

Savills (UK) Ltd

Development Appraisal

Warwick CIL Viability Reps

377 unit scheme - Leamington Spa (Zone B)

Appraisal C - Infrastructure Costs

Report Date: 07 April 2015

**Warwick CIL Viability Reps**

**Summary Appraisal for Merged Phases 1 2**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	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>
<b>Totals</b>	<b>152</b>	<b>409,864</b>			<b>90,014,858</b>

**NET REALISATION**

**90,014,858**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price		10,065,386	
Residualised Price (Negative land)		(9,257,744)	
Stamp Duty	4.00%	402,615	
Agent Fee	1.00%	100,654	
Legal Fee	0.80%	80,523	
			1,391,434

**CONSTRUCTION COSTS**

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

**36,363,134**

Contingency	5.00%	1,818,157	
Site Prep and Infrastructure		7,540,000	
			9,358,157

**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			2,777,462

**Warwick CIL Viability Reps**

<b>TOTAL COSTS</b>	<b>70,649,989</b>
<b>PROFIT</b>	<b>19,364,869</b>

**Performance Measures**

Profit on Cost%	27.41%
Profit on GDV%	21.51%
Profit on NDV%	21.51%
IRR	24.48%
Profit Erosion (finance rate 7.000%)	3 yrs 6 mths

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Development Appraisal

Warwick CIL Viability Reps

377 unit scheme - Leamington Spa (Zone B)

Appraisal C - Infrastructure Costs

Report Date: 07 April 2015

**Warwick CIL Viability Reps**
**Summary Appraisal for Phase 1 Affordable Housing**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	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>
<b>Totals</b>	<b>151</b>	<b>164,165</b>			<b>12,373,974</b>

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

 Residualised Price (Negative land) (9,257,744)  
(9,257,744)
**CONSTRUCTION COSTS**

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

 Contingency 5.00% 728,236  
728,236
**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
**DISPOSAL FEES**

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

 Debit Rate 7.000% Credit Rate 0.000% (Nominal)  
 Land (2,537,277)  
 Construction 2,611,051  
 Other 20,942  
 Total Finance Cost 94,716
**TOTAL COSTS** **11,631,538**
**PROFIT** **742,436**
**Performance Measures**

 Profit on Cost% 6.38%  
 Profit on GDV% 6.00%

**Warwick CIL Viability Reps**

Profit on NDV%	6.00%
IRR	(3.38)%
Profit Erosion (finance rate 7.000%)	0 yrs 11 mths

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Development Appraisal

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377 unit scheme - Leamington Spa (Zone B)

Appraisal C - Infrastructure Costs

Report Date: 07 April 2015

**Warwick CIL Viability Reps**
**Summary Appraisal for Phase 2 Market Housing**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	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				10,065,386	
Stamp Duty		4.00%		402,615	
Agent Fee		1.00%		100,654	
Legal Fee		0.80%		80,523	
					10,649,179

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost	
Private Housing - 226 Units	245,699 ft <sup>2</sup>	88.72 pf <sup>2</sup>	21,798,415	<b>21,798,415</b>
Contingency		5.00%	1,089,921	
Site Prep and Infrastructure			7,540,000	
				8,629,921
<b>Other Construction</b>				
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			4,537,722	
Construction			1,239,283	
Total Finance Cost				5,777,004

**TOTAL COSTS**
**62,112,710**
**PROFIT**
**15,528,174**
**Performance Measures**

Profit on Cost%		25.00%
Profit on GDV%		20.00%
Profit on NDV%		20.00%
IRR		16.35%
Profit Erosion (finance rate 7.000%)	3 yrs 3 mths	



