

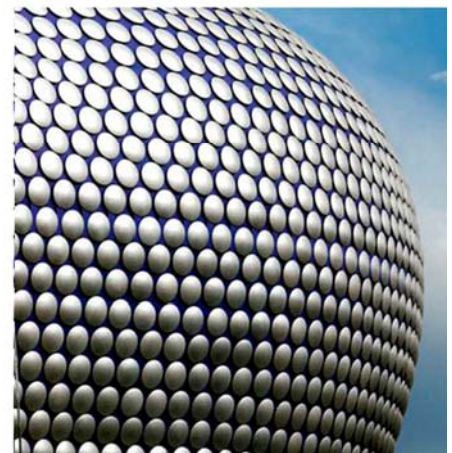
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## Viability Report



Poplar Business Park  
10 Preston's Road  
London  
E14 9RL

December 2011



Prepared for  
Workspace Group PLC

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Our reference: JGK/GZB/02B136777

13 December 2011

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**For the attention of: Ian Dubber**

Dear Sirs

**Property: Poplar Business Park, 10 Preston's Road, London E14 9RL**

In accordance with your instructions we have inspected the above property in order to provide you with a viability assessment of a proposed development scheme incorporating a policy-compliant provision of 35% affordable housing. The extent of the site is shown edged red on the enclosed Ordnance Survey extract.

We have assessed the following aspects of the existing property and the proposed development in order to provide this advice:

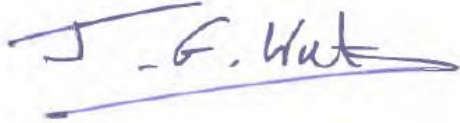
- Current Market Value of the site assuming it continues in its existing use as a commercial site, but reflecting its potential for development, in accordance with the emerging RICS guidance.
- A residual appraisal of the proposed scheme to assess the extent to which it is viable. This will assume a policy compliant provision of 35% affordable housing.

Our formal viability advice has been prepared, where appropriate, in accordance with the RICS Valuation Standards – Global and UK (7<sup>th</sup> Edition).

All valuations are reported exclusive of VAT.

We draw your attention to our accompanying report, the Definitions and Reservations for Valuations to which our advice is subject and to the Terms of Engagement agreed between us. We also recommend that this report is read in conjunction with the documents associated with the planning application.

Yours faithfully

Handwritten signature of Jacob G Kut in blue ink, featuring a stylized 'J' and 'K'.

**Jacob G Kut MRICS**  
**RICS Registered Valuer**  
**Senior Director**  
**Valuation Services**  
**For and on behalf of GVA Grimley Ltd**

Handwritten signature of Graham Bromley in blue ink, written in a cursive style.

**Graham Bromley MRICS**  
**RICS Registered Valuer**  
**Associate**  
**Valuation Services**  
**GVA Grimley Ltd**

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- Appendix 1 Scheme Plans
- Appendix 2 Residual Appraisals

Definitions and Reservations for Valuations

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## 1. Executive Summary

- 1.1 This affordable housing viability assessment has been prepared to comply with the requirements of LB Tower Hamlets affordable housing policies, and in particular Policy SP02 in the Core Strategy, which notes that the proportion of affordable housing on sites providing ten new residential units or more should be 35%-50%, subject to viability.
- 1.2 The principal assumption underlying this report reflects a no grant scenario when testing the policy requirement for 35% affordable housing split 70/30 between social rented and intermediate.
- 1.3 The approach adopted is one of an open book standard viability assessment. The report considers the viability of this proposal and the extent to which it is possible to provide the level of affordable housing required by planning policy.
- 1.4 The Poplar Business Park is located in Blackwall, approximately 0.8 km north-east of Canary Wharf. The site is bounded on the south by the A1261 Aspen Way and by the Docklands Light Railway in an area undergoing significant development and regeneration.
- 1.5 The site, which comprises 1.65 hectares (4.08 acres), comprises three light industrial and office buildings dating from the late 1980s. These are occupied by a number of companies, and the workshop and office accommodation will be re-provided within the proposed development.
- 1.6 Redevelopment of the site, as proposed, will involve the demolition of existing buildings and redevelopment to provide a mixed use scheme of between 3 and 22 storeys, comprising 8,424.4 sq m (GEA) of office/ light industrial (Class B1) floor space, 392 residential units (Class C3), associated parking and landscaping.
- 1.7 In order to assess the viability of the scheme it is necessary to establish the current use value of the property and its Market Value, reflecting the emerging RICS guidance on Financial Viability in Planning, as this would reflect the level at which the property would realistically be released to the market. The next step is to carry out a residual appraisal of the proposed scheme to determine if, when the Market Value/ land release value is adopted as the land value in the appraisal, the scheme generates an adequate level of profit to be considered viable. In the current market, and based on current bank lending requirements, 20% profit on sales is considered reasonable and therefore required for a scheme to be considered viable.

- 1.8 We consider the land value of the site, if retained in its current use, is approximately £16 million.
- 1.9 The gross development value of the proposed scheme comprises the following inputs which are based on a non-grant scenario:

Use	Development Value (Rounded)
Private Residential	£93,215,000
Affordable Housing	£21,665,000
Offices and Workshops	£16,000,000
Car Parking	£855,000
Ground Rents	£1,440,000
<b>Total</b>	<b>£133,175,000</b>

- 1.10 We set out cost inputs in the body of the report which equate to a total development cost, including finance and land, of approximately £122,400,000. When deducted from the GDV above, this produces a profit of £10,775,000. This equates to 8.09% of sales (8.81% of costs).
- 1.11 The situation in relation to availability of grant has impacted schemes across London and the UK. At present, the scheme is not viable as it does not achieve a reasonable or realistic level of developer's profit based on the scheme as it is currently proposed. This assessment is based on a non-grant scenario.
- 1.12 In order to improve viability it is necessary to either increase the revenue generated by the scheme, secure grant funding or reduce the development costs.
- 1.13 There are two options available for improving viability. The first is to explore opportunities for raising the necessary gap funding, whether this be through raising HCA grant, or any other fund raising mechanism.
- 1.14 The other option is to alter the cost or revenues to remove this deficit. Many of the factors within the appraisal are broadly fixed and necessary for the delivery of the scheme, therefore the main factors which can be altered to improve viability are to reduce the level of Section 106 contribution required, secure additional funding or reduce the amount/ tenure of affordable housing delivered.
- 1.15 Removing the level of Section 106 in its entirety would not meet this deficit, therefore the main potential for improving viability (unless some other form of funding is available through the Council) is to address the amount and tenure of affordable housing provided.

- 1.16 We have considered several scenarios, under which the percentage of affordable housing within the proposed scheme is reduced, and its tenure is changed from social rented to affordable rented housing. Additionally, we have looked at the effect of a 50/50 split of affordable housing tenures as opposed to the current 70/30 split. For social rented tenure we have adopted a value of £82 per sq ft, and for affordable rented tenure a value of £191 per sq ft. We have also run scenario 5 to test the level of gross development value in terms of pounds per square foot required to achieve a 30% provision of affordable housing.
- 1.17 The percentages for private and affordable housing, and the split within the affordable housing between affordable rented and shared ownership, have been calculated on an area basis, rather than by habitable room.
- 1.18 Profit required is assumed to be 10% of affordable housing gross development value and 20% of private gross development value. This means that as the percentage of private flats increases, the profit percentage threshold increases. At a social housing percentage of 15%, the profit is 19.71%. The break-even social housing provision would be circa 15.7%.
- 1.19 We summarise below the results of these different assumptions:

Scenario	Affordable Housing	Split	Rented Type	Private Sales psf	Profit on sale
1	35%	68/32	Social	£475	1.34%
2	35%	68/32	Affordable	£475	8.09%
3	25%	68/32	Affordable	£475	14.49%
4	25%	50/50	Affordable	£475	14.67%
5	30%	68/32	Affordable	£530	18.79%
6	15%	68/32	Affordable	£475	19.71%

- 1.20 The change from social rented accommodation to affordable rented significantly improves profitability, although the scheme would still not generate a sufficient level of profit to be viable.
- 1.21 In order to achieve the required level of profit, and deliver a commercially viable scheme, it would be necessary to reduce the component of affordable housing to 30% and to assume a sale price for the private flats of £530 per sq ft. Our appraisal has adopted £475 per sq ft. The level of £530 per sq ft requires growth in values of 11.6%. The figure of 30% is assessed in our calculations by area, and it may be possible to achieve a higher percentage by reference to habitable rooms. Additionally, as the development includes two towers, it could be envisaged that a developer might appraise a scheme using a higher level than the £475 per sq ft adopted in our own appraisals.

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- 1.22 However, adopting a current value of £475 per sq ft for the private residential units and assuming the provision of affordable rented accommodation the proposed scheme is only viable at an affordable housing provision of 15%, which results in a profit of 19.71% on sales.
- 1.23 In conclusion, we consider that in order to deliver a viable scheme, in the required timescales, it is not possible to deliver 35% affordable housing. For the scheme to be viable the affordable housing element of the scheme needs to be reduced.
- 1.24 This viability assessment is broken down under the following headings:
- Introduction
  - Location
  - Situation
  - Existing site description
  - Proposed scheme
  - Site area
  - Existing floor areas
  - Proposed scheme areas
  - Planning context
  - Economic overview
  - Market conditions
  - Local market conditions
  - The approach to assessing viability
  - Current use value appraisal and land value benchmark
  - Appraisal of the proposed scheme
  - Conclusions
- 1.25 Each of these is considered in turn.



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## 2. Introduction

2.1 GVA have been instructed by Workspace Group PLC to undertake an open-book viability assessment for the proposed redevelopment of the site known as Poplar Business Park, 10 Preston's Road, London E14 9RL located to the north-east of Canary Wharf within the London Borough of Tower Hamlets (LB Tower Hamlets).

2.2 The proposal for the site is the:-

*" Demolition of existing buildings and redevelopment of the site to provide a mixed use scheme of between 3 and 22 storeys, comprising 8,424.4 sq m (GEA) of office/ light industrial (Class B1) floor space, 392 residential units (Class C3), associated parking and landscaping."*

2.3 This assessment seeks to demonstrate whether the proposed development incorporating a policy-compliant provision of 35% affordable housing is viable. We first outline the details of the existing site and the proposed scheme in order to establish the value of each. We then look at the extent to which the proposed scheme is viable, based on the Market Value of the site being adopted in the appraisal as the land value. The extent to which the scheme is viable is determined by whether it is possible to achieve a reasonable level of developer's profit, whilst providing the level of affordable housing required by planning policy.

2.4 The report should be read in conjunction with the other planning application documents.

2.5 We are instructed to provide the following appraisals:

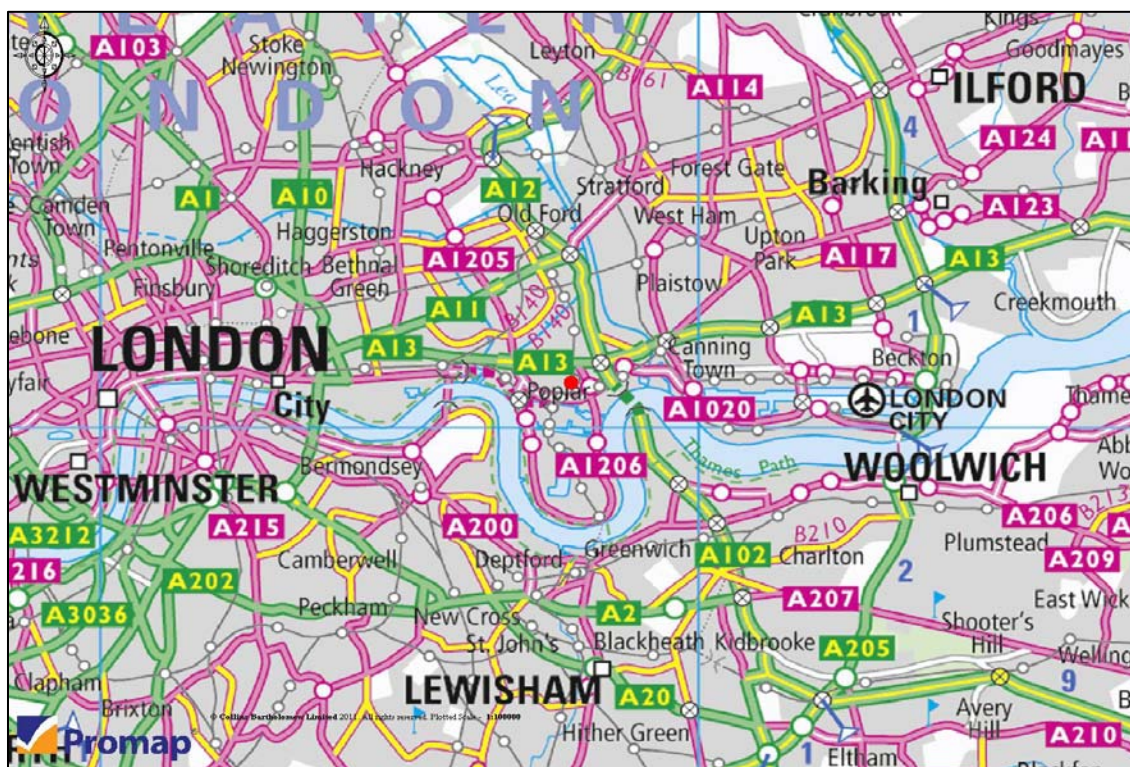
- Current planning use value of the site assuming it continues in its previous use as a commercial site.
- The value at which we consider the property would be released from its current use for development. This is the Market Value reflecting emerging RICS guidance. This is linked to the current planning use value above.
- A residual appraisal of the proposed scheme to assess the extent to which it is viable.

2.6 A viability assessment has been undertaken in accordance with your instruction letter and our terms of engagement which have been prepared in accordance with Valuation Standard 2 of the RICS Valuation Standards - Global and UK (7<sup>th</sup> Edition).

- 2.7 The property was inspected on 23 August 2011 by Graham Bromley MRICS, an RICS Registered Valuer and Associate and Cecilia Fellows MRICS, an RICS Registered Valuer and Principal Surveyor within the Valuation Services Department of our London West End Office. The property was subsequently inspected on 13 September 2011 by Jacob Kut MRICS, an RICS Registered Valuer and Senior Director in the same department. Access was available to a selection of units within the property, and we were able to walk the boundary of the property.

### 3. Location

- 3.1 The application site measures approximately 1.65 hectares (4.08 acres) and is located within LB Tower Hamlets. The site is bounded to the west and south by the Docklands Light Railway, and to the south by an elevated section of the A1261 Aspen Way. Poplar High Street is 20 metres to the north of the property, and the eastern boundary is formed by the A1206 Cotton Street. The property is approximately 800 metres north-east of the centre of Canary Wharf and a similar distance to the north-west of the O2. The northern access and exit routes from the Blackwall Tunnel to the A12 are 100 metres to the east of the site.
- 3.2 The area is well served by public transport, with Blackwall DLR Station 100 metres to the east and Poplar Station 200 metres to the west. All Saints Station is 200 metres to the north on the East India Dock Road. Numerous buses run down Poplar High Street, and outside Blackwall Station is a bus terminus. The River Thames is approximately 300 metres to the south-east of the property.



## 4. Situation

- 4.1 The property is situated in between Poplar High Street and Aspen Way, approximately 800 metres north east of the centre of Canary Wharf. Billingsgate Market is some 200 metres to the south-west, and much of the surrounding area to the north comprises local authority housing. To the west of the property is a DLR depot, and there are further industrial premises to the east, around Blackwall DLR Station. Approximately 400 metres to the east is a major office development centred on Clove Crescent, providing some 600,000 sq ft of accommodation.
- 4.2 The area is undergoing significant change and regeneration. Adjoining the property to the north-east and east is a recent development, Wharfside Point North and South, completed by Galliard, and further recent residential developments, including Ontario Tower and New Providence Wharf, are some 300 metres to the south-east, fronting the Thames. Further significant developments are planned to the north-east of the property on the Blackwall Reach site, and to the south-east centred around Blackwall Way.
- 4.3 We provide a plan below showing the approximate location of the property, which is denoted by a red circle.





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## 5. Existing Site Description

- 5.1 The Poplar Business Park is approximately 25 years old and comprises three detached blocks of property with extensive service roads and parking areas.
- 5.2 Blocks A and B, at the western end of the site, comprise single-storey light industrial units of varying sizes let to a range of local and national occupiers.
- 5.3 The units are of cross wall type construction, with breeze-block walls and steel roof trusses under pitched roof sections. Floors are generally of painted concrete, and walls are typically painted breeze blocks. The units are accessed through double entrance doors, as opposed to the more traditional roller shutter doors associated with industrial premises. Internal specifications vary, although the units inspected benefited from suspended fluorescent strip lighting, WCs and double-glazed entrance façade. A number of the units have been combined to form larger demised areas, and in certain units the tenants have installed partitioning to form individual offices, some including the benefit of central heating. In the main light industrial areas heating is often provided by Powrmatic heaters. Eaves heights are typically 3.94 metres. Externally, the front of each unit is finished in block pavements and most units have three car parking spaces. Further car parking is available around the perimeter of the site.
- 5.4 Block C, at the eastern end of the property, comprises a two-storey building of similar breeze block construction, which has been extensively partitioned to form individual office units on each floor. A central corridor runs the length of the building on each floor, with office suites accessed off the corridor. The common parts have a painted floor with skylight above on the first floor and the common part walls themselves are of blockwork finish. There are two 20-person 1,500kg Kone goods lifts serving Block C.
- 5.5 The offices are fitted out to a basic specification including carpet tiles, painted breeze block walls, perimeter trunking and double glazing. Certain units have central heating radiators with their own dedicated boilers. Some units have suspended ceilings and some include air conditioning units supplementing the central heating system. WC facilities are provided in the common part areas on each floor, and tenants have generally installed their own kitchenettes within each unit. On the ground floor at the north-western corner of this building is the management suite for the business centre.
- 5.6 The business park is accessed via a service road running between Wharfside Point North and South which leads to a secure gated entrance and a security cabin.



*Entrance to site from Preston's Road*



*View facing east*



*View towards Canary Wharf*



*Block C*



*Typical Office Suite*



*Typical Workshop Unit*

## 6. Proposed Scheme

6.1 The proposed scheme can be described as follows:

*"Demolition of existing buildings and redevelopment of the site to provide a mixed use scheme of between 3 and 22 storeys comprising 8,424.4 sq m (GEA) of office/ light industrial (Class B1) floor space, 392 residential units (Class C3), associated parking and landscaping".*

6.2 The commercial element of the proposed development will comprise workshop offices (Class B1A) totalling 7,707.3 sq m gross internal area and light industrial (Class B1C) of 758.5 sq m gross internal area.

6.3 The residential element of the scheme can be summarised as follows:

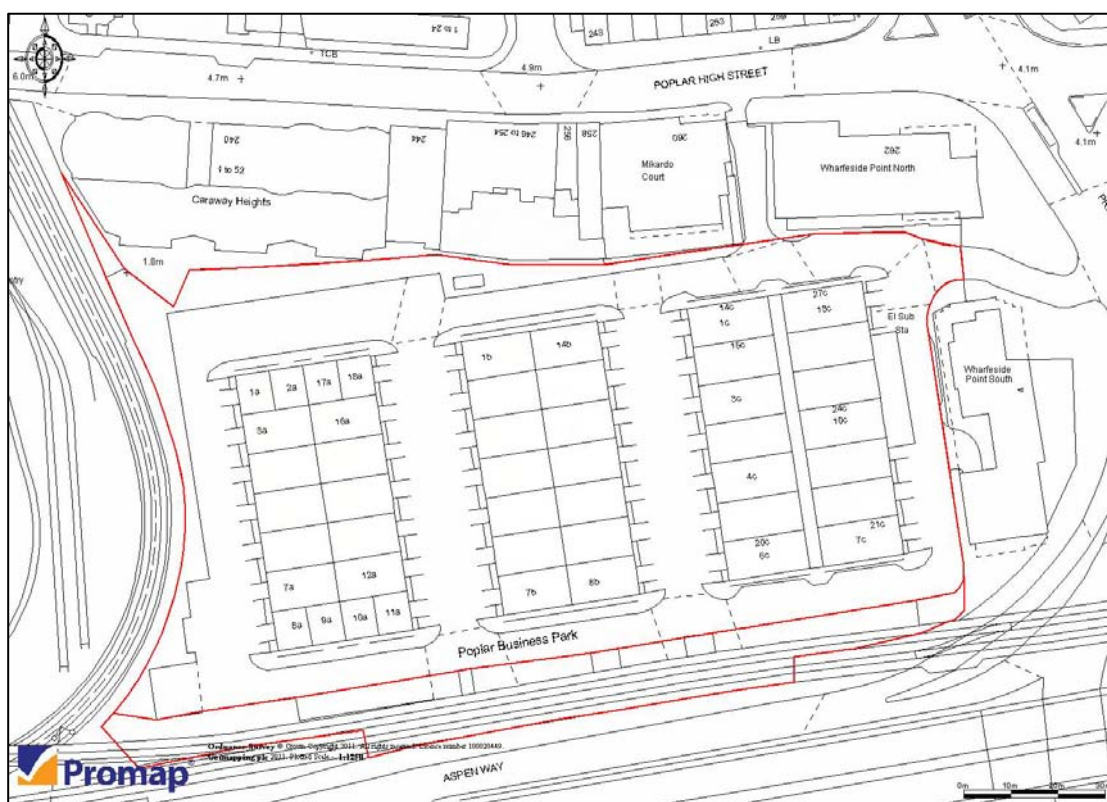
Unit Type	Private	Intermediate	Social Rented	Total
One Bedroom	95	19	20	134
Two Bedroom	108	18	27	153
Three Bedroom	58	9	26	93
Four Bedroom	0	0	8	8
Five Bedroom	0	0	4	4
<b>Total</b>	<b>261</b>	<b>45</b>	<b>85</b>	<b>392</b>

6.4 It is envisaged that there will be a total of 98 car parking spaces, including 11 disabled bays, providing a total of 9 spaces for the offices, 1 for the light industrial premises and 88 for the residential accommodation. There will be a total of 554 cycle parking spaces.

6.5 The aim of the proposed scheme is to regenerate the site to provide additional residential units whilst retaining the existing employment uses on site.

## 7. Site Area

- 7.1 The subject property has an approximate site area of 1.658 hectares (4.078 acres).
- 7.2 This area has been computed using the Ordnance Survey ProMap system. Our understanding of the site boundary is shown outlined in red on the plan below. We have assumed that this represents the correct boundary to the site and that there are no ongoing boundary disputes. We would recommend that our understanding is confirmed by your legal advisers.





## 8. Existing Floor Areas

- 8.1 We have measured a sample of units within the subject property, in accordance with the Code of Measuring Practice (6<sup>th</sup> Edition) published by the Royal Institution of Chartered Surveyors. Our measurements broadly confirm the areas on the tenancy schedule provided to us, and we have adopted the areas as advised for the purposes of our advice. These are as follows, the offices measured to net internal area, and the industrial units measured to gross internal area:

Building	Use	Areas Sq m	Areas Sq ft
A	Industrial	1,662.4	17,894
B	Industrial	1,655.0	17,814
C	Industrial	1,779.9	19,159
C	Offices	1,841.7	19,824
Total		6,939.0	74,691

## 9. Proposed Scheme Areas

- 9.1 The number of units in the residential element of the proposed scheme is indicatively split between the following tenures:

Block	Private	Intermediate	Social Rented	Total
A	6			6
A1			50	50
A2		17		17
A3	97			97
B1	7	20	16	43
B2	5			5
B3	60			60
C1 & C2		9	19	28
C3	86			86
Total	261	46	85	392

- 9.2 We would refer to the planning application and supporting documents for descriptive details of the proposed scheme.

- 9.3 The net saleable areas, in square feet, attributable to each block and by tenure, are as follows:

Block	Private	Intermediate	Social Rented	Total Sq Ft
A	7,115			7,115
A1			44,014	44,014
A2		12,303		12,303
A3	69,675			69,675
B1	7,567	15,586	13,810	36,963
B2	3,434			3,434
B3	44,509			44,509
C1 & C2		6,599	14,973	21,572
C3	63,938			63,938
Total Area Sq Ft	196,238	34,488	72,797	303,523
Percentage of Total Area	64.65	11.36	23.99	100.0

- 9.4 This indicates an indicative provision of 35.35% of affordable housing by net saleable area, with approximately 68/32 split between social rented and intermediate tenures.
- 9.5 By habitable room, the development provides 35.8% affordable housing, as a result of the slightly larger unit sizes for the social rented accommodation.
- 9.6 Within the proposed scheme certain ground floor areas will provide light industrial accommodation, with workspace offices on the ground to third floors. Indicative areas provided by the Architects for the commercial element of the proposed scheme are as follows:

	GIA Sq M	GIA Sq Ft	NIA Sq M	NIA Sq Ft
Light Industrial	814.8	8,770	745.2	8,021
Workspace Offices	6,965.4	74,976	5,219.5	56,183
Total	7,780.2	83,746	5,964.7	64,204

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## 10. Planning Context

### Planning Policy

- 10.1 The development is covered by the saved policies in the LB Tower Hamlets Unitary Development Plan (UDP) which was adopted in 1998, the Core Strategy of the emerging Local Development Framework and the London Plan 2011.
- 10.2 Within the UDP the site has no specific designation, although the northern portion of the site is identified as being in an Area of Archaeological Importance or Potential.
- 10.3 Policy EMP1 seeks to encourage employment growth through the redevelopment and upgrading of sites already in employment uses. Policy EMP2 indicates that on sites currently, or last used for employment generating uses, the Council will oppose development resulting in a loss of those uses, except where that loss is made good by replacement with alternative employment uses.
- 10.4 Policy EMP8 relating to small businesses seeks to encourage the growth and development of such businesses by encouraging the provision of a range of unit sizes within new industrial warehouse or business schemes.
- 10.5 Under the UDP, Policy HSG2 confirms that new housing development will normally be permitted on sites in non-residential use or on vacant land provided the land is not shown as being required for any other use and the proposals do not conflict with any other policies in the plan. Policy HSG3 indicates that the Council will seek the provision of affordable housing within large housing developments. Policy HSG7 seeks to encourage a mix of unit sizes, including a substantial proportion of family dwellings within any proposed development.
- 10.6 As part of the emerging Local Development Framework, the Council's Core Strategy Development Plan Document was adopted in September 2010 and is the key document of the LDF. Following publication of the Core Strategy, some policies in the UPD, Interim Planning Guidance Core Strategy (October 2007) and Leaside Area Action Plan (October 2007) have been superseded. However, a number of policies do remain in force, and the Council recently published two documents of relevance to the Poplar Business Park for consultation, namely the Site and Placemaking DPD and the Development Management DPD. These documents are currently out for consultation with a further round of consultation scheduled for November 2011, and it is expected that they will be adopted in Summer 2012. Once adopted, these documents will sit alongside the Core Strategy as part of the Council's LDF.

- 10.7 Under the Core Strategy, the Council sets out its housing strategy for 2010-2025. Within this, the expected net additional housing delivery within the Poplar and Blackwall area is as follows:

Place	2010-2015	2015-2020	2020-2025	Total
Poplar	590	1,040	0	1,630
Poplar Riverside	910	680	270	1,860
Blackwall and Leamouth	520	1,650	1,880	4,050

- 10.8 Over the 15 year period Blackwall, together with other areas fronting the River including Millwall, Cubitt Town and Leamouth are identified as having potential for very high growth in housing provision.
- 10.9 Within the Site and Placemaking DPD, the subject site is identified as Site No. 175.
- 10.10 The core strategy envisages Blackwall as a mixed-use area with a new town centre and the town hall as its commercial and civic heart. Blackwall is to undergo transformation through housing growth and investment, and an extended neighbourhood centre will be created to include the shops along the east of Poplar High Street and a new public square in front of Blackwall DLR Station. To the north-east of the Poplar Business Park, Robin Hood Gardens will be redeveloped as part of the Blackwall Reach Regeneration Framework and provide new public green space. The Aspen Way masterplan will be implemented to improve north south pedestrian and cycling routes to Canary Wharf. It is envisaged that a development between Blackwall and Canary Wharf should integrate both places, helping to bridge Aspen Way.

### Affordable Housing

- 10.11 In terms of affordable housing, the following points relate to the site:
- 10.12 PPS3 (2010) states that the Government is committed to providing high quality affordable housing for people who are unable to access or afford market housing, and sets out that local planning authorities should balance the need for affordable housing against the viability of sites in their areas. This involves having regard to the implications of competing land uses and making informed assumptions about the levels of finance available for affordable housing.
- 10.13 Affordable housing targets set out in the 2011 London Plan seek a London-wide provision of 50% affordable housing with a tenure split of 60% social rented and 40% intermediate accommodation (Policy 3.11) on developments providing 10 or more dwellings. In negotiating the provision of affordable housing, Policy 3.12 states that

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boroughs should seek the “maximum reasonable amount of affordable housing”, whilst having regard to the need to encourage rather than restrain residential development and to take into account the specific circumstances of individual sites.

- 10.14 Policy 3.8 of the London Plan 2011 states that Londoners should have a genuine choice of homes that they can afford and which meet their requirements for different sizes and types of dwellings in the highest quality environments. The Plan seeks to maximise affordable housing provision across the boroughs and Policy 3.11 seeks an average of at least 13,200 more affordable homes per year in London up to 2021 within an overall housing provision target of 32,210 per year including private housing. The Plan advises that this should be set by boroughs at the local level within LDF documents (Policy 3.11).
- 10.15 Policy 3.12 of the Plan seeks the “maximum reasonable amount of affordable housing”, having regard to:
- current and future requirements for affordable housing at local and regional levels identified in line with Policies 3.8 and 3.10 and 3.11;
  - affordable housing targets adopted in line with Policy 3.11;
  - the need to encourage rather than restrain residential development (Policy 3.3);
  - the need to promote mixed and balanced communities (Policy 3.9);
  - the size and type of affordable housing needed in particular locations; and
  - the specific circumstances of individual sites.
- 10.16 The policy further states that “In estimating provision from private residential or mixed use developments, boroughs should take into account economic viability and the most effective use of private and public investment, including the use of developer contributions.”
- 10.17 LB Tower Hamlets Core Strategy Policy SP02 sets an overall strategic target for affordable homes of 50% until 2025. This will be achieved by requiring between 35% and 50% affordable homes on sites providing 10 new residential units or more (subject to viability) and by securing additional affordable homes from a range of public-sector initiatives.
- 10.18 The Policy requires an overall strategic tenure split for affordable homes from new development as 70% social rented and 30% intermediate.
- 10.19 Additionally, a mix of housing sizes will be required, with an overall target of 30% of all new housing to be of a size suitable for families (three-bed plus), including 45% of new social rented homes to be for families.

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## 11. Economic Overview

- 11.1 Economic output in 2011 Q2 showed a disappointingly weak 0.2% increase over Q1 and only a 0.7% increase over the last 12 months. However, the ONS estimates that special factors (the extra bank holiday for the royal wedding, the after-effects of the Japanese tsunami, the £300m of Olympic ticket sales which are not recorded in the GDP figures until 2012 Q3 and the record warm weather in April) affected GDP growth. If these one-off factors had not occurred growth may have been 0.7%. However, there is no denying that the upturn over the last nine months has been weak.
- 11.2 Sector output growth showed some marked differences, with manufacturing output (13% of total output) surprisingly declining by 0.3% after showing strong growth in each of the previous six quarters. In contrast business services and finance (31% of total output) saw reasonably healthy 0.7% growth, whereas government and other services (23% of total output) saw no growth but no decline either. The service sector overall (76% of total output) saw 0.5% growth.
- 11.3 Retail sales volumes in 2011 Q2 showed a 0.2% increase over Q1, but non-store retailing (internet and mail order sales from non-store companies) grew by 6.6%. If all internet sales (which now account for 10% of total retail sales, up from 7% a year ago) are discounted, total retail sales transacted in shops actually declined in Q2.
- 11.4 Employment presents a more optimistic picture than output, with an increase of 50,000 in the three months to May and an increase of 309,000 over a year earlier. However, much of this growth occurred in Q3 2010, reflecting strong output growth in Q2 2010. Over recent months the growth in employment has been slowing noticeably and claimant count unemployment has been rising in each of the last four months (March – June).
- 11.5 Inflation presents a mixed picture. Wage inflation remains subdued, not surprisingly in view of slowing employment growth and rising claimant count unemployment. In the March to May period average weekly earnings increased 2.3% pa including bonuses. This compares with CPI inflation in June of 4.2% pa (down slightly from 4.5% pa in April and May) and RPI inflation of 5% pa (down from the recent peak of 5.5% pa in February). Wages in real terms are falling noticeably and the cause of 'high' inflation is mainly due to high food and energy prices, i.e. imported inflation, which the UK has little control over.
- 11.6 Forecasts continue to show a weakening economic outlook. In April the consensus forecasts were for 1.7% output growth in 2011 and 2.1% in 2012. In July this had reduced to 1.3% in 2011 and 2% in 2012. However, employment growth forecasts are

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virtually unchanged at 0.5% in 2011 and 0.4% in 2012, very close to the long term average.

- 11.7 Prospects for the UK economy remain poor over the next 12 months at least. Incomes are falling in real terms, consumer confidence is weak, the full effect of the public sector spending cuts is yet to be felt and bank lending to individuals and businesses is very restricted. In addition there are major overseas risks such as the US debt crisis, the faltering US economy, and the severe problems with debt levels in Greece and some other Eurozone countries. Property occupier demand and rental values will inevitably reflect this weak economic upturn.

## 12. Market Conditions

### Occupier Market Performance

- 12.1 Construction activity for commercial property fell sharply following the recession and has been at historically low levels throughout the last two years. Indeed, the combined value of construction orders for retail, office and industrial property placed in 2010 was just 37% of the peak reached in 2007 and less than half of the annual average from 1997 to 2007.
- 12.2 The most recent RICS UK Commercial Market Survey points to a continued fall in new development starts across the retail and industrial sectors, although office construction is rising (driven by central London offices).
- 12.3 The economic backdrop means that occupier demand remains subdued across much of the market. But there are signs of improvement – the RICS survey suggests that overall demand rose in 2011 Q2 for the third successive quarter.
- 12.4 Take-up across the central London office market during H1 2011 totalled 3.2 million sq ft, almost 50% down on H1 2010, but the central London vacancy rate has continued to fall. It now stands at 6.2%, down from 6.7% in Q1 and significantly below its peak of 9% in 2009. The 'Big Nine' regional office centres also saw a fall in take-up in H1 2011, with just over 2.8 million sq ft let, 18% lower than H2 2010. However, grade A supply has fallen significantly from peak levels in 2009.
- 12.5 Average all property rental values as measured by the IPD Monthly Index have shown no change during the first six months of the year, although central London office rents have seen fairly strong growth over the period (2.4% in the City and 4% in the West End/Midtown). Some parts of the retail market have also seen a rise in rents during H1 2011 – retail warehouses saw a rise of 0.4% and standard retail in central London saw an increase of 2%.

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- 12.6 Much of the rest of the market saw a continued fall in rental values. Industrial rents fell by 0.5% in H1 2011, UK standard retail rents dropped by 0.8%, and shopping centres saw a 1.9% fall. But the rate of decline has been slowing in recent months across these sectors.

### Occupier Market Outlook

- 12.7 In the central London office market we are starting to see an increase in expansionary requirements and pre-letting. With availability continuing to decrease, and very little development completing this year or next, prime headline rental values will undoubtedly increase further.
- 12.8 Outside the central London office market, demand remains relatively weak and the slow nature of the economic upturn suggests a gradual recovery. However, development levels are not likely to increase rapidly due to continued poor viability in many markets as well as the difficulty of securing funding. This, plus the relatively restrained level of speculative development prior to the recession, means that supply shortages will become an increasing feature.
- 12.9 As shortages of space for prime property emerge, this will push up the rate of rental value growth. However, this will not be the case for property towards the more secondary/tertiary end of the market. Our forecasts for commercial property excluding central London suggest that average rental values should level off this year and see a very modest rise next year. Thereafter, growth should accelerate as supply shortages begin to emerge, but growth is forecast to reach only 3% pa by 2015.

### Recent Investment Performance

- 12.10 The total value of UK commercial property transactions has fallen during H1 2011, with £6.5 billion transacted in Q2 2011 compared with a recent peak of £11.1 billion in Q4 2010. Overseas investors were the most active purchasers, buying property worth £2.2 billion, followed by UK institutions at £1.8 billion and private UK property companies at £1.1 billion.
- 12.11 In terms of net investment (purchases minus sales), the overall exposure of the UK institutions was virtually unchanged. Foreign buyers continued to increase their exposure to the UK in Q2, by a little under £500 million, although this was below the average quarterly figure over the previous year of around £1 billion. On the IPD measure, yields are still creeping downwards. The June all property equivalent yield on the monthly index was 7.25%, compared with 7.31% in March and 7.36% in December 2010. But it seems unlikely that much further downward movement will occur.



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12.12 Capital values increased by 2% in the year to June 2011 according to the IPD Monthly Index. This represents a continued slowdown in the rate of growth. Taking only the three months to June, values rose by 0.4%, the equivalent of 1.7% on an annualised basis. IPD reported a year-on-year total return of 9.1% in June 2011, down from 9.4% in May, and a peak of 24.2% in August 2010.

### Investment Market Outlook

12.13 Property yields have changed little this year, and are close to the long term historical average. But the gap between property yields and gilt yields has widened further in Q2 as a result of a fall in gilt yields. 10-year gilts are currently below 3% (in April they were 3.7%), so the gap with all property equivalent yields is currently more than 400-basis points.

12.14 Looking towards next year and beyond, we expect gilt yields to rise steadily in line with economic recovery and rising interest rates, and this should narrow the gap with property to more normal levels and no significant movement in commercial property yields is expected.

12.15 Capital values should see modest rises this year and next at the all property level (forecast at 1.5% this year and 0.8% in 2012), but most of this is driven by central London offices. Across the rest of commercial property, flat yields and little change to rental values should translate into stable capital values. Beyond 2012, the expected modest acceleration in rental growth should mean capital value growth rising to more than 3% pa by 2014.

12.16 The combined forecasts for income and capital growth result in a total all property return of 7.6% for 2011 as a whole, falling slightly to 6.9% in 2012. Thereafter, an increase to 9% pa or more is likely as capital values rise.

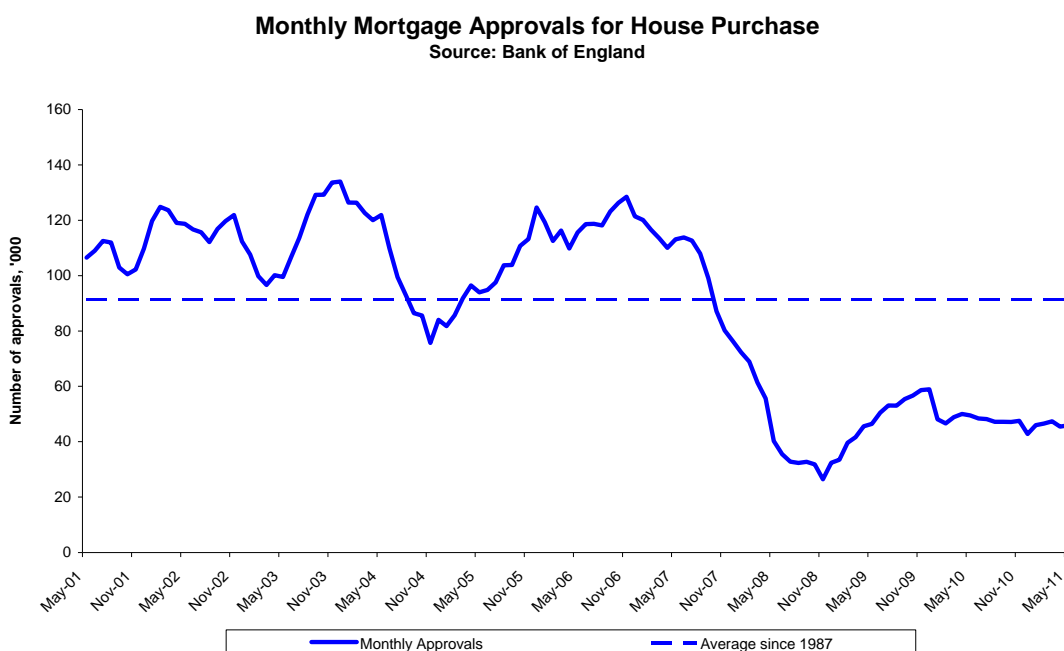
12.17 Of course, there are many risks to this outlook, and investment performance will vary significantly according to sector, region and perhaps most importantly, quality of property. We expect investor demand for prime and good quality secondary property to continue to be strong and to exceed supply.

12.18 But for property at the more secondary/tertiary end of the market, investors will continue to be concerned about issues such as void rates, the weaker covenant strength of typical occupiers, and the challenge of re-letting buildings in an era of ever shorter leases. This is inevitable at this stage in the economic cycle. But it is in this part of the market where there is the potential for an increase in supply, through distressed assets and in particular those held by the state owned banks and NAMA.

### Housing Market Commentary

12.19 There has been little overall change in house prices in recent months, although movement from month to month has been somewhat erratic, with prices rising in some months and falling in others. Prices are 0.4% lower than a year ago (Nationwide monthly index, August 2011).

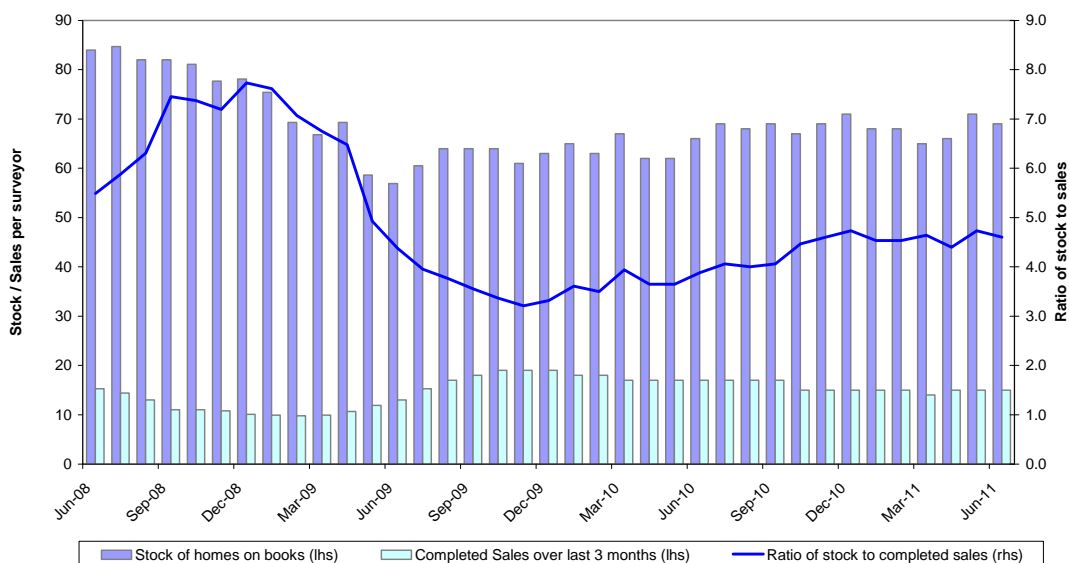
12.20 The volume of housing transactions has been extremely low over the last three years. Towards the end of 2007 the level of mortgage approvals fell below its long-term average (since 1987) of 92,000 per month. Levels bottomed out at 27,000 back in November 2008 and have recovered somewhat, but the last 12 months have seen activity stabilise at an average of only 47,000 per month, half the long-term average (see chart below).



12.21 The RICS Housing Market Survey (a questionnaire survey of around 250 residential surveyors) shows the level of unsold stock and the quarterly level of sales reported by respondents. Using this we have calculated the supply / demand ratio, as illustrated in the chart below.

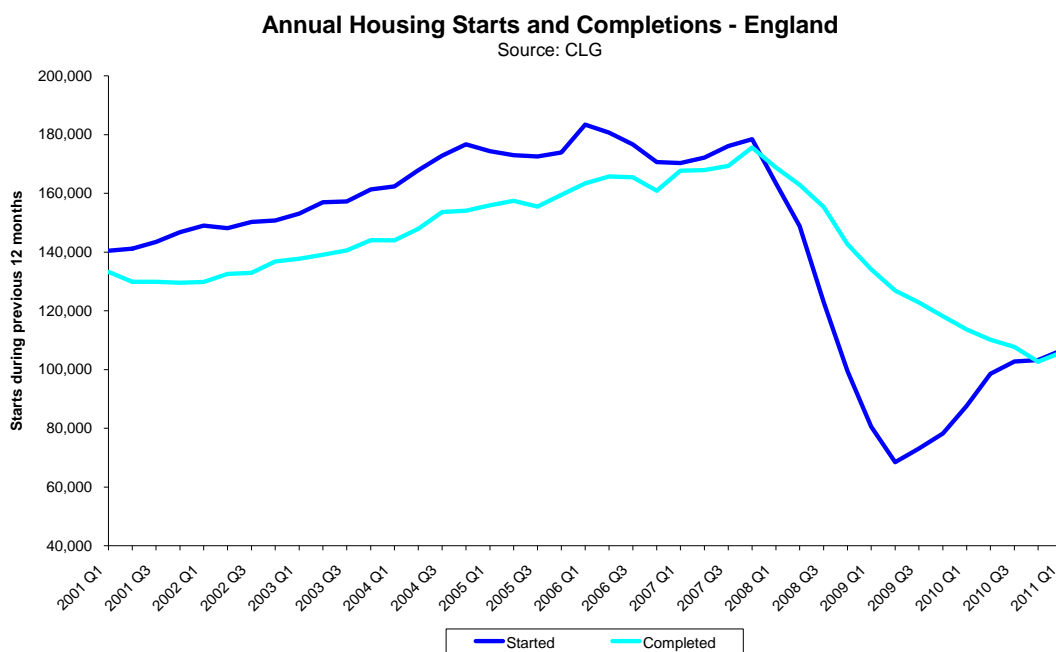
**Average stock of homes and average sales per surveyor**

Source: RICS Housing Market Survey



- 12.22 During the recession, housing supply did not see the significant increase that might have been expected given its severity. A key reason for this has been the relatively low number of 'forced sellers'. In the 1990s housing crash, repossessions were an important factor in the extent of house price falls. This time around the rise in repossessions was relatively modest and levels are now falling. Repossessions peaked in 1991 at over 75,000, compared with less than 48,000 in 2009, and only 36,300 in 2010. The CML predicts an increase to 40,000 repossessions this year, rising to 45,000 in 2012. But these are still relatively low numbers.
- 12.23 The very low level of interest rates has certainly been an important factor in helping to keep down the number of forced sellers, particularly for those on tracker or standard variable rate mortgages. Banks have also been more willing to look at alternatives to repossessions, particularly as many of the major mortgage lenders are wholly or partially owned by the state.
- 12.24 A further factor in limiting supply has been the rapid fall in the level of housebuilding since 2007, as housebuilders have responded to adverse market conditions. In the five years from 2003 to 2007, housing starts in England averaged 172,000 pa. This plummeted to 99,500 in 2008 and just 78,000 in 2009. But there was a significant increase in 2010, with starts rising to 103,000. Q1 2011 saw 28,170 housing units started, the equivalent of 112,700 over one year, suggesting further improvement.

12.25 The level of completions fell to 102,700 in the year to Q4 2010, compared with an average of almost 160,000 pa over the five years from 2003 to 2007. However, the annual level of starts has been rising for nearly two years, and annual completions finally saw a modest increase in Q1 2011 to 106,000, the first rise since Q4 2007. These trends are illustrated in the next chart.



### Outlook for the Housing Market

12.26 The UK economy and the UK housing market are both cyclical, and there is a close relationship between the two. In the decade from 1997 to 2007 the UK economy experienced an environment of low inflation, low interest rates and stable, reasonably strong, economic growth compared with the 'boom and bust' that characterised much of the post-war period.

12.27 All this changed with the 'credit crunch', the part-nationalisation of a large part of the UK banking system, and start of the worst post war recession, which saw output decline by 6.2%. However, there has subsequently been economic growth, although growth in Q2 2011, at 0.2 %, has slowed considerably, and commentators are now discussing the possibility of further weakness. Consumer indebtedness, the willingness and ability of the banks to lend, and the impending large cuts in public sector expenditure and increased taxation all suggest a muted economic upturn and a lower long-term trend rate of economic growth.

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- 12.28 As a result, it appears unlikely that there will be a sustained improvement in underlying housing demand over the short term, although the low level of transactions over the last two years has created a significant pool of pent-up demand.
- 12.29 Interest rates at 0.5% are virtually as low as they can go. Rates may be on hold until 2013, or even longer. There is naturally a very large amount of uncertainty surrounding the timing. But when interest rates rise, as they inevitably will do as recovery strengthens, this will have major consequences for the housing market, as affordability deteriorates, and will act as a brake on demand.
- 12.30 There remains considerable uncertainty over house price movement in the short term. Some factors should have a positive (upward) effect on prices for the rest of this year and next year, whilst others point towards a weaker housing market.

#### Positive (Upward) Factors

- Interest rates are likely to remain at historically low levels and affordability should remain good for existing mortgage holders and those first time buyers who can obtain mortgage finance and have enough capital for a deposit.
- The level of repossessions has been very low considering the scale of the recession and is now falling, helped by low interest rates.
- The economy should continue to grow (albeit with the risk of a further fall in output).
- The level of development completions will remain low.
- There is currently a Stamp Duty holiday for first-time buyers on purchases up to £250,000.

#### Negative (Downward) Factors

- Although the base rate is likely to stay at historically low levels, it may begin rising during the second half of next year as the economic recovery becomes more certain and inflation worries gain more prominence.
- Mortgage finance remains more restricted than pre-recession and is likely to remain so for some time (although some modest improvements are occurring). Mortgage lenders still need to rebuild their balance sheets and the international CMBS market is not likely to re-emerge any time soon as a major source of finance. At the same time, the Financial Services Authority (FSA) is planning to reform mortgage lending, making lenders more responsible for ensuring that borrowers can maintain mortgage payments. This is likely to further restrict mortgage lending.

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- There is a very low level of transactions underpinning the market and as a result, the demand/supply balance could alter rapidly. We believe that supply is likely to rise in the short term, boosted by factors such as the recent abolition of HIPs.
  - Average earnings growth will be subdued and wages will almost certainly rise more slowly than inflation. Tax rises will mean even greater pressure on average household disposable incomes. Following the Comprehensive Spending Review, public sector job losses are likely to cause a further increase in unemployment.
- 12.31 Prices have not reduced significantly enough to help many of the first-time buyers wanting to enter the market. At the same time, prices are 11.1% below their previous peak in October 2007, meaning that many existing home-owners who bought near the top of the market at high LTV ratios have little or no equity in their houses, or are in a negative equity position. This appears to be a recipe for market stagnation.
- 12.32 It is likely that the rest of this year and next year will continue to see some months where prices rise and some where prices fall. Overall, we expect that prices will finish 2011 at a broadly similar level to the start of the year.
- 12.33 However, in view of the negative factors listed above, it is certainly possible that prices will undergo a further more significant fall. This could take prices below their long-term trend level (as markets tend to overshoot in downturns and upturns), and would make a period of above-trend growth more likely at some point during the recovery phase, post 2011, to allow prices to return to trend.
- 12.34 Over the medium term, as the economic backdrop improves, the considerable pent-up buyer demand that has built up will be released. This will contrast with a supply shortage, particularly for new homes, as developers have significantly scaled back their building programmes, which will take several years to ramp up. This points towards a period of above-trend growth in the medium term, although the timing is very uncertain. However, a combination of rising prices and rising interest rates will eventually mean a deterioration in affordability, which will limit the extent to which prices can increase. Indeed, future levels of interest rates are a key risk to the housing market.

## 13. Local Market Conditions

- 13.1 Historically, the Poplar and Blackwall area has been associated with the former Port of London docks which have progressively been redeveloped for commercial or residential purposes over the past several decades. The Poplar Business Park itself was developed in the mid 1980s to provide low density warehouse and office units.

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- 13.2 The continuing growth of Canary Wharf and the associated development of major residential schemes, particularly on large riverside sites, has led to an increase in the density of development, with a number of residential towers being constructed.
- 13.3 Canary Wharf has remained the centre for commercial office development within the immediate vicinity, although a major development of some 600,000 sq ft of offices has been constructed at Clove Crescent to the north-east of Canary Wharf, and there are developments to the south of Canary Wharf. However, there is limited significant industrial or office development in the Blackwall and Poplar areas.
- 13.4 In order to establish the current use value of the property, which forms one of the considerations for the viability of the proposed scheme, we have considered the value of the property on the basis of its existing light industrial and office uses, and we comment on these below.

### Industrial Market

- 13.5 Within the immediate vicinity of Poplar Business Park there is limited light industrial accommodation and the most relevant evidence for the subject property would come from recent lettings within the business park itself. In this context, we would refer to the following:
- 13.6 Unit A05 – this is a unit of 1,279 sq ft which was let to Signalling Installation & Maintenance on a two-year term on 12 February 2011 at £26,860 per annum, representing £21 per sq ft.
- 13.7 Unit A08 is a unit of 659 sq ft which was let to RGCM Limited on a three-year lease from 24 May 2011 at £13,290 per annum, equating to £20.17 per sq ft.
- 13.8 Unit A04, comprising 1,274 sq ft, let on a three-year lease on 1 March 2011 to Bubbles & Wines Limited at £20,384 per annum, equating to £16.00 per sq ft.
- 13.9 On 1 November 2010, unit B02, with an area of 1,250 sq ft, let to Cable Management Warehouse Limited at £20,598 per annum, which is £16.48 per sq ft.
- 13.10 Within the wider area of E14 and E16 there are a number of industrial estates, although many of these are larger and provide standard industrial warehousing, as opposed to the workshop style of accommodation at Poplar Business Park. We would refer to the following:

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- 13.11 Cannon Workshops, Cannon Drive, E14 – this is a development of small workshops, situated immediately to the west of Canary Wharf, and to the east of Westferry Road. The units typically range in size from 500 sq ft to 1,400 sq ft, and are available to let at £20 per sq ft.
- 13.12 Proving House, Trinity Buoy Wharf, 64, Orchard Place, E14 – this is a riverside development to the east of Canary Wharf, in which a small industrial unit of 315 sq ft is available at £19.62 per sq ft.

### Office Market

- 13.13 The office market in Docklands is characterised by the prime location of Canary Wharf, where headline rental values are circa £35 per sq ft, although depend on the size of accommodation let, lease terms and incentives given. To the south of Canary Wharf, further office development is located in South Quay, on Marsh Wall and at Harbour Exchange. Rental values are lower, ranging from £20 to £30 per sq ft, depending on location and specification.
- 13.14 To the north of Canary Wharf, the main office development is the 591,000 sq ft at East India Dock, centred on Clove Crescent, and including Anchorage House, Compass House and Capstan House. Although there have been no recent lettings at this development, headline rents have historically reached £25 per sq ft.
- 13.15 Within the Poplar Business Park, recent lettings in 2011 have comprised the following:
- 13.16 Unit C15, comprising a suite of 1,498 sq ft, was let to WG&R UK Limited on 1 July 2011 on a two-year lease at £26,964 per annum, equating to £18.00 per sq ft.
- 13.17 Unit C16, providing offices of 1,500 sq ft, was let to Bellcom UK Limited on 14 February 2011 on a three-year lease at £20,250 per annum, representing £13.50 per sq ft.
- 13.18 Unit C21, comprising offices of 1,192 sq ft, was let to Bentley Holland & Partners (London) Limited on a three-year lease from 15 February 2011 at £21,420 per annum, equating to £17.97 per sq ft.

### Conclusions - Market Rental Value

- 13.19 Recent letting activity at Poplar Business Park and in the immediate vicinity indicates a range of values for industrial units and office suites. Rental values at the Business Park are depressed by the intended redevelopment of the property, which precludes the granting of all but short-term leases contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954. In order to derive the Market Value



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of the property on the basis of its existing use, under a "no scheme" assumption, we would adopt market rental values of £16 per sq ft for the industrial units and £20 per sq ft for the office suites.

### Investment Market

- 13.20 Investor demand remains strong for prime and good quality secondary assets. Transactions totalled £8.1 billion in Q1 2011, according to Property Data, above the quarterly average over the last three years of £6.8 billion.
- 13.21 There remains a dearth of available prime and good quality secondary property, and competition from potential purchasers is still strong. However, investors have become more willing to move further up the risk curve, mainly in terms of accepting investments with shorter leases where re-letting prospects are good.
- 13.22 Market pricing has stabilised, with little movement in prime yields so far in 2011. On the IPD Monthly Index, some minimal downward yield movement has continued. Capital values rose by 0.6% in the three months to May 2011, the same rate as over the previous three months. Values have recovered by 17% since the bottom of the market in mid-2009, but are still 35% below their mid-2007 peak.
- 13.23 We wish to highlight the following comparable transactions which are relevant to the subject property. There is limited investment evidence within the immediate area, and we have looked to the wider London market as indicative of values:-

#### **Crescent Court Business Centre, London E16**

- 13.24 This property is a small development of 13 units situated on an established industrial estate to the north east of Poplar Business Park. The estate provided a total of 18,645 sq ft and sold in June 2011 for £2,500,000 to show a net initial yield of 7.16% and a capital value of £134 per sq ft. The units, although small, were let at rents of circa £10 per sq ft.

#### **97, Victoria Road, London NW10**

- 13.25 This property is a single-let industrial unit of 23,175 sq ft let to Foxtons at £234,572 per annum until December 2025. The freehold investment was sold in June 2011 for £3,250,000 to show a net initial yield of 6.82% and a capital value of £140 per sq ft.

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**Units 1-3, Wayside Industrial Estate, Alfreds Way, Barking, Essex IG11**

13.26 This property comprises 3 industrial units totalling 43,946 sq ft let to Glebe (Barking) Ltd until 2016 at £275,000 per annum. The freehold investment sold in May 2011 for £3,400,000 to show a net initial yield of 7.6%.

**Conclusions - Yield**

13.27 Although the above properties are standard industrial investments, they indicate a broadly consistent range of yields between 6.83% and 7.6%. In the light of the location, tenancy profile and specification of the Poplar Business Park, we would adopt a yield of 7% as appropriate for the valuation of the freehold interest on the basis of existing use.

**Residential Market**

13.28 The London Plan July 2011 outlines annual average housing provision monitoring targets for each London Borough for the period from 2011 to 2021. The minimum ten-year target for London is 322,100 net additional homes, of which the allocation to LB Tower Hamlets is 28,850, the largest for any London borough. The adopted Core Strategy of Tower Hamlets identifies a total provision of new homes of 35,380 between 2010-2015 and 2015-2020. Within this figure, the area for Blackwall and Leamouth, in which the Poplar Business Park is situated, accounts for 2,170 homes.

13.29 In terms of sales in and around Canary Wharf, we understand that a similar pattern of sales to that observed in the wider London market has been experienced over the past year. The main features include a period of increased activity during the end of 2009 and the early part of 2010, with subdued activity subsequently, although more recently, there has been evidence of a levelling out. This may be a result of an increase in supply, increased caution following the news of public sector spending cuts and continued security of mortgage finance. It may, however, also be partly due to a slow down over the summer period.

13.30 There is evidence of investors returning to the market, in particular where schemes have been marketed in the Far and Middle East.

13.31 We outline below details of the main comparables we have relied upon in preparing our assessment.

**Wharfside Point, 4, Preston's Road, London E14**

- 13.32 This is a development by Galliard, adjoining the Poplar Business Park to the east and north, comprising 7 units being constructed as an addition to the Wharfside Point South building, which was completed in 2009. Whilst now historic, sales at the original development included a major bulk purchase, which failed to complete in mid 2009, with subsequent sales of units on an individual basis advised by Galliard to have achieved circa £400 per sq ft.
- 13.33 The new development, currently under construction, provides 7 one, two and three-bedroom units ranging in size from 761 sq ft to 1,047 sq ft, with quoting prices as follows:

Unit	Apartment Type	Size (sq. ft.)	Asking Price (£)	Price (£ per sq ft.)
1	2 Bedroom	858	£418,000	£487
2	1 Bedroom	809	£346,500	£428
3	1 Bedroom	761	£340,000	£447
4	2 Bedroom	901	£418,000	£464
5	3 Bedroom	962	£423,500	£440
6	2 Bedroom	1,047	£440,000	£420
7	2 Bedroom	1,034	£434,500	£420

- 13.34 Each unit will benefit from secure underground car parking, and the majority of the units will have an outlook to the east or south. The average quoting price is £443 per sq ft. We are advised that all units are still available.
- 13.35 This property directly adjoins the Poplar Business Park and the pricing at Wharfside Point is a good indication of the appropriate level for the subject property.

**Caspian Wharf, Sites A & B, Violet Road, E3**

- 13.36 This is a waterside development by Berkeley Homes located on the Limehouse Cut Canal in Bow E3. Site A completed approximately two years ago and Site B will be completed by June 2012. A total of 500 units have been or are in the process of being constructed.
- 13.37 The scheme benefits from a canal frontage, very high specification kitchens and bathrooms and a 24 hr concierge facility. It has good accessibility to the City and Canary Wharf with Devons Road and Langdon Park DLR station located 600m from the property. However, prices have been reduced significantly since its initial launch in 2008 and it fails to appeal to First Time Buyers and Buy-to-Let investors due to high

pricing and consequently poor achievable yields. We are aware of the following recent sales at the development:-

Block	Apartment Type	Size (sq. ft.)	Net Price (£)	Price (£ per sq ft.)
Tasman Court	1 Bedroom	468	£269,000	£575
Tasman Court	2 Bedroom	733	£347,000	£473
Pacific Court	3 Bedroom	1,139	£440,000	£386

13.38 Furthermore we have also previously been supplied with the following sales dated March 2011:

Unit	Floor	Apartment Type	Size (sq. ft.)	Net Price (£)	Price (£ per sq ft.)
1.11	1 <sup>st</sup>	2 bedroom	643	£325,000	£505
2.19	2 <sup>nd</sup>	1 bedroom	484	£242,500	£501
1.19	1 <sup>st</sup>	1 bedroom	516	£199,500	£387
1.13	1 <sup>st</sup>	1 bedroom	558	£214,950	£385
8.1	8 <sup>th</sup>	3 bedroom	1001	£537,500	£537
8.2	8 <sup>th</sup>	3 bedroom	1031	£537,500	£521

13.39 Car parking is available on selected apartments only and all units benefit from some private outdoor space be it balconies or gardens. Current quoting prices for the remaining apartments fall within the following ranges:-

1 bedroom apartment	From £239,950	To £257,500
2 bedroom apartment	From £334,950	To £424,950
Three bedroom apartment	From £435,000	To £549,950

13.40 We consider this development to be similar to the subject property by virtue of its location.

#### Harley House, Burdett Road, London, E14

13.41 Harley House is a new build development of 44 units adjacent to Limehouse Cut. The apartments are finished to a good standard with the majority benefiting from private balcony areas. The development does have somewhat of a chequered history with the developer going into administration following construction, however individual unit sales are now taking place.

13.42 The marketing agent has advised that they are currently undertaking a phased release of the properties to avoid flooding the market. They have been marketing units for approximately 2 months and have placed 8 properties under offer. Demand is for the 2 and 3 bedroom units with no 1 bedroom or studio units yet sold. We have

not been provided with specific sales details but understand that the units are available in the following ranges:-

Studio apartment	From £210,000	
1 bedroom apartment	From £230,000	To £255,000
2 bedroom apartment	From £265,000	To £290,000
3 bedroom apartment	From £440,000	To £500,000

13.43 We consider this a marginally superior development by virtue of its canal side location.

#### **Aqua Vista, Bow Common Lane, London, E14**

13.44 The development known as Aqua Vista has recently commenced occupation. The scheme provides a total of 157 studio, 1, 2 and 3 bedroom apartments adjacent to Limehouse Cut Canal. It is arranged over 3 blocks with a parking area beneath one block and commercial space at ground and first floor levels of another.

13.45 We understand that all the studio and 1 bedroom apartments have now sold. We are aware of the following achieved price ranges for both studio and one bedroom units:-

Apartment Type	Average Size (sq. ft.)	Price Range (£)	Price Range (£ per sq ft.)
Studio Apartments	335 sq ft	£170,000 - £180,000	£507 - £537 psf
1 Bedroom Apartments	500 sq ft – 525 sq ft	£215,000 - £232,000	£430 - 442 psf

13.46 We have been unable to obtain any specific sales details for the 2 and 3 bedroom units however are aware of the following current quoting price levels:-

Plot No.	Floor	Bedrooms	Size (sq. ft.)	Asking Price (£)	Price (£ per sq ft.)
1	1 <sup>st</sup>	2	680	£274,500	£404
7	2 <sup>nd</sup>	2	653	£277,500	£425
24	4 <sup>th</sup>	2	660	£282,500	£428
81	9 <sup>th</sup>	2	673	£302,500	£449
35	2 <sup>nd</sup>	3	844	£329,950	£391
5	1 <sup>st</sup>	3	860	£334,500	£389
23	4 <sup>th</sup>	3	860	£347,500	£404
14	3 <sup>rd</sup>	3	1013	£359,950	£355
2	1 <sup>st</sup>	3	1002	£364,500	£364

13.47 We understand sales have been strong. There are a total of 18 units left unsold from the development total of 105 private units. The development is attracting good

interest from a wide range of purchasers including first time buyers, investors and foreign purchasers acquiring for both investment and for use by offspring.

- 13.48 Pricing has been successful with only small discounts offered amounting to 5% off list prices. Car parking is not included in purchase prices as only 20 spaces are available which are offered on a first come first served basis to purchasers of 2 and 3 bedroom units only. Car parking spaces are currently priced at £20,000 per space.
- 13.49 We consider this development to be similar to the subject property.

#### Silver Wharf, Limehouse Cut, London, E14

- 13.50 Silver Wharf is a new development of one and two bed apartments and duplex apartments situated adjacent to the Limehouse Cut Canal. The development consists of 4 blocks of which 2 comprise private apartments for sale. These two blocks are adjacent to the canal and comprise a 13 storey tower and a 6 storey building.

- 13.51 We have been provided with the following recent specific sales details:-

Unit	Floor	Apartment Type	Size (sq. ft.)	Price (£)	Price (£ per sq ft.)	Comment
103	First	1 bed apartment	549 sq ft	£240,000	£437	No parking
304	Third	1 bed apartment	549 sq ft	£246,000	£448	Included parking space
404	Fourth	1 bed apartment	549 sq ft	£246,000	£448	Included parking space
514	Fifth	2 bed apartment	760 sq ft	£330,000	£434	Included parking space
901	Ninth	2 bed apartment	779 sq ft	£350,000	£449	Included parking space

- 13.52 We understand that levels of achieved sales have been moderate. The majority of properties are inclusive of one parking space and all have an element of outdoor space. We have been advised that the units are considered to be priced competitively with no more than £7,000 given as incentives. Current quoting prices for the remaining apartments fall within the following ranges:-

Plot No.	Floor	Bedrooms	Size (sq. ft.)	Parking	Asking Price (£)	Price (£ per sq ft.)
201	2 <sup>nd</sup>	1	466	1	£250,000	£536
301	3 <sup>rd</sup>	1	466	1	£250,000	£536
702	7 <sup>th</sup>	2	783	1	£350,000	£446
12	Grd	3	729	1	£320,000	£438
4	Grd	3	729	1	£320,000	£438
109	1 <sup>st</sup> /2 <sup>nd</sup>	2	746	1	£330,000	£442
110	1 <sup>st</sup> /2 <sup>nd</sup>	2	752	1	£330,000	£438
112	1 <sup>st</sup> /2 <sup>nd</sup>	2	752	1	£330,000	£438
305	3 <sup>rd</sup> /4 <sup>th</sup>	2	746	1	£335,000	£449
303	3 <sup>rd</sup> /4 <sup>th</sup>	2	746	1	£335,000	£449
501	5 <sup>th</sup> /6 <sup>th</sup>	2	675	1	£335,000	£496

13.53 The lower priced units have now sold leaving more expensive apartments which are more difficult to sell, particularly to investors who are not able to achieve greater rental levels to match the higher sales prices.

13.54 We consider this development to be similar to the subject property.

#### **Streamlight, Blackwall Way, St Lawrence Street and Gaselee Street, London E14**

13.55 Streamlight is a development currently under construction which will provide 133 residential units in a 25-storey tower, to the east of Preston's Road and close to the River Thames. The private units will total 66 and there will be 67 affordable units.

13.56 We understand that completion is due by late 2011, and that 28 of the private units have sold over a period of 5 months. The sales office advises that flats are selling at an average price of £580 per sq ft, although we understand that incentives reduce this to circa £525 per sq ft. Recent sales are advised as follows:

Unit No.	Floor	Bedrooms	Size (sq. ft.)	Price Achieved (£)	Price (£ per sq ft.)
28	7 <sup>th</sup>	3	934	£499,999	£535
69	17 <sup>th</sup>	1	501	£300,700	£600
93	23 <sup>rd</sup>	3	1,577	£900,000	£571

13.57 By virtue of its location, south of Aspen Way and closer to the river, this development is considered superior to the subject property.

#### **Conclusions**

13.58 Having regard to the available comparable evidence, we would apply an average rate of £475 per sq ft to private residential element of the proposed development.

## **14. The Approach to Assessing Viability**

14.1 Our approach to assessing the viability of the proposed scheme is based on the emerging RICS guidance on the subject, which has recently been issued as a consultation draft and is due to be published shortly.

14.2 Viability for planning purposes is defined in this document as follows:

*An objective financial viability test of the ability of a development project to meet its costs, including the cost of planning obligations, whilst ensuring an appropriate site*

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*value for the landowner and a market risk-adjusted return to the developer in delivering that project.*

- 14.3 The principle of viability is well established in that a site will not be released for development if it is not possible to achieve an appropriate land value and adequate developer's profit. However, what constitutes an appropriate land value in this context has been the subject of much debate and is the key issue the guidance seeks to address.
- 14.4 It is recognised that a site with development potential will not be released for development at current use value, however, it is also not appropriate to adopt a land value based on a purchase price where the purchaser may not have assumed the payment of full planning obligations. Therefore, the viability guidance recommends that the benchmark land value is based on the Market Value of the site assuming a planning policy compliant scheme is delivered. If, when this value is adopted as the land value input in the development appraisal of the proposed scheme, it is possible to produce an adequate developer's profit, whilst providing all required planning obligations and affordable housing, then the scheme is viable. If this is not possible, then the scheme is not viable and in order to release the site for development it may be necessary to reduce certain planning obligations.
- 14.5 In the case of the subject property, in order to arrive at the Market Value it is necessary to first establish the current use value of the site and then value the site based on a policy-compliant scheme with planning permission in place. If the latter exceeds the current use value, it is then necessary, figures permitting, to allow an uplift on the current use value based on a percentage of hope value of achieving planning permission for that scheme. This figure becomes the benchmark land value.
- 14.6 In order to arrive at the current use value of the site we have valued the property on an investment basis. We have then valued the proposed development on a policy-compliant basis assuming planning permission is granted, which means including all necessary S106 costs and affordable housing obligations. We have then compared the residual value of the proposed development with the current use value to establish whether there is any hope value to add to the current use value to arrive at the current Market Value of a policy-compliant scheme prior to planning permission being granted. The final step is to value the proposed scheme as submitted in order to determine if the level of developer's profit produced when the benchmark land value is included in the appraisal is above what is reasonably required.
- 14.7 We comment on the inputs and assumptions for the assessment of the viability of the proposed scheme in the following sections of this report.



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## 15. Current Use Value Appraisal and Land Value Benchmark

- 15.1 You have provided us with a current tenancy schedule in respect of Poplar Business Park. We have considered the evidence from internal lettings within the subject property and have also assessed the rental levels achieved against other industrial and office property in the vicinity. We are of the opinion that the industrial units at Poplar Business Park would warrant a market rental value of £16 per sq ft, and the office units £20 per sq ft.
- 15.2 As opposed to single-use industrial or office investments, there is limited evidence of investment sales of properties similar to the Poplar Business Park. Based on the range of evidence available and the location and specification of the property, we have adopted a yield of 7.5% at which to capitalise the rental income. This results in a Market Value for the property's current planning use of £16,000,000.
- 15.3 We note that your properties are valued on a quarterly basis by CBRE. You have advised us that, as at 24 June 2011, CBRE valued the Poplar Business Park on the basis of its existing use at £18,600,000.
- 15.4 In fact, £16,000,000 represents a comparatively low land value compared to sites coming forward in other parts of London. For example, in Battersea we are aware that land values for sites proposed for residential use are transacting for in excess of £10 million per acre as this is the value required for the sites to be released.

## 16. Appraisal of the Proposed Scheme

- 16.1 Having established the land release price of the site, it is now necessary to establish if, when this value is adopted as the land value of the site, it is possible to achieve a developer's profit of 20% on sales. Below we consider the components of the scheme.

### Gross Development Value

- 16.2 This is the total revenue produced by the completed scheme. We consider each individual element in turn.

## Private Residential Revenue

- 16.3 Although the property is close to Canary Wharf, it is situated to the north of the DLR tracks and Aspen Way and is close to Poplar High Street and a number of areas which will be subject to future regeneration. Residential sales values will stand at a discount to those prevailing to the south east, as evidenced by riverside developments such as New Providence Wharf or Ontario Tower. Under construction to the south east is the Streamlight development, where values are in the region of £580 per sq ft, although this is closer to the river. To the south of Canary Wharf, major developments such as Indecon Court near Millharbour have achieved values of some £500 per sq ft, and to the west, in Limeharbour, the CQ development is achieving sales at a similar level.
- 16.4 The proposed scheme provides 261 private residential units, split between one-bedroom, two-bedroom and three-bedroom apartments arranged across 3 blocks. Given the scale of the scheme and the variation in height and aspect of the different blocks, we have adopted an overall average £ per sq ft rate across the private residential element of the scheme of £475 per sq ft.
- 16.5 This recognises that some of the apartments on the upper floors of the higher blocks will achieve in excess of this figure, whilst some of those apartments on the lower floors are unlikely to achieve this level. Likewise some of the smaller apartments may achieve a higher rate per sq ft, whilst the three-bedroom units may achieve a lower rate.
- 16.6 Applying this rate to the net saleable area of the private residential element of the scheme produces a total development value as follows:

Number of units	Net Saleable Area Sq Ft	Average £ per sq ft	Total Development Value
261	196,238	£475	£93,215,000

- 16.7 This is the main revenue producing element of the scheme and therefore the key value driver in determining whether or not the scheme is viable.

## Affordable Housing

- 16.8 Restrictions in the availability of HCA National Affordable Housing Programme funding over the last year to 18 months have significantly reduced the amount that Registered Social Landlords (RSLs) are able to pay for the affordable housing element of residential schemes. We understand that there is currently no commitment from an RSL for the proposed scheme.

- 16.9 For social rented units within the proposed development, we have adopted a rate of £82 per sq ft as appropriate for the accommodation to be provided.
- 16.10 The Government has recently introduced a new investment model which is based on registered providers being able to charge up to 80% of the local market rent on new affordable social rent homes. These new rents will officially be known as "affordable" rents. At the same time, registered providers will need to issue Assured Shorthold Tenancies (ASTs) rather than Assured Tenancies which offer more and long-term security. The impact of Housing Benefit rental caps needs to be reflected in any assessment.
- 16.11 We have reflected indicative rental values as outlined in the April 2011 report by pod into the Borough's 2011-2015 Affordable Homes Programme. These are identified by size of flat, and for the E14 postcode the report splits rents into 2 categories, namely E14 and E14 Excluding Docklands. The adjusted rents in the report, based on 65% of market rent for a 1-bedroom flat, 55% of market rent for a 2-bedroom flat and 50% of market rent for 3 and 4-bedroom flats, are as follows:

Area	Weekly Adjusted Rents			
	1 Bed	2 Bed	3 Bed	4 Bed
E14	£194	£219	£279	£242
E14 Excluding Docklands	£152	£152	£188	£230

- 16.12 Since the subject property is very close to Docklands, it could be argued that the appropriate rent should be in between the above rental levels, and we have taken the average of the above weekly rents and have capitalised these at 6.5% to arrive at a value per flat, as follows:

1 Bedroom	£138,400
2 Bedroom	£148,400
3 Bedroom	£186,800
4 Bedroom	£188,800

- 16.13 Applying these values to the 85 rental units in the affordable housing element of the scheme produces a total value of £13,897,200. These units have a total area of 72,797 sq ft, implying an average rate of £191 per sq ft. We summarise our figures as follows:

Unit Type	Net Saleable Area Sq Ft	Average £ per sq ft	Total Development Value
Affordable Rented	72,797	£191	£13,904,227
Intermediate	34,488	£225	£7,759,800
Total	107,285		£21,664,027

16.14 These figures assume no grant funding is available as we understand that this is likely to be the case for the majority of schemes of this nature for the foreseeable future.

### Commercial Revenues

16.15 Based on the values indicated above for the existing workshop and office accommodation, we have applied rental values of £18 per sq ft and £22 per sq ft for the proposed workshop and office units respectively. This reflects the newer accommodation. We would adopt a yield of 7.5% at which to capitalise the net rental income, reflecting the fact that the commercial elements of the property form part of a larger, primarily residential, development, rather than a stand-alone scheme.

16.16 Applying these rental values to the net internal area of the offices and the gross internal area of the workshops produces the following values:

Commercial	Area Sq Ft	Rental Value £ per sq ft	Total Rental Value
Offices	56,183	£22	£1,236,026
Workshops	8,021	£18	£144,378
Total			£1,380,404

16.17 At a yield of 7.5%, and allowing for an average void and rent-free period of 12 months and purchaser's costs at 5.8%, the gross development value of the offices and workshops is £16,000,000.

### Other Revenues

16.18 We have assumed that of the 88 residential car parking spaces 65% will be available for private sale at £15,000 per space, giving a value of £855,000 for 57 spaces.

16.19 We have also assumed that the ground rent investments of the private flats are sold on completion. We have assumed an average annual income of £350 per flat, which we have capitalised at 6% and allowed for purchaser's costs at 5.8%. This gives a value of £1,440,000.

### Summary

16.20 Based on the assumptions set out above, on the assumption of affordable housing including affordable rented tenure, the gross development value of the proposed scheme can be summarised as follows:

Use	Development Value (Rounded)
Private Residential	£93,215,000
Affordable Housing	£21,665,000
Offices and Workshops	£16,000,000
Car Parking	£855,000
Ground Rents	£1,440,000
<b>Total</b>	<b>£133,175,000</b>

### Development Costs

- 16.21 We have analysed the outturn costs in respect of several large residential developments with which we have been involved in the east London area. Several of these schemes include residential tower buildings, and all include commercial elements. The values range from £140.85 per sq ft to £166.14 per sq ft. In view of the nature of the proposed development, including two towers, we have adopted a construction cost of £162 per sq ft, which produces a construction cost (rounded) of £80,000,000. To this figure we have added £400,000 for NHBC costs.
- 16.22 These figures include the installation of any necessary infrastructure, and external works including car parking. They also allow for demolition of the existing buildings and include a 5% cost contingency.
- 16.23 In addition to the base build costs, we have also made provision for professional fees at 10% of build costs.

### Other Costs

- 16.24 In terms of likely S106 contribution, we have assumed a contribution per unit of £7,500, resulting in a total sum payable of £2,940,000.
- 16.25 A number of the existing tenants at the Poplar Business Park, comprising some 31% of the property by area, occupy on leases expiring in 2024 or 2025, without landlord's break options. We have allowed £750,000 in respect of compensation to these tenants.

### Sales and Marketing

- 16.26 We have allowed for sales and marketing costs as follows:-

Letting Agents Fees	All commercial space	10%
Letting Legal Fees	All commercial space	5%
Investment Sale Agents Fees	Commercial and ground rents	1%
Investment Sale Legal Fees	Commercial and ground rents	0.5%
Direct Sale Agents Fees	Private residential	2.5%
Direct Sale Legal Fees	Private residential	0.25%
Marketing and Promotion	Overall	£500,000

16.27 We have also allowed for purchaser's costs on the land value at 5.8%.

### Finance

16.28 We have adopted a debt finance rate of 6.0% for which, in line with current lending rates, we have assumed 100% debt funding over the whole development period. In reality, it would be necessary for the developer to put in a substantial level of equity. However, we consider that the approach adopted reasonably reflects the current rates at which Banks are lending (as well as the high entry and exit fees they are charging) and the level of finance required.

### Development Programme

16.29 We have been assumed a development period totalling 3 years, following a 6-month lead-in period.

16.30 We have assumed that the S106 contributions are made at the beginning of the development period.

### Sales Programme

16.31 The private residential sales are sequenced to commence on the completion of each block and this assumes 50% presales for each phase, followed by a sales rate of approximately 4 units per month, which we consider reasonable in the current market. The overall sales period is from month 24 to month 54. The sale of the ground rent investment takes place at the end of the final sale of the units in block C, and the sale of the car parking is sequenced over the sales period of the residential element of the scheme.

16.32 The investment sale of the offices and workshops is assumed to occur 15 months after completion of construction, at which time the commercial element of the property is assumed to be let and income producing.

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16.33 For the affordable housing we have assumed that the affordable housing income is sequenced over the construction period for this part of the scheme, with the payment being made over the period of construction. This phases the income over the build period of the affordable housing units.

### Appraisal Conclusions

16.34 Based on the assumptions set out above, and on the assumption of 35% affordable housing, of which 72% is for affordable rent, the total development cost, including finance and land, is £122,400,000. When deducted from the GDV of £133,175,000, this produces a profit of £10,775,000. This equates to a profit of 8.09% on sales. This assumes no affordable housing grant.

16.35 Our appraisal is attached at Appendix 2.

16.36 This indicates that at present, the proposed scheme is not viable. It does not achieve a reasonable or realistic level of developer's profit based on the scheme as it is currently proposed whilst adopting the current value of the property as the land value.

16.37 In order to improve viability it is necessary to either increase the revenue generated by the scheme, secure grant funding or reduce the development costs.

16.38 There are two options available for reducing the loss. The first is explore opportunities for raising the necessary gap funding, whether this be through raising HCA grant or any other fund raising mechanism.

16.39 The other option is to alter the costs or revenues to remove this deficit. Many of the factors within the appraisal are broadly fixed and necessary for the delivery of the scheme, therefore, the main factors which can be altered to improve viability are to reduce the level of s106 payment required or alter the amount/tenure of affordable housing delivered.

16.40 Removing the level of s106 in its entirety would not meet this deficit. Therefore, the main potential for improving viability (unless some other form of funding is available through the Council) is to address the amount and tenure of affordable housing provided.

16.41 We have considered several scenarios, under which the percentage of affordable housing within the proposed scheme is reduced, and its tenure is changed from social rented to affordable rented housing. Additionally, we have looked at the effect of a 50/50 split of affordable housing tenures as opposed to the current 70/30 split. For social rented tenure we have adopted a value of £82 per sq ft, and for affordable

rented tenure a value of £191 per sq ft. We have also run scenario 5 to test the level of gross development value in terms of pounds per square foot required to achieve a 30% provision of affordable housing.

16.42 The percentages for private and affordable housing, and the split within the affordable housing between affordable rented and shared ownership, have been calculated on an area basis, rather than by habitable room.

16.43 Profit required is assumed to be 10% of affordable housing gross development value and 20% of private gross development value. This means that as the percentage of private flats increases, the profit percentage threshold increases. At a social housing percentage of 15%, the profit is 19.71%. The break-even social housing provision would be circa 15.7%.

16.44 We summarise below the results of these different assumptions:

Scenario	Affordable Housing	Split	Rented Type	Private Sales psf	Profit on sale
1	35%	68/32	Social	£475	1.34%
2	35%	68/32	Affordable	£475	8.09%
3	25%	68/32	Affordable	£475	14.49%
4	25%	50/50	Affordable	£475	14.67%
5	30%	68/32	Affordable	£530	18.79%
6	15%	68/32	Affordable	£475	19.71%

16.45 The change from social rented accommodation to affordable rented significantly improves profitability, although the scheme would still not generate a sufficient level of profit to be viable.

16.46 In order to achieve the required level of profit, and deliver a commercially viable scheme, it would be necessary to reduce the component of affordable housing to 30% and to assume a sale price for the private flats of £530 per sq ft. Our appraisal has adopted £475 per sq ft. The level of £530 per sq ft requires growth in values of 11.6%. The figure of 30% is assessed in our calculations by area, and it may be possible to achieve a higher percentage by reference to habitable rooms. Additionally, as the development includes two towers, it could be envisaged that a developer might appraise a scheme using a higher level than the £475 per sq ft adopted in our own appraisals.

16.47 However, adopting a current value of £475 per sq ft for the private residential units and assuming the provision of affordable rented accommodation the proposed scheme is only viable at an affordable housing provision of 15%, which results in a profit of 19.71% on sales.



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## 17. Conclusions

- 17.1 There are a number of reasons why the scheme cannot support 35% affordable housing:
- HCA Grant is currently very restricted. This is having an impact upon schemes across London and the UK. The availability of grant for this scheme is unlikely and even if full grant is available this would not fully remove the deficit.
  - The sums available for social rented accommodation are well below the cost of building it.
- 17.2 In conclusion, we consider that in order to deliver a viable scheme it is not possible to deliver 35% affordable housing. Reflecting current market conditions the scheme can only afford 15% on the assumption of affordable rent and shared ownership tenure.

## 18. General Comments

- 18.1 We confirm that we meet the requirements as to competence and the definitions of an External Valuer within the RICS Valuation Standards (6th Edition).
- 18.2 The Viability Report has been prepared by Graham Bromley MRICS, an Associate within the Valuation Services Department.
- 18.3 The report has been discussed with and approved by Jacob G. Kut MRICS, a Senior Director in the same department.



Report

**Appendix 1**  
Scheme  
Plans



Report

**Appendix 2**  
Residual  
Appraisals

<b>REVENUE</b>		File: Poplar 35% £82	
Offices	56,183.00 sq-ft at 22.00 psf/pa		1,236,026
Workshops	8,021.00 sq-ft at 18.00 psf/pa		144,378
<b>Inv.Value-A</b>	Net annual income		1,380,404
	Capitalised at 7.5% Yield		18,405,387
	Less Unpaid Rent: 12 Months Income		1,380,404
	Less Purchasers costs at 5.8%		1,008,991
			16,015,992
Ground Rents	261 units at 350.00 ea./pa		91,350
<b>Inv.Value-B</b>	Net annual income		91,350
	Capitalised at 6% Yield		1,522,500
	Less Purchasers costs at 5.8%		83,464
			1,439,036
Private Res Block A	76,790.00 sq-ft at 475.00 psf		36,475,250
Private Res Block B	55,510.00 sq-ft at 475.00 psf		26,367,250
Private Res Block C	63,938.00 sq-ft at 475.00 psf		30,370,550
Intermediate Block A	12,303.00 sq-ft at 225.00 psf		2,768,175
Intermediate Block B	15,586.00 sq-ft at 225.00 psf		3,506,850
Intermediate Block C	6,599.00 sq-ft at 225.00 psf		1,484,775
Rented Block A	44,014.00 sq-ft at 82.00 psf		3,609,148
Rented Block B	13,810.00 sq-ft at 82.00 psf		1,132,420
Rented Block C	14,973.00 sq-ft at 82.00 psf		1,227,786
Car Parking	57 spaces at 15,000.00 ea.		855,000
(Net Income: 1,471,754)	(Inv.Sales: 17,455,028) (Dir.Sales: 107,797,204)	<b>REVENUE</b>	125,252,232

#### **COSTS**

Site Value		16,000,000	
Site Stamp Duty	at 4.00%	640,000	
Site Legal Fees	at 0.80%	128,000	
Site Agency Fees	at 1.00%	160,000	
		Site Costs	16,928,000
S106		2,940,000	
Compensation Payments		750,000	
		Initial Payments	3,690,000
Build Costs		80,000,000	
Nhbc Costs		400,000	
Professional Fees	at 10.00%	8,040,000	
		Build Costs	88,440,000
Letting Agents Fee	at 10.00%	147,175	
Letting Legal Fees	at 5.00%	73,588	
Invest.sale Agents Fee	at 1.00%	188,354	
Invest.sale Legal Fees	at 0.50%	94,177	
Direct Sale Agents Fee	at 2.50%	2,694,930	
Direct Sale Legal Fees	at 0.25%	269,493	
		Disposal Fees	3,467,718
Marketing		500,000	
		End Payments	500,000

#### **INTEREST**

	<b>(See CASHFLOW)</b>	10,548,067
6.00% pa	on Debt charged Quarterly and compounded Quarterly	
Site Costs	Month 1 (Nov 11)	
S106	Month 6 (Apr 12)	

Compensation Payments	Month 1 (Nov 11)
Building Costs	Month 6 to 41 (Apr 12 - Mar 15)
Marketing	Month 6 to 54 (Apr 12 - Apr 16)
Investment Sales	Month 54 (Apr 16)
Private Res Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)
Private Res Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)
Private Res Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)
Intermediate Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)
Intermediate Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)
Intermediate Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)
Rented Block A (sale)	Month 6 to 24 (Apr 12 - Oct 13)
Rented Block B (sale)	Month 18 to 36 (Apr 13 - Oct 14)
Rented Block C (sale)	Month 24 to 42 (Oct 13 - Apr 15)
Car Parking (sale)	Month 24 to 54 (Oct 13 - Apr 16)

<b>PROFIT</b>	1,678,447	<b>COSTS</b>	123,573,784
<b>PROFIT/SALE</b>	1.34%	<b>PROFIT/COST</b>	1.36%
<b>IRR</b>	N/A		

	1 - Nov 11	2 - Dec 11	3 - Jan 12	4 - Feb 12	5 - Mar 12	6 - Apr 12	7 - May 12	8 - Jun 12	9 - Jul 12	10 - Aug 12	11 - Sep 12	12 - Oct 12
<b>Poplar 35% £82</b>												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	189,955	189,955	189,955	189,955	189,955	189,955	189,955
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Site Value	-16,000,000	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	-640,000	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	-128,000	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	-160,000	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	-2,940,000	0	0	0	0	0	0
Compensation Payments	-750,000	0	0	0	0	0	0	0	0	0	0	0
Build Costs	0	0	0	0	0	0	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	0	0	0	0	0	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	0	0	0	0	0	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	0	0	0	0	0	-4,749	-4,749	-4,749	-4,749	-4,749	-4,749	-4,749
Direct Sale Legal Fees	0	0	0	0	0	-475	-475	-475	-475	-475	-475	-475
Marketing	0	0	0	0	0	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	0	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,344,295	-25,626,435	-28,292,857	-30,574,997	-32,857,136	-35,632,019
<b>Revenue</b>	0	0	0	0	0	189,955	189,955	189,955	189,955	189,955	189,955	189,955
<b>Outgoings</b>	-17,678,000	0	0	0	0	-5,412,095	-2,472,095	-2,472,095	-2,472,095	-2,472,095	-2,472,095	-2,472,095
<b>Interest</b>	0	-176,341	0	0	-267,815	0	0	-384,283	0	0	-492,744	0
<b>Balance C/F</b>	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,344,295	-25,626,435	-28,292,857	-30,574,997	-32,857,136	-35,632,019	-37,914,159
Debt Intrt %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	13 - Nov 12	14 - Dec 12	15 - Jan 13	16 - Feb 13	17 - Mar 13	18 - Apr 13	19 - May 13	20 - Jun 13	21 - Jul 13	22 - Aug 13	23 - Sep 13	24 - Oct 13
<b>Poplar 35% £82</b>												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	18,237,625
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	1,384,088
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	189,955	189,955	189,955	189,955	189,955	189,955	189,955	189,955	189,955	189,955	189,955	189,955
Rented Block B (sale)	0	0	0	0	0	59,601	59,601	59,601	59,601	59,601	59,601	59,601
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	64,620
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	27,581
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-4,749	-4,749	-4,749	-4,749	-4,749	-6,239	-6,239	-6,239	-6,239	-6,239	-6,239	-499,087
Direct Sale Legal Fees	-475	-475	-475	-475	-475	-624	-624	-624	-624	-624	-624	-49,909
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-37,914,159	-40,196,298	-43,081,269	-45,363,408	-47,645,547	-50,642,257	-52,866,434	-55,090,611	-58,141,037	-60,365,215	-62,589,392	-65,752,300
<b>Revenue</b>	189,955	189,955	189,955	189,955	189,955	249,556	249,556	249,556	249,556	249,556	249,556	19,963,470
<b>Outgoings</b>	-2,472,095	-2,472,095	-2,472,095	-2,472,095	-2,472,095	-2,473,734	-2,473,734	-2,473,734	-2,473,734	-2,473,734	-2,473,734	-3,015,866
<b>Interest</b>	0	-602,831	0	0	-714,570	0	0	-826,249	0	0	-938,730	0
<b>Balance C/F</b>	-40,196,298	-43,081,269	-45,363,408	-47,645,547	-50,642,257	-52,866,434	-55,090,611	-58,141,037	-60,365,215	-62,589,392	-65,752,300	-48,804,696
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	25 - Nov 13	26 - Dec 13	27 - Jan 14	28 - Feb 14	29 - Mar 14	30 - Apr 14	31 - May 14	32 - Jun 14	33 - Jul 14	34 - Aug 14	35 - Sep 14	36 - Oct 14
<b>Poplar 35% £82</b>												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,094,258
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	13,183,625
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	110,727	110,727	110,727	110,727	110,727	110,727	110,727	110,727	110,727	110,727	110,727	83,045
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	1,753,425
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	59,601	59,601	59,601	59,601	59,601	59,601	59,601	59,601	59,601	59,601	59,601	59,601
Rented Block C (sale)	64,620	64,620	64,620	64,620	64,620	64,620	64,620	64,620	64,620	64,620	64,620	64,620
Car Parking (sale)	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-43,038	-43,038	-43,038	-43,038	-43,038	-43,038	-43,038	-43,038	-43,038	-43,038	-43,038	-406,654
Direct Sale Legal Fees	-4,304	-4,304	-4,304	-4,304	-4,304	-4,304	-4,304	-4,304	-4,304	-4,304	-4,304	-40,665
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-48,804,696	-49,597,370	-51,133,966	-51,926,640	-52,719,314	-54,302,738	-55,095,412	-55,888,086	-57,519,042	-58,311,716	-59,104,390	-60,783,591
<b>Revenue</b>	1,721,539	1,721,539	1,721,539	1,721,539	1,721,539	1,721,539	1,721,539	1,721,539	1,721,539	1,721,539	1,721,539	16,266,155
<b>Outgoings</b>	-2,514,213	-2,514,213	-2,514,213	-2,514,213	-2,514,213	-2,514,213	-2,514,213	-2,514,213	-2,514,213	-2,514,213	-2,514,213	-2,914,190
<b>Interest</b>	0	-743,921	0	0	-790,750	0	0	-838,282	0	0	-886,527	0
<b>Balance C/F</b>	-49,597,370	-51,133,966	-51,926,640	-52,719,314	-54,302,738	-55,095,412	-55,888,086	-57,519,042	-58,311,716	-59,104,390	-60,783,591	-67,431,626
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00



	37 - Nov 14	38 - Dec 14	39 - Jan 15	40 - Feb 15	41 - Mar 15	42 - Apr 15	43 - May 15	44 - Jun 15	45 - Jul 15	46 - Aug 15	47 - Sep 15	48 - Oct 15
<b>Poplar 35% £82</b>												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,094,258											
Private Res Block B (sale)	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	791,018
Private Res Block C (sale)	0	0	0	0	15,185,275	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822
Intermediate Block A (sale)	83,045											
Intermediate Block B (sale)	140,274	140,274	140,274	140,274	140,274	140,274	140,274	140,274	140,274	140,274	140,274	105,206
Intermediate Block C (sale)	0	0	0	0	742,388	59,391	59,391	59,391	59,391	59,391	59,391	59,391
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	64,620	64,620	64,620	64,620	64,620	64,620	0	0	0	0	0	0
Car Parking (sale)	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	0	0	0	0	0	0
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	0	0	0	0	0	0
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-61,612	-32,179	-32,179	-32,179	-430,371	-64,034	-62,419	-62,419	-62,419	-62,419	-62,419	-54,950
Direct Sale Legal Fees	-6,161	-3,218	-3,218	-3,218	-43,037	-6,403	-6,242	-6,242	-6,242	-6,242	-6,242	-5,495
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-47,431,626	-47,501,802	-49,435,125	-50,650,228	-51,865,330	-38,291,637	-35,810,901	-33,393,008	-31,476,131	-29,058,238	-26,640,345	-24,622,178
<b>Revenue</b>	2,464,468	1,287,165	1,287,165	1,287,165	17,214,827	2,561,378	2,496,758	2,496,758	2,496,758	2,496,758	2,496,758	2,198,017
<b>Outgoings</b>	-2,534,644	-2,502,268	-2,502,268	-2,502,268	-2,940,279	-80,642	-78,865	-78,865	-78,865	-78,865	-78,865	-70,650
<b>Interest</b>	0	-718,220	0	0	-700,855	0	0	-501,015	0	0	-399,725	0
<b>Balance C/F</b>	-47,501,802	-49,435,125	-50,650,228	-51,865,330	-38,291,637	-35,810,901	-33,393,008	-31,476,131	-29,058,238	-26,640,345	-24,622,178	-22,494,811
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	49 - Nov 15	50 - Dec 15	51 - Jan 16	52 - Feb 16	53 - Mar 16	54 - Apr 16
<b>Poplar 35% £82</b>						
Inv. Value-A 7.5%	0	0	0	0	0	16,015,992
Inv. Value-B 6%	0	0	0	0	0	1,439,036
Private Res Block A (sale)	791,018	0	0	0	0	0
Private Res Block B (sale)	1,214,822	1,214,822	1,214,822	1,214,822	911,117	911,117
Private Res Block C (sale)	0	0	0	0	0	0
Intermediate Block A (sale)	105,206	0	0	0	0	0
Intermediate Block B (sale)	59,391	59,391	59,391	59,391	44,543	44,543
Intermediate Block C (sale)	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0
Car Parking (sale)	27,581	27,581	27,581	27,581	27,581	27,581
Site Value	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0
S106	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0
Build Costs	0	0	0	0	0	0
Nhbc Costs	0	0	0	0	0	0
Professional Fees	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	-147,175
Letting Legal Fees	0	0	0	0	0	-73,588
Invest.sale Agents Fee	0	0	0	0	0	-188,354
Invest.sale Legal Fees	0	0	0	0	0	-94,177
Direct Sale Agents Fee	-54,950	-32,545	-32,545	-32,545	-24,581	-24,581
Direct Sale Legal Fees	-5,495	-3,254	-3,254	-3,254	-2,458	-2,458
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	<b>-22,494,811</b>	<b>-20,367,443</b>	<b>-19,421,607</b>	<b>-18,165,816</b>	<b>-16,910,026</b>	<b>-16,219,283</b>
<b>Revenue</b>	<b>2,198,017</b>	<b>1,301,794</b>	<b>1,301,794</b>	<b>1,301,794</b>	<b>983,240</b>	<b>18,438,268</b>
<b>Outgoings</b>	<b>-70,650</b>	<b>-46,003</b>	<b>-46,003</b>	<b>-46,003</b>	<b>-37,243</b>	<b>-540,538</b>
<b>Interest</b>	<b>0</b>	<b>-309,954</b>	<b>0</b>	<b>0</b>	<b>-255,254</b>	<b>0</b>
<b>Balance C/F</b>	<b>-20,367,443</b>	<b>-19,421,607</b>	<b>-18,165,816</b>	<b>-16,910,026</b>	<b>-16,219,283</b>	<b>1,678,447</b>
Debt Intrt %pa	6.00	6.00	6.00	6.00	6.00	6.00

<b>REVENUE</b>	File: Poplar 35% £191		
Offices	56,183.00 sq-ft at 22.00 psf/pa	1,236,026	
Workshops	8,021.00 sq-ft at 18.00 psf/pa	144,378	
<b>Inv.Value-A</b>	Net annual income	1,380,404	
	Capitalised at 7.5% Yield	18,405,387	
	Less Unpaid Rent: 12 Months Income	1,380,404	
	Less Purchasers costs at 5.8%	1,008,991	16,015,992
Ground Rents	261.00 sq-ft at 350.00 psf/pa	91,350	
<b>Inv.Value-B</b>	Net annual income	91,350	
	Capitalised at 6% Yield	1,522,500	
	Less Purchasers costs at 5.8%	83,464	1,439,036
Private Res Block A	76,790.00 sq-ft at 475.00 psf		36,475,250
Private Res Block B	55,510.00 sq-ft at 475.00 psf		26,367,250
Private Res Block C	63,938.00 sq-ft at 475.00 psf		30,370,550
Intermediate Block A	12,303.00 sq-ft at 225.00 psf		2,768,175
Intermediate Block B	15,586.00 sq-ft at 225.00 psf		3,506,850
Intermediate Block C	6,599.00 sq-ft at 225.00 psf		1,484,775
Rented Block A	44,014.00 sq-ft at 191.00 psf		8,406,674
Rented Block B	13,810.00 sq-ft at 191.00 psf		2,637,710
Rented Block C	14,973.00 sq-ft at 191.00 psf		2,859,843
Car Parking	57 spaces at 15,000.00 ea.		855,000
(Net Income: 1,471,754) (Inv.Sales: 17,455,028) (Dir.Sales: 115,732,077)		<b>REVENUE</b>	133,187,105

**COSTS**

Site Value		16,000,000	
Site Stamp Duty	at 4.00%	640,000	
Site Legal Fees	at 0.80%	128,000	
Site Agency Fees	at 1.00%	160,000	
		Site Costs	16,928,000
S106		2,940,000	
Compensation Payments		750,000	
		Initial Payments	3,690,000
Build Costs		80,000,000	
Nhbc Costs		400,000	
Professional Fees	at 10.00%	8,040,000	
		Build Costs	88,440,000
Letting Agents Fee	at 10.00%	147,175	
Letting Legal Fees	at 5.00%	73,588	
Invest.sale Agents Fee	at 1.00%	188,354	
Invest.sale Legal Fees	at 0.50%	94,177	
Direct Sale Agents Fee	at 2.50%	2,893,302	
Direct Sale Legal Fees	at 0.25%	289,330	
		Disposal Fees	3,685,927
Marketing		500,000	
		End Payments	500,000

**INTEREST**

6.00% pa	(See CASHFLOW)	9,164,105
Site Costs	on Debt charged Quarterly and compounded Quarterly	
S106	Month 1 (Nov 11)	
	Month 6 (Apr 12)	

Compensation Payments	Month 1 (Nov 11)		
Building Costs	Month 6 to 41 (Apr 12 - Mar 15)		
Marketing	Month 6 to 54 (Apr 12 - Apr 16)		
Investment Sales	Month 54 (Apr 16)		
Private Res Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)		
Private Res Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)		
Private Res Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)		
Intermediate Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)		
Intermediate Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)		
Intermediate Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)		
Rented Block A (sale)	Month 6 to 24 (Apr 12 - Oct 13)		
Rented Block B (sale)	Month 18 to 36 (Apr 13 - Oct 14)		
Rented Block C (sale)	Month 24 to 42 (Oct 13 - Apr 15)		
Car Parking (sale)	Month 24 to 54 (Oct 13 - Apr 16)		
<b>PROFIT</b>	10,779,073	<b>COSTS</b>	122,408,032
<b>PROFIT/SALE</b>	8.09%	<b>PROFIT/COST</b>	8.81%
<b>IRR</b>	N/A		

	1 - Nov 11	2 - Dec 11	3 - Jan 12	4 - Feb 12	5 - Mar 12	6 - Apr 12	7 - May 12	8 - Jun 12	9 - Jul 12	10 - Aug 12	11 - Sep 12	12 - Oct 12
<b>Poplar 35% £191</b>												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	442,457	442,457	442,457	442,457	442,457	442,457	442,457
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Site Value	-16,000,000											
Site Stamp Duty	-640,000											
Site Legal Fees	-128,000											
Site Agency Fees	-160,000											
S106	0					-2,940,000	0	0	0	0	0	0
Compensation Payments	-750,000					0	0	0	0	0	0	0
Build Costs	0	0	0	0	0	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	0	0	0	0	0	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	0	0	0	0	0	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	0	0	0	0	0	-11,061	-11,061	-11,061	-11,061	-11,061	-11,061	-11,061
Direct Sale Legal Fees	0	0	0	0	0	-1,106	-1,106	-1,106	-1,106	-1,106	-1,106	-1,106
Marketing	0	0	0	0	0	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	0	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,098,738	-25,135,320	-27,548,830	-29,585,412	-31,621,994	-34,132,804
<b>Revenue</b>	0	0	0	0	0	442,457	442,457	442,457	442,457	442,457	442,457	442,457
<b>Outgoings</b>	-17,678,000	0	0	0	0	-5,419,038	-2,479,038	-2,479,038	-2,479,038	-2,479,038	-2,479,038	-2,479,038
<b>Interest</b>	0	-176,341	0	0	-267,815	0	0	-376,929	0	0	-474,229	0
<b>Balance C/F</b>	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,098,738	-25,135,320	-27,548,830	-29,585,412	-31,621,994	-34,132,804	-36,169,386
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	13 - Nov 12	14 - Dec 12	15 - Jan 13	16 - Feb 13	17 - Mar 13	18 - Apr 13	19 - May 13	20 - Jun 13	21 - Jul 13	22 - Aug 13	23 - Sep 13	24 - Oct 13
<b>Poplar 35% £191</b>												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	18,237,625
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	1,384,088
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	442,457	442,457	442,457	442,457	442,457	442,457	442,457	442,457	442,457	442,457	442,457	442,457
Rented Block B (sale)	0	0	0	0	0	138,827	138,827	138,827	138,827	138,827	138,827	138,827
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	150,518
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	27,581
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-11,061	-11,061	-11,061	-11,061	-11,061	-14,532	-14,532	-14,532	-14,532	-14,532	-14,532	-509,527
Direct Sale Legal Fees	-1,106	-1,106	-1,106	-1,106	-1,106	-1,453	-1,453	-1,453	-1,453	-1,453	-1,453	-50,953
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-36,169,386	-38,205,968	-40,815,538	-42,852,120	-44,888,702	-47,598,513	-49,500,086	-51,401,658	-54,074,161	-55,975,734	-57,877,307	-60,646,945
<b>Revenue</b>	442,457	442,457	442,457	442,457	442,457	581,283	581,283	581,283	581,283	581,283	581,283	20,381,095
<b>Outgoings</b>	-2,479,038	-2,479,038	-2,479,038	-2,479,038	-2,479,038	-2,482,856	-2,482,856	-2,482,856	-2,482,856	-2,482,856	-2,482,856	-3,027,351
<b>Interest</b>	0	-572,988	0	0	-673,229	0	0	-770,931	0	0	-868,065	0
<b>Balance C/F</b>	-38,205,968	-40,815,538	-42,852,120	-44,888,702	-47,598,513	-49,500,086	-51,401,658	-54,074,161	-55,975,734	-57,877,307	-60,646,945	-43,293,201
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	25 - Nov 13	26 - Dec 13	27 - Jan 14	28 - Feb 14	29 - Mar 14	30 - Apr 14	31 - May 14	32 - Jun 14	33 - Jul 14	34 - Aug 14	35 - Sep 14	36 - Oct 14
<b>Poplar 35% £191</b>												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,459,010	1,094,258
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	13,183,625
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	110,727	110,727	110,727	110,727	110,727	110,727	110,727	110,727	110,727	110,727	110,727	83,045
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	1,753,425
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827
Rented Block C (sale)	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518
Car Parking (sale)	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-47,167	-47,167	-47,167	-47,167	-47,167	-47,167	-47,167	-47,167	-47,167	-47,167	-47,167	-410,782
Direct Sale Legal Fees	-4,717	-4,717	-4,717	-4,717	-4,717	-4,717	-4,717	-4,717	-4,717	-4,717	-4,717	-41,078
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-43,293,201	-43,925,292	-45,216,232	-45,848,323	-46,480,415	-47,809,681	-48,441,772	-49,073,864	-50,442,032	-51,074,123	-51,706,215	-53,113,868
<b>Revenue</b>	1,886,663	1,886,663	1,886,663	1,886,663	1,886,663	1,886,663	1,886,663	1,886,663	1,886,663	1,886,663	1,886,663	16,431,278
<b>Outgoings</b>	-2,518,754	-2,518,754	-2,518,754	-2,518,754	-2,518,754	-2,518,754	-2,518,754	-2,518,754	-2,518,754	-2,518,754	-2,518,754	-2,918,731
<b>Interest</b>	0	-658,848	0	0	-697,175	0	0	-736,077	0	0	-775,562	0
<b>Balance C/F</b>	-43,925,292	-45,216,232	-45,848,323	-46,480,415	-47,809,681	-48,441,772	-49,073,864	-50,442,032	-51,074,123	-51,706,215	-53,113,868	-39,601,321
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	37 - Nov 14	38 - Dec 14	39 - Jan 15	40 - Feb 15	41 - Mar 15	42 - Apr 15	43 - May 15	44 - Jun 15	45 - Jul 15	46 - Aug 15	47 - Sep 15	48 - Oct 15
<b>Poplar 35% £191</b>												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,094,258	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	791,018
Private Res Block C (sale)	83,045	0	0	0	15,185,275	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822
Intermediate Block A (sale)	140,274	140,274	140,274	140,274	140,274	140,274	140,274	140,274	140,274	140,274	140,274	105,206
Intermediate Block B (sale)	0	0	0	0	742,388	59,391	59,391	59,391	59,391	59,391	59,391	59,391
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	150,518	150,518	150,518	150,518	150,518	150,518	0	0	0	0	0	0
Car Parking (sale)	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581	27,581
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	0	0	0	0	0	0
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	0	0	0	0	0	0	0
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	0	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-63,759	-34,327	-34,327	-34,327	-432,518	-66,182	-62,419	-62,419	-62,419	-62,419	-62,419	-54,950
Direct Sale Legal Fees	-6,376	-3,433	-3,433	-3,433	-43,252	-6,618	-6,242	-6,242	-6,242	-6,242	-6,242	-5,495
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-39,601,321	-39,587,961	-41,319,044	-42,450,612	-43,582,179	-29,800,707	-27,236,435	-24,818,543	-22,773,048	-20,355,155	-17,937,263	-15,788,549
<b>Revenue</b>	2,550,365	1,373,063	1,373,063	1,373,063	17,300,725	2,647,276	2,496,758	2,496,758	2,496,758	2,496,758	2,496,758	2,198,017
<b>Outgoings</b>	-2,537,006	-2,504,630	-2,504,630	-2,504,630	-2,942,641	-83,004	-78,865	-78,865	-78,865	-78,865	-78,865	-70,650
<b>Interest</b>	0	-599,516	0	0	-576,612	0	0	-372,398	0	0	-269,179	0
<b>Balance C/F</b>	-39,587,961	-41,319,044	-42,450,612	-43,582,179	-29,800,707	-27,236,435	-24,818,543	-22,773,048	-20,355,155	-17,937,263	-15,788,549	-13,661,182
Debt Intr %/pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00



	49 - Nov 15	50 - Dec 15	51 - Jan 16	52 - Feb 16	53 - Mar 16	54 - Apr 16
<b>Poplar 35% £191</b>						
Inv. Value-A 7.5%	0	0	0	0	0	16,015,992
Inv. Value-B 6%	0	0	0	0	0	1,439,036
Private Res Block A (sale)	0	0	0	0	0	0
Private Res Block B (sale)	791,018	0	0	0	0	0
Private Res Block C (sale)	1,214,822	1,214,822	1,214,822	1,214,822	911,117	911,117
Intermediate Block A (sale)	0	0	0	0	0	0
Intermediate Block B (sale)	105,206	0	0	0	0	0
Intermediate Block C (sale)	59,391	59,391	59,391	59,391	44,543	44,543
Rented Block A (sale)	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0
Car Parking (sale)	27,581	27,581	27,581	27,581	27,581	27,581
Site Value	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0
S106	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0
Build Costs	0	0	0	0	0	0
Nhbc Costs	0	0	0	0	0	0
Professional Fees	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	-147,175
Invest.sale Agents Fee	0	0	0	0	0	-73,588
Invest.sale Legal Fees	0	0	0	0	0	-188,354
Direct Sale Agents Fee	-54,950	-32,545	-32,545	-32,545	-24,581	-24,581
Direct Sale Legal Fees	-5,495	-3,254	-3,254	-3,254	-2,458	-2,458
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-13,661,182	-11,533,815	-10,455,473	-9,199,683	-7,943,893	-7,118,658
<b>Revenue</b>	2,198,017	1,301,794	1,301,794	1,301,794	983,240	18,438,268
<b>Outgoings</b>	-70,650	-46,003	-46,003	-46,003	-37,243	-540,538
<b>Interest</b>	0	-177,449	0	0	-120,762	0
<b>Balance C/F</b>	-11,533,815	-10,455,473	-9,199,683	-7,943,893	-7,118,658	10,779,073
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00

<b>REVENUE</b>		File: Poplar 25% £191 70-30	
Offices	56,183.00 sq-ft at 22.00 psf/pa	1,236,026	
Workshops	8,021.00 sq-ft at 18.00 psf/pa	144,378	
<b>Inv.Value-A</b>	Net annual income	1,380,404	
	Capitalised at 7.5% Yield	18,405,387	
	Less Unpaid Rent: 12 Months Income	1,380,404	
	Less Purchasers costs at 5.8%	1,008,991	16,015,992
Ground Rents	303.00 sq-ft at 350.00 psf/pa	106,050	
<b>Inv.Value-B</b>	Net annual income	106,050	
	Capitalised at 6% Yield	1,767,500	
	Less Purchasers costs at 5.8%	96,895	1,670,605
Private Res Block A	108,201.00 sq-ft at 475.00 psf		51,395,475
Private Res Block B	55,510.00 sq-ft at 475.00 psf		26,367,250
Private Res Block C	63,938.00 sq-ft at 475.00 psf		30,370,550
Intermediate Block A	8,701.00 sq-ft at 225.00 psf		1,957,725
Intermediate Block B	11,023.00 sq-ft at 225.00 psf		2,480,175
Intermediate Block C	4,667.00 sq-ft at 225.00 psf		1,050,075
Rented Block A	31,127.00 sq-ft at 191.00 psf		5,945,257
Rented Block B	9,767.00 sq-ft at 191.00 psf		1,865,497
Rented Block C	10,589.00 sq-ft at 191.00 psf		2,022,499
Car Parking	66 spaces at 15,000.00 ea.		990,000
(Net Income: 1,486,454) (Inv.Sales: 17,686,597) (Dir.Sales: 124,444,503)		<b>REVENUE</b>	142,131,100

#### **COSTS**

Site Value		16,000,000	
Site Stamp Duty	at 4.00%	640,000	
Site Legal Fees	at 0.80%	128,000	
Site Agency Fees	at 1.00%	160,000	
		Site Costs	16,928,000
S106		2,940,000	
Compensation Payments		750,000	
		Initial Payments	3,690,000
Build Costs		80,000,000	
Nhbc Costs		400,000	
Professional Fees	at 10.00%	8,040,000	
		Build Costs	88,440,000
Letting Agents Fee	at 10.00%	148,645	
Letting Legal Fees	at 5.00%	74,323	
Invest.sale Agents Fee	at 1.00%	190,670	
Invest.sale Legal Fees	at 0.50%	95,335	
Direct Sale Agents Fee	at 2.50%	3,111,113	
Direct Sale Legal Fees	at 0.25%	311,111	
		Disposal Fees	3,931,197
Marketing		500,000	
		End Payments	500,000
<b>INTEREST</b>	<b>(See CASHFLOW)</b>		8,040,875
6.00% pa	on Debt charged Quarterly and compounded Quarterly		
Site Costs	Month 1 (Nov 11)		
S106	Month 6 (Apr 12)		

Compensation Payments	Month 1 (Nov 11)		
Building Costs	Month 6 to 41 (Apr 12 - Mar 15)		
Marketing	Month 6 to 54 (Apr 12 - Apr 16)		
Investment Sales	Month 54 (Apr 16)		
Private Res Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)		
Private Res Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)		
Private Res Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)		
Intermediate Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)		
Intermediate Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)		
Intermediate Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)		
Rented Block A (sale)	Month 6 to 24 (Apr 12 - Oct 13)		
Rented Block B (sale)	Month 18 to 36 (Apr 13 - Oct 14)		
Rented Block C (sale)	Month 24 to 42 (Oct 13 - Apr 15)		
Car Parking (sale)	Month 24 to 54 (Oct 13 - Apr 16)		
<b>PROFIT</b>	20,601,028	<b>COSTS</b>	121,530,072
<b>PROFIT/SALE</b>	14.49%	<b>PROFIT/COST</b>	16.95%
<b>IRR</b>	N/A		

	1 - Nov 11	2 - Dec 11	3 - Jan 12	4 - Feb 12	5 - Mar 12	6 - Apr 12	7 - May 12	8 - Jun 12	9 - Jul 12	10 - Aug 12	11 - Sep 12	12 - Oct 12
Poplar 25% £191 70-30												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	312,908	312,908	312,908	312,908	312,908	312,908	312,908
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Site Value	-16,000,000											
Site Stamp Duty	-640,000											
Site Legal Fees	-128,000											
Site Agency Fees	-160,000											
S106	0					-2,940,000						
Compensation Payments	-750,000											
Build Costs	0					-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	0					-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	0					-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0					0	0	0	0	0	0	0
Letting Legal Fees	0					0	0	0	0	0	0	0
Invest.sale Agents Fee	0					0	0	0	0	0	0	0
Invest.sale Legal Fees	0					0	0	0	0	0	0	0
Direct Sale Agents Fee	0					0	0	0	0	0	0	0
Direct Sale Legal Fees	0					-7,823	-7,823	-7,823	-7,823	-7,823	-7,823	-7,823
Marketing	0					-782	-782	-782	-782	-782	-782	-782
<b>Balance B/F</b>	0	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,224,724	-25,387,291	-27,930,561	-30,093,128	-32,255,695	-34,901,991
<b>Revenue</b>	0					312,908	312,908	312,908	312,908	312,908	312,908	312,908
<b>Outgoings</b>	-17,678,000					-5,415,476	-2,475,476	-2,475,476	-2,475,476	-2,475,476	-2,475,476	-2,475,476
<b>Interest</b>	0	-176,341	0	0	-267,815	0	0	-380,702	0	0	-483,728	0
<b>Balance C/F</b>	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,224,724	-25,387,291	-27,930,561	-30,093,128	-32,255,695	-34,901,991	-37,064,558
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	13 - Nov 12	14 - Dec 12	15 - Jan 13	16 - Feb 13	17 - Mar 13	18 - Apr 13	19 - May 13	20 - Jun 13	21 - Jul 13	22 - Aug 13	23 - Sep 13	24 - Oct 13
Poplar 25% £191 70-30												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	25,697,738
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	978,863
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	312,908	312,908	312,908	312,908	312,908	312,908	312,908	312,908	312,908	312,908	312,908	312,908
Rented Block B (sale)	0	0	0	0	0	98,184	98,184	98,184	98,184	98,184	98,184	98,184
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	106,447
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	31,935
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-7,823	-7,823	-7,823	-7,823	-7,823	-10,277	-10,277	-10,277	-10,277	-10,277	-10,277	-680,652
Direct Sale Legal Fees	-782	-782	-782	-782	-782	-1,028	-1,028	-1,028	-1,028	-1,028	-1,028	-68,065
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-37,064,558	-39,227,126	-41,977,993	-44,140,560	-46,303,128	-49,160,135	-51,227,218	-53,294,302	-56,160,697	-58,227,781	-60,294,864	-63,266,268
<b>Revenue</b>	312,908	312,908	312,908	312,908	312,908	411,092	411,092	411,092	411,092	411,092	411,092	27,226,075
<b>Outgoings</b>	-2,475,476	-2,475,476	-2,475,476	-2,475,476	-2,475,476	-2,478,176	-2,478,176	-2,478,176	-2,478,176	-2,478,176	-2,478,176	-3,215,588
<b>Interest</b>	0	-588,300	0	0	-694,440	0	-799,312	0	0	0	-904,320	0
<b>Balance C/F</b>	-39,227,126	-41,977,993	-44,140,560	-46,303,128	-49,160,135	-51,227,218	-53,294,302	-56,160,697	-58,227,781	-60,294,864	-63,266,268	-39,255,781
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	25 - Nov 13	26 - Dec 13	27 - Jan 14	28 - Feb 14	29 - Mar 14	30 - Apr 14	31 - May 14	32 - Jun 14	33 - Jul 14	34 - Aug 14	35 - Sep 14	36 - Oct 14
Poplar 25% £191 70-30												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	1,541,864
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	13,183,625
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	78,309	78,309	78,309	78,309	78,309	78,309	78,309	78,309	78,309	78,309	78,309	58,732
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	1,240,088
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184
Rented Block C (sale)	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447
Car Parking (sale)	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-59,267	-59,267	-59,267	-59,267	-59,267	-59,267	-59,267	-59,267	-59,267	-59,267	-59,267	-406,522
Direct Sale Legal Fees	-5,927	-5,927	-5,927	-5,927	-5,927	-5,927	-5,927	-5,927	-5,927	-5,927	-5,927	-40,652
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-39,255,781	-39,417,151	-40,169,770	-40,331,140	-40,492,510	-41,261,260	-41,422,630	-41,584,000	-42,369,122	-42,530,492	-42,691,862	-43,493,602
<b>Revenue</b>	2,370,695	2,370,695	2,370,695	2,370,695	2,370,695	2,370,695	2,370,695	2,370,695	2,370,695	2,370,695	2,370,695	16,260,875
<b>Outgoings</b>	-2,532,065	-2,532,065	-2,532,065	-2,532,065	-2,532,065	-2,532,065	-2,532,065	-2,532,065	-2,532,065	-2,532,065	-2,532,065	-2,914,045
<b>Interest</b>	0	-591,249	0	0	-607,380	0	0	-623,752	0	0	-640,370	0
<b>Balance C/F</b>	-39,417,151	-40,169,770	-40,331,140	-40,492,510	-41,261,260	-41,422,630	-41,584,000	-42,369,122	-42,530,492	-42,691,862	-43,493,602	-30,146,771
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	37 - Nov 14	38 - Dec 14	39 - Jan 15	40 - Feb 15	41 - Mar 15	42 - Apr 15	43 - May 15	44 - Jun 15	45 - Jul 15	46 - Aug 15	47 - Sep 15	48 - Oct 15
Poplar 25% £191 70-30												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,541,864	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	791,018
Private Res Block C (sale)	0	0	0	0	15,185,275	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822
Intermediate Block A (sale)	58,732	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	99,207	99,207	99,207	99,207	99,207	99,207	99,207	99,207	99,207	99,207	99,207	74,405
Intermediate Block C (sale)	0	0	0	0	525,038	42,003	42,003	42,003	42,003	42,003	42,003	42,003
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	106,447	106,447	106,447	106,447	106,447	106,447	0	0	0	0	0	0
Car Parking (sale)	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-63,728	-61,066	-61,066	-61,066	-61,066	-61,066	-53,855
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-6,373	-6,107	-6,107	-6,107	-6,107	-6,107	-5,385
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-72,322	-32,307	-32,307	-32,307	-425,065	-63,728	-61,066	-61,066	-61,066	-61,066	-61,066	-53,855
Direct Sale Legal Fees	-7,232	-3,231	-3,231	-3,231	-42,506	-6,373	-6,107	-6,107	-6,107	-6,107	-6,107	-5,385
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-30,146,771	-29,800,320	-31,465,215	-32,675,344	-33,885,472	-20,249,532	-17,780,731	-15,415,451	-13,281,520	-10,916,239	-8,550,959	-6,314,061
<b>Revenue</b>	2,892,876	1,292,280	1,292,280	1,292,280	17,002,592	2,549,105	2,442,657	2,442,657	2,442,657	2,442,657	2,442,657	2,154,183
<b>Outgoings</b>	-2,546,425	-2,502,408	-2,502,408	-2,502,408	-2,934,442	-80,304	-77,377	-77,377	-77,377	-77,377	-77,377	-69,444
<b>Interest</b>	0	-454,766	0	0	-432,209	0	0	-231,349	0	0	-128,382	0
<b>Balance C/F</b>	-29,800,320	-31,465,215	-32,675,344	-33,885,472	-20,249,532	-17,780,731	-15,415,451	-13,281,520	-10,916,239	-8,550,959	-6,314,061	-4,229,321
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00



	49 - Nov 15	50 - Dec 15	51 - Jan 16	52 - Feb 16	53 - Mar 16	54 - Apr 16
Poplar 25% £191 70-30						
Inv. Value-A 7.5%	0	0	0	0	0	16,015,992
Inv. Value-B 6%	0	0	0	0	0	1,670,605
Private Res Block A (sale)	0	0	0	0	0	0
Private Res Block B (sale)	791,018	0	0	0	0	0
Private Res Block C (sale)	1,214,822	1,214,822	1,214,822	1,214,822	911,117	911,117
Intermediate Block A (sale)	0	0	0	0	0	0
Intermediate Block B (sale)	74,405	0	0	0	0	0
Intermediate Block C (sale)	42,003	42,003	42,003	42,003	31,502	31,502
Rented Block A (sale)	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0
Car Parking (sale)	31,935	31,935	31,935	31,935	31,935	31,935
Site Value	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0
S106	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0
Build Costs	0	0	0	0	0	0
Nhbc Costs	0	0	0	0	0	0
Professional Fees	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	-148,645
Letting Legal Fees	0	0	0	0	0	-74,323
Invest.sale Agents Fee	0	0	0	0	0	-190,670
Invest.sale Legal Fees	0	0	0	0	0	-95,335
Direct Sale Agents Fee	-53,855	-32,219	-32,219	-32,219	-24,364	-24,364
Direct Sale Legal Fees	-5,385	-3,222	-3,222	-3,222	-2,436	-2,436
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	<b>-4,229,321</b>	<b>-2,144,582</b>	<b>-937,926</b>	<b>305,189</b>	<b>1,548,305</b>	<b>2,485,855</b>
<b>Revenue</b>	<b>2,154,183</b>	<b>1,288,760</b>	<b>1,288,760</b>	<b>1,288,760</b>	<b>974,554</b>	<b>18,661,151</b>
<b>Outgoings</b>	<b>-69,444</b>	<b>-45,645</b>	<b>-45,645</b>	<b>-45,645</b>	<b>-37,004</b>	<b>-545,977</b>
<b>Interest</b>	<b>0</b>	<b>-36,459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance C/F</b>	<b>-2,144,582</b>	<b>-937,926</b>	<b>305,189</b>	<b>1,548,305</b>	<b>2,485,855</b>	<b>20,601,028</b>
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00

<b>REVENUE</b>	File: Poplar 25% £191 50-50		
Offices	56,183.00 sq-ft at 22.00 psf/pa	1,236,026	
Workshops	8,021.00 sq-ft at 18.00 psf/pa	144,378	
<b>Inv.Value-A</b>	Net annual income	1,380,404	
	Capitalised at 7.5% Yield	18,405,387	
	Less Unpaid Rent: 12 Months Income	1,380,404	
	Less Purchasers costs at 5.8%	1,008,991	16,015,992
Ground Rents	303.00 sq-ft at 350.00 psf/pa	106,050	
<b>Inv.Value-B</b>	Net annual income	106,050	
	Capitalised at 6% Yield	1,767,500	
	Less Purchasers costs at 5.8%	96,895	1,670,605
Private Res Block A	108,201.00 sq-ft at 475.00 psf		51,395,475
Private Res Block B	55,510.00 sq-ft at 475.00 psf		26,367,250
Private Res Block C	63,938.00 sq-ft at 475.00 psf		30,370,550
Intermediate Block A	22,247.00 sq-ft at 225.00 psf		5,005,575
Intermediate Block B	11,023.00 sq-ft at 225.00 psf		2,480,175
Intermediate Block C	4,667.00 sq-ft at 225.00 psf		1,050,075
Rented Block A	17,581.00 sq-ft at 191.00 psf		3,357,971
Rented Block B	9,767.00 sq-ft at 191.00 psf		1,865,497
Rented Block C	10,589.00 sq-ft at 191.00 psf		2,022,499
Car Parking	66 spaces at 15,000.00 ea.		990,000
(Net Income: 1,486,454) (Inv.Sales: 17,686,597) (Dir.Sales: 124,905,067)		<b>REVENUE</b>	142,591,664

#### COSTS

Site Value		16,000,000	
Site Stamp Duty	at 4.00%	640,000	
Site Legal Fees	at 0.80%	128,000	
Site Agency Fees	at 1.00%	160,000	
		Site Costs	16,928,000
S106		2,940,000	
Compensation Payments		750,000	
		Initial Payments	3,690,000
Build Costs		80,000,000	
Nhbc Costs		400,000	
Professional Fees	at 10.00%	8,040,000	
		Build Costs	88,440,000
Letting Agents Fee	at 10.00%	148,645	
Letting Legal Fees	at 5.00%	74,323	
Invest.sale Agents Fee	at 1.00%	190,670	
Invest.sale Legal Fees	at 0.50%	95,335	
Direct Sale Agents Fee	at 2.50%	3,122,627	
Direct Sale Legal Fees	at 0.25%	312,263	
		Disposal Fees	3,943,862
Marketing		500,000	
		End Payments	500,000

#### INTEREST

	<b>(See CASHFLOW)</b>	8,164,976
6.00% pa	on Debt charged Quarterly and compounded Quarterly	
Site Costs	Month 1 (Nov 11)	
S106	Month 6 (Apr 12)	

Compensation Payments	Month 1 (Nov 11)
Building Costs	Month 6 to 41 (Apr 12 - Mar 15)
Marketing	Month 6 to 54 (Apr 12 - Apr 16)
Investment Sales	Month 54 (Apr 16)
Private Res Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)
Private Res Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)
Private Res Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)
Intermediate Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)
Intermediate Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)
Intermediate Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)
Rented Block A (sale)	Month 6 to 24 (Apr 12 - Oct 13)
Rented Block B (sale)	Month 18 to 36 (Apr 13 - Oct 14)
Rented Block C (sale)	Month 24 to 42 (Oct 13 - Apr 15)
Car Parking (sale)	Month 24 to 54 (Oct 13 - Apr 16)

**PROFIT** 20,924,825

**PROFIT/SALE** 14.67%

**IRR** N/A

<b>COSTS</b>	121,666,839
<b>PROFIT/COST</b>	17.20%

	1 - Nov 11	2 - Dec 11	3 - Jan 12	4 - Feb 12	5 - Mar 12	6 - Apr 12	7 - May 12	8 - Jun 12	9 - Jul 12	10 - Aug 12	11 - Sep 12	12 - Oct 12
Poplar 25% £191 50-50												
Inv.Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv.Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	176,735	176,735	176,735	176,735	176,735	176,735	176,735
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Site Value	-16,000,000											
Site Stamp Duty	-640,000											
Site Legal Fees	-128,000											
Site Agency Fees	-160,000											
S106	0					-2,940,000						
Compensation Payments	-750,000											
Build Costs	0											
Nhbc Costs	0											
Professional Fees	0											
Letting Agents Fee	0											
Letting Legal Fees	0											
Invest.sale Agents Fee	0											
Invest.sale Legal Fees	0											
Direct Sale Agents Fee	0											
Direct Sale Legal Fees	0											
Marketing	0											
<b>Balance B/F</b>	0	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,357,152	-25,652,147	-28,331,811	-30,626,807	-32,921,803	-35,710,511
<b>Revenue</b>	0	0	0	0	0	176,735	176,735	176,735	176,735	176,735	176,735	176,735
<b>Outgoings</b>	-17,678,000	0	0	0	0	-5,411,731	-2,471,731	-2,471,731	-2,471,731	-2,471,731	-2,471,731	-2,471,731
<b>Interest</b>	0	-176,341	0	0	-267,815	0	0	-384,668	0	0	-493,713	0
<b>Balance C/F</b>	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,357,152	-25,652,147	-28,331,811	-30,626,807	-32,921,803	-35,710,511	-38,005,507
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	13 - Nov 12	14 - Dec 12	15 - Jan 13	16 - Feb 13	17 - Mar 13	18 - Apr 13	19 - May 13	20 - Jun 13	21 - Jul 13	22 - Aug 13	23 - Sep 13	24 - Oct 13
Poplar 25% £191 50-50												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	25,697,738
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	2,502,788
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	176,735	176,735	176,735	176,735	176,735	176,735	176,735	176,735	176,735	176,735	176,735	176,735
Rented Block B (sale)	0	0	0	0	0	98,184	98,184	98,184	98,184	98,184	98,184	98,184
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	106,447
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	31,935
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-4,418	-4,418	-4,418	-4,418	-4,418	-6,873	-6,873	-6,873	-6,873	-6,873	-6,873	-715,346
Direct Sale Legal Fees	-442	-442	-442	-442	-442	-687	-687	-687	-687	-687	-687	-71,535
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-38,005,507	-40,300,503	-43,199,892	-45,494,888	-47,789,883	-50,801,613	-53,001,125	-55,200,637	-58,228,049	-60,427,560	-62,627,072	-65,765,881
<b>Revenue</b>	176,735	176,735	176,735	176,735	176,735	274,919	274,919	274,919	274,919	274,919	274,919	28,613,827
<b>Outgoings</b>	-2,471,731	-2,471,731	-2,471,731	-2,471,731	-2,471,731	-2,474,431	-2,474,431	-2,474,431	-2,474,431	-2,474,431	-2,474,431	-3,253,751
<b>Interest</b>	0	-604,394	0	0	-716,734	0	0	-827,900	0	0	-939,297	0
<b>Balance C/F</b>	-40,300,503	-43,199,892	-45,494,888	-47,789,883	-50,801,613	-53,001,125	-55,200,637	-58,228,049	-60,427,560	-62,627,072	-65,765,881	-40,405,805
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	25 - Nov 13	26 - Dec 13	27 - Jan 14	28 - Feb 14	29 - Mar 14	30 - Apr 14	31 - May 14	32 - Jun 14	33 - Jul 14	34 - Aug 14	35 - Sep 14	36 - Oct 14
Poplar 25% £191 50-50												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	2,055,819	1,541,864
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	13,183,625
Intermediate Block A (sale)	200,223	200,223	200,223	200,223	200,223	200,223	200,223	200,223	200,223	200,223	200,223	150,167
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	1,240,088
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184
Rented Block C (sale)	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447
Car Parking (sale)	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-62,315	-62,315	-62,315	-62,315	-62,315	-62,315	-62,315	-62,315	-62,315	-62,315	-62,315	-408,808
Direct Sale Legal Fees	-6,232	-6,232	-6,232	-6,232	-6,232	-6,232	-6,232	-6,232	-6,232	-6,232	-6,232	-40,881
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	<b>-40,405,805</b>	<b>-40,448,613</b>	<b>-41,098,149</b>	<b>-41,140,957</b>	<b>-41,183,766</b>	<b>-41,844,329</b>	<b>-41,887,138</b>	<b>-41,929,946</b>	<b>-42,601,702</b>	<b>-42,644,511</b>	<b>-42,687,319</b>	<b>-43,370,436</b>
<b>Revenue</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>2,492,609</b>	<b>16,352,311</b>
<b>Outgoings</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,535,417</b>	<b>-2,916,559</b>
<b>Interest</b>	<b>0</b>	<b>-606,727</b>	<b>0</b>	<b>0</b>	<b>-617,754</b>	<b>0</b>	<b>0</b>	<b>-628,947</b>	<b>0</b>	<b>0</b>	<b>-640,308</b>	<b>0</b>
<b>Balance C/F</b>	<b>-40,448,613</b>	<b>-41,098,149</b>	<b>-41,140,957</b>	<b>-41,183,766</b>	<b>-41,844,329</b>	<b>-41,887,138</b>	<b>-41,929,946</b>	<b>-42,601,702</b>	<b>-42,644,511</b>	<b>-42,687,319</b>	<b>-43,370,436</b>	<b>-29,934,684</b>
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	37 - Nov 14	38 - Dec 14	39 - Jan 15	40 - Feb 15	41 - Mar 15	42 - Apr 15	43 - May 15	44 - Jun 15	45 - Jul 15	46 - Aug 15	47 - Sep 15	48 - Oct 15
Poplar 25% £191 50-50												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,541,864											
Private Res Block B (sale)	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	791,018
Private Res Block C (sale)	0	0	0	0	15,185,275	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822
Intermediate Block A (sale)	150,167	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	99,207	99,207	99,207	99,207	99,207	99,207	99,207	99,207	99,207	99,207	99,207	74,405
Intermediate Block C (sale)	0	0	0	0	525,038	42,003	42,003	42,003	42,003	42,003	42,003	42,003
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	106,447	106,447	106,447	106,447	106,447	106,447	0	0	0	0	0	0
Car Parking (sale)	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	0	0	0	0	0	0
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	0	0	0	0	0	0
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-74,608	-32,307	-32,307	-32,307	-425,065	-63,728	-61,066	-61,066	-61,066	-61,066	-61,066	-61,066
Direct Sale Legal Fees	-7,461	-3,231	-3,231	-3,231	-42,506	-6,373	-6,107	-6,107	-6,107	-6,107	-6,107	-6,107
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-29,934,684	-29,499,312	-31,160,139	-32,370,267	-33,580,396	-19,939,879	-17,471,079	-15,105,798	-12,967,223	-10,601,942	-8,236,662	-5,995,049
<b>Revenue</b>	2,984,311	1,292,280	1,292,280	1,292,280	17,002,592	2,549,105	2,442,657	2,442,657	2,442,657	2,442,657	2,442,657	2,154,183
<b>Outgoings</b>	-2,548,939	-2,502,408	-2,502,408	-2,502,408	-2,934,442	-80,304	-77,377	-77,377	-77,377	-77,377	-77,377	-69,444
<b>Interest</b>	0	-450,698	0	0	-427,633	0	0	-226,704	0	0	-123,667	0
<b>Balance C/F</b>	-29,499,312	-31,160,139	-32,370,267	-33,580,396	-19,939,879	-17,471,079	-15,105,798	-12,967,223	-10,601,942	-8,236,662	-5,995,049	-3,910,310
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	49 - Nov 15	50 - Dec 15	51 - Jan 16	52 - Feb 16	53 - Mar 16	54 - Apr 16
Poplar 25% £191 50-50						
Inv. Value-A 7.5%	0	0	0	0	0	16,015,992
Inv. Value-B 6%	0	0	0	0	0	1,670,605
Private Res Block A (sale)	0	0	0	0	0	0
Private Res Block B (sale)	791,018	0	0	0	0	0
Private Res Block C (sale)	1,214,822	1,214,822	1,214,822	1,214,822	911,117	911,117
Intermediate Block A (sale)	0	0	0	0	0	0
Intermediate Block B (sale)	74,405	0	0	0	0	0
Intermediate Block C (sale)	42,003	42,003	42,003	42,003	31,502	31,502
Rented Block A (sale)	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0
Car Parking (sale)	31,935	31,935	31,935	31,935	31,935	31,935
Site Value	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0
S106	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0
Build Costs	0	0	0	0	0	0
Nhbc Costs	0	0	0	0	0	0
Professional Fees	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	-148,645
Letting Legal Fees	0	0	0	0	0	-74,323
Invest.sale Agents Fee	0	0	0	0	0	-190,670
Invest.sale Legal Fees	0	0	0	0	0	-95,335
Direct Sale Agents Fee	-53,855	-32,219	-32,219	-32,219	-24,364	-24,364
Direct Sale Legal Fees	-5,385	-3,222	-3,222	-3,222	-2,436	-2,436
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-3,910,310	-1,825,571	-614,129	628,986	1,872,102	2,809,651
<b>Revenue</b>	2,154,183	1,288,760	1,288,760	1,288,760	974,554	18,661,151
<b>Outgoings</b>	-69,444	-45,645	-45,645	-45,645	-37,004	-545,977
<b>Interest</b>	0	-31,674	0	0	0	0
<b>Balance C/F</b>	-1,825,571	-614,129	628,986	1,872,102	2,809,651	20,924,825
Debt Intrt %pa	6.00	6.00	6.00	6.00	6.00	6.00



<b>REVENUE</b>	File: Poplar 30% £191 70-30 £530		
Offices	56,183.00 sq-ft at 22.00 psf/pa	1,236,026	
Workshops	8,021.00 sq-ft at 18.00 psf/pa	144,378	
<b>Inv.Value-A</b>	Net annual income	1,380,404	
	Capitalised at 7.5% Yield	18,405,387	
	Less Unpaid Rent: 12 Months Income	1,380,404	
	Less Purchasers costs at 5.8%	1,008,991	16,015,992
Ground Rents	282.00 sq-ft at 350.00 psf/pa	98,700	
<b>Inv.Value-B</b>	Net annual income	98,700	
	Capitalised at 6% Yield	1,645,000	
	Less Purchasers costs at 5.8%	90,180	1,554,820
Private Res Block A	93,018.00 sq-ft at 530.00 psf		49,299,540
Private Res Block B	55,510.00 sq-ft at 530.00 psf		29,420,300
Private Res Block C	63,938.00 sq-ft at 530.00 psf		33,887,140
Intermediate Block A	14,124.00 sq-ft at 225.00 psf		3,177,900
Intermediate Block B	8,415.00 sq-ft at 225.00 psf		1,893,375
Intermediate Block C	6,599.00 sq-ft at 225.00 psf		1,484,775
Rented Block A	33,136.00 sq-ft at 191.00 psf		6,328,976
Rented Block B	13,810.00 sq-ft at 191.00 psf		2,637,710
Rented Block C	14,973.00 sq-ft at 191.00 psf		2,859,843
Car Parking	61 spaces at 15,000.00 ea.		915,000
(Net Income: 1,479,104)	(Inv.Sales: 17,570,812) (Dir.Sales: 131,904,559)	<b>REVENUE</b>	149,475,371

#### COSTS

Site Value		16,000,000	
Site Stamp Duty	at 4.00%	640,000	
Site Legal Fees	at 0.80%	128,000	
Site Agency Fees	at 1.00%	160,000	
		Site Costs	16,928,000
S106		2,940,000	
Compensation Payments		750,000	
		Initial Payments	3,690,000
Build Costs		80,000,000	
Nhbc Costs		400,000	
Professional Fees	at 10.00%	8,040,000	
		Build Costs	88,440,000
Letting Agents Fee	at 10.00%	147,910	
Letting Legal Fees	at 5.00%	73,955	
Invest.sale Agents Fee	at 1.00%	189,512	
Invest.sale Legal Fees	at 0.50%	94,756	
Direct Sale Agents Fee	at 2.50%	3,297,614	
Direct Sale Legal Fees	at 0.25%	329,761	
		Disposal Fees	4,133,509
Marketing		500,000	
		End Payments	500,000
<b>INTEREST</b>	<b>(See CASHFLOW)</b>		7,698,243
6.00% pa	on Debt charged Quarterly and compounded Quarterly		
Site Costs	Month 1 (Nov 11)		
S106	Month 6 (Apr 12)		

Compensation Payments	Month 1 (Nov 11)		
Building Costs	Month 6 to 41 (Apr 12 - Mar 15)		
Marketing	Month 6 to 54 (Apr 12 - Apr 16)		
Investment Sales	Month 54 (Apr 16)		
Private Res Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)		
Private Res Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)		
Private Res Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)		
Intermediate Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)		
Intermediate Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)		
Intermediate Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)		
Rented Block A (sale)	Month 6 to 24 (Apr 12 - Oct 13)		
Rented Block B (sale)	Month 18 to 36 (Apr 13 - Oct 14)		
Rented Block C (sale)	Month 24 to 42 (Oct 13 - Apr 15)		
Car Parking (sale)	Month 24 to 54 (Oct 13 - Apr 16)		
<b>PROFIT</b>	28,085,619	<b>COSTS</b>	121,389,752
<b>PROFIT/SALE</b>	18.79%	<b>PROFIT/COST</b>	23.14%
<b>IRR</b>	N/A		

	1 - Nov 11	2 - Dec 11	3 - Jan 12	4 - Feb 12	5 - Mar 12	6 - Apr 12	7 - May 12	8 - Jun 12	9 - Jul 12	10 - Aug 12	11 - Sep 12	12 - Oct 12
Poplar 30% £191 70-30 £530												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	333,104	333,104	333,104	333,104	333,104	333,104	333,104
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Site Value	-16,000,000	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	-640,000	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	-128,000	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	-160,000	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	-2,940,000	0	0	0	0	0	0
Compensation Payments	-750,000	0	0	0	0	0	0	0	0	0	0	0
Build Costs	0	0	0	0	0	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	0	0	0	0	0	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	0	0	0	0	0	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	0	0	0	0	0	-8,328	-8,328	-8,328	-8,328	-8,328	-8,328	-8,328
Direct Sale Legal Fees	0	0	0	0	0	-833	-833	-833	-833	-833	-833	-833
Marketing	0	0	0	0	0	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	0	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,205,083	-25,348,010	-27,871,051	-30,013,978	-32,156,905	-34,782,080
<b>Revenue</b>	0	0	0	0	0	333,104	333,104	333,104	333,104	333,104	333,104	333,104
<b>Outgoings</b>	-17,678,000	0	0	0	0	-5,416,031	-2,476,031	-2,476,031	-2,476,031	-2,476,031	-2,476,031	-2,476,031
<b>Interest</b>	0	-176,341	0	0	-267,815	0	0	-380,114	0	0	-482,247	0
<b>Balance C/F</b>	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,205,083	-25,348,010	-27,871,051	-30,013,978	-32,156,905	-34,782,080	-36,925,007
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	13 - Nov 12	14 - Dec 12	15 - Jan 13	16 - Feb 13	17 - Mar 13	18 - Apr 13	19 - May 13	20 - Jun 13	21 - Jul 13	22 - Aug 13	23 - Sep 13	24 - Oct 13
Poplar 30% £191 70-30 £530												
Inv.Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv.Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	24,649,770
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	1,588,950
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	333,104	333,104	333,104	333,104	333,104	333,104	333,104	333,104	333,104	333,104	333,104	333,104
Rented Block B (sale)	0	0	0	0	0	138,827	138,827	138,827	138,827	138,827	138,827	138,827
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	150,518
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	29,516
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-8,328	-8,328	-8,328	-8,328	-8,328	-11,798	-11,798	-11,798	-11,798	-11,798	-11,798	-672,267
Direct Sale Legal Fees	-833	-833	-833	-833	-833	-1,180	-1,180	-1,180	-1,180	-1,180	-1,180	-67,227
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-36,925,007	-39,067,934	-41,796,774	-43,939,701	-46,082,628	-48,916,688	-50,924,606	-52,932,524	-55,734,330	-57,742,248	-59,750,166	-62,654,237
<b>Revenue</b>	333,104	333,104	333,104	333,104	333,104	471,931	471,931	471,931	471,931	471,931	471,931	26,890,685
<b>Outgoings</b>	-2,476,031	-2,476,031	-2,476,031	-2,476,031	-2,476,031	-2,479,849	-2,479,849	-2,479,849	-2,479,849	-2,479,849	-2,479,849	-3,206,365
<b>Interest</b>	0	-585,913	0	0	-691,133	0	0	-793,888	0	0	-896,153	0
<b>Balance C/F</b>	-39,067,934	-41,796,774	-43,939,701	-46,082,628	-48,916,688	-50,924,606	-52,932,524	-55,734,330	-57,742,248	-59,750,166	-62,654,237	-38,969,917
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	25 - Nov 13	26 - Dec 13	27 - Jan 14	28 - Feb 14	29 - Mar 14	30 - Apr 14	31 - May 14	32 - Jun 14	33 - Jul 14	34 - Aug 14	35 - Sep 14	36 - Oct 14
Poplar 30% £191 70-30 £530												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,971,982	1,971,982	1,971,982	1,971,982	1,971,982	1,971,982	1,971,982	1,971,982	1,971,982	1,971,982	1,971,982	1,478,986
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	14,710,150
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	127,116	127,116	127,116	127,116	127,116	127,116	127,116	127,116	127,116	127,116	127,116	95,337
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	946,688
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827	138,827
Rented Block C (sale)	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518	150,518
Car Parking (sale)	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-60,449	-60,449	-60,449	-60,449	-60,449	-60,449	-60,449	-60,449	-60,449	-60,449	-60,449	-438,751
Direct Sale Legal Fees	-6,045	-6,045	-6,045	-6,045	-6,045	-6,045	-6,045	-6,045	-6,045	-6,045	-6,045	-43,875
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-38,969,917	-39,085,323	-39,787,003	-39,902,409	-40,017,815	-40,733,482	-40,848,888	-40,964,294	-41,694,159	-41,809,565	-41,924,971	-42,669,246
<b>Revenue</b>	2,417,959	2,417,959	2,417,959	2,417,959	2,417,959	2,417,959	2,417,959	2,417,959	2,417,959	2,417,959	2,417,959	17,550,022
<b>Outgoings</b>	-2,533,365	-2,533,365	-2,533,365	-2,533,365	-2,533,365	-2,533,365	-2,533,365	-2,533,365	-2,533,365	-2,533,365	-2,533,365	-2,949,496
<b>Interest</b>	0	-586,274	0	0	-600,261	0	0	-614,459	0	0	-628,869	0
<b>Balance C/F</b>	-39,085,323	-39,787,003	-39,902,409	-40,017,815	-40,733,482	-40,848,888	-40,964,294	-41,694,159	-41,809,565	-41,924,971	-42,669,246	-28,068,720
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	37 - Nov 14	38 - Dec 14	39 - Jan 15	40 - Feb 15	41 - Mar 15	42 - Apr 15	43 - May 15	44 - Jun 15	45 - Jul 15	46 - Aug 15	47 - Sep 15	48 - Oct 15
Poplar 30% £191 70-30 £530												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,478,986											
Private Res Block B (sale)	1,176,812	1,176,812	1,176,812	1,176,812	1,176,812	1,176,812	1,176,812	1,176,812	1,176,812	1,176,812	1,176,812	882,609
Private Res Block C (sale)	0	0	0	0	16,943,570	1,355,486	1,355,486	1,355,486	1,355,486	1,355,486	1,355,486	1,355,486
Intermediate Block A (sale)	95,337	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	56,801
Intermediate Block C (sale)	0	0	0	0	742,388	59,391	59,391	59,391	59,391	59,391	59,391	59,391
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	150,518	150,518	150,518	150,518	150,518	150,518	0	0	0	0	0	0
Car Parking (sale)	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516	29,516
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	0	0	0	0	0	0
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	0	0	0	0	0	0
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-75,173	-35,815	-35,815	-35,815	-477,963	-71,186	-67,423	-67,423	-67,423	-67,423	-67,423	-59,595
Direct Sale Legal Fees	-7,517	-3,581	-3,581	-3,581	-47,796	-7,119	-6,742	-6,742	-6,742	-6,742	-6,742	-5,960
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-28,068,720	-27,611,377	-29,106,873	-30,180,558	-31,254,244	-15,511,525	-12,752,576	-10,140,006	-7,679,666	-5,067,096	-2,454,526	120,496
<b>Revenue</b>	3,006,904	1,432,581	1,432,581	1,432,581	19,118,539	2,847,458	2,696,940	2,696,940	2,696,940	2,696,940	2,696,940	2,383,803
<b>Outgoings</b>	-2,549,561	-2,506,267	-2,506,267	-2,506,267	-2,992,631	-88,509	-84,370	-84,370	-84,370	-84,370	-84,370	-75,759
<b>Interest</b>	0	-421,811	0	0	-383,189	0	0	-152,230	0	0	-37,547	0
<b>Balance C/F</b>	-27,611,377	-29,106,873	-30,180,558	-31,254,244	-15,511,525	-12,752,576	-10,140,006	-7,679,666	-5,067,096	-2,454,526	120,496	2,428,541
Debt Inlr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	49 - Nov 15	50 - Dec 15	51 - Jan 16	52 - Feb 16	53 - Mar 16	54 - Apr 16
Poplar 30% £191 70-30 £530						
Inv. Value-A 7.5%	0	0	0	0	0	16,015,992
Inv. Value-B 6%	0	0	0	0	0	1,554,820
Private Res Block A (sale)	0	0	0	0	0	0
Private Res Block B (sale)	882,609	0	0	0	0	0
Private Res Block C (sale)	1,355,486	1,355,486	1,355,486	1,355,486	1,016,614	1,016,614
Intermediate Block A (sale)	0	0	0	0	0	0
Intermediate Block B (sale)	56,801	0	0	0	0	0
Intermediate Block C (sale)	59,391	59,391	59,391	59,391	44,543	44,543
Rented Block A (sale)	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0
Car Parking (sale)	29,516	29,516	29,516	29,516	29,516	29,516
Site Value	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0
S106	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0
Build Costs	0	0	0	0	0	0
Nhbc Costs	0	0	0	0	0	0
Professional Fees	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	-147,910
Letting Legal Fees	0	0	0	0	0	-73,955
Invest.sale Agents Fee	0	0	0	0	0	-189,512
Invest.sale Legal Fees	0	0	0	0	0	-94,756
Direct Sale Agents Fee	-59,595	-36,110	-36,110	-36,110	-27,267	-27,267
Direct Sale Legal Fees	-5,960	-3,611	-3,611	-3,611	-2,727	-2,727
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	2,428,541	4,736,585	6,131,053	7,525,521	8,919,988	9,970,464
<b>Revenue</b>	2,383,803	1,444,393	1,444,393	1,444,393	1,090,674	18,661,486
<b>Outgoings</b>	-75,759	-49,925	-49,925	-49,925	-40,198	-546,331
<b>Interest</b>	0	0	0	0	0	0
<b>Balance C/F</b>	4,736,585	6,131,053	7,525,521	8,919,988	9,970,464	28,085,619
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00

<b>REVENUE</b>	File: Poplar 15% £191 68-32		
Offices	56,183.00 sq-ft at 22.00 psf/pa	1,236,026	
Workshops	8,021.00 sq-ft at 18.00 psf/pa	144,378	
<b>Inv.Value-A</b>	Net annual income	1,380,404	
	Capitalised at 7.5% Yield	18,405,387	
	Less Unpaid Rent: 12 Months Income	1,380,404	
	Less Purchasers costs at 5.8%	1,008,991	16,015,992
Ground Rents	345.00 sq-ft at 350.00 psf/pa	120,750	
<b>Inv.Value-B</b>	Net annual income	120,750	
	Capitalised at 6% Yield	2,012,500	
	Less Purchasers costs at 5.8%	110,326	1,902,174
Private Res Block A	138,547.00 sq-ft at 475.00 psf		65,809,825
Private Res Block B	55,510.00 sq-ft at 475.00 psf		26,367,250
Private Res Block C	63,938.00 sq-ft at 475.00 psf		30,370,550
Intermediate Block A	3,737.00 sq-ft at 225.00 psf		840,825
Intermediate Block B	6,165.00 sq-ft at 225.00 psf		1,387,125
Intermediate Block C	4,667.00 sq-ft at 225.00 psf		1,050,075
Rented Block A	10,603.00 sq-ft at 191.00 psf		2,025,173
Rented Block B	9,767.00 sq-ft at 191.00 psf		1,865,497
Rented Block C	10,589.00 sq-ft at 191.00 psf		2,022,499
Car Parking	76 spaces at 15,000.00 ea.		1,140,000
(Net Income: 1,501,154)	(Inv.Sales: 17,918,166) (Dir.Sales: 132,878,819)	<b>REVENUE</b>	150,796,985

#### COSTS

Site Value		16,000,000	
Site Stamp Duty	at 4.00%	640,000	
Site Legal Fees	at 0.80%	128,000	
Site Agency Fees	at 1.00%	160,000	
		Site Costs	16,928,000
S106		2,940,000	
Compensation Payments		750,000	
		Initial Payments	3,690,000
Build Costs		80,000,000	
Nhbc Costs		400,000	
Professional Fees	at 10.00%	8,040,000	
		Build Costs	88,440,000
Letting Agents Fee	at 10.00%	150,115	
Letting Legal Fees	at 5.00%	75,058	
Invest.sale Agents Fee	at 1.00%	192,986	
Invest.sale Legal Fees	at 0.50%	96,493	
Direct Sale Agents Fee	at 2.50%	3,321,970	
Direct Sale Legal Fees	at 0.25%	332,197	
		Disposal Fees	4,168,819
Marketing		500,000	
		End Payments	500,000
<b>INTEREST</b>	<b>(See CASHFLOW)</b>		7,342,173
6.00% pa	on Debt charged Quarterly and compounded Quarterly		
Site Costs	Month 1 (Nov 11)		
S106	Month 6 (Apr 12)		



Compensation Payments	Month 1 (Nov 11)		
Building Costs	Month 6 to 41 (Apr 12 - Mar 15)		
Marketing	Month 6 to 54 (Apr 12 - Apr 16)		
Investment Sales	Month 54 (Apr 16)		
Private Res Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)		
Private Res Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)		
Private Res Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)		
Intermediate Block A (sale)	Month 24 to 37 (Oct 13 - Nov 14)		
Intermediate Block B (sale)	Month 36 to 49 (Oct 14 - Nov 15)		
Intermediate Block C (sale)	Month 41 to 54 (Mar 15 - Apr 16)		
Rented Block A (sale)	Month 6 to 24 (Apr 12 - Oct 13)		
Rented Block B (sale)	Month 18 to 36 (Apr 13 - Oct 14)		
Rented Block C (sale)	Month 24 to 42 (Oct 13 - Apr 15)		
Car Parking (sale)	Month 24 to 54 (Oct 13 - Apr 16)		
<b>PROFIT</b>	29,727,992	<b>COSTS</b>	121,068,992
<b>PROFIT/SALE</b>	19.71%	<b>PROFIT/COST</b>	24.55%
<b>IRR</b>	N/A		

	1 - Nov 11	2 - Dec 11	3 - Jan 12	4 - Feb 12	5 - Mar 12	6 - Apr 12	7 - May 12	8 - Jun 12	9 - Jul 12	10 - Aug 12	11 - Sep 12	12 - Oct 12
Poplar 15% £191 68-32	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	106,588	106,588	106,588	106,588	106,588	106,588	106,588
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Site Value	-16,000,000	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	-640,000	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	-128,000	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	-160,000	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	-2,940,000	0	0	0	0	0	0
Compensation Payments	-750,000	0	0	0	0	0	0	0	0	0	0	0
Build Costs	0	0	0	0	0	0	0	0	0	0	0	0
Nhbc Costs	0	0	0	0	0	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Professional Fees	0	0	0	0	0	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Letting Agents Fee	0	0	0	0	0	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	0	0	0	0	0	-2,665	-2,665	-2,665	-2,665	-2,665	-2,665	-2,665
Direct Sale Legal Fees	0	0	0	0	0	-266	-266	-266	-266	-266	-266	-266
Marketing	0	0	0	0	0	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	0	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,425,370	-25,788,584	-28,538,509	-30,901,723	-33,264,937	-36,127,008
<b>Revenue</b>	0	0	0	0	0	106,588	106,588	106,588	106,588	106,588	106,588	106,588
<b>Outgoings</b>	-17,678,000	0	0	0	0	-5,409,802	-2,469,802	-2,469,802	-2,469,802	-2,469,802	-2,469,802	-2,469,802
<b>Interest</b>	0	-176,341	0	0	-267,815	0	0	-386,711	0	0	-498,857	0
<b>Balance C/F</b>	-17,678,000	-17,854,341	-17,854,341	-17,854,341	-18,122,156	-23,425,370	-25,788,584	-28,538,509	-30,901,723	-33,264,937	-36,127,008	-38,490,221
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	13 - Nov 12	14 - Dec 12	15 - Jan 13	16 - Feb 13	17 - Mar 13	18 - Apr 13	19 - May 13	20 - Jun 13	21 - Jul 13	22 - Aug 13	23 - Sep 13	24 - Oct 13
Poplar 15% £191 68-32												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	32,904,913
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	420,413
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	106,588	106,588	106,588	106,588	106,588	106,588	106,588	106,588	106,588	106,588	106,588	106,588
Rented Block B (sale)	0	0	0	0	0	98,184	98,184	98,184	98,184	98,184	98,184	98,184
Rented Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	106,447
Car Parking (sale)	0	0	0	0	0	0	0	0	0	0	0	36,774
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-2,665	-2,665	-2,665	-2,665	-2,665	-5,119	-5,119	-5,119	-5,119	-5,119	-5,119	-841,833
Direct Sale Legal Fees	-266	-266	-266	-266	-266	-512	-512	-512	-512	-512	-512	-84,183
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-38,490,221	-40,853,435	-43,829,333	-46,192,547	-48,555,761	-51,647,194	-53,914,924	-56,182,654	-59,293,011	-61,560,741	-63,828,471	-67,053,515
<b>Revenue</b>	106,588	106,588	106,588	106,588	106,588	204,772	204,772	204,772	204,772	204,772	204,772	33,673,319
<b>Outgoings</b>	-2,469,802	-2,469,802	-2,469,802	-2,469,802	-2,469,802	-2,472,502	-2,472,502	-2,472,502	-2,472,502	-2,472,502	-2,472,502	-3,392,887
<b>Interest</b>	0	-612,684	0	0	-728,219	0	0	-842,627	0	0	-957,315	0
<b>Balance C/F</b>	-40,853,435	-43,829,333	-46,192,547	-48,555,761	-51,647,194	-53,914,924	-56,182,654	-59,293,011	-61,560,741	-63,828,471	-67,053,515	-36,773,084
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	25 - Nov 13	26 - Dec 13	27 - Jan 14	28 - Feb 14	29 - Mar 14	30 - Apr 14	31 - May 14	32 - Jun 14	33 - Jul 14	34 - Aug 14	35 - Sep 14	36 - Oct 14
Poplar 15% £191 68-32												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	2,632,393	2,632,393	2,632,393	2,632,393	2,632,393	2,632,393	2,632,393	2,632,393	2,632,393	2,632,393	2,632,393	1,974,295
Private Res Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	13,183,625
Private Res Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block A (sale)	33,633	33,633	33,633	33,633	33,633	33,633	33,633	33,633	33,633	33,633	33,633	25,225
Intermediate Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	693,563
Intermediate Block C (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184	98,184
Rented Block C (sale)	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447	106,447
Car Parking (sale)	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111	-11,111
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333	-223,333
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-72,686	-72,686	-72,686	-72,686	-72,686	-72,686	-72,686	-72,686	-72,686	-72,686	-72,686	-402,953
Direct Sale Legal Fees	-7,269	-7,269	-7,269	-7,269	-7,269	-7,269	-7,269	-7,269	-7,269	-7,269	-7,269	-40,295
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	<b>-36,773,084</b>	<b>-36,412,477</b>	<b>-36,598,076</b>	<b>-36,237,469</b>	<b>-35,876,863</b>	<b>-36,054,427</b>	<b>-35,693,821</b>	<b>-35,333,214</b>	<b>-35,502,624</b>	<b>-35,142,018</b>	<b>-34,781,411</b>	<b>-34,942,544</b>
<b>Revenue</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>2,907,432</b>	<b>16,118,113</b>
<b>Outgoings</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,546,825</b>	<b>-2,910,119</b>
<b>Interest</b>	<b>0</b>	<b>-546,205</b>	<b>0</b>	<b>0</b>	<b>-538,171</b>	<b>0</b>	<b>0</b>	<b>-530,016</b>	<b>0</b>	<b>0</b>	<b>-521,739</b>	<b>0</b>
<b>Balance C/F</b>	<b>-36,412,477</b>	<b>-36,598,076</b>	<b>-36,237,469</b>	<b>-35,876,863</b>	<b>-36,054,427</b>	<b>-35,693,821</b>	<b>-35,333,214</b>	<b>-35,502,624</b>	<b>-35,142,018</b>	<b>-34,781,411</b>	<b>-34,942,544</b>	<b>-21,734,550</b>
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	37 - Nov 14	38 - Dec 14	39 - Jan 15	40 - Feb 15	41 - Mar 15	42 - Apr 15	43 - May 15	44 - Jun 15	45 - Jul 15	46 - Aug 15	47 - Sep 15	48 - Oct 15
Poplar 15% £191 68-32												
Inv. Value-A 7.5%	0	0	0	0	0	0	0	0	0	0	0	0
Inv. Value-B 6%	0	0	0	0	0	0	0	0	0	0	0	0
Private Res Block A (sale)	1,974,295											
Private Res Block B (sale)	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	1,054,690	791,018
Private Res Block C (sale)	0	0	0	0	15,185,275	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822	1,214,822
Intermediate Block A (sale)	25,225	0	0	0	0	0	0	0	0	0	0	0
Intermediate Block B (sale)	55,485	55,485	55,485	55,485	55,485	55,485	55,485	55,485	55,485	55,485	55,485	41,614
Intermediate Block C (sale)	0	0	0	0	525,038	42,003	42,003	42,003	42,003	42,003	42,003	42,003
Rented Block A (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0	0	0	0	0	0	0
Rented Block C (sale)	106,447	106,447	106,447	106,447	106,447	106,447	0	0	0	0	0	0
Car Parking (sale)	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774	36,774
Site Value	0	0	0	0	0	0	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0	0	0	0	0	0	0
S106	0	0	0	0	0	0	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	-2,222,222	-2,222,222	-2,222,222	-2,222,222	-2,222,222	0	0	0	0	0	0	0
Nhbc Costs	-11,111	-11,111	-11,111	-11,111	-11,111	0	0	0	0	0	0	0
Professional Fees	-223,333	-223,333	-223,333	-223,333	-223,333	0	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Agents Fee	0	0	0	0	0	0	0	0	0	0	0	0
Invest.sale Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Agents Fee	-81,323	-31,335	-31,335	-31,335	-424,093	-62,756	-60,094	-60,094	-60,094	-60,094	-60,094	-53,156
Direct Sale Legal Fees	-8,132	-3,133	-3,133	-3,133	-42,409	-6,276	-6,009	-6,009	-6,009	-6,009	-6,009	-5,316
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204	-10,204
<b>Balance B/F</b>	-21,734,550	-21,037,960	-22,611,181	-23,859,124	-25,107,066	-11,377,261	-8,946,275	-6,618,809	-4,390,740	-2,063,274	264,193	2,581,394
<b>Revenue</b>	3,252,916	1,253,397	1,253,397	1,253,397	16,963,709	2,510,222	2,403,774	2,403,774	2,403,774	2,403,774	2,403,774	2,126,230
<b>Outgoings</b>	-2,556,326	-2,501,339	-2,501,339	-2,501,339	-2,933,373	-79,235	-76,308	-76,308	-76,308	-76,308	-76,308	-68,675
<b>Interest</b>	0	-325,278	0	0	-300,531	0	0	-99,398	0	0	-10,265	0
<b>Balance C/F</b>	-21,037,960	-22,611,181	-23,859,124	-25,107,066	-11,377,261	-8,946,275	-6,618,809	-4,390,740	-2,063,274	264,193	2,581,394	4,638,949
Debt Intrt %pa	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

	49 - Nov 15	50 - Dec 15	51 - Jan 16	52 - Feb 16	53 - Mar 16	54 - Apr 16
Poplar 15% £191 68-32						
Inv. Value-A 7.5%	0	0	0	0	0	16,015,992
Inv. Value-B 6%	0	0	0	0	0	1,902,174
Private Res Block A (sale)	0	0	0	0	0	0
Private Res Block B (sale)	791,018	0	0	0	0	0
Private Res Block C (sale)	1,214,822	1,214,822	1,214,822	1,214,822	911,117	911,117
Intermediate Block A (sale)	0	0	0	0	0	0
Intermediate Block B (sale)	41,614	0	0	0	0	0
Intermediate Block C (sale)	42,003	42,003	42,003	42,003	31,502	31,502
Rented Block A (sale)	0	0	0	0	0	0
Rented Block B (sale)	0	0	0	0	0	0
Rented Block C (sale)	0	0	0	0	0	0
Car Parking (sale)	36,774	36,774	36,774	36,774	36,774	36,774
Site Value	0	0	0	0	0	0
Site Stamp Duty	0	0	0	0	0	0
Site Legal Fees	0	0	0	0	0	0
Site Agency Fees	0	0	0	0	0	0
S106	0	0	0	0	0	0
Compensation Payments	0	0	0	0	0	0
Build Costs	0	0	0	0	0	0
Nhbc Costs	0	0	0	0	0	0
Professional Fees	0	0	0	0	0	0
Letting Agents Fee	0	0	0	0	0	0
Letting Legal Fees	0	0	0	0	0	-150,115
Invest.sale Agents Fee	0	0	0	0	0	-75,058
Invest.sale Legal Fees	0	0	0	0	0	-192,986
Direct Sale Agents Fee	-53,156	-32,340	-32,340	-32,340	-24,485	-96,493
Direct Sale Legal Fees	-5,316	-3,234	-3,234	-3,234	-2,448	-24,485
Marketing	-10,204	-10,204	-10,204	-10,204	-10,204	-2,448
<b>Balance B/F</b>	<b>4,638,949</b>	<b>6,696,504</b>	<b>7,944,325</b>	<b>9,192,146</b>	<b>10,439,967</b>	<b>11,382,223</b>
<b>Revenue</b>	<b>2,126,230</b>	<b>1,293,599</b>	<b>1,293,599</b>	<b>1,293,599</b>	<b>979,393</b>	<b>18,897,559</b>
<b>Outgoings</b>	<b>-68,675</b>	<b>-45,778</b>	<b>-45,778</b>	<b>-45,778</b>	<b>-37,137</b>	<b>-551,789</b>
<b>Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance C/F</b>	<b>6,696,504</b>	<b>7,944,325</b>	<b>9,192,146</b>	<b>10,439,967</b>	<b>11,382,223</b>	<b>29,727,992</b>
Debt Intr %pa	6.00	6.00	6.00	6.00	6.00	6.00



Report

Definitions  
and  
Reservations

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## Definitions and Reservations Relating To Valuations

### Information

All information supplied by the Client, the Client's staff and professional advisers, local authorities, other statutory bodies, investigation agencies and other stated sources is accepted as being correct unless otherwise specified.

### Tenure

Title Deeds and Leases are not inspected (unless specifically stated) and, unless we are informed to the contrary, it is assumed that a property is free of any onerous covenants, easements, other restrictions or liabilities including mortgages, grants and capital allowances which may affect the value.

No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.

### Tenants

Tenants' status is investigated only where we are so instructed and so specified in the valuation.

### Plans

Any plans supplied are for identification purposes only unless otherwise stated. The valuation assumes site boundaries are as indicated to us. The reproduction of Ordnance Survey sheets has been sanctioned by the Controller of Her Majesty's Stationery Office, Crown Copyright reserved.

### Site Areas

Site areas are normally computed from plans or the Ordnance Survey and not from a physical site survey. They are approximate unless otherwise indicated.

### Floor Areas and Dimensions

Floor areas and dimensions are taken from inspection unless otherwise specified but are nevertheless approximate. Areas quoted are calculated in accordance with the Code of Measuring Practice published by the Royal Institution of Chartered Surveyors and the basis of measurement is specified. The following bases are those most frequently used, as appropriate.

Net Internal Area - Measured to the internal faces of external walls, excluding toilets, permanent corridors,

internal walls and partitions, stairwells, plant rooms etc.

Gross Internal Area - Measured to the internal faces of external walls, including toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms etc.

Gross External Area - Measured to the external faces of external walls, including toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms etc.

### Ground Condition

Soil stability, mining and geological reports are not undertaken by us or normally inspected. Unless we are instructed to the contrary, we assume that the ground and any adjoining or nearby areas are not contaminated, that there are no dangerous materials in the vicinity and that it is capable of development without the need for abnormal costs on foundations and services.

### Condition of Buildings, Plant etc.

Our inspection of a property does not constitute a structural survey. When preparing our valuation we have regard to apparent defects and wants of repair and take into account the age of the property. We do not however carry out the detailed search for defects which is undertaken as part of the structural survey neither do we necessarily set out the various defects when making the report. We do not inspect woodwork or other parts of the structure which are covered, unexposed or inaccessible. We do not arrange for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or any other deleterious materials or permanent woodwool shuttering or composite panelling has been used in the construction.

Unless so instructed we do not arrange for any investigations to be carried out to determine whether or not any deleterious or hazardous material or techniques have been used in the construction of the property or has since been incorporated and the services are not tested.

We are therefore unable to report that the property is free from defect in these respects.



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For valuation purposes we assume unless otherwise stated that the property (including associated plant and machinery, fixtures and fittings) is in serviceable order and will remain so for the foreseeable future. It will be assumed that the building/s is/are in good repair, except for defects specifically noted.

#### **Asbestos Regulations**

The Control of Asbestos Regulations 2006 came into force in November 2006. The Regulations prohibit the new use of asbestos; existing asbestos containing materials that are in good condition may be left in place, their condition monitored and managed to ensure they are not disturbed.

The Regulations include the 'duty to manage asbestos' in non-domestic premises. The dutyholder is the person or organisation that has clear responsibility for the maintenance or repair of non domestic premises through an explicit agreement i.e. a tenancy agreement or contract.

The responsible party has to take reasonable steps to identify the existence of asbestos containing materials, record their amount, location and condition, set out a plan to manage the risk from the material and take the necessary steps to put this plan into action. Details as to the location and condition of the materials must be provided to anyone who is liable to work or disturb it. There is also a requirement on anyone to co-operate as far as is necessary to allow the dutyholder to comply with the above requirements.

The new regulations have to be complied with. Solicitors will have to enquire as to compliance with the new regulations and freeholders will have to be able to provide confirmation as to the existence and condition of asbestos.

We have not arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the property or have since been incorporated. Although our inspection did not reveal any obvious deleterious materials, we are unable to report that the property is free from risk in this respect.

We have assumed for the purpose of this valuation and report that there are no deleterious materials used in the construction of the premises.

#### **Fire Safety**

The Regulatory Reform (Fire Safety) Order 2005 (The Order) replaces previous fire safety legislation including both the Fire Precautions Act 1971 and the Fire Precautions (workplace) Regulation 1997. Consequently any fire certificate issued under the Fire Precautions Act 1971 will cease to have any effect. The Order came into force completely on the 1st April 2006.

The Order applies to the majority of premises and workplaces in England and Wales although does not include people's private homes. It covers general fire precautions and other fire safety duties, which are needed to protect 'relevant persons' in case of fire in and around most 'premises'.

Under the order, anyone who has control in a premises or anyone who has a degree of control over certain areas may be classified as a 'responsible person'. It is thus the duty of such individual to comply with the requirements of the Order and make certain that all measures are taken to ensure the safety of all the people he or she is directly or indirectly responsible for.

The responsible person must then carry out a Fire Risk Assessment. In short this is a five-point process whereby fire hazards must be identified, relevant persons at risk recognised, potential risks reduced, staff training implemented and the whole assessment regularly reviewed. The assessment must pay particular attention to those at special risk such as disabled people, those who have special needs and young persons. Furthermore the responsible person must provide and maintain clear Means of Escape, Signs, Notices, Emergency Lighting, Fire Detection & Alarm and Extinguishers.

This approach is different from previous legislation, as it is now necessary to consider everyone who might be on your premises, whether they are employees, visitors or members of the public.

The Risk Assessment must be regularly reviewed and if necessary amended. Finally if the responsible person employs five or more people, the premises are licensed or the Inspector requires it then the Risk Assessment must be formally recorded.

It is assumed that the property is compliant in regard to the above regulations.

**Accessibility**

The Equality Act 2010, which came into force on 1st October 2010, incorporates the provisions of The Disability Act 1995 and 2005. It is assumed that the property complies with the Equality Act or will be made compliant at the occupiers expense.

**Energy Performance Certificates**

From 6 April 2008 Energy Performance Certificates (EPCs) are required for the sale, rental or construction of commercial buildings. The requirement was phased in over 6 months between 6 April and 1 October 2008. Commercial properties with a useful floor area of more than 10,000 sq. m. were affected from 6 April 2008, those exceeding 2,500 sq. m. had to comply from 1 July 2008 and the remaining properties had to comply from 1 October 2008. An EPC must be provided on the sale, rental or construction (or in some cases modification) subject to transitional arrangements. Non compliance may lead to sanction under civil legislation, involving a financial penalty.

Our valuation assumes that the property has an Energy Performance Certificate (if required under the Energy Performance of Building Directive) and that the Certificate will be maintained as required.

**Services**

It is assumed that the services and any associated controls or software, are in working order and free from defect.

**Composite Panels and Insurance**

We will not test any panels within the property to see whether there are any polystyrene insulated composite panels. The presence of such panels may result in the property being uninsurable, which would have an adverse impact on value.

**Defective Premises Act 1972**

Obligations or liabilities or any rights thereunder, whether prospective or accrued, are not reflected in valuations unless actually specified.

**Environmental Issues**

Within our report we may, subject to the statements below and as appropriate, pass comment upon the apparent existence of contamination or pollution at or in the area of the property, the impact of past, existing or proposed uses of the property on its immediate environment or other environmental issues, such as the energy and efficiency of the

building on the property. Our report does not, however, constitute an environmental audit or survey and nothing contained in it should be treated as a statement that there are no contamination or pollution problems relating to the property or confirmation that the property, or any process carried on therein, complies with existing or proposed legislation on environmental matters.

Then either:-

a. If a total disregard of contamination approach is adopted, typically:

We are not aware of the contents of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigations into past or present uses, either of the property or of any neighbouring land to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites and have therefore assumed that none exists.

However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use this might reduce the values now reported.

**Or;**

b. If valuing or revaluing for annual accounts purposes:

We have been informed that the company has established procedures for inspections of the subject property to be carried out with particular reference to environmental matters and that any such matters identified receive appropriate attention. Unless we have been provided with information (which is referred to in this report) to the contrary, we have assumed that the properties are not, nor are likely to be affected by land contamination and that there are no ground conditions which would affect the present or future use of the properties.

Where we have received evidence from the company regarding contamination, we have reflected this in our valuation but unless otherwise

stated, have assumed that the cost of any decontamination work would be immaterial thereto.

**Or;**

c. When valuing the property where there is no indication of contamination:

We will only make verbal enquiries of the Local Authority as to whether they are aware of any known contamination at the property. We will revert to you should there be issues of concern. In the absence of any information from our enquiries, it will be assumed that the property is free from contamination.

Our verbal enquiries have not revealed any contamination affecting the property or neighbouring property which would affect our valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to any contaminative use, this might reduce the values now reported. We would stress that we have made general enquiries only and our report does not constitute an environmental audit or survey and nothing contained in it should be treated as a statement that there are no contamination or pollution problems relating to the property or confirmation that the property or any process carried on therein complies with existing or proposed legislation on environmental matters. We have not considered whether there is any current liability to carry out work needed to comply with environmental legislation or any liability which may arise in the future as a result of proposed legislation.

**Or;**

d. When valuing property where there is evidence of contamination:

We have made enquiries and have been supplied with information (source) which has identified contamination (specified). Our valuation has had regard to the estimated cost and likely liability for treatment as advised by (state) and our opinion of the markets likely perception of the issues involved. However, should it be established subsequently that other contaminants exist at the property or on any neighbouring land or that the premises have been or are being put to any other contaminative uses, this might reduce the values now reported.

Whilst within our report we may as appropriate pass comment upon the apparent existence of contamination or pollution at or in the area of the property, the impact of past existing or proposed uses of the property on its immediate environment or other

environmental issues such as the energy efficiency of the building on the property, our report does not constitute an environmental audit or survey and nothing contained in it should be interpreted as such.

#### **Enquiries**

Enquiries of local authorities and statutory undertakers are made verbally in respect of contingent liabilities such as road widening, road charges, redevelopment proposals and the possible effect of any town planning restrictions, and on occasion in respect of rating assessments. Local searches are not undertaken. No responsibility is accepted for any inaccurate information provided.

Generally it is assumed that buildings are constructed and used in accordance with valid Town Planning Consents, Permits, Licences and Building Regulation Approval, with direct access from a publicly maintained highway, that Town Planning Consents do not contain restrictions which may adversely affect the use of a property and that there are no outstanding statutory or other notices in connection with a property or its present or intended use.

It is further assumed unless otherwise stated that all necessary licences, permits etc either run with the property or are transferable to a new occupier as appropriate.

#### **Flooding Risk**

The valuer will make enquiries concerning flooding risk where it is perceived to be of relevance as published by the Environmental Agency. However we are not qualified to definitively assess the risk of flooding and our valuation will assume no difficulties in this regard. Further, GVA shall not undertake any additional enquiries to confirm this information.

#### **Plant, Machinery, Fixtures and Fitting**

Unless otherwise specified, all items normally associated with the valuation of land and buildings are included in our valuations and reinstatement cost assessments, including:-

Fixed space heating, domestic hot water systems, lighting and mains services supplying these,

sprinkler systems and associated equipment, water, electricity, gas and steam circuits not serving industrial or commercial processes, sub-station buildings, lifts and permanent structures including crane rails where forming an integral part of the building structure, fixed demountable partitions,

suspended ceilings, carpets, drains, sewers and sewerage plants not primarily concerned with treating trade effluent, air conditioning except where part of a computer installation or primarily serving plant and machinery.

Unless otherwise specified, the following items are excluded:-

All items of process plant and machinery, tooling and other equipment not primarily serving the building, cranes, hoists, conveyors, elevators, structures which are ancillary to, or form part of an item of process plant and machinery, sewerage plants primarily concerned with treating trade effluent, air conditioning where part of a computer installation or primarily serving plant and machinery, and water, electricity, gas, steam and compressed air supplies and circuits serving industrial and commercial processes.

Unless otherwise specified, no allowance is made for the cost of repairing any damage caused by the removal from the premises of items of plant, machinery, fixtures and fittings.

In the case of filling stations, hotels and other properties normally sold and valued as operational entities, all items of equipment normally associated with such a property are assumed to be owned and are included within the valuation unless otherwise specified.

#### **Taxation and Grants**

Value added tax, taxation, grants and allowances are not included in capital and rental values as, unless otherwise specified in the report, these are always stated on a basis exclusive of any VAT liability even though VAT will in certain cases be payable.

It is assumed for the purposes of valuation that any potential purchaser is able to reclaim VAT, unless otherwise stated. In particular it should be noted that where a valuation has been made on a Depreciated Replacement Cost basis the Replacement Cost adopted is net of VAT unless otherwise stated.

Unless otherwise specified GVA will not take into account of any existing or potential liabilities arising for capital gains or other taxation or tax reliefs as a result of grants or capital allowances, available to a purchaser of the property.

#### **Market Value (MV)**

The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Note: The above definition is that settled by the International Valuation Standards Committee. The Royal Institution of Chartered Surveyors considers that its application results in the same valuation figure as the application of the OMV definition previously used.

#### **Fair Value**

The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

(Fair value is a measurement basis required or permitted under IFRS, where its application is subject to specific requirements that are discussed in PS 4.1. Fair value is also used in other situations, for example where the valuer is required to determine a price that is fair between two specified parties).

#### **Depreciated Replacement Cost**

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

#### **Operational Entities**

The RICS advises that the most appropriate basis of valuation of properties normally sold as operational entities is Market Value as defined above. Such properties include public houses, hotels and other leisure uses, together with nursing homes, residential care homes, private hospital and petrol filling stations. Our valuations reflect the following:-

- a. The market's perception of trading potential with an assumed ability on the part of the purchaser to renew existing licenses, consents, registrations and permits.
- b. That the property is offered with vacant possession throughout, although in the case of nursing and residential care homes, subject to the contractual rights of the patients/residents occupying the home from time to time.
- c. That trade fixtures, fittings, furniture, furnishings and equipment are included.

Our valuations also specifically assume, unless otherwise specified that the business will continue to

operate at a level not significantly worse than that indicated to us.

#### Existing Use Value

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.

#### Market Rent

The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

#### Insurance

Insurance is usually arranged by clients (or their brokers) based on reinstatement cost assessments or occasionally on an indemnity basis and other methods of valuation are not appropriate.

#### Reinstatement Cost Assessment

A Reinstatement cost assessment is our opinion of the likely cost of reinstating all the buildings, normally for insurance purposes, on the basis that:-

- a. the accommodation provided will be similar in construction, design and area to the existing buildings;
- b. the works will be in compliance with conditions imposed by local Authorities in connection with the construction of the building;
- c. unless reported separately, allowances are made to cover the cost of necessary demolition and site clearance prior to rebuilding, external works such as hardstandings, private roadways and fences and professional fees which would normally be incurred.

Unless otherwise stated, the reinstatement cost does not include any allowance for:-

- a. any loss of rent incurred during rebuilding;

- b. planning restrictions which a planning authority might impose;
- c. special foundations required for plant and machinery or due to adverse ground conditions;
- d. any plant, machinery, equipment, tanks, loose tools, office furniture and equipment (refer to the heading "Plant, Machinery, Fixtures and Fittings" for details of items normally included);
- e. any effect of inflation on building costs occurring after the date of the valuation;
- f. VAT (except on professional fees) which will normally be payable in addition.

Note - A reinstatement cost assessment is not a valuation.

#### Apportionment of Values

Apportionments provided between buildings, land and plant and machinery are normally for depreciation purposes only. In normal circumstances apportionments are not valuations and they should not be used for any other purpose unless specified in our report.

#### Future Useful Economic Life

Future useful economic life of buildings is normally assessed in bands of years, most frequently subject to a maximum of fifty years. This applies to freehold properties and to leasehold properties where the future life is less than the unexpired term of the lease. An average figure is usually provided for groups of buildings forming a single asset. The figures are appropriate for depreciation purposes only.

#### Compliance with Valuation Standards

Where applicable our valuations are in accordance with the RICS Valuation Standards – Global and UK published by the Royal Institution of Chartered Surveyors ("RICS"), the Insurance Companies (Valuation of Assets) Regulations 1981, the Financial Services Authority (FSA) "Listing Rules" ("Source Book") and "City Code on Takeovers and Mergers" ("Blue Book") as amended and revised from time to time. A copy is available for inspection.

#### RICS Investigations

The valuation may be investigated by the RICS for the purposes of the administration of the Institutions conduct and disciplinary regulations. Guidance on the operation of the RICS monitoring scheme including matters relating to confidentiality is available from [www.rics.org](http://www.rics.org).

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**Total Valuation**

Where provided this is the aggregate of the value of each individual property. It is envisaged that properties would be marketed singly or in groups over an appropriate period of time. If all properties were to be sold as a single lot, the realisation would not necessarily be the same as the total of the valuations. This assumption is not applicable to valuations made for taxation purposes.

**Legal Issues**

Any interpretation of leases and other legal documents and legal assumptions is given in our capacity as Property Consultants (including Chartered Surveyors and Chartered Town Planners) and must be verified by a suitably qualified lawyer if it is to be relied upon. No responsibility or liability is accepted for the true interpretation of the legal position of the client or other parties.

**Jurisdiction**

In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing, GVA, the client and any third party using this valuation will submit to the jurisdiction of the British Courts only. This will apply wherever the property or the client is located, or the advice is provided.

**Date, Market Conditions and Validity of Valuation**

Valuations may be relied upon for the stated purpose as at the date specified. In normal market conditions the value may not change materially in the short term. However the property market is constantly changing and is susceptible to many external facets which can affect business confidence. If any reliance is to be placed on the valuation following any changes which could affect business confidence, then further consultation is strongly recommended. In any event, the valuation should not be considered valid after a period of three months.

**Valuations and Reports**

Valuations and Reports are only for the use of the party to whom they are addressed. They may be disclosed only to other professional advisors assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of the contents.

Reports should be considered in their entirety and should only be used within the context of the instructions under which they are prepared.

Neither the whole nor any part of a valuation, report or other document or any reference thereto may be included in any published article, document, circular or statement or published in any way without prior written approval of GVA of the form and context in which it may appear.

**Warranties**

The client warrants and represents that, to the best of its knowledge, information and belief, the information supplied by and on its behalf to GVA is true and accurate and that it will advise and instruct its third party advisers to advise GVA in the event that it and/they receive notice that any such information is either misleading or inaccurate.

**Updated 18 August 2011**