

Earls Court Development RBKC Financial Viability Assessment Addendum

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Vision Placeholder

Introduction

This Financial Viability Assessment (FVA) Addendum has been prepared by Quod in response to feedback regarding Affordable Housing and wider design matters received from the Royal Borough of Kensington and Chelsea ("RBKC").

It is submitted to inform the consideration of Two Hybrid Planning Applications, one submitted to the London Borough of Hammersmith and Fulham ('LBHF') (Reference: 2024/01942/COMB) and one submitted to the Royal Borough of Kensington and Chelsea ('RBKC') (Reference: PP/24/05187) in July 2024 in relation to the redevelopment of the land bounded by West Cromwell Road, Warwick Road, Philbeach Gardens, Eardley Crescent, Lillie Road, Old Brompton Road, the West London Railway Line ('WLL'), and 1 Cluny Mews in RBKC (the 'RBKC Site') and North End Road, Beaumont Avenue, West Cromwell Road, the WLL, land comprising the Empress State Building ('ESB'), Aisgill Avenue, the former Gibbs Green School properties fronting Gibbs Green Close, and properties fronting Dieppe Close (the 'LBHF Site') which straddle the boundary between the two boroughs (together forming 'the Site'). The Proposed Development will form the new Earls Court Development. The Hybrid Planning Applications are submitted on behalf of Earls Court Partnership Limited ('ECPL'), ("The Applicant").

This FVA Addendum is supplementary to the information submitted in the FVA issued in July 2024. The Addendum confirms updates to the housing proposals reflecting wider scheme design changes and feedback from RBKC.

These amendments can be summarised as follows:

- Parameter Plans: Adjustments to building heights and massing.
- Design Updates: Minor design modifications to the Development Plots within RBKC Detailed Component: Plots EC05 and EC06 and LBHF Detailed Component: Plots WB03, WB04, and WB05. These changes result in an increase in the maximum floorspace for the detailed component of the scheme, summarised as follows:
 - The total maximum floorspace increases from 710,519 sq.m (GEA) to 713,669 sq.m (GEA).
 - Within the RBKC boundary, the detailed component increases from 41,002 sq.m (GEA) to 42,058 sq.m (GEA).
 - Within the LBHF boundary, the detailed component increases from 92,517 sq.m (GEA) to 94,611 sq.m (GEA).
 - Overall, the detailed component floorspace increases from 133,519 sq.m (GEA) to 136,669 sq.m (GEA).
- Design Code: Inclusion of additional and updated codes.

A summary of the updated areas is available in Issue 02 of the Development Specification, reflecting the amendments listed above.

1.0 Application Overview Amendments

1.0 Table 5-3 in the FVA (July 2024) summarised the viability inputs (supported by appropriate evidence) which informed the viability position. In the intervening period, BNPP on behalf of RBKC, has responded to the FVA submission with initial findings which has resulted in agreement of some amendments to the input assumptions, seeking to find common ground between the advisors. Additional design work and information updates have also become available resulting in reasonably limited changes to other FVA inputs such as building areas.

1.1 The following amendments within the FVA are as a result of design changes:

- Areas and Dwellings have been updated in line with Masterplan Area Schedule Ref. *ECD-SW-ZZ-HBS-XX-XX-SH-A-000000*
- Construction costs have been updated in line with Masterplan Cost Model Ref. *MP 03.0- rev 36.1*

The following amendments have been made following discussions with BNPP:

- Growth and inflation have been removed from the baseline position to indicate a separate current costs / current values output, aligned to the conclusions of recent appeal decisions
- MCIL 2 has been reduced to lower office and retail rates
- MCIL 2 has been indexed to 2025 for residential use
- Grant income has been applied separately rather than within the overall affordable housing value

1.2 As a result of these amendments, Tables 5-3, 6-1 and 6-2 in the FVA have been superseded by Tables 1-1, 1-2 and 1-3 respectively overleaf.

1.3 Fast Track policy compliant affordable housing is retained within the FVA, currently assumed as a mix of intermediate and social rent at 35%, but with the possibility of delivering all affordable homes in Phase 1 as social rent at a financial equivalent offer, if the GLA's Accelerating Housing Delivery Practice Note ('GLA Practice Note') approach is taken. Further detail on the implementation of the GLA's Practice Note is set out in the Housing Statement.

Table 1-1: Inputs and Assumptions for RBKC Plots

Input	Assumption	Commentary
Scheme Revenue		
Market Sale	£1,754/sqft*	No change
Later Living	£1,850/sqft	
Affordable Housing	£510/sqft	Affordable Housing grant captured separately
Office / Workspace	£60 Rent, 5.5% Yield, 2yrs Rent Free	No change
Affordable Workspace	£30 Rent, 5.5% Yield, 2yrs Rent Free	
Retail	£30 Rent, 6.75% Yield, 2yrs Rent Free	
Logistics	£30 Rent, 6.5% Yield, 1.5yrs Rent Free	
Cultural / Community Uses	£20 Rent, 7.5% Yield, 1yr Rent Free	
Infrastructure Grant Funding	£150.0m	No change
Scheme Costs		
Plot Level Construction Costs	£441/sq.ft	Amended to align to Cast Cost Plan Update reflecting scheme amendments – see appendix
Infrastructure & Abnormal Costs	£412.4m	
Professional Fees	10%	No change
Marketing Fees	2%	
Sales Agent and Legal Fees	1.5%	
Leasing Agent and Legal Fees	15%	
MCIL 2 General	££8.81/sq.ft	MCIL 2 Charging Schedule indexed to 2025, commercial MCIL2 removed as not applicable
	£	
MCIL 2 Office	£0/sqft GIA	
MCIL 2 Retail	£0/sq.ft GIA	
S106	£20.0m	No change
Market Residential Developers Profit	20% on GDV**	No change
Affordable Residential Developers Profit	6% on GDV	

Commercial Developers Profit	15% on GDV	
Finance Costs	7%	

*The JLL / Knight Frank residential valuations are based on the specified unit type mix, any deviation from the mix will result in amended overall £/sq/ft values.

**a profit level of 17.5% on GDV has also been tested reflecting a request of council advisors

Table 1-2: RBKC Plots Model Summary	
Financial Breakdown	£/Total
Residential GDV	£942.8m
Commercial GDV	£430.4m
Affordable Housing Grant Funding	£33.8m
Infrastructure Funding	£150.0m
Scheme GDV	£1.626bn
Plot Level Construction Costs	£903.2m
Infrastructure & Abnormal Costs	£412.4m
Professional Fees	£131.5m
Sales & Marketing Fees	£66.8m
Statutory Costs	£33.3m
Blended Profit	£245.1m
Finance	£30.4m
Total Expenditure	£1,824bn
Residual Land Value	(£197.5m)

Table 1-3: Sensitivity Analysis				
		Residential Private Sales Values		
		0%	+5%	+10%
Construction Costs	0%	(£197.5m)	(£165.8m)	(£136.0m)
	-5%	(£133.1m)	(£104.1m)	(£75.7m)
	-10%	(£72.7m)	(£44.4m)	(£16.5m)

- 1.4 As indicated in Table 1-3 (full appraisal provided at Appendix B), the appraisal results show that a Residual Land Value (RLV) of negative £197.5m is generated with the updated FVA assumptions, and a negative £16.5m if a sales increase of 10% and cost reductions of 10% are realised. The - £16.5m RLV compares to £9m within the July 2024 FVA.. This indicates that viability is still extremely challenging.

- 1.5 The most optimistic RLV indicated above of £-16.5m is well below the Benchmark Land Value (BLV) evidenced within the July 2024 FVA by Quod (£92.4m) and that arrived at by BNPP within its March '25 report on behalf of RBKC of £35.7m. This indicates that the proposed quantum, tenure and unit type split of affordable housing proposed within the scheme (detailed within the Quod Housing Statement and Housing Statement Addendum) is in excess of the maximum level which would be required based on viability considerations.

2.0 Conclusion

- 2.1 The updated FVA continues to demonstrate that viability of the scheme is extremely challenging, and the 35% affordable housing being proposed is well in excess of that which would be justified based on viability alone.
- 2.2 The scheme continues to represent a substantial proportion of all housing delivery targeted within the RBKC Local Plan and will provide up to 1,400 homes (C3 use) for local households, whilst also relieving pressure on the housing market through meeting specialist needs such as older person's housing.
- 2.3 Since submission of the July 2024 Application, the GLA has published the Accelerating Housing Delivery Planning & Housing Practice Note December 2024. The GLA Practice Note sets out a methodology for establishing a financially equivalent proportion of affordable homes when delivered entirely as social rent (rather than a mix of social rent and intermediate). Further detail on this is set out within the Housing Statement Addendum.
- 2.4 Affordable housing also continues to be included at a GLA Fast Track compliant level, either 35% in a mix of intermediate and social rent tenures or the equivalent, where the affordable homes are delivered entirely as social rent if the approach set out in the GLA Practice Note is adopted. The equivalency option will only be pursued for Phase 1 of the Hybrid Application. The flexibility provided by this approach maximises deliverability in changing Registered Provider market conditions whilst also giving the opportunity to increase the total number of social rent homes delivered.

Appendix A – Cast Cost Plan Update

[illegible]

[illegible]

WBS Lvl 0	WBS Lvl 1	WBS Lvl 2	WBS Lvl 3 - Plot	WBS Lvl 3	WBS Lvl 4	Use Category	Use Class	Mix	Main Tenure	Building Tenure	Tenure 1 Resi %	Secondary Tenure	Tenure 2 Resi %	Borough	Ownership	Phase	Levels	Height Bracket	GIA (m2)	GIA (sq.ft)	GIA (m2) Previous	GIA (m2) Change	GIA (m2) Change %	S&C - C3 - Residential (IAff)	S&C - C3 - Residential Amenity (IAff)	S&C - C3 - Residential BOH (IAff)	S&C - C3 - Residential (PBSA)	S&C - C3 - Residential Amenity (PBSA)	S&C - C3 - Residential BOH (PBSA)	S&C - C3 - Residential (BtR)	S&C - C3 - Residential Amenity (BtR)	S&C - C3 - Residential BOH (BtR)	S&C - C3 - Residential (LL)	S&C - C3 - Residential Amenity (LL)	S&C - C3 - Residential BOH (LL)				
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class E - Non-Residential	E (a) - Retail		BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	72	772	72	-	-																
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class E - Non-Residential	E (b) - F&B		BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	377	4,060	377	-	-																
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class E - Non-Residential	E (d) - Leisure		BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	263	2,832	263	-	-																
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Sui Generis	Sui Generis - Parking		BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	104	1,119	104	-	-																
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Sui Generis	Sui Generis - Station Interfaces		BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	98	1,060	98	-	-																
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class C - Residential	C3 - Residential (Aff)		BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	2,016	21,696	2,016	-	-	E3,361,325															
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class C - Residential	C3 - Residential Amenity (Aff)		BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	88	944	88	-	-		E146,321														
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class C - Residential	C3 - Residential BOH (Aff)		BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	363	3,905	363	-	-			E605,028													
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class C - Residential	C3 - Residential (BtS)	A	BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	4,092	44,049	4,092	-	-																
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class C - Residential	C3 - Residential Amenity (BtS)	A	BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	178	1,917	178	-	-																
D - Products	10. Buildings	10.2 EC	EC01	EC01	n/a	Class C - Residential	C3 - Residential BOH (BtS)	A	BTS	EC01 BTS	100%	Other	0%	RBKC	ECPL	2	9	1-20	737	7,929	737	-	-																
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class E - Non-Residential	E (a) - Retail		BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	227	2,446	227	-	-																
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class E - Non-Residential	E (b) - F&B		BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	304	3,268	304	-	-																
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class E - Non-Residential	E (d) - Leisure		BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	325	3,496	325	-	-																
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Sui Generis	Sui Generis - Parking		BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	232	2,496	232	-	-																
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class C - Residential	C3 - Residential (Aff)		BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	2,714	29,212	2,714	-	-	E4,525,815															
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class C - Residential	C3 - Residential Amenity (Aff)		BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	212	2,284	212	-	-																
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class C - Residential	C3 - Residential BOH (Aff)		BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	273	2,941	273	-	-			E353,904													
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class C - Residential	C3 - Residential (BtS)	A	BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	5,510	59,309	5,510	-	-																
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class C - Residential	C3 - Residential Amenity (BtS)	A	BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	431	4,638	431	-	-																
D - Products	10. Buildings	10.2 EC	EC02	EC02	n/a	Class C - Residential	C3 - Residential BOH (BtS)	A	BTS	EC02 BTS	100%	Other	0%	RBKC	ECPL	2	11	1-20	555	5,971	555	-	-																
D - Products	10. Buildings	10.2 EC	EC03	EC03	n/a	Class E - Non-Residential	E (a) - Retail		Workplace	EC03 Workplace	100%	Other	0%	RBKC	ECPL	2	13	1-20	211	2,268	211	-	-																
D - Products	10. Buildings	10.2 EC	EC03	EC03	n/a	Class E - Non-Residential	E (b) - F&B		Workplace	EC03 Workplace	100%	Other	0%	RBKC	ECPL	2	13	1-20	514	5,536	514	-	-																
D - Products	10. Buildings	10.2 EC	EC03	EC03	n/a	Class E - Non-Residential	E (g) - Workspace		Workplace	EC03 Workplace	100%	Other	0%	RBKC	ECPL	2	13	1-20	19,260	207,315	19,260	-	-																
D - Products	10. Buildings	10.2 EC	EC03	EC03	n/a	Class E - Non-Residential	E (g) - Workspace BOH		Workplace	EC03 Workplace	100%	Other	0%	RBKC	ECPL	2	13	1-20	1,370	14,745	1,370	-	-																
D - Products	10. Buildings	10.2 EC	EC03	EC03	n/a	Sui Generis	Sui Generis - Parking		Workplace	EC03 Workplace	100%	Other	0%	RBKC	ECPL	2	13	1-20	573	6,169	573	-	-																
D - Products	10. Buildings	10.2 EC	EC03	EC03	n/a	Sui Generis	Sui Generis - Culture		Workplace	EC03 Workplace	100%	Other	0%	RBKC	ECPL	2	13	1-20	512	5,506	512	-	-																
D - Products	10. Buildings	10.2 EC	EC03	EC03	n/a	Sui Generis	Sui Generis - Other BOH		Workplace	EC03 Workplace	100%	Other	0%	RBKC	ECPL	2	13	1-20	519	5,585	519	-	-																
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Class C - Non-Residential	E (b) - F&B		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	1,107	11,916	1,107	-	-																
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Sui Generis	Sui Generis - Culture		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	994	10,653	994	-	-																
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Sui Generis	Sui Generis - Other BOH		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	1,910	20,559	1,910	-	-																
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Class C - Residential	C3 - Residential (Aff)		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	84	902	84	-	-	E203,648															
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Class C - Residential	C3 - Residential Amenity (Aff)		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	506	5,445	506	-	-			E1,229,107													
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Class C - Residential	C3 - Residential BOH (Aff)		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	674	7,250	674	-	-				E1,636,404												
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Class C - Residential	C3 - Residential (LL)		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	170	1,832	170	-	-																
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Class C - Residential	C3 - Residential Amenity (LL)		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	1,027	11,056	1,027	-	-																
D - Products	10. Buildings	10.2 EC	EC04	EC04-P1	n/a	Class C - Residential	C3 - Residential BOH (LL)		Later Living	EC04-P1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	1	1-20	1,367	14,719	1,367	-	-																
D - Products	10. Buildings	10.2 EC	EC04	EC04-T1	n/a	Class C - Residential	C3 - Residential (Aff)		Later Living	EC04-T1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	10	1-20	2,113	22,748	2,113	-	-	E5,134,507															
D - Products	10. Buildings	10.2 EC	EC04	EC04-T1	n/a	Class C - Residential	C3 - Residential (LL)		Later Living	EC04-T1 Later Living	100%	Later Living	0%	RBKC	ECPL	1	10	1-20	4,291	46,184	4,291	-	-																
D - Products	10. Buildings	10.2 EC	EC04	EC04-T2	n/a	Class C - Residential	C3 - Residential (Aff)		Later Living	EC04-T2 Later Living	100%	Later Living	0%	RBKC	ECPL	1	16	1-20	4,297	46,255	4,297	-	-	E10,440,592															
D - Products	10. Buildings	10.2 EC	EC04	EC04-T2	n/a	Class C - Residential	C3 - Residential (LL)		Later Living	EC04-T2 Later Living	100%	Later Living	0%	RBKC	ECPL	1	16	1-20	8,725	93,912	8,725	-	-																
D - Products	10. Buildings	10.2 EC	EC05	EC05-P1	n/a	Class E - Non-Residential	E (b) - F&B		Other	EC05-P1 Other	0%	BTS	100%	RBKC	ECPL	1	1	1-20	919	9,892	919	-	-																
D - Products	10. Buildings	10.2 EC	EC05	EC05-P1	n/a	Sui Generis	Sui Generis - Parking		Other	EC05-P1 Other	0%	BTS	100%	RBKC	ECPL	1	1	1-20	224	2,411	224	-	-																
D - Products	10. Buildings	10.2 EC	EC05	EC05-P1	n/a	Sui Generis	Sui Generis - Other BOH		Other	EC05-P1 Other	0%	BTS	100%	RBKC	ECPL	1	1	1-20	1,116	12,013	1,116	-	-																
D - Products	10. Buildings	10.2 EC	EC05	EC05-P1	n/a	Class C - Residential	C3 - Residential (Aff)		Other	EC05-P1 Other	0%	BTS	100%	RBKC	ECPL	1	1	1-20	78	835	78	-	-	E181,299															
D - Products	10. Buildings	10.2 EC	EC05	EC05-P1	n/a	Class C - Residential	C3 - Residential Amenity (Aff)		Other	EC05-P1 Other	0%	BTS	100%	RBKC	ECPL	1	1	1-20	250	2,696	250	-	-																
D - Products	10. Buildings	10.2 EC	EC05	EC05-P1	n/a	Class C - Residential	C3 - Residential BOH (Aff)		Other	EC05-P1 Other	0%	BTS	100%	RBKC	ECPL	1	1	1-20	386	4,159	386	-	-																
D - Products	10. Buildings	10.2 EC	EC05	EC05-P1	n/a	Class C - Residential	C3 - Residential (BtS)		Other	EC05-P1 Other	0%	BTS	100%	RBKC	ECPL	1	1	1-20	157	1,695	157	-	-																

S&C - C3 - Residential (BtS) - Mix A	S&C - C3 - Residential Amenity (BtS) - Mix A	S&C - C3 - Residential BOH (BtS) - Mix A	S&C - C3 - Residential (BtS) - Mix B	S&C - C3 - Residential Amenity (BtS) - Mix B	S&C - C3 - Residential BOH (BtS) - Mix B	S&C - Resi - Totals (Nett)	S&C - Resi - E/sf GIA (Nett)	Fitout - C3 - Residential (Aff)	Fitout - C3 - Residential Amenity (Aff)	Fitout - C3 - Residential BOH (Aff)	Fitout - C3 - Residential (PBSA)	Fitout - C3 - Residential BOH (PBSA)	Fitout - C3 - Residential (BtR)	Fitout - C3 - Residential Amenity (BtR)	Fitout - C3 - Residential (LL)	Fitout - C3 - Residential Amenity (LL)	Fitout - C3 - Residential BOH (LL)	Fitout - C3 - Residential (BtS) - Mix A	Fitout - C3 - Residential Amenity (BtS) - Mix A	Fitout - C3 - Residential BOH (BtS) - Mix A	Fitout - C3 - Residential (BtS) - Mix B	Fitout - C3 - Residential Amenity (BtS) - Mix B	Fitout - C3 - Residential BOH (BtS) - Mix B	Fitout - Resi - Totals (Nett)	Fitout - Resi - E/sf GIA (Nett)	Totals - Resi (Nett)	E/sf GIA - Resi (Nett)	S&C - BB - Logistical	S&C - E - General Class E BOH
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£3,361,325	£155	£1,833,450																£1,833,450	£85	£5,194,775	£239		
						£146,321	£155		£266,038	£229,177														£266,038	£282	£412,358	£437		
						£495,028	£155																	£229,177	£59	£334,306	£214		
£7,858,525						£7,858,525	£178																	£7,238,115	£164	£15,096,641	£343		
	£342,087					£342,087	£178																	£540,137	£282	£882,224	£460		
		£1,414,511				£1,414,511	£178																	£540,137	£282	£882,224	£460		
						£0	£0																	£465,300	£59	£1,879,811	£237		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£4,535,815	£155	£2,468,626																£2,468,626	£85	£6,994,441	£239		
						£353,904	£155		£643,461															£643,461	£282	£997,365	£437		
						£455,670	£155			£172,602														£172,602	£59	£628,272	£214		
£10,581,015						£10,581,015	£178																	£9,745,672	£164	£20,326,686	£343		
	£827,400					£827,400	£178																	£1,306,421	£282	£2,133,821	£460		
		£1,065,322				£1,065,322	£178																	£350,435	£59	£1,415,757	£237		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£203,648	£226	£187,571																£187,571	£208	£391,219	£434		
						£1,229,107	£226																	£1,132,072	£208	£2,361,179	£434		
						£1,636,404	£226			£1,507,214														£1,507,214	£208	£3,143,618	£434		
						£413,468	£226								£380,826									£380,826	£208	£794,294	£434		
						£2,495,459	£226								£2,298,449	£2,298,449								£2,298,449	£208	£4,793,908	£434		
						£3,322,395	£226										£3,060,101							£3,060,101	£208	£6,382,496	£434		
						£5,134,587	£226	£4,729,151																£4,729,151	£208	£9,863,658	£434		
						£10,424,605	£226										£9,601,610							£9,601,610	£208	£20,026,215	£434		
						£10,440,592	£226	£9,616,335																£9,616,335	£208	£20,056,927	£434		
						£21,197,565	£226										£19,524,073							£19,524,073	£208	£40,721,639	£434		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£181,209	£217	£166,985																£166,985	£200	£348,284	£417		
						£585,556	£217		£539,328															£539,328	£200	£1,124,883	£417		
						£903,407	£217			£832,085														£832,085	£200	£1,735,492	£417		
£368,091						£368,091	£217																	£339,031	£200	£707,122	£417		
	£1,188,855					£1,188,855	£217																	£1,094,998	£200	£2,283,854	£417		
		£1,834,189				£1,834,189	£217																	£1,689,385	£200	£3,523,574	£417		
						£15,480,580	£217	£14,258,429																£14,258,429	£200	£29,739,009	£417		
						£41,660	£217		£38,371															£38,371	£200	£80,031	£417		
£31,430,269						£31,430,269	£217																	£28,948,932	£200	£60,379,200	£417		
	£84,583					£84,583	£217																	£28,948,932	£200	£60,379,200	£417		
						£6,383,289	£155	£5,879,345																£77,905	£200	£162,488	£417		
						£587,210	£155			£540,851														£5,879,345	£143	£12,262,634	£298		
£12,960,010						£12,960,010	£155																	£540,851	£143	£1,128,061	£298		
		£1,192,214				£1,192,214	£155																	£11,936,852	£143	£24,896,862	£298		
						£0	£0																	£1,098,091	£143	£2,290,305	£298		
						£0	£0																	£0	£0	£0	£0	£6,668,000	
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£0	£0																	£0	£0	£0	£0		
						£5,782,958	£155	£3,154,341																£3,154,341	£85	£8,937,298	£239		
						£827,294	£155		£1,504,171															£1,504,171	£282	£2,331,465	£437		
						£553,880	£155			£209,424														£209,424	£59	£762,304	£214		
£13,520,120						£13,520,120	£178																	£12,452,742	£164	£25,972,862	£343		
	£1,934,151					£1,934,151	£178																	£3,053,923	£282	£4,988,074	£460		
		£1,292,591				£1,292,591	£178																	£425,194	£59	£1,717,785	£237		
						£0	£0																	£0	£0	£0	£0		
						£1,313,342	£155	£716,368																£716,368	£85	£2,029,710	£239		
						£370,612	£155		£673,839															£673,839	£282	£1,044,451	£437		

S&C - E - General Social Infrastructure	S&C - E (a) - Retail	S&C - E (b) - F&B	S&C - E (d) - Leisure	S&C - E (e) - Workspace	S&C - E (e) - Workspace BOH	S&C - F - Community	S&C - Sul Generis - Parking	S&C - Sul Generis - Culture	S&C - Sul Generis - Other BOH	S&C - Sul Generis - Station Interfaces	Totals - Other (Nett)	E/f GIA - Other (Nett)	Totals - Building (Nett)	E/f GIA - Building (Nett)	On Costs - Prelims (Resl)	On Costs - Prelims (Other)	On Costs - OH&P	On Costs - Design Fees	On Costs - Contingency	Totals - On Costs	E/f GIA - On Costs	Totals - Building (Gross)	E/f GIA - Building (Gross)	Base Date	Base Index	Q424	Inflation Adjustment	Totals - Inflation	Totals - Building (Gross Incl. Inflation)	E/f GIA - Building (Gross Incl. Inflation)
E116,045		E609,978	E1,007,230				E397,962			E621,833	E116,045	E150	E116,045	E150	E0	E17,407	E7,340	Excl.	E4,224	E28,970	E38	E145,015	E188	Q4, 24	0.0	113.7	0.0%	E0	E145,015	E188
											E609,978	E150	E609,978	E150	E0	E91,497	E38,581	Excl.	E22,202	E152,279	E38	E762,257	E188	Q4, 24	0.0	113.7	0.0%	E0	E762,257	E188
											E1,007,230	E356	E1,007,230	E356	E0	E151,085	E63,707	Excl.	E36,661	E251,452	E89	E1,258,682	E444	Q4, 24	0.0	113.7	0.0%	E0	E1,258,682	E444
											E397,962	E356	E397,962	E356	E0	E59,694	E25,171	Excl.	E14,485	E99,350	E89	E497,312	E444	Q4, 24	0.0	113.7	0.0%	E0	E497,312	E444
											E621,833	E356	E621,833	E356	E0	E62,833	E23,147	Excl.	E17,707	E155,299	E147	E777,072	E733	Q4, 24	0.0	113.7	0.0%	E0	E777,072	E733
											E0	E0	E5,194,775	E239	E935,060	E0	E337,341	Excl.	E194,009	E1,466,210	E68	E6,660,985	E307	Q4, 24	0.0	113.7	0.0%	E0	E6,660,985	E307
											E0	E0	E412,358	E437	E74,224	E0	E26,762	Excl.	E15,400	E528,745	E123	E528,745	E560	Q4, 24	0.0	113.7	0.0%	E0	E528,745	E560
											E0	E0	E834,206	E214	E150,157	E0	E54,140	Excl.	E31,155	E235,452	E60	E1,069,658	E274	Q4, 24	0.0	113.7	0.0%	E0	E1,069,658	E274
											E0	E0	E5,096,641	E343	E2,717,395	E0	E979,772	Excl.	E563,814	E4,260,982	E97	E19,357,622	E439	Q4, 24	0.0	113.7	0.0%	E0	E19,357,622	E439
											E0	E0	E882,224	E460	E158,800	E0	E57,256	Excl.	E32,948	E1,131,229	E50	E1,131,229	E590	Q4, 24	0.0	113.7	0.0%	E0	E1,131,229	E590
											E0	E0	E1,879,811	E237	E338,366	E0	E122,000	Excl.	E70,205	E530,571	E137	E2,410,381	E304	Q4, 24	0.0	113.7	0.0%	E0	E2,410,381	E304
											E367,474	E150	E367,474	E150	E0	E367,474	E91,739	Excl.	E459,213	E188,739	E38	E859,213	E188	Q4, 24	0.0	113.7	0.0%	E0	E859,213	E188
											E490,958	E150	E490,958	E150	E0	E73,644	E31,053	Excl.	E17,870	E122,566	E38	E613,524	E188	Q4, 24	0.0	113.7	0.0%	E0	E613,524	E188
											E1,243,189	E356	E1,243,189	E356	E0	E186,478	E78,632	Excl.	E15,553,549	E444	E444	E444	Q4, 24	0.0	113.7	0.0%	E0	E1,553,549	E444	
											E887,489	E356	E887,489	E356	E0	E133,123	E56,134	Excl.	E32,302	E221,560	E89	E1,109,049	E444	Q4, 24	0.0	113.7	0.0%	E0	E1,109,049	E444
											E0	E0	E6,994,441	E239	E1,258,999	E0	E261,221													

Appendix B – Appraisal Update

Earls Court Development Corporation
RBKC ECPL Plots

Development Pro Forma
Quod
August 13, 2025

PROJECT PRO FORMA**QUOD**

Earls Court Development Corporation
RBKC ECPL Plots

Project Pro Forma for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
Later Living	152	167,641	1,850.00	2,040,362	310,135,042	0	310,135,042
Open Market Sale	150	115,570	1,875.00	1,444,620	216,693,015	0	216,693,015
Affordable Housing	160	123,531	380.00	293,387	46,941,841	0	46,941,841
Open Market Sale	330	248,610	1,673.00	1,260,378	415,924,808	0	415,924,808
Affordable Housing	<u>178</u>	<u>133,867</u>	380.00	285,784	<u>50,869,517</u>	<u>0</u>	<u>50,869,517</u>
Totals	970	789,219			1,040,564,223	0	1,040,564,223

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	15,156	30.00	454,680	454,680	454,680
Cultural / Community	1	12,416	20.00	248,320	248,320	248,320
Logistics	1	19,964	30.00	598,920	598,920	598,920
Office / Workspace	1	347,038	60.00	20,822,280	20,822,280	20,822,280
Affordable Office / Workspace	1	18,265	30.00	547,950	547,950	547,950
Retail	1	42,796	30.00	1,283,880	1,283,880	1,283,880
Cultural / Community	<u>1</u>	<u>20,603</u>	20.00	412,060	<u>412,060</u>	<u>412,060</u>
Totals	7	476,238			24,368,090	24,368,090

Investment Valuation**Retail**

Market Rent	454,680	YP @	6.7500%	14.8148	
(2yrs Rent Free)		PV 2yrs @	6.7500%	0.8775	5,911,073

Cultural / Community

Market Rent	248,320	YP @	7.5000%	13.3333	
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	3,079,938

PROJECT PRO FORMA**QUOD****Earls Court Development Corporation
RBKC ECPL Plots****Logistics**

Market Rent	598,920	YP @	6.5000%	15.3846	
		PV 1yr 6mths @	6.5000%	0.9099	8,383,610

Office / Workspace

Current Rent	20,822,280	YP @	5.5000%	18.1818	378,586,909
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Affordable Office / Workspace

Current Rent	547,950	YP @	5.5000%	18.1818	9,962,727
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Retail

Current Rent	1,283,880	YP @	6.7500%	14.8148	19,020,444
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Cultural / Community

Current Rent	412,060	YP @	7.5000%	13.3333	5,494,133
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Total Investment Valuation**430,438,835****GROSS DEVELOPMENT VALUE****1,471,003,058**

Purchaser's Costs	(29,269,841)				
Effective Purchaser's Costs Rate	6.80%			(29,269,841)	

NET DEVELOPMENT VALUE**1,441,733,217****Income from Tenants**

Retail	641,940				
Cultural / Community	412,060				
				1,054,000	

Additional Revenue

Affordable Housing Grant Funding	16,000,000				
Infrastructue Grant Funding	58,000,000				
Infrastructure Grant Funding	92,000,000				

PROJECT PRO FORMA**QUOD****Earls Court Development Corporation
RBKC ECPL Plots**

Affordable Housing Grant Funding	17,800,000	183,800,000
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TOTAL PROJECT REVENUE **1,626,587,217**

DEVELOPMENT COSTS**ACQUISITION COSTS**

Residualized Price (Negative land)	(197,577,624)	(197,577,624)
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CONSTRUCTION COSTS**Construction**

	Units	Unit Amount	Cost
Infrastructure & Abnormal Costs	1 un	256,899,766	256,899,766
Infrastructure & Abnormal Costs	<u>1 un</u>	<u>155,507,277</u>	<u>155,507,277</u>
Totals			412,407,043

	ft²	Build Rate ft²	Cost
Retail	22,086	441.00	9,739,926
Cultural / Community	21,972	441.00	9,689,652
Logistics	24,955	441.00	11,005,155
Office / Workspace	486,380	441.00	214,493,580
Affordable Office / Workspace	25,596	441.00	11,287,836
Retail	52,765	441.00	23,269,365
Cultural / Community	24,731	441.00	10,906,371
Later Living	263,296	441.00	116,113,536
Open Market Sale	187,613	441.00	82,737,333
Affordable Housing	219,338	441.00	96,728,058
Sui Generis, Parking & Station Interface	35,953	441.00	15,855,273
Social Infrastructure	14,823	441.00	6,536,943
Open Market Sale	417,762	441.00	184,233,042
Affordable Housing	224,949	441.00	99,202,509
Sui Generis, Parking & Station Interface	<u>25,905</u>	441.00	<u>11,424,105</u>
Totals	2,048,124 ft²		903,222,684 1,315,629,727

PROJECT PRO FORMA**QUOD****Earls Court Development Corporation
RBKC ECPL Plots****Section 106 Costs**

Section 106 Costs			7,500,000	
MCIL2 Retail	22,086 ft²	8.81	194,578	
MCIL2 General	511,817 ft²	8.81	4,509,108	
MCIL2 General	443,667 ft²	8.81	3,908,706	
MCIL2 Office	486,380 ft²	8.81	4,285,008	
MCIL2 Retail	52,765 ft²	8.81	464,860	
Section 106 Costs			12,500,000	
				33,362,259

PROFESSIONAL FEES

Professional Fees		10.00%	131,562,973	
				131,562,973

MARKETING & LEASING

Marketing		2.00%	41,622,569	
Leasing Agent Fee		10.00%	2,376,917	
Leasing Legal Fee		5.00%	1,188,459	
				45,187,944

DISPOSAL FEES

Sales Agent Fee		1.00%	14,417,332	
Sales Legal Fee		0.50%	7,208,666	
				21,625,998

TOTAL COSTS BEFORE FINANCE**1,349,791,278****FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				30,416,034

TOTAL COSTS**1,380,207,312****PROFIT****246,379,905**

Earls Court Development Corporation**RBKC ECPL Plots****Performance Measures**

Profit on Cost%	17.85%
Profit on GDV%	16.75%
Profit on NDV%	17.09%
IRR% (without Interest)	Out of Range
Profit Erosion (finance rate 7.000)	2 yrs 4 mths

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