

Lewisham Local Plan

Examination Hearing Sessions

Response to Actions Matter 22 Viability Prepared to inform the Local Plan Examination

July 2024

1. Introduction

- 1.1 This Paper is one of a series that provides the London Borough of Lewisham's (the Council's) response to specific actions raised, identified, and agreed during the course of the Lewisham Local Plan Examination Hearing Sessions. The actions are agreed with the Inspectors.
- 1.2 The Paper seeks to responds to a specific request for further information made during the Examination Hearing Session that discussed questions raised under Matter 22 Viability. In this case the Actions were raised on Wednesday 17 July 2024.

2. LCA SA 05 Conington Road Viability Assessment

Action 209 - Provide information – the Council have agreed to re-run the viability assessment calculation for the Conington Road site allocation (Policy LCA SA 05) to ensure that it is continues to be consistent with other site assessments.

It was agreed to assess the Benchmark Land Value on the same basis as the others (i.e., based on the rateable value of the site, rather than extrapolating from Sainsburys). The Council will not be re-running the appraisals themselves, as they are independent of the benchmark land value.

- 2.1 In response to criticisms from another participant, Astir Living, the Council agreed to revisit the viability assessment calculation for the new Local Plan site allocation Policy LCA SA 5 Conington Road. This exercise specifically sought to ensure that the viability assessment remained consistent in its approach towards similar sites and their uses.
- 2.2 In response, the Council commissioned BNP Paribas, the external viability expert who has informed the plan-making process, to undertake the calculation. This exercise was carried out for the Council by Dr Anthony Lee, a leading expert on development viability, who has led on the whole Local Plan Viability Assessment and represented the Council during the Local Plan Examination. The exercise is as follows.
- 2.3 The Valuation Office Agency Rateable Value for this Property at the time the Viability Study (EB58) was undertaken was £1,440,000. In line with the approach to other sites, BNP Paribas applied an investment yield of 6.5%, deducted purchaser's costs and added a 20% premium. This approach is in accordance with that set out in the Viability Study (EB58) Paragraph 4.42.
- 2.4 The calculation results in the following Benchmark Land Value:

Rateable Value (which is the Valuation Office Agency's assessment of market rent) = $\pm 1,440,000$ Apply investment yield 6.5% (which equates to 15.39 years' rent purchased) = $\pm 22,161,600$ Deduct purchaser's costs (6.8%) = $\pm 1,506,989$ Net capital value = $\pm 20,654,611$ Add premium (20%) = $\pm 4,130,922$

Benchmark land value = £24,785,533

- 2.5 Assuming this benchmark land value is applied, a policy-compliant scheme (using the indicative capacities and yields) generates residual land values of £20.6 million to £64.88 million. With 35% affordable housing (reflecting the 'Fast Track' requirement), the residual land value is £33.96 million, which exceeds the benchmark land value by a considerable margin. A higher percentage of 45% affordable housing would, in principle, be viable but this would exceed the 'Fast Track' requirement.
- 2.6 See appraisal output summary at Table 2 (Annex 1).

3. Affordable Workspace

Action 210 - The Council will provide the examination with factual information that demonstrates whether the provision of affordable workspace has been raised by developers, through the decision-taking process, as a matter of viability/ whether it has demonstrably proven to be a barrier to delivery.

- 3.1 The new Lewisham Local Plan sets out the approach for securing new affordable employment workspace under its Policy EC4 Low-cost and affordable workspace. This sets out an approach seeks to ensure that provision is made for suitable types and sizes of units, at an appropriate range of rents, particularly to meet the needs of micro, small and medium sized businesses, including start-ups. The Policy's Part D requires that new major commercial development proposals for Class E(g) office and light industrial, Class B2 industrial, Class B8 storage and distribution and similar Sui Generis uses must make provision for affordable workspace.
- 3.2 In order to inform the examination, the Council has agreed to briefly set out its recent decision-taking experiences (through the development management process). Discussions with Officers from the Council's Major & Strategic Projects Team suggest that this is not a matter that developers have raised as an obstacle (to development) during the consideration and determination of planning applications.
- 3.3 The Council's Major & Strategic Projects Manager has stated that upon consultation their Team confirmed that they have not received any resistance from developers in relation to the requirement that their schemes provide 10% affordable workspace on-site. They highlight that, to their knowledge, there are no instances where the requirement has proven a barrier to delivery.
- 3.4 The Council's Major & Strategic Project Team have also provided the examination with a list of consented schemes that have secured affordable workspace provision. To the Council's knowledge and understanding none of these proposals raised development viability during the decision-taking process. The schemes are as follows:

Table 1: Consented Affordable Workspace Schemes

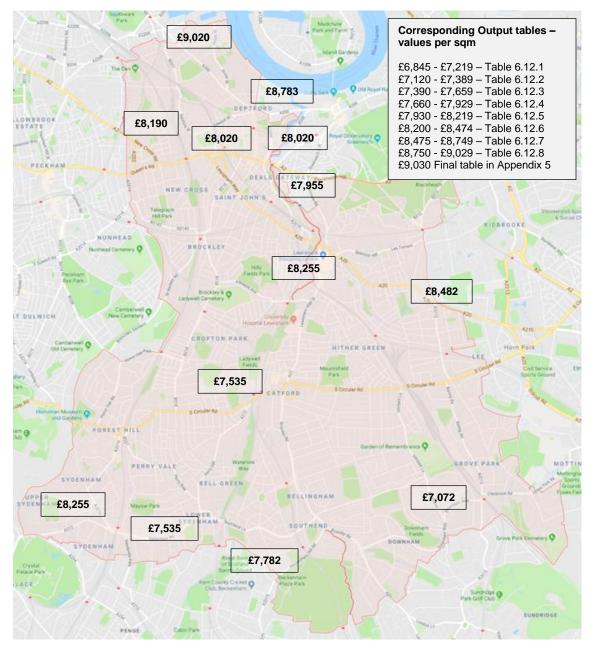
Ref	Address	Status	M2 of Commercial space /no. units				
DC/17/101909	9-19 Rushey Green, London, SE6 4AZ	Constructed	295sqm				
DC/17/101621	Conington Road	Construction almost complete	3 units (270sqm)				
DC/18/109972	Axion House (1 SILVER ROAD, LONDON, SE13 7BQ)	Construction almost complete	125sqm				
DC/14/89953	KENT WHARF, CREEKSIDE, LONDON, SE8 3DZ	Constructed	1345sqm (100%)				
DC/20/118229	SUN WHARF, CREEKSIDE, LONDON, SE8 3DZ	Approved, construction not yet commenced	311sqm				
DC/22/127966	Deptford Timberyard (Plot 5)	Approved, construction not yet commenced	384sqm				
DC/23/130258	Apollo Business Centre	Approved, construction not yet commenced	10% on-site affordable secured				
DC/23/131085	5-9 Creekside	Resolution to approve	Off-site contribution of £130,556				
DC/20/117966	Trundleys Road	Construction underway	10% on-site affordable secured				
DC/18/106941	Trundleys Road	Not being constructed, proceeded with a more viable PBSA scheme	10% on-site affordable secured				

4. Land Values Mapping

Action 211 - The Council/ BNP Paribas agree to prepare a short addendum on land values by area per sqm. To provide a better understanding of where lower and higher land values are located.

The request was made in relation to the map on Page 11 to be expressed in values per square metre, rather than square feet, so that they can more easily understand which of the results tables (6.12.1 to 6.12.9) are relevant to each area.

4.1 In response to the Inspectors' request, the Council and BNP Paribas have revised the Viability Assessment (EB58) Figure 2.15.1: Sales values in Lewisham (approx. £s per square foot) to provide sales values across Lewisham at £s per square metre.



Sales values in Lewisham (approx. £s per square metre)

Sources: Map – Google; Values – Land Registry; Molior London

5. Use Class C3 Older Persons' Residential Accommodation

Action 212 - The Council/ BNP Paribas will prepare a discrete paper/ addendum that assesses the viability of Use class C3 older persons' residential accommodation – to address the comments made by McCarthy & Stone.

- 5.1 The Council's response to Matter 5 Action 29 briefly set out the new Local Plan's approach towards meeting the residential accommodation needs of older residents. It also acknowledged that McCarthy & Stone, a participant in the examination that provide a form of C3 residential accommodation for persons over the age 55 years, stated that "...no viability appraisals or evidence have appeared to have been undertaken for the specialist older persons' housing typologies namely Sheltered Housing and Extra Care accommodation and this is disappointing".
- 5.2 The Council's response continued by acknowledging that the Viability Study (EB58) assesses the viability of a residential care home, but not C3 housing aimed at older people. In response, BNP Paribas, the Council's external viability experts, modelled a McCarthy & Stone scheme from a neighbouring London Borough (but using ranges of inputs relevant to Lewisham) to establish the viability of this type of housing and its ability to contribute towards affordable housing requirements. That exercise is set out as follows.
- 5.3 In undertaking the exercise BNP Paribas drew upon a McCarthy & Stone scheme developed in an adjacent London Borough. That scheme is comprised of 30 units of housing for older people on a site extending to 0.36 hectares. In the McCarthy & Stone application, the Gross Internal Area of the scheme was 3,018 square metres, and the Net Internal Area was of 2,049 square metres. It is noted that this provides a net to gross ratio of circa 70%, which is at the less efficient end of the range for older person's housing developments. The scheme was configured as 11 x one bed units (55 square metres per unit on average) and 19 x two bed units (75 square metres on average).
- 5.4 The McCarthy & Stone proposal's development programme was 6 months pre-construction; 18 months construction; and 4 months sales period, reflecting 50% off-plan sales.
- 5.5 The other assumptions that the exercise applied are as follows. Where applicable, these are consistent with the approach adopted in the Viability Study, but alternative assumptions are applied where this type of accommodation differs from general-purpose housing:
 - Construction costs (BCIS mean cost for "Supported housing generally" £1,920 per square metre. We have added 10% for external works, which are not included in BCIS costs. This results on a total cost of £1,960 per square metre. This is higher than McCarthy & Stone typically assume in financial viability assessments they have submitted with applications in other local planning authority areas, where they have used 'median' costs, rather than 'mean average' costs.
 - Contingency: 5% of construction costs.
 - Professional fees: 10% of construction costs.
 - CIL and Mayoral CIL at prevailing rates.
 - Marketing budget: 3% of GDV.
 - Sales agent fee: 1% of GDV.
 - Sales legal fees: £1,000 per unit
 - Profit on private housing: 17.5% of GDV.
 - Profit on affordable housing: 6% of GDV.
 - Finance: 7%, which is 1% higher than applied in the wider Local Plan Viability Study.

- 5.6 Reflecting the premium values achieved by McCarthy & Stone type developments, BNP Paribas tested the scheme with sales values of £7,500, £8,250, and £8,750 per square metre. This is in line with the range applied in the wider testing, so arguably the range for housing for older people could secure higher values beyond the top end of this range.
- 5.7 Where affordable housing has been included, BNP Paribas assumed that this is provided as London Affordable Rent and shared ownership, with a blended value of £2,500 per square metre.
- 5.8 It is noted that the modelled site extends to 0.36 hectares, so the Benchmark Land Value will accordingly be circa £1.44 million, based on £4 million per hectare. This is in accordance with the approach outlined in the Local Plan Viability Study (EB58) Paragraph 4.4.1.
- 5.9 The appraisal outputs are summarised in Table 3 and the appraisals are attached as Annex 2.

Private sales Affordable Affordable Residual Benchmark Surplus/ value £s per housing housing land value land value (Deficit) per cent square metre units £ million £ million £ million (habitable rooms) £7,500 9 34% £1.49 £1.44 £0.05 £,8250 12 £1.46 £1.44 £0.02 46% £8.750 13 49% £1.51 £0.07 £1.44

Table 2: Testing of older person's housing scheme (based on McCarthy & Stone development)

5.10 These appraisal outputs demonstrate that housing scheme for older people are viable in Lewisham and can contribute towards affordable housing requirements in the new Local Plan. It is noted that BNP Paribas consider that the Policy is applied flexibly, in line with the London Plan 'viability tested' route, so any particular scheme-specific issues that might otherwise prevent a scheme from coming forward can be addressed through an adjustment to the affordable housing requirement. Action 213 - The Council/ BNP Paribas to provide a comment on McCarthy & Stone's claims that Lewisham experiences lower land values – as suggested by supporting evidence submitted to the previous London Plan examination – which as a consequence harms development viability.

- 5.11 During the course of the Examination Hearing Session that considered Matter 22, it was noted that a participant, McCarthy & Stone, had expressed opinions that parts of Lewisham experience lower land values than other parts of the Capital. The participant had expressed this through their submitted Written Statement (WS 22/ 4). The Council notes and highlights that this matter was considered and discounted through the London Plan Examination (as acknowledged in WS 22/ 4).
- 5.12 In reply to the matter being raised at the hearing session, the Council agreed to prepare a further response to this matter. The following responses speak to the participants position to specific Matters Issues and Questions. These have been prepared in consultation with BNP Paribas, who have provided the Council with independent technical advice on development viability, which has informed the plan-making process.

Commentary on McCarthy & Stone response to MIQ 22.1

- 5.13 It is noted that McCarthy & Stone's Written Statement (WS 22/4) contends that the testing of C3 housing for older people "may, depending on the outcome of the viability work, set a lower, potentially nil, affordable housing target for sheltered and extra care accommodation in the Borough".
- 5.14 The Council and BNP Paribas consider that this premise is incorrect, as regardless of the findings of the Viability Study, policy has to be in conformity with London Plan Policies H4 and H5, which set a strategic target of 50% from all sources of housing (subject to the 'Fast Track' threshold of 35% and the 'viability tested" route).
- 5.15 It is highlighted that McCarthy & Stone also incorrectly suggest that unless the omission of specific testing of C3 housing for older people is rectified "the failure to continue to deliver anywhere near the number of houses required for older people in any tenure, including both market and affordable housing will continue as providers remain unable to develop viably and with sufficient low risk in Lewisham".
- 5.16 This assertion is simply incorrect; the Council's affordable housing policies cannot be said to prevent a scheme from being viably developed, as they are applied having regard to site-specific viability. It is not the application of the Council's Local Plan policies that prevents the alleged under-supply of housing for older people; this failure lies entirely with market dynamics and the providers themselves.

Commentary on McCarthy & Stone response to MIQ 22.7

- 5.17 It is noted that the McCarthy & Stone Written Statement (WS 22/4) observes that in the absence of testing in the Viability Study (EB58) of a specific C3 scheme for older people the Council is relying on the testing of the affordable housing requirement of the London Plan carried out during the examination of that Plan. It is further noted that McCarthy & Stone refer to claims of higher build costs for C3 housing for older people in comparison to general purpose housing.
- 5.18 However, it is noted that McCarthy & Stone have failed to acknowledge that, despite the Inspectors' concerns about the approach to testing older person's housing, "the viability tested route" is available to assess the impact of viability on affordable housing

requirements". That same 'viability tested' route will be available in Lewisham under its emerging affordable housing policies.

- 5.19 Furthermore, it is noted that McCarthy & Stone incorrectly assert that the viability tested route is "not considered to be consistent with that of the NPPF (2021)", but it is adopted development plan policy. The 'Fast track' and 'viability tested' routes are consistently applied throughout Local Plans across London and applied on all schemes at the development management stage.
- 5.20 It is noted that McCarthy & Stone quote the London Plan Viability Study Paragraph 14.2.11, which refers to developments of "sheltered housing" in certain value bands not being able to provide 50% or 35% affordable housing, specifically value bands D and E. They then suggest that "specialist housing for older people will struggle with viability and as such should be exempted from providing Affordable housing in policy HO3 and HO5". This suggestion and the claim supporting it completely fail to understand how affordable housing policies are applied in London, which requires that schemes provide 35% affordable (if they are following the 'Fast Track' route) or a lower percentage if following the 'viability tested' route.
- 5.21 Finally, contrary to McCarthy & Stone's somewhat partial interpretation of the London Plan Viability Study, a vast majority of the Borough is located in value Band 'C', where affordable housing requirements were found to be viable. Furthermore, even in the parts of the Borough that fall into Band D, the London Plan Viability Study finds that housing schemes for older people can provide 20% affordable housing. This is fact that McCarthy & Stone fail to refer to in their representation. The new Local Plan's Policy does not seek 35% or 50% when scheme cannot viably support these percentages; the 'viability tested' route is available for schemes that can come forward with only lower percentages, which can be from zero per cent upwards.

Commentary on McCarthy & Stone response to MIQ 22.8

- 5.22 Again, in their Written Statement (WS 22/4) response to the Inspectors' Matters, Issues and Questions, McCarthy & Stone completely disregard the 'viability tested' route in making their claim that housing for older people will not be delivered due to the new Local Plan's affordable housing policies. This claim fails to withstand the most basic level of scrutiny; how can it be that a policy which can (if demonstrated) require zero affordable housing prevent these forms of residential development from coming forward? The clear answer, and conclusion is that the new Local Plan's emerging policies for affordable housing do not present the barrier to delivery that McCarthy & Stone claims.
- 5.23 It is highlighted that the McCarthy & Stone Written Statement response refers to the low numbers of planning applications for older person's housing over the last few years, but this is simply a reflection of either:
 - (a) McCarthy & Stone's preferred locations to develop this type of housing; or
 - (b) their ability to compete for land in a tight land supply market and due to their profit requirements in comparison to other types of residential development.

Given that both London Plan and local plan policies already in place cannot be said to present a barrier to delivery (given the ability to bring forward schemes from 0% affordable housing upwards), McCarthy & Stone's claims regarding the connection between affordable housing policies and supply are incorrect.

Annex 1

Table 2 – Appraisal outputs with revised benchmark land value for Site 36

LB LEWISHAM LOCAL PLAN VIABILITY

Sales value £8,200 psm

AH tenure

Rented 70% Sh Own 5% Frst Hms 25%

							Re	sidual land va	lues				
Description	No of units	BLV	0% AH	5% AH	10% AH	15% AH	20% AH	25% AH	30% AH	35% AH	40% AH	45% AH	50% AH
1 Very small residential (house)	1	£144,000	379,216	361,554	343,891	326,228	308,566	290,903	273,240	255,578	237,91		
2 Small residential developments (houses, backland, infill etc)	5	£240,000	1,683,451	1,607,125	1,530,799	1,454,474	1,378,147	1,301,821	1,225,496	1,149,170	1,072,84	4 996,518	920,193
3 Small residential developments (flats, backland, infill etc)	5	£240,000	936,921	888,275	839,629	790,982	742,335	693,689	645,042	596,395	547,74	9 499,103	450,456
4 Small residential developments (houses, backland, infill etc)	11	£480,000	3,045,009	2,913,654	2,782,299	2,650,944	2,519,588	2,388,233	2,256,878	2,125,523	1,994,16	8 1,862,813	1,731,457
5 Small residential developments (flats - backland, in fill etc)	11	£480,000	2,065,109	1,957,371	1,849,631	1,741,893	1,634,155	1,526,416	1,418,677	1,310,938	1,203,20	1,095,462	987,722
6 Small residential developments	25	£720,000	4,650,049	4,407,471	4,164,893	3,922,314	3,679,735	3,437,157	3,194,578	2,952,000	2,709,42	2,466,843	2,224,265
7 Residential development	50	£1,200,000	9,114,497	8,637,200	8,159,902	7,682,605	7,205,308	6,728,010	6,250,713	5,773,416	5,296,11	9 4,818,821	4,341,523
8 Small scale mixed use, local centres	5	£96,000	994,253	945,606	896,960	848,313	799,667	751,021	702,374	653,727	605,08	556,434	507,787
9 Small scale mixed use, local centres	5	£96,000	911,339	862,693	814,046	765,399	716,753	668,106	619,460	570,814	522,16	473,520	424,874
10 Small mixed use	25	£720,000	3,541,986	3,314,420	3,086,021	2,857,264	2,628,507	2,399,752	2,170,995	1,942,239	1,713,48	1,484,726	1,255,970
11 Small mixed use	30	£960,000	3,821,234	3,547,281	3,273,328	2,999,375	2,725,422	2,451,469	2,177,516	1,903,563	1,629,61	0 1,355,657	1,081,704
12 Mixed use	70	£1,440,000	8,649,700	8,031,154	7,412,609	6,794,063	6,175,518	5,556,972	4,938,427	4,319,881	3,701,33	3,082,789	2,464,244
13 Mixed use	150	£3,360,000	15,249,654	14,055,613	12,861,572	11,667,531	10,473,490	9,279,448	8,085,407	6,891,365	5,696,36	3 4,490,649	3,284,936
14 Mixed use incl community facility	118	£2,688,000	10,574,032	9,629,280	8,684,526	7,739,773	6,795,021	5,850,268	4,905,516	3,960,763	3,016,01	1 2.071.258	
15 Mixed use incl health facility	60	£1,920,000	8,945,776	8.417.583	7,889,390	7,361,198	6,833,005	6,304,687	5,773,737	5,242,788	4,711,83	4,180,889	3,649,939
16 Mixed use incl leisure facility	150	£3,360,000	18.968.159	17.643.378	16.318.598	14,993,817	13.669.035	12.344.255	11.019.474	9.694.693	8,369,91	3 7,045,132	5,720,350
17 Mixed use	88	£2,016,000	10,755,109	10,008,434	9.261.758	8.515.084	7,768,409	7,021,735	6,275,059	5,528,384			
18 Large mixed use (employment led)	300	£3,840,000	36,296,012	33,765,293	31,234,573	28,703,853	26,173,132	23,642,412	21,111,692	18,580,973	16,050,25		10,988,812
19 Estate regeneration (small infill - houses)	20	£960,000	5,668,122	5,395,972	5,123,823	4,851,673	4,579,524	4,307,374	4,035,224	3,763,074	3,490,92		
20 Estate regeneration (small infill - flats)	10	£960,000	1.864.714	1,767,421	1.670.128	1,572,835	1.475.541	1,378,249	1,280,956	1,183,662	1.086.36		891,783
21 Estate regeneration (large)	200	£19,200,000	26,828,442	25.075.928	23,320,226	21,564,526	19.808.824	18.053,122	16,297,421	14,541,719		8 11.030.316	
22 Student housing	-	£1,440,000	7,806,650	7,626,028	7,445,407	7,264,785	7,084,164	6,903,542		6,542,299			
23 Hotels	67	£960,000	5,431,423	5,216,510	5,001,599	4,786,686	4,571,773	4,356,861	4,141,949	3,927,036	3,712,12		
24 Commercial	-	£2,880,000	- 213,153		- 213.153	- 213,153	- 213,153	- 213,153		- 213,153			
25 Storage	-	£960,000	- 210,100 606,140	606,140	606,140	606,140	606,140	606,140	606,140	606,140			
	- 7	£144,000	436,105	436,105	436,105	436,105	436,105	436,105	436,105	436,105			
26 Residential care home (7 units)	242		436,105		436,105	· ••••••••••••••••••••••••••••••••••••	436,105	· ۇ · · · · · · · · · · · · · · · · · ·		·ô·····			
27 Carpet Right		£1,344,000		17,550,232		14,096,871	÷	10,643,509	8,909,033	7,165,523			1,934,991
28 Lewisham Retail Park	536	£22,216,708	55,099,477	50,944,916	46,790,355	42,635,793	38,481,231	34,307,391	30,120,853	25,934,317	21,747,77	••••••	
29 Convoys Wharf	3,514	£113,280,000	207,241,033	187,277,713	167,314,393	147,351,072	127,387,753	107,424,432					7,345,867
30 Timber Yard, Oxestalls Road	1,582	£22,080,000	138,416,856	127,512,975	116,570,220	105,598,000	94,625,779	83,619,030	72,561,737	61,478,161			27,725,032
31 New Bermondsey, Surrey Canal Triangle	3,500	£50,688,000	213,716,743	193,749,675	173,728,704		133,552,395	113,320,281		72,637,907			
32 Lewisham Gateway	649	£62,716,658	67,841,905	63,503,399	59,147,329	54,786,392	50,425,455	46,064,518	41,703,580	37,342,643	32,981,70		···•
33 Heathside and Lethbridge	443	£0	30,911,801	28,653,776	26,395,752	24,137,726	21,879,702	19,621,677	17,363,652	15,105,628	12,847,60		
34 Creekside Village East, Thanet Wharf	393	£3,696,000	35,741,388	32,854,076	29,966,762	27,061,896	24,152,960	21,244,024	18,335,088	15,426,153			6,622,864
35 Conington Road Tescos Island Site	365	£1,440,000	28,388,295	26,049,740	23,711,184	21,372,630	19,034,075	16,695,519	14,343,560	11,984,135	9,624,71		4,891,898
36 Land at Conington Road and Lewisham Road (Tesco)	585	£24,785,533	64,875,503	60,460,577	56,045,651	51,630,725	47,215,799	42,800,873	38,385,947	33,956,612			20,612,646
37 Leegate Shopping Centre	393	£8,450,175	57,639,706	54,248,276	50,856,848	47,465,418	44,073,989	40,682,560	37,291,131	33,899,701	30,508,27		
38 Hatcham Works	1,020	£40,788,551	95,407,783	88,651,871	81,858,122	75,061,231	68,264,341	61,467,450	54,664,860	47,815,508	40,966,15		
39 Goodwood Road and New Cross Road	260	£6,930,645	35,193,171	32,919,377	30,636,965	28,354,553	26,072,142	23,789,730	21,507,318	19,224,905			12,377,669
40 New Cross Gate NDC scheme, Besson Street	324		43,276,252	40,474,045	37,671,838	34,869,630	32,067,423	29,265,216	26,463,008	23,660,801	20,843,55		15,198,964
41 Plassy Island	636	£25,336,621	57,538,549	53,941,874	50,342,427	46,727,423	43,112,419	39,492,596	35,856,210	32,219,739			
42 Catford Shopping Centre and Milford Towers	1,080	£19,810,695	96,342,775	89,146,067	81,949,360	74,752,652	67,555,945	60,341,900	53,089,646	45,837,390			
43 Wickes and Halfords	918	£17,582,068	76,168,515	70,076,085	63,983,654	57,890,986	51,751,691	45,612,395		33,312,652	27,116,01		
44 Laurence House and Civic Centre	300	£19,651,569	23,636,818	21,485,559	19,334,300	17,183,041	å	12,880,523	10,714,843	8,542,578	6,370,31	3 4,198,049	
45 Engate Street	299	£3,888,000	42,470,169	39,858,837	37,247,507	34,634,032	32,009,259	29,384,486					16,260,616
46 Lewisham Shopping Centre	1,186			146,353,557	138,554,133	130,738,406	122,917,484			99,454,715	91,633,79	3 83,801,365	75,950,331
47 PLACE Ladywell	274	£10,566,393	38,880,341	36,487,348	34,094,356	31,698,851	29,293,540	26,888,229		22,077,606			
48 Ravensbourne Retail Park	1,029		126,159,266	118,373,180	110,587,095	102,801,009	95,014,924	87,228,838	79,442,753	71,614,671	63,780,85		48,102,988
49 Lower Creekside LSIS	352	£5,280,000	40,718,135	37,700,250	34,682,366	31,664,481	28,646,597	25,628,712	22,610,828	19,592,943	16,549,69	13,505,612	10,461,526
50 Bell Green Gas Holders	277	£3,696,000	34,110,214	31,820,543	29,530,873	27,241,202	24,951,532	22,661,861	20,372,191	18,082,520	15,792,85	0 13,503,180	11,213,510
51 Bell Green Retail Park	2,219	£39,892,137	207,816,502	193,899,273	179,951,933	166,004,593	151,991,916	137,965,069	123,871,546	109,708,295	95,454,43	4 81,063,917	66,540,064
52 Sainsbury's Bell Green	1,818	• • • • • • • • • • • • • • • • • • • •	186,677,643	174,612,179	162,543,320	150,419,256	138,295,191	126,112,076		101,624,089			
53 Stanton Square LSIS	283	£4,608,000	34,756,531	32,262,309	29,768,087	27,273,864	24,779,642	22,285,420		17,296,976			
54 Worsley Bridge LSIS	245	• • • • • • • • • • • • • • • • • • • •	29,757,311	27,606,576	25,455,842	23,305,107	21,154,373	19,003,638		14,702,170			
55 Homebase/Argos, Bromley Road	255		36,223,711	33,996,656	31,769,601		27,302,247						

Annex 2: Appraisal of older person's housing scheme (based on McCarthy & Stone development) LICENSED COPY

McCarthy & Stone scheme £7,500 per square metre private sales values Summary Appraisal for Phase 1 Currency in £ REVENUE Sales Valuation Units m² Rate m² Unit Price Gross Sales 1 bed flats 11 605.00 7.500.00 412.500 4.537.500 2 bed flats 10 750.00 7,500.00 562,500 5,625,000 Affordable 2 bed flats 9 675.00 2,500.00 187,500 1,687,500 Totals 30 2,030.00 11,850,000 NET REALISATION 11,850,000 OUTLAY **ACQUISITION COSTS** Residualised Price (0.36 Ha 4,140,778.46 pHect) 1,490,680 Stamp Duty 4.00% 59,627 Agent Fee 1.00% 14,907 Legal Fee 0.75% 11,180 Town Planning 30,000 1,606,394 CONSTRUCTION COSTS Construction m² Rate m² Cost 1 bed flats 864.29 m² 2,112.00 pm² 1,825,371 2 bed flats 1,071.43 m² 2,112.00 pm² 2,262,857 Affordable 2 bed flats 964.29 m² 2,112.00 pm² 2,036,571 Totals 2,900.00 m² 6,124,800 6,124,800 Contingency 5.00% 306,240 306,240 **Municipal Costs** MCIL 1,935.71 m² 69.17 pm² 133,893 CIL 1,935.71 m² 103.00 pm² 199,379 333,272 **PROFESSIONAL FEES** Professional fees 10.00% 643,104 643,104 **MARKETING & LETTING** Marketing 3.00% 304,875 304,875 DISPOSAL FEES Sales Agent Fee 1.00% 118,500 Sales Legal Fee 21.00 un 1,000.00 /un 21,000 139,500 **MISCELLANEOUS FEES** Profit on private 17.50% 1,778,438 Profit on affordable 6.00% 101,250 1,879,688 FINANCE Debit Rate 7.000% Credit Rate 0.000% (Nominal) Land 223,435 Construction 265,460 Other 23,233 Total Finance Cost 512,127 TOTAL COSTS 11,850,000 PROFIT 0 **Performance Measures** Profit on Cost% 0.00% Profit on GDV% 0.00% Profit on NDV% 0.00% IRR 6.49% Profit Erosion (finance rate 7.000%) N/A

LICENSED COPY McCarthy & Stone scheme £8,250 per square metre private sales value Summary Appraisal for Phase 1 Currency in £ REVENUE Sales Valuation Units m² Rate m² Unit Price Gross Sales 1 bed flats 11 605.00 8,250.00 453,750 4,991,250 2 bed flats 7 525.00 8,250.00 618,750 4,331,250 Affordable 2 bed flats 12 900.00 2,500.00 187,500 2,250,000 Totals 30 2,030.00 11,572,500 NET REALISATION 11,572,500 OUTLAY **ACQUISITION COSTS** Residualised Price (0.36 Ha 4,046,176.46 pHect) 1,456,624 Stamp Duty 4.00% 58,265 Agent Fee 1.00% 14,566 Legal Fee 0.75% 10,925 Town Planning 30,000 1.570.379 CONSTRUCTION COSTS Construction m² Rate m² Cost 1 bed flats 864.29 m² 2,112.00 pm² 1,825,371 2 bed flats 750.00 m² 2,112.00 pm² 1,584,000 Affordable 2 bed flats 1,285.71 m² 2,112.00 pm² 2,715,429 Totals 2,900.00 m² 6,124,800 6,124,800 Contingency 5.00% 306,240 306,240 Municipal Costs MCIL 1,614.29 m² 69.17 pm² 111,660 CIL 1,614.29 m² 103.00 pm² 166,271 277,932 PROFESSIONAL FEES Professional fees 10.00% 643,104 643.104 **MARKETING & LETTING** Marketing 3.00% 279,675 279.675 DISPOSAL FEES Sales Agent Fee 1.00% 115,725 Sales Legal Fee 18.00 un 1,000.00 /un 18,000 133,725 MISCELLANEOUS FEES Profit on private 17.50% 1,631,438 Profit on affordable 6.00% 135,000 1,766,438 FINANCE Debit Rate 7.000% Credit Rate 0.000% (Nominal) Land 217,206 Construction 232,146 Other 20,856 Total Finance Cost 470,208 TOTAL COSTS 11,572,500 PROFIT 0 **Performance Measures** Profit on Cost% 0.00% Profit on GDV% 0.00% Profit on NDV% 0.00% IRR 6.45% Profit Erosion (finance rate 7.000%) 0 yrs 0 mths

LICENSED COPY McCarthy & Stone scheme £8,750 per square metre private sales value Summary Appraisal for Phase 1 Currency in £ REVENUE Sales Valuation Units m² Rate m² Unit Price Gross Sales 1 bed flats 11 605.00 8,750.00 481,250 5,293,750 2 bed flats 6 450.00 8,750.00 656,250 3,937,500 Affordable 2 bed flats 13 975.00 2,500.00 187,500 2,437,500 Totals 30 2,030.00 11,668,750 NET REALISATION 11,668,750 OUTLAY **ACQUISITION COSTS** Residualised Price (0.36 Ha 4,194,494.46 pHect) 1,510,018 Stamp Duty 4.00% 60,401 Agent Fee 1.00% 15,100 Legal Fee 0.75% 11,325 Town Planning 30,000 1.626.844 CONSTRUCTION COSTS Construction m² Rate m² Cost 1 bed flats 864.29 m² 2,112.00 pm² 1,825,371 2 bed flats 642.86 m² 2,112.00 pm² 1,357,714 Affordable 2 bed flats 1,392.86 m² 2,112.00 pm² 2,941,714 Totals 2,900.00 m² 6,124,800 6,124,800 Contingency 5.00% 306,240 306,240 Municipal Costs MCIL 1,507.14 m² 69.17 pm² 104,249 CIL 1,507.14 m² 147.00 pm² 221,550 325,799 PROFESSIONAL FEES Professional fees 10.00% 643,104 643.104 **MARKETING & LETTING** Marketing 3.00% 276,937 276.937 DISPOSAL FEES Sales Agent Fee 1.00% 116,687 Sales Legal Fee 17.00 un 1,000.00 /un 17,000 133,687 MISCELLANEOUS FEES Profit on private 17.50% 1,615,469 Profit on affordable 6.00% 146,250 1,761,719 FINANCE Debit Rate 7.000% Credit Rate 0.000% (Nominal) Land 224,859 Construction 224,238 Other 20,522 Total Finance Cost 469,619 TOTAL COSTS 11,668,750 PROFIT 0 **Performance Measures** Profit on Cost% 0.00% Profit on GDV% 0.00% Profit on NDV% 0.00% IRR 6.44% Profit Erosion (finance rate 7.000%) 0 yrs 0 mths