

West of Braintree Garden Community
Andrewsfield New Settlement Consortium
Illustrative Viability Appraisal - November 2019 v0.8ii
Braintree District Land only

Development Appraisal
Prepared by GL Hearn
GL Hearn
20 February 2020

APPRAISAL SUMMARY

GL HEARN

West of Braintree Garden Community Andrewsfield New Settlement Consortium Illustrative Viability Appraisal - November 2019 v0.8ii

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Private Residential	5814	5,671,901	390.00	380,468	2,212,041,504
Shared Ownership	997	915,073	285.00	261,581	260,795,842
Affordable Rent	<u>1495</u>	<u>1,264,258</u>	190.00	160,675	<u>240,208,942</u>
Totals	8,306	7,851,232			2,713,046,288

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Employment Area 1	1	156,092	12.00	1,873,098	1,873,098	1,873,098
Foodstore 1	1	27,997	20.00	559,936	559,936	559,936
District/Local Centre Retail/Leisure 1	1	27,997	13.00	363,958	363,958	363,958
Employment Area 2	1	156,092	12.00	1,873,098	1,873,098	1,873,098
Foodstore 2	1	27,997	20.00	559,936	559,936	559,936
District/Local Centre Retail/Leisure 2	<u>1</u>	<u>27,997</u>	13.00	363,958	<u>363,958</u>	<u>363,958</u>
Totals	6	424,170			5,593,985	5,593,985

Investment Valuation

Employment Area 1

Market Rent	1,873,098	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	25,007,984

Foodstore 1

Current Rent	559,936	YP @	5.0000%	20.0000	11,198,720
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District/Local Centre Retail/Leisure 1

Current Rent	363,958	YP @	10.0000%	10.0000	3,639,584
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Employment Area 2

Market Rent	1,873,098	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	25,007,984

Foodstore 2

Current Rent	559,936	YP @	5.0000%	20.0000	11,198,720
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District/Local Centre Retail/Leisure 2

Current Rent	363,958	YP @	10.0000%	10.0000	3,639,584
					79,692,576

GROSS DEVELOPMENT VALUE

2,792,738,864

NET REALISATION

2,792,738,864

OUTLAY

ACQUISITION COSTS

Residualised Price (1,633.00 Acres 118,251.22 pAcre)			193,104,234		
					193,104,234
Stamp Duty		4.00%	7,724,169		
Agent Fee		1.00%	1,931,042		
Legal Fee		0.50%	965,521		
Town Planning			1,000,000		
Survey			1,000,000		
					12,620,733

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Employment Area 1	173,435 ft ²	100.00 pft ²	17,343,500	
Foodstore 1	34,996 ft ²	120.00 pft ²	4,199,520	
District/Local Centre Retail/Leisure 1	34,996 ft ²	120.00 pft ²	4,199,520	
Employment Area 2	173,435 ft ²	100.00 pft ²	17,343,500	
Foodstore 2	34,996 ft ²	120.00 pft ²	4,199,520	
District/Local Centre Retail/Leisure 2	34,996 ft ²	120.00 pft ²	4,199,520	
Private Residential	5,877,618 ft ²	146.00 pft ²	858,132,216	
Shared Ownership	948,262 ft ²	146.00 pft ²	138,446,297	
Affordable Rent	<u>1,310,111 ft²</u>	<u>146.00 pft²</u>	<u>191,276,278</u>	
Totals	8,622,846 ft²		1,239,339,872	1,239,339,872

Contingency		10.00%	165,554,298		
Infrastructure	8,306 un	53,208.00 /un	441,945,648		
					607,499,946

PROFESSIONAL FEES

Professional Fees		10.00%	165,554,298		165,554,298
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MARKETING & LETTING

Marketing		1.00%	19,866,516		
Letting Agent Fee		10.00%	559,398		
Letting Legal Fee		5.00%	279,699		
					20,705,613

DISPOSAL FEES

Sales Agent Fee		1.00%	27,927,389		
Sales Legal Fee		0.25%	6,981,847		
					34,909,236

FINANCE

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)

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Construction	106,105	
Other	(39,649,864)	
Total Finance Cost		(39,543,759)
TOTAL COSTS		2,234,190,173
PROFIT		558,548,691

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
Development Yield% (on Rent)	0.25%
Equivalent Yield% (Nominal)	6.72%
Equivalent Yield% (True)	7.02%
IRR	61.33%
Rent Cover	99 yrs 10 mths
Profit Erosion (finance rate 6.000%)	3 yrs 9 mths
Land Cost pAcre	118,251