



Bristol City Council

Community Infrastructure Levy

**Response 11 received in respect of the
Draft Charging Schedule in accordance
with Regulation 17**

18 April 2012

Bristol Community Infrastructure Levy

Draft Charging Schedule

Representations submitted by Savills

on behalf of the House Builder Consortium Group

March 2012



Contents

Introduction	1
Assessment of Alternative Viability Assumptions.....	4
<i>Valuation Assumptions</i>	4
Implications of the Corrected Assumptions.....	8
Conclusion	15
<i>Proposed Changes</i>	16

Introduction

These representations have been prepared by Savills on behalf of the House Builder Consortium Group in response to the consultation on the Bristol Community Infrastructure Levy (CIL) Draft Charging Schedule. The group comprises a number of the major house builders active in the Bristol area who have joined together in order to provide a single comprehensive response to the proposed introduction of CIL tariffs across the City.

The group's objective and the *raison d'être* for these representations is not to dismiss CIL but to ensure that the level set in the Charging Schedule is fair and equitable, supported by robust viability appraisals, and will not put at harm the overall delivery of housing in the City. To that end, the Charging Schedule must be founded upon sound and credible evidence and the methodology used to establish the proposed charges should be reasonable and fit for purpose. These representations have been prepared in that context and with particular reference to Regulation 14 of the Community Infrastructure Levy Regulations 2010. In so doing, the representations address the two principal tests outlined in the Department for Communities and Local Government Guidance document '*Community Infrastructure Levy Guidance: Charge Setting and Charging Schedule Procedures*'. These are:

- (i) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area; and
- (ii) the need to strike an appropriate balance between the desirability of funding from CIL and the expected estimated total cost of infrastructure required to support development.

Savills

Savills is one of the largest property companies in the UK with considerable professional expertise in a wide range of technical disciplines including planning, valuation and land sales. Allied to this, the company has residential sales agencies across the country which, alongside the New Homes and Residential Investment team, deal with the sale of a considerable number of residential properties each year. The Residential and Commercial Research departments provide forecasts for a broad range of sectors which are highly

regarded across the industry, and which have been used to inform the BNP Paribas sensitivity testing appraisals.

Savills has a substantial presence and range of expertise in the Bristol office. The New Homes and Residential Investment team are market leaders in the sale of new build properties in Bristol and have a wealth of experience of sales values and sales rates. Both the planning and development teams have acted for the residential development sector in the city and have an in depth knowledge of the issues relating to housing delivery and economic viability. In addition to this, the development team have sold a number of sites in the Bristol area and have a good understanding of land values and the specific dynamics of the local residential development market.

Context

Savills submitted representations, to the Bristol CIL Preliminary Draft Charging Schedule in January 2012. We are extremely disappointed that the previous representations have not been taken into account or incorporated by the Council in their Draft Charging Schedule despite fundamental shortcomings of the BNP Paribas viability assessment being identified. These shortcomings are outlined and discussed in Savills' representations to the Preliminary Draft Charging Schedule, which are included within **Appendix 1**.

Subsequent to the representations we wrote to Bristol City Council specifically on the gross to net site area assumptions contained within the Evidence Base Report. A copy of this letter is included within **Appendix 2**.

In our representations we invited Bristol City Council and BNP Paribas to discuss the shortcomings identified and the fundamental concerns regarding the robustness of the viability evidence. No offer of a meeting was forthcoming and thus the opportunity to remedy our concerns prior to publication of the Draft Charging Schedule was lost.

Structure of the Representations

Since no changes have been made to the Charging Schedule since the publication of the Preliminary Draft, nor any further viability evidence produced, we retain the fundamental concerns regarding the robustness of the Draft Charging Schedule. These representations

do not seek to repeat the points previously raised (see **Appendix 1**) but build upon the critique of the evidence base to demonstrate quantitatively the impact of the shortcomings we have identified. To that end these representations cover the follow issues:

- An assessment of the alternative viability assumptions;
- The implications of the alternative assessment; and
- Proposed changes.

Assessment of Alternative Viability Assumptions

Our representations on behalf of the House Builder Consortium Group to the Preliminary Draft Charging Schedule provided a detailed critique of a number of the assumptions used by BNP Paribas in deriving the proposed Bristol CIL Charging Schedule. We have proposed alternative assumptions to those used by BNP Paribas that we consider to be more realistic and robust. We explained why we consider the CIL proposed by Bristol City Council would have a significant impact upon delivery of development within the City and why the introduction of the proposed CIL would represent a considerable risk to the delivery of residential development within the City.

The evidence produced by BNP Paribas considered a large number of scenarios based upon development typologies, locations, and variable assumptions regarding residential sales values, residential density and mix, gross to net floorspace, construction costs, and affordable housing etc. We do not have available the model that BNP Paribas used to produce the residual valuations for each scenario. We have therefore, instead, used the industry accepted valuation package 'Argus Financial'. Using this package, and the assumptions provided by BNP Paribas, we have modelled the residual land value of each typology identified within the same six geographical areas. This provides a baseline against which we have tested the alternative assumptions proposed in our Preliminary Draft CIL Charging Schedule Representations.

We have then modelled the residual values of the same scenarios, but adopting the alternative, and we believe correct, assumptions we advocated in the representations to the Preliminary Draft Charging Schedule. The results of this assessment demonstrate the impact that the current assumptions have on the assessment of the maximum theoretical level at which CIL can be set. For transparency, copies of all the residual valuations of the development scenarios are provided in **Appendix 3**. A summary table of the outputs and an analysis of the implications are included in **Appendix 4**.

Valuation Assumptions

The majority of the valuation assumptions used in the residual land value appraisals are consistent with those used by BNP Paribas and Bristol City Council. There were, however,

some inputs that were not provided and for which it has been necessary to make reasonable assumptions based upon market knowledge and local experience. In the interests of transparency, Table 1 below provides an explanation of all of the valuation assumptions used in the residual valuations and provides justification for those that are different.

It should also be noted that we have not incorporated a reduction factor to address the difference between gross to net site coverage, as we suggested would be appropriate in our letter to the Council contained in **Appendix 2**. However, we maintain our view that, on some larger sites, there is a risk that densities on gross site area fall below the assumed level, as large parts of the site will not be developable. This should be seen as an additional risk to delivery, when setting the level of CIL in relation to the theoretically viable level.

We have also elected to use the build costs with the assumed increase for Code Level 4. There is, however, compelling evidence that build costs will increase considerably in the next 4 years as environmental and energy standards are tightened through Building Regulations above Code Level 4 towards zero carbon homes in 2016. This increase represents a fixed cost on development and will further compound issues of viability, adding further additional risks to delivery.

The alternative assumptions used in our appraisals are therefore a 'best case' scenario where we have sought to make as few changes as possible to the baseline viability appraisals.

Table 1: Valuation Assumptions

APPRAISAL INPUT	BNP PARIBAS ASSUMPTION	SAVILLS ASSUMPTION	NOTES
Mix assumptions for development typologies	As set out within sections 5.1 and 4.22 of BNPP report	BNPP assumptions adopted.	-
Affordable housing threshold	Modelled at both 30% and 40% across all zones (disregarding BCC affordable housing policy)	Modelled at either 30% or 40% in accordance with BCC affordable housing policy zoning	Bristol City Council policy position assumed
Residential open market sales values	As set out within section 4.18 of BNPP report	See Savills representations at Appendix 1	A more comprehensive evidence base than that provided by BNPP provides for more accurate data.
Residential affordable housing sales values (blended)	£77.57 per sq ft	BNPP assumptions adopted.	-
Ground rent (private flats only)	£150 per unit per annum	BNPP assumptions adopted.	-
Ground rent investment yield (private flats only)	6%	BNPP assumptions adopted.	-
Open Market sales rate (houses)	No information provided within BNPP report	2 OM units per month	In accordance with Savills evidence base and market research
Open Market sales rate (flats)	Indicative sales rate of 3.8 units per month (provided for site Type 5, in separate correspondence)	4 OM units per month	In accordance with Savills evidence base and market research
Affordable housing sales rate	No information provided within BNPP report	Wholesale disposal of affordable units upon practical completion	Most optimistic and financially viable scenario assumed
Open market performance measure	20% profit on GDV	BNPP assumptions adopted.	-
Affordable housing performance measure	6% profit on GDV	BNPP assumptions adopted.	-

APPRAISAL INPUT	BNP PARIBAS ASSUMPTION	SAVILLS ASSUMPTION	NOTES
Gross to net floorspace ratio (apartments)	85%	80%	See Savills representations at Appendix 1
Residential build costs - houses (incl. 15% external works allowance and 6% allowance to achieve Code 4)	£102.80 per sq ft	BNPP assumptions adopted.	BNPP build costs represented as inclusive of 'abnormal costs', contrary to BCIS
Residential build costs - flats (incl. 15% external works allowance and 6% allowance to achieve Code 4)	£142.68 per sq ft	BNPP assumptions adopted.	BNPP build costs represented as inclusive of 'abnormal costs', contrary to BCIS
Abnormal costs	£0.00	£12,069 per unit	See above and Savills representations at Appendix 1
Professional fees	10% of gross build costs	10% of gross build costs	-
Contingency	5% of gross build costs	5% of gross build costs	-
Construction phasing	Site type 5: 3 months pre-construction; 18 months construction (provided in separate correspondence)	Houses: 2 months pre-construction; 8 months construction. Flats: 3 months pre-construction, 18 months construction	In line with BNP where provided
On site S106/S278 allowance	£1,000 per unit	BNPP assumptions adopted.	-
Marketing costs	4% of GDV	4% of GDV on OM revenue only	More optimistic and financially viable scenario assumed
Stamp duty	4%	At appropriate HMRC threshold (linked to residual land value)	More optimistic and financially viable scenario assumed
Agents fee	1% of land value	BNPP assumptions adopted.	-
Legal fees	0.8% of land value	BNPP assumptions adopted.	-
Phasing of CIL payments	As per s. 4.37 of report	BNPP assumptions adopted.	-
Interest	6.50%	BNPP assumptions adopted.	-

Implications of the Corrected Assumptions

The findings of our residual valuation modelling of the selected scenarios is provided in Table A in **Appendix 4**. Table B in **Appendix 4** converts the residual land values produced from the Argus appraisals into a land value per hectare in order for direct comparison to be made with the threshold land values contained within the BNP Paribas report. A variation of this table is also included in **Appendix 4** (entitled Table B(1)). This measures the impact of the proposed changes by applying the reduction in land value (viability) to the net sales area (open market), represented in square metres.

These three tables provide the basis for our analysis of the implications of the proposed CIL within this section of the representations.

There are a number of conclusions which can be drawn from an analysis of the findings from our valuation modelling. These are explained in the context of the following questions:

- 1) What is the impact of the corrected viability assumptions?
- 2) Does the evidence of viability justify the CIL charges proposed in the Draft Charging Schedule?
- 3) Is the impact of CIL so significant that it will prevent development coming forward to the extent that it will effect delivery of the strategic housing requirement?

These three questions are now addressed in turn below:

(i) What is the impact of the corrected viability assumptions?

As set out above, in order to measure the impact of Savills corrected viability appraisal inputs, we have first had to reproduce BNP Paribas viability appraisals for the seven housing mix typologies provided, in each of the six housing market zones defined within the draft charging schedule.

These 'BNP Paribas baseline appraisals' have subsequently been varied in accordance with the differences of opinion summarised within Table 1, to provide Savills corrected viability appraisals. The results of these respective appraisals have been used to measure the

impact on viability of the proposed changes in the context of the proposed CIL charge. This information has been collated and set out within **Appendix 4** as Tables A, B and B(1).

Table A 'Comparison of Modelled Scenarios' shows the resulting residual land value for each of the 42 scenarios for both BNPP and Savills. To enable direct 'like for like' comparisons, each of the indicative modelled scenarios shown with Table A have been proportionally increased to provide an indicative hectare of development land, of each type. This information is set out within Table B and provides indicative residual land values, per hectare, for each of the indicative housing mixes across each of the housing market zones. The financial impact of Savills recommended changes is also shown and is measured both financially and as a percentage, to better illustrate the extent of the impact on viability.

In order to provide a direct comparison to the proposed CIL charge, this 'difference' has been applied to the net internal area of the open market element of each mix (the area against which CIL will be levied) and expressed in terms of £ per sq m. The resulting figure represents the amount by which the proposed of CIL charge should be discounted to absorb the margin of error within the BNPP viability appraisals.

The information illustrated within Tables B & B(1) provides for the following conclusions:

1. That mix typologies 5, 6 and 7, which describe various scales of apartment development, are not viable in any of the described housing market Zones.
2. That Savills proposed viability appraisal corrections provide for a clear and measured impact on the viability of the proposed CIL charge.
3. The impact on the proposed CIL charge ranges from -£14 to -£61 per square metre.

(ii) Does the evidence of viability justify the CIL charges proposed in the Draft Charging Schedule?

Regulation 14 of the Community Infrastructure Levy Regulations 2010 requires a charging authority when setting the rates in their Charging Schedule, to assess "*the potential effects (taken as whole) of the imposition of CIL on the economic viability of development across its area*". It is our contention that the charging authority has failed to comply with Regulation 14

in this instance as the Charging Schedule is not based on a robust assessment of viability and hence it is not justified.

Tables A and B show that using both the BNP Paribas or Savills assumptions, the residual values for typologies 5 – 7 (flats) produce negative land values, and hence such schemes are theoretically unviable with the current affordable housing policy, even before factoring in CIL. With the inclusion of CIL, this simply increases the negative residual value further and hence makes such a scheme even more unviable. These schemes are an integral part of the five year housing land supply and as such they cannot be disregarded from the viability appraisal.

BNP Paribas provide the 'Threshold Land Values' per hectare at paragraph 5.9 of their Viability Study. These are £2,100,000 for existing residential, £4,391,000 for offices, £1,679,000 for industrial, and £1,350,000 for urban open space. A comparison of these figures with the residual values per hectare detailed in Table 3 above shows that, with the exception of area 'Inner West', the Savills 'Residual Value' per hectare for typologies 4 - 7 is lower than the BNP Paribas 'Threshold Land Value', effectively rendering the vast majority of schemes of greater than 14 dwellings unviable. The situation is particularly stark for typologies 5-7 where the residual land values are negative across all areas of the city.

It can be seen that only typologies 1 – 3 are viable and produce a 'Residual Value' sufficiently above the 'Threshold Land Values' to support the introduction of CIL. It should be noted that typologies 1-3:

- (i) are small schemes, below the affordable housing threshold; and
- (ii) relate to houses rather than apartments.

The findings from this analysis indicates that the introduction of CIL would have a significant bearing on housing land supply as they are particularly important for the delivery of housing in Bristol. This can be seen from an analysis of the Bristol housing supply data and delivery pipeline of permitted schemes in the Bristol Residential Development Survey Report 2011 and the Five Year Housing Land Supply 2011 – 2016 Report.

Small Schemes

It is clear from the assessment of viability that, in theory at least, smaller schemes are viable whereas the larger schemes are not. This conclusion is clearly demonstrated within Tables 2 and 3 where it can be seen that all development typologies other than typology 4 within the inner west area, produce a residual land value lower than the threshold land value.

The impact of this on supply in Bristol is potentially significant. In the past five year small sites (less than 10 dwellings) have contributed 2,005 dwellings (22%) to the overall supply, whereas large sites (greater than 10 dwellings) have contributed 7,193 dwellings (78%) (source: Bristol Residential Development Survey 2011). This demonstrates that the larger sites are considerably more important for housing delivery in Bristol than the smaller sites and hence the constraints on viability for such sites will have a disproportionately high impact. Indeed housing supply in Bristol has relied upon larger schemes significantly in the recent past and is expected to do so to a similar extent going forward. Additional costs which would render unviable these larger sites which are currently marginally viable would therefore impact upon housing land supply.

Houses v Apartments

Analysis of the housing pipeline in Bristol also demonstrates that approximately 85% of dwellings with planning permission are in the form of apartments (source: Bristol Residential Development Survey 2011). Given that the viability appraisals do not support delivery on any apartment sites in the city, there is a significant risk that the imposition of a non-negotiable CIL charge will further compound viability constraints and impact upon the delivery of the strategic housing requirement. The CIL charges would have a disproportionate impact on the delivery of apartments as there is often a greater amount of capital outlay for such projects before any revenue is generated. Adding further capital costs at the start of a development will have a significant bearing on viability. Whilst the impact of this may be mitigated to a small extent by the use of a phasing policy, this will only have a marginal benefit given the overall impact of CIL on cash flow.

Conclusion

In answer to the question ‘does the evidence of viability justify the CIL charges proposed in the Draft Charging Schedule’, the answer must therefore be “no”. The viability evidence clearly demonstrates that larger, apartment based schemes, which make up a significant proportion of the housing pipeline for Bristol, are not viable. Based on the evidence available there are therefore no grounds for setting a CIL for such developments in Bristol.

This is, we consider, a fundamental principle which must be accepted in setting the CIL charging rates. Where the viability evidence (which is based on the average development site) demonstrates that the hypothetical site typologies tested are unviable, there is no basis upon which to establish a CIL charge.

(iii) Is the impact of CIL so significant that it will prevent development coming forward to the extent that it will affect delivery of the strategic housing requirement?

Based upon the “average” assumptions within the viability assessment modelling, it is clear that a significant proportion of the potential development pipeline required to meet the strategic housing requirement is currently unviable. The evidence produced by BNP Paribas and the viability modelling produced by Savills clearly demonstrates that a large proportion of development typologies are unviable even without the imposition of CIL.

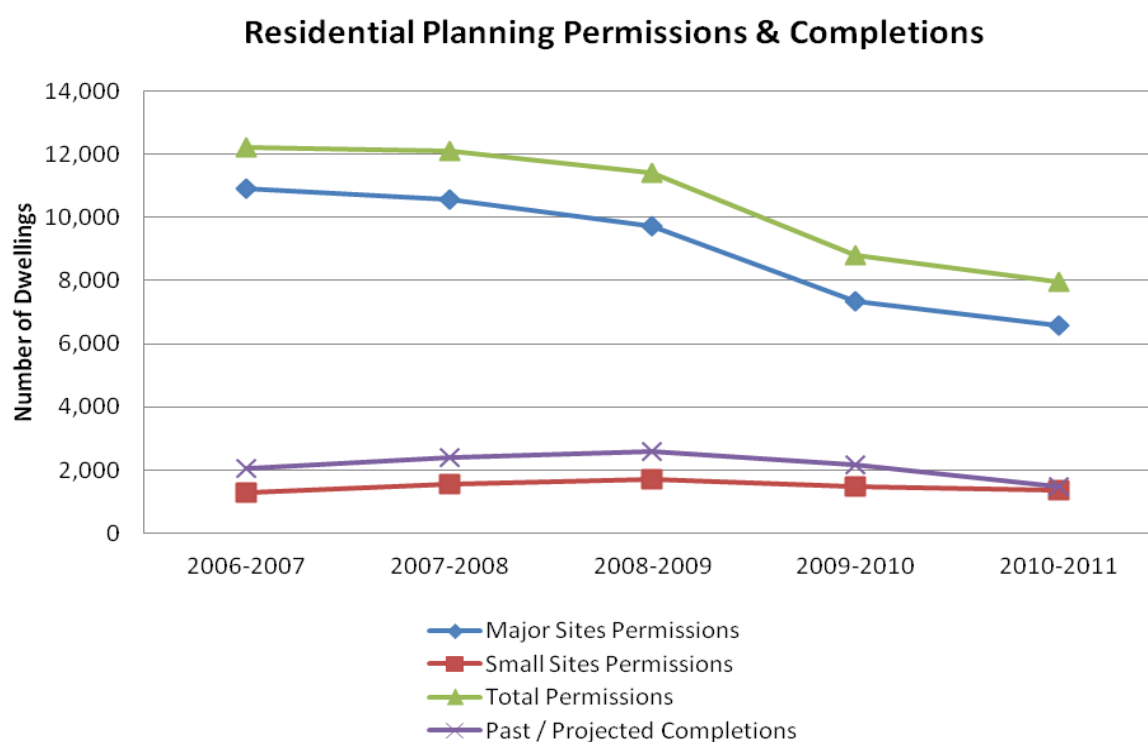
The conclusion that BNP Paribas draw in the Viability Evidence Report, is that those typologies where development would be unviable without CIL should be disregarded because the development would not come forward in any event. We fundamentally disagree with this major component of the BNP Paribas methodology.

The typology approach advocated by BNP Paribas is, by its nature, based upon average figures for key variables, such as sales values and development density. The vast majority, if not all development schemes will vary from the average and thus some development will be viable with the proposed £50 per sq m CIL charge included, whereas others are considerably less viable than the average and thus highly unlikely to come forward.

Within the variety of housing development sites, there will be many within Bristol where the difference between costs and revenue generate a marginal residual land value. In those circumstances, any additional development costs, such as CIL, will compound viability constraints and inevitably render unviable residential development proposals which would otherwise come forward and contribute towards meeting the strategic housing requirement.

There is no evidence available which would indicate the magnitude of this impact. But, notwithstanding this, if at best less than half of the residential development sites (i.e. all those including and below the average) are not deemed to be viable then there is in our view no justification for the addition of a further cost on development in the form of CIL.

Whilst Bristol has been successful in supporting the delivery of development in the past, there are considerable challenges looming for future years. The figure below demonstrates the recent reduction in both the number of dwellings with planning permission and those constructed in the city. There has been a considerable drop in all lines of the graph since the peak of 2008 which shows not only a slow down in dwelling completions but a very real difficulty in increasing the level of supply again in the future because the required planning permissions are not in place. Even without the impact of CIL there are therefore real challenges for the delivery of residential development in the City.



In answer to the question we have posed, whilst we cannot quantify the impact of CIL on the future delivery of housing, we do not consider the imposition of CIL, which would make matters considerably worse for those marginal sites which are deliverable, is appropriate.

Conclusion

For the reasons outline in these representations, we remain extremely concerned that the imposition of the proposed CIL charges within Bristol are not supported by robust viability evidence and that the imposition of additional costs on development within the context of current market conditions, is not appropriate.

We draw three conclusions from our analysis of the corrected assumptions:

- (i) Using the Savills assumptions as opposed to those adopted by BNP Paribas consumes the proposed CIL charge in the majority of circumstances. Simply adopting the robust evidence produced in support of our representations therefore demonstrates that the ability to pay CIL from residential developments has been removed.
- (ii) The evidence of viability does not support the imposition of the proposed CIL charges. Indeed, even the evidence produced by BNP Paribas in their report to Bristol City Council does not in our view support the proposed CIL charges for residential development outside of the Inner West and North West areas.
- (iii) The evidence is not available to quantify the impact that the proposed CIL charges would have on housing delivery in Bristol, however, in the current economic climate where residential viability is challenging, we do not consider that it is appropriate to place an additional cost upon development which would render unviable those sites which are currently at the margin of viability. To do so, would further reduce the delivery of residential development.

Whilst we recognise that these conclusions will not be welcomed by the City Council, they are reflective of the current state of the housing market and challenges facing the deliverability of residential development within the City. There is a significant risk that the imposition of CIL, particularly in the Outer Areas and the Inner East will have considerable impact upon delivery rates at a time when the planning system must endeavour to support the delivery of housing wherever possible.

Proposed Changes

Based upon the evidence identified within these representations, we do not consider that there is sufficient evidence to justify the imposition of CIL charges of £50-£70 per sq m. We therefore suggest that the CIL charge ought to be removed entirely.

If it were possible to provide differential charging rates based upon the size of development schemes, then we consider that there would be sufficient evidence to support charges of £30 per sq m for schemes below 15 dwellings in size in the Inner West and North West areas. The imposition of CIL on development sites of this size and in these areas would not, we consider, place at harm the overall delivery of development.

Nevertheless, we are aware that the CIL regulations refer to the setting of differential rates based upon "Development type" and "Geographical location" only. We suggest that the Council therefore seek legal opinion upon whether a differential rate based upon the size of development scheme would be legally compliant.

We recognise that the proposed changes to the Charging Schedule would, in theory, reduce the ability of the City Council to generate income for additional infrastructure projects. However, it is necessary to bear in mind that there is an important balance to be achieved between setting a high level of CIL which could 'kill the goose that lays the golden egg' and setting CIL at a lower level in order to support the delivery of development.

Furthermore, in setting CIL at the reduced and zero rates proposed through these representations, the Council will be in a strong position to negotiate the delivery of affordable housing, an acknowledged priority for the City. The imposition of the CIL charges proposed in the Draft Charging Schedule would otherwise inevitably result in the reduced delivery of affordable housing across the City.

In addition to the reduced CIL charges proposed, we recommend that the City Council commit to a review of the CIL Charging Schedule within a 3 - 5 year period. Should market conditions improve and viability be enhanced, then there may be an opportunity in the short to medium term to produce a CIL Charging Schedule with increased rates which would not put in jeopardy the delivery of the strategic housing requirement.

In undertaking this review we consider that there would be considerable benefit to also reviewing the viability implications of the affordable housing policy requirement. These two considerations are inextricably linked in their impact on viability and hence there are logical grounds to considering the affordable housing and infrastructure requirements together in reviewing viability.

Savills

NM

30 March 2012



Appendix 1

Savills representations to Bristol CIL Preliminary Draft Charging Schedule (January 2012)

Bristol Community Infrastructure Levy

Preliminary Draft Charging Schedule

Representations submitted by Savills

on behalf of the House Builder Consortium Group

January 2012



Contents

Introduction	1
Impact of CIL on Viability and Housing Delivery	3
Critique of Valuation Assumptions.....	8
<i>i) Landowner Premium.....</i>	<i>8</i>
<i>ii) Residential Sales Values</i>	<i>9</i>
<i>iii) Apartment Efficiency.....</i>	<i>10</i>
<i>iv) Site Coverage.....</i>	<i>11</i>
<i>v) Abnormal / Exceptional Costs.....</i>	<i>11</i>
<i>vi) Use of BCIS Build Costs.....</i>	<i>12</i>
<i>Sensitivity Testing</i>	<i>14</i>
<i>Phasing of Payments</i>	<i>15</i>
<i>Viability Buffer</i>	<i>15</i>
<i>Summary of the alternative assumptions.....</i>	<i>16</i>
Conclusion	17
<i>Sensitivity Testing</i>	<i>17</i>
<i>Next Steps</i>	<i>18</i>

Introduction

These representations have been prepared by Savills on behalf of the House Builder Consortium Group in response to the consultation on the Bristol Community Infrastructure Levy Preliminary Draft Charging Schedule. The group comprises a number of the major house builders active in the Bristol area who have joined together in order to provide a single comprehensive response to the proposed introduction of CIL tariffs across the city.

The groups objective and the *raison d'être* for these representations is not to dismiss CIL but to ensure that the level set in the Charging Schedule is robust, well evidenced and will not put at harm the overall delivery of housing in the City. To that end, the Charging Schedule must be founded upon sound and credible evidence and the methodology used to establish the proposed charges should be reasonable and fit for purpose. These representations have been prepared in that context and with particular reference to Regulation 14 of the Community Infrastructure Levy Regulations 2010. In so doing, the representations address the two principal tests outlined in the Department for Communities and Local Government Guidance document '*Community Infrastructure Levy Guidance: Charge Setting and Charging Schedule Procedures*'. These are:

- (i) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area; and
- (ii) the need to strike an appropriate balance between the desirability of funding from CIL and the expected estimated total cost of infrastructure required to support development.

Savills

Savills is one of the largest property companies in the UK with considerable professional expertise in a wide range of technical disciplines including planning, valuation and land sales. Allied to this, the company has residential sales agencies across the country which, alongside the New Homes and Residential Investment team, deal with the sale of a considerable number of residential properties each year. The Residential and Commercial Research departments provide forecasts for a broad range of sectors which are highly

regarded across the industry, and which have been used to inform the BNP Paribas sensitivity testing appraisals.

Savills has a substantial presence and range of expertise in the Bristol office. The New Homes and Residential Investment team are market leaders in the sale of new build properties in Bristol and have a wealth of experience of sales values and sales rates. Both the planning and development teams have acted for the residential development sector in the city and have an in depth knowledge of the issues relating to housing delivery and economic viability. In addition to this the development team have sold many sites in the Bristol area and have a good understanding of land values.

Structure of the Representations

The following section of these representations addresses the first of the two tests from the CLG Guidance identified above. We have assessed the broad implications that the introduction of the CIL charge proposed in the Preliminary Draft Charging Schedule will have on viability and in turn housing delivery.

The subsequent section addresses the second key test, i.e. the need to strike an appropriate balance in setting the CIL level. In so doing it covers the methodology adopted in deriving the draft Bristol CIL and in particular the key assumptions used in the residual valuations of hypothetical development scenarios produced to calculate the maximum potential CIL charge.

The concluding section draws together our conclusions on the impact of our evidence on economic viability of development in Bristol and recommends changes to the Preliminary Draft Charging Schedule. The implications of the work we propose are significant and we set out the next steps we consider appropriate in order to rectify the issues we have raised.

Impact of CIL on Viability and Housing Delivery

In this section of the representations we analyse the impact of the BNP Paribas Report findings on the economics of delivering residential development in Bristol. This analysis is based on the current rates of CIL contained in the Preliminary Draft Charging Schedule and the economic viability analysis contained within the BNP Paribas Report. It does not take into account any of the alternative assumptions we have provided in the following section of this Report.

Using examples from the inner and outer wards of the city we demonstrate the fragility of the evidence produced by BNP Paribas and how certain components of the methodology are so fundamentally flawed that the resultant CIL levels derived would have serious negative consequences for housing delivery.

Viability of larger sites in the outer wards of Bristol

A comparison of the findings from the BNP Paribas study contained in Appendices 1 and 2 of the Report demonstrates that a large number of the potential development scenarios outside of the Inner West and Inner East areas are unviable even with no CIL contribution. The approach suggested in the Report is that these should be discounted from the assessment and not taken into consideration in determining the appropriate level of CIL. Simply disregarding these findings is not in our view a proportionate and reasonable response to the evidence.

Outside of the Inner West and Inner East areas, there is in fact only one hypothetical example of a large site which the Report acknowledges to be viable and upon which it seeks to justify the proposed CIL level. Indeed, of 'site types' 4, 5, 6 and 7, site type 4 in the 'south' area is the only hypothetical scenario upon which to base the CIL level. This represents only a very small proportion of the future housing delivery and therefore to conclude from this one scenario that the maximum CIL chargeable for site type 4 in all of the outer wards of the city is £90 is disingenuous and extremely misleading.

It is important here to note that the factor which has the greatest bearing on economic viability in the outer wards is the requirement for a proportion of affordable housing. This is

why the smaller sites (site types 1, 2 and 3) remain substantially more viable while the larger sites (site types 4, 5, 6 and 7) are found to be unviable.

The dramatic effect of the viability conclusions can be observed through an examination of the sites allocated for housing in the emerging Site Allocations and Development Management Options Document (June 2010). Of the 55 sites within the North and East areas, 45 are above the affordable housing threshold and would therefore be liable for a proportion of affordable housing. The effect on housing delivery is more stark. The implication of the BNP Paribas analysis is that 4,404 (98%) dwellings of the 4,492 dwelling¹ pipeline on emerging allocated sites in the North and East areas in the Site Allocations and Development Management Options Document are not viable and will not therefore come forward for development.

These statistics clearly demonstrate the challenges facing development viability for all large sites in the North and East areas of Bristol and are, we consider, important in setting a CIL level which will not have a significant detrimental impact upon the delivery of the strategic housing requirement.

There are a significant number of sites in the outer wards of Bristol where viability is finely balanced and dependent upon the flexible application of policy and Section 106 requirements. In those circumstances it may be possible to bring forward sites for residential development with a negotiated Section 106 agreement and reduction in the scale of affordable housing. However, there is a significant risk that the application of a non-negotiable CIL will render development unviable where, with a reduced or zero CIL charge and a negotiated Section 106 agreement, viable development could come forward. There would be considerable benefit if this hypothesis was tested in the viability work produced by BNP Paribas (see our conclusion at the end of this section).

The implications for this on the delivery of the strategic housing requirement are potentially significant. The effect would be to sacrifice all development over 14 units in the North and East areas of Bristol resulting in the loss of 98% of emerging allocated sites in these areas (see above).

¹ Based on the Site Allocations and Development Management Options Document theoretical capacity assumptions.

The fact that there are so many scenarios where development is unviable even without CIL in our view demonstrates that it would not be prudent to set a CIL charge for any residential developments in the wards which fit these characteristics. Indeed, there is no evidence of viability which would support the setting of such a charge in accordance with the Regulations.

As stated above, the most significant factor in determining viability in the outer wards between the smaller (<15 units) and larger sites (>15 units) is the inclusion of Affordable Housing. In view of the findings of the BNP Report, there are logical grounds for incorporating a differential rate in the Charging Schedule to address those sites which incorporate either on-site affordable housing (or a financial contribution towards off-site provision) and those that do not. The CIL Regulations make reference to differential CIL charges for different 'types' of development, therefore, there is the opportunity to make the distinction in the Charging Schedule on these grounds. Such a distinction would appear to be entirely consistent with the Regulations and CLG guidance and forms a part of our conclusions in relation to the Charging Schedule.

Validity of the theoretical findings

Notwithstanding the concerns expressed above regarding the viability of CIL on large sites in the outer wards and, even before taking into account our critique of the viability assumptions used by BNP Paribas in the subsequent section of these Representations, we have major concerns that the figures in table 6.26.1 of the BNP Paribas Report have not been validated and that the theoretical maximums proposed do not reflect the reality of delivering housing in Bristol. This can be demonstrated by reference to a specific example.

This example is based on the BNP Paribas findings for the Inner East area. Development typologies 5 and 6 (flats of 50 and 100 units) in the Inner East are not viable at any CIL rate when viewed against any of the Threshold Land Values, however, because these typologies are viable within the Inner West area, £130 and £100 maximum CIL charges have been incorporated into table 6.26.1.

Combining these two areas fails to recognise the relative reliance that the Council place on Inner West and Inner East areas to deliver the housing requirement. Comparing the housing

pipeline (i.e. sites with planning permission) in the Bristol Development Survey 2011 it is possible to evaluate the relative importance of these two areas in terms of housing delivery. According to this data, the Inner East area will be responsible for the delivery of a total of 2,499 dwellings as opposed to the Inner West which would, if all permissions are built out, deliver 1,580 dwellings. Basing the figures in table 6.26.1 of the BNP Paribas Report on the Inner West only would ignore the fact that over 60% of the housing pipeline in the Inner wards is due to come forward in the Inner East area and this would be rendered unviable if CIL had been in place at the time planning permission was granted.

To compound matters, within the Inner East area the evidence of the housing pipeline (ref: Table 8 of the Bristol Residential Development Survey 2011) for the Ashley, Easton and Lawrence Hill wards demonstrates that 93.5% of the dwellings anticipated to come forward are in the form of flats. Whilst some of these will be on sites below the affordable housing threshold, the vast majority are on larger sites above the 15 dwelling threshold. The relevant information is extracted and provided in Table 1 below.

Table 1: Housing pipeline in the Inner East area

	Total committed dwellings	Number of flats	Percentage
Ashley	366	331	90.4%
Easton	86	57	66.3%
Lawrence Hill	2,221	2,110	95%
Total	2,673	2,498	93.5%

Source: Bristol Residential Development Survey 2011, Table 8

This analysis serves to demonstrate the impact that a CIL charge would have on the delivery of housing within the Inner East wards of Bristol. Setting a CIL level across the whole of the Inner area which is predicated on assumptions relevant to only part of that area is a fundamentally flawed approach. This will have significant consequences, especially where the area to which the assumptions relate is responsible for contributing less housing than the area where a CIL charge has been demonstrated to be unviable.

Aside from this example, we have a number of other concerns with regards the impact that the proposed CIL charge would have on housing delivery. This is most notable on the largest sites tested in the BNP Paribas Report through site typology 7. There are a number of such sites in Bristol, where the scale and density of development is consistent with site type 7.

Table 6.26.1 of the BNP Paribas Report confirms the findings of the report that the maximum CIL charge for any schemes of this type in both the Inner and Outer areas is 'not applicable'. Given that a significant proportion of the housing pipeline in Bristol is based upon the delivery of apartments on sites of over 100 units, the impact of applying the CIL charge which has been derived from the viability testing of smaller schemes, is potentially very significant.

Conclusion

These examples demonstrate our concerns regarding the validity and robustness of the approach adopted by BNP Paribas. The assumed maximum achievable CIL level for various typologies and areas within table 6.26.1 does not reflect the reality of the circumstances in Bristol. The analysis above demonstrates the scale of the impact that this would have on delivering housing in the inner and outer wards of the city.

In response to our significant concerns regarding viability and in particular the viability of development even without CIL, we urge the Council to revisit the evidence and test whether residential development is viable with a lower proportion of affordable housing. If this is the case then it is imperative that any CIL level proposed which is predicated on a lower percentage of affordable housing is accompanied by an explicit and formally adopted reduction in the policy requirements for affordable housing.

Critique of Valuation Assumptions

We have a number of specific concerns relating to the key assumptions used to establish the maximum potential CIL charge that could be levied in respect of the various hypothetical scenarios tested. The primary areas of concern are as follows:

i) Landowner Premium

For the purposes of the hypothetical residual valuations which have informed the viability assessment, BNP Paribas have used a fixed assumption that a landowner would require a 20% premium over existing use value as an incentive to encourage redevelopment. The justification provided for this is based upon four appeal decisions which it is contended support the 20% figure. Only two of the four appeal decisions cited however make reference to a specific landowner premium, one supports a 20% premium as *“the generally accepted margin”*. The other, an appeal decision in Woodstock supports a 10% premium.

Whilst appeal decision can provide a helpful benchmark for determining an appropriate premium, they inevitably relate to the specific circumstances of the appeal decision in question. They also rely upon the judgement of the appointed Inspector as was clearly the case in the Beckenham decision where the 20% margin was described as *“generally accepted”*. In the case of the Woodstock appeal, the Appellant only sought to apply a 10% premium above existing use value and therefore there was no reason for the Inspector to test whether an alternative figure was more appropriate. Furthermore, in this particular appeal decision, the Appellant was also the landowner and hence it is not unsurprising that a lower premium was considered acceptable in the circumstances.

Due to commercial sensitivities, it is very difficult to identify a range of comparable evidence from which a percentage premium figure can be derived. In certain circumstances, a premium of 25% has been considered acceptable by Inspectors at appeals such as in the case at Gordon Court, Hampton Hill (appeal reference ATP/L5810/A/05/1181361).

There are a number of financial considerations which would feature in a landowner financial decision as to whether to relocate and enable redevelopment. These include:

-
- Capital Gains Tax;
 - Stamp Duty on replacement property;
 - Redundancy costs;
 - Relocation costs including loss of stock;
 - Legal and professional fees;
 - Double overheads (during relocation); and
 - Marketing material including client change of location notifications.

These factors have all been identified in a research paper entitled “*Cumulative Impacts of Regulations on House Builders and Landowners*” produced by Turner Morum on behalf of the Department for Communities and Local Government. This report concludes that a 25% uplift of current land value is realistic and appropriate for previously developed land. For these reasons, we propose the inclusion of a 25% landowner premium in the valuation of hypothetical development scenarios as opposed to the 20% included in the BNP Paribas Report.

In addition to the above, our experience of development sites in Bristol is that the premium sought by landowners to release land for development is typically far in excess of 25%.

This point can be seen in the evidence provided in the BNP Paribas Report by reference to the assumptions of existing use values (EUV). The EUV + 20% for industrial land comes to £680k per acre. The evidence from the Valuation Office Agency of residential land values has been used by BNP to provide an average market value across the city of £850k per acre. Based on these assumptions, the uplift in land value from industrial to residential is almost exactly 50%.

This broad assessment indicates that the premium should in fact be greater than the 25% alternative assumption we have recommended. We do not recommend this higher premium percentage is included but note that this is an area of risk to the economic viability of residential development.

ii) Residential Sales Values

Bristol City Council supplied the average sales values of the schemes used to derive comparable evidence in the BNP Paribas Report. It is not clear from the information

provided what size of the sample was used, the size or type of the properties within the sample and whether the values are sales values or asking prices. Notwithstanding these concerns, our research indicates that many of the sales values quoted are significantly higher than those achieved.

We have used the spreadsheet produced by BNP Paribas and added to this our research on the sales values of the identified schemes. Savills were responsible for the sale of a large number of the schemes identified and we therefore have accurate and reliable information on sales values. The site specific information on sales values is commercially confidential and therefore hasn't been provided within these representations. We do however provide the average sales values for each area and welcome the opportunity to review the data that has informed these averages with the Council in due course.

The results of this research indicate that the following sales values should be used in the viability appraisals:

Table 2: Comparison of Residential Sales Value Assumptions

	BNP 2007 Average	BNP 2011 Average	BNP average (per sq.m)	Savills average (per sq.ft)	Savills average (per sq.m)	Difference (£ per sq.m)	% Change
Inner West	£376.52	£371.03	£3,993.77	£312.35	£3,362.15	-£631.62	-15.82%
Inner East	£369.76	£324.77	£3,495.82	£258.46	£2,782.10	-£713.72	-20.42%
South	£308.81	£290.46	£3,126.51	£263.82	£2,839.78	-£286.73	-9.17%
North West	£355.10	£319.55	£3,439.64	£298.46	£3,212.61	-£227.02	-6.60%
North	£279.01	£253.15	£2,724.91	£222.79	£2,398.06	-£326.84	-11.99%
East	£271.91	£243.53	£2,621.36	£239.33	£2,576.19	-£45.17	-1.72%

iii) Apartment Efficiency

We agree with the BNP Paribas Report that it is important to include a gross to net discount to reflect the difference between the total building floor area (gross internal area) and the net sales area for which the developer expects to receive a financial return (net sales area). However, in our experience and that of a number of architects canvassed in relation to

residential buildings in Bristol, the average gross to net reduction is 80% rather than the 85% used in the viability modelling.

Whilst more efficient buildings are achievable, this usually requires the addition of extra “core” in order to reduce the corridor space. The downside of this is that the addition of further cores increases build costs which overall has a net negative impact on viability. If using average BCIS build costs in the viability assessment, it is prudent to assume an average building and thus we advocate the use of an 80% gross to net reduction rather than 85%.

We are in the process of obtaining evidence of residential schemes within Bristol which will support the alternative assumption and will provide this information to the Council.

iv) Site Coverage

The Threshold Land Values used in the BNP Paribas Report are for a *gross* site area in hectares. The density assumptions however for the theoretical new build housing are based on the *net* density requirements of the Core Strategy. For many (mainly smaller) sites in Bristol there will be no difference between the *gross* site area and *net* developable area, but in some cases, particularly on the larger sites, not all of the gross site area will be developed. Where this is the case it will have a considerable impact on the hypothetical residual values.

Whilst there will inevitably be some sites in Bristol where it would be appropriate to apply a gross to net reduction to take into account the fact that not all of a residential development site is available for housing, given that there are many sites in Bristol where the whole of the gross land area can be developed, we do not propose an allowance for a gross to net site area reduction. Notwithstanding, assuming 100% site efficiency does represent a risk to development viability which has not been taken into account and will effect some of the residential development sites in the city.

v) Abnormal / Exceptional Costs

Paragraph 4.27 of the BNP Paribas report acknowledged that many of the sites within Bristol will come forward on previously developed land. This is consistent with the 2011 Annual Monitoring Report. It is therefore reasonable to assume that in addition to the build costs,

there are likely to be abnormal development costs relating to decontamination etc and demolition costs which should be taken into account in the vast majority of cases.

Both paragraphs 4.7 and 4.27 of the BNP Paribas report indicate that the average *“level of costs for decontamination, flood risk mitigation and other abnormal costs”* are reflected in BCIS data used to establish the average bill cost per square metre. This is not the case. BCIS online states that *“the building prices used in this study are the cost of the building, excluding external works and contingencies, with preliminaries apportioned by value expressed in pounds per sq.m. of gross internal floor area”*. More specifically, our understanding is that BCIS build costs include only costs that are directly related to the building. Therefore they do not include an allowance for costs such as decontamination, flood risk mitigation and other abnormal costs.

It is acknowledged that abnormal and demolition costs vary considerably from site to site. However, in the case of Bristol where a large proportion of the recently completed residential development and future pipeline is on previously developed land, it is more likely to be the rule rather than the exception that these costs should be factored into a residual land valuation. We have examined a sample of 17 sites from across the south west for which we have detailed information on abnormal and demolition costs which demonstrate the range of costs associated with the delivery of residential development. Details of the sample sites are attached at **Appendix 1**.

The range of abnormal and demolition costs from the sample varies from £3,704 per unit to £22,202 per unit. At the upper end of this range, the additional development costs would have a significant bearing on residential development viability. Our alternative assumption is the mean average additional costs of £12,069 per unit.

Based on the indicative 63 sq.m. two bedroom flat provided within BCC's CIL Preliminary Draft Charging Schedule, this additional cost consideration would have an impact on viability equating to £191 per sq.m.

vi) Use of BCIS Build Costs

The BNP Paribas Report uses BCIS to establish the build costs for Bristol. This approach is accepted as an average base figure, however, it does not reflect the policy requirement in

Bristol through the Core Strategy for the on-site generation of 20% renewable energy from residential developments. This policy requirement inevitably adds cost to the construction albeit at a level which is difficult to quantify. In the absence of evidence to support an alternative assumption we have not proposed an alternative to the BCIS build cost assumptions to take this into account, but this factor should be noted as an additional risk to the economic viability of the housing supply pipeline.

On top of the base build costs are added an additional 6% to reflect the implications of the requirement for Code for Sustainable Homes level 4. This is welcomed as the cost implications of the Code are an important consideration and should be reflected in build costs to ensure an accurate assessment of the viability of development.

Whilst the future application of Code for Sustainable Homes level 6 is in some doubt, it is in our view reasonable to assume that Code level 5 will be required by 2015 in accordance with the current government timetable. This requirement will take effect within two years of the anticipated date for the implementation of the CIL Charging Schedule. It is a known and quantifiable cost and, given the period of time in which it will be required in relation to the adoption of the CIL Charging Schedule, it is our view that this should be built in to the build costs.

Various research reports have been produced on behalf of the Department for Communities and Local Government to establish the increase in costs that reflect the requirement for Code Level 5, the latest of which was produced by Davis Langdon in October 2011. The average uplift in build costs across the range of development typologies was 25%. It is prudent therefore to incorporate this increase in build costs into the appraisals which have been used to test viability.

Although it is possible that improvements in technology will rescue a proportion of the additional costs of Code Level 5, it should also be understood that site specific factors and constraints can increase the costs of reaching the Code's standards significantly. Therefore we have included the costs of reaching Code Level 5 at an additional build cost of 25%, in line with the Davis Langdon findings.

Sensitivity Testing

With regards to future sensitivity testing, we note that the BNP Paribas Report uses research produced by Savills to justify a 10% uplift in anticipated sales values. This, the Report claims, is used as a sensitivity test to understand the potential impact that an increase in sales values could have in the future and, whilst it is based on research which is now out of date (Savills has reduced its five year forecast for house price inflation in the South West from a total of 17.9% in May 2011, to a total of 10.3% in November 2011), we acknowledge that there is a benefit to sensitivity testing an uplift in sales values. It is however in our view misleading and unhelpful to build in a forecast increase in sales values without also reflecting an accurate increase of build cost inflation.

It is not clear from the BNP Paribas Report from where the figure of 5% build cost inflation has been derived. This figure appears to be a significant under-estimate of the future build costs. Evidence from the construction sector suggests that the figure should be considerably higher. The latest forecasts from the leading companies are as follows:

Table 3: Anticipated Build Cost Inflation

	Forecast Date	2011	2012	2013	2014	2015	2011-15
Faithful+Gould	Oct 2011	+2.0%	+2.0%	+3.0%	+3.0%	+3.0%	13.69%
BCIS	Sept 2011	+3.65%	+3.08%	+3.41%	+3.72%	+4.78%	20.07%
Gleeds	Q3 2011	N/A	+1.4%	+2.4%	+3.0%	+3.9%	11.11%
Cyril Sweett	Q3 2011	0%	+1.0%	+2.5%	+3.5%	+3.75%	11.16%
Gardiner & Theobald	Q3 2011	-2.5%	+1.5%	+3.0%	+3.5%	+3.5%	9.19%
Turner & Townsend	Q2 2011	+2.5%	+3.0%	+3.5%	N/A	N/A	9.27%

Source: <http://www.fgould.com/uk/research-and-features/article/construction-inflation-report-october-2011/>

This evidence supports an inflationary figure of 9.19% to 20.07% based on the views of the construction industry. On average, the anticipated increase in build costs exceeds the Savills forecast increase in sales values, thus indicating that viability will be more challenging in five years time than it is at present, before consideration of extra costs from reaching higher

Code levels. Therefore the BNP Paribas 'upside scenario' of house price inflation exceeding build cost inflation should be given very little weight in the assessment of risks to delivery.

We have not reappraised the work of BNP Paribas on their sensitivity testing, however, the strong indication is that towards the end of the five year period inflation in build costs is due to outstrip sales price inflation. The implications of this are potentially significant and are likely to further jeopardise housing delivery if the CIL remains at the level proposed in the current Preliminary Draft Charging Schedule.

Phasing of Payments

We welcome the introduction of a phased apportionment of the CIL charges. This is essential as to require the full CIL charge upfront prior to the receipt of any sales from the residential units would add further to the finance costs for a developer.

In many circumstances (mainly for smaller sites) the phasing arrangement proposed would be broadly acceptable, however, a significant proportion of the housing supply pipeline is held within large schemes within the City where it may be necessary or appropriate to consider an alternative CIL instalment policy.

Where a 'super-major' development has been approved, it is not unreasonable to assume that an 18-24 month construction period will be required. In such circumstances, there would be very little, if any, capital receipt prior to the payment of the full CIL charge, a fact which would have a significant bearing upon viability. It is therefore recommended that a further threshold is incorporated into the instalment policy for those developments where the total CIL liability is above a higher threshold set to reflect a 'super major' development. This would distribute the liability for instalments over a longer period of time and assist in ensuring that CIL does not have a negative impact on housing delivery.

Viability Buffer

Paragraph 6.28 of the BNP Paribas Report states that a viability buffer of 30% has been applied to the Inner West, Inner East and North West zones and a 44% buffer has been applied in the remaining parts of the city. There is no explanation as to how these figures have been derived.

We agree that a viability buffer must be included to support the delivery of development and, in the absence of a definitive rule or guidance on this matter we do not question the figures used in the BNP Paribas Report.

Summary of the alternative assumptions

Table 4: Summary of Alternative Assumptions

	BNP Paribas	Savills
Landowner Premium	20%	25%
Residential Sales Values (per sq.m)		
Bristol Inner West	£3,993.77	£3,362.15
Bristol Inner East	£3,495.82	£2,782.10
Bristol South	£3,126.51	£2,839.78
Bristol North West	£3,439.64	£3,212.61
Bristol North	£2,724.91	£2,398.06
Bristol East	£2,621.36	£2,576.19
Apartment Efficiency	85%	80%
Abnormal Costs	£0	£12,069 per unit
Build Costs	BCIS +6%	BCIS +25%

Conclusion

The evidence provided in these representations clearly demonstrates the detrimental impact that the proposed CIL charge would have on viability and delivery of the strategic housing requirement. For the reasons provided elsewhere in these representations we strongly urge the Council to review the CIL Charging Schedule for Bristol and in so doing we advocate the use of the assumptions summarised in Table 4 above. It would also be prudent, for the reasons provided, to consider alternative affordable housing assumptions in order to find the right balance in viability terms between affordable housing and infrastructure delivery.

The impact of our recommended changes to BNP Paribas' viability modelling can be measured by comparing the proposed CIL charge to our recommended deductions. The average level at which the residential revenues have been inflated equates to £372 per sq metre, whilst our estimate of an appropriate allowance for abnormal costs equates to £191 per square metre. The impact of the sum of these considerations (-£563 per sq m) comfortably consumes the proposed CIL charge of £50 to £70 per square metre.

Once the viability work has been reappraised we believe there are grounds to amend the proposed Charging Schedule in line with the following recommendations:

- i) Reduce of the CIL rates to reflect the reappraisal of viability across the city;
- ii) Introduce a variable rate of CIL for schemes which include either on-site, or a contribution towards off-site, affordable housing;
- iii) Review whether the evidence of viability supports the higher level charge for CIL within the Inner East wards of the city; and
- iv) Include an additional threshold in the Instalments Policy to account for those larger sites which will inevitably take a longer time to develop.

Sensitivity Testing

The BNP Paribas Report undertakes sensitivity testing of the maximum CIL rates proposed. This sensitivity testing has been based on assumptions of 10% house price inflation and 5%

build cost inflation. Whilst the former is consistent with our own research on house price growth, the build costs inflation of 5% is well below the forecast average of the construction industry and takes no account of the Code for Sustainable Homes.

We have not run appraisals to assess the impact of the alternative assumptions on sensitivity testing, however, it is clear from the alternative assumptions that economic viability of housing delivery will be more constrained in the future than it is at present.

Notwithstanding the sensitivity testing, the assumptions used are inevitably based upon uncertain forecasts and are therefore subject to potential changes. The Council has suggested that the Charging Schedule will be reviewed on a 5 year rolling cycle. We support this and consider a 5 yearly review to be entirely sensible in the circumstances as it will overcome the uncertainties of relying upon long term forecast assumptions.

Next Steps

These representations have been produced to assist the City Council in setting a CIL charge for residential development which strikes the appropriate balance required by the Regulations and will not put the overall delivery of development at serious risk.

We recognise that the findings of our research and the evidence presented in our representations have significant consequences for the rate of CIL proposed in the Preliminary Draft Charging Schedule. The inevitable consequence of our findings is that the CIL charge for residential development must be reduced as failure to do so would have a significant detrimental impact on the economic viability of delivering housing in the city.

We would welcome the opportunity to meet with the Council and / or BNP Paribas in order to review the evidence and how this should be interpreted into a Draft CIL Charging Schedule for Bristol

Savills

NM

20 January 2012



Appendix 1

Abnormal / Exceptional Costs Evidence

Location	Description	Units	Abnormals / unit
Bath	Former garage for demolition	9	£3,704
Gloucester	Former warehouse for conversion	26	£4,546
Trowbridge	Cleared site	79	£6,327
Gloucester	Former garden land	23	£8,816
Andoversford	Former garages / bus depot	39	£10,263
Stroud	Former sports ground	77	£10,863
Bristol	Former employment land	87	£10,905
Bishops Cleeve	Greenfield	450	£11,644
Taunton	Greenfield	80	£11,713
Barnstaple	Former garden land	28	£11,942
Bristol	Greenfield	192	£12,161
Bristol	Former industrial buildings	57	£13,509
Cullompton	Greenfield	261	£14,046
Yate	Greenfield	70	£14,743
Street	Greenfield	83	£18,096
Bristol	Greenfield	354	£19,697
Bristol	Greenfield	325	£22,202
Average			£12,069

Appendix 2

Letter to Bristol City Council dated 31 January 2012

31 January 2012
300112ltm.doc

Jim Cliffe
Planning Obligations Manager
Strategic Planning Team
Bristol City Council
Brunel House
St Georges Road
Bristol
BS1 5UY

Nicholas Matthews MTCP MRTPI
E: nmatthews@savills.com
DL: +44 (0) 117 910 0370
F: +44 (0) 117 910 0399

Embassy House
Queens Avenue
Bristol BS8 1SB
T: +44 (0) 1179 100 300
savills.com

Dear Jim,

**Bristol City Council Community Infrastructure Levy
Preliminary Draft Charging Schedule**

Thank you for the email confirmation receipt of our representations to the above consultation. Whilst the consultation period has now closed, we felt it would be of assistance to highlight a further matter which has come to light since we submitted our representations.

Our submitted representations do not propose the inclusion of a reduction factor to take into account the difference between gross and net site areas. This was due largely to the view that there was not any available evidence to support a specific assumption within the viability appraisal. However, following the submission of representations, we have since further researched this matter and identified very useful benchmark figures which could helpfully be incorporated into the viability appraisals.

The research in question was produced by URBED and Llewellyn-Davies and is summarised in the companion guide to Planning Policy Statement 3 – Tapping the Potential. Whilst this guidance has since been superseded by advice specifically relating to the production of Strategic Housing Land Availability Studies, the advice relating to net density calculations remains relevant. Table 2 on page 24 of this guidance (a copy of which is enclosed) contains “an illustration of gross to net ratio for different site sizes”. In the absence of any local research in the Bristol context or more up to date information, we recommend that the average of the figures for each site size threshold contained within this table are incorporated into the viability appraisals for each typology for Bristol to provide a more accurate representation of viability.

I appreciate that these comments have been submitted outside of the consultation period, however, as we have discussed previously, we are keen to work alongside the Council to ensure that the CIL Charging Schedule is not only robust, but that it will not impact upon the delivery of the strategic housing requirement. The additional comments are provided in this context and we ask that they are taken into consideration in the appraisal work to be produced by BNP Paribas on behalf of the Council.

I look forward to hearing from you in due course regarding a meeting / workshop on CIL. In the meantime, if you have any queries in relation to our representations, please do not hesitate to contact me.

Yours sincerely,

**Nicholas Matthews MA MTCP MRTPI
Associate Director**

Enc: Extract from Tapping the Potential



Appendix 3

Residual Development Appraisals

APPRAISAL SUMMARY**SAVILLS****BNP T1 Inner West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
2 bed house	1	807	£371.02	£299,413	299,413
3 bed house	<u>1</u>	<u>1,023</u>	£371.02	£379,553	<u>379,553</u>
Totals	2	1,830			678,967

NET REALISATION**678,967****OUTLAY****ACQUISITION COSTS**

Residualised Price		286,487
Stamp Duty	3.00%	8,595
Agent Fee	1.00%	2,865
Legal Fee	0.80%	2,292

300,238

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
2 bed house	807	£102.80	82,960
3 bed house	1,023	£102.80	105,164
Totals	<u>1,830</u>		<u>188,124</u>

188,124

Contingency		5.00%	9,406
S106/S278	2 un	1,000.00 /un	2,000

11,406

PROFESSIONAL FEES

All professional fees	10.00%	18,812
-----------------------	--------	--------

18,812

MARKETING & LETTING

Marketing	4.00%	27,159
-----------	-------	--------

27,159

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200
-----------------	------	------------	-------

1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

18,866

TOTAL COSTS**565,805****PROFIT****113,161****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 42.08%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****BNP T1 Inner East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
2 bed house	1	807	£324.76	£262,081	262,081
3 bed house	<u>1</u>	<u>1,023</u>	£324.76	£332,229	<u>332,229</u>
Totals	2	1,830			594,311

NET REALISATION**594,311****OUTLAY****ACQUISITION COSTS**

Residualised Price		229,817
Stamp Duty	1.00%	2,298
Agent Fee	1.00%	2,298
Legal Fee	0.80%	1,839

236,252

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
2 bed house	807	£102.80	82,960
3 bed house	1,023	£102.80	105,164
Totals	<u>1,830</u>		<u>188,124</u>

188,124

Contingency		5.00%	9,406
S106/S278	2 un	1,000.00 /un	2,000

11,406

PROFESSIONAL FEES

All professional fees	10.00%	18,812
-----------------------	--------	--------

18,812

MARKETING & LETTING

Marketing	4.00%	23,772
-----------	-------	--------

23,772

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200
-----------------	------	------------	-------

1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

15,692

TOTAL COSTS**495,259****PROFIT****99,052****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 43.87%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****BNP T1 South****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£290.45	£234,393	234,393
3 bed house	<u>1</u>	<u>1,023</u>	£290.45	£297,130	<u>297,130</u>
Totals	2	1,830			531,524

NET REALISATION**531,524****OUTLAY****ACQUISITION COSTS**

Residualised Price		183,653
Stamp Duty	1.00%	1,837
Agent Fee	1.00%	1,837
Legal Fee	0.80%	1,469

188,795

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
2 bed house	807	£102.80	82,960
3 bed house	1,023	£102.80	105,164
Totals	<u>1,830</u>		<u>188,124</u>

188,124

Contingency		5.00%	9,406
S106/S278	2 un	1,000.00 /un	2,000

11,406

PROFESSIONAL FEES

All professional fees	10.00%	18,812
-----------------------	--------	--------

18,812

MARKETING & LETTING

Marketing	4.00%	21,261
-----------	-------	--------

21,261

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200
-----------------	------	------------	-------

1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

13,337

TOTAL COSTS**442,936****PROFIT****88,587****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 45.74%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****BNP T1 North****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
2 bed house	1	807	£253.45	£204,534	204,534
3 bed house	<u>1</u>	<u>1,023</u>	£253.45	£259,279	<u>259,279</u>
Totals	2	1,830			463,814

NET REALISATION**463,814****OUTLAY****ACQUISITION COSTS**

Residualised Price			133,869
Stamp Duty		1.00%	1,339
Agent Fee		1.00%	1,339
Legal Fee		0.80%	1,071

137,617

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
2 bed house	807	£102.80	82,960
3 bed house	1,023	£102.80	105,164
Totals	<u>1,830</u>		<u>188,124</u>

188,124

Contingency		5.00%	9,406
S106/S278	2 un	1,000.00 /un	2,000

11,406

PROFESSIONAL FEES

All professional fees		10.00%	18,812
-----------------------	--	--------	--------

18,812

MARKETING & LETTING

Marketing		4.00%	18,553
-----------	--	-------	--------

18,553

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200
-----------------	------	------------	-------

1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

10,799

TOTAL COSTS**386,511****PROFIT****77,302****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 48.70%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****BNP T1 North West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
2 bed house	1	807	£319.54	£257,869	257,869
3 bed house	<u>1</u>	<u>1,023</u>	£319.54	£326,889	<u>326,889</u>
Totals	2	1,830			584,758

NET REALISATION**584,758****OUTLAY****ACQUISITION COSTS**

Residualised Price		222,794
Stamp Duty	1.00%	2,228
Agent Fee	1.00%	2,228
Legal Fee	0.80%	1,782

229,032

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
2 bed house	807	£102.80	82,960
3 bed house	1,023	£102.80	105,164
Totals	<u>1,830</u>		<u>188,124</u>

188,124

Contingency		5.00%	9,406
S106/S278	2 un	1,000.00 /un	2,000

11,406

PROFESSIONAL FEES

All professional fees	10.00%	18,812
-----------------------	--------	--------

18,812

MARKETING & LETTING

Marketing	4.00%	23,390
-----------	-------	--------

23,390

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200
-----------------	------	------------	-------

1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

15,334

TOTAL COSTS**487,298****PROFIT****97,460****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 44.11%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****BNP T1 East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£243.52	£196,521	196,521
3 bed house	<u>1</u>	<u>1,023</u>	£243.52	£249,121	<u>249,121</u>
Totals	2	1,830			445,642

NET REALISATION**445,642****OUTLAY****ACQUISITION COSTS**

Residualised Price		124,093
Agent Fee	1.00%	1,241
Legal Fee	0.80%	993

126,327

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
2 bed house	807	£102.80	82,960
3 bed house	1,023	£102.80	105,164
Totals	<u>1,830</u>		<u>188,124</u>

188,124

Contingency		5.00%	9,406
S106/S278	2 un	1,000.00 /un	2,000

11,406

PROFESSIONAL FEES

All professional fees	10.00%	18,812
-----------------------	--------	--------

18,812

MARKETING & LETTING

Marketing	4.00%	17,826
-----------	-------	--------

17,826

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200
-----------------	------	------------	-------

1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

7,673

TOTAL COSTS**371,368****PROFIT****74,274****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 63.58%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****Savills T1 Inner West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£312.34	£252,058	252,058
3 bed house	<u>1</u>	<u>1,023</u>	£312.34	£319,524	<u>319,524</u>
Totals	2	1,830			571,582

NET REALISATION**571,582****OUTLAY****ACQUISITION COSTS**

Residualised Price			189,877	
Stamp Duty		1.00%	1,899	
Agent Fee		1.00%	1,899	
Legal Fee		0.80%	1,519	
				195,194

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	1,023	£102.80	105,164	
Totals	<u>1,830</u>		<u>188,124</u>	188,124

Contingency		5.00%	9,406	
Abnormal costs	2 un	12,069.00 /un	24,138	
S106/S278	2 un	1,000.00 /un	2,000	
				35,544

PROFESSIONAL FEES

All professional fees		10.00%	18,812	
				18,812

MARKETING & LETTING

Marketing		4.00%	22,863	
				22,863

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200	
				1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				14,581

TOTAL COSTS**476,318****PROFIT****95,264****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	45.17%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****Savills T1 Inner East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£258.45	£208,569	208,569
3 bed house	<u>1</u>	<u>1,023</u>	£258.45	£264,394	<u>264,394</u>
Totals	2	1,830			472,964

NET REALISATION**472,964****OUTLAY****ACQUISITION COSTS**

Residualised Price		118,521
Agent Fee	1.00%	1,185
Legal Fee	0.80%	948

120,654

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
2 bed house	807	£102.80	82,960
3 bed house	1,023	£102.80	105,164
Totals	<u>1,830</u>		<u>188,124</u>

188,124

Contingency		5.00%	9,406
Abnormal costs	2 un	12,069.00 /un	24,138
S106/S278	2 un	1,000.00 /un	2,000

35,544

PROFESSIONAL FEES

All professional fees	10.00%	18,812
-----------------------	--------	--------

18,812

MARKETING & LETTING

Marketing	4.00%	18,919
-----------	-------	--------

18,919

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200
-----------------	------	------------	-------

1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost	10,883
--------------------	--------

TOTAL COSTS**394,136****PROFIT****78,827****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	49.25%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****Savills T1 South****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£263.81	£212,895	212,895
3 bed house	<u>1</u>	<u>1,023</u>	£263.81	£269,878	<u>269,878</u>
Totals	2	1,830			482,772

NET REALISATION**482,772****OUTLAY****ACQUISITION COSTS**

Residualised Price			124,580	
Stamp Duty		1.00%	1,246	
Agent Fee		1.00%	1,246	
Legal Fee		0.80%	997	
				128,068

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	1,023	£102.80	105,164	
Totals	<u>1,830</u>		<u>188,124</u>	188,124

Contingency		5.00%	9,406	
Abnormal costs	2 un	12,069.00 /un	24,138	
S106/S278	2 un	1,000.00 /un	2,000	
				35,544

PROFESSIONAL FEES

All professional fees		10.00%	18,812	
				18,812

MARKETING & LETTING

Marketing		4.00%	19,311	
				19,311

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200	
				1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				11,251

TOTAL COSTS**402,310****PROFIT****80,462****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	48.72%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****Savills T1 North West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£298.45	£240,849	240,849
3 bed house	<u>1</u>	<u>1,023</u>	£298.45	£305,314	<u>305,314</u>
Totals	2	1,830			546,164

NET REALISATION**546,164****OUTLAY****ACQUISITION COSTS**

Residualised Price			171,188	
Stamp Duty		1.00%	1,712	
Agent Fee		1.00%	1,712	
Legal Fee		0.80%	1,370	
				175,981

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	1,023	£102.80	105,164	
Totals	<u>1,830</u>		<u>188,124</u>	188,124

Contingency		5.00%	9,406	
Abnormal costs	2 un	12,069.00 /un	24,138	
S106/S278	2 un	1,000.00 /un	2,000	
				35,544

PROFESSIONAL FEES

All professional fees		10.00%	18,812	
				18,812

MARKETING & LETTING

Marketing		4.00%	21,847	
				21,847

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200	
				1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				13,628

TOTAL COSTS**455,136****PROFIT****91,027****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	46.01%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****Savills T1 North****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£222.78	£179,783	179,783
3 bed house	<u>1</u>	<u>1,023</u>	£222.78	£227,904	<u>227,904</u>
Totals	2	1,830			407,687

NET REALISATION**407,687****OUTLAY****ACQUISITION COSTS**

Residualised Price			70,055	
Agent Fee		1.00%	701	
Legal Fee		0.80%	560	
				71,316

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	1,023	£102.80	105,164	
Totals	<u>1,830</u>		<u>188,124</u>	188,124

Contingency		5.00%	9,406	
Abnormal costs	2 un	12,069.00 /un	24,138	
S106/S278	2 un	1,000.00 /un	2,000	
				35,544

PROFESSIONAL FEES

All professional fees		10.00%	18,812	
				18,812

MARKETING & LETTING

Marketing		4.00%	16,307	
				16,307

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200	
				1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				8,436

TOTAL COSTS**339,739****PROFIT****67,948****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	53.96%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****Savills T1 East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£239.32	£193,131	193,131
3 bed house	<u>1</u>	<u>1,023</u>	£239.32	£244,824	<u>244,824</u>
Totals	2	1,830			437,956

NET REALISATION**437,956****OUTLAY****ACQUISITION COSTS**

Residualised Price			92,528	
Agent Fee		1.00%	925	
Legal Fee		0.80%	740	
				94,194

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	1,023	£102.80	105,164	
Totals	<u>1,830</u>		<u>188,124</u>	188,124
Contingency		5.00%	9,406	
Abnormal costs	2 un	12,069.00 /un	24,138	
S106/S278	2 un	1,000.00 /un	2,000	
				35,544

PROFESSIONAL FEES

All professional fees		10.00%	18,812	
				18,812

MARKETING & LETTING

Marketing		4.00%	17,518	
				17,518

DISPOSAL FEES

Sales Legal Fee	2 un	600.00 /un	1,200	
				1,200

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				9,570

TOTAL COSTS**364,963****PROFIT****72,993****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	51.47%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****BNP T2 Inner West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£371.02	£299,413	299,413
3 bed house	3	3,069	£371.02	£379,553	1,138,660
4 bed house	<u>1</u>	<u>1,238</u>	£371.02	£459,323	<u>459,323</u>
Totals	5	5,114			1,897,396

NET REALISATION**1,897,396****OUTLAY****ACQUISITION COSTS**

Residualised Price			791,252
Stamp Duty		4.00%	31,650
Agent Fee		1.00%	7,913
Legal Fee		0.80%	6,330

837,145

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286
S106/S278	5 un	1,000.00 /un	5,000

31,286

PROFESSIONAL FEES

All professional fees		10.00%	52,572
-----------------------	--	--------	--------

52,572

MARKETING & LETTING

Marketing		4.00%	75,896
-----------	--	-------	--------

75,896

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000
-----------------	------	------------	-------

3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)	
Total Finance Cost	55,546

55,546

TOTAL COSTS**1,581,163****PROFIT****316,233****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	39.54%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T2 Inner East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£324.76	£262,081	262,081
3 bed house	3	3,069	£324.76	£332,229	996,688
4 bed house	<u>1</u>	<u>1,238</u>	£324.76	£402,053	<u>402,053</u>
Totals	5	5,114			1,660,823

NET REALISATION**1,660,823****OUTLAY****ACQUISITION COSTS**

Residualised Price			622,575	
Stamp Duty		4.00%	24,903	
Agent Fee		1.00%	6,226	
Legal Fee		0.80%	4,981	
				658,685

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286	
S106/S278	5 un	1,000.00 /un	5,000	
				31,286

PROFESSIONAL FEES

All professional fees		10.00%	52,572	
				52,572

MARKETING & LETTING

Marketing		4.00%	66,433	
				66,433

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000	
				3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				46,324

TOTAL COSTS**1,384,019****PROFIT****276,804****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	41.09%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T2 South****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£290.45	£234,393	234,393
3 bed house	3	3,069	£290.45	£297,130	891,391
4 bed house	<u>1</u>	<u>1,238</u>	£290.45	£359,577	<u>359,577</u>
Totals	5	5,114			1,485,361

NET REALISATION**1,485,361****OUTLAY****ACQUISITION COSTS**

Residualised Price			502,218
Stamp Duty		3.00%	15,067
Agent Fee		1.00%	5,022
Legal Fee		0.80%	4,018

526,324

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286
S106/S278	5 un	1,000.00 /un	5,000

31,286

PROFESSIONAL FEES

All professional fees		10.00%	52,572
-----------------------	--	--------	--------

52,572

MARKETING & LETTING

Marketing		4.00%	59,414
-----------	--	-------	--------

59,414

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000
-----------------	------	------------	-------

3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)	
Total Finance Cost	39,485

39,485

TOTAL COSTS**1,237,801****PROFIT****247,561****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	42.71%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T2 North West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£319.54	£257,869	257,869
3 bed house	3	3,069	£319.54	£326,889	980,668
4 bed house	<u>1</u>	<u>1,238</u>	£319.54	£395,591	<u>395,591</u>
Totals	5	5,114			1,634,128

NET REALISATION**1,634,128****OUTLAY****ACQUISITION COSTS**

Residualised Price			603,542
Stamp Duty		4.00%	24,142
Agent Fee		1.00%	6,035
Legal Fee		0.80%	4,828

638,547

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286
S106/S278	5 un	1,000.00 /un	5,000

31,286

PROFESSIONAL FEES

All professional fees		10.00%	52,572
-----------------------	--	--------	--------

52,572

MARKETING & LETTING

Marketing		4.00%	65,365
-----------	--	-------	--------

65,365

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000
-----------------	------	------------	-------

3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)	
Total Finance Cost	45,284

45,284

TOTAL COSTS**1,361,773****PROFIT****272,355****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	41.30%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T2 North****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£253.14	£204,284	204,284
3 bed house	3	3,069	£253.14	£258,962	776,887
4 bed house	<u>1</u>	<u>1,238</u>	£253.14	£313,387	<u>313,387</u>
Totals	5	5,114			1,294,558

NET REALISATION**1,294,558****OUTLAY****ACQUISITION COSTS**

Residualised Price			364,877	
Stamp Duty		3.00%	10,946	
Agent Fee		1.00%	3,649	
Legal Fee		0.80%	2,919	
				382,391

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286	
S106/S278	5 un	1,000.00 /un	5,000	
				31,286

PROFESSIONAL FEES

All professional fees		10.00%	52,572	
				52,572

MARKETING & LETTING

Marketing		4.00%	51,782	
				51,782

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000	
				3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				32,048

TOTAL COSTS**1,078,798****PROFIT****215,760****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	45.25%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T2 East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£243.52	£196,521	196,521
3 bed house	3	3,069	£243.52	£249,121	747,363
4 bed house	<u>1</u>	<u>1,238</u>	£243.52	£301,478	<u>301,478</u>
Totals	5	5,114			1,245,361

NET REALISATION**1,245,361****OUTLAY****ACQUISITION COSTS**

Residualised Price			329,465
Stamp Duty		3.00%	9,884
Agent Fee		1.00%	3,295
Legal Fee		0.80%	2,636

345,279

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286
S106/S278	5 un	1,000.00 /un	5,000

31,286

PROFESSIONAL FEES

All professional fees		10.00%	52,572
-----------------------	--	--------	--------

52,572

MARKETING & LETTING

Marketing		4.00%	49,814
-----------	--	-------	--------

49,814

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000
-----------------	------	------------	-------

3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)	
Total Finance Cost	30,130

30,130

TOTAL COSTS**1,037,801****PROFIT****207,560****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	46.11%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****SAVILLS T2 Inner West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£312.34	£252,058	252,058
3 bed house	3	3,069	£312.34	£319,524	958,571
4 bed house	<u>1</u>	<u>1,238</u>	£312.34	£386,677	<u>386,677</u>
Totals	5	5,114			1,597,307

NET REALISATION**1,597,307****OUTLAY****ACQUISITION COSTS**

Residualised Price			520,863	
Stamp Duty		4.00%	20,835	
Agent Fee		1.00%	5,209	
Legal Fee		0.80%	4,167	
				551,073

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286	
Abnormal costs	5 un	12,069.00 /un	60,345	
S106/S278	5 un	1,000.00 /un	5,000	
				91,631

PROFESSIONAL FEES

All professional fees		10.00%	52,572	
				52,572

MARKETING & LETTING

Marketing		4.00%	63,892	
				63,892

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000	
				3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				43,202

TOTAL COSTS**1,331,089****PROFIT****266,218****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	42.15%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T2 Inner East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£258.45	£208,569	208,569
3 bed house	3	3,069	£258.45	£264,394	793,183
4 bed house	<u>1</u>	<u>1,238</u>	£258.45	£319,961	<u>319,961</u>
Totals	5	5,114			1,321,713

NET REALISATION**1,321,713****OUTLAY****ACQUISITION COSTS**

Residualised Price			327,460
Stamp Duty		3.00%	9,824
Agent Fee		1.00%	3,275
Legal Fee		0.80%	2,620

343,178

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286
Abnormal costs	5 un	12,069.00 /un	60,345
S106/S278	5 un	1,000.00 /un	5,000

91,631

PROFESSIONAL FEES

All professional fees		10.00%	52,572
-----------------------	--	--------	--------

52,572

MARKETING & LETTING

Marketing		4.00%	52,869
-----------	--	-------	--------

52,869

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000
-----------------	------	------------	-------

3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

32,459

TOTAL COSTS**1,101,428****PROFIT****220,286****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 45.60%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T2 South****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
2 bed house	1	807	£263.81	£212,895	212,895
3 bed house	3	3,069	£263.81	£269,878	809,633
4 bed house	<u>1</u>	<u>1,238</u>	£263.81	£326,597	<u>326,597</u>
Totals	5	5,114			1,349,124

NET REALISATION**1,349,124****OUTLAY****ACQUISITION COSTS**

Residualised Price			347,190
Stamp Duty		3.00%	10,416
Agent Fee		1.00%	3,472
Legal Fee		0.80%	2,778

363,855

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286
Abnormal costs	5 un	12,069.00 /un	60,345
S106/S278	5 un	1,000.00 /un	5,000

91,631

PROFESSIONAL FEES

All professional fees		10.00%	52,572
-----------------------	--	--------	--------

52,572

MARKETING & LETTING

Marketing		4.00%	53,965
-----------	--	-------	--------

53,965

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000
-----------------	------	------------	-------

3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

33,528

TOTAL COSTS**1,124,270****PROFIT****224,854****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 45.16%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T2 North West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£298.45	£240,849	240,849
3 bed house	3	3,069	£298.45	£305,314	915,943
4 bed house	<u>1</u>	<u>1,238</u>	£298.45	£369,481	<u>369,481</u>
Totals	5	5,114			1,526,273

NET REALISATION**1,526,273****OUTLAY****ACQUISITION COSTS**

Residualised Price			474,703	
Stamp Duty		3.00%	14,241	
Agent Fee		1.00%	4,747	
Legal Fee		0.80%	3,798	
				497,488

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286	
Abnormal costs	5 un	12,069.00 /un	60,345	
S106/S278	5 un	1,000.00 /un	5,000	
				91,631

PROFESSIONAL FEES

All professional fees		10.00%	52,572	
				52,572

MARKETING & LETTING

Marketing		4.00%	61,051	
				61,051

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000	
				3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				40,433

TOTAL COSTS**1,271,894****PROFIT****254,379****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	42.86%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T2 North****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£222.78	£179,783	179,783
3 bed house	3	3,069	£222.78	£227,904	683,712
4 bed house	<u>1</u>	<u>1,238</u>	£222.78	£275,802	<u>275,802</u>
Totals	5	5,114			1,139,297

NET REALISATION**1,139,297****OUTLAY****ACQUISITION COSTS**

Residualised Price			199,972	
Stamp Duty		1.00%	2,000	
Agent Fee		1.00%	2,000	
Legal Fee		0.80%	1,600	
				205,571

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286	
Abnormal costs	5 un	12,069.00 /un	60,345	
S106/S278	5 un	1,000.00 /un	5,000	
				91,631

PROFESSIONAL FEES

All professional fees		10.00%	52,572	
				52,572

MARKETING & LETTING

Marketing		4.00%	45,572	
				45,572

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000	
				3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				25,349

TOTAL COSTS**949,414****PROFIT****189,883****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	49.52%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T2 East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	1	807	£239.32	£193,131	193,131
3 bed house	3	3,069	£239.32	£244,824	734,473
4 bed house	<u>1</u>	<u>1,238</u>	£239.32	£296,278	<u>296,278</u>
Totals	5	5,114			1,223,882

NET REALISATION**1,223,882****OUTLAY****ACQUISITION COSTS**

Residualised Price			257,040
Stamp Duty		3.00%	7,711
Agent Fee		1.00%	2,570
Legal Fee		0.80%	2,056

269,378

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	807	£102.80	82,960	
3 bed house	3,069	£102.80	315,493	
4 bed house	1,238	£102.80	127,266	
Totals	<u>5,114</u>		<u>525,719</u>	525,719

Contingency		5.00%	26,286
Abnormal costs	5 un	12,069.00 /un	60,345
S106/S278	5 un	1,000.00 /un	5,000

91,631

PROFESSIONAL FEES

All professional fees		10.00%	52,572
-----------------------	--	--------	--------

52,572

MARKETING & LETTING

Marketing		4.00%	48,955
-----------	--	-------	--------

48,955

DISPOSAL FEES

Sales Legal Fee	5 un	600.00 /un	3,000
-----------------	------	------------	-------

3,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

28,646

TOTAL COSTS**1,019,902****PROFIT****203,981****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 47.45%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****BNP T3 Inner West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£371.02	£299,413	1,197,653
3 bed house	7	7,161	£371.02	£379,553	2,656,874
4 bed house	3	3,714	£371.02	£459,323	1,377,968
Totals	14	14,103			5,232,495

NET REALISATION**5,232,495****OUTLAY****ACQUISITION COSTS**

Residualised Price			2,142,088	
Stamp Duty		4.00%	85,684	
Agent Fee		1.00%	21,421	
Legal Fee		0.80%	17,137	
				2,266,329

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	14,103		1,449,788	1,449,788

Contingency		5.00%	72,489	
S106/S278	14 un	1,000.00 /un	14,000	
				86,489

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	209,300	
				209,300

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				195,126

TOTAL COSTS**4,360,412****PROFIT****872,083****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	30.94%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T3 Inner East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£324.76	£262,081	1,048,325
3 bed house	7	7,161	£324.76	£332,229	2,325,606
4 bed house	3	3,714	£324.76	£402,053	1,206,159
Totals	14	14,103			4,580,090

NET REALISATION**4,580,090****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,681,868	
Stamp Duty		4.00%	67,275	
Agent Fee		1.00%	16,819	
Legal Fee		0.80%	13,455	
				1,779,416

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	14,103		1,449,788	1,449,788

Contingency		5.00%	72,489	
S106/S278	14 un	1,000.00 /un	14,000	
				86,489

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	183,204	
				183,204

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				164,465

TOTAL COSTS**3,816,742****PROFIT****763,349****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	31.81%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T3 South****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£290.45	£234,393	937,573
3 bed house	7	7,161	£290.45	£297,130	2,079,912
4 bed house	3	3,714	£290.45	£359,577	1,078,731
Totals	14	14,103			4,096,216

NET REALISATION**4,096,216****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,340,531	
Stamp Duty		4.00%	53,621	
Agent Fee		1.00%	13,405	
Legal Fee		0.80%	10,724	
				1,418,282

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	14,103		1,449,788	1,449,788

Contingency		5.00%	72,489	
S106/S278	14 un	1,000.00 /un	14,000	
				86,489

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	163,849	
				163,849

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				141,725

TOTAL COSTS**3,413,513****PROFIT****682,704****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	32.70%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T3 North West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£319.54	£257,869	1,031,475
3 bed house	7	7,161	£319.54	£326,889	2,288,226
4 bed house	3	3,714	£319.54	£395,591	1,186,772
Totals	14	14,103			4,506,473

NET REALISATION**4,506,473****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,629,936	
Stamp Duty		4.00%	65,197	
Agent Fee		1.00%	16,299	
Legal Fee		0.80%	13,039	
				1,724,472

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	14,103		1,449,788	1,449,788

Contingency		5.00%	72,489	
S106/S278	14 un	1,000.00 /un	14,000	
				86,489

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	180,259	
				180,259

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				161,006

TOTAL COSTS**3,755,394****PROFIT****751,079****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	31.93%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T3 North****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£253.14	£204,284	817,136
3 bed house	7	7,161	£253.14	£258,962	1,812,736
4 bed house	3	3,714	£253.14	£313,387	940,162
Totals	14	14,103			3,570,033

NET REALISATION**3,570,033****OUTLAY****ACQUISITION COSTS**

Residualised Price			969,351	
Stamp Duty		4.00%	38,774	
Agent Fee		1.00%	9,694	
Legal Fee		0.80%	7,755	
				1,025,573

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	14,103		1,449,788	1,449,788

Contingency		5.00%	72,489	
S106/S278	14 un	1,000.00 /un	14,000	
				86,489

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	142,801	
				142,801

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				116,997

TOTAL COSTS**2,975,028****PROFIT****595,006****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	34.06%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T3 East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£243.52	£196,521	786,083
3 bed house	7	7,161	£243.52	£249,121	1,743,847
4 bed house	3	3,714	£243.52	£301,478	904,433
Totals	14	14,103			3,434,363

NET REALISATION**3,434,363****OUTLAY****ACQUISITION COSTS**

Residualised Price		873,646
Stamp Duty	4.00%	34,946
Agent Fee	1.00%	8,736
Legal Fee	0.80%	6,989

924,317

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
2 bed house	3,228	£102.80	331,838
3 bed house	7,161	£102.80	736,151
4 bed house	3,714	£102.80	381,799
Totals	14,103		1,449,788

1,449,788

Contingency		5.00%	72,489
S106/S278	14 un	1,000.00 /un	14,000

86,489

PROFESSIONAL FEES

All professional fees	10.00%	144,979
-----------------------	--------	---------

144,979

MARKETING & LETTING

Marketing	4.00%	137,375
-----------	-------	---------

137,375

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400
-----------------	-------	------------	-------

8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)	
Total Finance Cost	110,621

110,621

TOTAL COSTS**2,861,969****PROFIT****572,394****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR	34.51%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 10 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****SAVILLS T3 Inner West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£312.34	£252,058	1,008,234
3 bed house	7	7,161	£312.34	£319,524	2,236,667
4 bed house	3	3,714	£312.34	£386,677	1,160,031
Totals	14	14,103			4,404,931

NET REALISATION**4,404,931****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,400,314	
Stamp Duty		4.00%	56,013	
Agent Fee		1.00%	14,003	
Legal Fee		0.80%	11,203	
				1,481,532

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	14,103		1,449,788	1,449,788

Contingency		5.00%	72,489	
Abnormal costs	14 un	12,069.00 /un	168,966	
S106/S278	14 un	1,000.00 /un	14,000	
				255,455

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	176,197	
				176,197

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				154,423

TOTAL COSTS**3,670,775****PROFIT****734,156****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	32.40%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T3 Inner East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£258.45	£208,569	834,277
3 bed house	7	7,161	£258.45	£264,394	1,850,760
4 bed house	<u>3</u>	<u>3,714</u>	£258.45	£319,961	<u>959,883</u>
Totals	14	14,103			3,644,920

NET REALISATION**3,644,920****OUTLAY****ACQUISITION COSTS**

Residualised Price			864,186	
Stamp Duty		4.00%	34,567	
Agent Fee		1.00%	8,642	
Legal Fee		0.80%	6,913	
				914,309

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	<u>14,103</u>		<u>1,449,788</u>	1,449,788

Contingency		5.00%	72,489	
Abnormal costs	14 un	12,069.00 /un	168,966	
S106/S278	14 un	1,000.00 /un	14,000	
				255,455

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	145,797	
				145,797

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				118,705

TOTAL COSTS**3,037,434****PROFIT****607,487****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	34.24%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T3 South****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£263.81	£212,895	851,579
3 bed house	7	7,161	£263.81	£269,878	1,889,143
4 bed house	<u>3</u>	<u>3,714</u>	£263.81	£326,597	<u>979,790</u>
Totals	14	14,103			3,720,512

NET REALISATION**3,720,512****OUTLAY****ACQUISITION COSTS**

Residualised Price			917,511	
Stamp Duty		4.00%	36,700	
Agent Fee		1.00%	9,175	
Legal Fee		0.80%	7,340	
				970,726

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	<u>14,103</u>		<u>1,449,788</u>	1,449,788

Contingency		5.00%	72,489	
Abnormal costs	14 un	12,069.00 /un	168,966	
S106/S278	14 un	1,000.00 /un	14,000	
				255,455

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	148,820	
				148,820

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				122,258

TOTAL COSTS**3,100,427****PROFIT****620,085****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	34.01%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T3 North West****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£298.45	£240,849	963,397
3 bed house	7	7,161	£298.45	£305,314	2,137,200
4 bed house	<u>3</u>	<u>3,714</u>	£298.45	£369,481	<u>1,108,443</u>
Totals	14	14,103			4,209,040

NET REALISATION**4,209,040****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,262,129	
Stamp Duty		4.00%	50,485	
Agent Fee		1.00%	12,621	
Legal Fee		0.80%	10,097	
				1,335,332

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	3,228	£102.80	331,838	
3 bed house	7,161	£102.80	736,151	
4 bed house	3,714	£102.80	381,799	
Totals	<u>14,103</u>		<u>1,449,788</u>	1,449,788

Contingency		5.00%	72,489	
Abnormal costs	14 un	12,069.00 /un	168,966	
S106/S278	14 un	1,000.00 /un	14,000	
				255,455

PROFESSIONAL FEES

All professional fees		10.00%	144,979	
				144,979

MARKETING & LETTING

Marketing		4.00%	168,362	
				168,362

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400	
				8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				145,217

TOTAL COSTS**3,507,533****PROFIT****701,507****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	32.79%
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T3 North****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£222.78	£179,783	719,134
3 bed house	7	7,161	£222.78	£227,904	1,595,328
4 bed house	3	3,714	£222.78	£275,802	827,405
Totals	14	14,103			3,141,866

NET REALISATION**3,141,866****OUTLAY****ACQUISITION COSTS**

Residualised Price			509,320
Stamp Duty		4.00%	20,373
Agent Fee		1.00%	5,093
Legal Fee		0.80%	4,075

538,861

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
2 bed house	3,228	£102.80	331,838
3 bed house	7,161	£102.80	736,151
4 bed house	3,714	£102.80	381,799
Totals	14,103		1,449,788

1,449,788

Contingency		5.00%	72,489
Abnormal costs	14 un	12,069.00 /un	168,966
S106/S278	14 un	1,000.00 /un	14,000

255,455

PROFESSIONAL FEES

All professional fees		10.00%	144,979
-----------------------	--	--------	---------

144,979

MARKETING & LETTING

Marketing		4.00%	125,675
-----------	--	-------	---------

125,675

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400
-----------------	-------	------------	-------

8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

95,064

TOTAL COSTS**2,618,222****PROFIT****523,644****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 36.24%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T3 East****Summary Appraisal for Phase 1 OM****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	4	3,228	£239.32	£193,131	772,525
3 bed house	7	7,161	£239.32	£244,824	1,713,771
4 bed house	3	3,714	£239.32	£296,278	888,834
Totals	14	14,103			3,375,130

NET REALISATION**3,375,130****OUTLAY****ACQUISITION COSTS**

Residualised Price			673,870
Stamp Duty		4.00%	26,955
Agent Fee		1.00%	6,739
Legal Fee		0.80%	5,391

712,954

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
2 bed house	3,228	£102.80	331,838
3 bed house	7,161	£102.80	736,151
4 bed house	3,714	£102.80	381,799
Totals	14,103		1,449,788

1,449,788

Contingency		5.00%	72,489
Abnormal costs	14 un	12,069.00 /un	168,966
S106/S278	14 un	1,000.00 /un	14,000

255,455

PROFESSIONAL FEES

All professional fees		10.00%	144,979
-----------------------	--	--------	---------

144,979

MARKETING & LETTING

Marketing		4.00%	135,005
-----------	--	-------	---------

135,005

DISPOSAL FEES

Sales Legal Fee	14 un	600.00 /un	8,400
-----------------	-------	------------	-------

8,400

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost

106,026

TOTAL COSTS**2,812,608****PROFIT****562,522****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR 35.20%

Profit Erosion (finance rate 6.500%) 2 yrs 10 mths

APPRAISAL SUMMARY**SAVILLS****BNP T4 40% AH Inner West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	9	7,263	£371.02	£299,413	2,694,718
3 bed house	15	15,345	£371.02	£379,553	5,693,302
4 bed house	6	7,428	£371.02	£459,323	2,755,937
2 bed house	6	4,842	£77.57	£62,599	375,594
3 bed house	10	10,230	£77.57	£79,354	793,541
4 bed house	4	4,952	£77.57	£96,032	384,127
Totals	50	50,060			12,697,218

NET REALISATION**12,697,218****OUTLAY****ACQUISITION COSTS**

Residualised Price			3,324,480	
Stamp Duty		4.00%	169,812	
Agent Fee		1.00%	42,453	
Legal Fee		0.80%	33,962	
				3,570,708

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	7,263	£102.80	746,636	
3 bed house	15,345	£102.80	1,577,466	
4 bed house	7,428	£102.80	763,598	
2 bed house	4,842	£102.80	497,758	
3 bed house	10,230	£102.80	1,051,644	
4 bed house	4,952	£102.80	509,066	
Totals	50,060		5,146,168	5,146,168

Contingency		5.00%	257,308	
S106/S278	50 un	1,000.00 /un	50,000	
				307,308

PROFESSIONAL FEES

All professional fees		10.00%	514,617	
				514,617

MARKETING & LETTING

Marketing		4.00%	445,758	
				445,758

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				697,562

TOTAL COSTS**10,712,121****PROFIT****1,985,097****Performance Measures**

Profit on Cost%	18.53%
Profit on GDV%	15.63%
Profit on NDV%	15.63%
IRR	21.11%

BNP T4 40% AH Inner West

Profit Erosion (finance rate 6.500%)

2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****BNP T4 40% AH Inner East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	9	7,263	£324.76	£262,081	2,358,732
3 bed house	15	15,345	£324.76	£332,229	4,983,442
4 bed house	6	7,428	£324.76	£402,053	2,412,317
2 bed house	6	4,842	£77.57	£62,599	375,594
3 bed house	10	10,230	£77.57	£79,354	793,541
4 bed house	4	4,952	£77.57	£96,032	384,127
Totals	50	50,060			11,307,753

NET REALISATION**11,307,753****OUTLAY****ACQUISITION COSTS**

Residualised Price			2,386,919	
Stamp Duty		4.00%	132,310	
Agent Fee		1.00%	33,077	
Legal Fee		0.80%	26,462	
				2,578,768

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	7,263	£102.80	746,636	
3 bed house	15,345	£102.80	1,577,466	
4 bed house	7,428	£102.80	763,598	
2 bed house	4,842	£102.80	497,758	
3 bed house	10,230	£102.80	1,051,644	
4 bed house	4,952	£102.80	509,066	
Totals	50,060		5,146,168	5,146,168

Contingency		5.00%	257,308	
S106/S278	50 un	1,000.00 /un	50,000	
				307,308

PROFESSIONAL FEES

All professional fees		10.00%	514,617	
				514,617

MARKETING & LETTING

Marketing		4.00%	390,180	
				390,180

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				587,194

TOTAL COSTS**9,554,234****PROFIT****1,753,519****Performance Measures**

Profit on Cost%	18.35%
Profit on GDV%	15.51%
Profit on NDV%	15.51%
IRR	21.76%

BNP T4 40% AH Inner East

Profit Erosion (finance rate 6.500%)

2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****BNP T4 30% AH South****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	10	8,070	£290.45	£234,393	2,343,932
3 bed house	18	18,414	£290.45	£297,130	5,348,346
4 bed house	7	8,666	£290.45	£359,577	2,517,040
2 bed house	4	3,228	£77.57	£62,599	250,396
3 bed house	8	8,184	£77.57	£79,354	634,833
4 bed house	3	3,714	£77.57	£96,032	288,095
Totals	50	50,276			11,382,641

NET REALISATION**11,382,641****OUTLAY****ACQUISITION COSTS**

Residualised Price			2,358,949	
Stamp Duty		4.00%	122,781	
Agent Fee		1.00%	30,695	
Legal Fee		0.80%	24,556	
				2,536,981

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	8,070	£102.80	829,596	
3 bed house	18,414	£102.80	1,892,959	
4 bed house	8,666	£102.80	890,865	
2 bed house	3,228	£102.80	331,838	
3 bed house	8,184	£102.80	841,315	
4 bed house	3,714	£102.80	381,799	
Totals	50,276		5,168,373	5,168,373

Contingency		5.00%	258,419	
S106/S278	65 un	1,000.00 /un	65,000	
				323,419

PROFESSIONAL FEES

All professional fees		10.00%	516,837	
				516,837

MARKETING & LETTING

Marketing		4.00%	408,373	
				408,373

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				600,312

TOTAL COSTS**9,584,295****PROFIT****1,798,347****Performance Measures**

Profit on Cost%	18.76%
Profit on GDV%	15.80%
Profit on NDV%	15.80%
IRR	21.87%

BNP T4 30% AH South

Profit Erosion (finance rate 6.500%)

2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****BNP T4 40% AH North West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	9	7,263	£319.54	£257,869	2,320,819
3 bed house	15	15,345	£319.54	£326,889	4,903,341
4 bed house	6	7,428	£319.54	£395,591	2,373,543
2 bed house	6	4,842	£77.57	£62,599	375,594
3 bed house	10	10,230	£77.57	£79,354	793,541
4 bed house	4	4,952	£77.57	£96,032	384,127
Totals	50	50,060			11,150,965

NET REALISATION**11,150,965****OUTLAY****ACQUISITION COSTS**

Residualised Price			2,281,124	
Stamp Duty		4.00%	128,078	
Agent Fee		1.00%	32,019	
Legal Fee		0.80%	25,616	
				2,466,837

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	7,263	£102.80	746,636	
3 bed house	15,345	£102.80	1,577,466	
4 bed house	7,428	£102.80	763,598	
2 bed house	4,842	£102.80	497,758	
3 bed house	10,230	£102.80	1,051,644	
4 bed house	4,952	£102.80	509,066	
Totals	50,060		5,146,168	5,146,168

Contingency		5.00%	257,308	
S106/S278	50 un	1,000.00 /un	50,000	
				307,308

PROFESSIONAL FEES

All professional fees		10.00%	514,617	
				514,617

MARKETING & LETTING

Marketing		4.00%	383,908	
				383,908

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				574,739

TOTAL COSTS**9,423,578****PROFIT****1,727,387****Performance Measures**

Profit on Cost%	18.33%
Profit on GDV%	15.49%
Profit on NDV%	15.49%
IRR	21.85%

BNP T4 40% AH North West

Profit Erosion (finance rate 6.500%)

2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****BNP T4 30% AH North****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	10	8,070	£253.14	£204,284	2,042,840
3 bed house	18	18,414	£253.14	£258,962	4,661,320
4 bed house	7	8,666	£253.14	£313,387	2,193,711
2 bed house	4	3,228	£77.57	£62,599	250,396
3 bed house	8	8,184	£77.57	£79,354	634,833
4 bed house	3	3,714	£77.57	£96,032	288,095
Totals	50	50,276			10,071,195

NET REALISATION**10,071,195****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,489,032	
Stamp Duty		4.00%	87,385	
Agent Fee		1.00%	21,846	
Legal Fee		0.80%	17,477	
				1,615,740

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	8,070	£102.80	829,596	
3 bed house	18,414	£102.80	1,892,959	
4 bed house	8,666	£102.80	890,865	
2 bed house	3,228	£102.80	331,838	
3 bed house	8,184	£102.80	841,315	
4 bed house	3,714	£102.80	381,799	
Totals	50,276		5,168,373	5,168,373

Contingency		5.00%	258,419	
S106/S278	50 un	1,000.00 /un	50,000	
				308,419

PROFESSIONAL FEES

All professional fees		10.00%	516,837	
				516,837

MARKETING & LETTING

Marketing		4.00%	355,915	
				355,915

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				496,416

TOTAL COSTS**8,491,700****PROFIT****1,579,495****Performance Measures**

Profit on Cost%	18.60%
Profit on GDV%	15.68%
Profit on NDV%	15.68%
IRR	22.73%

BNP T4 30% AH North

Profit Erosion (finance rate 6.500%)

2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****BNP T4 30% AH East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	10	8,070	£243.52	£196,521	1,965,206
3 bed house	18	18,414	£243.52	£249,121	4,484,177
4 bed house	7	8,666	£243.52	£301,478	2,110,344
2 bed house	4	3,228	£77.57	£62,599	250,396
3 bed house	8	8,184	£77.57	£79,354	634,833
4 bed house	3	3,714	£77.57	£96,032	288,095
Totals	50	50,276			9,733,052

NET REALISATION**9,733,052****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,260,866	
Stamp Duty		4.00%	78,258	
Agent Fee		1.00%	19,564	
Legal Fee		0.80%	15,652	
				1,374,340

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	8,070	£102.80	829,596	
3 bed house	18,414	£102.80	1,892,959	
4 bed house	8,666	£102.80	890,865	
2 bed house	3,228	£102.80	331,838	
3 bed house	8,184	£102.80	841,315	
4 bed house	3,714	£102.80	381,799	
Totals	50,276		5,168,373	5,168,373

Contingency		5.00%	258,419	
S106/S278	50 un	1,000.00 /un	50,000	
				308,419

PROFESSIONAL FEES

All professional fees		10.00%	516,837	
				516,837

MARKETING & LETTING

Marketing		4.00%	342,389	
				342,389

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				469,556

TOTAL COSTS**8,209,914****PROFIT****1,523,138****Performance Measures**

Profit on Cost%	18.55%
Profit on GDV%	15.65%
Profit on NDV%	15.65%
IRR	23.03%

BNP T4 30% AH East

Profit Erosion (finance rate 6.500%)

2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 40% AH Inner West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	9	7,263	£312.34	£252,058	2,268,525
3 bed house	15	15,345	£312.34	£319,524	4,792,857
4 bed house	6	7,428	£312.34	£386,677	2,320,062
2 bed house	6	4,842	£77.57	£62,599	375,594
3 bed house	10	10,230	£77.57	£79,354	793,541
4 bed house	4	4,952	£77.57	£96,032	384,127
Totals	50	50,060			10,934,706

NET REALISATION**10,934,706****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,573,952	
Stamp Duty		4.00%	99,791	
Agent Fee		1.00%	24,948	
Legal Fee		0.80%	19,958	
				1,718,648

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	7,263	£102.80	746,636	
3 bed house	15,345	£102.80	1,577,466	
4 bed house	7,428	£102.80	763,598	
2 bed house	4,842	£102.80	497,758	
3 bed house	10,230	£102.80	1,051,644	
4 bed house	4,952	£102.80	509,066	
Totals	50,060		5,146,168	5,146,168

Contingency		5.00%	257,308	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				910,758

PROFESSIONAL FEES

All professional fees		10.00%	514,617	
				514,617

MARKETING & LETTING

Marketing		4.00%	375,258	
				375,258

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				547,912

TOTAL COSTS**9,243,362****PROFIT****1,691,344****Performance Measures**

Profit on Cost%	18.30%
Profit on GDV%	15.47%
Profit on NDV%	15.47%

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 40% AH Inner West**

IRR 22.24%

Profit Erosion (finance rate 6.500%) 2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 40% AH Inner East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	9	7,263	£258.45	£208,569	1,877,122
3 bed house	15	15,345	£258.45	£264,394	3,965,915
4 bed house	6	7,428	£258.45	£319,961	1,919,767
2 bed house	6	4,842	£77.57	£62,599	375,594
3 bed house	10	10,230	£77.57	£79,354	793,541
4 bed house	4	4,952	£77.57	£96,032	384,127
Totals	50	50,060			9,316,066

NET REALISATION**9,316,066****OUTLAY****ACQUISITION COSTS**

Residualised Price			481,751	
Stamp Duty		4.00%	56,103	
Agent Fee		1.00%	14,026	
Legal Fee		0.80%	11,221	
				563,100

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	7,263	£102.80	746,636	
3 bed house	15,345	£102.80	1,577,466	
4 bed house	7,428	£102.80	763,598	
2 bed house	4,842	£102.80	497,758	
3 bed house	10,230	£102.80	1,051,644	
4 bed house	4,952	£102.80	509,066	
Totals	50,060		5,146,168	5,146,168

Contingency		5.00%	257,308	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				910,758

PROFESSIONAL FEES

All professional fees		10.00%	514,617	
				514,617

MARKETING & LETTING

Marketing		4.00%	310,512	
				310,512

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				419,339

TOTAL COSTS**7,894,495****PROFIT****1,421,571****Performance Measures**

Profit on Cost%	18.01%
Profit on GDV%	15.26%
Profit on NDV%	15.26%

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 40% AH Inner East**

IRR 23.64%

Profit Erosion (finance rate 6.500%) 2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 30% AH South****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	10	8,070	£263.81	£212,895	2,128,947
3 bed house	18	18,414	£263.81	£269,878	4,857,797
4 bed house	7	8,666	£263.81	£326,597	2,286,177
2 bed house	4	3,228	£77.57	£62,599	250,396
3 bed house	8	8,184	£77.57	£79,354	634,833
4 bed house	3	3,714	£77.57	£96,032	288,095
Totals	50	50,276			10,446,245

NET REALISATION**10,446,245****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,180,854	
Stamp Duty		4.00%	75,057	
Agent Fee		1.00%	18,764	
Legal Fee		0.80%	15,011	
				1,289,687

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	8,070	£102.80	829,596	
3 bed house	18,414	£102.80	1,892,959	
4 bed house	8,666	£102.80	890,865	
2 bed house	3,228	£102.80	331,838	
3 bed house	8,184	£102.80	841,315	
4 bed house	3,714	£102.80	381,799	
Totals	50,276		5,168,373	5,168,373

Contingency		5.00%	258,419	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				911,869

PROFESSIONAL FEES

All professional fees		10.00%	516,837	
				516,837

MARKETING & LETTING

Marketing		4.00%	370,917	
				370,917

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				516,558

TOTAL COSTS**8,804,240****PROFIT****1,642,005****Performance Measures**

Profit on Cost%	18.65%
Profit on GDV%	15.72%
Profit on NDV%	15.72%

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 30% AH South**

IRR 22.75%

Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 40% AH North West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	9	7,263	£298.45	£240,849	2,167,642
3 bed house	15	15,345	£298.45	£305,314	4,579,715
4 bed house	6	7,428	£298.45	£369,481	2,216,887
2 bed house	6	4,842	£77.57	£62,599	375,594
3 bed house	10	10,230	£77.57	£79,354	793,541
4 bed house	4	4,952	£77.57	£96,032	384,127
Totals	50	50,060			10,517,506

NET REALISATION**10,517,506****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,292,440	
Stamp Duty		4.00%	88,530	
Agent Fee		1.00%	22,133	
Legal Fee		0.80%	17,706	
				1,420,809

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	7,263	£102.80	746,636	
3 bed house	15,345	£102.80	1,577,466	
4 bed house	7,428	£102.80	763,598	
2 bed house	4,842	£102.80	497,758	
3 bed house	10,230	£102.80	1,051,644	
4 bed house	4,952	£102.80	509,066	
Totals	50,060		5,146,168	5,146,168

Contingency		5.00%	257,308	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				910,758

PROFESSIONAL FEES

All professional fees		10.00%	514,617	
				514,617

MARKETING & LETTING

Marketing		4.00%	358,570	
				358,570

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				514,773

TOTAL COSTS**8,895,695****PROFIT****1,621,811****Performance Measures**

Profit on Cost%	18.23%
Profit on GDV%	15.42%
Profit on NDV%	15.42%

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 40% AH North West**

IRR 22.54%

Profit Erosion (finance rate 6.500%) 2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 30% AH North****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	10	8,070	£222.78	£179,783	1,797,835
3 bed house	18	18,414	£222.78	£227,904	4,102,271
4 bed house	7	8,666	£222.78	£275,802	1,930,611
2 bed house	4	3,228	£77.57	£62,599	250,396
3 bed house	8	8,184	£77.57	£79,354	634,833
4 bed house	3	3,714	£77.57	£96,032	288,095
Totals	50	50,276			9,004,041

NET REALISATION**9,004,041****OUTLAY****ACQUISITION COSTS**

Residualised Price			234,066	
Stamp Duty		1.00%	9,296	
Agent Fee		1.00%	9,296	
Legal Fee		0.80%	7,437	
				260,096

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	8,070	£102.80	829,596	
3 bed house	18,414	£102.80	1,892,959	
4 bed house	8,666	£102.80	890,865	
2 bed house	3,228	£102.80	331,838	
3 bed house	8,184	£102.80	841,315	
4 bed house	3,714	£102.80	381,799	
Totals	50,276		5,168,373	5,168,373

Contingency		5.00%	258,419	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				911,869

PROFESSIONAL FEES

All professional fees		10.00%	516,837	
				516,837

MARKETING & LETTING

Marketing		4.00%	313,229	
				313,229

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				402,000

TOTAL COSTS**7,602,403****PROFIT****1,401,637****Performance Measures**

Profit on Cost%	18.44%
Profit on GDV%	15.57%
Profit on NDV%	15.57%

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 30% AH North**

IRR 24.20%

Profit Erosion (finance rate 6.500%) 2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 30% AH East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 bed house	10	8,070	£239.32	£193,131	1,931,312
3 bed house	18	18,414	£239.32	£244,824	4,406,838
4 bed house	7	8,666	£239.32	£296,278	2,073,947
2 bed house	4	3,228	£77.57	£62,599	250,396
3 bed house	8	8,184	£77.57	£79,354	634,833
4 bed house	3	3,714	£77.57	£96,032	288,095
Totals	50	50,276			9,585,422

NET REALISATION**9,585,422****OUTLAY****ACQUISITION COSTS**

Residualised Price			600,002	
Stamp Duty		4.00%	51,823	
Agent Fee		1.00%	12,956	
Legal Fee		0.80%	10,365	
				675,146

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 bed house	8,070	£102.80	829,596	
3 bed house	18,414	£102.80	1,892,959	
4 bed house	8,666	£102.80	890,865	
2 bed house	3,228	£102.80	331,838	
3 bed house	8,184	£102.80	841,315	
4 bed house	3,714	£102.80	381,799	
Totals	50,276		5,168,373	5,168,373

Contingency		5.00%	258,419	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				911,869

PROFESSIONAL FEES

All professional fees		10.00%	516,837	
				516,837

MARKETING & LETTING

Marketing		4.00%	336,484	
				336,484

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				448,180

TOTAL COSTS**8,086,889****PROFIT****1,498,533****Performance Measures**

Profit on Cost%	18.53%
Profit on GDV%	15.63%
Profit on NDV%	15.63%

APPRAISAL SUMMARY**SAVILLS****SAVILLS T4 30% AH East**

IRR 23.52%

Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****BNP T5 40% AH Inner West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	9	4,842	£371.02	£199,609	1,796,479
2 bed flat	15	10,500	£371.02	£259,714	3,895,710
3 bed flat	6	5,490	£371.02	£339,483	2,036,900
1 bed flat	6	3,228	£77.57	£41,733	250,396
2 bed flat	10	7,000	£77.57	£54,299	542,990
3 bed flat	4	3,660	£77.57	£70,977	283,906
Totals	50	34,720			8,806,381

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	30	£150	4,500	4,500
Totals	30		4,500	4,500

Investment Valuation

Current Rent	4,500	YP @	6.0000%	16.6667	75,000
					75,000

GROSS DEVELOPMENT VALUE

8,881,381

Income from Tenants	2,625
---------------------	-------

NET REALISATION**8,884,006****OUTLAY****ACQUISITION COSTS**

Residualised Price	(140,118)
Stamp Duty	4.00% 61,756
Agent Fee	1.00% 15,439
Legal Fee	0.80% 12,351
	(50,573)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
1 bed flat	5,696	£142.68	812,772
2 bed flat	12,353	£142.68	1,762,518
3 bed flat	6,459	£142.68	921,545
1 bed flat	3,798	£142.68	541,848
2 bed flat	8,235	£142.68	1,175,012
3 bed flat	4,306	£142.68	614,363
Totals	40,847		5,828,058

Contingency	5.00%	291,403
S106/S278	50 un 1,000.00 /un	50,000
		341,403

PROFESSIONAL FEES

All professional fees	10.00%	582,806
		582,806

MARKETING & LETTING

Marketing	4.00%	309,164
		309,164

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000
Sales Legal Fee		0.50%	5,386
			35,386

APPRAISAL SUMMARY**SAVILLS****BNP T5 40% AH Inner West****FINANCE**

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost 379,946

TOTAL COSTS**7,426,190****PROFIT****1,457,815****Performance Measures**

Profit on Cost% 19.63%

Profit on GDV% 16.41%

Profit on NDV% 16.41%

Development Yield% (on Rent) 0.06%

Equivalent Yield% (Nominal) 6.00%

Equivalent Yield% (True) 6.23%

IRR 27.13%

Rent Cover 323 yrs 12 mths

Profit Erosion (finance rate 6.500%) 2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T5 40% AH Inner East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	9	4,842	£324.76	£174,721	1,572,488
2 bed flat	15	10,500	£324.76	£227,332	3,409,980
3 bed flat	6	5,490	£324.76	£297,155	1,782,932
1 bed flat	6	3,228	£77.57	£41,733	250,396
2 bed flat	10	7,000	£77.57	£54,299	542,990
3 bed flat	4	3,660	£77.57	£70,977	283,906
Totals	50	34,720			7,842,692

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	30	£150	4,500	4,500
Totals	30		4,500	4,500

Investment Valuation

Current Rent	4,500	YP @	6.0000%	16.6667	75,000
					75,000

GROSS DEVELOPMENT VALUE

7,917,692

Income from Tenants

2,625

NET REALISATION**7,920,317****OUTLAY****ACQUISITION COSTS**

Residualised Price		(779,491)	
Stamp Duty	4.00%	36,181	
Agent Fee	1.00%	9,045	
Legal Fee	0.80%	7,236	
			(727,030)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
1 bed flat	5,696	£142.68	812,772
2 bed flat	12,353	£142.68	1,762,518
3 bed flat	6,459	£142.68	921,545
1 bed flat	3,798	£142.68	541,848
2 bed flat	8,235	£142.68	1,175,012
3 bed flat	4,306	£142.68	614,363
Totals	40,847		5,828,058

Contingency		5.00%	291,403
S106/S278	50 un	1,000.00 /un	50,000
			341,403

PROFESSIONAL FEES

All professional fees	10.00%	582,806
		582,806

MARKETING & LETTING

Marketing	4.00%	270,616
		270,616

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000
Sales Legal Fee		0.50%	5,386
			35,386

APPRAISAL SUMMARY**SAVILLS****BNP T5 40% AH Inner East****FINANCE**

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost 311,765

TOTAL COSTS**6,643,005****PROFIT****1,277,312****Performance Measures**

Profit on Cost% 19.23%

Profit on GDV% 16.13%

Profit on NDV% 16.13%

Development Yield% (on Rent) 0.07%

Equivalent Yield% (Nominal) 6.00%

Equivalent Yield% (True) 6.23%

IRR 30.59%

Rent Cover 283 yrs 10 mths

Profit Erosion (finance rate 6.500%) 2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T5 30% AH South****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	10	5,380	£290.45	£156,262	1,562,621
2 bed flat	18	12,600	£290.45	£203,315	3,659,670
3 bed flat	7	6,405	£290.45	£265,762	1,860,332
1 bed flat	4	2,152	£77.57	£41,733	166,931
2 bed flat	8	5,600	£77.57	£54,299	434,392
3 bed flat	3	2,745	£77.57	£70,977	212,930
Totals	50	34,882			7,896,876

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	35	£150	5,250	5,250
Totals	35		5,250	5,250

Investment Valuation

Current Rent	5,250	YP @	6.0000%	16.6667	87,500
					87,500

GROSS DEVELOPMENT VALUE

7,984,376

Income from Tenants

3,063

NET REALISATION**7,987,438****OUTLAY****ACQUISITION COSTS**

Residualised Price			(768,119)	
Stamp Duty		4.00%	20,630	
Agent Fee		1.00%	5,157	
Legal Fee		0.80%	4,126	
				(738,206)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,329	£142.68	903,080	
2 bed flat	14,824	£142.68	2,115,021	
3 bed flat	7,535	£142.68	1,075,136	
1 bed flat	2,532	£142.68	361,232	
2 bed flat	6,588	£142.68	940,009	
3 bed flat	3,229	£142.68	460,772	
Totals	41,038		5,855,251	5,855,251

Contingency		5.00%	292,763	
S106/S278	65 un	1,000.00 /un	65,000	
				357,763

PROFESSIONAL FEES

All professional fees	10.00%	585,525	
			585,525

MARKETING & LETTING

Marketing	4.00%	283,305	
			283,305

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

APPRAISAL SUMMARY**SAVILLS****BNP T5 30% AH South**

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

Total Finance Cost 320,141

TOTAL COSTS 6,693,780**PROFIT 1,293,658****Performance Measures**

Profit on Cost% 19.33%

Profit on GDV% 16.20%

Profit on NDV% 16.20%

Development Yield% (on Rent) 0.08%

Equivalent Yield% (Nominal) 6.00%

Equivalent Yield% (True) 6.23%

IRR 30.32%

Rent Cover 246 yrs 5 mths

Profit Erosion (finance rate 6.500%) 2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T5 40% AH North West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	9	4,842	£319.54	£171,913	1,547,213
2 bed flat	15	10,500	£319.54	£223,678	3,355,170
3 bed flat	6	5,490	£319.54	£292,379	1,754,275
1 bed flat	6	3,228	£77.57	£41,733	250,396
2 bed flat	10	7,000	£77.57	£54,299	542,990
3 bed flat	4	3,660	£77.57	£70,977	283,906
Totals	50	34,720			7,733,949

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	30	£150	4,500	4,500
Totals	30		4,500	4,500

Investment Valuation

Current Rent	4,500	YP @	6.0000%	16.6667	75,000
					75,000

GROSS DEVELOPMENT VALUE

7,808,949

NET REALISATION**7,808,949****OUTLAY****ACQUISITION COSTS**

Residualised Price		(851,461)	
Stamp Duty	4.00%	33,302	
Agent Fee	1.00%	8,325	
Legal Fee	0.80%	6,660	
			(803,174)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
1 bed flat	5,696	£142.68	812,772
2 bed flat	12,353	£142.68	1,762,518
3 bed flat	6,459	£142.68	921,545
1 bed flat	3,798	£142.68	541,848
2 bed flat	8,235	£142.68	1,175,012
3 bed flat	4,306	£142.68	614,363
Totals	40,847		5,828,058

Contingency		5.00%	291,403
S106/S278	50 un	1,000.00 /un	50,000
			341,403

PROFESSIONAL FEES

All professional fees	10.00%	582,806	
			582,806

MARKETING & LETTING

Marketing	4.00%	266,266	
			266,266

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000
Sales Legal Fee		0.50%	5,386
			35,386

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

APPRAISAL SUMMARY**SAVILLS****BNP T5 40% AH North West**

Total Finance Cost	302,231
--------------------	---------

TOTAL COSTS	6,552,977
--------------------	------------------

PROFIT	1,255,972
---------------	------------------

Performance Measures

Profit on Cost%	19.17%
Profit on GDV%	16.08%
Profit on NDV%	16.08%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	31.32%
-----	--------

Rent Cover	279 yrs 1 mth
------------	---------------

Profit Erosion (finance rate 6.500%)	2 yrs 9 mths
--------------------------------------	--------------

APPRAISAL SUMMARY**SAVILLS****BNP T5 30% AH North****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	10	5,380	£253.14	£136,189	1,361,893
2 bed flat	18	12,600	£253.14	£177,198	3,189,564
3 bed flat	7	6,405	£253.14	£231,623	1,621,362
1 bed flat	4	2,152	£77.57	£41,733	166,931
2 bed flat	8	5,600	£77.57	£54,299	434,392
3 bed flat	<u>3</u>	<u>2,745</u>	<u>£77.57</u>	<u>£70,977</u>	<u>212,930</u>
Totals	50	34,882			6,987,071

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	35	£150	5,250	5,250
Totals	35		5,250	5,250

Investment Valuation

Current Rent	5,250	YP @	6.0000%	16.6667	87,500
					87,500

GROSS DEVELOPMENT VALUE

7,074,571

Income from Tenants

3,063

NET REALISATION**7,077,634****OUTLAY****ACQUISITION COSTS**

Residualised Price	(1,363,349)	
		(1,363,349)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,329	£142.68	903,080	
2 bed flat	14,824	£142.68	2,115,021	
3 bed flat	7,535	£142.68	1,075,136	
1 bed flat	2,532	£142.68	361,232	
2 bed flat	6,588	£142.68	940,009	
3 bed flat	3,229	£142.68	460,772	
Totals	<u>41,038</u>		<u>5,855,251</u>	5,855,251

Contingency		5.00%	292,763	
S106/S278	50 un	1,000.00 /un	50,000	
				342,763

PROFESSIONAL FEES

All professional fees	10.00%	585,525	
			585,525

MARKETING & LETTING

Marketing	4.00%	246,913	
			246,913

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				263,831

APPRAISAL SUMMARY**SAVILLS****BNP T5 30% AH North****TOTAL COSTS****5,960,934****PROFIT****1,116,699****Performance Measures**

Profit on Cost%	18.73%
Profit on GDV%	15.78%
Profit on NDV%	15.78%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	36.69%
-----	--------

Rent Cover	212 yrs 8 mths
------------	----------------

Profit Erosion (finance rate 6.500%)	2 yrs 8 mths
--------------------------------------	--------------

APPRAISAL SUMMARY**SAVILLS****BNP T5 30% AH East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	10	5,380	£243.52	£131,014	1,310,138
2 bed flat	18	12,600	£243.52	£170,464	3,068,352
3 bed flat	7	6,405	£243.52	£222,821	1,559,746
1 bed flat	4	2,152	£77.57	£41,733	166,931
2 bed flat	8	5,600	£77.57	£54,299	434,392
3 bed flat	<u>3</u>	<u>2,745</u>	<u>£77.57</u>	<u>£70,977</u>	<u>212,930</u>
Totals	50	34,882			6,752,487

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	35	£150	5,250	5,250
Totals	35		5,250	5,250

Investment Valuation

Current Rent	5,250	YP @	6.0000%	16.6667	87,500
					87,500

GROSS DEVELOPMENT VALUE

6,839,987

Income from Tenants	3,063
---------------------	-------

NET REALISATION**6,843,050****OUTLAY****ACQUISITION COSTS**

Residualised Price	(1,531,798)	
		(1,531,798)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,329	£142.68	903,080	
2 bed flat	14,824	£142.68	2,115,021	
3 bed flat	7,535	£142.68	1,075,136	
1 bed flat	2,532	£142.68	361,232	
2 bed flat	6,588	£142.68	940,009	
3 bed flat	3,229	£142.68	460,772	
Totals	<u>41,038</u>		<u>5,855,251</u>	5,855,251

Contingency	5.00%	292,763	
S106/S278	50 un	1,000.00 /un	50,000
			342,763

PROFESSIONAL FEES

All professional fees	10.00%	585,525	
			585,525

MARKETING & LETTING

Marketing	4.00%	237,529	
			237,529

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000
			30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Total Finance Cost			249,981

APPRAISAL SUMMARY**SAVILLS****BNP T5 30% AH East****TOTAL COSTS****5,769,251****PROFIT****1,073,799****Performance Measures**

Profit on Cost%	18.61%
Profit on GDV%	15.70%
Profit on NDV%	15.70%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 39.86%

Rent Cover 204 yrs 6 mths

Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 40% AH Inner West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
1 bed flat	9	4,842	£312.34	£168,039	1,512,350
2 bed flat	15	10,500	£312.34	£218,638	3,279,570
3 bed flat	6	5,490	£312.34	£285,791	1,714,747
1 bed flat	6	3,228	£77.57	£41,733	250,396
2 bed flat	10	7,000	£77.57	£54,299	542,990
3 bed flat	4	3,660	£77.57	£70,977	283,906
Totals	50	34,720			7,583,959

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	30	£150	4,500	4,500
Totals	30		4,500	4,500

Investment Valuation

Current Rent	4,500	YP @	6.0000%	16.6667	75,000
					75,000

GROSS DEVELOPMENT VALUE

7,658,959

Income from Tenants

2,625

NET REALISATION**7,661,584****OUTLAY****ACQUISITION COSTS**

Residualised Price	(1,905,848)	
		(1,905,848)

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
1 bed flat	6,053	£142.68	863,571	
2 bed flat	13,125	£142.68	1,872,675	
3 bed flat	6,863	£142.68	979,142	
1 bed flat	4,035	£142.68	575,714	
2 bed flat	8,750	£142.68	1,248,450	
3 bed flat	4,575	£142.68	652,761	
Totals	43,400		6,192,312	6,192,312

Contingency		5.00%	309,616	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				963,066

PROFESSIONAL FEES

All professional fees	10.00%	619,231	
			619,231

MARKETING & LETTING

Marketing	4.00%	260,267	
			260,267

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
Sales Legal Fee		0.50%	5,386	
				35,386

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 40% AH Inner West**

Total Finance Cost	285,095
--------------------	---------

TOTAL COSTS	6,449,509
--------------------	------------------

PROFIT	1,212,075
---------------	------------------

Performance Measures

Profit on Cost%	18.79%
Profit on GDV%	15.83%
Profit on NDV%	15.83%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	37.47%
-----	--------

Rent Cover	269 yrs 4 mths
Profit Erosion (finance rate 6.500%)	2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 40% AH Inner East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	9	4,842	£258.45	£139,046	1,251,415
2 bed flat	15	10,500	£258.45	£180,915	2,713,725
3 bed flat	6	5,490	£258.45	£236,482	1,418,891
1 bed flat	6	3,228	£77.57	£41,733	250,396
2 bed flat	10	7,000	£77.57	£54,299	542,990
3 bed flat	4	3,660	£77.57	£70,977	283,906
Totals	50	34,720			6,461,323

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	30	£150	4,500	4,500
Totals	30		4,500	4,500

Investment Valuation

Current Rent	4,500	YP @	6.0000%	16.6667	75,000
					75,000

GROSS DEVELOPMENT VALUE

6,536,323

Income from Tenants

2,625

NET REALISATION**6,538,948****OUTLAY****ACQUISITION COSTS**

Residualised Price	(2,707,800)	
		(2,707,800)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,053	£142.68	863,571	
2 bed flat	13,125	£142.68	1,872,675	
3 bed flat	6,863	£142.68	979,142	
1 bed flat	4,035	£142.68	575,714	
2 bed flat	8,750	£142.68	1,248,450	
3 bed flat	4,575	£142.68	652,761	
Totals	43,400		6,192,312	6,192,312

Contingency		5.00%	309,616	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				963,066

PROFESSIONAL FEES

All professional fees	10.00%	619,231	
			619,231

MARKETING & LETTING

Marketing	4.00%	215,361	
			215,361

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
Sales Legal Fee		0.50%	5,386	
				35,386

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 40% AH Inner East**

Total Finance Cost	221,140
--------------------	---------

TOTAL COSTS	5,538,696
--------------------	------------------

PROFIT	1,000,251
---------------	------------------

Performance Measures

Profit on Cost%	18.06%
Profit on GDV%	15.30%
Profit on NDV%	15.30%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	N/A
-----	-----

Rent Cover	222 yrs 3 mths
Profit Erosion (finance rate 6.500%)	2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 30% AH South****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	10	5,380	£263.81	£141,930	1,419,298
2 bed flat	18	12,600	£263.81	£184,667	3,324,006
3 bed flat	7	6,405	£263.81	£241,386	1,689,703
1 bed flat	4	2,152	£77.57	£41,733	166,931
2 bed flat	8	5,600	£77.57	£54,299	434,392
3 bed flat	3	2,745	£77.57	£70,977	212,930
Totals	50	34,882			7,247,259

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	35	£150	5,250	5,250
Totals	35		5,250	5,250

Investment Valuation

Current Rent	5,250	YP @	6.0000%	16.6667	87,500
					87,500

GROSS DEVELOPMENT VALUE

7,334,759

Income from Tenants

3,063

NET REALISATION**7,337,822****OUTLAY****ACQUISITION COSTS**

Residualised Price	(2,316,300)	
		(2,316,300)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,725	£142.68	959,523	
2 bed flat	15,750	£142.68	2,247,210	
3 bed flat	8,006	£142.68	1,142,332	
1 bed flat	2,690	£142.68	383,809	
2 bed flat	7,000	£142.68	998,760	
3 bed flat	3,431	£142.68	489,571	
Totals	43,603		6,221,205	6,221,205

Contingency		5.00%	311,060	
CIL	24,385 ft²	4.64 pf²	113,146	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	65 un	1,000.00 /un	65,000	
				1,092,657

PROFESSIONAL FEES

All professional fees	10.00%	622,120	
			622,120

MARKETING & LETTING

Marketing	4.00%	257,320	
			257,320

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 30% AH South**

Total Finance Cost	269,826
--------------------	---------

TOTAL COSTS	6,176,828
--------------------	------------------

PROFIT	1,160,994
---------------	------------------

Performance Measures

Profit on Cost%	18.80%
Profit on GDV%	15.83%
Profit on NDV%	15.83%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	43.33%
-----	--------

Rent Cover	221 yrs 2 mths
------------	----------------

Profit Erosion (finance rate 6.500%)	2 yrs 8 mths
--------------------------------------	--------------

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 40% AH North West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	9	4,842	£298.45	£160,566	1,445,095
2 bed flat	15	10,500	£298.45	£208,915	3,133,725
3 bed flat	6	5,490	£298.45	£273,082	1,638,491
1 bed flat	6	3,228	£77.57	£41,733	250,396
2 bed flat	10	7,000	£77.57	£54,299	542,990
3 bed flat	4	3,660	£77.57	£70,977	283,906
Totals	50	34,720			7,294,603

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	30	£150	4,500	4,500
Totals	30		4,500	4,500

Investment Valuation

Current Rent	4,500	YP @	6.0000%	16.6667	75,000
					75,000

GROSS DEVELOPMENT VALUE

7,369,603

Income from Tenants

2,625

NET REALISATION**7,372,228****OUTLAY****ACQUISITION COSTS**

Residualised Price	(2,112,261)	
		(2,112,261)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,053	£142.68	863,571	
2 bed flat	13,125	£142.68	1,872,675	
3 bed flat	6,863	£142.68	979,142	
1 bed flat	4,035	£142.68	575,714	
2 bed flat	8,750	£142.68	1,248,450	
3 bed flat	4,575	£142.68	652,761	
Totals	43,400		6,192,312	6,192,312

Contingency		5.00%	309,616	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	50 un	1,000.00 /un	50,000	
				963,066

PROFESSIONAL FEES

All professional fees	10.00%	619,231	
			619,231

MARKETING & LETTING

Marketing	4.00%	248,692	
			248,692

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
Sales Legal Fee		0.50%	5,386	
				35,386

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 40% AH North West**

Total Finance Cost	268,089
--------------------	---------

TOTAL COSTS	6,214,515
--------------------	------------------

PROFIT	1,157,713
---------------	------------------

Performance Measures

Profit on Cost%	18.63%
Profit on GDV%	15.71%
Profit on NDV%	15.71%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	41.38%
-----	--------

Rent Cover	257 yrs 3 mths
------------	----------------

Profit Erosion (finance rate 6.500%)	2 yrs 8 mths
--------------------------------------	--------------

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 30% AH North****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	10	5,380	£222.78	£119,856	1,198,556
2 bed flat	18	12,600	£222.78	£155,946	2,807,028
3 bed flat	7	6,405	£222.78	£203,844	1,426,906
1 bed flat	4	2,152	£77.57	£41,733	166,931
2 bed flat	8	5,600	£77.57	£54,299	434,392
3 bed flat	<u>3</u>	<u>2,745</u>	<u>£77.57</u>	<u>£70,977</u>	<u>212,930</u>
Totals	50	34,882			6,246,743

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	35	£150	5,250	5,250
Totals	35		5,250	5,250

Investment Valuation

Current Rent	5,250	YP @	6.0000%	16.6667	87,500
					87,500

GROSS DEVELOPMENT VALUE

6,334,243

Income from Tenants

3,063

NET REALISATION**6,337,305****OUTLAY****ACQUISITION COSTS**

Residualised Price	(2,928,466)	
		(2,928,466)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,725	£142.68	959,523	
2 bed flat	15,750	£142.68	2,247,210	
3 bed flat	8,006	£142.68	1,142,332	
1 bed flat	2,690	£142.68	383,809	
2 bed flat	7,000	£142.68	998,760	
3 bed flat	3,431	£142.68	489,571	
Totals	<u>43,603</u>		<u>6,221,205</u>	6,221,205

Contingency		5.00%	311,060	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	65 un	1,000.00 /un	65,000	
				979,510

PROFESSIONAL FEES

All professional fees	10.00%	622,120	
			622,120

MARKETING & LETTING

Marketing	4.00%	217,300	
			217,300

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				213,363

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 30% AH North****TOTAL COSTS****5,355,032****PROFIT****982,273****Performance Measures**

Profit on Cost%	18.34%
Profit on GDV%	15.51%
Profit on NDV%	15.51%
Development Yield% (on Rent)	0.10%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR N/A

Rent Cover 187 yrs 1 mth
Profit Erosion (finance rate 6.500%) 2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 30% AH East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	10	5,380	£239.32	£128,754	1,287,542
2 bed flat	18	12,600	£239.32	£167,524	3,015,432
3 bed flat	7	6,405	£239.32	£218,978	1,532,845
1 bed flat	4	2,152	£77.57	£41,733	166,931
2 bed flat	8	5,600	£77.57	£54,299	434,392
3 bed flat	3	2,745	£77.57	£70,977	212,930
Totals	50	34,882			6,650,070

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	35	£150	5,250	5,250
Totals	35		5,250	5,250

Investment Valuation

Current Rent	5,250	YP @	6.0000%	16.6667	87,500
					87,500

GROSS DEVELOPMENT VALUE

6,737,570

Income from Tenants

3,063

NET REALISATION**6,740,633****OUTLAY****ACQUISITION COSTS**

Residualised Price	(2,634,671)	
		(2,634,671)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,725	£142.68	959,523	
2 bed flat	15,750	£142.68	2,247,210	
3 bed flat	8,006	£142.68	1,142,332	
1 bed flat	2,690	£142.68	383,809	
2 bed flat	7,000	£142.68	998,760	
3 bed flat	3,431	£142.68	489,571	
Totals	43,603		6,221,205	6,221,205

Contingency		5.00%	311,060	
Abnormal costs	50 un	12,069.00 /un	603,450	
S106/S278	65 un	1,000.00 /un	65,000	
				979,510

PROFESSIONAL FEES

All professional fees	10.00%	622,120	
			622,120

MARKETING & LETTING

Marketing	4.00%	233,433	
			233,433

DISPOSAL FEES

Sales Legal Fee	50 un	600.00 /un	30,000	
				30,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				235,693

APPRAISAL SUMMARY**SAVILLS****SAVILLS T5 30% AH East****TOTAL COSTS** 5,687,290**PROFIT**
1,053,343**Performance Measures**

Profit on Cost%	18.52%
Profit on GDV%	15.63%
Profit on NDV%	15.63%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	81.49%
-----	--------

Rent Cover	200 yrs 8 mths
Profit Erosion (finance rate 6.500%)	2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****BNP T6 40% AH Inner West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	18	9,684	£371.02	£199,609	3,592,958
2 bed flat	30	21,000	£371.02	£259,714	7,791,420
3 bed flat	12	10,980	£371.02	£339,483	4,073,800
1 bed flat	12	6,456	£77.57	£41,733	500,792
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	69,440			17,612,762

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Ground rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

17,762,762

NET REALISATION**17,762,762****OUTLAY****ACQUISITION COSTS**

Residualised Price			(424,965)	
Stamp Duty		4.00%	117,302	
Agent Fee		1.00%	29,326	
Legal Fee		0.80%	23,460	
				(254,876)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	11,393	£142.68	1,625,545	
2 bed flat	24,706	£142.68	3,525,035	
3 bed flat	12,918	£142.68	1,843,090	
1 bed flat	7,595	£142.68	1,083,697	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	8,612	£142.68	1,228,727	
Totals	<u>81,694</u>		<u>11,656,117</u>	11,656,117

Contingency		5.00%	582,806	
S106/S278	100 un	1,000.00 /un	100,000	682,806

PROFESSIONAL FEES

All professional fees		10.00%	1,165,612	1,165,612
-----------------------	--	--------	-----------	-----------

MARKETING & LETTING

Marketing		4.00%	618,327	618,327
-----------	--	-------	---------	---------

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	60,000
-----------------	--------	------------	--------	--------

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				913,751

APPRAISAL SUMMARY**SAVILLS****BNP T6 40% AH Inner West**

TOTAL COSTS 14,841,736

PROFIT 2,921,026

Performance Measures

Profit on Cost%	19.68%
Profit on GDV%	16.44%
Profit on NDV%	16.44%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 22.92%

Rent Cover	324 yrs 7 mths
Profit Erosion (finance rate 6.500%)	2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T6 40% AH Inner East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	18	9,684	£324.76	£174,721	3,144,976
2 bed flat	30	21,000	£324.76	£227,332	6,819,960
3 bed flat	12	10,980	£324.76	£297,155	3,565,865
1 bed flat	12	6,456	£77.57	£41,733	500,792
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	69,440			15,685,385

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Ground rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

15,835,385

NET REALISATION**15,835,385****OUTLAY****ACQUISITION COSTS**

Residualised Price			(1,684,232)	
Stamp Duty		4.00%	66,932	
Agent Fee		1.00%	16,733	
Legal Fee		0.80%	13,386	
				(1,587,181)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	11,393	£142.68	1,625,545	
2 bed flat	24,706	£142.68	3,525,035	
3 bed flat	12,918	£142.68	1,843,090	
1 bed flat	7,595	£142.68	1,083,697	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	8,612	£142.68	1,228,727	
Totals	<u>81,694</u>		<u>11,656,117</u>	11,656,117

Contingency		5.00%	582,806	
S106/S278	100 un	1,000.00 /un	100,000	682,806

PROFESSIONAL FEES

All professional fees		10.00%	1,165,612	1,165,612
-----------------------	--	--------	-----------	-----------

MARKETING & LETTING

Marketing		4.00%	541,232	541,232
-----------	--	-------	---------	---------

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	60,000
-----------------	--------	------------	--------	--------

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				760,116

APPRAISAL SUMMARY**SAVILLS****BNP T6 40% AH Inner East****TOTAL COSTS** 13,278,701**PROFIT**
2,556,684**Performance Measures**

Profit on Cost%	19.25%
Profit on GDV%	16.15%
Profit on NDV%	16.15%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	25.17%
-----	--------

Rent Cover	284 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T6 30% AH South****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	21	11,298	£290.45	£156,262	3,281,504
2 bed flat	35	24,500	£290.45	£203,315	7,116,025
3 bed flat	14	12,810	£290.45	£265,762	3,720,665
1 bed flat	9	4,842	£77.57	£41,733	375,594
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	6	5,490	£77.57	£70,977	425,859
Totals	100	69,440			15,734,132

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

15,909,132

NET REALISATION**15,909,132****OUTLAY****ACQUISITION COSTS**

Residualised Price		(1,679,239)	
Stamp Duty	4.00%	35,893	
Agent Fee	1.00%	8,973	
Legal Fee	0.80%	7,179	
			(1,627,194)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
1 bed flat	13,292	£142.68	1,896,469
2 bed flat	28,824	£142.68	4,112,541
3 bed flat	15,071	£142.68	2,150,272
1 bed flat	5,696	£142.68	812,772
2 bed flat	12,353	£142.68	1,762,518
3 bed flat	6,459	£142.68	921,545
Totals	81,694		11,656,117

Contingency		5.00%	582,806
S106/S278	100 un	1,000.00 /un	100,000
			682,806

PROFESSIONAL FEES

All professional fees	10.00%	1,165,612	
			1,165,612

MARKETING & LETTING

Marketing	4.00%	564,728	
			564,728

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000
			60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Total Finance Cost			824,134

APPRAISAL SUMMARY**SAVILLS****BNP T6 30% AH South****TOTAL COSTS****13,326,202****PROFIT****2,582,930****Performance Measures**

Profit on Cost%	19.38%
Profit on GDV%	16.24%
Profit on NDV%	16.24%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 23.75%

Rent Cover 245 yrs 12 mths
Profit Erosion (finance rate 6.500%) 2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T6 40% AH North West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	18	9,684	£319.54	£171,913	3,094,425
2 bed flat	30	21,000	£319.54	£223,678	6,710,340
3 bed flat	12	10,980	£319.54	£292,379	3,508,549
1 bed flat	12	6,456	£77.57	£41,733	500,792
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	69,440			15,467,899

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Ground rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

15,617,899

NET REALISATION**15,617,899****OUTLAY****ACQUISITION COSTS**

Residualised Price			(1,826,328)	
Stamp Duty		4.00%	61,248	
Agent Fee		1.00%	15,312	
Legal Fee		0.80%	12,250	
				(1,737,518)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	11,393	£142.68	1,625,545	
2 bed flat	24,706	£142.68	3,525,035	
3 bed flat	12,918	£142.68	1,843,090	
1 bed flat	7,595	£142.68	1,083,697	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	8,612	£142.68	1,228,727	
Totals	<u>81,694</u>		<u>11,656,117</u>	11,656,117

Contingency		5.00%	582,806	
S106/S278	100 un	1,000.00 /un	100,000	682,806

PROFESSIONAL FEES

All professional fees		10.00%	1,165,612	1,165,612
-----------------------	--	--------	-----------	-----------

MARKETING & LETTING

Marketing		4.00%	532,533	532,533
-----------	--	-------	---------	---------

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	60,000
-----------------	--------	------------	--------	--------

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				743,711

APPRAISAL SUMMARY**SAVILLS****BNP T6 40% AH North West****TOTAL COSTS** 13,103,260**PROFIT**
2,514,639**Performance Measures**

Profit on Cost%	19.19%
Profit on GDV%	16.10%
Profit on NDV%	16.10%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	25.51%
-----	--------

Rent Cover	279 yrs 5 mths
Profit Erosion (finance rate 6.500%)	2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T6 30% AH North****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	21	11,298	£253.14	£136,189	2,859,976
2 bed flat	35	24,500	£253.14	£177,198	6,201,930
3 bed flat	14	12,810	£253.14	£231,623	3,242,723
1 bed flat	9	4,842	£77.57	£41,733	375,594
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	6	5,490	£77.57	£70,977	425,859
Totals	100	69,440			13,920,567

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

14,095,567

NET REALISATION**14,095,567****OUTLAY****ACQUISITION COSTS**

Residualised Price	(2,880,796)	
		(2,880,796)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	13,292	£142.68	1,896,469	
2 bed flat	28,824	£142.68	4,112,541	
3 bed flat	15,071	£142.68	2,150,272	
1 bed flat	5,696	£142.68	812,772	
2 bed flat	12,353	£142.68	1,762,518	
3 bed flat	6,459	£142.68	921,545	
Totals	81,694		11,656,117	11,656,117
Contingency		5.00%	582,806	
S106/S278	100 un	1,000.00 /un	100,000	682,806

PROFESSIONAL FEES

All professional fees	10.00%	1,165,612	
			1,165,612

MARKETING & LETTING

Marketing	4.00%	492,185	
			492,185

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				689,740

TOTAL COSTS**11,865,663**

APPRAISAL SUMMARY**SAVILLS****BNP T6 30% AH North
PROFIT****2,229,904****Performance Measures**

Profit on Cost%	18.79%
Profit on GDV%	15.82%
Profit on NDV%	15.82%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	27.07%
-----	--------

Rent Cover	212 yrs 4 mths
Profit Erosion (finance rate 6.500%)	2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****BNP T6 30% AH East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	21	11,298	£243.52	£131,014	2,751,289
2 bed flat	35	24,500	£243.52	£170,464	5,966,240
3 bed flat	14	12,810	£243.52	£222,821	3,119,491
1 bed flat	9	4,842	£77.57	£41,733	375,594
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	6	5,490	£77.57	£70,977	425,859
Totals	100	69,440			13,452,958

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

13,627,958

NET REALISATION**13,627,958****OUTLAY****ACQUISITION COSTS**

Residualised Price	(3,210,700)	
		(3,210,700)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	13,292	£142.68	1,896,469	
2 bed flat	28,824	£142.68	4,112,541	
3 bed flat	15,071	£142.68	2,150,272	
1 bed flat	5,696	£142.68	812,772	
2 bed flat	12,353	£142.68	1,762,518	
3 bed flat	6,459	£142.68	921,545	
Totals	81,694		11,656,117	11,656,117
Contingency		5.00%	582,806	
S106/S278	100 un	1,000.00 /un	100,000	682,806

PROFESSIONAL FEES

All professional fees	10.00%	1,165,612	
			1,165,612

MARKETING & LETTING

Marketing	4.00%	473,481	
			473,481

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				655,625

TOTAL COSTS**11,482,940**

APPRAISAL SUMMARY**SAVILLS****BNP T6 30% AH East
PROFIT****2,145,018****Performance Measures**

Profit on Cost%	18.68%
Profit on GDV%	15.74%
Profit on NDV%	15.74%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	28.54%
-----	--------

Rent Cover	204 yrs 3 mths
Profit Erosion (finance rate 6.500%)	2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 40% AH Inner West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	18	9,684	£312.34	£168,039	3,024,701
2 bed flat	30	21,000	£312.34	£218,638	6,559,140
3 bed flat	12	10,980	£312.34	£285,791	3,429,493
1 bed flat	12	6,456	£77.57	£41,733	500,792
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	69,440			15,167,918

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Ground rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

15,317,918

NET REALISATION**15,317,918****OUTLAY****ACQUISITION COSTS**

Residualised Price	(3,608,018)	
		(3,608,018)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	12,105	£142.68	1,727,141	
2 bed flat	26,250	£142.68	3,745,350	
3 bed flat	13,725	£142.68	1,958,283	
1 bed flat	7,595	£142.68	1,083,697	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	8,612	£142.68	1,228,727	
Totals	<u>84,758</u>		<u>12,093,221</u>	12,093,221
Contingency		5.00%	604,661	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106/S278	100 un	1,000.00 /un	100,000	
				1,911,561

PROFESSIONAL FEES

All professional fees	10.00%	1,209,322	
			1,209,322

MARKETING & LETTING

Marketing	4.00%	520,533	
			520,533

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				713,126

TOTAL COSTS**12,899,746**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 40% AH Inner West****PROFIT****2,418,172****Performance Measures**

Profit on Cost%	18.75%
Profit on GDV%	15.79%
Profit on NDV%	15.79%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 27.96%

Rent Cover 268 yrs 8 mths

Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 40% AH Inner East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	18	9,684	£258.45	£139,046	2,502,830
2 bed flat	30	21,000	£258.45	£180,915	5,427,450
3 bed flat	12	10,980	£258.45	£236,482	2,837,781
1 bed flat	12	6,456	£77.57	£41,733	500,792
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	69,440			12,922,645

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Ground rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

13,072,645

NET REALISATION**13,072,645****OUTLAY****ACQUISITION COSTS**

Residualised Price	(5,188,779)	
		(5,188,779)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	12,105	£142.68	1,727,141	
2 bed flat	26,250	£142.68	3,745,350	
3 bed flat	13,725	£142.68	1,958,283	
1 bed flat	7,595	£142.68	1,083,697	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	8,612	£142.68	1,228,727	
Totals	<u>84,758</u>		<u>12,093,221</u>	12,093,221
Contingency		5.00%	604,661	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106/S278	100 un	1,000.00 /un	100,000	
				1,911,561

PROFESSIONAL FEES

All professional fees	10.00%	1,209,322	
			1,209,322

MARKETING & LETTING

Marketing	4.00%	430,722	
			430,722

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				559,738

TOTAL COSTS**11,075,786**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 40% AH Inner East****PROFIT****1,996,859****Performance Measures**

Profit on Cost%	18.03%
Profit on GDV%	15.28%
Profit on NDV%	15.28%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 39.84%

Rent Cover 221 yrs 10 mths
Profit Erosion (finance rate 6.500%) 2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 30% AH South****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
1 bed flat	21	11,298	£263.81	£141,930	2,980,525
2 bed flat	35	24,500	£263.81	£184,667	6,463,345
3 bed flat	14	12,810	£263.81	£241,386	3,379,406
1 bed flat	9	4,842	£77.57	£41,733	375,594
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	6	5,490	£77.57	£70,977	425,859
Totals	100	69,440			14,439,215

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

14,614,215

NET REALISATION**14,614,215****OUTLAY****ACQUISITION COSTS**

Residualised Price	(4,535,401)	(4,535,401)
--------------------	-------------	-------------

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
1 bed flat	14,123	£142.68	2,014,998
2 bed flat	30,625	£142.68	4,369,575
3 bed flat	16,013	£142.68	2,284,664
1 bed flat	6,053	£142.68	863,571
2 bed flat	13,125	£142.68	1,872,675
3 bed flat	6,863	£142.68	979,142
Totals	86,800		12,384,624

Contingency		5.00%	619,231
Abnormal costs	100 un	12,069.00 /un	1,206,900
S106/S278	100 un	1,000.00 /un	100,000
			1,926,131

PROFESSIONAL FEES

All professional fees	10.00%	1,238,462
		1,238,462

MARKETING & LETTING

Marketing	4.00%	512,931
		512,931

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000
			60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)	
Total Finance Cost	709,035

TOTAL COSTS**12,295,782**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 30% AH South****PROFIT****2,318,433****Performance Measures**

Profit on Cost%	18.86%
Profit on GDV%	15.86%
Profit on NDV%	15.86%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 29.59%

Rent Cover 220 yrs 10 mths
Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 40% AH North West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	18	9,684	£298.45	£160,566	2,890,190
2 bed flat	30	21,000	£298.45	£208,915	6,267,450
3 bed flat	12	10,980	£298.45	£273,082	3,276,981
1 bed flat	12	6,456	£77.57	£41,733	500,792
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	69,440			14,589,205

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Ground rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

14,739,205

NET REALISATION**14,739,205****OUTLAY****ACQUISITION COSTS**

Residualised Price	(4,014,556)	
		(4,014,556)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	12,105	£142.68	1,727,141	
2 bed flat	26,250	£142.68	3,745,350	
3 bed flat	13,725	£142.68	1,958,283	
1 bed flat	7,595	£142.68	1,083,697	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	8,612	£142.68	1,228,727	
Totals	<u>84,758</u>		<u>12,093,221</u>	12,093,221
Contingency		5.00%	604,661	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106/S278	100 un	1,000.00 /un	100,000	
				1,911,561

PROFESSIONAL FEES

All professional fees	10.00%	1,209,322	
			1,209,322

MARKETING & LETTING

Marketing	4.00%	497,385	
			497,385

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				672,145

TOTAL COSTS**12,429,077**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 40% AH North West****PROFIT****2,310,128****Performance Measures**

Profit on Cost%	18.59%
Profit on GDV%	15.67%
Profit on NDV%	15.67%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 29.67%

Rent Cover 256 yrs 8 mths

Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 30% AH North****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	21	11,298	£222.78	£119,856	2,516,968
2 bed flat	35	24,500	£222.78	£155,946	5,458,110
3 bed flat	14	12,810	£222.78	£203,844	2,853,812
1 bed flat	9	4,842	£77.57	£41,733	375,594
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	6	5,490	£77.57	£70,977	425,859
Totals	100	69,440			12,444,828

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

12,619,828

NET REALISATION**12,619,828****OUTLAY****ACQUISITION COSTS**

Residualised Price	(5,954,903)	
		(5,954,903)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	14,123	£142.68	2,014,998	
2 bed flat	30,625	£142.68	4,369,575	
3 bed flat	16,013	£142.68	2,284,664	
1 bed flat	6,053	£142.68	863,571	
2 bed flat	13,125	£142.68	1,872,675	
3 bed flat	6,863	£142.68	979,142	
Totals	86,800		12,384,624	12,384,624

Contingency		5.00%	619,231	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106/S278	100 un	1,000.00 /un	100,000	
				1,926,131

PROFESSIONAL FEES

All professional fees	10.00%	1,238,462	
			1,238,462

MARKETING & LETTING

Marketing	4.00%	433,156	
			433,156

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				570,394

TOTAL COSTS**10,657,865**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 30% AH North****PROFIT****1,961,964****Performance Measures**

Profit on Cost%	18.41%
Profit on GDV%	15.55%
Profit on NDV%	15.55%
Development Yield% (on Rent)	0.10%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 49.69%

Rent Cover 186 yrs 10 mths

Profit Erosion (finance rate 6.500%) 2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 30% AH East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	21	11,298	£239.32	£128,754	2,703,837
2 bed flat	35	24,500	£239.32	£167,524	5,863,340
3 bed flat	14	12,810	£239.32	£218,978	3,065,689
1 bed flat	9	4,842	£77.57	£41,733	375,594
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	6	5,490	£77.57	£70,977	425,859
Totals	100	69,440			13,248,805

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

13,423,805

NET REALISATION**13,423,805****OUTLAY****ACQUISITION COSTS**

Residualised Price	(5,380,063)	
		(5,380,063)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	14,123	£142.68	2,014,998	
2 bed flat	30,625	£142.68	4,369,575	
3 bed flat	16,013	£142.68	2,284,664	
1 bed flat	6,053	£142.68	863,571	
2 bed flat	13,125	£142.68	1,872,675	
3 bed flat	6,863	£142.68	979,142	
Totals	86,800		12,384,624	12,384,624

Contingency		5.00%	619,231	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106/S278	100 un	1,000.00 /un	100,000	
				1,926,131

PROFESSIONAL FEES

All professional fees	10.00%	1,238,462	
			1,238,462

MARKETING & LETTING

Marketing	4.00%	465,315	
			465,315

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				625,356

TOTAL COSTS**11,319,825**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T6 30% AH East****PROFIT****2,103,980****Performance Measures**

Profit on Cost%	18.59%
Profit on GDV%	15.67%
Profit on NDV%	15.67%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	36.32%
-----	--------

Rent Cover	200 yrs 5 mths
Profit Erosion (finance rate 6.500%)	2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****BNP T7 40% AH Inner West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	15	8,070	£371.02	£199,609	2,994,131
2 bed flat	30	21,000	£371.02	£259,714	7,791,420
3 bed flat	15	13,725	£371.02	£339,483	5,092,250
1 bed flat	10	5,380	£77.57	£41,733	417,327
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	10	9,150	£77.57	£70,977	709,765
Totals	100	71,325			18,090,873

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Ground rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

18,240,873

NET REALISATION**18,240,873****OUTLAY****ACQUISITION COSTS**

Residualised Price			(435,517)	
Stamp Duty		4.00%	120,526	
Agent Fee		1.00%	30,132	
Legal Fee		0.80%	24,105	
				(260,755)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	9,494	£142.68	1,354,621	
2 bed flat	24,706	£142.68	3,525,035	
3 bed flat	16,147	£142.68	2,303,862	
1 bed flat	6,329	£142.68	903,080	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	10,765	£142.68	1,535,908	
Totals	83,912		11,972,531	11,972,531

Contingency		5.00%	598,627	
S106/S278	100 un	1,000.00 /un	100,000	698,627

PROFESSIONAL FEES

All professional fees		10.00%	1,197,253	1,197,253
-----------------------	--	--------	-----------	-----------

MARKETING & LETTING

Marketing		4.00%	635,112	635,112
-----------	--	-------	---------	---------

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	60,000
-----------------	--------	------------	--------	--------

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				938,452

APPRAISAL SUMMARY**SAVILLS****BNP T7 40% AH Inner West****TOTAL COSTS** 15,241,219**PROFIT**
2,999,654**Performance Measures**

Profit on Cost%	19.68%
Profit on GDV%	16.44%
Profit on NDV%	16.44%
Development Yield% (on Rent)	0.06%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	22.92%
-----	--------

Rent Cover	333 yrs 4 mths
Profit Erosion (finance rate 6.500%)	2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T7 40% AH Inner East****Summary Appraisal for Phase 2 AH****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	10	5,380	£77.57	£41,733	417,327
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	<u>10</u>	<u>9,150</u>	<u>£77.57</u>	<u>£70,977</u>	<u>709,765</u>
Totals	40	28,530			2,213,072

NET REALISATION**2,213,072****OUTLAY****ACQUISITION COSTS**

Residualised Price	(3,448,668)	
		(3,448,668)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	6,329	£142.68	903,080	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	10,765	£142.68	1,535,908	
Totals	<u>33,565</u>		<u>4,789,012</u>	4,789,012

Contingency	5.00%	239,451	
			239,451

PROFESSIONAL FEES

All professional fees	10.00%	478,901	
			478,901

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Total Finance Cost			29,107

TOTAL COSTS**2,087,804****PROFIT****125,268****Performance Measures**

Profit on Cost%	6.00%
Profit on GDV%	5.66%
Profit on NDV%	5.66%

IRR	(8.25)%
-----	---------

Profit Erosion (finance rate 6.500%)	0 yrs 11 mths
--------------------------------------	---------------

APPRAISAL SUMMARY**SAVILLS****BNP T7 30% AH South****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	17	9,146	£290.45	£156,262	2,656,456
2 bed flat	35	24,500	£290.45	£203,315	7,116,025
3 bed flat	18	16,470	£290.45	£265,762	4,783,712
1 bed flat	7	3,766	£77.57	£41,733	292,129
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	71,702			16,230,618

NET REALISATION**16,230,618****OUTLAY****ACQUISITION COSTS**

Residualised Price	(3,251,164)	(3,251,164)
--------------------	-------------	-------------

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	10,760	£137.67	1,481,329	
2 bed flat	30,625	£137.67	4,216,144	
3 bed flat	20,588	£137.67	2,834,281	
1 bed flat	4,708	£137.67	648,082	
2 bed flat	13,125	£137.67	1,806,919	
3 bed flat	9,150	£137.67	1,259,681	
Totals	<u>88,955</u>		<u>12,246,435</u>	12,246,435
Contingency		5.00%	612,322	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106 allowance	100 un	1,000.00 /un	100,000	
				1,919,222

PROFESSIONAL FEES

All professional fees	10.00%	1,224,643	1,224,643
-----------------------	--------	-----------	-----------

MARKETING & LETTING

Marketing	4.00%	582,248	582,248
-----------	-------	---------	---------

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	60,000
-----------------	--------	------------	--------	--------

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				837,167

TOTAL COSTS**13,618,551****PROFIT****2,612,067****Performance Measures**

Profit on Cost%	19.18%
Profit on GDV%	16.09%
Profit on NDV%	16.09%

IRR	24.99%
-----	--------

Profit Erosion (finance rate 6.500%)	2 yrs 9 mths
--------------------------------------	--------------

APPRAISAL SUMMARY**SAVILLS****BNP T7 40% AH North West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	15	8,070	£319.54	£171,913	2,578,688
2 bed flat	30	21,000	£319.54	£223,678	6,710,340
3 bed flat	15	13,725	£319.54	£292,379	4,385,687
1 bed flat	10	5,380	£77.57	£41,733	417,327
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	10	9,150	£77.57	£70,977	709,765
Totals	100	71,325			15,887,786

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Grond rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Grond rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

16,037,786

NET REALISATION**16,037,786****OUTLAY****ACQUISITION COSTS**

Residualised Price			(1,874,921)	
Stamp Duty		4.00%	62,950	
Agent Fee		1.00%	15,737	
Legal Fee		0.80%	12,590	
				(1,783,644)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	9,494	£142.68	1,354,621	
2 bed flat	24,706	£142.68	3,525,035	
3 bed flat	16,147	£142.68	2,303,862	
1 bed flat	6,329	£142.68	903,080	
2 bed flat	16,471	£142.68	2,350,024	
3 bed flat	10,765	£142.68	1,535,908	
Totals	83,912		11,972,531	11,972,531

Contingency		5.00%	598,627	
S106/S278	100 un	1,000.00 /un	100,000	698,627

PROFESSIONAL FEES

All professional fees		10.00%	1,197,253	1,197,253
-----------------------	--	--------	-----------	-----------

MARKETING & LETTING

Marketing		4.00%	546,989	546,989
-----------	--	-------	---------	---------

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	60,000
-----------------	--------	------------	--------	--------

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				763,828

APPRAISAL SUMMARY**SAVILLS****BNP T7 40% AH North West****TOTAL COSTS** 13,455,583**PROFIT**
2,582,204**Performance Measures**

Profit on Cost%	19.19%
Profit on GDV%	16.10%
Profit on NDV%	16.10%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	25.51%
-----	--------

Rent Cover	286 yrs 11 mths
Profit Erosion (finance rate 6.500%)	2 yrs 9 mths

APPRAISAL SUMMARY**SAVILLS****BNP T7 30% AH North****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	17	9,146	£253.14	£136,189	2,315,218
2 bed flat	35	24,500	£253.14	£177,198	6,201,930
3 bed flat	18	16,470	£253.14	£231,623	4,169,216
1 bed flat	7	3,766	£77.57	£41,733	292,129
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	71,702			14,360,790

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Ground rents					
Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

14,535,790

NET REALISATION**14,535,790****OUTLAY****ACQUISITION COSTS**

Residualised Price	(2,978,837)	
		(2,978,837)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	10,760	£142.68	1,535,237	
2 bed flat	28,824	£142.68	4,112,541	
3 bed flat	19,376	£142.68	2,764,635	
1 bed flat	4,431	£142.68	632,156	
2 bed flat	12,353	£142.68	1,762,518	
3 bed flat	8,612	£142.68	1,228,727	
Totals	<u>84,355</u>		<u>12,035,813</u>	12,035,813
Contingency		5.00%	601,791	
S106/S278	100 un	1,000.00 /un	100,000	701,791

PROFESSIONAL FEES

All professional fees	10.00%	1,203,581	
			1,203,581

MARKETING & LETTING

Marketing	4.00%	507,455	
			507,455

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				711,505

TOTAL COSTS**12,241,308**

APPRAISAL SUMMARY**SAVILLS****BNP T7 30% AH North****PROFIT****2,294,483****Performance Measures**

Profit on Cost%	18.74%
Profit on GDV%	15.79%
Profit on NDV%	15.79%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	27.05%
-----	--------

Rent Cover	218 yrs 6 mths
------------	----------------

Profit Erosion (finance rate 6.500%)	2 yrs 8 mths
--------------------------------------	--------------

APPRAISAL SUMMARY**SAVILLS****BNP T7 30% AH East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	17	9,146	£243.52	£131,014	2,227,234
2 bed flat	35	24,500	£243.52	£170,464	5,966,240
3 bed flat	18	16,470	£243.52	£222,821	4,010,774
1 bed flat	7	3,766	£77.57	£41,733	292,129
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	71,702			13,878,674

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Ground rents					
Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

14,053,674

NET REALISATION**14,053,674****OUTLAY****ACQUISITION COSTS**

Residualised Price	(3,319,295)	
		(3,319,295)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	10,760	£142.68	1,535,237	
2 bed flat	28,824	£142.68	4,112,541	
3 bed flat	19,376	£142.68	2,764,635	
1 bed flat	4,431	£142.68	632,156	
2 bed flat	12,353	£142.68	1,762,518	
3 bed flat	8,612	£142.68	1,228,727	
Totals	<u>84,355</u>		<u>12,035,813</u>	12,035,813
Contingency		5.00%	601,791	
S106/S278	100 un	1,000.00 /un	100,000	701,791

PROFESSIONAL FEES

All professional fees	10.00%	1,203,581	
			1,203,581

MARKETING & LETTING

Marketing	4.00%	488,170	
			488,170

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				676,286

TOTAL COSTS**11,846,346**

APPRAISAL SUMMARY**SAVILLS****BNP T7 30% AH East
PROFIT****2,207,328****Performance Measures**

Profit on Cost%	18.63%
Profit on GDV%	15.71%
Profit on NDV%	15.71%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	28.52%
-----	--------

Rent Cover	210 yrs 3 mths
Profit Erosion (finance rate 6.500%)	2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 40% AH Inner West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	15	8,070	£312.34	£168,039	2,520,584
2 bed flat	30	21,000	£312.34	£218,638	6,559,140
3 bed flat	15	13,725	£312.34	£285,791	4,286,867
1 bed flat	10	5,380	£77.57	£41,733	417,327
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	10	9,150	£77.57	£70,977	709,765
Totals	100	71,325			15,579,662

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Grond rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Grond rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

15,729,662

NET REALISATION**15,729,662****OUTLAY****ACQUISITION COSTS**

Residualised Price	(4,014,707)	
		(4,014,707)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	10,088	£142.68	1,439,285	
2 bed flat	26,250	£142.68	3,745,350	
3 bed flat	17,156	£142.68	2,447,854	
1 bed flat	6,725	£142.68	959,523	
2 bed flat	17,500	£142.68	2,496,900	
3 bed flat	11,438	£142.68	1,631,903	
Totals	89,156		12,720,814	12,720,814
Contingency		5.00%	636,041	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106/S278	100 un	1,000.00 /un	100,000	
				1,942,941

PROFESSIONAL FEES

All professional fees	10.00%	1,272,081	
			1,272,081

MARKETING & LETTING

Marketing	4.00%	534,664	
			534,664

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				722,615

TOTAL COSTS**13,238,407**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 40% AH Inner West****PROFIT****2,491,255****Performance Measures**

Profit on Cost%	18.82%
Profit on GDV%	15.84%
Profit on NDV%	15.84%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 29.13%

Rent Cover 276 yrs 10 mths
Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 40% AH Inner East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	15	8,070	£298.45	£160,566	2,408,492
2 bed flat	30	21,000	£298.45	£208,915	6,267,450
3 bed flat	15	13,725	£298.45	£273,082	4,096,226
1 bed flat	10	5,380	£77.57	£41,733	417,327
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	10	9,150	£77.57	£70,977	709,765
Totals	100	71,325			14,985,240

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Grond rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Grond rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

15,135,240

NET REALISATION**15,135,240****OUTLAY****ACQUISITION COSTS**

Residualised Price	(4,432,281)	
		(4,432,281)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	10,088	£142.68	1,439,285	
2 bed flat	26,250	£142.68	3,745,350	
3 bed flat	17,156	£142.68	2,447,854	
1 bed flat	6,725	£142.68	959,523	
2 bed flat	17,500	£142.68	2,496,900	
3 bed flat	11,438	£142.68	1,631,903	
Totals	89,156		12,720,814	12,720,814
Contingency		5.00%	636,041	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106/S278	100 un	1,000.00 /un	100,000	
				1,942,941

PROFESSIONAL FEES

All professional fees	10.00%	1,272,081	
			1,272,081

MARKETING & LETTING

Marketing	4.00%	510,887	
			510,887

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				681,563

TOTAL COSTS**12,756,004**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 40% AH Inner East****PROFIT****2,379,236****Performance Measures**

Profit on Cost%	18.65%
Profit on GDV%	15.72%
Profit on NDV%	15.72%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 31.13%

Rent Cover 264 yrs 4 mths
Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 30% AH South****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	17	9,146	£263.81	£141,930	2,412,806
2 bed flat	35	24,500	£263.81	£184,667	6,463,345
3 bed flat	18	16,470	£263.81	£241,386	4,344,951
1 bed flat	7	3,766	£77.57	£41,733	292,129
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	71,702			14,895,528

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Ground rents					
Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

15,070,528

NET REALISATION**15,070,528****OUTLAY****ACQUISITION COSTS**

Residualised Price	(4,652,293)	
		(4,652,293)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	11,433	£142.68	1,631,189	
2 bed flat	30,625	£142.68	4,369,575	
3 bed flat	20,588	£142.68	2,937,425	
1 bed flat	4,708	£142.68	671,666	
2 bed flat	13,125	£142.68	1,872,675	
3 bed flat	9,150	£142.68	1,305,522	
Totals	<u>89,628</u>		<u>12,788,052</u>	12,788,052

Contingency		5.00%	639,403	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106 allowance	100 un	1,000.00 /un	100,000	
				1,946,303

PROFESSIONAL FEES

All professional fees	10.00%	1,278,805	
			1,278,805

MARKETING & LETTING

Marketing	4.00%	528,844	
			528,844

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				730,837

TOTAL COSTS**12,680,548**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 30% AH South****PROFIT****2,389,980****Performance Measures**

Profit on Cost%	18.85%
Profit on GDV%	15.86%
Profit on NDV%	15.86%
Development Yield% (on Rent)	0.08%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 29.59%

Rent Cover 227 yrs 7 mths

Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 40% AH North West****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	15	8,070	£298.45	£160,566	2,408,492
2 bed flat	30	21,000	£298.45	£208,915	6,267,450
3 bed flat	15	13,725	£298.45	£273,082	4,096,226
1 bed flat	10	5,380	£77.57	£41,733	417,327
2 bed flat	20	14,000	£77.57	£54,299	1,085,980
3 bed flat	10	9,150	£77.57	£70,977	709,765
Totals	100	71,325			14,985,240

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Grond rents	60	£150	9,000	9,000
Totals	60		9,000	9,000

Investment Valuation

Grond rents					
Current Rent	9,000	YP @	6.0000%	16.6667	150,000
					150,000

GROSS DEVELOPMENT VALUE

15,135,240

NET REALISATION**15,135,240****OUTLAY****ACQUISITION COSTS**

Residualised Price	(4,432,281)	
		(4,432,281)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	10,088	£142.68	1,439,285	
2 bed flat	26,250	£142.68	3,745,350	
3 bed flat	17,156	£142.68	2,447,854	
1 bed flat	6,725	£142.68	959,523	
2 bed flat	17,500	£142.68	2,496,900	
3 bed flat	11,438	£142.68	1,631,903	
Totals	89,156		12,720,814	12,720,814
Contingency		5.00%	636,041	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106/S278	100 un	1,000.00 /un	100,000	
				1,942,941

PROFESSIONAL FEES

All professional fees	10.00%	1,272,081	
			1,272,081

MARKETING & LETTING

Marketing	4.00%	510,887	
			510,887

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				681,563

TOTAL COSTS**12,756,004**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 40% AH North West****PROFIT****2,379,236****Performance Measures**

Profit on Cost%	18.65%
Profit on GDV%	15.72%
Profit on NDV%	15.72%
Development Yield% (on Rent)	0.07%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 31.13%

Rent Cover 264 yrs 4 mths
Profit Erosion (finance rate 6.500%) 2 yrs 8 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 30% AH North****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	17	9,146	£222.78	£119,856	2,037,546
2 bed flat	35	24,500	£222.78	£155,946	5,458,110
3 bed flat	18	16,470	£222.78	£203,844	3,669,187
1 bed flat	7	3,766	£77.57	£41,733	292,129
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	71,702			12,839,269

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Ground rents					
Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

13,014,269

NET REALISATION**13,014,269****OUTLAY****ACQUISITION COSTS**

Residualised Price	(6,115,902)	
		(6,115,902)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	11,433	£142.68	1,631,189	
2 bed flat	30,625	£142.68	4,369,575	
3 bed flat	20,588	£142.68	2,937,425	
1 bed flat	4,708	£142.68	671,666	
2 bed flat	13,125	£142.68	1,872,675	
3 bed flat	9,150	£142.68	1,305,522	
Totals	<u>89,628</u>		<u>12,788,052</u>	12,788,052

Contingency		5.00%	639,403	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106 allowance	100 un	1,000.00 /un	100,000	
				1,946,303

PROFESSIONAL FEES

All professional fees	10.00%	1,278,805	
			1,278,805

MARKETING & LETTING

Marketing	4.00%	446,594	
			446,594

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				588,016

TOTAL COSTS**10,991,867**

SAVILLS T7 30% AH North**PROFIT****2,022,401****Performance Measures**

Profit on Cost%	18.40%
Profit on GDV%	15.54%
Profit on NDV%	15.54%
Development Yield% (on Rent)	0.10%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR	49.74%
-----	--------

Rent Cover	192 yrs 7 mths
Profit Erosion (finance rate 6.500%)	2 yrs 7 mths

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 30% AH East****Summary Appraisal for Merged Phases 1 2****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
1 bed flat	17	9,146	£239.32	£128,754	2,188,821
2 bed flat	35	24,500	£239.32	£167,524	5,863,340
3 bed flat	18	16,470	£239.32	£218,978	3,941,600
1 bed flat	7	3,766	£77.57	£41,733	292,129
2 bed flat	15	10,500	£77.57	£54,299	814,485
3 bed flat	8	<u>7,320</u>	£77.57	£70,977	<u>567,812</u>
Totals	100	71,702			13,668,187

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground rents	70	£150	10,500	10,500
Totals	70		10,500	10,500

Investment Valuation

Ground rents					
Current Rent	10,500	YP @	6.0000%	16.6667	175,000
					175,000

GROSS DEVELOPMENT VALUE

13,843,187

NET REALISATION**13,843,187****OUTLAY****ACQUISITION COSTS**

Residualised Price	(5,523,206)	
		(5,523,206)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
1 bed flat	11,433	£142.68	1,631,189	
2 bed flat	30,625	£142.68	4,369,575	
3 bed flat	20,588	£142.68	2,937,425	
1 bed flat	4,708	£142.68	671,666	
2 bed flat	13,125	£142.68	1,872,675	
3 bed flat	9,150	£142.68	1,305,522	
Totals	<u>89,628</u>		<u>12,788,052</u>	12,788,052

Contingency		5.00%	639,403	
Abnormal costs	100 un	12,069.00 /un	1,206,900	
S106 allowance	100 un	1,000.00 /un	100,000	
				1,946,303

PROFESSIONAL FEES

All professional fees	10.00%	1,278,805	
			1,278,805

MARKETING & LETTING

Marketing	4.00%	479,750	
			479,750

DISPOSAL FEES

Sales Legal Fee	100 un	600.00 /un	60,000	
				60,000

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Total Finance Cost				644,626

TOTAL COSTS**11,674,330**

APPRAISAL SUMMARY**SAVILLS****SAVILLS T7 30% AH East****PROFIT****2,168,857****Performance Measures**

Profit on Cost%	18.58%
Profit on GDV%	15.67%
Profit on NDV%	15.67%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR 36.33%

Rent Cover 206 yrs 7 mths

Profit Erosion (finance rate 6.500%) 2 yrs 8 mths



Appendix 4

Appraisals Summary Tables



Table A: Comparison of Modelled Scenarios

	Inner West		Inner East		South		North West		East		North	
	BNPP	SAVILLS	BNPP	SAVILLS	BNPP	SAVILLS	BNPP	SAVILLS	BNPP	SAVILLS	BNPP	SAVILLS
T1	£286,487	£189,877	£229,817	£118,521	£183,653	£124,580	£222,794	£171,188	£124,093	£92,528	£133,869	£70,055
T2	£791,252	£520,963	£622,575	£327,460	£502,218	£347,190	£603,542	£474,703	£329,465	£257,040	£364,877	£199,972
T3	£2,142,088	£1,400,314	£1,681,868	£864,186	1,340,531	£917,511	£1,629,936	£1,262,129	£873,646	£673,870	£969,351	£509,320
T4	£3,324,480	£1,573,952	£2,386,919	£481,751	£2,358,949	£1,180,854	£2,281,124	£1,292,440	£1,260,866	£600,002	£1,489,032	£234,066
T5	£140,118	£1,905,848	£779,491	£2,707,800	£768,119	£2,316,300	£851,461	£2,112,261	£1,531,798	£2,634,671	£1,363,349	£2,928,466
T6	£424,965	£3,608,018	£1,684,232	£5,186,779	£1,679,239	£4,535,401	£1,826,328	£4,014,556	£3,210,700	£5,380,063	£2,880,796	£5,954,903
T7	£435,517	£4,014,707	£1,728,968	£4,432,281	£3,251,164	£4,652,293	£1,874,921	£4,432,281	£3,319,295	£5,523,206	£2,978,837	£6,115,902

Table B: 'Financial' impact of alternative viability appraisal assumptions'

	Inner West				Inner East				South				North West				East				North			
	BNPP	SAVILLS	Difference (£)	Difference (%)	BNPP	SAVILLS	Difference (£)	Difference (%)	BNPP	SAVILLS	Difference (£)	Difference (%)	BNPP	SAVILLS	Difference (£)	Difference (%)	BNPP	SAVILLS	Difference (£)	Difference (%)	BNPP	SAVILLS	Difference (£)	Difference (%)
T1	£7,162,175	£4,746,925	£2,415,250	-33.7%	£5,745,425	£2,963,025	£2,782,400	-48.4%	£4,591,325	£3,114,500	£1,476,825	-32.2%	£5,569,850	£4,279,700	£1,290,150	-23.2%	£3,102,325	£2,313,200	£789,125	-25.4%	£3,346,725	£1,751,375	£1,595,350	-47.7%
T2	£7,912,520	£5,208,630	£2,703,890	-34.2%	£6,225,750	£3,274,600	£2,951,150	-47.4%	£5,022,180	£3,471,900	£1,550,280	-30.9%	£6,035,420	£4,747,030	£1,288,390	-21.3%	£3,294,650	£2,570,400	£724,250	-22.0%	£3,648,770	£1,999,720	£1,649,050	-45.2%
T3	£7,650,314	£5,001,121	£2,649,193	-34.6%	£6,006,671	£3,086,379	£2,920,293	-48.6%	£4,787,611	£3,276,825	£1,510,786	-31.6%	£5,821,200	£4,507,604	£1,313,596	-22.6%	£3,120,164	£2,406,679	£713,486	-22.9%	£3,461,968	£1,819,000	£1,642,968	-47.5%
T4	£3,324,480	£1,573,952	£1,750,528	-52.7%	£2,386,919	£481,751	£1,905,168	-79.8%	£2,358,949	£1,180,854	£1,178,095	-49.9%	£2,281,124	£1,292,440	£988,684	-43.3%	£1,260,866	£600,002	£660,864	-52.4%	£1,489,032	£234,066	£1,254,966	-84.3%
T5	£333,614	£4,537,733	£4,204,119	-1260.2%	£1,855,931	£6,447,143	£4,591,212	-447.4%	£1,828,855	£5,515,000	£3,686,145	-201.6%	£2,027,288	£5,029,193	£3,001,905	-148.1%	£3,647,138	£6,273,026	£2,625,888	-72.0%	£3,246,009	£6,972,538	£3,726,469	-114.8%
T6	£634,276	£5,385,101	£4,750,825	-749.0%	£2,513,779	£7,744,446	£5,230,667	-408.1%	£2,506,327	£6,769,255	£4,262,928	-170.1%	£2,725,863	£5,991,875	£3,266,012	-119.8%	£4,792,090	£8,029,945	£3,237,855	-67.6%	£4,299,686	£8,887,915	£4,588,219	-106.7%
T7	£871,034	£8,029,414	£7,158,380	-821.8%	£3,457,936	£8,964,562	£5,506,626	-356.4%	£6,502,328	£9,304,586	£2,802,258	-43.1%	£3,749,842	£8,864,562	£5,114,720	-136.4%	£6,638,590	£11,046,412	£4,407,822	-66.4%	£5,957,674	£12,231,804	£6,274,130	-105.3%

Table B(1): 'Financial impact of alternative viability appraisal assumptions'

	Inner West				Inner East				South				North West				East				North			
	BNPP	SAVILLS	Difference (£)	Difference (OM NIA SQ M)	BNPP	SAVILLS	Difference (£)	Difference (OM NIA SQ M)	BNPP	SAVILLS	Difference (£)	Difference (OM NIA SQ M)	BNPP	SAVILLS	Difference (£)	Difference (OM NIA SQ M)	BNPP	SAVILLS	Difference (£)	Difference (OM NIA SQ M)	BNPP	SAVILLS	Difference (£)	Difference (OM NIA SQ M)
T1	£7,162,175	£4,746,925	-£2,415,250	-£53	£5,745,425	£2,963,025	-£2,782,400	-£61	£4,591,325	£3,114,500	-£1,476,825	-£32	£5,569,850	£4,279,700	-£1,290,150	-£28	£3,102,325	£2,313,200	-£789,125	-£17	£3,346,725	£1,751,375	-£1,595,350	-£35
T2	£7,912,520	£5,208,630	-£2,703,890	-£53	£6,225,750	£3,274,600	-£2,951,150	-£58	£5,022,180	£3,471,900	-£1,550,280	-£30	£6,035,420	£4,747,030	-£1,288,390	-£25	£3,294,650	£2,570,400	-£724,250	-£14	£3,648,770	£1,999,720	-£1,649,050	-£32
T3	£7,650,314	£5,001,121	-£2,649,193	-£53	£6,006,671	£3,086,379	-£2,920,293	-£58	£4,787,611	£3,276,825	-£1,510,786	-£30	£5,821,200	£4,507,604	-£1,313,596	-£26	£3,120,164	£2,406,679	-£713,486	-£14	£3,461,968	£1,819,000	-£1,642,968	-£33
T4	£3,324,480	£1,573,952	-£1,750,528	-£50	£2,386,919	£481,751	-£1,905,168	-£54	£2,358,949	£1,180,854	-£1,178,095	-£34	£2,281,124	£1,292,440	-£988,684	-£28	£1,260,866	£600,002	-£660,864	-£19	£1,489,032	£234,066	-£1,254,966	-£36
T5	-£333,614	£4,537,733	£4,204,119	-£72	£1,855,931	£6,447,143	£4,591,212	-£79	£1,828,855	£5,515,000	£3,686,145	-£64	£2,027,288	£5,029,193	£3,001,905	-£52	£3,647,138	£6,273,026	£2,625,888	-£45	£3,246,069	£6,972,538	£3,726,469	-£64
T6	-£634,276	£5,385,101	£4,750,825	-£65	£2,513,779	£7,744,446	£5,230,667	-£72	£2,506,327	£6,769,255	£4,262,928	-£59	£2,725,863	£5,991,875	£3,266,012	-£45	£4,792,090	£8,029,945	£3,237,855	-£45	£4,299,696	£8,887,915	£4,588,219	-£63
T7	-£871,034	£8,029,414	£7,158,380	-£71	£3,457,936	£8,964,562	£5,506,626	-£54	£6,502,328	£9,304,586	£2,802,258	-£28	£3,749,842	£8,864,562	£5,114,720	-£51	£6,638,590	£11,046,412	£4,407,822	-£44	£5,957,674	£12,231,804	£6,274,130	-£63