

BNP Paribas Real Estate

Wood Wharf: LBTH CIL Strategic Sites Testing

Core Appraisals

Report Date: 14 July 2014

BNP Paribas Real Estate

Wood Wharf Core Appraisals

Scenario 1	
Affordable Housing	35%
CIL	Full
Growth	None
IRR Achieved	4.39%

Report Date: 14 July 2014

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and Borough CIL****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
Phase 1 - Market Resi	1	580,309	865.00	501,967,372	501,967,372	0	501,967,371
Phase 1 - Affordable Resi	1	312,474	200.00	62,494,880	62,494,880	0	62,494,880
Phase 1 - Car Parking	483	0	0.00	25,000	12,075,000	0	12,075,000
Phase 1 - Ground Rents	976	0	0.00	4,500	4,392,000	0	4,392,000
Phase 2 - Market Resi	1	210,706	865.00	182,260,344	182,260,344	0	182,260,344
Phase 2 - Affordable Resi	1	113,457	200.00	22,691,340	22,691,340	0	22,691,340
Phase 2 - Ground Rent	355	355	4,500.00	4,500	1,597,500	0	1,597,500
Phase 2 - Car Parking	177	0	0.00	25,000	4,425,000	0	4,425,000
Phase 3 - Market Resi	1	409,039	865.00	353,819,081	353,819,081	35,381,908	389,200,989
Phase 3 - Affordable Resi	1	220,252	200.00	44,050,440	44,050,440	0	44,050,440
Phase 3 - Ground Rent	688	688	4,500.00	4,500	3,096,000	0	3,096,000
Phase 3 - Car Parking	<u>340</u>	<u>0</u>	0.00	25,000	<u>8,500,000</u>	<u>0</u>	<u>8,500,000</u>
Totals	3,025	1,847,280			1,201,368,957	35,381,908	1,236,750,865

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 - Retail	1	50,400	30.00	1,512,000	1,512,000	1,512,000
Phase 1 - Office	1	252,371	40.00	10,094,840	10,094,840	10,094,840
Phase 1 - Community	1	10,933		0	0	
Phase 1 - Basement	1	227,033		0	0	
Phase 2 - Retail	1	86,409	30.00	2,592,282	2,592,282	2,592,282
Phase 2 - Office	1	333,573	40.00	13,342,924	13,342,924	13,342,924
Phase 2 - Basement	1	227,033		0	0	
Phase 3 - Retail	1	26,530	30.00	795,900	795,900	795,900
Phase 3 - Basement	1	227,033		0	0	
Phase 4 - Retail	1	36,665	30.00	1,099,938	1,099,938	1,099,938
Phase 4 - Office	1	1,216,049	40.00	48,641,964	48,641,964	48,641,964

APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

**Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and Borough CIL**

Phase 4 - Hotel	1	81,625	0	0	
Totals	12	2,775,655		78,079,848	78,079,848

Investment Valuation

Phase 1 - Retail					
Market Rent	1,512,000	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	22,427,910
Phase 1 - Office					
Market Rent	10,094,840	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	156,307,340
Phase 2 - Retail					
Market Rent	2,592,282	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	38,452,029
Phase 2 - Office					
Market Rent	13,342,924	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	206,600,298
Phase 3 - Retail					
Market Rent	795,900	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	11,805,803
Phase 4 - Retail					
Market Rent	1,099,938	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	16,315,682
Phase 4 - Office					
Market Rent	48,641,964	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	753,166,567
Phase 4 - Hotel					
Manual Value					56,250,000
					1,261,325,629

GROSS DEVELOPMENT VALUE **2,498,076,494**

Purchaser's Costs	5.80%	(73,683,845)	(73,683,845)
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APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing****35% AH, Residual S106 and Borough CIL****NET DEVELOPMENT VALUE****2,424,392,648****NET REALISATION****2,424,392,648****OUTLAY****ACQUISITION COSTS**

Fixed Price		46,176,000	
Stamp Duty	4.00%	1,847,040	
Agent Fee	1.00%	461,760	
Legal Fee	0.80%	369,408	
			48,854,208

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phase 1 - Retail	72,000 ft ²	185.00 pf ²	13,320,000
Phase 1 - Office	360,530 ft ²	200.00 pf ²	72,106,000
Phase 1 - Community	15,619 ft ²	184.00 pf ²	2,873,896
Phase 1 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 2 - Retail	123,442 ft ²	185.00 pf ²	22,836,770
Phase 2 - Office	476,533 ft ²	200.00 pf ²	95,306,600
Phase 2 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 3 - Retail	37,900 ft ²	185.00 pf ²	7,011,500
Phase 3 - Community	30,301 ft ²	184.00 pf ²	5,575,384
Phase 3 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 4 - Retail	52,378 ft ²	185.00 pf ²	9,689,930
Phase 4 - Office	1,737,213 ft ²	200.00 pf ²	347,442,600
Phase 4 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 4 - Hotel	116,607 ft ²	200.00 pf ²	23,321,400
Phase 1 - Market Resi	829,013 ft ²	235.00 pf ²	194,818,055
Phase 1 - Affordable Resi	446,392 ft ²	235.00 pf ²	104,902,120
Phase 2 - Market Resi	301,008 ft ²	235.00 pf ²	70,736,880
Phase 2 - Affordable Resi	162,081 ft ²	235.00 pf ²	38,089,035
Phase 3 - Market Resi	584,342 ft ²	235.00 pf ²	137,320,370
Phase 3 - Affordable Resi	<u>314,646 ft²</u>	235.00 pf ²	<u>73,941,810</u>

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and Borough CIL**

Totals	6,958,380 ft²		1,278,969,622	1,278,969,622
Contingency		5.00%	80,757,072	
Demolition			1,040,072	
Residual S106			25,156,544	
Mayoral CIL & Crossrail S106			47,839,832	
Borough CIL			45,337,912	
				200,131,432
Other Construction				
Abnormals			150,000,000	
Externals		15.00%	58,203,011	
Externals		15.00%	34,045,393	
Externals		15.00%	33,577,360	
Externals		15.00%	59,305,987	
				335,131,750
PROFESSIONAL FEES				
Professional Fees		12.00%	185,507,822	
				185,507,822
MARKETING & LETTING				
Commercial Marketing	2,083,622 ft ²	1.50 pf ²	3,125,433	
Resi Marketing		2.00%	21,468,574	
Letting Agent Fee		10.00%	7,807,985	
Letting Legal Fee		5.00%	3,903,992	
				36,305,984
DISPOSAL FEES				
Commercial Sales Agent Fee		0.50%	5,943,479	
Resi Sales Agent Fee		1.50%	16,787,592	
Sales Legal Fee		0.25%	6,060,982	
				28,792,052
TOTAL COSTS				2,113,692,871

PROFIT

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and Borough CIL****310,699,777****Performance Measures**

Profit on Cost%	14.70%
Profit on GDV%	12.44%
Profit on NDV%	12.82%
Development Yield% (on Rent)	3.69%
Equivalent Yield% (Nominal)	5.54%
Equivalent Yield% (True)	5.73%
IRR	4.39%
Rent Cover	3 yrs 12 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

Growth on Sales

	Ungrown	Growth	Total
Phase 3 - Market Resi	353,819,081	35,381,908	389,200,989

BNP Paribas Real Estate

Wood Wharf Core Appraisals

Scenario 2	
Affordable Housing	35%
CIL	Zero
Growth	None
IRR Achieved	5.17%

Report Date: 14 July 2014

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and No Borough CIL****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
Phase 1 - Market Resi	1	580,309	865.00	501,967,372	501,967,372	0	501,967,371
Phase 1 - Affordable Resi	1	312,474	200.00	62,494,880	62,494,880	0	62,494,880
Phase 1 - Car Parking	483	0	0.00	25,000	12,075,000	0	12,075,000
Phase 1 - Ground Rents	976	0	0.00	4,500	4,392,000	0	4,392,000
Phase 2 - Market Resi	1	210,706	865.00	182,260,344	182,260,344	0	182,260,344
Phase 2 - Affordable Resi	1	113,457	200.00	22,691,340	22,691,340	0	22,691,340
Phase 2 - Ground Rent	355	355	4,500.00	4,500	1,597,500	0	1,597,500
Phase 2 - Car Parking	177	0	0.00	25,000	4,425,000	0	4,425,000
Phase 3 - Market Resi	1	409,039	865.00	353,819,081	353,819,081	35,381,908	389,200,989
Phase 3 - Affordable Resi	1	220,252	200.00	44,050,440	44,050,440	0	44,050,440
Phase 3 - Ground Rent	688	688	4,500.00	4,500	3,096,000	0	3,096,000
Phase 3 - Car Parking	<u>340</u>	<u>0</u>	0.00	25,000	<u>8,500,000</u>	<u>0</u>	<u>8,500,000</u>
Totals	3,025	1,847,280			1,201,368,957	35,381,908	1,236,750,865

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
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Phase 1 - Office	1	252,371	40.00	10,094,840	10,094,840	10,094,840
Phase 1 - Community	1	10,933		0	0	
Phase 1 - Basement	1	227,033		0	0	
Phase 2 - Retail	1	86,409	30.00	2,592,282	2,592,282	2,592,282
Phase 2 - Office	1	333,573	40.00	13,342,924	13,342,924	13,342,924
Phase 2 - Basement	1	227,033		0	0	
Phase 3 - Retail	1	26,530	30.00	795,900	795,900	795,900
Phase 3 - Basement	1	227,033		0	0	
Phase 4 - Retail	1	36,665	30.00	1,099,938	1,099,938	1,099,938
Phase 4 - Office	1	1,216,049	40.00	48,641,964	48,641,964	48,641,964

APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

**Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and No Borough CIL**

Phase 4 - Hotel	<u>1</u>	<u>81,625</u>	0	<u>0</u>	
Totals	12	2,775,655		78,079,848	78,079,848

Investment Valuation

Phase 1 - Retail

Market Rent	1,512,000	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	22,427,910

Phase 1 - Office

Market Rent	10,094,840	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	156,307,340

Phase 2 - Retail

Market Rent	2,592,282	YP @	6.0000%	16.6667	
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Phase 2 - Office

Market Rent	13,342,924	YP @	5.5000%	18.1818	
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Phase 4 - Office

Market Rent	48,641,964	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	753,166,567

Phase 4 - Hotel

Manual Value					56,250,000
					1,261,325,629

GROSS DEVELOPMENT VALUE

2,498,076,494

Purchaser's Costs	5.80%	(73,683,845)	(73,683,845)
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APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing****35% AH, Residual S106 and No Borough CIL****NET DEVELOPMENT VALUE****2,424,392,648****NET REALISATION****2,424,392,648****OUTLAY****ACQUISITION COSTS**

Fixed Price		46,176,000	
Stamp Duty	4.00%	1,847,040	
Agent Fee	1.00%	461,760	
Legal Fee	0.80%	369,408	
			48,854,208

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phase 1 - Retail	72,000 ft ²	185.00 pf ²	13,320,000
Phase 1 - Office	360,530 ft ²	200.00 pf ²	72,106,000
Phase 1 - Community	15,619 ft ²	184.00 pf ²	2,873,896
Phase 1 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 2 - Retail	123,442 ft ²	185.00 pf ²	22,836,770
Phase 2 - Office	476,533 ft ²	200.00 pf ²	95,306,600
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Phase 1 - Market Resi	829,013 ft ²	235.00 pf ²	194,818,055
Phase 1 - Affordable Resi	446,392 ft ²	235.00 pf ²	104,902,120
Phase 2 - Market Resi	301,008 ft ²	235.00 pf ²	70,736,880
Phase 2 - Affordable Resi	162,081 ft ²	235.00 pf ²	38,089,035
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35% AH, Residual S106 and No Borough CIL**

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Demolition			1,040,072	
Residual S106			25,156,544	
Mayoral CIL & Crossrail S106			47,839,832	154,793,520
Other Construction				
Abnormals			150,000,000	
Externals		15.00%	58,203,011	
Externals		15.00%	34,045,393	
Externals		15.00%	33,577,360	
Externals		15.00%	59,305,987	335,131,750
PROFESSIONAL FEES				
Professional Fees		12.00%	185,507,822	185,507,822
MARKETING & LETTING				
Commercial Marketing	2,083,622 ft ²	1.50 pf ²	3,125,433	
Resi Marketing		2.00%	21,468,574	
Letting Agent Fee		10.00%	7,807,985	
Letting Legal Fee		5.00%	3,903,992	36,305,984
DISPOSAL FEES				
Commercial Sales Agent Fee		0.50%	5,943,479	
Resi Sales Agent Fee		1.50%	16,787,592	
Sales Legal Fee		0.25%	6,060,982	28,792,052
TOTAL COSTS				2,068,354,959
PROFIT				356,037,689

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and No Borough CIL****Performance Measures**

Profit on Cost%	17.21%
Profit on GDV%	14.25%
Profit on NDV%	14.69%
Development Yield% (on Rent)	3.78%
Equivalent Yield% (Nominal)	5.54%
Equivalent Yield% (True)	5.73%
IRR	5.17%
Rent Cover	4 yrs 7 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

Growth on Sales

	Ungrown	Growth	Total
Phase 3 - Market Resi	353,819,081	35,381,908	389,200,989

BNP Paribas Real Estate

Wood Wharf Core Appraisals

Scenario 3	
Affordable Housing	35%
CIL	Full
Growth	Yes
IRR Achieved	10.87%

Report Date: 14 July 2014

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and Borough CIL with growth****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE								
Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales	
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Phase 1 - Affordable Resi	1	312,474	200.00	62,494,880	62,494,880	0	62,494,880	
Phase 1 - Car Parking	483	0	0.00	25,000	12,075,000	0	12,075,000	
Phase 1 - Ground Rents	976	0	0.00	4,500	4,392,000	0	4,392,000	
‡ Phase 2 - Market Resi	1	210,706	865.00	182,260,344	182,260,344	139,464,480	321,724,824	
Phase 2 - Affordable Resi	1	113,457	200.00	22,691,340	22,691,340	0	22,691,340	
Phase 2 - Ground Rent	355	355	4,500.00	4,500	1,597,500	0	1,597,500	
Phase 2 - Car Parking	177	0	0.00	25,000	4,425,000	0	4,425,000	
‡ Phase 3 - Market Resi	1	409,039	865.00	353,819,081	353,819,081	599,036,282	952,855,363	
Phase 3 - Affordable Resi	1	220,252	200.00	44,050,440	44,050,440	0	44,050,440	
Phase 3 - Ground Rent	688	688	4,500.00	4,500	3,096,000	0	3,096,000	
Phase 3 - Car Parking	<u>340</u>	<u>0</u>	0.00	25,000	<u>8,500,000</u>	<u>0</u>	<u>8,500,000</u>	
Totals	3,025	1,847,280			1,201,368,957	1,043,197,078	2,244,566,035	

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 - Retail	1	50,400	30.00	1,512,000	1,512,000	1,512,000
Phase 1 - Office	1	252,371	40.00	10,094,840	10,094,840	10,094,840
Phase 1 - Community	1	10,933		0	0	
Phase 1 - Basement	1	227,033		0	0	
Phase 2 - Retail	1	86,409	30.00	2,592,282	2,592,282	2,592,282
Phase 2 - Office	1	333,573	40.00	13,342,924	13,342,924	13,342,924
Phase 2 - Basement	1	227,033		0	0	
Phase 3 - Retail	1	26,530	30.00	795,900	795,900	795,900
Phase 3 - Basement	1	227,033		0	0	
Phase 4 - Retail	1	36,665	30.00	1,099,938	1,099,938	1,099,938
Phase 4 - Office	1	1,216,049	40.00	48,641,964	48,641,964	48,641,964

APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

**Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and Borough CIL with growth**

Phase 4 - Hotel	1	81,625	0	0	
Totals	12	2,775,655		78,079,848	78,079,848

Investment Valuation

Phase 1 - Retail

Market Rent	1,512,000	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	22,427,910

Phase 1 - Office

Market Rent	10,094,840	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	156,307,340

Phase 2 - Retail

Market Rent	2,592,282	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	38,452,029

Phase 2 - Office

Market Rent	13,342,924	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	206,600,298

Phase 3 - Retail

Market Rent	795,900	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	11,805,803

Phase 4 - Retail

Market Rent	1,099,938	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	16,315,682

Phase 4 - Office

Market Rent	48,641,964	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	753,166,567

Phase 4 - Hotel

Manual Value					56,250,000
					1,261,325,629

GROSS DEVELOPMENT VALUE

3,505,891,664

Purchaser's Costs	5.80%	(73,683,845)	(73,683,845)
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APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE**

**Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and Borough CIL with growth
NET DEVELOPMENT VALUE**

3,432,207,818**NET REALISATION****3,432,207,818****OUTLAY****ACQUISITION COSTS**

Fixed Price		46,176,000	
Stamp Duty	4.00%	1,847,040	
Agent Fee	1.00%	461,760	
Legal Fee	0.80%	369,408	
			48,854,208

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
‡ Phase 1 - Retail	72,000 ft ²	185.00 pf ²	15,903,935
‡ Phase 1 - Office	360,530 ft ²	200.00 pf ²	86,093,780
‡ Phase 1 - Community	15,619 ft ²	184.00 pf ²	3,431,401
‡ Phase 1 - Basement	324,333 ft ²	46.00 pf ²	17,813,503
‡ Phase 2 - Retail	123,442 ft ²	185.00 pf ²	27,743,788
‡ Phase 2 - Office	476,533 ft ²	200.00 pf ²	115,785,468
‡ Phase 2 - Basement	324,333 ft ²	46.00 pf ²	18,125,085
‡ Phase 3 - Retail	37,900 ft ²	185.00 pf ²	9,076,332
‡ Phase 3 - Community	30,301 ft ²	184.00 pf ²	7,217,291
‡ Phase 3 - Basement	324,333 ft ²	46.00 pf ²	19,312,940
‡ Phase 4 - Retail	52,378 ft ²	185.00 pf ²	13,427,171
‡ Phase 4 - Office	1,737,213 ft ²	200.00 pf ²	481,445,291
‡ Phase 4 - Basement	324,333 ft ²	46.00 pf ²	20,673,445
‡ Phase 4 - Hotel	116,607 ft ²	200.00 pf ²	34,405,114
‡ Phase 1 - Market Resi	829,013 ft ²	235.00 pf ²	232,610,640
‡ Phase 1 - Affordable Resi	446,392 ft ²	235.00 pf ²	125,251,991
‡ Phase 2 - Market Resi	301,008 ft ²	235.00 pf ²	85,936,365
‡ Phase 2 - Affordable Resi	162,081 ft ²	235.00 pf ²	46,273,361
‡ Phase 3 - Market Resi	584,342 ft ²	235.00 pf ²	177,760,139
‡ Phase 3 - Affordable Resi	<u>314,646 ft²</u>	235.00 pf ²	<u>95,717,091</u>

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing****35% AH, Residual S106 and Borough CIL with growth**

Totals	6,958,380 ft²		1,634,004,128	1,634,004,128
Contingency		5.00%	101,095,631	
Demolition			1,095,608	
Residual S106			25,156,544	
Mayoral CIL & Crossrail S106			47,839,832	
Borough CIL			45,337,912	
				220,525,527
Other Construction				
Abnormals			150,000,000	
Externals		15.00%	69,493,762	
Externals		15.00%	41,360,847	
Externals		15.00%	43,465,628	
Externals		15.00%	82,492,653	
				386,812,890
PROFESSIONAL FEES				
Professional Fees		12.00%	236,760,991	
				236,760,991
MARKETING & LETTING				
Commercial Marketing	2,083,622 ft²	1.50 pf²	3,125,433	
Resi Marketing		2.00%	41,624,877	
Letting Agent Fee		10.00%	7,807,985	
Letting Legal Fee		5.00%	3,903,992	
				56,462,288
DISPOSAL FEES				
Commercial Sales Agent Fee		0.50%	5,943,479	
Resi Sales Agent Fee		1.50%	31,904,819	
Sales Legal Fee		0.25%	8,580,520	
				46,428,817
TOTAL COSTS				2,629,848,850

PROFIT

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE**

Wood Wharf - LBTH CIL Strategic Sites Testing
35% AH, Residual S106 and Borough CIL with growth

802,358,968**Performance Measures**

Profit on Cost%	30.51%
Profit on GDV%	22.89%
Profit on NDV%	23.38%
Development Yield% (on Rent)	2.97%
Equivalent Yield% (Nominal)	5.54%
Equivalent Yield% (True)	5.73%
IRR	10.87%
Rent Cover	10 yrs 3 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

Growth on Sales

		Ungrown	Growth	Total
Phase 1 - Market Resi	Growth Set 1 at 8.240% var.	501,967,371	304,696,316	806,663,688
Phase 2 - Market Resi	Growth Set 1 at 8.240% var.	182,260,344	139,464,480	321,724,824
Phase 3 - Market Resi	Growth Set 1 at 8.240% var.	353,819,081	599,036,282	952,855,363

Inflation on Construction Costs

		Uninflated	Inflation	Total
Phase 1 - Market Resi	Inflation Set 1 at 3.340%	194,818,055	37,792,585	232,610,640
Phase 1 - Affordable Resi	Inflation Set 1 at 3.340%	104,902,120	20,349,871	125,251,991
Phase 2 - Market Resi	Inflation Set 1 at 3.340%	70,736,880	15,199,485	85,936,365
Phase 2 - Affordable Resi	Inflation Set 1 at 3.340%	38,089,035	8,184,326	46,273,361
Phase 3 - Market Resi	Inflation Set 1 at 3.340%	137,320,370	40,439,769	177,760,139
Phase 3 - Affordable Resi	Inflation Set 1 at 3.340%	73,941,810	21,775,281	95,717,091
Phase 1 - Retail	Inflation Set 1 at 3.340%	13,320,000	2,583,935	15,903,935
Phase 1 - Office	Inflation Set 1 at 3.340%	72,106,000	13,987,780	86,093,780
Phase 1 - Community	Inflation Set 1 at 3.340%	2,873,896	557,505	3,431,401
Phase 1 - Basement	Inflation Set 1 at 3.340%	14,919,318	2,894,185	17,813,503

Wood Wharf - LBTH CIL Strategic Sites Testing

35% AH, Residual S106 and Borough CIL with growth

Phase 2 - Retail	Inflation Set 1 at 3.340%	22,836,770	4,907,018	27,743,788
Phase 2 - Office	Inflation Set 1 at 3.340%	95,306,600	20,478,868	115,785,468
Phase 2 - Basement	Inflation Set 1 at 3.340%	14,919,318	3,205,767	18,125,085
Phase 3 - Retail	Inflation Set 1 at 3.340%	7,011,500	2,064,832	9,076,332
Phase 3 - Community	Inflation Set 1 at 3.340%	5,575,384	1,641,907	7,217,291
Phase 3 - Basement	Inflation Set 1 at 3.340%	14,919,318	4,393,622	19,312,940
Phase 4 - Retail	Inflation Set 1 at 3.340%	9,689,930	3,737,241	13,427,171
Phase 4 - Office	Inflation Set 1 at 3.340%	347,442,600	134,002,691	481,445,291
Phase 4 - Basement	Inflation Set 1 at 3.340%	14,919,318	5,754,127	20,673,445
Phase 4 - Hotel	Inflation Set 1 at 3.340%	23,321,400	11,083,714	34,405,114

BNP Paribas Real Estate

Wood Wharf Core Appraisals

Scenario 4	
Affordable Housing	25%
CIL	Full
Growth	None
IRR Achieved	6.21%

Report Date: 14 July 2014

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and Borough CIL****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
Phase 1 - Market Resi	1	669,589	865.00	579,194,053	579,194,053	0	579,194,053
Phase 1 - Affordable Resi	1	223,196	200.00	44,639,280	44,639,280	0	44,639,280
Phase 1 - Car Parking	483	0	0.00	25,000	12,075,000	0	12,075,000
Phase 1 - Ground Rents	1126	0	0.00	4,500	5,067,000	0	5,067,000
Phase 2 - Market Resi	1	243,122	865.00	210,300,444	210,300,444	0	210,300,444
Phase 2 - Affordable Resi	1	81,041	200.00	16,208,220	16,208,220	0	16,208,220
Phase 2 - Ground Rent	409	409	4,500.00	4,500	1,840,500	0	1,840,500
Phase 2 - Car Parking	177	0	0.00	25,000	4,425,000	0	4,425,000
Phase 3 - Market Resi	1	471,968	865.00	408,252,320	408,252,320	40,825,232	449,077,552
Phase 3 - Affordable Resi	1	157,323	200.00	31,464,580	31,464,580	0	31,464,580
Phase 3 - Ground Rent	793	793	4,500.00	4,500	3,568,500	0	3,568,500
Phase 3 - Car Parking	<u>340</u>	<u>0</u>	0.00	25,000	<u>8,500,000</u>	<u>0</u>	<u>8,500,000</u>
Totals	3,334	1,847,441			1,325,534,896	40,825,232	1,366,360,128

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 - Retail	1	50,400	30.00	1,512,000	1,512,000	1,512,000
Phase 1 - Office	1	252,371	40.00	10,094,840	10,094,840	10,094,840
Phase 1 - Community	1	10,933		0	0	
Phase 1 - Basement	1	227,033		0	0	
Phase 2 - Retail	1	86,409	30.00	2,592,282	2,592,282	2,592,282
Phase 2 - Office	1	333,573	40.00	13,342,924	13,342,924	13,342,924
Phase 2 - Basement	1	227,033		0	0	
Phase 3 - Retail	1	26,530	30.00	795,900	795,900	795,900
Phase 3 - Basement	1	227,033		0	0	
Phase 4 - Retail	1	36,665	30.00	1,099,938	1,099,938	1,099,938
Phase 4 - Office	1	1,216,049	40.00	48,641,964	48,641,964	48,641,964

APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

**Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and Borough CIL**

Phase 4 - Hotel	<u>1</u>	<u>81,625</u>	0	<u>0</u>	
Totals	12	2,775,655		78,079,848	78,079,848

Investment Valuation

Phase 1 - Retail

Market Rent	1,512,000	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	22,427,910

Phase 1 - Office

Market Rent	10,094,840	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	156,307,340

Phase 2 - Retail

Market Rent	2,592,282	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	38,452,029

Phase 2 - Office

Market Rent	13,342,924	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	206,600,298

Phase 3 - Retail

Market Rent	795,900	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	11,805,803

Phase 4 - Retail

Market Rent	1,099,938	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	16,315,682

Phase 4 - Office

Market Rent	48,641,964	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	753,166,567

Phase 4 - Hotel

Manual Value					56,250,000
					1,261,325,629

GROSS DEVELOPMENT VALUE

2,627,685,757

Purchaser's Costs	5.80%	(73,764,494)	(73,764,494)
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APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing****25% AH, Residual S106 and Borough CIL****NET DEVELOPMENT VALUE****2,553,921,263****NET REALISATION****2,553,921,263****OUTLAY****ACQUISITION COSTS**

Fixed Price		46,176,000	
Stamp Duty	4.00%	1,847,040	
Agent Fee	1.00%	461,760	
Legal Fee	0.80%	369,408	
			48,854,208

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phase 1 - Retail	72,000 ft ²	185.00 pf ²	13,320,000
Phase 1 - Office	360,530 ft ²	200.00 pf ²	72,106,000
Phase 1 - Community	15,619 ft ²	184.00 pf ²	2,873,896
Phase 1 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 2 - Retail	123,442 ft ²	185.00 pf ²	22,836,770
Phase 2 - Office	476,533 ft ²	200.00 pf ²	95,306,600
Phase 2 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 3 - Retail	37,900 ft ²	185.00 pf ²	7,011,500
Phase 3 - Community	30,301 ft ²	184.00 pf ²	5,575,384
Phase 3 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 4 - Retail	52,378 ft ²	185.00 pf ²	9,689,930
Phase 4 - Office	1,737,213 ft ²	200.00 pf ²	347,442,600
Phase 4 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 4 - Hotel	116,607 ft ²	200.00 pf ²	23,321,400
Phase 1 - Market Resi	956,555 ft ²	235.00 pf ²	224,790,425
Phase 1 - Affordable Resi	318,852 ft ²	235.00 pf ²	74,930,220
Phase 2 - Market Resi	347,317 ft ²	235.00 pf ²	81,619,495
Phase 2 - Affordable Resi	115,773 ft ²	235.00 pf ²	27,206,655
Phase 3 - Market Resi	674,240 ft ²	235.00 pf ²	158,446,400
Phase 3 - Affordable Resi	<u>224,747 ft²</u>	235.00 pf ²	<u>52,815,545</u>

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing****25% AH, Residual S106 and Borough CIL**

Totals	6,958,541 ft²		1,278,970,092	1,278,970,092
Contingency		5.00%	80,757,099	
Demolition			1,040,072	
Residual S106			25,156,544	
Mayoral CIL & Crossrail S106			47,912,460	
Borough CIL			50,144,252	
				205,010,427
Other Construction				
Abnormals			150,000,000	
Externals		15.00%	58,203,081	
Externals		15.00%	34,045,428	
Externals		15.00%	33,577,324	
Externals		15.00%	59,305,987	
				335,131,821
PROFESSIONAL FEES				
Professional Fees		12.00%	185,507,890	
				185,507,890
MARKETING & LETTING				
Commercial Marketing	2,083,622 ft²	1.50 pf²	3,125,433	
Resi Marketing		2.00%	24,771,441	
Letting Agent Fee		10.00%	7,807,985	
Letting Legal Fee		5.00%	3,903,992	
				39,608,851
DISPOSAL FEES				
Commercial Sales Agent Fee		0.50%	5,943,882	
Resi Sales Agent Fee		1.50%	19,281,332	
Sales Legal Fee		0.25%	6,384,803	
				31,610,017
TOTAL COSTS				2,124,693,306

PROFIT

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and Borough CIL****429,227,956****Performance Measures**

Profit on Cost%	20.20%
Profit on GDV%	16.33%
Profit on NDV%	16.81%
Development Yield% (on Rent)	3.67%
Equivalent Yield% (Nominal)	5.54%
Equivalent Yield% (True)	5.73%
IRR	6.21%
Rent Cover	5 yrs 6 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

Growth on Sales

	Ungrown	Growth	Total
Phase 3 - Market Resi	408,252,320	40,825,232	449,077,552

BNP Paribas Real Estate

Wood Wharf Core Appraisals

Scenario 5	
Affordable Housing	25%
CIL	Zero
Growth	None
IRR Achieved	TBC

Report Date: 14 July 2014

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and No Borough CIL****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
Phase 1 - Market Resi	1	669,589	865.00	579,194,053	579,194,053	0	579,194,053
Phase 1 - Affordable Resi	1	223,196	200.00	44,639,280	44,639,280	0	44,639,280
Phase 1 - Car Parking	483	0	0.00	25,000	12,075,000	0	12,075,000
Phase 1 - Ground Rents	1126	0	0.00	4,500	5,067,000	0	5,067,000
Phase 2 - Market Resi	1	243,122	865.00	210,300,444	210,300,444	0	210,300,444
Phase 2 - Affordable Resi	1	81,041	200.00	16,208,220	16,208,220	0	16,208,220
Phase 2 - Ground Rent	409	409	4,500.00	4,500	1,840,500	0	1,840,500
Phase 2 - Car Parking	177	0	0.00	25,000	4,425,000	0	4,425,000
Phase 3 - Market Resi	1	471,968	865.00	408,252,320	408,252,320	40,825,232	449,077,552
Phase 3 - Affordable Resi	1	157,323	200.00	31,464,580	31,464,580	0	31,464,580
Phase 3 - Ground Rent	793	793	4,500.00	4,500	3,568,500	0	3,568,500
Phase 3 - Car Parking	<u>340</u>	<u>0</u>	0.00	25,000	<u>8,500,000</u>	<u>0</u>	<u>8,500,000</u>
Totals	3,334	1,847,441			1,325,534,896	40,825,232	1,366,360,128

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 - Retail	1	50,400	30.00	1,512,000	1,512,000	1,512,000
Phase 1 - Office	1	252,371	40.00	10,094,840	10,094,840	10,094,840
Phase 1 - Community	1	10,933		0	0	
Phase 1 - Basement	1	227,033		0	0	
Phase 2 - Retail	1	86,409	30.00	2,592,282	2,592,282	2,592,282
Phase 2 - Office	1	333,573	40.00	13,342,924	13,342,924	13,342,924
Phase 2 - Basement	1	227,033		0	0	
Phase 3 - Retail	1	26,530	30.00	795,900	795,900	795,900
Phase 3 - Basement	1	227,033		0	0	
Phase 4 - Retail	1	36,665	30.00	1,099,938	1,099,938	1,099,938
Phase 4 - Office	1	1,216,049	40.00	48,641,964	48,641,964	48,641,964

APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

**Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and No Borough CIL**

Phase 4 - Hotel	1	81,625	0	0	
Totals	12	2,775,655		78,079,848	78,079,848

Investment Valuation

Phase 1 - Retail

Market Rent	1,512,000	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	22,427,910

Phase 1 - Office

Market Rent	10,094,840	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	156,307,340

Phase 2 - Retail

Market Rent	2,592,282	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	38,452,029

Phase 2 - Office

Market Rent	13,342,924	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	206,600,298

Phase 3 - Retail

Market Rent	795,900	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	11,805,803

Phase 4 - Retail

Market Rent	1,099,938	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	16,315,682

Phase 4 - Office

Market Rent	48,641,964	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	753,166,567

Phase 4 - Hotel

Manual Value					56,250,000
					1,261,325,629

GROSS DEVELOPMENT VALUE **2,627,685,757**

Purchaser's Costs	5.80%	(73,764,494)	(73,764,494)
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APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing****25% AH, Residual S106 and No Borough CIL****NET DEVELOPMENT VALUE****2,553,921,263****NET REALISATION****2,553,921,263****OUTLAY****ACQUISITION COSTS**

Fixed Price		46,176,000	
Stamp Duty	4.00%	1,847,040	
Agent Fee	1.00%	461,760	
Legal Fee	0.80%	369,408	
			48,854,208

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Phase 1 - Retail	72,000 ft ²	185.00 pf ²	13,320,000
Phase 1 - Office	360,530 ft ²	200.00 pf ²	72,106,000
Phase 1 - Community	15,619 ft ²	184.00 pf ²	2,873,896
Phase 1 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 2 - Retail	123,442 ft ²	185.00 pf ²	22,836,770
Phase 2 - Office	476,533 ft ²	200.00 pf ²	95,306,600
Phase 2 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 3 - Retail	37,900 ft ²	185.00 pf ²	7,011,500
Phase 3 - Community	30,301 ft ²	184.00 pf ²	5,575,384
Phase 3 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 4 - Retail	52,378 ft ²	185.00 pf ²	9,689,930
Phase 4 - Office	1,737,213 ft ²	200.00 pf ²	347,442,600
Phase 4 - Basement	324,333 ft ²	46.00 pf ²	14,919,318
Phase 4 - Hotel	116,607 ft ²	200.00 pf ²	23,321,400
Phase 1 - Market Resi	956,555 ft ²	235.00 pf ²	224,790,425
Phase 1 - Affordable Resi	318,852 ft ²	235.00 pf ²	74,930,220
Phase 2 - Market Resi	347,317 ft ²	235.00 pf ²	81,619,495
Phase 2 - Affordable Resi	115,773 ft ²	235.00 pf ²	27,206,655
Phase 3 - Market Resi	674,240 ft ²	235.00 pf ²	158,446,400
Phase 3 - Affordable Resi	<u>224,747 ft²</u>	235.00 pf ²	<u>52,815,545</u>

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and No Borough CIL**

Totals	6,958,541 ft²		1,278,970,092	1,278,970,092
Contingency		5.00%	80,757,099	
Demolition			1,040,072	
Residual S106			25,156,544	
Mayoral CIL & Crossrail S106			47,912,460	154,866,175
Other Construction				
Abnormals			150,000,000	
Externals		15.00%	58,203,081	
Externals		15.00%	34,045,428	
Externals		15.00%	33,577,324	
Externals		15.00%	59,305,987	335,131,821
PROFESSIONAL FEES				
Professional Fees		12.00%	185,507,890	185,507,890
MARKETING & LETTING				
Commercial Marketing	2,083,622 ft ²	1.50 pf ²	3,125,433	
Resi Marketing		2.00%	24,771,441	
Letting Agent Fee		10.00%	7,807,985	
Letting Legal Fee		5.00%	3,903,992	39,608,851
DISPOSAL FEES				
Commercial Sales Agent Fee		0.50%	5,943,882	
Resi Sales Agent Fee		1.50%	19,281,332	
Sales Legal Fee		0.25%	6,384,803	31,610,017
TOTAL COSTS				2,074,549,054
PROFIT				479,372,208

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and No Borough CIL****Performance Measures**

Profit on Cost%	23.11%
Profit on GDV%	18.24%
Profit on NDV%	18.77%
Development Yield% (on Rent)	3.76%
Equivalent Yield% (Nominal)	5.54%
Equivalent Yield% (True)	5.73%
IRR	7.17%
Rent Cover	6 yrs 2 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

Growth on Sales

	Ungrown	Growth	Total
Phase 3 - Market Resi	408,252,320	40,825,232	449,077,552

BNP Paribas Real Estate

Wood Wharf Core Appraisals

Scenario 6	
Affordable Housing	25%
CIL	Full
Growth	Yes
IRR Achieved	14.85%

Report Date: 14 July 2014

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and Borough CIL & Growth****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
‡ Phase 1 - Market Resi	1	669,589	865.00	579,194,053	579,194,053	351,573,238	930,767,290
Phase 1 - Affordable Resi	1	223,196	200.00	44,639,280	44,639,280	0	44,639,280
Phase 1 - Car Parking	483	0	0.00	25,000	12,075,000	0	12,075,000
Phase 1 - Ground Rents	1126	0	0.00	4,500	5,067,000	0	5,067,000
‡ Phase 2 - Market Resi	1	243,122	865.00	210,300,444	210,300,444	160,920,589	371,221,033
Phase 2 - Affordable Resi	1	81,041	200.00	16,208,220	16,208,220	0	16,208,220
Phase 2 - Ground Rent	409	409	4,500.00	4,500	1,840,500	0	1,840,500
Phase 2 - Car Parking	177	0	0.00	25,000	4,425,000	0	4,425,000
‡ Phase 3 - Market Resi	1	471,968	865.00	408,252,320	408,252,320	691,194,922	1,099,447,242
Phase 3 - Affordable Resi	1	157,323	200.00	31,464,580	31,464,580	0	31,464,580
Phase 3 - Ground Rent	793	793	4,500.00	4,500	3,568,500	0	3,568,500
Phase 3 - Car Parking	<u>340</u>	<u>0</u>	0.00	25,000	<u>8,500,000</u>	<u>0</u>	<u>8,500,000</u>
Totals	3,334	1,847,441			1,325,534,896	1,203,688,749	2,529,223,645

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 - Retail	1	50,400	30.00	1,512,000	1,512,000	1,512,000
Phase 1 - Office	1	252,371	40.00	10,094,840	10,094,840	10,094,840
Phase 1 - Community	1	10,933		0	0	
Phase 1 - Basement	1	227,033		0	0	
Phase 2 - Retail	1	86,409	30.00	2,592,282	2,592,282	2,592,282
Phase 2 - Office	1	333,573	40.00	13,342,924	13,342,924	13,342,924
Phase 2 - Basement	1	227,033		0	0	
Phase 3 - Retail	1	26,530	30.00	795,900	795,900	795,900
Phase 3 - Basement	1	227,033		0	0	
Phase 4 - Retail	1	36,665	30.00	1,099,938	1,099,938	1,099,938
Phase 4 - Office	1	1,216,049	40.00	48,641,964	48,641,964	48,641,964

APPRAISAL SUMMARY

BNP PARIBAS REAL ESTATE

**Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and Borough CIL & Growth**

Phase 4 - Hotel	<u>1</u>	<u>81,625</u>	0	<u>0</u>	
Totals	12	2,775,655		78,079,848	78,079,848

Investment Valuation

Phase 1 - Retail

Market Rent	1,512,000	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	22,427,910

Phase 1 - Office

Market Rent	10,094,840	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	156,307,340

Phase 2 - Retail

Market Rent	2,592,282	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	38,452,029

Phase 2 - Office

Market Rent	13,342,924	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	206,600,298

Phase 3 - Retail

Market Rent	795,900	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	11,805,803

Phase 4 - Retail

Market Rent	1,099,938	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	16,315,682

Phase 4 - Office

Market Rent	48,641,964	YP @	5.5000%	18.1818	
(3yrs Rent Free)		PV 3yrs @	5.5000%	0.8516	753,166,567

Phase 4 - Hotel

Manual Value					56,250,000
					1,261,325,629

GROSS DEVELOPMENT VALUE

3,790,549,274

Purchaser's Costs	5.80%	(73,764,494)	(73,764,494)
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APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE**

Wood Wharf - LBTH CIL Strategic Sites Testing
 25% AH, Residual S106 and Borough CIL & Growth

NET DEVELOPMENT VALUE **3,716,784,779**

NET REALISATION **3,716,784,779**

OUTLAY**ACQUISITION COSTS**

Fixed Price		46,176,000	
Stamp Duty	4.00%	1,847,040	
Agent Fee	1.00%	461,760	
Legal Fee	0.80%	369,408	
			48,854,208

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
‡ Phase 1 - Retail	72,000 ft ²	185.00 pf ²	15,903,935
‡ Phase 1 - Office	360,530 ft ²	200.00 pf ²	86,093,780
‡ Phase 1 - Community	15,619 ft ²	184.00 pf ²	3,431,401
‡ Phase 1 - Basement	324,333 ft ²	46.00 pf ²	17,813,503
‡ Phase 2 - Retail	123,442 ft ²	185.00 pf ²	27,743,788
‡ Phase 2 - Office	476,533 ft ²	200.00 pf ²	115,785,468
‡ Phase 2 - Basement	324,333 ft ²	46.00 pf ²	18,125,085
‡ Phase 3 - Retail	37,900 ft ²	185.00 pf ²	9,076,332
‡ Phase 3 - Community	30,301 ft ²	184.00 pf ²	7,217,291
‡ Phase 3 - Basement	324,333 ft ²	46.00 pf ²	19,312,940
‡ Phase 4 - Retail	52,378 ft ²	185.00 pf ²	13,427,171
‡ Phase 4 - Office	1,737,213 ft ²	200.00 pf ²	481,445,291
‡ Phase 4 - Basement	324,333 ft ²	46.00 pf ²	20,673,445
‡ Phase 4 - Hotel	116,607 ft ²	200.00 pf ²	34,405,114
‡ Phase 1 - Market Resi	956,555 ft ²	235.00 pf ²	268,397,323
‡ Phase 1 - Affordable Resi	318,852 ft ²	235.00 pf ²	89,465,868
‡ Phase 2 - Market Resi	347,317 ft ²	235.00 pf ²	99,157,366
‡ Phase 2 - Affordable Resi	115,773 ft ²	235.00 pf ²	33,052,646
‡ Phase 3 - Market Resi	674,240 ft ²	235.00 pf ²	205,107,619
‡ Phase 3 - Affordable Resi	<u>224,747 ft²</u>	235.00 pf ²	<u>68,369,308</u>

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and Borough CIL & Growth**

Totals	6,958,541 ft²		1,634,004,671	1,634,004,671
Contingency		5.00%	101,095,663	
Demolition			1,095,608	
Residual S106			25,156,544	
Mayoral CIL & Crossrail S106			47,912,460	
Borough CIL			50,144,252	
				225,404,526
Other Construction				
Abnormals			150,000,000	
Externals		15.00%	69,493,846	
Externals		15.00%	41,360,890	
Externals		15.00%	43,465,582	
Externals		15.00%	82,492,653	
				386,812,971
PROFESSIONAL FEES				
Professional Fees		12.00%	236,761,070	
				236,761,070
MARKETING & LETTING				
Commercial Marketing	2,083,622 ft²	1.50 pf²	3,125,433	
Resi Marketing		2.00%	48,028,711	
Letting Agent Fee		10.00%	7,807,985	
Letting Legal Fee		5.00%	3,903,992	
				62,866,122
DISPOSAL FEES				
Commercial Sales Agent Fee		0.50%	5,943,882	
Resi Sales Agent Fee		1.50%	36,724,285	
Sales Legal Fee		0.25%	9,291,962	
				51,960,128
TOTAL COSTS				2,646,663,696

PROFIT

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing
25% AH, Residual S106 and Borough CIL & Growth****1,070,121,083****Performance Measures**

Profit on Cost%	40.43%
Profit on GDV%	28.23%
Profit on NDV%	28.79%
Development Yield% (on Rent)	2.95%
Equivalent Yield% (Nominal)	5.54%
Equivalent Yield% (True)	5.73%
 IRR	 14.85%
 Rent Cover	 13 yrs 8 mths
Profit Erosion (finance rate 0.000%)	N/A

‡ Inflation/Growth applied

Growth on Sales

		Ungrown	Growth	Total
Phase 1 - Market Resi	Growth Set 1 at 8.240% var.	579,194,053	351,573,238	930,767,290
Phase 2 - Market Resi	Growth Set 1 at 8.240% var.	210,300,444	160,920,589	371,221,033
Phase 3 - Market Resi	Growth Set 1 at 8.240% var.	408,252,320	691,194,922	1,099,447,242

Inflation on Construction Costs

		Uninflated	Inflation	Total
Phase 1 - Market Resi	Inflation Set 1 at 3.340%	224,790,425	43,606,898	268,397,323
Phase 1 - Affordable Resi	Inflation Set 1 at 3.340%	74,930,220	14,535,648	89,465,868
Phase 2 - Market Resi	Inflation Set 1 at 3.340%	81,619,495	17,537,871	99,157,366
Phase 2 - Affordable Resi	Inflation Set 1 at 3.340%	27,206,655	5,845,991	33,052,646
Phase 3 - Market Resi	Inflation Set 1 at 3.340%	158,446,400	46,661,219	205,107,619
Phase 3 - Affordable Resi	Inflation Set 1 at 3.340%	52,815,545	15,553,763	68,369,308
Phase 1 - Retail	Inflation Set 1 at 3.340%	13,320,000	2,583,935	15,903,935
Phase 1 - Office	Inflation Set 1 at 3.340%	72,106,000	13,987,780	86,093,780
Phase 1 - Community	Inflation Set 1 at 3.340%	2,873,896	557,505	3,431,401
Phase 1 - Basement	Inflation Set 1 at 3.340%	14,919,318	2,894,185	17,813,503

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Wood Wharf - LBTH CIL Strategic Sites Testing****25% AH, Residual S106 and Borough CIL & Growth**

Phase 2 - Retail	Inflation Set 1 at 3.340%	22,836,770	4,907,018	27,743,788
Phase 2 - Office	Inflation Set 1 at 3.340%	95,306,600	20,478,868	115,785,468
Phase 2 - Basement	Inflation Set 1 at 3.340%	14,919,318	3,205,767	18,125,085
Phase 3 - Retail	Inflation Set 1 at 3.340%	7,011,500	2,064,832	9,076,332
Phase 3 - Community	Inflation Set 1 at 3.340%	5,575,384	1,641,907	7,217,291
Phase 3 - Basement	Inflation Set 1 at 3.340%	14,919,318	4,393,622	19,312,940
Phase 4 - Retail	Inflation Set 1 at 3.340%	9,689,930	3,737,241	13,427,171
Phase 4 - Office	Inflation Set 1 at 3.340%	347,442,600	134,002,691	481,445,291
Phase 4 - Basement	Inflation Set 1 at 3.340%	14,919,318	5,754,127	20,673,445
Phase 4 - Hotel	Inflation Set 1 at 3.340%	23,321,400	11,083,714	34,405,114