Building 10 above ground car parking	2,831 ft ²	316.47 pf ²	937,198	
‡ Building 13 Residential	38,590 ft ²	316.47 pf ²	12,902,278	
‡ Building 14 Residential	32,378 ft ²	316.47 pf ²	10,825,343	
‡ Building 15 Residential	95,822 ft ²	316.47 pf ²	32,037,370	
‡ Building 16 residential	59,380 ft ²	316.47 pf ²	19,853,260	
‡ Building 17 Residential	64,268 ft ²	316.47 pf ²	21,487,526	
‡ Building 20 Private	26,451 ft ²	316.47 pf ²	8,797,621	
‡ Building 21 Private	13,683 ft ²	316.47 pf ²	4,550,975	
‡ Building 19 Affordable	52,489 ft ²	316.47 pf ²	17,457,877	
‡ Building 18 Private	135,293 ft ²	316.47 pf ²	44,998,460	
‡ Building 18 Affordable	<u>32,936 ft²</u>	316.47 pf ²	<u>10,954,536</u>	
Totals	1,340,166 ft²		444,469,736	444,469,736

Developers Contingency	5.00%	27,401,240	
Demolition		2,900,000	
			30,301,240

Other Construction

Infrastructure works	31,150,000	
Basement	66,940,000	
Public Realm works	5,540,000	
Capital contribution to cinema fito	1,000,000	
Highways works	4,518,000	
Pavement works	341,000	
Public realm works	4,380,000	
Highways works	4,905,000	
Pavement works	1,825,000	
Public realm works	2,140,000	
Highways works	2,045,000	
Public realm works	8,290,000	
Public realm works	4,710,000	
		137,784,000

Municipal Costs

Carbon offset	2,250,000	
TFL bus contribution	3,195,000	
TfL pedestrian improvement scheme	228,878	
Air quality	160,000	
LBRUT CPZ cost	130,000	
Health mitigation	620,985	
Community Park maintenance	147,700	
Cavat	114,096	
Level crossing works	151,776	
Travel plan inc implementation/mntr	249,984	
Construction mngr monitoring	30,000	
Tow path improvement works	39,520	
Waste management	50,375	
Barnes Eagles licence termination	90,750	
Mortlake Green	129,763	
Grass pitch improvements	24,000	
CIL Borough and Mayoral (Ph 2)	45,910,552	
		53,523,379

**Stag Brewery - Hybrid Scheme
Final AH offer - 80% Rent 20% Intermediate - Bldgs 18 and 19**

PROFESSIONAL FEES

Professional fees	10.00%	57,319,920	
			57,319,920

MARKETING & LETTING

Marketing	2.00%	17,716,850	
Letting Agent Fee	10.00%	172,870	
Letting Legal Fee	5.00%	377,250	
			18,266,970

DISPOSAL FEES

Sales Agent Fee		1.00%	10,131,948	
Sales Legal Fee residential	338 un	1,250.00 /un	422,500	
Sales Legal Fee commercial		0.50%	99,038	
Sales Legal Fee residential	211 un	1,250.00 /un	263,750	
Sales Legal Fee commercial		0.50%	186,009	
Sales Legal Fee residential	334 un	1,250.00 /un	417,500	
Sales Legal Fee	158 un	1,250.00 /un	197,500	
				11,718,245

FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			61,905,734

TOTAL COSTS

853,737,224

PROFIT

159,457,571

Performance Measures

Profit on Cost%	18.68%
Profit on GDV%	15.67%
Profit on NDV%	15.74%
Development Yield% (on Rent)	0.36%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR	17.73%
Rent Cover	51 yrs 7 mths
Profit Erosion (finance rate 6.000%)	2 yrs 11 mths

‡ Inflation/Growth applied

Growth on Sales

		Ungrown	Growth	Total
Building 2 residential	Growth Set 1 at 2.000% var.	105,884,394	10,195,922	116,080,316
Building 3 residential	Growth Set 1 at 2.000% var.	39,864,792	3,838,699	43,703,491
Building 4 residential	Growth Set 1 at 2.000% var.	21,992,817	2,117,753	24,110,570
Building 6 residential	Growth Set 1 at 2.000% var.	19,633,812	492,451	20,126,263
Building 7 residential	Growth Set 1 at 2.000% var.	71,572,116	5,697,584	77,269,700
Building 8 residential	Growth Set 1 at 2.000% var.	88,053,570	7,009,610	95,063,180
Building 9 residential	Growth Set 1 at 2.000% var.	13,246,794	1,275,573	14,522,367
Bulding 11 residential	Growth Set 1 at 2.000% var.	48,559,137	4,675,903	53,235,040
Building 12 residential	Growth Set 1 at 2.000% var.	40,112,655	3,862,566	43,975,221
Building 10 residential	Growth Set 1 at 2.000% var.	25,134,648	2,420,290	27,554,938
Building 13 Residential	Growth Set 1 at 2.000% var.	29,770,356	3,415,249	33,185,605
Building 14 Residential	Growth Set 1 at 2.000% var.	24,496,329	2,810,214	27,306,543
Building 15 Residential	Growth Set 1 at 2.000% var.	73,972,272	8,486,084	82,458,356
Building 16 residential	Growth Set 1 at 2.000% var.	45,355,101	5,203,128	50,558,229
Building 17 Residential	Growth Set 1 at 2.000% var.	48,641,439	5,580,136	54,221,575
Building 20 Private	Growth Set 1 at 2.000% var.	22,425,381	2,159,406	24,584,787
Building 21 Private	Growth Set 1 at 2.000% var.	11,537,592	1,110,989	12,648,581
Building 19 Affordable	Growth Set 1 at 2.000% var.	10,988,992	609,646	11,598,638
Building 18 Private	Growth Set 1 at 2.000% var.	102,207,600	10,585,055	112,792,655
Building 18 Affordable	Growth Set 1 at 2.000% var.	6,906,158	383,139	7,289,297

Inflation on Construction Costs

		Uninflated	Inflation	Total
Building 2 residential	Inflation Set 1 at 2.000%	44,143,451	2,033,503	46,176,954
Building 3 residential	Inflation Set 1 at 2.000%	17,106,786	788,037	17,894,823
Building 4 residential	Inflation Set 1 at 2.000%	10,058,682	463,361	10,522,044
Building 3 and 4 above ground car parking	Inflation Set 1 at 2.000%	907,636	41,811	949,447
Building 6 residential	Inflation Set 1 at 2.000%	9,194,403	373,440	9,567,843
Building 7 residential	Inflation Set 1 at 2.000%	30,774,492	1,249,937	32,024,429
Building 8 residential	Inflation Set 1 at 2.000%	37,183,643	1,510,251	38,693,894
Building 9 residential	Inflation Set 1 at 2.000%	5,748,361	264,803	6,013,164
Bulding 11 residential	Inflation Set 1 at 2.000%	19,688,232	906,954	20,595,185
Building 12 residential	Inflation Set 1 at 2.000%	17,233,374	793,869	18,027,243
Building 10 residential	Inflation Set 1 at 2.000%	13,721,823	632,107	14,353,929
Building 10 above ground car parking	Inflation Set 1 at 2.000%	895,927	41,272	937,198
Building 13 Residential	Inflation Set 1 at 2.000%	12,212,577	689,701	12,902,278
Building 14 Residential	Inflation Set 1 at 2.000%	10,246,666	578,677	10,825,343
Building 15 Residential	Inflation Set 1 at 2.000%	30,324,788	1,712,582	32,037,370
Building 16 residential	Inflation Set 1 at 2.000%	18,791,989	1,061,271	19,853,260
Building 17 Residential	Inflation Set 1 at 2.000%	20,338,894	1,148,632	21,487,526
Building 20 Private	Inflation Set 1 at 2.000%	8,370,948	426,673	8,797,621
Building 21 Private	Inflation Set 1 at 2.000%	4,330,259	220,716	4,550,975
Building 19 Affordable	Inflation Set 1 at 2.000%	16,611,194	846,683	17,457,877
Building 18 Private	Inflation Set 1 at 2.000%	42,816,096	2,182,364	44,998,460
Building 18 Affordable	Inflation Set 1 at 2.000%	10,423,256	531,280	10,954,536
Building 1 Office	Inflation Set 1 at 2.000%	8,758,307	403,458	9,161,766
Building 1 Flexible use	Inflation Set 1 at 2.000%	415,525	19,141	434,667
Building 1 Cinema	Inflation Set 1 at 2.000%	5,471,133	252,032	5,723,165
Building 2 flexible use	Inflation Set 1 at 2.000%	1,782,992	82,135	1,865,127
Builing 4 flexible use	Inflation Set 1 at 2.000%	1,593,743	73,417	1,667,160
Building 5 flexible use	Inflation Set 1 at 2.000%	4,043,537	164,232	4,207,770
Building 5 office	Inflation Set 1 at 2.000%	6,460,419	262,396	6,722,815
Building 5 hotel	Inflation Set 1 at 2.000%	6,012,297	244,195	6,256,493
Building 6 flexible use	Inflation Set 1 at 2.000%	1,394,683	56,646	1,451,330

Stag Brewery - Hybrid Scheme**Final AH offer - 80% Rent 20% Intermediate - Bldgs 18 and 19**

Building 7 flexible use	Inflation Set 1 at 2.000%	1,721,280	69,912	1,791,192
Building 8 Affordable flexible use	Inflation Set 1 at 2.000%	1,649,125	66,981	1,716,106
Building 9 flexible use	Inflation Set 1 at 2.000%	1,166,192	53,722	1,219,913
Building 11 flexible use	Inflation Set 1 at 2.000%	954,790	43,983	998,773
Building 12 flexible use	Inflation Set 1 at 2.000%	1,244,044	57,308	1,301,351