

Melton Southern Strategic Urban Extension
Scenario 1 Baseline less 163 units
15% Affordable Housing

Development Appraisal
Cushman & Wakefield (Europe) (GBP)
26 January 2018

**Melton Southern Strategic Urban Extension
Scenario 1 Baseline less 163 units**

Summary Appraisal for Merged Phases 1 2 3 4 5

Currency in £

REVENUE

| Sales Valuation | Units | m ² | Sales Rate m ² | Unit Price | Gross Sales |
|------------------------------|-----------|-------------------|---------------------------|------------|--------------------|
| Market housing floor area | 1 | 30,229.67 | 2,153.00 | 65,084,480 | 65,084,480 |
| Affordable rent floor area | 1 | 1,778.22 | 904.26 | 1,607,973 | 1,607,973 |
| Shared ownership floor space | 1 | 1,991.60 | 1,399.45 | 2,787,145 | 2,787,145 |
| Starter home floor space | 1 | 1,564.83 | 1,722.40 | 2,695,263 | 2,695,263 |
| Market housing floor area | 1 | 30,229.67 | 2,153.00 | 65,084,480 | 65,084,480 |
| Affordable rent floor area | 1 | 1,778.22 | 904.26 | 1,607,973 | 1,607,973 |
| Shared ownership floor space | 1 | 1,991.60 | 1,399.45 | 2,787,145 | 2,787,145 |
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| Shared ownership floor space | 1 | 1,991.60 | 1,399.45 | 2,787,145 | 2,787,145 |
| Starter home floor space | 1 | 1,564.83 | 1,722.40 | 2,695,263 | 2,695,263 |
| Totals | 20 | 177,821.60 | | | 360,874,303 |

Additional Revenue

| | |
|-----------------------|------------|
| Employment land sales | 2,965,200 |
| Employment land sales | 2,965,200 |
| Employment land sales | 2,965,200 |
| Employment land sales | 2,965,200 |
| Employment land sales | 2,965,200 |
| | 14,826,000 |

NET REALISATION

375,700,303

OUTLAY

ACQUISITION COSTS

| | | |
|--------------------|------------|------------|
| Residualised Price | 24,512,857 | 24,512,857 |
| Stamp Duty | 5.00% | 1,225,643 |
| Agent Fee | 1.00% | 245,129 |
| Legal Fee | 0.50% | 122,564 |
| | | 1,593,336 |

CONSTRUCTION COSTS

| Construction | m ² | Build Rate m ² | Cost |
|------------------------------|----------------|---------------------------|------------|
| Market housing floor area | 30,229.67 | 1,042.00 | 31,499,316 |
| Affordable rent floor area | 1,778.22 | 1,042.00 | 1,852,905 |
| Shared ownership floor space | 1,991.60 | 1,042.00 | 2,075,247 |
| Starter home floor space | 1,564.83 | 1,042.00 | 1,630,553 |
| Market housing floor area | 30,229.67 | 1,042.00 | 31,499,316 |
| Affordable rent floor area | 1,778.22 | 1,042.00 | 1,852,905 |
| Shared ownership floor space | 1,991.60 | 1,042.00 | 2,075,247 |
| Starter home floor space | 1,564.83 | 1,042.00 | 1,630,553 |
| Market housing floor area | 30,229.67 | 1,042.00 | 31,499,316 |
| Affordable rent floor area | 1,778.22 | 1,042.00 | 1,852,905 |
| Shared ownership floor space | 1,991.60 | 1,042.00 | 2,075,247 |
| Starter home floor space | 1,564.83 | 1,042.00 | 1,630,553 |
| Market housing floor area | 30,229.67 | 1,042.00 | 31,499,316 |

APPRAISAL SUMMARY**CUSHMAN & WAKEFIELD (EUROPE) (GBP)****Melton Southern Strategic Urban Extension****Scenario 1 Baseline less 163 units**

| | | | | |
|------------------------------|-------------------|----------|--------------------|--------------------|
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| Shared ownership floor space | 1,991.60 | 1,042.00 | 2,075,247 | |
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| Market housing floor area | 30,229.67 | 1,042.00 | 31,499,316 | |
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| Shared ownership floor space | 1,991.60 | 1,042.00 | 2,075,247 | |
| Starter home floor space | <u>1,564.83</u> | 1,042.00 | <u>1,630,553</u> | |
| Totals | 177,821.60 | | 185,290,107 | 185,290,107 |

| | | | | |
|---------------------------|--|-------|------------|------------|
| Contingency | | 3.00% | 5,558,703 | |
| Primary sub stations | | | 5,000,000 | |
| Special school | | | 702,244 | |
| Primary school | | | 6,641,000 | |
| Secondary school | | | 8,000,000 | |
| Community hall | | | 1,250,000 | |
| Southern distributor road | | | 29,600,000 | |
| | | | | 56,751,947 |

Other Construction

| | | | | |
|---------------------------------|--|--|---------|-----------|
| Employment land servicing costs | | | 494,200 | |
| Employment land servicing costs | | | 494,200 | |
| Employment land servicing costs | | | 494,200 | |
| Employment land servicing costs | | | 494,200 | |
| Employment land servicing costs | | | 494,200 | |
| | | | | 2,471,000 |

PROFESSIONAL FEES

| | | | | |
|-------------------|--|-------|------------|------------|
| Professional fees | | 8.00% | 15,020,889 | |
| | | | | 15,020,889 |

DISPOSAL FEES

| | | | | |
|---------------------------------|--|-------|------------|------------|
| Marketing, sales and legal fees | | 3.50% | 12,630,601 | |
| | | | | 12,630,601 |

FINANCE

| | | | | |
|---|--|--|--|---------|
| Debit Rate 6.500%, Credit Rate 0.000% (Nominal) | | | | |
| Total Finance Cost | | | | 830,765 |

TOTAL COSTS**299,101,502****PROFIT****76,598,801****Performance Measures**

| | |
|-----------------|--------|
| Profit on Cost% | 25.61% |
| Profit on GDV% | 21.23% |
| Profit on NDV% | 21.23% |

IRR 39.92%

Profit Erosion (finance rate 6.500) 3 yrs 6 mths