

Panther House
May 2021

Development Appraisal
Affordable Housing Solutions
14 May 2021

APPRAISAL SUMMARY**AFFORDABLE HOUSING SOLUTIONS**

Panther House
May 2021

Appraisal Summary for Phase 1

Currency in £

REVENUE

| Sales Valuation | Units | ft² | Sales Rate ft² | Unit Price | Gross Sales |
|------------------------|--------------|---------------|-----------------------|-------------------|--------------------|
| Private Residential | 12 | 11,452 | 1,422.90 | 1,357,917 | 16,295,000 |
| Affordable Residential | <u>3</u> | <u>1,829</u> | 382.72 | 233,333 | <u>700,000</u> |
| Totals | 15 | 13,281 | | | 16,995,000 |

Rental Area Summary

| | Units | ft² | Rent Rate ft² | Initial MRV/Unit | Net Rent at Sale |
|---------------|--------------|---------------|----------------------|-------------------------|-------------------------|
| Ground Rents | 1 | | | 5,052 | 5,052 |
| Office | 1 | 67,111 | 59.74 | 4,009,211 | 4,009,211 |
| Retail | <u>1</u> | <u>2,938</u> | 60.00 | 176,280 | <u>176,280</u> |
| Totals | 3 | 70,049 | | | 4,190,543 |

Investment Valuation**Ground Rents**

| | | | | | |
|--------------|-------|------|---------|---------|--------|
| Current Rent | 5,052 | YP @ | 5.5000% | 18.1818 | 91,855 |
|--------------|-------|------|---------|---------|--------|

Office

| | | | | | |
|------------------|-----------|-----------|---------|---------|------------|
| Market Rent | 4,009,211 | YP @ | 4.5000% | 22.2222 | |
| (2yrs Rent Free) | | PV 2yrs @ | 4.5000% | 0.9157 | 81,585,660 |

Retail

| | | | | | |
|-----------------|---------|----------|---------|---------|-----------|
| Market Rent | 176,280 | YP @ | 4.5000% | 22.2222 | |
| (1yr Rent Free) | | PV 1yr @ | 4.5000% | 0.9569 | 3,748,644 |

Total Investment Valuation

85,426,159

GROSS DEVELOPMENT VALUE

102,421,159

Purchaser's Costs

(4,954,717)

Effective Purchaser's Costs Rate

5.80%

(4,954,717)

NET DEVELOPMENT VALUE

97,466,442

NET REALISATION

97,466,442

OUTLAY**ACQUISITION COSTS**

| | | | | |
|--------------------|-------|------------|--|------------|
| Residualised Price | | 14,601,482 | | 14,601,482 |
| Stamp Duty | 4.00% | 584,059 | | |
| Agent Fee | 1.00% | 146,015 | | |
| Legal Fee | 0.80% | 116,812 | | |
| | | | | 846,886 |

CONSTRUCTION COSTS

| Construction | Units | Unit Amount | Cost |
|--------------------------|--------------|--------------------|-------------|
| Build Costs | | | |
| - Construction Breakdown | | | 42,140,000 |

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| | | | |
|---|--------|-----------|-------------------|
| Contingency | 5.00% | 2,107,000 | |
| s106 | | 852,011 | |
| CIL | | 649,313 | |
| | | | 45,748,324 |
| Other Construction | | | |
| Other Fees | | 2,556,240 | |
| | | | 2,556,240 |
| PROFESSIONAL FEES | | | |
| Fees | 12.00% | 5,363,549 | |
| | | | 5,363,549 |
| MARKETING & LETTING | | | |
| Letting Agent Fee | 10.00% | 418,549 | |
| Letting Legal Fee | 5.00% | 209,275 | |
| | | | 627,824 |
| DISPOSAL FEES | | | |
| Sales Agent Fee | 2.50% | 2,560,529 | |
| Sales Legal Fee | 0.50% | 487,332 | |
| | | | 3,047,861 |
| FINANCE | | | |
| Debit Rate 6.750%, Credit Rate 0.000% (Nominal) | | | |
| Land | | 3,123,385 | |
| Construction | | 3,678,400 | |
| Total Finance Cost | | | 6,801,785 |
| TOTAL COSTS | | | 79,593,950 |
| PROFIT | | | 17,872,492 |

Performance Measures

| | |
|-------------------------------------|--------------|
| Profit on Cost% | 22.45% |
| Profit on GDV% | 17.45% |
| Profit on NDV% | 18.34% |
| Development Yield% (on Rent) | 5.26% |
| Equivalent Yield% (Nominal) | 4.50% |
| Equivalent Yield% (True) | 4.63% |
| IRR% (without Interest) | 21.57% |
| Rent Cover | 4 yrs 3 mths |
| Profit Erosion (finance rate 6.750) | 3 yrs |

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| |
|------------------|
| Initial |
| MRV |
| 5,052 |
| 4,009,211 |
| <u>176,280</u> |
| 4,190,543 |

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