
From: "Winchester, Joanne @ London HH" <Joanne.Winchester@cbre.com>
Date: Tuesday, 12 January 2021 at 16:46
To: Cyril Ogunmakin <Cyril@interlandgroup.co.uk>
Subject: RE: CBRE - 628 - 634 Commercial Road, LONDON

Cyril – nice to speak to you earlier.
Please see my responses below.
Jo

Jo Winchester FRICS BSc (Hons) | Executive Director
RICS Registered Valuer
CBRE Ltd | Operational Real Estate | PBSA and Co-Living Valuation & Advisory Services
St Martin's Court | 10 Paternoster Row | London | EC4M 7HP
DDI 020 7182 2091 | M: 07939 015514 | Sw: 020 7182 2000
joanne.winchester@cbre.com | www.cbre.co.uk/student

PA | Thandi Ngema | DDI 020 7182 2220
<mailto:thandi.ngema@cbre.com>



From: Cyril Ogunmakin <Cyril@interlandgroup.co.uk>
Sent: 12 January 2021 11:55
To: Winchester, Joanne @ London HH <Joanne.Winchester@cbre.com>
Subject: RE: CBRE - 628 - 634 Commercial Road, LONDON
Importance: High

External

Hi Jo,

Thanks for discussing with me. We have a property (address above) at Limehouse (zone 2) we are looking to redevelop into 84 room co-working scheme which Tower Hamlet refused at planning. We have made an appeal and the Inspector is going through that now for 3days.

Though this scheme will have a small gym & cinema room it is substantially smaller than typical schemes by The Collectives and with less common part amenities.

Core issue of disagreement is that we declined to provide affordable housing on the basis that the scheme is not viable enough whilst the Council seeks to prove that it quite viable.

They have appointed BN Paribas who generally agrees with all our variables expect for yield where we

valued at 4.25% and he valued at an incredible 3.25%

Their authority for this is your paper titled "Co-Living: How is it valued?" but completely ignores the caveat you stated in the same paper before your table of yields which is

"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"

It would be most helpful for you to confirm the following:

- James Brown and I have recently spoken in brief about this appeal but I have not heard from Dr Lee or BNPP **I would confirm this.**
- CBRE have never said yields for co-living in Zone 2 are 3.25%. **CBRE has never said that yields for co-living would be 3.25% in Zone 2. This would represent an up and built stabilised yield in the more established mainstream build to rent market.**
- CBRE think a yield of 3.25% for 85 HMO bedrooms at the subject location is too low as a capitalisation yield. **I would confirm this. it is too low for this type of property.**

Kind regards

Cyril

Cyril Ogunmakin *Ph.D, FRICS, MBIFM*

Chief Executive Officer

Tel. [+44 \(0\) 207 625 3232](tel:+442076253232)

Fax. [+44 \(0\) 207 625 8383](tel:+442076258383)

Mobile. [+44 \(0\) 7966166666](tel:+44207966166666)

Email. cyril@interlandgroup.co.uk

[73 Maygrove Road, London, NW6 2EG](https://www.interlandgroup.co.uk)

www.interlandgroup.co.uk



Sent from my iPhone

By virtue of your responding to this email or emailing an employee of CBRE, your name and contact information may be collected, retained, and/or processed by CBRE for its internal business purposes. Should you wish that this information not be collected, please contact the sender of this email. If you would like to know more about how CBRE and its associated companies process your personal data click: <https://www.cbre.com/about/privacy-policy>

CBRE Limited, Registered Office: St Martin's Court, 10 Paternoster Row, London, EC4M 7HP, registered in England and Wales No. 3536032. Regulated by the RICS.

This communication is from CBRE Limited or one of its associated/subsidiary companies. This communication contains information which is confidential and may be privileged. If you are not the intended recipient, please contact the sender immediately. Any use of its contents is strictly prohibited and you must not copy, send or disclose it, or rely on its contents in any way whatsoever. Reasonable care has been taken to ensure that this communication (and any attachments or hyperlinks contained within it) is free from computer viruses. No responsibility is accepted by CBRE Limited or its associated/subsidiary companies and the recipient should carry out any appropriate virus checks.