
CANADA WATER MASTERPLAN



Housing Statement
Addendum

June 2019

QUOD

Housing Statement Addendum

CANADA WATER

JUNE 2019

British Land

British Land, 45 Seymour Street, London W1H 7LX

This Housing Statement Addendum has been prepared by Quod and is submitted in support of a hybrid planning application for the Canada Water Masterplan. The hybrid planning application is made in relation to land bounded by Surrey Quays Road to the north, Lower Road (A200) to the west, Redriff Road (B205) to the south, Quebec Way to the east (the "Site") on behalf of BL CW Holdings Ltd, a subsidiary of British Land Company Plc ("The Applicant"), hereafter referred to as "British Land". The hybrid planning application is formed of detailed development proposals in respect of Plots A1, A2 and K1 for which no matters are reserved ("Detailed Proposals"), and outline development proposals for the remainder of the Site, with all matters reserved ("Outline Proposals"). The Detailed Proposals and Outline Proposals together are referred to as the "Development".

The Development comprises the comprehensive redevelopment of the Surrey Quays Shopping Centre, former Harmsworth Quays Printworks and Surrey Quays Leisure Park sites, former Dock Offices Courtyard, former Rotherhithe Police Station and land at Roberts Close. The Development will provide new retail, office, leisure and community floorspace along with residential dwellings. The Development will also provide significant, high quality public realm, including a new Town Square, a new High Street and a public park.

The purpose of the Housing Statement is to assess the Development in terms of housing and viability.

Contents

1	Executive Summary	4
2	Stakeholder Engagement	7
3	Policy	8
4	Illustrative Scheme	9
5	Housing Mix	10
6	Viability	11
	Appendix A – Illustrative Scheme, BNPP Baseline Appraisal	
	Appendix B – Updated Scheme Appraisal	
	Appendix C – Max Parameters Test Appraisal	
	Appendix D – Final Viability Assessment, Grant and Growth	

1 Executive Summary

- 1.1.1 A Housing Statement dated May 2018 formed part of the application documents for the Canada Water Masterplan (application reference 18/AP/1604). Since the original submission British Land has worked with Southwark Council and the GLA to refine and enhance the affordable housing proposals. This statement sets out the updated proposals and should be read alongside the original submission.
- 1.1.2 The original affordable housing proposal secured a policy compliant 35% affordable housing for the first phase, with future phases to be determined at reserved matters application stage to allow flexibility. British Land's updated proposal now secures a policy compliant 35% affordable housing (70% social rent / 30% intermediate) across the whole of the masterplan (up to 3,995 homes) and includes details of the "early" and "late" stage review mechanism.
- 1.1.3 The updated proposal should be considered to be fully policy compliant and the delivery of affordable homes should be given significant positive weight in the planning decision making process. The following paragraphs 1.1.4 to 1.1.12 provide a succinct overview of the updated proposals which are set out in more detail in sections 2-6 of the following full report.

Stakeholder Engagement

- 1.1.4 Stakeholder engagement has continued since the submission of the planning application and original Housing Statement. As a result of this, the unit mix of plot K1 (one of the first blocks to be built) has been amended to include a greater number of family homes. Additionally, British Land has reaffirmed its commitment to creating a Local Lettings Plan to reserve a proportion of all new affordable homes for existing local residents.

Housing Mix

- 1.1.5 The affordable housing proposals have been enhanced, both in terms of the quantity of homes and other details. The key changes to the proposals are:
- Confirming a policy compliant 35% affordable homes (70% social rent / 30% intermediate) for the whole of the scheme (i.e. up to 3,995 homes) rather than for the first phase.
 - Delivering a minimum of 2,000 homes, up from 1,500.
 - Confirming a local lettings agreement will allow the prioritisation of local residents for a proportion of all affordable homes. British Land has suggested that half of all affordable homes be prioritised in this way.
 - Confirming all social rent homes will be let at the rates specified by Southwark Council (£107/week for a 1 bed, £126/week for a 2 bed and £146/wk for a 3 bed as at 2018).
 - Confirming all intermediate homes will be sold or let to households with incomes at or below the relevant caps set by the GLA.

Policy

- 1.1.6 The policy context has been reviewed given the time that has elapsed since the original Housing Statement was submitted. The affordable housing offer remains policy compliant.

Viability

- 1.1.7 The viability appraisal submitted with the Housing Statement has been reviewed by Southwark and its independent advisors BNPP. Several amendments to expenditure and revenue assumptions have been made reflecting current market conditions.
- 1.1.8 In addition to changes to assumptions, the viability appraisal has also been updated to reflect additional requirements for affordable workspace, affordable retail and updated Section 106 financial contributions.

- 1.1.9 The updated appraisal identifies that a baseline profit on gross development value of 8% is generated, this falls below the agreed blended return threshold of 16%. British Land has worked with the GLA to secure grant funding which, whilst of assistance, does not fully bridge the viability gap. Notwithstanding this, and recognising the importance of affordable housing delivery, British Land has however committed to the delivery of a policy compliant 35% affordable housing. The viability of this affordable housing proposal is demonstrated by the final viability assessment which shows that, where revenues for all uses grow at c.1% in excess of general inflation, the return threshold is met. The baseline illustrative scheme is set out in table 1.1, the other scenarios are set out in table 5.1 of the full report.

Review Mechanism

- 1.1.10 British Land also proposes a review mechanism to ensure that a proportion of any improved return is used to deliver additional affordable homes.
- 1.1.11 The details of the review mechanism include:
- An early stage review if the development is not substantially commenced within 3 years of planning permission (free from challenge) being received.
 - A further review at the completion of the first 1,500 homes and each 500 homes thereafter.

Illustrative Scheme

- 1.1.12 The development appraisals are undertaken based on an illustrative scheme, falling within the parameters set within the application. In addition, an updated version of the scheme has been tested, reflecting design development during the planning process, which is demonstrated as being comparable to the illustrative scheme. A max parameters scenario has also been developed which acts as a sensitivity, to provide reassurance that affordable housing has been maximised, even if the maximum parameter were to be delivered (it is however noted that this maximum parameters scenario has not been tested in design terms and it may not in reality be practical to deliver this maximum floorspace)

Table 1.1 – Financial Appraisal Summary

Assumption	Illustrative Scheme, BNPP Baseline	Basis
Private Residential	£1,554,988,034	Savills and JLL Market Reports
Affordable Residential*	£225,536,844	Registered Provider Offers
Office	£1,477,146,169	JLL Market Reports
Retail	£296,238,992	JLL Market Reports
Leisure	£10,889,307	JLL Market Reports
Hotel	£34,952,500	Savills Market Report
Car Parking	£14,250,000	Scheme specific assumption
Total GDV	£3,614,001,846	
Grant Income*	-	Not included in baseline
Leisure Centre and Tesco Contribution	£85,477,758	Contributions to costs as agreed with relevant parties
BNPP Cost Adjustment	£65,281,834	Southwark's Independent Advisor (BNPP)
Purchasers Costs	(£123,707,434)	Scheme specific assumption
Total Income	£3,641,054,004	
Basebuild Construction	£1,682,877,868	AECOM Cost Plan
Infrastructure / Externals / Basement etc	£659,112,637	AECOM Cost Plan
Section 106 and CIL	£167,053,674	Southwark discussions and Applicant CIL Calculation
Other Development Costs (Insurance, VP, NHBC etc)	£124,329,026	Varied, British Land
Professional Fees	£248,069,088	10.5%, scheme specific assumption
Marketing, Sales and Letting	£69,153,729	Scheme specific assumptions
Contingency	£20,871,809	5%, scheme specific assumption
Land Cost and Purchasers Costs	£243,557,400	6.8% (5% stamp duty, 1% agent, 0.5% legal, 0.3% vat)
Finance	£131,686,342	6%, scheme specific assumption
Total Expenditure	£3,346,711,573	
Total Return	£294,342,427	
Profit on GDV%	8%	
Target Return	16%	

2 Stakeholder Engagement

2.1 Ongoing Engagement

- 2.1.1 Considering the views of the local public, including those that took part in the consultation events, is an important part of identifying key needs that should be addressed as part of the Canada Water masterplan.
- 2.1.2 Engagement has continued following the main consultation events, including attendance of meetings held by Bermondsey and Rotherhithe Community Council, Rotherhithe Area Housing Forum and Canada Water Consultation Forum. British Land has also continued to work with Southwark. Two key considerations that have been made following this are set out below.

2.2 Family Homes

- 2.2.1 The need to provide family homes to meet the needs of both growing and hidden households was identified in the original Housing Statement. Continued discussions over this need identified a preference from the Council for amending the plot K1 housing mix (part of phase 1), to include a greater number of 3-bed family homes. British Land has therefore amended the design of K1 to include additional 3 bed homes.

2.3 Local Lettings

- 2.3.1 The desire from local people to live in the new homes that are provided as part of the development has been a constant theme in discussions with both the public and key stakeholders. British Land has reinforced its commitment to implement a local lettings plan. This plan would enable a proportion of homes to be reserved for current residents of the local area. British Land has suggested that half of all affordable homes be prioritised in this way.
- 2.3.2 In November 2018 British Land made representations to the Council's consultation on introducing an Intermediate Rent Housing List, noting its support for establishing a local lettings plan. British Land's comments included its support for ensuring that a sustainable community is created by mixing old and new residents, as well as agreeing that a distance of 500 to 1,000 metres from the masterplan boundary may be an appropriate range for a local lettings plan.

3 Policy

3.1 National Planning Policy Framework 2019

- 3.1.1 Following the original Housing Statement, the updated National Planning Policy Framework 2018 (NPPF) has been adopted, with a minor revision made to this in 2019.
- 3.1.2 The updated NPPF provides support for a wider range of affordable tenures, including Build to Rent, it also sets an expectation for 10% of homes to be provided for affordable home ownership. The Canada Water proposals are able to meet the 10% affordable home ownership target (10.5% of homes will be intermediate tenure) and also allow private rental accommodation, ensuring that this does not reduce the delivery of social rent homes.

3.2 Draft London Plan

- 3.2.1 The draft London Plan has recently progressed through the Examination in Public (EIP) and the Panel conducting this will report back with suggested changes in due course.
- 3.2.2 It is apparent that the Mayor is applying the draft London Plan as policy, which has been considered in the provision of affordable work and retail space that is now proposed. From a housing perspective, the proposed scheme tenure mix of 70:30 social rent:intermediate complies with policy H7's expectation for affordable housing to be provided as 30% low cost rented products, 30% low cost intermediate products and the remaining 40% to be determined by the borough.

3.3 Draft Southwark Plan

- 3.3.1 Southwark recently consulted on the submission version of the New Southwark Plan, which British Land made representations on. The policies considered as part of the Housing Statement are materially unchanged from the version considered at the time. The exception to this is that Policy 13, residential design, has been deleted. However, many of the design requirements in this policy have been moved to Policy 9 and included as features of high-quality design.

4 Illustrative Scheme

- 4.1.1 The development appraisals are undertaken based on an illustrative scheme, which falls within the parameters set within the application. In addition, an updated version of the scheme has been tested, reflecting design development during the planning process, which is demonstrated as being comparable to the illustrative scheme. As a sensitivity test for viability purposes, a max parameters scenario has also been developed, testing the maximum gross external area permitted within the development specification. It is noted that this max parameters scenario has not been tested in design terms and it may not in reality be practical to deliver this maximum floorspace. The main purpose of the scenario is therefore to provide reassurance that affordable housing has been maximised, even if the maximum parameter were to be delivered. The difference between the schemes are set out in table 3.1.

Table 3.1 – NIA Floorspace Comparison

Use	Illustrative Scheme (SQM NIA)	Updated Scheme (SQM NIA)	Max Parameters Test Scheme (SQM NIA)
Retail	53,612	54,355	61,135
Office	184,479	206,627	208,104
Hotel	2,952	2,952	3,397
Residential	201,431	193,686	228,833
Community	5,197	5,197	5,979
Leisure	8,703	8,703	9,268
Total	456,374	471,520	516,716

5 Housing Mix

- 5.1.1 The proposed housing mix has been amended to include greater certainty on the level of affordable housing in future phases, including a policy compliant level and mix of affordable housing types. The key changes are set out in table 4.1.
- 5.1.2 The exact tenures of the intermediate housing will be determined at the reserved matters stage to best meet current needs at the time. As set out in the original Housing Statement, these tenures may include intermediate rent, shared ownership, intermediate elderly accommodation and potentially housing delivered through a Community Land Trust.

Table 4.1 – Update Housing Mix

Item	Original Submission	Updated Submission
Phase 1 Affordable Level	35%	35%
Rest of Scheme Affordable Level	Determined phase by phase	35%
Phase 1 Tenure Mix	70:30 Social rent : Intermediate	70:30 Social rent : Intermediate
Rest of Scheme Tenure Mix	Determined phase by phase	70:30 Social rent : Intermediate

- 5.1.3 Southwark and British Land have also discussed the Section 106 legal agreement. In addition to the overall mix identified in table 4.1, the proposed terms also include the following requirements related to the housing mix:
- Delivering a minimum of 2,000 homes, up from 1,500.
 - A local lettings agreement will allow the prioritisation of local residents for a proportion of all affordable homes.
 - All social rent homes will be let at the rates specified by Southwark Council (£107/week for a 1 bed, £126/week for a 2 bed and £146/wk for a 3 bed as at 2018).
 - All intermediate homes will be sold or let to households with incomes at or below the relevant caps set by the GLA.
 - Affordable homes will include a minimum of 60% 2-bed or greater, 20% 3-bed or greater and a maximum of 5% studios (studios only in intermediate homes).
 - The private homes will include a maximum of 10% studios. Zones H,L,J and G will include a minimum of 20% of homes with 3 or more bedrooms.

6 Viability

6.1 Changes Affecting Viability

6.1.1 Following the submission of the original Housing Statement, Southwark has reviewed the viability appraisal with assistance from its independent assessor, BNPP. This review, and discussions that have followed, have identified several refinements to costs and values that have now been incorporated into the viability appraisal.

6.1.2 In addition to the refinements to inputs, changes have been made to reflect new requirements and the inclusion of GLA housing grant, these are set out below.

Affordable Workspace and Retail

6.1.3 Southwark has requested affordable workspace and retail space to be delivered as part of the project, this has been included at an additional cost of £6.3m and £1.8m respectively.

Section 106 Contributions

6.1.4 The financial Section 106 contributions have been reviewed and an updated list results in a cost of £71,050,000.

Grant Funding

6.1.5 Grant Funding totalling £33.9m was indicatively included in the previous viability appraisal. Following discussions with the GLA, and given the increased minimum housing delivery of 2,000 homes, the level of grant funding has been increased to c.£40m. This grant is in part under the Strategic Investment Fund relating to delivery of economic benefits and in part under the affordable homes programme.

6.2 Financial Appraisal

6.2.1 A summary of the updated scenarios is set out in table 5.1, with the full appraisals appended. The four scenarios set out are:

- a. Illustrative Scheme (BNPP Baseline) – The baseline appraisal as agreed with the Council’s advisor, BNPP. This indicates a profit on GDV of 8%, falling below the agreed target of 16%. In order to meet the agreed target affordable housing would need to be reduced to c.11% rather than the 35% proposed.
- b. Updated Scheme – The updated scheme tested as a comparison, which is demonstrated as being comparable to the illustrative scheme.
- c. Max Parameter Test – The above, with areas adjusted for the max parameters scheme. Again, the target profit on GDV is not met.
- d. Final Viability Assessment, Grant and Growth – The above with grant and growth applied. This appraisal demonstrates that the profit target of 16% is met when all revenues increase by c.1% per year in excess of general inflation.

Table 5.1 – Financial Appraisal Summary

Assumption	Illustrative Scheme, BNPP Baseline	Updated Scheme	Max Parameter Test	Final Viability Assessment, Grant and Growth
Private Residential	£1,554,988,034	£1,441,796,083	£1,769,744,951	£1,809,270,313
Affordable Residential*	£225,536,844	£276,458,567	£253,343,066	£282,184,603
Office	£1,477,146,169	£1,654,957,902	£1,666,566,968	£1,807,543,765
Retail	£296,238,992	£300,343,945	£337,786,160	£375,467,918
Leisure	£10,889,307	£10,889,307	£12,528,271	£13,464,687
Hotel	£34,952,500	£34,952,500	£40,221,500	£46,369,639
Car Parking	£14,250,000	£14,250,000	£14,250,000	£16,820,095
Total GDV	£3,614,001,846	£3,733,648,304	£4,094,440,916	£4,351,121,020
Grant Income*	-	-	-	£40,000,000
Leisure Centre and Tesco Contribution	£85,477,758	£85,477,758	£85,477,758	£85,477,758
BNPP Cost Adjustment	£65,281,834	£65,281,834	£65,281,834	£65,281,834
Purchasers Costs	(£123,707,434)	(£136,077,769)	(£139,882,997)	(£152,513,528)
Total Income	£3,641,054,004	£3,748,330,127	£4,105,317,511	£4,389,367,084
Basebuild Construction	£1,682,877,868	£1,734,541,424	£1,901,011,755	£1,901,011,755
Infrastructure / Externals / Basement etc	£659,112,637	£676,651,025	£727,387,033	£727,387,033
Section 106 and CIL	£167,053,674	£167,053,674	£167,053,674	£167,053,674
Other Development Costs (Insurance, VP, NHBC etc)	£124,329,026	£126,401,613	£132,397,305	£132,397,305
Professional Fees	£248,069,088	£252,875,204	£278,141,958	£278,141,958
Marketing, Sales and Letting	£69,153,729	£67,259,398	£77,577,692	£80,421,281
Contingency	£20,871,809	£21,116,349	£21,823,765	£21,823,765
Land Cost and Purchasers Costs	£243,557,400	£243,557,400	£243,557,400	£243,557,400
Finance	£131,686,342	£132,936,178	£140,309,797	£128,327,124
Total Expenditure	£3,346,711,573	£3,422,392,265	£3,689,260,379	£3,680,121,295
Total Return	£294,342,427	£325,937,865	£416,057,130	£709,245,785
Profit on GDV%	8%	8.5%	10%	16%
Target Profit on GDV	16%			

* See note overleaf regarding affordable housing revenue / grant.

6.3 Affordable Housing Revenue and Grant Notes

- 6.3.1 The affordable housing revenue within the Final Viability Assessment is calculated by taking the base sales rate (£170/ft² for social rent dwellings and £590/ft² for intermediate dwellings as at the base date of May 2018, which results in a blended value of £296/ft²), multiplying each of these base sales rates by the growth on all uses (1%) plus inflation (such inflation is based on increases in the Consumer Price Index) calculated between the base date and the date of the relevant calculation and multiplying the resultant relevant sales rate by the net internal area of the social rent dwellings or intermediate dwellings (as applicable).
- 6.3.2 The affordable housing revenue described above assumes that all current and any future grant funding is received by British Land and used to support the delivery of affordable homes.
- 6.3.3 This Housing Statement Addendum and the Financial Viability Assessment with Grant and Growth (appendix D) together comprise the final financial viability assessment in connection with the Canada Water masterplan and the planning consents for the plots within it.

6.4 Review Mechanism

- 6.4.1 In addition to the policy compliant level of affordable housing that British Land are proposing, a review mechanism will also be used to ensure that a proportion of any improvement in the return of the development is used to deliver additional affordable homes.
- 6.4.2 The details of the review mechanism include:
- An early stage review if the development is not substantially commenced within 3 years of planning permission being received (free from challenge).
 - A further review at the completion of the first 1,500 homes and each 500 homes thereafter.

Appendix A – Illustrative Scheme, BNPP Baseline

Canada Water
Illustrative Scheme, BNPP Baseline

Development Appraisal
Prepared by RW
Quod Ltd
17 June 2019

**Canada Water
Illustrative Scheme, BNPP Baseline**

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
a.01 SQSC - Private Resi	176	136,726	1,054.00	818,805	144,109,680	0	144,109,680
k.01 HQ - Affordable Resi	60	45,269	170.00	128,262	7,695,730	0	7,695,730
a.01 SQSC - Intermediate Resi	14	7,769	600.00	332,957	4,661,400	0	4,661,400
a.01 SQSC - Car Parking	1	0	0.00	1,395,000	1,395,000	0	1,395,000
k.01 HQ - Intermediate Resi	24	17,947	590.00	441,197	10,588,730	0	10,588,730
Adj to Quod cost overstatement	1	0	0.00	65,281,834	65,281,834	0	65,281,834
b.04 - Private Resi	114	82,365	992.00	716,720	81,706,080	13,499,275	95,205,355
b.04 - Affordable	109	79,135	296.00	214,899	23,423,960	0	23,423,960
c.01 - Private Resi	90	65,052	1,013.00	732,196	65,897,676	7,952,531	73,850,207
c.01 - Affordable	90	62,501	296.00	205,559	18,500,296	0	18,500,296
d.01/d.02 - Private	252	214,465	1,116.00	949,774	239,342,940	15,442,815	254,785,755
d.04 - Private	37	27,105	893.00	654,183	24,204,765	2,876,083	27,080,848
d.04 - Affordable	36	26,042	296.00	214,123	7,708,432	0	7,708,432
e.02 - Private	52	37,593	876.00	633,297	32,931,468	3,216,996	36,148,464
e.02 - Affordable	50	36,119	296.00	213,824	10,691,224	0	10,691,224
f.01 - Private Resi	243	176,248	1,013.00	734,729	178,539,224	28,293,781	206,833,005
f.03 - Private Resi	220	159,259	1,044.00	755,756	166,266,396	24,441,778	190,708,174
g.01 - Private Resi	327	239,174	992.00	725,568	237,260,608	18,045,761	255,306,369
g.01 - Affordable	118	85,896	296.00	215,468	25,425,216	0	25,425,216
h.04 - Private	46	33,588	893.00	652,045	29,994,084	2,415,405	32,409,489
h.04 - Affordable	45	32,271	296.00	212,271	9,552,216	0	9,552,216
j.01 - Private	35	25,285	893.00	645,129	22,579,505	2,205,738	24,785,243
j.01 - Affordable	33	24,294	296.00	217,910	7,191,024	0	7,191,024
j.02 - Private	35	25,511	893.00	650,895	22,781,323	2,329,345	25,110,668
j.02 - Affordable	34	24,510	296.00	213,381	7,254,960	0	7,254,960
j.03 - Private	38	27,650	882.00	641,771	24,387,300	2,762,362	27,149,662
j.03 - Affordable	37	26,565	296.00	212,520	7,863,240	0	7,863,240
j.04 Private	30	21,334	882.00	627,220	18,816,588	2,340,844	21,157,432
j.04 Affordable	28	20,497	296.00	216,683	6,067,112	0	6,067,112
j.05 Private	36	25,771	876.00	627,094	22,575,396	3,062,290	25,637,686
j.05 Affordable	34	24,761	296.00	215,566	7,329,256	0	7,329,256
j.06 Private	53	38,620	876.00	638,323	33,831,120	4,973,300	38,804,420
j.06 Affordable	51	37,105	296.00	215,355	10,983,080	0	10,983,080
j.07 Affordable	100	72,370	296.00	214,215	21,421,520	0	21,421,520
l.01 Affordable	92	66,918	296.00	215,301	19,807,728	0	19,807,728
l.02 - Private	53	38,558	882.00	641,663	34,008,156	4,805,739	38,813,895
l.02 - Affordable	51	37,046	296.00	215,012	10,965,616	0	10,965,616
l.03 - Private	25	18,200	882.00	642,096	16,052,400	2,543,884	18,596,284
l.03 - Affordable	24	17,486	296.00	215,661	5,175,856	0	5,175,856

Canada Water

Illustrative Scheme, BNPP Baseline

m.01 - Private	28	20,266	876.00	634,036	17,753,016	742,382	18,495,398
m.01 - Affordable	15	10,913	296.00	215,350	3,230,248	0	3,230,248
Car Parking	<u>1</u>	<u>0</u>	0.00	12,855,000	<u>12,855,000</u>	<u>0</u>	<u>12,855,000</u>
Totals	2,938	2,168,184			1,718,106,403	141,950,308	1,860,056,711

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Plot a.01 - SQSC - Retail	1	9,106	30.00	273,180	273,180	273,180	
Plot a.02 - SQSC - Retail	1	8,751	30.00	262,530	262,530	262,530	
Plot a.01 - SQSC - Office	1	116,595	40.00	4,663,800	4,726,322	4,663,800	4,726,322
Plot a.02 - SQSC - Office	1	181,006	40.00	7,240,240	7,338,828	7,240,240	7,338,828
Plot a.02 - SQSC - Leisure	1	53,292		0	0		
a.01 Dock Office - Retail	1	21,797	30.00	653,910	653,910	653,910	
b.01 SQSC - Retail	1	10,314	30.00	309,420	309,420	309,420	
b.02 SQSC - Retail	1	10,267	30.00	308,010	308,010	308,010	
b.03 SQSC - Retail	1	9,905	30.00	297,150	297,150	297,150	
b.04 SQSC - Retail	1	18,340	30.00	550,200	550,200	550,200	
c.01 SQSC - Retail	1	16,982	30.00	509,460	509,460	509,460	
d.01/02 SQSC - Retail	1	109,340	30.00	3,280,200	3,280,200	3,280,200	
d.03 SQSC - Retail	1	29,007	30.00	870,210	870,210	870,210	
d.04 SQSC - Retail	1	11,244	30.00	337,320	337,320	337,320	
d.05 SQSC - Retail	1	19,725	30.00	591,750	591,750	591,750	
d.06 SQSC - Retail	1	79,442	30.00	2,383,260	2,383,260	2,383,260	
e.01 SQSC - Retail	1	13,727	30.00	411,810	411,810	411,810	
e.02 SQSC - Retail	1	11,011	30.00	330,330	330,330	330,330	
f.01 HQ - Retail	1	8,510	30.00	255,300	255,300	255,300	
f.02 HQ - Retail	1	15,708	30.00	471,240	471,240	471,240	
f.03 HQ - Retail	1	2,511	30.00	75,330	75,330	75,330	
g.01 MAST - Retail	1	112,149	30.00	3,364,470	3,364,470	3,364,470	
h.01 HQ - Retail	1	14,111	30.00	423,330	423,330	423,330	
h.02 HQ - Retail	1	5,597	30.00	167,910	167,910	167,910	
h.03 HQ - Retail	1	6,674	30.00	200,220	200,220	200,220	
H.04 HQ - Retail	1	7,189	30.00	215,670	215,670	215,670	
j.01 MAST - Retail	1	4,390	30.00	131,700	131,700	131,700	
j.02 MAST - Retail	1	4,650	30.00	139,500	139,500	139,500	
J.03 MAST - Retail	1	4,734	30.00	142,020	142,020	142,020	
j.04 MAST - Retail	1	3,004	30.00	90,120	90,120	90,120	
j.07 MAST - Retail	1	5,664	30.00	169,920	169,920	169,920	
M.01 Police Station - Retail	1	3,246	30.00	97,380	97,380	97,380	
b.01 SQSC - Office	1	81,172	40.00	3,246,880	3,325,510	3,246,880	3,325,510
b.02 SQSC - Office	1	67,777	40.00	2,711,080	2,787,734	2,711,080	2,787,734
b.03 SQSC - Office	1	69,195	40.00	2,767,800	2,859,115	2,767,800	2,859,115
b.04 SQSC - Office	1	69,131	40.00	2,765,240	2,871,966	2,765,240	2,871,966
c.01 SQSC - Office	1	76,119	40.00	3,044,760	3,131,500	3,044,760	3,131,500
d.01/02 SQSC - Office	1	248,305	40.00	9,932,200	10,084,215	9,932,200	10,084,215
d.01/02 SQSC - Leisure	1	40,389	18.00	727,002	727,002	727,002	

Canada Water

Illustrative Scheme, BNPP Baseline

d.03 SQSC - Office	1	120,142	40.00	4,805,680	4,934,364	4,805,680	4,934,364
d.04 SQSC - Office	1	51,955	40.00	2,078,200	2,136,515	2,078,200	2,136,515
d.05 SQSC - Office	1	82,043	40.00	3,281,720	3,382,240	3,281,720	3,382,240
d.06 SQSC - Hotel	1	31,775	55.00	1,747,625	1,747,625	1,747,625	
e.01 SQSC - Office	1	119,546	40.00	4,781,840	4,886,445	4,781,840	4,886,445
e.02 SQSC - Public	1	21,012		0	0		
f.01 HQ - Office	1	56,098	40.00	2,243,920	2,298,261	2,243,920	2,298,261
f.02 HQ - Office	1	116,653	40.00	4,666,120	4,857,316	4,666,120	4,857,316
f.03 HQ - Office	1	76,022	40.00	3,040,880	3,145,783	3,040,880	3,145,783
h.01 HQ - Office	1	151,083	40.00	6,043,320	6,120,514	6,043,320	6,120,514
h.02 HQ - Office	1	121,266	40.00	4,850,640	4,912,599	4,850,640	4,912,599
h.03 HQ - Office	1	181,608	40.00	7,264,320	7,360,172	7,264,320	7,360,172
M.01 Police Station - Public	1	1,878		0	0		
b.04 SQSC - Public	1	33,046		0	0		
Totals	53	2,744,203			100,946,875	99,216,117	

Investment Valuation

Plot a.01 - SQSC - Retail

Current Rent	273,180	YP @	5.5000%	18.1818	4,966,909
Rent Free	(273,180)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(293,276)
					4,673,633

Plot a.02 - SQSC - Retail

Current Rent	262,530	YP @	5.5000%	18.1818	4,773,273
Rent Free	(262,530)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(281,843)
					4,491,430

Plot a.01 - SQSC - Office

Current Rent	4,726,322	YP @	5.0000%	20.0000	94,526,435
Rent Free	(4,726,322)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,504,752)
					86,021,684

Plot a.02 - SQSC - Office

Current Rent	7,338,828	YP @	5.0000%	20.0000	146,776,555
Rent Free	(7,338,828)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(13,205,810)
					133,570,745

a.01 Dock Office - Retail

Current Rent	653,910	YP @	5.5000%	18.1818	11,889,273
Rent Free	(653,910)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(702,015)

**Canada Water
Illustrative Scheme, BNPP Baseline**

					11,187,258
b.01 SQSC - Retail					
Current Rent	309,420	YP @	5.5000%	18.1818	5,625,818
Rent Free	(309,420)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(332,182)
					5,293,636
b.02 SQSC - Retail					
Current Rent	308,010	YP @	5.5000%	18.1818	5,600,182
Rent Free	(308,010)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(330,669)
					5,269,513
b.03 SQSC - Retail					
Current Rent	297,150	YP @	5.5000%	18.1818	5,402,727
Rent Free	(297,150)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(319,010)
					5,083,718
b.04 SQSC - Retail					
Current Rent	550,200	YP @	5.5000%	18.1818	10,003,636
Rent Free	(550,200)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(590,675)
					9,412,961
c.01 SQSC - Retail					
Current Rent	509,460	YP @	5.5000%	18.1818	9,262,909
Rent Free	(509,460)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(546,938)
					8,715,971
d.01/02 SQSC - Retail					
Current Rent	3,280,200	YP @	5.5000%	18.1818	59,640,000
Rent Free	(3,280,200)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(3,521,507)
					56,118,493
d.03 SQSC - Retail					
Current Rent	870,210	YP @	5.5000%	18.1818	15,822,000
Rent Free	(870,210)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(934,227)
					14,887,773
d.04 SQSC - Retail					
Current Rent	337,320	YP @	5.5000%	18.1818	6,133,091

Canada Water

Illustrative Scheme, BNPP Baseline

Rent Free	(337,320)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(362,135)
					5,770,956
d.05 SQSC - Retail					
Current Rent	591,750	YP @	5.5000%	18.1818	10,759,091
Rent Free	(591,750)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(635,282)
					10,123,809
d.06 SQSC - Retail					
Current Rent	2,383,260	YP @	5.5000%	18.1818	43,332,000
Rent Free	(2,383,260)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(2,558,584)
					40,773,416
e.01 SQSC - Retail					
Current Rent	411,810	YP @	5.5000%	18.1818	7,487,455
Rent Free	(411,810)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(442,105)
					7,045,350
e.02 SQSC - Retail					
Current Rent	330,330	YP @	5.5000%	18.1818	6,006,000
Rent Free	(330,330)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(354,631)
					5,651,369
f.01 HQ - Retail					
Current Rent	255,300	YP @	5.5000%	18.1818	4,641,818
Rent Free	(255,300)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(274,081)
					4,367,737
f.02 HQ - Retail					
Current Rent	471,240	YP @	5.5000%	18.1818	8,568,000
Rent Free	(471,240)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(505,907)
					8,062,093
f.03 HQ - Retail					
Current Rent	75,330	YP @	5.5000%	18.1818	1,369,636
Rent Free	(75,330)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(80,872)
					1,288,765

Canada Water

Illustrative Scheme, BNPP Baseline

g.01 MAST - Retail

Current Rent	3,364,470	YP @	5.5000%	18.1818	61,172,182
Rent Free	(3,364,470)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(3,611,976)
					57,560,206

h.01 HQ - Retail

Current Rent	423,330	YP @	5.5000%	18.1818	7,696,909
Rent Free	(423,330)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(454,472)
					7,242,437

h.02 HQ - Retail

Current Rent	167,910	YP @	5.5000%	18.1818	3,052,909
Rent Free	(167,910)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(180,262)
					2,872,647

h.03 HQ - Retail

Current Rent	200,220	YP @	5.5000%	18.1818	3,640,364
Rent Free	(200,220)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(214,949)
					3,425,415

H.04 HQ - Retail

Current Rent	215,670	YP @	5.5000%	18.1818	3,921,273
Rent Free	(215,670)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(231,536)
					3,689,737

j.01 MAST - Retail

Current Rent	131,700	YP @	5.5000%	18.1818	2,394,545
Rent Free	(131,700)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(141,388)
					2,253,157

j.02 MAST - Retail

Current Rent	139,500	YP @	5.5000%	18.1818	2,536,364
Rent Free	(139,500)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(149,762)
					2,386,601

J.03 MAST - Retail

Current Rent	142,020	YP @	5.5000%	18.1818	2,582,182
Rent Free	(142,020)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(152,468)

**Canada Water
Illustrative Scheme, BNPP Baseline**

					2,429,714
j.04 MAST - Retail					
Market Rent	90,120	YP @	5.5000%	18.1818	
		PV 7mths @	5.5000%	0.9693	1,588,161
j.07 MAST - Retail					
Current Rent	169,920	YP @	5.5000%	18.1818	3,089,455
Rent Free	(169,920)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(182,420)
					2,907,034
M.01 Police Station - Retail					
Current Rent	97,380	YP @	5.5000%	18.1818	1,770,545
Rent Free	(97,380)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(104,544)
					1,666,002
b.01 SQSC - Office					
Current Rent	3,325,510	YP @	5.0000%	20.0000	66,510,195
Rent Free	(3,325,510)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,984,069)
					60,526,126
b.02 SQSC - Office					
Current Rent	2,787,734	YP @	5.0000%	20.0000	55,754,670
Rent Free	(2,787,734)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,016,371)
					50,738,300
b.03 SQSC - Office					
Current Rent	2,859,115	YP @	5.0000%	20.0000	57,182,305
Rent Free	(2,859,115)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,144,818)
					52,037,487
b.04 SQSC - Office					
Current Rent	2,871,966	YP @	5.0000%	20.0000	57,439,318
Rent Free	(2,871,966)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,167,942)
					52,271,376
c.01 SQSC - Office					
Current Rent	3,131,500	YP @	5.0000%	20.0000	62,629,991
Rent Free	(3,131,500)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,634,958)

**Canada Water
Illustrative Scheme, BNPP Baseline**

56,995,033

d.01/02 SQSC - Office

Current Rent	10,084,215	YP @	5.0000%	20.0000	201,684,306
Rent Free	(10,084,215)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(18,145,982)
					183,538,324

d.01/02 SQSC - Leisure

Current Rent	727,002	YP @	6.0000%	16.6667	12,116,700
Rent Free	(727,002)	YP 2yrs 6mths @	6.0000%	2.2593	
		PV 5yrs @	6.0000%	0.7473	(1,227,393)
					10,889,307

d.03 SQSC - Office

Current Rent	4,934,364	YP @	5.0000%	20.0000	98,687,288
Rent Free	(4,934,364)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,879,113)
					89,808,175

d.04 SQSC - Office

Current Rent	2,136,515	YP @	5.0000%	20.0000	42,730,295
Rent Free	(2,136,515)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(3,844,539)
					38,885,757

d.05 SQSC - Office

Current Rent	3,382,240	YP @	5.0000%	20.0000	67,644,807
Rent Free	(3,382,240)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(6,086,152)
					61,558,654

d.06 SQSC - Hotel

Current Rent	1,747,625	YP @	5.0000%	20.0000	34,952,500
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e.01 SQSC - Office

Current Rent	4,886,445	YP @	5.0000%	20.0000	97,728,899
Rent Free	(4,886,445)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,792,885)
					88,936,015

f.01 HQ - Office

Current Rent	2,298,261	YP @	5.0000%	20.0000	45,965,221
Rent Free	(2,298,261)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(4,135,592)
					41,829,629

**Canada Water
Illustrative Scheme, BNPP Baseline**

f.02 HQ - Office

Current Rent	4,857,316	YP @	5.0000%	20.0000	97,146,323
Rent Free	(4,857,316)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,740,469)
					88,405,854

f.03 HQ - Office

Current Rent	3,145,783	YP @	5.0000%	20.0000	62,915,665
Rent Free	(3,145,783)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,660,661)
					57,255,004

h.01 HQ - Office

Current Rent	6,120,514	YP @	5.0000%	20.0000	122,410,271
Rent Free	(6,120,514)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(11,013,522)
					111,396,749

h.02 HQ - Office

Current Rent	4,912,599	YP @	5.0000%	20.0000	98,251,980
Rent Free	(4,912,599)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,839,947)
					89,412,033

h.03 HQ - Office

Current Rent	7,360,172	YP @	5.0000%	20.0000	147,203,442
Rent Free	(7,360,172)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(13,244,218)
					133,959,224

Total Investment Valuation **1,819,226,965**

GROSS DEVELOPMENT VALUE **3,679,283,677**

Purchaser's Costs		(123,707,434)		
Effective Purchaser's Costs Rate	6.80%			(123,707,434)

NET DEVELOPMENT VALUE **3,555,576,243**

Additional Revenue

Leisure Contributions		50,000,000		
Tesco Contributions		35,477,758		
				85,477,758

**Canada Water
Illustrative Scheme, BNPP Baseline**

NET REALISATION **3,641,054,001**

OUTLAY

ACQUISITION COSTS

Fixed Price	28,353,005		
Fixed Price	199,696,995		
Total Acquisition		228,050,000	228,050,000
Stamp Duty	6.80%	15,507,400	15,507,400

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Plot a.01 - SQSC - Retail	9,106	174.23	1,586,550
Plot a.02 - SQSC - Retail	8,751	151.42	1,325,100
Plot a.01 - SQSC - Office	116,595	355.19	41,413,050
Plot a.02 - SQSC - Office	181,006	343.98	62,261,850
Plot a.02 - SQSC - Leisure	53,292	622.17	33,156,900
a.01 Dock Office - Retail	21,797	183.33	3,996,098
b.01 SQSC - Retail	10,314	183.33	1,890,847
b.02 SQSC - Retail	10,267	183.34	1,882,322
b.03 SQSC - Retail	9,905	183.32	1,815,827
b.04 SQSC - Retail	18,340	183.33	3,362,263
c.01 SQSC - Retail	16,982	183.33	3,113,333
d.01/02 SQSC - Retail	109,340	183.33	20,045,706
d.03 SQSC - Retail	29,007	183.33	5,317,900
d.04 SQSC - Retail	11,244	183.33	2,061,347
d.05 SQSC - Retail	19,725	183.34	3,616,309
d.06 SQSC - Retail	79,442	183.29	14,560,715
e.01 SQSC - Retail	13,727	183.33	2,516,583
e.02 SQSC - Retail	11,011	183.33	2,018,647
f.01 HQ - Retail	8,510	183.32	1,560,077
f.02 HQ - Retail	15,708	183.33	2,879,748
f.03 HQ - Retail	2,511	183.33	460,350
g.01 MAST - Retail	112,149	306.46	34,368,774
h.01 HQ - Retail	14,111	183.33	2,587,017
h.02 HQ - Retail	5,597	183.34	1,026,158
h.03 HQ - Retail	6,674	184.83	1,233,567
H.04 HQ - Retail	7,189	183.33	1,317,966
j.01 MAST - Retail	4,390	183.32	804,761
j.02 MAST - Retail	4,650	183.33	852,501
J.03 MAST - Retail	4,734	183.32	867,846
j.04 MAST - Retail	3,004	183.33	550,716
j.07 MAST - Retail	5,664	183.32	1,038,346
M.01 Police Station - Retail	3,246	183.32	595,046

Canada Water

Illustrative Scheme, BNPP Baseline

b.01 SQSC - Office	81,172	328.46	26,661,993
b.02 SQSC - Office	67,777	328.46	22,262,009
b.03 SQSC - Office	69,195	328.46	22,727,953
b.04 SQSC - Office	69,131	328.46	22,706,774
c.01 SQSC - Office	76,119	328.46	25,002,072
d.01/02 SQSC - Office	248,305	328.46	81,558,536
d.01/02 SQSC - Leisure	40,389	378.30	15,278,964
d.03 SQSC - Office	120,142	328.46	39,462,185
d.04 SQSC - Office	51,955	328.46	17,065,158
d.05 SQSC - Office	82,043	328.46	26,947,912
d.06 SQSC - Hotel	31,775	365.67	11,619,071
e.01 SQSC - Office	119,546	328.46	39,266,278
e.02 SQSC - Public	21,012	278.05	5,842,372
f.01 HQ - Office	56,098	328.46	18,425,923
f.02 HQ - Office	116,653	328.46	38,315,860
f.03 HQ - Office	76,022	328.46	24,970,303
h.01 HQ - Office	151,083	349.82	52,852,267
h.02 HQ - Office	121,266	353.60	42,879,276
h.03 HQ - Office	181,608	337.12	61,223,111
M.01 Police Station - Public	1,878	278.04	522,161
b.04 SQSC - Public	33,046	278.04	9,188,234
a.01 SQSC - Private Resi	191,299	342.97	65,609,565
k.01 HQ - Affordable Resi	53,579	292.89	15,692,829
a.01 SQSC - Intermediate Resi	10,875	317.53	3,453,135
k.01 HQ - Intermediate Resi	21,241	292.89	6,221,307
b.04 - Private Resi	106,968	295.09	31,565,168
b.04 - Affordable	102,773	272.76	28,032,394
c.01 - Private Resi	84,483	295.09	24,930,224
c.01 - Affordable	81,483	271.71	22,140,033
d.01/d.02 - Private	278,526	334.14	93,065,641
d.04 - Private	35,201	270.09	9,507,557
d.04 - Affordable	33,821	247.76	8,379,489
e.02 - Private	48,822	270.09	13,186,450
e.02 - Affordable	46,908	247.76	11,621,882
f.01 - Private Resi	228,893	331.48	75,873,466
f.03 - Private Resi	206,830	331.48	68,559,886
g.01 - Private Resi	318,046	287.65	91,485,007
g.01 - Affordable	114,222	256.47	29,294,105
h.04 - Private	43,620	270.09	11,781,459
h.04 - Affordable	41,910	247.76	10,383,594
j.01 - Private	32,838	270.09	8,869,173
j.01 - Affordable	31,550	247.76	7,816,849
j.02 - Private	33,131	270.09	8,948,289
j.02 - Affordable	31,832	247.76	7,886,578
j.03 - Private	35,908	270.09	9,698,527
j.03 - Affordable	34,500	247.76	8,547,800

Canada Water

Illustrative Scheme, BNPP Baseline

j.04 Private	27,707	270.09	7,483,280	
j.04 Affordable	26,620	247.76	6,595,391	
j.05 Private	33,469	270.09	9,039,681	
j.05 Affordable	32,157	247.76	7,967,126	
j.06 Private	50,156	270.09	13,546,564	
j.06 Affordable	48,189	247.76	11,939,269	
j.07 Affordable	93,987	247.76	23,286,309	
l.01 Affordable	86,907	247.76	21,532,045	
l.02 - Private	50,075	270.09	13,524,739	
l.02 - Affordable	48,111	247.76	11,920,034	
l.03 - Private	23,636	270.09	6,383,840	
l.03 - Affordable	22,709	247.76	5,626,400	
m.01 - Private	26,320	270.09	7,108,803	
m.01 - Affordable	14,172	247.77	3,511,348	
Totals	5,577,677 ft²		1,682,877,868	
Developers Contingency		5.00%	16,911,809	1,699,789,677

Other Construction

3m Landscaped Border		2,445,715	
Additional Contingency		1,812,000	
Basement		19,745,336	
Contractor Fees		10,565,052	
Contribution to Leisure Build		15,000,000	
Drainage and Utilities		7,219,938	
Enabling Works		9,757,769	
Insurance		3,861,490	
Mayoral and Southwark CIL		8,245,545	
NHBC		270,000	
Off Plot Infrastructure		11,456,444	
Plot G.01 Enabling Works		3,434,607	
Pre Development Costs		3,572,713	
S106 Allowance		6,600,000	
S106/278 Off Site Works		1,820,359	
SQLP VP Apportionment		2,516,400	
Void Rates and Charges		3,670,061	
Enabling Works		62,547,336	
S106/278		16,983,031	
S106 Contributions		64,450,000	
Other Contingency		2,148,000	
SQLP VP Apportionment		20,783,600	
Pre Development Costs		28,713,727	
Void Rates and Charges		26,232,140	
Plot G.01 Enabling Works		32,043,151	
Contractor Fees		67,010,775	
NHBC		2,657,016	
Mayoral and Southwark CIL		87,758,129	

Canada Water

Illustrative Scheme, BNPP Baseline

Insurance		24,467,610	
Off Plot Infrastructure		95,033,044	
Drainage and Utilities		64,940,136	
3m Landscaped Border		41,980,730	
Basement		197,129,214	
			946,871,068

PROFESSIONAL FEES

Architect	10.50%	248,069,088	
			248,069,088

MARKETING & LETTING

Marketing	1.50%	23,538,571	
Letting Agent Fee	15.00%	15,142,031	
Letting Legal Fee	5.00%	630,043	
Letting Legal Fee		4,413,514	
			43,724,158

DISPOSAL FEES

Sales Agent Fee	1.50%	23,538,571	
Sales Legal Fee		1,891,000	
			25,429,571

Additional Costs

Additional Costs		7,584,269	
			7,584,269

FINANCE

Multiple Finance Rates Used (See Assumptions)			
Debit Rates varied throughout the Cash Flow			
Total Finance Cost			131,686,342

TOTAL COSTS

3,346,711,574

PROFIT

294,342,427

Performance Measures

Profit on Cost%		8.79%
Profit on GDV%		8.00%
Profit on NDV%		8.28%
Development Yield% (on Rent)		3.02%
Equivalent Yield% (Nominal)		5.09%
Equivalent Yield% (True)		5.24%
IRR		8.48%
Rent Cover	2 yrs 11 mths	
Profit Erosion (finance rate 6.000)	1 yr 5 mths	

**Canada Water
Illustrative Scheme, BNPP Baseline**

‡ Inflation/Growth applied

	Ungrown	Growth	Total
Growth on Sales			
b.04 - Private Resi	81,706,080	13,499,275	95,205,355
c.01 - Private Resi	65,897,676	7,952,531	73,850,207
d.01/d.02 - Private	239,342,940	15,442,815	254,785,755
d.04 - Private	24,204,765	2,876,083	27,080,848
e.02 - Private	32,931,468	3,216,996	36,148,464
f.01 - Private Resi	178,539,224	28,293,781	206,833,005
f.03 - Private Resi	166,266,396	24,441,778	190,708,174
g.01 - Private Resi	237,260,608	18,045,761	255,306,369
h.04 - Private	29,994,084	2,415,405	32,409,489
j.01 - Private	22,579,505	2,205,738	24,785,243
j.02 - Private	22,781,323	2,329,345	25,110,668
j.03 - Private	24,387,300	2,762,362	27,149,662
j.04 Private	18,816,588	2,340,844	21,157,432
j.05 Private	22,575,396	3,062,290	25,637,686
j.06 Private	33,831,120	4,973,300	38,804,420
l.02 - Private	34,008,156	4,805,739	38,813,895
l.03 - Private	16,052,400	2,543,884	18,596,284
m.01 - Private	17,753,016	742,382	18,495,398
Growth on Capitalised Rent			
Plot a.01 - SQSC - Office	84,883,753	1,137,931	86,021,684
Plot a.02 - SQSC - Office	131,776,393	1,794,352	133,570,745
b.01 SQSC - Office	59,095,021	1,431,105	60,526,126
b.02 SQSC - Office	49,343,163	1,395,137	50,738,300
b.03 SQSC - Office	50,375,499	1,661,988	52,037,487
b.04 SQSC - Office	50,328,905	1,942,471	52,271,376
c.01 SQSC - Office	55,416,325	1,578,708	56,995,033
d.01/02 SQSC - Office	180,771,561	2,766,763	183,538,324
d.03 SQSC - Office	87,466,048	2,342,127	89,808,175
d.04 SQSC - Office	37,824,395	1,061,361	38,885,757
d.05 SQSC - Office	59,729,128	1,829,526	61,558,654
e.01 SQSC - Office	87,032,146	1,903,869	88,936,015
f.01 HQ - Office	40,840,591	989,037	41,829,629
f.02 HQ - Office	84,925,978	3,479,876	88,405,854
f.03 HQ - Office	55,345,706	1,909,297	57,255,004
h.01 HQ - Office	109,991,784	1,404,965	111,396,749
h.02 HQ - Office	88,284,345	1,127,688	89,412,033
h.03 HQ - Office	132,214,662	1,744,561	133,959,224

Appendix B – Updated Scheme

Canada Water
Updated Scheme

Development Appraisal
Prepared by RW
Quod Ltd
25 June 2019

**Canada Water
Updated Scheme**

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
a.01 SQSC - Private Resi	178	137,218	1,054.00	812,516	144,627,772	0	144,627,772
k.01 HQ - Affordable Resi	60	48,325	170.00	136,921	8,215,250	0	8,215,250
a.01 SQSC - Intermediate Resi	8	7,277	600.00	545,775	4,366,200	0	4,366,200
a.01 SQSC - Car Parking	1	0	0.00	1,395,000	1,395,000	0	1,395,000
k.01 HQ - Intermediate Resi	19	14,676	590.00	455,728	8,658,840	0	8,658,840
Adj to Quod cost overstatement	1	0	0.00	65,281,834	65,281,834	0	65,281,834
b.04 - Private Resi	112	80,920	992.00	716,720	80,272,640	13,262,445	93,535,085
b.04 - Affordable	111	80,587	296.00	214,899	23,853,757	0	23,853,757
c.01 - Private Resi	75	54,210	1,013.00	732,196	54,914,730	6,627,109	61,541,839
c.01 - Affordable	101	70,140	296.00	205,559	20,761,443	0	20,761,443
d.01/d.02 - Private	252	214,465	1,116.00	949,774	239,342,940	15,442,815	254,785,755
e.02 - Private	51	36,870	876.00	633,297	32,298,171	3,155,131	35,453,301
e.02 - Affordable	51	36,841	296.00	213,824	10,905,048	0	10,905,048
f.01 - Private Resi	227	164,643	1,013.00	734,729	166,783,555	26,430,816	193,214,371
f.03 - Private Resi	203	146,953	1,044.00	755,756	153,418,538	22,539,268	175,957,807
g.01 - Private Resi	325	237,711	992.00	725,568	235,809,473	17,935,389	253,744,862
g.01 - Affordable	120	87,352	296.00	215,468	25,856,152	0	25,856,152
h.04 - Private	36	26,286	893.00	652,045	23,473,631	1,890,317	25,363,948
h.04 - Affordable	35	25,100	296.00	212,271	7,429,501	0	7,429,501
j.01 - Private	38	27,452	893.00	645,129	24,514,891	2,394,801	26,909,692
j.01 - Affordable	38	27,975	296.00	217,910	8,280,573	0	8,280,573
j.02 - Private	39	28,427	893.00	650,895	25,384,903	2,595,556	27,980,459
j.02 - Affordable	38	27,394	296.00	213,381	8,108,485	0	8,108,485
j.03 - Private	38	27,650	882.00	641,771	24,387,300	2,762,362	27,149,662
j.03 - Affordable	37	26,565	296.00	212,520	7,863,240	0	7,863,240
j.04 Private	29	20,623	882.00	627,220	18,189,368	2,262,816	20,452,184
j.04 Affordable	29	21,229	296.00	216,683	6,283,795	0	6,283,795
j.05 Private	35	25,055	876.00	627,094	21,948,302	2,977,227	24,925,528
j.05 Affordable	35	25,489	296.00	215,566	7,544,822	0	7,544,822
j.06 Private	52	37,891	876.00	638,323	33,192,797	4,879,464	38,072,261
j.06 Affordable	52	37,833	296.00	215,355	11,198,435	0	11,198,435
j.07 Affordable	100	72,370	296.00	214,215	21,421,520	0	21,421,520
l.01 Affordable	92	66,918	296.00	215,301	19,807,728	0	19,807,728
l.02 - Private	52	37,830	882.00	641,663	33,366,493	4,715,064	38,081,557
l.02 - Affordable	52	37,772	296.00	215,012	11,180,628	0	11,180,628
l.03 - Private	49	35,672	882.00	642,096	31,462,704	4,913,391	36,376,095
m.01 - Private	43	31,123	876.00	634,036	27,263,560	1,083,495	28,347,055
Car Parking	<u>1</u>	<u>0</u>	0.00	12,855,000	<u>12,855,000</u>	<u>0</u>	<u>12,855,000</u>
Totals	2,815	2,084,842			1,661,919,019	135,867,467	1,797,786,486

**Canada Water
Updated Scheme**

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Plot a.01 - SQSC - Retail	1	9,106	30.00	273,180	273,180	273,180	
Plot a.02 - SQSC - Retail	1	8,751	30.00	262,530	262,530	262,530	
Plot a.01 - SQSC - Office	1	116,595	40.00	4,663,800	4,726,322	4,663,800	4,726,322
Plot a.02 - SQSC - Office	1	181,006	40.00	7,240,240	7,338,828	7,240,240	7,338,828
Plot a.02 - SQSC - Leisure	1	53,292		0	0		
a.01 Dock Office - Retail	1	21,797	30.00	653,910	653,910	653,910	
b.01 SQSC - Retail	1	10,314	30.00	309,420	309,420	309,420	
b.02 SQSC - Retail	1	10,267	30.00	308,010	308,010	308,010	
b.03 SQSC - Retail	1	9,867	30.00	296,010	296,010	296,010	
b.04 SQSC - Retail	1	18,340	30.00	550,200	550,200	550,200	
c.01 SQSC - Retail	1	16,982	30.00	509,460	509,460	509,460	
d.01/02 SQSC - Retail	1	109,340	30.00	3,280,200	3,280,200	3,280,200	
d.03 SQSC - Retail	1	29,007	30.00	870,210	870,210	870,210	
d.04 SQSC - Retail	1	24,022	30.00	720,660	720,660	720,660	
d.05 SQSC - Retail	1	19,725	30.00	591,750	591,750	591,750	
d.06 SQSC - Retail	1	79,442	30.00	2,383,260	2,383,260	2,383,260	
e.01 SQSC - Retail	1	13,727	30.00	411,810	411,810	411,810	
e.02 SQSC - Retail	1	11,011	30.00	330,330	330,330	330,330	
f.01 HQ - Retail	1	8,510	30.00	255,300	255,300	255,300	
f.02 HQ - Retail	1	15,708	30.00	471,240	471,240	471,240	
f.03 HQ - Retail	1	2,511	30.00	75,330	75,330	75,330	
g.01 MAST - Retail	1	112,149	30.00	3,364,470	3,364,470	3,364,470	
h.01 HQ - Retail	1	7,868	30.00	236,040	236,040	236,040	
h.02 HQ - Retail	1	5,597	30.00	167,910	167,910	167,910	
h.03 HQ - Retail	1	7,738	30.00	232,140	232,140	232,140	
H.04 HQ - Retail	1	7,626	30.00	228,780	228,780	228,780	
j.01 MAST - Retail	1	4,390	30.00	131,700	131,700	131,700	
j.02 MAST - Retail	1	4,650	30.00	139,500	139,500	139,500	
J.03 MAST - Retail	1	4,734	30.00	142,020	142,020	142,020	
j.04 MAST - Retail	1	3,004	30.00	90,120	90,120	90,120	
j.07 MAST - Retail	1	5,664	30.00	169,920	169,920	169,920	
M.01 Police Station - Retail	1	3,246	30.00	97,380	97,380	97,380	
b.01 SQSC - Office	1	81,172	40.00	3,246,880	3,325,510	3,246,880	3,325,510
b.02 SQSC - Office	1	67,777	40.00	2,711,080	2,787,734	2,711,080	2,787,734
b.03 SQSC - Office	1	69,195	40.00	2,767,800	2,859,115	2,767,800	2,859,115
b.04 SQSC - Office	1	69,131	40.00	2,765,240	2,871,966	2,765,240	2,871,966
c.01 SQSC - Office	1	71,887	40.00	2,875,480	2,957,397	2,875,480	2,957,397
d.01/02 SQSC - Office	1	248,305	40.00	9,932,200	10,084,215	9,932,200	10,084,215
d.01/02 SQSC - Leisure	1	40,389	18.00	727,002	727,002	727,002	
d.03 SQSC - Office	1	120,142	40.00	4,805,680	4,934,364	4,805,680	4,934,364
d.04 SQSC - Office	1	131,531	40.00	5,261,240	5,408,872	5,261,240	5,408,872
d.05 SQSC - Office	1	82,043	40.00	3,281,720	3,382,240	3,281,720	3,382,240
d.06 SQSC - Hotel	1	31,775	55.00	1,747,625	1,747,625	1,747,625	

**Canada Water
Updated Scheme**

e.01 SQSC - Office	1	119,546	40.00	4,781,840	4,886,445	4,781,840	4,886,445
e.02 SQSC - Public	1	21,012		0	0		
f.01 HQ - Office	1	56,098	40.00	2,243,920	2,298,261	2,243,920	2,298,261
f.02 HQ - Office	1	173,959	40.00	6,958,360	7,243,482	6,958,360	7,243,482
f.03 HQ - Office	1	76,022	40.00	3,040,880	3,145,783	3,040,880	3,145,783
h.01 HQ - Office	1	206,021	40.00	8,240,840	8,346,103	8,240,840	8,346,103
h.02 HQ - Office	1	141,352	40.00	5,654,080	5,726,302	5,654,080	5,726,302
h.03 HQ - Office	1	212,349	40.00	8,493,960	8,606,037	8,493,960	8,606,037
M.01 Police Station - Public	1	1,878		0	0		
b.04 SQSC - Public	1	33,046		0	0		
Totals	53	2,990,616			110,956,392	108,992,657	

Investment Valuation

Plot a.01 - SQSC - Retail

Current Rent	273,180	YP @	5.5000%	18.1818	4,966,909
Rent Free	(273,180)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(293,276)
					4,673,633

Plot a.02 - SQSC - Retail

Current Rent	262,530	YP @	5.5000%	18.1818	4,773,273
Rent Free	(262,530)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(281,843)
					4,491,430

Plot a.01 - SQSC - Office

Current Rent	4,726,322	YP @	5.0000%	20.0000	94,526,435
Rent Free	(4,726,322)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,504,752)
					86,021,684

Plot a.02 - SQSC - Office

Current Rent	7,338,828	YP @	5.0000%	20.0000	146,776,555
Rent Free	(7,338,828)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(13,205,810)
					133,570,745

a.01 Dock Office - Retail

Current Rent	653,910	YP @	5.5000%	18.1818	11,889,273
Rent Free	(653,910)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(702,015)
					11,187,258

b.01 SQSC - Retail

Current Rent	309,420	YP @	5.5000%	18.1818	5,625,818
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**Canada Water
Updated Scheme**

Rent Free	(309,420)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(332,182)
					5,293,636
 b.02 SQSC - Retail					
Current Rent	308,010	YP @	5.5000%	18.1818	5,600,182
Rent Free	(308,010)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(330,669)
					5,269,513
 b.03 SQSC - Retail					
Current Rent	296,010	YP @	5.5000%	18.1818	5,382,000
Rent Free	(296,010)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(317,786)
					5,064,214
 b.04 SQSC - Retail					
Current Rent	550,200	YP @	5.5000%	18.1818	10,003,636
Rent Free	(550,200)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(590,675)
					9,412,961
 c.01 SQSC - Retail					
Current Rent	509,460	YP @	5.5000%	18.1818	9,262,909
Rent Free	(509,460)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(546,938)
					8,715,971
 d.01/02 SQSC - Retail					
Current Rent	3,280,200	YP @	5.5000%	18.1818	59,640,000
Rent Free	(3,280,200)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(3,521,507)
					56,118,493
 d.03 SQSC - Retail					
Current Rent	870,210	YP @	5.5000%	18.1818	15,822,000
Rent Free	(870,210)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(934,227)
					14,887,773
 d.04 SQSC - Retail					
Current Rent	720,660	YP @	5.5000%	18.1818	13,102,909
Rent Free	(720,660)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(773,675)
					12,329,234

**Canada Water
Updated Scheme**

d.05 SQSC - Retail

Current Rent	591,750	YP @	5.5000%	18.1818	10,759,091
Rent Free	(591,750)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(635,282)
					10,123,809

d.06 SQSC - Retail

Current Rent	2,383,260	YP @	5.5000%	18.1818	43,332,000
Rent Free	(2,383,260)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(2,558,584)
					40,773,416

e.01 SQSC - Retail

Current Rent	411,810	YP @	5.5000%	18.1818	7,487,455
Rent Free	(411,810)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(442,105)
					7,045,350

e.02 SQSC - Retail

Current Rent	330,330	YP @	5.5000%	18.1818	6,006,000
Rent Free	(330,330)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(354,631)
					5,651,369

f.01 HQ - Retail

Current Rent	255,300	YP @	5.5000%	18.1818	4,641,818
Rent Free	(255,300)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(274,081)
					4,367,737

f.02 HQ - Retail

Current Rent	471,240	YP @	5.5000%	18.1818	8,568,000
Rent Free	(471,240)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(505,907)
					8,062,093

f.03 HQ - Retail

Current Rent	75,330	YP @	5.5000%	18.1818	1,369,636
Rent Free	(75,330)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(80,872)
					1,288,765

g.01 MAST - Retail

Current Rent	3,364,470	YP @	5.5000%	18.1818	61,172,182
Rent Free	(3,364,470)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(3,611,976)

**Canada Water
Updated Scheme**

57,560,206

h.01 HQ - Retail

Current Rent	236,040	YP @	5.5000%	18.1818	4,291,636
Rent Free	(236,040)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(253,404)
					4,038,232

h.02 HQ - Retail

Current Rent	167,910	YP @	5.5000%	18.1818	3,052,909
Rent Free	(167,910)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(180,262)
					2,872,647

h.03 HQ - Retail

Current Rent	232,140	YP @	5.5000%	18.1818	4,220,727
Rent Free	(232,140)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(249,217)
					3,971,510

H.04 HQ - Retail

Current Rent	228,780	YP @	5.5000%	18.1818	4,159,636
Rent Free	(228,780)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(245,610)
					3,914,026

j.01 MAST - Retail

Current Rent	131,700	YP @	5.5000%	18.1818	2,394,545
Rent Free	(131,700)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(141,388)
					2,253,157

j.02 MAST - Retail

Current Rent	139,500	YP @	5.5000%	18.1818	2,536,364
Rent Free	(139,500)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(149,762)
					2,386,601

J.03 MAST - Retail

Current Rent	142,020	YP @	5.5000%	18.1818	2,582,182
Rent Free	(142,020)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(152,468)
					2,429,714

j.04 MAST - Retail

Market Rent	90,120	YP @	5.5000%	18.1818	
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**Canada Water
Updated Scheme**

		PV 7mths @	5.5000%	0.9693	1,588,161
j.07 MAST - Retail					
Current Rent	169,920	YP @	5.5000%	18.1818	3,089,455
Rent Free	(169,920)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(182,420)
					2,907,034
M.01 Police Station - Retail					
Current Rent	97,380	YP @	5.5000%	18.1818	1,770,545
Rent Free	(97,380)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(104,544)
					1,666,002
b.01 SQSC - Office					
Current Rent	3,325,510	YP @	5.0000%	20.0000	66,510,195
Rent Free	(3,325,510)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,984,069)
					60,526,126
b.02 SQSC - Office					
Current Rent	2,787,734	YP @	5.0000%	20.0000	55,754,670
Rent Free	(2,787,734)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,016,371)
					50,738,300
b.03 SQSC - Office					
Current Rent	2,859,115	YP @	5.0000%	20.0000	57,182,305
Rent Free	(2,859,115)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,144,818)
					52,037,487
b.04 SQSC - Office					
Current Rent	2,871,966	YP @	5.0000%	20.0000	57,439,318
Rent Free	(2,871,966)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,167,942)
					52,271,376
c.01 SQSC - Office					
Current Rent	2,957,397	YP @	5.0000%	20.0000	59,147,942
Rent Free	(2,957,397)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,321,671)
					53,826,271
d.01/02 SQSC - Office					
Current Rent	10,084,215	YP @	5.0000%	20.0000	201,684,306

**Canada Water
Updated Scheme**

Rent Free	(10,084,215)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(18,145,982)
					183,538,324
d.01/02 SQSC - Leisure					
Current Rent	727,002	YP @	6.0000%	16.6667	12,116,700
Rent Free	(727,002)	YP 2yrs 6mths @	6.0000%	2.2593	
		PV 5yrs @	6.0000%	0.7473	(1,227,393)
					10,889,307
d.03 SQSC - Office					
Current Rent	4,934,364	YP @	5.0000%	20.0000	98,687,288
Rent Free	(4,934,364)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,879,113)
					89,808,175
d.04 SQSC - Office					
Current Rent	5,408,872	YP @	5.0000%	20.0000	108,177,432
Rent Free	(5,408,872)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(9,732,962)
					98,444,470
d.05 SQSC - Office					
Current Rent	3,382,240	YP @	5.0000%	20.0000	67,644,807
Rent Free	(3,382,240)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(6,086,152)
					61,558,654
d.06 SQSC - Hotel					
Current Rent	1,747,625	YP @	5.0000%	20.0000	34,952,500
e.01 SQSC - Office					
Current Rent	4,886,445	YP @	5.0000%	20.0000	97,728,899
Rent Free	(4,886,445)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,792,885)
					88,936,015
f.01 HQ - Office					
Current Rent	2,298,261	YP @	5.0000%	20.0000	45,965,221
Rent Free	(2,298,261)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(4,135,592)
					41,829,629
f.02 HQ - Office					
Current Rent	7,243,482	YP @	5.0000%	20.0000	144,869,631
Rent Free	(7,243,482)	YP 2yrs 6mths @	5.0000%	2.2966	

**Canada Water
Updated Scheme**

PV 5yrs @ 5.0000% 0.7835 (13,034,240)
131,835,391

f.03 HQ - Office

Current Rent 3,145,783 YP @ 5.0000% 20.0000 62,915,665
Rent Free (3,145,783) YP 2yrs 6mths @ 5.0000% 2.2966
PV 5yrs @ 5.0000% 0.7835 (5,660,661)
57,255,004

h.01 HQ - Office

Current Rent 8,346,103 YP @ 5.0000% 20.0000 166,922,065
Rent Free (8,346,103) YP 2yrs 6mths @ 5.0000% 2.2966
PV 5yrs @ 5.0000% 0.7835 (15,018,346)
151,903,719

h.02 HQ - Office

Current Rent 5,726,302 YP @ 5.0000% 20.0000 114,526,033
Rent Free (5,726,302) YP 2yrs 6mths @ 5.0000% 2.2966
PV 5yrs @ 5.0000% 0.7835 (10,304,160)
104,221,873

h.03 HQ - Office

Current Rent 8,606,037 YP @ 5.0000% 20.0000 172,120,742
Rent Free (8,606,037) YP 2yrs 6mths @ 5.0000% 2.2966
PV 5yrs @ 5.0000% 0.7835 (15,486,083)
156,634,659

Total Investment Valuation

2,001,143,655

GROSS DEVELOPMENT VALUE

3,798,930,140

Purchaser's Costs (136,077,769)
Effective Purchaser's Costs Rate 6.80% (136,077,769)

NET DEVELOPMENT VALUE

3,662,852,372

Additional Revenue

Leisure Contributions 50,000,000
Tesco Contributions 35,477,758
85,477,758

NET REALISATION

3,748,330,130

OUTLAY

**Canada Water
Updated Scheme**

ACQUISITION COSTS

Fixed Price	28,353,005		
Fixed Price	199,696,995		
Total Acquisition		228,050,000	228,050,000
Stamp Duty	6.80%	15,507,400	15,507,400

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Plot a.01 - SQSC - Retail	9,106	174.23	1,586,550
Plot a.02 - SQSC - Retail	8,751	151.42	1,325,100
Plot a.01 - SQSC - Office	116,595	355.19	41,413,050
Plot a.02 - SQSC - Office	181,006	343.98	62,261,850
Plot a.02 - SQSC - Leisure	53,292	622.17	33,156,900
a.01 Dock Office - Retail	21,797	183.33	3,996,098
b.01 SQSC - Retail	10,314	183.33	1,890,847
b.02 SQSC - Retail	10,267	183.34	1,882,322
b.03 SQSC - Retail	9,867	183.32	1,808,861
b.04 SQSC - Retail	18,340	183.33	3,362,263
c.01 SQSC - Retail	16,982	183.33	3,113,333
d.01/02 SQSC - Retail	109,340	183.33	20,045,706
d.03 SQSC - Retail	29,007	183.33	5,317,900
d.04 SQSC - Retail	24,022	183.33	4,403,920
d.05 SQSC - Retail	19,725	183.34	3,616,309
d.06 SQSC - Retail	79,442	183.29	14,560,715
e.01 SQSC - Retail	13,727	183.33	2,516,583
e.02 SQSC - Retail	11,011	183.33	2,018,647
f.01 HQ - Retail	8,510	183.32	1,560,077
f.02 HQ - Retail	15,708	183.33	2,879,748
f.03 HQ - Retail	2,511	183.33	460,350
g.01 MAST - Retail	112,149	306.46	34,368,774
h.01 HQ - Retail	7,868	183.33	1,442,467
h.02 HQ - Retail	5,597	183.34	1,026,158
h.03 HQ - Retail	7,738	184.83	1,430,228
H.04 HQ - Retail	7,626	183.33	1,398,082
j.01 MAST - Retail	4,390	183.32	804,761
j.02 MAST - Retail	4,650	183.33	852,501
J.03 MAST - Retail	4,734	183.32	867,846
j.04 MAST - Retail	3,004	183.33	550,716
j.07 MAST - Retail	5,664	183.32	1,038,346
M.01 Police Station - Retail	3,246	183.32	595,046
b.01 SQSC - Office	81,172	328.46	26,661,993
b.02 SQSC - Office	67,777	328.46	22,262,009
b.03 SQSC - Office	69,195	328.46	22,727,953
b.04 SQSC - Office	69,131	328.46	22,706,774

**Canada Water
Updated Scheme**

c.01 SQSC - Office	71,887	328.46	23,612,028
d.01/02 SQSC - Office	248,305	328.46	81,558,536
d.01/02 SQSC - Leisure	40,389	378.30	15,278,964
d.03 SQSC - Office	120,142	328.46	39,462,185
d.04 SQSC - Office	131,531	328.46	43,202,720
d.05 SQSC - Office	82,043	328.46	26,947,912
d.06 SQSC - Hotel	31,775	365.67	11,619,071
e.01 SQSC - Office	119,546	328.46	39,266,278
e.02 SQSC - Public	21,012	278.05	5,842,372
f.01 HQ - Office	56,098	328.46	18,425,923
f.02 HQ - Office	173,959	328.46	57,138,596
f.03 HQ - Office	76,022	328.46	24,970,303
h.01 HQ - Office	206,021	349.82	72,070,828
h.02 HQ - Office	141,352	353.60	49,981,622
h.03 HQ - Office	212,349	337.12	71,586,419
M.01 Police Station - Public	1,878	278.04	522,161
b.04 SQSC - Public	33,046	278.04	9,188,234
a.01 SQSC - Private Resi	191,986	342.97	65,845,439
k.01 HQ - Affordable Resi	57,196	292.89	16,752,214
a.01 SQSC - Intermediate Resi	10,186	317.53	3,234,453
k.01 HQ - Intermediate Resi	17,370	292.89	5,087,418
b.04 - Private Resi	105,091	295.09	31,011,393
b.04 - Affordable	104,659	272.76	28,546,750
c.01 - Private Resi	70,403	295.09	20,775,187
c.01 - Affordable	91,442	271.71	24,846,037
d.01/d.02 - Private	278,526	334.14	93,065,641
e.02 - Private	47,883	270.09	12,932,864
e.02 - Affordable	47,846	247.76	11,854,320
f.01 - Private Resi	213,822	331.48	70,877,682
f.03 - Private Resi	190,848	331.48	63,262,077
g.01 - Private Resi	316,101	287.65	90,925,466
g.01 - Affordable	116,158	256.47	29,790,615
h.04 - Private	34,137	270.09	9,220,272
h.04 - Affordable	32,597	247.76	8,076,129
j.01 - Private	35,653	270.09	9,629,388
j.01 - Affordable	36,330	247.76	9,001,220
j.02 - Private	36,917	270.09	9,970,951
j.02 - Affordable	35,577	247.76	8,814,411
j.03 - Private	35,908	270.09	9,698,527
j.03 - Affordable	34,500	247.76	8,547,800
j.04 Private	26,783	270.09	7,233,837
j.04 Affordable	27,571	247.76	6,830,941
j.05 Private	32,539	270.09	8,788,579
j.05 Affordable	33,103	247.76	8,201,453
j.06 Private	49,210	270.09	13,290,968
j.06 Affordable	49,134	247.76	12,173,372

**Canada Water
Updated Scheme**

j.07 Affordable	93,987	247.76	23,286,309	
l.01 Affordable	86,907	247.76	21,532,045	
l.02 - Private	49,130	270.09	13,269,555	
l.02 - Affordable	49,054	247.76	12,153,760	
l.03 - Private	46,327	270.09	12,512,326	
m.01 - Private	40,420	270.09	10,917,090	
Totals	5,715,917 ft²		1,734,541,424	
Developers Contingency		5.00%	17,022,149	1,751,563,573

Other Construction

3m Landscaped Border			2,528,598	
Additional Contingency			1,873,407	
Basement			20,414,483	
Contractor Fees			10,923,090	
Contribution to Leisure Build			15,000,000	
Drainage and Utilities			7,464,614	
Enabling Works			9,757,769	
Insurance			3,992,352	
Mayoral and Southwark CIL			8,245,545	
NHBC			279,150	
Off Plot Infrastructure			11,844,690	
Plot G.01 Enabling Works			3,434,607	
Pre Development Costs			3,572,713	
S106 Allowance			6,600,000	
S106/278 Off Site Works			1,820,359	
SQLP VP Apportionment			2,516,400	
Void Rates and Charges			3,794,435	
Enabling Works			62,547,336	
S106/278			16,983,031	
S106 Contributions			64,450,000	
Other Contingency			2,220,793	
SQLP VP Apportionment			20,783,600	
Pre Development Costs			28,713,727	
Voids Rates and Charges			27,121,118	
Plot G.01 Enabling Works			32,043,151	
Contractor Fees			69,281,695	
NHBC			2,747,059	
Mayoral and Southwark CIL			87,758,129	
Insurance			25,296,790	
Off Plot Infrastructure			98,253,607	
Drainage and Utilities			67,140,884	
3m Landscaped Border			43,403,410	
Basement			203,809,701	966,616,243

PROFESSIONAL FEES

**Canada Water
Updated Scheme**

Architect	10.50%	252,875,204		252,875,204
MARKETING & LETTING				
Marketing	1.50%	21,840,691		
Letting Agent Fee	15.00%	16,643,459		
Letting Legal Fee	5.00%	630,043		
Letting Legal Fee		4,413,514		43,527,707
DISPOSAL FEES				
Sales Agent Fee	1.50%	21,840,691		
Sales Legal Fee		1,891,000		23,731,691
Additional Costs				
Additional Costs		7,584,269		7,584,269
FINANCE				
Multiple Finance Rates Used (See Assumptions)				
Debit Rates varied throughout the Cash Flow				
Total Finance Cost				132,936,178
TOTAL COSTS				3,422,392,265
PROFIT				325,937,865

Performance Measures

Profit on Cost%	9.52%
Profit on GDV%	8.58%
Profit on NDV%	8.90%
Development Yield% (on Rent)	3.24%
Equivalent Yield% (Nominal)	5.08%
Equivalent Yield% (True)	5.23%
IRR	9.04%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.000)	1 yr 6 mths

‡ Inflation/Growth applied

Growth on Sales	Ungrown	Growth	Total
b.04 - Private Resi	80,272,640	13,262,445	93,535,085
c.01 - Private Resi	54,914,730	6,627,109	61,541,839
d.01/d.02 - Private	239,342,940	15,442,815	254,785,755

**Canada Water
Updated Scheme**

e.02 - Private	32,298,171	3,155,131	35,453,301
f.01 - Private Resi	166,783,555	26,430,816	193,214,371
f.03 - Private Resi	153,418,538	22,539,268	175,957,807
g.01 - Private Resi	235,809,473	17,935,389	253,744,862
h.04 - Private	23,473,631	1,890,317	25,363,948
j.01 - Private	24,514,891	2,394,801	26,909,692
j.02 - Private	25,384,903	2,595,556	27,980,459
j.03 - Private	24,387,300	2,762,362	27,149,662
j.04 Private	18,189,368	2,262,816	20,452,184
j.05 Private	21,948,302	2,977,227	24,925,528
j.06 Private	33,192,797	4,879,464	38,072,261
l.02 - Private	33,366,493	4,715,064	38,081,557
l.03 - Private	31,462,704	4,913,391	36,376,095
m.01 - Private	27,263,560	1,083,495	28,347,055

Growth on Capitalised Rent

	Ungrown	Growth	Total
Plot a.01 - SQSC - Office	84,883,753	1,137,931	86,021,684
Plot a.02 - SQSC - Office	131,776,393	1,794,352	133,570,745
b.01 SQSC - Office	59,095,021	1,431,105	60,526,126
b.02 SQSC - Office	49,343,163	1,395,137	50,738,300
b.03 SQSC - Office	50,375,499	1,661,988	52,037,487
b.04 SQSC - Office	50,328,905	1,942,471	52,271,376
c.01 SQSC - Office	52,335,335	1,490,937	53,826,271
d.01/02 SQSC - Office	180,771,561	2,766,763	183,538,324
d.03 SQSC - Office	87,466,048	2,342,127	89,808,175
d.04 SQSC - Office	95,757,493	2,686,977	98,444,470
d.05 SQSC - Office	59,729,128	1,829,526	61,558,654
e.01 SQSC - Office	87,032,146	1,903,869	88,936,015
f.01 HQ - Office	40,840,591	989,037	41,829,629
f.02 HQ - Office	126,646,020	5,189,371	131,835,391
f.03 HQ - Office	55,345,706	1,909,297	57,255,004
h.01 HQ - Office	149,987,869	1,915,850	151,903,719
h.02 HQ - Office	102,907,399	1,314,474	104,221,873
h.03 HQ - Office	154,594,794	2,039,865	156,634,659

Appendix C – Max Parameters Test

Canada Water
Max Parameter Test

Development Appraisal
Prepared by RW
Quod Ltd
25 June 2019

**Canada Water
Max Parameter Test**

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
a.01 SQSC - Private Resi	178	137,218	1,054.00	812,516	144,627,772	0	144,627,772
k.01 HQ - Affordable Resi	60	48,325	170.00	136,921	8,215,250	0	8,215,250
a.01 SQSC - Intermediate Resi	8	7,277	600.00	545,775	4,366,200	0	4,366,200
a.01 SQSC - Car Parking	1	0	0.00	1,395,000	1,395,000	0	1,395,000
k.01 HQ - Intermediate Resi	19	14,676	590.00	455,728	8,658,840	0	8,658,840
Adj to Quod cost overstatement	1	0	0.00	65,281,834	65,281,834	0	65,281,834
b.04 - Private Resi	129	93,138	992.00	716,224	92,392,896	15,264,924	107,657,820
b.04 - Affordable	128	92,928	296.00	214,896	27,506,688	0	27,506,688
c.01 - Private Resi	102	73,746	1,013.00	732,399	74,704,698	9,015,363	83,720,061
c.01 - Affordable	101	70,094	296.00	205,424	20,747,824	0	20,747,824
d.01/d.02 - Private	290	246,790	1,116.00	949,716	275,417,640	17,770,416	293,188,056
d.04 - Private	42	30,786	893.00	654,569	27,491,898	3,266,670	30,758,568
d.04 - Affordable	42	30,366	296.00	214,008	8,988,336	0	8,988,336
e.02 - Private	59	42,657	876.00	633,348	37,367,532	3,650,344	41,017,876
e.02 - Affordable	59	42,598	296.00	213,712	12,609,008	0	12,609,008
f.01 - Private Resi	280	203,000	1,013.00	734,425	205,639,000	32,588,384	238,227,384
f.03 - Private Resi	253	183,172	1,044.00	755,856	191,231,568	28,091,427	219,322,995
g.01 - Private Resi	374	273,394	992.00	725,152	271,206,848	20,627,672	291,834,520
g.01 - Affordable	138	100,464	296.00	215,488	29,737,344	0	29,737,344
h.04 - Private	53	38,690	893.00	651,890	34,550,170	2,782,304	37,332,474
h.04 - Affordable	52	37,284	296.00	212,232	11,036,064	0	11,036,064
j.01 - Private	39	28,158	893.00	644,746	25,145,094	2,456,364	27,601,458
j.01 - Affordable	39	28,704	296.00	217,856	8,496,384	0	8,496,384
j.02 - Private	40	29,160	893.00	650,997	26,039,880	2,662,526	28,702,406
j.02 - Affordable	40	28,840	296.00	213,416	8,536,640	0	8,536,640
j.03 - Private	44	32,032	882.00	642,096	28,252,224	3,200,144	31,452,368
j.03 - Affordable	43	30,874	296.00	212,528	9,138,704	0	9,138,704
j.04 Private	34	24,174	882.00	627,102	21,321,468	2,652,459	23,973,927
j.04 Affordable	33	24,156	296.00	216,672	7,150,176	0	7,150,176
j.05 Private	41	29,356	876.00	627,216	25,715,856	3,488,285	29,204,141
j.05 Affordable	40	29,120	296.00	215,488	8,619,520	0	8,619,520
j.06 Private	60	43,740	876.00	638,604	38,316,240	5,632,630	43,948,870
j.06 Affordable	60	43,680	296.00	215,488	12,929,280	0	12,929,280
j.07 Affordable	115	83,260	296.00	214,304	24,644,960	0	24,644,960
l.01 Affordable	106	77,062	296.00	215,192	22,810,352	0	22,810,352
l.02 - Private	60	43,680	882.00	642,096	38,525,760	5,444,127	43,969,887
l.02 - Affordable	60	43,560	296.00	214,896	12,893,760	0	12,893,760
l.03 - Private	28	20,384	882.00	642,096	17,978,688	2,849,150	20,827,838
l.03 - Affordable	29	21,141	296.00	215,784	6,257,736	0	6,257,736

APPRAISAL SUMMARY

QUOD LTD

Canada Water

Max Parameter Test

m.01 - Private	49	35,476	876.00	634,224	31,076,976	1,299,554	32,376,530
Car Parking	<u>1</u>	<u>0</u>	0.00	12,855,000	<u>12,855,000</u>	<u>0</u>	<u>12,855,000</u>
Totals	3,330	2,463,160			1,939,877,108	162,742,742	2,102,619,850

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Plot a.01 - SQSC - Retail	1	9,106	30.00	273,180	273,180	273,180	
Plot a.02 - SQSC - Retail	1	8,751	30.00	262,530	262,530	262,530	
Plot a.01 - SQSC - Office	1	116,595	40.00	4,663,800	4,726,322	4,663,800	4,726,322
Plot a.02 - SQSC - Office	1	181,006	40.00	7,240,240	7,338,828	7,240,240	7,338,828
Plot a.02 - SQSC - Leisure	1	53,292		0	0		
a.01 Dock Office - Retail	1	21,797	30.00	653,910	653,910	653,910	
b.01 SQSC - Retail	1	11,862	30.00	355,860	355,860	355,860	
b.02 SQSC - Retail	1	11,819	30.00	354,570	354,570	354,570	
b.03 SQSC - Retail	1	11,399	30.00	341,970	341,970	341,970	
b.04 SQSC - Retail	1	21,108	30.00	633,240	633,240	633,240	
c.01 SQSC - Retail	1	19,547	30.00	586,410	586,410	586,410	
d.01/02 SQSC - Retail	1	125,809	30.00	3,774,270	3,774,270	3,774,270	
d.03 SQSC - Retail	1	33,379	30.00	1,001,370	1,001,370	1,001,370	
d.04 SQSC - Retail	1	12,938	30.00	388,140	388,140	388,140	
d.05 SQSC - Retail	1	22,701	30.00	681,030	681,030	681,030	
d.06 SQSC - Retail	1	91,396	30.00	2,741,880	2,741,880	2,741,880	
e.01 SQSC - Retail	1	15,791	30.00	473,730	473,730	473,730	
e.02 SQSC - Retail	1	12,669	30.00	380,070	380,070	380,070	
f.01 HQ - Retail	1	9,795	30.00	293,850	293,850	293,850	
f.02 HQ - Retail	1	18,073	30.00	542,190	542,190	542,190	
f.03 HQ - Retail	1	2,885	30.00	86,550	86,550	86,550	
g.01 MAST - Retail	1	129,038	30.00	3,871,140	3,871,140	3,871,140	
h.01 HQ - Retail	1	16,232	30.00	486,960	486,960	486,960	
h.02 HQ - Retail	1	6,437	30.00	193,110	193,110	193,110	
h.03 HQ - Retail	1	7,675	30.00	230,250	230,250	230,250	
H.04 HQ - Retail	1	8,277	30.00	248,310	248,310	248,310	
j.01 MAST - Retail	1	5,048	30.00	151,440	151,440	151,440	
j.02 MAST - Retail	1	5,350	30.00	160,500	160,500	160,500	
J.03 MAST - Retail	1	5,447	30.00	163,410	163,410	163,410	
j.04 MAST - Retail	1	3,455	30.00	103,650	103,650	103,650	
j.07 MAST - Retail	1	6,512	30.00	195,360	195,360	195,360	
M.01 Police Station - Retail	1	3,735	30.00	112,050	112,050	112,050	
b.01 SQSC - Office	1	93,398	40.00	3,735,920	3,826,393	3,735,920	3,826,393
b.02 SQSC - Office	1	77,995	40.00	3,119,800	3,208,010	3,119,800	3,208,010
b.03 SQSC - Office	1	79,610	40.00	3,184,400	3,289,460	3,184,400	3,289,460
b.04 SQSC - Office	1	79,535	40.00	3,181,400	3,304,188	3,181,400	3,304,188
c.01 SQSC - Office	1	87,586	40.00	3,503,440	3,603,247	3,503,440	3,603,247
d.01/02 SQSC - Office	1	285,706	40.00	11,428,240	11,603,153	11,428,240	11,603,153
d.01/02 SQSC - Leisure	1	46,468	18.00	836,424	836,424	836,424	
d.03 SQSC - Office	1	138,241	40.00	5,529,640	5,677,710	5,529,640	5,677,710

Canada Water

Max Parameter Test

d.04 SQSC - Office	1	59,783	40.00	2,391,320	2,458,421	2,391,320	2,458,421
d.05 SQSC - Office	1	94,399	40.00	3,775,960	3,891,619	3,775,960	3,891,619
d.06 SQSC - Hotel	1	36,565	55.00	2,011,075	2,011,075	2,011,075	2,011,075
e.01 SQSC - Office	1	137,552	40.00	5,502,080	5,622,441	5,502,080	5,622,441
e.02 SQSC - Public	1	24,176		0	0		
f.01 HQ - Office	1	64,551	40.00	2,582,040	2,644,569	2,582,040	2,644,569
f.02 HQ - Office	1	134,215	40.00	5,368,600	5,588,581	5,368,600	5,588,581
f.03 HQ - Office	1	87,478	40.00	3,499,120	3,619,831	3,499,120	3,619,831
h.01 HQ - Office	1	173,837	40.00	6,953,480	7,042,299	6,953,480	7,042,299
h.02 HQ - Office	1	139,533	40.00	5,581,320	5,652,612	5,581,320	5,652,612
h.03 HQ - Office	1	208,971	40.00	8,358,840	8,469,134	8,358,840	8,469,134
M.01 Police Station - Public	1	2,153		0	0		
b.04 SQSC - Public	1	38,018		0	0		
Totals	53	3,098,694			114,155,246	112,188,069	

Investment Valuation

Plot a.01 - SQSC - Retail

Current Rent	273,180	YP @	5.5000%	18.1818	4,966,909
Rent Free	(273,180)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(293,276)
					4,673,633

Plot a.02 - SQSC - Retail

Current Rent	262,530	YP @	5.5000%	18.1818	4,773,273
Rent Free	(262,530)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(281,843)
					4,491,430

Plot a.01 - SQSC - Office

Current Rent	4,726,322	YP @	5.0000%	20.0000	94,526,435
Rent Free	(4,726,322)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,504,752)
					86,021,684

Plot a.02 - SQSC - Office

Current Rent	7,338,828	YP @	5.0000%	20.0000	146,776,555
Rent Free	(7,338,828)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(13,205,810)
					133,570,745

a.01 Dock Office - Retail

Current Rent	653,910	YP @	5.5000%	18.1818	11,889,273
Rent Free	(653,910)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(702,015)
					11,187,258

**Canada Water
Max Parameter Test**

b.01 SQSC - Retail

Current Rent	355,860	YP @	5.5000%	18.1818	6,470,182
Rent Free	(355,860)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(382,039)
					6,088,143

b.02 SQSC - Retail

Current Rent	354,570	YP @	5.5000%	18.1818	6,446,727
Rent Free	(354,570)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(380,654)
					6,066,073

b.03 SQSC - Retail

Current Rent	341,970	YP @	5.5000%	18.1818	6,217,636
Rent Free	(341,970)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(367,127)
					5,850,509

b.04 SQSC - Retail

Current Rent	633,240	YP @	5.5000%	18.1818	11,513,455
Rent Free	(633,240)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(679,824)
					10,833,630

c.01 SQSC - Retail

Current Rent	586,410	YP @	5.5000%	18.1818	10,662,000
Rent Free	(586,410)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(629,549)
					10,032,451

d.01/02 SQSC - Retail

Current Rent	3,774,270	YP @	5.5000%	18.1818	68,623,091
Rent Free	(3,774,270)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(4,051,923)
					64,571,168

d.03 SQSC - Retail

Current Rent	1,001,370	YP @	5.5000%	18.1818	18,206,727
Rent Free	(1,001,370)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(1,075,035)
					17,131,692

d.04 SQSC - Retail

Current Rent	388,140	YP @	5.5000%	18.1818	7,057,091
Rent Free	(388,140)	YP 1yr 6mths @	5.5000%	1.4031	

**Canada Water
Max Parameter Test**

PV 5yrs @ 5.5000% 0.7651 (416,693)
6,640,398

d.05 SQSC - Retail

Current Rent	681,030	YP @	5.5000%	18.1818	12,382,364
Rent Free	(681,030)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(731,130)
					11,651,234

d.06 SQSC - Retail

Current Rent	2,741,880	YP @	5.5000%	18.1818	49,852,364
Rent Free	(2,741,880)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(2,943,586)
					46,908,778

e.01 SQSC - Retail

Current Rent	473,730	YP @	5.5000%	18.1818	8,613,273
Rent Free	(473,730)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(508,580)
					8,104,693

e.02 SQSC - Retail

Current Rent	380,070	YP @	5.5000%	18.1818	6,910,364
Rent Free	(380,070)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(408,030)
					6,502,334

f.01 HQ - Retail

Current Rent	293,850	YP @	5.5000%	18.1818	5,342,727
Rent Free	(293,850)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(315,467)
					5,027,260

f.02 HQ - Retail

Current Rent	542,190	YP @	5.5000%	18.1818	9,858,000
Rent Free	(542,190)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(582,076)
					9,275,924

f.03 HQ - Retail

Current Rent	86,550	YP @	5.5000%	18.1818	1,573,636
Rent Free	(86,550)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(92,917)
					1,480,719

g.01 MAST - Retail

Canada Water

Max Parameter Test

Current Rent	3,871,140	YP @	5.5000%	18.1818	70,384,364
Rent Free	(3,871,140)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(4,155,919)
					66,228,444

h.01 HQ - Retail

Current Rent	486,960	YP @	5.5000%	18.1818	8,853,818
Rent Free	(486,960)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(522,783)
					8,331,035

h.02 HQ - Retail

Current Rent	193,110	YP @	5.5000%	18.1818	3,511,091
Rent Free	(193,110)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(207,316)
					3,303,775

h.03 HQ - Retail

Current Rent	230,250	YP @	5.5000%	18.1818	4,186,364
Rent Free	(230,250)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(247,188)
					3,939,175

H.04 HQ - Retail

Current Rent	248,310	YP @	5.5000%	18.1818	4,514,727
Rent Free	(248,310)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(266,577)
					4,248,150

j.01 MAST - Retail

Current Rent	151,440	YP @	5.5000%	18.1818	2,753,455
Rent Free	(151,440)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(162,581)
					2,590,874

j.02 MAST - Retail

Current Rent	160,500	YP @	5.5000%	18.1818	2,918,182
Rent Free	(160,500)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(172,307)
					2,745,875

J.03 MAST - Retail

Current Rent	163,410	YP @	5.5000%	18.1818	2,971,091
Rent Free	(163,410)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(175,431)
					2,795,660

**Canada Water
Max Parameter Test**

j.04 MAST - Retail

Market Rent	103,650	YP @	5.5000%	18.1818	
		PV 7mths @	5.5000%	0.9693	1,826,597

j.07 MAST - Retail

Current Rent	195,360	YP @	5.5000%	18.1818	3,552,000
Rent Free	(195,360)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(209,732)
					3,342,268

M.01 Police Station - Retail

Current Rent	112,050	YP @	5.5000%	18.1818	2,037,273
Rent Free	(112,050)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(120,293)
					1,916,980

b.01 SQSC - Office

Current Rent	3,826,393	YP @	5.0000%	20.0000	76,527,857
Rent Free	(3,826,393)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(6,885,380)
					69,642,477

b.02 SQSC - Office

Current Rent	3,208,010	YP @	5.0000%	20.0000	64,160,195
Rent Free	(3,208,010)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,772,634)
					58,387,561

b.03 SQSC - Office

Current Rent	3,289,460	YP @	5.0000%	20.0000	65,789,194
Rent Free	(3,289,460)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,919,199)
					59,869,995

b.04 SQSC - Office

Current Rent	3,304,188	YP @	5.0000%	20.0000	66,083,756
Rent Free	(3,304,188)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,945,701)
					60,138,055

c.01 SQSC - Office

Current Rent	3,603,247	YP @	5.0000%	20.0000	72,064,930
Rent Free	(3,603,247)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(6,483,841)
					65,581,089

**Canada Water
Max Parameter Test**

d.01/02 SQSC - Office

Current Rent	11,603,153	YP @	5.0000%	20.0000	232,063,053
Rent Free	(11,603,153)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(20,879,224)
					211,183,828

d.01/02 SQSC - Leisure

Current Rent	836,424	YP @	6.0000%	16.6667	13,940,400
Rent Free	(836,424)	YP 2yrs 6mths @	6.0000%	2.2593	
		PV 5yrs @	6.0000%	0.7473	(1,412,129)
					12,528,271

d.03 SQSC - Office

Current Rent	5,677,710	YP @	5.0000%	20.0000	113,554,205
Rent Free	(5,677,710)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(10,216,722)
					103,337,483

d.04 SQSC - Office

Current Rent	2,458,421	YP @	5.0000%	20.0000	49,168,420
Rent Free	(2,458,421)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(4,423,791)
					44,744,629

d.05 SQSC - Office

Current Rent	3,891,619	YP @	5.0000%	20.0000	77,832,382
Rent Free	(3,891,619)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(7,002,751)
					70,829,631

d.06 SQSC - Hotel

Current Rent	2,011,075	YP @	5.0000%	20.0000	40,221,500
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e.01 SQSC - Office

Current Rent	5,622,441	YP @	5.0000%	20.0000	112,448,811
Rent Free	(5,622,441)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(10,117,267)
					102,331,544

f.01 HQ - Office

Current Rent	2,644,569	YP @	5.0000%	20.0000	52,891,386
Rent Free	(2,644,569)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(4,758,755)
					48,132,632

Canada Water

Max Parameter Test

f.02 HQ - Office

Current Rent	5,588,581	YP @	5.0000%	20.0000	111,771,610
Rent Free	(5,588,581)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(10,056,338)
					101,715,272

f.03 HQ - Office

Current Rent	3,619,831	YP @	5.0000%	20.0000	72,396,629
Rent Free	(3,619,831)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(6,513,684)
					65,882,945

h.01 HQ - Office

Current Rent	7,042,299	YP @	5.0000%	20.0000	140,845,987
Rent Free	(7,042,299)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(12,672,224)
					128,173,763

h.02 HQ - Office

Current Rent	5,652,612	YP @	5.0000%	20.0000	113,052,245
Rent Free	(5,652,612)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(10,171,560)
					102,880,685

h.03 HQ - Office

Current Rent	8,469,134	YP @	5.0000%	20.0000	169,382,684
Rent Free	(8,469,134)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(15,239,733)
					154,142,950

Total Investment Valuation **2,057,102,899**

GROSS DEVELOPMENT VALUE **4,159,722,749**

Purchaser's Costs	(139,882,997)
Effective Purchaser's Costs Rate	6.80%
	(139,882,997)

NET DEVELOPMENT VALUE **4,019,839,751**

Additional Revenue

Leisure Contributions	50,000,000
Tesco Contributions	35,477,758
	85,477,758

NET REALISATION **4,105,317,509**

**Canada Water
Max Parameter Test**

OUTLAY

ACQUISITION COSTS

Fixed Price	28,353,005		
Fixed Price	199,696,995		
Total Acquisition		228,050,000	228,050,000
Stamp Duty	6.80%	15,507,400	15,507,400

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Plot a.01 - SQSC - Retail	9,106	174.23	1,586,538
Plot a.02 - SQSC - Retail	8,751	151.42	1,325,076
Plot a.01 - SQSC - Office	116,595	355.19	41,413,378
Plot a.02 - SQSC - Office	181,006	343.98	62,262,444
Plot a.02 - SQSC - Leisure	53,292	622.17	33,156,684
a.01 Dock Office - Retail	21,797	183.33	3,996,044
b.01 SQSC - Retail	11,862	183.33	2,174,660
b.02 SQSC - Retail	11,819	183.34	2,166,895
b.03 SQSC - Retail	11,399	183.32	2,089,665
b.04 SQSC - Retail	21,108	183.33	3,869,730
c.01 SQSC - Retail	19,547	183.33	3,583,552
d.01/02 SQSC - Retail	125,809	183.33	23,064,564
d.03 SQSC - Retail	33,379	183.33	6,119,372
d.04 SQSC - Retail	12,938	183.33	2,371,924
d.05 SQSC - Retail	22,701	183.34	4,162,001
d.06 SQSC - Retail	91,396	183.29	16,751,973
e.01 SQSC - Retail	15,791	183.33	2,894,964
e.02 SQSC - Retail	12,669	183.33	2,322,608
f.01 HQ - Retail	9,795	183.32	1,795,619
f.02 HQ - Retail	18,073	183.33	3,313,323
f.03 HQ - Retail	2,885	183.33	528,907
g.01 MAST - Retail	129,038	306.46	39,544,985
h.01 HQ - Retail	16,232	183.33	2,975,813
h.02 HQ - Retail	6,437	183.34	1,180,160
h.03 HQ - Retail	7,675	184.83	1,418,570
H.04 HQ - Retail	8,277	183.33	1,517,422
j.01 MAST - Retail	5,048	183.32	925,399
j.02 MAST - Retail	5,350	183.33	980,816
J.03 MAST - Retail	5,447	183.32	998,544
j.04 MAST - Retail	3,455	183.33	633,405
j.07 MAST - Retail	6,512	183.32	1,193,780
M.01 Police Station - Retail	3,735	183.32	684,700
b.01 SQSC - Office	93,398	328.46	30,677,507

Canada Water

Max Parameter Test

b.02 SQSC - Office	77,995	328.46	25,618,238
b.03 SQSC - Office	79,610	328.46	26,148,701
b.04 SQSC - Office	79,535	328.46	26,124,066
c.01 SQSC - Office	87,586	328.46	28,768,498
d.01/02 SQSC - Office	285,706	328.46	93,842,993
d.01/02 SQSC - Leisure	46,468	378.30	17,578,844
d.03 SQSC - Office	138,241	328.46	45,406,639
d.04 SQSC - Office	59,783	328.46	19,636,324
d.05 SQSC - Office	94,399	328.46	31,006,296
d.06 SQSC - Hotel	36,565	365.67	13,370,724
e.01 SQSC - Office	137,552	328.46	45,180,330
e.02 SQSC - Public	24,176	278.05	6,722,137
f.01 HQ - Office	64,551	328.46	21,202,421
f.02 HQ - Office	134,215	328.46	44,084,259
f.03 HQ - Office	87,478	328.46	28,733,024
h.01 HQ - Office	173,837	349.82	60,811,659
h.02 HQ - Office	139,533	353.60	49,338,869
h.03 HQ - Office	208,971	337.12	70,448,304
M.01 Police Station - Public	2,153	278.04	598,620
b.04 SQSC - Public	38,018	278.04	10,570,525
a.01 SQSC - Private Resi	191,964	342.97	65,837,866
k.01 HQ - Affordable Resi	57,234	292.89	16,763,184
a.01 SQSC - Intermediate Resi	10,188	317.53	3,234,932
k.01 HQ - Intermediate Resi	17,364	292.89	5,085,737
b.04 - Private Resi	121,002	295.09	35,706,480
b.04 - Affordable	120,704	272.76	32,923,223
c.01 - Private Resi	95,778	295.09	28,263,130
c.01 - Affordable	91,405	271.71	24,835,653
d.01/d.02 - Private	320,450	334.14	107,075,163
d.04 - Private	39,942	270.09	10,787,935
d.04 - Affordable	39,438	247.76	9,771,159
e.02 - Private	55,401	270.09	14,963,256
e.02 - Affordable	55,342	247.76	13,711,534
f.01 - Private Resi	263,760	331.48	87,431,165
f.03 - Private Resi	237,820	331.48	78,832,574
g.01 - Private Resi	363,902	287.65	104,676,410
g.01 - Affordable	133,584	256.47	34,260,288
h.04 - Private	50,244	270.09	13,570,402
h.04 - Affordable	48,412	247.76	11,994,557
j.01 - Private	36,582	270.09	9,880,432
j.01 - Affordable	37,284	247.76	9,237,484
j.02 - Private	37,880	270.09	10,231,009
j.02 - Affordable	37,440	247.76	9,276,134
j.03 - Private	41,580	270.09	11,230,342
j.03 - Affordable	40,076	247.76	9,929,230
j.04 Private	31,416	270.09	8,485,147

Canada Water

Max Parameter Test

j.04 Affordable	31,383	247.76	7,775,452	
j.05 Private	38,130	270.09	10,298,532	
j.05 Affordable	37,840	247.76	9,375,238	
j.06 Private	56,760	270.09	15,330,308	
j.06 Affordable	56,700	247.76	14,047,992	
j.07 Affordable	108,100	247.76	26,782,856	
l.01 Affordable	100,170	247.76	24,818,119	
l.02 - Private	56,700	270.09	15,314,103	
l.02 - Affordable	56,580	247.76	14,018,261	
l.03 - Private	26,460	270.09	7,146,581	
l.03 - Affordable	27,434	247.76	6,797,048	
m.01 - Private	<u>46,060</u>	270.09	<u>12,440,345</u>	
Totals	6,317,202 ft²		1,901,011,755	
Developers Contingency		5.00%	17,341,344	1,918,353,099

Other Construction

3m Landscaped Border	2,768,365
Additional Contingency	2,051,047
Basement	22,350,229
Contractor Fees	11,958,841
Contribution to Leisure Build	15,000,000
Drainage and Utilities	8,172,425
Enabling Works	9,757,769
Insurance	4,370,915
Mayoral and Southwark CIL	8,245,545
NHBC	305,620
Off Plot Infrastructure	12,967,829
Plot G.01 Enabling Works	3,434,607
Pre Development Costs	3,572,713
S106 Allowance	6,600,000
S106/278 Off Site Works	1,820,359
SQLP VP Apportionment	2,516,400
Void Rates and Charges	4,154,232
Enabling Works	62,547,336
S106/278	16,983,031
S106 Contributions	64,450,000
Other Contingency	2,431,374
SQLP VP Apportionment	20,783,600
Pre Development Costs	28,713,727
Voids Rates and Charges	29,692,801
Plot G.01 Enabling Works	32,043,151
Contractor Fees	75,851,136
NHBC	3,007,541
Mayoral and Southwark CIL	87,758,129
Insurance	27,695,487
Off Plot Infrastructure	107,570,228

Canada Water

Max Parameter Test

Drainage and Utilities		73,507,329	
3m Landscaped Border		47,519,016	
Basement		223,135,382	
			1,023,736,164

PROFESSIONAL FEES

Architect	10.50%	278,141,958	
			278,141,958

MARKETING & LETTING

Marketing	1.50%	26,759,924	
Letting Agent Fee	15.00%	17,123,287	
Letting Legal Fee	5.00%	630,043	
Letting Legal Fee		4,413,514	
			48,926,768

DISPOSAL FEES

Sales Agent Fee	1.50%	26,759,924	
Sales Legal Fee		1,891,000	
			28,650,924

Additional Costs

Additional Costs		7,584,269	
			7,584,269

FINANCE

Multiple Finance Rates Used (See Assumptions)			
Debit Rates varied throughout the Cash Flow			
Total Finance Cost			140,309,797

TOTAL COSTS

3,689,260,380

PROFIT

416,057,130

Performance Measures

Profit on Cost%	11.28%
Profit on GDV%	10.00%
Profit on NDV%	10.35%
Development Yield% (on Rent)	3.09%
Equivalent Yield% (Nominal)	5.09%
Equivalent Yield% (True)	5.24%

IRR 9.97%

Rent Cover 3 yrs 8 mths
 Profit Erosion (finance rate 6.000) 1 yr 10 mths

Canada Water

Max Parameter Test

‡ Inflation/Growth applied

Growth on Sales	Ungrown	Growth	Total
b.04 - Private Resi	92,392,896	15,264,924	107,657,820
c.01 - Private Resi	74,704,698	9,015,363	83,720,061
d.01/d.02 - Private	275,417,640	17,770,416	293,188,056
d.04 - Private	27,491,898	3,266,670	30,758,568
e.02 - Private	37,367,532	3,650,344	41,017,876
f.01 - Private Resi	205,639,000	32,588,384	238,227,384
f.03 - Private Resi	191,231,568	28,091,427	219,322,995
g.01 - Private Resi	271,206,848	20,627,672	291,834,520
h.04 - Private	34,550,170	2,782,304	37,332,474
j.01 - Private	25,145,094	2,456,364	27,601,458
j.02 - Private	26,039,880	2,662,526	28,702,406
j.03 - Private	28,252,224	3,200,144	31,452,368
j.04 Private	21,321,468	2,652,459	23,973,927
j.05 Private	25,715,856	3,488,285	29,204,141
j.06 Private	38,316,240	5,632,630	43,948,870
l.02 - Private	38,525,760	5,444,127	43,969,887
l.03 - Private	17,978,688	2,849,150	20,827,838
m.01 - Private	31,076,976	1,299,554	32,376,530

Growth on Capitalised Rent	Ungrown	Growth	Total
Plot a.01 - SQSC - Office	84,883,753	1,137,931	86,021,684
Plot a.02 - SQSC - Office	131,776,393	1,794,352	133,570,745
b.01 SQSC - Office	67,995,821	1,646,656	69,642,477
b.02 SQSC - Office	56,782,094	1,605,466	58,387,561
b.03 SQSC - Office	57,957,850	1,912,145	59,869,995
b.04 SQSC - Office	57,903,249	2,234,807	60,138,055
c.01 SQSC - Office	63,764,556	1,816,534	65,581,089
d.01/02 SQSC - Office	208,000,321	3,183,507	211,183,828
d.03 SQSC - Office	100,642,522	2,694,961	103,337,483
d.04 SQSC - Office	43,523,353	1,221,275	44,744,629
d.05 SQSC - Office	68,724,571	2,105,060	70,829,631
e.01 SQSC - Office	100,140,915	2,190,629	102,331,544
f.01 HQ - Office	46,994,563	1,138,068	48,132,632
f.02 HQ - Office	97,711,504	4,003,768	101,715,272
f.03 HQ - Office	63,685,929	2,197,016	65,882,945
h.01 HQ - Office	126,557,202	1,616,561	128,173,763
h.02 HQ - Office	101,583,127	1,297,558	102,880,685
h.03 HQ - Office	152,135,535	2,007,416	154,142,950

Appendix D – Final Viability Assessment, Grant and Growth

Canada Water
Final Viability Assessment, Grant and Growth

Development Appraisal
Prepared by RW
Quod Ltd
25 June 2019

**Canada Water
Final Viability Assessment, Grant and Growth**

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
‡ a.01 SQSC - Private Resi	178	137,218	1,054.00	812,516	144,627,772	8,644,222	153,271,994
‡ k.01 HQ - Affordable Resi	60	48,325	170.00	136,921	8,215,250	322,529	8,537,779
‡ a.01 SQSC - Intermediate Resi	8	7,277	600.00	545,775	4,366,200	171,416	4,537,616
‡ a.01 SQSC - Car Parking	1	0	0.00	1,395,000	1,395,000	83,377	1,478,377
‡ k.01 HQ - Intermediate Resi	19	14,676	590.00	455,728	8,658,840	339,945	8,998,785
Adj to Quod cost overstatement	1	0	0.00	65,281,834	65,281,834	0	65,281,834
‡ b.04 - Private Resi	129	93,138	992.00	716,224	92,392,896	18,128,103	110,520,999
‡ b.04 - Affordable	128	92,928	296.00	214,896	27,506,688	4,805,630	32,312,318
‡ c.01 - Private Resi	102	73,746	1,013.00	732,399	74,704,698	10,710,717	85,415,415
‡ c.01 - Affordable	101	70,094	296.00	205,424	20,747,824	2,548,344	23,296,168
‡ d.01/d.02 - Private	290	246,790	1,116.00	949,716	275,417,640	21,271,182	296,688,822
‡ d.04 - Private	42	30,786	893.00	654,569	27,491,898	3,881,262	31,373,160
‡ d.04 - Affordable	42	30,366	296.00	214,008	8,988,336	1,118,405	10,106,741
‡ e.02 - Private	59	42,657	876.00	633,348	37,367,532	4,343,190	41,710,722
‡ e.02 - Affordable	59	42,598	296.00	213,712	12,609,008	1,258,950	13,867,958
‡ f.01 - Private Resi	280	203,000	1,013.00	734,425	205,639,000	38,698,368	244,337,368
‡ f.03 - Private Resi	253	183,172	1,044.00	755,856	191,231,568	33,357,446	224,589,014
‡ g.01 - Private Resi	374	273,394	992.00	725,152	271,206,848	24,619,128	295,825,976
‡ g.01 - Affordable	138	100,464	296.00	215,488	29,737,344	2,010,070	31,747,414
‡ h.04 - Private	53	38,690	893.00	651,890	34,550,170	3,317,872	37,868,042
‡ h.04 - Affordable	52	37,284	296.00	212,232	11,036,064	882,260	11,918,324
‡ j.01 - Private	39	28,158	893.00	644,746	25,145,094	2,922,589	28,067,683
‡ j.01 - Affordable	39	28,704	296.00	217,856	8,496,384	848,324	9,344,708
‡ j.02 - Private	40	29,160	893.00	650,997	26,039,880	3,166,604	29,206,484
‡ j.02 - Affordable	40	28,840	296.00	213,416	8,536,640	897,571	9,434,211
‡ j.03 - Private	44	32,032	882.00	642,096	28,252,224	3,803,218	32,055,442
‡ j.03 - Affordable	43	30,874	296.00	212,528	9,138,704	1,078,029	10,216,733
‡ j.04 Private	34	24,174	882.00	627,102	21,321,468	3,150,847	24,472,315
‡ j.04 Affordable	33	24,156	296.00	216,672	7,150,176	936,182	8,086,358
‡ j.05 Private	41	29,356	876.00	627,216	25,715,856	4,142,628	29,858,484
‡ j.05 Affordable	40	29,120	296.00	215,488	8,619,520	1,241,643	9,861,163
‡ j.06 Private	60	43,740	876.00	638,604	38,316,240	6,688,522	45,004,762
‡ j.06 Affordable	60	43,680	296.00	215,488	12,929,280	2,034,049	14,963,329
‡ j.07 Affordable	115	83,260	296.00	214,304	24,644,960	4,556,807	29,201,767
‡ l.01 Affordable	106	77,062	296.00	215,192	22,810,352	769,548	23,579,900
‡ l.02 - Private	60	43,680	882.00	642,096	38,525,760	6,464,903	44,990,663
‡ l.02 - Affordable	60	43,560	296.00	214,896	12,893,760	1,949,816	14,843,576
‡ l.03 - Private	28	20,384	882.00	642,096	17,978,688	3,383,336	21,362,024
‡ l.03 - Affordable	29	21,141	296.00	215,784	6,257,736	1,072,019	7,329,755

Canada Water

Final Viability Assessment, Grant and Growth

‡ m.01 - Private	49	35,476	876.00	634,224	31,076,976	1,573,968	32,650,944
‡ Car Parking	<u>1</u>	<u>0</u>	0.00	12,855,000	<u>12,855,000</u>	<u>2,486,718</u>	<u>15,341,718</u>
Totals	3,330	2,463,160			1,939,877,108	233,679,738	2,173,556,846

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
‡ Plot a.01 - SQSC - Retail	1	9,106	30.00	273,180	291,070	273,180	291,070
‡ Plot a.02 - SQSC - Retail	1	8,751	30.00	262,530	279,992	262,530	279,992
‡ Plot a.01 - SQSC - Office	1	116,595	40.00	4,663,800	4,969,222	4,663,800	4,969,222
‡ Plot a.02 - SQSC - Office	1	181,006	40.00	7,240,240	7,721,806	7,240,240	7,721,806
‡ Plot a.02 - SQSC - Leisure	1	53,292		0	0		
‡ a.01 Dock Office - Retail	1	21,797	30.00	653,910	682,156	653,910	682,156
‡ b.01 SQSC - Retail	1	11,862	30.00	355,860	398,213	355,860	398,213
‡ b.02 SQSC - Retail	1	11,819	30.00	354,570	404,081	354,570	404,081
‡ b.03 SQSC - Retail	1	11,399	30.00	341,970	398,050	341,970	398,050
‡ b.04 SQSC - Retail	1	21,108	30.00	633,240	755,736	633,240	755,736
‡ c.01 SQSC - Retail	1	19,547	30.00	586,410	668,937	586,410	668,937
‡ d.01/02 SQSC - Retail	1	125,809	30.00	3,774,270	4,056,375	3,774,270	4,056,375
‡ d.03 SQSC - Retail	1	33,379	30.00	1,001,370	1,133,547	1,001,370	1,133,547
‡ d.04 SQSC - Retail	1	12,938	30.00	388,140	441,914	388,140	441,914
‡ d.05 SQSC - Retail	1	22,701	30.00	681,030	784,376	681,030	784,376
‡ d.06 SQSC - Retail	1	91,396	30.00	2,741,880	3,160,996	2,741,880	3,160,996
‡ e.01 SQSC - Retail	1	15,791	30.00	473,730	524,536	473,730	524,536
‡ e.02 SQSC - Retail	1	12,669	30.00	380,070	423,265	380,070	423,265
‡ f.01 HQ - Retail	1	9,795	30.00	293,850	328,823	293,850	328,823
‡ f.02 HQ - Retail	1	18,073	30.00	542,190	653,950	542,190	653,950
‡ f.03 HQ - Retail	1	2,885	30.00	86,550	101,423	86,550	101,423
‡ g.01 MAST - Retail	1	129,038	30.00	3,871,140	4,212,794	3,871,140	4,212,794
‡ h.01 HQ - Retail	1	16,232	30.00	486,960	517,356	486,960	517,356
‡ h.02 HQ - Retail	1	6,437	30.00	193,110	205,164	193,110	205,164
‡ h.03 HQ - Retail	1	7,675	30.00	230,250	245,093	230,250	245,093
‡ H.04 HQ - Retail	1	8,277	30.00	248,310	271,527	248,310	271,527
‡ j.01 MAST - Retail	1	5,048	30.00	151,440	168,651	151,440	168,651
‡ j.02 MAST - Retail	1	5,350	30.00	160,500	179,602	160,500	179,602
‡ J.03 MAST - Retail	1	5,447	30.00	163,410	184,979	163,410	184,979
‡ j.04 MAST - Retail	1	3,455	30.00	103,650	118,692	103,650	118,692
‡ j.07 MAST - Retail	1	6,512	30.00	195,360	234,274	195,360	234,274
‡ M.01 Police Station - Retail	1	3,735	30.00	112,050	117,453	112,050	117,453
‡ b.01 SQSC - Office	1	93,398	40.00	3,735,920	4,180,551	3,735,920	4,180,551
‡ b.02 SQSC - Office	1	77,995	40.00	3,119,800	3,555,440	3,119,800	3,555,440
‡ b.03 SQSC - Office	1	79,610	40.00	3,184,400	3,706,612	3,184,400	3,706,612
‡ b.04 SQSC - Office	1	79,535	40.00	3,181,400	3,796,822	3,181,400	3,796,822
‡ c.01 SQSC - Office	1	87,586	40.00	3,503,440	3,996,490	3,503,440	3,996,490
‡ d.01/02 SQSC - Office	1	285,706	40.00	11,428,240	12,282,435	11,428,240	12,282,435
‡ d.01/02 SQSC - Leisure	1	46,468	18.00	836,424	898,942	836,424	898,942
‡ d.03 SQSC - Office	1	138,241	40.00	5,529,640	6,259,529	5,529,640	6,259,529

Canada Water

Final Viability Assessment, Grant and Growth

‡ d.04 SQSC - Office	1	59,783	40.00	2,391,320	2,722,619	2,391,320	2,722,619
‡ d.05 SQSC - Office	1	94,399	40.00	3,775,960	4,348,960	3,775,960	4,348,960
‡ d.06 SQSC - Hotel	1	36,565	55.00	2,011,075	2,318,482	2,011,075	2,318,482
‡ e.01 SQSC - Office	1	137,552	40.00	5,502,080	6,092,163	5,502,080	6,092,163
‡ e.02 SQSC - Public	1	24,176		0	0		
‡ f.01 HQ - Office	1	64,551	40.00	2,582,040	2,889,342	2,582,040	2,889,342
‡ f.02 HQ - Office	1	134,215	40.00	5,368,600	6,475,218	5,368,600	6,475,218
‡ f.03 HQ - Office	1	87,478	40.00	3,499,120	4,100,437	3,499,120	4,100,437
‡ h.01 HQ - Office	1	173,837	40.00	6,953,480	7,387,517	6,953,480	7,387,517
‡ h.02 HQ - Office	1	139,533	40.00	5,581,320	5,929,707	5,581,320	5,929,707
‡ h.03 HQ - Office	1	208,971	40.00	8,358,840	8,897,687	8,358,840	8,897,687
‡ M.01 Police Station - Public	1	2,153		0	0		
‡ b.04 SQSC - Public	1	38,018		0	0		
Totals	53	3,098,694			124,473,008	112,188,069	

Investment Valuation

Plot a.01 - SQSC - Retail

Current Rent	291,070	YP @	5.5000%	18.1818	5,292,181
Rent Free	(291,070)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(312,482)
					4,979,699

Plot a.02 - SQSC - Retail

Current Rent	279,992	YP @	5.5000%	18.1818	5,090,755
Rent Free	(279,992)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(300,589)
					4,790,166

Plot a.01 - SQSC - Office

Current Rent	4,969,222	YP @	5.0000%	20.0000	99,384,447
Rent Free	(4,969,222)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(8,941,838)
					90,442,610

Plot a.02 - SQSC - Office

Current Rent	7,721,806	YP @	5.0000%	20.0000	154,436,117
Rent Free	(7,721,806)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(13,894,958)
					140,541,159

a.01 Dock Office - Retail

Current Rent	682,156	YP @	5.5000%	18.1818	12,402,835
Rent Free	(682,156)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(732,339)
					11,670,496

**Canada Water
Final Viability Assessment, Grant and Growth**

b.01 SQSC - Retail

Current Rent	398,213	YP @	5.5000%	18.1818	7,240,232
Rent Free	(398,213)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(427,507)
					6,812,725

b.02 SQSC - Retail

Current Rent	404,081	YP @	5.5000%	18.1818	7,346,931
Rent Free	(404,081)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(433,807)
					6,913,123

b.03 SQSC - Retail

Current Rent	398,050	YP @	5.5000%	18.1818	7,237,270
Rent Free	(398,050)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(427,332)
					6,809,938

b.04 SQSC - Retail

Current Rent	755,736	YP @	5.5000%	18.1818	13,740,659
Rent Free	(755,736)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(811,332)
					12,929,327

c.01 SQSC - Retail

Current Rent	668,937	YP @	5.5000%	18.1818	12,162,496
Rent Free	(668,937)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(718,147)
					11,444,349

d.01/02 SQSC - Retail

Current Rent	4,056,375	YP @	5.5000%	18.1818	73,752,272
Rent Free	(4,056,375)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(4,354,781)
					69,397,491

d.03 SQSC - Retail

Current Rent	1,133,547	YP @	5.5000%	18.1818	20,609,939
Rent Free	(1,133,547)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(1,216,936)
					19,393,003

d.04 SQSC - Retail

Current Rent	441,914	YP @	5.5000%	18.1818	8,034,798
Rent Free	(441,914)	YP 1yr 6mths @	5.5000%	1.4031	

Canada Water

Final Viability Assessment, Grant and Growth

PV 5yrs @ 5.5000% 0.7651 (474,423)
7,560,375

d.05 SQSC - Retail

Current Rent 784,376 YP @ 5.5000% 18.1818 14,261,382
 Rent Free (784,376) YP 1yr 6mths @ 5.5000% 1.4031
 PV 5yrs @ 5.5000% 0.7651 (842,078)
13,419,303

d.06 SQSC - Retail

Current Rent 3,160,996 YP @ 5.5000% 18.1818 57,472,648
 Rent Free (3,160,996) YP 1yr 6mths @ 5.5000% 1.4031
 PV 5yrs @ 5.5000% 0.7651 (3,393,533)
54,079,115

e.01 SQSC - Retail

Current Rent 524,536 YP @ 5.5000% 18.1818 9,537,022
 Rent Free (524,536) YP 1yr 6mths @ 5.5000% 1.4031
 PV 5yrs @ 5.5000% 0.7651 (563,124)
8,973,898

e.02 SQSC - Retail

Current Rent 423,265 YP @ 5.5000% 18.1818 7,695,731
 Rent Free (423,265) YP 1yr 6mths @ 5.5000% 1.4031
 PV 5yrs @ 5.5000% 0.7651 (454,403)
7,241,329

f.01 HQ - Retail

Current Rent 328,823 YP @ 5.5000% 18.1818 5,978,593
 Rent Free (328,823) YP 1yr 6mths @ 5.5000% 1.4031
 PV 5yrs @ 5.5000% 0.7651 (353,012)
5,625,581

f.02 HQ - Retail

Current Rent 653,950 YP @ 5.5000% 18.1818 11,890,008
 Rent Free (653,950) YP 1yr 6mths @ 5.5000% 1.4031
 PV 5yrs @ 5.5000% 0.7651 (702,058)
11,187,950

f.03 HQ - Retail

Current Rent 101,423 YP @ 5.5000% 18.1818 1,844,063
 Rent Free (101,423) YP 1yr 6mths @ 5.5000% 1.4031
 PV 5yrs @ 5.5000% 0.7651 (108,885)
1,735,178

g.01 MAST - Retail

Canada Water

Final Viability Assessment, Grant and Growth

Current Rent	4,212,794	YP @	5.5000%	18.1818	76,596,256
Rent Free	(4,212,794)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(4,522,707)
					72,073,549
h.01 HQ - Retail					
Current Rent	517,356	YP @	5.5000%	18.1818	9,406,475
Rent Free	(517,356)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(555,415)
					8,851,060
h.02 HQ - Retail					
Current Rent	205,164	YP @	5.5000%	18.1818	3,730,254
Rent Free	(205,164)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(220,257)
					3,509,997
h.03 HQ - Retail					
Current Rent	245,093	YP @	5.5000%	18.1818	4,456,235
Rent Free	(245,093)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(263,123)
					4,193,112
H.04 HQ - Retail					
Current Rent	271,527	YP @	5.5000%	18.1818	4,936,849
Rent Free	(271,527)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(291,501)
					4,645,348
j.01 MAST - Retail					
Current Rent	168,651	YP @	5.5000%	18.1818	3,066,387
Rent Free	(168,651)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(181,058)
					2,885,329
j.02 MAST - Retail					
Current Rent	179,602	YP @	5.5000%	18.1818	3,265,490
Rent Free	(179,602)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(192,814)
					3,072,676
J.03 MAST - Retail					
Current Rent	184,979	YP @	5.5000%	18.1818	3,363,262
Rent Free	(184,979)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(198,587)
					3,164,675

**Canada Water
Final Viability Assessment, Grant and Growth**

j.04 MAST - Retail

Market Rent	118,692	YP @	5.5000%	18.1818	
		PV 7mths @	5.5000%	0.9693	2,091,685

j.07 MAST - Retail

Current Rent	234,274	YP @	5.5000%	18.1818	4,259,532
Rent Free	(234,274)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(251,509)
					4,008,023

M.01 Police Station - Retail

Current Rent	117,453	YP @	5.5000%	18.1818	2,135,511
Rent Free	(117,453)	YP 1yr 6mths @	5.5000%	1.4031	
		PV 5yrs @	5.5000%	0.7651	(126,094)
					2,009,418

b.01 SQSC - Office

Current Rent	4,180,551	YP @	5.0000%	20.0000	83,611,028
Rent Free	(4,180,551)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(7,522,669)
					76,088,360

b.02 SQSC - Office

Current Rent	3,555,440	YP @	5.0000%	20.0000	71,108,806
Rent Free	(3,555,440)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(6,397,816)
					64,710,990

b.03 SQSC - Office

Current Rent	3,706,612	YP @	5.0000%	20.0000	74,132,233
Rent Free	(3,706,612)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(6,669,840)
					67,462,393

b.04 SQSC - Office

Current Rent	3,796,822	YP @	5.0000%	20.0000	75,936,432
Rent Free	(3,796,822)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(6,832,168)
					69,104,264

c.01 SQSC - Office

Current Rent	3,996,490	YP @	5.0000%	20.0000	79,929,798
Rent Free	(3,996,490)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(7,191,460)
					72,738,338

**Canada Water
Final Viability Assessment, Grant and Growth**

d.01/02 SQSC - Office

Current Rent	12,282,435	YP @	5.0000%	20.0000	245,648,704
Rent Free	(12,282,435)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(22,101,555)
					223,547,149

d.01/02 SQSC - Leisure

Current Rent	898,942	YP @	6.0000%	16.6667	14,982,365
Rent Free	(898,942)	YP 2yrs 6mths @	6.0000%	2.2593	
		PV 5yrs @	6.0000%	0.7473	(1,517,678)
					13,464,687

d.03 SQSC - Office

Current Rent	6,259,529	YP @	5.0000%	20.0000	125,190,587
Rent Free	(6,259,529)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(11,263,673)
					113,926,914

d.04 SQSC - Office

Current Rent	2,722,619	YP @	5.0000%	20.0000	54,452,387
Rent Free	(2,722,619)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(4,899,201)
					49,553,186

d.05 SQSC - Office

Current Rent	4,348,960	YP @	5.0000%	20.0000	86,979,205
Rent Free	(4,348,960)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(7,825,711)
					79,153,494

d.06 SQSC - Hotel

Current Rent	2,318,482	YP @	5.0000%	20.0000	46,369,639
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e.01 SQSC - Office

Current Rent	6,092,163	YP @	5.0000%	20.0000	121,843,251
Rent Free	(6,092,163)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(10,962,506)
					110,880,745

f.01 HQ - Office

Current Rent	2,889,342	YP @	5.0000%	20.0000	57,786,842
Rent Free	(2,889,342)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(5,199,210)
					52,587,633

Canada Water

Final Viability Assessment, Grant and Growth

f.02 HQ - Office

Current Rent	6,475,218	YP @	5.0000%	20.0000	129,504,357
Rent Free	(6,475,218)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(11,651,792)
					117,852,564

f.03 HQ - Office

Current Rent	4,100,437	YP @	5.0000%	20.0000	82,008,736
Rent Free	(4,100,437)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(7,378,507)
					74,630,229

h.01 HQ - Office

Current Rent	7,387,517	YP @	5.0000%	20.0000	147,750,349
Rent Free	(7,387,517)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(13,293,425)
					134,456,924

h.02 HQ - Office

Current Rent	5,929,707	YP @	5.0000%	20.0000	118,594,139
Rent Free	(5,929,707)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(10,670,176)
					107,923,963

h.03 HQ - Office

Current Rent	8,897,687	YP @	5.0000%	20.0000	177,953,740
Rent Free	(8,897,687)	YP 2yrs 6mths @	5.0000%	2.2966	
		PV 5yrs @	5.0000%	0.7835	(16,010,890)
					161,942,850

Total Investment Valuation **2,242,846,007**

GROSS DEVELOPMENT VALUE **4,416,402,852**

Purchaser's Costs	(152,513,528)
Effective Purchaser's Costs Rate	6.80%
	(152,513,528)

NET DEVELOPMENT VALUE **4,263,889,324**

Additional Revenue

Assumed Grant Funding	30,000,000
Leisure Contributions	50,000,000
Tesco Contributions	35,477,758
Grant Funding	10,000,000
	125,477,758

**Canada Water
Final Viability Assessment, Grant and Growth**

NET REALISATION **4,389,367,082**

OUTLAY

ACQUISITION COSTS

Fixed Price	28,353,005		
Fixed Price	199,696,995		
Total Acquisition		228,050,000	
			228,050,000
Stamp Duty	6.80%	15,507,400	
			15,507,400

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Plot a.01 - SQSC - Retail	9,106	174.23	1,586,538
Plot a.02 - SQSC - Retail	8,751	151.42	1,325,076
Plot a.01 - SQSC - Office	116,595	355.19	41,413,378
Plot a.02 - SQSC - Office	181,006	343.98	62,262,444
Plot a.02 - SQSC - Leisure	53,292	622.17	33,156,684
a.01 Dock Office - Retail	21,797	183.33	3,996,044
b.01 SQSC - Retail	11,862	183.33	2,174,660
b.02 SQSC - Retail	11,819	183.34	2,166,895
b.03 SQSC - Retail	11,399	183.32	2,089,665
b.04 SQSC - Retail	21,108	183.33	3,869,730
c.01 SQSC - Retail	19,547	183.33	3,583,552
d.01/02 SQSC - Retail	125,809	183.33	23,064,564
d.03 SQSC - Retail	33,379	183.33	6,119,372
d.04 SQSC - Retail	12,938	183.33	2,371,924
d.05 SQSC - Retail	22,701	183.34	4,162,001
d.06 SQSC - Retail	91,396	183.29	16,751,973
e.01 SQSC - Retail	15,791	183.33	2,894,964
e.02 SQSC - Retail	12,669	183.33	2,322,608
f.01 HQ - Retail	9,795	183.32	1,795,619
f.02 HQ - Retail	18,073	183.33	3,313,323
f.03 HQ - Retail	2,885	183.33	528,907
g.01 MAST - Retail	129,038	306.46	39,544,985
h.01 HQ - Retail	16,232	183.33	2,975,813
h.02 HQ - Retail	6,437	183.34	1,180,160
h.03 HQ - Retail	7,675	184.83	1,418,570
H.04 HQ - Retail	8,277	183.33	1,517,422
j.01 MAST - Retail	5,048	183.32	925,399
j.02 MAST - Retail	5,350	183.33	980,816
J.03 MAST - Retail	5,447	183.32	998,544
j.04 MAST - Retail	3,455	183.33	633,405
j.07 MAST - Retail	6,512	183.32	1,193,780

Canada Water

Final Viability Assessment, Grant and Growth

M.01 Police Station - Retail	3,735	183.32	684,700
b.01 SQSC - Office	93,398	328.46	30,677,507
b.02 SQSC - Office	77,995	328.46	25,618,238
b.03 SQSC - Office	79,610	328.46	26,148,701
b.04 SQSC - Office	79,535	328.46	26,124,066
c.01 SQSC - Office	87,586	328.46	28,768,498
d.01/02 SQSC - Office	285,706	328.46	93,842,993
d.01/02 SQSC - Leisure	46,468	378.30	17,578,844
d.03 SQSC - Office	138,241	328.46	45,406,639
d.04 SQSC - Office	59,783	328.46	19,636,324
d.05 SQSC - Office	94,399	328.46	31,006,296
d.06 SQSC - Hotel	36,565	365.67	13,370,724
e.01 SQSC - Office	137,552	328.46	45,180,330
e.02 SQSC - Public	24,176	278.05	6,722,137
f.01 HQ - Office	64,551	328.46	21,202,421
f.02 HQ - Office	134,215	328.46	44,084,259
f.03 HQ - Office	87,478	328.46	28,733,024
h.01 HQ - Office	173,837	349.82	60,811,659
h.02 HQ - Office	139,533	353.60	49,338,869
h.03 HQ - Office	208,971	337.12	70,448,304
M.01 Police Station - Public	2,153	278.04	598,620
b.04 SQSC - Public	38,018	278.04	10,570,525
a.01 SQSC - Private Resi	191,964	342.97	65,837,866
k.01 HQ - Affordable Resi	57,234	292.89	16,763,184
a.01 SQSC - Intermediate Resi	10,188	317.53	3,234,932
k.01 HQ - Intermediate Resi	17,364	292.89	5,085,737
b.04 - Private Resi	121,002	295.09	35,706,480
b.04 - Affordable	120,704	272.76	32,923,223
c.01 - Private Resi	95,778	295.09	28,263,130
c.01 - Affordable	91,405	271.71	24,835,653
d.01/d.02 - Private	320,450	334.14	107,075,163
d.04 - Private	39,942	270.09	10,787,935
d.04 - Affordable	39,438	247.76	9,771,159
e.02 - Private	55,401	270.09	14,963,256
e.02 - Affordable	55,342	247.76	13,711,534
f.01 - Private Resi	263,760	331.48	87,431,165
f.03 - Private Resi	237,820	331.48	78,832,574
g.01 - Private Resi	363,902	287.65	104,676,410
g.01 - Affordable	133,584	256.47	34,260,288
h.04 - Private	50,244	270.09	13,570,402
h.04 - Affordable	48,412	247.76	11,994,557
j.01 - Private	36,582	270.09	9,880,432
j.01 - Affordable	37,284	247.76	9,237,484
j.02 - Private	37,880	270.09	10,231,009
j.02 - Affordable	37,440	247.76	9,276,134
j.03 - Private	41,580	270.09	11,230,342

Canada Water

Final Viability Assessment, Grant and Growth

j.03 - Affordable	40,076	247.76	9,929,230	
j.04 Private	31,416	270.09	8,485,147	
j.04 Affordable	31,383	247.76	7,775,452	
j.05 Private	38,130	270.09	10,298,532	
j.05 Affordable	37,840	247.76	9,375,238	
j.06 Private	56,760	270.09	15,330,308	
j.06 Affordable	56,700	247.76	14,047,992	
j.07 Affordable	108,100	247.76	26,782,856	
l.01 Affordable	100,170	247.76	24,818,119	
l.02 - Private	56,700	270.09	15,314,103	
l.02 - Affordable	56,580	247.76	14,018,261	
l.03 - Private	26,460	270.09	7,146,581	
l.03 - Affordable	27,434	247.76	6,797,048	
m.01 - Private	<u>46,060</u>	270.09	<u>12,440,345</u>	
Totals	6,317,202 ft²		1,901,011,755	
Developers Contingency		5.00%	17,341,344	1,918,353,099

Other Construction

3m Landscaped Border			2,768,365
Additional Contingency			2,051,047
Basement			22,350,229
Contractor Fees			11,958,841
Contribution to Leisure Build			15,000,000
Drainage and Utilities			8,172,425
Enabling Works			9,757,769
Insurance			4,370,915
Mayoral and Southwark CIL			8,245,545
NHBC			305,620
Off Plot Infrastructure			12,967,829
Plot G.01 Enabling Works			3,434,607
Pre Development Costs			3,572,713
S106 Allowance			6,600,000
S106/278 Off Site Works			1,820,359
SQLP VP Apportionment			2,516,400
Void Rates and Charges			4,154,232
Enabling Works			62,547,336
S106/278			16,983,031
S106 Contributions			64,450,000
Other Contingency			2,431,374
SQLP VP Apportionment			20,783,600
Pre Development Costs			28,713,727
Void Rates and Charges			29,692,801
Plot G.01 Enabling Works			32,043,151
Contractor Fees			75,851,136
NHBC			3,007,541
Mayoral and Southwark CIL			87,758,129

Canada Water

Final Viability Assessment, Grant and Growth

Insurance		27,695,487	
Off Plot Infrastructure		107,570,228	
Drainage and Utilities		73,507,329	
3m Landscaped Border		47,519,016	
Basement		223,135,382	
			1,023,736,164

PROFESSIONAL FEES

Architect	10.50%	278,141,958	
			278,141,958

MARKETING & LETTING

Marketing	1.50%	27,391,356	
Letting Agent Fee	15.00%	18,670,951	
Letting Legal Fee	5.00%	663,104	
Letting Legal Fee		4,413,514	
			51,138,925

DISPOSAL FEES

Sales Agent Fee	1.50%	27,391,356	
Sales Legal Fee		1,891,000	
			29,282,356

Additional Costs

Additional Costs		7,584,269	
			7,584,269

FINANCE

Multiple Finance Rates Used (See Assumptions)			
Debit Rates varied throughout the Cash Flow			
Total Finance Cost			128,327,124

TOTAL COSTS

3,680,121,296

PROFIT

709,245,785

Performance Measures

Profit on Cost%	19.27%
Profit on GDV%	16.06%
Profit on NDV%	16.63%
Development Yield% (on Rent)	3.38%
Equivalent Yield% (Nominal)	5.09%
Equivalent Yield% (True)	5.24%
IRR	14.73%
Rent Cover	5 yrs 8 mths
Profit Erosion (finance rate 6.000)	2 yrs 12 mths

**Canada Water
Final Viability Assessment, Grant and Growth**

‡ Inflation/Growth applied

Growth on Sales		Ungrown	Growth	Total
a.01 SQSC - Private Resi	Growth at 1.160%	144,627,772	8,644,222	153,271,994
k.01 HQ - Affordable Resi	Growth at 1.160%	8,215,250	322,529	8,537,779
a.01 SQSC - Intermediate Resi	Growth at 1.160%	4,366,200	171,416	4,537,616
a.01 SQSC - Car Parking	Growth at 1.160%	1,395,000	83,377	1,478,377
k.01 HQ - Intermediate Resi	Growth at 1.160%	8,658,840	339,945	8,998,785
b.04 - Private Resi	Growth at 1.160%	92,392,896	18,128,103	110,520,999
b.04 - Affordable	Growth at 1.160%	27,506,688	4,805,630	32,312,318
c.01 - Private Resi	Growth at 1.160%	74,704,698	10,710,717	85,415,415
c.01 - Affordable	Growth at 1.160%	20,747,824	2,548,344	23,296,168
d.01/d.02 - Private	Growth at 1.160%	275,417,640	21,271,182	296,688,822
d.04 - Private	Growth at 1.160%	27,491,898	3,881,262	31,373,160
d.04 - Affordable	Growth at 1.160%	8,988,336	1,118,405	10,106,741
e.02 - Private	Growth at 1.160%	37,367,532	4,343,190	41,710,722
e.02 - Affordable	Growth at 1.160%	12,609,008	1,258,950	13,867,958
f.01 - Private Resi	Growth at 1.160%	205,639,000	38,698,368	244,337,368
f.03 - Private Resi	Growth at 1.160%	191,231,568	33,357,446	224,589,014
g.01 - Private Resi	Growth at 1.160%	271,206,848	24,619,128	295,825,976
g.01 - Affordable	Growth at 1.160%	29,737,344	2,010,070	31,747,414
h.04 - Private	Growth at 1.160%	34,550,170	3,317,872	37,868,042
h.04 - Affordable	Growth at 1.160%	11,036,064	882,260	11,918,324
j.01 - Private	Growth at 1.160%	25,145,094	2,922,589	28,067,683
j.01 - Affordable	Growth at 1.160%	8,496,384	848,324	9,344,708
j.02 - Private	Growth at 1.160%	26,039,880	3,166,604	29,206,484
j.02 - Affordable	Growth at 1.160%	8,536,640	897,571	9,434,211
j.03 - Private	Growth at 1.160%	28,252,224	3,803,218	32,055,442
j.03 - Affordable	Growth at 1.160%	9,138,704	1,078,029	10,216,733
j.04 Private	Growth at 1.160%	21,321,468	3,150,847	24,472,315
j.04 Affordable	Growth at 1.160%	7,150,176	936,182	8,086,358
j.05 Private	Growth at 1.160%	25,715,856	4,142,628	29,858,484
j.05 Affordable	Growth at 1.160%	8,619,520	1,241,643	9,861,163
j.06 Private	Growth at 1.160%	38,316,240	6,688,522	45,004,762
j.06 Affordable	Growth at 1.160%	12,929,280	2,034,049	14,963,329
j.07 Affordable	Growth at 1.160%	24,644,960	4,556,807	29,201,767
l.01 Affordable	Growth at 1.160%	22,810,352	769,548	23,579,900
l.02 - Private	Growth at 1.160%	38,525,760	6,464,903	44,990,663
l.02 - Affordable	Growth at 1.160%	12,893,760	1,949,816	14,843,576
l.03 - Private	Growth at 1.160%	17,978,688	3,383,336	21,362,024
l.03 - Affordable	Growth at 1.160%	6,257,736	1,072,019	7,329,755
m.01 - Private	Growth at 1.160%	31,076,976	1,573,968	32,650,944
Car Parking	Growth at 1.160%	12,855,000	2,486,718	15,341,718

Canada Water

Final Viability Assessment, Grant and Growth

Growth on Capitalised Rent		Ungrown	Growth	Total
Plot a.01 - SQSC - Retail	Growth at 1.160%	4,673,633	306,066	4,979,699
Plot a.02 - SQSC - Retail	Growth at 1.160%	4,491,430	298,736	4,790,166
Plot a.01 - SQSC - Office	Growth at 1.160%	84,883,753	5,558,857	90,442,610
Plot a.02 - SQSC - Office	Growth at 1.160%	131,776,393	8,764,766	140,541,159
a.01 Dock Office - Retail	Growth at 1.160%	11,187,258	483,238	11,670,496
b.01 SQSC - Retail	Growth at 1.160%	6,088,143	724,582	6,812,725
b.02 SQSC - Retail	Growth at 1.160%	6,066,073	847,050	6,913,123
b.03 SQSC - Retail	Growth at 1.160%	5,850,509	959,429	6,809,938
b.04 SQSC - Retail	Growth at 1.160%	10,833,630	2,095,697	12,929,327
c.01 SQSC - Retail	Growth at 1.160%	10,032,451	1,411,898	11,444,349
d.01/02 SQSC - Retail	Growth at 1.160%	64,571,168	4,826,323	69,397,491
d.03 SQSC - Retail	Growth at 1.160%	17,131,692	2,261,312	19,393,003
d.04 SQSC - Retail	Growth at 1.160%	6,640,398	919,977	7,560,375
d.05 SQSC - Retail	Growth at 1.160%	11,651,234	1,768,070	13,419,303
d.06 SQSC - Retail	Growth at 1.160%	46,908,778	7,170,337	54,079,115
e.01 SQSC - Retail	Growth at 1.160%	8,104,693	869,205	8,973,898
e.02 SQSC - Retail	Growth at 1.160%	6,502,334	738,995	7,241,329
f.01 HQ - Retail	Growth at 1.160%	5,027,260	598,321	5,625,581
f.02 HQ - Retail	Growth at 1.160%	9,275,924	1,912,026	11,187,950
f.03 HQ - Retail	Growth at 1.160%	1,480,719	254,459	1,735,178
g.01 MAST - Retail	Growth at 1.160%	66,228,444	5,845,104	72,073,549
h.01 HQ - Retail	Growth at 1.160%	8,331,035	520,025	8,851,060
h.02 HQ - Retail	Growth at 1.160%	3,303,775	206,222	3,509,997
h.03 HQ - Retail	Growth at 1.160%	3,939,175	253,936	4,193,112
H.04 HQ - Retail	Growth at 1.160%	4,248,150	397,197	4,645,348
j.01 MAST - Retail	Growth at 1.160%	2,590,874	294,455	2,885,329
j.02 MAST - Retail	Growth at 1.160%	2,745,875	326,801	3,072,676
J.03 MAST - Retail	Growth at 1.160%	2,795,660	369,015	3,164,675
j.04 MAST - Retail	Growth at 1.160%	1,826,597	265,088	2,091,685
j.07 MAST - Retail	Growth at 1.160%	3,342,268	665,755	4,008,023
M.01 Police Station - Retail	Growth at 1.160%	1,916,980	92,438	2,009,418
b.01 SQSC - Office	Growth at 1.160%	67,995,821	8,092,539	76,088,360
b.02 SQSC - Office	Growth at 1.160%	56,782,094	7,928,895	64,710,990
b.03 SQSC - Office	Growth at 1.160%	57,957,850	9,504,542	67,462,393
b.04 SQSC - Office	Growth at 1.160%	57,903,249	11,201,016	69,104,264
c.01 SQSC - Office	Growth at 1.160%	63,764,556	8,973,782	72,738,338
d.01/02 SQSC - Office	Growth at 1.160%	208,000,321	15,546,827	223,547,149
d.01/02 SQSC - Leisure	Growth at 1.160%	12,528,271	936,416	13,464,687
d.03 SQSC - Office	Growth at 1.160%	100,642,522	13,284,392	113,926,914
d.04 SQSC - Office	Growth at 1.160%	43,523,353	6,029,833	49,553,186
d.05 SQSC - Office	Growth at 1.160%	68,724,571	10,428,923	79,153,494
d.06 SQSC - Hotel	Growth at 1.160%	40,221,500	6,148,139	46,369,639
e.01 SQSC - Office	Growth at 1.160%	100,140,915	10,739,831	110,880,745
f.01 HQ - Office	Growth at 1.160%	46,994,563	5,593,069	52,587,633
f.02 HQ - Office	Growth at 1.160%	97,711,504	20,141,060	117,852,564

Canada Water**Final Viability Assessment, Grant and Growth**

f.03 HQ - Office	Growth at 1.160%	63,685,929	10,944,300	74,630,229
h.01 HQ - Office	Growth at 1.160%	126,557,202	7,899,722	134,456,924
h.02 HQ - Office	Growth at 1.160%	101,583,127	6,340,836	107,923,963
h.03 HQ - Office	Growth at 1.160%	152,135,535	9,807,315	161,942,850

For further information please contact

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