

### SHEET 3:- 'GRENESTETE' FINANACIAL VIABILITY APPRAISAL: Two Open-Market H

PROJECT COSTS		COST		VAT	TOTAL	
GRENESTRETE 0.42Ha (1.18acres)						
Affordable Houses (321m2 total floor area, 7beds)						
1bed house 55m2 (Affordable) UNIT 1	£	93,500.00		£	93,500.00	
1bed house 55m2 (Affordable) UNIT 2	£	93,500.00		£	93,500.00	
1bed house 55m2 (Affordable) UNIT 3	£	93,500.00		£	93,500.00	
2bed house 78m2 (Affordable) UNIT 4	£	132,600.00		£	132,600.00	
2bed house 78m2 (Affordable) UNIT 5	£	132,600.00		£	132,600.00	
Total Affordable Houses costs				£	545,700.00	
Open Market Houses(294m2 total floor area, 8beds)						
4bed house 146m2 (Open Market) UNIT 6	£	270,100.00		£	270,100.00	
4bed house 146m2 (Open Market) UNIT 7	£	270,100.00		£	270,100.00	
Total Open Market Houses costs				£	540,200.00	
Total OM & Affordable House costs (522m2)				£	1,085,900.00	
External Works						
External soft landscaping	£	25,000.00	£	5,000.00	30,000.00	
Drive and parking(including lighting & signage)	£	72,000.00	£	14,400.00	86,400.00	
Two 36m2 garages (72m2 total)	£	86,400.00			86,400.00	
Total External Works					202,800.00	
Utility connections;						
water E550/dwelling	£	3,850.00	£	770.00	£	4,620.00
electric E800/dwelling	£	8,400.00		1,680.00	£	10,080.00
sewerage	£	4,000.00	£	800.00	£	4,800.00
Telephone	£	2,100.00	£	420.00	£	2,520.00
Total Utility Costs				£	22,020.00	
Contingency 4%		£	52,428.80		£	52,428.80
TOTAL GRENESTRETE DEVELOPMENT COSTS				£	1,310,720.00	
Tender Price Inflation 4% to Q1 2022		£	52,428.80		£	1,363,148.80
Cost per square metre of residential accommodation £/m2		£	2,059.14			
PROFESSIONAL FEES;					£	-
Structural engineer	£	8,000.00	£	1,600.00	£	9,600.00
Architect (planning Stages)	£	18,000.00			£	18,000.00
Ecologist Report	£	1,078.00	£	215.60	£	1,293.60
British Geological Society	£	480.00	£	96.00	£	576.00
Topographical	£	4,090.00	£	818.00	£	4,908.00
Heritage Survey	£	2,120.00	£	424.00	£	2,544.00
Pre-Planning Application	£	380.00	£	76.00	£	456.00
Detailed Planning Application Fee	£	2,400.00	£	480.00	£	2,880.00
Architect (Production Drawings)	£	11,000.00	£	2,200.00	£	13,200.00
Building Regulation Application Fee	£	2,000.00	£	400.00	£	2,400.00
Building Regulation Inspection Fee	£	800.00	£	160.00	£	960.00
Building Warranty	£	10,000.00	£	2,000.00	£	12,000.00
Newt Survey	£	600.00	£	120.00	£	720.00
SAP Calculation	£	960.00	£	176.00	£	1,136.00
Air Pressure Test	£	960.00	£	192.00	£	1,152.00
Project Management	£	35,000.00	£	7,000.00	£	42,000.00
CGI's Proper View	£	5,000.00	£	1,000.00	£	6,000.00
CDM (HSE)	£	8,000.00	£	1,600.00	£	9,600.00
Cost Consultant 0.79%	£	13,237.20	£	2,647.44	£	13,350.92
Mechanical Services Engineer	£	6,000.00	£	1,200.00	£	7,200.00
Total Professional Fees Costs				£	136,776.52	
Ancillary Costs;						
Transformer Upgrade (potentially)	£	35,000.00		£	35,000.00	
Marketing 1.5%	£	22,500.00	£	4,500.00	£	27,000.00
Legals	£	11,000.00	£	2,200.00	£	13,200.00
Community Infrastructure Levy (CIL) £120/sq m	£	35,280.00			£	35,280.00
Section 106 (Legals)	£	2,000.00			£	2,000.00
Finance Costs 5.1%	£	85,455.31			£	48,989.00
Bank Fees	£	3,000.00			£	3,000.00
Stamp Duty Land Tax		N/A				
Total Ancillary Costs				£	162,469.00	
Developer Overheads		£	11,000.00	£	2,200.00	13,200
TOTAL COST OF DEVELOPMENT				£	1,675,594.32	

## PROJECT SALES

	OMV VALUE	40% DISCOUNTED SALE
<b>Affordable Houses</b>		
1bed house 50m2 (Affordable)	£ 200,000.00	£ 120,000.00
1bed house 50m2 (Affordable)	£ 200,000.00	£ 120,000.00
1bed house 50m2 (Affordable)	£ 200,000.00	£ 120,000.00
2bed house 72m2 (Affordable)	£ 240,000.00	£ 144,000.00
2bed house 72m2 (Affordable)	£ 240,000.00	£ 144,000.00
<b>Total Discounted Sales</b>		<b>£ 648,000.00</b>
<b>Open Market Houses</b>		
4bed house 146m2 (Open Market)	£ 750,000.00	
4bed house 146m2 (Open Market)	£ 750,000.00	
<b>Total OM Sales</b>	<b>£ 1,500,000.00</b>	
<b>TOTAL SALES (Gross Development Value after discounts)</b>	<b>£ 1,500,000.00</b>	<b>£ 648,000.00</b>
Sales price expressed as £/m2	£ 3,244.71	

<b>DEVELOPMENT PROFIT</b>	<b>£ 472,405.68</b>
%Return On Investment	£ 28.19
Capital Gains Tax 18%	£ 85,033.02
<b>NET PROFIT after CGT</b>	<b>£ 387,372.66</b>

## ASSUMPTIONS;

**Discount:-** Affordable Houses to be sold to a Housing Association with 40% discount of Open Market Value  
**Stamp Duty:-** Professional advice awaited on whether Stamp Duty is applicable  
**CIL:-** 100% relief on CIL for Affordable Housing  
**VAT:-** Professional advice to be sought on VAT applicable on each element (Zero Rate assumed for construction only)  
**OBR:-** Office of Budget Responsibility 2022 house price prediction range from 3.8% fall to 4.1% increase  
**CIL:-** The UK Government have the ability to adjust the Housing Association 100% Relief but unlikely to happen  
**Finance:-** 5.0% above base (BoE Base rate 0.1%) charged by 77GLB  
**Residual Land Value:-** No residual land value included (Assumed agricultural value of 1acre circa £8k)  
**SDLT:-** Only payable by purchaser

MARKET VARIATIONS;	without CGT	less CGT	%ROI(before CGT)
<b>House Price Drop;</b>			
Development Profit (3.8% drop BY 2022 house prices)	£ 390,781.68	£ 320,440.98	£ 23.32
Development Profit (8% drop BY 2022 house prices)	£ 300,565.68	£ 246,463.86	£ 17.94
Development Profit (10% drop BY 2022 house prices)	£ 257,605.68	£ 211,236.66	£ 15.37
<b>House Price Increase;</b>			
Development Profit (3.8% increase in 2022 house prices)	£ 529,405.68	£ 434,112.66	£ 31.60
Development Profit (4.1% increase in 2022 house prices)	£ 533,905.68	£ 437,802.66	£ 31.86
<b>Construction Cost Increase;</b>			
Development Profit (3.5% increase in build costs by 2022)	£ 426,530.48	£ 349,754.99	£ 25.46
Development Profit (5% increase in build costs by 2022)	£ 406,869.68	£ 333,633.14	£ 24.28
Development Profit (8% increase in build costs by 2022)	£ 367,548.08	£ 301,389.43	£ 21.94
<b>Construction Cost Increase &amp; House Price Drop;</b>			
Development Profit (5% increase & 4.1% drop)	£ 300,557.96	£ 246,457.53	£ 17.94