



**Lambert
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Land at Viver Green, Milnthorpe, South Lakeland

Financial Viability Review Addendum

On instruction of

South Lakeland District Council

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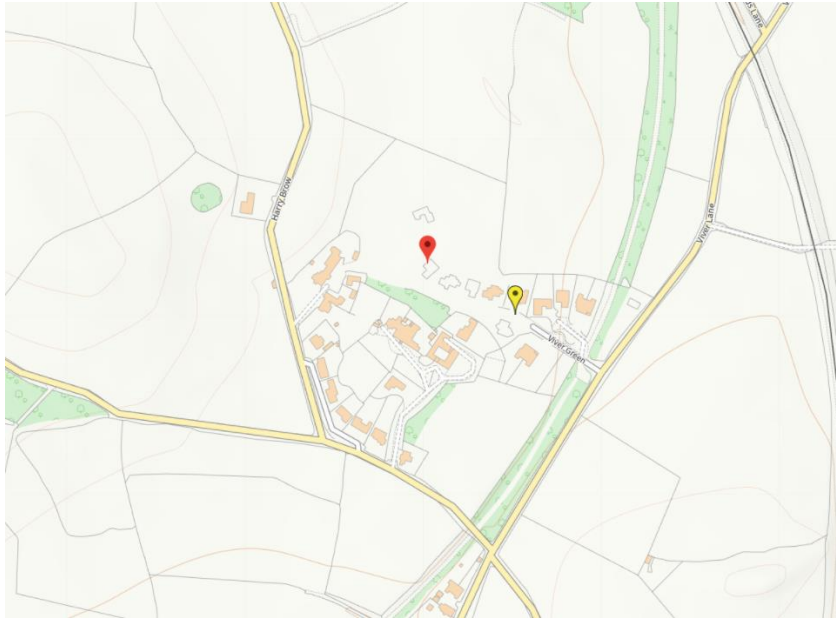
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1 Introduction

- 1.1 Lambert Smith Hampton (LSH) has been appointed by South Lakeland District Council (the Council) to review the Financial Viability Appraisal (FVA) submitted by Tretonia Ltd concerning the proposed development on land at Viver Green, Milnthorpe.
- 1.1 This FVA has been prepared in accordance with the *Financial Viability in Planning: Conduct and Reporting (1st edition)* RICS Professional Statement ⁷ dated May 2019 and effective from 1 September 2019 ('the Professional Statement'). This document sets out mandatory requirements on conduct and reporting in relation to FVAs for planning in England to demonstrate how a reasonable, objective and impartial outcome should be arrived at. It also aims to support and complement the government's reforms to the planning process announced in July 2018 and any subsequent updates.
- 1.2 This addendum should be read in conjunction with Version 1 of the Viver Green Viability Assessment dated February 2021. The purpose of this addendum is to update costs and revenues to reflect the changes in the local market in the 13 months since the initial viability was undertaken.

2 The Proposed Development

- 2.1 The planning application that has been submitted to the Council proposes 22 large dwellings with a focus on high environmental standard. The site is shown below:



- 2.2 The breakdown of accommodation is as follows:

Name	No.	Type	Unit Size (sq. ft.)
Plot 7	1	Detached	2674
Plot 8	1	Detached	2911
Plot 9	1	Detached	2674
Plot 10	1	Detached	2911
Plot 11	1	Detached	3405
Plot 12	1	Detached	2873
Plot 13	1	Detached	3405
Plot 14	1	Detached	2873
Plot 15	1	Semi Detached	1936
Plot 16	1	Semi Detached	1847
Plot 17	1	Detached	2869
Plot 18	1	Apartment	833
Plot 19	1	Apartment	832
Plot 20	1	Semi Detached	1202
Total	14		33244

- 2.3 The original application did not attract an affordable housing contribution as it did not meet the threshold set out in the local plan; however the latest scheme for a total of 22 units is required to provide 7 affordable units under the Local Plan Policy.
- 2.4 Eight of the units have already been sold by a previous owner of the site. this development (Egg Homes) was dissolved and the lender acquired the site. The Lender is Tretonia UK Ltd

and they are now arguing that the only way to move forward with the scheme is with zero affordable contribution.

- 2.5 Tretonia UK have submitted a viability assessment in support of this argument. .
- 2.6 LSH has reviewed the assumptions made within the FVA, commenting on the validity of the assumptions. Accounting for our review of the assumptions made and alternate assumptions recommended, a revised development appraisal is provided.
- 2.7 The findings of our review, with particular consideration to the capacity of the development to provide affordable housing as part of a S106, are set out in the conclusions.

3 Market Context

Local House Prices

- 3.1 South Lakeland is a popular location to live, with healthy market demand from residents, including in specialist residential sectors (i.e. affordable housing, retirement, extra care).
- 3.2 Table 3.1 shows the average sales prices of each property type over the last 12 months and the number of sales in which the figures are based on. The data has been presented for Local LA7 7 post code area. The application site is situated within this post code area.

Table 3.1 Average sale price for different property types

	Detached	Semi-Detached	Terraced	Flat	Average £/ Total Sales
LA7 7	£425,140 (22 sales)	£261,833 (18 sales)	£172,588 (11 sales)	£134,250 (6 sales)	£295,557 (57 sales)

- 3.3 Table 3.1 shows that in the LA7 7 postcode area the highest number of sales were detached properties, followed by semi-detached, terraced, and flats.
- 3.4 Table 3.2 provides comparable evidence for residential properties within a 1.5 mile radius of the subject site over the past 36 months. It identifies 31 such sales, with an average sales price of £255.79/sq. ft. The adjusted current market value for these properties (calculated upon Land Registry price paid and UK House Price Index data) is £281.13/sq. ft.

Address	Sold Price	Price per sq ft
8, Sycamore Grove, Ackenthwaite, Milnthorpe, Cumbria LA7 7DS	£270,010	£292
55, Owlet Ash Fields, Milnthorpe, Cumbria LA7 7DP	£154,000	£154
2, Heversham Gardens, Heversham, Milnthorpe, Cumbria LA7 7RA	£412,500	£280
Loen, Woodhouse Lane, Heversham, Milnthorpe, Cumbria LA7 7EW	£337,500	£288
3, Applegarth, Leasgill, Milnthorpe, Cumbria LA7 7FD	£417,500	£303
Flat 6, Springfield, Heversham, Milnthorpe, Cumbria LA7 7EJ	£150,000	£212
41, Dugg Hill, Heversham, Milnthorpe, Cumbria LA7 7EF	£259,500	£287
50, Church Street, Milnthorpe, Cumbria LA7 7DZ	£225,000	£258
Curlew Cottage, High Haverflatts, Milnthorpe, Cumbria LA7 7DG	£317,500	£304
St. Peters Cottage, Woodhouse Lane, Heversham, Milnthorpe, Cumbria LA7 7EW	£246,000	£222
Stonethwaite, Woodhouse Lane, Heversham, Milnthorpe, Cumbria LA7 7EW	£365,000	£365
Hazelbank, Heversham, Milnthorpe, Cumbria LA7 7EJ	£278,000	£319
48, Church Street, Milnthorpe, Cumbria LA7 7DZ	£270,000	£264
40, Owlet Ash Fields, Milnthorpe, Cumbria LA7 7DA	£140,000	£140
The Paddock, Crooklands, Milnthorpe, Cumbria LA7 7NL	£378,500	£193
Beechwood, Wellheads Lane, Sedgwick, Kendal, Cumbria LA8 0JT	£463,500	£187
2, Leasgill Cottages, Leasgill, Milnthorpe, Cumbria LA7 7EU	£186,000	£270
Milton Bungalow, Crooklands, Milnthorpe, Cumbria LA7 7NL	£381,000	£297
4, Park House Drive, Heversham, Milnthorpe, Cumbria LA7 7EG	£298,000	£252
25, Owlet Ash Fields, Milnthorpe, Cumbria LA7 7DA	£79,650	£79
16, Owlet Ash Fields, Milnthorpe, Cumbria LA7 7DA	£164,000	£167
Sundown, Heversham, Milnthorpe, Cumbria LA7 7EQ	£450,000	£253
The Willows, Dugg Hill, Heversham, Milnthorpe, Cumbria LA7 7EF	£515,000	£220
Tidal Reaches, Heversham, Milnthorpe, Cumbria LA7 7EB	£550,000	£239
1, Wellhead Cottages, Wellheads Lane, Sedgwick, Kendal, Cumbria LA8 0JT	£235,000	£303
3, Viver Green, Hincaster, Milnthorpe, Cumbria LA7 7FR	£840,000	£317
10, Haverwood, Woodhouse, Milnthorpe, Cumbria LA7 7LN	£425,000	£349
58, Church Street, Milnthorpe, Cumbria LA7 7DZ	£295,000	£227
20, Dugg Hill, Heversham, Milnthorpe, Cumbria LA7 7EF	£305,000	£388
109, Owlet Ash Fields, Milnthorpe, Cumbria LA7 7DR	£95,000	£142
43, Dugg Hill, Heversham, Milnthorpe, Cumbria LA7 7EF	£335,000	£358
Average	£317,360	£256

Table 3.2 Comparable sales

- 3.5 On a more specific basis – the first phase of development on the subject site has delivered an average sales value of £258.11/sq. ft.
- 3.6 Based on the comparable evidence, we would suggest new build open market sales values for the subject site will be in the range of £285/sq. ft. - £305/sq. ft.

4 Assessment of Applicants Viability Assumptions

- 4.1 The proposed development comprises of 14 residential units providing a mix of detached, semi-detached and apartment units.

Value of the Completed Development

- 4.2 The applicant has submitted market commentary which considers the local market and has input from a local agent arriving at the following GDVs for the units:

Plot	Low	High	M ² (Ex Garage)	£/m ²	M ² (Inc Garage)	£/m ²
7	£850,000	£875,000	248.4	3,523	286.1	3,058
8	£825,000	£850,000	270.4	3,143	305.5	2,782
9	£825,000	£850,000	248.4	3,422	286.1	2,971
10	£825,000	£900,000	270.4	3,328	305.5	2,946
11	£825,000	£900,000	316.3	2,845	360.6	2,496
12	£850,000	£950,000	266.9	3,559	303.9	3,126
13	£825,000	£900,000	316.3	2,845	360.6	2,496
14	£850,000	£950,000	266.9	3,559	303.9	3,126
15	£550,000	£575,000	179.9	3,196	190.3	3,022
16	£550,000	£575,000	171.6	3,351	182.6	3,149
17	£825,000	£900,000	266.5	3,377	304.4	2,957
Total		£9,225,000	2,822	£3,269	3,189.5	£2,892

- 4.3 LSH's own market research identifies that existing stock units achieve values close to this and the HPI adjusted figures show that existing stock values are as high as £284/sq. ft.
- 4.4 The applicant has allowed for a blended average value of £301/sq. ft. for the units in the second phase of the development.
- 4.5 As a result we have used a value of £285/sq. ft. for the larger units, up to £305/sq. ft. for the smaller units to reflect the new build premium that will be commanded by this site.

Scheme Costs

Construction Costs

- 4.6 The applicant has identified a total build cost for the units of £181.43/sq. ft. which is above average build costs for the North West. We understand however that the site is not straight forward and in isolation the 14 units will not generate great levels of economies of scale. We understand further that this development is basing its selling point on attractive design and very high environmental standards. The applicant has provided an elemental cost plan to support the build cost submitted. LSH understands that this cost plan has been produced by an independent quantity surveyor CMC.

4.7 Upon interrogation of the total figure of £181.43/sq. ft. from the applicants viability report, LSH can devise that this figure is predominantly made up of the following:

- Substructures @ £6.50/sq. ft.
- Superstructures @ £74.37/sq. ft.
- Internal Fixtures @ £14.04/sq. ft.
- Fixtures and Fittings @£10.87/sq. ft.
- Services @ £42.21/sq. ft.
- Existing Buildings @£2.31/sq. ft.
- External Works @ £24.57/sq. ft.

4.8 LSH therefore considers that the 'Base Build' applied by the applicant (which is the cost that can be compared against BCIS Data) is £154.55/sq. ft. This figure is devised from taking the gross figure of £181.43/sq. ft. and omitting the costs for existing buildings and external works.

4.9 LSH has sense checked the build cost against BCIS and notes that on average, small scale detached estate housing upper quartiles equate to £1,695/sqm which works back to £157.46/sq. ft. LSH has applied a 5% premium to this figure to reflect the bespoke and sustainable nature of the proposed development, resulting in a figure of £162.18/sq ft

4.10 At £154.55/sq. ft., the applicant is c.4% lower than the adjusted BCIS figure.

External Costs

4.11 The applicant has allowed for the price of external costs of £24.57/sq. ft. which equates to a percentage of 13.5% which is in line with what LSH would consider to be reasonable parameters. LSH would consider any cost between 10% and 15% to be normal on a scheme such as these. For the purposes of the appraisal, LSH has adopted the same itemised figure as is provided within the cost plan.

Professional Fees

4.12 The applicant has allowed for professional fees of c.6.5% of the build cost which is within industry standard and we consider it acceptable as such.

Abnormal Costs

4.13 Abnormal costs are individually itemised within the cost plan submitted by the developer. LSH has applied a flat rate for abnormal costs of 10% of base build cost. The resultant total build cost is within 3% of the total build cost applied by the developer which leads LSH to conclude that the itemised abnormal items within the submitted cost plan are reasonable.

CIL

- 4.14 The applicant has not allowed for CIL within their appraisal. LSH is not aware of a concession from SLDC on CIL in this location or specifically on this development. As a result, LSH has applied a CIL cost in line with the charging schedule with indexation.

Finance Costs

- 4.15 The applicant has allowed for Finance cost of 6.25% which LSH considers to be within the industry standard parameters.

Land Value

- 4.16 The applicant has assumed a benchmark land value of £0 based on the existing use value of the scheme as it is today. In reality, a reasonable landowner would want to see a value attributable to any asset on the open market.

Recommended Appraisal Assumptions

- 4.17 Based upon our assessment of the applicants appraisal assumptions, table 3.2 provides our own recommended assumptions compared to the applicants own assumptions:

Table 3.2: LSH recommended appraisal assumptions

Item	Applicant Assumption	LSH Assumption	Comments
OMV	£10,036,023	£9,875,319	Market Increase since Feb 21 Appraisal
Land Value	£0	£0	LSH accepts the approach to land value within the applicants' appraisal.
Base Build Cost	£154.55/sq. ft.	£162.18/sq. ft.	Market Increase since Feb 21 Appraisal
External Costs	£841,340	£841,340	No Change
Sales and marketing costs	4.5% GDV	4.5% GDV	No Change
Target Profit	17.5% GDV	17.5% GDV	No Change
Total GDC	£8,279,719	£8,216,899	LSH costs marginally lower as per build cost sense check with BCIS.

- 4.16 Below is a table summary of LSH's land appraisal taking into account the above inputs. LSH's appraisal demonstrates a c.£69,761 deficit on the land value/profit level . As the land value is already set at £0, the deficit must be considered In the context of developers' profit. This would reduce developers profit from an acceptable level of 17.5% to c. 16.75%.

LSH Development Appraisal Summary @ 0% Affordable	
Input	Values
GDV	£9,875,319

Base Build	£162.18/sq. ft.
Externals	£841,340
Finance	£100,632
Profit	£1,728,181
Surplus/Deficit	-£69,761

- 4.18 LSH has been asked to undertake 2 further appraisals by SLDC. 'Appraisal 2' that demonstrates the scheme delivering 5no. affordable units and 'Appraisal 3' which demonstrates a 'more standard build' of units.
- 4.19 For the purposes of Appraisal 2, LSH has assumed that 5no. shared ownership units are provided on the scheme, with a value of c.75% of OMV. The result of this appraisal is a reduction in GDV of c.£600,000. The resulting profit level with a fixed land value of £0 falls to 11.44%. This Appraisal can be found in Appendix 2 of this Addendum.
- 4.20 For the purposes of Appraisal 3, LSH has removed the 5% premium on base build from the development. To reflect the lower specification of the units, LSH has also reduced OMVs of the scheme by £10/sq ft for each unit. The output of this appraisal is a profit level of 13.38% on GDV. This Appraisal can be found in Appendix 3 of this addendum.

5 Findings and Conclusions

- 5.1 LSH has provided SLDC with an addendum to the viability review dated February 2021, and has updated market sensitive figures.
- 5.2 LSH has provided SLDC with two further appraisal scenarios, firstly one that demonstrates 5no. affordable units on site, and secondly one that demonstrates a reduced specification of the build.
- 5.3 Both of these appraisals result in a worse performing scheme than the open market high specification scheme that the developer has presented.
- 5.4 Whilst there has been an increase in sales values in the area over the intervening 12 months, there has also been an increase in costs, both related to labour and materials. Using BCIS data LSH has demonstrated that the value growth does not outstrip the rise in build costs to a level that results in the development being profitable enough to viably provide affordable housing.
- 5.5 Therefore, LSH conclusions remain constant with the report undertaken in February 2021 – and are reiterated below.
- 5.6 **In conclusion, LSH would advise South Lakeland District Council that the subject development at Viver Green is unlikely to be delivered if affordable housing contributions are levied on the development.**
- 5.7 **The development is currently unviable using standard industry inputs including CIL at 2021 indexed rates – however it is LSH’s view that a developer might proceed with the development at risk of an underperformance on profit, as the scheme is not likely to make a loss.**
- 5.8 **LSH has been involved with a number of sites in the North West where a developer has decided to accept a profit level below that of what is considered industry standard.**
- 5.9 **Ultimately, the decision to proceed at a less than industry standard profit (17.5% on GDV) could be agreed between the council and the developer.**

Appendix 1: LSH Residual Appraisal - Zero Affordable

APPRAISAL SUMMARY	LAMBERT SMITH HAMPTON
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Viver Green V1

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Plot 7 Detached	1	2,674	291.00	778,134	778,134
Plot 8 Detached	1	2,911	285.00	829,635	829,635
Plot 9 Detached	1	2,674	291.00	778,134	778,134
Plot 10 Detached	1	2,911	285.00	829,635	829,635
Plot 11 Detached	1	3,405	285.00	970,425	970,425
Plot 12 Detached	1	2,873	285.00	818,805	818,805
Plot 13 Detached	1	3,405	285.00	970,425	970,425
Plot 14 Detached	1	2,873	285.00	818,805	818,805
Plot 15 Semi Detached	1	1,936	285.00	551,760	551,760
Plot 16 Semi Detached	1	2,847	295.00	839,865	839,865
Plot 17 Detached	1	2,869	285.00	817,665	817,665
Plot 18 Apartment	1	833	305.00	254,065	254,065
Plot 19 Apartment	1	832	305.00	253,760	253,760
Plot 20 Semi Detached	1	<u>1,202</u>	303.00	364,206	<u>364,206</u>
Totals	14	34,245			9,875,319

NEGATIVE LAND ALLOWANCE

Residualised Price		69,761		69,761
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NET REALISATION

9,945,080

OUTLAY

ACQUISITION COSTS

Negative Land Allowance	(69,761)			
Town Planning			6,500	
Survey			12,500	
				19,000

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Plot 7 Detached	2,674 ft ²	162.18 pF	433,669	
Plot 8 Detached	2,911 ft ²	162.18 pF	472,106	
Plot 9 Detached	2,674 ft ²	162.18 pF	433,669	
Plot 10 Detached	2,911 ft ²	162.18 pF	472,106	
Plot 11 Detached	3,405 ft ²	162.18 pF	552,223	
Plot 12 Detached	2,873 ft ²	162.18 pF	465,943	
Plot 13 Detached	3,405 ft ²	162.18 pF	552,223	
Plot 14 Detached	2,873 ft ²	162.18 pF	465,943	
Plot 15 Semi Detached	1,936 ft ²	162.18 pF	313,980	
Plot 16 Semi Detached	1,847 ft ²	162.18 pF	299,546	
Plot 17 Detached	2,869 ft ²	162.18 pF	465,294	
Plot 18 Apartment	833 ft ²	162.18 pF	135,096	
Plot 19 Apartment	832 ft ²	162.18 pF	134,934	
Plot 20 Semi Detached	<u>1,202 ft²</u>	162.18 pF	<u>194,940</u>	
Totals	33,245 ft²		5,391,674	5,391,674

Contingency	5.00%	295,299		
Road/Site Works		841,340		
Statutory/LA	34,245 ft ²	6.05 pF	207,182	
				1,343,821

Other Construction

Abnormal Costs		514,300		514,300
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PROFESSIONAL FEES

Professional Fees	6.50%	403,083		403,083
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MARKETING & LETTING

Marketing	3.00%	296,260		296,260
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APPRAISAL SUMMARY**LAMBERT SMITH HAMPTON****Viver Green V1****DISPOSAL FEES**

Sales Agent Fee	1.00%	98,753	
Sales Legal Fee	0.50%	49,377	
			148,130

FINANCE

Timescale	Duration	Commences
Purchase	3	May 2021
Pre-Construction	9	Aug 2021
Construction	20	May 2022
Sale	18	Mar 2023
Total Duration	40	

Debit Rate 6.250%, Credit Rate 0.000% (Nominal)

Land	(4,599)	
Construction	105,231	
Total Finance Cost		100,632

TOTAL COSTS**8,216,899****PROFIT****1,728,181****Performance Measures**

Profit on Cost%	21.03%
Profit on GDV%	17.50%
Profit on NDV%	17.50%

IRR 192.98%

Profit Erosion (finance rate 6.250%) 3 yrs 1 mth

Appendix 2: LSH Residual Appraisal - 5no Shared Ownership

APPRAISAL SUMMARY

LAMBERT SMITH HAMPTON

Viver Green V2 5no. SO

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Plot 7 Detached	1	2,874	291.00	778,134	778,134
Plot 8 Detached	1	2,911	285.00	829,635	829,635
Plot 9 Detached	1	2,874	218.00	582,932	582,932
Plot 10 Detached	1	2,911	285.00	829,635	829,635
Plot 11 Detached	1	3,405	285.00	970,425	970,425
Plot 12 Detached	1	2,873	285.00	818,805	818,805
Plot 13 Detached	1	3,405	285.00	970,425	970,425
Plot 14 Detached	1	2,873	285.00	818,805	818,805
Plot 15 Semi Detached	1	1,938	285.00	551,780	551,780
Plot 16 Semi Detached	1	2,847	221.00	629,187	629,187
Plot 17 Detached	1	2,869	285.00	817,665	817,665
Plot 18 Apartment	1	833	229.00	190,757	190,757
Plot 19 Apartment	1	832	229.00	190,528	190,528
Plot 20 Semi Detached	1	1,202	227.00	272,854	272,854
Totals	14	34,245			9,251,547

NET REALISATION

9,251,547

OUTLAY

ACQUISITION COSTS

Town Planning	6,500
Survey	12,500
	19,000

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
Plot 7 Detached	2,874 ft ²	162.18 pF	433,669
Plot 8 Detached	2,911 ft ²	162.18 pF	472,106
Plot 9 Detached	2,874 ft ²	162.18 pF	433,669
Plot 10 Detached	2,911 ft ²	162.18 pF	472,106
Plot 11 Detached	3,405 ft ²	162.18 pF	552,223
Plot 12 Detached	2,873 ft ²	162.18 pF	465,943
Plot 13 Detached	3,405 ft ²	162.18 pF	552,223
Plot 14 Detached	2,873 ft ²	162.18 pF	465,943
Plot 15 Semi Detached	1,938 ft ²	162.18 pF	313,980
Plot 16 Semi Detached	1,847 ft ²	162.18 pF	299,546
Plot 17 Detached	2,869 ft ²	162.18 pF	465,294
Plot 18 Apartment	833 ft ²	162.18 pF	135,096
Plot 19 Apartment	832 ft ²	162.18 pF	134,934
Plot 20 Semi Detached	1,202 ft ²	162.18 pF	194,940
Totals	33,245 ft²		5,391,674

5,391,674

Contingency	5.00%	295,299	
Road/Site Works		841,340	
Statutory/LA	34,245 ft ²	6.05 pF	207,182
			1,343,821

Other Construction

Abnormal Costs	514,300
	514,300

PROFESSIONAL FEES

Professional Fees	6.50%	403,083
		403,083

MARKETING & LETTING

Marketing	3.00%	277,546
		277,546

DISPOSAL FEES

Sales Agent Fee	1.00%	92,515
Sales Legal Fee	0.50%	46,258
		138,773

FINANCE

Timescale	Duration	Commences
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APPRAISAL SUMMARY**LAMBERT SMITH HAMPTON****Viver Green V2 5no. SO**

Purchase	3	May 2021
Pre-Construction	9	Aug 2021
Construction	20	May 2022
Sale	18	Mar 2023
Total Duration	40	

Debit Rate 6.250%, Credit Rate 0.000% (Nominal)

Construction	105,231	
Total Finance Cost		105,231

TOTAL COSTS 8,193,428**PROFIT** 1,058,119**Performance Measures**

Profit on Cost%	12.91%
Profit on GDV%	11.44%
Profit on NDV%	11.44%
IRR	103.39%
Profit Erosion (finance rate 6.250%)	1 yr 12 mths

Appendix 3: LSH Residual Appraisal - Reduced Spec

APPRAISAL SUMMARY	LAMBERT SMITH HAMPTON
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Viver Green V3 Reduced Spec

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Plot 7 Detached	1	2,674	281.00	751,394	751,394
Plot 8 Detached	1	2,911	275.00	800,525	800,525
Plot 9 Detached	1	2,674	281.00	751,394	751,394
Plot 10 Detached	1	2,911	275.00	800,525	800,525
Plot 11 Detached	1	3,405	275.00	936,375	936,375
Plot 12 Detached	1	2,873	275.00	790,075	790,075
Plot 13 Detached	1	3,405	275.00	936,375	936,375
Plot 14 Detached	1	2,873	275.00	790,075	790,075
Plot 15 Semi Detached	1	1,936	275.00	532,400	532,400
Plot 16 Semi Detached	1	1,847	285.00	526,395	526,395
Plot 17 Detached	1	2,869	275.00	788,975	788,975
Plot 18 Apartment	1	833	295.00	245,735	245,735
Plot 19 Apartment	1	832	295.00	245,440	245,440
Plot 20 Semi Detached	1	1,202	293.00	352,186	352,186
Totals	14	33,245			9,247,869

NET REALISATION

9,247,869

OUTLAY

ACQUISITION COSTS

Town Planning	6,500
Survey	12,500
Totals	19,000

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
Plot 7 Detached	2,674 ft ²	157.46 pf ²	421,048
Plot 8 Detached	2,911 ft ²	157.46 pf ²	458,366
Plot 9 Detached	2,674 ft ²	157.46 pf ²	421,048
Plot 10 Detached	2,911 ft ²	157.46 pf ²	458,366
Plot 11 Detached	3,405 ft ²	157.46 pf ²	536,151
Plot 12 Detached	2,873 ft ²	157.46 pf ²	452,383
Plot 13 Detached	3,405 ft ²	157.46 pf ²	536,151
Plot 14 Detached	2,873 ft ²	157.46 pf ²	452,383
Plot 15 Semi Detached	1,936 ft ²	157.46 pf ²	304,843
Plot 16 Semi Detached	1,847 ft ²	157.46 pf ²	290,829
Plot 17 Detached	2,869 ft ²	157.46 pf ²	451,753
Plot 18 Apartment	833 ft ²	157.46 pf ²	131,164
Plot 19 Apartment	832 ft ²	157.46 pf ²	131,007
Plot 20 Semi Detached	1,202 ft ²	157.46 pf ²	189,267
Totals	33,245 ft²		5,234,758

5,234,758

Contingency	5.00%	287,453	
Road/Site Works		841,340	
Statutory/LA	33,245 ft ²	6.05 pf ²	201,132
Totals			1,329,925

Other Construction

Abnormal Costs	514,300
Totals	514,300

PROFESSIONAL FEES

Professional Fees	6.50%	392,373
Totals		392,373

MARKETING & LETTING

Marketing	3.00%	277,436
Totals		277,436

DISPOSAL FEES

Sales Agent Fee	1.00%	92,479
Sales Legal Fee	0.50%	46,239
Totals		138,718

FINANCE

Timescale	Duration	Commences
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APPRAISAL SUMMARY**LAMBERT SMITH HAMPTON****Viver Green V3 Reduced Spec**

Purchase	3	May 2021
Pre-Construction	9	Aug 2021
Construction	20	May 2022
Sale	18	Mar 2023
Total Duration	40	

Debit Rate 6.250%, Credit Rate 0.000% (Nominal)

Construction	103,533	
Total Finance Cost		103,533

TOTAL COSTS **8,010,043****PROFIT** **1,237,826****Performance Measures**

Profit on Cost%	15.45%
Profit on GDV%	13.38%
Profit on NDV%	13.38%

IRR 119.18%

Profit Erosion (finance rate 6.250%) 2 yrs 4 mths