THE LONDON BOROUGH OF HARINGEY (HIGH ROAD WEST PHASE A) COMPULSORY PURCHASE ORDER 2023

DOCUMENT CD 9.12

WITNESS 6: PASCAL LEVINE, DS2

APPENDICES TO OVERVIEW PROOF OF EVIDENCE

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APPENDIX ONE

RESIDUAL VIABILITY APPRAISAL FOR THE DEVELOPMENT, OCT 2023

High Road West
The Development Financial Viability Appraisal

Development Appraisal
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03 October 2023

APPRAISAL SUMMARY — LICENSED COPY

High Road West
The Development Financial Viability Appraisal

Appraisal Summary for All Merged Phases

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
Phase 1 - Block A1 - Social Rent	32	22,292	91.87	64,000	2,048,000	0	2,048,000
Phase 1 - Block A2 - Social Rent	16	13,584	75.38	64,000	1,024,000	0	1,024,000
Phase 1 - Block A3 - Social Rent	13	11,184	74.39	64,000	832,000	0	832,000
‡ Phase 3 - Block D - Market Sale	380	244,308	730.00	469,329	178,344,840	96,733,926	275,078,766
‡ Phase 3 - Block G - Market Sale	30	26,156	730.00	636,463	19,093,880	9,136,096	28,229,976
‡ Phase 4 - Block F - Market Sale	450	303,919	730.00	493,024	221,860,870	152,743,598	374,604,468
Phase 2 - Block B - Social Rent	276	202,146	222.49	162,957	44,976,000	0	44,976,000
Phase 2 - Block B - Shared Ownership	74	49,880	319.00	215,026	15,911,948	0	15,911,948
Phase 2 - Block C - Social Rent	165	135,195	247.69	202,950	33,486,750	0	33,486,750
‡ Phase 5 - THFC - Block L1 - Market Sale	89	58,437	730.00	479,315	42,659,010	26,841,231	69,500,241
Phase 5 - THFC - Block L1 - Shared Ownership	54	39,030	380.00	274,656	14,831,400	0	14,831,400
‡ Phase 6 - Block K2 - Market Sale	63	41,172	730.00	477,072	30,055,560	31,497,138	61,552,698
‡ Phase 5 - THFC - Block M1 - Market Sale	205	132,633	730.00	472,303	96,822,090	85,899,933	182,722,023
Phase 5 - THFC - Block M1 - Shared Ownership	5	3,864	380.00	293,664	1,468,320	0	1,468,320
Phase 5 - THFC - Block M2 - Shared Ownership	30	20,301	380.00	257,146	7,714,380	0	7,714,380
Phase 5 - THFC - Block H - Shared Ownership	26	19,881	380.00	290,568	7,554,780	0	7,554,780
Phase 6 - Block I1 - Shared Ownership	68	46,285	380.00	258,651	17,588,300	0	17,588,300
‡ Phase 6 - Block J2 - Market Sale	84	56,080	730.00	487,362	40,938,400	44,825,573	85,763,973
‡ Phase 5 - THFC - Block K1- Market Sale	77	48,717	730.00	461,862	35,563,410	37,972,642	73,536,052
‡ Phase 6 - Block L2 - Market Sale	89	60,773	730.00	498,475	44,364,290	48,567,274	92,931,564
‡ Phase 6 - Block M3 - Market Sale	31	20,322	730.00	478,550	14,835,060	15,494,334	30,329,394
Phase 5 - THFC - Block N1 - Shared Ownership	43	31,527	380.00	278,611	11,980,260	0	11,980,260
‡ Phase 5 - THFC - Block N2 - Market Sale	50	33,562	730.00	490,005	24,500,260	17,960,634	42,460,894
‡ Phase 3 - Block C2 - Market Sale	52	35,101	730.00	492,764	25,623,730	9,795,958	35,419,688
Phase 5 - THFC - Block N3 - Shared Ownership	25	16,307	380.00	247,866	6,196,660	0	6,196,660
Phase 5 -THFC - Block N4 - Shared Ownership	31	20,548	380.00	251,879	7,808,240	0	7,808,240
‡ Phase 5 - THFC - Block J1 - Market Sale	95	63,464	730.00	487,671	46,328,720	29,521,630	75,850,350
Phase 5 - THFC - Block J1 - Shared Ownership	60	39,740	380.00	251,687	15,101,200	0	15,101,200
Totals	**2,613**	**1,796,408**			**1,009,512,358**	**606,989,967**	**1,616,502,325**

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 3 - Block D - Retail	1	3,850	25.00	96,250	96,250	96,250

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Phase 3 - Block D - Sports Facilities	1	1,981	16.50	32,687	32,687	32,687
Phase 3 - Block G - Retail	1	3,010	25.00	75,250	75,250	75,250
Phase 4 - Block F - Retail	1	4,912	25.00	122,800	122,800	122,800
Phase 4 - Block F - Office	1	547	27.50	15,043	15,043	15,043
Phase 4 - Block F - Sport Facilities	1	5,546	16.50	91,509	91,509	91,509
Phase 2 - Block C - Retail	1	998	25.00	24,950	24,950	24,950
Phase 2 - Block C - Sports Facilities	1	3,866	16.50	63,789	63,789	63,789
Phase 2 - Block E - Retail	1	17,836	25.00	445,900	445,900	445,900
Phase 2 - Block E - Education	1	13,143		0	0	
Phase 6 - Block K2 - Office	1	17,722	27.50	487,355	487,355	487,355
Phase 5 - THFC - Block H - Office	1	8,398	25.00	209,950	209,950	209,950
Phase 6 - Block I1 - Retail	1	2,868	25.00	71,700	71,700	71,700
Phase 6 - Block I2 - Retail	1	1,204	25.00	30,100	30,100	30,100
Phase 6 - Block I2 - Office	1	4,936	27.50	135,740	135,740	135,740
Phase 6 - Block I3 - Office	1	5,308	27.50	145,970	145,970	145,970
Phase 5 - THFC - Block K1 - Office	1	6,298	27.50	173,195	173,195	173,195
Phase 5 - Block M3 - Community Space	1	1,489		0	0	
Phase 3 - Block C2 - Retail	1	1,259	25.00	31,475	31,475	31,475
Phase 3 - Block C2 - Sports Facilities	1	3,169	16.50	52,289	52,289	52,289
Phase 5 - THFC - Block N4 - Retail	1	2,091	25.00	52,275	52,275	52,275
Phase 5 - Block J1 - Retail	1	1,260	25.00	31,500	31,500	31,500
Totals	**22**	**111,691**			**2,389,726**	**2,389,726**

Investment Valuation

Phase 3 - Block D - Retail					
Market Rent	96,250	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	1,292,841
Phase 3 - Block D - Sports Facilities					
Market Rent	32,687	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	421,886
Phase 3 - Block G - Retail					
Market Rent	75,250	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	1,010,767
Phase 4 - Block F - Retail					
Market Rent	122,800	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	1,649,464

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Phase 4 - Block F - Office					
Market Rent	15,043	YP @	5.0000%	20.0000	
(1yr 3mths Rent Free)		PV 1yr 3mths @	5.0000%	0.9408	283,050
Phase 4 - Block F - Sport Facilities					
Market Rent	91,509	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	1,181,109
Phase 2 - Block C - Retail					
Market Rent	24,950	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	335,131
Phase 2 - Block C - Sports Facilities					
Market Rent	63,789	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	823,326
Phase 2 - Block E - Retail					
Market Rent	445,900	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	5,989,380
Phase 6 - Block K2 - Office					
Market Rent	487,355	YP @	5.0000%	20.0000	
(1yr 3mths Rent Free)		PV 1yr 3mths @	5.0000%	0.9408	9,170,411
Phase 5 - THFC - Block H - Office					
Market Rent	209,950	YP @	5.0000%	20.0000	
(1yr 3mths Rent Free)		PV 1yr 3mths @	5.0000%	0.9408	3,950,565
Phase 6 - Block I1 - Retail					
Market Rent	71,700	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	963,083
Phase 6 - Block I2 - Retail					
Market Rent	30,100	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	404,307
Phase 6 - Block I2 - Office					
Market Rent	135,740	YP @	5.0000%	20.0000	
(1yr 3mths Rent Free)		PV 1yr 3mths @	5.0000%	0.9408	2,554,178

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Phase 6 - Block I3 - Office					
Market Rent	145,970	YP @	5.0000%	20.0000	
(1yr 3mths Rent Free)		PV 1yr 3mths @	5.0000%	0.9408	2,746,673
Phase 5 - THFC - Block K1 - Office					
Market Rent	173,195	YP @	5.0000%	20.0000	
(1yr 3mths Rent Free)		PV 1yr 3mths @	5.0000%	0.9408	3,258,958
Phase 3 - Block C2 - Retail					
Market Rent	31,475	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	422,776
Phase 3 - Block C2 - Sports Facilities					
Market Rent	52,289	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	674,889
Phase 5 - THFC - Block N4 - Retail					
Market Rent	52,275	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	702,164
Phase 5 - Block J1 - Retail					
Market Rent	31,500	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	423,112
Total Investment Valuation					**38,258,070**
GROSS DEVELOPMENT VALUE				**1,654,760,394**	
Purchaser's Costs		6.80%	(116,601)		
Purchaser's Costs		6.80%	(68,732)		
Purchaser's Costs		6.80%	(211,726)		
Purchaser's Costs		6.80%	(78,775)		
Purchaser's Costs		6.80%	(407,278)		
Purchaser's Costs		6.80%	(623,588)		
Purchaser's Costs		6.80%	(268,638)		
Purchaser's Costs		6.80%	(65,490)		
Purchaser's Costs		6.80%	(201,177)		
Purchaser's Costs		6.80%	(186,774)		
Purchaser's Costs		6.80%	(221,609)		

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Purchaser's Costs		6.80%	(74,641)	
Purchaser's Costs		6.80%	(47,747)	
Purchaser's Costs		6.80%	(28,772)	
Effective Purchaser's Costs Rate		6.80%		
				(2,601,549)
NET DEVELOPMENT VALUE				**1,652,158,846**
Additional Revenue				
Grant Funding			51,936,000	
Mayor's Land Fund Grant			10,000,000	
Mayor's Land Fund Grant			11,200,000	
Grant Funding			18,376,000	
				91,512,000
NET REALISATION				**1,743,670,846**
OUTLAY				
ACQUISITION COSTS				
Fixed Price		725,000		
Fixed Price		15,635,296		
Fixed Price		4,076,903		
Fixed Price		2,419,217		
Fixed Price		24,690,989		
Fixed Price		8,071,000		
Fixed Price		4,395,948		
Fixed Price		9,490,000		
Fixed Price		19,338,361		
Total Acquisition			88,842,714	
				88,842,714
Stamp Duty		5.00%	2,064,765	
Agent Fee		1.00%	888,427	
Legal Fee		0.80%	710,742	
				3,663,934
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
‡ Phase 1 - Block A1 - Construction	29,336	393.73	12,472,977	
‡ Phase 1 - Block A2 & A3 - Construction	32,593	342.76	12,063,965	

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‡ Phase 3 - Block D - Construction	334,557	359.02	150,020,264	
‡ Phase 3 - Block G - Construction	38,100	252.08	11,590,626	
‡ Phase 4 - Block F - Construction	413,712	317.22	173,217,295	
‡ Phase 2 - Block B - Construction	331,666	314.92	117,444,166	
‡ Phase 2 - Block C - Construction	183,996	290.14	59,018,419	
‡ Phase 2 - Block E - Construction	38,720	262.18	12,122,532	
‡ Phase 5 - THFC - Block L1 - Construction	148,994	323.68	62,013,906	
‡ Phase 6 - Block K2 - Construction	76,335	288.53	32,051,410	
‡ Phase 5 - THFC - Block M1 - Construction	192,939	374.37	98,665,459	
‡ Phase 5 - THFC - Block M2 - Construction	26,716	280.58	9,551,606	
‡ Phase 5 - THFC - Block H - Construction	36,660	281.64	13,781,241	
‡ Phase 6 - Block I1 - Construction	64,496	278.14	26,916,232	
‡ Phase 6 - Block I2-Construction	7,675	261.85	3,025,150	
‡ Phase 6 - Block I3-Construction	6,635	277.96	2,763,607	
‡ Phase 6 - Block J2 - Construction	73,801	292.78	31,945,363	
‡ Phase 5 - THFC - Block K1 - Construction	71,985	291.13	30,791,035	
‡ Phase 6 - Block L2 - Construction	79,977	317.10	37,493,712	
‡ Phase 6 -Block M3 - Construction	28,606	291.85	12,262,789	
‡ Phase 5 - THFC - Block N1 - Construction	43,728	281.32	16,803,738	
‡ Phase 5 - THFC - Block N2 - Construction	49,248	288.25	18,941,227	
‡ Phase 3 - Block C2 - Construction	51,729	288.68	17,325,136	
‡ Phase 5 - THFC - Block N3 - Construction	21,460	283.06	8,105,087	
‡ Phase 5 - THFC - Block N4 - Construction	29,656	275.25	10,891,633	
‡ Phase 5 - THFC - Block J 1- Construction	168,952	296.13	64,569,211	
Totals	**2,582,272 ft²**		**1,045,847,786**	
S106 (Est.)			1,732,001	
Carbon Offset (Est.)			751,741	
CIL (Borough & MCIL Est.)			9,795,976	
				1,058,127,504

Other Construction Costs

Phase 3 Infrastructure Costs	5,315,911	
Phase 3 Infrastructure Costs	1,636,813	
Phase 1 Infrastructure Costs	2,548,154	
Phase 4 Infrastructure Costs	9,373,050	
Phase 2 Infrastructure Costs	11,258,458	
Phase 2 Infrastructure Costs	9,144,343	
Phase 2 Infrastructure Costs	3,835,130	
Phase 5 Infrastructure Costs	20,997,833	
Phase 6 Infrastructure Costs	20,711,199	
		84,820,891

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The Development Financial Viability Appraisal

PROFESSIONAL FEES				
Professional Fees		10.00%	113,066,868	
				113,066,868
MARKETING & LETTING				
Resi Marketing		1.50%	21,419,701	
Commercial Letting Agent Fee		10.00%	238,973	
Commercial Letting Legal Fee		5.00%	119,486	
				21,778,160
DISPOSAL FEES				
Commercial Sale Agent		1.00%	356,565	
Resi Sale Agent		1.50%	21,419,701	
Commercial Sale Legal		0.50%	178,283	
Resi Sale Legal	1,695 un	800.00 /un	1,356,000	
				23,310,549
Additional Costs				
Homeloss & compensation costs			323,725	
Homeloss & compensation costs			407,625	
Homeloss & compensation costs			266,450	
Homeloss & compensation costs			2,659,475	
				3,657,275
TOTAL COSTS				**1,397,267,895**
PROFIT				
				346,402,950
Performance Measures				
Development Yield% (on Rent)		0.17%		
Equivalent Yield% (Nominal)		5.78%		
Equivalent Yield% (True)		6.00%		
IRR% (without Interest)		14.23%		
Rent Cover		144 yrs 11 mths		
Profit Erosion (finance rate 0.000)		N/A		

‡ Inflation/Growth applied

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Growth on Sales		**Ungrown**	**Growth**	**Total**
Phase 3 - Block D - Market Sale	Growth Set 1 at 5.250%	178,344,840	96,733,926	275,078,766
Phase 3 - Block G - Market Sale	Growth Set 1 at 5.250%	19,093,880	9,136,096	28,229,976
Phase 4 - Block F - Market Sale	Growth Set 1 at 5.250%	221,860,870	152,743,598	374,604,468
Phase 5 - THFC - Block L1 - Market Sale	Growth Set 1 at 5.250%	42,659,010	26,841,231	69,500,241
Phase 6 - Block K2 - Market Sale	Growth Set 1 at 5.250%	30,055,560	31,497,138	61,552,698
Phase 5 - THFC - Block M1 - Market Sale	Growth Set 1 at 5.250%	96,822,090	85,899,933	182,722,023
Phase 6 - Block J2 - Market Sale	Growth Set 1 at 5.250%	40,938,400	44,825,573	85,763,973
Phase 5 - THFC - Block K1- Market Sale	Growth Set 1 at 5.250%	35,563,410	37,972,642	73,536,052
Phase 6 - Block L2 - Market Sale	Growth Set 1 at 5.250%	44,364,290	48,567,274	92,931,564
Phase 6 - Block M3 - Market Sale	Growth Set 1 at 5.250%	14,835,060	15,494,334	30,329,394
Phase 5 - THFC - Block N2 - Market Sale	Growth Set 1 at 5.250%	24,500,260	17,960,634	42,460,894
Phase 3 - Block C2 - Market Sale	Growth Set 1 at 5.250%	25,623,730	9,795,958	35,419,688
Phase 5 - THFC - Block J1 - Market Sale	Growth Set 1 at 5.250%	46,328,720	29,521,630	75,850,350

Inflation on Construction Costs		**Uninflated**	**Inflation**	**Total**
Phase 1 - Block A1 - Construction	Inflation Set 1 at 3.000%	11,550,415	922,562	12,472,977
Phase 1 - Block A2 & A3 - Construction	Inflation Set 1 at 3.000%	11,171,655	892,310	12,063,965
Phase 3 - Block D - Construction	Inflation Set 1 at 3.000%	120,112,207	29,908,057	150,020,264
Phase 3 - Block G - Construction	Inflation Set 1 at 3.000%	9,604,417	1,986,209	11,590,626
Phase 4 - Block F - Construction	Inflation Set 1 at 3.000%	131,237,617	41,979,678	173,217,295
Phase 2 - Block B - Construction	Inflation Set 1 at 3.000%	104,447,776	12,996,390	117,444,166
Phase 2 - Block C - Construction	Inflation Set 1 at 3.000%	53,385,277	5,633,142	59,018,419
Phase 2 - Block E - Construction	Inflation Set 1 at 3.000%	10,151,765	1,970,767	12,122,532
Phase 5 - THFC - Block L1 - Construction	Inflation Set 1 at 3.000%	48,226,349	13,787,557	62,013,906
Phase 6 - Block K2 - Construction	Inflation Set 1 at 3.000%	22,024,640	10,026,770	32,051,410
Phase 5 - THFC - Block M1 - Construction	Inflation Set 1 at 3.000%	72,230,590	26,434,869	98,665,459
Phase 5 - THFC - Block M2 - Construction	Inflation Set 1 at 3.000%	7,495,885	2,055,721	9,551,606
Phase 5 - THFC - Block H - Construction	Inflation Set 1 at 3.000%	10,324,798	3,456,443	13,781,241
Phase 6 - Block I1 - Construction	Inflation Set 1 at 3.000%	17,938,944	8,977,288	26,916,232
Phase 6 - Block I2-Construction	Inflation Set 1 at 3.000%	2,009,726	1,015,424	3,025,150
Phase 6 - Block I3-Construction	Inflation Set 1 at 3.000%	1,844,270	919,337	2,763,607
Phase 6 - Block J2 - Construction	Inflation Set 1 at 3.000%	21,607,725	10,337,638	31,945,363
Phase 5 - THFC - Block K1 - Construction	Inflation Set 1 at 3.000%	20,957,074	9,833,961	30,791,035
Phase 6 - Block L2 - Construction	Inflation Set 1 at 3.000%	25,360,608	12,133,104	37,493,712
Phase 6 -Block M3 - Construction	Inflation Set 1 at 3.000%	8,348,665	3,914,124	12,262,789
Phase 5 - THFC - Block N1 - Construction	Inflation Set 1 at 3.000%	12,301,609	4,502,129	16,803,738
Phase 5 - THFC - Block N2 - Construction	Inflation Set 1 at 3.000%	14,195,702	4,745,525	18,941,227
Phase 3 - Block C2 - Construction	Inflation Set 1 at 3.000%	14,933,344	2,391,792	17,325,136

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Phase 5 - THFC - Block N3 - Construction	Inflation Set 1 at 3.000%	6,074,443	2,030,644	8,105,087
Phase 5 - THFC - Block N4 - Construction	Inflation Set 1 at 3.000%	8,162,849	2,728,784	10,891,633
Phase 5 - THFC - Block J 1- Construction	Inflation Set 1 at 3.000%	50,031,799	14,537,412	64,569,211

APPENDIX TWO

RESIDUAL VIABILITY APPRAISAL FOR THE CONSENTED SCHEME, OCT 2023

High Road West
The Consented Scheme Appraisal
For CPO

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The Consented Scheme Appraisal
For CPO

Appraisal Summary for Merged Phases 1 2 3 4 5 6 7 8 9 10 11

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**	**Adjustment**	**Net Sales**
Phase 1 - Block A1 - Social Rent	32	22,292	91.87	64,000	2,048,000	0	2,048,000
Phase 1 - Block A2 - Social Rent	16	13,584	75.38	64,000	1,024,000	0	1,024,000
Phase 1 - Block A3 - Social Rent	13	11,184	74.39	64,000	832,000	0	832,000
‡ Phase 1 - Block D - Market Sale	380	244,308	730.00	469,329	178,344,840	96,733,926	275,078,766
‡ Phase 3 - Block G - Market Sale	30	26,156	730.00	636,463	19,093,880	9,136,096	28,229,976
‡ Phase 4 - Block F - Market Sale	450	303,919	730.00	493,024	221,860,870	152,743,598	374,604,468
Phase 2 - Block B - Social Rent	276	202,146	222.49	162,957	44,976,000	0	44,976,000
Phase 2 - Block B -Shared Ownership	74	49,880	319.00	215,026	15,911,948	0	15,911,948
Phase 2 - Block C - Social Rent	165	135,195	247.69	202,950	33,486,750	0	33,486,750
‡ Phase 3 - Block C2 - Market Sale	52	35,101	730.00	492,764	25,623,730	9,795,958	35,419,688
Totals	**1,488**	**1,043,765**			**543,202,018**	**268,409,578**	**811,611,596**

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Phase 3 - Block D - Retail	1	3,850	25.00	96,250	96,250	96,250
Phase 3 - Block D - Sports Facilities	1	1,981	16.50	32,687	32,687	32,687
Phase 3 - Block G - Retail	1	3,010	25.00	75,250	75,250	75,250
Phase 4 - Block F - Retail	1	4,912	25.00	122,800	122,800	122,800
Phase 4 - Block F - Office	1	547	27.50	15,043	15,043	15,043
Phase 4 - Block F - Sport Facilities	1	5,546	16.50	91,509	91,509	91,509
Phase 2 - Block C - Retail	1	998	25.00	24,950	24,950	24,950
Phase 2 - Block C - Sports Facilities	1	3,866	16.50	63,789	63,789	63,789
Phase 2 - Block E - Retail	1	17,836	25.00	445,900	445,900	445,900
Phase 2 - Block E - Education	1	13,143		0	0	
Phase 3 - Block C2 - Retail	1	1,259	25.00	31,475	31,475	31,475
Phase 3 - Block C2 - Sports Facilities	1	3,169	16.50	52,289	52,289	52,289
Totals	**12**	**60,117**			**1,051,941**	**1,051,941**

Investment Valuation

Phase 3 - Block D - Retail

Market Rent	96,250	YP @	6.7500%	14.8148

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(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	1,292,841
Phase 3 - Block D - Sports Facilities					
Market Rent	32,687	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	421,886
Phase 3 - Block G - Retail					
Market Rent	75,250	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	1,010,767
Phase 4 - Block F - Retail					
Market Rent	122,800	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	1,649,464
Phase 4 - Block F - Office					
Market Rent	15,043	YP @	5.0000%	20.0000	
(1yr 3mths Rent Free)		PV 1yr 3mths @	5.0000%	0.9408	283,050
Phase 4 - Block F - Sport Facilities					
Market Rent	91,509	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	1,181,109
Phase 2 - Block C - Retail					
Market Rent	24,950	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	335,131
Phase 2 - Block C - Sports Facilities					
Market Rent	63,789	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	823,326
Phase 2 - Block E - Retail					
Market Rent	445,900	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	5,989,380
Phase 3 - Block C2 - Retail					
Market Rent	31,475	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	422,776
Phase 3 - Block C2 - Sports Facilities					

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Market Rent	52,289	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	674,889
Total Investment Valuation					**14,084,619**
GROSS DEVELOPMENT VALUE				**825,696,215**	
Purchaser's Costs		6.80%	(116,601)		
Purchaser's Costs		6.80%	(68,732)		
Purchaser's Costs		6.80%	(211,726)		
Purchaser's Costs		6.80%	(78,775)		
Purchaser's Costs		6.80%	(407,278)		
Purchaser's Costs		6.80%	(74,641)		
Effective Purchaser's Costs Rate		6.80%			
				(957,754)	
NET DEVELOPMENT VALUE				**824,738,461**	
Additional Revenue					
Grant Funding			51,936,000		
Mayor's Land Fund Grant			10,000,000		
Mayor's Land Fund Grant			11,200,000		
Grant Funding			18,376,000		
				91,512,000	
NET REALISATION				**916,250,461**	
OUTLAY					
ACQUISITION COSTS					
Fixed Price		725,000			
Fixed Price		15,635,296			
Fixed Price		4,076,903			
Fixed Price		2,419,217			
Fixed Price		24,690,989			
Total Acquisition			47,547,405		
				47,547,405	
Agent Fee		1.00%	475,474		
Legal Fee		0.80%	380,379		

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				855,853
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
‡ Phase 1 - Block A1 - Construction	29,336	393.73	12,472,977	
‡ Phase 1 - Block A2 & A3 - Construction	32,593	342.76	12,063,965	
‡ Phase 1 - Block D - Construction	334,557	359.02	150,020,264	
‡ Phase 3 - Block G - Construction	38,100	252.08	11,590,626	
‡ Phase 4 - Block F - Construction	413,712	317.22	173,217,295	
‡ Phase 2 - Block B - Construction	331,666	314.92	117,444,166	
‡ Phase 2 - Block C - Construction	183,996	290.14	59,018,419	
‡ Phase 3 - Block E - Construction	38,720	262.18	12,122,532	
‡ Phase 3 - Block C2 - Construction	51,729	288.68	17,325,136	
Totals	**1,454,409 ft²**		**565,275,381**	
S106 (Est.)			1,020,001	
Carbon Offset (Est.)			428,087	
CIL (Borough & MCIL Est.)			5,192,324	
				571,915,793
Other Construction Costs				
Phase 3 Infrastructure Costs			5,315,911	
Phase 3 Infrastructure Costs			1,636,813	
Phase 1 Infrastructure Costs			2,548,154	
Phase 4 Infrastructure Costs			9,373,050	
Phase 2 Infrastructure Costs			11,258,458	
Phase 2 Infrastructure Costs			9,144,343	
Phase 2 Infrastructure Costs			3,835,130	
				43,111,859
PROFESSIONAL FEES				
Professional Fees		10.00%	60,838,724	
				60,838,724
MARKETING & LETTING				
Resi Marketing		1.50%	10,699,993	
Commercial Letting Agent Fee		10.00%	105,194	
Commercial Letting Legal Fee		5.00%	52,597	
				10,857,785
DISPOSAL FEES				
Commercial Sale Agent		1.00%	131,269	
Resi Sale Agent		1.50%	10,699,993	

APPRAISAL SUMMARY | **LICENSED COPY**

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Commercial Sale Legal		0.50%	65,634	
Resi Sale Legal	912 un	800.00 /un	729,600	
				11,626,496
TOTAL COSTS				**746,753,915**
PROFIT				
				169,496,546

Performance Measures

Development Yield% (on Rent)	0.14%
Equivalent Yield% (Nominal)	6.77%
Equivalent Yield% (True)	7.07%
IRR% (without Interest)	11.59%
Rent Cover	161 yrs 2 mths
Profit Erosion (finance rate 0.000)	N/A

‡ Inflation/Growth applied

Growth on Sales		**Ungrown**	**Growth**	**Total**
Phase 1 - Block D - Market Sale	Growth Set 1 at 5.250%	178,344,840	96,733,926	275,078,766
Phase 3 - Block G - Market Sale	Growth Set 1 at 5.250%	19,093,880	9,136,096	28,229,976
Phase 4 - Block F - Market Sale	Growth Set 1 at 5.250%	221,860,870	152,743,598	374,604,468
Phase 3 - Block C2 - Market Sale	Growth Set 1 at 5.250%	25,623,730	9,795,958	35,419,688

Inflation on Construction Costs		**Uninflated**	**Inflation**	**Total**
Phase 1 - Block A1 - Construction	Inflation Set 1 at 3.000%	11,550,415	922,562	12,472,977
Phase 1 - Block A2 & A3 - Construction	Inflation Set 1 at 3.000%	11,171,655	892,310	12,063,965
Phase 1 - Block D - Construction	Inflation Set 1 at 3.000%	120,112,207	29,908,057	150,020,264
Phase 3 - Block G - Construction	Inflation Set 1 at 3.000%	9,604,417	1,986,209	11,590,626
Phase 4 - Block F - Construction	Inflation Set 1 at 3.000%	131,237,617	41,979,678	173,217,295
Phase 2 - Block B - Construction	Inflation Set 1 at 3.000%	104,447,776	12,996,390	117,444,166
Phase 2 - Block C - Construction	Inflation Set 1 at 3.000%	53,385,277	5,633,142	59,018,419
Phase 3 - Block E - Construction	Inflation Set 1 at 3.000%	10,151,765	1,970,767	12,122,532
Phase 3 - Block C2 - Construction	Inflation Set 1 at 3.000%	14,933,344	2,391,792	17,325,136

APPENDIX THREE

DEVELOPMENT APPRAISAL INPUTS, OCT 2023

Summary of Appraisal Assumption
High Road West. October 2023

The table below provides a summary of the assumptions included within the viability appraisal.

Input	Assumption	Comments
		Revenue
Unit Numbers	Phase A - 1,488 Phase B - 1,125	The updated appraisal is modelled upon the illustrative masterplan which contains 2,613 units across the masterplan, with 1,488 within Phase A and 1,125 in Phase B.
Residential - For-sale	Base Value £730 per sq ft with **5.25% growth** premium **per annum**	Growth of 5.25% per annum applied to a base sales value of £730 per sq ft. evidence to inform the sales values assumptions included at Appendix 4. Comparable evidence used to inform the growth assumptions provided within Appendix 7 and 8. The units have been cashflowed as 50% units sold off plan and 50% post practical completion.
Social Rent	Replacement units: £64,000 per unit Additional social rent: £165,000 (index linked)	DS2 have been provided with the figures within the Development Agreement for the replacement social rented homes and the price agreed with the Council for the purchase of the additional social rent units. To note, £165,000 of the agreed price for the additional social rent homes are index linked to BCIS from December 2021 to midpoint of construction. This has been applied within the appraisal. The social rent revenue has been cashflowed in line with 'Golden Brick' payments, with 20% of revenue received at start on site and the remaining revenue cashflowed quarterly across the construction period.

Shared ownership	£380 per sq ft	In accordance with the S106 Heads of Terms the 1 and 2 bedrooms units will be affordable at gross household incomes of £40,000 per annum and larger units up to £60,000 for 6 months prior to and up to 3 months prior to completion of each block. After 3 months of marketing all units are then subject to £60,000 income caps. At practical completion the GLA cap of £90,000 income applies. The Shared Ownership units must be affordable to households such that housing costs, including mortgage costs, rent charged and service charges, must represent less than 40% of a household's net income, where net household income is 70% of gross household income. A rate of £380 psf reflects these assumptions. The shared ownership revenue has been cashflowed in line with 'Golden Brick' payments, with 20% of revenue received at start on site and the remaining revenue cashflowed quarterly across the construction period.
Shared equity	£190,000 per unit	The Landlord Offer ensures that all existing resident leaseholders will be offered a shared equity unit, this is reflected in the Development Agreement. The number of existing leaseholders who will take up this offer is still unknown but it is estimated to be circa 46 units. This has been reflected in the shared ownership units in block B with 46 of the proposed units valued at £190,000 per unit and the remainder valued as shared ownership. These have been cashflowed in line with 'Golden Brick' payments (as per shared ownership above).
Office	£27.50 per sq ft rent with 5% yield	Based upon comparable evidence (included at Appendix 5) valued as £27.50 per sq ft rent, capitalised at 5% yield. With a 15 month rent free period, no letting void.
Retail	£25 per sq ft rent with 6.75% yield	Based upon comparable evidence (included at Appendix 5) valued at £25 per sq ft rent capitalised at 6.75% yield. With an 18 month rent free period, no letting void.
Sports Facilities	£16.50 per sq ft rent with 7% yield	Based upon comparable evidence (included at Appendix 5) valued at £16.50 per sq ft rent and capitalised at a 7% yield. 18 month rent free and no letting void
Mayor's Land Fund Grant	£21,200,000	2x tranches. Tranche 1 – Project Start (£10,000,000). Tranche 2 – Jan 24 (£11,200,000).
Affordable Grant Funding	£70,312,000	2 x tranches. Tranche 1 – Project Start (£51,936,000). Tranche 2 – Dec 28 (£18,064,000)
Development costs		
Construction costs (includes 5% contingency allowance)	£815,730,149	We have been provided with an indexation exercise undertaken by Rider Levett Bucknall (RLB). This has examined cost inflation from September 2021 using BCIS All in TPI and the average of Cost Consultants TPI, applying these to the costs agreed as part of the planning viability exercise. DS2 have taken an average of the values provided by this exercise. The indexing exercise is attached at Appendix 6. Cost inflation has been applied at a rate of 3% per annum as informed by RLB Tender Price Forecast Q3 2023.

Infrastructure costs	£84,820,891	Similar to the construction costs, RLB has applied the indexing exercise to the infrastructure costs which were agreed as part of the planning viability exercise. DS2 have taken an average of the indexed costs once BCIS and Cost Consultants TPI has been applied.
S106	£1,732,001	As provided by Lendlease reflecting the agreed S106. This reflects a payment of £1,020,001 for Phase A and £712,00 for Phase B.
Carbon offset	£751,741	This reflects a carbon offset payment for Phase A of £428,087 and for Phase B of £323,655. These have been included in the appraisal on a per block basis.
LBH & Mayoral CIL (Phase A)	£5,192,324.00	Modelled pro rata in the appraisal in correspondence with the market sale homes and cash flowed in line with LBH CIL Payment Schedule. Provided by DP9 April 2023.
LBH & mayoral CIL (North Site)	£4,603,652.00	Modelled pro rata in the appraisal in correspondence with the market sale homes and cash flowed in line with LBH CIL Payment Schedule.
Purchasers Costs	6.80%	Reasonable assumption
Professional fees	10% of construction costs	Reasonable assumption
Residential Marketing	1.5% of residential GDV	Reasonable assumption
Commercial letting & legal fee	15% of rent	Reasonable assumption
Commercial Sales agent fees	1% of GDV	Reasonable assumption
Commercial Sales legal fees	0.5% of GDV	Reasonable assumption
Residential Sales Agent Fee	1.5% of GDV	Reasonable assumption
Residential Sales Legal fee	£800 per unit	Reasonable assumption
Land value		
Phase A	£47,547,403	As per the PCE Schedule. Includes all acquisition costs, compensation , disturbance, SDLT, transaction costs etc.
Phase B	£41,295,311	As per DS2's EUV valuation agreed as part of the original FVA submission.
Homeloss & Compensation Costs (Phase B only)	£3,657,275	As per DS2's assumption as part of the original FVA submission.

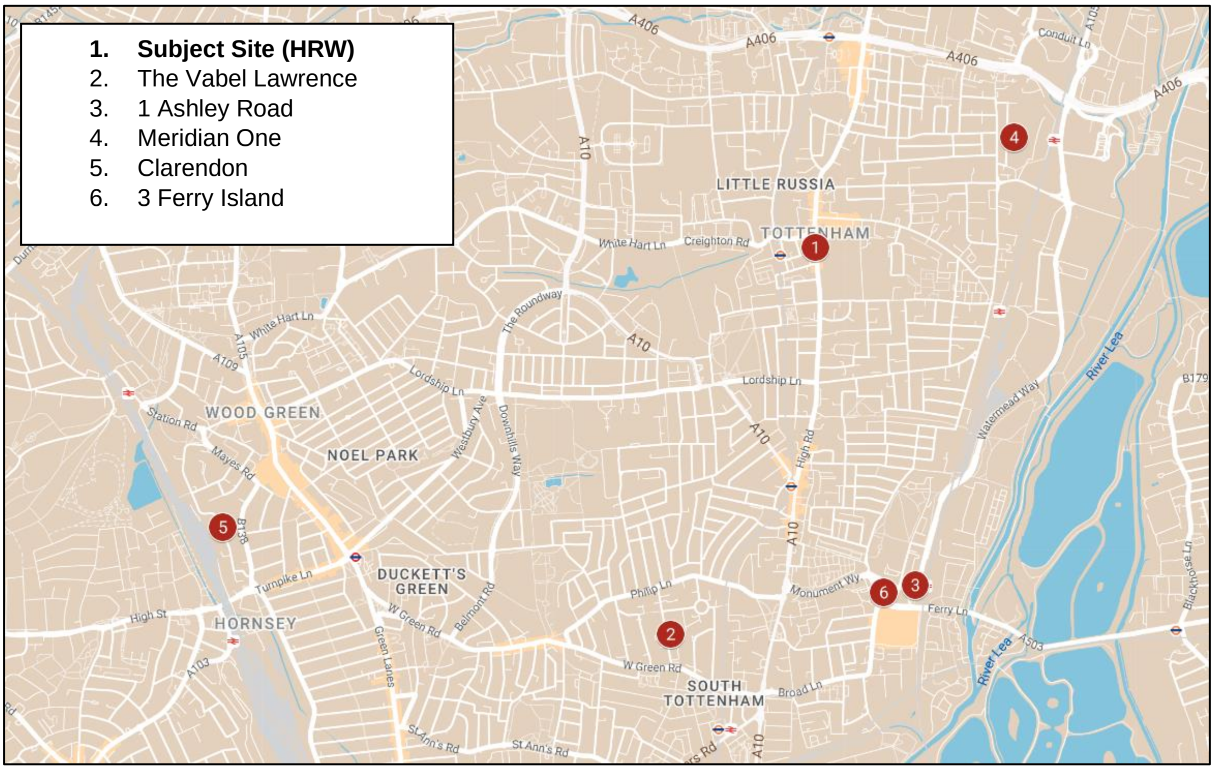
APPENDIX FOUR

PRIVATE RESIDENTIAL COMPARABLE EVIDENCE, OCT 2023

RESIDENTIAL COMPARABLES, OCTOBER 2023

The below market research providing comparable schemes to High Road West (HRW) has been undertaken with regard to RICS Professional Standard Comparable Evidence in Real Estate Valuation, 2019.

Below is an indicative map illustrating comparable new build developments which have informed our opinion of value for the market sale units at HRW:



The Vabel Lawrence I (Mono House) 50-56 Lawrence Road, N15 4EG

Key Points:

- Development by Vabel
- Located approximately 1.9miles south of HRW.
- Comprising 42 private units
- First phase of two phased development, second phase Sterling House due to complete during Q3 2023.
- The development is located on Lawrence Road within Seven Sisters, 0.3 miles from Seven Sisters train station, and 20 mins from Kings Cross.
- Residents benefit from communal landscaped courtyard garden, and cycle storage.
- Each apartment comes with private balcony or garden.
- Completed in Q2 2021. 20 units were launched in early 2021 and 20 were retained for rent.
- All units for sale had sold out by Q2 2021.
- Based on achieved prices from 2021 extracted from Molior, and assuming an average unit size, Mono House prices equate to **£716 per sq ft.**

In summary, Vabel is located in proximity to Seven Sisters station providing Victoria line services and therefore benefits from superior transport amenity, although in comparison to HRW Vabel is significantly smaller and therefore does not provide the level of amenity and 'place making' that will be provided at the subject. However, weighing the less established location of the subject and the inferior transport connections but the superior place making and amenity offering of the subject we would anticipate the units at the subject achieving a rate per sq ft marginally higher to reflect the market movement since the units sold at Vabel and also to reflect the superior amenity offering at the subject.

The Vabel Lawrence II (Sterling House), Lawrence Road, N15 4EY

Key Points:

- Development by Vabel
- Second phase of Vabel I (Mono House)
- Comprising 59 units
- Construction due to complete Q3 2023
- Residents can benefit from communal landscaped courtyard, and private external amenity space to all apartments.
- The scheme launched June 2023 and four units sold by the end of the month.
- Based on asking prices from 2023 extracted from Molior, and assuming an average unit size the average marketing prices for Sterling House equate to **£814 per sqft**.

In summary Vabel II is a significantly smaller development than the subject. The amenities and local transport links are the same as phase one of the scheme, Vabel I. However to note these are asking as opposed to achieved prices, which are less reliable due to asking prices being generally marketed at a higher premium compared to that which is actually achieved. However, as Vabel is the second phase of the Vabel Lawrence development it demonstrates the uptick in values that can be achieved for later phases in a development once the development has become more established. However, we would assume HRW market sale values to be lower than this comparable as the values available for Vabel are asking prices and appear much higher than other market evidence available.

Clarendon - Mary Neuner Road N8 0ER

Key Points:

- Development by St William, part of Berkeley Group
- Located approximately 2.8 miles south west of HRW
- Residential led mixed - use development, which includes Use Class B1 Business, D1 Day Nursery, D2 Leisure, and basement car park, over several development phases.
- Hornsey Park Place was the first phase completed in 2021 and Alexandra Palace Gardens & Lambert Mansions are the second phase due for completion July 2023.
- There are 1,714 residential units, 1,270 of which are private.
- Phase 1 comprised 169 units
- Phase 2 comprises 322 units
- Scheme includes public realm works and landscaping.
- The site is situated 12 mins walk to Hornsey, and Alexandra Palace Station.
- Close proximity to local amenities, and Alexandra Park.
- The scheme includes resident lounge, gym, and pool.
- Phase 1 sold out in Q3 2021 having completed during Q2 2021.
- Reported that during Q3 2022 most recent sales were all achieved through Help to Buy.

- Based on achieved prices from 2021 extracted from Molior, and assuming an average unit size the average prices at Clarendon equate to **£780 per sqft.**

Hornsey Park Place completed in Q1June 2021, at completion all but 1 unit was sold equating to 99% off plan sales.

To summarise Clarendon is a similar scheme to the subject in terms of scale and being a multi phased development. Clarendon is situated within Haringey Heartland Opportunity Area, similarly to the Proposed Development, the scheme is making improvements to the surrounding public realm in relation to landscaping and infrastructure. Additionally, the location of Clarendon has PTAL rating of 3 in relation to connectivity. Whilst Hornsey is the closest station which provides main line services between Hertfordshire and Moorgate, Clarendon is also approximately 14 minutes walking time to Wood Green London Underground Station which provides access to the Piccadilly Line. The surrounding area of Clarendon and proximity and access to Alexandra Palace is superior to the subject and we would therefore anticipate the subject achieving marginally lower private sales values on a rate per sq ft.

Meridian One, N18 3BY

Key Points:

- Development by Vistry Partnerships
- Meridian Water is a major regeneration project within the London Borough of Enfield, which will deliver 10, 000 new homes and 6,000 new jobs over a 20 year delivery period.
- Located approximately 1.1 miles north east of HRW
- The wider masterplan includes public realm improvements and new local facilities/amenities.
- Very close proximity to Meridian Water Station, a new station providing connections to London Liverpool Street, Stratford, Stanstead Airport and Cambridge.
- Meridian One is the first phase of the Meridian Water Regeneration and will provide 977 new homes, alongside 2,300 square metres of leisure, retail, employment and community spaces.
- Meridian One 1a comprises of 300 residential units; 28 of which are private.
- Based on asking prices from 2021 extracted from Molior, and assuming an average unit size the average marketing prices at Meridian One equate to **£685 per sq ft.**

Construction completion is due Q3 2023-2024, 20 private units of 28 within the scheme remain unsold having launched December 2022.

Meridian One is the closest geographically to HRW with local transport connections and a PTAL rating of 4. Acknowledgement has also been given to the fact that these are asking as opposed to achieved prices. It should be noted that there are only 28 private units alongside 272 affordable units, which may provide some explanation as to the asking prices. We would highlight that the first private sales at the subject are proposed to be delivered as a block of 380 units and will be delivered after a number of affordable housing blocks have already been delivered and public realm improvement and landscaping has been undertaken. Having undertaken a site visit, it is apparent that the surrounding area at Meridian Water is subject to significant construction work and public realm improvements. From discussion with the sales agent at Meridian Water it was clear that the ongoing works were deterring some buyers and therefore incentives were being offered. As the subject Site is located in an area which has an established high street provision (Tottenham High Road) and with the neighbouring Tottenham Hotspur Stadium the location is already established. As discussed, the phasing at the Subject will mean that the market sale units will be delivered into a development site where improvements have already been made. As such DS2 assume HRW to achieve higher values to those marketed at Meridian One.

Tottenham Hale Comparables

We have also examined comparable developments in Tottenham Hale and identified schemes which have been actively marketing in the last 12 months. The Tottenham Hale area is outlined within LBH Tottenham Area Action Plan to provide 5,000 new homes and 4,000 jobs. Tottenham Hale is seeing a significant amount of regeneration and place making, with several phases of this regeneration completed.

Units within the Tottenham Hale area will likely demand a premium over the HRW area due to the superior transport amenity provided by access to the Victoria Line as well as Greater Anglia Rail Services to London Liverpool Street, Stratford (London), Stansted Airport and Cambridge.

There are also some surrounding developments such as Hale Village including Hale Works which completed in 2022, comprising 279 units and the Gessner Apartments – a build to rent development, demonstrating the area is further along the regeneration journey.

1 Ashley Road – Watermead Way N17 9LJ

Key Points:

- Development by Argent Related
- Located approximately 1.7 miles south of HRW
- Part of the wider Tottenham Hale Regeneration development which will provide over 1000 new homes over several development phases as part of the partnership between LBH and Argent Related.
- Within 1 Ashley Road there are 183 residential units all delivered as private.
- Development provides three new public spaces, new healthcare centre, and retail space.
- By the end of Q2 2023, 175 units had been sold having launched in 2019.
- Situated next to Tottenham Hale Station.
- Residents can benefit from lounge, podium garden, and fifth floor roof terrace.
- All apartments benefit from private balcony and/or terrace.
- Based on the asking prices from 2022 extracted from Molior, and assuming an average unit size, the average marketing prices at 1 Ashley Road equates to **£755 per sqft.**

Construction completed Q1 2023 and 13 of 183 units remained unsold with sales having launched in 2020.

1 Ashley Road is the first phase to launch as part of Argents Tottenham Hale regeneration, and provides local transport and amenities; being located close to Tottenham Hale Station. We would consider this scheme comparable to HRW as 1 Ashley Road is the first phase within the regeneration area. 1 Ashley Road is located in a more established residential area due to the aforementioned surrounding developments, however the level of amenity provision proposed at the subject and public realm improvements as well as the superior interchange between the station and the development at the subject we would not anticipate the values achievable at the subject to in line with those at 1 Ashley Road.

3 Ferry Island, N17 9FR

Key points:

- Part of the Tottenham Hale Centre development which consists of five sites and will provide over 1000 new homes over several development phases developed by Argent Related.
- 3 Ferry Island comprises of 136 residential units; 56 of which are private.
- Located approximately 1.2 miles south of HRW
- Situated next to Tottenham Hale Station.
- Residents can benefit from co-working space, games room, gym, music room, screening room, and lounge.
- All apartments benefit from private garden terraces.
- Based on the asking prices and assuming an average unit size, the average marketing prices equates to **£771 per sq ft.**

Construction completed during Q2 2023 and the sale of the 56 private units is undisclosed with sales having launched in 2023. The development is predominantly affordable housing.

3 Ferry Island is part of Argents Tottenham Hale regeneration project and provides local transport and amenities; being located close to Tottenham Hale Station. We consider this scheme comparable to HRW as 3 Ferry Island is similarly part of a regeneration project. As 3 Ferry Island is located in a more established residential area due to the aforementioned surrounding developments, we would anticipate the units at the subject achieving a marginal discount.

Residential Pricing Summary

Overall, DS2 consider the development within Tottenham Hale to have superior transport amenity with tube network and mainline train interchange. In addition, the wider redevelopment of Tottenham Hale is more progressed than at HRW with the first residential completions in 2018. However, we would consider that the public realm improvement and interchange between White Hart Lane Station and the development will be superior at the subject by comparison to that at Tottenham Hale.

The comparables included above demonstrate a range of values of between £685 per sq ft and £814 per sq ft. We would highlight that the lowest values are at Meridian One although this is the closest comparable this only represents 28 private sale units and the surrounding area at Meridian One is less desirable than the subject and has been subject to less public realm improvement than will have been undertaken when the private sales units are proposed to be delivered at the subject. Whilst we appreciate that there are differences between HRW and Tottenham Hale, the level of regeneration at Tottenham Hale is comparable with that which is proposed at HRW. We would therefore anticipate the market sale units at HRW would achieve £730 per sq ft on a current day basis.

APPENDIX FIVE

COMMERCIAL VALUE RENT & YIELD EVIDENCE, OCT 2023

COMMERCIAL COMPARABLES, OCTOBER 2023

Retail

There is a dearth of retail leasing transactions within Tottenham and as a result DS2 have taken into consideration asking rents in the area to assess rental values. Furthermore, we have expanded our search to neighbouring areas surrounding Tottenham.

In arriving at an appropriate rent for the retail space of the Proposed Development, we have had regard to the following retail leasing transactions:

TABLE 1: RETAIL RENTS, HRW 2023

Address	Date	Floor	Sqft	Rent pa	Rent PER SQFT	Status	Term
87 Green Lanes, N13 4TD	Aug-21	Grnd	944	£21,000	£22.25	Achieved	15 yrs
163-167 Fore St, N18 2UX	Jul-21	Grnd	1,084	£26,000	£23.99	Asking	-
560-568 High Road, N17 6SB	Sep-22	Grnd	660	£16,500	£25.38	Achieved	1 yr
110 Bruce Grove, N17 6UR	May-22	Grnd	1,690	£45,000	£26.62	Achieved	15 yrs
44 Church Road, N17 8AQ	Sep-21	Grnd	457	£7,250	£15.86	Achieved	5 yrs
61 Westbury Avenue, N22 6SA	Jul-2023	Grnd	760	£15,002	£19.73	Asking	10 yrs
One Berol Yard Development, Ashley Road, N17 9LJ	Mar-23	Grnd	3,000	£90,000	£30	Asking	-

87 Green Lanes is located in Wood Green which lies to the West of Tottenham and is situated in a prominent main road position on the Western side of Green Lanes, and as result experiences high levels of footfall. To note the property needs modernisation, however it is located in a more favourable shopping area. DS2 assume the retail units of the Proposed will be provided as new build high specification and will therefore achieve higher rents.

560-568 High Road is located along the Tottenham High Road in proximity to an Aldi supermarket, a Poundland Store and Iceland supermarket as well as several other shops, it would therefore benefit from significant footfall along the High Road. The unit is fitted out as a bar and from the marketing particulars appears to be in good condition. We would therefore anticipate that the retail units at the subject would achieve rental values in line with those at 560-568 High Road as they will be new build, delivered to a high specification.

We have also had regard to the retail space marketed at One Berol Yard, a new build development in Tottenham Hale. Similar to the Subject the area around Tottenham Hale is subject to significant regeneration. The asking rent for retail space to be let was £30 per sq ft. From discussions with the marketing agent CF commercial we understand that retail rents for space to let in the new build developments are between £25-£30 per sq ft for spaces ranging from 900-3,000 sq ft. We would anticipate the retail space at the subject would achieve rental values broadly in line with that at One Berol Yard.

Considering the information above, DS2 have adopted a rent of £25 per sq ft which, in light of the comparable evidence, could be considered at the lower end of achievable values when considering that few of the above comparables are within new build developments and therefore do not offer the same level of specification as is proposed at the subject.

In terms of retail investments there is a dearth of comparable evidence in the Tottenham area and as a result we have expanded our search to encompass neighbouring areas.

The table below provides a summary of retail transactions that have been considered when applying a yield to the Proposed Development. We have derived a value by comparing values on a £ per sqft basis.

TABLE 2: RETAIL YIELDS, HRW 2023					
Address	**Date**	**Sqft**	**Sale Price**	**£ per sqft**	**Yield**
551 High Road, N17 6SB	Aug-22	1,608	£525,000	£326	-
537-539 High Road, N17 6SB	Nov-22	2,488	£1,335,000	£336	3.07%
85 Broad Lane, N15 4DW	Feb-23	621	£210,000	£338	7%

85 Broad Lane is within Seven Sisters in a not dissimilar location to the subject in that it is within a secondary parade of shops located in proximity to a housing estate. 85 Broad Lane was let to William Hill, with a residential flat above. We would highlight that the retail units at HRW will be in excellent new build condition and be in a location benefitting from significant regeneration and place making. 537-539 High Road is let to Lloyds TSB and is located in a main town centre shopping location.

Looking at the capital values on a rate per sq ft, the above comparables demonstrate a value of between £326-£338 per sq ft. In applying a yield of 6.75% this equates to a rate of £336 per sq ft, therefore demonstrating the yield is appropriate.

Office

There are no new build office leasing transactions within Tottenham, therefore we have expanded our assessment to include new build offices within the surrounding areas of Haringey and other neighbouring boroughs. In arriving at an appropriate rent for the office space of the Proposed Development we have had regard to the following office leasing transactions:

TABLE 3: OFFICE RENTS, HRW 2023							
Address	**Date**	**Floor**	**Year Built**	**Sqft**	**Rent PER SQFT**	**Status**	**Term**
52-54 White Post Ln, E9 5EN	Mar-22	GRND	2019	2,009	£33.00	Achieved	5 yrs
Fonthill Rd, N4 3HF	May-21	GRND,1	2019	9,450	£41.00	Achieved	10 yrs
West Tower Fonthill Road, N4 3HF	Dec-21	1st	2020	18,537	£45.00	Asking	10 yrs
52-54 White Post Ln, E9 5EN	Jun-23	1st	2019	7,072	£35.00	Asking	-
Fresh Wharf Highbridge Road, IG11 7BG	Nov-22	GRND	2022	1,054	£18.98	Achieved	20 yrs
Paxton Building, 794 High Road, N17 0DH	May -22	2nd,3rd	2019	13,249	£22.50	Achieved	10 years

Fonthill Road is situated in Finsbury Park which is a more established office location in comparison to Tottenham. It is located in Zone 2 and has access to the Piccadilly Line via Finsbury Park underground station making it a more accessible location. As a result, it would achieve higher values than the Proposed Development.

The units at White Post Lane are located within a new development at Hackney Wick. These provide evidence of values for new build offices within mixed use developments.

Fresh Wharf is located in a new riverside community bounded to the north by Highbridge Road. Similar to the subject site this office space is part of a mix-use scheme. We would assume HRW proposed office space to achieve a higher value as it is located in proximity to public transport.

We have also had sight of the letting at the Paxton Building which is part of the new build development opposite the subject Site. The office was a new build quality and therefore reflects similar standards of accommodation to that which will be provided at the Subject.

Taking into account the information above DS2 have adopted a value of £27.50 for the office units at the Proposed Development. With new build offices in Finsbury Park achieving £41 and £45 per sqft it is unlikely that a new office in Tottenham would achieve those figures.

In arriving at an appropriate yield for the office space of the Proposed Development, we have had regard of the following office transactions:

TABLE 4: OFFICE YIELDS, HRW 2023					
Address	**Date**	**Sqft**	**Sale Price**	**£PER SQFT**	**Yield**
9 Cross Lane, N8 7GD	April-23	10,541	£1,050,000	£245	-
Hampden Road, N8 0HG	Jun-2023	1,600	£350,000	£218	-
1 Dersingham Road, NW2 1HW	Sep-22	671	£315,000	£456	4.10%

9 Cross Lane is a good comparable as the scheme was built in 2021 with the units situated on the ground floor of a modern residential development. DS2 would consider this comparable to HRW as it is a similar mixed use scheme to HRW.

Following the above, DS2 have adopted a yield of 5% for the office space.

Sports Facilities

The following leasing transactions have been considered in order to assume a rent for the sports facilities of the Proposed Development. As transactions for sport facilities are more rare, we have examined transactions from across London and adjusted accordingly.

TABLE 5: SPORTS FACILITIES RENTS, HRW 2023					
Address	Start Date	Floor	Sq ft	£PSF	Term (Years)
163 Tottenham Lane, N8 9BT	01/03/2022	B,G	12,453	£14.45	20
The Penrose – Bollo, W4 5LE	22/03/2023	G	6,440	£20.00	15
1 Cool Oak Lane, NW9 7FJ	01/05/2023	G	5,000	£23.00	15
164-170 Mare Street, E8 3RD	16/01/2022	G,1	5,231	£30.00	2
Anytime Fitness, Chalk Farm Road, NW3 2BL	20/06/2022	B,G	5,500	£16.36	15

163 Tottenham Lane is the closest geographically to the proposed development, and is currently leased to Pure Gym. To note this comparable has a long lease term of 20 years therefore we would assume a discounted rent per annum. In addition the space has a basement level which is less desirable due to lack of daylight, therefore DS2 would assume a slightly higher rental value in relation to this comparable.

The Penrose is a modern office building, with ground floor currently leased to Anytime Fitness. The space is also at ground floor level, which is desirable. DS2 would assume a similar but slightly lower rental value to this comparable at the subject as The Penrose is located in Chiswick which is a more desirable and established area.

Anytime Fitness Chalk Farm Road is located within the Camden submarket. The unit is in good condition, and close to local transport links and amenities. The space is currently leased to Anytime Fitness covering basement and first floor of the unit. We would consider rental levels broadly in line with this comparable.

Following the information above, DS2 have adopted a rent of £15 per sqft for the sports facilities space. Examining investment evidence and market reports there is limited gym sales transaction evidence in the local surrounding area. Therefore, DS2 has had regard to 'Health & Fitness Prime' yields in the CBRE September 2023 Yield Sheet which are at 5.50%. We would consider that the space at the subject to be at a discount to prime and we have therefore capitalised the sports facilities at a 7% yield.

APPENDIX SIX

RLB COST INDEXATION REPORT, SEPTEMBER 2023

Rider Levett Bucknall

Rider Levett Bucknall UK Ltd

Level 11
The Shard
32 London Bridge Street
London
SE1 9SG
M: 07826 038246
E: tanya.catherall@uk.rlb.com

11 September 2023

Lendlease (High Road West) Limited
Level 9
Merchant Square
London
W2 1BQ

Dear Sirs

HIGH ROAD WEST, HARINGEY

As part of the planning process and development viability review of High Road West redevelopment submission by the London Borough of Haringey, the construction costs were reviewed by an independent party on behalf of Haringey and subsequently agreed between Haringey and Lendlease as follows:

Construction cost for the buildings excl. Contingency (September 2021):	£681,568,503
Construction cost for the infrastructure incl. Contingency (September 2021):	£74,414,082

RLB have been requested by Lendlease to update the agreed construction costs for construction inflation from September 2021 to August 2023. An industry-standard approach of applying All-In Tender Price Indices (All-In TPI) has been used for this exercise.

The BCIS All-In Tender Price Indices indicate an increase of 13.57% and a combined average of in-house Tender Price Indices reported by six major UK Cost Consultancies suggests an uplift of 14.4% for the period from September 2021 to August 2023. These percentage uplifts have been applied to the above figures and our findings are summarised in the table below:

Description	Original Construction Cost	BCIS All in TPI (13.57%)	Average of Cost Consultants' TPI (14.4%)
Base Date	Sep-21	Aug-23	Aug-23
Construction cost for the buildings:	£681,568,503	£774,057,349	£779,714,367
Construction cost for the infrastructure:	£74,414,082	£84,512,073	£85,129,710

Should you have any queries or require any further information, please do not hesitate to contact us.

Yours faithfully

T. Catherall

Tanya Catherall

Senior Associate

APPENDIX SEVEN

DS2 ESTATE REGENERATION ANALYSIS, OCT 2023

REGENERATION PREMIUM GROWTH, OCTOBER 2023

The below developments are all estate regenerations across London, which have been identified in order to demonstrate the growth which can be achieved within developments of a regeneration nature. The below developments have informed the growth assumptions applied within the appraisal. This list is by no means exhaustive but is intended to compliment the research by CBRE included at Appendix 8.

Woodberry Down, N4

Woodberry Down is a major estate regeneration located in the London Borough of Hackney. The regeneration began in 2009 and is a 30 year project which will deliver 5,500 homes. The site is located next to Woodberry Wetlands, in proximity to Finsbury Park. Woodberry Down is a major regeneration delivered by Berkeley Homes as the London Borough of Hackney's development partner. The site lies on the border of London Underground zones 2 and 3, with Manor House London Underground Station the closest station serving the site.

The project has included £1 billion of regeneration investment and provided community facilities, a new secondary school alongside public open spaces.

The development began in 2009 and the first homes in the scheme were delivered in 2011. The construction of phase 3 is currently underway, when phase 3 is complete 2,900 homes will have been delivered including 1,130 new social rent and shared ownership homes.

According to Molior the achieved sales for Woodberry Park Phase 1G – known as Waters Edge, which sold in 2015, shows the average achieved rate per sq ft based upon sales in 2015 was £477.

We have also assessed Molior to identify the asking prices for the most recent phase to be marketed. Current marketing demonstrates average values of £1,010 (once these have been adjusted by 5 percent to reflect these are asking prices which are often in excess of what is achieved).

	2015	2022/23
Blended Average £ per sq ft	£477	£1,010
Percentage Change	112%	
Compound Growth	9.8%	

As the above demonstrates, there has been a circa 112 percent increase in values between 2015 and asking prices in 2022/23. When calculating what this growth is year on year over the intervening 7/8 year period this calculates as an 9.8 percent annual growth. However, according to UK House Price index, average flats and maisonnette values in Hackney between June 2015 and March 2023 have grown by circa 20 percent, equating to a compound growth of 2.4 percent. This therefore demonstrates how the development has outpaced general house price growth.

We would highlight that whilst there are some similarities with Woodberry Down, in that both schemes are estate regeneration, Woodberry Down is better located with access to the tube network which the ubject does not. Woodberry Down is also significantly larger than the subject. However, Woodberry does demonstrate the significance of regeneration for value growth.

Acton Gardens, W3

Acton Gardens is a major regeneration scheme located in Acton, West London in the London Borough of Ealing. The project is a comprehensive redevelopment of the former South Acton Estate to provide 3,400 new homes. The development will be delivered across an 18 year period. The development is delivered by Acton Gardens LLP a collaboration between Countryside Partnership and L&Q. The site lies in proximity to Acton Town Station in London Underground zone 3, which provides Piccadilly and

District Line services. The site is also located in proximity to South Acton Station, which provides London Overground services.

The first homes were completed in 2013 and currently phase 9 is being marketed for sale. Sales in 2013 demonstrate an average rate per sq ft of £470. Whilst average achieved rate per sq ft in 2022/23 is currently £763.

	2013	2022/23
Blended Average £ per sq ft	£470	£763
Percentage Change	62%	
Compound Growth	5%	

As the above demonstrates, there has been a circa 62 percent increase in values between 2013 and 2022/23. When calculating what this growth is year on year over the intervening 9/10 year period this calculates as an 5 percent annual growth. However, according to UK House Price Index, average values for flats within the London Borough of Ealing between June 2013 and February 2023 have grown by circa 49 percent, equating to a compound growth of 4 percent per year.

Acton Gardens is located in a superior location to the subject in closer proximity to the tube network.

Colindale, NW9

Colindale regeneration is located in the London Borough of Barnet. The major regeneration will deliver over 10,170 new homes across various sites. The development includes the redevelopment of Colindale tube station, relocation of the library, new neighbourhood hub, new youth zone, new schools, re provision of a health centre and wider public realm benefits. The development is being bought forward alongside a number of delivery partners, which include; Fairview new Homes, The Barnet Group, St George PLC, Redrow and Barratt homes. Colindale Station is located within London Underground zone 4 and provides Northern Line underground services.

The first phases of the development completed in 2011 within Pulse Phase 1 delivered by Fairview New Homes, however we have reviewed the sales which took place within a 10 year period of the most recent asking prices which are 2022/23. Sales in 2012 evidenced a rate per sq ft of £397.

Sales at Colindale Gardens Phase 2 – Greenwich and Gladness House, delivered by Redrow in 2022 demonstrate the average completed rate per sq ft is £659.

	2012	2022
Blended Average £ per sq ft	£397	£659
Percentage Change	66%	
Compound Growth	5.2%	

As the above demonstrates there has been a 66 percent increase in achieved sales values between 2012 and 2022, equating to a compound growth of 5.2 percent. By comparison the UKHPI shows an increase in flat values in London Borough of Barnet between January 2012 and September 2022 of 58 percent, equating to an increase of 4.33 percent year on year.

This therefore demonstrates that the value growth achieved within the estate regeneration scheme marginally outpaces general house price movement. Albeit the level of wider regeneration in regard to placemaking is subjective on a scheme by scheme basis.

The subject Site is located in zone 3 and therefore in an arguably better location.

Elephant Park, SE1

Elephant Park is a major regeneration of the former Heygate Estate in Southwark, south London. The development commenced in 2013 and is due for completion 2027. The project is a partnership between Lendlease, London Borough of Southwark and CPPIB to establish a BTR platform.

The development will deliver 3,208 apartments, 42,000 sqm of office space and 13,000 sqm of retail.

Elephant Park is located in Elephant and Castle, in London Zone 1. The project has already delivered 2,300 homes and 9,000 sqm of retail space and includes a two acre park at the centre of the development.

The development commenced in 2013 and the first phase completed in 2015. According to Molior the first phase in the scheme, Trafalgar Place, sold out in 2014 and demonstrated an average completed rate per sq ft of £632.

The most recent phase of Elephant Park currently under construction is Park and Sayer. This phase comprises 64 Build to Rent units, 56 affordable units, 64 Houses (48 for private sale and 16 affordable) and 181 private sale units. According to Molior the most recent marketing prices demonstrate an average £1,291 per sq ft once adjusted to reflect these are marketing prices.

	2015	2023
Blended Average £ per sq ft	£632	£1,291
Percentage Change	104%	
Compound Growth	9.3%	

As the above demonstrates there has been a 104 percent increase in sales values for flats between September 2015 and 2023, equating to a compound growth of 9.3 percent. According to UKHPI house price growth for flats in Southwark was 10 percent, equating to a 1.2 percent growth per annum.

This therefore demonstrates that the price growth seen over the past 8 years of delivery at Elephant Park outpaces wider house price growth in the Borough.

Although it should be noted that Elephant Park is located within zone 1.

Portobello Square, W10

Portobello Square comprises the major regeneration of the Wornington Green Estate, located in the Royal Borough of Kensington & Chelsea. The regeneration is being delivered by Peabody and proposes to deliver 1,000 new homes.

The development provides a new community centre as well as a number of commercial spaces and is a masterplan developed over 5 years of community consultation and aims to reconnect the local street to Ladbroke Grove.

The site is located in proximity to both Westbourne Park and Ladbroke Grove London Underground Stations, both of which are located in zone 2 and provide Circle and Hammersmith & City Line services.

The first phases were completed in 2016 having commenced development in 2012. Achieved values for the first phase of the development in 2013 demonstrated an average rate per sq ft of £837.

We have then assessed the most recent sales completions, which were within phase 2 – Bond Mansions/ Auria. The completed sales from 2022 demonstrate an average rate per sq ft of £969:

	2013/14	2022
Blended Average £ per sq ft	£837	£969
Percentage Change	16%	
Compound Growth	1.64%	

The above demonstrates a much lower increase in values and compound growth than the other estate regeneration comparables above. To highlight, according to UKHPI house price growth for flats in the Royal Borough of Kensington & Chelsea between October 2013 and March 2022 was 23 percent., equating to a 2.1 percent growth.

We would highlight that the difference in value growth achieved at Portobello Square can be explained in some respect due to the high price point which the initial sales achieved £837 per sq ft, the Notting Hill area is already a highly desirable area and therefore values were already much higher than other locations where more significant place making and regeneration is required to realise growth.

We would also highlight that the Royal Borough of Kensington & Chelsea includes some of the most desirable and expensive places to live in London which may also explain the higher UKHPI. The development does not include the level of regeneration beyond new housing that is proposed at the subject but also in the other regeneration schemes above. Portobello Square is also much smaller than the other estate regenerations with just 149 units sold within phase one.

Therefore, we would anticipate the regeneration premium at the subject to be in excess of the growth achieved at Portobello Square as the surrounding area of the subject requires significant improvement whereas for Portobello Square the area was already more established.

<u>Summary</u>

The above estate regenerations demonstrate growth of between 1.64 percent to 9.8 percent, equating to an average of 6.2 percent per annum. The developments in large, apart from Portobello Square given the high value base, demonstrate that the growth achieved with estate regenerations has out stripped the wider housing market growth. However, this is dependent on a number of factors including the wider public benefit proposed within the scheme.

The developments have been chosen to demonstrate a number of developments in order to demonstrate value growth across London.

APPENDIX EIGHT

CBRE ESTATE REGENERATION ANALYSIS, MARCH 2023

Adaptive Spaces

The effect of regeneration on local residential property values

REPORT — MARCH 2023

Introduction

Urban regeneration is the process of redeveloping areas by attracting economic investment which can transform an area, bringing new jobs, new homes and a new wave of demand. Previously under-developed parts of London have been revitalised through regeneration and are now some of the most desirable areas to live, work and socialise in.

In addition to a direct impact within the regeneration area itself, the local area surrounding it could also benefit.

This report identifies the effect regeneration has on the price of homes in neighbouring residential markets and the key components to successful regeneration.

The Regeneration Effect

We have analysed the annual price growth of homes neighbouring 11 regeneration areas across London. The results show that there is a premium in the growth rate of these properties when compared with the respective borough.

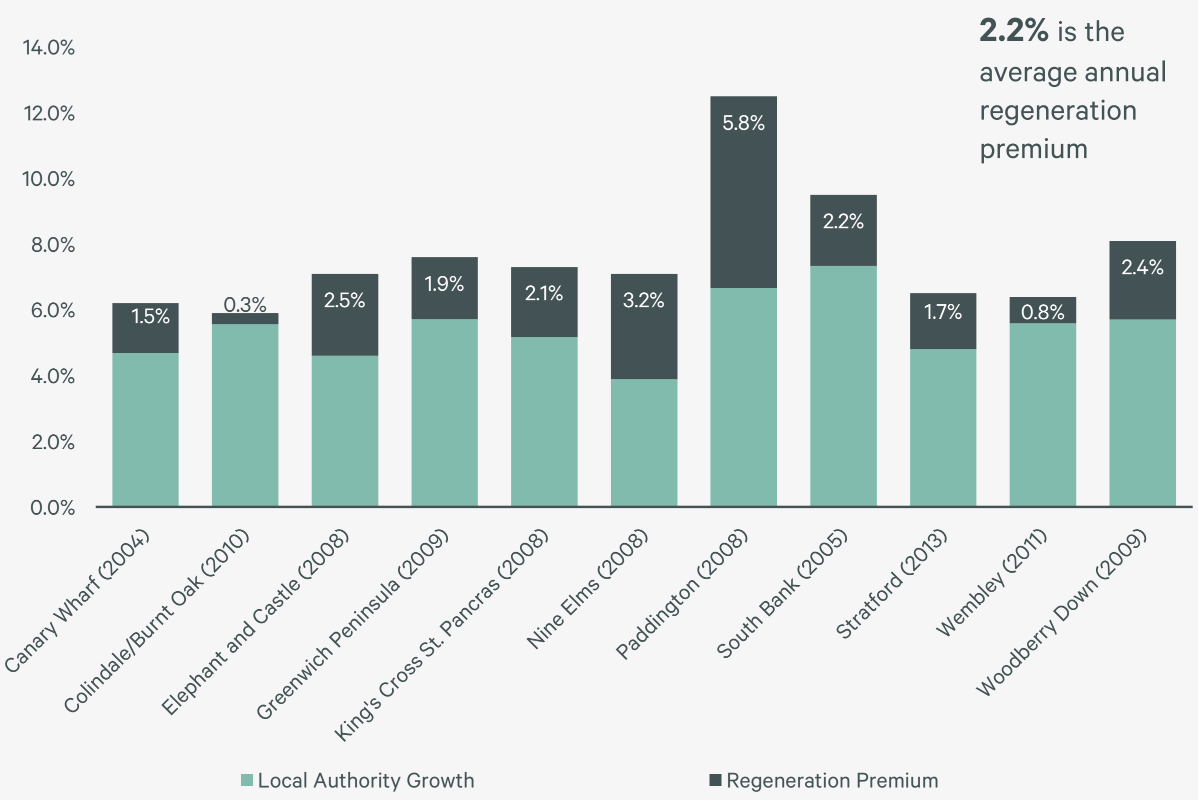
Matched property transactions within a 10-minute walk of the regeneration areas were used to calculate the average compound annual growth rate (CAGR). The CAGR for each regeneration area was calculated from the year the regeneration started (shown in the chart opposite).

The properties neighbouring the regeneration zones all recorded higher house price growth compared with the borough average. The growth premium averaged 2.2% and ranged between 0.3% and 5.8% per year. This can provide a substantial value uplift over the course of the regeneration period. In Canary Wharf for example, the average value of a property in its respective borough, Tower Hamlets, increased by £296,000 since 2004. A property neighbouring the regeneration zone, benefitting from the regeneration growth premium, has increased by £454,000 in the same period.

As reported in CBRE's Global Live-Work-Shop report, the behavioural shifts driven by the COVID-19 pandemic mean that people are now spending more time at home and in their local community. As a result, getting regeneration right – creating high-quality areas to live, work and socialise – is now more important than ever.

There are many features that contribute to achieving a regeneration premium. On the following pages we have explored six of these features in detail and examples of where the implementation has helped achieve premium price growth.

Annual growth rates of regeneration zones, from start of regeneration to September 2022



Source: CBRE Research, ONS, HM Land Registry

Green Space

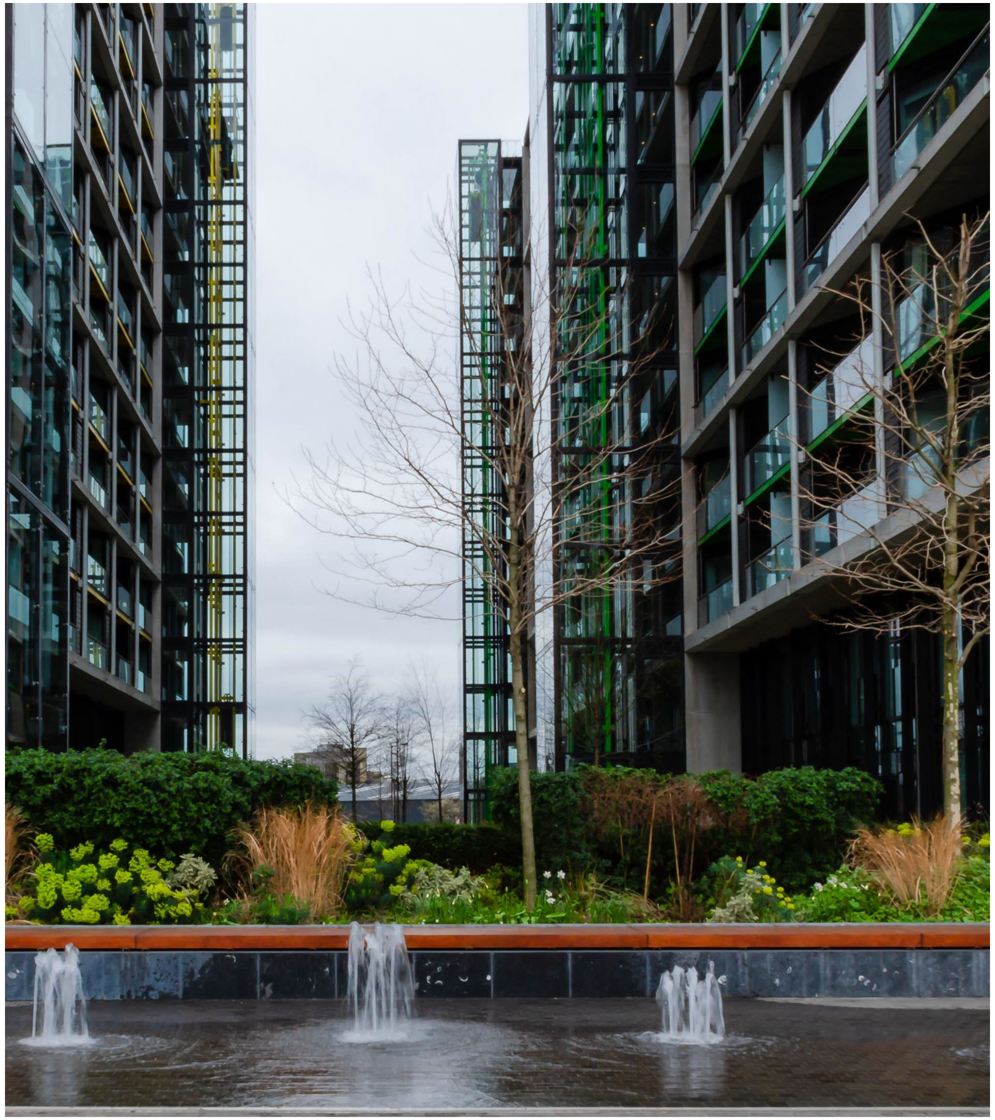
During the pandemic, easy access to green space became a priority for many households. CBRE's 2022 Tenant Survey found that 11% of tenants cited access to green space as their most important location feature of their property. This is a greater proportion than any other city in the country, highlighting the capital's keenness (and perhaps reliance) on green space.

Woodberry Down – 2.4% annual premium

Three new parks, 15 acres of landscaped gardens and parkland, and 42 acres of open water have been delivered. The natural environment has been at the centre of the regeneration and Sir David Attenborough opened the Woodberry Wetlands Nature Reserve in 2016.

Nine Elms – 3.2% annual premium

A new 4.5 hectare linear park running through the regeneration area will be built. The landscaped route will provide a continuous stretch of green space, connecting public squares, retail space and hotels while offering an area for the local community to relax.



Heritage

Regeneration naturally brings about significant change. But it is equally important to recognise the value and importance of an area’s heritage and the sense of identity it creates for the local community.

Successful regeneration will be able to provide a fresh and modern upgrade to the quality of living within an area, while adding to and integrating historical landmarks rather than removing them. This further enhances an area’s personality and also creates a sense of character that can appeal to buyers.

Nine Elms – 3.2% annual premium

The Grade II listed Battersea Power Station was renovated into London’s newest shopping centre. The design of the shopping centre had an emphasis on maintaining the building’s historical significance. The iconic chimneys remain standing, one of which has opened to the public as a chimney lift experience, Lift 109, while the old control rooms have been renovated into unique event spaces.

King’s Cross – 2.1% annual premium

The King’s Cross Gasholders were built in the 1850s and decommissioned in 2000. As part of the King’s Cross regeneration, Gasholder No.8, the largest at King’s Cross, has now been restored and sculpted into the new Gasholder park. 144 luxury residences have also been built within the interlocking gasholder triplets, maintaining the historical link to London’s industrial past.

Local Community

With more people spending time at home and in their local neighbourhoods, a strong sense of community has become a higher priority for many households. Delivering this as part of a regeneration is key to providing and enhancing an area's social value. Community events, shared workspaces and wellness offerings can all help install a sense of belonging within the local area and prevent the feeling of isolation.

Approximately a third of UK respondents to CBRE's 2022 Global Live-Work-Shop survey cited moving to better surroundings/community as the reason they have either moved to their current home, or will move in the future.

Greenwich Peninsula – 1.9% annual premium

Greenwich Peninsula has created a thriving new community. A new community centre, The Jetty, hosts riverside gardening for the community and a range of events throughout the year including fitness classes and exhibitions.

Elephant and Castle – 2.5% annual premium

Regeneration across Elephant and Castle includes significant investment into many local community projects. These include a £20m leisure centre, £350,000 in community grants and £1.3m worth of support for public health projects.

Retail Offering

The concept of a 15-minute city has gained traction over the last few years. Being able to work, shop and socialise within 15-minutes of your home is at the heart of regeneration areas. Despite the rise of online shopping, an area's retail offering remains a key part of this. The shopping experience offered by high-quality retail space can provide local residents with a place to shop along with a place to socialise and unwind.

CBRE's 2022 Tenant Survey found that 14% of tenants in London cited the quality of nearby shops and services as their most important location feature of their property.

Stratford – 1.7% annual premium

Westfield Stratford City opened in 2011 and is the largest urban shopping centre in the UK by land area. The shopping centre was key to Stratford's regeneration, contributing significantly to the local economy and attracting shoppers from all over the city.

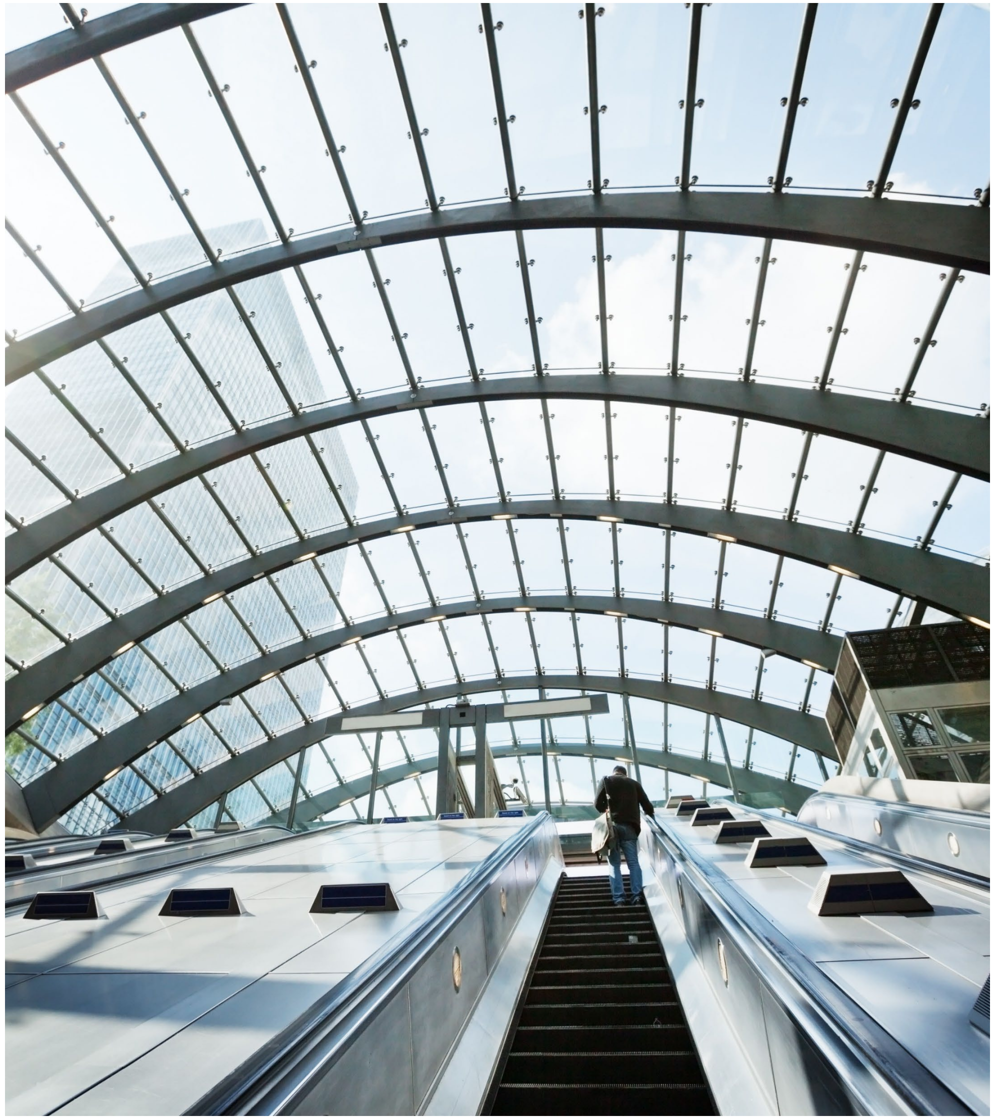
Canary Wharf – 1.5% annual premium

Encapsulating the 15-minute city has been a key reason behind Canary Wharf's success. There are more than 120 stores across five malls, including premium outlets, restaurants and rooftop bars. In total, there is over 940,000 square feet of retail space, making Canary Wharf one of London's largest retail hubs.

Transport and Connectivity

New transport infrastructure and connectivity is often the key catalyst in transforming an area. Not only does it connect expanding communities, but opens up further employment opportunities and unlocks housing delivery.

Most recently, the extension of the Jubilee line and the new Elizabeth line have been significant infrastructure projects that have unlocked key regeneration areas across the capital. Since the project was approved in 2008, more than 31,000 private homes have now been built within 800m of an Elizabeth line station.



Nine Elms – 3.2% annual premium

As part of the Nine Elms regeneration, two new London underground stations were built, joining the Northern line. The two stations, at Battersea Power Station and Nine Elms, opened in September 2021, and ensured the regeneration area was well-connected with other parts of London.

Canary Wharf – 1.5% annual premium

The Elizabeth line is now up and running through Canary Wharf, significantly improving the connectivity of the major employment hub to east and west London. Over 100,000 square feet of retail and leisure space also has been delivered above the station.

Education

Access to nurseries, schools and university campuses are a key component to successful regeneration. They create neighbourhoods where families can raise their children, as well as stimulating innovation, creating jobs and attracting a younger demographic to the area. It is an essential part of not only attracting buyers to an area, but making sure they stay there through different stages of life.

Stratford – 1.7% annual premium

Within Stratford's Olympic park, Here East is a designated campus for "innovators, disrupters, visionaries", home to Loughborough University London and Staffordshire University London. East Bank is also one of the world's largest culture and education districts that hosts a new UCL campus and UAL's London College of Fashion.

Kings Cross – 2.1% annual premium

Central Saint Martins is a world-famous art college that sits within the restored 19th century Grade II listed Granary building. The campus opened in 2011 and covers 32,000 square metres for 5,000 students, includes two theatres and dance studios alongside exhibition areas, a roof garden and bar. As well as being a hub of creativity, parts of the university building are open for the public to enjoy.

Contacts

Research

Jennet Siebrits
Executive Director
Head of Research
jennet.siebrits@cbre.com

Scott Cabot
Director
Head of UK Residential Research
scott.cabot@cbre.com

Michael McGill
Associate Director
UK Residential Research
michael.mcgill@cbre.com

Business Contacts

Luke Mills
Managing Director
Residential
luke.mills@cbre.com

Shaun Macnamara
Executive Director
Head of London Residential Sales
shaun.macnamara@cbre.com

Julien Mills
Executive Director
Head of New Homes
julien.mills@cbre.com