



Viability Report

Commercially Sensitive Information

Carr Lane, Prescott, Merseyside

August 2023

For:

Partner Construction Limited

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1 Introduction

This report and accompanying appraisals have been collated in order to test whether or not the development as proposed on the site at Carr Lane, Prescot can sustain the provision of any S106 contributions as required by Knowsley Council (The Council). The report has been prepared on behalf of our client, Partner Construction. The proposed scheme, in summary, comprises the development of 88 units comprising two, three and four bedroom houses together with parking facilities and landscaping.

We have also had reference to all relevant guidance – particularly the National Planning Policy Framework (updated 2023), National Planning Guidance (PPG updated September 2019), The Council's local policies relevant to the provision of affordable housing, the RICS Guidance Note 94/2012 (GN94), RICS Viability in Planning: conduct and reporting (May 2019) and the RICS Assessing Viability in Planning under the National Planning Policy Framework for England (2021) which sets out a framework for undertaking viability appraisals of this nature.

The report is undertaken by Melanie Dwyer MRICS and Registered Valuer. We can confirm that the valuer has the necessary skills and experience to undertake this viability assessment. We can confirm that no conflict of interest exists that would preclude Melanie Dwyer or Affordable Housing Consultancy from undertaking this instruction. We also confirm that no performance or contingent fees have been agreed with our client.

In determining our approach it should be emphasised that the proposed development is for affordable housing and the tenure of the development upon completion will be rent to buy and shared ownership. Our conclusion is that a logical approach would be to test the viability in accordance with how a Registered Provider would test viability on the basis that the development is for 100% affordable housing.

Our viability tests whether a development of 88 dwellings can support any S106 contributions as required by the Knowsley Local Plan Core Strategy January 2016 and our report concludes and recommends that the development, as proposed, is not viable with any S106 contributions. There are substantial site abnormal costs associated with the development and this is the reason why the development's viability is challenged.

2 Summary and Interpretation

2.1 National Policy Context

The National Planning Policy Framework was published in March 2012 and last updated in 2023.

Planning law requires that applications for planning permission be determined in accordance with the development plan, unless considerations indicate otherwise.

The purpose of the planning system is to contribute to the achievement of sustainable development. The guidance states that 'the objective of sustainable development can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs'. At the heart of the Framework is a presumption in favour of sustainable development

Local plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as the need for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.

With regards to Viability the guidance provides the following statement 'Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all of the circumstances in the case, including whether the plan and viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.

Where a site has not yet been assessed at 'plan making' stage, the 2021 updated advice provides that the viability assessment should be considered at the planning application stage.

2.2 Local Policy: Knowsley Council

In preparation of this report, reference has been made to Knowsley Local Plan Core Strategy (January 2016), in particular, CS15 Delivering Affordable Housing and CS27 Planning and Paying for New Infrastructure plus Knowsley Council' Developer Contributions SPD (June 2016).

Policy CS15 Delivering Affordable Housing Policy

This policy sets a variable target of 10% or 25% affordable housing provision according to which of these types of site are involved in specific cases. For proposed market sector housing developments which have a capacity of 15 dwellings or more, a minimum provision of affordable housing will be sought as follows: 10% on sites within the current urban area; and 25% on sites identified as Sustainable Urban Extensions within Policies SUE1 to SUE2c. The application of these requirements will be subject to the following:

- a) A lower proportion of affordable housing will only be permitted where it is clearly demonstrated that affordable housing provision is being maximised within the development and that achieving provision at the levels set out above would render the development not economically viable (in accordance with Policy CS27);

- b) Affordable housing should be provided on site and must be fully integrated with and not distinguishable from market housing provided. It must be demonstrated that affordable housing will be secured and delivered alongside the market housing;
- c) In exceptional circumstances where on-site provision is not suitable or feasible, the Council will accept off site provision or a financial contribution in lieu of provision;
- d) Demonstrable sub-division of adjoining sites, manipulation of site layouts and/or building at lower densities to avoid compliance with the requirement for affordable housing provision will be not be acceptable;
- e) The tenure of affordable housing provided will be informed by evidence regarding local housing needs;
- f) All new affordable housing delivered through this policy should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision; and
- g) The size and design of new affordable housing provided should comply with Policy CS17: Housing Sizes and Design Standards.

The Council's evidence base indicates that the tenures of affordable housing should be mixed in order to meet local housing needs. In general terms the evidence currently shows a need across Knowsley for a tenure split of 75% affordable rent and 25% intermediate housing.

Policy CS27 Planning and Paying for New Infrastructure

Knowsley has a wide network of existing infrastructure, which it must safeguard, maintain and, where appropriate, improve. New infrastructure will also be required to support new development, particularly within parts of the borough which will undergo major change during the plan period.

Since almost all development has some impact on the need for infrastructure, services and amenities, or benefits from it, such development should contribute towards the cost of its provision. Policy CS27 sets out the mechanisms by which developer contributions will be sought to help meet the costs of new infrastructure, therefore any new development will be expected (where necessary given the scale and nature of the proposal) to:

- a) Demonstrate compliance with Local Plan policies which specifically require developer contributions;
- b) Provide additional on-site or directly ancillary infrastructure as required to make the development acceptable in planning terms. This may include in-kind provision of infrastructure and/or financial contributions; and
- c) Provide financial contributions towards the provision of strategic infrastructure to support local communities together with borough-wide and other strategic development requirements. Such contributions may be secured through set charges or infrastructure tariffs to be introduced by the Council in other Local Plan documents and/or a Community Infrastructure Levy Charging Schedule, as appropriate.

Plan-level evidence regarding the economic viability of new development in Knowsley will be used to support the setting of any infrastructure charging or tariffs introduced by the Council. Where legal agreements are to be used to secure developer contributions, these could be subject to site specific negotiations regarding the impacts of the contributions on the economic viability of new development, where the policy permits this as an option.

Where a developer believes that meeting policy requirements in relation to developer contributions would place development at risk, the developer will be required to submit development-specific economic viability evidence to support this position. Such evidence must clearly account for site-specific

circumstances and costs and must be undertaken objectively and transparently, in order that it can be scrutinised by the Council.

Where the Council is satisfied that viability evidence demonstrates that a developer is unable to fully fund all of the developer contributions sought, the Council will make a balanced assessment of whether planning permission should be granted notwithstanding that not all the contributions sought can be fully provided. In such cases contributions sought will be prioritised in the following order having regard to the advice in Table 11.2 of the Local Plan.

Clause of CS27 part 7	Examples of types of developer contributions applicable (numbering refers to policy numbers in this document)	Priority order and commentary
a) Firstly, contributions which are essential for public safety or to achieve a minimum acceptable level of design quality;	• Essential highways works (CS7) • Minimum design standards (CS19/CS22) • Flood risk mitigation (CS24) • Essential/enabling ad-hoc requirements where these are needed for safety reasons or to achieve a satisfactory form of development (CS27)	1 (no negotiation)
b) Secondly, developer contributions which are necessary to address a local infrastructure requirement or deficiency that would be caused or exacerbated by the development;	• Strategic transport schemes and programmes (CS7) • Public transport, walking or cycling (CS7) • Greenspace provision and qualitative improvements in areas of deficit (CS21) • Decentralised energy in Knowsley Business and Industrial Parks (CS11, CS22) • Educational needs • Health, leisure or community services • Public realm enhancements • Other forms of infrastructure as defined in Table 11.1 where a local need/deficiency would exist (CS27)	2 (prioritised in any negotiation which applies)

Clause of CS27 part 7	Examples of types of developer contributions applicable (numbering refers to policy numbers in this document)	Priority order and commentary
c) Thirdly, any remaining developer contributions except for those in category d) below	- Affordable housing provision (CS15) - Qualitative improvements to greenspace provision in areas of surplus (CS21) - Any other ad-hoc requirements (CS27)	3 (considered after a) and b) met in negotiation)
d) Finally, those contributions which have the status of being 'encouraged' by the Council's planning policies	'Encouraged' design standards (CS19/CS22) - Decentralised energy outside of priority zones (CS22)	4 (not necessary to make development acceptable but may be considered in planning balance)

To support new development, developers must provide in-kind or financial contributions towards local and strategic infrastructure. The Local Plan Core Strategy contains a number of policies which specifically require developer contributions. These are:

- Policy CS7: Transport Networks
- Policy CS15: Delivering Affordable Housing
- Policy CS17: Housing Sizes and Design Standards
- Policy CS19: Design Quality and Accessibility in New Development
- Policy CS21: Greenspaces and Trees
- Policy CS22: Sustainable and Low Carbon Development
- Policy CS27: Planning and Paying for New Infrastructure

Developer Contributions SPD

This planning document provides detailed guidance on how developer contributions will operate in Knowsley and seeks to provide greater certainty at the earliest stages of the planning process so that the cost implications of developer contributions can be fully taken into account.

Where a developer contribution is required, this will typically take the form of a named infrastructure project; where this is secured through a S106 legal agreement. The table below (included in the SPD) details examples of the requirements secured through planning conditions and developer contributions.

Type of infrastructure required	Planning Condition	Developer Contributions
Highways and transport provision	✓	✓
Public transport, walking and cycling	✓	✓
Flood risk mitigation	✓	○
Greenspace provision		
<i>Delivered onsite</i>	✓	x
<i>Delivered offsite</i>	x	✓
Decentralised energy	✓	○
Education	x	✓
Health, community and leisure facilities	x	✓
Public realm and design		
<i>Delivered onsite</i>	✓	x
<i>Delivered offsite</i>	x	✓ ¹
Affordable housing		
<i>Delivered onsite</i>	✓ ²	✓
<i>Delivered offsite</i>	x	✓
Other infrastructure	✓	○
Notes This table is not an exhaustive or definitive list and other provisions may need to be secured through planning conditions or developer contributions. ○ Developer contributions may be required in some instances to make development acceptable in planning terms 1. Developer contributions may be used to ensure public realm links from the development site to proximate areas of existing or proposed public realm within town centres. 2. Planning conditions will only be used to secure affordable housing onsite where the scheme is entirely comprised of affordable units.		

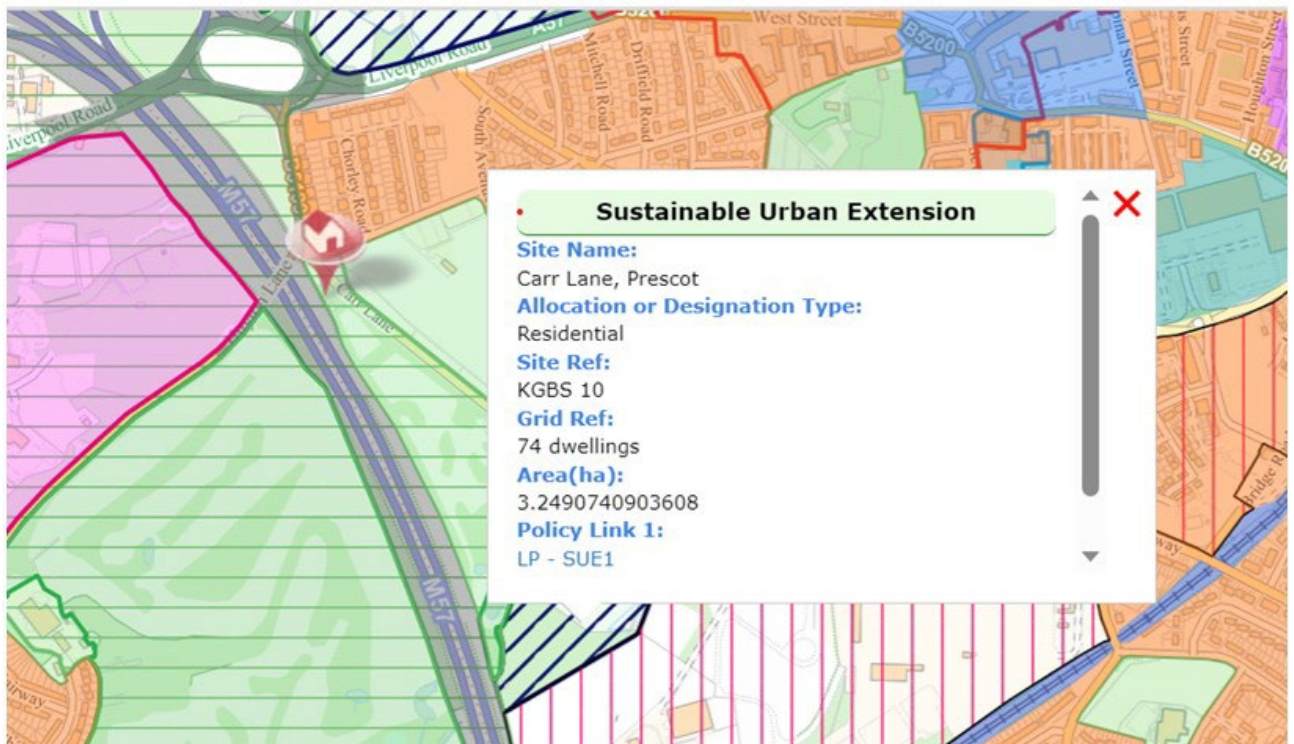
3 Planning History

We understand that a planning application has been submitted for the subject development.

We have consulted Knowsley Council's Planning Portal and note that the site does not have any planning history for residential development.

We understand that the subject site has been delisted from the Green Belt and has been safeguarded for residential use

Please refer to the plan extracted from the Local Plan:



4 Location and Property Description

The subject site is situated off Carr Lane in Prescott which is a town and civil parish in the Northwest region of England. It is situated around 8 miles (12.8 km) east of Liverpool City Centre, 4 miles (6.4 km) southwest of St Helens and 2 miles (3.2 km) northeast of Huyton.

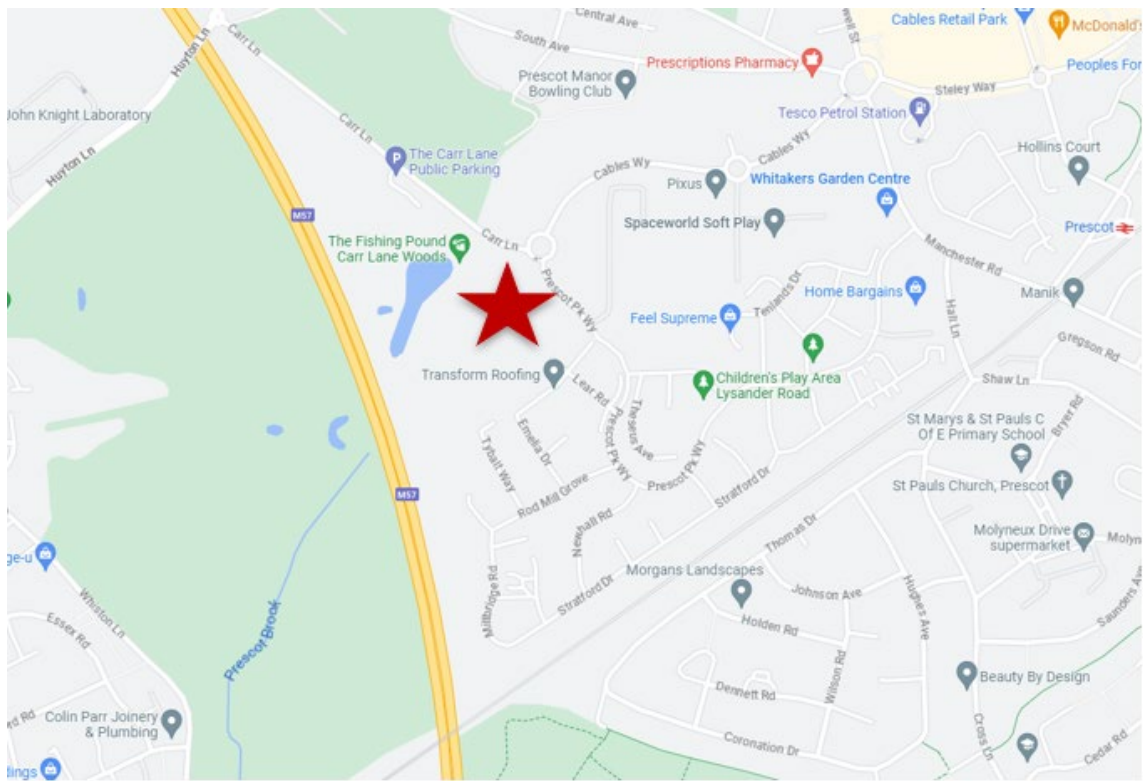
Carr Lane is a short distance from two arterial roads (the A57 and A58) and Junction 2 of the M57 motorway which connects south to the M62 motorway at Junction 6 and north to the A580 East Lancashire Road – both providing access to Liverpool and Manchester. Prescott railway station, positioned on the Liverpool to Wigan line, is around half a mile (0.8 km) away, giving frequent services to St Helens, Wigan and Liverpool. Additionally, there are regular bus services along Carr Lane, giving access to Prescott town centre, Prescott Bus station and Whiston.

At the 2021 Census the population of the civil parish of Prescott was approximately 12,797.

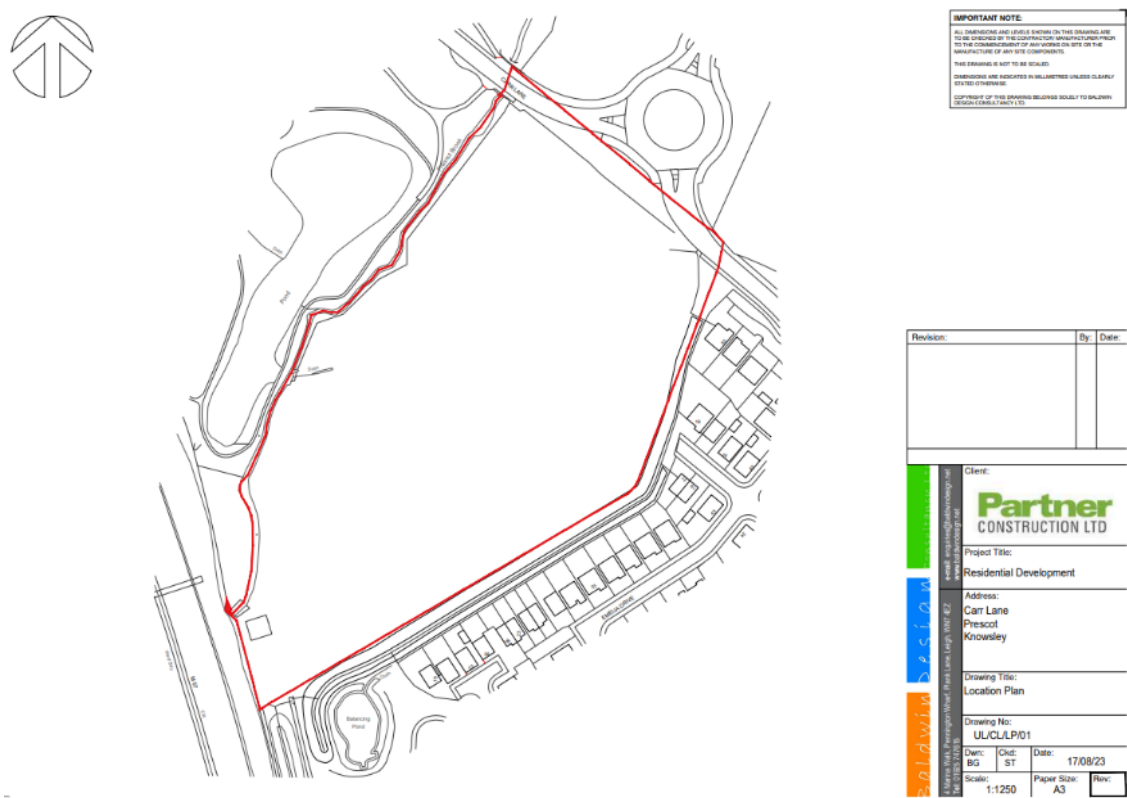
Road map



Street map



Location plan



The subject site covers an area of approximately 3.4 hectares (8.4 acres). It is an irregular shape and from our limited view looks mainly to be densely covered with trees and foliage, making it difficult to assess its overall topography. We would however comment that the surrounding area to the east looks to be higher than the subject site and the roads around undulate somewhat.

Along the south and east boundaries is Carr's Rise by Anwyll Homes with Miller Homes' Sonnet Gate development to the north east. Abutting the south western boundary is the M57 motorway and to the west is Carr Lane Woods. Across Carr Lane to the north is further woodland and playing fields.

There has been a lot of development in the immediate area over the last few years comprising several hundred new homes by major house builders (for a variety of tenures) plus commercial and retail development.

Below are some photographs of the existing site taken at our site visit on 1 August 2023.



Access into the site



View into the site looking south west



Road north east to the new housing developments



Carr Lane looking north west with site on the left



View from Carr Lane looking east with site on the right



View of northern the site boundary

5 Development as Proposed

The proposed 88 unit development will comprise two, three and four bedroom houses together with parking facilities and landscaping. The development is for a mix of rent to buy and shared ownership.

Please see below a copy of the proposed site plan (reference: UL.CL.SL.01 Rev D):



The development will be accessed directly from Prescot Parkway connecting to the primary road which terminates as several (assumed) shared driveways and courtyards.

An existing sewer easement extends along the north and western boundaries and a SWALE is positioned within the northern part of the development adjacent to the easement. A SuDs basin is situated to the front of plots 74 to 77.

A stand-off from the top of the river bank (indicated by purple annotations) – bund with acoustic fencing - extends along the western boundary from north to south. This is to reduce noise from the M57. A mine shaft exists between plots 77 and 78. A public right of way abuts and extends along the southern and western boundary.

The houses are generally set back from the road by means of a small garden and/or parking provision. Two spaces are provided to each house in the form of a double or tandem driveway. Those houses with tandem driveways typically have a more generous front garden. All units have enclosed rear gardens which we assume will be enclosed by suitable boundary treatments incorporating single gated access.

Please see below a summary of the accommodation as proposed:

No. of Units	Unit Type	Description	Tenure	NSA sq m	NSA sq ft
4	F161(N)	2b4p mid terraced house	Rent to buy	68.68	739
4	F161(N)	2b4p end terraced house	Rent to buy	68.68	739
2	F162(N)	3b5p mid terraced house	Rent to buy	80.62	868
2	F162(N)	3b5p end terraced house	Rent to buy	80.62	868
12	F162(N)	3b5p semi detached house	Rent to buy	80.62	868
4	F161(N)	2b4p mid terraced house	Shared ownership	68.68	739
6	F161(N)	2b4p end terraced house	Shared ownership	68.68	739
4	F161(N)	2b4p semi detached house	Shared ownership	68.68	739
8	F114	2b4p mid terraced house	Shared ownership	72.54	781
5	F114	2b4p end terraced house	Shared ownership	72.54	781
1	F162(N)	3b5p mid terraced house	Shared ownership	80.62	868
2	F162(N)	3b5p end terraced house	Shared ownership	80.62	868
12	F162(N)	3b5p semi detached house	Shared ownership	80.62	868
1	F112	3b5p mid terraced house	Shared ownership	83.66	901
3	F112	3b5p end terraced house	Shared ownership	83.66	901
4	F112	3b5p semi detached house	Shared ownership	83.66	901
4	F113	3b5p end terraced house	Shared ownership	84.30	907
2	F113	3b5p semi detached house	Shared ownership	84.30	907
4	NDS-31	3b5p semi detached house	Shared ownership	94.84	1,021
4	NDS-19 v1	4b6p detached house	Shared ownership	107.92	1,162
88					

We have been provided with floor layout plans and elevations for the subject units plus street scenes.

The F161(N) two bedroom houses comprise a hall with wc and staircase, kitchen and lounge/dining room with store. To the first floor are two double bedrooms, a bathroom and two stores.



The F114 two bedroom houses comprise a hall with wc and staircase, kitchen and lounge/dining room with store. To the first floor is a double bedroom, twin bedroom, bathroom and store.



The F162(N) three bedroom houses comprise a hall with wc and staircase, kitchen and lounge/dining room with store. To the first floor are two double bedrooms, a single bedroom, bathroom and two stores.



The F112 three bedroom houses comprise a hall with wc and staircase, kitchen and lounge/dining room with store. To the first floor is a double bedroom, twin bedroom, single bedroom, bathroom and two stores.



The F113 three bedroom houses comprise a hall with wc, store and staircase, kitchen/dining room and lounge. To the first floor is a double bedroom, twin bedroom, single bedroom, bathroom and store.



The NDS-31 three bedroom houses comprise a hall with staircase, lounge, lobby with wc and store plus kitchen/dining room. To the first floor is a double bedroom, twin bedroom, single bedroom, bathroom and two stores.



The NDS-19v1 four bedroom houses comprise a hall with wc, store and staircase, kitchen/dining room and lounge. To the first floor is a double bedroom, twin bedroom, two single bedrooms, a bathroom and two stores.



Street scenes





We understand that the elevations will be predominantly red and orange brick and that the development will be of traditional construction with grey tiled roofs. Regarding the internal specification we assume that as the tenure is shared ownership and rent to buy, that the finishes will be of a fair/medium standard with kitchens having an oven/hob and cooker hood, suitable floor coverings and lighting. Integrated appliances are not normally provided in this tenure of accommodation.

We note from the Design and Access Statement that the proposed development will achieve the equivalent energy requirement of Level 4 of the Code for Sustainable Homes which is 19% above Building Regulations Requirements.

6 Viability Appraisal

6.1 Background

Partner Construction who are the client and planning applicant will enter into a package deal to include the purchase of the subject land and the construction to provide 88 units of affordable accommodation. It is understood that they have entered into an agreement with a Registered Provider and that it is expected that there will be a building contract between the two parties for the delivery of the subject development.

The Registered provider (RP) will become the landlord/ultimate developer and they will provide regular payments to the contractor (Partner Construction) for the construction phase. It is understood that the RP will purchase the site prior to commencement of the works on a 'back to back' basis subject to planning permission being granted for the development as proposed.

This is a normal route of procurement for affordable housing.

6.2 Approach to Viability Assessment

Our approach is to use a residual land value approach, consistent with that promoted by the Royal Institution of Chartered Surveyors' Professional Guidance Note entitled "Financial Viability in Planning". In addition, we can confirm that we have followed the guidance as set out in the National Planning Policy Framework (updated July 2023). National Planning Guidance (PPG updated September 2019), the RICS Guidance Note 94/2012 (GN94) and RICS Viability in Planning: conduct and reporting (May 2019) which sets out a framework for undertaking viability appraisals of this nature.

Benchmark Land Value

In all appraisals of this nature, the benchmark land value is a key aspect of scheme viability. A view has to be taken on land value and is often the cause of much debate between the applicant and the enabling local authority.

The NPPF states that land value should be based on the value of the existing use plus an appropriate level of premium or uplift to incentivise the release of the land for development from its existing use.

It states that the benchmark land value should ordinarily

- Be based on existing use value
- Allow for a premium to landowners (including equity resulting from those building their own homes) (EUV +)
- Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and
- Be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

However, in some circumstances it is appropriate to apply the Alternative Use Value (AUV) rather than EUV +. The RICS guidance states the following:

‘For the purpose of viability assessment the Alternative use value refers to the value of land for uses other than its current permitted use, and other and other potential development that requires planning consent, technical consent or unrealistic permitted development with different associated values. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which have an existing implementable permission for that use. Where there is no existing implementable permission, plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation of AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.’

We can confirm that our approach has been to adopt the EUV + methodology for the subject land.

A copy of the viability appraisals can be found in Appendix 1. The following narrative explains how each of the components has been derived and then provides a summary at the end of the section.

6.3 Key Components of the Viability Assessment

GROSS DEVELOPMENT VALUE (GDV)

Ordinarily, the GDV would be the total market value of the units upon completion. The houses would be sold on the open market on a private sale basis.

As the subject development is for a 100% affordable housing development we have assessed the GDV in accordance with how a Registered Provider (RP) would approach the calculation.

The market value of the units for rent to buy and shared ownership is based upon capitalised rents at appropriate yields after deductions for major repairs, voids/bad debts, management, maintenance and service charge together with any proceeds from shared ownership sales. A discounted cashflow technique is used ordinarily over an appropriate period. Due to the current economic climate and rising build costs, coupled with high inflation it has become the ‘norm’ within the North West Region to discount over a longer period (it was the norm to assume a 30 year period) and we have therefore adopted a 40 year period.

For rent to buy there is no guarantee that an occupier will purchase on a shared ownership basis and so it is the industry norm that these units are treated as a rental product over the cash flow period. The majority of RPs within the North West adopt this approach. The rent is calculated as being 80% of the market rent for the rent to buy units.

The rent on the unsold equity for the shared ownership units is set at 2.75%. It should be noted that a new shared ownership model has been introduced by Homes England. This allows purchasers to buy a very small portion of equity in the property. In addition, the registered provider (RP) has to maintain the accommodation for the first 10 years or provide an allowance of £500 per annum for day to day repairs.

It is our understanding within the North West Region that a reasonable assumption to make is that 30% of equity on average will be purchased with no assumptions built in for 'staircasing'.

Another fundamental component of viability testing for affordable housing is the capitalisation rate. In our opinion an industry norm rate to use currently is 5%.

We have assumed a grant of £54,000 per unit for the shared ownership units and £56,000 for the rent to buy units. We are of the opinion that this is at the upper end of the scale of typical levels of grant funding seen across the North West for affordable housing developments.

Our assumptions regarding the adopted yields for capitalisation is supported by our experience gained through the valuation of affordable housing stock for our clients in similar locations. The summation of all of the components has been adopted as proxies for 'Market Values' for each unit type, and on the assumption that the market is restricted to the affordable housing sector.

In terms of parameters used by RPs in the assessment of internal viability and approval the industry norm would be that the NPV of the development should be positive or at least equal to 0. In addition the development should 'pay back' by year 40.

The table below provides an indication of the Gross Development Value (GDV) for the development as proposed. It should be noted that as this is an affordable housing development this figure is a combination of the net present value of the net rental income, any sale proceeds from the shared ownership units and any grant funding received from Homes England.

Estimated Gross Development Value (GDV) £

22,347,000

Market Housing for Sale Comparable Evidence for Shared Ownership Units

We have looked at the comparable information available for properties that have sold or are for sale within the locality. According to Rightmove, house prices around L34 1AX (neighbouring Emelia Drive) had an overall average price of £263,000 over the last year.

We have undertaken research to ascertain comparable property that is available for sale using the web site www.rightmove.co.uk together with sold house price history gathered from the Land Registry Web site.

We can provide a sample of comparable property within a 1 mile radius comprising both new and second hand homes that we have identified as follows:

1		Sonnet Gate, Prescot Park Way, Prescot L34 1AL (0.16 miles). A development of three and four bedroom homes by Miller Homes. Only a few properties remaining. The Overton three bedroom semi detached house (plot 78) is advertised at £240,995 Two double bedrooms (one with en-suite) and a single bedroom. Approx 819 sq ft (£294 psf). A 5% deposit contribution is offered reducing the price to £228,945 (£280 psf) The Eaton three bedroom detached houses (plots 3 and 79) are advertised at £281,000. Two double bedrooms (one with en-suite)
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		and a single bedroom. Approx 1,016 sq ft (£281 psf). . However it is offered with a 5% deposit paid which reduces the price to £266,950 (£263 psf). The Maplewood four bedroom detached house with integral garage (plot 73) is advertised at £364,995. Kitchen/dining/family room and separate lounge. Three double bedrooms (one with en-suite) and a single bedroom. Approx 1,269 sq ft (£288 psf).
2		Orchard Park, Liverpool Road, Prescot L34 3LX (0.57 miles). A 227 unit development of three and four bedroom homes by Taylor Wimpey. The Gosford three bedroom semi detached houses are advertised at £234,995 Two double bedrooms (one with en-suite) and a single bedroom. Approx 866 sq ft (£271 psf). The Braxton three bedroom 2.5 storey semi detached houses are advertised at £254,995 Two double bedrooms (one with en-suite) and a single bedroom. The Lydford four bedroom detached houses with single detached garage are advertised at £318,995. Two double bedrooms (one with en-suite) and two single bedrooms. Approx 1,099 sq ft (£290 psf). Incentives are being offered on this house type now.
3		The Watchfactory, Bookbinders Lane, Prescot L34 2TJ (0.83 miles). A development of 191 homes for affordable rent, shared ownership, rent to buy and older peoples accommodation by Livv Housing Group. The Romeo three bedroom semi detached house (plot 37) is advertised at £88,000 for a 40% share - full price equivalent of £220,000. Two double bedrooms and a single bedroom. Circa 882 sq ft -£249 psf. The Othello four bedroom semi detached house (plot 43) is advertised at £137,500 for a 50% share - full price equivalent of £275,000. Three double bedrooms (one with en-suite) and a single bedroom. Approx 1,130 sq ft - £243 psf.
4		4 Oberon Way, Prescot L34 (0.10 miles). This modern four bedroom detached house is advertised at £305,000. Well presented. Two double bedrooms (one with en-suite) and two single bedrooms. Gardens, driveway and single detached garage. Approx 1,030 sq ft (£296 psf).
5		Scotchbarn Lane, Prescot (0.98 miles). This modern four bedroom detached house with integral garage, constructed by Bellway in 2018, is sold STC at £325,000. Well looked after. Two double bedrooms (one with en-suite) and two single bedrooms. Gardens and driveway. Approx 1,208 sq ft (£269 psf).
6		Emelia Drive, Prescot L34 (neighbouring development to the south). This modern three bedroom detached house is advertised at offers in excess of £270,000. Well presented. Two double bedrooms(one with en-suite) and a single bedroom. Double driveway plus landscaped rear garden. Circa 1,020 sq ft (£265 psf).

7		2 Viola Grove, Prescott, L34 (0.05 miles). This modern three bedroom semi detached house by Miller Homes is sold STC at £230,000. Two double bedrooms (one with en-suite) and a single bedroom. Double driveway plus rear garden. Approx 859 sq ft (£268 psf).
8		Stratford Drive, Prescott L34 (0.16 miles). This modern three bedroom semi detached house by Taylor Wimpey is sold STC at offers in excess of £225,000. Good condition. Two double bedrooms (one with en-suite) and a single bedroom. Gardens plus tandem driveway. Circa 843 sq ft (£267 psf).
9		Newhall Road, Prescott, L34 (0.13 miles). This modern three bedroom semi detached house by Taylor Wimpey is sold STC at £215,000. Well presented. Two double bedrooms (one with ensuite) and a single bedroom. Gardens and tandem driveway. Circa 797 sq ft (£270 psf).
10		Coronation Drive, Prescott (0.41 miles). This extended two bedroom end terraced house is sold STC at £160,000. Refurbished to a high standard and immaculately presented. Contemporary galley kitchen, two reception rooms, two double bedrooms and a modern shower room. Driveway plus paved rear garden with bar room. Circa 809 sq ft (£198 psf).
11	No photographs	8 Newhall Road, Prescott L34 1AQ (within ¼ mile). This circa 2019 detached house sold in November 2022 for £320,000. No sales particulars or floor plans. According to EPC data it is circa 1,023 sq ft (£313 psf).
12	No photographs	16 Midsummer Avenue, Prescott L34 1AH (within ¼ mile). This circa 2018 semi detached house sold in April 2023 for £250,000. No sales particulars or floor plans. According to EPC data it is approx. 1,152 sq ft (£217 psf). We assume that this a three storey dwelling given it's type and size.
13	No photographs	117 Stratford Drive, Prescott L34 1AN (within ¼ mile). This circa 2018 semi detached house by Taylor Wimpey sold in December 2022 for £236,500. No sales particulars or floor plans. According to EPC data it is circa 1,163 sq ft (£203 psf). We assume that this a three storey dwelling given its type and size.
14	No photographs	38 Stratford Drive, Prescott L34 1AP (within ¼ mile). This circa 2018 semi detached house by Taylor Wimpey sold in December 2022 for £230,000. No sales particulars or floor plans. According to EPC data it is circa 818 sq ft (£281 psf).

Currently there are three housebuilders developing in Prescott (comps 1-3), mainly offering three bedroom semis and four bedroom detached houses. Four bedroom detached types are quite wide ranging in value and size from an 1,130 sq ft type offered on a shared ownership basis on the Watchfactory development at £275k (£243 psf) to a circa 819 sq ft house on Sonnet Gate (comp 1) for £364,995 (£288 psf). The three bedroom semis are similar sizes to the subject units being around 800-900 sq ft with values ranging from £220-£241k (£250-£280 psf). There are no two bedroom houses currently for sale on the new developments in Prescott.

On the second hand market in the locality there is a good choice of recently constructed three and four bedroom houses. In contrast, there are no modern two bedroom houses on the recently constructed

developments which are advertised for sale. Two bedroom houses within a mile are typically older semis or ex local authority terraces in less desirable parts of Prescot/Whiston which are achieving values in the region of £150-£160k.

We understand that although the units are for an affordable housing tenure that a good internal specification will be provided.

We are mindful of the current inflationary and higher interest factors that are affecting the housing market currently and the fact that few mortgages are being offered. Many house builders are offering good incentives now which are typically reducing the gross asking prices by 5% or more. Typical incentives include deposit contributions, enhanced specifications and legal fees paid. We have noticed further that more 'stock plots' are becoming available with many developers approaching RPs to buy them up. This indicates strongly that a prudent approach to the setting of values should be taken currently and we have taken these factors into account in our determination of achievable selling prices.

Market Housing for Rent

We have undertaken research to ascertain comparable property that is available for rent using the web site www.rightmove.co.uk.

We can provide a sample of comparable property within a 1.5 mile radius comprising homes that we have identified as follows:

1		Dennett Road, Prescot, L35 (0.28 miles). This three bedroom semi is advertised at £895 pcm unfurnished. Co-ordinated décor and floor coverings throughout. Lounge, modern kitchen with utility, two double bedrooms, a single bedroom and modern bathroom. Gardens and driveway.
2		Liverpool Road, Prescot, L34 (0.50 miles). This extended three bedroom semi is let agreed at £1,400 pcm furnished. Well-maintained but a little dated in parts. Two reception rooms, modern kitchen/diner and shower room to the ground floor. Two double bedrooms, a single bedroom and wc to the first floor. Front and rear gardens plus driveway. Prescot centre location.
3		Ash Grove, Prescot, L35 (0.75 miles). This three bedroom semi is advertised at £850 pcm unfurnished. Poor external condition yet well maintained internally. Lounge, modern kitchen, two double bedrooms, a single bedroom and bathroom. Flagged gardens plus garage.
4		Pool Avenue, Prescot, L34 2AB (0.79 miles). This modern three bedroom 2.5 storey semi detached house is advertised at £1,195 pcm unfurnished. Well-looked after with neutral décor and flooring throughout. Good size, open plan ground floor with wc, two double bedrooms (one with en-suite), a single bedroom and bathroom. Gardens and driveway.
5		Windy Arbor Road, Whiston, Prescot L35 (0.87 miles). This three bedroom semi is advertised at £900 pcm unfurnished. Pleasant décor. Lounge, dated but tidy kitchen, two double bedrooms, a single bedroom and bathroom. Driveway to the front plus rear garden.

6		Alder Road, Prescot (1.09 miles). This three bedroom semi is let agreed at £1,200 pcm. It looks to be well-presented. Lounge, modern kitchen/dining/family room, modern wc, two double bedrooms, a single bedroom and modern bathroom. Gardens, driveway and garage. Situated close to Eccleston Park.
7		Lancaster Avenue, L35 (0.54 miles). This two bedroom quasi semi is let agreed at £650 pcm furnished. It looks to be in good condition. Lounge, modern kitchen, wc, two bedrooms and a modern bathroom. Driveway.
8		Maryville Road, Prescot L34 (0.85 miles). This traditional mid terrace is let agreed at £750 pcm unfurnished. Neutral décor and flooring throughout. Two reception rooms, kitchen, two double bedrooms and a bathroom. Small front garden plus rear yard.
9		Dragon Lane, Whiston, Prescot L35 2UG (0.90 miles). This two bedroom semi with attached garage is let agreed at £840 pcm unfurnished. Presented to a good standard and includes neutral décor and flooring. Lounge, dining room, modern kitchen, conservatory, two double bedrooms and a modern bathroom. Front and rear gardens plus driveway.

We understand from speaking to local agents that demand for rental property in Prescot is high. Rental values for three bedroom houses are quite wide ranging with quite basic traditional semis at £850 pcm (ref: 2) through to well-presented types at £1,200 pcm (ref: 6). Modern types are in limited supply with only one being available which is a 2.5 storey type (ref: 4), let agreed at £1,195 pcm.

Given the limited availability of two bedroom houses, we have also reviewed modern apartments in the locality to give a flavour of value for modern property. Modern two bedroom apartments are achieving in the region of £675 to £800 pcm, with those at the upper range being situated adjacent to the train station.

We consider that there will be good demand for a rent to buy product in Prescot.

Please see below a table that provides our opinion of selling prices and rental values:

No. of Units	Unit Type	Description	Tenure	NSA sq m	NSA sq ft	Net Selling Price £	Rent £ pcm
4	F161(N)	2b4p mid terraced house	Rent to buy	68.68	739	204,000	875
4	F161(N)	2b4p end terraced house	Rent to buy	68.68	739	206,000	875
2	F162(N)	3b5p mid terraced house	Rent to buy	80.62	868	227,000	1,000
2	F162(N)	3b5p end terraced house	Rent to buy	80.62	868	229,000	1,000
12	F162(N)	3b5p semi detached house	Rent to buy	80.62	868	231,000	1,000
4	F161(N)	2b4p mid terraced house	Shared ownership	68.68	739	204,000	
6	F161(N)	2b4p end terraced house	Shared ownership	68.68	739	206,000	
4	F161(N)	2b4p semi detached house	Shared ownership	68.68	739	208,000	

8	F114	2b4p mid terraced house	Shared ownership	72.54	781	212,000	
5	F114	2b4p end terraced house	Shared ownership	72.54	781	214,000	
1	F162(N)	3b5p mid terraced house	Shared ownership	80.62	868	227,000	
2	F162(N)	3b5p end terraced house	Shared ownership	80.62	868	229,000	
12	F162(N)	3b5p semi detached house	Shared ownership	80.62	868	231,000	
1	F112	3b5p mid terraced house	Shared ownership	83.66	901	236,000	
3	F112	3b5p end terraced house	Shared ownership	83.66	901	238,000	
4	F112	3b5p semi detached house	Shared ownership	83.66	901	240,000	
4	F113	3b5p end terraced house	Shared ownership	84.30	907	238,000	
2	F113	3b5p semi detached house	Shared ownership	84.30	907	240,000	
4	NDS-31	3b5p semi detached house	Shared ownership	94.84	1,021	257,000	
4	NDS-19 v1	4b6p detached house	Shared ownership	107.92	1,162	295,000	
88							

COSTS FOR THE DEVELOPMENT AS PROPOSED

Build Cost

The proposed build cost for the development excluding any site abnormal costs and professional fees is estimated to be £12,969,720. This equates to £1,861 per gross square metre.

In order to verify this build estimate we have had reference both to the BCIS and our own knowledge of current building costs for RPs.

We can confirm that we undertake valuations on a regular basis for a number of RPs across the North West Region and typical base building costs excluding site abnormal costs and fees are currently in the region of £2,000 – 2,300 per square metre. When undertaking valuations for RPs currently we would use a rate of £2,000 per square metre excluding any site abnormal costs and fees etc.

The BCIS index is used commonly in viability appraisals to determine average build prices for particular housing types. It should be noted that this does not take into account the precise nature of individual developments or any external build costs. In addition, we have found that the BCIS index has tended to lag behind current building costs and that generally speaking the works cost for RPs tends to exceed those stated in the index.

We can confirm that the relevant information extracted from the BCIS Index for the Knowsley area on 26 August 2023 is as follows:

	Housing ,Mixed Dev
	Median £/m2 gross internal floor area
Knowsley	1,415

An allowance for externals should be added to the above figures extracted. The industry norm is to allow 15%. This would result in a revised average build cost in the region of :

	Housing ,Mixed Dev
	Median £/m2 gross internal floor area
Knowsley	1,627

The proposed base build cost at £1,861 per square metre sits comfortably between the median BCIS rate and our opinion of current build costs.

The build cost presented by Partner Construction represents good value for money and in our opinion is slightly low.

Site Abnormal Costs

The following site abnormal costs have been identified:

Cost Heading	Budget Estimate £
Ground Remediation	798,500
Abnormal Foundations	846,490
Roads and Sewers	1,587,375
Acoustic Bund	200,077
Total	3,432,442

Ground Remediation: The subject site is heavily self-seeded and overgrown. It was the former wastewater treatment plant for UU more recently but has had a long history of water treatment and open-cast coal mining in the southern third of the site. Three mine shafts have been discovered that will require excavation, investigation and capping together with potential grouting works etc. Japanese knotweed is evident in clusters around the site and the tree report recommends tree protection fencing. The majority of this is made ground which will need to be removed with clean imported soil for garden areas required.

Abnormal Foundations: a combination of piled and vibro piled foundations will be required for all plots.

Roads and Sewers: The sewers within the adoptable highway will require upsizing for the surface water attenuation together with swales and SUDS ponds

Acoustic Bund: An acoustic bund and acoustic fencing will be required to reduce noise from the motorway.

All site abnormal costs identified are additional costs to the base build cost presented.

We estimate the total building cost per square metre including all site abnormal costs to be in the region of £2,364 per square metre. We are of the opinion that this figure is very competitive when the site abnormal costs are taken into consideration.

In addition to the above a 3% contingency based on the build costs including site abnormal costs has been made which equates to £492,065. Ordinarily a 5% contingency would be allowed for but we understand that this has been reduced to 3% to take account of the high level of site abnormal costs.

Professional Fees, planning and building regulation fees and other miscellaneous fees/accreditation costs

Cost Heading	Budget Estimate £
Legal fees (acq) (10,000 + VAT)	12,000
Valuation Fees for RP (£2,250 + VAT)	2,700
Planning and Building Regulation Fees	146,250
Professional Fees (5.8%)	750,000
Employer's Agent or QS for RP (0.5% + VAT)	98,413
Buildmark Warranty	246,375
Marketing & sales costs for shared ownership units	96,000
Legal fees for sale of shared ownership units	46,080
Site survey costs	56,250

The industry norm for professional fees for a development of this size and scale would be 8 – 10%. Other costs are as shown in the table above. We are of the opinion that the professional fees are on the low side. It should be noted that RPs cannot normally recover all VAT on certain cost headings.

S106 Contributions

We have not received confirmation as to what the financial contributions required will be, but we understand that it could be in the region of £209,968 including legal costs. For our main viability appraisal we have not included this sum however we have included it in the sensitivity analysis to provide an indication of the effect that it has on viability.

Finance Costs and Timescales

A finance rate of 5% has been allowed including any arrangement fees and miscellaneous costs associated with the loan for the RP. The cost of borrowing is increasing and an industry norm for the house building sector would ordinarily be in the region of 8.5% now. We are aware that RPs have the ability to borrow at lower rates and it is the industry norm to adopt rates that match the capitalisation rate which is 5%.

The total development period is 38 months with a construction period including site remediate works, drainage works and construction period of 28 months. It is anticipated that the remediation works will take in the region of 4.5 months with the roads, sewers and piled foundations taking 3 months approximately. We have assumed that the first shared ownership sale will take place in month 17 and the last sale will take place in month 39.

Sales and Marketing Fees

Sales and Marketing fees for private sale units are normally estimated to be in the region of 2.5 - 3% of the Gross Development Value. However, for shared ownership units the costs tend to be lower.

Profit Margin

Ordinarily, a developer would expect a fixed overhead amount plus a percentage of GDV as a return to reflect the risk associated with the development. This can range from 15 – 20% of GDV ordinarily. RPs do not make a profit as such but do make an allowance for internal costs which is normally set at anywhere between 2 and 4% of the acquisition and works total. We have adopted a rate of 3%.

Please see below a table for a summary of the costs, noting that this table excludes the site value:

Component	Cost £
Build Cost	12,969,720
Build Cost Contingency 3% of build costs and abnormal costs	492,065
Site Abnormal Costs – Piled Foundations	846,490
Site Abnormal Costs – Ground Remediation	798,500
Site Abnormal Costs – Roads and Sewers	1,587,375
Site Abnormal Costs – Acoustic Bund and Fence	200,077
Design and Professional fees @ 5.8% of base build cost	750,000
Acquisition legal fees inc VAT	12,000
Disposal legal fees for Shared ownership	46,080
Valuation Fee	2,700
Planning and Building Regs	146,250

Employers Agent cost inc VAT	98,413
Buildmark Warranty Insurance	246,375
Development Period Interest (5%)	1,364,773
Marketing Costs	96,000
Site Surveys	56,250
Registered Provider's costs (3% of acquisition and Works cost)	537,973

Benchmark Land Value

We have explained the approaches that can be taken in order to assess the benchmark land value.

We understand that the price for the land that the RP will pay to Partner Construction will be based upon the value of the land on the assumption that planning permission shall be granted for the development as proposed.

We can confirm that we have disregarded the purchase price agreed between the two parties and have used the Existing Use Value + approach (EUV+) of the land for the purpose of this viability assessment.

We are aware that the subject property is a site that is located on the edge of the green belt and one that is allocated for residential development. The existing use of the land is previously developed land but the site could be considered to be 'scrubland'. There has been a lot of development in and around the location with sites with planning permission for residential development transacting at values in the region of £600,000 per acre. At 8.4 acres in size that would result in a land value of circa. £5,000,000 - £5,500,000.

We have referred back to the Viability Assessment prepared by Keppie Massie in October 2012. This document is very out of date and so does not provide any useful reference points other than it does acknowledge that an uplift should be provided to landowners in order to incentivise them to release land for residential development.

We are of the opinion that a realistic purchase price subject to planning would be in the region of £3,200,000 taking all factors into consideration. As a sense check we are aware that land values for affordable housing on a plot basis are typically in the region of £40,000 - £45,000 in comparable locations. This equates to £3,520,000 - £3,960,000.

We are of the opinion that the existing use value of the subject land taking into account the fact that it has an allocation for residential planning permission is in the region of £320,000 per acre. That equates to an existing use value of £2,560,000.

We have assumed a benchmark land value of £2,500,000 within our financial appraisals taking all factors into consideration.

7 Summary and Conclusion

We have provided commentary on the values and costs associated with the development of the subject site.

We would draw your attention to the section within the viability appraisal in Appendix One under section M, an extract of which we have inserted below.

For RPs parameters are set by their Board's for approval of developments and it would be unusual for a development to be approved unless it meets the parameters set. We can confirm that in the setting of our parameters we have used our experience and knowledge of industry norm assumptions used by RPs across the North West Region.

The main parameters that need to be met are as follows:

NPV should be equal to or exceed 0

The loan should be repaid by the end of the cashflow period, ie, 40 years

Sometimes RPs also require the revenue to exceed costs by year 10, however this can vary from organisation to organisation.

M Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 20	19,493,007
Revenue First Exceeds Costs	Year 21
Loan Repaid by	Year 45

		Per Unit	Per Person
Max. Annual Deficit: Year 10	-412,841	-4,691	-1,009
Capitalised Yr. 1 Net Revenue Deficit	6,328,727	71,917	15,474
Cum. Surplus at Year 40	0	0	0
NPV Net Rent + Cap. Val. - Loan	-433,401	-4,925	-1,060
IRR	4.82%		
NPV of Net Rent Only	13,325,631		

NPV Calculation Options Net Rent + Cap. Val. - Loan

NPV Discount Rate	5.00%
Summarise Cashflow Results to Year	40

Capital Value of Scheme - Year 1	
Capital Growth Rate p.a.	
Discounted Cap. Value	
Interest Total	33,648,146
Min. Interest Cover: Year 1	53.34%
Target Interest Cover %	105.00%
First met after Year 1 in Year	22

Please refer to the appraisal contained in Appendix 1.

The above results demonstrate that the development, as proposed, is not viable with any S106 contributions. Within our appraisal we have not made an allowance for a S106 contribution and it can be seen that the NPV is negative. In addition the loan is not repaid until year 45. In order for the development to become viable the RP would have to reduce their own internal cost allowance from 3% to 0% which would not be realistic. Even then, it is unlikely that the development would meet the financial parameters set by the RP.

We can confirm that we have provided a further appraisal that includes the estimated S106 sum that may be required from the Council. Please see the extract below:

M Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 20	18,346,592
Revenue First Exceeds Costs	Year 21
Loan Repaid by	Year 44

		Per Unit	Per Person
Max. Annual Deficit: Year 10	-373,003	-4,239	-912
Capitalised Yr. 1 Net Revenue Deficit	5,935,731	67,451	14,513
Cum. Surplus at Year 40	0	0	0
NPV Net Rent + Cap. Val. - Loan	-40,405	-459	-99
IRR	4.98%		
NPV of Net Rent Only	13,325,631		

NPV Calculation Options Net Rent + Cap. Val. - Loan

NPV Discount Rate	5.00%
Summarise Cashflow Results to Year	40

Capital Value of Scheme - Year 1

Capital Growth Rate p.a.

Discounted Cap. Value

Interest Total	30,718,542
Min. Interest Cover: Year 1	54.93%
Target Interest Cover %	105.00%
First met after Year 1 in Year	21

It can be seen from the extract above that even if the RPs allowance of 3% is reduced to zero the development's NPV is still negative. In addition, the loan is not repaid until year 44 indicating that the appraisal does not meet the financial parameters set for approval.

We are aware that the proposed development is for affordable housing and as such the information submitted differs from the components that would ordinarily be contained within a development for private sale.

We are satisfied that the information supplied reflects the likely values and costs associated with a development for affordable housing. There are substantial site abnormal costs and this makes the viability of the development challenged. It should be noted that this development will provide much needed truly affordable housing within Knowsley.

In conclusion, we can confirm that the development as proposed is not able to sustain any S106 contributions.

Signed by:



Melanie Dwyer MRICS
For Affordable Housing Consultancy Ltd.

Appendix One
Viability Appraisals

Affordable Housing Consultancy Ltd.

Appraisal for Rent & Sale - Additional Dwelling Types

SDS ProVal Version 9.14 Jan-2014

Scheme Name

Address

Funding Year

Local Authority

Carr Lane East Prescot

Viability without estimated commuted sum payment

2024/2025

Date 7 Sep 2023

Another Description

Project/File Ref.

Appraisal by Melanie Dwyer

Scheme Description

Sketch Drw'g No.

Site Area (acs)

0.00 ha

Seller

Appraisal Version

Units 88

A Unit Details

Description

Net Area m²

Bedrooms

Persons

Units

Commercial - y?

Flat (not house) - y?

Shared Accom. - y?

Habitable Rooms

Storeys

Value at Jan' 1999

Market Sales Value

Product Type

Catalyst Dev. Type

Other Description

Sales % at Outset

Res' Sold Equity

Res' Unsold Equity

Initial Commercial Sales

I	J	K	L	M	N	O	P	TOTALS
NDS19v1								6,939.32
Net Area	107.92							m ²
Bedrooms	4-bed							409
Persons	6							88
Units	4							
Commercial - y?								
Flat (not house) - y?								
Shared Accom. - y?								
Habitable Rooms								0
Storeys								
Value at Jan' 1999								
Market Sales Value	295,000							19,981,004
Product Type	NB Homebuy							Res. 19,981,004
Catalyst Dev. Type								
Other Description								
Sales % at Outset	30%							
Res' Sold Equity	88,500	0	0	0	0	0	0	4,397,101
Res' Unsold Equity	206,500	0	0	0	0	0	0	15,583,903
Initial Commercial Sales	0	0	0	0	0	0	0	0

C Development Subsidy

Received during development period

As Defined by Product Type Table

Input by %

Input by Sum

Other Sum

Total

Description

Total	Average per Res' Unit	Average per Person	% TSC as Section F	Grant Input by Product Type	Grant Per Unit	Affordable Rent	54,000	NB Homebuy	52,000
4,624,000	52,545	11,306							
0									
0									
4,624,000	52,545	11,306	20.30%						

Sources of Subsidy

Other

Other

Other

HCA

LA

RCGF

Total Other

0

TOTAL

4,624,000

Confirm Grant to Set Aside When Staircasing

Expected SHG to be Set Aside

3,328,000

Or, Enter Revised SHG to Set Aside

D Development Fees

Use Fees in Land Appraisal, y/n?

Or User Defined Fees & Interest %

Or Analyse Fees below, y/n?

Y

VAT Rate 20.00%

Description	Input Type for Sums	Input Sum	Input Type for %	Input %	VAT - y?	Account Codes	Gross Total
Acquisition Legal Fees	Lump Sum	10,000			Y		12,000
Stamp Duty							0
Valuation Fee	Lump Sum	2,250			Y		2,700
Building Control	Per Unit						0
plan and bldg regs fees	Lump Sum	146,250					146,250
Energy Rating							0
Professional fees	Lump Sum	750,000	% Wks Cost				750,000
Engineer							0
Employers Agent or QS			% Wks Cost	0.50%	Y		98,413
Planning Supervisor			% Wks Cost		Y		0
Clerk of Works			% Wks Cost		Y		0
Builders Design	Lump Sum	246,375	% Wks Cost				246,375
Insurance							0
Performance Bond							0
Borrowing Charges							0
Dev. And Admin Costs			% Aq & Wks	3.00%			567,065
Minor Site Works							0
Demolition							0
Site Surveys	Lump Sum	56,250					56,250
NHBC							0
\$106 costs	Lump Sum						0
New Tenancy Allow							0
Homes Loss							0
Contingency			% Wks Cost	3.00%			492,065
Marketing							0
Marketing	Lump Sum	96,000					96,000
Legal fees sales	Lump Sum	38,400			Y		46,080
							0
Development Fees Total (excl. Interest)							2,513,198

E Scheme Timing

Include Interest, y/n? Y

Cashflow Start (mmm-yyyy)

Interest %, Negative Bal's 5.00%

Interest %, Positive Bal's 4.00%

Month No. 1

Note

The following timings define a default interest calculation.

To enter user-defined sums, enter Cashflow Start date then manually adjust Development Cashflow and set cell at end of this section accordingly

Development Subsidy	Receipts Spread Method	By equal amounts	Receipt Start Month No.	to	Receipt End Month No.
First Sum 3,360,000		3,360,000	1		1
Second Sum		0			
Balance 1,264,000		1,264,000	32		32
Total		4,624,000			

Development Subsidy Summary	As Prod. Type	4,624,000
All Other (Total)	0	
Total Dev. Subsidy	4,624,000	

Acquisition Costs	Payment Month No.
First Payment 250,000	250,000
Second Payment	0
Balance 2,250,000	2,250,000
Total	2,500,000

Acquisition Summary	Acquisition Total	2,500,000
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Works Costs	Cost Spread Method	By S-curve	Exptd. Start Month No.	to	Exptd. End Month No.
First Sum 16,402,162		16,402,162	4		32
Second Sum		0			
Balance 0		0			
Total		16,402,162			

Works Summary	Works Total	16,402,162
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Development Fees	Cost Spread Method	By equal amounts	Exptd. Start Month No.	to	Exptd. End Month No.
First Sum 2,513,198		2,513,198	1		32
Second Sum		0			
Balance 0		0			
Total		2,513,198			

Dev. Fees Summary	Fees Total	2,513,198
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Initial Sales	Spread Method	By equal amounts	First Sale Month No.	to	Last Sale Month No.
Overall Sales Period - Residential			17		39
Overall Sales Period - Commercial					

Sales Summary	Residential	4,397,101
Commercial	0	

Substitute User-defined Interest - y/n?

Default Interest Cost

User-defined Interest not Selected

1,364,773

Development Period 39 months

First Event

Last Event

As defined by the above default timings

F Total Scheme Cost

		% TSC	Analysis of Organisation Funding	Per Unit	Per Person	% of TSC	
Acquisition & Works as Section B	18,902,162	83.0%	Receipts from Initial Sales	4,397,101	49,967	10,751	19.3%
Development Fees as Section D	2,513,198	11.0%	Advance Rent Income	0			
Default Interest Cost	1,364,773	6.0%	Loan Adjustment	0			
Other Costs or Savings(-)			Capital Contribution	0			
Other Costs or Savings(-)			Net Loan	13,759,032	156,353	33,641	60.4%
Total Scheme Cost (TSC)	22,780,133	100.0%	Total	18,156,133	206,320	44,392	79.7%
TSC as % of Market Sales Value	114.0%		Analysis of Subsidy & Other Funding				
Optimisation			As Prod. Type	4,624,000	52,545	11,306	20.3%
Target % for TSC/Market Sales Value			Other	0			
			Other Sum	0			
			Total	4,624,000	52,545	11,306	20.3%

G Private Finance

Private Finance Requirement at Year 1		% of TSC	% of MSV	Loan Repayment Method
Total Scheme Cost - as Section F	22,780,133	100.0%	114.0%	Annuity y/n? n Interest Only Method Chosen
Development Subsidy - as Section C	4,624,000	20.3%	23.1%	Leave blank
Receipts from Initial Sales	4,397,101	19.3%	22.0%	
Advance Rent Income	0			
Loan Adjustment				
Capital Contribution at Year 1				
Net Loan, before Sales (Section J)	13,759,032	60.4%	68.9%	
Apportionment of Net Loan & Long Term Interest Rates				
Loan A: % Apportionment	100.00%	Loan A	Loan B	
Loan Amounts	13,759,032	0		
	Interest Rate	Interest Rate	Effective Rate	
	%	%	%	
Year 1 to 10	6.00%		6.00%	
Year 11 to 20	5.00%		5.00%	
Year 21 to 45	4.50%		4.50%	
				Value: Loan Ratios & Affordable Loan Values
				Current Market Sales Value 19,981,004
				NPV of Net Rent Only 13,325,631
				User Specified Value
				Current Market Sales Value: Net Loan % 145.2%
				NPV of Net Rent: Net Loan % 96.9%
				User Specified Value: Net Loan % 0.0%
				Value: Net Loan, Target %
				Affordable Loan on NPV Value
				Affordable Loan on User Spec. Value

H Inflation

Base Inflation Rate	2.50%	Inflation is applied from Year 2 onwards. Set all periods to Year 45.
Inflation Margins & Periods for Income		
Residential Tenant Rent	Margin on Base Rate	Effective Inflation Rates
Period 1 Year 1 to 2	3.00%	5.50%
Period 2 Year 3 to 45	1.00%	3.50%
Commercial Rent - n/a		
Year 1 to 45		
Ground Rent		
Period 1 Year 1 to 45		2.50%
		0.00%
Services (Charges & Costs)		
Period 1 Year 1 to 45		2.50%
		0.00%
Market Sales Values (Residential)		
Period 1 Year 1 to 45		2.50%
		0.00%
Market Sales Values (Commercial) - n/a		
Year 1 to 45		0.00%
		0.00%
Inflation Margins & Periods for Allowances		
Management	Margin on Base Rate	Effective Inflation Rates
Period 1 Year 1 to 45	0.50%	3.00%
		0.00%
Maintenance		
Period 1 Year 1 to 45	0.50%	3.00%
		0.00%
Reinstatement		
Period 1 Year 1 to 45		2.50%
		0.00%
Another Allowance		
Period 1 Year 1 to 45		2.50%
		0.00%
Major Repairs		
Period 1 Year 1 to 45	0.50%	3.00%
		0.00%

I Rent Allowances & Periods

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	A	B	C	D	E	F	G	H	Weighted Averages at Year 1
Product Type	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	
Commercial									
Number of Units	8	16	14	13	15	8	6	4	
Res' Shared Equity?	n	n	y	y	y	y	y	y	
Prop. Ava'ble for Rent?	y	y	y	y	y	y	y	y	Units Available 88
Managing Agent	% of Gross Rent (excl. Ground Rent & Service Charges) less voids								
Year 1 to 45									0.00%
Add VAT to M. Ag.									
Management	Per Unit Per Annum								Default value for information, Shared Equity
Year 1 to 45	500	500	200	200	200	200	200	200	450
									282
Maintenance	Per Unit Per Annum								Default value for information, Rent
Year 1 to 10	500	500	400	400	400	400	400	400	350
Year 11 to 45	500	500							427
Product Type	A	B	C	D	E	F	G	H	
Res' Shared Equity?	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	
Prop. Ava'ble for Rent?	n	n	y	y	y	y	y	y	
Services Cost	Per Unit Per Annum								
Year 1 to 45									0
Reinstatement Cost	Per Unit Per Annum								
Year 1 to 45									0
Another Allowance	Per Unit Per Annum								
Year 1 to 45									0
Voids & Bad Debts	% of Gross Rents & Service Charges								Default value for information, Shared Equity
Year 1 to 45	3.00%	3.00%							3.00%
									1.32%

Major Repair Sinking Fund Options

Option 1

% Selection	% User Input	Year 1 to 45	0.80%	on 3,537,192
	User Input	3,537,192		

Option 2

Per Unit, Per Annum, Com. Rented Units Only

Year 1 to 45	
--------------	--

Option 3

Per Unit, Per Annum, Res. Rented Units Only

Year 1 to 45	
--------------	--

Sinking Fund at Year 11 38,030

Defer the Start of the Sinking Fund to Year 11

Memorandum Information

Options 2 & 3 can be used together. With these options shared equity units and units fully sold at the outset are excluded.

J Sales & Other Capital Receipts

1. Other Capital Receipts in Long Term Cashflow

All capital income is deemed to be received at the end of the year entered.

Lump Sum	Description	
Infla'd Sum	Description	

2. Unit & Ground Rent Sales

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A

For staircasing shared equity units, use the Shared Equity Report

	A	B	C	D	E	F	G	H	Total for all Units
Product Type	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	
Units	8	16	14	13	15	8	6	4	
Commercial									
Market Sales Value Available for Sale	205,000 y	230,250 y	206,000 n	212,769 n	230,467 n	238,750 n	238,667 n	257,000 n	
Sell units at end of Year									
Value for Sale at Yr. 1	205,000	230,250	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	0
Total Received	0	0	0	0	0	0	0	0	0
Sell Gr'd Rents at Year									
Capital'd %	0	0	0	0	0	0	0	0	0

Set Ground Rents in Section L. Inflation is applied to Year 2 onwards.

I Rent Allowances & Periods

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	I	J	K	L	M	N	O	P	Weighted Averages at Year 1
Product Type	NB Homebuy								
Commercial									
Number of Units	4								
Res' Shared Equity?	y								
Prop. Ava'ble for Rent?	y								Units Available 88
Managing Agent	% of Gross Rent (excl. Ground Rent & Service Charges) less voids								
Year 1 to 45									0.00%
Add VAT to M. Ag.									
Management	Per Unit Per Annum								
Year 1 to 45	200								282
Maintenance	Per Unit Per Annum								
Year 1 to 10	400								427
Year 11 to 45									
Product Type	NB Homebuy								
Res' Shared Equity?	y								
Prop. Ava'ble for Rent?	y								
Services Cost	Per Unit Per Annum								
Year 1 to 45									0
Reinstatement Cost	Per Unit Per Annum								
Year 1 to 45									0
Another Allowance	Per Unit Per Annum								
Year 1 to 45									0
Voids & Bad Debts	% of Gross Rents & Service Charges								
Year 1 to 45									3.00% 1.32%

Major Repair Sinking Fund Options

Option 1

% Selection % User Input Year 1 to 45 0.80% on 3,537,192

Option 2

Per Unit, Per Annum, Com. Rented Units Only Year 1 to 45

Option 3

Per Unit, Per Annum, Res. Rented Units Only Year 1 to 45

Sinking Fund at Year 11 38,030

Defer the Start of the Sinking Fund to Year 11

Memorandum Information

Options 2 & 3 can be used together. With these options units which are partly (i.e. LCHO) or wholly sold at the outset are excluded.

J Sales & Other Capital Receipts

1. Other Capital Receipts in Long Term Cashflow

All capital income is deemed to be received at the end of the year entered.

Lump Sum Description
Infla'd Sum Description

2. Unit & Ground Rent Sales

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A1

For staircasing shared equity units, use the Shared Equity Report

	I	J	K	L	M	N	O	P	Total for all Units
Product Type	NB Homebuy								
Units	4	0	0	0	0	0	0	0	
Commercial									
Market Sales Value	295,000	0	0	0	0	0	0	0	
Available for Sale	n								
Sell units at end of Year									
Value for Sale at Yr. 1	0	0	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	
Total Received	0	0	0	0	0	0	0	0	0
Sell Gr'd Rents at Year									
Capital'd at	0.00%	0	0	0	0	0	0	0	0

Set Ground Rents in Section L1. Inflation is applied to Year 2 onwards.

K Cost Rent at Year 1

No. of Weekly Rent Periods p.a. 52.20

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1	Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area				
		Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w. Total p.m.
Loan Interest	825,542	F161(N)		169.74	0.00	169.74 738.39
Managing Agent	0	F162(N)		199.25	0.00	199.25 866.76
Management	24,800	F161(N)		169.74	0.00	169.74 738.39
Maintenance	37,600	F114		179.28	0.00	179.28 779.89
Services Cost (S.C.)	0	F162(N)		199.25	0.00	199.25 866.76
Reinstatement Cost	0	F112		206.77	0.00	206.77 899.44
Another Allowance	0	F113		208.35	0.00	208.35 906.32
Major Repairs	0	NDS31		234.40	0.00	234.40 1019.64
Voids etc. 0.82%	7,325					
Total Cost at Year 1	895,267	Averages	194.89 per week (ex. S.C.)	847.79 per month (ex. S.C.)		
			194.89 per unit per week	847.79 per unit per month		
			129.01 per net m ² (ex. S.C.)	129.01 per net m ² (incl. S.C.)		

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated.

NB For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

L Set Rents & Service Charges for Long Term Cashflow

Cost Rent & S.C., p.w.	A	B	C	D	E	F	G	H	Total at Year 1
Product Type	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	
Commercial									
Target - April 2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cost Rent p.w. excl. S.C.	169.74	199.25	169.74	179.28	199.25	206.77	208.35	234.40	895,267
Total Cost Rent p.w.	169.74	199.25	169.74	179.28	199.25	206.77	208.35	234.40	895,267

Commercial Rents n/a	Year 1 to								
									0

These Options n/a

Set Initial Rent Free Period (months) months

Rent Review Period, i.e. rent fixed for years

Preferred Yield % on Unsold Equity (Shared Equity Units) 2.75%

Actual Rent Yield % on Shared Equity Units, 2.75%

Residential Shared Equity units only								
Unsold Equity Share %		70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Cost Rent % of u/s Eq'ty		6.14%	6.28%	6.45%	6.46%	6.51%	6.80%	
Rent p.w. at 2.75% Yield		75.97	78.46	84.99	88.04	88.01	94.77	
Local Housing Allowance								

Set Residential Tenant Rents per week as at Year 1 up to 45 years	Year 1 to	45							
		161.00	183.98	75.97	78.46	84.99	88.04	88.01	94.77
									503,036

Set all service charges received per week	Year 1 to	45							
									0

Set Ground Rents received per annum	Year 1 to	45							
									0

Rent Yields as at end of Year	1	Gross	Net
Total All Revenue Income, ex. voids at Year 1		496,409	434,009
Compared with Market Value at Year 1	15,583,903	3.19%	2.78%
Compared with Total Scheme Cost of	22,780,133	2.18%	1.91%
Compared with Acquisition Cost of	2,500,000	19.86%	17.36%

Rent Yields as at end of Year		Gross	Net

Residential at Start of Year 1

Gross Rent 503,036

Market Value 15,583,903

Yield 3.23%

Commercial at Start of Year 1

Gross Rent 0

Market Value 0

Yield

NPV of Gross Rent & S.C. ex. Voids, divided by Open'g Loan, p.a. 2.7%

NPV of Net Rent less loan interest, divided by Open'g Loan, p.a. -0.3%

NPV Period & Discount Rate: 40 years at 5.00%, as defined in Section M

Calculation of Affordable Loan Based on Net Income at Year 1

		Per Unit p.a.	Per Unit p.w.	Per Unit p.m.
Total Set Rent	503,036			
Service Charges	0			
Ground Rents	0			
Managing Agent	0			
M'ngm't & Maint.	62,400			
Services Cost	0			
Reinstatement Cost	0			
Another Allowance	0			
Major Repairs	0			
Voids & Bad Debts	6,627			
Net Income at Year 1	434,009			
		Set Residential Rent	5,716	109.51
		Set Commercial Rent	0	475.36
		Actual Loan	13,759,032	
		Affordable Loan	7,430,305	
		Difference	-6,328,727	

Assuming net Income meets Year 1 loan costs

Equivalent to the capitalised Year 1 net revenue deficit.

K Cost Rent at Year 1

No. of Weekly Rent Periods p.a. 52.20

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1
Loan Interest	825,542
Managing Agent	0
Management	24,800
Maintenance	37,600
Services Cost (S.C.)	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids etc. 0.82%	7,325
Total Cost at Year 1	895,267

Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area					
Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w.	Total p.m.
NDS19v1		266.73	0.00	266.73	1160.26
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Averages	194.89 per week (ex. S.C.)		847.79 per month (ex. S.C.)		
	194.89 per unit per week		847.79 per unit per month		
	129.01 per net m ² (ex. S.C.)		129.01 per net m ² (incl. S.C.)		

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated.

NB For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

L Set Rents & Service Charges for Long Term Cashflow

Cost Rent & S.C., p.w.

	I	J	K	L	M	N	O	P	Total at Year 1
Product Type	NB Homebuy								
Commercial									
Target - April 2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Cost Rent p.w. excl. S.C.	266.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Total Cost Rent p.w.	266.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	895,267

Commercial Rents n/a

Year 1 to										0
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These Options n/a

Set Initial Rent Free Period (months)
Rent Review Period, i.e. rent fixed for

0	months
0	years

Preferred Yield % on Unsold Equity (Shared Equity Units)

2.75%

Actual Rent Yield % on Shared Equity Units, 2.75%

Residential Shared Equity units only

Unsold Equity Share %	70.00%							
Cost Rent % of u/s Eq'ty	6.74%							
Rent p.w at 2.75% Yield	108.79							
Local Housing Allowance								

Set Residential Tenant Rents per week as at Year 1 up to 45 years

Year 1 to	45	108.79								503,036
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Set all service charges received per week

Year 1 to	45									0
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Set Ground Rents received per annum

Year 1 to	45									0
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M Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 20

Revenue First Exceeds Costs

Loan Repaid by

19,493,007

Year 21

Year 45

NPV Calculation Options Net Rent + Cap. Val. - Loan

NPV Discount Rate 5.00%

Summarise Cashflow Results to Year 40

Capital Value of Scheme - Year 1

Capital Growth Rate p.a.

Discounted Cap. Value

Interest Total 33,648,146

Min. Interest Cover: Year 1 53.34%

Target Interest Cover % 105.00%

First met after Year 1 in Year 22

Last Works payment in Scheme Cashflow

Max. Annual Deficit: Year 10

Capitalised Yr. 1 Net Revenue Deficit

Cum. Surplus at Year 40

NPV Net Rent + Cap. Val. - Loan

IRR

NPV of Net Rent Only

NPV of All Capital Receipts

	Per Unit	Per Person
-412,841	-4,691	-1,009
6,328,727	71,917	15,474
0	0	0
-433,401	-4,925	-1,060

4.82%

13,325,631

0

Year	1	2	3	4	5	6	7	8	9
Opening Loan	13,759,032	14,138,755	14,515,139	14,897,258	15,284,856	15,677,641	16,075,282	16,477,404	16,883,587
Average Interest	813,732	835,824	857,960	880,425	903,203	926,274	949,619	973,215	997,035
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	434,009	459,440	475,842	492,827	510,417	528,633	547,497	567,032	587,261
Closing Loan	14,138,755	14,515,139	14,897,258	15,284,856	15,677,641	16,075,282	16,477,404	16,883,587	17,293,361
Gross Resid'l Rent	503,036	530,703	549,278	568,503	588,400	608,994	630,309	652,370	675,203
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	6,627	6,991	7,236	7,489	7,751	8,023	8,303	8,594	8,895
s/t	496,409	523,712	542,042	561,013	580,649	600,972	622,006	643,776	666,308
Managing Agent	0	0	0	0	0	0	0	0	0
Management	24,800	25,544	26,310	27,100	27,913	28,750	29,612	30,501	31,416
Maintenance	37,600	38,728	39,890	41,087	42,319	43,589	44,895	46,243	47,631
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	0	0	0	0	0	0	0	0
Net Rent	434,009	459,440	475,842	492,827	510,417	528,633	547,497	567,032	587,261
Net Rent + Rec'ts - Inter't	-379,723	-376,384	-382,119	-387,598	-392,785	-397,641	-402,122	-406,183	-409,774
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	10	11	12	13	14	15	16	17	18
Opening Loan	17,293,361	17,706,202	17,951,006	18,185,185	18,407,395	18,616,194	18,810,039	18,987,279	19,146,148
Average Interest	1,021,052	871,084	882,817	894,000	904,566	914,442	923,550	931,807	939,124
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	608,211	626,280	648,637	671,790	695,767	720,597	746,310	772,938	800,513
Closing Loan	17,706,202	17,951,006	18,185,185	18,407,395	18,616,194	18,810,039	18,987,279	19,146,148	19,284,759
Gross Resid'l Rent	698,835	723,294	748,609	774,811	801,929	829,997	859,046	889,113	920,232
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	9,206	9,528	9,862	10,207	10,564	10,934	11,317	11,713	12,123
s/t	689,629	713,766	738,747	764,604	791,365	819,063	847,730	877,400	908,109
Managing Agent	0	0	0	0	0	0	0	0	0
Management	32,358	33,329	34,329	35,359	36,420	37,512	38,638	39,797	40,991
Maintenance	49,059	16,127	16,611	17,109	17,622	18,151	18,696	19,256	19,834
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	38,030	39,170	40,346	41,556	42,803	44,087	45,409	46,772
Net Rent	608,211	626,280	648,637	671,790	695,767	720,597	746,310	772,938	800,513
Net Rent + Rec'ts - Inter't	-412,841	-244,804	-234,179	-222,210	-208,799	-193,845	-177,240	-158,869	-138,611
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0

Year	19	20	21	22	23	24	25	26	27
Opening Loan	19,284,759	19,401,096	19,493,007	19,462,733	19,398,736	19,298,348	19,158,739	18,976,911	18,749,687
Average Interest	945,406	950,551	858,990	856,979	853,427	848,214	841,211	832,282	821,285
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	829,069	858,640	889,264	920,976	953,815	987,823	1,023,039	1,059,507	1,097,271
Closing Loan	19,401,096	19,493,007	19,462,733	19,398,736	19,298,348	19,158,739	18,976,911	18,749,687	18,473,701
Gross Resid'l Rent	952,440	985,776	1,020,278	1,055,987	1,092,947	1,131,200	1,170,792	1,211,770	1,254,182
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	12,547	12,986	13,441	13,911	14,398	14,902	15,424	15,963	16,522
s/t	939,893	972,789	1,006,837	1,042,076	1,078,549	1,116,298	1,155,369	1,195,806	1,237,660
Managing Agent	0	0	0	0	0	0	0	0	0
Management	42,220	43,487	44,792	46,135	47,519	48,945	50,413	51,926	53,483
Maintenance	20,429	21,042	21,673	22,324	22,993	23,683	24,394	25,125	25,879
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	48,175	49,620	51,108	52,642	54,221	55,848	57,523	59,249	61,026
Net Rent	829,069	858,640	889,264	920,976	953,815	987,823	1,023,039	1,059,507	1,097,271
Net Rent + Rec'ts - Inter't	-116,337	-91,911	30,274	63,997	100,388	139,609	181,828	227,224	275,986
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	28	29	30	31	32	33	34	35	36
Opening Loan	18,473,701	18,145,389	17,760,978	17,316,475	16,807,656	16,230,051	15,578,935	14,849,313	14,035,903
Average Interest	808,065	792,462	774,306	753,415	729,598	702,653	672,366	638,511	600,860
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	1,136,377	1,176,874	1,218,809	1,262,234	1,307,202	1,353,768	1,401,988	1,451,921	1,503,628
Closing Loan	18,145,389	17,760,978	17,316,475	16,807,656	16,230,051	15,578,935	14,849,313	14,035,903	13,133,125
Gross Resid'l Rent	1,298,078	1,343,511	1,390,534	1,439,202	1,489,575	1,541,710	1,595,670	1,651,518	1,709,321
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	17,100	17,699	18,318	18,960	19,623	20,310	21,021	21,756	22,518
s/t	1,280,978	1,325,812	1,372,215	1,420,243	1,469,951	1,521,400	1,574,649	1,629,761	1,686,803
Managing Agent	0	0	0	0	0	0	0	0	0
Management	55,088	56,741	58,443	60,196	62,002	63,862	65,778	67,751	69,784
Maintenance	26,655	27,455	28,279	29,127	30,001	30,901	31,828	32,783	33,766
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	62,857	64,743	66,685	68,686	70,746	72,868	75,055	77,306	79,625
Net Rent	1,136,377	1,176,874	1,218,809	1,262,234	1,307,202	1,353,768	1,401,988	1,451,921	1,503,628
Net Rent + Rec'ts - Inter't	328,312	384,411	444,503	508,819	577,605	651,116	729,622	813,410	902,778
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	37	38	39	40	41	42	43	44	45
Opening Loan	13,133,125	12,135,084	11,035,552	9,827,953	8,505,344	7,060,395	5,485,371	3,772,109	1,911,997
Average Interest	559,129	513,083	462,429	406,871	346,094	279,767	207,540	129,045	43,891
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	1,557,170	1,612,615	1,670,028	1,729,480	1,791,042	1,854,791	1,920,802	1,989,156	1,955,888
Closing Loan	12,135,084	11,035,552	9,827,953	8,505,344	7,060,395	5,485,371	3,772,109	1,911,997	0
Gross Resid'l Rent	1,769,147	1,831,067	1,895,155	1,961,485	2,030,137	2,101,192	2,174,734	2,250,849	2,329,629
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	23,306	24,122	24,966	25,840	26,744	27,680	28,649	29,652	30,690
s/t	1,745,841	1,806,946	1,870,189	1,935,645	2,003,393	2,073,512	2,146,085	2,221,198	2,298,940
Managing Agent	0	0	0	0	0	0	0	0	0
Management	71,877	74,034	76,255	78,542	80,899	83,325	85,825	88,400	91,052
Maintenance	34,779	35,823	36,897	38,004	39,144	40,319	41,528	42,774	44,057
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	82,014	84,475	87,009	89,619	92,308	95,077	97,929	100,867	103,893
Net Rent	1,557,170	1,612,615	1,670,028	1,729,480	1,791,042	1,854,791	1,920,802	1,989,156	2,059,937
Net Rent + Rec'ts - Inter't	998,041	1,099,532	1,207,599	1,322,609	1,444,949	1,575,024	1,713,262	1,860,112	2,016,046
Cashflow	0	0	0	0	0	0	0	0	104,049
Cum. Balance	0	0	0	0	0	0	0	0	104,049

Affordable Housing Consultancy Ltd.

Appraisal for Rent & Sale

SDS ProVal Version 9.14 Jan-2014

Saved file path: C:\Users\Melanie Dwyer\OneDrive - Affordable Housing Consultancy Ltd\SDS

Scheme Name Carr Lane East Prescot

Date 7 Sep 2023

Address Sensitivity Analysis with commuted sum payment

Funding Year 2024/2025

Local Authority

Another Description

Project/File Ref.

Appraisal by Melanie Dwyer

Scheme Description

Sketch Drawg No.

Site Area (acs)

0.00 ha

Seller

Appraisal Version

Units 88

Comments

See also Commentary in Rent Summary

A Unit Details

Totals include units on Extra Units page								
Unit Description	A	B	C	D	E	F	G	H
Net Area m ²	F161(N)	F162(N)	F161(N)	F114	F162(N)	F112	F113	NDS31
	68.68	80.62	68.68	72.54	80.62	83.66	84.30	94.84
Bedrooms	2-bed	3-bed	2-bed	2-bed	3-bed	3-bed	3-bed	3-bed
Persons	4	5	4	4	5	5	5	5
Units	8	16	14	13	15	8	6	4
Commercial - y?								
Flat (not house) - y?								
Shared Accom. - y?								
Habitable Rooms								
Storeys								
Value at Jan' 1999								
Market Sales Value	205,000	230,250	206,000	212,769	230,467	238,750	238,667	257,000
Product Type	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy
Catalyst Dev. Type	New Build	New Build						
Other Description								
Sales % at Outset			30%	30%	30%	30%	30%	30%
Res' Sold Equity	0	0	61,800	63,831	69,140	71,625	71,600	77,100
Res' Unsold Equity	205,000	230,250	144,200	148,938	161,327	167,125	167,067	179,900
Initial Commercial Sales	0	0	0	0	0	0	0	0
TOTALS								
								6,939.32
								m ²
								409
								88
								0
								19,981,004
								Res. 19,981,004
								4,397,101
								15,583,903
								0

Confirm Gross Floor Area

	Net m ²	Adjust by % and/or by m ²	Gross m ²	Gross ft ²	Habitable Rooms Summary
Residential Floor Area	6,939.32		6,939.32	74,694.84	Residential Rent 0
Commercial Floor Area	0.00		0.00	0.00	Residential Sale 0
Total Floor Area	6,939.32		6,939.32	74,694.84	Other 0
					Total 0

B Acquisition & Works Cost

ACQUISITION	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	Memorandum Information
Existing Use Value	Lump Sum	2,500,000	2,500,000		28,409	6,112	
Use Value from Land Appraisal, y/n?							
Acquisition Total 12.51% of Market SV		VAT Total	0		0	0	
Acquisition Total			2,500,000		28,409	6,112	
WORKS	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	
Base Works cost	Lump Sum	12,969,720	12,969,720		147,383	31,711	
ground remediation	Lump Sum	798,500	798,500		9,074	1,952	
Abnormal foundations	Lump Sum	846,490	846,490		9,619	2,070	
Abnormal road and sewers	Lump Sum	1,587,375	1,587,375		18,038	3,881	
Acoustic bund	Lump Sum	200,077	200,077		2,274	489	
Use Total from Land Appraisal, y/n?							
Works Total 82.09% of Market SV		VAT Total	0		0	0	
Works Total	2,364 /m ² rfs	2,364 /m ² gfs	16,402,162		186,388	40,103	

Acquisition & Works Summary	Total	Average per Unit	Average per Person
Total	2,500,000	2,724 /m ² gfs	214,797
			40,216

A&W as % of Market Sales Value 94.60%

Optimisation

Target % for A&W/Market Sales Value

Acquisition
Works
Dev. Interest
Net Loan

Acquisition Total Entered 2,500,000
Market Value, If Different
Land Discount 0

For optimisation of Total Scheme Costs see Section F

Affordable Housing Consultancy Ltd.

Appraisal for Rent & Sale - Additional Dwelling Types

SDS ProVal Version 9.14 Jan-2014

Scheme Name

Carr Lane East Prescot

Date 7 Sep 2023

Address

Sensitivity Analysis with commuted sum payment

Funding Year

2024/2025

Local Authority

Another Description

Project/File Ref.

Appraisal by Melanie Dwyer

Scheme Description

Sketch Drw'g No.

Site Area (acs)

0.00 ha

Seller

Appraisal Version

Units 88

A Unit Details

	I	J	K	L	M	N	O	P	TOTALS
Description	NDS19v1								
Net Area m ²	107.92								6,939.32
Bedrooms	4-bed								m ²
Persons	6								409
Units	4								88
Commercial - y?									
Flat (not house) - y?									
Shared Accom. - y?									
Habitable Rooms									0
Storeys									
Value at Jan' 1999									
Market Sales Value	295,000								19,981,004
Product Type	NB Homebuy								Res. 19,981,004
Catalyst Dev. Type									
Other Description									
Sales % at Outset	30%								
Res' Sold Equity	88,500	0	0	0	0	0	0	0	4,397,101
Res' Unsold Equity	206,500	0	0	0	0	0	0	0	15,583,903
Initial Commercial Sales	0	0	0	0	0	0	0	0	0

C Development Subsidy

Grant Input by Product Type				Grant Per Unit	Affordable Rent	54,000	NB Homebuy	52,000
Total	Avg per Res Unit	Average per Person	% TSC as Section F	Sources of Subsidy				
4,624,000	52,545	11,306		HCA				
0				LA				
0				RCGF				
0				Other				
4,624,000	52,545	11,306	20.65%	TOTAL				
				4,624,000				

Confirm Grant to Set Aside When Staircasing
Expected SHG to be Set Aside 3,328,000

Or, Enter Revised SHG to Set Aside

D Development Fees

Use Fees in Land Appraisal, y/n?

Or User Defined Fees & Interest %

Or Analyse Fees below, y/n?

Y

VAT Rate 20.00%

Description	Input Type for Sums	Input Sum	Input Type for %	Input %	VAT - y?	Account Codes	Gross Total
Acquisition Legal Fees	Lump Sum	10,000			Y		12,000
Stamp Duty							0
Valuation Fee	Lump Sum	2,250			Y		2,700
Building Control plan and bldg regs fees	Per Unit						0
	Lump Sum	146,250					146,250
Energy Rating							0
Professional fees	Lump Sum	750,000	% Wks Cost				750,000
Engineer							0
Employers Agent or QS			% Wks Cost	0.50%	Y		98,413
Planning Supervisor			% Wks Cost		Y		0
Clerk of Works			% Wks Cost				0
Builders Design			% Wks Cost		Y		0
Insurance	Lump Sum	246,375					246,375
Performance Bond							0
Borrowing Charges							0
Dev. And Admin Costs			% Aq & Wks	0.00%			0
Minor Site Works							0
Demolition							0
Site Surveys	Lump Sum	56,250					56,250
NHBC							0
\$106 costs	Lump Sum	210,000					210,000
New Tenancy Allow							0
Homes Loss							0
Contingency			% Wks Cost	3.00%			492,065
Marketing							0
Marketing	Lump Sum	96,000					96,000
Legal fees sales	Lump Sum	38,400			Y		46,080
							0
Development Fees Total (excl. interest)							2,156,133

E Scheme Timing

Include Interest, y/n? Y

Cashflow Start (mm-yyy)

Interest %, Negative Bal's 5.00%

Interest %, Positive Bal's 4.00%

Month No. 1

Note

The following timings define a default interest calculation.

To enter user-defined sums, enter Cashflow Start date then manually adjust Development Cashflow and set cell at end of this section accordingly

Development Subsidy	Receipts Spread Method	By equal amounts	Receipt Start Month No.	to	Receipt End Month No.
First Sum 3,360,000		3,360,000	1		1
Second Sum		0			
Balance 1,264,000		1,264,000	32		32
Total		4,624,000			

Development Subsidy Summary	
As Prod. Type	4,624,000
All Other (Total)	0
Total Dev. Subsidy	4,624,000

Acquisition Costs	Payment Month No.
First Payment 250,000	250,000
Second Payment	0
Balance 2,250,000	2,250,000
Total	2,500,000

Acquisition Summary	
Acquisition Total	2,500,000

Works Costs	Cost Spread Method	By S-curve	Expend. Start Month No.	to	Expend. End Month No.
First Sum 16,402,162		16,402,162	4		32
Second Sum		0			
Balance 0		0			
Total		16,402,162			

Works Summary	
Works Total	16,402,162

Development Fees	Cost Spread Method	By equal amounts	Expend. Start Month No.	to	Expend. End Month No.
First Sum 2,156,133		2,156,133	1		32
Second Sum		0			
Balance 0		0			
Total		2,156,133			

Dev. Fees Summary	
Fees Total	2,156,133

Initial Sales	Spread Method	By equal amounts	First Sale Month No.	to	Last Sale Month No.
Overall Sales Period - Residential			17		39
Overall Sales Period - Commercial					

Sales Summary	
Residential	4,397,101
Commercial	0

Substitute User-defined Interest - y/n?

Default Interest Cost

User-defined Interest not Selected

1,328,842

Development Period 39 months

First Event

Last Event

As defined by the above default timings

F Total Scheme Cost

		% TSC
Acquisition & Works as Section B	18,902,162	84.4%
Development Fees as Section D	2,156,133	9.6%
Default Interest Cost	1,328,842	5.9%
Other Costs or Savings(-)		
Other Costs or Savings(-)		
Total Scheme Cost (TSC)	22,387,137	100.0%
TSC as % of Market Sales Value	112.0%	
Optimisation		
Target % for TSC/Market Sales Value		

Analysis of Organisation Funding

		Per Unit	Per Person	% of TSC
Receipts from Initial Sales	4,397,101	49,967	10,751	19.6%
Advance Rent Income	0			
Loan Adjustment	0			
Capital Contribution	0			
Net Loan	13,366,036	151,887	32,680	59.7%
Total	17,763,137	201,854	43,431	79.4%
Analysis of Subsidy & Other Funding				
As Prod. Type	4,624,000	52,545	11,306	20.7%
Other	0			
Other Sum	0			
Total	4,624,000	52,545	11,306	20.7%

G Private Finance

Private Finance Requirement at Year 1

		% of TSC	% of MSV
Total Scheme Cost - as Section F	22,387,137	100.0%	112.0%
Development Subsidy - as Section C	4,624,000	20.7%	23.1%
Receipts from Initial Sales	4,397,101	19.6%	22.0%
Advance Rent Income	0		
Loan Adjustment			
Capital Contribution at Year 1			
Net Loan, before Sales (Section J)	13,366,036	59.7%	66.9%

Apportionment of Net Loan & Long Term Interest Rates

		Loan A	Loan B	
Loan A: % Apportionment		100.00%	0.00%	
Loan Amounts		13,366,036	0	
		Interest Rate	Interest Rate	Effective Rate
		%	%	%
Year 1 to	10	6.00%		6.00%
Year 11 to	20	5.00%		5.00%
Year 21 to	45	4.50%		4.50%

Loan Repayment Method

Annuity y/n?	n	Interest Only Method Chosen
Leave blank		

Value: Loan Ratios & Affordable Loan Values

Current Market Sales Value	19,981,004
NPV of Net Rent Only	13,325,631
User Specified Value	
Current Market Sales Value: Net Loan %	149.5%
NPV of Net Rent: Net Loan %	99.7%
User Specified Value: Net Loan %	0.0%

Value: Net Loan, Target %

Affordable Loan on NPV Value	
Affordable Loan on User Spec. Value	

H Inflation

Base Inflation Rate

Inflation is applied from Year 2 onwards. Set all periods to Year 45.

Inflation Margins & Periods for Income

			Margin on Base Rate	Effective Inflation Rates
Residential Tenant Rent				
Period 1	Year 1 to	2	3.00%	5.50%
Period 2	Year 3 to	45	1.00%	3.50%

Commercial Rent - n/a

Year 1 to	45		
-----------	----	--	--

Ground Rent

Period 1	Year 1 to	45	2.50%
			0.00%

Services (Charges & Costs)

Period 1	Year 1 to	45	2.50%
			0.00%

Market Sales Values (Residential)

Period 1	Year 1 to	45	2.50%
			0.00%

Market Sales Values (Commercial) - n/a

Year 1 to	45	0.00%
		0.00%

Inflation Margins & Periods for Allowances

			Margin on Base Rate	Effective Inflation Rates
Management				
Period 1	Year 1 to	45	0.50%	3.00%
				0.00%

Maintenance

Period 1	Year 1 to	45	0.50%	3.00%
				0.00%

Reinstatement

Period 1	Year 1 to	45	2.50%
			0.00%

Another Allowance

Period 1	Year 1 to	45	2.50%
			0.00%

Major Repairs

Period 1	Year 1 to	45	0.50%	3.00%
				0.00%

I Rent Allowances & Periods

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	A	B	C	D	E	F	G	H	Weighted Averages at Year 1
Product Type	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	
Commercial									
Number of Units	8	16	14	13	15	8	6	4	Units Available
Res' Shared Equity?	n	n	y	y	y	y	y	y	88
Prop. Ava'ble for Rent?	y	y	y	y	y	y	y	y	
Managing Agent	% of Gross Rent (excl. Ground Rent & Service Charges) less voids								
Year 1 to 45									0.00%
Add VAT to M. Ag.									
Management	Per Unit Per Annum								
Year 1 to 45	500	500	200	200	200	200	200	200	282
Maintenance	Per Unit Per Annum								
Year 1 to 10	500	500	400	400	400	400	400	400	350
Year 11 to 45	500	500							427
Product Type	A	B	C	D	E	F	G	H	
Res' Shared Equity?	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	
Prop. Ava'ble for Rent?	n	n	y	y	y	y	y	y	
Services Cost	Per Unit Per Annum								
Year 1 to 45									0
Reinstatement Cost	Per Unit Per Annum								
Year 1 to 45									0
Another Allowance	Per Unit Per Annum								
Year 1 to 45									0
Voices & Bad Debts	% of Gross Rents & Service Charges								
Year 1 to 45	3.00%	3.00%							3.00%
									1.32%

Major Repair Sinking Fund Options

Option 1

% Selection	% User Input	Year 1 to 45	0.80%	on 3,537,192
	User Input	3,537,192		

Option 2

Per Unit, Per Annum,
Com. Rented Units Only

Year 1 to 45	
--------------	--

Option 3

Per Unit, Per Annum,
Res. Rented Units Only

Year 1 to 45	
--------------	--

Sinking Fund at Year 11 38,030

Defer the Start of the Sinking Fund to Year

11

Memorandum Information

Options 2 & 3 can be used together. With these options shared equity units and units fully sold at the outset are excluded.

J Sales & Other Capital Receipts

1. Other Capital Receipts in Long Term Cashflow

All capital income is deemed to be received at the end of the year entered.

Lump Sum	Description	
Infla'd Sum	Description	

2. Unit & Ground Rent Sales

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A

For staircasing shared equity units, use the Shared Equity Report

	A	B	C	D	E	F	G	H	Total for all Units
Product Type	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	
Units	8	16	14	13	15	8	6	4	
Commercial									
Market Sales Value Available for Sale	205,000	230,250	206,000	212,769	230,467	238,750	238,667	257,000	
Sell units at end of Year									
Value for Sale at Yr. 1	205,000	230,250	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	0
Total Received	0	0	0	0	0	0	0	0	0
Sell Gr'd Rents at Year									
Capital'd %	0	0	0	0	0	0	0	0	0

Set Ground Rents in Section L. Inflation is applied to Year 2 onwards.

I Rent Allowances & Periods

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	I	J	K	L	M	N	O	P	Weighted Averages at Year 1
Product Type	NB Homebuy								
Commercial									
Number of Units	4								
Res' Shared Equity?	y								
Prop. Ava'ble for Rent?	y								Units Available 88
Managing Agent % of Gross Rent (excl. Ground Rent & Service Charges) less voids									
Year 1 to	45								0.00%
Add VAT to M. Ag.									
Management Per Unit Per Annum									
Year 1 to	45	200							282
Maintenance Per Unit Per Annum									
Year 1 to	10	400							427
Year 11 to	45								
Product Type									
Res' Shared Equity?	y								
Prop. Ava'ble for Rent?	y								
Services Cost Per Unit Per Annum									
Year 1 to	45								0
Reinstatement Cost Per Unit Per Annum									
Year 1 to	45								0
Another Allowance Per Unit Per Annum									
Year 1 to	45								0
Defaults & Bad Debts % of Gross Rents & Service Charges									
Year 1 to	45								1.32%

Major Repair Sinking Fund Options

Option 1

% Selection % User Input Year 1 to 45 0.80% on 3,537,192

Option 2

Per Unit, Per Annum, Com. Rented Units Only

Year 1 to 45

Option 3

Per Unit, Per Annum, Res. Rented Units Only

Year 1 to 45

Sinking Fund at Year 11 38,030

Defer the Start of the Sinking Fund to Year

11

Memorandum Information

Options 2 & 3 can be used together. With these options units which are partly (i.e. LCHO) or wholly sold at the outset are excluded.

J Sales & Other Capital Receipts

1. Other Capital Receipts in Long Term Cashflow

All capital income is deemed to be received at the end of the year entered.

Lump Sum Description

Infla'd Sum Description

2. Unit & Ground Rent Sales

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A1

For staircasing shared equity units, use the Shared Equity Report

	I	J	K	L	M	N	O	P	Total for all Units
Product Type	NB Homebuy								
Units	4	0	0	0	0	0	0	0	
Commercial									
Market Sales Value Available for Sale	295,000	0	0	0	0	0	0	0	
Sell units at end of Year									
Value for Sale at Yr. 1	0	0	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	0
Total Received	0	0	0	0	0	0	0	0	0
Sell Gr'd Rents at Year									
Capital'd at	0.00%	0	0	0	0	0	0	0	0

Set Ground Rents in Section L1. Inflation is applied to Year 2 onwards.

K Cost Rent at Year 1

No. of Weekly Rent Periods p.a. 52.20

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1	Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area				
		Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w. Total p.m.
Loan Interest	801,962	F161(N)		165.24	0.00	165.24 718.78
Managing Agent	0	F162(N)		193.96	0.00	193.96 843.74
Management	24,800	F161(N)		165.24	0.00	165.24 718.78
Maintenance	37,600	F114		174.52	0.00	174.52 759.18
Services Cost (S.C.)	0	F162(N)		193.96	0.00	193.96 843.74
Reinstatement Cost	0	F112		201.28	0.00	201.28 875.55
Another Allowance	0	F113		202.82	0.00	202.82 882.25
Major Repairs	0	NDS31		228.17	0.00	228.17 992.56
Voids etc. 0.82%	7,130					
Total Cost at Year 1	871,493	Averages	189.72 per week (ex. S.C.)	825.28 per month (ex. S.C.)		
			189.72 per unit per week	825.28 per unit per month		
			125.59 per net m ² (ex. S.C.)	125.59 per net m ² (incl. S.C.)		

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated.

NB For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

L Set Rents & Service Charges for Long Term Cashflow

Cost Rent & S.C., p.w.	A	B	C	D	E	F	G	H	Total at Year 1
Product Type	Affordable Rent	Affordable Rent	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	NB Homebuy	
Commercial									
Target - April 2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cost Rent p.w. excl. S.C.	165.24	193.96	165.24	174.52	193.96	201.28	202.82	228.17	871,493
Total Cost Rent p.w.	165.24	193.96	165.24	174.52	193.96	201.28	202.82	228.17	871,493

Commercial Rents n/a

Year 1 to									
Year 1 to									0

These Options n/a

Set Initial Rent Free Period (months) months
Rent Review Period, i.e. rent fixed for years

Preferred Yield % on Unsold Equity (Shared Equity Units)

2.75%

Actual Rent Yield % on Shared Equity Units, 2.75%

Residential Shared Equity units only

Unsold Equity Share %			70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Cost Rent % of u/s Eq'ty			5.98%	6.12%	6.28%	6.29%	6.34%	6.62%
Rent p.w at 2.75% Yield			75.97	78.46	84.99	88.04	88.01	94.77
Local Housing Allowance								

Set Residential Tenant Rents per week as at Year 1 up to 45 years

Year 1 to	45								
Year 1 to	45	161.00	183.98	75.97	78.46	84.99	88.04	88.01	94.77 503,036

Set all service charges received per week

Year 1 to	45								
Year 1 to	45								0

Set Ground Rents received per annum

Year 1 to	45								
Year 1 to	45								0

Rent Yields as at end of Year	1	Gross	Net
Total All Revenue Income, ex. voids at Year 1		496,409	434,009
Compared with Market Value at Year 1	15,583,903	3.19%	2.78%
Compared with Total Scheme Cost of	22,387,137	2.22%	1.94%
Compared with Acquisition Cost of	2,500,000	19.86%	17.36%

Rent Yields as at end of Year		Gross	Net

Residential at Start of Year 1

Gross Rent 503,036
Market Value 15,583,903
Yield 3.23%

Commercial at Start of Year 1

Gross Rent 0
Market Value 0
Yield

NPV of Gross Rent & S.C. ex. Voids, divided by Open'g Loan, p.a.

2.8% at Year 1

NPV of Net Rent less loan interest, divided by Open'g Loan, p.a.

-0.2%

NPV Period & Discount Rate: 40 years at 5.00%, as defined in Section M

Calculation of Affordable Loan Based on Net Income at Year 1

		Per Unit p.a.	Per Unit p.w.	Per Unit p.m.
Total Set Rent	503,036			
Service Charges	0			
Ground Rents	0			
Managing Agent	0			
M'ngm't & Maint.	62,400			
Services Cost	0			
Reinstatement Cost	0			
Another Allowance	0			
Major Repairs	0			
Voids & Bad Debts	6,627			
Net Income at Year 1	434,009			
		Set Residential Rent	5,716	109.51
		Set Commercial Rent	0	476.36
		Actual Loan	13,366,036	
		Affordable Loan	7,430,305	
		Difference	-5,935,731	

Assuming net income meets Year 1 loan costs
Equivalent to the capitalised Year 1 net revenue deficit.

K Cost Rent at Year 1

No. of Weekly Rent Periods p.a. 52.20

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1
Loan Interest	801,962
Managing Agent	0
Management	24,800
Maintenance	37,600
Services Cost (S.C.)	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids etc. 0.82%	7,130
Total Cost at Year 1	871,493

Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area					
Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w.	Total p.m.
NDS19v1		259.64	0.00	259.64	1129.45
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Averages	189.72 per week (ex. S.C.)		825.28 per month (ex. S.C.)		
	189.72 per unit per week		825.28 per unit per month		
125.59 per net m ² (ex. S.C.)			125.59 per net m ² (incl. S.C.)		

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated.

NB For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

L Set Rents & Service Charges for Long Term Cashflow

Cost Rent & S.C., p.w.

	I	J	K	L	M	N	O	P	Total at Year 1
Product Type	NB Homebuy								
Commercial									
Target - April 2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cost Rent p.w. excl. S.C.	259.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	871,493
Total Cost Rent p.w.	259.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	871,493

Commercial Rents n/a

Year 1 to										0
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These Options n/a

Set Initial Rent Free Period (months)
Rent Review Period, i.e. rent fixed for

0	months
0	years

Preferred Yield % on Unsold Equity (Shared Equity Units)

2.75%

Actual Rent Yield % on Shared Equity Units, 2.75%

Residential Shared Equity units only

Unsold Equity Share %	70.00%								
Cost Rent % of u/s Eq'ty	6.56%								
Rent p.w. at 2.75% Yield	108.79								
Local Housing Allowance									

Set Residential Tenant Rents per week as at Year 1 up to 45 years

Year 1 to	45	108.79								503,036
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Set all service charges received per week

Year 1 to	45									0
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Set Ground Rents received per annum

Year 1 to	45									0
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M Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 20 18,346,592

Revenue First Exceeds Costs Year 21

Loan Repaid by Year 44

NPV Calculation Options Net Rent + Cap. Val. - Loan

NPV Discount Rate 5.00%

Summarise Cashflow Results to Year 40

Capital Value of Scheme - Year 1

Capital Growth Rate p.a.

Discounted Cap. Value

Interest Total 30,718,542

Min. Interest Cover: Year 1 54.93%

Target Interest Cover % 105.00%

First met after Year 1 in Year 21

Last Works payment in Scheme Cashflow

Max. Annual Deficit: Year 10

Capitalised Yr. 1 Net Revenue Deficit

Cum. Surplus at Year 40

NPV Net Rent + Cap. Val. - Loan

IRR

NPV of Net Rent Only

NPV of All Capital Receipts

	Per Unit	Per Person
-373,003	-4,239	-912
5,935,731	67,451	14,513
0	0	0
-40,405	-459	-99

Year	1	2	3	4	5	6	7	8	9
Opening Loan	13,366,036	13,722,179	14,073,568	14,429,192	14,788,706	15,151,722	15,517,808	15,886,482	16,257,210
Average Interest	790,152	810,829	831,466	852,341	873,434	894,719	916,171	937,760	959,453
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	434,009	459,440	475,842	492,827	510,417	528,633	547,497	567,032	587,261
Closing Loan	13,722,179	14,073,568	14,429,192	14,788,706	15,151,722	15,517,808	15,886,482	16,257,210	16,629,401
Gross Resid'l Rent	503,036	530,703	549,278	568,503	588,400	608,994	630,309	652,370	675,203
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	6,627	6,991	7,236	7,489	7,751	8,023	8,303	8,594	8,895
s/t	496,409	523,712	542,042	561,013	580,649	600,972	622,006	643,776	666,308
Managing Agent	0	0	0	0	0	0	0	0	0
Management	24,800	25,544	26,310	27,100	27,913	28,750	29,612	30,501	31,416
Maintenance	37,600	38,728	39,890	41,087	42,319	43,589	44,896	46,243	47,631
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	0	0	0	0	0	0	0	0
Net Rent	434,009	459,440	475,842	492,827	510,417	528,633	547,497	567,032	587,261
Net Rent + Rec'ts - Inter't	-356,143	-351,389	-355,624	-359,514	-363,016	-366,086	-368,674	-370,728	-372,191
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	10	11	12	13	14	15	16	17	18
Opening Loan	16,629,401	17,002,404	17,212,018	17,409,248	17,592,661	17,760,723	17,911,794	18,044,122	18,155,833
Average Interest	981,214	835,894	845,867	855,203	863,829	871,668	878,637	884,649	889,608
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	608,211	626,280	648,637	671,790	695,767	720,597	746,310	772,938	800,513
Closing Loan	17,002,404	17,212,018	17,409,248	17,592,661	17,760,723	17,911,794	18,044,122	18,155,833	18,244,928
Gross Resid'l Rent	698,835	723,294	748,609	774,811	801,929	829,997	859,046	889,113	920,232
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	9,206	9,528	9,862	10,207	10,564	10,934	11,317	11,713	12,123
s/t	689,629	713,766	738,747	764,604	791,365	819,063	847,730	877,400	908,109
Managing Agent	0	0	0	0	0	0	0	0	0
Management	32,358	33,329	34,329	35,359	36,420	37,512	38,638	39,797	40,991
Maintenance	49,059	16,127	16,611	17,109	17,622	18,151	18,696	19,256	19,834
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	38,030	39,170	40,346	41,556	42,803	44,087	45,409	46,772
Net Rent	608,211	626,280	648,637	671,790	695,767	720,597	746,310	772,938	800,513
Net Rent + Rec'ts - Inter't	-373,003	-209,614	-197,230	-183,413	-168,062	-151,071	-132,328	-111,711	-89,095
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0

Year	19	20	21	22	23	24	25	26	27
Opening Loan	18,244,928	18,309,273	18,346,592	18,264,730	18,146,823	17,990,099	17,791,619	17,548,271	17,256,758
Average Interest	893,414	895,960	807,401	803,069	797,091	789,343	779,690	767,994	754,103
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	829,069	858,640	889,264	920,976	953,815	987,823	1,023,039	1,059,507	1,097,271
Closing Loan	18,309,273	18,346,592	18,264,730	18,146,823	17,990,099	17,791,619	17,548,271	17,256,758	16,913,590
Gross Resid'l Rent	952,440	985,776	1,020,278	1,055,987	1,092,947	1,131,200	1,170,792	1,211,770	1,254,182
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	12,547	12,986	13,441	13,911	14,398	14,902	15,424	15,963	16,522
s/t	939,893	972,789	1,006,837	1,042,076	1,078,549	1,116,298	1,155,369	1,195,806	1,237,660
Managing Agent	0	0	0	0	0	0	0	0	0
Management	42,220	43,487	44,792	46,135	47,519	48,945	50,413	51,926	53,483
Maintenance	20,429	21,042	21,673	22,324	22,993	23,683	24,394	25,125	25,879
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	48,175	49,620	51,108	52,642	54,221	55,848	57,523	59,249	61,026
Net Rent	829,069	858,640	889,264	920,976	953,815	987,823	1,023,039	1,059,507	1,097,271
Net Rent + Rec'ts - Inter't	-64,345	-37,319	81,862	117,907	156,724	198,480	243,348	291,513	343,168
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	28	29	30	31	32	33	34	35	36
Opening Loan	16,913,590	16,515,073	16,057,298	15,536,129	14,947,194	14,285,869	13,547,265	12,726,217	11,817,268
Average Interest	737,860	719,098	697,640	673,299	645,877	615,165	580,941	542,972	501,011
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	1,136,377	1,176,874	1,218,809	1,262,234	1,307,202	1,353,768	1,401,988	1,451,921	1,503,628
Closing Loan	16,515,073	16,057,298	15,536,129	14,947,194	14,285,869	13,547,265	12,726,217	11,817,268	10,814,652
Gross Resid'l Rent	1,298,078	1,343,511	1,390,534	1,439,202	1,489,575	1,541,710	1,595,670	1,651,518	1,709,321
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	17,100	17,699	18,318	18,960	19,623	20,310	21,021	21,756	22,518
s/t	1,280,978	1,325,812	1,372,215	1,420,243	1,469,951	1,521,400	1,574,649	1,629,761	1,686,803
Managing Agent	0	0	0	0	0	0	0	0	0
Management	55,088	56,741	58,443	60,196	62,002	63,862	65,778	67,751	69,784
Maintenance	26,655	27,455	28,279	29,127	30,001	30,901	31,828	32,783	33,766
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	62,857	64,743	66,685	68,686	70,746	72,868	75,055	77,306	79,625
Net Rent	1,136,377	1,176,874	1,218,809	1,262,234	1,307,202	1,353,768	1,401,988	1,451,921	1,503,628
Net Rent + Rec'ts - Inter't	398,517	457,775	521,169	588,935	661,325	738,604	821,048	908,949	1,002,616
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	37	38	39	40	41	42	43	44	45
Opening Loan	10,814,652	9,712,279	8,503,721	7,182,190	5,740,522	4,171,156	2,466,116	616,988	0
Average Interest	454,798	404,057	348,497	287,812	221,677	149,751	71,674	5,456	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	1,557,170	1,612,615	1,670,028	1,729,480	1,791,042	1,854,791	1,920,802	622,444	0
Closing Loan	9,712,279	8,503,721	7,182,190	5,740,522	4,171,156	2,466,116	616,988	0	0
Gross Resid'l Rent	1,769,147	1,831,067	1,895,155	1,961,485	2,030,137	2,101,192	2,174,734	2,250,849	2,329,629
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	23,306	24,122	24,966	25,840	26,744	27,680	28,649	29,652	30,690
s/t	1,745,841	1,806,946	1,870,189	1,935,645	2,003,393	2,073,512	2,146,085	2,221,198	2,298,940
Managing Agent	0	0	0	0	0	0	0	0	0
Management	71,877	74,034	76,255	78,542	80,899	83,325	85,825	88,400	91,052
Maintenance	34,779	35,823	36,897	38,004	39,144	40,319	41,528	42,774	44,057
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	82,014	84,475	87,009	89,619	92,308	95,077	97,929	100,867	103,893
Net Rent	1,557,170	1,612,615	1,670,028	1,729,480	1,791,042	1,854,791	1,920,802	1,989,156	2,059,937
Net Rent + Rec'ts - Inter't	1,102,373	1,208,558	1,321,531	1,441,668	1,569,366	1,705,040	1,849,128	1,983,701	2,059,937
Cashflow	0	0	0	0	0	0	0	1,366,713	2,059,937
Cum. Balance	0	0	0	0	0	0	0	1,366,713	3,426,650