

Bellway Homes Limited (North London),
 Bellway House,
 Bury Street,
 Ruislip,
 Middlesex,
 HA4 7SD.

10/8/22

Dear Sirs,

**COMAG TAVISTOCK WORKS, TAVISTOCK ROAD, YIEWSLEY, WEST DRAYTON, LONDON
BOROUGH OF HILLINGDON, UB7 7QE.
FINANCIAL VIABILITY ASSESSMENT.**

Further to the Avison Young ('AY') report dated July 2022 and subsequent scheme changes, we comment as follows:-

General:-

With respect, we think Avison Young's particular 'stand-back' approach and association of market land transactions and the RLV driven by the proposed scheme to be unreasonable and misguided. We also consider two of their key assumptions to be unreasonable (at least one of which guided by the aforementioned 'stand-back'). We are not challenging the concept of stand-back but rather Avison's Young's interpretation and/or approach in this regard. We also disagree with some of their less significant counter assumptions.

We do not see Avison Young's stand-back approach to be constructive bearing in mind many scheme that did drive positive residual land values may not now give what has been happening to build costs and the current economic situation. A realistic reflection of that situation might lead to a recognition that affordable housing needs to be delivered via an alternative means (other than S.106) over the next few years and/or that grant funding (i.e. traditional and/or by way of something akin to 'kick-start' that featured in the 2008-2010 recession) needs to be re-introduced where needed.

Avison Young's 'stand-back' appears to be that, because some developers have bought certain sites (for £x) in the recent past that had planning consents that are similar to the proposed scheme and where the affordable housing provisions were/are y%, it must therefore be the case that the residual land value driven by your proposed scheme must be £z. Therefore, if a residual profit appraisal involving reasonable assumptions does not drive a residual land value of £z, Avison Young manipulate some of their assumptions (to the extent in this case that some become unreasonable) so that it does. However, such an approach does not represent a viability assessment, rather, a self-fulfilling prophecy. It is not reasonable 'stand-back'.

We consider Avison Young's approach (and the comparables they refer to in support) to be unreasonable for the following reasons:-

- The Residual Land Value ('RLV') produced by a current day value/cost appraisal is not necessarily Market Value. In the same way that it is not appropriate to base Benchmark Land Values ('BLVs') on land transaction evidence and/or Market Value (as primarily advocated by NPPG and, in London, the GLA), it is not appropriate to compare a current day value/cost residual land value to Market Value. However, this is not to say that a current day RLV might sometimes be equivalent to Market Value (or indeed higher).
- One can never be sure why a certain developer (or investor) paid £x for a certain site unless you are that developer.
- No two sites and their respective planning consents are ever the same and are usually markedly different. Comparison per acre and/or per habitable room as a basis to determine value can be spurious (and is in this case). Caution is required.
- There are numerous reasons why sites with planning consents might end up getting bought for more (or less) than RLVs derived from current day value/cost appraisals or indeed fail to sell (suggesting that the site value might actually be lower than previously appraised) including:-
 - The date of sale is significantly later than the date of earlier viability assessments in a period of value growth.
 - The consent ultimately secured ends up being different to what was assumed at the earlier viability assessment date (pre-consent).
 - The purchaser has factored-in growth assumptions (rightly or wrongly and/or unfortunately for them).
 - The purchaser has other intentions for the site other than what has been permitted and/or they think (rightly or wrongly) that they might secure consent for a higher density scheme.
 - The purchaser has paid too much (compared to what is sensibly justified) for whatever reason.
 - The GLA have been happy to suppress/diminish land values via planning policy in a belief that this might facilitate the sustainable delivery of more affordable housing. That mission will have either caused sites to become progressively less valuable and/or it will be detrimental to housing delivery. As such, it should not be a surprise to see RLVs being lower (and progressively lower) than historic land transaction prices.
 - A site might have been indirectly acquired as part of a company purchase with potential tax advantages.
 - A site might have been purchased as part of a design and build and/or investment 'package' whereupon the up-front land payment was inflated in connection with overall/package cash-flow negotiations.

- A 'special purchaser' might be involved (e.g. somebody on a 'land assembly' mission in connection with a bigger and/or different project).

Avision Young present 4 land transaction comparables with associated analysis on pages 38-40 of their report. We comment on these as follows:-

Hyde Park, Hayes, UB3 4AZ:-

It would appear to be more significant that this site was purchased with a resolution for the now permitted scheme in March 21 for £4.1m than focussing in on the current asking price. It is not logical to suggest or believe that this site is now worth 132% more just on account of completing a Section 106 Agreement confirming what was already resolved.

Perhaps Aitch (who bought it for £4.1m in March 2021) paid a sensible/reasonable price (at the time) and that, if anybody does pay £9.1m or more, that would be foolish.

Hayes is at least £50 p.s.f. better than the COMAG site in private residential GDV terms and build costs have of course escalated since March 21. Finance costs have also increased due to several Base Rate increases. At present, we understand there are no buyers for Hyde Park.

We would add that around 300 private habitable rooms are permitted at Hyde Park (plus 52 affordable) whereas there are only a 288 habitable rooms in total proposed at COMAG.

Avison Young's analysis of the indicative RLVs per private habitable room are also misleading as they effectively assume that the affordable habitable rooms drive a RLV of nil whereas they actually drive a negative RLV. As such, a more reasonable analysis (if £9.5m was reasonable which it doesn't appear to be) would be closer to:-

In our opinion, nothing about this ‘comparable’ indicates that a RLV appraisal of the proposed scheme at COMAG should drive a RLV of any particular sum.

Former Southall College:-

This site was not bought with planning permission and is historic given what has happened since. There is no evidence to suggest that the planning consent obtained has made the site worth more than was paid (i.e. £5m), the same that was paid or indeed that the purchase price paid was/is logically supported.

We estimate this scheme to comprise around 105,000 sq.ft. (GIA). Since it was bought, it is quite possible that build costs have risen by £40 p.s.f. and that values are broadly where they were. This would wipe around £4.5m off (including interest cost implications) whatever a reasonable RLV of this site was at February 2020.

In our opinion, nothing about this 'comparable' indicates that a RLV appraisal of the proposed scheme at COMAG should drive a RLV of any particular sum.

The Old Vinyl Factory:-

A purchase back in 2019 is historic given what has happened since.

In our opinion, nothing about this 'comparable' indicates that a RLV appraisal of the proposed scheme at COMAG should drive a RLV of any particular sum.

Stanford House, UB3:-

The purchase price paid by Shepherds Bush Housing Association makes no logical commercial sense as it would not be possible to drive a logical/sensible RLV of £9.1m out of the consent at the time of purchase. The 76 private units may have driven a positive RLV but the 27 affordable units would have driven a negative RLV. Even if one assumed the RLV from the 27 affordable units was nil, the 76 private units could not drive an RLV of £9.1m

This is partly explained by the Deed of Variation that was pursued and obtained earlier this year to switch the scheme into being entirely affordable thus doing away with any CIL/MCIL2 liability and facilitating the drawing in of substantial grant funding.

In context, Shepherds Bush Housing Association was/is a 'special purchaser' and the price they paid for the site is not based upon commercially logical and/or normal grounds.

In our opinion, nothing about this 'comparable' indicates that a RLV appraisal of the proposed scheme at COMAG should drive a RLV of any particular sum.

In conclusion, the land transaction evidence put forward by Avison Young does not indicate anything meaningful.

Furthermore, achievable new build flat values in London are generally flat-lining (or worse) now and build cost inflation has been/is/will be alarming. Comparing RLV's to purchase prices paid for consented land months and/or years ago cannot be reasonable in such a context as, clearly, what was paid then probably wouldn't be paid now. Indeed, may developers probably regret what they paid for some of their sites (even if recent purchases).

The two particular abovementioned unreasonable key assumptions Avison Young have used relate to build costs and profit target.

Profit:-

Because of their 'stand-back' land transaction analysis (which we consider unreasonable), Avison Young have manipulated their profit target assumption to drive a RLV which they think should come about. We do not consider this to be appropriate.

Apart from their land transaction evidence, Avison Young have not provided any evidence in support of their extremely low profit assumption which equates to 15.54% on cost and/or 13.45% on GDV. This is one of the lowest profit target assumptions we have seen on any scheme in London for several years in a market which is now involves substantially higher risk.

The one thing we do find indirectly relevant in the Hyde Park (UB3) site and planning consent referred to by Avison Young is that the related Section 106 Agreement defined 'Financially Viable' as follows:-

"Financially Viable"

means that the Development has (or as at the Review Date is predicted to have) upon completion of the Development a gross development value that results in not less than twenty percent (20%) developer's profit on sales and "Financial Viability" shall be construed accordingly;

Without any valid justification, Avison Young's profit target is lower than the 15-20% range referred to in the NPPF and/or observed as typical by the RICS as noted in our original viability report. It is also significantly lower than was assumed by the Three Dragons in their London Plan Viability Study 2017.

In conclusion, Avison Young's profit target assumptions are not reasonable or evidence based.

Build Costs:-

Avison Young have assumed a build cost equivalent to £185.81 p.s.f. on the total scheme GIA.

We have not seen equivalent rates this low for any London scheme for several years.

Indeed, Avison Young will be aware that they assumed a residential rate p.s.f. of £235 p.s.f. as at Q4 2021 in another review report they prepared in connection with a viability report we prepared for a scheme at 310-330 St James's Road (SE1 5JX – a.k.a. Burgess Business Park). On that scheme (which involved similar proposed residential values), their initial build cost opinion was £235 p.s.f.:-

Burgess Business Park (Camberwell Union)
London Borough of Southwark
Viability Cost Assessment

26 November 2021
Summary

GIA (m²) 17,094 m²
GIA (ft²) 183,995 ft²

**AVISON
YOUNG**

Element	James R. Brown FVA dated May 2021	Revised AY Assessment 26/11 21	Variance	AY Blended £/m ²	AY Blended £/ft ²	Comments
Demolition / Site Clearance	Assume included within rate	514,000	514,000	30	3	
Podium (Parking, Servicing, Plant, Refuse, entrance lobbies, other uses, etc.)	4,527,769	2,327,000	(2,200,769)	136	13	Reduced rate of £1,300/m ² due to use type
Office Space - CAT A + part CAT B	720,902	570,000	(150,902)	33	3	Reduced rate of £2,000/m ² due to use type. CAT A Fit Out incl. Kitchens & Toilets fit out plus Heating & Cooling; Sprinklers.
Community Space	101,179	80,000	(21,179)	5	0	Reduced rate of £2,000/m ² due to use type.
Industrial	4,560,652	2,705,000	(1,855,652)	158	15	Reduced rate of £1,500/m ² due to use type
Private Residential	22,431,429	21,283,000	(1,148,429)	1,245	116	Equivalent rate of £235/ft ² for Private Residential (including Demolition and External Works)
Social / Affordable Residential	10,897,000	9,822,000	(1,075,000)	575	53	5% discount on Private build rate taken for Affordable Units (incl. Intermediate)
External Works and Landscaping (including Services Infrastructure & drainage)	Assume included within rate	1,839,000	1,839,000	108	10	
Balance	(12)	0	12	0	0	
sub-total	£ 43,238,919	£ 39,140,000	(£4,098,919)	£ 2,290	£ 213	
Design Risk / Contingency (5%)	2,161,946	1,957,000	(204,946)	114	11	5% applied by AY as per James R. Brown assessment
Main Contractor's OH&P	Incl.	Incl.	-	-	-	Assumed included in rates within James R. Brown assessment
Total Construction Cost 4Q 2021 (Excl. VAT)	£ 45,400,865	£ 41,097,000	(£4,303,865)	£ 2,404	£ 223	
Main Contractor's Preliminaries & Design Fees	Incl.	Incl.	-	-	-	Assumed included in rates within James R. Brown assessment
Inflation	Excluded	Excluded	-	-	-	
Total Project Cost 4Q 2021 (Excl. VAT & Fees)	£ 45,400,865	£ 41,097,000	(£4,303,865)	£ 2,404	£ 223	



Since then we are all aware of professional media coverage such as this:-

Construction materials inflation continues to soar, government figures reveal

07 JUL, 2022 | BY TIM CLARK

The cost of construction materials rose by almost a third in May compared to the previous year, according to the latest data from the Department for Business, Energy and Industrial Strategy (BEIS).

The monthly Building Materials and Components Index reveals that the cost for all new work increased by 27.2% year-on-year, with new housing costing 23% more, repairs and maintenance rising by 25% and other new work, such as civils, rising by 30.1%.

NCE NEWS WRAP



West London Electrical Capacity Constraints

Clarification

Following circulation of the [West London Electrical Capacity Constraints document](#), the GLA together with the affected Local Planning Authorities reiterate that electrical constraints will not result in what has been characterised as a "ban on future housing" in those areas.

Every planning application will be considered on its merits and we continue to encourage a range of housing to meet West Londoners' needs. However, electricity supply constraints have the potential to impact the delivery of new development in the affected areas.

The Mayor's team, along with the impacted boroughs, are taking action to mitigate any delays to housing delivery. We are pro-actively working with the network providers responsible and with developers to establish short, medium & long-term solutions, and have raised the issue as a matter of urgency with Central Government.

In the meantime, it is important that all proposed developments consult with the appropriate Distribution Network Operator about capacity at the earliest opportunity.

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NEWS

Mayor says build cost inflation hitting 45% on some London housing projects

By [Joey Gardiner](#) | 28 January 2022

The BCIS All-In Tender Price Index reports build cost inflation of 7.27% from Q4 2021 to Q3 2022 which would take the £235 p.s.f. referred to above up to £252 p.s.f.

To deal with Avison Young's build cost assumptions further, you have now instructed a QS to review Avison Young's assessment and their opinion can be seen in **Appendix 1**.

It is clear that Avison Young's build cost assumption for the proposed scheme is, unfortunately, unrealistic and unreasonable.

Other Assumptions:-

MCIL2/CIL/S.106/Carbon. S.278:-

We repeat what we said in Section 12 of our viability report dated 20/4/22. Please review.

Professional Fees:-

Avison Young attempt to justify a 2% professional fee allowance differential between their appraisal of the consented and proposed scheme by suggesting that the provision of a basement in the consented scheme warrants this. However, their contract sum for the consented scheme is of course higher and so any added professional work is already accounted for if the same percentage is used. In other words, it is not reasonable to have a professional fee differential of circa £1m just on account of their being a basement in the consented scheme.

Professional fees are typically in the range 8% - 14% with the higher percentages relating to smaller projects where 'minimum-fees charged by professionals tend to cut in. Complicated schemes also attract higher equivalent percentages. The proposed scheme is medium sized (for London) and is quite complicated as it still involves a podium type deck over a car park with landscaping on top. A reasonable professional fee allowance for the proposed scheme is therefore 10%.

Avison Young assumed a professional fee allowance of 10% on the same scheme referred to on page 6 herein (i.e. Burgess Business Park) and we see no reason to suppress this down to 8% here.

Indeed, it would not be unreasonable to use a higher percentage as we are aware that 10% is often considered appropriate for much bigger contract size scheme (of equal if not more complexity). For example, the extract below is from the Proof of a QS acting as Expert Witness for the London Borough of Lewisham at a planning inquiry where the build contract size was £190m:-

Neil Powling DipBE FRICS DipProjMan(RICS)

PROOF OF EVIDENCE

FOR PUBLIC INQUIRY COMMENCING ON 17 OCTOBER 2017

APPEAL SITE

Sainsbury's Supermarkets Ltd, 55 Roden Street, Ilford, IG1 2AA

APPELLANT

Sainsbury's Supermarkets Limited

APPEAL against London Borough of Redbridge's refusal of planning permission for Demolition of existing buildings and structures and development of a replacement Sainsbury's store (Use Class A1) of 4,745 sqm (net sales area), 951 sqm (GIA) of flexible commercial floor space (Use Class A1/A2/A3/B1/D1) and 683 residential units (Use Class C3) arranged in nine blocks including two terraces of mews and town houses. An energy centre and plant is provided at basement and lower ground level, along with 410 retail car parking spaces and 42 residential car parking spaces. Associated highways and landscaping works.

Planning Inspectorate Reference Nos.

APP/W5780/W/16/3164036

9 Professional fees

9.1 Professional fees have not been included in the HR cost plan but have been calculated separately in the viability appraisal at the rate of 10% of the construction costs. I consider this allowance reasonable for a traditionally procured project of this scale.

In conclusion, Avison Young's 8% professional fee allowance is too low.

Finance Rate/Costs:-

Avison Young have assumed a rate of 6% which is far too low and the same rate they used in the scheme referred to on page 6 herein (i.e. Burgess Business Park) in Q4 2021 since which there has been a 1.5% increase in the Base Rate – and their assumption of 6% in Q4 2021 was too low because it did not appear to account for typical in/out finance facility fees.

We attach at **Appendix 2** bank finance offer terms (which only relate to around 60-65% of required debt with the rest needing to come from more expensive equity and mezzanine finance) offered to a developer by 3 finance intermediaries for a project costing circa £20m in London (W10) in Q4 2021 (since which finance costs have risen). If finance facility in/out fees (which cannot reasonably be ignored) are blended into the pure finance rates indicated by these offers, it is clear that the equivalent rate substantially more than 6%.

Avison Young have not provided any evidence in support of their 6% finance rate assumption and we do not believe any evidence in support of such a rate exists.

Lastly, Avison Young are already aware that the Inspector in an appeal we and they were involved in (i.e. APP/A5840/W/19/3228534 – St James Road, Southwark) considered a reasonable finance rate to be 7% and that was as at Q1 2020.

In conclusion, Avison Young's finance rate of 6% is too low and, bearing in mind the 0.5% Base Rate increase last week, even our 7% assumptions (as per our viability report dated 20/4/22) is now too low. We are prepared to assume a rate of 7.5% but even that is optimistic now.

Conclusion, Scheme Changes & Update:-

We stand by our viability report dated 20/4/22 as at that date.

Key counter assumptions used by Avison Young are either unreasonable, misguided and/or not evidence based.

It is inevitable that residual land values are collapsing in current market conditions. We expect the Market value of development land is also dropping although that is not our concern herein.

Despite our viability report dated 20/4/22, we understand that you were still proposing 35% affordable housing (circa 70:30 Affordable Rent to Shared Ownership). We consider that was substantially more than the maximum reasonable affordable housing provision.

However, we understand that you are now altering the tenure split within the 35% such that it is now 70:30 Shared Ownership to Affordable Rent. A few minor changes have also been made to the unit mix which has resulted in an overall Net sales Area increase of 0.36%. The total scheme GIA has not changed. The revised mix can be seen in **Appendix 3**.

As we have now received your QS's report (see **Appendix 1**), we have updated our viability opinion by way of a residual profit appraisal (see **Appendix 4**) using our BLV of £3m as a hypothetical land cost input.

The appraisal in **Appendix 4** enables us to avoid further immediate disagreement with Avison Young about what represents a necessary profit because the proposed scheme does not stand to make any profit. Indeed, it stands to make a loss of £636,865.

However, it is necessary for us to identify the associated viability shortfall if review clauses are to be applied. At this stage, we consider the viability shortfall to be at least £39,488,167 (total costs identified in the appraisal in **Appendix 4**) x 0.225 (i.e. the profit target we considered reasonable as at 20/4/22 albeit we need to review this now as risk has increased since) = £8,884,838 plus £636,865 = £9.52m.

We estimate that the maximum reasonable affordable housing provision is nil.

As you are offering substantially more than the maximum reasonable affordable housing provision, we do not think any review clauses can or should be imposed/agreed here – even if a 'Breakeven GDV' type approach is employed. Based upon our recent experience, we do not now believe the market can withstand review clauses (particularly GLA style).

Yours faithfully,



James Brown BSc (Hons) MRICS
RICS Registered Valuer
Director

APPENDIX 1



COMAG, Tavistock Road, West Drayton

Review of Construction Costs

5th August 2022



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COMAG, Tavistock Road, West Drayton, UB7 7QE

Review of Construction Costs



Introduction

Ward Williams Associates LLP ("WWA") were instructed by Bellway Homes Limited (North London) ("Bellway") to review the construction costs proposed by Avison Young ("AY") in their Financial Viability Review (dated July 2022) for the development proposed at the former COMAG Works ("COMAG") located at Tavistock Road, West Drayton, London, UB7 7QE. WWA have solely concentrated on the construction costs for the "proposed development" and not considered the costs associated with the "consented scheme". The proposed development is for 105 residential units, together with a small amount of commercial or community space, with a Gross Internal Floor Area ("GIFA") of 11,152m² (120,051 Sq. Ft.).

WWA have reviewed AY's Financial Viability Review and understand they have suggested a construction cost for the proposed scheme of £22,306,000 before contingency and design fees, which represents an average cost based on the GIFA of £2,000/m² or £185.81/Sq. Ft. AY have provided a build up to this cost in their Financial Viability Review. WWA consider this cost is too low based on current market conditions and using live market data on recent tender returns consider the construction cost for the development to be in the order of £27,954,000 (before contingency), or an average cost based on the GIFA of £2,506/m² or £233/Sq. Ft.

This report outlines why WWA consider the costs proposed by AY to not reflect the current market conditions.



Figure 1: Aerial View of the Site

Review of AY Cost Allowances

In arriving at a construction cost of **£22,306,000**, AY have broken the development down into its constituent parts and applied Building Cost Information Service ("BCIS") rates to each of these elements. Whilst WWA recognise the relevance of BCIS average costs in providing indicative costs for schemes, they are not always reliable, particularly when considering site specific requirements (an example on this scheme is the large landscaped podium deck), and because they are a national average across all sectors do not consider the higher than average residential values which are realised in London (for both affordable and private residential accommodation), which means higher costs are incurred to achieve these values in a competitive market.

WWA have reviewed the scheme and understand that whilst the development has different tenures in each of the blocks, the shell and core element of the development would be constructed as a single entity, with the same construction methodologies applied to the building as a whole. This means the key elements (substructure, frame, facades and base mechanical and electrical installations) would be consistent across the building as a whole. It is the fit-out element where different costs will be incurred for the differing tenures, with the private residential element costing more per m² than the Shared Ownership and Affordable Rented units.

AY have applied differing rates to the construction as a whole, rather than recognising the uniformity of the shell and core element. For example, they have applied an average rate of £207/Sq. Ft. for the construction of the private units and two rates for the affordable at £166/Sq. Ft. and £197/Sq. Ft. They have used £202/Sq. Ft. for the Shared Ownership element. They have used differing rates on the affordable, based on the number of stories for each core. This is fundamentally flawed for a development such as this, where despite there being separate cores, the building is not split into disparate blocks, so the average costs for the scheme should be based on the development being "6 storeys or more" and adjusted to reflect the differing fit out of the various tenures.

Furthermore, AY have adjusted the BCIS rates by 5% to include for external works. This is low on any scheme; WWA consider 10% to be more reflective as a general rule, however on this scheme AY do not appear to have included rates for the landscaping to the podium deck and the roof terrace.

In addition, BCIS rates include allowances for preliminaries and overheads and profit. As these are based on a national average, despite them being rebased for London, WWA do not consider they capture the higher levels of preliminaries and overheads and profit incurred on schemes in the City.

For the reasons above, WWA consider the AY construction cost assessment to not reflect the cost of constructing this scheme.

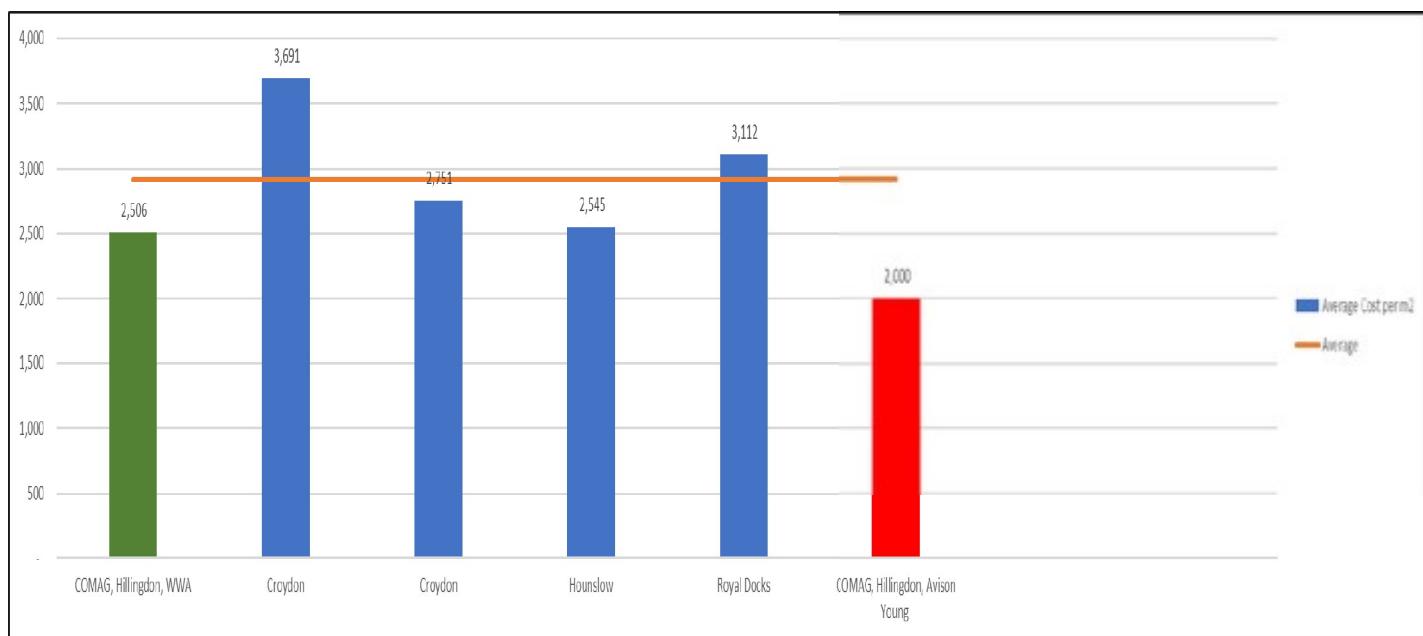
WWA Cost Assessment

In order to establish an estimate cost for the development, WWA have prepared an estimate themselves, based on an elemental breakdown, and costing each element using current market data, based on schemes tendered in London in the last six months, one of which is located in the neighbouring London Borough of Hounslow. In doing so, WWA estimate that the scheme will cost in the order of **£27,954,000** before contingency, which represents an average of £2,506/m² (£233/Sq. Ft.) based on the GIFA. A detailed breakdown is included at Appendix A of this report; however, a summary is included below.

Cost summary	GIFA Areas /m ²	Element Total	Cost /m ²	Cost /ft ²	Cost /m ²	Cost /ft ²	% of cost
1 Demolition	11,153	-	-	-	-	-	0.0%
2 Shell & Core	11,046	13,286,000	1,202.78	111.74	1,848.87	171.76	45%
3 Residential Fit Out - Private	6,135	5,240,000	854.18	79.36	1,133.63	105.32	18%
4 Residential - Affordable & Intermediate	3,402	2,288,000	672.45	62.47	892.46	82.91	8%
5 Commercial/Community	107	134,000	1,252.10	116.32	-	-	0%
6 Statutory Connections	11,153	532,000	47.70	4.43	72.95	6.78	2%
7 External works	11,153	1,060,000	95.04	8.83	145.34	13.50	4%
SUB TOTAL OF ALL FUNCTIONS	11,153	22,540,000	2,021	188	3,091	287	77%
8 Main Contractor Preliminaries	17.00%	3,832,000	343.58	31.92	525.43	48.81	13%
	SUB-TOTAL	26,372,000	2,365	220	3,616	336	90%
9 Main Contractor Overheads and Profit	6.00%	1,582,000	141.84	13.18	216.92	20.15	5%
TOTAL EXCL. CONTINGENCIES & INFLATION		27,954,000	2,506	233	3,833	356	95%
10a Design Development Risk	2.00%	559,000	50.12	4.66	76.65	7.12	2%
10b Construction Risk	3.00%	839,000	75.23	6.99	115.04	10.69	3%
11 Inflation	EXCL	EXCLUDED					
12 Professional Fees	EXCL	EXCLUDED					
TOTAL CURRENT DAY COST		£29,352,000	2,631.75	244.50	4,024.67	373.90	100%
TOTAL CURRENT DAY COST (Rounded)		£29,350,000	2,632	245	4,024	374	100%

Benchmarking

In order to provide a high-level overview for the costs of the scheme, WWA have benchmarked against other comparable schemes, which have been rebased for location and time, and are based on *actual costs*. A summary graph is indicated below, with a full table at Appendix B. For comparison, the AY average cost is shown to the right of the graph, whilst the overall average cost line excludes the estimate prepared by AY, which would distort the figures.



Based on our own estimate and the benchmarking, we consider the AY estimate is not reflective of the construction costs likely to be incurred on this scheme.

Conclusions

- The Avison Young estimate at £22,306,000 excluding contingency has flaws in the method of calculating the cost, by using differing BCIS rates for the shell and core construction, and also ignores certain elements of the scheme, which are specific to this development;
- WWA consider a more realistic cost for the scheme is £27,954,000 excluding contingency, based on an elemental breakdown of the development, using live tendered market rates; and
- The WWA estimate benchmarks with other comparable schemes, whereas the AY estimate is around 30% lower than our market intelligence.

COMAG, Tavistock Road, West Drayton, UB7 7QE

Review of Construction Costs



Appendix A – WWA Initial Estimate

Section 1 : WHOLE PROJECT COST SUMMARY

Area Summary		G.I.A m ²	G.I.A ft ²	N.I.A m ²	N.I.A ft ²	Net to Gross		
	Commercial	107	1,152	107	1,152	0%		
	Affordable Rented Residential	2,424	26,088	1,826	19,657	75%		
	Shared Ownership Residential	979	10,536	738	7,938	75%		
	Private Residential	6,135	66,033	4,622	49,754	75%		
	Car Parking	1,509	16,243	-	-			
		11,153	120,051	7,293	78,502	65%		
Cost summary		GIFA Areas /m ²	Element Total	Cost /m ²	Cost /ft ²	% of cost		
1	Demolition	11,153	-	-	-	0.0%		
2	Shell & Core	11,046	13,286,000	1,202.78	111.74	1,848.87	171.76	45%
3	Residential Fit Out - Private	6,135	5,240,000	854.18	79.36	1,133.63	105.32	18%
4	Residential - Affordable & Intermediate	3,402	2,288,000	672.45	62.47	892.46	82.91	8%
5	Commercial/Community	107	134,000	1,252.10	116.32	-	-	0%
6	Statutory Connections	11,153	532,000	47.70	4.43	72.95	6.78	2%
7	External works	11,153	1,060,000	95.04	8.83	145.34	13.50	4%
SUB TOTAL OF ALL FUNCTIONS		11,153	22,540,000	2,021	188	3,091	287	77%
8	Main Contractor Preliminaries	17.00%	3,832,000	343.58	31.92	525.43	48.81	13%
	SUB-TOTAL		26,372,000	2,365	220	3,616	336	90%
9	Main Contractor Overheads and Profit	6.00%	1,582,000	141.84	13.18	216.92	20.15	5%
TOTAL EXCL. CONTINGENCIES & INFLATION			27,954,000	2,506	233	3,833	356	95%
10a	Design Development Risk	2.00%	559,000	50.12	4.66	76.65	7.12	2%
10b	Construction Risk	3.00%	839,000	75.23	6.99	115.04	10.69	3%
11	Inflation	EXCL	EXCLUDED					
12	Professional Fees	EXCL	EXCLUDED					
TOTAL CURRENT DAY COST			£29,352,000	2,631.75	244.50	4,024.67	373.90	100%
TOTAL CURRENT DAY COST (Rounded)			£29,350,000	2,632	245	4,024	374	100%

8th August 2022

Notes:-

- 1 The measures contained within this document shall not be relied upon for any purpose other than the formulation of the cost plan itself;
- 2 The pricing basis of this *preliminary budget estimate* is current market conditions and should be reviewed at regular intervals of no longer than 3 months; and
- 3 This *preliminary budget estimate* has been prepared from outline information only and we strongly advise that the consultants should be allowed to develop the brief further before any irrevocable financial commitment is entered into by the Client.

Section 2 : CALCULATIONS

		Quant	Unit	Rate £/m ²	£
1	<u>Demolition</u>				
1.1	Demolition	1	item	-	Excluded
				Demolition to Collection	0
2	<u>Shell & Core</u>				
2.1	<u>New shell and core</u>				
	Construction of undercroft car park (excluding services)	1,509	m ²	1,100	1,660,000
	Substructure	9,537	m ²	110	1,049,000
	Frame	9,537	m ²	160	1,526,000
	Upper Floors	9,537	m ²	170	1,621,000
	Extra Over for Podium Slab	1,086	m ²	380	413,000
	Roof	9,537	m ²	22	210,000
	Extra Over for Roof Terrace, including finishes and balustrading (features in external works)	818	m ²	250	205,000
	Stairs	9,537	m ²	13	124,000
	Staircases in duplexes	3	nr	1,000	3,000
	External Walls				
	Glazing - 38%	2,174	m ²	650	1,413,000
	Solid - 62% (Plus articulation) (Precast Concrete with Brick Slips)	3,903	m ²	720	2,810,000
	Balconies/Terraces	105	nr	9,000	945,000
	External Doors; Ground Floor; Residential Access (1 per core)	3	nr	8,000	24,000
	External Doors; Ground Floor; Bike Stores/Refuse; Double	4	nr	6,000	24,000
	External Doors; Ground Floor; Bike Stores/Refuse; Single	6	nr	3,000	18,000
	External Doors; Substation; Louvred; Double	1	nr	8,000	8,000
	External Doors; Substation; Louvred; Single	1	nr	4,000	4,000
	External Doors; single; back of house/escape doors	4	nr	2,000	8,000
	External Doors; to balconies & terraces; glazed	105	nr	2,500	263,000
	Allowance for car park shutter	1	nr	15,000	15,000
	Passenger Lifts;				
	Serving 4 Levels	1	nr	50,000	50,000
	Serving 7 Levels	2	nr	87,500	175,000
	Serving 8 Levels	2	nr	100,000	200,000
	EO For Fire Fighting Lift (1 per core)	3	nr	15,000	45,000
	Shell & Core MEP - Residential	9,537	m ²	200	1,907,000
	Shell & Core MEP - Car Park	1,509	m ²	150	226,000
				Shell & Core to Collection	13,286,000
3	<u>Residential - Private Apartments</u>				
3.1	Fit Out to Private Apartments				
	1 Bed	23	nr	56,000	1,288,000
	2 Bed	46	nr	70,000	3,220,000
	3 Bed	1	nr	98,000	98,000
3.2	Entrance Lobby Fit Out	3	nr	35,000	105,000
3.3	Communal Fit Out	1,512	m ²	350	529,000
				Residential - Private Apartments to Collection	5,240,000

Section 2 : CALCULATIONS

		Quant	Unit	Rate £/m ²	£
4	<u>Residential - Affordable/Intermediate</u>				
4.1	Fit Out to Affordable & Shared Ownership Apartments				
	1 Bed	11	nr	46,000	506,000
	2 Bed	18	nr	62,000	1,116,000
	3 Bed	6	nr	69,000	414,000
4.2	Entrance Lobby Fit Out				Included
4.3	Communal Fit Out	839	m ²	300	252,000
Residential - Affordable/Intermediate to Collection					2,288,000
5	<u>Commercial/Community</u>				
5.1	Shell & Core Retail & Commercial	107	m ²	1,250	134,000
5.2	Fit Out to Commercial to Category A	107	m ²		Excluded
Commercial/Community to Collection					134,000
6	<u>Statutory Connections</u>				
6.1	Allowance for works to Sub-Stations and distribution		item		Included
6.2	Allowance for Water Main & distribution		item		Included
6.3	Allowance for Gas Main & distribution		item		Included
6.4	Allowance for BT/Telecoms distribution		item		Included
6.5	Allowance for drainage		item		Included
6.6	Allowance for service diversions (RISK ITEM)		item		EXCLUDED
6.7	Allowance for all connections, substations, drainage etc.	105	nr	4,950	519,750
6.8	Allowance for commercial connections	1	nr		12,500
Statutory Connections to Collection					532,250

Section 2 : CALCULATIONS

		Quant	Unit	Rate £/m ²	£
7 <u>EXTERNAL WORKS</u>					
7.1	External works Allowance	11,153	m ²	50	558,000
7.2	Podium Landscaping (Slab measured separately)	1,509	m ²	150	226,000
7.3	Allowance for features to rooftop amenity space, pergolas etc	1	Item		25,000
7.4	Allowance for rainwater attenuation		item		50,000
7.5	Allowance for external services	11,153	m ²	8	89,000
7.6	Allowance for bike racks	175	nr	350	61,000
7.7	Allowance for Eurobins	23	nr	350	8,000
7.8	Allowance for car parking markings	54	nr	800	43,000
EXTERNAL WORKS to Collection					1,060,000

Average 1 Bed Apartment - PRIVATE

		Average 1 Bed apartment at Equates to	50 63	m^2	N/A G/A		
Item	Description	Qty	Unit	Rate (£p)	£ Add	£/m2 NIA	£/ft2 NIA
1.0	Plasterboard drylinings / Partitions / Ceilings						
1.1	Allowance for Party Wall between apartments; 70mm metal studs, fibre glass with 2 layers of 15mm plasterboard both sides. Includes mesh or plywood between walls to meet secure by design requirements; 2700-3000mm high	18	m	250	4,500	90	8
1.2	Allowance for internal walls; 15mm soundbloc board with a 45mm Gypwall rapid DB plus metal stud; 2700-3000mm high	19	m	190	3,610	72	7
1.3	E.O. Allowance for moisture resistant board to bathrooms and kitchens	31	m^2	4	125	2	0
1.4	Allowance for 15mm soundbloc board with dot and dab to external walls within an apartment incl high performance insulation	26	m^2	35	914	18	2
1.5	E.O. for forming door openings	4	nr	15	60	1	0
1.6	Allowance for suspended ceiling; single layer of 12.5mm plasterboard	50	m^2	45	2,250	45	4
1.7	Allowance for bulkheads / curtain track support	9	m	50	450	9	1
1.8	Access Panels	2	nr	150	300	6	1
2.0	Internal Doors						
2.1	Allowance for Entrance door to apartment incl. frame, architraves, ironmongery, decoration (assumed PAS 24 Security Door)	1	nr	1,050	1,050	21	2
2.2	Allowance for Single Internal door to apartment incl. frame, architraves, ironmongery, decoration	3	nr	650	1,950	39	4
2.3	Allowance for Double Internal door to apartment incl. frame, architraves, ironmongery, decoration	0	nr	1,050	-	-	-
3.0	Floor Finishes						
3.1	Allowance for 65mm screed to apartment floors; incl acoustic layer	50	m^2	45	2,250	45	4
3.2	Allowance for carpet to bedrooms	15	m^2	40	600	12	1
3.3	Allowance for engineered wood flooring to living areas, entrance	31	m^2	90	2,790	56	5
3.4	Allowance for tiling floor to Bathrooms / ensuite	4	m^2	100	400	8	1
3.5	Allowance for MDF skirtings	75	m	12	900	18	2
4.0	Wall Finishes						
4.1	Tiled bathrooms; full height	19	m^2	90	1,728	35	3
4.2	Allowance for glass splashbacks to kitchen	1	nr	500	500	10	1
4.3	Allowance for paint to walls;	188	m^2	10	1,875	38	3
4.4	Allowance for paint to ceilings;	50	m^2	10	500	10	1
4.5	Allowance for paint to skirtings;	75	m	5	375	8	1
4.6	Allowance for window boards	9	m	35	315	6	1
5.0	Fittings						
5.1	Allowance for Kitchens (incl under cupboard lighting, worktop, sink and taps)	1	nr	6,000	6,000	120	11
5.2	Incl White Goods	1	nr	incl.			
5.3	Allowance for Wardrobe	2	nr	1,200	2,400	48	4
5.4	Joinery - Coat Cupboard - internal fit out only	1	nr	350	350	7	1
5.5	Vanity units; incl top and mirror cabinet	1	nr	800	800	16	1
5.6	Bath Panel	1	nr	150	150	3	0
5.7	Silicone sealant to bathrooms/kitchens	2	nr	100	200	4	0
5.6	Post box	1	nr	350	350	7	1
6.0	Services						
6.1	Sanitaryware						
	Sanitaryware to Bathroom						
6.1.1	WC	1	nr	600	600	12	1
6.1.2	WHB Incl. Taps	1	nr	750	750	15	1
6.1.3	Bath Incl Taps	1	nr	900	900	18	2
6.1.4	Over Bath Shower & Screen	1	nr	800	800	16	1
6.1.5	Towel Rail & Fittings	1	nr	600	600	12	1
	Sanitaryware to Ensuite						
6.1.6	WC	0	nr	600	-	-	-
6.1.7	WHB Incl. Taps	0	nr	750	-	-	-
6.1.8	Shower	0	nr	1,450	-	-	-
6.1.9	Towel Rail & Fittings	0	nr	600	-	-	-
6.2	Allowance for Mechanical and Electrical Installations	1	item	15,000	15,000	300	28
	Allowance for Comfort Cooling	1	item		Excluded	-	-
	AV Allowance	1	item		Excluded	-	-
	TOTAL			£	56,341	1,127	105

Average 2 Bed Apartment - PRIVATE

		Average 2 Bed apartment at Equates to		75 95	m^2 m^2	NIA GIA			
Item	Description	Qty	Unit	Rate (£p)	£ Add	£/m2 NIA	£/ft2 NIA		
1.0 Plasterboard drylinings / Partitions / Ceilings									
1.1	Allowance for Party Wall between apartments; 70mm metal studs, fibre glass with 2 layers of 15mm plasterboard both sides. Includes mesh or plywood between walls to meet secure by design requirements; 2700-3000mm high	14	m	250	3,500	47	4		
1.2	Allowance for internal walls; 15mm soundbloc board with a 45mm Gypwall rapid DB plus metal stud; 2700-3000mm high	30	m	190	5,700	76	7		
1.3	E.O. Allowance for moisture resistant board to bathrooms and kitchens	38	m^2	4	154	2	0		
1.4	Allowance for 15mm soundbloc board with dot and dab to external walls within an apartment incl high performance insulation	44	m^2	35	1,523	20	2		
1.5	E.O. for forming door openings	5	nr	15	75	1	0		
1.6	Allowance for suspended ceiling; single layer of 12.5mm plasterboard	75	m^2	45	3,375	45	4		
1.7	Allowance for bulkheads / curtain track support	16	m	50	800	11	1		
1.8	Access Panels	3	nr	150	450	6	1		
2.0 Internal Doors									
2.1	Allowance for Entrance door to apartment incl. frame, architraves, ironmongery, decoration (assumed PAS 24 Security Door)	1	nr	1,050	1,050	14	1		
2.2	Allowance for Single Internal door to apartment incl. frame, architraves, ironmongery, decoration	4	nr	650	2,600	35	3		
2.3	Allowance for Double Internal door to apartment incl. frame, architraves, ironmongery, decoration	0	nr	1,050	-	-	-		
3.0 Floor Finishes									
3.1	Allowance for 65mm screed to apartment floors; incl acoustic layer	75	m^2	45	3,375	45	4		
3.2	Allowance for carpet to bedrooms	23	m^2	40	920	12	1		
3.3	Allowance for engineered wood flooring to living areas, entrance	44	m^2	90	3,960	53	5		
3.4	Allowance for tiling floor to Bathrooms / ensuite	8	m^2	100	800	11	1		
3.5	Allowance for MDF skirtings	92	m	12	1,104	15	1		
4.0 Wall Finishes									
4.1	Tiled bathrooms; full height	29	m^2	90	2,592	35	3		
4.2	Allowance for glass splashbacks to kitchen	1	nr	500	500	7	1		
4.3	Allowance for paint to walls;	230	m^2	10	2,300	31	3		
4.4	Allowance for paint to ceilings;	75	m^2	10	750	10	1		
4.5	Allowance for paint to skirtings;	92	m	5	460	6	1		
4.6	Allowance for window boards	16	m	35	560	7	1		
5.0 Fittings									
5.1	Allowance for Kitchens (incl under cupboard lighting, worktop, sink and taps)	1	nr	8,500	8,500	113	11		
5.2	Incl White Goods	1	nr	incl.					
5.3	Allowance for Wardrobe	2	nr	1,200	2,400	32	3		
5.4	Joinery - Coat Cupboard - internal fit out only	1	nr	350	350	5	0		
5.5	Vanity units; incl top and mirror cabinet	1	nr	800	800	11	1		
5.6	Bath Panel	1	nr	150	150	2	0		
5.7	Silicone sealant to bathrooms/kitchens	2	nr	100	200	3	0		
5.8	Post box	1	nr	350	350	5	0		
6.0 Services									
6.1	Sanitaryware								
	Sanitaryware to Bathroom								
6.1.1	WC	1	nr	600	600	8	1		
6.1.2	W.H.B Incl. Taps	1	nr	750	750	10	1		
6.1.3	Bath Incl Taps	1	nr	900	900	12	1		
6.1.4	Over Bath Shower & Screen	1	nr	800	800	11	1		
6.1.5	Towel Rail & Fittings	1	nr	600	600	8	1		
	Sanitaryware to Ensuite								
6.1.6	WC	0	nr	600	-	-	-		
6.1.7	W.H.B Incl. Taps	0	nr	750	-	-	-		
6.1.8	Shower	0	nr	1,750	-	-	-		
6.1.9	Towel Rail & Fittings	0	nr	600	-	-	-		
6.2	Allowance for Mechanical and Electrical Installations	1	item	17,000	17,000	227	21		
	Allowance for Comfort Cooling	1	item		Excluded	-	-		
	AV Allowance	1	item		Excluded	-	-		
	TOTAL				£	69,947	933	87	

Average 3 Bed Apartment - PRIVATE

		Average 3 Bed apartment at Equates to	96 122	m^2	N/A m^2	G/A	
Item	Description	Qty	Unit	Rate (£/p)	£ Add	£/m2 NIA	£/ft2 NIA
1.0	Plasterboard drylinings / Partitions / Ceilings						
1.1	Allowance for Party Wall between apartments; 70mm metal studs, fibre glass with 2 layers of 15mm plasterboard both sides. Includes mesh or plywood between walls to meet secure by design requirements; 2700-3000mm high	18	m	250	4,500	47	4
1.2	Allowance for internal walls; 15mm soundbloc board with a 45mm Gypwall rapid DB plus metal stud; 2700-3000mm high	56	m	190	10,640	111	10
1.3	E.O. Allowance for moisture resistant board to bathrooms and kitchens	62	m^2	4	250	3	0
1.4	Allowance for 15mm soundbloc board with dot and dab to external walls within an apartment incl high performance insulation	104	m^2	35	3,654	38	4
1.5	E.O. for forming door openings	7	nr	15	105	1	0
1.6	Allowance for suspended ceiling; single layer of 12.5mm plasterboard	96	m^2	45	4,320	45	4
1.7	Allowance for bulkheads / curtain track support	36	m	50	1,800	19	2
1.8	Access Panels	2	nr	150	300	3	0
2.0	Internal Doors						
2.1	Allowance for Entrance door to apartment incl. frame, architraves, ironmongery, decoration (assumed PAS 24 Security Door)	1	nr	1,050	1,050	11	1
2.2	Allowance for Single Internal door to apartment incl. frame, architraves, ironmongery, decoration	6	nr	650	3,900	41	4
2.3	Allowance for Double Internal door to apartment incl. frame, architraves, ironmongery, decoration	0	nr	1,050	-	-	-
3.0	Floor Finishes						
3.1	Allowance for 65mm screed to apartment floors; incl acoustic layer	96	m^2	45	4,320	45	4
3.2	Allowance for carpet to bedrooms	45	m^2	40	1,800	19	2
3.3	Allowance for engineered wood flooring to living areas, entrance	41	m^2	90	3,690	38	4
3.4	Allowance for tiling floor to Bathrooms / ensuite	10	m^2	100	1,000	10	1
3.5	Allowance for MDF skirtings	162	m	12	1,944	20	2
4.0	Wall Finishes						
4.1	Tiled bathrooms; full height	53	m^2	90	4,752	50	5
4.2	Allowance for glass splashbacks to kitchen	1	nr	500	500	5	0
4.3	Allowance for paint to walls;	405	m^2	10	4,050	42	4
4.4	Allowance for paint to ceilings;	96	m^2	10	960	10	1
4.5	Allowance for paint to skirtings;	162	m	5	810	8	1
4.6	Allowance for window boards	36	m	35	1,260	13	1
5.0	Fittings						
5.1	Allowance for Kitchens (incl under cupboard lighting, worktop, sink and taps)	1	nr	10,000	10,000	104	10
5.2	Incl White Goods	1	nr	Incl.			
5.3	Allowance for Wardrobe	3	nr	1,200	3,600	38	3
5.4	Joinery - Coat Cupboard - internal fit out only	1	nr	350	350	4	0
5.5	Vanity units; incl top and mirror cabinet	2	nr	800	1,600	17	2
5.6	Bath Panel	1	nr	150	150	2	0
5.7	Silicone sealant to bathrooms/kitchens	3	nr	100	300	3	0
5.8	Post box	1	nr	350	350	4	0
6.0	Services						
6.1	Sanitaryware						
	Sanitaryware to Bathroom						
6.1.1	WC	1	nr	600	600	6	1
6.1.2	W.H.B Incl. Taps	1	nr	750	750	8	1
6.1.3	Bath Incl Taps	1	nr	900	900	9	1
6.1.4	Over Bath Shower & Screen	1	nr	800	800	8	1
6.1.5	Towel Rail & Fittings	1	nr	600	600	6	1
	Sanitaryware to Ensuite/WC						
6.1.6	WC	1	nr	600	600	6	1
6.1.7	W.H.B Incl. Taps	1	nr	750	750	8	1
6.1.8	Shower	1	nr	1,750	1,750	18	2
6.1.9	Towel Rail & Fittings	1	nr	600	600	6	1
6.2	Allowance for Mechanical and Electrical Installations	1	item	19,000	19,000	198	18
	Allowance for Comfort Cooling	1	item		Excluded	-	-
	AV Allowance	1	item		Excluded	-	-
	TOTAL				£ 98,305	1,024	95

Average 1 Bed Apartment - AFFORDABLE / INTERMEDIATE

		Average 1 Bed apartment at Equates to		50 63	m^2 m^2	NIA G/A			
Item	Description	Qty	Unit	Rate (£p)	£ Add	£/m2 NIA	£/ft2 NIA		
1.0	Plasterboard drylinings / Partitions / Ceilings								
1.1	Allowance for Party Wall between apartments; 70mm metal studs, fibre glass with 2 layers of 15mm plasterboard both sides. Includes mesh or plywood between walls to meet secure by design requirements; 2700-3000mm high	12	m	250	3,000	60	6		
1.2	Allowance for internal walls; 15mm soundbloc board with a 45mm Gypwall rapid DB plus metal stud; 2700-3000mm high	19	m	190	3,610	72	7		
1.3	E.O. Allowance for moisture resistant board to bathrooms and kitchens	36	m^2	4	144	3	0		
1.4	Allowance for 15mm soundbloc board with dot and dab to external walls within an apartment incl high performance insulation	26	m^2	35	914	18	2		
1.5	E.O. for forming door openings	3	nr	15	45	1	0		
1.6	Allowance for suspended ceiling; single layer of 12.5mm plasterboard	50	m^2	45	2,250	45	4		
1.7	Allowance for bulkheads / curtain track support	9	m	50	450	9	1		
1.8	Access Panels	2	nr	150	300	6	1		
2.0	Internal Doors								
2.1	Allowance for Entrance door to apartment incl. frame, architraves, ironmongery, decoration (assumed PAS 24 Security Door)	1	nr	1,050	1,050	21	2		
2.2	Allowance for Single Internal door to apartment incl. frame, architraves, ironmongery, decoration	2	nr	650	1,300	26	2		
2.3	Allowance for Double Internal door to apartment incl. frame, architraves, ironmongery, decoration	0	nr	1,050	-	-	-		
3.0	Floor Finishes								
3.1	Allowance for 65mm screed to apartment floors; incl acoustic layer	50	m^2	45	2,250	45	4		
3.2	Allowance for carpet to bedrooms	15	m^2	30	450	9	1		
3.3	Allowance for laminate flooring to living areas, entrance	31	m^2	50	1,550	31	3		
3.4	Allowance for tiling floor to Bathrooms / ensuite	4	m^2	85	340	7	1		
3.5	Allowance for MDF skirtings	62	m	12	744	15	1		
4.0	Wall Finishes								
4.1	Tiled bathrooms; half height	11	m^2	85	918	18	2		
4.2	Allowance for tiled splashbacks to kitchen	3	m	150	450	9	1		
4.3	Allowance for paint to walls;	155	m^2	10	1,550	31	3		
4.4	Allowance for paint to ceilings;	50	m^2	10	500	10	1		
4.5	Allowance for paint to skirtings;	62	m	5	310	6	1		
4.6	Allowance for window boards	9	m	35	315	6	1		
5.0	Fittings								
5.1	Allowance for Kitchens (incl under cupboard lighting, worktop, sink and taps)	1	nr	4,500	4,500	90	8		
5.2	Incl White Goods	1	nr	incl					
5.3	Allowance for Wardrobe	1	nr	900	900	18	2		
5.4	Joinery - Coat Cupboard - internal fit out only	2	nr	450	900	18	2		
5.5	Vanity units; incl top and mirror cabinet	1	nr	350	350	7	1		
5.6	Bath Panel	1	nr	100	100	2	0		
5.7	Silicone sealant to bathrooms/kitchens	2	nr	100	200	4	0		
5.8	Post box	1	nr	350	350	7	1		
6.0	Services								
6.1	Sanitaryware								
	Sanitaryware to Bathroom								
6.1.1	WC	1	nr	500	500	10	1		
6.1.2	W.H.B Incl. Taps	1	nr	500	500	10	1		
6.1.3	Bath Incl Taps	1	nr	900	900	18	2		
6.1.4	Over Bath Shower & Curtain	1	nr	800	800	16	1		
6.1.5	Towel Rail & Fittings	1	nr	300	300	6	1		
	Sanitaryware to Ensuite								
6.1.6	WC	0	nr	500	-	-	-		
6.1.7	W.H.B Incl. Taps	0	nr	500	-	-	-		
6.1.8	Shower	0	nr	800	-	-	-		
6.1.9	Towel Rail & Fittings	0	nr	300	-	-	-		
6.2	Allowance for Mechanical and Electrical Installations	1	item		13,000	260	24		
	Allowance for Comfort Cooling	1	item		-	-	-		
	AV Allowance	1	item		-	-	-		
	TOTAL				£ 45,740	915	85		

Average 2 Bed Apartment - AFFORDABLE / INTERMEDIATE

		Average 2 Bed apartment at Equates to	75 95	m^2 m^2	NIA G/A			
Item	Description	Qty	Unit	Rate (£p)	£ Add	£/m2 NIA	£/ft2 NIA	
1.0	Plasterboard drylinings / Partitions / Ceilings							
1.1	Allowance for Party Wall between apartments; 70mm metal studs, fibre glass with 2 layers of 15mm plasterboard both sides. Includes mesh or plywood between walls to meet secure by design requirements; 2700-3000mm high	17	m	250	4,250	57	5	
1.2	Allowance for internal walls; 15mm soundbloc board with a 45mm Gypwall rapid DB plus metal stud; 2700-3000mm high	28	m	190	5,320	71	7	
1.3	E.O. Allowance for moisture resistant board to bathrooms and kitchens	34	m^2	4	134	2	0	
1.4	Allowance for 15mm soundbloc board with dot and dab to external walls within an apartment incl high performance insulation	36	m^2	35	1,269	17	2	
1.5	E.O. for forming door openings	5	nr	15	75	1	0	
1.6	Allowance for suspended ceiling; single layer of 12.5mm plasterboard	75	m^2	45	3,375	45	4	
1.7	Allowance for bulkheads / curtain track support	13	m	50	650	9	1	
1.8	Access Panels	2	nr	150	300	4	0	
2.0	Internal Doors							
2.1	Allowance for Entrance door to apartment incl. frame, architraves, ironmongery, decoration (assumed PAS 24 Security Door)	1	nr	1,050	1,050	14	1	
2.2	Allowance for Single Internal door to apartment incl. frame, architraves, ironmongery, decoration	4	nr	650	2,600	35	3	
2.3	Allowance for Double Internal door to apartment incl. frame, architraves, ironmongery, decoration	0	nr	1,050	-	-	-	
3.0	Floor Finishes							
3.1	Allowance for 65mm screed to apartment floors; incl acoustic layer	75	m^2	45	3,375	45	4	
3.2	Allowance for carpet to bedrooms	23	m^2	30	690	9	1	
3.3	Allowance for laminate flooring to living areas, entrance	48	m^2	50	2,400	32	3	
3.4	Allowance for tiling floor to Bathrooms / ensuite	4	m^2	85	340	5	0	
3.5	Allowance for MDF skirtings	95	m	12	1,140	15	1	
4.0	Wall Finishes							
4.1	Tiled bathrooms; half height	10	m^2	85	816	11	1	
4.2	Allowance for tiled splashbacks to kitchen	3	m	150	450	6	1	
4.3	Allowance for paint to walls;	238	m^2	10	2,375	32	3	
4.4	Allowance for paint to ceilings;	75	m^2	10	750	10	1	
4.5	Allowance for paint to skirtings;	95	m	5	475	6	1	
4.6	Allowance for window boards	13	m	35	455	6	1	
5.0	Fittings							
5.1	Allowance for Kitchens (incl under cupboard lighting, worktop, sink and taps)	1	nr	6,000	6,000	80	7	
5.2	Incl White Goods	1	nr	incl				
5.3	Allowance for Wardrobe	2	nr	900	1,800	24	2	
5.4	Joinery - Coat Cupboard - internal fit out only	3	nr	450	1,350	18	2	
5.5	Vanity units; incl top and mirror cabinet	1	nr	350	350	5	0	
5.6	Bath Panel	1	nr	100	100	1	0	
5.7	Silicone sealant to bathrooms/kitchens	2	nr	100	200	3	0	
5.8	Post box	1	nr	350	350	5	0	
6.0	Services							
6.1	Sanitaryware							
	Sanitaryware to Bathroom							
6.1.1	WC	1	nr	500	500	7	1	
6.1.2	W.H.B Incl. Taps	1	nr	500	500	7	1	
6.1.3	Bath Incl Taps	1	nr	900	900	12	1	
6.1.4	Over Bath Shower & Curtain	1	nr	800	800	11	1	
6.1.5	Towel Rail & Fittings	1	nr	300	300	4	0	
	Sanitaryware to WC							
6.1.6	WC	1	nr	500	500	7	1	
6.1.7	W.H.B Incl. Taps	1	nr	500	500	7	1	
6.1.8	Shower	0	nr	800	-	-	-	
6.1.9	Towel Rail & Fittings	1	nr	300	300	4	0	
6.2	Allowance for Mechanical and Electrical Installations	1	item		15,000	200	19	
	Allowance for Comfort Cooling	1	item		-	-	-	
	AV Allowance	1	item		-	-	-	
	TOTAL				£ 61,739	823	76	

Average 3 Bed Apartment - AFFORDABLE / INTERMEDIATE

		Average 3 Bed apartment at Equates to	96 122	m^2	N/A G/A			
Item	Description	Qty	Unit	Rate (£/p)	£ Add	£/m2 NIA	£/ft2 NIA	
1.0	Plasterboard drylinings / Partitions / Ceilings							
1.1	Allowance for Party Wall between apartments; 70mm metal studs, fibre glass with 2 layers of 15mm plasterboard both sides. Includes mesh or plywood between walls to meet secure by design requirements; 2700-3000mm high	17	m	250	4,250	44	4	
1.2	Allowance for internal walls; 15mm soundbloc board with a 45mm Gypwall rapid DB plus metal stud; 2700-3000mm high	28	m	190	5,320	55	5	
1.3	E.O. Allowance for moisture resistant board to bathrooms and kitchens	34	m^2	4	134	1	0	
1.4	Allowance for 15mm soundbloc board with dot and dab to external walls within an apartment incl high performance insulation	36	m^2	35	1,269	13	1	
1.5	E.O. for forming door openings	5	nr	15	75	1	0	
1.6	Allowance for suspended ceiling; single layer of 12.5mm plasterboard	96	m^2	45	4,320	45	4	
1.7	Allowance for bulkheads / curtain track support	13	m	50	650	7	1	
1.8	Access Panels	2	nr	150	300	3	0	
2.0	Internal Doors							
2.1	Allowance for Entrance door to apartment incl. frame, architraves, ironmongery, decoration (assumed PAS 24 Security Door)	1	nr	1,050	1,050	11	1	
2.2	Allowance for Single Internal door to apartment incl. frame, architraves, ironmongery, decoration	4	nr	650	2,600	27	3	
2.3	Allowance for Double Internal door to apartment incl. frame, architraves, ironmongery, decoration	0	nr	1,050	-	-	-	
3.0	Floor Finishes							
3.1	Allowance for 65mm screed to apartment floors; incl acoustic layer	96	m^2	45	4,320	45	4	
3.2	Allowance for carpet to bedrooms	45	m^2	30	1,350	14	1	
3.3	Allowance for laminate flooring to living areas, entrance	47	m^2	50	2,350	24	2	
3.4	Allowance for tiling floor to Bathrooms / ensuite	4	m^2	85	340	4	0	
3.5	Allowance for MDF skirtings	95	m	12	1,140	12	1	
4.0	Wall Finishes							
4.1	Tiled bathrooms; half height	10	m^2	85	816	9	1	
4.2	Allowance for tiled splashbacks to kitchen	3	m	150	450	5	0	
4.3	Allowance for paint to walls;	238	m^2	10	2,375	25	2	
4.4	Allowance for paint to ceilings;	96	m^2	10	960	10	1	
4.5	Allowance for paint to skirtings;	95	m	5	475	5	0	
4.6	Allowance for window boards	13	m	35	455	5	0	
5.0	Fittings							
5.1	Allowance for Kitchens (incl under cupboard lighting, worktop, sink and taps)	1	nr	7,000	7,000	73	7	
5.2	Incl White Goods	1	nr	incl				
5.3	Allowance for Wardrobe	2	nr	900	1,800	19	2	
5.4	Joinery - Coat Cupboard - internal fit out only	3	nr	450	1,350	14	1	
5.5	Vanity units; incl top and mirror cabinet	1	nr	350	350	4	0	
5.6	Bath Panel	1	nr	100	100	1	0	
5.7	Silicone sealant to bathrooms/kitchens	2	nr	100	200	2	0	
5.8	Post box	1	nr	350	350	4	0	
6.0	Services							
6.1	Sanitaryware							
	Sanitaryware to Bathroom							
6.1.1	WC	1	nr	500	500	5	0	
6.1.2	W.H.B Incl. Taps	1	nr	500	500	5	0	
6.1.3	Bath Incl Taps	1	nr	900	900	9	1	
6.1.4	Over Bath Shower & Curtain	1	nr	800	800	8	1	
6.1.5	Towel Rail & Fittings	1	nr	300	300	3	0	
	Sanitaryware to Ensuite							
6.1.6	WC	1	nr	500	500	5	0	
6.1.7	W.H.B Incl. Taps	1	nr	500	500	5	0	
6.1.8	Shower	1	nr	1,500	1,500	16	1	
6.1.9	Towel Rail & Fittings	1	nr	300	300	3	0	
6.2	Allowance for Mechanical and Electrical Installations	1	item		17,000	177	16	
	Allowance for Comfort Cooling	1	item		-	-	-	
	AV Allowance	1	item		-	-	-	
	TOTAL			£	68,949	718	67	

Area Schedules

GIA			
	Residential m ²	Commercial m ²	Car Park m ²
Total	9,537	107	1,509
	9,537	107	1,509
Totals	11,153	120,050	11,153

NIA			
		Car Park m ²	
Residential m ²	Commercial m ²		
7,186	107	0	
		107	-
	7,186	107	7,293
	75%		78,501
			N:G Resi

Area By Tenure	G/A	Sq. Ft.	N/A	Sq. Ft.
	m^2	m^2	m^2	m^2
Private	6,135	66,032		4,622
Affordable / rental	2,424	26,088		1,826
Shared Ownership	979	10,536		738
<i>Total</i>	9,537	102,656		7,186
				77,349

Tenure Mix

Category	Private			Affordable rental			Shared Ownership			Total			
	S	1B	2B	3B	Total	1B	2B	3B (D)	Total	1B	2B	3B	Total
Studio	0				0				-				0
1 Bedroom		23			23		8		8				34
2 Bedroom			46		46		10		10				64
3 Bedroom			1		1		3		3				4
3 Bedroom (Duplex)							3		3				3
TOTAL	-	23	46	1	70	8	10	3	24	3	8	0	11
						TRUE				TRUE			105

Assumptions and Exclusions

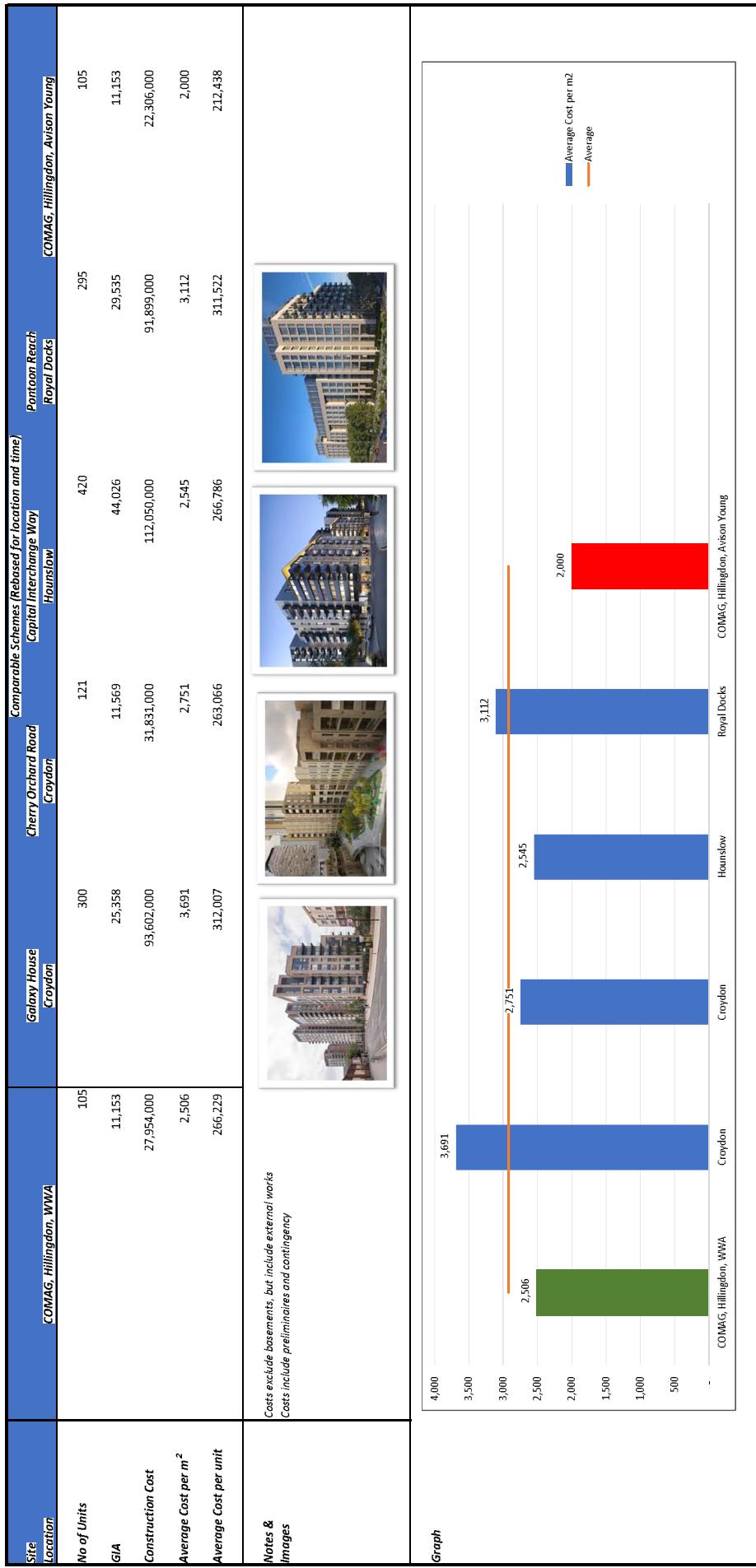
Nr	Item	Addressed in Study	No Allowance within Study
1	Area based on architects area Schedule	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	Costs are current day and based on live market intelligence	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	Preliminaries @ 17%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	Contractor's overheads & profit @ 6%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5	Contingency allowance for design and construction @ 5%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6	Professional fee allowance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7	Section 106 & 278 Works	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8	TFL associated infrastructure costs and fees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9	Contamination allowance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10	Demolition and Site Clearance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11	Asbestos Removal allowance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12	Archaeology	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13	Legal Costs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14	Planning fees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15	Building regulation fees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16	NHBC Fee Allowances	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17	VAT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18	Site acquisition costs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19	Utility Connection Charges allowed for per unit	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20	Upgrading / increasing utilities within the development	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21	Local Authority & Private infrastructure work outside the boundary of the site over and above the upgrades	<input type="checkbox"/>	<input checked="" type="checkbox"/>
22	Service Diversions Allowance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
23	BREEAM or equivalent - Very Good/Excellent	<input checked="" type="checkbox"/>	<input type="checkbox"/>
24	Early release of a show flat or construction of an independent MSU	<input type="checkbox"/>	<input checked="" type="checkbox"/>
25	Commercial/Community Fit Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
26	CIL Contributions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

COMAG, Tavistock Road, West Drayton, UB7 7QE

Review of Construction Costs



Appendix B – WWA Benchmarking





EXETER:
8 Kew Court
Pynes Hill
Exeter
EX2 5AZ

T: 01392 40969

GLoucester:
A10 Elmbridge
Court
Cheltenham Road
East Gloucester
Gloucestershire
GL3 1JZ

T: 01452 301012

PLYMOUTH:
Mills Bakery
Royal William Yard
Plymouth, Devon
PL1 3GE

T: 01752 250480

TRURO:
Compass House
Truro
Business Park,
Threemilestone,
Truro, Cornwall
TR4 9LD

T: 01872 272 906

LONDON:
87a Worship Street
London
EC2A 2BE

T: 020 74860501

SALISBURY:
5 Barnack
Business Centre
Blakey Road
Salisbury
SP1 2LP

T: 01722 443 309

MANCHESTER:
Unit 2G,
Beehive Mill,
Jersey Street,
Manchester,
M4 6JG

T: 0161 359 5773

wwa.uk.com



APPENDIX 2

	Lender 1 Ingenious	Lender 2 Alpha
Term:	30 months	30 months
Amount (ignoring interest and lending fees):	£16.125m	£15.862m
Amount (including interest and lending fees):	£17.600m	£17.392m
Own funds required (on the basis the total cost excluding interest and lending fees is £26.514m):	£10.389m	£10.652m
Total interest rate:	7.2%	6.5%
Arrangement fee:	£176,000 (1%)	£86,960 (0.5%)
Peritus' fee:	£88,000 (0.5%)	£86,960 (0.5%)
Exit fee:	£352,000 (2%)	£347,840 (2%)
Non utilisation fee:	Nil	Nil
Loan to value:	60.2%	59.5%
Loan to cost:	62.9%	62.0%
Security:	<ul style="list-style-type: none"> First legal charge over the whole site; Debenture from the Borrower; Collateral warranties from the contractor (████████) and key professionals; Guarantee from █████ of 10% so £1.76m. 	<ul style="list-style-type: none"> First legal charge over the whole site; Debenture from the Borrower; Collateral warranties from the contractor (████████) and key professionals; Guarantee from █████ of £1.5m.
Comments:	<ul style="list-style-type: none"> Land to be in the Borrower's name (as discussed, we think this can be accomplished by the granting of long leases by the current vendors); ████████ to be tied in for the duration of the facility to the lender's satisfaction; ████████ or another contractor of a similar size/reputation (to the lender's satisfaction) to be appointed contractor; No pre-sales; Will look at term debt on PC and sufficient lettings of the offices. 	

Memorandum: CBRE Illustrative loan parameters																																																																																																																									
Loan for the development of the [REDACTED] [REDACTED] London W10																																																																																																																									
Dec-21																																																																																																																									
<p>Indicative terms for discussion purposes only. These should not be considered an offer of Finance, and are subject to further review, due diligence, investment committee approval and documentation.</p>																																																																																																																									
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All contracts relating to the construction programme in place. Full Planning Permission. [REDACTED] to be retained as DM</td></tr> <tr> <td></td><td colspan="2">DM on commercially acceptable terms and with an appropriate exit performance fee</td></tr> <tr> <td></td><td colspan="2">Confirmation from the PM that the development is fully funded.</td></tr> <tr> <td colspan="2">Other</td></tr> <tr> <td>Contingency</td><td colspan="2">Minimum of 5% of cost to go</td></tr> <tr> <td>Cost overrun guarantee</td><td>10% of cost to complete and 1 year interest cover</td><td>To discuss at next stage.</td></tr> <tr> <td>Commercial Fit Out</td><td colspan="2">To be discussed</td></tr> <tr> <td>Milestones</td><td colspan="2">Construction programme to be agreed with the Project Monitor</td></tr> <tr> <td colspan="2">Covenant Levels</td></tr> <tr> <td>Loan to GDV</td><td>70.0%</td><td>Assuming construction is complete with commercial space fully let.</td></tr> <tr> <td>LTVPV</td><td>77.5%</td><td>Assuming construction is complete with commercial space vacant.</td></tr> <tr> <td colspan="2">ESG Requirements</td></tr> <tr> <td colspan="3">This mandate includes a number of targets at transaction level across the following categories: Environmental, Economy, Fairness, User Experience and Governance.</td></tr> </tbody> </table>			Loan Parameters (not intended to be exhaustive)	Comment	Transaction Details		Value	£31.80m	Residential: 24 units, net proceeds of £20.1m Commercial: net proceeds of £11.7m	Total Costs to Go	£26.64m	Includes 5% contingency on development costs	Facility		Total Facility	£20.38m		Lower of:	£20.38m, Gross LTC: 72% or Gross LTGDV: 64%	GDV to be confirmed by top tier third party valuer Costs include finance costs and assumed commercial void costs	Capital Tranche	£18.63m		Interest & Fees Rolled up	£1.75m		Borrowers Minimum Cash Equity	£8.00m		Term	38 months + 1 year extension option	Extension option to be discussed	Repayment	Repay through the residential unit sales (less agreed sales and running costs)		Pricing		Initial Interest Margin	6.50%	Fixed Coupon	Arrangement Fee	1.50%	Charged on the Total Facility Amount, utilises the Interest and Fees Roll up Tranche	Exit Fee	1.50%	Charged on the Total Facility Amount	Early Repayment Fees	Up to: 12 months: 3.00% 24 months: 1.50%	No charge on completed and sold residential units.	Extension Fee	1.00%		Parties		Lender	Fund advised by CBRE Investment Advisory		Borrower	SPV owned by [REDACTED]	SPV to be confirmed	Project Monitor	Third Party to be appointed by the Lender		Main Contractor	[REDACTED]		Valuer	Third Party to be appointed by the Lender	"Top Tier" Firm	Security		To include:			First Charge	Over the freehold of the assets			Charge over the relevant bank accounts		Step in rights	Full step in rights on construction contracts / sales contracts / warranties from any design parties		CPs		Construction Tranche	All Equity related to the construction phase invested. All contracts relating to the construction programme in place. Full Planning Permission. [REDACTED] to be retained as DM			DM on commercially acceptable terms and with an appropriate exit performance fee			Confirmation from the PM that the development is fully funded.		Other		Contingency	Minimum of 5% of cost to go		Cost overrun guarantee	10% of cost to complete and 1 year interest cover	To discuss at next stage.	Commercial Fit Out	To be discussed		Milestones	Construction programme to be agreed with the Project Monitor		Covenant Levels		Loan to GDV	70.0%	Assuming construction is complete with commercial space fully let.	LTVPV	77.5%	Assuming construction is complete with commercial space vacant.	ESG Requirements		This mandate includes a number of targets at transaction level across the following categories: Environmental, Economy, Fairness, User Experience and Governance.		
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APPENDIX 3

RM_A

Comag. West Dravton - 70% Affordable - 30% S/O
Bellwav NL
2211 5006
Rev N

Dated 01.07.2022

This document is supplied for information purposes only, without prejudice to RMA. The areas are subject to change according to site survey. Further design development, planning and construction. The areas include no tolerances, and must not be used for sales purposes. RMA have copyright of all schedules, and drawings used to prepare schedules.

NIA Schedule

Flat Number	Tenure	Block	Level	Unit Type	On-Suite	Area (m ²)	Area (ft ²)
A-01	Affordable Rental	Block A	Ground/1st	3B 5P(Duplex)	YES	105.4	1135
A-02	Affordable Rental	Block A	Ground/1st	3B 5P(Duplex)	YES	105.2	1132
A-03	Affordable Rental	Block A	Ground/1st	3B 5P(Duplex)	YES	116.4	1253
A-04	Affordable Rental	Block A	Ground	1B 2P	NO	57.4	618
A-05	Affordable Rental	Block A	1st	2B 3P	NO	61.7	664
A-06	Affordable Rental	Block A	2nd	1B 2P	NO	54.3	584
A-07	Affordable Rental	Block A	2nd	1B 2P	NO	55.6	598
A-08	Affordable Rental	Block A	2nd	3B 5P	YES	86.4	930
A-09	Affordable Rental	Block A	3rd	3B 5P	YES	94	1012
A-10	Affordable Rental	Block A	3rd	3B 5P	YES	87.4	941
TOTAL BLOCK A NET INTERNAL AREA						823.8	8867

Flat Number	Tenure	Block	Level	Unit Type	On-Suite	Area (m ²)	Area (ft ²)
B-01	Market Sale	Block B	Ground	1B 2P WC	NO	60.9	656
B-02	Market Sale	Block B	Ground	1B 2P WC	NO	60.9	656
B-03	Market Sale	Block B	1st	1B 1P	NO	39.9	429
B-04	Shared Ownership	Block B	1st	1B 2P	NO	51.2	551
B-05	Shared Ownership	Block B	1st	1B 2P	NO	55.4	596
B-06	Shared Ownership	Block B	1st	2B 4P	YES	70.2	756
B-07	Shared Ownership	Block B	1st	2B 4P	YES	70.2	756
B-08	Shared Ownership	Block B	1st	2B 3P	YES	67.2	723
B-09	Market Sale	Block B	1st	3B 5P	YES	97.4	1048
B-10	Shared Ownership	Block B	1st	2B 3P WC	NO	78	840
B-11	Shared Ownership	Block B	2nd	1B 2P	NO	51.2	551
B-12	Shared Ownership	Block B	2nd	1B 2P	NO	51.2	551
B-13	Shared Ownership	Block B	2nd	1B 2P	NO	55.4	596
B-14	Shared Ownership	Block B	2nd	2B 4P	YES	70.2	756
B-15	Shared Ownership	Block B	2nd	2B 4P	YES	70.2	756
B-16	Shared Ownership	Block B	2nd	2B 3P	YES	67.2	723
B-17	Market Sale	Block B	2nd	3B 5P	YES	97.4	1048
B-18	Market Sale	Block B	2nd	2B 3P WC	NO	78	840
B-19	Market Sale	Block B	3rd	1B 2P	NO	51.2	551
B-20	Market Sale	Block B	3rd	1B 2P	NO	51.2	551
B-21	Market Sale	Block B	3rd	1B 2P	NO	55.4	596
B-22	Market Sale	Block B	3rd	2B 4P	YES	70.2	756
B-23	Market Sale	Block B	3rd	2B 4P	YES	70.2	756
B-24	Market Sale	Block B	3rd	2B 3P	YES	67.2	723
B-25	Market Sale	Block B	3rd	3B 5P	YES	97.4	1048
B-26	Market Sale	Block B	3rd	2B 3P WC	NO	78	840
B-27	Market Sale	Block B	4th	1B 2P	NO	51.2	551
B-28	Market Sale	Block B	4th	1B 2P	NO	51.2	551
B-29	Market Sale	Block B	4th	1B 2P	NO	55.4	596
B-30	Market Sale	Block B	4th	2B 4P	YES	70.2	756
B-31	Market Sale	Block B	4th	2B 4P	YES	70.2	756
B-32	Market Sale	Block B	4th	2B 3P	YES	67.2	723
B-33	Market Sale	Block B	4th	2B 3P	NO	63.6	685
B-34	Market Sale	Block B	5th	1B 2P	NO	56	603
B-35	Market Sale	Block B	5th	1B 2P	NO	51.2	551
B-36	Market Sale	Block B	5th	1B 2P	NO	55.4	596
B-37	Market Sale	Block B	5th	2B 4P	YES	70.2	756
B-38	Market Sale	Block B	5th	2B 4P	YES	70.2	756
B-39	Market Sale	Block B	5th	2B 3P	YES	67.2	723
B-40	Market Sale	Block B	5th	2B 3P	NO	63.6	685
B-41	Market Sale	Block B	6th	1B 2P	NO	56	603
B-42	Market Sale	Block B	6th	1B 2P	NO	51.2	551
B-43	Market Sale	Block B	6th	1B 2P	NO	55.4	596
B-44	Market Sale	Block B	6th	2B 3P	NO	62.4	672
B-45	Market Sale	Block B	6th	3B 4P	YES	78	840
TOTAL BLOCK B NET INTERNAL AREA						2898.7	31201

Flat Number	Tenure	Block	Level	Unit Type	On-Suite	Area (m ²)	Area (ft ²)
C-01	Market Sale	Block C	Ground	1B 2P	NO	55.4	596
C-02	Market Sale	Block C	Ground	1B 2P	NO	55.4	596
C-03	Shared Ownership	Block C	1st	1B 2P	NO	62.8	676
C-04	Shared Ownership	Block C	1st	2B 4P WC	YES	92.4	995
C-05	Shared Ownership	Block C	1st	2B 3P	YES	70	753
C-06	Shared Ownership	Block C	1st	2B 3P	NO	63.3	681
C-07	Shared Ownership	Block C	1st	1B 2P	YES	50.4	543
C-08	Shared Ownership	Block C	1st	2B 3P	NO	63.8	687
C-09	Shared Ownership	Block C	1st	2B 4P	YES	80.7	869
C-10	Shared Ownership	Block C	1st	2B 4P	YES	71.1	765
C-11	Shared Ownership	Block C	2nd	2B 4P	NO	73.1	787
C-12	Shared Ownership	Block C	2nd	2B 4P WC	YES	92.4	995
C-13	Market Sale	Block C	2nd	2B 3P	YES	70	753
C-14	Market Sale	Block C	2nd	2B 3P	NO	63.3	681
C-15	Shared Ownership	Block C	2nd	1B 2P	NO	50.4	543
C-16	Shared Ownership	Block C	2nd	2B 3P	NO	63.8	687
C-17	Shared Ownership	Block C	2nd	2B 4P	YES	80.7	869
C-18	Shared Ownership	Block C	2nd	2B 4P	YES	71.2	766
C-19	Market Sale	Block C	3rd	2B 4P	NO	73.1	787
C-20	Market Sale	Block C	3rd	2B 4P WC	YES	92.4	995
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C-22	Market Sale	Block C	3rd	2B 3P	NO	63.3	681
C-23	Market Sale	Block C	3rd	1B 2P	NO	50.4	543
C-24	Market Sale	Block C	3rd	2B 3P	NO	63.8	687
C-25	Market Sale	Block C	3rd	2B 4P	YES	80.7	869
C-26	Market Sale	Block C	3rd	2B 4P	YES	71.2	766
C-27	Market Sale	Block C	4th	2B 4P	NO	73.1	787
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C-31	Market Sale	Block C	4th	1B 2P	NO	50.4	543
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C-33	Market Sale	Block C	4th	2B 4P	YES	80.7	869
C-34	Market Sale	Block C	4th	2B 4P	YES	71.2	766
C-35	Market Sale	Block C	5th	2B 4P	NO	73.1	787
C-36	Market Sale	Block C	5th	2B 4P WC	YES	92.4	995
C-37	Market Sale	Block C	5th	2B 3P	YES	70	753
C-38	Market Sale	Block C	5th	2B 3P	NO	63.3	681
C-39	Market Sale	Block C	5th	1B 2P	NO	50.4	543
C-40	Market Sale	Block C	5th	2B 3P	NO	63.8	687
C-41	Market Sale	Block C	5th	2B 4P	YES	80.7	869
C-42	Market Sale	Block C	5th	2B 4P	YES	71.1	765
C-43	Market Sale	Block C	6th	2B 4P	NO	73.1	787
C-44	Market Sale	Block C	6th	2B 4P WC	YES	92.4	995
C-45	Market Sale	Block C	6th	2B 3P	YES	70	753
C-46	Market Sale	Block C	6th	2B 3P	NO	63.3	681
C-47	Market Sale	Block C	6th	1B 2P	NO	50.4	543
C-48	Market Sale	Block C	6th	2B 3P	NO	63.8	687
C-49	Market Sale	Block C	6th	2B 4P	YES	80.7	869
C-50	Market Sale	Block C	6th	2B 4P	YES	71.1	765
TOTAL BLOCK C NET INTERNAL AREA						3489.6	37562

RM_A

Comag, West Drayton - 70% Affordable - 30% S/O
Bellway NL
2211 5006
Rev N

Dated 01.07.2022

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Summary by tenure		
	m ²	ft ²
Market Sale	4644.6	49994
Shared Ownership	1743.7	18769
Affordable Rental	823.8	8867
TOTAL	7212.1	77630

APPENDIX 4

Comag - Revised Proposed as at 10/8/22

Development Appraisal
Prepared by JRB
James R Brown & Company Ltd
10 August 2022

APPRAISAL SUMMARY

JAMES R BROWN & COMPANY LTD

Comag - Revised Proposed as at 10/8/22

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Private Residential	69	49,994	598.30	433,501	29,911,593
Affordable Rent	10	8,867	250.00	221,675	2,216,754
Shared Ownership	<u>26</u>	<u>18,769</u>	<u>350.00</u>	<u>252,660</u>	<u>6,569,150</u>
Totals	105	77,630			38,697,497

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
D1 Community Space	1	1,152	10.00	11,520	11,520	11,520

Investment Valuation

D1 Community Space	Market Rent (1yr Rent Free)	11,520	YP @ PV 1yr @	7.0000% 7.0000%	14,2857 0.9346	153,805
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GROSS DEVELOPMENT VALUE

38,851,302

NET REALISATION

38,851,302

OUTLAY

ACQUISITION COSTS

Fixed Price		3,000,000	
Stamp Duty	4.65%	139,500	
Agent Fee	1.00%	30,000	
Legal Fee	0.80%	24,000	
			193,500

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
D1 Community Space	1,152 ft ²	243.92 pft ²	280,996
Private Residential	49,994 ft ²	243.92 pft ²	12,194,536
Affordable Rent	8,867 ft ²	243.92 pft ²	2,162,839
Shared Ownership	18,769 ft ²	243.92 pft ²	4,578,134
Communal & Car Park	<u>41,543 ft²</u>	<u>243.92 pft²</u>	<u>10,133,169</u>
Totals	120,325 ft²	243.92 pft²	29,349,674

MCIL2/CIL/S.106

200,000

200,000

PROFESSIONAL FEES

Professionals	10.00%	2,934,967	
			2,934,967

MARKETING & LETTING

Marketing	1.50%	448,674	
			448,674

DISPOSAL FEES

Sales Agent Fee	1.50%	582,770	
Sales Legal Fee		150,000	
			732,770

FINANCE

Debit Rate 7.500%, Credit Rate 0.500% (Nominal)		
Land		512,678
Construction		1,494,034
Other		621,870
Total Finance Cost		2,628,582

TOTAL COSTS

39,488,167

PROFIT

(636,865)

Performance Measures

Profit on Cost%	(1.61)%
Profit on GDV%	(1.64)%
Profit on NDV%	(1.64)%
Development Yield% (on Rent)	0.03%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%

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APPRAISAL SUMMARY**JAMES R BROWN & COMPANY LTD****Comag - Revised Proposed as at 10/8/22**

IRR	5.42%
Rent Cover	-55 yrs -3 mths
Profit Erosion (finance rate 7.500%)	N/A

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TIMESCALE AND PHASING GRAPH REPORT

JAMES R BROWN & COMPANY LTD

Comag - Revised Proposed as at 10/8/22

Project Timescale

Project Start Date	Sep 2022
Project End Date	Dec 2025
Project Duration (Inc Exit Period)	40 months

Phase 1

	Start Date	Duration	End Date	Sep 22	Sep 23	Sep 24	Sep 25
Project	Sep 2022	40 Month(s)	Dec 2025				
Purchase	Sep 2022	2 Month(s)	Oct 2022	●			
Pre-Construction	Nov 2022	2 Month(s)	Dec 2022	●			
Construction	Jan 2023	24 Month(s)	Dec 2024				
Post Development	Jan 2025	0 Month(s)					
Letting	Jan 2025	0 Month(s)					
Income Flow	Jan 2025	0 Month(s)					
Sale	Jan 2025	12 Month(s)	Dec 2025			●	
Cash Activity	Sep 2022	40 Month(s)	Dec 2025	●			
				1	13	25	37

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DETAILED CASH FLOW

JAMES R BROWN & COMPANY LTD

Comag - Revised Proposed as at 10/8/22

Detailed Cash flow Phase 1

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	001:Sep 2022	002:Oct 2022	003:Nov 2022	004:Dec 2022	005:Jan 2023	006:Feb 2023	007:Mar 2023	008:Apr 2023
MonthlyB/F	0	(3,193,500)	(3,193,500)	(3,233,419)	(3,233,419)	(1,056,073)	(1,304,424)	(1,761,942)
Revenue								
Cap - D1 Community Space	0	0	0	0	0	0	0	0
Sale - Private Residential	0	0	0	0	0	0	0	0
Sale - Affordable Rent	0	0	0	0	665,026	66,503	66,503	66,503
Sale - Shared Ownership	0	0	0	0	1,970,745	197,075	197,075	197,075
Disposal Costs								
Sales Agent Fee	0	0	0	0	(39,537)	(3,954)	(3,954)	(3,954)
Sales Legal Fee	0	0	0	0	0	0	0	0
Unit Information								
Affordable Rent								
Private Residential								
Shared Ownership								
Communal & Car Park								
Acquisition Costs								
Fixed Price	(3,000,000)	0	0	0	0	0	0	0
Stamp Duty	(139,500)	0	0	0	0	0	0	0
Agent Fee	(30,000)	0	0	0	0	0	0	0
Legal Fee	(24,000)	0	0	0	0	0	0	0
Construction Costs								
MCIL2/CIL/S.106	0	0	0	0	(200,000)	0	0	0
Con. - D1 Community Space	0	0	0	0	(1,905)	(4,170)	(6,242)	(8,121)
Con. - Private Residential	0	0	0	0	(82,679)	(180,957)	(270,878)	(352,443)
Con. - Affordable Rent	0	0	0	0	(14,664)	(32,095)	(48,043)	(62,510)
Con. - Shared Ownership	0	0	0	0	(31,040)	(67,936)	(101,694)	(132,316)
Con. - Communal & Car Park	0	0	0	0	(68,703)	(150,368)	(225,089)	(292,866)
Professional Fees								
Professionals	0	0	0	0	(19,899)	(43,553)	(65,195)	(84,825)
Marketing/Letting								
Marketing	0	0	0	0	0	0	0	0
Net Cash Flow Before Finance	(3,193,500)	0	0	0	2,177,346	(219,454)	(457,518)	(673,457)
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Finance Costs (All Sets)	0	(19,959)	(19,959)	(20,209)	(3,735)	(4,953)	(6,505)	(9,365)
Net Cash Flow After Finance	(3,193,500)	(19,959)	(19,959)	(20,209)	2,173,610	(224,407)	(464,023)	(682,822)
Cumulative Net Cash Flow Monthly	(3,193,500)	(3,213,459)	(3,233,419)	(3,253,628)	(1,080,017)	(1,304,424)	(1,768,448)	(2,451,270)

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DETAILED CASH FLOW

JAMES R BROWN & COMPANY LTD

Comag - Revised Proposed as at 10/8/22

Detailed Cash flow Phase 1

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009:May 2023 (2,435,399)	010:Jun 2023 (3,332,114)	011:Jul 2023 (4,371,075)	012:Aug 2023 (5,559,599)	013:Sep 2023 (6,953,513)	014:Oct 2023 (8,374,791)	015:Nov 2023 (9,879,259)	016:Dec 2023 (11,597,397)	017:Jan 2024 (13,201,869)	018:Feb 2024 (14,823,157)
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075
(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0 (9,808) (425,650) (75,494) (159,800) (353,698)	0 (11,302) (490,500) (86,996) (184,146) (407,586)	0 (12,604) (546,994) (97,015) (205,355) (454,530)	0 (13,713) (595,130) (105,553) (223,427) (494,529)	0 (14,630) (634,909) (112,608) (238,361) (527,584)	0 (15,354) (666,332) (118,181) (250,158) (553,695)	0 (15,886) (689,397) (122,272) (258,817) (572,861)	0 (16,225) (704,105) (124,881) (264,339) (585,083)	0 (16,371) (710,457) (126,007) (266,723) (590,361)	0 (16,325) (708,451) (125,652) (265,970) (588,694)
(102,445)	(118,053)	(131,650)	(143,235)	(152,809)	(160,372)	(165,923)	(169,463)	(170,992)	(170,509)
0	0	0	0	0	0	0	0	0	0
(867,271) 7.500% 0.500% (13,574) (880,845) (3,332,114)	(1,038,960) 7.500% 0.500% (19,178) (1,058,139) (4,390,253)	(1,188,524) 7.500% 0.500% (25,672) (1,214,196) (5,604,449)	(1,315,964) 7.500% 0.500% (33,100) (1,349,064) (6,953,513)	(1,421,278) 7.500% 0.500% (41,812) (1,463,090) (8,416,604)	(1,504,468) 7.500% 0.500% (50,695) (1,555,163) (9,971,766)	(1,565,533) 7.500% 0.500% (60,098) (1,625,631) (11,597,397)	(1,604,472) 7.500% 0.500% (70,836) (1,675,309) (13,272,706)	(1,621,287) 7.500% 0.500% (80,864) (1,702,152) (14,974,857)	(1,615,977) 7.500% 0.500% (90,997) (1,706,975) (16,681,832)

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DETAILED CASH FLOW

JAMES R BROWN & COMPANY LTD

Comag - Revised Proposed as at 10/8/22

Detailed Cash flow Phase 1

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019:Mar 2024 (16,681,832)	020:Apr 2024 (18,270,375)	021:May 2024 (19,809,357)	022:Jun 2024 (21,613,973)	023:Jul 2024 (22,987,462)	024:Aug 2024 (24,245,016)	025:Sep 2024 (25,789,859)	026:Oct 2024 (26,749,169)	027:Nov 2024 (27,526,171)	028:Dec 2024 (28,594,203)
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075	66,503 197,075
(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0	(3,954) 0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0 (16,086) (698,088) (123,814) (262,080) (580,083)	0 (15,655) (679,369) (120,494) (255,052) (564,528)	0 (15,031) (652,292) (115,691) (244,887) (542,028)	0 (14,214) (616,858) (109,407) (231,584) (512,584)	0 (13,205) (573,067) (101,640) (215,144) (476,196)	0 (12,003) (520,920) (92,391) (195,566) (432,863)	0 (10,609) (460,415) (81,660) (172,851) (382,586)	0 (9,022) (391,553) (69,446) (146,999) (325,365)	0 (7,243) (314,335) (55,751) (118,009) (261,199)	0 (5,271) (228,759) (40,573) (85,882) (190,090)
(168,015)	(163,510)	(156,993)	(148,465)	(137,925)	(125,374)	(110,812)	(94,239)	(75,654)	(55,057)
0	0	0	0	0	0	0	0	0	0
(1,588,542) 7.500% 0.500% (102,614) (1,691,157) (18,372,989)	(1,538,983) 7.500% 0.500% (112,542) (1,651,525) (20,024,514)	(1,467,298) 7.500% 0.500% (122,161) (1,589,459) (21,613,973)	(1,373,489) 7.500% 0.500% (133,440) (1,506,928) (23,120,902)	(1,257,554) 7.500% 0.500% (142,024) (1,399,578) (24,520,480)	(1,119,495) 7.500% 0.500% (149,884) (1,269,379) (25,789,859)	(959,311) 7.500% 0.500% (159,539) (1,118,850) (26,908,708)	(777,001) 7.500% 0.500% (165,535) (942,536) (27,851,245)	(572,567) 7.500% 0.500% (170,391) (742,959) (28,594,203)	(346,009) 7.500% 0.500% (177,066) (523,075) (29,117,278)

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DETAILED CASH FLOW

JAMES R BROWN & COMPANY LTD

Comag - Revised Proposed as at 10/8/22

Detailed Cash flow Phase 1

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029:Jan 2025 (28,940,212)	030:Feb 2025 (17,246,475)	031:Mar 2025 (14,715,799)	032:Apr 2025 (13,265,087)	033:May 2025 (11,814,375)	034:Jun 2025 (10,584,341)	035:Jul 2025 (9,133,629)	036:Aug 2025 (7,682,916)	037:Sep 2025 (6,375,418)	038:Oct 2025 (4,924,705)
153,805	0	0	0	0	0	0	0	0	0
11,964,637	2,991,159	1,495,580	1,495,580	1,495,580	1,495,580	1,495,580	1,495,580	1,495,580	1,495,580
22,168	0	0	0	0	0	0	0	0	0
65,691	0	0	0	0	0	0	0	0	0
(183,095)	(44,867)	(22,434)	(22,434)	(22,434)	(22,434)	(22,434)	(22,434)	(22,434)	(22,434)
(150,000)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
(179,470)	(44,867)	(22,434)	(22,434)	(22,434)	(22,434)	(22,434)	(22,434)	(22,434)	(22,434)
11,693,737	2,901,425	1,450,712	1,450,712	1,450,712	1,450,712	1,450,712	1,450,712	1,450,712	1,450,712
7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(104,587)	(89,096)	(82,626)	(73,559)	(64,492)	(56,805)	(47,738)	(38,671)	(30,499)	(21,432)
11,589,150	2,812,329	1,368,086	1,377,153	1,386,220	1,393,907	1,402,974	1,412,041	1,420,213	1,429,280
(17,528,128)	(14,715,799)	(13,347,714)	(11,970,561)	(10,584,341)	(9,190,433)	(7,787,459)	(6,375,418)	(4,955,204)	(3,525,924)

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DETAILED CASH FLOW**JAMES R BROWN & COMPANY LTD****Comag - Revised Proposed as at 10/8/22****Detailed Cash flow Phase 1**

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039:Nov 2025	040:Dec 2025
(3,473,993)	(2,087,577)
0	0
1,495,580	1,495,580
0	0
0	0
(22,434)	(22,434)
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
(22,434)	(22,434)
1,450,712	1,450,712
7.500%	7.500%
0.500%	0.500%
(12,365)	0
1,438,347	1,450,712
(2,087,577)	(636,865)

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