

PS36- Sharpness Vale

Phase 1- June-23

2,400 Homes

Scenario A IDP £19,148 per dwelling update

Development Appraisal

JLL

27 June 2023

PS36- Sharpness Vale**Phase 1- June-23****2,400 Homes****NOTES****Appraisal Inputs - Summary**

Our views are not intended as a formal Red Book Valuation and should not be relied upon as such. They are given in the course of our estate agency role and no liability can be given to a third party. You have confirmed that this report is not required for the purposes of bank lending and please note that the report is not, and is not intended to be a formal valuation. The advice is exempt from the current RICS Valuation Standards (Practice Statement 1.2) and as such cannot be regarded or relied upon as a valuation.

GDV

- **Open Market:** £3,508/m² or £325 / sq ft.
- **Affordable Housing:** £1,924/M² or £179 / sq ft.
- **Commercial** - £2,250,000 per 5 acre parcel equating to £500,000 per acre based on location and transactional evidence. Total revenue of: £11.25m (parcels of 5 acres)

Costs

- BCIS – base of £125 / sq ft (base inc plot works, externals & servicing additional £18.74 / sq ft) total £144 / sq ft)
- Plot works, services & externals - 15% global rate applied in absence of detailed design.
- Abnormals & Infrastructure Allowance - £20,000 per plot estimate.
- Contingency of 5% across all phases and costs

Infrastructure (Green)

- £712k per phase allowance- costed by EDP for SANG & Nature Reserve.

Transport

- Subsidy and capital cost allowances above the IDP estimate.
- £10.3m allowance for station capital cost replaced the £1.1m allowance from the IDP.

Planning Obligations

- Scenario A IDP: £19,148 per dwelling – total £45.95m
- Scenario B IDP: £13,577 per dwelling – total £32.58m
- Both allow for the removal of £1.1m rail station cost as detailed in transport above.
- CIL – not allowed for as it's understood if this is the chosen mechanism to seek contributions / infrastructure delivery then it will be offset against the stated IDP amounts.

Other Development Costs

- 7.5% Professional Fees
- 2.25% Disposal / marketing costs plus 1% on Affordable
- 6.0% debit and 2.0% credit finance costs
- Blended profit of 15.95% on GDV or 18.6% on cost (allowing 17.5% on OM and 6.0% on AF)

PS36- Sharpness Vale**Phase 1- June-23****2,400 Homes****NOTES****Phasing**

- 200-unit phases as average
- 12 months pre-construction initial phase, 6 thereafter
- 36 months construction – 66 per year
- 28-month sales – 5 per month- 3 x outlets

RESULTS

LPA VIABILITY EUV THRESHOLD: £375,000 PER HA X 136.5 HA = £51,187,500 LAND VALUE

JLL SCENARIO A: £544,607 PER HA X 136.5 HA = £73,848,733 LAND VALUE

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Appraisal Summary for Merged Phases 1 2 3 4 5 6 7 8 9 10 11 12

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Phase 1 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 1 Affordable	60	46,307	178.75	137,956	8,277,376
Employment Plot 1 & 2	2	0	0.00	2,250,000	4,500,000
Phase 2 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 2 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 3 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 3 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 4 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 4 Affordable	60	46,307	178.75	137,956	8,277,376
Employment Plot 2 & 3	2	0	0.00	2,250,000	4,500,000
Employment Plot 5	1	0	0.00	2,250,000	2,250,000
Phase 5 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 5 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 6 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 6 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 7 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 7 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 8 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 8 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 9 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 9 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 10 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 10 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 11 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 11 Affordable	60	46,307	178.75	137,956	8,277,376
Phase 12 Open Market	140	163,763	325.00	380,164	53,222,975
Phase 12 Affordable	<u>60</u>	<u>46,307</u>	178.75	137,956	<u>8,277,376</u>
Totals	2,405	2,520,840			749,254,215

NET REALISATION

749,254,215

OUTLAY

ACQUISITION COSTS

Residualised Price	77,750,492
Residualised Price (Negative land)	(3,901,759)
	73,848,733

APPRAISAL SUMMARY

JLL

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2,400 Homes

Stamp Duty		3,750,024	
Effective Stamp Duty Rate	4.82%		
Agent Fee	1.00%	777,505	
Legal Fee	0.50%	388,752	
			4,916,281

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Phase 1 Open Market	163,763	124.95	20,462,187	
Phase 1 Affordable	46,307	124.95	5,786,060	
Phase 2 Open Market	163,763	124.95	20,462,187	
Phase 2 Affordable	46,307	124.95	5,786,060	
Phase 3 Open Market	163,763	124.95	20,462,187	
Phase 3 Affordable	46,307	124.95	5,786,060	
Phase 4 Open Market	163,763	124.95	20,462,187	
Phase 4 Affordable	46,307	124.95	5,786,060	
Phase 5 Open Market	163,763	124.95	20,462,187	
Phase 5 Affordable	46,307	124.95	5,786,060	
Phase 6 Open Market	163,763	124.95	20,462,187	
Phase 6 Affordable	46,307	124.95	5,786,060	
Phase 7 Open Market	163,763	124.95	20,462,187	
Phase 7 Affordable	46,307	124.95	5,786,060	
Phase 8 Open Market	163,763	124.95	20,462,187	
Phase 8 Affordable	46,307	124.95	5,786,060	
Phase 9 Open Market	163,763	124.95	20,462,187	
Phase 9 Affordable	46,307	124.95	5,786,060	
Phase 10 Open Market	163,763	124.95	20,462,187	
Phase 10 Affordable	46,307	124.95	5,786,060	
Phase 11 Open Market	163,763	124.95	20,462,187	
Phase 11 Affordable	46,307	124.95	5,786,060	
Phase 12 Open Market	163,763	124.95	20,462,187	
Phase 12 Affordable	46,307	124.95	5,786,060	
Totals	2,520,840 ft²		314,978,958	
Contingency		5.00%	23,669,968	
				338,648,926

Other Construction Costs

Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infra (Initial Phase)		12,000,000
SANG & Nature Reserve		712,625
Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
Transport Costs - Coach		125,660
Plot Works, Services & Externals	15.00%	3,937,237

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2,400 Homes

Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
Transport Costs - Coach		55,799
Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
Railway Upgrade - Capital Cost		10,300,000
Transport Costs - Railway		899,442
Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
Transport Costs - Railway		285,958
Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
Plot Works, Services & Externals	15.00%	3,937,237
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SANG & Nature Reserve		712,625
Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
Plot Works, Services & Externals	15.00%	3,937,237
Abnormals & Infrastructure		3,000,000
SANG & Nature Reserve		712,625
		112,465,203

Section 106 Costs

Section 106 Costs	200 un	19,148.00 /un	3,829,600
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Section 106 Costs	200 un	19,148.00 /un	3,829,600	
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Section 106 Costs	200 un	19,148.00 /un	3,829,600	
				45,955,200

PROFESSIONAL FEES

Professional Fees		7.50%	31,955,798	
				31,955,798

DISPOSAL FEES

Marketing & Sales Agent Fee		2.00%	12,773,514	
Sales Legal Fee	1,680 un	600.00 /un	1,008,000	
				13,781,514

Additional Costs

Arrangement Fee		1.00%	82,774	
Arrangement Fee		1.00%	82,774	
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Arrangement Fee		1.00%	82,774	
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Arrangement Fee		1.00%	82,774	
				993,285

TOTAL COSTS BEFORE FINANCE **622,564,940****FINANCE**

Debit Rate 6.000%, Credit Rate 2.000% (Nominal)				
Total Finance Cost				9,190,483

TOTAL COSTS **631,755,423****PROFIT****117,498,792****Performance Measures**

Profit on Cost%	18.60%
Profit on GDV%	15.68%
Profit on NDV%	15.68%

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IRR% (without Interest) 18.02%

Profit Erosion (finance rate 6.000) 2 yrs 10 mths