

WATERFRONT SITE STAINES-UPON-THAMES

Hotel Development Advisory Report

Prepared for
Spelthorne Borough Council

29/06/2022



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01

INTRODUCTION



INTRODUCTION

WATERFRONT SITE

- Cushman & Wakefield (C&W) has been instructed by Spelthorne Borough Council to review of the revised interest from Arora Hotels for the Waterfront Site and comment on the evolution of the scheme and in doing so re-run the commercial assessment of the hotel and residential scheme
- The table summarises the previous and revised schemes for the Waterfront Site:

PREVIOUS SCHEME		REVISED SCHEME	
HOTEL	RESIDENTIAL	HOTEL	RESIDENTIAL
<ul style="list-style-type: none">342 rooms26 Service Apartments6 meeting toomsRestaurantBarGymSpaCar Park	<ul style="list-style-type: none">214 residential units	<ul style="list-style-type: none">205 rooms30 Apart hotel units6 meeting roomsRestaurantBarGymSpaCar park	<ul style="list-style-type: none">235 residential units
Approx. GIA = 637,837 sqft (59,257 sqm)		Approx. GIA = 387,393 sqft (35,989 sqm)	

- Despite the total Key count and GIA decreasing from the previous to the revised scheme, the core facilities have remained unchanged. This includes an identical double basement as the previous bid, containing the parking, leisure & spa spaces, restaurants & bars, conference facilities and back of house.
- The revised scheme (Total - 387,393 sqft) provides for 119,921 sqft of hotel room space, 194,267 sqft of residential, and 73,195 sqft of plant.

INTRODUCTION

HOTEL AREA SCHEDULE

- The adjacent table presents an approximative area schedule for the revised hotel scheme (235 rooms). The public facilities are broadly based on the same provision included in the previous scheme and based the update bid document (issued March 2020).
- The suite mix is approximate based on the same 5% suite mix ratio included in the previous scheme.
- The revised scheme includes the same restaurant, meeting, leisure and parking facilities that was incorporated in the previous scheme.
- We note that whilst the facility areas are as included in the previous scheme, the capacities in each function has been assessed by C&W in order to assist in understanding the size of each area of the hotel.

FACILITIES	CAPACITY	SQFT
ROOMS		
Standard Rooms	194 rooms	-
Suites	11 suites	-
Apart hotel units	30 units	
TOTAL	235	-
RESTAURANT FACILITIES		
Principal Restaurant	270 seats	5,800
Speciality Dining	284 seats	6,100
Main Bar	120 seats	2,500
1 st Floor Bar	130 seats	2,800
TOTAL	804	17,200
MEETING FACILITIES		
Conference Space	-	12,100
Meeting Rooms	6 Rooms	3,300
LEISURE FACILITIES		
Spa	-	20,000
Retail	-	3,150
PARKING		
Parking (B2/B1)	290 car spaces	119,200

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REVIEW OF HOTEL MARKET



HOTEL MARKET

SUPPLY

- There are currently a total of 10 hotels (769 rooms) in a 2 mile radius from the subject property. The majority of the current supply is associated with the lower end of the market (70% of the room supply branded 3-Star or below).
- The Staines-Upon-Thames hotel market is balanced between branded and independent hotels (Branded supply equates to 52% of rooms supply). Main brands present in the town are Economy / Midscale UK brands (ie. Premier Inn, Travelodge, Mercure).
- At present the best quality hotels are the Great Fosters Hotel and The Runnymede with 43 and 180 rooms respectively being aprx. 1-mile from the property.

SCALE	Rooms	%	Hotels	%
Budget	390	51%	4	40%
3 Star	148	19%	3	30%
4 Star	223	29%	2	20%
Apts	8	1%	1	10%
Total	769	100%	10	100%

BRANDED	Rooms	%	Hotels	%
Branded	403	52%	5	50%
Independent	366	48%	5	50%
Total	769	100%	10	100%

Source: AM:PM, Cushman & Wakefield

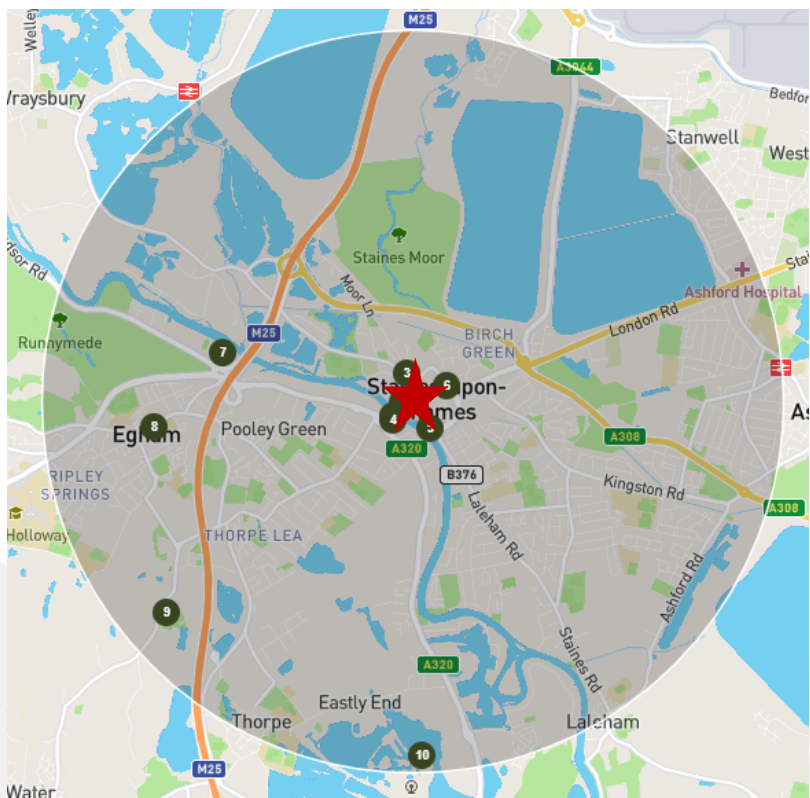
Branded Supply



HOTEL MARKET

SUPPLY MAP

- The below supply map displays the hotels within a 2 miles radius of the Waterfront scheme.
- Many of the hotels within the comp set are dated and are not necessarily regarded as the best examples of particular brands. The mid market 3 star hotels are generally small and basic with the upscale 4 star hotels requiring some upgrading. Therefore there does seem to be a great opportunity for a new high quality to enter the market.



Marker	Title	Grade	Rooms	Trading Status / Closed	Brand
1	Serviced Apartments	Apts	8	Trading	Independent
3	The Swan Hotel	3 Star	15	Trading	Beautiful Bedrooms
4	Travelodge Staines Hotel	Budget	65	Trading	Travelodge UK
5	The Anne Boleyn Hotel	3 Star	45	Trading	Independent
6	Mercure London Staines-Upon-Thames Hotel	3 Star	88	Trading	Mercure
7	Premier Inn Staines	Budget	155	Trading	Premier Inn
9	The Runnymede on Thames	4 Star	180	Trading	Independent
10	Travelodge Egham	Budget	80	Trading	Travelodge UK
12	Great Fosters Hotel	4 Star	43	Trading	Independent
14	Thorpe Shark	Budget	90	Trading	Independent
10			769		

Source: AM:PM, Cushman & Wakefield

HOTEL MARKET

PIPELINE

- AMPN registers 4 projects in the pipeline within the Staines-Upon-Thames market. This includes, the Waterfront site scheme and a 6 bedroom extension which we can disregard as future competition.
- The two additional projects are of note although both are unlikely to proceed in the near term. Indeed one is deferred suggesting that the scheme has been withdrawn. These are highlighted below:
 - A 160 bedrooms AC hotel which remains unconfirmed
 - A 132 Independent hotel registered as deferred
- A rise in rooms supply within the Staines-Upon-Thames hotel market is therefore unlikely to occur in the near future highlighting the relative importance of the subject site in increasing supply but improving the quality of hotel provision.

SCALE	Rooms	%	Hotels	%
3 Star	132	22%	1	25%
4 Star	466	78%	3	75%
Total	598	100%	4	100%

DELIVERY	ROOMS	%	HOTELS	%
Final Planning	6	1%	1	25%
Unconfirmed	460	77%	2	50%
Deferred	132	22%	1	25%
Total	598	100%	4	100%

BRANDED	ROOMS	%	HOTELS	%
Branded	160	27%	1	25%
Independent	438	73%	3	75%
Total	598	100%	4	100%

Source: AM:PM, Cushman & Wakefield

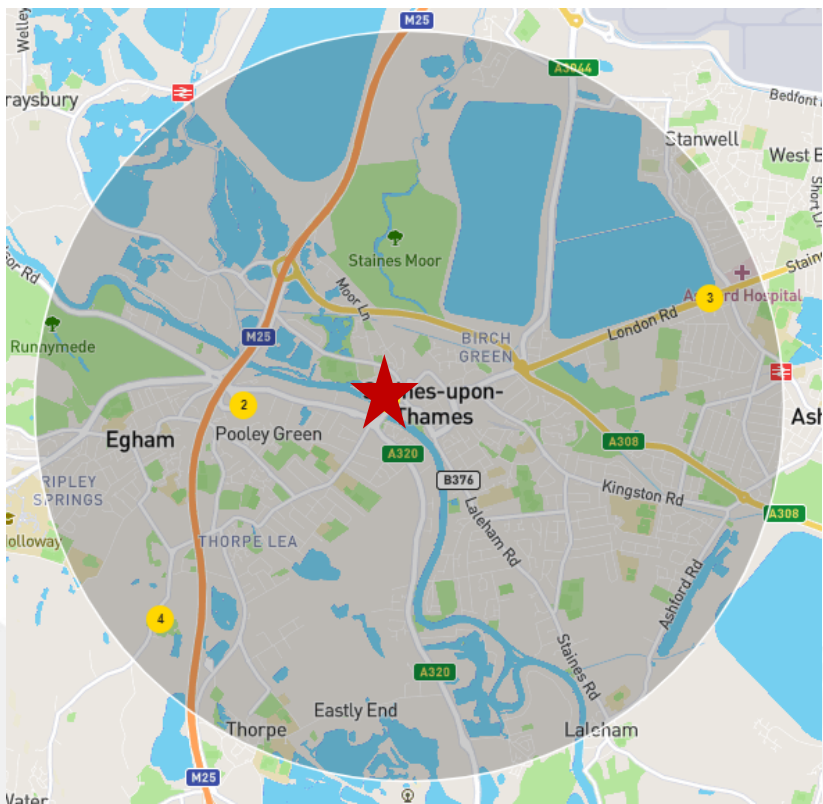
Branded Pipeline



HOTEL MARKET

PIPELINE MAP

- The below pipeline map displays the hotels within a 2 miles radius of the Waterfront scheme.
- As can be identified in the table above, there are limited hotel projects being considered at this stage. Indeed, the impact of Covid on the commerciality of new hotel schemes has been acute meaning that funding for new schemes is very challenging resulting in many delayed and cancelled schemes. Additionally, international demand generated by Heathrow airport remains slow to recover to pre pandemic levels.



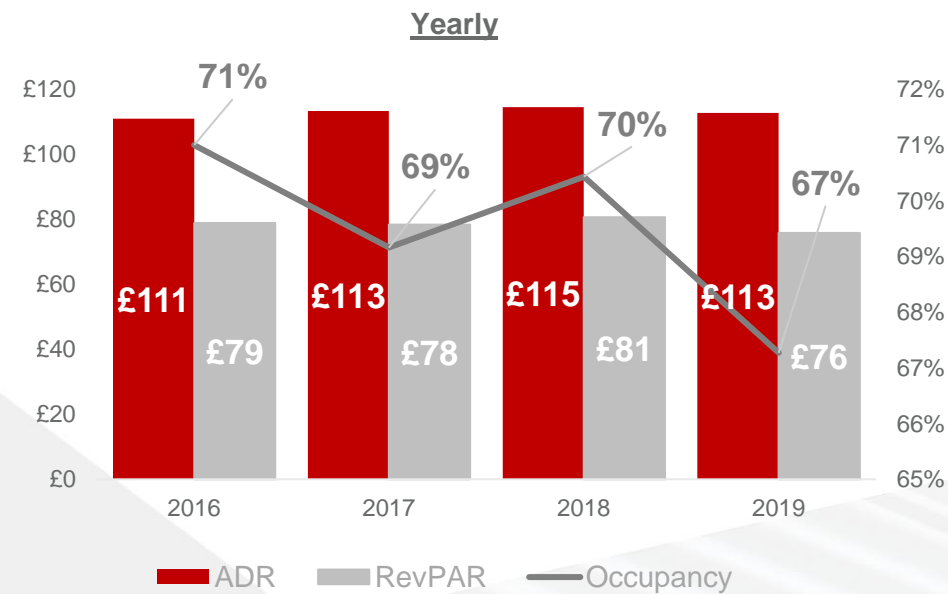
Marker	Title	Grade	Rooms	Brand
1	Arora Staines-upon-Thames	4 Star	300	Independent
2	AC Hotels by Marriott Staines	4 Star	160	AC Hotels
3	Great Fosters Hotel Extension	4 Star	6	Independent
4	London Road	3 Star	132	Independent
4			598	

Source: AM:PM, Cushman & Wakefield

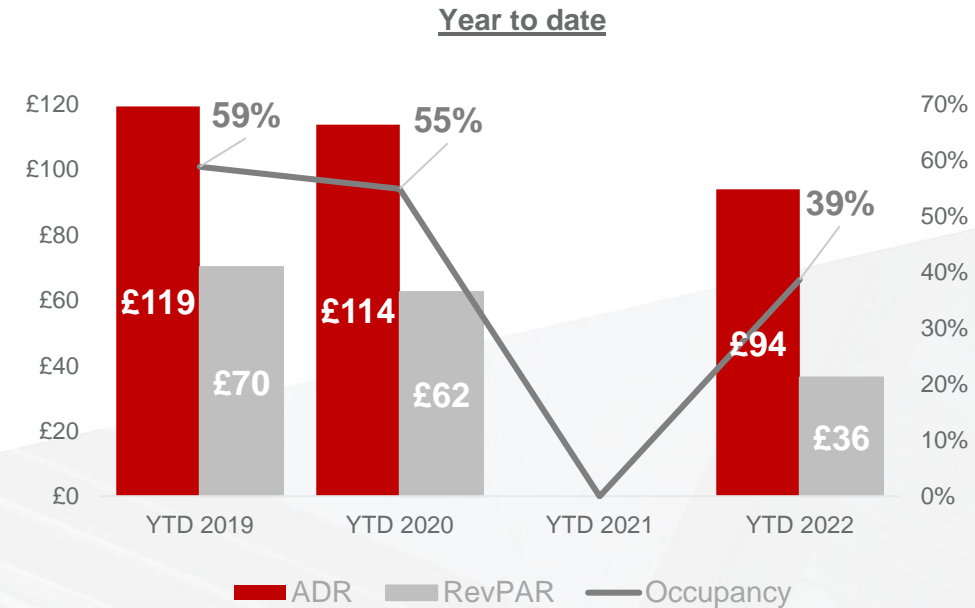
HOTEL MARKET

STR COMP SET OVERVIEW

- The following graph displays the Staines-Upon-Thames STR Comp Set (Appendix 4) performance indicators from 2016 until today. Due to the Covid pandemic and closure of hotels we do not have full data for 2020 and 2021 (April 2020 until September 2021). We have therefore only presented YTD for 2019, 2020 and 2022.
- Despite the visible performance drop due to the crisis, the market outlook is positive as performance continues to recover. We will be able to see improving month on month performance as the year progresses. This sentiment has also been confirmed by the Operator Beat survey undertaken by Cushman and Wakefield and broader evidence of improving market performance and the appeal of secondary hotel markets. These markets have strong domestic demand which is recovering quickly and operators further confirmed their view that these markets could recover, to 2019 levels of performance, by 2023/2024.



Source: STR, Cushman & Wakefield



Source: STR, Cushman & Wakefield

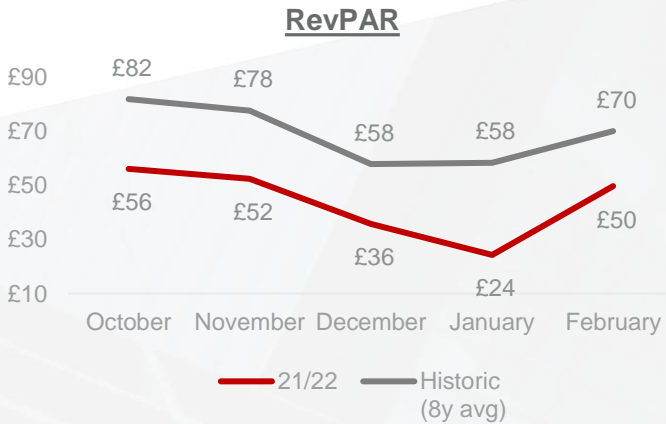
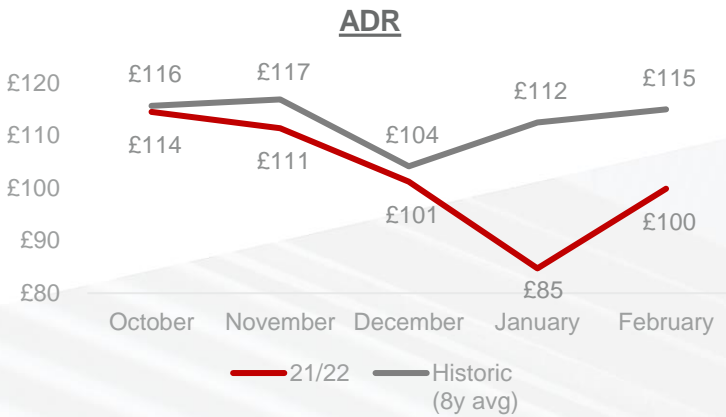
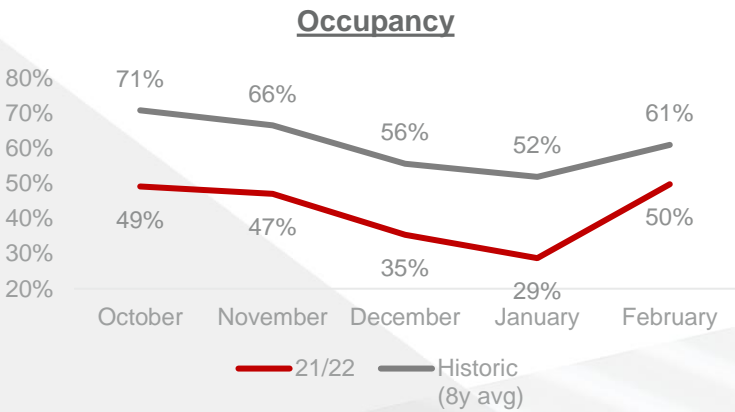
HOTEL MARKET

KEY PERFORMANCE INDICATORS

- Occupancy has generally been slower to recover based on hotels focusing on holding or driving rate levels. Demand continues to increase (recover) and there are signs of reducing variance between historic averages and current performance.
- ADR's trend is closer to historical averages which is a very positive trend given the comp sets proximity to Heathrow and its international demand, thus presenting a strong sign of market recovery.
- The Staines-Upon-Thames market shows encouraging recovery signs as RevPar continues to converge with historic average.

Staines-Upon-Thames		2021			2022	
		October	November	December	January	February
Occ	21/22	49%	47%	35%	29%	50%
	Historic (8y avg)	71%	66%	56%	52%	61%
	Variation	22%	19%	20%	23%	11%
ADR	21/22	£ 114	£ 111	£ 101	£ 85	£ 100
	Historic (8y avg)	£ 116	£ 117	£ 104	£ 112	£ 115
	Variation	£ -1	£ -5	£ -3	£ -28	£ -15
RevPAR	21/22	£ 56	£ 52	£ 36	£ 24	£ 50
	Historic (8y avg)	£ 82	£ 78	£ 58	£ 58	£ 70
	Variation	£ -26	£ -25	£ -22	£ -34	£ -20

Source: STR, Cushman & Wakefield



HOTEL MARKET

INVESTMENT ACTIVITY

- Following a year where transactional activity stalled due to the COVID-19 pandemic, investment volumes recovered in 2021 to around £4 billion an increase of approximately 100% on 2020 levels.
- Transactional activity has been evenly split between London and the regions. The lower end of the market has been dominated by domestic purchasers whereas at the higher end the market has seen the return of private equity investors, particularly from the US.
- The sales that have occurred to date have not shown any material movement in yields for good quality assets.
- However, the weaker earnings that are currently being delivered will have impacted values in some instances although the level of decline will depend on fundamentals such as location, quality of asset and a hotels recovery prospect.
- One of the biggest challenges in the market has been a lack of debt available for transactions with many lenders unsurprisingly concentrating their efforts on their existing loan books. Where debt is available it is more expensive, which will impact the amount a purchaser requiring debt is able to pay.
- There does however remain a large amount of capital available for acquisitions and there continues to be a limited amount of stock being brought to market particularly in prime locations. As a result, this has resulted in competitive bidding processes and a reduction in the pricing expectations between buyers and sellers.
- We anticipate that there will be increased activity in the sector in 2022 with more stock coming to market on the back of a recovery in trading performance. Whilst there has been less distress sales than many anticipated at the start of the pandemic, there is likely to be more consensual sales during the years as banks look to reduce their exposure.

Hotel investment volumes (£bn) and RevPAR growth (%)



Source: Cushman & Wakefield

HOTEL MARKET

COMPARABLE TRANSACTIONS

- The below displays all hotel transactions that have taken place over the past 4 years within a 5 miles radius of the subject Waterfront site.

Transaction Date	Distance to Waterfront Site	Property Name	City	Class	Tenure	Units	Price(£)	£/Unit	Cap Rate
Mar-22	0.9	Runnymede on Thames	Egham	Upper Upscale	Freehold	180	£50,000,000	£277,777	
Nov-21	4.8	Best Western Heathrow Ariel	Hillingdon	Midscale		184	£11,244,819	£61,113	
Jun-19	2.7	De Vere Beaumont Estate	Windsor	Upscale	Leasehold	429	£40,000,000	£96,618	3.20%
Apr-19	2.1	The Stanwell Hotel	Staines	Upper Midscale	Freehold	53	£5,500,000	£103,777	
Nov-18	1.7	Great Fosters Hotel	Egham	Upper Upscale		41	£17,401,047	£424,416	
Jul-18	2.4	Travelodge Heathrow T5	Slough	Economy	Lease - Fixed	296	£39,628,154	£133,879	5.00%
Apr-18	3.4	The Bridge Hotel	Chertsey	Upscale	Freehold	51	£5,876,935	£115,234	
Apr-18	4.8	Crowne Plaza Heathrow	Hillingdon	Upscale	Freehold	4,827	£146,954,521	£30,444	7.30%
Apr-18	4.8	Holiday Inn London Heathrow Ariel	Hillingdon	Upper Midscale	Freehold	184	£75,663,603	£411,215	5.80%
Apr-18	4.9	Holiday Inn London Heathrow M4	Hillingdon	Upper Midscale	Freehold	617	£34,574,038	£56,036	7.30%
Mar-18	0.3	Mercure Thames Lodge Staines	Staines	Upscale	Freehold	78	£11,663,668	£149,534	

Source: RCA – Cushman & Wakefield

RESIDENTIAL MARKET

RESIDENTIAL INTELLIGENCE

- As previously mentioned, the residential scheme has increased by a total of 21 apartments to 235 units. This represents a total decrease of approx. 4,402 sqft from the previous scheme.
- We have reviewed residential transactions within a 0.5 miles radius of the subject development site. Please note that there was limited recent new build transactional evidence. The adjacent tables presents 2021 transactions which principally come from the London Square scheme. We can observe that the residential prices have significantly increased compared to our last report with an average price per sqft averaging approx. £575.
- The above trend continues with strong pricing quoted for The Berkeley Scheme at Eden Grove which is currently quoting asking prices between £550 to £750 per sqft.
- The above supports our commercial assessment assumption of residential value for the subject site at £575 per sqft.

Waterfront Site – Revised Residential Scheme	Sqm	Sqft
GIA	18,048	194,267

2021 Transactional Evidence (0.5 miles)	Sold Price	Floor Area (Sqft)	Price per Sqft
Highest Price per Sqft	£332,000	538	£617
Lowest Price per Sqft	£453,600	882	£514
AVERAGE	£389,600	676	£575

Source: RCA – Cushman & Wakefield

03

BUILD COST ENVIRONMENT

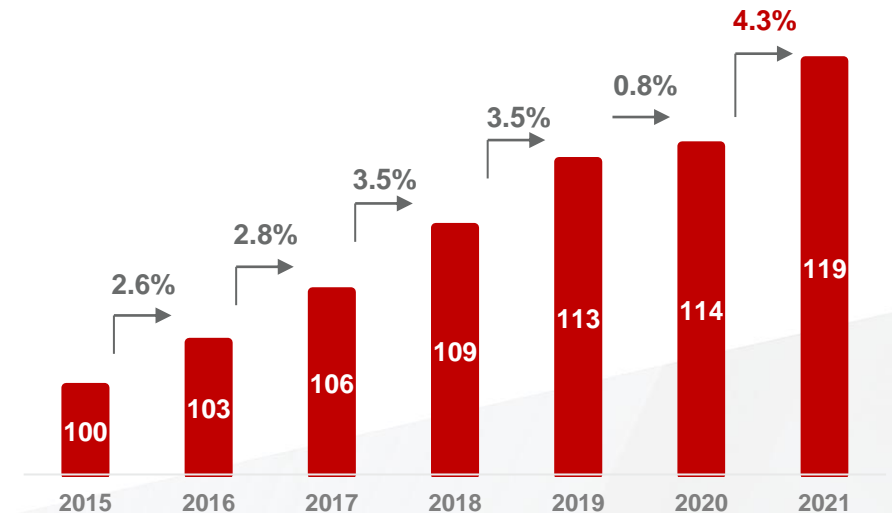


BUILD COST ENVIRONMENT

THE IMPACT OF COVID-19 ON HOTEL CONSTRUCTION COSTS

- Construction costs in the UK across all real estate uses has suffered from inflationary pressures in the past few years and has most recently been further impacted by the COVID-19 crisis.
- The Office of National Statistics is one of the few organisation tracking this data through the Construction Output Price Indices (OPIs). The adjacent graph presents the New Works Construction Index across the UK. Overall costs have increased by a total of 19 points over 6 years representing a compound annual growth rate (CAGR) of 2.9%. It should be highlighted that the highest increase is being featured in 2021 (+4.3%) which reinforce the impact of COVID-19 on new works construction prices.
- The latest EMEA Hotels Monitor published by hospitality advisor and cost consultant (Hotstats, RLB, White Bridge) in February 2022 further confirm this trend in the hotel sector. The aforementioned report analyses the European construction costs of hotels and sustain that the rebound in construction demand, combined with supply challenges is contributing to overall tender price inflation.

New Works Construction Output Prices (Index 2015 = 100)



Source: Office of National Statistics - Cushman & Wakefield

BUILD COST ENVIRONMENT

INFLATIONARY COMPONENTS & RECOVERY OUTLOOK

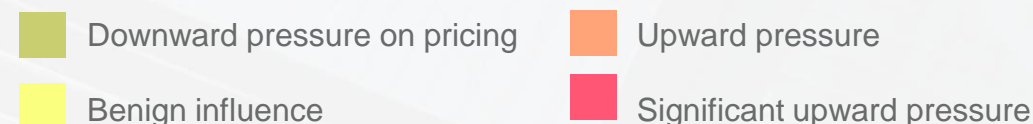
- The recent report (The Great disruption – Q1 2022) published by Alinea Knowledge, highlights the inflationary components driving increases in construction costs.
- The past year has demonstrated steep increases in build costs due to the succession of macroeconomic factors and disruptions (COVID-19, Inflation, the surge in prices of electricity and oil and the escalating political tensions in Eastern Europe).
- The Alinea and BCIS forecasts estimate tender price inflation (TPI) in 2022 and 2023 to reach 3.5% and 3.9% respectively. This represents an approx. 2% increase over their previous forecasts due to the increasing cost of materials and labour.
- It should also be noted that Alinea forecast has not reflected “considerable future price volatility, or extraordinary risk premiums attached to fixed price contracts” which are under short term pressures. This has led to many project costs increasing substantially, in some cases over by over 10%.
- The increase in construction costs evidenced over the last 2 years has significantly impacted the delivery of real estate developments as margins have been eroded and in the case of hotel schemes the additional trading risks associated from Covid recovery have meant that many developers have delayed or even cancelled schemes.
- The fact that the Arora Group remain interested in delivering the scheme should be taken a positive reflection of their ability to manage short term construction challenges.

New Tender Price Inflation per annum: London and the South East)

	2021	2022	2023
Alinea Forecast	4.00%	3.50%	3.50%
BCIS Forecast	4.90%	4.40%	3.90%

Expected components of inflation for Q1 2022

Component	2021	2022	2023
Labour			
Materials			
Margin			
Risk			



Source: Market Report (Q1 2022) Alinea Knowledge

04

REVISED SCHEME



REVISED SCHEME

SMALLER HOTEL & RESIDENTIAL COMPONENTS

- In keeping to the previous procurement focus and brief of delivering a high quality hotel with more than 200 keys with extensive restaurant & bar, meeting & conference spaces and leisure facilities open to the public, as well as residential apartments, Arora have revised their scheme following guidance from Spelthorne Borough Council that their previous proposed scheme was deemed too large. It's worth noting that the procurement process followed by Spelthorne Borough Council sought to deliver both quantitative and qualitative aspects which were met by the Arora proposal. Indeed, the process didn't seek to limit the scale of the scheme but encouraged a significant development that would not only meet the council's minimum requirements but maximise financial return.
- In order to follow the guidance of the previous process but align with Spelthorne's wish to see a smaller scheme, Arora have proposed a revised, smaller scheme with a hotel of 235 keys and a residential element which has been increased to 235 units albeit the area is approx. the same. The total Gross Internal Area (GIA) reducing by 40% (refer to slide 4 for full comparison).
- Importantly, the qualitative aspects remain as before as do the extent of public facilities including restaurants & bars, meeting & conference areas and leisure spaces.
- The basis of the financial offer also remains unchanged meaning that the Fixed Ground Rent component of £115,000 pa is the same, as is the percentage of additional Turnover Ground Rent (2% rising to 4% in the forth year). The residential contribution percentage has also remained the same as before at 8% of market value.

COMMERCIAL OFFER	PREVIOUS SCHEME	REVISED SCHEME
Fixed Ground Rent	£115,000 per annum	£115,000 per annum
Turnover Ground Rent (% Revenue)	Year 1 = 2.00% Year 2 & 3 = 3.00% Year 4 onward = 4.00%	Year 1 = 2.00% Year 2 & 3 = 3.00% Year 4 onward = 4.00%
Residential Contribution	8.00%	8.00%

REVISED SCHEME

HOTEL P&L FORECAST REVIEW

- We have assessed the P&L forecast for the revised scheme which has been driven through a desire by the council to reduce the scale and massing of the development. A key component of the scheme that has reduced in size is the hotel which has seen a reduction of 107 keys. Whilst the residential area has not materially changed the number of residential units has increased by 21 apartments.
- The table displays the performance of the hotel in a stabilised year comparison (year 4) between the revised and previous schemes. Revised scheme values have been discounted by 3 years to compare on a like for like basis.
- The revised scheme stabilised occupancy of 88% is reasonable and is 10% points higher than the previous scheme's expected performance. The smaller nature of the revised scheme hotel will inherently drive higher occupancy as the level of market demand has not reduced materially.
- The revised scheme stabilised ADR performance of £147 (£139 adjusted) represents an 11% premium over the previous scheme. The reduced size of the hotel will also allow it to alter its business mix strategy and chase higher rate demand. The hotel will therefore have less reliance on airport related demand as well as lower value corporate demand in favour of higher value leisure business. Additionally, factors such as the pace of recovery from COVID-19, which is now expected in 2023, and current inflation both fuel ADR rate growth.
- Overall RevPAR stabilisation in the revised scheme is expected at a 25% premium compared to the previous scheme.

FV - Year 4 (STABILISED)	PREVIOUS SCHEME (342 rooms)	ADJUSTED REVISED SCHEME (235 rooms)	REVISED SCHEME (235 rooms)	% DIFFERENCE (Adjusted/previous)
Occupancy	78.00%	88.00%	88.00%	▲ +10.00%
ADR	£125	£139	£147	▲ +10.86%
RevPAR	£98	£122	£129	▲ +25.07%

REVISED SCHEME

HOTEL P&L FORECAST REVIEW

- The table below compares key P&L metrics between the previous and revised hotel schemes. We present the latest revised scheme in actual values as well as adjusted values (discounted by three years) to provide a like for like comparison between both P&Ls.
- We understand that Arora will maintain the same scale of F&B and other facilities within the revised scheme. The impact of reducing the key count will therefore result in total revenues reducing slightly whilst revenue per occupied room will actually increase. F&B revenue reduces by 9% but revenue POR actually increases by 17%.
- Due to the increased room efficiency and the more efficient revenue POR delivery in all other departments, the relative Gross Operating Income has increased by a POR of £24 (+18% based on a smaller more efficient hotel). This result in a GOP percentage increase of 1.2% points.
- The revised scheme shows an NOI (after deducting FF&E) of approx. £6.27m at a margin of 33.3% which is at a slightly lower margin that was observed in the previous scheme (34.7%).
- In the following slide we present the C&W assessment of the revised scheme cashflow which has been based on the previous cashflow forecasts presented by Arora but for a 205 key scheme (Appendix 3). The cashflow has been amended on a pro-rata basis.

FV - Year 4 (STABILISED)	PREVIOUS SCHEME (342 rooms)	PREVIOUS SCHEME (342 rooms)	ADJUSTED REVISED SCHEME (235 rooms)	ADJUSTED REVISED SCHEME (235 rooms)	REVISED SCHEME (235 rooms)	REVISED SCHEME (235 rooms)
	Total	% of Total Rev	Total in GBP	% of Total Rev	Total	% of Total Rev
Gross Operating Income	£13,680,580	68.6%	£12,385,350	69.8%	£13,143,433	69.8%
Gross Operating Profit	£9,564,784	48.0%	£8,548,208	48.0%	£9,071,427	48.1%
NOI (Less FF&E & Rent)	£6,915,321	34.7%	£5,910,248	33.3%	£6,272,004	33.3%

REVISED SCHEME

HOTEL & APART HOTEL P&L FORECAST – 235 KEYS

	Projected		%	Projected		%	Projected		%	Projected		%	Projected		%	Projected		%	Projected		%	Projected		%	Projected		%	Projected		%	Projected		%	Projected		%
	Year 1		%	Year 2		%	Year 3		%	Year 4		%	Year 5		%	Year 6		%	Year 7		%	Year 8		%	Year 9		%	Year 10		%	Year 11		%	Year 12		%
Rooms	235			235			235			235			235			235			235			235			235			235			235			235		
Occupancy	67.0%			77.0%			84.0%			88.0%			88.0%			88.0%			88.0%			88.0%			88.0%			88.0%			88.0%			88.0%		
Days	365			365			365			365			365			365			365			365			365			365			365			365		
Rooms Sold	57,469			66,047			72,051			75,482			75,482			75,482			75,482			75,482			75,482			75,482			75,482			75,482		
ADR	130.00			140.00			144.20			147.08			150.03			153.03			156.09			159.21			162.39			165.64			168.91			172.18		
RevPAR	87.10			107.80			121.13			129.43			132.02			134.66			137.36			140.10			142.91			145.76			148.57			151.38		
Revenue																																				
Rooms	7,471,003	59.7%		9,246,545	59.5%		10,389,754	58.6%		11,102,194	58.9%		11,324,238	58.9%		11,550,723	58.9%		11,781,738	58.9%		12,017,372	58.9%		12,257,720	58.9%		12,502,874	58.9%		12,753,126	58.9%		13,008,494	58.9%	
Food and Beverage	3,438,770	27.5%		4,237,787	27.2%		4,874,081	27.5%		5,157,225	27.4%		5,260,370	27.4%		5,365,577	27.4%		5,472,888	27.4%		5,582,346	27.4%		5,693,993	27.4%		5,807,873	27.4%		5,924,986	27.4%		6,044,354	27.4%	
MOD	287,346	2.3%		340,141	2.2%		382,080	2.2%		412,283	2.2%		420,529	2.2%		428,939	2.2%		437,518	2.2%		446,268	2.2%		455,194	2.2%		464,298	2.2%		473,631	2.2%		483,159	2.2%	
Spa & Gym	286,585	2.3%		386,775	2.5%		483,468	2.7%		497,972	2.6%		507,931	2.6%		518,090	2.6%		528,452	2.6%		539,021	2.6%		549,801	2.6%		560,797	2.6%		571,908	2.6%		583,334	2.6%	
Conference Room Hire	1,031,707	8.2%		1,340,820	8.6%		1,608,984	9.1%		1,673,343	8.9%		1,706,810	8.9%		1,740,946	8.9%		1,775,765	8.9%		1,811,280	8.9%		1,847,506	8.9%		1,884,456	8.9%		1,921,941	8.9%		1,960,786	8.9%	
Total Revenue	12,515,411	100.0%		15,552,068	100.0%		17,738,367	100.0%		18,843,017	100.0%		19,219,878	100.0%		19,604,275	100.0%		19,996,361	100.0%		20,396,288	100.0%		20,804,214	100.0%		21,220,298	100.0%		21,642,084	100.0%		22,073,870	100.0%	
Departmental Expenses																																				
Rooms	1,322,367	17.7%		1,553,420	16.8%		1,724,699	16.6%		1,842,964	16.6%		1,879,824	16.6%		1,917,420	16.6%		1,955,768	16.6%		1,994,884	16.6%		2,034,781	16.6%		2,075,477	16.6%		2,116,964	16.6%		2,159,351	16.6%	
Food and Beverage	2,132,037	62.0%		2,309,594	54.5%		2,778,226	57.0%		2,939,618	57.0%		2,998,411	57.0%		3,058,379	57.0%		3,119,546	57.0%		3,181,937	57.0%		3,245,576	57.0%		3,310,488	57.0%		3,376,765	57.0%		3,444,598	57.0%	
Telephone	0			0			0			0			0			0			0			0			0			0			0			0		
MOD	71,837	25.0%		85,035	25.0%		95,520	25.0%		103,071	25.0%		105,132	25.0%		107,235	25.0%		109,380	25.0%		111,567	25.0%		113,798	25.0%		116,074	25.0%		118,405	25.0%		120,781	25.0%	
Spa & Gym	197,744	69.0%		263,007	68.0%		323,924	67.0%		328,662	66.0%		335,235	66.0%		341,939	66.0%		348,778	66.0%		355,754	66.0%		362,869	66.0%		370,126	66.0%		377,527	66.0%		385,074	66.0%	
Conference Room Hire	309,512	30.0%		388,838	29.0%		466,605	29.0%		485,269	29.0%		494,975	29.0%		504,874	29.0%		514,972	29.0%		525,271	29.0%		535,777	29.0%		546,492	29.0%		557,425	29.0%		568,576	29.0%	
Total Departmental Expenses	4,033,497	32.2%		4,599,894	29.6%		5,388,974	30.4%		5,699,584	30.2%		5,813,576	30.2%		5,929,847	30.2%		6,048,444	30.2%		6,169,413	30.2%		6,292,802	30.2%		6,418,658	30.2%		6,547,983	30.2%		6,680,908	30.2%	
Departmental Income																																				
Rooms	6,148,635	82.3%		7,693,125	83.2%		8,665,055	83.4%		9,259,230	83.4%		9,444,415	83.4%		9,633,303	83.4%		9,825,969	83.4%		10,022,489	83.4%		10,222,938	83.4%		10,427,397	83.4%		10,636,866	83.4%		10,851,355	83.4%	
Food and Beverage	1,306,733	38.0%		1,928,193	45.5%		2,095,855	43.0%		2,217,607	43.0%		2,261,959	43.0%		2,307,198	43.0%		2,353,342	43.0%		2,400,409	43.0%		2,448,417	43.0%		2,497,385	43.0%		2,547,218	43.0%		2,597,926	43.0%	
MOD	215,510	75.0%		255,106	75.0%		286,560	75.0%		309,212	75.0%		315,396	75.0%		321,704	75.0%		328,139	75.0%		334,701	75.0%		341,395	75.0%		348,223	75.0%		355,096	75.0%		362,003	75.0%	
Spa & Gym	88,841	31.0%		123,768	32.0%		159,544	33.0%		169,310	34.0%		172,697	34.0%		176,151	34.0%		179,674	34.0%		183,267	34.0%		186,932	34.0%		190,671	34.0%		194,484	34.0%		198,331	34.0%	
Conference Room Hire	722,195	70.0%		951,982	71.0%		1,142,379	71.0%		1,188,074	71.0%		1,211,835	71.0%		1,236,072	71.0%		1,260,793	71.0%		1,286,009	71.0%		1,311,729	71.0%		1,337,964	71.0%		1,364,205	71.0%		1,390,451	71.0%	
Total Departmental Income	8,481,913	67.8%		10,952,174	70.4%		12,349,393	69.6%		13,143,433	69.8%		13,406,302	69.8%		13,674,428	69.8%		13,947,916	69.8%		14,226,875	69.8%		14,511,412	69.8%		14,801,641	69.8%		15,097,466	69.8%		15,398,891	69.8%	
GROSS OPERATING INCOME	8,481,913	67.8%		10,952,174	70.4%		12,349,393	69.6%		13,143,433	69.8%		13,406,302	69.8%		13,674,428	69.8%		13,947,916	69.8%		14,226,875	69.8%		14,511,412	69.8%		14,801,641	69.8%		15,097,466	69.8%		15,398,891	69.8%	
Undistributed Operating Expenses																																				
Administrative & General	626,088	5.0%		777,629	5.0%		709,622	4.0%		753,814	4.0%		768,890	4.0%		784,268	4.0%		799,953	4.0%		815,952	4.0%		832,271	4.0%		848,916	4.0%		865,887	4.0%		883,091	4.0%	
Sales & Marketing	751,305	6.0%		622,081	4.0%		532,217	3.0%		542,861	2.9%		553,718	2.9%		564,792	2.9%		576,088	2.9%		587,610	2.9%		599,362	2.9%		611,350	2.9%		623,573	2.9%		635,931	2.9%	
Franchise Fees	448,260	3.6%		647,258	4.2%		831,180	4.7%		888,175	4.7%		905,939	4.7%		924,057	4.7%		942,538	4.7%		961,389	4.7%		980,617	4.7%		1,000,229	4.7%		1,020,086	4.7%		1,040,189	4.7%	
Other Brand Fees	187,826	1.5%		233,289	1.5%		266,108	1.5%		282,680	1.5%		288,333	1.5%		294,100	1.5%		299,982	1.5%		305,982	1.5%		312,101	1.5%		318,343	1.5%		324,716	1.5%		331,221	1.5%	
Energy Costs	747,101	6.0%		875,780	5.6%		974,504	5.5%		1,041,327	5.5%		1,062,154	5.5%		1,083,397	5.5%		1,105,065	5.5%		1,127,166	5.5%		1,149,710	5.5%		1,172,704	5.5%		1,196,143	5.5%		1,219,926	5.5%	
Repairs & Maintenance	344,816	2.8%		404,206	2.6%		449,772	2.5%		563,149	3.0%		574,412	3.0%		585,901	3.0%		597,619	3.0%		609,571	3.0%		621,762	3.0%		634,198	3.0%		646,979	3.0%		659,906	3.0%	
Total Undistributed Expenses	3,105,395	24.8%		3,560,241	22.9%		3,763,402	21.2%		4,072,006	21.6%		4,153,446	21.6%		4,236,515	21.6%		4,321,245	21.6%		4,407,670	21.6%		4,495,824	21.6%		4,585,740	21.6%		4,677,415	21.6%		4,770,740	21.6%	
GROSS OPERATING PROFIT	5,376,518	43.0%		7,391,934	47.5%		8,585,991	48.4%		9,071,427	48.1%		9,252,856	48.1%		9,437,913	48.1%		9,626,671	48.1%		9,819,205	48.1%		10,015,589	48.1%		10,215,900	48.1%		10,421,041	48.1%		10,631,922</		

05

REVISED SCHEME - COMMERCIAL OFFER ASSESSMENT



REVISED SCHEME COMMERCIAL OFFER ASSESSMENT

REVISED SCHEME (HOTEL - 235 ROOMS)

- The adjacent table summarises the assumptions presented by Arora for the revised scheme. They have been inputted into the same commercial offer assessment model (see Appendix 1) used to assess the previous scheme and is based on the **235** bedroom hotel in the revised scheme.
- The core basis of the ground lease proposal is the same as was made by them in the previous scheme:
 - Annual Base Ground Rent (MGR) - **£115,000**
 - Turnover Surplus of 2% in year 1, 3% in years 2&3 and 4% thereafter
- We have appraised both elements of the Ground Rent proposal at the same yields as used in our original assessment:
 - We have appraised the value of the MGR at a yield of 2.75% resulting in a value of approx. **£4.2M**.
 - We have additionally estimated the value of Ground Rent – Turnover Surplus (TGR) on the basis of the proposed percentages which results in a Year 4 TGR of **£639,000** to which we have applied a yield of 5.75% resulting in a value of approx. **£11.1M** (before top up ground rent deductions for the first three years of **£1M**).
- Value of the Adjusted Ground Rent post top up deduction and acquisition costs is estimated at approx. **£13.6M**.

REVISED SCHEME (235 rooms)	
Inflation	2.00%
Capitalisation Rate (MGR)	2.75%
Capitalisation Rate (TGR)	5.75%
Blended Cap. Rate (MGR & TGR)	4.93%
Acquisition Costs	6.80%
Minimum Ground Rent (MGR)	£115,000
Turnover Ground Rent (TGR)	£639,000
MGR Value	£4,200,000
TGR Value	£11,100,000
Total Ground Rent Value (MGR + TGR)	£15,300,000
Top-Up Deduction	£1,000,000
Acquisition Costs	£686,000
Total Ground Rent Value	£13,600,000

REVISED SCHEME COMMERCIAL OFFER ASSESSMENT

REVISED SCHEME (RESIDENTIAL – 235 APARTMENTS)

- The adjacent table presents the calculation for the revised scheme with **235** residential units.
- The revised scheme provides a residential area of 194,267 of GIA
- We have estimated residential values for the revised scheme to be approx. £575 per sqft, in line with recent evidence. We suggest reviewing this again when we have more detailed drawings and information on the scheme.
- We have confirmed with Arora the Percentage of value payable to the authority will remain the same as before namely **8%**. As a result, the value payable to the authority will be **£8.9M** or approx. **£46 per sqft**.
- Total value of the revised scheme after standard purchaser’s costs and top-up deduction is approx. **£22.5M**.

REVISED SCHEME (RESIDENTIAL)	
Net GIA (sqft)	194,267
Residential Price (per sqft)	£575
% of value payable to the Authority	8.00%
Amount Payable to the Authority (per sqft)	£46
Total Residential Payment to the Authority	£8,900,000
Total Ground Rent Value	£13,600,000
Total Value	£22,500,000

PREVIOUS COMMERCIAL OFFER ASSESSMENT

FORMER SCHEME (342 ROOMS + 214 APARTMENTS)

- As can be seen in Appendix 2 we valued the minimum rent guarantee (MGR) at approx. **£4.2M**.
- We valued the turnover surplus ground rent (TGR) at approx. **£11.8M**.
- We valued the Total Ground Rent post top up deduction and acquisition costs at approx. **£14.2M**.
- The net GIA of the former residential scheme presented 199,000 sqft.
- Total payment to the authority in respect to the residential portion of the revised scheme totalled **£6M**.
- Total value of the revised scheme after standard purchaser's costs and top-up deduction is approx. **£20.2M**.

FORMER SCHEME (342 rooms)	
Capitalisation Rate (MG)	2.75%
Capitalisation Rate (TGR)	5.75%
Minimum Ground Rent (MGR)	£115,000
Turnover Ground Rent (TGR)	£683,000
MGR Value	£4,182,000
TGR Value	£11,875,000
Total Ground Rent Value (MGR + TGR)	£16,057,000
Top-Up Deduction	£1,116,000
Acquisition Costs	£728,000
Adjusted Total Ground Rent Value	£14,163,000
FORMER SCHEME (RESIDENTIAL)	
Net GIA (sqft)	199,000
Residential Price (per sqft)	£382
% of value payable to the Authority	8.00%
Amount Payable to the Authority (per sqft)	£30.56
Total Payment to the Authority	£6,071,000
Total Value	£20,234,000

06

ECONOMIC BALANCE



ECONOMIC BALANCE

SUMMARY

Positive Impact on Value

HOTEL

- The reduction of hotel room inventory results in stronger occupancy levels (+10%).
- The reduced size of the hotel will also allow it to alter its business mix strategy and chase higher rate demand (ie. less reliance on airport and lower value corporate business).
- The strong pace of recovery from COVID-19 (expected 2023) and current inflation both fuel performance growth.

RESIDENTIAL

- The residential scheme has increased by a total of 21 apartments to 235 units (+ 4,402 sqft).
- Residential prices have significantly increased since the time of the previous commercial assessment. Residential values are now based on approx. £575 per sqft (+ 50.5%).

Negative Impact on Value

HOTEL

- The reduced size of the hotel and consequential loss of rooms (137 bedrooms) impacts total profit generated by the hotel.
- The revised hotel scheme negatively impacts economy of scale (ie. NOI as a % of Total Revenue reduces by 1.4 basis points)

RESIDENTIAL

- No negative impact on residential value has been observed.

ECONOMIC BALANCE

PREVIOUS VS. REVISED SCHEME

Structural Changes:

	PREVIOUS SCHEME	REVISED SCHEME	
HOTEL			
Rooms	342	205	▼
Serviced Apartments	26	30	▲
Hotel Facilities	Identical	Identical	●
RESIDENTIAL			
Unit Count	214	235	▲
SCHEME GIA (Sqft)			
Total Area	637,837	387,393	▼

Commercial Changes:

	PREVIOUS SCHEME	REVISED SCHEME	
HOTEL			
Occupancy	78.00%	88.00%	▲
ADR	£125	£139	▲
RevPAR	£98	£122	▲
NOI	£6,915,321	£5,910,248	▼
NOI (%)	34.7%	33.3%	▼
RESIDENTIAL			
Price (Per Sqft)	£382	£575	▲

* Please note that hotel values for the revised scheme are based on adjusted present values (PV) to allow like for like comparison with the KPIs of the previous scheme.

Value Changes:

	PREVIOUS SCHEME	REVISED SCHEME	
COMMERCIAL OFFER			
Commercial Terms	Identical	Identical	●
HOTEL VALUE			
TGR Value	£11,900,000	£11,100,000	▼
RESIDENTIAL VALUE			
TGR Value	£6,100,000	£8,900,000	▲
Per Sqft	£30.6	£46.00	▲
TOTAL VALUE			
Total Value	£20,200,000	£22,500,000	▲

07

CONCLUSION



CONCLUSION

PREVIOUS VS. REVISED SCHEME

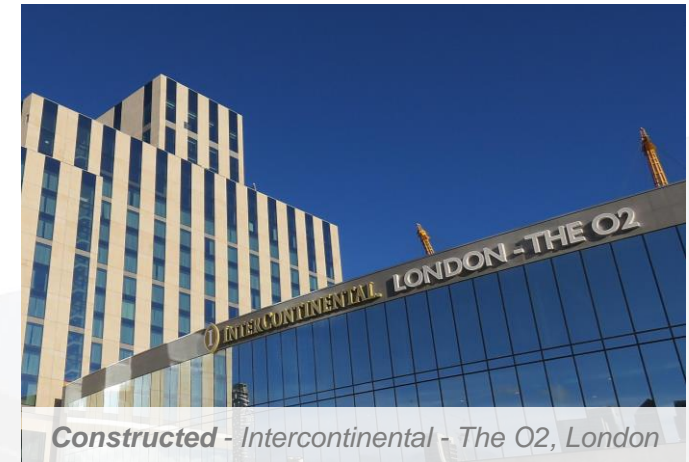
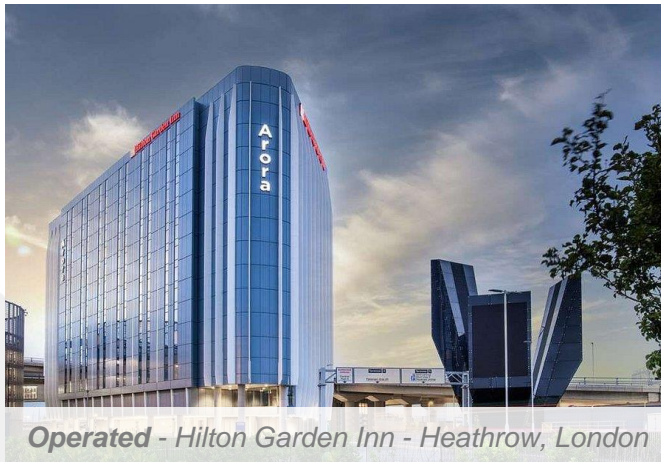
- The decision of Spelthorne Borough Council to seek a smaller scheme has naturally resulted in a smaller hotel development. This has in turn reduced the revenues that can be generated by the hotel and hence the ground rent bid has reduced in absolute terms albeit the basis of the commercial offer to the Council has remained the same.
- In summary the 235 key hotel's total ground rent has reduced which results in a value of the **TGR of £11.1M**, a value reduction of approx. **£0.8M** against the previous scheme.
- The residential component remains almost the same in area but increases in unit count to 235 apartments. The intervening passage of time has also seen significant price growth (assumed value today of £575 per sqft). In summary the value of the residential contribution component has increased to **£8.9M**, an increase of approx. **£2.8M** against the previous scheme.
- The total value of the revised scheme presents a total contribution of **£22.5M** which is a increase of approx. **£2.3M** in absolute terms against the previous scheme.
- The revised mixed-use scheme will also benefit the broader local economy. The proposal still seeks to deliver a high quality hotel with facilities and amenities that are open to the public and seeks to deliver Staines-Upon-Thames a hotel facility which it lacks. The upscale / 4 star nature of the hotel will attract both tourist and business demand that will benefit local commerce.
- We understand that the Arora Group remain committed to the scheme and are clearly very capable in comprehensively developing the site. Their recent investments in the newly opened Fairmont Hotel in Windsor and Luton Hoo offer clear evidence of their ability to deliver significant high value developments. The alternative interest secured through the previous tender process was neither to the same high quality nor delivering the same financially.

	PREVIOUS SCHEME (342 rooms)	REVISED SCHEME (235 rooms)
Hotel TGR Value	£11,900,000	£11,100,000
Residential TGR Value	£6,100,000	£8,900,000
Per Sqft	£30.6	£46.00
TOTAL VALUE	£20,200,000	£22,500,000

CONCLUSION

ARORA GROUP - BACKGROUND

- The Arora Group is a UK group of companies involved in hotel operations, hotel management, property construction and property portfolio asset management. The group is divided into 3 business divisions: Arora Property, Arora Hotels and Grove Developments.
- The Hotel division owns and operates 12 hotels. The Property division currently manages a portfolio valued at over £1.5 billion and the Construction division focuses on residential and hospitality projects having overseen over 50 projects.
- The Arora group has tended to focus on assets located at London's main airports.



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APPENDICES



APPENDIX 1 – REVISED SCHEME (235 HOTEL ROOMS + RESIDENTIAL)

HOTEL

P&L Summary	Construction Phase				Operational Phase									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Anticipated Annual Revenue					£12,515,411	£15,552,068	£17,738,367	£18,843,017	£19,219,878	£19,604,275	£19,996,361	£20,396,288	£20,804,214	£21,220,298
Annual Base Ground Rent (MGR)	£100	£100	£100	£100	£115,000	£115,000	£115,000	£115,000	£115,000	£126,969	£126,969	£126,969	£126,969	£126,969
Ground Rent - Turnover Surplus (TGR)	£0	£0	£0	£0	£135,308	£351,562	£417,151	£638,721	£653,795	£657,202	£672,885	£688,882	£705,199	£721,843
% Revenue					2.0%	3.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Total Ground Rent Offer					£250,308	£466,562	£532,151	£753,721	£768,795	£784,171	£799,854	£815,852	£832,169	£848,812
NOI (before rent payment)					£3,505,480	£4,990,569	£5,945,561	£6,249,505	£6,374,495	£6,501,985	£6,632,025	£6,764,665	£6,899,958	£7,037,957
Ground Rent as % of NOI (before rent payment)					7.1%	9.3%	9.0%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%

Inflation	2.00%
Capitalisation Rate (MGR)	2.75%
Capitalisation Rate (TGR)	5.75%
Blended Cap. Rate (MGR & TGR)	4.93%
Acquisition Costs	6.80%

Minimum Ground Rent (MGR)	£115,000
Turnover Ground Rent (TGR)	£638,721
MGR Value	£4,181,818
TGR Value	£11,108,186
Total Ground Rent Value (MGR + TGR)	£15,290,004
Top-up Deduction	£1,012,141
Acquisition Costs	£686,531

Adjusted Total Ground Rent Value	£13,591,000
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RESIDENTIAL

Net GIA (sqft)	194267
Residential Price (per sqft)	£575.00
% of value payable to the Authority	8.00%
Amount Payable to the Authority (per sqft)	£46.00

Total Payment to the Authority	£8,936,000
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HOTEL + RESIDENTIAL

Total Value	£22,527,000
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APPENDIX 2 – PREVIOUS SCHEME (342 HOTEL ROOMS + RESIDENTIAL)

HOTEL

P&L Summary	Construction Phase				Operational Phase									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Anticipated Annual Revenue					£10,838,168	£15,433,618	£18,248,619	£19,945,588	£20,384,991	£21,936,126	£22,594,209	£23,272,036	£23,970,197	£24,689,303
Annual Base Ground Rent (MGR)	£100	£100	£100	£100	£115,000	£115,000	£115,000	£115,000	£115,000	£126,969	£126,969	£126,969	£126,969	£126,969
Ground Rent - Turnover Surplus (TGR)	£0	£0	£0	£0	£101,763	£348,009	£432,459	£682,824	£700,400	£750,476	£776,799	£803,912	£831,839	£860,603
% Revenue					2.0%	3.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Total Ground Rent Offer					£216,763	£463,009	£547,459	£797,824	£815,400	£877,445	£903,768	£930,881	£958,808	£987,572
NOI (before rent payment)					£3,225,589	£5,240,459	£6,483,166	£7,214,229	£7,371,794	£7,519,230	£7,669,615	£7,823,007	£7,979,467	£8,139,057
Ground Rent as % of NOI (before rent payment)					6.7%	8.8%	8.4%	11.1%	11.1%	11.7%	11.8%	11.9%	12.0%	12.1%

Inflation	2.00%
Capitalisation Rate (MGR)	2.75%
Capitalisation Rate (TGR)	5.75%
Blended Cap. Rate (MGR & TGR)	4.97%
Acquisition Costs	6.80%

Minimum Ground Rent (MGR)	£115,000
Turnover Ground Rent (TGR)	£682,824
MGR Value	£4,181,818
TGR Value	£11,875,192
Total Ground Rent Value (MGR + TGR)	£16,057,010
Top-up Deduction	£1,166,240
Acquisition Costs	£728,209

Adjusted Total Ground Rent Value	£14,163,000
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RESIDENTIAL

Net GIA (sqft)	198,671
Residential Price (per sqft)	£382
% of value payable to the Authority	8.00%
Amount Payable to the Authority (per sqft)	£30.56

Total Payment to the Authority	£6,071,000
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HOTEL + RESIDENTIAL

Total Value	£20,234,000
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APPENDIX 3 - “PREVIOUS” REVISED SCHEME CASHFLOW

HOTEL P&L FORECAST – 10 YRS

Staines Hotel

Year:	1	2	3	4	5	6	7	8	9	10
Number of Rooms:	206	206	206	206	206	206	206	206	206	206
Occupied Rooms:	60,133	67,816	82,863	86,848	86,848	86,848	86,848	86,848	86,848	86,848
Occupancy:	87.00	77.00	84.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00
Average Rate:	130.00	140.00	144.20	147.08	160.00	163.00	168.00	169.21	182.39	186.84
RevPar	87.10	107.80	121.13	129.43	132.02	134.88	137.38	140.10	142.81	146.78
	% of Gross	% of Gross	% of Gross	% of Gross	% of Gross	% of Gross	% of Gross	% of Gross	% of Gross	% of Gross
REVENUE										
Rooms	6,517,258	8,066,135	9,063,403	9,684,893	9,878,591	10,076,163	10,277,586	10,483,240	10,692,905	10,906,763
Outlet F&B Revenue	2,005,310	2,396,794	2,693,125	2,877,797	2,935,353	2,994,060	3,053,941	3,115,020	3,177,320	3,240,867
M&E F&B Revenue	1,000,000	1,300,000	1,560,000	1,632,400	1,671,072	1,721,204	1,772,840	1,826,025	1,880,806	1,937,230
Conference Room Hire & Other	900,000	1,170,000	1,404,000	1,460,160	1,503,965	1,549,084	1,595,556	1,643,423	1,692,726	1,743,507
Spa & Gym Revenue	250,000	337,500	421,875	434,531	447,567	460,994	474,824	489,069	503,741	518,853
Miscellaneous Income	250,664	296,719	339,404	359,759	370,551	381,668	393,118	404,911	417,059	429,570
Total	10,923,231	13,567,148	15,475,807	16,439,540	16,807,099	17,183,172	17,567,965	17,961,688	18,364,556	18,776,791
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES										
Rooms	1,153,053	1,351,554	1,504,022	1,607,155	1,639,298	1,672,084	1,705,526	1,739,636	1,774,429	1,809,918
Outlet F&B	1,303,452	1,462,045	1,615,875	1,726,578	1,761,212	1,796,436	1,832,365	1,869,012	1,906,392	1,944,520
M&E F&B	550,000	650,000	780,000	811,200	835,536	860,602	886,420	913,013	940,403	968,615
Conference Room Hire & Other	270,000	339,300	407,160	423,446	436,150	449,234	462,711	476,593	490,890	505,617
Spa	172,500	229,500	282,656	286,791	295,394	304,256	313,384	322,785	332,469	342,443
Miscellaneous Income	62,666	74,180	83,351	89,940	92,638	95,417	98,279	101,228	104,265	107,393
Total	3,449,005	4,032,498	4,589,713	4,855,270	4,967,590	5,082,612	5,200,406	5,321,039	5,444,584	5,571,113
	31.6	29.7	29.7	29.5	29.6	29.6	29.6	29.6	29.6	29.7
DEPARTMENTAL INCOME	7,474,227	9,534,650	10,886,093	11,584,270	11,839,509	12,100,560	12,367,560	12,640,649	12,919,973	13,205,678
	68.4	70.3	70.3	70.5	70.4	70.4	70.4	70.4	70.4	70.3
OPERATING EXPENSES										
Administrative & General	546,162	678,357	619,032	657,582	672,284	687,327	702,719	718,468	734,582	751,072
Sales & Marketing	655,394	542,686	464,274	493,186	504,213	515,495	527,039	538,851	550,937	563,304
Franchise related royalty and marketing fees	391,035	564,629	725,072	774,791	790,287	806,093	822,215	838,659	855,432	872,541
Brand Loyalty fees	163,848	203,507	232,137	246,593	252,106	257,748	263,519	269,425	275,468	281,652
Property Operations & Maintenance	300,797	352,605	392,354	419,258	427,643	436,196	444,920	453,818	462,895	472,152
Energy	651,726	763,978	850,099	908,392	926,560	945,091	963,993	983,273	1,002,938	1,022,997
Total	2,708,962	3,105,764	3,282,969	3,499,802	3,573,093	3,647,949	3,724,404	3,802,493	3,882,252	3,963,717
	24.8	22.9	21.2	21.3	21.3	21.2	21.2	21.2	21.1	21.1
GROSS OPERATING PROFIT	4,765,265	6,428,886	7,603,124	8,084,468	8,266,416	8,452,611	8,643,155	8,838,156	9,037,720	9,241,960
	43.6	47.4	49.1	49.2	49.2	49.2	49.2	49.2	49.2	49.2
FIXED EXPENSES										
Property Taxes	695,810	864,227	985,809	1,047,199	1,070,512	1,094,568	1,119,079	1,144,160	1,169,822	1,196,082
Building Insurance	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716
Management Fees - Variable	456,728	592,787	689,672	733,014	749,463	766,294	783,517	801,142	819,177	837,634
Reserve for Replacement	195,518	241,984	271,902	290,547	296,358	302,285	308,331	314,497	320,787	327,203
Total	1,498,055	1,853,499	2,106,518	2,234,669	2,285,259	2,337,038	2,390,035	2,444,279	2,499,802	2,556,634
	13.7	13.7	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
NET INCOME	3,267,209	4,575,387	5,496,606	5,849,799	5,981,157	6,115,573	6,253,120	6,393,876	6,537,918	6,685,326
	29.9 %	33.7 %	35.5 %	35.6 %	35.6 %	35.6 %	35.6 %	35.6 %	35.6 %	35.6 %
EBITDAR (exc management fees)	3,723,937	5,168,175	6,186,279	6,582,813	6,730,619	6,881,866	7,036,638	7,195,018	7,357,095	7,522,960
Rent	218,465	407,014	464,274	657,582	672,284	687,327	702,719	718,468	734,582	751,072
Rent Turnover subject to	2	3	3	4	4	4	4	4	4	4
Minimum Guaranteed Rent (MGR)	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Actual Rent	218,465	407,014	464,274	657,582	672,284	687,327	702,719	718,468	734,582	751,072
EBITDA (exc management fees)	3,505,473	4,761,160	5,722,004	5,925,231	6,058,335	6,194,540	6,333,919	6,476,550	6,622,513	6,771,888

Key Assumptions:

APPENDIX 4 – STR TREND REPORT



Name of Establishment	City	Class	Rooms
Brooklands Hotel	Weybridge	Upper Upscale Class	131
Oatlands Park Hotel	Weybridge	Upscale Class	119
Hilton London Heathrow Airport Terminal 5	Slough	Upper Upscale Class	350
The Runnymede on Thames	Egham	Upper Upscale Class	180

Occupancy (%)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Feb YTD
2014	53.2	58.4	68.3	67.8	73.0	84.1	81.8	73.7	82.4	76.5	72.7	62.5	71.2	55.7
2015	60.0	64.7	69.5	63.5	73.7	83.5	83.1	74.7	84.7	80.3	71.1	60.8	72.5	62.2
2016	55.6	63.3	63.2	69.8	76.0	83.8	84.6	68.2	83.7	72.7	70.3	60.8	71.0	59.3
2017	53.8	64.7	66.6	63.5	75.9	80.5	79.7	65.6	79.1	73.9	70.3	56.3	69.2	59.0
2018	55.9	65.0	67.0	65.8	75.3	82.7	87.0	69.8	78.1	73.4	67.3	57.9	70.4	60.2
2019	55.2	62.9	59.4	56.3	75.0	81.7	82.5	67.2	76.9	69.0	66.3	54.6	67.3	58.9
2020	51.7	58.5	18.2											54.9
2021										49.1	47.0	35.4		
2022	28.7	49.8												38.7
Avg	51.8	61.0	58.9	64.5	74.8	82.7	83.1	69.9	80.8	70.8	66.5	55.6	70.3	56.2
ADR (GBP)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Feb YTD
2014	110.05	121.88	112.17	105.70	114.34	121.70	112.47	93.77	118.91	117.57	119.17	106.95	113.00	115.94
2015	112.59	110.46	113.46	113.32	110.59	118.69	106.30	90.94	119.85	113.15	114.31	98.79	110.37	111.54
2016	118.43	117.03	109.73	110.63	109.78	120.81	110.04	92.47	115.59	108.63	116.55	102.16	111.06	117.72
2017	114.82	120.17	120.17	105.54	112.35	121.00	110.20	95.98	116.35	117.01	119.84	104.34	113.37	117.61
2018	111.68	114.19	120.63	108.75	114.36	121.14	117.49	93.16	121.89	119.95	120.54	106.41	114.55	112.97
2019	118.14	120.40	112.61	109.80	109.04	120.70	109.33	92.89	119.83	118.15	113.92	107.93	112.76	119.29
2020	115.49	112.07	119.22											113.76
2021										114.43	111.34	101.18		
2022	84.73	99.83												93.95
Avg	112.45	114.91	115.06	108.94	111.73	120.67	111.02	93.16	118.71	115.58	116.80	104.08	112.50	113.72
RevPAR (GBP)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Feb YTD
2014	58.58	71.15	76.64	71.67	83.47	102.33	91.95	69.11	97.94	89.96	86.61	66.89	80.50	64.55
2015	67.59	71.45	78.88	71.97	81.54	99.06	88.39	67.89	101.55	90.87	81.23	60.10	80.04	69.42
2016	65.88	74.10	69.38	77.18	83.39	101.27	93.11	63.09	96.72	78.99	81.89	62.16	78.86	69.78
2017	61.73	77.80	80.03	67.07	85.27	97.46	87.82	62.99	92.05	86.49	84.19	58.80	78.41	69.35
2018	62.45	74.23	80.77	71.55	86.13	100.15	102.17	65.02	95.14	88.08	81.06	61.62	80.68	68.04
2019	65.20	75.74	66.94	61.87	81.83	98.65	90.17	62.44	92.14	81.58	75.56	58.92	75.86	70.20
2020	59.65	65.60	21.73											62.47
2021										56.15	52.38	35.77		
2022	24.31	49.67												36.34
Avg	58.29	70.04	67.75	70.22	83.60	99.81	92.27	65.08	95.92	81.83	77.65	57.83	79.05	63.87

APPENDIX 4 – STR TREND REPORT



Supply															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Feb YTD
2014	24,614	22,232	24,614	23,820	24,614	23,820	24,614	24,614	23,820	24,614	23,820	24,614		289,810	46,846
2015	24,614	22,232	24,955	24,150	24,955	24,150	24,955	24,955	24,150	24,955	24,150	24,955		293,176	46,846
2016	24,955	22,540	24,955	24,150	24,955	24,150	24,955	24,955	24,150	24,955	24,150	24,955		293,825	47,495
2017	24,955	22,540	24,955	24,150	24,955	24,150	24,955	24,955	24,150	24,955	24,150	24,955		293,825	47,495
2018	24,955	22,540	24,955	24,150	24,955	24,150	24,955	24,955	24,150	24,955	24,150	24,955		293,825	47,495
2019	24,955	22,540	24,955	24,150	24,955	24,150	24,955	24,955	24,150	24,955	24,150	24,955		293,825	47,495
2020	24,955	22,540	24,955												47,495
2021										24,180	23,400	24,180			
2022	24,180	21,840													46,020
Avg	24,773	22,376	24,906	24,095	24,898	24,095	24,898	24,898	24,095	24,796	23,996	24,796		293,048	47,148

Demand															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Feb YTD
2014	13,103	12,978	16,817	16,151	17,969	20,028	20,123	18,140	19,618	18,835	17,311	15,394		206,467	26,081
2015	14,775	14,380	17,348	15,338	18,398	20,156	20,750	18,630	20,462	20,042	17,160	15,183		212,622	29,155
2016	13,882	14,271	15,778	16,849	18,957	20,244	21,116	17,026	20,207	18,145	16,967	15,185		208,627	28,153
2017	13,415	14,593	16,619	15,347	18,940	19,451	19,887	16,378	19,106	18,446	16,966	14,062		203,210	28,008
2018	13,954	14,652	16,709	15,889	18,793	19,965	21,702	17,419	18,850	18,325	16,241	14,452		206,951	28,606
2019	13,771	14,180	14,835	13,608	18,728	19,738	20,581	16,776	18,570	17,231	16,018	13,623		197,659	27,951
2020	12,890	13,193	4,548												26,083
2021										11,864	11,008	8,548			
2022	6,936	10,867													17,803
Avg	12,841	13,639	14,665	15,530	18,631	19,930	20,693	17,395	19,469	17,555	15,953	13,778		205,923	26,480

Revenue (GBP)															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Feb YTD
2014	1,441,981	1,581,740	1,886,386	1,707,175	2,054,561	2,437,426	2,263,283	1,701,003	2,332,851	2,214,390	2,062,955	1,646,431		23,330,182	3,023,721
2015	1,663,584	1,588,451	1,968,371	1,738,163	2,034,721	2,392,288	2,205,774	1,694,143	2,452,435	2,267,679	1,961,632	1,499,860		23,467,100	3,252,035
2016	1,644,068	1,670,156	1,731,319	1,863,956	2,081,042	2,445,723	2,323,563	1,574,454	2,335,778	1,971,124	1,977,528	1,551,231		23,169,942	3,314,225
2017	1,540,357	1,753,627	1,997,057	1,619,692	2,127,914	2,353,541	2,191,510	1,571,913	2,223,052	2,158,288	2,033,256	1,467,287		23,037,493	3,293,983
2018	1,558,403	1,673,153	2,015,668	1,727,967	2,149,253	2,418,611	2,549,757	1,622,678	2,297,623	2,198,092	1,957,639	1,537,846		23,706,690	3,231,556
2019	1,626,968	1,707,282	1,670,533	1,494,133	2,042,023	2,382,351	2,250,187	1,558,310	2,225,279	2,035,928	1,824,784	1,470,369		22,288,148	3,334,250
2020	1,488,685	1,478,550	542,233												2,967,235
2021										1,357,637	1,225,621	864,888			
2022	587,695	1,084,823													1,672,518
Avg	1,443,968	1,567,223	1,687,367	1,691,848	2,081,586	2,404,990	2,297,346	1,620,417	2,311,170	2,029,020	1,863,345	1,433,988		23,166,592	3,011,190

APPENDIX 4 – STR TREND REPORT



Occupancy (%)								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Mar - 21								
Apr - 21								
May - 21								
Jun - 21								
Jul - 21								
Aug - 21								
Sep - 21								
Oct - 21	38.4	39.4	45.8	54.7	49.7	52.3	61.8	49.1
Nov - 21	38.2	44.0	44.9	41.7	44.1	53.6	64.3	47.0
Dec - 21	34.5	29.2	26.8	34.6	30.6	41.3	50.3	35.4
Jan - 22	25.9	24.8	24.0	23.6	28.3	33.7	39.5	28.7
Feb - 22	44.8	45.9	47.0	45.5	40.2	54.8	70.0	49.8
Total Year								

ADR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Mar - 21								
Apr - 21								
May - 21								
Jun - 21								
Jul - 21								
Aug - 21								
Sep - 21								
Oct - 21	96.04	115.60	122.78	125.83	117.12	108.29	115.72	114.43
Nov - 21	95.07	115.55	114.53	116.66	109.88	106.78	115.98	111.34
Dec - 21	86.59	94.86	95.49	104.82	103.39	106.86	107.23	101.18
Jan - 22	71.21	80.70	80.95	83.23	87.07	84.75	97.33	84.73
Feb - 22	88.44	101.90	100.77	99.21	99.35	96.31	108.56	99.83
Total Year								

RevPAR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Mar - 21								
Apr - 21								
May - 21								
Jun - 21								
Jul - 21								
Aug - 21								
Sep - 21								
Oct - 21	36.89	45.54	56.23	68.85	58.22	56.61	71.54	56.15
Nov - 21	36.34	50.80	51.37	48.61	48.41	57.22	74.52	52.38
Dec - 21	29.85	27.72	25.58	36.25	31.65	44.16	53.98	35.77
Jan - 22	18.42	20.01	19.43	19.66	24.67	28.55	38.41	24.31
Feb - 22	39.65	46.80	47.32	45.18	39.93	52.78	76.03	49.67
Total Year								

Three Year Occupancy (%)								Total Year
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	
Mar 19 - Feb 20	67.7	80.2	78.9	63.0	57.9	71.2	47.7	66.6
Mar 20 - Feb 21								
Mar 21 - Feb 22								
Total 3 Yr								

Three Year ADR								Total Year
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	
Mar 19 - Feb 20	119.68	125.72	126.66	122.25	91.96	92.97	93.62	111.96
Mar 20 - Feb 21								
Mar 21 - Feb 22								
Total 3 Yr								

Three Year RevPAR								Total Year
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	
Mar 19 - Feb 20	80.98	100.82	99.90	77.02	53.22	66.24	44.64	74.61
Mar 20 - Feb 21								
Mar 21 - Feb 22								
Total 3 Yr								

APPENDIX 5 - GLOSSARY

Best Available Rate (BAR)	A base room rate used to price all other segments' rates and benchmark against competition.
Online Travel Agent (OTA)	Internet based hotel and reservation systems which sell hotel rooms in exchange of commissions.
Free Independent Travel (FIT)	Individual or group of less than 10 individuals travelling independently with self-booked itinerary.
Day Delegate Rate (DDR)	Fixed rate per delegate including most of the items required for a meeting or event. Typically, excludes room night(s).
24h Delegate Rate	Inclusive 24h fixed rate per delegate including room night(s) and meals for a meeting or event.
Occupancy (%)	The number of rooms sold divided by the total number of rooms available throughout a given period. Generally expressed as a percentage.
Average Room Rate (ARR) or Average Daily Rate (ADR)	The average price a room is sold for during a given period, calculated by dividing rooms revenue by the number of rooms sold over the period.
Revenue per Available Room (RevPAR)	Rooms revenue earned per room over a period calculated by dividing the rooms revenue by the number of rooms available in the given period.
Average Rate Index (ARI)	ADR performance metric. Average Rate Index measures the average room rate performance of one hotel against the average room rate set of the competitive hotels. It is calculated by dividing the average room rate of the hotel by the average room rate of the set hotels. If the ARI of a hotel is 1.05, it is performing 5% better than the average for the set of hotels.
Fair Market Share (FMS)	Fair Market Share is the number of rooms at a particular hotel divided by the total number of rooms in a set of competitive hotels.
Market Penetration index (MPI)	Occupancy performance metric. Measures the occupancy performance of a hotel against the average occupancy of the competitive hotels. It is calculated with the same method as for Average Index Rate.

APPENDIX 5 - GLOSSARY

Revenue Generation Index (RGI)	The product of the ARI and MPI. Measures the Revenue per Available Room (RevPAR) performance of a hotel against the competitive hotels. It can also be calculated with the same method used for ARI and MPI using RevPAR performance.
Rooms Revenue	The total sales generated through the rental of accommodation to guests and includes revenue through cancellations and no shows but deducts any payments for compensation.
Transient Rooms Revenue	Revenue derived from rental of rooms/suites by individuals and groups occupying fewer than 10 rooms per night. It also includes permanent residence, with or without a contract.
Group Rooms Revenue	Revenue derived from renting blocks of rooms/suites to a group (10 or more rooms per night sold pursuant to a contract). Group rooms revenue is generally segregated by market segments and include corporate, association/convention, government, tour/wholesalers and SMERF (Social, Military, Educational, Religious, Fraternal).
Contract Rooms Revenue	Revenue derived from a contract with another entity for a consistent block of rooms for an extended period over 30 days. Examples include domiciled airline crews, ongoing corporate training seminars, incentive-based benefit programs.
Other Rooms Revenue	Miscellaneous revenue associated with guestrooms and included in the ADR calculation. Items include no-shows, day use, early departure fees, late check-out fees, rental of rollaway beds, service charge, etc.
Food & Beverage (F&B) Revenue	The total revenue derived from the sale of food and beverages for consumption to customers.
Room Hire Revenue	The total sales generated from the hire of meeting room accommodation as well as equipment and cover charges.
Minor Operated Departments Revenue (MOD)	The total sales generated from laundry, spa, business centre, limousine, and other miscellaneous services provided by the hotel.
Departmental Expenses	There are three categories of departmental expenses (Rooms, Food & Beverage, MOD), each of which relates to an operated department revenue category. Departmental expenses are generally expressed as a percentage of the corresponding revenue dollar amount.
Total Revenue	The total sales generated from a business from all operating departments net of sales tax.

APPENDIX 5 - GLOSSARY

Gross Operating Income (GOI)	Total Revenue less Total Departmental Expenses.
Undistributed Expenses	Undistributed Expenses are those expenses that are considered applicable to the entire property and are not able to be appropriately split between the operating departments. Undistributed expenses comprise Administrative & General, Systems Costs, Sales & Marketing, Heat, Light & Power and Repairs & Maintenance.
Administrative & General	Costs associated with management, accounting, human resources, security, purchasing and receiving as well as the payroll associated with administrative and general employees.
Sales & Marketing	Costs associated with advertising, centralised and brand advertising costs and payroll for sales and marketing employees.
Repairs & Maintenance	Repairs & Maintenance expenses include the costs associated with the payroll, materials and third-party costs associated with maintaining the property and contents at an operational standard.
Heat, Light & Power	Costs associated with the purchase of electricity, gas, oil, steam, water, other fuels and utility taxes.
Gross Operating Profit (GOP)	Total Departmental Income less Undistributed Expenses.
Fixed Charges	Fixed charges include Property Tax, Insurance, Management Fees, Other non-operating expenses, FF&E Reserve and Rent.
Property Tax	Property Tax is all taxes assessed against the real property by the government.
Insurance	Insurance is the cost of insuring the property's building and contents, liability insurance and business interruption premiums.
Management Fees	The costs incurred in appointing a management company to operate the property as a whole. The fees are typically split between a base fee calculated by reference to revenue and an incentive fee calculated by reference to Gross Operating Profit (GOP) or Adjusted Gross Operating Profit (AGOP).

APPENDIX 5 - GLOSSARY

Adjusted Gross Operating Profit (AGOP)	Gross operating profit of a hotel after the deduction of the base management fee.
Systems Costs	Fees levied by the brand or management to connect the property to the wider distribution network.
Furniture, Fixtures & Equipment (FF&E) Reserve	A sinking fund set aside for cyclical refurbishment to the hotels and replacement of fixture fittings and equipment.
Net Operating Profit (NOP)	Net Operating Profit is calculated as the Gross Operating Profit less Fixed Charges.
Per Occupied Room (POR)	A metric indicating the amount of a revenue or expense per each occupied room
Per Available Room (PAR)	A metric indicating the amount of a revenue or expense per each available room

APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

ARTISTS IMPRESSIONS



APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

ARTISTS IMPRESSIONS



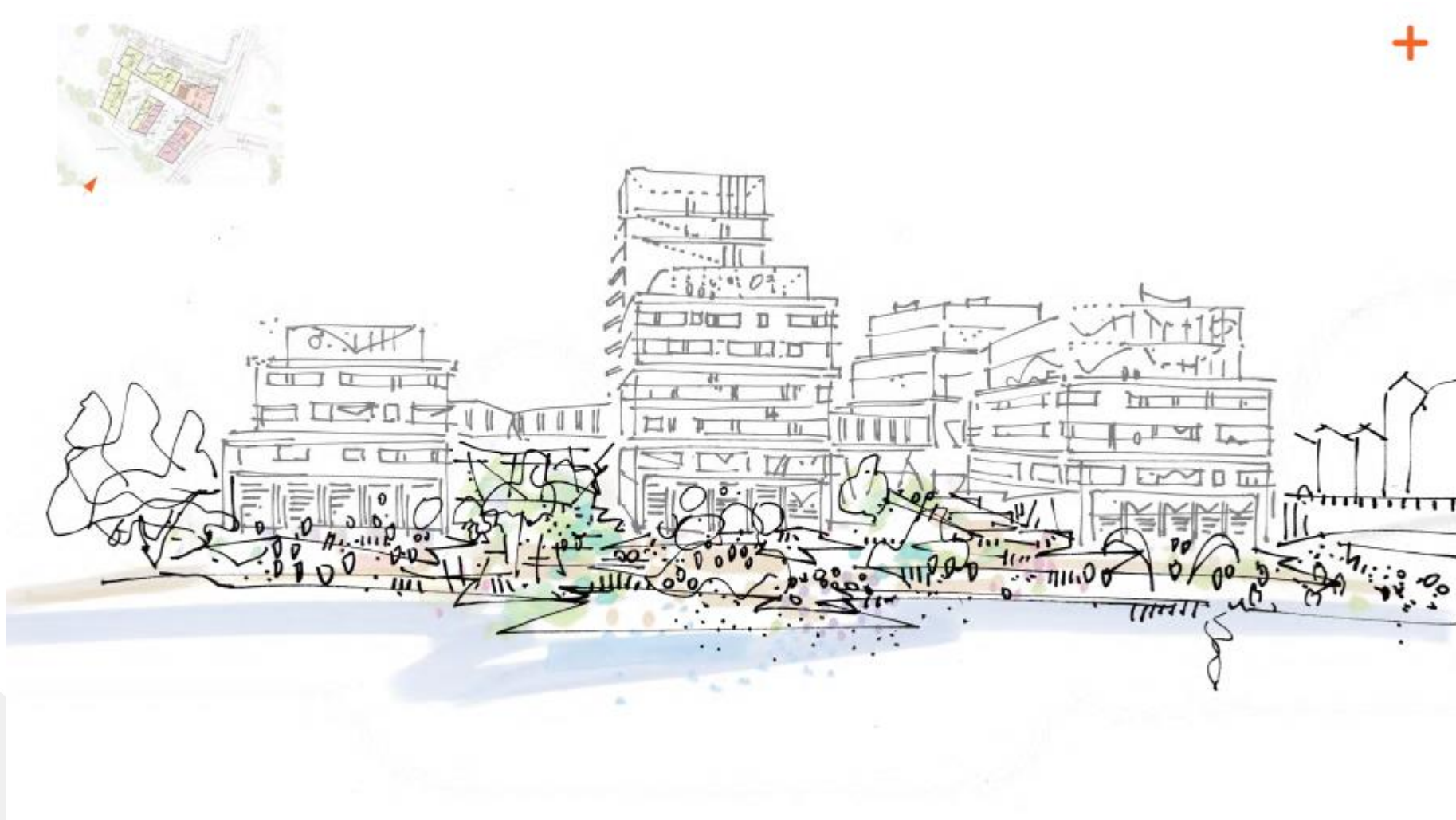
APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

ARTISTS IMPRESSIONS



APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

ARTISTS IMPRESSIONS



APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

MATERIALITY

FAÇADE CONDITIONS

Condition 01

- Residential appearance
- Terraced balconies
- Glass upper storey



APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

MATERIALITY

FAÇADE CONDITIONS

Condition 02

- Residential appearance
- Terraced balconies



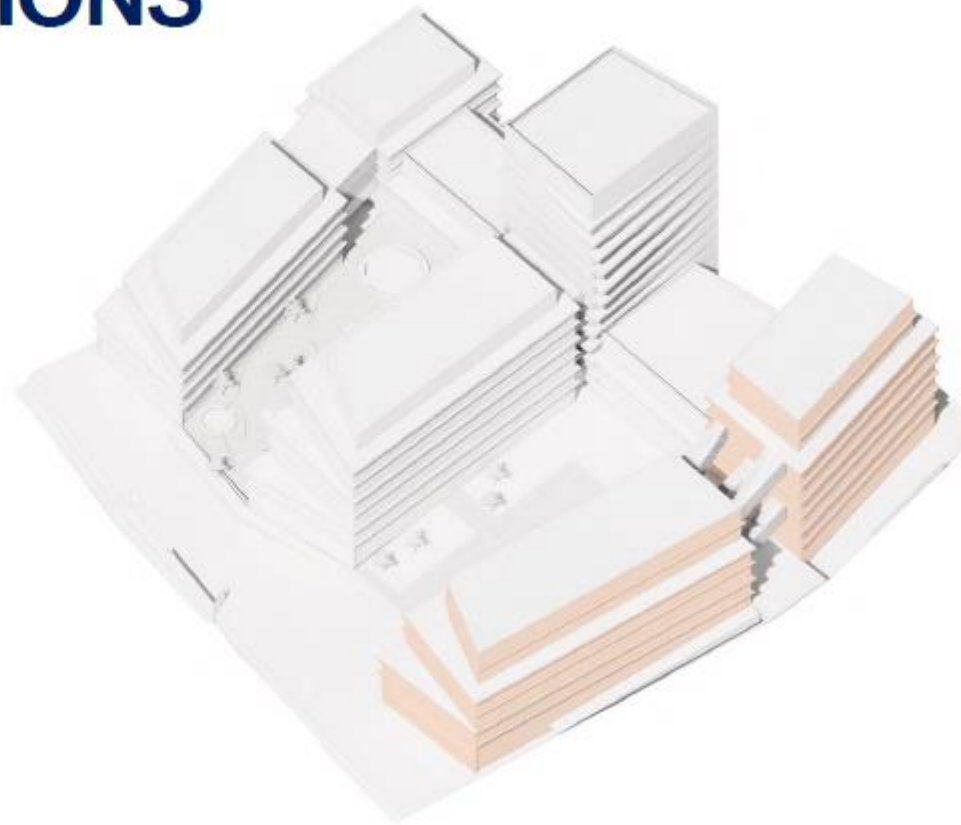
APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

MATERIALITY

FAÇADE CONDITIONS

Condition 03

- Hotel appearance
- Terraced balconies
- Noise protection / buffer
- Glass



APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

MATERIALITY



APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

SUSTAINABILITY

SUSTAINABILITY

SCOTT BROWNRIGG HAVE TAKEN THE RIBA'S GUIDANCE TO ACHIEVE THEIR 2030 CARBON GOALS AND DEVELOPED 7 KEY PRINCIPLES TO ASSESS AT ALL STAGES OF THE DESIGN PROCESS



ENERGY STRATEGY AND PERFORMANCE



- Fabric first strategy targeting low u-values and air permeability;
- Electric heating strategy, air source heat pumps with no on site combustion; Individual Exhaust air heat pumps (EAHP) per unit, minimum operational energy at 1.3KW per unit.
- Roof based photovoltaic arrays;
- Low energy light fittings, high levels of internal temperature control and low water consumption fittings;
- Target 35% reduction on Part L on site;

EMBODIED CARBON



- Target responsible sourcing certification and local procurement of materials;
- Reducing demand for high carbon embodied materials with alternatives;
- Focus on lean design strategy to reduce material quantities;
- Embodied carbon analysis and whole life carbon appraisal;

ECOLOGY



- Protection and enhancement of biodiversity;;
- Landscaping - target net gain in biodiversity, providing mix of native species;
- Biodiverse green roofs;

CIRCULAR ECONOMY



- Considering building in layers, allows not only for future demolition, but also repairs;
- Open plan layouts to improve flexibility of changes to future living standards;
- Centralised dwelling level waste storage for recyclable and non-recyclable waste;
- Site waste management plan to be developed;
- Over 80% of construction waste to be diverted from landfill;

TRANSPORT



- Electrical charging points provided for 10% of parking spaces, with the possibility to transform standard bays in the future.
- Cycle parking is provided with ground floor access;
- Cargo cycle bays are provided to add flexibility for larger bicycle types;

ADAPTABILITY AND RESILIENCE



- Sizing windows to maximise the heat gain in winter and minimise solar gain in summer, while providing for good levels of internal daylight.
- Mechanical ventilation with heat recovery to improve energy performance;
- Priority to be given to passive control measures to reduce overheating risk, such as recessed windows, external shading, balcony overhangs;
- Consideration will be given to the use of rainwater and grey water recycling;

HEALTH AND WELLBEING



- Communal amenity provided for residents and access to nature to provide health and wellbeing benefits;
- Accessibility is considered through the design of the masterplan in the landscaping, parking and residential dwellings.
- 10% of dwellings to be wheelchair user dwellings in line with planning policy;
- Ensuring adequate provisions for natural daylight and ventilation;
- Outdoor natural children's playspace;
- Deliver spaces that are thermally and acoustically comfortable;

APPENDIX 6 – EXTRACT FROM ARORA REVISED SCHEME

SUSTAINABILITY

LETI GUIDE

THE LETI GUIDE FOR MEDIUM TO LARGE RESIDENTIAL DEVELOPMENTS PROVIDES THE STARTING POINT FOR ACHIEVING OUR SUSTAINABILITY GOALS



Operational energy

Implement the following indicative design measures:

Fabric U-values (W/m²K)

Walls	0.12 - 0.15
Floor	0.08 - 0.10
Roof	0.10 - 0.12
Exposed ceilings/loft	0.12 - 0.18
Windows	1.0 (triple glazing)
Doors	1.00

Efficiency measures

Airtightness	<1 (m ³ /m ² /h @ 50Pa)
Thermal bridging	0.04 (ψ-value)
G-value of glass	0.4 - 0.5
MVHR	90% efficiency 32m ³ (duct length from unit to external wall)

- Maximise renewables so that 70% of the roof is covered
- Open factor of <0.8
- < 1.5

Window area guide

(% of wall area)	
North	10-20%
East	10-15%
South	20-35%
West	10-15%

Balance daylight and overheating

Include external shading

Include operable windows and cross ventilation

Reduce energy consumption to:

35 kWh/m²/year

Reduce space heating demand to:

15 kWh/m²/year

Heating and hot water

Implement the following measures:

Fuel

Ensure heating and hot water generation is low fuel free

Heat

The average carbon content of heat supplied (gCO₂/kWh_{th}) should be reported in use

Heating

Maximum 10 kWh/m² peak heat loss (including ventilation)

Hot water

Maximum dead leg of 1 litre for hot water pipework

Green' Taps Water Label should be used for hot water outlets (e.g., certified 4.0 litre shower head - not using flow restrictors)

Demand response

Implement the following measures to smooth energy demand and consumption:

Peak reduction

Reduce heating and hot water peak energy demand

Active demand response measures

Install heating set point control and thermal storage

Electricity generation and storage

Consider battery storage

Electric vehicle (EV) charging

Electric vehicle turn down

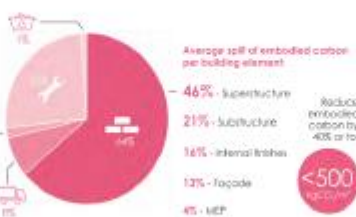
Behaviour change

Incentives to reduce power consumption and peak grid constraints

Embodied carbon

Focus on reducing embodied carbon for the largest uses:

- Products/materials (A1-A3)
- Transport (A4)
- Construction (A5)
- Maintenance and replacements (B1-B5)
- End of life disposal (C1-C4)



Data disclosure

Water and disclose energy consumption as follows:

Measuring

1. Submeter renewables for energy generation
2. Submeter electric vehicle charging
3. Submeter heating fuel (e.g. heat pump consumption)
4. Continuously monitor with a smart meter
5. Consider monitoring interior temperatures for multiple properties include a data logger alongside the smart meter to make data sharing possible

Disclosure

1. Collect annual building energy consumption and generation
2. Aggregate average operational reporting e.g. by post code for anonymity or upstream meter from part or whole of apartment block
3. Collect water consumption meter readings
4. Upload five years of data to GUK and/or Carbon Bus online platform
5. Consider uploading to Low Energy Building Database

DISCLAIMER

Please note that this is an indicative overview provided for guidance only and no financial decision should be based upon it. It is not intended to be and must not be relied upon as a substitute for the valuation conclusions that would be reached by C&W following a valuation commissioned and carried out on C&W's standard terms and conditions. Such conclusions may well be materially different.

We have not undertaken full verification or research. The opinions detailed above are totally dependent on the adequacy and accuracy of the information supplied and the assumptions made. It should be noted that should these prove to be incorrect, the accuracy of this opinion will be affected.

The contents of this report are confidential to Spelthorne Borough Council for the specific purpose to which they refer and are for their use only. Neither this report nor any part thereof may be reproduced or referred to in any document, circular or statement, nor may its contents, or part thereof be disclosed orally or otherwise to a third party.

If any circumstances surrounding this property change between the issue of this report and the completion of the development, we must be advised of such a change as soon as possible so we can reconsider our opinion.

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