

Elephant & Castle - Delancey  
Build to Rent Scheme - 35% AH  
Provision of 116 Social Rent homes

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WITH GRANT FUNDING

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**TIMESCALE AND PHASING**

**DS2**

**Elephant & Castle - Delancey**  
**Build to Rent Scheme - 35% AH**  
**Provision of 116 Social Rent homes**

**Timescale (Duration in months)**

Project commences Mar 2017  
Phase 1: West (LCC) Site

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jul 2023				
Purchase	1	Jul 2023	Jul 2023	Phase Start	Start	0
Enabling, Sub & Base	31	Jul 2023	Jan 2026	Phase Start	Start	0
Construction	23	Oct 2025	Aug 2027	Enabling, Sub & Base	End	-4
Sale	1	Feb 2028	Feb 2028	Income Flow	End	5
Phase End		Feb 2028				
Phase Length	56					

Phase 2: East - Basement & Externals

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Mar 2017				
CPO	12	Mar 2017	Feb 2018	Phase Start	Start	0
Enabling Works	9	Mar 2018	Nov 2018	CPO	End	0
Demolition	11	Nov 2018	Sep 2019	Enabling Works	End	-1
Substructure & Basem	28	Sep 2019	Dec 2021	Demolition	End	-1
External Works	15	May 2021	Jul 2022	None	Start	0
Phase End		Oct 2022				
Phase Length	65					

Phase 3: East - E1 (N)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jun 2020				
UAL	20	Jun 2020	Jan 2022	Purchase	End	0
Construction	15	Jun 2020	Aug 2021	Phase Start	End	0
Letting	6	Sep 2021	Feb 2022	Post Development	End	0
Phase End		Mar 2022				
Phase Length	21					

Phase 4: East - E4 (E)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jun 2020				
Construction	15	Jun 2020	Aug 2021	Pre-Construction	End	0
Letting	6	Sep 2021	Feb 2022	Construction	End	0
Phase End		Mar 2022				
Phase Length	21					

Phase 5: East - E3 (S)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jun 2020				
Construction	23	Jun 2020	Apr 2022	Pre-Construction	End	0
Letting	6	Sep 2021	Feb 2022	Construction	End	-8
Phase End		Apr 2023				
Phase Length	23					

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Phase 6: East - E2 (W)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Jun 2020				
Construction	29	Jun 2020	Oct 2022	Pre-Construction	End	0
Letting	6	Nov 2021	Apr 2022	Construction	End	-12
Phase End		Apr 2023				
Phase Length	29					

Project Length                    132    (Merged Phases - Includes Exit Period)

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APPRAISAL SUMMARY

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Summary Appraisal for Merged Phases 1 2 3 4 5 6

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
West - Car parking	34	0	0.00	60,000	2,040,000
West - Building W3 (Social Rent)	116	98,392	271.00	229,864	26,664,232
Additional Revenue	1	352,432	547.62	193,000,000	193,000,000
Totals	151	450,824			221,704,232

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
West - W1 Tower 1 (Open Market)	81	62,754	47.50	36,800	2,295,228	2,980,815	2,295,228
West - W2 Tower 2 (Open Market)	99	75,304	47.50	36,131	2,754,244	3,576,940	2,754,244
West - W3 - Mansion Block (Office)	1	23,822	50.00	1,191,100	1,191,100	1,191,100	1,191,100
West - W1 (Retail)	1	2,424	44.00	106,656	106,656	106,656	106,656
West - W2 (Retail)	1	5,985	44.00	263,340	263,340	263,340	263,340
West - W2 Tower (Music Venue)	1	11,743	44.00	516,692	516,692	516,692	516,692
West - W2 Tower 3 (Open Market)	153	119,616	47.50	37,136	4,374,955	5,681,760	4,374,955
West - Commercialisation	1			500,000	500,000	500,000	500,000
West - W3 - Affordable Office Space	1	2,647	50.00	132,350	55,587	132,350	132,350
West - W1 Affordable Retail Space	1	934	44.00	41,096	22,416	41,096	41,096
West - W1 Tower 1 (Intermediate)	15	11,315	25.63	19,334	223,303	290,003	223,303
West - W2 Tower 2 (Intermediate)	17	13,435	25.63	20,255	265,141	344,339	265,141
West - W2 Tower 3 (Intermediate)	17	13,092	25.63	19,738	258,372	335,548	258,372
East - E1 (Retail)	1	14,328	44.00	630,432	630,432	630,432	630,432
East - E1 Affordable Retail space	1	6,694	44.00	294,536	160,656	294,536	294,536
East - E4 (Retail)	1	14,865	44.00	654,060	654,060	654,060	654,060
East - E3 (Retail)	1	46,952	44.00	2,065,888	2,065,888	2,065,888	2,065,888
East - E3 (Open Market) - Tower 3	90	63,115	47.50	33,311	2,308,431	2,997,963	2,308,431
East - E3 (Open Market) - Tower 2	65	47,497	47.50	34,709	1,737,203	2,256,108	1,737,203
East - E3 - Tower 3 (Intermediate Market)	56	43,591	30.41	23,671	1,020,714	1,325,602	1,020,714
East - E3 - Tower 2 (Intermediate Market)	60	42,535	30.41	21,558	995,987	1,293,489	995,987
East - E2 (Open Market) - Tower 1	161	129,332	47.50	38,157	4,607,453	6,143,270	4,607,453
East - E2 (Retail)	1	51,042	44.00	2,245,848	2,245,848	2,245,848	2,245,848
East - E2 (Leisure)	1	24,175	20.00	483,500	483,500	483,500	483,500
East - Commercialisation	1			1,000,000	1,000,000	1,000,000	1,000,000
East - E2 (Intermediate) - Tower 1	49	37,213	30.41	23,095	871,368	1,131,647	871,368
Totals	877	864,410			31,608,573	38,482,982	31,837,896

Investment Valuation

West - W1 Tower 1 (Open Market)					
Current Rent	2,295,228	YP @	3.2500%	30.7692	70,622,386
West - W2 Tower 2 (Open Market)					
Current Rent	2,754,244	YP @	3.2500%	30.7692	84,745,963
West - W3 - Mansion Block (Office)					
Market Rent	1,191,100	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	23,247,892
West - W1 (Retail)					
Market Rent	106,656	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	2,081,712
West - W2 (Retail)					
Market Rent	263,340	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	5,139,871
West - W2 Tower (Music Venue)					

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Market Rent	516,692	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	10,084,795
<b>West - W2 Tower 3 (Open Market)</b>					
Current Rent	4,374,955	YP @	3.2500%	30.7692	134,614,006
<b>West - Commercialisation</b>					
Current Rent	500,000	YP @	6.0000%	16.6667	8,333,333
<b>West - W3 - Affordable Office Space</b>					
Market Rent	55,587	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	1,084,947
Reversion	76,763	YP @	5.0000%	20.0000	
		PV 5yrs @	5.0000%	0.7835	1,202,916
					<b>2,287,864</b>
<b>West - W1 Affordable Retail Space</b>					
Market Rent	22,416	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	437,516
Reversion	18,680	YP @	5.0000%	20.0000	
		PV 5yrs @	5.0000%	0.7835	292,725
					<b>730,241</b>
<b>West - W1 Tower 1 (Intermediate)</b>					
Current Rent	223,303	YP @	3.0000%	33.3333	7,443,422
<b>West - W2 Tower 2 (Intermediate)</b>					
Current Rent	265,141	YP @	3.0000%	33.3333	8,838,036
<b>West - W2 Tower 3 (Intermediate)</b>					
Current Rent	258,372	YP @	3.0000%	33.3333	8,612,398
<b>East - E1 (Retail)</b>					
Market Rent	630,432	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	12,304,773
<b>East - E1 Affordable Retail space</b>					
Market Rent	160,656	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	3,135,684
Reversion	133,880	YP @	5.0000%	20.0000	
		PV 5yrs @	5.0000%	0.7835	2,097,970
					<b>5,233,654</b>
<b>East - E4 (Retail)</b>					
Market Rent	654,060	YP @	4.7500%	21.0526	
(6mths Rent Free)		PV 6mths @	4.7500%	0.9771	13,453,862
<b>East - E3 (Retail)</b>					
Market Rent	2,065,888	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	40,322,005
<b>East - E3 (Open Market) - Tower 3</b>					
Current Rent	2,308,431	YP @	3.2500%	30.7692	71,028,650
<b>East - E3 (Open Market) - Tower 2</b>					
Current Rent	1,737,203	YP @	3.2500%	30.7692	53,452,393
<b>East - E3 - Tower 3 (Intermediate Market)</b>					
Current Rent	1,020,714	YP @	3.0000%	33.3333	34,023,793
<b>East - E3 - Tower 2 (Intermediate Market)</b>					
Current Rent	995,987	YP @	3.0000%	33.3333	33,199,560
<b>East - E2 (Open Market) - Tower 1</b>					
Current Rent	4,607,453	YP @	3.2500%	30.7692	141,767,769
<b>East - E2 (Retail)</b>					
Market Rent	2,245,848	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	43,834,465
<b>East - E2 (Leisure)</b>					
Market Rent	483,500	YP @	5.0000%	20.0000	
(6mths Rent Free)		PV 6mths @	5.0000%	0.9759	9,436,954
<b>East - Commercialisation</b>					
Current Rent	1,000,000	YP @	6.0000%	16.6667	16,666,667

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East - E2 (Intermediate) - Tower 1  
Current Rent

871,368      YP @      3.0000%      33.3333      29,045,615  
870,552,075

GROSS DEVELOPMENT VALUE      1,092,256,307

Purchaser's Costs      (55,599,528)  
Effective Purchaser's Costs Rate      6.39%      (55,599,528)

NET DEVELOPMENT VALUE      1,036,656,780

Income from Tenants

West - W1 Tower 1 (Open Market)      1,912,690  
West - W2 Tower 2 (Open Market)      1,377,122  
West - W2 Tower 3 (Open Market)      364,580  
West - W1 Tower 1 (Intermediate)      186,086  
West - W2 Tower 2 (Intermediate)      132,571  
West - W2 Tower 3 (Intermediate)      21,531  
East - E3 (Open Market) - Tower 3      2,116,062  
East - E3 (Open Market) - Tower 2      1,592,436  
East - E2 (Open Market) - Tower 1      2,303,726  
East - E2 (Intermediate) - Tower 1      435,684  
10,442,486

Additional Revenue

West - Grant Funding      7,940,000  
East - LUL TfL Credit      17,500,000  
East - Grant funding      3,300,000  
28,740,000

NET REALISATION      1,075,839,266

OUTLAY

ACQUISITION COSTS

Fixed Price      50,000,000  
Fixed Price      92,000,000  
Total Acquisition      142,000,000  
142,000,000  
Stamp Duty      5.00%      7,100,000  
Agent Fee      1.30%      1,846,000  
Legal Fee      0.50%      710,000  
9,656,000

Other Acquisition

Other Development Costs      15,158,000  
15,158,000

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
West - Block W3 (Mansion Block) - Residential	1 un	32,873,639	32,873,639
West - Block W2 - Residential	1 un	107,449,586	107,449,586
West - Block W1 - Residential	1 un	33,467,980	33,467,980
West - Demolition & Enabling	1 un	4,810,000	4,810,000
West - Kiosk*	1 un	101,010	101,010
West - External Works (Incl services)	1 un	3,088,982	3,088,982
West - Utilities	1 un	4,329,000	4,329,000
West - PV Installation	1 un	240,500	240,500

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West - Basement	1 un	27,759,472	27,759,472	
West - Sewer Connections	1 un	529,100	529,100	
West - Block W3 (Mansion Block) - Office	1 un	5,626,851	5,626,851	
West - Block W2 - Retail	1 un	548,087	548,087	
West - Block W2 - Music Venue	1 un	6,680,757	6,680,757	
West - Block W1 - Retail	1 un	654,160	654,160	
East - Basement	1 un	36,648,352	36,648,352	
East - Demolition & Enabling Work	1 un	5,772,000	5,772,000	
East - Services & Connections	1 un	6,531,980	6,531,980	
East - Sewer Connections	1 un	663,780	663,780	
East - External Lighting / Power / Security	1 un	1,038,960	1,038,960	
East - PV Installation	1 un	240,500	240,500	
East - Relocate London Cycle*	1 un	96,200	96,200	
East - Relocate TFL Bus Stop*	1 un	96,200	96,200	
East - External Works	1 un	3,254,446	3,254,446	
East - Basement (Retail)	1 un	22,328,020	22,328,020	
East - Basement (LUL)	1 un	12,606,048	12,606,048	
East - E1	1 un	79,430,416	79,430,416	
East - E1 (Retail)	1 un	3,981,718	3,981,718	
East - E1 (LUL)	1 un	491,582	491,582	
East - E4 (E) (Retail)	1 un	5,503,602	5,503,602	
East - E3 (S) Residential Tower 3	1 un	89,767,491	89,767,491	
East - E3 (S) Retail	1 un	7,658,482	7,658,482	
East - E2 (W) Retail	1 un	15,275,598	15,275,598	
East - E2 (W) Residential	1 un	74,811,277	74,811,277	
Totals		594,355,775	594,355,775	
Design Contingency		2.50%	14,858,894	
Construction Contingency		5.00%	29,717,789	
West - CIL / MCIL			4,565,000	
West - Other Development Costs			1,000,000	
East - CIL / MCIL			8,638,000	
Est.S106			4,411,000	
East - Other Development Costs			700,000	
East - Utilities connections			2,840,000	
				66,730,683
PROFESSIONAL FEES				
Professional Fees		12.00%	76,671,895	
				76,671,895
MARKETING & LETTING				
West - Open Market Marketing		1.00%	2,899,824	
Commercial Marketing	195,336 ft²	2.00 /ft²	390,672	
East - Open Market Marketing		1.00%	2,662,488	
Letting Agent Fee		10.00%	796,855	
Letting Legal Fee		5.00%	398,428	
				7,148,266
DISPOSAL FEES				
Sales Agent Fee - PRS & Commercial		1.00%	9,219,596	
Sales Legal Fee		0.50%	5,183,284	
				14,402,880
MISCELLANEOUS FEES				
NwR Arches Refurb			1,300,000	
				1,300,000
TOTAL COSTS				927,423,500
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PROFIT  
148,415,766

Performance Measures		
Profit on Cost%		16.00%
Profit on GDV%		13.59%
Profit on NDV%		14.32%
Development Yield% (on Rent)		3.41%
Equivalent Yield% (Nominal)		3.62%
Equivalent Yield% (True)		3.70%
IRR		
		7.51%
Rent Cover	4 yrs 8 mths	
Profit Erosion (finance rate 0.000)	N/A	

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