

**Appendix 2 – Viability Appraisal**

# HOUSING EXPECTATIONS APPRAISAL MODEL

## SCHEME SUMMARY

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| Scheme Name                          | Reading Metropolitan |             |
|--------------------------------------|----------------------|-------------|
| LA District                          | Reading              |             |
| Total Number of dwellings            | 620                  |             |
| Total number of market dwellings     | 620                  |             |
| Total Number of Hab Rooms            | 0                    |             |
| Total number of affordable dwellings | 0                    | 0.00%       |
| Total number of affordable hab rooms | 0                    | #DIV/0!     |
| Social rented                        | 0                    | #DIV/0!     |
| Affordable rented                    | 0                    | #DIV/0!     |
| Shared ownership                     | 0                    | #DIV/0!     |
| Equity share                         | 0                    | #DIV/0!     |
| Total Sect 106 contributions         | £8,548,988.00        |             |
| Site Size                            |                      | Density     |
|                                      |                      | per hectare |
|                                      |                      | per acre    |
| Residential GIA                      | 52945                |             |
| Commercial GIA                       | 21296                |             |
| Car Park GIA                         | 2178                 |             |
| Total Scheme GIA                     | 76419                |             |
| Financial Summary                    |                      |             |

|                                                |                      |                             |                     |
|------------------------------------------------|----------------------|-----------------------------|---------------------|
| <b>Total Residential Income</b>                | <b>£213,048,499</b>  |                             |                     |
| <b>Total Residential Expenditure</b>           | <b>£324,775,225</b>  | <b>Total Scheme GDV</b>     | <b>£314,632,497</b> |
| <b><u>Total Residential Residual Value</u></b> | <b>-£111,726,726</b> | <b>Total Scheme Costs</b>   | <b>£341,924,484</b> |
| <b>Total Commercial Income</b>                 | <b>£101,583,998</b>  |                             |                     |
| <b>Total Commercial Expenditure</b>            | <b>£17,149,259</b>   |                             |                     |
| <b><u>Total Commercial Residual Value</u></b>  | <b>£84,434,738</b>   |                             |                     |
| <b><u>Total Scheme Residual Value</u></b>      | <b>-£27,291,987</b>  | <b>Benchmark Land Value</b> | <b>£31,050,000</b>  |
| <b><u>Residual value against EUV</u></b>       | <b>-£54,291,987</b>  |                             |                     |
| <b><u>Residual value against BV</u></b>        | <b>-£58,341,987</b>  |                             |                     |

## HOUSING EXPECTATIONS APPRAISAL MODEL

## RESIDENTIAL SCHEME REVENUE

| Residential Dwelling type | Circulation space m2 / R2 | Commercial / other m2 / R2 | Private sale | Social rent | Aff rent | Shared ownership | Quasi s/o @ 80% | Dwelling m2 | Total private m2/R2 | Hab rooms | Total Affordable Hab Rooms | Market Value / private unit selling price | Shared equity unit selling price | Shared ownership unit selling price | Rented unit selling price | Total Private value | Total Quasi s/o offer | Total affordable value | £ per m2 selling price | Total revenue |
|---------------------------|---------------------------|----------------------------|--------------|-------------|----------|------------------|-----------------|-------------|---------------------|-----------|----------------------------|-------------------------------------------|----------------------------------|-------------------------------------|---------------------------|---------------------|-----------------------|------------------------|------------------------|---------------|
|                           |                           |                            |              |             |          |                  |                 |             |                     |           |                            |                                           |                                  |                                     |                           |                     |                       |                        |                        |               |
| Building A                |                           |                            |              |             |          |                  |                 |             | 0                   | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| studio                    | 1                         | 12                         |              |             |          |                  |                 | 46          | 552                 | 0         | 0                          | £246,054.00                               | £196,843.20                      | £159,935.10                         | £110,724.30               | £2,952,648          | £0                    | £0                     | £5,349                 | £2,952,648    |
| 1bf                       | 1                         | 74                         |              |             |          |                  |                 | 55          | 4070                | 0         | 0                          | £294,195.00                               | £235,356.00                      | £191,226.75                         | £132,387.75               | £21,770,430         | £0                    | £0                     | £5,349                 | £21,770,430   |
| 2bf                       | 2                         | 87                         |              |             |          |                  |                 | 75          | 6525                | 0         | 0                          | £401,175.00                               | £320,940.00                      | £260,763.75                         | £180,326.75               | £34,902,225         | £0                    | £0                     | £5,349                 | £34,902,225   |
| 3bf                       | 3                         | 10                         |              |             |          |                  |                 | 80          | 800                 | 0         | 0                          | £427,920.00                               | £342,336.00                      | £278,148.00                         | £192,564.00               | £4,279,200          | £0                    | £0                     | £5,349                 | £4,279,200    |
| circulation               |                           |                            |              |             |          |                  |                 |             |                     | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| Building B                |                           |                            |              |             |          |                  |                 |             | 0                   | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| studio                    | 1                         | 30                         |              |             |          |                  |                 | 44          | 1320                | 0         | 0                          | £235,356.00                               | £188,284.80                      | £152,961.40                         | £105,910.20               | £7,060,680          | £0                    | £0                     | £5,349                 | £7,060,680    |
| 1bf                       | 1                         | 15                         |              |             |          |                  |                 | 51          | 765                 | 0         | 0                          | £272,799.00                               | £218,239.20                      | £177,319.35                         | £122,759.55               | £4,091,985          | £0                    | £0                     | £5,349                 | £4,091,985    |
| 2bf                       | 2                         | 45                         |              |             |          |                  |                 | 72          | 3240                | 0         | 0                          | £385,128.00                               | £308,102.40                      | £250,313.20                         | £173,307.60               | £17,330,760         | £0                    | £0                     | £5,349                 | £17,330,760   |
| 3bf                       | 3                         | 0                          |              |             |          |                  |                 |             | 0                   | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| circulation               |                           |                            |              |             |          |                  |                 |             |                     | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| Building D                |                           |                            |              |             |          |                  |                 |             |                     |           |                            | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| studio                    | 1                         | 14                         |              |             |          |                  |                 | 45          | 630                 | 0         | 0                          | £240,705.00                               | £192,564.00                      | £156,458.25                         | £108,317.25               | £3,369,870          | £0                    | £0                     | £5,349                 | £3,369,870    |
| 1bf                       | 1                         | 13                         |              |             |          |                  |                 | 50          | 650                 | 0         | 0                          | £267,450.00                               | £213,960.00                      | £173,842.50                         | £120,352.50               | £3,476,850          | £0                    | £0                     | £5,349                 | £3,476,850    |
| 2bf                       | 2                         | 46                         |              |             |          |                  |                 | 70          | 3220                | 0         | 0                          | £374,430.00                               | £298,544.00                      | £243,379.50                         | £168,493.50               | £17,223,780         | £0                    | £0                     | £5,349                 | £17,223,780   |
| 3bf                       | 3                         | 7                          |              |             |          |                  |                 | 98          | 686                 | 0         | 0                          | £534,202.00                               | £419,561.60                      | £340,731.30                         | £235,890.90               | £3,669,414          | £0                    | £0                     | £5,349                 | £3,669,414    |
| circulation               |                           |                            |              |             |          |                  |                 |             |                     | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| Building E                |                           |                            |              |             |          |                  |                 |             |                     |           |                            | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| studio                    | 1                         | 3                          |              |             |          |                  |                 | 40          | 120                 | 0         | 0                          | £213,960.00                               | £171,168.00                      | £139,074.00                         | £96,382.00                | £641,880            | £0                    | £0                     | £5,349                 | £641,880      |
| 1bf                       | 1                         | 49                         |              |             |          |                  |                 | 51          | 2499                | 0         | 0                          | £272,799.00                               | £218,239.20                      | £177,319.35                         | £122,759.55               | £13,367,151         | £0                    | £0                     | £5,349                 | £13,367,151   |
| 2bf                       | 2                         | 35                         |              |             |          |                  |                 | 70          | 2450                | 0         | 0                          | £374,430.00                               | £298,544.00                      | £243,379.50                         | £168,493.50               | £13,105,050         | £0                    | £0                     | £5,349                 | £13,105,050   |
| 3bf                       | 3                         | 2                          |              |             |          |                  |                 | 78          | 156                 | 0         | 0                          | £417,222.00                               | £333,777.60                      | £271,184.30                         | £187,748.90               | £834,444            | £0                    | £0                     | £5,349                 | £834,444      |
| circulation               |                           |                            |              |             |          |                  |                 |             |                     | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| Building F                |                           |                            |              |             |          |                  |                 |             |                     |           |                            | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| studio                    | 1                         | 13                         |              |             |          |                  |                 | 45          | 585                 | 0         | 0                          | £240,705.00                               | £192,564.00                      | £156,458.25                         | £108,317.25               | £3,129,165          | £0                    | £0                     | £5,349                 | £3,129,165    |
| 1bf                       | 1                         | 12                         |              |             |          |                  |                 | 50          | 600                 | 0         | 0                          | £267,450.00                               | £213,960.00                      | £173,842.50                         | £120,352.50               | £3,209,400          | £0                    | £0                     | £5,349                 | £3,209,400    |
| 2bf                       | 2                         | 42                         |              |             |          |                  |                 | 70          | 2940                | 0         | 0                          | £374,430.00                               | £298,544.00                      | £243,379.50                         | £168,493.50               | £15,726,060         | £0                    | £0                     | £5,349                 | £15,726,060   |
| 3bf                       | 3                         | 6                          |              |             |          |                  |                 | 99          | 594                 | 0         | 0                          | £539,351.00                               | £425,640.80                      | £344,208.15                         | £238,297.95               | £5,177,306          | £0                    | £0                     | £5,349                 | £5,177,306    |
| circulation               |                           |                            |              |             |          |                  |                 |             |                     | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| Building G                |                           |                            |              |             |          |                  |                 |             |                     |           |                            | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| studio                    | 1                         | 2                          |              |             |          |                  |                 | 42          | 84                  | 0         | 0                          | £234,658.00                               | £179,726.40                      | £146,037.70                         | £101,096.10               | £449,316            | £0                    | £0                     | £5,349                 | £449,316      |
| 1bf                       | 1                         | 9                          |              |             |          |                  |                 | 55          | 495                 | 0         | 0                          | £294,195.00                               | £235,356.00                      | £191,226.75                         | £132,387.75               | £2,647,755          | £0                    | £0                     | £5,349                 | £2,647,755    |
| 2bf                       | 2                         | 42                         |              |             |          |                  |                 | 70          | 2940                | 0         | 0                          | £374,430.00                               | £298,544.00                      | £243,379.50                         | £168,493.50               | £15,726,060         | £0                    | £0                     | £5,349                 | £15,726,060   |
| circulation               |                           |                            |              |             |          |                  |                 |             |                     | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| Building H                |                           |                            |              |             |          |                  |                 |             |                     |           |                            | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| studio                    | 1                         | 22                         |              |             |          |                  |                 | 50          | 1100                | 0         | 0                          | £267,450.00                               | £213,960.00                      | £173,842.50                         | £120,352.50               | £5,883,900          | £0                    | £0                     | £5,349                 | £5,883,900    |
| 1bf                       | 2                         | 23                         |              |             |          |                  |                 | 73          | 1679                | 0         | 0                          | £390,477.00                               | £312,381.60                      | £253,810.05                         | £175,714.65               | £8,980,971          | £0                    | £0                     | £5,349                 | £8,980,971    |
| circulation               |                           |                            |              |             |          |                  |                 |             |                     | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| townhouses                | 3                         | 7                          |              |             |          |                  |                 | 93          | 651                 | 0         | 0                          | £497,457.00                               | £397,965.60                      | £323,855.65                         | £223,855.65               | £3,482,199          | £0                    | £0                     | £5,349                 | £3,482,199    |
|                           |                           |                            |              |             |          |                  |                 |             | 0                   | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
|                           |                           |                            |              |             |          |                  |                 |             | 0                   | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
|                           |                           |                            |              |             |          |                  |                 |             | 0                   | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
|                           |                           |                            |              |             |          |                  |                 |             | 0                   | 0         | 0                          | £0.00                                     | £0.00                            | £0.00                               | £0.00                     | £0                  | £0                    | £0                     | £0                     | £0            |
| TOTALS                    | 13594                     | 0                          | 620          | 0           | 0        | 0                | 0               | 3951        | 0                   | 0         | 0                          |                                           |                                  |                                     |                           | £210,488,499        | £0                    | £0                     | £5,349.00              | £210,488,499  |

11947

£14,864,871

[illegible]

## RESIDENTIAL SCHEME COSTS

|                                                                             | £                      | £     |                                                     |             |           |
|-----------------------------------------------------------------------------|------------------------|-------|-----------------------------------------------------|-------------|-----------|
| <b>Base Build Cost</b>                                                      | <b>£191,476,000</b>    |       | 3616.51 per m2 / ft2                                |             |           |
| £ per m2 / ft2 rate used - residential                                      | £0.00                  |       | BCIS median                                         |             |           |
| £ per m2 / ft2 rate used - commercial / other                               | £0.00                  |       | £ per m2/ft2                                        |             |           |
| Total base build                                                            | £191,476,000           |       |                                                     |             |           |
| <b>Abnormals / External Works</b>                                           | <b>£11,959,000.00</b>  |       |                                                     |             |           |
| (total figure or broken down) if no figure then included in base build cost |                        |       |                                                     |             |           |
|                                                                             |                        |       | <b>Total cost of abnormals</b>                      | £0.00       |           |
|                                                                             |                        |       | <b>Total cost of abnormals &amp; external works</b> | £13,959,000 |           |
| <b>TOTAL BUILD COST EXCLUDING CONTINGENCY</b>                               | <b>£205,435,000</b>    |       |                                                     |             |           |
| <b>Contingency as % of build cost</b>                                       | £10,271,750            | 5%    |                                                     |             |           |
| <b>TOTAL BUILD COSTS</b>                                                    | <b>£215,706,750.00</b> |       |                                                     |             |           |
| <b>Section 106 / CIL costs</b>                                              | <b>£8,548,988</b>      |       |                                                     |             |           |
|                                                                             |                        |       | <b>Development Programme</b>                        |             |           |
| <b>TOTAL SECTION 106 COSTS</b>                                              | <b>£8,548,988.00</b>   |       | Pre construction works                              | 18 months   |           |
| <b>Professional fees @ % of build cost</b>                                  | £14,380,450            | 7%    | Construction                                        | 81 months   |           |
| <b>Marketing costs @ % of market revenue</b>                                | £5,262,212             | 2.5%  | Time between build complete & last sale             | 3 months    |           |
| <b>Land acquisition fees ie stamp duty, legale</b>                          | £1,384,375             | 6.25% | <b>Length of financial exposure</b>                 | 102 months  | 8.5 years |
| <b>TOTAL FEES</b>                                                           | <b>£21,027,037</b>     |       |                                                     |             |           |
| <b>INDICATIVE FINANCE COSTS</b>                                             |                        |       |                                                     |             |           |
| <b>Finance costs of build</b>                                               | <b>£34,923,950</b>     | 7.00% |                                                     |             |           |
| (build cost x interest rate x build programme / 3)                          |                        |       |                                                     |             |           |
| <b>Finance costs of land</b>                                                | <b>£775,250</b>        | 7.00% |                                                     |             |           |
| (land purchase price & fees x interest rate x financial exposure / 2)       |                        |       |                                                     |             |           |
| <b>Interest on sect 106 payments</b>                                        | <b>£1,695,549</b>      | 7.00% |                                                     |             |           |
| (total sect 106 payments x interest rate x build programme / 3)             |                        |       |                                                     |             |           |
| <b>TOTAL FINANCE COSTS</b>                                                  | <b>£37,394,749</b>     |       |                                                     |             |           |
| <b>DISCOUNTED CASH FLOW - TOTAL FINANCE COSTS</b>                           | <b>£0</b>              |       |                                                     |             |           |
| <b>OVERHEADS &amp; PROFIT</b>                                               |                        |       |                                                     |             |           |
| <b>Private sales</b>                                                        | <b>£42,097,700</b>     | 20%   |                                                     |             |           |
| <b>Affordable housing sales</b>                                             | <b>£0</b>              | 0%    |                                                     |             |           |
| <b>TOTAL OVERHEADS AND PROFIT</b>                                           | <b>£42,097,700</b>     |       |                                                     |             |           |
| <b>TOTAL COST OF BUILD EXCLUDING LAND</b>                                   | <b>£324,775,225</b>    |       |                                                     |             |           |
| <b>Land cost</b>                                                            | <b>£22,150,000</b>     |       |                                                     |             |           |
| <b>TOTAL SCHEME COST INCLUDING LAND</b>                                     | <b>£346,925,225</b>    |       |                                                     |             |           |

## COMMERCIAL REVENUE

|                               |                     |
|-------------------------------|---------------------|
| <b>TOTAL COMMERCIAL VALUE</b> | <b>£101,583,998</b> |
|-------------------------------|---------------------|

## HOUSING EXPECTATIONS APPRAISAL MODEL

### COMMERCIAL SCHEME COSTS

|                                                                                                  | £              | £                                        |       |
|--------------------------------------------------------------------------------------------------|----------------|------------------------------------------|-------|
| Base Build Cost                                                                                  |                | £0.00 per m2 / ft2                       |       |
| £ per m2 / ft2 rate used - commercial / other                                                    | £0.00          | £ per m2/ft2                             |       |
| Total base build                                                                                 | £0.00          |                                          |       |
| Abnormals / External Works                                                                       | £0.00          | External works @ 15% of base build cost  |       |
| (total figure or broken down) if no figure then included in base build cost                      |                |                                          |       |
|                                                                                                  |                | Total cost of abnormalities              | £0.00 |
|                                                                                                  |                | Total cost of abnormalities & external v | £0.00 |
| TOTAL BUILD COST EXCLUDING CONTINGENCY                                                           | £0.00          |                                          |       |
| Contingency as % of build cost                                                                   | £0.00          | 5%                                       |       |
| TOTAL BUILD COSTS                                                                                | £0.00          |                                          |       |
| Section 106 / CIL costs                                                                          |                |                                          |       |
|                                                                                                  |                |                                          |       |
| TOTAL SECTION 106 COSTS                                                                          | £0.00          |                                          |       |
| commercial sales agent fees @ % of build cost                                                    | £1,015,840     | 1%                                       |       |
| letting fee @ % of rent per annum                                                                | 597213         | 10.0%                                    |       |
| Legal fees @ % of rent per annum                                                                 | 298607         | 5.00%                                    |       |
| TOTAL FEES                                                                                       | £1,911,660     |                                          |       |
| <b>INDICATIVE FINANCE COSTS</b>                                                                  |                |                                          |       |
| Finance costs of build<br>(build cost x interest rate x build programme / 2)                     | £0.00          | 7.00%                                    |       |
| Finance costs of land<br>(land purchase price & fees x interest rate x financial exposure / 2)   | £0.00          | 7.00%                                    |       |
| Interest on sect 106 payments<br>(total sect 106 payments x interest rate x build programme / 3) | £0.00          | 7.00%                                    |       |
| TOTAL FINANCE COSTS                                                                              | £0.00          |                                          |       |
| DISCOUNTED CASH FLOW - TOTAL FINANCE COSTS                                                       | £0.00          |                                          |       |
| <b>OVERHEADS &amp; PROFIT</b>                                                                    |                |                                          |       |
| Commercial                                                                                       | £15,237,599.63 | 15%                                      |       |
| TOTAL OVERHEADS AND PROFIT                                                                       | £15,237,599.63 |                                          |       |
| TOTAL COST OF BUILD EXCLUDING LAND                                                               | £17,149,259.41 |                                          |       |
| Land cost                                                                                        |                |                                          |       |
| TOTAL SCHEME COST INCLUDING LAND                                                                 | £17,149,259.41 |                                          |       |

#### Development Programme

Pre construction works  
Construction  
Time between build complete & last sale

months  
months  
months

#### Length of financial exposure

0 month 0 years