

3 The Square Stockley Park - BCPT Adjusted Office Refurbishment

Development Pro Forma
Cushman & Wakefield
October 18, 2023

PROJECT PRO FORMA**CUSHMAN & WAKEFIELD****3 The Square Stockley Park - BCPT Adjusted
Office Refurbishment****Project Pro Forma for Phase 1****Currency in £****REVENUE****Rental Area Summary**

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Entire Building	1	93,000	34.00	3,162,000	3,162,000	3,162,000

Investment Valuation**Entire Building**

Market Rent (2yrs Rent Free)	3,162,000	YP @ PV 2yrs @	8.5000% 8.5000%	11.7647 0.8495	31,599,737
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GROSS DEVELOPMENT VALUE**31,599,737**

Purchaser's Costs

Effective Purchaser's Costs Rate	6.80%	(2,148,782)
		(2,148,782)

NET DEVELOPMENT VALUE**29,450,955****TOTAL PROJECT REVENUE****29,450,955****DEVELOPMENT COSTS****ACQUISITION COSTS**

Fixed Price	8,000,000	
Fixed Price		8,000,000
		8,000,000

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Entire Building	115,000	217.39	25,000,000
Contingency		5.00%	1,250,000
			26,250,000

Other Construction Costs

Estate Rent Charge	320,000	
		320,000

PROFESSIONAL FEES

Architect	4.00%	1,012,800
Quantity Surveyor	2.00%	506,400
Structural Engineer	1.50%	379,800

PROJECT PRO FORMA	CUSHMAN & WAKEFIELD
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Mech./Elec.Engineer	1.50%	379,800
Project Manager	1.00%	253,200
Construction Manager	1.00%	253,200
		2,785,200

MARKETING & LEASING

Marketing		100,000
Leasing Agent Fee	15.00%	474,300
Leasing Legal Fee	5.00%	158,100
		732,400

DISPOSAL FEES

Sales Agent Fee	0.50%	147,255
Sales Legal Fee	1.00%	294,510
		441,764

TOTAL COSTS
38,529,364
PROFIT

Balancing Account	(9,078,410)
	(9,078,410)

Performance Measures

Profit on Cost%	-23.56%
Profit on GDV%	-28.73%
Profit on NDV%	-30.83%
Development Yield% (on Rent)	8.21%
Equivalent Yield% (Nominal)	8.50%
Equivalent Yield% (True)	8.97%
Pre-Finance IRR%	-10.07%
Project IRR% (without Interest)	-10.07%
Equity IRR% (without Interest)	N/A
Return on Equity%	N/A
Rent Cover	-2 yrs -10 mths

After Tax Performance Measures

Project IRR% (without Interest)	-10.07%
Equity IRR% (without Interest)	N/A
Return on Equity%	N/A