



## **APPENDIX 4**

### **Financial Appraisals**



Savills

Development Appraisal

Windroos Nursery

Littlehampton

40% affordable

Report Date: 27 July 2010

Prepared by Savills

**APPRAISAL SUMMARY****SAVILLS**

**Windroos Nursery  
Littlehampton**

**Summary Appraisal for Merged Phases 1 2 3****REVENUE**

| Sales Valuation    | ft <sup>2</sup> | Rate ft <sup>2</sup> | Gross Sales       |                   |
|--------------------|-----------------|----------------------|-------------------|-------------------|
| Private Sale Units | 50,713          | £224.40              | 11,380,000        |                   |
| Shared Ownership   | 10,058          | £152.75              | 1,536,333         |                   |
| General Needs Rent | 24,305          | £75.42               | 1,833,035         |                   |
| Totals             | <u>85,076</u>   |                      | <u>14,749,368</u> | <b>14,749,368</b> |

**Additional Revenue**

|         |           |                  |
|---------|-----------|------------------|
| SO SHG  | 220,000   |                  |
| GNR SHG | 1,000,000 |                  |
|         |           | <b>1,220,000</b> |

**NET REALISATION****15,969,368****OUTLAY****ACQUISITION COSTS**

|                    |       |           |                  |
|--------------------|-------|-----------|------------------|
| Residualised Price |       | 2,083,567 |                  |
| Stamp Duty         | 4.00% | 83,511    |                  |
| Agent Fee          | 1.00% | 23,597    |                  |
| Legal Fee          | 0.75% | 17,698    |                  |
|                    |       |           | <b>2,208,373</b> |

**CONSTRUCTION COSTS**

| Construction       | ft <sup>2</sup> | Rate ft <sup>2</sup> | Cost             |                  |
|--------------------|-----------------|----------------------|------------------|------------------|
| Private Sale Units | 50,713          | £97.00               | 4,919,161        |                  |
| Shared Ownership   | 10,058          | £120.00              | 1,206,960        |                  |
| General Needs Rent | 24,305          | £120.00              | 2,916,600        |                  |
| Totals             | <u>85,076</u>   |                      | <u>9,042,721</u> | <b>9,042,721</b> |

|             |       |         |                |
|-------------|-------|---------|----------------|
| Contingency | 3.00% | 271,282 |                |
| Demolition  |       | 65,000  |                |
|             |       |         | <b>336,282</b> |

**Section 106 Costs**

|             |         |                |
|-------------|---------|----------------|
| Section 106 | 600,000 |                |
|             |         | <b>600,000</b> |

**PROFESSIONAL FEES**

|           |       |         |                |
|-----------|-------|---------|----------------|
| Prof fees | 8.00% | 393,533 |                |
| Prelims   | 5.00% | 245,958 |                |
| On Cost   | 5.00% | 206,178 |                |
|           |       |         | <b>845,669</b> |

**MARKETING & LETTING**

|           |       |         |                |
|-----------|-------|---------|----------------|
| Marketing | 1.00% | 113,800 |                |
|           |       |         | <b>113,800</b> |

**DISPOSAL FEES**

|                 |       |        |               |
|-----------------|-------|--------|---------------|
| Sales Legal Fee | 0.50% | 56,900 |               |
|                 |       |        | <b>56,900</b> |

**FINANCE**

|                                               |  |  |                |
|-----------------------------------------------|--|--|----------------|
| Multiple Finance Rates Used (See Assumptions) |  |  |                |
| Total Finance Cost                            |  |  | <b>553,901</b> |

**TOTAL COSTS****13,757,646****PROFIT****2,211,722****Performance Measures**

|                 |        |
|-----------------|--------|
| Profit on Cost% | 16.08% |
| Profit on GDV%  | 15.00% |
| Profit on NDV%  | 15.00% |

|                                      |              |
|--------------------------------------|--------------|
| IRR                                  | 29.40%       |
| Profit Erosion (finance rate 8.000%) | 1 yr 11 mths |

## APPRAISAL SUMMARY

SAVILLS

Windroos Nursery  
Littlehampton



Savills

Development Appraisal

Windroos Nursery

Littlehampton

30% affordable

Report Date: 27 July 2010

Prepared by Savills

**APPRAISAL SUMMARY****SAVILLS**

**Windroos Nursery  
Littlehampton**

**Summary Appraisal for Merged Phases 1 2 3****REVENUE**

| Sales Valuation    | ft <sup>2</sup> | Rate ft <sup>2</sup> | Gross Sales       |            |
|--------------------|-----------------|----------------------|-------------------|------------|
| Private Sale Units | 60,661          | £214.72              | 13,025,000        |            |
| Shared Ownership   | 6,975           | £156.85              | 1,094,000         |            |
| General Needs Rent | 17,439          | £83.03               | 1,448,000         |            |
| Totals             | <u>85,075</u>   |                      | <u>15,567,000</u> | 15,567,000 |

**Additional Revenue**

|         |         |  |
|---------|---------|--|
| SO SHG  | 160,000 |  |
| GNR SHG | 800,000 |  |

960,000

**NET REALISATION**

16,527,000

**OUTLAY****ACQUISITION COSTS**

|                    |       |           |           |
|--------------------|-------|-----------|-----------|
| Residualised Price |       | 2,449,515 |           |
| Stamp Duty         | 4.00% | 88,711    |           |
| Agent Fee          | 1.00% | 24,495    |           |
| Legal Fee          | 0.75% | 18,371    |           |
|                    |       |           | 2,581,092 |

**CONSTRUCTION COSTS**

| Construction       | ft <sup>2</sup> | Rate ft <sup>2</sup> | Cost             |           |
|--------------------|-----------------|----------------------|------------------|-----------|
| Private Sale Units | 60,661          | £97.00               | 5,884,117        |           |
| Shared Ownership   | 6,975           | £120.00              | 837,000          |           |
| General Needs Rent | 17,439          | £120.00              | 2,092,680        |           |
| Totals             | <u>85,075</u>   |                      | <u>8,813,797</u> | 8,813,797 |

|             |       |         |  |
|-------------|-------|---------|--|
| Contingency | 3.00% | 264,414 |  |
| Demolition  |       | 65,000  |  |

329,414

**Section 106 Costs**

|             |         |  |
|-------------|---------|--|
| Section 106 | 600,000 |  |
|-------------|---------|--|

600,000

**PROFESSIONAL FEES**

|           |       |         |  |
|-----------|-------|---------|--|
| Prof fees | 8.00% | 470,729 |  |
| Prelims   | 5.00% | 294,206 |  |
| On Cost   | 5.00% | 146,484 |  |

911,419

**MARKETING & LETTING**

|           |       |         |  |
|-----------|-------|---------|--|
| Marketing | 1.00% | 130,250 |  |
|-----------|-------|---------|--|

130,250

**DISPOSAL FEES**

|                 |       |        |  |
|-----------------|-------|--------|--|
| Sales Legal Fee | 0.50% | 65,125 |  |
|-----------------|-------|--------|--|

65,125

**FINANCE**

|                                               |  |  |         |
|-----------------------------------------------|--|--|---------|
| Multiple Finance Rates Used (See Assumptions) |  |  |         |
| Total Finance Cost                            |  |  | 709,241 |

**TOTAL COSTS**

14,140,338

**PROFIT**

2,386,662

**Performance Measures**

|                                      |              |
|--------------------------------------|--------------|
| Profit on Cost%                      | 16.88%       |
| Profit on GDV%                       | 15.33%       |
| Profit on NDV%                       | 15.33%       |
| IRR                                  | 26.91%       |
| Profit Erosion (finance rate 8.000%) | 1 yr 12 mths |

## APPRAISAL SUMMARY

SAVILLS

Windroos Nursery  
Littlehampton

