

Private and Confidential

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Southampton Valuation Office  
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Central Station  
Blechynden Terrace  
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Our Reference: 1659605  
Your Reference: 08/01941/FUL & 10/01247/FUL  
Please ask for : Nathan Palmer or Gavin Tremeer  
Tel : 03000 504359  
E Mail : nathan.palmer@voa.gsi.gov.uk

Date : 20<sup>th</sup> December 2017.

Dear Ruth,

**REVIEW OF DEVELOPMENT VIABILITY ASSESSMENT**

**ADDRESS: Queens Hotel, Osborne Road, Southsea, Hants PO5 3LJ (Phases 1 & 2)**

I refer to your email confirming your formal instructions to carry out a viability review in respect of the proposed redevelopment of the above site.

We have been provided with two viability assessments undertaken by Savills, dated the 20<sup>th</sup> October 2017. We have now completed our own research and assessment and report as follows:

**General Information**

It is confirmed that the viability assessment has been carried out by Nathan Palmer MRICS, RICS Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the valuation competently, and is in a position to provide an objective and unbiased valuation.

Checks have been undertaken in accordance with the requirements of the RICS standards and have revealed no conflict of interest. DVS has had no other previous material involvement with the property.

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

You may wish to consider whether this report contains Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information Act 1985) as amended by the Local Government (access to Information) (Variation) Order 2006.

The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers. No responsibility whatsoever is accepted to any Third Party who may seek to rely on the content of the report unless previously agreed.

This report remains valid for 3 (three) months from its date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion.

Following the referendum held on 23 June 2016 concerning the UK's membership of the EU, the impact to date on the many factors that historically have acted as drivers of the property investment and letting markets has generally been muted in most sectors and localities. The outlook nevertheless remains cautious for market activity over the coming months as work proceeds on negotiating detailed arrangements for EU exit and sudden fluctuations in value remaining possible. We would therefore recommend that any valuation is kept under regular review.

### Background:

The Queen's hotel was originally built as a private house in 1861. The house was converted into one of Southsea's first hotels in the late 18<sup>th</sup> century when it suffered a fire which gutted the entire property. The Hotel was rebuilt in 1903, and is distinguishable by its Edwardian baroque frontage. The hotel is situated on the corner of Osbourne Road and Clarence Parade, approximately 1.5 miles from the main city centre and benefits from sea views across the Solent to the Isle of Wight.

### The Scheme:

Planning applications 08/01941/FUL & 10/01247/FUL have been received by Portsmouth City Council for the redevelopment of the Queens Hotel and 12 - 16 Osborne Road, Southsea into a 22 bedroom boutique hotel; coupled with two adjacent new build blocks. The upper floors of the hotel will provide 98 new domestic dwellings. The scheme also proposes additional ground floor retail space.

The site is located on the corner of Clarence Parade and Osbourne Road with direct access to Portsmouth seafront. The Queens Hotel is located within a mixed residential and commercial area which contains flats, period dwellings, shops and smaller sea front hotels including bed and breakfasts. The proposed scheme to be assessed comprises a total of 98 flats as shown below:

#### Phase 1.

Hotel Conversion and new build block Phase 1	Type	No.	Area (M2 GIA)	Ave (M2) per unit
Ground - Sixth	1 Bed Flats	21	1,111	52.9m2
Ground - Sixth	2 Bed Flat	39	2,937	81.65

#### Phase 2.

New Build Phase 2 Southern Scheme	Type	No.	Area (M2 GIA)	Ave (M2) per unit
Ground - Seventh	1 Bed Flats	8	441	55.1
Ground - Seventh	2 Bed Flat	30	2,475	82.4

In addition, a commercial retail element will be built and part of the existing hotel will be refurbished for use as a boutique hotel and premises.

This is the third review of the proposed scheme. We have been informed that the applicant is seeking a deed of variation to alter the current legal agreement and remove the planning obligation to provide 30 affordable housing (AH) units within Phase 2, also known as the Southern Scheme. The applicant states that it is necessary to remove the AH obligation in order to use the funds from the two proposed new build apartment blocks in order to begin refurbishment and redevelopment works on the hotel element.

### **Viability Assessment:**

This assessment has been undertaken following our own detailed research into both current sales values and current costs. In some cases we have used figures put forward by the developer if we believe them to be reasonable. The applicant has provided a live version of their HCA DAT appraisal and a written covering letter.

We have not received a hardcopy written appraisal or any sales evidence in support of the figures proposed by the applicants agent.

#### **1) Development Value –**

1. The applicant's agent has not provided any sales evidence in support of their proposed sales values and is reliant upon documentation provided to us during the second review which was undertaken in June 2017. We would suggest that all future appraisals should be fully evidenced in order to aid the review process.

The agent has provided two separate appraisals for review. The first appraisal relates to the hotel redevelopment and its adjacent new build apartment block and commercial element. This scheme comprises a total of 60 1 and 2 bedroom residential dwellings.

The second appraisal refers to Phase 2 or the Southern Scheme. This scheme proposes 38 new 1 and 2 bedroom residential dwellings on a site to the south of Phase 1 but within the curtilage of the hotel grounds. It was initially proposed that Phase 2 would provide 30 affordable dwellings as part of the planning obligation attached to that particular scheme.

We will review both appraisals within this report. Each scheme will be reviewed in reference to the appraisals provided to us by the agent. Where we disagree with the agents figures we will provide explanatory commentary and highlight our differences bold type.

#### **Phase 1**

2. Within their appraisal the agent has included a combined sales revenue of £15,710,478. The applicant's agent has adopted an average sales value of £4,161/m<sup>2</sup> for the 1 bed flats. When multiplied by the total area of the proposed 1 bed flats, 1,111m<sup>2</sup>, it equates to a total sales revenue of £4,623,990.

The agent has also included an average sales value of £3,775/m<sup>2</sup> for the 2 bed flats. When multiplied by the total area of the proposed 2 bed dwellings, 2,937m<sup>2</sup>, it equates to a total sales revenue of £11,086,488.

We have carried out our own internet based research of comparable property sales and utilised information from our in-house property records database. Our sales research broadly agrees with the average sales values proposed by the applicants agent and as such we have adopted the proposed sales values within our appraisal.

**Total sales income: £15,710,478**

3. The scheme proposes a 22 bed boutique hotel. S106 Affordable Housing Ltd have reported that this has been valued by the applicant's agent at £2,835,000 based upon the following:

22 en-suite bedrooms at an occupancy rate of (say) 70%, (Visit England statistics show that this fluctuates on a monthly basis and by location. Price Waterhouse Coopers (PwC) suggest in terms of generalised UK regions a potential 77% occupancy rate at the height of demand). However; this remains speculative forecasting. As such we are prepared to accept an average occupancy rate of 70%.

The agent has projected an average achievable room rate of (AARR) of £65 and a customer facing rate of £102 per room once VAT at 20% and breakfast have been included. Based on the rates currently advertised at the subject property we do not feel this is unreasonable given seasonal fluctuations and the necessity for competitive pricing as a result of internet deals.

We have reviewed the boutique hotel valuation and whilst we consider some of the hotel sales evidence not to be of a comparable nature to the subject property in terms of location, size, age and character we broadly agree with the potential capital value that has been proposed, £2.853m. The agent has then deducted purchaser costs of 5.75% or £154,149. We have adopted the proposed capital value of £2,680,851 within our live appraisal.

Boutique hotel value £2,680,851

4. The scheme includes a new ground floor retail/commercial space with frontage onto Osbourne Road. The retail space along with new domestic apartments will replace 12-16 Osbourne Road, which is earmarked for demolition as part of the proposed scheme. The agent has included £448,500 within their GDV calculation for the retail element. We have undertaken internet based research of commercial asking rents within the locality and broadly agree with the figures contained within the agent's appraisal including the application of a deferred 8% yield.

Commercial unit value: £448,500

5. The scheme proposes 60 flats. The applicant's agent has included a total ground rent income of £250,000 within their appraisal; however, no commentary has been provided regarding the summation of this figure. Within their appraisal the agent has adopted a ground rent of £250 per unit capitalised at a yield of 6% (16.66). We have adopted a ground rent capitalisation rate of 5% (20), within our live appraisal in line with similar schemes we have assessed.

Total ground rent income: £300,000

GDV Phase 1: **£19,139,829**

#### **5a) Affordable Housing:**

We understand that the Policy level of affordable housing is 30% for sites of 15 units or more with a tenure split of 70% rented and 30% as intermediate (Shared Ownership).

For a policy compliant scheme this equates to approx. 21 rented units (14 X 1 beds and 7 X 2 beds assumed), and 9 intermediate units (6 X 1 bed and 3 X 2 beds assumed).

On other schemes assessed in the region we have adopted an average 45% - 50% of market value for rented units and 65% of market value for the shared ownership units and we have adopted similar levels of value within our appraisals for this scheme.

## Phase 2

6. Within their viability appraisal the agent has included an aggregated sales value of £4,142.89 per square metre for the proposed 1 and 2 bedroom flats. The agent has multiplied this figure by 2,916 square metres to arrive at a gross development value of approximately £12,080,250.

We have carried out our own internet based research of comparable property sales and utilised information from our in-house property records database. Our research broadly agrees with the average sales values proposed by the agent and as such we have adopted the figure of £12,080,250 within our appraisal. We acknowledge that the final sales values may vary as a result of market conditions at the time of completion, size, aspect and specification.

Total sales income: £12,080,250

7. The scheme proposes 38 new build flats. The agent has included a total ground rent income of £162,722.91 within their appraisal; however, no commentary has been provided regarding the summation of this figure. The agent has adopted an average ground rent of £235.52 per unit capitalised at a yield of 5.5%. We are of the opinion that a capitalisation rate of 5% (20) should be adopted in line with similar schemes we have assessed. We have adopted a ground rent capitalisation rate of 5% within our live appraisal:

Ground rent income: £178,995.2

GDV Phase 2: **£12,259,245.2**

## 2) Development Costs

### a) Build Cost:

#### Phase 1 and Phase 2

In the second review of the proposed scheme the applicant's agent submitted a breakdown of build costs from Selway Joyce Quantity Surveyors. We accepted this figure and included £15,182,640 within our appraisal as it was in line with industry norms.

For phase 1 the agent has adopted a total build cost of approximately £8.72M. For Phase 2 the agent has adopted a total build cost of approximately £6.46M. The combined total is broadly in line with the figure submitted and agreed in the second review. We have assumed that the build cost figures proposed by the agent continue to be based upon those submitted by Selway Joyce QS for the June 2017 review.

Overall the build cost figures appear to be reasonable and in-line with similar schemes we have assessed and we have included the same in our appraisal. These submitted costs reflect a base build price in between the BCIS Median and Upper Quartile rate which is what we would expect to see from a development of this nature.

**b) Contingency:**

**Phase 1**

The agent has adopted 5% for contingencies within their appraisal. We agree with the adopted percentage rate and have included it within our live appraisal. This is in line with similar schemes we have reviewed.

**Phase 2**

The agent has adopted 5% for contingencies within their appraisal. We agree with the adopted percentage rate and have included it within our live appraisal. This is in line with similar schemes we have reviewed.

**c) Professional Fees:**

**Phase 1**

The agent has adopted 7% for professional fees which is considered to be within the normal range for a scheme of this type. We have also adopted 7% within our live appraisal.

**Phase 2**

The agent has adopted 7% for professional fees which is considered to be within the normal range for a scheme of this type. We have also adopted 7% within our live appraisal.

**d) CIL/Section 106 costs:**

**Phase 1**

No statutory payments have been included for Phase 1 of the redevelopment scheme. If this figure requires amendment or is found to be incorrect then it will affect our assessment.

**Phase 2**

The agent has adopted S106 costs of £71,889 within their appraisal. We are of the opinion that these costs appear reasonable for the proposed scheme and have included them within our appraisal, however; if these costs are amended or found to be incorrect then it will affect our assessment.

**e) Sales and Marketing Fees:**

**Phase 1**

The agent has proposed 2.5% for marketing fees and £500 per unit for legal fees within their appraisal. We agree with the figures provided by the agent and have adopted them within our appraisal.

## **Phase 2**

The agent has proposed 2.5% for marketing fees and £500 per unit for legal fees within their appraisal. We agree with the figures provided by the agent and have adopted them within our appraisal.

### **f) Finance costs:**

#### **Phase 1**

The agent has included a finance rate of 7% with an arrangement fee of £35,000, Miscellaneous fees of £7,000 and a credit balance reinvestment rate of 4%. We do not believe any of the costs have been overstated given the size and complexity of the proposed scheme and have adopted them within our live appraisal.

#### **Phase 2**

The agent has included a finance rate of 7% and a credit balance reinvestment rate of 4%. These percentages are in line with similar scheme we have assessed and we have adopted them within our appraisal.

### **g) Developer Profit:**

In the current market a range of 15% to 20% of GDV for private residential and 6% of GDV for affordable housing is considered reasonable.

#### **Phase 1**

The agent has proposed a developers profit of 18% on GDV. This figure is in line with similar schemes we have assessed and we have adopted it within our appraisal.

#### **Phase 2**

The agent has proposed a developers profit of 18% on GDV. This figure is in line with similar schemes we have assessed and we have adopted it within our appraisal.

### **h) Development Programme:**

The development programme adopted by the agent is based upon a June 2017 review of the Queens Hotel scheme. Within that specific review it was anticipated that all of the residential units (98) would be sold within 24 months. This provided a projected sales rate of approximately four (4) units per month.

Our report deals with two separate schemes, Phase 1, which is comprised of 60 residential dwellings and Phase 2 which is comprised of 38 residential dwellings.

#### **Phase 1**

The agent has adopted an 18 month build period and a 22 month sales period. This equates to an approximate sales rate of 2.7 dwellings sold per month. This proposed sales rate is lower than that proposed by the applicant in the June 2017 scheme review.

We are of the opinion that utilising the June 2017 (second review) sales period is not correct as this third review is based upon a reduced number of dwellings. We are also of the opinion that some of the dwellings will be provisionally sold during the construction period. As such, we have adopted a revised sales period of 18 months within our live appraisal. This equates to a revised sales rate of approximately 3 dwellings sold per months. Our sales rate is less than that initially proposed by the agent in June 2017 and more in-keeping with similar schemes we have assessed.

## **Phase 2**

The agent has adopted a 18 month build period and a sales period of 24 months. This equates to an approximate sales rate of 1.6 dwellings sold per month. This proposed sales rate is significantly lower than that proposed by the agent in the June 2017 scheme review.

We are of the opinion that utilising the June 2017 (second review) sales period is not correct as this third review is based upon a reduced number of dwellings. We are also of the opinion that some of the dwellings will be provisionally sold during the construction period. As such, we have adopted a revised sales period of 12 months within our live appraisal. This equates to a revised sales rate of approximately 3 dwellings sold per months. Our sales rate remains less than that proposed by the applicant in June 2017 and more in-keeping with similar schemes we have assessed.

### **i) Benchmark land value:**

#### **Phase 1 and Phase 2**

Following various appeal cases it is well established that viability assessments are carried out in order to calculate the residual land value that the scheme can afford which is then compared to the market value of the site taking account of The RICS Guidance note, Financial viability in planning, 1<sup>st</sup> edition.

Within the June 2017 review Savills proposed an existing use value of £4.369m based upon the Queens Hotel as a going concern. This figure was compiled on a residual basis that valued a completely refurbished hotel at £10.2m. The agent used the sale of the Grand Harbour Hotel in Southampton as a comparable for that valuation. The Grand Harbour Hotel sold for £27m at an (EBITDAR) multiplier of 8.78.

The £4.369m residual value calculated by the agent equates to approximately £45,500 per bedroom space based on a total of 96 bedrooms. We have undertaken internet based sales research on hotels of a comparable nature. Our research supports the price per bedroom, (unit values) proposed within the agents valuation.

Within the June 2017 a 15% landowner margin was applied to the capital value of the hotel in order to bring the site to the market. This provided a benchmark land value of £5,024,350. The same figure has been used by the agent for this scheme review and we have adopted it within our appraisal.

## **Stamp Duty Land Tax**

### **Phase 1**

The agent has included a Stamp Duty Land Tax fee of 4% or £200,974. We have reviewed levels of SDLT and are of the opinion that the figure should be £240,717, which we have adopted within our live appraisal.



## Phase 2

The agent has not included SDLT for Phase 2 as the total SDLT payable for the site will be based upon the Benchmark Land Value of £5,024,350 which is incorporated into Phase 1.

### Overall assessment and Recommendations:

#### Phase 1

Our assessment of Phase 1 on an all private basis displays a deficit of - **£1,237,230** and indicates that the scheme is unviable as a result of the increased profit level on the hotel element as outlined in our second review of the Queens Hotel scheme, dated June 2017. The increased profit level is as a result of no pre-let agreement being secured prior to redevelopment.

Whilst we broadly agree with most of the agents figures, there are a few differences, as highlighted in bold above, these are as follows:

- Gross development value (ground rent capitalisation only)
- Development program (sales period only)
- Stamp Duty Land Tax

#### Phase 2

Following our desktop research and assessment it is our opinion that an all private scheme could provide a surplus of approximately **£332,043**.

Whilst we broadly agree with most of the agents figures, there are a few differences, as highlighted in bold above, these are as follows:

- Gross development value (ground rent capitalisation rate only)
- Development program (sales period only)

### General Information

#### Status of Valuer

It is confirmed that the valuation has been carried out by Nathan Palmer BSc MRICS and Gavin Tremeer, RICS Registered Valuers, acting in the capacity of external valuers, who have the appropriate knowledge and skills and understanding necessary to undertake the valuation competently, and are in a position to provide an objective and unbiased valuation.

#### Conflict of Interest

Prior to undertaking this viability assessment, conflict of interest checks were carried out in accordance with the requirements of the RICS standards. We can confirm that we have previously completed affordable housing viability assessments related to the Queens Hotel in Southsea. Our previous involvement on behalf of Portsmouth City Council does not represent a conflict of interest and does not affect our ability to provide impartial viability advice to Portsmouth City Council on this occasion.

## Restrictions on Disclosure and Publication

This report is provided for the use of the Portsmouth City Council and their professional advisers only in connection with planning issues surrounding the above development proposal. It is not to be used or relied upon by any third party for any purposes whatsoever. The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made. No liability whatsoever to any third party is accepted.

This report is considered Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information Act 1985) as amended by the Local Government (access to Information) (Variation) Order 2006 and your council is expected to treat it accordingly.

### Validity

This report remains valid for 3 (three) months from its date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion. I trust this report deals with the issues as required but please do not hesitate to contact me if you have any queries or require any further assistance.

Yours sincerely,

Nathan Palmer BSc MRICS and Gavin Tremeer BSc MRICS  
RICS Registered Valuer  
DVS

Reviewed by:

Philippa Tranter  
Principal Surveyor  
RICS Registered Valuer  
DVS

**Appendices:**

Phase 1. - 100% Private Scheme (App. 1)

Phase 2. - 100% Private Scheme (App. 2)

DRAFT

**Surplus (Deficit) from Input land valuation at 18/12/2017** **-£1,237,230**  
**HCA DEVELOPMENT APPRAISAL TOOL**

SUMMARY

DETAIL

**SCHEME**

Site Address Queens Hotel Southsea 68 units retain existing hotel Date of appraisal 18/12/2017  
 Site Reference Net Residential Site Area  
 File Source Author & Organisation Nathan Palmer and Gavim Tremear DVS  
 Scheme Description Registered Provider (where 0)

**CAPITAL VALUE OF OPEN MARKET HOUSING**  
**BUILD COST OF OPEN MARKET HOUSING inc Contingency** £9,156,828 £ 2,262 psqm £15,710,478 £ 3,881 psqm  
**CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING** £6,553,650

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)** £0

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)** £0

**BUILD COST OF AFFORDABLE HOUSING inc Contingency** £0 #DIV/0!  
**CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING** £0

Value of Residential Car Parking £0

Car Parking Build Costs £0

Capitalised Annual Ground Rents £300,000

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £16,010,478

**TOTAL BUILD COST OF RESIDENTIAL SCHEME** £9,156,828

**TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME** £6,853,650

**CAPITAL VALUE OF NON-RESIDENTIAL SCHEME** £3,129,351

**COSTS OF NON-RESIDENTIAL SCHEME** £62,587

**CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL** £3,066,764

**GROSS DEVELOPMENT VALUE OF SCHEME** £19,139,829

**TOTAL BUILD COSTS** £9,219,415

**TOTAL CONTRIBUTION TO SCHEME COSTS** £9,920,414

**External Works & Infrastructure Costs (£)**

	Per unit	% of GDV	per Hectare
Site Preparation/Demolition	£0		
Roads and Sewers	£0		
Services (Power, Water, Gas, Telco and IT)	£0		
Strategic Landscaping	£0		
Off Site Works	£0		
Public Open Space	£0		
Site Specific Sustainability Initiatives	£0		
Plot specific external works	£0		
Other 1	£0		
Other 2	£0		

**Other site costs**

Fees and certification	7.0%	£610,455	10,174	3.2%
Other Acquisition Costs (£)		£0		

**Site Abnormals (£)**

De-canting tenants	£0
Decontamination	£0
Car parking costs	£0
Other 2	£0
Other 3	£0
Other 4	£0
Other 5	£0

**Total Site Costs inc Fees** £610,455 10,174

**Statutory 106 costs** £0

**Total Marketing Costs** £422,762

**Total Direct Costs** £10,252,632

**Finance and acquisition costs**

Land Payment	£5,024,350	83,739 per OM home	#DIV/0!	#DIV/0!
Arrangement Fee	£35,000	2.2% of interest		
Misc Fees (Surveyors etc)	£7,000	0.04% of scheme value		
Agents Fees	£50,244			
Legal Fees	£25,122			
Stamp Duty	£240,164			
Total Interest Paid	£1,605,676			

**Total Finance and Acquisition Costs** £6,987,555

**Total Operating Profit** £3,391,169

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

**TOTAL COST** £20,631,356

**Surplus/(Deficit) at completion 1/2/2021** (£1,491,527)

**Present Value of Surplus (Deficit) at 18/12/2017** (£1,237,230)

**Scheme Investment MIRR** 9.0% (before Developer's returns and interest to avoid double counting returns)

**Site Value as a Percentage of Total Scheme Value** 26.3% **Peak Cash Requirement** -£15,696,377

**Site Value (PV) per hectare** No area input per hectare **No area input per acre**

Surplus (Deficit) from Input land valuation at 18/12/2017  
HCA DEVELOPMENT APPRAISAL TOOL

£332,043

SUMMARY

DETAIL

## SCHEME

Site Address Queens Hotel Southsea 38 Unit Scheme all open m; Date of appraisal 18/12/2017  
Site Reference Net Residential Site Area  
File Source All open market scheme Author & Organisation Nathan Palmer and Gavin Tremeer  
Scheme Description Registered Provider (wher 0

CAPITAL VALUE OF OPEN MARKET HOUSING			£12,080,250	£ 3,397 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	£6,717,060	£ 1,889 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				£5,363,190
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			£0	
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			£0	
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			£0	
BUILD COST OF AFFORDABLE HOUSING inc Contingency	£0	#DIV/0!		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING				£0
Value of Residential Car Parking			£0	
Car Parking Build Costs	£0			
Capitalised Annual Ground Rents			£178,995	
<b>TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME</b>			<b>£12,259,245</b>	
<b>TOTAL BUILD COST OF RESIDENTIAL SCHEME</b>	<b>£6,717,060</b>			
<b>TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME</b>				<b>£5,542,185</b>
<b>CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b>			<b>£0</b>	
<b>COSTS OF NON-RESIDENTIAL SCHEME</b>	<b>£0</b>			
<b>CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL</b>				<b>£0</b>
<b>GROSS DEVELOPMENT VALUE OF SCHEME</b>			<b>£12,259,245</b>	
<b>TOTAL BUILD COSTS</b>	<b>£6,717,060</b>			
<b>TOTAL CONTRIBUTION TO SCHEME COSTS</b>				<b>£5,542,185</b>

## External Works &amp; Infrastructure Costs (£)

Basement car park	£1,440,000	Per unit	% of GDV	per Hectare
Roads and Sewers	£0	37,895	11.7%	
Services (Power, Water, Gas, Telco and IT)	£0			
Strategic Landscaping	£0			
Off Site Works	£0			
Public Open Space	£0			
Site Specific Sustainability Initiatives	£0			
Plot specific external works	£0			
Other 1	£0			
Other 2	£0			
	<b>£1,440,000</b>		<b>11.7%</b>	

## Other site costs

Fees and certification	7.0%	£447,804	11,784	3.7%
Other Acquisition Costs (£)		£0		

## Site Abnormals (£)

0	£0
0	£0
0	£0
0	£0
0	£0
0	£0
0	£0
0	£0

Total Site Costs inc Fees	£1,887,804	49,679
Statutory 106 costs	£71,889	1,892
Total Marketing Costs	£321,006	
Total Direct Costs	<b>£8,997,759</b>	

## Finance and acquisition costs

Land Payment	£1	0 per OM home	#DIV/0!	#DIV/0!
Arrangement Fee	£0	0.0% of interest		
Misc Fees (Surveyors etc)	£0	0.00% of scheme value		
Agents Fees	£0			
Legal Fees	£0			
Stamp Duty	£0			
Total Interest Paid	£691,580			

Total Finance and Acquisition Costs	<b>£691,581</b>
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Total Operating Profit (i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)	<b>£2,174,445</b>
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<b>TOTAL COST</b>	<b>£11,863,785</b>
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Surplus/(Deficit) at completion 1/8/2020

£395,460

Present Value of Surplus (Deficit) at 18/12/2017

£332,043

Scheme Investment MIRR

17.7% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value

0.0%

Peak Cash Requirement

-£8,682,774

Site Value (PV) per hectare

No area input per hectare

No area input per acre