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Development Appraisal

LODGE FARM, RUGBY - POLICY COMPLIANT - VIABILITY ASSESSMENT - JAN 2018

WITHOUT PREJUDICE

Report Date: 01 February 2018

**LODGE FARM, RUGBY - POLICY COMPLIANT - VIABILITY ASSESSMENT - JAN 2018
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Summary Appraisal for Phase 1

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
OPEN MARKET	1050	1,102,500	£279.00	£292,950	307,597,500
AFFORDABLE HOUSING - R	378	302,400	£125.55	£100,440	37,966,320
AFFORDABLE HOUSING - IN	72	57,600	£181.35	£145,080	10,445,760
EMPLOYMENT	5	0	£0.00	£200,000	1,000,000
LOCAL CENTRE	1	0	£0.00	£1,805,000	1,805,000
CARE HOME	<u>1</u>	<u>0</u>	£0.00	£1,000,000	<u>1,000,000</u>
Totals	1,507	1,462,500			359,814,580

NET REALISATION

359,814,580

OUTLAY

ACQUISITION COSTS

Residualised Price (257.56 Acres £156,644.81 pAcre)	40,345,437	
Stamp Duty	2,006,772	
Agent Fee	1.00%	403,454
Legal Fee	0.50%	201,727
		42,957,390

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
OPEN MARKET	1,102,500	£93.83	103,447,575
AFFORDABLE HOUSING - R	302,400	£93.83	28,374,192
AFFORDABLE HOUSING - IN	57,600	£93.83	5,404,608
Totals	<u>1,462,500</u>		<u>137,226,375</u>

Contingency	5.00%	9,300,715	
			9,300,715

Other Construction

EXTERNALS	10.00%	13,722,637	
ABNORMALS		12,111,587	
INFRASTRUCTURE		22,953,702	
SECTION 106		26,471,098	
			75,259,024

PROFESSIONAL FEES

Professional Fees	8.00%	12,075,921	
			12,075,921

MARKETING & LETTING

Marketing and Disposal	3.00%	9,227,925	
Marketing- Commercial		50,000	
			9,277,925

DISPOSAL FEES

Sales Agent Fee - Affordable		1.00%	484,121	
Sales Agent Fee - Commercial		1.00%	38,050	
Sales Legal Fee - Residential	1,500 un	750.00 /un	1,125,000	
Sales Legal Fee - Commercial		0.50%	19,025	
				1,666,196

FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			7,068,402

TOTAL COSTS

294,831,949

PROFIT

64,982,631

Performance Measures

Profit on Cost%	22.04%
Profit on GDV%	18.06%
Profit on NDV%	18.06%
IRR	17.56%

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Profit Erosion (finance rate 6.000%)

3 yrs 4 mths