

Savills (UK) Ltd

Development Appraisal

Warwick CIL Viability Reps

377 unit scheme - Leamington Spa (Zone B)

Appraisal B - Developer's Profit

Report Date: 07 April 2015

Warwick CIL Viability Reps

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
2 Bed House SR	36	29,052	60.65	48,941	1,761,876
3 Bed House SR	61	68,930	49.09	55,470	3,383,670
4 Bed House SR	24	33,576	46.44	64,972	1,559,328
2 Bed House SO	9	7,263	173.88	140,320	1,262,880
3 Bed House SO	15	16,950	173.86	196,460	2,946,900
4 Bed House SO	6	8,394	173.85	243,220	1,459,320
Private Housing - 226 Units	1	<u>245,699</u>	316.00	77,640,884	<u>77,640,884</u>
Totals	152	409,864			90,014,858

NET REALISATION

90,014,858

OUTLAY

ACQUISITION COSTS

Residualised Price		13,448,005	
Residualised Price (Negative land)		(10,895,387)	
Stamp Duty	4.00%	537,920	
Agent Fee	1.00%	134,480	
Legal Fee	0.80%	107,584	
			3,332,603

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
2 Bed House SR	29,052 ft ²	88.72 pf ²	2,577,493
3 Bed House SR	68,930 ft ²	88.72 pf ²	6,115,470
4 Bed House SR	33,576 ft ²	88.72 pf ²	2,978,863
2 Bed House SO	7,263 ft ²	88.72 pf ²	644,373
3 Bed House SO	16,950 ft ²	88.72 pf ²	1,503,804
4 Bed House SO	8,394 ft ²	88.72 pf ²	744,716
Private Housing - 226 Units	<u>245,699 ft²</u>	88.72 pf ²	<u>21,798,415</u>
Totals	409,864 ft²		36,363,134

36,363,134

Contingency	5.00%	1,818,157	
Site Prep and Infrastructure		3,770,000	
			5,588,157

Other Construction

External Works	15.00%	2,184,708	
CSH Level 4	6.00%	873,883	
External Works	15.00%	3,269,762	
CSH Level 4	6.00%	1,307,905	
			7,636,258

Section 106 Costs

Section 106		4,954,911	
			4,954,911

PROFESSIONAL FEES

Professional Fees	12.00%	5,018,113	
			5,018,113

DISPOSAL FEES

Sales Agent Fee	3.00%	2,700,446	
Sales Legal Fee	0.50%	450,074	
			3,150,520

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			2,142,166

Warwick CIL Viability Reps

TOTAL COSTS	68,185,861
PROFIT	21,828,997

Performance Measures

Profit on Cost%	32.01%
Profit on GDV%	24.25%
Profit on NDV%	24.25%
IRR	28.20%
Profit Erosion (finance rate 7.000%)	4 yrs

Savills (UK) Ltd

Development Appraisal

Warwick CIL Viability Reps

377 unit scheme - Leamington Spa (Zone B)

Appraisal B - Developer's Profit

Report Date: 07 April 2015

APPRAISAL SUMMARY**SAVILLS (UK) LTD****Warwick CIL Viability Reps****Summary Appraisal for Phase 1 Affordable Housing**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 Bed House SR	36	29,052	60.65	48,941	1,761,876
3 Bed House SR	61	68,930	49.09	55,470	3,383,670
4 Bed House SR	24	33,576	46.44	64,972	1,559,328
2 Bed House SO	9	7,263	173.88	140,320	1,262,880
3 Bed House SO	15	16,950	173.86	196,460	2,946,900
4 Bed House SO	<u>6</u>	<u>8,394</u>	173.85	243,220	<u>1,459,320</u>
Totals	151	164,165			12,373,974

NET REALISATION**12,373,974****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(10,895,387)	(10,895,387)
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CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
2 Bed House SR	29,052 ft ²	88.72 pf ²	2,577,493
3 Bed House SR	68,930 ft ²	88.72 pf ²	6,115,470
4 Bed House SR	33,576 ft ²	88.72 pf ²	2,978,863
2 Bed House SO	7,263 ft ²	88.72 pf ²	644,373
3 Bed House SO	16,950 ft ²	88.72 pf ²	1,503,804
4 Bed House SO	<u>8,394 ft²</u>	88.72 pf ²	<u>744,716</u>
Totals	164,165 ft²		14,564,719

Contingency	5.00%	728,236	728,236
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Other Construction

External Works	15.00%	2,184,708	
CSH Level 4	6.00%	873,883	3,058,591

PROFESSIONAL FEES

Professional Fees	12.00%	2,009,931	2,009,931
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DISPOSAL FEES

Sales Agent Fee	3.00%	371,219	
Sales Legal Fee	0.50%	61,870	433,089

TOTAL COSTS**9,899,179****PROFIT****2,474,795****Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%

IRR (9.17)%

Profit Erosion (finance rate 7.000%) 3 yrs 3 mths

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Development Appraisal

Warwick CIL Viability Reps

377 unit scheme - Leamington Spa (Zone B)

Appraisal B - Developer's Profit

Report Date: 07 April 2015

Warwick CIL Viability Reps

Summary Appraisal for Phase 2 Market Housing

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Private Housing - 226 Units	1	245,699	316.00	77,640,884	77,640,884

NET REALISATION

77,640,884

OUTLAY

ACQUISITION COSTS

Residualised Price				13,448,005	
Stamp Duty		4.00%		537,920	
Agent Fee		1.00%		134,480	
Legal Fee		0.80%		107,584	
					14,227,989

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Private Housing - 226 Units	245,699 ft ²	88.72 pf ²	21,798,415	21,798,415
Contingency		5.00%	1,089,921	
Site Prep and Infrastructure			3,770,000	
				4,859,921
Other Construction				
External Works		15.00%	3,269,762	
CSH Level 4		6.00%	1,307,905	
				4,577,667

Section 106 Costs

Section 106			4,954,911	
				4,954,911

PROFESSIONAL FEES

Professional Fees		12.00%	3,008,181	
				3,008,181

DISPOSAL FEES

Sales Agent Fee		3.00%	2,329,227	
Sales Legal Fee		0.50%	388,204	
				2,717,431

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)				
Land			5,406,358	
Construction			561,843	
Total Finance Cost				5,968,202

TOTAL COSTS

62,112,717

PROFIT

15,528,167

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
IRR	16.07%
Profit Erosion (finance rate 7.000%)	3 yrs 3 mths

