



Real Estate

# Old Oak and Park Royal Preliminary Draft Charging Schedule Community Infrastructure Levy Viability Report

**Final Report**  
**April 2016**

**OPDC**  
OLD OAK AND  
PARK ROYAL  
DEVELOPMENT  
CORPORATION

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18 April 2016

Dear Sirs

### Planning & Development Viability Advice

We enclose our report ("the report") which has been prepared for the sole purpose of assisting and advising Old Oak and Park Royal Development Corporation ("OPDC") in accordance with our Call-Off Contract dated 19 November 2015 ("the Contract"). This report includes information provided by you, and your consultants, namely Pinsent Masons.

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Neither the whole nor any part of this Report nor any reference thereto may be included in any published document, circular or statement nor published in any way without our written approval as to the form and context in which it may appear.

The figures contained within this report are presented in the context of advising on OPDC's CIL regime. They are not formal valuations and under no circumstances should be relied upon as such. Our figures are specifically excluded from the provisions of the RICS Valuation - Professional Standards 2014 (as amended), 'Red Book'. They should not therefore be construed as a formal valuation for accounts, lending or any other purposes. The figures within this analysis are high level and indicative only, and should be viewed as such. All values, costs and figures are provided as at the date of this report unless stated otherwise.

Yours faithfully



Deloitte LLP

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# 1 Introduction

## Instructions

- 1.1 Deloitte has been instructed by Old Oak and Park Royal Development Corporation ('OPDC') to undertake a Community Infrastructure Levy Preliminary Draft Charging Schedule ('CIL PDCS') Viability Report.
- 1.2 This study has been commissioned to contribute towards an evidence base to inform OPDC's CIL PDCS, as required by Regulations 14, 15 and 16 of the CIL Regulations April 2010 (as amended). The aims of the study are summarised as follows:
  - To help establish the maximum CIL rates that OPDC could seek, having regard to the viability of a range of development types in the area; and
  - To test CIL alongside OPDC's requirements for affordable housing as set out in policy H4 of OPDC's Draft Local Plan January 2016, and other planning policy requirements such as the Mayor of London's CIL.
- 1.3 This report covers the CIL policy context, guidance for testing viability, the methodology adopted, a market overview, and finally, the outputs of viability testing and suggested CIL rates.

## CIL Policy Context

- 1.4 CIL is essentially a planning charge applicable to new developments, which is used to help deliver infrastructure to support the development of an area. It was introduced in April 2010 in order to give more certainty in delivering infrastructure to support new development. The levy is intended to deliver funding for charging authorities to carry out a wide range of infrastructure projects that support growth and benefit the local community. CIL is not expected to pay for all the infrastructure required, but is expected to make a significant contribution. There will remain circumstances where S106 agreements are appropriate and necessary for the delivery of infrastructure.
- 1.5 Planning Practice Guidance ('PPG') explains that:

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“The levy is intended to provide infrastructure to support the development of an area, rather than making individual planning applications acceptable in planning terms. As a result, some site specific impact mitigation may still be necessary in order for a development to be granted planning permission. Some of these needs may be provided for through the levy but others may not, particularly if they are very local in their impact. Therefore, the Government considers there is still a legitimate role for development specific planning obligations to enable a local planning authority to be confident that the specific consequences of a particular development can be mitigated.

However, in order to ensure that planning obligations and the levy can operate in a complementary way, the levy Regulations 122 and 123 place limits on the use of planning obligations in three respects:

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- They put the Government’s policy tests on the use of planning obligations (also found in paragraph 204 of the National Planning Policy Framework) on a statutory basis, for developments that are capable of being charged the levy;
  - They ensure the local use of the levy and planning obligations does not overlap; and
  - They impose a limit on pooled contributions made from planning obligations towards infrastructure that may be funded by the levy.” (ID 25-094-20140612).

### S106 obligations and viability

- 1.6 In addition to the statutory test and restrictions on the use of S106 agreements set out above, the National Planning Policy Framework (‘NPPF’) provides specific guidance on ensuring that planning policies and planning obligations do not adversely affect the viability of a development and hence its deliverability.
- 1.7 The NPPF advises that local planning authorities should set out their policy on local standards in the local plan, including requirements for affordable housing, and consider the cumulative impact of all policies and standards on development in their area. It states that, where practical, CIL charges should be worked up and tested alongside the local plan.

### CIL and viability

- 1.8 Viability considerations also lie at the heart of the process for setting levy rates. The key Regulation for viability purposes is Regulation 14(1) which states:

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“In setting rates (including differential rates) a charging authority must strike an appropriate balance between

a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking in to account other actual and expected sources of funding; and

b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.”

### Definitions and References

- 1.9 Throughout this report the Community Infrastructure Levy Regulations 2010 and the ensuing amendments made in 2011, 2013, 2014 and 2015 are referred to as “the Regulations” or the “CIL Regulations”.
- 1.10 A list of all documents referenced in this report is included at **Appendix 1**.

### Important Notice

- 1.11 In recognition that this report will be a public document and has been prepared solely for the purpose of CIL viability testing, it should be noted that it does not create a precedent for viability assessments in respect of individual planning applications. When considering the appropriate planning obligations in respect of a planning application, any viability assessment will be carried out on a case specific basis at the time.

## 2 Guidance for Testing Viability

- 2.1 There is specific government guidance provided for setting CIL which is set out in the CIL Regulations and Planning Practice Guidance ('PPG'), specifically PPG ID 25. In respect of affordable housing, it is necessary to follow further guidance set out in the National Planning Policy Framework ('NPPF') and other guidance documents which are considered below.

### CIL Regulations and Guidance

- 2.2 CIL is a tool for planning authorities in England and Wales to help deliver infrastructure to support development in the area. The regulations governing CIL came into force on 6 April 2010. Since then, there have been annual amendments to the regulations, the latest of which being the 2015 amendments, which came into force on the 20 March 2015.
- 2.3 Guidance for the setting and use of CIL was added to the PPG website on 12 June 2014. This replaced the stand-alone guidance that was published when key amendments to the CIL Regulations came into effect in February 2014. It is this updated guidance which forms the framework for our viability work and basis for our assessment in line with Regulation 14 (1).

### National Planning Policy Framework

- 2.4 The NPPF has explicitly set out a number of key principles which it requires local authorities to consider in the preparation of their plans. Central to the requirements are that plans are required to be deliverable with policy considerations assessed in their entirety and balanced against the sustainable development needs of the plan.

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“Local Plans should be aspirational but realistic. They should address the spatial implications of economic, social and environmental change. Local Plans should set out the opportunities for development and clear policies on what will or will not be permitted and where. Only policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan.” National Planning Policy Framework, para 154

### Viability Testing Local Plans 'Harman Review'

- 2.5 Together with setting its CIL charging schedule, OPDC is also seeking to set its affordable housing policy as part of its Local Plan. The guidance for preparation of a Local Plan is set out in the NPPF, and 'Viability Testing Local Plans – Advice for planning practitioners', issued in June 2012 by the Local Housing Delivery Group chaired by Sir John Harman, known as the 'Harman Review'.
- 2.6 The principle purpose of this viability study is to support OPDC's emerging Charging Schedule so that the requirements of the NPPF, CIL Regulations and PPG CIL Guidance are met. Importantly, the proposed CIL when considered alongside other

policy requirements for development as set out within the plan, should not threaten the ability of the sites and scale of that development to be viably developed.

- 2.7 The Harman Review identifies the role and purpose of viability assessments within plan-making which is set out below:-

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“An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.

The most important function of an assessment is to bring together and consider the cumulative impact of policies. This means taking account of the range of local requirements such as design standards, community infrastructure and services, affordable housing, local transport policies and sustainability measures, as well as the cost impact of national policy and regulatory requirements. The test should include both existing policies that the planning authority intends to retain and the new policy requirements that it is seeking to introduce.

While many of these policy requirements may not be straightforward to cost, it is still important that attempts are made to consider the impact of all policies that may result in a development cost or benefit. The role of the test is not to give a precise answer as to the viability of every development likely to take place during the plan period. No assessment could realistically provide this level of detail. Some site-specific tests are still likely to be required at the development management stage.

Rather, it is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan”.

- 2.8 This viability study will make overall judgements as to the viability of development in the OPDC jurisdiction. This, together with subsequent studies, should not be relied upon for individual site applications.



# 3 Viability Methodology

## Methodology

- 3.1 In line with CIL guidance, we have adopted an area-based approach to viability, involving a broad test of viability across the OPDC area.
- 3.2 We have adopted the Residual Land Value ('RLV') approach as the basis for the viability testing model. We have utilised Argus software, which is industry standard software widely used by property developers, consultants, landowners, financial institutions, REITs, and brokerages. The appraisals will set out an assessment of projected revenues (Gross Development Value) and deduct from this, the development costs associated with a development opportunity. Fundamental to this approach is the ability of the development to provide the developer with a competitive return and also be sufficiently viable to incentivise a landowner to sell their land. These variables are referred to as the Developer's Return and the Threshold Land Value ('TLV').
- 3.3 The box shown below demonstrates the 'development appraisal' calculation that is followed. The output of the development appraisal is the Residual Land Value, which is the residual amount left over once scheme costs (including profit and finance) have been deducted from the Gross Development Value.

Gross Development Value (GDV)
LESS
Construction Costs (Including external works, contingency, professional fees)
LESS
Marketing costs (legal and agency fees)
LESS
Developer's Profit and finance costs
EQUALS
Residual Land Value (RLV)

- 3.4 The Residual Land Value must be compared against the Threshold Land Value to determine whether there is sufficient surplus within the scheme to be captured for affordable housing or CIL.
- 3.5 In setting out a Threshold Land Value, it is important to avoid assuming that land will come forward at the margins of viability. To guard against this, it will be important to include an appropriate 'landowner premium' in the testing in order to ensure that the sites upon which the Local Plan relies in the first five years will, on the balance of probability, come forward as required.

## Site Typologies

- 3.6 We have reviewed the OPDC draft Local Plan to identify the type, and range of sites that could potentially come forward. A series of sites have then been tested, having regard to the 'site typologies' set out in the guidance from the Harman Review, and in consultation with OPDC, to best reflect pipeline sites in the area. Given our



knowledge of the area, we have assumed all existing sites are 'Brownfield' or 'Previously Developed Land'.

- 3.7 Following discussion with OPDC, it was agreed that the specific typologies identified in the Harman Review would not be applicable to Old Oak and Park Royal. OPDC's development capacity study is based on three density levels, expressed as dwellings per hectare, or 'dph': 300 dph, 405 dph and 600 dph. These three densities have therefore been used to inform the residential testing for CIL viability purposes.

### Development Appraisal

- 3.8 A development appraisal has then been prepared for relevant site typologies using a defined set of assumptions. Each site typology naturally results in a unique RLV.
- 3.9 The appraisals test whether the level of affordable housing together with other policies' cumulative impact on viability derives a positive (or negative) RLV. The RLV is then compared against a TLV which represents the release value to a landowner. Only if the RLV exceeds the TLV does it mean a site is viable enough to deliver both sufficient return (profit) to a developer in undertaking the scheme and sufficient value to a landowner to release the land for development whilst taking into account policy requirements. The margin by which the RLV exceeds the TLV is referred to as the 'viability cushion', adopting the language of the Harman Review.
- 3.10 The size of the viability cushion is important to consider. If it is only small, then a scheme would be marginal in viability terms; it could mean that a small change in either a value variable, or a previously estimated or unknown development cost, could render what appeared to be a viable scheme to be unviable. The viability cushion therefore needs to be sufficient to give the developer confidence to proceed, such that even if once actually started and an appraisal of a scheme changed, the scheme remains viable. There are a number of variables within an appraisal, and therefore a small change in some key inputs can have a disproportionately large effect on the RLV.
- 3.11 Each residential appraisal is based on a single hectare site area and other uses are based on sample site areas of no more than one hectare, dependent on the type of development proposed.
- 3.12 Where larger sites are coming forward on a phased basis, the phasing of those sites may affect viability on a scheme specific basis, but for CIL purposes it is reasonable to base the appraisal on a one hectare site area to reflect a type of phasing scenario for viability testing purposes.

### Land Use Assumptions

- 3.13 In line with the OPDC's brief, we have scoped three key uses for viability testing, as follows:
- Residential;
  - Retail; and
  - Employment (Office and Industrial).

3.14 In addition, OPDC has requested that the following uses are tested for the purposes of CIL:

- Student housing;
- Retirement housing;
- Hotels;
- Leisure & entertainment;
- Cultural (museums);
- Education;
- Health;
- Community; and
- Sport stadium.

3.15 A summary of the viability outcome for all proposed uses is discussed in Section 7.

# 4 Summary of Relevant Planning Policy

4.1 A draft Local Plan has been prepared by OPDC. The table below captures some key policies which have been considered in the appraisals.

4.2 We have had regard to these policies in setting out the appraisals utilised for viability testing, together with the assumptions provided by OPDC.

Key Policy	Draft Local Plan – 6 January 2016
<b>Affordable Housing</b> <b>(Policy H4)</b>	As OPDC's evidence on need and viability continues to emerge, OPDC has been considering four broad approaches that it could take when setting an affordable housing policy for the area. OPDC invites views and comments on which of these potential policy approaches to develop further. <ul style="list-style-type: none"> <li>• Option 1 – Fixing the percentage</li> <li>• Option 2 – Product dependent range</li> <li>• Option 3 – Viability tested percentage</li> <li>• Option 4 – Negotiate a target on site-specific basis</li> </ul>
<b>Open Space</b> <b>(Policy D3)</b>	Preferred Policy Option: <b>a) OPDC will work with stakeholders to create a network of public open spaces by:</b> <ul style="list-style-type: none"> <li>i. safeguarding and / or enhancing existing public open spaces; and</li> <li>ii. creating and connecting new public open spaces to meet identified need.</li> </ul> <b>b) Proposals will be required to:</b> <ul style="list-style-type: none"> <li>i. deliver, improve and / or contribute to the delivery of new public open spaces identified in the Places Chapter;</li> <li>ii. deliver public and communal open spaces that are supported by a clear and robust management and maintenance strategy;</li> <li>iii. deliver temporary public open spaces that contribute to the vitality, character and activation of an area and supports the delivery of permanent development;</li> <li>iv. enhance existing public open space; and</li> <li>v. deliver private and communal open space to support the needs of residents.</li> </ul>
<b>Car Parking</b> <b>(Policy T7)</b>	Preferred Policy Option: OPDC will ensure the development area is an exemplar of low carbon development and will promote a modal shift towards more sustainable modes by: <b>a) In Old Oak:</b> <ul style="list-style-type: none"> <li>i. Limiting car parking to 0.2 spaces per unit for residential developments;</li> <li>ii. Promotion of car free development close to public transport hubs; and</li> <li>iii. Securing zero car parking for non-residential developments, except for blue badge holders.</li> </ul> <b>b) In Park Royal:</b> <ul style="list-style-type: none"> <li>i. Limiting car parking to 0.2 spaces per unit for residential developments; and</li> <li>ii. Allowing limited car parking for non-residential development taking into account access to public transport and operational or business needs.</li> </ul> <b>c) When providing car parking, proposals should:</b> <ul style="list-style-type: none"> <li>i. incorporate electric charging points for electric vehicles at all new parking spaces;</li> <li>ii. include and promote provision for car club vehicles and car sharing;</li> <li>iii. be sensitively designed; and</li> <li>iv. not take precedence over other street level users or the incorporation of open space, public realm or open space.</li> </ul> <b>d) Proposals should provide suitable facilities to cater for anticipated demand for taxis and coaches.</b>

# 5 Market Context

## UK Economy

- 5.1 Deloitte's UK Property Handbook 2016 illustrates that annual UK GDP growth currently stands at 2.2%. The Bank of England's UK GDP forecast for 2016 was recently lowered from 2.5% to 2.2%, however amid downgraded output forecasts across the globe, the UK still leads GDP forecasts among the G7 countries. Therefore output in the UK remains strong in comparison with most other large developed economies.
- 5.2 The pick-up in wage growth appears to have stalled. This is an important indicator for the Bank of England's Monetary Policy Committee and, along with the continued effect of low oil prices, has eased the pressure to raise the base rate.
- 5.3 Despite overall weakness in the construction sector outside house building in London, contractors are running at close to capacity. ONS data suggests that overall UK construction output fell slightly in the last three months of 2015, compared with significant increases in 2014 and earlier in 2015. However the picture is not consistent across all sectors or across the whole of the UK. The new-build market is still showing strong growth, particularly in London. New housing construction remains a key driver to growth.

## Residential

- 5.4 Confidence in home-buying has improved over the past year and interest rates remain low, encouraging further confidence. Construction of new homes has risen significantly, and further increases are expected as house builders report rising levels of reservations.
- 5.5 House price inflation has been seen in all of the boroughs surrounding the OPDC area. Data from Molior reveals that 25,971 new homes consented for private sale commenced in London in 2015. Starts in outer London boroughs have become the strongest contributor to the totals with an increase of 26% from 2014 levels, and represent 40% of all starts across London this year.
- 5.6 We have researched the residential markets in the surrounding residential areas of Harlesden, North Acton, White City and Ladbroke Grove, with a focus on new-build residential properties, but also analysing high quality re-sale units. In assessing the residential market we undertook desktop research using Molior, Rightmove and spoke with local estate agents.
- 5.7 Our research proved that sales values vary significantly in the areas surrounding the site. The highest value area surrounding the OPDC area is Ladbroke Gove, achieving in excess of £11,840psm (£1,100psf), however it is an established residential area and is relatively more removed from the OPDC area. There have been a number of schemes in White City likely to achieve in excess of £10,800psm (£1,000psf), such as the redevelopment of the former BBC studios, where one bedroom flats start from

£650,000 and prices rise to £7,000,000 for a penthouse with terrace. Prices per sq m range from £10,800 - £13,994psm (£1,000 – 1,300psf), however these schemes are not directly comparable to most of the OPDC area due to the degree of proximity to existing transport stations and Westfield shopping centre. The remainder of the area achieves between £7000psm (£650psf) and £9150psm (£850psf) with locations such as Harlesden and North Acton at the lower end of this range. Based on our research, we have modelled a range of values of £7,000psm (£650psf), £8,050psm (£750psf) and £9,150psm (£850psf) to account for the variance of values across the OPDC site.

## Office

- 5.8 Office property is leading performance among the commercial sectors, with annual total returns of nearly 22%. Rental growth in the South East has picked up but remains strongest in the central London sub-markets. The current central London office development pipeline contains 2.6m sq ft of space due for delivery in 2017-18, against a long-term average take-up for Grade A accommodation of around 5m sq ft a year. This total pipeline has begun to increase, and by tracking schemes that are in the pre-development stages, we can see that potential supply could outstrip demand in two to three years' time.
- 5.9 We have analysed the London office market and believe the Old Oak and Park Royal area will be competing with different markets pre and post 2026 when HS2 and Crossrail are expected to come to the site. The majority of pre-2026 commercial space will be smaller micro and SME business space. Some pre-2026 comparators are therefore the sub-markets of Stratford, Greenwich, Vauxhall and White City. These sub-markets achieve rents in the range of £215 - £403 psm (£20 - £37.50 psf). Prior to the opening of HS2 and Crossrail, the OPDC area would struggle to attract major corporate occupiers as the existing transport connectivity is poor, and we would expect the rental values to be at the lower end of this price range.
- 5.10 Our occupational evidence suggests a rental tone of £269-£323psm (£25 - £30psf) for office stock in the OPDC area, which encapsulates both stock recently let as well as stock currently on the market. We would expect an investor to require a yield of 6% in the local office market. For the purposes of viability testing, we have reviewed the viability of two types of office product defined as high and low density; however, given the commentary above, we have concluded that high density office development is unlikely to come forward pre-2026 and therefore the viability output of this type of development has not influenced the CIL recommendations which have been informed by lower density office accommodation at the current time.

## Retail

- 5.11 There is little occupational retail evidence within the OPDC area, with varying quality of retail units available. Our occupational evidence suggests a rental tone of £161-£269psm (£15-£20psf) for modern retail stock within the subject site, which encapsulates both stock recently let as well as stock currently on the market. The stock recently taken in period high street units has been marketed or achieved in the region of £86 – 129psm (£8-£12psf).
- 5.12 There have been few investment transactions in the area. Wembley Central shopping centre is under offer at a net initial yield of 6.3%. Local market agents have reported that the lack of investment evidence is due to the shortage of stock, and that the increase in transport, high quality housing and commercial developments will increase

investor and occupier sentiment. The likely yield target for investors would be 5.5% for A1-A5 and 4.75% for a foodstore.

- 5.13 At the current time, retail development in this area is likely to be a range of A1 to A5 uses with some foodstores. As per office development, we would anticipate there to be increased activity around the new HS2 and Crossrail station with increased amounts of retail in this location and on the high street, following the station's opening. Due to the close proximity to Westfield White City, it is unlikely that a significant shopping centre would be proposed in this location at the current time, and our viability analysis therefore does not include this type of large retail proposal. Westfield White City maintains a prominent position on the Central, and Hammersmith and City underground lines and is able to command higher rental figures.
- 5.14 We have appraised two hypothetical retail scenarios within the OPDC area with rental values based on our research. The first is A1-A5 retail; these units would expect to achieve a rent of £269psm (£25psf). The second retail scenario is assumed to be a retail foodstore which would attract a lower overall rent of £237psm (£22psf), with a sharper yield to reflect covenant strength and lease length. At this stage, we have not tested the viability of retail warehouses; these will be given further consideration at a later stage.

## Industrial

- 5.15 The industrial sector has seen general improvement in rental growth over the last twelve months. This has been largely driven by increasingly positive figures from London property where annual growth is up to 5.5%.
- 5.16 Park Royal is an important location for industrial uses within London due to its connectivity to Central London, London Heathrow airport, and the strategic road network of the A40 and A406. Park Royal is sometimes known as the 'kitchen of London' and supplies two thirds of the city's restaurants and hotels with food and beverage products. SEGRO is the main light industrial and urban logistics investor and developer in Park Royal with a footprint of over 370,000 sq m (4 million sq ft). The majority of the commercial space, approximately 84% within the OPDC area comprises industrial stock. Industrial use is predominantly focussed in the Park Royal area.
- 5.17 Our occupational evidence suggests that rents range between £86-£161psm (£8-£15psf) for industrial units in the vicinity, which encapsulates both stock recently let as well as stock currently on the market. A number of industrial sites such as those owned and operated by SEGRO may remain, with rents continuing to increase.
- 5.18 There have been few investment transactions for modern stock in the OPDC area. The majority of recent industrial transactions relate to units being sold with vacant possession by owner occupiers. Recent transactions have been secured on net initial yields of between 5.3% and 7.89%.

## Leisure & Entertainment

- 5.19 Total returns within the leisure sector are generally more volatile than the wider market and have risen sharply over 2015. For the purposes of the viability testing exercise we have modelled health and fitness clubs, and cinemas in this sector.

- 5.20 There are no comparables within the development site for cinemas, however from our research elsewhere, it is clear that there are significant capital contribution costs associated with cinemas. Capital contributions can range from £1million to £3million to cover costs towards fit-out and incentivise this type of operator into a scheme. Cinemas general attract footfall to retail and restaurants in the locality, and as such act as anchors to a development scheme. From our research, cinema rental values range between £75-£323psm (£7- £30psf). We have tested £108 (£10psf) for a cinema in the OPDC area.
- 5.21 Based on discussions with local agents and available information, we have assumed that space suitable for a health and fitness club would attract rent of £129psm (£12psf) in the OPDC area. Although the area does not currently have comparable investment transactions, we would anticipate that this product would attract a yield of around 6.5%.

### Healthcare Market

- 5.22 We have considered the healthcare market in the context of hospitals close to the site, such as Hammersmith Hospital. For viability purposes we have not tested the provision of a new hospital, however we have tested the requirement for smaller healthcare premises such as GP surgeries. These would be approximately 340sqm (3660sqft) in size.
- 5.23 We are aware of private healthcare groups who may be looking to acquire sites and / or premises with rental values in the region of £215psm (£20psf). The investment would be seen as higher risk than a number of the other assets, and the yield profile is likely to be 6.75% in the OPDC area.

### Student Housing

- 5.24 The student housing sector offers investors an opportunity to diversify away from traditional core real estate. Student accommodation offers quality assets with relatively high achieving yields compared to other sectors. Additionally, the sector is undersupplied in many parts of the country and student demand continues to be strong.
- 5.25 There are a number of significant purpose built student housing schemes in Acton and Ealing, namely The Costume Store, The Lyra and Central Studios. The areas of Acton and Ealing are now established student housing markets. It likely that the OPDC area will attract UK students more so than international students who may be swayed by alternative accommodation available closer to central London. The likely accommodation type would be cluster en-suite bedrooms with shared kitchens rather than studios to accommodate the UK market. Based on our research, the rent achievable for this type of accommodation is likely to be £200 per week, with an average room size of 13 sqm (140sqft). Providers are likely to build a 500 - 750 unit scheme.
- 5.26 There has been a significant amount of student housing investment recently. Based on our research, investors are likely to seek a yield of approximately 5.5% in this area. There have been a significant amount of recent portfolio transactions such as the Union, Pure, Nido and Westbourne Portfolio. The Prime London yield profile for direct let student housing investment is 4.5%, with Inner London achieving 5.0%.



## Hotels

- 5.27 There are a number of hotels in the Park Royal area including Travelodge, Holiday Inn Express and Premier Inn. The prices vary, but range from approximately £49 per night to £135 per night. There are few high end hotels in the immediate vicinity; however it is likely that with further development of the area, particularly with the addition of residential and commercial units, increased demand for mid-range to high-end hotels will begin to emerge. We have conducted a search of the surrounding area for comparable hotels ranging from 2\* to 5\*. Based on the likely take-up of a hotel at the subject site, we have assumed a 200 bedroom hotel in the 3\*- 4\* range. We have assumed a 20 sqm (215sqft) bedroom size.

## Retirement Housing

- 5.28 Retirement housing is a broad category of development that can primarily be described as either socially provided housing, or a market-based product operated on similar terms to private occupation with a restriction on purchasers based on age. The second category is sought after by investors, and is usually built to similar standards and would achieve similar values to private accommodation. The main difference between private retirement housing and private housing is the varying densities between the two. Retirement housing would need to accommodate a receptionist and various common rooms resulting in a larger gross area for the building.
- 5.29 With an increased ageing population in the UK, local agents have highlighted significant demand for this type of product, and we have therefore tested the viability of this use. Any CIL charge should be reflected in the Preliminary Draft Charging Schedule together with an explanation of the type of Retirement Housing to which the charge relates.

## Cultural (Museums)

- 5.30 In most cases, museums are not intended to be profit making enterprises. They are often owned and/ or operated by a party who provides funding for its operation, rather than a commercial landlord. There is therefore no easily determinable market rent for this use.
- 5.31 Where the land is restricted to a use that is not expected to realise a profit, and where the market rent of the completed premises is likely to be nil, it is difficult to place a value on the land that is greater than zero. It may be that, if the opportunity to develop a museum were offered for sale, that some value could be ascribed to the land, i.e. the museum and its funding partners would pay something for a site. However, the funding for the purchase of the land, as well as the construction works, would be expected to have to come from grant or philanthropic funding.
- 5.32 It is likely that a museum within the site area may offer wider benefits to the area rather than the building or operation in itself. Based on the restrictive uses, it is likely to be considered a less attractive investment compared to other uses.

## Education

- 5.33 The majority of London's educational establishments are council provided and operated. There are however a number of fee paying independent schools. Our research suggests that the area is currently unlikely to attract customers for fee paying schools, however with further investment in the public realm and infrastructure there is

the possibility that fee paying schools may begin to seek space in the locality, or that developers may wish to attract them.

- 5.34 Based on the above information it is unlikely that an investor would seek an educational establishment as an investment opportunity. Based on our research, private schools are unlikely to pay a high rent, with an estimated amount of £129psm (£12psf) predicted. For completeness, the viability of this use has also been tested.

## Community

- 5.35 A community centre would most likely be seen as an asset to the overall community, and would often be provided through a section 106 agreement. There are very few circumstance where a community centre would be run privately, as most are constructed and run through significant grants and public funding. As a result, the risk would be reflected in a high yield of 9%, and the rent would be in the region of £129psm (£12psf).

## Sports Stadiums

- 5.36 The Opportunity Area Planning Framework (OAPF) sets out the potential new land uses for the OPDC area which include residential, industrial commercial and retail, together with *“significant potential to support a large-scale sports/recreational, arts, leisure, cultural, education and health related uses, which could become a focus or catalyst for regeneration in a similar way to the recently completed Central St Martins – University of Arts at Kings Cross”*.
- 5.37 We have tested the viability of a sports stadium, and for this purpose we have focussed on football stadiums in particular in the knowledge that a championship club, QPR, has disclosed their interest in relocation to the OPDC area. While our analysis assumes no particular tenant, given the situation in terms of London-based Premier League clubs, it is unlikely a current Premier League club would be the tenant in such a stadium. Therefore we have focused on a selection of Championship clubs who play in similar sized venues.
- 5.38 To provide a guide for size and scale of facility, we have had regard to the New Queens Park website which sets out some detail regarding its proposed stadium project, notably:-
- A 40,000 seat stadium
  - A *“focal point hosting not just football, but entertainment and community activities”*
- 5.39 In the absence of any financial metrics related to the capital expenditure of the proposed stadium at this stage, we have reviewed relevant benchmarks from other UK stadia developments to give an indication of the range of potential capital expenditure a stadium of this sort might incur.
- 5.40 It is important to note that the capital expenditure of stadia can vary significantly between projects, with factors such as proposed location, cost of land, range of ancillary facilities within stadium footprint, planning situation (e.g. any compulsory purchase, s.106 requirements) as well as the wider prevailing construction industry trends all affecting the overall cost. Equally, the level of specification within the stadium can vary significantly. For example, decisions regarding the type of roof and concourse areas can change the overall cost of a project considerably.

- 5.41 Our benchmark analysis suggests a range of construction cost per seat of between £1,000 and £3,000 for stadia in the 20,000-40,000 capacity range. Factoring in the general inflation of construction costs that have occurred since the benchmark stadia's construction as well as the comparatively higher costs associated with building within Greater London, it is likely that any proposed football stadium within the Old Oak and Park Royal area would have a total capital cost at the upper end, or in excess of the benchmark range.
- 5.42 Based on the information currently available this may see the capital cost of the stadium total, as a minimum, be in the region of £120m. Given the location, ambition and specification outlined, it may well be significantly more than this.
- 5.43 To provide further context to any analysis of a potential stadium, we have compiled the key matchday performance metrics for a selection of Championship football clubs. The analysis demonstrates that those clubs with stadia in excess of 35,000 capacities found it challenging in the 2013/14 season (the latest year for which financial data is available) to exceed the league's average utilisation. However, it is important to note that attendance is influenced by a number of factors, including the quality of the facilities available to spectators, the pricing strategy implemented by clubs and on-pitch performances/results.
- 5.44 Based on comparable benchmarks, Championship stadia (in the capacity range proposed for OPDC) can yield between £10 and £20 per attendee in terms of matchday revenue, which includes ticket sales as a minimum, and other matchday revenue where possible such as food and beverage. In London it would seem reasonable to assume a club in a new stadium could yield towards the top of that range.
- 5.45 Any consideration of the potential matchday performance of a football stadium needs to take into account the league status of any tenant. Promotion to the Premier League typically sees a significant increase in both the attendance levels (if there is spare capacity) and the yield (i.e. revenue achieved) from spectators. Equally, relegation can have a significant negative impact on a club's ability to utilise its stadium and generate matchday revenue. As an example, one club's relegation in the 2012/13 season saw a reduction in matchday revenue of 32% between 2012/13 and 2013/14, with the average matchday revenue achieved per spectator decreasing by 40%.
- 5.46 In summation, it is not unusual to expect such a facility to be value-generating, however this often requires additional and continuous investment over a period of years. As CIL is based on current viability, it would be difficult to support a CIL rate for such a use given the best available benchmark evidence.

# 6 Key Assumptions

## Residential development

- 6.1 We have appraised a series of development typologies, reflecting both the sales values and also size and density of development across the OPDC area. The inputs to the appraisals are based on research into the local housing market, and a desktop review of house prices. We rely on 'hard evidence' such as published average house prices and transactional evidence supplemented by conversations with local agents to arrive at average sales and rental values for the various market types. The average sales values and densities used are set out below:-

Density	300 dph	405dph	600dph
<b>Sales values</b>	£6,996 psm	£6,996 psm	£6,996 psm
	£8,073 psm	£8,073 psm	£8,073 psm
	£9,149 psm	£9,149 psm	£9,149 psm

## Affordable Housing Values

- 6.2 Although relief from CIL is available for the development of affordable housing, the cost of provision (and revenue) to a developer from affordable housing should still be included in a viability assessment as it has an impact on viability.
- 6.3 The affordable housing values have been generated using specialist ProVal software, and are set out in the table below. We have assumed no grant funding in the modelling. They are based on the completed price a registered provider would pay for 'turn-key' completed units; the values naturally vary depending on the private sales values.

Private Sales Values	£6,996 psm	£8,073 psm	£9,149 psm
<b>Affordable Rent Values</b>	£2,530 psm	£2,723 psm	£2,842psm
<b>Shared Ownership Values</b>	£3,175 psm	£3,649 psm	£4,133psm

- 6.4 We have adopted the following four percentage levels of affordable housing in our modelling:-

- 20% affordable housing;
  - 30% affordable housing;
  - 40% affordable housing; and
  - 48% affordable housing, based on housing need identified in the SHMA.
- 6.5 We have assumed a consistent affordable housing mix and tenure split for each percentage of affordable housing; these are discussed further below.

### Affordable Housing Mix and Tenure Split

- 6.6 In liaison with OPDC, we have adopted a 60:40 rented: shared ownership tenure split across the OPDC area.
- 6.7 In respect of dwelling mix, we have adopted 60% 1 and 2 beds and 40% 3 and 4 beds. All units (private and affordable) are assumed to be flats.

### Core Appraisal Assumptions

- 6.8 There are a series of 'market accepted' appraisal assumptions which are commonly included in both residential and commercial appraisals. We have set out the key headings below, together with a description of the assumptions adopted. A full table of assumptions can be found under **Appendix 2**.

### Value Growth

- 6.9 PPG explains that a charging authority must use 'appropriate available evidence' to set its levy. To ensure CIL charges are affordable on adoption, charging authorities should base their proposed charges on current evidence.
- 6.10 We have relied on current values in our assessments, and we would recommend that the charging schedule is reviewed on a regular basis in order to ensure that the CIL rates are based on up to date market data.

### Construction Costs and External Works

- 6.11 We have sourced build costs for the residential schemes from the RICS Building Cost Information Service (BCIS), which is based on tenders for actual schemes. There is currently no data for the OPDC area specifically and as such we have reviewed data for the three respective London Boroughs of Hammersmith & Fulham, Brent and Ealing, and reflected the Greater London index. Given the scale of development we have relied more heavily on the LB Hammersmith and Fulham index, and adopted the Upper Quartile construction costs unless otherwise stated.
- 6.12 Adjustments to the base costs have been made as these are necessary to reflect other factors which are not included in BCIS. In addition to the base construction costs, our appraisals include a contingency of 5% of build costs.
- 6.13 We have assumed that schemes are flatted developments, and adopted the Upper Quartile cost for 'Flats – generally', adjusted for location, which is currently £2,368psm (£220psf). For high density schemes (600dph), we have adopted a higher build cost of £2,583 sm (£240psf).
- 6.14 In addition, based on comparable schemes a 15% allowance for external works has been included for the 300dph density and this figure has also been transposed for the

higher density development to reflect hard and soft landscaping, as well as other external site costs.

- 6.15 For commercial uses, we have adopted build costs based on the BCIS Median index rebased to Greater London.

### Abnormal Costs

- 6.16 We have utilised assumptions set out in previous studies namely the 'OPDC DIFS', to inform site specific infrastructure costs and any abnormal cost allowances such as remediation. We have assumed a hypothetical site area of 1 hectare, prorated where applicable, and included a total cost for remediation, decontamination, and demolition to each site typology tested. This has been assumed in the knowledge that whilst such costs are usually classed as abnormal costs, given that the OPDC area is predominantly previously developed land with some heavy industrial uses, an allowance for such abnormal costs is appropriate for this location.
- 6.17 We have utilised market accepted appraisal inputs for other development costs such as professional fees, marketing costs, developer's profit and finance.

### Mayoral CIL

- 6.18 There are two Mayoral CIL zones within the OPDC area, as follows:-
- Mayoral Zone 1 borough (London Borough of Hammersmith and Fulham) - £50 per square metre
  - Mayoral Zone 2 borough (London Borough of Brent and Ealing) - £35 per square metre
- 6.19 For ease of appraisal modelling, and for prudence, we have adopted the higher rate of £50 per sq metre in all appraisals.

### Threshold Land Value

- 6.20 The Threshold Land Value should represent the value at which a typical landowner is likely to release land for development; often referred to as the minimum price a landowner is prepared to accept for their land. There is no consistent guidance on how the Threshold Land Value should be assessed; and we acknowledge that a number of different approaches are identified in the following documents:

#### Viability Testing Local Plans 'Harman Review' - Local Housing Delivery Group, June 2012

- 6.21 'We recommend that Threshold Land Value is based on premium over current use values and credible alternative use values.'

#### Financial Viability in Planning – RICS Guidance note, 2012

- 6.22 'Site Value should equate to Market Value subject to the following assumptions: that the value has regard to the development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.'

#### Investment and Planning Obligations: Responding to the Downturn – HCA, 2009.

- 6.23 This document defines viability as follows: "a viable development will support a residual land value at level sufficiently above the site's existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner".

### National Planning Policy Framework, para 173

- 6.24 'To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account the normal costs of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.'

### CIL Regulations

- 6.25 The CIL Regulations do not provide specific guidance on how planning authorities should test the viability of their proposed charges.
- 6.26 This study adopts a Residual Land Value approach to be compared against a premium above Existing Use Value ('EUV') as a viability benchmark, which is in accordance with the vast majority, if not all, CIL Examinations to date.
- 6.27 In addition, the Mayor of London's CIL Examination Report states under Para 32 that *"the price paid for development land may be reduced.... A reduction in development land value is an inherent part of the CIL concept... in some instance it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges."*
- 6.28 The vast majority of land identified for development in the OPDC area is either in industrial or commercial use, cleared sites, or community use including open and amenity space. Based on our research reflecting industrial land, we have adopted an EUV of £4,900,000 per hectare and in addition, allowed for a 20% premium over this figure, based on comparable London CIL studies.
- 6.29 For sites or proposed uses which would typically require a smaller site than a single hectare, we have reduced the threshold land value in proportion to the quantum of development (e.g. 5-100% in the case of some of the non-residential uses, in the knowledge that some of these may come forward as part of mixed use schemes.)



# 7 Viability Testing Output

## Residential Outputs

- 7.1 Our residential appraisals are attached at **Appendix 3**. In total, we have modelled 36 residential appraisal variations, reflecting different densities of development, with different characteristics, and utilising key assumptions informed by OPDC and our research, detailed in Section 6.
- 7.2 The residual land values are shown in the table below, followed by the resulting maximum surplus amount (£psm). The appraisals include a proportion of affordable housing (denoted by 'AH'), however they do not include an additional allowance for s106 costs, over and above external works which may sometimes include s106 or s278 items. The maximum surplus illustrated below is therefore provided to assist OPDC in its consideration of its s106 and/or CIL based infrastructure delivery strategy:

### Residual Land Value Outputs (£ GBP)

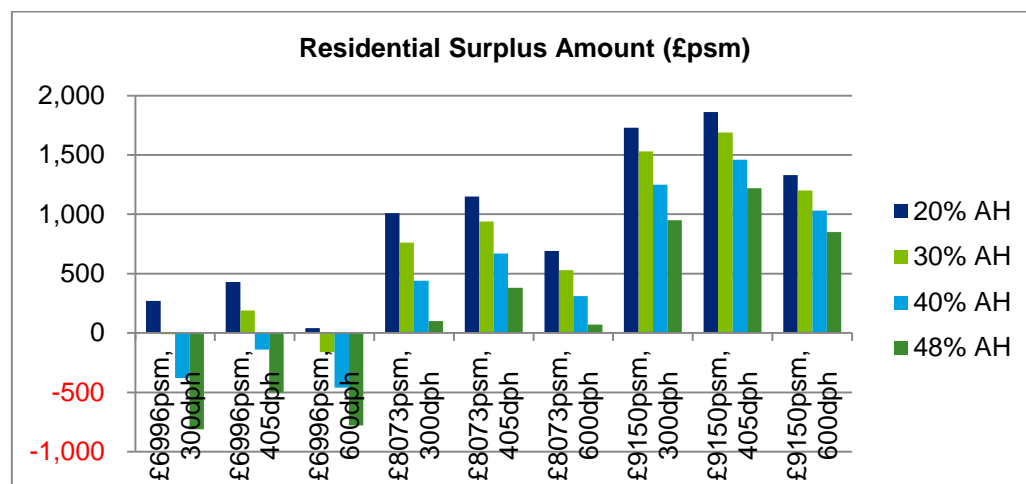
	20% AH	30% AH	40% AH	48% AH
£6996psm, 300dph	10,500,000	5,800,000	1,100,000	-2,900,000
£6996psm, 405dph	15,600,000	9,600,000	3,600,000	-1,400,000
£6996psm, 600dph	7,200,000	1,200,000	-5,500,000	-11,100,000
£8073psm, 300dph	22,700,000	17,100,000	11,500,000	7,000,000
£8073psm, 405dph	31,800,000	24,600,000	17,300,000	11,500,000
£8073psm, 600dph	29,000,000	21,300,000	13,700,000	7,500,000
£9150psm, 300dph	34,900,000	28,300,000	21,600,000	16,300,000
£9150psm, 405dph	47,900,000	39,300,000	30,700,000	23,800,000
£9150psm, 600dph	50,500,000	41,100,000	31,800,000	24,300,000

### Surplus Amount (£psm) - Total Private Area

	20% AH	30% AH	40% AH	48% AH
£6996psm, 300dph	270	-10	-380	-810
£6996psm, 405dph	430	190	-140	-500
£6996psm, 600dph	40	-160	-460	-780
£8073psm, 300dph	1,010	760	440	100
£8073psm, 405dph	1,150	940	670	380
£8073psm, 600dph	690	530	310	70
£9150psm, 300dph	1,730	1,530	1,250	950
£9150psm, 405dph	1,860	1,690	1,460	1,220
£9150psm, 600dph	1,330	1,200	1,030	850

- 7.3 The Threshold Land Value has been deducted from the Residual Land Value in every scenario and this results in a surplus or deficit amount, which is then divided by the total private accommodation in order to determine the surplus on a per sq m basis.

7.4 In addition, we have demonstrated the surplus amounts in the following bar chart.

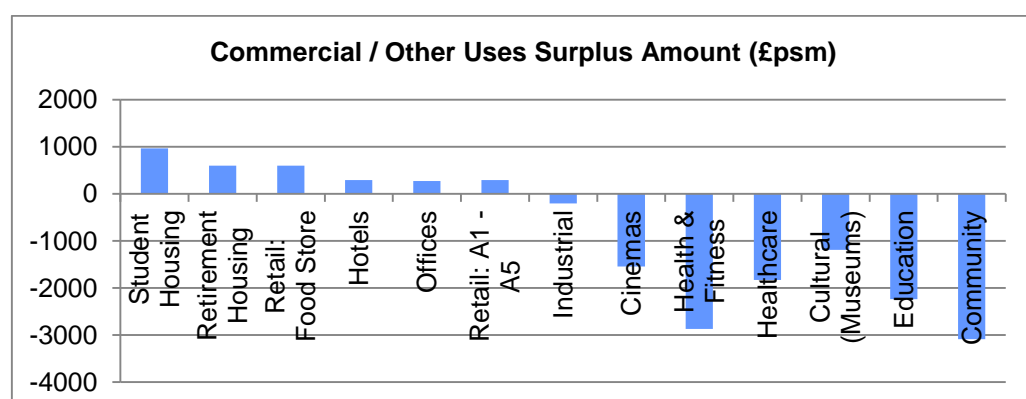


7.5 From the bar chart and correlating data, it is apparent that the residual land values and therefore surplus amount is highest utilising the highest price point at £9,150psm. Within each sales value grouping, the highest density scenario of 600 dph lags slightly behind the 300dph and 405dph outputs. This is because a higher construction cost has been assumed for this density which OPDC advise us from massing studies is 20 or more storeys in height. Naturally, the viability of this type of development is more challenging at the lower price points. However, it is important to assume that all commercial developers or housebuilders will only consider construction at increased costs and / or higher densities to seek to maximise value, therefore one can assume that a developer would only embark on a scheme with higher construction costs if it were apparent that profit can be generated through increased sales values.

7.6 OPDC's affordable housing policy is currently under preparation and therefore our assessment of viability covers various affordable housing levels: 20%, 30%, 40%, together with 48% which reflects the affordable housing need identified in the SHMA. In the following section, we discuss how these outputs may be interpreted into the suggested preliminary draft charging schedule rates.

## Commercial / Other Uses

7.7 The full outputs from our non-residential appraisals are attached at **Appendix 3**. Our research on rents and yields achieved on commercial and non-residential lettings indicated a range of rents within each main use class. We have adopted a core set of assumptions for each use and the bar chart below sets out the outputs of this work (maximum surplus £psm) in a graphical format:



- 7.8 As can be seen by the bar chart above, the most viable uses are: Student Housing, Retirement Housing, Retail foodstores, Hotels, Offices, and A1-A5 retail. We have set out below the maximum surplus amounts (£psm) for each of these uses:

	Student Housing	Retirement Housing	Hotel	Office	Retail: Foodstore	Retail: A1 - A5
<b>Land Take (% 1ha)</b>	50%	100%	10%	100%	7.5%	5%
<b>Surplus Amount (£psm)</b>	972	633	292	271	598	297

- 7.9 The output results for industrial, cinemas, health & fitness, healthcare, museums, education, community and sports stadium is a deficit in each case, suggesting that these uses are unviable without further subsidy or an improvement in market conditions. On this basis, we recommend a “Nil Rate” is applied to these uses.

### Viability Cushion

- 7.10 It is important in this section to touch on the matter of a ‘viability cushion’. The Harman Review acknowledges that viability testing is not an exact science and that the assessments are carried out at a particular point in time and are therefore limited by the data and information available at the time.

- 7.11 The review also acknowledges the limitations of viability testing, in particular:

*“A plan-wide test will only ever provide evidence of policies being ‘broadly viable’. The assumptions that need to be made in order to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level.”*

The report goes on to say, *“This is one reason why our advice advocates a ‘viability cushion’ to manage these risks”*.

- 7.12 The viability cushion is described under the section on Threshold Land Value in the Harman Review which says that in setting out a TLV and to guard against assuming that land will come forward at the margins of viability, planning authorities should consider incorporating an appropriate viability cushion.
- 7.13 In the analysis of the maximum surplus available, it is important to ensure that there is a viability cushion or viability buffer between the suggested CIL rates and the maximum surplus amount. The level of viability buffer adopted in this study assumes a relatively tightly focussed Regulation 123 List.
- 7.14 In addition, it is helpful to set out below the other allowances that have been included in this study:-

- Developer's Contingency (5%)
- Landowner Premium (20%)
- Affordable Housing Target (20%, 30%, 40% and 48%)
- External Works (10 – 15%) and Other Cost Allowances
- Developer's Profit – (20% on all Costs) - i.e. 20% of all costs includes the cost of land, therefore there is an additional 20% allowance over the RLV.
- CIL applicable to Net Additional Floorspace – i.e. the proposed CIL rates have been calculated assuming all new development is liable for CIL. In reality, all existing, occupied accommodation is likely to be used to off-set the total CIL liability.

7.15 The approach we have adopted is therefore a prudent one in that it accommodates several layers of contingencies, buffers and cost allowances to ensure that development is not stifled.

### Comparison with Local Boroughs

7.16 The final analysis we have undertaken in arriving at the proposed CIL rates, is by way of comparison to the underlying local boroughs.

7.17 The three local boroughs in this area are the London Borough of Hammersmith and Fulham, the London Borough of Brent and the London Borough of Ealing. Both Hammersmith and Fulham and Brent have now adopted their CIL charging schedules. It should be noted that all charging schedules are subject to indexation; the indexed levies are set out further in Section 8.

7.18 The residential CIL rates for all three boroughs are set out in Table A below, together with the corresponding sales values. The sales values are sourced from the supporting viability reports produced in 2014, 2012, and 2013, for each of the boroughs respectively.

Table A	London Borough of Hammersmith & Fulham		London Borough of Brent	London Borough of Ealing
Sales Values	North	£5985 psm	£3767 – £6996 psm	Central Ealing £6943 psm
	Central	£8073 psm		
	South	£11377 psm		
Affordable Housing	40%		50%	50%
Residential CIL	North	£100 psm	£200 psm	Central Ealing
	Central	£200 psm		£100 psm
	South	£400 psm		Elsewhere

7.19 The non-residential CIL rates for all three boroughs are set out in Tables B and C below, for comparison.

Table B	London Borough of Hammersmith and Fulham				
	North	Central A	Central B	South	Earls Court/ West Kensington/ White City
Office	Nil	£80	Nil	Nil	Nil
Retail	Nil				
Student Housing	£80				Nil
Retirement housing	Nil				
Hotels	Nil / £80 (Hotels / Hostels)				Nil
Health & fitness	£80				Nil
Cultural (Museums)	Nil				
Industrial	Nil				
Education	Nil				
Health	Nil				
Community	Nil				
Sport Stadia	Nil				
Table C	London Borough of Brent		London Borough of Ealing		
Office	£40		Nil		
Retail	£40 A1-A5		£100 (Warehouse, Parks, Superstores and supermarkets) / £30 (All other retail)		
Student Housing	£200		£100		
Retirement housing	£200		£100		
Hotels	£100 / £200 (Hotels / Hostels)		£100		
Health & fitness and Cinemas	£5		Nil		
Cultural (Museums)	Nil		Nil		
Industrial	Nil		Nil		
Education	Nil		Nil		
Health	Nil		Nil		
Community	£5		Nil		
Sport Stadia	£5		Nil		

## Interpreting the Results

- 7.20 This section should be read in conjunction with the full results attached at **Appendix 3**. In all results, the residual land values are calculated for scenarios with sales values and capital values reflective of market conditions across the OPDC area. These RLVs are then compared against appropriate threshold land values.
- 7.21 The CIL Regulations state that in setting a charge, charging authorities “must strike an appropriate balance” between maximising revenue for delivery of infrastructure, and the potentially adverse impact of CIL upon the viability of development across the entire area.
- 7.22 PPG states the examiner should be satisfied that “evidence has been provided that shows the proposed rate or rates would not threaten delivery of the relevant Plan as a whole.” We take this to mean that whilst the proposed CIL rate(s) may render some schemes unviable, the key test is for the majority of development to be able to support the proposed rate(s).
- 7.23 The results of our viability work have provided some key themes and suggestions for OPDC which we list below:-
- OPDC to consider applying a single CIL rate across the area for each use identified with a viability surplus. Given that the OPDC area is a largely untested market location, with significant infrastructure requirements, it is likely that a range of values will come forward in this location, however over time, particular hot spots may begin to emerge within the boundary and it may be appropriate for a future CIL charging schedule to take a ‘zoned’ approach, but only once that evidence is more prevalent.
  - OPDC should take a balanced approach to viability, taking into account a number of considerations including s106 and affordable housing. Our suggested CIL rates are provided with this in mind.
  - Markets are cyclical and subject to change over short periods of time and may even change between the date of this report and adoption of CIL. As such it will be important to continue to monitor market trends, and applications submitted.
  - OPDC should take an area-based view of viability. There will always be variations in viability between individual sites, but viability testing should test typical viability positions, not exceptional situations. As such we would suggest that CIL rates are not set at the maximum available surplus amounts.
  - Finally, together with the outputs of the viability results, OPDC should have regard to the local borough’s CIL rates. In the context of encouraging developers to kick start development and investment in this untested area, there would be risks in proposing substantially higher CIL rates in comparison to local boroughs.

# 8 Conclusion

- 8.1 The results of our analysis indicate a degree of variation in viability of development in terms of different uses. We have collated all results into this section, together with a 'market-check' assessment against neighbouring boroughs.

The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1), as amended by the 2014 Regulations), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area. PPG ID 25-009-20140612

- 8.2 We have previously referred to the results of the viability testing as being highly dependent upon the inputs, which will vary significantly between different developments. Given CIL's nature as a fixed levy, it is important that OPDC selects rates that are not at the limits of viability.
- 8.3 We have set out below our suggested CIL rates, allowing for a significant buffer below the relevant surplus amount based on our viability testing. As mentioned in the previous section, OPDC should also have regard to the local boroughs' CIL rates and these are tabled below for reference.

Use	Surplus Amount	Maximum Rate of Local Boroughs (+ Indexation)*		Suggested CIL Rate
Residential**	£670	£200	£252	£250
Office	£271	£80	£87	£70
Retail A1 – A5	£297	£40	£50	£50
Retail Foodstore	£598	£100	£126	£125
Student Housing	£972	£200	£252	£250
Retirement Housing	£633	£200	£252	£160
Hotels	£292	£100	£126	£80
All Other Uses	Nil	Nil	Nil	Nil

\*indexation is as defined in Regulation 40 and for these purposes, assumed to be indexed from date of adoption of LB Brent and LB Hammersmith and Fulham CIL Charging Schedules

\*\*assuming £8073psm at 40% affordable housing



- 8.4 The suggested CIL rate is a rounded figure which is significantly less than the relevant surplus amount. In respect of the residential rate, whilst the table above demonstrates the surplus based on £8,073psm sales value and a mid-level density, we have retested the £250psm proposed CIL charge against all 36 appraisals tested, and can confirm that the majority of sites tested are able to absorb a CIL rate of £250psm.
- 8.5 We suggest that the Retail Foodstore CIL Rate is denoted by an asterisk in the charging schedule to ensure that it reflects foodstores where weekly shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit. We have assumed a gross area of 600 sq m in our testing and would suggest that a similar approach to London Borough of Ealing is adopted where a threshold of greater than 280 sq m is applied.
- 8.6 We suggest that the Retirement Housing CIL Rate is denoted by an asterisk in the charging schedule to ensure that it is reflective of private accommodation but with a user restriction by age (e.g. 55+ only). This is a specific product which we have tested to be viable, but is plainly a different product and proposition to social care retirement housing where other services and / or support is provided to tenants and owners.
- 8.7 The results of this study are reflective of current market conditions, which are subject to change. It is therefore important that OPDC keeps the viability situation under review so that level of CIL can be adjusted to reflect any future changes.
- 8.8 Whilst there is no requirement for a charging authority to commit to a formal timescale for reviewing its CIL charging schedule, we suggest that OPDC continues to monitor any changes in the market on a regular basis. The suggested rates allow a margin for movements in key variables, but if there are substantial movements in costs and values, a formal review of the CIL rates may well be required.
- 8.9 OPDC may also wish to consider developing an instalments policy which makes provision for distributing CIL payments over the development period of a scheme. This would help to minimise the cashflow impact of CIL in comparison to upfront payment.

# Appendix 1 – Sources of Information

- RICS Building Cost Information Service
- OPDC's Draft Local Plan, January 2016
- Planning Practice Guidance
- National Planning Policy Framework
- Community Infrastructure Levy Regulations 2010, as amended 2011, 2013, 2014 and 2015
- Harman Review, Viability Testing Local Plans, Advice for planning practitioners, Local Housing Delivery Group, June 2012
- UK Property Handbook 2016, Deloitte publication, March 2016
- Old Oak and Park Royal Opportunity Area Planning Framework
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- Financial Viability in Planning, RICS Guidance note, 2012
- Investment and Planning Obligations: Responding to the Downturn, HCA, 2009
- Molior London Ltd
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- London Borough of Hammersmith and Fulham CIL Charging Schedule, adopted 1 September 2015
- London Borough of Brent CIL Charging Schedule, adopted 1 July 2013
- London Borough of Ealing CIL Draft Charging Schedule, March 2015

# Appendix 2 – Key Assumptions Tables

## Residential

Input	Assumption		
Average Size Flat (NIA)	69.3 sq m (750 sq ft)		
GIA to NIA	80%		
Ground Rent Per Unit (pa)	£300		
Private Residential Build Cost (300 and 405 dph)	£2,368psm (£220psf)		
Private Residential Build Cost (600 dph)	£2,583psm (£240psf)		
Affordable Residential Build Cost	£2,260psm (£210psf)		
Remediation/ Decontamination (per ha)	£380,000		
Demolition (per ha)	£900,000		
Landscaping/ Externals	15%		
Contingency	5%		
Professional Fees	7 - 12%		
Town Planning	£48,000 (300 dwellings) £60,000 (405 dwellings) £82,000 (600 dwellings)		
Survey	£50,000		
Developers profit (on GDV)	17.50%		
Marketing Costs (of Private Sales GDV)	2%		
Purchasers Costs	5.8%		
Sales Agent's Fees	1%		
Finance Costs	6.5%		
Car parking	0.2 spaces per unit, £25,000 per space cost		
Mayoral CIL	£50psm		
Private Off plan Sales	35%		
Sales Per month	15		
Timing Assumptions	<b>300</b>	<b>405</b>	<b>600</b>
Pre-construction period	6	6	6
Construction Period	24	28	36

## Commercial / Other Uses

Input	Assumptions				
	Office (High)	Office (Low)	Industrial	Retail (A1-A5)	Retail (Foodstore)
Site Area (Sqm)	10,000	10,000	10,000	500	750
Gross Area (Sqm)	120,000	24,000	6,000	400	600
GIA – NIA (%)	85	85	100	85	85
Net Internal Area (Sqm)	102,000	20,400	6,000	340	510
Existing Building Gross Area (Sqm)	12,000	12,000	12,000	600	900
Rent (£psm)	323	269	161	269	237
Yield (%)	6	6	5.75	5.5	4.75
Rent Free Period (months)	12	12	12	12	12
Build Cost (£psm)	2,212	1,500	616	1,085	860
Remediation/ Decontamination	380,000	380,000	380,000	19,000	28,500
Demolition	904,168	904,168	904,168	45,208	67,813
Landscaping/ Externals (%)	5	10	10	10	10
Contingency (%)	5	5	5	5	5
Professional Fees (%)	12	12	12	12	12
Town Planning (£)	50,000	50,000	50,000	50,000	50,000
Survey (£)	50,000	50,000	50,000	10,000	10,000
Developers Profit (on cost)	20	20	20	20	20
Purchasers Costs (%)	5.8	5.8	5.8	5.8	5.8
Finance Costs (%)	6.5	6.5	6.5	6.5	6.5
Letting Fees (%)	15	15	15	15	15
Legal Fees (%)	5	5	5	5	5
Mayoral CIL (£psm)	50	50	50	50	50
Timing assumptions: Pre construction Period	6	6	6	6	6
Timing assumptions: Construction Period	36	18	12	12	18

## Commercial / Other Uses

Input	Assumptions				
	Cinemas	Fitness Suites	Healthcare	Student Housing	Hotel
Site Area (Sqm)	1,000	1,000	500	5,000	1,000
Gross Area (Sqm)	1,600	800	400	13,929	5,000
GIA – NIA (%)	95	85	85	70	80
Net Internal Area (Sqm)	1,520	680	340	9,750	4,000
Existing Building Gross Area (Sqm)	1,200	1,200	600	6,000	2,400
Rent (£psm)	108	129	215	-	323
Yield (%)	6.5	6.5	6.75	5.6	6.0
Rent Free Period (months)	12	12	0	0	0
Build Cost (£psm)	1,624	2,337	2,139	2,961	1,971
Remediation/ Decontamination	38,000	38,000	19,000	190,000	38,000
Demolition	90,417	90,417	45,208	452,084	90,417
Landscaping/ Externals (%)	10	10	10	10	10
Contingency (%)	5	5	5	5	5
Professional Fees (%)	12	12	12	12	12
Town Planning (£)	50,000	50,000	50,000	50,000	50,000
Survey (£)	50,000	50,000	10,000	50,000	50,000
Developers Profit (on cost)	20	20	20	20	20
Purchasers Costs (%)	5.8	5.8	5.8	1.8	5.8
Finance Costs (%)	6.5	6.5	6.5	6.5	6.5
Letting Fees (%)	15	15	15	0	15
Legal Fees (%)	5	5	5	0	5
Mayoral CIL (£psm)	50	50	50	50	50
Timing assumptions: Pre construction Period	6	6	6	6	6
Timing assumptions: Construction Period	24	18	18	24	24

## Commercial / Other Uses

Input	Assumptions		
	Museums	Education	Community
Site Area (Sqm)	2,000	5,000	500
Gross Area (Sqm)	4,800	16,000	400
GIA – NIA (%)	70	85	85
Net Internal Area (Sqm)	3,360	13,600	340
Existing Building Gross Area (Sqm)	2,400	6,000	600
Rent (£psm)	129.20	129.90	129.90
Yield (%)	7	9	9
Rent Free Period (months)	12	12	12
Build Cost (£psm)	1,325	2,194	2,220
Remediation/ Decontamination	76,000	190,000	19,000
Demolition	180,834	452,084	45,208
Landscaping/ Externals (%)	10	10	10
Contingency (%)	5	5	5
Professional Fees (%)	12	12	12
Planning Fee (£)	50,000	50,000	50,000
Survey (£)	50,000	50,000	10,000
Developers Profit (on cost)	20	20	20
Purchasers Costs (%)	5.8	5.8	5.8
Finance Costs (%)	6.5	6.5	6.5
Letting Fees (%)	15	15	15
Legal Fees (%)	5	5	5
Mayoral CIL (£psm)	50	50	50
Timing assumptions: Pre construction Period	6	6	6
Timing assumptions: Construction Period	36	24	18

# Appendix 3 – Argus Appraisals



## OPDC Viability Assessment 300 Dwellings/Hectare (£6,996.54, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	16,722.55	6,996.54	116,999,990	116,999,990
Affordable Rent	1	2,508.38	2,529.52	6,344,997	6,344,997
Shared Ownership	1	1,672.25	3,175.35	5,309,979	5,309,979
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>130,154,966</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

**131,594,966**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

**131,511,446**

#### NET REALISATION

**131,511,446**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			10,451,119	
Stamp Duty			418,045	
Agent Fee	1.00%		104,511	
Legal Fee	0.50%		52,256	
Town Planning			48,000	
Survey			50,000	
				11,123,930

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	25,000	1,500,000
	m²	Rate m²	Cost
Private	20,903.18 m²	2,368.06 pm²	49,499,984
Affordable Rent	3,135.48 m²	2,260.42 pm²	7,087,502
Shared Ownership	2,090.32 m²	2,260.42 pm²	4,725,001
<b>Totals</b>	<b>26,128.98 m²</b>		<b>61,312,487</b>
			<b>62,812,487</b>
Externals		15.00%	9,421,873
Developers Contingency		5.00%	3,140,624
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	26,128.98 m²	50.05 pm²	1,307,755
			15,150,253

#### PROFESSIONAL FEES

Professional Fees	12.00%	7,537,498	7,537,498
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#### MARKETING & LETTING

Marketing	2.00%	2,340,000	2,340,000
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,170,000	
Sales Legal Fee	0.50%	643,275	
			1,813,275

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		1,857,192	
Construction		4,589,004	
Other		1,258,632	
Total Finance Cost			7,704,828

#### TOTAL COSTS

**108,482,271**

#### PROFIT

**23,029,175**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	21.33%
Rent Cover	319 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# OPDC Viability Assessment

## 405 Dwellings/Hectare (£6,996.54, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private	1	22,575.44	6,996.54	157,949,969	157,949,969
Affordable Rent	1	3,386.32	2,529.52	8,565,764	8,565,764
Shared Ownership	1	2,257.54	3,175.35	7,168,480	7,168,480
Car parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>175,709,213</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

#### GROSS DEVELOPMENT VALUE

**177,653,213**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**177,540,461**

#### NET REALISATION

**177,540,461**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			15,644,941
Stamp Duty			625,798
Agent Fee	1.00%		156,449
Legal Fee	0.50%		78,225
Town Planning			60,000
Survey			50,000
			16,615,413

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	81 un	0	0
Car parking (Parking Spaces)	81.00	25,000.00	2,025,000
	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Private	28,219.30 m <sup>2</sup>	2,368.06 pm <sup>2</sup>	66,824,996
Affordable Rent	4,232.89 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	9,568,109
Shared Ownership	2,821.93 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	6,378,747
<b>Totals</b>	<b>35,274.12 m<sup>2</sup></b>		<b>82,771,852</b>
Externals			9,421,875
Developers Contingency		5.00%	4,239,843
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	35,274.12 m <sup>2</sup>	50.05 pm <sup>2</sup>	1,765,470
			16,707,187

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,175,622	10,175,622
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##### MARKETING & LETTING

Marketing	2.00%	3,158,999	3,158,999
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,579,500	
Sales Legal Fee	0.50%	868,421	
			2,447,921

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		3,200,489	
Construction		7,028,920	
Other		2,319,651	
Total Finance Cost			12,549,060

#### TOTAL COSTS

**146,451,054**

#### PROFIT

**31,089,407**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	18.39%
Rent Cover	319 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 600 Dwellings/Hectare (£6,996.54, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	33,445.09	6,996.54	233,999,910	233,999,910
Affordable Rent	1	5,016.76	2,529.52	12,689,995	12,689,995
Shared Ownership	1	3,344.51	3,175.35	10,619,990	10,619,990
Car parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.36</b>			<b>260,309,895</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	144,000	YP @	5.0000%	20.0000
				2,880,000

#### GROSS DEVELOPMENT VALUE

**263,189,895**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**263,022,855**

#### NET REALISATION

**263,022,855**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			7,208,589	
Stamp Duty			288,344	
Agent Fee	1.00%		72,086	
Legal Fee	0.50%		36,043	
Town Planning			82,000	
Survey			50,000	
				7,737,062

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car parking	120 un	25,000	3,000,000	
	m²	Rate m²	Cost	
Private	41,806.37 m²	2,583.34 pm²	108,000,068	
Affordable Rent	6,270.96 m²	2,260.42 pm²	14,175,003	
Shared Ownership	4,180.64 m²	2,260.42 pm²	9,450,002	
<b>Totals</b>	<b>52,257.97 m²</b>		<b>131,625,074</b>	<b>134,625,074</b>
Externals			9,421,875	
Developers Contingency		5.00%	6,731,254	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	52,257.97 m²	50.05 pm²	2,615,511	
				20,048,640

##### PROFESSIONAL FEES

Professional Fees	12.00%	16,155,009	16,155,009
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##### MARKETING & LETTING

Marketing	2.00%	4,679,998	4,679,998
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	2,339,999	
Sales Legal Fee	0.50%	1,286,549	
			3,626,549

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		1,871,218	
Construction		14,147,586	
Other		14,073,531	
Total Finance Cost			30,092,335

#### TOTAL COSTS

**216,964,666**

#### PROFIT

**46,058,188**

##### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	3.92%
Rent Cover	319 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£8,073, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	22,575.44	8,072.93	182,249,947	182,249,947
Affordable Rent	1	3,386.32	2,723.27	9,221,864	9,221,864
Shared Ownership	1	2,257.54	3,648.97	8,237,696	8,237,696
Car Parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>201,734,506</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

#### GROSS DEVELOPMENT VALUE

**203,678,506**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**203,565,754**

#### NET REALISATION

**203,565,754**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			31,833,951	
Stamp Duty			1,273,358	
Agent Fee	1.00%		318,340	
Legal Fee	0.50%		159,170	
Town Planning			60,000	
Survey			50,000	
				33,694,818

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	81 un	0	0	
Car Parking (Parking Spaces)	81.00	25,000.00	2,025,000	
	m²	Rate m²	Cost	
Private	28,219.30 m²	2,368.06 pm²	66,824,996	
Affordable Rent	4,232.89 m²	2,260.42 pm²	9,568,109	
Shared Ownership	2,821.93 m²	2,260.42 pm²	6,378,747	
<b>Totals</b>	<b>35,274.12 m²</b>		<b>82,771,852</b>	<b>84,796,852</b>
Externals			9,421,875	
Developers Contingency		5.00%	4,239,843	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	35,274.12 m²	50.05 pm²	1,765,470	
				16,707,187

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,175,622	10,175,622
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##### MARKETING & LETTING

Marketing	2.00%	3,644,999	3,644,999
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,822,499	
Sales Legal Fee	0.50%	998,548	
			2,821,047

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		6,514,775	
Construction		6,888,319	
Other		2,678,305	
Total Finance Cost			16,081,399

#### TOTAL COSTS

**167,921,924**

#### PROFIT

**35,643,830**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	17.18%
Rent Cover	366 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£8,073, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	16,722.55	8,072.93	134,999,976	134,999,976
Affordable Rent	1	2,508.38	2,723.27	6,830,996	6,830,996
Shared Ownership	1	1,672.25	3,648.97	6,101,990	6,101,990
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>149,432,962</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

**150,872,962**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

**150,789,442**

#### NET REALISATION

**150,789,442**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			22,749,023	
Stamp Duty			909,961	
Agent Fee	1.00%		227,490	
Legal Fee	0.50%		113,745	
Town Planning			48,000	
Survey			50,000	
				24,098,219

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	60 un	25,000	1,500,000	
	m²	Rate m²	Cost	
Private	20,903.18 m²	2,368.06 pm²	49,499,984	
Affordable Rent	3,135.48 m²	2,260.42 pm²	7,087,502	
Shared Ownership	2,090.32 m²	2,260.42 pm²	4,725,001	
<b>Totals</b>	<b>26,128.98 m²</b>		<b>61,312,487</b>	<b>62,812,487</b>
Externals		15.00%	9,421,873	
Developers Contingency		5.00%	3,140,624	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	26,128.98 m²	50.05 pm²	1,307,755	15,150,253

#### PROFESSIONAL FEES

Professional Fees	12.00%	7,537,498	7,537,498
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#### MARKETING & LETTING

Marketing	2.00%	2,700,000	2,700,000
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,350,000	
Sales Legal Fee	0.50%	739,665	2,089,665

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		4,044,987	
Construction		4,499,983	
Other		1,453,528	
Total Finance Cost			9,998,498

#### TOTAL COSTS

**124,386,620**

#### PROFIT

**26,402,822**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	19.65%
Rent Cover	366 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 600 Dwellings/Hectare (£8,073, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	33,445.09	8,072.93	269,999,870	269,999,870
Affordable Rent	1	5,016.76	2,723.27	13,661,992	13,661,992
Shared Ownership	1	3,344.51	3,648.97	12,204,017	12,204,017
Car parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.36</b>			<b>298,865,879</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

#### GROSS DEVELOPMENT VALUE

**301,745,879**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**301,578,839**

#### NET REALISATION

**301,578,839**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			28,974,745	
Stamp Duty			1,158,990	
Agent Fee	1.00%		289,747	
Legal Fee	0.50%		144,874	
Town Planning			82,000	
Survey			50,000	
				30,700,356

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car parking	120 un	0	0	
Car parking (Parking Spaces)	120.00	25,000.00	3,000,000	
	m²	Rate m²	Cost	
Private	41,806.37 m²	2,583.34 pm²	108,000,068	
Affordable Rent	6,270.96 m²	2,260.42 pm²	14,175,003	
Shared Ownership	4,180.64 m²	2,260.42 pm²	9,450,002	
<b>Totals</b>	<b>52,257.97 m²</b>		<b>131,625,074</b>	<b>134,625,074</b>
Externals			9,421,875	
Developers Contingency		5.00%	6,731,254	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	52,257.97 m²	50.05 pm²	2,615,511	20,048,640

#### PROFESSIONAL FEES

Professional Fees	12.00%	16,155,009	16,155,009
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#### MARKETING & LETTING

Marketing	2.00%	5,399,997	5,399,997
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	2,699,999	
Sales Legal Fee	0.50%	1,479,329	4,179,328

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		7,530,850	
Construction		13,877,740	
Other		16,256,367	
Total Finance Cost			37,664,958

#### TOTAL COSTS

**248,773,362**

#### PROFIT

**52,805,477**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	4.10%
Rent Cover	366 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£9,149, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	16,722.55	9,149.32	152,999,961	152,999,961
Affordable Rent	1	2,508.38	2,841.67	7,127,988	7,127,988
Shared Ownership	1	1,672.25	4,133.34	6,911,978	6,911,978
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>168,539,927</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

**169,979,927**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

**169,896,407**

#### NET REALISATION

**169,896,407**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			34,922,355
Stamp Duty			1,396,894
Agent Fee	1.00%		349,224
Legal Fee	0.50%		174,612
Town Planning			48,000
Survey			50,000
			36,941,085

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	0	0
Car Parking (Parking Spaces)	60.00	25,000.00	1,500,000
	m²	Rate m²	Cost
Private	20,903.18 m²	2,368.06 pm²	49,499,984
Affordable Rent	3,135.48 m²	2,260.42 pm²	7,087,502
Shared Ownership	2,090.32 m²	2,260.42 pm²	4,725,001
<b>Totals</b>	<b>26,128.98 m²</b>		<b>61,312,487</b>
Externals		15.00%	9,421,873
Developers Contingency		5.00%	3,140,624
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	26,128.98 m²	50.05 pm²	1,307,755
			15,150,253

#### PROFESSIONAL FEES

Professional Fees	12.00%	7,537,498	7,537,498
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#### MARKETING & LETTING

Marketing	2.00%	3,059,999	3,059,999
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,530,000	
Sales Legal Fee	0.50%	835,200	
			2,365,199

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		6,210,661	
Construction		4,422,875	
Other		1,649,839	
Total Finance Cost			12,283,375

#### TOTAL COSTS

**140,149,897**

#### PROFIT

**29,746,510**

#### Performance Measures

Profit on Cost%	21.22%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.05%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	18.62%
Rent Cover	413 yrs 2 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£9,149, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	22,575.44	9,149.32	206,549,925	206,549,925
Affordable Rent	1	3,386.32	2,841.67	9,622,804	9,622,804
Shared Ownership	1	2,257.54	4,133.34	9,331,180	9,331,180
Car Parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>227,528,909</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

#### GROSS DEVELOPMENT VALUE

**229,472,909**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**229,360,157**

#### NET REALISATION

**229,360,157**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			47,855,720	
Stamp Duty			1,914,229	
Agent Fee	1.00%		478,557	
Legal Fee	0.50%		239,279	
Town Planning			60,000	
Survey			50,000	
				50,597,784

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	81 un	0	0	
Car Parking (Parking Spaces)	81.00	25,000.00	2,025,000	
	m²	Rate m²	Cost	
Private	28,219.30 m²	2,368.06 pm²	66,824,996	
Affordable Rent	4,232.89 m²	2,260.42 pm²	9,568,109	
Shared Ownership	2,821.93 m²	2,260.42 pm²	6,378,747	
<b>Totals</b>	<b>35,274.12 m²</b>		<b>82,771,852</b>	<b>84,796,852</b>
Externals			9,421,875	
Developers Contingency		5.00%	4,239,843	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	35,274.12 m²	50.05 pm²	1,765,470	
				16,707,187

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,175,622	10,175,622
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##### MARKETING & LETTING

Marketing	2.00%	4,130,998	4,130,998
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	2,065,499	
Sales Legal Fee	0.50%	1,127,520	
			3,193,019

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		9,794,869	
Construction		6,766,534	
Other		3,039,485	
Total Finance Cost			19,600,888

#### TOTAL COSTS

**189,202,351**

#### PROFIT

**40,157,806**

#### Performance Measures

Profit on Cost%	21.22%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.05%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	16.42%
Rent Cover	413 yrs 2 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths



# OPDC Viability Assessment

## 600 Dwellings/Hectare (£9,149, 20% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	33,445.09	9,149.32	305,999,831	305,999,831
Affordable Rent	1	5,016.76	2,841.67	14,255,976	14,255,976
Shared Ownership	1	3,344.51	4,133.34	13,823,997	13,823,997
Car Parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.36</b>			<b>337,079,804</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

#### GROSS DEVELOPMENT VALUE

**339,959,804**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**339,792,764**

#### NET REALISATION

**339,792,764**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			50,493,785	
Stamp Duty			2,019,751	
Agent Fee	1.00%		504,938	
Legal Fee	0.50%		252,469	
Town Planning			82,000	
Survey			50,000	
				53,402,943

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	120 un	0	0	
Car Parking (Parking Spaces)	120.00	25,000.00	3,000,000	
	m²	Rate m²	Cost	
Private	41,806.37 m²	2,583.34 pm²	108,000,068	
Affordable Rent	6,270.96 m²	2,260.42 pm²	14,175,003	
Shared Ownership	4,180.64 m²	2,260.42 pm²	9,450,002	
<b>Totals</b>	<b>52,257.97 m²</b>		<b>131,625,074</b>	<b>134,625,074</b>
Externals			9,421,875	
Developers Contingency		5.00%	6,731,254	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	52,257.97 m²	50.05 pm²	2,615,511	20,048,640

#### PROFESSIONAL FEES

Professional Fees	12.00%	16,155,009	16,155,009
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#### MARKETING & LETTING

Marketing	2.00%	6,119,997	6,119,997
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	3,059,998	
Sales Legal Fee	0.50%	1,670,399	4,730,397

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		13,126,284	
Construction		13,644,007	
Other		18,447,574	
Total Finance Cost			45,217,865

#### TOTAL COSTS

**280,299,924**

#### PROFIT

**59,492,840**

#### Performance Measures

Profit on Cost%	21.22%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.05%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	4.21%
Rent Cover	413 yrs 2 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£6,996.54, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	14,632.23	6,996.54	102,374,982	102,374,982
Affordable Rent	1	3,762.57	2,529.52	9,517,496	9,517,496
Shared Ownership	1	2,508.38	3,175.35	7,964,984	7,964,984
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>121,357,463</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

**122,797,463**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

**122,713,943**

#### NET REALISATION

**122,713,943**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			5,780,205	
Stamp Duty			231,208	
Agent Fee	1.00%		57,802	
Legal Fee	0.50%		28,901	
Town Planning			48,000	
Survey			50,000	
				6,196,117

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	60 un	25,000	1,500,000	
	m²	Rate m²	Cost	
Private	18,290.29 m²	2,368.06 pm²	43,312,504	
Affordable Rent	4,703.22 m²	2,260.42 pm²	10,631,253	
Shared Ownership	3,135.48 m²	2,260.42 pm²	7,087,502	
<b>Totals</b>	<b>26,128.99 m²</b>		<b>61,031,258</b>	<b>62,531,258</b>
Externals		15.00%	9,379,689	
Developers Contingency		5.00%	3,126,563	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	26,128.99 m²	50.05 pm²	1,307,756	15,094,008

##### PROFESSIONAL FEES

Professional Fees	12.00%	7,503,751	7,503,751
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##### MARKETING & LETTING

Marketing	2.00%	2,047,500	2,047,500
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,023,750	
Sales Legal Fee	0.50%	599,287	1,623,037

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		1,024,643	
Construction		4,160,497	
Other		1,043,558	
Total Finance Cost			6,228,698

#### TOTAL COSTS

**101,224,368**

#### PROFIT

**21,489,575**

##### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	23.31%
Rent Cover	298 yrs 6 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£6,996.54, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private	1	19,753.51	6,996.54	138,206,223	138,206,223
Affordable Rent	1	5,079.47	2,529.52	12,848,621	12,848,621
Shared Ownership	1	3,386.32	3,175.35	10,752,751	10,752,751
Car parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>163,832,595</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

#### GROSS DEVELOPMENT VALUE

**165,776,595**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**165,663,843**

#### NET REALISATION

**165,663,843**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			9,620,277	
Stamp Duty			384,811	
Agent Fee	1.00%		96,203	
Legal Fee	0.50%		48,101	
Town Planning			60,000	
Survey			50,000	
				10,259,393

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car parking	81 un	0	0	
Car parking (Parking Spaces)	81.00	25,000.00	2,025,000	
	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Private	24,691.89 m <sup>2</sup>	2,368.06 pm <sup>2</sup>	58,471,877	
Affordable Rent	6,349.34 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	14,352,175	
Shared Ownership	4,232.89 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	9,568,109	
<b>Totals</b>	<b>35,274.12 m<sup>2</sup></b>		<b>82,392,161</b>	<b>84,417,161</b>
Externals			9,379,688	
Developers Contingency		5.00%	4,220,858	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	35,274.12 m <sup>2</sup>	50.05 pm <sup>2</sup>	1,765,470	
				16,646,016

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,130,059	10,130,059
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##### MARKETING & LETTING

Marketing	2.00%	2,764,124	2,764,124
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,382,062	
Sales Legal Fee	0.50%	809,038	
			2,191,100

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		1,965,210	
Construction		6,352,813	
Other		1,926,957	
Total Finance Cost			10,244,980

##### TOTAL COSTS

**136,652,834**

##### PROFIT

**29,011,009**

##### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	19.84%
Rent Cover	298 yrs 6 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 600 Dwellings/Hectare (£6,996.54, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private	1	29,264.46	6,996.54	204,749,965	204,749,965
Affordable Rent	1	7,525.15	2,529.52	19,035,017	19,035,017
Shared Ownership	1	5,016.76	3,175.35	15,929,969	15,929,969
Car parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.37</b>			<b>242,714,951</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	144,000	YP @	5.0000%	20.0000
				2,880,000

#### GROSS DEVELOPMENT VALUE

**245,594,951**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**245,427,911**

#### NET REALISATION

**245,427,911**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			1,160,651
Agent Fee	1.00%		11,607
Legal Fee	0.50%		5,803
Town Planning			82,000
Survey			50,000
			1,310,061

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	120 un	25,000	3,000,000
	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Private	36,580.57 m <sup>2</sup>	2,583.34 pm <sup>2</sup>	94,500,050
Affordable Rent	9,406.43 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	21,262,483
Shared Ownership	6,270.96 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	14,175,003
<b>Totals</b>	<b>52,257.96 m<sup>2</sup></b>		<b>129,937,536</b>
			<b>132,937,536</b>
Externals			9,379,688
Developers Contingency		5.00%	6,646,877
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	52,257.96 m <sup>2</sup>	50.05 pm <sup>2</sup>	2,615,511
			19,922,076

#### PROFESSIONAL FEES

Professional Fees	12.00%	15,952,504	15,952,504
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#### MARKETING & LETTING

Marketing	2.00%	4,094,999	4,094,999
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	2,047,500	
Sales Legal Fee	0.50%	1,198,575	
			3,246,074

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land			284,969
Construction			12,726,623
Other			11,973,890
Total Finance Cost			24,985,482

#### TOTAL COSTS

**202,448,733**

#### PROFIT

**42,979,178**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	4.41%
Rent Cover	298 yrs 6 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£8,073, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	14,632.23	8,072.93	118,124,969	118,124,969
Affordable Rent	1	3,762.57	2,723.27	10,246,494	10,246,494
Shared Ownership	1	2,508.38	3,648.97	9,153,003	9,153,003
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>139,024,466</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

				<b>140,464,466</b>
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Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

			<b>140,380,946</b>
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#### NET REALISATION

			<b>140,380,946</b>
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#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			17,122,755	
Stamp Duty			684,910	
Agent Fee	1.00%		171,228	
Legal Fee	0.50%		85,614	
Town Planning			48,000	
Survey			50,000	
				18,162,506

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	25,000	1,500,000
	m²	Rate m²	Cost
Private	18,290.29 m²	2,368.06 pm²	43,312,504
Affordable Rent	4,703.22 m²	2,260.42 pm²	10,631,253
Shared Ownership	3,135.48 m²	2,260.42 pm²	7,087,502
<b>Totals</b>	<b>26,128.99 m²</b>		<b>61,031,258</b>
			<b>62,531,258</b>
Externals		15.00%	9,379,689
Developers Contingency		5.00%	3,126,563
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	26,128.99 m²	50.05 pm²	1,307,756
			15,094,008

##### PROFESSIONAL FEES

Professional Fees	12.00%	7,503,751	7,503,751
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##### MARKETING & LETTING

Marketing	2.00%	2,362,499	2,362,499
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,181,250	
Sales Legal Fee	0.50%	687,622	
			1,868,872

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		3,042,294	
Construction		4,026,964	
Other		1,207,494	
Total Finance Cost			8,276,752

#### TOTAL COSTS

			<b>115,799,647</b>
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#### PROFIT

			<b>24,581,299</b>
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##### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	21.04%
Rent Cover	341 yrs 5 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£8,073, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private	1	19,753.51	8,072.93	159,468,703	159,468,703
Affordable Rent	1	5,079.47	2,723.27	13,832,768	13,832,768
Shared Ownership	1	3,386.32	3,648.97	12,356,580	12,356,580
Car Parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>187,683,052</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

#### GROSS DEVELOPMENT VALUE

**189,627,052**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**189,514,300**

#### NET REALISATION

**189,514,300**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			24,566,859
Stamp Duty			982,674
Agent Fee	1.00%		245,669
Legal Fee	0.50%		122,834
Town Planning			60,000
Survey			50,000
			26,028,036

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	81 un	0	0
Car Parking (Parking Spaces)	81.00	25,000.00	2,025,000
	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Private	24,691.89 m <sup>2</sup>	2,368.06 pm <sup>2</sup>	58,471,877
Affordable Rent	6,349.34 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	14,352,175
Shared Ownership	4,232.89 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	9,568,109
<b>Totals</b>	<b>35,274.12 m<sup>2</sup></b>		<b>82,392,161</b>
Externals			9,379,688
Developers Contingency		5.00%	4,220,858
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	35,274.12 m <sup>2</sup>	50.05 pm <sup>2</sup>	1,765,470
			16,646,016

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,130,059	10,130,059
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##### MARKETING & LETTING

Marketing	2.00%	3,189,374	3,189,374
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,594,687	
Sales Legal Fee	0.50%	928,290	
			2,522,977

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		5,024,921	
Construction		6,141,911	
Other		2,228,995	
Total Finance Cost			13,395,827

#### TOTAL COSTS

**156,329,451**

#### PROFIT

**33,184,848**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	18.23%
Rent Cover	341 yrs 5 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 600 Dwellings/Hectare (£8,073, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	29,264.46	8,072.93	236,249,937	236,249,937
Affordable Rent	1	7,525.15	2,723.27	20,493,015	20,493,015
Shared Ownership	1	5,016.76	3,648.97	18,306,007	18,306,007
Car parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.37</b>			<b>278,048,959</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

#### GROSS DEVELOPMENT VALUE

**280,928,959**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**280,761,919**

#### NET REALISATION

**280,761,919**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			21,316,718
Stamp Duty			852,669
Agent Fee	1.00%		213,167
Legal Fee	0.50%		106,584
Town Planning			82,000
Survey			50,000
			22,621,137

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	120 un	0	0
Car parking (Parking Spaces)	120.00	25,000.00	3,000,000
	m²	Rate m²	Cost
Private	36,580.57 m²	2,583.34 pm²	94,500,050
Affordable Rent	9,406.43 m²	2,260.42 pm²	21,262,483
Shared Ownership	6,270.96 m²	2,260.42 pm²	14,175,003
<b>Totals</b>	<b>52,257.96 m²</b>		<b>129,937,536</b>
Externals			9,379,688
Developers Contingency		5.00%	6,646,877
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	52,257.96 m²	50.05 pm²	2,615,511
			19,922,076

#### PROFESSIONAL FEES

Professional Fees	12.00%	15,952,504	15,952,504
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#### MARKETING & LETTING

Marketing	2.00%	4,724,999	4,724,999
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	2,362,499	
Sales Legal Fee	0.50%	1,375,245	
			3,737,744

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		5,537,126	
Construction		12,321,854	
Other		13,844,297	
Total Finance Cost			31,703,278

#### TOTAL COSTS

**231,599,274**

#### PROFIT

**49,162,645**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	4.55%
Rent Cover	341 yrs 5 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# OPDC Viability Assessment

## 300 Dwellings/Hectare (£9,149, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	14,632.23	9,149.32	133,874,955	133,874,955
Affordable Rent	1	3,762.57	2,841.67	10,691,982	10,691,982
Shared Ownership	1	2,508.38	4,133.34	10,367,987	10,367,987
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>156,434,924</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

**157,874,924**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

**157,791,404**

#### NET REALISATION

**157,791,404**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			28,278,446
Stamp Duty			1,131,138
Agent Fee	1.00%		282,784
Legal Fee	0.50%		141,392
Town Planning			48,000
Survey			50,000
			29,931,761

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	0	0
Car Parking (Parking Spaces)	60.00	25,000.00	1,500,000
	m²	Rate m²	Cost
Private	18,290.29 m²	2,368.06 pm²	43,312,504
Affordable Rent	4,703.22 m²	2,260.42 pm²	10,631,253
Shared Ownership	3,135.48 m²	2,260.42 pm²	7,087,502
<b>Totals</b>	<b>26,128.99 m²</b>		<b>61,031,258</b>
Externals		15.00%	9,379,689
Developers Contingency		5.00%	3,126,563
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	26,128.99 m²	50.05 pm²	1,307,756
			15,094,008

##### PROFESSIONAL FEES

Professional Fees	12.00%	7,503,751	7,503,751
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##### MARKETING & LETTING

Marketing	2.00%	2,677,499	2,677,499
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,338,750	
Sales Legal Fee	0.50%	774,675	
			2,113,424

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		5,026,763	
Construction		3,911,302	
Other		1,373,551	
Total Finance Cost			10,311,616

#### TOTAL COSTS

**130,163,317**

#### PROFIT

**27,628,087**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	19.69%
Rent Cover	383 yrs 9 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths



## OPDC Viability Assessment 405 Dwellings/Hectare (£9,149, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	19,753.51	9,149.32	180,731,184	180,731,184
Affordable Rent	1	5,079.47	2,841.67	14,434,178	14,434,178
Shared Ownership	1	3,386.32	4,133.34	13,996,812	13,996,812
Car Parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>211,187,174</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

#### GROSS DEVELOPMENT VALUE

				<b>213,131,174</b>
Purchaser's Costs	5.80%	(112,752)	(112,752)	

#### NET DEVELOPMENT VALUE

				<b>213,018,422</b>
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#### NET REALISATION

				<b>213,018,422</b>
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#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			39,262,579	
Stamp Duty			1,570,503	
Agent Fee	1.00%		392,626	
Legal Fee	0.50%		196,313	
Town Planning			60,000	
Survey			50,000	
				41,532,021

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	81 un	0	0	
Car Parking (Parking Spaces)	81.00	25,000.00	2,025,000	
	m²	Rate m²	Cost	
Private	24,691.89 m²	2,368.06 pm²	58,471,877	
Affordable Rent	6,349.34 m²	2,260.42 pm²	14,352,175	
Shared Ownership	4,232.89 m²	2,260.42 pm²	9,568,109	
<b>Totals</b>	<b>35,274.12 m²</b>		<b>82,392,161</b>	<b>84,417,161</b>
Externals			9,379,688	
Developers Contingency		5.00%	4,220,858	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	35,274.12 m²	50.05 pm²	1,765,470	16,646,016

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,130,059	10,130,059
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##### MARKETING & LETTING

Marketing	2.00%	3,614,624	3,614,624
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,807,312	
Sales Legal Fee	0.50%	1,045,811	2,853,123

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		8,033,344	
Construction		5,959,233	
Other		2,534,822	
Total Finance Cost			16,527,399

#### TOTAL COSTS

				<b>175,720,403</b>
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#### PROFIT

				<b>37,298,019</b>
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#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	17.25%
Rent Cover	383 yrs 9 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# OPDC Viability Assessment

## 600 Dwellings/Hectare (£9,149, 30% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	29,264.46	9,149.32	267,749,909	267,749,909
Affordable Rent	1	7,525.15	2,841.67	21,383,993	21,383,993
Shared Ownership	1	5,016.76	4,133.34	20,735,975	20,735,975
Car Parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.37</b>			<b>312,869,877</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

#### GROSS DEVELOPMENT VALUE

**315,749,877**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**315,582,837**

#### NET REALISATION

**315,582,837**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			41,146,436	
Stamp Duty			1,645,857	
Agent Fee	1.00%		411,464	
Legal Fee	0.50%		205,732	
Town Planning			82,000	
Survey			50,000	
				43,541,490

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	120 un	0	0
Car Parking (Parking Spaces)	120.00	25,000.00	3,000,000
	m²	Rate m²	Cost
Private	36,580.57 m²	2,583.34 pm²	94,500,050
Affordable Rent	9,406.43 m²	2,260.42 pm²	21,262,483
Shared Ownership	6,270.96 m²	2,260.42 pm²	14,175,003
<b>Totals</b>	<b>52,257.96 m²</b>		<b>129,937,536</b>
Externals			9,379,688
Developers Contingency		5.00%	6,646,877
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	52,257.96 m²	50.05 pm²	2,615,511
			19,922,076

#### PROFESSIONAL FEES

Professional Fees	12.00%	15,952,504	15,952,504
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#### MARKETING & LETTING

Marketing	2.00%	5,354,998	5,354,998
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	2,677,499	
Sales Legal Fee	0.50%	1,549,349	
			4,226,848

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		10,693,068	
Construction		11,971,254	
Other		15,726,844	
Total Finance Cost			38,391,166

#### TOTAL COSTS

**260,326,618**

#### PROFIT

**55,256,218**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	4.63%
Rent Cover	383 yrs 9 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£6,996.54, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	12,541.91	6,996.54	87,749,975	87,749,975
Affordable Rent	1	5,016.76	2,529.52	12,689,995	12,689,995
Shared Ownership	1	3,344.51	3,175.35	10,619,990	10,619,990
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>112,559,960</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	72,000	YP @	5.0000%	20.0000
				1,440,000

#### GROSS DEVELOPMENT VALUE

				<b>113,999,960</b>
Purchaser's Costs	5.80%	(83,520)	(83,520)	

#### NET DEVELOPMENT VALUE

				<b>113,916,440</b>
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#### NET REALISATION

				<b>113,916,440</b>
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#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			1,103,555	
Stamp Duty			44,142	
Agent Fee	1.00%		11,036	
Legal Fee	0.50%		5,518	
Town Planning			48,000	
Survey			50,000	
				1,262,251

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	60 un	25,000	1,500,000	
	m²	Rate m²	Cost	
Private	15,677.39 m²	2,368.06 pm²	37,125,000	
Affordable Rent	6,270.96 m²	2,260.42 pm²	14,175,003	
Shared Ownership	4,180.64 m²	2,260.42 pm²	9,450,002	
<b>Totals</b>	<b>26,128.99 m²</b>		<b>60,750,006</b>	<b>62,250,006</b>
Externals		15.00%	9,337,501	
Developers Contingency		5.00%	3,112,500	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	26,128.99 m²	50.05 pm²	1,307,756	
				15,037,757

##### PROFESSIONAL FEES

Professional Fees	12.00%	7,470,001	7,470,001
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##### MARKETING & LETTING

Marketing	2.00%	1,754,999	1,754,999
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	877,500	
Sales Legal Fee	0.50%	555,300	
			1,432,800

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		191,072	
Construction		3,731,987	
Other		835,550	
Total Finance Cost			4,758,610

#### TOTAL COSTS

				<b>93,966,423</b>
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#### PROFIT

				<b>19,950,016</b>
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##### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	26.50%
Rent Cover	277 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£6,996.54, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	16,931.58	6,996.54	118,462,477	118,462,477
Affordable Rent	1	6,772.63	2,529.52	17,131,503	17,131,503
Shared Ownership	1	4,515.09	3,175.35	14,336,991	14,336,991
Car parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>151,955,971</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	97,200	YP @	5.0000%	20.0000
				1,944,000

#### GROSS DEVELOPMENT VALUE

**153,899,971**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**153,787,219**

#### NET REALISATION

**153,787,219**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			3,594,846
Stamp Duty			143,794
Agent Fee	1.00%		35,948
Legal Fee	0.50%		17,974
Town Planning			60,000
Survey			50,000
			3,902,563

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	81 un	0	0
Car parking (Parking Spaces)	81.00	25,000.00	2,025,000
	m²	Rate m²	Cost
Private	21,164.47 m²	2,368.06 pm²	50,118,735
Affordable Rent	8,465.79 m²	2,260.42 pm²	19,136,241
Shared Ownership	5,643.86 m²	2,260.42 pm²	12,757,494
<b>Totals</b>	<b>35,274.12 m²</b>		<b>82,012,470</b>
			<b>84,037,470</b>
Externals			9,337,500
Developers Contingency		5.00%	4,201,873
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	35,274.12 m²	50.05 pm²	1,765,470
			16,584,843

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,084,496	10,084,496
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##### MARKETING & LETTING

Marketing	2.00%	2,369,250	2,369,250
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,184,625	
Sales Legal Fee	0.50%	749,655	
			1,934,280

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land			729,775
Construction			5,676,706
Other			1,535,232
Total Finance Cost			7,941,713

#### TOTAL COSTS

**126,854,614**

#### PROFIT

**26,932,605**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	22.10%
Rent Cover	277 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 600 Dwellings/Hectare (£6,996.54, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	25,083.82	6,996.54	175,499,950	175,499,950
Affordable Rent	1	10,033.53	2,529.52	25,380,015	25,380,015
Shared Ownership	1	6,689.02	3,175.35	21,239,980	21,239,980
Car parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.37</b>			<b>225,119,944</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	144,000	YP @	5.0000%	20.0000
				2,880,000

#### GROSS DEVELOPMENT VALUE

**227,999,944**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**227,832,904**

#### NET REALISATION

**227,832,904**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price (Negative land)		(5,496,559)	
Town Planning		82,000	
Survey		50,000	
			(5,364,559)

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	120 un	25,000	3,000,000
	m²	Rate m²	Cost
Private	31,354.78 m²	2,583.34 pm²	81,000,057
Affordable Rent	12,541.91 m²	2,260.42 pm²	28,349,984
Shared Ownership	8,361.27 m²	2,260.42 pm²	18,899,982
<b>Totals</b>	<b>52,257.96 m²</b>		<b>128,250,024</b>
			<b>131,250,024</b>

Externals		9,337,500	
Developers Contingency	5.00%	6,562,501	
Demolition & Remediation		380,000	
Demolition		900,000	
Mayoral CIL	52,257.96 m²	50.05 pm²	2,615,511
			19,795,512

#### PROFESSIONAL FEES

Professional Fees	12.00%	15,750,003	15,750,003
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#### MARKETING & LETTING

Marketing	2.00%	3,509,999	3,509,999
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,754,999	
Sales Legal Fee	0.50%	1,110,600	
			2,865,599

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(1,059,167)	
Construction		11,305,662	
Other		9,879,844	
Total Finance Cost			20,126,340

#### TOTAL COSTS

**187,932,917**

#### PROFIT

**39,899,987**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	5.23%
Rent Cover	277 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£8,073, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	12,541.91	8,072.93	101,249,961	101,249,961
Affordable Rent	1	5,016.76	2,723.27	13,661,992	13,661,992
Shared Ownership	1	3,344.51	3,648.97	12,204,017	12,204,017
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>128,615,970</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	72,000	YP @	5.0000%	20.0000
				1,440,000

#### GROSS DEVELOPMENT VALUE

				<b>130,055,970</b>
Purchaser's Costs		5.80%	(83,520)	(83,520)

#### NET DEVELOPMENT VALUE

				<b>129,972,450</b>
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#### NET REALISATION

				<b>129,972,450</b>
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#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			11,490,640	
Stamp Duty			459,626	
Agent Fee		1.00%	114,906	
Legal Fee		0.50%	57,453	
Town Planning			48,000	
Survey			50,000	
				12,220,625

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	60 un	25,000	1,500,000	
	m²	Rate m²	Cost	
Private	15,677.39 m²	2,368.06 pm²	37,125,000	
Affordable Rent	6,270.96 m²	2,260.42 pm²	14,175,003	
Shared Ownership	4,180.64 m²	2,260.42 pm²	9,450,002	
<b>Totals</b>	<b>26,128.99 m²</b>		<b>60,750,006</b>	<b>62,250,006</b>
Externals		15.00%	9,337,501	
Developers Contingency		5.00%	3,112,500	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	26,128.99 m²	50.05 pm²	1,307,756	
				15,037,757

##### PROFESSIONAL FEES

Professional Fees		12.00%	7,470,001	
				7,470,001

##### MARKETING & LETTING

Marketing		2.00%	2,024,999	
				2,024,999

##### DISPOSAL FEES

Sales Agent Fee		1.00%	1,012,500	
Sales Legal Fee		0.50%	635,580	
				1,648,079

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Land			2,038,560	
Construction			3,553,944	
Other			968,648	
Total Finance Cost				6,561,153

#### TOTAL COSTS

				<b>107,212,620</b>
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#### PROFIT

				<b>22,759,830</b>
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##### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	23.10%
Rent Cover	316 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£8,073, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	16,931.58	8,072.93	136,687,460	136,687,460
Affordable Rent	1	6,772.63	2,723.27	18,443,700	18,443,700
Shared Ownership	1	4,515.09	3,648.97	16,475,428	16,475,428
Car Parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>173,631,588</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	97,200	YP @	5.0000%	20.0000
				1,944,000

#### GROSS DEVELOPMENT VALUE

				<b>175,575,588</b>
Purchaser's Costs		5.80%	(112,752)	(112,752)

#### NET DEVELOPMENT VALUE

				<b>175,462,836</b>
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#### NET REALISATION

				<b>175,462,836</b>
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#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			17,299,779	
Stamp Duty			691,991	
Agent Fee		1.00%	172,998	
Legal Fee		0.50%	86,499	
Town Planning			60,000	
Survey			50,000	
				18,361,267

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	81 un	0	0	
Car Parking (Parking Spaces)	81.00	25,000.00	2,025,000	
	m²	Rate m²	Cost	
Private	21,164.47 m²	2,368.06 pm²	50,118,735	
Affordable Rent	8,465.79 m²	2,260.42 pm²	19,136,241	
Shared Ownership	5,643.86 m²	2,260.42 pm²	12,757,494	
<b>Totals</b>	<b>35,274.12 m²</b>		<b>82,012,470</b>	<b>84,037,470</b>
Externals			9,337,500	
Developers Contingency		5.00%	4,201,873	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	35,274.12 m²	50.05 pm²	1,765,470	
				16,584,843

##### PROFESSIONAL FEES

Professional Fees		12.00%	10,084,496	10,084,496
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##### MARKETING & LETTING

Marketing		2.00%	2,733,749	2,733,749
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##### DISPOSAL FEES

Sales Agent Fee		1.00%	1,366,875	
Sales Legal Fee		0.50%	858,033	
				2,224,908

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Land			3,535,069	
Construction			5,395,504	
Other			1,779,687	
Total Finance Cost				10,710,260

#### TOTAL COSTS

				<b>144,736,994</b>
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#### PROFIT

				<b>30,725,843</b>
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#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	19.77%
Rent Cover	316 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 600 Dwellings/Hectare (£8,073, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	25,083.82	8,072.93	202,499,923	202,499,923
Affordable Rent	1	10,033.53	2,723.27	27,324,011	27,324,011
Shared Ownership	1	6,689.02	3,648.97	24,408,033	24,408,033
Car parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.37</b>			<b>257,231,968</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

#### GROSS DEVELOPMENT VALUE

**260,111,968**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**259,944,928**

#### NET REALISATION

**259,944,928**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			13,654,428	
Stamp Duty			546,177	
Agent Fee	1.00%		136,544	
Legal Fee	0.50%		68,272	
Town Planning			82,000	
Survey			50,000	
				14,537,421

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car parking	120 un	0	0	
Car parking (Parking Spaces)	120.00	25,000.00	3,000,000	
	m²	Rate m²	Cost	
Private	31,354.78 m²	2,583.34 pm²	81,000,057	
Affordable Rent	12,541.91 m²	2,260.42 pm²	28,349,984	
Shared Ownership	8,361.27 m²	2,260.42 pm²	18,899,982	
<b>Totals</b>	<b>52,257.96 m²</b>		<b>128,250,024</b>	<b>131,250,024</b>
Externals			9,337,500	
Developers Contingency		5.00%	6,562,501	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	52,257.96 m²	50.05 pm²	2,615,511	
				19,795,512

##### PROFESSIONAL FEES

Professional Fees	12.00%	15,750,003	15,750,003
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##### MARKETING & LETTING

Marketing	2.00%	4,049,998	4,049,998
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	2,024,999	
Sales Legal Fee	0.50%	1,271,160	
			3,296,159

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		3,542,293	
Construction		10,765,970	
Other		11,437,844	
Total Finance Cost			25,746,108

#### TOTAL COSTS

**214,425,225**

#### PROFIT

**45,519,702**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	5.20%
Rent Cover	316 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths



## OPDC Viability Assessment 300 Dwellings/Hectare (£9,149, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	12,541.91	9,149.32	114,749,948	114,749,948
Affordable Rent	1	5,016.76	2,841.67	14,255,976	14,255,976
Shared Ownership	1	3,344.51	4,133.34	13,823,997	13,823,997
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.18</b>			<b>144,329,921</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

**145,769,921**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

**145,686,401**

#### NET REALISATION

**145,686,401**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			21,628,831
Stamp Duty			865,153
Agent Fee	1.00%		216,288
Legal Fee	0.50%		108,144
Town Planning			48,000
Survey			50,000
			22,916,416

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	0	0
Car Parking (Parking Spaces)	60.00	25,000.00	1,500,000
	m²	Rate m²	Cost
Private	15,677.39 m²	2,368.06 pm²	37,125,000
Affordable Rent	6,270.96 m²	2,260.42 pm²	14,175,003
Shared Ownership	4,180.64 m²	2,260.42 pm²	9,450,002
<b>Totals</b>	<b>26,128.99 m²</b>		<b>60,750,006</b>
Externals		15.00%	9,337,501
Developers Contingency		5.00%	3,112,500
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	26,128.99 m²	50.05 pm²	1,307,756
			15,037,757

#### PROFESSIONAL FEES

Professional Fees	12.00%	7,470,001	7,470,001
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#### MARKETING & LETTING

Marketing	2.00%	2,294,999	2,294,999
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,147,499	
Sales Legal Fee	0.50%	714,150	1,861,649

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		3,841,849	
Construction		3,399,728	
Other		1,104,269	
Total Finance Cost			8,345,846

#### TOTAL COSTS

**120,176,674**

#### PROFIT

**25,509,727**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	21.24%
Rent Cover	354 yrs 4 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£9,149, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	16,931.58	9,149.32	154,912,444	154,912,444
Affordable Rent	1	6,772.63	2,841.67	19,245,579	19,245,579
Shared Ownership	1	4,515.09	4,133.34	18,662,402	18,662,402
Car Parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.30</b>			<b>194,845,425</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	97,200	YP @	5.0000%	20.0000
				1,944,000

#### GROSS DEVELOPMENT VALUE

**196,789,425**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**196,676,673**

#### NET REALISATION

**196,676,673**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			30,669,450
Stamp Duty			1,226,778
Agent Fee	1.00%		306,695
Legal Fee	0.50%		153,347
Town Planning			60,000
Survey			50,000
			32,466,270

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	81 un	0	0
Car Parking (Parking Spaces)	81.00	25,000.00	2,025,000
	m²	Rate m²	Cost
Private	21,164.47 m²	2,368.06 pm²	50,118,735
Affordable Rent	8,465.79 m²	2,260.42 pm²	19,136,241
Shared Ownership	5,643.86 m²	2,260.42 pm²	12,757,494
<b>Totals</b>	<b>35,274.12 m²</b>		<b>82,012,470</b>
			<b>84,037,470</b>
Externals			9,337,500
Developers Contingency		5.00%	4,201,873
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	35,274.12 m²	50.05 pm²	1,765,470
			16,584,843

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,084,496	10,084,496
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##### MARKETING & LETTING

Marketing	2.00%	3,098,249	3,098,249
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,549,124	
Sales Legal Fee	0.50%	964,102	
			2,513,227

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		6,271,821	
Construction		5,151,934	
Other		2,030,161	
Total Finance Cost			13,453,916

#### TOTAL COSTS

**162,238,470**

#### PROFIT

**34,438,203**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	18.44%
Rent Cover	354 yrs 4 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# OPDC Viability Assessment

## 600 Dwellings/Hectare (£9,149, 40% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	25,083.82	9,149.32	229,499,896	229,499,896
Affordable Rent	1	10,033.53	2,841.67	28,511,981	28,511,981
Shared Ownership	1	6,689.02	4,133.34	27,647,994	27,647,994
Car Parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.37</b>			<b>288,659,871</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

#### GROSS DEVELOPMENT VALUE

**291,539,871**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**291,372,831**

#### NET REALISATION

**291,372,831**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			31,793,251	
Stamp Duty			1,271,730	
Agent Fee	1.00%		317,933	
Legal Fee	0.50%		158,966	
Town Planning			82,000	
Survey			50,000	
				33,673,880

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	120 un	0	0	
Car Parking (Parking Spaces)	120.00	25,000.00	3,000,000	
	m²	Rate m²	Cost	
Private	31,354.78 m²	2,583.34 pm²	81,000,057	
Affordable Rent	12,541.91 m²	2,260.42 pm²	28,349,984	
Shared Ownership	8,361.27 m²	2,260.42 pm²	18,899,982	
<b>Totals</b>	<b>52,257.96 m²</b>		<b>128,250,024</b>	<b>131,250,024</b>
Externals			9,337,500	
Developers Contingency		5.00%	6,562,501	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	52,257.96 m²	50.05 pm²	2,615,511	19,795,512

#### PROFESSIONAL FEES

Professional Fees	12.00%	15,750,003	15,750,003
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#### MARKETING & LETTING

Marketing	2.00%	4,589,998	4,589,998
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	2,294,999	
Sales Legal Fee	0.50%	1,428,299	
			3,723,298

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		8,258,335	
Construction		10,298,503	
Other		13,013,807	
Total Finance Cost			31,570,645

#### TOTAL COSTS

**240,353,360**

#### PROFIT

**51,019,471**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	5.22%
Rent Cover	354 yrs 4 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£6,996.54, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	10,869.66	6,996.54	76,050,011	76,050,011
Affordable Rent	1	6,020.12	2,529.52	15,228,014	15,228,014
Shared Ownership	1	4,013.41	3,175.35	12,743,981	12,743,981
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.19</b>			<b>105,522,006</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

106,962,006

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

106,878,486

#### NET REALISATION

106,878,486

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price (Negative land)		(2,905,423)	
Town Planning		48,000	
Survey		50,000	
			(2,807,423)

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	25,000	1,500,000
	m²	Rate m²	Cost
Private	13,587.07 m²	2,368.06 pm²	32,174,997
Affordable Rent	7,525.15 m²	2,260.42 pm²	17,010,000
Shared Ownership	5,016.76 m²	2,260.42 pm²	11,339,985
<b>Totals</b>	<b>26,128.98 m²</b>		<b>60,524,981</b>
Externals		15.00%	9,303,747
Developers Contingency		5.00%	3,101,249
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	26,128.98 m²	50.05 pm²	1,307,755
			14,992,752

#### PROFESSIONAL FEES

Professional Fees	12.00%	7,442,998	7,442,998
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#### MARKETING & LETTING

Marketing	2.00%	1,521,000	1,521,000
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	760,500	
Sales Legal Fee	0.50%	520,110	
			1,280,610

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(353,488)	
Construction		3,389,177	
Other		669,529	
Total Finance Cost			3,705,219

#### TOTAL COSTS

88,160,137

#### PROFIT

18,718,349

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	31.28%
Rent Cover	259 yrs 12 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£6,996.54, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	14,674.04	6,996.54	102,667,508	102,667,508
Affordable Rent	1	8,127.16	2,529.52	20,557,814	20,557,814
Shared Ownership	1	5,418.11	3,175.35	17,204,396	17,204,396
Car parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.31</b>			<b>142,454,717</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	97,200	YP @	5.0000%	20.0000
				1,944,000

#### GROSS DEVELOPMENT VALUE

**144,398,717**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**144,285,965**

#### NET REALISATION

**144,285,965**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price (Negative land)		(1,350,143)	
Town Planning		60,000	
Survey		50,000	
			(1,240,143)

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	81 un	0	0
Car parking (Parking Spaces)	81.00	25,000.00	2,025,000
	<b>m²</b>	<b>Rate m²</b>	<b>Cost</b>
Private	18,342.54 m²	2,368.06 pm²	43,436,235
Affordable Rent	10,158.95 m²	2,260.42 pm²	22,963,494
Shared Ownership	<u>6,772.63 m²</u>	<u>2,260.42 pm²</u>	<u>15,308,988</u>
<b>Totals</b>	<b>35,274.12 m²</b>		<b>81,708,717</b>
Externals			9,303,750
Developers Contingency		5.00%	4,186,686
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	35,274.12 m²	50.05 pm²	1,765,470
			16,535,906

#### PROFESSIONAL FEES

Professional Fees	12.00%	10,048,046	10,048,046
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#### MARKETING & LETTING

Marketing	2.00%	2,053,350	2,053,350
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,026,675	
Sales Legal Fee	0.50%	702,149	
			1,728,824

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(209,620)	
Construction		5,135,820	
Other		1,230,290	
Total Finance Cost			6,156,490

#### TOTAL COSTS

**119,016,190**

#### PROFIT

**25,269,776**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	25.16%
Rent Cover	259 yrs 12 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 600 Dwellings/Hectare (£6,996.54, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	21,739.31	6,996.54	152,099,952	152,099,952
Affordable Rent	1	12,040.23	2,529.52	30,456,003	30,456,003
Shared Ownership	1	8,026.82	3,175.35	25,487,963	25,487,963
Car parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.36</b>			<b>211,043,917</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	144,000	YP @	5.0000%	20.0000
				2,880,000

#### GROSS DEVELOPMENT VALUE

**213,923,917**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**213,756,877**

#### NET REALISATION

**213,756,877**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price (Negative land)		(11,057,406)	
Town Planning		82,000	
Survey		50,000	
			(10,925,406)

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	120 un	25,000	3,000,000
	m²	Rate m²	Cost
Private	27,174.14 m²	2,583.34 pm²	70,200,043
Affordable Rent	15,050.29 m²	2,260.42 pm²	34,019,977
Shared Ownership	10,033.53 m²	2,260.42 pm²	22,679,992
<b>Totals</b>	<b>52,257.96 m²</b>		<b>126,900,011</b>
			<b>129,900,011</b>
Externals			9,303,750
Developers Contingency		5.00%	6,495,001
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	52,257.96 m²	50.05 pm²	2,615,511
			19,694,261

#### PROFESSIONAL FEES

Professional Fees	12.00%	15,588,001	15,588,001
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#### MARKETING & LETTING

Marketing	2.00%	3,041,999	3,041,999
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,521,000	
Sales Legal Fee	0.50%	1,040,220	
			2,561,219

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(1,924,462)	
Construction		10,168,897	
Other		8,215,671	
Total Finance Cost			16,460,106

#### TOTAL COSTS

**176,320,192**

#### PROFIT

**37,436,686**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	6.35%
Rent Cover	259 yrs 12 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£8,073, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	10,869.66	8,072.93	87,750,004	87,750,004
Affordable Rent	1	6,020.12	2,723.27	16,394,412	16,394,412
Shared Ownership	1	4,013.41	3,648.97	14,644,813	14,644,813
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.19</b>			<b>120,289,229</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

**121,729,229**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

**121,645,709**

#### NET REALISATION

**121,645,709**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			6,984,119	
Stamp Duty			279,365	
Agent Fee	1.00%		69,841	
Legal Fee	0.50%		34,921	
Town Planning			48,000	
Survey			50,000	
				7,466,246

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	25,000	1,500,000
	m²	Rate m²	Cost
Private	13,587.07 m²	2,368.06 pm²	32,174,997
Affordable Rent	7,525.15 m²	2,260.42 pm²	17,010,000
Shared Ownership	5,016.76 m²	2,260.42 pm²	11,339,985
<b>Totals</b>	<b>26,128.98 m²</b>		<b>60,524,981</b>
			<b>62,024,981</b>
Externals		15.00%	9,303,747
Developers Contingency		5.00%	3,101,249
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	26,128.98 m²	50.05 pm²	1,307,755
			14,992,752

#### PROFESSIONAL FEES

Professional Fees	12.00%	7,442,998	7,442,998
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#### MARKETING & LETTING

Marketing	2.00%	1,755,000	1,755,000
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	877,500	
Sales Legal Fee	0.50%	593,946	
			1,471,446

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		1,235,425	
Construction		3,175,526	
Other		778,599	
Total Finance Cost			5,189,550

#### TOTAL COSTS

**100,342,972**

#### PROFIT

**21,302,737**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	25.66%
Rent Cover	295 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# OPDC Viability Assessment

## 405 Dwellings/Hectare (£8,073, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private	1	14,674.04	8,072.93	118,462,498	118,462,498
Affordable Rent	1	8,127.16	2,723.27	22,132,451	22,132,451
Shared Ownership	1	5,418.11	3,648.97	19,770,521	19,770,521
Car Parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.31</b>			<b>162,390,470</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

#### GROSS DEVELOPMENT VALUE

**164,334,470**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**164,221,718**

#### NET REALISATION

**164,221,718**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			11,478,105	
Stamp Duty			459,124	
Agent Fee	1.00%		114,781	
Legal Fee	0.50%		57,391	
Town Planning			60,000	
Survey			50,000	
				12,219,401

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	81 un	0	0	
Car Parking (Parking Spaces)	81.00	25,000.00	2,025,000	
	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Private	18,342.54 m <sup>2</sup>	2,368.06 pm <sup>2</sup>	43,436,235	
Affordable Rent	10,158.95 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	22,963,494	
Shared Ownership	6,772.63 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	15,308,988	
<b>Totals</b>	<b>35,274.12 m<sup>2</sup></b>		<b>81,708,717</b>	<b>83,733,717</b>
Externals			9,303,750	
Developers Contingency		5.00%	4,186,686	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	35,274.12 m <sup>2</sup>	50.05 pm <sup>2</sup>	1,765,470	
				16,535,906

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,048,046	10,048,046
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##### MARKETING & LETTING

Marketing	2.00%	2,369,250	2,369,250
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,184,625	
Sales Legal Fee	0.50%	801,827	
			1,986,452

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		2,341,547	
Construction		4,798,377	
Other		1,430,489	
Total Finance Cost			8,570,413

#### TOTAL COSTS

**135,463,185**

#### PROFIT

**28,758,532**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	21.63%
Rent Cover	295 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths



## OPDC Viability Assessment 600 Dwellings/Hectare (£8,073, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	21,739.31	8,072.93	175,499,928	175,499,928
Affordable Rent	1	12,040.23	2,723.27	32,788,797	32,788,797
Shared Ownership	1	8,026.82	3,648.97	29,289,625	29,289,625
Car parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.36</b>			<b>240,578,350</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>				
Current Rent	144,000	YP @	5.0000%	20.0000
				2,880,000

#### GROSS DEVELOPMENT VALUE

**243,458,350**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**243,291,310**

#### NET REALISATION

**243,291,310**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			7,513,675
Stamp Duty			300,547
Agent Fee	1.00%		75,137
Legal Fee	0.50%		37,568
Town Planning			82,000
Survey			50,000
			8,058,927

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	120 un	0	0
Car parking (Parking Spaces)	120.00	25,000.00	3,000,000
	m²	Rate m²	Cost
Private	27,174.14 m²	2,583.34 pm²	70,200,043
Affordable Rent	15,050.29 m²	2,260.42 pm²	34,019,977
Shared Ownership	10,033.53 m²	2,260.42 pm²	22,679,992
<b>Totals</b>	<b>52,257.96 m²</b>		<b>126,900,011</b>

**129,900,011**

Externals			9,303,750
Developers Contingency	5.00%		6,495,001
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	52,257.96 m²	50.05 pm²	2,615,511
			19,694,261

#### PROFESSIONAL FEES

Professional Fees	12.00%	15,588,001	15,588,001
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#### MARKETING & LETTING

Marketing	2.00%	3,509,999	3,509,999
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,754,999	
Sales Legal Fee	0.50%	1,187,892	
			2,942,891

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land			1,943,587
Construction			9,521,267
Other			9,527,048
Total Finance Cost			20,991,903

#### TOTAL COSTS

**200,685,993**

#### PROFIT

**42,605,317**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	5.95%
Rent Cover	295 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 300 Dwellings/Hectare (£9,149, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	10,869.66	9,149.32	99,449,998	99,449,998
Affordable Rent	1	6,020.12	2,841.67	17,107,194	17,107,194
Shared Ownership	1	4,013.41	4,133.34	16,588,788	16,588,788
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>20,903.19</b>			<b>134,645,980</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

#### GROSS DEVELOPMENT VALUE

**136,085,980**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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#### NET DEVELOPMENT VALUE

**136,002,460**

#### NET REALISATION

**136,002,460**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			16,307,639
Stamp Duty			652,306
Agent Fee	1.00%		163,076
Legal Fee	0.50%		81,538
Town Planning			48,000
Survey			50,000
			17,302,560

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	0	0
Car Parking (Parking Spaces)	60.00	25,000.00	1,500,000
	m²	Rate m²	Cost
Private	13,587.07 m²	2,368.06 pm²	32,174,997
Affordable Rent	7,525.15 m²	2,260.42 pm²	17,010,000
Shared Ownership	5,016.76 m²	2,260.42 pm²	11,339,985
<b>Totals</b>	<b>26,128.98 m²</b>		<b>60,524,981</b>
Externals		15.00%	9,303,747
Developers Contingency		5.00%	3,101,249
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	26,128.98 m²	50.05 pm²	1,307,755
			14,992,752

##### PROFESSIONAL FEES

Professional Fees	12.00%	7,442,998	7,442,998
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##### MARKETING & LETTING

Marketing	2.00%	1,989,000	1,989,000
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	994,500	
Sales Legal Fee	0.50%	665,730	
			1,660,230

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		2,893,652	
Construction		2,990,466	
Other		890,700	
Total Finance Cost			6,774,817

#### TOTAL COSTS

**112,187,337**

#### PROFIT

**23,815,123**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	23.07%
Rent Cover	330 yrs 9 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment 405 Dwellings/Hectare (£9,149, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	14,674.04	9,149.32	134,257,488	134,257,488
Affordable Rent	1	8,127.16	2,841.67	23,094,707	23,094,707
Shared Ownership	1	5,418.11	4,133.34	22,394,891	22,394,891
Car Parking	81	0.00	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>28,219.31</b>			<b>181,772,085</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

#### GROSS DEVELOPMENT VALUE

**183,716,085**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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#### NET DEVELOPMENT VALUE

**183,603,333**

#### NET REALISATION

**183,603,333**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price			23,787,133
Stamp Duty			951,485
Agent Fee	1.00%		237,871
Legal Fee	0.50%		118,936
Town Planning			60,000
Survey			50,000
			25,205,425

##### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	81 un	0	0
Car Parking (Parking Spaces)	81.00	25,000.00	2,025,000
	m²	Rate m²	Cost
Private	18,342.54 m²	2,368.06 pm²	43,436,235
Affordable Rent	10,158.95 m²	2,260.42 pm²	22,963,494
Shared Ownership	6,772.63 m²	2,260.42 pm²	15,308,988
<b>Totals</b>	<b>35,274.12 m²</b>		<b>81,708,717</b>
Externals			9,303,750
Developers Contingency		5.00%	4,186,686
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	35,274.12 m²	50.05 pm²	1,765,470
			16,535,906

##### PROFESSIONAL FEES

Professional Fees	12.00%	10,048,046	10,048,046
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##### MARKETING & LETTING

Marketing	2.00%	2,685,150	2,685,150
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##### DISPOSAL FEES

Sales Agent Fee	1.00%	1,342,575	
Sales Legal Fee	0.50%	898,735	
			2,241,310

##### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		4,861,003	
Construction		4,506,093	
Other		1,636,243	
Total Finance Cost			11,003,338

#### TOTAL COSTS

**151,452,893**

#### PROFIT

**32,150,440**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	19.81%
Rent Cover	330 yrs 9 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# OPDC Viability Assessment

## 600 Dwellings/Hectare (£9,149, 48% AH)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private	1	21,739.31	9,149.32	198,899,904	198,899,904
Affordable Rent	1	12,040.23	2,841.67	34,214,360	34,214,360
Shared Ownership	1	8,026.82	4,133.34	33,177,576	33,177,576
Car Parking	120	0.00	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>41,806.36</b>			<b>269,291,840</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

#### GROSS DEVELOPMENT VALUE

**272,171,840**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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#### NET DEVELOPMENT VALUE

**272,004,800**

#### NET REALISATION

**272,004,800**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			24,300,187
Stamp Duty			972,007
Agent Fee	1.00%		243,002
Legal Fee	0.50%		121,501
Town Planning			82,000
Survey			50,000
			25,768,697

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	120 un	0	0
Car Parking (Parking Spaces)	120.00	25,000.00	3,000,000
	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Private	27,174.14 m <sup>2</sup>	2,583.34 pm <sup>2</sup>	70,200,043
Affordable Rent	15,050.29 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	34,019,977
Shared Ownership	10,033.53 m <sup>2</sup>	2,260.42 pm <sup>2</sup>	22,679,992
<b>Totals</b>	<b>52,257.96 m<sup>2</sup></b>		<b>126,900,011</b>
			<b>129,900,011</b>
Externals			9,303,750
Developers Contingency		5.00%	6,495,001
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	52,257.96 m <sup>2</sup>	50.05 pm <sup>2</sup>	2,615,511
			19,694,261

#### PROFESSIONAL FEES

Professional Fees	12.00%	15,588,001	15,588,001
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#### MARKETING & LETTING

Marketing	2.00%	3,977,998	3,977,998
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,988,999	
Sales Legal Fee	0.50%	1,331,459	
			3,320,458

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		6,307,813	
Construction		8,960,306	
Other		10,857,189	
Total Finance Cost			26,125,309

#### TOTAL COSTS

**224,374,736**

#### PROFIT

**47,630,064**

#### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
Gross Initial Yield%	5.00%
Net Initial Yield%	5.00%
IRR	5.88%
Rent Cover	330 yrs 9 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## Office - High Rise

Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Offices	1	102,000.00	323.00	32,946,000	32,946,000	32,946,000

#### Investment Valuation

Offices						
Market Rent	32,946,000	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	518,018,868	

#### GROSS DEVELOPMENT VALUE

518,018,868

Purchaser's Costs	5.80%	(30,045,094)	(30,045,094)
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#### NET DEVELOPMENT VALUE

487,973,774

#### NET REALISATION

487,973,774

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (1.00 Ha 22,380,945.96 pHect)			22,380,946	
Stamp Duty			895,238	
Agent Fee	1.00%		223,809	
Legal Fee	0.50%		111,905	
Town Planning			50,000	
Survey			50,000	
				23,711,898

#### CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Offices	120,000.00 m²	2,212.00 pm²	265,440,000	265,440,000
Contingency		5.00%	13,272,000	
Demolition			904,168	
Mayoral CIL	120,000.00 m²	50.00 pm²	6,000,000	
				20,176,168
Other Construction				
External Works		5.00%	13,272,000	
Remediation/ De-contamination			380,000	
				13,652,000

#### PROFESSIONAL FEES

All Professional	12.00%	31,852,800	31,852,800
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#### MARKETING & LETTING

Letting Agent Fee	15.00%	4,941,900	
Letting Legal Fee	5.00%	1,647,300	
			6,589,200

#### DISPOSAL FEES

Sales Agent Fee	1.00%	4,879,738	
Sales Legal Fee	0.50%	2,439,869	
			7,319,607

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		5,819,962	
Construction		32,083,137	
Total Finance Cost			37,903,099

#### TOTAL COSTS

406,644,772

#### PROFIT

81,329,002

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.10%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.36%
Net Initial Yield%	6.36%
IRR	18.60%
Rent Cover	2 yrs 6 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Office - Low Rise

Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Offices	1	20,400.00	269.00	5,487,600	5,487,600	5,487,600

#### Investment Valuation

Offices						
Market Rent	5,487,600	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	86,283,019	

#### GROSS DEVELOPMENT VALUE

**86,283,019**

Purchaser's Costs	5.80%	(5,004,415)	(5,004,415)
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#### NET DEVELOPMENT VALUE

**81,278,604**

#### NET REALISATION

**81,278,604**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (1.00 Ha 12,435,007.49 pHect)			12,435,007	
Stamp Duty			497,400	
Agent Fee	1.00%		124,350	
Legal Fee	0.50%		62,175	
Town Planning			50,000	
Survey			50,000	
				13,218,933

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Offices	24,000.00 m <sup>2</sup>	1,500.00 pm <sup>2</sup>	36,000,000	<b>36,000,000</b>
Contingency		5.00%	1,800,000	
Demolition			904,168	
Mayoral CIL	24,000.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	1,200,000	
				3,904,168
Other Construction				
External Works		10.00%	3,600,000	
Remediation/ De-contamination			380,000	
				3,980,000

#### PROFESSIONAL FEES

All Professional	12.00%	4,320,000	4,320,000
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#### MARKETING & LETTING

Letting Agent Fee	15.00%	823,140	
Letting Legal Fee	5.00%	274,380	
			1,097,520

#### DISPOSAL FEES

Sales Agent Fee	1.00%	812,786	
Sales Legal Fee	0.50%	406,393	
			1,219,179

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		1,726,128	
Construction		2,266,240	
Total Finance Cost			3,992,368

#### TOTAL COSTS

**67,732,168**

#### PROFIT

**13,546,436**

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.10%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.36%
Net Initial Yield%	6.36%
IRR	25.91%
Rent Cover	2 yrs 6 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Retail - A1-A5

### Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail - A1 - A5	1	340.00	269.00	91,460	91,460	91,460

#### Investment Valuation

<b>Retail - A1 - A5</b>						
Market Rent	91,460	YP @	5.5000%	18.1818		
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	1,576,217	

#### GROSS DEVELOPMENT VALUE

**1,576,217**

Purchaser's Costs

5.80% (91,421)

(91,421)

#### NET DEVELOPMENT VALUE

**1,484,797**

#### NET REALISATION

**1,484,797**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.05 Ha 8,304,460.78 pHect)			415,223	
Stamp Duty			12,457	
Agent Fee		1.00%	4,152	
Legal Fee		0.50%	2,076	
Town Planning			50,000	
Survey			10,000	
				493,908

#### CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Retail - A1 - A5	400.00 m²	1,085.00 pm²	434,000	<b>434,000</b>
Contingency		5.00%	21,700	
Demolition			45,208	
Mayoral CIL	400.00 m²	50.00 pm²	20,000	
				86,908
<b>Other Construction</b>				
External Works		10.00%	43,400	
Remediation/ De-contamination			19,000	
				62,400

#### PROFESSIONAL FEES

All Professional	12.00%	52,080	
			52,080

#### MARKETING & LETTING

Letting Agent Fee	15.00%	13,719	
Letting Legal Fee	5.00%	4,573	
			18,292

#### DISPOSAL FEES

Sales Agent Fee	1.00%	14,848	
Sales Legal Fee	0.50%	7,424	
			22,272

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		41,515	
Construction		25,955	
Total Finance Cost			67,470

#### TOTAL COSTS

**1,237,330**

#### PROFIT

**247,466**

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	7.39%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
Gross Initial Yield%	5.80%
Net Initial Yield%	5.80%
IRR	27.71%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Retail - Foodstore

### Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail - Foodstore	1	510.00	237.00	120,870	120,870	120,870

#### Investment Valuation

##### Retail - Foodstore

Market Rent	120,870	YP @	4.7500%	21.0526		
(1yr Rent Free)		PV 1yr @	4.7500%	0.9547	2,429,243	

#### GROSS DEVELOPMENT VALUE

2,429,243

Purchaser's Costs	5.80%	(140,896)	(140,896)			
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#### NET DEVELOPMENT VALUE

2,288,346

#### NET REALISATION

2,288,346

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.07 Ha 11,477,466.34 pHect)			803,423			
Stamp Duty			32,137			
Agent Fee		1.00%	8,034			
Legal Fee		0.50%	4,017			
Town Planning			50,000			
Survey			10,000			
				907,611		

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost			
Retail - Foodstore	600.00 m <sup>2</sup>	860.00 pm <sup>2</sup>	516,000	516,000		
Contingency		5.00%	25,800			
Demolition			67,813			
Mayoral CIL	600.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	30,000			
				123,613		
Other Construction						
External Works		10.00%	51,600			
Remediation/ De-contamination			28,500			
				80,100		

#### PROFESSIONAL FEES

All Professional	12.00%	61,920	61,920			
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#### MARKETING & LETTING

Letting Agent Fee	15.00%	18,131				
Letting Legal Fee	5.00%	6,044				
			24,174			

#### DISPOSAL FEES

Sales Agent Fee	1.00%	22,883				
Sales Legal Fee	0.50%	11,442				
			34,325			

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)						
Land			111,525			
Construction			47,688			
Total Finance Cost				159,212		

#### TOTAL COSTS

1,906,955

#### PROFIT

381,391

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.34%
Equivalent Yield% (Nominal)	4.75%
Equivalent Yield% (True)	4.89%
Gross Initial Yield%	4.98%
Net Initial Yield%	4.98%
IRR	20.28%
Rent Cover	3 yrs 2 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths



## Industrial

### Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	6,000.00	161.00	966,000	966,000	966,000

#### Investment Valuation

<b>Retail</b>						
Market Rent	966,000	YP @	5.7500%	17.3913		
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	15,886,525	

#### GROSS DEVELOPMENT VALUE

**15,886,525**

Purchaser's Costs	5.80%	(921,418)	(921,418)
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#### NET DEVELOPMENT VALUE

**14,965,106**

#### NET REALISATION

**14,965,106**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (1.00 Ha 4,712,787.52 pHect)			4,712,788
Stamp Duty			188,512
Agent Fee	1.00%		47,128
Legal Fee	0.50%		23,564
Town Planning			50,000
Survey			50,000
			5,071,991

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Retail	6,000.00 m <sup>2</sup>	616.00 pm <sup>2</sup>	3,696,000
Contingency		5.00%	184,800
Demolition			904,168
Mayoral CIL	6,000.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	300,000
			1,388,968
<b>Other Construction</b>			
External Works		10.00%	369,600
Remediation/ De-contamination			380,000
			749,600

#### PROFESSIONAL FEES

All Professional	12.00%	443,520	443,520
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#### MARKETING & LETTING

Letting Agent Fee	15.00%	144,900	
Letting Legal Fee	5.00%	48,300	
			193,200

#### DISPOSAL FEES

Sales Agent Fee	1.00%	149,651	
Sales Legal Fee	0.50%	74,826	
			224,477

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		475,703	
Construction		227,461	
Total Finance Cost			703,164

#### TOTAL COSTS

**12,470,919**

#### PROFIT

**2,494,187**

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	7.75%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
Gross Initial Yield%	6.08%
Net Initial Yield%	6.08%
IRR	27.07%
Rent Cover	2 yrs 7 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Leisure & Entertainment - Cinema

### Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Cinema	1	1,520.00	108.00	164,160	164,160	164,160

#### Investment Valuation

<b>Cinema</b>						
Market Rent	164,160	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	2,371,398	

#### GROSS DEVELOPMENT VALUE

**2,371,398**

Purchaser's Costs	5.80%	(137,541)	(137,541)
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#### NET DEVELOPMENT VALUE

**2,233,857**

#### NET REALISATION

**2,233,857**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (Negative land)			(1,873,216)
Town Planning			50,000
Survey			50,000
			(1,773,216)

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Cinema	1,600.00 m <sup>2</sup>	1,624.00 pm <sup>2</sup>	2,598,400
Contingency		5.00%	129,920
Demolition			90,417
Mayoral CIL	1,600.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	80,000
			300,337

#### Other Construction

External Works	10.00%	259,840
Remediation/ De-contamination		38,000
		297,840

#### PROFESSIONAL FEES

All Professional	12.00%	311,808
		311,808

#### MARKETING & LETTING

Letting Agent Fee	15.00%	24,624
Letting Legal Fee	5.00%	8,208
		32,832

#### DISPOSAL FEES

Sales Agent Fee	1.00%	22,339
Sales Legal Fee	0.50%	11,169
		33,508

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)		
Land		(182,333)
Construction		242,372
Total Finance Cost		60,039

#### TOTAL COSTS

**1,861,547**

#### PROFIT

**372,309**

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.82%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
Gross Initial Yield%	6.92%
Net Initial Yield%	6.92%
IRR	N/A
Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Leisure & Entertainment - Fitness

### Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Leisure & Entertainment - Fitness Suites	1	680.00	129.00	87,720	87,720	87,720

#### Investment Valuation

##### Leisure & Entertainment - Fitness Suites

Market Rent	87,720	YP @	6.5000%	15,3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	1,267,172	

#### GROSS DEVELOPMENT VALUE

**1,267,172**

Purchaser's Costs	5.80%	(73,496)		(73,496)		
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#### NET DEVELOPMENT VALUE

**1,193,676**

#### NET REALISATION

**1,193,676**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (Negative land)			(1,702,211)			
Town Planning			50,000			
Survey			50,000			
						(1,602,211)

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost			
Leisure & Entertainment - Fitness Suites	800.00 m <sup>2</sup>	2,337.00 pm <sup>2</sup>	1,869,600	<b>1,869,600</b>		
Contingency		5.00%	93,480			
Demolition			90,417			
Mayoral CIL	800.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	40,000			
						223,897

#### Other Construction

External Works	10.00%	186,960				
Remediation/ De-contamination		38,000				
						224,960

#### PROFESSIONAL FEES

All Professional	12.00%	224,352				
						224,352

#### MARKETING & LETTING

Letting Agent Fee	15.00%	13,158				
Letting Legal Fee	5.00%	4,386				
						17,544

#### DISPOSAL FEES

Sales Agent Fee	1.00%	11,937				
Sales Legal Fee	0.50%	5,968				
						17,905

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)						
Land			(114,320)			
Construction			133,003			
Total Finance Cost						18,683

#### TOTAL COSTS

**994,730**

#### PROFIT

**198,946**

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.82%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
Gross Initial Yield%	6.92%
Net Initial Yield%	6.92%

IRR	N/A
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Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Healthcare

## Summary Appraisal for Phase 1

Currency in £

## REVENUE

## Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Healthcare Appraisal	1	340.00	215.00	73,100	73,100	73,100

## Investment Valuation

## Healthcare Appraisal

Current Rent	73,100	YP @	6.7500%	14.8148	1,082,963	
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## GROSS DEVELOPMENT VALUE

1,082,963

Purchaser's Costs

5.80% (62,812)

(62,812)

## NET DEVELOPMENT VALUE

1,020,151

## NET REALISATION

1,020,151

## OUTLAY

## ACQUISITION COSTS

Residualised Price (Negative land)			(436,664)			
Town Planning			50,000			
Survey			10,000			
				(376,664)		

## CONSTRUCTION COSTS

## Construction

	m <sup>2</sup>	Rate m <sup>2</sup>	Cost			
Healthcare Appraisal	400.00 m <sup>2</sup>	2,139.00 pm <sup>2</sup>	855,600	855,600		
Contingency		5.00%	42,780			
Demolition			45,208			
Mayoral CIL	400.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	20,000			
				107,988		

## Other Construction

External Works	10.00%	85,560				
Remediation/ De-contamination		19,000				
				104,560		

## PROFESSIONAL FEES

All Professional	12.00%	102,672		102,672		
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## MARKETING &amp; LETTING

Letting Agent Fee	15.00%	10,965				
Letting Legal Fee	5.00%	3,655				
				14,620		

## DISPOSAL FEES

Sales Agent Fee	1.00%	10,202				
Sales Legal Fee	0.50%	5,101				
				15,302		

## FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)						
Land			(37,293)			
Construction			63,341			
Total Finance Cost				26,048		

## TOTAL COSTS

850,126

## PROFIT

170,025

## Performance Measures

Profit on Cost%	20.00%					
Profit on GDV%	15.70%					
Profit on NDV%	16.67%					
Development Yield% (on Rent)	8.60%					
Equivalent Yield% (Nominal)	6.75%					
Equivalent Yield% (True)	7.04%					
Gross Initial Yield%	6.75%					
Net Initial Yield%	6.75%					
IRR		N/A				
Rent Cover		2 yrs 4 mths				
Profit Erosion (finance rate 6.500%)		2 yrs 10 mths				

## Student Housing

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales	Adjustment	Net Sales
Student Housing (net of PC)	750	9,750.00	9,895.62	128,643	96,482,250	(1,736,681)	94,745,569

#### NET REALISATION

94,745,569

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.50 Ha 32,995,670.84 pHect)			16,497,835	
Stamp Duty			659,913	
Agent Fee		1.00%	164,978	
Legal Fee		0.50%	82,489	
Planning Application Fee			50,000	
Survey			50,000	
				17,505,216

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost	
Student Housing (net of PC)	13,928.57 m <sup>2</sup>	2,961.54 pm <sup>2</sup>	41,250,000	41,250,000
Contingency		5.00%	2,062,500	
Demolition			452,084	
Mayoral CIL	13,928.57 m <sup>2</sup>	50.00 pm <sup>2</sup>	696,429	
				3,211,013
Other Construction				
External Works		10.00%	4,125,000	
Remediation/ De-contamination			190,000	
				4,315,000

#### PROFESSIONAL FEES

All Professional		12.00%	4,950,000	4,950,000
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#### DISPOSAL FEES

Sales Agent Fee		1.00%	947,456	
Sales Legal Fee		0.50%	473,728	
				1,421,184

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Land			2,935,395	
Construction			3,366,827	
Total Finance Cost				6,302,222

#### TOTAL COSTS

78,954,635

#### PROFIT

15,790,935

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	20.71%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Hotel

### Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Hotel	1	4,000.00	323.18	1,292,720	1,292,720	1,292,720

#### Investment Valuation

Hotel						
Current Rent	1,292,720	YP @	6.0000%	16.6667	21,545,333	

### GROSS DEVELOPMENT VALUE

21,545,333

Purchaser's Costs	5.80%	(1,249,629)	(1,249,629)
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### NET DEVELOPMENT VALUE

20,295,704

### NET REALISATION

20,295,704

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (0.20 Ha 10,261,763.91 pHect)			2,052,353
Stamp Duty			82,094
Agent Fee	1.00%		20,524
Legal Fee	0.50%		10,262
Town Planning			50,000
Survey			50,000
			2,265,232

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Hotel	5,000.00 m <sup>2</sup>	1,971.00 pm <sup>2</sup>	9,855,000
Contingency		5.00%	492,750
Demolition			90,417
Mayoral CIL	5,000.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	250,000
			833,167
Other Construction			
External Works		10.00%	985,500
Remediation/ De-contamination			38,000
			1,023,500

#### PROFESSIONAL FEES

All Professional	12.00%	1,182,600	1,182,600
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#### MARKETING & LETTING

Letting Agent Fee	15.00%	193,908	
Letting Legal Fee	5.00%	64,636	
			258,544

#### DISPOSAL FEES

Sales Agent Fee	1.00%	202,957	
Sales Legal Fee	0.50%	101,479	
			304,436

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		365,167	
Construction		825,439	
Total Finance Cost			1,190,606

### TOTAL COSTS

16,913,085

### PROFIT

3,382,619

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	7.64%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Gross Initial Yield%	6.00%
Net Initial Yield%	6.00%
IRR	22.66%
Rent Cover	2 yrs 7 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

### Summary Appraisal for Phase 1

Currency in £

## REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	20,903.18	6,996.54	146,249,935	146,249,935
Car Parking	<u>60</u>	<u>0.00</u>	0.00	25,000	<u>1,500,000</u>
<b>Totals</b>	<b>61</b>	<b>20,903.18</b>			<b>147,749,935</b>

### Rental Area Summary

Rental Area Summary		Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

## Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.5000%	18,1818	1,309,091

### GROSS DEVELOPMENT VALUE

<b>GROSS DEVELOPMENT VALUE</b>			<b>149,059,026</b>
Purchaser's Costs	5.80%	(75,927)	(75,927)

## NET DEVELOPMENT VALUE

NET DEVELOPMENT VALUE	115,000,000
NET REALISATION	148,983,099

## OUTLAY

### ACQUISITION COSTS

Residualised Price		3,164,027	
Agent Fee	1.00%	31,640	
Legal Fee	0.50%	15,820	
Town Planning		48,000	
Survey		50,000	
			3,309,487

## CONSTRUCTION COSTS

CONSTRUCTION COSTS				
Construction	Units	Unit Amount	Cost	
Car Parking	60 un	25,000	1,500,000	
	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private	32,158.74 m <sup>2</sup>	2,368.06 pm <sup>2</sup>	76,153,826	<b>77,653,826</b>
Externals		15.00%	11,648,074	
Developers Contingency		5.00%	3,882,691	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	32,158.74 m <sup>2</sup>	50.05 pm <sup>2</sup>	1,609,545	
				18,420,310

## PROFESSIONAL FEES

Professional Fees	12.00%	9,318,459	9,318,459
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## MARKETING & LETTING

Marketing	2.00%	2,924,999	2,924,999
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## DISPOSAL FEES

Sales Agent Fee	1.00%	1,462,499	
Sales Legal Fee	0.50%	731,250	
			2,193,749

## FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)		
Land	748,908	
Construction	6,642,524	
Other	1,685,447	
Total Finance Cost		9,076,878

**TOTAL COSTS**[illegible]**PROFIT**26,085,390

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
Gross Initial Yield%	5.50%
Net Initial Yield%	5.50%
IRR	21.02%
Rent Cover	362 yrs 4 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## OPDC Viability Assessment - Aged Persons Housing 300 Dwellings/Hectare (£750)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private	1	20,903.18	8,072.93	168,749,909	168,749,909
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>61</b>	<b>20,903.18</b>			<b>170,249,909</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.5000%	18.1818	1,309,091

#### GROSS DEVELOPMENT VALUE

**171,559,000**

Purchaser's Costs	5.80%	(75,927)	(75,927)
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#### NET DEVELOPMENT VALUE

**171,483,073**

#### NET REALISATION

**171,483,073**

#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			16,509,521	
Stamp Duty			660,381	
Agent Fee	1.00%		165,095	
Legal Fee	0.50%		82,548	
Town Planning			48,000	
Survey			50,000	
				17,515,545

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	60 un	25,000	1,500,000	
	m²	Rate m²	Cost	
Private	32,158.74 m²	2,368.06 pm²	76,153,826	<b>77,653,826</b>
Externals		15.00%	11,648,074	
Developers Contingency		5.00%	3,882,691	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	32,158.74 m²	50.05 pm²	1,609,545	
				18,420,310

#### PROFESSIONAL FEES

Professional Fees	12.00%	9,318,459	9,318,459
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#### MARKETING & LETTING

Marketing	2.00%	3,374,998	3,374,998
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,687,499	
Sales Legal Fee	0.50%	843,750	
			2,531,249

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		4,061,713	
Construction		6,642,524	
Other		1,941,585	
Total Finance Cost			12,645,822

#### TOTAL COSTS

**141,460,208**

#### PROFIT

**30,022,864**

#### Performance Measures

Profit on Cost%	21.22%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.05%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
Gross Initial Yield%	5.50%
Net Initial Yield%	5.50%
IRR	18.37%
Rent Cover	416 yrs 12 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths



## OPDC Viability Assessment - Aged Persons Housing 300 Dwellings/Hectare (£850)

### Summary Appraisal for Phase 1

Currency in £

#### REVENUE

Sales Valuation	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private	1	20,903.18	9,149.32	191,249,883	191,249,883
Car Parking	60	0.00	0.00	25,000	1,500,000
<b>Totals</b>	<b>61</b>	<b>20,903.18</b>			<b>192,749,883</b>

#### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

#### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.5000%	18.1818	1,309,091

#### GROSS DEVELOPMENT VALUE

				<b>194,058,974</b>
Purchaser's Costs	5.80%	(75,927)	(75,927)	

#### NET DEVELOPMENT VALUE

				<b>193,983,046</b>
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#### NET REALISATION

				<b>193,983,046</b>
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#### OUTLAY

#### ACQUISITION COSTS

Residualised Price			29,974,978	
Stamp Duty			1,198,999	
Agent Fee	1.00%		299,750	
Legal Fee	0.50%		149,875	
Town Planning			48,000	
Survey			50,000	
				31,721,602

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	60 un	0	0	
Car Parking (Parking Spaces)	60.00	25,000.00	1,500,000	
	<b>m<sup>2</sup></b>	<b>Rate m<sup>2</sup></b>	<b>Cost</b>	
Private	32,158.74 m <sup>2</sup>	2,368.06 pm <sup>2</sup>	76,153,826	<b>77,653,826</b>
Externals		15.00%	11,648,074	
Developers Contingency		5.00%	3,882,691	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	32,158.74 m <sup>2</sup>	50.05 pm <sup>2</sup>	1,609,545	
				18,420,310

#### PROFESSIONAL FEES

Professional Fees	12.00%	9,318,459	9,318,459
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#### MARKETING & LETTING

Marketing	2.00%	3,824,998	3,824,998
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#### DISPOSAL FEES

Sales Agent Fee	1.00%	1,912,499	
Sales Legal Fee	0.50%	956,249	
			2,868,748

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		7,374,518	
Construction		6,642,524	
Other		2,197,723	
Total Finance Cost			16,214,765

#### TOTAL COSTS

				<b>160,022,708</b>
--	--	--	--	--------------------

#### PROFIT

				<b>33,960,338</b>
--	--	--	--	-------------------

#### Performance Measures

Profit on Cost%	21.22%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.05%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
Gross Initial Yield%	5.50%
Net Initial Yield%	5.50%
IRR	16.97%
Rent Cover	471 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

## Cultural - Museums

### Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Museums	1	3,360.00	129.20	434,112	434,112	434,112

#### Investment Valuation

Museums						
Market Rent	434,112	YP @	7.0000%	14.2857		
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	5,795,888	

#### GROSS DEVELOPMENT VALUE

5,795,888

Purchaser's Costs	5.80%	(336,161)	(336,161)
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#### NET DEVELOPMENT VALUE

5,459,726

#### NET REALISATION

5,459,726

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (Negative land)			(4,513,736)
Town Planning			50,000
Survey			50,000
			(4,413,736)

#### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Museums	4,800.00 m <sup>2</sup>	1,325.00 pm <sup>2</sup>	6,360,000
Contingency		5.00%	318,000
Demolition			180,834
Mayoral CIL	4,800.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	240,000
			738,834

#### Other Construction

External Works	10.00%	636,000
Remediation/ De-contamination		76,000
		712,000

#### PROFESSIONAL FEES

All Professional	12.00%	763,200
		763,200

#### MARKETING & LETTING

Letting Agent Fee	15.00%	65,117
Letting Legal Fee	5.00%	21,706
		86,822

#### DISPOSAL FEES

Sales Agent Fee	1.00%	54,597
Sales Legal Fee	0.50%	27,299
		81,896

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)		
Land		(661,237)
Construction		881,993
Total Finance Cost		220,756

#### TOTAL COSTS

4,549,772

#### PROFIT

909,954

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	9.54%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Gross Initial Yield%	7.49%
Net Initial Yield%	7.49%
IRR	N/A
Rent Cover	2 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Education

### Summary Appraisal for Phase 1

Currency in £

### REVENUE

#### Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Education	1	13,600.00	129.90	1,766,640	1,766,640	1,766,640

#### Investment Valuation

Education						
Market Rent	1,766,640	YP @	9.0000%	11.1111		
(1yr Rent Free)		PV 1yr @	9.0000%	0.9174	18,008,563	

#### GROSS DEVELOPMENT VALUE

**18,008,563**

Purchaser's Costs	5.80%	(1,044,497)	(1,044,497)
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#### NET DEVELOPMENT VALUE

**16,964,066**

#### NET REALISATION

**16,964,066**

### OUTLAY

#### ACQUISITION COSTS

Residualised Price (Negative land)			(32,887,996)
Town Planning			50,000
Survey			50,000
			(32,787,996)

#### CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost
Education	16,000.00 m²	2,194.00 pm²	35,104,000
Contingency		5.00%	1,755,200
Demolition			452,084
Mayoral CIL	16,000.00 m²	50.00 pm²	800,000
			3,007,284

#### Other Construction

External Works	10.00%	3,510,400	
Remediation/ De-contamination		190,000	3,700,400

#### PROFESSIONAL FEES

All Professional	12.00%	4,212,480	4,212,480
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#### MARKETING & LETTING

Letting Agent Fee	15.00%	264,996	
Letting Legal Fee	5.00%	88,332	353,328

#### DISPOSAL FEES

Sales Agent Fee	1.00%	169,641	
Sales Legal Fee	0.50%	84,820	254,461

#### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(2,612,804)	
Construction		2,905,568	
Total Finance Cost			292,764

#### TOTAL COSTS

**14,136,721**

#### PROFIT

**2,827,345**

#### Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	12.50%
Equivalent Yield% (Nominal)	9.00%
Equivalent Yield% (True)	9.53%
Gross Initial Yield%	9.81%
Net Initial Yield%	9.81%
IRR	(10.66)%
Rent Cover	1 yr 7 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

## Community

## Summary Appraisal for Phase 1

Currency in £

## REVENUE

## Rental Area Summary

	Units	m <sup>2</sup>	Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Community	1	340.00	129.90	44,166	44,166	44,166

## Investment Valuation

Community						
Market Rent	44,166	YP @	9.0000%	11.1111		
(1yr Rent Free)		PV 1yr @	9.0000%	0.9174	450,214	

## GROSS DEVELOPMENT VALUE

450,214

Purchaser's Costs	5.80%	(26,112)	(26,112)
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## NET DEVELOPMENT VALUE

424,102

## NET REALISATION

424,102

## OUTLAY

## ACQUISITION COSTS

Residualised Price (Negative land)			(938,954)
Town Planning			50,000
Survey			10,000
			(878,954)

## CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Rate m <sup>2</sup>	Cost
Community	400.00 m <sup>2</sup>	2,220.00 pm <sup>2</sup>	888,000
Contingency		5.00%	44,400
Demolition			45,208
Mayoral CIL	400.00 m <sup>2</sup>	50.00 pm <sup>2</sup>	20,000
			109,608
Other Construction			
External Works		10.00%	88,800
Remediation/ De-contamination			19,000
			107,800

## PROFESSIONAL FEES

All Professional	12.00%	106,560	106,560
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## MARKETING &amp; LETTING

Letting Agent Fee	15.00%	6,625	
Letting Legal Fee	5.00%	2,208	
			8,833

## DISPOSAL FEES

Sales Agent Fee	1.00%	4,241	
Sales Legal Fee	0.50%	2,121	
			6,362

## FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(59,963)	
Construction		65,172	
Total Finance Cost			5,209

## TOTAL COSTS

353,418

## PROFIT

70,684

## Performance Measures

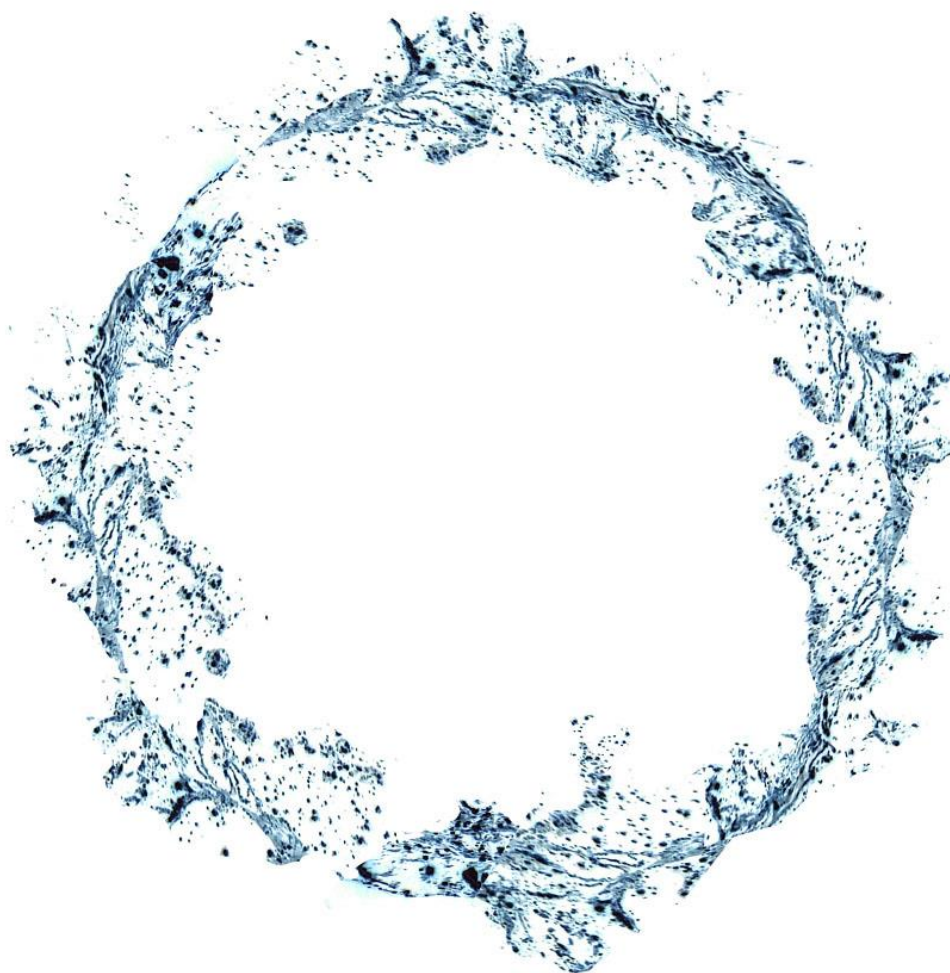
Profit on Cost%	20.00%
Profit on GDV%	15.70%
Profit on NDV%	16.67%
Development Yield% (on Rent)	12.50%
Equivalent Yield% (Nominal)	9.00%
Equivalent Yield% (True)	9.53%
Gross Initial Yield%	9.81%
Net Initial Yield%	9.81%
IRR	(10.87)%
Rent Cover	1 yr 7 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

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**Old Oak and Park Royal  
Preliminary Draft Charging Schedule  
Community Infrastructure Levy  
Viability Report  
Addendum Report**

August 2016

Old Oak and Park Royal Development Corporation  
City Hall  
The Queen's Walk  
London  
SE1 2AA

FAO: Ms Claire O'Brien  
26 August 2016

Dear Sirs

## Planning & Development Viability Advice

We enclose our Addendum Report ('the Addendum') to the Community Infrastructure Levy Viability Report of 18 April 2016 ('the Report'), which has been prepared for the sole purpose of assisting and advising Old Oak and Park Royal Development Corporation ('OPDC') in accordance with our engagement letter for additional services dated 1 August 2016. It is also important that the Addendum should be read in conjunction with the Report, which includes information provided by you, and reflects input from you and your legal advisors, Pinsent Masons.

This report has been prepared for OPDC and on the understanding that it will be made publically available on OPDC's website. All copyright and other proprietary rights in the report remain the property of Deloitte LLP and any rights not expressly granted in these terms or in the Contract are reserved. No party other than OPDC is entitled to rely on the report for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document. The information contained within this report is provided to assist OPDC in setting its Community Infrastructure Levy ("CIL") Charging Schedule. The report makes use of a range of third party data sources. Whilst every reasonable care has been taken in compiling this report, Deloitte has not checked or audited third party data and therefore cannot guarantee its accuracy.

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Yours faithfully



Deloitte LLP

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# 1 Introduction

## The Purpose of this Report Addendum

- 1.1 Subsequent to our Report dated 18 April 2016, OPDC has asked us to test the impact on viability and the maximum CIL rate of a potential assumed range of affordable housing provision of 30% - 50%. We have therefore produced this Report Addendum to document the outputs of this testing. The Addendum should be read in conjunction with our Report dated 18 April 2016.
- 1.2 We have conducted nine new appraisals utilising the same assumptions as the original testing, but altering the level of affordable housing that is provided, with these results assessed to ascertain a maximum surplus amount available for CIL.
- 1.3 In addition, we have been asked to provide:
  - Further narrative in relation to SDLT and the potential impact of the EU referendum; and
  - Further consideration of the impact of potential s106 costs, by presenting the outputs by way of a total surplus for CIL and s106.

## Summary of the Main Report

- 1.4 The Main Report dated 18 April 2016, to which this document is an addendum was prepared to inform the Community Infrastructure Levy Preliminary Draft Charging Schedule ('CIL PDCS') for the Old Oak and Park Royal Development Corporation ('OPDC').
- 1.5 This was achieved by adopting an area-based approach to viability in accordance with CIL Regulations and Planning Practice Guidance ('PPG'), and further guidance set out in the National Planning Policy Framework ('NPPF') and the Harman Review.
- 1.6 Development appraisals were prepared for a range of different uses, utilising relevant site typologies to establish the Residual Land Value ('RLV') of each site. The RLV was then compared against a value of the land that would incentivise a landowner to sell their land, referred to as the Threshold Land Value ('TLV'), to determine whether there is sufficient surplus within the scheme to be captured for CIL.
- 1.7 CIL guidance and the full methodology for testing viability can be found in sections one and two of the Report respectively.
- 1.8 The site typologies were chosen to reflect size, density and sales values of potential developments across the OPDC area. These are summarised in the table below which shows the sales values and densities tested, however, a comprehensive breakdown and explanation of the assumptions can be found in section six, 'Key Assumptions' of the Report.
- 1.9 In the table below, 'density per hectare' is denoted by 'dph', and 'per square metre' is denoted by 'psm'.

Density	300 dph	405dph	600dph
<b>Sales values</b>	£6,996 psm	£6,996 psm	£6,996 psm
	£8,073 psm	£8,073 psm	£8,073 psm
	£9,149 psm	£9,149 psm	£9,149 psm

- 1.10 Using these nine different scenarios, different levels of affordable housing were tested to assess viability. These levels were 20%, 30%, 40% and 48%, which resulted in 36 appraisals and therefore 36 RLVs.
- 1.11 The TLV was then deducted from the RLV to determine whether there was a surplus, which would be the maximum rate at which CIL could be charged whilst still providing a viable development.
- 1.12 Upon analysis of the levels of surplus, i.e. the maximum CIL rates, a rounded residential CIL rate was suggested. This level was £250psm, which was retested against all 36 appraisals and the results confirmed that the majority of sites tested were able to absorb a CIL rate at this level.

#### Important Notice

- 1.13 As this note is an addendum to the original Report, all circumstances and assumptions which applied to the original testing continue to apply here. We would recommend that a review of all assumptions is appropriately undertaken at the point at which the Report is updated, e.g. at Draft Charging Schedule stage.
- 1.14 The analysis contained in the Report was prepared prior to the UK budget statement earlier this year, following which Stamp Duty Land Tax ('SDLT') was altered. In addition, other assumptions may have now changed. We have sample tested the impact of SDLT changes and can confirm that this does not appear material to the results, as the changes appear to be absorbed by rounding.
- 1.15 The result of the Referendum held on 23 June 2016 concerning the UK's membership of the EU, was a majority in favour of exit. This result has led to a period of uncertainty. There is still a shortage of comparable evidence of arm's lengths transactions since the Referendum. It is therefore prudent to exercise a greater degree of judgement than would be applied under more liquid market conditions.
- 1.16 The probability of assumptions exactly coinciding with prices achieved has reduced. We would, therefore, recommend that the information contained within this Report Addendum is kept under regular review.

## 2 Results of Sensitivity Testing

2.1 OPDC has asked us to exclude 20% and 48% affordable housing from the analysis, but to add a new top rate of 50% affordable housing. We have therefore conducted the viability analysis incorporating the results from three levels of affordable housing (30%, 40%, 50%) in order to advise on a suggested a CIL rate.

2.2 The RLVs for the 30%, 40% and 50% affordable housing scenarios are set out below:

### **Residual Land Values (£GBP)**

	<b>30% AH</b>	<b>40% AH</b>	<b>50% AH</b>
£6996psm, 300dph	5,800,000	1,100,000	-4,000,000
£6996psm, 405dph	9,600,000	3,600,000	-2,700,000
£6996psm, 600dph	1,200,000	-5,500,000	-12,500,000
£8073psm, 300dph	17,100,000	11,500,000	5,900,000
£8073psm, 405dph	24,600,000	17,300,000	10,000,000
£8073psm, 600dph	21,300,000	13,700,000	6,000,000
£9150psm, 300dph	28,300,000	21,600,000	15,000,000
£9150psm, 405dph	39,300,000	30,700,000	22,100,000
£9150psm, 600dph	41,100,000	31,800,000	22,400,000

2.3 The table demonstrates that four of the 27 tested scenarios produce a negative residual land value, and are therefore unviable, without the imposition of CIL.

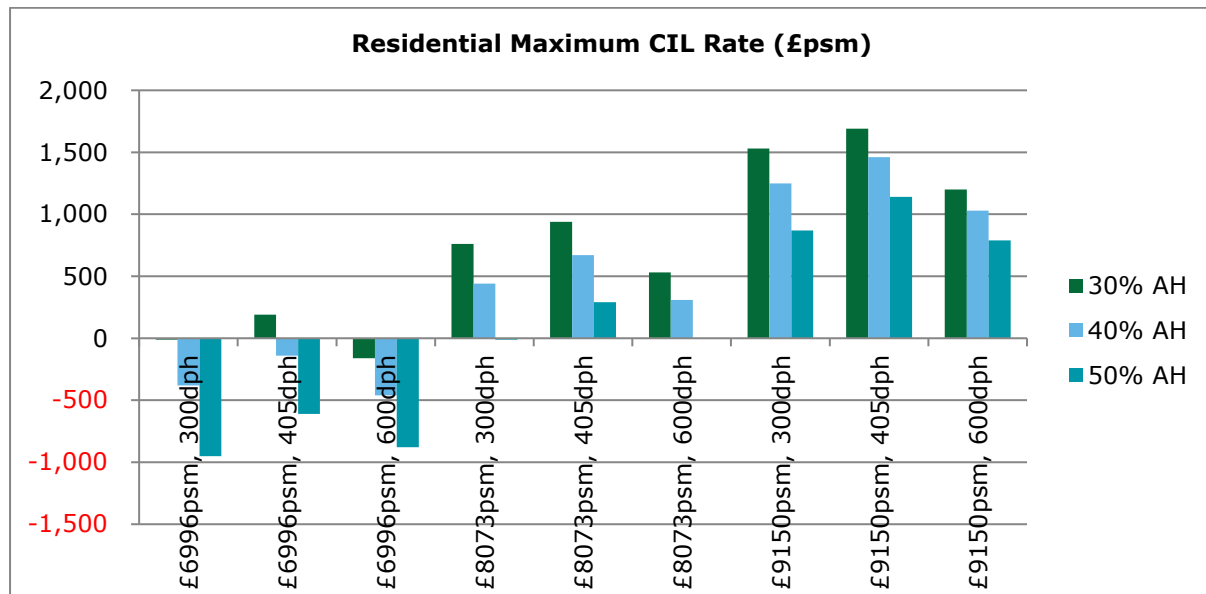
2.4 As in the Report, the TLV has been deducted from the RLV in all scenarios to produce a surplus or deficit.

2.5 The resulting surplus or deficit (£psm) is set out below:

### **Surplus (£psm) Maximum CIL Rate - Total Private Area**

	<b>30% AH</b>	<b>40% AH</b>	<b>50% AH</b>
£6996psm, 300dph	-10	-380	-950
£6996psm, 405dph	190	-140	-610
£6996psm, 600dph	-160	-460	-880
£8073psm, 300dph	760	440	-10
£8073psm, 405dph	940	670	290
£8073psm, 600dph	530	310	0
£9150psm, 300dph	1,530	1,250	870
£9150psm, 405dph	1,690	1,460	1,140
£9150psm, 600dph	1,200	1,030	790

- 2.6 In addition we have graphically demonstrated the maximum CIL rate data in the following bar chart:



- 2.7 The analysis demonstrates that the change in affordable housing level has an impact on the maximum CIL rate that can be charged. As the level of affordable housing increases, the maximum surplus naturally decreases for each scenario.
- 2.8 Out of the 27 scenarios, nine produce a deficit, and one results in a nil surplus for CIL. Therefore 10 scenarios are unable to accommodate any level of CIL.
- 2.9 However, there are 17 scenarios which produce a surplus and can therefore accommodate a proportion of CIL. The surplus amounts for these scenarios range from £190-£1,690psm.
- 2.10 We have produced the following table to demonstrate, incorporating the 30%-50% levels of affordable housing, whether the previously suggested CIL rate of £250psm remains viable. 'YES' indicates that the surplus amount is sufficient to incorporate a £250psm CIL rate, whereas 'NO' indicates that the surplus amount is insufficient to incorporate this charge:

**Rate      £250psm**

**Testing Suggested CIL Rate across all Results**

	30% AH	40% AH	50% AH
£6996psm, 300dph	NO	NO	NO
£6996psm, 405dph	NO	NO	NO
£6996psm, 600dph	NO	NO	NO
£8073psm, 300dph	YES	YES	NO
£8073psm, 405dph	YES	YES	YES
£8073psm, 600dph	YES	YES	NO
£9150psm, 300dph	YES	YES	YES
£9150psm, 405dph	YES	YES	YES
£9150psm, 600dph	YES	YES	YES

- 2.11 The table shows that in adopting a £250psm CIL rate, 16/27 (59%) of the scenarios tested are viable.
- 2.12 We have also tested a number of different CIL rates to demonstrate the impact they have on the number of viable scenarios tested.
- 2.13 We have tested the range £0-£250psm in increments of £25psm, and £250-£400psm in increments of £50psm. This range has been chosen as in all cases there are a majority of viable scenarios. Increasing the CIL rate further would result in the majority of scenarios being unviable, and therefore it was considered that those rates should not be considered further.
- 2.14 The results of all CIL rates tested have been set out below:

	CIL Rate (psm)												
	£0	£25	£50	£75	£100	£125	£150	£175	£200	£250	£300	£350	£400
<b>No. of Viable Scenarios</b>	18/27	17/27	17/27	17/27	17/27	17/27	17/27	17/27	16/27	16/27	15/27	14/27	14/27
<b>% of Viable Scenarios</b>	67%	63%	63%	63%	63%	63%	63%	63%	59%	59%	56%	52%	52%

- 2.15 As expected, the analysis demonstrates that as the CIL rate decreases, the percentage of viable scenarios increases. Looking at the limits of the chosen range, at a £0psm CIL rate, the percentage of viable scenarios is 67%, and at £400psm CIL rate, the percentage of viable scenarios reduces to 52%.
- 2.16 It will be noted that between the CIL rates of £25psm and £175psm the percentage of viable scenarios remains consistent at 63%. This is because, as shown above, 17 scenarios result in a surplus, all of which are above £190psm.
- 2.17 In applying the same rationale for setting CIL as that set out in the Report (see Section 7, 'Interpreting the Results'), all of the CIL rates tested above produce a majority of viable scenarios, suggesting that they could all be appropriate.

#### Further Analysis

- 2.18 In light of OPDC's anticipation that there may be significant s106 costs particularly in the early years of its CIL Charging Schedule, further analysis has been carried out, to ensure that the CIL rate proposed absorbs an 'appropriate proportion' of the total surplus available, allowing for any additional costs such as s106 obligations, and allowing for a viability cushion.
- 2.19 We have therefore conducted additional analysis testing a range of CIL rates (£150psm, £175psm, £200psm, £225psm and £250psm) against the surplus to assess whether the remaining cushion is appropriate, not only in giving developers confidence to proceed with prospective developments, but also sufficient to allow for additional S106 obligations that may be incurred.
- 2.20 In order to carry out this testing we have calculated the average surplus for each affordable housing scenario and tabulated this below. In line with other CIL Viability Reports, we have disregarded schemes that are unviable regardless of the level of CIL imposed (including a nil rate). If a scheme is unviable before CIL is levied, it is unlikely to come forward without an

improvement in other factors. The 'unviable' schemes are disregarded in undertaking our analysis of average surplus below.

- 2.21 Once an average surplus has been calculated, we have incorporated the five CIL rates, by deducting these from the 'average surplus' which results in a 'remaining surplus'. This has also been represented as a percentage of the average surplus to demonstrate what portion of the remaining surplus may be used for other s106 obligations and a viability cushion.

**Surplus (£psm) Maximum CIL Rate - Total Private Area**

Surplus (£psm) Maximum CIL Rate - Total Private Area															
	30% AH					40% AH					50% AH				
£6996psm, 300dph	-10					-380					-950				
£6996psm, 405dph	190					-140					-610				
£6996psm, 600dph	-160					-460					-880				
£8073psm, 300dph	760					440					-10				
£8073psm, 405dph	940					670					290				
£8073psm, 600dph	530					310					0				
£9150psm, 300dph	1,530					1,250					870				
£9150psm, 405dph	1,690					1,460					1,140				
£9150psm, 600dph	1,200					1,030					790				
<b>Outputs</b>															
Average Surplus (£psm)	£977					£860					£618				
CIL Rate (£psm)	£150	£175	£200	£225	£250	£150	£175	£200	£225	£250	£150	£175	£200	£225	£250
Remaining Surplus (£psm)	£827	£802	£777	£752	£727	£710	£685	£660	£635	£610	£468	£443	£418	£393	£368
Remaining Surplus (% of average surplus)	85%	82%	80%	77%	74%	83%	80%	77%	74%	71%	76%	72%	68%	64%	60%

- 2.22 As can be seen from the table above, there remains a surplus available for additional s106 costs and a viability cushion ranging from a total of 60% - 85% of the average surplus in any given scenario.

- 2.23 Following this further analysis and discussion with OPDC, a residential CIL rate of £175psm is supported to allow for a significant 'remaining surplus' which could be utilised for additional s106 obligations, assisting OPDC in delivery of its Plan, particularly in the early years of the CIL Charging Schedule's adoption. On this basis, a residential CIL rate of £175psm is suggested and supported.

- 2.24 Reflecting a £175psm residential CIL rate in the form of the table at paragraph 2.10 above gives the following result, with "YES" indicating that the surplus amount is sufficient to incorporate a £175psm CIL rate, whereas "NO" indicates that the surplus amount is insufficient to incorporate a £175psm charge.

/

**Rate      £175psm****Testing Suggested CIL Rate across all Results**

	<b>30% AH</b>	<b>40% AH</b>	<b>50% AH</b>
£6996psm, 300dph	NO	NO	NO
£6996psm, 405dph	YES	NO	NO
£6996psm, 600dph	NO	NO	NO
£8073psm, 300dph	YES	YES	NO
£8073psm, 405dph	YES	YES	YES
£8073psm, 600dph	YES	YES	NO
£9150psm, 300dph	YES	YES	YES
£9150psm, 405dph	YES	YES	YES
£9150psm, 600dph	YES	YES	YES

2.25 The table demonstrates that in adopting a £175psm CIL rate, 17/27 (63%) of the scenarios tested are viable.

# 3 Conclusion

- 3.1 Regulation 14 (1) b states that in setting rates the charging authority must strike an appropriate balance between raising funds for infrastructure and “the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.” Planning Practice Guidance echoes this by stating that the examiner should be satisfied that “evidence has been provided that shows the proposed rate or rates would not threaten delivery of the relevant Plan as a whole.”
- 3.2 We analysed the results using the data collected from the 30%, 40% and 50% affordable housing scenarios. The results of this testing suggest that a CIL rate of £250psm continues to deliver a majority of viable scenarios. However, we have been asked to examine this further in the context of additional s106 obligations and an appropriate viability cushion.
- 3.3 Paragraph 19 of the Planning Practice Guidance on CIL Rates states that “a charging authority’s proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence. For example, this might not be appropriate if the evidence pointed to setting a charge right at the margins of viability. There is room for some pragmatism. It would be appropriate to ensure that a ‘buffer’ or margin is included, so that the levy rate is able to support development when economic circumstances adjust.”
- 3.4 In light of OPDC’s anticipation that there may be significant s106 costs, particularly in the early years of its CIL charging schedule, OPDC has asked us to test lower levels of CIL, tabulated in 2.21. To allow for this and following such testing and discussion with OPDC, it has been established that a residential CIL rate of £175psm would allow for a significant ‘remaining surplus’ which could be utilised for alternative s106 obligations, assisting OPDC in delivery of its Plan, particularly in the early years of the CIL Charging Schedule’s adoption.
- 3.5 At a residential CIL rate of £175psm, 63% of the tested scenarios are viable (see para 2.14), while also providing a significant ‘remaining surplus’ for a viability cushion and additional S106 costs. The ‘remaining surplus’ ranges between 72%-82% of the average surplus for each affordable housing scenario (see para 2.21). Based on this analysis, a residential CIL rate of £175psm is suggested and supported.



# Appendix 1 – 50% Affordable Housing Appraisals

# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 300 Dwellings/Hectare (£650, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	112,500	650.00	73,125,000	73,125,000
Affordable Rent	1	67,500	235.00	15,862,500	15,862,500
Shared Ownership	1	45,000	295.00	13,275,000	13,275,000
Car Parking	60	0	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>225,000</b>			<b>103,762,500</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

### Investment Valuation

<b>Ground Rent</b>				
Current Rent	72,000	YP @	5.0000%	20.0000
				1,440,000

### GROSS DEVELOPMENT VALUE

**105,202,500**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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### NET DEVELOPMENT VALUE

**105,118,980**

### NET REALISATION

**105,118,980**

### OUTLAY

### ACQUISITION COSTS

Residualised Price (Negative land)		(3,950,834)	
Town Planning		48,000	
Survey		50,000	
			(3,852,834)

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	25,000	1,500,000
	ft²	Rate ft²	Cost
Private	140,625 ft²	220.00 pft²	30,937,500
Affordable Rent	84,375 ft²	210.00 pft²	17,718,750
Shared Ownership	56,250 ft²	210.00 pft²	11,812,500
<b>Totals</b>	<b>281,250 ft²</b>		<b>60,468,750</b>

Externals	15.00%	9,295,312	
Developers Contingency	5.00%	3,098,437	
Demolition & Remediation		380,000	
Demolition		900,000	
Mayoral CIL	281,250 ft²	4.65 pft²	1,307,813
			14,981,562

### PROFESSIONAL FEES

Professional Fees	12.00%	7,436,250	7,436,250
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### MARKETING & LETTING

Marketing	2.00%	1,462,500	1,462,500
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### DISPOSAL FEES

Sales Agent Fee	1.00%	731,250	
Sales Legal Fee	0.50%	511,313	
			1,242,563

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(461,756)	
Construction		3,303,484	
Other		628,023	
Total Finance Cost			3,469,752

### TOTAL COSTS

**86,708,543**

### PROFIT

**18,410,438**

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	33.15%
Rent Cover	255 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 300 Dwellings/Hectare (£750, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	112,500	750.00	84,375,000	84,375,000
Affordable Rent	1	67,500	253.00	17,077,500	17,077,500
Shared Ownership	1	45,000	339.00	15,255,000	15,255,000
Car Parking	60	0	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>225,000</b>			<b>118,207,500</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

### GROSS DEVELOPMENT VALUE

**119,647,500**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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### NET DEVELOPMENT VALUE

**119,563,980**

### NET REALISATION

**119,563,980**

### OUTLAY

### ACQUISITION COSTS

Residualised Price		5,857,489	
Stamp Duty		234,300	
Agent Fee	1.00%	58,575	
Legal Fee	0.50%	29,287	
Town Planning		48,000	
Survey		50,000	
			6,277,651

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	25,000	1,500,000
	ft²	Rate ft²	Cost
Private	140,625 ft²	220.00 pft²	30,937,500
Affordable Rent	84,375 ft²	210.00 pft²	17,718,750
Shared Ownership	56,250 ft²	210.00 pft²	11,812,500
<b>Totals</b>	<b>281,250 ft²</b>		<b>60,468,750</b>
			<b>61,968,750</b>
Externals		15.00%	9,295,312
Developers Contingency		5.00%	3,098,437
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	281,250 ft²	4.65 pft²	1,307,813
			14,981,562

### PROFESSIONAL FEES

Professional Fees	12.00%	7,436,250	7,436,250
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### MARKETING & LETTING

Marketing	2.00%	1,687,500	1,687,500
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### DISPOSAL FEES

Sales Agent Fee	1.00%	843,750	
Sales Legal Fee	0.50%	583,538	1,427,288

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		1,034,642	
Construction		3,080,933	
Other		731,093	
Total Finance Cost			4,846,667

### TOTAL COSTS

**98,625,668**

### PROFIT

**20,938,312**

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	26.51%
Rent Cover	290 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 300 Dwellings/Hectare (£850, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	112,500	850.00	95,625,000	95,625,000
Affordable Rent	1	67,500	264.00	17,820,000	17,820,000
Shared Ownership	1	45,000	384.00	17,280,000	17,280,000
Car Parking	60	0	0.00	25,000	1,500,000
<b>Totals</b>	<b>63</b>	<b>225,000</b>			<b>132,225,000</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	240	300	72,000	72,000

### Investment Valuation

<b>Ground Rent</b>					
Current Rent	72,000	YP @	5.0000%	20.0000	1,440,000

### GROSS DEVELOPMENT VALUE

**133,665,000**

Purchaser's Costs	5.80%	(83,520)	(83,520)
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### NET DEVELOPMENT VALUE

**133,581,480**

### NET REALISATION

**133,581,480**

### OUTLAY

### ACQUISITION COSTS

Residualised Price		14,977,342	
Stamp Duty		599,094	
Agent Fee	1.00%	149,773	
Legal Fee	0.50%	74,887	
Town Planning		48,000	
Survey		50,000	
			15,899,095

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	60 un	0	0
Car Parking (Parking Spaces)	60	25,000.00	1,500,000
	<b>ft²</b>	<b>Rate ft²</b>	<b>Cost</b>
Private	140,625 ft²	220.00 pft²	30,937,500
Affordable Rent	84,375 ft²	210.00 pft²	17,718,750
Shared Ownership	56,250 ft²	210.00 pft²	11,812,500
<b>Totals</b>	<b>281,250 ft²</b>		<b>60,468,750</b>
Externals		15.00%	9,295,312
Developers Contingency		5.00%	3,098,437
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	281,250 ft²	4.65 pft²	1,307,813
			14,981,562

### PROFESSIONAL FEES

Professional Fees	12.00%	7,436,250	7,436,250
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### MARKETING & LETTING

Marketing	2.00%	1,912,500	1,912,500
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### DISPOSAL FEES

Sales Agent Fee	1.00%	956,250	
Sales Legal Fee	0.50%	653,625	
			1,609,875

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		2,656,602	
Construction		2,888,159	
Other		837,311	
Total Finance Cost			6,382,072

### TOTAL COSTS

**110,190,105**

### PROFIT

**23,391,375**

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	23.65%
Rent Cover	324 yrs 11 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 405 Dwellings/Hectare (£650, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	151,875	650.00	98,718,750	98,718,750
Affordable Rent	1	91,125	235.00	21,414,375	21,414,375
Shared Ownership	1	60,750	295.00	17,921,250	17,921,250
Car parking	81	0	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>303,750</b>			<b>140,079,375</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

### Investment Valuation

<b>Ground Rent</b>				
Current Rent	97,200	YP @	5.0000%	20.0000
				1,944,000

### GROSS DEVELOPMENT VALUE

142,023,375

Purchaser's Costs	5.80%	(112,752)	(112,752)
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### NET DEVELOPMENT VALUE

141,910,623

### NET REALISATION

141,910,623

### OUTLAY

### ACQUISITION COSTS

Residualised Price (Negative land)		(2,692,604)	
Town Planning		60,000	
Survey		50,000	
			(2,582,604)

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	81 un	0	0
Car parking (Parking Spaces)	81	25,000.00	2,025,000

	ft²	Rate ft²	Cost
Private	189,844 ft²	220.00 pF²	41,765,625
Affordable Rent	113,906 ft²	210.00 pF²	23,920,312
Shared Ownership	75,938 ft²	210.00 pF²	15,946,875
<b>Totals</b>	<b>379,688 ft²</b>		<b>81,632,812</b>

83,657,812

Externals		9,295,312	
Developers Contingency	5.00%	4,182,891	
Demolition & Remediation		380,000	
Demolition		900,000	
Mayoral CIL	379,688 ft²	4.65 pF²	1,765,547
			16,523,749

### PROFESSIONAL FEES

Professional Fees	12.00%	10,038,937	10,038,937
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### MARKETING & LETTING

Marketing	2.00%	1,974,375	1,974,375
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### DISPOSAL FEES

Sales Agent Fee	1.00%	987,187	
Sales Legal Fee	0.50%	690,272	
			1,677,459

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(387,865)	
Construction		5,000,614	
Other		1,154,053	
Total Finance Cost			5,766,802

### TOTAL COSTS

117,056,532

### PROFIT

24,854,091

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	26.33%
Rent Cover	255 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 405 Dwellings/Hectare (£750, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	151,875	750.00	113,906,250	113,906,250
Affordable Rent	1	91,125	253.00	23,054,625	23,054,625
Shared Ownership	1	60,750	339.00	20,594,250	20,594,250
Car Parking	81	0	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>303,750</b>			<b>159,580,125</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

### Investment Valuation

Ground Rent					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

### GROSS DEVELOPMENT VALUE

161,524,125

Purchaser's Costs	5.80%	(112,752)	(112,752)
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### NET DEVELOPMENT VALUE

161,411,373

### NET REALISATION

161,411,373

### OUTLAY

### ACQUISITION COSTS

Residualised Price			10,022,489
Stamp Duty			400,900
Agent Fee	1.00%		100,225
Legal Fee	0.50%		50,112
Town Planning			60,000
Survey			50,000
			10,683,726

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	81 un	0	0
Car Parking (Parking Spaces)	81	25,000.00	2,025,000
	ft²	Rate ft²	Cost
Private	189,844 ft²	220.00 pft²	41,765,625
Affordable Rent	113,906 ft²	210.00 pft²	23,920,312
Shared Ownership	75,938 ft²	210.00 pft²	15,946,875
<b>Totals</b>	<b>379,688 ft²</b>		<b>81,632,812</b>
Externals			9,295,312
Developers Contingency		5.00%	4,182,891
Demolition & Remediation			380,000
Demolition			900,000
Mayoral CIL	379,688 ft²	4.65 pft²	1,765,547
			16,523,749

### PROFESSIONAL FEES

Professional Fees	12.00%	10,038,937	10,038,937
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### MARKETING & LETTING

Marketing	2.00%	2,278,125	2,278,125
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### DISPOSAL FEES

Sales Agent Fee	1.00%	1,139,062	
Sales Legal Fee	0.50%	787,776	
			1,926,838

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		2,043,126	
Construction		4,649,115	
Other		1,343,221	
Total Finance Cost			8,035,463

### TOTAL COSTS

133,144,651

### PROFIT

28,266,722

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	22.24%
Rent Cover	290 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 405 Dwellings/Hectare (£850, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	151,875	850.00	129,093,750	129,093,750
Affordable Rent	1	91,125	264.00	24,057,000	24,057,000
Shared Ownership	1	60,750	384.00	23,328,000	23,328,000
Car Parking	81	0	0.00	25,000	2,025,000
<b>Totals</b>	<b>84</b>	<b>303,750</b>			<b>178,503,750</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	324	300	97,200	97,200

### Investment Valuation

Ground Rent					
Current Rent	97,200	YP @	5.0000%	20.0000	1,944,000

### GROSS DEVELOPMENT VALUE

**180,447,750**

Purchaser's Costs	5.80%	(112,752)	(112,752)
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### NET DEVELOPMENT VALUE

**180,334,998**

### NET REALISATION

**180,334,998**

### OUTLAY

### ACQUISITION COSTS

Residualised Price			22,066,230	
Stamp Duty			882,649	
Agent Fee	1.00%		220,662	
Legal Fee	0.50%		110,331	
Town Planning			60,000	
Survey			50,000	
				23,389,873

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car Parking	81 un	0	0	
Car Parking (Parking Spaces)	81	25,000.00	2,025,000	
	ft²	Rate ft²	Cost	
Private	189,844 ft²	220.00 pft²	41,765,625	
Affordable Rent	113,906 ft²	210.00 pft²	23,920,312	
Shared Ownership	75,938 ft²	210.00 pft²	15,946,875	
<b>Totals</b>	<b>379,688 ft²</b>		<b>81,632,812</b>	<b>83,657,812</b>
Externals			9,295,312	
Developers Contingency		5.00%	4,182,891	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	379,688 ft²	4.65 pft²	1,765,547	
				16,523,749

### PROFESSIONAL FEES

Professional Fees	12.00%	10,038,937	10,038,937
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### MARKETING & LETTING

Marketing	2.00%	2,581,875	2,581,875
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### DISPOSAL FEES

Sales Agent Fee	1.00%	1,290,937	
Sales Legal Fee	0.50%	882,394	
			2,173,331

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		4,507,472	
Construction		4,345,408	
Other		1,538,184	
Total Finance Cost			10,391,063

### TOTAL COSTS

**148,756,642**

### PROFIT

**31,578,356**

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	20.25%
Rent Cover	324 yrs 11 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 600 Dwellings/Hectare (£650, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	225,000	650.00	146,250,000	146,250,000
Affordable Rent	1	135,000	235.00	31,725,000	31,725,000
Shared Ownership	1	90,000	295.00	26,550,000	26,550,000
Car parking	120	0	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>450,000</b>			<b>207,525,000</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

### Investment Valuation

Ground Rent				
Current Rent	144,000	YP @	5.0000%	20.0000
				2,880,000

### GROSS DEVELOPMENT VALUE

**210,405,000**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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### NET DEVELOPMENT VALUE

**210,237,960**

### NET REALISATION

**210,237,960**

### OUTLAY

### ACQUISITION COSTS

Residualised Price (Negative land)		(12,468,641)	
Town Planning		82,000	
Survey		50,000	
			(12,336,641)

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car parking	120 un	25,000	3,000,000
	ft²	Rate ft²	Cost
Private	281,250 ft²	240.00 pft²	67,500,000
Affordable Rent	168,750 ft²	210.00 pft²	35,437,500
Shared Ownership	112,500 ft²	210.00 pft²	23,625,000
<b>Totals</b>	<b>562,500 ft²</b>		<b>126,562,500</b>

**129,562,500**

Externals		9,295,312	
Developers Contingency	5.00%	6,478,125	
Demolition & Remediation		380,000	
Demolition		900,000	
Mayoral CIL	562,500 ft²	4.65 pft²	2,615,625
			19,669,062

### PROFESSIONAL FEES

Professional Fees	12.00%	15,547,500	15,547,500
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### MARKETING & LETTING

Marketing	2.00%	2,925,000	2,925,000
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### DISPOSAL FEES

Sales Agent Fee	1.00%	1,462,500	
Sales Legal Fee	0.50%	1,022,625	
			2,485,125

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		(2,121,088)	
Construction		9,884,724	
Other		7,800,948	
Total Finance Cost			15,564,584

### TOTAL COSTS

**173,417,130**

### PROFIT

**36,820,830**

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	6.73%
Rent Cover	255 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths



# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 600 Dwellings/Hectare (£750, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	225,000	750.00	168,750,000	168,750,000
Affordable Rent	1	135,000	253.00	34,155,000	34,155,000
Shared Ownership	1	90,000	339.00	30,510,000	30,510,000
Car parking	120	0	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>450,000</b>			<b>236,415,000</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

### GROSS DEVELOPMENT VALUE

**239,295,000**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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### NET DEVELOPMENT VALUE

**239,127,960**

### NET REALISATION

**239,127,960**

### OUTLAY

### ACQUISITION COSTS

Residualised Price			5,978,487	
Stamp Duty			239,139	
Agent Fee	1.00%		59,785	
Legal Fee	0.50%		29,892	
Town Planning			82,000	
Survey			50,000	
				6,439,304

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Car parking	120 un	0	0	
Car parking (Parking Spaces)	120	25,000.00	3,000,000	
	<b>ft²</b>	<b>Rate ft²</b>	<b>Cost</b>	
Private	281,250 ft²	240.00 pft²	67,500,000	
Affordable Rent	168,750 ft²	210.00 pft²	35,437,500	
Shared Ownership	112,500 ft²	210.00 pft²	23,625,000	
<b>Totals</b>	<b>562,500 ft²</b>		<b>126,562,500</b>	<b>129,562,500</b>

Externals			9,295,312	
Developers Contingency	5.00%		6,478,125	
Demolition & Remediation			380,000	
Demolition			900,000	
Mayoral CIL	562,500 ft²	4.65 pft²	2,615,625	
				19,669,062

### PROFESSIONAL FEES

Professional Fees	12.00%	15,547,500	15,547,500
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### MARKETING & LETTING

Marketing	2.00%	3,375,000	3,375,000
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### DISPOSAL FEES

Sales Agent Fee	1.00%	1,687,500	
Sales Legal Fee	0.50%	1,167,075	
			2,854,575

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Land			1,543,911	
Construction			9,210,116	
Other			9,049,368	
Total Finance Cost				19,803,395

### TOTAL COSTS

**197,251,336**

### PROFIT

**41,876,624**

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	6.19%
Rent Cover	290 yrs 10 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths

# APPRAISAL SUMMARY

DELOITTE LLP

## OPDC Viability Assessment 600 Dwellings/Hectare (£850, 50% AH)

Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private	1	225,000	850.00	191,250,000	191,250,000
Affordable Rent	1	135,000	264.00	35,640,000	35,640,000
Shared Ownership	1	90,000	384.00	34,560,000	34,560,000
Car Parking	120	0	0.00	25,000	3,000,000
<b>Totals</b>	<b>123</b>	<b>450,000</b>			<b>264,450,000</b>

### Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	480	300	144,000	144,000

### Investment Valuation

<b>Ground Rent</b>					
Current Rent	144,000	YP @	5.0000%	20.0000	2,880,000

### GROSS DEVELOPMENT VALUE

**267,330,000**

Purchaser's Costs	5.80%	(167,040)	(167,040)
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### NET DEVELOPMENT VALUE

**267,162,960**

### NET REALISATION

**267,162,960**

### OUTLAY

### ACQUISITION COSTS

Residualised Price		22,426,482	
Stamp Duty		897,059	
Agent Fee	1.00%	224,265	
Legal Fee	0.50%	112,132	
Town Planning		82,000	
Survey		50,000	
			23,791,939

### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Car Parking	120 un	0	0
Car Parking (Parking Spaces)	120	25,000.00	3,000,000
	<b>ft²</b>	<b>Rate ft²</b>	<b>Cost</b>
Private	281,250 ft²	240.00 pft²	67,500,000
Affordable Rent	168,750 ft²	210.00 pft²	35,437,500
Shared Ownership	112,500 ft²	210.00 pft²	23,625,000
<b>Totals</b>	<b>562,500 ft²</b>		<b>126,562,500</b>

**129,562,500**

Externals		9,295,312	
Developers Contingency	5.00%	6,478,125	
Demolition & Remediation		380,000	
Demolition		900,000	
Mayoral CIL	562,500 ft²	4.65 pft²	2,615,625
			19,669,062

### PROFESSIONAL FEES

Professional Fees	12.00%	15,547,500	15,547,500
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### MARKETING & LETTING

Marketing	2.00%	3,825,000	3,825,000
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### DISPOSAL FEES

Sales Agent Fee	1.00%	1,912,500	
Sales Legal Fee	0.50%	1,307,250	
			3,219,750

### FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		5,818,099	
Construction		8,627,742	
Other		10,318,618	
Total Finance Cost			24,764,459

### TOTAL COSTS

**220,380,210**

### PROFIT

**46,782,750**

### Performance Measures

Profit on Cost%	21.23%
Profit on GDV%	17.50%
Profit on NDV%	17.51%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	6.09%
Rent Cover	324 yrs 11 mths
Profit Erosion (finance rate 6.500%)	2 yrs 12 mths



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