

Comparative Viability Study:  
Queensgate Shopping  
Centre Extension and the  
North Westgate  
Development

**January 2016**

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# 1

## **EXECUTIVE SUMMARY**

## 1.0 Executive Summary

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1.1 CBRE is instructed to undertake a comparative financial assessment of the proposed schemes at Queensgate and North Westgate, Peterborough. Where possible, equivalent assumptions have been made on common uses and the Shopping Centre Development Team of CBRE has taken guidance from department heads of other teams within CBRE where additional uses are proposed.

1.2 Costs have been provided by Gardiner and Theobald and all other assumptions included are either equivalent to respective schemes or specific to circumstances. Development appraisals have been prepared to illustrate potential viability of the respective schemes and full review of all inputs and assumptions are set out in the supporting information contained in this report. Much of the base values and market conditions are supported by the letter from William Rose of Savills dated 25 September 2015 (Appendix 7) which was submitted to the Council. The North Westgate scheme is reviewed in its entirety based upon scale plans submitted and the stated aims of regeneration submitted to the Council.

1.3 This study can conclude that the proposals for the Queensgate Shopping Centre are in line with trends across the UK to support similarly ranked shopping centres with a greater diversity of uses and furthermore to accommodate key tenants in units of appropriate size for their identified needs. The Queensgate development proposals are integrated within the existing shopping centre environment and can be expected to significantly support the centre going forward with a ripple effect of benefits to the wider town centre. The scheme in this context is profitable and deliverable and to the benefit of the town centre.

1.4 North Westgate is an ambitious mixed use scheme that proposes a mix of uses over different levels and new blocks. The scheme has been financially modelled as a single phase based upon the drawings submitted. Land assembly estimates have been calculated based upon compulsory purchase basis of assessment which we consider to be reasonable, whether CPO powers are used, or the properties are acquired by negotiation. The appraisal shows that the scheme is not financially viable in its current form and will not become viable within any reasonable variation of the assumption (sensitivity).

1.5 Our conclusion is that the Queensgate proposal would be implemented by any reasonable owner or asset manager of the centre and this is evidenced by the statement from Invesco. North Westgate, whilst also including a cinema and restaurants for which there is an established demand, relies upon a collection of wider uses for which there is an identified oversupply and limited demand, the degree of time that the scheme will be affected by this dynamic will depend on take up going forward but land values are likely to increase as a result of the renewed vibrancy of the town centre following the implementation of the proposals for the Queensgate Shopping Centre. The North Westgate scheme can be demonstrated to have a negative return in excess of £41,000,000 in its identified format, even including the cinema, at which level, alterations within the parameters of the outline consent would not have any significant effect on likelihood of it proceeding.

# 2

## INTRODUCTION

## 2.0 Introduction

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2.1 CBRE was instructed on 15th December 2015 to prepare a financial comparison of the development proposals submitted by Lendlease in respect of Queensgate and Hawksworth in respect of North Westgate. The instruction progressed on the basis of taking the scheme description from the planning documents and scale plans provided. This was supported by input from cost consultants and specialist teams within CBRE to determine appropriate inputs and assumptions. This information was modelled by the Shopping Centre Development team which has extensive experience of complex mixed use schemes in town centres.

2.2 In the following sections each scheme is analysed independently, where relevant, equivalent assumptions are used to calculate expected costs and revenues. It is understood that the planning submission of Hawksworth is an outline application with flexibility to alter the balance of uses according to the market requirements. For the purposes of the review, the scale plans submitted with the application have been reviewed and it is assumed that the developer presents these as the most effective and profitable use of the potential consent.

### 2.3 Scheme Summaries

2.3.1 Whilst detailed analysis of the schemes follows, it is important to understand the schemes in the context of their scale and content, together with high level outputs of their potential income and value. Below is a table illustrating the key elements of the respective schemes for illustrative purposes.

2.3.2 The Queensgate scheme is considerably more advanced than the North Westgate scheme and as you would expect, terms are now agreed with key tenants. All these commercial factors are included in the analysis but some figures have been summed to avoid commercially sensitive material being in a form that would enable a complete unit by unit breakdown and breach confidentiality.

	Queensgate Shopping Centre Development	North Westgate Development
<b>Retail / MSUs</b>		
Net Area	58,628 sq ft	52,039 sq ft
Average Rate psf	£25.14	£25.00
ERV	£1,153,500	£1,300,977
<b>Restaurants</b>		
Net Area	26,363 sq ft	41,486 sq ft
Average Rate	£34.33	£35.00
ERV	£865,600	£1,452,012
<b>Cinema</b>		
Net Area	42,098 sq ft	43,933 sq ft
Average Rate psf	£16.00	£15.00
ERV	£699,430	£658,999
<b>Residential</b>		
Sales Area	N/A	102,794 sq ft
Average Rate Cap Val psf	N/A	£240
Receipt	N/A	£24,670,442
<b>Offices</b>		
Net Area	N/A	18,222 sq ft
Average Rate psf	N/A	£15.00
ERV	N/A	£273,336
<b>Hotel</b>		
No. of Rooms	N/A	108 rooms
Rate per Room	N/A	£3,500
ERV	N/A	£378,000
<b>Foodhall</b>		
Area	N/A	14,531 sq ft
Average Rate psf	N/A	£22.50
ERV	N/A	£326,957
<b>Supermarket</b>		
Net Area	N/A	8,388 sq ft
Average Rate psf	N/A	£15.00
ERV	N/A	£125,818
<b>Car Park</b>		
No. of Car Parking Spaces	N/A	328
Average Rate/space	N/A	£1,000
ERV	N/A	£328,000
<b>Other</b>		
Area	N/A	12,411 sq ft
Average Rate psf	N/A	£10.00
ERV	N/A	£124,109
<b>Commercialisation</b>		
ERV	£50,000	£50,000
<b>Advertising Screen</b>		
ERV	£30,000	£30,000
<b>Scheme Uplift</b>	£9,934,792	N/A
<b>Total Income (excl. resi)</b>	<b>£3,167,796</b>	<b>£5,048,208</b>
<b>Total Value</b>	<b>£61,000,000</b>	<b>£90,761,000</b>
<b>Total Development Cost</b>	<b>£56,783,300</b>	<b>£132,530,000</b>
<b>Total Profit</b>	<b>£ 4,210,000</b>	<b>-£41,770,000</b>

# 3

## **QUEENSGATE DEVELOPMENT**

# QUEENSGATE DEVELOPMENT

## 3.0 Anchor & MSUs

Unit/Tenant	Area (sq ft)	ERV	Cap Con	Rent Free (mths)
JLP	199,456	£369,266		N/A
MSU 1	35,000	£544,000		6 months
MSU 2	5,477	£178,000		6 months
MSU 3	5,477	£178,000		6 months
MSU 4	12,674	£253,500		6 months
<b>Total</b>	<b>258,084</b>	<b>£1,522,766 p.a.</b>	<b>£11,653,500</b>	<b>24 months</b>

### 3.1 JLP

3.1.1 JLP will downsize their store from 296,646 sq ft to 175,152 sq ft across first and second floors. They are currently on a 125 year lease which expires in 2103. JLP has confirmed that the revised store size is consistent with the Peterborough catchment. It will lead to greater efficiencies from updated modern premises. We have therefore capitalised the income against this store at an improved yield of 5%.

3.1.2 Their capital contribution will be paid in three instalments: in 29 February 2016, June 2016, and December 2017.

3.1.3 The vacant downsized space from JLP is occupied by MSUs 1, 2, 3 and 4. It is assumed that the construction of all four MSUs is completed one month prior to PC in May 2018.

### 3.1.4 MSU 1 / Unit 79

3.1.5 Terms have been agreed for Next to renew in their current Unit 79 for 5 years. This renewal is expected to complete by January 2016, at a rent of £225,000 per annum, with no rent free period.

3.1.6 Once MSU 1 is ready for occupation, assumed to be May 2018, Next will surrender the lease of Unit 79 and relocate to MSU 1.

3.1.7 In MSU 1, Next will occupy 13,235 sq ft on the Upper Ground floor level and 21,765 sq ft on the First floor, above MSU 2 and 3 as well as its own footprint- totalling to 35,000 sq ft.

3.1.8 On Next vacating Unit 79, a 6 month letting void has been placed on the unit, at which point it is then relet at an ERV of £225,000 per annum with 6 months' rent free.

### 3.1.9 MSU 2 & 3

3.1.10 MSUs 2 and 3 are 5,477 sq ft each, on the Upper Ground Floor level only. It's assumed both units are taken on a 10 year lease from May 2018 with 6 month's rent free.

### 3.1.10 MSU 4

3.1.11 MSU 4 is also taken on a 10 year lease from May 2018 with 6 month's rent free. The unit is 5,975 sq ft on the Upper Ground level and 6,699 sq ft on the First floor, totalling 12,674 sq ft.

## 3.2 Cinema

Unit/Tenant	Area (sq. ft.)	ERV	Cap Con	Rent Free
Cinema	42,098	£699,430	£5,500,000	6 months

3.2.1 Terms are agreed with Odeon who will occupy the 37,125 sq ft second floor cinema at a rent of £17.50 sf and the 4,973 sq ft mezzanine floor at a rent of £10 psf, totalling 40,134 sq ft at a global rent of £699,430.

### 3.2.2 Lush and Greggs

3.2.3 Lush and Greggs currently occupy units 96 and 97 respectively on the Upper level. In order to accommodate the leisure entrance, a leisure core of 3,178 sq ft is required and replaces these units.

3.2.4 It is therefore assumed extinguishment cost for both units can be achieved at a cost of 2 x ERV.

3.2.5 Lush is currently over-rented so an ERV of £72,800 has been adopted for the calculation of the extinguishment costs. Greggs is rack rented with an ERV of £82,300.

3.2.6 Interim income is received from both tenants until VP date of January 2017.

## 3.3 Restaurants

Unit/Tenant	Area (sq ft)	ERV	Cap Con	Rent Free
Restaurant 1	3,322	£142,000	none	12 months
Restaurant 2	2,531	£114,000	none	9 months
Restaurant 3	4,413	£132,400	£66,200	6 months
Restaurant 4	4,370	£142,000	£71,000	6 months
Restaurant 5	2,531	£88,600	£44,300	6 months

Restaurant 6	4,173	£146,100	£73,050	6 months
Restaurant 7	5,023	£100,500	£50,250	6 months

3.3.1 The restaurants will be located in part of the newly developed space above the proposed H&M (the ex-Waitrose unit) and the current Lush and Greggs units. There will be 7 restaurants in the foodcourt totalling 26,363 sq ft.

3.3.2 All restaurants will be on the same lease terms of 10 years with rents varying from £20 psf to £45 psf. Restaurants 1 & 2 already have terms agreed with operators and these have been outlined above and reflected in the appraisal.

### 3.4 Commercialisation – outside JLP

3.4.1 Through the negotiations that Lendlease has had with JLP, a relaxation of the current lease provisions has allowed the space outside the JLP store to be utilised as commercialisation. As such the new income attributed to this, c. £50,000 per annum has been reflected from August 2017, with no rental void and a 9 month rent free period. A capital cost of £100,000 has been added to the G&T costs to make the space usable for this purpose, as advised by Lend Lease.

### 3.5 Advertising Screen

3.5.1 Demand has been identified for the provision of video media. This additional income of £30,000 per annum is capitalised at a yield in line with the wider retail element of the scheme (5.50%). A cost of £40,000 has been reflected in the appraisal along with 6 months' rent free. This cost has also been accounted for in G&T's cost report (Appendix 1).

### 3.6 Total Development Costs

3.6.1 There is no CIL charge applicable to the Queensgate scheme – the Council does not levy a charge for restaurant (A3-a5) or cinema uses (D2) – only supermarkets which is Class A1 food retail. The QSC scheme falls within the “all other development” category which is nil charge.

3.6.2 The G&T costs, dated 29/06/2015, (Appendix 1) have been reflected and include preliminaries, overheads and profit, a 5% contingency and inflation.

3.6.3 On top of these costs is £100,000 capital expenditure to install the commercialisation outside JLP.

3.6.4 Therefore, a total construction cost of £29.24m is produced, after accounting for updated preliminaries, overheads and profit, a 5% contingency and inflation.

3.6.5 A build period of 24 months has been reflected, as advised by Benoy, with a Start on Site date of June 2016 and thus a Practical Completion date of June 2018.

3.6.6 Professional fees are 15% of construction costs as advised by the Development Manager and total £4,386,000. Agent's fees of 10% and Legal fees of 5% have been assumed.

3.6.7 The total capital contributions against the new development are £17,570,800, which is

equivalent to c.16 years of new ERV.

3.6.8 Extinguishment Costs for Lush and Greggs: £145,600 & £164,600 respectively.

3.6.9 A project contingency of 5% has been reflected and equates to £2.6m.

3.6.10 Total Development Cost: £56,783,300 including interest.

## 3.7 Asset Enhancement and Development Viability

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### Additional Scheme Uplift

3.7.1 It has been recognised by the owners of Queensgate Shopping Centre that a diversity of offer within modern shopping centres has a fundamental effect on the attraction of the centre to the catchment. Centres should have a correct balance of anchor stores, full range medium sized units and with recognised brands being correctly sized to their product ranges, restaurants for the convenience of shoppers and as identified by latest shopping patterns, a cinema. Trading within this environment will increase footfall through introducing families and extended peak trading.

3.7.2 The proposed scheme consolidates existing and new retailers into the heart of Peterborough. The centre will be brought up to date to accommodate retailers in the units they want for their product ranges, in addition the restaurants and cinema will increase footfall through new customers, families and longer dwell times.

3.7.3 The appraisal recognises that the comprehensive improvements to the centre will enable it to outperform its rental expectations in a 'no scheme world'. We have assumed that, following the development, rental values in the wider scheme would grow by an additional 1% per annum in addition to the current rental growth expectations in its present format. This would compound over 5 years through the review cycle. This equates to a £9.93m uplift which has been reflected in the appraisal being the present day value of the capitalised additional rental growth.

3.7.4 This is supported by the fact that at Silverburn, Hammerson have seen the following benefits as a result of the Winter Garden which provided an additional 50,000 sq ft, 14 screen cinema plus TGI Friday's and Cosmo, Zizzi and Pizza Express:

- Dwell Time +21% (16 Minute increase)
- Footfall +6.3%
- Total Centre Sales +19%
- F&B Sales +107% (Total volume sales)

3.7.9 At British Land's Whiteley Shopping Centre, in Fareham, the 9 screen Cineworld and 8 restaurants opening in phase 2 has grown foot fall for the retail centre by 30% since opening last year. Similarly, at their Chester Broughton Shopping Park, the new 11 screen Cineworld has resulted in a 25% increase in footfall since opening in May 2015.

## 3.8 Development Viability

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3.8.1 Based upon the above assumptions and inputs we believe the Queensgate development to be viable producing a profit of £4.21m (7.43% profit on cost). Although this is some way off what developers are typically targeting in the market today (15% profit on cost), it significantly improves the schemes offer, maintains its regional standing and protects Invesco's investment. A copy of the Queensgate Development appraisal is attached in Appendix 3.

3.8.2 The Letter from owners Invesco in Appendix 6 supports the intention of the owners to implement the scheme based on this analysis, once planning is achieved.

# 4

## **NORTH WESTGATE DEVELOPMENT**

# NORTH WESTGATE DEVELOPMENT

## 4.0 Background

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4.1 The North Westgate Development Area has a site coverage of c.4.6 hectares and is located on the northern edge of Peterborough City Centre. Outline planning permission was granted on 2 October 2015 for a mixed use scheme of up to 50,000 sq m to include:

- Cinema
- Restaurants
- Retail units
- A foodhall
- Offices
- Hotel
- Residential dwellings
- Community and health care facilities, including a Church Hall, health centre, worship and community rooms
- Car parking, new access

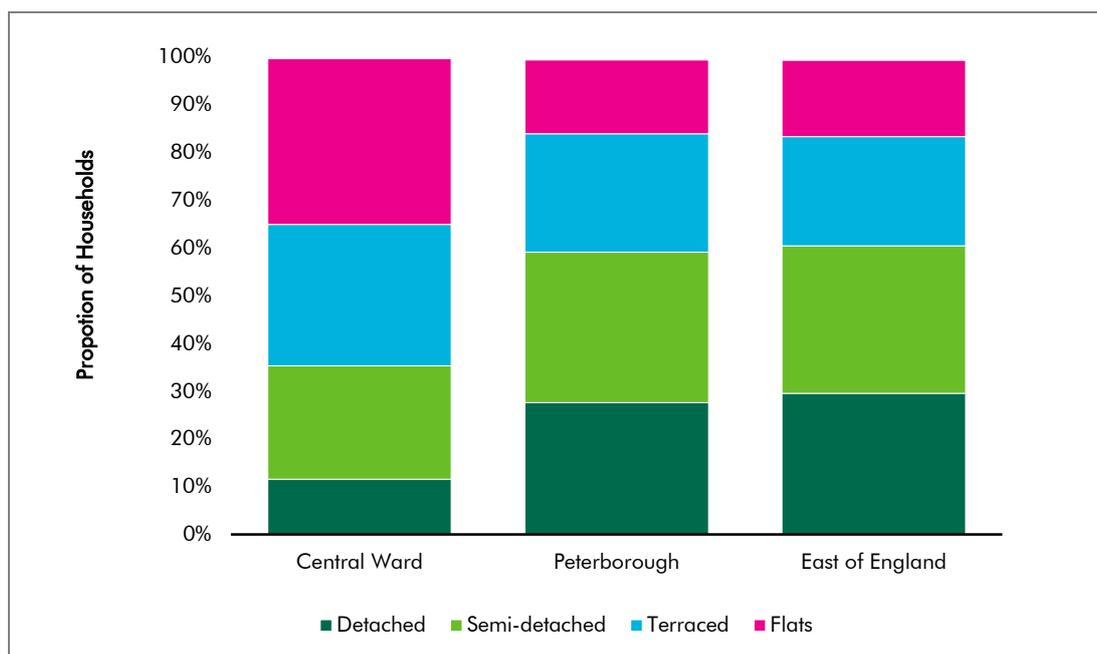
4.1.1 Although this is a parameter scheme (Appendix 5), we have calculated areas based upon the scale drawings submitted with the application which are assumed to show maximum coverage in the optimum mix of uses (Appendix 9).

## 4.2 Residential

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4.2.1 Peterborough's housing stock is similar to the region overall, and is weighted towards houses rather than flats, which only account for 15% of stock. Semi-detached homes account for 31%, followed by detached properties (28%) and terraced homes (25%). The housing stock of central ward (the ward in which Peterborough Town Centre is located) is more reflective of an urban area with a dominance of flats and terraced housing, which account for 35% and 30% of stock respectively.

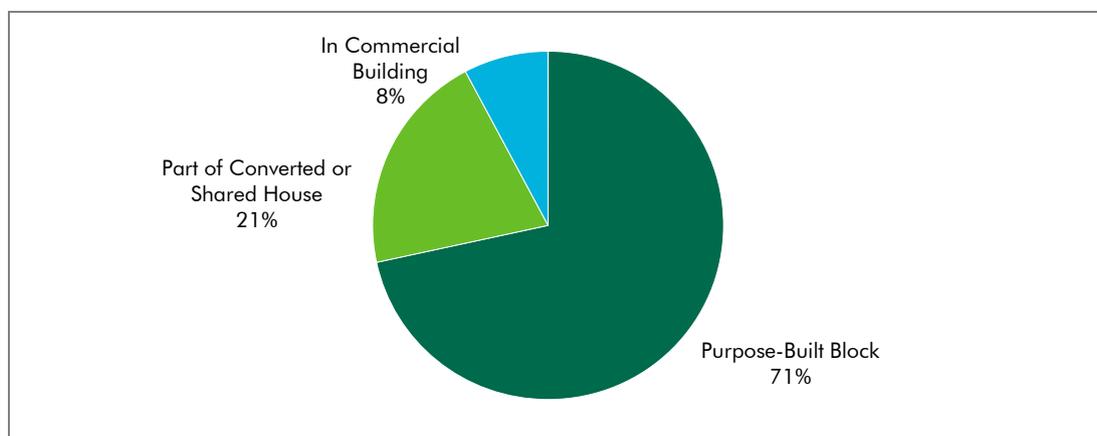
Chart 8: Housing Stock



Source: ONS, Census 2011

4.2.2 The flats across central ward are predominantly housed in purpose built blocks. These account for 71% of flats in the area, with converted/shared houses making up a further 21% of flats in the ward.

Chart 9: Flats, Central Ward, Peterborough



Source: ONS Census 2011

4.2.3 In terms of new build sales, the market has remained fairly robust. From 1998 to 2014 new build sales have accounted for an average of 14% of total transactions. This equates to an average of 481 new build sales per year. With declining overall sales volumes, new build units have accounted for a larger proportion of transactions in recent years. Between 2011 and 2014 new build units have accounted for a fifth of all transactions across Peterborough.

4.2.4 According to Land Registry figures, the average price of a flat sold in 2015, in postcode PE1 (where the North Westgate site and Queensgate Shopping Centre are located) was £94,688 (Q1-Q3 2015).

#### 4.2.5 Rightmove

4.2.6 Between April and September 2015, according to Rightmove, the average price that a flat sold for in Peterborough, PE1 was £98,498 with a total of 48 transactions in this period. Granted some of these sales will have included the sale of 2 or even 3 bed flats, assuming an average flat area of 550 sq ft, this equates to a capital value rate of £179 psf.

#### 4.2.7 Zoopla

4.2.8 According to Zoopla, the average price for a flat in Peterborough, PE1 over the last 12 months was £98,689 with 76 transactions in this period. Zoopla do provide an analysis of floor area and calculate this to be a capital value rate of £161 psf.

4.2.9 The PE1 postcode covers a much larger area than our Peterborough city centre focus here. Demand for flats is focused in the city centre, so it can therefore be assumed that these figures incorporate a slightly diluted pool, with cheaper, less desirable stock outside the city centre but still within the PE1 postcode, included in these figures.

4.2.10 We therefore we expected that the residential element in the proposed North Westgate command a slightly higher capital value rate psf than the analysis on the above Rightmove and Zoopla data.

#### 4.2.11 St James House - Priestgate, Peterborough

4.2.12 Priestgate is located in Peterborough city centre, south of the Queensgate Shopping Centre, just behind Church Street. It is a modern apartment block with the following currently up for sale:

4.2.13 -1 bed flat quoting £90,000. Assuming a floor area of 550 sq ft area (we actually believe these flats to be slightly smaller than this) equates to £164 psf capital value.

4.2.14 - 2 Bed flat on the third floor quoting £115,000. This flat is 669 sq ft, thus equating to £172 sq ft capital value.

4.2.15 This is highly comparable in terms of location, being just behind the desirable Cathedral Square and established food quarter on Church Street. However, from the limited information we have been able to gather on the block, we expected that the residential element in the proposed North Westgate to be of a better specification and therefore command a slightly higher capital value rate psf.

#### 4.2.16 Hereward Tower – New Road, Peterborough

4.2.17 Pelican Partners LLP have appointed FW Properties as Development Manager, to convert the former Inland Revenue office block on New Road, Peterborough into 33 residential units.

4.2.18 The scheme comprises the refurbishment and conversion of 6 existing levels and the construction of a new floor at the top of the building for 3 penthouse units.

Flat Type / Size	Quoting Price	Capital Value psf
1 bed / 532 sq ft	£100, 000 - £140,000*	£188 - £263 psf
2 bed / 673 sq ft	£120, 000 - £165,000*	£178 - £245 psf
2 bed / 883 sq ft	£150, 000 - £210,000*	£170 - £237 psf

\*Quoting prices varies in relation to floor number

4.2.19 Due to the fact that this residential scheme is a refurbishment of an office block, we have assumed that the flat specifications in the North Westgate development is better than that of Hereward Tower and therefore will command a higher capital value rate psf.

4.2.20 Taking the above evidence into account we feel that a capital value rate of £240 psf applied to the residential element of the proposed North Westgate scheme is sufficient to reflect both its location and lack of specific information/specification

## 4.3 Offices

4.3.1 The office market in Peterborough has an estimated office stock 4.5m sq ft. This ranks the centre 43 out of the Office PROMIS centres, in terms of floor space.

4.3.2 Office take up was up considerably in the 6 months to the end of Q3 2015, when compared to the Rest of Great Britain. However this is entirely due to the deal whereby Thomas Cook, an incumbent occupier, agreed to a major pre-let at the former Lynch Wood House/West Point. Thomas Cook have been based in Peterborough since 1977 and will be relocating to from their current premises in Bretton. Consequently, this deal alone has increased take up above that seen in both 2013 and 2014, (PMA, 2015).

4.3.3 Typically, office deals in Peterborough a below 15,000 sq ft lettings. However, over the last few years, there has been a shortage of deals across all size-bands with annual take up declining year on year to 2014.

4.3.4 Interestingly the largest deal for 2014 involved prime space at Unex House in the town centre with the building now fully let. Elsewhere, demand was low with take up falling back to near record lows. Resultantly there is little demand for Grade A office space in Peterborough in the town centre.

4.3.5 Further pressure is placed on the town centre office market by the out-of-town competition. Indeed since 2013, the demand in Peterborough Town Centre/Out-of-Town split has been 10% / 90%, compared to a national average split of 66% / 55%, (PMA, 2015).

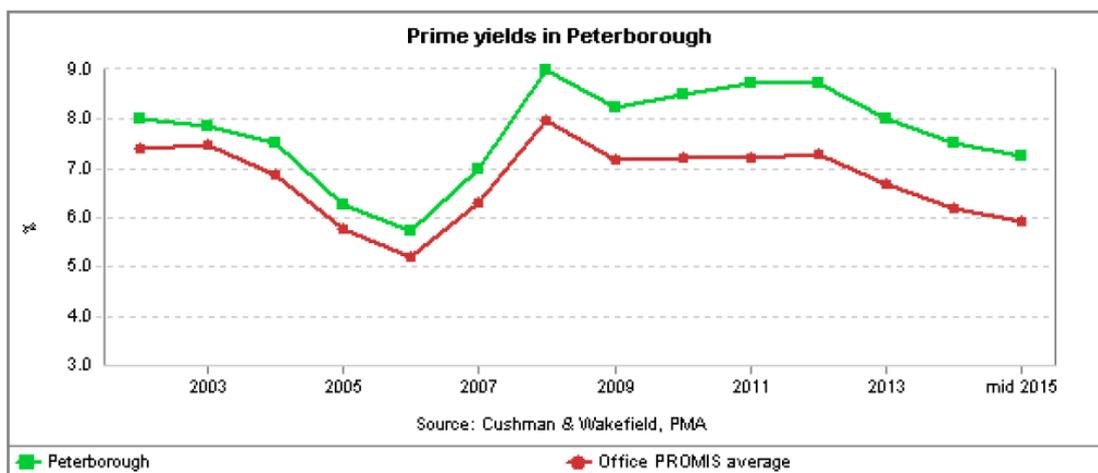
4.3.6 In recent years, new development completions in Peterborough have been very low - indeed since 2010, with the exception of two mid-sized purpose built developments in 2012, there have been no office completions in the market.

4.3.7 Furthermore, there is currently no office space under construction across the Peterborough market. We believe that this is a result of very low demand for new Grade A offices. In terms of speculative office development, which is what the North Westgate development is proposing, one

would look to spec to the “Peterborough” quality - A/C, raised floors, suspended ceilings (mineral fibre) and LG7 lighting (not LED). It might even be preferred to deliver a property to shell and core standard and then provide any incoming tenant with a budget to fit out the Cat A works (to their desired standard), saving on cost and risk.

4.3.8 In terms of rental levels PROMIS notes that, in Q2 2015, top headline rents in Peterborough remained static at £12.50 psf. This is supported by CBRE’s view that most office rents in Peterborough are between £10 - £13 psf. However, this is largely weighted to the out-of-town offer and therefore we anticipate town centre office space to be more like £15 - £18 psf, offering slightly better spec than the abundant Grade B stock available in the town centre which is at the £10 - £13 psf level.

4.3.9 The chart below shows the profile of office yields in Peterborough against the office PROMIS average and demonstrates that Peterborough is a secondary location when compared to the national average with prime yield at 7.25%. When compared to CBRE’s December yield sheet, this places Peterborough in between Good Secondary (6.50%) and Secondary (9.00%).



4.3.10 We have therefore adopted a rent of £15 psf across the net area of 18,222 sq ft allocated as office accommodation, capitalised at 7.25%. A 12 month incentive package has also been assumed.

## 4.4 Retail and Leisure

4.4.1 Location is of paramount importance in the high street investment market. There is approximately £40bn worth of both domestic and overseas capital earmarked for investment into the UK property market. There is however, a lack of prime, good quality stock on which to focus. In short, demand for quality high street investments is strong.

4.4.2 As Central London becomes ever more competitive, we have started to see a shift in concentration toward Greater London and further afield into the prime Cathedral cities/regional cities across the UK. Institutions remain the buyer of prime, with aggressive bidding for the very best opportunities in the finest locations. Investor confidence is returning in these locations with positive stories surrounding retailer trade and rental growth prospects.

4.4.3 Prime high street equivalent yields in our view stand at 4.00/4.25%. Until recently this has been for a handful of locations, however there is a view that the parameters for prime are widening.

4.4.4 Secondary yields have been weakening since 2008 and now stand at 6.50% for good secondary and 9.00% for secondary. The gap between prime yields and secondary is wide and in time there could be an argument to see secondary yields sharpen when confidence in this sector strengthens. Investor demand for secondary assets has been limited to those with sound underlying property fundamentals and where pricing has moved out sufficiently to attract opportunistic buyers.

4.4.5 Whilst investor sentiment for core Central London has remained robust, investor confidence for High Street in major retail centres appears to be returning. With rents falling back so aggressively over the last four years there is an expectation that the retail sector will start to pick up and outperform the other traditional sectors. Opportunities offered to the market 12 months ago would attract at most two or three institutions; however more recent opportunities have had six or seven funds considering. There appears to be a greater weight of money in the market which is likely to put pressure on pricing.

4.4.6 Queensgate Shopping Centre commands a considerable premium when compared to rents in other parts of the city, where there has been a sharp fall in rents. According to Promis, there has been little tenant movement recently on Long Causeway and rental evidence is therefore limited. Agents estimate that Zone A rents here are around £65-70 psf, falling to around £35-£40 psf moving northwards from Cathedral Square. The most recent letting to Linens Direct in August 2015, achieved £56 psf Zone A for a unit towards the northern end of the pitch. Zone A rents on Westgate are said to be around £40-£45 psf with local agents estimated Zone A rents on Bridge Street at £35-£75 psf, with those stores located closer to Cathedral Square commanding the higher rents.

4.4.7 We do not have Zone A areas for the retail element for the outlined scheme. We have therefore rentalised this at a flat rate of £25 psf over the net lettable area of 54,778 sq ft. An incentive package of 18 months is in line with the market.

4.4.8 The most recent high street transaction in Peterborough is the sale of the adjoining TK Maxx (expiring 2020) and New Look (expiring 2021) at 62/68 Bridge Street by Picton Capital in September 2014 to Threadneedle. The property had an AWULT of 6.5 years and a passing rent of £625,000 per annum. Threadneedle bought the property for £9.45m, reflecting a yield of 6.50%.

4.4.9 Indeed, prior to the opening of the Queensgate Shopping Centre, Peterborough's prime pitch was in fact Bridge Street. The western side of Bridge Street has relatively large units, mainly occupied by mass-market multiples, including a second Marks & Spencer store, WH Smith, Waterstone's alongside the New Look and TK Maxx at 62/68 Bridge Street.

4.4.10 According to Promis, agent sources placed prime retail yields in Peterborough at 7.25% at mid-2015. In October 2013, Hammerson and Aviva Investors reportedly sold Queensgate Shopping Centre to Invesco for £202 million, reflecting an initial yield of 6.1%.

4.4.11 It is our view that there is limited demand for additional retailing outside of the prime Queensgate Shopping Centre and the established retailing circuit along Long Causeway and into Cathedral Square/Church Street/Exchange Street. Consequently, we have applied a weaker yield to the retail element within the North Westgate appraisal at 7.25%.

4.4.12 The outline plans in Appendix 5 clearly show a large A3 presence proposed. For this exercise we have reflected 43, 670 sq ft of A3 uses and rentalised it at a rate of £30 psf with 12

month's incentive packages.

4.4.13 The most recent investment transaction in the leisure sector in Peterborough is the sale of the Bills unit at 7/8 Church Street in July 2015. This had a passing rent of £85,000 per annum, had a 14 years unexpired term and was quoting £1.4m, (5.75% NIY). The purchase price was keener than expected at £1.605m, reflecting a net initial yield of 5%.

4.4.14 This is an established restaurant pitch, fronting Peterborough's Cathedral Square and lines up alongside other A3 operators including Pizza Express, Prezzo and Chimichanga and Nando's. The proposed A3 line up in the North Westgate development, although similar in that it fronts a church square with the presence of Westgate Church, would not be prime and it is therefore expected to attract weaker covenants, commanding a more secondary yield of circa 7%.

## 4.5 Cinema

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4.5.1 Despite Odeon's competitive terms agreed for the Queensgate scheme at £17.50 psf (£10 psf on mezzanine level) we don't not believe that this would be echoed in the North Westgate scheme. There is only one c.40,000 sq ft cinema requirement in Peterborough from the cinema operator The Light who would likely pay c. £15 psf on net lettable area and expect a 28 months incentive package.

4.5.2 Kier recently developed The Light Cinema in Walsall. This is a £12m development and includes an eight screen multiplex with a Hungry Horse restaurant, Bella Italia, Pizza Express and Chiquito and is expected to open during the early stages of 2016.

4.5.3 The land was sold by Kier as a forward commitment to Standard Life, in June 2015 for £15.5m with the cinema element reflecting 7.25% initial yield. This is highly comparable so we have therefore adopted 7.25% on the cinema element.

## 4.6 Car Park

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4.6.1 Adopting a typical ratio of 1 car parking space/18 sq m, the 5,900 sq m (63,583 sq ft) car park we have adopted in the appraisal for the scheme equates to 328 car parking spaces. These have then been rentalised at £1,000 per space.

4.6.2 Whilst in the last fifteen years, we have observed an increasing trend for municipalities seeking car park operators to provide parking solutions for both on- and off-street parking, we are seeing landlords, particularly shopping centre owners agreeing leases to car park operators with strong covenants thereby, maximising the investment value of the development. It is however, our view that that the car park outlined in this development would not attract interest from the major operators like Q-Park or NCP due to the strong car parking offer found in the Queensgate Car Park directly opposite the site. Consequently, it is likely that this investment would only receive interest from secondary operators and therefore command a yield of circa 7.00%.

## 4.7 Super Market and Foodhall

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4.7.1 The supermarket store outlined in the North Westgate scheme plans detail a c.11, 000 sq ft gross (c.8,000 sq ft sales) store, for which we believe there would be little demand. This size of store sits in between the two format sizes that the supermarket operators are aligning their business models on: the convenience offer, i.e. one that can trade on a Sunday unrestricted, a maximum of 3,014 sq ft sales and the large format offer which provides a full food offer, measures circa 40,000 sq ft - 45,000 sq ft sales often with a further 20,000 sq ft storage.

4.7.2 It is therefore not the right size unit to interest for Tesco, Sainsbury's or Waitrose. Morrison's M Local format was very flexible and would have suited this sized store having acquired Newbury (13,281 sq ft on ground only), Manchester (11,052 sq ft) and Birmingham (9,257 sq ft). However, Morrison's sold off their 140 M Local stores, in September 2015, after it failed to compete with rivals Tesco and Sainsbury's.

4.7.3 M&S do not have any formal Simply Food property requirements sheets, but it is understood they would consider this store and site, looking at each opportunity on a case by case basis.

4.7.4 Aldi have strict requirements as follows:

- Minimum 1.25 acre, ideally 1.5 acre, size to accommodate an 18,300 sq ft gross unit and 120 dedicated parking spaces.
- Prominent main road frontage with good visibility
- Freehold or leasehold
- Town centre or edge of centre
- Retail Parks
- Conversion/refurbishment of existing units

4.7.5 The North Westgate development does not meet the above criteria and therefore Aldi would not consider it as a store location.

4.7.6 Furthermore, Aldi will consider a development opportunity of c. 0.7 acres to facilitate a smaller store format (c.10, 000 sq ft gross) with 40 dedicated parking spaces. However, this is strictly only for locations within London and therefore the North Westgate development would not qualify for this format.

4.7.7 Lidl are only acquiring unit sizes between 20,000 and 28,000 sq ft gross. Therefore, when compared to the supermarket of c. 11,000 sq ft outlined in the North Westgate scheme plans, it would not be considered as a potential site by Lidl.

4.7.8 We have therefore reflected a rate of £15 psf across the 11,000 sq ft unit and applied a yield of 6.25%.

4.7.9 We would require more information on the specifics of the foodhall but for this exercise we have applied an indicative rate of £22.50 psf across the gross area, capitalised at a yield of 8% which we feel is in line with the market norm.

## 4.8 Hotel

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4.8.1 Whitbread (Premiere Inn) do have a requirement in Peterborough for a standalone model in the city centre, with a room target of up to 120 rooms. Travelodge have also an expressed requirement for a hotel in Peterborough. Therefore the assumption of a 108 room hotel is sufficient for this exercise and satisfies the operator's requirements who will pay c.£3,500 per room. Such a line-up will achieve a 6% yield in the market, possibly sharpening to 5.75% with Whitbread on the hook.

## 4.9 Commercialisation

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4.9.1 £50,000 per annum as commercialisation income has also been reflected in this appraisal, to mirror the Queensgate appraisal. Similarly, a capital cost of £100,000 has been added to the G&T cost.

## 4.10 Advertising Screen

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4.10.1 Demand has been identified for the provision of video media. This additional income of £30,000 per annum is capitalised at a yield in line with the wider retail element of the scheme (7.50%). A cost of £40,000 has been reflected in the construction cost along with 6 months' rent free.

## 4.11 Other

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4.11.1 In line with the scheme drawings Gardiner and Theobald have identified 12,411 sq ft of basement space that we have applied a flat rate of £10 psf to, accounting for general storage or ancillary space. It is unlikely that any such space would command a higher rental value than this and further information on the letting strategy would be required.

## 4.12 Property Cost Estimate

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4.12.1 We have produced a Property Cost Estimate (full report attached in Appendix 8). This work has included Land Registry searches and estimates the cost of acquiring the property interests within the Westgate scheme boundary through CPO, as at the date of the estimate (December 2015).

4.12.2 The findings are summarised below:

Property Value	£	8,165,900	
Disturbance	£	2,165,806	
Statutory Payments	£	578,950	
Professional Costs	£	623,000	
<b>Total</b>	<b>£</b>	<b>11,533,656</b>	<b>say £ 11,550,000</b>

## 4.13 Total Development Costs

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4.13.1 The Property Costs Estimate is £11.55m.

4.13.2 Supermarkets (generally defined by PCC as +500 sq m net sales) are subject to a CIL fee of £150 per sq m which has been applied to the supermarket in the North Westgate scheme. This produces a cost of £166,888.

4.13.3 The G&T costs, dated 23/12/2015, (Appendix 2), which totalled £91m have been reflected along with the costs for the commercialisation and advertising screen of £140,000.

4.13.4 A build period of 24 months has been reflected for ease of comparison, but in reality this figure is likely to be higher due to the site assembly required for scheme to be developed.

4.13.5 Professional fees of 12.5% of construction costs have been assumed and total £11,392,500. Agent's fees of 10%, Legal fees of 5% and Sales fees on the residential of 1% have been assumed.

4.13.6 The total capital contributions against the new development are £5,446,114.

4.13.7 A project contingency of 5% has been reflected and equates to c. £5.8m.

4.13.8 Total Development Cost: £132,530,000 including interest.

## 4.14 Development Viability

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4.14.1 Based upon the above assumptions we believe Hawksworth's North Westgate proposed development is unviable. Our appraisal (Appendix 4) produces a negative profit of over £41m. This is significantly underwater and would require a significant shift in the market- from improved yields and rents, to decreasing costs of construction, stronger tenant demand and decreased capital incentives; all of which is beyond the our expectations.

14.14.2 Furthermore, any such increase in demand from occupiers in the North Westgate scheme would also be linked to the success of the proposed Queensgate scheme, which will have a positive knock-on effect on the surrounding town centre areas, including the Hawksworth site, boosting its attractiveness to potential occupiers. Consequently, increasing land values in such a scenario will put further pressure on the viability of the North Westgate scheme, despite the improved market.

# 5

## CONCLUSION

## 5.0 CONCLUSIONS

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5.1 This report is a financial assessment of the potential viability of the respective Queensgate and North Westgate schemes. This has been completed using established valuation practices and where possible using equivalent values and assumptions. It has been demonstrated that on no reasonable commercial metric can the Hawksworth scheme be considered viable based upon existing and expected market conditions or the scheme content as submitted.

5.2 The Queensgate cinema and remodelling proposal is a financially viable enhancement to the existing centre that will support its position as a shopping and leisure facility. It should be implemented by any commercial owner and the attached document in Appendix 6 supports the intention of the owners to implement the scheme based upon this analysis when planning is achieved.

5.3 It has been identified that the feasibility of the North Westgate scheme relies on an improved market for the wide collection of uses proposed, for which there is generally an oversupply and lack of demand in Peterborough. Consequently, the viability of the North Westgate scheme is dependent on an increase in take up, as a result of an improved market, all of which will drive land values higher and negatively impact the prospect of the North Westgate scheme which is currently shows a negative return in excess of £41,000,000.

6

**APPENDICES**



**GARDINER &  
THEOBALD  
QUEENSGATE COST  
REPORT**

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## **QUEENSGATE, PETERBOROUGH - Retail/ Cinema Extension**

for

Lend Lease

### **ORDER OF COST ESTIMATE- Planning**

29 June 2015



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : 32470  
Client : Lend Lease

Issue Date : 29-Jun-15  
Base Date : 2Q15

**CONTROL ISSUE SHEET**

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Revision	Status	Prepared By (name / position / date)	Authorised By (name / position / date)
-	Feasibility	Richard Oliver Executive Surveyor 14/08/14	Ian Purton Partner 14/08/14
A	Feasibility	Richard Oliver Associate 13/02/15	Ian Purton Partner 13/02/15
B	Feasibility	Richard Oliver Associate 26/02/15	Ian Purton Partner 26/02/15
C	Planning	Richard Oliver Associate 29/06/15	Ian Purton Partner 29/06/15



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : 32470

Client : Lend Lease

Issue Date : 29-Jun-15

Base Date : 2Q15

**CONTENTS**

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- 1 Executive Summary
- 2 Scope of Works / Project Description
- 3 Basis of Estimate / Assumptions
- 4 Exclusions
- 5 Schedule of Areas
- 6 Details of Estimate

**Appendix A: Schedule of Design Information**



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No.: 32470  
 Client : Lend Lease

Issue Date : 29-Jun-15  
 Base Date : 2Q15  
 Gross Internal Area (m<sup>2</sup>) :

## EXECUTIVE SUMMARY

			Total (£)
<b>CONSTRUCTION COST</b>			
1	Strip Out / Alterations and demolitions		2,440,000
2	Landlord works to JLP		650,000
3	New MSU's 1 - 5		520,000
4	New A3		1,000,000
5	Malls		1,990,000
6	Cinema		3,780,000
7	Cinema 3rd level including escape corridor		670,000
8	Developer Warm Shell		2,910,000
9	WC's		-
10	Landlord cores and circulation		3,040,000
11	Taking off Existing Mall Roof		1,470,000
12	Plant Screens and Decks		340,000
13	Service Diversions/ Upgrades		1,150,000
14	Bus Station Link		Excl
15	Media Wall (2m x 2m)		40,000
16	Works to JLP store		1,730,000
		<b>Sub Total</b>	<b>21,730,000</b>
13	Main Contractor's Preliminaries	16% SAY	3,200,000
14	Main Contractor's Overheads and Profit	5% SAY	1,160,000
		<b>Building Works Total</b>	<b>26,090,000</b>
15	Contingency	5% SAY	1,304,500
		<b>Sub Total</b>	<b>27,394,500</b>
16	Tender Inflation Estimate to SOS 2Q 16		1,222,628
17	Construction Inflation to mid point of estimated completion 2Q 17		513,504
		<b>Total Estimated Construction Cost</b>	<b>29,130,632</b>
<b>TOTAL ROUNDED CONSTRUCTION COST</b>			<b>29,130,000</b>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

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 Gross Internal Area (m<sup>2</sup>) :

## EXECUTIVE SUMMARY

---

	<b>Total (£)</b>
<b>FURTHER ALLOWANCES</b>	
Professional Fees - Allowance 15%	4,369,500
<b>POTENTIAL SCOPE REQUIREMENTS</b>	
Shopfronts at mall level	320,000
Shopfronts at upper level	230,000
JLP new Goods lifts (2Nr)	200,000
Upgrade works to bridge link across bus station	120,000
Tenant screeds	685,000



## Queensgate, Peterborough

## PRELIMINARY COST ESTIMATE

Job No.: NJN

Client : Lend Lease

Issue Date : 29-Jun-15

Base Date : 2Q15

Gross Internal Area (m<sup>2</sup>) :

## RECONCILIATION

		<b>Total (£)</b>
FEBRUARY 2015 Cost Plan		26,190,000
<b>ADJUSTMENTS TO SCOPE</b>		
Enclosing low level mall bridge with glass	144,000	
Adding cinema 3rd level - high level bridge fo cinema, and upper level foyer, including extending lifts	350,000	
New escape corridor at 3rd level, including extending fire lift	320,000	
Land lords works to JLP units, including reducing sprinkler tank	1,730,000	Incl Prelims
Additional unit ( additional wall and service connections)	60,000	
Preliminaries on above	139,840	
OHP on above	50,692	
Contingencies on above	<u>139,727</u>	<u>2,934,259</u>
Inflation allowance		incl
balance		5,741
<b>Revised Construction budget</b>		<b><u>29,130,000</u></b>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : 32470  
 Client : Lend Lease

Issue Date : 29-Jun-15  
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## **BASIS OF ESTIMATE**

---

### **1 PROJECT OVERVIEW**

1 The project comprises

Strip out of retail units at ground and existing level to create a new unit within the existing JLP store and core to provide access to the new leisure facilities within the existing structure

To construct two new roof boxes, one at 2nd floor above existing Waitrose store and the second at 3rd floor above the existing JLP store. These will house new A3 units and cinema with double height atriums.

### **2 PROGRAMME**

1 TBC

### **3 INFORMATION USED TO PREPARE THIS ESTIMATE**

- 1 The basis of this estimate as per the document list included later in this section.
- 2 We have made a number of assumptions/exclusions which will require to be confirmed

### **4 STATUS OF DESIGN**

1 Feasibility

### **5 KEY ASSUMPTIONS**

- 1 Please refer to the detailed build up for all other key assumptions and allowances.
- 2 Estimated costs are construction costs at current prices (2nd Qtr 2015)
- 3 Allowances have been included for main contractor preliminaries costs (16%) and overheads and profit (5%)
- 4 Existing mall services are maintained no allowance for replacement

### **6 TENANTS WORKS**

- 1 An allowance is included for enhanced specification requirements for Cinema warm shell
- 2 Assumed shopfronts are by tenants
- 3 Assumed screeds by tenant

### **7 PROCUREMENT**

- 1 Costs are based on two stage design and build competitive tendering of the works under one main contract.

### **8 INFLATION**

- 1 Inflation to start on site and construction inflation have been calculated based on the following

2015	5%
2016	4%
2017	4%



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : NJN  
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## **EXCLUSIONS**

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The following should be read in conjunction with the Executive Summary and are a list of items not yet able to be included within this cost plan, however we would like to discuss them further with yourselves and your advisors to determine whether some or all of the following can be included in the cost plan:

- 1 Design Fees
- 2 Contractors pre construction fees.
- 3 Contractors design and build fees.
- 4 Value Added Tax
- 5 Land acquisition costs and fees
- 6 Client finance costs
- 7 Legal costs
- 8 Project insurances
- 9 Fittings, furnishings and equipment
- 10 Currency fluctuations
- 11 Statutory changes
- 12 Asbestos removal beyond stated allowance
- 13 Replacement of mall services
- 14 Shopfronts - Assumed by tenant
- 15 Upgrade to existing standby generator and UPS systems
- 16 Upggrade of finishes to bus station link bridge - budget allowance below line
- 17 Imax screen for cinema.
- 18 Replacement of mall flooring
- 19 Screeds - Assumed by tenants
- 20 Refurbishment / Replacement of Waitrose substation B
- 21 New WC's



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

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**AREA SCHEDULE**

Unit/ Location	Lower Grnd	Upper	1st Floor	2nd Floor	3rd Floor	Total	
	Floor	Grnd Floor				M2	SF
	M2	M2	M2	M2	M2	M2	
MSU1		1,230	1,231			2,461	26,490
MSU2		1,018	1,019			2,037	21,926
MSU 3		555	622			1,177	12,669
MSU4		2,251				2,251	24,230
A3units			1,794	467		2,261	24,337
A3 seating			192	115		307	3,305
New mall		210	470	310		990	10,656
WC		180				180	1,938
Cinema				4,005		4,005	43,110
Core	400	597	1,180	750		2,927	31,506
Reconfigured JLP deliveries	500					500	5,382
New JLP area within Hi Bay		420	420	420		1,260	13,563
<b>Total</b>	<b>900</b>	<b>6,461</b>	<b>6,928</b>	<b>6,067</b>	<b>-</b>	<b>20,356</b>	<b>219,112</b>

Previous areas

Areas are based on the drawings noted in the Schedule of Design Information



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : 32470  
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### **COST BUILD UP**

#### **Strip Out / Demolitions & Alterations**

Strip out existing retail areas back to shell	14,289	m2	85	1,214,565
Demolish existing JLP plant room structure, including strip out of plant	817	m2	150	122,550
Demolish existing JLP roof for cinema, including crashdeck	3,780	m2	125	472,500
EO allowance for temporary support steel	25	t	2,000	50,000
Hoardings to mall	1,800	m2	75	135,000
Remove existing finishes to roof above existing Waitrose	3,262	m2	35	114,170
Remove JLP staircase and infill	3	flrs	22,000	66,000
Tapered insulation, 50mm screed to roof structure	3,262	m2	80	260,960
				2,435,745
			<b>Say</b>	<b><u>2,440,000</u></b>

#### **Landlord Works to JLP**

##### **Service yard adaptations**

Demolish slab to loading bay , including crashdeck	480	m2	75	36,000
Adapting external service yard wall	1	Item	10,000	10,000
Pad foundations	192	m2	100	19,200
New yard slab	192	m2	120	23,040
Steelwork	11	t	2,000	22,000
JLP dock levellers				excl
JLP new delivery area - to shell only, strip out existing customer collect area and minor mods	1	Item	30,000	30,000
Allowance for phasing to maintain deliveries	1	Item	25,000	25,000

##### **Shell works**

Infill existing Hi bay warehouse area, 150mm slab on metal deck, UG, 1st & 2nd	1,368	m2	80	109,440
Steelwork to infills	75	t	2,000	150,000
New goods lift shaft walls, blockwork	500	m2	120	60,000
Lift pits	2	Nr	10,000	20,000
New Goods lifts				Excl
New stairs and blockwork walls	3	flr	25,000	75,000
Temporary Hoarding to facilitate new works	900	m2	75	67,500
Diversion of service moving plant shopfit works				Excl
				647,180
			<b>Say</b>	<b><u>650,000</u></b>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : 32470  
Client : Lend Lease

Issue Date : 29-Jun-15  
Base Date : 2Q15

### COST BUILD UP

#### MSU units

Demise walls	2,560	m2	110	281,600
Screed - By tenant	7,926	m2	excl	
Form holes in slab for 2 level trading, vertical circulation by tenant	3	Nr	25,000	75,000
Service connections	5	Nr	30,000	150,000
Doors	5	Nr	2,000	10,000
				516,600
				<b>Say</b> <u>520,000</u>

#### A3 units

Frame	2,568	m2	200	513,600
Roof	582	m2	150	87,300
External walls	155	m2	350	54,250
Demise walls	1,100	m2	110	121,000
Screed - By tenant	2,568	m2	excl	
Service connections	6	Nr	35,000	210,000
Doors	6	Nr	2,000	12,000
Seating areas - By tenant			excl	
				998,150
				<b>Say</b> <u>1,000,000</u>

#### Mall

Frame to new build areas	780	m2	200	156,000
Roof	310	m2	150	46,500
Floor	990	m2	180	178,200
Ceiling	990	m2	100	99,000
Forming shopfront line/ bulkhead	343	m	1,000	343,000
Pilasters	90	m	500	45,000
Balustrades and edge decoration	66	m	1,500	99,000
Allowance for features	1	item		100,000
M&E services	990	m2	450	445,500
Escalator	4	Nr	80,000	320,000
Lift	2	Nr	100,000	200,000
Pits	6	Nr	10,000	60,000
Finishes to seating areas	307	m2	330	101,310
				1,991,010
				<b>Say</b> <u>1,990,000</u>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. :  
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32470

Issue Date : 29-Jun-15  
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**COST BUILD UP**

---

**WC's - Excluded**

Walls to WC shell	0
Base service connections to WC	0
Fitting out WC	0
	<u>0</u>
<b>Say</b>	<b><u>0</u></b>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : TBC  
Client : Lend Lease

Issue Date : 29-Jun-15  
Base Date : 2Q15

### **COST BUILD UP**

#### **Cinema**

New steel grillage to cinema above JLP store	150	tn	2,000	300,000	
Frame	4,005	m2	160	640,800	
Floor on top of grillage	2,720	m2	80	217,600	
External Walls	1,240	m2	400	496,000	
Internal demise walls	1,120	m2	250	280,000	
E/O bridge	70	m2	750	52,500	
Glass to mall bridge	144	m2	1,000	144,000	
Walls to Mall	1,300	m2	350	455,000	
Roof	4,005	m2	150	600,750	
Escape stairs	3	Nr	75,000	225,000	
Service connection	1	Nr	50,000	50,000	
Sprinklers					
New Tank	1	Item	250,000	250,000	
Allowance for installation (Excl auditorium) as not operator requirement	1,305	m2	50	65,250	
					3,776,900
					<b>Say</b> <u><u>3,780,000</u></u>

#### **Warm Shell**

Suspension grid system to auditoria	2,700	m2	45	121,500	
Mass barrier insulation and 2 layers of plasterboard to roof	4,005	m2	75	300,375	
Auditoria walls	4,530	m2	170	770,100	
EO for projection suite knock out panels	12	No	500	6,000	
Acoustic lining to external walls	2,640	m2	100	264,000	
Stepped stadia seating, precast concrete plank systems on structural steel frame, intermediate precast steps to gangways	2,700	m2	375	1,012,500	
Insulation to underside of auditoria	2,700	m2	60	162,000	
Drainage	1	Item	30,000	30,000	
Projection suite slab	660	m2	250	165,000	
Primary support for tenant signage	1	Item	10,000	10,000	
Allowance for acoustic testing auditoria	12	Nr	5,000	60,000	
Stair	1	Nr	10,000	10,000	
					2,911,475
					<b>Say</b> <u><u>2,910,000</u></u>



**Queensgate, Peterborough**  
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**COST BUILD UP**

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**Mall Roof**

Take off roof	680	m2	600	408,000
Allowance for structural works to mall square interface to allow removal of star wars bulkhead	1	Item	75,000	75,000
Floor finish		excl		-
New mall roof	680	m2	1,000	680,000
Services	680	m2	450	306,000
				1,469,000
			<b>Say</b>	<b><u>1,470,000</u></b>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : TBC  
Client : Lend Lease

Issue Date : 29-Jun-15  
Base Date : 2Q15

### **COST BUILD UP**

#### **Cinema - upper level**

Frame	600	m2	250	150,000	
E/O bridge	80	m2	750	60,000	
Walls to bridge	100	m2	1,000	100,000	
Extend up 1 lift	1	Nr	20,000	20,000	
Extend stair	1	Item	15,000	15,000	
					345,000
					<b>Say</b> <u>350,000</u>

#### **Escape corridor**

Frame	400	m2	250	100,000	
E/O bridge	50	m2	750	37,500	
Corridor wall	500	m2	150	75,000	
Landlord services to corridor, sprinkler , lighting	400	m2	150	60,000	
Extend up fire mans 1 lift	1	Nr	25,000	25,000	
Extend stair	1	Item	25,000	25,000	
					322,500
					<b>Say</b> <u>320,000</u>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : TBC  
Client : Lend Lease

Issue Date : 29-Jun-15  
Base Date : 2Q15

### **COST BUILD UP**

#### **Landlord Cores**

New lit pit in ground slab	1	Nr	10,000	10,000
Cutting out waffle slab within existing structures for new stairs and lifts	326	m2	500	163,000
Infill slab adjacent to new mall lifts	1	Item	47,000	47,000
Works to service corridors, construction of new structure,landlords services	1,577	m2	1,120	1,766,240
Works to service corridors, ,landlords services within existing structure	1,350	m2	400	540,000
Allowance for works to loading bay roller shutters	1	Item	30,000	30,000
New staircases	4	nr	75,000	300,000
New goods lift	1	Nr	100,000	100,000
Extending lift G16	1	Item	30,000	30,000
Allowance for refurbishing existing goods lift	1	Nr	50,000	50,000
				3,036,240
			<b>Say</b>	<b><u>3,040,000</u></b>

#### **Plant Screens**

Plant Screens/ Mansard	480	m2	500	240,000
Plant decks	1	Item	100,000	100,000
				340,000
			<b>Say</b>	<b><u>340,000</u></b>

#### **Service Upgrades**

Allowance for works to landlord sprinkler tank	1	Item	75,000	75,000
Allowance for replacement and relocation of Substation B currently on roof of Waitrose - Excluded		Excl	150,000	-
Upgrade and extending BMS systems	1	Item	300,000	300,000
New substations to serve MSU 1-4 and Cinema	5	Nr	80,000	400,000
Allowance for Gas	1	Nr	75,000	75,000
Allowance for water	1	Nr	50,000	50,000
				900,000
			<b>Say</b>	<b><u>900,000</u></b>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : TBC  
 Client : Lend Lease

Issue Date : 29-Jun-15  
 Base Date : 2Q15

**COST BUILD UP**

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**Service Diversions**

Service Diversions	1	Item	250,000	250,000
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	250,000
<b>Say</b>	<b><u>250,000</u></b>



## QUEENSGATE, PETERBOROUGH - CINEMA & RESTAURANT EXTENSION

### PRELIMINARY ORDER OF COST ESTIMATE

Job No. tbc  
Client: Lendlease

Issue Date : 29-Jun-15  
Base Date : 2Q15

#### SUMMARY

				£	£
<b><u>Utilities</u></b>					
Diversion of existing landlord services to supply JLP's new layout - <i>assumed capped off services near to the new demise wall</i>					
	1	Item	£25,000	25,000	
New BT containment route to JLP demise					
	1	Item	£2,500	2,500	
Provision of new risers for distribution to new boiler plant room					
	1	Item	£50,000	50,000	
New Mains Water transfer pump and break tank					
	1	Item	£30,000	30,000	107,500
<b><u>Demolition/Strip-out</u></b>					
Demolition of Mezzanine floor within the upper level - area assumed as not currently drawn ( <i>currently houses JLP AHU's</i> )					
	500	m2	£150	75,000	
Removal of AHU's and chillers					
	1	Item	£150,000	150,000	
Allowance for existing services/switch rooms/battery units and the like to be removed					
	1	Item	£125,000	125,000	350,000
<b><u>Plant Relocation</u></b>					
Allowance for strengthening to structure to facilitate JLP's new plant locations					
	1	Item	£250,000	250,000	250,000
<b><u>Service yard/Customer collect</u></b>					
Provision of 1 dock leveller and 1 scissor lift - Relocate existing only					
	1	Item	£15,000	15,000	15,000
<b><u>Existing High Bay Area</u></b>					
Removal of High bay warehouse Racking and pickers					
	1	Item	£100,000	100,000	
Upgrade roof structure and insulation as necessary					
	1	Item	£75,000	75,000	175,000
<b><u>Comms Room Relocation</u></b>					
Allowance for a new comms room with incoming fibre cables - Review with JLP to reduce allowance for serviceways to new room only					
	1	Item	£150,000	150,000	150,000



## QUEENSGATE, PETERBOROUGH - CINEMA & RESTAURANT EXTENSION

### PRELIMINARY ORDER OF COST ESTIMATE

Job No. tbc  
Client: Lendlease

Issue Date : 29-Jun-15  
Base Date : 2Q15

#### SUMMARY

			<u>£</u>	<u>£</u>	
<b><u>Sprinkler Tanks</u></b>					
Sprinkler Tank works - <i>Previously advised but not in the Estimate</i>					
	1	Item	£450,000	450,000      450,000	
<b><u>Standby Generator</u></b>					
Allowance for builders work required to facilitate a new route which enables the generator to be left insitu. ( <i>Existing Generator remains within JLP demise</i> ) - <i>Not required</i>					
	1	Item	£0	0      0	
<b><u>Dry Risers &amp; Smoke Control</u></b>					
Allowance for creating new dry risers and smoke vents - <i>dependent on review of strategy</i>					
	1	Item	£100,000	100,000      100,000	
<b><u>Customer Collect</u></b>					
Allowance for creating temporary customer collect provision - Subject to JLP final arrangement					
	1	Item	£50,000	50,000      50,000	
				<b>Sub-Total</b>	<b><u>1,647,500</u></b>
<b>Contingency</b>			@	5%	82,375
				TOTAL	1,729,875
				<b>SAY</b>	<b><u><u>1,730,000</u></u></b>



**Queensgate, Peterborough**  
**PRELIMINARY COST ESTIMATE**

Job No. : 32470  
Client : Lend Lease

Issue Date : 29-Jun-15  
Base Date : 2Q15

## SCHEDULE OF DESIGN INFORMATION

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The compilation of this document is on the basis of the following design information:-

### **Architectural - Benoy**

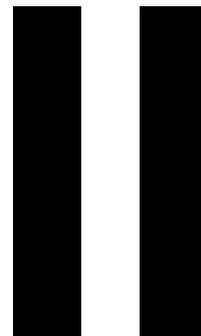
Drawing No.	Date Issued	Revision	Description
			June 2015 planning application drawings

### **Structural**

Drawing No.	Date Issued	Revision	Description
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### **M&E**

Drawing No.	Date Issued	Revision	Description
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**GARDINER &  
THEOBALD NORTH  
WESTGATE COST  
REPORT**

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**North Westgate - Peterborough**

for

Leandlease

**FEASIBILITY ESTIMATE**

**Mixed Use Scheme**

23 DECEMBER 2015



## North Westgate - Peterborough

### FEASIBILITY COST ESTIMATE

Job No. : 32470

Client : Lendlease

Issue Date : 23-Dec-15

Base Date : 4Q2015

#### CONTROL ISSUE SHEET

Revision	Status	Prepared By (name / position / date)	Authorised By (name / position / date)
-	Feasibility	Richard Oliver - Associate 23.12.2015	Ian Purton - Partner 23.12.15



**North Westgate - Peterborough**  
**FEASIBILITY COST ESTIMATE**

Job No. : 32470  
Client : Lendlease

Issue Date : 23-Dec-15  
Base Date : 4Q2015

**CONTENTS**

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- 1 Executive Summary
- 2 Basis of Estimate
- 3 Assumptions
- 4 Exclusions
- 5 Details of Estimate



## North Westgate - Peterborough

## FEASIBILITY COST ESTIMATE

Job No.: 32470

Client : Lendlease

Issue Date : 23-Dec-15

Base Date : 4Q2015

Gross Internal Area (ft²) : 456,555

## SUMMARY

		Total (£)	£/ft²	%
<b>CONSTRUCTION COST - Mixed Use</b>				
1	Demolitions, Enabling Works & Site Clearance	960,000	24	1.1
2	Basement across Block A & C; shell only	7,260,000	129	8.0
3	Block 'A': Car Park, Cinema & A3	14,020,000	55,857	15.5
4	Block 'B': A3 & Residential	10,000,000	189	11.0
5	Block 'C': A3, Retail Hotel, Supermarket & Residential	14,980,000	-	16.5
6	Block 'D': Foodhall, Retail, Residential & Commercial	20,700,000	159	22.8
7	Block 'E': Retail & Residential	3,970,000	244	4.4
8	Landscaping	7,080,000	52	7.8
9	Infrastructure/Service Diversions	3,500,000	8	3.9
	<b>Building Work Total</b>	<b>82,470,000</b>	<b>181</b>	<b>90.9</b>
10	Design Development Risk Allowance 5.0%	4,120,000	-	4.5
11	Construction Risk Allowance 5.0%	4,120,000	-	4.5
	<b>Sub Total</b>	<b>90,710,000</b>	<b>199</b>	<b>100.0</b>
12	Tender Inflation Estimate up to start on site	Excl.	-	-
13	Construction Inflation Estimate	Excl.	-	-
	<b>Total Estimated Construction Cost</b>	<b>90,710,000</b>	<b>199</b>	<b>100</b>

<b>TOTAL ROUNDED CONSTRUCTION COST</b>
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<b>£91,000,000</b>
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## North Westgate - Peterborough

### FEASIBILITY COST ESTIMATE

Job No. : 32470  
Client : Lendlease

Issue Date : 23-Dec-15  
Base Date : 4Q2015

#### BASIS OF ESTIMATE / ASSUMPTIONS

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##### 1 PROJECT OVERVIEW

- The project comprises the demolition and excavation as required to facilitate the proposed scheme.
- Construction of five 'blocks' A-E which include a mix of Residential, Retail, Leisure, Hotel and Commercial accomodation
- Landscaping of surrounding public realm and realignment of local highways as required
- The tallest building, Block E is the tallest at c.37m AOD.

##### 2 PROGRAMME

- The programme is unknown at this stage.

##### 3 INFORMATION USED TO PREPARE THIS ESTIMATE

- North Westgate, Peterborough - Design and Access Statement Dated June 2015

##### 4 STATUS OF DESIGN

- Feasibility

##### 5 KEY ASSUMPTIONS

- Please refer to the build up for all other key assumptions and allowances.

##### 6 PROCUREMENT

- Costs are based on a single lump sum Contract, competitively tendered and undertaken in a single phase, except the Demolition which, it assumed, will be procured under a separate Contract.

##### 7 INFLATION

- Inflation has been excluded



## North Westgate - Peterborough

### FEASIBILITY COST ESTIMATE

Job No. : 32470

Client : Lendlease

Issue Date : 23-Dec-15

Base Date : 4Q2015

#### ASSUMPTIONS

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The following should be read in conjunction with the Executive Summary and detailed estimate and are a list of assumptions which have been made in order to prepare the order of cost estimate. It should be noted that limited information in relation to this scheme and the existing site is available at this stage.

- 1 The 'lower ground floor' of Multi-Storey Car Park is assumed to be c.3.5m below surrounding ground level although it can still be naturally ventilated
- 2 It is assumed that the residential will be built to allow for Lifetime Homes where possible
- 3 It is assumed that the residential units are all private and there is a 75% Net to Gross efficiency.
- 4 It is assumed the Net to Gross efficiency of the commercial space is 80:20
- 5 No works to the existing church has been allowed for
- 6 Floor to floor heights are assumed to be 3m
- 7 Residential specification is assumed to be of a standard appropriate to a net sales value of £200/sq.ft for private sales.
- 8 No Comfort cooling to the apartments
- 9 It is assumed that all retail & A3 units are built to 'Shell & Core' only with capped off services to the back of the units
- 10 It is assumed that the commercial space build cost allows for a Cat A fit-out only.
- 11 The Hotel is assumed to be of a specification similar to that of a 'Travelodge' or 'Premier Inn'
- 12 It is assumed that no works are required to be undertaken on Bourges Boulevard
- 13 It is assumed that the tenants of the Retail & A3 units will install and pay for their own shopfronts and signage



## North Westgate - Peterborough

### FEASIBILITY COST ESTIMATE

Job No. : 32470  
Client : Lendlease

Issue Date : 23-Dec-15  
Base Date : 4Q2015

#### EXCLUSIONS

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The following should be read in conjunction with the Executive Summary and detail and are a list of items not able to be included within this cost plan, however we would like to discuss them further with yourselves to determine whether some or all of the following can be included in the cost plan:

- 1 Value Added Tax
- 2 Land acquisition costs and associated fees and payments to existing tenants and landlords
- 3 Client finance and legal costs
- 4 Marketing costs
- 5 Design and other fees. Main contractor's design fees or costs associated with rights of light agreement, party wall awards, oversailing agreements etc.
- 6 Professional Fees
- 7 Project insurances
- 8 Planning and Building Control Fees
- 9 S106 costs / S278 costs / CIL
- 10 Licenses / permissions required to work on roads or land not owned by the Client
- 11 Statutory charges
- 12 Abnormal ground conditions
- 13 Site investigations, including Archaeological investigations and exploratory works
- 14 FF&E to the residential building
- 15 Management set up costs, public relations and publicity costs
- 16 Public Art contributions
- 17 Community facilities.
- 18 Grey and black water recycling and rainwater recycling
- 19 Green roofs.
- 20 Provision of energy from renewable sources
- 21 Shopfronts to retail units
- 22 Reinforcement of services off site.
- 23 Restrictive working hours due to proximity of neighbouring properties
- 24 Tenant fit-out to retail units
- 25 Signage



**North Westgate - Peterborough**  
**PRELIMINARY ORDER OF COST ESTIMATE**

Job No. : 32470  
Client : Lendlease

Issue Date : 23-Dec-15  
Base Date : 4Q2015

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**Detail**



**North Westgate - Peterborough**  
**PRELIMINARY ORDER OF COST ESTIMATE**

Job No. : 32470  
Client : Lendlease

Issue Date : 23-Dec-15  
Base Date : 4Q2015

**DETAILS OF ESTIMATE - Residential & retail**

**SUMMARY OF COSTS FOR DEMOLITIONS AND BUILDING WORKS**

**Demolition & Site Clearance**

Demolition of existing buildings and breakout hardstanding;  
*assume buildings are 2 storeys*

40,602	ft <sup>2</sup>	£12		487,222
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Allowance for site strip; *assume 0.25m depth*

184,161	ft <sup>2</sup>	£2.0		368,323
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Allowance for removal of contaminated waste/ obstructions

1	item	£100,000		100,000
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**TOTAL Current Day Costs**

SAY **£960,000**

**Basement across Block A & C; shell only**

Excavation and construction to Shell only; *minimum level +7 AOD*

56,468	ft <sup>2</sup>	£129		7,257,097
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**TOTAL Current Day Costs**

SAY **£7,260,000**

**Block 'A': Car Park, Cinema & A3**

Construction of New multi store car park; incl. 1 level below ground

251	space	£16,000		4,016,000
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Construction of new cinema above Car Park and retail with ground floor lobby; built to warm shell

46,985	ft <sup>2</sup>	£190		8,927,123
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A3 Units - Shell & Core only with capped off services; *Shopfronts are excluded*

9,322	ft <sup>2</sup>	£115		1,071,987
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**TOTAL Current Day Costs**

SAY **£14,020,000**



**North Westgate - Peterborough**  
**PRELIMINARY ORDER OF COST ESTIMATE**

Job No. : 32470  
 Client : Lendlease

Issue Date : 23-Dec-15  
 Base Date : 4Q2015

**DETAILS OF ESTIMATE - Residential & retail**

	<u>£</u>	<u>£</u>
<b>Block 'B': A3 &amp; Residential</b>		
A3 Units - Shell & Core only with capped off services; <i>Shopfronts</i>	19,892 ft <sup>2</sup> £110	2,188,106
New residential Units - <i>Shell &amp; Core + Landlord Fit-Out</i>	33,067 ft <sup>2</sup> £161	5,336,396
New residential Units - <i>Private; assume 75% NIA:GIA</i>	24,800 ft <sup>2</sup> £100	2,480,026
<b><u>TOTAL Current Day Costs</u></b>	SAY	<b><u>£10,000,000</u></b>
<b>Block 'C': A3, Retail Hotel, Supermarket &amp; Residential</b>		
Construction of a new supermarket - <i>Shell &amp; Core; Tenant Fit-Out is excluded</i>	5,457 ft <sup>2</sup> £86	471,515
Construction of New Hotel; assume similar spec to Travelodge.	108 Key £55,000	5,940,000
A3 Units - Shell & Core only with capped off services; <i>Shopfronts</i>	5,845 ft <sup>2</sup> £115	672,158
Retail Units - Shell & Core only with capped off services;	11,399 ft <sup>2</sup> £105	1,196,903
New residential Units - <i>Shell &amp; Core + Landlord Fit-Out</i>	32,141 ft <sup>2</sup> £133	4,286,471
New residential Units - <i>Private; assume 75% NIA:GIA</i>	24,106 ft <sup>2</sup> £100	2,410,598
<b><u>TOTAL Current Day Costs</u></b>	SAY	<b><u>£14,980,000</u></b>



**North Westgate - Peterborough**  
**PRELIMINARY ORDER OF COST ESTIMATE**

Job No. : 32470  
 Client : Lendlease

Issue Date : 23-Dec-15  
 Base Date : 4Q2015

**DETAILS OF ESTIMATE - Residential & retail**

	<u>£</u>	<u>£</u>
<b>Block 'D': Foodhall, Retail, Residential &amp; Commercial</b>		
Construction of a new foodhall - <i>Shell &amp; Core; Tenant Fit-Out is excluded</i>	14,531 ft <sup>2</sup> £78	1,133,449
Retail Units - Shell & Core only with capped off services;	37,276 ft <sup>2</sup> £105	3,913,952
New residential Units - <i>Shell &amp; Core + Landlord Fit-Out</i>	62,173 ft <sup>2</sup> £133	8,257,105
New residential Units - <i>Private; assume 75% NIA:GIA</i>	46,630 ft <sup>2</sup> £100	4,662,965
New commercial space - <i>Shell &amp; Core</i>	16,264 ft <sup>2</sup> £140	2,277,017
Cat A office fit-out; assume 80% Net:Gross	13,012 ft <sup>2</sup> £35	455,403
<b><u>TOTAL Current Day Costs</u></b>	SAY	<b><u>£20,700,000</u></b>
<b>Block 'E': Retail &amp; Residential</b>		
A3 Units - Shell & Core only with capped off services; <i>Shopfronts</i>	2,497 ft <sup>2</sup> £115	287,184
New residential Units - <i>Shell &amp; Core + Landlord Fit-Out</i>	16,264 ft <sup>2</sup> £151	2,459,655
New residential Units - <i>Private; assume 75% NIA:GIA</i>	12,198 ft <sup>2</sup> £100	1,219,830
<b><u>TOTAL Current Day Costs</u></b>	SAY	<b><u>£3,970,000</u></b>
<b>Landscaping</b>		
Allowance for landscaping incl. lighting, carriageways, street realignment, signage, planting and hard landscaping	135,605 ft <sup>2</sup> £50	6,780,244
Allowance for water feature to main square	1 Item £300,000	300,000
<b><u>TOTAL Current Day Costs</u></b>	SAY	<b><u>£7,080,000</u></b>



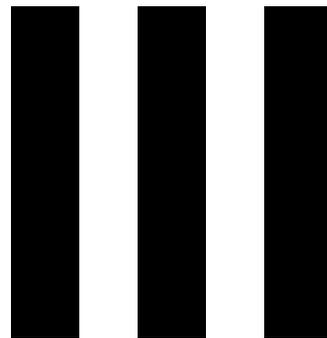
**North Westgate - Peterborough**  
**PRELIMINARY ORDER OF COST ESTIMATE**

Job No. : 32470  
 Client : Lendlease

Issue Date : 23-Dec-15  
 Base Date : 4Q2015

**DETAILS OF ESTIMATE - Residential & retail**

		<u>£</u>	<u>£</u>
<b>Infrastructure/Service Diversions</b>			
Allowance for new site-wide services and substations			
1	Item	<u>£2,500,000</u>	2,500,000
Allowance for Highways works			
1	Item	<u>£500,000</u>	500,000
Allowance for Service diversions			
1	Item	<u>£500,000</u>	500,000
<b><u>TOTAL Current Day Costs</u></b>		SAY	<b><u><u>£3,500,000</u></u></b>



# **QUEENSGATE APPRAISAL**

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Queensgate Peterborough							01-Feb-16	
Development Appraisal								
VALUE	Total GIA sq ft	ERV Say	Initial Yield	YP in perp	Gross Capital Value	Purchasers Costs	Net Capital Value	
JLP (downsize including T/O top up)	199,456	369,266	5.00%	20.00	£7,385,320	5.80%	£6,980,000	
New MSU 1	35,000	544,000	5.50%	18.18	£9,890,909	5.80%	£9,349,000	
New MSU 2	5,477	178,000	5.50%	18.18	£3,236,364	5.80%	£3,059,000	
New MSU 3	5,477	178,000	5.50%	18.18	£3,236,364	5.80%	£3,059,000	
New MSU 4	12,674	253,500	5.50%	18.18	£4,609,091	5.80%	£4,356,000	
Odeon (including mezz)	42,098	699,430	5.50%	18.18	£12,716,909	5.80%	£12,020,000	
Restaurant 1	3,322	142,000	5.50%	18.18	£2,581,818	5.80%	£2,440,000	
Restaurant 2	2,531	114,000	5.50%	18.18	£2,072,727	5.80%	£1,959,000	
Restaurant 3	4,413	132,400	5.50%	18.18	£2,407,273	5.80%	£2,275,000	
Restaurant 4	4,370	142,000	5.50%	18.18	£2,581,818	5.80%	£2,440,000	
Restaurant 5	2,531	88,600	5.50%	18.18	£1,610,909	5.80%	£1,523,000	
Restaurant 6	4,173	146,100	5.50%	18.18	£2,656,364	5.80%	£2,511,000	
Restaurant 7	5,023	100,500	5.50%	18.18	£1,827,273	5.80%	£1,727,000	
New Commercialisation outside JLP		50,000	5.50%	18.18	£909,091	5.80%	£859,000	
Advertising Screen		30,000	5.50%	18.18	£545,455	5.80%	£516,000	
Scheme Value Uplift							£9,934,792	
Interim Income				Years to VP	PV			
Unit 79 - Currently Next		225,000	6.00%	2.19	2.00	£450,084	£450,084	
Lush		96,875	6.00%	0.95	0.90	£86,820	£86,820	
Greggs		82,500	6.00%	0.95	0.90	£73,937	£73,937	
(less Lush lost income)	1,271	96,875	6.00%	0.95	15.77	£1,527,764	5.80%	£1,444,000
(less Greggs Lost income)	1,429	82,500	6.00%	0.95	15.77	£1,301,063	5.80%	£1,230,000
(less JLP lost income)	58,628	108,542	5.00%	0.44	19.57	2,124,234	5.80%	£2,008,000
<b>NET DEVELOPMENT VALUE</b>	<b>267,917</b>	<b>£3,167,796</b>				<b>£56,754,290</b>	<b>£61,000,000</b>	
COST								
				Unit Price		Total Cost		
<b>Construction</b>								
Construction Costs						21,830,000		
Main Contractor's Preliminaries						3,200,000		
Main Contractor's Overheads and Profit						1,160,000		
Contingency						1,309,500		
Inflation						1,736,132	£29,240,000	
<b>Professional fees</b>		15.00%					£4,386,000	
<b>Letting and Extinguishment Costs</b>								
Agents Fees - Lettings		10%				279,853		
Legal Fees - Lettings		5%				158,390		
Lush Extinguishment Cost						145,600		
Greggs Extinguishment Cost						164,600	£748,443	
<b>Total Capital Contributions</b>							17,570,800	
Project Contingency			5%				£2,600,000	
<b>NET DEVELOPMENT COSTS</b>							<b>£54,545,243</b>	
Plus Interest - annual rate, monthly rate, % of cost, period (months)		4.50%					£2,238,057	
<b>TOTAL DEVELOPMENT COSTS</b>							<b>£56,783,300</b>	
<b>PROFIT</b>							<b>£4,216,700</b>	
<b>EFFECTIVE NET PROFIT</b>							<b>£4,216,700</b>	
Say							£4,210,000	
Profit on Cost							7.43%	
IRR PC							20.90%	

		Rent and Yield Sensitivity		Yield					
				5.00%	5.25%	5.50%	5.75%	6.00%	
JLP Yield	6.00%								
MSU Yield	5.50%			110%	15,017,172	12,017,172	9,017,172	7,017,172	5,017,172
Cinema Yield	5.50%			105%	12,121,936	9,121,936	7,121,936	4,121,936	2,121,936
Restaurant Yield	5.50%	<b>Rental Change</b>		100%	9,216,700	6,216,700	4,216,700	2,216,700	216,700
				95%	6,321,464	4,321,464	1,321,464	678,536	2,678,536
				90%	3,416,229	1,416,229	583,771	2,583,771	4,583,771

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# IV

## **NORTH WESTGATE APPRAISAL**

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North Westgate								01-Feb-16
Development Appraisal								
VALUE	Total NIA sq ft	Rate psf (or ITZA)	ERV Say	Initial Yield	YP in perp	Gross Capital Value	Purchasers Costs	Net Capital Value
<b>Block A</b>								
Car Park	328	1,000	328,000	7.00%	14.29	£4,685,714	5.80%	£4,429,000
Cinema	43,933	15.00	658,999	7.25%	13.79	£9,089,641	5.80%	£8,591,000
A3	13,539	35.00	473,864	7.00%	14.29	£6,769,480	5.80%	£6,398,000
<b>Total</b>	<b>57,800</b>							<b>£19,418,000</b>
<b>Block B</b>								
A3	18,897	35.00	661,405	7.00%	14.29	£9,448,639	5.80%	£8,931,000
Resi	23,831	240.00	5,719,559			£5,719,559	5.80%	£5,406,000
<b>Total</b>	<b>42,729</b>							<b>£14,337,000</b>
<b>Block C</b>								
Supermarket	8,388	15.00	125,818	6.25%	16.00	£2,013,083	5.80%	£1,903,000
Hotel	108 rooms	3,500	378,000	6.00%	16.67	£6,300,000	5.80%	£5,955,000
A3	9,050	35.00	316,744	7.00%	14.29	£4,524,917	5.80%	£4,277,000
Retail	14,255	25.00	356,369	7.25%	13.79	£4,915,436	5.80%	£4,646,000
Resi	22,927	240.00	5,502,557			£5,502,557	5.80%	£5,201,000
<b>Total</b>	<b>54,728</b>							<b>£21,982,000</b>
<b>Block D</b>								
Retail	35,412	25.00	885,299	7.25%	13.79	£12,211,016	5.80%	£11,542,000
Food Hall	14,531	22.50	326,957	8.00%	12.50	£4,086,956	5.80%	£3,863,000
Resi	44,531	240.00	10,687,360			£10,687,360	5.80%	£10,101,000
Commercial	18,222	15.00	273,336	7.25%	13.79	£3,770,147	5.80%	£3,563,000
<b>Total</b>	<b>112,696</b>							<b>£29,069,000</b>
<b>Block E</b>								
Retail	2,372	25.00	59,310	7.25%	13.79	£818,064	5.80%	£773,000
Resi	11,504	240.00	2,760,966			£2,760,966	5.80%	£2,610,000
Other	12,411	10.00	124,109	7.50%	13.33	£1,654,786	5.80%	£1,564,000
<b>Total</b>	<b>26,287</b>							<b>£4,947,000</b>
Commercialisation			50,000	7.50%	13.33	£666,667	5.80%	£630,000
Advertising Screen			30,000	7.50%	13.33	£400,000	5.80%	£378,000
<b>NET DEVELOPMENT VALUE</b>			<b>£29,718,650</b>					<b>£90,761,000</b>
<b>COST</b>								
					Unit Price			Total Cost
<b>Site Assembly</b>								
Property Cost Estimate								£11,550,000
<b>Pre-Development</b>								
CIL		150 psm						£116,888
<b>Construction</b>								
Commercialisation build cost								£91,000,000
Advertising screen build cost								100,000
								40,000
<b>Professional fees</b>								
		12.50%						£11,392,500
<b>Letting Costs</b>								
Residential Sales fees		1%				246,704		
Agents Fees - Lettings		10%				504,821		
Legal Fees - Lettings		5%				252,410		£1,003,936
<b>Incentives</b>								
Cinema Incentive	28 months					1,537,664		
A3 Incentive	12 months					1,452,012		
Retail Incentive	18 months					1,951,466		
Office Incentive	12 months					273,336		
Supermarket Incentive	24 months					251,635		
								£5,466,114
Project Contingency				5%				£6,033,472
<b>NET DEVELOPMENT COSTS</b>								<b>£126,702,909</b>
Plus Interest - annual rate, monthly rate, % of cost, period (months)		4.50%	0.37%	24				£5,829,918
<b>TOTAL DEVELOPMENT COSTS</b>								<b>£132,530,000</b>
<b>PROFIT</b>								<b>-£41,770,000</b>
<b>EFFECTIVE NET PROFIT</b>								<b>-£41,770,000</b>
Say								<b>-£41,770,000</b>
Profit on Cost								<b>-31.52%</b>

Office	7.25%
Cinema	7.25%
Hotel	6.00%
Retail	7.25%
A3	7.00%
Foodhall	8.00%
Car Park	7.00%
Supermarket	6.25%
Other	7.50%
Commercialisation and Advertising	7.50%

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# V

## **NORTH WESTGATE SCHEME PLANS**

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205

REV	DATE	INTL	DESCRIPTION	CHK
01	MAR 15	KTAG	BREWERY TAP RETAINED AND ACCESS RE-ALIGNED	JAB
02	MAR 15	KTAG	RED-LINE BOUNDARY ADJUSTED ON BOURGES BOULEVARD - BLOCK 07 MEZZANINE ADDED	JAB
03	MAR 15	KTAG	RE-CONFIGURATION OF SU-12 & GENERAL MASSING	JAB
04	APR 15	KTAG	RE-CONFIGURATION OF CINEMA & RESIDENTIAL MASSING	JAB
05	MAY 15	KTAG	RE-CONFIGURATION OF RESIDENTIAL MASSING & ALIGNMENT	JAB
06	JUN 15	KTAG	RE-CONFIGURATION OF RESIDENTIAL MASSING & ALIGNMENT	JAB
07	JUN 15	KTAG	RE-CONFIGURATION OF BLOCK 01 MASSING & ALIGNMENT	JAB

PROJECT 866/WDPA  
**NORTH WESTGATE  
 PETERBOROUGH**

CLIENT  
**HAWSWORTH SECURITIES PLC**  
 2 PARK STREET  
 885 2ND FLOOR  
 PORTHALL LANE  
 BRISTOL, BS1 2NA  
 T: 0117 927 2462

ENVIRONMENTAL CONSULTANTS  
**AECOM**  
 3RD FLOOR  
 PORTHALL PLACE  
 PORTHALL LANE  
 BRISTOL, BS1 2NA  
 T: 0117 961 7000

DEVELOPMENT CONSULTANTS  
**BOB DE BARR ASSOCIATES**  
 "WATERMARK"  
 TRIMBLE LANE ST PETER ST  
 MANDEVILLE ST 15A  
 T: 01202 486 528

PLANNING  
**SAVILLS PLC**  
 20 THE MALL  
 CLIFTON VILLAGE  
 BRISTOL  
 BS1 1SD  
 T: 0117 329 5200

ARCHITECTS / MASTERPLANNERS  
**Chapman Taylor**  
 INTERNATIONAL ARCHITECTS | MASTERPLANNERS | DESIGNERS  
 Buchanan's Wharf North  
 Fairy Street  
 Bristol  
 BS1 6HN  
 T: +44 (0)117 354 3250  
 www.chapmantaylor.com

DRAWING TITLE  
**NORTH WESTGATE PETERBOROUGH  
 CONCEPT MASTERPLAN  
 GROUND LEVEL**

DRAWING STATUS		DRAWN DATE		SCALE	
PLANNING	KT-MC	JUNE 2015	JUNE 2015	1:1000@A3	CHECKED BY JMB
DISCIPLINE CODE	COMPANY CODE	ZONE	FLOOR LEVEL	CATEGORY	DRAWING NO
A	CTL	00	00	GA	1001 07

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# VI

## LETTER FROM INVESCO

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**IREEF - Queensgate Peterborough PropCo S.à r.l.**  
société à responsabilité limitée  
Registered office: 37A, Avenue J.F. Kennedy, L-1855 Luxembourg  
Share capital: GBP 12.500  
R.C.S. Luxembourg: B182611

Mrs J MacLennan  
Peterborough City Council  
Planning - Development Management  
Town Hall  
Bridge Street  
Peterborough  
PE1 1HF  
[janet.maclennan@peterborough.gov.uk](mailto:janet.maclennan@peterborough.gov.uk)

Dear Sirs,

I refer to the comparative viability study undertaken by CBRE in relation to the cinema, restaurant and shopping development in Queensgate dated January 2016.

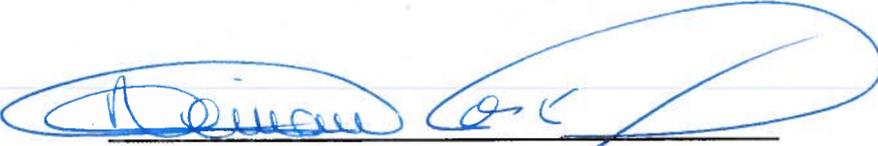
Invesco is a leading independent global investment management firm listed on the New York stock exchange with assets of \$775.6bn funds under management in 20 countries.

Queensgate Shopping Centre is owned by IREEF Queensgate Peterborough Propco S.à.r.l which in turn is part of IREEF (Invesco Real Estate European Fund). IREEF has circa €2.5bn of assets under management across Europe (includes a retail portfolio where contracts have been exchanged contracts).

If the scheme received planning consent it would be IREEF's intention to progress the development immediately based up on the forecasted returns and value enhancement. We have budgeted that given a planning approval in Q3 2016 that the scheme could be completed by Q1 2018.

Yours faithfully

IREEF – Queensgate Peterborough PropCo S.à r.l.



Marion Geniaux and Fabrice Coste  
Managers

2-February-2016

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# VII

## LETTER FROM SAVILLS

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25 September 2015  
Breach250915

P Breach Esq  
Hawksworth Securities plc  
7 Park Street  
BRISTOL  
BS1 5NF

William Rose  
E: wrose@savills.com  
DL: +44 (0) 1733 201391  
F: +44 (0) 1733 343874

Trinity Court  
Trinity Street  
Peterborough PE1 1DA  
T: +44 (0) 1733 344 414  
savills.com

Dear Peter

### **NORTH WESTGATE, PETERBOROUGH**

I understand you would like our thoughts on whether 'North Westgate' could proceed if it was predominately an office or residential scheme, rather than a mixed use leisure scheme.

Peterborough City Council wish to see a comprehensive redevelopment of the whole of the North Westgate Redevelopment Area. Although you own a proportion of the site, there are still a number of properties which will have to be bought to move the Scheme forward. Quite understandably you would not wish to commit the capital, whether by private treaty or CPO purchases without being certain of the financial viability of any scheme. This would only be achievable by either securing a substantial pre-let/pre-sale of an office building which is likely to have to be in excess of 150,000 sq ft, or a large residential scheme.

I have been involved in the Peterborough property market for 23 years, firstly with Dickens Watts & Dade and then Savills who took them over in 2007. There has been very little speculative development in the city during that period. The largest pre-let was 40,000 sq ft to Access Pre Paid Worldwide so the chances of achieving a large pre-let are extremely slim. Therefore, if the scheme is to be anchored by an office development the site is likely to remain undeveloped for a number of years.

In addition it should be borne in mind that approximately 400,000 sq ft of office accommodation in the city centre has or is in the process of being converted to apartments, partly due to the lack of demand for offices. Furthermore it is likely that the development of the hospital site and Fletton Quays schemes together with the office conversions mentioned above will lead to a substantial over-supply of city centre residential which would make any residential developer extremely cautious in speculatively developing a large high density scheme on the North Westgate site.

It is interesting to note that the planning application for Fletton Quays that has recently been submitted for 265 luxury apartments, 160 bed hotel and 2 office blocks may have a pre-let of the offices to pump prime this development which is in gestation for 30 years! It is rumoured that the tenant will be Peterborough City Council. There are simply no significant (100,000 sq ft plus) commercial pre lets in the Peterborough market.

In respect of a residential development, sales values are relatively low in Peterborough at around £200 psf. This does not fund acquisition and redevelopment of difficult city centre sites, particularly without a scheme that does not transform the currently run down environment in North Westgate.

I therefore think that if the leisure/cinema/restaurant/retail scheme is not developable on North Westgate, your plans for the development and regeneration of this site may be thwarted.

I hope the above is of assistance.

Kind regards

Yours sincerely



**William Rose**  
**Director**  
**Savills (UK) Ltd**

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# VIII

## **NORTH WESTGATE PROPERTY COST ESTIMATE**

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## Peterborough Westgate Property Cost Estimate

### OVERVIEW AND INSTRUCTION

This is our opinion of the costs of acquiring the property interests within the Westgate scheme boundary by compulsion, taking into account the assumptions set out, as at the date of the estimate (December 2015). The actual date of assessment of compensation will, however, usually be the date of possession (following Notice of Entry) or vesting (following a General Vesting Declaration). It is likely that due to additional information becoming available or through property market fluctuations both property values and other compensation figures will have changed, perhaps significantly, by that date. Payment of compensation post the date of possession is subject to an addition for Statutory Interest which accumulates from the date of possession until compensation is paid.

The PCE includes:

- i) an estimate of property value
- ii) business property disturbance compensation
- iii) associated statutory loss payments (where it is possible to estimate these) and
- iv) Professional fees that we anticipate will be incurred by the claimants' professional advisers in completing negotiations in accordance with the so called compensation code.

We have only provided an estimate in respect of the interests identified to us.

This exercise has been undertaken as a 'desktop' study reliant on the information provided to us and none of the premises has been visited. We have had limited visibility to title information and none to lease documentation relating to the properties considered in this PCE. It is recommended that a more detailed property cost estimate is undertaken as further information becomes available.

The figures included for 'disturbance' are based on our knowledge and experience and incorporate the typical heads of claim under the Compensation Code. It is also an assumption in the disturbance compensation assessment that most businesses will relocate to suitable alternative premises in the town.

For claimants over 60yrs old the option is available for their compensation to be assessed based on total extinguishment (closure) of the business and in addition there may be other claimants for whom relocation is not possible or does not materialise within the project timescale. In these cases the disturbance compensation increases to reflect loss of goodwill, such figures are extremely difficult to estimate without sight of trading accounts and whilst provision can be made for risk it should be noted that due to the relatively small number of businesses being displaced, if the proportion of total extinguishment cases is high, the allowance for disturbance compensation may not be sufficient. However, because of the small numbers involved it is more logical to anticipate that there would be sufficient property available in the area to decant the retailers that want to continue in business.

No allowance is made for professional costs of the Acquiring Authority and their

Development Partner.

## WORKING METHOD

### Valuation of property interest

In the course of providing this estimate we have relied on the following:

- Leaseholders in occupation are assumed to receive compensation for business disturbance and up to 1 x the property rateable value.
- Freehold owner occupiers are valued on an investment basis on an estimated rental value, with an allowance for costs to acquire a replacement reinvestment.
- Other individual case by case assumptions are set out below.
  - It is assumed the residential properties, with the exception of those located on Cromwell Street, are let on standard Assured Shorthold Tenancies, that possession can be secured using estate management. The compensation for these occupiers is assessed as nil.
  - The following properties are not to be acquired for the scheme;
    - Wortley Alms House (public house)
    - Westgate Church, 70 Westgate
    - The Brewery Tap (public house)

For these properties we have made an allowance for legal fees and disturbance, but no allowance for their acquisition.
  - Land listed as in the ownership of Hawksworth Properties or Invesco in the Westgate, Peterborough Design & Access Statement have been excluded from the estimate.

We have made a general assumption that the market value of a property lies principally within the freehold or long leasehold interest and that the leasehold occupational interests have only a small market value reflecting profit rent until the next review.

### Rule 5 – Equivalent Reinstatement

Properties which are put to a purpose for which there is no general market or demand are compensated on the basis of the cost of equivalent reinstatement (r5 s5 LCA1961). Properties where this applies include religious property and member owned sports clubs. The costs of acquisition can escalate when incurred on this basis.

It has been assumed that there are no properties where rule 5 applies

### Compensation for Disturbance

We have not been able to carry out a detailed property condition inspection, nor have we inspected any of the premises. As more information becomes available the figures given may need to be revised.

As stated above we have made estimates of the disturbance element of claims predominately based on our experience of similar cases. The key elements of any business

disturbance claim are as follows:

- Temporary or partial permanent loss of profits
- Relocation and removal costs
- Special adaptation/compensation for existing fixtures and fittings
- Acquisition costs of new premises
- Any other reasonable costs incurred as a direct consequence of the acquisition

#### Other statutory Payments

Allowance has been made for the Basic, Occupiers, and Home Loss Payments as required by the Land Compensation Act 1973 as amended by the Planning and Compulsory Purchase Act 2004.

#### Property Cost Estimate Contingency

Until detailed discussions have taken place including investigation of the validity of a claimants position and occupation it should be recognised that there could be significant individual claimant variation from the disturbance estimate given. In the context of these issues a contingency is recommended in addition to the figures provided in this report.

#### Other Rights

It is too early in the process to make any allowance for the possible effect of the development on third party rights, such as rights to light, party wall, crane over sailing and claims resulting from the construction and use of the development. This should be subject to review at a later date.

#### Statutory Interest

Statutory interest is payable on the outstanding balance of compensation between the valuation date and the date of payment and accrues daily, on simple basis, at a rate of 0.5% below the base rate. It runs from the date of vesting or entry on outstanding compensation until paid to the claimant. No allowance is provided in the figures in this report.

It should be noted that interest rates are likely to vary as will the time taken to settle claims. Acquisition of property by agreement or settlement of claims prior to vesting or entry may reduce this liability but holding costs may counter any benefit gained. It is our experience that a proportion of claims will be settled in advance of the vesting date and this proportion is capable of being managed through a site assembly strategy.

#### CPO Inquiry and Upper Tribunal Costs

The costs of a Public Inquiry & possible referral of disputed compensation claims to the Upper Tribunal (Lands Chamber) have not been incorporated into this PCE figure. It is not possible to determine accurately the likely costs of any Inquiry at this stage, or indeed if one can be avoided through negotiation with the potential objectors in advance of the CPO. Given the scale of this proposal it might be prudent to allow a figure of £500,000, or greater, to cover the Acquiring Authority and their Development Partners costs at Public Inquiry.

#### Stamp Duty Land Tax

The Acquiring Authority is likely to be exempt from SDLT when the acquisition made follows confirmation of the CPO. However the liability may arise when an interest is acquired in advance by the acquiring authority or acquired by or transferred to a third party. At this stage it is suggested you take advice on this issue.

#### Special Categories of Land

This category includes Crown Land, land used for operational purposes by Statutory Undertakers, common land and open space.

Acquiring Authorities do not have the power to compulsorily acquire land owned or occupied by the Crown. Crown interests include Governmental Departments such as DWP and DEFRA. These property interests must be acquired by agreement.

Statutory Undertakers include the bodies running railways, road transport and water transport or those responsible for supplying electricity, gas, telecommunications or water. Their interests can only form part of the compulsory purchase order if the Minister responsible for its affairs certifies that the land can be taken without serious detriment to the carrying on of the undertaking, or if purchased, it can be replaced by other land without serious detriment to the undertaking.

Common or open lands are subject to special procedures. We can advise further if any land under this category is discovered to be within the development site. At this stage it would not be envisaged.

## CONCLUSION

This is an initial property cost estimate carried out using the information available as set out earlier in this report.

The property cost estimate will need to be revised at regular intervals as the scheme progresses and more information becomes available.

The figures estimated for property costs, as detailed in this report are as follows

Property Value	£	8,165,900	
Disturbance	£	2,165,806	
Statutory Payments	£	578,950	
Professional Costs	£	623,000	
<b>Total</b>	<b>£</b>	<b><u>11,533,656</u></b>	say £ 11,550,000

Address	Use	Tenure	Title	Freeholder	Landlord or Owner occ (L) or tenant (T)	VOA Area	Rateable Value or Council Tax Band	Value of Interest	Disturbance	Statutory Loss Payment	Professional Costs	Total	Information
Land at Bright Street	Public Highway	Freehold	CB254017					£ 1,000	£ 1,000	£ 1,000	£ 1,000	£ 4,000	Public highway, nominal payment
1-4 Lincoln Court, Lincoln Road	Office	Freehold	CB53719					£ 1,300,000	£ 75,000	£ 75,000	£ 25,000	£ 1,475,000	
1-2 Lincoln Court, Lincoln Road	Office	Leasehold	unregistered		Bauer Media (T)	568	£ 55,000	£ 55,000	£ 160,000	£ 5,500	£ 20,000	£ 240,500	
3 Lincoln Court, Lincoln Road	Office	Leasehold	unregistered		unknown	250	£ 25,500	£ 25,500	£ 80,000	£ 2,500	£ 15,000	£ 123,000	
4 Lincoln Court, Lincoln Road	Office	Leasehold	unregistered		unknown	291	£ 30,000	£ 30,000	£ 80,000	£ 3,000	£ 15,000	£ 128,000	
36 & 36a Lincoln Road	3 storey Office	Freehold	CB56686					£ 220,000	£ 12,500	£ 16,500	£ 15,000	£ 264,000	
36 Lincoln Road	Land forming courtyard	Freehold	CB54406					£ -	£ -	£ -	£ -	£ -	Assessed as part of 36 & 36a Lincoln Road
36 Lincoln Road	Office	Leasehold	unregistered		unknown	61	£ 8,100	£ 8,100	£ 18,000	£ 1,000	£ 10,000	£ 37,100	
36a Lincoln Road	Office	Leasehold	unregistered		Red Rock Partnership (T)	125	£ 10,750	£ 10,750	£ 37,000	£ 1,000	£ 10,000	£ 58,750	
34 & 34a Lincoln Road	Café with office upper parts	Freehold	CB28628					£ 130,000	£ 7,500	£ 9,750	£ 10,000	£ 157,250	
34 Lincoln Road	Offices	Leasehold				63	£ 7,800	£ 7,800	£ 29,000	£ 1,000	£ 10,000	£ 47,800	
34a Lincoln Road	Café	Leasehold			Vilamoura	55	£ 5,100	£ 5,100	£ 35,000	£ 1,000	£ 10,000	£ 51,100	
32 Lincoln Road - Flats 1 - 4 & 32C & 32D		Freehold	CB131851					£ 430,000	£ 20,468	£ 32,250	£ 15,000	£ 497,718	include 4 studio flats @ £50k each
32 Lincoln Road	Shop	Leasehold			Marisan Café	79	£ 7,900	£ 7,900	£ 60,000	£ 1,000	£ 10,000	£ 78,900	
32c Lincoln Road	Studio	Leasehold	CB362246		English Rose tattoo	88	£ 8,600	£ 8,600	£ 30,000	£ 1,000	£ 10,000	£ 49,600	
32d Lincoln Road	Store	Leasehold			unknown	89	£ 4,300	£ 4,300	£ 20,000	£ 1,000	£ 10,000	£ 35,300	
Flat 1 32 Lincoln Road	Flat						A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 32 Lincoln Rd
Flat 2 32 Lincoln Road	Flat						A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 32 Lincoln Rd
Flat 2 32 Lincoln Road	Flat						A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 32 Lincoln Rd
30 Lincoln Road inc units A & B, Flats 1 & 2		Freehold	CB371132					£ 165,000	£ 4,500	£ 12,500	£ 10,000	£ 192,000	Investment value of retail plus 2x £50k for small studio flats
30a Lincoln Road	Shop	Leasehold	Unregistered		Laptop Shop	21	£ 3,350	£ 3,350	£ 30,000	£ 1,000	£ 10,000	£ 44,350	
30b Lincoln Road	Shop	Leasehold	Unregistered		Quick Snack	18	£ 2,900	£ 2,900	£ 40,000	£ 1,000	£ 10,000	£ 53,900	
Flat 1 30 Lincoln Road	Residential	Leasehold	Unregistered				A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 30 Lincoln Rd
Flat 2 30 Lincoln Road	Residential	Leasehold	Unregistered				A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 30 Lincoln Rd
30c & 30d Lincoln Road	Office	Freehold	CB294341					£ 140,000	£ 3,864	£ 10,500	£ 15,000	£ 169,364	30d believed merged into 30c
30c Lincoln Road	Office	Leasehold	CB362246		One Call recruitment	90	£ 11,250	£ 11,250	£ 55,000	£ 1,000	£ 10,000	£ 77,250	
30d Lincoln Road								-	-	-	-	£ -	Assumed to have been incorporated into 30c
24 Lincoln Road		Freehold	CB61825					£ 430,000	£ 24,768	£ 32,250	£ 15,000	£ 502,018	
24 Lincoln Road	Shop	Leasehold	Unregistered		Spice Cottage (T)	52	£ 7,600	£ 7,600	£ 45,000	£ 1,000	£ 10,000	£ 63,600	
24a Lincoln Road	Club	Leasehold	Unregistered		Café 24	85	£ 11,000	£ 11,000	£ 40,000	£ 1,100	£ 10,000	£ 62,100	
24b Lincoln Road	Club	Leasehold	Unregistered		Pool hall	149	£ 14,250	£ 14,250	£ 60,000	£ 1,500	£ 10,000	£ 85,750	
22 & 22a Lincoln rd		Freehold	CB323892					£ -	£ -	£ -	£ -	£ -	owned by hawkmoor, not included in assessment
Cromwell business centre (demolished)		Freehold	CB64532					£ -	£ -	£ -	£ -	£ -	owned by hawkmoor, not included in assessment
16 Lincoln Road	Office	Freehold	CB54893					£ 320,000	£ 15,000	£ 1,000	£ 15,000	£ 351,000	
16 Lincoln Road	Office	Leasehold	Unregistered		Nacro	330	£ 25,750	£ 25,750	£ 128,000	£ 2,500	£ 10,000	£ 166,250	
Carpark		Freehold	CB53823					£ -	£ -	£ -	£ -	£ -	owned by hawkmoor, not included in assessment
Willy 50 westgate		Freehold	CB58488					£ -	£ -	£ -	£ -	£ -	owned by hawkmoor, not included in assessment
Wortley Alms House	Public House	Freehold	CB47160					£ -	£ 20,000	-	£ 10,000	£ 30,000	Pub is not to be acquired. Spot figure adopted for disturbance claim
60 Westgate		Freehold	CB119756					£ 560,000	£ 32,256	£ 42,000	£ 15,000	£ 649,256	Residential value based on £100k spot price based on comparable properties

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60 Westgate	Café / Restaurant	Leasehold	Unregistered		Megabite café	125	£ 16,000	£ 16,000	£ 65,000	£ 1,500	£ 10,000	£ 92,500	
60a Westgate	Residential	Leasehold	Unregistered				A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 60 Westgate
60b Westgate	Residential	Leasehold	Unregistered				A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 60 Westgate
60c Westgate	Residential	Leasehold	Unregistered				A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 60 Westgate
60d Westgate	Residential	Leasehold	Unregistered				A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 60 Westgate
62 - 64 Westgate	Shop	Freehold	CB27498					£ 395,000	£ 19,000	£ 30,000	£ 15,000	£ 459,000	
62 - 64 Westgate	Shop	Leasehold	Unregistered		Taxi Firm	122	£ 19,250	£ 19,250	£ 40,000	£ 2,000	£ 10,000	£ 71,250	
62a Westgate	Residential	Freehold	CB27498				A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 62-64 Westgate
62b Westgate	Residential	Freehold	CB27498				A	£ -	£ -	£ -	£ -	£ -	Assessed as part of 62-64 Westgate
Westgate Church	Church	Freehold	CB281455					£ -	£ 10,000	£ -	£ 10,000	£ 20,000	Church not to be acquired, allowance made for legal fees and disturbance
68 Westgate	Shop	Freehold	CB281455					£ 145,000	£ 4,000	£ 11,000	£ 10,000	£ 170,000	Investment value of retail plus £50k spot value for upper parts
68 Westgate	Shop	Leasehold	unregistered		Peterborough Christian Bookshop Ltd	88	£ 9,500	£ 9,500	£ 30,000	£ 1,000	£ 10,000	£ 50,500	
68a Westgate	Church Hall	Freehold	CB281455					£ 10,000	£ 150,000	£ 2,500	£ 25,000	£ 187,500	Church hall equivalent reinstatement
68b Westgate	Church Hall	Freehold	CB281455					£ -	£ -	£ -	£ -	£ -	Assessed with 68a above
Frobisher House, 72 Westgate	Office	Freehold	CB101833					£ 1,675,000	£ 95,000	£ 75,000	£ 20,000	£ 1,865,000	RV appealed and artificially low; adopted £9 psf @ 8.5% yield x15,832 sq ft
Frobisher House, 72 Westgate	Office	Leasehold	unregistered		unknown	1295	80000	£ 80,000	£ 418,750	£ 8,000	£ 15,000	£ 521,750	May be presently vacant
Land to rear of 9 Cromwell Road	Car parking	Freehold	CB23264					£ -	£ -	£ -	£ -	£ -	Car parking included in valuation of Frobisher house
9 Cromwell Road	Residential	Freehold	CB135873					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
11 Cromwell Road	Residential	Unregistered	-					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
13 Cromwell Road	Residential	Freehold	CB34123					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
15 Cromwell Road	Residential	Freehold	CB374351					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
17 Cromwell Road	Residential	Freehold	CB23841					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
19 Cromwell Road	Residential	Freehold	CB30492					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	converted terrace and access to Cromwell Business Centre to rear. Owned by Hawksworth; omitted from PCE
21 Cromwell Road	Office		CB26637					£ -	£ -	£ -	£ -	£ -	converted terrace and access to Cromwell Business Centre to rear. Owned by Hawksworth; omitted from PCE
23 Cromwell Road	Office		CB116629					£ -	£ -	£ -	£ -	£ -	converted terrace and access to Cromwell Business Centre to rear. Owned by Hawksworth; omitted from PCE
Cromwell Business Centre, 25 Cromwell Road	Office		CB64532					£ -	£ -	£ -	£ -	£ -	converted terrace and access to Cromwell Business Centre to rear. Owned by Hawksworth; omitted from PCE
27 Cromwell Road	Office		CB34113					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	converted terrace and access to Cromwell Business Centre to rear. Owned by Hawksworth??
29 Cromwell Road	Residential		CB29781					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
31 Cromwell Road	Residential		CB81416					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
33 Cromwell Road	Residential		CB303824					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
35 Cromwell Road	Residential		CB87021					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
37 Cromwell Road	Residential		CB30842					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
39 Cromwell Road	Residential		CB29367					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
41 Cromwell Road	Residential		CB38018					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
43 Cromwell Road	Residential		CB64295					£ 125,000	£ 10,000	£ 12,500	£ 10,000	£ 157,500	Spot price based on Land registry data
Land on east side of Deacon St	Highway & verges		CB133348					£ 1,000	£ 100	£ 100	£ 1,000	£ 2,200	highway verges, nominal payment
Land on the south side of Bright Street	Highway & verges		CB248505					£ 5,000	£ 100	£ 500	£ 1,000	£ 6,600	highway verges, nominal payment
80 Westgate	Public House	Freehold	CB194421		The Brewery Tap			£ -	£ 20,000	-	£ 10,000	£ 30,000	Pub is not to be acquired, spot figure adopted for disturbance and legal fees
								£ 8,165,900	£ 2,165,806	£ 578,950	£ 623,000	£ 11,533,656	

Property Value	£	8,165,900
Disturbance	£	2,165,806
Statutory Payments	£	578,950
Professional Costs	£	623,000
<b>Total</b>	<b>£</b>	<b>11,533,656</b>

say £ 11,550,000

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# IX

## **GARDINER & THEOBALD NORTH WESTGATE AREA SCHEDULE**

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**NORTH WESTGATE - PETERBOROUGH**

G&T Area Schedule - Basis of Estimate: **DRAFT 21.12.15**

	Basement	GF	Mezz	1st	2nd	3rd	4th	5th	6th		TOTAL
<b>Block A</b>											
Car Park	1,969.0	1,969.0	1,969.0	-	-	-	-	-	-	-	5,907
Cinema	170.0	170.0	-	2,381.0	1,814.0	-	-	-	-	-	5,215
A3	458.0	458.0	408.0	-	-	-	-	-	-	-	1,324
<b>Block B</b>											
A3	-	1,002.0	846.0	-	-	-	-	-	-	-	1,848
Resi Core	-	60.0	60.0	-	-	-	-	-	-	-	140
Resi				1,084.0	934.0	934.0	-	-	-	-	3,400
<b>Block C</b>											
Supermarket	532.0	507.0	-	-	-	-	-	-	-	-	1,251
Hotel	287.0	excl.	excl.	excl.	excl.	excl.	excl.	-	-	-	287
A3	342.0	282.0	261.0	-	-	-	-	-	-	-	885
Retail	335.0	582.0	477.0	-	-	-	-	-	-	-	1,394
Resi core	-	73.0	73.0	-	-	-	-	-	-	-	166
Resi				710.0	710.0	710.0	710.0	-	-	-	3,348
<b>Block D</b>											
Retail	-	1,903.0	1,560.0	-	-	-	-	-	-	-	3,463
Food Hall	-	988.0	362.0	-	-	-	-	-	-	-	1,502
Resi Core	-	130.0	130.0	inc.	inc.	inc.	-	-	-	-	294
Resi				1,499.0	1,499.0	1,499.0	1,019.0	-	-	-	6,450
Commercial				731.0	627.0	523.0	Roof	-	-	-	2,274
<b>Block E</b>											
Retail	-	116.0	116.0	-	-	-	-	-	-	-	232
Resi Core	-	43.0	43.0	inc.	inc.	inc.	inc.	inc.	-	-	102
Resi				255.0	255.0	255.0	255.0	255.0	150.0	-	1,780
Other	1,153.0										1,153
<b>TOTAL</b>	<b>5,246.0</b>	<b>8,283.0</b>	<b>6,305.0</b>	<b>6,660.0</b>	<b>5,839.0</b>	<b>3,921.0</b>	<b>1,984.0</b>	<b>255.0</b>	<b>150.0</b>	<b>0.0</b>	<b>42,415</b>

1. These areas are based upon PDF drawings contained in the Design & Access Statement (Figures 3.3.6 to 3.3.13) which do not have any scales and as such, are subject to verification

2. These areas do not include atriums

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