

164-196 Trundleys Road Financial Viability Review

LB Lewisham

164-196 Trundleys Road
Deptford
London
SE8 5JE

March 2021

Prepared by

GL Hearn

65 Gresham Street
London EC2V 7NQ

T +44 (0)20 7851 4900
glhearn.com

Confidential

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Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

This document must only be treated as a draft unless it has been signed by the originators and approved by a Business or Associate Director.

DATE

12 March 2021

ORIGINATORS

Oliver Dawson
Associate Director



APPROVED

Andrew Murphy
Director



Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 EXECUTIVE SUMMARY

Instruction

- 1.1 GL Hearn is instructed by LB Lewisham to undertake a due diligence review of a Financial Viability Assessment (FVA) submitted in support of a planning application (None) submitted for a development at 164-196 Trundleys Road, Deptford, London, SE8 5JE.

Applicant Offer

- 1.2 The applicant has concluded that:

“35% affordable housing scenario that I have modelled shows a deficit. My recommendation in these instances would be for the scheme’s affordable housing/S.106 contributions to be reduced until the break-even position is reached... However, following discussions with the applicant I understand they have arrived at a ‘commercial decision’ to proceed with the scheme providing 35% affordable housing (63 units) with a policy compliant tenure split.”.

- 1.3 At present the applicant’s offer consists of the following planning obligation items:

- Combined CIL: c.£2.443m
- S106/278 Contributions: £0.500m
- Affordable Housing: 35% on-site, reflecting a policy compliant tenure mix

Summary Inputs

- 1.4 The following table summarises the key inputs and assumptions adopted by the applicant:

Table 1: Inputs Summary

Input	Applicant Assumption	Agreed Y / N
Residential Floor Area	135,007 ft ² NSA	-
Commercial Floor Area	23,900 ft ² GIA	-
Market Residential Value	£59.240m (£687.69/ ft ²)	-
Affordable Residential Value	£15.568m (£318.60/ ft ²)	-
Residential Disposal Costs	3% of GDV	
Commercial Capital Value	£3.855m (£161.31/ ft ²)	-
Construction Cost	£53.383m	N

Professional Fees	8% of Build Cost	-
Developer's Return	£13.360m (17.0% on GDV)	N
Finance Rate	6.5%	Y
Existing Use Value	£4.600m	N
Benchmark Site Value	£4.600m	N

Information Requests

- 1.5 A due diligence review of inputs and assumptions against relevant planning policy, guidance, and RICS valuation best practice has identified a number of differing conclusions in respect of:
- Residential sales values
 - Construction costs
 - Benchmark Site Value
- 1.6 At present we understand no affordable housing review mechanism has been provided for, which as a minimum we advise be explored.

Conclusions

- 1.7 Following our review of key inputs the following sensitivity analysis reveals a range of proposed scheme land value, with our opinion presented below:

Table 2: Proposed Scheme 35% Affordable Land Value Sensitivity Analysis

		Sales Values				
		-5%	-2.5%	0%	2.5%	5%
Construction Costs	-5%	-£0.665m	£0.396m	£1.431m	£2.467m	£3.503m
	-2.5%	-£1.467m	£0.389m	£0.662m	£1.698m	£2.734m
	0%	-£2.272m	-£1.189m	-£0.113m	£0.929m	£1.964m
	2.5%	-£3.078m	-£1.992m	-£0.911m	£0.160m	£1.195m
	5%	-£3.884m	-£2.798m	-£1.713m	-£0.634m	£0.426m

Source: GL Hearn

2 INTRODUCTION

Purpose of Report

- 2.1 This statement has been prepared by GL Hearn on behalf of LB Lewisham in connection with planning application DC/18/106941 submitted for a site at 164-196 Trundleys Road, Deptford, London, SE8 5JE.
- 2.2 The purpose of this report is to provide an independent due diligence review of the applicant's submitted evidence base to establish:
- What level of planning contributions are considered financially viable; and
 - The impact, if required, of grant and external funding.
- 2.3 Financial viability is material in the consideration of planning applications. The cumulative impact of planning policies on the cost of development should not undermine the delivery of the Statutory Development Plan.
- 2.4 Plans are expected to be aspirational and set out developer contributions, including:
- Affordable housing and/or workspace expectations;
 - Infrastructure requirements; and
 - Design standards.

Planning Policy Context

- 2.5 The National Planning Policy Framework (NPPF) and Planning Policy Guidance (PPG), along with regional and local plan policies, provide the framework within which the development proposals are embedded.
- 2.6 The NPPF is the key policy document against which financial viability should be considered, in the context of promoting sustainable development:

“Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at

the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available”.¹

2.7 Local Planning Authorities (LPAs) are responsible for assessing housing need, including affordable housing tenure requirements:

“Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:

- Off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
- The agreed approach contributes to the objective of creating mixed and balanced communities”.²*

2.8 PPG emphasises the requirement for transparent and robust assessments:

“Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.

The weight to be given to a viability assessment is a matter of the decision maker, having regard to all the circumstances in the case including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment”.³

2.9 The London Plan sets out further requirements and considerations when considering schemes at a development management level:

“A The maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes, having regard to;

current and future requirements for affordable housing at local and regional levels identified in line with Policies 3.8 3.10 and 3.11 and having particular regard to the guidance provided by the Mayor through the London Housing Strategy, supplementary guidance and the London plan Annual Monitoring Report (see paragraph 3.68);

- affordable housing targets adopted in line with Policy 3.11,*
- the need to encourage rather than restrain residential development (Policy 3.3),*
- the need to promote mixed and balanced communities (Policy 3.9),*

¹ National Planning Policy Framework paragraph 57 p.16 2019-02

² National Planning Policy Framework paragraph 62 p.17 2019-02

³ Planning Practice Guidance paragraph 008 p.5 2019-11-01

- *the size and type of affordable housing needed in particular locations,*
- *the special circumstances of individual sites,*
- *resources available to fund affordable housing, to maximise affordable housing output and the investment criteria set by the mayor,*
- *the priority to be accorded to provision of affordable family housing in policies 3.8 and 3.11.*

B Negotiations on sites should take account of their individual circumstances including development viability, the availability of public subsidy, the implications of phased development including provisions for reappraising the viability of scheme prior to implementation ('contingent obligations'), and other scheme requirements.

C Affordable housing should normally be provided on-site. In exceptional cases where it can be demonstrated robustly that this is not appropriate in terms of the policies in this Plan, it may be provided off-site. A cash in lieu contribution should only be accepted where this would have demonstrable benefits in furthering the affordable housing where this would have demonstrable benefits in furthering the affordable housing and other policies in this Plan and should be ring-fenced and, if appropriate, pooled to secure additional affordable housing either on identified sites elsewhere or as part of an agreed programme for provision of affordable housing.”⁴

2.10 Local Plan Policy 1 outlines the LPA's aspirations in respect of affordable housing delivery, stating that:

“The Council will seek the maximum provision of affordable housing with a strategic target for 50% affordable housing from all sources. This would equate to approximately 9,082 net new dwellings between 2010/11 and 2025/26...contributions to affordable housing should be sought on sites capable of providing 10 or more dwellings. The starting point for negotiations will be a contribution of 50% affordable housing on qualifying sites across the borough. This would be subject to a financial viability assessment. To ensure a mixed tenure and promote mixed and balanced communities, the affordable housing component is to be provided as 70% social rented and 30% intermediate housing”.

2.11 Under local policy we understand the proposal should aim to provide 50% affordable housing, and affordable provision should, by habitable room, compromise the following tenure mix:

- Affordable / Social rent; and
- LLR / LAR; and

⁴ Policy 3.12 Negotiating Affordable Housing on Individual Private Residential and Mixed Use Schemes. Paragraph 3.69 p.122 The London Plan: The Spatial Development Strategy for London Consolidated with Alterations Since 2011 Greater London Authority. March 2016.

- LSO.

- 2.12 A suite of documents was validated with the application in 2018, over 2 years ago. As such the adopted valuation date in this instance is the date of the updated FVA, and this forms the evidence base that is the subject of this due diligence review.

Table 3: Initial Information

Item	Author	Publication Date	Received Date
Financial Viability Assessment	Turner Morum	02/2021	26/02/2021

- 2.13 FVAs are required to be sufficiently detailed so that evidence and reasoning in support of key inputs and assumptions is clear and proportionate. In seeking any departures from relevant planning policies, the onus lies with the applicant to sufficiently evidence and justify their position in line with prevailing valuation best practice and other relevant guidance.

Professional Statement

- 2.14 This report has been prepared in accordance with the requirements of the RICS Valuation-Global Standards 2017 and UK National Supplement (incorporating the International Valuation Standards 2017), referred to as the Red Book.
- 2.15 Advice given by RICS members is subject to the requirements of the Red Book; under Practice Statement 1 paragraph 5.4 of the Red Book the advice given in this report is exempt from the mandatory requirements of VPS1-5, does not represent a formal valuation, and should not be relied upon as such.
- 2.16 Costs and values change over time and the advice contained herein remains valid for 3 months from the appropriate Valuation Date, to be taken as the date of the report unless otherwise stated.
- 2.17 It is confirmed that in preparing this report and providing advice to the Client no fee payable is based upon a contingent or performance related basis.

3 METHODOLOGY

Financial Viability in Planning

3.1 Methods and best practice for the valuation of land and property lie in various Professional Statements, Guidance Notes, and Information Papers published by the Royal Institution of Chartered Surveyors (RICS), including but not limited to:

- RICS Valuation – Global Standards (2017)
- RICS Financial Viability in Planning Conduct and Reporting (2019)
- RICS Viability in Planning Guidance Note (2012)
- RICS Valuation of Land for Affordable Housing Guidance Note (2016)

3.2 There are two recognised methods used in the valuation of development assets, both of which are relevant to the assessment of financial viability in planning.

3.3 The Comparable Method relies upon the analysis of comparable market transactions, whilst the Residual Method takes the assumed value of a completed scheme and deducts costs of development (including a profit-margin to a notional developer) to estimate the value of the land.

In practice both valuation methods should be used, with the comparable method providing a check against market conditions and sentiment.

3.4 The degree to which each should be relied upon depends upon site specific circumstances and the nature and complexity of the proposal being considered.

Benchmarking

3.5 There are two approaches to benchmarking that can be relied upon to assess site specific viability in a planning context;

- Site Value (where a market-adjusted developer's return is treated as a cost of development); and
- Developer's Return (where an appropriate site value is treated as a cost of development).

3.6 In adopting the Site Value approach, the Residual Land Value of the proposed scheme (assuming an appropriate market level of developer return as a cost of development) is compared to an appropriate Benchmark Land Value.

3.7 The Developer's Return approach adopts a fixed land value as a cost of development and compares a residual profit to an appropriate hurdle developer profit margin.

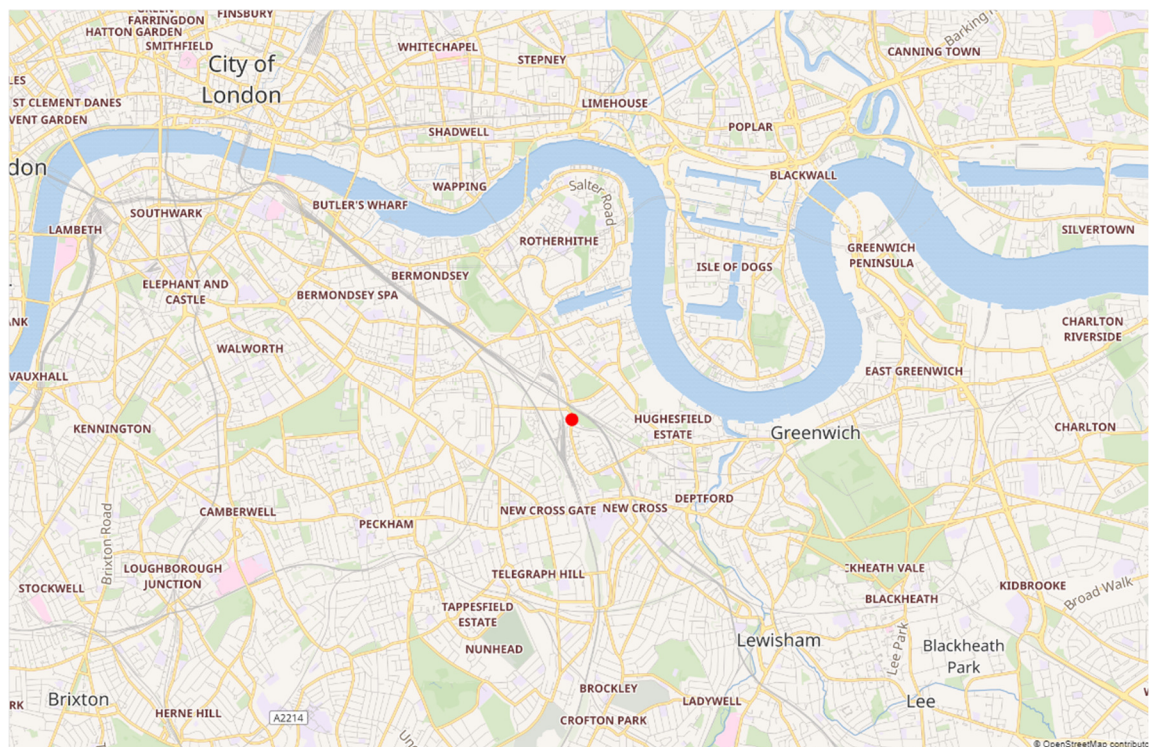
- 3.8 If the relevant metric (residual land value or hurdle profit margin) is greater than the benchmark, then the scheme can be considered viable at that level of total development costs. If less, then the scheme is unviable.
- 3.9 The subject assessment has been benchmarked on a Site Value basis.
- 3.10 Instances arise where the project programme of a proposal may span the usually anticipated development cycle, which may warrant the inclusion of projected cost and value assumptions. The subject FVA has been assessed on a present day basis.

4 PROPOSED DEVELOPMENT

Site Description

- 4.1 The site is understood to measure approximately 0.38 hectares (0.94 acres) and is located within the Evelyn ward of the LB Lewisham. The site currently provides a number of warehouse buildings, a service yard and terraced buildings comprising a number of former shops and residential flats.

Figure 1: Location Plan



- 4.2 The site is situated along the western side of Trundleys Road between two railway lines. The site is bordered by the B207 and Folkestone Gardens to the East, industrial units to the west and a scrap metal yard to the north
- 4.3 South Bermondsey Station is located 0.6 miles to the north west of the site and provides direct services to London Bridge to the north and Caterham to the south. Surrey Quays Overground Station is located 0.7 miles to the north of the site providing further transport links.
- 4.4 The site's PTAL rating is 1b.

Figure 2: Site Plan



- 4.5 Principal vehicular access is at present from Trundleys Road and surrounding land uses are predominantly industrial in character.
- 4.6 The brownfield site is currently occupied by a waste management business, MOT test centre, vehicle services and repair and a plant hire business. There are also a number of shops with apartments above.
- 4.7 Existing buildings are not understood to be listed and the site is not understood to fall within any conservation areas.
- 4.8 The subject assessment assumes the unencumbered freehold interest in the land is held free from any onerous restrictions on title. No independent searches on title have been undertaken as part of this review.

Development Description

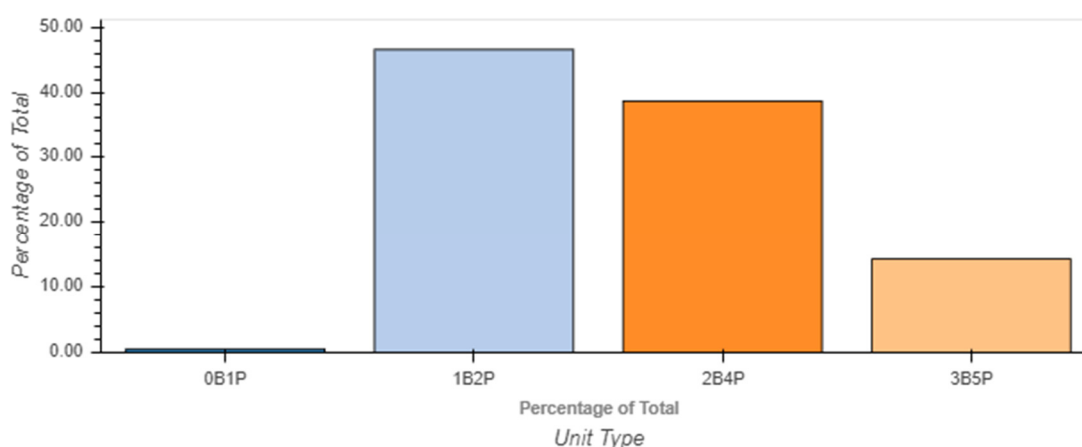
- 4.9 The detailed planning application proposes the follow description of development:

“Demolition of the existing buildings and construction of a basement, double height commercial plinth at ground floor and two buildings, one part 6, part 9 storeys and one of part 11, part 15 storeys to provide 2,220 sqm (GIA) of flexible commercial space (use classes

B1c/B2/B8) at ground and mezzanine floors with 189 residential dwellings above, together with provision of associated access and highway works, amenity areas, cycle, disabled and commercial car parking (within basement), and refuse/recycling stores at 164-196 Trundleys Road and 1-9 Sanford Street, SE8 5JE.”.

- 4.10 The proposed development scheme comprises 4 commercial units (B1c/B2/B8) and 189 residential units. The applicant is proposing to bring forward the site with 42 Affordable Rent Units and 24 Share Ownership units (35% affordable).
- 4.11 The proposal reflects a gross density of 497.4 units per hectare, and the following residential unit mix:

Figure 3: Proposed Residential Unit Mix



- 4.12 Affordable housing is being delivered largely within Block B of the proposal. A review of the previous scheme accommodation schedule and the updated appraisals suggest a number of relatively minor alterations to the scheme in terms of unit mix, as set out on the following table:

Table 4: Applicant Residential Value Summary

Unit Type	2018 Private	2018 Social Rent	2018 Shared Ownership	2021 Private	2021 Social Rent	2021 Shared Ownership
Studio				1		
1 bed flat	61	13	16	60	14	14
2 bed flat	53	12	7	50	13	10
3 bed flat	12	15		12	15	
Total	126	40	23	123	42	24

5 FINANCIAL VIABILITY

Gross Development Value

- 5.1 A Gross Development Value (GDV) for the proposed scheme has been established through reference to the following elements:

Table 5: Gross Development Value Summary

Use	Assumption
Market Residential	£61.043m
Affordable Residential	£17.304
Commercial	£5.289
Total	£78.347m

Residential Values

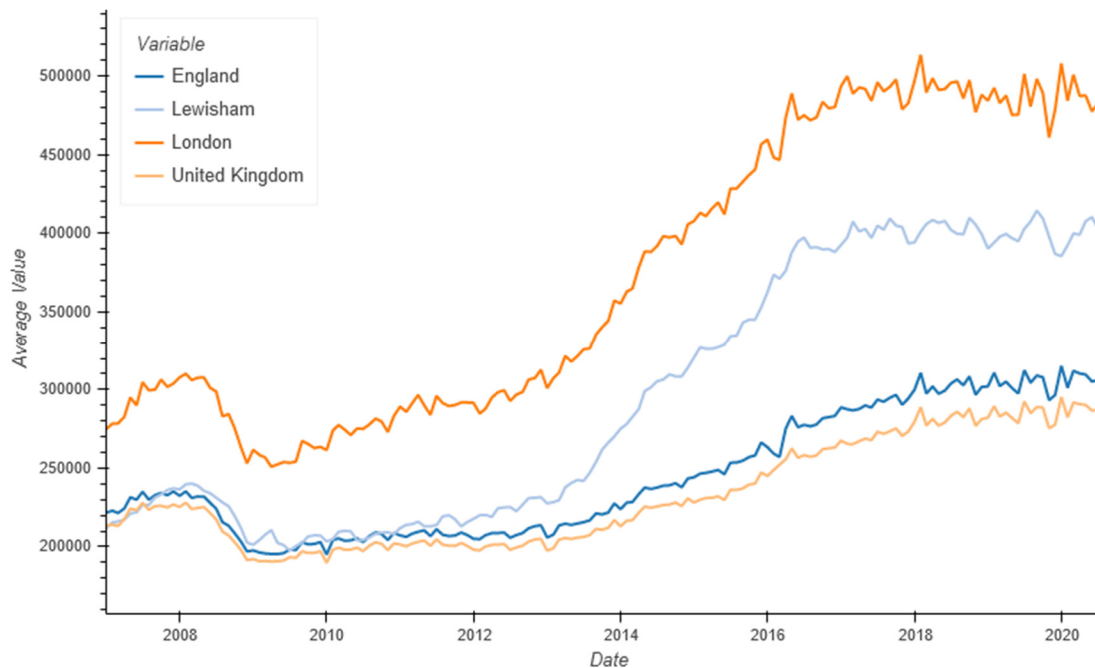
- 5.2 Market residential sales values have been assessed by Dexters in the form of a unit by unit pricing schedule. The schedule provided is in an illegible format and there is no supporting comparable evidence referenced within the submitted viability report of the agent's suite of evidence.
- 5.3 The applicant has adopted the following range of unit prices within their assessment:

Table 6: Applicant Residential Value Summary

Unit Type	Market Value		
	1 Bed	2 Bed	3 Bed
Count	61	53	12
Minimum	£340,000	£455,000	£510,000
Mean	£370,082	£509,906	£537,500
Maximum	£400,000	£575,000	£565,000

- 5.4 Given GL Hearn reviewed a previous iteration of the scheme in 2018, we have sought to sense-check the applicant's current day residential value assumptions through indexation of the previously agreed unit values.

Figure 4: Average Residential Values by Region



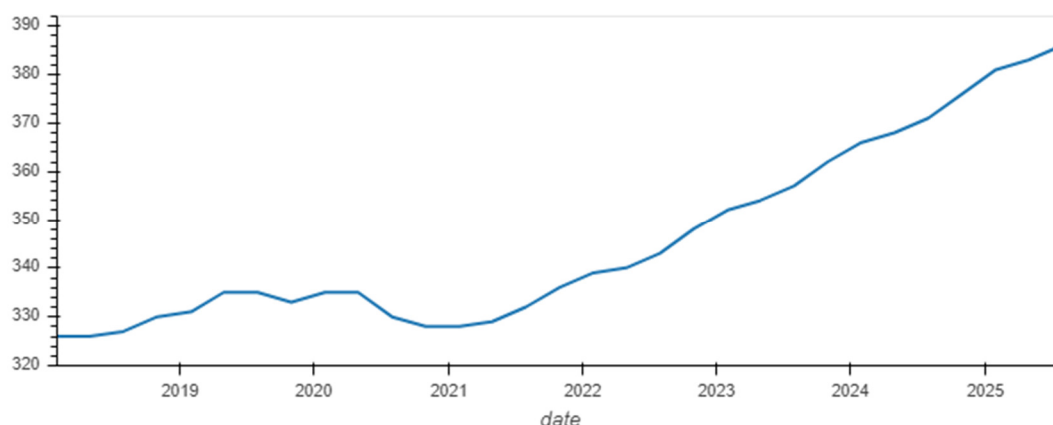
Source: HMLR, GL Hearn

- 5.5 In doing so we have had reference to the HM Land Registry New Build House Price Index over the period May 2018 to December 2020, which suggests growth over the period in the region of c.8%.
- 5.6 In taking a step back and sense-checking the resultant grown unit value assumptions against comparable new build evidence from the locality, it is apparent the two bedroom units were being over-valued on this methodology. Following an adjustment to these units we have therefore adopted the following unit values:
- 1 bedroom apartments at c.£425,000
 - 2 bedroom apartments at c.£550,000
 - 3 bedroom apartments at c.£637,377

Gross Development Cost

- 5.7 An updated cost plan has not been supplied within the FVA, and following discussions with the LPA we have been instructed to adopt the previously agreed rate from when the scheme was considered in 2018, indexed in line with the RICS Build Cost Information Service for the period to the present day.
- 5.8 Following a period of sustained cost inflation over the course of 2018 and 2019, the All-In Tender Price Index indicates there was a period of deflation over the course of 2020, resulting in a marginal increase in construction costs over the whole period, reflecting less than 1%.

Figure 5: BCIS All in Tender Price Index



Source: RICS, GL Hearn

- 5.9 The cumulative effect of these adjustments is to increase the applicant's previous estimate of construction costs from c.£52.120m (£243.81 psf) to c.£52.438m (£245.31).
- 5.10 Other costs are reasonably in line with current market expectations, and are outlined within the following summary table:

Table 7: Gross Development Cost Summary Inputs

Input	Applicant Assumption	Review Assumption	Agreed Y / N
Professional Fees	8% of Build Cost	10% of Build Cost	N
Residential Marketing Budget	2% of Value	1.5% of Value	N
Fees and Marketing costs	3% of Value	-	N
Residential Agent Fee	-	1% of Value	N
Residential Legal Fee	-	£750 per unit	N
Developer's Return	17.0% of GDV	17.47% POC	N
Finance Rate	6.5%	6.5%	Y
CIL	£2,433,759	£2,433,759	Y
S106	£500,000	£500,000	Y

- 5.11 In respect of the package of planning obligations assumed we request confirmation from the LPA in due course that these sums are accurate.

Project Programme

- 5.12 A project programme in line with the RICS Build Cost Information Service recommendations for a project of this scale has been adopted, in line with the following assumptions.

Table 8: Project Programme

Development Stage	Duration
Pre – Construction	3 Months
Construction	29 Months
Sales	12 Months

Benchmark

- 5.13 In considering the Site Value the Applicant's viability advisor relies upon a valuation report prepared by Strettons dated 29 August 2017 at £4.6m. However, as a first step practitioners are directed to prepare and assess reports having regard to current day costs and values.
- 5.14 Clearly in this case the valuation report which the applicant's viability advisor relies upon pre-dates the assessment by c. 3.6 years. Notwithstanding the historic date the report contains insufficient information on the repair and condition of the properties to arrive at current day opinion of value.
- 5.15 In having regard to the points highlighted above a notional Site Value of £1 has been adopted for the purpose of this assessment.

6 CONCLUSIONS

Viability Conclusions

- 6.1 GL Hearn have modelled the assumptions as set out in this report in an independent financial model reflecting the applicant's 35% on-site policy compliant tenure split, which generates a negative Residual Land Value (RLV) of -c.£0.113m (see appendix A).
- 6.2 A sensitivity analysis reflecting +/- 5% on construction costs and residential market values has been modelled which returns the following range of land value:

Table 9: Proposed Scheme 35% Affordable Land Value Sensitivity Analysis

		Sales Values				
		-5%	-2.5%	0%	2.5%	5%
Construction Costs	-5%	-£0.665m	£0.396m	£1.431m	£2.467m	£3.503m
	-2.5%	-£1.467m	£0.389m	£0.662m	£1.698m	£2.734m
	0%	-£2.272m	-£1.189m	-£0.113m	£0.929m	£1.964m
	2.5%	-£3.078m	-£1.992m	-£0.911m	£0.160m	£1.195m
	5%	-£3.884m	-£2.798m	-£1.713m	-£0.634m	£0.426m

Source: GL Hearn

- 6.3 Given the current nominal SV benchmark it is therefore clear that the applicant's offer is, albeit marginally, considered the maximum reasonable level of affordable housing the proposed scheme is at present able to cross-subsidise.

Table 10: Financial Viability Conclusions

Proposed Scheme PPC RLV	Benchmark SV	Surplus / Deficit	Viable Y / N
-£0.113m	£1	-£0.113m	N

Appendices

APPENDIX A: Development Appraisal

164 -196 Trundleys Road
Proposed Scheme - 35% Affordable

164 -196 Trundleys Road
Proposed Scheme - 35% Affordable

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
0b1p Market Apartment	1	484	714.25	345,696	345,696
1b2p Market Apartment	60	33,480	763.12	425,819	25,549,117
2b4p Market Apartment	50	41,200	667.48	550,000	27,500,000
3b5p Market Apartment	12	10,980	696.59	637,377	7,648,524
1b2p Affordable Rent Apartment	14	8,050	306.14	176,031	2,464,427
2b4p Affordable Rent Apartment	13	10,478	306.14	246,749	3,207,735
3b5p Affordable Rent Apartment	15	14,175	306.14	289,302	4,339,535
1b2p Shared Ownership Apartment	14	7,966	451.09	256,670	3,593,383
2b4p Shared Ownership Apartment	10	8,200	451.09	369,894	3,698,938
Totals	189	135,013			78,347,354

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Unit A	1	2,820	17.84	50,309	50,309	50,309
Unit B	1	4,263	17.84	76,052	76,052	76,052
Unit B - Mezzanine	1	3,929	11.89	46,716	46,716	46,716
Unit C	1	3,800	17.84	67,792	67,792	67,792
Unit C - Mezzanine	1	1,195	11.89	14,209	14,209	14,209
Unit D	1	2,960	17.84	52,806	52,806	52,806
Unit D - Mezzanine	1	797	11.89	9,476	9,476	9,476
Totals	7	19,764			317,360	317,360

Investment Valuation

Unit A					
Current Rent	50,309	YP @	6.0000%	16.6667	838,480
Unit B					
Current Rent	76,052	YP @	6.0000%	16.6667	1,267,532
Unit B - Mezzanine					
Current Rent	46,716	YP @	6.0000%	16.6667	778,597
Unit C					
Current Rent	67,792	YP @	6.0000%	16.6667	1,129,867
Unit C - Mezzanine					
Current Rent	14,209	YP @	6.0000%	16.6667	236,809
Unit D					
Current Rent	52,806	YP @	6.0000%	16.6667	880,107
Unit D - Mezzanine					
Current Rent	9,476	YP @	6.0000%	16.6667	157,939
					5,289,330

GROSS DEVELOPMENT VALUE

	83,636,685
Purchaser's Costs	(359,674)
	(359,674)

NET DEVELOPMENT VALUE

83,277,010

NET REALISATION

83,277,010

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)	(112,635)	(112,635)
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CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
Unit A	3,410 ft²	245.31 pf²	836,486	
Unit B	5,155 ft²	245.31 pf²	1,264,518	
Unit B - Mezzanine	4,751 ft²	245.31 pf²	1,165,445	
Unit C	4,595 ft²	245.31 pf²	1,127,180	
Unit C - Mezzanine	1,445 ft²	245.31 pf²	354,469	
Unit D	3,579 ft²	245.31 pf²	878,014	
Unit D - Mezzanine	964 ft²	245.31 pf²	236,411	
0b1p Market Apartment	681 ft²	245.17 pf²	166,964	
1b2p Market Apartment	47,082 ft²	245.31 pf²	11,549,484	
2b4p Market Apartment	57,938 ft²	245.31 pf²	14,212,626	
3b5p Market Apartment	15,441 ft²	245.30 pf²	3,787,734	
1b2p Affordable Rent Apartment	11,320 ft²	245.32 pf²	2,776,982	
2b4p Affordable Rent Apartment	14,735 ft²	245.30 pf²	3,614,561	
3b5p Affordable Rent Apartment	19,934 ft²	245.30 pf²	4,889,902	
1b2p Shared Ownership Apartment	11,202 ft²	245.31 pf²	2,748,004	
2b4p Shared Ownership Apartment	11,531 ft²	245.31 pf²	2,828,727	
Totals	213,762 ft²		52,437,507	52,437,507
Contingency		5.00%	2,621,875	
CIL			2,433,759	
S106			500,000	
				5,555,634

PROFESSIONAL FEES

Professional Fees	10.00%	3,120,265	
Professional Fees	10.00%	1,770,108	
Professional Fees	10.00%	615,565	
			5,505,938

MARKETING & LETTING

Marketing	1.50%	920,835
Letting Agent Fee	10.00%	31,736
Letting Legal Fee	5.00%	15,868

164 -196 Trundleys Road
Proposed Scheme - 35% Affordable

				968,439
DISPOSAL FEES				
Sales Agent Fee		1.00%	659,730	
Sales Agent Fee		0.50%	86,520	
Sales Legal Fee	123 un	750.00 /un	92,250	
Sales Legal Fee		0.50%	24,648	
				863,148
FINANCE				
Debit Rate 6.5000%, Credit Rate 0.0000% (Nominal)				
Total Finance Cost				5,674,119
TOTAL COSTS				70,892,151
PROFIT				12,384,859

Performance Measures	
Profit on Cost%	17.47%
Profit on GDV%	14.81%
Profit on NDV%	14.87%
Development Yield% (on Rent)	0.45%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR	17.84%
Rent Cover	39 yrs
Profit Erosion (finance rate 6.500%)	2 yrs 6 mths

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