Bellway Homes Ltd & Peabody Developments Ltd

October 2021

Sun Wharf, 24 Creekside, London, SE8 3DZ

Further Response to BNP Paribas Real Estate Viability Review & Addendum Viability Assessment DRAFT

savills.co.uk

1.0 Table of Contents

1. Introduction

1.1. Overview

1.1.1. This document provides a summary of the viability process to date including an analysis of the areas of difference between Savills acting on behalf of Bellway Homes Ltd and Peabody Developments Ltd (the Applicant) and BNP Paribas Real Estate (BNP) acting on behalf of the London Borough of Lewisham (the Council).

1.1.2. Savills provided a Financial Viability Assessment (FVA) in August 2020 in support of a planning application for a residential led mixed use development. Savills' FVA was then independently reviewed by BNP on behalf of the Council and the GLA in two separate reports both dated December 2020. Savills provided a full response to these reports in a Rebuttal dated February 2021, and BNP have subsequently provided further comments in an email dated June 2021. This Addendum addresses BNPs latest June 2021 comments in Sections 3 and 4, a summary of the remaining differences between the parties can be seen below and in Section 2.

1.1.3. Since the time of our February 2021 Rebuttal and BNP's June 2021 comments, there have been a number of changes to the submission scheme design which we outline below:

- Reduction in development area (GIA) from 254,590sqft (23,652sqm) to 236,705sqft (21,991sqm);
- Reduction in residential area (NSA) from 179,259sqft (16,654sqm) to 158,360sqft (14,712sqm);
- Reduction in homes from 251 to 220;
- Reduction in quantum of affordable homes from 88 to 77, however the affordable housing still represents 35% of the total homes by unit (39% by habitable room) and maintains a policy compliant tenure split of 60% London Affordable Rented / 40% Intermediate by unit;
- Reduction in commercial space (Use Class E) (NIA) from 15,981sqft (1,485sqm) to 14,903sqft (1,385sqm); and
- Removal of Use Class B8 (Storage and Distribution) from the application.

1.1.4. An updated accommodation schedule reflecting the above can be found attached at **Appendix 1**. We have amended our appraisal to reflect these changes to the design of the proposed development, all other assumptions remain as per our February 2021 Rebuttal as attached at **Appendix 3**, save for those highlighted within Sections 3, 4 and 5 of this report. A copy of our revised appraisal can be found attached at **Appendix 2**.

1.2. Viability Discussions to Date

1.2.1. Savills were instructed by the Applicant to examine the economic viability of the proposed development at the site known as Sun Wharf, 24 Creekside, Lewisham (the Subject) to determine the level of planning obligations that the proposed scheme was able to reasonably support whilst remaining commercially viable. To date Savills and BNP are in agreement on the following assumptions:

- Private Residential Gross Development Value (GDV);
- Affordable Residential GDV;
- Commercial GDV;

- Exclusion of Private Residential Ground Rents;
- Existing Rental Income;
- Pre-Construction and Build Periods;
- CIL and Carbon Offset Payment;
- Residential Sales Legal, Agent and Marketing Fees;
- Commercial Sales Agent, Letting Agent and Legal Fees;
- Existing Use Value (EUV) Yield;
- Landowner Premium; and
- EUV Void and Rent Free Periods.

1.2.2. Disagreements remain between the parties on the following key assumptions:

- Build Costs;
- Professional Fees;
- Finance Rate;
- Developers Profit on Private Residential GDV;
- Off Plan Sales Percentage and Sales Rates; and
- EUV Market Rent.

1.2.3. In Section 2, we provide a summary of the key assumptions adopted by both Savills and BNP, and in the following sections we address each of these assumptions separately. A copy of our revised Residual Land Value appraisal can be found at **Appendix 2**.

2. Comparison of Key Differences

2.1.1. Below we provide a comparison of the remaining differences in assumptions adopted by Savills in our February 2021 Rebuttal and BNP in their June 2021 further comments.

Comparison of Key Differences

Item	Savills Position	BNP Position
Build Costs	£56.735m (£223psf)	£56.127m (£220psf)
Professional Fees	12%	10%
Finance Costs	Debit: 6.75% Credit: 0.1%	Debit: 6.00% Credit: 0.0%
Developers Profit on Private Residential GDV (Blend)	20% (17.15%)	17.50% (15.21%)
Sales Programme (% off plan / sales per month thereafter)	40% / 4 pcm	50% / 6 pcm
Residual Land Value	**£9.119m**	**£13.290m**
EUV Market Rent (£psf)	£14.50	£12.50
Site Value Benchmark (SVB)	**£16.310m**	**£14.170m**
Surplus / Deficit Against SVB	**-£7.2m**	**-£0.88m**

2.1.2. In the below sections we address the differences in assumptions between Savills and BNP.

3. Development Costs

3.1. Build Costs

3.1.1. Savills have adopted build costs of £56.735m / £223psf as advised by Ward Williams Associates (WWA), BNP have adopted a build costs of £56.127m / £220psf as advised by CDM Project Services (CDM); both build costs include an allowance of 5% for contingency. We note that in their June 2021 further comments, BNP as advised by CDM, have maintained their adopted build costs notwithstanding the further justifications provided by WWA in our February 2021 Rebuttal.

3.1.2. Notwithstanding that there is evidence to suggest that a higher build cost could be justified for the Subject scheme, we are prepared to adopt the CDM costing (£psf) on a without prejudice basis and in order to progress this negotiation in a timely manner. To this end if we have not reached an agreement with the Council's Advisor within four weeks from the submission of this Addendum we reserve our right to review this position.

3.2. Sales Programme

3.2.1. Savills have adopted off plan sales of 40% and a sales rate thereafter of four per calendar month. BNP have adopted off plan sales of 50% and a sales rate of six per calendar month thereafter. As previously stated we consider that our adopted sales rate is justified when looking at contemporary comparable evidence from Deptford Foundry (Anthology) and Maritime (Fairview Homes).

3.2.2. However, in line with BNP we are prepared to adopt 50% sales off plan and six sales per month thereafter on a without prejudice basis and in order to progress this negotiation in a timely manner. To this end if we have not reached an agreement with the Council's Advisor within four weeks from the submission of this Addendum we reserve our right to review this position.

3.3. Professional Fees

3.3.1. Savills have adopted professional fees of 12% and have provided a fee breakdown prepared by WWA. Notwithstanding this further evidence we note that BNP have consulted CDM who maintain their view that 12% is too high. CDM consider that 10% represents a more appropriate allowance and as such BNP have adopted this reduced percentage in their appraisal.

3.3.2. We highlight that the GLA have previously agreed to an allowance of 12% at the Subject on Savills higher build costs and that we maintain our opinion that this allowance is appropriate. However, we are prepared to reduce our professional fee allowance to 10% on a without prejudice basis and in order to progress this negotiation in a timely manner. To this end if we have not reached an agreement with the Council and their Advisor within four weeks from the submission of this Addendum we reserve our right to review this position.

3.4. Developers Profit on Private Residential GDV

3.4.1. Savills have adopted a profit requirement of 20% on private residential GDV which equates to 17.15% blended. Despite further justifications being provided in Savills February 2021 Rebuttal, BNP have maintained their initially adopted position of 17.50% on private residential GDV which equates to 15.21% blended.

3.4.2. Whilst we disagree with the position adopted by BNP we are prepared to reduce our profit on private residential GDV to 17.50% on a without prejudice basis, and in order to progress this negotiation in a timely manner. To this end if we have not reached an agreement with the Council's Advisor within four weeks from the submission of this Addendum we reserve our right to review this position.

3.5. Finance Rate

3.5.1. Savills have adopted a finance rate of 6.75% debit and 0.1% credit. Despite further justifications being provided in Savills February 2021 Rebuttal, BNP have maintained their initially adopted position on finance of 6% debit only.

3.5.2. In their June 2021 response BNP have not mentioned their adopted finance rate. We can therefore only reiterate the justifications provided to BNP in our February 2021 Rebuttal. We highlight in particular that we are aware of BNP adopting higher finance rates including 6.75% elsewhere within London for viability purposes, and would request clarification from them as to why they consider a lower rate appropriate in this instance.

3.5.3. Without further comments or evidence from BNP we have maintained our previously adopted finance assumption of 6.75% debit and 0.1% credit.

4. Site Value Benchmark

4.1. Introduction

4.1.1. Savills have adopted a SVB of £16.310m which comprises an EUV of £13.590m / £281psf and a landowner premium of 20%. We note that in response to Savills February 2021 Rebuttal, BNP have adopted a revised capitalisation rate of 4.5% in line with Savills assumption, and this has increased their adopted SVB to £14.170m comprising an EUV of £11.808m / £244psf and a landowner premium of 20%.

4.2. Existing Use Value Rent

4.2.1. The remaining difference between Savills and BNP relates to the rental values adopted; £14.50psf and £12.50psf respectively. Given the strength of the industrial occupier and investment market we cannot agree with BNPs adopted rent and subsequent valuation of £244psf for the existing unit at the Subject.

4.2.2. Given a lack of directly comparable rental transactions, Savills and BNP have previously relied upon the Colliers Rents Map, and BNP adopted a rent of £12.50psf in line with Colliers rent estimation for Woolwich secondary industrial units. However, BNPs rent was adopted in December 2020 and we highlight revisions to the rents map estimations as below:

Colliers Rents Map – Revisions over previous 12 months			
Sub Market	**Secondary Rents (H2 2020)**	**Secondary Rents (H2 2021)**	**% Change**
Woolwich	£12.50psf p.a.	£15.00psf p.a.	+20.00%
Canning Town	£13.00psf p.a.	£18.00psf p.a.	+38.46%
Croydon	£12.00psf p.a.	£13.50psf p.a.	+12.50%
Merton	£11.50psf p.a.	£14.00psf p.a.	+21.74%

Source: Colliers Rents Map – H2 2021

4.2.3. The above amendments to the rents map indicate the growing strength of the industrial occupier market in south and east London, Colliers estimates show average secondary rental growth of c.23% in these areas over the last year.

4.2.4. Previously BNP adopted a rent in line with Colliers estimation for Woolwich, and above the estimated secondary rents for Croydon and Merton, by implication they consider the Subject superior to these sub-markets and comparable to Woolwich. Colliers latest estimates for these areas are £13.50psf and £14.00psf for secondary space in Croydon and Merton respectively, and £15psf for space in Woolwich. In light of this updated information we question how BNP can maintain a rent of £12.50psf which now sits below Colliers estimates for Croydon and Merton; two locations BNP have previously implied are inferior to the Subject.

4.2.5. Savills adopted rent of £14.50psf remains appropriately positioned at a premium to these sub markets. However, it should also be considered that Deptford is a superior location for last mile industrial than Woolwich and that a higher rent than £14.50psf could now be justified.

4.2.6. Assessing BNPs valuation as a whole we don't consider a capital value of £244psf is representative of the scarcity of industrial accommodation within central London and potential of the existing asset in the current market. To demonstrate this we have identified further transactional evidence which has taken place since BNPs further comments in June 2021:

Photo / Address	Size (Sqft)	Passing Rent (£psf p.a.)	NIY (%)	Capital Value (£psf)	Transaction Date
 Evelyn Street, Rotherhithe, SE8	68,320	£16.07	2.66%	£565	Sept-21
 Galleywall Trading Estate, Southwark, SE16	58,000	-	3.90%	£284	Sept-21

4.2.7. We highlight the transaction at Evelyn Street 1.2 miles north west of the Subject. The sale comprised a 68,320sqft secondary industrial estate of two units built in the 1990s, it sold in September 2021 reflecting a NIY of 2.66% and capital value of £565psf. We note that the units were let at an average passing rent £16.07psf and understand from CoStar that they are said to be highly reversionary with rent reviews in 2022. This recent evidence would indicate that both the rent and yield assumptions adopted by Savills and BNP are very conservative.

4.2.8. We note also that the Galleywall Trading Estate also recently achieved a significantly higher value than that advocated by BNP; £284psf in September 2021. This unit is 2.2 miles north west of the Subject and was similarly constructed in the 1980s. The property is larger but is similarly laid out and has a comparable internal condition to the Subject, considering the larger size of this comparable it could be argued that the Subject could command a higher value (£psf) by comparison.

4.2.9. In summary, BNPs EUV valuation does not reflect the strength of the local industrial market as evidenced by the Colliers Rents Map and the recent transactions shown above. Savills adopted rent of £14.50psf and subsequent value of £281psf is more reflective of the current market and as such we have maintained our EUV. Notwithstanding this, there is evidence to suggest a higher EUV could be justified and we reserve the right to review our assumptions at a later date, if required.

4.3. Conclusion

4.3.1. We have maintained our EUV market rent of £14.50psf. We would highlight that owing to the passage of time the existing industrial unit is becoming increasingly reversionary; the current lease is now only c.8 months from expiration. We have subsequently updated the valuation date of our EUV appraisal in order to fully reflect the reversionary potential of the Subject unit as at the date of this assessment (01/10/2021).

4.3.2. We have adopted a revised EUV of £13.810m. Applying the agreed 20% landowner premium this results in a total SVB of **£16.572m**.

5. Revised Proposed Development

5.1. Introduction

5.1.1. Since the time of our February 2021 Rebuttal and BNP's June 2021 comments, there have been a number of changes to the submission scheme design which we outline below:

- Reduction in development area (GIA) from 254,590sqft (23,652sqm) to 236,705sqft (21,991sqm);
- Reduction in residential area (NSA) from 179,259sqft (16,654sqm) to 158,360sqft (14,712sqm);
- Reduction in homes from 251 to 220;
- Reduction in quantum of affordable homes from 88 to 77, however the affordable housing still represents 35% of the total homes by unit (39% by habitable room) and maintains a policy compliant tenure split of 60% London Affordable Rented / 40% Intermediate by unit;
- Reduction in commercial space (Use Class E) (NIA) from 15,981sqft (1,485sqm) to 14,903sqft (1,385sqm); and
- Removal of Use Class B8 (Storage and Distribution) from the application.

5.1.2. An updated accommodation schedule reflecting the above can be found attached at **Appendix 1**. We have amended our appraisal to reflect these changes to the design of the proposed development, all other assumptions remain as per our February 2021 Rebuttal as attached at **Appendix 3**, save for those highlighted within Sections 3, 4 and 5 of this report. A copy of our revised appraisal can be found attached at **Appendix 2**.

5.2. Private Residential GDV

5.2.1. The proposed private residential element has decreased by 20 homes from 114,469sqft (10,635sqm) to 100,638sqft (9,350sqm) (NSA). We note however that the average unit size has remained similar with the proposed homes on average only 2sqft larger. Given this minimal difference we are of the view that the GDV (£psf) previously agreed between Savills and BNP remains applicable to the revised scheme.

5.2.2. We have therefore adopted a revised GDV figure of **£72,926,411** which equates to the previously agreed **£724.64psf**.

5.3. Affordable Housing GDV

5.3.1. Savills and BNP had previously agreed a GDV 'package price' of £20.536m / £317psf for the affordable housing element of the scheme, this comprised the following values per tenure:

- Intermediate Housing: £13.579m / £499psf; and
- London Affordable Rent Housing: £6.957m / £185psf.

5.3.2. The above values were advised by the Applicant and represent the previously agreed transfer price for the homes. We have since been advised of a revised package price for the updated mix of **£18.687m** / **£324psf** comprising the following values per tenure:

- Intermediate Housing: **£11.768m** / **£519psf**; and
- London Affordable Rent Housing: **£6.920m / £197psf**.

5.4. Commercial Revenue

5.4.1. We have updated our commercial rental income to reflect the revised areas as follows:

Unit	Sqm	Sqft	OMR (£psf)	OMR £p.a.
Unit A1a	36	384	£20	£7,680
Unit A1b	126	1,353	£15	£20,295
Unit A2	274	2,951	£15	£44,265
Unit A3a	104	1,122	£17	£19,074
Unit A3b	47	507	£17	£8,619
Unit A4a	59	632	£20	£12,640
Unit A4b	67	723	£17	£12,291
Unit B1	327	3,519	£14	£49,266
Unit B2	64	687	£20	£13,740
Container - 00	52	561	£17	£9,537
Container - 01	114	1,231	£17	£20,927
Container - 02	114	1,232	£17	£20,944
Total	**1,385**	**14,903**	**£16.06**	**£239,278**

5.4.2. We have maintained the void, rent free, and capitalisation rate assumptions adopted previously and agreed to by BNP.

5.5. Additional Revenue – Existing Lease

5.5.1. Owing to the passage of time the current lease to Jones Catering is now only c.8 months from expiration. To reflect this we have updated the existing income within the appraisal to **£296,250** received quarterly **in** advance, and shortened the period required to gain vacant possession of the asset to 8 months.

5.6. Construction Costs

5.6.1. Notwithstanding the WWA costing indicates that a higher build cost may be appropriate, as previously stated we are prepared to adopt the build cost (£psf) advocated by CDM and adopted by BNP on a without prejudice basis and in order to progress this negotiation in a timely manner, to this end we reserve our right to review our position four weeks from the submission of this Addendum.

5.6.2. We note that despite the changes in scheme design the development massing has remained broadly similar; the Subject proposal has reduced by only one storey at its highest point. When applied to the revised scheme GIA, 236,705sqft, this equates to a total build cost of **£52.184m / £220.46psf** inclusive of contingency.

5.7. Planning Obligations

5.7.1. We have been provided with the following updated estimate of planning obligations by Savills Planning:

- Borough CIL: £1,354,728;
- Mayoral CIL: £696,260; and
- Section 106: £555,000.

6. Conclusion

6.1. Summary of Assumptions

6.1.1. Please see below a summary of this report, Savills Updated Position, and the remaining differences between Savills and BNP.

Summary of Updated Position

Item	Savills Position	BNP Position	Savills Updated Position*
Total Residential Homes	251	251	220*
Affordable Housing GDV	£20.536m (£317psf)	£20.536m (£317psf)	£18.687m* (£324psf)
Build Costs	£56.735m (£223psf)	£56.127m (£220psf)	£52.184m* (£220psf)
Professional Fees	12%	10%	10%
Finance Costs	Debit: 6.75% Credit: 0.1%	Debit: 6.00% Credit: 0.0%	Debit: 6.75% Credit: 0.1%
Profit on Private Residential GDV (Blend)	20% (17.15%)	17.50% (15.21%)	17.50% (15.15%)*
Sales Programme (% off plan / sales per month thereafter)	40% / 4 pcm	50% / 6 pcm	50% / 6pcm
Residual Land Value	**£9.119m**	**£13.290m**	**£9.261m**
EUV Market Rent (£psf)	£14.50	£12.50	£14.50
Site Value Benchmark (SVB)	**£16.310m**	**£14.170m**	**£16.572m**
Surplus / Deficit Against SVB	**-£7.20m**	**-£0.88m**	**-£7.311m**

**Altered to Revised Scheme Design*

6.2. Appraisal Results

6.2.1. A summary of our revised appraisal is set out below.

Savills Appraisal Results

Residual Land Value	Site Value Benchmark	Deficit
£9.261m	**£16.572m**	**-£7.311m**

6.2.2. Given that the RLV for the revised proposed development maintains a deficit against the SVB, we remain of the opinion that the scheme is not considered commercially viable in planning terms.

6.2.3. However, we understand that the Applicant is exploring various grant funding routes in order to maintain the current affordable housing offer contained within this assessment. However, if suitable funding is not attainable then this may alter the affordable housing provision within the proposed development.

6.3. Sensitivity Analysis

6.3.1. We set out below a sensitivity analysis showing the effect of increasing market values and decreasing build costs by 2.5% increments.

Sensitivity Analysis

Sensitivity Analysis		Private Residential GDV				
		0%	+2.5%	+5%	+7.5%	+10%
Build Cost	0%	**£9.261m**	£10.322m	£11.384m	£12.445m	£13.506m
	-2.5%	£10.413m	£11.474m	£12.535m	£13.597m	£14.658m
	-5%	£11.565m	£12.626m	£13.687m	£14.748m	£15.810m
	-7.5%	£12.716m	£13.778m	£14.839m	£15.900m	£16.961m
	-10%	£13.868m	£14.929m	£15.991m	£17.052m	£18.113m

6.3.2. The above table demonstrates that for the scheme to become economically viable in planning terms, where the RLV generates a surplus against the SVB, there would need to be a 10% increase in market values and a 7.5% decrease in build cost. Conversely, if there were either a decrease in market rental values or an increase in build cost the RLV would decrease making the development even less commercially viable in planning terms.

Appendix 1
Revised Schedule of Accommodation

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SCHEDULE OF ACCOMMODATION	STATUS	PROJECT	DATE	REV
SUN WHARF	PLANNING	3336A	19.10.2021	D

LHDG STANDARD		STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	TOTAL UNITS	HAB ROOMS	OCCUPANTS	RESIDENTIAL NET AREA m²	RESIDENTIAL NET AREA ft²	AMENITY AREA m2	AMENITY TARGET m2
AREA		37	50	61	70	79	74	84	90	86	93	95	102	90							
HAB. ROOMS		1	2	3	3	3	4	4	4	4	5	5	5	6							
RESIDENTIAL																					
BUILDING A1	AFFORDABLE RENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTERMEDIATE SALE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PRIVATE SALE	0	42	0	47	0	0	0	0	6	0	0	0	0	95	249	302	6,218	66,930	1,219	587
		0	42	0	47	0	0	0	0	6	0	0	0	0	**95**	249	302	6,218	66,930	1,219	587
BUILDING A2	AFFORDABLE RENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTERMEDIATE SALE	0	10	6	10	0	0	0	0	5	0	0	0	0	31	88	103	2,107	22,684	223	196
	PRIVATE SALE	0	2	0	2	0	0	0	0	1	0	0	0	0	5	14	17	336	3,617	34	32
		0	12	6	12	0	0	0	0	6	0	0	0	0	**36**	102	120	2,443	26,301	257	228
BUILDING A3	AFFORDABLE RENT	0	0	6	6	0	0	0	0	6	0	0	0	0	18	66	72	1,380	14,856	168	126
	INTERMEDIATE SALE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PRIVATE SALE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	6	6	0	0	0	0	6	0	0	0	0	**18**	66	72	1,380	14,856	168	126
BUILDING A4	AFFORDABLE RENT	0	0	5	5	0	0	0	0	5	0	0	0	0	15	55	60	1,149	12,373	140	105
	INTERMEDIATE SALE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PRIVATE SALE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	5	5	0	0	0	0	5	0	0	0	0	**15**	55	60	1,149	12,373	140	105
BUILDING B1	AFFORDABLE RENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTERMEDIATE SALE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PRIVATE SALE	0	23	0	14	0	0	0	0	6	0	0	0	0	43	112	132	2,795	30,090	291	261
		0	23	0	14	0	0	0	0	6	0	0	0	0	**43**	112	132	2,795	30,090	291	261
BUILDING B2	AFFORDABLE RENT	0	10	0	3	0	0	0	0	0	0	0	0	0	13	29	32	726	7,809	92	71
	INTERMEDIATE SALE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PRIVATE SALE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	10	0	3	0	0	0	0	0	0	0	0	0	**13**	29	32	726	7,809	92	71

TOTAL PROVISION	STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	TOTAL UNITS	HAB ROOMS	OCCUPANTS	m²	ft²	m2	m2
TOTAL	0	87	17	87	0	0	0	0	29	0	0	0	0	**220**	613	718	14,712	158,359	2,168	1,378
PERCENTAGE BASED ON UNITS	0%	40%	47%			13%								220	100%					
PERCENTAGE BASED ON HAB ROOMS	0%	28%	51%			19%									98%					

AREAS	NET	GIA	GEA
RESIDENTIAL	14,712	19,571	21,156
Energy center		113	115
Sub Station		77	81
Anciliary		787	839
COMMERCIAL Sun Wharf	1,385	1,443	1,654
TOTAL	16,097	21,991	23,846

DENSITY	SITE AREA ha	HAB RMS	HRH
	0.74	613	830

AFFORDABLE RENT		INTERMEDIATE		TOTAL AFFORDABLE		% SPLIT RENT	% SPLIT INTERMEDIATE	PRIVATE SALE	
TOTAL UNITS	46	TOTAL UNITS	31	TOTAL UNITS	**77**			TOTAL UNITS	**143**
UNITS AS %	21%	UNITS AS %	14%	UNITS AS %	35%	60%	40%	UNITS AS %	65%
HAB ROOMS	150	HAB ROOMS	88	HAB ROOMS	**238**			HAB ROOMS	**375**
HAB RMS AS %	24%	HAB RMS AS %	14%	HAB RMS AS %	39%	63%	37%	HAB RMS AS %	61%
NET m2	3,255	NET m2	2,107	NET m2	5,363			NET m2	9,350
NET ft2	35,038	NET ft2	22,684	NET ft2	57,722			NET ft2	100,638

COMMERCIAL NIA	m²	Ft²	GIA	GEA
Unit A1a	36	384	1,131	1,246
Unit A1b	126	1,353		
Unit A2	274	2,951		
Unit A3a	104	1,122		
Unit A3b	47	507		
Unit A4a	59	632		
Unit A4b	67	723		
Unit B1	327	3,519		
Unit B2	64	687		
Container - 00	52	561	311	409
Container - 01	114	1,231		
Container - 02	114	1,232		
SUN WHARF TOTAL	1,385	14,903	1,443	1,654

UNIT MIX AFFORDABLE RENT	STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D (FAMILY UNITS)	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	TOTAL UNITS	HAB ROOMS		NET
NUMBER OF UNITS	0	10	11	14	0	0	0	0	11	0	0	0	0	46	150		3,255
UNITS AS %	0.0%	21.7%	54.3%			23.9%											

1

UNIT MIX INTERMEDIATE	STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D (FAMILY UNITS)	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	TOTAL UNITS	HAB ROOMS		NET
NUMBER OF UNITS	0	10	6	10	0	0	0	0	5	0	0	0	0	31	88		2,107
UNITS AS %	0.0%	32.3%	51.6%			16.1%											

1

UNIT MIX PRIVATE	STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D (FAMILY UNITS)	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	TOTAL UNITS	HAB ROOMS		NET
NUMBER OF UNITS	0	67	0	63	0	0	0	0	13	0	0	0	0	143	375		9,350
UNITS AS %	0.0%	46.9%	44.1%			9.1%											

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SCHEDULE OF ACCOMMODATION	STATUS	PROJECT	DATE	REV
SUN WHARF	PLANNING	3336A	04.11.2021	E

RESIDENTIAL		FLAT TYPE	TENURE	STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	WH ADP	WH ACC	UNIT AREA PROVISION measured m^2	UNIT ft^2	GLA TARGET m^2	DIFFERENCE m^2	AMENITY AREA PROVISION measured m^2	GLA TARGET m^2	DIFFERENCE m^2	HAB ROOMS	OCCUPANTS	ASPECT
BUILDING A1																												
00_Ground Floor																												
01_First Floor	A1.01.01	Type 01	Private		1														50.4	542	50.0	0.4	11.7	5.0	6.7	2	2	Single
	A1.01.02	Type 02	Private				1												76.9	828	70.0	6.9	15.4	7.0	8.4	3	4	Dual
	A1.01.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.01.04	Type 04	Private				1												73.6	792	70.0	3.6	7.0	7.0	0.0	3	4	Single
	A1.01.05	Type 05	Private									1							87.1	937	86.0	1.1	8.1	8.0	0.1	4	5	Single
	A1.01.06	Type 06	Private		1														50.5	544	50.0	0.5	6.6	5.0	1.6	2	2	Dual
02_Second Floor	A1.02.01	Type 01	Private		1														50.4	542	50.0	0.4	11.8	5.0	6.8	2	2	Single
	A1.02.02	Type 02	Private				1												76.9	828	70.0	6.9	15.9	7.0	8.9	3	4	Dual
	A1.02.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.02.04	Type 04	Private				1												73.6	792	70.0	3.6	7.0	7.0	0.0	3	4	Single
	A1.02.05	Type 05	Private									1							87.1	937	86.0	1.1	8.1	8.0	0.1	4	5	Single
	A1.02.06	Type 06	Private		1														50.5	544	50.0	0.5	6.6	5.0	1.6	2	2	Dual
03_Third Floor	A1.03.01	Type 01	Private		1														50.4	542	50.0	0.4	12.1	5.0	7.1	2	2	Single
	A1.03.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.03.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.03.04	Type 04	Private				1												73.6	792	70.0	3.6	7.0	7.0	0.0	3	4	Single
	A1.03.05	Type 05	Private									1							87.1	937	86.0	1.1	8.1	8.0	0.1	4	5	Single
	A1.03.06	Type 06	Private		1														50.5	544	50.0	0.5	6.6	5.0	1.6	2	2	Dual
04_Fourth Floor	A1.04.01	Type 01	Private		1														50.4	542	50.0	0.4	12.1	5.0	7.1	2	2	Single
	A1.04.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.04.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.04.04	Type 04	Private				1												73.6	792	70.0	3.6	7.0	7.0	0.0	3	4	Single
	A1.04.05	Type 05	Private									1							87.1	937	86.0	1.1	8.1	8.0	0.1	4	5	Single
	A1.04.06	Type 06	Private		1														50.5	544	50.0	0.5	6.6	5.0	1.6	2	2	Dual
05_Fifth Floor	A1.05.01	Type 01	Private		1														50.4	542	50.0	0.4	12.1	5.0	7.1	2	2	Single
	A1.05.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.05.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.05.04	Type 04	Private				1												73.6	792	70.0	3.6	7.0	7.0	0.0	3	4	Single
	A1.05.05	Type 05	Private									1							87.1	937	86.0	1.1	8.1	8.0	0.1	4	5	Single
	A1.05.06	Type 06	Private		1														50.5	544	50.0	0.5	6.6	5.0	1.6	2	2	Dual
06_Sixth Floor	A1.06.01	Type 01	Private		1														50.4	542	50.0	0.4	12.1	5.0	7.1	2	2	Single
	A1.06.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.06.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.06.04	Type 04	Private				1												73.6	792	70.0	3.6	7.0	7.0	0.0	3	4	Single
	A1.06.05	Type 05	Private									1							87.1	937	86.0	1.1	8.1	8.0	0.1	4	5	Single
07_Seventh Floor	A1.07.01	Type 07	Private		1														55.0	592	50.0	5.0	24.1	5.0	19.1	2	2	Single
	A1.07.02	Type 02	Private				1												76.9	828	70.0	6.9	32.6	7.0	25.6	3	4	Dual
	A1.07.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.07.04	Type 08	Private		1														60.3	649	50.0	10.3	37.9	5.0	32.9	2	2	Dual
	A1.07.05	Type 09	Private				1												73.1	787	70.0	3.1	33.4	7.0	26.4	3	4	Dual
08_Eighth Floor	A1.08.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.08.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.08.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.08.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.08.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
09_Ninth Floor	A1.09.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.09.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.09.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.09.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.09.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
10_Tenth Floor	A1.10.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.10.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.10.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.10.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.10.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
11_Eleventh Floor	A1.11.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.11.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.11.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.11.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.11.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
12_Twelfth Floor	A1.12.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.12.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.12.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.12.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.12.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
13_Thirteenth Floor	A1.13.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.13.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.13.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.13.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.13.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
14_Fourteenth Floor	A1.14.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.14.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.14.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.14.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.14.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
15_Fifteenth Floor	A1.15.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.15.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.15.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.15.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.15.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
16_Sixteenth Floor	A1.16.01	Type 07	Private		1														55.0	592	50.0	5.0	12.1	5.0	7.1	2	2	Single
	A1.16.02	Type 02	Private				1												76.9	828	70.0	6.9	16.3	7.0	9.3	3	4	Dual
	A1.16.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.16.04	Type 10	Private				1												73.5	791	70.0	3.5	23.3	7.0	16.3	3	4	Dual
	A1.16.05	Type 09	Private				1												73.1	787	70.0	3.1	12.1	7.0	5.1	3	4	Dual
17_Seventeenth Floor	A1.17.01	Type 07	Private		1														55.0	592	50.0	5.0	10.1	5.0	5.1	2	2	Single
	A1.17.02	Type 02	Private				1												76.9	828	70.0	6.9	13.7	7.0	6.7	3	4	Dual
	A1.17.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.17.04	Type 10	Private				1												73.5	791	70.0	3.5	20.7	7.0	13.7	3	4	Dual
	A1.17.05	Type 09	Private				1												73.1	787	70.0	3.1	10.1	7.0	3.1	3	4	Dual
18_Eighteenth Floor	A1.18.01	Type 07	Private		1														55.0	592	50.0	5.0	10.1	5.0	5.1	2	2	Single
	A1.18.02	Type 02	Private				1												76.9	828	70.0	6.9	13.7	7.0	6.7	3	4	Dual
	A1.18.03	Type 03	Private		1														50.5	543	50.0	0.5	6.5	5.0	1.5	2	2	Single
	A1.18.04	Type 10	Private				1												73.5	791	70.0	3.5	20.7	7.0	13.7	3	4	Dual
	A1.18.05	Type 09	Private				1												73.1	787	70.0	3.1	10.1	7.0	3.1	3	4	Dual

BUILDING A1	UNITS			STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	WH ADP	WH ACC	measured m2	UNIT ft2	m2	m2	measured m2	m2	m2	HAB ROOMS	OCCUPANTS	ASPECT
			Affordable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
			Intermediate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
			Private	0	42	0	47	0	0	0	0	6	0	0	0	0	0	0	6,218.0	66,930	5906	312.03	1219.24	587	632.24	249	302	
TOTAL	95			0	42	0	47	0	0	0	0	6	0	0	0	0	0	0	6,218.0	66,930	5906	312.03	1219.24	587	632.24	249	302	

BUILDING A2																												
01_First Floor	A2.01.01	Type 11	Intermediate				1												72.5	781	70.0	2.5	7.0	7.0		3	4	Single
	A2.01.02	Type 12	Intermediate			1													71.1	766	61.0	10.1	14.8	6.0	8.8	3	3	Dual
	A2.01.03	Type 13	Intermediate		1														50.7	545	50.0	0.7	5.7	5.0	0.7	2	2	Single
	A2.01.04	Type 14	Intermediate				1												72.7	782	70.0	2.7	7.7	7.0	0.7	3	4	Single
	A2.01.05	Type 15	Intermediate		1														52.0	560	50.0	2.0	5.7	5.0	0.7	2	2	Dual
	A2.01.06	Type 16	Intermediate									1					1		88.4	952	86.0	2.4	8.1	8.0	0.1	4	5	Dual
02_Second Floor	A2.02.01	Type 11	Intermediate				1												72.5	781	70.0	2.5	7.0	7.0		3	4	Single
	A2.02.02	Type 12	Intermediate			1													71.1	766	61.0	10.1	7.5	6.0	1.5	3	3	Dual
	A2.02.03	Type 13	Intermediate		1														50.5	543	50.0	0.5	5.7	5.0	0.7	2	2	Single
	A2.02.04	Type 15	Intermediate		1														52.0	560	50.0	2.0	7.7	5.0	2.7	2	2	Dual
	A2.02.05	Type 14	Intermediate				1												72.7	782	70.0	2.7	5.7	7.0	-1.3	3	4	Single
	A2.02.06	Type 16	Intermediate									1					1		88.4	952	86.0	2.4	8.1	8.0	0.1	4	5	Dual
03_Third Floor	A2.03.01	Type 11	Intermediate				1												72.5	781	70.0	2.5	7.0	7.0		3	4	Single
	A2.03.02	Type 12	Intermediate			1													71.1	766	61.0	10.1	7.5	6.0	1.5	3	3	Dual
	A2.03.03	Type 13	Intermediate		1														50.5	543	50.0	0.5	5.7	5.0	0.7	2	2	Single
	A2.03.04	Type 15	Intermediate		1														52.0	560	50.0	2.0	7.7	5.0	2.7	2	2	Dual
	A2.03.05	Type 14	Intermediate				1												72.7	782	70.0	2.7	5.7	7.0	-1.3	3	4	Single
	A2.03.06	Type 16	Intermediate									1					1		88.4	952	86.0	2.4	8.1	8.0	0.1	4	5	Dual
04_Fourth Floor	A2.04.01	Type 11	Intermediate				1												72.5	781	70.0	2.5	7.0	7.0		3	4	Single
	A2.04.02	Type 12	Intermediate			1													71.1	766	61.0	10.1	7.5	6.0	1.5	3	3	Dual
	A2.04.03	Type 13	Intermediate		1														50.5	543	50.0	0.5	5.7	5.0	0.7	2	2	Single
	A2.04.04	Type 15	Intermediate		1														52.0	560	50.0	2.0	7.7	5.0	2.7	2	2	Dual
	A2.04.05	Type 14	Intermediate				1												72.7	782	70.0	2.7	5.7	7.0	-1.3	3	4	Single
	A2.04.06	Type 16	Intermediate									1					1		88.4	952	86.0	2.4	8.1	8.0	0.1	4	5	Dual
05_Fifth Floor	A2.05.01	Type 11	Intermediate				1												72.5	781	70.0	2.5	7.0	7.0		3	4	Single
	A2.05.02	Type 12	Intermediate			1													71.1	766	61.0	10.1	7.5	6.0	1.5	3	3	Dual
	A2.05.03	Type 13	Intermediate		1														50.5	543	50.0	0.5	5.7	5.0	0.7	2	2	Single
	A2.05.04	Type 15	Intermediate		1														52.0	560	50.0	2.0	7.7	5.0	2.7	2	2	Dual
	A2.05.05	Type 14	Intermediate				1												72.7	782	70.0	2.7	5.7	7.0	-1.3	3	4	Single
	A2.05.06	Type 16	Intermediate									1					1		88.4	952	86.0	2.4	8.1	8.0	0.1	4	5	Dual
06_Sixth Floor	A2.06.01	Type 11	Private				1												72.5	781	70.0	2.5	7.0	7.0		3	4	Single
	A2.06.02	Type 12	Intermediate			1													71.1	766	61.0	10.1	7.5	6.0	1.5	3	3	Dual
	A2.06.03	Type 13	Private		1														50.5	543	50.0	0.5	5.7	5.0	0.7	2	2	Single
	A2.06.04	Type 15	Private		1														52.0	560	50.0	2.0	7.7	5.0	2.7	2	2	Dual
	A2.06.05	Type 14	Private				1												72.7	782	70.0	2.7	5.7	7.0	-1.3	3	4	Single
	A2.06.06	Type 16	Private									1					1		88.4	952	86.0	2.4	8.1	8.0	0.1	4	5	Dual

BUILDING A2	UNITS			STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	WH ADP	WH ACC	measured m2	UNIT ft2	m2	m2	measured m2	m2	m2	HAB ROOMS	OCCUPANTS	ASPECT
			Affordable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
			Intermediate	0	10	6	10	0	0	0	0	5	0	0	0	0	5	0	2,107.4	22,684	1996	111.38	222.9	196	26.9	88	103	
			Private	0	2	0	2	0	0	0	0	1	0	0	0	0	1	0	336.1	3,617	326	10.07	34.17	32	2.17	14	17	
TOTAL	36			0	12	6	12	0	0	0	0	6	0	0	0	0	6	0	2,443.5	26,301	2322	121.45	257.07	228	29.07	102	120	

BUILDING A3

01_First Floor	A3.01.01	Type 17	Affordable									1							88.5	952	86.0	2.5	14.0	8.0	6.0	5	5	Dual
	A3.01.02	Type 18	Affordable			1												1	70.6	760	61.0	9.6	7.0	6.0	1.0	3	3	Single
	A3.01.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
02_Second Floor	A3.02.01	Type 17	Affordable									1							88.5	952	86.0	2.5	14.0	8.0	6.0	5	5	Dual
	A3.02.02	Type 18	Affordable			1												1	70.6	760	61.0	9.6	7.0	6.0	1.0	3	3	Single
	A3.02.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
03_Third Floor	A3.03.01	Type 17	Affordable									1							88.5	952	86.0	2.5	14.0	8.0	6.0	5	5	Dual
	A3.03.02	Type 18	Affordable			1												1	70.6	760	61.0	9.6	7.0	6.0	1.0	3	3	Single
	A3.03.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
04_Fourth Floor	A3.04.01	Type 17	Affordable									1							88.5	952	86.0	2.5	14.0	8.0	6.0	5	5	Dual
	A3.04.02	Type 18	Affordable			1												1	70.6	760	61.0	9.6	7.0	6.0	1.0	3	3	Single
	A3.04.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
05_Fifth Floor	A3.05.01	Type 17	Affordable									1							88.5	952	86.0	2.5	14.0	8.0	6.0	5	5	Dual
	A3.05.02	Type 18	Affordable			1												1	70.6	760	61.0	9.6	7.0	6.0	1.0	3	3	Single
	A3.05.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
06_Sixth Floor	A3.06.01	Type 17	Affordable									1							88.5	952	86.0	2.5	14.0	8.0	6.0	5	5	Dual
	A3.06.02	Type 18	Affordable			1												1	70.6	760	61.0	9.6	7.0	6.0	1.0	3	3	Single
	A3.06.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
BUILDING A3	UNITS			STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	WH ADP	WH ACC	measured m2	UNIT ft2	m2	m2	measured m2	m2	m2	HAB ROOMS	OCCUPANTS	ASPECT
			Affordable	0	0	6	6	0	0	0	0	6	0	0	0	0	0	6	1,380.2	14,856	1302	78.18	168	126	42	66	72	
			Intermediate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
			Private	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
TOTAL	18			0	0	6	6	0	0	0	0	6	0	0	0	0	0	6	1,380.2	14,856	1302	78.18	168	126	42	66	72	

BUILDING A4

01_First Floor	A4.01.01	Type 17	Affordable									1							88.1	949	86.0	2.1	14.0	8.0	6.0	5	5	Dual
	A4.01.02	Type 18	Affordable			1												1	70.8	762	61.0	9.8	7.0	6.0	1.0	3	3	Single
	A4.01.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
02_Second Floor	A4.02.01	Type 17	Affordable									1							88.1	949	86.0	2.1	14.0	8.0	6.0	5	5	Dual
	A4.02.02	Type 18	Affordable			1												1	70.8	762	61.0	9.8	7.0	6.0	1.0	3	3	Single
	A4.02.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
03_Third Floor	A4.03.01	Type 17	Affordable									1							88.1	949	86.0	2.1	14.0	8.0	6.0	5	5	Dual
	A4.03.02	Type 18	Affordable			1												1	70.8	762	61.0	9.8	7.0	6.0	1.0	3	3	Single
	A4.03.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
04_Fourth Floor	A4.04.01	Type 17	Affordable									1							88.1	949	86.0	2.1	14.0	8.0	6.0	5	5	Dual
	A4.04.02	Type 18	Affordable			1												1	70.8	762	61.0	9.8	7.0	6.0	1.0	3	3	Single
	A4.04.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
05_Fifth Floor	A4.05.01	Type 17	Affordable									1							88.1	949	86.0	2.1	14.0	8.0	6.0	5	5	Dual
	A4.05.02	Type 18	Affordable			1												1	70.8	762	61.0	9.8	7.0	6.0	1.0	3	3	Single
	A4.05.03	Type 19	Affordable				1												71.0	764	70.0	1.0	7.0	7.0		3	4	Dual
BUILDING A4	UNITS			STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	WH ACC	WH ACC	measured m2	UNIT ft2	m2	m2	m2	m2	m2	HAB ROOMS	OCCUPANTS	
			Affordable	0	0	5	5	0	0	0	0	5	0	0	0	0	0	5	1,149.5	12,373	1085	64.45	140	105	35	55	60	
			Intermediate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
			Private	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
TOTAL	15			0	0	5	5	0	0	0	0	5	0	0	0	0	0	5	1,149.5	12,373	1085	64.45	140	105	35	55	60	

BUILDING B1

01_First Floor	B1.01.01	Type 20	Private									1							95.4	1,027	86.0	9.4	8.0	8.0	0.0	4	5	Dual
	B1.01.02	Type 23	Private		1														52.0	560	50.0	2.0	5.4	5.0	0.4	2	2	Single
	B1.01.03	Type 22	Private				1												72.7	782	70.0	2.7	7.2	7.0	0.2	3	4	Single
	B1.01.04	Type 21	Private		1														50.1	539	50.0	0.0	5.4	5.0	0.4	2	2	Single
	B1.01.05	Type 24	Private		1												1		59.1	636	50.0	9.1	6.6	5.0	1.6	2	2	Dual
	B1.01.06	Type 25	Private		1														50.3	541	50.0	0.3	7.4	5.0	2.4	2	2	Single
	B1.01.07	Type 26	Private				1												72.0	775	70.0	2.0	7.4	7.0	0.4	3	4	Single
02_Second Floor	B1.02.01	Type 20	Private									1							95.4	1,027	86.0	9.4	8.0	8.0	0.0	4	5	Dual
	B1.02.02	Type 23	Private		1														52.0	560	50.0	2.0	5.4	5.0	0.4	2	2	Single
	B1.02.03	Type 22	Private				1												72.7	782	70.0	2.7	7.2	7.0	0.2	3	4	Single
	B1.02.04	Type 21	Private		1														50.1	539	50.0	0.0	5.4	5.0	0.4	2	2	Single
	B1.02.05	Type 24	Private		1												1		59.1	636	50.0	9.1	6.6	5.0	1.6	2	2	Dual
	B1.02.06	Type 25	Private		1														50.3	541	50.0	0.3	7.4	5.0	2.4	2	2	Single
	B1.02.07	Type 26	Private				1												72.0	775	70.0	2.0	7.4	7.0	0.4	3	4	Single
03_Third Floor	B1.03.01	Type 20	Private									1							95.4	1,027	86.0	9.4	8.0	8.0	0.0	4	5	Dual
	B1.03.02	Type 23	Private		1														52.0	560	50.0	2.0	5.4	5.0	0.4	2	2	Single
	B1.03.03	Type 22	Private				1												72.7	782	70.0	2.7	7.2	7.0	0.2	3	4	Single
	B1.03.04	Type 21	Private		1														50.1	539	50.0	0.0	5.4	5.0	0.4	2	2	Single
	B1.03.05	Type 24	Private		1												1		59.1	636	50.0	9.1	6.6	5.0	1.6	2	2	Dual
	B1.03.06	Type 25	Private		1														50.3	541	50.0	0.3	7.4	5.0	2.4	2	2	Single
	B1.03.07	Type 26	Private				1												72.0	775	70.0	2.0	7.4	7.0	0.4	3	4	Single
04_Fourth Floor	B1.04.01	Type 20	Private									1							95.4	1,027	86.0	9.4	8.0	8.0	0.0	4	5	Dual
	B1.04.02	Type 23	Private		1														52.0	560	50.0	2.0	5.4	5.0	0.4	2	2	Single
	B1.04.03	Type 22	Private				1												72.7	782	70.0	2.7	7.2	7.0	0.2	3	4	Single
	B1.04.04	Type 21	Private		1														50.1	539	50.0	0.0	5.4	5.0	0.4	2	2	Single
	B1.04.05	Type 24	Private		1												1		59.1	636	50.0	9.1	6.6	5.0	1.6	2	2	Dual
	B1.04.06	Type 25	Private		1														50.3	541	50.0	0.3	7.4	5.0	2.4	2	2	Single
	B1.04.07	Type 26	Private				1												72.0	775	70.0	2.0	7.4	7.0	0.4	3	4	Single
	B1.04.08	Type 30	Private				1												72.9	785	70.0	2.9	7.1	7.0	0.1	3	4	Dual
05_Fifth Floor	B1.05.01	Type 20	Private									1							95.4	1,027	86.0	9.4	8.0	8.0	0.0	4	5	Dual
	B1.05.02	Type 23	Private		1														52.0	560	50.0	2.0	5.4	5.0	0.4	2	2	Single
	B1.05.03	Type 22	Private				1												72.7	782	70.0	2.7	7.2	7.0	0.2	3	4	Single
	B1.05.04	Type 21	Private		1														50.1	539	50.0	0.0	5.4	5.0	0.4	2	2	Single
	B1.05.05	Type 24	Private		1												1		59.1	636	50.0	9.1	6.6	5.0	1.6	2	2	Dual
	B1.05.06	Type 25	Private		1														50.3	541	50.0	0.3	7.4	5.0	2.4	2	2	Single
	B1.05.07	Type 26	Private				1												72.0	775	70.0	2.0	7.4	7.0	0.4	3	4	Single
	B1.05.08	Type 30	Private				1												72.9	785	70.0	2.9	7.1	7.0	0.1	3	4	Dual
06_Sixth Floor	B1.06.01	Type 20	Private									1							95.4	1,027	86.0	9.4	8.0	8.0	0.0	4	5	Dual
	B1.06.02	Type 23	Private		1														52.0	560	50.0	2.0	5.4	5.0	0.4	2	2	Single
	B1.06.03	Type 22	Private				1												72.7	782	70.0	2.7	7.2	7.0	0.2	3	4	Single
	B1.06.04	Type 21	Private		1														50.1	539	50.0	0.0	5.4	5.0	0.4	2	2	Single
	B1.06.05	Type 25	Private		1														50.3	541	50.0	0.3	7.4	5.0	2.4	2	2	Single
	B1.06.06	Type 26	Private				1												72.0	775	70.0	2.0	7.4	7.0	0.4	3	4	Single
																				#VALUE!		#VALUE!			#VALUE!			
BUILDING B1	UNITS			STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	WH ADP	WH ACC	measured m2	UNIT ft2	m2	m2	measured m2	m2	m2	HAB ROOMS	OCCUPANTS	ASPECT
			Affordable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
			Intermediate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
			Private	0	23	0	14	0	0	0	0	6	0	0	0	0	5	0	2,775.4	30,095	2540	195.81	299.37	261	38.37	112	132	
TOTAL	43			0	23	0	14	0	0	0	0	6	0	0	0	0	5	0	2,775.4	30,095	2540	195.81	299.37	261	38.37	112	132	

BUILDING B2

01_First Floor	B2.01.01	Type 27	Affordable		1														50.2	540	50.0	0.2	7.1	5.0	2.1	2	2	Single
	B2.01.02	Type 28	Affordable		1														51.1	550	50.0	1.1	7.1	5.0	2.1	2	2	Single
	B2.01.03	Type 29	Affordable				1												72.9	785	70.0	2.9	7.1	7.0	0.1	3	4	Dual
02_Second Floor	B2.02.01	Type 27	Affordable		1														50.2	540	50.0	0.2	7.1	5.0	2.1	2	2	Single
	B2.02.02	Type 28	Affordable		1														51.4	553	50.0	1.4	7.0	5.0	2.0	2	2	Single
	B2.02.03	Type 29	Affordable				1												72.9	785	70.0	2.9	7.1	7.0	0.1	3	4	Dual
03_Third Floor	B2.03.01	Type 27	Affordable		1														50.2	540	50.0	0.2	7.1	5.0	2.1	2	2	Single
	B2.03.02	Type 28	Affordable		1														51.4	553	50.0	1.4	7.3	5.0	2.3	2	2	Single
	B2.03.03	Type 29	Affordable				1												72.9	785	70.0	2.9	7.1	7.0	0.1	3	4	Dual
04_Fourth Floor	B2.04.01	Type 27	Affordable		1														50.2	540	50.0	0.2	7.1	5.0	2.1	2	2	Single
	B2.04.02	Type 28	Affordable		1														51.1	550	50.0	1.1	7.0	5.0	2.0	2	2	Single
05_Fifth Floor	B2.05.01	Type 27	Affordable		1														50.2	540	50.0	0.2	7.1	5.0	2.1	2	2	Single
	B2.05.02	Type 28	Affordable		1														51.1	550	50.0	1.1	7.1	5.0	2.1	2	2	Single
BUILDING B2	UNITS			STUDIO	1B/2P	2B/3P	2B/4P	2B/4P D	3B/4P	3B/4P D	3B/4P T	3B/5P	3B/5P D	3B/6P	3B/6P D	4B/5P	WH ADP	WH ACC	measured m2	UNIT ft2	m2	m2	measured m2	m2	m2	HAB ROOMS	OCCUPANTS	ASPECT
			Affordable	0	10	0	3	0	0	0	0	0	0	0	0	0	0	0	725.8	7,811	710	15.8	93.57	71	22.57	29	32	
			Intermediate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
			Private	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0	
TOTAL	13			0	10	0	3	0	0	0	0	0	0	0	0	0	0	0	725.8	7,811	710	15.8	93.57	71	22.57	29	32	

613.0

14,712.0

674.4

Appendix 2
Revised Residual Land Value Appraisal

Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Development Appraisal
Savills
17 November 2021

Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Market Housing	143	100,638	724.64	509,975	72,926,482
Intermediate Housing	31	22,684	518.76	379,597	11,767,500
Affordable Rented Housing	46	35,038	197.49	150,428	6,919,676
Totals	**220**	**158,360**			**91,613,658**

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Unit A1a	1	384	20.00	7,680	7,680	7,680
Unit A1b	1	1,353	15.00	20,295	20,295	20,295
Unit A2	1	2,951	15.00	44,265	44,265	44,265
Unit A3a	1	1,122	17.00	19,074	19,074	19,074
Unit A3b	1	507	17.00	8,619	8,619	8,619
Unit A4a	1	632	20.00	12,640	12,640	12,640
Unit A4b	1	723	17.00	12,291	12,291	12,291
Unit B1	1	3,519	14.00	49,266	49,266	49,266
Unit B2	1	687	20.00	13,740	13,740	13,740
Container 00	1	561	17.00	9,537	9,537	9,537
Container 01	1	1,231	17.00	20,927	20,927	20,927
Container 02	1	1,232	17.00	20,944	20,944	20,944
Totals	**12**	**14,902**			**239,278**	**239,278**

Investment Valuation

Unit A1a					
Market Rent	7,680	YP @	7.5000%	13.3333	
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	100,565
Unit A1b					
Market Rent	20,295	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	260,990
Unit A2					
Market Rent	44,265	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	549,023
Unit A3a					
Market Rent	19,074	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	245,288
Unit A3b					
Market Rent	8,619	YP @	7.5000%	13.3333	
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	112,861
Unit A4a					
Market Rent	12,640	YP @	7.5000%	13.3333	
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	165,514
Unit A4b					
Market Rent	12,291	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	158,060
Unit B1					
Market Rent	49,266	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	611,051

Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Unit B2					
Market Rent	13,740	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	176,694
Container 00					
Market Rent	9,537	YP @	7.5000%	13.3333	
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	124,882
Container 01					
Market Rent	20,927	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	269,117
Container 02					
Market Rent	20,944	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	269,336
Total Investment Valuation					**3,043,380**

GROSS DEVELOPMENT VALUE				**94,657,038**
Purchaser's Costs			(196,602)	
Effective Purchaser's Costs Rate		6.46%		
				(196,602)
NET DEVELOPMENT VALUE				**94,460,436**
Additional Revenue				
Jones Catering Rent			296,250	
				296,250
NET REALISATION				**94,756,686**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			9,260,947	
				9,260,947
Stamp Duty		5.00%	463,047	
Agent Fee		1.00%	92,609	
Legal Fee		0.80%	74,088	
				629,744
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Build Cost	236,705	220.46	52,184,244	
River Wall			1,000,000	
Mayoral CIL			696,260	
Borough CIL			1,354,728	
S106 inc. C02 Offset			555,000	
				55,790,232
PROFESSIONAL FEES				
Professional Fees		10.00%	5,218,424	
				5,218,424
MARKETING & LETTING				
Marketing		1.50%	1,093,897	
Letting Agent Fee		10.00%	23,928	
Letting Legal Fee		5.00%	11,964	
				1,129,789
DISPOSAL FEES				
Commercial & Affordable Agent		1.00%	215,340	
Private Residential Agent		1.50%	1,093,897	

Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Commercial & Affordable Legal	0.80%	172,272	
Private Residential Legal	0.25%	182,316	
			1,663,825
Additional Costs			
Market Housing Profit	17.50%	12,762,134	
Commercial Profit	15.00%	456,507	
Affordable Housing Profit	6.00%	1,121,231	
			14,339,872
FINANCE			
Debit Rate 6.750%, Credit Rate 0.100% (Nominal)			
Land		2,590,731	
Construction		3,596,957	
Other		536,165	
Total Finance Cost			6,723,853
TOTAL COSTS			**94,756,686**
PROFIT			
			0
Performance Measures			
Profit on GDV%	0.00%		

Appendix 3
Savills February 2021 Rebuttal

Bellway Homes Ltd & Peabody Developments Ltd

February 2021

Sun Wharf, 24 Creekside, London, SE8 3DZ

Response to BNPPRE's and the GLA's Viability Reviews - DRAFT

1.0 Table of Contents

1. Introduction

1.1. Overview

1.1.1. This document provides a summary of the viability process to date including an analysis of the areas of difference between Savills acting on behalf of Bellway Homes Ltd & Peabody Developments Ltd (the Applicant), BNPP Real Estate (BNP) acting on behalf of LB Lewisham (the Council) and the Greater London Authority (GLA).

1.1.2. Savills provided a Financial Viability Assessment (FVA) in August 2020 in support of a planning application for a residential led mixed-use development. Savills' FVA was independently reviewed by BNP on behalf of the Council as well as the GLA in two separate reports both dated December 2020.

1.2. Viability Discussions to Date

1.2.1. Savills were instructed by the Applicant to examine the economic viability of the proposed development at the site known as Sun Wharf, Lewisham (the Subject) to determine the level of planning obligations that the proposed scheme was able to reasonably support whilst remaining commercially viable.

1.2.2. Within all three reports, BNP, the GLA and Savills agree on the following assumptions:

- Affordable Residential Gross Development Value (GDV);
- Existing Rental Income;
- CIL and Carbon Offset Payment;
- Residential Sales Legal, Agent and Marketing Fees;
- Commercial Sales Agent, Letting Agent and Legal Fees;
- Existing Use Value (EUV) Void and Rent Free Periods.

1.2.3. However, disagreements currently exist between the parties on the following key assumptions:

- Private Residential GDV;
- Private Residential Ground Rents;
- Commercial GDV;
- Build Costs;
- Professional Fees;
- Finance Rate;
- Developers Profit;
- Pre-Construction and Build Periods;
- Off Plan Sales Percentage and Sales Rates;
- EUV Market Rent;
- EUV Equivalent Yield; and
- Landowner Premium.

1.2.4. In Section 2, we provide a summary of the key assumptions adopted by both Savills and BNP, and in the following sections we address each of these assumptions separately. A copy of our revised Residual Land Value appraisal can be found at **Appendix 1.**

2. Comparison of Key Assumptions

2.1.1. In Table 1 below, we provide a comparison of the key assumptions adopted by Savills in our FVA and BNP in their subsequent review.

Table 1 – Comparison of Key Assumptions

Item	Savills FVA	BNP Review
Private Residential GDV	£82,949,000 (£725psf)	£82,949,000 (£725psf)
Affordable Residential GDV	£20,536,153	£20,536,153
Residential Ground Rents	Nil	Nil
Commercial GDV	£3,294,174	£4,636,543
Existing Rental Income	£810,538	£810,538
Build Costs	£56,740,000	£56,127,191
Professional Fees	12%	10%
Finance Rate	6.75%	6%
CIL & Carbon Offset	£2,802,089	£2,802,089
Residential Sales Legal, Agent & Marketing	3.25%	3.25%
Commercial Sales Agent	1%	1%
Commercial Letting Agent and Legal	15%	15%
Developers Profit on GDV (blended)	17.15%	15.21%
Pre-Con (months)	6	4
Build Period (months)	31	26
Sales period (months) and % off plan	25, 40%	13, 50%
Residual Land Value	**£9,022,210**	**£14,632,011**
Existing Use Value Market Rent (£psf)	£14.50	£12.50
Existing Use Value Void & Rent Free (months)	12	12
Existing Use Value Equivalent Yield (%)	4.50%	5.50%
Existing Use Value	£13,590,000	£11,120,000
Landowner Premium (%)	30%	20%
Site Value Benchmark (SVB)	**£17,667,000**	**£13,440,000**
Surplus / Deficit against SVB	**-£8.6m**	**£1.2m**

2.1.2. There are a number of assumptions on which Savills and BNP agree, notably including proposed private and affordable residential GDV. However, BNP have adopted differing assumptions on key inputs including Existing Use Value (EUV), Landowner Premium and Construction Costs.

2.1.3. The GLA review is not explicit about certain assumptions and does not provide an appraisal, we are therefore unable to draw direct comparisons between their position and that of Savills and BNP. Where the GLA stance is known we have highlighted this and provided responses accordingly. Despite not providing an exact figure, we note the GLA conclude the scheme is able to accommodate additional affordable housing which would indicate that they have identified a surplus in viability terms.

2.1.4. In the below sections we address the differences in assumptions between Savills, BNP and the GLA.

3. Gross Development Value

3.1. Private Residential GDV

3.1.1. Savills and BNP are in agreement that £82,949,000 or £725psf is an appropriate GDV based upon market evidence and from consulting sales agents.

3.1.2. The GLA consider £725psf too low and have adopted a revised revenue assumption of £85,851,750 or £750psf which represents an uplift of £2,902,750 or 3.5%. In support of this revised assumption the GLA have provided the following limited comments.

''The proposed development has average flat sizes smaller than those at Kent Wharf and values will benefit from existing 'place making', with no adjacent warehouse. Flats at higher floor levels are also likely to see a premium price reflecting improved views.''

3.1.3. The GLA have also requested further sales evidence from Kent Wharf, a development by the Applicant which is located adjacent to the Subject, on the basis that they consider it insufficient to provide 11 out of 125 transactions.

3.1.4. Kent Wharf does represent a good comparable however we would highlight to the GLA that the majority of sales were achieved in 2017 and 2018. The 11 sales provided as part of our Residential Comparables Report date from mid-2018 and therefore consist of the most recently achieved transactions; we do not consider it appropriate to draw upon more historic sales data when there is a significant amount of contemporary evidence available.

3.1.5. In response to the comments made by the GLA regarding unit size and floor level, the pricing exercise undertaken in our FVA made a specific allowance for units of every size and premiums for those units on the upper floors; this was informed by the comparable evidence identified in our Comparables Report. Whilst the Subject does benefit from place making enhancements brought about by the Kent Wharf scheme, this is not a justification for the Subject to achieve premium values above those achieved at Kent Wharf in 2017 / 2018. The values at Kent Wharf should be viewed in the context of more recent comparable evidence from contemporary new build schemes / scheme phases which benefit from existing place making.

3.1.6. Two such comparable contemporary schemes are Maritime by Fairview New Homes and Deptford Foundry by Anthology, below we summarise the blended £psf of both of these schemes by comparison with the pricing adopted by Savills and BNP.

Table 2 – Pricing Comparison with Contemporary Evidence

Scheme	Av. Unit Size	Av. Sales £psf	Date achieved
The Subject (Savills and BNP Pricing)	702sqft	£725psf	N/A
Maritime (Fairview New Homes)	719sqft	£712psf	Q4 2018 – Q4 2019
Depford Foundry (Anthology)	676sqft	£693psf	Q4 2018 – Q2 2020

3.1.7. As can be seen from the above, the residential GDV advocated by Savills and BNP is in accordance with contemporary sales evidence from within close proximity to the Subject, there is simply no need to draw upon evidence from 2017 as the GLA have requested. To adopt a valuation of £750psf would be to render the apartments uncompetitive and unrepresentative of the local market, and would subsequently impact upon sales absorption rates.

3.1.8. In light of this additional evidence, and without any evidence being supplied by the GLA to support their assertion that *"an average value in excess of £750psf looks to be justified"*, we maintain our initially adopted GDV with which BNP agree.

3.2. Private Residential Ground Rents

3.2.1. Savills and BNP are in agreement that it is no longer appropriate to include a revenue for ground rents in light of the various Government announcements which have clearly stated an intent to remove them from new build flats.

3.2.2. The GLA have included ground rents on the private apartments at £350 per annum capitalised at a yield of 5% to produce a capital value of £1,141,000. In justification of this additional revenue, the GLA have provided the following comments.

"No value has been attributed to potential ground rent income. This was because of the government announcement on 27th June 2019 that they intended to legislate that ground rents on new flats would be reduced to £0.

No further action appears to have been taken by government since then and market sale flats are currently being sold with ground rents included, generally at about £350pa.

It is considered that viability should be based on current market factors, which includes ground rents. It is recommended that the market flats should be assessed at an average rent of £350 and yield of 5%."

3.2.3. On a point of a valuation principle we do not agree with the inclusion of ground rents for the reasons outlined within our initial assessment. This approach has been further reinforced following the very recent announcement to bring forward legislation which will preclude the charging of ground rents across new residential schemes, and this recent show of government intent disproves the justification used by the GLA. Moreover, we would draw attention to the public announcements of increasing numbers of housebuilders and developers reducing ground rents to a notional 'Peppercorn' within current and future schemes.

3.2.4. The Applicant has confirmed that they do not intend to charge ground rents at the Subject scheme, and in commitment to this they are prepared to have the exclusion of ground rents written into the S106 agreement.

3.2.5. Given the above justifications which are also advocated by BNP, we consider it appropriate to exclude an income derived from ground rents in our appraisal.

3.1. Private Residential Sales Timescales

3.1.1. Within our FVA we made an assumption that 40% of the apartments would be sold off plan and that four sales would be achieved per month thereafter over a 24 month period.

3.1.2. On the basis that Kent Wharf sold entirely off plan, BNP have assumed 50% of the apartments would be sold off plan and that seven sales would be achieved per month thereafter.

3.1.3. The GLA also consider our sales rate understated and have commented that *"typically, sales rates at 8 units pcm are assumed in these types of developments."*, we note they have also referenced Kent Wharf as a possible justification for an increased sales rate and have asked for Savills adopted rate to be justified.

3.1.4. Whilst we would acknowledge the similarities between the Subject scheme and Kent Wharf we do not consider it appropriate to base current sales rates off evidence from 2017. We have therefore sought to identify more contemporary evidence of sales rates from the comparable developments identified, the Deptford Foundry development by Anthology provides a useful indication of likely sales rate given the similar price point of this comparable when compared to the Subject. We understand from Molior that since January 2019 112 homes have been sold at Deptford Foundry equating to an average sales rate of 4.7 per month which is broadly similar to the rate adopted within our FVA. Moreover, we also understand from Molior that Maritime by Fairview achieved a sales rate of c.5 units per month between Q4 2018 – Q4 2019 which again is more aligned to the absorption rate adopted by Savills.

3.1.5. Furthermore, and in reference to specific sales risk, BNP have alluded to the relative affordability of the properties and the positioning of many of the homes within the Help to Buy (HtB) threshold. According to Savills New Homes, and based upon their experience within South East London, HtB has been crucial in achieving sales at developments at this price point and in this location. We would highlight to BNP that from April 2021 HtB will only be available to first time buyers and this significantly impacts the benefit of the scheme to developers. It is therefore appropriate to adopt a marginally lower sales rate than at Maritime and Deptford Foundry as these developments both had the benefit of HtB under its previous, and more wide reaching, form.

3.1.6. In summary, we consider that the recent evidence of sales rates at Deptford Foundry and Maritime disproves the absorption rates which are advocated by both BNP and the GLA and should provide them with the justification which they have sought.

3.2. Commercial Values

3.2.1. BNP have concluded that Savills commercial GDV of £3,294,174 (before purchasers costs) was understated. Having undertaken their own research, BNP reached a total GDV for the commercial space of £4,640,000 (before purchasers costs) and this revised value, which represents a c.40% increase on our GDV, was adopted within their revised appraisal. By comparison with both Savills and BNP, the GLA concluded a revised commercial GDV of £3,600,327 (before purchasers costs). In response to these revised conclusions we have the following comments.

Rental Values and Void / Rent Free Assumptions

3.2.2. The GLA are in agreement with the market rent assumptions, and rent free periods adopted by Savills.

3.2.3. BNP have adopted an increased market rent for each flexible office / light industrial unit, we highlight the rents adopted by both Savills and BNP in Table 2 below. We note that BNP have adopted identical rent free assumptions to Savills in all but one instance, Container 02, we anticipate that this is a typological error and consider that the rent free periods are agreed. We also note that the rent advocated by BNP for Unit A1b is £25psf within their report and £35psf within their appraisal, in the context of their valuation we consider that the rent of £25psf is correct but would welcome confirmation on this discrepancy.

Table 3 – Savills FVA and BNP Review Commercial Rent Assumptions

Unit (Use Class)	Size Sqft	Savills MR (£psf)	BNP MR (£psf)	Savills MR p.a.	BNP MR p.a.	Savills Rent Free	BNP Rent Free
Unit A1a (E / B8)	384	£20	£30	£7,680	£11,520	3	3
Unit A1b (E / B8)	1,353	£15	£25	£20,295	£33,825	6	6
Unit A2 (E / B8)	2,924	£15	£20	£43,860	£58,480	12	12
Unit A3a (E / B8)	1,122	£17	£25	£19,074	£28,050	6	6
Unit A3b (E / B8)	890	£17	£27.50	£15,130	£24,475	3	3
Unit A4a (E / B8)	632	£20	£30	£12,640	£18,960	3	3
Unit A4b (E / B8)	1,121	£17	£25	£19,057	£28,025	6	6
Unit B1 (E / B8)	3,519	£14	£20	£49,266	£70,380	12	12
Unit B2 (E / B8)	1,011	£20	£25	£20,220	£25,275	6	6
Container 00 (E)	561	£17	£17	£9,537	£9,537	3	3
Container 01 (E)	1,232	£17	£17	£20,944	£20,944	6	6
Container 02 (E)	1,232	£17	£17	£20,944	£20,944	6	9
	15,981	**£16**	**£22**	**£258,647**	**£350,415**		

3.2.4. BNPs adopted rent of £350,415 per annum (£22psf) represents a c.35% increase on the annual rent of £258,647 (£16psf) adopted by Savills in our FVA. In support of these revised revenue assumptions BNP have commented on the evidence provided within our FVA and have also provided additional supplementary evidence. In response to these revised conclusions we have the following comments.

Flexible Office / Light Industrial Units (E / B8)

3.2.5. Savills and BNP are in agreement that the flexible use office / light industrial units proposed at the Subject will most likely be let to an office occupier on the basis of the proposed design which is more aligned with office demand. BNP have undertaken an analysis of the comparable office evidence provided in our FVA and have commented the following.

"We consider that the smaller units would achieve lower rents than the California building due to its location and Creekside (despite being close to the site) is situated in the creative hub 'Artworks Creekside'. The asking rent at Tarves Way and the achieved rent at Hilton's Wharf provide a good indication of rental values in the locality and we have had regard to these in pricing the office units."

3.2.6. We agree with BNP that the flexible commercial rent will be similar to the quoting price provided by 13 Tarves Way.

3.2.7. BNP have provided additional evidence in the form of an achieved rent at Hilton Wharf, this transaction concerns a modern, built 2016, ground floor office which extends to 2,380sqft and which was let for £21psf. We acknowledge the similarities between Hilton Wharf and the Subject but would highlight to BNP that this letting occurred in 2018 and prior to the Covid-19 pandemic which has had an unprecedented impact on the demand for office space. BNP themselves are reporting that take up in Central London is down 48% on 2019 levels and given the magnitude of these reports it is unavoidable that there will be deflationary pressure on office rental values for the foreseeable future.

3.2.8. We also highlight that the Subject commercial space will be delivered to a shell and core finish, and this has been reflected in the rental values adopted. By comparison with Hilton Wharf, built in 2016 and subsequently offering either a Category A or B fit out, the Subject space will achieve a discounted rental value which reflects the liability of the incoming tenant to the fit out costs. If a substantial discount is not applied to the comparable evidence identified by both Savills and BNP, the majority of which represents Category A space, then it would be appropriate to lengthen the rent free periods substantially to account for the increased fit out requirements.

3.2.9. We consider the average rental value adopted by BNP for the flexible space at the Subject overstated by comparison with Hilton Wharf and as such we have maintained our initially adopted assumptions on market rent.

Investment Yield

3.2.10. Both Savills and BNP have adopted a capitalisation rate of 7.5%.

3.2.11. BNP have highlighted that the Applicant is the developer of River Gardens and have requested that they provide further information on the transactions at Blocks 4 and 5 as well as any additional evidence from this scheme which is available.

3.2.12. The GLA are in agreement with a yield of 7.5% for the container building. However, in respect of the flexible commercial units they consider that a yield of 6.75% would be more appropriate on the basis of capital values of the comparable evidence, and the yield assumption previously adopted, in 2019, by Savills for the purposes of assessing viability at the Subject. We would highlight that the yield assumption adopted by Savills in 2019 is of limited relevance as the market has evolved significantly since this time; the perceived risks for both occupiers of, and investors in commercial property are now much increased as a result of the Covid-19 pandemic.

3.2.13. In respect of the further information requested by BNP for the River Gardens scheme, we have now been provided with more transactional detail by the Applicant and understand that as things stand, of the 17 commercial units being delivered across the scheme, five are currently under offer and only three have sold leaving nine available. We understand that the eight units which are currently either under offer or sold have 'achieved' an average capital value of £228psf, and for context these units have an average area of 1,680sqft compared with 1,332sqft at the Subject. In respect of the River Gardens scheme, we would reiterate our view that this comparable represents a superior commercial destination which is enhanced through the creation of landscaped gardens and squares, and which also fronts the River Thames.

3.2.14. This additional evidence would appear to support the valuation undertaken by Savills (£206psf) and demonstrates that the capital value advocated by BNP (£290psf) is in our opinion overstated by comparison with the 'achieved' prices at the River Gardens which are at a significantly lower price point. Moreover, we understand from the Applicant that demand for the commercial space at this scheme has been weak and this would provide an explanation for the slow sales and letting rates.

3.2.15. In light of this additional evidence, which supports the GDV adopted by Savills, we have maintained our initially adopted capitalisation rate assumption.

4. Development Costs

4.1. Build Costs

4.1.1. Within our FVA we adopted a build cost, inclusive of a 5% contingency, of £56,740,000 (£223psf (GIA)) as advised by Ward Williams Associates (WWA).

4.1.2. The GLA have agreed to the costing provided by WWA commenting that it falls at the lower end of evidence provided for schemes of this nature.

4.1.3. BNP instructed CDM Project Services (CDM) to review the costing provided by WWA, CDM concluded a build cost of £56,127,191 (£220psf (GIA)), inclusive of a 5% contingency to which they agreed. The CDM costing represents a £612,809 (c.1%) reduction on the conclusion reached by WWA and has been adopted by BNP in their appraisal.

4.1.4. In respect of the revisions made by CDM, we have been provided with a full response by WWA, attached at **Appendix 2**, which concludes the following.

"We believe our Feasibility of £56,740,000 or £223/ft2 GIFA is not an unreasonable budget for this scheme.

The proposed Overheads and Profit reduction does not match the tenders being received in the current London Residential Market.

The asbestos allowance has been included due to the asbestos sheet roofing and potential other internal asbestos. This is a risk to Bellway as they have been unable to carry out an asbestos survey due to the existing tenant.

The container office building is based upon actual cost data of a current container office scheme in East London by the specialist contractor Container City.

The fit-out allowance queries for the office do not include the connection and distribution from the central energy centre.

We have agreed with the minor (£5,000) reduction on the external works items."

4.1.5. Given the conclusions from WWA, as well as the comments made by the GLA who consider our adopted build costs to be reasonable in this instance, we have adopted a revised position on build cost of **£56,735,000** (£222psf (GIA)) which reflects a £5,000 reduction on external works.

4.2. Contingency

4.2.1. A build contingency allowance of 5% is considered agreed between Savills, BNP, and the GLA.

4.3. Construction Timescales

4.3.1. The GLA consider Savills timescales overstated, they suggest that a six month pre-construction period is inappropriate on the basis that *"the date of possession is known"*, and that the construction period is *"3-6 months longer than typical developments of this nature"* ; we note that no evidence has been supplied by the GLA in support of these opinions.

4.3.2. BNP have identified and adopted the timescales set out within the Construction Logistics Report prepared by Ardent and submitted as part of the planning application. For ease we highlight the timescales advocated by Ardent below.

Table 4 – Ardent Project Timescales

Phase	Item	Starts	Ends	Period (Months)
Pre-Construction	Site set up & demolition	Feb-21	May-21	4
Construction	Basement excavation & piling	May-21	Nov-21	6
	Sub-structure	Nov-21	Mar-22	4
	Super structure	Mar-22	Jan-23	10
	Cladding	Jan-23	Apr-23	3
	Fit-out, testing & commissioning	Apr-23	Dec-23	8
Total Period				35

4.3.3. Ardent consider an appropriate construction timescale of 35 months, which consists of a 4 month pre-construction period and 31 month construction period. We note that BNP have adopted a 4 month pre-construction period and 26 month construction period *"on the basis of the Ardent project programme"*, it is not clear why BNP have adopted a shorter construction period given their comments and we request that they clarify this position.

4.3.4. We note that the programme advocated by Ardent uses the same construction period as that which was adopted within our FVA, 31 months, but that the pre-construction period advocated is two months shorter. We consider it a reasonable approach to adopt the timescales advocated by Ardent and have updated our revised appraisal to reflect a four month pre-construction period.

4.3.5. In respect of the shorter timescales advocated by the GLA, we would highlight that the Construction Logistics Report prepared by Ardent provides an independent third party view on timescales by an expert organisation for the Subject scheme. In the absence of any evidence provided by the GLA we are unable to accept their assertion that shorter timescales, than those provided by Ardent and advocated by Savills and BNP, would be appropriate. In further support of the evidenced position taken by Savills and BNP we would also highlight Section 2.6 of the RICS Professional Statement ''Financial Viability in Planning'', 1st Edition which requires that *"Where a reviewer disagrees with a submitted report and / or with elements in it, differences must be clearly set out with supporting and reasonable justification."*.

4.4. Professional Fees

4.4.1. We adopted a professional fee allowance of 12% within our FVA.

4.4.2. In their review BNP have adopted a revised allowance of 10% giving consideration to *"site constraints and scheme complexity"* and *"the monetary value of the percentage in the appraisal"*.

4.4.3. Conversely, the GLA have also given consideration to site specifics but have concluded the allowance of 12% adopted within our FVA is reasonable on the basis of the following justification.

"assessment of these fees needs to take in to account the assessment of preliminaries profits and overheads as these include elements of professional fee work. In the previous scheme FVA build costs included preliminaries profits and overheads at 17% of build costs. This is lower than typical and implies more limited professional fees included in the PP&O heading, but a higher amount in the 'Professional Fees' heading. Assuming the same approach is adopted on this assessment, professional fees in this assessment at 12% can be agreed."

4.4.4. We highlight the above observations made by the GLA to BNP, and would comment that the same approach has been applied by WWA in this iteration of scheme costings for the Subject. Moreover, WWA have adopted a reduced preliminaries, profits and overheads (PP&O) allowance of 14% for this iteration and subsequently a 12% professional fee assumption is further justified.

4.4.5. Moreover, we have now received a detailed breakdown of professional fees from WWA which we provide attached at **Appendix 3**.

4.4.6. Given the detailed breakdown provided by WWA which demonstrates 12% is an appropriate allowance, as well as the comments made by the GLA who consider 12% to be a reasonable allowance in this instance, we have maintained our initially adopted position on professional fees.

4.5. Finance Rate

4.5.1. We adopted a finance rate of 6.75% in our FVA.

4.5.2. BNP have adopted a 6% finance rate within their revised appraisal, this represents a reduction of 0.75% from our assumption which BNP comment *"falls outside of current lending requirements"*.

4.5.3. Based upon our current experience of development finance, and having received no justification from BNP as to why a lower rate would be acceptable at the current time, we are unable to accept that 6% represents an appropriate finance rate.

4.5.4. Furthermore, we have consulted with our specialist Residential Valuations team to establish what constitutes current lending requirements, we understand that since the outbreak of the Covid-19 Pandemic the high level of market uncertainty has caused development finance rates to rise as a number of lenders have either completely withdrawn from the development finance market or significantly revised their Loan to Value ratio and price offerings.

4.5.5. Moreover, we are aware of BNP recently adopting a finance rate of 6.75% elsewhere within London for viability purposes and would request clarification from them as to why they consider a lower rate appropriate in this instance.

4.5.6. We note that the GLA also consider our adopted finance rate overstated, they suggest a revised rate of 5% be adopted and have cited a previous exercise undertaken by Savills in reference to the Ladderswood Estate in Enfield where 5% was adopted. We are concerned that the GLA place such precedence on this exercise for three principles reasons (1) this work was undertaken in 2019 (2) the work was not a planning FVA (3) finance rates are highly variable and differ project to project.

4.5.7. In practice development finance arrangements are specific to developers and / or development sites, they can vary significantly and as such within development viability a finance rate is to be adopted which represents an achievable market average rate. Given this, for the GLA to have adopted a site specific finance rate from 2019 is inappropriate when assessing this assumption. This work was undertaken in 2019 and it is unjustifiable for the GLA to infer that the development market has not changed since. Moreover, this exercise was not undertaken for planning viability purposes and we understand that the analysis was of site specific financial performance and used to support a grant funding application; it was also representative of 100% equity financing.

4.5.8. Of most importance is that finance rates to which developers have access vary significantly, viability guidance therefore requires that a standardised approach is taken to finance whereby market average rates are adopted. In the case of the Ladderswood Estate regeneration, a finance rate of 5% was appropriate as it represented the specific covenant strength of the applicants who also had the backing of Enfield Council. For the GLA to apply this finance rate, which represents such a specific set of circumstances and which dates from 2019, to the Subject scheme is therefore entirely contrary to the Mayor of London ''Affordable Housing and Viability'' SPG which requires a *''standardised approach…based on standard market rates''*, the Ladderswood Estate represents neither.

4.5.9. We disagree with both the finance rates adopted by BNP and the GLA and their justifications. A finance rate of 6% or below is inappropriate in current times when development finance has become more difficult to obtain and as such we have maintained our initial finance rate of 6.75%.

4.6. Profit

4.6.1. Within our FVA we adopted a profit margin of 20% on GDV for the proposed residential accommodation, both BNP and the GLA have challenged this margin and are of the opinion that a requirement of 17.5% on GDV would be more appropriate. BNP and the GLA are in agreement that a profit requirement of 15% on commercial GDV and 6% on affordable housing GDV are appropriate. BNP have based their revised profit requirement for the residential GDV *''upon the perceived risks associated with the proposed development''* which they identify as being Brexit, the Covid-19 pandemic as well as unidentified scheme specific risks.

4.6.2. We note that BNP have recently experienced a profit range of between 17% and 20% of residential GDV within London and would question why they have adopted a lower requirement based upon the unprecedented macroeconomic risks which they have identified. We would acknowledge that the NPPF PPG stipulates an appropriate profit range as being between 15% and 20% on GDV, the profit target adopted by BNP therefore reflects a mid-range assumption in this context. We would however, highlight that this range was published in 2019 and prior to the outbreak of Covid-19, the development market has since become significantly more uncertain and this aspect of the PPG could be considered outdated and unreflective of the current risks faced by developers.

4.6.3. Having consulted with specialist colleagues within the Loan Security Valuation and Capital Markets departments of Savills, as well as applying our own development experience, we do not consider that in the current market it is appropriate to apply a mid-range profit assumption and are of the opinion that our initially adopted profit margin of 20% on residential GDV represents the significant current market uncertainty caused by the Covid-19 Pandemic and Britain's ongoing exit from the European Union.

4.6.4. Furthermore, we would highlight that the residential market is still yet to see the full impact of Covid-19. Oxford Economics estimates that approximately 4.5m people are on the furlough scheme and they predict that unemployment will rise sharply to 6.7% once this government initiative ends in April of this year. These stark figures suggest developers are to face adverse market conditions for the foreseeable future as Oxford Economics predict unemployment levels won't revert to pre-Covid levels until 2024.

4.6.5. In relation to scheme specific risk, this proposal is for a 20 storey tower directly adjacent to Deptford Creek and subsequently a higher profit rate should be required. The GLA London Plan Viability Study concluded that *"storey height was found to be the most significant factor to inform developer returns"* and that schemes of 20 plus storeys require an average developers return of 20% on GDV. Furthermore and similarly to the NPPF range, this study was undertaken prior to the Covid-19 pandemic and is unreflective of the additional risks which are now faced by developers. We consider that this evidence further justifies our opinion that the profit adopted by BNP and the GLA is inadequate for the proposed scheme and based on current market conditions.

4.6.6. Lastly, and assessing profit holistically, the blended requirement of c.15.2% adopted by BNP and the GLA is even more inadequate when considering it falls at the bottom of the NPPF range and is well short of the 20% identified by the London Plan Viability Study. By comparison the blended rate of 17.15% adopted in our appraisal more fully reflects these ranges as well as the current market and scheme specific risks.

4.6.7. In light of all the above, we remain of the opinion that a 20% profit on residential GDV is an appropriate developers return and we have subsequently maintained this assumption within our revised appraisal.

5. Site Value Benchmark

5.1. Introduction

5.1.1. Savills adopted a SVB of £17.67m on the basis of an EUV of £13.59m (£281psf) and a landowner premium of 30%.

5.1.2. In their review BNP consider both Savills EUV and premium overstated and have adopted a SVB of £13.44m consisting of an EUV of £11.12m (£230psf) and a premium of 20%.

5.1.3. The GLA also consider Savills EUV and premium overstated and have adopted a SVB of £14.88m consisting of an EUV of £12.4m and a premium of 20%.

5.1.4. In the table below we summarise the assumptions used by Savills, BNP, and the GLA in establishing the SVB.

Table 5 – Savills, BNP and GLA SVB Assumptions

Item	Savills Assumption	BNP Assumption	GLA Assumption
Current Passing Rent (£psf)	£440,000 (£9.10psf)	£440,000 (£9.10psf)	£440,000 (£9.10psf)
Rent payable (May 2021 – May 2022)	£450,000 (£9.31psf)	£450,000 (£9.31psf)	£450,000 (£9.31psf)
Open Market Rent on lease expiry	£700,000 (£14.50psf)	£605,000 (£12.50psf)	£675,000 (£14psf)
Equivalent Yield (%)	4.5%	5.5%	4.75%
Void Period (months)	6	6	6
Rent Free Period (months)	6	6	6
Letting Agency Fees (%)	10%	10%	10%
Letting Legal Fees (%)	5%	5%	5%
Purchasers Costs (%)	6.72%	6.8%	6.8%

5.1.5. In reference to the differing assumptions adopted by BNP and the GLA in their reviews, we have the following comments.

5.2. EUV Rent

5.2.1. BNP consider our rental valuation to be overstated and have adopted a revised market rent of £12.50psf representing a discount of 16% from our market rent of £14.50psf.

5.2.2. In support of their revised position BNP have reviewed the rental evidence supplied within our FVA and have also identified a number of additional asking rents for south London industrial units. According to BNP the additional asking price evidence ranges in size from 400sqft - 25,000sqft with rents ranging from £10psf - £16psf, BNP have provided no further details or comments on these properties apart from acknowledging that they have been unable to identify any lettings of similarly sized units or indeed *"any units which are comparable to the Subject"*. BNP have concluded their analysis by noting that the Colliers Rents Map suggests secondary rental values for 1990s built industrial units in Woolwich are £12.50psf and that given this they have adopted a market rent of £12.50psf at the Subject *"to reflect the Subjects more central location"*.

5.2.3. Having reviewed the comments provided by BNP in respect of the available rental evidence, it would appear that they have placed precedence on the Colliers Rents Map as their primary valuation evidence. In response to this we have three principle issues; (1) the assertion that the Subject space is secondary (2) the non-differentiation between Woolwich and the Subject location (3) the disregard for the recent transactional evidence provided within our FVA.

5.2.4. We acknowledge the age of the existing building but would highlight the prime location of the Subject within 4 miles of the City of London as well as being excellently connected to the wider south London road network, 0.4 miles from access onto the A2 main road which connects London to the port of Dover. The scarcity of such large, and central industrial space is evidenced by the lack of entirely comparable transactions which has been acknowledged by BNP.

5.2.5. In respect of issue two, whilst BNP have noted the superior location of the Subject in Deptford they have adopted the average rental value in Woolwich, by BNPs own concession the Subject is better located and therefore we consider that a premium will need to be applied to evidence obtained from Woolwich. As BNP have acknowledged the superior location of the Subject, we require clarification as to why no premium has been applied.

5.2.6. In respect of issue three, we disagree with the statement provided by BNP that there is no comparable evidence available and question the weight they afford to both the additional asking price evidence and the Colliers Rents Map; it would appear that BNP have given particular precedence to the rents map over the achieved transactions which we have provided. We would note that the RICS Guidance Note *"Comparable Evidence in Real Estate Valuation"* (2019) which offers best practice guidance to surveyors undertaking valuation work, at 4.6.1. the document details a hierarchy of evidence to be used as follows.

"Category A – direct comparables
This category relates to all types of relevant transactional comparable evidence including:

- *contemporary, completed transactions of near-identical properties for which full and accurate information is available; this may include data from the subject property itself*
- *contemporary, completed transactions of other, similar real estate assets for which full and accurate information is available*
- *contemporary, completed transactions of similar real estate for which full data may not be available, but for which enough reliable data can be obtained to use as evidence*
- *similar real estate being marketed where offers may have been made but a binding contract has not been completed and*
- *asking prices (see 4.1.4 above).*

Category B – general market data
This category relates to data that can provide guidance rather than a direct indication of value including:

- *information from published sources or commercial databases; its relative importance will depend on relevance, authority and verifiability*
- *other indirect evidence (e.g. indices)*
- *historic evidence and*
- *demand/supply data for rent, owner-occupation or investment."*

5.2.7. The hierarchy shows that general market data, such as the Colliers Rents Map, represents Category B evidence and should be afforded less weight than contemporary transactions, such as those provided in our report, which represent Category A evidence. In this instance we consider it appropriate to apply the Colliers Rents Map in a cross checking capacity only; the prime rents for the south London areas identified range from £15.50psf - £16.50psf which is within the range of the achieved evidence.

5.2.8. Furthermore, in respect of asking prices the guidance note states the following at 4.1.4.

"Asking prices do not provide reliable evidence of value and should be treated with caution because they often differ substantially from the agreed final transaction price…asking prices may be the only evidence available and if interpreted carefully by an experienced valuer,"

5.2.9. We acknowledge that asking prices should be analysed in circumstances where there is a shortage of transactional evidence however, in this instance there is sufficient evidence of *"contemporary, completed transactions of other, similar real estate assets"*. Furthermore, in reference to paragraph 4.1.4. of the guidance note which is highlighted above, and in consideration to the very limited analysis of the additional asking price evidence supplied by BNP, we would also question whether the asking prices provided have been carefully interpreted. Finally, since our previous research in August 2020 we would highlight the following supplemental Category A transactional evidence.

Table 6 – Savills Supplemental Category A Evidence

Address	Size Sqft	Rent £psf	Let Agreed Date	Term (yrs)
Suite 1A Juno Way	8,927	£15	Sep-20	20

5.2.10. Suite 1A Juno Way is comparable in terms of location, specification and condition; this industrial unit is located 1.5 miles to the north west of the Subject, features two storey ancillary office accommodation, has roller shutter doors with parking to the front and was constructed in a similar period. The property was let on a 20 year lease term for £15psf, a rental value in keeping with the other achieved transactions identified in our FVA as well as the Colliers rents map. Whilst we would acknowledge the smaller size of Suite 1A we would highlight the length of the term agreed and the inferior access of this comparable to the A2 main road (1.1miles away compared with 0.4 miles at the Subject). On balance we consider the Subject will achieve a similar rent to this comparable which offers Category A evidence and should be given precedence to the evidence sought to justify BNP's lower valuation.

5.2.11. BNP have used Category B market data as their primary evidence in valuation, they have identified the Subject as secondary which it is not and have adopted an average rent for the Woolwich market (which they note is an inferior location) of £12.50psf. It is clear that BNP have afforded too little weight to the transactional evidence provided within our August 2020 report, these lettings should be given precedence over market data and asking prices. With an average value of £18.10psf none of the transactions in our August 2020 report are at the level of BNP's valuation. Furthermore, we have provided supplemental achieved lettings evidence which justifies our opinion of market rent at £14.50psf.

5.2.12. We note that the GLA consider our market rent assumption *"marginally overstated"* and have adopted a lower rent of £14psf. Whilst the GLA consider our rent *"not justified in the current market conditions"* they have provided no evidence to support this statement and it is not clear why a discount of £0.50psf has been applied to Savills market rent. We would highlight that given the GLA disagree with our market rent, as stated by the guidance quoted earlier in this document, they are required to demonstrate this through the provision of evidence.

5.2.13. In light of no evidence to the contrary we have maintained our market rental valuation of **£14.50psf**.

5.3. EUV Yield

5.3.1. BNP consider our capitalisation rate of 4.5% to be overstated and have adopted a revised rate of 5.5%, representing an increase of 100bps.

5.3.2. In support of their revised position BNP have commented on the transactions identified in our FVA and have also cited the Knight Frank Investment Yield Guide (November 2020) which indicates that a yield of 5.5% would be appropriate for secondary national distribution units, BNP *''do not consider that the subject site can be considered to be prime''* but we note no justification has been provided for this.

5.3.3. Having reviewed the comments made by BNP in support of their position, we are unable to accept their revised capitalisation rate largely for the same reasons identified in reference to their EUV rental valuation; (1) a misclassification of the Subject as a secondary asset (2) an over-reliance on Category B general national market data as their primary evidence (3) a disregard of the Category A evidence provided within our valuation which indicates that a significantly lower yield would be more appropriate. Having covered issues one and two in section 5.2, we have primarily focussed on issue 3 below.

5.3.4. Firstly, we highlight that the December 2020 edition of the Knight Frank Investment Yield Guide reflects revisions as below.

Table 7 – Knight Frank Yields

Asset Type	Dec. 20 Yield Guide	Change on Nov. 2020
Prime Distribution / Warehousing (20 year income (NIY) with fixed uplifts	3.5%	-0.25%
Prime Distribution / Warehousing (15 year income)	4%	+/-0%
Secondary Distribution (10 year income)	5% - 5.25%	-0.25%

5.3.5. As well as the above downwards revisions in yield, the guide also states that the market sentiment for all three asset types is positive. These revisions demonstrate the risks of relying on Category B general market data as primary evidence for an EUV valuation when compared with Category A achieved transactional evidence. We consider that market data such as the Knight Frank Yield Guide provides a good cross checking tool, and offers an insight into market sentiment which is currently strong with significant downward pressure on investment yields.

5.3.6. In respect of the comparable transactions provided within our FVA, BNP have commented the following.

''with the exception of Linford Street we note that the occupants of the other units are generally occupied by tenants of a high covenant strength which will inevitably impact upon the yields and the units are located in superior industrial locations.''

5.3.7. We have two issues with this analysis; (1) BNP have placed too significant an emphasis on the existing lease term of 1.8 years (2) BNP consider Jones Hire to represent a weaker covenant by comparison with the evidence provided.

5.3.8. In respect of the first issue, as we have demonstrated in Section 5.2 the reversionary (market) rent for the Subject space is c.£14.50psf, and the current lease will expire in May 2022. Given that the property is currently under rented and a reversion will be achieved in under two years it is inappropriate to place such an emphasis on the impact of the existing lease on the yield profile. Furthermore, we would note that the existing lease is contracted out of the security of tenure provisions of the Landlord and Tenure Act (1954) which further underpins that the value of the property as an investment is in the reversionary potential of a new lease and the likely covenant strength of the new occupant after Jones Hire have vacant.

5.3.9. Notwithstanding the above, we also disagree with the classification of Jones Hire as a weak covenant. Jones Hire is a successful private company, founded in 1989, to provide quality catering equipment to professional caterers, major hotels, restaurants, city institutions and private clients. The success of the business and quality of the product is evidenced by Jones Hire being awarded Royal Warrants in 2005 / 2006. Moreover, we understand that an exemplary full rental payment record exists for the property and this is testament to the strength of the existing covenant.

5.3.10. In summary, it is inappropriate for BNP to rely upon general nationwide market data as the primary evidence for their EUV yield, this evidence is defined as Category B by the RICS, and it should be used in a supplemental capacity where there is sufficient transactional evidence available as there is in this case. We also highlight that the yield guide refers to national averages, and that the London industrial market specifically will reflect a different yield profile. Notwithstanding this, the December edition of the Knight Frank Yield Guide has adopted revisions showing significant downward pressure on yields and this is reflective of the strength of the industrial market at present and the transactional evidence which we have identified. In reference to the comparable evidence supplied in our FVA, BNP have placed too significant an emphasis on the existing lease of this reversionary asset and have incorrectly classified Jones Hire as a weak covenant.

5.3.11. We note that the GLA have adopted an equivalent yield of 4.75% on the basis that this is consistent with the view expressed by GL Hearn when they reviewed the viability of the Subject in 2019, they have used the Knight Frank Yield Guide (Dec-20) as their principle justification. As we have already demonstrated, in this instance, the Knight Frank Yield Guide should only be used in a cross checking capacity as there are recently achieved investment transactions available; these transactions indicate a lower yield would be appropriate.

5.3.12. In light of our comments above we have maintained our equivalent yield assumption of **4.5%.**

5.4. EUV Conclusion

We have reviewed the EUV evidence and valuation undertaken by BNP and have maintained our EUV of **£13.59m** which equates to **£281psf.**

5.5. Landowner Premium

5.5.1. BNP have adopted a 20% landowner premium to produce a SVB of £13.44m, we note no justification for a lower premium is provided. The GLA have also adopted a 20% premium on the basis that the asset is nearing the end of its economic life and already has a relatively high EUV.

5.5.2. In response, we reiterate our earlier comments that the Subject represents a highly sought after asset in the context of a scarcity of large industrial units within such close proximity to the City of London and with such good transport links.

5.5.3. Notwithstanding the above, in order to reach a timely agreement in these negotiations we are prepared to adopt a landowner premium of 20% on a without prejudice basis. When applied to our EUV of £13.59m this produces a revised SVB of **£16.31m.**

6. Conclusion

6.1. Summary of Revised Assumptions

6.1.1. Please see below a summary of this report and the remaining key differences between Savills and BNP. We have been unable to draw a direct comparison between Savills and BNP and the GLA as the GLA have not provided a revised appraisal as part of their review.

Table 8 – Summary of Revised Position

Item	Savills FVA	BNP Review	Savills Revised
Private Residential GDV	£82,949,000 (£725psf)	£82,949,000 (£725psf)	£82,949,000 (£725psf)
Affordable Residential GDV	£20,536,153	£20,536,153	£20,536,153
Residential Ground Rents	Nil	Nil	Nil
Commercial GDV	£3,294,174	£4,636,543	£3,294,174
Existing Rental Income	£810,538	£810,538	£810,538
Build Costs	£56,740,000	£56,127,191	£56,735,000
Professional Fees	12%	10%	12%
Finance Rate	6.75%	6%	6.75%
CIL & Carbon Offset	£2,802,089	£2,802,089	£2,802,089
Residential Sales Legal, Agent & Marketing	3.25%	3.25%	3.25%
Commercial Sales Agent	1%	1%	1%
Commercial Letting Agent and Legal	15%	15%	15%
Developers Profit on GDV (blended)	17.15%	15.21%	17.15%
Pre-Con (months)	6	4	4
Build Period (months)	31	26	31
Sales period (months) and % off plan	24,40%	13, 50%	24,40%
Residual Land Value	**£9,022,210**	**£14,632,011**	**£9,118,673**
Existing Use Value Market Rent (£psf)	£14.50	£12.50	£14.50
Existing Use Value Void & Rent Free (months)	12	12	12
Existing Use Value Equivalent Yield (%)	4.50%	5.50%	4.50%
Existing Use Value	£13,590,000	£11,120,000	£13,590,000
Landowner Premium (%)	30%	20%	20%
Site Value Benchmark	**£17,667,000**	**£13,440,000**	**£16,310,000**
Surplus / Deficit against SVB	**-£8.6m**	**£1.2m**	**-£7.2m**

6.2. Revised Appraisal Results

6.2.1. A summary of our appraisal results is set out below. A copy of our revised appraisal can be found at **Appendix 1.**

Table 9 – Savills Revised Appraisal Results

Residual Land Value	Site Value Benchmark	Deficit
£9.1m	**£16.3m**	**-£7.2m**

6.2.2. Given that our revised Residual Land Value maintains a deficit against our adopted SVB, the scheme is not able to provide any further planning obligations whilst remaining viable in planning.

Appendix 1
Savills Revised Appraisal

Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Development Appraisal
Savills (UK) Limited
04 March 2021

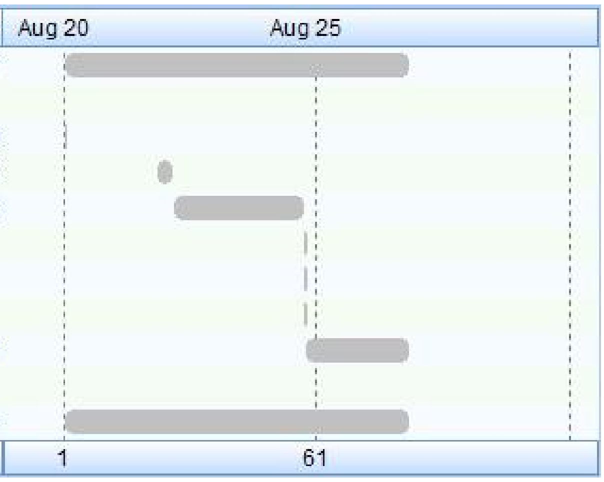
TIMESCALE AND PHASING CHART — SAVILLS (UK) LIMITED

Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Project Timescale	
Project Start Date	Aug 2020
Project End Date	May 2027
Project Duration (Inc Exit Period)	82 months

Phase 1

	Start Date	Duration	End Date
Project	Aug 2020	82	May 2027
Purchase	Aug 2020	1 Month(s)	Aug 2020
Pre-Construction	Jun 2022	4 Month(s)	Sep 2022
Construction	Oct 2022	31	Apr 2025
Post Development	May 2025	0 Month(s)	
Letting	May 2025	0 Month(s)	
Income Flow	May 2025	0 Month(s)	
Sale	May 2025	25	May 2027
Cash Activity	Aug 2020	82	May 2027



Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Market Housing	163	114,469	724.64	508,890	82,949,000
Intermediate Housing	34	27,194	499.33	399,375	13,578,750
Affordable Rented Housing	54	37,596	185.06	128,841	6,957,403
Totals	**251**	**179,259**			**103,485,153**

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Unit A1a	1	384	20.00	7,680	7,680	7,680
Unit A1b	1	1,353	15.00	20,295	20,295	20,295
Unit A2	1	2,924	15.00	43,860	43,860	43,860
Unit A3a	1	1,122	17.00	19,074	19,074	19,074
Unit A3b	1	890	17.00	15,130	15,130	15,130
Unit A4a	1	632	20.00	12,640	12,640	12,640
Unit A4b	1	1,121	17.00	19,057	19,057	19,057
Unit B1	1	3,519	14.00	49,266	49,266	49,266
Unit B2	1	1,011	20.00	20,220	20,220	20,220
Container 00	1	561	17.00	9,537	9,537	9,537
Container 01	1	1,232	17.00	20,944	20,944	20,944
Container 02	1	1,232	17.00	20,944	20,944	20,944
Totals	**12**	**15,981**			**258,647**	**258,647**

Investment Valuation

Unit A1a					
Market Rent	7,680	YP @	7.5000%	13.3333	
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	100,565
Unit A1b					
Market Rent	20,295	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	260,990
Unit A2					
Market Rent	43,860	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	544,000
Unit A3a					
Market Rent	19,074	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	245,288
Unit A3b					
Market Rent	15,130	YP @	7.5000%	13.3333	
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	198,119
Unit A4a					
Market Rent	12,640	YP @	7.5000%	13.3333	
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	165,514
Unit A4b					
Market Rent	19,057	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	245,069
Unit B1					
Market Rent	49,266	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	611,051
Unit B2					

Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Market Rent	20,220	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	260,025
Container 00					
Market Rent	9,537	YP @	7.5000%	13.3333	
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	124,882
Container 01					
Market Rent	20,944	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	269,336
Container 02					
Market Rent	20,944	YP @	7.5000%	13.3333	
(6mths Rent Free)		PV 6mths @	7.5000%	0.9645	269,336
Total Investment Valuation					**3,294,174**

GROSS DEVELOPMENT VALUE				**106,779,327**
Purchaser's Costs			(212,804)	
Effective Purchaser's Costs Rate		6.46%		
				(212,804)
NET DEVELOPMENT VALUE				**106,566,524**
Additional Revenue				
Jones Catering Rent			810,538	
				810,538
NET REALISATION				**107,377,062**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			9,118,673	
				9,118,673
Stamp Duty			445,434	
Effective Stamp Duty Rate		4.88%		
Agent Fee		1.00%	91,187	
Legal Fee		0.80%	72,949	
				609,570
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Build Cost	254,590	222.85	56,735,000	
River Wall			1,000,000	
Mayoral CIL			798,691	
Borough CIL			1,562,912	
Carbon Offsetting Contribution			440,486	
				60,537,089
PROFESSIONAL FEES				
Profesional Fees		12.00%	6,808,200	
				6,808,200
MARKETING & LETTING				
Marketing		1.50%	1,244,235	
Letting Agent Fee		10.00%	25,865	
Letting Legal Fee		5.00%	12,932	
				1,283,032
DISPOSAL FEES				
Commercial Sales Agent		1.00%	236,175	
Resi Sales Agent Fee		1.50%	1,244,235	
Commercial Sales Legal Fee		0.80%	188,940	

Sun Wharf - DRAFT
Proposed Residual Land Value (inc. 35% AH)

Resi Sales Legal Fee	0.25%	207,372	
			1,876,723
FINANCE			
Debit Rate 6.750%, Credit Rate 1.000% (Nominal)			
Land		3,479,047	
Construction		3,861,247	
Other		1,490,810	
Total Finance Cost			8,831,105
TOTAL COSTS			**89,064,391**
PROFIT			
			18,312,670
Performance Measures			
Profit on GDV%	17.15%		

Appendix 2
WWA Response to CDM Project Services Review

wwa

Bellway London Partnerships Ltd
Sun Wharf
Feasibility Study Rebuttal

JAN 21 : 20-5389QS

1.0 Executive Summary

1.1 CDM Project Services issued their report, on the Ward Williams Associates (WWA) Feasibility Study Nr 3, dated 3rd September 2020 which assessed the scheme costs to be lower than the WWA Feasibility by £612,809 or 1.08%.

1.2 The main differences relate to: -

a. Overheads and Profit
b. Asbestos – Clarification requested
c. Container Building allowances – Clarification requested
d. Container Building on costs
e. Commercial Fit Out – Clarification requested
f. External Works Furniture Allowances
g. Marketing Suite Costs – Clarification requested
h. Maintenance Allowance – Clarification requested

1.3 The above cost items and clarifications are detailed in the next section.

1.4 The suggested reductions; although not significantly different to the submitted costs; are not all reflective of the scheme. The following report defends and compromises and a revised sum of £56,735,000 or £5,000 less has been concluded following the comments by CDM Project Services.

2.0 Variance Qualifications

2.1 Overheads and Profit

The allowance of 6% is the current normal overhead and profit (OHP) percentage being presented by the contracting market and has been for the past two years. We have had tenders returned with OHP at 7 – 10% in some cases. The suggested 5% is not reflective of the current residential market for this type of development.

2.2 Asbestos Allowance

The below photograph has identified potential asbestos sheet roofing to the existing warehouse building. This extends to the whole of the warehouse roof equating to circa 7,000m2.

There is also a risk of infill panels, plant lagging and floor coverings. Due to units being occupied the client has been unable to carry out an asbestos survey and so given the size of the industrial units, the highlighted roofing material along with the unknown areas not surveyed we have allowed a sum of £100,000 for the removal & disposal.

2.3 Container Building Allowances

The staircase, lift and lobby areas are deemed to be covered external space hence it hasn't been added to the GIFA. WWA have been working on a similar office scheme in East London with Container City. Container City tendered the project in East London and are one of a few Contractors that specialise in buildings of this nature. When producing the costs for Sun Wharf we used the market knowledge of this specialist building type to provide accurate costings for this scheme. For comparison (including the external communal space in the area for direct comparison), the scheme with Container City was tendered and negotiated at £1,851/m2 excluding the lifts. Sun Wharf comparable rate excluding the lift allowance is £1,820/m2. The proposed container office building will have to be let as a stand-alone contract by a specialist container contractor and can not be assumed as separate trade packaged elements of work. The costs included are comparable to a similar scheme by a specialist container contractor.

2.4 Container Building On Costs

As stated in 2.3 above, this element of works will need to be procured and built using a specialist container contractor as a turn-key scheme. We have used our current knowledge of the market having procured and negotiated a container office scheme in East London with Container City. Their tendered on costs rates are 10% for Management & Preliminaries and 10% for margin. The bottom line cost for an office building at circa sub £2,000/m2 is good value and should not be any lower.

2.5 Commercial Fit Out

The commercial fit out allowances include for the incoming Statutory services; which we agree at the suggested rate of £150/m2 by CDM Project Services; however, we have also allowed for the energy centre distribution and connection pipework. This increases the cost allowance to £250/m2.

2.6 External Works – Furniture Allowances

The Feasibility allows £5,000 for a fixed commercial outdoor table tennis table and CDM Project Services have allowed £700. There isn't a specification for this item yet however the range available at £700 are more suited to a domestic setting and not in the unmanaged public realm. We would compromise on this rate however for a concrete commercial table tennis table, delivered and fixed to the ground we would suggest a lower rate of £3,500/Nr.

CDM Project Services also reduced our rate of £2,500 for a picnic table to £800. Again, although not specified, the suggested rate would not be enough to procure a robust enough commercial picnic table to be fixed in place in the public realm. We would therefore compromise on this rate for a concrete and timber commercial fixed picnic table and benches at £1,500/Nr.

The total cost reduced by CDM Project Services equates to £5,000 which is in line with our comments above and is agreed.

2.7 Marketing Suite

Bellway have allowed £400,000 for the build and fit out of a marketing suite on the site for the Private sales and Shared Ownership market. This sum is not excessive and is in our opinion far lower than other Residential Developers would allow. It would not be unusual for Berkeley or Ballymore to exceed a budget of £1million for a sales suite.

2.8 Maintenance Allowance

The allowance of £1,000 per unit is a standard house builder allowance within the construction budget for snagging and minor repair to each unit. This would cover the unrecoverable damage and redecoration required when units are damaged by sub-contractors but can't be proven and contra-charged. This is a normal construction budget allowance used by Residential Developers as inevitably unrecoverable cost of minor damage and redecoration will always occur on multiple unit schemes. It is therefore a capital cost to the project and not a service charge cost.

3.0 Conclusion

3.1 We believe our Feasibility of £56,470,000 or £223/ft2 GIFA is not an unreasonable budget for this scheme.

3.2 The proposed Overheads and Profit reduction does not match the tenders being received in the current London Residential Market

3.3 The asbestos allowance has been included due to the asbestos sheet roofing and potential other internal asbestos. This is a risk to Bellway as they have been unable to carry out an asbestos survey due to the existing tenant.

3.4 The container office building is based upon actual cost data of a current container office scheme in East London by the specialist contractor Container City

3.5 The fit-out allowance queries for the office do not include the connection and distribution from the central energy centre.

3.6 We have agreed with the minor (£5,000) reduction on the external works items.

3.7 The BCIS figures base dated to 3Q2020 equate to the following (excluding Demolition and External Works): -

i, London Borough of Lewisham	Range **£1,753 - £ 2,324/m2** & Mean of **£2,153/m2**
ii, London Borough of Greenwich	Range **£1,811 - £2,402/m2** & Mean of **£2,225/m2**
iii, London Postal	Range **£1,855 - £2,460/m2** & Mean of **£2,278/m2**

The equivalent WWA budget (Excluding Demolition and External Works) equates to £2,292/m2 included contingency and £2,184/m2 excluding contingency. Both budgets are within the BCIS range for the London Borough of Lewisham and London Borough of Greenwich, which borders the site.

CDM Project Services budget (Excluding Demolition and External Works and incorporating their suggested reductions) equates to £2,284/m2 included contingency and £2,177/m2 excluding contingency. Both budgets are approximately 0.3% different to WWA's submitted budget.

We would therefore conclude that the budget prepared, based upon the actual scheme, is an acceptable cost for the scheme and should be adopted as the build cost.

Appendix 3
WWA Professional Fee Breakdown

BELLWAY LONDON PARTNERSHIPS
SUN WHARF, DEPTFORD

Professional Fees

Architect	4.8%
Structural Engineer	1.4%
Services Engineer	1.3%
Quantity Surveyor PM/Employer's Agent	1.5%
Planning Supervisor	0.1%
Planning Consultant	0.3%
Viability Consultant	0.1%
Party Wall Surveyor	0.1%
ROL	0.1%
Fire Engineer	0.1%
Building Regulation Fees	0.4%
Project Insurances	0.8%
Landscape Architect	0.1%
Acoustic Engineer	0.1%
Site Surveys	0.2%
Contract Legals	Excluded
Archeology	0.1%
Sundries	0.5%
	12.0%

savills