

Savills (UK) Ltd

Development Appraisal

Warwick CIL Viability Reps

377 unit scheme - Leamington Spa (Zone B)

Appraisal D - Combined

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)		(10,895,387)	
Stamp Duty	4.00%	402,615	
Agent Fee	1.00%	100,654	
Legal Fee	0.80%	80,523	
			(246,208)

**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>

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			1,969,365

**Warwick CIL Viability Reps**

<b>TOTAL COSTS</b>	<b>68,204,250</b>
<b>PROFIT</b>	<b>21,810,608</b>

**Performance Measures**

Profit on Cost%	31.98%
Profit on GDV%	24.23%
Profit on NDV%	24.23%
IRR	29.85%
Profit Erosion (finance rate 7.000%)	3 yrs 12 mths

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Development Appraisal

Warwick CIL Viability Reps

377 unit scheme - Leamington Spa (Zone B)

Appraisal D - Combined

Report Date: 07 April 2015

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

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
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)	(10,895,387)	(10,895,387)
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**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>
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>

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

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Appraisal D - Combined

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



