

Appeal under Section 78 of the Town and Country Planning Act 1990

De Paul House, 628-634 Commercial Road, London E14 7HS

Proof of evidence of Anthony Lee PhD MRTPI MRICS

APPENDICES

PINS Ref App/E5900/W/20/3250665 LPA Ref: PA/19/00804

15 December 2020





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- Appendix 10 Development appraisal (100% market rents)



Appendix 1 - Accommodation schedule

-1	_	-			Hostel or	
Floor _G		Type Single room	NIA 17.0	Occupants 1	HMO Hostel	
G	-1.02	Double room	17.5	2	Hostel	
<u>_G</u>		Single room Single room	15.5 15.5	-	Hostel Hostel	
G	-1.05	Double room	17.5	2	Hostel	
_G _G	-1.06	Accessible room	Marked on sche 23.5		sed" Hostel	
_G	-1.08	Double room	23.5	2	Hostel	
<u>_G</u>		Double room Double room	16.5 17.0		Hostel Hostel	
_G	-1.11	Double room	17.0	2	Hostel	
_G _G		Double room Accessible room	23.5 28.5		Hostel Hostel	
_G _G	-1.13	Ancillary	20.0	2	nosiei	33
G G	0.01		Marked on sche Marked on sche			
3 G	0.02		Marked on sche			
3	0.04		Marked on sche			
G G	0.05		Marked on sche Marked on sche			
3		Single room	15.5		Hostel	
G G		Single room Single room	15.0 15.0		Hostel Hostel	
3	0.10	Accessible room	28.5	2	Hostel	
3		Double room Double room	23.5 16.5		Hostel Hostel	
3	0.13	Double room	17.0	2	Hostel	
3	-	Double room Double room	16.5 23.5		Hostel Hostel	
3		Accessible room	23.5		Hostel	
3	0.17	Single room	15.0	1	Hostel	
G G		Single room Single room	15.0 15.5	1	Hostel Hostel	
3		Ancillary				316
		Single room Double room	17.0 17.5		HMO HMO	
		Single room	17.5		HMO HMO	L
	1.04	Single room	15.5		HMO	
		Double room Single room	17.5 17.0		HMO HMO	
	1.07	Double room	18.5	2	HMO	
		Double room Double room	18.0 17.5		HMO HMO	<u> </u>
		Accessible room	28.5	2	HMO	
	1.11	Double room	23.5	2	HMO	
		Double room Accessible room	16.5 17.0		HMO HMO	
	1.14	Double room	16.5	2	HMO	
		Double room Accessible room	23.5 28.5		HMO HMO	
		Double room	17.5		HMO	
	-	Double room	18.0		HMO	
	1.19	Double room Ancillary	18.5	2	HMO	19
2		Single room	17.0		НМО	
2		Double room Single room	17.5 15.5		HMO HMO	
2		Single room	15.0		HMO	
2		Double room	17.5		HMO	
2		Single room Double room	17.0 18.5		HMO HMO	
2		Double room	18.0	2	HMO	
2		Double room Accessible room	17.5 28.5		HMO HMO	
2	2.11	Double room	23.5		HMO	
2		Double room Accessible room	16.5 17.0		HMO HMO	
2		Double room	16.5		HMO	
2		Double room	23.5		HMO	
		Double room Double room	28.5 17.5		HMO HMO	
	2.18	Double room	18.0	2	HMO	
2		Double room Ancillary	18.5	2	HMO	190
-		Single room	17.0	1	НМО	190
3		Double room	17.5		HMO	
}		Single room Single room	15.5 15.0		HMO HMO	
3	3.05	Double room	17.5	2	HMO	
3		Single room Double room	17.0 18.5		HMO HMO	
3		Double room Double room	18.5		нмо НМО	L
3	3.09	Double room	17.5	2	HMO	
3		Accessible room Double room	28.5 23.5		HMO HMO	-
3	3.12	Double room	16.5	2	HMO	
3		Accessible room Double room	17.0 16.5		HMO HMO	<u> </u>
3	3.15	Double room	23.5	2	HMO	
3	3.16	Double room	28.5	2	НМО	
}		Ancillary Single room	17.0	1	НМО	244
	4.02	Double room	17.5	2	HMO	
		Single room Single room	15.5 15.0		HMO HMO	
1	4.05	Double room	17.5	2	НМО	<u> </u>
↓ ↓		Single room Double room	17.0 18.5		HMO HMO	1
ł	4.08	Double room	18.0	2	HMO	
ł		Double room Accessible room	17.5 28.5		HMO HMO	+
ł		Double room	28.5		HMO	L
		Double room	16.5	2	HMO	
+		Accessible room Double room	17.0		HMO HMO	+
	4.15	Double room	23.5	2	HMO	
		Double room Ancillary	28.5	2	НМО	244
5		Single room	15.5		НМО	244
5	5.02	Single room	12.6	1	HMO	
5		Double room Single room	23.4 14.7		HMO HMO	
5	5.05	Double room	25.3	2	HMO	
5		Double room	23.4		HMO	
) ;		Single room Single room	12.6 15.5		HMO HMO	
)		Ancillary				155
;		Double room Single room	20.0 12.9		HMO HMO	
	6.03	Single room	14.7	1	HMO	
		Double room	25.3		HMO	<u> </u>
		Single room Double room	12.9 20.0		HMO HMO	1



Appendix 2 - Via Limehouse hostel current rates

GBP | English - EN

Via Limehouse

Check In
01 Aug 2020
Check Out
31 Aug 2020
Adults 1 V
Promo Code
Check In
01 Aug 2020
Check Out
31 Aug 2020
Adults 1 🗸
Promo Code

Bed in 12 Bed Mixed Dorm



from GBP 481.60 Cost for 30 nights Previous Next

Bed in 12 Bed Mixed Dorm

Bed in 12-bed Dormitory

Number 12 is the number of time and space so staying in this room will make you...

More Information

from GBP 481.60 Cost for 30 nights

Show Rates

- 20m²
- 1 Bunk bed
- 1 Bathroom

Privacy - Terms

Anthony Lee Appendices Page 6

- City view
- Non-smoking

Bed in 9 Dorm Shared Facilities



from GBP 517.60 Cost for 30 nights Previous Next

Bed in 9 Dorm Shared Facilities

The number 9 is considered long lasting, so maybe you want to book and stay longer with us as you...

More Information

from GBP 517.60 Cost for 30 nights

Show Rates

- 18m²
- 1 Bunk bed
- Shared Bathrooms

Shared Bathrooms

- City view
- Non-smoking

Bed in 9 Bed Dorm En-Suite

Privacy - Terms

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from GBP 541.60 Cost for 30 nights Previous Next

Bed in 9 Bed Dorm En-Suite

The number 9 is considered long lasting, so maybe you want to book and stay longer with us as you...

More Information

from GBP 541.60 Cost for 30 nights

Show Rates

- 18m²
- 1 Bunk bed
- 1 Bathroom
- City view
- Non-smoking

Bed in 6 Bed Dorm Shared Facilities



Anthony Lee Appendices Page 8

Privacy - Terms

from GBP 565.60 Cost for 30 nights Previous Next

Bed in 6 Bed Dorm Shared Facilities

6 Bed Dorm with Shared Bathroom facilities.

More Information

from GBP 565.60 Cost for 30 nights

Show Rates

- 18m²
- 1 Bunk bed
- Shared Bathrooms

Shared Bathrooms

- City view
- Non-smoking

Bed in 6 Bed Dorm En-Suite



from GBP 601.60 Cost for 30 nights Previous Next

Bed in 6 Bed Dorm En-Suite

2 bunkbeds of 3 and a handful of friends or fancy sharing this is the room type for you!

The focus...

More Information

from GBP 601.60 Cost for 30 nights Show Rates

- 18m²
- 1 Bunk bed
- 1 Bathroom
- City view
- Non-smoking

Bed in 6 Bed Female only Dorm



from GBP 625.60 Cost for 30 nights Previous Next

Bed in 6 Bed Female only Dorm

6 Bedded Female Dorm Room with En-Suite Bathroom

More Information

from GBP 625.60 Cost for 30 nights

Show Rates

- 18m²
- 1 Bunk bed
- 1 Bathroom
- City view
- Non-smoking

Privacy - Terms

7/20/2020 Via Lim **Bed in a 4 Bed Dorm Shared Facilities**



from GBP 673.60 Cost for 30 nights Previous Next

Bed in a 4 Bed Dorm Shared Facilities

Bed in a 4 Bed Mix Dorm with Shared Bathroom Facilities

More Information

from GBP 673.60 Cost for 30 nights

Show Rates

- 11m²
- 1 Bunk bed
- Shared Bathrooms

Shared Bathrooms

- City view
- Non-smoking

Bed in 4 Bed Dorm En-Suite

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from GBP 721.60 Cost for 30 nights Previous Next

Bed in 4 Bed Dorm En-Suite

4 Bed Mix Dorm with En-Suite Shower

More Information

from GBP 721.60 Cost for 30 nights

Show Rates

- 11m²
- 1 Bunk bed
- 1 Bathroom
- City view
- Non-smoking

Double Room



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from GBP 2,401.60 Cost for 30 nights Previous Next

Double Room

Double Room with En-Suite Bathroom

More Information

from GBP 2,401.60 Cost for 30 nights

Show Rates

- 11m²
- 1 Double bed
- 1 Bathroom
- City view
- Non-smoking

Twin Room with Bunk Beds



from GBP 2,403.20 Cost for 30 nights Previous Next

Twin Room with Bunk Beds

Private Room with Twin Bunk Beds if you prefer a room with more privacy

More Information

from GBP 2,403.20 Cost for 30 nights

Show Rates

• 11m²

Via Limehouse

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- 2
 - 2 Bunk beds
- City view
- Non-smoking

Twin Room



from GBP 2,403.20 Cost for 30 nights Previous Next

Twin Room

Twin Room with Ensuite Room

More Information

from GBP 2,403.20 Cost for 30 nights

Show Rates

- 11m²
- 2

2 Single beds

- 1 Bathroom
- City view
- Non-smoking

Triple Room

Privacy - Terms



from GBP 2,740.80 Cost for 30 nights Previous Next

Triple Room

3 is the magic number!

The focus is on the comfy mattresses along with the crisp linen and fluffy pillows. The...

More Information

from GBP 2,740.80 Cost for 30 nights

Show Rates

- 11m²
- 3

3 Bunk beds

- 1 Bathroom
- City view
- Non-smoking

Contact & Location

Via Limehouse

628 – 634 Commercial Road, London, ., E14 7HS, United Kingdom 02035883232 02035883232 limehouse@viahostels.com Visit Website View in Google Maps

Contact Us

Enjoy all that East London has to offer from our hotel in Limehouse. Here at Via Limehouse we like you feel welcome with a sociable lounge, free WiFi and friendly multi-lingual staff to help you mak most of your stay. Anthony Lee Appendices Page 15 Our location in Zone 2 just a short stroll from Limehouse DLR station makes it easy for our guests to get around London. It's just a few minutes from here to Bank Station, which is your gateway to The City, and Tower Gateway right by the Tower of London. You can walk to Canary Wharf from our hostel, to marvel at the skyscrapers and this bustling business district. It's easy to get to the O2 Arena for a show too.

Leave your bag in the free luggage storage or take advantage of our cheap lockers to stash your stuff while you head out and enjoy London. You'll love exploring East London's most interesting areas, from Columbia Road Market to Brick Lane and Shoreditch. The rest of the capital is easy to get around too.

At the end of a busy day, chill out and watch TV in the communal lounge with like-minded travellers. You'll find most of our rooms have private bathrooms, and you can choose anything from a twin or double just for the two of you to a bunk in 12-bedded dorm, perfect for making friends.





Features

- 24 hour Reception
- Dining Room
- Guest Laundry (charges apply)
- Library
- Non-Smoking Property
- TV Room
- Terrace
- Vending Machine (Snacks)
- WiFi Internet
- Terms and Conditions
- •
- Cancellation Policies



Privacy - Terms



Appendix 3 - Comparable co-living rents



Co-living rents

In arriving at the rents set out in Appendix 4, I have considered the location of the Appeal Site relative to other co-living schemes and the amenities provided.

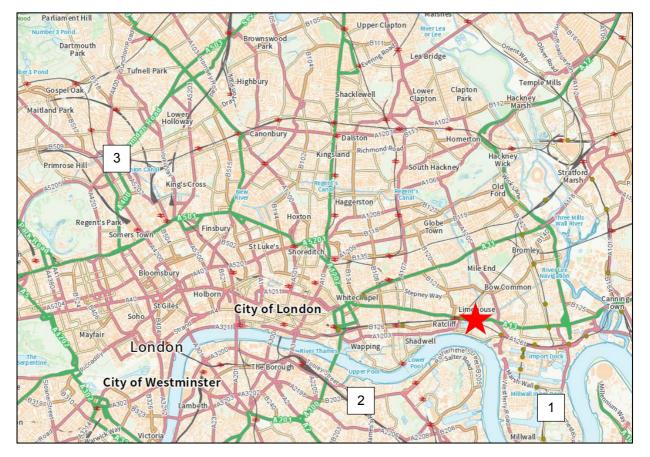
The location of the Appeal Site is outlined in Section 3, which identifies its close proximity to central London and high level of public transport accessibility. In addition, the Appeal Site is sufficiently close to the City for walking or cycling to be an option.

The main comparables I have considered are as follows:

- (1) The Collective, Canary Wharf
- (2) Mason and Fifth, Bermondsey
- (3) Gravity, Camden Lock

The location of these schemes and the Appeal Site (denoted by the red star) are shown in Figure 1.

Figure 1: Map showing location of the Appeal Site and the comparable schemes



These schemes share similar characteristics in terms of central location but the Appeal Site has the best access in terms of public transport and journey times to central London.

The Collective, Canary Wharf (from £98.60 per night or from £1,300 per calendar month)

- Gym / swimming pool
- Games room
- Restaurant and bar
- Cinema room
- Living / co-working spaces
- Events



Mason & Fifth, Bermondsey (£1,400 - £1,500 per calendar month)

- Living area / dining room
- Outdoor terrace and courtyard
- Events and activities
- Laundry
- Broadband
- House bikes to borrow
- On-site manager
- No on-site gym

Gravity, Camden Lock (£1,646 per calendar month)

- Residents' gym
- Laundry
- Dining area
- Living room
- 24/7 security
- Events and activities
- Cleaning service
- Bike storage
- In comparison to the comparables, the Appeal Site is somewhat impacted by traffic on Commercial Road.
- The Collective is further away from Central London but the location is quieter. The Collective benefits from views afforded by its height.
- Gravity is located on a similarly busy main road to the Appeal Site.
- The Appeal Scheme will offer similar amenities to the comparables, although only the Collective provides a swimming pool.
- We would expect the Appeal Scheme to attract slightly lower rents than the comparables, as summarised in Table 2 below.

Table 2: Appeal Scheme rents

Room type	No of rooms	Average annual income	Average monthly income
Single en-suite	24	£13,458.09	£1,121.51
Double en-suite	51	£14,610.40	£1,217.53
Accessible double en-suite	9	£14,349.50	£1,195.79



Appendix 4 - Revised revenues

St Paul House rei	ntal income	9			25%				
	No of	Revenue per		Gross			Investment		Capital value
	rooms	available room	Occupancy	income	Deductions	Net income	yield	Capital value	per room
Single hostel	9	147,825	100%	147,825	£36,956	110,869	4.25%	2,608,676	289,853
Double hostel	12	223,380	100%	223,380	£55,845	167,535	4.25%	3,942,000	328,500
Accessible hostel	4	74,460	100%	74,460	£18,615	55,845	4.25%	1,314,000	328,500
Hostel totals	25			445,665	111,416	334,249		7,864,676	
Single HMO	24	322,994	100%	322,994	£80,749	242,246	3.25%	7,453,712	310,571
Double HMO	51	745,130	100%	745,130	£186,283	558,848	3.25%	17,195,317	337,163
Accessibele HMO	9	129,146	100%	129,146	£32,286	96,859	3.25%	2,980,281	331,142
HMO totals	84	1,197,270		1,197,270	299,318	897,953		27,629,310	

								1
Floor	Plot ref	Turne	NIA	Hostel or Occupants HMO		Rental pcm	Rental p.a.	
_G	-1.01	Type Single room	17.0	1 Hostel		1,369	16,425	-
.G .G	-1.03	Double room Single room	17.5 15.5	2 Hostel 1 Hostel		1,551 1,369	18,615 16,425	-
G G		Single room Double room	15.5 17.5	1 Hostel 2 Hostel		1,369 1,551	16,425 18,615	
G G	-1.06 -1.07	Accessible room	Marked on sche 23.5	edule as "not used" 2 Hostel		1,551	18,615	
G G		Double room Double room	23.5 16.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	-
G	-1.10	Double room	17.0	2 Hostel		1,551	18,615	-
G G	-1.12	Double room Double room	17.0 23.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
G G	-1.13	Accessible room Ancillary	28.5	2 Hostel	337	1,551	18,615	
6	0.01	-		edule as "not used" edule as "not used"				-
	0.03		Marked on sche	edule as "not used"				
6	0.05		Marked on sche	edule as "not used"				-
i	0.06	Single room	Marked on sche 15.5	edule as "not used" 1 Hostel		1,369	16,425	
; ;		Single room Single room	15.0 15.0	1 Hostel 1 Hostel		1,369 1,369	16,425 16,425	
ì	0.10	Accessible room Double room	28.5 23.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
i	0.12	Double room	16.5	2 Hostel		1,551	18,615	-
6	0.14	Double room Double room	17.0 16.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
6		Double room Accessible room	23.5 28.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
	0.17	Single room Single room	15.0 15.0	1 Hostel		1,369 1,369	16,425 16,425	
;		Single room	15.5	1 Hostel		1,369	16,425	-
i	1.01	Ancillary Single room	17.0	1 HMO	316.5	1,087	13,045	
		Double room Single room	17.5 15.5	2 HMO 1 HMO		1,196 1,087	14,350 13,045	
	1.04	Single room	15.5	1 HMO 2 HMO		1,087	13,045	-
	1.06	Double room Single room	17.0	1 HMO		1,196 1,087	14,350 13,045	-
		Double room Double room	18.5 18.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
	1.09	Double room Accessible room	17.5 28.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
	1.11	Double room	23.5	2 HMO		1,239	14,871	1
	1.13	Double room Accessible room	16.5 17.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	-
		Double room Double room	16.5 23.5	2 HMO 2 HMO		1,196 1,239	14,350 14,871	
		Accessible room Double room	28.5 17.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
	1.18	Double room	18.0	2 HMO		1,196	14,350	-
	1.19	Double room Ancillary	18.5	2 HMO	190	1,196	14,350	
	2.01	Single room Double room	17.0 17.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	-
	2.03	Single room	15.5	1 HMO		1,087	13,045	-
	2.05	Single room Double room	15.0 17.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	
		Single room Double room	17.0 18.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	-
	2.08	Double room Double room	18.0	2 HMO 2 HMO		1,196	14,350 14,350	
2	2.10	Accessible room	28.5	2 HMO		1,196	14,350	-
		Double room Double room	23.5 16.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	
2		Accessible room Double room	17.0 16.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
9	2.15	Double room Double room	23.5 28.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	
	2.17	Double room	17.5	2 HMO		1,196	14,350	
		Double room Double room	18.0 18.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
	3.01	Ancillary Single room	17.0	1 HMO	190.5	1,087	13,045	
	3.02	Double room	17.5	2 HMO		1,196	14,350	-
		Single room Single room	15.5 15.0	1 HMO 1 HMO		1,087 1,087	13,045 13,045]
		Double room Single room	17.5 17.0	2 HMO 1 HMO		1,196 1,087	14,350 13,045	
	3.07	Double room	18.5	2 HMO 2 HMO		1,196	14,350	1
5	3.09	Double room Double room	17.5	2 HMO		1,196	14,350 14,350	1
5		Accessible room Double room	28.5 23.5	2 HMO 2 HMO		1,196 1,239	14,350 14,871	1
		Double room Accessible room	16.5 17.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
	3.14	Double room	16.5	2 HMO		1,196	14,350	1
		Double room Double room	23.5 28.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	4
	4.01	Ancillary Single room	17.0	1 HMO	244.5	1,087	13,045	-
	4.02	Double room Single room	17.5 15.5	2 HMO 1 HMO		1,196 1,087	14,350 13,045	
	4.04	Single room	15.0	1 HMO		1,087	13,045	1
	4.06	Double room Single room	17.5 17.0	2 HMO 1 HMO		1,196 1,087	14,350 13,045	
		Double room Double room	18.5 18.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
	4.09	Double room Accessible room	17.5	2 HMO 2 HMO		1,196	14,350 14,350	1
	4.11	Double room	23.5	2 HMO		1,239	14,871	1
	4.13	Double room Accessible room	16.5 17.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
		Double room Double room	16.5 23.5	2 HMO 2 HMO		1,196 1,239	14,350 14,871	
		Double room	28.5	2 HMO	244 5	1,239	14,871	1
		Ancillary Single room	15.5	1 HMO	244.5	1,196		Private terrace - 27 squ
		Single room Double room	12.6 23.4	1 HMO 2 HMO		1,283 1,348	15,393 16,176	Private terrace - 18.7 s Private terrace - 25.6 s
	5.04		14.7	1 HMO 2 HMO		1,196	14,350	Private terrace - 24.3 s Private terrace - 24.4 s
	5.06	Double room	23.4	2 HMO		1,348	16,176	Private terrace - 25.6 s
		Single room Single room	12.6 15.5	1 HMO 1 HMO		1,196 1,283	14,350 15,393	Private terrace - 18.7 s Private terrace - 26.8 s
i i		Ancillary		2 HMO	155.6	1,283	15,393	Private terrace - 11.2 s
	6.04	Double room	20.0			1,203	. 10.083	
	6.02	Double room Single room	20.0 12.9	1 HMO		1,087	13,045	
	6.02 6.03 6.04			1 HMO 1 HMO 2 HMO				Private terrace - 10.9 s Private terrace - 10.9 s

F&B	Breakfast boxes
5.25	Per person per night
41	people
21	50% takeup
108	
39,283.13	
15,000.00	Vending machines
18,999.09	35% EBITDA
£447,038	4.25% yield



Appendix 5 - CBRE approach to valuing co-living





Co-Living: How is it valued?

Jo Winchester, Riah Patel, Riccardo Faccenda



Recently we have seen the beginnings of institutional investment in the nascent co-living sector, with the launch of the Co-Liv Fund, a joint venture between DTZ IM and The Collective, which has given this new sector a boost. The seed asset in the fund has been the forward funding of a 222 room sui generis scheme in Harrow and Wealdstone. However, in the absence of transactions, 'How do you value co-living?' is perhaps the question we are being asked the most often. A good starting point for any valuation is who would be in the market. In our view, the potential pool of investors is quite wide. The active developers in the market fall into two main camps so far: the co-living specialists, for example The Collective, and those for whom co-living is a diversification of other activities such as student accommodation, or as a strategy to unlock difficult sites or assets. Investors could be drawn from the student accommodation, build to rent or hotel sectors, or hybrid operators, all of which have some overlap with co-living. The product could also appeal to the institutional market with an operator management agreement. In terms of pricing, the levels of return would need to compare sensibly with other 'bed sector' investment opportunities.

'Hotelification' of real estate is a term we are hearing mentioned. One trend we have noticed is that developers and operators are thinking very deeply about their service and amenity offering, as brands are embracing their service and amenity offering as their key pitch to residents and accepting that their rooms are not the only attraction. Co-working spaces, on-site F & B, gyms, concierge and room cleaning are

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equally part of the package. From a valuation perspective we are often having to consider a mixture of long stay and short stay income, with associated room rates, cost leakage and cap rates for each revenues stream. Some operators are also promoting their service and amenity proposition as a key driver of enhanced room rates.

As with other bed sectors, the income method is the primary method of valuation. Planning use class and conditions will determine the proportion of long and short stay and length of stay, and may stipulate occupier groups, which may have a bearing on valuation. We suggest applying different yields to long and short stay income, to arrive at a blended yield. The resulting valuation can then be benchmarked against transactions in other bed sectors analysed in terms of price per room, such as PBSA and hotels. Comparison with other sectors such as residential sales values could be interesting, since investors often like to compare values in different uses on a £ per sq ft basis, especially in London.

In terms of cap rates, we would expect these to sit between the build to rent and PBSA sector for long stay income, depending on location, design and the tenant profile. Yields on short stay income would be higher than for long stay and more aligned to hotel cap rates.

Yields in bed sectors Q4 2019 (CBRE published yield categories)

Sector	London	London	London	Outer London/	Larger Regional
	Zone 1	Zone 2	Zone 3-6	South East	Towns
Build to Rent	-	3.25%	3.5%	3.75%	4.25%
PBSA Direct Let	4.00%	-	-	-	5.00%+
Hotels VP (upscale)	4.50%	-	-	-	6.25%
Hotels Management Contract	5.50%	-	-	-	7.50%
Hotels Lease – Prime Covenant	3.75%	-	4.00%	-	4.25%

Rental Levels

Planning conditions may have a key bearing on rental levels. Long stays may be aimed at single professionals but could include students unless specifically excluded. It is worth noting that students may have a bigger budget for accommodation than the working population. Students take accommodation for a defined period of up to 3 years, and can borrow their rent money, which professional people are not able to do. Professional people, whose budget is determined by salary levels, student debts and other financial pressures, may in fact have less 'budget elasticity' than students. As the built product is very similar to PBSA, it is appropriate to make comparisons to PBSA rents, as well as build to rent and the general rental market. Rents need to be set at a level which is geared not only to local salaries, but which also compares attractively to other rental alternatives, after the whole package is taken into account. If the location will support short stays, the rooms rates will be determined by depth of demand and local hotel competition.

Operating Costs

As a rule of thumb, we would expect long stay costs to be around 25-30% of gross income, similar to student accommodation and build to rent. However, costs for short stays could be much higher, and are a

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key driver of value. The level would depend on length of stay and level of service.

Council Tax

Whereas students are exempt from Council Tax, other tenants will need to pay it. There are few worked examples of how bandings have been assessed in co-living schemes in practice. Developers may need to negotiate the assessment with the Council Tax authority. Hotels may be subject to business rates or a combination of the two. Whether Council Tax is included in the rent, or charged separately to residents, needs to be considered. Developers are advised to seek specialist advice in this area.

Parking

Another key difference between professional people and students is that the former category may expect to own a car. Although parking in new build schemes is generally discouraged by planning authorities, a parking solution of some kind is desirable, either on site or in a car park, especially outside of London. Office conversions often come with some parking spaces, which is one advantage of this planning route.

VAT

This is another complex area. VAT would be chargeable on short stay income. In schemes consented under C1 hotel use, it is also chargeable on long stays at 20% for the first 28 days and at 4% thereafter. We recommend interested parties obtain specialist VAT advice from a tax adviser.

CBRE can provide specialist valuation advice on co-living schemes and sites.



Jo Winchester Executive Director, Student Accommodation Valuation & Advisory Services







Contacts







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SERVICES

CBRE SLAVERY AND HUMAN TRAFFICKING STATEMENT

PROPERTIES

RESEARCH

MEDIA CENTRE

INVESTOR RELATIONS

CONTACT US

SITE MAP

PRIVACY POLICY

TERMS OF USE

CAREERS

OUR RESPONSE TO SCHREMS II





Appendix 6 - Rent schedules incorporating 35% affordable housing

St Paul House rei	ntal income	1			25%	%				
	No of	Revenue per		Gross			Investment		Capital value	
	rooms	available room	Occupancy	income	Deductions	Net income	yield	Capital value	per room	
Single hostel	9	147,825	100%	147,825	£36,956	110,869	4.25%	2,608,676	289,853	
Double hostel	12	223,380	100%	223,380	£55,845	167,535	4.25%	3,942,000	328,500	
Accessible hostel	4	74,460	100%	74,460	£18,615	55,845	4.25%	1,314,000	328,500	
Hostel totals	25			445,665	111,416	334,249		7,864,676		
Single HMO	24	291,686	100%	291,686	£72,922	218,765	3.25%	6,731,220	280,468	
Double HMO	51	671,635	100%	671,635	£167,909	503,726	3.25%	15,499,266	303,907	
Accessibele HMO	9	111,926	100%	111,926	£27,982	83,945	3.25%	2,582,910	286,990	
HMO totals	84	1,075,247		1,075,247	268,812	806,435		24,813,396		

loor G		Type Single room	NIA 17.0	Hostel or HMO 1 Hostel		Rental pcm 1,369	Rental p.a.	
G G		Double room Single room	17.5 15.5	2 Hostel 1 Hostel		1,551 1,369	18,615 16,425	
G G		Single room Double room	15.5 17.5	1 Hostel 2 Hostel		1,369 1,551	16,425 18,615	
G	-1.06		Marked on sche	edule as "not used"				
G G		Accessible room Double room	23.5 23.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
G G	-1.09	Double room Double room	16.5 17.0	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
3	-1.11	Double room	17.0	2 Hostel		1,551	18,615	
3		Double room Accessible room	23.5 28.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	-
3		Ancillary			337	1		
	0.01			edule as "not used" edule as "not used"				
	0.03			edule as "not used" edule as "not used"				
	0.05		Marked on sche	edule as "not used"				-
	0.06	Single room	Marked on sche 15.5	edule as "not used" 1 Hostel		1,369	16,425	
		Single room Single room	15.0 15.0			1,369 1,369	16,425 16,425	-
	0.10	Accessible room Double room	28.5 23.5	2 Hostel		1,551	18,615	
		Double room	23.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
		Double room Double room	17.0 16.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	-
	0.15	Double room	23.5	2 Hostel		1,551	18,615	
		Accessible room Single room	28.5 15.0	2 Hostel 1 Hostel		1,551 1,369	18,615 16,425	-
	0.18	Single room	15.0	1 Hostel		1,369	16,425	-
	0.19	Single room Ancillary	15.5	1 Hostel	316.5	1,369	16,425	
		Single room Double room	17.0 17.5	1 HMO 2 HMO		761 837	9,132 10,045	-
	1.03	Single room	15.5	1 HMO		761	9,132	4
		Single room Double room	15.5 17.5	1 HMO 2 HMO		761 837	9,132 10,045	-
	1.06	Single room	17.0	1 HMO		761	9,132	
	1.08	Double room Double room	18.5 18.0	2 HMO 2 HMO		837 837	10,045 10,045	
		Double room Accessible room	17.5 28.5	2 HMO 2 HMO		837 837	10,045 10,045	-
	1.11	Double room	23.5	2 HMO		867	10,410	
		Double room Accessible room	16.5 17.0	2 HMO 2 HMO		837 837	10,045 10,045	
	1.14	Double room Double room	16.5 23.5	2 HMO		837	10,045	
		Accessible room	23.5	2 HMO 2 HMO		867 837	10,410 10,045	
		Double room Double room	17.5 18.0	2 HMO 2 HMO		837 837	10,045 10,045	
		Double room	18.5	2 HMO		837	10,045	-
	2.01	Ancillary Single room	17.0	1 HMO	190	761	9,132	-
		Double room Single room	17.5	2 HMO		837	10,045	
		Single room	15.5 15.0	1 HMO 1 HMO		761 761	9,132 9,132	-
		Double room Single room	17.5 17.0	2 HMO 1 HMO		837 761	10,045 9,132	
	2.07	Double room	18.5	2 HMO		837	10,045	
		Double room Double room	18.0 17.5	2 HMO 2 HMO		837 837	10,045 10,045	
		Accessible room Double room	28.5 23.5	2 HMO 2 HMO		837 1,239	10,045 14,871	-
	2.12	Double room	16.5	2 HMO		1,196	14,350	
		Accessible room Double room	17.0 16.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
		Double room Double room	23.5 28.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	
	2.17	Double room	17.5	2 HMO		1,196	14,350	
		Double room Double room	18.0 18.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	-
		Ancillary	17.0		190.5	1,087	13,045	
		Single room Double room	17.0	1 HMO 2 HMO		1,087	13,045	
		Single room Single room	15.5 15.0	1 HMO 1 HMO		1,087 1,087	13,045 13,045	-
	3.05	Double room	17.5	2 HMO		1,196	14,350	
	3.06 3.07	Single room Double room	17.0 18.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	
	3.08	Double room Double room	18.0 17.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	-
	3.1	Accessible room	28.5	2 HMO		1,196	14,350	4
		Double room Double room	23.5 16.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	-
	3.13	Accessible room	17.0	2 HMO		1,196	14,350	
	3.15	Double room Double room	16.5 23.5	2 HMO 2 HMO		1,196 1,239	14,350 14,871	
	3.16	Double room Ancillary	28.5	2 HMO	244.5	1,196	14,350	
		Single room	17.0	1 HMO	2-7-1.0	1,087	13,045	1
		Double room Single room	17.5 15.5	2 HMO 1 HMO		1,196 1,087	14,350 13,045	
	4.04	Single room Double room	15.0 17.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	-
	4.06	Single room	17.0	1 HMO		1,087	13,045	4
		Double room Double room	18.5 18.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	-
	4.09	Double room	17.5	2 HMO		1,196	14,350	
	4.11	Accessible room Double room	28.5 23.5	2 HMO 2 HMO		1,196 1,239	14,350 14,871	
		Double room Accessible room	16.5 17.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	-
	4.14	Double room	16.5	2 HMO		1,196	14,350	
		Double room Double room	23.5 28.5	2 HMO 2 HMO		1,239 1,239	14,871 14,871	
		Ancillary		1 HMO	244.5			Private torress 07 c
		Single room Single room	15.5 12.6	1 HMO		1,196 1,283	14,350 15,393	Private terrace - 27 sqr Private terrace - 18.7 s
		Double room Single room	23.4 14.7	2 HMO 1 HMO		1,348 1,196	16,176 14,350	Private terrace - 25.6 s Private terrace - 24.3 s
	5.05	Double room	25.3	2 HMO		1,348	16,176	Private terrace - 24.4 s
		Double room Single room	23.4 12.6	2 HMO 1 HMO		1,348 1,196		Private terrace - 25.6 s Private terrace - 18.7 s
		Single room	15.5	1 HMO	100 0	1,283	15,393	
		Ancillary Double room	20.0		155.6	1,283	15,393	Private terrace - 11.2 s
	6.02	Single room Single room	12.9 14.7	1 HMO 1 HMO		1,087 1,196	13,045 14,350	Private terrace - 10.9 s
		Double room	25.3	2 HMO		1,196	14,350	Private terrace - 10.9 s
			12.9	1 HMO		1,087	13,045	

F&B	Breakfast boxes
£5	Per person per night
41	people
21	50% takeup
£108	Income per day
£39,283	Income per annum
£15,000	Vending machines
£18,999	35% EBITDA
£447.038	4.25% vield

Discounted rent: 70% (% of market rent charged)

St Paul House rei	ntal income	1			25%	,			
	No of	Revenue per		Gross			Investment		Capital value
	rooms	available room	Occupancy	income	Deductions	Net income	yield	Capital value	per room
Single hostel	9	147,825	100%	147,825	£36,956	110,869	4.25%	2,608,676	289,853
Double hostel	12	223,380	100%	223,380	£55,845	167,535	4.25%	3,942,000	328,500
Accessible hostel	4	74,460	100%	74,460	£18,615	55,845	4.25%	1,314,000	328,500
Hostel totals	25			445,665	111,416	334,249		7,864,676	
Single HMO	24	281,250	100%	281,250	£70,313	210,938	3.25%	6,490,389	270,433
Double HMO	51	647,136	100%	647,136	£161,784	485,352	3.25%	14,933,916	292,822
Accessibele HMO	9	106,186	100%	106,186	£26,547	79,640	3.25%	2,450,453	272,273
HMO totals	84	1,034,573		1,034,573	258,643	775,930		23,874,758	

loor	Plot ref	Туре	NIA	Hostel or Occupants HMO		Rental pcm	Rental p.a.	
G G	-1.01	Single room	17.0	1 Hostel		1,369	16,425	
G	-1.03	Double room Single room	17.5 15.5	2 Hostel 1 Hostel		1,551 1,369	18,615 16,425	
G G		Single room Double room	15.5 17.5	1 Hostel 2 Hostel		1,369 1,551	16,425 18,615	_
3	-1.06		Marked on sche	edule as "not used"				
3		Accessible room Double room	23.5 23.5	2 Hostel		1,551 1,551	18,615 18,615	
<u>3</u>		Double room Double room	16.5 17.0	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	-
G	-1.11	Double room	17.0	2 Hostel		1,551	18,615	-
G G		Double room Accessible room	23.5 28.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	-
G	0.01	Ancillary	Marked on sch	edule as "not used"	337			-
i	0.02		Marked on sche	edule as "not used"				
i i	0.03			edule as "not used"				-
	0.05		Marked on sche	edule as "not used"				
	0.06	Single room	Marked on sche 15.5	edule as "not used" 1 Hostel		1,369	16,425	-
		Single room Single room	15.0 15.0			1,369 1,369	16,425 16,425	
	0.10	Accessible room	28.5	2 Hostel		1,551	18,615	
		Double room Double room	23.5 16.5			1,551 1,551	18,615 18,615	
	0.13	Double room	17.0	2 Hostel		1,551	18,615	
		Double room Double room	16.5 23.5			1,551 1,551	18,615 18,615	-
		Accessible room	28.5 15.0			1,551	18,615 16,425	
	0.18	Single room Single room	15.0	1 Hostel		1,369 1,369	16,425	
	0.19	Single room Ancillary	15.5	1 Hostel	316.5	1,369	16,425	-
	1.01	Single room	17.0		0.0	652	7,827	
		Double room Single room	17.5 15.5			717 652	8,610 7,827	
	1.04	Single room	15.5	1 HMO		652	7,827	
		Double room Single room	17.5 17.0	1 HMO		717 652	8,610 7,827	
	1.07	Double room Double room	18.5	2 HMO		717	8,610 8,610	
	1.09	Double room	17.5	2 HMO		717	8,610	
		Accessible room Double room	28.5 23.5	2 HMO 2 HMO		717 744	8,610 8,923	
	1.12	Double room	16.5	2 HMO		717	8,610	
		Accessible room Double room	17.0 16.5			717 717	8,610 8,610	
	1.15	Double room	23.5			744	8,923	
		Accessible room Double room	28.5 17.5			717 717	8,610 8,610	-
		Double room Double room	18.0 18.5	2 HMO 2 HMO		717 717	8,610 8,610	
		Ancillary			190			
	2.01	Single room Double room	17.0 17.5	1 HMO 2 HMO		652 717	7,827 8,610	
	2.03	Single room	15.5	1 HMO		652	7,827	
	2.04	Single room Double room	15.0 17.5			652 717	7,827 8,610	-
	2.06	Single room	17.0	1 HMO		652	7,827	-
		Double room Double room	18.5 18.0			717	8,610 8,610	
		Double room	17.5	2 HMO 2 HMO		717 717	8,610	
		Accessible room Double room	28.5 23.5			1,239	8,610 14,871	
		Double room Accessible room	16.5 17.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
	2.14	Double room	16.5	2 HMO		1,196	14,350	
	-	Double room Double room	23.5 28.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	
		Double room	17.5	2 HMO		1,196	14,350	
		Double room Double room	18.0 18.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	-
	3.01	Ancillary Single room	17.0	1 HMO	190.5	1,087	13,045	
		Double room	17.5	2 HMO		1,196	14,350	-
		Single room Single room	15.5 15.0	1 HMO 1 HMO		1,087 1,087	13,045 13,045	-
	3.05	Double room	17.5	2 HMO		1,196	14,350	1
		Single room Double room	17.0 18.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	
	3.08	Double room Double room	18.0	2 HMO		1,196	14,350	
		Double room Accessible room	17.5 28.5	2 HMO		1,196 1,196	14,350 14,350	
	3.11	Double room Double room	23.5 16.5			1,239 1,196	14,871 14,350	-
	3.13	Accessible room	17.0	2 HMO		1,196	14,350	4
		Double room Double room	16.5 23.5	2 HMO 2 HMO		1,196 1,239	14,350 14,871	
		Double room	28.5	2 HMO		1,196	14,350	
	4.01	Ancillary Single room	17.0	1 HMO	244.5	1,087	13,045	-
			17.5 15.5			1,196	14,350 13,045	-
	4.04	Single room	15.0	1 HMO		1,087	13,045	
		Double room Single room	17.5 17.0	2 HMO 1 HMO		1,196 1,087	14,350 13,045	
	4.07	Double room	18.5	2 HMO		1,196	14,350	
		Double room Double room	18.0 17.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	-
	4.10	Accessible room	28.5			1,196	14,350	
	4.12	Double room Double room	23.5 16.5	2 HMO		1,239 1,196	14,871 14,350	
		Accessible room Double room	17.0 16.5	2 HMO		1,196 1,196	14,350 14,350	
	4.15	Double room	23.5	2 HMO		1,239	14,871	
	4.16	Double room Ancillary	28.5	2 HMO	244.5	1,239	14,871	
	5.01	Single room	15.5	1 HMO	244.0	1,196	14,350	Private terrace - 27 sq
	5.02 5.03	Single room Double room	12.6 23.4			1,283 1,348	15,393 16,176	Private terrace - 18.7 s Private terrace - 25.6 s
	5.04	Single room	14.7	1 HMO		1,196	14,350	Private terrace - 24.3 s
	5.05 5.06	Double room Double room	25.3 23.4	2 HMO 2 HMO		1,348 1,348	16,176 16,176	Private terrace - 24.4 s Private terrace - 25.6 s
	5.07	Single room	12.6	1 HMO		1,196	14,350	Private terrace - 18.7 s
	5.08	Single room Ancillary	15.5	1 HMO	155.6	1,283	15,393	Private terrace - 26.8 s
	6.01	Double room	20.0			1,283	15,393	Private terrace - 11.2 s
	6.02 6.03	Single room Single room	12.9 14.7			1,087 1,196	13,045 14,350	Private terrace - 10.9 s
					1			Private terrace - 10.9 s
		Double room Single room	25.3 12.9			1,283 1,087	15,393 13,045	Filvale lenace - 10.3 S

F&B	Breakfast boxes
£5	Per person per night
41	people
21	50% takeup
£108	Income per day
£39,283	Income per annum
£15,000	Vending machines
£18,999	35% EBITDA
£447.038	4.25% vield

Discounted rent: 60% (% of market rent charged)

St Paul House rental income						25%				
	No of	Revenue per available room		Gross	Deductions	Net income	Investment vield		Capital value	
	rooms			income			,	Capital value	per room	
Single hostel	9	147,825	100%	147,825	£36,956	110,869	4.25%	2,608,676	289,853	
Double hostel	12	223,380	100%	223,380	£55,845	167,535	4.25%	3,942,000	328,500	
Accessible hostel	4	74,460	100%	74,460	£18,615	55,845	4.25%	1,314,000	328,500	
Hostel totals	25			445,665	111,416	334,249		7,864,676		
Single HMO	24	270,814	100%	270,814	£67,704	203,111	3.25%	6,249,558	260,398	
Double HMO	51	622,638	100%	622,638	£155,659	466,978	3.25%	14,368,566	281,737	
Accessibele HMO	9	100,447	100%	100,447	£25,112	75,335	3.25%	2,317,996	257,555	
HMO totals	84	993,899		993,899	248,475	745,424		22,936,120		

Floor .G		Type Single room	NIA 17.0	Hostel or Occupants HMO 1 Hostel		Rental pcm 1,369	Rental p.a. 16,425	
G G		Double room Single room	17.5 15.5	2 Hostel 1 Hostel		1,551 1,369	18,615 16,425	
G G		Single room Double room	15.5 17.5	1 Hostel 2 Hostel		1,369 1,551	16,425 18,615	
G	-1.06		Marked on sche	edule as "not used"				-
G G		Accessible room Double room	23.5 23.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	-
G G		Double room Double room	16.5 17.0	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
G	-1.11	Double room	17.0	2 Hostel		1,551	18,615	1
G G		Double room Accessible room	23.5 28.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	-
G	0.01	Ancillary	Marked on sche	edule as "not used"	337			
	0.02		Marked on sche	edule as "not used"				-
i	0.03			edule as "not used" edule as "not used"				
	0.05			edule as "not used" edule as "not used"				
	0.07	Single room	15.5	1 Hostel		1,369	16,425	-
i		Single room Single room	15.0 15.0			1,369 1,369	16,425 16,425	
1		Accessible room Double room	28.5 23.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
	0.12	Double room	16.5	2 Hostel		1,551	18,615	-
i		Double room Double room	17.0 16.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
i		Double room Accessible room	23.5 28.5	2 Hostel 2 Hostel		1,551 1,551	18,615 18,615	
	0.17	Single room	15.0	1 Hostel		1,369	16,425	-
i		Single room Single room	15.0 15.5	1 Hostel 1 Hostel		1,369 1,369	16,425 16,425	
		Ancillary			316.5			1
	1.02	Single room Double room	17.0 17.5	1 HMO 2 HMO		544 598	6,523 7,175	1
	1.03	Single room Single room	15.5 15.5	1 HMO 1 HMO		544 544	6,523 6,523	-
	1.05	Double room	17.5	2 HMO		598	7,175	1
		Single room Double room	17.0 18.5	1 HMO 2 HMO		544 598	6,523 7,175	-
	1.08	Double room	18.0	2 HMO		598	7,175	1
	1.10	Double room Accessible room	17.5 28.5	2 HMO 2 HMO		598 598	7,175 7,175	
		Double room Double room	23.5 16.5	2 HMO 2 HMO		620 598	7,436 7,175	
	1.13	Accessible room	17.0	2 HMO		598	7,175	-
		Double room Double room	16.5 23.5	2 HMO 2 HMO		598 620	7,175 7,436	
		Accessible room Double room	28.5 17.5	2 HMO 2 HMO		598 598	7,175 7,175	
	1.18	Double room	18.0	2 HMO		598	7,175	
	1.19	Double room Ancillary	18.5	2 HMO	190	598	7,175	-
		Single room	17.0 17.5	1 HMO		544 598	6,523	
	2.03	Double room Single room	17.5	2 HMO 1 HMO		598 544	7,175 6,523	-
		Single room Double room	15.0 17.5	1 HMO 2 HMO		544 598	6,523 7,175	
	2.06	Single room	17.0	1 HMO		544	6,523	-
		Double room Double room	18.5 18.0	2 HMO 2 HMO		598 598	7,175 7,175	
		Double room Accessible room	17.5 28.5	2 HMO 2 HMO		598 598	7,175 7,175	
	2.11	Double room	23.5	2 HMO		1,239	14,871	-
		Double room Accessible room	16.5 17.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
		Double room	16.5	2 HMO		1,196	14,350	
		Double room Double room	23.5 28.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	
		Double room Double room	17.5 18.0	2 HMO 2 HMO		1,196 1,196	14,350 14,350	
		Double room	18.5	2 HMO	100 5	1,196	14,350	-
	3.01	Ancillary Single room	17.0	1 HMO	190.5	1,087	13,045	
		Double room Single room	17.5 15.5	2 HMO 1 HMO		1,196 1,087	14,350 13,045	
	3.04	Single room	15.0	1 HMO		1,087	13,045	1
	3.05	Double room Single room	17.5 17.0	2 HMO 1 HMO		1,196 1,087	14,350 13,045	•
	3.07	Double room Double room	18.5	2 HMO 2 HMO		1,196	14,350 14,350	1
		Double room	17.5	2 HMO		1,196	14,350	-
	3.1 3.11	Accessible room Double room	28.5 23.5	2 HMO 2 HMO		1,196 1,239	14,350 14,871	
	3.12	Double room	16.5	2 HMO		1,196	14,350	1
	3.14	Accessible room Double room	17.0 16.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	1
	3.15	Double room Double room	23.5 28.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	
		Ancillary			244.5			1
		Single room Double room	17.0 17.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	-
	4.03	Single room	15.5	1 HMO		1,087	13,045	1
	4.05	Single room Double room	15.0 17.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	1
		Single room Double room	17.0 18.5	1 HMO 2 HMO		1,087 1,196	13,045 14,350	1
	4.08	Double room	18.0	2 HMO		1,196	14,350	1
		Double room Accessible room	17.5 28.5	2 HMO 2 HMO		1,196 1,196	14,350 14,350	1
		Double room Double room	23.5 16.5	2 HMO 2 HMO		1,239 1,196	14,871 14,350	
	4.13	Accessible room	17.0	2 HMO		1,196	14,350	1
		Double room Double room	16.5 23.5	2 HMO 2 HMO		1,196 1,239	14,350 14,871	-
		Double room	28.5	2 HMO	044.5	1,239	14,871	1
	5.01	Ancillary Single room	15.5	1 HMO	244.5	1,196	14,350	Private terrace - 27 sqr
	5.02	Single room Double room	12.6 23.4	1 HMO 2 HMO		1,283 1,348	15,393 16,176	Private terrace - 18.7 s Private terrace - 25.6 s
	5.04	Single room	14.7	1 HMO		1,196	14,350	Private terrace - 24.3 s
		Double room Double room	25.3 23.4	2 HMO 2 HMO		1,348 1,348		Private terrace - 24.4 s Private terrace - 25.6 s
	5.07	Single room	12.6	1 HMO		1,196	14,350	Private terrace - 18.7 s
		Single room Ancillary	15.5	1 HMO	155.6	1,283	15,393	
		Double room Single room	20.0 12.9	2 HMO 1 HMO		1,283 1,087	15,393 13,045	Private terrace - 11.2 s
	6.03	Single room	14.7	1 HMO		1,196	14,350	Private terrace - 10.9 s
		Double room Single room	25.3 12.9	2 HMO 1 HMO		1,283 1,087	15,393 13,045	Private terrace - 10.9 s
	6.06	U U	20.0	2 HMO	1	1,283	15,393	Private terrace - 11.2 s

F&B	Breakfast boxes
£5	Per person per night
41	people
21	50% takeup
£108	Income per day
£39,283	Income per annum
£15,000	Vending machines
£18,999	35% EBITDA
£447.038	4.25% vield

Discounted rent: 50% (% of market rent charged)



Appendix 7 - Development appraisal (35% aff hsg at 30% discount to market rents)

35% AH - 70% of Mkt Rent

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	m²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Hostel rooms HMO rooms F&B	25 84 1	477.50 1,587.30	933.33 685.30	17,827 12,950 55,000		445,665 1,087,770 55,000	334,249 815,827 19,250
Totals	110	2,064.80		55,000	19,250 1,169,326	1,588,435	1,169,326
Investment Valuation Hostel rooms							
Current Rent	334,249	YP @	4.2500%	23.5294	7,864,676		
HMO rooms Current Rent F&B	815,827	YP @	3.2500%	30.7692	25,102,385		
Current Rent	19,250	YP @	4.2500%	23.5294	452,941 33,420,002		
GROSS DEVELOPMENT VALUE				33,420,002			
Purchaser's Costs		6.80%	(2,272,560)	(2.272.560)			
NET DEVELOPMENT VALUE				(2,272,560) 31,147,442			
NET REALISATION				31,147,442			
OUTLAY				-,,,			
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	8,236,690 411,834 82,367 65,894				
CONSTRUCTION COSTS Construction Construction costs	Units 1 un	Unit Amount 13,400,401	Cost 13,400,401	8,796,785 13,400,401			
Municipal Costs		,,	,,	,,			
MCIL			275,000	275,000			
PROFESSIONAL FEES Professional fees		8.00%	1,072,032	4 070 000			
DISPOSAL FEES				1,072,032			
Sales Agent Fee Sales Legal Fee		1.00% 0.45%	311,474 140,163				
FINANCE Debit Rate 6.000% Credit Rate 0.000% (Nomi	nal)			451,638			
Land Construction	,		1,311,909				
Total Finance Cost			826,677	2,138,586			
TOTAL COSTS				26,134,442			
PROFIT				5,013,000			
Performance Measures							
Profit on Cost%		19.18% 15.00%					
Profit on GDV% Profit on NDV%		15.00% 16.09%					
Development Yield% (on Rent) Equivalent Yield% (Nominal)		4.47% 3.50%					

De Paul House

35% AH - 70% of Mkt Rent

Equivalent Yield% (True)	3.58%
IRR	18.33%
Rent Cover Profit Erosion (finance rate 6.000%)	4 yrs 3 mths 2 yrs 11 mths

BNP PARIBAS REAL ESTATE



Appendix 8 - Development appraisal (35% aff hsg at 40% discount to market rents)

35% AH - 60% of Mkt Rent

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	m²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Hostel rooms HMO rooms F&B	25 84	477.50 1,587.30	933.33 667.56	17,827 12,615	334,249 794,714	445,665 1,059,619	334,249 794,714
Totals	1 110	2,064.80		55,000	19,250 1,148,213	55,000 1,560,284	19,250 1,148,213
Investment Valuation Hostel rooms							
Current Rent	334,249	YP @	4.2500%	23.5294	7,864,676		
HMO rooms Current Rent	794,714	YP @	3.2500%	30.7692	24,452,746		
F&B Current Rent	19,250	YP @	4.2500%	23.5294	452,941 32,770,364		
GROSS DEVELOPMENT VALUE				32,770,364			
Purchaser's Costs		6.80%	(2,228,385)				
				(2,228,385)			
NET DEVELOPMENT VALUE				30,541,979			
NET REALISATION				30,541,979			
OUTLAY							
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	7,829,905 391,495 78,299 62,639				
CONSTRUCTION COSTS Construction Construction costs	Units 1 un	Unit Amount 13,400,401	Cost 13,400,401	8,362,338 13,400,401			
	i un	13,400,401	13,400,401	13,400,401			
Municipal Costs MCIL			275,000	275,000			
PROFESSIONAL FEES							
Professional fees		8.00%	1,072,032	1,072,032			
DISPOSAL FEES Sales Agent Fee Sales Legal Fee		1.00% 0.45%	305,420 137,439	.,,			
FINANCE		0.1070	101,100	442,859			
Debit Rate 6.000% Credit Rate 0.000% (Nom	inal)		4 0 47 4 4 0				
Land Construction			1,247,118 826,677				
Total Finance Cost				2,073,795			
TOTAL COSTS				25,626,424			
PROFIT				4,915,555			
Performance Measures Profit on Cost% Profit on GDV% Profit on NDV% Development Yield% (on Rent)		19.18% 15.00% 16.09% 4.48%					
Equivalent Yield% (Nominal)		3.50%					

De Paul House

35% AH - 60% of Mkt Rent

Equivalent Yield% (True)	3.58%
IRR	18.47%
Rent Cover Profit Erosion (finance rate 6.000%)	4 yrs 3 mths 2 yrs 11 mths

BNP PARIBAS REAL ESTATE



Appendix 9 - Development appraisal (35% aff hsg at 50% discount to market rents)

35% AH - 50% of Mkt Rent

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	m²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Hostel rooms HMO rooms F&B	25 84 1	477.50 1,587.30	933.33 649.83	17,827 12,279 55,000	334,249 773,601 19,250	445,665 1,031,468 55,000	334,249 773,601 19,250
Totals	110	2,064.80		,		1,532,133	1,127,100
Investment Valuation Hostel rooms							
Current Rent	334,249	YP @	4.2500%	23.5294	7,864,676		
HMO rooms Current Rent F&B	773,601	YP @	3.2500%	30.7692	23,803,108		
Current Rent	19,250	YP @	4.2500%	23.5294	452,941 32,120,725		
GROSS DEVELOPMENT VALUE				32,120,725			
Purchaser's Costs		6.80%	(2,184,209)	(2,184,209)			
NET DEVELOPMENT VALUE				29,936,516			
NET REALISATION				29,936,516			
OUTLAY							
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	7,423,119 371,156 74,231 59,385				
CONSTRUCTION COSTS Construction Construction costs	Units 1 un	Unit Amount 13,400,401	Cost 13,400,401	7,927,891 13,400,401			
	i un	10,400,401	10,400,401	10,400,401			
Municipal Costs MCIL			275,000	275,000			
PROFESSIONAL FEES							
Professional fees		8.00%	1,072,032	1,072,032			
DISPOSAL FEES Sales Agent Fee		1.00%	299,365				
Sales Legal Fee		0.45%	134,714	434,079			
FINANCE Debit Rate 6.000% Credit Rate 0.000% (Nom	inal)		4 400 007				
Land Construction			1,182,327 826,677				
Total Finance Cost				2,009,003			
TOTAL COSTS				25,118,407			
PROFIT				4,818,109			
Performance Measures							
Profit on Cost%		19.18%					
Profit on GDV% Profit on NDV%		15.00% 16.09%					
Development Yield% (on Rent) Equivalent Yield% (Nominal)		4.49% 3.51%					

De Paul House

35% AH - 50% of Mkt Rent

Equivalent Yield% (True)	3.59%
IRR	18.62%
Rent Cover Profit Erosion (finance rate 6.000%)	4 yrs 3 mths 2 yrs 11 mths

BNP PARIBAS REAL ESTATE



Appendix 10 - Development appraisal (100% market rents)

100% market rents

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	m²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Hostel rooms HMO rooms F&B	25 84 1	477.50 1,587.30	933.33 754.28	17,827 14,253 55,000	334,249 897,952 19,250	445,665 1,197,270 55,000	334,249 897,952 19,250
Totals	110	2,064.80		33,000		1,697,935	1,251,451
Investment Valuation Hostel rooms							
Current Rent	334,249	YP @	4.2500%	23.5294	7,864,676		
HMO rooms Current Rent	897,952	YP @	3.2500%	30.7692	27,629,308		
F&B Current Rent	19,250	YP @	4.2500%	23.5294	452,941 35,946,925		
GROSS DEVELOPMENT VALUE				35,946,925			
Purchaser's Costs		6.80%	(2,444,391)				
				(2,444,391)			
NET DEVELOPMENT VALUE				33,502,534			
NET REALISATION				33,502,534			
OUTLAY							
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	9,818,978 490,949 98,190 78,552				
CONSTRUCTION COSTS Construction	Units	Unit Amount	Cost	10,486,669			
Construction costs	1 un	13,400,401	13,400,401	13,400,401			
Municipal Costs MCIL			275 000				
MCIL			275,000	275,000			
PROFESSIONAL FEES							
Professional fees		8.00%	1,072,032	1,072,032			
DISPOSAL FEES Sales Agent Fee		1.00%	335,025				
Sales Legal Fee		0.45%	150,761	485,787			
FINANCE Debit Rate 6.000% Credit Rate 0.000% (Nom	iinal)			400,707			
Land Construction			1,563,930 826,677				
Total Finance Cost				2,390,607			
TOTAL COSTS				28,110,496			
PROFIT				5,392,039			
Performance Measures							
Profit on Cost% Profit on GDV%		19.18% 15.00%					
Profit on NDV%		16.09%					
Development Yield% (on Rent) Equivalent Yield% (Nominal)		4.45% 3.48%					

Panda House

1 00%	market	rents
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Equivalent Yield% (True)	3.56%
IRR	17.87%
Rent Cover Profit Erosion (finance rate 6.000%)	4 yrs 4 mths 2 yrs 11 mths

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