

West of Braintree Garden Community
Andrewsfield New Settlement Consortium
Illustrative Viability Appraisal - September 2019
Braintree District Land only

**West of Braintree Garden Community
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Illustrative Viability Appraisal - September 2019**

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Private Residential	6643	6,379,905	390.00	374,554	2,488,162,775
Shared Ownership	562	507,801	285.00	257,515	144,723,185
Affordable Rent	<u>1311</u>	<u>1,091,424</u>	190.00	158,177	<u>207,370,493</u>
Totals	8,516	7,979,129			2,840,256,453

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

2,919,949,029

NET REALISATION

2,919,949,029

OUTLAY

ACQUISITION COSTS

Residualised Price			183,619,411		183,619,411
Stamp Duty		4.00%	7,344,776		
Agent Fee		1.00%	1,836,194		
Legal Fee		0.50%	918,097		
Town Planning			1,000,000		
Survey			1,000,000		
					12,099,068

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Employment Area 1	173,435 ft ²	100.00 pf ²	17,343,500	
Foodstore 1	34,996 ft ²	120.00 pf ²	4,199,520	
District/Local Centre Retail/Leisure 1	34,996 ft ²	120.00 pf ²	4,199,520	
Employment Area 2	173,435 ft ²	100.00 pf ²	17,343,500	
Foodstore 2	34,996 ft ²	120.00 pf ²	4,199,520	
District/Local Centre Retail/Leisure 2	34,996 ft ²	120.00 pf ²	4,199,520	
Private Residential	6,715,689 ft ²	146.00 pf ²	980,490,594	
Shared Ownership	534,527 ft ²	146.00 pf ²	78,040,942	
Affordable Rent	<u>1,148,867 ft²</u>	146.00 pf ²	<u>167,734,582</u>	
Totals	8,885,937 ft²		1,277,751,198	1,277,751,198
Contingency		10.00%	170,512,799	
Infrastructure	8,516 un	53,208.00 /un	453,119,328	
				623,632,127

APPRAISAL SUMMARY**GL HEARN**

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PROFESSIONAL FEES			
Professional Fees	10.00%	170,512,799	170,512,799
MARKETING & LETTING			
Marketing	1.00%	20,461,536	
Letting Agent Fee	10.00%	559,398	
Letting Legal Fee	5.00%	279,699	
			21,300,634
DISPOSAL FEES			
Sales Agent Fee	1.00%	29,199,490	
Sales Legal Fee	0.25%	7,299,873	
			36,499,363
FINANCE			
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Land		1,891,178	
Construction		248,765	
Other		8,404,684	
Total Finance Cost			10,544,627
TOTAL COSTS			2,335,959,225
PROFIT			583,989,804
Performance Measures			
Profit on Cost%	25.00%		
Profit on GDV%	20.00%		
Profit on NDV%	20.00%		
Development Yield% (on Rent)	0.24%		
Equivalent Yield% (Nominal)	6.72%		
Equivalent Yield% (True)	7.02%		
IRR	48.05%		
Rent Cover	104 yrs 5 mths		
Profit Erosion (finance rate 6.000%)	3 yrs 9 mths		