

Savills (UK) Ltd

Development Appraisal

The Mall

100% Private - Current Day - Sensitivity








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Report Date: 07 June 2017

## Project Timescale Summary

Project Start Date	Jun 2017
Project End Date	Apr 2025
Project Duration (Inc Exit Period)	95 months

### Phase Phase 1

	Start Date	Duration	End Date	
Project	Jun 2017	95 Month(s)	Apr 2025	
Purchase	Jun 2017	3 Month(s)	Aug 2017	
Pre-Construction	Sep 2017	14 Month(s)	Oct 2018	
Construction	Nov 2018	52 Month(s)	Feb 2023	
Post Development	Mar 2023	0 Month(s)		
Letting	Mar 2023	0 Month(s)		
Income Flow	Mar 2023	0 Month(s)		
Sale	Jan 2021	52 Month(s)	Apr 2025	
Cash Activity	Jun 2017	95 Month(s)	Apr 2025	
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## Summary Appraisal for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Block B Residential	261	155,818			
Block C Residential	168	108,446			
Block D Residential	27	20,584			
Block E Residential	<u>15</u>	<u>10,161</u>			
<b>Totals</b>	<b>471</b>	<b>295,009</b>			

### Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail (South) - PC 85%	14	89,830				
Retail (North) - PC 85%	6	20,624				
Retail (South) - PC 90%	1					
Retail (South) - PC 100%	1					
Retail (North) - PC 90%	1					
Retail (North) - PC 100%	<u>1</u>					
<b>Totals</b>	<b>24</b>	<b>110,454</b>				

### Investment Valuation

#### Retail (South) - PC 85%

Current Rent YP @

#### Retail (North) - PC 85%

Current Rent YP @

#### Retail (South) - PC 90%

Market Rent YP @

(0yrs 6mths Rent Free) PV 0yrs 6mths @

#### Retail (South) - PC 100%

Market Rent YP @

(1yr Rent Free) PV 1yr @

#### Retail (North) - PC 90%

Market Rent YP @

(0yrs 6mths Rent Free) PV 0yrs 6mths @

#### Retail (North) - PC 100%

Market Rent YP @

(1yr Rent Free) PV 1yr @

### GROSS DEVELOPMENT VALUE

Purchaser's Costs 6.80%

### NET DEVELOPMENT VALUE

#### Additional Revenue

Existing Income

### NET REALISATION

### OUTLAY

**ACQUISITION COSTS**

Fixed Price	
Stamp Duty	
Agent Fee	1.00%
Legal Fee	0.50%

**CONSTRUCTION COSTS**

Construction	ft²
Retail (South) - PC 85%	113,734 ft²
Retail (North) - PC 85%	34,128 ft²
Block B Residential	200,591 ft²
Block C Residential	143,114 ft²
Block D Residential	30,311 ft²
Block E Residential	13,488 ft²
<b>Totals</b>	<b>535,365 ft²</b>

Cost to Gain VP  
 Third Party Abnormals  
 S278 Works  
 Public Realm  
 Mayoral and Borough CIL  
 Carbon Offset Payment

**Other Construction**

Enabling Works  
 Retail Incentives (South)  
 Retail Incentives (North)  
 TfL Legal Costs

**PROFESSIONAL FEES**

Professional Fees	12.00%
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**MARKETING & LETTING**

Marketing	1.00%
Letting Agent Fee	15.00%
Letting Legal Fee	5.00%

**DISPOSAL FEES**

Sales Agent Fee	1.50%
Sales Legal Fee	0.35%

**FINANCE**

Debit Rate 6.50% Credit Rate 1.00% (Nominal)  
 Land  
 Construction  
 Other  
 Total Finance Cost

**TOTAL COSTS****PROFIT****Performance Measures**

Profit on Cost%  
 Profit on GDV%

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## Table of Profit on Cost% and Gross Development Value

Sales: Rate pf²				
-5.000%	-2.500%	0.000%	+2.500%	+5.000%
18.343%	21.064%	23.773%	26.474%	29.165%
£234,533,079	£239,666,141	£244,799,204	£249,932,266	£255,065,329

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate pf²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Block B Residential	1	£715.80	2 Up & Down
Block C Residential	1	£691.54	2 Up & Down
Block D Residential	1	£610.18	2 Up & Down
Block E Residential	1	£613.37	2 Up & Down

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