

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	36	(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)	42	(whole number, minimum of 0, maximum of 60)

RESIDENTIAL VALUE ASSUMPTIONS

Base Value

Affordable Housing Tenure 1:

0

Type of Unit	Rent per Unit per Week (£)	Total Annual Rent (£ per Unit)
1 Bed Flat		
2 Bed Flat		
3 Bed Flat		
2 Bed House		
3 Bed House		
4 Bed House		
Other		
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 i
Timing of Affordable Housing Tenure 1 Purchase Payment	Start Month End Month	(whole number, minimum o

Affordable Housing Tenure 2:

0

Type of Unit	Total Unit Capital Value (£ psm, NIA)	Rent per Unit per week of rented share (£)	Total Annual Rent (£ per Unit)
1 Bed Flat		£0	£0
2 Bed Flat		£0	£0
3 Bed Flat		£0	£0
2 Bed House		£0	£0
3 Bed House		£0	£0
4 Bed House		£0	£0
Other		£0	£0
Owner-occupied share (%)			
Unsold Equity Rent Per Annum (%)			(HCA Limit of 2.75%)
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 2 Purchase Payment	Start Month End Month		(whole number, minimum o

Affordable Housing Tenure 3:

0

Type of Unit	Capital Value pre-discount (£ psm, NIA)
1 Bed Flat	
2 Bed Flat	
3 Bed Flat	
2 Bed House	
3 Bed House	
4 Bed House	
Other	
% of Open Market Value	(ie discounted value)

Timing of Affordable Housing Tenure 3 Purchase Payment	Start Month	End Month	(whole number, minimum 0)

Affordable Housing Tenure 4:

0

Type of Unit	Total Unit Capital Value (£ psm, NIA)	Rent per Unit per week of rented share (£)	Total Annual Rent (£ per Unit)
1 Bed Flat		£0	£0
2 Bed Flat		£0	£0
3 Bed Flat		£0	£0
2 Bed House		£0	£0
3 Bed House		£0	£0
4 Bed House		£0	£0
Other		£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 0)

Affordable Housing Tenure 5:

0

Type of Unit	Rent per Unit per Week (£)	Total Annual Rent (£ per Unit)
1 Bed Flat		
2 Bed Flat		
3 Bed Flat		
2 Bed House		
3 Bed House		
4 Bed House		
Other		
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 i

Timing of Affordable Housing Tenure 5 Purchase Payment	Start Month	End Month	(whole number, minimum 0)

Open Market Values

	Capital Value (£ psm)	Average value of unit
Open Market Housing Type 1:	-	
Open Market Housing Type 2:	Houses	
Open Market Housing Type 3:		
Open Market Housing Type 4:		
Open Market Housing Type 5:		

Timing of First Open Market Housing Sale	Month	
Timing of Last Open Market Housing Sale	11	(whole number, minimum 0)
	42	(whole number, minimum 0)

Ground rents

		Average ground rent per unit per annum (£)	(where applicable)
Affordable Housing Tenure 1:	0		
Affordable Housing Tenure 2:	0		
Affordable Housing Tenure 3:	0		
Affordable Housing Tenure 4:	0		
Affordable Housing Tenure 5:	0		
Open Market Housing Type 1:	-		
Open Market Housing Type 2:	Houses		
Open Market Housing Type 3:	-		
Open Market Housing Type 4:	-		
Open Market Housing Type 5:	-		
Yield (%)			(to capitalise the ground rents)

	Month	
Timing of ground rent payment		(whole number, minimum of 0, maximum of 60)

Social Housing Grant & Other Funding

		Grant per unit (£)	
Affordable Housing Tenure 1:	0		
Affordable Housing Tenure 2:	0		
Affordable Housing Tenure 3:	0		
Affordable Housing Tenure 4:	0		
Affordable Housing Tenure 5:	0		
		Timing of 1st Payment	Timing of 2nd Payment
Timing Social Housing Grant Paid			

Other sources of funding

	Value (£)	Timing of Payment	
Income from industrial			(whole number, minimum 0)
LA re-cycled SHG			(whole number, minimum 0)
36% ACG			(whole number, minimum 0)
Other source of funding 2			(whole number, minimum 0)
Land Remediation Tax Relief			(whole number, minimum 0)

BUILDING COST, MARKETING COST & SECTION 106 ASSUMPTIONS

		Building Costs - Gross (£ / sq m)	Net to Gross Ratio for Building Costs (%)*
Affordable Housing Tenure 1:	0		
Affordable Housing Tenure 2:	0		
Affordable Housing Tenure 3:	0		
Affordable Housing Tenure 4:	0		
Affordable Housing Tenure 5:	0		
Open Market Housing Type 1:	-		
Open Market Housing Type 2:	Houses	£760	100%
Open Market Housing Type 3:	-		
Open Market Housing Type 4:	-		
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)	10.00%	(typically around 10%)
Building Contingencies (% of Building Costs)	4.00%	(typically around 5% for new)
Section 106 Payments (£) *	Cost (£)	Month of Payment

* This section excludes Affordable Housing section 106 payments

Site Abnormals (£)

Site prep
Sewers
Services
Off site
POS
Decontamination

Cost (£)	Month of Payment
£604,200	6
£114,000	18
£171,000	36
£233,700	36
£287,508	36
£114,000	6

Building Cost Percentage Increase (if any)

Site Specific Sustainability Initiatives (%)
Lifetime Homes (%)
Code for Sustainable Homes (%)
Other (%)

%
0.00%
0.00%
0.00%
0.00%

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%)
4.00%

Other Acquisition Costs (£)

Cost (£) Month of Payment

FINANCE COSTS

Arrangement Fee (£)
Interest Rate (%)
Misc Fees - Surveyors etc (£)

6.00% (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%)
£250 (typically around £600 per unit)

DEVELOPER'S RETURN FOR RISK AND PROFIT (before taxation)

	% of Housing Capital Value	
Open Market Housing (%)	15.00%	(typically 17.5-20%)
Affordable Housing (%)		(typically around 6%. profit only taken on the capital value of £100,000)