

Appendix I – Assumptions & Results Summary

South Downs National Park Authority - Old Malling Farm, Site Allocation Viability Residential Assumptions Overview Sheet

Scenario type Appraised	Site type	Indicative Density (Dwellings per hectare - dph) ¹	Percentage Affordable Housing & Tenure Mix			Percentage Affordable Housing & Tenure Mix			Development Period (Months)
			40% Affordable Housing*			50% Affordable Housing*			
			Private Mix	Affordable Mix: Tenure Split 75% Rent; 25% Intermediate (shared ownership)	Affordable Mix: Tenure Split 50% Rent; 50% Intermediate (shared ownership)	Private Mix	Affordable Mix: Tenure Split 50% Rent; 50% Intermediate (shared ownership)	Affordable Mix: Tenure Split 75% Rent; 25% Intermediate (shared ownership)	
200 Mixed	Greenfield	30	12 x 1BF, 48 x 2BH, 30 x 3BH, 30 x 4BH	15 x 1BF, 9 x 2BF, 20 x 2BH, 12 x 3BH, 4 x 4BH AR / 9 x 1BF, 3 x 2BF, 8 x 2BH SO	6 x 1BF, 6 x 2BF, 12 x 2BH, 12 x 3BH, 4 x 4BH AR / 18 x 1BF, 6 x 2BF, 16 x 2BH SO	10 x 1BF, 40 x 2BH, 25 x 3BH, 25 x 4BH	7 x 1BF, 7 x 2BF, 16 x 2BH, 16 x 3BH, 4 x 4BH AR / 23 x 1BF, 7 x 2BF, 20 x 2BH SO	18 x 1BF, 11 x 2BF, 26 x 2BH, 16 x 3BH, 4 x 4BH AR / 12 x 1BF, 3 x 2BF, 10 x 2BH SO	54

*Fully applied. Actual percentage will vary due to numbers rounding.

Affordable housing mix based on Lewes DC requirements but assumes for affordability purposes that only units of 2-beds or less are transferred for intermediate housing (assumed as Shared ownership - SO) wherever possible

Unit Sizes (sq. m)*	Affordable	Private
1-bed flat	50	45
2-bed flat	67	60
2-bed house	75	75
3-bed house	85	95
4-bed house	110	125

Open Market Value & Value Indications	Base & Sensitivity Tested in +/-5% Intervals
1 Bed Flat	£180,000
2 Bed Flat	£240,000
2 Bed House	£300,000
3 Bed House	£380,000
4 Bed House	£500,000
Value House (£/m2)	£4,000

Affordable Housing Revenue -

Affordable Rented - capitalisation based on up to 80% of net market rent. Applied Brighton & Hove BRMA LHA rates for 1 & 2-bed properties (£151.50 & £190.57 per week respectively) and £228 & £326.31 per week respectively for 3 and 4 beds.

Development / Policy Costs		
RESIDENTIAL BUILDING, MARKETING & S106 COSTS		
Build Costs Houses (Mixed Developments - generally) (£/sq. m) Lower Quartile - reflecting volume house building / greenfield development ¹	£926	Sensitivity Tested in +/-5% Intervals
Site Infrastructure (£/gross ha)	£460,000 (£23,000 per unit)	
Contingencies (% of build cost)	5%	
Professional & Other Fees (% of build cost)	10.0%	
Sustainable Design / Construction Standards (£/unit) ²	£1,985	
Residual s.106 /non-CIL costs (£ per unit)	N/A	Output is surplus showing maximum s106 costs
CIL - Market Housing Only (£/m2)	£200	
Marketing & Sales Costs (%of GDV)	3%	
Legal Fees on sale (£ per unit)	£750	
DEVELOPER'S RETURN FOR RISK AND PROFIT		
Open Market Housing Profit (% of GDV)	20.0%	
Affordable Housing Profit (% of GDV)	6.0%	
FINANCE & ACQUISITION COSTS		
Arrangement Fees - (% of loan)	2.0%	
Miscellaneous (Surveyors etc.) - per unit	0.00%	
Agents Fees (% of site value)	1.50%	
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	HMRC Scale	
Finance Rate - Build (%)	7.0%	
Finance Rate - Land (%)	7.0%	

Notes:

¹ Build cost taken as "Lower Quartile" figure from BCIS for that build type - e.g. flats ; houses storey heights etc. and then rounded. Lower Quartile figures used to reflect greenfield nature of development - volume housebuilder build costs typically significantly lower than BCIS Mean / Median. BCIS figure for Lewes has been used. BCIS data: Houses Mixed Development (generally): £926/sq. m GIA.

BCIS build costs include preliminaries and contractor's profit but without externals, contingencies or fees.

Above build costs include external works at 15% (added to BCIS basis).

² The above costs are based on the DCLG Housing Standards Review Impact Assessment costings assuming CfSH L4 base. Appraisals assume cost uplift in line with figures above assuming average cost uplift from each unit type (£1,932 per unit average).

³ Allowance to achieve Lifetime Homes Standards for 10% of dwellings. DCLG Housing Standards Review Impact Assessment costings indicate average extra over cost to be £1,045 (works cost) and £930 (additional space cost). Total average for LTH = £1,975 per unit (applied only to 10% of units).

South Downs National Park Authority - Old Malling Farm, Site Allocation Viability Residential Results and Sensitivity Testing

Base Results

Percentage Affordable	Percentage AR	Percentage SO	Residual Land Value (£)	Fixed Land Cost (£)*	Surplus	Surplus per Unit**
50%	50%	50%	£9,578,082	£3,335,000	£6,243,082	£31,215
50%	75%	25%	£9,302,359	£3,335,000	£5,967,359	£29,837
40%	50%	50%	£11,126,114	£3,335,000	£7,791,114	£38,956
40%	75%	25%	£10,910,960	£3,335,000	£7,575,960	£37,880

*assumes £500,000 per net hectare / £333,500 per gross hectare - 17 x uplift from assumed agricultural value

** for s106 costs, additional mitigation measures, abnormal / unknown costs at this high level review stage

Sensitivity Testing (+/- 0% Build Costs and +5% Sales Values)

Percentage Affordable	Percentage AR	Percentage SO	Residual Land Value (£)	Fixed Land Cost (£)*	Surplus	Surplus per Unit**
50%	50%	50%	£11,194,949	£3,335,000	£7,859,949	£39,300
50%	75%	25%	£10,911,024	£3,335,000	£7,576,024	£37,880
40%	50%	50%	£12,856,694	£3,335,000	£9,521,694	£47,608
40%	75%	25%	£12,630,691	£3,335,000	£9,295,691	£46,478

Sensitivity Testing (+0% Build Costs and +/-0% Sales Values)

Percentage Affordable	Percentage AR	Percentage SO	Residual Land Value (£)	Fixed Land Cost (£)*	Surplus	Surplus per Unit**
50%	50%	50%	£8,767,924	£3,335,000	£5,432,924	£27,165
50%	75%	25%	£8,495,737	£3,335,000	£5,160,737	£25,804
40%	50%	50%	£10,305,485	£3,335,000	£6,970,485	£34,852
40%	75%	25%	£10,088,933	£3,335,000	£6,753,933	£33,770

Sensitivity Testing (+5% Build Costs and -5% Sales Values)

Percentage Affordable	Percentage AR	Percentage SO	Residual Land Value (£)	Fixed Land Cost (£)*	Surplus	Surplus per Unit**
50%	50%	50%	£7,145,426	£3,335,000	£3,810,426	£19,052
50%	75%	25%	£6,874,810	£3,335,000	£3,539,810	£17,699
40%	50%	50%	£8,567,382	£3,335,000	£5,232,382	£26,162
40%	75%	25%	£8,348,933	£3,335,000	£5,013,933	£25,070

Sensitivity Testing (-5% Build Costs and +5% Sales Values)

Percentage Affordable	Percentage AR	Percentage SO	Residual Land Value (£)	Fixed Land Cost (£)*	Surplus	Surplus per Unit**
50%	50%	50%	£12,003,265	£3,335,000	£8,668,265	£43,341
50%	75%	25%	£11,714,755	£3,335,000	£8,379,755	£41,899
40%	50%	50%	£13,684,444	£3,335,000	£10,349,444	£51,747
40%	75%	25%	£13,459,061	£3,335,000	£10,124,061	£50,620

Appendix II – Appraisal Summaries

Old Malling Farm - Site Allocation - High Level Viability

50% Affordable Housing

50% Affordable Rent / 50% Shared Ownership

Development Appraisal
Dixon Searle Partnership
27 March 2015

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

Old Malling Farm - Site Allocation - High Level Viability

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
1BF - Private	10	450.00	4,000.00	180,000	1,800,000
2BH - Private	40	3,000.00	4,000.00	300,000	12,000,000
3BH - Private	25	2,375.00	4,000.00	380,000	9,500,000
4BH - Private	25	3,125.00	4,000.00	500,000	12,500,000
1BF - AR	7	315.00	2,452.02	110,341	772,387
2BF - AR	7	469.00	2,071.63	138,799	971,593
2BH - AR	16	1,200.00	1,850.65	138,799	2,220,784
3BH - AR	16	1,360.00	1,953.68	166,063	2,657,008
4BH - AR	4	440.00	2,160.62	237,668	950,672
1BF - SO	23	1,035.00	2,535.84	114,113	2,624,599
2BF - SO	7	469.00	2,237.51	149,913	1,049,391
2BH - AR	<u>20</u>	<u>1,500.00</u>	2,237.51	167,813	<u>3,356,260</u>
Totals	200	15,738.00			50,402,694

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent - Private Apartments	10	250	2,500	2,500
Totals	10		2,500	2,500

Investment Valuation**Ground Rent - Private Apartments**

Market Rent	2,500	YP @	6.0000%	16.6667	
		PV 2yrs @	6.0000%	0.8900	37,083
					37,083

GROSS DEVELOPMENT VALUE**50,439,777**

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Old Malling Farm - Site Allocation - High Level Viability****NET REALISATION****50,439,777****OUTLAY****ACQUISITION COSTS**

Residualised Price	6,243,082		
Fixed Price	3,335,000		
Total Acquisition (10.00 Ha 957,808.16 pHect)		9,578,082	
			9,578,082
Stamp Duty		378,529	
Agent Fee	1.50%	143,671	
Legal Fee	0.75%	71,836	
			594,036

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
1BF - Private	529.41 m ²	926.00 pm ²	490,235	
2BH - Private	3,000.00 m ²	926.00 pm ²	2,778,000	
3BH - Private	2,375.00 m ²	926.00 pm ²	2,199,250	
4BH - Private	3,125.00 m ²	926.00 pm ²	2,893,750	
1BF - AR	370.59 m ²	926.00 pm ²	343,165	
2BF - AR	551.76 m ²	926.00 pm ²	510,934	
2BH - AR	1,200.00 m ²	926.00 pm ²	1,111,200	
3BH - AR	1,360.00 m ²	926.00 pm ²	1,259,360	
4BH - AR	440.00 m ²	926.00 pm ²	407,440	
1BF - SO	1,217.65 m ²	926.00 pm ²	1,127,541	
2BF - SO	551.76 m ²	926.00 pm ²	510,934	
2BH - AR	1,500.00 m ²	926.00 pm ²	1,389,000	
Totals	16,221.18 m²		15,020,809	15,020,809

Contingency		5.00%	751,040	
Site Infrastructure	200.00 un	23,000.00 /un	4,600,000	
CIL	9,029.41 m ²	200.00 pm ²	1,805,882	
Part L Compliance (E/O)	200.00 un	1,985.00 /un	397,000	
Lifetime Homes (Equiv) - 10% units			19,750	

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APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Old Malling Farm - Site Allocation - High Level Viability**

				7,573,673
Other Construction				
External Works		15.00%	1,254,185	
External Works		15.00%	544,815	
External Works		15.00%	454,121	
				2,253,121
PROFESSIONAL FEES				
Professional Fees		10.00%	961,542	
Professional Fees		10.00%	417,691	
Professional Fees		10.00%	348,160	
				1,727,393
DISPOSAL FEES				
Sales Agent Fee		3.00%	1,513,193	
Sales Legal Fee	200.00 un	750.00 /un	150,000	
				1,663,193
Additional Costs				
Arrangement Fee			400,000	
				400,000
FINANCE				
Debit Rate 7.000%, Credit Rate 1.000% (Nominal)				
Total Finance Cost				3,561,785
TOTAL COSTS				42,372,093
PROFIT				8,067,684
Performance Measures				
Profit on Cost%		19.04%		
Profit on GDV%		15.99%		

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Old Malling Farm - Site Allocation - High Level Viability

Table of Land Cost and Profit Amount

Construction: Rate pm ²					
Sales: Rate pm ²	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	833.40 pm ²	879.70 pm ²	926.00 pm ²	972.30 pm ²	1,018.60 pm ²
-10.000%	(£7,950,829)	(£7,146,950)	(£6,327,838)	(£5,496,640)	(£4,656,279)
3,600.00 pm ²	£7,261,640	£7,261,828	£7,266,094	£7,274,413	£7,288,128
-5.000%	(£9,569,225)	(£8,764,463)	(£7,962,084)	(£7,145,426)	(£6,319,566)
3,800.00 pm ²	£7,664,467	£7,664,652	£7,664,837	£7,665,731	£7,674,050
0.000%	(£11,190,402)	(£10,382,087)	(£9,578,082)	(£8,767,924)	(£7,963,298)
4,000.00 pm ²	£8,067,294	£8,067,479	£8,067,684	£8,067,850	£8,068,035
+5.000%	(£12,811,580)	(£12,003,265)	(£11,194,949)	(£10,386,632)	(£9,581,551)
4,200.00 pm ²	£8,470,120	£8,470,306	£8,470,492	£8,470,680	£8,470,871
+10.000%	(£14,432,758)	(£13,624,442)	(£12,816,127)	(£12,007,810)	(£11,199,495)
4,400.00 pm ²	£8,872,947	£8,873,132	£8,873,318	£8,873,507	£8,873,692

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pm²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1BF - Private	1	£926.00	2 Up & Down
2BH - Private	1	£926.00	2 Up & Down
3BH - Private	1	£926.00	2 Up & Down
4BH - Private	1	£926.00	2 Up & Down
1BF - AR	2	£926.00	2 Up & Down
2BF - AR	2	£926.00	2 Up & Down
2BH - AR	2	£926.00	2 Up & Down
3BH - AR	2	£926.00	2 Up & Down
4BH - AR	2	£926.00	2 Up & Down
1BF - SO	3	£926.00	2 Up & Down
2BF - SO	3	£926.00	2 Up & Down
2BH - SO	3	£926.00	2 Up & Down

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Old Malling Farm - Site Allocation - High Level Viability**Sales: Rate pm²**

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1BF - Private	1	£4,000.00	2 Up & Down
2BH - Private	1	£4,000.00	2 Up & Down
3BH - Private	1	£4,000.00	2 Up & Down
4BH - Private	1	£4,000.00	2 Up & Down
1BF - AR	2	£2,452.02	2 Up & Down
2BF - AR	2	£2,071.63	2 Up & Down
2BH - AR	2	£1,850.65	2 Up & Down
3BH - AR	2	£1,953.68	2 Up & Down
4BH - AR	2	£2,160.62	2 Up & Down
1BF - SO	3	£2,535.84	2 Up & Down
2BF - SO	3	£2,237.51	2 Up & Down
2BH - AR	3	£2,237.51	2 Up & Down

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Old Malling Farm - Site Allocation - High Level Viability

50% Affordable Housing

75% Affordable Rent / 25% Shared Ownership

Development Appraisal
Dixon Searle Partnership
27 March 2015

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

Old Malling Farm - Site Allocation - High Level Viability

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
1BF - Private	10	450.00	4,000.00	180,000	1,800,000
2BH - Private	40	3,000.00	4,000.00	300,000	12,000,000
3BH - Private	25	2,375.00	4,000.00	380,000	9,500,000
4BH - Private	25	3,125.00	4,000.00	500,000	12,500,000
1BF - AR	18	810.00	2,452.02	110,341	1,986,138
2BF - AR	11	737.00	2,071.63	138,799	1,526,789
2BH - AR	26	1,950.00	1,850.65	138,799	3,608,774
3BH - AR	16	1,360.00	1,953.68	166,063	2,657,008
4BH - AR	4	440.00	2,160.62	237,668	950,672
1BF - SO	12	540.00	2,535.84	114,113	1,369,356
2BF - SO	3	201.00	2,237.51	149,913	449,739
2BH - AR	10	750.00	2,237.51	167,813	1,678,130
Totals	200	15,738.00			50,026,606

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent - Private Apartments	10	250	2,500	2,500
Totals	10		2,500	2,500

Investment Valuation**Ground Rent - Private Apartments**

Market Rent	2,500	YP @	6.0000%	16.6667	
		PV 2yrs @	6.0000%	0.8900	37,083
					37,083

GROSS DEVELOPMENT VALUE**50,063,689**

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APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Old Malling Farm - Site Allocation - High Level Viability****NET REALISATION****50,063,689****OUTLAY****ACQUISITION COSTS**

Residualised Price	5,967,359		
Fixed Price	3,335,000		
Total Acquisition (10.00 Ha 930,235.88 pHect)		9,302,359	
			9,302,359
Stamp Duty		368,513	
Agent Fee	1.50%	139,535	
Legal Fee	0.75%	69,768	
			577,816

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
1BF - Private	529.41 m ²	926.00 pm ²	490,235	
2BH - Private	3,000.00 m ²	926.00 pm ²	2,778,000	
3BH - Private	2,375.00 m ²	926.00 pm ²	2,199,250	
4BH - Private	3,125.00 m ²	926.00 pm ²	2,893,750	
1BF - AR	952.94 m ²	926.00 pm ²	882,424	
2BF - AR	867.06 m ²	926.00 pm ²	802,896	
2BH - AR	1,950.00 m ²	926.00 pm ²	1,805,700	
3BH - AR	1,360.00 m ²	926.00 pm ²	1,259,360	
4BH - AR	440.00 m ²	926.00 pm ²	407,440	
1BF - SO	635.29 m ²	926.00 pm ²	588,282	
2BF - SO	236.47 m ²	926.00 pm ²	218,972	
2BH - AR	750.00 m ²	926.00 pm ²	694,500	
Totals	16,221.18 m²		15,020,809	15,020,809

Contingency		5.00%	751,040	
Site Infrastructure	200.00 un	23,000.00 /un	4,600,000	
CIL	9,029.41 m ²	200.00 pm ²	1,805,882	
Part L Compliance (E/O)	200.00 un	1,985.00 /un	397,000	
Lifetime Homes (Equiv) - 10% units			19,750	

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APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Old Malling Farm - Site Allocation - High Level Viability**

				7,573,673
Other Construction				
External Works		15.00%	1,254,185	
External Works		15.00%	773,673	
External Works		15.00%	225,263	
				2,253,121
PROFESSIONAL FEES				
Professional Fees		10.00%	961,542	
Professional Fees		10.00%	593,149	
Professional Fees		10.00%	172,702	
				1,727,393
DISPOSAL FEES				
Sales Agent Fee		3.00%	1,501,911	
Sales Legal Fee	200.00 un	750.00 /un	150,000	
				1,651,911
Additional Costs				
Arrangement Fee			400,000	
				400,000
FINANCE				
Debit Rate 7.000%, Credit Rate 1.000% (Nominal)				
Total Finance Cost				3,511,945
TOTAL COSTS				42,019,028
PROFIT				8,044,662
Performance Measures				
Profit on Cost%		19.15%		
Profit on GDV%		16.07%		

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Old Malling Farm - Site Allocation - High Level Viability

Table of Land Cost and Profit Amount

Construction: Rate pm ²					
Sales: Rate pm ²	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	833.40 pm ²	879.70 pm ²	926.00 pm ²	972.30 pm ²	1,018.60 pm ²
-10.000%	(£7,706,145)	(£6,898,809)	(£6,064,512)	(£5,226,789)	(£4,385,608)
3,600.00 pm ²	£7,240,924	£7,241,107	£7,251,631	£7,263,366	£7,277,695
-5.000%	(£9,311,884)	(£8,506,802)	(£7,702,325)	(£6,874,810)	(£6,038,558)
3,800.00 pm ²	£7,642,598	£7,642,783	£7,642,969	£7,648,735	£7,660,470
0.000%	(£10,915,628)	(£10,111,454)	(£9,302,359)	(£8,495,737)	(£7,686,107)
4,000.00 pm ²	£8,044,278	£8,044,459	£8,044,662	£8,044,831	£8,045,840
+5.000%	(£12,523,073)	(£11,714,755)	(£10,911,024)	(£10,101,941)	(£9,296,387)
4,200.00 pm ²	£8,445,945	£8,446,135	£8,446,320	£8,446,506	£8,446,700
+10.000%	(£14,130,509)	(£13,322,194)	(£12,513,879)	(£11,705,565)	(£10,901,508)
4,400.00 pm ²	£8,847,625	£8,847,811	£8,847,996	£8,848,180	£8,848,370

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pm²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1BF - Private	1	£926.00	2 Up & Down
2BH - Private	1	£926.00	2 Up & Down
3BH - Private	1	£926.00	2 Up & Down
4BH - Private	1	£926.00	2 Up & Down
1BF - AR	2	£926.00	2 Up & Down
2BF - AR	2	£926.00	2 Up & Down
2BH - AR	2	£926.00	2 Up & Down
3BH - AR	2	£926.00	2 Up & Down
4BH - AR	2	£926.00	2 Up & Down
1BF - SO	3	£926.00	2 Up & Down
2BF - SO	3	£926.00	2 Up & Down
2BH - SO	3	£926.00	2 Up & Down

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Old Malling Farm - Site Allocation - High Level Viability**Sales: Rate pm²**

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1BF - Private	1	£4,000.00	2 Up & Down
2BH - Private	1	£4,000.00	2 Up & Down
3BH - Private	1	£4,000.00	2 Up & Down
4BH - Private	1	£4,000.00	2 Up & Down
1BF - AR	2	£2,452.02	2 Up & Down
2BF - AR	2	£2,071.63	2 Up & Down
2BH - AR	2	£1,850.65	2 Up & Down
3BH - AR	2	£1,953.68	2 Up & Down
4BH - AR	2	£2,160.62	2 Up & Down
1BF - SO	3	£2,535.84	2 Up & Down
2BF - SO	3	£2,237.51	2 Up & Down
2BH - AR	3	£2,237.51	2 Up & Down

This appraisal report does not constitute a formal valuation.

Old Malling Farm - Site Allocation - High Level Viability

40% Affordable Housing

50% Affordable Rent / 50% Shared Ownership

Development Appraisal
Dixon Searle Partnership
27 March 2015

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

Old Malling Farm - Site Allocation - High Level Viability

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
1BF - Private	12	540.00	4,000.00	180,000	2,160,000
2BH - Private	48	3,600.00	4,000.00	300,000	14,400,000
3BH - Private	30	2,850.00	4,000.00	380,000	11,400,000
4BH - Private	30	3,750.00	4,000.00	500,000	15,000,000
1BF - AR	6	270.00	2,452.02	110,341	662,046
2BF - AR	6	402.00	2,071.63	138,799	832,794
2BH - AR	12	900.00	1,850.65	138,799	1,665,588
3BH - AR	12	1,020.00	1,953.68	166,063	1,992,756
4BH - AR	4	440.00	2,160.62	237,668	950,672
1BF - SO	18	810.00	2,535.84	114,113	2,054,034
2BF - SO	6	402.00	2,237.51	149,913	899,478
2BH - AR	<u>16</u>	<u>1,200.00</u>	2,237.51	167,813	<u>2,685,008</u>
Totals	200	16,184.00			54,702,376

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent - Private Apartments	12	250	3,000	3,000
Totals	12		3,000	3,000

Investment Valuation**Ground Rent - Private Apartments**

Market Rent	3,000	YP @	6.0000%	16.6667	
		PV 2yrs @	6.0000%	0.8900	44,500
					44,500

GROSS DEVELOPMENT VALUE**54,746,876**

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Old Malling Farm - Site Allocation - High Level Viability****NET REALISATION****54,746,876****OUTLAY****ACQUISITION COSTS**

Residualised Price	7,791,114		
Fixed Price	3,335,000		
Total Acquisition (10.00 Ha 1,112,611.39 pHect)		11,126,114	
			11,126,114
Stamp Duty		441,159	
Agent Fee	1.50%	166,892	
Legal Fee	0.75%	83,446	
			691,496

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
1BF - Private	635.29 m ²	926.00 pm ²	588,282	
2BH - Private	3,600.00 m ²	926.00 pm ²	3,333,600	
3BH - Private	2,850.00 m ²	926.00 pm ²	2,639,100	
4BH - Private	3,750.00 m ²	926.00 pm ²	3,472,500	
1BF - AR	317.65 m ²	926.00 pm ²	294,141	
2BF - AR	472.94 m ²	926.00 pm ²	437,944	
2BH - AR	900.00 m ²	926.00 pm ²	833,400	
3BH - AR	1,020.00 m ²	926.00 pm ²	944,520	
4BH - AR	440.00 m ²	926.00 pm ²	407,440	
1BF - SO	952.94 m ²	926.00 pm ²	882,424	
2BF - SO	472.94 m ²	926.00 pm ²	437,944	
2BH - AR	<u>1,200.00 m²</u>	926.00 pm ²	<u>1,111,200</u>	
Totals	16,611.76 m²		15,382,494	15,382,494

Contingency		5.00%	769,125	
Site Infrastructure	200.00 un	23,000.00 /un	4,600,000	
CIL	10,835.29 m ²	200.00 pm ²	2,167,059	
Part L Compliance (E/O)	200.00 un	1,985.00 /un	397,000	
Lifetime Homes (Equiv) - 10% units			19,750	

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Old Malling Farm - Site Allocation - High Level Viability**

				7,952,934
Other Construction				
External Works		15.00%	1,505,022	
External Works		15.00%	437,617	
External Works		15.00%	364,735	
				2,307,374
PROFESSIONAL FEES				
Professional Fees		10.00%	1,153,850	
Professional Fees		10.00%	335,506	
Professional Fees		10.00%	279,630	
				1,768,987
DISPOSAL FEES				
Sales Agent Fee		3.00%	1,642,406	
Sales Legal Fee	200.00 un	750.00 /un	150,000	
				1,792,406
Additional Costs				
Arrangement Fee			400,000	
				400,000
FINANCE				
Debit Rate 7.000%, Credit Rate 1.000% (Nominal)				
Total Finance Cost				3,999,180
TOTAL COSTS				45,420,985
PROFIT				9,325,890
Performance Measures				
Profit on Cost%		20.53%		
Profit on GDV%		17.03%		

This appraisal report does not constitute a formal valuation.

Old Malling Farm - Site Allocation - High Level Viability

Table of Land Cost and Profit Amount

Construction: Rate pm ²					
Sales: Rate pm ²	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	833.40 pm ²	879.70 pm ²	926.00 pm ²	972.30 pm ²	1,018.60 pm ²
-10.000%	(£9,315,855)	(£8,488,214)	(£7,652,750)	(£6,806,606)	(£5,953,034)
3,600.00 pm ²	£8,394,190	£8,394,341	£8,397,026	£8,403,707	£8,414,787
-5.000%	(£11,048,241)	(£10,223,684)	(£9,396,367)	(£8,567,382)	(£7,722,267)
3,800.00 pm ²	£8,859,890	£8,860,039	£8,860,188	£8,860,337	£8,866,813
0.000%	(£12,777,956)	(£11,950,207)	(£11,126,114)	(£10,305,485)	(£9,472,637)
4,000.00 pm ²	£9,325,590	£9,325,740	£9,325,890	£9,326,037	£9,326,195
+5.000%	(£14,512,193)	(£13,684,444)	(£12,856,694)	(£12,033,231)	(£11,203,990)
4,200.00 pm ²	£9,791,290	£9,791,439	£9,791,590	£9,791,737	£9,791,887
+10.000%	(£16,246,430)	(£15,418,681)	(£14,590,933)	(£13,763,184)	(£12,935,435)
4,400.00 pm ²	£10,256,990	£10,257,139	£10,257,288	£10,257,437	£10,257,587

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pm²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1BF - Private	1	£926.00	2 Up & Down
2BH - Private	1	£926.00	2 Up & Down
3BH - Private	1	£926.00	2 Up & Down
4BH - Private	1	£926.00	2 Up & Down
1BF - AR	2	£926.00	2 Up & Down
2BF - AR	2	£926.00	2 Up & Down
2BH - AR	2	£926.00	2 Up & Down
3BH - AR	2	£926.00	2 Up & Down
4BH - AR	2	£926.00	2 Up & Down
1BF - SO	3	£926.00	2 Up & Down
2BF - SO	3	£926.00	2 Up & Down
2BH - SO	3	£926.00	2 Up & Down

This appraisal report does not constitute a formal valuation.

Old Malling Farm - Site Allocation - High Level Viability**Sales: Rate pm²**

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1BF - Private	1	£4,000.00	2 Up & Down
2BH - Private	1	£4,000.00	2 Up & Down
3BH - Private	1	£4,000.00	2 Up & Down
4BH - Private	1	£4,000.00	2 Up & Down
1BF - AR	2	£2,452.02	2 Up & Down
2BF - AR	2	£2,071.63	2 Up & Down
2BH - AR	2	£1,850.65	2 Up & Down
3BH - AR	2	£1,953.68	2 Up & Down
4BH - AR	2	£2,160.62	2 Up & Down
1BF - SO	3	£2,535.84	2 Up & Down
2BF - SO	3	£2,237.51	2 Up & Down
2BH - AR	3	£2,237.51	2 Up & Down

This appraisal report does not constitute a formal valuation.

Old Malling Farm - Site Allocation - High Level Viability

40% Affordable Housing

75% Affordable Rent / 25% Shared Ownership

Development Appraisal
Dixon Searle Partnership
27 March 2015

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP**

Old Malling Farm - Site Allocation - High Level Viability

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
1BF - Private	12	540.00	4,000.00	180,000	2,160,000
2BH - Private	48	3,600.00	4,000.00	300,000	14,400,000
3BH - Private	30	2,850.00	4,000.00	380,000	11,400,000
4BH - Private	30	3,750.00	4,000.00	500,000	15,000,000
1BF - AR	15	675.00	2,452.02	110,341	1,655,115
2BF - AR	9	603.00	2,071.63	138,799	1,249,191
2BH - AR	20	1,500.00	1,850.65	138,799	2,775,980
3BH - AR	12	1,020.00	1,953.68	166,063	1,992,756
4BH - AR	4	440.00	2,160.62	237,668	950,672
1BF - SO	9	405.00	2,535.84	114,113	1,027,017
2BF - SO	3	201.00	2,237.51	149,913	449,739
2BH - AR	8	600.00	2,237.51	167,813	1,342,504
Totals	200	16,184.00			54,402,974

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent - Private Apartments	12	250	3,000	3,000
Totals	12		3,000	3,000

Investment Valuation**Ground Rent - Private Apartments**

Market Rent	3,000	YP @	6.0000%	16.6667	
		PV 2yrs @	6.0000%	0.8900	44,500
					44,500

GROSS DEVELOPMENT VALUE**54,447,474**

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Old Malling Farm - Site Allocation - High Level Viability****NET REALISATION****54,447,474****OUTLAY****ACQUISITION COSTS**

Residualised Price	7,575,690		
Fixed Price	3,335,000		
Total Acquisition (10.00 Ha 1,091,068.97 pHect)		10,910,690	
			10,910,690
Stamp Duty		429,016	
Agent Fee	1.50%	163,660	
Legal Fee	0.75%	81,830	
			674,506

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
1BF - Private	635.29 m ²	926.00 pm ²	588,282	
2BH - Private	3,600.00 m ²	926.00 pm ²	3,333,600	
3BH - Private	2,850.00 m ²	926.00 pm ²	2,639,100	
4BH - Private	3,750.00 m ²	926.00 pm ²	3,472,500	
1BF - AR	794.12 m ²	926.00 pm ²	735,353	
2BF - AR	709.41 m ²	926.00 pm ²	656,915	
2BH - AR	1,500.00 m ²	926.00 pm ²	1,389,000	
3BH - AR	1,020.00 m ²	926.00 pm ²	944,520	
4BH - AR	440.00 m ²	926.00 pm ²	407,440	
1BF - SO	476.47 m ²	926.00 pm ²	441,212	
2BF - SO	236.47 m ²	926.00 pm ²	218,972	
2BH - AR	600.00 m ²	926.00 pm ²	555,600	
Totals	16,611.76 m²		15,382,494	15,382,494

Contingency		5.00%	769,125	
Site Infrastructure	200.00 un	23,000.00 /un	4,600,000	
CIL	10,835.29 m ²	200.00 pm ²	2,167,059	
Part L Compliance (E/O)	200.00 un	1,985.00 /un	397,000	
Lifetime Homes (Equiv) - 10% units			19,750	

This appraisal report does not constitute a formal valuation.

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Old Malling Farm - Site Allocation - High Level Viability**

				7,952,934
Other Construction				
External Works		15.00%	1,505,022	
External Works		15.00%	619,984	
External Works		15.00%	182,368	
				2,307,374
PROFESSIONAL FEES				
Professional Fees		10.00%	1,153,850	
Professional Fees		10.00%	475,321	
Professional Fees		10.00%	139,815	
				1,768,987
DISPOSAL FEES				
Sales Agent Fee		3.00%	1,633,424	
Sales Legal Fee	200.00 un	750.00 /un	150,000	
				1,783,424
Additional Costs				
Arrangement Fee			400,000	
				400,000
FINANCE				
Debit Rate 7.000%, Credit Rate 1.000% (Nominal)				
Total Finance Cost				3,959,503
TOTAL COSTS				45,139,912
PROFIT				9,307,562
Performance Measures				
Profit on Cost%		20.62%		
Profit on GDV%		17.09%		

This appraisal report does not constitute a formal valuation.

Old Malling Farm - Site Allocation - High Level Viability

Table of Land Cost and Profit Amount

Construction: Rate pm ²					
Sales: Rate pm ²	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	833.40 pm ²	879.70 pm ²	926.00 pm ²	972.30 pm ²	1,018.60 pm ²
-10.000%	(£9,121,200)	(£8,290,698)	(£7,443,163)	(£6,591,822)	(£5,737,551)
3,600.00 pm ²	£8,377,696	£8,377,845	£8,385,477	£8,394,881	£8,406,484
-5.000%	(£10,838,875)	(£9,765,109)	(£9,189,601)	(£8,348,933)	(£7,497,592)
3,800.00 pm ²	£8,842,480	£9,182,624	£8,842,778	£8,846,559	£8,855,963
0.000%	(£12,563,153)	(£11,734,783)	(£10,910,690)	(£10,088,933)	(£9,252,865)
4,000.00 pm ²	£9,307,264	£9,307,413	£9,307,562	£9,307,711	£9,307,869
+5.000%	(£14,282,513)	(£13,459,061)	(£12,630,691)	(£11,802,319)	(£10,976,992)
4,200.00 pm ²	£9,772,045	£9,772,197	£9,772,346	£9,772,496	£9,772,645
+10.000%	(£16,005,811)	(£15,178,063)	(£14,354,969)	(£13,526,599)	(£12,698,225)
4,400.00 pm ²	£10,236,832	£10,236,980	£10,237,130	£10,237,279	£10,237,432

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pm²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1BF - Private	1	£926.00	2 Up & Down
2BH - Private	1	£926.00	2 Up & Down
3BH - Private	1	£926.00	2 Up & Down
4BH - Private	1	£926.00	2 Up & Down
1BF - AR	2	£926.00	2 Up & Down
2BF - AR	2	£926.00	2 Up & Down
2BH - AR	2	£926.00	2 Up & Down
3BH - AR	2	£926.00	2 Up & Down
4BH - AR	2	£926.00	2 Up & Down
1BF - SO	3	£926.00	2 Up & Down
2BF - SO	3	£926.00	2 Up & Down
2BH - SO	3	£926.00	2 Up & Down

This appraisal report does not constitute a formal valuation.

Old Malling Farm - Site Allocation - High Level Viability**Sales: Rate pm²**

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1BF - Private	1	£4,000.00	2 Up & Down
2BH - Private	1	£4,000.00	2 Up & Down
3BH - Private	1	£4,000.00	2 Up & Down
4BH - Private	1	£4,000.00	2 Up & Down
1BF - AR	2	£2,452.02	2 Up & Down
2BF - AR	2	£2,071.63	2 Up & Down
2BH - AR	2	£1,850.65	2 Up & Down
3BH - AR	2	£1,953.68	2 Up & Down
4BH - AR	2	£2,160.62	2 Up & Down
1BF - SO	3	£2,535.84	2 Up & Down
2BF - SO	3	£2,237.51	2 Up & Down
2BH - AR	3	£2,237.51	2 Up & Down

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