Demolition Costs
Other 1
Other 2
Other 3
Other 4
Site Specific Sustainability Initiatives

Building Cost Percentage Increase (if any)	%
Site Specific Sustainability Initiatives (%)	
Lifetime Homes (%)	
Code for Sustainable Homes (%)	
Other (%)	

OTHER COSTS

SITE ACQUISITION COSTS

	%	
Agents Fees (% of site value)		
Legal Fees (% of site value)	1.32%	*(typically around 1%)*
Stamp Duty (% of site value)	3.78%	*(typically around 0.75%)*

	Cost (£)	Month of Payment
Other Acquisition Costs (£)	£108,839	1

FINANCE COSTS

Arrangement Fee (£)		
Interest Rate (%)	7.00%	*(typically around 3-5% abo*
Misc Fees - Surveyors etc (£)		

Marketing Costs

Affordable Housing Marketing Costs

	Cost (£)	Timing (month)
Developer cost of sale to RSL (£)	£18,500	12
RSL on-costs (£)		
Intermediate Housing Sales and Marketing (£)		

Open Market Housing Marketing Costs

Sales Fees (agents fees & marketing fees) - %	5.00%	*(typically around 6%)*
Legal Fees (per Open Market unit) - £	£478	*(typically around £600 per*

DEVELOPER'S RETURN FOR RISK AND PROFIT (before taxation)

	% of Housing Capital Value	
Open Market Housing (%)	18.64%	*(typically 17.5-20%)*
Affordable Housing (%)	6.00%	*(typically around 6%. profit only taken on the capital value of*

GVA GRIMLEY & BESPOKE PROPERTY GROUP
HCA ECONOMIC APPRAISAL TOOL

(Worksheet 3)

INPUT SHEET 3 - COMMERCIAL & NON-RESIDENTIAL

OFFICE ASSUMPTIONS

Size of office scheme (gross sq m)
Size of office scheme (net lettable sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) *(typically around 5 75% assuming a 4% stamp duty)*

Building Costs
Office Building Costs (Gross, £ psm)
Office Building Professional Fees (% of building costs) *(typically around 10% - 15%)*
Building Contingencies (% of building costs) *(typically around 5%)*

Timing — **Timing (month)**
Start of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) *(whole number, minimum of 0, maximum of 60)*

Letting, Advertising & Sale fees
Letting fees (% of annual income) *(typically around 10% for sole agent and 15% for joint agents)*
Advertising fees (% of annual income) *(typically around 1%)*
Sale fees (% of sale price) *(typically around 1.75%)*

Return for risk / profit (% of value) *(typically around 20%)*

RETAIL ASSUMPTIONS

Size of retail scheme (gross sq m)
Size of retail scheme (net lettable sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) *(typically around 5.75% assuming a 4% stamp duty)*

Building Costs
Retail Building Costs (Gross, £ psm)
Retail Building Professional Fees (% of building costs) *(typically around 10% - 15%)*
Building Contingencies (% of building costs) *(typically around 5%)*

Timing — **Timing (month)**
Start of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) *(whole number, minimum of 0, maximum of 60)*

Letting / sale fees
Letting (% of income) *(typically around 10% for sole agent and 15% for joint agents)*
Advertising (% of annual income) *(typically around 1%)*
Sale (% of sale price) *(typically around 1.75%)*

Return for risk / profit (% of value) *(typically around 20%)*

INDUSTRIAL ASSUMPTIONS

Size of industrial scheme (gross sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) *(typically around 5 75% assuming a 4% stamp duty)*

Building Costs
Industrial Building Costs (Gross, £ psm)
Industrial Building Professional Fees (% of building costs) *(typically around 10% - 15%)*
Building Contingencies (% of building costs) *(typically around 5%)*

Timing — **Timing (month)**
Start of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) *(whole number, minimum of 0, maximum of 60)*

Letting / sale fees
Letting (% of income) *(typically around 10% for sole agent and 15% for joint agents)*
Advertising (% of annual income) *(typically around 1%)*
Sale (% of sale price) *(typically around 1.75%)*

Return for risk / profit (% of value) *(typically around 20%)*

LEISURE ASSUMPTIONS

Size of Leisure scheme (gross sq m)
Size of Leisure scheme (net lettable sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) *(typically around 5.75% assuming a 4% stamp duty)*

Building Costs
Leisure Building Costs (Gross, £ psm)
Leisure Building Professional Fees (% of building costs) *(typically around 10% - 15%)*
Building Contingencies (% of building costs) *(typically around 5%)*

Timing — **Timing (month)**
Start of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) *(whole number, minimum of 0, maximum of 60)*

Letting / sale fees
Letting (% of income) *(typically around 10% for sole agent and 15% for joint agents)*
Advertising (% of annual income) *(typically around 1%)*
Sale (% of sale price) *(typically around 1.75%)*

Return for risk / profit (% of value) *(typically around 20%)*

COMMUNITY USE ASSUMPTIONS

Size of Community-use scheme (gross sq m)
Size of Community-use scheme (net lettable sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) *(typically around 5.75% assuming a 4% stamp duty)*

Building Costs
Community-use Building Costs (Gross, £ psm)
Community-use Building Professional Fees (% of building costs) *(typically around 10% - 15%)*
Building Contingencies (% of building costs) *(typically around 5%)*

Timing — **Timing (month)**
Start of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) *(whole number, minimum of 0, maximum of 60)*

Letting / sale fees
Letting (% of income) *(typically around 10% for sole agent and 15% for joint agents)*
Advertising (% of annual income) *(typically around 1%)*
Sale (% of sale price) *(typically around 1.75%)*

Return for risk / profit (% of value) *(typically around 20%)*

GVA GRIMLEY & BESPOKE PROPERTY GROUP
HCA ECONOMIC APPRAISAL TOOL

(Worksheet 4)

SUMMARY

Site Address	MONTROSE PARK
Site Reference	
File Source	37 UNITS OF AFFORDABLE HOUSING
Scheme Description	SUBMITTED APPRAISAL
Date	20/12/2011
Site Area (hectares)	1.55
Author & Organisation	Fairview New Homes
HCA Investment Manager	

Housing Mix (Affordable + Open Market)

Total Number of Units	198	units
Total Number of Open Market Units	161	units
Total Number of Affordable Units	37	units
Total Net Internal Area (sq m)	13,624	sq m
Total Habitable Rooms	611	habitable rooms
% Affordable by Unit	18.7%	
% Affordable by Area	19.6%	
% Affordable by Habitable Rooms	21.1%	
% Social Rented within the Affordable Housing	100.0%	by number of units
% Social Rented within the Affordable Housing	100.0%	by area
% Social Rented within the Affordable Housing	100.0%	by habitable rooms
Total Number of A/H Persons	143	Persons
Total Number of Social Rented Persons	143	Persons
Total Number of Intermediate Persons	0	Persons
Total Number of Open Market Persons	545	Persons
Total Number of Persons	688	Persons
Site Area	1.55	hectares
Net Internal Housing Area / Hectare	8,790	sq m / hectare

Residential Values

Affordable Housing Tenure 1: Affordable Rented

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
1 Bed WC Flat	£66,560	5.39%	£1,234,071
2 Bed 3p Flat	£52,416	5.39%	£971,831
2 Bed 4p Flat	£82,368	5.39%	£1,527,163
2 Bed W/C Flat	£8,736	5.39%	£161,972
3 Bed Flat	£76,960	5.39%	£1,426,895
3 Bed W/C Flat	£7,696	5.39%	£142,689
3 Bed Maisonette	£15,392	5.39%	£285,379
Total	£310,128	-	£5,750,000

Total Capital Value of Affordable Housing Tenure 1 £5,750,000

Affordable Housing Tenure 2: 0

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total	-	-	-

Owner-occupied / rented % share -

Capital Value of owner-occupied part -

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total (full capital value if sold at OMV)	-	-	-

Total Capital Value of Affordable Housing Tenure 2 £0

Affordable Housing Tenure 3: 0

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total	-	-	-

% of Open Market Value -

Total Capital Value of Affordable Housing Tenure 3 £0

Affordable Housing Tenure 4: 0

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total	-	-	-

Owner-occupied / rented % share -

Capital Value of owner-occupied part -

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total (full capital value if sold at OMV)	-	-	-

Total Capital Value of Affordable Housing Tenure 4 £0

Affordable Housing Tenure 5: 0

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
1 Bed Flat	-	-	-
3 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total	-	-	-

Total Capital Value of Affordable Housing Tenure 5 £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING SHG & OTHER FUNDING) £5,750,000

Social Housing Grant

	Grant per unit (£)	Number of Units	Grant (£)
Affordable Rented	£0	37	£0
0	£0	0	£0
0	£0	0	£0
0	£0	0	£0
0	£0	0	£0
SHG Total	-	37	£0

Social Housing Grant per Affordable Housing Person £0
Social Housing Grant per Social Rented Person £0
Social Housing Grant per Intermediate Person -

TOTAL VALUE OF SOCIAL HOUSING GRANT £0

RSL Cross Subsidy £0

HCA Infrastructure Grant	£0
LA re-cycled SHG	£0
Other source of funding 1	£0
Other source of funding 2	£0
Land Remediation Tax Relief	£0

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

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING SHG & OTHER FUNDING) **£5,750,000**

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
-	10,954	£4,001	£43,822,025
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total	10,954	-	£43,822,025

	Average value (£ per unit)
-	£272,186
-	
-	
-	
-	

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING **£43,822,025**

Car Parking

No. of Spaces	Price per Space (£)	Value
1	£1,135,715	£1,135,715

TOTAL VALUE OF CAR PARKING **£1,135,715**

Ground rent

			Capitalised annual ground rent
Affordable Housing Tenure 1:	Affordable Rented		£0
Affordable Housing Tenure 2:		0	£0
Affordable Housing Tenure 3:		0	£0
Affordable Housing Tenure 4:		0	£0
Affordable Housing Tenure 5:		0	£0
Open Market Housing Type 1:	-		£593,250
Open Market Housing Type 2:	-		£0
Open Market Housing Type 3:	-		£0
Open Market Housing Type 4:	-		£0
Open Market Housing Type 5:	-		£0

TOTAL CAPITALISED ANNUAL GROUND RENT **£593,250**

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME **£51,300,990**

Non-Residential Values

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME **£0**

TOTAL VALUE OF SCHEME **£51,300,990**

Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs	£4,901,194	
Open Market Housing Build Costs	£20,106,905	£25,008,099
Cost Multipliers		
Site Specific Sustainability Initiatives (%)	0.0%	£0
Lifetime Homes (%)	0.0%	£0
Code for Sustainable Homes (%)	0.0%	£0
Other (%)	0.0%	£0
Residential Car Parking Build Costs		£0
Other site costs		
Building Contingencies	7.5%	£1,875,607
Building Cost Fees (Architects, QS etc):	11.0%	£2,947,018
Other Acquisition Costs (£)		£108,839
Site Abnormals		
Infrastructure Costs		£0
Contamination Costs		£0
Demolition Costs		£0
Other 1		£0
Other 2		£0
Other 3		£0
Other 4		£0
Site Specific Sustainability Initiatives		£0
Total Building Costs		**£29,939,563**

Section 106 Costs (£)		
SECTION 106 COSTS		£2,127,992
SECTION 106 LEGALS		£20,000
TRAINING INITIATIVE		£44,000
TRAVEL PLAN COORDINATOR		£40,000
	0	£0
	0	£0
	0	£0
	0	£0
Section 106 costs		**£2,231,992**

Marketing (Open Market Housing ONLY)		
Sales Fees:	5.0%	£2,191,101
Legal Fees (per Open Market unit):	£478	£76,900
Marketing (Affordable Housing)		
Developer cost of sale to RSL (£)		£18,500
RSL on-costs (£)		£0
Intermediate Housing Sales and Marketing (£)		£0
Total Marketing Costs		**£2,286,501**

Non-Residential Building & Marketing Costs

Building Costs		
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0
Professional Fees (Building, Letting & Sales)		
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0
Total Non-Residential Costs		**£0**

TOTAL DIRECT COSTS: £34,458,056.11

Finance and acquisition costs
(finance costs are only displayed if there is a positive residual site value)

Arrangement Fee	£0
Misc Fees (Surveyors etc)	£0
Agents Fees	£0
Legal Fees	£76,006
Stamp Duty	£217,877
Total Interest Paid	£2,270,239
Total Finance and Acquisition Costs	**£2,564,122**

Developer's return for risk and profit

Residential		
Open Market Housing Operating 'Profit'		£8,169,879
Affordable Housing 'Profit'		£345,000
Non-residential		
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0
Total Operating Profit		**£8,514,879**

(profit after deducting sales and site specific finance costs but before allowing for developer overheads and taxation)

Residual Site Value

SITE VALUE TODAY	**£5,763,933**
EXISTING USE VALUE	
DIFFERENCE BETWEEN SITE VALUE AND EXISTING USE VALUE	£5,763,933

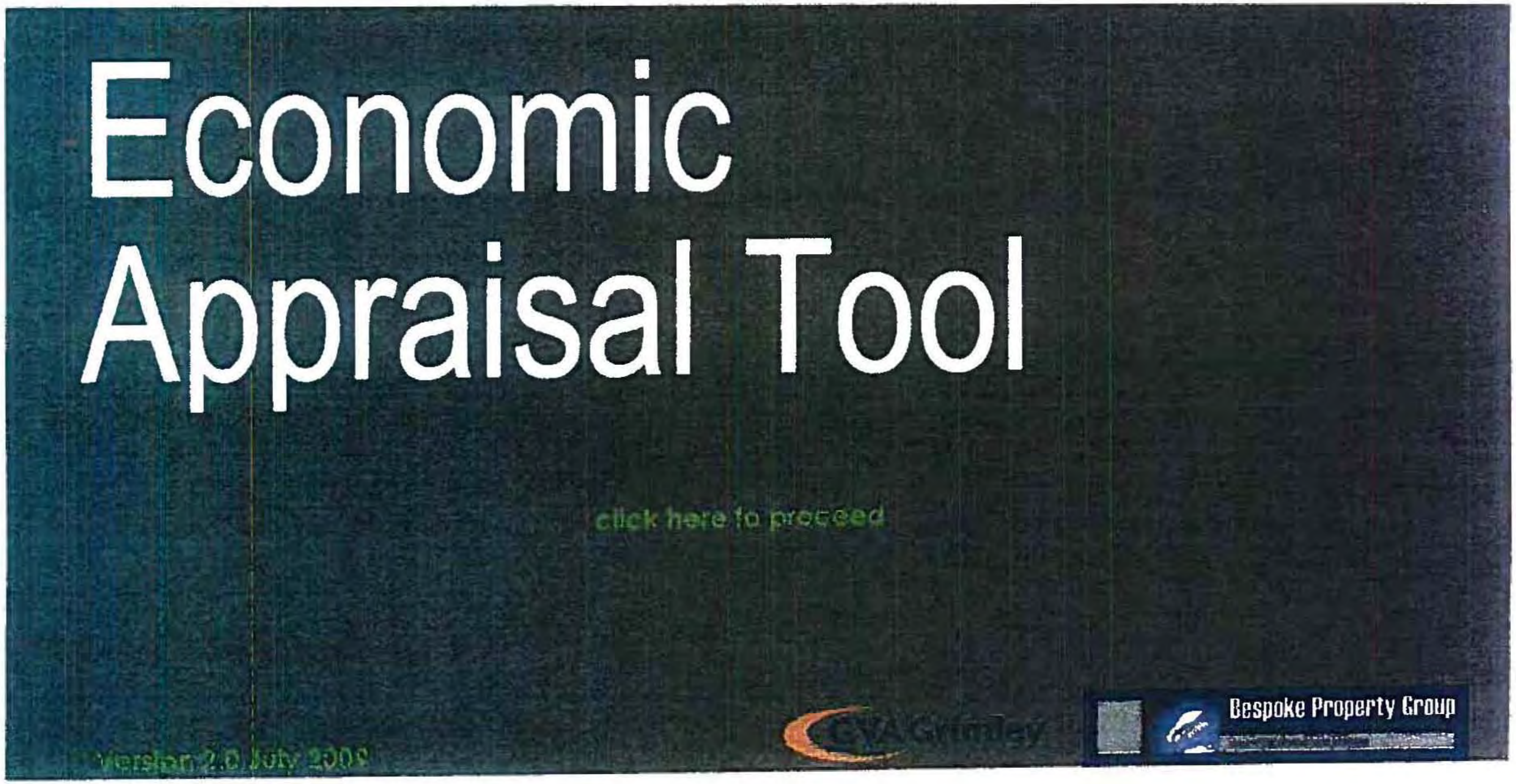
Checks:

Site Value as a Percentage of Total Scheme Value	11.2%
Site Value per hectare	£3,718,666

Appendix 2- HCA Economic Appraisal Tool – Trust Land

APPENDIX 1

Homes & Communities Agency



Cover Sheet

GVA GRIMLEY & BESPOKE PROPERTY GROUP
HCA ECONOMIC APPRAISAL TOOL **(Worksheet 1)**

INPUT SHEET 1 - RESIDENTIAL MIX ASSUMPTIONS

Basic Site Details

Site Address	**ELYSIAN**
Site Reference	**REVISION 2**
File Source	**9 UNITS OF AFFORDABLE HOUSING**
Scheme Description	**SUBMITTED APPRAISAL** **BLOCK R**
Date	**23/12/2011**
Site Area (hectares)	**0.23**
Author & Organisation	**Fairview New Homes**
HCA Investment Manager	

Residential Mix Assumptions

Affordable Housing Tenure 1: Affordable Rented

	1 Bed WC Flat	2 Bed 3p Flat	2 Bed 4p Flat	3 Bed Flat	3 Bed Maisonette		
Unit Size (sq m) - NIA	50.4	61.9	70.4	86.1	91.0829		
Habitable Rooms per Unit	2	3	3	4	5		
Persons per Unit	2.00	4.00	4	3.00	5.00		
Total Number of Units	1	1	1	1	2		

Affordable Housing Tenure 2: Shared Ownership

	1 Bed Flat	2 Bed Flat	3 Bed Flat	2 Bed House	3 Bed House	4 Bed House	Other
Unit Size (sq m) - NIA		61.0353	86.0254				
Habitable Rooms per Unit		3	4				
Persons per Unit		3.00	5				
Total Number of Units		2	1				

Affordable Housing Tenure 3:

	1 Bed Flat	2 Bed Flat	3 Bed Flat	2 Bed House	3 Bed House	4 Bed House	Other
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Affordable Housing Tenure 4:

	1 Bed Flat	2 Bed Flat	3 Bed Flat	2 Bed House	3 Bed House	4 Bed House	Other
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Affordable Housing Tenure 5:

	1 Bed Flat	3 Bed Flat	3 Bed Flat	2 Bed House	3 Bed House	4 Bed House	Other
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

* Other = User-defined

Open Market Housing Type 1:

	Studio	1 Bed Flat	2 Bed Flat	3 Bed Flat	3 Bed Maisonette		
Unit Size (sq m) - NIA		52.72	67.36		86.10		
Habitable Rooms per Unit		2	3		5		
Persons per Unit		2	3		5.00		
Total Number of Units		12	18		3		

Open Market Housing Type 2:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other 1	Other 2
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Open Market Housing Type 3:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other 1	Other 2
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Open Market Housing Type 4:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other 1	Other 2
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Open Market Housing Type 5:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other 1	Other 2
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Parking spaces (see handbook for correct definition)

Total number of residential car parking spaces	1	*(Open Market and Affordable)*
Value of each residential car parking space	£296,273	*(See user manual for correct definition)*

GVA GRIMLEY & BESPOKE PROPERTY GROUP
HCA ECONOMIC APPRAISAL TOOL

(Worksheet 2)

INPUT SHEET 2 - RESIDENTIAL VALUE & COST ASSUMPTIONS

BUILDING PERIOD (month 0 = date of planning consent, allow for lead in period to start on site)

	Timing (month)	
Construction Start	4	*(whole number, minimum of 0, maximum of 60)*
Construction End	18	*(whole number, minimum of 0, maximum of 60)*

Overall Scheme End Date (this must be completed)

	Month	
Final End Date of Scheme (scheme built and fully let/sold)	20	*(whole number, minimum of 0, maximum of 60)*

RESIDENTIAL VALUE ASSUMPTIONS

Base Value

Affordable Housing Tenure 1: Affordable Rented

Type of Unit	Rent per Unit per Week (£)	Total Annual Rent (£ per Unit)
1 Bed WC Flat	£200.00	£10,400
2 Bed 3p Flat	£210.00	£10,920
2 Bed 4p Flat	£220.00	£11,440
3 Bed Flat	£210.00	£10,920
3 Bed Maisonette	£185.00	£9,620
0		
0		

Management Costs (% of rent)	4.00%	*(% of gross rent per annum)*
Voids / bad debts (% of rent)	4.00%	*(% of gross rent per annum)*
Repairs Fund (% of rent)	12.00%	*(% of gross rent per annum)*
Yield (%)	5.39%	*(to capitalise the net rent, currently circa 6% but please seek*

	Start Month	End Month	
Timing of Affordable Housing Tenure 1 Purchase Payment	1	18	*(whole number, minimum o*

Affordable Housing Tenure 2: Shared Ownership

Type of Unit	Total Unit Capital Value (£ psm, NIA)	Rent per Unit per week of rented share (£)	Total Annual Rent (£ per Unit)
1 Bed Flat		£0	£0
2 Bed Flat	£4,001	£66	£3,434
3 Bed Flat	£4,001	£93	£4,840
2 Bed House		£0	£0
3 Bed House		£0	£0
4 Bed House		£0	£0
Other		£0	£0

Owner-occupied share (%)	37.5%		
Unsold Equity Rent Per Annum (%)	2.25%	*(HCA Limit of 2.75%)*	
Management Costs (% of rent)			*(% of gross rent per annum*
Voids / bad debts (% of rent)			*(% of gross rent per annum*
Repairs Fund (% of rent)			*(% of gross rent per annum*
Yield (%)		6.00%	*(to capitalise the net rent, c*

	Start Month	End Month	
Timing of Affordable Housing Tenure 2 Purchase Payment	1	18	*(whole number, minimum o*

Affordable Housing Tenure 3: 0

Type of Unit	Capital Value pre-discount (£ psm, NIA)
1 Bed Flat	
2 Bed Flat	

3 Bed Flat
2 Bed House
3 Bed House
4 Bed House
Other

% of Open Market Value *(ie discounted value)*

	Start Month	End Month	
Timing of Affordable Housing Tenure 3 Purchase Payment			*(whole number, minimum o*

Affordable Housing Tenure 4: 0

Type of Unit	Total Unit Capital Value (£ psm, NIA)	Rent per Unit per week of rented share (£)	Total Annual Rent (£ per Unit)
1 Bed Flat		£0	£0
2 Bed Flat		£0	£0
3 Bed Flat		£0	£0
2 Bed House		£0	£0
3 Bed House		£0	£0
4 Bed House		£0	£0
Other		£0	£0

Owner-occupied share (%)

Unsold Equity Rent Per Annum (%)

Management Costs (% of rent) *(% of gross rent per annur*

Voids / bad debts (% of rent) *(% of gross rent per annur*

Repairs Fund (% of rent) *(% of gross rent per annu*

Yield (%) *(to capitalise the net rent c*

	Start Month	End Month	
Timing of Affordable Housing Tenure 4 Purchase Payment			*(whole number, minimum o*

Affordable Housing Tenure 5: 0

Type of Unit	Rent per Unit per Week (£)	Total Annual Rent (£ per Unit)
1 Bed Flat		
3 Bed Flat		
3 Bed Flat		
2 Bed House		
3 Bed House		
4 Bed House		
Other		

Management Costs (% of rent) *(% of gross rent per annum)*

Voids / bad debts (% of rent) *(% of gross rent per annum)*

Repairs Fund (% of rent) *(% of gross rent per annum)*

Yield (%) *(to capitalise the net rent, currently circa 6% but please seek*

	Start Month	End Month	
Timing of Affordable Housing Tenure 5 Purchase Payment			*(whole number, minimum o*

Open Market Values

	Capital Value (£ psm)	Average value of unit
Open Market Housing Type 1 -	£4,001	£255,000
Open Market Housing Type 2 -		
Open Market Housing Type 3 -		
Open Market Housing Type 4 -		
Open Market Housing Type 5 -		

	Month	
Timing of First Open Market Housing Sale	14	*(whole number, minimum o*
Timing of Last Open Market Housing Sale	20	*(whole number, minimum o*

Ground rents

			Average ground rent per unit per annum (£)	(where applicable)
Affordable Housing Tenure 1:	Affordable Rented			
Affordable Housing Tenure 2:	Shared Ownership		£0	
Affordable Housing Tenure 3:		0		
Affordable Housing Tenure 4:		0		
Affordable Housing Tenure 5:		0		
Open Market Housing Type 1:	-		£245	
Open Market Housing Type 2:	-			
Open Market Housing Type 3:	-			
Open Market Housing Type 4:	-			
Open Market Housing Type 5:	-			

Yield (%)	6.65%	(to capitalise the ground rents)
Timing of ground rent payment	Month 20	(whole number, minimum of 0, maximum of 60)

Social Housing Grant & Other Funding

			Grant per unit (£)
Affordable Housing Tenure 1:	Affordable Rented		£0
Affordable Housing Tenure 2:	Shared Ownership		£0
Affordable Housing Tenure 3:		0	
Affordable Housing Tenure 4:		0	
Affordable Housing Tenure 5:		0	

	Timing of 1st Payment	Timing of 2nd Payment
Timing Social Housing Grant Paid		

Other sources of funding

	Value (£)	Timing of Payment	
RSL Cross Subsidy			(whole number, minimum o
HCA Infrastructure Grant			(whole number, minimum o
LA re-cycled SHG			(whole number, minimum o
Other source of funding 1			(whole number, minimum o
Other source of funding 2			(whole number, minimum o
Land Remediation Tax Relief			(whole number, minimum o

BUILDING COST, MARKETING COST & SECTION 106 ASSUMPTIONS

			Building Costs - Gross (£ / sq m)	Net to Gross Ratio for Building Costs (%)*
Affordable Housing Tenure 1:	Affordable Rented		£1,836	100%
Affordable Housing Tenure 2:	Shared Ownership		£1,836	100%
Affordable Housing Tenure 3:		0		
Affordable Housing Tenure 4:		0		
Affordable Housing Tenure 5:		0		
Open Market Housing Type 1:	-		£1,836	100%
Open Market Housing Type 2:	-			
Open Market Housing Type 3:	-			
Open Market Housing Type 4:	-			
Open Market Housing Type 5:	-			

** The ratio is typically 70% - 85% in blocks of flats to reflect the difference between GIA & NIA (ie common parts such as lifts, stairs, corridors etc) and 100% in houses which have no common parts*

	Building Costs (£ / car parking space)
Residential Car Parking Building Costs (average cost / car parking space)	

	% of Building Costs	
Building Design Fees % (Architects, QS etc)	12.00%	(typically around 10%)
Building Contingencies (% of Building Costs)	7.50%	(typically around 5% for ne

Section 106 Payments (£) *	Cost (£)	Month of Payment
Total Section 106	£439,928	8
Legal Fees	£10,000	1
Training Initiative	£13,870	1
Travel Plan Co-ordinator	£10,500	12

** This section excludes Affordable Housing section 106 payments*

Site Abnormals (£)	Cost (£)	Month of Payment
Infrastructure Costs		
Contamination Costs		

Demolition Costs
Other 1
Other 2
Other 3
Other 4
Site Specific Sustainability Initiatives

Building Cost Percentage Increase (if any)	%
Site Specific Sustainability Initiatives (%)	
Lifetime Homes (%)	
Code for Sustainable Homes (%)	
Other (%)	

OTHER COSTS

SITE ACQUISITION COSTS

	%	
Agents Fees (% of site value)		*(typically around 1%)*
Legal Fees (% of site value)	1.50%	*(typically around 0.75%)*
Stamp Duty (% of site value)	4.00%	

	Cost (£)	Month of Payment
Other Acquisition Costs (£)	£30,000	1

FINANCE COSTS

Arrangement Fee (£)		
Interest Rate (%)	7.00%	*(typically around 3-5% abo*
Misc Fees - Surveyors etc (£)		

Marketing Costs

Affordable Housing Marketing Costs

	Cost (£)	Timing (month)
Developer cost of sale to RSL (£)	£12,500	1
RSL on-costs (£)		
Intermediate Housing Sales and Marketing (£)		

Open Market Housing Marketing Costs

Sales Fees (agents fees & marketing fees) - %	6.00%	*(typically around 6%)*
Legal Fees (per Open Market unit) - £	£478	*(typically around £600 per*

DEVELOPER'S RETURN FOR RISK AND PROFIT (before taxation)

	% of Housing Capital Value	
Open Market Housing (%)	23.39%	*(typically 17.5-20%)*
Affordable Housing (%)	6.00%	*(typically around 6%, profit only taken on the capital value of*

GVA GRIMLEY & BESPOKE PROPERTY GROUP
HCA ECONOMIC APPRAISAL TOOL

(Worksheet 3)

INPUT SHEET 3 - COMMERCIAL & NON-RESIDENTIAL

OFFICE ASSUMPTIONS

Size of office scheme (gross sq m)
Size of office scheme (net lettable sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) — *(typically around 5.75% assuming a 4% stamp duty)*

Building Costs
Office Building Costs (Gross, £ psm)
Office Building Professional Fees (% of building costs) — *(typically around 10% - 15%)*
Building Contingencies (% of building costs) — *(typically around 5%)*

Timing — Timing (month)
Start of Building Period (month) — *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) — *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) — *(whole number, minimum of 0, maximum of 60)*

Letting, Advertising & Sale fees
Letting fees (% of annual income) — *(typically around 10% for sole agent and 15% for joint agents)*
Advertising fees (% of annual income) — *(typically around 1%)*
Sale fees (% of sale price) — *(typically around 1.75%)*

Return for risk / profit (% of value) — *(typically around 20%)*

RETAIL ASSUMPTIONS

Size of retail scheme (gross sq m)
Size of retail scheme (net lettable sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) — *(typically around 5.75% assuming a 4% stamp duty)*

Building Costs
Retail Building Costs (Gross, £ psm)
Retail Building Professional Fees (% of building costs) — *(typically around 10% - 15%)*
Building Contingencies (% of building costs) — *(typically around 5%)*

Timing — Timing (month)
Start of Building Period (month) — *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) — *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) — *(whole number, minimum of 0, maximum of 60)*

Letting / sale fees
Letting (% of income) — *(typically around 10% for sole agent and 15% for joint agents)*
Advertising (% of annual income) — *(typically around 1%)*
Sale (% of sale price) — *(typically around 1.75%)*

Return for risk / profit (% of value) — *(typically around 20%)*

INDUSTRIAL ASSUMPTIONS

Size of industrial scheme (gross sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) — *(typically around 5.75% assuming a 4% stamp duty)*

Building Costs
Industrial Building Costs (Gross, £ psm)
Industrial Building Professional Fees (% of building costs) — *(typically around 10% - 15%)*
Building Contingencies (% of building costs) — *(typically around 5%)*

Timing — Timing (month)
Start of Building Period (month) — *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) — *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) — *(whole number, minimum of 0, maximum of 60)*

Letting / sale fees
Letting (% of income) *(typically around 10% for sole agent and 15% for joint agents)*
Advertising (% of annual income) *(typically around 1%)*
Sale (% of sale price) *(typically around 1.75%)*

Return for risk / profit (% of value) *(typically around 20%)*

LEISURE ASSUMPTIONS

Size of Leisure scheme (gross sq m)
Size of Leisure scheme (net lettable sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) *(typically around 5.75% assuming a 4% stamp duty)*

Building Costs
Leisure Building Costs (Gross, £ psm)
Leisure Building Professional Fees (% of building costs) *(typically around 10% - 15%)*
Building Contingencies (% of building costs) *(typically around 5%)*

Timing **Timing (month)**
Start of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) *(whole number, minimum of 0, maximum of 60)*

Letting / sale fees
Letting (% of income) *(typically around 10% for sole agent and 15% for joint agents)*
Advertising (% of annual income) *(typically around 1%)*
Sale (% of sale price) *(typically around 1.75%)*

Return for risk / profit (% of value) *(typically around 20%)*

COMMUNITY USE ASSUMPTIONS

Size of Community-use scheme (gross sq m)
Size of Community-use scheme (net lettable sq m)

Values
Rent (£ psm)
Yield (%)
Purchaser's costs (% of value) *(typically around 5.75% assuming a 4% stamp duty)*

Building Costs
Community-use Building Costs (Gross, £ psm)
Community-use Building Professional Fees (% of building costs) *(typically around 10% - 15%)*
Building Contingencies (% of building costs) *(typically around 5%)*

Timing **Timing (month)**
Start of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
End of Building Period (month) *(whole number, minimum of 0, maximum of 60)*
Timing of Letting / Sale (month) *(whole number, minimum of 0, maximum of 60)*

Letting / sale fees
Letting (% of income) *(typically around 10% for sole agent and 15% for joint agents)*
Advertising (% of annual income) *(typically around 1%)*
Sale (% of sale price) *(typically around 1.75%)*

Return for risk / profit (% of value) *(typically around 20%)*

GVA GRIMLEY & BESPOKE PROPERTY GROUP
HCA ECONOMIC APPRAISAL TOOL

(Worksheet 4)

SUMMARY

Site Address	ELYSIAN
Site Reference	REVISION 2
File Source	9 UNITS OF AFFORDABLE HOUSING
Scheme Description	SUBMITTED APPRAISAL
Date	23/12/2011
Site Area (hectares)	0.23
Author & Organisation	Fairview New Homes
HCA Investment Manager	

Housing Mix (Affordable + Open Market)

Total Number of Units	42	units
Total Number of Open Market Units	33	units
Total Number of Affordable Units	9	units
Total Net Internal Area (sq m)	2,762	sq m
Total Habitable Rooms	125	habitable rooms
% Affordable by Unit	21.4%	
% Affordable by Area	23.9%	
% Affordable by Habitable Rooms	25.8%	
% Social Rented within the Affordable Housing	66.7%	by number of units
% Social Rented within the Affordable Housing	68.4%	by area
% Social Rented within the Affordable Housing	68.8%	by habitable rooms
Total Number of A/H Persons	34	Persons
Total Number of Social Rented Persons	23	Persons
Total Number of Intermediate Persons	11	Persons
Total Number of Open Market Persons	93	Persons
Total Number of Persons	127	Persons
Site Area	0.23	hectares
Net Internal Housing Area / Hectare	12,010	sq m / hectare

Residential Values

Affordable Housing Tenure 1: **Affordable Rented**

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
1 Bed WC Flat	£8,320	5.39%	£154,360
2 Bed 3p Flat	£8,736	5.39%	£162,078
2 Bed 4p Flat	£9,152	5.39%	£169,796
3 Bed Flat	£8,736	5.39%	£162,078
3 Bed Maisonette	£15,392	5.39%	£285,566
0	-	-	-
0	-	-	-
Total	£50,336	-	£933,878

Total Capital Value of Affordable Housing Tenure 1 £933,878

Affordable Housing Tenure 2: **Shared Ownership**

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	£4,001	122.0706	£488,404
3 Bed Flat	£4,001	86.0254	£344,188
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total	-	208.096	£832,592

Owner-occupied / rented % share 38%

Capital Value of owner-occupied part £312,222

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	£6,868	6.00%	£114,470
3 Bed Flat	£4,840	6.00%	£80,669
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total (full capital value if sold at OMV)	£11,708	-	£195,139

Total Capital Value of Affordable Housing Tenure 2 £507,361

Affordable Housing Tenure 3: 0

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total	-	-	-

% of Open Market Value -

Total Capital Value of Affordable Housing Tenure 3 £0

Affordable Housing Tenure 4. 0

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total	-	-	-

Owner-occupied / rented % share -

Capital Value of owner-occupied part -

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
1 Bed Flat	-	-	-
2 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total (full capital value if sold at OMV)	-	-	-

Total Capital Value of Affordable Housing Tenure 4 £0

Affordable Housing Tenure 5: 0

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
1 Bed Flat	-	-	-
3 Bed Flat	-	-	-
3 Bed Flat	-	-	-
2 Bed House	-	-	-
3 Bed House	-	-	-
4 Bed House	-	-	-
Other	-	-	-
Total	-	-	-

Total Capital Value of Affordable Housing Tenure 5 £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING SHG & OTHER FUNDING) £1,441,238

Social Housing Grant

	Grant per unit (£)	Number of Units	Grant (£)
Affordable Rented	£0	6	£0
Shared Ownership	£0	3	£0
0	£0	0	£0
0	£0	0	£0
0	£0	0	£0
SHG Total	-	9	£0

Social Housing Grant per Affordable Housing Person £0
Social Housing Grant per Social Rented Person £0
Social Housing Grant per Intermediate Person £0

TOTAL VALUE OF SOCIAL HOUSING GRANT £0

RSL Cross Subsidy £0

HCA Infrastructure Grant	£0
LA re-cycled SHG	£0
Other source of funding 1	£0
Other source of funding 2	£0
Land Remediation Tax Relief	£0

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

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING SHG & OTHER FUNDING) **£1,441,238**

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
-	2,103	£4,001	£8,415,303
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total	2,103	-	£8,415,303

	Average value (£ per unit)
-	£255,009
-	
-	
-	
-	

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING **£8,415,303**

Car Parking

No. of Spaces	Price per Space (£)	Value
1	£296,273	£296,273

TOTAL VALUE OF CAR PARKING **£296,273**

Ground rent

			Capitalised annual ground rent
Affordable Housing Tenure 1:	Affordable Rented		£0
Affordable Housing Tenure 2:	Shared Ownership		£0
Affordable Housing Tenure 3:		0	£0
Affordable Housing Tenure 4:		0	£0
Affordable Housing Tenure 5:		0	£0
Open Market Housing Type 1:	-		£121,579
Open Market Housing Type 2:	-		£0
Open Market Housing Type 3:	-		£0
Open Market Housing Type 4:	-		£0
Open Market Housing Type 5:	-		£0

TOTAL CAPITALISED ANNUAL GROUND RENT **£121,579**

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME **£10,274,394**

Non-Residential Values

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME **£0**

TOTAL VALUE OF SCHEME **£10,274,394**

Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs	£1,210,037	
Open Market Housing Build Costs	£3,861,659	£5,071,696
Cost Multipliers		
Site Specific Sustainability Initiatives (%)	0.0%	£0
Lifetime Homes (%)	0.0%	£0
Code for Sustainable Homes (%)	0.0%	£0
Other (%)	0.0%	£0
Residential Car Parking Build Costs		£0
Other site costs		
Building Contingencies	7.5%	£380,377
Building Cost Fees (Architects, QS etc):	12.0%	£654,249
Other Acquisition Costs (£)		£30,000
Site Abnormals		
Infrastructure Costs		£0
Contamination Costs		£0
Demolition Costs		£0
Other 1		£0
Other 2		£0
Other 3		£0
Other 4		£0
Site Specific Sustainability Initiatives		£0
Total Building Costs		**£6,136,322**
Section 106 Costs (£)		
Total Section 106		£439,928
Legal Fees		£10,000
Training Initiative		£13,870
Travel Plan Co-ordinator		£10,500
0		£0
0		£0
0		£0
0		£0
Section 106 costs		**£474,298**
Marketing (Open Market Housing ONLY)		
Sales Fees:	5.0%	£120,765
Legal Fees (per Open Market unit):	£478	£15,774
Marketing (Affordable Housing)		
Developer cost of sale to RSL (£)		£12,500
RSL on-costs (£)		£0
Intermediate Housing Sales and Marketing (£)		£0
Total Marketing Costs		**£449,039**

Non-Residential Building & Marketing Costs

Building Costs		
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0
Professional Fees (Building, Letting & Sales)		
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0
Total Non-Residential Costs		**£0**
TOTAL DIRECT COSTS:		**£7,059,659.25**

Finance and acquisition costs
(finance costs are only displayed if there is a positive residual site value)

Arrangement Fee	£0
Misc Fees (Surveyors etc)	£0
Agents Fees	£0
Legal Fees	£12,941
Stamp Duty	£34,510
Total Interest Paid	£249,717
Total Finance and Acquisition Costs	**£297,168**

Developer's return for risk and profit

Residential		
Open Market Housing Operating 'Profit'		£1,966,339
Affordable Housing 'Profit'		£88,474
Non-residential		
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0
Total Operating Profit		**£2,054,814**

(profit after deducting sales and site specific finance costs but before allowing for developer overheads and taxation)

Residual Site Value

SITE VALUE TODAY	**£862,753**
EXISTING USE VALUE	
DIFFERENCE BETWEEN SITE VALUE AND EXISTING USE VALUE	£862,753

Checks:

Site Value as a Percentage of Total Scheme Value	8.4%
Site Value per hectare	£3,751,098

Appendix 3 – Plans and Transfers

Plan 1

Director of Corporate Governance