



PL/LJ/JC/DS1558

6 November 2023

**STRICTLY PRIVATE AND CONFIDENTIAL**

**Emily Leslie**  
Greater London Authority  
City Hall  
Kamal Chunchie Way  
London  
E16 1ZE

*By email only*

Dear Emily,

**ABERFELDY NEW VILLAGE, LONDON, E14 – AFFORDABLE HOUSING VIABILITY POSITION**

We write in relation to the Financial Viability Assessment (FVA) prepared by DS2 in support of the proposed hybrid planning application (“Proposed Development”) for the Aberfeldy New Masterplan, London, E14 (hereafter “the Site”), in the London Borough of Tower Hamlets (LBTH).

The FVA was submitted on behalf of Aberfeldy New Village LLP (the “Applicant”) on 27 October 2021. The planning application was submitted by planning consultant DP9 and validated by LBTH on 10 November 2021.

Following a resolution to refuse planning permission by the LBTH Strategic Development Committee (SDC) in February 2023, and the subsequent direction that the Mayor of London will act as the local planning authority for the purposes of determining the planning application, further amendments have been made to the design of the Proposed Development to accommodate second staircases in all buildings over 18m in height (hereafter “Amended Proposed Development”).

This letter sets out the viability position of the Amended Proposed Development along with scenario testing which illustrates the positive impact on the viability of the Amended Proposed Development that the change the Applicant are seeking to agree with the GLA.

The updated viability position reflects costs and values<sup>1</sup> as agreed in January 2023. We have updated the previously agreed viability appraisal to reflect the further amendments made to the design of the Proposed Development to accommodate second stairwells in all buildings over 18m in height.

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<sup>1</sup> The agreed values and costs agreed in January 2023 have been prorated and applied to the updated Proposed Development areas.

## **Background**

A Pre-Application FVA was submitted in October 2020, in accordance with LBTH'S Development Viability SPD (2017) which was undertaken to progress and agree the affordable housing proposal with LBTH's appointed viability advisor, BNP Paribas Real Estate (BNPPRE).

Following extensive discussions over a period of 12 months, agreement was reached with BNPPRE, concluding that the proposed level of affordable housing was in excess of the maximum amount of affordable housing that could viably be provided. Upon submission of the FVA, LBTH changed their viability advisor from BNPPRE to their internal viability team, Tower Hamlets Viability (THV).

DS2 have been in discussions with both THV and the GLA Viability Team (GLVT) since the submission of the FVA in October 2021. This letter sets out the finalised position following detailed discussions over the past two years.

An agreement was reached between the respective parties on the viability of the Proposed Development which incorporated second stairwells on buildings taller than 30 metres to the detailed phase only. The viability position agreed with LBTH and the GLVT in January 2023, and reported at SDC in February 2023 is presented in the table below.

<b>Table One: Proposed Development appraisal results, January 2023</b>			
	<b>Profit Target</b>	<b>Profit output</b>	<b>Surplus/Deficit</b>
Proposed Development	15.64% on GDV	10.52% on GDV	(5.12%) Equates to £32.86m

The results shown above indicate that the Proposed Development was generating a deficit of 5.12% against the agreed profit target of 15.64%, meaning the Proposed Development is providing in excess of the maximum viable amount of affordable housing. This deficit equates to approximately £32.86m as a monetary figure.

## **Updated viability position**

DS2 have updated the previously agreed viability appraisal to reflect the further amendments made to the design of the Proposed Development to accommodate second stairwells in all buildings over 18m in height given the Government's announcement in July 2023.

The table below illustrates the changes in units and areas in comparison with the Proposed Development assessed in January 2023.

<b>Table Two: Aberfeldy Amended Proposed Development changes, November 2023</b>			
	<b>Jan-23 (Proposed Development)</b>	<b>Sep-23 (Amended Proposed Development)</b>	<b>Change</b>
Residential units	1,556	1,539	-17
Residential NSA (sqft)	1,137,284	1,097,234	-40,050
GIA (sqft)	1,629,568	1,637,345	7,777

The amendments summarised above reflect changes across the Amended Proposed Development and demonstrate that the introduction of a second staircase in all blocks 18m or above (including the outline element). The amendments reduce scheme efficiency due to a loss of NIA and an marginal increase in GIA.

The revised area and unit numbers have been modelled in the viability appraisal to measure the impact on the viability position. All inputs relating to costs, values and timings and been retained as agreed with LBTH and

the GLA and as adopted in the agreed January 2023 appraisal for the Proposed Development, with the exception of the value attributed to the existing Social Rent homes, which forms part of the Benchmark Land Value (BLV).

The value attributed to the existing Social Rent homes has been reduced from circa £5.72m to £2.76m. The reduction based upon the updated valuation provided to the GLA on the 7 July 2023 which reflect the estimated expenditure required to remedy the fire safety issues in Blairgowrie House.

The revised appraisal results are shown in the table below.

<b>Table Three: Amended Proposed Development appraisal results, November 2023</b>			
	<b>Profit Target</b>	<b>Profit output</b>	<b>Surplus/Deficit</b>
Amended Proposed Development	15.61% on GDV	6.70% on GDV	(8.91%) Equates to £54.81m

The appraisal is attached at **Appendix 1**.

The table illustrates that the Amended Proposed Development remains in a viability deficit. The deficit has increased from c. £32.86m in January 2023 (as shown in Table One) to c. £54.81m in September 2023 (as shown in Table Three). This indicates that the affordable housing provision of 38.8% (by habitable room) remains in excess of the maximum viable amount of affordable housing the Amended Proposed Development can provide, and that the introduction of second stairwells to blocks 18m or above has a significant impact on the viability of the Amended Proposed Development.

### **Scenario testing**

The Applicant is seeking to re-profile the delivery of the affordable housing to assist with cashflow and thus general deliverability given the deterioration of the scheme economics (& notwithstanding that cost inflation has not been included that would worsen the position).

The proposed amendments are outlined below:

- Rebalancing of the delivery of affordable housing – whilst phasing boundaries will remain as previously proposed, S106 triggers are proposed to be agreed to allow for the rebalancing of the delivery of affordable housing. The S106 triggers are proposed to allow for a delay to upfront delivery to allow for a rolling out of the 38.8% affordable housing by habitable room throughout the Phases (i.e. – 38.8% of Phase A will be delivered as affordable housing, 38.8% of Phase A and Phase B will be affordable housing). The primary reason for seeking a rolling provision of 38.8% throughout the Amended Proposed Development is that it allows for more flexibility in the delivery of the affordable housing. Plot J, which forms part of the Detailed Phase is not in ownership of the Applicant and needs to be acquired from LBTH. If there are delays in acquiring Plot J, this would fetter the delivery of the affordable homes in the latter phases because the Applicant wouldn't have been able to deliver all of the affordable homes in Phase A.

The affordable housing has been reprofiled to distribute the delivery evenly across each phase, maintaining 38.8% across the Amended Proposed Development and 89%/11% Social Rent/intermediate tenure split. This tenure split is maintained by applying a blended £ rate of £215.42 psf, which is reflective of an 89%/11% Social Rent/intermediate tenure split based upon the agreed affordable housing values.

This amendment has been calculated using an NIA metric to ensure that the total affordable NIA is maintained. This has been approximated by DS2 in lieu of a full re-profiling scheme being drawn up. The calculation for this can be provided in an edited version of the area schedule spreadsheet if required. The positive cashflow impact of re-profiling the affordable housing is approximately £7m, which again is a result of finance savings, as shown in Table Four.

The outputs of each of the scenarios outlined above, alongside the Proposed Development and Amended Proposed Development, are shown in the table below.

<b>Table Four: Summary appraisal Results, November 2023</b>						
<b>Scheme</b>	<b>Profit %</b>	<b>Profit £</b>	<b>Change vs Jan 23 scheme %</b>	<b>Change vs Jan 23 scheme £</b>	<b>Profit impact vs Sept 23 base £</b>	<b>Deficit</b>
Proposed Development (Jan 2023)	10.52%	£67,488,949	-	-	-	-5.12% -£32,861,066
Amended Proposed Development	6.70%	£41,254,912	-3.82%	- £26,234,037	£0	-8.91% -£54,809,985
Amended Proposed Development with reprofiled affordable housing (Appendix 2)	7.86%	£48,386,528	-2.66%	- £19,102,421	£7,131,616	-7.75% -£47,697,280

The above table demonstrates that there would be a positive impact on the developer return of £7,131,616 if the affordable housing was re-profiled as explained above albeit the return is still significantly below that agreed in January 2023 and the agreed target rate of return. The positive impact on the cash flow is a result of finance cost savings.

Table Four indicates that the Amended Proposed Development is providing in excess of the maximum amount of affordable housing in all tested scenarios.

### **Conclusions**

This letter sets out the updated position on the viability of the Amended Proposed Development and concludes that the affordable housing proposal of 38.8% (by habitable rooms) is in excess of the maximum viable amount of affordable housing the scheme can provide.

The letter demonstrates the impact on scheme viability due to design amendments required to incorporate second staircases for all blocks of 18m or above. A sensitivity is presented incorporating the proposed affordable housing phasing plan which is proposed to mitigate some of the negative financial impact of the introduction of second staircases.

The Amended Proposed Development remains in a viability deficit and as such the Amended Proposed Development would still provide the maximum viable amount of affordable housing, albeit rephasing of the open space and affordable housing does have a positive impact on scheme cashflow and thus assists with deliverability.

The Amended Proposed Development, subject to planning consent being secured, will be subject to an Early Stage Review, Mid Stage Reviews and Late Stage Reviews.

**DS2 LLP**  
**November 2023**

**APPENDIX ONE – AMENDED PROPOSED DEVELOPMENT APPRAISAL,  
NOVEMBER 2023**

# Aberfeldy Application Scheme

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Final appraisal

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Development Appraisal  
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14 September 2023

**Aberfeldy Application Scheme**

**Appraisal Summary for All Merged Phases**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
H London Affordable Rent	66	59,697	200.00	180,900	11,939,400
H Intermediate	7	5,790	430.00	355,671	2,489,700
H Market Residential	31	21,525	725.00	503,407	15,605,625
F Market Residential (NIA updated Jan 23)	102	70,864	725.00	503,690	51,376,400
I Market Residential (NIA updated Jan 23)	48	32,626	725.00	492,789	23,653,850
I Intermediate (NIA updated Jan 23)	4	3,547	430.00	381,303	1,525,210
J London Affordable Rent	19	26,678	200.00	280,821	5,335,600
B3 Market Residential	182	126,463	725.00	503,767	91,685,675
B1 Social Rent (updated Oct 22)	34	27,903	175.00	143,618	4,883,025
B2 Market Residential (updated Oct 22)	141	86,070	725.00	442,559	62,400,750
B2 Intermediate (updated Oct 22)	42	27,195	430.00	278,425	11,693,850
A1 Social Rent	77	63,174	175.00	143,577	11,055,450
A2 Social Rent	38	34,768	175.00	160,116	6,084,400
B4 Social Rent	6	7,915	175.00	230,854	1,385,125
E1 Market Residential	101	63,248	725.00	454,008	45,854,800
E3 Social Rent	36	31,757	175.00	154,374	5,557,475
E2 Market Residential	26	17,306	725.00	482,571	12,546,850
E2 Social Rent (updated Oct 22)	15	13,995	175.00	163,275	2,449,125
C1 Market Residential	183	115,073	725.00	455,890	83,427,925
C3 Social Rent	5	6,660	175.00	233,100	1,165,500
C3 Market Residential	42	29,405	725.00	507,586	21,318,625
C2 Social Rent	12	13,167	175.00	192,019	2,304,225
C2 Intermediate	24	16,243	430.00	291,020	6,984,490
C2 Market Residential	22	16,910	725.00	557,261	12,259,750
C4 Market Residential	99	53,462	725.00	391,515	38,759,950
D1 Social Rent	49	39,949	175.00	142,675	6,991,075
D2 Market Residential	60	37,832	725.00	457,137	27,428,200
D3 Social Rent	2	2,707	175.00	236,863	473,725
D3 Market Residential	62	40,043	725.00	468,245	29,031,175
D4 Social Rent	4	5,262	175.00	230,213	920,850
<b>Totals</b>	<b>1,539</b>	<b>1,097,234</b>			<b>598,587,800</b>

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
H Retail	1	7,176	30.00	215,280	215,280	215,280
H Retail (affordable)	1	1,018	27.00	27,486	27,486	27,486
F Retail (NIA updated Jan 23)	1	1,696	30.00	50,880	50,880	50,880
B3 Retail	1	2,469	30.00	74,070	74,070	74,070
B1 Workspace	1	434	30.00	13,020	13,020	13,020
A1 Workspace	1	294	30.00	8,820	8,820	8,820
A1 Workspace (affordable)	1	617	27.00	16,659	16,659	16,659
B5 Workspace	1	4,405	30.00	132,150	132,150	132,150
E1 Workspace	1	2,196	30.00	65,880	65,880	65,880
E1 Workspace (affordable)	1	1,328	27.00	35,856	35,856	35,856
C1 Workspace	1	2,277	30.00	68,310	68,310	68,310
C6 Workspace	1	1,038	30.00	31,140	31,140	31,140
C4 Workspace	1	3,584	30.00	107,520	107,520	107,520
C5 Workspace	1	1,946	30.00	58,380	58,380	58,380
D1 Retail	1	3,006	30.00	90,180	90,180	90,180
D1 Retail (affordable)	1	685	27.00	18,495	18,495	18,495
D3 Retail	1	2,213	30.00	66,390	66,390	66,390
<b>Totals</b>	<b>17</b>	<b>36,382</b>			<b>1,080,516</b>	<b>1,080,516</b>

**Investment Valuation**

<b>H Retail</b>						
Market Rent	215,280	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	3,384,906	
<b>H Retail (affordable)</b>						
Market Rent	27,486	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	397,053	
<b>F Retail (NIA updated Jan 23)</b>						
Market Rent	50,880	YP @	6.0000%	16.6667		



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(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	800,000
<b>B3 Retail</b>					
Market Rent	74,070	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,164,623
<b>B1 Workspace</b>					
Market Rent	13,020	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	204,717
<b>A1 Workspace</b>					
Market Rent	8,820	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	138,679
<b>A1 Workspace (affordable)</b>					
Market Rent	16,659	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	240,650
<b>B5 Workspace</b>					
Market Rent	132,150	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	2,077,830
<b>E1 Workspace</b>					
Market Rent	65,880	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,035,849
<b>E1 Workspace (affordable)</b>					
Market Rent	35,856	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	517,963
<b>C1 Workspace</b>					
Market Rent	68,310	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,074,057
<b>C6 Workspace</b>					
Market Rent	31,140	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	489,623
<b>C4 Workspace</b>					
Market Rent	107,520	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,690,566
<b>C5 Workspace</b>					
Market Rent	58,380	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	917,925
<b>D1 Retail</b>					
Market Rent	90,180	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,417,925
<b>D1 Retail (affordable)</b>					
Market Rent	18,495	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	267,172
<b>D3 Retail</b>					
Market Rent	66,390	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,043,868
<b>Total Investment Valuation</b>					<b>16,863,405</b>

**GROSS DEVELOPMENT VALUE**

**615,451,205**

Purchaser's Costs	6.80%	257,173
Purchaser's Costs	6.80%	54,400
Purchaser's Costs	6.80%	79,194
Purchaser's Costs	6.80%	13,921
Purchaser's Costs	6.80%	25,794
Purchaser's Costs	6.80%	141,292
Purchaser's Costs	6.80%	105,659
Purchaser's Costs	6.80%	73,036
Purchaser's Costs	6.80%	33,294
Purchaser's Costs	6.80%	114,958

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Purchaser's Costs	6.80%	62,419	
Purchaser's Costs	6.80%	114,587	
Purchaser's Costs	6.80%	70,983	
Effective Purchaser's Costs Rate	6.80%		1,146,712

**NET DEVELOPMENT VALUE** **614,304,493**

**Grant Funding**

Grant Funding		7,004,000	
Grant Funding		14,149,200	
Grant Funding uplift		2,337,000	
			23,490,200

**NET REALISATION** **637,794,693**

**OUTLAY**

**ACQUISITION COSTS**

Phase A EUV	2,837,412		
Phase B EUV	15,194,333		
Phase C EUV	8,988,428		
Phase D EUV	1,803,714		
Total Acquisition		28,823,887	
			28,823,887
Stamp Duty	5.00%	1,441,194	
Agent Fee	1.00%	288,239	
Legal Fee	0.80%	230,591	
			1,960,024

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost	
H Build Costs	128,649	254.37	32,724,866	
F Construction Costs	101,965	253.96	25,895,020	
I Construction Costs	53,408	279.01	14,901,399	
J Construction Costs	30,696	286.02	8,779,560	
Phase B Construction Costs (updated Oct 22)	552,156	266.34	147,060,466	
Phase C Construction Costs	587,973	240.67	141,504,832	
Phase D Construction Costs	<u>182,498</u>	241.88	<u>44,142,680</u>	
<b>Totals</b>	<b>1,637,345 ft<sup>2</sup></b>		<b>415,008,823</b>	
Contingency		5.00%	20,750,441	
S106 (est only)			4,400,000	
Phase A Total CIL			1,801,991	
Phase B Total CIL			3,292,404	
Phase C Total CIL			3,406,666	
Phase D Total CIL			1,140,041	
				449,800,366

**Other Construction Costs**

Home loss and removal costs payment		2,520,000	
Off-site utility		13,635,000	
Phase A Leaseholder Comp/Disturbanc		209,875	
Phase B Leaseholder Comp/Disturbanc		2,270,688	
Jolly's Green Costs		4,011,000	
Phase C Leaseholder Comp/Disturbanc		1,172,500	
Phase D Leaseholder Comp/Disturbanc		277,125	
			24,096,188

**PROFESSIONAL FEES**

Professional Fees	10.00%	41,500,882	
			41,500,882

**MARKETING & LETTING**

Residential Marketing	1.50%	7,730,244	
Commercial Marketing		10,000	
Letting Agent Fee	10.00%	108,052	
Letting Legal Fee	5.00%	54,026	
			7,902,321

**DISPOSAL FEES**

AH Sales Agent Fee		50,000	
Commercial Sales Agent Fee	1.00%	142,939	
Residential Sales Agent Fee	1.50%	7,730,244	
Residential Sales Legal Fee	1,539 un	1,000.00 /un	1,539,000
Commercial Sales Legal Fee		0.50%	72,314

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	9,534,496
<b>TOTAL COSTS BEFORE FINANCE</b>	<b>563,618,165</b>
<b>FINANCE</b>	
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)	
Total Finance Cost	32,921,616
<b>TOTAL COSTS</b>	<b>596,539,781</b>
<b>PROFIT</b>	<b>41,254,912</b>

**Performance Measures**

Profit on Cost%	6.92%
Profit on GDV%	6.70%
Profit on NDV%	6.72%
IRR% (without Interest)	10.08%

**APPENDIX TWO – AMENDED PROPOSED DEVELOPMENT APPRAISAL WITH  
REPROFILED AFFORDABLE HOUSING, NOVEMBER 2023**

# Aberfeldy Application Scheme

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Final appraisal

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Development Appraisal  
Licensed Copy  
14 September 2023

**Aberfeldy Application Scheme**

**Appraisal Summary for All Merged Phases**

Currency in £

**REVENUE**

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
H London Affordable Rent	66	59,697	215.42	194,847	12,859,928
H Intermediate	7	5,790	215.42	178,183	1,247,282
H Market Residential	31	21,525	725.00	503,407	15,605,625
F Market Residential (NIA updated Jan 23)	102	70,864	725.00	503,690	51,376,400
I Market Residential (NIA updated Jan 23)	48	32,626	725.00	492,789	23,653,850
I Intermediate (NIA updated Jan 23)	4	3,547	215.42	191,024	764,095
J London Affordable Rent	4	5,167	215.42	278,269	1,113,075
J Market Residential - AH reprofiling	15	21,511	725.00	1,039,698	15,595,475
B3 Market Residential	182	126,463	725.00	503,767	91,685,675
B1 Social Rent (updated Oct 22)	34	27,903	215.42	176,790	6,010,864
B2 Market Residential (updated Oct 22)	141	86,070	725.00	442,559	62,400,750
B2 Intermediate (updated Oct 22)	42	27,195	215.42	139,484	5,858,347
A1 Social Rent	53	43,531	215.42	176,933	9,377,448
A1 Market resi - AH reprofiled	24	19,643	725.00	593,382	14,241,175
A2 Social Rent	38	34,768	215.42	197,098	7,489,723
B4 Social Rent	6	7,915	215.42	284,175	1,705,049
E1 Market Residential	101	63,248	725.00	454,008	45,854,800
E3 Social Rent	36	31,757	215.42	190,030	6,841,093
E2 Market Residential	26	17,306	725.00	482,571	12,546,850
E2 Social Rent (updated Oct 22)	15	13,995	215.42	200,987	3,014,803
C1 Market Residential	114	71,552	725.00	455,046	51,875,200
C1 affordable - AH reprofiled	69	43,521	215.42	135,874	9,375,294
C3 Social Rent	5	6,660	215.42	286,939	1,434,697
C3 Market Residential	42	29,405	725.00	507,586	21,318,625
C2 Social Rent	12	13,167	215.42	236,370	2,836,435
C2 Intermediate	24	16,243	215.42	145,794	3,499,067
C2 Market Residential	22	16,910	725.00	557,261	12,259,750
C4 Market Residential	99	53,462	725.00	391,515	38,759,950
D1 Social Rent	49	39,949	215.42	175,629	8,605,814
D2 Market Residential	60	37,832	725.00	457,137	27,428,200
D3 Market resi AH reprofiled	2	2,707	725.00	981,288	1,962,575
D3 Market Residential	62	40,043	725.00	468,245	29,031,175
D4 Social Rent	4	5,262	215.42	283,385	1,133,540
<b>Totals</b>	<b>1,539</b>	<b>1,097,234</b>			<b>598,762,628</b>

**Rental Area Summary**

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
H Retail	1	7,176	30.00	215,280	215,280	215,280
H Retail (affordable)	1	1,018	27.00	27,486	27,486	27,486
F Retail (NIA updated Jan 23)	1	1,696	30.00	50,880	50,880	50,880
B3 Retail	1	2,469	30.00	74,070	74,070	74,070
B1 Workspace	1	434	30.00	13,020	13,020	13,020
A1 Workspace	1	294	30.00	8,820	8,820	8,820
A1 Workspace (affordable)	1	617	27.00	16,659	16,659	16,659
B5 Workspace	1	4,405	30.00	132,150	132,150	132,150
E1 Workspace	1	2,196	30.00	65,880	65,880	65,880
E1 Workspace (affordable)	1	1,328	27.00	35,856	35,856	35,856
C1 Workspace	1	2,277	30.00	68,310	68,310	68,310
C6 Workspace	1	1,038	30.00	31,140	31,140	31,140
C4 Workspace	1	3,584	30.00	107,520	107,520	107,520
C5 Workspace	1	1,946	30.00	58,380	58,380	58,380
D1 Retail	1	3,006	30.00	90,180	90,180	90,180
D1 Retail (affordable)	1	685	27.00	18,495	18,495	18,495
D3 Retail	1	2,213	30.00	66,390	66,390	66,390
<b>Totals</b>	<b>17</b>	<b>36,382</b>			<b>1,080,516</b>	<b>1,080,516</b>

**Investment Valuation**

**H Retail**

Market Rent	215,280	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	3,384,906

**H Retail (affordable)**

Market Rent	27,486	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	397,053

**Aberfeldy Application Scheme**

<b>F Retail (NIA updated Jan 23)</b>					
Market Rent	50,880	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	800,000
<b>B3 Retail</b>					
Market Rent	74,070	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,164,623
<b>B1 Workspace</b>					
Market Rent	13,020	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	204,717
<b>A1 Workspace</b>					
Market Rent	8,820	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	138,679
<b>A1 Workspace (affordable)</b>					
Market Rent	16,659	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	240,650
<b>B5 Workspace</b>					
Market Rent	132,150	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	2,077,830
<b>E1 Workspace</b>					
Market Rent	65,880	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,035,849
<b>E1 Workspace (affordable)</b>					
Market Rent	35,856	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	517,963
<b>C1 Workspace</b>					
Market Rent	68,310	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,074,057
<b>C6 Workspace</b>					
Market Rent	31,140	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	489,623
<b>C4 Workspace</b>					
Market Rent	107,520	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,690,566
<b>C5 Workspace</b>					
Market Rent	58,380	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	917,925
<b>D1 Retail</b>					
Market Rent	90,180	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,417,925
<b>D1 Retail (affordable)</b>					
Market Rent	18,495	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	267,172
<b>D3 Retail</b>					
Market Rent	66,390	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,043,868
<b>Total Investment Valuation</b>					<b>16,863,405</b>
<b>GROSS DEVELOPMENT VALUE</b>					<b>615,626,033</b>
Purchaser's Costs		6.80%	257,173		
Purchaser's Costs		6.80%	54,400		
Purchaser's Costs		6.80%	79,194		
Purchaser's Costs		6.80%	13,921		
Purchaser's Costs		6.80%	25,794		
Purchaser's Costs		6.80%	141,292		
Purchaser's Costs		6.80%	105,659		

**Aberfeldy Application Scheme**

Purchaser's Costs	6.80%	73,036	
Purchaser's Costs	6.80%	33,294	
Purchaser's Costs	6.80%	114,958	
Purchaser's Costs	6.80%	62,419	
Purchaser's Costs	6.80%	114,587	
Purchaser's Costs	6.80%	70,983	
Effective Purchaser's Costs Rate	6.80%		1,146,712

**NET DEVELOPMENT VALUE 614,479,321**

**Grant Funding**

Grant Funding		7,004,000	
Grant Funding		14,149,200	
Grant Funding uplift		2,337,000	
			23,490,200

**NET REALISATION 637,969,521**

**OUTLAY**

**ACQUISITION COSTS**

Phase A EUV	2,837,412		
Phase B EUV	15,194,333		
Phase C EUV	8,988,428		
Phase D EUV	1,803,714		
Total Acquisition		28,823,887	28,823,887
Stamp Duty	5.00%	1,441,194	
Agent Fee	1.00%	288,239	
Legal Fee	0.80%	230,591	
			1,960,024

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft²</b>	<b>Build Rate ft²</b>	<b>Cost</b>
H Build Costs	128,649	254.37	32,724,866
F Construction Costs	101,965	253.96	25,895,020
I Construction Costs	53,408	279.01	14,901,399
J Construction Costs	30,696	286.02	8,779,560
Phase B Construction Costs (updated Oct 22)	552,156	266.34	147,060,466
Phase C Construction Costs	587,973	240.67	141,504,832
Phase D Construction Costs	182,498	241.88	44,142,680
<b>Totals</b>	<b>1,637,345 ft²</b>		<b>415,008,823</b>
Contingency		5.00%	20,750,441
S106 (est only)			4,400,000
Phase A Total CIL			1,801,991
Phase B Total CIL			3,292,404
Phase C Total CIL			3,406,666
Phase D Total CIL			1,140,041
			449,800,366

**Other Construction Costs**

Home loss and removal costs payment		2,520,000	
Off-site utility		13,635,000	
Phase A Leaseholder Comp/Disturbanc		209,875	
Phase B Leaseholder Comp/Disturbanc		2,270,688	
Jolly's Green Costs		4,011,000	
Phase C Leaseholder Comp/Disturbanc		1,172,500	
Phase D Leaseholder Comp/Disturbanc		277,125	
			24,096,188

**PROFESSIONAL FEES**

Professional Fees	10.00%	41,500,882	41,500,882
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**MARKETING & LETTING**

Residential Marketing	1.50%	7,733,941	
Commercial Marketing		10,000	
Letting Agent Fee	10.00%	108,052	
Letting Legal Fee	5.00%	54,026	
			7,906,019

**DISPOSAL FEES**

AH Sales Agent Fee		50,000	
Commercial Sales Agent Fee	1.00%	142,939	



**Aberfeldy Application Scheme**

Residential Sales Agent Fee		1.50%	7,733,941	
Residential Sales Legal Fee	1,539 un	1,000.00 /un	1,539,000	
Commercial Sales Legal Fee		0.50%	72,314	
				9,538,194

**TOTAL COSTS BEFORE FINANCE** **563,625,560**

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			25,957,434

**TOTAL COSTS** **589,582,994**

**PROFIT**

**48,386,528**

**Performance Measures**

Profit on Cost%	8.21%
Profit on GDV%	7.86%
Profit on NDV%	7.87%
IRR% (without Interest)	11.54%

