

Savills (UK) Ltd

Development Appraisal

500 Unit Typology

Base Appraisal

Report Date: 25 August 2015

**500 Unit Typology
Base Appraisal**

Timescale (Duration in months)

Project commences May 2015

Phase 1

Stage Name	Duration	Start Date	End Date	Anchored To	Aligner	Offset
Phase Start		May 2015				
Pre-Construction	12	May 2015	Apr 2016	Purchase	End	0
Construction	65	May 2016	Sep 2021	Pre-Construction	End	0
Sale	65	Nov 2016	Mar 2022	(None)	Start	0
Phase End		Jul 2025				
Phase Length	83					

Project Length 123 (Includes Exit Period)

**500 Unit Typology
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Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Private - 350 units	1	39,485.00	3,400.00	134,249,000	134,249,000
Affordable rent - 60 units	1	4,740.00	1,530.00	7,252,200	7,252,200
Affordable inter - 90 units	1	7,100.00	2,210.00	15,691,000	15,691,000
Ground rent	1	0.00	0.00	400,000	400,000
Commercial Income	<u>1</u>	<u>0.00</u>	0.00	1,395,265	<u>1,395,265</u>
Totals	5	51,325.00			158,987,465

NET REALISATION

158,987,465

OUTLAY

ACQUISITION COSTS

Residualised Price (20.83 Ha 1,073,587.23 pHect)		22,362,822	
Stamp Duty	4.00%	894,513	
Agent Fee	1.00%	223,628	
Legal Fee	0.75%	167,721	
Town Planning		777,165	
			24,425,849

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Private - 350 units	39,485.00 m ²	1,080.00 pm ²	42,643,800	
Affordable rent - 60 units	4,740.00 m ²	1,080.00 pm ²	5,119,200	
Affordable inter - 90 units	<u>7,100.00 m²</u>	1,080.00 pm ²	<u>7,668,000</u>	
Totals	51,325.00 m²		55,431,000	55,431,000

Contingency	7.50%	4,157,325	
S106		7,200,000	
			11,357,325

Other Construction

Landscaping / Externals	12.50%	6,928,875	
Opening-up Costs		5,000,000	
Abnormals		520,833	
AH Transfer Costs	5.00%	1,147,160	
Sustainability cost inflation - 4%		2,551,824	
			16,148,692

PROFESSIONAL FEES

Professional Fees	12.50%	6,928,875	
			6,928,875

MARKETING & LETTING

Marketing	0.75%	1,006,868	
			1,006,868

DISPOSAL FEES

Sales Agent Fee	1.25%	1,678,112	
Sales Legal Fee		350,000	
			2,028,112

Additional Costs

Arrangement Fee		366,665	
Commercial outgoings		1,172,430	
			1,539,095

FINANCE

Debit Rate 6.50% Credit Rate 0.00% (Nominal)			
Land		11,924,849	
Construction		2,232,312	
Other		2,285,499	
Total Finance Cost			16,442,661

500 Unit Typology**Base Appraisal****TOTAL COSTS****135,308,477****PROFIT****23,678,988****Performance Measures**

Profit on Cost% 17.50%

Profit on GDV% 14.89%

Profit on NDV% 14.89%

IRR (6.32)%

Profit Erosion (finance rate 6.500%) 2 yrs 6 mths