



CANARY WHARF
GROUP PLC

NQ.PA.19

North Quay Viability Appraisal

DS2
July 2020

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EXECUTIVE SUMMARY

This Viability Assessment (“VA”) has been prepared by DS2 to robustly examine the financial viability of the proposed redevelopment of North Quay, which is located within the administrative boundary of the London Borough of Tower Hamlets (“LBTH”).

Canary Wharf (North Quay) Ltd (“the Applicant”) are submitting applications for Outline Planning Permission (“OPP”) and Listed Building Consent (“LBC”) to enable the redevelopment of North Quay, Aspen Way, London (“the Site”).

DS2 is instructed to test the maximum level of affordable housing and additional financial obligations, including Section 106 obligations, as well as LBTH Community Infrastructure Levy (“CIL”) and Mayoral CIL, which can be supported by the development without impeding the prospects of delivery.

The VA has been collated in accordance with the National Planning Policy Framework, 2019, as amended, (“NPPF”), National Planning Policy Guidance, 2019 (“NPPG”), the Homes for Londoners: Affordable Housing and Viability Supplementary Planning Guidance 2017 (2017) (“Affordable Housing and Viability SPG”), LBTH’s Development Viability Supplementary Planning Document (2017) (“Development Viability SPD”) as well as professional best practice guidance, including the RICS Professional Statement ‘Financial Viability in Planning: Conduct and Reporting’ (1st Edition, adopted September 2019).

Site Location and description

The Site is located in the north of the Isle of Dogs, within the administrative boundary of the LBTH, at Canary Wharf. The Site is bounded by Canary Wharf Crossrail Station to the south, Aspen Way (A1261) to the north, Hertsmere Road to the west and Billingsgate Market to the east. The West India Quay Docklands Light Railway (“DLR”) station and Delta Junction are located on the western side of the Site and the Site also incorporates parts of North Dock, Upper Bank Street and Aspen Way.

The Site is 3.28 hectares (ha) in area. The Site currently comprises mostly cleared land, being previously used as a construction laydown facility for the Canary Wharf Crossrail Station. There are temporary uses currently on site, including the LBTH Employment and Training Services, WorkPath and advertising structures.

The Site is located within the Isle of Dogs and South Popular Opportunity Area and LBTH are working in collaboration with TfL and the GLA to prepare a planning framework that will ensure the delivery of key infrastructure that will be required to support the proposed employment and housing that is planned over the lifetime of the new regional plan.

Development Proposals

The Outline Planning Application (“OPA”) has been submitted by planning consultants Quod on behalf of the Applicant.

“Application for outline planning permission (all matters reserved) for the redevelopment of the North Quay site for mixed use comprising:

- *Demolition of existing buildings and structures;*
- *Erection of buildings, and construction of basements;*
- *The following uses:*
 - o Business floorspace (B1)*
 - o Hotel/ Serviced Apartments (C1)*
 - o Residential (C3)*
 - o Co-Living (C4/Sui Generis)*
 - o Student Housing (Sui Generis)*
 - o Retail (A1-A5)*
 - o Community and Leisure (D1 and D2)*
 - o Other Sui Generis Uses;*
- *Associated infrastructure, including a new deck over part of the existing dock;*
- *Creation of streets, open spaces, hard and soft landscaping and public realm;*
- *Creation of new vehicular accesses and associated works to Aspen Way, Upper Bank Street, Hertsmere Road and underneath Delta Junction;*
- *Connections to Aspen Way Footbridge and Crossrail Place (Canary Wharf Crossrail Station);*
- *Car, motorcycle, bicycle parking spaces, servicing;*
- *Utilities including energy centres and electricity substation(s); and*
- *Other minor works incidental to the proposed development.”*

There is an additional Listed Building Consent Application for the following:

“Stabilisation of listed quay wall and associated/remedial works as well as demolition/removal of the false quay in connection with the erection of mixed-use development”

At the time of making the OPA, the Applicant is unable to determine exactly how much of the Proposed Development is likely to come forward in which land use. For this reason, the description of development provides the Applicant with flexibility as to the uses that could be undertaken on the Site.

In order to test and validate the OPA, an Indicative Scheme showing the potential location of buildings, uses and open spaces has been produced. This scheme provides a vehicle for examining the possible architectural, environmental, operational and social impacts of the project. It remains schematic but it conforms to the Specified Parameters as defined in the Development Specification, Parameter Plans and Design Guidelines.

The Indicative Scheme is not a design template or submitted for approval; it represents one possible way the principles as defined in the submitted planning documents could be interpreted/achieved and developed into a design.

The Indicative Scheme and its Development Plots have been used to generate the images and diagrams for the Design Guidelines. In some instances, these Development Plots are used as reference in the Design Guidelines to help illustrate the point.

Approach to Benchmark Land Value

In respect of the existing Site and the approach to the Benchmark Land Value (“BLV”), the VA is consistent and compliant with the policy framework and professional guidance.

The Site benefits from an extant planning consent for an office development comprising 372,660 sqm (GIA) of accommodation secured under planning reference PA/03/00379 (hereafter the “Extant Scheme”).

The Extant Scheme comprises two buildings of 43 and 37 storeys with a third linking building of 23 storeys comprising office and retail accommodation. The Extant Scheme has been implemented.

The Extant Scheme is a key consideration in the calculation of the BLV for the Site and represents an Alternative Use Value (“AUV”) in accordance with paragraph 17 of the PPG. In accordance with the RICS Professional Statement, the Existing Use Value (“EUUV”) and Plus elements of the BLV are also reported in Section 10.

Affordable Housing Proposal

The Indicative Scheme incorporates 20 percent affordable housing derived through the Viability Tested route. The affordable housing component comprises 112 units, including 78 low cost rented units and 34 intermediate units (provided on a zero grant basis). The proposed affordable housing comprises 70 per cent low cost and 30 per cent intermediate, by habitable room in accordance with local plan policy DH.2.

The low cost rented element comprises 50 percent London Affordable Rent and 50 percent Tower Hamlets Living Rents. The intermediate tenure will be defined at the submission of the RMAs but will conform to NPPF and local plan definitions and will be delivered within the GLA affordability caps relevant to the envisaged product at the time of delivery.

The intermediate accommodation will likely take the form of discounted market rent given the relatively high capital values on the Site and the constraints on affordability at this price point.

Appraisal Results

The appraisal results for the Indicative Scheme are provided in the table below and assumed a BLV of £52.58m based upon an AUV approach in the form of the value of the Extant Scheme. This has been inserted into the Proposed Development appraisal as a fixed site value, with the residual profit output being measured.

APPRAISAL RESULTS, NORTH QUAY, JULY 2020					
Scheme	GDV	Total development cost	Profit on GDV	Profit Target	Surplus / Deficit
Application scheme	£2,495,348,469	£2,170,837,457	8.89%	15.58%	(6.69%)

The results demonstrate that the Indicative Scheme is supporting 20 percent affordable housing alongside £101.9m in CIL, £11.5m in additional Section 106 financial obligations and 10 percent affordable workspace. Indeed, the profit return on a present day basis is below the target rate of return and growth in values or cost savings are required to deliver a technically viable scheme in accordance with the NPPG.

The outputs have been sensitivity tested. This is undertaken in accordance with the RICS Professional Statement 'Financial Viability in Planning: Conduct and Reporting' (2019). Further detail is provided in Section 11 of this VA.

1 INTRODUCTION

- 1.1 This Viability Assessment (“VA”) has been prepared by DS2 to robustly examine the financial viability of the proposed redevelopment of North Quay, which is located within the administrative boundary of the London Borough of Tower Hamlets (“LBTH”).
- 1.2 Canary Wharf (North Quay) Ltd (“the Applicant”) are submitting applications for Outline Planning Permission (“OPP”) and Listed Building Consent (“LBC”) to enable the redevelopment of the North Quay site, Aspen Way, London (“the Site”).
- 1.3 The VA has been undertaken on the basis of the Indicative Scheme, as outlined at paragraph 1.14.
- 1.4 The submission of the Outline Planning Application (“OPA”) follows discussions with a wide range of stakeholders and statutory consultees, including LBTH and the Greater London Authority (“GLA”), Transport for London (“TfL”) and the Environment Agency (“EA”).

Instructions

- 1.5 DS2 is instructed to test the maximum level of affordable housing and additional financial obligations, including Section 106 obligations, as well as LBTH Community Infrastructure Levy (“CIL”) and Mayoral CIL, which can be supported by the development without impeding the prospects of delivery.
- 1.6 The VA has been collated in accordance with the National Planning Policy Framework, 2019, as amended, (“NPPF”), National Planning Policy Guidance, 2019 (“NPPG”), the Homes for Londoners: Affordable Housing and Viability Supplementary Planning Guidance 2017 (2017) (“Affordable Housing and Viability SPG”), LBTH’s Development Viability Supplementary Planning Document (2017) (“Development Viability SPD”) as well as professional best practice guidance, including the RICS Professional Statement ‘Financial Viability in Planning: Conduct and Reporting’ (1st Edition, adopted September 2019).
- 1.7 The report is an objective and impartial view on the development viability of the Indicative Scheme on a present day basis and DS2’s instructions are provided on a non-contingent basis.
- 1.8 DS2 has considerable amount of experience in providing planning viability, affordable housing and valuation advice in respect of large-scale, strategically important mixed-use developments in Tower Hamlets and across the capital.

Proposed Development

- 1.9 The approach to the proposals has been discussed with LBTH and two separate applications are being submitted as follows:
 - Application NQ.1: OPA - Application for the mixed-use redevelopment of the Site comprising demolition of existing buildings and structures and the erection of buildings

comprising business floorspace, hotel/serviced apartments, residential, co-living, student housing, retail, community and leisure and sui generis uses with associated infrastructure, parking and servicing space, public realm, highways and access works; and

- Application NQ.2: Listed Building Consent Application (“LBCA”) - to stabilise listed quay wall and any associated/necessary remedial works as well as demolition of the false quay in connection with Application NQ.1.

1.10 Together the development proposed under Applications NQ.1 and NQ.2 are referred to as the ‘Proposed Development’.

Indicative Scheme

1.11 In order to test and validate the OPA, an Indicative Scheme showing the potential location of buildings, uses and open spaces has been produced. This scheme provides a vehicle for examining the possible architectural, environmental, operational and social impacts of the project. It remains schematic but it conforms to the Specified Parameters as defined in the Development Specification¹, Parameter Plans² and Design Guidelines³.

1.12 The Indicative Scheme is not a design template or submitted for approval; it represents one possible way the principles as defined in the submitted planning documents could be interpreted/achieved and developed into a design.

1.13 The Indicative Scheme and its Development Plots⁴ have been used to generate the images and diagrams for the Design Guidelines. In some instances, these Development Plots are used as reference in the Design Guidelines to help illustrate the point.

1.14 The VA has tested the viability of the Indicative Scheme. The OPA proposes 20 percent affordable housing. LBTH’s headline requirement of 35 percent provision as contained within policy SH.1 of the LBTH Local Plan 2031: Managing growth and sharing the benefits (2020) (“Local Plan”) cannot be achieved given the high costs of delivery, the prevailing challenging market conditions and the delivery of a significant range of public benefits including £101.9m in CIL payments to LBTH and the GLA and £11.5m in Section 106 financial obligations.

¹ The Development Specification sets out a written account of the Parameter Plans and describes the OPA and the type and quantity of development that could be provided within each of the Development Zones across the OPA Site as a whole.

² The Parameter Plans define the extent of the proposed routes, open spaces and Development Zones across the Site against a series of minimum or maximum dimensions. Each of these component parts is identified as a Development Zone.

³ The Design Guidelines set out the guidelines by which any Reserved Matters Application would need to follow if they are to be considered acceptable.

⁴ A building that can arrive within a Development Zone, which is defined by a maximum height and envelope. Development Zones may contain single or multiple Development Plots.

Methodology

- 1.15 ARGUS Developer has been used to demonstrate the Indicative Scheme's viability. ARGUS is a residual valuation appraisal. This is commercially available and widely used development appraisal software. It is considered appropriate to assess a development of this type because of its ability to accurately model development timings and cash flows. The use of ARGUS Developer has previously been accepted by LBTH for viability testing.
- 1.16 The viability test has been undertaken by comparing the residual value of the Indicative Scheme to an appropriate Benchmark Land Value ("BLV").
- 1.17 Given the sensitivities associated with residual valuations, highlighted as a risk in the RICS Guidance Note: 'Valuation of Development Property 2019 and International Valuation Standard', (2020) section 410, it is best practice to include sensitivity analysis in the results in order to stress test the residual outputs and, in a planning viability context, assess the ability of the Indicative Scheme to deliver the maximum quantum of public benefits, including affordable housing and affordable workspace.

Approach to Benchmark Land Value

- 1.18 In respect of the existing Site and the approach to BLV, the VA is consistent and compliant with the NPPG, the Draft London Plan – Intend to Publish version (2019) ("Draft London Plan"), Development Viability SPD and the RICS Professional Statement.
- 1.19 The Site benefits from an extant planning consent for an office development comprising 372,660 sqm (GIA) of accommodation secured under planning reference PA/03/00379 (hereafter the "Extant Scheme").
- 1.20 The Extant Scheme comprises two buildings of 43 and 37 storeys with a third linking building of 23 storeys comprising office and retail accommodation. The Extant Scheme has been implemented.
- 1.21 The Extant Scheme is a key consideration in the calculation of the BLV for the Site and represents an Alternative Use Value ("AUV") in accordance with paragraph 17 of the NPPG. In accordance with the RICS Professional Statement, the Existing Use Value ("EUV") and Plus elements of the BLV are also reported in Section 10.

Report Structure

- 1.22 To inform the report, information prepared by the following independent consultants has been relied upon:
- Allies and Morrison – Architects;
 - Quod – Planning consultants;
 - Core Five – Cost consultants;
 - CBRE – Serviced apartments valuation;

- CBRE – Commercial valuers; and
- CBRE – Site Value.

1.23 This VA has been structured as follows:

- **Site description** – summary of the location and nature of the existing asset;
- **Development proposals** – review and description of the OPA, the Proposed Development and the Indicative Scheme;
- **Planning policy** – review of the key national, regional and local planning policies concerning the delivery of affordable housing and financial viability;
- **Viability methodology** – description of the methodology employed within the wider context of best practice for VAs;
- **Development timings** – description of the proposed programme subject to a satisfactory planning consent being obtained;
- **Development value** – review of the residential values alongside any additional revenue streams that comprise the scheme Gross Development Value (GDV);
- **Development costs** – review of the development costs for the proposed project;
- **Developer's profit return** – as a key component of development viability as indicated in the PPG, the approach to profit for the Indicative Scheme and the Extant Scheme are considered;
- **Site value (BLV)** – analysis in relation to the proposed Site Value / BLV for the financial appraisals;
- **Appraisal results and sensitivity testing** – summary of the financial appraisal outputs and supplementary results of scenario and sensitivity testing; and
- **Conclusions** – statement with the formal affordable housing offer and concluding rationale.

Material Valuation Consideration (July 2020)

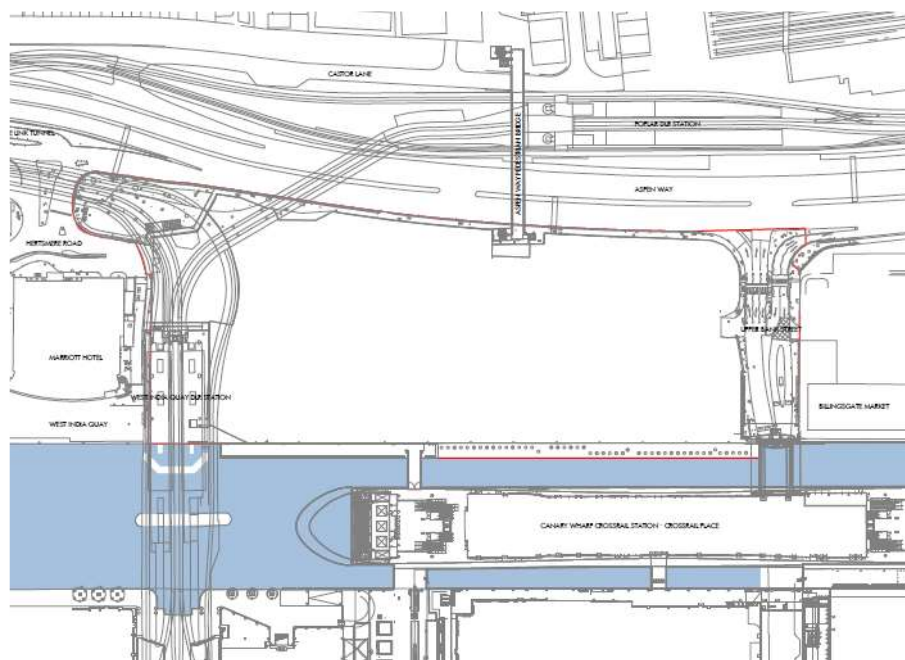
- 1.24 Market activity is being impacted in many sectors by the Covid-19 pandemic. Certain formal Red Book valuations are currently being reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to valuations than would normally be the case and the same cautionary approach is applicable to VAs.
- 1.25 A VA is collated on a present day basis on the assumption that there is a normal functioning market. However, given the unknown future impact that COVID-19 might have on the real estate market, we recommend that the values (& costs including risk return) within this VA are kept under review.

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- 1.26 This VA and accompanying appendices should only be used for the stated purposes and should not be used for any other reason.
- 1.27 This report has been collated by Pascal Levine MRICS, Liam Janusz and Joe Crossley MRICS.

2 SITE DESCRIPTION

2.1 The Site is located in the north of the Isle of Dogs, within the administrative boundary of the LBTH, at Canary Wharf. The Site is bounded by Canary Wharf Crossrail Station to the south, Aspen Way (A1261) to the north, Hertsmere Road to the west and Billingsgate Market to the east. The West India Quay Docklands Light Railway ("DLR") station and Delta Junction are located on the western side of the Site and the Site also incorporates parts of North Dock, Upper Bank Street and Aspen Way.

2.2 The red line plan for the Site is shown below.



2.3 The Site is 3.28 hectares (ha) in area. The Site currently comprises mostly cleared land, being previously used as a construction laydown facility for the Canary Wharf Crossrail Station. There are temporary uses currently on site, including the LBTH Employment and Training Services, WorkPath and advertising structures.

2.4 A Grade I Listed brick dock wall (Banana Wall) exists below the surface of part of the Site, which originally formed the dockside until it was extended over to the south.

2.5 Existing access to the Site for vehicles is from Upper Bank Street to the east and Hertsmere Road to the west, which both link to Aspen Way. The Site is not currently accessible to the public, however pedestrian routes are located on each side of the Site (Aspen Way, Hertsmere Road, Upper Bank Street, and the western part of the dockside to the south). The Aspen Way footbridge which leads north to Poplar also lands on the southern side of Aspen Way.

2.6 The Site is highly accessible by public transport. The West India Quay DLR station is located on the Site, the Poplar DLR station is accessed directly from the Aspen Way Footbridge, the Canary

Wharf Crossrail Station is located immediately to the south of the Site, beyond which are the Canary Wharf underground and DLR stations.

- 2.7 The Site's PTAL varies from 5 ('very good') to 6a ('excellent'), with improved PTAL closer to Upper Bank Street. The score is expected to improve to 6a across the entire Site by 2021 owing to the planned opening of the Crossrail Station.
- 2.8 Beyond the Site, 1 West India Quay (the Marriot Hotel (107m AOD) and residential building (41m AOD) are located to the west, adjacent to the DLR tracks. Beyond these, along Hertsmere Road is a cinema, museum, shops, restaurants and other leisure facilities, forming part of the West India Quay Centre.
- 2.9 Billingsgate Market is located to the east of the Site, on the opposite side of Upper Bank Street. The Market is identified as a Site Allocation (4.2: Billingsgate Market) for redevelopment in the Local Plan.
- 2.10 To the north of the Site on the opposite side of Aspen Way are the Tower Hamlets College and The Workhouse leisure facility. They comprise part of a Site Allocation (4.1: Aspen Way) for redevelopment in the Local Plan. In close proximity to these there are lower rise residential properties (some with shops beneath them) as well as the Poplar Recreation Ground. A significant quantum of regeneration is either under way or being planned, to the immediate north, in Poplar.
- 2.11 Beyond the Crossrail station and Crossrail Place to the south of the Site is the Canary Wharf commercial area, with the buildings closest to the Proposed Development including the HSBC (200m AOD), Bank of America and One Canada Square buildings (235m AOD).

Listed Building Works

- 2.12 Towards the south of the Site, the edge of the dock is defined by a quay wall known as the Banana Wall. The brickwork has a profile and counterfort buttresses, on a gravel bed. The Banana Wall was constructed between 1800-1802 and was Listed Grade I in 1983.
- 2.13 The Proposed Development spans over the Banana Wall with piles on either side of the wall providing support to the new structures. The new structures will leave a void or compressible material above to avoid permanent loading of the wall. The adjacent existing false quay deck will be removed. The excavation of the basement may require stabilisation works to be undertaken to ensure there are no impacts on the Banana Wall. Remedial works to the Banana Wall will also be undertaken if required.

Planning History

2.14 The following applications have been made since 2007:

Date of Permission	Application Type	Description of Development
Application withdrawn December 2017	Full Planning Application	Partial demolition works & clearance of existing site to provide a mixed-use development comprising 4 buildings ranging 30 to 67 storeys in height, together with podium & basement accommodation 339,243m ² floorspace (GIA), comprising offices (B1), residential (C3) (up to 1,423 units), serviced apartments (C1), retail (A1-A5), cultural/leisure (D1/D2), parking & servicing areas, hard & soft landscaping, new access, creation of new vehicular accesses & other associated works
Application withdrawn December 2017	Application for Listed Building Consent	Stabilisation of listed quay wall and associated/remedial works as well as demolition/removal of the false quay in connection with the erection of office and residential towers alongside retail podium.
December 2017	Certificate of Lawful Development	Lawful Development Certificate confirming the implementation of the development authorised by planning permission ref PA/03/00379, dated 12/01/2007, for the "Erection of two towers of 43 storeys (221 metres) and 37 storeys (209 metres) with a 23 storey central link building (125 metres) to provide 372,660 sq.m of offices, 5,324 sq.m of Class A1, A2, A3, A4 or A5 of which no more than 2,499 sq.m shall be Class A1, together with an area of public realm, a pedestrian bridge across West India Dock North, a dockside walkway, access roads, parking and servicing areas.
October 2015	Non-Material Amendment	Non-material amendment to allow amendments to the wording of conditions 9 and 20 of planning permission PA/03/00379 to allow for commencement of the development
March 2007	Listed Building Consent	Stabilisation of listed quay wall and demolition of the false quay in connection with the erection of office towers with retail uses.
January 2007	Full Planning Permission	Erection of two towers of 43 storeys (221 metres) and 37 storeys (209 metres) with a 23 storey central link building (125 metres) to provide 372,660 sq.m of offices, 5,324 sq. m of Class A1, A2 A3, A4, or A5 of which no more than 2,499 sq.m shall be Class A1, together with an area of public realm, a pedestrian bridge across West India Dock North, a dockside walkway, access roads, parking and servicing areas.

2.15 The Certificate of Lawful Development issued in December 2017 relates to the extant planning consent, reference PA/03/00379. This forms the AUV for the purposes of the BLV as explained in Section 10.

3 DEVELOPMENT PROPOSALS

3.1 The OPA as described below has been submitted by planning consultants Quod on behalf of the Applicant.

“Application for outline planning permission (all matters reserved) for the redevelopment of the North Quay site for mixed use comprising:

- *Demolition of existing buildings and structures;*
- *Erection of buildings, and construction of basements;*
- *The following uses:*
 - o Business floorspace (B1)*
 - o Hotel/ Serviced Apartments (C1)*
 - o Residential (C3)*
 - o Co-Living (C4/Sui Generis)*
 - o Student Housing (Sui Generis)*
 - o Retail (A1-A5)*
 - o Community and Leisure (D1 and D2)*
 - o Other Sui Generis Uses;*
- *Associated infrastructure, including a new deck over part of the existing dock;*
- *Creation of streets, open spaces, hard and soft landscaping and public realm;*
- *Creation of new vehicular accesses and associated works to Aspen Way, Upper Bank Street, Hertsmere Road and underneath Delta Junction;*
- *Connections to Aspen Way Footbridge and Crossrail Place (Canary Wharf Crossrail Station);*
- *Car, motorcycle, bicycle parking spaces, servicing;*
- *Utilities including energy centres and electricity substation(s); and*
- *Other minor works incidental to the proposed development.”*

3.2 There will be an additional LBCA for the following:

“Stabilisation of listed quay wall and associated/remedial works as well as demolition/removal of the false quay in connection with the erection of mixed-use development”

3.3 At the time of making the OPA, the Applicant is unable to determine exactly how much of the Proposed Development is likely to come forward in which land use. For this reason, the description of development provides the Applicant with flexibility as to the uses that could be undertaken on the Site.

3.4 However, in order to ensure that the level of flexibility is appropriately restricted, the OPA seeks approval for three Control Documents which describe the principal components of the Proposed Development, define the parameters for the Proposed Development (the "Specified Parameters") and control how the Proposed Development will come forward in future. They provide the

parameters, design principles and controls that will guide future reserved matters applications (“RMAs”). These Control Documents are – (1) the Development Specification; (2) the Parameter Plans; and (3) the Design Guidelines.

- The Development Specification sets out the type and quantity of development that could be provided across the Site (including setting a maximum floorspace across the Site);
- The Parameter Plans set the parameters associated with the scale, layout, access and circulation and distribution of uses classes and public space for the Proposed Development. They also establish the Development Zones and Development Plots across the Site; and
- The Design Guidelines set the design principles and controls for future development.

3.5 Together, these documents set out the information required to allow the impacts of the Proposed Development to be identified with sufficient certainty as future RMAs will be required to demonstrate compliance with the Specified Parameters and controls in these Control Documents.

TABLE 2: NORTH QUAY PLANNING LAND USES, NORTH QUAY, JULY 2020			
Land Use	Minimum Floorspace (GIA)		Maximum Floorspace (GIA)
Ground and above			
Retail (A1-A5)	Total 10,000 sqm	A1-A5 5,000 sqm	20,000 sqm
Community (D1)			20,000 sqm
Leisure (D2)			20,000 sqm
Business (B1)	150,000 sqm		240,000 sqm
Hotel/ Serviced Apartments (C1)	0 sqm		150,000 sqm
Residential (C3)	0 sqm		150,000 sqm
Co-living (C4/Sui Generis)	0 sqm		150,000 sqm
Student housing (Sui Generis)	0 sqm		150,000 sqm
Sui Generis uses (conference centres, casinos etc)	0 sqm		25,000 sqm
Ancillary floorspace (back of house, plant, storage etc)	0 sqm		No maximum
Below ground			
Retail (A1-A5)	0 sqm		5,000 sqm
Business (B1)	0 sqm		20,000 sqm
Community (D1)	0 sqm		5,000 sqm
Leisure (D2)	0 sqm		10,000 sqm
Ancillary floorspace (back of house, plant, storage etc)	0 sqm		No maximum

Indicative Scheme

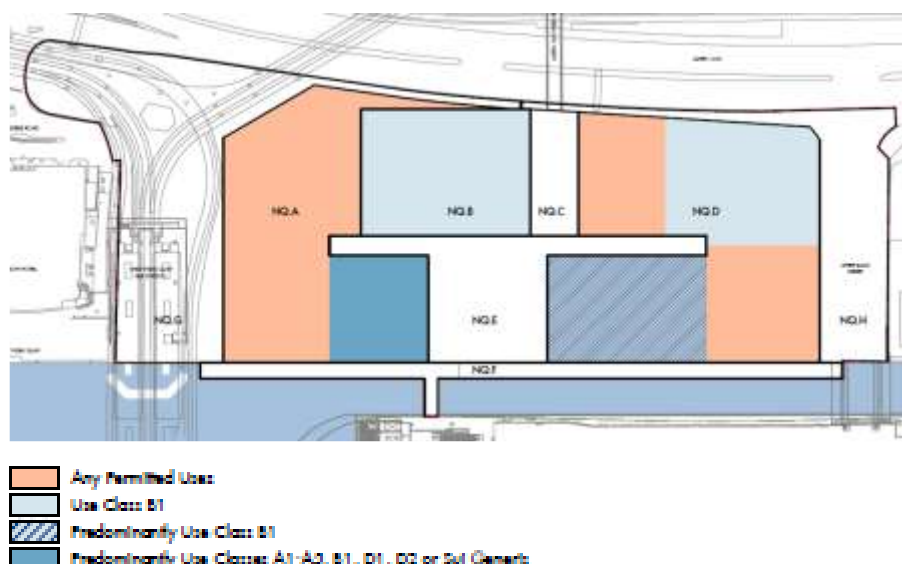
3.6 As explained in the Introduction the Indicative Scheme demonstrates one interpretation of the Specified Parameters. An area schedule has been compiled to illustrate the Indicative Scheme. The schedule is attached at **Appendix 1**. The table below illustrates a summary of the Indicative Scheme.

TABLE 3: NORTH QUAY INDICATIVE SCHEME, NORTH QUAY, JULY 2020	
Land Use	Indicative Scheme (GIA)
Ground and above	
Retail (A1-A5)	13,681 sqm
Community (D1)	
Leisure (D2)	
Business (B1)	174,653
Hotel/ Serviced Apartments (C1)	44,081 sqm
Residential (C3)	84,736 sqm
Co-living (C4/Sui Generis)	0 sqm
Student housing (Sui Generis)	0 sqm
Sui Generis uses (conference centres, casinos etc)	0 sqm
Ancillary floorspace (back of house, plant, storage etc)	9,730 sqm
Below ground	
Retail (A1-A5)	0 sqm
Business (B1)	0 sqm
Community (D1)	0 sqm
Leisure (D2)	0 sqm
Ancillary floorspace (back of house, plant, storage etc)	28,047 sqm

3.7 The VA has been collated based upon the areas identified in the Indicative Scheme. The diagram below illustrates the intended uses at ground/mezzanine/first floor levels.



3.8 The diagram below illustrates the intended uses at the upper levels of the Indicative Scheme.



Office Uses

- 3.9 Table Four below illustrates that the office component constitutes the greatest proportion of gross area in the Indicative Scheme. The office component will comprise open market and affordable workspace in accordance with the local plan policy D.EMP2.
- 3.10 The office space is located in three buildings, ranging from 17 to 38 levels in height. The GIA and NIA figures in the Allies and Morrison area schedule are summarised below.
- 3.11 These will contain office space let at Market Rent (90% of NIA) and affordable workspace equivalent to 'at least 10% below the indicative market rent for the relevant location' (10% of NIA) in accordance with paragraph 10.25 of the D.EMP2 policy. A 10% discount has been appraised in perpetuity, assuming 10% of the space in each office block is dedicated to affordable workspace.

B1 Space	NQB1	NQD1	NQD3	Total
GIA (sqm)	71,499	78,290	24,863	174,652
NIA (sqm)	51,480	56,369	17,901	125,750

Retail Uses

- 3.12 Each building in the Indicative Scheme contains an element of Retail (A1-A5) space. This is summarised in the table below.

A1-A5 Space	NQA1	NQA4	NQB1	NQA5	NQD1	NQD3	NQD4	Total
GIA (sqm)	545	366	2,006	4,717	2,896	2,328	823	13,681
NIA (sqm)	393	263	1,444	3,396	2,085	1,677	593	9,851

Residential Uses

- 3.13 Residential space in the Indicative Scheme is proposed across two buildings; NQA1 and NQA4. This is summarised in the table below.

C3 Space	NQA1	NQA4	Total
GIA (sqm)	27,512	54,232	81,744
NIA (sqm)	19,809	39,046	58,855

3.14 The Indicative Scheme proposes 702 units, of which the Applicant is proposing 20% as affordable housing by habitable room. The affordable housing tenure split proposed is 70% low cost rent (of which 50% is London Affordable Rent and 50% is LBTH Living Rent) and 30% intermediate. The table below illustrates the breakdown in greater detail.

C3 Summary	Market housing	Affordable housing			Total
		Int	LAR	LBTHLR	
Unit split	590	112			702 units
Affordable Units		34	39	39	
Habitable Rooms	1,717	131	149	149	2,146 HRs

3.15 The unit mix outlined within the Indicative Scheme is summarised in the table below.

Tenure	Unit Type	Units (estimate)	HR (estimate) (%)
NQ.A1/A4 (market housing)			
Open Market	Studio	35	35 (2%)
	1 bed	136	271 (16%)
	2 bed	295	885 (52%)
	3+ bed	124	526 (31%)
Totals (Private)		590	1,717
NQ.A1 (affordable housing)			
Intermediate	1 bed	5	10 (8%)
	2 bed	14	41 (31%)
	3+ bed	15	80 (61%)
Totals (Intermediate)		34	131
Affordable/Social Rented	1 bed	20	39 (13%)
	2 bed	24	71 (24%)
	3+ bed	24	118 (39%)
	4+ bed	12	71 (24%)
Totals (Low Cost Rent)		78	298
Totals (All Tenures)		702*	2,146*

*the 702 dwellings / 2,146 habitable rooms have been calculated by Allies & Morrison and the total reflects some rounding of figures within the table however, as the mix reflects the Indicative Scheme, the totals are unedited from those provided by the architects and will be updated as part of future RMAs.

3.16 The affordable housing proposition reflects the residential component of the Indicative Scheme. The exact housing mix will be defined by detailed layouts included in RMAs for residential plots coming forward in the future, but the affordable housing provision will not fall below the indicated 20 percent provision.

C1 Serviced Apartments

3.17 The Indicative Scheme proposes 750 serviced apartment units located in building NQD4. The areas are summarised in the table below.

C1 Space	NQD4
GIA (sqm)	44,081
NIA (sqm)	31,738

Summary

3.18 The OPA will deliver a mixed-use scheme comprising elements of office, recognising the Site's site designation, but also a combination of retail and residential space depending on the prevailing market conditions in the future. The Indicative Scheme represents the current optimum mix of uses albeit the OPA seeks flexibility in order to future proof, as far as is possible, future delivery. The table below summarises the Indicative Scheme uses and areas:

Land Use	Floorspace (GIA)
Office (B1)	174,653 sqm
Residential (C3)	84,736 sqm
Serviced Apartments (C1)	44,081 sqm
Retail (A1 – A5)	13,681 sqm
Basement	28,047 sqm
Plant	9,730 sqm
TOTAL	354,928 sqm

3.19 The Indicative Scheme includes 20 percent affordable housing measured on a habitable room basis, and 10 percent affordable workspace reflecting the requirements of the LBTH's policy D.EMP2.

4 PLANNING POLICY

- 4.1 The Quod Planning Statement submitted as part of the OPA provides an overall review of the planning policy context in relation to the Proposed Development. This section should also be reviewed in conjunction with the Affordable Housing Statement' Policy Section, as submitted with the OPA.
- 4.2 This section therefore provides a concise summary of the national, regional and local planning policies pertaining to the delivery of affordable housing, affordable workspace and development viability.

National Planning

NPPF

- 4.3 An updated NPPF was published in July 2018 and further amendments were incorporated in February 2019.
- 4.4 Paragraph 20 of the NPPF places a requirement on authorities to set out an overall strategy for the pattern, scale and quality of development and, in particular, make sufficient provision for housing, including affordable housing.
- 4.5 Paragraph 34 requires Plans to set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.
- 4.6 Paragraph 57 of the NPPF, in relation to development viability for the purposes of planning applications states: *"Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available"*.
- 4.7 Paragraph 62 of the NPPF states that where there is a need identified for affordable housing, the affordable housing should be provided on-site, except in justified circumstances.
- 4.8 Paragraph 64 of the NPPF states that where major development proposes the provision of housing, at least 10 per cent of the homes should be made available for 'affordable home ownership'. This term is further defined in the NPPF as 'being part of the overall affordable housing contribution from the Site'.

- 4.9 The definition of affordable housing included within the Glossary (Annex 2) of the NPPF includes social rented, affordable rented and intermediate tenure housing as affordable housing i.e. housing provided to eligible households whose needs are not otherwise met by the market.

NPPG

- 4.10 The NPPG was adopted in July 2018 in line with the updated NPPF. The NPPG provides guidance on viability for the purposes of plan making and individual application development management and was last updated for viability in September 2019.
- 4.11 Paragraph 7 of the NPPG states “*Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. Policy compliant in decision making means that the development fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies*”.
- 4.12 Such circumstances could include where further information on infrastructure or site costs is required, where particular types of development are proposed which may significantly vary from standard models of development for sale and where a recession or similar significant economic changes have occurred since the date the Plan was brought into force.
- 4.13 Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.
- 4.14 Paragraph 9 states that “*Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, there should be a clear agreement of how policy compliance can be achieved over time*”.
- 4.15 The NPPG provides clarity in respect to standardised inputs into a viability assessment. The NPPG recognises at paragraph 10 that a “*viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return*”.
- 4.16 Further, paragraph 10 also states that “*Any viability assessment should follow the government’s recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available*”.
- 4.17 In reference to NPPF paragraph 57, plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.

4.18 Further, viability assessments should be supported by appropriate available evidence informed with engagement with developers, landowners, infrastructure and affordable housing providers.

National Policy Approach to Benchmark Land Value & Developer Return

Existing Use Value

4.19 Paragraph 13 sets out the Government's approach to BLV for the purposes of planning viability. The guidance states:

"To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+)."

4.20 Paragraph 14 of the NPPG states that a BLV should:

- *"Be based upon EUV;*
- *Allow for a premium to landowners;*
- *Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees; and*
- *Be informed by market evidence including current uses, costs and values wherever possible. Where recent evidence is used to inform assessment of BLV this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic BLV of non-policy compliant developments are not used to inflated values over time".*

4.21 Paragraph 15 of the NPPG provides additional clarity in respect of the use of an EUV in a viability assessment:

"Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development)".

- 4.22 It is clear from the above that in the first instance the BLV should be based on the EUV of the land. The approach to BLV must be assessed independently of the scheme for which planning permission is sought. BLV must also be assessed objectively i.e. irrespective of the identity of the applicant and any commercial deals between the applicant and a third party.
- 4.23 The EUV is the first component of calculating BLV. The second component is the premium, or as stated at paragraph 16 of the PPG the 'Plus' in EUV+.
- 4.24 This is the amount above the EUV required to provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.
- 4.25 The premium should be informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. The PPG states that for any viability assessment data sources to inform the establishment of the landowner premium should include market evidence and can include BLVs from other viability assessments.
- 4.26 Regarding the premium, the NPPG does not indicate what is considered an appropriate premium.

Alternative Use Value

- 4.27 The NPPG recognises that for the purpose of viability assessment, an AUV refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing BLV. Paragraph 17 states:

"If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan".

- 4.28 A planning consent constitutes an AUV under the NPPG requirements, and paragraph 17 of the NPPG sets out a series of tests that need to be met in order for an AUV to be considered acceptable in planning terms. These can be summarised that there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued.
- 4.29 In respect of the requirement to comply with up to date development plan policies, the AUV in question on the subject site, is an extant consent and not a hypothetical alternative use subject to a planning consent. Further details on the AUV are contained within Section 10.

Developer's Return

- 4.30 The NPPG provides clarity on the requirement for a developer's return in respect of Paragraph 57 of the NPPF which states *"viability helps to strike a balance between the aspirations of*

developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission”.

- 4.31 The NPPG states at paragraph 18 “*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies”.*
- 4.32 Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development’.
- 4.33 The traditional profit measure represents the suggested requirement to be adopted for the purposes of plan making and an evidence base that is likely to comprise a wide range of sites and typologies across the authority area.
- 4.34 The NPPG does not set a specific rate for development management purposes and it is for the practitioner to evidence the appropriate rate based on the site specifics. Further details are contained on developer’s return in Section 9.

Regional Planning

The London Plan – the Spatial Development Strategy for London Consolidated with Alterations since 2011 (March 2016) (“The London Plan”)

- 4.35 The London Plan identifies the GLA’s requirement to deliver affordable housing as part of new development. The London Plan policy requires LPAs to set an overall target for affordable housing provision within development proposals, taking account of several key criteria, including viability.
- 4.36 Policy 3.11 sets a pan-regional target tenure split of 60 per cent social and affordable rent housing and 40 per cent intermediate housing. However, the policy notes that it is for each local authority to identify their own local requirements in relation to tenure split.
- 4.37 Policy 3.12 requires LPA’s to seek the maximum reasonable amount of affordable housing when negotiating on individual residential or mixed-use sites, having regard to the following:
- The need to encourage rather than restrain residential development;
 - The need to promote mixed and balanced communities;
 - The size and type of affordable housing needed in particular locations; and
 - The specific circumstances of individual sites.

Draft London Plan

- 4.38 The Examination in Public for the Draft London Plan took place in the first half of 2019 and the Panel’s report was published on 8 October 2019. The Panel made several recommendations in respect of modifications but concluded that the Draft London Plan as published for consultation

in December 2017 “provides an appropriate basis for the strategic planning of Greater London provided that it is modified to reflect the Mayor’s minor suggested changes (August 2018), the Mayor’s further suggested changes (July 2019) and the recommendations that we have set out in this report”.

- 4.39 The Panel report, in respect to policies H5 to H8 and the delivery of affordable housing, states at section 207 that “All in all, we consider that the approach to affordable housing set out in policies H5-H8 would effectively assist in delivering the quantum and type of affordable housing needed. This would assist in providing equality of opportunity to those with protected characteristics who are disproportionately represented amongst those with lower incomes. It is justified”.
- 4.40 As such, and in our experience, the affordable housing policies of the Draft London Plan are being applied and carry weight in the determination of planning applications in the capital.
- 4.41 Dialogue between MHCLG and the GLA is ongoing as they seek to agree appropriate wording on several matters with a letter from the Secretary of State and accompanying Directions dated 13 March 2020 and the Mayor’s response dated 20 April 2020 published in recent months.
- 4.42 The Site is within the Isle of Dogs and South Poplar Opportunity Area, as adopted in October 2019. An Opportunity Area Planning Framework (“OAPF”) is being prepared through collaboration from the GLA, TfL and LBTH.
- 4.43 The key objective of the OAPF is to ensure that the anticipated significant housing and employment growth, to a certain extent already being delivered alongside existing residential communities, is supported by the necessary infrastructure.

Affordable Housing Policies of the Draft London Plan

- 4.44 Policy H1 sets ten-year targets for net housing completions for each local authority to incorporate in their local Development Plan documents.
- 4.45 Policy H5 of the Draft London Plan identifies the GLA’S strategic target for affordable homes. This is for 50 per cent of all new homes delivered across London to be affordable.
- 4.46 The Draft London Plan (paragraph 4.5.1) states that there is a need to deliver circa 43,500 affordable homes per year, as established in the London Strategic Housing Market Assessment.
- 4.47 Policy H6 of the Draft London Plan encourages residential and mixed-use developments to provide affordable housing through the threshold approach as explained further below and is consistent with the Affordable Housing and Viability SPG.
- 4.48 If a development does not provide affordable housing through the threshold approach, the development will have to provide a viability assessment to ascertain the maximum level of affordable housing deliverable on the development.
- 4.49 The percentage of affordable housing on a scheme should be measured in habitable rooms.

- 4.50 The GLA's preferred approach to determining the BLV (as detailed in the Draft London Plan paragraph 4.6.11) is Existing Use Value (EUV+).
- 4.51 An alternative approach should only be considered in exceptional circumstances which must be robustly justified by the applicant and/or the borough in line with the Affordable Housing and Viability SPG (and the NPPG which as detailed allows for AUV to be considered as a reasonable BLV).
- 4.52 Policy H7 states that the GLA are committed to delivering genuinely affordable housing. The following split of affordable products should be applied to development:
- A minimum of 30 per cent low cost rented homes, allocated according to need and for Londoners on low incomes (Social Rent/London Affordable Rent).
 - A minimum of 30 per cent intermediate products which meet the definition of affordable housing, including London Living Rent and London Shared Ownership.
 - 40 per cent to be determined by the relevant borough based on identified need, provided they are consistent with the definition of affordable housing.
- 4.53 Intermediate rented products such as London Living Rent and Discounted Market Rent should be affordable to household incomes of up to £60,000.
- 4.54 Intermediate ownership products such as London Shared Ownership and Discounted Market Rent should be affordable to households on incomes of up to £90,000.
- 4.55 Policy H12 states that schemes should provide a range of unit sizes and applicants and decision makers should have regard to a range of factors including reference, where available, to robust local evidence in making decisions and the need to deliver mixed and inclusive neighbourhoods, including providing a range of tenures.

Affordable Housing and Viability SPG

- 4.56 The Affordable Housing and Viability SPG was adopted in August 2017. The GLA's guidance is, therefore, a material consideration in the determination of planning applications. The Affordable Housing and Viability SPG reflects the GLA's policy objectives in relation to the delivery of new homes, including affordable housing. The Affordable Housing and Viability SPG includes the following guidance:
- The threshold or 'Fast Track' approach states that where an application proposes 35 per cent of a scheme as affordable housing based on habitable rooms, viability information will not be required (the threshold approach is detailed in policy H6 of the Draft London Plan).
 - Schemes which do not meet the 35 per cent threshold, or require public subsidy to do so, will be required to submit detailed viability information in the form of a VA.

- Schemes that meet or exceed the 35 per cent threshold without public subsidy, provide affordable housing on site, meet the specified tenure mix and all other requirements and obligations are not required to submit viability information.

4.57 The Affordable Housing and Viability SPG states that where the scheme is Fast Tracked and provides 35 per cent affordable housing and meets all other obligations then the scheme will be subject to an “early review” should an agreed level of progress not be made within two years of the permission being granted.

4.58 However, there are several exceptions to the Fast Track approach. The Draft London Plan policy H6 states that the threshold level is set at 50 per cent for Strategic Industrial Locations, Locally Significant Industrial Sites and other industrial sites deemed appropriate to release for other uses.

4.59 Proposals on public sector land do not qualify for the Fast Track approach in accordance with the Threshold Approach to Affordable Housing on Public Land Practice Note dated July 2018.

Local Policy

Local Plan

4.60 The local plan policies for the delivery of affordable housing are SH.1 ‘Meeting Housing Needs’ which sets a strategic target of 50% affordable housing from all sources and a minimum of 35% affordable housing from new qualifying development and policy DH.2 ‘Affordable housing and housing mix’. The key points of policy DH.2 are:

- Development is required to maximise the provision of affordable housing in accordance with a 70% rented and 30% intermediate tenure split;
- Affordable housing calculations will be based on habitable rooms;
- Off-site affordable housing will only be considered in exceptional experiences;
- Development is required to provide a mix of unit sizes in accordance with local housing needs, outlined below;

	Market	Intermediate	Affordable Rented
1 bed	30%	15%	25%
2 bed	50%	40%	30%
3 bed	20%	45%	30%
4 bed			15%

4.61 The narrative accompanying the policy states that LBTH are facing acute affordable housing need with a particular reference to family accommodation.

4.62 Large three bed intermediate units should be delivered as London Living Rent given the likely affordability constraints of seeking to deliver such homes as shared ownership (i.e. where there is a combination of mortgage, rent and service charge).

Development Viability SPD

- 4.63 The LBTH Development Viability SPD was adopted in October 2017. This SPD provides additional guidance on the approach to viability through the planning process. The approach is aligned with the Affordable Housing and Viability SPG.
- 4.64 The SPD encourages the submission of a Pre-Application VA when seeking pre-application advice and where viability is likely to be a relevant consideration. LBTH requires that an executive summary report, full VA and an appraisal inputs summary sheet must be submitted alongside planning applications.

Draft London Plan Affordable Workspace Policy

- 4.65 The Draft London Plan policy E2 encourages local authorities to support the provision of a range of employment uses in terms of type, use and size, at an appropriate range of rents to meet the needs of micro, small and medium sized enterprises.
- 4.66 Further, policy E3 promotes the use of planning obligations to secure affordable workspace at rents maintained at below the market rate for certain specified occupier typologies. Boroughs are encouraged to consider detailed policies in light of local evidence of need and viability. The involvement of affordable workspace providers is also promoted to ensure that the benefit is maintained with a long-term commitment to maintaining the agreed, or intended social, cultural or economic impact.

Local Plan Affordable Workspace Policy

- 4.67 Policy D.EMP2(4) includes a requirement for major commercial schemes (i.e. those delivering in excess of 1,000 sqm of new space) to deliver at least 10 per cent of the floorspace as affordable workspace.
- 4.68 The policy is flexible in respect of the depth of discount, a minimum of 10 percent at least 10% below the indicative market rate for the relevant location, and the time period for which it must be made available citing a minimum of 10-years. The policy narrative states that the discount thresholds are treated as minimum targets, and viability will be required in line with policy D.SG5 to examine the threshold and discount requirements.
- 4.69 Part C of policy D.SG5 of the Local Plan states that an applicant should “*submit a financial viability assessment as part of the planning application, where required, which may be subject to independent scrutiny by appointed experts, at the applicant’s cost, where they do not meet planning policy requirements or do not propose to deliver required Section 106 planning obligations*”.

Summary

- 4.70 In summary, national, regional and local affordable housing policies support the delivery of the maximum reasonable amount of affordable housing that can be viably delivered, alongside other forms of planning gain and also CIL contributions. The policy intent however also seeks to encourage rather than restrain delivery, so development proposals must remain commercially viable.
- 4.71 The LBTH's affordable workspace policy incorporates a series of parameters related to the scale of the rental discount required, for what time period and related to quantum. This is a relatively new policy required in addition to the affordable housing policy.

5 VIABILITY METHODOLOGY

- 5.1 Planning viability should be undertaken in accordance with national planning guidance in the form of the NPPG as explained in Section 4. The national guidance provides narrative in respect of the key defining variables of Developer's Return and BLV which, related to the Site, are covered in greater detail in Sections 9 and 10.
- 5.2 Professional guidance on planning viability methodology is provided in the form of the RICS Professional Statement 'Financial Viability in Planning: Conduct & Reporting', 1st edition, May 2019.

Residual Land Value Methodology

- 5.3 To assess viability, the Residual Land Value ("RLV") of the Indicative Scheme is assessed by calculating the gross value of the completed development which includes the aggregated value of the commercial and residential income as well as other income such as housing grants and receipts from car parking. This is defined as the Gross Development Value ("GDV") or Net Development Value ("NDV") once purchasers' costs are deducted.
- 5.4 The GDV or NDV assumes that the property is completed at the date of valuation to a specification that is commensurate with the market and price point to which it is being targeted. The market values informing the GDV are evidenced in Section 7 of this report.
- 5.5 Once the GDV is established, the cost of building the development is deducted along with professional fees, finance costs, a developer's profit, legal fees, sales and marketing costs, finance and so on. The output is the RLV.
- 5.6 There are several publications for professional practitioners to follow when assessing RLV, most notably the Guidance Note, 'Valuation of development property', 1st edition, dated October 2019, to be read in conjunction with RICS Valuation – Global Standards (Red Book Global Standards dated 31 January 2020) – incorporating the International Valuation Standards (IVS), in particular IVS 410 (Development Property).
- 5.7 Section 2.33 of the RICS Guidance Note states that in the case of the valuation of development property, valuations are normally undertaken in two ways. These approaches are also consistent with the RICS International Valuation Standards 105. The two methods are:
- the market comparison approach and
 - the residual method.
- 5.8 It is the RLV methodology, as illustrated above, that forms the initial, and most important calculation. The NPPG, and professional guidance, also recommends that, where appropriate and relevant evidence is available, the RLV is cross checked with market evidence.

- 5.9 The RLV methodology should not be undertaken in isolation albeit noting that property markets are inherently opaque, and it is important to be aware of the strengths and limitations of the different types of evidence available. Section 4 of the RICS Guidance Note ‘Comparable evidence in the real estate market’, 1st edition, October 2019, recognises the limitations of the market cross check and states that the comparison approach in real estate is not always wholly reliable and information should be interrogated and used with considerable caution.
- 5.10 Section 90.5 of the IVS 410 states that in applying the RLV method, a valuer should consider and evaluate the reasonableness and reliability of the following:
- (a) the source of information on any proposed building or structure, e.g. any plans and specification that are to be relied on in the valuation; and
 - (b) any source of information on the construction and other costs that will be incurred in completing the project and which will be used in the valuation.
- 5.11 Further, sections 20.4 & 20.5 of IVS 410 states:
- “The residual value or land value of a development property can be very sensitive to changes in assumptions or projections concerning the income or revenue to be derived from the completed project or any of the development costs that will be incurred. This remains the case regardless of the method or methods used or however diligently the various inputs are researched in relation to the valuation date”.*
- 5.12 This sensitivity also applies to the impact of significant changes in either the costs of the project or the value on completion. If the valuation is required for a purpose where significant changes in value over the duration of a construction project may be of concern to the user (e.g., where the valuation is for loan security or to establish a project’s viability), the valuer must highlight the potentially disproportionate effect of possible changes in either the construction costs or end value on the profitability of the project and the value of the partially completed property. A sensitivity analysis may be useful for this purpose provided it is accompanied by a suitable explanation. This is sensible and advised practice for Viability Assessments.
- 5.13 Paragraph 4 of the NPPG incorporates a requirement to assess market evidence, for example in respect of BLV, but this should be limited to a ‘cross-check’ rather than being the primary indicator and the use of market evidence in a planning viability context has long been, and continues to be, the source of a significant debate resulting in a range of appeal decisions and High court decisions with differing outcomes.

- 5.14 The approach to planning viability for the purposes of the Site and the OPA therefore incorporates the RLV methodology as the primary focus albeit with the outputs being sensitivity tested. The concept of an RLV, as described above, is illustrated in the table below:

TABLE 12: RESIDUAL LAND VALUE METHODOLOGY, NORTH QUAY, JULY 2020	
Gross Development Value	
Residential sales income	
Commercial sales income	
Any additional income	
Less	
Costs	
Build costs	
Exceptional development costs (e.g. infrastructure provision)	
Professional fees	
Internal overheads	
Planning obligations & CIL	
Marketing costs / disposal fees / legal costs	
Finance costs	
Less	
Profit	
Equals	
Residual Land Value	

- 5.15 Simply, to understand a project's economic viability, if the RLV produced by a scheme is lower than an appropriate BLV (as explained in Section 4, 4.18 -2.29) then the scheme is deemed to be unviable and is therefore unlikely to come forward for development unless the level of affordable housing and / or planning obligations can be reduced. Conversely, if the RLV is higher than the BLV then the scheme can deliver additional public benefits.
- 5.16 The test of securing planning obligations should confirm with NPPF policy 54 which requires them to be used to make otherwise unacceptable development acceptable. Section 55 requires obligations to a minimum and only imposed where they are necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects.
- 5.17 Through scenario testing, it is possible to determine the maximum reasonable level of affordable housing and other obligations that ensure a scheme remains financially viable and retains the highest possible chance of coming forward whilst balancing commercial requirements with policy requirements of the Development Plan.

6 DEVELOPMENT TIMINGS

6.1 The following section sets out the adopted pre-construction, construction and sale timings applied within the ARGUS appraisal of the Indicative Scheme.

Pre-construction

6.2 The adopted development programme is estimated from July 2020. The 12-month pre-construction period is considered appropriate given the large, multi-phased nature of the scheme and the time required to prepare and mobilise for development. Assuming a resolution to grant planning as of today's date the 'lead-in' period also includes allowances for the following:

- Signing of the Section 106;
- Expiration of the judicial review period;
- Discharging of pre-commencement conditions;
- Main contractor procurement;
- Submission and determination of RMAs;
- Mobilisation period;
- Identify & secure pre-lets and off-plan sales to meet funding covenants;
- Tender period for demolition and build contract package(s); and
- Secure development funding.

6.3 In reality, given the scale of the development and nature of the Proposed Development, the current market and economic conditions, the need to prepare, submit and determine RMAs and the need for significant pre-let(s) the post construction period could be considerably longer which has a detrimental impact on the overall project viability.

Construction

6.4 A development programme provided by the Applicant has been attached at **Appendix 2**. The development programme is circa 103 months which includes a 12-month pre-construction period as described above. The programme attached at Appendix 2 has been brought forward to align with the 12-month pre-construction period. A summary of the dates assumed in the appraisal is outlined below.

6.5 The construction of the Indicative Scheme is profiled across four phases. Basement works in Phase 1 (Plots NQA1 and NQA4) are forecast to commence in July 2021 subject to the receipt of a satisfactory planning consent and with practical completion forecast for June 2026.

- 6.6 The Indicative Scheme incorporates Phase Two (NQA5, NQD3 and NQD4) with a mix of retail, offices and serviced apartment block. Basement works are forecast to commence in August 2022 and practical completion is forecast for December 2027.
- 6.7 The Indicative Scheme incorporates Phase Three as an office block (NQB1). Basement works are forecast to commence in November 2023 and practical completion is forecast for April 2028.
- 6.8 The Indicative Scheme incorporates Phase Four as an office block (NQD1). Basement works are forecast to commence in June 2024 and practical completion is forecast for February 2029.

Residential Sales Timings

- 6.9 The sales programme assumes that a marketing campaign is undertaken in advance of commencement of construction in order to secure the necessary level of pre-sales required to satisfy an Applicant's funders / investors.
- 6.10 In this instance it has been assumed 50% of the residential units would be sold off plan, with 10 units sold per month thereafter. Clearly, the level of pre-sales will likely require the use of sales incentives and discounts, but these have not been factored into the assessment of development value.
- 6.11 The sales rate assumptions for this price point in the market, i.e. above the HomeBuy threshold, are optimistic based on sales evidence from schemes in the Canary Wharf market over the last 24 months. The optimistic outlook on sales rates enhances the viability position as the improved cashflow decreases finance costs.

Affordable Housing

- 6.12 Affordable housing is typically secured by a Registered Provide prior to the start of the commencement of construction with funding secured throughout the construction period upon certification from the Provider's Employer's Agent. The affordable housing income has been incorporated on a quarterly basis throughout construction with a 20% 'land' payment received at 'Golden Brick'.

Commercial Property

- 6.13 In assessing the value of the proposed commercial floor space, the Applicant has appointed CBRE. A copy of CBRE's commercial assessment is attached at **Appendix 3**.
- 6.14 It is assumed that two thirds of the net office area will be let by practical completion, and the remaining third would incur an average letting void of 12-months. It is assumed that the office space would be sold as a single investment, so capitalisation of each commercial block occurs 12 months post practical completion.
- 6.15 As noted with the residential timings, given the current precarious market conditions and uncertain outlook for the office market, the profile represents a favourable outlook.

6.16 For retail space present in the residential blocks, it is assumed this space would be capitalised 6 months post practical completion, in line with the 6-month void adopted for each element of retail space. For retail space in commercial buildings, it is assumed the entire building would be purchased by a single investor, so capitalisation of this space occurs 12 months post practical completion in line with the office space.

Serviced Apartments

6.17 No void period has been assumed for the serviced apartment units. The disposal is modelled at practical completion and the cash flow assumes that an operator will be identified, and a forward sale or management agreement agreed.

7 DEVELOPMENT VALUE

7.1 The value generating elements of the Proposed Development comprise market housing, affordable housing, commercial office space, retail space and serviced apartments.

Private Residential Value

7.2 The market housing element of the Indicative Scheme comprises 590 units across two buildings. In assessing an appropriate value for the proposed residential units, the DS2 have had regard to transactional activity in the local area. We have reviewed recent market activity (noting the Covid-19 caveat in the introduction).

7.3 From speaking to several local agents including Canary Wharf Group marketing team and JLL, assessing residential property databases including Molior that monitors new build construction and pricing activity and residential property reports, such as JLL's Canary Wharf UK Residential report, asking values average £1,200 per sq ft. We would note that there are a number of stalled schemes in the locality, most notably in the form of Greenland's Hertsmere House located at the eastern end of the North Dock.

7.4 DS2 note the following comparable evidence, with the information taken from Molior as shown in the map below (the number '1' denotes the Site for ease of reference).



7.5 There are also several developments to the north of the Site, such as EcoWorld's redevelopment of the Aberfeldy Estate, and to the east around the Leamouth Peninsular around Canning Town station, and east to the Royal Docks however values are significantly lower for sites to the north

and east of Aspen Way, located in Poplar. Canary Wharf is very much the prime residential market in the east of London albeit the Site is on the fringe of the established Canary Wharf market.

2. 10 Park Drive, E14

- 7.6 A Canary Wharf Group development of a 42-storey apartment tower combined with a 13-storey apartment block comprising circa 520 residential units, of which circa 350 units are market sale, and retail, community and leisure space.
- 7.7 The scheme first launched in 2015. Completion is due during Q2 2020 and circa 280 units have sold equating to c. 50 units per annum.
- 7.8 From the residential database Moliar, recent asking prices equate to **£1,397 per sq ft**. However, we understand that in June 2019, achieved prices of the units to date equated to **£1,118 per sq ft**.
- 7.9 DS2 have been informed by the developer that the average achieved price for 1 and 10 Park Place over the last 12 months is £1,331 psf with 24 achieved sales (two per month).



3. Aspen (Alpha Square), E14

- 7.10 A development arranged over buildings of up to 34 and up to 65 storeys in height comprising mixed use development including a total of circa 630 residential units, 231 hotel rooms, a new health centre, a new school, ground floor retail uses.
- 7.11 The scheme officially launched the scheme at the end of January 2020 and circa 90 units sold. The sales total including units sold prior to launch is 100. Construction is due to complete during Q1 2024.
- 7.12 From the residential database Moliar, asking prices equate to **£1,097 per sq ft**.



4. Landmark Pinnacle (City Pride E14)

- 7.13 A residential led development arranged over mixed use 75 storey tower comprising circa 750 market residential units and 80 serviced apartments.
- 7.14 Ten units sold during Q1 2020 and 608 units have been sold. Further to a marketing launch in 2016. The lower floors are due to complete during Q1 2021.
- 7.15 From the residential database Molior, recent asking prices equate to **£1,341 per sq ft**. The marketing agent would not confirm the achieved average values but confirmed that there have been discounts to the asking prices.



5. One Park Drive (Wood Wharf, E14)

- 7.16 A Canary Wharf Group development comprising a tower arranged over circa 60 storeys in height comprising mixed use development including a total of circa 480 residential units and commercial space.
- 7.17 The scheme launched in 2017 and returned to the market during Q1 2020 and 334 have now sold. Construction is due to complete during Q4 2020/Q1 2021.
- 7.18 From the residential database Molior, recent asking prices equate to **£1,432 per sq ft**. However, we understand that as of June 2020, the average achieved price equates to £1,372.
- 7.19 As noted above in respect of the Ten Park Place comments, these two developments at Wood Wharf, are the premium residential buildings and sales have been slow over the last 24 months. Average achieved values are similar to those included on the Site, however the Wood Wharf development is in a superior location and we would expect a premium on prices at Wood Wharf when comparing like for like apartments.



6. South Quay Plaza, Marsh Wall, E14

- 7.20 A residential led development arranged over mixed use 68 storey tower comprising circa 700 market residential units.
- 7.21 17 units sold during Q1 2020 and 533 units have been sold with 22 remaining. Further to a marketing launch in 2015. The scheme is currently under construction with no completion date listed.
- 7.22 From the residential database Molior, recent asking prices equate to **£1,385 per sq ft**. We would anticipate discount from asking prices.

7. The Madison, Marsh Wall, E14

- 7.23 A residential led development arranged over mixed use 53 storey tower comprising circa 320 market residential units.
- 7.24 Data from Molior shows that only two units sold during Q4 2019 and none have sold since. Marketing launched in Q3 2015 and 138 units have sold with 181 units remaining. The scheme is due to complete during Q3 2020.
- 7.25 From the residential database Molior, recent asking prices equate to **£1,253 per sq ft**. We would anticipate discount from asking prices.

**Residential Summary**

- 7.26 In summary, a value of £1,300 per sq ft has been adopted for market residential values at the Site. This is at the very top end of the present day achievable value range and we would note that the residential component is not as well located being adjacent to Aspen Way as, for example, the Park Drive schemes within Wood Wharf as noted.
- 7.27 In arriving at this value, we are mindful of the location of the Proposed Development which is inferior to Wood Wharf from a residential perspective. However, we note that the Site is in a location that will benefit from a significant amount of regeneration in the short to medium term with several sites in close proximity earmarked for development and the Site will also benefit from the opening of the new Crossrail Station in late 2021.
- 7.28 Given the nature of the OPA, as noted, the residential component of the Indicative Scheme has been valued albeit there is no definitive floorplans or schedules to the proposed value reflects an aspirational but achievable value at today's date and a unit by unit valuation will be required to accompany any future RMAs for the residential plots.

Affordable Housing Values

- 7.29 In valuing the affordable housing regard has been given to LBTH's affordable housing policies as well as DS2's professional experience of valuing affordable housing and our experience on other sites in the borough.
- 7.30 The valuation of the homes assumes that there is an obligation to transfer ownership and management of the homes to a Registered Provider on a minimum 125 year lease. The Registered Provider will value the homes on a discounted cashflow basis over anywhere between 45 and 60 years.
- 7.31 LBTH's policy seeks 70 per cent of the affordable housing component to be delivered as low-cost rent (an equal weighting of Tower Hamlets Living Rent and London Affordable Rent) and the remaining 30 per cent as intermediate.

Low Cost Rent

- 7.32 The rented products will be split between an equal weighting of Tower Hamlets Living Rent and London Affordable Rent. These products are funded by defined rents, as outlined by LBTH.

Bedrooms	London Affordable Rent (exc. service charge)	TH Living Rent (inc. service charge)
1	£155.13	£197.18
2	£164.24	£216.90
3	£173.37	£236.62
4	£182.49	£256.33

- 7.33 In having regard to the above and LBTH'S preferred unit mix as illustrated in policy DH.2, DS2 have adopted £175 psf for the low cost rent tenure.

Intermediate

- 7.34 It is proposed that the intermediate housing is delivered in accordance with the NPPF Annex Two definition of affordable housing and LBTH's requirements as contained in policy DH.2.
- 7.35 The private market values are in excess of £1,000 per sq ft which derive capital values that will make the delivery of the homes as shared ownership challenging, given the requirement to make homes affordable to maximum household incomes of £90,000 through a combination of mortgage, rent and equity being no greater than 40 percent of household incomes. We have therefore assumed the intermediate homes will be delivered as an intermediate rented product.
- 7.36 DS2 have valued the intermediate product based upon our experience of valuing intermediate products in both LBTH and across London, concluding a value of £350 psf appropriate.

Commercial Property Values

Office

7.37 In arriving at an appropriate value for the Indicative Scheme office floor space, we have had regard to the advice provided by CBRE, which is attached at **Appendix 3** and summarised below.

- Office Rent - £57.50 per sq ft
- Office Rent Fee – 24 to 42 months
- Office Letting Void post practical completion – 0 to 12 months
- Office Yield – 4.75%

7.38 The Indicative Scheme delivers c. 1,353,600 sq ft NIA of office floorspace, 10% of which is expected to be delivered as affordable workspace. The office floorspace will be to Cat A fit out as reflected in the fit out costs assumed.

7.39 The Indicative Scheme will be delivered in phases which means that off plan pre-lets can be secured at different times, either prior to start on site or during the construction period due to the lengthy construction period being adopted. This has been seen at both 25 Churchill Place and 1-5 Bank Street as described in CBRE's letter. A letting void would not be applicable to off plan pre-lets.

7.40 The CBRE evidence notes that a significant proportion of the scheme must be let prior to practical completion as a wholly speculative development strategy would not be advocated on a scheme of this scale. We have therefore assumed a third of the area would let prior to construction, a third would be let during construction, and a third would be let 12 months post practical completion, and whilst this is based on CBRE's market advice, in our experience this is also a reasonable assumption.

Building	Area (NIA Sqft)	Pre-Let %	Speculatively Let %	Period Let	Average Letting period (months)
NQB1	166,071	33.3%		Before start on site	-
	166,071	33.3%		During construction	-
	166,570		3.4%	During letting period	12
NQD1	181,844	33.3%		Before start on site	-
	181,844	33.3%		During construction	-
	182,390		33.4%	During letting period	12
NQD3	57,747	33.3%		Before start on site	-
	57,747	33.3%		During construction	-
	57,921		33.4%	During letting period	12
TOTAL	1,218,204	66.6%	33.4%		

- 7.41 CBRE have advised that in regard to the pre-let assumptions, a majority of deals have been on lease terms ranging from 15 years up to 20 years, with 15 year lease terms with rent free periods of 33 to 36 months and 20 year lease terms tending to rent free terms of 42 months.
- 7.42 CBRE have provided a range of comparable evidence to support their view on the rental levels adopted for the Indicative Scheme which supports the adopted rent of £57.50 psf.
- 7.43 CBRE have also provided a range of transactional evidence to support their view on the net initial yield which is summarised in their letter. Following the advice provided by CBRE the assumptions indicated in Table 15 have been adopted in the Indicative Scheme appraisal.

Building	Area (NIA Sqft)	Letting period	Rent per sq ft (£)	Rent Free (months)	Average Letting period (months)	Yield (%)
NQB1	166,071	Before start on site	£57.50	42	-	4.75%
	166,071	During construction	£57.50	36	-	4.75%
	166,570	During letting period	£57.50	24	12	4.75%
NQD1	181,844	Before start on site	£57.50	42	-	4.75%
	181,844	During construction	£57.50	36	-	4.75%
	182,390	During letting period	£57.50	24	12	4.75%
NQD3	57,747	Before start on site	£57.50	42	-	4.75%
	57,747	During construction	£57.50	36	-	4.75%
	57,921	During letting period	£57.50	24	12	4.75%
TOTAL	1,218,204					

- 7.44 The affordable office space has been assumed at 10% of NIA, discounted at 10% in perpetuity. A summary of the assumptions for this space is shown in the table below.

Building	Area (NIA Sqft)	Letting period	Rent per sq ft (£)	Rent Free (months)	Average Letting period (months)	Yield (%)
NQ1	18,452	Before start on site	£51.75	42	-	6%
	18,452	During construction	£51.75	36	-	6%
	18,508	During letting period	£51.75	24	12	6%
NQ2	20,205	Before start on site	£51.75	42	-	6%
	20,205	During construction	£51.75	36	-	6%
	20,266	During letting period	£51.75	24	12	6%
NQ3	6,416	Before start on site	£51.75	42	-	6%
	6,416	During construction	£51.75	36	-	6%
	6,436	During letting period	£51.75	24	12	6%
TOTAL	135,356					

- 7.45 These assumptions mirror those outlined for the market office space but with an adjustment made to soften the yield to reflect lower covenant strength of affordable workspace occupiers.

Retail

- 7.46 The Indicative Scheme provides 106,029 sq ft of retail accommodation within use Classes A1-A5. The accommodation is provided in each block predominately at ground floor level, with some retail space provided at Level 01 in four of the blocks.
- 7.47 It is widely acknowledged that the retail sector is facing significant market headwinds and indeed a restructuring of the sector that has been exacerbated by the Covid-19 pandemic. DS2 has employed the following comparable evidence in order to derive an appropriate value for the A1-A5 space in the Indicative Scheme however we would note that our current experience is that the nature of long-term traditional retail leases, and indeed the character of the retailer themselves, is changing, and this may have a detrimental impact on retail development values.
- 7.48 There is limited evidence available in the locality in respect of truly comparable lettings and we have therefore used our judgment and also data available from LBTH's evidence base from the March 2019 CIL Evidence Base The BNPP CIL Evidence Base assumed an average blended rate of £50 psf for the purposes of the North Quay development proposals that they assessed. Since March 2019 the retail sector has experienced significant challenges with the emergence of Covid-19 resulting in many retailers either closing their shops or entering into administration such as TM Lewin, Monsoon, Victoria Secrets, ALDO, Antler, Debenhams, Cath Kidston and Laura Ashley to name a few. It is therefore expected that a lower rent than that reported in the BNPP CIL Evidence Base can be achieved.
- 7.49 In terms of retail investment evidence, there is little of relevance in the Canary Wharf market. The Knight Frank Investment Yield Guide (June 2020) recommends a yield of 3% - 3.25% for Oxford Street retail, and 6.25% - 6.5% for Prime Shops. We are of the opinion that the Proposed Scheme retail space should be closer to the latter.
- 7.50 Noting the above, the following assumptions have been adopted for the retail space contained within the Indicative Scheme.

TABLE 17: INDICATIVE SCHEME RETAIL VALUE SUMMARY, NORTH QUAY, JULY 2020

Floorspace	Area (NIA Sqft)	Rent per sq ft (£)	Rent Free (months)	Average Letting period (months)	Yield (%)
NQA1	4,226	£40	18	6	5.5%
NQA4	2,835	£40	18	6	5.5%
NQB1	15,543	£40	18	6	5.5%
NQA5	36,555	£40	18	6	5.5%
NQD1	22,441	£40	18	6	5.5%
NQD3	18,046	£40	18	6	5.5%
NQD4	6,383	£40	18	6	5.5%
TOTAL	106,029				

Commercial Property Summary

- 7.51 In summary, based upon the assumptions set out in the office and retail tables above, this results in a total commercial GDV of c. £1.5bn, or an NDV of c. £1.4bn. This equates to a capital value psf of c. £1,030 on the NIA.

Serviced Apartments

7.52 In arriving at an appropriate value for the Indicative Scheme serviced apartments, we have had regard to the advice provided by CBRE, which is attached at **Appendix 4**. The CBRE opinion of pricing is summarised below:

Assumption	Variable
Exit yield	6.25%
Discount rate	8.25%
Net initial yield	5.42%
Gross price (day one, 2020 values)	£306.8m
Gross price per apartment (day one, 2020 values)	£409k
Net price (day one, 2020 values)	£287.3m
Net price per apartment (day one, 2020 values)	£383k

7.53 The net pricing assumes full purchaser's costs of 6.8% and as such, the £383,000 per unit figure has been adopted in the DS2 appraisal as a net cost without purchaser's costs applied separately.

Summary

7.54 The Indicative Scheme derives a present-day Gross Development Value of £2,495.3m which is comprised as follows:

- Residential sales revenue - £672.9m;
- Affordable sales revenue - £26.4m;
- Serviced apartments sales revenue - £287.3m;
- Capitalised commercial income – £1,508.8m.

8 DEVELOPMENT COSTS

8.1 This section provides a summary of the development costs on a present-day basis. The overall costs comprise:

- Build costs as advised by the Applicant's cost consultants, Core Five;
- Additional development costs;
- Professional fees;
- Sales, letting, disposal & marketing costs;
- Financing costs; and
- Section 106 plus Mayoral CIL and LBTH CIL.

Construction Costs

8.2 The Applicant's cost consultant Core Five have provided a cost estimate for the Indicative Scheme which is attached at **Appendix 5**. The total base build costs are £1,357,570,000 on a present-day basis. This includes the basement, shell and core, preliminary costs, external works and fit out costs. This equates to an overall cost rate of £355 per sq ft on the gross (GIA) area.

8.3 The above rate includes all basement costs and the cost of fitting out the offices to Cat A standard.

Developer's Contingency

8.4 A 5% developer's contingency which is calculated on the total construction costs has been allowed for in the appraisal to reflect construction risk associated with the scale and complexity of the project.

8.5 While there is additional risk associated with an outline application by its nature, we have adopted a conservative approach in appraisal of the scheme in this regard. The Core Five cost plan allows a 7.5% contingency, but this has been excluded.

Professional Fees

8.6 Professional fees have been included at 10-12% of the construction costs, in line with current industry practice for a high density, mixed-use, medium to high-rise development of this type. We have applied a rate of 10% to the commercial elements of the scheme and 12% to the residential and serviced apartment components of the scheme.

8.7 The professional fees have been cash flowed on an s-curve basis with fees being incurred at the start of pre-construction of each phase up until practical completion. DS2 have not incorporated warranties (NHBC or similar) as a separate line item and they are assumed within the 12% professional fees budget.

Purchaser's Costs

8.8 A purchaser's costs rate of 6.8% has been applied to the commercial elements of the GDV.

Disposal & Marketing Costs

8.9 The following fees have been adopted in line with the industry norms for a high-density development of this type:

- Market residential marketing – 1.5% of market GDV
- Market residential agent's fees – 1.5% of market GDV
- Market residential legal fees – 0.25% of private GDV

8.10 The following fees have been adopted for the affordable housing units:

- Affordable residential agent's fees – 0.50% of affordable GDV
- Affordable residential legal fees – 0.25% of affordable GDV

8.11 The following fees have been adopted for the commercial floorspace in line with the industry norms unless explained otherwise below.

- Commercial marketing - £3.00 per sq ft on Commercial NIA. This reflects the costs associated with the quantum of office space and the need for a high quality marketing campaign to secure lettings in a challenging marketplace
- Commercial letting fee – 15% of annual rental income
- Commercial letting legal fees – 5% of annual rental income
- Commercial agent's fees – 1% of commercial NDV
- Commercial legal fees – 0.5% of commercial NDV

CIL & Section 106 Contributions

8.12 The Applicant's planning consultant Quod has provided an estimate of the total payment payable under Borough CIL and Mayoral CIL in respect of the Indicative scheme. The following figures have been adopted in this VA:

- Mayoral CIL £50,297,310
- LBTH CIL £51,558,460

8.13 These figures include allowances for CIL social housing relief.

8.14 The figures contained are for indicative purposes only and do not purport to provide a definitive CIL levy charge arising from the Indicative Scheme. These figures have not been formally discussed or agreed with LBTH and will require final verification subject to the form or the RMAs.

8.15 The total contribution for financial contributions secured in the Section 106 agreement is estimated to be £11.5m as estimated by Quod using LBTH's Planning Obligations SPD dated September 2016.

Additional Costs

8.16 Other development costs are outlined below.

- Neighbourly matters - £5,500,000.
- Non-refundable VAT – 2% of residential fit out. This cost has been advised by Core Five to cover the cost of non-refundable VAT in the residential units.
- FF&E - £20,000 per serviced apartment unit. This cost has been advised by Core Five to cover purchase of furniture, fixtures and fittings provided in these units. Core Five excluded this figure from the cost plan so this is required as an additional cost.

8.17 Further detail details can be provided upon request.

9 DEVELOPER'S PROFIT RETURN

- 9.1 The RICS published research in 2019 on the profitability of a range of residential and commercial developments. The research dated 2019, entitled 'Performance metrics, required and achieved returns for UK real estate development' provides helpful insight in relation to the nature of development profit for differing types of development both in terms of use, location and scale.
- 9.2 The research analyses a range of sources including publicly available viability assessments that have been provided for planning purposes in respect of development projects, public accounts for UK listed developers and a survey.
- 9.3 For large scale long-term development projects, the research provides a helpful source given the relative lack of quantitative information available in this area, and one that DS2 refer to for informative / benchmarking purposes.
- 9.4 The analysis examines the varying approaches consisting of return on value or return on capital employed, commonly adopted by the residential sector and the commercial property developers favoured Internal Rate of Return ("IRR"), without finance, adopted to examine development returns on a time /cost basis and alongside other forms of investment.
- 9.5 For example, the research cites that Barratt Developments, the UK's largest listed housebuilder, reported a requirement for a 25 percent ROCE across its activities. Savills published research in 2017 citing a net operating margin for housebuilders of 20 to 25 percent and the Letwin review of housebuilding undertaken in 2018, found a consensus that an operating margin of 20 percent, prior to the application of finance was reasonable.
- 9.6 The research also provides interesting analysis on the housebuilding sector through the financial downturn that started in 2018. All but Berkeley Homes, witnessed a significant downturn in their return on equity, with Berkeley insulated from the worst of the price reductions through their exposure to central London and a combative overseas market (combined with weak sterling).
- 9.7 The research cites respondents to a survey quoting target IRRs of 10 to 12 percent for large scale development projects and DS2s experience is that, in a London context, for projects in excess of say 6 or 7 years or 1,000 units, an IRR of 12 to 14 percent is achievable in a planning viability context.
- 9.8 There are several generally historic Section 106 agreements in circulation with an IRR of 20 percent however these were generally agreed with local authorities prior to a better understanding of the IRR, by their commercial advisors.
- 9.9 The Indicative Scheme presents a range of commercial and residential uses to be delivered over an eight year development programme. The time weighted cost of capital is therefore an important consideration, as is the dominant land use in determining the appropriate approach to adopt.

- 9.10 A recent appeal decision from Redbridge cites an un-grown IRR of 12.4 percent. The appeal decision (APP/W5780/W/16/3164036) relates to the redevelopment of a Sainsbury's retail store with 683 residential units, in Ilford town centre, 5 miles to the north east of the subject site. Section 158 of the appeal decision refers to an agreement between the appellant and the Council, that the agreed rate of return was appropriate.
- 9.11 The Investment Property Forum's 2015 publication 'Mind the viability gap: Achieving more large-scale, build-to-rent housing' refers, on page six of the report, to a housebuilder requirement of 20 percent IRR (noting the comments in the aforementioned RICS 2019 publication regarding the housebuilders preferred measure being ROCE).
- 9.12 The developer / investor return for the same development is cited at 10 to 12 percent IRR with an investor requiring an 8 percent return for an existing building. The latter is provided for informative purposes when compared to those accumulating development risk. In the case of the subject Site, we would anticipate, albeit are not certain, that the applicant will retain the long term ownership of the assets alongside their other holdings.
- 9.13 However, viability is undertaken on an objective basis, and the identity of the applicant is irrelevant. That said, in accordance with the NPPF requirement to balance risk, therefore on a standalone basis, an IRR of greater than 12 percent but less than 20 percent, might be deemed reasonable.
- 9.14 When determining the correct rate, is also important to understand the relationship with the other traditional profit on value / cost (including finance). The scale and timing of development is also a key consideration in accordance with the RICS research. The Site consists of considerably more development than the Redbridge example, and noting the Redbridge appeal decision is dated 2018.
- 9.15 The 2018 appeal decision was made the midst of the Brexit discussions and development risk was, give the economic uncertainty, was raised during this period. At the current date, this risk is unabated given the Brexit discussions have been largely side-lined because of the Covid-19 pandemic.
- 9.16 The pandemic has increased risk further, particularly in respect of office development given the uncertainty going forward regarding social distancing and future working practices. Demand for office space is uncertain and as such, in accordance with the PPG requirement, the risk premium at today's date is higher than it was, say, 12 months ago.

9.17 In light of the above, the scale and complexity of the project, our experience on other projects in the borough and of similar scale elsewhere in London and the current economic climate the following profit returns are commensurate with the relative risks on each of the land uses:

- 17.5% profit on GDV for the residential element;
- 6% profit on GDV for the affordable element;
- 15% profit on GDV for the serviced apartment element; and
- 15% on GDV for the commercial element (offices and retail).

9.18 This derives a blended site-wide profit target of 15.58% on GDV. We would note at the current time, the profit returns for private residential, serviced apartments, retail and offices could indeed be higher as traditional lenders, equity providers and developers' factor in greater risk in what is an unprecedented and volatile economic environment with an unstable outlook.

10 SITE VALUE (BENCHMARK LAND VALUE)

Approach

- 10.1 The approach to BLV, as defined by planning policy, is explained in Sections 4 and 5.
- 10.2 The RICS Professional Statement ‘Financial Viability in Planning: Conduct and Reporting’ dated May 2019 requires each of the components of BLV to be provided on a standalone basis, these components being EUV, ‘Plus’ and AUV basis. This section assesses these variables and concludes on the appropriate BLV for the Site.
- 10.3 The EUV is reported on the basis of a temporary storage use, as per LBTH’s CIL 2019 evidence base and an AUV for the Site has been modelled based upon the Extant Scheme for North Quay (Application Ref. PA/03/00379). It is the latter that forms the BLV against which the viability of the Indicative Scheme will be tested. Market evidence has been sought in accordance with the PPG requirement as a ‘sense check’.

EUV Approach

- 10.4 This section of this VA assesses the EUV based upon the site being valued as open storage space. As noted in Section 2 the Site is 3.28 ha in area. The Site currently comprises mostly cleared land, being previously used as a construction laydown facility for the Canary Wharf Crossrail Station. An aerial image is provided below.



- 10.5 In arriving at an appropriate EUV for the Site, we have in the first instance examined the BNPP CIL Viability Review dated March 2019 which was carried out to support the now adopted CIL charging schedule.

- 10.6 The BNPP CIL Viability they assessed the viability of a hypothetical mixed-use planning application for North Quay. In informing the conclusions over the viability of the scheme BNPP adopted an EUV approach to BLV based upon vacant land/open storage values.
- 10.7 BNPP, on page 63 of their CIL review, indicated a value per ha of £7,193,520 based upon 90% of site coverage at £4 psf, capitalised at 6.5% and a 20% landowner premium. BNPP reported an EUV Plus figure of £24.89m (this figure incorporates a 20% premium).
- 10.8 In support of the above approach, we have also considered the summary proof of evidence provided by the GLA dated July 2019 in regard to financial viability matters for the purposes of the Westferry Printworks Planning Inquiry.
- 10.9 The Westferry Printworks site is located to the south of the Site and is a cleared site. The GLA determined that the site could potentially be utilised for open storage and stated it therefore appropriate to consider both BLVs agreed on comparable sites and the EUV for open storage. This is consistent with Paragraph 16 of the PPG.
- 10.10 The GLA acknowledged there was limited evidence of BLVs from cleared industrial sites but noted that based upon the VAs reviewed, these reflected a value in the region of £2.5m per acre including the landowner's premium. The GLA also considered the EUV of the site by looking at the rental value of the site for open storage and then applying an appropriate investment yield, this is consistent with the approach adopted by BNPP in their CIL review.
- 10.11 The GLA assumed a rent of £3 psf, that 95% of the site would be usable and a 12-month rent free period would be required to achieve a letting. Applying a yield of 6% and deducting purchasers' costs resulted in an EUV of £1.8m per acre. Including a 20% landowner premium in accordance with the PPG resulted in a value per acre of £2.17m. Applying this to the subject Site would result in an EUV Plus of c.£17m.
- 10.12 Based upon the methodology adopted by BNPP and the GLA for valuing cleared sites as open storage this would derive an EUV Plus premium value of between £17m to £21.56m for the Site.
- 10.13 DS2 have also carried out their own research to sense check the above conclusions. There is an acknowledged scarcity of open storage transactions within proximity to the Site. The most recent transaction for open storage space is for Cuba Street, E14 8LB which is located to the south of the Site. The property comprises a cleared rectangular site laid to concrete hardstanding and is suitable for a variety of open storage uses. The site is 0.9 acres in size, or c. 39,204 sq ft. It is understood that this transacted in 2020 reflecting an average rent of c. £4 psf.
- 10.14 Applying this rental value to the square foot of the existing Site and reflecting that only 95% of the Site is deemed useable space would result in a rent per annum of c. £1,342,000. Assuming a 12-month rent free period in order to achieve a letting, and a yield of 6% would result in a capital value of c. £21,110,000, or c. £19,670,000 net of 6.8% purchasers' costs.
- 10.15 In accordance with the PPG and regional and local guidance a landowner premium is allowed to be applied in order to incentivise the landowner to release the site. Applying a landowner

premium of 20% which is within the arbitrary range of 10-30% indicated in the GLA Development Viability and Affordable Housing SPG (2017) results in a landowner premium of c. £3,935,000.

10.16 This equates to an EUV Plus premium of £23.6m.

Alternative Use Value

10.17 The Site benefits from an extant planning consent for an office led development comprising 372,660 sqm GIA of office accommodation and 5,324 sqm GIA of retail accommodation (“the Extant Scheme”). LBTH issued a Lawful Development Certificate on the 12th January 2017 confirming the implementation of the Extant Scheme.

10.18 The Extant Scheme comprises three large office buildings namely NQ1, NQ2 and NQ3 located on a west / east axis across the Site. The main entrance to all three buildings is located inside the two major public spaces (a large area referred to as the Great Hall between NQ1 and NQ2 and a smaller public area between NQ2 and NQ3). These public areas then lead into separate office entrances at the base of each of the buildings.

10.19 In order to appraise the Extant Scheme, the following section will provide a description alongside further detail on the development timings, values and costs used to appraise it. A consistent approach has been taken to the office component of the Indicative Scheme and the Extant Scheme wherever possible, and where there are variations an explanation is provided.

10.20 Attached at **Appendix 6** is a full set of floor plans and at **Appendix 7** an area schedule for the Extant Scheme. The development areas are summarised in the Table 19 below.

Use	GIA		NSA/NIA	
	Sqm	Sq ft	Sqm	Sq ft
NQ1 (office)	141,706	1,525,311	95,038	1,022,981
NQ2 (office)	61,377	660,657	39,370	423,775
NQ3 (office)	122,843	1,293,779	83,156	895,081
Promenade (retail)	46,018 ⁵	495,334	3,693	39,751
Mezzanine (Chandelier)	1,081 ⁶	11,636	947	10,193
TOTAL	373,025	3,986,717	222,204	2,391,781

Scheme Layout and Design

10.21 The Extant Scheme provides two tall buildings with a lower central building linked to the towers by two low-rise podium blocks. The buildings are predominantly for office use with retail uses at ground and a lower promenade level.

⁵ GEA

⁶ GEA

10.22 A site plan illustrating the location of each of the buildings is provided below.



10.23 As illustrated above, the tower to the west is NQ1 with the tower to the east NQ3. The central building is NQ2. NQ1 comprises 142,000 sqm GIA of accommodation and plant over 45 floors with floorplates of c. 3,000 sqm GIA. NQ2 is a smaller building of 19 floors consisting of c. 62,000 sqm GIA of accommodation and floorplates of c.3,600 sqm GIA and NQ3 comprises c.123,000 sqm GIA of accommodation and plant over 39 floors consisting of c.3,000 sqm GIA floorplates.

10.24 Each building has a separate pedestrian entrance from ground level. NQ2 and NQ3 would be accessed from ground level via a gallery space formed beneath the eastern podium link. NQ1 will be accessed from ground level by the large open space below the western link.

10.25 The scheme provides a large public realm and in particular a new covered public square known as the 'Great Hall'. The Great Hall forms the 'front door' to NQ1 and provide a significant amount of outdoor public space. The variety and flexibility of the spaces created within the Great Hall offer a range of opportunities for events, exhibitions, conferences and concerts.

10.26 The scheme also provides space known as the 'chandelier'. The chandelier is suspended from the soffit of the Great Hall and provides a mezzanine level of accommodation which has its own dedicated entrance from ground level.

10.27 The Extant Scheme provides the following spaces;

- Parking spaces – 241
- Cycle spaces – 347
- Motorcycle spaces - 165

Development Timings

10.28 The Applicant has advised that the construction programme (inclusive of pre-construction period) will be 77 months, or circa 6.4 years (**Appendix 8**). The construction programme excluding the pre-construction period will be 65 months, or circa 5.3 years. The following timescales have been adopted.

TABLE 20: EXTANT SCHEME CONSTRUCTION PROGRAMME SUMMARY, NORTH QUAY, JULY 2020			
Building	Construction		
	Start	End	Duration
Pre-construction	July 2020	June 2021	12 months
Basement	July 2021	May 2023	23 months
NQ3	December 2022	July 2025	32 months
NQ2	August 2023	November 2025	28 months
NQ1	January 2024	November 2026	35 months

Pre-construction

10.29 A 12-month pre-construction period has been adopted within the programme and includes an allowance for the following;

- Discharging of pre-commencement conditions;
- Securing necessary development funding including marketing of the office component in order to secure a pre-let;
- Tender period for build contract package (s); and
- Mobilisation.

10.30 As stated in section 6 of this report, the Indicative Scheme includes a 12-month pre-construction period however it is estimated that a large proportion of this period would be due to the signing of the Section 106 and expiration of the Juridical Review period, which is not applicable to the Extant Scheme as the scheme already benefits from a signed Section 106.

10.31 It has been assumed that this period would be spent marketing the office component in order to secure a pre-let which is why a 12-month pre-construction period has been adopted for the Extant Scheme.

Commercial Letting and Sale Timings

Office

10.32 In light of the quantum of office floorspace being provided it is reasonable to assume that a proportion of the office floorspace would need to be 'pre-let' i.e. in advance of construction, before development funding could be secured and construction commenced. As such, the following has been assumed following discussions with the Applicant's office agents, CBRE.

Building	Area (NIA Sqft)	Pre-Let %	Speculatively Let %	Period Let	Average Letting period (months)
NQ1	337,584	33%		Before start on site	-
	337,584	33%		During construction	-
	347,814		34%	During letting period	24
NQ2	139,846	33%		Before start on site	-
	139,846	33%		During construction	-
	144,084		34%	During letting period	24
NQ3	295,377	33%		Before start on site	-
	772,806	33%		During construction	-
	173,102		34%	During letting period	24
TOTAL	2,341,837	66%	34%		

10.33 As illustrated above due to the quantum of office floorspace being provided, a 24-month average letting void has been assumed for the remaining unlet office floorspace. Upon letting, the office income is capitalised on the basis of an assumed sale i.e. it has been assumed that each building will be disposed 24 months post practical completion. This is 12 months longer than that assumed in the Indicative Scheme appraisal.

Retail

10.34 The retail accommodation in the Extant Scheme is located on what is known as the Chandelier in NQ1 and the promenade level. It has been assumed that 50% of the retail space provided at the promenade level will be delivered with NQ1, with the remaining 50% delivered with NQ3.

10.35 For the purposes of the Extant Scheme appraisal the following letting timings have been assumed;

Building	Area (NIA Sqft)	Letting period (months)
NQ1 (Chandelier)	11,636	12
NQ1 (Promenade Level)	19,876	12
NQ3 (Promenade Level)	19,876	12
TOTAL	51,388	

10.36 A 12-month letting void, starting from practical completion, has been assumed in the Extant Scheme appraisal. This considers the current market conditions given the headwinds that the retail sector is facing.

10.37 It has been assumed that an investor would purchase each of the buildings in its entirety and therefore it has been assumed that the retail component would be sold 24 months post practical completion in line with the assumptions assumed for the office component.

Development Value

Office

10.38 In arriving at an appropriate value for the Extant Scheme office floor space, we have had regard to the advice provided by CBRE, which is attached at **Appendix 9** and summarised below:

- Office Rent - £52.50 per sq ft
- Office Rent Fee – 24 to 42 months depending on lease term
- Office Letting void post practical completion – 18 – 24 months
- Office Yield – 4.75%

10.39 The Extant Scheme will provide c. 2,341,000 sq ft NIA of office floorspace plus c. 51,400 sq ft NIA of retail floorspace. It is acknowledged that the Extant Scheme provides a significant quantum of office floorspace and this has been considered when forming the letting strategy and valuation of the office floorspace.

10.40 The office floorspace will be to Cat A fit out and provided to the highest specification available in the market, as reflected in the fit out costs assumed.

10.41 The Extant Scheme will be delivered in three phases with means that off plan pre-lets can be secured at different times, either prior to start on site or during the construction period due to the lengthy construction period being adopted. This has been seen at both 25 Churchill Place and 1-5 Bank Street as described in CBRE's letter. A letting void would not be applicable to off plan pre-lets.

10.42 Due to the quantum of floorspace being delivered it has been assumed that there will be some floorspace available at practical completion. CBRE have assumed an average letting void of between 18 to 24 months on any space vacant post practical completion. CBRE have advised that the floorspace let post practical completion would expect to be secured on 10-year lease terms which it could reasonably expected to be granted assuming a rent free period of 24 months.

10.43 CBRE have provided a range of comparable evidence to support their view on the rental tone of the Extant Scheme. The comparable evidence provided supports a higher rent than that assumed by CBRE however a discounted rent has been assumed to reflect the fact that the scheme was designed some years ago and certain trends have evolved since then, however, there remains demand for the office floorspace when priced correctly.

10.44 CBRE have advised that in regard to the pre-let assumptions, a majority of deals have been on lease terms ranging from 15 years up to 20 years, with 15 year lease terms tending to see rent frees of 33 to 36 months and 20 year lease terms tending to see rent frees of 42 months.

10.45 CBRE have also provided a range of transactional evidence to support their view on the net initial yield which is summarised in their letter. Following the advice provided by CBRE the assumptions indicated in Table 21 have been adopted in the Extant Scheme appraisal.

TABLE 23: EXTANT SCHEME OFFICE VALUATION ASSUMPTIONS, NORTH QUAY, JULY 2020						
Building	Area (NIA Sqft)	Letting period	Rent per sq ft (£)	Rent Free (months)	Average Letting period (months)	Yield (%)
NQ1	337,584	Before start on site	£52.50	42	-	4.75%
	337,584	During construction	£52.50	36	-	4.75%
	347,814	During letting period	£52.50	24	24	4.75%
NQ2	139,846	Before start on site	£52.50	42	-	4.75%
	139,846	During construction	£52.50	36	-	4.75%
	144,084	During letting period	£52.50	24	24	4.75%
NQ3	295,377	Before start on site	£52.50	42	-	4.75%
	772,806	During construction	£52.50	36	-	4.75%
	173,102	During letting period	£52.50	24	24	4.75%
TOTAL	2,341,837					

10.46 In summary, based upon the assumptions set out in the table above this results in an office GDV of c. £2,420,000,000, or an NDV of c. £2,250,000,000. This equates to a capital value psf of c. £1,000⁷ on the NIA.

Retail

10.47 The Extant Scheme provides c. 51,400 sq ft of retail accommodation within use Classes A1-A5. The accommodation is provided predominately over one floor with c. 11,000 sq ft provided at mezzanine level. The retail accommodation is single aspect and fronts the Crossrail station and Crossrail Place development.

10.48 It has been assumed that the most appropriate tenant mix would include coffee and café operators alongside restaurant accommodation. Concerns related to the delivery of new retail space were expressed in section 7 and we have taken a consistent approach to the valuation of the retail space on the Extant Scheme when compared to the Indicative Scheme. This is summarised in the table below;

⁷ Including purchasers' costs

Floorspace	Area (NIA Sqft)	Rent per sq ft (£)	Rent Free (months)	Average Letting period (months)	Yield (%)
NQ1 (Chandelier)	11,636	£45.00	18	12	5.50%
NQ1 (Promenade Level)	19,876	£45.00	18	12	5.50%
NQ3 (Promenade Level)	19,876	£45.00	18	12	5.50%
TOTAL	51,388				

10.49 In summary, based upon the assumptions set out in the table above this results in an office GDV of c. £36,400,000, or an NDV of c. £34,000,000. This equates to a capital value psf of c. £660 on the NIA.

Costs

Construction Costs

10.50 The Applicant's cost consultant, Core Five, have provided a cost estimate for the Extant Scheme, a copy of which is attached at **Appendix 10**.

10.51 In summary, this sets out a construction cost of £1,303,502,023 inclusive of preliminaries (15%), Construction management (3%) and contingency (5%). The cost estimate allows for office fit out costs totalling c. £126m and a 7.5% contingency. For the purposes of the VA a 5% contingency has been adopted which is reflect in the construction cost stated above.

10.52 The Extant Scheme costs plan reflects an overall build cost of £327 psf on the gross (GIA) area.

10.53 The cost estimate has been crosschecked against what was agreed as part of the Applicant's planning application in 2017. The Applicant's advisors assumed a total construction cost of £1,147,292,115 the Extant Scheme reflecting rates as of April 2017 and including preliminaries (12.5%), CM fee (2.5%), contingency (5%) and office fit out costs. This breaks back to c. £288 psf on the GIA which was broadly agreed by the LBTH's assessors BNP Paribas.

10.54 DS2 have indexed this figure to current day using BCIS which results in a current day cost estimate of c. £1,203,348,733, or £302 psf. This is c. 7% lower than that advised by Core Five which implies that Core Five cost estimate for the Extant Scheme is reasonable.

Additional Development Costs

10.55 A figure of £5,500,000 has been adopted in the Extant Scheme appraisal titled as Neighbourly Matters. The Applicant is willing to discuss the detail beyond this figure in due course.

Professional Fees

10.56 The general perceived market norm for professional fees for the purposes of a viability assessment are generally between 10-12% dependent upon the specifics of the development proposal.

10.57 Following advice received from the Applicant and recognising that the scheme is 100% commercial and the cost estimate is c. £1.216 billion⁸. A 10% professional fees budget has been assumed within the Extant Scheme appraisal.

10.58 The professional fees budget is in line with what has been assumed for the commercial element of the Indicative Scheme.

Sales, Marketing and Legal Costs

10.59 In line with the Indicative Scheme appraisal, the following disposal costs have been adopted:

- Commercial Marketing – £3.00 psf (of net commercial floor space)
- Commercial sales agent fee – 0.50% (of commercial NDV)
- Commercial sales legal fee – 0.25% (of commercial NDV)
- Letting Agent Fee – 15% (of 1st years annual rental income)
- Letting Legal Fee – 5% (of 1st years annual rental income)

10.60 The above sales and lettings costs for the commercial accommodation have been included in the Extant Scheme appraisal. They reflect the quantum of office floorspace being delivered. The commercial marketing fee and letting fee is higher than what is generally perceived as the market norm due to the quantum of commercial floorspace being proposed. It has been assumed that at least two commercial agents would be instructed to let the commercial and retail floorspace.

10.61 The commercial sales agent and legal fee is lower than what is generally perceived as the market norm. A sense check of the total sales agent and legal fee has been carried out due to the quantum of floorspace being proposed and as such it has been assumed that at least two commercial agents would be instructed to let the commercial and retail floorspace.

Planning Obligations

10.62 In accordance with the Section 106 the following allowance has been included:

Building	Trigger	Cost (£)
Site Wide	Commencement of scheme	£ 290,000
NQ1	Occupation of building	£ 5,100,000
NQ2	Occupation of building	£ 2,050,000
NQ3	Occupation of building	£ 4,500,000
TOTAL		£ 11,940,000

10.63 The Extant Scheme was granted planning permission pre-adoption of the LBTH CIL charging schedule and Mayoral CIL charging schedule and there is therefore no CIL liability.

⁸ Includes core construction costs, contingency and office fit out costs.

Finance

10.64 In line with the Indicative Scheme, a 6% finance rate has been adopted within the appraisal of the Extant Scheme. This is an 'all in' rate, which includes the basic margin (4.5-5%), commitment fees, arrangement fees (2-3%) and exit fees (0.5-1%), as well as a bank management/monitoring cost.

10.65 For the purposes of our appraisal it has been assumed that development is 100% debt financed.

Profit Expectation

10.66 In line with Section 9, a profit on GDV of 15% for the commercial element has been assumed.

Residual Land Value - AUV

10.67 The appraisal for the Extant Scheme generates an RLV of £52,578,585 which is attached at **Appendix 11**.

10.68 Due to the quantum of commercial floorspace being provided the Extant Scheme is sensitive to any small changes in costs and values, as such sensitivity has been carried out and is provided at **Appendix 12**.

10.69 This assess the impact on the RLV should rental values increase/decrease in increments of 2.50%, yields increase/decrease in increments of 0.25 bps and construction costs increase/decrease in increments of 2.5%. This indicates a significant range in the RLV assuming relatively small adjustments. We have therefore sought to consider the evidence in the round.

Benchmark Land Value Crosscheck

10.70 Paragraph 14 of the NPPG states that market evidence can be used as a cross-check of BLV but should not be used in place of BLV. There may be divergence between BLVs and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

10.71 DS2 have liaised with CBRE's office and development teams in respect of office development sites, in similar value locations, that have come to market in recent months. DS2 are aware that several sites with residential consents have been acquired for future commercial use given the relative strength of office uses when compared to residential uses.

10.72 CBRE are of the opinion that office development sites come to the market at anywhere between £85 psf and £100 psf land value on the NIA. However, this reflects the value for consented sites and also, in the main, will not reflect the inclusion of affordable workspace policies, many of which are new or emerging.

10.73 As such, taking a conservative view, a landowner with a site allocated for employment uses in this value location would be entitled to seek in the region of c. £55 psf calculated on the NIA of an unconsented office proposal, within the context of paragraph 16 of the PPG and the requirement for a reasonable incentive above EUV.

10.74 The EUV contained within the LBTH CIL Evidence Base of £24,896,000 equates to £12 psf on the Extant Scheme NIA. Therefore, within the context of the PPG requirement and the requirement to assess market evidence in defining the 'Plus' element to the EUV, it might be concluded that the premium above the EUV, based on a storage use, would be considerable. However, the market evidence should be treated with caution in accordance with professional guidance given the opaque nature of transactional data.

10.75 Further, the Indicative Scheme has a GDV of £2.5 billion, and the EUV Plus and AUV calculations represent 1 and 2% of the GDV respectively. Whilst this is not a conclusive measure, the GLA often use this as a 'sense check' of whether a proposed BLV is reasonable or not.

10.76 Appeal decisions, where faced with the issue of land value as a percentage of development value, have concluded that a figure in the region of 20 percent of the GDV is not unreasonable for a landowner return.

10.77 The proposed BLVs (EUV Plus & AUV), as identified above, are both significantly below this measure. The intent of Government policy in this area is intended to strike an equitable balance between land required for new development, planning gain to mitigate the impacts of development, and bring forward regeneration and public benefits and profit that is commensurate with development risk.

10.78 DS2 have therefore assumed the RLV contained in the appraisal for the Extant Scheme. The figure is within a significant range when relatively small adjustments are made to key inputs and the market evidence would suggest policy compliant development land for offices transacts at a higher level, when measured on an NIA basis.

BLV Summary

10.79 Based upon the information provided above the Site Value is reported as follows;

- EUV – £19,670,000
- 'Plus' – £3,935,000
- EUV Plus – £23,600,000
- AUV – £52,580,000

10.80 The approach undertaken is consistent with the requirements of the NPPG, the Development Plan policy and the professional standards. The approach to BLV seeks to identify a reasonable landowner return that balances the need to ensure a reasonable level of planning obligations can be secured in accordance with paragraph 54 of the NPPF and a developer's return that is commensurate with the risk.

11 APPRAISAL RESULTS AND SENSITIVITY TESTING

11.1 A copy of the ARGUS appraisal summary of the Indicative Scheme is attached at **Appendix 13**. The results are provided below.

Scheme	GDV	Total development cost	Profit on GDV	Profit Target	Surplus / Deficit
Application scheme	£2,495,348,469	£2,170,837,457	8.89%	15.58%	(6.69%)

11.2 The results demonstrate that the Indicative Scheme is supporting 20 percent affordable housing alongside £101.9m in CIL, £11.5m in additional financial obligations and 10 percent affordable workspace. Indeed, the profit return on a present day basis is below the target rate of return and growth in values or cost savings are required to deliver a technically viable scheme in accordance with the NPPG.

11.3 The RLV has been tested by running sensitivity testing on the major cost and value inputs. This is done in accordance with the RICS Professional Statement 'Financial Viability in Planning: Conduct and Reporting' (2019).

11.4 We have tested changes to value and cost as follows, with red cells indicating a worsening of the viability position, amber an improvement but remaining non-viable, and green an improvement:

Rent psf					
Con. Costs	-£5.00	-£2.50	-	+£2.50	+£5.00
-10%	13.39%	15.33%	17.19%	18.96%	20.66%
-5%	9.04%	11.09%	13.04%	14.91%	16.69%
0%	4.68%	6.84%	8.89%	10.85%	12.73%
+5%	0.33%	2.59%	4.74%	6.80%	8.76%
+10%	-4.02%	-1.66%	0.59%	2.74%	4.80%

Residential Value					
Con. Costs	-10%	-5%	-	+5%	+10%
-10%	14.38%	15.81%	17.19%	18.54%	19.85%
-5%	10.12%	11.60%	13.04%	14.44%	15.81%
0%	5.86%	7.40%	8.89%	10.35%	11.77%
+5%	1.59%	3.19%	4.74%	6.26%	7.73%
+10%	-2.67%	-1.02%	0.59%	2.16%	3.69%

TABLE 29: INDICATIVE SCHEME SENSITIVITY RESULTS – SERVICED APARTMENTS VS CONSTRUCTION COSTS, JULY 2020

Residential Value					
Con. Costs	-10%	-5%	-	+5%	+10%
-10%	16.10%	16.65%	17.19%	17.73%	18.26%
-5%	11.90%	12.48%	13.04%	13.60%	14.16%
0%	7.70%	8.30%	8.89%	9.48%	10.05%
+5%	3.51%	4.13%	4.74%	5.35%	5.95%
+10%	-0.69%	-0.04%	0.59%	1.23%	1.85%

11.5 The results of the above sensitivity analysis demonstrate that with relatively small incremental movements in the key appraisal costs and values, the viability of the scheme, can shift significantly. This has been a key consideration in the Applicant's formulation of the affordable housing strategy as well as the delivery of other key on-site and financial benefits.

11.6 Thus, the Applicant is proposing a package of obligations and CIL payments that are beyond the present day position supported by the VA. However, despite the challenging economic and property market environment, the Applicant is committed to ensuring that the delivery of this strategically important Site in the Opportunity Area, delivers the optimum range of benefits for the community.

12 CONCLUSIONS

12.1 The appraisal outputs of the VA are illustrated in Section 11 and demonstrate that, in assessing the viability of the Proposed Development, through an assessment of the economics of the Indicative Scheme on an objective basis, a significant range of public benefits are offered and can be secured subject to the granting of a planning consent.

12.2 These benefits include 20% affordable housing weighted as 70% low cost rent and 30% intermediate, 10% affordable workspace, £101.9m in LBTH and GLA CIL and £11.5m in additional financial obligations.

12.3 The VA has been undertaken in full accordance with the planning policy framework, including the PPG and Development Plan documents and professional best practice in the form of the RICS Professional Statement 'Financial Viability in Planning: Conduct & Reporting' (2019).

12.4 A summary of key points from this report are listed below:

- Viability testing has been carried out on the basis of an Indicative Scheme which sits within the parameters of an OPA;
- However, the Indicative Scheme is not a design template or submitted for approval; it represents one possible way the principles as defined in the above listed documents could be interpreted/achieved and developed into a design;
- The Indicative Scheme comprises an office led mixed use development with residential, retail and serviced apartment provision. The exact land uses and detailed design will be dealt with by way of future RMAs;
- The value of each element of the Indicative Scheme has been assessed by DS2 with contributions from third party consultants. The total GDV concluded by DS2 is £2,495,348,469 on a present day basis;
- The total cost of the development is constituted mainly of construction cost as advised by cost consultant Core Five. The total development cost is £2,170,837,457;
- The scheme delivers a profit of 8.89% on GDV. This is against a profit target of 15.58% which is derived from 17.5% on residential value, 15% on commercial and serviced apartment value, and 6% on affordable housing value;
- The sensitivity analysis conducted in Section 11 demonstrates that given the scale of the proposals, relatively minor adjustments to the key inputs over time will have a considerable impact and whilst the current property market and macro-economic environment is challenging, the Applicants are committed to the delivery of this key strategically important Site subject to the receipt of a satisfactory planning consent.

12.5 DS2 would be happy to meet with LBTH or their advisors to discuss any points contained within this submission and the supporting documentation.

Prepared by:



Joe Crossley
Assistant Surveyor

Email: joe.crossley@ds2.co.uk
Tel: 020 7004 1769



Liam Janusz
ASSOCIATE

Email: liam.janusz@ds2.co.uk
Tel: 020 7004 1778

Reviewed by:



Pascal Levine
PARTNER

Email: Pascal.Levine@ds2.co.uk
Tel: 020 7004 1762
Mob: 07720 087 921

For and on behalf of:

Canary Wharf (North Quay) Ltd

Date: July 2020

APPENDIX 1 - PROPOSED SCHEME AREA SCHEDULE

telephone
facsimile
e-mail

**Allies and Morrison
Architects**
85 Southwark Street
London SE1 0HX
020 7921 0100
020 7921 0101
info@alliesandmorrison.com

Site:
Indicative Scheme Schedule
Date
Rev

North Quay
ILLUSTRATIVE SCHEME MASTER AREA SCHEDULE
30.04.20
DESIGN FREEZE
04
19141_07_2QA_001

	[SQM]		
	GEA sqm	GIA sqm	NIA sqm
Basement	29,523	28,047	0
Office B1	183,845	174,653	125,750
Residential C3	86,046	81,744	58,855
Internal play space	3,149	2,992	2,154
Serviced Apartments (C1)	46,401	44,081	31,738
Retail A1-A5	14,401	13,681	9,850
Plant (Roof and Mid Level)	10,242	9,730	0
Totals	373,607	354,927	228,348
	[SQFT]		
	GEA sqft	GIA sqft	NIA sqft
Basement	317,783	301,893	0
Office B1	1,978,889	1,879,945	1,353,560
Residential C3	926,191	879,881	633,514
Internal play space	33,896	32,201	23,185
Serviced Apartments (C1)	499,456	474,483	341,628
Retail A1-A5	155,011	147,260	106,027
Plant (Roof and Mid Level)	110,244	104,732	0
Totals	4,021,468	3,820,395	2,457,914
	% Use Split	% Resi / Comm Split	
Office B1	56%	75%	
Residential C3	25%	25%	
Serviced Apartments C1	14%		
Retail A1-A5	5%		

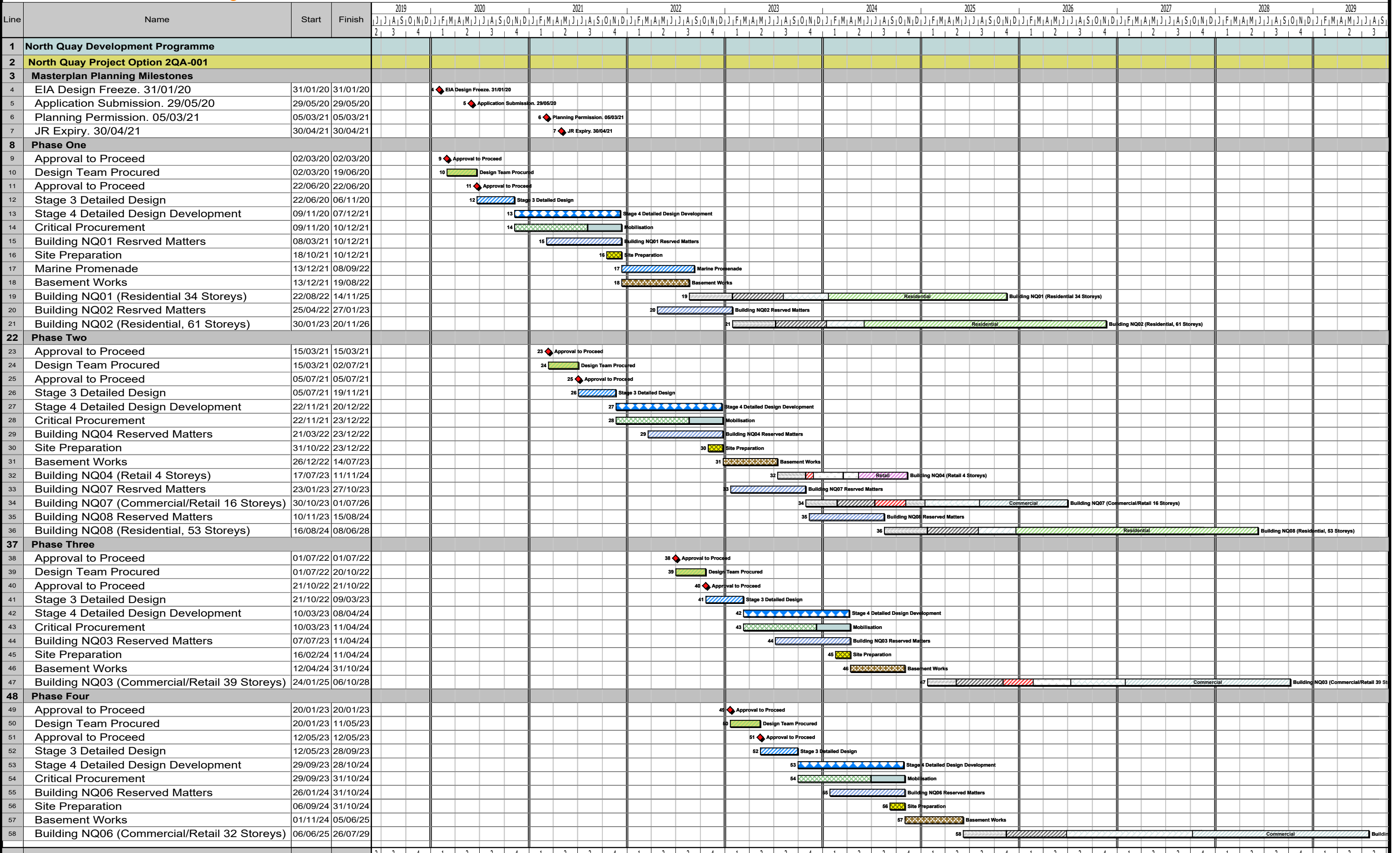
summary

Building	Use	Building Levels	Building No. Of Levels	Footprint GEA sqm	Footprint GEA sqft	[SQM]		[SQFT]		[Efficiencies]		[SQM]		[SQFT]	
						Total Footprint GEA sqm	Overall Footprint GEA sqft	GEA-GIA %	GIA - NIA %	Total GIA sqm	Total NIA sqm	Total GIA sqft	Total NIA sqft		
Site Wide	Basement	B1	1	14,443	155,463	14,443	155,463	95%	72%	13,721	0	147,690	0		
	Basement	B2	1	15,080	162,320	15,080	162,320	95%	72%	14,326	0	154,204	0		
			(top level)			29,523	317,783			28,047	0	301,893	0		sub total
NQA1 & (NQA2)	Residential C3	00	1	672	7,233	672	7,233	95%	72%	638	460	6,872	4,948		
	Retail A1-A5	00	1	574	6,178	574	6,178	95%	72%	545	393	5,826	4,226		
	Internal play space	01	1	1,426	15,349	1,426	15,349	95%	72%	1,355	975	14,582	10,499		
	Internal play space	02	1	884	9,515	884	9,515	95%	72%	840	605	9,040	6,508		
	Residential C3	03-35	32	884	9,515	28,288	304,489	95%	72%	26,874	19,349	289,265	208,271		
	Plant	36 (Roof)	1	884	9,515	884	9,515	95%	72%	840	0	9,040	0		
			(top level)			32,728	352,281			31,092	21,781	334,667	234,452		sub total
NQA4	Retail A1-A5	00	1	385	4,144	385	4,144	95%	72%	366	263	3,937	2,835		
	Residential C3	00	1	317	3,412	317	3,412	95%	72%	301	217	3,242	2,334		
	Residential C3	01	1	349	3,757	349	3,757	95%	72%	332	239	3,569	2,570		
	Internal play space	01	1	354	3,810	354	3,810	95%	72%	336	242	3,620	2,606		
	Residential C3	02-64	62	910	9,795	56,420	607,299	95%	72%	53,599	38,591	576,934	415,393		
	Plant	65 (Roof)	1	910	9,795	910	9,795	95%	72%	865	0	9,305	0		
			(top level)			58,735	632,218			55,798	39,552	600,607	425,737		sub total
NQB1	Retail A1-A5	00	1	1,047	11,270	1,047	11,270	95%	72%	995	716	10,706	7,709		
	Internal play space	00	1	485	5,220	485	5,220	95%	72%	461	332	4,959	3,571		
	Office B1	00	1	1,310	14,101	1,310	14,101	95%	72%	1,245	896	13,396	9,645		
	Retail A1-A5	01	1	1,064	11,453	1,064	11,453	95%	72%	1,011	728	10,880	7,834		
	Office B1	01	1	731	7,868	731	7,868	95%	72%	694	500	7,475	5,382		
	Office B1	10	1	1,474	15,866	1,474	15,866	95%	72%	1,400	1,008	15,073	10,852		
	Plant	10	1	762	8,202	762	8,202	95%	72%	724	0	7,792	0		
	Office B1	02-21	19	407	4,381	7,733	83,237	95%	72%	7,346	5,289	79,075	56,934		
	Office B1	02-37	35	1,829	19,687	64,015	689,051	95%	72%	60,814	43,786	654,599	471,311		
	Plant	38 (Roof)	1	1,829	19,687	1,829	19,687	95%	72%	1,738	0	18,703	0		
			(top level)			80,450	865,956			76,428	53,256	822,658	573,237		sub total
NQA5	Retail A1-A5	00-05	5	993	10,689	4,965	53,443	95%	72%	4,717	3,396	50,771	36,555		
	Plant	Roof	1	993	10,689	993	10,689	95%	72%	943	0	10,154	0		
			(top level)			5,958	64,131			5,660	3,396	60,925	36,555		sub total
NQD1/D2	Retail A1-A5	00	1	1,747	18,805	1,747	18,805	95%	72%	1,660	1,195	17,864	12,862		
	Office B1	00	1	1,254	13,498	1,254	13,498	95%	72%	1,191	858	12,823	9,233		
	Retail A1-A5	01	1	1,301	14,004	1,301	14,004	95%	72%	1,236	890	13,304	9,579		
	Office B1	01	1	1,259	13,552	1,259	13,552	95%	72%	1,196	861	12,874	9,269		
	Plant	10	1	756	8,138	756	8,138	95%	72%	718	0	7,731	0		
	Office B1	10	1	2,245	24,165	2,245	24,165	95%	72%	2,133	1,536	22,957	16,529		
	Office B1	02-23	21	1,172	12,615	24,612	264,921	95%	72%	23,381	16,835	251,675	181,206		
	Office B1	02-31	29	1,829	19,687	53,041	570,928	95%	72%	50,389	36,280	542,382	390,515		
	Plant	32 (Roof)	1	1,829	19,687	1,829	19,687	95%	72%	1,738	0	18,703	0		
			(top level)			88,044	947,697			83,642	58,454	900,312	629,193		sub total
NQD3	Retail A1-A5	00	1	1,094	11,776	1,094	11,776	95%	72%	1,039	748	11,187	8,055		
	Office B1	00	1	844	9,085	844	9,085	95%	72%	802	577	8,630	6,214		
	Retail A1-A5	01	1	1,357	14,607	1,357	14,607	95%	72%	1,289	928	13,876	9,991		
	Office B1	01	1	581	6,254	581	6,254	95%	72%	552	397	5,941	4,278		
	Office B1	02-11	9	1,989	21,409	17,901	192,685	95%	72%	17,006	12,244	183,050	131,796		
	Office B1	12-16	5	1,369	14,736	6,845	73,679	95%	72%	6,503	4,682	69,995	50,396		
			(top level)			1,369	14,736	95%	72%	1,301	0	13,999	0		
			(top level)			29,991	322,820			28,491	19,577	306,679	210,730		sub total
NQD4	Retail A1-A5	00	1	472	5,081	472	5,081	95%	72%	448	323	4,827	3,475		
	Serviced Apartments C1	00	1	412	4,435	412	4,435	95%	72%	391	282	4,213	3,033		
	Retail A1-A5	01	1	395	4,252	395	4,252	95%	72%	375	270	4,039	2,908		
	Serviced Apartments C1	01	1	489	5,264	489	5,264	95%	72%	465	334	5,000	3,600		
	Serviced Apartments C1	02-52	50	910	9,795	45,500	489,757	95%	72%	43,225	31,122	465,270	334,994		
	Plant	53 (Roof)	1	910	9,795	910	9,795	95%	72%	865	0	9,305	0		
			(top level)			48,178	518,583			45,769	32,331	492,654	348,011		sub total
						373,607	4,021,468			354,927	228,348	3,820,395	2,457,914		grand totals

APPENDIX 2 - PROPOSED SCHEME CONSTRUCTION PROGRAMME

North Quay 2QA.001: Scheme Rev 07 20.12.19

2QA.001 Summary



Line	Name	Start	Finish
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Programme No.: NQDP:2QA.001 (07):ABO:01:XX:PRG:1001
 Revision No.: 05
 Revision Date: 17/01/2020
 Revision Comment: This programme has no allowance for contingency (15% recommended) Draft Issue
 Programme Manager: ABO
 Programme Origin Ref: North Quay 2QA.001.North Quay Option 2QA
 View: 2QA.001 Summary Filter: 2QA.001 Summary
 Page 1 of 1

File Origin: J:\Administration\Planning & Programmes\2019 Proposals\North Quay\03 Scheme 2QA November 19\05 Rev 05 21.01.20\North Quay Development Programme Option 2QA Rev 05 21.01.20.pp

North Quay Development Programme Notes

Programme Ref: NQDP:2QA.001 (07):ABO:01:XX:PRG:1001 Rev 05 dated 21.01.20

Contingency

The Development Programme **does not** include for any Development Contingency. An allowance between 10% to 15% should be allowed for.

Development Programme R05 21.01.20				Development Contingency Options							
Project											
Project	Start	Finish	Duration	%	Duration	New Duration	New Finish	%	Duration	New Duration	New Finish
Project	14/10/21	26/07/29	406	10%	41	447	08/05/30	15%	61	467	26/09/30
Phase One											
Bldg	Start	Finish	Duration	%	Duration	New Duration	New Finish	%	Duration	New Duration	New Finish
Phase One	14/10/21	20/11/26	266	10%	27	293	27/05/27	15%	40	306	27/08/27
Site Prep	14/10/21	10/12/21	8.4	10%	1	9	17/12/21	15%	1	10	21/12/21
Basement	13/12/21	19/08/22	36	10%	4	40	15/09/22	15%	5	41	28/09/22
NQ01	22/08/22	14/11/25	169	10%	17	186	13/03/26	15%	25	194	12/05/26
NQ02	30/01/23	20/11/26	199	10%	20	219	09/04/27	15%	30	229	18/06/27
Phase Two											
Bldg	Start	Finish	Duration	%	Duration	New Duration	New Finish	%	Duration	New Duration	New Finish
Phase Two	31/10/22	08/06/28	293	10%	29	322	01/01/29	15%	44	337	12/04/29
Site Prep	31/10/22	23/12/22	8	10%	1	9	30/12/22	15%	1	9	03/01/23
Basement	26/12/22	14/07/23	29	10%	3	32	04/08/23	15%	4	33	15/08/23
NQ04	17/07/23	11/11/24	69	10%	7	76	30/12/24	15%	10	80	22/01/25
NQ07	30/10/23	01/07/26	140	10%	14	154	07/10/26	15%	21	161	25/11/26
NQ08	16/08/24	08/06/28	199	10%	20	219	26/10/28	15%	30	229	04/01/29
Phase Three											
Bldg	Start	Finish	Duration	%	Duration	New Duration	New Finish	%	Duration	New Duration	New Finish
Phase Three	16/02/24	06/10/28	242	10%	24	266	27/03/29	15%	36	279	19/06/29
Site Prep	16/02/24	11/04/24	8	10%	1	9	18/04/24	15%	1	9	22/04/24
Basement	12/04/24	31/10/24	29	10%	3	32	21/11/24	15%	4	33	02/12/24
NQ03	24/01/25	06/10/28	193	10%	19	213	20/02/29	15%	29	222	27/04/29
Phase Four											
Bldg	Start	Finish	Duration	%	Duration	New Duration	New Finish	%	Duration	New Duration	New Finish
Phase Four	06/09/24	26/07/29	255	10%	26	281	22/01/30	15%	38	293	22/04/30
Site Prep	06/09/24	31/10/24	8	10%	1	9	07/11/24	15%	1	9	11/11/24
Basement	01/11/24	05/06/25	31	10%	3	34	27/06/25	15%	5	36	09/07/25
NQ06	06/06/25	26/07/29	216	10%	22	238	26/12/29	15%	32	248	12/03/30

Notes
Constructing the basement over four phases, will take longer than building the basement in one phase. Temporary works, services on both sides & opening up during construction will have an affect on the time period. This will also be reflected in the costs associated with the works. Also continuity of works, mobilisation/de-mobilisation, economics of working on a larger scale will also affect time and cost.

Access, Egress & the logistics for this project incl. crane locations will need to be reviewed and planned out extensively due to the DLR locality & the main access road being one way. The programme timings may need to be reviewed as the scheme is developed further.

There is no substructure measure/quantities. All quantities used are assumed & will require a full review when details are received. The durations are based on assumed quantities.

Holidays
Nb. The Development programme is based on net durations, and does not include for any holiday periods. To allow for holiday periods a further 15 days should be added for each calendar year

Scope								
Building	Storeys	Total GEA (sqm)				Piling	Basement	Finishes
NQ01 - Residential	34	30,456				Yes	Yes	Residential
NQ02 - Residential	61	55,095				Yes	Yes	Residential
NQ03 - Commercial	39	80,058				Yes	Yes	Office buildings Shell & Core only
NQ04 - Retail	4	3,972				Yes	Yes	Office buildings Shell & Core only
NQ06 - Commercial	32	85,484				Yes	Yes	Office buildings Shell & Core only
NQ07 - Commercial	16	28,002				Yes	Yes	Retail
NQ08 - Residential	53	48,178				Yes	Yes	Residential
Basements		M2	Secant LM	Temp Sheet Pile LM				
Phase 1 Basement		3,938	208	95				All dimensions approximate
Phase 2 Basement		4,253	173	144				
Phase 3 Basement		3,692	88	38				
Phase 4 Basement		3,536	137	0				

Shell & Core Fit-Out Scope:
Shell: New build works to the fabric, sub and superstructure of the building only, including: external walls, windows, doors (external), roof, core internal walls, structural floors. Public Real hard landscaping.

Core Fit-out: Core building services. Core building services relates to the installation of central or communal transportation systems, water systems, fit-out of common areas, central mechanical and electrical systems including HVAC, but without local fitting of systems within tenant areas. The systems are centralised with capped off distribution to each tenanted area (for future connection as part of a tenant's fit-out works). This **does not** include for the full scope of a Category A fit-out, such as ceiling finishes, raised floors and the zoning of local services above the lettable floor area. An allowance has been made for general finishes and Building management offices & changing rooms etc to the Basements as described in the Basement breakdown document.

Bridge & Section 278 Works
Bridges
Allowance for level adjustment (alteration) to Upper Bank Street Bridge
Re-configure & extend existing double deck bridge across North Dock at west
Lifting bridge across North Dock Promenade level east side
Poplar pedestrian bridge refurbishment
Housing for electrical sub-station at L00 north west
Open pedestrian bridge across Aspen Way to Poplar at the east side of the site
Section 278 Works

North Quay Development Programme Notes

Programme Ref: NQDP:2QA.001 (07):ABO:01:XX:PRG:1001 Rev 05 dated 21.01.20

New entrance at north west including traffic lights & security

Re-configuration Upper Bank Street ramp including new entrance from Aspen Way for Billingsgate Market

This work has not been included in the programme due to insufficient information. However, none of these items are critical to the overall time period of the works.

Reference Documents

1. Based on Docs issued by email 08.01.20

2. Stage 3 Detailed design 3 months as advised G.D.

3. Stage 4 13 Months - 10 bank street

4. Outline Planning Programme included in the email 08.01.20

5. Procurement: based on standard 39 wk (9 Month) string + design/approvals update dependant on the package in general 10 weeks allowed for Sub-Contract design and Approvals for the later packages.

North Quay Development Programme Notes

Programme Ref: NQDP:2QA.001 (07):ABO:01:XX:PRG:1001 Rev 05 dated 21.01.20

Substructure Assumed Main Quantities

Secant Wall		Conc.		assumed 15LM	1200mm Dia
Phase One	181 LM	2,562	M3		
Phase Two	83 LM	1,171	M3		
Phase Three	94 LM	1,323	M3		
Phase Four	126 LM	1,781	M3		
Project	484 LM	6,837	M3		
Temp Sheet Piles					
Phase One	78 LM			assumed 15LM	
Phase Two	58 LM				
Phase Three	38 LM				
Phase Four	0 LM				
Project	174 LM				
Capping Beam		Conc.		RC	allowed 1*2m capping beam 135kg/M3 allowed
Phase One	78 LM	362	M3	48,870	Kg
Phase Two	58 LM	166	M3	22,410	Kg
Phase Three	38 LM	188	M3	25,380	Kg
Phase Four	0 LM	252	M3	34,020	Kg
Project	174 LM	968	M3	130,680	Kg
Excavation/Muck Away					main basements allowed a 7LM height dig
Phase One	43,786		M3		
Phase Two	52,761		M3		
Phase Three	47,879		M3		
Phase Four	48,023		M3		
Project	192,449		M3		
Piles		Conc.		RC	assumed 15LM 900mm Dia Rc (kg) allowed 8% of volume
Phase One	345 No.	3,295	M3	206,798	Kg
Phase Two	402 No.	3,833	M3	240,575	Kg
Phase Three	361 No.	3,449	M3	216,440	Kg
Phase Four	334 No.	3,188	M3	200,090	Kg
Project	1,443 No.	13,765	M3	863,903	Kg
Pile Caps		Conc.		RC	
Phase One	86 No.	1,165	M3	151,500	Kg
Phase Two	100 No.	1,356	M3	176,246	Kg
Phase Three	90 No.	1,220	M3	158,564	Kg
Phase Four	84 No.	1,128	M3	146,586	Kg
Project	361 No.	4,868	M3	632,897	Kg
Raft Slab		Conc.		RC	
Phase One	3,453 M2	1,554	M3	178,693	Kg
Phase Two	4,017 M2	1,808	M3	207,880	Kg
Phase Three	3,614 M2	1,626	M3	187,025	Kg
Phase Four	3,341 M2	1,503	M3	26,460	Kg
Project	14,425 M2	6,491	M3	600,057	Kg

Pile caps; assumed 1nr for every 4nr piles; 1.50m thick 3*3m = 13.5M3@ PC
130kg/M3 allowed

APPENDIX 3 - PROPOSED SCHEME CBRE OFFICE REPORT

J. Larkin Esq
Canary Wharf Group
One Canada Square
Canary Wharf
London
E14 5AB

Switchboard +44 (0)20 7182 2000
Fax +44 (0)20 7182 2001
Direct Line +44 (0)207 182 3235
Direct Fax +44 (0)207 182 3002
david.perowne@cbre.com

2 July 2020

PRIVATE & CONFIDENTIAL

Dear Jason

NORTH QUAY PROPOSED SCHEME - OFFICE EVIDENCE

I write with regards to the proposed development of North Quay and the assumptions that have been made in relation to the office element of the newly proposed scheme.

THE SCHEME

We understand that the proposed North Quay scheme will provide 1,353,560 sq ft of office accommodation across three buildings arranged as follows:

NQB1 – 554,124 sq ft
NQD1/D2 – 606,752 sq ft
NQD3 – 192,684 sq ft

The proposed scheme therefore marks a change from the extant scheme with three entirely separate standalone buildings. Clearly therefore the delivery of the three buildings can be phased over time in accordance with occupier demand. We have also assumed that the scheme will be delivered in line with the highest specification available in the market.

We have adopted the following assumptions in relation to the office element of the newly proposed scheme at North Quay:

Office Rent	£57.50 per sq ft
Office Rent Free (Pre-let)	36-42 Months depending on lease term
Office Letting Void post PC	12 Months
Office Yield	4.75%

The three buildings as planned will provide a range of different floor plates in terms of both size and configuration. They will therefore appeal to as wide a spectrum of occupiers as possible.

COMPETING LOCATIONS

It is important to consider the scheme within a Central London context. Occupiers are increasingly footloose and are less tied to specific geographies within London (with the only real exception to this being the Insurance sector who remain committed to the EC3 submarket in the City of London) and certainly occupiers of the size and likely 'profile' as required at North Quay will demand the highest specified offices and will therefore consider a wide geographical radius to include Canary Wharf.

There are also two other key fundamentals which need to be considered with regards to Canary Wharf as a location in comparison to other Central London sub-markets – the introduction of Crossrail from 2021 will provide additional transport infrastructure to greatly improve resilience in this area and will also ensure that Canary Wharf is even more accessible from the rest of London and global transport hubs such as Heathrow etc and secondly, in comparison to other sub-markets, Canary Wharf will continue to benefit from the most competitive overall occupancy costs given the relatively economical rents and comparatively low business rates. These elements will also help to ensure that occupiers will be drawn to the future development stock at Canary Wharf.

LEASING STRATEGY

We are aware that the specification of the newly proposed scheme is of the highest standard available within the London office market in line with other developments by Canary Wharf Group and it is noted that the scheme will be delivered to account for the latest occupational trends. Due to the size of the individual buildings we would not advocate a speculative development strategy (other than perhaps in relation to NQD3) and we are also aware that Canary Wharf's philosophy is pre-let driven rather than to develop speculatively in any event. Whilst we would not necessarily anticipate securing a single tenant for each entire building, the ability to vary the delivery timescale for each building means that off plan pre-lets can be secured at different times which limits the need to develop speculatively.

For any speculative elements it should be noted that there is a lengthy construction period in advance of practical completion during which it should be assumed that further pre-lets will be secured. This was seen both at 25 Churchill Place where, following the initial off plan pre-let to the European Medicines Agency, a further pre-let was agreed with EY during the construction process and at 1-5 Bank Street where, following the initial off-plan pre-let to Société Générale, a further pre-let was agreed to EBRD on the remainder of the building during construction. A letting void will therefore clearly not be applicable on these elements of the scheme that are subsequently pre-let during the construction process.

Given the size of the individual buildings within the newly proposed scheme it is our opinion that it is quite likely that each building may be fully let by the time Practical Completion is reached. However, in order to be prudent, we believe it would however be reasonable to expect some space to remain available at Practical Completion. It is our opinion that an assumed letting void of 12 months is sensible

on any space vacant post Practical Completion. At Practical Completion we would advocate a floor by floor leasing approach where we would in the main expect to secure 10 year lease terms for which we could reasonably expect to grant a rent free period of 24-27 months. Overall we would expect to see the scheme leased on a mix of 20 year, 15 year and 10 year leases.

LEASING EVIDENCE

As noted above it is important to consider recent leasing evidence within both the local Canary Wharf market as well as the wider Central London market. To this end there are a number of relevant transactions involving occupiers predominantly from the banking and finance, legal and professional sectors who we would expect to be the core occupier target base at North Quay. At the same time, there is we have seen recent significant demand across London from occupiers in the media/creative/tech industries and given the ongoing diversification of the occupier base at Canary Wharf we would also anticipate interest in the scheme from this sector.

Therefore, in terms of rental evidence to support the above assumptions, the following are worthy of note (please note that the information below is believed to be correct but should not be relied upon).

Building: 5 Bank Street, E14

Date of Transaction: May 2019

Occupier: EBRD

Term: 20 years with a tenant option to determine after 12 years

Size: 365,000 sq ft

Rent: £52.75 per sq ft

Rent Free: 36 months

Comments: Pre-let while under construction of the remainder of this top specification new development on the Canary Wharf estate

Building: 30 Churchill Place, E14

Date of Transaction: September 2019

Occupier: WeWork

Term: 20 years

Size: 277,916 sq ft

Rent: £48.50 per sq ft with minimum uplift to £53.00 per sq ft at review

Rent Free: c40 months

Comments: Acquisition of second hand space following the relocation of EMA

Building: Cargo, 25 North Colonnade, E14

Date of Transaction: June 2020

Occupier: BP

Term: 15 years

Size: 201,609 sq ft

Rent: c£52.50 per sq ft

Rent Free: 38 months from shell & core

Comments: Pre-let while under construction of this refurbished scheme

The following transactions within the wider London market are also worthy of note:

Building: 20 Ropemaker, EC2

Date of Transaction: February 2020

Occupier: Linklaters

Term: 20 years

Size: 307,195 sq ft

Rent: c£73.00 per sq ft overall

Rent Free: TBC

Comments: Off plan pre-let of the majority part of this new development.

Building: One Braham Street, E1

Date of Transaction: July 2019

Occupier: BT

Term: 15 years with a tenant option to determine after 12 years

Size: Whole building – 328,000 sq ft

Rent: c£58.00 per sq ft overall

Rent Free: c33 months overall

Comments: New build. Pre-let of whole building while under construction.

Building: 16 Old Bailey, EC4

Date of Transaction: February 2020

Occupier: IPG Mediabrands

Term: 15 years with a tenant option to determine after 12 years

Size: 101,352 sq ft

Rent: Rents ranging from £67.50-£77.50 per sq ft

Rent Free: 33 months overall

Comments: Refurbished building. Pre-let while under construction.

Building: 25 Cannon Street, EC2

Date of Transaction: May 2019

Occupier: Brewin Dolphin

Term: 15 years

Size: 120,000 sq ft

Rent: c£67.50 per sq ft overall

Rent Free: c36 months

Comments: Refurbishment. Pre-let prior to construction commencing.

Building: Premier Place, EC2

Date of Transaction: October 2018

Occupier: Jane Street Capital

Term: 15 years

Size: 148,335 sq ft

Rent: c£67.00 per sq ft overall

Rent Free: 24 months plus additional works to the building

Comments: Comprehensive refurbishment. Pre-let while under construction.

The leasing transactions detailed above demonstrate that the stated assumptions in relation to North Quay are realistic. When considered in the context of the wider Central London market, Canary Wharf has traditionally traded at a rental discount. However, on the Canary Wharf Estate, space available directly from the Landlord has traded at a significant premium to second-hand, sub-lease space. It is also important to consider that at the time of previous pre-let transactions at Canary Wharf (such as at 1-5 Bank Street, 25 Churchill Place as well as the ongoing transaction at Cargo etc) the rent achieved has been at a premium to the prime rent for built stock at that time. For example, the pre-let to EBRD at 5 Bank Street was agreed in 2018 at a rent of £52.75 per sq ft in comparison to the prevailing prime rent at Canary Wharf of £48.50 per sq ft while the rent of £52.50 per sq ft recently achieved at Cargo is at a clear premium to the current prime rent of £50.00 per sq ft. It is worth noting that this scheme is a refurbishment rather than a new build and it would be reasonable to assume that a newly built scheme that will be delivered to meet the demands of the occupational market in terms of the latest trends would trade at a premium to this. Finally, it should also be noted that there is a minimum level of rent required in order to develop the scheme which is dictated by construction costs (which have continued to rise) and this is reflected in the assumed rent of £57.50 per sq ft at North Quay.

Rent free packages have remained relatively stable across the board in Canary Wharf and the rest of Central London and as the evidence above illustrates, there tends to be little discount between Canary Wharf and other sub markets. It would be true to say that an increasing number of pre-let deals have tended to be for slightly shorter lease terms of c15 years rather than the more traditional 20 year terms although 20 year leases have been preferable to some occupiers due to the additional rent free periods granted. Rent free periods for lease terms of 15 years have tended to be of 33-36 months while it would be reasonable to expect a rent free period for a 20 year lease to be in the order of 42 months. It is important to note of course that given these deals are pre-lets the schemes have not incurred any (or minimal) letting void as a result (i.e. the rent free period granted often represents the total void until the schemes are income producing). This is particularly relevant with regards to the extant scheme at North Quay where, given the size of the scheme, a speculative development approach would not be advocated as previously referenced.

The recent transactions above illustrate that there is a good level of pre-let demand (c53% of all stock currently under construction has been pre-let) although it should be noted that there has been a relative lack of large, 250,000 sq ft + pre-lets in recent times which could lead to an impact on void prior to

construction beginning on the larger buildings within the newly proposed scheme. However, the lack of supply of large lot sizes across Central London, will help to ensure that the stated commercial assumptions are realistic.

INVESTMENT

There was £1.4bn of investment in Central London offices in the first quarter, across 24 transactions. This was a slow start to the year, which relative to the same period in 2019, was down 38% and down 55% on the 10-year average for a first quarter. In the largest transaction, UK pension fund LAG purchased Sanctuary Buildings, 14-26 Great Smith Street, Victoria for £300m. There were three transactions greater than £100m during the quarter, in comparison to two of this size during the same period in the corresponding quarter in the previous year.

Activity from overseas investors in Central London remained subdued in Q1 although outperformed that of domestic investors, representing 65% of total investment. European investors were particularly active accounting for 80% of overseas investment, while Asian investment represented just 10%. In the 12 months to March 2020, overseas investors accounted for £4.9bn of investment.

Prime yields for Central London offices held firm in Q1 at 4.00% for the City, trending stronger, and 3.75% stable for the West End.

With equity targeting London property estimated to stand at c. £32.7bn at the end of Q4 2019 (pre-election figure), this continues to create a large supply / demand imbalance. Following the election in December 2019 we saw a significant spike in interest as investors sought to take advantage of the relative certainty provided by the Conservative victory. Following an almost global lockdown which has impaired investor's ability to travel and inspect, this is currently hard to quantify but is presumed down from its previous figure.

Interest remains particularly strong from SE Asia and North America, with the former being led by Singapore (listed REITs) and Hong Kong (private HNWs) and the latter led by US private equity (Blackstone, Brookfield, Hines) and Canadian pension funds (CPPIB, Quadreal).

The impact of COVID 19 is likely to be substantial and it is likely in the immediate aftermath there could well be a flight to secure, long let, income. However, given it is not solely a London or UK-based pandemic, the impact is considered no worse than in competing global cities and we anticipate the appetite for central London office is likely to remain comparatively high for most investors, aided by relative pricing; particularly where there is currency discount. Key fundamentals (law, liquidity, transparency etc) remain in addition to the outcome of the trade agreement negotiation post Brexit.

250,000 Sq Ft Plus

The following four completed transactions and three investments that are currently available are all over 250,000 sq ft, with The Cabot, 25 Cabot Square being a core Docklands investment sale, that is currently in the market available to buy.

Watermark Place, Lower Thames Street, EC3 (50% share)	Area	542,497 sq ft
	Built	2009
	Tenure	Freehold



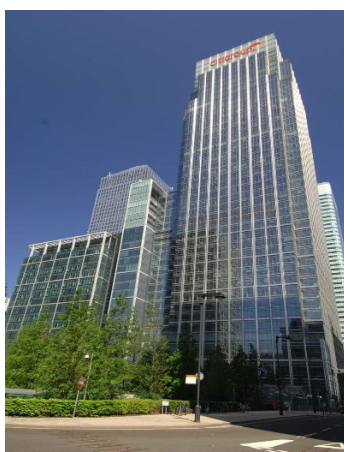
Tenant	Nomura
Rent Per Annum	£23,691,500 (£43.67 per sq ft)
Unexpired Term	9.6 years
Quoting Price	c.£260,000,000 (£960 per sq ft)
Net Initial Yield	4.41%
Vendor	Oxford Properties
Purchaser	Union
Status/Date	Completed/ March 2020

Alban Gate, London Wall, EC2



Area	382,223 sq ft
Built	1992
Tenure	LLH 114 years at a peppercorn
Tenant	Multi-Let (JP Morgan Chase 98%)
Rent Per Annum	£18,260,700 (£47.78 per sq ft)
Unexpired Term	5.6 years
Quoting Price	£295,000,000 (£772 per sq ft)
Net Initial Yield	6.00%
Vendor	Blackstone
Purchaser	Confidential
Status/Date	Completed / January 2020

25 Canada Square, E14



Area	1,243,336 sq ft
Built	2001
Tenure	Freehold
Tenant	Citibank
Rent Per Annum	Confidential
Unexpired Term	c. 16.5 years
Bloomberg Reported Price	c.£1.05bn (c.£850 per sq ft)
Reported Net Initial Yield	Confidential
Vendor	AGC Equity Partners
Purchaser	Confidential
Status/Date	Completed / March 2019

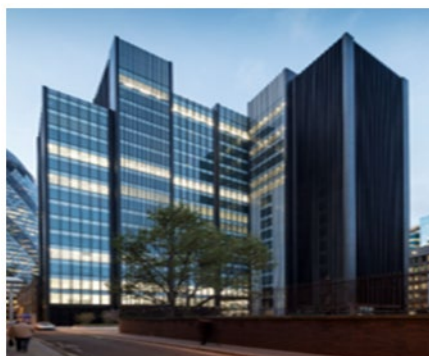
Plumtree Court, Shoe Lane, EC4

Area	827,010 sq ft
Built	2019
Tenure	Freehold
Tenant	Goldman Sachs Int.
Rent Per Annum	Confidential



Unexpired Term	20 years
Bloomberg Reported Price	£1.16bn (£1,400 per sq ft)
Reported Net Initial Yield	Confidential
Vendor	AGC Equity Partners
Purchaser	NPS (La Salle IM)
Status/Date	Completed / January 2019

One Creechurch Place, EC3



Area	278,000 sq ft
Built	2017
Tenure	LLH 150 years @ 5%
Tenant	Multi-Let
Rent Per Annum	£17,500,000 (£62.95 per sq ft)
Unexpired Term	11 years (9.5 years to breaks)
Quoting Price	£180,000,000 (£1,295 per sq ft)
Quoting Net Initial Yield	c.4.5%
Vendor	HOOP
Status/Date	Available
Date to Market	December 2019

One Braham, E1



Area	340,000 sq ft
Built	H3 2020
Tenure	Freehold
Tenant	British Telecom
Rent Per Annum	£19,500,000 (£57.50 per sq ft)
Unexpired Term	15 years (10 years to breaks)
Quoting Price	£427,000,000 (£1,256 per sq ft)
Quoting Net Initial Yield	c.4.5%
Vendor	Aldgate Developments / Starwood
Status/Date	Available
Date to Market	Off market

The Cabot, 25 Cabot Square, E14



Area	481,866 sq ft
Built	2019
Tenure	Freehold
Tenant	Multi-Let
Rent Per Annum	£18,840,766 (£39.10 per sq ft)
Unexpired Term	11.7 years (10.4 years to breaks)
Quoting Price	£390,000,000 (£809 per sq ft)
Quoting Net Initial Yield	c.4.75%
Vendor	Hines
Status/Date	Available
Date to Market	November 2019

Sub 250,000 Sq Ft

The following six transactions are all under 250,000 sq ft, with 17 Columbus Courtyard being the key comparable transaction from the Canary Wharf Estate, albeit is short term income.

Ludgate London, 55 Ludgate Hill, EC4



Area	108,670sq ft
Built	2020
Tenure	LLH 130 years @ 5%
Tenant	Multi-Let
Rent Per Annum)	£6,798,845 (62.56£ per sq ft)
Unexpired Term	14.8 years
Quoting Price (£ per sq ft)	£140,000,000 (£1,288 per sq ft)
Quoting Net Initial Yield	4.53%
Vendor	Greycoat / Goldman Sachs
Purchaser	Union
Status/Date	Completed / June 2019

100 Cheapside, EC2



Area	101,823 sq ft
Built	2014
Tenure	LLH 148 years @ 7%
Tenant	Multi-Let
Rent Per Annum)	£6,639,798 (£65.21 per sq ft)
Unexpired Term	9.51 years
Quoting Price (£ per sq ft)	£141,000,000 (£1,385 per sq ft)
Quoting Net Initial Yield	4.10%
Vendor	Aberdeen Standard
Purchaser	KWAP / Azimuth
Status/Date	Completed / December 2019

8 Finsbury Circus, EC2



Area	177,586 sq ft
Built	2016
Tenure	Freeholder
Tenant	Multi_let
Rent Per Annum)	£11,091,141 (£62.46 per sq ft)
Unexpired Term	13.3 years
Quoting Price (£ per sq ft)	£260,000,000 (£1,464 per sq ft)
Quoting Net Initial Yield	3.99%
Vendor	Mitsubishi Estate Company
Purchaser	Stamford Land
Status/Date	Completed / July 2019

8 Salisbury Square, EC4

Area	165,523 sq ft
Built	2015
Tenure	Freehold
Tenant	Multi-let
Rent Per Annum)	£10,364,071 (£62.61 per sq ft)
Unexpired Term	10.5 years



Quoting Price (£ per sq ft)	£221,350,000 (£1,337 per sq ft)
Quoting Net Initial Yield	4.60%
Vendor	Greycoat / Cheyne Capital
Purchaser	Wing Tai Subsidiary
Status/Date	Completed / June 2019

Premier Place, Devonshire Square, EC2



Area	232,265 sq ft
Built	2019
Tenure	Freehold
Tenant	Multi-Let
Rent Per Annum	£14,109,141 (£60.75 per sq ft)
Unexpired Term	c. 15.2 years
Reported Price	£325,000,000bn (£1,399 per sq ft)
Reported Net Initial Yield	4.25%
Vendor	Greycoat / Morgan Stanley
Purchaser	CBRE GI / EPF
Status/Date	Completed / January 2020

17 Columbus Courtyard, E14



Area	188,323 sq ft
Built	1999
Tenure	Freehold
Tenant	Credit Suisse
Rent Per Annum (£ per sq ft)	£6,429,170 (£34.14 per sq ft)
Unexpired Term	4.9 years
Purchase Price (£ per sq ft)	£110,200,000 (£585 per sq ft)
Net Initial Yield	5.73%
Vendor	HNA Group
Purchaser	Sun Hung Kai / Macquarie
Status/Date	Completed / December 2019

The above mentioned investment transactions together with the available opportunities provide supporting evidence which underpins the 4.75% office yield assumption in relation to North Quay. Whilst certain prime assets are achieving stronger yields in the City, we believe this yield level to be appropriate for a Docklands transaction let off headline rental levels.

The evidence in this letter confirms the stated assumptions for North Quay. It is our opinion that it will be a building of the highest quality and technical specification, in a desirable location which will only be strengthened by the arrival of Crossrail from 2021. Coupled with the more footloose nature of modern occupiers, North Quay will appeal to occupiers from a range of different business sectors when searching for new offices.

Please do let me know if any further information or clarification is required.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Perowne', followed by a long horizontal line extending to the right.

DAVID PEROWNE
EXECUTIVE DIRECTOR – LONDON LEASING

APPENDIX 4 - PROPOSED SCHEME CBRE SERVICED APARTMENT REPORT

PROPOSED SERVICED APARTMENTS NORTH QUAY, CANARY WHARF

CBRE HOTELS DEVELOPMENT ANALYSIS – AFFORDABLE HOUSING VIABILITY

Presented to Canary Wharf Group (CWG) PLC

July 2020

INTRODUCTION

Further to our meeting regarding the proposed serviced apartments as part of the North Quay, Canary Wharf development, Canary Wharf Group PLC instructed CBRE Hotels to undertake a report to support the affordable housing viability. We have provided our analysis in the following format:

- Background and commentary on proposed serviced apartment scheme
- London hotel market commentary
- UK serviced apartment market commentary
- Supply and pipeline analysis of hotels and serviced apartments in the surrounding area
- Projected income profile for the proposed serviced apartment scheme
- Opinion of pricing for the proposed serviced apartment scheme
- Transactional evidence

It should be noted that the opinion of pricing for the proposed serviced apartment scheme is indicative only and has not been prepared in accordance with the RICS Valuation Standards "Red Book" and should not be relied upon for loan security or other formal purposes or used as a substitute to a formal valuation that would be reached by CBRE, following a valuation commissioned and carried out under CBRE's standard terms and conditions

BACKGROUND AND COMMENTARY ON PROPOSED SERVICED APARTMENT SCHEME

Canary Wharf Group (CWG) own North Quay development site, located on the northern part of the Canary Wharf estate, opposite the Crossrail development (due to open summer 2021). CWG are looking to deliver a mixed-use scheme on the site including office, retail, serviced apartments and residential uses as well as recreation and leisure space. Enhanced connections between Canary Wharf and the neighbourhoods surrounding Poplar will be provided. Their vision is to create a scheme that enhances the area for local communities and increases the attractiveness of Canary Wharf as a destination and working environment.

We understand planning permission for an office led scheme was granted in 2007. In 2017, CWG submitted a planning application for a revised mixed-use scheme, which has been withdrawn.

CWG are looking to submit a new planning application in 2020 for a revised mixed-use scheme.

Designed by Allies & Morrison Architects, the proposed development is to comprise seven tower blocks comprising three dedicated office blocks, two towers with residential, one tower with serviced apartments and a 4-storey building with retail use. A significant retail area provides connectivity at ground and promenade levels across the scheme and is to open up to a new performance and public exhibition space.

We have reviewed the serviced apartments plans from Allies & Morrison Architects and we understand that the final serviced apartment scheme totals 45,749 sqm GIA equating to 31,738 sqm NIA and comprises 750 serviced apartments. The serviced apartments will occupy a 53-storey tower with retail and ancillary use across ground floor and first floor levels, including 856 sqm GIA and 616 sqm ancillary use space as part of the operation. The serviced apartments will be located across floors 2 to 53, with 15 apartments on each floor and a roof plant. The mixed-use tower will be connected to the rest of the scheme and Crossrail at promenade and ground levels. We understand the proposed apartment mix will be as follows:

Apartment Type	Quantity	Size (sqm)	% of Total
Studio A	500	26.6 – 26.8	66.7%
Studio B	75	32.2	10.0%
Studio C Wch	25	40.1	3.3%
1 Bed	75	59.1 – 59.4	10.0%
1 Bed Wch	75	64.8	10.0%
Total / Average	750	34.8	

The 750 proposed apartments are of good sizes, at an average of 34.8 sqm and we expect strong demand from serviced apartment operators and brands. The apartment mix, with over 70 per cent of studios, is a typical mix for a serviced apartment block and in line with the majority of operators & brands requirements. Around 13.3% of the units are wheelchair accessible.

LONDON MARKET COMMENTARY

ECONOMIC AND TOURISM SNAPSHOT

Highlights



UK GDP Forecast at -5.1% in 2020, with a strong rebound of 6.0% in 2021.



Inbound Visitors to London forecast to decrease by 40.0% in 2020.

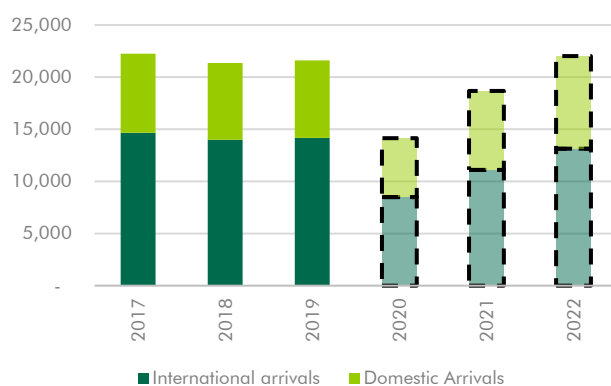


Domestic Visitors to London forecast at -24.1% in 2020.

Key Trends

London Domestic and Inbound Tourism Visitors

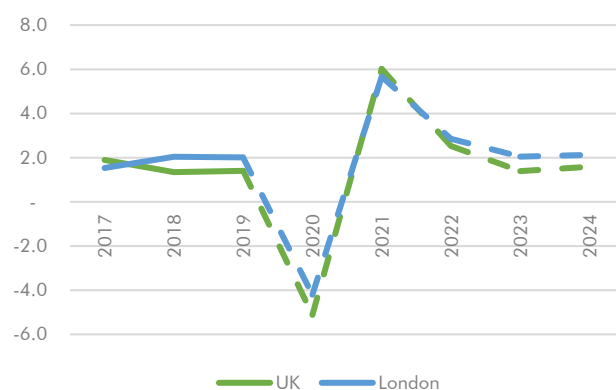
2017 – 2022



Source: Oxford Economics

UK / London GDP Growth

2017 – 2024



Source: Oxford Economics

Analysis

- The latest data issued by Oxford Economics in April 2020 forecasts total International and Domestic Visitors to London to decrease by approximately 40.0% and 24.1% respectively in 2020;
- In addition, Oxford Economics forecast the UK economy to decline significantly by 5.1% in 2020, followed by a strong recovery in 2021, with forecast growth of 6.0%;
- According to International Monetary Fund (IMF), the UK economy is facing the sharpest downturn in a century, affected by the potential and existing impacts of the outbreak of Coronavirus and ongoing uncertainty around the terms of Brexit and future trading arrangements;
- The loose monetary and expansionary fiscal policies announced by Bank of England and the government are expected to boost household spending power and encourage economic recovery once the lockdown is lifted.

HOTEL SUPPLY AND DEMAND

Highlights



3.2% increase in room supply forecast for London in 2020.



Demand forecast to reduce by 23.3% in 2020.



Growth in room supply is expected to be 3.9% in 2021.

Key Trends

Room Supply Evolution

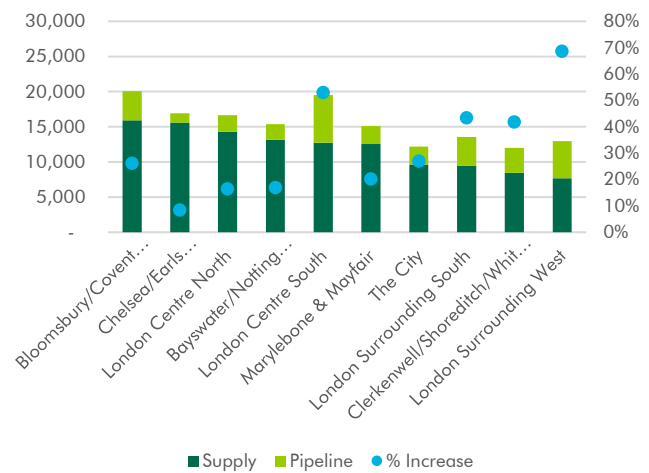
Actual 2010 – 2019, Forecast 2020 – 2023



Source: AM:PM

Supply and pipeline by location

As at April 2020



Source: AM:PM

Analysis

- The London hotel market comprises an estimated 1,752 hotels, offering 144,894 bedrooms. This represents 20.8% of the overall UK room supply. Upscale hotels (including Upper Upscale) account for 39.0% of London hotel supply, followed by Midscale (including Upper Midscale) with 35.2% of market share.
- London has a greater weight of branded properties than the UK regions, with branded hotels accounting for 65.8% of the total hotel supply. Economy and midscale hotel brands have seen the most significant increase over the last ten years, driven by the rapid growth of branded budget hotels.
- Average room supply growth was around 2.2% per annum between 2015 and 2019 and is projected to be 3.3% per annum in the period from 2020-2022, led by an estimated 4.0% increase in 2020 (equating to 52 projects with 5,868 bedrooms)
- Due to disruptions caused by Coronavirus to the construction industry, the number of pipeline hotels due to open in 2020 is likely to fall.

PERFORMANCE TRENDS

Highlights



Occupancy decreased by 36.8% Y-o-Y in April 2020.



RevPAR decreased by 39.7% to £74.4 Y-o-Y in April 2020.

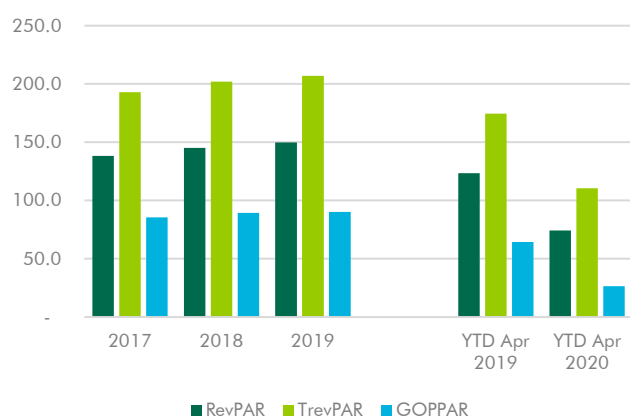


GOPPAR declined by 58.7% Y-o-Y in April 2020.

Key Trends

London Hotels - RevPAR, TrevPAR & GOPPAR

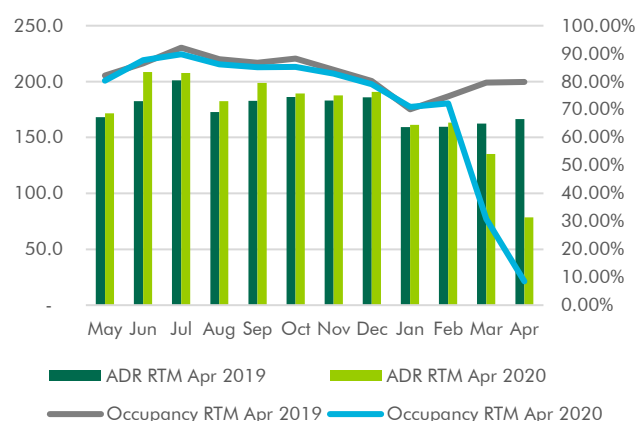
2017-2019, Year to Date (YTD) April 2019 v 2020



Source: HotStats

London Hotels – Rolling 12 months

April 2019 to April 2020



Source: HotStats

Analysis

- The data set includes hotels mainly classified as upper midscale, upscale and upper upscale hotels and includes internationally and nationally branded properties.
- London hotels experienced a RevPAR increase of 3.2% in 2019, supporting TrevPAR growth of 2.5% for the same period.
- There was a strong momentum in the first two months of 2020. However, due to the impact of Coronavirus, RevPAR for London hotels decreased by 39.7% from £123.4 to £74.4 for YTD April 2020 trading, primarily driven by a sharp fall in Occupancy from 76.1% to 48.1%;
- UK regional hotels witnessed a reduced effect, with a 35.6% decrease in RevPAR on a like-for-like basis. We attribute London hotels' greater vulnerability to a more diversified demand segmentation with international tourists constituting a significant portion of revenue sources for London hotels;
- In YTD April 2020, TrevPAR in London hotels decreased by 36.6% whilst Gross Operating Profit per available room (GOPPAR) fell by 58.7%.

MARKET OUTLOOK

Highlights



Occupancy forecast to decline by 46.2% to 44.9% in 2020.



ADR forecast to decline by 27.0% to reach £1113.0 in 2020.

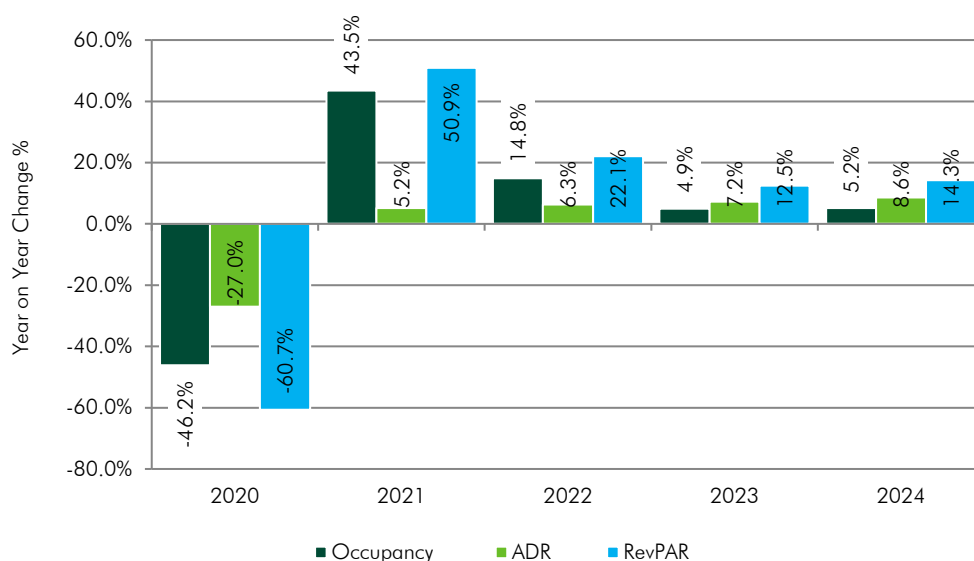


RevPAR forecast to decline by 60.7% in 2020, with strong growth of 50.9% in 2021.

Key Trends

Hotel Performance Forecast

2020-2024



Source: STR Global London Hotels Forecast May 2020

Analysis

- The forecast for London was prepared in May 2020 by STR Global, indicating that London is set to experience a sharper decline in trading performance compared to UK regional hotels.
- STR Global has forecasted that demand will decrease by 44.3% whilst supply (measured in room nights) is projected to grow by 3.5%, resulting in an Occupancy decline of 46.2% in 2020.
- As a result, a drastic fall in RevPAR is forecasted in 2020. Demand is expected to recover with a strong growth rate of 46.7% in 2021, resulting RevPAR increase of 50.9%;
- In addition to the threat of short-term economic recession posed by the Coronavirus, uncertainty will persist until the UK's future trading relationship with the EU becomes clearer during the Brexit transition period.

UK SERVICED APARTMENT SUPPLY AND DEMAND

Highlights



Serviced apt. supply grew by 5.0% in 2019 and 1.5% YTD April 2020.

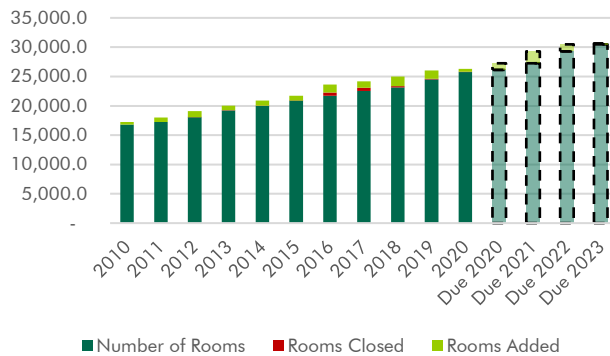


Serviced apt. supply is expected to grow by 4.3% in 2021

Key Trends

Serviced Apts. Supply Evolution

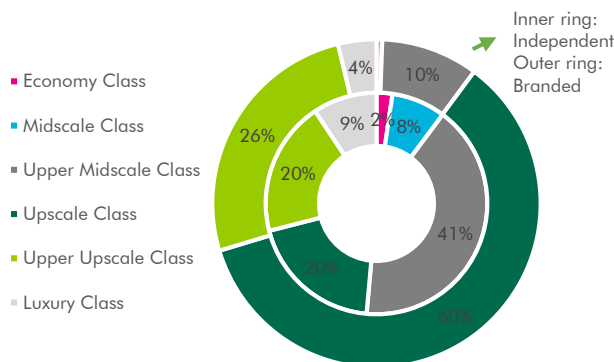
Actual 2010 –2019, Forecast 2020 – 2023



Source: STR

Serviced Apts. supply by Category

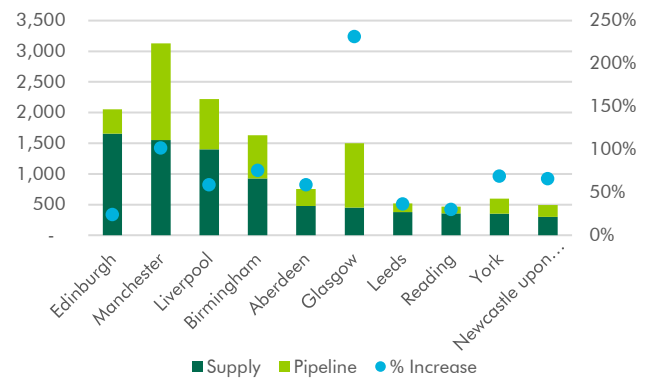
April 2020



Source: STR

Supply and Pipeline – Top 10 Regional UK cities

April 2020



Source: STR

Serviced Apts. market share by Brand

April 2020

Rank	Brand	Market Share (%)
1	StayCity Serviced Apartments	13%
2	Staybridge Suites	7%
3	SACO	6%
4	Marlin Apartments	6%
5	Residence Inn	6%
6	Roomzzz	5%
7	Citadines	4%
8	Native	4%
9	Aparthotel Adagio	4%
10	Locke	4%

Source: STR

Analysis

- The UK serviced apartment market is London centric, with London supplying just under 50.0% of total UK serviced apartment supply. In the regions, supply is focused on key cities with Edinburgh, Liverpool, Birmingham and Manchester all having established serviced apartment markets. Hotspots for new development continue to be focused in these areas with the most significant confirmed pipelines in London, Manchester and Glasgow.
- The UK serviced apartment market comprises an estimated 729 properties offering 26,132 units, equivalent to 3.7% of all UK hotel accommodation supply. Serviced apartment supply has

increased by 51.7% in the last decade (5.1% p.a.), with supply increases projected at +4.3% per annum between 2020 and 2023. The landscape of the serviced apartment sector has changed dramatically over the past decade as operators have transitioned into adopting a more flexible, hotel-oriented approach to marketing properties, in contrast to the original longer stay residential models.

- Across the UK, supply remains relatively fragmented, with small independent operators comprising approximately 48.3% of total supply.
- Independent properties operate for the most part in the upper midscale segment, whereas the vast majority of branded properties operate in the upscale and upper upscale segments (86.0% of total room supply).

UK SERVICED APARTMENT PERFORMANCE TRENDS

Highlights



London RevPAR down 24.0% in the four months to April 2020



Provincial RevPAR down 24.9% in the four months to April 2020

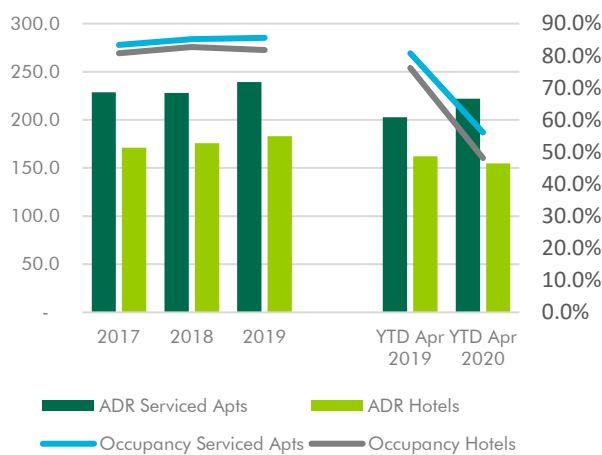


Serviced Apts appear to be slightly more resilient than the Hotel market in the face of the Coronavirus Outbreak.

Key Trends

London Serviced Apts. – Occupancy & ADR

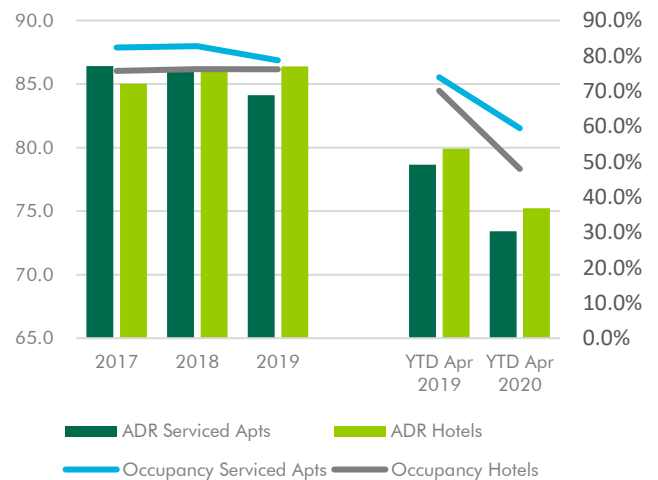
Full Year 2016-2019, YTD 2020



Source: STR Global

UK Regional Serviced Apts. – Occupancy & ADR

Full Year 2016-2019, YTD 2020



Source: STR Global

Analysis

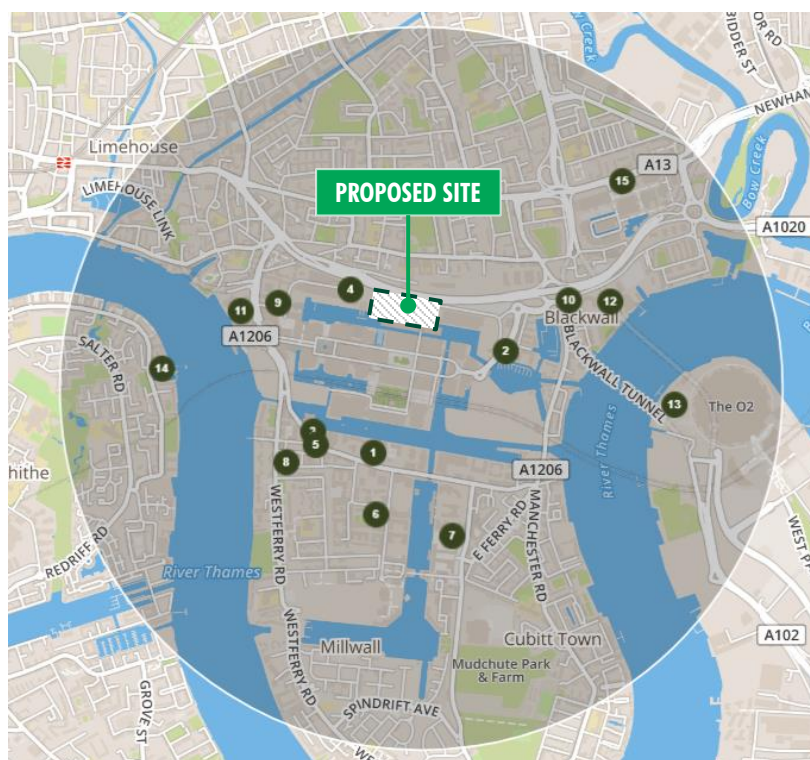
- When the serviced apartment sector emerged in its current form it was perceived as a potential threat to the wider hotel industry. As it has evolved, it has become an important sub-sector of the market.
- In London, serviced apartments outperformed their hotel counterpart in 2019, both in terms of ADR and RevPAR, achieving a rate premium of £56.13 and a RevPAR premium of £54.9. These premiums are explained by the superior locations occupied by serviced apartments as they aim to satisfy their long-stay business traveller market, the general Upscale to Luxury offering compared with the wide range from Economy to Luxury hotels supplied in the hotel market, and the larger rooms sizes.

- The regional serviced apartment market has historically also achieved RevPAR premiums on the hotel market, albeit to a lesser extent. However, the extensive new supply that entered the market in 2018 and 2019 has applied pressure to the regional serviced apartment market performance, resulting in a RevPAR decrease of 7.2% in 2019, bringing it in line with the regional UK hotel market RevPAR.
- As a result of the Coronavirus Pandemic, the first four months of 2020 have recorded a 24.0% and 24.9% decrease in RevPAR for the London and UK regional serviced apartment markets respectively. These declines are smaller than those recorded from the London and Regional UK hotel markets. Whilst no hospitality accommodation sub-market has been immune to the impact of the Coronavirus Pandemic, the serviced apartment sub-market appears to have been slightly more resilient than the hotel market due to its mid to long stay product

SUPPLY AND PIPELINE ANALYSIS OF HOTELS AND SERVICED APARTMENTS IN THE SURROUNDING AREA

We have provided below the supply and pipeline of hotels and serviced apartments known to us of all categories within a 1.0-mile radius of the proposed serviced apartments.

Hotel Supply (1.0-mile radius – over 60 rooms)



Marker	Hotel Name	Brand	Rooms	Opened	Grade
1	Hilton London Canary Wharf Hotel	Hilton	282	2006	4
2	Fraser Place Canary Wharf London	Fraser Place	108	2001	Apts
3	International Hotel	Independent	530	1992	4
4	London Marriott Hotel Canary Wharf	Marriott	301	2004	5
5	Novotel London Canary Wharf	Novotel	313	2017	4
6	Lincoln Plaza London Curio Collection by Hilton	Curio Collection by Hilton	129	2018	4
7	The Collective Canary Wharf	Independent	388	2019	Apts
8	Marlin Apartments Canary Wharf	Marlin Apartments	81	2006	Apts
9	Point A Hotel London Canary Wharf	Point A Hotel	130	2015	Budget
10	ibis London Docklands Canary Wharf	ibis	87	1999	Budget
11	Canary Riverside Plaza Hotel	Independent	142	1999	5
12	Radisson Blu Edwardian New Providence Wharf London	Radisson Blu	169	2007	4
13	InterContinental London The O2	InterContinental	453	2015	5
14	DoubleTree by Hilton Hotel London Docklands Riverside	DoubleTree by Hilton	378	1991	4
15	Travelodge London Docklands Hotel	Travelodge	232	2000	Budget

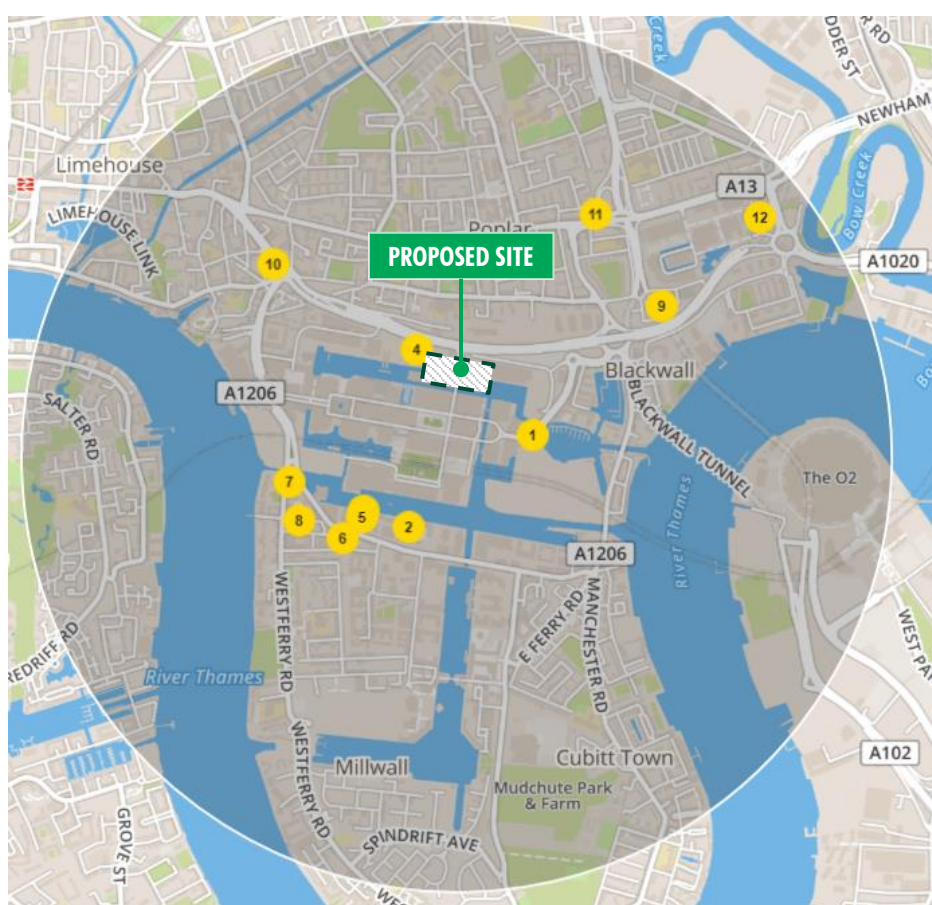
Source: AM:PM Hotels 2020

Comment

- The local hotel supply within a 1.0-mile radius of the proposed site comprises 35 hotels, equivalent to 4,342 bedrooms, with an average size of 248 bedrooms per property.

- The local area hotel stock is dominated by four-star hotels, accounting for circa 41.5 per cent of total room count, which is typical for a corporate demand dominated market. Five-star supply accounts for 20.6 per cent and serviced apartments supply for 26.7 per cent.
- The dominance of four-star hotels can be largely attributed to most of the companies in Canary Wharf operating in the financial sector and providing four-star accommodation to their employees. Furthermore, the four-star properties benefit from the large conference & event demand from all the firms established in the area.
- Between 2015 and 2020, 1,648 rooms were added to the local hotel and serviced apartment supply, reflecting a strong annual growth of 10.3%. Serviced apartments have seen the highest number of new rooms entering the market with 623 units over the past five years, 38% of the incoming supply.
- 83% of bedroom supply within the local area is branded.

Confirmed Hotel Pipeline (1.0-mile radius – over 60 rooms)



Marker	Hotel Name	Brand	Opening	Status	Grade	Bedrooms
1	NoCo Canary Wharf	Independent	Q2 2021	Under Construction	Apts	279
2	SACO Aparthotel London Canary Wharf	SACO		Final Planning	Apts	206
3	Quay House - Hotel	Independent		Final Planning	Apts	400
4	North Quay	Independent		Planning	Apts	216
5	Quay House - Serviced Apartments	Independent		Final Planning	Apts	279
6	Dorsett Canary Wharf	Dorsett	Q1 2023	In Construction	4	231
7	Landmark Pinnacle Apartments	Independent	Q4 2020	In Construction	Apts	84
8	Snoozebox London Canary Wharf	Independent		Final Planning	Budget	74
9	Scouler Street	Independent		Planning	Apts	342
10	Premier Inn West India Dock Road	Premier Inn	Q1 2022	In Construction	Budget	400

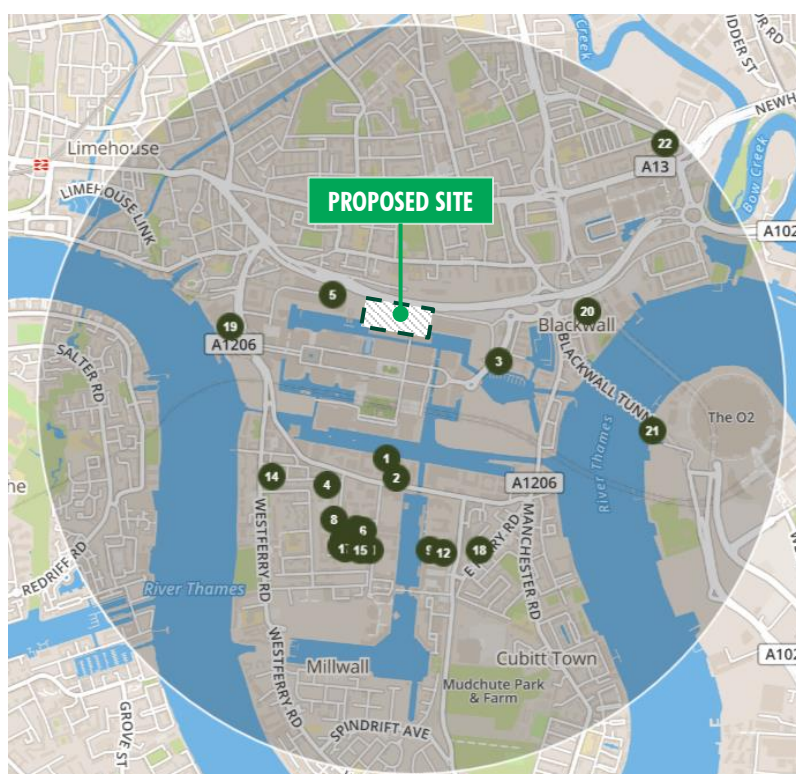
11	267-269 East India Dock Road	Independent	Final Planning	3	163
12	Travelodge East India Dock	Travelodge	Planning	Budget	350

Source: AM:PM Hotels 2020

Comment

- There are four projects in the local market under construction and with confirmed opening date. These projects include the Landmark Pinnacle Apartments (84 units), NoCo Canary Wharf (279 rooms), Premier Inn West India Dock Road (400 rooms) and the Dorsett Canary Wharf (231 rooms).
- There are five additional hotel developments which have received planning and three projects, including the subject property, currently in planning stage.
- The list of potential hotel developments underlines the optimism of hoteliers and investors regarding the future performance of the Canary Wharf hotel market.
- Canary Wharf is entering an exciting period of expansion and growth in diversity of both occupiers and demand generators. The number of leisure visitors to Canary Wharf has also seen significant increases over recent years with the continued development of the retail offerings as well as residential developments in proximity to Canary Wharf.
- There are a number of significant developments expected over the next decade that will further strengthen Canary Wharf's position as a leading business and residential district of London. Therefore, we believe the additional supply will be absorbed swiftly.

Serviced Apartment Supply (1.0-mile radius)



Source: AM:PM Hotels 2020

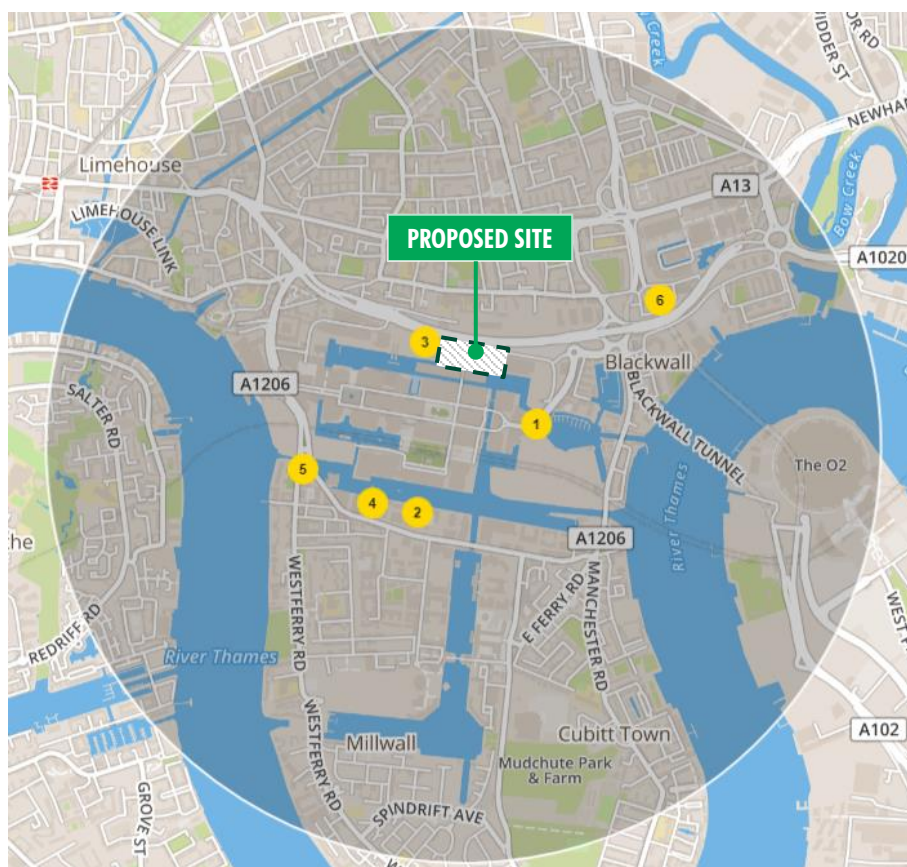
Marker	Hotel Name	Brand	Opened	Grade	Class	Bedrooms
1	Home Canary Wharf	Independent	2019	Apts	Midscale Class	20
2	Clarendon Serviced Apartments Canary Wharf	Clarendon Serviced Apartments		Apts	Upscale Class	33
3	Fraser Place Canary Wharf London	Fraser Place	2001	Apts	Upper Upscale Class	108
4	Bridgestreet Accommodations Phoenix Heights	Bridgestreet Accommodations		Apts	Upper Upscale Class	39
5	Marriott Executive Apartment London Canary Wharf	Marriott Executive Apartments	2004	Apts	Upper Upscale Class	47
6	Bridgestreet Accommodations Indescon Square	Bridgestreet Accommodations		Apts	Upper Upscale Class	16
7	Lincoln Plaza by Skyline	Skyline	2016	Apts	Upper Upscale Class	40
8	Oakwood Lincoln Plaza	Oakwood Apartments	2016	Apts	Upper Upscale Class	11
9	Arena Tower by Skyline	Skyline	2017	Apts	Upper Upscale Class	50
10	Bridgestreet Accommodations Lincoln Plaza	Bridgestreet Accommodations		Apts	Upper Upscale Class	20
11	Clarendon Serviced Apartments Lanterns Court	Clarendon Serviced Apartments		Apts	Upscale Class	15
12	The Collective Canary Wharf	The Collective	2019	Apts	Upper Midscale Class	388
13	Oakwood Lanterns Court	Oakwood Apartments		Apts	Upper Upscale Class	12
14	Marlin Apartments Canary Wharf	Marlin Apartments	2006	Apts	Upper Upscale Class	81
15	SACO Canary Wharf Trinity Tower London	SACO		Apts	Upscale Class	51
16	Bridgestreet Accommodations Lanterns Court	Bridgestreet Accommodations		Apts	Upper Upscale Class	32
17	Native Canary Wharf	Native	2011	Apts	Upscale Class	23
18	Clarendon Serviced Apartments Liberty Building	Clarendon Serviced Apartments		Apts	Upscale Class	3
19	Bridgestreet Accommodations Circus	Bridgestreet Accommodations		Apts	Upper Upscale Class	58
20	Charrington Tower by Skyline	Skyline	2016	Apts	Upper Upscale Class	24
21	Arora Tower Serviced Apartments	Independent	2016	Apts	Upper Midscale Class	40
22	Aberfeldy Village by Skyline	Skyline	2015	Apts	Upper Upscale Class	50

Comment

- The serviced apartment sector is relatively well represented in the market of relevance. With a total number of 22 properties, the serviced apartment sector contributes 26.7 per cent of total bedroom supply in the 1.0-mile radius around the site.

- The majority of the current serviced apartment provision is relatively small and has between 3 to 58 apartments. The only serviced apartments providing over 100 units are the Fraser Place Canary Wharf, 108 apartments, and The Collective with 388 units, which opened in 2019.
- The majority of serviced apartments are branded, with the majority under international brands.
- Besides the opening of The Collective with 388 units, the most recent serviced apartment openings in proximity to the site are smaller operations, including the Home Canary Wharf with 20 apartments in 2019 and the Arena Tower by Skyline (2017) and Lincoln Plaza by Skyline (2017) with 40 and 50 units respectively.

Serviced Apartment Pipeline (1.0-mile radius)



Source: AM:PM Hotels 2020

Marker	Hotel Name	Brand	Opening	Status	Grade	Class	Bedrooms
1	NoCo Canary Wharf	NoCo	Q2 2021	Final Planning	Apts	Economy Class	279
2	SACO Aparthotel London Canary Wharf	SACO		Final Planning	Apts	Upscale Class	206
3	North Quay	Independent		Planning	Apts	Upscale Class	216
4	Quay House - Serviced Apartments	Independent		Final Planning	Apts	Upper Midscale Class	279
5	Landmark Pinnacle Apartments	Independent	Q4 2020	In Construction	Apts	Upscale Class	84
6	Scouler Street	Independent		Planning	Apts	Upper Midscale Class	342

Comment

- We have identified two serviced apartment development projects with confirmed opening within a 1.0-mile radius of the proposed site. The serviced apartments at the Pinnacle with 84 units and expected opening in Q4 2020 and the NoCo Canary Wharf with 279 units with expected opening in Q2 2021. Additionally, there are two projects which have received planning permission including the SACO Canary Wharf with 206 bedrooms and the serviced apartments at Quay House with 279 units. Besides the subject property, there is one speculative project,

- Currently, besides the subject project, there is one speculative project in planning stage. The development on Scouler Street with 342 serviced apartments.
- Considering the diversification of demand in the Canary Wharf area due to the increased number of leisure travellers opting to stay in the area as well as the increased number of tech savvy start-ups setting up offices, we believe a new 'lifestyle' serviced apartment concept at North Quay would be well received.

PROJECTED INCOME PROFILE FOR THE PROPOSED SERVICED APARTMENT SCHEME

We have carried out a high-level desktop analysis of the proposed scheme including a review of the floor plans. We understand the internal layout has not been finalised. Serviced apartment operators/brands will differ in views of layout and facilities mix. For the purpose of this exercise, we have assumed the appropriate facilities such as a dedicated reception, lobby, food & beverage on part of ground floor and first floor and back of house can be accommodated.

Our analysis of trading projections reflects specifications of a serviced apartment block with an average apartment size of 34.8 sqm to an upscale quality and we reserve the right to re-assess if the sizes of the apartments would change or if the positioning of the property would change to hotel use.

Our projections assume trading performance that, in our opinion, a reasonable efficient operator would expect to achieve. We have assumed the serviced apartments will be either owner operated or under a management agreement and have factored in management fees of 2% of Total Revenue.

To determine our projections of trading performance, we have considered the local market dynamics including supply and pipeline as outlined above as well as benchmarked local and wider serviced apartment market performance. We have set out below and overleaf our projections of trading performance in both present and future values (with inflation assuming 2%).

Summary Trading Projections in Present Values

Year	1	2	3	4	5					
No of Rooms	750	750	750	750	750					
Occupancy	70.00%	75.00%	78.00%	78.00%	78.00%					
ADR	159.00	163.00	166.00	166.00	166.00					
RevPAR	111.30	122.25	129.48	129.48	129.48					
OPERATING REVENUES										
Rooms	30,468.4	97.0%	33,465.9	97.0%	35,445.2	97.0%	35,445.2	97.0%	35,445.2	97.0%
Total F&B	628.2	2.0%	690.0	2.0%	730.8	2.0%	730.8	2.0%	730.8	2.0%
Minor Operating Departments	314.1	1.0%	345.0	1.0%	365.4	1.0%	365.4	1.0%	365.4	1.0%
TOTAL OPERATING REVENUE	31,410.7	100.0%	34,501.0	100.0%	36,541.4	100.0%	36,541.4	100.0%	36,541.4	100.0%
GROSS OPERATING PROFIT	21,076.6	67.1%	23,488.3	68.1%	25,058.3	68.6%	25,058.3	68.6%	25,058.3	68.6%
TOTAL MANAGEMENT FEES	628.2	2.0%	690.0	2.0%	730.8	2.0%	730.8	2.0%	730.8	2.0%
EBITDA	16,628.0	52.9%	18,540.2	53.7%	19,622.4	53.7%	19,622.4	53.7%	19,622.4	53.7%

Source: CBRE Projections, '000s (GBP)

Summary Trading Projections in Future Values

Year	1		2		3		4		5	
No of Rooms	750		750		750		750		750	
Occupancy	70.00%		75.00%		78.00%		78.00%		78.00%	
ADR	159.00		166.26		172.71		176.16		179.68	
RevPAR	111.30		124.70		134.71		137.41		140.15	
OPERATING REVENUES										
Rooms	30,468.4	97.0%	34,135.3	97.0%	36,877.1	97.0%	37,614.7	97.0%	38,367.0	97.0%
Total F&B	628.2	2.0%	703.8	2.0%	760.4	2.0%	775.6	2.0%	791.1	2.0%
Minor Operating Departments	314.1	1.0%	351.9	1.0%	380.2	1.0%	387.8	1.0%	395.5	1.0%
TOTAL OPERATING REVENUE	31,410.7	100.0%	35,191.0	100.0%	38,017.7	100.0%	38,778.0	100.0%	39,553.6	100.0%
GROSS OPERATING PROFIT										
	21,076.6	67.1%	23,958.0	68.1%	26,070.6	68.6%	26,592.0	68.6%	27,123.9	68.6%
TOTAL MANAGEMENT FEES										
	628.2	2.0%	703.8	2.0%	760.4	2.0%	775.6	2.0%	791.1	2.0%
EBITDA										
	16,628.0	52.9%	18,911.0	53.7%	20,415.1	53.7%	20,823.4	53.7%	21,239.9	53.7%

Source: CBRE Projections, '000s (GBP)

Potential Operators

We have given assessment on potential brands and operators that could be considered. Given the location, size and scale of the proposed serviced apartment scheme, we believe that there would be strong demand from serviced apartment brands under a management agreement but limited under a lease agreement given the lot size.

Whilst the major global hotel chains would take on a management agreement (with differing fees and commitments), there are also several owner operators that could consider coming in as a JV partner through equity participation or acquire the serviced apartment scheme on a forward commit/funding structure.

We have summarised a sample of potential serviced apartment operators:

- Sonder
- City ID
- Adagio
- The Sebel
- Frasers
- Hyatt House
- Staybridge Suites
- Jumeirah Living
- Room2
- Oakwood
- Marlin Apartments
- Residence Inn
- Locke
- Adina
- The Ascott
- Zoku

OPINION OF PRICING FOR THE PROPOSED SERVICED APARTMENT SCHEME

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a global health emergency on the 30th January 2020, is causing heightened uncertainty in both local and global market conditions. Originating in Wuhan, China, the outbreak continues to develop – and cases are progressively being detected around the world and impacting global financial markets. Travel restrictions have been implemented by many countries, restricting travel. The effect that COVID-19 will have on the real estate market in the United Kingdom is currently unknown – and will vary from sector to sector. It will also largely depend on both the scale and longevity of the outbreak.

Given the heightened uncertainty, looking forward, a degree of caution should be exercised in the use of our opinion of pricing, as values and incomes may change more rapidly and significantly than during standard market conditions. We would therefore recommend that you keep the pricing of this property under frequent review and we reserve the right to review our opinion as further information emerges. For our analysis given the proposed opening date is over five years away we have not modelled the effects of Covid-19

We provide below our opinion of pricing for the proposed serviced apartment scheme under a management agreement scenario. We are of the opinion most investors would look at this scheme from an owner-operator or management perspective. Given the number of units, in our opinion securing a lease agreement is unlikely. For our analysis we have assumed serviced apartment operation of upscale quality.

Hotel Management Agreement

Hotels/Serviced Apartments are normally priced using the “profits’ method” having regard to revenue and operating profits. We have assessed the fair maintainable level of trade that could be achieved by a reasonably efficient operator which would form the basis for a bid in the open market, as outlined above. The capitalisation factor applied to the projected operating profit reflects growth potential, risk, the desirability of the property and is market derived. To assess pricing of the proposed serviced apartment comprising 750 apartments, we have assumed present day values albeit we have not modelled the effects of Covid-19.

We have undertaken a discounted cash flow where we have projected EBITDA for the serviced apartments over 10 years and discounted back to present day values using an appropriate discount rate. The price of the serviced apartments derived from the capitalised earnings in the 10th year is also brought back to present values.

In determining an appropriate yield to apply to the subject property a wide range of sales have been considered each providing varying degrees of comparability. We summarise the most relevant sales in the table overleaf.

We have summarised our opinion of pricing and set our assumptions below:

Exit Yield	6.25%
Discount Rate	8.25%
Net Initial Yield	5.42%
Gross Price (Day One, 2020 values)	£306.8m
Gross Price per Apartment (Day One, 2020 values)	£ 409k
Net Price (Day One, 2020 values)	£ 287.3m
Net Price per Apartment (Day One, 2020 values)	£ 383k

Assuming full purchaser’s costs of 6.8%.

TRANSACTIONAL EVIDENCE

Serviced Apartments Transactions

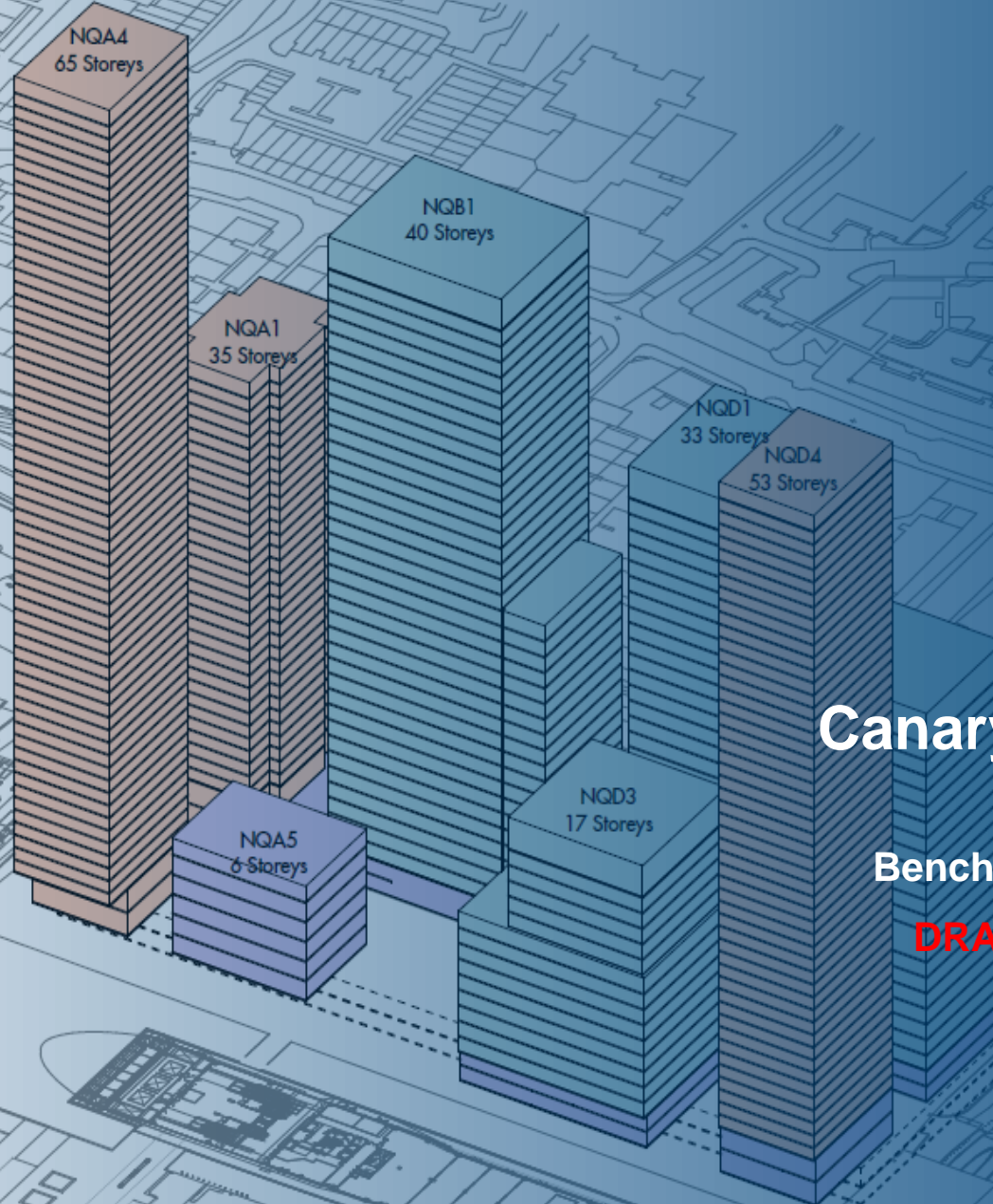
Property	Room Count	Class	Sale Price	Per Room	Yield	Year	Sale Type	Operating Structure
Wilde by Staycity Paddington	247	Upscale	80,900,000	327,530	4.50%	2019	Forward Funding	Lease - Fixed
Bermonds Locke	137	Upper Upscale	60,000,000	437,956		2018	Forward Funding	Vacant Possession
Citadines Islington London	102	Upscale	51,000,000	500,000		2016	Forward Sale	Vacant Possession
The Gate Aldgate	190	Upscale	79,400,000	417,895		2016	Forward Funding	Management Contract
SACO The Cannon	77	Upscale	32,000,000	415,584		2016		Vacant Possession
Club Quarters Portfolio (2 Hotels)	468	Upscale	166,200,000	355,128	6.00%	2016	Trading	Management Contract

Hotel Transactions

Property	Room Count	Class	Sale Price	Per Room	Yield	Year	Sale Type	Operating Structure
Clayton Hotel City of London	212	Upscale	91,000,000	429,245		2019	Forward Sale	Vacant Possession
Hilton London Metropole	1,054	Upper Upscale	390,000,000	370,019	5.00%	2017	Trading	Management Contract
Holiday Inn London Kensington Forum	906	Upper Midscale	345,000,000	380,795	5.25%	2015	Trading	Management Contract
Doubletree by Hilton Tower of London	583	Upscale	300,000,000	514,580	6.00%	2016	Trading	Management Contract
nhov London	190	Upscale	82,500,000	434,211		2015	Forward Funding	Management Contract
Premier Inn Westferry	400	Economy	106,000,000	265,000	4.00%	2019	Forward Funding	Lease - Fixed

Source: CBRE research 2020

APPENDIX 5 - PROPOSED SCHEME COST PLAN



NORTH QUAY for Canary Wharf Group

Benchmark Cost Plan Rev 6

DRAFT FOR DISCUSSION

30th June 2020

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1.0 Cost Summary

2.0 Area Schedule

3.0 Basis, Assumptions & Exclusions

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3.3 Exclusions

Appendix A- Benchmark Cost Models

- Shared Basement

- NQA1

- NQA4

- NQB1

- NQA5

- NQD1

- NQD3

- NQA4

Appendix B- Infrastructure Costs

1

Cost and Area Summary

NORTH QUAY | CANARY WHARF GROUP

BENCHMARK COST MODEL | June 2020



1.0 Cost and Area Summary

2.1 This benchmark cost and area estimate is based on the design information issued 3rd June 2020 by Allies and Morrison. Indicative total costs and areas are summarised below. Please note that the below costs represent Q1 2020 construction costs, excluding VAT.

2.2 The below costs have been summarised elementally, below and above ground. Detailed cost breakdowns can be located in Appendix A of this report.

		PREVIOUSLY NQ01	PREVIOUSLY NQ02	PREVIOUSLY NQ03	PREVIOUSLY NQ04	PREVIOUSLY NQ05	PREVIOUSLY NQ06	PREVIOUSLY NQ07	PREVIOUSLY NQ08	TOTAL
		NQ01 Retail (6%) / Residential (94%) 36 Storeys Above Ground	NQ04 Retail (3%) / Residential (97%) 65 Storeys Above Ground	NQ03 Retail (8%) / Commercial (92%) 39 Storeys Above Ground	NQ05 Retail (100%) 6 Storeys Above Ground	NQ05 Retail (100%) 1 Storeys Above Ground	NQ01 Retail (8%) / Commercial (92%) 32 Storeys Above Ground	NQ03 Retail (15%) / Commercial (85%) 17 Storeys Above Ground	NQ04 Retail (5%) / Serviced Apartments (95%) 53 Storeys Above Ground	
COST SUMMARY										
BELOW GROUND AREA	Overall GIA Overall NIA	47,409	18,231	71,489	11,590		76,695	58,335	18,145	301,893
ABOVE GROUND AREA	Overall GIA Overall NIA Net to Gross	334,667 234,452 70%	600,607 425,737 71%	837,199 583,707 70%	60,925 36,555 60%		900,312 629,193 70%	292,099 200,240 69%	492,654 348,011 71%	3,518,463 2,457,894
TOTAL AREAS	Overall GIA Overall NIA Net to Gross	382,076 234,452 61%	618,838 425,737 69%	908,688 583,707 64%	72,515 36,555 50%		977,007 629,193 64%	350,434 200,240 57%	510,799 348,011 68%	3,820,356 2,457,894
		E/ft² Total Cost	E/ft² Total Cost	E/ft² Total Cost	E/ft² Total Cost	E/ft² Total Cost	E/ft² Total Cost	E/ft² Total Cost	E/ft² Total Cost	E/ft² Total Cost
Shell and Core Below Ground										
Basement Works		28 10,643,776	31 19,101,421	29 26,625,871	27 1,937,597		29 28,633,304	27 9,289,854	31 15,668,177	29 111,900,000
Shell and Core Above Ground		203	234	258	241		243	245	211	
Frame and Upper Floors		33 12,452,000	40 24,660,000	52 47,114,000	53 3,835,000	0	50 48,491,000	51 17,719,000	40 20,233,000	46 174,500,000
Roof		5 2,049,000	4 2,381,000	3 2,823,000	18 1,296,000	0	4 3,586,000	7 2,289,000	5 2,337,000	4 16,760,000
Stairs		1 450,000	2 975,000	3 2,518,000	14 1,033,000	0	2 2,235,000	3 924,000	3 1,651,000	3 9,790,000
External Walls, Windows and Doors		74 28,347,000	78 48,405,000	45 40,773,000	73 5,279,000	0	43 41,537,000	48 16,755,000	44 22,708,000	53 203,800,000
Internal Walls and Doors		3 1,173,000	4 2,726,000	10 8,665,000	5 363,000	0	9 9,146,000	10 3,380,000	10 5,293,000	8 30,750,000
Finishes		9 3,550,000	11 6,899,000	10 9,087,000	9 653,000	0	10 9,770,000	10 3,504,000	9 4,508,000	10 37,970,000
Fittings		2 887,000	3 1,725,000	2 1,817,000	2 145,000	0	2 1,954,000	2 701,000	3 1,373,000	2 8,600,000
MEP		34 13,057,000	40 24,845,000	60 54,299,000	25 1,800,000	0	59 57,648,000	59 20,566,000	49 25,271,000	52 197,490,000
Lifts		4 1,457,500	9 5,275,000	25 22,520,000	0 0	0	18 18,022,500	11 4,007,500	7 3,763,000	14 55,050,000
BWIC		2 726,000	2 1,506,000	4 3,841,000	1 54,000	0	4 3,784,000	4 1,229,000	3 1,452,000	3 12,590,000
Prelims, CM Fee & Insurances		36 13,837,000	41 25,622,000	45 40,714,000	42 3,033,000	0	43 41,589,000	42 14,868,000	38 19,288,000	42 158,950,000
Shell and Core Sub Total		232 88,629,000	265 164,120,000	287 260,797,000	268 19,429,000		273 266,396,000	272 95,233,000	242 123,545,000	267 1,018,150,000
Fit Out (E/ft² Based on NIA)										
Cat A Fit Out (to one typical floor only)		0	0	46 689,000	0	0	46 907,000	46 649,000	0	2,250,000
Retail (Excluded)		0	0	0	0	0	0	0	0	0
Private Residential Fit Out		160 15,580,000	160 67,500,000							83,080,000
Affordable Residential Fit Out		92 12,250,000								12,250,000
Serviced Apartment Fit Out									147 50,220,000	50,220,000
Prelims, CM Fee & Insurances		23 5,300,000	30 12,850,000	8 127,000			9 168,000	8 119,000	28 9,560,000	28,120,000
TOTAL SHELL AND CORE COST AND FIT OUT (Q2 20 PRICES)	GIA NIA	319 121,760,000 519	395 244,470,000 574	288 261,610,000 448	268 19,430,000 532	0	274 267,470,000 425	274 96,000,000 479	359 183,330,000 527	313 1,194,070,000 486
External Works and Services										
Infrastructure, Landscaping and External Works		15 5,639,000	15 9,133,000	15 13,411,000	15 1,070,000	0	15 14,419,000	15 5,172,000	15 7,539,000	15 56,380,000
Renewables		2 757,000	2 1,225,000	2 1,799,000	2 144,000	0	2 1,934,000	2 694,000	2 1,011,000	2 7,560,000
Utilities and External Services		4 1,475,000	4 2,389,000	4 3,508,000	4 280,000	0	4 3,771,000	4 1,353,000	4 1,972,000	4 14,750,000
Prelims, CM Fee & Insurances		3 1,043,000	3 1,690,000	3 2,481,000	3 198,000	0	3 2,668,000	3 957,000	3 1,395,000	3 10,430,000
TOTAL ESTIMATED COST (Q2 20 PRICES)	GIA NIA	342 130,670,000 557	418 258,910,000 608	311 282,810,000 485	291 21,120,000 578	0	297 290,260,000 461	297 104,180,000 520	382 195,250,000 561	336 1,283,200,000 522
Contingencies										
Design Development (2.5%)		9 3,267,000	10 6,473,000	8 7,070,000	7 528,000	0	7 7,257,000	7 2,605,000	10 4,881,000	8 32,080,000
Construction Reserve (5%)		17 6,534,000	21 12,950,000	16 14,140,000	15 1,060,000	0	15 14,510,000	15 5,210,000	19 9,760,000	17 64,160,000
TOTAL ESTIMATED COST (INCLUDING CONTINGENCIES (Q2 20 PRICES))	GIA NIA	366 140,000,000 597	449 278,000,000 653	335 304,000,000 521	317 23,000,000 629	0	319 312,000,000 496	320 112,000,000 559	411 210,000,000 603	361 1,379,000,000 561
Allowance for Phasing										
Allowance for Inflation (excludes inflation to externals)		7,717,000	18,670,000	30,989,000	1,577,000		33,501,000	8,191,000	20,564,000	121,210,000
Not Included in above figures										
Cat A Installation to all other floors				46 31,000,000			46 33,220,000	46 10,150,000		46 74,370,000

2

Area Schedule

2.1 Area Schedule

ALLIES & MORRISON AREAS 01.05.20

Basement	NIA	GIA	N:G
Total (m ²)	-	28,047	0%

Total (ft ²)	-	301,895	0%
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Ground & Above	NIA	GIA	N:G
NQA1	21,781	31,092	70%
NQA4	39,552	55,798	71%
NB1	54,228	77,778	70%
NQA5	3,396	5,660	60%
NQD1	58,454	83,642	70%
NQD3	18,603	27,137	69%
NQD4	32,331	45,769	71%
Poplar Plaza	-	-	
Total (m²)	228,345	326,876	70%

Total (ft ²)	2,457,883	3,518,461	70%
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Total Areas	NIA	GIA	N:G
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Total (ft ²)	2,457,893	3,820,356	64%
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NOTES

1. Allies & Morrison Areas have been taken from ILLUSTRATIVE SCHEME MASTER AREA SCHEDULE Rev 04 dated 01/05/20.
2. The above Schedule of Approximate Floor Areas is intended for the production of this cost model only and should not be relied upon for any other purpose.

3

Basis, Assumptions & Exclusions

3.1 Basis

Document Name	Revision	Date
<u>Allies and Morrison Architects</u>		
01/05/2020		
01.05.20 Design Freeze	4	01/05/2020
19141_issue register_200214.pdf		14/02/2020
20191216 North Quay Sustainability Summary.pdf		14/02/2020
North Quay LCA Report.pdf		14/02/2020
3D model		14/02/2020
19141-00-07-001-P3.dwg		14/02/2020
19141-00-07-001-P3.pdf		14/02/2020
19141-00-07-002-P3.dwg		14/02/2020
19141-00-07-002-P3.pdf		14/02/2020
19141-00-07-005-P2.dwg		14/02/2020
Illustrative GA's		01/05/2020
19141-00-07-010-P3.dwg		01/05/2020
19141-00-07-010-P3.pdf		01/05/2020
19141-00-07-098-P3.dwg		01/05/2020
19141-00-07-098-P3.pdf		01/05/2020
19141-00-07-099-P3.dwg		01/05/2020
19141-00-07-099-P3.pdf		01/05/2020
19141-00-07-100-P3.dwg		01/05/2020
19141-00-07-100-P3.pdf		01/05/2020
19141-00-07-101-P3.dwg		01/05/2020
19141-00-07-101-P3.pdf		01/05/2020
19141-00-07-102-P1.dwg		01/05/2020
19141-00-07-102-P1.pdf		01/05/2020
19141-00-07-103-P3.dwg		01/05/2020
19141-00-07-103-P3.pdf		01/05/2020
19141-00-07-110-P3.dwg		01/05/2020
19141-00-07-110-P3.pdf		01/05/2020
19141-00-07-122-P3.dwg		01/05/2020
19141-00-07-122-P3.pdf		01/05/2020

3.1 Basis

Document Name	Revision	Date
19141-00-07-131-P3.dwg		01/05/2020
19141-00-07-131-P3.pdf		01/05/2020
19141-00-07-165-P4.dwg		01/05/2020
19141-00-07-165-P4.pdf		01/05/2020
19141-00-07-300-P2.dwg		01/05/2020
19141-00-07-300-P2.pdf		01/05/2020
19141-00-07-301-P2.dwg		01/05/2020
19141-00-07-301-P2.pdf		01/05/2020
19141-00-07-302-P2.dwg		01/05/2020
19141-00-07-302-P2.pdf		01/05/2020
19141-00-07-303-P2.dwg		01/05/2020
19141-00-07-303-P2.pdf		01/05/2020
merge drawings.pdf		01/05/2020
Parameter Plans		14/02/2020
19141-PP-001 - P1.dwg		14/02/2020
19141-PP-001 - P1.pdf		14/02/2020
19141-PP-002 - P1.dwg		14/02/2020
19141-PP-002 - P1.pdf		14/02/2020
19141-PP-003 - P1.dwg		14/02/2020
19141-PP-003 - P1.pdf		14/02/2020
19141-PP-004 - P2.dwg		14/02/2020
19141-PP-004 - P2.pdf		14/02/2020
19141-PP-005 - P2.dwg		14/02/2020
19141-PP-005 - P2.pdf		14/02/2020
19141-PP-006 - P2.dwg		14/02/2020
19141-PP-006 - P2.pdf		14/02/2020
19141-PP-007 - P2.dwg		14/02/2020
19141-PP-007 - P2.pdf		14/02/2020
19141-PP-008 - P2.dwg		14/02/2020
19141-PP-008 - P2.pdf		14/02/2020
19141-PP-009 - P2.dwg		14/02/2020
19141-PP-009 - P2.pdf		14/02/2020
19141-PP-010 - P2.dwg		14/02/2020
19141-PP-010 - P2.pdf		14/02/2020
19141-PP-011 - P2.dwg		14/02/2020

3.1 Basis

Document Name	Revision	Date
19141-PP-011 - P2.pdf		14/02/2020
19141-PP-012 - P1.dwg		14/02/2020
19141-PP-012 - P1.pdf		14/02/2020
19141-PP-013 - P2.dwg		14/02/2020
19141-PP-013 - P2.pdf		14/02/2020
19141-PP-100 - P2.dwg		14/02/2020
19141-PP-100 - P2.pdf		14/02/2020
Phasing		14/02/2020
19141-PH-001_P2.pdf		14/02/2020
Plot Studies		14/02/2020
19141-SK-188-P7.dwg		14/02/2020
19141-SK-188-P7.pdf		14/02/2020
19141-SK-195-P4.dwg		14/02/2020
19141-SK-195-P4.pdf		14/02/2020
19141-SK-273-P9.dwg		14/02/2020
19141-SK-273-P9.pdf		14/02/2020
19141-SK-274-P3.dwg		14/02/2020
19141-SK-274-P3.pdf		14/02/2020
19141-SK-275-P1.dwg		14/02/2020
19141-SK-275-P1.pdf		14/02/2020
19141-SK-276-P4.dwg		14/02/2020
19141-SK-276-P4.pdf		14/02/2020
19141-SK-301-P9.dwg		14/02/2020
19141-SK-301-P9.pdf		14/02/2020
19141-SK-332-P1.dwg		14/02/2020
19141-SK-332-P1.pdf		14/02/2020
19141-SK-333-P1.dwg		14/02/2020
19141-SK-333-P1.pdf		14/02/2020
merge drawings.pdf		14/02/2020
Revit Model		14/02/2020
19141_Rendering_detached_200214.rvt		14/02/2020

3.1 Basis

Document Name	Revision	Date
Schedules		14/02/2020
19141_200114_Design Freeze Area Schedule_P2.xlsx		01/05/2020
19141_200131_Design Freeze_LiveStayMaximums_P1.pdf		01/05/2020
19141_200131_Design Freeze_LiveStayMaximums_P1.xlsx		01/05/2020
200211_Residential Area Schedules_Individual_P1.pdf		01/05/2020
200214_Residential Area Schedules_Combined_P2.pdf		01/05/2020
200214_Residential Area Schedules_Combined_P2.xlsx		01/05/2020
North Quay_Development Specification_200214.docx		01/05/2020
19141_200609_07_2QA_020_Residential Area Schedule_AffPrivMixReview_P1		01/05/2020

3.2 Exclusions

The following are excluded from the foregoing cost models, but may have a cost impact and therefore may need to be covered by other budgets within the overall Development Budget. The list is intended only as a guide and may not be exhaustive:

- 1 Legal fees; planning / building control fees; statutory fees; site surveys; monitoring costs; environmental audits; wind studies; third party fees / costs; other fees.
- 2 Project insurances.
- 3 Value Added Tax (VAT).
- 4 Site, building, asbestos or other surveys.
- 5 Ground investigations, testing existing materials (including contaminated ground conditions) and geo-technical surveys.
- 6 Services investigations/ Surveys.
- 7 Site acquisition fees/costs, sale or letting fees/costs and other developer's costs.
- 8 Client finance costs and insurances.
- 9 Incentivisation payments or the like.
- 10 Local Authority charges, road closures/diversions, etc.
- 11 Capital allowances or other incentives/grants.
- 12 Costs arising from agreement(s) with local/planning authorities.
- 13 Developer's risk allowance/overall project contingency. Note: an allowance of 10% is included as a Design Reserve/ Construction Contingency.
- 14 Archaeological survey, excavation or watching brief / attendance costs.
- 15 Costs in respect of rights exercised by Adjoining Owners (Party Wall Awards, oversail rights, land swap, noise / vibration / dust monitoring requirements etc.).
- 16 Additional costs associated with multi-tenant occupation/tenant sub-division or phasing costs.
- 17 Client internal costs
- 18 Fit Out of Retail
- 19 Phasing costs.
- 20 Abnormal ground conditions, contamination, enhancement of local electrical network and / or removal of unexploded ordnance.
- 21 Service diversions and/ or any reinforcement of statutory service networks.
- 22 Feature hoarding.
- 23 Sustainable construction strategies (wind turbines, grey water, boreholes, photovoltaic cells, ground cooling and the like) over and above those required to achieve an Excellent standard of BREEAM
- 24 Cost of project collaboration tools.
- 25 Any work beyond the boundary of the site
- 26 Any bomb blast protection measures or anti-terrorism measures
- 27 Asbestos removal beyond the provisions included within this estimate

3.3 Assumptions- Commercial Buildings

REF	CATEGORY	DETAILD ASSUMPTION
1	Area	GIA measures have been taken from Allies & Morrison Area Schedule issued 01/05/20
2	Area	NIA measures have been taken from Allies & Morrison Area Schedule issued 01/05/20
3	Procurement	We are not able to provide advice on the procurement strategy currently due to the unknown factors surrounding the project. The Cost Plan is procurement neutral currently but does assume a Canary Wharf CM route for the purposes of on-costs (see 5.0)
4	Cost- Basis	Cost represent fixed prices at a current day base date of 4Q 2019. Tender price inflation from this point is currently excluded and will be applicable depending on the start on site date and procurement strategy.
5	Cost- MC costs	Main Contractor Preliminaries- 15% Construction Management Fee- 3% Insurances- 0.5%
	<u>Demolitions</u>	
6	Costs- Demolitions	It is assumed that the site will require clearing of all temporary structures and making good of site levels etc. These costs have been included in external works as per Canary Wharf costing notes.
	<u>Shell and Core Below Ground</u>	
7	Costs- Substructure	EO for disposal for contaminated soil has been allowed at 5%
8	Costs- Substructure	Secant wall depth assumed at 15-20m
9	Costs- Substructure	Basement grade 3 assumed to all areas until advised otherwise
10	Costs- Substructure	Pile cap to secant wall to be 1.5m x 1.5m
11	Costs- Substructure	Provisional allowance of £75,000 for temporary propping
12	Costs- Substructure	CFA piles- Reinforcement @ 200kg/m3
12	Costs- Substructure	Allowance has been made for marine piles to NQ 4 & 8 as per Watermans advice
13	Costs- Substructure	2000mm basement raft slab; reinforcement tbc
14	Costs- Substructure	RC Columns to basement- reinforcement @ tbc
15	Costs- Substructure	RC Walls to basement- reinforcement @ tbc
16	Costs- Substructure	RC slab to basement- 300mm thick- reinforcement @ tbc
17	Costs- Substructure	Cycle ramp assumed RC Concrete with supporting columns, crash barriers and epoxy resin finish
18	Costs- Basement Fittings	Assumes a BCO specification
	<u>Shell and Core above ground</u>	
19	Costs- Frame	NQ B1 & A4 allowance of 85kg/m2
20	Costs- Frame	NQA5 allowance of 85kg/m2
21	Costs- Frame	15% allowance for connections
22	Costs- Frame	3% allowance for trimmer beams and bracing
23	Costs- Frame	Fire protection assumed as 90min intumescent paint
24	Costs- Frame	Fire protection assumed as 90min intumescent paint
25	Costs- Frame	RC Core Walls assumed 300mm thick- reinforcement @ tbc
26	Costs- Roof	Mansafe included at Level (no BMU)
27	Costs- Roof	Allowance of 10% for green roofs
28	Costs- Roof	Allowance of 50% for accessible terraces
29	Costs- Stairs	Feature staircases assumed to GF

3.3 Assumptions- Commercial Buildings

REF	CATEGORY	DETAILD ASSUMPTION
30	Costs- Stairs	Metal handrails/ balustrades to stair cores
31	Costs- External Walls, Windows and Doors	Target rate of £1,050/m2 for main façade system
32	Costs- External Walls, Windows and Doors	Revolving entrance door assumed diameter of 3000mm
33	Costs- External Walls, Windows and Doors	Allowance for BMU's for façade cleaning and maintenance
34	Costs- Internal Walls & Doors	Benchmark allowance of £10/ft2
35	Costs- Finishes	Benchmark allowance of £10/ft2
36	Costs- Fixtures	Benchmark allowance of £12/ft2
37	Costs- MEP	See Appendix B
38	Costs- Lifts	See Appendix B
	<u>Cat A Fit Out</u>	
39	Costs- Cat A	Cat A costed to one typical floor only; Cat A fit out assumes traditional Cat A, i.e. suspended metal tile ceiling
	<u>External Works</u>	
47	Costs- External Works and Infrastructure	Allowance has been made in line with Canary Wharf estimate

Appendix A- Detailed Cost Models

App A. ELEMENTAL COST MODELS

SHARED BASEMENT- SITE WIDE x 2 STOREYS

Shell & Core

Total Area (m²)	28,047	m²	301,893	ft²
Net : Gross Ratio				ft²
Building Footprint	14,024	m²		
Below Ground Area	28,047	m²	126,212	m³
Wall : Floor Ratio				
Typical NIA Floorplate size		ft²		
Total nr of storeys	2	nr		
Total nr of cores	7	nr		
Total nr of lifts per core		nr		
Total Depth	9.00	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft² (GIA)	Elem £/ft² (GIA)	Sub Total Cost
Substructure						329.00	£111,875,000
• Excavation and disposal	126,212	m³	70	8,835,000	29.27		
• EO for contaminated soil	6,311	m³	45	284,000	0.94		
• Dewatering	1	Item	500,000	500,000	1.66		
• Piling Mat	14,024	m²	15	210,000	0.70		
• Pile Testing, Reinforcement Schedules etc.	1	Item	1,000,000	1,000,000	3.31		
• Secant Piled Wall	723	m	15,000	10,845,000	35.92		
• RC Pile cap	723	m	2,000	1,446,000	4.79		
• Temporary Works	1	Item	1,000,000	1,000,000	3.31		
• Allowance for piled foundations							
• EO Allowance for Marine Piles							
• EO Allowance for Marine Piles							
• EO Allowance for Marine Piles							
• EO Allowance for Marine Piles							
• Allowance for clashes with existing structures							
• Basement Slab Construction							
• Basement Slab Construction							
• Basement Slab Construction							
• Basement Slab Construction							
• Basement Slab Construction							
• Basement Slab Construction							
• Basement Slab Construction							
• Drainage and Waterproofing to basement slab							
• Allowance for RC Columns to below ground							
• Allowance for RC Walls to below ground							
• RC Waterproof lined wall							
• Allowance for drained cavity to liner wall							
• Upper Floor Construction to below ground							
• Ground Floor Construction							
• RC Stairs							
• Allowance to form ramps etc.							
• Allowance for forming lift pits							
• Mechanical & Electrical Installations							
Sub-Total				£111,875,000		371	

App A. ELEMENTAL COST MODELS

SHARED BASEMENT- SITE WIDE x 2 STOREYS

Shell & Core	Total Area (m ²)	28,047	m ²	301,893	ft ²			
	Net : Gross Ratio				ft ²			
	Building Footprint	14,024	m ²					
	Below Ground Area	28,047	m ²	126,212	m ³			
	Wall : Floor Ratio							
	Typical NIA Floorplate size				ft ²			
	Total nr of storeys	2	nr					
	Total nr of cores	7	nr					
	Total nr of lifts per core		nr					
Total Depth	9.00	m						

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
• Preliminaries				0	0.00	0.00	
• CM Fee				0	0.00	0.00	
• Insurances				0	0.00	0.00	
Total for Shell & Core				£111,900,000		371	

For the purposes of providing a complete estimate for each building, the previous site wide basement is pro-rated in to each to building according to the % GIA above ground of each block:

• Pro Rata Basement Allowance for NQA1	10%			10,643,776	35.26	35.00	
• Pro Rata Basement Allowance for NQA4	17%			19,101,421	63.27	63.00	
• Pro Rata Basement Allowance for NQB1	24%			26,625,871	88.20	88.00	
• Pro Rata Basement Allowance for NQA5	2%			1,937,597	6.42	6.00	
• Pro Rata Basement Allowance for NQ05				0	0.00	0.00	
• Pro Rata Basement Allowance for NQD1	26%			28,633,304	94.85	95.00	
• Pro Rata Basement Allowance for NQD3	8%			9,289,854	30.77	31.00	
• Pro Rata Basement Allowance for NQD4	14%			15,668,177	51.90	52.00	
Total for Shell & Core				£111,900,000		370	

App A. ELEMENTAL COST MODELS

NQA1- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	35,496 m ²	382,076 ft ²	
Above Ground GIA	31,092 m ²	334,667 ft ²	
Below Ground GIA	4,404 m ²	47,409 ft ²	Basement measured elsewhere
Total Overall NIA	21,781 m ²	234,452 ft ²	
Residential NIA	10,739 m ²	115,595 ft ²	
Residential Amenity NIA	1,580 m ²	17,007 ft ²	
Retail NIA	392 m ²	4,222 ft ²	
Private Residential	9,070 m ²	97,627 ft ²	
Net : Gross Ratio - Overall	61%		
Net : Gross Ratio - Above Ground	70%		
Building Footprint	1,426 m ²		
External Wall Area	19,588 m ²		
Wall : Floor Ratio	0.63		
Total nr of Winter Gardens / Area (m ²)	206 nr	2,440 m ²	
Total nr of storeys (Grd and above)	36 nr		
Total nr of storeys (basement)	2 nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	3 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT
Substructure / Basement
<ul style="list-style-type: none"> • Pro- Rata Basement allowance • •
Total for Shell & Core - Substructure / Basement Only

	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
See basement tab for detailed breakdown	47,409	ft ²	225	10,643,776		£10,643,776	28.00
				£10,644,000			

App A. ELEMENTAL COST MODELS

NQA1- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	35,496 m ²	382,076 ft ²	
Above Ground GIA	31,092 m ²	334,667 ft ²	
Below Ground GIA	4,404 m ²	47,409 ft ²	Basement measured elsewhere
Total Overall NIA	21,781 m ²	234,452 ft ²	
Residential NIA	10,739 m ²	115,595 ft ²	
Residential Amenity NIA	1,580 m ²	17,007 ft ²	
Retail NIA	392 m ²	4,222 ft ²	
Private Residential	9,070 m ²	97,627 ft ²	
Net : Gross Ratio - Overall	61%		
Net : Gross Ratio - Above Ground	70%		
Building Footprint	1,426 m ²		
External Wall Area	19,588 m ²		
Wall : Floor Ratio	0.63		
Total nr of Winter Gardens / Area (m ²)	206 nr	2,440 m ²	
Total nr of storeys (Grd and above)	36 nr		
Total nr of storeys (basement)	2 nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	3 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
Frame & Upper Floors						£12,452,000	33.00
<ul style="list-style-type: none"> • Allowance for 225mm PT slab • Extra over for 400mm PT slab to plant areas • Formwork to underside of slabs • Reinforcement @ 20kg/m² • PT Tendons @ 25kg/m² • Surface Treatment to slabs • Allowance for columns; 1200x500 • Reinforcement @ 280kg/m³ • Formwork • Allowance for columns; 900x500 • Reinforcement @ 280kg/m³ • Formwork • Allowance for columns; 600x500 • Reinforcement @ 280kg/m³ • Formwork • Allowance for concrete 300mm core walls • Reinforcement @ 175kg/m³ • Formwork • Allowance for concrete 450mm core walls • Reinforcement @ 175kg/m³ • Formwork • Secondary steelwork to liftshafts • Allowance for cast in channels to façade 	Refer to Watermans Briefing note rec'd 31/10/19 and Structural Design Strategy Report (dated May 2020 - rec'd 12/06/20)	6,996	m ³	190	1,329,000	3.97	
		441	m ³	190	84,000	0.25	
		31,092	m ²	60	1,865,000	5.57	
	Refer to Watermans Briefing note rec'd 20/02/2020	622	t	1,300	808,000	2.41	
	Refer to Watermans Briefing note rec'd 20/02/2020	777	t	5,000	3,886,000	11.61	
		31,092	m ²	5	155,000	0.46	
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020	198	m ³	190	38,000	0.11	
	Refer to Watermans Briefing note rec'd 20/02/2020	55	t	1,300	72,000	0.22	
		1,122	m ²	50	56,000	0.17	
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020	579	m ³	190	110,000	0.33	
	Refer to Watermans Briefing note rec'd 20/02/2020	162	t	1,300	211,000	0.63	
		3,604	m ²	50	180,000	0.54	
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020	272	m ³	190	52,000	0.16	
	Refer to Watermans Briefing note rec'd 20/02/2020	76	t	1,300	99,000	0.30	
		1,233	m ²	50	62,000	0.19	
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020	1,786	m ³	190	339,000	1.01	
	Refer to Watermans Briefing note rec'd 20/02/2020	313	t	1,300	407,000	1.22	
		11,909	m ²	50	595,000	1.78	
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020	2,789	m ³	190	530,000	1.58	
	Refer to Watermans Briefing note rec'd 20/02/2020	488	t	1,300	634,000	1.89	
		12,395	m ²	50	620,000	1.85	
		114	nr	1,000	114,000	0.34	
		4,126	m	50	206,000	0.62	

App A. ELEMENTAL COST MODELS

NQA1- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	35,496 m ²	382,076 ft ²	
Above Ground GIA	31,092 m ²	334,667 ft ²	
Below Ground GIA	4,404 m ²	47,409 ft ²	Basement measured elsewhere
Total Overall NIA	21,781 m ²	234,452 ft ²	
Residential NIA	10,739 m ²	115,595 ft ²	
Residential Amenity NIA	1,580 m ²	17,007 ft ²	
Retail NIA	392 m ²	4,222 ft ²	
Private Residential	9,070 m ²	97,627 ft ²	
Net : Gross Ratio - Overall	61%		
Net : Gross Ratio - Above Ground	70%		
Building Footprint	1,426 m ²		
External Wall Area	19,588 m ²		
Wall : Floor Ratio	0.63		
Total nr of Winter Gardens / Area (m ²)	206 nr	2,440 m ²	
Total nr of storeys (Grd and above)	36 nr		
Total nr of storeys (basement)	2 nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	3 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
Roof						£2,049,000	5.00
<ul style="list-style-type: none"> Allowance for 350mm PT slab Formwork to underside of slabs Reinforcement @ 35kg/m² PT Tendons @ 25kg/m² Surface Treatment to slabs Allowance for waterproofing, insulation & finishes Allowance for photovoltaic panels & supports Allowance for roof balustrades Allowance for BMU Other allowances 	Refer to Watermans Briefing note rec'd 31/10/19	499	m ³	190	95,000	0.28	
		1,426	m ²	60	86,000	0.26	
		50	t	1,400	70,000	0.21	
		36	t	5,000	178,000	0.53	
		1,426	m ²	5	7,000	0.02	
		1,426	m ²	300	428,000	1.28	
		1	item	50,000	50,000	0.15	
	Not applicable to main roof - surrounded by plant screen	60	m	750	N/A		
		1	item	750,000	750,000	2.24	
		1	item	100,000	100,000	0.30	
					0	0.00	
		542	m ²		Incl. Above		
	Assume 50% of the overall terrace area	271	m ²	200	54,000	0.16	
	Assume 50% of the overall terrace area	271	m ²	200	54,000	0.16	
	Trees in planters, surface mounted not recessed into the slab	6	nr	15,000	90,000	0.27	
	Plants surface mounted, not recessed into the slab	1	Item	50,000	50,000	0.15	
	Assume 1.5m high will be required	39	m	950	37,000	0.11	
Stairs						£450,000	1.00
<ul style="list-style-type: none"> Stairs, measured per storey, with all balustrade / finishes 	RC concrete stair, carpet to treads / risers, mild steel balustrade / handrail (Affordable Housing Specification)	36	nr	12,500	450,000	1.34	

App A. ELEMENTAL COST MODELS

NQA1- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	35,496 m ²	382,076 ft ²	
Above Ground GIA	31,092 m ²	334,667 ft ²	
Below Ground GIA	4,404 m ²	47,409 ft ²	Basement measured elsewhere
Total Overall NIA	21,781 m ²	234,452 ft ²	
Residential NIA	10,739 m ²	115,595 ft ²	
Residential Amenity NIA	1,580 m ²	17,007 ft ²	
Retail NIA	392 m ²	4,222 ft ²	
Private Residential	9,070 m ²	97,627 ft ²	
Net : Gross Ratio - Overall	61%		
Net : Gross Ratio - Above Ground	70%		
Building Footprint	1,426 m ²		
External Wall Area	19,588 m ²		
Wall : Floor Ratio	0.63		
Total nr of Winter Gardens / Area (m ²)	206 nr	2,440 m ²	
Total nr of storeys (Grd and above)	36 nr		
Total nr of storeys (basement)	2 nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	3 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
External Walls, Windows & Doors						£28,347,000	74.00
External Walls & Windows							
• Allowance for solid elements							
• Allowance for glazed elements							
• E/O for acoustic performance requirements							
• Allowance for glazed shopfronts							
• E/O allowance for articulations etc							
• E/O allowance for openable windows							
• E/O for large glazing panels to Ground Floor							
• E/O for triple glazing							
• E/O for substation louvres							
• Roof top plant screen; including steel support structure							
• Allowance for ecological requirements							
• Doors							
• Residential Entrance Doors (double)							
• Residential Entrance Doors (SINGLE)							
• Residential Entrance Doors (REVOLVING)							
• Retail Entrance Doors (double)							
• Cycle / refuse store Entrance Doors (single)							
• Substation double doors (Sunray)							
• External door to External roof plant space							
• Residential Entrance Canopy							
• Mock-ups & testing							
• Allowance for Building Maintenance Unit							
• Allowance for BMU enclosure							
• Winter Gardens							
• Allowance for RC winter garden structure							
• Allowance for full height winter garden enclosure with sliding window openings							
• Allowance for privacy screens between winter gardens							
• Allowance for waterproofing & insulation to winter gardens							
Ground floor and above	11,753	m ²	700	8,227,000	24.58		
	7,835	m ²	825	6,464,000	19.31		
As Sandy Brown Memo M001-A & M002-A - glazing to include 8.8-12.8 mm or thicker acoustic laminate glass, etc. and/or secondary glazing & acoustic louvres.	7,835	m ²		Included above			
Included above				0	0.00		
Assume 10% of façade area	1,959	m ²	1,000	1,959,000	5.85		
Included above				0	0.00		
Included above				0	0.00		
Included above				0	0.00		
Included above				0	0.00		
Assume acoustic louvres	266	m ²	1,500	399,000	1.19		
Bird boxes, insect hostels and the like	1	Item	25,000	25,000	0.07		
				0	0.00		
N/A	0	nr	50,000	0	0.00		
Ground level (Affordable)	2	nr	25,000	50,000	0.15		
Ground level (Affordable)	1	nr	100,000	100,000	0.30		
Ground level	4	nr	25,000	100,000	0.30		
Ground level	2	nr	15,000	30,000	0.09		
Ground level	1	nr	25,000	25,000	0.07		
Roof	2	nr	2,500	5,000	0.01		
	1	item	75,000	75,000	0.22		
	1	item	500,000	500,000	1.49		
Included in Roof				0	0.00		
	1	item	100,000	100,000	0.30		
				0	0.00		
	2,440	m ²	300	732,000	2.19		
				6,300,000	18.82		
	84	m	1,000	84,000	0.25		
	2,440	m ²	250	610,000	1.82		

App A. ELEMENTAL COST MODELS

NQA1- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	35,496 m ²	382,076 ft ²	
Above Ground GIA	31,092 m ²	334,667 ft ²	
Below Ground GIA	4,404 m ²	47,409 ft ²	Basement measured elsewhere
Total Overall NIA	21,781 m ²	234,452 ft ²	
Residential NIA	10,739 m ²	115,595 ft ²	
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Retail NIA	392 m ²	4,222 ft ²	
Private Residential	9,070 m ²	97,627 ft ²	
Net : Gross Ratio - Overall	61%		
Net : Gross Ratio - Above Ground	70%		
Building Footprint	1,426 m ²		
External Wall Area	19,588 m ²		
Wall : Floor Ratio	0.63		
Total nr of Winter Gardens / Area (m ²)	206 nr	2,440 m ²	
Total nr of storeys (Grd and above)	36 nr		
Total nr of storeys (basement)	2 nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	3 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
External Walls, Windows & Doors							
• Winter Gardens (cont)							
• Allowance for waterproofing and insulation to terrace @ Level 12	0	m ²		0	0.00		
• Allowance for thermal break	2,440	m ²	300	732,000	2.19		
• Allowance for paving finishes to winter gardens	2,440	m ²	350	854,000	2.55		
• Allowance for paving finishes to terraces @ level 12	0	m ²	350	0	0.00		
• Allowance for soffits	2,440	m ²	400	976,000	2.92		
Assume whole step back will have same paving as the allocated apartment terrace area							
Internal Walls & Doors						£1,173,000	3.00
• Allowance for party walls and partition walls to core	4,602	m ²	120	552,000	1.65		
• Core Doors - single	128	nr	1,100	141,000	0.42		
• Core Doors - double	72	nr	1,500	108,000	0.32		
• Apartment Entrance Doors - Private	94	nr	2,000	188,000	0.56		
• Apartment Entrance Doors - Affordable	112	nr	1,200	134,000	0.40		
• Doors Generally	1	item	50,000	50,000	0.15		
Walls, Floors and Ceilings						£3,550,000	9.00
• Allowance for wall finishes	35,496	m ²	30	1,065,000	3.18		
• Allowance for floor finishes	35,496	m ²	50	1,775,000	5.30		
• Allowance for ceiling finishes	35,496	m ²	20	710,000	2.12		
Private (Lv 20+) and Affordable Housing Specification							
Ditto							
Ditto							
Fittings & Furnishings						£887,000	2.00
• Allowance for fittings and furnishings	35,496	m ²	25	887,000	2.65		
Reception desk, furniture, signage, turnstiles, cycle racks, lockers & benches etc.							
Mechanical & Electrical Installations						£13,057,000	34.00
• General S&C allowance	334,674	ft ²	39	13,057,000	39.01		
Refer to separate MEPH Cost Model							
Lifts						£1,457,500	4.00
• General S&C allowance	334,674	ft ²	4	1,457,500	4.36		
Refer to separate MEPH Cost Model							

App A. ELEMENTAL COST MODELS

NQA1- Flexible Use Building- Residential

Residential
Shell & Core

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Total nr of storeys (basement)	2 nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	3 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT
Builderswork in Connection with Services
• General S&C allowance
Sub-Total - Above Ground ONLY
• Preliminaries
• CM Fee
• Insurances
Total for Shell & Core - Above Ground Only
Total for Shell & Core - Above and Below Ground Substructure

	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
	334,674	ft ²	2	726,000	2.17	£726,000	2.00
				£64,148,500			
	15%			11,219,000	33.52	£13,837,000	36.00
	3%			2,244,000	6.71		
	0.5%			374,000	1.12		
				£77,986,000	233.00		204.00
				£88,630,000	232.00		232.00

App A. ELEMENTAL COST MODELS

NQ A4- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	57,492 m ²	618,838 ft ²	
Above Ground GIA	55,798 m ²	600,607 ft ²	
Below Ground GIA	1,694 m ²	18,231 ft ²	Basement measured elsewhere
Total Overall NIA	39,552 m ²	425,737 ft ²	
Residential NIA	39,047 m ²	420,301 ft ²	
Residential Amenity NIA	242 m ²	2,603 ft ²	
Retail NIA	263 m ²	2,833 ft ²	
Store NIA	0 m ²	0 ft ²	
Net : Gross Ratio - Overall	69%		
Net : Gross Ratio - Above Ground	71%		
Building Footprint	703 m ²		
External Wall Area	29,573 m ²		
Wall : Floor Ratio	0.53		
Total nr of winter gardens / Area (m ²)	496 nr	3,420 m ²	
Total nr of storeys (Grd and above)	65 nr		
Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT
Substructure / Basement
<ul style="list-style-type: none"> • Pro- Rata Basement allowance • •
Total for Shell & Core - Basement Only

	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
See basement tab for detailed breakdown	18,231	ft ²	1,048	19,101,421		£19,101,421	31.00
				£19,101,000			

App A. ELEMENTAL COST MODELS

NQ A4- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	57,492 m ²	618,838 ft ²	
Above Ground GIA	55,798 m ²	600,607 ft ²	
Below Ground GIA	1,694 m ²	18,231 ft ²	Basement measured elsewhere
Total Overall NIA	39,552 m ²	425,737 ft ²	
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Building Footprint	703 m ²		
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Total nr of storeys (Grd and above)	65 nr		
Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)	
Frame & Upper Floors <ul style="list-style-type: none"> Allowance for 225mm PT slab Extra over for 400mm PT slab to plant areas Formwork to underside of slabs Reinforcement @ 20kg/m² PT Tendons @ 25kg/m² Surface Treatment to slabs Allowance for transfer structure Allowance for A-Frame columns; 1200x500 Reinforcement @ 300kg/m³ Formwork Allowance for concrete 450mm core sheer walls Reinforcement @ 240kg/m³ Formwork Allowance for columns; 1200x500 Reinforcement @ 280kg/m³ Formwork Allowance for columns; 900x500 Reinforcement @ 280kg/m³ Formwork Allowance for columns; 600x500 Reinforcement @ 280kg/m³ Formwork Allowance for concrete 300mm core walls Reinforcement @ 175kg/m³ Formwork Allowance for concrete 450mm core walls Reinforcement @ 175kg/m³ Formwork Secondary steelwork to liftshafts Allowance for cast in channels to façade 	Refer to Watermans Briefing note rec'd 31/10/19 and Structural Design Strategy Report (dated May 2020 - rec'd 12/06/20)	12,555	m ³	190	2,385,000	3.97	£24,660,000	40.00
	454	m ³	190	86,000	0.14			
	55,798	m ²	60	3,348,000	5.57			
	Refer to Watermans Briefing note rec'd 20/02/2020	1,116	t	1,300	1,451,000	2.42		
	Refer to Watermans Briefing note rec'd 20/02/2020	1,395	t	5,000	6,975,000	11.61		
	55,798	m ²	5	279,000	0.46			
					0	0.00		
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020 - Ground to third floor	110	m ³	190	21,000	0.03		
	Refer to Watermans Briefing note rec'd 20/02/2020	33	t	1,300	43,000	0.07		
		626	m ²	50	31,000	0.05		
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020 - Ground Floor Only	374	m ³	190	71,000	0.12		
	Refer to Watermans Briefing note rec'd 20/02/2020	90	t	1,300	117,000	0.19		
		1,664	m ²	50	83,000	0.14		
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020	101	m ³	190	19,000	0.03		
	Refer to Watermans Briefing note rec'd 20/02/2020	28	t	1,300	36,000	0.06		
		571	m ²	50	29,000	0.05		
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020	274	m ³	190	52,000	0.09		
	Refer to Watermans Briefing note rec'd 20/02/2020	77	t	1,300	100,000	0.17		
		1,702	m ²	50	85,000	0.14		
	Refer to Watermans/C5 mark-ups rec'd 20/02/2020	424	m ³	190	81,000	0.13		
Refer to Watermans Briefing note rec'd 20/02/2020	119	t	1,300	155,000	0.26			
	1,922	m ²	50	96,000	0.16			
Refer to Watermans/C5 mark-ups rec'd 20/02/2020	4,246	m ³	190	807,000	1.34			
Refer to Watermans Briefing note rec'd 20/02/2020	743	t	1,300	966,000	1.61			
	28,308	m ²	50	1,415,000	2.36			
Refer to Watermans/C5 mark-ups rec'd 20/02/2020	8,232	m ³	190	1,564,000	2.60			
Refer to Watermans Briefing note rec'd 20/02/2020	1,441	t	1,300	1,873,000	3.12			
	36,586	m ²	50	1,829,000	3.05			
	260	nr	1,000	260,000	0.43			
	8,058	m	50	403,000	0.67			

App A. ELEMENTAL COST MODELS

NQ A4- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	57,492 m ²	618,838 ft ²	
Above Ground GIA	55,798 m ²	600,607 ft ²	
Below Ground GIA	1,694 m ²	18,231 ft ²	Basement measured elsewhere
Total Overall NIA	39,552 m ²	425,737 ft ²	
Residential NIA	39,047 m ²	420,301 ft ²	
Residential Amenity NIA	242 m ²	2,603 ft ²	
Retail NIA	263 m ²	2,833 ft ²	
Store NIA	0 m ²	0 ft ²	
Net : Gross Ratio - Overall	69%		
Net : Gross Ratio - Above Ground	71%		
Building Footprint	703 m ²		
External Wall Area	29,573 m ²		
Wall : Floor Ratio	0.53		
Total nr of winter gardens / Area (m ²)	496 nr	3,420 m ²	
Total nr of storeys (Grd and above)	65 nr		
Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
Roof						£2,381,000	4.00
<ul style="list-style-type: none"> Allowance for 350mm PT slab Formwork to underside of slabs Reinforcement @ 35kg/m² PT Tendons @ 25kg/m² Surface Treatment to slabs Allowance for waterproofing, insulation & finishes Allowance for photovoltaic panels & supports Allowance for roof balustrades Allowance for BMU Allowance for insulation and render finish to soffit of overhang Other allowances 	Refer to Watermans Briefing note rec'd 31/10/19	303	m ³	190	57,000	0.09	
		865	m ²	60	52,000	0.09	
		30	t	1,400	42,000	0.07	
		22	t	5,000	108,000	0.18	
		865	m ²	5	4,000	0.01	
		865	m ²	300	259,000	0.43	
		1	item	50,000	50,000	0.08	
	Not applicable to main roof - surrounded by plant screen	125	m	750	N/A		
		1	item	1,500,000	1,500,000	2.50	
		198	m ²	300	59,000	0.10	
		1	item	250,000	250,000	0.42	
Stairs						£975,000	2.00
<ul style="list-style-type: none"> Stairs, measured per storey, with all balustrade / finishes 	RC concrete stair, carpet to treads / risers, mild steel balustrade / handrail	65	nr	15,000	975,000	1.62	
External Walls, Windows & Doors						£48,405,000	78.00
External Walls & Windows <ul style="list-style-type: none"> Allowance for solid elements Allowance for glazed elements E/O for acoustic performance requirements Allowance for glazed shopfronts E/O allowance for articulations etc E/O allowance for openable windows E/O for large glazing panels to Ground Floor E/O for triple glazing E/O for substation louvres Roof top plant screen; including steel support structure Allowance for ecological requirements 	Ground floor and above	17,744	m ²	700	12,421,000	20.68	
		11,829	m ²	1,200	14,195,000	23.63	
	As Sandy Brown Memo M001-A & M002-A - glazing to include 8.8-12.8 mm or thicker acoustic laminate glass, etc. and/or secondary glazing & acoustic louvres.	11,829	m ²		Included above		
	Included above				0	0.00	
	Assume 10% of façade area	2,957	m ²	1,000	2,957,000	4.92	
	Included above				0	0.00	
	Included above				0	0.00	
	Included above				0	0.00	
	Included above				0	0.00	
	Assume acoustic louvres	253	m ²	1,500	380,000	0.63	
	Bird boxes, insect hostels and the like	1	Item	25,000	25,000	0.04	

App A. ELEMENTAL COST MODELS

NQ A4- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	57,492 m ²	618,838 ft ²	
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Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
External Walls, Windows & Doors							
• Doors							
• Residential Entrance Doors (double)							
• Residential Entrance Doors (SINGLE)							
• Residential Entrance Doors (REVOLVING)							
• Retail Entrance Doors (double)							
• Other Doors (double)							
• Substation double doors (Sunray)							
• External door to External roof plant space							
• Residential Entrance Canopy							
• Mock-ups & testing							
• Allowance for Building Maintenance Unit							
• Allowance for BMU enclosure							
• Winter Gardens							
• Allowance for RC winter garden structure							
• Allowance for full height winter garden enclosure with sliding window openings							
• Allowance for privacy screens between winter gardens							
• Allowance for waterproofing & insulation							
• Allowance for thermal break							
• Allowance for paving finishes							
• Allowance for soffits							
Ground level (Private)	1	nr	50,000	50,000	0.08		
Ground level (Private)	2	nr	25,000	50,000	0.08		
Ground level (Private)	1	nr	100,000	100,000	0.17		
Ground level	6	nr	25,000	150,000	0.25		
Ground level	1	nr	15,000	15,000	0.02		
Ground level	1	nr	25,000	25,000	0.04		
Roof	4	nr	2,500	10,000	0.02		
	1	item	75,000	75,000	0.12		
	1	item	900,000	900,000	1.50		
Included in Roof				0	0.00		
	1	item	100,000	100,000	0.17		
				0	0.00		
	3,420	m ²	300	1,026,000	1.71		
				11,300,000	18.81		
	180	m	1,000	180,000	0.30		
	3,420	m ²	250	855,000	1.42		
	3,420	m ²	300	1,026,000	1.71		
	3,420	m ²	350	1,197,000	1.99		
	3,420	m ²	400	1,368,000	2.28		

App A. ELEMENTAL COST MODELS

NQ A4- Flexible Use Building- Residential

Residential
Shell & Core

Total Overall GIA	57,492 m ²	618,838 ft ²	
Above Ground GIA	55,798 m ²	600,607 ft ²	
Below Ground GIA	1,694 m ²	18,231 ft ²	Basement measured elsewhere
Total Overall NIA	39,552 m ²	425,737 ft ²	
Residential NIA	39,047 m ²	420,301 ft ²	
Residential Amenity NIA	242 m ²	2,603 ft ²	
Retail NIA	263 m ²	2,833 ft ²	
Store NIA	0 m ²	0 ft ²	
Net : Gross Ratio - Overall	69%		
Net : Gross Ratio - Above Ground	71%		
Building Footprint	703 m ²		
External Wall Area	29,573 m ²		
Wall : Floor Ratio	0.53		
Total nr of winter gardens / Area (m ²)	496 nr	3,420 m ²	
Total nr of storeys (Grd and above)	65 nr		
Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	1 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT
Internal Walls & Doors
<ul style="list-style-type: none"> • Allowance for party walls and partition walls to core • Core Doors - single • Core Doors - double • Apartment Entrance Doors - Private • Apartment Entrance Doors - Affordable • Doors Generally
Walls, Floors and Ceilings
<ul style="list-style-type: none"> • Allowance for wall finishes • Allowance for floor finishes • Allowance for ceiling finishes
Fittings & Furnishings
<ul style="list-style-type: none"> • Allowance for fittings and furnishings
Mechanical & Electrical Installations
<ul style="list-style-type: none"> • General S&C allowance
Lifts
<ul style="list-style-type: none"> • General S&C allowance
Builderswork in Connection with Services
<ul style="list-style-type: none"> • General S&C allowance
Sub-Total - Above Ground ONLY
<ul style="list-style-type: none"> • Preliminaries • CM Fee • Insurances
Total for Shell & Core - Above Ground
Total for Shell & Core - Above and Below Ground Substructure

	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
						£2,726,000	4.00
	9,108	m ²	120	1,093,000	1.82		
	278	nr	1,100	306,000	0.51		
	130	nr	2,000	260,000	0.43		
	496	nr	2,000	992,000	1.65		
	0	nr	1,200	0	0.00		
	1	item	75,000	75,000	0.12		
	57,492	m ²	35	2,012,000	3.35	£6,899,000	11.00
	57,492	m ²	65	3,737,000	6.22		
	57,492	m ²	20	1,150,000	1.91		
Reception desk, furniture, signage, turnstiles, cycle racks, lockers & benches etc.	57,492	m ²	30	1,725,000	2.87	£1,725,000	3.00
Refer to separate MEPH Cost Model	600,607	ft ²	41	24,845,000	41.37	£24,845,000	40.00
Refer to separate MEPH Cost Model	600,607	ft ²	9	5,275,000	8.78	£5,275,000	9.00
	600,607	ft ²	3	1,506,000	2.51	£1,506,000	2.00
				£119,397,000			
	15%			20,775,000	34.59	£25,622,000	41.00
	3%			4,155,000	6.92		
	0.5%			692,000	1.15		
				£145,019,000	241.00		234.00
				£164,120,000	265.00		265.00

App A. ELEMENTAL COST MODELS

NQ B1- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	84,420	m ²	908,688	ft ²
Net : Gross Ratio	64%		583,707	ft ²
Building Footprint	2,236	m ²		
Below Ground Area	6,642	m ²	27,895	m ³
Wall : Floor Ratio	0.45			
Typical NIA Floorplate size	14,964	ft ²		
Total nr of storeys	32	nr		
Total nr of cores	1	nr		
Total nr of passenger lifts per core	12	nr		
Storey Height	3.95	m		

ELEMENT		Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Substructure • Pro- Rata Basement allowance • •	See basement tab for detailed breakdown	71,489	ft ²	372	26,625,871	29.30	29.00	£26,625,871
					0	0.00		
					0	0.00		
Frame & Upper Floors • Steel Columns and Bracing • Steel beams and Bracing • Allowance for connections • Allowance for trimmer beams and bracing • Fire Protection • EO allowance for secondary steelwork • EO for architectural steelwork • RC Core Walls • Upper Floor Construction • Surface finish; power float • Roof Slab Construction • Allowance for concrete parapet to roof • Allowance for structures not shown	Target VE Allowance of 60kg/m2	5,065	t	2,500	12,663,000	13.94	52.00	£47,114,000
	Target VE Allowance of 25kg/m2	2,110	t	2,500	5,276,000	5.81		
	Say 15%	1,076	t	2,500	2,691,000	2.96		
	Say 3%	248	t	2,500	619,000	0.68		
	90min intumescent paint	8,500	t	600	5,100,000	5.61		
	Provisional Allowance until design progresses	250	t	2,600	650,000	0.72		
	Where exposed in certain areas, i.e. GF reception	1	Item	500,000	500,000	0.55		
	Average allowance of 300mm, reinforcement 120kg/m3, Provisional Allowance	34,960	m ²	230	8,041,000	8.85		
	Assumed 130mm thick slab on Comfloor 60; 0.9mm deck	77,778	m ²	130	10,111,000	11.13		
		77,778	m ²	5	389,000	0.43		
		2,236	m ²	230	514,000	0.57		
		200	m	300	60,000	0.07		
	Provisional Allowance until design progresses	1	Item	500,000	500,000	0.55		
Roof • Roof Coverings and Insulation • Allowance for drainage • EO Allowance for green roofs or similar • Allowance for mansafe • Plant Screens • Allowance for plant coverings • EO for forming terraces • Allowance for roof access ladders, plant access etc.					0		3.00	£2,823,000
	Allowance of 10% coverage	2,236	m ²	200	447,000	0.49		
		2,236	m ²	150	335,000	0.37		
		224	m ²	250	56,000	0.06		
		1	Item	150,000	150,000	0.17		
	Allowance for aluminium louvres	555	m ²	800	444,000	0.49		
	Assumed mesh to plant area	2,236	m ²	200	447,000	0.49		
	Say 50% accessible area of roof; Allowance to form terraces including floor coverings and handrails etc.	1,118	m ²	800	894,000	0.98		
Provisional Allowance	1	Item	50,000	50,000	0.06			
Stairs • Main Core Stairs • Balustrades and handrails • Allowance for feature stairs • Escape Staircases	Precast staircase in two flights with one full landing	102	nr	17,500	1,785,000	1.96	3.00	£2,518,000
	Assumed steel balustrade and handrails	816	m	500	408,000	0.45		
	to Ground Floor for example	1	Item	200,000	200,000	0.22		
		1	Item	125,000	125,000	0.14		

App A. ELEMENTAL COST MODELS

NQ B1- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	84,420 m ²	908,688 ft ²
Net : Gross Ratio	64%	583,707 ft ²
Building Footprint	2,236 m ²	
Below Ground Area	6,642 m ²	27,895 m ³
Wall : Floor Ratio	0.45	
Typical NIA Floorplate size	14,964 ft ²	
Total nr of storeys	32 nr	
Total nr of cores	1 nr	
Total nr of passenger lifts per core	12 nr	
Storey Height	3.95 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
External Walls, Windows & Doors						45.00	£40,773,000
<ul style="list-style-type: none"> Main Façade System EO for articulation EO for Ground Floor façade system EO Allowance for louvres Balustrading to terraces Automatic revolving door Double Glazed automatic Door; Double leaf Double Glazed automatic Door; Single leaf Retail entrance doors Security shutters Allowance for canopies to GF Allowance for BMU's 	35,230	m ²	1,050	36,991,000	40.71		
Provisional Allowance	1	Item	500,000	500,000	0.55		
Where required for plant etc.	3,072	m ²	300	922,000	1.01		
Allowance for 1200mm high glazed balustrade	352	m ²	200	70,000	0.08		
Assumed 3m diameter	200	m	1,200	240,000	0.26		
Provisional Allowance	4	nr	100,000	400,000	0.44		
Provisional Allowance	3	nr	50,000	150,000	0.17		
Provisional Allowance	2	nr	25,000	50,000	0.06		
To loading bay etc.	6	nr	50,000	300,000	0.33		
	1	Item	150,000	150,000	0.17		
	1	Item	100,000	100,000	0.11		
	3	nr	300,000	900,000	0.99		
					0.00		
Internal Walls & Doors						10.00	£8,665,000
<ul style="list-style-type: none"> Metal Stud Partitions; including plasterboard layer Blockwork Walls; assumed 200mm thick Allowance for column casings Single leaf timber doors Single leaf 120min fire resistant timber doors Double leaf timber doors Double leaf 120min fire resistant timber doors Allowance for doors not shown 	908,688	ft ²	3	2,726,000	3.00		
Provisional Allowance	908,688	ft ²	4	3,635,000	4.00		
Provisional Allowance	1	Item	500,000	500,000	0.55		
Provisional Allowance	320	nr	1,800	576,000	0.63		
Provisional Allowance	160	nr	2,000	320,000	0.35		
Provisional Allowance	160	nr	2,300	368,000	0.40		
Provisional Allowance	96	nr	2,500	240,000	0.26		
Provisional Allowance	1	Item	300,000	300,000	0.33		
Walls, Floors and Ceilings						10.00	£9,087,000
<ul style="list-style-type: none"> Allowance for wall finishes Allowance for floor finishes Allowance for ceiling finishes 	908,688	ft ²	4	3,635,000	4.00		
	908,688	ft ²	3	2,726,000	3.00		
	908,688	ft ²	3	2,726,000	3.00		
Fittings & Furnishings						2.00	£1,817,000
<ul style="list-style-type: none"> Allowance for fittings and furnishings 	908,688	ft ²	2	1,817,000	2.00		
Reception desk, furniture, signage, turnstiles, cycle racks, lockers & benches etc.							
Mechanical & Electrical Installations						65.00	£54,299,000
<ul style="list-style-type: none"> Allowance for Mechanical and Electrical Installations 	837,195	ft ²	65	54,299,000	64.86		
Lifts						27.00	£22,520,000
<ul style="list-style-type: none"> Allowance for lift installations 	837,195	ft ²	27	22,520,000	26.90		
Builderswork in Connection with Services						5.00	£3,841,000
<ul style="list-style-type: none"> Allowance for BWIC 	837,195	ft ²	5	3,841,000	4.59		

App A. ELEMENTAL COST MODELS

NQ B1- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	84,420	m ²	908,688	ft ²
Net : Gross Ratio	64%		583,707	ft ²
Building Footprint	2,236	m ²		
Below Ground Area	6,642	m ²	27,895	m ³
Wall : Floor Ratio	0.45			
Typical NIA Floorplate size	14,964	ft ²		
Total nr of storeys	32	nr		
Total nr of cores	1	nr		
Total nr of passenger lifts per core	12	nr		
Storey Height	3.95	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Sub-Total				£220,082,871		242	
• Preliminaries	15%			33,012,000	36.33	36.00	
• CM Fee	3%			6,602,000	7.27	7.00	
• Insurances	0.5%			1,100,000	1.21	1.00	
Total for Shell & Core				£260,797,000		286	

App A. ELEMENTAL COST MODELS

NQ B1- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	84,420	m ²	908,688	ft ²
Net : Gross Ratio	64%		583,707	ft ²
Building Footprint	2,236	m ²		
Below Ground Area	6,642	m ²	27,895	m ³
Wall : Floor Ratio	0.45			
Typical NIA Floorplate size	14,964	ft ²		
Total nr of storeys	32	nr		
Total nr of cores	1	nr		
Total nr of passenger lifts per core	12	nr		
Storey Height	3.95	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
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NQ B1- Flexible Use Building- Commercial- Cat A Fit Out

	Quant	Unit	Rate	Total	£/ft ² on NIA		Sub Total Cost
					£/ft ² (GIA)	Elem £/ft ² (GIA)	
Wall Finishes							
• Allowance for wall finishes	14,964	ft ²	3	45,000	3.01	3.00	£45,000
•				0	0.00		
Floor Finishes							
• Allowance for raised access floor	14,964	ft ²	5	75,000	5.01	5.00	£75,000
•				0	0.00		
Ceiling Finishes							
• Allowance for ceiling finishes	14,964	ft ²	9	135,000	9.02	9.00	£135,000
•				0	0.00		
Fittings							
• Allowance for fittings	14,964	ft ²	1	15,000	1.00	1.00	£15,000
•				0	0.00		
Mechaical and Electrical							
• Allowance for mechanical and electrical installations	14,964	ft ²	28	419,000	28.00	28.00	£419,000
•				0	0.00		
Sub-Total				£689,000	46.04	46	
• Preliminaries	15%			103,000	6.88	6.88	
• CM Fee	3%			21,000	1.40	1.40	
• Insurances	0.5%			3,000	0.20	0.20	
Total for Shell & Core				£820,000	55	55	
					GIA	1	

App A. ELEMENTAL COST MODELS

NQ A5- Flexible Use Building- Retail

Commercial
Shell & Core

Total Area (m ²)	6,737	m ²	72,515	ft ²
Net : Gross Ratio	50%		36,555	ft ²
Building Footprint	993	m ²		
Below Ground Area	1,077	m ²	4,522	m ³
Wall : Floor Ratio	0.62			
Total nr of balconies		nr		
Total nr of storeys	4	nr		
Total nr of cores	1	nr		
Total nr of lifts per core	2	nr		
Storey Height	4.20	m		

ELEMENT		Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Substructure							27.00	£1,937,597
<ul style="list-style-type: none"> Pro- Rata Basement allowance 	See basement tab for detailed breakdown	11,590	ft ²	167	1,937,597 0 0	26.72 0.00 0.00		
Frame & Upper Floors							53.00	£3,835,000
<ul style="list-style-type: none"> Steel Columns and Bracing Steel beams and Bracing Allowance for connections Allowance for trimmer beams and bracing Fire Protection EO allowance for secondary steelwork EO for architectural steelwork RC Core Walls Upper Floor Construction Surface finish; power float Roof Slab Construction Allowance for concrete parapet to roof Allowance for structures not shown 	Allowance of 60kg/m ² Allowance of 25kg/m ² Say 15% Say 3% 90min intumescent paint Provisional Allowance until design progresses Where exposed in certain areas, i.e. GF reception Average allowance of 150mm, reinforcement 120kg/m ³ Assumed 130mm thick slab on Comfloor 60; 0.9mm deck Provisional Allowance until design progresses	404 168 86 20 678 10 1 2,506 5,660 5,660 993 128 1	t t t t t t Item m ² m ² m ² m ² m Item	2,500 2,500 2,500 2,500 600 2,600 50,000 230 130 5 230 300 50,000	1,011,000 421,000 215,000 49,000 407,000 26,000 50,000 576,000 736,000 28,000 228,000 38,000 50,000	13.94 5.81 2.96 0.68 5.61 0.36 0.69 7.94 10.15 0.39 3.14 0.52 0.69		
Roof							18.00	£1,296,000
<ul style="list-style-type: none"> Roof Coverings and Insulation Allowance for drainage EO Allowance for green roofs or similar Allowance for mansafe Plant Screens Allowance for plant coverings EO for forming terraces Allowance for roof access ladders, plant access etc. 	Allowance of 10% coverage Allowance for aluminium louvres Assumed mesh to plant area Say 50% accessible area of roof; Allowance to form terraces including floor coverings and handrails etc. Provisional Allowance	993 993 99 1 440 497 497 1	m ² m ² m ² Item m ² m ² m ² Item	200 150 250 50,000 800 200 800 25,000	199,000 149,000 25,000 50,000 352,000 99,000 397,000 25,000	2.74 2.05 0.34 0.69 4.85 1.37 5.47 0.34		
Stairs							14.00	£1,033,000
<ul style="list-style-type: none"> Main Core Stairs Balustrades and handrails Allowance for feature stairs Escape Staircases 	Precast staircase in two flights with one full landing Assumed steel balustrade and handrails to Ground Floor for example	12 96 1 1	nr m Item Item	17,500 500 750,000 25,000	210,000 48,000 750,000 25,000	2.90 0.66 10.34 0.34		

App A. ELEMENTAL COST MODELS

NQ A5- Flexible Use Building- Retail

Commercial
Shell & Core

Total Area (m²)	6,737	m²	72,515	ft²
Net : Gross Ratio	50%		36,555	ft²
Building Footprint	993	m²		
Below Ground Area	1,077	m²	4,522	m³
Wall : Floor Ratio	0.62			
Total nr of balconies		nr		
Total nr of storeys	4	nr		
Total nr of cores	1	nr		
Total nr of lifts per core	2	nr		
Storey Height	4.20	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft² (GIA)	Elem £/ft² (GIA)	Sub Total Cost
External Walls, Windows & Doors						73.00	£5,279,000
• Main Façade System	3,518	m²	1,200	4,222,000	58.22		
• EO for articulation	1	Item	500,000	500,000	6.90		
• EO for Ground Floor façade system		m²	300	0	0.00		
• EO Allowance for louvres	35	m²	200	7,000	0.10		
• Balustrading to terraces		m	1,200	0	0.00		
• Automatic revolving door		nr	100,000	0	0.00		
• Double Glazed automatic Door; Double leaf	7	nr	50,000	350,000	4.83		
• Double Glazed automatic Door; Single leaf	2	nr	25,000	50,000	0.69		
• Retail entrance doors		nr	50,000	0	0.00		
• Security shutters	1	Item	25,000	25,000	0.34		
• Allowance for canopies to GF	1	Item	25,000	25,000	0.34		
• Allowance for BMU's	1	nr	100,000	100,000	1.38		
					0.00		
Internal Walls & Doors						5.00	£363,000
• Allowance for internal walls and doors generally	72,515	ft²	5	363,000	5.01		
Walls, Floors and Ceilings						9.00	£653,000
• Allowance for wall finishes	72,515	ft²	2	145,000	2.00		
• Allowance for floor finishes	72,515	ft²	3	218,000	3.01		
• Allowance for ceiling finishes	72,515	ft²	4	290,000	4.00		
Fittings & Furnishings						2.00	£145,000
• Allowance for fittings and furnishings	72,515	ft²	2	145,000	2.00		
Mechanical & Electrical Installations						29.55	£1,800,000
• Allowance for Mechanical and Electrical Installations	60,924	ft²	30	1,800,000	29.55		
Lifts						0.00	£0
• Allowance for lift installations	60,924	ft²		0	0.00		
Builderswork in Connection with Services						1.00	£54,000
• Allowance for BWIC	60,924	ft²	1	54,000	0.89		
Sub-Total				£16,395,597		226	
• Preliminaries	15%			2,459,000	33.91	34.00	
• CM Fee	3%			492,000	6.78	7.00	
• Insurances	0.5%			82,000	1.13	1.00	
Total for Shell & Core				£19,429,000		268	

App A. ELEMENTAL COST MODELS

NQ D1- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	90,767	m ²	977,007	ft ²
Net : Gross Ratio	64%		629,193	ft ²
Building Footprint	3,001	m ²		
Below Ground Area	7,125	m ²	29,926	m ³
Wall : Floor Ratio	0.42			
Typical NIA Floorplate size	19,715	ft ²		
Total nr of storeys	27	nr		
Total nr of cores	2	nr		
Total nr of lifts per core	6	nr		
Storey Height	3.95	m		

ELEMENT		Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Substructure							29.00	£28,633,304
<ul style="list-style-type: none"> Pro- Rata Basement allowance . . 	See basement tab for detailed breakdown	76,695	ft ²	373	28,633,304	29.31		
Frame & Upper Floors							50.00	£48,491,000
<ul style="list-style-type: none"> Steel Columns and Bracing Steel beams and Bracing Allowance for connections Allowance for trimmer beams and bracing Fire Protection EO allowance for secondary steelwork EO for architectural steelwork RC Core Walls Upper Floor Construction Surface finish; power float Roof Slab Construction Allowance for concrete parapet to roof Allowance for structures not shown 	Target VE Allowance of 60kg/m ² Target VE Allowance of 25kg/m ² Say 15% Say 3% 90min intumescent paint Provisional Allowance until design progresses Where exposed in certain areas, i.e. GF reception Average allowance of 300mm, reinforcement 120kg/m ³ , Provisional Allowance Assumed 130mm thick slab on Comfloor 60; 0.9mm deck Provisional Allowance until design progresses	5,446 2,269 1,157 266 9,139 250 1 28,073 83,642 83,642 3,001 245 1	t t t t t Item m ² m ² m ² m Item	2,500 2,500 2,500 2,500 600 2,600 500,000 230 130 5 230 300 500,000	13,615,000 5,673,000 2,893,000 665,000 5,483,000 650,000 500,000 6,457,000 10,873,000 418,000 690,000 74,000 500,000	13.94 5.81 2.96 0.68 5.61 0.67 0.51 6.61 11.13 0.43 0.71 0.08 0.51		
Roof							4.00	£3,586,000
<ul style="list-style-type: none"> Roof Coverings and Insulation Allowance for drainage EO Allowance for green roofs or similar Allowance for mansafe Plant Screens Allowance for plant coverings EO for forming terraces Allowance for roof access ladders, plant access etc. 	Allowance of 10% coverage Allowance for aluminium louvres Assumed mesh to plant area Say 50% accessible area of roof; Allowance to form terraces including floor coverings and handrails etc. Provisional Allowance	3,001 3,001 300 1 860 1,365 1,501 1	m ² m ² m ² Item m ² m ² m ² Item	200 150 250 200,000 800 200 800 100,000	600,000 450,000 75,000 200,000 688,000 273,000 1,200,000 100,000	0.61 0.46 0.08 0.20 0.70 0.28 1.23 0.10		
Stairs							2.00	£2,235,000
<ul style="list-style-type: none"> Main Core Stairs Balustrades and handrails Allowance for feature stairs Escape Staircases 	Precast staircase in two flights with one full landing Assumed steel balustrade and handrails to Ground Floor for example	90 720 1 1	nr m Item Item	17,500 500 200,000 100,000	1,575,000 360,000 200,000 100,000	1.61 0.37 0.20 0.10		

App A. ELEMENTAL COST MODELS

NQ D1- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	90,767	m ²	977,007	ft ²
Net : Gross Ratio	64%		629,193	ft ²
Building Footprint	3,001	m ²		
Below Ground Area	7,125	m ²	29,926	m ³
Wall : Floor Ratio	0.42			
Typical NIA Floorplate size	19,715	ft ²		
Total nr of storeys	27	nr		
Total nr of cores	2	nr		
Total nr of lifts per core	6	nr		
Storey Height	3.95	m		

ELEMENT		Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
External Walls, Windows & Doors <ul style="list-style-type: none"> Main Façade System EO for articulation EO for Ground Floor façade system EO Allowance for louvres Balustrading to terraces Automatic revolving door Double Glazed automatic Door; Double leaf Double Glazed automatic Door; Single leaf Retail entrance doors Security shutters Allowance for canopies to GF Cladding to undercroft Loading Bay Surround Allowance for BMU's 	Allowance for target VE façade rate	34,930	m ²	1,050	36,676,000	37.54	43.00	£41,537,000
	Provisional Allowance	1	Item	1,000,000	1,000,000	1.02		
	Included up to top of first floor slab	3,114	m ²	300	934,000	0.96		
	Where required for plant etc.	349	m ²	200	70,000	0.07		
	Allowance for 1200mm high glazed balustrade	235	m	1,200	282,000	0.29		
	Assumed 3m diameter	4	nr	100,000	400,000	0.41		
	Provisional Allowance	3	nr	50,000	150,000	0.15		
	Provisional Allowance	3	nr	25,000	75,000	0.08		
		6	nr	50,000	300,000	0.31		
	To loading bay etc.	1	Item	150,000	150,000	0.15		
		1	Item	100,000	100,000	0.10		
	Not Required		m ²	1,100	0	0.00		
	Allowance to form loading bay structure between NQ 6 & NQ 3	1	Item	500,000	500,000	0.51		
		3	nr	300,000	900,000	0.92		
					0.00			
Internal Walls & Doors <ul style="list-style-type: none"> Metal Stud Partitions; including plasterboard layer Blockwork Walls; assumed 200mm thick Allowance for column casings Single leaf timber doors Single leaf 120min fire resistant timber doors Double leaf timber doors Double leaf 120min fire resistant timber doors Allowance for doors not shown 	Provisional Allowance	977,007	ft ²	3	2,443,000	2.50	9.00	£9,146,000
	Provisional Allowance	977,007	ft ²	4	3,908,000	4.00		
	Provisional Allowance	1	Item	250,000	250,000	0.26		
	Provisional Allowance	405	nr	1,800	729,000	0.75		
	Provisional Allowance	270	nr	2,000	540,000	0.55		
	Provisional Allowance	270	nr	2,300	621,000	0.64		
	Provisional Allowance	162	nr	2,500	405,000	0.41		
	Provisional Allowance	1	Item	250,000	250,000	0.26		
Walls, Floors and Ceilings <ul style="list-style-type: none"> Allowance for wall finishes Allowance for floor finishes Allowance for ceiling finishes 	Wall finishes to reception, WC's, lift lobbies, stairwells and BOH areas	977,007	ft ²	4	3,908,000	4.00	10.00	£9,770,000
	Floor finishes to reception, WC's, lift lobbies, stairwells and BOH areas	977,007	ft ²	3	2,931,000	3.00		
	Ceiling finishes to reception, WC's, lift lobbies, stairwells and BOH areas	977,007	ft ²	3	2,931,000	3.00		
Fittings & Furnishings <ul style="list-style-type: none"> Allowance for fittings and furnishings 	Reception desk, furniture, signage, turnstiles, cycle racks, lockers & benches etc.	977,007	ft ²	2	1,954,000	2.00	2.00	£1,954,000

App A. ELEMENTAL COST MODELS

NQ D1- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	90,767	m ²	977,007	ft ²
Net : Gross Ratio	64%		629,193	ft ²
Building Footprint	3,001	m ²		
Below Ground Area	7,125	m ²	29,926	m ³
Wall : Floor Ratio	0.42			
Typical NIA Floorplate size	19,715	ft ²		
Total nr of storeys	27	nr		
Total nr of cores	2	nr		
Total nr of lifts per core	6	nr		
Storey Height	3.95	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Mechanical & Electrical Installations • Allowance for Mechanical and Electrical Installations	900,314	ft ²	64	57,648,000	64.03	64.03	£57,648,000
Lifts • Allowance for lift installations	900,314	ft ²	20	18,022,500	20.02	20.02	£18,022,500
Builderswork in Connection with Services • Allowance for BWIC	900,314	ft ²	4	3,784,000	4.20	4.00	£3,784,000
Sub-Total				£224,806,804		230	
• Preliminaries	15%			33,721,000	34.51	35.00	
• CM Fee	3%			6,744,000	6.90	7.00	
• Insurances	0.5%			1,124,000	1.15	1.00	
Total for Shell & Core				£266,396,000		273	

App A. ELEMENTAL COST MODELS

NQ D1- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	90,767	m ²	977,007	ft ²
Net : Gross Ratio	64%		629,193	ft ²
Building Footprint	3,001	m ²		
Below Ground Area	7,125	m ²	29,926	m ³
Wall : Floor Ratio	0.42			
Typical NIA Floorplate size	19,715	ft ²		
Total nr of storeys	27	nr		
Total nr of cores	2	nr		
Total nr of lifts per core	6	nr		
Storey Height	3.95	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
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NQ D1- Flexible Use Building- Commercial- Cat A Fit Out

					£/ft ² on NIA		
Wall Finishes							£59,000
• Allowance for wall finishes	Allowance for plasterboard and decoration to outer face of core walls and columns	19,715	ft ²	3	59,000	2.99	
•					0	0.00	
Floor Finishes							£99,000
• Allowance for raised access floor	Assume 600 x 600 mm medium grade tile with 150mm void	19,715	ft ²	5	99,000	5.02	
•					0	0.00	
Ceiling Finishes							£177,000
• Allowance for ceiling finishes	Allowances for metal plank suspended ceiling (SAS or similar) with plasterboard margins	19,715	ft ²	9	177,000	8.98	
•					0	0.00	
Fittings							£20,000
• Allowance for fittings	Skirtings, statutory signage etc. (Blinds included in façade)	19,715	ft ²	1	20,000	1.01	
•					0	0.00	
Mechanical and Electrical							£552,000
• Allowance for mechanical and electrical installations		19,715	ft ²	28	552,000	28.00	
•					0	0.00	
Sub-Total					£907,000	46	46
• Preliminaries		15%			136,000	6.90	6.90
• CM Fee		3%			27,000	1.37	1.37
• Insurances		0.5%			5,000	0.25	0.25
Total for Shell & Core					£1,080,000	55	55

App A. ELEMENTAL COST MODELS

NQ D3- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m²)	32,556 m²	350,434 ft²
Net : Gross Ratio	57%	200,240 ft²
Building Footprint	1,918 m²	
Below Ground Area	5,420 m²	22,762 m³
Wall : Floor Ratio	0.50	
Typical NIA Floorplate size	14,120 ft²	
Total nr of storeys	16 nr	
Total nr of cores	1 nr	
Total nr of passenger lifts per core	6 nr	
Storey Height	3.95 m	

ELEMENT		Quant	Unit	Rate	Total	£/ft² (GIA)	Elem £/ft² (GIA)	Sub Total Cost
Substructure							27.00	£9,289,854
<ul style="list-style-type: none"> Pro- Rata Basement allowance 	See basement tab for detailed breakdown	58,335	ft²	159	9,289,854	26.51		
					0	0.00		
					0	0.00		
Frame & Upper Floors							51.00	£17,719,000
<ul style="list-style-type: none"> Steel Columns and Bracing Steel beams and Bracing Allowance for connections Allowance for trimmer beams and bracing Fire Protection EO allowance for secondary steelwork EO for architectural steelwork RC Core Walls Upper Floor Construction Surface finish; power float Roof Slab Construction Allowance for concrete parapet to roof Allowance for structures not shown 	Allowance of 60kg/m2	2,116	t	2,500	5,290,000	15.10		
	Allowance of 25kg/m2	651	t	2,500	1,628,000	4.65		
	Say 15%	415	t	2,500	1,038,000	2.96		
	Say 3%	95	t	2,500	239,000	0.68		
	90min intumescent paint	3,278	t	600	1,967,000	5.61		
	Provisional Allowance until design progresses	175	t	2,600	455,000	1.30		
	Where exposed in certain areas, i.e. GF reception	1	Item	250,000	250,000	0.71		
	Average allowance of 300mm, reinforcement 120kg/m3, Provisional Allowance	10,837	m²	230	2,492,000	7.11		
	Assumed 130mm thick slab on Comfloor 60; 0.9mm deck	27,137	m²	130	3,528,000	10.07		
		27,137	m²	5	136,000	0.39		
		1,918	m²	230	441,000	1.26		
		183	m	300	55,000	0.16		
	Provisional Allowance until design progresses	1	Item	200,000	200,000	0.57		
Roof					0		7.00	£2,289,000
<ul style="list-style-type: none"> Roof Coverings and Insulation Allowance for drainage EO Allowance for green roofs or similar Allowance for mansafe Plant Screens Allowance for plant coverings EO for forming terraces Allowance for roof access ladders, plant access etc. 	Allowance of 10% coverage	1,918	m²	200	384,000	1.10		
		1,918	m²	150	288,000	0.82		
		192	m²	250	48,000	0.14		
		1	Item	50,000	50,000	0.14		
	Allowance for aluminium louvres	740	m²	800	592,000	1.69		
	Assumed mesh to plant area	648	m²	200	130,000	0.37		
	Say 50% accessible area of roof; Allowance to form terraces including floor coverings and handrails etc.	959	m²	800	767,000	2.19		
	Provisional Allowance	1	Item	30,000	30,000	0.09		
Stairs							3.00	£924,000
<ul style="list-style-type: none"> Main Core Stairs Balustrades and handrails Allowance for feature stairs Escape Staircases 	Precast staircase in two flights with one full landing	36	nr	17,500	630,000	1.80		
	Assumed steel balustrade and handrails	288	m	500	144,000	0.41		
	to Ground Floor for example	1	Item	100,000	100,000	0.29		
		1	Item	50,000	50,000	0.14		

App A. ELEMENTAL COST MODELS

NQ D3- Flexible Use Building- Commercial

Commercial
 Shell & Core

Total Area (m ²)	32,556 m ²	350,434 ft ²
Net : Gross Ratio	57%	200,240 ft ²
Building Footprint	1,918 m ²	
Below Ground Area	5,420 m ²	22,762 m ³
Wall : Floor Ratio	0.50	
Typical NIA Floorplate size	14,120 ft ²	
Total nr of storeys	16 nr	
Total nr of cores	1 nr	
Total nr of passenger lifts per core	6 nr	
Storey Height	3.95 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
External Walls, Windows & Doors <ul style="list-style-type: none"> Main Façade System EO for articulation EO for Ground Floor façade system EO Allowance for louvres Balustrading to terraces Automatic revolving door Double Glazed automatic Door; Double leaf Double Glazed automatic Door; Single leaf Retail entrance doors Security shutters Allowance for canopies to GF Allowance for BMU's 	13,663	m ²	1,050	14,346,000	40.94	48.00	£16,755,000
	1	Item	200,000	200,000	0.57		
	1,824	m ²	300	547,000	1.56		
Where required for plant etc.	137	m ²	200	27,000	0.08		
Allowance for 1200mm high glazed balustrade	92	m	1,200	110,000	0.31		
Assumed 3m diameter	4	nr	100,000	400,000	1.14		
Provisional Allowance	1	nr	50,000	50,000	0.14		
Provisional Allowance	3	nr	25,000	75,000	0.21		
	6	nr	50,000	300,000	0.86		
To loading bay etc.	1	Item	50,000	50,000	0.14		
	1	Item	50,000	50,000	0.14		
	2	nr	300,000	600,000	1.71		
					0.00		
Internal Walls & Doors <ul style="list-style-type: none"> Metal Stud Partitions; including plasterboard layer Blockwork Walls; assumed 200mm thick Allowance for column casings Single leaf timber doors Single leaf 120min fire resistant timber doors Double leaf timber doors Double leaf 120min fire resistant timber doors Allowance for doors not shown 	350,434	ft ²	3	1,051,000	3.00	10.00	£3,380,000
Provisional Allowance	350,434	ft ²	4	1,402,000	4.00		
Provisional Allowance	1	Item	100,000	100,000	0.29		
Provisional Allowance	160	nr	1,800	288,000	0.82		
Provisional Allowance	80	nr	2,000	160,000	0.46		
Provisional Allowance	80	nr	2,300	184,000	0.53		
Provisional Allowance	48	nr	2,500	120,000	0.34		
Provisional Allowance	1	Item	75,000	75,000	0.21		
				0	0.00		
Walls, Floors and Ceilings <ul style="list-style-type: none"> Allowance for wall finishes Allowance for floor finishes Allowance for ceiling finishes 	350,434	ft ²	4	1,402,000	4.00	10.00	£3,504,000
Floor finishes to reception, WC's, lift lobbies, stairwells and BOH areas	350,434	ft ²	3	1,051,000	3.00		
Ceiling finishes to reception, WC's, lift lobbies, stairwells and BOH areas	350,434	ft ²	3	1,051,000	3.00		
Fittings & Furnishings <ul style="list-style-type: none"> Allowance for fittings and furnishings 	350,434	ft ²	2	701,000	2.00	2.00	£701,000
Mechanical & Electrical Installations <ul style="list-style-type: none"> Allowance for Mechanical and Electrical Installations 	292,100	ft ²	70	20,566,000	70.41	70.00	£20,566,000
Lifts <ul style="list-style-type: none"> Allowance for lift installations 	292,100	ft ²	14	4,007,500	13.72	14.00	£4,007,500

App A. ELEMENTAL COST MODELS

NQ D3- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	32,556	m ²	350,434	ft ²
Net : Gross Ratio	57%		200,240	ft ²
Building Footprint	1,918	m ²		
Below Ground Area	5,420	m ²	22,762	m ³
Wall : Floor Ratio	0.50			
Typical NIA Floorplate size	14,120	ft ²		
Total nr of storeys	16	nr		
Total nr of cores	1	nr		
Total nr of passenger lifts per core	6	nr		
Storey Height	3.95	m		

ELEMENT
Builderswork in Connection with Services
• Allowance for BWIC
Sub-Total
• Preliminaries
• CM Fee
• Insurances
Total for Shell & Core

	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
	292,100	ft ²	4	1,229,000	4.21	4.00	£1,229,000
				£80,364,354		229	
	15%			12,055,000	34.40	34.00	
	3%			2,411,000	6.88	7.00	
	0.5%			402,000	1.15	1.00	
				£95,232,000		272	

App A. ELEMENTAL COST MODELS

NQ D3- Flexible Use Building- Commercial

Commercial
Shell & Core

Total Area (m ²)	32,556 m ²	350,434 ft ²
Net : Gross Ratio	57%	200,240 ft ²
Building Footprint	1,918 m ²	
Below Ground Area	5,420 m ²	22,762 m ³
Wall : Floor Ratio	0.50	
Typical NIA Floorplate size	14,120 ft ²	
Total nr of storeys	16 nr	
Total nr of cores	1 nr	
Total nr of passenger lifts per core	6 nr	
Storey Height	3.95 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
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NQ D3- Flexible Use Building- Commercial- Cat A Fit Out

					£/ft ² on NIA		
Wall Finishes						3.00	£42,000
• Allowance for wall finishes	14,120	ft ²	3	42,000	2.97		
•				0	0.00		
Floor Finishes						5.00	£71,000
• Allowance for raised access floor	14,120	ft ²	5	71,000	5.03		
•				0	0.00		
Ceiling Finishes						9.00	£127,000
• Allowance for ceiling finishes	14,120	ft ²	9	127,000	8.99		
•				0	0.00		
Fittings						1.00	£14,000
• Allowance for fittings	14,120	ft ²	1	14,000	0.99		
•				0	0.00		
Mechaical and Electrical						28.00	£395,000
• Allowance for mechanical and electrical installations	14,120	ft ²	28	395,000	27.97		
•				0	0.00		
Sub-Total				£649,000	45.96	46	
• Preliminaries	15%			97,000	6.87	6.87	
• CM Fee	3%			19,000	1.35	1.35	
• Insurances	0.5%			3,000	0.21	0.21	
Total for Shell & Core				£770,000	55	54	

App A. ELEMENTAL COST MODELS

NQ D4 - Flexible Use Building - Serviced Apartments

Student Accommodation
Shell & Core

Total Overall GIA	47,455 m ²	510,799 ft ²	
Above Ground GIA	45,769 m ²	492,654 ft ²	
Below Ground GIA	1,686 m ²	18,145 ft ²	Basement measured elsewhere
Total Overall NIA	32,331 m ²	348,011 ft ²	
Residential NIA	31,738 m ²	341,628 ft ²	
Residential Amenity NIA	0 m ²	0 ft ²	
Retail NIA	593 m ²	6,383 ft ²	
Store NIA	m ²	0 ft ²	
Net : Gross Ratio - Overall	68%		
Net : Gross Ratio - Above Ground	71%		
Building Footprint	884 m ²		
External Wall Area	21,511 m ²		
Wall : Floor Ratio	0.47		
Total nr of balconies / Area (m ²)	0 nr	0 m ²	
Total nr of storeys (Grd and above)	53 nr		
Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	2 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT
Substructure / Basement
<ul style="list-style-type: none"> • Pro- Rata Basement allowance • •
Total for Shell & Core - Basement Only

	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
See basement tab for detailed breakdown	18,145	ft ²	863	15,668,177		£15,668,177	31.00
				£15,668,000			

App A. ELEMENTAL COST MODELS

NQ D4 - Flexible Use Building - Serviced Apartments

Student Accommodation
Shell & Core

Total Overall GIA	47,455 m ²	510,799 ft ²	
Above Ground GIA	45,769 m ²	492,654 ft ²	
Below Ground GIA	1,686 m ²	18,145 ft ²	Basement measured elsewhere
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Residential Amenity NIA	0 m ²	0 ft ²	
Retail NIA	593 m ²	6,383 ft ²	
Store NIA	m ²	0 ft ²	
Net : Gross Ratio - Overall	68%		
Net : Gross Ratio - Above Ground	71%		
Building Footprint	884 m ²		
External Wall Area	21,511 m ²		
Wall : Floor Ratio	0.47		
Total nr of balconies / Area (m ²)	0 nr	0 m ²	
Total nr of storeys (Grd and above)	53 nr		
Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	2 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT
Frame & Upper Floors
<ul style="list-style-type: none"> • Allowance for 225mm PT slab • Extra over for 400mm PT slab to plant areas • Formwork to underside of slabs • Reinforcement @ 20kg/m² • PT Tendons @ 25kg/m² • Surface Treatment to slabs • Allowance for transfer structure • Allowance for A-Frame columns; 1200x500 • Reinforcement @ 300kg/m³ • Formwork • Allowance for concrete 450mm core sheer walls • Reinforcement @ 240kg/m³ • Formwork • Allowance for columns; 1200x500 • Reinforcement @ 280kg/m³ • Formwork • Allowance for columns; 900x500 • Reinforcement @ 280kg/m³ • Formwork • Allowance for columns; 600x500 • Reinforcement @ 280kg/m³ • Formwork • Allowance for concrete 300mm core walls • Reinforcement @ 175kg/m³ • Formwork • Allowance for concrete 450mm core walls • Reinforcement @ 175kg/m³ • Formwork • Secondary steelwork to liftshafts • Allowance for cast in channels to façade

	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
Refer to Watermans Briefing note rec'd 31/10/19 and Structural Design Strategy Report (dated May 2020 - rec'd 12/06/20)	10,298	m ³	190	1,957,000	3.97	£20,233,000	40.00
	454	m ³	190	86,000	0.17		
	45,769	m ²	60	2,746,000	5.57		
Refer to Watermans Briefing note rec'd 20/02/2020	915	t	1,300	1,190,000	2.42		
Refer to Watermans Briefing note rec'd 20/02/2020	1,144	t	5,000	5,721,000	11.61		
	45,769	m ²	5	229,000	0.46		
				0	0.00		
Refer to Watermans/C5 mark-ups rec'd 20/02/2020 - Ground to third floor	110	m3	190	21,000	0.04		
Refer to Watermans Briefing note rec'd 20/02/2020	33	t	1,300	43,000	0.09		
	626	m2	50	31,000	0.06		
Refer to Watermans/C5 mark-ups rec'd 20/02/2020 - Ground Floor Only	46	m3	190	9,000	0.02		
Refer to Watermans Briefing note rec'd 20/02/2020	11	t	1,300	14,000	0.03		
	204	m2	50	10,000	0.02		
Refer to Watermans/C5 mark-ups rec'd 20/02/2020	130	m3	190	25,000	0.05		
Refer to Watermans Briefing note rec'd 20/02/2020	36	t	1,300	47,000	0.10		
	734	m2	50	37,000	0.08		
Refer to Watermans/C5 mark-ups rec'd 20/02/2020	492	m3	190	93,000	0.19		
Refer to Watermans Briefing note rec'd 20/02/2020	138	t	1,300	179,000	0.36		
	3,064	m2	50	153,000	0.31		
Refer to Watermans/C5 mark-ups rec'd 20/02/2020	556	m3	190	106,000	0.22		
Refer to Watermans Briefing note rec'd 20/02/2020	156	t	1,300	203,000	0.41		
	2,520	m2	50	126,000	0.26		
Refer to Watermans/C5 mark-ups rec'd 20/02/2020	3,005	m3	190	571,000	1.16		
Refer to Watermans Briefing note rec'd 20/02/2020	526	t	1,300	684,000	1.39		
	20,034	m2	50	1,002,000	2.03		
Refer to Watermans/C5 mark-ups rec'd 20/02/2020	6,597	m3	190	1,253,000	2.54		
Refer to Watermans Briefing note rec'd 20/02/2020	1,154	t	1,300	1,500,000	3.04		
	29,320	m2	50	1,466,000	2.98		
	424	nr	1,000	424,000	0.86		
	6,147	m	50	307,000	0.62		

App A. ELEMENTAL COST MODELS

NQ D4 - Flexible Use Building - Serviced Apartments

Student Accommodation
Shell & Core

Total Overall GIA	47,455 m ²	510,799 ft ²	
Above Ground GIA	45,769 m ²	492,654 ft ²	
Below Ground GIA	1,686 m ²	18,145 ft ²	Basement measured elsewhere
Total Overall NIA	32,331 m ²	348,011 ft ²	
Residential NIA	31,738 m ²	341,628 ft ²	
Residential Amenity NIA	0 m ²	0 ft ²	
Retail NIA	593 m ²	6,383 ft ²	
Store NIA	m ²	0 ft ²	
Net : Gross Ratio - Overall	68%		
Net : Gross Ratio - Above Ground	71%		
Building Footprint	884 m ²		
External Wall Area	21,511 m ²		
Wall : Floor Ratio	0.47		
Total nr of balconies / Area (m ²)	0 nr	0 m ²	
Total nr of storeys (Grd and above)	53 nr		
Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	2 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT		Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)	
Roof <ul style="list-style-type: none"> Allowance for 350mm PT slab Formwork to underside of slabs Reinforcement @ 35kg/m² PT Tendons @ 25kg/m² Surface Treatment to slabs Allowance for waterproofing, insulation & finishes Allowance for photovoltaic panels & supports Allowance for roof balustrades Allowance for BMU Allowance for insulation and render finish to soffit of overhang Other allowances 	Refer to Watermans Briefing note rec'd 31/10/19	309	m ³	190	59,000	0.12	£2,337,000	5.00	
		884	m ²	60	53,000	0.11			
		31	t	1,400	43,000	0.09			
		22	t	5,000	111,000	0.23			
		884	m ²	5	4,000	0.01			
		884	m ²	300	265,000	0.54			
		1	item	50,000	50,000	0.10			
		59	m	750	44,000	0.09			
		1	item	1,500,000	1,500,000	3.04			
		25	m ²	300	8,000	0.02			
	1	item	200,000	200,000	0.41				
Stairs <ul style="list-style-type: none"> Stairs, measured per storey, with all balustrade / finishes Allowance for feature stair to residential entrance lobby Allowance for balustrade to landing at first floor 	RC concrete stair, carpet to treads / risers, mild steel balustrade / handrail	106	nr	15,000	1,590,000	3.23	£1,651,000	3.00	
	Awaiting design proposals - allowance only	1	item	50,000	50,000	0.10			
	Mild steel balustrade / handrail	14	m	750	11,000	0.02			
External Walls, Windows & Doors External Walls & Windows <ul style="list-style-type: none"> Allowance for solid elements Allowance for glazed elements E/O for acoustic performance requirements Allowance for glazed shopfronts E/O allowance for articulations etc E/O allowance for openable windows E/O for large glazing panels to Ground Floor 	Ground floor and above	12,907	m ²	700	9,035,000	18.34	£22,708,000	44.00	
		8,604	m ²	950	8,174,000	16.59			
	As Sandy Brown Memo M001-A & M002-A - glazing to include 8.8-12.8 mm or thicker acoustic laminate glass, etc. and/or secondary glazing & acoustic louvres.	8,604	m ²		Included above				
	Included above				0	0.00			
	Assume 10% of façade area	2,151	m ²	1,000	2,151,000	4.37			
	Included above				0	0.00			
Included above				0	0.00				

App A. ELEMENTAL COST MODELS

NQ D4 - Flexible Use Building - Serviced Apartments

Student Accommodation
Shell & Core

Total Overall GIA	47,455 m ²	510,799 ft ²	
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Retail NIA	593 m ²	6,383 ft ²	
Store NIA	m ²	0 ft ²	
Net : Gross Ratio - Overall	68%		
Net : Gross Ratio - Above Ground	71%		
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Total nr of stair cores / Lift per core	2 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
External Walls, Windows & Doors							
<u>External Walls & Windows (cont)</u>							
• E/O for triple glazing				0	0.00		
• E/O for substation louvres							
• Roof top plant screen; including steel support structure							
• Allowance for ecological requirements							
• <u>Doors</u>							
• Residential Entrance Doors (double)							
• Residential Entrance Doors (SINGLE)							
• Residential Entrance Doors (REVOLVING)							
• Retail Entrance Doors (double)							
• Cycle Entrance Doors (single)							
• Substation double doors (Sunray)							
• External door to External roof plant space							
• Residential Entrance Canopy							
• Mock-ups & testing							
• Allowance for Building Maintenance Unit							
• Allowance for BMU enclosure							
• <u>Balconies / Terraces</u>							
• Allowance for RC balcony structure							
• Allowance for galvanised steel balustrade with infill panels							
• Allowance for Juliette balconies							
• Allowance for waterproofing & insulation							
• Allowance for thermal break							
• Allowance for paving finishes							
• Allowance for soffits							
Internal Walls & Doors						£5,293,000	10.00
• Allowance for party walls and partition walls to core	23,267	m ²	120	2,792,000	5.67		
• Core Doors - single	704	nr	1,100	774,000	1.57		
• Core Doors - double	106	nr	2,000	212,000	0.43		
• Apartment Entrance Doors - Serviced Apt	720	nr	2,000	1,440,000	2.92		
• Apartment Entrance Doors - Affordable	0	nr	1,200	0	0.00		
• Doors Generally	1	item	75,000	75,000	0.15		
Included above				0	0.00		
Included above							
Assume acoustic louvres	349	m ²	1,500	523,000	1.06		
Bird boxes, insect hostels and the like	1	item	25,000	25,000	0.05		
				0	0.00		
Ground level (Serviced Apartments)	2	nr	50,000	100,000	0.20		
	1	nr	25,000	25,000	0.05		
	1	nr	100,000	100,000	0.20		
Ground level	3	nr	25,000	75,000	0.15		
Ground level	1	nr	15,000	15,000	0.03		
Ground level	1	nr	25,000	25,000	0.05		
Roof	2	nr	2,500	5,000	0.01		
	1	item	75,000	75,000	0.15		
	1	item	600,000	600,000	1.22		
Included in Roof				0	0.00		
	1	item	100,000	100,000	0.20		
	0	m ²	300	N/A			
		m	1,000	N/A			
Assume 1nr per Apt A; 2nr per Apt B & C	960	nr	1,750	1,680,000	3.41		
	0	m ²	250	N/A			
	0	m ²	300	N/A			
	0	m ²	350	N/A			
	0	m ²	400	N/A			

App A. ELEMENTAL COST MODELS

NQ D4 - Flexible Use Building - Serviced Apartments

Student Accommodation
Shell & Core

Total Overall GIA	47,455 m ²	510,799 ft ²	
Above Ground GIA	45,769 m ²	492,654 ft ²	
Below Ground GIA	1,686 m ²	18,145 ft ²	Basement measured elsewhere
Total Overall NIA	32,331 m ²	348,011 ft ²	
Residential NIA	31,738 m ²	341,628 ft ²	
Residential Amenity NIA	0 m ²	0 ft ²	
Retail NIA	593 m ²	6,383 ft ²	
Store NIA	m ²	0 ft ²	
Net : Gross Ratio - Overall	68%		
Net : Gross Ratio - Above Ground	71%		
Building Footprint	884 m ²		
External Wall Area	21,511 m ²		
Wall : Floor Ratio	0.47		
Total nr of balconies / Area (m ²)	0 nr	0 m ²	
Total nr of storeys (Grd and above)	53 nr		
Total nr of storeys (basement)	nr		Basement measured elsewhere
Total nr of stair cores / Lift per core	2 nr	4 nr	
Storey Height - Typical / Ground	3.20 m	6.00 m	

ELEMENT
Walls, Floors and Ceilings
<ul style="list-style-type: none"> Allowance for wall finishes Allowance for floor finishes Allowance for ceiling finishes
Fittings & Furnishings
<ul style="list-style-type: none"> Allowance for fittings and furnishings
Mechanical & Electrical Installations
<ul style="list-style-type: none"> General S&C allowance
Lifts
<ul style="list-style-type: none"> General S&C allowance
Builderswork in Connection with Services
<ul style="list-style-type: none"> General S&C allowance
Sub-Total - Above Ground ONLY
<ul style="list-style-type: none"> Preliminaries CM Fee Insurances
Total for Shell & Core - Above Ground

	Quant	Unit	Rate	Total	£/ft ² (Elem GIA)	Elemental Total Cost	£/ft ² (O/A GIA)
	47,455	m ²	30	1,424,000	2.89	£4,508,000	9.00
	47,455	m ²	45	2,135,000	4.33		
	47,455	m ²	20	949,000	1.93		
Reception desk, furniture, signage, turnstiles, cycle racks, lockers & benches etc.	45,769	m ²	30	1,373,000	2.79	£1,373,000	3.00
Refer to separate MEPH Cost Model	492,654	ft ²	51	25,271,000	51.30	£25,271,000	49.00
Refer to separate MEPH Cost Model	492,654	ft ²	8	3,763,000	7.64	£3,763,000	7.00
	492,654	ft ²	3	1,452,000	2.95	£1,452,000	3.00
				£88,589,000			
	15%			15,639,000	31.74	£19,288,000	38.00
	3%			3,128,000	6.35		
	0.5%			521,000	1.06		
Total for Shell & Core - Above Ground				£107,877,000	219.00		211.00

Total for Shell & Core - Above and Below Ground Substructure

				£123,545,000	242.00		242.00
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Appendix B - Infrastructure Costs

App B - INFRASTRUCTURE & SERVICING - ORDER OF COST ESTIMATE

Basis:

- CWG scope document (rec'd 27/11/19)
- Expanded Civil Engineering Report (dated Jan 2017)
- LDA Design Report (dated 22/01/2020)

Total GIA of all buildings	354,923 m ²	3,820,356 ft ²
Total Site Area	31,341 m ²	
Total External Works Area (excluding building footprint)	20,732 m ²	

ELEMENT / SCOPE OF WORKS	Quant	Unit	Rate	Total	£/ft ² (O/A GIA)	Sub Total Cost
1. False Quay Reconstruction (full extent)						£18,018,000
<ul style="list-style-type: none"> • Allowance to demolish existing false quay and deck grid • Works to Existing Piles • EO for utilising existing piles for structure • New Piles according to Watermans drawing • Primary Beam • Secondary beam - Major size • Secondary beam - Minor size • New False Quay slab • EO For temporary works • North Dock Walk (promenade) • Allowance for drainage etc 	Including disposal off site	5,000	m ²	500	2,500,000	0.65
		114	nr	1,500	171,000	0.04
		29	nr	5,000	143,000	0.04
		87	nr	20,000	1,740,000	0.46
	Dimensions tbc	720	m	3,500	2,520,000	0.66
	Ditto	1,305	m	2,500	3,263,000	0.85
	Ditto	261	m	2,000	522,000	0.14
		6,307	m ²	750	4,730,000	1.24
	Allowance for method specific access platform, phasing / relocation etc		item		1,000,000	0.26
	Planting, seating and paving. Allowance for edge protection and alike	1,856	m ²	600	1,114,000	0.29
		6,307	m ²	50	315,000	0.08
2. Promenade Dock Edge Steps						£5,156,000
<ul style="list-style-type: none"> • Promenade Edge • Allowance for stone paving - non-slip • E/O allowance for stone edging / treads / risers to promenade edge • Allowance for seating / planters • Allowance for recessed mounted uplighting • Allowance for Street Lighting columns • Allowance for drainage etc • Allowance for CCTV 	Allowance to concrete / substrate to form steps etc.	219	m	2,000	438,000	0.11
		6,307	m ²	600	3,784,000	0.99
		219	m	1,000	219,000	0.06
			item		150,000	0.04
			item		100,000	0.03
			item		150,000	0.04
	See Utilities & External Services	6,307	m ²	50	315,000	0.08
3. Public Realm						£20,021,000
<ul style="list-style-type: none"> • Eastern and Western Access • Delta Junction • Allowance for hard landscaping • Allowance for soft landscaping • Dock Gardens and Quay Square • Security points • Allowance for HVM • Allowance for works along Aspen Way • Allowance for works to external area adjacent to NQA2 • Allowance for all other infrastructure works • Allowance for Street Lighting columns • Allowance for drainage etc • Allowance for CCTV 	Paved access, mature trees and benched seating alongside path	892	m ²	850	758,000	0.20
	Hertsmere Road connection area removed	3,998	m ²	850	3,398,000	0.89
	Generally, excluding squares	4,890	m ²	500	2,445,000	0.64
	Generally, excluding squares	4,890	m ²	300	1,467,000	0.38
	Allowance for feature landscaping, public square etc.	3,997	m ²	1,000	3,997,000	1.05
	Assumed at west and east boundaries	2	nr	200,000	400,000	0.10
	Assumed security bollards along Aspen way	260	m	15,000	3,900,000	1.02
	Paved access, mature trees and benched seating alongside path	2,131	m ²	1,000	2,131,000	0.56
	Paved access, mature trees and benched seating alongside path	537	m ²	1,000	537,000	0.14
	Including crossings, walkways etc.		Item		500,000	0.13
			item		110,000	0.03
	See Utilities & External Services	7,558	m ²	50	378,000	0.10

App B - INFRASTRUCTURE & SERVICING - ORDER OF COST ESTIMATE

Basis:

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- Expanded Civil Engineering Report (dated Jan 2017)
- LDA Design Report (dated 22/01/2020)

Total GIA of all buildings	354,923 m ²	3,820,356 ft ²
Total Site Area	31,341 m ²	
Total External Works Area (excluding building footprint)	20,732 m ²	

ELEMENT / SCOPE OF WORKS

4. Connection to Poplar Bridge

- Connection area
- Allowance for stone paving - non-slip
- E/O allowance for stone edging / treads / risers to promenade edge
- Allowance for handrails
- Allowance for recessed mounted uplighting
- Allowance for planters
- Stepped access
- EP for works to existing bridge
- Temporary Stairs to upper bank street
- Allowance for Street Lighting columns
- Allowance for drainage etc
- Allowance for CCTV

	Quant	Unit	Rate	Total	£/ft ² (O/A GIA)	Sub Total Cost
Allowance to concrete / substrate to form steps etc.	911	m ²	1,500	1,367,000	0.36	£3,470,000
	911	m ²	600	547,000	0.14	
	429	m	1,000	429,000	0.11	
	96	m	1,000	96,000	0.03	
		item		100,000	0.03	
		item		250,000	0.07	
	17	m	15,000	255,000	0.07	
		item		250,000	0.07	
Includes DDA lift		Item		100,000	0.03	
		item		30,000	0.01	
See Utilities & External Services	911	m ²	50	46,000	0.01	

5. High Street Civil Costs (Construct entire tarmac road with curbs)

- High Street Civil Costs Area Tarmac area
- High Street pavement costs along central boulevard
- Allowance for Street Lighting columns
- Allowance for drainage etc
- Allowance for CCTV

Including road markings	1,161	m ²	500	581,000	0.15	£2,156,000
	1,747	m ²	750	1,310,000	0.34	
		item		120,000	0.03	
	2,908	m ²	50	145,000	0.04	
See Utilities & External Services						

6. Hertsmere Road Connection

- Allowance for ground excavation
- New Tarmac Road
- EO Cost for Hertsmere road connection under DLR
- Allowance for security blockers
- Allowance for security hut
- Allowance for security barrier
- Allowance for Street Lighting columns
- Allowance for drainage etc
- Allowance for CCTV

Including disposal	850	m ³	150	128,000	0.03	£961,000
Including road markings	850	m ²	500	425,000	0.11	
		item		125,000	0.03	
Assumed remote controlled / automatic	6	nr	25,000	150,000	0.04	
	2	nr	20,000	40,000	0.01	
		item		10,000	0.00	
		item		40,000	0.01	
See Utilities & External Services	850	m ²	50	43,000	0.01	

7. Upper Bank Street

- Allowance for regrading / excavation
- Upper Bank Street Area
- EO Cost for Upper Bank Street connection
- Allowance for Street Lighting columns
- Allowance for drainage etc
- Allowance for CCTV

Including disposal	5,140	m ³	150	771,000	0.20	£2,495,000
	2,570	m ²	500	1,285,000	0.34	
		item		250,000	0.07	
		item		60,000	0.02	
	2,570	m ²	50	129,000	0.03	
See Utilities & External Services						

App B - INFRASTRUCTURE & SERVICING - ORDER OF COST ESTIMATE

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Total GIA of all buildings	354,923	m ²	3,820,356	ft ²
Total Site Area	31,341	m ²		
Total External Works Area (excluding building footprint)	20,732	m ²		

ELEMENT / SCOPE OF WORKS

8. West Side Bridge

- Demolish current bridge
- Construct new replacement

	Quant	Unit	Rate	Total	£/ft ² (O/A GIA)	Sub Total Cost
		item		100,000	0.03	£1,600,000
		item		1,500,000	0.39	

9. Site Clearance and Enabling Works

- Allowance to clear site of all temporary buildings etc.
- Allowance to make good site levels etc.

	31,341	m ²	50	1,567,000	0.41	£2,507,000
Including removal of any temporary foundations	31,341	m ²	30	940,000	0.25	

Sub-Total [Categories 1 -9]

- Preliminaries
- CM Fee
- Insurances

				£56,384,000		£15
	15%			8,458,000	2.21	
	3%			1,692,000	0.44	
	0.5%			282,000	0.07	

Total for Infratstructure & Externals [Categories 1 -9]

Excluding Utilities & Incoming Services				£66,820,000	17	
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Submitted by:

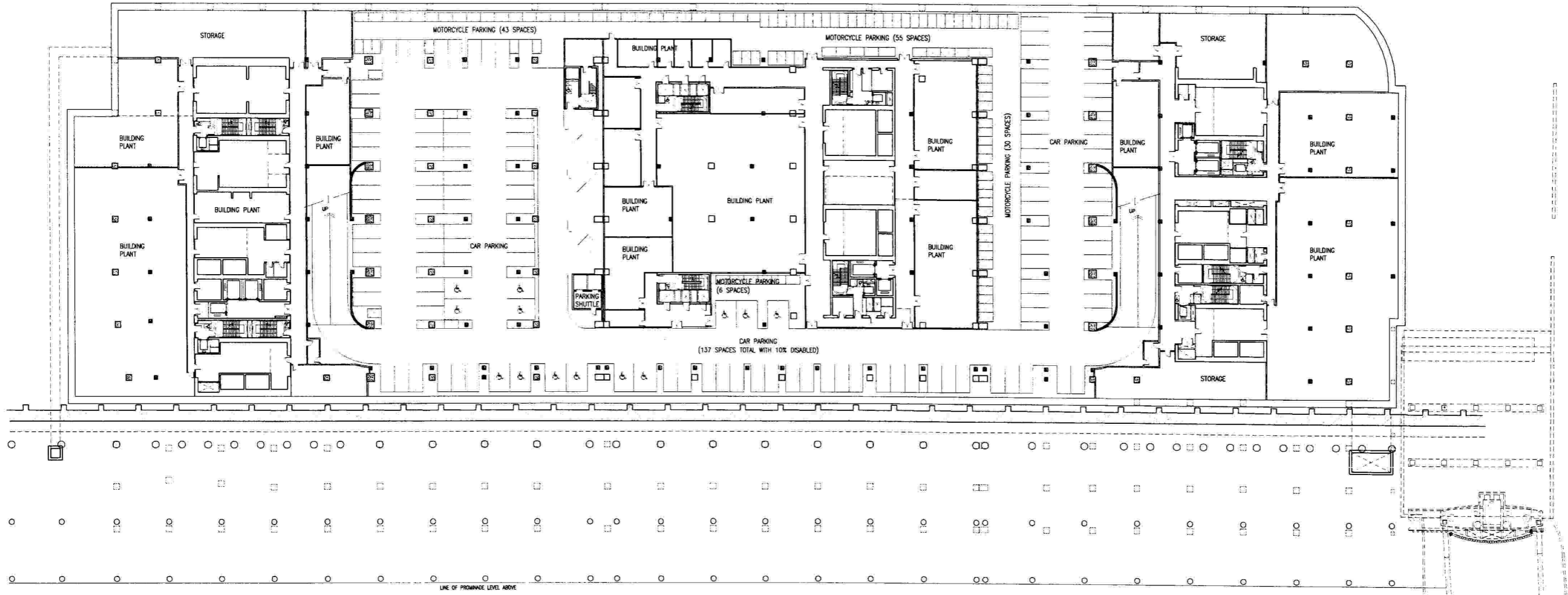
Barry Hayden
Partner

barry.hayden@corefive.co.uk

020 3141 5555 tel

230 Blackfriars Road,
London,
SE1 8NW

APPENDIX 6 - EXTANT SCHEME FLOORPLANS



DO NOT SCALE DRAWINGS.

no.	date	no.	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

Cesar Pelli & Associates Inc.

2001 Queen Street West, Suite 1000, Toronto, Ontario M5S 1A2
 Tel: (416) 964-7400 Fax: (416) 964-7401

ALSOP Architectural Services Limited

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑
 project north

scale 1:100

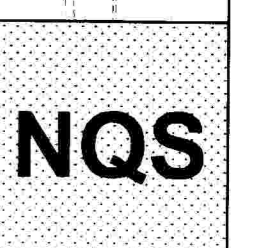
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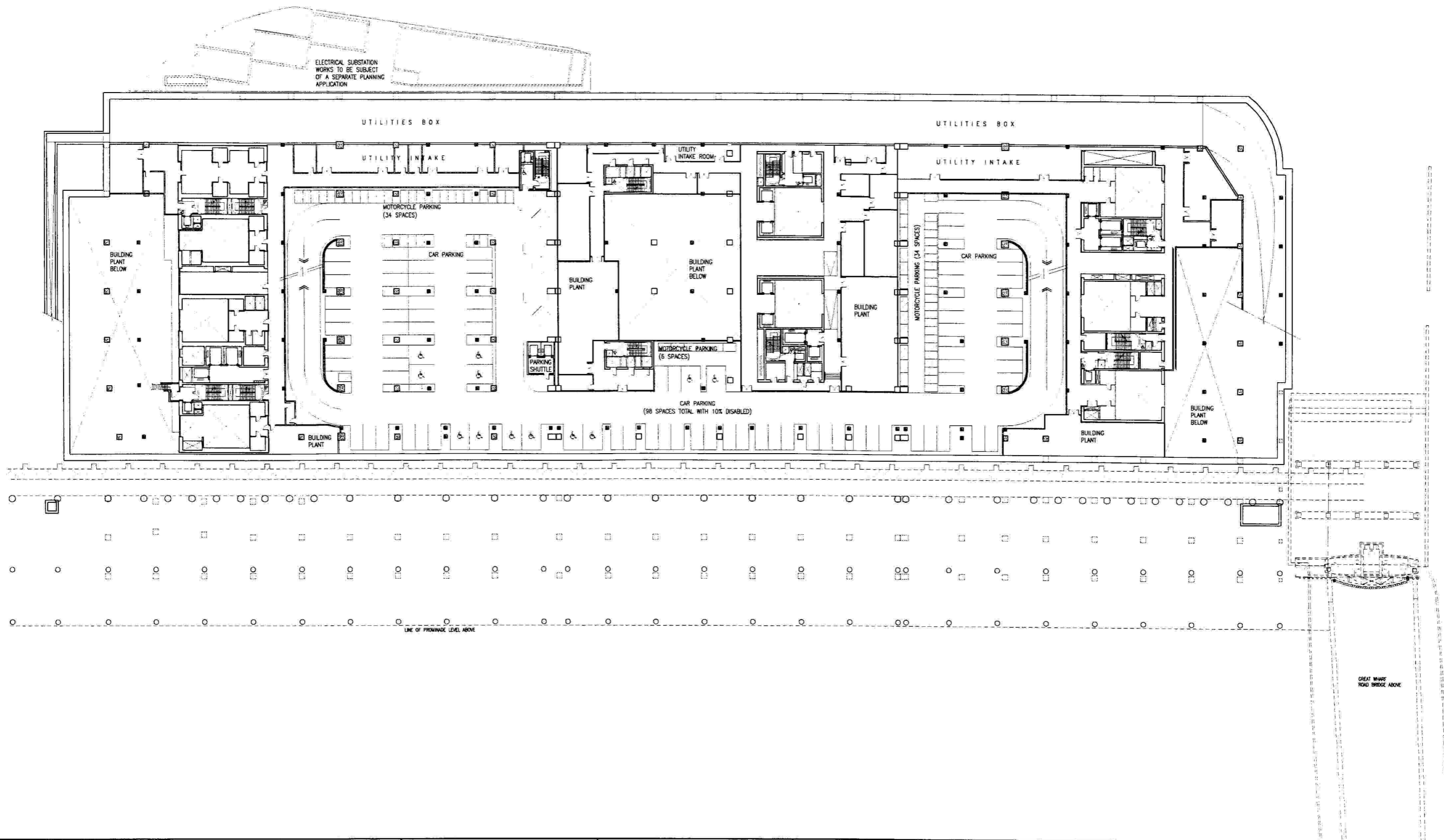
project **CANARY WHARF NORTH QUAY**

APPLICATION FOR PLANNING CONSENT

drawing title **FLOOR PLAN LEVEL B1**

date 18.12.02	plotted
drawn by [initials]	checked by [initials]
project number 0229-00	scale 1:250 @ A0
AA drawing no. PS6797	
location 600	document control number 56797
	revision 00





DO NOT SCALE DRAWINGS.

no.	date	no. issued	description
00			ISSUED FOR PLANNING APPLICATION
			MARCH 2003

notes

Cesar Pelli & Associates Inc.

1200 Ontario Street, New York, NY 10020
Tel: (212) 512-2000 Fax: (212) 512-2001

ALSOP Planning Services

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

project north

scale

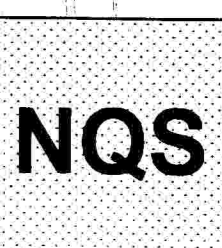
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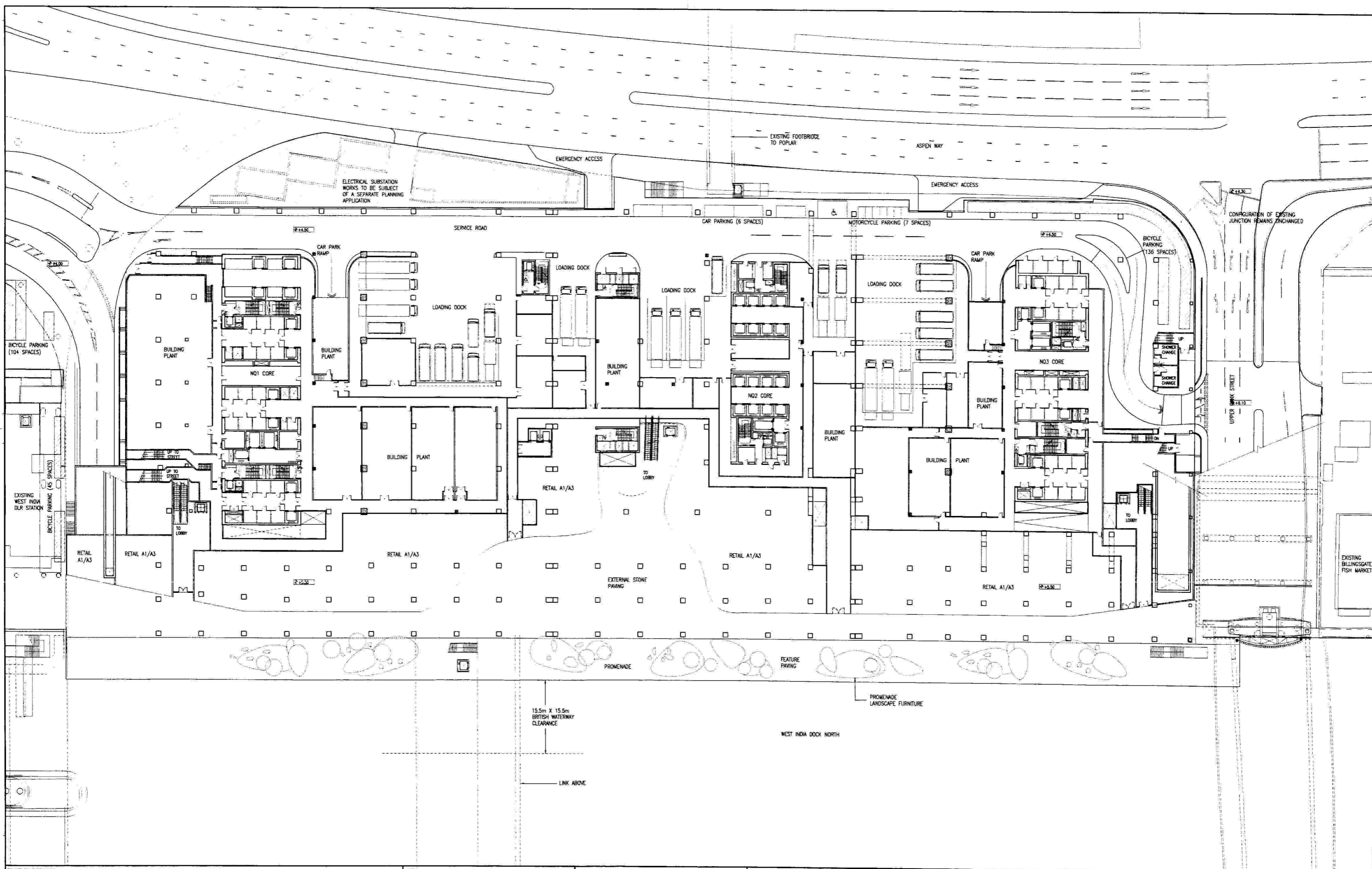
NQ-1 NQ-2 NQ-3

project: **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title: **FLOOR PLAN LEVEL E1**

date: 15/12/02	plot/site
drawn by: ---	checked by: JP
project number: 0229-00	scale: 1:250 @ A0
drawing no. PS6798	
location: 600	document control number: S6798
	revision: 00





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no.	date	no.	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

DETAILS OF HARD AND SOFT LANDSCAPING ELEMENTS AND ASSOCIATED STRUCTURES AS SHOWN IN THIS DRAWING ARE ILLUSTRATIVE ONLY

Cesar Pelli & Associates Inc.

1500 Avenue of the Americas, New York, N.Y. 10020
 Tel: (212) 717-2500 Fax: (212) 717-2550

ALSOP

1500 Avenue of the Americas, New York, N.Y. 10020
 Tel: (212) 717-2500 Fax: (212) 717-2550

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑ project north

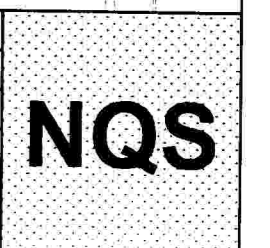
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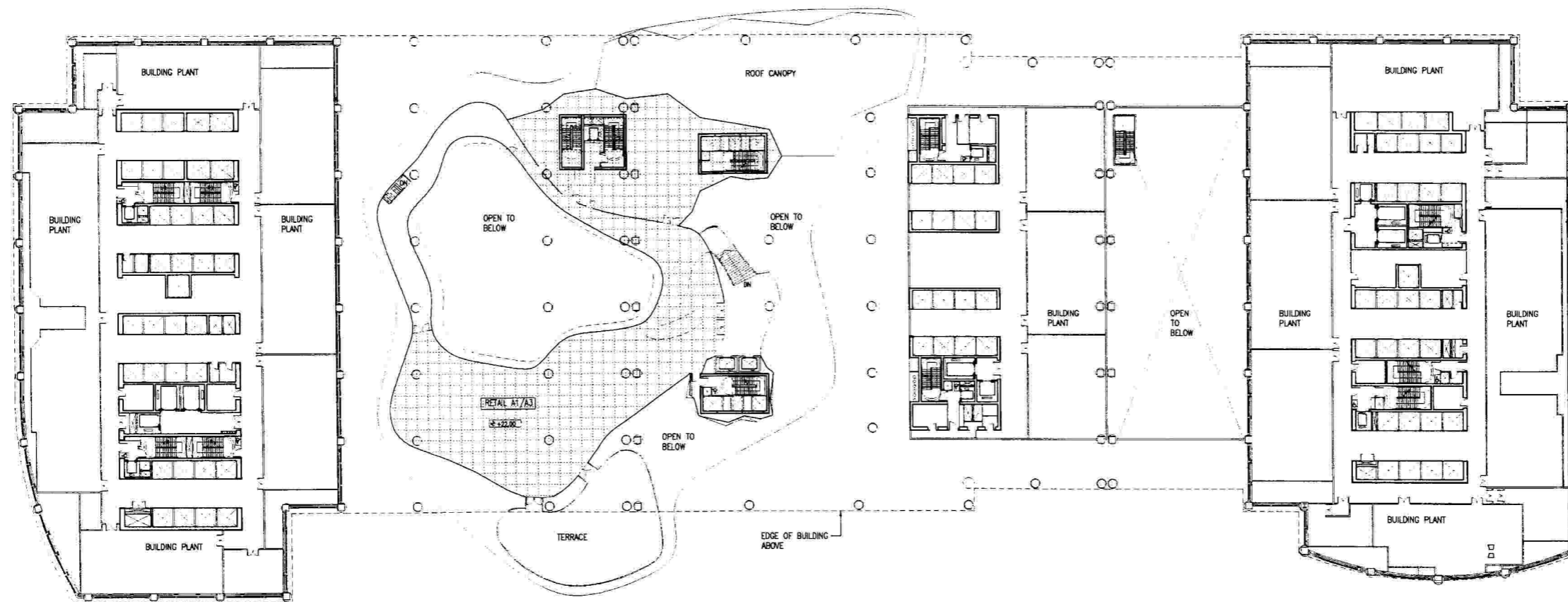
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project: **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title: **FLOOR PL-111 PROMENADE LEVEL**

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drawn by:	checked by:
project number: 0229-00	scale: 1:250 @ A0
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revision: 00	

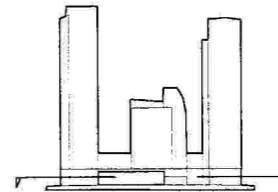




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NO	ISSUED	DATE	BY	REASON
00	ISSUED FOR PLANNING APPLICATION	MARCH 2003		

notes



Cesar Pelli & Associates Inc.

1000 Queen Street West, Toronto, ON M5G 1B5
Tel: (416) 593-2244 Fax: (416) 593-2245

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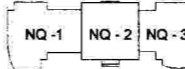
Principal Architect
Project Architect
London: 020 7554 7200
New York: 212 512 1000

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB



project north

scale



keyplan



project

CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title

FLOOR PLAN
LEVEL 1
DETAILS
ARCH-101-1

date

15.02.00

drawn by

checked by

project number

0229-00

AK drawing no.

PS6801

location

600

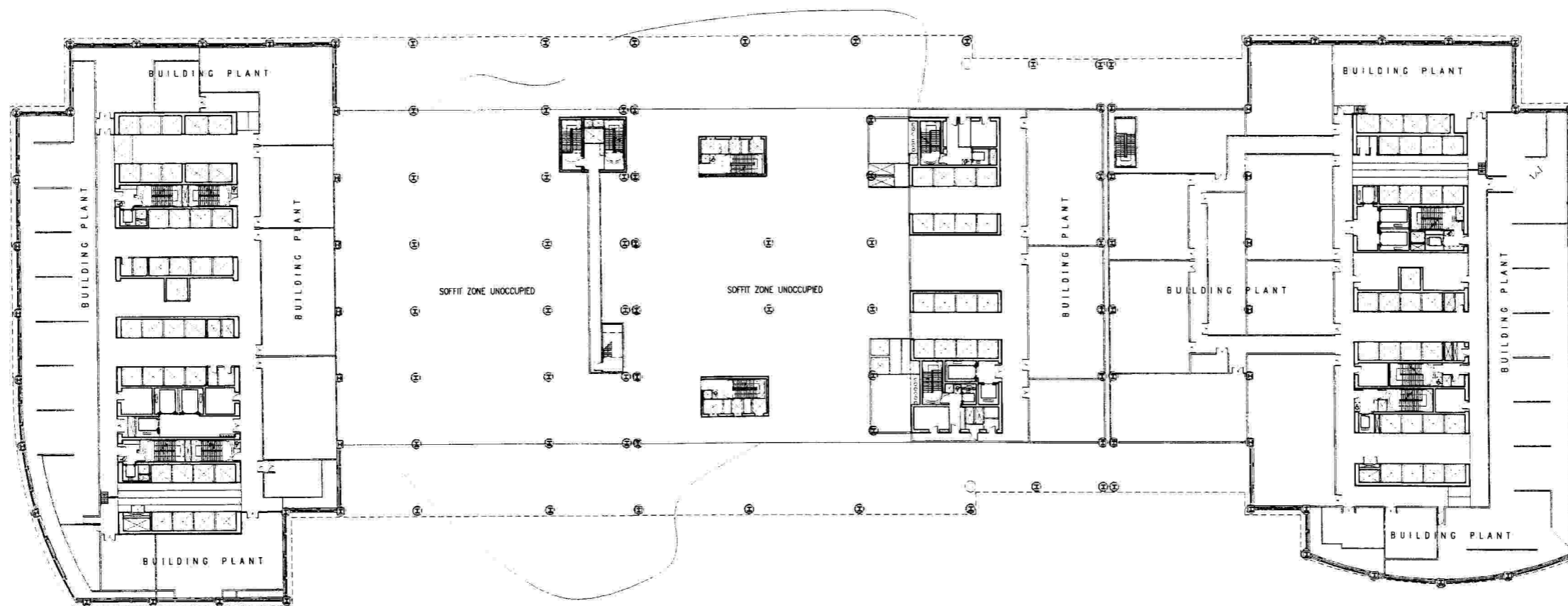
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S6801

revision

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NQS

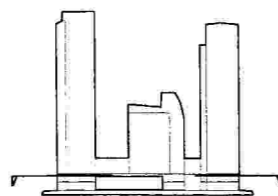


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no.	date	no. issued	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

notes



Cesar Pelli & Associates Inc.

1000 Shear Street, New York, N.Y. 10101-2400
Tel: (212) 774-2300 Fax: (212) 774-2366

ALSOP

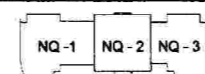
Principal Architect: All
Mechanical/Electrical
Civil/Structural
Interior/Exterior/FFS

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB



project north

scale



keyplan



project

CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title

FLOOR PLAN
LEVEL 1
MECHANICAL
ELECTRICAL

date

18-11-02

plotted

drawn by

checked by

project number 0229-00

scale 1:250 @ A0

AK drawing no.

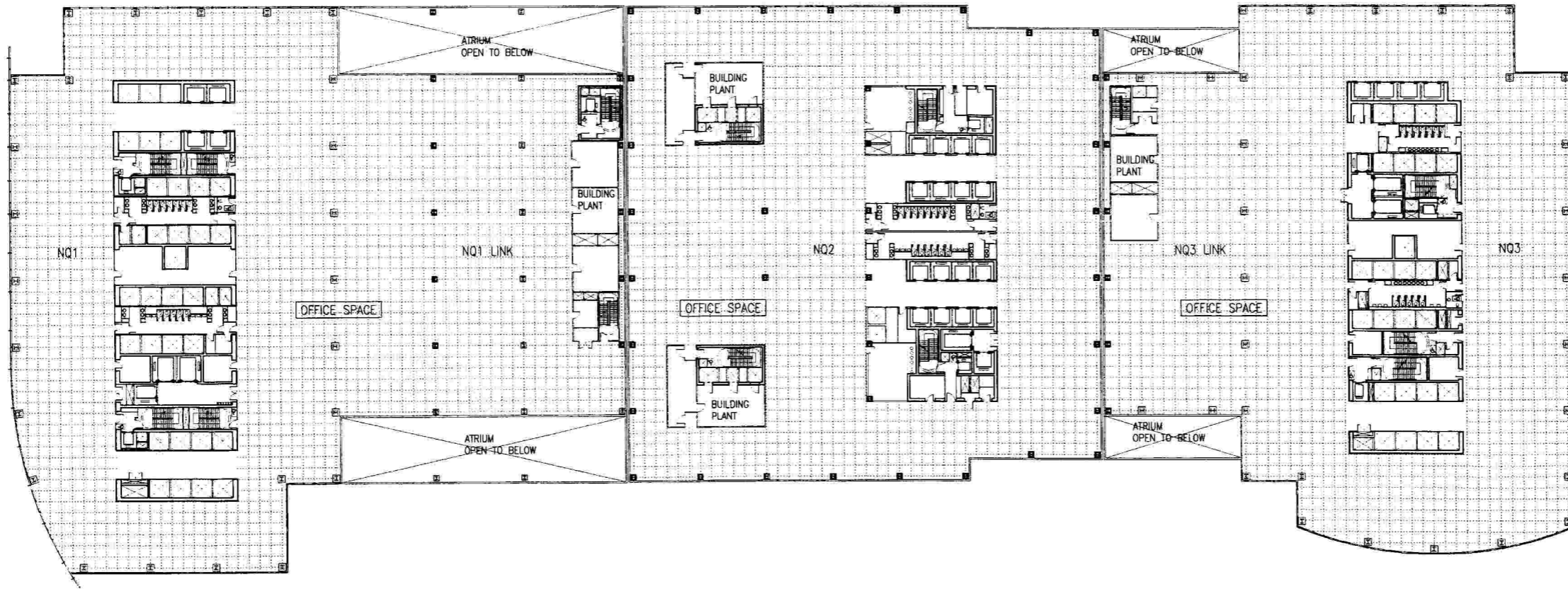
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revision 00

NQS



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revision	date	no.	issued
		00	ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

Cesar Pelli & Associates Inc.

1228 Sheppard Avenue East, Toronto, ON M2X 1B7
Tel: (416) 774-2800 Fax: (416) 774-1884

ALSOP Architecture Inc.

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑
project north

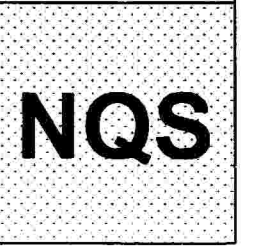
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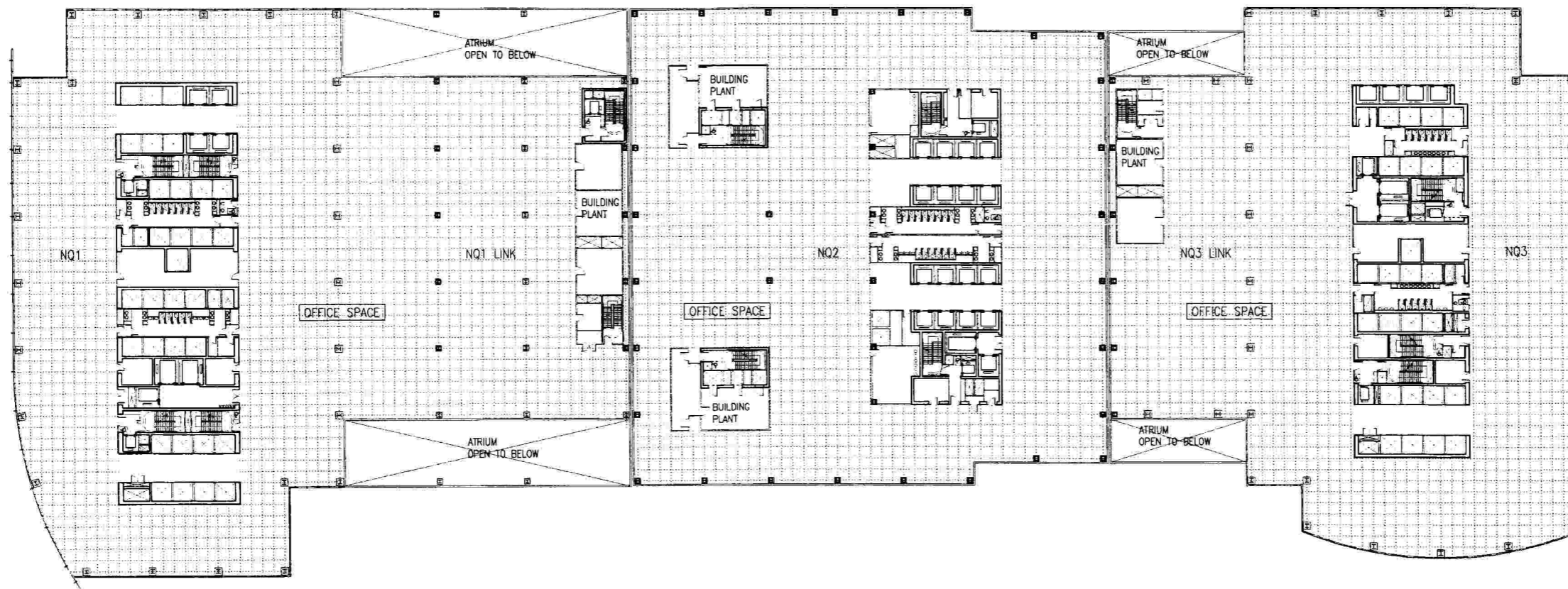
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project
**CANARY WHARF
NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title
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LEVELS 4
TRADING FLOORS**

date	18.12.02	plot date	
drawn by		checked by	
project number	0229-00	scale	1:250 @ A0
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location	600	document control number	S6804
		revision	00





DO NOT SCALE DRAWINGS

no.	date	by	checked	description

notes

Cesar Pelli & Associates Inc.

2001 CANOPY LEVEL, THE NORTH QUAY LEVELS, LEVELS 11-14

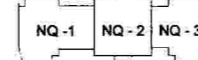
ALSOP

Architects

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB



project north



scale



project

CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title

FLOOR PLAN
LEVELS 11-14
TRADING FLOORS

date

15.12.02

drawn by

project number

0229-00

AA drawing no.

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location

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document control number

S6805

revision

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plot date

15.12.02

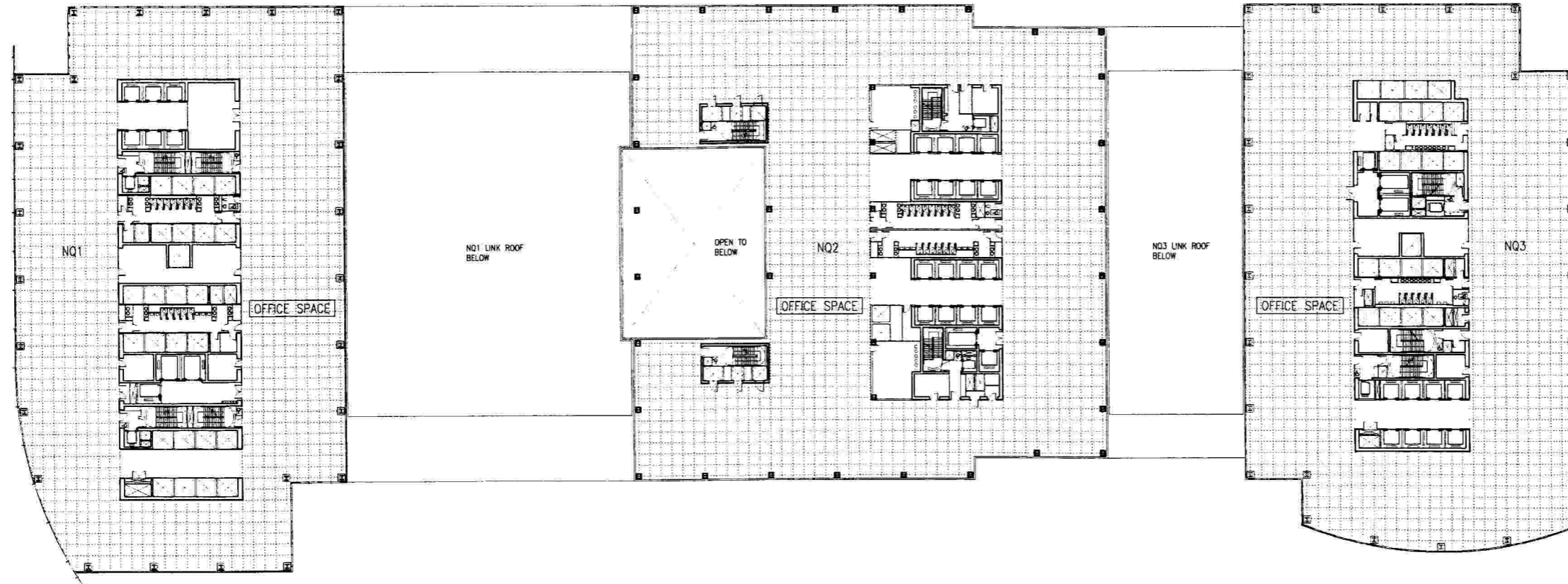
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NQS



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no.	description	date	no.	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

Cesar Pelli & Associates Inc.

1000 New York Street, New York, NY 10019
Tel: (212) 512-2000 Fax: (212) 512-2001

ALSOP Partnership of
Architects
London, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑
project north

keyplan
NQ-1 NQ-2 NQ-3

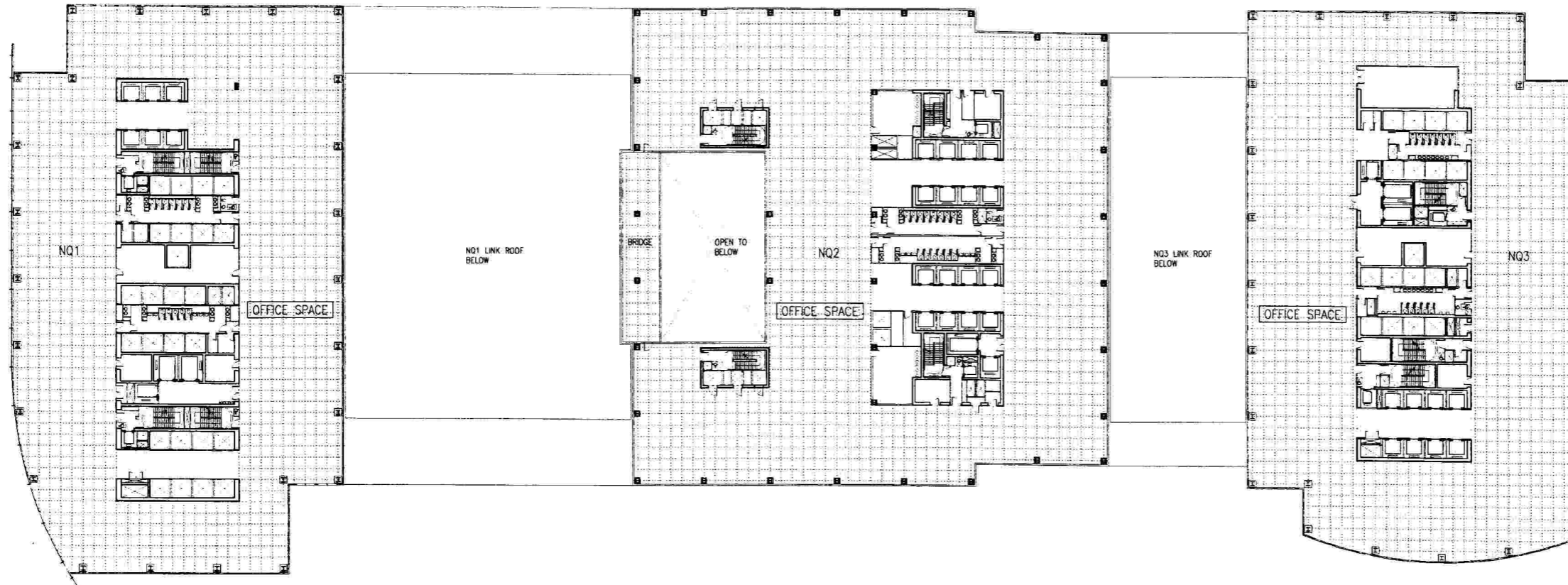
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project
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title
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date 15.02.03	plotted by
drawn by	checked by
project number 0229-00	scale 1:250 @ A0
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location 600	document control number 55907
revision 00	

NQS



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no.	issued	date	no.	issued	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

Cesar Pelli & Associates Inc.

1000 Sheppard Avenue East, Suite 1100, Toronto, Ontario M2X 1L7
Tel: (416) 461-2000 Fax: (416) 461-2001

ALSOP Planning Architectural Engineers

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

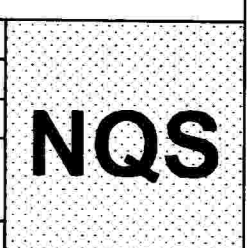
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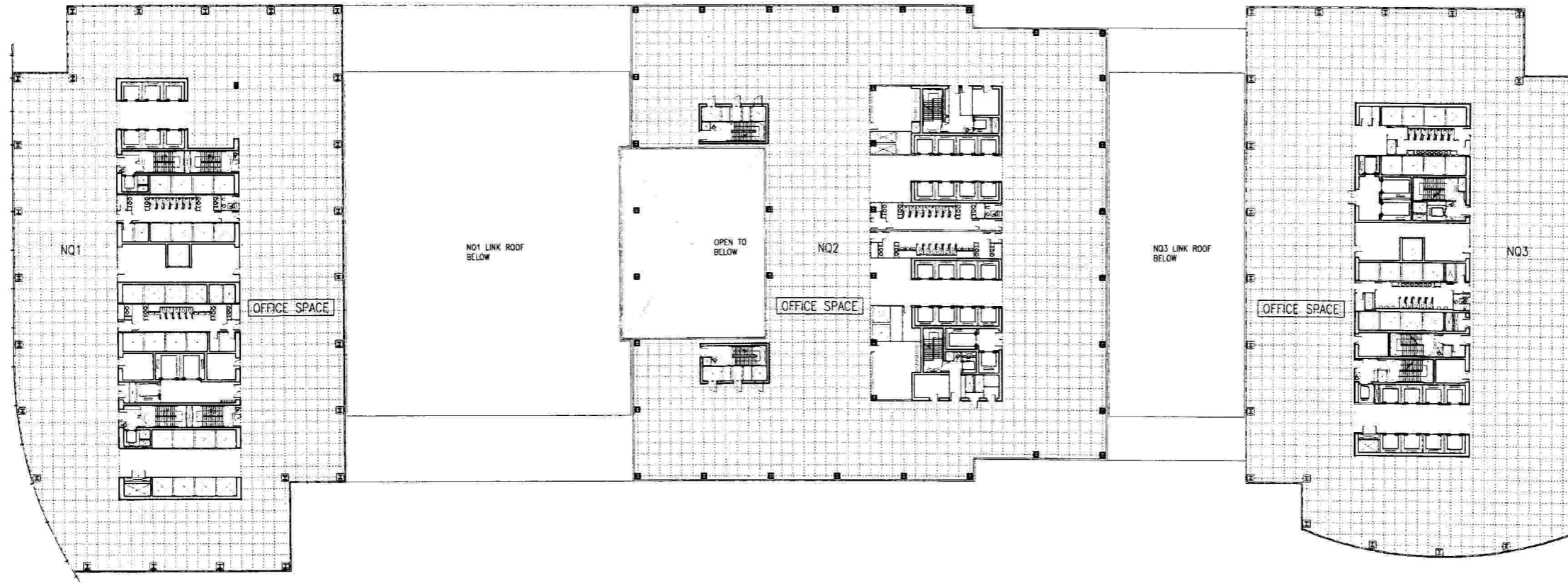
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project: **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title: FLOOR PLAN LEVELS 5 & 6

date: 13.12.02	plotted:
drawn by: ---	checked by: JF
project number: 0229-00	scale: 1:250 @ A0
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location: 600	document control number: S6808
reason: 00	





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revisions	date	no.	issued

ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

Cesar Pelli & Associates Inc.

100 Canada Square, New York, NY, USA 10020
 Tel: +1 212 512 2000 Fax: +1 212 512 2014

ALSOP Partnership Model
 Architects
 London, Sydney, Perth
 (Pty) Ltd. 1000, 1001, 1002

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑
 project north

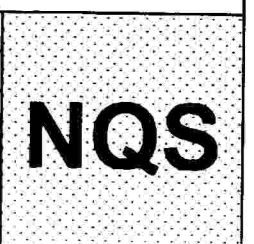
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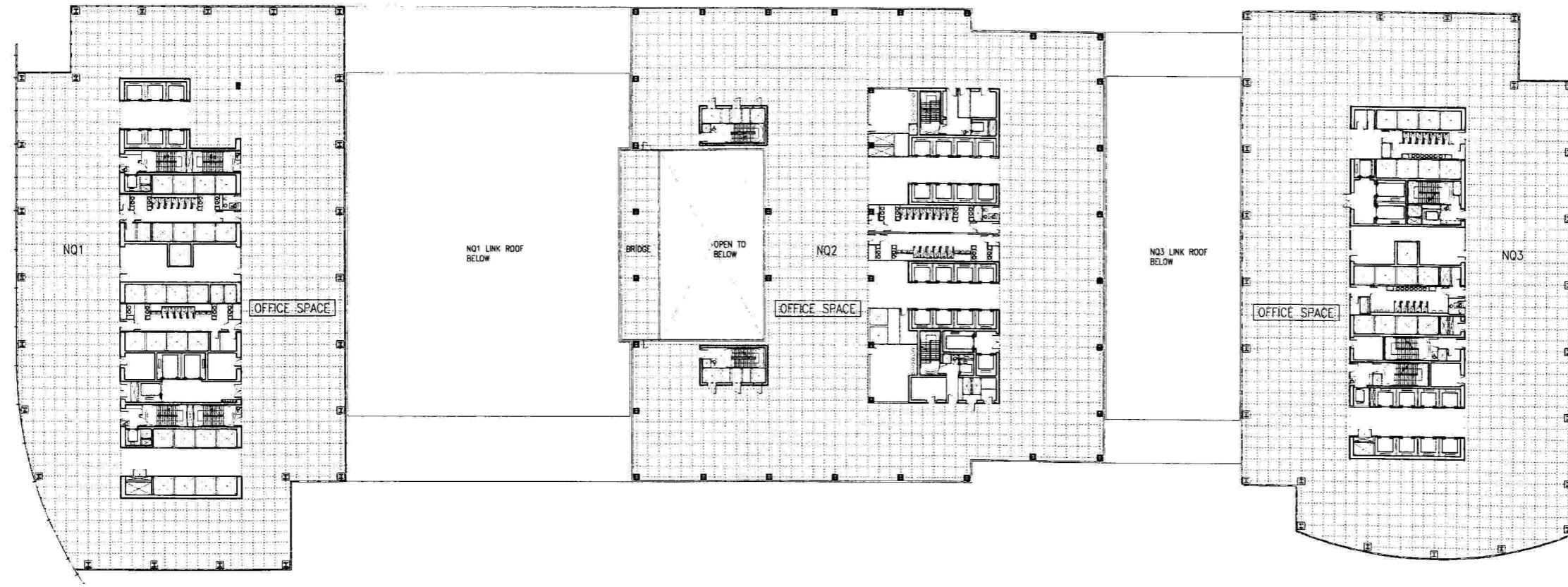
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CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

drawing title
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drawn by ---	checked by ---
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location 600	document control number S6809
revision 00	





no.	date	revision	description
00		ISSUED FOR PLANNING APPLICATION	MARCH 2003

notes

Cesar Pelli & Associates Inc.

2500 Broad Street, New York, NY 10024-1545
Tel: 212 512 2000 Fax: 212 512 2001

ALSOP Architects

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑ project north

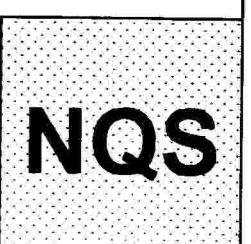
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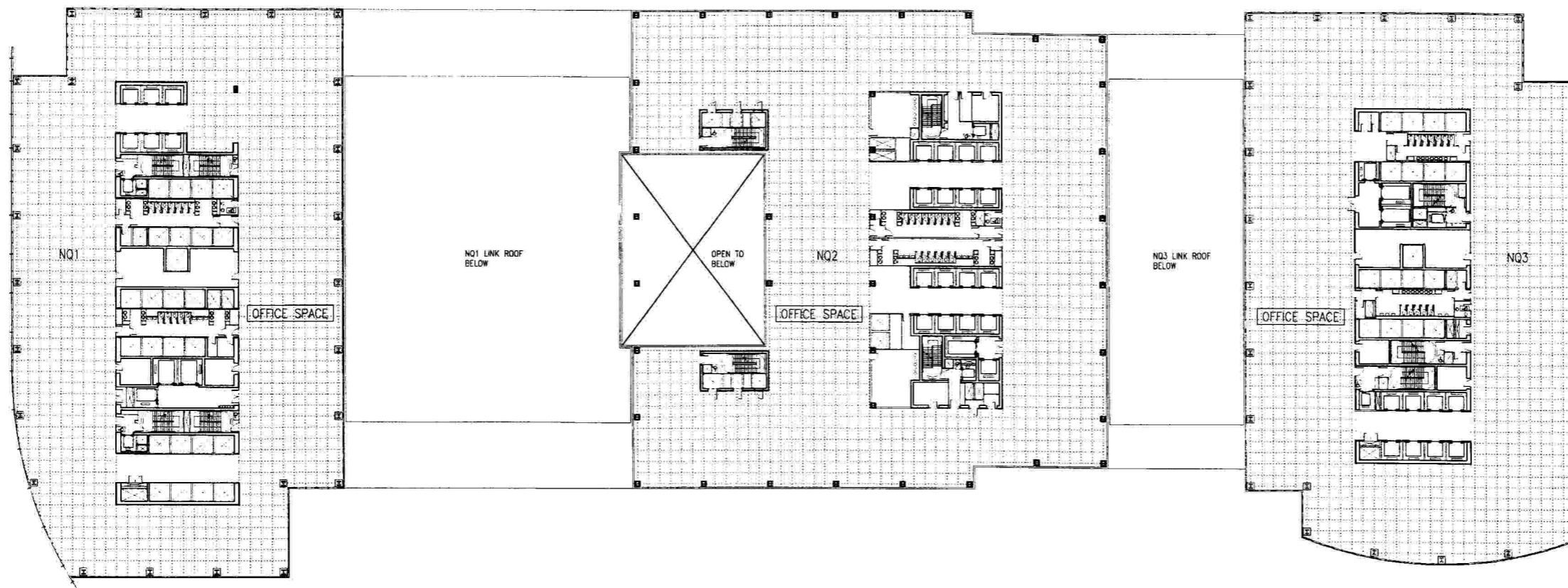
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project **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title **FLOOR PLAN LEVEL 10**

site PS6810	plot/ette
drawn by	checked by GF
project number 0229-00	scale 1:250 @ A0
At drawing no.	PS6810
location 600	document control number S6810
	revision 00





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no.	date	no. issued	date

00 ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

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150, Broad Street, New York, NY 10039

ALSOP ARCHITECTS

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

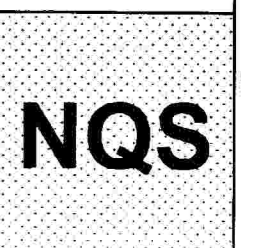
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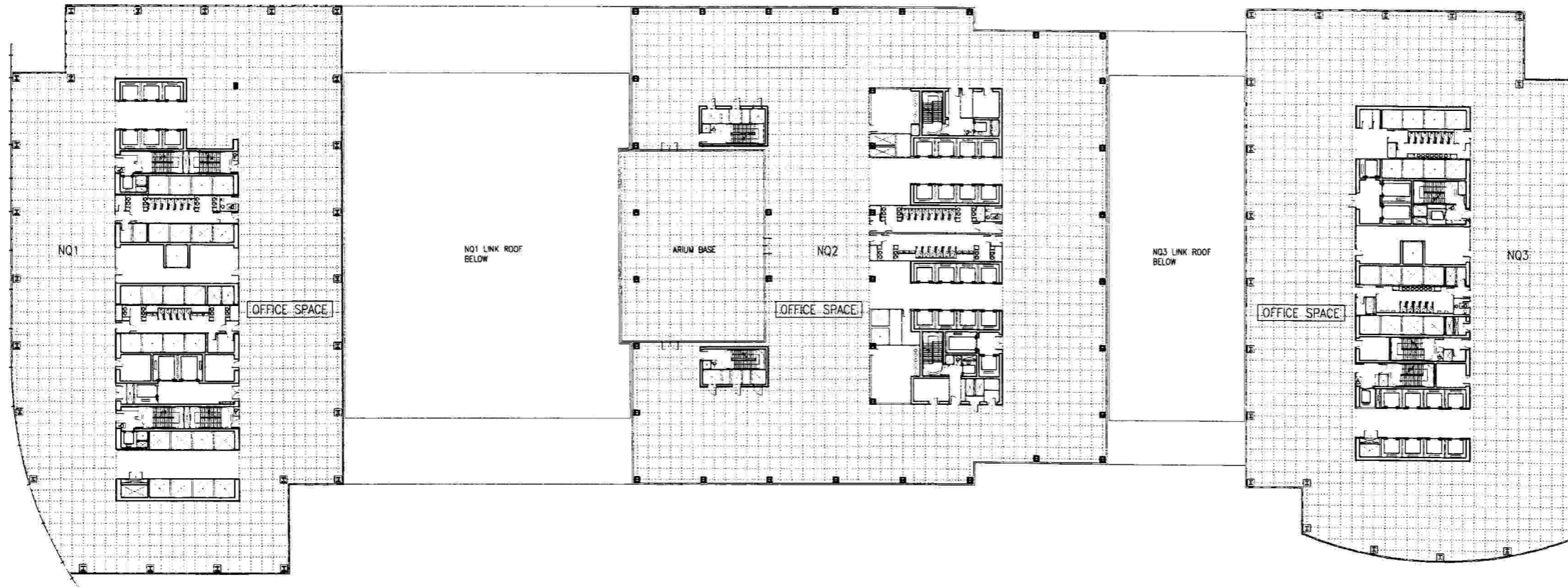
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project
CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

drawing title
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date	15.11.02	plotdate	
drawn by	---	checked by	ER
project number	0229-00	scale	1:250 @ A0
AI drawing no.	PS6811		
location	600	document control number	S6811
revision	00		





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revisions	date	no.	issued for planning application
no. issued	date	no. issued	date

notes

Cesar Pelli & Associates Inc.
 1000 Water Street, New York, NY 10038
 Tel: (212) 717-2000 Fax: (212) 717-2070

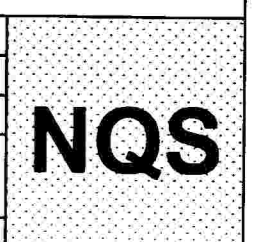
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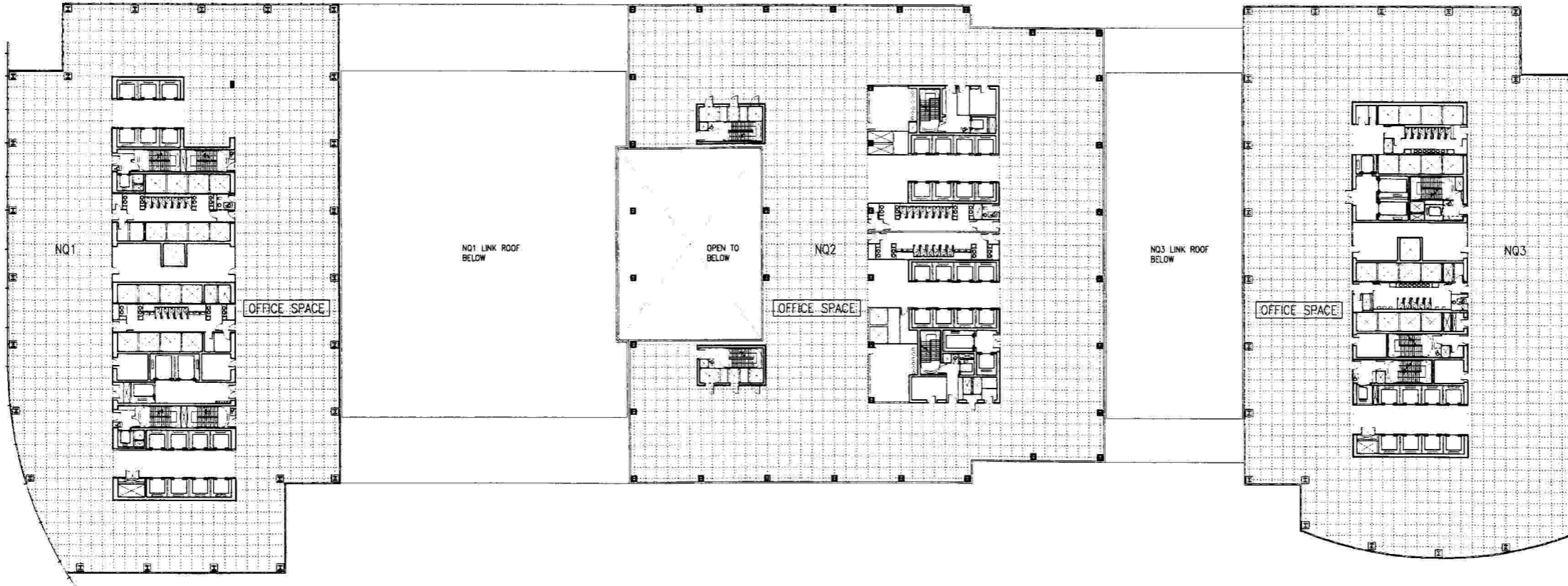
Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

project
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title
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date	15/12/02	plotside	
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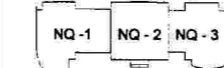
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Cesar Pelli & Associates Inc.
100, Queen Street East, Suite 410, Toronto, Ontario M5E 1C2, Canada
 Tel: (416) 977-4000 Fax: (416) 977-4001

ALSOP Design Studio 41
 Manager: Alan
 Designer: [unreadable]
 Draftsman: [unreadable]

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

 project north

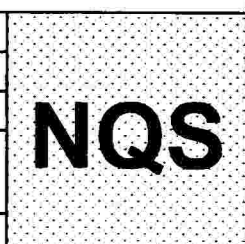
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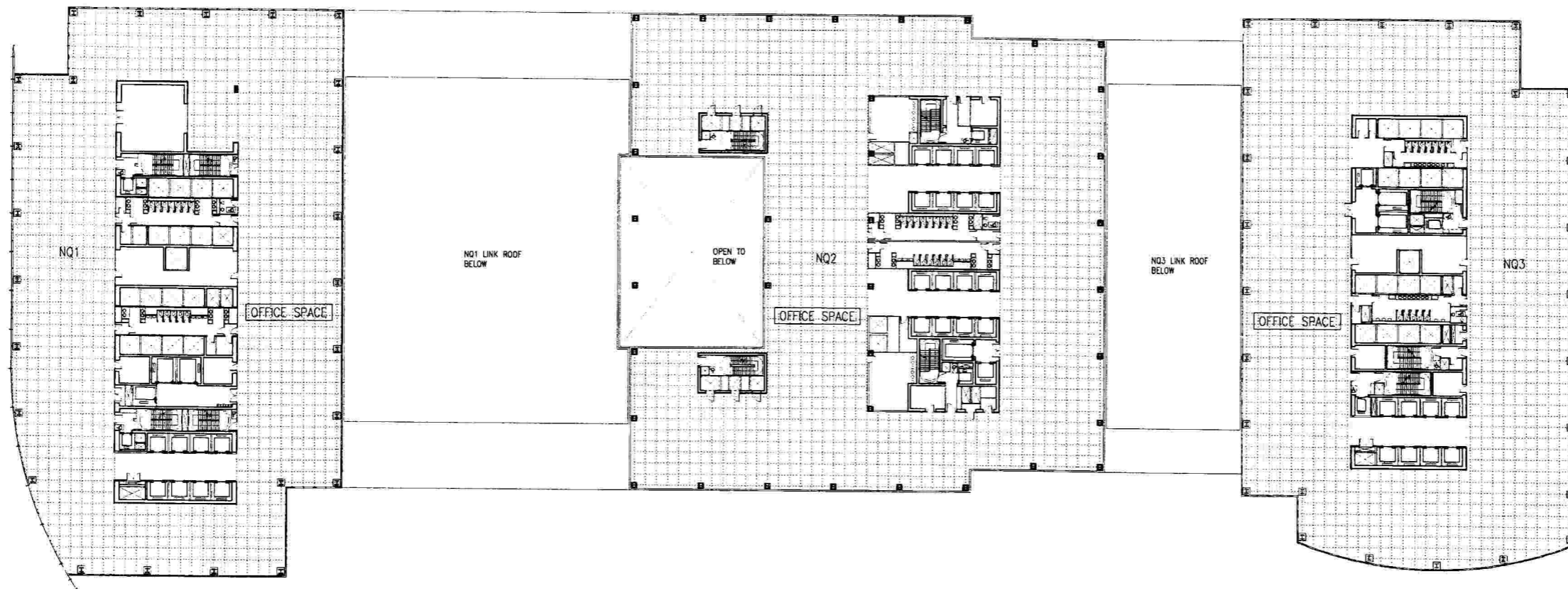
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project **CANARY WHARF NORTH QUAY**
 APPLICATION FOR PLANNING CONSENT

drawing title **FLOOR PLAN LEVEL 13**

date 15.11.02	plotdate
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project number 0229-00	scale 1:250 @ A0
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location 600	document control number 56813
revision 00	





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revision	date	by	checked

ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

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1000 Oliver Street, New Haven, CT 06511, USA
Tel: (203) 777-2400 Fax: (203) 777-2401

ALSOP Partners Studio of
Parragon Architects
London, Canary Wharf
London, Canary Wharf

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑
project north

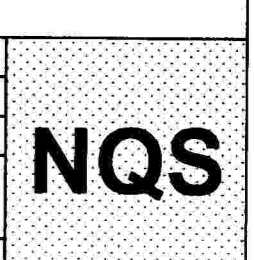
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NQ-1 NQ-2 NQ-3

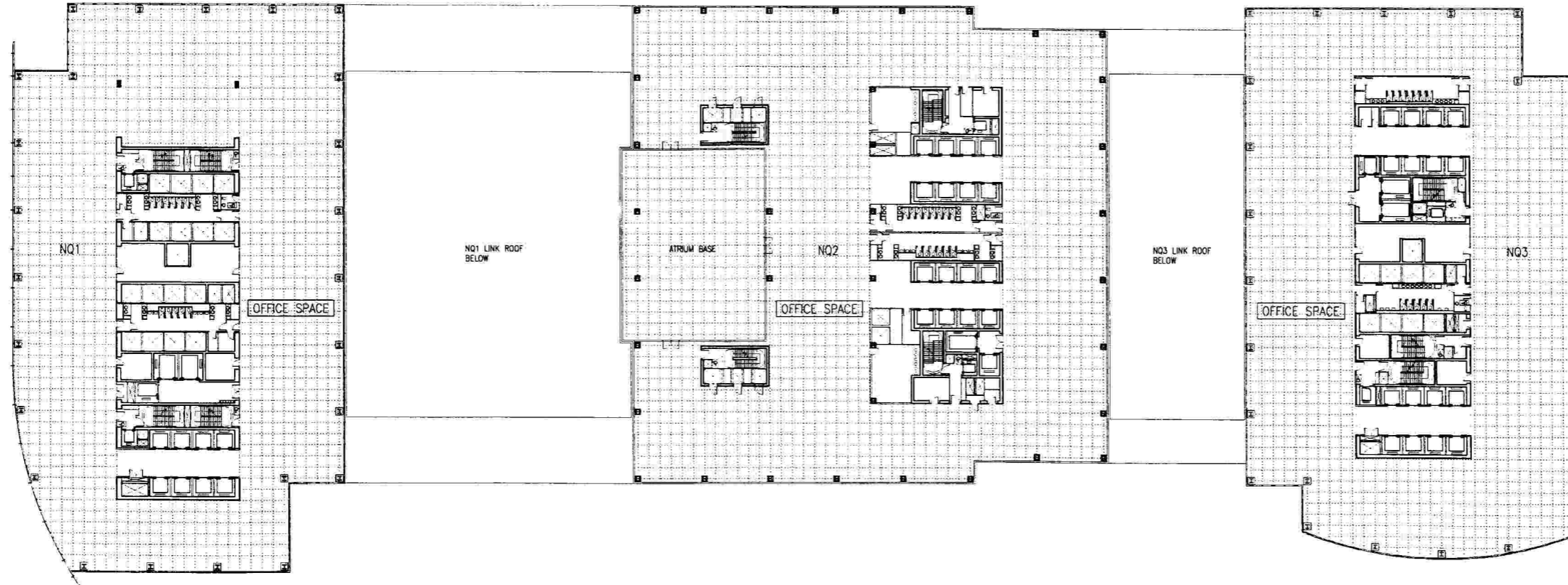
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project
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title
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LEVEL 15

date 15.12.02	plotdate
drawn by ---	checked by ---
project number 0229-00	scale 1:250 @ A0
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revision 00	





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revisions				
00	ISSUED FOR PLANNING APPLICATION	MARCH 2003		
no.	date	no.	date	
issued		issued		

notes

Cesar Pelli & Associates Inc.
1250 Avenue of the Americas, New York, NY 10020-1091
 Tel: +1 212 512 2200 Fax: +1 212 512 2201

ALSOPI Registered Architect at
 Planning Dept
 London E14 5AB
 Tel: +44 20 7497 7497

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑
project north

↑
scale

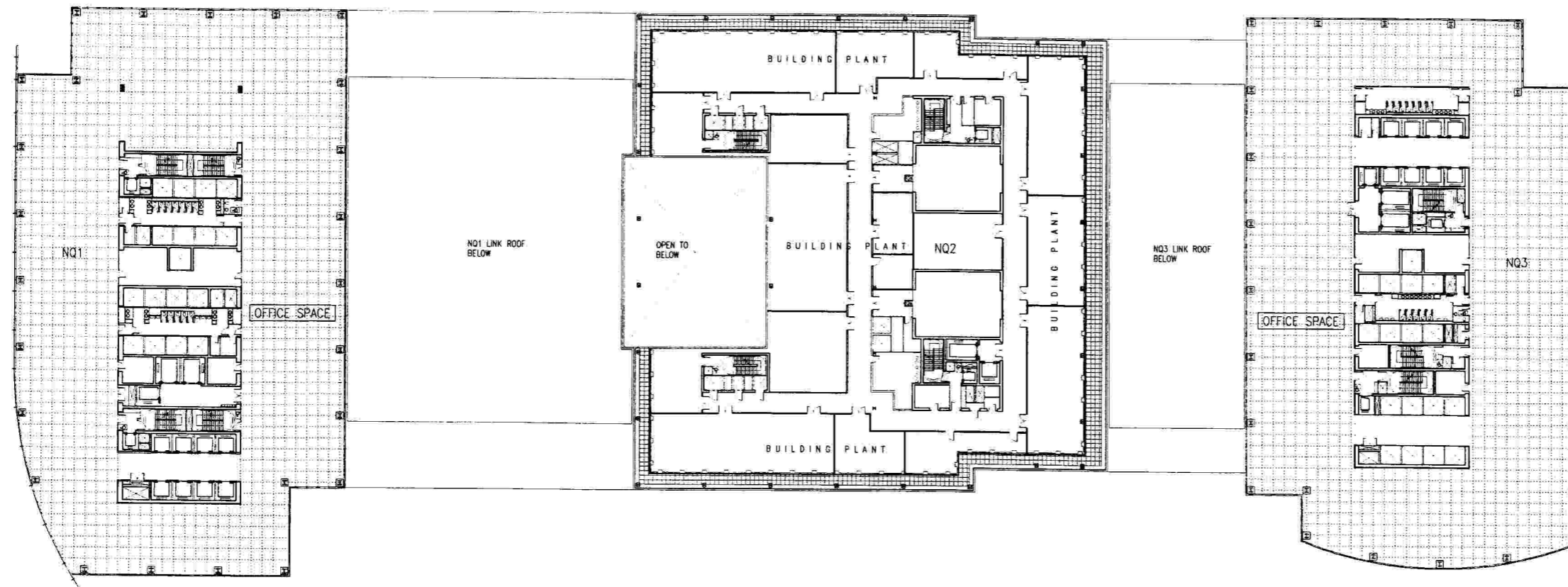
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project **CANARY WHARF NORTH QUAY**
 APPLICATION FOR PLANNING CONSENT

drawing title **FLOOR PLAN LEVELS 15**

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drawn by		checked by	DP
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no.	date	no.	date

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notes

Cesar Pelli & Associates Inc.

1000 Orange Street, New York, NY, USA 10037
Tel: +1 212 512 3000 Fax: +1 212 512 3001

ALSOP Architects

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

project north

scale: 1:250

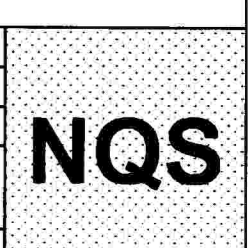
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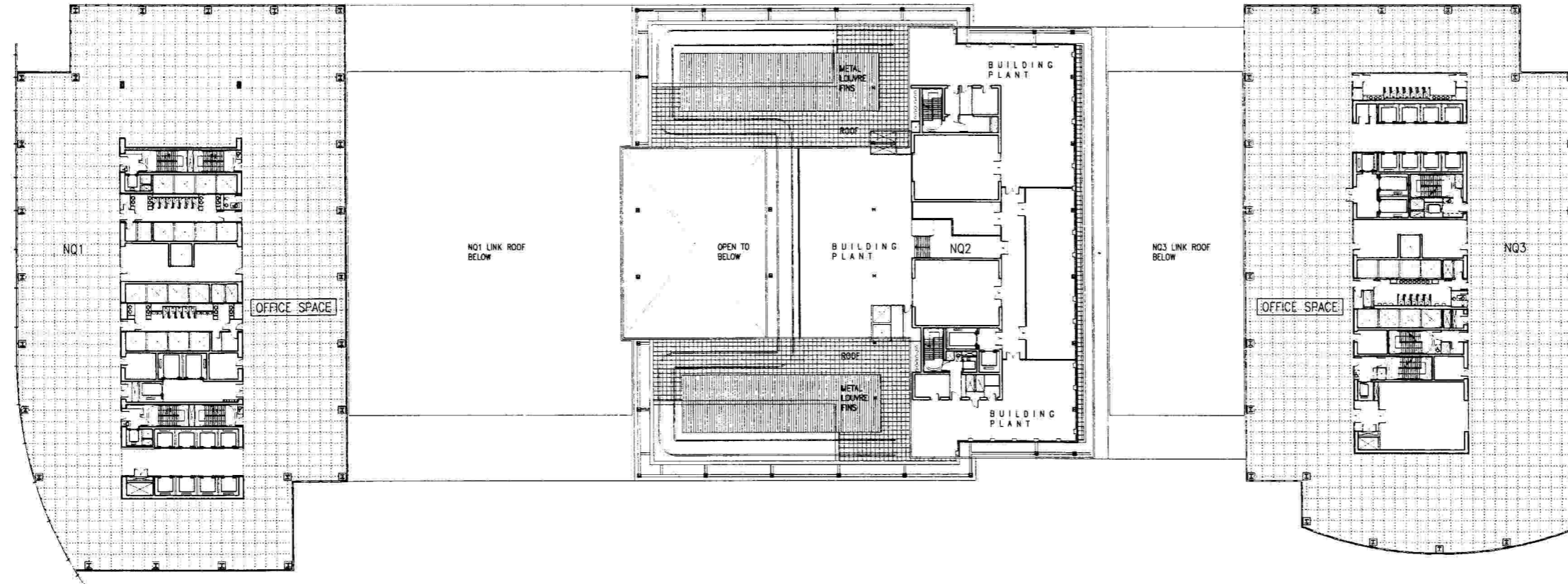
project CANARY WHARF NORTH QUAY

APPLICATION FOR PLANNING CONSENT

drawing title: FLOOR PLAN LEVEL 1

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drawn by: ---	checked by: ---
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no.	date	no.	date

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notes

Cesar Pelli & Associates Inc.
100, Canal Street, New York, NY 10014, USA
 Tel: (212) 675-2000 Fax: (212) 675-2000

ALSOP Architects
 15, Abchurch Lane
 London EC4A 3DF
 Tel: (020) 7424 1234

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

project north

keyplan

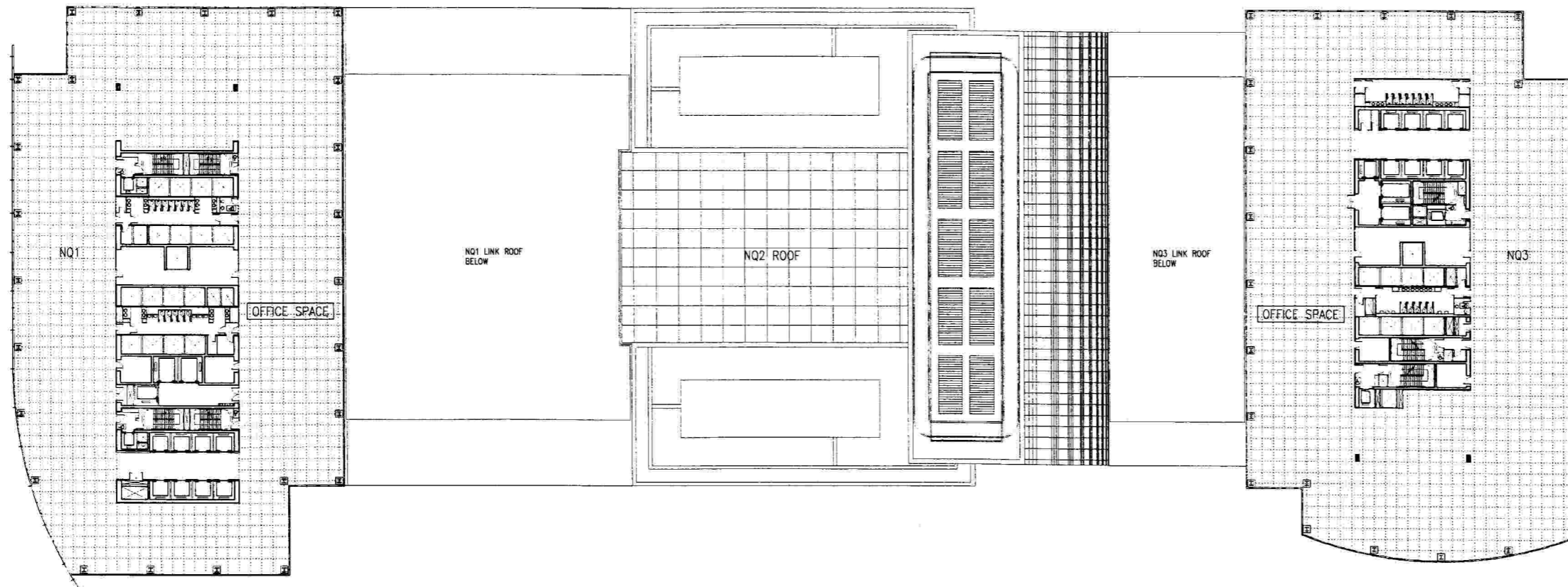
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CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

drawing title
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drawn by	---	checked by	---
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no.	date	no. issued	date
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ISSUED FOR PLANNING APPLICATION MARCH 2003			

notes

Cesar Pelli & Associates Inc.

1500 Sheppard Avenue East, Suite 1100, Toronto, Ontario M2M 3L7
Tel: (416) 491-2000 Fax: (416) 491-2001

ALSOP PROJECT ARCHITECT

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑ project north

keyplan

scale

project

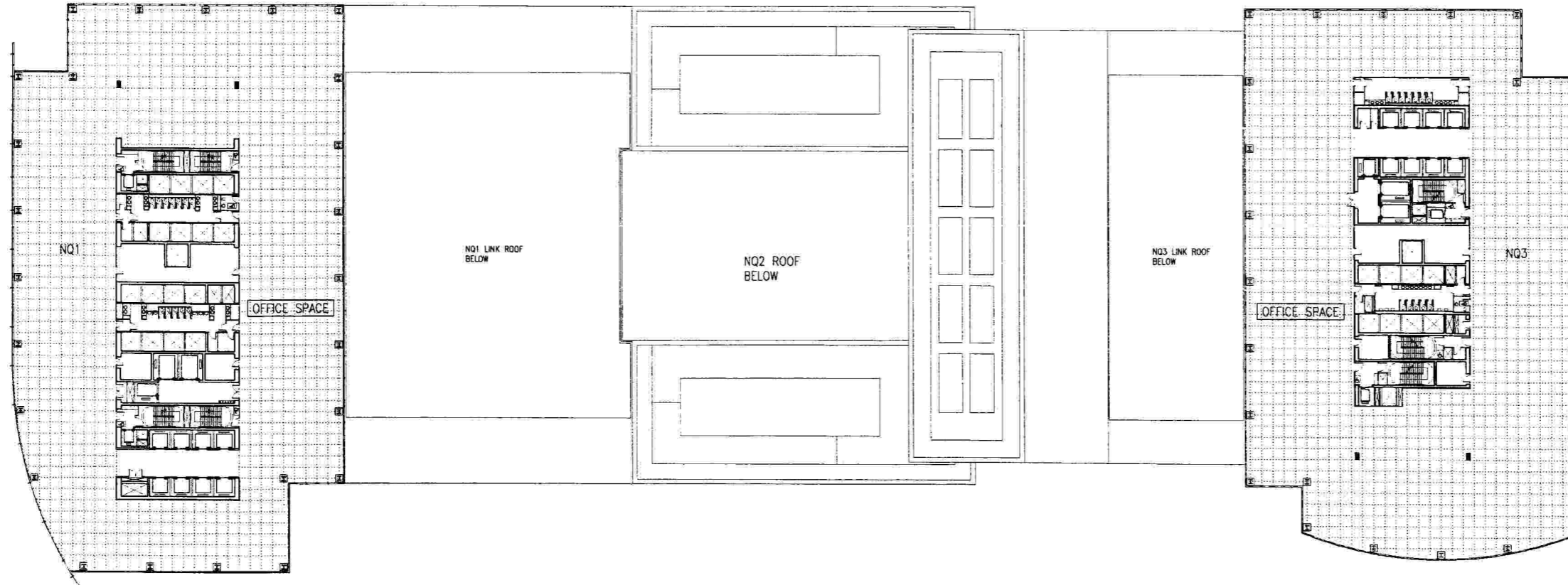
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title

FLOOR PLAN LEVEL 00

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drawn by		checked by	
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revision	00		





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no.	description	date	no.	description	date
00	ISSUED FOR PLANNING APPLICATION	MARCH 2003			

notes

**Cesar Pelli & Associates
Inc.**

1050 Oriental Street, New Haven, CT, USA 06511
Tel: (203) 771-2515 Fax: (203) 761-2256

ALSOP

Planning Group
Finsbury House
London EC2A 3DF
UK

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑
project north

keyplan: NQ-1 NQ-2 NQ-3

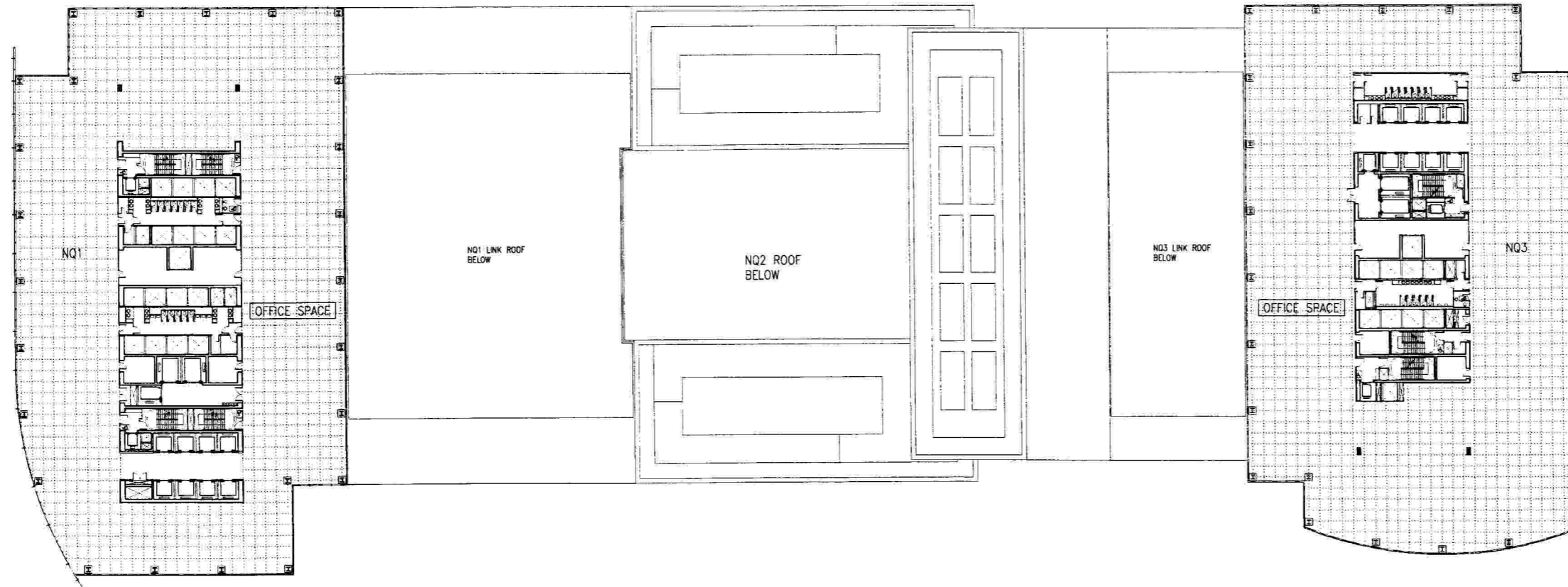
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project: **CANARY WHARF
NORTH QUAY
APPLICATION FOR PLANNING CONSENT**

drawing title: **FLOOR PLANS
LEVELS 01**

date: 15.12.02	project:
drawn by:	checked by: GP
project number: 0229-00	scale: 1:250 @ A0
At drawing no. PS6821	
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DO NOT SCALE DRAWINGS.

no.	date	no.	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

notes

Cesar Pelli & Associates Inc.
104 St Paul Street, New Haven, CT 06510
 Tel: (203) 744-2300 Fax: (203) 837-0750

ALSOP Architects Planners Engineers
 100 Broad Street, 20th Floor
 New York, NY 10038

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

project north

keyplan

scale

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project

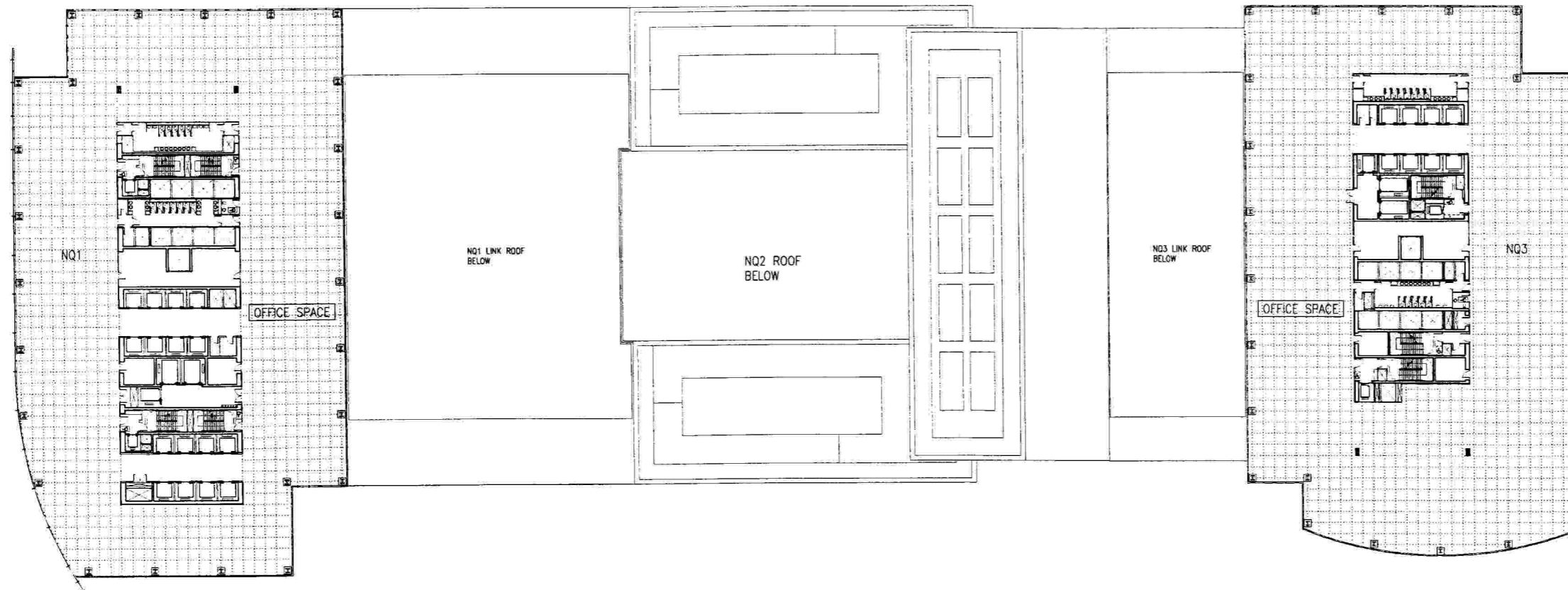
CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

drawing title

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drawn by	---	checked by	SP
project number	0229-00	scale	1:250 @ A0
M drawing no.	PS6822		
location	600	document control number	S6822
revision			00





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no.	issued	date	no.	revised	date

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notes

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1054 Oxford Street, New Haven, CT 06511
Tel: (203) 797-2949 Fax: (203) 787-0274

ALSOP Architectural
Services
LLC
1000 Connecticut Avenue, N.W.
Washington, D.C. 20004

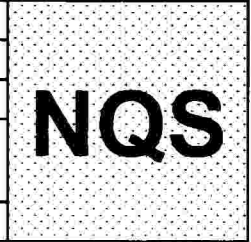
Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

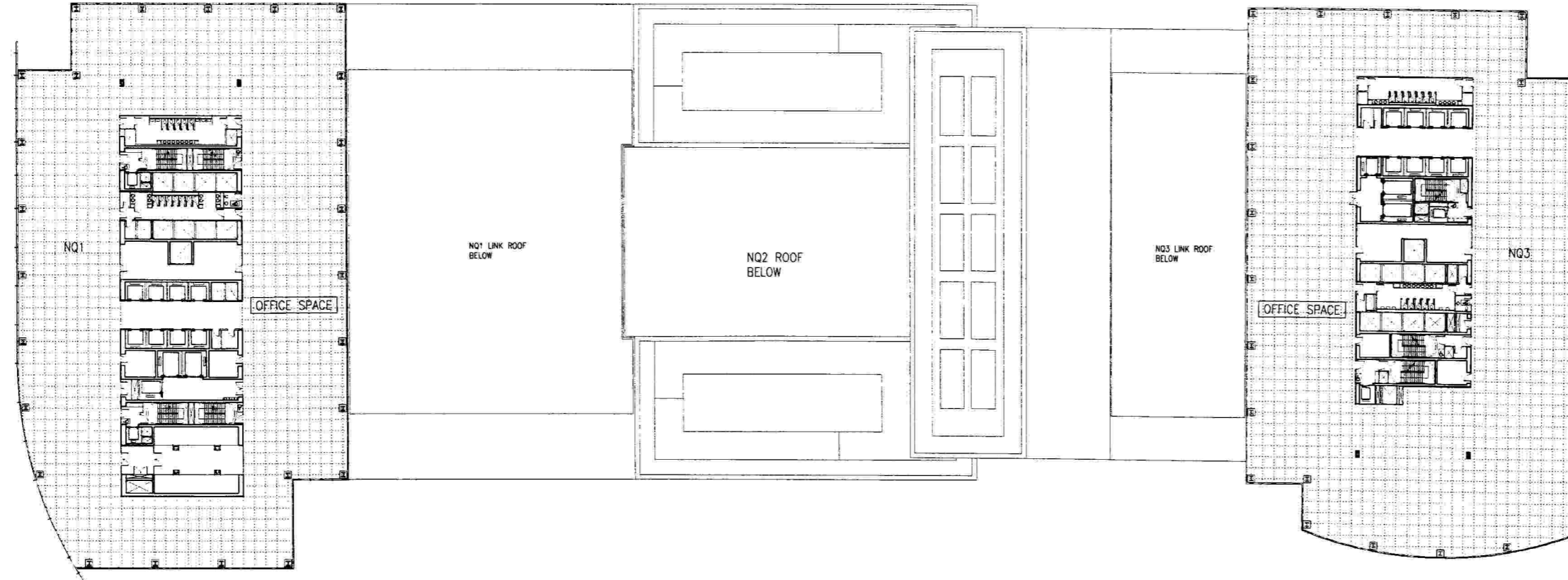
project north
keyplan
scale 1:1000

project
**CANARY WHARF
NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title
FLOOR PL-03
LEVEL 03

date	15.12.02	sheet	
drawn by		checked by	
project number	0229-00	scale	1:250 @ A0
AK drawing no.	PS6823		
location	600	document control number	S6823
revision	00		





no.	date	no.	date

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notes

Cesar Pelli & Associates Inc.
100 CHURCH STREET, NEW YORK, NY 10045-1995
 TEL: (212) 770 2842 FAX: (212) 767 2450

ALSOP Partner: Sheila A. ...
 Principal: ...
 Director: ...
 Associate: ...

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑ project north
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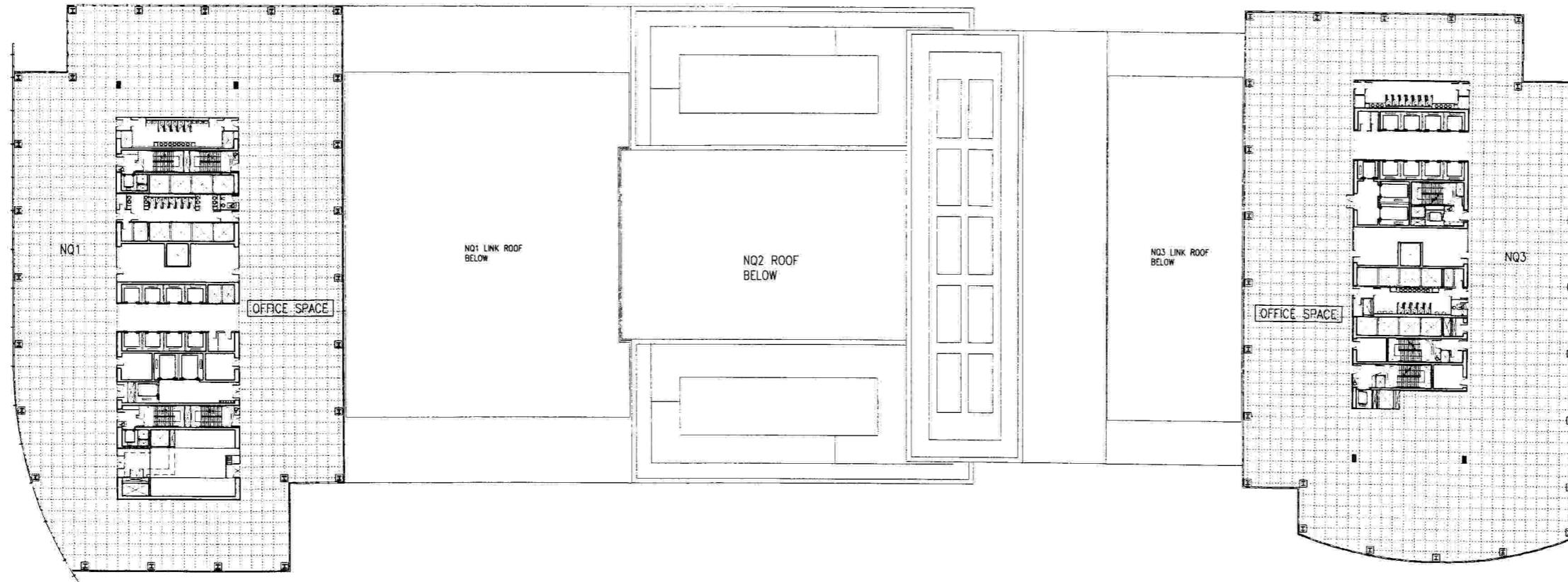
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project: **CANARY WHARF NORTH QUAY**
 APPLICATION FOR PLANNING CONSENT

drawing title: **FLOOR PLAN LEVELS 24**

date: 15/12/02	plotted:
drawn by:	checked by: OF
project number: 0229-00	scale: 1:250 @ A0
drawing no. PS6824	
location: 600	document control number: S6824
revision: 00	





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no.	description	date
00	ISSUED FOR PLANNING APPLICATION	MARCH 2003

notes

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 1200 Sheppard Street, Suite 400, Toronto, ON M2X 1B7
 Tel: (416) 771-2000 Fax: (416) 771-2001

ALSOP Architects
 1000 Bay Street, Suite 400, Toronto, ON M5G 1R7
 Tel: (416) 593-8888 Fax: (416) 593-8889

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

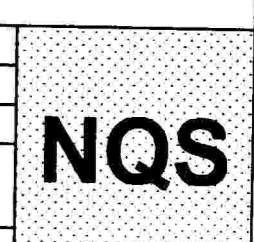
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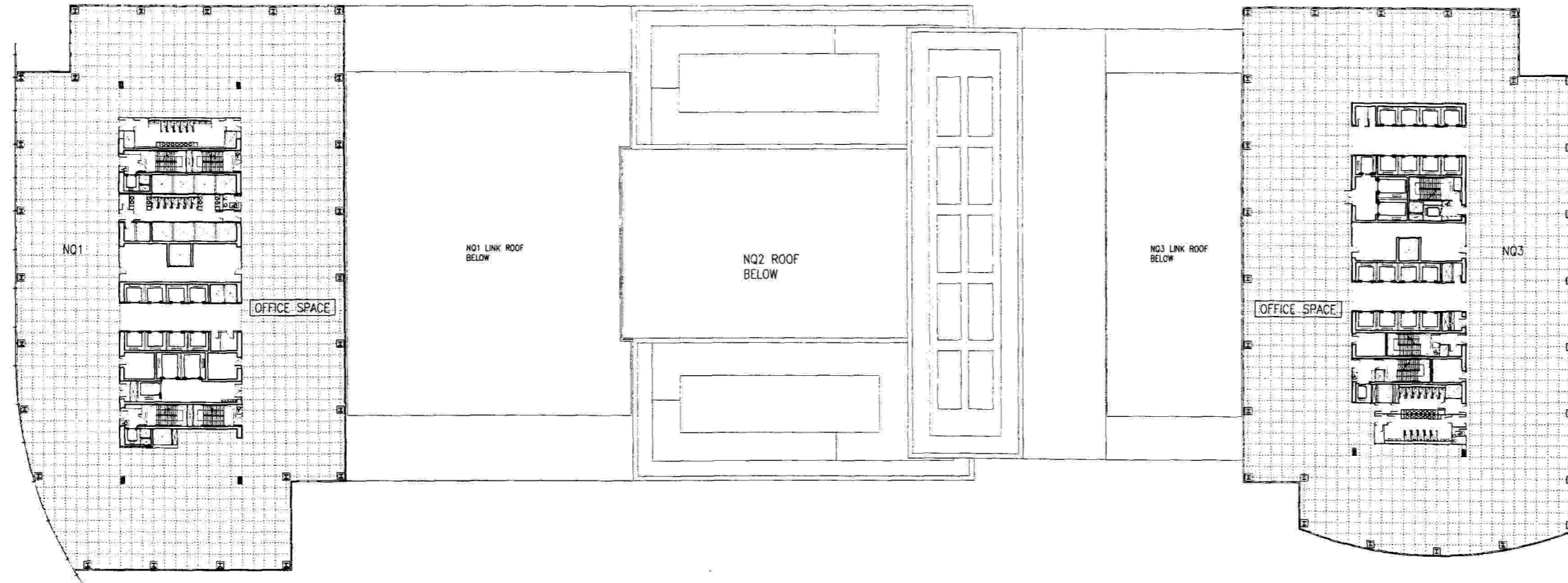
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project: **CANARY WHARF NORTH QUAY**
 APPLICATION FOR PLANNING CONSENT

drawing title: **FLOOR PL-11 LEVELS 25**

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drawn by:	checked by: GP
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drawing no. PS6825	
location: 600	document control number: 56825
revision: 00	





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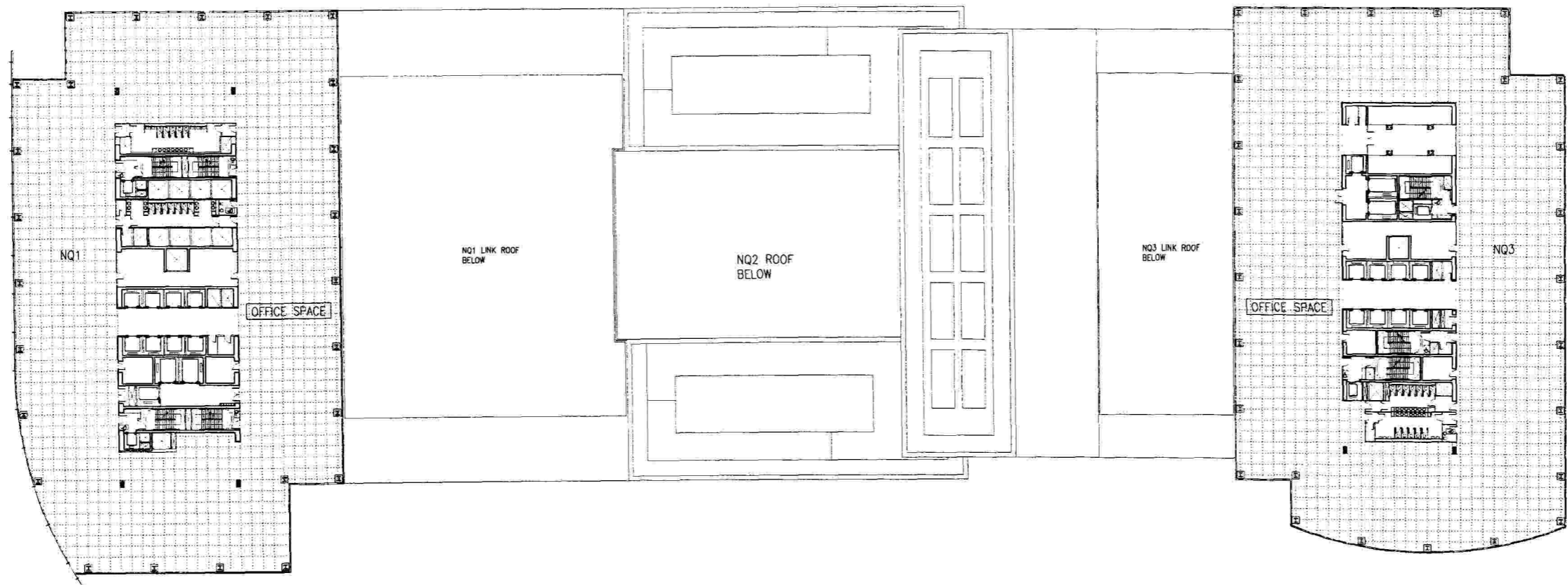
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scale

keyplan

drawing title

FLOOR PLAN LEVEL: 01



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no.	date	no.	date

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notes

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1001 Upper Street, New York, NY 10017-2481
Tel: (212) 717-2000 Fax: (212) 717-2004

ALSOP Architects 41
Engineers 41
Interior Design 41
Landscape 41
Urban Planning 41

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑
project north

keyplan
NQ - 1 NQ - 2 NQ - 3

scale
0 5 10 20 30

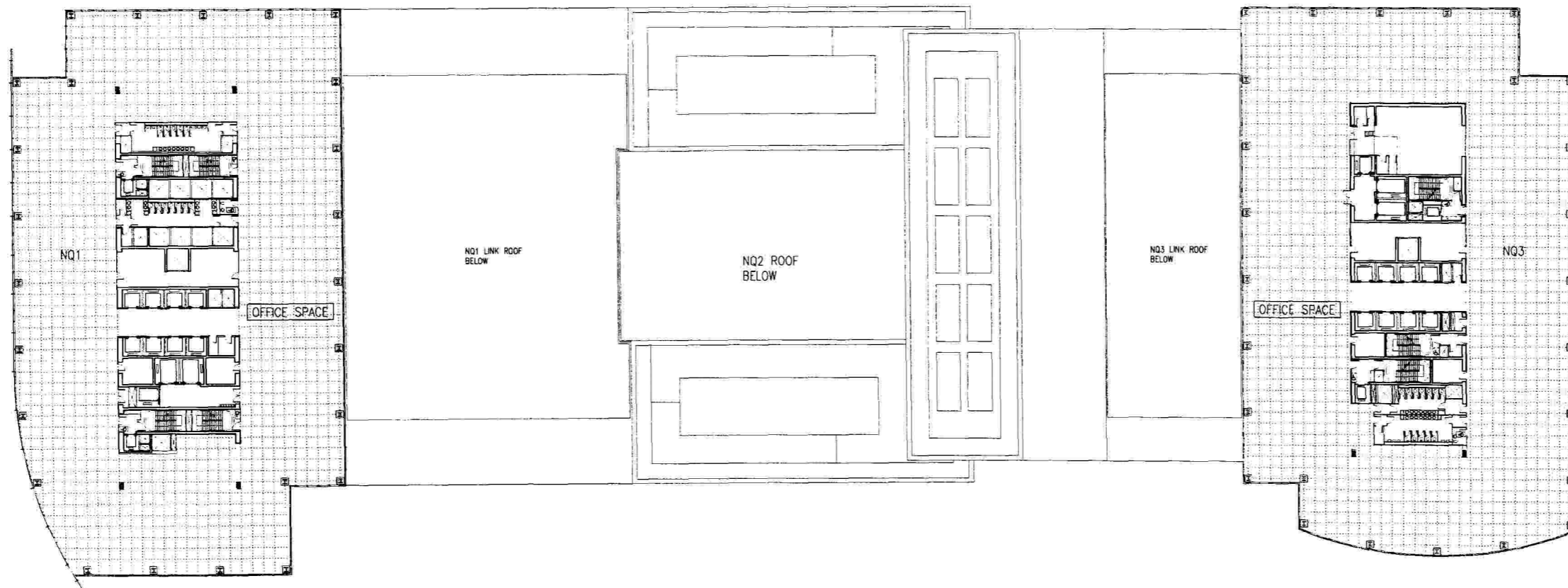
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CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title
FLOOR PLAN LEVEL 00

date	15.12.02	plotdate	
drawn by		checked by	GP
project number	0229-00	scale	1:250 @ A0
Alt drawing no.	PS6827		
location	600	document control number	56827
revision	00		





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no.	date	no.	date	no.	date

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Cesar Pelli & Associates Inc.
100 Spring Street, New York, NY 10012-6501 Tel: 212 693 7800 Fax: 212 693 7801

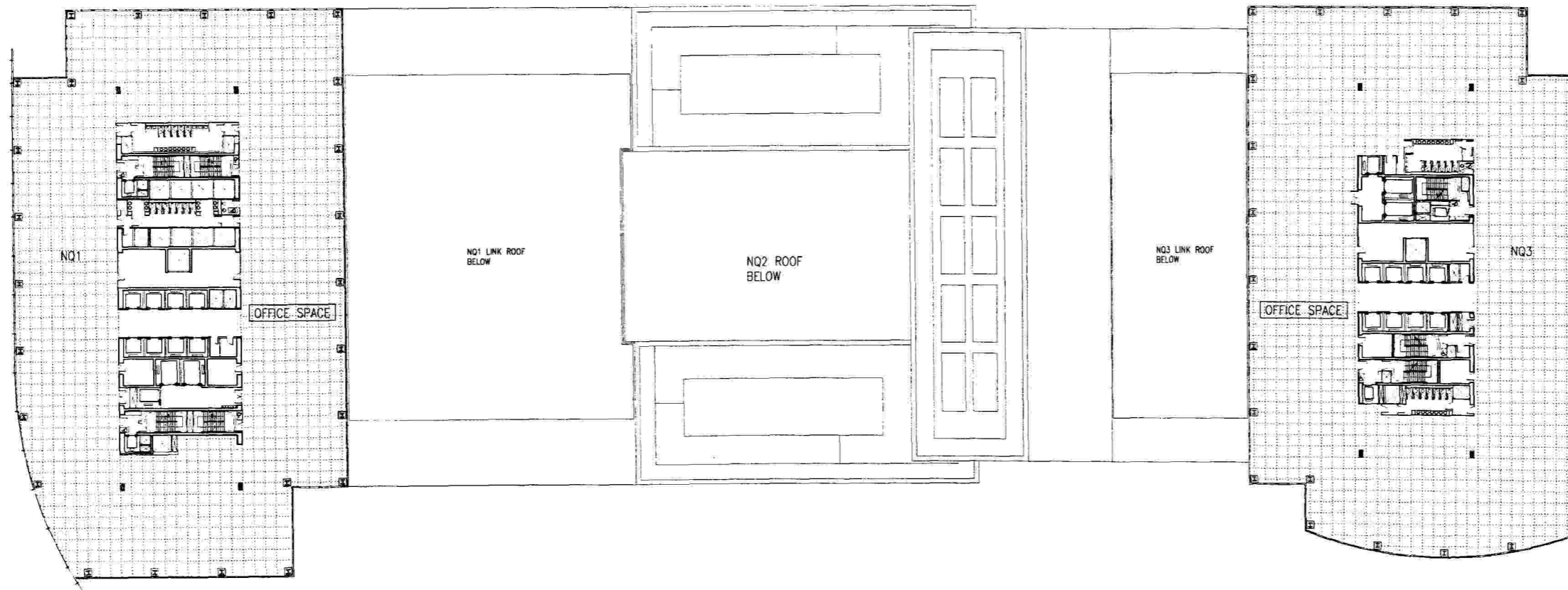
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<p>project north</p> <p>↑</p> <p>scale</p> <p>keyplan</p>

<p>project:</p> <p>CANARY WHARF NORTH QUAY APPLICATION FOR PLANNING CONSENT</p> <p>drawing title: FLOOR PLAN LEVELS 39</p>
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drawn by		checked by	
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drawing no.	PS6828		
section	600	document control number	S6828
		revision	00

NQS



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no.	date	no.	date

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note

Cesar Pelli & Associates Inc.

1500 Shaw Street, New York, NY 10019
Tel: 212 692 2200 Fax: 212 692 2201

ALSOP Architects

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑ project north

keyplan: NQ-1 NQ-2 NQ-3

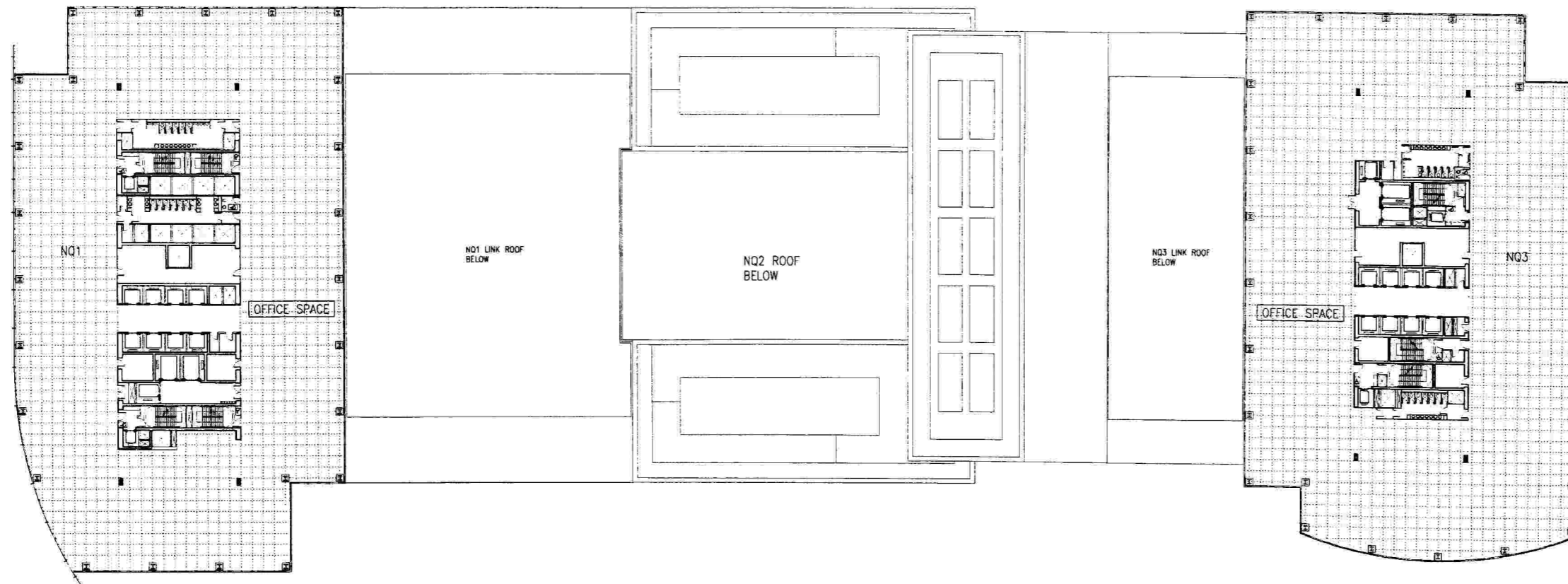
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APPLICATION FOR PLANNING CONSENT

drawing title: **FLOOR PLAN LEVEL 29**

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drawn by: ---	checked by: DP
project number: 0229-00	scale: 1:250 @ A0
drawing no. PS6829	
location: 600	document control number: S6829
revision: 00	

NQS



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no.	date	no. issued	date

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notes

Cesar Pelli & Associates Inc.
105-106 Old Street, London EC1A 1JE, UK
 Tel: +44 (0)20 7726 1500 Fax: +44 (0)20 7726 1501

ALSOP Partners: Charles J. P. Fenwick, Robert J. Langford, David J. M. Langford, David J. M. Langford, David J. M. Langford

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑
 project north

scale

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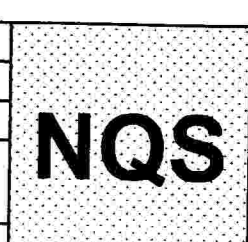
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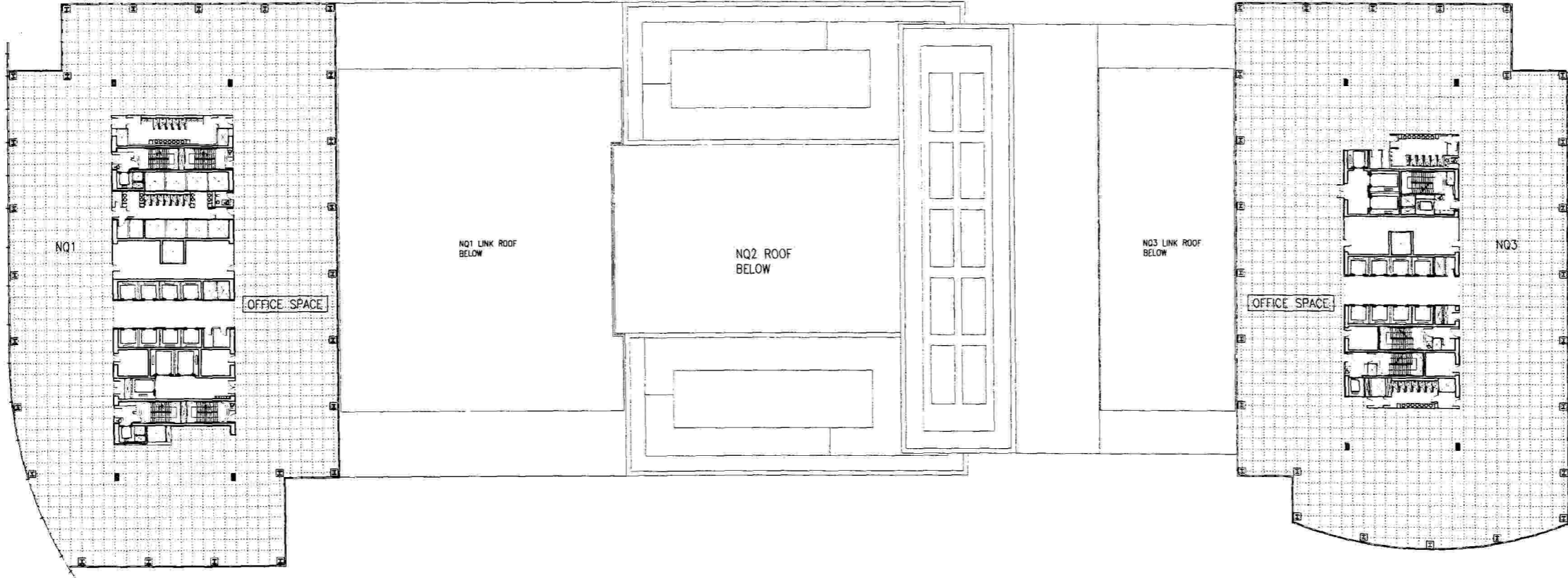
keyplan

project
CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

drawing title
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date 18.12.02	plotted
drawn by ---	checked by J.P.
project number 0229-00	scale 1:250 @ A0
M drawing no. PS6830	
location 600	document control number 56830
revision 00	





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revisions	date	no.	description

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 Tel: (212) 777-2400 Fax: (212) 777-1010

ALSOP Partner Architect

Norquill Limited
 One Caspella Square
 Canary Wharf, London E14 5AB

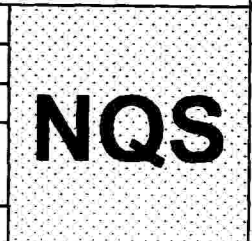
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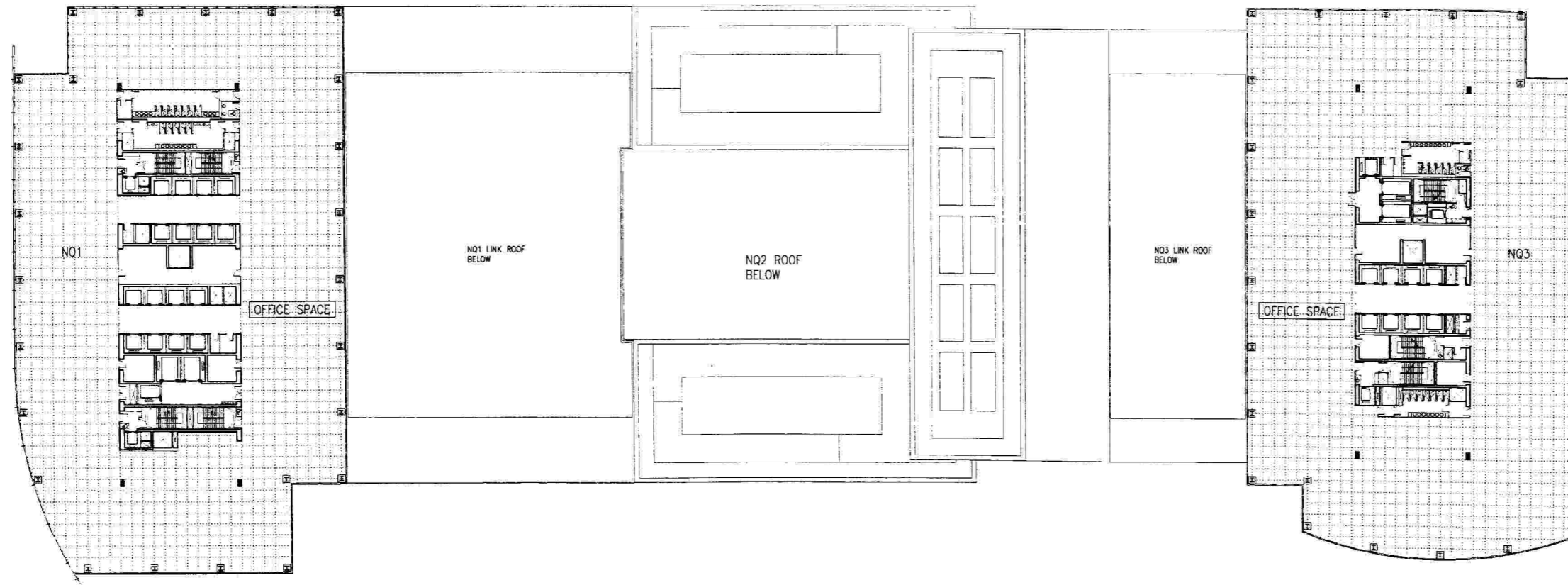
keyplan
 NQ-1 NQ-2 NQ-3

project
CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

drawing title
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site	PS 6831	plotsize	
drawn by		checked by	
project number	0229-00	scale	1:250 @ A3
AI drawing no.	PS6831		
revision	600	document control number	56831
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no.	date	no. issued	date
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 Tel: (416) 593-8888 Fax: (416) 593-8889

ALSOP Architects Inc.
 100 King Street West, Toronto, ON M5X 1C5
 Tel: (416) 593-8888 Fax: (416) 593-8889

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

project north

keyplan

scale

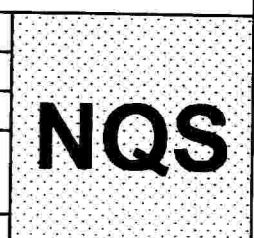
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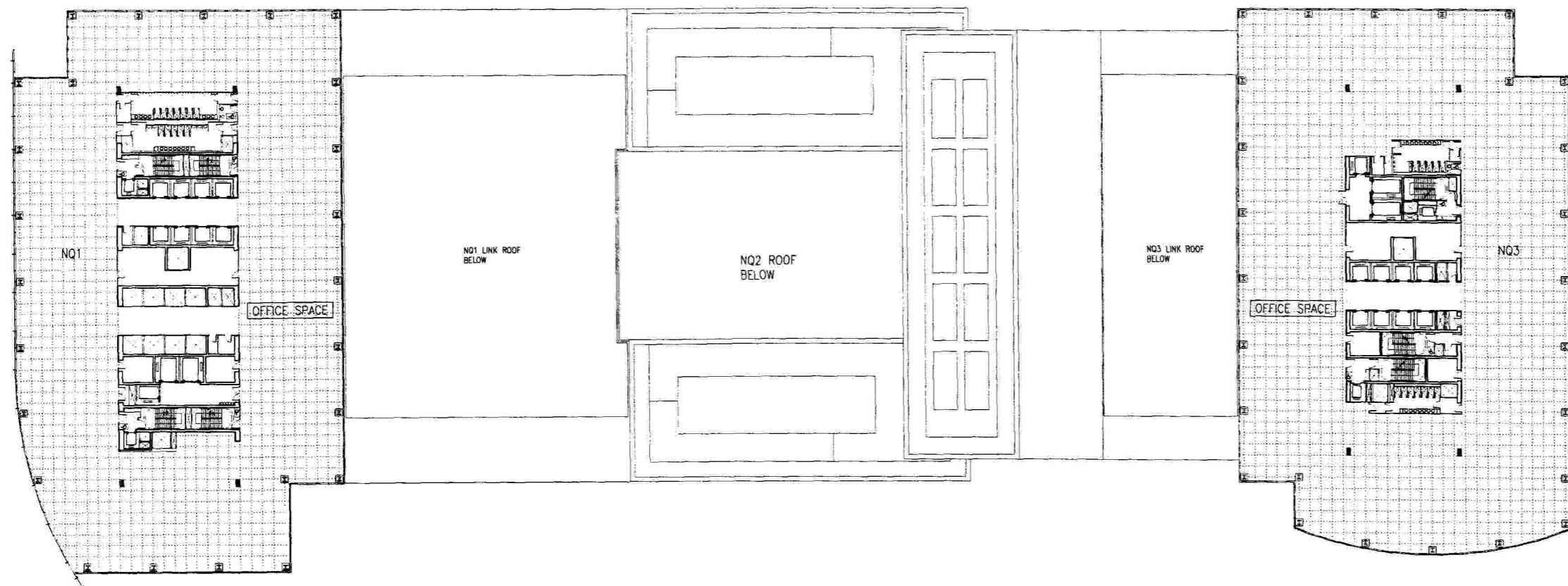
CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

drawing title

FLOOR PLAN LEVELS 7-9

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project number	0229-00	scale	1:250 @ A0
AA drawing no.	PS6832		
location	600	document control number	56832
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no.	date	no.	date

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1000 Bank Street, New York, NY 10017-2499
Tel: (212) 512-2900 Fax: (212) 512-2999

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑
project north

keyplan
NQ-1 NQ-2 NQ-3

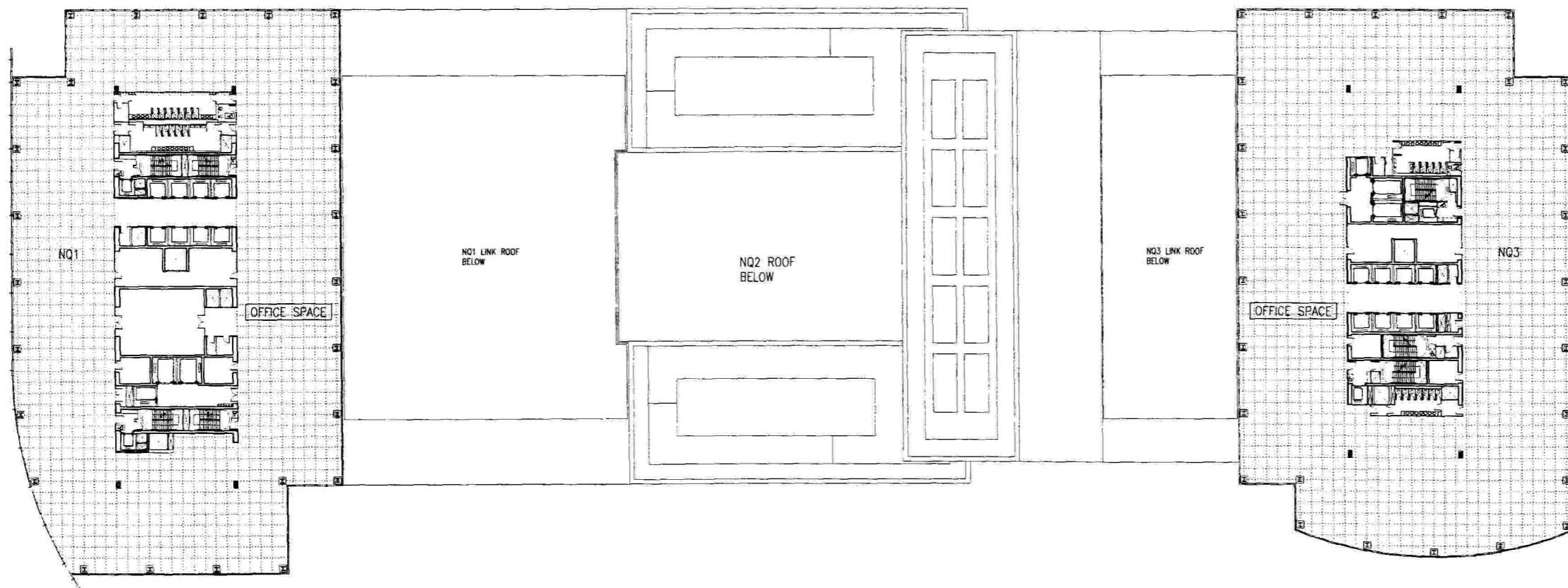
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project
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title
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drawn by		checked by	
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section	600	document control number	58833
revision	00		

NQS



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revision	date	no.	issued	date
		00	ISSUED FOR PLANNING APPLICATION	MARCH 2003

notes

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 125th Street, New York, NY 10020
 Tel: (212) 771-2300 Fax: (212) 771-2301

ALSOP
 Architects
 100 Broad Street
 New York, NY 10002
 Tel: (212) 691-1100 Fax: (212) 691-1101

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑ project north
 scale 1:250

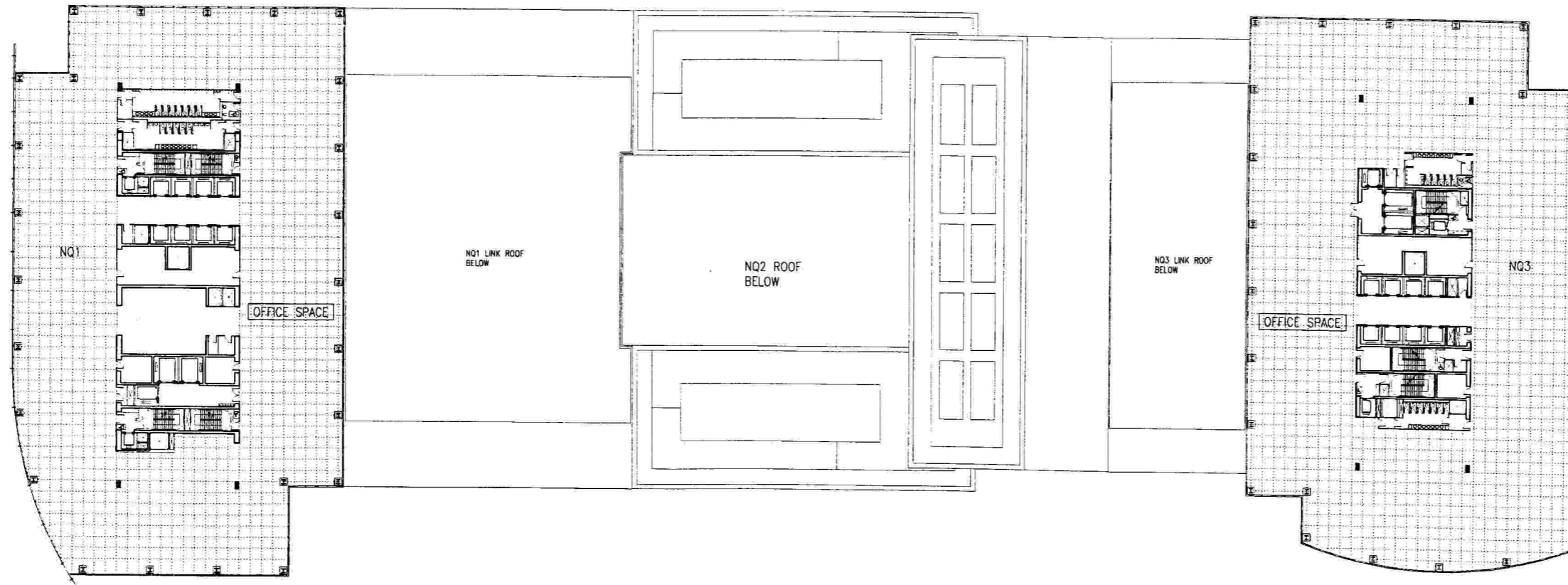
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project **CANARY WHARF NORTH QUAY**
 APPLICATION FOR PLANNING CONSENT

drawing title **FLOOR PLAN LEVEL 54**

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drawn by	checked by
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drawing no. PS6834	
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revision 00	

NQS



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no.	date	no.	date

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notes

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 1001 Sheppard Street, New York, NY 10021, USA
 Tel: (212) 922-2800 Fax: (212) 922-2802

ALSOP Engineers, Architects, Planners
 1001 Sheppard Street, New York, NY 10021, USA
 Tel: (212) 922-2800 Fax: (212) 922-2802

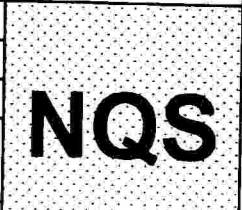
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 One Canada Square
 Canary Wharf, London E14 5AB

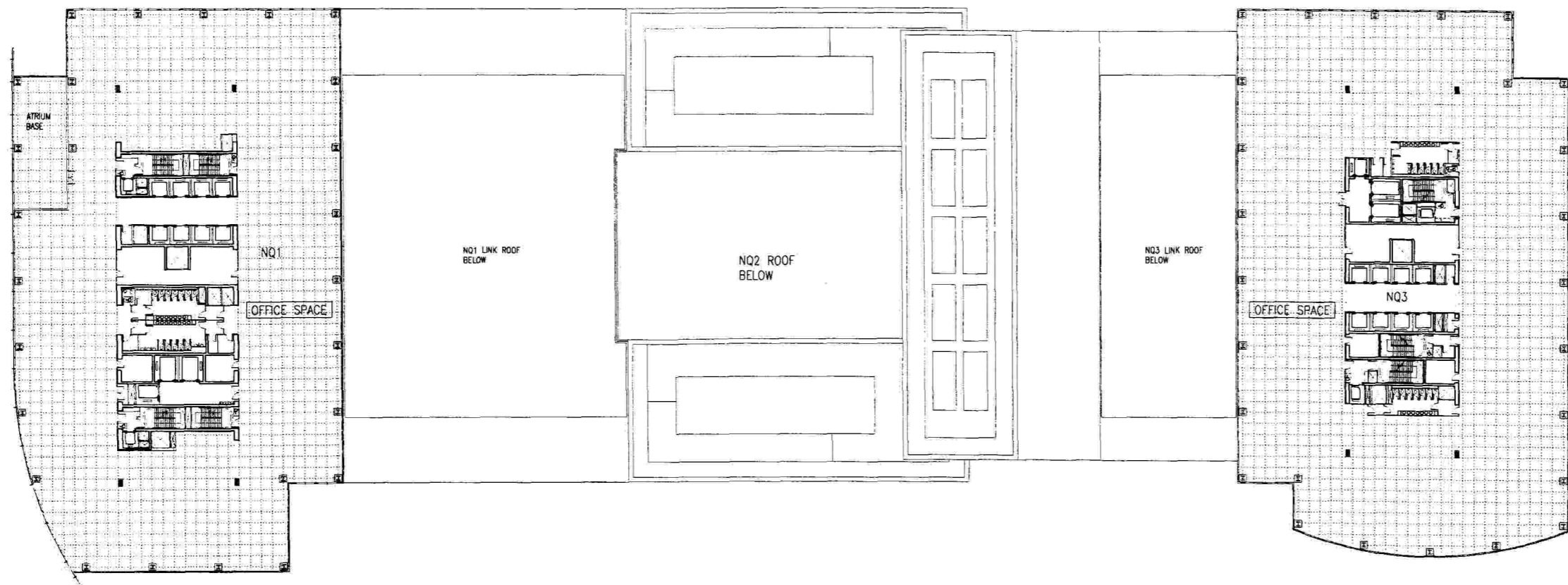
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project **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title **FLOOR PLAN LEVELS 02**

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drawn by	checked by
project number 0229-00	scale 1:250 @ A0
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PS6835	
location 600	document control number 56835
	revision 00





no	date	no	date
		00	MARCH 2003

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1100 CANAL STREET, NEW YORK, NY 10038-1001
TEL: (212) 512-2000 FAX: (212) 512-2001

ALSOP Partnership Architects
100 Park Avenue
New York, NY 10017
Tel: (212) 486-1000 Fax: (212) 486-1001

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑ project north
scale

keyplan
NQ - 1 | NQ - 2 | NQ - 3

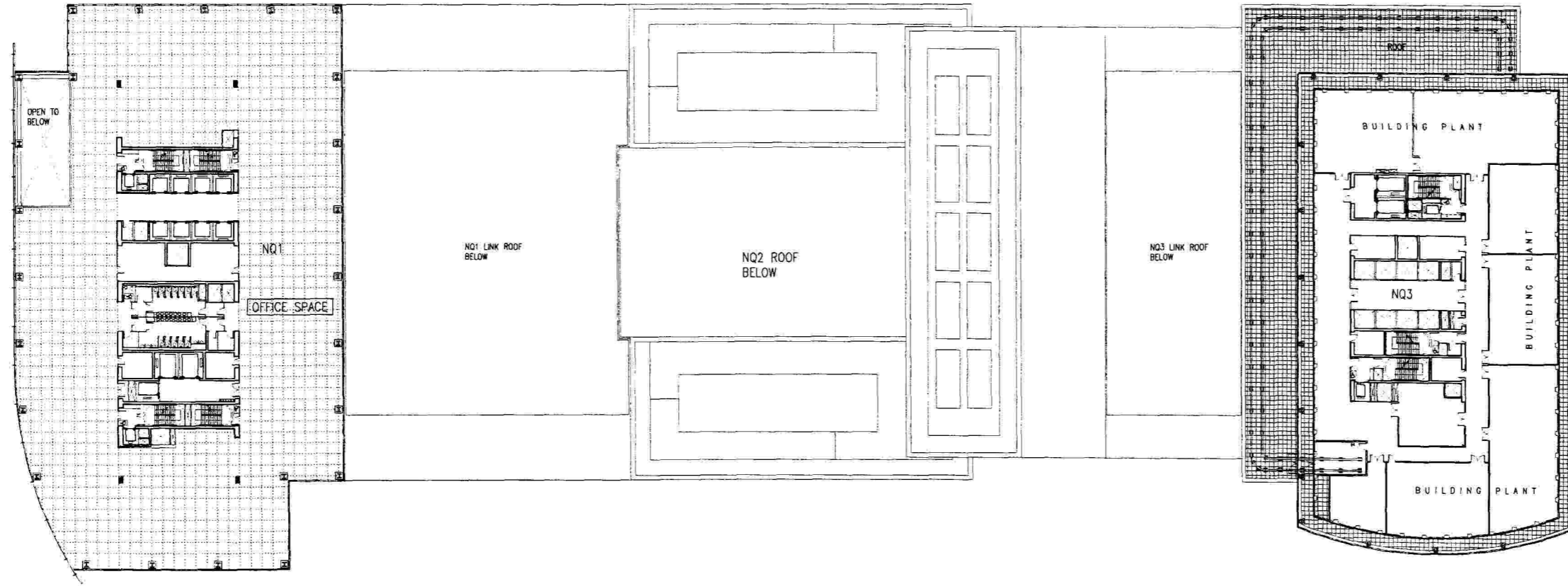
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CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

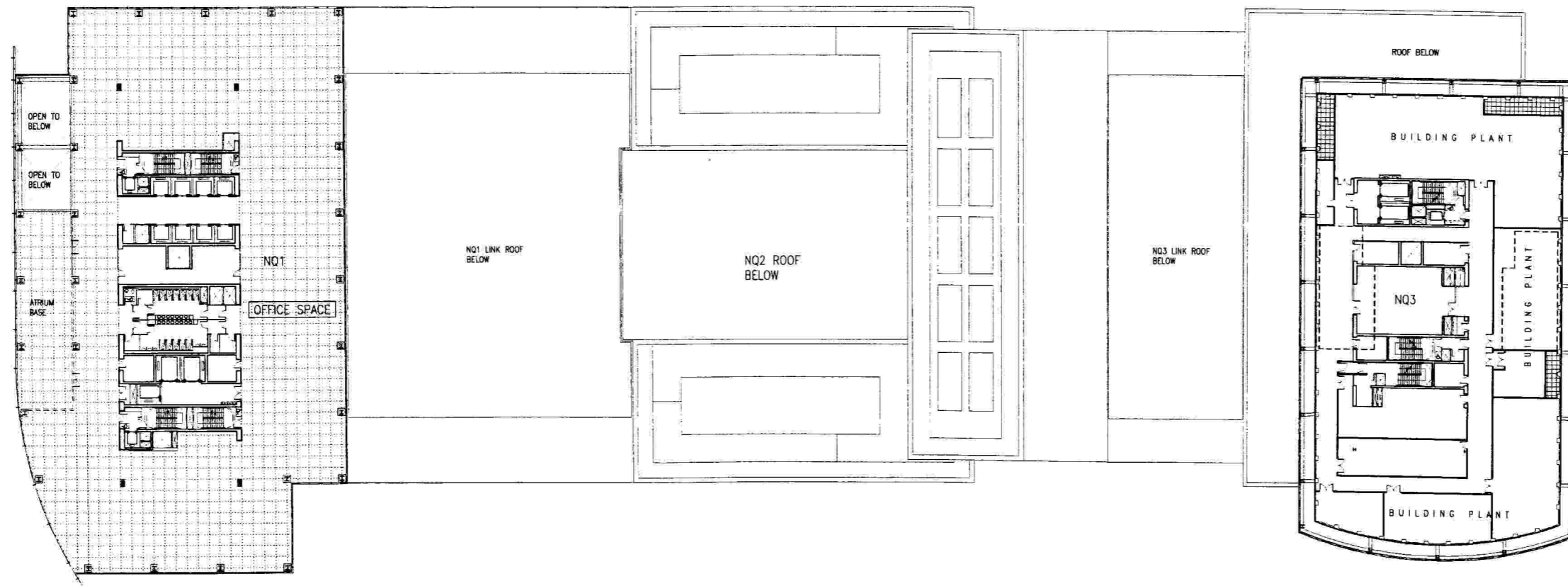
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drawn by	---	checked by	DF
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NQS



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revisions	date	no.	date

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1000 Shearwater Way, Suite 2100, Oakville, Ontario L6M 5R2
Tel: (905) 707-2288 Fax: (905) 767-2254

ALSOP Architects Inc.

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

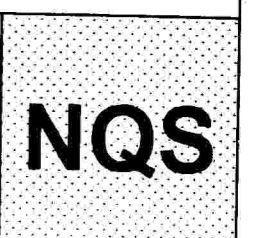
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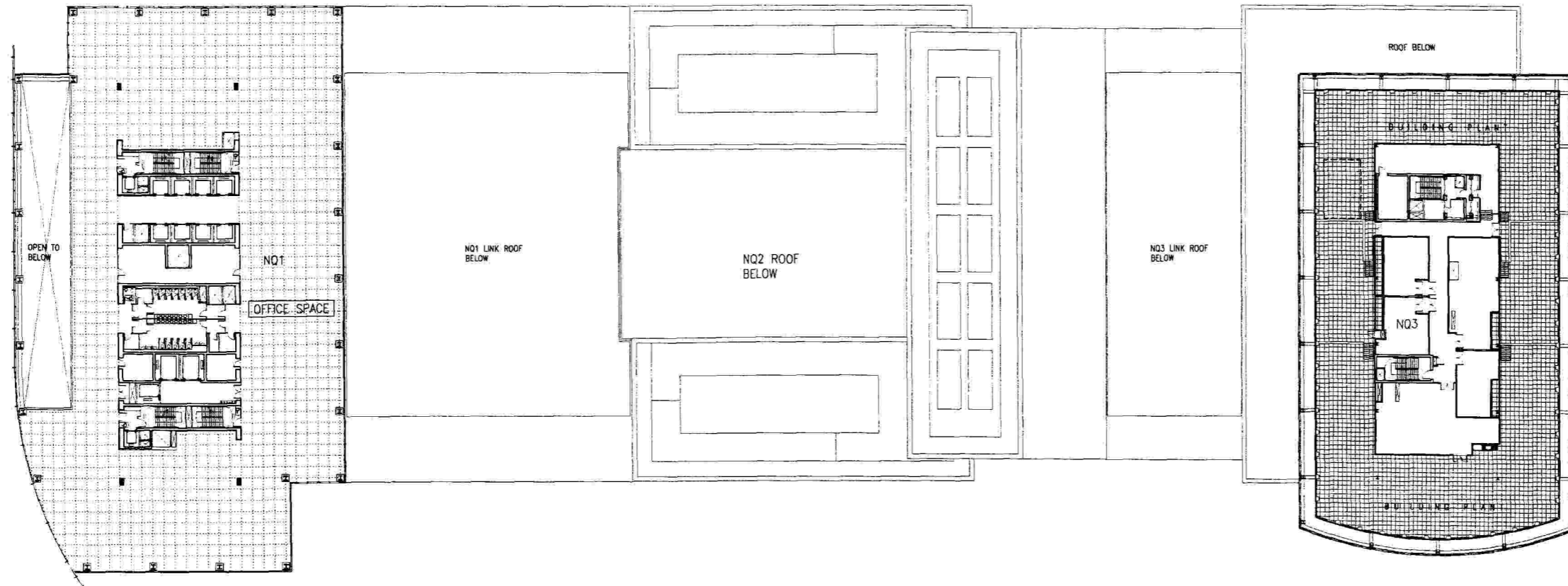
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project: **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title: **FLOOR PLANS LEVELS 35**

date: 15/12/02	plotdate:
drawn by:	checked by: SP
project number: 0229-00	scale: 1:250 @ A0
AK drawing no.:	PS6838
section: 600	document control number: S6838
revision: 00	





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no.	date	no. issued	date
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notes

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Architects

ALSOP Project Architect

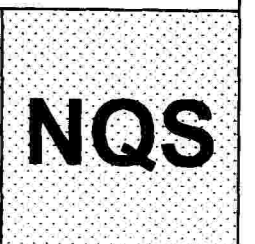
Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

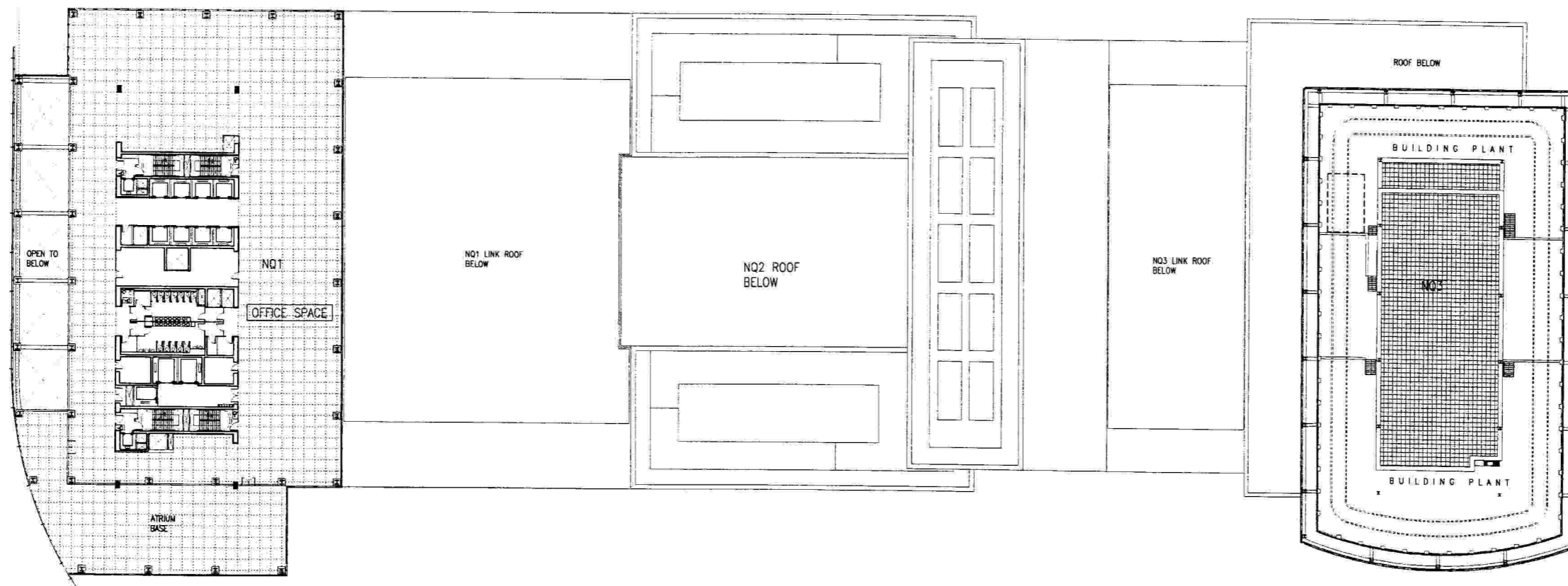
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CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

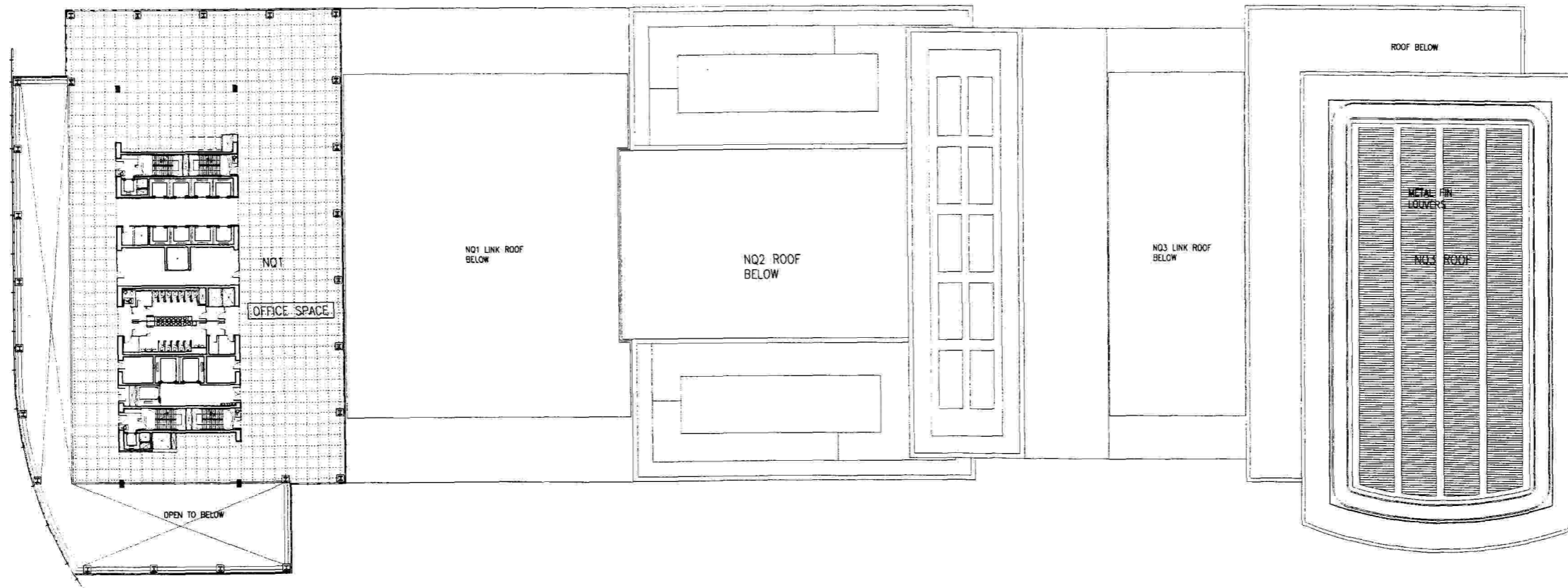
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revision	00		





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							drawn by ---	checked by GP
						PS6840		
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revision			
no.	date	no.	date
00		00	
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1007 Oxford Street, Suite 1010, New York, NY 10035
 Tel: (212) 724-2800 Fax: (212) 724-2801

ALSOP
Architectural Studio
 1000 Park Ave. N.
 Suite 1000
 New York, NY 10028

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

project north

scale

keyplan

NQ-1 NQ-2 NQ-3

0 10 20 30

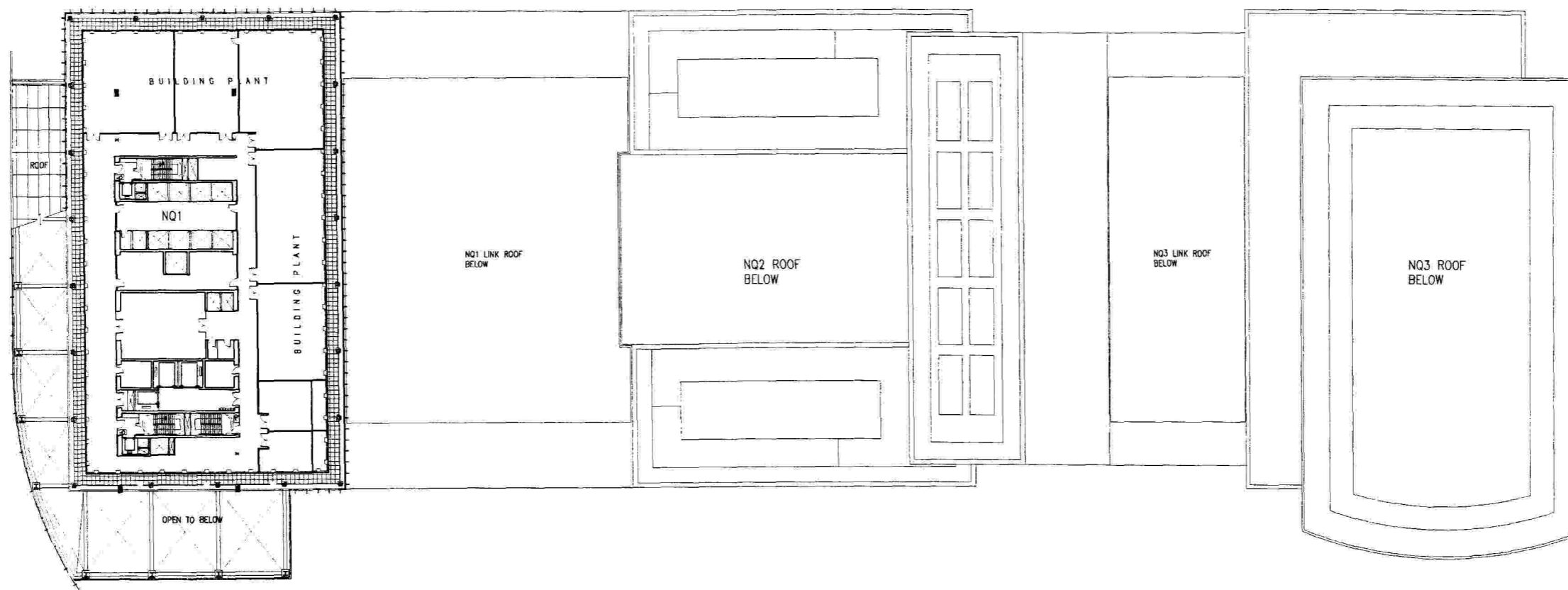
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title

FLOOR PLAN LEVEL 41

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location	600	document control number	S6841
		revision	00

NQS



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revisions	

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notes

**Cesar Pelli & Associates
Inc.**

100 CHANCERY SQUARE, SUITE 1700
NEW YORK, NEW YORK 10028

ALSOP Partner Architect

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

↑
project north
scale

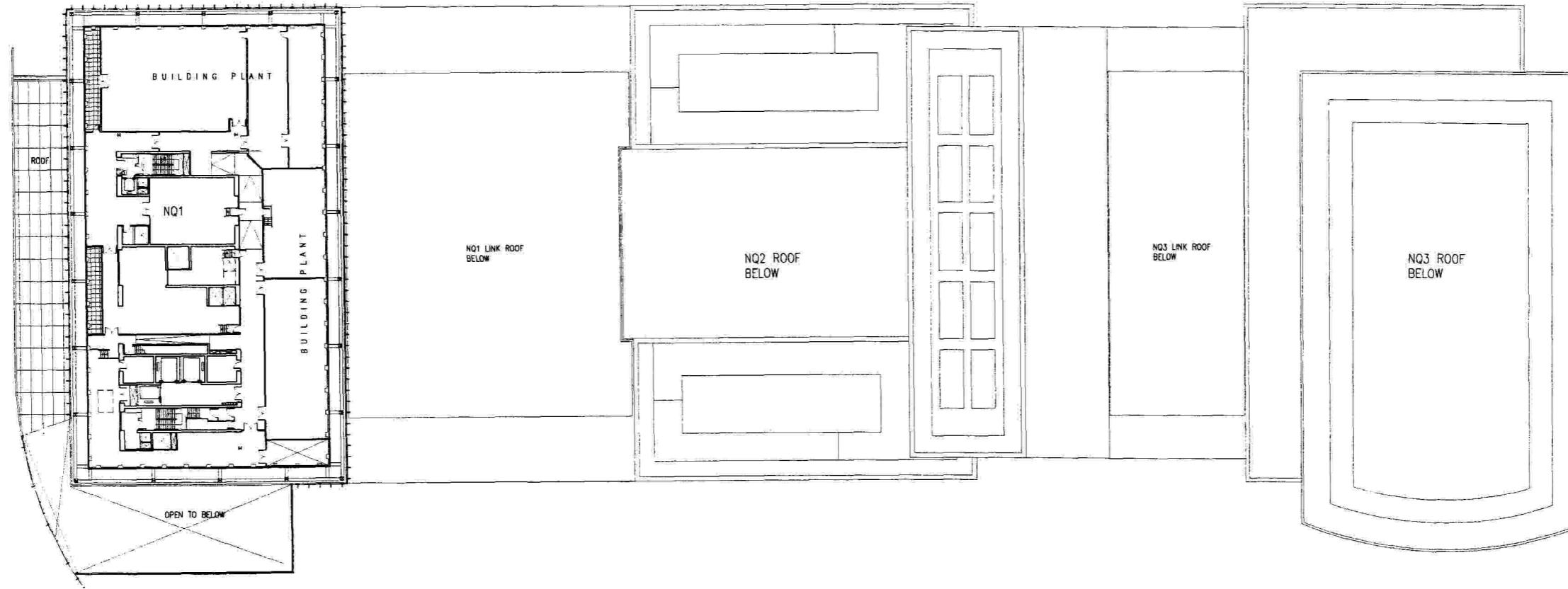
keyplan
NQ - 1 NQ - 2 NQ - 3

project
**CANARY WHARF
NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title
FLOOR PLAN
LEVELS - 4

date 15/10	plotted by
drawn by	checked by JP
project number 0229-00	scale 1:250 @ A0
AI drawing no.	
PS6842	
location 600	document control number S6842
revision 00	

NQS



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revisions				
no.	date	no.	date	
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				MARCH 2003

notes

**Cesar Pelli & Associates
Inc.**

25th Street, New York, NY 10011-3678
Tel: 212 512 2000 Fax: 212 512 2001

ALSOP Architects

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

project north

scale

keyplan

keyplan

project

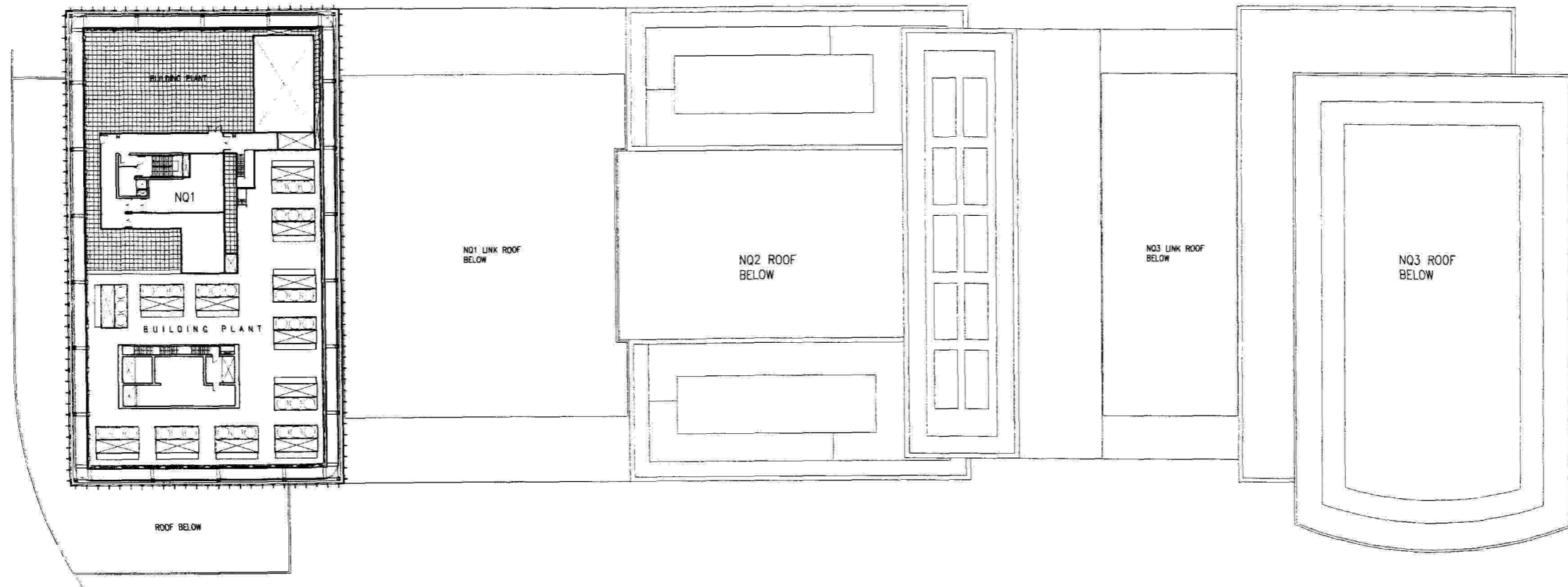
**CANARY WHARF
NORTH QUAY
APPLICATION FOR PLANNING CONSENT**

drawing title

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A1 drawing no.	PS6843		
floorplan	600	document control number	56843
		revision	00





DC NOT SCALE DRAWINGS			
revisions			
DC	ISSUED FOR PLANNING APPLICATION	MARCH 2003	
no.	date	DC	
issued		issued	

notes

Cesar Pelli & Associates Inc.

006 Canada Square, New York, NY 10020-1339
212 475 5000 Fax: 212 475 5001

ALSOP Principal: G. G. G. G.
Partner: P. P. P. P.
London: R. R. R. R.
New York: S. S. S. S.

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

project north

keyplan

SCALE

project

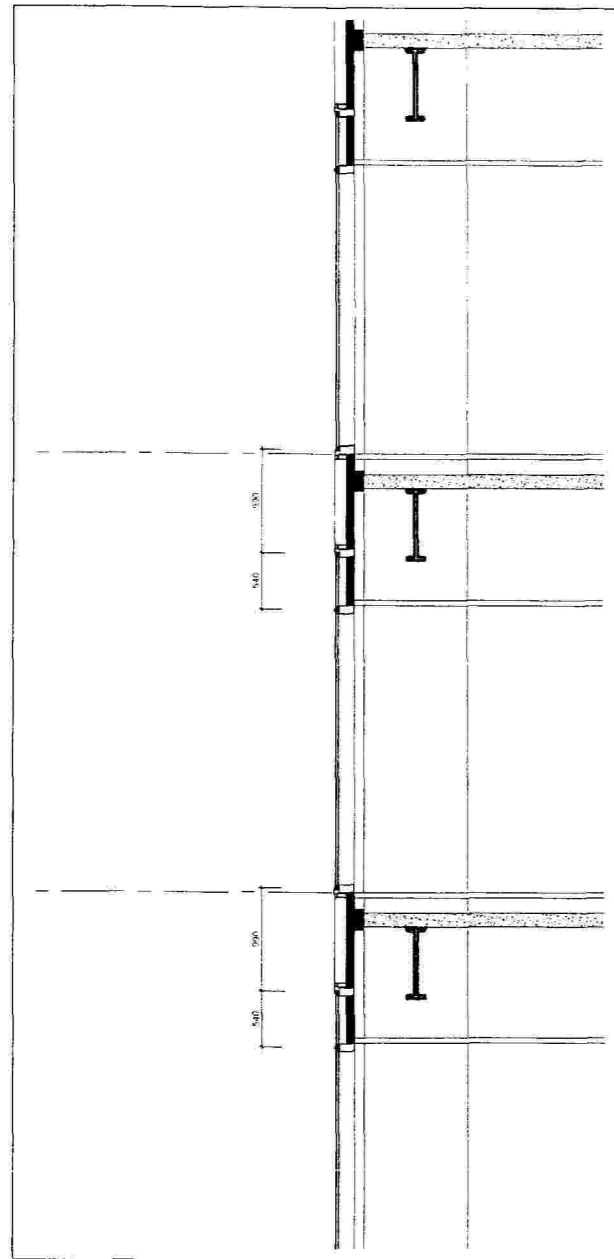
**CANARY WHARF
NORTH QUAY
APPLICATION FOR PLANNING CONSENT**

drawing title

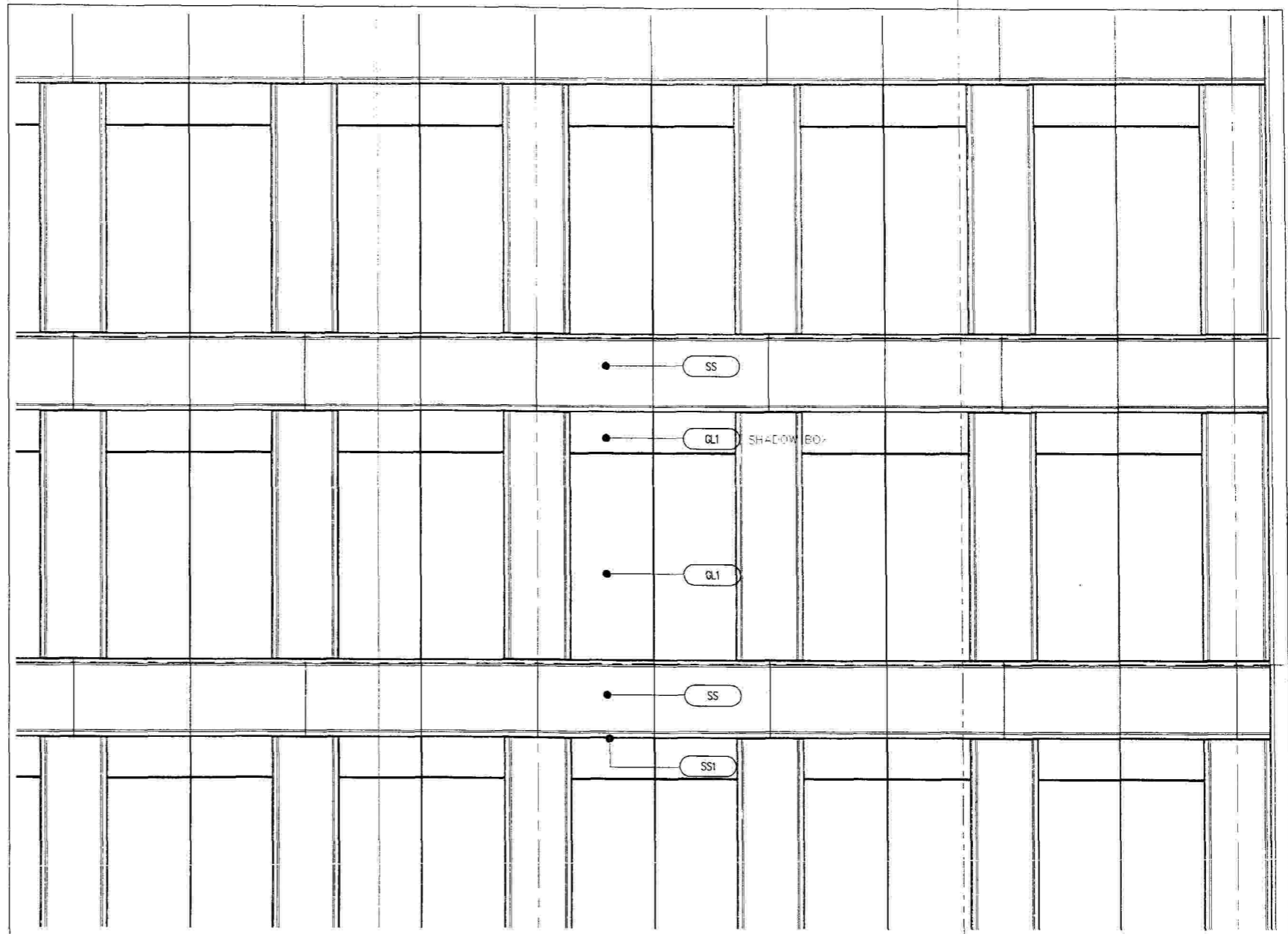
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LEVELS 4F**

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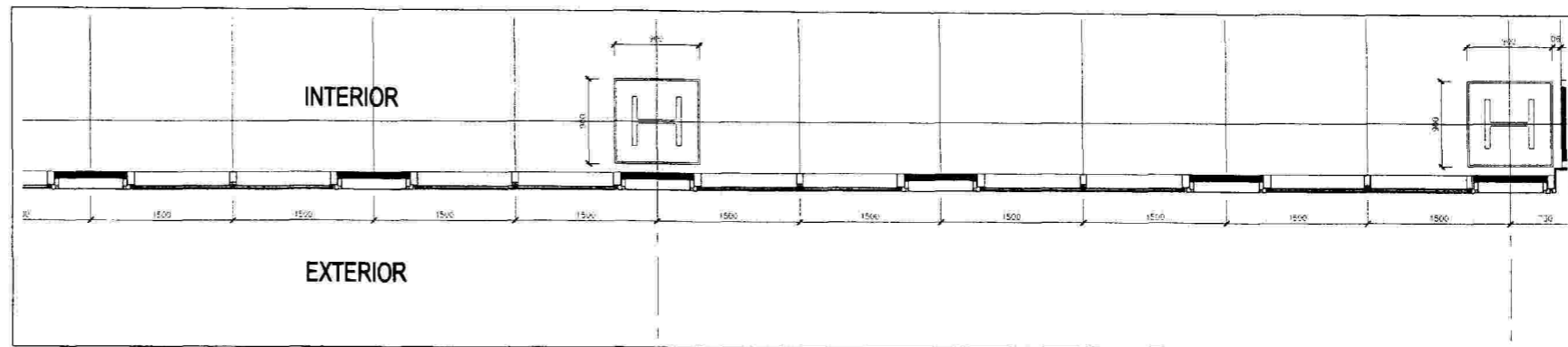




SECTION DETAIL



ELEVATION DETAIL



PLAN DETAIL

DO NOT SCALE DRAWINGS.

no.	date	no.	description
00			ISSUED FOR PLANNING APPLICATION
			MARCH 2003

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SS1	BRUSHED STAINLESS STEEL
GL1	VISION GLASS
TC	TERRA COTTA TUBES

Cesar Pelli & Associates Inc.
1000 Orange Street, New Haven, CT 06510-1212
 Tel: (203) 737-2510 Fax: (203) 737-2514

ALSOPI Planning Number: 41
 Planning Area: London, East and West
 Date: 11/22/2001 10:16:12 AM

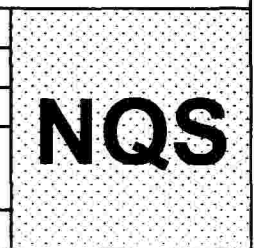
Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

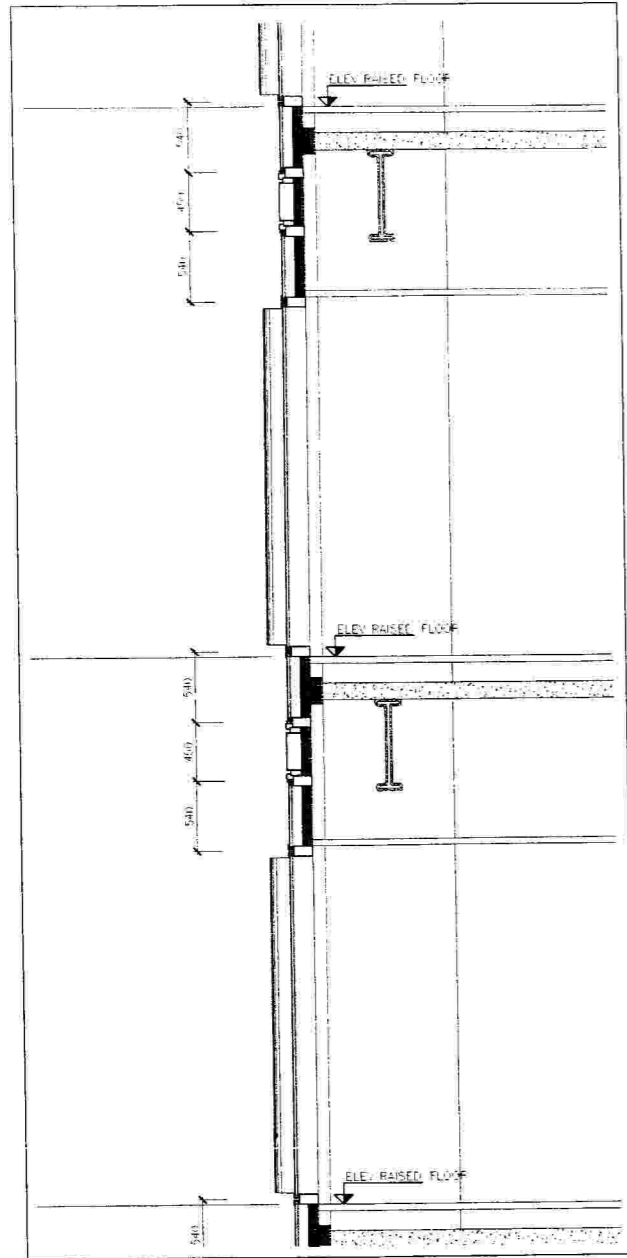
project north
 scale
 keyplan

project: **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

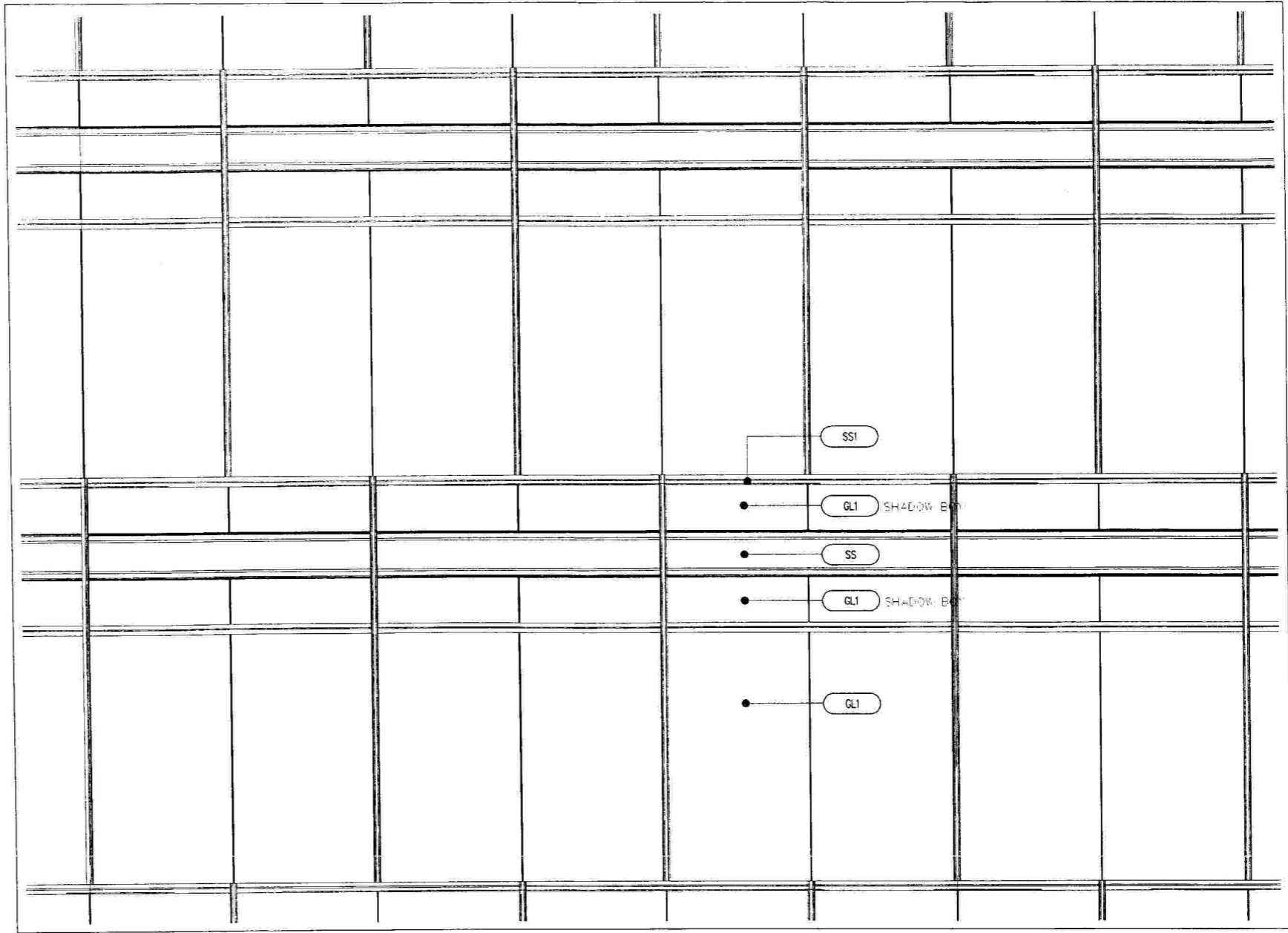
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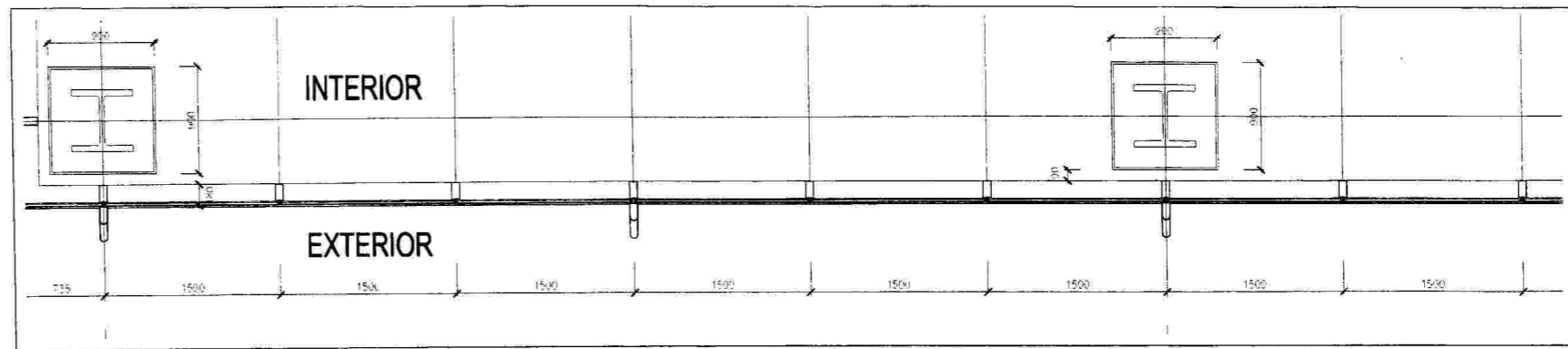




SECTION DETAIL



ELEVATION DETAIL



PLAN DETAIL

DO NOT SCALE DRAWINGS.

no.	description	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

- SS PATTERNED STAINLESS STEEL
- SS1 BRUSHED STAINLESS STEEL
- GL1 VISION GLASS
- TC TERRA COTTA TUBES

Cesar Pelli & Associates Inc.
 175 Broad Street, New York, NY 10038
 Tel: (212) 512-2000 Fax: (212) 512-2001

ALSOP Group of Companies
 100 West Street, New York, NY 10038
 Tel: (212) 512-2000 Fax: (212) 512-2001

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

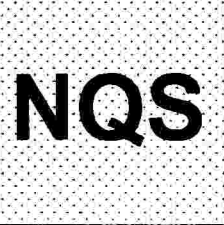
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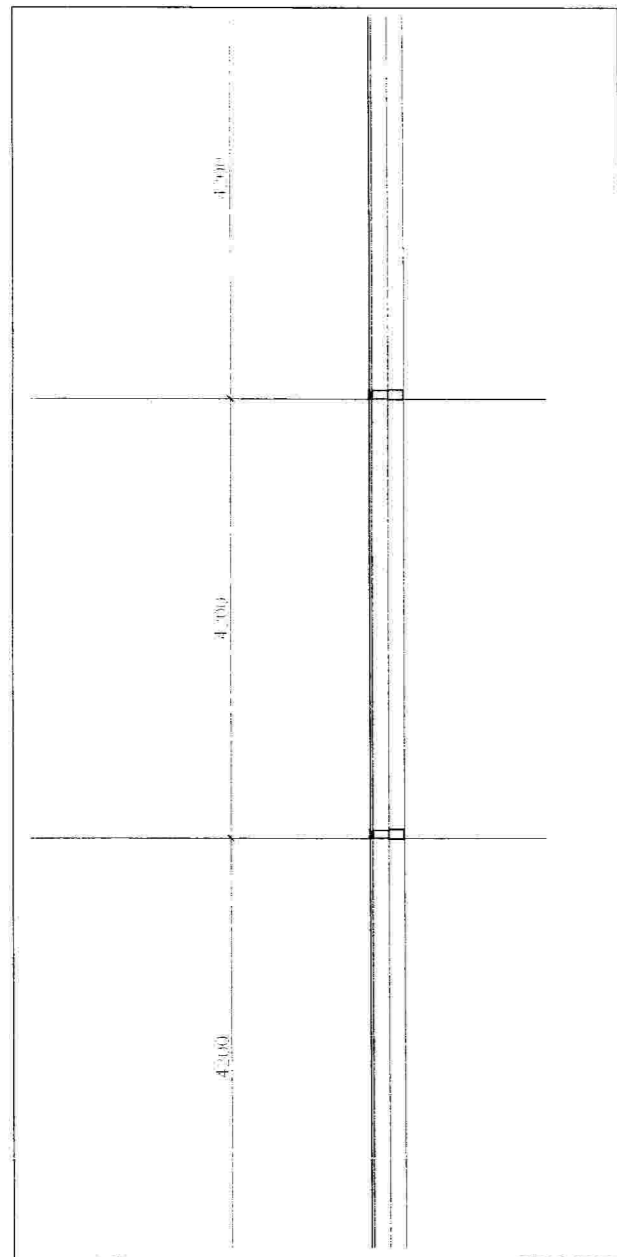
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CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

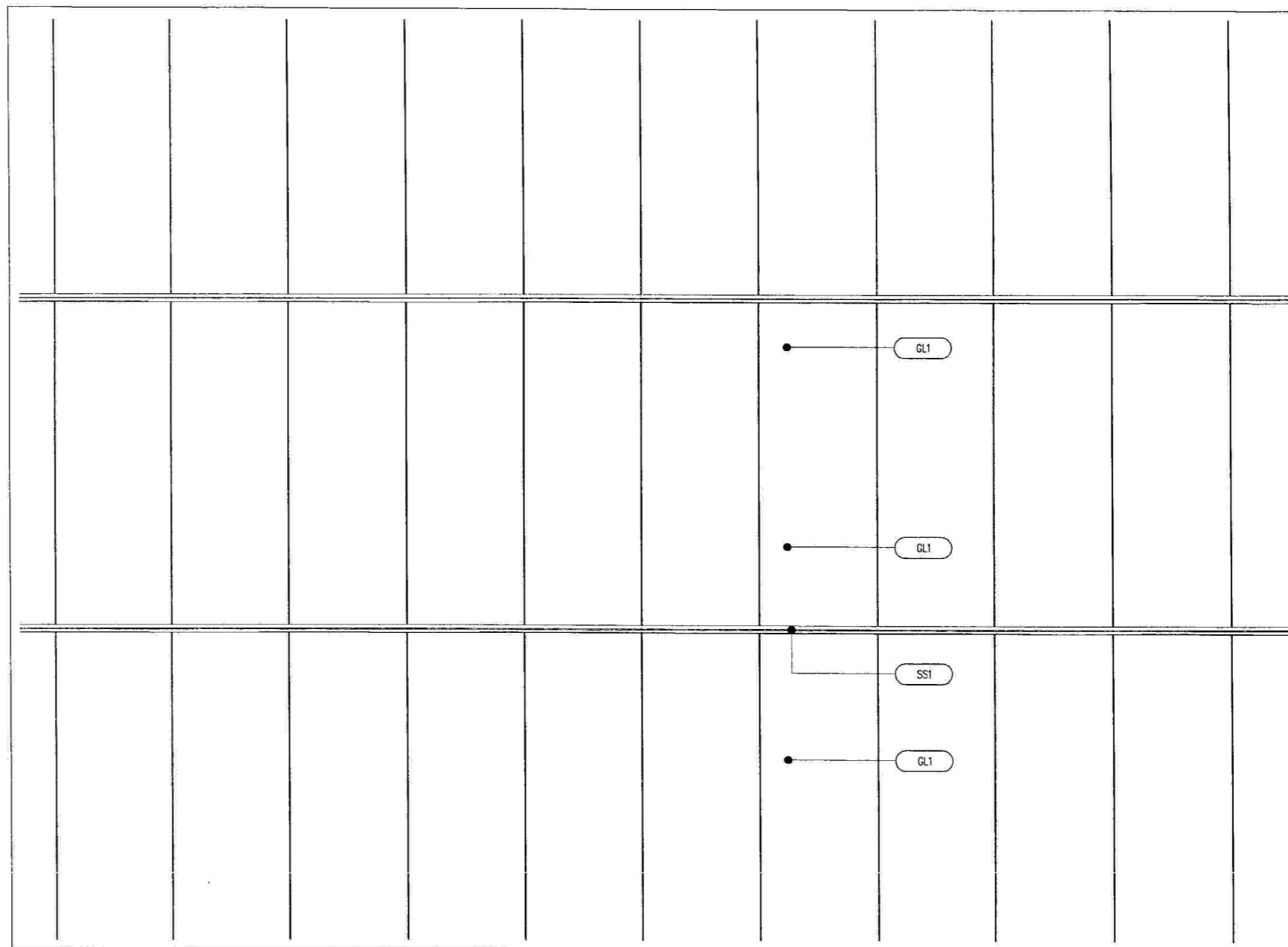
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date 15/10/03	plotdate
drawn by	checked by
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revision 00	

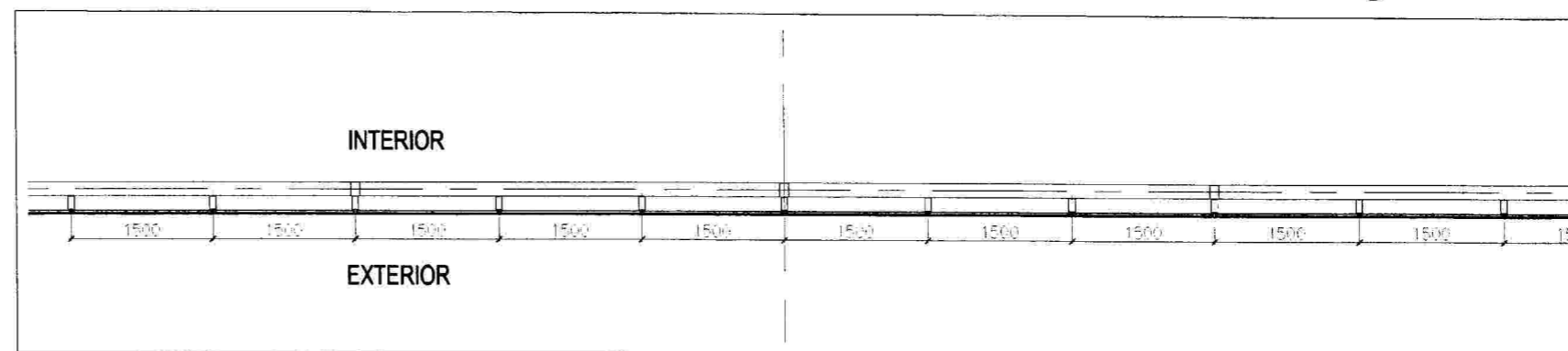




SECTION DETAIL



ELEVATION DETAIL



PLAN DETAIL

DO NOT SCALE DRAWING.

no.	description	date	no.	description	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

- SS PATTERNED STAINLESS STEEL
- SS1 BRUSHED STAINLESS STEEL
- GL1 VISION GLASS
- TC TERRA COTTA TUBES

Cesar Pelli & Associates Inc.
 1000 Bank Street, New York, N.Y. 10017-1010
 Tel: (212) 317-2200 Fax: (212) 317-2247

ALSOP Principal Architect

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

project north
 scale

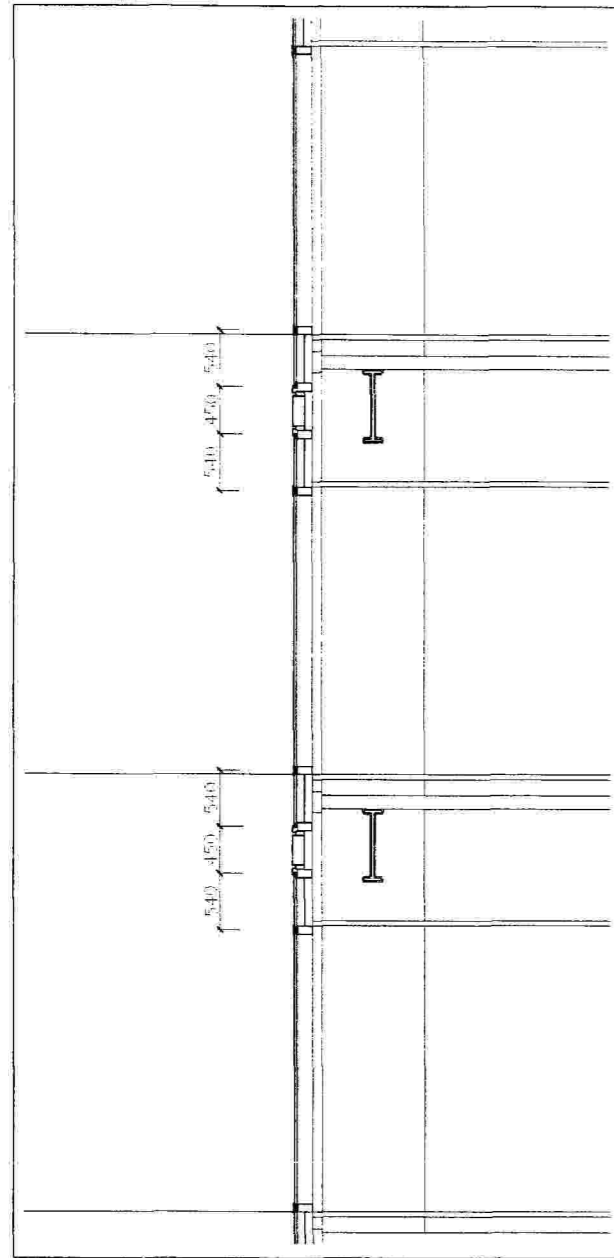
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project
CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

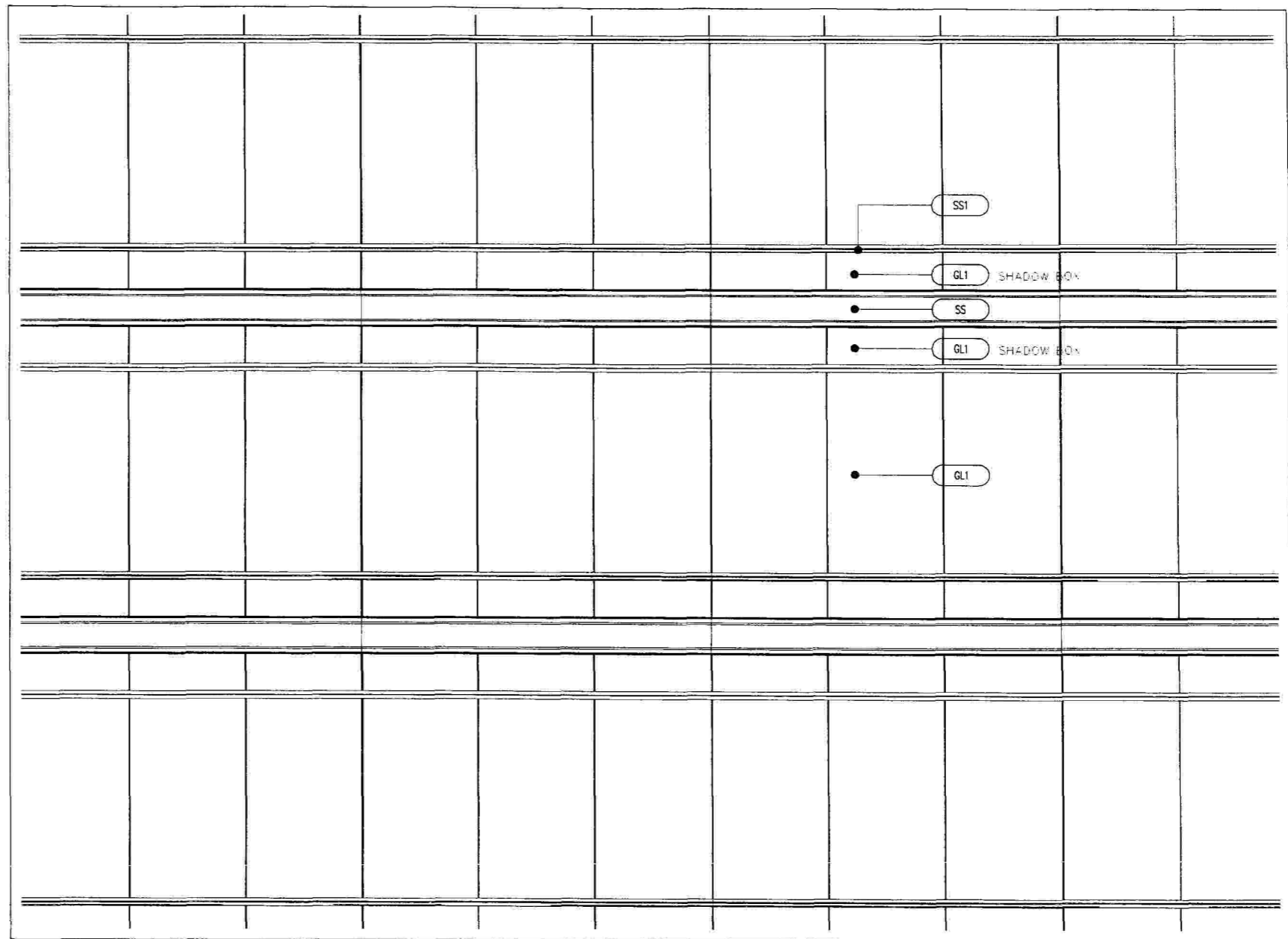
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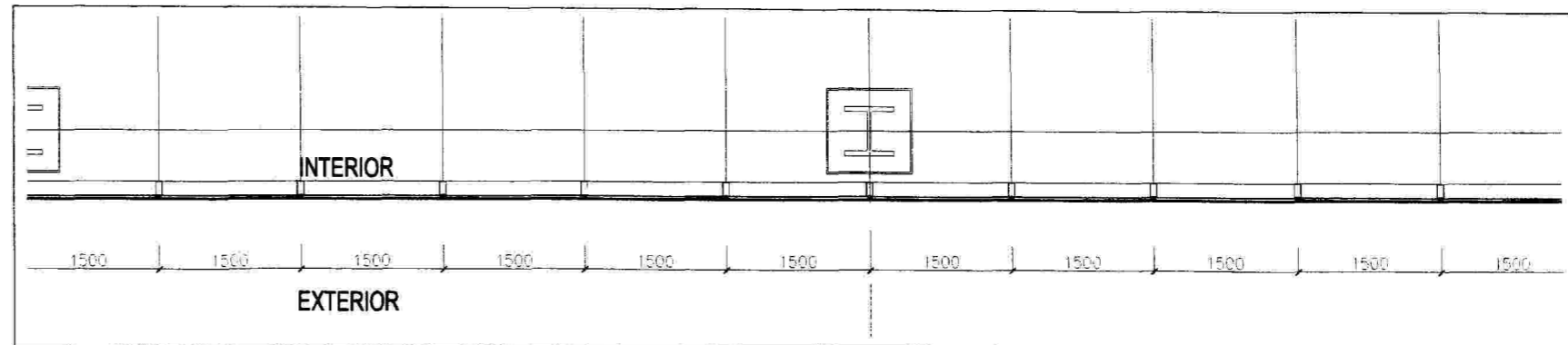




SECTION DETAIL



ELEVATION DETAIL



PLAN DETAIL

DO NOT SCALE DRAWINGS

no.	date	no. issued	date
00	ISSUED FOR PLANNING APPLICATION		MARCH 2003

- SS PATTERNED STAINLESS STEEL
- SS1 BRUSHED STAINLESS STEEL
- GL1 VISION GLASS
- TC TERRA COTTA TUBES

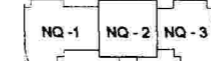
Cesar Pelli & Associates Inc.

ALSOP

Norquill Limited
One Canada Square
Canary Wharf, London E14 9AB



project north



keyplan

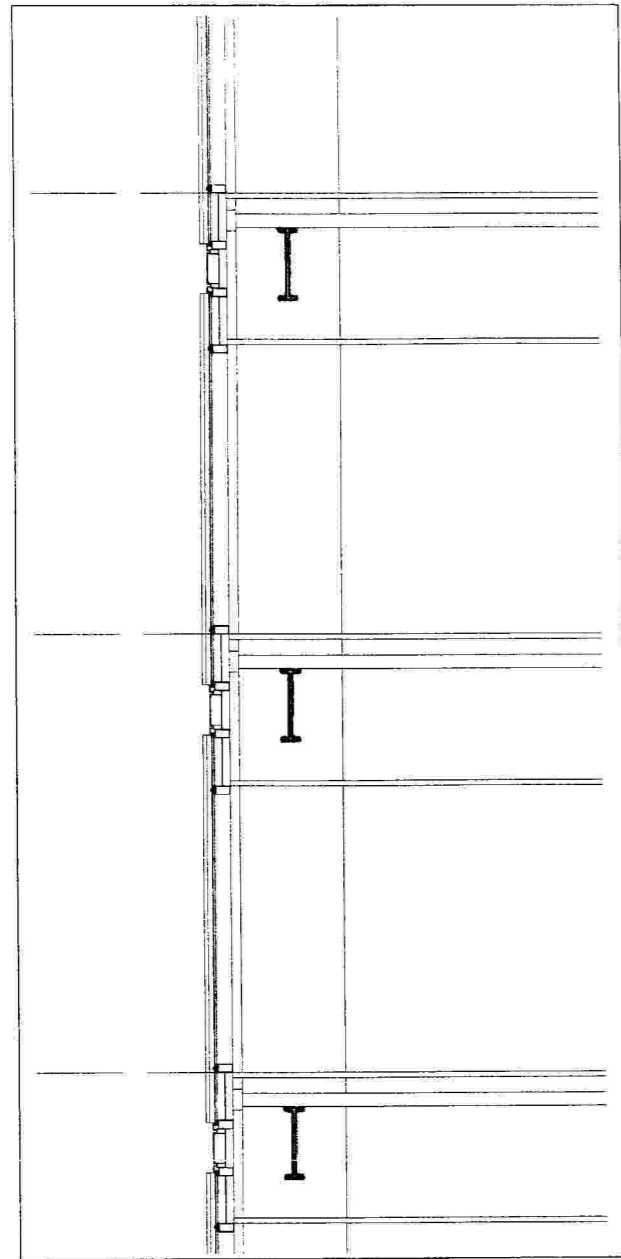


project
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

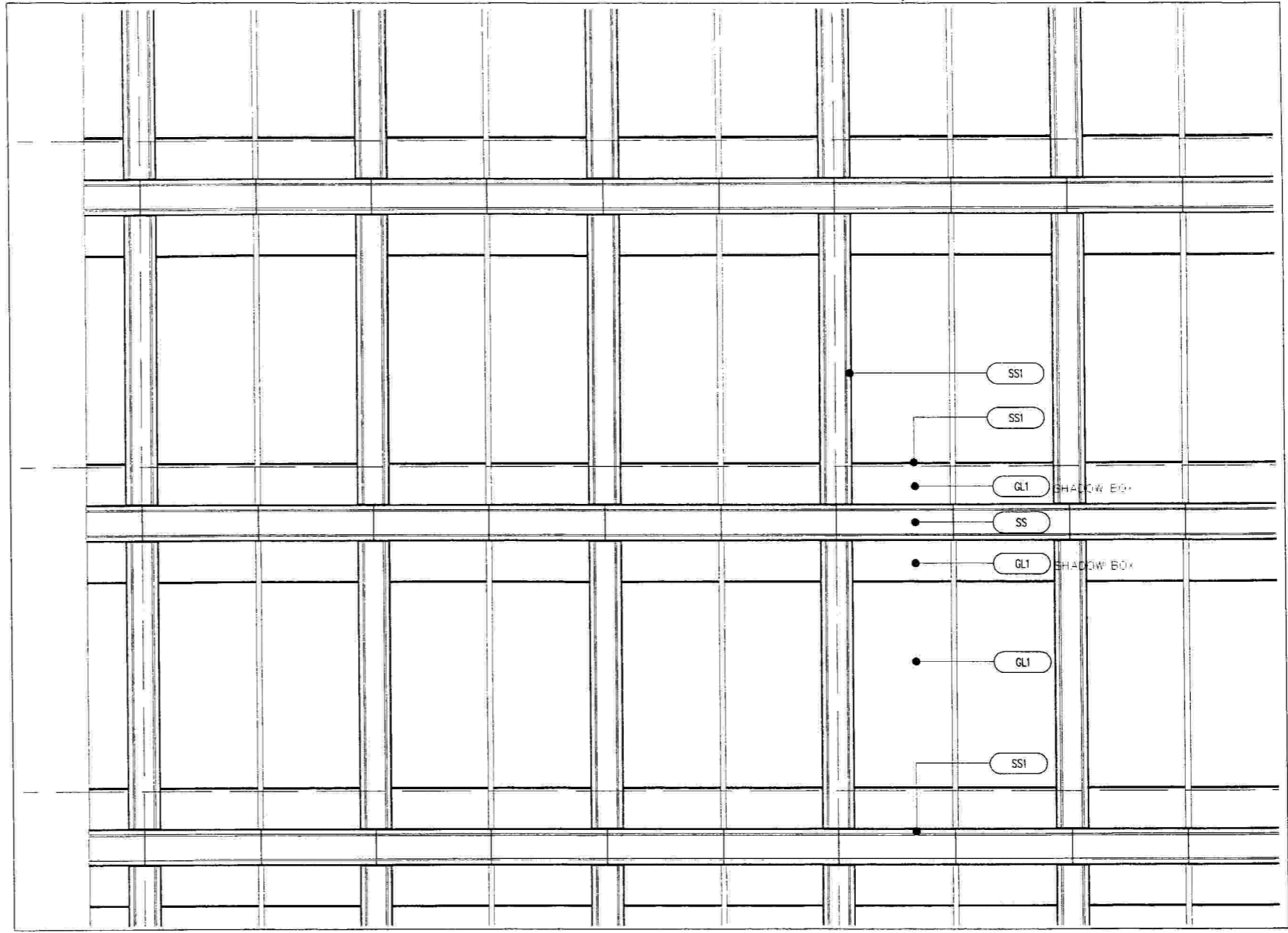
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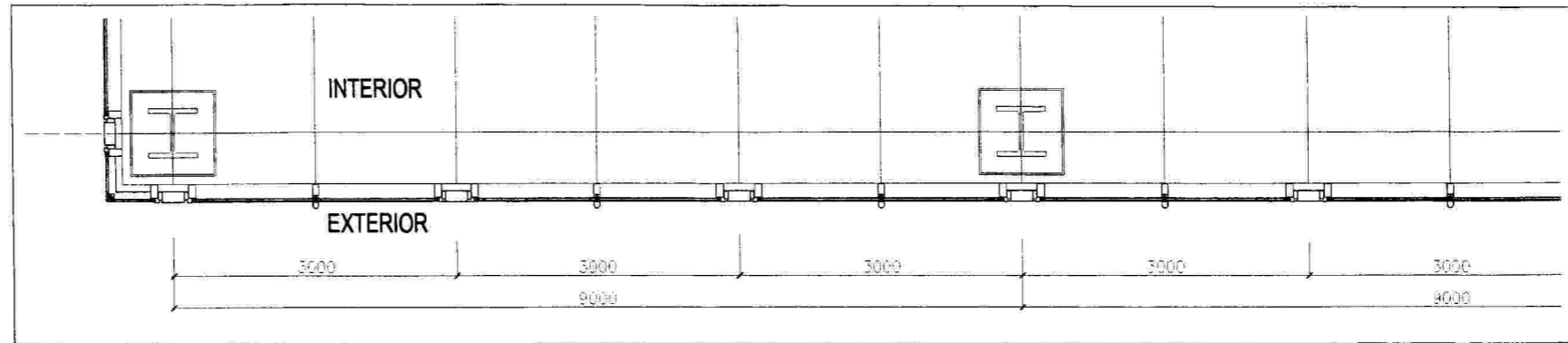
NQS



SECTION DETAIL



ELEVATION DETAIL



PLAN DETAIL

DO NOT SCALE DRAWINGS

NO.	DATE	BY	REVISION

- SS PATTERNED STAINLESS STEEL
- SS1 BRUSHED STAINLESS STEEL
- GL1 VISION GLASS
- TC TERRA COTTA TUBES

Cesar Pelli & Associates Inc.

100 CANADA SQUARE, SUITE 1200, TORONTO, ONTARIO M5V 2C4
 TEL: (416) 593-2222 FAX: (416) 593-2225

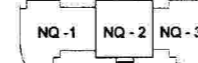
ALSOP ARCHITECTS

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB



project north

scale



key plan

project

CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

drawing title

TYPE 'BI' CURTAIN WALL GENERAL LAYOUT

date

18.12.00

plotted

drawn by

checked by

project number

0229-00

scale

1:25 @ A0

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PS6905

location

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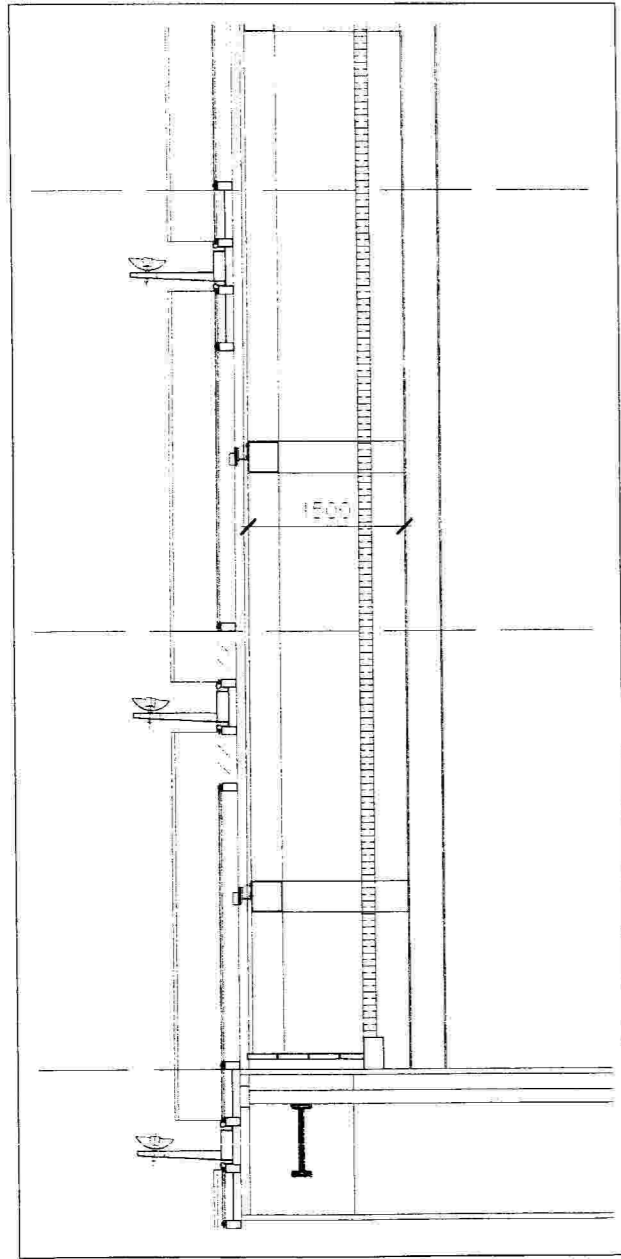
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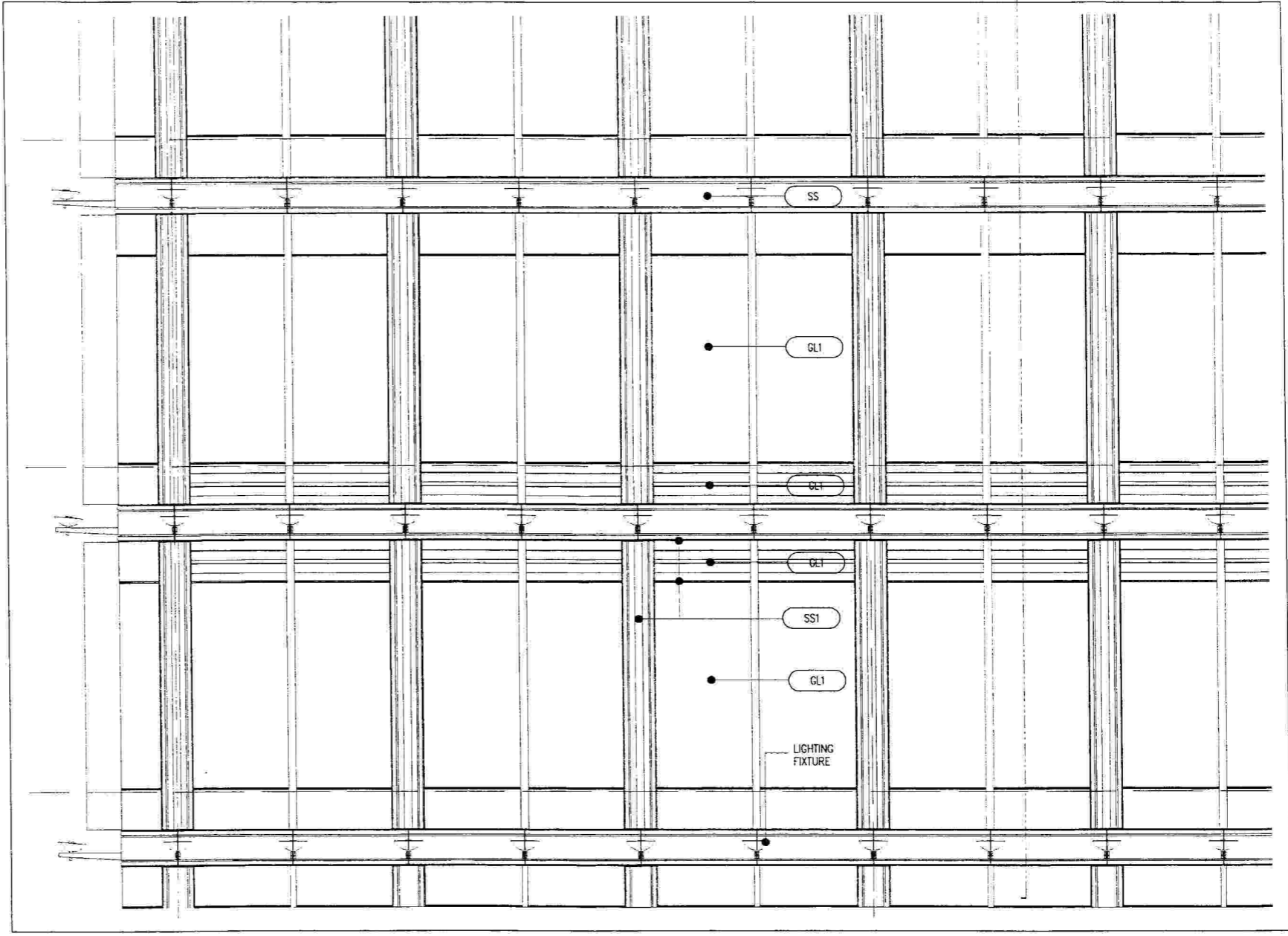
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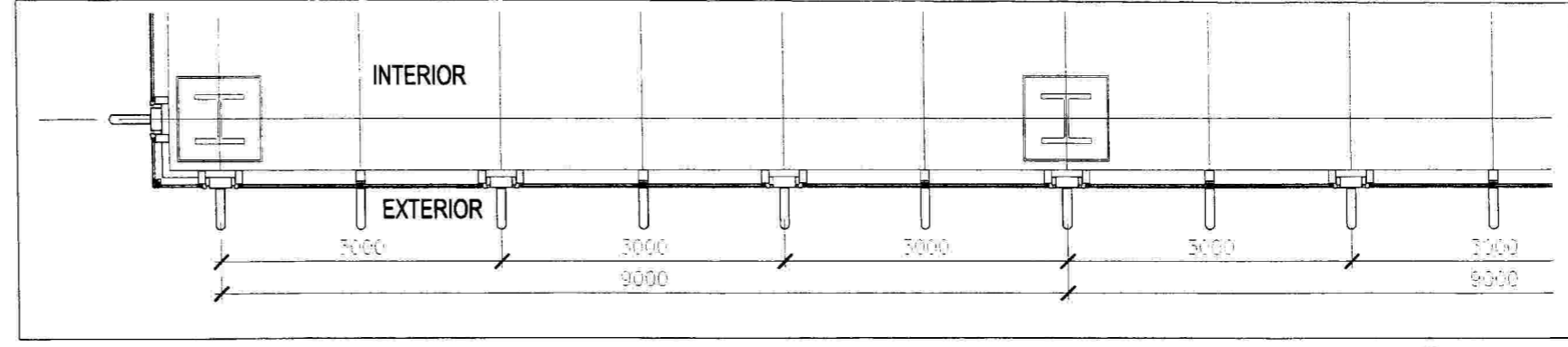
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SECTION DETAIL



ELEVATION DETAIL



PLAN DETAIL

DO NOT SCALE DRAWINGS

NO.	DATE	BY	ISSUED FOR	DATE
			ISSUED FOR PLANNING APPLICATION	MARCH 2003

- SS PATTERNED STAINLESS STEEL
- SS1 BRUSHED STAINLESS STEEL
- GL1 VISION GLASS
- TC TERRA COTTA TUBES

Cesar Pelli & Associates Inc.

1000 West Street, New York, NY 10020-1090
Tel: 212 512 2000 Fax: 212 512 2001

ALSOP Architects Inc. 400 West 12th Street, New York, NY 10019-1001

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

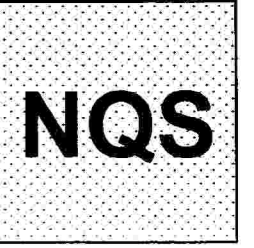
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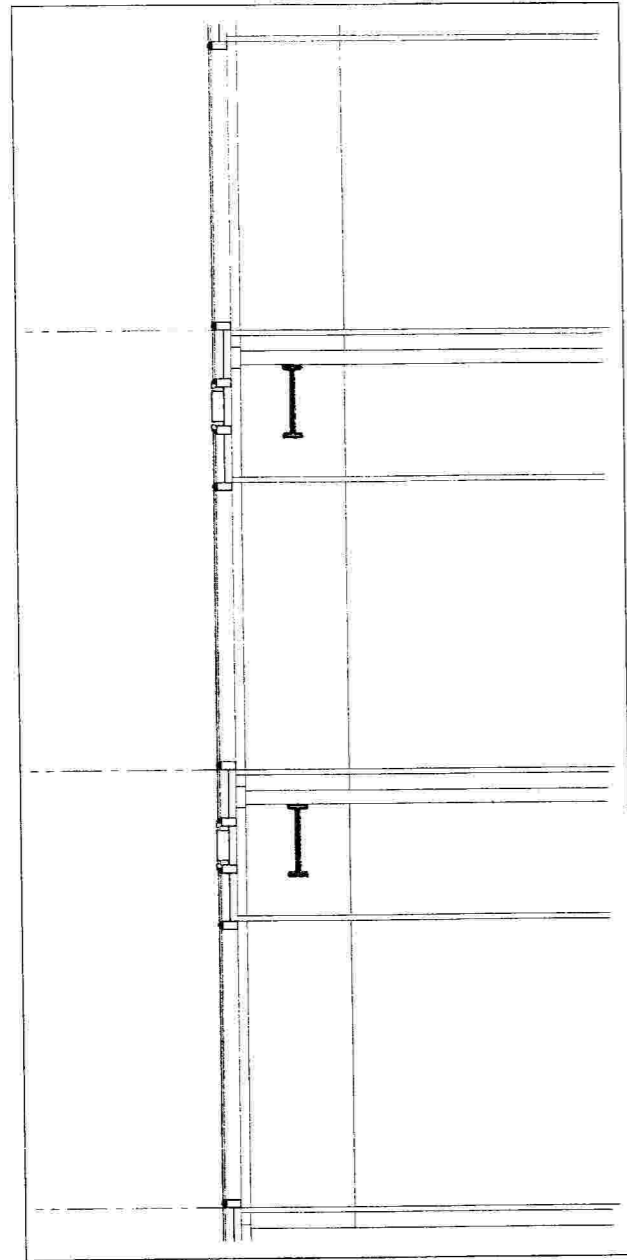
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NQ-1 NQ-2 NQ-3

project
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

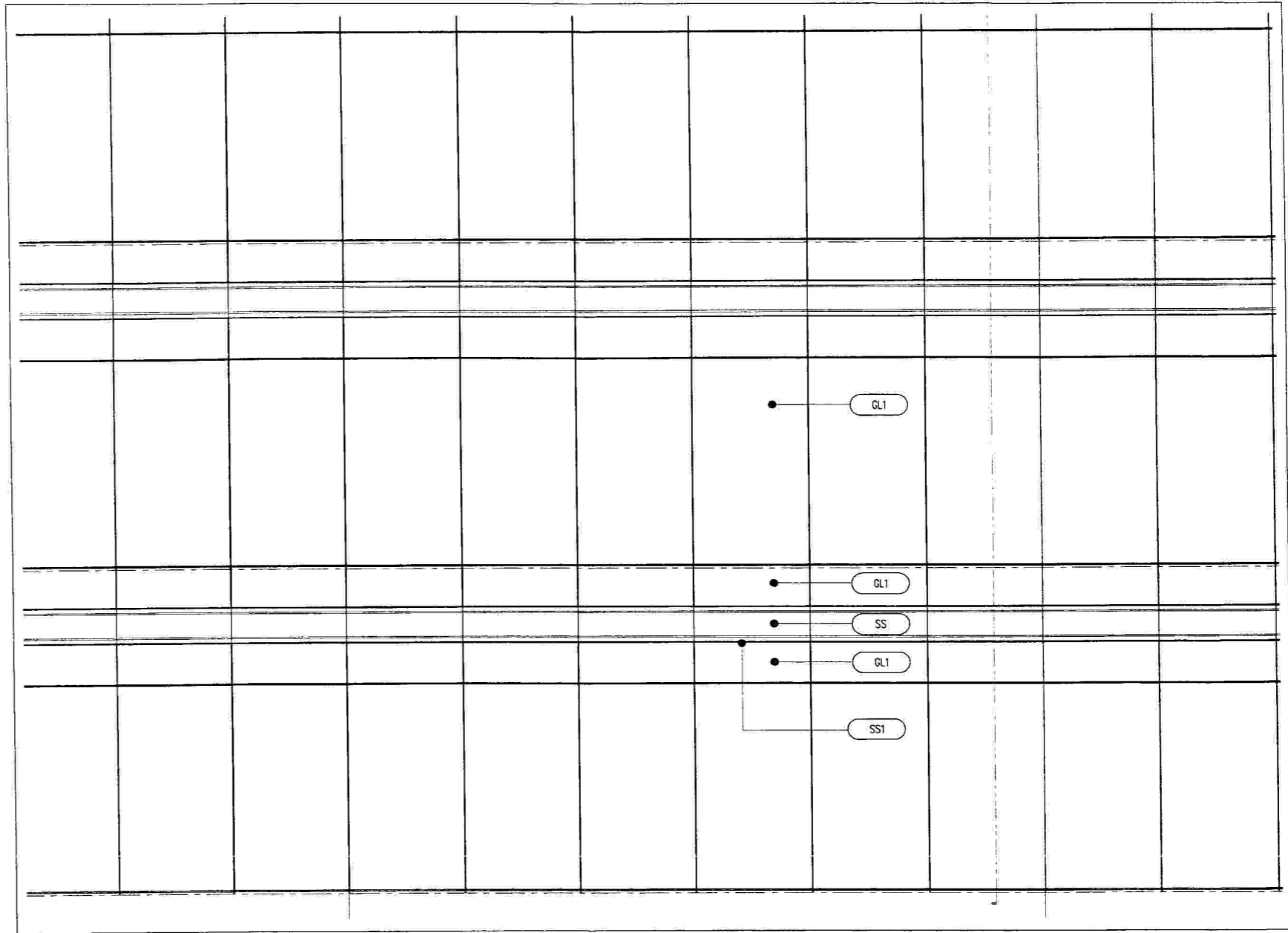
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date 18/12/02	plotted
drawn by	checked by
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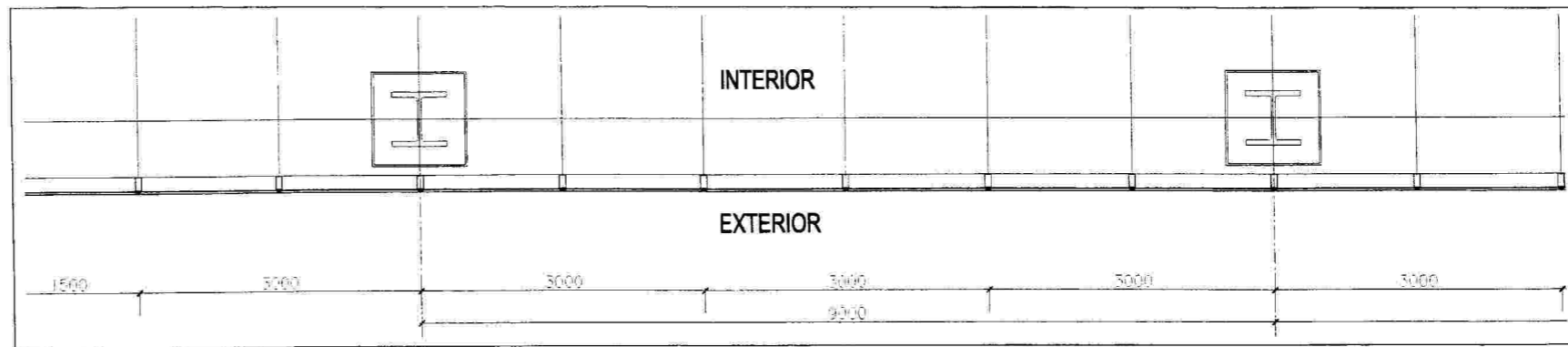




SECTION DETAIL



ELEVATION DETAIL



PLAN DETAIL

DO NOT SCALE DRAWINGS

NO.	ISSUED	DATE	NO. ISSUED	DATE

- SS PATTERNED STAINLESS STEEL
- SS1 BRUSHED STAINLESS STEEL
- GL1 VISION GLASS
- TC TERRA COTTA TUBES

Cesar Pelli & Associates Inc.

200, Queen Street West, Suite 1100, Toronto, Ontario M5H 1G8
Tel: (416) 921-1111 Fax: (416) 921-1111

ALSOP Architects Inc.
Architects, Engineers, Planners
100 King Street West, Suite 1100, Toronto, Ontario M5X 1C4
Tel: (416) 593-9393 Fax: (416) 593-9394

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB

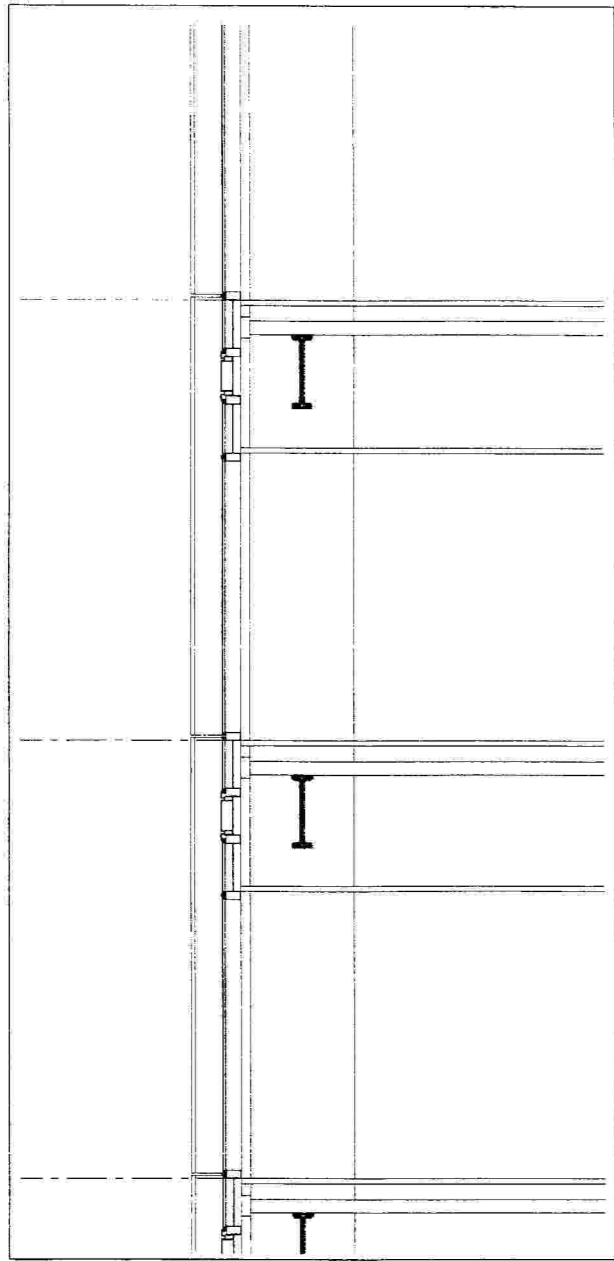


CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

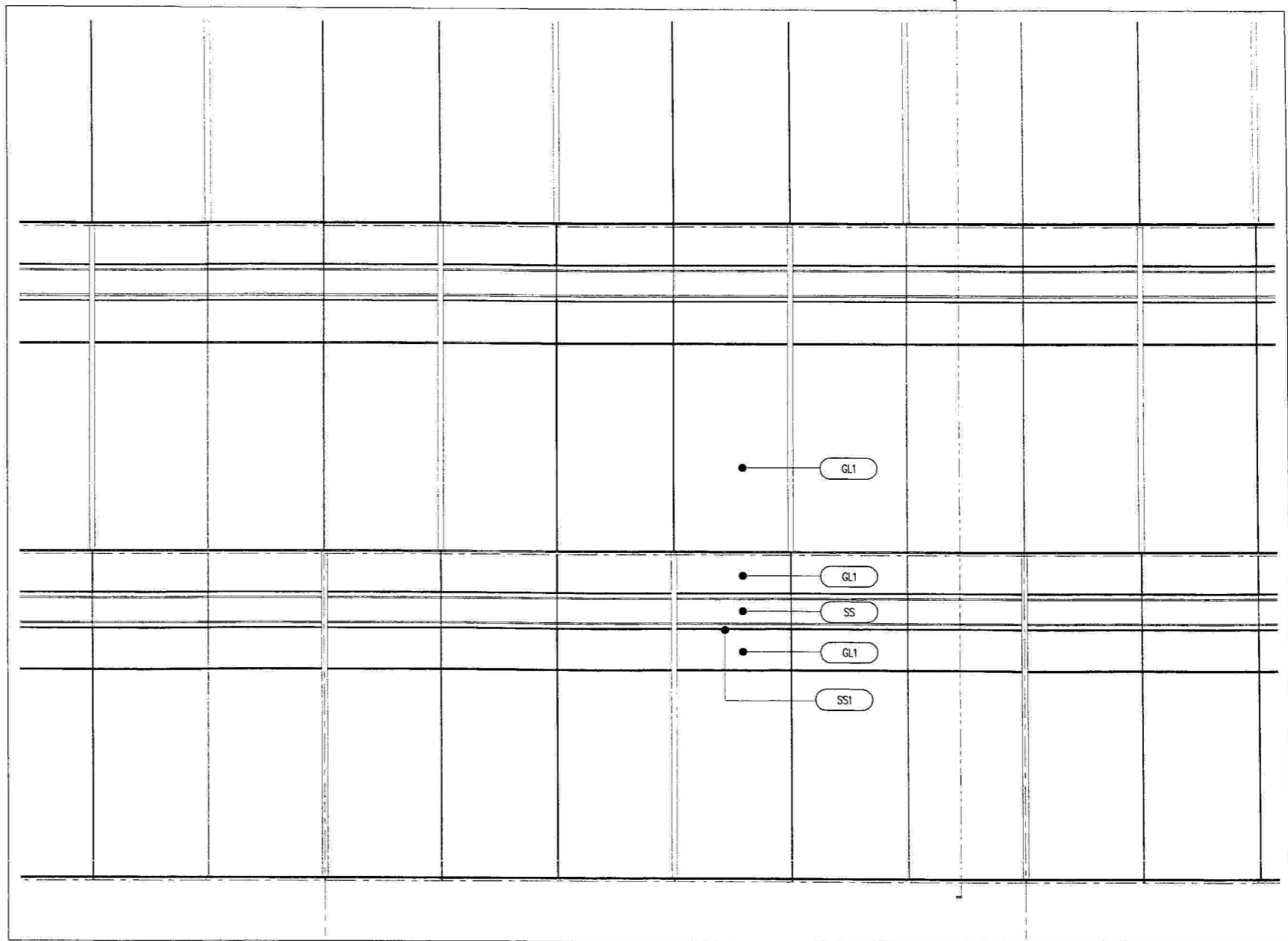
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GENERAL LAYOUT

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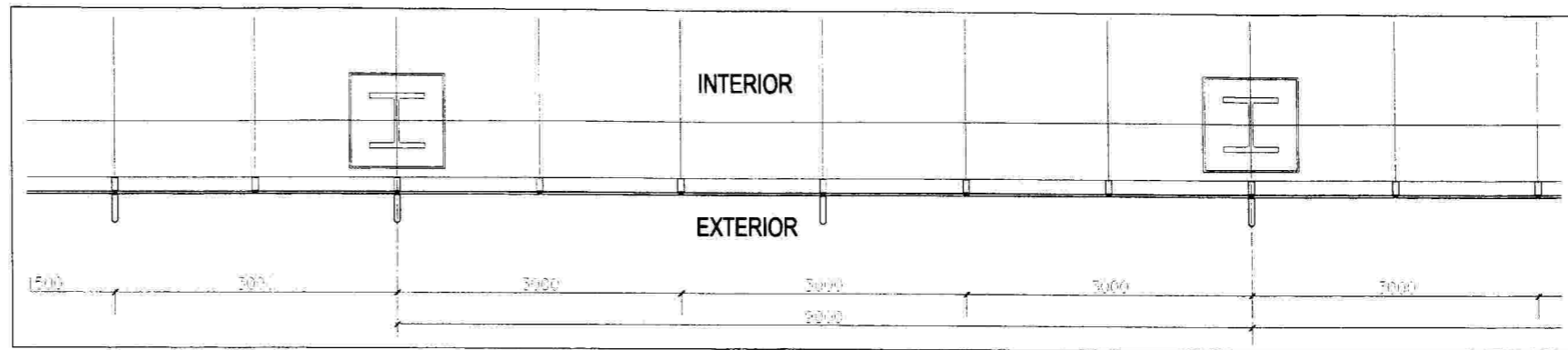
NQS



SECTION DETAIL



ELEVATION DETAIL



PLAN DETAIL

DO NOT SCALE DRAWINGS

no.	description	date	no.	description	date

ISSUED FOR PLANNING APPLICATION MARCH 2003

- SS - PATTERNED STAINLESS STEEL
- SS1 - BRUSHED STAINLESS STEEL
- GL1 - VISION GLASS
- TC - TERRA COTTA TUBES

Cesar Pelli & Associates Inc.

1000 General Street, New York, NY 10038
 Tel: (212) 717-2611 Fax: (212) 717-2194

ALSOP PARTNERSHIP

Norquill Limited
 One Canada Square
 Canary Wharf, London, E14 5AB

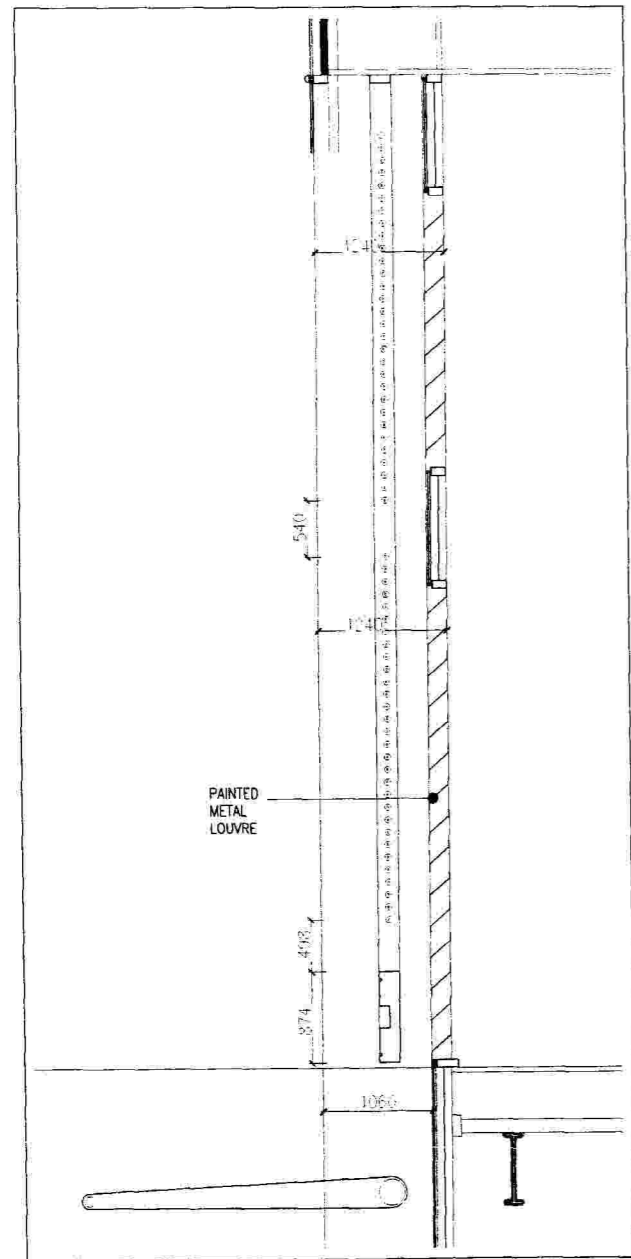
project north
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project **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

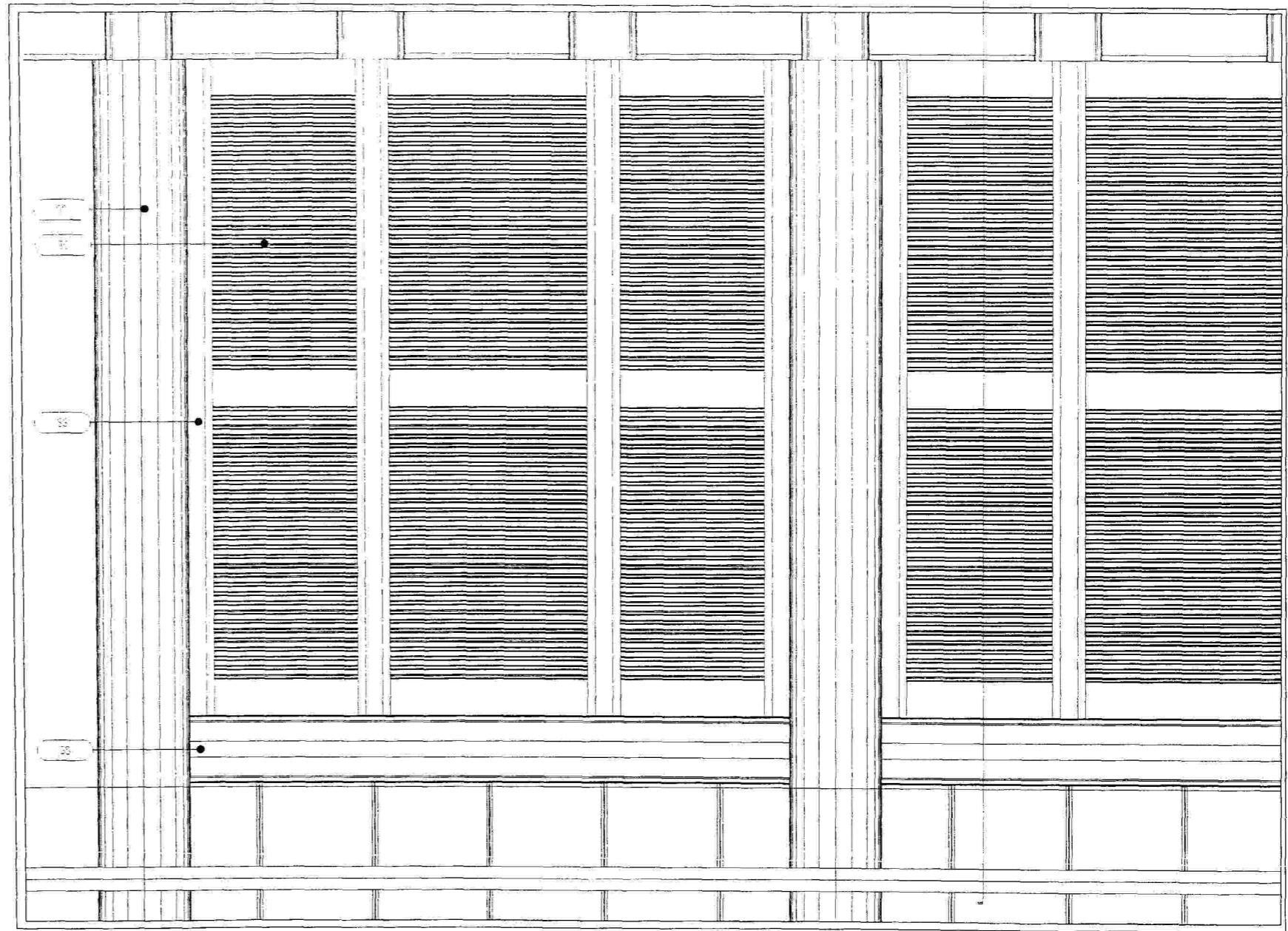
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date 18/03/03	plotdate
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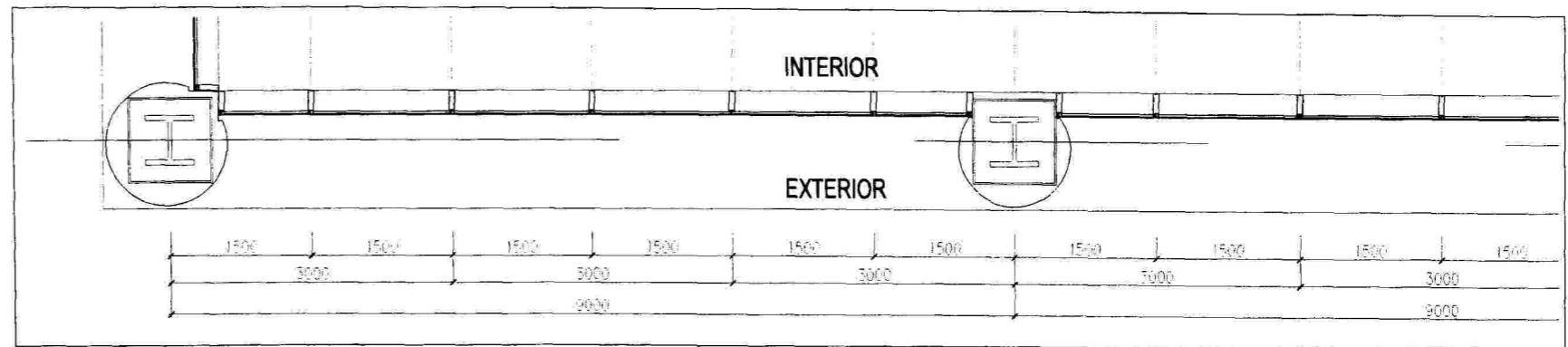




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ELEVATION DETAIL



PLAN DETAIL

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ISSUED FOR PLANNING APPLICATION MARCH 2003

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SS1	BRUSHED STAINLESS STEEL
GL1	VISION GLASS
TC	TERRA COTTA TUBES

Cesar Pelli & Associates Inc.
1275 Queen Street, New York, NY 10020-1851
 Tel: (212) 774-2000 Fax: (212) 774-2000

ALSOP Architecture
1000 Avenue of the Americas, New York, NY 10020-1801
 Tel: (212) 512-2000 Fax: (212) 512-2001

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

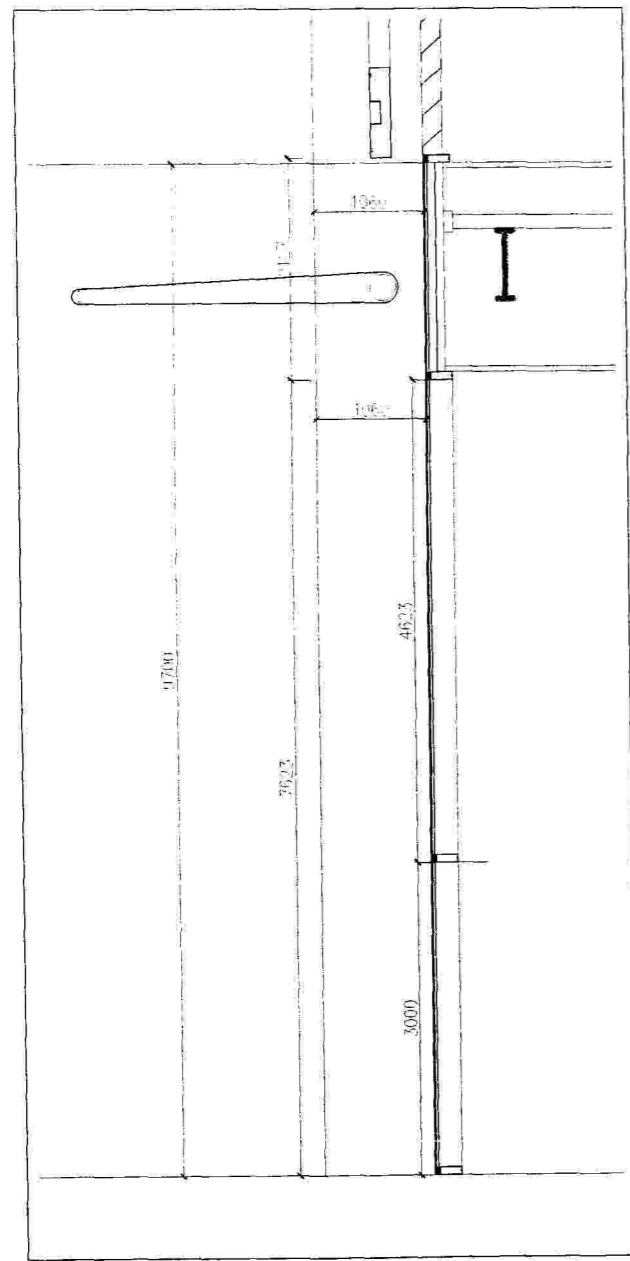
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CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT

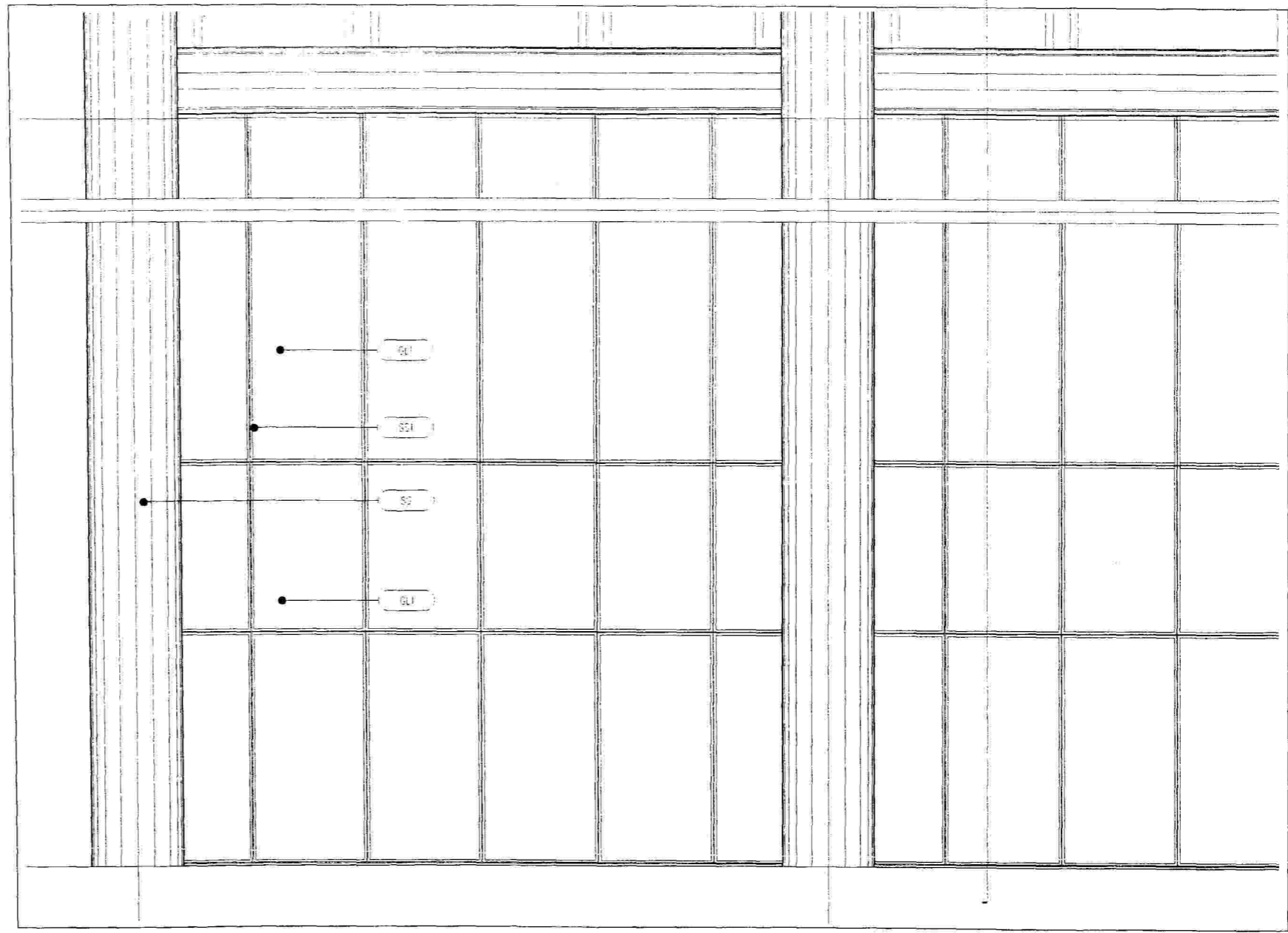
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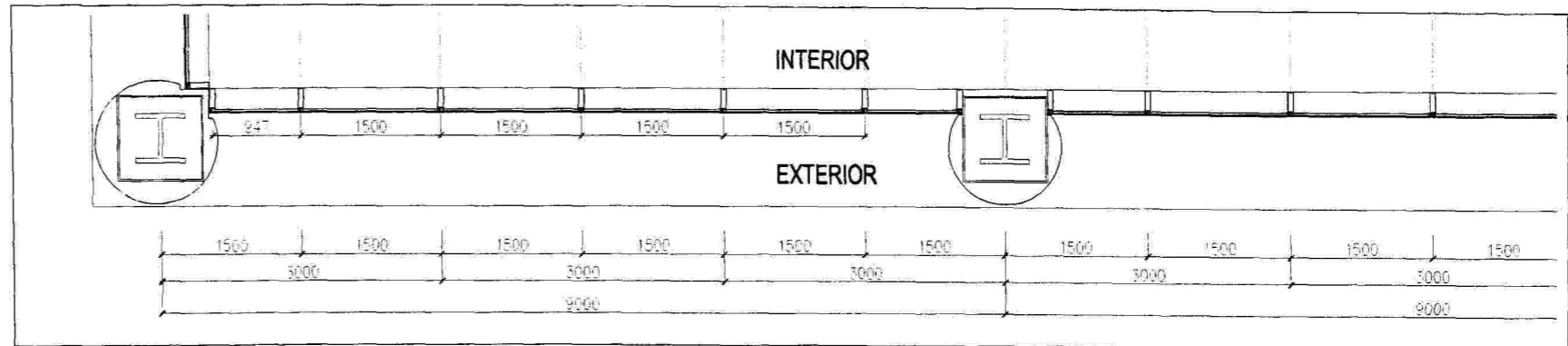




SECTION DETAIL



ELEVATION DETAIL



FLOOR DETAIL

DO NOT SCALE DRAWINGS

NO	REVISION	DATE	ISSUED FOR PLANNING APPLICATION	DATE
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- SS PATTERNED STAINLESS STEEL
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- GL1 VISION GLASS
- TC TERRA COTTA TUBES

Cesar Pelli & Associates Inc.

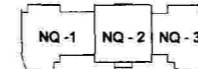
1074 Queen Street West, Suite 400, Toronto, Ontario M5S 1A7
Tel: 416-977-2995 Fax: 416-977-7024

ALSOP Project Architect
2000 Bay Street, Suite 2000, Toronto, Ontario M5G 1S2
Tel: 416-921-1234 Fax: 416-921-1235

Norquill Limited
One Canada Square
Canary Wharf, London E14 5AB



project north
scale



keyplan

project

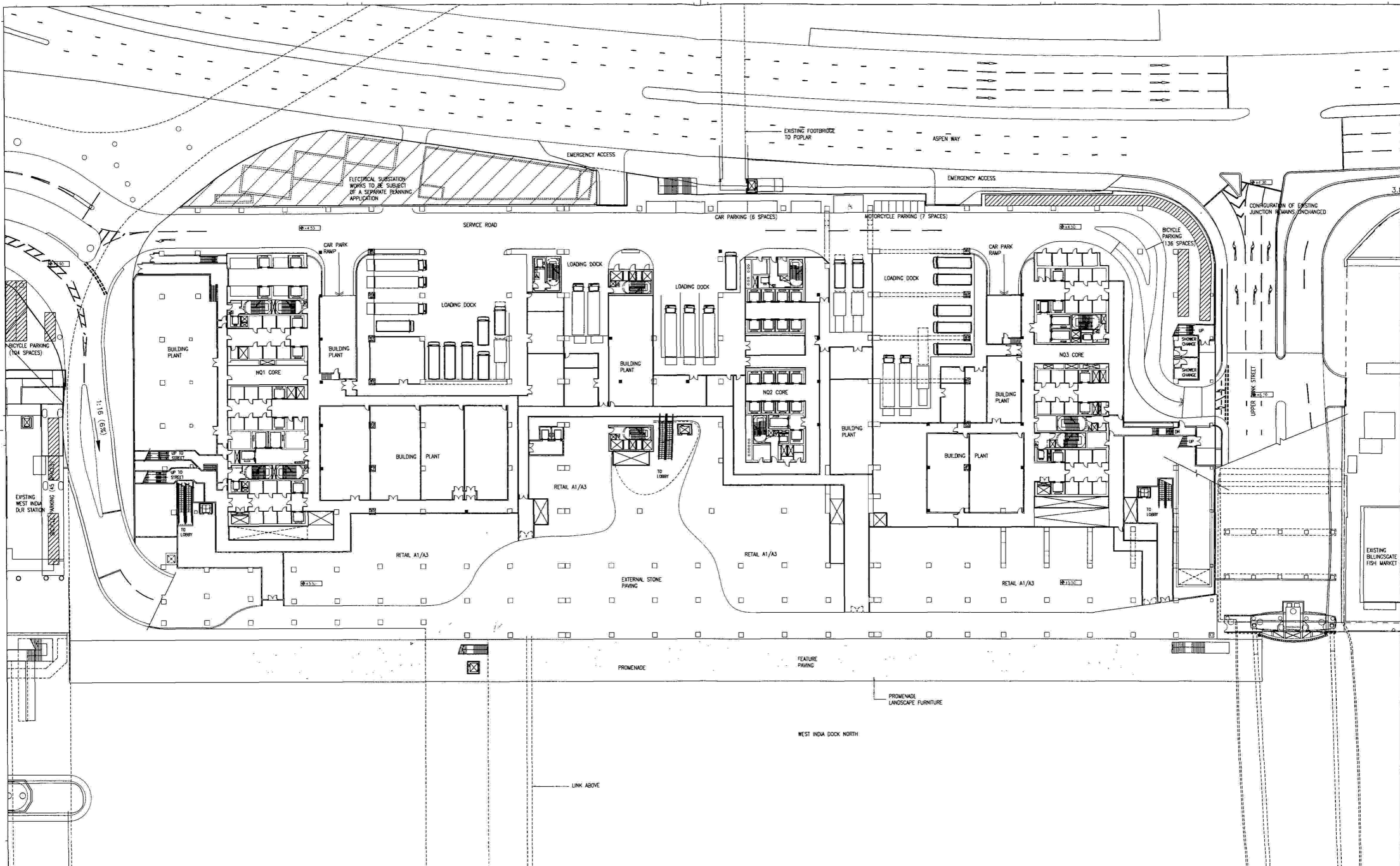
CANARY WHARF NORTH QUAY
APPLICATION FOR PLANNING CONSENT

drawing title

TYPE 'H'
CURTAIN WALL
GENERAL LAYOUT

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NQS

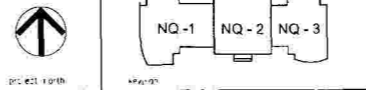


notes
 DETAILS OF HARD AND SOFT LANDSCAPING ELEMENTS AND ASSOCIATED STRUCTURES AS SHOWN IN THIS DRAWING ARE ILLUSTRATIVE ONLY

17	DATE FOR PLANNING APPLICATION	SEPTEMBER 2008
18	ISSUED FOR PLANNING APPLICATION	WWS-2.63

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 Canary Wharf, London E14 5AB

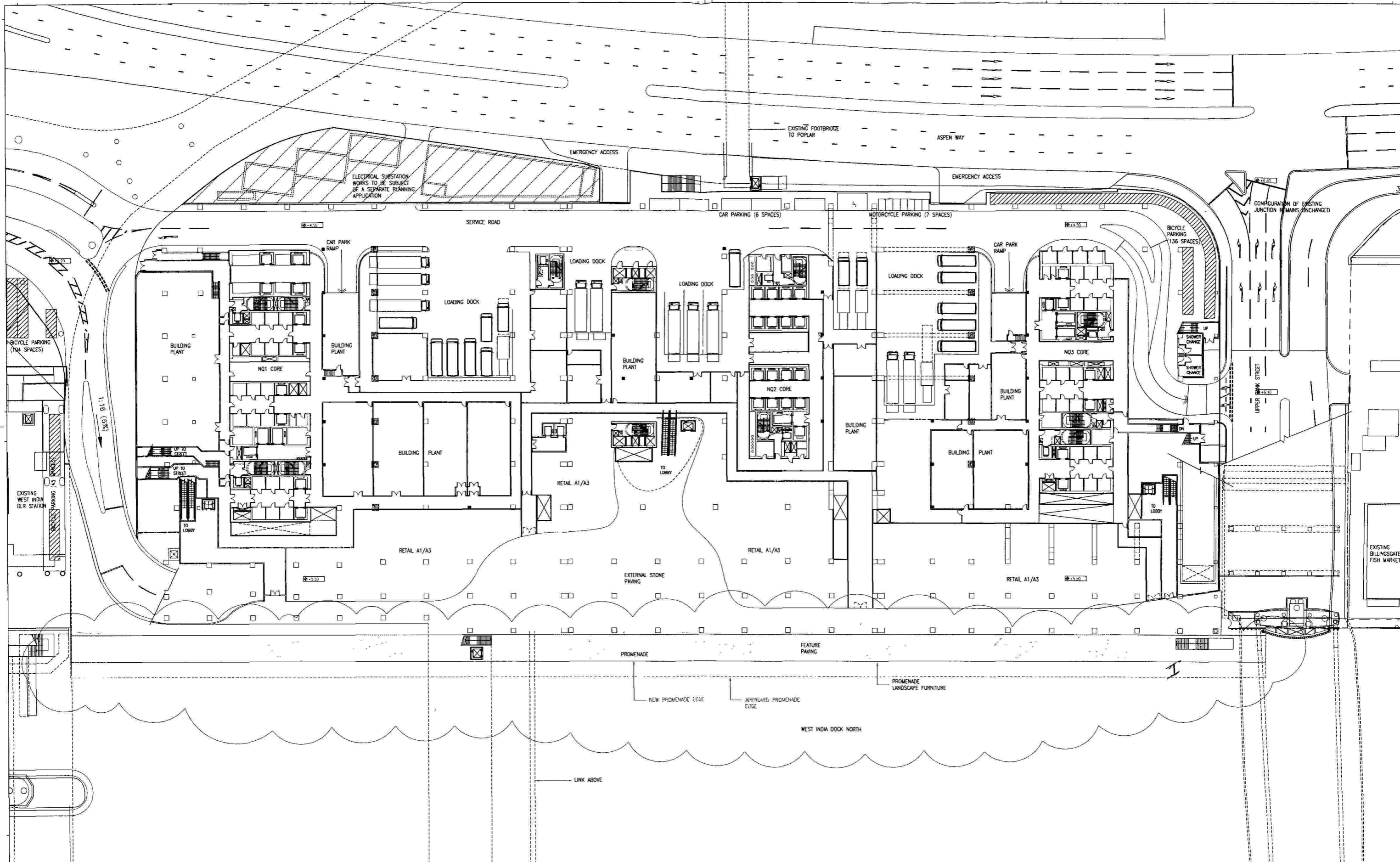
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CANARY WHARF NORTH QUAY
 APPLICATION FOR PLANNING CONSENT



drawing title
FLOOR PLAN PROMENADE LEVEL

date	18.12.07	project	
drawn by		checked by	OR
project number	E219 00	scale	1:250 @ A3
drawing no.	PS6799		
location		sheet no.	21

NQS



NO.	REVISIONS	DATE
1	PROMENADE ADJUSTED	AUG 2008
2	D.P. DETAILS QUATION AMENDMENTS	SEPTEMBER 2009
3	REVISED FOR T.Y.S. APPLICATION	NOVEMBER 2009

NOTES
 DETAILS OF HARD AND SOFT LANDSCAPING ELEMENTS AND ASSOCIATED STRUCTURES AS SHOWN IN THIS DRAWING ARE ILLUSTRATIVE ONLY.
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Cesar Pelli & Associates Inc.
 100 Broad Street, Suite 2000, New York, NY 10004
 212 693 6000
 www.cesarpedli.com

ALSOP
 100 Broad Street, Suite 2000, New York, NY 10004
 212 693 6000
 www.alsop.com

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑
 NORTH

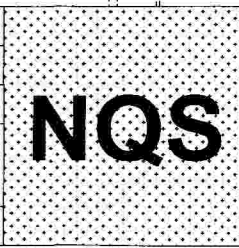
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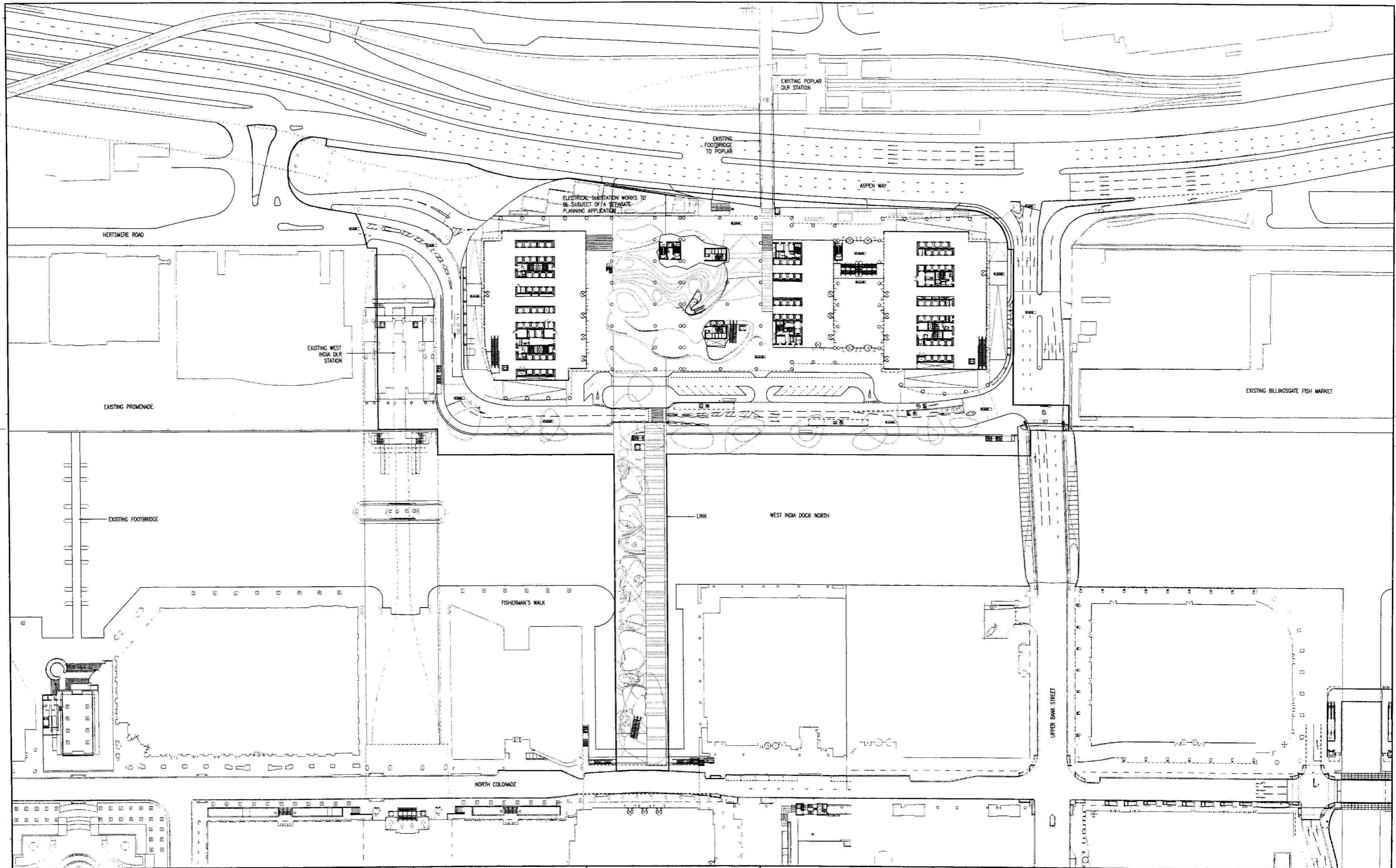
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project: **CANARY WHARF NORTH QUAY**
APPLICATION FOR PLANNING CONSENT

drawing title: **FLOOR PLAN PROMENADE LEVEL**

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DRAWING NO: PS6799	
PROJECT NO: 1.33	DOCUMENT CONTROL NUMBER: 06799
REVISION: 02	





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NO.	DATE	BY	REASON

ISSUED FOR PLANNING APPLICATION MARCH 2003

NOTES
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Cesar Pelli & Associates Inc.

1100 Avenue of the Americas, New York, NY 10020-1097
 Tel: 212 512 2518 Fax: 212 512 1617

ALSOPI 100 Old Broad Street, London EC2A 4DP
 Tel: 020 7554 4000 Fax: 020 7554 4001

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

↑
 project north

keyplan
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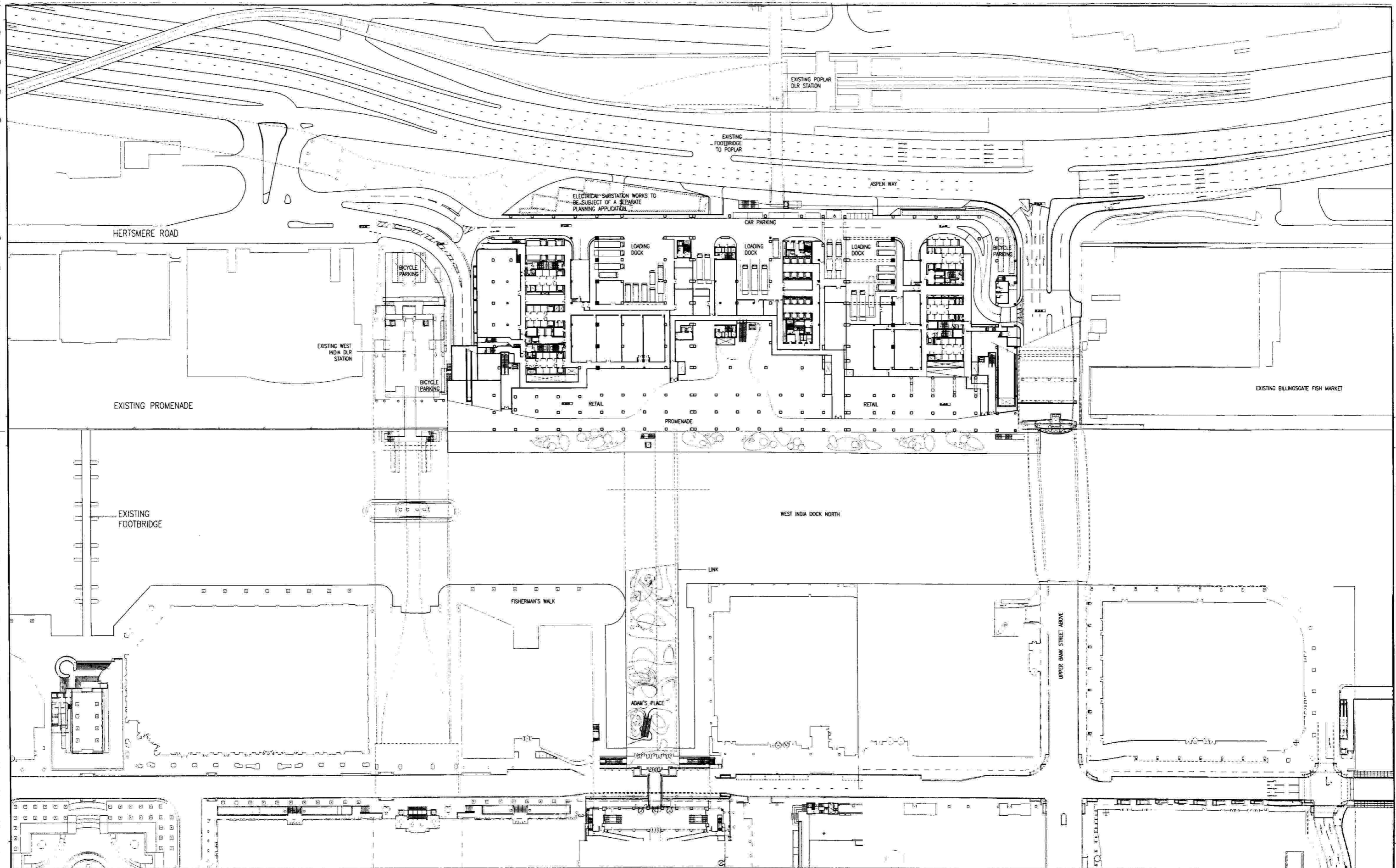
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project: **CANARY WHARF NORTH QUAY**
 APPLICATION FOR PLANNING CONSENT

drawing title: **SITE PLAN - GROUND LEVEL**

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drawn by:	checked by:
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location: 600	document control number: S6795
revision: 00	

NQS



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REVISIONS NO. DATE BY REASON 00 ISSUED FOR PLANNING APPLICATION MARCH 2003 01 ISSUED FOR PLANNING APPLICATION MARCH 2003			

NOTES
 DETAILS OF HARD AND SOFT LANDSCAPING ELEMENTS AND ASSOCIATED STRUCTURES AS SHOWN IN THIS DRAWING ARE ILLUSTRATIVE ONLY

Cesar Pelli & Associates Inc.
1000 LIGHT STREET NEW YORK, N.Y. 10010
 TEL: (212) 200-6000 FAX: (212) 200-6001

ALSOP INCORPORATED
 1000 LIGHT STREET NEW YORK, N.Y. 10010
 TEL: (212) 200-6000 FAX: (212) 200-6001

Norquill Limited
 One Canada Square
 Canary Wharf, London E14 5AB

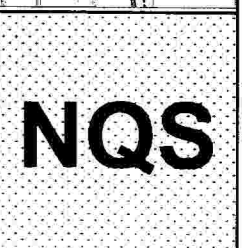
↑ project north
 scale 1:500

keyplan
 NQ-1 NQ-2 NQ-3

project **CANARY WHARF NORTH QUAY**
 APPLICATION FOR PLANNING CONSENT

drawing title **SITE PLAN PROMENADE LEVEL**

date 15/11/00	plotted
drawn by	checked by
project number 0229-00	scale 1:500 @ A0
AK drawing no. PS6796	
location 600	document control number 56786
revision 00	



APPENDIX 7 - EXTANT SCHEME AREA SCHEDULE

CANARY WHARF NORTH QUAY
February 14, 2003

LEVEL	NQ-1 BUILDING						NQ-2 BUILDING						NQ-3 BUILDING						TOTALS				
	GEA		GIA		NIA		GEA		GIA		NIA		GEA		GIA		NIA		GEA		NIA		
	m2	ft2	m2	ft2	m2	ft2	m2	ft2	m2	ft2	m2	ft2	m2	ft2	m2	ft2	m2	ft2	m2	ft2	m2	ft2	
B2 LEVEL																			15,330		165,011		
B1 LEVEL																			12,440		133,903		
PROMENADE LEVEL																			18,248		196,420	3,693	39,751
GROUND	2,617	28,169	2,565	27,609			1,273	13,702	1,248	13,433			3,400	36,597	3,332	35,865		7,290		78,469			
MEZZANINE (CHANDELIER)																		1,081		11,636	947	10,193	
LEVEL 1 NQ1,2+3 PLANT	3,127	33,659	3,065	32,991	0	0	1,273	13,702	1,248	13,433	0	0	3,008	32,378	2,948	31,732	0	7,408		79,739			
LEVEL 2 NQ1,2+3 PLANT	3,127	33,659	3,065	32,991	0	0	1,273	13,702	1,248	13,433	0	0	3,874	41,699	3,796	40,860	0	8,274		89,061			
LEVEL 3 TRADING FL	5,706	61,419	5,645	60,762	4,445	47,846	4,033	43,411	3,987	42,916	2,981	32,087	4,238	45,617	4,163	44,810	3,158	13,977		150,447	10,584	113,925	
LEVEL 4 TRADING FL	5,020	54,035	4,977	53,572	3,759	40,462	4,033	43,411	3,987	42,916	2,981	32,087	4,020	43,271	3,955	42,571	2,950	13,073		140,717	9,690	104,302	
LEVEL 5 TRADING FL	5,020	54,035	4,977	53,572	3,759	40,462	4,033	43,411	3,987	42,916	2,981	32,087	4,020	43,271	3,955	42,571	2,950	13,073		140,717	9,690	104,302	
LEVEL 6 NQ2 INFILL FL	3,219	34,649	3,175	34,175	2,204	23,724	4,072	43,831	4,025	43,325	3,100	33,368	3,150	33,906	3,100	33,368	2,318	10,441		112,386	7,622	82,047	
LEVEL 7	3,219	34,649	3,175	34,175	2,204	23,724	3,572	38,449	3,519	37,878	2,594	27,922	3,150	33,906	3,100	33,368	2,318	9,941		107,004	7,216	76,601	
LEVEL 8	3,219	34,649	3,175	34,175	2,268	24,413	3,697	39,794	3,644	39,224	2,719	29,267	3,150	33,906	3,100	33,368	2,277	10,066		108,350	7,264	78,189	
LEVEL 9	3,219	34,649	3,175	34,175	2,268	24,413	3,572	38,449	3,519	37,878	2,594	27,922	3,150	33,906	3,100	33,368	2,354	9,941		107,004	7,216	77,677	
LEVEL 10	3,219	34,649	3,175	34,175	2,268	24,413	3,697	39,794	3,644	39,224	2,719	29,267	3,150	33,906	3,100	33,368	2,354	10,066		108,350	7,341	79,022	
LEVEL 11	3,219	34,649	3,175	34,175	2,268	24,413	3,572	38,449	3,519	37,878	2,594	27,922	3,150	33,906	3,100	33,368	2,354	9,941		107,004	7,216	77,677	
LEVEL 12 NQ2 INFILL FL	3,219	34,649	3,175	34,175	2,268	24,413	4,072	43,831	4,025	43,325	3,100	33,368	3,150	33,906	3,100	33,368	2,354	10,441		112,386	7,722	83,123	
LEVEL 13	3,219	34,649	3,175	34,175	2,268	24,413	3,572	38,449	3,519	37,878	2,594	27,922	3,150	33,906	3,100	33,368	2,354	9,941		107,004	7,216	77,677	
LEVEL 14	3,219	34,649	3,175	34,175	2,268	24,413	3,697	39,794	3,644	39,224	2,719	29,267	3,150	33,906	3,100	33,368	2,354	10,066		108,350	7,341	79,022	
LEVEL 15	3,219	34,649	3,175	34,175	2,268	24,413	3,572	38,449	3,519	37,878	2,594	27,922	3,150	33,906	3,100	33,368	2,354	9,941		107,004	7,216	77,677	
LEVEL 16 NQ2 INFILL FL	3,219	34,649	3,175	34,175	2,357	25,371	4,072	43,831	4,025	43,325	3,100	33,368	3,150	33,906	3,100	33,368	2,279	10,441		112,386	7,736	83,274	
LEVEL 17 NQ2 PLANT	3,219	34,649	3,175	34,175	2,357	25,371	3,017	32,475	2,957	31,829	0	0	3,150	33,906	3,100	33,368	2,279	9,386		101,030	4,636	49,906	
LEVEL 18 NQ2 PLANT	3,219	34,649	3,175	34,175	2,357	25,371	1,973	21,237	1,934	20,817	0	0	3,150	33,906	3,100	33,368	2,279	8,342		89,793	4,636	49,906	
LEVEL 19 NQ2 PLANT	3,219	34,649	3,175	34,175	2,357	25,371	183	1,970	179	1,927	0	0	3,150	33,906	3,100	33,368	2,360	6,552		70,525	4,726	50,870	
LEVEL 20	3,219	34,649	3,175	34,175	2,357	25,371							3,150	33,906	3,100	33,368	2,360	6,369		68,555	4,726	50,870	
LEVEL 21	3,219	34,649	3,175	34,175	2,357	25,371							3,150	33,906	3,100	33,368	2,360	6,369		68,555	4,726	50,870	
LEVEL 22	3,219	34,649	3,175	34,175	2,357	25,371							3,150	33,906	3,100	33,368	2,360	6,369		68,555	4,663	50,192	
LEVEL 23	3,219	34,649	3,175	34,175	2,294	24,692							3,150	33,906	3,100	33,368	2,360	6,369		68,555	4,663	50,192	
LEVEL 24	3,219	34,649	3,175	34,175	2,294	24,692							3,150	33,906	3,100	33,368	2,360	6,369		68,555	4,663	50,192	
LEVEL 25	3,219	34,649	3,175	34,175	2,294	24,692							3,150	33,906	3,100	33,368	2,360	6,369		68,555	4,663	50,192	
LEVEL 26	3,219	34,649	3,175	34,175	2,428	26,135							3,150	33,906	3,100	33,368	2,378	6,369		68,555	4,806	51,728	
LEVEL 27	3,219	34,649	3,175	34,175	2,428	26,135							3,150	33,906	3,100	33,368	2,392	6,369		68,555	4,820	51,877	
LEVEL 28	3,219	34,649	3,175	34,175	2,428	26,135							3,150	33,906	3,100	33,368	2,377	6,369		68,555	4,805	51,715	
LEVEL 29	3,219	34,649	3,175	34,175	2,428	26,135							3,150	33,906	3,100	33,368	2,517	6,369		68,555	4,945	53,228	
LEVEL 30	3,219	34,649	3,175	34,175	2,428	26,135							3,150	33,906	3,100	33,368	2,517	6,369		68,555	4,945	53,228	
LEVEL 31	3,219	34,649	3,175	34,175	2,428	26,135							3,150	33,906	3,100	33,368	2,517	6,369		68,555	4,945	53,228	
LEVEL 32	3,219	34,649	3,175	34,175	2,360	25,403							3,150	33,906	3,100	33,368	2,517	6,369		68,555	4,877	52,496	
LEVEL 33	3,219	34,649	3,175	34,175	2,360	25,403							3,150	33,906	3,100	33,368	2,517	6,369		68,555	4,877	52,496	
LEVEL 34	3,219	34,649	3,175	34,175	2,360	25,403							3,150	33,906	3,100	33,368	2,517	6,369		68,555	4,877	52,496	
LEVEL 35	3,219	34,649	3,175	34,175	2,360	25,403							3,150	33,906	3,100	33,368	2,517	6,369		68,555	4,877	52,496	
LEVEL 36	3,219	34,649	3,175	34,175	2,488	26,781							3,150	33,906	3,100	33,368	2,517	6,369		68,555	5,005	53,873	
LEVEL 37 NQ3 PLANT	3,077	33,121	3,032	32,636	2,347	25,263							1,987	21,390	1,947	20,957	0	5,064		54,511	2,347	25,263	
LEVEL 38 NQ3 PLANT	3,077	33,121	3,032	32,636	2,347	25,263							1,987	21,390	1,947	20,957	0	5,064		54,511	2,347	25,263	
LEVEL 39 NQ3 PLANT	2,868	30,871	2,823	30,387	2,140	23,035							714	7,685	700	7,535	0	3,582		38,556	2,140	23,035	
LEVEL 40	2,868	30,871	2,823	30,387	2,134	22,976												2,868		30,871	2,134	22,970	
LEVEL 41	2,396	25,790	2,356	25,360	1,678	18,062												2,396		25,790	1,678	18,062	
LEVEL 42 NQ1 PLANT	1,968	21,183	1,921	20,677	0	0												1,968		21,183	0	0	
LEVEL 43 NQ1 PLANT	1,968	21,183	1,921	20,677	0	0												1,968		21,183	0	0	
LEVEL 44 NQ1 PLANT	700	7,535	686	7,384	0	0												700		7,535	0	0	
LEVEL 45 NQ1 PLANT	401	4,316	393	4,230	0	0												401		4,316	0	0	
TOTALS	143,729	1,547,086	141,706	1,525,311	95,038	1,022,981	62,258	670,140	61,377	660,657	39,370	423,775	124,898	1,315,320	122,843	1,293,779	83,156	895,081	377,984	4,068,590	222,204	2,391,782	
Excluding Prom to B2 Levels																							

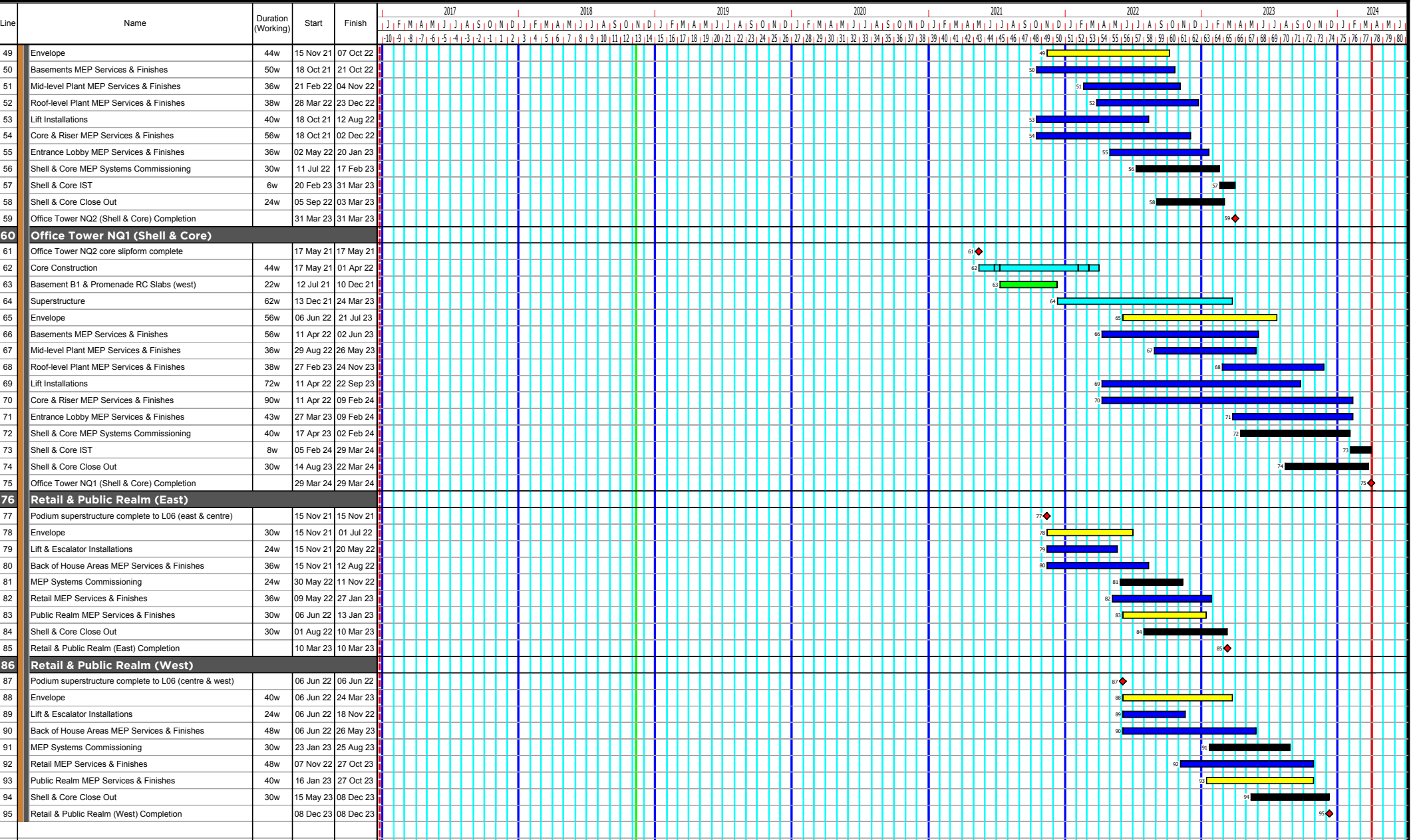
Please note that this is a working schedule, subject to design development,
and does not confirm a definitive schedule for the purposes of
any contract/agreement.

NOTES	
THE ABOVE AREAS INCLUDE THE FOLLOWING:	(a) 2,343sm OF SERVICE ACCESS ROAD (b) 1,931sm OF SERVICE BOX SLAB SERVING BUILDINGS (c) 1,081sm OF ENCLOSED RETAIL SPACE ON MEZZANINE IN THE "CHANDELIER"
THE ABOVE AREAS DO NOT INCLUDE THE FOLLOWING:	(a) 1,105sm OF PARTLY ENCLOSED RETAIL CIRCULATION SPACE ON PROMENADE LEVEL (b) PROPOSED ELECTRICAL SUBSTATION (c) 464sm OF EXTERNAL CIRCULATION SPACE ON MEZZANINE IN THE "CHANDELIER" (d) EXTERNAL PUBLIC SPACE AT GRADE
TOTAL OF 241 PARKING SPACES TOTAL OF 347 BICYCLE SPACES TOTAL OF 165 MOTORCYCLE SPACES	

APPENDIX 8 - EXTANT SCHEME CONSTRUCTION PROGRAMME

NORTH QUAY

EXTANT SCHEME - DEVELOPMENT PROGRAMME : SUMMARY



File path & name: J:\Administration\Planning & Programmes\2016 Proposals\North Quay\Programmes\2003 Extant Scheme\Rev 11160718-ES-NQ-DEV-SUM-R01.pp

APPENDIX 9 - EXTANT SCHEME CBRE OFFICE REPORT

J.Larkin Esq
Canary Wharf Group
One Canada Square
Canary Wharf
London
E14 5AB

2 July 2020

Dear Jason

NORTH QUAY EXTANT SCHEME - OFFICE EVIDENCE

I write with regards to the proposed development of North Quay and the assumptions that have been made in relation to the office element of the extant scheme.

THE SCHEME

We understand that the extant North Quay scheme will provide 2,341,827 sq ft of office accommodation across three buildings arranged as follows:

NQ – 1 – 1,022,981 sq ft
NQ – 2 – 423,775 sq ft
NQ – 3 – 895,081 sq ft

We understand that delivery of the three buildings can be phased over time in accordance with occupier demand. We have also assumed that the scheme will be delivered in line with the highest specification available in the market.

We have adopted the following assumptions in relation to the office element of the extant scheme at North Quay:

Office Rent	£52.50 per sq ft
Office Rent Free (Pre-let)	36-42 Months depending on lease term
Office Letting Void post PC	18-24 Months
Office Yield	4.75%

COMPETING LOCATIONS

It is important to consider the scheme within a Central London context. Occupiers are increasingly footloose and are less tied to specific geographies within London (with the only real exception to this being the Insurance sector who remain committed to the EC3 submarket in the City of London) and certainly occupiers of the size and likely 'profile' as required at North Quay will demand the highest specified offices and will therefore consider a wide geographical radius to include Canary Wharf.

There are also two other key fundamentals which need to be considered with regards to Canary Wharf as a location in comparison to other Central London sub-markets – the introduction of Crossrail from 2021 will provide additional transport infrastructure to greatly improve resilience in this area and will also ensure that Canary Wharf is even more accessible from the rest of London and global transport hubs such as Heathrow etc and secondly, in comparison to other sub-markets, Canary Wharf will continue to benefit from the most competitive overall occupancy costs given the relatively economical rents and comparatively low business rates. These elements will also help to ensure that occupiers will be drawn to the future development stock at Canary Wharf.

LEASING STRATEGY

We are aware that the specification of the extant scheme is of the highest standard available within the London office market in line with other developments by Canary Wharf Group albeit we note that the scheme was conceived some years ago and certain trends within the office market have evolved since then. Due to the size of the scheme we would not advocate a speculative development strategy and we are also aware that Canary Wharf's philosophy is pre-let driven rather than to develop speculatively in any event.

Whilst we would not anticipate securing a single pre-let tenant off plan for the entire scheme, the ability to deliver the scheme, it should be noted that there is a lengthy construction period in advance of practical completion during which it should be assumed that further pre-lets will be secured. This was seen both at 25 Churchill Place where, following the initial off plan pre-let to the European Medicines Agency, a further pre-let was agreed with EY during the construction process and at 1-5 Bank Street where, following the initial off-plan pre-let to Societe Generale, a further pre-let was agreed to EBRD on the remainder of the building during construction. A letting void will therefore clearly not be applicable on these elements of the scheme that are subsequently pre-let during the construction process.

Given the size of the extant scheme we believe it would however be reasonable to expect some space to remain available at Practical Completion. It is our opinion that an assumed letting void of 18-24 months is sensible on any space vacant post Practical Completion. At Practical Completion we would advocate a floor by floor leasing approach where we would in the main expect to secure 10 year lease terms for which we could reasonably expect to grant a rent free period of 24-27 months. Overall we would expect to see the scheme leased on a mix of 20 year, 15 year and 10 year leases.

LEASING EVIDENCE

As noted above it is important to consider recent leasing evidence within both the local Canary Wharf market as well as the wider Central London market. To this end there are a number of relevant transactions involving occupiers predominantly from the banking and finance, legal and professional sectors who we would expect to be the core occupier target base at North Quay. At the same time, we have seen recent significant demand across London from occupiers in the media/creative/tech industries and given the ongoing diversification of the occupier base at Canary Wharf we would also anticipate interest in the scheme from this sector.

Therefore, in terms of rental evidence to support the above assumptions, the following are worthy of note (please note that the information below is believed to be correct but should not be relied upon).

Building: 5 Bank Street, E14

Date of Transaction: May 2019

Occupier: EBRD

Term: 20 years with a tenant option to determine after 12 years

Size: 365,000 sq ft

Rent: £52.75 per sq ft

Rent Free: 36 months

Comments: Pre-let while under construction of the remainder of this top specification new development on the Canary Wharf estate

Building: 30 Churchill Place, E14

Date of Transaction: September 2019

Occupier: WeWork

Term: 20 years

Size: 277,916 sq ft

Rent: £48.50 per sq ft with minimum uplift to £53.00 per sq ft at review

Rent Free: c40 months

Comments: Acquisition of secondhand space following the relocation of EMA

Building: Cargo, 25 North Colonnade, E14

Date of Transaction: June 2020

Occupier: BP

Term: 15 years

Size: 201,609 sq ft

Rent: c£52.50 per sq ft

Rent Free: 38 months from shell & core

Comments: Pre-let while under construction of this refurbished scheme

The following transactions within the wider London market are also worthy of note:

Building: 20 Ropemaker, EC2

Date of Transaction: February 2020

Occupier: Linklaters

Term: 20 years

Size: 307,195 sq ft

Rent: c£73.00 per sq ft overall

Rent Free: TBC

Comments: Off plan pre-let of the majority part of this new development.

Building: One Braham Street, E1

Date of Transaction: July 2019

Occupier: BT

Term: 15 years with a tenant option to determine after 12 years

Size: Whole building – 328,000 sq ft

Rent: c£58.00 per sq ft overall

Rent Free: c33 months overall

Comments: New build. Pre-let of whole building while under construction.

Building: 16 Old Bailey, EC4

Date of Transaction: February 2020

Occupier: IPG Mediabrands

Term: 15 years with a tenant option to determine after 12 years

Size: 101,352 sq ft

Rent: Rents ranging from £67.50-£77.50 per sq ft

Rent Free: 33 months overall

Comments: Refurbished building. Pre-let while under construction.

Building: 25 Cannon Street, EC2

Date of Transaction: May 2019

Occupier: Brewin Dolphin

Term: 15 years

Size: 120,000 sq ft

Rent: c£67.50 per sq ft overall

Rent Free: c36 months

Comments: Refurbishment. Pre-let prior to construction commencing.

Building: Premier Place, EC2

Date of Transaction: October 2018

Occupier: Jane Street Capital

Term: 15 years

Size: 148,335 sq ft

Rent: c£67.00 per sq ft overall

Rent Free: 24 months plus additional works to the building

Comments: Comprehensive refurbishment. Pre-let while under construction.

The leasing transactions detailed above demonstrate that the stated assumptions in relation to North Quay are realistic. When considered in the context of the wider Central London market, Canary Wharf has traditionally traded at a rental discount. However, on the Canary Wharf Estate, space available directly from the Landlord has traded at a significant premium to secondhand, sub-lease space. It is also important to consider that at the time of previous pre-let transactions at Canary Wharf (such as at 1-5 Bank Street, 25 Churchill Place as well as the ongoing transaction at Cargo etc) the rent achieved has been at a premium to the prime rent for built stock at that time. For example, the pre-let to EBRD at 5 Bank Street was agreed in 2018 at a rent of £52.75 per sq ft in comparison to the prevailing prime rent at Canary Wharf of £48.50 per sq ft while the rent of £52.50 per sq ft recently achieved at Cargo is at a clear premium to the current prime rent of £50.00 per sq ft. It is worth noting that this scheme is a refurbishment rather than a new build and it would generally be reasonable to assume that a newly built scheme would trade at a premium to this however we have assumed a similar rent to this on the extant scheme to reflect the fact that the scheme was designed some years ago and certain trends have evolved since then. Finally, it should also be noted that there is a minimum level of rent required in order to develop the scheme which is dictated by construction costs (which have continued to rise) and this is reflected in the assumed rent of £52.50 per sq ft at North Quay.

Rent free packages have remained relatively stable across the board in Canary Wharf and the rest of Central London and as the evidence above illustrates, there tends to be little discount between Canary Wharf and other sub markets. It would be true to say that an increasing number of pre-let deals have tended to be for slightly shorter lease terms of c15 years rather than the more traditional 20 year terms although 20 year leases have been preferable to some occupiers due to the additional rent free periods granted. Rent free periods for lease terms of 15 years have tended to be of 33-36 months while it would be reasonable to expect a rent free period for a 20 year lease to be in the order of 42 months. It is important to note of course that given these deals are pre-lets the schemes have not incurred any (or minimal) letting void as a result (i.e. the rent free period granted often represents the total void until the schemes are income producing). This is particularly relevant with regards to the extant scheme at North Quay where, given the size of the scheme, a speculative development approach would not be advocated as previously referenced.

The recent transactions above illustrate that there is a good level of pre-let demand (c53% of all stock currently under construction has been pre-let) although it should be noted that there has been a relative lack of large, 250,000 sq ft + pre-lets in recent times which could lead to an impact on

void prior to construction beginning on the extant scheme given its size. However the lack of supply of large lot sizes across Central London, will help to ensure that the stated commercial assumptions are realistic.

INVESTMENT

There was £1.4bn of investment in Central London offices in the first quarter, across 24 transactions. This was a slow start to the year, which relative to the same period in 2019, was down 38% and down 55% on the 10-year average for a first quarter. In the largest transaction, UK pension fund LAG purchased Sanctuary Buildings, 14-26 Great Smith Street, Victoria for £300m. There were three transactions greater than £100m during the quarter, in comparison to two of this size during the same period in the corresponding quarter in the previous year.

Activity from overseas investors in Central London remained subdued in Q1 although outperformed that of domestic investors, representing 65% of total investment. European investors were particularly active accounting for 80% of overseas investment, while Asian investment represented just 10%. In the 12 months to March 2020, overseas investors accounted for £4.9bn of investment.

Prime yields for Central London offices held firm in Q1 at 4.00% for the City, trending stronger, and 3.75% stable for the West End.

With equity targeting London property estimated to stand at c. £32.7bn at the end of Q4 2019 (pre-election figure), this continues to create a large supply / demand imbalance. Following the election in December 2019 we saw a significant spike in interest as investors sought to take advantage of the relative certainty provided by the Conservative victory. Following an almost global lockdown which has impaired investor's ability to travel and inspect, this is currently hard to quantify but is presumed down from its previous figure.

Interest remains particularly strong from SE Asia and North America, with the former being led by Singapore (listed REITs) and Hong Kong (private HNWs) and the latter led by US private equity (Blackstone, Brookfield, Hines) and Canadian pension funds (CPPIB, Quadreal).

The impact of COVID 19 is likely to be substantial and it is likely in the immediate aftermath there could well be a flight to secure, long let ,income. However, given it is not solely a London or UK-based pandemic, the impact is considered no worse than in competing global cities and we anticipate the appetite for central London office is likely to remains comparatively high for most investors, aided by relative pricing; particularly where there is currency discount. Key fundamentals (law, liquidity, transparency etc) remain in addition to the outcome of the trade agreement negotiation post Brexit.

250,000 Sq Ft Plus

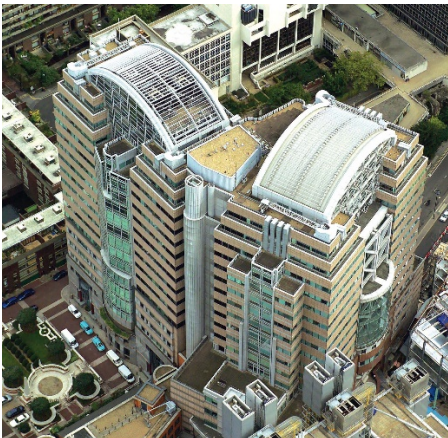
The following four completed transactions and three investments that are currently available are all over 250,000 sq ft, with The Cabot, 25 Cabot Square being a core Docklands investment sale, that is currently in the market available to buy.

Watermark Place, Lower Thames Street, EC3 (50% share)



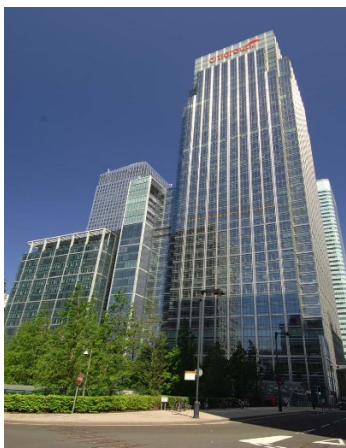
Area	542,497 sq ft
Built	2009
Tenure	Freehold
Tenant	Nomura
Rent Per Annum	£23,691,500 (£43.67 per sq ft)
Unexpired Term	9.6 years
Quoting Price	c.£260,000,000 (£960 per sq ft)
Net Initial Yield	4.41%
Vendor	Oxford Properties
Purchaser	Union
Status/Date	Completed/ March 2020

Alban Gate, London Wall, EC2



Area	382,223 sq ft
Built	1992
Tenure	LLH 114 years at a peppercorn
Tenant	Multi-Let (JP Morgan Chase 98%)
Rent Per Annum	£18,260,700 (£47.78 per sq ft)
Unexpired Term	5.6 years
Quoting Price	£295,000,000 (£772 per sq ft)
Net Initial Yield	6.00%
Vendor	Blackstone
Purchaser	Confidential
Status/Date	Completed / January 2020

25 Canada Square, E14



Area	1,243,336 sq ft
Built	2001
Tenure	Freehold
Tenant	Citibank
Rent Per Annum	Confidential
Unexpired Term	c. 16.5 years
Bloomberg Reported Price	c.£1.05bn (c.£850 per sq ft)
Reported Net Initial Yield	Confidential
Vendor	AGC Equity Partners
Purchaser	Confidential
Status/Date	Completed / March 2019

Plumtree Court, Shoe Lane, EC4



Area	827,010 sq ft
Built	2019
Tenure	Freehold
Tenant	Goldman Sachs Int.
Rent Per Annum	Confidential
Unexpired Term	20 years
Bloomberg Reported Price	£1.16bn (£1,400 per sq ft)
Reported Net Initial Yield	Confidential
Vendor	AGC Equity Partners
Purchaser	NPS (La Salle IM)
Status/Date	Completed / January 2019

One Creechurch Place, EC3



Area	278,000 sq ft
Built	2017
Tenure	LLH 150 years @ 5%
Tenant	Multi-Let
Rent Per Annum	£17,500,000 (£62.95 per sq ft)
Unexpired Term	11 years (9.5 years to breaks)
Quoting Price	£180,000,000 (£1,295 per sq ft)
Quoting Net Initial Yield	c.4.5%
Vendor	HOOP
Status/Date	Available
Date to Market	December 2019

One Braham, E1



Area	340,000 sq ft
Built	H3 2020
Tenure	Freehold
Tenant	British Telecom
Rent Per Annum	£19,500,000 (£57.50 per sq ft)
Unexpired Term	15 years (10 years to breaks)
Quoting Price	£427,000,000 (£1,256 per sq ft)
Quoting Net Initial Yield	c.4.5%
Vendor	Aldgate Developments / Starwood
Status/Date	Available
Date to Market	Off market

The Cabot, 25 Cabot Square, E14

Area	481,866 sq ft
Built	2019
Tenure	Freehold
Tenant	Multi-Let
Rent Per Annum	£18,840,766 (£39.10 per sq ft)
Unexpired Term	11.7 years (10.4 years to breaks)



Quoting Price	£390,000,000 (£809 per sq ft)
Quoting Net Initial Yield	c.4.75%
Vendor	Hines
Status/Date	Available
Date to Market	November 2019

Sub 250,000 Sq Ft

The following six transactions are all under 250,000 sq ft, with 17 Columbus Courtyard being the key comparable transaction from the Canary Wharf Estate, albeit is short term income.

Ludgate London, 55 Ludgate Hill, EC4



Area	108,670sq ft
Built	2020
Tenure	LLH 130 years @ 5%
Tenant	Multi-Let
Rent Per Annum)	£6,798,845 (62.56£ per sq ft)
Unexpired Term	14.8 years
Quoting Price (£ per sq ft)	£140,000,000 (£1,288 per sq ft)
Quoting Net Initial Yield	4.53%
Vendor	Greycoat / Goldman Sachs
Purchaser	Union
Status/Date	Completed / June 2019

100 Cheapside, EC2



Area	101,823 sq ft
Built	2014
Tenure	LLH 148 years @ 7%
Tenant	Multi-Let
Rent Per Annum)	£6,639,798 (£65.21 per sq ft)
Unexpired Term	9.51 years
Quoting Price (£ per sq ft)	£141,000,000 (£1,385 per sq ft)
Quoting Net Initial Yield	4.10%
Vendor	Aberdeen Standard
Purchaser	KWAP / Azimuth
Status/Date	Completed / December 2019

8 Finsbury Circus, EC2

Area	177,586 sq ft
Built	2016
Tenure	Freeholder
Tenant	Multi_let



8 Salisbury Square, EC4



Premier Place, Devonshire Square, EC2



Rent Per Annum) £11,091,141 (£62.46 per sq ft)
 Unexpired Term 13.3 years

Quoting Price (£ per sq ft) £260,000,000 (£1,464 per sq ft)
 Quoting Net Initial Yield 3.99%
 Vendor Mitsubishi Estate Company
 Purchaser Stamford Land
 Status/Date Completed / July 2019

Area 165,523 sq ft
 Built 2015
 Tenure Freehold
 Tenant Multi-let
 Rent Per Annum) £10,364,071 (£62.61 per sq ft)
 Unexpired Term 10.5 years

Quoting Price (£ per sq ft) £221,350,000 (£1,337 per sq ft)
 Quoting Net Initial Yield 4.60%
 Vendor Greycoat / Cheyne Capital
 Purchaser Wing Tai Subsidiary
 Status/Date Completed / June 2019

Area 232,265 sq ft
 Built 2019
 Tenure Freehold
 Tenant Multi-Let
 Rent Per Annum £14,109,141 (£60.75 per sq ft)
 Unexpired Term c. 15.2 years

Reported Price £325,000,000bn (£1,399 per sq ft)
 Reported Net Initial Yield 4.25%
 Vendor Greycoat / Morgan Stanley
 Purchaser CBRE GI / EPF
 Status/Date Completed / January 2020

Area 188,323 sq ft

17 Columbus Courtyard, E14



Built	1999
Tenure	Freehold
Tenant	Credit Suisse
Rent Per Annum (£ per sq ft)	£6,429,170 (£34.14 per sq ft)
Unexpired Term	4.9 years
Purchase Price (£ per sq ft)	£110,200,000 (£585 per sq ft)
Net Initial Yield	5.73%
Vendor	HNA Group
Purchaser	Sun Hung Kai / Macquarie
Status/Date	Completed / December 2019

The above mentioned investment transactions together with the available opportunities provide supporting evidence which underpins the 4.75% net initial yield on NQ – 1, NQ – 2 and NQ – 3 assumption in relation to North Quay. Whilst certain prime assets are achieving stronger yields in the City, we believe this yield level to be appropriate for a Docklands transaction let off headline rental levels.

The evidence in this letter confirms the stated assumptions for North Quay. It is our opinion that it will be a building of the highest quality and technical specification, in a desirable location which will only be strengthened by the arrival of Crossrail from 2021. Coupled with the more footloose nature of modern occupiers, North Quay will appeal to occupiers from a range of different business sectors when searching for new offices.

Please do let me know if any further information or clarification is required.

Kind regards

Yours sincerely



DAVID PEROWNE
EXECUTIVE DIRECTOR – LONDON LEASING

APPENDIX 10 - EXTANT SCHEME COST PLAN



NORTH QUAY for Canary Wharf Group

Extant Scheme Benchmark Cost Plan

DRAFT FOR DISCUSSION

30th June 2020

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2.0 Area Schedule

3.0 Basis, Assumptions & Exclusions

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3.3 Exclusions

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- Shared Basement

- NQ01

- NQ02

- NQ03

Appendix B- Infrastructure Costs

1

Cost and Area Summary

1.0 Cost and Area Summary

2.1 This benchmark cost and area estimate is based on the design information issued for the Extant Scheme. Indicative total costs and areas are summarised below. Please note that the below costs represent Q2 2020 construction costs, excluding VAT.

2.2 The below costs have been summarised elementally, below and above ground. Detailed cost breakdowns can be located in Appendix A of this report.

		NQ 1 46 Storeys Above Ground		NQ 2 20 Storeys Above Ground		NQ 3 40 Storeys Above Ground		TOTAL	
COST SUMMARY									
BELOW GROUND AREA	Overall GIA	201,171		105,491		162,848		469,510	
	Overall NIA	16,297		11,130		12,325		39,751	
ABOVE GROUND AREA	Overall GIA	1,536,945		660,656		1,322,270		3,519,871	
	Overall NIA	1,033,173		423,775		895,029		2,351,977	
	Net to Gross	67%		64%		68%		67%	
TOTAL AREAS	Overall GIA	1,738,116		766,147		1,485,118		3,989,381	
	Overall NIA	1,049,469		434,905		907,354		2,391,728	
	Net to Gross	60%		57%		61%		60%	
		£/ft²	Total Cost	£/ft²	Total Cost	£/ft²	Total Cost	£/ft²	Total Cost
Shell and Core Below Ground									
- Basement Works		30	51,568,146	29	22,166,570	30	44,365,284	30	118,100,000
Shell and Core Above Ground									
- Frame and Upper Floors		50	86,090,000	52	39,465,000	50	73,656,000	50	199,211,000
- Roof		4	6,688,000	10	7,704,000	3	4,423,000	5	18,815,000
- Stairs		3	4,881,000	2	1,185,000	2	2,518,000	2	8,584,000
- External Walls, Windows and Doors		35	61,518,000	37	28,597,000	42	62,440,000	38	152,555,000
- Internal Walls and Doors		10	16,596,000	10	7,564,000	10	14,188,000	10	38,348,000
- Finishes		10	17,380,000	10	7,661,000	10	14,850,000	10	39,891,000
- Fittings		2	3,476,000	2	1,532,000	2	2,970,000	2	7,978,000
- MEP		54	94,588,000	57	43,755,000	52	77,052,000	54	215,395,000
- Lifts		16	28,600,000	9	7,085,000	14	20,752,500	14	56,437,500
- BWIC		4	6,159,000	3	2,542,000	3	4,890,000	3	13,591,000
- Prelims, CM Fee & Insurances		40	69,846,000	41	31,312,000	40	59,590,000	40	160,748,000
- Shell and Core Sub Total		257	447,390,000	262	200,569,000	257	381,695,000	258	1,029,654,000
Fit Out (£/ft² Based on NIA)									
- Cat A Fit Out (to one typical floor only)		46	1,202,000	46	1,534,000	46	1,246,000		3,982,000
- Retail (Excluded)									
- Prelims, CM Fee & Insurances		8	222,000	9	284,000	9	230,000		736,000
TOTAL SHELL AND CORE COST AND FIT OUT (2Q 20 PRICES)	GIA	258	448,810,000	264	202,390,000	258	383,170,000	259	1,034,370,000
	NIA	428		465		422		432	
External Works and Services									
- Infrastructure, Landscaping and External Works		14	23,843,336	14	10,509,942	14	20,372,722	14	54,726,000
- Renewables		0.4	747,390	0.4	329,443	0.4	638,601	0	1,720,000
- Utilities and External Services		4	6,465,793	4	2,850,067	4	5,524,638	4	14,840,498
- Prelims, CM Fee & Insurances		3	4,411,000	3	1,944,000	3	3,769,000	3	10,124,000
TOTAL ESTIMATED COST (2Q 20 PRICES)	GIA	279	484,280,000	285	218,020,000	278	413,470,000	280	1,115,800,000
	NIA	461		501		456		467	
Contingencies									
- Design Development (2.5%)		7	12,107,000	7	5,451,000	7	10,337,000	7	27,895,000
- Construction Reserve (5%)		14	24,214,000	14	10,900,000	14	20,670,000	14	55,784,000
TOTAL ESTIMATED COST (INCLUDING CONTINGENCIES (2Q 20 PRICES))	GIA	300	521,000,000	305	234,000,000	299	444,000,000	301	1,199,000,000
	NIA	496		538		489		501	
Not Included in above figures									
- Cat A Installation to all other floors		46	55,780,000	46	21,890,000	46	47,980,000		125,650,000

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Area Schedule

2.1 Core 5 vs Aecom Executive Summary

Floor	GIA			NIA		
	Core Five	AECOM	Variance	Core Five	AECOM	Variance
Basement (m2)	26,322	26,322	0	0	0	0
Basement (ft2)	283,327	283,327	0	0	0	0
Above Ground - Promenade (m2)	17,297	17,297	0	3,693	3,693	0
Above Ground - Promenade (ft2)	186,183	186,183	0	39,751	39,751	0
Above Ground - Ground to Level 45 (m2)	327,007	327,007	0	218,506	218,506	0
Above Ground - Ground to Level 45 (ft2)	3,519,855	3,519,855	0	2,352,047	2,352,047	0
Total (m2)	370,626	370,626	0	222,199	222,199	0
Total (ft2)	3,989,365	3,989,365	0	2,391,798	2,391,798	0

NOTES

1. Areas are as per C5 measure of Adamsons Associates design information received 03/06/20.
2. Retail, Office, have all been included as NIA.
3. Entrance areas has been excluded from the NIA.
4. The above Schedule of Approximate Floor Areas is intended for the production of this cost model only and should not be relied upon for any other purpose.
5. Where we have measured areas these are in accordance with the RICS Code of Measuring Practice 6th Edition.
6. External areas, excluded from GIA & NIA.

2.2 Detailed Area Schedule

Floor	NQ1	NQ2	NQ3	Total	NQ1	NQ2	NQ3	Total
	GIA	GIA	GIA	GIA	NIA	NIA	NIA	NIA
	m2	m2	m2	m2	m2	m2	m2	m2
Basement	6,345	2,727	5,459	14,531	0	0	0	0
Lower Ground	5,149	2,213	4,429	11,791	0	0	0	0
Total Basement (m2)	11,493	4,940	9,888	26,322				0
Promenade	7,196	4,860	5,241	17,297	1,514	1,034	1,145	3,693
Total Promenade Area (m2)	7,196	4,860	5,241	17,297				3,693
Ground	2,565	1,248	3,332	7,145	0	0	0	0
Mez	1,081		0	1,081	947			947
1 - Plant	3,065	1,248	2,948	7,261	0	0	0	0
2 - Plant	3,065	1,248	3,796	8,109	0	0	0	0
3 - Trading Floor	5,645	3,987	4,163	13,795	4,445	2,981	3,158	10,584
4 - Trading Floor	4,977	3,987	3,955	12,919	3,759	2,981	2,950	9,690
5 - Trading Floor	4,977	3,987	3,955	12,919	3,759	2,981	2,950	9,690
6	3,175	4,025	3,100	10,300	2,204	3,100	2,318	7,622
7	3,175	3,519	3,100	9,794	2,204	2,594	2,318	7,116
8	3,175	3,644	3,100	9,919	2,268	2,719	2,277	7,264
9	3,175	3,519	3,100	9,794	2,268	2,594	2,354	7,216
10	3,175	3,644	3,100	9,919	2,268	2,719	2,354	7,341
11	3,175	3,519	3,100	9,794	2,268	2,594	2,354	7,216
12	3,175	4,025	3,100	10,300	2,268	3,100	2,354	7,722
13	3,175	3,519	3,100	9,794	2,268	2,594	2,354	7,216
14	3,175	3,644	3,100	9,919	2,268	2,719	2,354	7,341
15	3,175	3,519	3,100	9,794	2,268	2,594	2,354	7,216
16	3,175	4,025	3,100	10,300	2,357	3,100	2,279	7,736
17	3,175	2,957	3,100	9,232	2,357		2,279	4,636
18	3,175	1,934	3,100	8,209	2,357		2,279	4,636
19	3,175	179	3,100	6,454	2,357		2,369	4,726
20	3,175		3,100	6,275	2,357		2,369	4,726
21	3,175		3,100	6,275	2,357		2,369	4,726
22	3,175		3,100	6,275	2,357		2,369	4,726
23	3,175		3,100	6,275	2,294		2,369	4,663
24	3,175		3,100	6,275	2,294		2,369	4,663
25	3,175		3,100	6,275	2,294		2,369	4,663
26	3,175		3,100	6,275	2,428		2,378	4,806
27	3,175		3,100	6,275	2,428		2,392	4,820
28	3,175		3,100	6,275	2,428		2,376	4,804
29	3,175		3,100	6,275	2,428		2,517	4,945
30	3,175		3,100	6,275	2,428		2,517	4,945
31	3,175		3,100	6,275	2,428		2,517	4,945
32	3,175		3,100	6,275	2,360		2,517	4,877
33	3,175		3,100	6,275	2,360		2,517	4,877
34	3,175		3,100	6,275	2,360		2,517	4,877
35	3,175		3,100	6,275	2,360		2,517	4,877
36	3,175		3,100	6,275	2,488		2,517	5,005
37	3,032		1,947	4,979	2,347		0	2,347
38	3,032		1,947	4,979	2,347		0	2,347
39	2,823		700	3,523	2,140		0	2,140
40	2,823		0	2,823	2,134		0	2,134
41	2,356			2,356	1,678			1,678
42	1,921			1,921	0			0
43	1,921			1,921	0			0
44	686			686	0			0
45	393			393	0			0
Total Above Ground m2	142,787	61,377	122,843	327,007	95,985	39,370	83,151	218,506
Total ft2	1,536,945	660,656	1,322,270	3,519,871	1,033,173	423,775	895,029	2,351,977
NET:GROSS ABOVE GROUND	67%	64%	68%	67%				
Total m2	161,476	71,177	137,972	370,626	97,499	40,404	84,296	222,199
Total ft2	1,738,116	766,147	1,485,118	3,989,365	1,049,469	434,905	907,354	2,391,798
NET:GROSS TOTAL	60%	57%	61%	60%				

3

Basis, Assumptions & Exclusions

3.1 Basis

Document Name	Revision	Date
<u>Adamsons Associates</u>		
600-S5001.DWG		05/06/2020
Composite Renderings		
600-S5101.DWG		05/06/2020
600-S5102.DWG		05/06/2020
600-S5103.DWG		05/06/2020
600-S5104.DWG		05/06/2020
600-S5105.DWG		05/06/2020
Curtain Wall Renderings		
600-S5106.DWG		05/06/2020
600-S5107.DWG		05/06/2020
600-S5108.DWG		05/06/2020
600-S5109.DWG		05/06/2020
Basement and Promenade		
PS6799		05/06/2020
PS6798		05/06/2020
PS6797		05/06/2020
NQ1		
610-S5001.DWG		05/06/2020
Plans		
610-S5100.DWG		05/06/2020
610-S5101.DWG		05/06/2020
610-S5103.DWG		05/06/2020
610-S5104.DWG		05/06/2020
610-S5106.DWG		05/06/2020
610-S5113.DWG		05/06/2020
610-S5123.DWG		05/06/2020
610-S5133.DWG		05/06/2020
610-S5138.DWG		05/06/2020
610-S5139.DWG		05/06/2020

3.1 Basis

Document Name	Revision	Date
610-S5143.DWG		05/06/2020
610-S5150.DWG		05/06/2020
Sections and Elevations		
610-S5201.DWG		05/06/2020
610-S5202.DWG		05/06/2020
610-S5203.DWG		05/06/2020
610-S5204.DWG		05/06/2020
610-S5205.DWG		05/06/2020
610-S5206.DWG		05/06/2020
Curtain Wall		
610-S5300.DWG		05/06/2020
610-S5310.DWG		05/06/2020
610-S5312.DWG		05/06/2020
610-S5313.DWG		05/06/2020
610-S5320.DWG		05/06/2020
610-S5321.DWG		05/06/2020
610-S5322.DWG		05/06/2020
610-S5323.DWG		05/06/2020
610-S5330.DWG		05/06/2020
610-S5331.DWG		05/06/2020
610-S5332.DWG		05/06/2020
610-S5333.DWG		05/06/2020
610-S5340.DWG		05/06/2020
610-S5341.DWG		05/06/2020
610-S5342.DWG		05/06/2020
610-S5343.DWG		05/06/2020
610-S5350.DWG		05/06/2020
610-S5351.DWG		05/06/2020
610-S5352.DWG		05/06/2020
610-S5360.DWG		05/06/2020
610-S5361.DWG		05/06/2020
610-S5362.DWG		05/06/2020
610-S5370.DWG		05/06/2020
610-S5371.DWG		05/06/2020
610-S5372.DWG		05/06/2020

3.1 Basis

Document Name	Revision	Date
NQ2		
620-S5001.DWG		05/06/2020
Plans		
620-S5100.DWG		05/06/2020
620-S5101.DWG		05/06/2020
620-S5103.DWG		05/06/2020
620-S5107.DWG		05/06/2020
620-S5115.DWG		05/06/2020
620-S5150.DWG		05/06/2020
Sections and Elevations		
620-S5201.DWG		05/06/2020
620-S5202.DWG		05/06/2020
620-S5203.DWG		05/06/2020
620-S5204.DWG		05/06/2020
620-S5205.DWG		05/06/2020
620-S5206.DWG		05/06/2020
Curtain Wall		
620-S5300.DWG		05/06/2020
620-S5310.DWG		05/06/2020
620-S5311.DWG		05/06/2020
620-S5312.DWG		05/06/2020
620-S5313.DWG		05/06/2020
620-S5320.DWG		05/06/2020
620-S5321.DWG		05/06/2020
620-S5322.DWG		05/06/2020
620-S5330.DWG		05/06/2020
620-S5331.DWG		05/06/2020
620-S5332.DWG		05/06/2020
NQ3		
640-S5001.DWG		05/06/2020
Plans		

3.1 Basis

Document Name	Revision	Date
640-S5100.DWG		05/06/2020
640-S5101.DWG		05/06/2020
640-S5103.DWG		05/06/2020
640-S5104.DWG		05/06/2020
640-S5106.DWG		05/06/2020
640-S5117.DWG		05/06/2020
640-S5127.DWG		05/06/2020
640-S5137.DWG		05/06/2020
640-S5150.DWG		05/06/2020
Sections and Elevations		
640-S5201.DWG		05/06/2020
640-S5202.DWG		05/06/2020
640-S5203.DWG		05/06/2020
640-S5204.DWG		05/06/2020
640-S5205.DWG		05/06/2020
640-S5206.DWG		05/06/2020
Curtain Wall		
640-S5300.DWG		05/06/2020
640-S5310.DWG		05/06/2020
640-S5311.DWG		05/06/2020
640-S5312.DWG		05/06/2020
640-S5313.DWG		05/06/2020
640-S5314.DWG		05/06/2020
640-S5320.DWG		05/06/2020
640-S5321.DWG		05/06/2020
640-S5322.DWG		05/06/2020
640-S5323.DWG		05/06/2020
640-S5330.DWG		05/06/2020
640-S5332.DWG		05/06/2020
640-S5333.DWG		05/06/2020
640-S5340.DWG		05/06/2020
640-S5341.DWG		05/06/2020
640-S5342.DWG		05/06/2020
640-S5343.DWG		05/06/2020

3.2 Exclusions

The following are excluded from the foregoing cost models, but may have a cost impact and therefore may need to be covered by other budgets within the overall Development Budget. The list is intended only as a guide and may not be exhaustive:

- 1 Legal fees; planning / building control fees; statutory fees; site surveys; monitoring costs; environmental audits; wind studies; third party fees / costs; other fees.
- 2 Project insurances.
- 3 Value Added Tax (VAT).
- 4 Site, building, asbestos or other surveys.
- 5 Ground investigations, testing existing materials (including contaminated ground conditions) and geo-technical surveys.
- 6 Services investigations/ Surveys.
- 7 Site acquisition fees/costs, sale or letting fees/costs and other developer's costs.
- 8 Client finance costs and insurances.
- 9 Incentivisation payments or the like.
- 10 Local Authority charges, road closures/diversions, etc.
- 11 Capital allowances or other incentives/grants.
- 12 Costs arising from agreement(s) with local/planning authorities.
- 13 Developer's risk allowance/overall project contingency. Note: an allowance of 10% is included as a Design Reserve/ Construction Contingency.
- 14 Archaeological survey, excavation or watching brief / attendance costs.
- 15 Costs in respect of rights exercised by Adjoining Owners (Party Wall Awards, oversail rights, land swap, noise / vibration / dust monitoring requirements etc.).
- 16 Additional costs associated with multi-tenant occupation/tenant sub-division or phasing costs.
- 17 Client internal costs
- 18 Fit Out of Retail
- 19 Phasing costs.
- 20 Abnormal ground conditions, contamination, enhancement of local electrical network and / or removal of unexploded ordnance.
- 21 Service diversions and/ or any reinforcement of statutory service networks.
- 22 Feature hoarding.
- 23 Sustainable construction strategies (wind turbines, grey water, boreholes, photovoltaic cells, ground cooling and the like) over and above those required to achieve an Excellent standard of BREEAM
- 24 Cost of project collaboration tools.
- 25 Any work beyond the boundary of the site
- 26 Any bomb blast protection measures or anti-terrorism measures
- 27 Asbestos removal beyond the provisions included within this estimate

3.3 Assumptions- Commercial Buildings

REF	CATEGORY	DETAILD ASSUMPTION
1	Area	GIA measures have been taken from Adamsons Associates drawings
2	Area	NIA measures have been taken from Adamsons Associates drawings
3	Procurement	We are not able to provide advice on the procurement strategy currently due to the unknown factors surrounding the project. The Cost Plan is procurement neutral currently but does assume a Canary Wharf CM route for the purposes of on-costs (see 5.0)
4	Cost- Basis	Cost represent fixed prices at a current day base date of 4Q 2019. Tender price inflation from this point is currently excluded and will be applicable depending on the start on site date and procurement strategy.
5	Cost- MC costs	Main Contractor Preliminaries- 15% Construction Management Fee- 3% Insurances- 0.5%
	<u>Demolitions</u>	
6	Costs- Demolitions	It is assumed that the site will require clearing of all temporary structures and making good of site levels etc. These costs have been included in external works as per Canary Wharf costing notes.
	<u>Shell and Core Below Ground</u>	
7	Costs- Substructure	EO for disposal for contaminated soil has been allowed at 5%
8	Costs- Substructure	Secant wall depth assumed at 15-20m
9	Costs- Substructure	Basement grade 3 assumed to all areas until advised otherwise
10	Costs- Substructure	Pile cap to secant wall to be 1.5m x 1.5m
11	Costs- Substructure	Provisional allowance of £75,000 for temporary propping
12	Costs- Substructure	CFA piles- Reinforcement @ 200kg/m3
12	Costs- Substructure	Allowance has been made for marine piles to NQ 1 & 3
13	Costs- Substructure	2000mm basement raft slab; reinforcement tbc
14	Costs- Substructure	RC Columns to basement- reinforcement @ tbc
15	Costs- Substructure	RC Walls to basement- reinforcement @ tbc
16	Costs- Substructure	RC slab to basement- 300mm thick- reinforcement @ tbc
17	Costs- Substructure	Cycle ramp assumed RC Concrete with supporting columns, crash barriers and epoxy resin finish
18	Costs- Basement Fittings	Assumes a BCO specification
	<u>Shell and Core above ground</u>	
19	Costs- Frame	NQ1, NQ2, NQ3 allowance of 85kg/m2
20	Costs- Frame	15% allowance for connections
21	Costs- Frame	3% allowance for trimmer beams and bracing
22	Costs- Frame	Fire protection assumed as 90min intumescent paint
23	Costs- Frame	Fire protection assumed as 90min intumescent paint
24	Costs- Frame	RC Core Walls assumed 300mm thick- reinforcement @ tbc
25	Costs- Roof	Mansafe included at Level (no BMU)
26	Costs- Roof	Allowance of 10% for green roofs
27	Costs- Roof	Allowance of 50% for accessible terraces
28	Costs- Stairs	Feature staircases assumed to GF

3.3 Assumptions- Commercial Buildings

REF	CATEGORY	DETAILD ASSUMPTION
30	Costs- Stairs	Metal handrails/ balustrades to stair cores
31	Costs- External Walls, Windows and Doors	Target rate of £1,050/m2 for main façade system
32	Costs- External Walls, Windows and Doors	Revolving entrance door assumed diameter of 3000mm
33	Costs- External Walls, Windows and Doors	Allowance for BMU's for façade cleaning and maintenance
34	Costs- Internal Walls & Doors	Benchmark allowance of £10/ft2
35	Costs- Finishes	Benchmark allowance of £10/ft2
36	Costs- Fixtures	Benchmark allowance of £12/ft2
37	Costs- MEP	See Appendix B
38	Costs- Lifts	See Appendix B
	<u>Cat A Fit Out</u>	
39	Costs- Cat A	Cat A costed to one typical floor only; Cat A fit out assumes traditional Cat A, i.e. suspended metal tile ceiling
	<u>External Works</u>	
47	Costs- External Works and Infrastructure	Allowance has been made in line with Canary Wharf estimate

Appendix A- Detailed Cost Models NQ1-3

App A. ELEMENTAL COST MODELS

SHARED BASEMENT & PROMENADE - SITE WIDE x 3 STOREYS

Shell & Core

Total Area (m ²)	43,619	m ²	469,511	ft ²
Net : Gross Ratio				ft ²
Building Footprint	14,531	m ²		
Below Ground Area	43,619	m ²	196,169	m ³
Wall : Floor Ratio				
Typical NIA Floorplate size		ft ²		
Total nr of storeys	3	nr		
Total nr of cores	3	nr		
Total nr of lifts per core	26	nr		
Total Depth	13.50	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Substructure						252.00	£118,111,223
• Excavation and disposal	196,169	m ³	70	13,732,000	29.25		
• EO for contaminated soil	9,808	m ³	45	441,000	0.94		
• Dewatering	1	Item	500,000	500,000	1.06		
• Piling Mat	14,531	m ²	15	218,000	0.46		
• Pile Testing, Reinforcement Schedules etc.	1	Item	1,000,000	1,000,000	2.13		
• Secant Piled Wall	658	m	15,000	9,870,000	21.02		
• RC Pile cap	658	m	2,000	1,316,000	2.80		
• Temporary Works	1	Item	1,000,000	1,000,000	2.13		
• Allowance for piled foundations							
• EO Allowance for Marine Piles		nr	25,000	0	0.00		
• EO Allowance for Marine Piles		nr	15,000	0	0.00		
• EO Allowance for Marine Piles		nr	20,000	0	0.00		
• Allowance for clashes with existing structures	1	Item	500,000	500,000	1.06		
• Basement Slab Construction	3,175	m ²	1,500	4,763,000	10.14		
• Basement Slab Construction	4,025	m ²	1,500	6,038,000	12.86		
• Basement Slab Construction	3,100	m ²	1,500	4,650,000	9.90		
• Drainage and Waterproofing to basement slab	10,300	m ²	60	618,000	1.32		
• Allowance for RC Columns to below ground	43,619	m ²	120	5,234,000	11.15		
• Allowance for RC Walls to below ground	43,619	m ²	175	7,633,000	16.26		
• RC Waterproof lined wall	5,922	m ²	500	2,961,000	6.31		
• Allowance for drained cavity to liner wall	658	m	250	165,000	0.35		
• Upper Floor Construction to below ground	14,531	m ²	230	3,342,000	7.12		
• Ground Floor Construction	14,531	m ²	230	3,342,000	7.12		
• Promenade Slab Construction	17,297	m ²	230	3,978,000	8.47		
• RC Stairs	42	nr	20,000	840,000	1.79		
• Allowance to form ramps etc.	1	Item	750,000	750,000	1.60		
• Allowance for forming lift pits	78	nr	7,000	546,000	1.16		
Mechanical & Electrical Installations	469,511	ft ²	41	19,245,223	40.99		
Sub-Total				£118,111,223		252	
• Preliminaries				0	0.00	0.00	
• CM Fee				0	0.00	0.00	
• Insurances				0	0.00	0.00	
Total for Shell & Core				£118,100,000		252	

App A. ELEMENTAL COST MODELS

SHARED BASEMENT & PROMENADE - SITE WIDE x 3 STOREYS

Shell & Core

Total Area (m ²)	43,619	m ²	469,511	ft ²
Net : Gross Ratio				ft ²
Building Footprint	14,531	m ²		
Below Ground Area	43,619	m ²	196,169	m ³
Wall : Floor Ratio				
Typical NIA Floorplate size		ft ²		
Total nr of storeys	3	nr		
Total nr of cores	3	nr		
Total nr of lifts per core	26	nr		
Total Depth	13.50	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
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For the purposes of providing a complete estimate for each building, the previous site wide basement is pro-rated in to each to building according to the % GIA above ground of each block:

• Pro Rata Basement Allowance for NQ1	44%			51,568,146	109.83	110.00	
• Pro Rata Basement Allowance for NQ2	19%			22,166,570	47.21	47.00	
• Pro Rata Basement Allowance for NQ3	38%			44,365,284	94.49	94.00	
Total for Shell & Core				£118,100,000		251	

App A. ELEMENTAL COST MODELS

NQ 1 - Commercial

Commercial
Shell & Core

Total Area (m ²)	161,476	m ²	1,738,116	ft ²
Net : Gross Ratio	60%		1,049,469	ft ²
Building Footprint	3,175	m ²		
Below Ground Area	18,689	m ²	149,516	m ³
Wall : Floor Ratio	0.34			
Typical NIA Floorplate size	26,135	ft ²		
Total nr of storeys	46	nr		
Total nr of cores	4	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT		Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Substructure							30.00	£51,568,146
<ul style="list-style-type: none"> Pro- Rata Basement allowance 	See basement tab for detailed breakdown	201,171	ft ²	256	51,568,146	29.67		
					0	0.00		
					0	0.00		
Frame & Upper Floors							50.00	£86,090,000
<ul style="list-style-type: none"> Steel Columns and Bracing Steel beams and Bracing Allowance for connections Allowance for trimmer beams and bracing Fire Protection EO allowance for secondary steelwork EO for architectural steelwork RC Core Walls Upper Floor Construction Surface finish; power float Roof Slab Construction Allowance for concrete parapet to roof Allowance for structures not shown 	Allowance of 60kg/m ² Allowance of 25kg/m ² Say 15% Say 3% 90min intumescent paint Provisional Allowance until design progresses Where exposed in certain areas, i.e. GF reception Average allowance of 300mm, reinforcement 120kg/m ³ , Provisional Allowance Assumed 130mm thick slab on Comfloor 60; 0.9mm deck Provisional Allowance until design progresses	9,689 4,037 2,059 474 16,258 250 1 60,760 142,787 3,175 200 1	t t t t t t Item m ² m ² m ² m Item	2,500 2,500 2,500 2,500 600 2,600 500,000 230 130 5 230 300 500,000	24,221,000 10,092,000 5,147,000 1,184,000 9,755,000 650,000 500,000 13,975,000 18,562,000 714,000 730,000 60,000 500,000	13.94 5.81 2.96 0.68 5.61 0.37 0.29 8.04 10.68 0.41 0.42 0.03 0.29		
Roof							4.00	£6,688,000
<ul style="list-style-type: none"> Roof Coverings and Insulation Allowance for drainage EO Allowance for green roofs or similar Allowance for glazed roof Allowance for mansafe Plant Screens Allowance for plant coverings EO for forming terraces Allowance for roof access ladders, plant access etc. 	Allowance of 10% coverage Allowance for aluminium louvres Assumed mesh to plant area Say 50% accessible area of roof; Allowance to form terraces including floor coverings and handrails etc. Provisional Allowance	3,175 3,175 318 1,500 1 491 3,175 1,588 1	m ² m ² m ² m ² Item m ² m ² m ² Item	200 150 250 2,000 150,000 800 200 800 50,000	635,000 476,000 79,000 3,000,000 150,000 393,000 635,000 1,270,000 50,000	0.37 0.27 0.05 1.73 0.09 0.23 0.37 0.73 0.03		
Stairs							3.00	£4,881,000
<ul style="list-style-type: none"> Main Core Stairs Balustrades and handrails Allowance for feature stairs Escape Staircases 	Precast staircase in two flights with one full landing Assumed steel balustrade and handrails to Ground Floor for example	184 1,472 4 1	nr m Item Item	17,500 500 200,000 125,000	3,220,000 736,000 800,000 125,000	1.85 0.42 0.46 0.07		

App A. ELEMENTAL COST MODELS

NQ 1 - Commercial

Commercial
Shell & Core

Total Area (m ²)	161,476 m ²	1,738,116 ft ²
Net : Gross Ratio	60%	1,049,469 ft ²
Building Footprint	3,175 m ²	
Below Ground Area	18,689 m ²	149,516 m ³
Wall : Floor Ratio	0.34	
Typical NIA Floorplate size	26,135 ft ²	
Total nr of storeys	46 nr	
Total nr of cores	4 nr	
Total nr of passenger lifts per core	8 nr	
Storey Height	4.20 m	

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
External Walls, Windows & Doors						35.00	£61,518,000
<ul style="list-style-type: none"> Façade Type H Façade Type G Façade Type AT Façade Type C Façade Type C1 Façade Type B Façade Type B2 EO for articulation EO for Ground Floor façade system EO Allowance for louvres Balustrading to terraces Automatic revolving door Double Glazed automatic Door; Double leaf Double Glazed automatic Door; Single leaf Retail entrance doors Security shutters Allowance for canopies to GF Allowance for BMU's 	1,584	m ²	1,050	1,663,000	0.96		
	2,290	m ²	1,200	2,748,000	1.58		
	1,428	m ²	1,000	1,428,000	0.82		
	8,773	m ²	1,000	8,773,000	5.05		
	12,745	m ²	1,050	13,383,000	7.70		
	18,905	m ²	1,150	21,741,000	12.51		
	3,425	m ²	1,300	4,452,000	2.56		
Provsional Allowance say 5%	2,458	m ²	1,050	2,580,000	1.48		
	3,874	m ²	300	1,162,000	0.67		
Where required for plant etc.	492	m ²	200	98,000	0.06		
Allowance for 1200mm high glazed balustrade	200	m	1,200	240,000	0.14		
Assumed 3m diameter	5	nr	100,000	500,000	0.29		
Provisional Allowance	5	nr	50,000	250,000	0.14		
Provisional Allowance	10	nr	25,000	250,000	0.14		
	10	nr	50,000	500,000	0.29		
To loading bay etc.	1	Item	150,000	150,000	0.09		
	1	Item	100,000	100,000	0.06		
	3	nr	500,000	1,500,000	0.86		
					0.00		
Internal Walls & Doors						10.00	£16,596,000
<ul style="list-style-type: none"> Metal Stud Partitions; including plasterboard layer Blockwork Walls; assumed 200mm thick Allowance for column casings Single leaf timber doors Single leaf 120min fire resistant timber doors Double leaf timber doors Double leaf 120min fire resistant timber doors Allowance for doors not shown 	1,738,116	ft ²	3	5,910,000	3.40		
	1,738,116	ft ²	4	7,648,000	4.40		
	1	Item	800,000	800,000	0.46		
	450	nr	1,800	810,000	0.47		
	160	nr	2,000	320,000	0.18		
	160	nr	2,300	368,000	0.21		
	96	nr	2,500	240,000	0.14		
	1	Item	500,000	500,000	0.29		
Walls, Floors and Ceilings						10.00	£17,380,000
<ul style="list-style-type: none"> Allowance for wall finishes Allowance for floor finishes Allowance for ceiling finishes 	1,738,116	ft ²	4	6,952,000	4.00		
	1,738,116	ft ²	3	5,214,000	3.00		
	1,738,116	ft ²	3	5,214,000	3.00		
Fittings & Furnishings						2.00	£3,476,000
<ul style="list-style-type: none"> Allowance for fittings and furnishings 	1,738,116	ft ²	2	3,476,000	2.00		
Mechanical & Electrical Installations						61.54	£94,588,000
<ul style="list-style-type: none"> Allowance for Mechanical and Electrical Installations 	1,536,945	ft ²	62	94,588,000	61.54		
Lifts						18.61	£28,600,000

App A. ELEMENTAL COST MODELS

NQ 1 - Commercial

Commercial
Shell & Core

Total Area (m ²)	161,476	m ²	1,738,116	ft ²
Net : Gross Ratio	60%		1,049,469	ft ²
Building Footprint	3,175	m ²		
Below Ground Area	18,689	m ²	149,516	m ³
Wall : Floor Ratio	0.34			
Typical NIA Floorplate size	26,135	ft ²		
Total nr of storeys	46	nr		
Total nr of cores	4	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
• Allowance for lift installations	1,536,945	ft ²	19	28,600,000	18.61		
Builderswork in Connection with Services						4.00	£6,159,000
• Allowance for BWIC	1,536,945	ft ²	4	6,159,000	4.01		
Sub-Total				£377,544,146		217	
• Preliminaries	15%			56,632,000	32.58	33.00	
• CM Fee	3%			11,326,000	6.52	7.00	
• Insurances	0.5%			1,888,000	1.09	1.00	
Total for Shell & Core				£447,390,000		258	

App A. ELEMENTAL COST MODELS

NQ 1 - Commercial

Commercial
Shell & Core

Total Area (m ²)	161,476	m ²	1,738,116	ft ²
Net : Gross Ratio	60%		1,049,469	ft ²
Building Footprint	3,175	m ²		
Below Ground Area	18,689	m ²	149,516	m ³
Wall : Floor Ratio	0.34			
Typical NIA Floorplate size	26,135	ft ²		
Total nr of storeys	46	nr		
Total nr of cores	4	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
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NQ 1- Commercial- Cat A Fit Out

Wall Finishes
• Allowance for wall finishes
•
Floor Finishes
• Allowance for raised access floor
•
Ceiling Finishes
• Allowance for ceiling finishes
•
Fittings
• Allowance for fittings
•
Mechaical and Electrical
• Allowance for mechanical and electrical installations
•
Sub-Total
• Preliminaries
• CM Fee
• Insurances
Total for Shell & Core

	Quant	Unit	Rate	Total	£/ft ² on NIA	Elem £/ft ² on NIA	Sub Total Cost
Allowance for plasterboard and decoration to outer face of core walls and columns	26,135	ft ²	3	78,000	2.98	3.00	£78,000
Assume 600 x 600 mm medium grade tile with xmm void	26,135	ft ²	5	131,000	5.01	5.00	£131,000
Allowances for metal plank suspended ceiling (SAS or similar) with plasterboard margins	26,135	ft ²	9	235,000	8.99	9.00	£235,000
Skirtings, statutory signage etc. (Blinds included in façade)	26,135	ft ²	1	26,000	0.99	1.00	£26,000
	26,135	ft ²	28	732,000	28.01	28.00	£732,000
				£1,202,000	45.99	46	
	15%			180,000	6.89	6.89	
	3%			36,000	1.38	1.38	
	0.5%			6,000	0.23	0.23	
				£1,420,000	54	54	

App A. ELEMENTAL COST MODELS

NQ 2- Commercial

Commercial
Shell & Core

Total Area (m ²)	71,177	m ²	766,147	ft ²
Net : Gross Ratio	57%		434,905	ft ²
Building Footprint	4,025	m ²		
Below Ground Area	9,800	m ²	78,404	m ³
Wall : Floor Ratio	0.30			
Typical NIA Floorplate size	33,368	ft ²		
Total nr of storeys	20	nr		
Total nr of cores	2	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT		Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Substructure							29.00	£22,166,570
<ul style="list-style-type: none"> Pro- Rata Basement allowance . . 	See basement tab for detailed breakdown	105,491	ft ²	210	22,166,570	28.93		
					0	0.00		
					0	0.00		
Frame & Upper Floors							52.00	£39,465,000
<ul style="list-style-type: none"> Steel Columns and Bracing Steel beams and Bracing Allowance for connections Allowance for trimmer beams and bracing Fire Protection EO allowance for secondary steelwork EO for architectural steelwork RC Core Walls Upper Floor Construction Surface finish; power float Roof Slab Construction Allowance for concrete parapet to roof Allowance for structures not shown 	Allowance of 60kg/m ² Allowance of 25kg/m ² Say 15% Say 3% 90min intumescent paint Provisional Allowance until design progresses Where exposed in certain areas, i.e. GF reception Average allowance of 300mm, reinforcement 120kg/m ³ , Provisional Allowance Assumed 130mm thick slab on Comfloor 60; 0.9mm deck Provisional Allowance until design progresses	4,271 1,779 908 209 7,166 250 1 27,504 61,377 61,377 4,025 200 1	t t t t t Item m ² m ² m ² m Item	2,500 2,500 2,500 2,500 600 2,600 500,000 230 130 5 230 300 500,000	10,677,000 4,449,000 2,269,000 522,000 4,300,000 650,000 500,000 6,326,000 7,979,000 307,000 926,000 60,000 500,000	13.94 5.81 2.96 0.68 5.61 0.85 0.65 8.26 10.41 0.40 1.21 0.08 0.65		
Roof					0		10.00	£7,704,000
<ul style="list-style-type: none"> Roof Coverings and Insulation Allowance for drainage EO Allowance for green roofs or similar Allowance for mansafe Allowance for glazed roof Plant Screens Allowance for plant coverings EO for forming terraces Allowance for roof access ladders, plant access etc. 	Allowance of 10% coverage Allowance for aluminium louvres Assumed mesh to plant area Say 50% accessible area of roof; Allowance to form terraces including floor coverings and handrails etc. Provisional Allowance	4,025 4,025 403 1 1,700 224 4,025 2,013 1	m ² m ² m ² Item m ² m ² m ² m ² Item	200 150 250 150,000 2,000 800 200 800 50,000	805,000 604,000 101,000 150,000 3,400,000 179,000 805,000 1,610,000 50,000	1.05 0.79 0.13 0.20 4.44 0.23 1.05 2.10 0.07		
Stairs							2.00	£1,185,000
<ul style="list-style-type: none"> Main Core Stairs Balustrades and handrails Allowance for feature stairs Escape Staircases 	Precast staircase in two flights with one full landing Assumed steel balustrade and handrails to Ground Floor for example	40 320 1 1	nr m Item Item	17,500 500 200,000 125,000	700,000 160,000 200,000 125,000	0.91 0.21 0.26 0.16		

App A. ELEMENTAL COST MODELS

NQ 2- Commercial

Commercial
Shell & Core

Total Area (m ²)	71,177	m ²	766,147	ft ²
Net : Gross Ratio	57%		434,905	ft ²
Building Footprint	4,025	m ²		
Below Ground Area	9,800	m ²	78,404	m ³
Wall : Floor Ratio	0.30			
Typical NIA Floorplate size	33,368	ft ²		
Total nr of storeys	20	nr		
Total nr of cores	2	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT		Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
External Walls, Windows & Doors							37.00	£28,597,000
<ul style="list-style-type: none"> Façade Type H Façade Type G Façade Type A2 Façade Type AT Façade Type B EO for articulation EO for Ground Floor façade system EO Allowance for louvres Balustrading to terraces Automatic revolving door Double Glazed automatic Door; Double leaf Double Glazed automatic Door; Single leaf Retail entrance doors Security shutters Allowance for canopies to GF Allowance for BMU's 	Allowance for target façade rate Provisional Allowance say 5% Where required for plant etc. Allowance for 1200mm high glazed balustrade Assumed 3m diameter Provisional Allowance Provisional Allowance To loading bay etc.	1,485 1,667 6,409 2,478 9,324 1,068 3,152 224 200 8 10 15 5 1 1 3	m ² m ² m ² m ² m ² m ² m ² m ² m nr nr nr nr Item Item nr	1,050 1,200 1,000 1,000 1,150 1,050 300 200 1,200 100,000 50,000 25,000 50,000 150,000 100,000 300,000	1,559,000 2,001,000 6,409,000 2,478,000 10,722,000 1,122,000 946,000 45,000 240,000 800,000 500,000 375,000 250,000 150,000 100,000 900,000	2.03 2.61 8.37 3.23 13.99 1.46 1.23 0.06 0.31 1.04 0.65 0.49 0.33 0.20 0.13 1.17 0.00		
Internal Walls & Doors							10.00	£7,564,000
<ul style="list-style-type: none"> Metal Stud Partitions; including plasterboard layer Blockwork Walls; assumed 200mm thick Allowance for column casings Single leaf timber doors Single leaf 120min fire resistant timber doors Double leaf timber doors Double leaf 120min fire resistant timber doors Allowance for doors not shown 	Provisional Allowance Provisional Allowance Provisional Allowance Provisional Allowance Provisional Allowance Provisional Allowance Provisional Allowance	766,147 766,147 1 120 120 40 96 1	ft ² ft ² Item nr nr nr nr Item	3 4 500,000 1,800 2,000 2,300 2,500 300,000	2,605,000 3,371,000 500,000 216,000 240,000 92,000 240,000 300,000	3.40 4.40 0.65 0.28 0.31 0.12 0.31 0.39		
Walls, Floors and Ceilings							10.00	£7,661,000
<ul style="list-style-type: none"> Allowance for wall finishes Allowance for floor finishes Allowance for ceiling finishes 	Wall finishes to reception, WC's, lift lobbies, stairwells and BOH areas Floor finishes to reception, WC's, lift lobbies, stairwells and BOH areas Ceiling finishes to reception, WC's, lift lobbies, stairwells and BOH areas	766,147 766,147 766,147	ft ² ft ² ft ²	4 3 3	3,065,000 2,298,000 2,298,000	4.00 3.00 3.00		
Fittings & Furnishings							2.00	£1,532,000
<ul style="list-style-type: none"> Allowance for fittings and furnishings 	Reception desk, furniture, signage, turnstiles, cycle racks, lockers & benches etc.	766,147	ft ²	2	1,532,000	2.00		
Mechanical & Electrical Installations							66.23	£43,755,000
<ul style="list-style-type: none"> Allowance for Mechanical and Electrical Installations 		660,656	ft ²	66	43,755,000	66.23		
Lifts							10.72	£7,085,000
<ul style="list-style-type: none"> Allowance for lift installations 		660,656	ft ²	11	7,085,000	10.72		

App A. ELEMENTAL COST MODELS

NQ 2- Commercial

Commercial
Shell & Core

Total Area (m ²)	71,177	m ²	766,147	ft ²
Net : Gross Ratio	57%		434,905	ft ²
Building Footprint	4,025	m ²		
Below Ground Area	9,800	m ²	78,404	m ³
Wall : Floor Ratio	0.30			
Typical NIA Floorplate size	33,368	ft ²		
Total nr of storeys	20	nr		
Total nr of cores	2	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Builderswork in Connection with Services						4.00	£2,542,000
• Allowance for BWIC	660,656	ft ²	4	2,542,000	3.85		
Sub-Total				£169,256,570		221	
• Preliminaries	15%			25,388,000	33.14	33.00	
• CM Fee	3%			5,078,000	6.63	7.00	
• Insurances	0.5%			846,000	1.10	1.00	
Total for Shell & Core				£200,569,000		262	

App A. ELEMENTAL COST MODELS

NQ 2- Commercial

Commercial
Shell & Core

Total Area (m ²)	71,177	m ²	766,147	ft ²
Net : Gross Ratio	57%		434,905	ft ²
Building Footprint	4,025	m ²		
Below Ground Area	9,800	m ²	78,404	m ³
Wall : Floor Ratio	0.30			
Typical NIA Floorplate size	33,368	ft ²		
Total nr of storeys	20	nr		
Total nr of cores	2	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
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NQ 2- Commercial- Cat A Fit Out

ELEMENT	Quant	Unit	Rate	Total	£/ft ² on NIA		Sub Total Cost
					£/ft ² (GIA)	Elem £/ft ² (GIA)	
Wall Finishes • Allowance for wall finishes •						3.00	£100,000
Allowance for plasterboard and decoration to outer face of core walls and columns	33,368	ft ²	3	100,000 0	3.00 0.00		
Floor Finishes • Allowance for raised access floor •						5.00	£167,000
Assume 600 x 600 mm medium grade tile with xxmm void	33,368	ft ²	5	167,000 0	5.00 0.00		
Ceiling Finishes • Allowance for ceiling finishes •						9.00	£300,000
Allowances for metal plank suspended ceiling (SAS or similar) with plasterboard margins	33,368	ft ²	9	300,000 0	8.99 0.00		
Fittings • Allowance for fittings •						1.00	£33,000
Skirtings, statutory signage etc. (Blinds included in façade)	33,368	ft ²	1	33,000 0	0.99 0.00		
Mechaical and Electrical • Allowance for mechanical and electrical installations •						28.00	£934,000
	33,368	ft ²	28	934,000 0	27.99 0.00		
Sub-Total				£1,534,000	45.97	46	
• Preliminaries	15%			230,000	6.89	6.89	
• CM Fee	3%			46,000	1.38	1.38	
• Insurances	0.5%			8,000	0.24	0.24	
Total for Shell & Core				£1,820,000	55	54	

App A. ELEMENTAL COST MODELS

NQ 3 - Commercial

Commercial
Shell & Core

Total Area (m ²)	137,972	m ²	1,485,118	ft ²
Net : Gross Ratio	61%		907,354	ft ²
Building Footprint	3,100	m ²		
Below Ground Area	15,129	m ²	121,033	m ³
Wall : Floor Ratio	0.37			
Typical NIA Floorplate size	27,093	ft ²		
Total nr of storeys	40	nr		
Total nr of cores	3	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Substructure • Pro- Rata Basement allowance	See basement tab for detailed breakdown	162,848	ft ²	272	44,365,284	29.87	30.00 £44,365,284
Frame & Upper Floors • Steel Columns and Bracing • Steel beams and Bracing • Allowance for connections • Allowance for trimmer beams and bracing • Fire Protection • EO allowance for secondary steelwork • EO for architectural steelwork • RC Core Walls • Upper Floor Construction • Surface finish; power float • Roof Slab Construction • Allowance for concrete parapet to roof • Allowance for structures not shown	Allowance of 60kg/m ² Allowance of 25kg/m ² Say 15% Say 3% 90min intumescent paint Provisional Allowance until design progresses Where exposed in certain areas, i.e. GF reception Average allowance of 300mm, reinforcement 120kg/m ³ , Provisional Allowance Assumed 130mm thick slab on Comfloor 60; 0.9mm deck Provisional Allowance until design progresses	8,278 3,449 1,759 405 13,891 250 1 50,368 122,843 122,843 3,100 200 1	t t t t t t Item m ² m ² m ² m Item	2,500 2,500 2,500 2,500 600 2,600 500,000 230 130 5 230 300 500,000	20,696,000 8,623,000 4,398,000 1,012,000 8,335,000 650,000 500,000 11,585,000 15,970,000 614,000 713,000 60,000 500,000	13.94 5.81 2.96 0.68 5.61 0.44 0.34 7.80 10.75 0.41 0.48 0.04 0.34	50.00 £73,656,000
Roof • Roof Coverings and Insulation • Allowance for drainage • EO Allowance for green roofs or similar • Allowance for mansafe • Allowance for glazed roof • Plant Screens • Allowance for plant coverings • EO for forming terraces • Allowance for roof access ladders, plant access etc.	Allowance of 10% coverage Allowance for aluminium louvres Assumed mesh to plant area Say 50% accessible area of roof; Allowance to form terraces including floor coverings and handrails etc. Provisional Allowance	3,100 3,100 310 1 250 875 3,100 1,550 1	m ² m ² m ² Item m ² m ² m ² m ² Item	200 150 250 150,000 2,000 800 200 800 50,000	620,000 465,000 78,000 150,000 500,000 700,000 620,000 1,240,000 50,000	0.42 0.31 0.05 0.10 0.34 0.47 0.42 0.83 0.03	3.00 £4,423,000
Stairs • Main Core Stairs • Balustrades and handrails • Allowance for feature stairs • Escape Staircases	Precast staircase in two flights with one full landing Assumed steel balustrade and handrails to Ground Floor for example	102 816 1 1	nr m Item Item	17,500 500 200,000 125,000	1,785,000 408,000 200,000 125,000	1.20 0.27 0.13 0.08	2.00 £2,518,000
External Walls, Windows & Doors							42.00 £62,440,000

App A. ELEMENTAL COST MODELS

NQ 3 - Commercial

Commercial
Shell & Core

Total Area (m ²)	137,972	m ²	1,485,118	ft ²
Net : Gross Ratio	61%		907,354	ft ²
Building Footprint	3,100	m ²		
Below Ground Area	15,129	m ²	121,033	m ³
Wall : Floor Ratio	0.37			
Typical NIA Floorplate size	27,093	ft ²		
Total nr of storeys	40	nr		
Total nr of cores	3	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
<ul style="list-style-type: none"> Façade Type H Façade Type G Façade Type A Façade Type B1 Façade Type AT EO for articulation EO for Ground Floor façade system EO Allowance for louvres Balustrading to terraces Automatic revolving door Double Glazed automatic Door; Double leaf Double Glazed automatic Door; Single leaf Retail entrance doors Security shutters Allowance for canopies to GF Allowance for BMU's 	Allowance for target façade rate	2,376	m ²	1,050	2,495,000	1.68	
	2,808	m ²	1,200	3,370,000	2.27		
	28,134	m ²	1,000	28,134,000	18.94		
	17,529	m ²	1,150	20,158,000	13.57		
	638	m ²	1,000	638,000	0.43		
	Provsional Allowance say 5%	2,574	m ²	1,050	2,703,000	1.82	
	3,072	m ²	300	922,000	0.62		
	Where required for plant etc.	24	m ²	200	5,000	0.00	
	Allowance for 1200mm high glazed balustrade	200	m	1,200	240,000	0.16	
	Assumed 3m diameter	9	nr	100,000	900,000	0.61	
	Provisional Allowance	10	nr	50,000	500,000	0.34	
	Provisional Allowance	15	nr	25,000	375,000	0.25	
	Provisional Allowance	5	nr	50,000	250,000	0.17	
	To loading bay etc.	1	litem	150,000	150,000	0.10	
		1	litem	100,000	100,000	0.07	
		3	nr	500,000	1,500,000	1.01	
						0.00	
Internal Walls & Doors						10.00	£14,188,000
<ul style="list-style-type: none"> Metal Stud Partitions; including plasterboard layer Blockwork Walls; assumed 200mm thick Allowance for column casings Single leaf timber doors Single leaf 120min fire resistant timber doors Double leaf timber doors Double leaf 120min fire resistant timber doors Allowance for doors not shown 	Provisional Allowance	1,485,118	ft ²	3	5,049,000	3.40	
	Provisional Allowance	1,485,118	ft ²	4	6,535,000	4.40	
	Provisional Allowance	1	litem	800,000	800,000	0.54	
	Provisional Allowance	320	nr	1,800	576,000	0.39	
	Provisional Allowance	160	nr	2,000	320,000	0.22	
	Provisional Allowance	160	nr	2,300	368,000	0.25	
	Provisional Allowance	96	nr	2,500	240,000	0.16	
Provisional Allowance	1	litem	300,000	300,000	0.20		
Walls, Floors and Ceilings						10.00	£14,850,000
<ul style="list-style-type: none"> Allowance for wall finishes Allowance for floor finishes Allowance for ceiling finishes 	Wall finishes to reception, WC's, lift lobbies, stairwells and BOH areas	1,485,118	ft ²	4	5,940,000	4.00	
	Floor finishes to reception, WC's, lift lobbies, stairwells and BOH areas	1,485,118	ft ²	3	4,455,000	3.00	
	Ceiling finishes to reception, WC's, lift lobbies, stairwells and BOH areas	1,485,118	ft ²	3	4,455,000	3.00	
Fittings & Furnishings						2.00	£2,970,000
<ul style="list-style-type: none"> Allowance for fittings and furnishings 	Reception desk, furniture, signage, turnstiles, cycle racks, lockers & benches etc.	1,485,118	ft ²	2	2,970,000	2.00	
Mechanical & Electrical Installations						58.27	£77,052,000
<ul style="list-style-type: none"> Allowance for Mechanical and Electrical Installations 		1,322,270	ft ²	58	77,052,000	58.27	
Lifts						13.97	£20,752,500
<ul style="list-style-type: none"> Allowance for lift installations 		1,322,270	ft ²	16	20,752,500	13.97	
Builderswork in Connection with Services						3.00	£4,890,000
<ul style="list-style-type: none"> Allowance for BWIC 		1,322,270	ft ²	4	4,890,000	3.29	

App A. ELEMENTAL COST MODELS

NQ 3 - Commercial

Commercial
 Shell & Core

Total Area (m ²)	137,972	m ²	1,485,118	ft ²
Net : Gross Ratio	61%		907,354	ft ²
Building Footprint	3,100	m ²		
Below Ground Area	15,129	m ²	121,033	m ³
Wall : Floor Ratio	0.37			
Typical NIA Floorplate size	27,093	ft ²		
Total nr of storeys	40	nr		
Total nr of cores	3	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
Sub-Total				£322,104,784		217	
• Preliminaries	15%			48,316,000	32.53	33.00	
• CM Fee	3%			9,663,000	6.51	7.00	
• Insurances	0.5%			1,611,000	1.08	1.00	
Total for Shell & Core				£381,695,000		258	

NQ 3- Commercial- Cat A Fit Out

App A. ELEMENTAL COST MODELS

NQ 3 - Commercial

Commercial
Shell & Core

Total Area (m ²)	137,972	m ²	1,485,118	ft ²
Net : Gross Ratio	61%		907,354	ft ²
Building Footprint	3,100	m ²		
Below Ground Area	15,129	m ²	121,033	m ³
Wall : Floor Ratio	0.37			
Typical NIA Floorplate size	27,093	ft ²		
Total nr of storeys	40	nr		
Total nr of cores	3	nr		
Total nr of passenger lifts per core	8	nr		
Storey Height	4.20	m		

ELEMENT
Wall Finishes
• Allowance for wall finishes
•
Floor Finishes
• Allowance for raised access floor
•
Ceiling Finishes
• Allowance for ceiling finishes
•
Fittings
• Allowance for fittings
•
Mechaical and Electrical
• Allowance for mechanical and electrical installations
•
Sub-Total
• Preliminaries
• CM Fee
• Insurances
Total for Shell & Core

	Quant	Unit	Rate	Total	£/ft ² (GIA)	Elem £/ft ² (GIA)	Sub Total Cost
£/ft2 on NIA							
Allowance for plasterboard and decoration to outer face of core walls and columns	27,093	ft ²	3	81,000	2.99	3.00	£81,000
				0	0.00		
Assume 600 x 600 mm medium grade tile with xxxmm void	27,093	ft ²	5	135,000	4.98	5.00	£135,000
				0	0.00		
Allowances for metal plank suspended ceiling (SAS or similar) with plasterboard margins	27,093	ft ²	9	244,000	9.01	9.00	£244,000
				0	0.00		
Skirtings, statutory signage etc. (Blinds included in façade)	27,093	ft ²	1	27,000	1.00	1.00	£27,000
				0	0.00		
	27,093	ft ²	28	759,000	28.01	28.00	£759,000
				0	0.00		
				£1,246,000	45.99	46	
	15%			187,000	6.90	6.90	
	3%			37,000	1.37	1.37	
	0.5%			6,000	0.22	0.22	
				£1,480,000	55	54	
					GIA	1	

Appendix B - Infrastructure Costs

App B - INFRASTRUCTURE & SERVICING - ORDER OF COST ESTIMATE

Basis:

Total GIA of all buildings	370,626	m ²	3,989,381	ft ²
Total Site Area	31,341	m ²		
Total External Works Area (excluding building footprint)	24,196	m ²		

ELEMENT / SCOPE OF WORKS

	Quant	Unit	Rate	Total	£/ft ² (O/A GIA)	Sub Total Cost
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1. False Quay Reconstruction (full extent)

- Allowance to demolish existing false quay and deck grid
- Works to Existing Piles
- EO for utilising existing piles for structure
- New Piles according to Watermans drawing
- Primary Beam
- Secondary beam - Major size
- Secondary beam - Minor size
- New False Quay slab
- EO For temporary works
- North Dock Walk (promenade)
- Allowance for drainage etc

						£18,018,000
Including disposal off site	5,000	m ²	500	2,500,000	0.63	
	114	nr	1,500	171,000	0.04	
	29	nr	5,000	143,000	0.04	
	87	nr	20,000	1,740,000	0.44	
Dimensions tbc	720	m	3,500	2,520,000	0.63	
Ditto	1,305	m	2,500	3,263,000	0.82	
Ditto	261	m	2,000	522,000	0.13	
	6,307	m ²	750	4,730,000	1.19	
Allowance for method specific access platform, phasing / relocation etc		item		1,000,000	0.25	
Planting, seating and paving. Allowance for edge protection and alike	1,856	m ²	600	1,114,000	0.28	
	6,307	m ²	50	315,000	0.08	

2. Promenade Dock Edge Steps

- Promenade Edge
- Allowance for stone paving - non-slip
- E/O allowance for stone edging / treads / risers to promenade edge
- Allowance for seating / planters
- Allowance for recessed mounted uplighting
- Allowance for Street Lighting columns
- Allowance for drainage etc

						£5,156,000
Allowance to concrete / substrate to form steps etc.	219	m	2,000	438,000	0.11	
	6,307	m ²	600	3,784,000	0.95	
	219	m	1,000	219,000	0.05	
		item		150,000	0.04	
		item		100,000	0.03	
		item		150,000	0.04	
	6,307	m ²	50	315,000	0.08	

3. Public Realm

- Eastern and Western Access
- Delta Junction
- Allowance for hard landscaping
- Allowance for soft landscaping
- Landscape to podium
- Security points
- Allowance for HVM
- Allowance for works along Aspen Way
- Allowance for works along Aspen Way- Substation
- Allowance for all other infrastructure works
- Allowance for Street Lighting columns
- Allowance for drainage etc

						£19,923,000
Paved access, mature trees and benched seating alongside path	892	m ²	850	758,000	0.19	
Hertsmere Road connection area removed	3,998	m ²	850	3,398,000	0.85	
Generally, excluding squares	6,800	m ²	500	3,400,000	0.85	
Generally, excluding squares	6,800	m ²	300	2,040,000	0.51	
Allowance for feature landscaping, public square etc.	3,500	m ²	1,000	3,500,000	0.88	
Assumed at west and east boundaries	2	nr	200,000	400,000	0.10	
Assumed security bollards along Aspen way	260	m	15,000	3,900,000	0.98	
Paved access, mature trees and benched seating alongside path	1,066	m ²	1,000	1,066,000	0.27	
Works to substation area	1,066	m ²	200	213,000	0.05	
Including crossings, walkways etc.		item		500,000	0.13	
		item		110,000	0.03	
	12,756	m ²	50	638,000	0.16	

App B - INFRASTRUCTURE & SERVICING - ORDER OF COST ESTIMATE

Basis:

Total GIA of all buildings	370,626	m ²	3,989,381	ft ²
Total Site Area	31,341	m ²		
Total External Works Area (excluding building footprint)	24,196	m ²		

ELEMENT / SCOPE OF WORKS	Quant	Unit	Rate	Total	£/ft ² (O/A GIA)	Sub Total Cost
4. Connection to Poplar Bridge						
<ul style="list-style-type: none"> Connection area Allowance for stone paving - non-slip E/O allowance for stone edging / treads / risers to promenade edge Allowance for handrails Allowance for recessed mounted uplighting Allowance for planters Stepped access EP for works to existing bridge Temporary Stairs to upper bank street Allowance for Street Lighting columns Allowance for drainage etc 						
Allowance to concrete / substrate to form steps etc.	911	m ²	1,500	1,367,000	0.34	£3,470,000
	911	m ²	600	547,000	0.14	
	429	m	1,000	429,000	0.11	
	96	m	1,000	96,000	0.02	
		item		100,000	0.03	
		item		250,000	0.06	
	17	m	15,000	255,000	0.06	
Includes DDA lift		item		250,000	0.06	
		item		100,000	0.03	
	911	m ²	50	46,000	0.01	
5. High Street Civil Costs (Construct entire tarmac road with curbs)						
<ul style="list-style-type: none"> High Street Civil Costs Area Tarmac area High Street pavement costs along central boulevard Allowance for Street Lighting columns Allowance for drainage etc 						
Including road markings	500	m ²	500	250,000	0.06	£596,000
	250	m ²	750	188,000	0.05	
	750	item	50	120,000	0.03	
		m ²		38,000	0.01	
6. Hertsmere Road Connection						
<ul style="list-style-type: none"> Allowance for ground excavation New Tarmac Road EO Cost for Hertsmere road connection under DLR Allowance for security blockers Allowance for security hut Allowance for security barrier Allowance for Street Lighting columns Allowance for drainage etc 						
Including disposal	850	m ³	150	128,000	0.03	£961,000
Including road markings	850	m ²	500	425,000	0.11	
		item		125,000	0.03	
Assumed remote controlled / automatic	6	nr	25,000	150,000	0.04	
	2	nr	20,000	40,000	0.01	
		item		10,000	0.00	
		item		40,000	0.01	
	850	m ²	50	43,000	0.01	
7. Upper Bank Street						
<ul style="list-style-type: none"> Allowance for regrading / excavation Upper Bank Street Area EO Cost for Upper Bank Street connection Allowance for Street Lighting columns Allowance for drainage etc 						
Including disposal	5,140	m ³	150	771,000	0.19	£2,495,000
	2,570	m ²	500	1,285,000	0.32	
		item		250,000	0.06	
		item		60,000	0.02	
	2,570	m ²	50	129,000	0.03	

App B - INFRASTRUCTURE & SERVICING - ORDER OF COST ESTIMATE

Basis:

Total GIA of all buildings	370,626	m ²	3,989,381 ft ²			
Total Site Area	31,341	m ²				
Total External Works Area (excluding building footprint)	24,196	m ²				

ELEMENT / SCOPE OF WORKS	Quant	Unit	Rate	Total	£/ft ² (O/A GIA)	Sub Total Cost
8. West Side Bridge						
<ul style="list-style-type: none"> Demolish current bridge Construct new replacement 		item		100,000	0.03	£1,600,000
		item		1,500,000	0.38	
9. Site Clearance and Enabling Works						
<ul style="list-style-type: none"> Allowance to clear site of all temporary buildings etc. Allowance to make good site levels etc. 	31,341	m ²	50	1,567,000	0.39	£2,507,000
	31,341	m ²	30	940,000	0.24	
Sub-Total [Categories 1 -9]				£54,726,000		£13.72
<ul style="list-style-type: none"> Preliminaries CM Fee Insurances 	15%			8,209,000	2.06	
	3%			1,642,000	0.41	
	0.5%			274,000	0.07	
Total for Infratstructure & Externals [Categories 1 -9]				£64,850,000	16	
			Excluding Utilities & Incoming Services			



Submitted by:

Barry Hayden
Partner

barry.hayden@corefive.co.uk

020 3141 5555 tel

230 Blackfriars Road,
London,
SE1 8NW

APPENDIX 11 - EXTANT SCHEME APPRAISAL SUMMARY

North Quay
Extant Scheme Appraisal

CONFIDENTIAL

Development Appraisal
DS2
30 June 2020

**North Quay
Extant Scheme Appraisal**

Appraisal Summary for Merged Phases 1 2 3 4

Currency in £

REVENUE

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
NQ1 Office (1/3 Pre-let pre-SoS)	1	337,584	52.50	17,723,160	17,723,160	17,723,160
NQ1 Office (1/3 Post PC 24m void)	1	347,814	52.50	18,260,235	18,260,235	18,260,235
NQ1 Office (1/3 Pre-let during con)	1	337,584	52.50	17,723,160	17,723,160	17,723,160
Chandelier - Retail	1	10,193	40.00	407,720	407,720	407,720
Promenade - Retail	1	19,876	40.00	795,040	795,040	795,040
NQ2 Office (1/3 Pre-let pre-SoS)	1	139,846	52.50	7,341,915	7,341,915	7,341,915
NQ2 Office (1/3 Pre-let during con)	1	139,846	52.50	7,341,915	7,341,915	7,341,915
NQ2 Office (1/3 Post PC 24m void)	1	144,084	52.50	7,564,410	7,564,410	7,564,410
Promenade - Retail	1	19,876	40.00	795,040	795,040	795,040
NQ3 Office (1/3 Pre-let pre-SoS)	1	295,379	52.50	15,507,398	15,507,398	15,507,398
NQ3 Office (1/3 Pre-let during con)	1	295,379	52.50	15,507,398	15,507,398	15,507,398
NQ3 Office (1/3 Post PC 24m void)	<u>1</u>	<u>304,330</u>	52.50	<u>15,977,325</u>	<u>15,977,325</u>	<u>15,977,325</u>
Totals	12	2,391,791			124,944,715	124,944,715

Investment Valuation

NQ1 Office (1/3 Pre-let pre-SoS)

Market Rent	17,723,160	YP @	4.7500%	21.0526	
(1yr 6mths Unexpired Rent Free)		PV 1yr 6mths @	4.7500%	0.9328	348,029,855

NQ1 Office (1/3 Post PC 24m void)

Market Rent	18,260,235	YP @	4.7500%	21.0526	
(1yr 11mths Unexpired Rent Free)		PV 1yr 11mths @	4.7500%	0.9149	351,709,575

NQ1 Office (1/3 Pre-let during con)

APPRAISAL SUMMARY**DS2****North Quay****Extant Scheme Appraisal**

Market Rent	17,723,160	YP @	4.7500%	21.0526	
(1yr Unexpired Rent Free)		PV 1yr @	4.7500%	0.9547	356,199,673

Chandelier - Retail

Market Rent	407,720	YP @	5.5000%	18.1818	
(6mths Unexpired Rent Free)		PV 6mths @	5.5000%	0.9736	7,217,272

Promenade - Retail

Market Rent	795,040	YP @	5.5000%	18.1818	
(6mths Unexpired Rent Free)		PV 6mths @	5.5000%	0.9736	14,073,433

NQ2 Office (1/3 Pre-let pre-SoS)

Market Rent	7,341,915	YP @	4.7500%	21.0526	
(1yr 6mths Unexpired Rent Free)		PV 1yr 6mths @	4.7500%	0.9328	144,173,252

NQ2 Office (1/3 Pre-let during con)

Market Rent	7,341,915	YP @	4.7500%	21.0526	
(1yr Unexpired Rent Free)		PV 1yr @	4.7500%	0.9547	147,557,644

NQ2 Office (1/3 Post PC 24m void)

Market Rent	7,564,410	YP @	4.7500%	21.0526	
(1yr 11mths Unexpired Rent Free)		PV 1yr 11mths @	4.7500%	0.9149	145,697,765

Promenade - Retail

Market Rent	795,040	YP @	5.5000%	18.1818	
(6mths Unexpired Rent Free)		PV 6mths @	5.5000%	0.9736	14,073,433

NQ3 Office (1/3 Pre-let pre-SoS)

Market Rent	15,507,398	YP @	4.7500%	21.0526	
(1yr 6mths Unexpired Rent Free)		PV 1yr 6mths @	4.7500%	0.9328	304,518,907

NQ3 Office (1/3 Pre-let during con)

Market Rent	15,507,398	YP @	4.7500%	21.0526	
(1yr Unexpired Rent Free)		PV 1yr @	4.7500%	0.9547	311,667,328

APPRAISAL SUMMARY**DS2****North Quay
Extant Scheme Appraisal**

NQ3 Office (1/3 Post PC 24m void)					
Market Rent	15,977,325	YP @	4.7500%	21.0526	
(1yr 11mths Unexpired Rent Free)		PV 1yr 11mths @	4.7500%	0.9149	307,738,547
Total Investment Valuation					2,452,656,686

GROSS DEVELOPMENT VALUE **2,452,656,686**

Purchaser's Costs				(166,780,655)	
Effective Purchaser's Costs Rate		6.80%			(166,780,655)

NET DEVELOPMENT VALUE **2,285,876,032****NET REALISATION** **2,285,876,032****OUTLAY****ACQUISITION COSTS**

Residualised Price				52,578,585	
					52,578,585
Stamp Duty		5.00%	2,628,929		
Agent Fee		1.00%	525,786		
Legal Fee		0.50%	262,893		
					3,417,608

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
External Works & Services	1 un	81,410,498	81,410,498
Office Fit out - NQ1	1 un	55,780,000	55,780,000
Office Fit out - NQ2	1 un	21,890,000	21,890,000
Office Fit out - NQ3	1 un	47,980,000	47,980,000
Totals			207,060,498

APPRAISAL SUMMARY**DS2****North Quay****Extant Scheme Appraisal**

	ft²	Build Rate ft²	Cost	
Basement & Promenade	469,510	251.54	118,100,000	
NQ1 Office	1,536,945	258.46	397,241,854	
NQ2 Office	660,656	272.79	180,223,430	
NQ3 Office	1,322,270	256.23	338,804,716	
Totals	3,989,381 ft²		1,034,370,000	
Contingency		5.00%	62,071,525	
LBTH S106 (commencement)			290,000	
LBTH S106 NQ1 (occupation)			5,100,000	
LBTH S106 NQ2 (occupation)			2,050,000	
LBTH S106 NQ3 (occupation)			4,500,000	
				1,315,442,023
Other Construction				
Neighbourly Matters			5,500,000	
				5,500,000
PROFESSIONAL FEES				
Professional Fees		10.00%	124,143,050	
				124,143,050
MARKETING & LETTING				
Marketing - Commercial	2,391,791 ft ²	3.00	7,175,373	
Letting Agent Fee		15.00%	18,741,707	
Letting Legal Fee		5.00%	6,247,236	
				32,164,316
DISPOSAL FEES				
Sales Agent Fee - Commercial		0.50%	11,429,380	
Sales Legal Fee		0.25%	5,714,690	
				17,144,070
FINANCE				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				367,587,877
TOTAL COSTS				1,917,977,529

**North Quay
Extant Scheme Appraisal
PROFIT****367,898,503****Performance Measures**

Profit on Cost%	19.18%
Profit on GDV%	15.00%
Profit on NDV%	16.09%
Development Yield% (on Rent)	6.51%
Equivalent Yield% (Nominal)	4.76%
Equivalent Yield% (True)	4.91%
IRR% (without Interest)	10.66%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.000)	2 yrs 11 mths

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APPENDIX 12 - EXTANT SCHEME APPRAISAL SENSITIVITY ANALYSYS

North Quay
Extant Scheme Appraisal

CONFIDENTIAL

Development Appraisal
DS2
30 June 2020

**North Quay
Extant Scheme Appraisal**

Table of Land Cost and Land Cost

Construction: Gross Cost		Rent: Rate /ft²				
Rent: Yield	-5.00 /ft²	-2.50 /ft²	0.00 /ft²	+2.50 /ft²	+5.00 /ft²	
	47.50 /ft²	50.00 /ft²	52.50 /ft²	55.00 /ft²	57.50 /ft²	
-0.5000%	(£127,428,341)	(£187,055,278)	(£246,682,215)	(£306,309,152)	(£365,936,089)	
4.2500%	(£127,428,341)	(£187,055,278)	(£246,682,215)	(£306,309,152)	(£365,936,089)	
-0.2500%	(£59,948,042)	(£116,023,385)	(£172,098,728)	(£228,174,070)	(£284,249,413)	
4.5000%	(£59,948,042)	(£116,023,385)	(£172,098,728)	(£228,174,070)	(£284,249,413)	
0.0000%	£433,449	(£52,491,768)	(£105,390,529)	(£158,289,291)	(£211,188,053)	
4.7500%	£433,449	(£52,491,768)	(£105,390,529)	(£158,289,291)	(£211,188,053)	
+0.2500%	£61,968,368	£5,027,741	(£45,376,127)	(£95,417,060)	(£145,457,993)	
5.0000%	£61,968,368	£5,027,741	(£45,376,127)	(£95,417,060)	(£145,457,993)	
+0.5000%	£119,944,472	£63,891,570	£9,658,184	(£38,555,389)	(£86,011,700)	
5.2500%	£119,944,472	£63,891,570	£9,658,184	(£38,555,389)	(£86,011,700)	
Construction: Gross Cost		Rent: Rate /ft²				
Rent: Yield	-5.00 /ft²	-2.50 /ft²	0.00 /ft²	+2.50 /ft²	+5.00 /ft²	
	47.50 /ft²	50.00 /ft²	52.50 /ft²	55.00 /ft²	57.50 /ft²	
-0.5000%	(£101,022,368)	(£160,649,306)	(£220,276,243)	(£279,903,180)	(£339,530,117)	
4.2500%	(£101,022,368)	(£160,649,306)	(£220,276,243)	(£279,903,180)	(£339,530,117)	
-0.2500%	(£33,542,070)	(£89,617,413)	(£145,692,755)	(£201,768,098)	(£257,843,441)	
4.5000%	(£33,542,070)	(£89,617,413)	(£145,692,755)	(£201,768,098)	(£257,843,441)	
0.0000%	£29,765,106	(£26,085,795)	(£78,984,557)	(£131,883,319)	(£184,782,080)	
4.7500%	£29,765,106	(£26,085,795)	(£78,984,557)	(£131,883,319)	(£184,782,080)	
+0.2500%	£92,891,986	£34,624,418	(£18,970,155)	(£69,011,088)	(£119,052,021)	
5.0000%	£92,891,986	£34,624,418	(£18,970,155)	(£69,011,088)	(£119,052,021)	
+0.5000%	£151,567,592	£94,844,029	£39,483,727	(£12,149,416)	(£59,605,728)	
5.2500%	£151,567,592	£94,844,029	£39,483,727	(£12,149,416)	(£59,605,728)	
Construction: Gross Cost		Rent: Rate /ft²				
Rent: Yield	-5.00 /ft²	-2.50 /ft²	0.00 /ft²	+2.50 /ft²	+5.00 /ft²	
	47.50 /ft²	50.00 /ft²	52.50 /ft²	55.00 /ft²	57.50 /ft²	
-0.5000%	(£74,616,396)	(£134,243,333)	(£193,870,271)	(£253,497,208)	(£313,124,145)	
4.2500%	(£74,616,396)	(£134,243,333)	(£193,870,271)	(£253,497,208)	(£313,124,145)	
-0.2500%	(£7,136,098)	(£63,211,441)	(£119,286,783)	(£175,362,126)	(£231,437,468)	
4.5000%	(£7,136,098)	(£63,211,441)	(£119,286,783)	(£175,362,126)	(£231,437,468)	
0.0000%	£60,154,718	£340,988	(£52,578,585)	(£105,477,347)	(£158,376,108)	
4.7500%	£60,154,718	£340,988	(£52,578,585)	(£105,477,347)	(£158,376,108)	

**North Quay
Extant Scheme Appraisal**

Table of Land Cost and Land Cost

+0.2500%	£124,173,646	£65,113,029	£8,045,593	(£42,605,116)	(£92,646,049)
5.0000%	£124,173,646	£65,113,029	£8,045,593	(£42,605,116)	(£92,646,049)
+0.5000%	£183,522,830	£126,145,233	£70,050,537	£15,575,761	(£33,199,756)
5.2500%	£183,522,830	£126,145,233	£70,050,537	£15,575,761	(£33,199,756)
Construction: Gross Cost	Rent: Rate /ft ²				
Rent: Yield	-5.00 /ft ²	-2.50 /ft ²	0.00 /ft ²	+2.50 /ft ²	+5.00 /ft ²
	47.50 /ft ²	50.00 /ft ²	52.50 /ft ²	55.00 /ft ²	57.50 /ft ²
-0.5000%	(£48,210,424)	(£107,837,361)	(£167,464,299)	(£227,091,236)	(£286,718,173)
4.2500%	(£48,210,424)	(£107,837,361)	(£167,464,299)	(£227,091,236)	(£286,718,173)
-0.2500%	£21,195,088	(£36,805,469)	(£92,880,811)	(£148,956,154)	(£205,031,496)
4.5000%	£21,195,088	(£36,805,469)	(£92,880,811)	(£148,956,154)	(£205,031,496)
0.0000%	£91,009,250	£29,632,374	(£26,172,613)	(£79,071,374)	(£131,970,136)
4.7500%	£91,009,250	£29,632,374	(£26,172,613)	(£79,071,374)	(£131,970,136)
+0.2500%	£155,769,964	£96,027,977	£37,754,713	(£16,199,144)	(£66,240,077)
5.0000%	£155,769,964	£96,027,977	£37,754,713	(£16,199,144)	(£66,240,077)
+0.5000%	£215,796,151	£157,761,183	£101,035,016	£45,592,671	(£6,793,784)
5.2500%	£215,796,151	£157,761,183	£101,035,016	£45,592,671	(£6,793,784)
Construction: Gross Cost	Rent: Rate /ft ²				
Rent: Yield	-5.00 /ft ²	-2.50 /ft ²	0.00 /ft ²	+2.50 /ft ²	+5.00 /ft ²
	47.50 /ft ²	50.00 /ft ²	52.50 /ft ²	55.00 /ft ²	57.50 /ft ²
-0.5000%	(£21,804,452)	(£81,431,389)	(£141,058,326)	(£200,685,264)	(£260,312,201)
4.2500%	(£21,804,452)	(£81,431,389)	(£141,058,326)	(£200,685,264)	(£260,312,201)
-0.2500%	£51,343,895	(£10,399,496)	(£66,474,839)	(£122,550,181)	(£178,625,524)
4.5000%	£51,343,895	(£10,399,496)	(£66,474,839)	(£122,550,181)	(£178,625,524)
0.0000%	£122,205,808	£59,980,140	£248,528	(£52,665,402)	(£105,564,164)
4.7500%	£122,205,808	£59,980,140	£248,528	(£52,665,402)	(£105,564,164)
+0.2500%	£187,672,100	£127,288,839	£68,257,690	£11,080,972	(£39,834,105)
5.0000%	£187,672,100	£127,288,839	£68,257,690	£11,080,972	(£39,834,105)
+0.5000%	£248,348,198	£189,693,189	£132,345,996	£76,219,864	£21,567,714
5.2500%	£248,348,198	£189,693,189	£132,345,996	£76,219,864	£21,567,714

Sensitivity Analysis : Assumptions for Calculation

Rent: Rate /ft²

Original Values are varied in Fixed Steps of £2.50

**North Quay
Extant Scheme Appraisal**

Heading	Phase	Rate	No. of Steps
NQ1 Office (1/3 Pre-let pre-SoS)	2	£52.50	2.00 Up & Down
NQ2 Office (1/3 Pre-let pre-SoS)	3	£52.50	2.00 Up & Down
NQ1 Office (1/3 Post PC 24m void)	2	£52.50	2.00 Up & Down
NQ2 Office (1/3 Pre-let during con)	3	£52.50	2.00 Up & Down
NQ3 Office (1/3 Pre-let pre-SoS)	4	£52.50	2.00 Up & Down
NQ2 Office (1/3 Post PC 24m void)	3	£52.50	2.00 Up & Down
NQ3 Office (1/3 Pre-let during con)	4	£52.50	2.00 Up & Down
NQ3 Office (1/3 Post PC 24m void)	4	£52.50	2.00 Up & Down
NQ1 Office (1/3 Pre-let during con)	2	£52.50	2.00 Up & Down

Rent: Yield

Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
NQ1 Office (1/3 Pre-let pre-SoS)	2	4.7500%	2.00 Up & Down
NQ2 Office (1/3 Pre-let pre-SoS)	3	4.7500%	2.00 Up & Down
NQ1 Office (1/3 Post PC 24m void)	2	4.7500%	2.00 Up & Down
NQ2 Office (1/3 Pre-let during con)	3	4.7500%	2.00 Up & Down
NQ3 Office (1/3 Pre-let pre-SoS)	4	4.7500%	2.00 Up & Down
NQ1 Office (1/3 Pre-let during con)	2	4.7500%	2.00 Up & Down
NQ2 Office (1/3 Post PC 24m void)	3	4.7500%	2.00 Up & Down
NQ3 Office (1/3 Pre-let during con)	4	4.7500%	2.00 Up & Down
NQ3 Office (1/3 Post PC 24m void)	4	4.7500%	2.00 Up & Down

Construction: Gross Cost

Original Values are varied by Steps of 2.500%.

Heading	Phase	Amount	No. of Steps
Basement & Promenade	1	£118,100,000	2.00 Up & Down
External Works & Services	1	£81,410,498	2.00 Up & Down
NQ1 Office	2	£397,241,854	2.00 Up & Down
NQ2 Office	3	£180,223,430	2.00 Up & Down
NQ3 Office	4	£338,804,716	2.00 Up & Down
Office Fit out - NQ1	2	£55,780,000	2.00 Up & Down

**North Quay
Extant Scheme Appraisal**

Office Fit out - NQ2	3	£21,890,000	2.00 Up & Down
Office Fit out - NQ3	4	£47,980,000	2.00 Up & Down

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APPENDIX 13 - PROPOSED SCHEME APPRAISAL SUMMARY

North Quay
Proposed Scheme - Submission

Development Appraisal
DS2
30 June 2020

APPRAISAL SUMMARY**DS2****North Quay
Proposed Scheme - Submission****Appraisal Summary for Merged Phases 1 2 3 4 5 6 7**

Currency in £

REVENUE**Sales Valuation**

	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Block A1/01 C3 Residential - Intermediate	34	35,192	350.00	362,267	12,317,076
Block A1/01 C3 Residential - Rented	78	80,733	175.00	181,132	14,128,307
Block A1/01 C3 Residential - Market	94	97,294	1,300.00	1,345,553	126,481,988
Block A4/02 C3 Residential - Market	496	420,297	1,300.00	1,101,585	546,386,100
C1 Serviced Apartments	<u>750</u>	<u>341,627</u>	840.83	383,000	<u>287,250,000</u>
Totals	1,452	975,143			986,563,471

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Block A1/01 A1-A5 Retail	1	4,226	40.00	169,040	169,040	169,040
Block A4/02 A1-A5 Retail	1	2,835	40.00	113,400	113,400	113,400
Block B1/03 B1 Office - Pre-let pre-SoS	1	166,071	57.50	9,549,083	9,549,083	9,549,083
Block B1/03 B1 Office - Pre-let during con	1	166,071	57.50	9,549,083	9,549,083	9,549,083
Block B1/03 B1 Office - Post PC 12m void	1	166,570	57.50	9,577,775	9,577,775	9,577,775
Block B1/03 A1-A5 Retail	1	15,543	40.00	621,720	621,720	621,720
Block B1/03 Affordable B1 - Pre-let pre-SoS	1	18,452	51.75	954,891	954,891	954,891
Block B1/03 Affordable B1 - Pre-let during con	1	18,452	51.75	954,891	954,891	954,891
Block B1/03 Affordable B1 - Post PC 12m void	1	18,508	51.75	957,789	957,789	957,789
Block A5/04 A1-A5 Retail	1	36,555	40.00	1,462,200	1,462,200	1,462,200
Block D1/06 B1 Office Pre-let pre-SoS	1	181,843	57.50	10,455,973	10,455,973	10,455,973
Block D1/06 B1 Office Pre-let during con	1	181,843	57.50	10,455,973	10,455,973	10,455,973
Block D1/06 B1 Office Post PC 12m void	1	182,390	57.50	10,487,425	10,487,425	10,487,425
Block D1/06 A1-A5 Retail	1	22,441	40.00	897,640	897,640	897,640
Block D1/06 Affordable B1 Pre-let pre-SoS	1	20,205	51.75	1,045,609	1,045,609	1,045,609
Block D1/06 Affordable B1 Pre-let during construction	1	20,205	51.75	1,045,609	1,045,609	1,045,609
Block D1/06 Affordable B1 Post PC 12m void	1	20,266	51.75	1,048,766	1,048,766	1,048,766
Block D3/07 B1 Office Pre-let pre-SoS	1	57,748	57.50	3,320,510	3,320,510	3,320,510

APPRAISAL SUMMARY**DS2****North Quay****Proposed Scheme - Submission**

Block D3/07 B1 Office Pre-let during con	1	57,748	57.50	3,320,510	3,320,510	3,320,510
Block D3/07 B1 Office Post PC 12m void	1	57,920	57.50	3,330,400	3,330,400	3,330,400
Block D3/07 A1-A5 Retail	1	18,046	40.00	721,840	721,840	721,840
Block D3/07 Affordable B1 Pre-let pre-SoS	1	6,416	51.75	332,028	332,028	332,028
Block D3/07 Affordable B1 Pre-let during con	1	6,416	51.75	332,028	332,028	332,028
Block D3/07 Affordable B1 Post PC 12m void	1	6,436	51.75	333,063	333,063	333,063
Block D4/08 A1-A5 Retail	<u>1</u>	<u>6,383</u>	40.00	255,320	<u>255,320</u>	<u>255,320</u>
Totals	25	1,459,589			81,292,563	81,292,563

Investment Valuation**Block A1/01 A1-A5 Retail**

Market Rent	169,040	YP @	5.5000%	18.1818	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.5000%	0.9228	2,836,273

Block A4/02 A1-A5 Retail

Market Rent	113,400	YP @	5.5000%	18.1818	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.5000%	0.9228	1,902,706

Block B1/03 B1 Office - Pre-let pre-SoS

Market Rent	9,549,083	YP @	4.7500%	21.0526	
(2yrs 6mths Unexpired Rent Free)		PV 2yrs 6mths @	4.7500%	0.8905	179,012,335

Block B1/03 B1 Office - Pre-let during con

Market Rent	9,549,083	YP @	4.7500%	21.0526	
(2yrs Unexpired Rent Free)		PV 2yrs @	4.7500%	0.9114	183,214,555

Block B1/03 B1 Office - Post PC 12m void

Market Rent	9,577,775	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	183,765,067

Block B1/03 A1-A5 Retail

Market Rent	621,720	YP @	5.5000%	18.1818	
(1yr Unexpired Rent Free)		PV 1yr @	5.5000%	0.9479	10,714,692

APPRAISAL SUMMARY**DS2****North Quay****Proposed Scheme - Submission****Block B1/03 Affordable B1 - Pre-let pre-SoS**

Market Rent	954,891	YP @	6.0000%	16.6667	
(2yrs 6mths Unexpired Rent Free)		PV 2yrs 6mths @	6.0000%	0.8644	13,757,448

Block B1/03 Affordable B1 - Pre-let during con

Market Rent	954,891	YP @	6.0000%	16.6667	
(2yrs Unexpired Rent Free)		PV 2yrs @	6.0000%	0.8900	14,164,160

Block B1/03 Affordable B1 - Post PC 12m void

Market Rent	957,789	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	14,207,147

Block A5/04 A1-A5 Retail

Market Rent	1,462,200	YP @	5.5000%	18.1818	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.5000%	0.9228	24,533,833

Block D1/06 B1 Office Pre-let pre-SoS

Market Rent	10,455,973	YP @	4.7500%	21.0526	
(2yrs 6mths Unexpired Rent Free)		PV 2yrs 6mths @	4.7500%	0.8905	196,013,392

Block D1/06 B1 Office Pre-let during con

Market Rent	10,455,973	YP @	4.7500%	21.0526	
(2yrs Unexpired Rent Free)		PV 2yrs @	4.7500%	0.9114	200,614,703

Block D1/06 B1 Office Post PC 12m void

Market Rent	10,487,425	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	201,218,170

Block D1/06 A1-A5 Retail

Market Rent	897,640	YP @	5.5000%	18.1818	
(1yr Unexpired Rent Free)		PV 1yr @	5.5000%	0.9479	15,469,884

Block D1/06 Affordable B1 Pre-let pre-SoS

APPRAISAL SUMMARY**DS2****North Quay****Proposed Scheme - Submission**

Market Rent (2yrs 6mths Unexpired Rent Free)	1,045,609	YP @ PV 2yrs 6mths @	6.0000% 6.0000%	16.6667 0.8644	15,064,451
Block D1/06 Affordable B1 Pre-let during construction					
Market Rent (2yrs Unexpired Rent Free)	1,045,609	YP @ PV 2yrs @	6.0000% 6.0000%	16.6667 0.8900	15,509,801
Block D1/06 Affordable B1 Post PC 12m void					
Market Rent (2yrs Rent Free)	1,048,766	YP @ PV 2yrs @	6.0000% 6.0000%	16.6667 0.8900	15,556,626
Block D3/07 B1 Office Pre-let pre-SoS					
Market Rent (2yrs 6mths Unexpired Rent Free)	3,320,510	YP @ PV 2yrs 6mths @	4.7500% 4.7500%	21.0526 0.8905	62,248,101
Block D3/07 B1 Office Pre-let during con					
Market Rent (2yrs Unexpired Rent Free)	3,320,510	YP @ PV 2yrs @	4.7500% 4.7500%	21.0526 0.9114	63,709,342
Block D3/07 B1 Office Post PC 12m void					
Market Rent (2yrs Rent Free)	3,330,400	YP @ PV 2yrs @	4.7500% 4.7500%	21.0526 0.9114	63,899,098
Block D3/07 A1-A5 Retail					
Market Rent (1yr Unexpired Rent Free)	721,840	YP @ PV 1yr @	5.5000% 5.5000%	18.1818 0.9479	12,440,155
Block D3/07 Affordable B1 Pre-let pre-SoS					
Market Rent (2yrs 6mths Unexpired Rent Free)	332,028	YP @ PV 2yrs 6mths @	6.0000% 6.0000%	16.6667 0.8644	4,783,643
Block D3/07 Affordable B1 Pre-let during con					
Market Rent (2yrs Unexpired Rent Free)	332,028	YP @ PV 2yrs @	6.0000% 6.0000%	16.6667 0.8900	4,925,062

APPRAISAL SUMMARY**DS2****North Quay
Proposed Scheme - Submission**

Block D3/07 Affordable B1 Post PC 12m void					
Market Rent	333,063	YP @	6.0000%	16.6667	
(2yrs Rent Free)		PV 2yrs @	6.0000%	0.8900	4,940,415
Block D4/08 A1-A5 Retail					
Market Rent	255,320	YP @	5.5000%	18.1818	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.5000%	0.9228	4,283,941
Total Investment Valuation					1,508,784,999

GROSS DEVELOPMENT VALUE **2,495,348,469**

Purchaser's Costs				(102,597,380)	
Effective Purchaser's Costs Rate		6.80%			(102,597,380)

NET DEVELOPMENT VALUE **2,392,751,089****NET REALISATION** **2,392,751,089****OUTLAY****ACQUISITION COSTS**

Site Value - AUV	52,578,585				
Site Value - AUV			52,578,585		52,578,585
Stamp Duty		5.00%	2,628,929		
Agent Fee		1.00%	525,786		
Legal Fee		0.80%	420,629		
					3,575,344

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
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APPRAISAL SUMMARY**DS2****North Quay****Proposed Scheme - Submission**

Block A1/01 Construction Costs - Basement	1 un	10,643,776	10,643,776
Block A1/01 Construction Costs - Above Ground	1 un	77,985,224	77,985,224
Block A1/01 Construction Costs - Fit Out	1 un	33,131,000	33,131,000
Block A1/01 Construction Costs - External	1 un	8,910,000	8,910,000
Block A4/02 Construction Costs - Basement	1 un	19,101,421	19,101,421
Block A4/02 Construction Costs - Above Ground	1 un	145,018,579	145,018,579
Block A4/02 Construction Costs - Fit Out	1 un	80,350,000	80,350,000
Block A4/02 Construction Costs - External	1 un	14,440,000	14,440,000
Block B1/03 Construction Costs - Basement	1 un	26,625,874	26,625,874
Block B1/03 Construction Costs - Above Ground	1 un	234,171,129	234,171,129
Block B1/03 Construction Costs - Fit Out	1 un	813,000	813,000
Block B1/03 Construction Costs - External	1 un	21,200,000	21,200,000
Block B1/03 Construction Costs - Cat A	1 un	31,000,000	31,000,000
Block A5/04 Construction Costs - Basement	1 un	1,937,597	1,937,597
Block A5/04 Construction Costs - Above Ground	1 un	17,491,403	17,491,403
Block A5/04 Construction Costs - External	1 un	1,690,000	1,690,000
Block D1/06 Construction Costs - Basement	1 un	28,633,304	28,633,304
Block D1/06 Construction Costs - Above Ground	1 un	237,762,696	237,762,696
Block D1/06 Construction Costs - Fit Out	1 un	1,074,000	1,074,000
Block D1/06 Construction Costs - External	1 un	22,790,000	22,790,000
Block D1/06 Construction Costs - Cat A	1 un	33,220,000	33,220,000
Block D3/07 Construction Costs - Basement	1 un	9,289,854	9,289,854
Block D3/07 Construction Costs - Above Ground	1 un	85,943,146	85,943,146
Block D3/07 Construction Costs - Fit Out	1 un	767,000	767,000
Block D3/07 Construction Costs - External	1 un	8,180,000	8,180,000
Block D3/07 Construction Costs - Cat A	1 un	10,150,000	10,150,000
Block D4/08 Construction Costs - Basement	1 un	15,668,177	15,668,177
Block D4/08 Construction Costs - Above Ground	1 un	107,876,823	107,876,823
Block D4/08 Construction Costs - Fit Out	1 un	59,785,000	59,785,000
Block D4/08 Construction Costs - External	1 un	11,920,000	11,920,000
Totals			1,357,569,003
Contingency		5.00%	67,878,450
s106 Estimate			11,456,197
MCIL2 - Phase 1			4,714,620

APPRAISAL SUMMARY**DS2****North Quay****Proposed Scheme - Submission**

Borough CIL - Phase 1		21,181,480	
MCIL2 - Phase 3		15,022,590	
Borough CIL - Phase 3		8,145,400	
MCIL2 - Phase 4		16,424,665	
Borough CIL - Phase 4		8,912,900	
MCIL2 - Phase 2		14,135,065	
Borough CIL - Phase 2		13,318,480	
			1,538,758,850

Other Construction

Neighbourly Matters		5,500,000	
Non-refundable VAT		662,620	
Non-refundable VAT		1,607,000	
Non-refundable VAT		1,195,700	
FF&E		15,000,000	
			23,965,320

PROFESSIONAL FEES

Professional Fees	12.00%	72,713,880	
Professional Fees	10.00%	75,162,000	
			147,875,880

MARKETING & LETTING

Commercial Marketing	1,459,589 ft ²	3.00	4,378,767	
Resi Marketing		1.50%	10,093,021	
Serviced Apartments Marketing		1.00%	2,872,500	
Letting Agent Fee		15.00%	12,193,884	
Letting Legal Fee		5.00%	4,064,628	
				33,602,801

DISPOSAL FEES

Affordable Housing Agent Fee		0.50%	132,227	
Commercial Sales Agent Fee		1.00%	14,061,876	
Resi Sales Agent Fee		1.50%	10,093,021	
Serviced Apartments Sales Agent Fee		1.00%	2,872,500	
AH Legal Fee		0.25%	66,113	
Sales Legal Fee		0.50%	8,467,188	

APPRAISAL SUMMARY**DS2****North Quay****Proposed Scheme - Submission**

Resi Sales Legal Fee	0.25%	316,205	
Residential Sales Legal Fee	0.25%	1,365,965	
			37,375,096

FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			333,105,581

TOTAL COSTS**2,170,837,457****PROFIT****221,913,632****Performance Measures**

Profit on Cost%	10.22%
Profit on GDV%	8.89%
Profit on NDV%	9.27%
Development Yield% (on Rent)	3.74%
Equivalent Yield% (Nominal)	4.87%
Equivalent Yield% (True)	5.02%
IRR% (without Interest)	8.94%
Rent Cover	2 yrs 9 mths
Profit Erosion (finance rate 6.000)	1 yr 8 mths