Barbican Estate Residents Consultation Committee
SUPPLEMENTARY AGENDA PACK

Date: **MONDAY, 21 MAY 2018**

Time: **6.30 pm**

Venue: **COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL**

8. **CAR PARK CHARGING POLICY**

For Information
(Pages 1 - 38)

John Barradell
Town Clerk and Chief Executive

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Committee(s)	Dated:
Residents' Consultation Committee - For Information Barbican Residential Committee – For decision	21/05/2018 04/06/2018
Subject: Charging Policy for Car Parking and Stores	**Public**
Report of: Director of Community and Children's Services	**For Decision by Barbican Residential Committee**
Report authors: Paul Murtagh Assistant Director Barbican & Property Services Michael Bennett Head of Barbican Estates	

Summary

The context for the review of the Charging Policy for Car Parking and Stores on the Barbican Estate includes the following:

- Expenditure on car parking on the Barbican Estate has for some years significantly exceeded income;
- The Barbican car parks are underused with a large number of vacant car parking spaces that could be put to much better use (including the provision of storage units for residents);
- There is currently a waiting list for additional storage of over 270 Barbican residents;
- The current 3-year Charging Policy for Stores expired in March 2018 and is due for review;
- The City Corporation has implemented an 'Efficiency Plan', which seeks to maximise income from its property assets;
- The City Corporation is carrying out a general review of all its car parks within the City.

At its meeting on 5 June 2017, the Barbican Residential Committee received a report on the Charging Policy for Car Parking on the Barbican Estate. The Committee agreed that a Member/Officer Working Party be established to carry out further work on the Charging Policy including, commissioning and considering advice from alternative independent consultants in relation to market rental levels for car parking and storage spaces and a study of car park usage and cost allocation, before bringing a report back to the Committee. The Working Party has now completed its task and, this report comprises an overview of the work done and its findings and recommendations.

Recommendations

The Residents Consultation Committee is asked to note and comment on the Charging Policy for Car Parking and Stores.

The Barbican Residential Committee is asked to endorse the work and recommendations of the Member/Officer Working Group and specifically, to:

1. Agree the lettings policy that storage spaces in the car parks can be let to non-Barbican residents within 'walking distance' (defined as other City residents living within a half mile of the entrance to the car park where the stores are located) should there be insufficient demand from Barbican Estate residents.

2. Agree that this lettings policy comes into effect six months after the completion of the new stores project.

3. Agree that this lettings policy is subject to review 12 months after implementation by the Barbican Residential Committee.

4. Agree the charge of £40 per square foot, per annum, for 'Barbican Resident only' stores in the residential blocks and existing and new stores in the car parks with, the increase for existing users being phased in incrementally over a period of three years.

5. Agree the charge of £44 per square foot, per annum, for 'non-resident' stores in the car parks.

6. Agree the charge of £1,750 per car parking space, per annum, for new car park users.

7. Agree the charge of £1,750 per car parking space, per annum, for existing car park users, to be phased in incrementally over a period of three years.

8. Agree the policy that the above charges are reviewed annually with increases applied in line with the Consumer Price Index (CPI).

9. Further agree the policy that the above charges are reviewed and assessed every three years in line with opinions of value and market rent.

10. Agree that if any further car parking spaces become available as a result of a further reduction in car park occupancy, that officers review the possibility of utilising these spaces for potential further storage.

11. Agree that the Working Party further reviews the work of the Concierge Service (including the allocation of its costs) and the current provision of five 'free' hours temporary car parking for visitors, contractors etc.

Main Report

Background

1. Expenditure on car parking on the Barbican Estate has for some years significantly exceeded income. In 2016, the Barbican Residential Committee instructed officers to review the underused Barbican car parking spaces and subsequently agreed that they could and should be put to other uses including the provision of additional storage space (refer to Appendix 1 – New Stores Project Process) in order to generate additional income to meet the Service Based Review targets of £154k and annual efficiency savings from 2017/18 for the Barbican Estate.

2. Following consideration of a report on the charging policy for car parking and stores on the Barbican Estate at its meeting in December 2016, the Barbican Residential Committee instructed officers to obtain advice from an independent consultant on opinions of value of car parking and storage spaces and bring back to Committee the recommended charges.

3. A Charging Policy for Car Parking was subsequently presented to the Barbican Residential Committee at its meeting on 5 June 2017 however, members decided, as an interim measure, to increase the charges for 2017/18 in line with the Consumer Price Index.

4. Members also agreed that a Member/Officer Working Party be established to carry out further work on the Charging Policy including, commissioning and considering advice from alternative independent consultants in relation to market rental levels for car parking and storage spaces and, a study of car park usage and cost allocation, before bringing a report back to the Barbican Residential Committee.

5. The members of the Working Party are:

   - Ann Holmes (Chair) – Chairman of the BRC
   - Sue Pearson – Deputy Chairman of the BRC
   - Randall Anderson – Member of the BRC
   - John Tomlinson – Member of the BRC
   - Paul Murtagh – Assistant Director Barbican & Property Services
   - Michael Bennett – Head of Barbican Estates

6. A Charging Policy for Stores was not presented to the Barbican Residential Committee on 5 June 2017 as there were unforeseen delays in the delivery of the new stores project and the current policy for existing stores did not in any event expire until March 2018.

Current Position

7. The Member/Officer Working Party, which was set up at the instruction of the Barbican Residential Committee in June 2017, has now completed its work and its findings and recommendations are included at Appendix 2 to this report.

8. The Planning and Transportation Committee at its meeting in April 2018 approved the planning application for new stores in the car parks for residents and non-residents (see Appendix 1 paragraph 7). This report has been prepared on the basis of this decision. However, nothing in this report is detrimental to the granting of this planning consent and the subsequent conditions contained therein.

Options

9. The Working Party considered worked examples of the charges and potential forecasted income for car parking and stores based on the independent opinions received and reviewed a number of options as outlined in Appendix 5 and 6.

Proposals

10. A charge of £1,750 per car parking space per annum for new car park users (see Appendix 5).

11. A charge of £1,750 per car parking space, per annum, for existing car park users, to be phased in incrementally over a period of three years (see Appendix 5).

12. A charge of £40 per square foot, per annum, for existing and new stores in the residential blocks and car parks, phased in incrementally over a period of three years for existing users (see Appendix 6).

13. Although the valuation allows for 10-20% more if non-residents use them, this would not be invoked but a 10% surcharge would apply to cover the additional concierge charges for non-Barbican residents.

14. Charges for car parking spaces and stores to be reviewed annually based on the Consumer Price Index with an additional three-year review of charges based on opinions of value and market rent.

15. At the Barbican Residential Committee at its meeting in December 2016, it was agreed to utilise market rates as a basis for a charging policy and these proposals take account of the independent consultants' opinion of value.

16. These proposals also take account of a previous report to the Barbican Residential Committee, which stated that if, the proposed charges are significantly higher than current ones, recommendations will be made regarding the phasing in of these increased payments for existing users.

17. In implementing these proposals, the City Corporation would be making a much better use of its assets (the Barbican car parks) in relation to the independent opinions of value and market rent received. The additional income would not only help in achieving the City Corporation's Efficiencies Savings targets, but would also potentially, provide for significant additional funding for future projects across the City including the Barbican Estate.

18. It is proposed to utilise further car parking spaces for storage as unused spaces become available as a result of, for example, possible further reductions in car park occupancy.

19. It is proposed that the use of the new stores in the car parks would be based on the letting policy as set out in Appendix 1 paragraph 8.

20. It is proposed to review the work of the Concierge Service (including the allocation of its costs) and the current provision of five 'free' hours temporary car parking for visitors, contractors etc.

Corporate & Strategic Implications

21. In terms of the relevant policies incorporated in the City Corporation's Corporate Asset Management Strategy, the proposals contained in this report will ensure that:

- Operational assets remain in a good, safe and statutory compliant condition;
- Operational assets are fit for purpose and meet service delivery needs;
- Annual revenue expenditure is efficiently managed to ensure value for money and operational asset running costs are reduced wherever possible;
- Opportunities to create added value and maximise income generation can be pursued.

Implications

22. As the principle of utilising market rental levels as a basis for charging has been accepted, the additional income would not only help in achieving the City Corporation's Efficiencies Savings targets, but would also potentially, provide for significant additional funding for future projects across the City including the Barbican Estate.

23. The financial implications are set out in the main body of this report and are also included in Appendices 5 and 6.

24. Delays in the new stores project and an agreed charging policy have had a financial impact on the budget position for 2017/18 and will continue to do so for 2018/19. If a charging policy is not agreed by Committee at its meeting today, it will not be possible to give the required notification to licence holders in order to effect the increase from the September quarter (notice has to be given by 24 June). Any later than this and the increases would not come into effect until 25 December 2018.

25. Furthermore, following planning approval for the news stores in the car parks, the latest estimations are that contractors would be on site in the Summer and we would be in a position to commence letting in the Autumn. If a charging policy is not agreed by Committee at its meeting today it will not be possible to market these new stores to residents.

26. Delays in not approving the charging policy recommendations in this report today would result in a potential estimated loss of income of £145k for the quarter September to December 2018/19 based on the worked examples in appendices 5 and 6 (£15k would relate to car parks and £130k relating to stores).

27. The income from the stores in the car parks would be credited to the Car Park Account. Assuming a 15% reduction in overall car park usage as set out in the Appendix 5, the increased car park charges of £1,750 per space would increase net income by £135k per annum by 2020/21. The charge of £40 per square foot of storage would increase net income by £755k per annum by 2020/21 as set out in Appendix 6.

28. Dependent on the Members decision on the policy for surplus storage being available to those within walking distance, further additional income could be obtained

29. The forecasted possible reduction in car park occupancy due to the increased charges of 15% would also present the option to utilise further car parking spaces for storage as unused spaces become available. Note the breakeven point for the higher charges would be a reduction in usage of 28%.

30. Additional resources will be required to manage and administer the potential considerable changes that are expected to result from implementing these recommendations.

Conclusions

31. The Member/Officer Working Party, set up at the instruction of the Barbican Residential Committee, has reviewed advice from independent consultants on opinions of value and market rent for car parking and storage spaces and their recommendations are laid out in paragraphs 1-11 of this report.

32. The Working Party further recommends that there is a review of the work of the Concierge Service (including the allocation of its costs) and the current provision of five 'free' hours temporary car parking for visitors, contractors etc.

Appendices

- Appendix 1 – New stores project process
- Appendix 2 – Car Park Charging Working party report
- Appendix 3 – Brief to independent consultants
- Appendix 4 – Independent consultants' reports
- Appendix 5 – Worked examples of car park charges and potential forecasted income and costs
- Appendix 6 – Worked examples of stores charges and potential forecasted income and costs

Background Papers

Car Park Strategy Stage One 2009
Car Park Strategy Update 2009
Barbican Estate Car Park Efficiency Strategy Working Party 2011
Baggage Stores Charging Policy 2011
Car Park Charging Policy February 2013
Car Park Charging Policy December 2013
Car Park and Baggage Stores Charging Policy January 2014
Revenue and Capital Budgets – Latest Approved Budget 2013/14 and Original Budget 2014/15
Service Based Review Proposals – Department of Community & Children's Services 2014
Car Park Charging Policy 2015
Car Park Charging Policy March 2016
Service Based Review March 2016
Review of Public Car Park Provision in the City November 2016
Charging Policy for Car Parking and Stores November 2016
Charging Policy for Car Parking June 2017

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Appendix 1 New Stores Project process

1. In 2016 the Barbican Residential Committee asked officers to review the underused Barbican car parking spaces in conjunction with the current and potential demand for additional storage spaces.

2. A residents' survey was carried out in relation to the demand for additional storage and this was reviewed in conjunction with the current waiting list. Since 2016, over 270 residents have been on our waiting list for additional storage.

3. A project to install 316 further residents' stores in the vacant bays in the car parks (currently over 500 vacant bays) was progressed via the City Corporation's Gateway process. This included the option of extending the letting of storage spaces in the car parks to non-Barbican residents should there be insufficient demand from Barbican Estate residents.

4. The Barbican Estate Office currently rents stores in the car parks to Barbican residents only and does not have a policy of renting to other residents in the City.

5. Following a pre-planning consultation exercise undertaken by the Barbican Estate Office in July 2017 a planning application for the new stores in the car parks for residents and non-residents was submitted in September.

6. As part of the formal planning application consultation, which took place in October 2017, a number of objections were lodged relating mainly to non-residents usage of the new stores (mainly security concerns). As a result, it was deemed necessary for the planning application for the new stores project to be presented to the Planning and Transportation Committee.

7. The Planning and Transportation Committee at its meeting in April 2018 approved the planning application for new stores in the car parks for residents and non-residents subject to the following conditions:

   - Revised plans with the omission of three of the original proposed storage units and the omission or adjustment of any other proposed storage units which may require removal or adjustment pursuant to a Safety Statement (to demonstrate that none of the storage units would have an adverse impact on fire escape/access and vehicle/pedestrian safety within the car parks).

   - The use shall not commence until a management plan has been submitted to and approved in writing by the local planning authority detailing:

     1. That the storage units would be offered to Barbican residents in the first instance;

     2. The proportion of storage units that would be let to Barbican residents at any one time;

3. The criteria for letting storage units to non-Barbican residents (stipulating the non-commercial nature of the storage and the extent of the letting catchment area);

4. The fire safety arrangements, including such matters as restricting the storage of hazardous items and maintaining fire escape access;

5. The security measures to prevent unauthorised access to private residential areas.

- The use shall not commence until details of CCTV provision within the car parks have been submitted to and approved in writing by the Local Planning Authority.

- The development shall not be carried out other than in accordance with the approved drawings and particulars or as approved under conditions of this planning permission

8. It is proposed that the use of the new stores in the car parks would be based on the following letting policy to be approved by the Barbican Residential Committee:

- storage spaces in the car parks be let to non-Barbican residents within walking distance (defined as other City residents living within half a mile of the entrance to the car park storage) should there be insufficient demand from Barbican Estate residents

- the policy to come into effect after six months following the completion of the new stores project

- the policy be subject to a twelve-month review by the Barbican Residential Committee

Appendix 2 Car Park Charging Working Party Report

1. A Member/Officer Working Party was set up in June 2017 and has met four times. Terms of Reference were agreed including the review of car park usage and car park attendants/concierge time allocation. The members of the Working Party are:

   - Ann Holmes (Chair) – Chairman of the BRC
   - Sue Pearson – Deputy Chairman of the BRC
   - Randall Anderson – Member of the BRC
   - John Tomlinson – Member of the BRC
   - Paul Murtagh – Assistant Director Barbican & Property Services
   - Michael Bennett – Head of Barbican Estates

2. It was agreed to seek advice, from two independent consultants, on values and market rental levels for car parking and stores based on a brief agreed by the Working Party.

3. Independent advice was obtained from Gerald Eve and Farebrother, Chartered Surveyors, to advise on the current open market rental levels for car parking and stores. The brief issued to them is attached at Appendix 3 and, their respective reports and advice are attached at Appendix 4.

4. Their reports set out their opinion of rental value for both the Barbican residential car parking and storage spaces based on the evidence of open market charges with due allowance being made for the unique factors relevant to the Barbican car parks. The leaseholders with a long-term car bay agreement will continue to pay a service charge in the normal way and are not affected by the recommendations in this report. These service charges will be subject to current and on-going service charge reviews.

5. It was agreed to consider worked examples of the charges and potential forecasted income for car parking and stores based on the independent opinions received and a number of assumptions.

6. It was agreed that the options of the two opinions of value be presented to committee of £1,750 and £2,000 per car parking space per annum (see appendix 5).

7. It was agreed that stores should be rented for between £40 and £50 per square foot, per annum depending on size and location but in order to avoid confusion in communicating these charges to residents a single rent of £40 per square foot per annum be charged (see Appendix 6).

8. It was agreed that although the valuation allows for 10-20% more if non-residents use them, this would not be invoked but a 10% surcharge would apply to cover the additional concierge charges for non-Barbican residents.

9. It was agreed to phase in the charging for car parking and stores for existing users incrementally, over a period of three years (see Appendices 5 and 6).

10. It was agreed to review the charging for car parking and stores annually based on the Consumer Price Index (see Appendices 5 and 6).

11. It was agreed that the charging for car parking and stores should be reviewed and assessed every three years in line with opinions of value and market rent.

12. It was also suggested that it might be timely to review the work of the Concierge Service (including the allocation of its costs) and the current provision of five 'free' hours temporary car parking for visitors, contractors etc.

13. The Working Party reviewed a draft of the report to Committee and agreed its recommendations.

Appendix 3
Brief for independent consultants

Market valuation of a car parking space as a rental asset based on:

- Current car parking charges: £1,258 pa based on rental agreement.
- History of basis of car parking charges – appendix 1.
- History and current car parking occupancy – appendix 2.
- Car parking spaces which are owned (sold) and those which are rented (residential) – appendix 2.
- Potential use of Breton car park for the City's Culture Mile proposals (which could potentially utilise car parking spaces for retail outlets fronting Beech Street tunnel)
- Car park spaces are being converted into new resident stores (313) utilising car parking spaces (198) mainly in Breton & Bunyan car parks - see occupancy schedule. Subject to planning approval. New stores anticipated Summer 2018.
- Position with regards to commercial car parking - The City's Planning Officer has advised that marketing to potential external users & neighbouring developments for commercial parking would be contrary to Condition 7 of the Planning and Parking Policies within the Local Plan. City Transportation has also confirmed that commercial car parking would be contrary to policies to restrain commuting to the City by car and Policy DM16.6 in the Local Plan does not permit new public car parks or the temporary use of vacant spaces. Therefore the City's Planning Officer would oppose planning permission being granted for commercial car parking.

- In addition to the factors listed above the valuer is to take account of:
    - The condition and size of the car spaces and the manoeuvrability into the car spaces.
    - The positive aspect of the Barbican's 24-hour security within the car parks.
    - The Barbican car parks being located within the Congestion Charge zone.

- Comparable evidence for use in assessing the market rental value of the Barbican car spaces will ideally be of residential developments where the flats are valued at between £1,200 and £1,500 per sq ft and which have rented onsite parking. The comparables to be as close to the City as possible, including developments east of the City i.e. Canary Wharf. If there is insufficient comparable evidence available that meets these criteria the valuer is to use his/her professional judgement to draw on further comparable evidence suitable for assessing the rental value of the car spaces.

Market valuation on the stores as an asset per square meter utilising the residential blocks and car parking spaces:

- Current stores charges based on rental agreement & dimensions:
  - Standard (stores located in residential blocks for resident use only) £313 - 1.2m(l)x1m(w)
  - Medium (transportable stores located in the car parks for residents use only) £373 - 2m(l)x1.5m(w)
  - Large (‘breeze block’ stores located in the car parks for residents use only) £440 - 2m(l)x1.9m(w)
- History of basis of stores charges – currently RPI.
- Stores which are owned (sold) and those which are rented (residential) – appendix 3.
- Confidence of take up of new stores based on current Residents Waiting list for stores of over 260 residents and that these new stores will be made available to those within walking distance of the Barbican Estate, should demand from residents be insufficient (subject to planning and committee approval).
- New resident storage (313) utilising car parking spaces (198) mainly in Breton & Bunyan car parks - see occupancy schedule. Subject to planning approval. New stores anticipated Summer 2018.
- 3 different sized residents’ stores all located in the car parks. Dimensions:
  - Large sized unit shall be no more than 2m(l)x2m(w)x1.9m(h)
  - Extra-large sized unit shall be no more than 2m(l)x3m(w)x1.9m(h)
  - Extra extra large sized unit shall be no more than 2m(l)x4m(w)x1.9m(h)

Please note that for the basis of this report some of the data below has been updated.

Appendix 1 - History of car parking charges

History of car parking charges from 2001 to date										Price change implemented							
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Charging Base									RPI	RPI	RPI	RPI	RPI	RPI	RPI	RPI	CPI
% change									4.9%	0%	3%	5.2%	2.6%	2.4%	2.3%	1.2%	2.7%
Residential Car Parking Per Annum – Rental charge	£990	£990	£990	£990	£990	£990	£990	£990	**£1,038**	£1,038	**£1,070**	**£1,126**	**£1,155**	**£1,183**	**£1,210**	**£1,225**	**£1,258**

Appendix 2 History of Car Parking occupancy

Date	Residential Let Bays	Residential Let Bays +/-	Commercial Let Bays	Sold Bays	Total Usage	Total	Occupancy %
Jun-06	863	-1%	20	134	**1,017**	1,702	59.8
Dec-07	848	-2%	35	117	**1,000**	1,702	58.8
Oct-08	820	-3%	46	169	**1,035**	1,538	67.3
Oct-09	777	-5%	65	121	**963**	1,497	64.3
Oct-10	752	-3%	77	118	**947**	1,497	63.3
Oct-11	744	-1%	69	155	**968**	1,497	64.7
Oct-12	737	-1%	89	153	**979**	1,508	64.9
Nov-13	718	-3%	54	297	**1,069**	1,508	70.8
Nov-14	691	-4%	51	295	**1,037**	1,508	68.8
Nov-15	682	-1%	34	294	**1,010**	1,508	67.0
Sep-16	679	-1%	31	285	**995**	1,508	66.0
Nov-17	648	-5%	47	283	**1,014**	1,508	64.9

Current Car Parking occupancy - March 2018

CAR PARK	ANDREWES	BRETON	BUNYAN	CROMWELL	DEFOE	SPEED	LAUDERDALE	THOMAS MORE	01 WILLOUGHBY	03 WILLOUGHBY	TOTALS
SOLD	12	0	1	9	36	113	17	11	5	79	**283**
RESIDENTIAL	87	69	86	56	90	33	70	90	63	3	**647**
COMMERCIAL	0	0	4	0	0	2	0	0	33	0	**39**
VACANT	36	170	118	27	34	7	18	49	48	32	**539**
TOTALS	**135**	**239**	**209**	**92**	**160**	**155**	**105**	**150**	**149**	**114**	**1,508**
	73%	29%	44%	71%	79%	96%	83%	67%	68%	72%	64%

Proposed new stores and estimated car parking occupancy – April 2018

Store Allocation	0	158	125	0	0	0	0	0	17	13	**313**
Loss of Car Bays to stores	0	94	79	0	0	0	0	0	13	12	**198**
Estimated occupancy %	73%	68%	81%	71%	79%	96%	83%	67%	77%	83%	**77%**

Proposed new Stores

Large (4sq m)	0	104	85	0	0	0	0	0	10	9	**208**
X Large (6sq m)	0	27	22	0	0	0	0	0	4	2	**55**
XX Large (8sq m)	0	27	18	0	0	0	0	0	3	2	**50**
Total	**0**	**158**	**125**	**0**	**0**	**0**	**0**	**0**	**17**	**13**	**313**

Appendix 3 Stores March 2018

Let	Sold	**Total**
1,165	78	**1,243**

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APPENDIX 4 - INDEPENDENT CONSULTANTS REPORTS

Farebrother

CAR PARKING AND STORES AT THE BARBICAN ESTATE, LONDON, EC2

Prepared for:
CITY OF LONDON

SEPTEMBER 2017

CORFAC International

MICHAEL BRADLEY
BARBICAN ESTATE OFFICE
3 LAUDERDALE PLACE
LONDON
EC2Y 8EN

CITY OF LONDON

Thursday, 30 November 2017

Dear Michael,

CAR PARKING AND STORAGE, THE BARBICAN ESTATE, EC2

Thank you for instructing Farebrother to provide advice in relation to the rental level of your car parking spaces and storage units at the Barbican Estate. The following report will include; a background of the Barbican Estate; a schedule of comparable evidence and our advised price recommendation for both car parking and stores.

The purpose of this report is to provide the City of London with a professional opinion of what level of rent we would recommend be imposed on the subject car parking spaces and storage units. We do not believe that it is appropriate to provide a Red Book valuation at this stage.

1.0 BACKGROUND, THE BARBICAN ESTATE, EC2

The Barbican Estate is a residential estate, constructed during the 1960s and 1970s. The estate officially opened in 1969, located within the City of London in an area once devastated by World War II bombings. Now, the estate comprises three of London's tallest residential towers at 42 storeys, thirteen terrace blocks, two mews and The Postern, Wallside and Milton Court.

Within and surrounding the estate exists the Barbican Arts Centre, the Guildhall School of Music and Drama, the Barbican public library, the Museum of London, the City of London School for Girls and a former YMCA, forming the Barbican Complex. In addition, Barbican tube station is a stone's throw away from the site. Overall, the 40-acre estate currently consists of over 2,000 flats, accommodating around 4,000 residents. We understand the value of a bedsit in the estate is currently in the region of £1,000,000.00.

2.0 CAR PARKING, THE BARBICAN ESTATE, EC2

2.1 BACKGROUND, CAR PARKING

Within the 10 car parks available to the residents of the Barbican Estate, there are 1,508 car parking spaces, 34% of which are currently vacant. Consequently, it has been anticipated that 201 of these car parking spaces will be converted and alternatively used as storage space, which is currently in high demand.

We understand that the current cost of a car parking space stands at £1,285.00 per annum, inclusive of the service charge (£926.00 per annum). You have advised us that for a number of years the cost of renting a car parking space was not increased but since 2009 the charges have been increased based on the Retail Price Index.

2.2 SCHEDULE OF COMPARABLE EVIDENCE

Below is a list of comparable car parking spaces in the direct area and the wider London market. It is worth noting that we have included both Central, Eastern and Western locations and residential schemes throughout London in this search.

NAME	ADDRESS	PRICE PER WEEK	PRICE PER MONTH	PRICE PER ANNUM	COMMENT
Lexicon	261a City Road, Islington, London EC1V 1AH	£50.00 per space	£216.67 per space	£2,600.00 per space	45 spaces to rent, available to residents at the Chronicle Tower only. Car park is manned 24/7. Residents do not pay any business rates or council tax on spaces. Outside of congestion zone. Developer has not confirmed value of apartments.
Royal Albert Wharf	Lock Side Way, Royal Albert Wharf, London E16 2QJ	£17.31 per space	£75.00 per space	£900.00 per space	54 spaces to rent, available to residents only. Advised that this was the average rental value for a car parking space in East London. Price based on a per week or per annum basis. Outside of congestion zone. Secure car park but not manned. Value of apartments: £360,000 – £750,000 (£304.00 - £645.65 psf)
Battersea Reach	3 Kingfisher House, Juniper Drive, York Road, Wandsworth, SW18 1TX	£38.46 per space	£1,600.00 per space for 6 months	£2,000 per space	2,300 spaces. Price based on a per week or per annum basis. Only residents can rent the space however if there is space available, non-residents can park here too and pay for a ticket. Residents do not pay business rates or council tax on these spaces. Car park attendants Monday-Sunday from 7.00am – 11.00pm. Outside of congestion zone. Value of apartments: £565,000 – £1,375,000 (£1,172.19 - £1,210.39 psf)
Dockhead	41 Dockhead, SE1 2BS	£48.08 per space	£208.33 per space	£2,500.00 per space	These parking spaces are available for both residential and commercial use. 29 commercial spaces and 10 residential.

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					Not a manned car park but is gated. The price is inclusive of business rates. Price based on a per annum basis. Outside of congestion zone. Not a residential development.
Imperial Wharf	15 Imperial Road, Fulham, London SW6 2UB	£42.31 per space	£183.33 per space	£2,200.00 per space	1,060 spaces. Only offer permits to residents. Car park is manned 24/7. There are 1,060 spaces. Price based on a per annum basis. Outside of congestion zone. Value of apartments: from £1,000,000.00 - £3,400,000.00 (£1,024.59 - £2,059.36)
St George Wharf	21 St George Wharf, London, SW8 2FH	£47.79 per space	£207.08 per space	£2,485.00 per space (residents) £2,982.00 per space (non-residents)	569 spaces, car park is manned 24/7. Price based on a per annum basis. Both residents and non-residents can buy a permit. No tax is paid. Outside of congestion zone. Value of apartments: £495,000 - £8,000,000 (£1,363.63 - £1,444.83 psf)
Chelsea Bridge Wharf	372 Queenstown Road, London, SW8 4PP	£80.80 per space	£168.33 per space	£2,020.00 per space	Price based on a per annum basis. 800 spaces. Non-residents from the hotel can also pay to use the space. Car park is manned 24/7. No tax is paid. Outside of congestion zone. Value of apartments: £385,000 - £3,800,000 (£1,180.98 - £1,644.31 psf)
Dolphin Square	Chichester Street, London, SW1V 3LX			£1,740.00 - £2,100.00 per space	Just over 300 spaces, available to residents and those visiting the spa. Price depends on the size and location. Price based on a per annum basis. Car park manned 24/7. Outside of congestion zone. Apartments not for sale – let from £300-£600 pcm.

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2.3 SUMMARY

Taking into consideration the comparable evidence above, we recommend a value in the region of £1,750.00 - £2,000.00 per space per annum, inclusive of the service charge.

Whilst gathering the above comparable evidence, it came to our attention that most housing developments sell their parking spaces opposed to letting them to their residents. Consequently, there is very little direct comparable evidence. We believe that Imperial Wharf is a good direct comparable, given that they also provide over 1,000 parking spaces which are available to residents only, and is manned 24/7. However, Imperial Wharf is located outside of the congestion zone, therefore a reduction from £2,200.00 per space per annum has been made to reflect this. We are also aware that there are a large number of vacant spaces, meaning that supply of parking spaces is in excess of demand, further leading to a slight deterioration in their value.

3.0 STORES, THE BARBICAN ESTATE, EC2

3.1 BACKGROUND, STORES

Currently, there are 1,311 stores available to residents at the Barbican Estate. Demand for stores at the Barbican Estate is relatively high, reflected by the current Residents Waiting list for stores which consists of 260 people. In response to this high demand, it is anticipated that 316 new resident stores will be constructed by Summer 2018 mainly in Breton and Bunyan car parks. These stores will replace 201 current car parking spaces and will range between the following sizes:

TYPE OF UNIT	SIZE (SQ FT)	TOTAL SUPPLIED
Small	43.06	209
Medium	64.6	55
Large	86.1	52

We understand that the prices of the existing stores are as follows:

TYPE OF UNIT	SIZE (SQ FT)	RENT	TOTAL SUPPLIED	LOCATION
Standard (1.2m (l) x 1m (w))	12.92	£313.00 (per annum) £24.23 (per sq ft)	1,167	Residential blocks
Medium (2m (l) x 1.5m (w))	32.29	£373.00 (per annum) £11.55 (per sq ft)	100	Car parks
Large (2m (l) x 1.9m (w))	40.90	£440.00 (per annum) £10.76 (per sq ft)	44	Car parks

3.2 SCHEDULE OF COMPARABLE EVIDENCE

Below is a list of comparable evidence for storage units in London. It should be noted that these are large companies, often with multiple sites, purely set up for storage. They often offer initial deals as seen below on an initial discount and then rolling to a standard price thereafter. The majority of the occupiers of these units are short term, hence the upfront incentive. This should also be noted in the analysis as they will on the whole work out more expensive on an annual basis.

NAME	ADDRESS	PRICE PER WEEK	PRICE PER MONTH	PRICE PER ANNUM	PRICE PER SQ FT	COMMENT
Urban Locker Self Storage	**Urban Locker Self Storage, Paterson Court, Peerless Street, London, EC1V 9EX**	**10 sq ft - £18.45** **12 sq ft - £27.58** **50 sq ft - £65.02**	**10 sqft locker - £79.96** **12 sqft locker - £119.52** **50 sqft locker- £281.76** **100 sqft - £480.96**	**10 sq ft locker - £959.52** **12 sq ft locker - £1,434.24** **50 sq ft - £3,381.12** **100 sq ft - £5,771.52**	**10 sq ft - £95.95** **12 sq ft - £119.52** **50 sq ft - £67.62** **100 sq ft - £57.72**	**Advised that pricing for Barbican would be cheaper and that although these are their general prices they often discount the price. Prices are based on a per month or per annum basis, and are inclusive of VAT, not insurance. Withheld any further information.**
Big Yellow Self Storage - Kennington	**289 Kennington Lane, London SE11 5QY**	**25 sq ft - £46.20** **40 sq ft - £51.00**	**25 sq ft - £200.20** **40 sq ft - £221.00**	**25 sq ft - £2,402.40** **40 sq ft - £2,652.00**	**25 sq ft - £96.10** **40 sq ft – £66.30**	**Currently offering 50% off first 4-8 weeks depending on size. Prices on a per week or per annum basis, and are inclusive of VAT but not insurance. If you sign up for a year you get 5% off of your rent and insurance.**

						Will not give information regarding vacancy rate. Gave estimation that 40% spend less than 6 months here.
Attic self-storage	500 Wick Lane, London E3 2TB	25 sq ft - £36.00 60 sq ft - £60.00 85 sq ft - £63.25	25 sq ft - £156.00 60 sq ft - £300.00 85 sq ft - £448.00	25 sq ft - £1,872.00 60 sq ft - £3,600.00 85 sq ft - £5,376.25	25 sq ft - £74.88 60 sq ft - £60.00 85 sq ft – £63.25	First 4 weeks free. Prices on a per annum basis, and are inclusive of VAT but not insurance. If you sign up for 1 year you get 4 weeks free and 10% off each month. Vacancy rate confidential. 60% of those who rent storage space spend 3-6 months here.
Access Self Storage	48/48A Eagle Wharf Road, Islington, N1 7ED	10 sq ft - £15.77 35 sq ft - £32.81 50 sq ft - £42.18	10 sq ft - £68.32 35 sq ft - £142.20 50 sq ft - £182.76	10sq ft - £819.84 35 sq ft - £1,706.36 50 sq ft - £2,193.16	10 sq ft - £81.98 35 sq ft - £48.75 50 sq ft - £43.86	Based on 10 sqft @ £8.54 pw first 8 weeks, £17.08 per week thereafter 35 sq ft @ £17.77 pw first 8 weeks, £35.54 per week thereafter 50 sq ft @ £22.85 pw first 8 weeks, £45.69 thereafter Inclusive of VAT, not

						insurance. Prices on a per annum basis. If you prepay for 12 months you get a 20% rent reduction off each month. Current vacancy rate 5%. Gave estimation that 20% of people rent this storage on a long-term basis (for more than 6 months).

3.3 SUMMARY

Alongside close analysis of the comparable evidence above, we have taken into consideration that the Barbican Estate's storage units within the car parks are manned 24/7 by an on-site concierge, and that they are in very close proximity to the residents' apartments. Consequently, a significant uplift in the current rent for storage is needed. We have also considered that the comparable evidence listed consists of companies who run a business solely dedicated to providing storage space; in some cases, they even pack and provide transport at an inclusive rate to customers. As a result, the comparable storage units will be let at a higher price.

It is important to note that the current prices of existing storage units are historic figures and no justification can be provided as to why they were set at this level. Our price recommendation for the storage units at the Barbican Estate has been based on the comparable evidence found. When taking into account the nature of the storage units and the service that is provided with them, we believe that Access Self Storage is the most direct comparable and have therefore based our price recommendation on their annual rate.

Following consideration that generally incentives equate to £150.00 off of the total rent per annum, alongside the costs incurred through running the business (including service, VAT, land tax), we have deducted a total of £500.00 from the value we arrived at through the use of comparable evidence.

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The prices we recommend are laid out in the following table:

TYPE OF STORAGE UNIT	SIZE (SQ FT)	CURRENT PRICE	RECOMMENDED PRICE (RESIDENTIAL BLOCKS)	RECOMMENDED PRICE (CAR PARKS)	TOTAL SUPPLIED	LOCATION
Current Standard (1.2m (l) x 1m (w))	12.92	£313.00 (per annum) £24.23 (per sq ft)	£647.55 (per annum) £50.12 (per sq ft)	£712.305 (per annum) £55.13 (per sq ft)	1,167	Residential blocks
Current Medium (2m (l) x 1.5m (w))	32.29	£373.00 (per annum) £11.55 (per sq ft)	£1,204.91 (per annum) £37.32 (per sq ft)	£1,325.40 (per annum) £41.05 (per sq ft)	100	Car parks
Current Large (2m (l) x 1.9m (w))	40.90	£440.00 (per annum) £10.76 (per sq ft)	£1,659.52 (per annum) £40.58 (per sq ft)	£1,825.47 (per annum) £44.63 (per sq ft)	44	Car parks
Proposed Standard (2m(l) x 2m(w))	43.06	N/A	£1,773.57 (per annum) £41.20 (per sq ft)	£1,950.93 (per annum) £45.31 (per sq ft)	209	TBC
Proposed Medium (2m(l) x 3(w))	64.6	N/A	£2,569.79 (per annum) £39.78 (per sq ft)	£2,826.77 (per annum) £43.76 (per sq ft)	55	TBC
Proposed Large (2m(l) x 4m(w))	86.1	N/A	£3,591.47 (per annum) £41.71 (per sq ft)	£3,950.62 (per annum) £45.88 (per sq ft)	52	TBC

Furthermore, we recommend that the storage units based within the car parks are let at a higher rent than those within the residential blocks, due to the car parks being more secure as they are manned 24/7. We believe that a 10% uplift in value is suitable to reflect the incentive of having 24-hour service and the staffing costs.

If planning permission is granted for the storage units within the car parks to be occupied by non-residents living within a 0.5-mile radius of the Barbican Estate, then this potential increase in demand may reflect a price increase in the region of 10 - 20%.

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4.0 WHY FAREBROTHER

Thank you for choosing Farebrother. We feel we can add real value advising you on the value of your car parking spaces and stores for the following reasons:

- Farebrother is an established Practice of Real Estate advisers and Chartered Surveyors who have operated in Midtown since 1799 and have been the niche local leasing specialists for over 50 years.
- Working across Central London and the UK, Farebrother specialise in London Midtown. Our services include providing Leasing, Sales & Development; Investment; Lease Advisory; Occupier Services and Property Asset Management advice across a range of commercial, retail and residential assets or portfolios.
- Farebrother have worked on a number of instructions from the City of London in the area previously, including the lettings of offices at Temple Chambers, EC4, 63 Shoe Lane, EC4, and 36-38 Whitefriars Street, EC4. We are also currently marketing 25 Holborn Viaduct, EC1.

Thank you again for giving us the opportunity to report on this project and we hope that the above includes all the information you require. We look forward to discussing this with you once you have had a chance to review.

Kind regards,

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18 September 2017

Our ref: CWA/A13935

Dear Michael

Barbican Estate – Car Parking & Storage Opinion of Rental Value

Further to our previous correspondence and our site inspection on Wednesday 23 August, we have undertaken our initial research into rental levels for residential parking and domestic self-storage, and are now pleased to report our findings.

Residential Parking

We understand that the Barbican estate was originally built with residents' parking provision. Whilst the apartments were sold on long leases the parking has always been offered to residents of the estate on annual licence and in addition residents can 'buy' spaces at a premium. For the avoidance of doubt our advice is limited to the former, spaces subject to an annual licence, and not the 'owned' spaces.

We understand that the spaces can only be let by the City of London (as landlord) to residents of the Barbican estates due to planning restrictions. You have further confirmed that it is unlikely that the planners would ease this restriction. In comparison to many recently completed developments the amount of parking provision across the Barbican Estate appears very high for a central London development with few recent developments providing the same amount of parking. This, along with a decline in car ownership, has led to a significant vacancy rate within the car parks.

In reviewing relevant evidence we have therefore had regard to residential developments where there are at least 20 spaces that were constructed as part of the development, are secure and under cover. In recent years most residential developments that have residents' parking have had the parking 'sold' as part of the long-leaseholds of individual flats by means of a right to park.

The parking spaces are currently let on annual tenancies inclusive of service charge. We have been provided with a copy of your standard lease we assume the terms of this would not be varied (except as to the level of rent). We believe that the following comparable illustrate the cost of an annual licence within residential developments in a Central London location, along with an indicative capital value of the dwellings within the development, by way of a rate per square foot for a two bedroom flat – where available.

One Tower Bridge SE1 up to £4,420 per space per annum (capital value £1,925 psf)
This is probably some of the most expensive parking within a residential development. The 'Conran Designed' parking is within the recently completed One Tower Bridge development. The parking is restricted to the development's residents only and falls within the congestion charging zone. The parking has achieved rates of between £46 and £85 per space per week.

Elm Park Gardens SW10 £4,680 per space per annum (capital value £1,770 psf)
Located between the Fulham and King's roads Elm Park Gardens was constructed with secure underground parking for its residents. The parking is not restricted to current residents and not within the congestion charge zone. The rate equates to £90 per space per week

Neo Bankside SE1 £3,276 per space per annum (capital value £1,685 psf)
This development is immediately adjacent to Tate modern and located within the congestion charge zone. The parking is modern purpose built secure underground parking. The rate equates to £63 per space per week.

St George's Wharf SW8 £2,485 per space per annum (capital value £1,230 psf)
Located in Vauxhall southwest London and part of the same development as "The Tower" (the tallest residential building in the country), spaces are not restricted to residents but non-residents pay a +18% premium on of the basic charge. The resident's rate equates to £48 per space per week.

Imperial Wharf SW6 £2,200 per space per annum (capital value £1,030 psf)
Imperial Wharf is a modern development located in the fashionable area of Chelsea Harbour. Car parking in this west London development are restricted to residents only. The rate equates to £42 per space per week.

Chelsea Bridge Wharf SW8 £2,020 per space per annum (capital value £1,190 psf)
Located next to Battersea Park and close to the Nine Elms development area centres on Battersea Power Station, these spaces are not restricted to residents but non-residents pay a premium on of the basic charge. The resident's rate equates to £39 per space per week.

Hoffman Square, Chart Street N1 £1,820 per space per annum
Located near Old Street this secure car park is restricted to residents of the residential units. The car park falls outside the congestion charge zone. The rate equates to £35 per space per week.

101 Pentonville Road N1 £1,820 per space per annum (capital value £975 psf)
This development is just within the congestion charge and close to Angel tube station. The parking is secure within this gated development. The rate equates to £35 per space per week.

Angelis Apartments, Graham Street N1 £1,560 per space per annum (capital value £950 psf)
Located just north of the congestion charging zone this development is located on the City Road Basin and provides secure underground parking. The rate equates to £30 per space per week.

Riverside West, Smugglers Way SW18 £1,320 per space (capital value £780 psf)
Located adjacent to Wandsworth Bridge the development comprises over 500 apartments. The car parking is secure and manned 24 hours, non-residents can park at a premium.

Seraph Court, Morland Street EC1 £1,300 per space per annum
Also located within the congestion charging zone, spaces within this secure covered car park are available to the general public and achieve rates of between £25 and £28 per space per week. This is the closest comparable to the Barbican estate.

406 Seven Sisters Road N4 £1,040 per space per annum (capital value £720 psf)
This parking is restricted to residents and outside the congestion charging zone. The rate equates to £20 per space per week.

In addition we are aware that City of London residents can purchase a 12 month discounted season ticket for the corporation's car parks for a one-off annual charge of £800. Although Barbican residents who choose this option may not have the benefit of 24 hour security and direct access to their flats.

Domestic Storage

For the purposes of our research we have had regard to facilities providing self-storage to the general public that are manned and are accessible either 24 hours a day or on a restricted basis. These facilities provide individual lockable units, rather than any form of communal storage or facility that is not directly accessible by the customers. We feel that this reflects the way the existing storage and proposed additional units operate.

The domestic self-storage market is clearly segmented. The market leaders, such as Access Storage and Big Yellow Storage, have developed and operate purpose built storage facilities, that provide full staffing, have the longest opening house (many being 24 hours per day), and additional services such as shops providing packing materials. Being purpose built the facilities they operate from have goods lift and level access to all floors, individual unit alarms and provide goods trolley and cages for customers to move their belongings around the facility.

The other end of the market is typified by smaller operators who may have only a single or few facilities. These tend to have been retrofitted within older warehousing or converted from other uses such as railway arches. The facilities tend to be more limited particularly in respect of access within the building as they may lack modern goods lifts.

We have observed that all storage facilities provide units of comparatively standard sizes with 'locker' type units of between 9sq ft and 15sq ft, and larger 'unit' of 25, 50, 60 (or 65) and 75 square feet. Considering the sizes of your existing storage and proposed units we have had particular regard to prices of 10sq ft 'lockers' and units of between 50sq ft and 75 sq ft. The following are a selection of self-storage facilities in the vicinity with the standard costs of a 12 month contract including VAT and mandatory insurance.

Urban Locker - Paterson Court, Peerless Street, London EC1V
This is the closest self-storage facility to the Barbican. It is located under a residential building (Paterson Court) and is a conversion of existing basement storage areas within the building.

Size	75 sq ft	60 sq ft	10 sq ft
Rate	£62.03 psf pa	£65.37 psf pa	£107.66 psf pa

City Storage - Maiden Crescent, Chalk Farm Road, London NW1
This facility is most similar to the Barbican being in the former car park (not functioning) of the Denton Estate, on a single level with no lift.

Size	100 sq ft	50 sq ft	12 sq ft	8 sq ft
Rate	£33.72 psf pa	£59.52 psf pa	£107.00 psf pa	£126.00 psf pa

Safe Store - 79-89 Pentonville Road, London N1
An older warehouse building retrofitted to provide self-storage facilities and shop.

Size	75 sq ft	60 sq ft	10 sq ft
Rate	£82.92 psf pa	£88.70 psf pa	£211.33 psf pa

Access Storage - Belgrove House, Belgrove St, London WC1H
Another older warehouse building retrofitted to provide self-storage facilities and shop.

Size	75 sq ft	60 sq ft	10 sq ft
Rate	£62.08 psf pa	£67.60 psf pa	£150.00 psf pa

ABC Self Storage - 145-147 York Way, London N7
Again this is an older warehouse building that has been retrofitted as a self-storage facility.

Size	65 sq ft	10 sq ft
Rate	£60.00 psf pa	£163.80 psf pa

Big Yellow – 400 Wick Lane Bow, London E3
An example of the highest quality self-storage facility, this is a modern Purpose built multi-storey facility with ample parking and on-site shop.

Size	50 sq ft	15 sq ft	10 sq ft
Rate	£66.98 psf pa	£95.41 psf pa	£113.36 psf pa

1st for Storage – Carlisle Lane, Waterloo, London SE1
The poorest style of self-storage, located in railway arches close to Westminster and Waterloo station, there is no dedicated on-site parking.

Size	50 sq ft	10 sq ft
Rate	£38.04 psf pa	£93.60 psf pa

Opinion of Rental Values

Considering the evidence provided above, our opinions of the rental value for the Barbican parking and storage are:

Barbican Parking
The evidence we have discovered suggests whilst the primary factor for determining market levels is location, in addition good quality parking provided within a well-managed development – with dedicated 24 hour parking attendants – generally achieves a premium on the charges in the immediate vicinity. The

Barbican estate is located within the congestion charging zone and comparables we have identified within the zone suggest a charge of between £25 and £35 per week, for basic secure parking. To this we consider that a premium would be appropriate to reflect the Barbican's better facilities – specifically in respect of them being manned 24 hours – and that their market rent could be in the region of £2,000 per annum, based on the capital value of the dwellings within the estate.

Without undertaking a thorough survey of all the spaces within the car parks it is difficult to give any firm advice in respect of discounts for non-standard spaces. However, if a space is capable of accommodating a normal sized private car without difficulty it would appear that there would be little rationale for this. In addition, we do not consider that the condition of the Barbican's parking would warrant a discount from observable market levels.

Barbican Storage (existing lockers)
The evidence suggests that 'locker' units – of between 8sq ft and 15sq ft should let between at £110 and £210 per square foot per annum. We consider that given the age of the units the relatively restricted access within the blocks and lack of goods lift to these areas of the buildings the lockers in the Barbican estate should be let at the bottom of this range (ie £110 per square foot per annum).

Barbican Storage (car park units)
You are proposing to create units of 43, 65 and 86 square feet within the car parks across the Barbican estate. The evidence suggests that self-storage facilities in this size range would let in the market at between £34 and £88 per sq foot per annum, for standard quality accommodation, depending on size. However, we consider the fact that none of the car parks is proposed to be wholly converted into a self-storage facility, and that the units will be within still functioning car parks impacts on their value. We therefore consider that an appropriate range of rates (depending on size) would be £33.60 and £60.00 per sq foot per annum, or annual charges for the proposed units of:

43 sq ft	£60.00 psf	£2,580 per annum
65 sq ft	£42.80 psf	£2,780 per annum
86 sq ft	£33.60 psf	£2,890 per annum

Although a clear discounting of rent, based on their size, is observable in the market, we understand that you anticipate that the greatest demand will be for the largest units. Accordingly, when you bring the storage units to the market you may want to price them as you observe demand to be. The charges we have quoted for the comparable self-storage facilities are the quoted retail prices, nevertheless individual facilities are generally able to offer discounted rates if they have over-supply of a specific size as they aim to maximise occupancy and are therefore happy to reduce prices to an extent to achieve this.

In none of our estimates have we made any 'resident' discount, either on the basis that the use of these facilities is limited by planning (which we understand only applies to the parking) or to reflect the Corporation's relationship with its residents. Our estimates are therefore at market levels. Given the number of potential residents within the Barbican estate who could use the parking, we do not believe that the market is artificially restricted to the extent that the corporation as landlord would need to discount from market levels. In addition you have the option to convert spaces to alternative uses, as you are proposing to do with the storage units. Notwithstanding this, you may nonetheless choose to provide a residents' discount to reflect the wider landlord and tenant or resident relationships, multiple parking spaces being taken by individual residents, level of current vacancy or other factors you consider appropriate.

We realise that the estimates provided would represent increases to the charges currently made to residents. You may therefore want to consider an appropriate phasing of any increases to charges adopted, and instigate a periodic review of market rents to ensure that charges follow the market in the future.

I trust that this provides some assistance in assessing rents within the Barbican estate, do not hesitate to contact me if you require anything further.

Yours sincerely

Charles Wacher
Partner

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Appendix 5 Worked examples of car park charges & forecasted income & costs

	current rent*	2018/19	2019/20	2020/21	current rent	2018/19	2019/20	2020/21
	£	£	£	£	£	£	£	£
As at Sept 2017 rates*	1258	1422	1586	1750	1258	1505	1752	2000
No of standard bays (assumes 5% reduction pa)	647	615	584	555	647	615	584	555

	current	2018/19	2019/20	2020/21	current	2018/19	2019/20	2020/21
INCOME	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Residential rent *	814	844	900	949	814	870	974	1067
Commercial rent	109	109	109	109	109	109	109	109
Service charge (sold bays) **	285	285	285	285	285	285	285	285
Fees***	69	69	69	69	69	69	69	69
Total	**1277**	**1307**	**1363**	**1412**	**1277**	**1333**	**1437**	**1530**
Total Expenditure	**(1,659)**	**(1,659)**	**(1,659)**	**(1,659)**	**(1,659)**	**(1,659)**	**(1,659)**	**(1,659)**
NET INCOME	(382)	(352)	(296)	(247)	(382)	(326)	(222)	(129)

*based on number of let residential bays & rent increases in Sept
** number of sold bays assumes no change
*** temporary parking and admin fees assumes no change

Car Parking assumptions	current rent	2018/19	2019/20	2020/21
Rent per bay increases phased and effective Sept each year	£	£	£	£
Lower region rate (Farebrother)	1258	1422	1586	1750
Upper region rate (Gerald Eve)	1258	1505	1752	2000
Average No of standard bays - assumed decrease 5% per year during phased increases	647	615	584	555
No of sold bays	283	283	283	283
Commercial bays	39	39	39	39

EXPENDITURE as at 2018/19 budget	
Staff	(1,008)
Repairs and Maintenance	(145)
Rates & Water	(69)
Cleaning	(16)
Energy	(27)
Supplies and Services	(11)
Computers Recharge	(22)
Insurance	(34)
Supervision and Management	(167)
Technical Services	(10)
Sub- Total	(1,509)
Capital Charges# Operational Buildings Notional Interest	(150)
Total	**(150)**
Total Expenditure	**(1,659)**

Appendix 6 Worked examples of stores charges & potential income & costs

New Rates Stores

Current Stores				Phased increase over 3 years current rent*	2018/19	2019/20	2020/21
	sq ft	**£/ sq ft**	**£/ store**	**£**	**£**	**£**	**£**
Standard	13	40	520	313	382	451	520
Medium	32	40	1280	373	675	977	1280
Large	41	40	1640	440	840	1240	1640
*as at September 2017 rates							
INCOME	**no of stores**			**£,000**	**£,000**	**£,000**	**£,000**
Standard	1029			322	304	364	425
Medium	98			37	44	69	94
Large	38			17	21	34	47
Misc (ser chge, lockers admin)				8	8	8	8
Sub-total				**383**	**376**	**475**	**573**

Note

Income 2018/19 onwards reduced by 15% to reflect probable transfers

Rent are increased in September each year

78 stores have been sold and the income is included in 'misc'

New stores				current	2018/19	2019/20	2020/21
	sq ft	**£/ sq ft**	**£/ store**	**£**	**£**	**£**	**£**
Large	43	40	1720	0	1720	1720	1720
X large	61	40	2440	0	2440	2440	2440
XX large	86	40	3440	0	3440	3440	3440
INCOME#	no of stores			**£,000**	**£,000**	**£,000**	**£,000**
Large	208			0	143	304	304
X large	55			0	54	114	114
XX large	50			0	69	146	146
Sub-total				**0**	**266**	**564**	**564**

#assumes 40% occupancy 2018/19, 85% occupancy 2019/20 & 2020/21

TOTAL INCOME	**383**	**642**	**1039**	**1138**
EXPENDITURE	(269)	(269)	(269)	(269)
NET INCOME	**114**	**373**	**770**	**869**

Additional Information

EXPENDITURE	2018/19
	£
Repairs and Maintenance	(17)
Cleaning	(6)
Supervision and Management	(30)
Technical Services	(2)
Total	(55)
Capital Charges	
Operational Buildings Notional Interest	(167)
Equipment Notional Interest	(19)
Equipment Depreciation	(28)
Total	(214)
Total Expenditure	(269)

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