Valuation Report.

45, Beech Street, Barbican, London EC2Y 8AD

Prepared for Firma Partners
Valuation date: 30 October 2025

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

Firma Partners
Ninth Floor
Berkeley Square House
Berkeley Square
London
W1J 6BD

For the attention of Arrif Ali
Email: arrif@firma.partners

Date of issue: 10 December 2025

Our Ref: I:1167899

Valuation Report – Cornerstone, 45 Beech Street, Barbican, London EC2Y 8AD

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above property. If you have any queries regarding this report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank LLP

Ewa Scott MRICS
RICS Registered Valuer
Associate - Residential Investment Valuations,
ewa.scott@knightfrank.com
T +44 20 7861 1420
M +44 7974 398 332

This report has been reviewed, but not undertaken, by:

David Shapland MRICS
RICS Registered Valuer

Partner, Department Head - Development & Investment, Valuation & Advisory

Contents

Appendices

Executive summary

This Executive summary is a brief overview of our Valuation Report and must not be relied upon in isolation. It is intended to be read in conjunction with the whole report and is subject to any assumptions, caveats and comments stated within the body of this report.

Address

Cornerstone, 45 Beech Street, Barbican, London, EC2Y 8AD

Location

The property is located on the fringe of the City of London, the main UK financial centre and a major employment hub of London.

It has excellent transport links by tube (TfL Zone 1) and rail services. The property is located within a short walk from Barbican Tube Station.

The building has main frontage to Beech Street to the south and frontage to Bridgewater Street to the east. The surrounding area is mainly residential and commercial and is on the verge of the Barbican Estate.

There are plenty of retail and leisure amenities close by.

Description

The existing building was constructed in the 1950s, originally as an office block. The entrance of the building is on Beech Street. Most recently, the building was used as a serviced office and meeting rooms.

The proposed development will involve re-purposing the existing building for a Co-living scheme. Post-completion, and in line with the current planning consent, the development will comprise 174 Co-living units across nine floors. The proposed development will include amenities on the ground and lower ground floors, with a terrace on level 09.

The site area measures 0.105 hectares (0.258 acres).

Areas

As agreed with you, we have relied upon floor areas provided to us by Allford Hall Monaghan Morris, dated 28 March 2025**.** No further verification has been undertaken

The GIA of the completed scheme will be 74,249 sq ft / 6,898 sq m.

The schedule of the proposed accommodation is as stated below:

45 Beech Street – Proposed Floor Areas					
Floor	**GIA (sqm)**	**GIA (sq ft)**	**NSA (sq m)**	**NSA (sq ft)**	**Room Count**
B	683.50	7,357.13	0.00	0.00	0
GF	635.30	6,838.31	0.00	0.00	0
L01	640.80	6,897.51	438.00	4,714.59	20
L02	639.10	6,879.21	436.60	4,699.52	20
L03	639.10	6,879.21	436.60	4,699.52	20
L04	639.10	6,879.21	436.60	4,699.52	20

L05	639.10	6,879.21	436.60	4,699.52	20
L06	639.10	6,879.21	440.60	4,742.57	20
L07	639.10	6,879.21	440.60	4,742.57	20
L08	584.20	6,288.27	390.70	4,205.46	18
L09	519.60	5,592.92	340.50	3,665.11	16
Total	**6,898.0**	**74,249.4**	**3,796.8**	**40,868.4**	**174**

Tenure

Freehold

Tenancies

The property is currently vacant and internally strip out ready for the development works to commence.

Upon completion, we have assumed that each unit will be let out on an Assured Shorthold Tenancy (AST) on tenancies of 3 months plus.

Valuation considerations

- A permission reference **24/00176/FULL** is in place for the development of 174 unit Co-living scheme.
- The development does not have Gateway 2 sign off and therefore there is a risk to a development programme provided to us and assumed in this valuation.
- Central position of the proposed scheme on the verge of the City of London which is one of the world's most important financial centres and a significant and established employment hub.
- City of London provides well paid employment and a large international employment population, many of whom are based in London on short or medium term basis.
- The property has the highest PTAL Rating 6b and a Walk Score of 99 (Walker's Paradise).
- Proposed scheme will provide high-quality, attractive and well amenitised rental accommodation.
- Unit sizes range from 16.4 sq m to 24.6 sqm and averaging 21.8 sq m – which is in line with other London Co-living schemes in the development pipeline.
- The scheme will provide a good operational scale and will benefit from operational efficiencies.
- Our adopted rents reflect tenancies agreed on c.12 months and include no premiums for shorter terms. This is due to the Renters' Right Bill (please see our comments below under Risk Analysis, below)
- An attractive investment lot size.
- Strong ESG credential of the development.

Valuation date

30 October 2025 (as specified in our Terms of Engagement)

	VALUATION BASES – DAY 1
Market Value- site value with current planning permission for 174 Co-living units	Market Value of the freehold interest in the property in its current condition and with the benefit of the planning permission ref: 24/00176/FULL for a development of 174 unit Co-living scheme with amenities, as at the valuation date, is: **£24,800,000 (TWENTY FOUR MILLION AND EIGHT HUNDRED THOUSAND POUNDS)** We have deducted real estate purchaser's costs.
Market Rent on the Special Assumption 174-units Co-living scheme is complete	Market Rent for the property on the Special Assumption that the scheme has been completed in line with the requirements of the planning permission ref: 24/00176/FULL for a development of 174 unit Co-living scheme with amenities, as at the valuation date, is: **£5,995,000 (FIVE MILLION, NINE HUNDRED AND NINETY FIVE THOUSAND POUNDS) per annum**

Component	Value / per annum
Co-living Scheme	£5,898,984
Additional Income	£96,240
Total Gross Operating Income (Day 1)	£5,995,224 **£5,995,000 (Rounded)**

Market Value on the Special Assumptions that the consented 174-units Co-living scheme is complete and with vacant possession	We are of the opinion that the indicative Market Value of the freehold interest in the property on the Special Assumption that the Co-living scheme comprising 174 units is completed in line with the planning permission ref: 24/00176/FULL and it is vacant, as at the valuation date, is: **£103,450,000 (ONE HUNDRED AND THREE MILLION, FOUR HUNDRED AND FIFTY THOUSAND POUNDS)** We have deducted real estate purchaser's costs.
Market Value on the Special Assumptions that the	We are of the opinion that the indicative Market Value of the freehold interest in the property on the Special Assumption that the Co-living scheme comprising 174 units is completed in line with the planning permission ref: 24/00176/FULL and it is stabilised, as at the valuation date, is:

consented 174-units Co-living scheme is complete and stabilised	**£104,700,000 (ONE HUNDRED AND FOUR MILLION, SEVEN HUNDRED THOUSAND POUNDS)** We have deducted real estate purchaser's costs.
TRENDED SCENARIOS	**TRENDED SCENARIOS – TRENDED VALUATION INPUTS TO THE ANTICIPATED PC DATE IN AUGUST 2028** In line with your instructions, we have run indicative NDV and site value using trended valuation assumptions. **Important note:** These figures have been undertaken on the Special Assumption that the rental growth set out within this report is achieved by August 2028 (the anticipated PC date) and construction costs growth is in line with the BCIS forecast (as at Q3 2025). On this basis, any variance to the rental and costs growth may have an impact (+/-) upon the figure reported. The purpose for which this figure is used should be carefully considered. **The purpose for which these figures are used should be carefully considered.**
Market Value (site value) (Special Assumption - Trended Scenario to PC in August 2028)	We are of the opinion that the indicative Market Value of freehold interest in the property in its condition as at the inspection date, with the benefit of the planning consent ref: 24/00176/FULL for a development of a Co-living scheme comprising 174 Co-living units, as at the valuation date, is: **£31,150,000 (THIRTY ONE MILLION ONE HUNDRED AND FIFTY THOUSAND POUNDS)** **Important note:** This figure has been undertaken on the Special Assumption that the rental growth set out within this report is achieved by the date of the anticipated PC date in August 2028. On this basis, any variance to the rental growth or development costs growth achieved may have an impact (+/-) upon the figure reported. We have not trended the construction costs as the costs adopted were based on a fixed term contract and reflect inflation. The purpose for which this figure is used should be carefully considered.
Indicative Market Rent (Special Assumption - Trended	We are of the opinion that the indicative Market Rent for the proposed Co-living scheme on the special assumptions that the scheme is complete in line with a planning consent ref: 24/00176/FULL and the rents grown in line with our forecast, as stated in this report, to August 2028, is as follows:

Scenario to PC in August 2028)	**£6,544,000 (SIX MILLION AND FIVE HUNDRED AND FORTY FOUR THOUSAND POUNDS) per annum**

Component	Value / per annum
Co-living Scheme (trended to August 2028)	£6,448,510
Additional Income (not trended)	£96,240
Total Gross Operating Income trended to August 2028	£6,544,750 **£6,544,000 (Rounded)**

Important note: This figure has been undertaken on the Special Assumption that the rental growth set out within this report is achieved by August 2028. On this basis, any variance to the rental growth achieved may have an impact (+/-) upon the figure reported. The purpose for which this figure is used should be carefully considered.

Indicative Market Value - Special Assumptions - Trended Scenario to PC Date in August 2028, scheme completed and vacant possession

We are of the opinion that the indicative Market Value of the freehold interest in the property on the Special Assumption that the Co-living scheme comprising 174 units is completed in line with the planning permission ref: 24/00176/FULL and it is vacant, as at the valuation date, is:

£112,950,000 (ONE HUDRED AND TWELVE MILLION NINE HUNDRED AND FIFTY THOUSAND POUNDS)

We have deducted real estate purchaser's costs.

Important note: This figure has been undertaken on the Special Assumption that the rental growth set out within this report is achieved by August 2028. On this basis, any variance to the rental growth achieved may have an impact (+/-) upon the figure reported. The purpose for which this figure is used should be carefully considered.

Indicative Market Value - Special Assumptions - Trended Scenario to PC Date in August 2028, scheme completed and stabilised

We are of the opinion that the indicative Market Value of the freehold interest in the property on the Special Assumption that the Co-living scheme comprising 174 units is completed in line with the planning permission ref: 24/00176/FULL and it is stabilised, as at the valuation date, is:

£114,250,000 (ONE HUDRED AND FOURTEEN MILLION TWO HUNDRED AND FIFTY THOUSAND POUNDS)

We have deducted real estate purchaser's costs.

Important note: This figure has been undertaken on the Special Assumption that the rental growth set out within this report is achieved by August 2028. On this basis, any variance to the rental growth achieved may have an impact (+/-

	) upon the figure reported. The purpose for which this figure is used should be carefully considered.
Investment Value on the SA that the site with the benefit of the current permission is subject to 6 months marketing period	We are of the opinion that the investment value of the Special Assumption that the site (with the benefit of the current planning permission in place) is subject to a restricted marketing period of 6 months (to agree the sale) is: **£22,900,000 (TWENTY-TWO MILLION NINE HUNDRED THOUSAND POUNDS)** The investment value on these bases reflects c7.5% reduction from the Market Value reported without a restricted marketing period.
Risk analysis	**Planning obligations – Section 106 Agreement** An Early Stage Review process will be triggered if Structural Demolition has not begun within 30 months of the date of the New Consent (excluding the date of grant), which may have the effect of increasing the Affordable Housing Contribution. If an Early Stage Review is triggered, the development cannot be beneficially occupied until the review process has been agreed, and any additional contribution paid. We have made an expressed assumption that the Early Stage Review will not be triggered. We have not included any additional affordable housing payment related to the ESR in our valuation. **Condition** The current condition of the property makes it almost unlettable as an office without substantial refurbishment first. Our valuations have considered that the refurbishment and reconfiguration work is to be completed. **Cashflow, reletting & void costs** It is essential that the Property is managed appropriately to maintain occupancy levels through tenant retention and re-letting. In addition, there is potential for both rents and occupancy to fluctuate during the holding period. It should be noted that it may be necessary to lower rents, if there are any future periods of high vacancy, in order to improve occupancy levels.

Renters' Rights Bill

- The Renters' Rights Bill gained Royal Assent on 27 October 2025. The Bill seeks to improve the rights of renters in the UK and will tackle a number of areas to do this, including but not limited to:
    - Abolish Section 21 'no fault' evictions.
    - Revise mandatory and discretionary grounds for possession.
    - Limit rent reviews to once per 12-month period to the market rate.
    - Introduce a PRS Landlord Ombudsman.
    - Create a PRS database.
    - Improve tenants' rights for requesting a pet within the property, not to be unreasonably refused.

Th market expects that asset management of BTR and Co-Living rental properties may become more challenging.

As a result, there may be an impact to letting & management fees and an increase to overall operational expenditure.

Pricing implications of the forthcoming legislation

- Previously, co-living schemes often based their pricing on a combination of tenancy lengths, with shorter lets commanding a premium in comparison to 12-month tenancies. However, under the Renter's Rights Bill, tenants can now give two months' notice at any point during their tenancy. As a result, investors are increasingly pricing all units based on standard 12-month tenancy rents. The rationale is that once renters realise, they can effectively treat any lease as a short-term commitment, they'll be unwilling to pay a premium for flexibility that's already built in.

Market conditions explanatory note

- Geopolitical tensions and macro-economic volatility persist in major markets across the globe. This has been exacerbated by the recent decision of the United States to impose trade tariffs globally, creating uncertainty as to the impact on the wider economy and real estate markets. Whilst there is an expectation that conditions will improve in the medium term, potentially supported by further interest rate cuts, any such improvement is likely to be gradual.
- Continued low property transaction volumes result in a greater reliance on macro-economic indicators and our professional judgement in arriving at our opinion of value and we highlight the importance of the valuation date. The conclusions in our report are valid at that date only and we advise that you keep the valuation under regular review.

Information

- Please note that since we have not been provided with an Overage Agreement or a Legal Report, we have adopted in our valuation the amount to Overage as provided to us.
- In this report we have been provided with information by the Borrower and have relied upon this information as being materially correct in all aspects.
- In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this report.

Development

- Development associated risk related to programme delay and costs overrun.
- The scheme is required to receive a Gateway 2 approval before works commence in September 2026. We have also considered that that approval must be obtained for Gateway 3 from the Building Safety Regulator before the scheme can be legally occupied.
- Gateways 2 & 3 are both "hold points" and therefore if there are any delays in providing the information, or in the BSR providing a decision, there is the potential for delays in the construction timelines. Based on the information provided to us, we have assumed that the Developer allowed time to obtain the approvals within their project timescales provided to us.

Void costs

- There is a letting and void risk post development associated with the scheme, especially when considered that the scheme will commend premium rents.

Sensitivity of the residual valuation method

- The residual method requires the input of a large amount of data, which are rarely absolute or precise, together with the making of a large number of assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the site value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement. A common technique used to illustrate this sensitivity is known as sensitivity analysis.
- Sensitivity analysis shows the degree to which the reported value varies when the chosen inputs into the calculation change and should be used to assist in assessing potential risks associated with a valuation, particularly when the valuation inputs are uncertain for any reason.

Market Value (Site Value - Day 1)

- The following sensitivity analysis relates to the Market Value (Day 1) figure (£24,800,000) we have reported (provided based on real estate purchaser's cost) and 174 bed scheme:

	Construction: Gross Cost				
Sales: Gross Sales	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	27,904,658	29,454,917	31,005,176	32,555,435	34,105,694
-10.000%	(£20,484,954)	(£19,066,726)	(£17,648,494)	(£16,230,259)	(£14,812,023)
93,105,000	12.000%	12.000%	12.000%	12.000%	12.000%
-5.000%	(£24,057,832)	(£22,639,595)	(£21,221,334)	(£19,803,105)	(£18,384,872)
98,277,500	12.000%	12.000%	12.000%	12.000%	12.000%
0.000%	(£27,630,684)	(£26,212,448)	(£24,794,210)	(£23,375,973)	(£21,957,714)
103,450,000	12.000%	12.000%	12.000%	12.000%	12.000%
+5.000%	(£31,203,534)	(£29,785,299)	(£28,367,063)	(£26,948,826)	(£25,530,588)
108,622,500	12.000%	12.000%	12.000%	12.000%	12.000%
+10.000%	(£34,776,380)	(£33,358,148)	(£31,939,913)	(£30,521,678)	(£29,103,441)
113,795,000	12.000%	12.000%	12.000%	12.000%	12.000%

- This sensitivity analysis demonstrates, inter alia, that:
- A 5% increase in construction costs and a 5% reduction in the Gross Development Value that we have adopted in this Valuation, would result in a reduced market value figure of £19,800,000.
- A 10% increase in construction costs and a 10% reduction in the Gross Development Value that we have adopted in this Valuation, would result in a reduced market value figure of £14,800,000.
- Please note that sensitivity analysis is an illustrative risk assessment tool based on the selected inputs and variations. In practice variations to the inputs adopted to assess the sensitivity of the valuation figure could exceed the figures adopted and do not therefore represent the maximum possible variation in the reported value.

Market Value (Trended)

- The following sensitivity analysis relates to the Market Value (Trended) figure (£31,150,000) we have reported (provided based on real estate purchaser's cost) and 174 bed scheme:

	Construction: Gross Cost				
Sales: Gross Sales	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	27,904,658	29,454,917	31,005,176	32,555,435	34,105,694
-10.000%	(£26,190,538)	(£24,772,301)	(£23,354,063)	(£21,935,802)	(£20,517,573)
101,655,000	12.000%	12.000%	12.000%	12.000%	12.000%
-5.000%	(£30,091,490)	(£28,673,254)	(£27,255,018)	(£25,836,780)	(£24,418,543)
107,302,500	12.000%	12.000%	12.000%	12.000%	12.000%
0.000%	(£33,992,438)	(£32,574,205)	(£31,155,970)	(£29,737,734)	(£28,319,497)
112,950,000	12.000%	12.000%	12.000%	12.000%	12.000%
+5.000%	(£37,893,380)	(£36,475,151)	(£35,056,920)	(£33,638,686)	(£32,220,451)
118,597,500	12.000%	12.000%	12.000%	12.000%	12.000%
+10.000%	(£41,794,366)	(£40,376,128)	(£38,957,864)	(£37,539,633)	(£36,121,401)
124,245,000	12.000%	12.000%	12.000%	12.000%	12.000%

- This sensitivity analysis demonstrates, inter alia, that:
- A 5% increase in construction costs and a 5% reduction in the Gross Development Value that we have adopted in this Valuation, would result in a reduced market value figure of £25,800,000.

- A 10% increase in construction costs and a 10% reduction in the Gross Development Value that we have adopted in this Valuation, would result in a reduced market value figure of £20,500,000.
- Please note that sensitivity analysis is an illustrative risk assessment tool based on the selected inputs and variations. In practice variations to the inputs adopted to assess the sensitivity of the valuation figure could exceed the figures adopted and do not therefore represent the maximum possible variation in the reported value.

1. About this report

Engagement of Knight Frank LLP

1.1 This valuation report has been prepared in accordance with our Terms of Engagement letter dated 15 October 2025, our General Terms of Business for Valuation Services and the General Scope of Valuation Work (the "General Scope of Work"), (together the "Agreement"). A copy of the Agreement is attached at **Appendix 1** (along with your original instruction for reference purposes).

Client

1.2 We have been instructed to prepare the Valuation by Firma Partners (the "Client").

Valuation standards

1.3 This valuation has been undertaken in accordance with the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "Red Book" refer to either or both of these documents, as applicable. As required by the Red Book, some key matters relating to this instruction are set out below.

Status and experience of valuer

Valuer and expertise

1.4 The valuer, on behalf of Knight Frank LLP, with the responsibility for this report is Ewa Scott MRICS, RICS Registered Valuer (the "Responsible Valuer").

1.5 We confirm that the valuer meets the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.6 This report has been internally reviewed as part of Knight Frank LLP's quality assurance procedures.

Conflicts of Interest: Declaration and Disclosures

1.7 We confirm that we do have a material connection or involvement as set out below but we have agreed with you that in the circumstances of this instruction this does not conflict with our duty to provide you with an objective and unbiased valuation:

- Knight Frank Residential Development Funding Team has advised the Borrower regarding a potential forward funding of the development. However, this transaction has not proceeded and their involvement has ceased.

Use of this Valuation

Purpose of valuation

1.8 This Valuation is provided for the purpose of secured lending (the "Purpose") only and may not be used for any other purpose without our express written consent.

1.9 This Valuation is not a recommendation or advice as to a specific course of action. While we acknowledge that the Valuation may form part of your decision-making process, it is provided on the basis that it will only form one part of your broader review and consideration of the suitability of the Property as security, and should not be relied on in isolation. The scope of our instruction is therefore limited to providing our Valuation opinion in accordance with the Scope of Work outlined below.

Reliance

1.10 Notwithstanding clause 3.1 of the General Terms, it has been agreed between us that our maximum total liability under or in connection with the Agreement or the Valuation is limited to 33% of the reported Market Value of the property.

1.11 Nothing in this Agreement excludes or limits our liability to the extent that such liability may not be excluded or limited as a matter of applicable law.

Third party reliance

1.12 Clause 4.2 of the General Terms states that no liability is accepted to any third party for the whole or any part of the Valuation.

1.13 Notwithstanding this, it is agreed that the following parties (each a "Relying Party") may also rely on the Valuation as if it had been addressed to them:

- FPL Agent Limited as Agent and Security Agent
- FPL (45BE) Lendco Ltd as Arranger and Lender under or in connection with the facility agreement dated on or around the date hereof and made between, amongst others, ("Facility Agreement") and each of their respective lenders, transferees, successors or assignees
- A.S.K Partners Limited as Arranger, A.S.K. Partners Agent Limited as Agent and Security Agent and
- A.S.K. Partners Lendco Limited as Lender under the facility agreement dated on or around the date hereof and made between, (amongst others) Beech Street (London) LLP as Borrower and the Lender (the "ASK Facility Agreement") and each of their respective transferees, successors or assignees.

1.14 We shall have no greater liability to any party relying on our report than we would have had had that party been named as joint client in the Agreement with the Client.

1.15 No other person is entitled to rely on the Valuation for any purpose. We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

Disclosure & publication

1.16 Clauses 4.3 to 4.6 of the General Terms limits disclosure and generally prohibits publication of the Valuation. As stated therein, the Valuation is confidential to the Client and neither the whole, nor any part, of the Valuation nor any reference thereto may be included in any published document, circular or statement, nor published in any way, without our prior written consent and written approval of the form or context in which it may appear.

1.17 Notwithstanding this, the Valuation may be disclosed as set out below:

a) if the Report is publicly available or if any part is publicly available, only that part which is publicly available, in each case other than as a result of a breach by a Relying Party of this provision;

b) where disclosure is requested or required by law or regulation or court order or in respect of actual or potential legal or arbitration proceedings, investigation or other proceeding or dispute to which the relevant Relying Party is a party;

c) to any governmental, banking, taxation or other regulatory authority, supervisory body, stock exchange, listing authority or similar body, or if required by the rules of any governmental, banking, taxation or other regulatory authority, or the rules of any relevant stock exchange with which the relevant Beneficiary is legally bound to comply;

d) to any affiliates of any Relying Party;

e) to any employees, directors, officers, members or partners of any Relying Party;

f) to their and any of their affiliates' respective agents, directors, officers, employees, members, partners, advisers, insurers or auditors;

g) to any financial institution or other entity in connection with the financing under the Facility Agreement or A.S.K. Facility Agreement, and their respective advisers;

h) to future owners, or prospective purchasers, of any property financed under the Facility Agreement or A.S.K. Facility Agreement;

i) to any person to whom Relying Party may potentially assign, transfer or sub-participate all or any of its rights and obligations under any documentation relating to or under the Facility Agreement and ASK Facility Agreement and to the professional advisors of each such person; and

j) to any rating agency in connection with any securitisation of (or referable to) the Facility Agreement and ASK Facility Agreement and to investors in such securitisation including in each case their professional advisers.

1.18 It is a condition of such disclosure that each party in receipt of the report agrees and acknowledges that the Valuation cannot be relied upon by them, and we do not accept any responsibility, duty of care or liability to them, whether in contract, tort (including negligence), misrepresentation or otherwise in respect of the Valuation and the information it contains.

1.19 Save as set out above, this Valuation is confidential and must not be disclosed to any person other than the Client without our express written consent. Nor may the whole nor any part of this valuation nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.

Limitations on liability

1.20 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.

1.21 We confirm that we hold adequate and appropriate PII cover for this instruction.

1.22 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.

1.23 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Scope of work

1.24 Subject to any alteration agreed between us and set out in the Terms of Engagement letter or any other agreed amendment or restriction set out below, the General Scope of Work forming part of the Agreement sets out the work we agreed to undertake, including the investigations we have undertaken, the limits that applied and the Assumptions we have made, unless we have found or have been provided with information to the contrary.

Inspection

1.25 We inspected the Property and any significant buildings internally and externally. If we only inspected a sample of areas of similar design, construction and use, or if we were unable to access any material parts of a building this is made clear later in this report along with any assumptions we have made.

Information provided to us which we have relied upon

1.26 We have been provided with the following documents provided by HUB:

- Accommodation Schedule – received 10 September 2025
- Fire Safety Strategy – received 10 September 2025
- 45 Beech Street section 106 draft and full draft decision notice – received 10 September 2025
- 2015-09-29 Beech Development Costs – received 17 September 2025
- Beech Street Contract Programme – received 10 September 2025
- 45 Beech Street BREEAM Tracker – received 10 September 2025
- 45 Beech Street Fitwel Scorecard – received 10 September 2025
- Bridges Fund Management – Minimum standards – received 10 September 2025
- HUB ESG 2025 – received 10 September 2025
- HUB Sustainable Procurement Plan_V2 – received 10 September 2025
- Specification, including material palette and schedules – received 10 September 2925
- Unit Area Plans, Unit Type Drawings, CGIs and General Arrangement drawings – received 10 September 2025
- 2015-11-10 Beech Development Costs (Sep 26 start) - received 10 November 2025
- Amended Planning Overage Deed dated 09.05.2023 received on 18.11.2025
- Project Monitoring Report on 28 November 2025 prepared by Nexus RE (NRE) dated 24 November 2025
- Overview Report (25686177.2) prepared by Boodle Hatfields LLP and Addleshaw Goddard Certificate of Title, provided to us on 10 December 2025

1.27 Where requested documents or information have not been provided, we have had to rely solely upon our own enquiries as outlined in the General Scope of Work and this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this report.

2. The Property

2.1 The Property we have valued, including the inspection details, is as follows:

Property address	Inspected by	Inspection date
45, Beech Street, Barbican, London EC2Y 8AD	Ewa Scott MRICS, Registered Valuer	01 Oct 2025

Location

2.2 The subject property is located on the fringe of the City of London, with it being close to the UK financial centre and major employment hub of the capital. The building is situated on the junction between Beech Street and Bridgewater Street.

2.3 The access to the building is directly from Beech Street which at this point it is effectively un underpass running under a part of Barbican Estate.

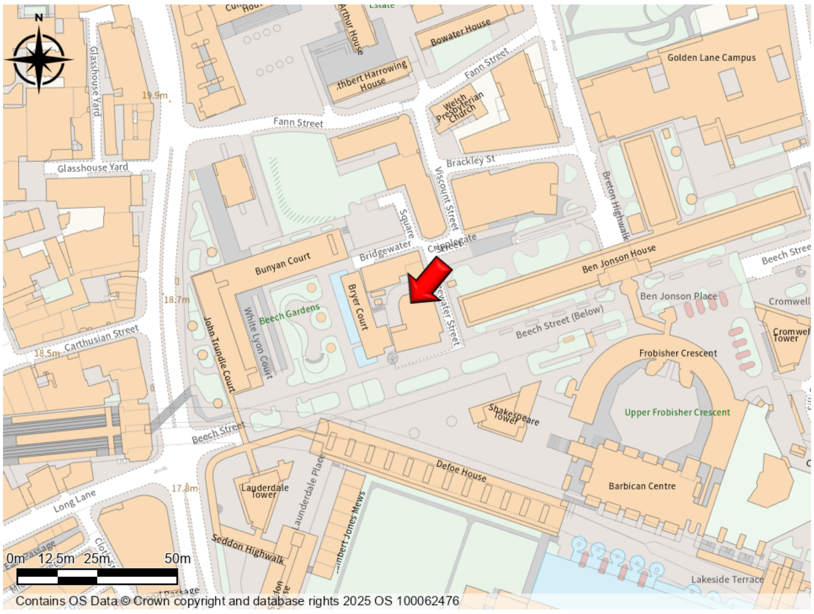
2.4 The subject property is situated is a mixed commercial and residential area. The subject property benefits from amenities such as shops on the Aldersgate Street and Long Lane.

2.5 The subject property is situated on the verge of the Barbican Estate. The Barbican block Ben Jonson House is situated east of the subject property. The Barbican block Bryer Court is situated west of the subject property.

2.6 Barbican underground station, serviced by the Metropolitan Line, the Hammersmith & City Line and the Circle Line, is situated approximately 170 metres to the west of the property and provides direct access to King's Cross (3 mins), Liverpool Street (3 mins), Baker Street (8 mins), Paddington (14 mins), Victoria (22 mins) and South Kensington (26 mins).

2.7 The street plan below shows the location of the property.

Source: Ordnance Survey



Source: Ordnance Survey

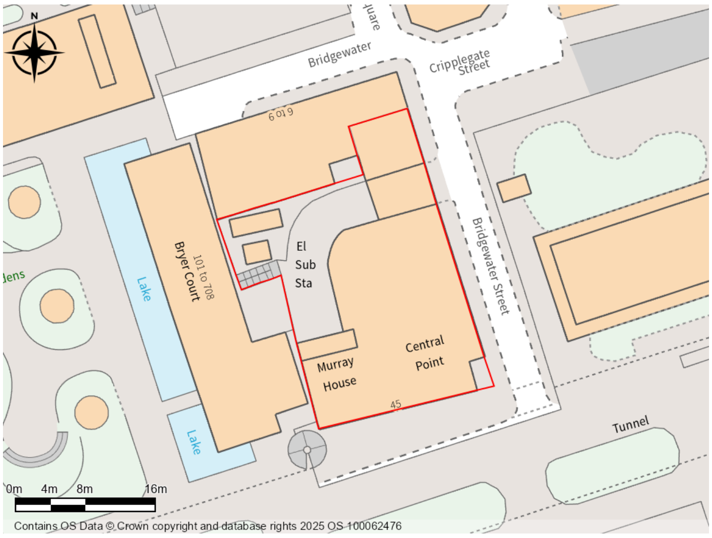
Site

Site area

2.8 The property occupies a flat site of approximately 0.105 hectares (0.258 acres).

Site plan

2.9 The property is identified on the Ordnance Survey plan below, showing our understanding of the boundary outlined in red.



Source: Ordnance Survey

Description – current building

2.10 The existing building was constructed in the 1950s, as an office block. The entrance of the building is on Beech Street. Prior to the current development, the building was used as a service office and meeting rooms.

2.11 The office space was situated on the ground to level 07 floors. The lower ground floor, which was a car park, can be accessed via ramp access directly from Bridgewater Street.

2.12 The building is of a concrete frame construction, Portland stone elevations and double glazed metal windows. The superstructure of the current building is formed of a steel frame encased in concrete. The building is currently stripped out ahead of development work.

2.13 Further photographs of the property are attached at **Appendix 4.**

Development Proposals

2.14 The proposed development includes re-purposing the existing office block into a Co-living scheme. The building will undergo a substantial development with the majority of super-structure remaining in place, but with all new services and finishes being added.

2.15 During the development, two upper floors are going to be removed and four new floors added, including two floors with vaulted roofs providing the architectural design integrity/consistency the neighbouring Barbican Estate

2.16 The proposed development is split across 11 floors (basement, ground floor, levels 01 to level 09). All the floors will be connected by three lifts.

2.17 The proposed development will include 174 co-living studios, internal amenities and a roof terrace and a courtyard on the side of the building where currently the car ramp. On the ground floor there will be a café accessible to the public.

2.18 The proposed development will include two new cores with associated lifts in a back-to-back arrangement.

Studios – residential accommodation

2.19 The studios will be situated across the first and ninth floors/levels.

2.20 The scheme will include 157 Standard units and 17 WCA accessible units.

2.21 The sizes of the Standard studios range from 16.5 sq m to 24.6 sq m (178 sq ft to 265 sq ft) / average 21.8 sq m (235 sq ft).

2.22 The sizes of the WCA accessible units range from 27.4 sq m to 35.1 sq m (295 sq ft to 378 sq ft).

2.23 The proposed development will include 11 vaulted units on level 09 and five units that will include terraces on level 08 overlooking the Barican Estate.

Specification

2.24 Based on the information provided by HUB we understand the studios will be complete to a high specification and will include:

- A double bed (with a storage underneath)
- Fitted furniture such as a wardrobe
- A Kitchenette (including a two-ring hob, combination microwave, undercounter fridge)
- A shower room

2.25 Each room will have a control over its own heating and comfort cooling/ventilation system.

2.26 There are six rooms on the first floor (01-13 to 01-18) which overlook the top of the Beech Street underpass. Whilst the outlook is less attractive, during our inspection we have not concluded that access to light is not affected for these rooms and the underpass is some distance away.

2.27 **Amenities** – the amenities will be located on the lower ground floor, ground floor and a terrace on the on the 9th floor. There will be also a courtyard area to the site of the building where the current car ramp is located, as shown below. Post development, the ramp will be no longer in use as the development will be car-free (apart from one space for Blue Badge holders).

Source: CGI provides by HUB

2.28 The basement floor will include amenities such as a gym, TV room and communal laundry facilities.

2.29 The ground floor will include a café/ lounge and co-working lounge that is publicly accessible. The ground floor will also include a residents' only co-working space, shared kitchen, lounge and multi-purpose rooms.

2.30 The proposed development will also include back of house plant rooms and ancillary spaces such as cycle (on the lower ground floor).

External elevation of the proposed scheme

Proposed Ground Floor Cafe

Proposed Studio

Proposed Residents' Lounge Area

Proposed Public Co-working area

Proposed Residents' Communal Kitchen

CGIs – Property post completion (Source: HUB)

Accommodation

Measurement

2.31 As agreed with you, we have relied upon floor areas provided to us by Allford Hall Monaghan Morris, dated 28 March 2025**.** No further verification has been undertaken. These are as follows:

Proposed Floor areas (GIA)

2.32 The Accommodation and Area Summary by Allford Hall Monaghan provides the following Gross Internal and Net Internal Areas.

Table 1: Floor Areas

45 Beech Street – Proposed Floor Areas					
Floor	**GIA (sqm)**	**GIA (sq ft)**	**NIA (sq m)**	**NIA (sq ft)**	**Room Count**
B	683.50	7,357.13	0.00	0.00	0
GF	635.30	6,838.31	0.00	0.00	0
L01	640.80	6,897.51	438.00	4,714.59	20
L02	639.10	6,879.21	436.60	4,699.52	20
L03	639.10	6,879.21	436.60	4,699.52	20
L04	639.10	6,879.21	436.60	4,699.52	20
L05	639.10	6,879.21	436.60	4,699.52	20
L06	639.10	6,879.21	440.60	4,742.57	20
L07	639.10	6,879.21	440.60	4,742.57	20
L08	584.20	6,288.27	390.70	4,205.46	18
L09	519.60	5,592.92	340.50	3,665.11	16
Total	**6,898.0**	**74,249.4**	**3,796.8**	**40,868.4**	**174**

Source: Allford Hall Monaghan Morris

2.33 Co-living Studios – Accommodation Schedule

Row Labels	Count of Unit Type	Average of Units (Sq m)	Average of Units (sq ft)	Comments
Accessible 01	9	27.72	298	
Accessible 02	8	34.83	375	
TYPE 01	61	20.55	221	
TYPE 02	47	20.79	224	
TYPE 03	14	23.88	257	
TYPE 04	2	23.30	251	
TYPE 05	9	17.77	192	
TYPE 06	7	22.33	240	
TYPE 07	7	20.06	216	
TYPE 08	1	18.20	196	Inc terrace
TYPE 09	1	17.10	184	Inc terrace
TYPE 10	4	21.15	228	Two studios inc terrace

Row Labels	Count of Unit Type	Average of Units (Sq m)	Average of Units (sq ft)	Comments
TYPE 11	2	22.25	240	One studio inc terrace
TYPE 12	1	16.50	178	
TYPE 13	1	19.60	211	
Grand Total	**174**	**21.82**	**235**	**Excl. area of the terraces**

2.34 We have also been provided with the floor areas for the amenities. The scheme will provide appropriate and varied amenities, as expected from a scheme of this quality, size and central location.

45 Beech Street – Proposed Amenities			
Level	**Room Name**	**Area (sq m)**	**Area (sq ft)**
B	Laundry	32.1	345.52
B	Gym	85.3	918.16
B	TV Room	28.0	301.39
B	Cycle Store	139.9	1,506
GF	Quiet co-working	24.1	259.41
GF	Residents lounge and co-working	98.0	1,054.86
GF	Workroom	2.5	26.91
GF	Shared kitchen and dining	88.9	956.91
GF	Café	88.0	947.22
GF	Co-working lounge and reception	66.2	712.57
GF	Workrooms	17.4	187
GF	Multi-purpose room	17.4	187.29
Total		**687.8**	**7,403**

2.35 We calculate that the total floor area of amenities per room is approximately 3.95 per sq m (42.55 per sq ft) based on the information provided.

2.36 However, given that the café and the Co-working lounge and reception are not for the sole use throughout a day for the residents, we have also calculated the area of residents' exclusive amenities per room at 3.07 per sq m (33 sq ft).

2.37 We conclude that the amenity area is in line with other high-quality schemes in London and also in line with London Plan Guidance for *Large-scale purpose-built shared living* dated February 2024.

Services

2.38 No tests have been undertaken on any of the services.

2.39 We have assumed for the purposes of this valuation that mains gas, water, electricity, drainage and telecommunications are all available to the subject property tenure.

Legal title

Sources of Information

2.1 We have been provided with an Overview report which you have commissioned prepared by Boodle Hatfield LLP and provided to us on 21 November 2025.

2.2 We confirm that the title plan represents the property we have valued.

2.3 Following the review we have concluded that nothing in the Overview report provided would lead us to change valuation reported herein.

2.4 As the Overview states, our valuation is provided on the assumption that the planning permission for the development of 174 co-living beds, and as discussed below, is in place. The Borrower will obtain insurance in favour of the Lenders against the risk of judicial review. **For confirmation - Our valuation is provided on the expressed assumption that this planning permission ref: 24/00176/FULL and an associated Section 106 Agreement (as provided to us) are in place.**

2.5 The Overview report highlights a number of material issues. Following our review, we consider that the Borrower has either indemnity insurance covering these risks or they do not effect on the valuation as reported herein.

Tenure

2.6 We are instructed to value the Freehold interest. It is our understanding that this interest is registered at the Land Registry with the title number LN132948.

Covenants

2.7 We have assumed that the property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

Tenancies

Vacant possession

2.8 We understand from our inspection and the data provided, that the property is currently vacant and not a subject to any tenancies.

2.9 When the works are completed, individual rooms will be let on ASTs of various length to individual occupiers.

2.10 We understand from Hub that the café will be operated by the owner of the scheme and no third party agreement will be put in place.

Condition

Comments

2.11 We have not undertaken a building survey of the property.

2.12 During our limited inspection for valuation purposes, we did not inspect any inaccessible areas.

2.13 The condition and state of the repair of the property at the date of our inspection needs to be viewed in the context of the proposed extensive refurbishment works. At the time of our inspection, soft stripping of the property has commenced. Apart from any matters specifically referred to below, we have assumed that it is in sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition

Ground conditions

2.14 We have not been provided with a copy of a ground condition report for the site. We have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the building to be constructed thereon.

Mining

2.15 We have not investigated ground conditions. The property is not situated in a known mining area. Unless advised to the contrary, our valuation is on the basis that there is no unidentified adverse ground, or soil conditions and that the load bearing qualities of the property are sufficient to support the buildings constructed or to be constructed thereon.

Environmental, Social and Governance (ESG) Sustainability

Sustainability

2.16 The issue of sustainability and the ESG agenda has become increasingly important to participants in the property market. There is a general expectation that buildings that minimise environmental impact through all parts of the building life cycle and focus on improved health and wellbeing for their occupiers may retain value over a longer term when compared against those that do not.

2.17 The Government has set itself a target for the UK to become carbon Net Zero by 2050, with ambitious 2030 Nationally Determined Contributions (NDCs) targets to align with the Paris Agreement temperature goal. With the built environment representing a significant proportion of total emissions, legislation around the sector is becoming increasingly stringent.

2.18 Our report provides our opinion of value at the valuation date based on our understanding of how ESG issues and related factors are being taken into account by the market at that date.

2.19 The sustainability targets of the proposed-development includes designing the scheme to be Net-Zero Carbon in operation. According to the *Design & Access Statement Report (August 2024),* the sustainability strategies of the scheme include:

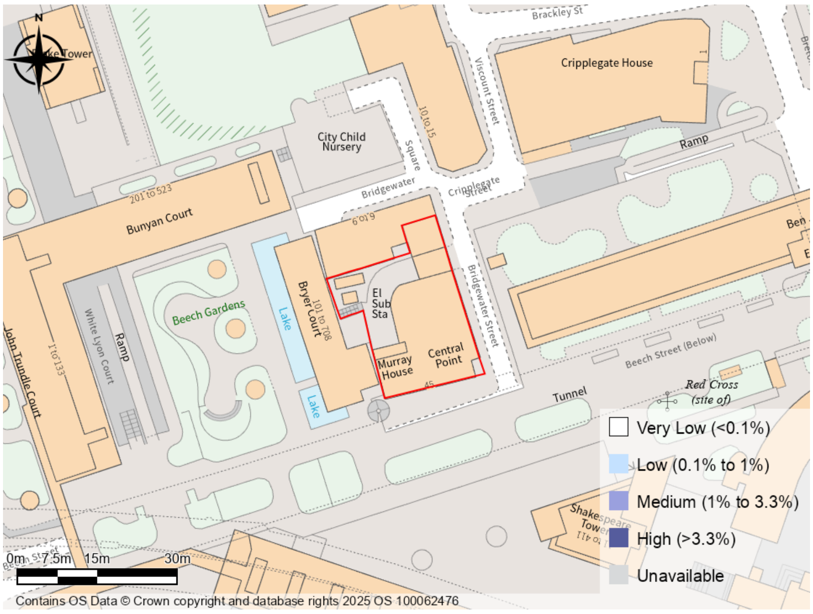
- Expected 13% reduction in regulation emissions over Part L 2021.
- A fabric first approach to minimise energy use with enhanced thermal performance and U-values.
- The design of new facades to maximise daylight and useful solar gain while mitigating overheating risk and heat loss.
- The connection to CitiGen to provide space heating, cooling and DHW.
- Installation of mechanical ventilation heat recovery.
- Installation of photovoltaic panels on the roofs to provide renewable electrical power.
- To minimise water consumption throughout a series of strategies such as for water fittings to be low flow.
- The incorporation of blue roofs to the level 01 courtyard extension roof.

- To source and use sustainable construction materials.
- The scheme will be a car free development. (one car parking space for Blue Badge holders)

Flooding

Flooding - Rivers and Sea

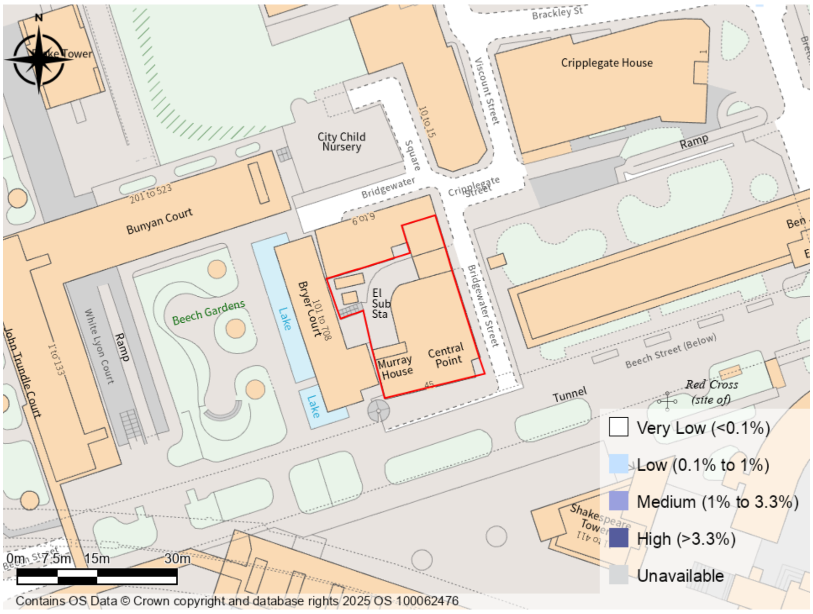
2.20 We have ascertained that the property is a Very Low flood risk from rivers and sea flooding. Very Low risk means that each year this area has a chance of flooding of less than 0.1%. This takes into account the effect of any flood defences in the area. These defences reduce but do not completely stop the chance of flooding as they can be overtopped, or fail.



Source: Ordnance Survey & Environment Agency

Flooding - Surface Water

2.21 The subject Property is at Very Low risk from surface water flooding. Very Low risk means that each year this area has a chance of flooding of less than 0.1%. Flooding from surface water is difficult to predict as rainfall location and volume are difficult to forecast. In addition, local features can greatly affect the chance and severity of flooding.



Source: Ordnance Survey & Environment Agency

Contamination

2.22 While carrying out our valuation inspection, we have not been made aware of any uses conducted at the subject property that would give cause for concern as to possible environmental contamination. Our valuation is provided on the assumption that the property is unaffected.

Energy Performance Certificates (EPCs)

2.23 Under Minimum Energy Efficiency Standards (MEES) all properties within England and Wales require an Energy Performance Certificate (EPC) when bought, sold, built, significantly altered or rented, unless they are exempt. In 2020, it became unlawful to let or continue to let a domestic property with an "F" rating or lower. Landlords may register an exemption from undertaking these improvement works on the PRS Exemptions Register; however, it will apply only to the current landlord, not to the property. There is no minimum EPC rating required for the sale of properties.

2.24 Minimum EPC ratings of "C" by 2025 for all new domestic tenancies and for all domestic tenancies by 2028 were widely anticipated to be incorporated into MEES, but the Government announced in September 2023 that this "tightening" of standards is to be delayed, as yet indefinitely. This means that properties with a D or E rating may continue to be let, with no improvement works required in the short/medium term (although this is not yet incorporated into legislation).

2.25 We have made searches of the EPC register which are set out below. This is the rating for the existing office block, prior to the development taking place.

Part of property	EPC grade	EPC date	Impact
45 Beech Street	C (58)	30 Mar 2020	Currently complies with legislation.

2.26 Post development, the scheme aims to achieve an EPC A and a BREEAM Excellent rating.

Sources of planning information

2.27 We have made online enquiries of City of London Corporation, the planning authority for the subject property.

2.28 Planning policy is contained by the City of London Local Plan which was last updated on 30 Sep 2011 and adopted on 15 Jan 2015.

Relevant planning history

2.29 Our enquiries have revealed the following relevant planning history:

Property	Reference	Date	Description
45 Beech Street London EC2Y 8AD	24/00176/FULL	N/A	Partial demolition, extension and change of use of existing office building to co-living accommodation with associated internal and external amenity spaces (sui generis) including cycle storage, landscaping, servicing and all other associated works.

2.30 According to the Certificate of Title prepared by Addleshaw & Goddard which was provided to us by Boodle Hatfield LLP on 10 December 2025 states that the planning permission was granted on 8 December 2025.

2.31 The planning permission is subject planning conditions and Section 106 Agreement, as discussed below.

Planning restrictions

2.32 The property is located on the verge, but not within, of the “Barbican and Golden Lane” Conservation Area.

2.33 The Property does not comprise any Listed Buildings.

Section 106 Agreement

2.34 We have been provided with a summary of Section 106 Agreement in the Overview Report received on 10 December 2025.

2.35 We understand that the Section 106 Agreement requires, amongst other provisions, that:

- ground floor café and Co-working Lounge to be opened to the public during access hours (Co-working lounge is subject to a membership fee) from 7.00am to 5pm.
- maximum 60 people at one time to be on the terrace which has limited opening hours between 7.00am – 9pm

2.36 An Early Stage Review process will be triggered if Structural Demolition has not begun within 30 months of the date of the New Consent (excluding the date of grant), which may have the effect of increasing the Affordable Housing Contribution. If an Early Stage Review is triggered, the development cannot be beneficially occupied until the review process has been agreed, and any additional contribution paid. **We have made an expressed assumption that the Early Stage Review will not be triggered. We**

have not included any additional affordable housing payment related to the ESR in our valuation.

2.37 We have reviewed the Section 106 Agreement and consider that they do not have material effect on the valuation and are not onerous in nature.

2.38 The financial contributions required, as in the table below, have been reflected in calculating of Market Value (site value).

Item	Costs
Affordable Housing Contribution (PIL)	£8,936,096
Affordable Housing Monitoring Costs Contribution	£85,106
Annual Construction Monitoring Contribution	£25,760 (per annum)
Carbon Off-set Contribution	£125,918
Evaluation and Design Fee Payment	£50,000
First Annual Construction Monitoring Contribution	£30,935
Local Training Skills and Job Brokerage Contribution	£8,337
Monitoring Costs Contribution	£3,084
City Corporation's Administration Costs	£8,000
Total	**£9,273,236**

Highways

2.39 We have not endeavoured to make verbal enquiries of City of London Corporation (the "Highways Authority").

2.40 We have assumed that there are no current highway proposals in the immediate vicinity likely to have a detrimental effect upon the property within the foreseeable future.

Access

2.41 In reporting our opinion of value, we have assumed that there are no third party interests between the boundary of the subject property and the adopted highways and that accordingly the property has unfettered vehicular and pedestrian access.

2.42 It is noted that access to the property from the highway is currently via a right of way over a private roadway which is owned by a third party. We have assumed for the purposes of this report that the proposed scheme can fully benefit from this right of way and that there are no issues in relation to intensification and change of use. We would however strongly recommend that your legal advisers are asked to confirm the position.

Statutory licences & certificates

Health & safety

2.43 The letting of residential property, requires compliance with strict health and safety standards by both owners and managers. The failure to comply can lead to civil and even criminal prosecutions. The requirements placed on the owners of let residential property include, but are not limited to: -

- Furniture & Furnishings (Fire) (Safety) Regulations 1988
- Gas Safety (Installation and Use) Regulations 1998
- Electrical Equipment (Safety) Regulations 1994
- Housing Fitness Standards
- Housing Health & Safety Rating System under the Housing Act 2004.
- The Smoke and Carbon Monoxide (England) Regulations 2015 and equivalent regulations in Scotland and Wales.

2.44 We have assumed in our valuation that all regulations have been complied with.

2.45 We would recommend that you seek an assurance that all relevant regulations are complied with and that an appropriate system is in place to ensure timely renewal of gas safety and other certificates.

Fire safety

2.46 It is a requirement for a fire safety risk assessment to be carried out and for a fire management plan to be maintained. We have not viewed any such documents relating to the property and have assumed for the purposes of out valuation that the relevant requirements have been fully complied with.

2.47 The subject development will also include sprinklers throughout the building.

Building Safety Act – General

2.48 The Building Safety Act (BSA) was fully implemented from October 2023. It introduces a new framework for higher-risk buildings (HRBs) in design and construction, relating to fire and structural safety.

2.49 Higher risk buildings are defined as high-rise residential buildings, care homes and hospitals which are 18 metres or more in height, or at least seven storeys.

2.50 We note that the Property, once complete, will be over 18 meters in height. Based on the *Fire Safety Strategy* document by Artec Fire Ltd, which was provided by HUB, we understand that the height of the building post-completion is 27.92 metres high from the ground level and 31.08 metres high from the ground level on the lowest side of the building level.

2.51 All new high-rise buildings in England will require building control approval from the Building Safety Regulator (BSR) and will have to follow the new Gateway Process for development. All existing buildings which fall under the definition of HRB need to be registered pre-occupation in order to be lawfully occupied.

Building Safety Act – The Three Gateways

2.52 As part of the BSA, the Health and Safety Executive (HSE) is establishing the new Building Safety Regulator (BSR) who, as of October 2023, became the Building Control Authority for HRBs. As part of the new regulatory regime around HRBs, there is a more rigorous building control approval process. This now comprises 3 stages, known as Gateways 1, 2 & 3.

- Gateway 1 is at the planning stage, whereby local authorities must now seek advice from HSE as a statutory consultee for planning decisions in relation to HSBs.
- Gateway 2 is at the building control application stage where plans need to be provided to explain exactly how compliance with the functional requirements of the building regulations will be met. Developers cannot progress with construction until the BSR is satisfied that the design meets the requirements of the building regulations.

- Gateway 3 need to be passed at practical completion, before completion certification can be issued and occupation can occur. The “Golden Thread” of building information is provided to the BSR and completion certificates will only be issued once the BSR is satisfied they have all the required information.

2.53 Gateways 2 & 3 are both “hold points” and therefore if there are any delays in providing the information, or in the BSR providing a decision, there is the potential for delays in the construction timelines. We have assumed that the Developer has had consideration of this within their project timescales provided to us.

Building Safety Act – Golden Thread

2.54 The Golden Thread is a clear and complete record keeping system to track all aspects of a building’s design, construction and maintenance throughout its life cycle. This must be accurate, understandable and easily accessible. It includes information about materials used, design decisions and modifications made over time. Part 5 of the Building (Higher-Risk Buildings) (England) Regulations (2022) sets out details of Golden Thread information and confirms it is the responsibility of the Developer working with the duty holders under the Building Safety Act to ensure correct systems are in place.

2.55 We have assumed that the Developer is adequately documenting the relevant items under the Golden Thread of information.

Building Safety Act – After Practical Completion

2.56 Upon completion of a property, the following steps must be taken and are the responsibility of the Accountable Person or Principal Accountable Person:

- The Property must be registered with the Building Safety Regulator (BSR).
- A completion certificate must be obtained from the BSR, ahead of occupation
- Obtaining a Building Assessment Certificate from the BSR and displaying it prominently within the Property.
- Assessing and managing any building safety risks and taking all reasonable steps to avoid any risks.
- Maintaining communication relating to key safety information with the BSR, residents, accountable persons and others throughout the life cycle of the building, including implementing a residents engagement strategy.

<u>Building Safety Act – implication for the development programme and the development post completion</u>

2.57 Prior to works commencing, a key requirement will be obtaining **Gateway 2 approval**. As Gateway 2 is a mandatory checkpoint before beginning construction on higher-risk buildings can commence, we have assumed that the building will obtain Gateway 2 approval prior to works commencing in September 2026.

2.58 We understand that the Gateway 2 submission will be made in March 2026. The Developer assumes that the construction works will commence on site in September 2026 with enabling works starting in May/June 2026. Please note that any delays in obtaining Gateway 2 approval could potentially delay the start of the construction works and affect the development programme.

2.59 Post-development, another key requirement will be to obtain **Gateway 3 approval**. We have assumed for the purposes of the valuation that the building will be registered with the Building Safety Regulator following completion in September 2028. We highlight that the building cannot be legally occupied or registered prior to Gateway 3 approval. Without the Gateway 3 approval, we highlight the potential increased void period as the units cannot be occupied. Based on the programme provided Gateway 3 approval will be applied for mid-June 2028 and 8 weeks is allowed in the provided development programme to obtain it.

Access for disabled persons

2.60 Disability discrimination legislation provides that the majority of organisations must make provision for disabled persons to have access to the goods and services they provide. This may require an access audit of the property to be undertaken and for specific arrangements relating to physical aspects of the building. We have not been provided with any information in this respect and our valuation has been undertaken on the assumption that the property is either fully compliant or capable of being made fully compliant at no significant additional cost with all relevant disability access requirements.

3. Building reinstatement cost guidance

Building reinstatement cost guidance

Purpose, scope & reliance

3.1 You have requested that we provide you with an indication of the current likely reinstatement cost of the existing building for insurance purposes. We do not hold ourselves out to be construction cost advisers and a formal estimate can only be given by a specialist construction cost consultant. We would emphasise that this figure is for guidance only, to assist you in your assessment of the adequacy of the existing cover. Our reinstatement assessment should be compared with the existing cover and if there is a material difference you should consider commissioning a building reinstatement assessment from a suitably qualified specialist.

Items included

3.2 Our estimate is inclusive of demolition costs, site clearance costs and professional fees.

Items excluded

3.3 Our estimate excludes VAT, loss of rent, the cost of alternative accommodation for the reinstatement period and any allowance for inflation. The addition of VAT and an allowance for inflation should be discussed with insurers. Our estimate also excludes furniture and other contents, process plant or machinery or trade fixtures and fittings and any consequential loss.

Reinstatement guidance

3.4 We estimate that the subject property has a current reinstatement cost, post development as a Co-living scheme, for insurance purposes, in the order of £41,200,000. We emphasise that this figure should be used for general guidance only.

3.5 The insurance for the building is assumed to be under a block policy with the premium apportioned accordingly between the individual units as part of the service charge. It is obviously essential for the building as a whole to be properly insured in order to make certain that any damaged area is capable of reinstatement in the event of an insured peril. This figure should be index linked to the current cost of rebuilding.

3.6 Formal assessments of reinstatement, particularly on buildings of this individual nature are normally undertaken by a qualified quantity surveyor or equivalent expert following inspection of the entire building. It is not therefore considered appropriate within a report of this type to estimate the figure for the Listed / period nature / unusual design / specialist nature.

4. Market Commentary

UK residential market commentary

4.1 A copy of the UK BTR Market Update as at Q3 2025, prepared by Knight Frank LLP, is attached at Appendix 3.

4.2 It should be appreciated that this report is published for general information only and while rigorous research has been used in preparing this analysis, the views and projections provided in the report should not form the basis of any formal decision. Being a general report, the material does not necessarily represent the view of Knight Frank LLP in relation to specific properties or projects and no responsibility can be accepted by Knight Frank LLP resulting from the content of the document.

Source of information

4.3 Our market analysis has been undertaken using market knowledge within Knight Frank LLP, enquiries of other agents, searches of property databases, as appropriate and any information provided to us.

BTR Market Update

4.4 Rental market conditions are starting to normalise after a frantic few years characterised by many renters chasing too few homes, which supported strong rental growth. Asking rents have risen by 30% since 2020, according to our UK BTR Rental Index.

4.5 Supply and demand are coming back into balance, with the number of homes listed for rent steadily recovering year-on-year in many locations. In part, this has been supported by growth in BTR supply but also through increased churn in the rental market as first-time buyer numbers slowly increase. However, while there has been a short-term recovery in available supply, the unaffordability of home ownership and expected population growth among 20 to 44-year-olds sitting above long-term averages will keep rental demand for apartments and houses above pre-pandemic levels. In addition, private landlords continue to leave the market due to tax and regulations burden.

4.6 Rental inflation remains on track to be 4.0% over 2025, according to Knight Frank forecasts, with an expectation rents across the private rental sector will grow by 18.8% on average over the next five years. An imbalance between supply and demand – likely to deepen considering upcoming policy changes – will be the driving force behind upwards pressure on rents over that time, albeit affordability will act as a moderating force on growth.

4.7 Rental inflation tends to be anchored by wage growth and, while the recent weakness in the labour market should soon weigh more heavily on pay growth, wages are still expected to average 3.4% in 2026 and 2027, according to Capital Economics.

London Rental Market Update

4.8 More private, smaller scale landlords are exploring a sale due to the tougher regulatory environment. In addition to the prospect of stricter energy efficiency rules, the forthcoming Renters' Rights Bill could make it more onerous to regain possession of a property and raises the risk of void periods.

4.9 As more landlords attempt to sell, the result is fewer new properties available to let.

4.10 Average rents in Prime Central London increased by 0.6% in the year to September 2025. In Prime Outer London (POL) markets this figure was 2.1% from 1% over the same period in 2024. The increase is mainly the result of tighter supply as the result of more private landlord exiting the market.

4.11 A number of lettings listed in POL in the year to August was 3% lower than the previous 12 month period, based on Rightmove data.

4.12 Knight Frank's residential rental forecast as at September 2025 is in the table below:

Rental Market Forecast, September 2025

2025 - 2029

Location	2025	2026	2027	2028	2029	5 year Cumulative	5 year CAGR
UK	4.0%	3.5%	3.5%	3.0%	3.5%	18.8%	3.5%
Greater London	3.5%	3.0%	3.0%	3.0%	3.5%	17.1%	3.2%
PCL	3.0%	4.0%	4.0%	4.0%	4.5%	21.1%	3.9%
POL	3.0%	4.0%	4.0%	4.0%	4.5%	21.1%	3.9%

Source: Knight Frank Research (Sept 2025)

4.13 Knight Frank's official forecasts represent our view on how the rental market is likely to perform over the next five years and are derived from a combination of econometric modelling and market knowledge. Our model takes into account past changes and trends, as well as detailed economic forecasts relevant to the rental market from Oxford Economics and other organisations. The economic assumptions relied upon in our models are subject to change.

Co-living Market Commentary

Background

4.14 Co-living is a contemporary living solution which combines elements of traditional house-shares with additional amenities, such as a gym, co-working, media and games rooms. Co-living offers a more affordable and flexible rental housing alternative for people are willing to compromise on the size of their private space for access to better amenities and central, well-connected locations.

4.15 This way of living caters mainly for younger single adults who are at the beginning of their careers looking for cost-effective, well located, high-quality accommodation which offers flexibility of tenancy length and convenience of professional management and all-inclusive rent.

4.16 In addition, Co-living schemes offer community, which could increase psychological well-being, which is especially valued by people starting their lives and careers in a new city or town.

4.17 Although co-living is still considered to be a nascent residential sector, it has come to prominence over the last five years through a combination of many factors including shortage of options for single sharers, increased cost of independent housing through strong rental growth and high utility cost, drive for urban living, and demand for more flexible lifestyles not depending upon long-term contracts offered by other subsectors of residential landlords, for example multifamily BTR schemes or private landlord within the PRS sector.

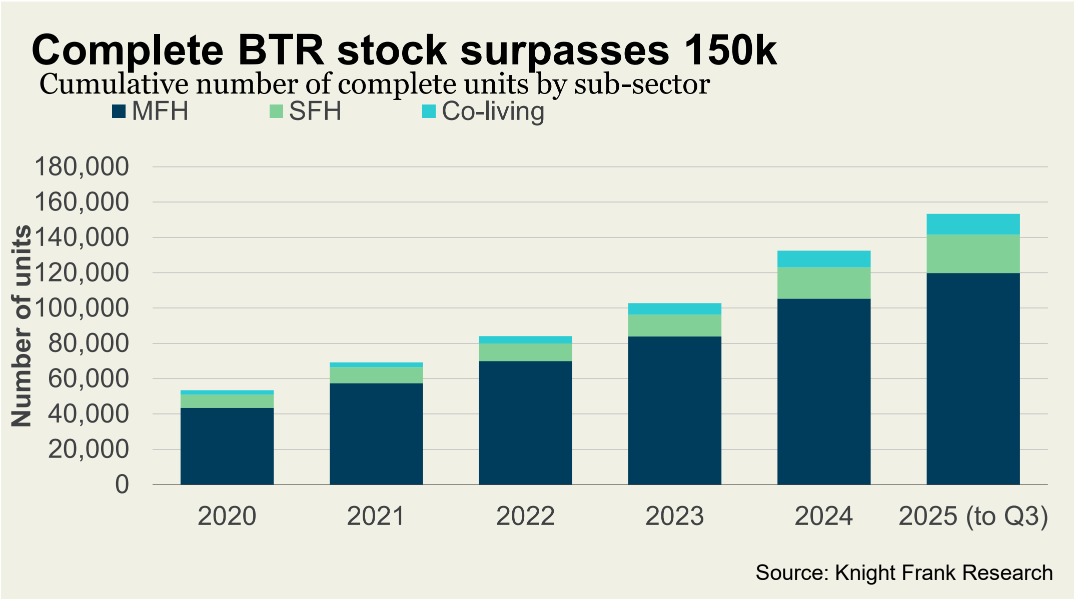
4.18 The Build to Rent 2025 which was published by HomeViews and Rightmove, co-living was highest rated by the tenants in term of satisfaction sub-sector of BTR.

Co-living Supply

4.19 Please see attached at Appendix 3 a Co-living Market Commentary as at Q2 2025.

4.20 Below we provide more general comments on the Co-living market.

4.21 We estimate that there are currently over 11,500 Co-living operational beds in the UK (including delivered under Sui Generis, C1 and C3 use class). The speed of delivery has been increasing annually; in 2023 c. 2,500 beds were completed and in 2024 over 3,300 beds were delivered, mainly in London and Manchester. It is estimated that further c3,000 co-living units will be completed in 2025.



Source: Knight Frank Research (Q3 2025)

4.22 As in the case of the Multifamily residential sector, London has led the way. Currently, c.55% of this stock is in London (c. 6,200 beds). This is underpinned by a large renter pool, decreasing PRS stock, high graduate retention rate and large international population. Further, London Plan 2021 and Guidance Note (February 2024) provided more clarity on the planning for co-living in the capital. Based on our date 13 out of 33 London boroughs have an operational scheme within their boundaries.

4.23 The second largest Co-living market is in Manchester where there are nearly 2,900 beds in three schemes and 585 units are opening in the Summer 2025 within Square Gardens (Block D / Fernley) delivered by Downing Living.

4.24 There is a large development pipeline (under construction or with planning consent in place). It is estimated that over 50 co-living schemes (c16,000 beds) have currently planning consent in place and further 7,000 beds are waiting for planning consent.

4.25 2024 was a record year for both applications (c 9,000 units) and permissions (6,200 units). Approximately 60% of permitted units are in London. Apart from London, the largest pipeline is again in the North West (Manchester/Salford and Liverpool).

4.26 Currently operational Co-living stock represents approximately 7% of the operational BTR stock and 9% of the BTR pipeline. In terms of penetration of the rental market, in the UK the Co-living operational beds reflect only around 0.5% of the total PRS market.

4.27 There are over 25 of Co-living operators at present. The largest operator is Downing Living with nearly 1,900 co-living operational beds. However, these are all located in Manchester.

4.28 In terms of London the operator below have currently operational platform and are in the process of further development.

4.29 **DANDI Portfolio** - Currently there are five schemes operated under Living by Dandi brand, totalling nearly 1,000 co-living operational units.

The most notable development in a pipeline is the former Kodak factory building in Harrow where a planning permission was granted for 232 co-living units in April 2025.

All the schemes are design-led and provide high-quality amenities as well as flexible and highly designed residential units. Bedrooms include loft beds and other bespoke space saving solutions. Interior design is done in-house and furniture produced in Dandi's own manufacturing facilities in London.

The rents under Dandi's operational model do not include utilities and council tax which are paid by residents, although Wi-Fi and a fortnightly cleaning are included in the rents. Tenancies are predominately offered on 12-month terms.

4.30 **Ark Living** - Two assets in this portfolio (totalling over 1,000 beds) are owned by Crosstree Real Estate Partners. These are ARK Canary Wharf and ARK Wembley. Both assets were delivered under C1 Use Class and offer long and short stays. However, in Q2/Q3 2025 a planning use class for ARK Canary Wharf was changed to Sui Generis but with a flexibility for up to 30% of rooms to be let on short terms (below 90 days). Portfolio is operated by Verve Life which is a leading third-party Co-living operator.

4.31 **Outpost Management** - The portfolio currently comprises two operational co-living assets, totalling 1,269 beds, in Croydon and North Acton. The second scheme, Enclave Acton, became operational in October 2025.

Both schemes are of modular construction and were delivered via a forward funding route agreed with Tide Developments.

4.32 **Urban Bubble (Folk Portfolio)** - The portfolio comprises currently three operational assets (807 beds) and one under development within the Brent Cross regeneration area (300 beds). DTZ Investors COLIV fund is currently the only specialist Co-living fund in the UK.

All the schemes have been delivered under Sui Generis Use Class planning consents and have been ground-up developments.

All three operational Folk's schemes have been delivered to a high specification and have set the precedent for second generation institutional grade Co-living in London

4.33 **Mason & Fifth** – currently operate three assets totalling c 450 beds. In June/July 2025 Mason & Fifth opened Westbourne Park (London W9) providing 332 beds and fully let within 12 weeks, as discussed in this report.

4.34 In addition, **True North Management (TNM)** is building their platform delivered mainly under C1 or C3 use class. Currently, TNM has one operational asset (c80 beds), Holme Wimbledon Park, but a very substantial development pipeline. TNM is in JV with Swiss Life.

Co-living Use Class

4.35 The London Plan (adopted in 2021) provides strategic framework for Co-living in London under the Policy H16 Large-scale Purpose-built Shared Living. The policy states that the schemes are to be delivered under Sui Generis planning use and provide minimum tenancy length of three month.

4.1 There are a number of operational differences between Co-living schemes delivered under Sui Generis and C1 use class including length of stays, level of service provided to residents, VAT treatment of rents and opex.

4.2 Currently, we calculate that c70% of Co-living stock has been delivered under Sui Generis use class (not C1 or C3) and this is the more established use class for Co-living.

Co-living pipeline in the City of London

4.3 For the purpose of this report, we have analysed the current supply and pipeline of Co-living within the London Borough of Tower Hamlets (LBTH) as well as other boroughs located close to the property (City of London, LB Islington, Tower Hamlets, and Southwark). Whilst there are currently no operational Co-living schemes in the City of London, there is a large development pipeline (excluding the subject), as follows.

Scheme Name	Status	Total units
City of London		
Cornerstone, Beech Street	Planning Granted	174
Assemblies	Planning Granted	277
68 Lombard Street	Planning Granted	178
5-10 Great Tower Street	Pre-planning	NKN
Total		**629**
LB of Tower Hamlets		
5-6 The Oval (Bethnal Green)	Pre-planning	240
35a Commercial Road	Pre-planning	115
Mastmaker Court	Pre-planning	900
56-58 Marsh Wall	Planning Granted	795
Fleet Street Hill (Pedley Street, Spitalfields)	Planning Granted	220
34-38 Wallis Road, Hackney Wick	Planning Granted	212
Northern & Shell Tower	Complete	209
Sailmakers Yard	Complete	134
ARK Canary Wharf	Complete	705
G1 & G5 Wood Wharf	Complete	297
Total		**3,827**
LB of Southwark		
Elephant Park Plot H1	Pre-planning (outline planning in place)	678
Guildmore Southwark Co-living	Pre-planning	200
Thames Road Quarter	Pre-planning	359

Scheme Name	Status	Total units
Bermondsey Reach - (79-161 Ilderton Road)	Planning Granted	865
18 - 22 Penarth Street	Planning Granted	283
SoCo Canada Water	Planning Granted	216
Canada Water Co-living	On site	135
The Italian Building	Complete	28
Total		**2,526**
LB of Hackney		
Finsgate House	Pre-planning	448
115-119 Wallis Road, Hackney Wick	Planning Granted	339
The Kline	Under Construction	150
Gravity Finsbury Park	Complete	34
Total		**971**

4.4 HUB has currently c2,000 Co-living beds in their development pipeline. Apart from the subject, a number of the schemes are located in City of London and the neighbouring boroughs as listed below:

- **The Assemblies, 150 Minories, London EC3N** – a development of an office building. A planning permission was granted for 277 Co-living beds. This scheme has been developed by HUB and Bridge Fund Management. The project is due to go on site beginning 2026. In comparison, Cornerstone is more centrally located and with better transport access.
- **Finsgate House, Old Street, Shoreditch** –The scheme which is planned to be delivered as a 35-storey tower will replace the current 1980s office block. This scheme is currently being developed by HUB and HIG Capital. This scheme is currently in the pre-planning phase.
- **42 Southwark Bridge Road** - acquired for Co-living development. Pre-planning stage.

Demand for Co-living

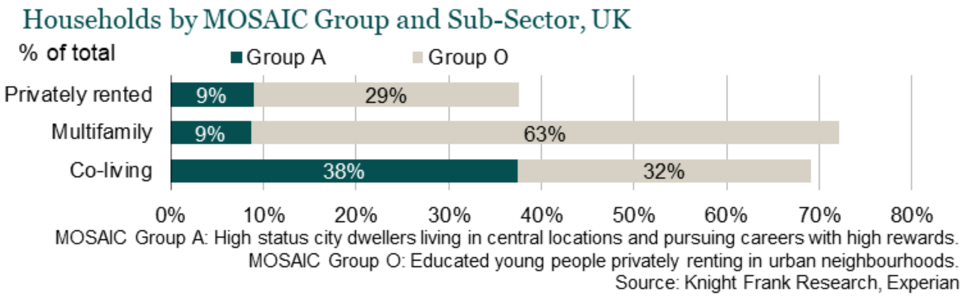
4.5 A detailed analysis of demand for the property is outside the scope of this report.

4.6 Below we provide high-level comments on the demand for Co-living in general and the subject.

4.7 Evidence from operational co-living schemes across the UK demonstrates that co-living homes appeal to a wide and diverse tenant base.

4.8 Knight Frank have taken Experian MOSAIC data and matched it with our proprietary Knight Frank BTR database to isolate households living in BTR and co-living properties across the UK. This allows us to analyse the demographics of tenants in BTR and co-living schemes as distinct from the wider PRS. This bespoke methodology results in a sample size of circa 74,000 BTR households in the UK, including over 3,700 households living in co-living schemes.

4.9 MOSAIC is a consumer classification system that segments the population of the UK into 15 groups and 66 types, which estimate the nature of the households as well as their income and property wealth. The key demand groups for Co-living accommodation are normally MOSAIC Group A City Prosperity and Group O Rental Hubs.

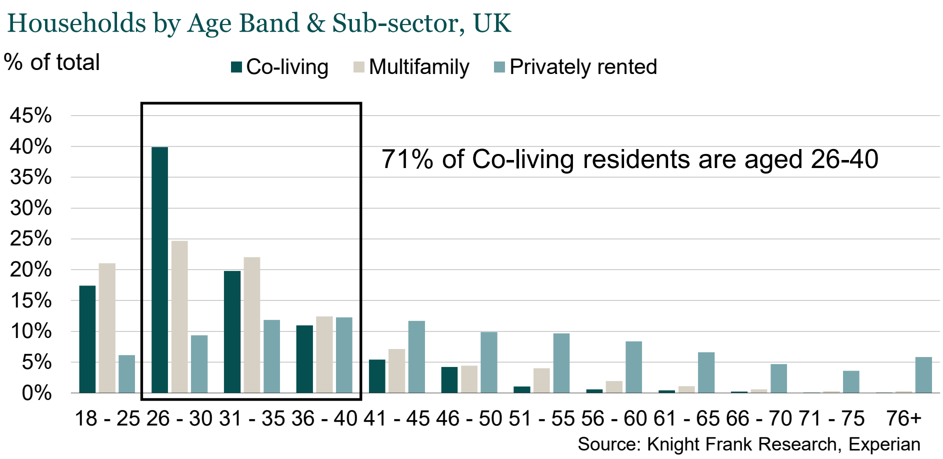


4.10 Across the UK, 69% of Co-living tenants are classified as MOSAIC Group A City Prosperity and Group O Rental Hubs. This compares to only 38% of households in the wider PRS.

4.11 The most common MOSAIC Type for residents in Co-living schemes in the UK is A04 Metro High-Flyers, accounting for 29% of the total. These are typically career-minded 20 and 30-somethings renting apartments in highly commutable areas of major cities.

4.12 71% of tenants who live in Co-living schemes across the UK are aged between 26 and 40, with the largest proportion aged between 26 and 30 (40%), followed by those aged between 31-35 (20%). The data suggests that the Co-living sector is meeting the housing needs of a wide demographic, beyond just the students and post-graduates who made up most of the residents in earlier schemes. That said, students and recent graduates remain and important indicator of future Co-living demand.

4.13 Based on information available for the operational assets in London, a proportion of students varies between 5% - 25% depending on the operational model adopted, marketing and location.



4.14 As a whole, there are 1,145,000 renters aged 26-45 in London. This represents 60% of the renting population. According to Experian data 34% of this population (equating to 394,000 people) earn over £50,000 per annum, which is a good level of income to afford a co-living studio.

4.15 When compared on the like-for-like basis (i.e. reflecting all-inclusive rents and access to amenities including gyms) Co-living provides a single renter a more affordable product, in comparison with renting a studio or one bedroom flat within a BTR sector. Affordability is one of the key challenges facing the UK housing market, especially in London where according to HomeLets as at 2023 average rent (excluding utilities and other bills) reflected 37% of the average gross income.

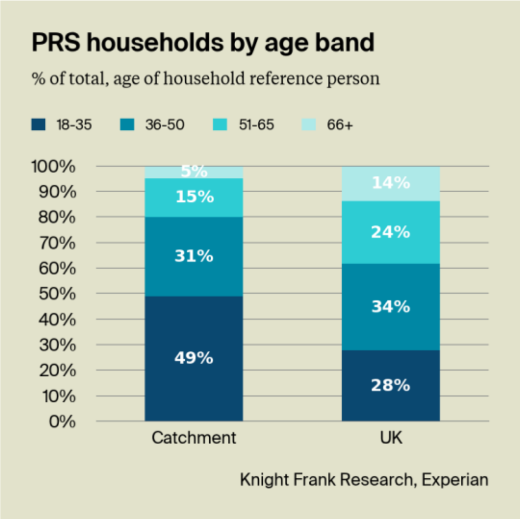
4.16 This actual occupational data corresponds with the Knight Frank quoted above in terms of age brackets and also earnings of the Co-living residents.

Demand - Analysis of PRS Catchment Market

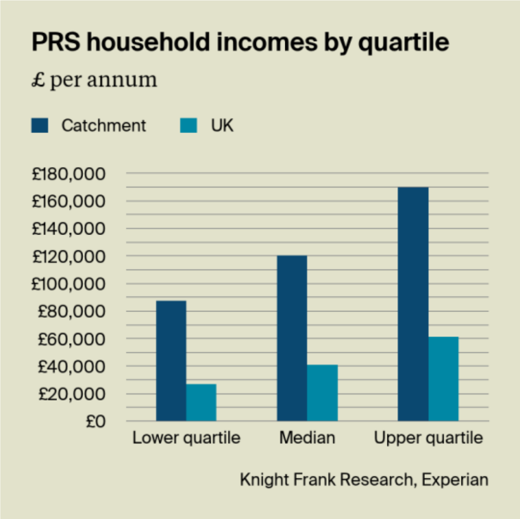
4.17 We have run an analysis of the PRS Catchment Market within 0.5 miles radius from the property (postcode EC2Y 8AD) which provides the following statistic for this catchment area. We attach a copy of this report in Appendix 3.

4.18 The area includes 13,106 household, including 5,859 PRS households (45%). This percentage is significantly higher than the average for the UK.

4.19 In terms of age of these PRS households 49% of these households are within age 18-35 years (which is the age range of the co-living population) in comparison with 28% for the UK.



4.20 Further analysis shows that PRS household income in the catchment area is above the average across the UK. This shows that the area within 0.5 miles of the subject is a wealthy area of London.



4.21 In terms of asking rents, the rental change over the last 12 months was at 2.3% (and 7.5% rental change over 5 years compounder annual rental growth).

BTR Occupational Market

4.22 In terms of MTR Multifamily stock, within 0.5-mile radius from the property there are 0 units completed (including the subject), 0 under construction and 174 with planning in place (the subject property).

Status	# Units	# Schemes
Complete	0	0
Under Construction	0	0
Planning Granted	174	1
Total	174	1

PBSA Market Commentary

4.23 There are 457,039 full-time students in London (HESA data 2023/24) studying in 42 Higher Education Institutions (HEI). London experienced 34% growth in student numbers since 2019/2020. 39% of the London student population are international. It is more likely for international students to live in PBSA.

4.24 Despite London having an estimated 93,512 PBSA beds (both associated with universities and private PBSA schemes), London has an on-going supply and demand imbalance. Knight Frank estimates that c 59% of full-time students cannot access a PBSA bed in London, should they wish to.

4.25 This imbalance between demand and supply and generally strong rental growth in a residential market in London resulted in 10.3% rental growth for PBSA in London for the 2024/2025 academic year, compared with 7.8% for the UK in general.

4.26 Increasingly, Co-living, offer a viable option for students who form an important demand pool for Co-living, although the exact numbers of student residents in Co-living schemes depends on the location and operational model.

4.27 We also consider that demand for Co-living from students might increase after the Renters' Rights Bill become statute as the sector will offer great flexibility of terms. As currently proposed, the PBSA sector is excluded from the Bill and as such would not offer ability to break lease at 2 months' notice.

5. Comparable Evidence

5.1 In order to benchmark the market rents for the scheme, we had reference to the Co-living sector schemes in London as well as other residential sub-sectors including Multifamily and PRS. We have also researched the rents in the PBSA sector as students are one of the demand pools for Co-living. As discussed below, there is a limited BTR stock within 0.5 mile of the property as the area is predominantly commercial.

Co-living Comparable Rental Evidence

5.2 Below we provide Co-living rental comparison from other Co-living scheme delivered under Sui Generis planning use class which offer tenancies with a minimum term of three months. In majority of cases, operators charge premiums for tenancies taken on periods shorter than 10-12 months.

5.3 However, it must be noted that Sui Generis properties where majority of tenancies are granted on ASTs, which will be subject to The Renters' Rights Bill, are now underwritten using 12-month baseline income. This is because the tenants will be able to exercise break at 2 months' notice at any time of their tenancy.

5.4 The rents below are on-all inclusive basis, unless otherwise stated. It is proposed that the rents at Cornerstone will charges on all-inclusive basis.

5.5 As a general comment regarding the comparable schemes below; none of them are located in Zone 1 within the financial heart of London which is an important employment hub. Therefore, we consider the location of the subject to be superior in comparison with the schemes listed below which are located within more residential/suburban areas of Greater London.

5.6 Regarding occupancy of the below schemes, we are aware that generally Co-living schemes are letting well post development and remain well let during their operation, subject to some seasonal fluctuations. We are aware that with more experience in the Co-living sector, the operators now actively manage lengths of terms to achieve consistently strong occupancy within a year, without pronounced seasonal fluctuations.

Mason & Fifth Westbourne Park, 11 Woodfield Road, London W9 2BA

Total units:	332
Investor & Operator:	Cheyne Capital / Mason & Fifth
Development type:	Co-living **(Use Class: C1 (Hotel))**
Floors:	10
Year of completion:	Q2 2025
Specification:	High
Location:	Westbourne Park (Tfl Zone 2, PTAL 4)
Amenity provision:	Resident's lounges, listening lounge, communal kitchen, wellness studio inc gym,

swimming pool and sauna; cinema, co-working, roof terraces, games room, laundry.

Ground up development. High specification of rooms and amenities. BREEAM rated.

A percentage of rooms is offered on short terms. Rents are on all-inclusive basis (including laundry) and weekly cleaning (both for short & long stay room). No charge for double occupancy.

All studios are private.

The scheme is located 5-min walk from Westbourne Park tube station (Circle Line and Hammersmith & City Line), 15-min from Portobello Road Market and on a verge of Notting Hill. The property is adjacent to the Ground Union Canal.

The scheme showed strong velocity of lettings, and it is close to being fully let within 12 weeks of formally launching.

We are aware of the following recent pricing:

Long Stay Rental Pricing

Unit type	**£pcm for 12-month stay from / per week (prices quoted are from)**
Classic Studios (17 sq m / £183 sq ft) 12 months	£2,295 pcm / £529 pw * / £150 psf
Classic Plus / Accessible	£2,595 pcm / £599 pw*
Classic Biggie (23 sqm / 248 sq ft) 12 months	£2,895 pcm / £668 pw* / £140 psf
Best in House (23-27 sq m) (12 months terms)	£3,195 pcm / £737 pw*

* Rents are all inclusive and include utilities, local taxation, access to the wellness studio and laundry

Mason & Fifth Bermondsey, The Italian Building, 41 Dockhead, London SE1 2BS

Total units:	28
Investor / Operator:	Mason & Fifth
Development type:	Co-Living – **C3 use class**
Floors:	5
Year of completion:	Period conversion opened 2019
Specification:	High
Location:	Bermondsey
Amenity provision:	Shared living room, communal courtyard, communal kitchen / bar area, and workspace areas

Mason & Fifth is a boutique co-living development located in Bermondsey. We consider this to be a prime location, being c. 9 minutes' walk from Tower Bridge in the attractive Shad Thames area.

Tenancies are available on short term and longer stay basis. Prices include all utilities (water, gas, electricity, internet), as well as resident events, laundry and housekeeping being included.

The scheme has been built to a high specification, with kitchenettes including Smeg appliances and en-suite bathrooms including rainfall showers.

Mason & Fifth is located c. 9 minutes' walk from Bermondsey station on the Jubilee line, as well as a 15 minute walk to London Bridge station.

We are aware of the following recent pricing:

Long Stay Pricing

Unit type (average size)	**£pcm for 12-month stay / per week (prices quoted are from)**
Classic	c. £1,925 pcm / £444 pw
Classic Plus	c. £2,350 pcm / £542 pw
Mezzanine	c. £2,425 pcm / £560 pw
Mezzanine Plus	c. £2,500 pcm / £542 pw

* Rents inclusive of utilities, Wi-Fi, and council tax

Folk at Sunday Mills, 21 Trewint St, London SW18 4HA

Total units:	315
Investor / Operator:	DTZ (COLIV) & Urban Bubble
Development type:	Co-living **(Sui Generis planning use)**
Floors:	8 floors
Year of completion:	Q3 2022
Specification:	High specification
Location:	Earlsfield (TfL Zone 3)
Amenity provision:	Communal kitchen & dining, Roof terrace, Co-working, BBQ areas, multi-use lobby, Library, Cinema, and Café (operated by a third party).

Folk at Sunday Mills represents the Fund's second asset.

Letting velocity at the opening of the scheme showed over 25 units per week /108 per month. The scheme includes 35% of Discounted Market Rent (DMR) units.

Sunday Mills offers ample communal space, including a gym, MasterChef style kitchen, co-working space, a roof terrace, a cinema room and on-site café (operated by a third party).

Sunday Mills is located in Earlsfield, c.5 minutes' walk from Earlsfield station, offering rail connections to Waterloo in 12 minutes, with services running every 6 minutes and c. 1.1 miles Wimbledon Park which is served by the District Line.

We are aware of the following recent pricing:

Unit type (average size)	**£pcm for 12-month stay / per week (prices quoted are from, June 2025)**
Standard Studio (17 sqm / 183 sqft)	c. £1,761 pcm / £406 pw * / £115.47 psf
Roomy Studio (22 sqm / 237 sqft)	c. £1,952 pcm / £450 pw * / £98.83 psf
Bigger Studio (25 sqm / 269 sqft)	c. £2,011 pcm / £464 pw * / £89.71 psf
Biggest Studio (26 sqm / 280 sqft)	c. £2,273 pcm / £524 pw / £97.41 psf
Duplex Studio (24 sqm / 258 sqft)	c. £2,242 pcm / £517 pw / £104.27 psf

*** Rents inclusive of utilities, Wi-Fi, and council tax**

Folk at Florence Dock, 45 Chatfield Road, Battersea SW11 3SH

Total units:	270
Investor / Operator:	DTZ (COLIV) & Urban Bubble
Development type:	Co-living **(Sui Generis)**
Floors:	8
Year of completion:	Q3 2023
Specification:	High
Location:	Battersea
Amenity provision:	Co-working space, communal kitchens, ground floor café, seating areas on the upper floors, cinema room, gym, and outdoor areas.

Folk at Florence Dock represents the Fund's third asset.

The scheme began pre-lets in May 2023. We understand that the scheme had a waiting list of 2,000 people prior to launching in mid-July 2023. As of September 2023, we understand that the scheme was very close to full lease-up, which will have taken 4 months equating to a rate of c20 units per week / 87 units per month. The scheme includes 35% of Discounted Market Rent (DMR) units.

The scheme offers a high level of amenity, including, a cinema room, co-working, gym, yoga/Pilates studio, roof terrace, communal kitchen and 24/7 on-site staff.

Florence Dock is located in the Battersea/Clapham/Wandsworth area and is c. 10 minutes' walk from Clapham Junction and Wandsworth Town stations both offering national rail services and connecting to Victoria or Waterloo.

We are aware of the following recent pricing:

Unit type	**£pcm for 12-month stay / per week (prices quoted are from)**
Standard Studio (17 sqm / 183 sqft)	c. £1,899 pcm / £438 pw * / £124.52 psf
Roomy Studio (22 sqm / 237 sqft)	c. £2,109 pcm / £486 pw * / £106.78 psf
Bigger Studio (24.5 sqm / 264 sqft)	c. £2,169 pcm / £500 pw * / £98.59 psf
Biggest Studio (28 sqm / 301 sqft)	c. £2,368 pcm / £546 pw * / £94.40 psf

*** Rents inclusive of utilities, council tax, and Wi-Fi.**

Dandi Brondesbury, 233 Willesden Ln, London NW2 5RP

Total units:	160
Investor / Operator:	Dandi Living
Development type:	Co-Living **(Sui Generis Use Class)**
Floors:	6
Year of completion:	Q4 2023
Specification:	High
Location:	Brondesbury/Queens Park (TfL Zone 2)
Amenity provision:	Co-working, Roof terrace, Gym, Residents' lounge, Communal dining, Cinema, Games room, Bar area, Private gardens, and laundry room

Dandi Brondesbury is a conversion of a hostel (Sui Generis), following the redevelopment of a gymnasium block and the erection of several new build extensions to provide a co-living scheme of 160 units ranging in size from 18 sqm – 35 sq m (average studio size is 23 sq m). The scheme is set within a site offering a mature landscaped garden, providing external amenities.

The scheme first opened to residents in December 2023. As at March 2025 the scheme was over 95% let.

Dandi Brondesbury is a design-led scheme offering a high level of service. Amenities include a gym, roof terrace, residents' lounge, communal dining, co-working, cinema and private gardens.

Like other Dandi schemes, Dandi Brondesbury does not include utilities or council tax within the rents, however rents do include fortnightly cleaning and Wi-Fi.

Dandi Brondesbury is located c. 10 minutes' walk from Willesden Green and c. 15 minutes' walk from Brondesbury Park station, located on the Jubilee line and London Overground respectively.

We are aware of the following recent pricing:

Unit type (average size)	
Studio (ave 23 sq m / 248 sq ft)	c. £1,715 pcm / £396 pw * / £82.98 psf

* Rents inclusive of Wi-Fi and fortnightly cleaning but **exclusive** of utilities and council tax.

Enclave Acton, 101 Wales Farm Road, North Acton, London W3 6WU

Total units:	462
Investor / Operator:	Outpost Management
Development type:	Co-living **(Sui Generis Use Class)**
Floors:	Partly 27 / partly 32 floors
Year of completion:	Sept 2025
Specification:	High
Location:	North Acton (TfL Zone 2/3, PTAL 6a)
Amenity provision:	Large roof terrace, co-working, communal kitchens, basketball court hoop, gym, wellness suite (inc steam room & sauna), cinema room, sky library, private dining rooms, music room and others

The scheme delivers high quality studio accommodation ranging from c19 to 27 sq m (205 sq ft – 290 sq ft) (ave c21.7 sq m / 233 sq ft). All studios are private.

The residents' amenities are located on four floors: 1st to 3rd floors and the top floor (31st floor) where Sky Bar/Lounge and Library are located together with a large roof/top terrace.

The rents are all-inclusive.

The scheme is located within a 5-min walk from North Acton Station serviced by Central Line. Elizabeth Line (Acton Central Station) is within a 7-min walk from the scheme. North Acton is a part of the Old Oak Common Opportunity Area which is currently the largest regeneration area in London.

We understand that scheme is c30% let having completed in the early October 2025, although pre-letting started at the end of June 2025. This indicates a velocity of lettings at 7-8 units per week / 32 units per month (including the pre-letting period).

We are aware of the following rental pricing currently released (asking rents from website – November 2025

Unit type (average size) – selected price points	**£pcm for 12-month stay - per week (prices quoted are from)**
Cosy Premium (ave 20.50 sqm)	c. £2,150 – 2,250 pcm
Roomy Studio (ave 23.4 sqm)	c. £2,125 - £2,470 pcm
Roomy Premium (ave 25.08 sq m)	c. £2,325 – £2,525 pcm

* Rents inclusive of utilities, Wi-Fi, Council Tax.

* At present there is two months' rent free being offered (until the end of November 2025 for tenancies over 10 months) on selection of more premium rooms. The range of rents above reflects not only a size of the units but also their floor height within the tower.

The Apiary, 1A The Mall, Ealing Broadway, London, W5 2PJ

Total units:	81
Investor:	Zennor (Moorfield Group & Funding House JV)
Development type:	Co-living **(Sui Generis)**
Year of completion:	Q1 2024
Specification:	Mid
Amenity:	Wellness-studio, roof terrace & co-working space and lounge

Ground up development of a four storey building. Location within a secured, gated site located on the door step of extensive amenities provided in Ealing Broadway.

The scheme is operated by Verve Life.

The scheme is located within 3 minutes walk from Ealing Boradway station providing excellent transport links via District, Central and Elizabeth lines.

Unit type (average size)	£pcm for 12-month stay / per week (prices quoted are from)
Studio (15.1 sq m / 163 sq ft)	c. £1,700 pcm / £393 pw* / £125.15 psf
Large Studio (20.6 sq m/ 222 sq ft)	c. £2,300 pcm / £530 pw* / £124.30 psf

* Rents inclusive of utilities, Wi-Fi and council tax

BTR and Private Rented Sector Comparable Evidence

5.7 In analysing comparable evidence, we have also had regard to PRS evidence within the immediate vicinity.

5.8 We outline the most relevant PRS rental evidence below. Unless otherwise stated the rents excludes utilities and Council Tax which are paid by tenants in addition to the rent shown below.

	Property Address	Size (sq ft)	£pcm (£psf/pa)	Date	Comments
Studio	The Heron, Moor Lane, Barbican, EC2Y 9AZ 	426	£2,850 (£80)	Sep-25	• 18th floor apartment. • Good condition and specification. • One shower room. • West facing balcony. • Amenities include concierge service and resident's gym. • Situated within a high-rise modern development. • Located within the City of London. • Located 0.3 miles away from subject property.
Studio	The Heron, Moor Lane, EC2Y 	480	£2,708 (£68)	Sep-25	• 19th floor apartment. • Good condition and specification. • One shower room. • West facing balcony. • Furnished. • Exclusive of utility bills, council tax, telephone line and broadband. • Amenities include gym, exclusive residents' club and 24 hour concierge. • Situated within a high-rise modern development. • Located within the City of London. • Located 0.3 miles away from subject property.

Clement House, 190 Strand, WC2 	349	£3,142 (£108)	Jul-25	• Second floor apartment. • Excellent condition and specification. • One bathroom room. • Furnished. • Amenities include gymnasium, swimming pool, spa area, private cinema and business and conference facilities. • Situated within a modern development. • Located 1.4 miles away from subject property.
Hewett Street, EC2A 	462	£2,750 (£71)	Sep-25 (Let Agreed)	• Excellent condition and specification. • Furnished. • One shower room. • Balcony. • Amenities include two cinemas, a games lounge, bowling lanes, a gym, an executive lounge, business suites, co-working facilities, 32nd-level sky lounge and al-fresco terrace. • Situated within a high-rise modern development. • Situated on the border of the city of London. • Located 0.8 miles away from subject property.
The Atlas Building, EC1V 	404	£2,730 (£81)	Aug-25	• 13th floor apartment • Excellent condition and specification. • Furnished. • One shower room. • Balcony. • Amenities include a 24 hour concierge, pool, spa, cinema and resident's only business lounge. • Situated within a high-rise modern development. • Located 0.8 miles away from subject property.

Bollinder Place, 250 City Road, Old Street, London, EC1V 	496	£2,600 (£63)	Aug-25	• 13th floor apartment • Excellent condition and specification. • Furnished. • One shower room. • Winter garden. • Amenities include gymnasium, swimming pool, and communal gardens. • Situated within a high-rise modern development. • Located 0.8 miles away from subject property.
Eagle Point, City Road, EC1V 	403	£2,500 (£74)	Aug-25	• 21st floor apartment • Excellent condition and specification. • Furnished. • One bathroom. • Winter garden. • Amenities include 24 hour concierge services, pool, cinema room, sauna and steam room. • Situated within a high-rise modern development. • Located 0.8 miles away from subject property.
Canaletto Tower, 257 City Road 	385	£2,600 (£81)	Sep-25	• Excellent condition and specification. • One shower room. • Furnished • Juliette balcony • Amenities include gym, spa, cinema room, 24th floor sky terrace and lounge. • Situated within a high-rise modern development. • Located 0.8 miles away from subject property.

	Property Address	Size (sq ft)	£pcm (£psf/pa)	Date	Comments
One	One Crown Place, EC2A 	643	£3,900 (£73)	Aug-25	• 24th floor apartment. • Excellent condition and specification. • One bathroom. • Winter Garden. • Furnished. • Luxury amenities including 24-hour concierge, residents' lounge, screening room, co-working hub, gym, private dining room, treatment room and communal terrace. • Situated within a high-rise modern development. • Located within the City of London. • Located 0.5 miles from subject property.
	2106 The Heron, 5 Moor Lane, EC2Y 	602	£3,536 (£70)	Sep-25	• 21st floor apartment. • Good condition and specification. • One bathroom. • Lift Access • Amenities including concierge service and gym. • Parking available. • Situated within a high-rise modern development. • Located within the City of London. • Located 0.3 miles from subject property.
	One Bishopsgate Plaza, Houndsditch, EC3A 	597	£3,900 (£78)	Aug-25	• 29th floor apartment. • Excellent condition and specification. • One shower room. • Amenities including gymnasium, swimming pool, resident's private lounge, library, concierge service, private meetings and 34th Sky Terrace. • Located within the City of London. • Located 0.9 miles from subject property.

Principal Tower, Principal Place, EC2A 	549	£3,800 (£83)	Aug-25	• 29^{th} floor apartment. • Excellent condition and specification. • One shower room. • Terrace • Amenities including 24 hour concierge, residents' gym, residents' pool and sauna. • Located on the border of the City of London. • Located 0.8 miles from subject property.
The Atlas Building, Old Street, EC1V 	580	£3,600 (£74)	Oct-25	• 22^{nd} floor apartment. • Good condition and specification. • One bathroom. • Balcony. • Amenities including 24 hour concierge, swimming pool, cinema room. • Situated within a high-rise modern development. • Located 0.8 miles away from subject property.

5.1 In addition, we have had reference to rents achieved in Build to Rent blocks, located in the City fringes. These rents exclude Council Tax and utilities, which will be payable in addition of the rents stated below, but the blocks will have access to amenities, as commented in the table below.

Scheme	Unit type	Room Size (sq m)	Min £pcm (£pw) quoted from	Max £pcm (£pw) quoted from	Comments
BTR					
Alma, Aldgate Place 	Studio	UKN	**£2,360** **(£545)**	**£2,945** **(£680)**	• Zone 1, the city fringe location. • Fully furnished • External space (terrace or winter garden). • Amenities include a concierge service, fitness studio (gym), co-working, private dining room, screening room and a communal rooftop terrace.

Scheme	Unit type	Room Size (sq m)	Min £pcm (£pw) quoted from	Max £pcm (£pw) quoted from	Comments
					• Situated close to Aldgate East Tube station.
Alma, Aldgate Place 	One Bed	UKN	**£2,557 (£590)**	**£5,000 (£1,153)**	• Zone 1, the city fringe location. • Fully furnished • External space (terrace or winter garden). • Amenities include a concierge service, fitness studio (gym), co-working, private dining room, screening room and a communal rooftop terrace. • Situated close to Aldgate East Tube station.
Enclave KX 	One bed	UKN	**£3,450 (£796)**	**£4,200 (£969)**	• Zone 1 location. • No studios within the scheme. • Some units are fully furnished. • Amenities include a concierge, lounge, co-working spaces, co-working spaces, meeting rooms and roof terrace. • Situated close to St Pancras International, King's Cross railway station and King's Cross St Pancras tube station.
Elephant Central 1, Elephant & Castle. 	One bed	UKN	**£2,500 (£577)**	**£2,550 (£588)**	• Zone 1/2 location. • No studios within the scheme. • Some units are fully furnished.

Scheme	Unit type	Room Size (sq m)	Min £pcm (£pw) quoted from	Max £pcm (£pw) quoted from	Comments
					• Amenities include concierge, cycle storage, residents' lounge, dining room and roof terrace. • Situated close to Elephant & Castle Tube Station.
Shard Place 	Studio	UKN	**£3,033 (£700)**	**£3,878 (£895)**	• Zone 1 location. • Fully furnished. • Amenities include concierge gym facilities, residents' lounge and cinema room. • Situated close to London Bridge Station.
Shard Place 	One bed	UKN	**£3,575 (£825)**	**£4,755 (£1,100)**	• Zone 1 location. • Fully furnished. • Amenities include concierge gym facilities, residents' lounge and cinema room. • Situated close to London Bridge Station.

PBSA Lettings Evidence

5.1 We have considered the following PBSA schemes located near to the subject property. A summary of these schemes can be seen below. The rents quoted are on all-inclusive basis.

Chapter Aldgate		
	Operator	Chapter
	Academic year	2025/26

	Distance to subject	1.5 miles

The scheme provides 412 students units. It was opened in 2013 but undergone refurbishment in 2017. Amenities include cinema, study spaces, gym and courtyard.

The scheme is located in Zone 1 with Aldgate station located within a 3-5 min walk.

Type	Size (sqm)	Rent (per week) 2025/26	Rent (per calendar month) 2025/26	Term
Bronze Studios	c. 16 sq m	From £525.50	From £2,283	51 weeks
Silver Studios	c. 17 sq m	From £538.50	From £2,535	51 weeks
Gold Studios	c. 18 sq m	From £544.50	From £2,366	51 weeks

Chapter Old Street

	Operator	Chapter
	Academic year	2025/26
	Distance to subject	0.6 miles

The scheme provides 458 students units. It was opened in 2015 but undergone refurbishment in 2019. Amenities include gym, study space, private meeting room, private dining room and roof terrace.

The scheme is located in Zone 1 with Old Street station being located within a 7 min walk.

Type	Size (sqm)	Rent (per week) 2025/26	Rent (per calendar month) 2025/26	Term
Silver Studios	18 sq m	From £530.50	From £2,305	51 weeks
Gold Studios	20 sq m	From £532.50	From £2,314	51 weeks
Platinum Studios	22 sq m	From £611.50	From £2,657	51 weeks

iQ City

Operator	iQ
Academic year	2025/26
Distance to subject	0.4 miles

The scheme provides approximately 930 students beds. It was opened in 2016. Amenities include work spaces, relax spaces and an outdoor courtyard.

The scheme is located in Zone 1 with Barbican Station being located within an 8 min walk.

Type	Size (sqm)	Rent (per week) 2025/26	Rent (per calendar month) 2025/26	Term
Bronze Studios	c. 17 sq	£465.00	£2,021	51 weeks
Silver Studios	c. 16 sq m	£496.00	£2,155	51 weeks
Gold Studios	c. 17 sq m	£519.00	£2,255	51 weeks
Platinum Studios	c. 20 sq m	£559.00	£2,429	51 weeks

iQ Shoreditch

Operator	iQ
Academic year	2025/26

	Distance to subject	0.8 miles

The scheme provides 704 units. It was opened in 2012, and refurbished in 2020. Amenities include a gym, cinema room, shuffleboard lounge, courtyard and sky lounge.

The scheme is located in Zone 1 with Old Street station being located within a 2 min walk.

Type	Size (sqm)	Rent (per week) 2025/26	Rent (per calendar month) 2025/26	Term
Bronze Studios	c. 17 sq m to 19 sq m	From £442.00	From £1,921	51 weeks
Silver Studios	c. 17 sqm to 19 sq m	From £487.00	From £2,116	51 weeks
Gold Studios	c. 20 sq m	From £541.00	From £2,351	51 weeks
Platinum Studios	c. 21 to 23 sq m	From £603.00	From £2,620	51 weeks

Canto Court

	Operator	Realstar
	Academic year	2025/26
	Distance to subject	0.4 miles

The scheme provides 164 units. It was opened in 2008 but was renovated in 2014. Amenities include a study area, common space, court yard, and a gym.

The scheme is located in Zone 1 with Old Street station being located within a 4 min walk.

Type	Size (sqm)	Rent (per week) 2025/26	Rent (per calendar month) 2025/26	Term
Classic Studios	c.17 sq m	From £399.00	From £1,734	51 weeks
Luxury Studios	c. 17 sq m	From £473.00	From £2,055	51 weeks
Premium Studios	c. 20 sq m	£599.00	£2,603	51 weeks

General comments and conclusions from rental evidence:

5.2 We have benchmarked the rents against three types of rental markets: Co-living, PBSA and BTR/Private Rented Sector.

5.3 One of the characteristics which separates these three sectors are lengths of stay which are on offer to residents. Generally, PBSA accommodation is not offered on shorter than semester basis, and accommodation in the PRS and BTR market is generally agreed on 12 months terms. However, this will be changed for PRS and BTR following the implementation of the Renters' Reform Bill, as discussed above. Currently, Co-living is the most flexible accommodation in terms of terms gives to tenants.

5.4 A length of stay affects the rents charged and shorter stays attract rental premiums. Based on our experience, these rental premiums vary depending on the operator, the location of a scheme and an operational model adopted. This premium is either showed as a flat additional rent for shorter stays or it is calculated as a percentage of a rent which compounds for each month of a stay shorter than 12 months.

5.5 The other common characteristic is an all-inclusive rent charged at Co-living and PBSA. However, utilities and Council Tax are payable by the tenant in addition to the rent within the PRS and BTR sectors. Also, the PRS and BTR units are mainly offered unfurnished and therefore less convenient to transient rental population, although some modern BTR blocks offer furnished units, at no extra charge.

5.6 We have benchmarked them against Co-living rents offered on 12 months stays as well as PBSA and PRS local markets.

5.7 **Co-living market**. There are currently no Co-living schemes of scale in Zone 1 of London. The rental evidence quoted above suggests that the Co-living rents (on 12 months) range between (adjusted for utilities where applicable) from £1,800 - £3,195 pcm. These schemes are located in less central locations, within TfL Zones 2 and 3. As such, we would expect these rents to be lower in comparison with the subject.

5.8 Of a special note, is the recently opened Westbourne Park by Mason & Fifth, acting as the operator. The scheme is delivered under C1 (Hotel) use class and offers between 20-30% of room on short stays. The rents, both on long and short stays are to the premium to other schemes in Zone 2, however the scheme has shown a very strong lettings velocity and we understand from the investor that it is close to being fully let having been launched in July 2025 (12 weeks).

5.9 For long stays the asking rents at Westbourne Park (and we understand rents actually being achieved) range from £2,295 to £3,195 pcm. The rents adopted in the valuation reflect range between £2,644 to £3,292 pcm (on 12 months) and are comparable with Westbourne Park, considering Cornerstone's prime and central location.

5.10 Further rental benchmark is Ark Canary Wharf. We are aware that the long stay rooms (over 90 days) are nearly fully let. Ark is located in Zone 2 but close to the other large financial centre in London, Canary Wharf. The asking pricing on 12 months range from £1,824 (for 12 sq m Cosy Studios) to £2,624 pcm (for 29 sq m large studios/One beds). This is pricing not reflecting premiums for floor height. In comparison, the subject is in more superior location and will provide more modern specification (Ark was opened in 2019 and specification of the rooms is a bit dated) – as such we consider that the rents at the subject will achieve premium to Canary Wharf. Cornerstone, is also of a smaller, boutique nature.

5.11 **PRS and BTR market,** as mentioned above, offers larger (38 sq m plus) residential units but the rents are not on all-inclusive basis and units are usually not furnished. Some properties do not offer amenities, although new residential BTR developments frequently do, as listed in the table above. The rents for studios range between £2,360 to £3,100 pcm plus bills of around £300 per month. Majority of these studio units achieve rents around £2,500 - £2,750 pcm plus bills. In terms of rental pricing analysed per sq ft, Co-living is usually to some premium to reflect all-inclusive rents and smaller units (which are supplemented by communal amenities).

5.12 **PBSA market.** There are no PBSA schemes located in the City of London but a number are located in the City fringes, such as Aldgate, Spitalfields and Shoreditch, which are popular and premium student locations. These schemes have excellent transport links, or are within a walking distance, to London university campuses. The rents for 2025/26 academic year are within £2,000 - £2,670 pcm (on all-inclusive basis).

5.13 In summary, considering the three living sectors, in our opinion Cornerstone's location and proposed by the Developer high-end specification, would result in premium rents in comparison to other Co-living schemes located in TfL Zone 2+ and further away from the main employment hubs of central London.

5.14 In our opinion, the scheme would appeal to City workers who are looking for flexible and quality accommodation (which is not a hotel) on the doorstep of their offices.

5.15 As a hybrid pattern office working has been established in the UK post Covid and it is here to stay, Cornerstone would also appeal to City employees who are seeking a pied a terre in the City without a hassle of bill payments and other admin but with added flexibility of term. Further, based on our experience from other Co-living schemes, Cornerstone would be able to attract City employees who are looking for shorter term accommodation when they are in London on secondments, internships and contracts. Such accommodation is frequently required for the City financial institutions and arranged directly by corporates for their employees.

5.16 In terms of student population, we would envisage that the scheme would appeal mainly to international postgraduates who are seeking centrally located and premium accommodation providing high quality amenities but away from a younger student crowd 'vibe'.

6. Investment Market Commentary

Co-living Investment Market

Co-living – Investment Market

6.1 Please refer to Co-living Market Commentary as at Q2 2025 in Appendix 3. Below we provide the salient points on the Co-living Investment Market.

6.2 Many investors are maintaining a cautious outlook, but sentiment for co-living has turned more positive since the start of 2023 as the number of new schemes let well and this sentiment continued through 2024 and so far in 2025. However, pricing uncertainty caused by the broader economic backdrop continues to hamper investment activity especially for residential development funding which affects investment activity in the sector where the main entry route is via development.

6.3 The pool of equity seeking to enter the sector is becoming more established and the debt market more competitive for Co-living opportunities.

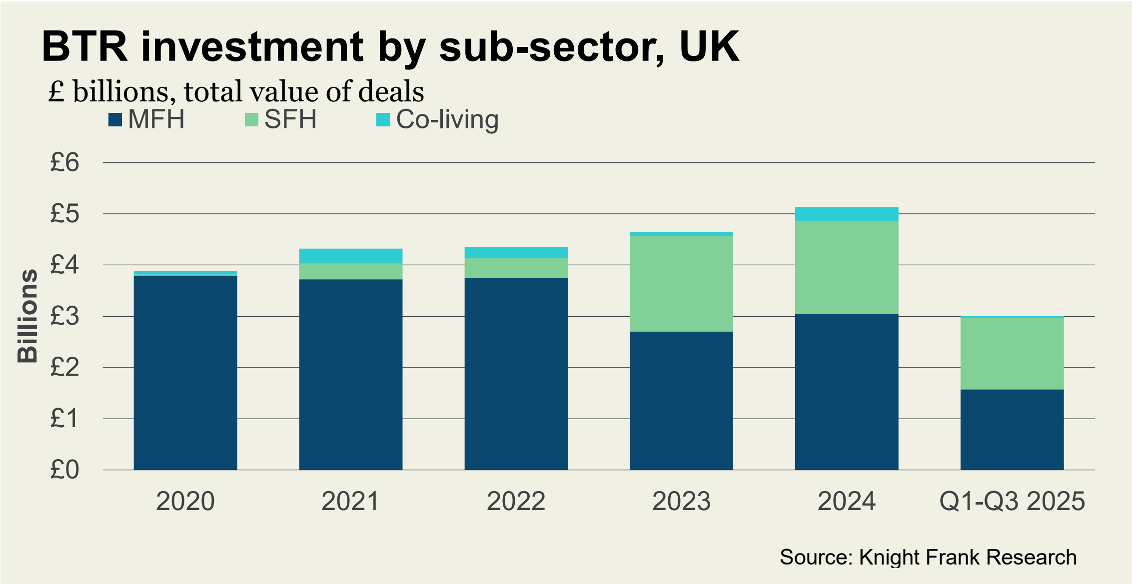
6.4 Knight Frank calculate that since 2020 near £970 million has been invested in the sector and nearly £278.5million (not including refinancing) was invested in 2024, including two large funding deals, as discussed below.

6.5 So far in H1 2025 only one Co-living transaction completed, which represented less than 2% of the total BTR investment deals during this period, totalling £2.2bn.

6.6 We are aware that a number of forward fundings is currently under offer. Some of these transactions are subject to Gateway 2 'clearance' which is currently much delayed, although we understand that due is improving.

6.7 Anecdotally, we understand that the Gateway 2 process is now smoother as the original 'teething problems' both on the regulator's (Building Safety Regulator) and developers' side are getting resolved with more experience and knowledge.

6.8 The statutory target is 12 weeks, but the average actual time it takes to get Gateway 2 approval is from 25 to 36 weeks but as mentioned above, this period is getting shorter.



6.9 In June 2025, a portfolio of three Co-living assets located in Newcastle upon Tyne was sold by Urban Study. The purchaser was Grace Real Estate Partners who is an independent, UK-based investment management firm with integrated operational platform. The portfolio totalled 354 studios within three converted office blocks. The price achieved we understand was c£40million reflecting a NIY of 5.75%+. The portfolio had a strong occupancy track record, being attractive both to students and young professionals, and we understand it was fully let at the time of the sale.

6.10 In Q4 2024 a small operational (and stabilised) Co-living scheme sold, **Node Brixton**, London SE24 (TfL Zone2/3) to Realstar backed by Cambridge University Pension Fund. The scheme was delivered under C3 planning permission, opened in Q1 2023, was a residential conversion into 63 studios/small one-bedroom flats. The sale price was c£20.5 million reflecting c£325,000 per unit and stabilised yield of 5%+. The sale reflected a capital value of c £800 per sq ft GIA and £1,100 per sq ft NIA.

6.11 As mentioned above, there is limited evidence of Co-living transactions within the UK market, and especially of an operational/stabilised stock as the Co-living investment market is mainly development-led. The only one co-living scheme of some scale which has been traded so far is **ARK Canary Wharf** (705 beds, formerly The Collective Canary Wharf) which was purchased by Crosstree in Q3 2022 for c.£192m which reflects approximately £272,000 per unit (noting that the average unit size is significantly smaller than the Property at 15.67 sq m / 169 sq ft). Based on the NSA of the rooms at 11,697.6 sq m / 125,912 sq ft the sale price equated to c£1,525 per sq ft / £16,413 per sq m.

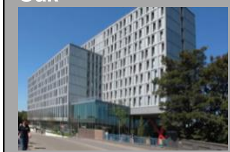
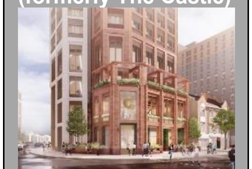
6.12 The sale showed a blended yield of c.4.40% between a long stay and short stay income. The asset had a C1 (Hotel) use class with 21% of the rooms available on short stay (sub-90 days). The transaction also reflected asset management opportunities including creating additional rooms and rationalising operation/cost control at the scheme.

6.13 In Q1 2024, a forward funding of **Yardhouse on Wood Lane, London W12 (TfL Zone 2)** was completed by CDL (a Singaporean investor) with HUB as a developer. A funding price was agreed at £88million / £421,000 per unit and a funding yield of 4.35%. As a part of the development, the developer had to construct 60 affordable residential units for a charity who sold the land. We understand that pricing agreed was rather ahead of other underbidders.

6.14 The forward funding of **The Castle Acton (now Enclave Acton)** completed in February 2024, although agreed in H2 2023, was one of the largest funding transactions of 2024. The funding price was £170million / c£368,000 per unit and funding yield believed to be at 5.25% with stabilised yield understood to be at c. 4.25% - £4.50%.

6.15 We are aware that an operational Co-living scheme of over 250 beds + is currently on the market, understood to be reflecting a NIY of 4.75%. In comparison, the subject property is in superior location and will provide more modern specification.

6.16 The table below summarises the key Co-living transactions to date. Several details are confidential or not in the public domain, however it is possible to discern that the active buyers have been a combination of private equity and institutional capital.

Co-living Scheme	Investor	Vendor	Location	Transaction Date	Units	Transaction Structure	Yield	Pricing / Comments
				ON THE MARKET				
The Collective Old Oak 		Gravis Capital / Deutsche Bank (Admin sale)	London NW10	OTM / Under Offer	551	Operational		Asking price was £75m Significant fire safety remediation required.
				SOLD				
Node Brixton (Loughborough Court) 	Realstar	Node	London SE24	Q4 2024	63	Operational	5.0% +	£20.5m / £325,000 per unit C3 use class. conversion.
Enclave Acton (formerly The Castle) 	BlackRock / Outpost	Tide	London W3 (North Acton)	Q1 2024	462	Forward Fund	5.25% (funding) 4.25% - 4.50% (stabilised)	£170m / £368,000 / bed
Yardhouse, Wood Lane 	CDL	HUB	London W12 (White City)	Q1 2024	209	Forward Fund	4.35% (funding)	£88m (inc funding of additional 60 affordable residential units)

The Rex (Greencoat House), Kingston 	NTTUD/ Amro Partners (JV)	Amro	London (Kingston)	Q4 2023	211	Joint Venture / Funding	4.25%	£75m / £355,000 / bed
Enclave, Croydon 	Oaktree	Outpost	London (Croydon)	Q1 2023	817	Forward Fund	Confidential	£243m / £297,000/bed
Holm, Wimbledon Park 	True North	NK	London (Southfield)	Q1 2023	86	Forward Commitment	-	£21.25m / £247,000/bed
The Collective Canary Wharf (now ARK) 	Crosstree	GCP/ Deutsche Bank	London (Canary Wharf)	Q4 2022	705	Investment sale of an operational asset	4.40% (blended)	£192m / £272,000/bed

6.17 Knight Frank benchmark yields for Co-living as at October 2025 are as follows:

Yield Category	Benchmark Yield	Market Sentiment
Prime London	4.25%+	Stable
Prime Regional	5.00%+	Stable

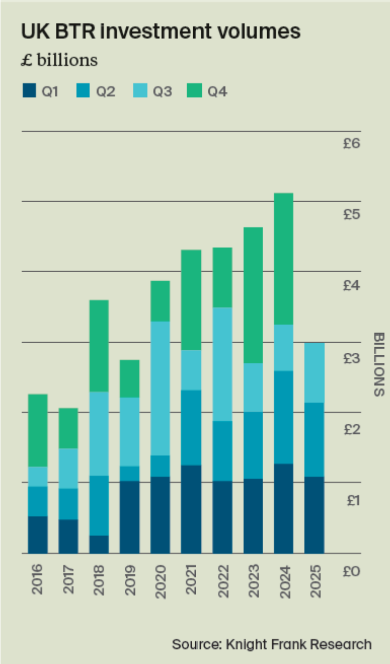
6.1 Since Co-living is a nascent market, there is little investment evidence of traded investments, either operational/stabilised or forward fundings. Therefore, we have had reference to the yields achieved in other Living Sectors, as discussed above.

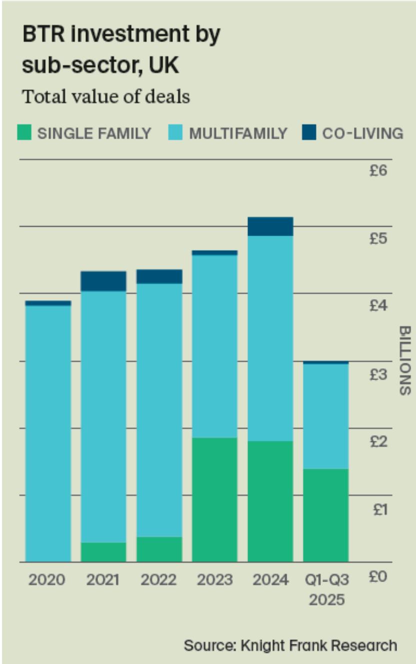
Residential investment market

Investment momentum continues

6.2 More than £850 million was invested into UK BTR in the third quarter of 2025, up 35% year-on-year. This maintains momentum from the first half of the year, where £2.2 billion was deployed and takes total investment for the first nine months of the year to just over £3 billion across multifamily, single family and co-living deals.

6.3 Single family continues to perform strongly, accounting for 40% of spend over the course of the quarter and 46% of investment so far this year, reflecting the ongoing strong appetite and liquidity for houses for rent. But more than £500 million was allocated to developing multifamily schemes in urban locations in Q3, suggesting robust demand still for forward funding of large-scale developments.





6.4 Some 53 deals have completed so far in 2025, up by 8% on the same point last year pointing to an active investment market. Increasing transaction numbers have been supported by the uptick in SFH investment, which tend to be lower lot sizes.

6.5 Indeed, excluding portfolio deals, the average value of a SFH deal in 2025 so far was £42 million, versus £83 million for MFH assets. Persistently high inflation and bond yields are likely to put a dampener on activity for the remainder of the year, as will an element of policy uncertainty in the run-up to the November Budget. However, there is a significant volume of stock under offer or in the market, suggesting it will be a busy run-in to Christmas. Investor appetite remains extremely strong for MFH.

6.6 Challenges around construction viability, alongside gradually increasing volumes of standing stock have led to an increase in transaction volumes for operational assets. For SFH, transaction volumes remain high across both development deals (where construction viability is less of a challenge than MFH) and operational stock.

6.7 As expected, the Bank of England (BoE) kept interest rates at 4.00% during its October monetary policy committee meeting and announced the decision to dial back its quantitative tightening bond-selling programme from £100 billion to £70 billion. The quantitative tightening target is in line with the BoE's wider monetary policy plan to effectively reduce the banks' balance sheet, while ensuring not to impact the government's wider gilt issuance strategy.

6.8 Andrew Bailey, the BoE governor, suggested the UK economy was 'not out of the woods yet', and while inflation stayed flat in August, unfavourable base rate effects will likely mean inflation will rise in the September reading, and any further rate cuts will need to be made gradually and slowly.

6.9 Despite an optimistic view amongst some forecasters that the BoE base rate could fall up to 100bps to 3.00% by the end of 2026, lingering fiscal concerns and a softer economic outlook suggest property yields will stay elevated relative to 10-year government gilts, at least in the medium term. However, the UK is not alone in this scenario, with the spread between long-term government bond yields and property yields a global phenomenon for investors. But investors can see the wood for the trees. For real estate, stable income growth, rather than yield spreads, is what will drive capital growth returns in this cycle. For BTR investors, this means focusing on markets with favourable demand-supply imbalances, and assets with expected value appreciation. Illustrating this is the UK's growing proportional share of European BTR investment turnover. Despite a more favourable debt landscape in Europe, UK BTR has captured almost 30% of investor appetite across the continent since 2023.

6.10 The UK's BTR stock now stands at 153,367 complete homes, up by 25% compared to Q3 2024. There are a further 54,354 homes under construction meaning the sector should rise to more than 200,000 operational homes within the next few years. That would mark a significant landmark for the sector, yet it remains a fraction of overall demand. Challenges impacting the wider development market, however, mean that outside of the existing development pipeline the longer-term outlook for supply is less certain. So far this year, more than 20,000 BTR homes have completed, putting the sector just behind last year's record delivery. SFH has accounted for just under a fifth of completions so far this year, up from a tenth in 2021.

6.11 Whilst it has eased (driven by the competition in the debt market), the costs of debt have been a barrier for core capital in the market. However, Knight Frank expects to see more core and core+ money back in the market, as the debt landscape improves.

BTR Investment evidence

6.12 Knight Frank opinion of current prime benchmark yields for Build to Rent sector as at October 2025 are as follows.

Yield Category	Benchmark Yield	Market Sentiment
London Zone 1 Prime	3.90%+	Stable
London Zone 2 Prime	4.00%+	Stable
London Zones 3-4 Prime	4.15%+	Stable
Greater London Prime	4.25%+	Stable

6.13 In arriving at our opinion of Market Value, we have had regard to the following BTR investment transactions:

Property	No. of Units	Date	Price	Buyer	Type	Net Yield
Barking Wharf, Barking (TFL Zone 4)	595	Q3 2025	c£174 m	Greystar	Stabilised	Confidential
Rivermark (Poplar Bus Depot), Tower Hamlets	128	Q3 2025	£65m	Heim Global Investors	Forward Commit	Confidential
The Coal Yard, Herne Hill (TFL Zone 2/3)	218	Q1 2025	£110m	L&G & Nomura RE	Land Sale - JV	Confidential
Dagenham Green (TFL Zone 5)	360	Q1 2025	£116m / £450 psf	Goodstone Living	Forward Funding	5.2% (funding)
Equipment Works, Walthamstow (TFL Zone 3)	257	Q4 2024	c. £126m	Ridgeback & AIMCo	Stabilised	c. 4.5% - 4.6% NIY
Mitre Yard, Willesden (TFL Zone 2/3)	241	Q3 2024	Confidential	Ridgeback & AIMCo	In lease up	4.75% (lease-up) 4.4% (stabilised)
Alameda & Beton, Wembley Park (TFL Zone 4)	490	Q1 2024	c. £235m	KKR	Stabilised	4.75% + NRY

PBSA Investment Market

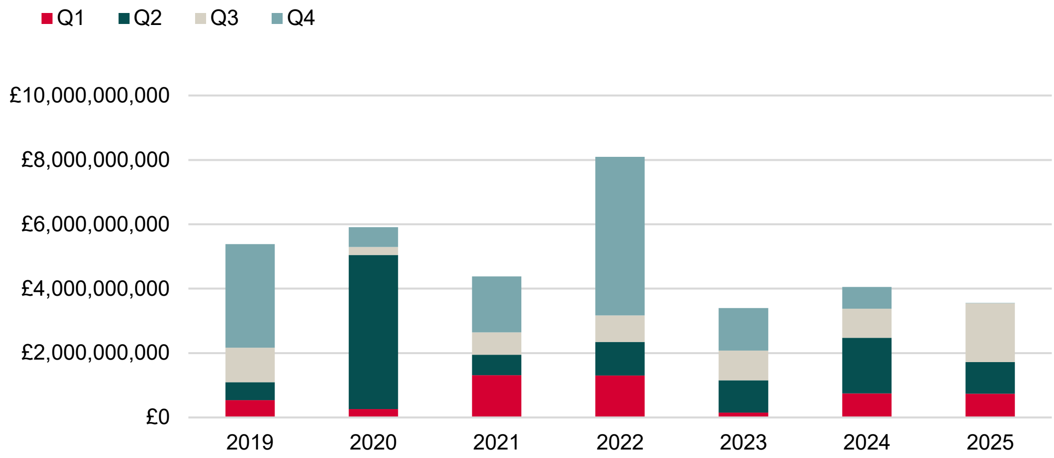
6.14 2025 has started slowly with a handful of smaller deals completing. In total in Q1 2025 £750m traded in 18 deals, which was in line with last year. Further £830 million was invested in the sector in Q2 2025.

6.15 Q3 2025 started well with the sale of Vita's Portswood House, Southampton for £85.5m, reflecting a NIY of circa 6.10%. The property is held on a 999 year leasehold from 2018, with onerous ground rent provisions. We also saw several portfolios trade in Q3 including The Apollo Portfolio, which sold to QuadReal for £550m, reflecting a NIY of circa 5.63%. The portfolio comprises a total of 3,460 beds across assets located in London, Edinburgh, Sheffield, Glasgow, Birmingham, Portsmouth, Norwich and Cardiff. The Collection Portfolio sold to Mansion/Activum SG for £84m, reflecting a NIY of circa 6.37%. The properties are located in Edinburgh, Exeter, Cardiff, Leamington Spa and Leicester, and providing a total of 795 beds. Project Sandpiper portfolio sold to KKR for £230m, reflecting a NIY of circa 5.75%. The portfolio comprises 2,179 beds across assets located in Norwich, Bath, Leeds, Coventry, Sheffield, Brighton, London, Manchester and Exeter. Q3 reflected a total of £1.8 billion of transactions.

6.16 The investment market continues to show divergence in pricing and liquidity scrutinising both the city and asset. Greater strength is being put on financial performance / health of universities.

6.17 There are currently a number of large PBSA portfolios for sale which attract a good level of demand and some are under offer. This shows a continued confidence in the PBSA sector. As in the case with other residential sectors, investment in the PBSA development has been affected by the Gateway system.

PBSA Transaction Volume Summary



Source: Knight Frank Research

6.18 There have been a limited number of investment sales of London PBSA assets. This is due to the lack of investment stock on the market. The most recent transactions are quoted below.

PBSA Investment Evidence

6.19 We have had regard to the following recent PBSA investment transactions across London:

- **Spring Mews, Vauxhall** was sold to Rosethorn Capital Partners and Barings for circa £107.1m (March 2025). We understand the sale will reflect a net initial yield of **4.60%** / £283,000 per bed. The asset was considered reversionary at the time of the sale. The property provides 378 student bedrooms arranged as 305 en-suite rooms and 73 studios. The property was completed in time for the 2014/15 academic year and is finished to a good level of specification, although slightly dated. On-site communal facilities are extensive and include a swimming pool, gym, cinema room, study room, courtyard, arts/dance studio, laundry facilities and cycle storage. The property was developed as part of the larger Spring Mews estate, which includes a hotel, retail and office space.
- In Q3 2024, **Grove Crescent, Stratford** was purchased as a JV from Watkin Jones for £96million. Once completed, the development will provide 397 student beds with flexible office space and reflects a NIY of **4.65%.**
- Q3 2024 Unite bought **King's Place, Southwark** for £60m which reflected £135,135 per bed. The site has planning permission for 444 student beds, 8 affordable units and flexible office and retail space.
- Q2 2024 Apollo bought **Pavilion Court in Wembley** for £125 million/ £178,800 per bed reflecting a NIY of **4.65% - 4.75%.** Pavilion Court provides 699 student rooms across 89 studio and 610 en-suite cluster bedrooms. The property was built in 2021 and is finished to a high specification providing extensive communal facilities including a gym, lounge/games area, cinema room, study rooms, private dining space,

laundry facilities and outdoor courtyard. We understand that the property received a high level of interest having been openly marketed. The income was considered to be reversionary at the time of the sale.

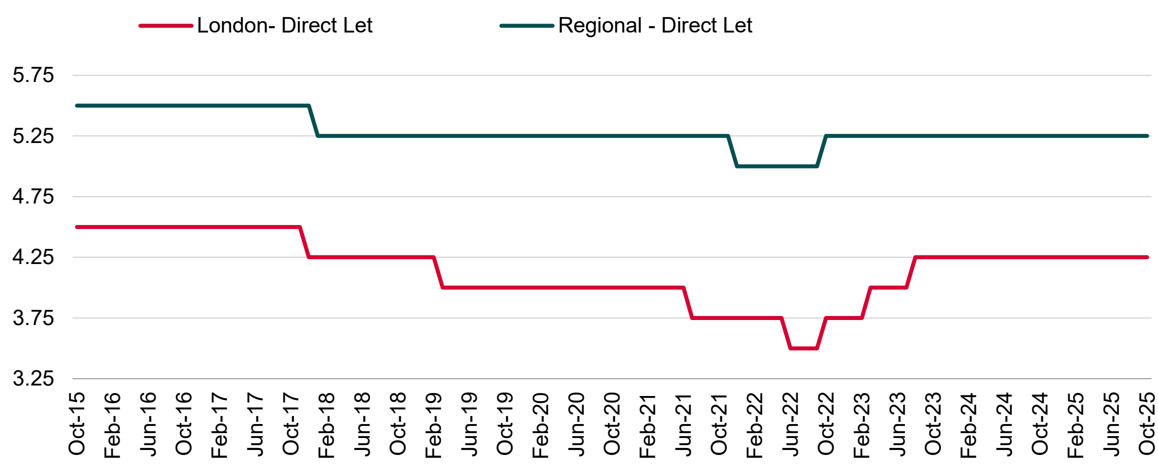
Student Accommodation Investment Yields

6.20 The assets on the market and the level of interest they are attracting (and the recent completed deals) demonstrate the continued positive sentiment in investing in student accommodation. Indications are that the PBSA sector continues to be perceived by global investors as attractive in the medium to long term.

6.21 There is limited transactional evidence to point to, but the view is that yields have softened since Q3 2022. The recent deals that have been finalised, show a movement of 0 to 50 basis points softening in the market.

6.22 As outlined below Direct Let Prime London Yields are at 4.25% and the Direct Let Prime Regional Yield are 5.00% to 5.25% (October 2025).

Knight Frank Student Property Yield Guide



Source: Knight Frank

6.23 Our opinion of a prime yield for an PBSA asset located there will be in the region of 4.25% - 4.50% depending on characteristics of the investment.

Valuation Yield Conclusions

6.24 Given the relative lack of transactional evidence in the Co-living sector, especially for operational assets, we have had regard to both BTR and PBSA yields, as illustrated by the comparables above.

6.25 As the subject scheme is Co-living in nature, including smaller units which are typically considered to be more management intensive, together with the less flexible nature with regards to alternative disposal via individual sales, a higher yield is typically required in the investor market to reflect this.

6.26 As discussed above, the latest forward funding deal in London was of The Castle in North Acton (now Enclave Acton) (Q1 2024). The funding yield was at 5.25% and stabilised exit yield was at 4.25% -

4.5%. We considered that The Castle is worse located in comparison with the subject and therefore would apply a yield premium to value Cornerstone.

6.27 In terms of PBSA investment market, the current Central London benchmark yield would be within 4.25% - 4.50% range.

6.1 As mentioned above, Knight Frank Prime Yield benchmark for BTR (Multifamily) in Zone 1 is 3.90% and Zone 2: 4.00%. There is a dearth of recent transactions of prime operational London BTR schemes. The most recent Zone 1 operational transaction was The Lark in Nine Elms (4.10% NRY) in Q4 2023, and it is now rather historic. The Lark is a good quality scheme in a prime location, although it is a Gen 1 BTR asset with a single stair core and this transaction is historic now. As such this transaction was at a discount from our prime Zone 1 benchmark yield of 3.90%.

6.2 In terms of more recent BTR investment transactions, Barking Wharf sold in Q3 2025 which was an operational scheme acquired by Greystar for c£174million and reflecting a NIY of 4.65% - 5% (the exact yield is confidential). This yield profile reflects a discount for a large investment scale. In comparison, the subject property is substantially better located and would not attract a yield discount for a large investment size, being c.£100million investment lot size.

6.3 Co-living trades to the discount from BTR however there has not been any recent transactions in Zone 1, apart from The Lark.

6.4 In our selection of the yield, we have also consulted our investment colleagues who, as you are aware, looked to forward fund the subject development.

6.5 Having regard to the above considerations and evidence, we have applied a stabilised capitalisation rate of **4.30%** to our opinion of the net operating income.

7. Valuation method and considerations

Methodology Approach and Assumptions

7.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Comparative and Investment methods

7.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable sales to owner occupiers, investment and rental transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions, we have then applied these to the property, taking into account size, location, terms, covenant and other material factors.

Residual method

7.3 We arrive at our opinion of the Market Value of the completed scheme (often referred to as the "Gross Development Value") using the comparative method, which involves comparison of the subject scheme with sales evidence from other comparable schemes and other sales within the local market and making adjustments using our professional judgement.

7.4 Our opinion of the Market Value of the site in its existing condition is arrived at using the residual method which is a generally accepted method for valuing properties that are considered to have possible development potential. Having formed an opinion of the value of the completed units, using the method described above, we deduct from it the total costs of development and an allowance for the developer's profit.

7.5 In addition to the residual method, we have also considered any relevant available comparable land transactions and applied the comparative method where we consider it to be appropriate.

Valuation considerations

7.6 We have had regard to the following valuation considerations:

Property and Location Considerations

7.7 We understand that the property is held freehold.

7.8 The property is situated in a prime Zone 1 London location in the City of London – one of the main employment hubs of London.

7.9 The property is close to excellent transport links of Barbican Underground Station and Farringdon. It has PTAL 6b (the best rating) and Walk Score of 99 (Walker's Paradise).

7.10 The proposed scheme will benefit from amenity space including co-working space, café, lounge, communal kitchen and roof terrace.

7.11 Residents will benefit from 24-hour concierge and security.

7.12 The studios average size ranges from 16.5 sqm to 24.6sqm (average 21.8sqm / 235 sq ft).

7.13 We understand that the units will be finished to a high-end specification, in line with the granted planning permission and provided to us CGIs, appropriate for the target rental market.

7.14 We anticipate good occupier demand on a rental basis in this location, predominantly from the local business community, young professionals seeking high quality and well-located accommodation and willing to compromise on the size of a personal space for convenience of the location, additional amenities and community.

Operational Model and Income Considerations

7.15 A nature of Co-living is to offer flexible letting terms which attract a rental premium, if the tenancy length is less than 12 months.

7.16 In view of potential term flexibility introduced by the Renters' Reform Bill (2 months' notice at any time during a tenancy), we have appraised the property using baseline rents on 12 months tenancies. Our adopted rents do not reflect rental premiums for shorter terms, as we consider these at present as more uncertain.

Operational Costs

7.17 We have not been provided with an operational budget by the Borrower although provided with an indication. We understand from the Sponsor, that they have consulted a number Co-living operators, such as Urban Bubble, Mason & Fifth and Allsop who guided them towards their indication of operational costs at 20.44% of the Sponsor's opinion of rents.

7.18 We have used our experience from similar projects to adopt the level of appropriate opex which we have adopted in the valuation.

7.19 A gross to net ratio is within a lower range (as discussed in this report below) due to the high rental value. We have also had reference to the level of resulting operational costs as £/per unit and also £/per sq ft.

Stabilisation

7.20 The property will be vacant on completion of the development works although the marketing and pre-letting will start at the latter part of the development when a show flat is ready. We have assumed that this pre-let will overlap with a period when Gateway 3 approval will be applied for.

7.21 We have calculated that the loss of income and costs during this letting period is in the region of £1,250,000 (c21% of the gross income Day 1). We have reflected this as a yield discount from the stabilised position.

7.22 We have assumed that the property would become stabilised within five – six months, not including the pre-letting period. This is provided on an assumption that there is a pre-letting period and a show flat and a marketing process being in place.

8. Net Development Value

Valuation Approach

8.1 Our primary valuation methodology is the net income capitalisation approach in order to determine the Net Development Value (NDV) as at the Valuation Date. We have benchmarked our opinion of Market Rent for each individual unit against comparable evidence in the locality. We have not trended rents during the assumed development period.

8.2 We have then deducted our opinion of operational costs to calculate the Net Operating Income (NOI) and applied an appropriate net yield derived from market evidence.

Gross Income

8.3 In order to assess Market Rent at the property we have run a unit by unit rental pricing acknowledging that rental premiums will be achieved for larger rooms, a floor height, aspect (with views over Barbican being very attractive), access to a private terrace and having an attractive and unusual vaulted ceiling in a room.

8.4 The six rooms on the first floor which directly overlook the top of Beech Street underpass have been priced slightly lower in comparison with similar room types located in the different part of the building.

8.5 We have adopted an explicit premium for the above attributes for each room at the scheme.

8.6 Based on the rental comparable evidence and information provided by the Sponsor we have concluded that the following monthly (all-inclusive rents) are applicable to the property. Please note that these are rents which are on 12 months lettings.

8.7 All rents and costs discussed below have not been grown during the development period.

Unit Type	No	Ave sq m	Total Sq ft	Total Sq m	Ave Rents (pcm)	£PA	£PSF PA
ACC 01	9	27.72	2,684	250	£2,862	£309,120	£115
ACC 02	8	34.83	3,001	279	£2,930	£281,280	£94
TYPE 01	61	20.55	13,497	1,254	£2,782	£2,036,484	£151
TYPE 02	47	20.79	10,514	977	£2,798	£1,577,868	£150
TYPE 03	14	23.88	3,599	334	£2,921	£490,704	£136
TYPE 04	2	23.30	502	47	£2,773	£66,552	£133
TYPE 05	9	17.77	1,725	160	£2,606	£281,412	£163
TYPE 06	7	22.33	1,682	156	£2,887	£242,532	£144
TYPE 07	7	20.06	1,509	140	£2,741	£230,268	£153
TYPE 08 plus terrace	1	18.20	196	18	£3,108	£37,296	£190
TYPE 09 plus terrace	1	17.10	184	17	£3,135	£37,620	£204

Unit Type	No	Ave sq m	Total Sq ft	Total Sq m	Ave Rents (pcm)	£PA	£PSF PA
TYPE 10 plus terrace (two units)	4	21.15	910	85	£3,244	£155,712	£171
TYPE 11 (one inc terrace)	2	22.25	479	45	£3,292	£79,008	£165
TYPE 12	1	16.50	178	17	£2,981	£35,772	£201
TYPE 13	1	19.60	211	20	£3,113	£37,356	£177
Co-living Total	**174**	**21.8 sq m**	**40,871**	**3,797**	**£2,825**	**£5,898,984**	**£144 psf**

Additional Income

8.8 In additional to the rental income from studios, we have also assumed that in line with other schemes, there will be an additional income from:

- Laundry, café, Co-working Membership (both opened to the public within the Opening Hours specified in Section 106 Agreement). Since we have not been provided with a budget, we have assumed this income in line with our market experience and professional judgement at £5per unit per week.
- It is also usual for Co-living schemes to charge for double occupancy. From our experience usually between 5-10% of units are let on these bases. We have assumed that 10% of units (17) will be let on double occupancy, charging a premium of £250 pcm per unit, as indicated to us.

8.9 Our additional income reflected in the valuation totals £96,240 per annum (Day 1) which represents c1.6% of the gross residential income. This is higher than in other schemes due to the presence of the café (which will be internally run) and Co-working membership present (both opened to the public). In view of no budget being provided to us, we have adopted cautious approach to this income stream.

Operational Costs

8.10 We understand that the asset will be operated in-house but we have not been provided with further details. We have not been provided with an operational cost breakdown by the Sponsor but understand that their operational costs are at 20.44% of the GOI.

8.11 Mobilisation costs upon opening of the scheme are reflected in the development budget when calculating market value (site value).

8.12 Knight Frank have undertaken a number of valuations of development and operational Co-living schemes in London. As such we have had access to several Opex budgets, which have guided our assumptions. These are shown in the table below.

Region	Development / Operational	Year Provided	Scheme Size	Use Class	£/ bed	£ / psf (NSA)	Gross / Net	Inc or exc void	Council Tax
London	Operational	2025	300-500	Sui Generis	£5,790	£25	24%	exc void	Council Tax inc
London	Development	2025	100-200	Sui Generis	£4,500	£17	18%	exc void	Council Tax excl.
London	Development	2025	500+	Sui Generis	£7,024	£28	27%	inc void	Council Tax inc

8.13 When adjusted for scale of the comparable schemes and location, and also considering the proposed operational long-stay model for 45 Beech Street we have concluded that the costs indicated by the Sponsor are in line with the market. We have therefore adopted the opex at 20.5% of the GOI (including the Additional Income) reflecting £7,063 per bed and £30 per sq ft (NSA). This opex is inclusive of void allowance.

Net Income and Capitalisation Rate

8.14 Deducting the total running cost of **£1,229,021 per annum** from the gross income (not adjusted for occupancy) results in the net income of **£4,766,203 per annum.**

Capitalisation Rate applied

8.15 From analysing the market data and comparable investment sales, as discussed above, we have applied a capitalisation rate of 4.30% to our opinion of net income assuming the scheme is fully stabilised.

Stabilisation rate

8.16 Please also refer to our comments under Valuation Considerations.

8.17 We have considered the rate that we believe the completed scheme will let after completion. To establish this, we have considered the high demand in this area and how the studios will appeal to a number of demand pools including business travellers, young professionals, students, and people looking for serviced accommodation.

8.18 We are also familiar with a letting velocity of a number of Co-living schemes in London. Recently, Westbourne Park operated by Mason & Fifth officially opened in July 2025. We understand it was nearly fully let with 12 weeks indicating a velocity of lettings at c25 per week (if we base this velocity on all the units, not just long stay units).

8.19 We are also aware of a new Co-living development in Zone 2 where c30% of rooms were let since the pre-letting period started in the late June before the scheme reached PC. We calculated the average lettings was at c 32 units per month although since the scheme was completed this velocity of increased significantly to over 40 units per month.

8.20 We have adopted a velocity of lettings of 35 units per month. Whilst he scheme will command premium rents, it is very well located. Therefore, we have assumed that the scheme will be stabilised within 5-6 months. This velocity of letting assumes that the scheme will benefit from a period of marketing and pre-letting before opening, also concurrent with a Gateway 3 application process.

8.21 We have moved out the stabilised yield at 4.30% by 5 bps to 4.35% to account for the cost and income lost during the assumed stabilisation period.

8.22 The valuation summary is shown below:

Pricing Calculations				
Residential		**NDV - Day 1 Vacant Possession**		**NDV - Day 1 Stabilised**
AMR (Gross)	£	5,995,224	£	5,995,224
Gross: Net		20.5%		20.5%
AMR (Net)	£	4,766,203	£	4,766,203
Opex	£	1,229,021	£	1,229,021
£Per Unit	£	7,063	£	7,063
£PSF PA	£	30.1	£	30.1
Cap. Rate		**4.35%**		**4.30%**
CV (Gross)	£	109,567,887	£	110,841,932
Purchaser's Costs		5.89%		5.89%
CV (Net)	£	103,472,811	£	104,675,876
Say,	**£**	**103,450,000**	**£**	**104,700,000**
£PSF (NSA)	£	2,531	£	2,562
Value per Beds		£594,671		£601,585

8.23 Our valuation (on stabilised basis) reflects £601,000 per bed. As there is little residential stock located in such a central location which has traded recently and provides studios.

8.24 We are aware of a PBSA scheme in Zone 1 which was for sale earlier this year (but eventually did not trade) where the interest was at over £500,000 per studio. The scheme was a long leasehold with other considerations which would lead to a lower pricing.

8.25 Whilst nothing traded recently, the capital value of centrally located PBSA studios are above £500,000 mark.

8.26 As quoted above in the *Investment Market Commentary and Evidence*, the forward funding pricing for Enclave Acton reflected c £368,000 per bed and reflected discount from the stabilised position. The scheme, as already discussed, is located in North Acton in a less attractive and central location to the subject.

8.27 Similarly, The Yardhouse forward funding price was £88 million reflecting £420,000 per bed. This scheme is also located in Zone 2, less attractive and central in comparison to the subject.

9. Market Value (site value) – Day 1

9.1 As described above, we have utilised a residual method of valuation and used Argus Developer Software.

9.2 Please refer to a detailed summary of valuation inputs at Appendix 2.

9.3 We have used a Net Development Value (NDV) at PC (vacant possession/before stabilisation) of **£103,450,000** as set out above.

Source of development cost information

9.4 We have been provided with the development costs by the Sponsor on 10 November 2025 in a document *2025-11-10 Beech Street Costs (Sep 26 start)* which we have analysed.

Project Monitoring Report

9.5 We were provided with Project Monitoring Report on 28 November 2025 prepared by Nexus RE (NRE) dated 24 November 2025. The report concludes that there is a variance of £95,998 between the Borrower's and the Monitoring Surveyor's budget. This difference is due to differences in CIL and Rights of Light allowances.

9.6 The report also states that NRE was not able to verify costs relating to land acquisition, other construction costs, consultant fees, certain developer and finance costs.

9.7 The above development costs do not show assumed GIA. For the purposes of the analysis below we have assumed the GIA of the building 74,249.4 sq ft (6,898 sq m) as provided for the scheme in the *Accommodation and Area Summary* by Allford Hall Monaghan Morris.

9.8 We have not included costs already spent.

9.9 Below we provide costs provided to us by the Developer and included in two columns '*Refinance to start on site'* and *'From Start on site to completion'*. The costs total £55,963,540, which we summarise in the table below. These costs presented below are classified, grouped and ordered as provided by the Developer to us:

Cost by type	Remaining to Spend (from 'refinancing' to PC)
Land and Project Acquisition Costs (overage & SDLT and PIL Overage)	£4,465,000
Site Operation and Maintenance	£909,641
Development Management Fee	£1,075,813
Design and professional costs	£1,261,122
Tax & Statutory fees	£10,027,406
Build & Construction Costs (inc contingency at 10%)	£36,807,861
Corporate, admin, accounting & legal	£679,084

Cost by type	Remaining to Spend (from 'refinancing' to PC)
Marketing Costs	£639,389
VAT (irrecoverable)	£130,500
Sub-Total. Excl. Financing	**£55,963,540**

9.10 We have interrogated these costs and concluded that some of the costs are specific to the Sponsor, and an incoming purchaser would not incur certain pre-construction costs, for example forward funding marketing costs. We have therefore excluded these from our valuation.

Overage Costs

9.11 We have adopted in our valuation the amount to Overage as provided to us at £4,465,000 which include (based on the information provided):

- £3,300,000 overage payment
- £165,000 SDLT
- Overage Payment in Lieu £1,000,000

9.12 Should these costs be incorrect, we reserve right to review our valuation provided herein.

Comparison with BCIS Index

9.13 The construction costs provided are at £31,005,176 which reflect £417.58 per sq ft / £4,495 per sq m.

9.14 It is more difficult to benchmark the refurbishment and extension costs. We have had reference to a BCIS Index for refurbishment adjusted for City of London, as shown below.

9.15 The BCIS costs exclude professional fees, VAT and contingency but include preliminaries:

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 01-Nov-2025 07:36

Rebased to City of London (118; sample 36)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
816. Flats (apartments)							
Generally (15)	2,232	1,161	1,829	2,095	2,531	7,455	726
1-2 storey (15)	2,140	1,269	1,788	1,995	2,455	4,184	150
3-5 storey (15)	2,199	1,161	1,817	2,088	2,478	6,628	489
6 storey or above (15)	2,582	1,583	2,080	2,463	2,872	7,455	86
856.2 Students' residences, halls of residence, etc (15)	2,798	1,603	2,456	2,838	3,061	4,511	49
Rehabilitation/Conversion							
816. Flats (apartments)							
Generally (15)	2,338	488	1,278	1,794	2,355	7,872	73
1-2 storey (15)	3,217	964	1,578	2,004	4,023	7,872	14
3-5 storey (15)	1,993	488	1,274	1,683	2,133	7,289	44
6 storey or above (15)	2,626	758	1,226	1,788	3,982	6,530	14
856.2 Students' residences, halls of residence, etc (15)	1,855	444	1,360	1,946	2,047	4,384	12

9.16 We have benchmarked the provided costs against student accommodation and apartments construction costs, both for new build and also for conversions. As shown above, the construction costs at £4,495 per sq m (as provided by the Sponsor) are within upper quartile of the BCIS costs.

9.17 Therefore, we have adopted the construction costs provided by the Sponsor. The development costs which are in our valuation model as shown below:

Build costs adopted

9.18 The breakdown of the development costs reflected in our valuation, and based on the costs provided are as follows:

Cost Category		Cost	Amount	Per bed	Per sq ft (GIA)
				174 units	74,249 sq ft /6,898 sq m
Construction Costs					
		Construction Works	£31,005,176	£178,190.67	**£417.58 psf / £4,495 psm**

Cost Category		Cost	Amount	Per bed	Per sq ft (GIA)
		Developer's Contingency	£3,100,518		
	Sub Total		**£34,105,694**	**£196,010 per unit**	**£459.34 psf**
Statutory / Local Planning Authority Costs					
		AH Offsite payment (PIL)	£8,936,096		
		Section 106 / Section 278 Agreements	£326,992		
		CIL	£274,104		
		JJR Gateway 2 Costs	£1,376,051		
		Latent defects insurance	£358,000		
		Carbon offset	£132,214		
	Sub Total		**£11,164,800**		
Other Construction Costs					
		FF&E Budget	£1,046,000		
		Construction Insurance	£244,641		
		ROL Insurance Allowance	£665,000		
		VAT Non recoverable Resi	£130,000		
	Sub Total		**£2,086,641**		
Professional Costs					
		Design and Professional Fees	£887,121		
		JJR Stage 5 design costs	£518,773		
		Legal Others	£20,084		
		BV Project Monitor	£148,500		
	Sub Total		**£1,574,478**		
Marketing, Letting & Disposal Costs					
		Advertising & marketing (Market sale / Build & Hold))	£639,389		
	Sub Total		**£639,389**		
Development Management Fee		Accounting fees	£66,000		
		Development fees – construction	£976,147		
		Development fees – pre-construction	£33,666		
	Sub Total		**£1,075,813**		
	Total Costs (excluding finance and acquisition costs)		**£50,646,315**	**£291,071**	**£682psf**
	Plus Acquisition Costs (Overage, SDLT and Overage PIL)		**£4,465,000**		
	Total Development Costs		**£55,111,315**		

9.19 In addition, we have reflected finance costs at 7.0% per annum, totalling £10,234,811.

9.20 **Purchaser's Costs on Residual Site Value -** We have adopted purchaser's costs at 5.85% (£1,450,358).

9.21 **Costs of Disposal (at PC)** - We have allowed for agent's fees of 0.5% (£517,250) and legal fees of 0.25% (£258,625) on exit.

9.22 **Developer's Profit** – considering that the planning consent is in place for the subject change of use and the development, and the property does represent substantial development or planning risks. To reflect these considerations, we have adopted a profit at 12% calculated based on development costs equating to £11,083,931.

Please note that there is no available market comparable evidence to show what a profit margin is applied to calculate land values. It is the resulting land value and the specific aspects of the development which in many ways informs the selection of this profit rate. Therefore, we cannot point you to any specific comparable evidence.

However, we are of the opinion that considering the specific aspects of the development which would reduce development risks (including: permitted scheme, excellent central location, building already stripped out, re-using super-structure of the existing building) and a comparison with sales of unconsented building (to be redeveloped rather than demolished in their entirety) justifies the adoption of 12% profit on costs to calculate Market Value of the site in its current condition and on the expressed assumption that the planning consent ref: 24/00176/FULL.

This percentage level of profit adopted in this valuation reflects that the development costs include 10% contingency, the Developer's use of a design & build contract under which a greater proportion of delivery risk is allocated to the Contractor, and the construction costs compare well to the BCIS Index (although they include an element of inflation).

9.23 Further, the letting risk and costs post completion are also reflected in the yield discount between the stabilised and the VPV values. Further, the level of profit at over £11million further justifies this level of PoC adopted.

9.24 Our assumed build costs have not been inflated to account for predicted build cost inflation through the life of the development. This is because we have assumed that the Developer have negotiated a fixed price contract at the outset of the development at the level of our assumed costs.

Construction period

9.25 We have assumed a development period in our valuation as provided in the *2025-11-10 Beech Development Costs (Sep 26)*. We have assumed a Pre-construction period of 10 months (November 2025 – August 2026) and Construction period of 24 months starting in September 2026 and finishing at the end of August 2028 / beginning of September 2028. The total development period is 34 months (from November 2025).

9.26 The Monitoring Report provided to us on 28 November 2028 prepared by NRE indicates that the PC will be most likely achieved in October/November 2028.

Market Value – Residual Land Value

9.27 Such calculated our Market Value of the site with the benefit of planning consent is **£24,800,000 (Rounded)**

9.28 The reported Market Value (site value) reflects a land value of £142,000 per consented bedspace.

9.29 We understand from the Sponsor that c£5,900,000 was spent on securing the planning permission, holding the building since acquisition and stripping the building in preparation for the construction works to commence. These costs are reflected in the reported Market Value (site value) reported herein.

9.30 As shown below in Para 9.31, a number of centrally located office blocks with no consent for a change of use to residential sold for redevelopment. Of special interest is a City building near Bank station which sold unconditionally (and without planning permission for a change of use) at £117,000 per plot (if we to reflect planning permission now granted). This price reflected an unconsented office building which needed a strip-out and total refurbishment. Further, the lower price per bed/plot reflected that fact that c15% of the proposed rooms will be affectively windowless situated in a basement. We are aware that there has been a number of bidders at the similar price level, or slightly above, when the building was being sold. The eventual purchaser was chosen by the Vendor as having a strong equity backing and impeccable track record.

9.31 A further example of a sale of an office block in central London, for redevelopment and without permission for a change of use was an office block in Bloomsbury (WC1). The price paid at £112,000 per plot was reduced following a number of failed attempts to sell the building.

9.32 Please Note: The residual method of valuation is very sensitive to changes in key inputs. Small changes in variables such as gross development value or build costs will have a disproportionate effect on land value. Site values can therefore be susceptible to considerable variances because of changes in market conditions. The client should take the sensitive nature of residual valuations into account in making its decisions.

Comparison with Purchase Price

9.33 HUB acquired the property in Q2/Q3 2023 for £28,500,000. At that point the property was subject to a short-term lease to a serviced office operator and did not have the current planning permission for a change of use to residential. However, the pricing of the building reflected hope value for a change of use to residential.

9.34 One of the reasons why the currently reported land value is lower than the purchase price, apart from the current development climate created by Gateway 2, costs of debt and construction costs, is a relatively high amount of Payment in Lieu (PIL) agreed under the Section 106 Agreement at £8,936,096 (over £51,000 per consented bed). However, we have not been provided with the development appraisal or business plan of the Sponsor when they were acquiring the property.

Land sales comparables

9.35 We are aware about the following comparable land sales in London to develop Co-living schemes.

- **Land, West London (TfL Zone 3) –** in Q2 2025 a developer acquired this site for a Co-living development reflecting **£55,000 per plot**. It is a vacant land with a planning permission for a ground up development.

  In comparison with Beech Street, this site is in a less central location. It is a development site which needs to be cleared prior to a ground up development. The price paid reflected that the planning permission needs to be slightly re-worked for the scheme to reach its optimum design. Therefore, the purchaser is going to incur additional planning costs.

- **Land for Co-living and C3 affordable housing** – in Q1 2025 a cleared land in Hackney (TfL Zone 2/3) was bought for a ground up development of a 250+ beds Co-living scheme and a C3 affordable housing (under S106 Agreement). The site was sold unconsented (although with an initial positive pre-app) reflecting c**£73,000 per plot**.

- **Land in London (TfL Zone 1)** – in Q4 2024. Acquisition of final 1.2- acre plot within a masterplan. Site benefited from commercial consent with intentions to deviate and deliver a mixed-use offering with share-living/ co-living homes, affordable homes, PBSA, new public realm, ground floor retail and health hub. Effectively this was an unconsented land for a Co-living development. Land value reflected **£53,000 per plot**.

  In comparison with Beech Street this is an unconsented land for a large scale ground up mixed use development.

- **Office building near Bank Station (TfL Zone 1) –** in H2 2024 a vacant office building was bought for conversion to Co-living. The price paid of c £21million reflected a land value of c**£117,000 per space**. The building was acquired **unconsented** although with some positive initial planning enquiries made by the Vendor's advisors of the LPA. During the development, the building will be retained, refurbished and slightly extended.

- **Finsgate House, Hackney EC1V -** acquisition of 1980's office building close to Old Street roundabout. Planning ongoing for c. 22,000 sq m of Co-living and 6,000 sqm of office space. Site expected to deliver c.500 beds estimated. A price of £31million reflects land value of **£62,000 per bed**. The property was bought **unconsented** by HUB / HIG in Q2 2024.

  In comparison with Beech Street, the property is less centrally located. The lower price paid for the land in this transaction also reflected that the site/building was acquired unconsented, and the building will be demolished. In Beech Street case the existing building is going to be retained and substantially refurbished and extended.

- **Office Building in Bloomsbury (WC1)** – a vacant office building was acquired without consent for a refurbishment and a change of use to Co-living. The purchase price was c£7,000,000 (discounted price following a number of potential purchasers not performing) and reflected **£112,000 per consented bed (Q1 2024)**. The building will be retained and only slightly extended.

- **Yardhouse, Wood Lane, White City, London W12** – a land price was agreed at this forward funding at £18,400,000 reflecting **£88,000 per bedspace**. The land was acquired in Q1 2024 with **a planning permission** in place. The land was a cleared site.

- **The Rex, Kingston Upon Thames** – a former PBSA building was acquired under a JV/forward funding structure in May 2023. The building was acquired **with a planning permission** for a development into 202 Co-living beds (later a planning permission was improved to 212 beds). The land price agreed was at **£22,500,000 / £111,400 per bed**. As it is the case at the subject, the original building was retained, refurbished and extended.

- **Wallis Road, Hackney Wick London E8** – a light industrial site (with buildings to be demolished) of approximately 0.89ha was acquired **unconsented** for a Co-living led mixed-use development at the end of 2023. Price paid was c£16 million which reflected c**£45,000 - £50,000 per co-living unit.** The pricing was agreed 12 months before the purchase. At the time of the site purchase, a part of the site had positive outcome from a historic planning application for a change of use to residential, but there was no planning permission in place.

10. Market Value (site value) – Trended Assumptions to PC in August 2028

General Comments

10.1 You have instructed us to provide you with the trended scenarios showing trended rents and development costs to PC in August 2028. **Please note that these figures are provided as an illustration, and we do not consider these values to reflect the Market Value of the site.**

10.2 The figures of site value and NDV have been provided on the Special Assumption that the rental growth set out within this report is achieved by PC in August 2028. On these bases, any variance to the rental growth and costs growth may have a substantial impact (+/-) upon the figures reported. We have not grown the construction costs provided as we understand that the Sponsor has agreed a fixed contract which effectively include an element of inflation. **The purpose for which these figures are used should be very carefully considered.**

Net Development Value – Special Assumption of Scheme is Completed and with Vacant Possession & reflecting assumed rental growth to Practical Completion (August 2028) – valuation inputs:

10.3 **Gross Operating Income (trended)** – we have trended the gross residential rents, as discussed above, in line with Knight Frank LLP Rental Forecast for Greater London (as at September 2025), as shown below.

Rental Market Forecast, September 2025

2025 - 2029

Location	2025	2026	2027	2028	2029	5 year Cumulative	5 year CAGR
UK	4.0%	3.5%	3.5%	3.0%	3.5%	18.8%	3.5%
Greater London	3.5%	3.0%	3.0%	3.0%	3.5%	17.1%	3.2%
PCL	3.0%	4.0%	4.0%	4.0%	4.5%	21.1%	3.9%
POL	3.0%	4.0%	4.0%	4.0%	4.5%	21.1%	3.9%

Source: Knight Frank LLP – September 2025

10.4 We have trended the rents from November 2025 to the end of July 2028 at the level as stated above (for Greater London).

10.5 We calculate the trended Gross Income from the property to be at **£6,544,750 per annum**. We have not trended the additional income.

10.6 **Operational Costs** - In the trended scenario we have assumed the operational costs in line with Day 1 valuation at 20.5% of Gross Residential Income. This equates to opex at **£1,3411,674 / £7,711 per unit.**

10.7 **Yield** - We have not adjusted our capitalisation rate which have remained the same as for the Day1 Net Development Value at **4.30%** (stabilised asset). We have moved the yield our by 5% to reflect the time, costs and letting risk to stabilise/let the scheme post development.

10.8 **Purchaser's costs** - we have deducted real estate purchaser's costs based at 5.89%.

10.9 We summarise our Pricing Calculations for trending scenarios in the table below.

Site Value – based on trended valuation assumptions to PC in August 2028

Pricing Calculations				
Residential		NDV - Trended (VP)		NDV - Trended (Stabilised)
AMR (Gross)	£	6,544,750	£	6,544,750
Gross: Net		20.5%		20.5%
AMR (Net)	£	5,203,076	£	5,203,076
Opex	£	1,341,674	£	1,341,674
£Per Unit	£	7,711	£	7,711
£PSF PA	£	32.8	£	32.8
Cap. Rate		**4.35%**		**4.30%**
CV (Gross)	£	119,610,947	£	121,001,772
Purchaser's Costs		5.89%		5.89%
CV (Net)	£	112,957,076	£	114,270,649
Say,	**£**	**112,950,000**	**£**	**114,250,000**
£PSF (NSA)	£	2,764	£	2,795
Value per Beds		£649,138		£656,609

10.10 We have not grown construction costs as understand from Firma Partners that **the construction and professional costs** provided to us by the sponsor are based on fixed price contract and therefore include an element of inflation.

10.11 **The Local Planning Authority financial costs** (Section 106 Agreement and CIL) – we have not grown these as assumed that these will be paid at the beginning of the construction period.

10.12 We summarise the development costs in the table below. The detailed calculations are in Appendix 2.

Cost Category	Amount (£)	Beds	GIA (sq ft) / £	£ Per unit
		174	**74,249**	
Construction Costs (including contingency)	£34,105,693			
Statutory / Local Planning Authority Costs	£11,164,800			
Other Construction Costs	£2,086,641			
Professional Fees	£1,574,478			
Marketing & advertising (trended)	£697,337			
DM Fees	£1,075,813			
Total (Excluding finance and acquisition costs)	**£50,704,262**			
Plus Acquisition Costs (not trended) (Overage, SDLT & Overage PIL)	£4,465,000			
Total Development costs Inc acquisition costs)	**£55,169,262**			

10.13 In addition we have reflected finance costs at 7.0% per annum, totalling £11,850,000.

10.14 **Purchaser's Costs on Residual Site Value -** We have adopted purchaser's costs at 5.85% (£1,825,702).

10.15 **Costs of Disposal (at PC)** - We have allowed for agent's fees of 0.5% (£564,750) and legal fees of 0.25% (£282,375) on exit.

10.16 **Developer's Profit** – considering that the planning consent is in place for the subject change of use and the development, and the property does represent substantial development or planning risks. To reflect these considerations, we have adopted a profit at 12% calculated based on development costs equating to £12,101,000.

Residual Land Value – 174 unit Co-living scheme – trended inputs to PC in August 2028

10.17 Residual site value based on the special assumption of trended NDV, as discussed above and based on the real estate purchaser's costs we calculate to be in the region of **£31,150,000 (rounded).**

Investment Value on the SA that the site with the benefit of the current permission is subject to 6 months marketing period (from the valuation date)

10.18 As instructed, we have calculated the investment value on this basis. We have assumed that this period is from the valuation date to the time of exchange of contracts.

10.19 We have increased a profit on costs in the residual appraisal to 15% to reflect that a potential purchaser would require a higher return to take on the project not yet ready to go on site as still going through a Gateway 2 approval system.

10.20 This value at £22,900,000 reflects a c7.5% discount from the Market Value (site value) reported herein.

11. Valuation Summary

	VALUATION BASES – DAY 1
Market Value- site value with current planning permission for 174 Co-living units	Market Value of the freehold interest in the property in its current condition and with the benefit of the planning permission ref: 24/00176/FULL for a development of 174 unit Co-living scheme with amenities, as at the valuation date, is: **£24,800,000 (TWENTY FOUR MILLION AND EIGHT HUNDRED THOUSAND POUNDS)** We have deducted real estate purchaser's costs.
Market Rent on the Special Assumption 174-units Co-living scheme is complete	Market Rent for the property on the Special Assumption that the scheme has been completed in line with the requirements of the planning permission ref: 24/00176/FULL for a development of 174 unit Co-living scheme with amenities, as at the valuation date, is: **£5,995,000 (FIVE MILLION, NINE HUNDRED AND NINETY FIVE THOUSAND POUNDS) per annum**
Market Value on the Special Assumptions that the consented 174-units Co-living scheme is complete and with vacant possession	We are of the opinion that the indicative Market Value of the freehold interest in the property on the Special Assumption that the Co-living scheme comprising 174 units is completed in line with the planning permission ref: 24/00176/FULL and it is vacant, as at the valuation date, is: **£103,450,000 (ONE HUNDRED AND THREE MILLION, FOUR HUNDRED AND FIFTY THOUSAND POUNDS)** We have deducted real estate purchaser's costs.
Market Value on the Special Assumptions	We are of the opinion that the indicative Market Value of the freehold interest in the property on the Special Assumption that the Co-living scheme comprising 174 units is completed in line with the planning permission ref: 24/00176/FULL and it is stabilised, as at the valuation date, is:

Component	Value / per annum
Co-living Scheme	£5,898,984
Additional Income	£96,240
Total Gross Operating Income (Day 1)	£5,995,224 **£5,995,000 (Rounded)**

that the consented 174-units Co-living scheme is complete and stabilised	**£104,700,000 (ONE HUNDRED AND FOUR MILLION, SEVEN HUNDRED THOUSAND POUNDS)** We have deducted real estate purchaser's costs.
TRENDED SCENARIOS	**TRENDED SCENARIOS – TRENDED VALUATION INPUTS TO THE ANTICIPATED PC DATE IN AUGUST 2028** In line with your instructions, we have run indicative NDV and site value using trended valuation assumptions. **Important note:** These figures have been undertaken on the Special Assumption that the rental growth set out within this report is achieved by August 2028 (the anticipated PC date) and construction costs growth is in line with the BCIS forecast (as at Q3 2025). On this basis, any variance to the rental and costs growth may have an impact (+/-) upon the figure reported. The purpose for which this figure is used should be carefully considered. **The purpose for which these figures are used should be carefully considered.**
Market Value (site value) (Special Assumption - Trended Scenario to PC in August 2028)	We are of the opinion that the indicative Market Value of freehold interest in the property in its condition as at the inspection date, with the benefit of the planning consent ref: 24/00176/FULL for a development of a Co-living scheme comprising 174 Co-living units, as at the valuation date, is: **£31,150,000 (THIRTY ONE MILLION ONE HUNDRED AND FIFTY THOUSAND POUNDS)** **Important note:** This figure has been undertaken on the Special Assumption that the rental growth set out within this report is achieved by the date of the anticipated PC date in August 2028. On this basis, any variance to the rental growth or development costs growth achieved may have an impact (+/-) upon the figure reported. We have not trended the construction costs as the costs adopted were based on a fixed term contract and reflect inflation. The purpose for which this figure is used should be carefully considered.
Indicative Market Rent (Special Assumption - Trended	We are of the opinion that the indicative Market Rent for the proposed Co-living scheme on the special assumptions that the scheme is complete in line with a planning consent ref: 24/00176/FULL and the rents grown in line with our forecast, as stated in this report, to August 2028, is as follows:

Scenario to PC in August 2028)

£6,544,000 (SIX MILLION AND FIVE HUNDRED AND FORTY FOUR THOUSAND POUNDS) per annum

Component	Value / per annum
Co-living Scheme (trended to August 2028)	£6,448,510
Additional Income (not trended)	£96,240
Total Gross Operating Income trended to August 2028	£6,544,750 **£6,544,000 (Rounded)**

Important note: This figure has been undertaken on the Special Assumption that the rental growth set out within this report is achieved by August 2028. On this basis, any variance to the rental growth achieved may have an impact (+/-) upon the figure reported. The purpose for which this figure is used should be carefully considered.

Indicative Market Value - Special Assumptions - Trended Scenario to PC Date in August 2028, scheme completed and vacant possession

We are of the opinion that the indicative Market Value of the freehold interest in the property on the Special Assumption that the Co-living scheme comprising 174 units is completed in line with the planning permission ref: 24/00176/FULL and it is vacant, as at the valuation date, is:

£112,950,000 (ONE HUDRED AND TWELVE MILLION NINE HUNDRED AND FIFTY THOUSAND POUNDS)

We have deducted real estate purchaser's costs.

Important note: This figure has been undertaken on the Special Assumption that the rental growth set out within this report is achieved by August 2028. On this basis, any variance to the rental growth achieved may have an impact (+/-) upon the figure reported. The purpose for which this figure is used should be carefully considered.

Indicative Market Value - Special Assumptions - Trended Scenario to PC Date in August 2028, scheme completed and stabilised

We are of the opinion that the indicative Market Value of the freehold interest in the property on the Special Assumption that the Co-living scheme comprising 174 units is completed in line with the planning permission ref: 24/00176/FULL and it is stabilised, as at the valuation date, is:

£114,250,000 (ONE HUDRED AND FOURTEEN MILLION TWO HUNDRED AND FIFTY THOUSAND POUNDS)

We have deducted real estate purchaser's costs.

Important note: This figure has been undertaken on the Special Assumption that the rental growth set out within this report is achieved by August 2028. On this basis, any variance to the rental growth achieved may have an impact (+/-

	) upon the figure reported. The purpose for which this figure is used should be carefully considered.
Investment Value on the SA that the site with the benefit of the current permission is subject to 6 months marketing period	We are of the opinion that the investment value of the Special Assumption that the site (with the benefit of the current planning permission in place) is subject to a restricted marketing period of 6 months (to agree the sale) is: **£22,900,000 (TWENTY-TWO MILLION NINE HUNDRED THOUSAND POUNDS)** The investment value on these bases reflects c7.5% reduction from the Market Value reported without a restricted marketing period.

12. Property risk analysis

General comments

General comments

12.1 You have asked us to comment on the suitability of the property for loan security purposes.

12.2 this section of our report we summarise the property related risks which we have identified as part of our valuation report and which we consider should be drawn to your attention. This summary should not be taken to be exhaustive and must be considered in conjunction with the remainder of the report. Nothing in this section should be construed as being a recommendation of taking any particular course of action.

SWOT Analysis

Strengths	Weaknesses
• The property benefits from the planning consent for the subject development. • The property benefits from being located centrally in London, and on the verge of a major of employment hub. • Freehold. • Excellent transport links. • Excellent ESG credentials. • High-end specification post-development. • Good economies of scale. • Good investment lot size.	• The access to the property is accessed via an underpass. • Some units on the first floor will have less attractive outlook onto the underpass.
Opportunities	**Threats**
• The first Co-living scheme situated within the City of London. • To secure letting contracts with large corporate firms.	• Competition from other schemes being developed nearby. • A limited pool of demand as rents are likely to be on the higher end. • Cost overruns and time delays in the development process. • Macro-economic risks.

Risks relating to the property

Condition

12.3 The current condition of the property makes it almost unlettable as an office without substantial refurbishment first. Our valuations have considered that the refurbishment and reconfiguration work is to be completed.

Development Risks

12.4 The current development proposal timeframe could be extended resulting in further costs and delays.

12.5 The scheme is required to receive a Gateway 2 approval before works commence in September 2026. We have also considered that that approval must be obtained for Gateway 3 from the Building Safety Regulator before the scheme can be legally occupied.

12.6 Gateways 2 & 3 are both "hold points" and therefore if there are any delays in providing the information, or in the BSR providing a decision, there is the potential for delays in the construction timelines. Based on the information provided to us, we have assumed that the Developer allowed time to obtain the approvals within their project timescales provided to us.

Overage Payment

12.7 We have not been provided with an Overage Agreement or a Legal Report for the property. Therefore, we have not been able to calculate or verify the amount of the Overage payable which was provided to us. Should the amount of £4,465,000 provided to us and as currently reflected in our calculations of Market Value be incorrect, this would affect the Market Value reported herein.

Income risks

Cashflow, reletting & void costs

12.8 Post development, it is essential that the Property is managed appropriately to maintain occupancy levels through tenant retention and re-letting. In addition, there is potential for both rents and occupancy to fluctuate during the holding period. It should be noted that it may be necessary to lower rents, if there are any future periods of high vacancy, in order to improve occupancy levels.

Renter's Rights Bill

12.9 The Renter's Rights Bill gained Royal Assent on 27 October 2025. The Bill seeks to improve the rights of renters in the UK and will tackle a number of areas to do this, including but not limited to:

- Abolish Section 21 'no fault' evictions.
- Revise mandatory and discretionary grounds for possession.
- Limit rent reviews to once per 12-month period to the market rate.
- Introduce a PRS Landlord Ombudsman.
- Create a PRS database.
- Improve tenants' rights for requesting a pet within the property, not to be unreasonably refused.

12.10 It is generally the market's expectation that asset management of Co-Living rental properties may become more challenging.

12.11 As a result, there may be an impact to letting & management fees and an increase to overall operational expenditure.

Economic & property market risks

Market conditions explanatory note

12.12 Continued low property transaction volumes result in a greater reliance on macro-economic indicators and our professional judgement in arriving at our opinion of value and we highlight the importance of the valuation date. The conclusions in our report are valid at that date only and we advise that you keep the valuation under regular review.

Valuation risks

Sensitivity of the residual valuation method

Market Value (site value) – Day 1

12.13 The residual method requires the input of a large amount of data, which are rarely absolute or precise, together with the making of a large number of assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the site value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement. A common technique used to illustrate this sensitivity is known as sensitivity analysis.

12.14 Sensitivity analysis shows the degree to which the reported value varies when the chosen inputs into the calculation change and should be used to assist in assessing potential risks associated with a valuation, particularly when the valuation inputs are uncertain for any reason.

12.15 This is illustrated in the sensitivity analysis table below (values are rounded):

	Construction: Gross Cost				
Sales: Gross Sales	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	27,904,658	29,454,917	31,005,176	32,555,435	34,105,694
-10.000%	(£20,484,954)	(£19,066,726)	(£17,648,494)	(£16,230,259)	(£14,812,023)
93,105,000	12.000%	12.000%	12.000%	12.000%	12.000%
-5.000%	(£24,057,832)	(£22,639,595)	(£21,221,334)	(£19,803,105)	(£18,384,872)
98,277,500	12.000%	12.000%	12.000%	12.000%	12.000%
0.000%	(£27,630,684)	(£26,212,448)	(£24,794,210)	(£23,375,973)	(£21,957,714)
103,450,000	12.000%	12.000%	12.000%	12.000%	12.000%
+5.000%	(£31,203,534)	(£29,785,299)	(£28,367,063)	(£26,948,826)	(£25,530,588)
108,622,500	12.000%	12.000%	12.000%	12.000%	12.000%
+10.000%	(£34,776,380)	(£33,358,148)	(£31,939,913)	(£30,521,678)	(£29,103,441)
113,795,000	12.000%	12.000%	12.000%	12.000%	12.000%

12.16 This sensitivity analysis demonstrates, inter alia, that:

12.17 A 5% increase in construction costs and a 5% reduction in the Gross Development Value that we have adopted in this Valuation, would result in a reduced market value figure of £19,800,000.

12.18 A 10% increase in construction costs and a 10% reduction in the Gross Development Value that we have adopted in this Valuation, would result in a reduced market value figure of £14,800,000.

Market Value (Trended)

12.19 The following sensitivity analysis relates to the Market Value (Trended) figure (£31,150,000) we have reported (provided based on real estate purchaser's cost) and 174 bed scheme:

	Construction: Gross Cost				
Sales: Gross Sales	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	27,904,658	29,454,917	31,005,176	32,555,435	34,105,694
-10.000%	(£26,190,538)	(£24,772,301)	(£23,354,063)	(£21,935,802)	(£20,517,573)
101,655,000	12.000%	12.000%	12.000%	12.000%	12.000%
-5.000%	(£30,091,490)	(£28,673,254)	(£27,255,018)	(£25,836,780)	(£24,418,543)
107,302,500	12.000%	12.000%	12.000%	12.000%	12.000%
0.000%	(£33,992,438)	(£32,574,205)	(£31,155,970)	(£29,737,734)	(£28,319,497)
112,950,000	12.000%	12.000%	12.000%	12.000%	12.000%
+5.000%	(£37,893,380)	(£36,475,151)	(£35,056,920)	(£33,638,686)	(£32,220,451)
118,597,500	12.000%	12.000%	12.000%	12.000%	12.000%
+10.000%	(£41,794,366)	(£40,376,128)	(£38,957,864)	(£37,539,633)	(£36,121,401)
124,245,000	12.000%	12.000%	12.000%	12.000%	12.000%

12.20 This sensitivity analysis demonstrates, inter alia, that:

12.21 A 5% increase in construction costs and a 5% reduction in the Gross Development Value that we have adopted in this Valuation, would result in a reduced market value figure of £25,800,000.

12.22 A 10% increase in construction costs and a 10% reduction in the Gross Development Value that we have adopted in this Valuation, would result in a reduced market value figure of £20,500,000.

12.23 Please note that sensitivity analysis is an illustrative risk assessment tool based on the selected inputs and variations. In practice variations to the inputs adopted to assess the sensitivity of the valuation figure could exceed the figures adopted and do not therefore represent the maximum possible variation in the reported value.

12.24 We recommend that you take this into account when making your lending decision.

Suitability for loan purposes

12.25 We have not been provided with accounts or other financial information on your Customer, and are unable to comment on their financial strength. We would recommend that you satisfy yourselves that your Customer has the necessary capability to meet the intended repayments.

12.26 We have not been asked to comment on the adequacy of capital or income cover afforded by the property as security for the loan, and you should satisfy yourselves in this regard. Our assessment is made upon the property itself and no recommendation is given by Knight Frank LLP in respect of the length of term considered appropriate or sum to be advanced and any decision in this respect should be subject to the usual lending criteria of the lender.

12.27 Subject to the comments in this report we consider the property is suitable security for loan purposes.

Instruction documentation

Appendix 1

Valuation Printouts

Appendix 2

Market Commentaries

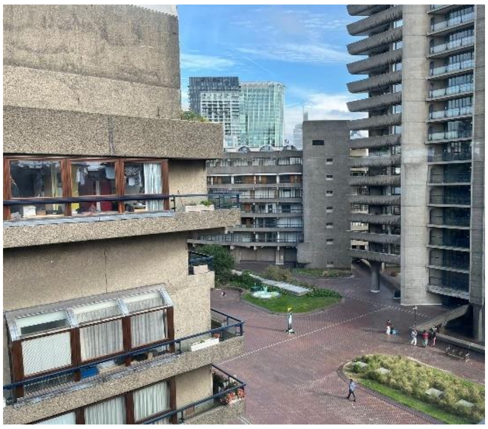
Appendix 3

Photographs

Appendi

Front elevation off Beech Street

Internal stripped out areas



Views over the Barbican Estate

Internal stripped out areas