

GVA GRIMLEY & BESPOKE PROPERTY GROUP
HCA ECONOMIC APPRAISAL TOOL

(Worksheet 2)

INPUT SHEET 2 - RESIDENTIAL VALUE & COST ASSUMPTIONS
BUILDING PERIOD (month 0 = date of planning consent, allow for lead in period to start on site)

	Timing (month)	
Construction Start	6	(whole number, minimum of 0, maximum of 60)
Construction End	30	(whole number, minimum of 0, maximum of 60)

Overall Scheme End Date (this must be completed)

	Month	
Final End Date of Scheme (scheme built and fully let/sold)	49	(whole number, minimum of 0, maximum of 60)

RESIDENTIAL VALUE ASSUMPTIONS
Base Value
Affordable Housing Tenure 1:
Social Rented

Type of Unit	Rent per Unit per Week (£)	Total Annual Rent (£ per Unit)
0		
0		
0		
0		
0		
0		
0		
Management Costs (% of rent)	12.00%	(% of gross rent per annum)
Voids / bad debts (% of rent)	4.50%	(% of gross rent per annum)
Repairs Fund (% of rent)	18.00%	(% of gross rent per annum)
Yield (%)	6.25%	(to capitalise the net rent, currently circa 6% but please seek .
Timing of Affordable Housing Tenure 1 Purchase Payment	Start Month	End Month
		(whole number, minimum c

Affordable Housing Tenure 2:
Intermediate - Shared Ownership

Type of Unit	Total Unit Capital Value (£ psm, NIA)	Rent per Unit per week of rented share (£)	Total Annual Rent (£ per Unit)
0		£0	£0
0		£0	£0
0		£0	£0
0		£0	£0
0		£0	£0
0		£0	£0
0		£0	£0
Owner-occupied share (%)			
Unsold Equity Rent Per Annum (%)		(HCA Limit of 2.75%)	
Management Costs (% of rent)			(% of gross rent per annur
Voids / bad debts (% of rent)			(% of gross rent per annur
Repairs Fund (% of rent)			(% of gross rent per annur
Yield (%)			(to capitalise the net rent, c
Timing of Affordable Housing Tenure 2 Purchase Payment	Start Month	End Month	
			(whole number, minimum c

Affordable Housing Tenure 3:
Intermediate - Discounted Market Sale

Type of Unit	Capital Value pre-discount (£ psm, NIA)
0	

% of Open Market Value

(ie discounted value)

Timing of Affordable Housing
Tenure 3 Purchase Payment

Start Month

End Month

(whole number, minimum c

Affordable Housing Tenure 4:

Intermediate - Other Type of Shared Own / Shared Equity

Type of Unit

Total Unit
Capital Value (£ psm, NIA)

Rent per Unit per
week of rented share (£)

Total Annual Rent
(£ per Unit)

£0
£0
£0
£0
£0
£0
£0

£0
£0
£0
£0
£0
£0
£0

Owner-occupied share (%)

Unsold Equity Rent Per Annum (%)

Management Costs (% of rent)

(% of gross rent per annum)

Voids / bad debts (% of rent)

(% of gross rent per annum)

Repairs Fund (% of rent)

(% of gross rent per annum)

Yield (%)

(to capitalise the net rent, c

Timing of Affordable Housing
Tenure 4 Purchase Payment

Start Month

End Month

(whole number, minimum c

Affordable Housing Tenure 5:

Affordable Rent

Type of Unit

Rent per Unit per Week (£)

Total Annual Rent (£ per Unit)

0
0
0
0
0
0
0

Management Costs (% of rent)

(% of gross rent per annum)

Voids / bad debts (% of rent)

(% of gross rent per annum)

Repairs Fund (% of rent)

(% of gross rent per annum)

Yield (%)

(to capitalise the net rent, currently circa 6% but please seek .

Timing of Affordable Housing
Tenure 5 Purchase Payment

Start Month

End Month

(whole number, minimum c

Open Market Values

Open Market Housing Type 1:
Open Market Housing Type 2:
Open Market Housing Type 3:
Open Market Housing Type 4:
Open Market Housing Type 5:

1 beds
2 beds 1/2/3floors
4th floor
2 beds 5th floor
-

Capital Value (£ psm)

£12,012
£10,833
£11,251
£11,461

Average value of unit

£641,441
£953,304
£1,003,589
£1,097,964

Timing of First Open Market Housing Sale
Timing of Last Open Market Housing Sale

Month

30
49

(whole number, minimum c
(whole number, minimum c

Ground rents

		Average ground rent per unit per annum (£)	(where applicable)
Affordable Housing Tenure 1:	Social Rented		
Affordable Housing Tenure 2:	Intermediate - Shared Ownership		
Affordable Housing Tenure 3:	Intermediate - Discounted Market Sale		
Affordable Housing Tenure 4:	Intermediate - Other Type of Shared Own / Shared Equity		
Affordable Housing Tenure 5:	Affordable Rent		
Open Market Housing Type 1:	1 beds	£300	
Open Market Housing Type 2:	2 beds 1/2/3floors	£300	
Open Market Housing Type 3:	4th floor	£300	
Open Market Housing Type 4:	2 beds 5th floor	£300	
Open Market Housing Type 5:	-		
Yield (%)	6.00%	(to capitalise the ground rents)	
Timing of ground rent payment	Month 40	(whole number, minimum of 0, maximum of 60)	

Social Housing Grant & Other Funding

		Grant per unit (£)	
Affordable Housing Tenure 1:	Social Rented		
Affordable Housing Tenure 2:	Intermediate - Shared Ownership		
Affordable Housing Tenure 3:	Intermediate - Discounted Market Sale		
Affordable Housing Tenure 4:	Intermediate - Other Type of Shared Own / Shared Equity		
Affordable Housing Tenure 5:	Affordable Rent		
Timing Social Housing Grant Paid		Timing of 1st Payment	Timing of 2nd Payment

Other sources of funding

Value (£)	Timing of Payment	
		(whole number, minimum c (whole number, minimum c (whole number, minimum c (whole number, minimum c (whole number, minimum c (whole number, minimum c

BUILDING COST, MARKETING COST & SECTION 106 ASSUMPTIONS

		Building Costs - Gross (£ / sq m)	Net to Gross Ratio for Building Costs (%)*
Affordable Housing Tenure 1:	Social Rented		
Affordable Housing Tenure 2:	Intermediate - Shared Ownership		
Affordable Housing Tenure 3:	Intermediate - Discounted Market Sale		
Affordable Housing Tenure 4:	Intermediate - Other Type of Shared Own / Shared Equity		
Affordable Housing Tenure 5:	Affordable Rent		
Open Market Housing Type 1:	1 beds	£4,846	78%
Open Market Housing Type 2:	2 beds 1/2/3floors	£4,846	78%
Open Market Housing Type 3:	4th floor	£4,846	78%
Open Market Housing Type 4:	2 beds 5th floor	£4,846	78%
Open Market Housing Type 5:	-		

* The ratio is typically 70% - 85% in blocks of flats to reflect the difference between GIA & NIA (ie common parts such as lifts, stairs, corridors etc) and 100% in houses which have no common parts

		Building Costs (£ / car parking space)	
Residential Car Parking Building Costs (average cost / car parking space)			
		% of Building Costs	
Building Design Fees % (Architects, QS etc)		12.00%	(typically around 10%)
Building Contingencies (% of Building Costs)			(typically around 5% for ne
Section 106 Payments (£) *		Cost (£)	Month of Payment
MCIL		£943,096	30
carbon offset		£127,000	30

* This section excludes Affordable Housing section 106 payments
Site Abnormals (£)

Cost (£)	Month of Payment

**Building Cost Percentage Increase (if any)**

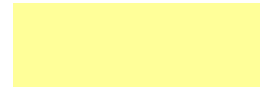
Site Specific Sustainability Initiatives (%)

Lifetime Homes (%)

Code for Sustainable Homes (%)

Other (%)

%

**OTHER COSTS****SITE ACQUISITION COSTS**

Agents Fees (% of site value)

Legal Fees (% of site value)

Stamp Duty (% of site value)

%

1.00%*(typically around 1%)***0.75%***(typically around 0.75%)***5.00%**

Other Acquisition Costs (£)

Cost (£)**Month of Payment****FINANCE COSTS**

Arrangement Fee (£)

Interest Rate (%)

Misc Fees - Surveyors etc (£)

7.00%*(typically around 3-5% above base rate)***Marketing Costs****Affordable Housing Marketing Costs**

Developer cost of sale to RSL (£)

RSL on-costs (£)

Intermediate Housing Sales and Marketing (£)

Cost (£)**Timing (month)****Open Market Housing Marketing Costs**

Sales Fees (agents fees & marketing fees) - %

Legal Fees (per Open Market unit) - £

3.00%*(typically around 6%)**(typically around £600 per unit)***DEVELOPER'S RETURN FOR RISK AND PROFIT (before taxation)****% of Housing
Capital Value**

Open Market Housing (%)

Affordable Housing (%)

20.00%*(typically 17.5-20%)**(typically around 6%. profit only taken on the capital value of the development)*