APPENDIX 1: BNP Paribas Real Estate Sensitivity Testing 40% New Floorspace Delivered in Developments

Commercial Development

	£s per sqft	Yield	Rent free
Appraisal 1	£58.00	4.50%	2.00 years
Appraisal 2	£60.00	4.50%	2.00 years
Appraisal 3	£62.00	4.50%	2.00 years
Appraisal 4	£65.00	4.75%	2.00 years
Appraisal 5 (base)	£65.00	4.50%	2.00 years
Appraisal 6	£65.00	4.25%	2.00 years
Appraisal 7	£66.00	4.50%	2.00 years
Appraisal 8	£67.00	4.50%	2.00 years
Appraisal 9	£68.00	4.50%	2.00 years
Appraisal 10	£69.00	4.50%	2.00 years

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£40.00	5.50%	2.00 years	20.00%
Current use value 2	£45.00	5.25%	2.00 years	20.00%
Current use value 3	£50.00	5.00%	2.00 years	20.00%

Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-12%	£78	£0	£0
Appraisal 2	-8%	£394	£0	£0
Appraisal 3	-5%	£708	£0	£0
Appraisal 4	0%	£590	£0	£0
Appraisal 5 (base)	-	£1,184	£316	£0
Appraisal 6	0%	£1,848	£980	£17
Appraisal 7	2%	£1,343	£477	£0
Appraisal 8	3%	£1,502	£635	£0
Appraisal 9	4%	£1,661	£793	£0
Appraisal 10	6%	£1,819	£951	£0

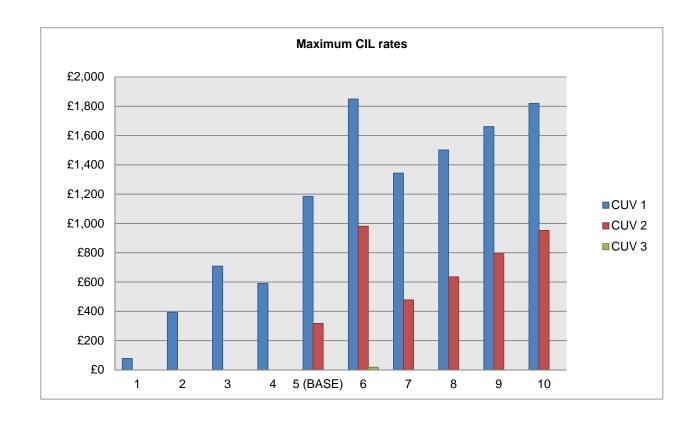
Use class:	B1 Floorspace
Location:	LB Camden - Central Zone (1,500 sq m)

Existing floorspace as % of new 60%

Net off existing floorspace from CIL calculation:

N

Ctrl + y to goal seek max CIL



Commercial Development

Use class: B1 Floorspace

Location: LB Camden - Central Zone (1,500 sq m)

DEVELOPMENT VALUE	Common ass	sumptions	Apprai	sal 1	Apprais	al 2	Appra	aisal 3	Appr	aisal 4	Appra	aisal 5	App	raisal 6	Appra	aisal 7	Appra	aisal 8	Appra	aisal 9	Appra	aisal 10
Pontal Income	Floor area		C not C	per annum £ ps		£ per annum £	nof (perannum £	psf	£ per annum	C not	E per annum	£psf	£ per annum £	nof (Eperannum	£ psf	C nor onnum	and (per annum	E psf £	C nor onnum
Rental Income			£58.00	£936,468	£60		psf £62.00	£1,001,052	£65.00		£ psf £65.00		£65.00		£66.00		£ psi £67.00		£ psf £ £68.00	£1,097,928	£69.00	£ per annum
Rent - area 1 Rent - area 2	16,146		£58.00	£936,466	£60	£968,760	£62.00	£1,001,052	£65.00	£1,049,490 £0	£65.00	£1,049,490 £0	£65.00	£1,049,490 £0	£66.00	£1,065,636 £0	£67.00	£1,081,782 £0	£68.00	£1,097,926	£69.00	£1,114,074 £0
						£U																
Rent - area 3		40.440	£58.00	£0	£60	£0	£62.00	£0	£65.00	£0	£65.00	£0	£65.00	£0	£66.00	03 04 005 000	£67.00	£0	£68.00	£0	£69.00	£0
Total floor area / rent		16,146		£936,468		£968,760		£1,001,052		£1,049,490		£1,049,490		£1,049,490		£1,065,636		£1,081,782		£1,097,928		£1,114,074
Rent free/voids (years)			2.0	0.9157	2.0	0.9157	2.0	0.9157	2.0	0.9114	2.0	0.9157	2.0	0.9201	2.0	0.9157	2.0	0.9157	2.0	0.9157	2.0	0.9157
Yield			4.50%		4.50%		4.50%		4.75%		4.50%		4.25%		4.50%		4.50%		4.50%		4.50%	
Capitalised rent				£19,056,707		£19,713,834		£20,370,962		£20,136,159		£21,356,654		£22,721,513		£21,685,218		£22,013,782		£22,342,346		£22,670,910
GROSS DEVELOPMENT VALUE																						
Purchaser's costs	6.80%			£1,295,856		£1,340,541		£1,385,225		£1,369,259		£1,452,252		£1,545,063		£1,474,595		£1,496,937		£1,519,280		£1,541,622
				£17,760,851		£18,373,294		£18,985,737		£18,766,900		£19,904,401		£21,176,450		£20,210,623		£20,516,845		£20,823,066		£21,129,288
DEVELOPMENT COSTS												İ				İ						
Land costs				£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383
Stamp duty and acquisition costs				-£674,722		£674,722		-£674,722		-£674.722		-£674,722		-£674,722		-£674,722		-£674.722		-£674,722		£674,722
Stamp duty and acquisition costs				-£014,122		-£074,722		-£074,722		-£074,722		-£074,722		-£074,722		-£074,722		-2014,122		-£074,722		-£074,722
Development Costs																						
Existing floor area	60%	9,688																				
Demolition costs	£14 psf			£135,000		£135,000		£135,000		£135,000		£135,000		£135,000		£135,000		£135,000		£135,000		£135,000
Building costs	£215 psf			£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780
Area	82% grs to net	19,690										i				Ī				j		
External works & BREEAM	11.00%			£464,616		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616
5 () (40.0004			0.400.040		0.400.040		0.400.040		0.400.0.40		0.400.040				0.400.040		0.400.040		0.400.0.40		
Professional fees	10.00%			£482,340		£482,340		£482,340		£482,340		£482,340		£482,340		£482,340		£482,340		£482,340		£482,340
Contingency	5.00%			£265,287		£265,287		£265,287		£265,287		£265,287		£265,287		£265,287		£265,287		£265,287		£265,287
Residual S106 & Mayoral CIL + Poilcies P2 and P4 Market & AH Contribution	£20 psf			£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500
CIL	£s psf	16,146	-£163	-£2,628,905	-£133	-£2,155,170	-£104	-£1,678,725	-£116	-£1,865,763	-£60	-£966,522	£2	£26,078	-£45	-£729,958	-£30	-£485,741	-£16	-£253,910	-£1	-£17,114
<u>Disposal Costs</u>																						
Letting Agent's fee (% of rent)	10.00%			£93,647		£96,876		£100,105		£104,949		£104,949		£104,949		£106,564		£108,178		£109,793		£111,407
Agent's fees (on capital value)	1.00%			£190,567		£197,138		£203,710		£201,362		£213,567		£227,215		£216,852		£220,138		£223,423		£226,709
Legal fees (% of capital value)	0.75%			£142,925		£142,925		£142,925		£142,925		£142,925		£142,925		£142,925		£142,925		£142,925		£142,925
<u>Finance</u>								- 1				ĺ				ĺ						
Loan arrangement fee				£0		£0		£0		£0		£0		£0		£0		£0		£0		£0
Interest rate	7.00%																					
Interest	18 months			£738,382		£763,768		£789,295		£779,607		£827,458		£880,286		£840,135		£853,213		£865,642		£878,331
Profit on cost				£2,958,051		£3,061,574		£3,162,242		£3,137,637		£3,315,842		£3,528,814		£3,367,922		£3,411,947		£3,469,009		£3,520,846
Profit on cost (%)				19.98%		19.99%		19.98%		20.08%		19.99%		20.00%		20.00%		19.95%		19.99%		20.00%
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Net additional floorspace (sq ft)		6,458		6,458		6,458		6,458		6,458		6,458		6,458		6,458		6,458		6,458		6,458
Net additional floorspace (sq m)		600		600		600		600		600		600		600		600		600		600		600

Use class: B1 Floorspace

Commercial Development

Current use value Existing space as percentage of new Rent per sq ft Rental income per annum
Rent free/voids (years) Total revenue, capitalised (including all costs)
Refurbishment costs Fees
Capitalised rent, net of refurb and fees Purchaser's costs
Current use value
CUV including Landowner premium

Common as	Common assumptions		V 1	CU'	V 2	CUV 3		
60%	9,688							
		£40 psf		£45 psf		£50 psf		
		£387,504		£435,942		£484,380		
		2.0	0.8985	2.0	0.9027	2.0	0.9070	
		5.50%		5.25%		5.00%		
£50 psf		£484,380		£484,380		£484,380		
7%		£33,907		£33,907		£33,907		
			£5,811,784		£6,977,638		£8,268,652	
6.80%								
			£5,811,784		£6,977,638		£8,268,652	
			,				. ,	
		20%	£6,974,141	20.00%	£8,373,165	20.00%	£9,922,383	

Commercial Development

	£s per sqft	Yield	Rent free
Appraisal 1	£58.00	4.50%	2.00 years
Appraisal 2	£60.00	4.50%	2.00 years
Appraisal 3	£62.00	4.50%	2.00 years
Appraisal 4	£65.00	4.75%	2.00 years
Appraisal 5 (base)	£65.00	4.50%	2.00 years
Appraisal 6	£65.00	4.25%	2.00 years
Appraisal 7	£66.00	4.50%	2.00 years
Appraisal 8	£67.00	4.50%	2.00 years
Appraisal 9	£68.00	4.50%	2.00 years
Appraisal 10	£69.00	4.50%	2.00 years

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£40.00	5.50%	2.00 years	20.00%
Current use value 2	£45.00	5.25%	2.00 years	20.00%
Current use value 3	£50.00	5.00%	2.00 years	20.00%

Results - Maximum CIL rates per square metre

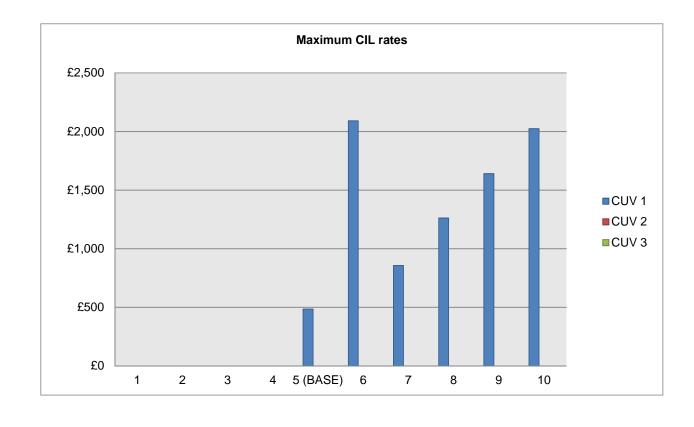
	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-12%	£0	£0	£0
Appraisal 2	-8%	£0	£0	£0
Appraisal 3	-5%	£0	£0	£0
Appraisal 4	0%	£0	£0	£0
Appraisal 5 (base)	-	£484	£0	£0
Appraisal 6	0%	£2,091	£0	£0
Appraisal 7	2%	£856	£0	£0
Appraisal 8	3%	£1,261	£0	£0
Appraisal 9	4%	£1,640	£0	£0
Appraisal 10	6%	£2,024	£0	£0

Use class:	B1 Floorspace
Location:	LB Camden - Central Zone (10,000 sq m)

Existing floorspace as % of new 60%

Net off existing floorspace from CIL calculation:

Ctrl + y to goal seek max CIL



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Commercial Development

Use class: B1 Floorspace

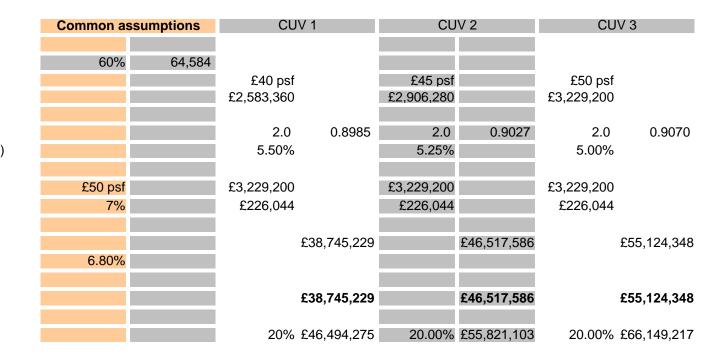
Location: LB Camden - Central Zone (10,000 sq m)

DEVELOPMENT VALUE	Common assumptions	Appraisal 1	Appraisal 2	Appraisal 3	Appraisal 4	Appraisal 5	Appraisal 6	Appraisal 7	Appraisal 8	Appraisal 9	Appraisal 10
Partal Income	Floor succ	0 4 0	C = -f	C = = t		C == f	C	0 0	C = - t	0	0
Rental Income	Floor area	£ psf £ per annum £58.00 £6,243,120	£ psf £ per annum £6.458.400	£ psf £ per annum £ £62.00 £6.673.680	psf £ per annum £65.00 £6,996,600	£ psf £ per annum £65.00 £6.996.600					£ psf £ per annum £69.00 £7,427,160
Rent - area 1	107,640	£58.00 £6,243,120	£60 £6,458,400 £60 £0	£62.00 £0,673,660 £0	£65.00 £6,996,600	£65.00 £6,996,600	,,	£66.00 £7,104,240	, ,	£68.00 £7,319,520 £68.00 £0	£69.00 £7,427,160 £69.00 £0
Rent - area 2 Rent - area 3		£58.00 £0		£62.00 £0	£65.00 £0	£65.00 £0				£68.00 £0	
Total floor area / rent	107,640			£6,673,680	£6,996,600	£6,996,600			£7,211,880	£7,319,520	£7,427,160
Total floor area / Tent	107,040	10,243,120	£6,456,400	10,073,000	10,990,000	20,990,000	20,990,000	£7,104,240	£1,211,000	£1,319,520	£1,421,100
Rent free/voids (years)		2.0 0.9157	2.0 0.9157	2.0 0.9157	2.0 0.9114	2.0 0.9157	2.0 0.9201	2.0 0.9157	2.0 0.9157	2.0 0.9157	2.0 0.9157
Yield		4.50%	4.50%	4.50%	4.75%	4.50%	4.25%	4.50%	4.50%	4.50%	4.50%
Capitalised rent		£127,044,711	£131,425,563	£135,806,415	£134,241,060	£142,377,693	£151,476,753	£144,568,119	£146,758,545	£148,948,971	£151,139,397
GROSS DEVELOPMENT VALUE											
Purchaser's costs	6.80%	£8.639.040	£8.936.938	£9,234,836	£9.128.392	£9,681,683	£10,300,419	£9.830.632	£9.979.581	£10,128,530	£10,277,479
	0.0070	£118,405,670	£122,488,624	£126,571,578	£125,112,668	£132,696,010			£136,778,964	£138,820,441	£140,861,918
DEVELOPMENT COSTS				2123,011,011			,			2.23,223,	27.03,000,000
Land costs		£66,149,217	£66,149,217	£66,149,217	£66,149,217	£66,149,217		£66,149,217	£66,149,217	£66,149,217	£66,149,217
Stamp duty and acquisition costs		-£4,498,147	-£4,498,147	-£4,498,147	-£4,498,147	-£4,498,147	-£4,498,147	-£4,498,147	-£4,498,147	-£4,498,147	-£4,498,147
Development Conta											
Development Costs	60% 64,584	1									
Existing floor area Demolition costs	£14 psf	£900.000	£900.000	£900.000	£900.000	£900.000	£900.000	£900.000	£900.000	£900.000	£900.000
Building costs	£258 psf	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829
Area	82% grs to net 131,268		255,920,029	255,920,029	233,920,029	255,920,029	255,920,029	255,920,029	255,920,029	233,920,029	255,920,029
External works & BREEAM	11.00%	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951
EXIGHAL WORKS & DIVELAW	11.0070	20,731,331	25,731,551	20,731,331	23,731,331	20,731,331	20,731,331	20,731,331	20,701,301	25,751,551	20,731,001
Professional fees	12.00%	£4,627,054	£4,627,054	£4,627,054	£4,627,054	£4,627,054	£4,627,054	£4,627,054	£4,627,054	£4,627,054	£4,627,054
Contingency	5.00%	£2,159,292	£2,159,292	£2,159,292	£2,159,292	£2,159,292	£2,159,292	£2,159,292	£2,159,292	£2,159,292	£2,159,292
Residual S106 & Mayoral CIL +	£20 psf	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000
Poilcies P2 and P4 Market & AH											
Contribution	0(0000 007 004 004	0504 004 400 074	0400 004 047 050	000 040 050	0000 040 000 400	0000 00 055 000	0044 044 047 040	2000 040 050 000	0070 044 000 475	0000 040 440 070
CIL	£s psf 43,056	6 -£633 -£27,261,901	-£561 -£24,139,671	-£489 -£21,047,059	-£517 -£22,242,856	-£380 -£16,360,138	-£229 -£9,855,636	-£344 -£14,817,649	-£308 -£13,252,288	-£272 -£11,699,175	-£236 -£10,142,676
Disposal Costs											
Letting Agent's fee (% of rent)	10.00%	£624,312	£645,840	£667,368	£699,660	£699,660	£699,660	£710,424	£721,188	£731,952	£742,716
Agent's fees (on capital value)	1.00%	£1,270,447	£1,314,256	£1,358,064	£1,342,411	£1,423,777		£1,445,681	£1,467,585	£1,489,490	£1,511,394
Legal fees (% of capital value)	0.75%	£952,835	£952,835	£952,835	£952,835	£952,835			£952,835	£952,835	£952,835
<u>Finance</u>											
Loan arrangement fee		£0	£0	£0	£0	£0	£0	0 <u>3</u>	03	03	£0
Interest rate	7.00%										
Interest	24 months	£6,456,232	£6,679,362	£6,900,418	£6,817,877	£7,235,363	£7,697,048	£7,345,624	£7,457,486	£7,568,491	£7,679,733
Profit on cost		£19,717,548	£20,389,806	£21,093,756	£20,896,544	£22,098,316	£23,521,463	£22,454,374	£22,785,960	£23,130,651	£23,471,719
Profit on cost (%)		19.98%	19.97%	20.00%	20.05%	19.98%	19.99%	20.00%	19.99%	19.99%	19.99%
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Net additional floorspace (sq ft)	43,05	6 43,056	43,056	43,056	43,056	43,056	43,056	43,056	43,056	43,056	43,056
Net additional floorspace (sq m)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

Use class: B1 Floorspace

Commercial Development

Current use value Existing space as percentage of new Rent per sq ft Rental income per annum
Rent free/voids (years) Total revenue, capitalised (including all costs)
Refurbishment costs Fees
Capitalised rent, net of refurb and fees Purchaser's costs
Current use value
CUV including Landowner premium



Commercial Development

	£s per sqft	Yield	Rent free
Appraisal 1	£68.00	4.50%	2.00 years
Appraisal 2	£70.00	4.50%	2.00 years
Appraisal 3	£72.00	4.50%	2.00 years
Appraisal 4	£75.00	4.75%	2.00 years
Appraisal 5 (base)	£75.00	4.50%	2.00 years
Appraisal 6	£75.00	4.25%	2.00 years
Appraisal 7	£76.00	4.50%	2.00 years
Appraisal 8	£78.00	4.50%	2.00 years
Appraisal 9	£80.00	4.50%	2.00 years
Appraisal 10	£82.00	4.50%	2.00 years

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£40.00	5.50%	2.00 years	20.00%
Current use value 2	£45.00	5.25%	2.00 years	20.00%
Current use value 3	£50.00	5.00%	2.00 years	20.00%

Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-10%	£1,645	£777	£0
Appraisal 2	-7%	£1,961	£1,093	£130
Appraisal 3	-4%	£2,278	£1,401	£448
Appraisal 4	0%	£2,069	£1,201	£233
Appraisal 5 (base)	-	£2,744	£1,893	£923
Appraisal 6	0%	£3,517	£2,650	£1,679
Appraisal 7	1%	£2,905	£2,045	£1,081
Appraisal 8	4%	£3,227	£2,361	£1,397
Appraisal 9	6%	£3,544	£2,678	£1,707
Appraisal 10	9%	£3,861	£2,994	£2,029

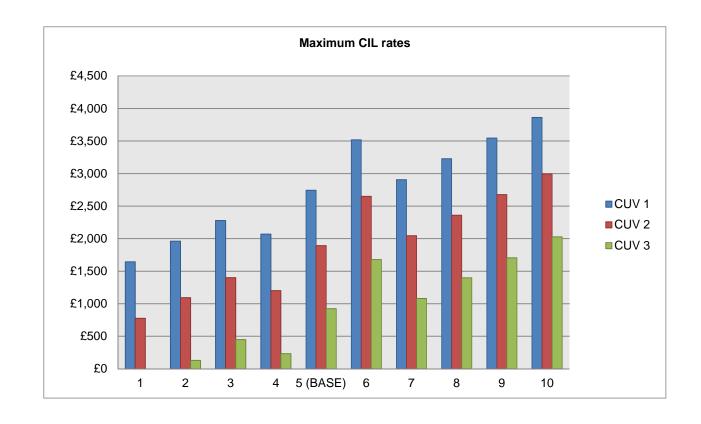
Use class:	B1 Floorspace
Location:	LB Camden - Kings Cross (1,500 sq m)

Existing floorspace as % of new 60%

Net off existing floorspace from CIL calculation:

N

Ctrl + y to goal seek max CIL



Commercial Development

Use class: B1 Floorspace

Location: LB Camden - Kings Cross (1,500 sq m)

DEVELOPMENT VALUE	Common ass	sumptions	Appra	nisal 1	Apprais	sal 2	Appra	aisal 3	Appr	aisal 4	Appra	isal 5	Appr	raisal 6	Appra	aisal 7	Appr	aisal 8	Appra	aisal 9	Appra	isal 10
Boutellessons	<u> </u>		0 (0		1												0 (
Rental Income	Floor area		£ psr £ £68.00	E per annum £ p			psf £ £72.00	£1,162,512	esf £75.00		psf £ £75.00	per annum £ £1,210,950	£ psf £75.00	£ per annum £	£76.00				psf £ £80.00		psf £82.00	per annum
Rent - area 1 Rent - area 2	16,146		£68.00	£1,097,928 £0	£70	£1,130,220	£72.00	£1,162,512	£75.00	£1,210,950	£75.00		£75.00	£1,210,950 £0	£76.00 £76.00	£1,227,096		£1,259,388	£80.00	£1,291,680 £0	£82.00	£1,323,972
					£70	£U				£0		£0		~~		£0		03				03
Rent - area 3		10.110	£68.00	03	£70	£0	£72.00	03 100 540	£75.00	03	£75.00	0.3 0.4 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	£75.00	03	£76.00	03		03	£80.00	£0	£82.00	03
Total floor area / rent		16,146		£1,097,928		£1,130,220		£1,162,512		£1,210,950		£1,210,950		£1,210,950		£1,227,096		£1,259,388		£1,291,680		£1,323,972
Rent free/voids (years)			2.0	0.9157	2.0	0.9157	2.0	0.9157	2.0	0.9114	2.0	0.9157	2.0	0.9201	2.0	0.9157	2.0	0.9157	2.0	0.9157	2.0	0.9157
Yield			4.50%		4.50%		4.50%		4.75%		4.50%		4.25%		4.50%		4.50%		4.50%		4.50%	
Capitalised rent				£22,342,346		£22,999,473		£23,656,601		£23,234,030		£24,642,293		£26,217,130		£24,970,857		£25,627,985		£26,285,113		£26,942,240
GROSS DEVELOPMENT VALUE																						
Purchaser's costs	6.80%	5.00%		£1,519,280		£1,563,964		£1,608,649		£1,579,914		£1,675,676		£1,782,765		£1,698,018		£1,742,703		£1,787,388		£1,832,072
i diolidor o occio	0.0070	0.0070		£20,823,066		£21,435,509		£22,047,952		£21,654,116		£22,966,617		£24,434,366		£23,272,839		£23.885.282		£24,497,725		£25,110,168
DEVELOPMENT COSTS						,		,,,,,,,		,,		,,		,,		,				,,		,,
London				00 000 000		00,000,000		00,000,000		00 000 000		00,000,000		CO 000 000		00 000 000		00,000,000		00,000,000		00,000,000
Land costs				£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383		£9,922,383
Stamp duty and acquisition costs				-£674,722		-£674,722		-£674,722		-£674,722		-£674,722		-£674,722		-£674,722		-£674,722		-£674,722		-£674,722
Development Costs																						
Existing floor area	60%	9,688																				
Demolition costs	£14 psf			£135,000		£135,000		£135,000		£135,000		£135,000		£135,000		£135,000		£135,000		£135,000		£135,000
Building costs	£215 psf			£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780		£4,223,780
Area	82% grs to net	19,690				, ,				, ,				, ,				, ,				, ,
External works & BREEAM	11.00%	,		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616		£464,616
																				i		
Professional fees	10.00%			£482,340		£482,340		£482,340		£482,340		£482,340		£482,340		£482,340		£482,340		£482,340		£482,340
Contingency	5.00%			£265,287		£265,287		£265,287		£265,287		£265,287		£265,287		£265,287		£265,287		£265,287		£265,287
Residual S106 & Mayoral CIL + Poilcies P2 and P4 Market & AH Contribution	£20 psf			£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500		£1,447,500
CIL	£s psf	16,146	-£17	-£278,457	£12	£195,387	£42	£672,636	£22	£349,286	£86	£1,384,061	£156	£2,518,151	£100	£1,621,267	£130	£2,095,934	£159	£2,560,309	£188	£3,043,260
Disposal Costs	40.0			0.400 =0.5		0.1.10.05		0440.05:		0.404.0		0404.05=		2424.25		0.400 = : -		0.40= 0.5=		0400 4		2422.225
Letting Agent's fee (% of rent)	10.00%			£109,793		£113,022		£116,251		£121,095		£121,095		£121,095		£122,710		£125,939		£129,168		£132,397
Agent's fees (on capital value)	1.00%			£223,423		£229,995		£236,566		£232,340		£246,423		£262,171		£249,709		£256,280		£262,851		£269,422
Legal fees (% of capital value)	0.75%			£167,568		£167,568		£167,568		£167,568		£167,568		£167,568		£167,568		£167,568		£167,568		£167,568
<u>Finance</u>																						
Loan arrangement fee				£0		£0		£0		£0		£0		£0		£0		£0		£0		£0
Interest rate	7.00%																					
Interest	18 months			£865,647		£891,038		£916,608		£899,665		£954,730		£1,015,096		£967,440		£992,875		£1,017,769		£1,043,639
Profit on cost				£3,468,909		£3,572,316		£3,672,140		£3,617,979		£3,826,557		£4,084,101		£3,877,962		£3,980,504		£4,093,877		£4,187,699
Profit on cost (%)				19.99%		20.00%		19.98%		20.06%		19.99%		20.07%		19.99%		20.00%		20.06%		20.02%
								3.00.0								/						
Net additional floorspace (sq ft)		6,458		6,458		6,458		6,458		6,458		6,458		6,458		6,458		6,458		6,458		6,458
Net additional floorspace (sq m)		600		600		600		600		600		600		600		600		600		600		600

Commercial Development

Use class: B1 Floorspace

CUV 3

0.9070

£8,268,652

£8,268,652

20.00% £9,922,383

£50 psf £484,380

2.0

5.00%

£484,380 £33,907

CUV 2 60%

	Common assu	umptions	CU\	/ 1	CUV 2		
Current use value					60%		
Existing space as percentage of new	60%	9,688					
Rent per sq ft			£40 psf		£45 psf		
Rental income per annum			£387,504		£435,942		
Rent free/voids (years)			2.0	0.8985	2.0	0.9027	
Total revenue, capitalised (including all costs)			5.50%		5.25%		
Refurbishment costs	£50 psf		£484,380		£484,380		
Fees	7%		£33,907		£33,907		
Capitalised rent, net of refurb and fees				£5,811,784		£6,977,638	
Purchaser's costs	6.80%	5.00%					
Current use value				£5,811,784		£6,977,638	
CUV including Landowner premium			20%	£6,974,141	20.00%	£8,373,165	

Commercial Development

	£s per sqft	Yield	Rent free
Appraisal 1	£68.00	4.50%	2.00 years
Appraisal 2	£70.00	4.50%	2.00 years
Appraisal 3	£72.00	4.50%	2.00 years
Appraisal 4	£75.00	4.75%	2.00 years
Appraisal 5 (base)	£75.00	4.50%	2.00 years
Appraisal 6	£75.00	4.25%	2.00 years
Appraisal 7	£76.00	4.50%	2.00 years
Appraisal 8	£78.00	4.50%	2.00 years
Appraisal 9	£80.00	4.50%	2.00 years
Appraisal 10	£82.00	4.50%	2.00 years

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£40.00	5.50%	2.00 years	20.00%
Current use value 2	£45.00	5.25%	2.00 years	20.00%
Current use value 3	£50.00	5.00%	2.00 years	20.00%

Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-10%	£644	£0	£0
Appraisal 2	-7%	£956	£87	£0
Appraisal 3	-4%	£1,266	£400	£0
Appraisal 4	0%	£1,062	£188	£0
Appraisal 5 (base)	-	£1,730	£866	£0
Appraisal 6	0%	£2,486	£1,613	£656
Appraisal 7	1%	£1,890	£1,022	£59
Appraisal 8	4%	£2,202	£1,324	£370
Appraisal 9	6%	£2,513	£1,640	£683
Appraisal 10	9%	£2,818	£1,956	£994

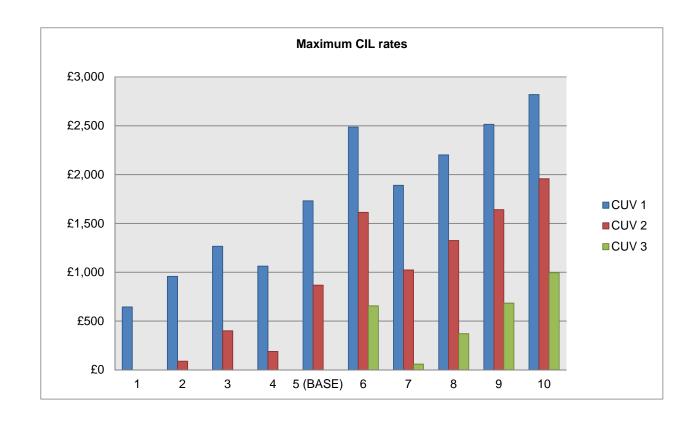
Use class:	B1 Floorspace
Location:	LB Camden - Kings Cross (10,000 sq m)

Existing floorspace as % of new 60%

Net off existing floorspace from CIL calculation:

N

Ctrl + y to goal seek max CIL



Commercial Development

Use class: B1 Floorspace

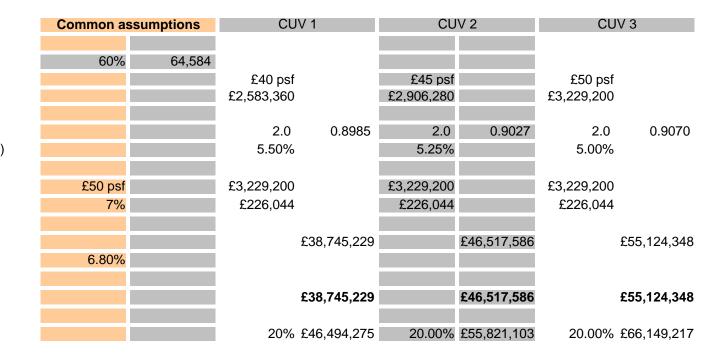
Location: LB Camden - Kings Cross (10,000 sq m)

DEVELOPMENT VALUE	Common assumptions	Appraisal 1	Appraisal 2	Appraisal 3	Appraisal 4	Appraisal 5	Appraisal 6	Appraisal 7	Appraisal 8	Appraisal 9	Appraisal 10
					,						,
Rental Income Rent - area 1	Floor area	£ psf £ per annum £68.00 £7,319,520		£ psf £ per annum £ £72.00 £7,750,080		£ psf £ per annum £75.00 £8,073,000		£ psf £ per annum £76.00 £8.180.640		£ psf £ per annum £ ; £80.00 £8.611.200	
	107,640	£68.00 £7,319,520	£70 £7,534,800 £70 £0	£72.00 £7,750,060 £0	£75.00 £8,073,000 £75.00 £0	£75.00 £6,073,000 £75.00 £0	, ,	£76.00 £6,160,640	,	£80.00 £0,611,200	£82.00 £8,826,480 £82.00 £0
Rent - area 2 Rent - area 3		£68.00 £0	£70 £0	£72.00 £0	£75.00 £0	£75.00 £0		£76.00 £0		£80.00 £0	£82.00 £0
Total floor area / rent	107,640	£7,319,520	£7,534,800	£7,750,080	£8,073,000	£8,073,000		£8,180,640		£8,611,200	£8,826,480
rotarnoor area / rent	107,640	£1,319,520	£7,534,600	£1,150,060	20,073,000	10,073,000	20,073,000	10,100,040	10,395,920	10,011,200	10,020,400
Rent free/voids (years)		2.0 0.9157	2.0 0.9157	2.0 0.9157	2.0 0.9114	2.0 0.9157	2.0 0.9201	2.0 0.9157	2.0 0.9157	2.0 0.9157	2.0 0.9157
Yield		4.50%	4.50%	4.50%	4.75%	4.50%	4.25%	4.50%	4.50%	4.50%	4.50%
Capitalised rent		£148,948,971	£153,329,823	£157,710,675	£154,893,531	£164,281,953	£174,780,869	£166,472,379	£170,853,231	£175,234,083	£179,614,936
GROSS DEVELOPMENT VALUE											
Purchaser's costs	6.80%	£10,128,530	£10,426,428	£10,724,326	£10.532.760	£11,171,173	£11,885,099	£11,320,122	£11,618,020	£11,915,918	£12,213,816
		£138,820,441	£142,903,395	£146,986,349	£144,360,771	£153,110,780		£155,152,258		£163,318,166	£167,401,120
DEVELOPMENT COSTS		,				,		, . ,			
Land costs		£66,149,217	£66,149,217	£66,149,217	£66,149,217	£66,149,217	£66,149,217	£66,149,217	£66,149,217	£66,149,217	£66,149,217
		-£4,498,147	£00,149,217 -£4,498,147	-£4,498,147	£00,149,217	£00,149,217 -£4,498,147		£66,149,217 -£4,498,147		-£4,498,147	£00,149,217 -£4.498.147
Stamp duty and acquisition costs		-14,490,147	-£4,490,147	-£4,490,147	-14,490,147	-£4,490,147	-£4,490,147	-14,490,147	-£4,490,147	-£4,490,147	-£4,490,147
Development Costs											
Existing floor area	60% 64,584										
Demolition costs	£14 psf	£900,000	£900,000	£900,000	£900,000	£900,000	£900,000	£900,000	£900,000	£900,000	£900,000
Building costs	£258 psf	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829	£33,926,829
Area	82% grs to net 131,268	İ									
External works & BREEAM	11.00%	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951	£3,731,951
Desfersional force	40.000/	04.007.054	04 007 054	04 007 054	C4 C07 054	C4 C07 054	04 007 054	04.007.054	04.007.054	C4 C07 054	04 007 054
Professional fees	12.00%	£4,627,054	£4,627,054	£4,627,054	£4,627,054	£4,627,054		£4,627,054		£4,627,054	£4,627,054
Contingency	5.00%	£2,159,292	£2,159,292	£2,159,292	£2,159,292	£2,159,292		£2,159,292		£2,159,292	£2,159,292
Residual S106 & Mayoral CIL + Poilcies P2 and P4 Market & AH	£20 psf	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000	£9,650,000
Contribution											
CIL	£s psf 107,640	-£110 -£11,865,274	-£81 -£8,745,141	-£52 -£5.633.350	-£71 -£7.681.682	-£9 -£962.360	£61 £6,557,617	£5 £591,485	£34 £3,697,628	£63 £6,827,793	£92 £9,938,188
	10 poi		20,110,111		2		200		201 20,000,020	333 33,521,133	20,000,000
Disposal Costs											
Letting Agent's fee (% of rent)	10.00%	£731,952	£753,480	£775,008	£807,300	£807,300	£807,300	£818,064	£839,592	£861,120	£882,648
Agent's fees (on capital value)	1.00%	£1,489,490	£1,533,298	£1,577,107	£1,548,935	£1,642,820	£1,747,809	£1,664,724	£1,708,532	£1,752,341	£1,796,149
Legal fees (% of capital value)	0.75%	£1,117,117	£1,117,117	£1,117,117	£1,117,117	£1,117,117	£1,117,117	£1,117,117	£1,117,117	£1,117,117	£1,117,117
Finance											
Loan arrangement fee		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Interest rate	7.00%	i									
Interest	24 months	£7,568,364	£7,791,347	£8,013,745	£7,870,651	£8,347,575	£8,881,323	£8,458,631	£8,680,635	£8,904,320	£9,126,621
Profit on cost		£23,132,596	£23,807,098	£24,490,526	£24,052,253	£25,512,132		£25,856,040		£27,209,278	£27,894,200
Profit on cost (%)		20.00%	19.99%	19.99%	19.99%	19.99%	19.99%	20.00%	20.01%	19.99%	19.99%
Net additional floorspace (sq ft)	43.056	43.056	43.056	43.056	43.056	43.056	43.056	43.056	43.056	43.056	43,056
Net additional floorspace (sq m)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000		4,000	4,000
,											

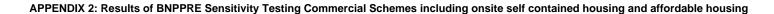
Use class: B1 Floorspace

Commercial Development

Current use value Existing space as percentage of new Rent per sq ft Rental income per annum
Rent free/voids (years) Total revenue, capitalised (including all costs)
Refurbishment costs Fees
Capitalised rent, net of refurb and fees Purchaser's costs
Current use value
CUV including Landowner premium



APPENDIX 2: BNP Paribas Real Estate Sensitivity Testing onsite self-contained residential in commercial schemes





We have undertaken appraisals of commercial schemes including 50% of the scheme as self-contained residential units and the requisite quantum of affordable housing onsite. The results of these appraisals are set out in the tables below. These results demonstrate that a CIL charge of £110 per sq ft will not significantly impact on the delivery of such sites and in the scenarios where viability is identified as challenging it is not CIL making the scheme unviable. We have undertaken further sensitivity testing which identifies that affordable housing is shown to have a more significant cost to schemes than a CIL charge on the commercial space, (which equates to circa 1.5% of development costs). Further it is reiterated that the proposed increase in the office CIL rate equates to 0.7% of development costs, and at this level is unlikely to have a bearing on a developer's decision making. Notwithstanding this, we note that the Council's adopted policies allow for developers to present viability evidence on a case by case basis to support applications should there be viability concerns. This enables developers to either reduce the onsite affordable housing or to pursue the sequential approach of offering a payment in lieu of the onsite affordable housing.

Development Typology: 1,500 sq m office and 16 Flats

At proposed CIL rate of £110 per sq m

AH Policy requirement: 32%

		As per CIL Eviden	ce Base		Sensitivity on 40%			
Market area		`	`	,	,	`	RLV (Measured against CUV 3)	
Central area High	£15,629,070	£4,005,501	£1,673,794	-£908,234	£1,680,788	-£1,117,261	-£4,215,695	
Central area Med	£13,357,881	£1,734,313	-£79,677,290	-£96,890,814	-£79,630,669	-£98,284,324	-£118,940,553	
Central area Low	£12,206,756	£583,187	-£1,748,520	-£4,330,549	-£1,741,527	-£4,539,575	-£7,638,010	
Kings Cross development High	£17,084,642	£5,461,073	£3,129,366	£547,338	£3,136,359	£338,311	-£2,760,123	
Kings Cross development Med	£15,380,679	£3,757,110	£1,425,403	-£1,156,625	£1,432,396	-£1,365,652	-£4,464,086	
Kings Cross development Low	£14,229,553	£2,605,984	£274,278	-£2,307,751	£281,271	-£2,516,778	-£5,615,212	

Development Typology: 10,000 sq m office and 100 Flats

AH Policy requirement: 50%

		As per CIL Evidence Base			Sensitivity on 40%		
	Residual Land	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured
Market area	value (RLV)	against CUV 1)	against CUV 2)	against CUV 3)	against CUV 1)	against CUV 2)	against CUV 3)
Central area High	£67,388,100	-£10,102,359	-£25,647,071	-£42,860,596	-£25,600,451	-£44,254,106	-£64,910,335
Central area Med	£56,973,640	-£20,516,818	-£36,061,531	-£53,275,055	-£36,014,910	-£54,668,565	-£75,324,795
Central area Low	£51,762,752	-£25,727,706	-£41,272,419	-£58,485,943	-£41,225,798	-£59,879,453	-£80,535,682
Kings Cross development High	£77,154,827	-£335,631	-£15,880,344	-£33,093,868	-£15,833,723	-£34,487,378	-£55,143,607
Kings Cross development Med	£69,338,496	-£8,151,963	-£23,696,675	-£40,910,200	-£23,650,054	-£42,303,709	-£62,959,939
Kings Cross development Low	£64,127,609	-£13,362,850	-£28,907,562	-£46,121,087	-£28,860,941	-£47,514,596	-£68,170,826

AH Policy sensitivity: 20%

		As per CIL Evidend	ce Base		Sensitivity on 40%			
	Residual Land	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	
Market area	value (RLV)	against CUV 1)	against CUV 2)	against CUV 3)	against CUV 1)	against CUV 2)	against CUV 3)	
Central area High	£91,199,941	£13,709,483	-£1,835,230	-£19,048,754	-£1,788,609	-£20,442,264	-£41,098,493	
Central area Med	£75,631,162	-£1,859,296	-£17,404,009	-£34,617,533	-£17,357,388	-£36,011,043	-£56,667,273	
Central area Low	£67,455,523	-£10,034,935	-£25,579,648	-£42,793,172	-£25,533,027	-£44,186,682	-£64,842,912	
Kings Cross development High	£99,712,475	£22,222,016	£6,677,303	-£10,536,221	£6,723,924	-£11,929,731	-£32,585,960	
Kings Cross development Med	£87,996,018	£10,505,559	-£5,039,153	-£22,252,678	-£4,992,532	-£23,646,187	-£44,302,417	
Kings Cross development Low	£79,820,379	£2,329,920	-£13,214,792	-£30,428,317	-£13,168,171	-£31,821,826	-£52,478,056	

Benchamark Land Values

N.B. these are double the benchamrk land values included in the Cil Viability Update evidence as the assumption is that 50% of floorspace is provided as self contained housing in the scheme - in line with policy requirements

	As per CIL Evidence	e Base		Sensitivity on 40%			
Scenario	CUV 1	CUV 2	CUV 3	CUV 1 (sens)	CUV 2 (sens)	CUV 3 (sens)	
Typology 1	£11,623,569	£13,955,276	£16,537,304	£13,948,283	£16,746,331	£19,844,765	
Typology 2	£77,490,459	£93,035,171	£110,248,696	£92,988,550	£111,642,205	£132,298,435	

Sensitivity test at CIL rate of £0 per sq m

	As per CIL Evidend	e Base		Sensitivity on 40%			
	•	•	`	`	`	RLV (Measured against CUV 3)	
£15,776,772	£4,153,203	£1,821,496	-£760,533	£1,828,489	-£969,559	-£4,067,994	
£13,505,583	£1,882,014	-£449,693	-£3,031,721	-£442,700	-£3,240,748	-£6,339,182	
£12,356,874	£733,305	-£1,598,401	-£4,180,430	-£1,591,408	-£4,389,457	-£7,487,89	
£17,232,345	£5,608,776	£3,277,069	£695,040	£3,284,062	£486,014	-£2,612,42°	
£15,528,381	£3,904,812	£1,573,105	-£1,008,924	£1,580,098	-£1,217,950	-£4,316,38	
£14,379,671	£2,756,102	£424,395	-£2,157,634	£431,388	-£2,366,660	-£5,465,09	

	As per CIL Evidend	e Base		Sensitivity on 40%			
Residual Land	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	
value (RLV)	against CUV 1)	against CUV 2)	against CUV 3)	against CUV 1)	against CUV 2)	against CUV 3)	
£70,063,199	-£7,427,259	-£22,971,972	-£40,185,496	-£22,925,351	-£41,579,006	-£62,235,235	
£59,664,322	-£17,826,137	-£33,370,849	-£50,584,374	-£33,324,229	-£51,977,884	-£72,634,113	
£54,453,435	-£23,037,024	-£38,581,736	-£55,795,261	-£38,535,116	-£57,188,771	-£77,845,000	
£79,845,509	£2,355,050	-£13,189,662	-£30,403,187	-£13,143,042	-£31,796,697	-£52,452,926	
£72,029,177	-£5,461,281	-£21,005,994	-£38,219,518	-£20,959,373	-£39,613,028	-£60,269,257	
£66,818,290	-£10,672,168	-£26,216,881	-£43,430,405	-£26,170,260	-£44,823,915	-£65,480,144	

	As per CIL Evidend	ce Base		Sensitivity on 40%			
Residual Land	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	RLV (Measured	
value (RLV)	against CUV 1)	against CUV 2)	against CUV 3)	against CUV 1)	against CUV 2)	against CUV 3)	
£93,680,987	£16,190,529	£645,816	-£16,567,708	£692,437	-£17,961,218	-£38,617,447	
£78,194,027	£703,569	-£14,841,144	-£32,054,668	-£14,794,523	-£33,448,178	-£54,104,408	
£70,119,485	-£7,370,974	-£22,915,686	-£40,129,211	-£22,869,066	-£41,522,721	-£62,178,950	
£102,193,520	£24,703,062	£9,158,349	-£8,055,175	£9,204,970	-£9,448,685	-£30,104,914	
£90,558,883	£13,068,424	-£2,476,288	-£19,689,813	-£2,429,667	-£21,083,322	-£41,739,552	
£82,484,341	£4,993,882	-£10,550,831	-£27,764,355	-£10,504,210	-£29,157,865	-£49,814,094	