

29<sup>th</sup> November 2019

Mrs. Andrea Copsey  
Examination Office  
PO Box 12607  
Clacton-on-Sea  
Essex  
CO15 9GN

Dear Mrs Copsey

**Re: EXD/068 Illustrative Viability Appraisal, GL Hearn on behalf of Andrewsfield New Settlement Consortium**

Thank you for your request to provide the supporting cashflow summary which accompanies the appraisal submitted on 11<sup>th</sup> September.

In preparing the cashflow ready for submission, we have identified two amendments which require adjustment. They are as follows

1. updated development mix
2. adjusted credit interest rate for positive cashflow

We have applied the above and attach to this letter an updated appraisal and supporting cashflow. The impact of the changes between the two versions are shown below for comparison.

| <b>Issue</b>             | <b>11 September 2019 Appraisal</b>                                    | <b>29 November 2019 Appraisal</b>                                     |
|--------------------------|---|---|
| Development Mix          | Total of 8,516 units, 22% affordable housing                          | Total of 8,306 units, 30% affordable housing                          |
| Credit Interest Position | Debit interest 6%<br>Credit interest 0%                               | Debit Interest 6%<br>Credit interest 0.5%                             |
| KPI Impact               | Residual Land Price –<br>£183,619,411 (£112,443 acre)<br>IRR – 48.05% | Residual Land Price –<br>£185,986,782 (£113,892 acre)<br>IRR – 62.38% |

We can confirm the updated appraisal assumes a delivery rate of 300 dwellings per annum (dpa).

Finally, we can confirm the site area we have applied to the appraisal is 661 Ha (1633 acres). To aid understanding we have added the 'per acre' price onto the updated appraisals. This represents the land in the control of our client.

I trust this is sufficient to provide a clear position, but should you have any further questions regarding the changes please do contact the team.

Yours sincerely

**GL Hearn**