

APPENDIX 3

REDACTED TURNER MORUM APPRAISAL ANALYSIS

Turner Morum
SGN Reading
SUMMARY

Tab	Description	Total Units	Affordable % (Units)	RENTED	SHARED OWN	GDV	Development Costs	Residual Land Value	EUV	Surplus / Deficit
1A	30% Affordable Housing	130	30%	19	20	£39,795,700	-£43,479,014	-£3,683,314	£215,587	-£3,898,901
1B	8% Affordable Housing	130	8%	5	5	£43,989,000	-£46,351,963	-£2,362,963	£215,587	-£2,578,550

Unit Type	Tenure	Beds	Hab Rooms	No. Units	Average ft2	Average m2	Total ft2	Total m2	£s per ft2	Unit Value	Total Value	Market	Affordable
1 bed flat	Private	1	78	39	538	50	20,990	1,950	£505.13	£271,859	£10,602,500		
2 bed flat	Private	2	150	50	771	72	38,552	3,582	£509.83	£393,100	£19,655,000		
3 bed flat	Private	3	8	2	946	88	1,892	176	£471.65	£446,250	£892,500		
TOTAL MARKET HOUSING			236	91	675	63	61,434	5,707	£507.05	£342,308	£31,150,000	£31,150,000	
1 bed flat	Afford Rent	1	6	3	538	50	1,515	150	£244.64	£131,667	£395,000		
2 bed flat	Afford Rent	2	45	15	798	74	11,968	1,112	£233.11	£186,000	£2,790,000		
3 bed flat	Afford Rent	3	4	1	946	88	946	88	£221.95	£210,000	£210,000		
TOTAL AFFORD RENT			49%	55	19	765	71	14,529	1,350	£233.67	£178,684	£3,395,000	
1 bed flat	Shared Ownership	1	12	6	538	50	3,229	300	£347.38	£186,958	£1,121,750		
2 bed flat	Shared Ownership	2	27	9	778	72	6,998	650	£336.61	£261,722	£2,355,500		
3 bed flat	Shared Ownership	3	20	5	1,106	103	5,532	514	£317.32	£351,050	£1,755,250		
TOTAL SHARED OWNERSHIP			51%	59	20	788	73	15,758	1,464	£332.05	£261,625	£5,232,500	
TOTAL AFFORDABLE UNITS				114	39	777	72	30,287	2,814	£284.85	£221,218	£8,627,500	£8,627,500
Ground Rents													
Flat	Private	1		39		5%	20		£10.00	£390	£7,800		
Flat	Private	2		50		5%	20		£10.00	£500	£10,000		
Flat	Private	3		2		5%	20		£10.00	£20	£400		
TOTAL RESIDENTIAL GDV			30%	350	130	706	66	91,721	8,521	£433.88	£306,121	£39,795,700	
Commercial													
TOTAL GROSS DEVELOPMENT VALUE				350	130	706	66	91,721	8,521	£433.88	£306,121	£39,795,700	
Gross Ha/ Acres								0.71	1.75				
Net acres residential (incl frontage roads)								0.71	1.75				
Dwelling density net per ha/ acre (all tenures)									74.10				
Sq ft per net acre (all tenures all uses)									52,280				
Average market units sales values psf									£507				
Less fees and marketing costs (market housing only) @										3.00%	(£934,500)	(£934,500.00)	(£43,137.50)
Less affordable disposal costs (affordable housing only) @										0.50%	(£43,138)		
Less commercial disposal costs (commercial units only) @										2.00%	£0		
Build Costs Cost Plan £ per sq ft @ (see Tab 3)										sq ft 119,004 119,004	£/sq ft		
Construction Fees													
Architects & Planning								1.5%	(£412,500)			(£276,287.67)	(£136,212.33)
Quantity Surveyor								1.5%	(£412,500)			(£276,287.67)	(£136,212.33)
Engineers								1.5%	(£412,500)			(£276,287.67)	(£136,212.33)
Proj Management & CDM								1.5%	(£412,500)			(£276,287.67)	(£136,212.33)
								6.0%		(£1,650,000)	(£1,650,000)		
Developer Profit on Market Housing								20.0%	(£6,230,000)			(£6,230,000.00)	
Developer Profit on Affordable Housing								6.0%	(£517,650)				(£517,650.00)
Developer Profit on Commercial								15.0%	£0				
								17.0%		(£6,747,650)	(£6,747,650)		
GROSS SURPLUS BEFORE ABNORMALS, 106 etc													
Infrastructure and Abnormal Costs													
S106 Costs													
CIL										£0			
										(£1,293,516)			
Construction Finance Costs (Cashflow - see tab 10)										(£1,293,516)			
										(£2,110,211)			
Residual Land Value											£3,689,314		
BASE EUV POSITION													
Premium										0%	£212,288		
											£0		
SDLT @										0.1%	£114		
Legals										1.50%	£3,184	£215,587	
Surplus / Deficit											£3,898,901		
VIABLE/ NON-VIABLE?											NON-VIABLE		

BLV as % of GDV
1%

Unit Type	Tenure	Beds	Hab Rooms	No. Units	Average ft2	Average m2	Total ft2	Total m2	£s per ft2	Unit Value	Total Value	Market	Affordable
1 bed flat	Private	1	96	48	538	50	25,833	2,400	£503.03	£270,729	£12,995,000		
2 bed flat	Private	2	195	65	780	72	50,723	4,712	£501.85	£391,615	£25,455,000		
3 bed flat	Private	3	28	7	1,033	96	7,233	672	£455.53	£470,714	£3,295,000		
TOTAL MARKET HOUSING			319	120	698	65	83,789	7,784	£498.21	£347,875	£41,745,000	£41,745,000	
1 bed flat	Afford Rent	1	0	0	0	0	0	0	£0.00	£0	£0		
2 bed flat	Afford Rent	2	15	5	755	70	3,773	351	£231.26	£174,500	£872,500		
3 bed flat	Afford Rent	3	0	0	0	0	0	0	£0.00	£0	£0		
TOTAL AFFORD RENT			50%	15	755	70	3,773	351	£231.26	£174,500	£872,500		
1 bed flat	Shared Ownership	1	0	0	0	0	0	0	£0.00	£0	£0		
2 bed flat	Shared Ownership	2	12	4	756	70	3,023	281	£324.23	£245,000	£980,000		
3 bed flat	Shared Ownership	3	4	1	1,137	106	1,137	106	£323.31	£367,500	£367,500		
TOTAL SHARED OWNERSHIP			50%	16	832	77	4,159	386	£323.98	£269,500	£1,347,500		
TOTAL AFFORDABLE UNITS				31	10	793	74	737	£279.88	£222,000	£2,220,000		£2,220,000
Ground Rents													
Flat	Private	1		48		5%	20		£10.00	£480	£9,600		
Flat	Private	2		65		5%	20		£10.00	£650	£13,000		
Flat	Private	3		7		5%	20		£10.00	£70	£1,400		
TOTAL RESIDENTIAL GDV			8%	350	130	706	66	91,721	£479.59	£338,377	£43,989,000		
Commercial													
TOTAL GROSS DEVELOPMENT VALUE				350	130	706	66	91,721	£479.59	£338,377	£43,989,000		
Gross Ha/ Acres								0.71	1.75				
Net acres residential (incl frontage roads)								0.71	1.75				
Dwelling density net per ha/ acre (all tenures)									74.10				
Sq ft per net acre (all tenures all uses)									52,280				
Average market units sales values psf									£498				
Less fees and marketing costs (market housing only) @										3.00%	(£1,252,350)	(£1,252,350.00)	(£11,100.00)
Less affordable disposal costs (affordable housing only) @										0.50%	(£11,100)		
Less commercial disposal costs (commercial units only) @										2.00%	£0		
Build Costs Cost Plan £ per sq ft @ (see Tab 3)										sq ft	£/sq ft		
										119,004			
Construction Fees										119,004			
Architects & Planning								1.5%	(£412,500)			(£376,827.65)	(£35,672.35)
Quantity Surveyor								1.5%	(£412,500)			(£376,827.65)	(£35,672.35)
Engineers								1.5%	(£412,500)			(£376,827.65)	(£35,672.35)
Proj Management & CDM								1.5%	(£412,500)			(£376,827.65)	(£35,672.35)
								6.0%		(£1,650,000)	(£1,650,000)		
Developer Profit on Market Housing								20.0%	(£8,349,000)			(£8,349,000.00)	
Developer Profit on Affordable Housing								6.0%	(£133,200)				(£133,200.00)
Developer Profit on Commercial								15.0%	£0				
								19.3%		(£8,482,200)	(£8,482,200)		
GROSS SURPLUS BEFORE ABNORMALS, 106 etc													
Infrastructure and Abnormal Costs													
S106 Costs													
CIL										£0			
										(£1,572,504)	(£1,572,504)		
Construction Finance Costs (Cashflow - see tab 10)										(£2,683,809)	(£2,683,809)		
Residual Land Value											£-2,362,963		
BASE EUV POSITION											£212,288		
Premium											£0		
SDLT @											0%		
Legals											0.1%	£114	
											1.50%	£3,184	£215,587
Surplus / Deficit											£-2,578,550		
VIABLE/ NON-VIABLE?											NON-VIABLE		

BLV as % of GDV
0%

Accommodation Schedule

Affordable		8%		130 UNITS					Tab 2			
Ref	Tenure	Beds	Hab Rooms	No. Units	Average ft2	Average m2	Total ft2	Total m2	£s per ft2	Unit Value	Total Value	
Flat	Private	5	0	0	0	0	0	0	£0.00	£0	£0	
Flat	Private	1	96	48	538	50	25,833	2,400	£503.03	£270,729	£12,995,000	
Flat/House	Private	2	195	65	780	72	50,723	4,712	£501.85	£391,615	£25,455,000	
Flat/House	Private	3	28	7	1,033	96	7,233	672	£455.53	£470,714	£3,295,000	
Flat	Private	4	0	0	0	0	0	0	£0.00	£0	£0	
Flat	Private	5	0	0	0	0	0	0	£0.00	£0	£0	
TOTAL PRIVATE RESIDENTIAL			319	120	698	65	83,789	7,784	£498.21	£347,875.00	£41,745,000	
Flat	Rented	5	0	0	0	0	0	0	£0.00	£0	£0	
Flat	Rented	1	0	0	0	0	0	0	£0.00	£0	£0	
Flat/House	Rented	2	15	5	755	70	3,773	351	£231.26	£174,500	£872,500	
Flat/House	Rented	3	0	0	0	0	0	0	£0.00	£0	£0	
Flat	Rented	4	0	0	0	0	0	0	£0.00	£0	£0	
Flat	Rented	5	0	0	0	0	0	0	£0.00	£0	£0	
TOTAL SOCIAL RENT		50%	15	5	755	70	3,773	351	£231.26	£174,500.00	£872,500	
Flat	Shared O	5	0	0	0	0	0	0	£0.00	£0	£0	
Flat	Shared O	1	0	0	0	0	0	0	£0.00	£0	£0	
Flat/House	Shared O	2	12	4	756	70	3,023	281	£324.23	£245,000	£980,000	
Flat/House	Shared O	3	4	1	1,137	106	1,137	106	£323.31	£367,500	£367,500	
Flat	Shared O	4	0	0	0	0	0	0	£0.00	£0	£0	
Flat	Shared O	5	0	0	0	0	0	0	£0.00	£0	£0	
TOTAL SHARED OWN		50%	16	5	832	77	4,159	386	£323.98	£269,500.00	£1,347,500	
TOTAL AFFORDABLE		9%	31	10	793	74	7,932	737	£279.88	£222,000.00	£2,220,000	
TOTAL RESIDENTIAL		*hab rooms	*units	350	130	706	66	91,721	8,521	£479.33	£338,192.31	£43,965,000

Affordable		30%		130 UNITS									
Ref	Tenure	Beds	Hab Rooms	No. Units	Average ft2	Average m2	Total ft2	Total m2	£s per ft2	Unit Value	Total Value		
Flat	Private	5	0	0	0	0	0	0	£0.00	£0	£0		
Flat	Private	1	78	39	538	50	20,990	1,950	£505.13	£271,859	£10,602,500		
Flat/House	Private	2	150	50	771	72	38,552	3,582	£509.83	£393,100	£19,655,000		
Flat/House	Private	3	8	2	946	88	1,892	176	£471.65	£446,250	£892,500		
Flat	Private	4	0	0	0	0	0	0	£0.00	£0	£0		
Flat	Private	5	0	0	0	0	0	0	£0.00	£0	£0		
TOTAL PRIVATE RESIDENTIAL			236	91	675	63	61,434	5,707	£507.05	£342,307.69	£31,150,000		
Flat	Rented	5	0	0	0	0	0	0	£0.00	£0	£0		
Flat	Rented	1	6	3	538	50	1,615	150	£244.64	£131,667	£395,000		
Flat/House	Rented	2	45	15	798	74	11,968	1,112	£233.11	£186,000	£2,790,000		
Flat/House	Rented	3	4	1	946	88	946	88	£221.95	£210,000	£210,000		
Flat	Rented	4	0	0	0	0	0	0	£0.00	£0	£0		
Flat	Rented	5	0	0	0	0	0	0	£0.00	£0	£0		
TOTAL SOCIAL RENT			49%	55	19	765	71	14,529	1,350	£233.67	£178,684.21	£3,395,000	
Flat	Shared O	5	0	0	0	0	0	0	£0.00	£0	£0		
Flat	Shared O	1	12	6	538	50	3,229	300	£347.38	£186,958	£1,121,750		
Flat/House	Shared O	2	27	9	778	72	6,998	650	£336.61	£261,722	£2,355,500		
Flat/House	Shared O	3	20	5	1,106	103	5,532	514	£317.32	£351,050	£1,755,250		
Flat	Shared O	4	0	0	0	0	0	0	£0.00	£0	£0		
Flat	Shared O	5	0	0	0	0	0	0	£0.00	£0	£0		
TOTAL SHARED OWN			51%	59	20	788	73	15,758	1,464	£332.05	£261,625.00	£5,232,500	
TOTAL AFFORDABLE			33%	30%	114	39	777	72	30,287	2,814	£284.85	£8,627,500	
TOTAL RESIDENTIAL			*hab rooms	*units	350	130	706	66	91,721	8,521	£433.68	£305,980.77	£39,777,500

Reading SGN
Cost Plan 1

11 December 2018

Executive Summary		GIA sq ft	£ sq ft	Total
Residential				
1	Block A			
2	Block B			
3	Block 3 - Houses			
4	Car parking - decked			
5	Car parking - undercroft			
Sub Total / Blended Residential				
External Works, Demolitions, Abnormals & On Costs				
6	External paving			
7	Drainage			
8	External lighting			
9	Street furniture etc			
10	Soft landscaping			
11	Decontamination Costs			
12	SGN demolition costs			
13	Other SGN Costs			
14	Risk on SGN costs			
15	Demolition of water tower			
16	Breaking up of hardstandings etc			
17	Management of SGN costs			
Utilities				
18	Electric			
19	Gas			
20	Water			
21	BWIC			
Other				
22	Contribution towards pedestrian bridge realignment			
23	Contribution to external features/landscaping			
24	Fencing/boundary treatments			
25	SUDs, drainage systems			
26	Site access			
27	S106/CIL			
Sub Total				
28	Design & Construction Contingency at 7.5%			
Total Cost				

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3

Residential				
1	Block A			
2	Block B			
3	Block 3 - Houses			
4	Car parking - decked			
5	Car parking - undercroft			
Sub Total / Blended Residential				
External Works, Demolitions, Abnormals & On Costs				
6	External paving			
7	Drainage			
8	External lighting			
9	Street furniture etc			
10	Soft landscaping			
11	Decontamination Costs			
12	SGN demolition costs			
13	Other SGN Costs			
14	Risk on SGN costs			
15	Demolition of water tower			
16	Breaking up of hardstandings etc			
17	Management of SGN costs			
Utilities				
18	Electric			
19	Gas			
20	Water			
21	BWIC			
Other				
22	Contribution towards pedestrian bridge realignment			
23	Contribution to external features/landscaping			
24	Fencing/boundary treatments			
25	SUDs, drainage systems			
26	Site access			
27	S106/CIL			
Sub Total				
28	Design & Construction Contingency at 7.5%			
Total Cost				

Turner Morum
SGN Reading

Cashflow Finance Calculation

30%

Summary	
Adopted Interest Rate Debit	6.50%
Total Finance Cost	-£2,110,211

0.43956044

Tab 5A

		Year 1				Year 2				Year 4				TOTALS
Residual Cashflow for Interest	TOTALS	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Total Completions	130	0	0	0	0	0	0	79	20	20	11		0	130
Market Completions	91						0	40	20	20	11			91
Affordable Completions	39	0						39						39
Market Flats	£31,150,000						£0	£13,692,308	£6,846,154	£6,846,154	£3,765,385			£31,150,000
Affordable Flats	£8,627,500	£2,847,075						£5,780,425						£8,627,500
Ground Rents	£18,200						£0	£8,000	£4,000	£4,000	£2,200			£18,200
Commercial GDV	£0													
TOTAL INCOME		£2,847,075	£0	£0	£0	£0	£0	£19,480,733	£6,850,154	£6,850,154	£3,767,585	£0	£0	
Build Programme		10%	15%	20%	23%	20%	13%							100%
Infra Lead In		60%	30%	10%										100%
CIL Breakdown		100%												100%
Agents & Marketing - Market	-£934,500						£0	-£410,769	-£205,385	-£205,385	-£112,962			-£934,500
Affordable Disposal	-£43,138	-£14,235.38						-£28,902	£0					-£43,138
Commercial Disposal	£0													
Cost Plan Build Costs														
Technical Fees	-£1,650,000	-£165,000	-£247,500	-£330,000	-£371,250	-£330,000	-£206,250		£0					-£1,650,000
Infrastructure & Abnormals														
≤106	£0													£0
CIL	-£1,293,516	-£323,379	-£323,379	-£323,379	-£323,379	£0	£0	£0	£0					-£1,293,516
EUV	-£215,587	-£215,587												-£215,587
TOTAL EXPENDITURE		-£5,388,201	-£5,655,879	-£6,473,379	-£6,882,129	-£5,830,000	-£3,643,750	-£439,671	-£205,385	-£205,385	-£112,962	£0	£0	-£34,518,394
Net position		-£2,541,126	-£5,655,879	-£6,473,379	-£6,882,129	-£5,830,000	-£3,643,750	£19,041,061	£6,644,769	£6,644,769	£3,654,623	£0	£0	
Rolling Balance		-£2,541,126	-£8,238,298	-£14,845,550	-£21,968,919	-£28,155,914	-£32,257,197	-£13,740,316	-£7,318,827	-£792,988	£2,848,749	£2,848,749	£2,848,749	
Finance rate	6.50%	-£41,293	-£133,872	-£241,240	-£356,995	-£457,534	-£524,179	-£223,280	-£118,931	-£12,886	£0	£0	£0	-£2,110,211

Turner Morum
SGN Reading

Cashflow Finance Calculation 8%

Summary	
Adopted Interest Rate Debit	6.50%
Total Finance Cost	-£2,683,809

Tab 5B

		Year 1				Year 2				Year 4				TOTALS
Residual Cashflow for Interest	TOTALS	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Total Completions	130	0	0	0	0	0	0	50	20	20	20	20	0	130
Market Completions	120						0	40	20	20	20	20		120
Affordable Completions	10	0						10						10
Market Flats	£41,745,000						£0	£13,915,000	£6,957,500	£6,957,500	£6,957,500	£6,957,500		£41,745,000
Affordable Flats	£2,220,000	£732,600						£1,487,400						£2,220,000
Ground Rents	£24,000						£0	£8,000	£4,000	£4,000	£4,000	£4,000		£24,000
Commercial GDV	£0													
TOTAL INCOME		£732,600	£0	£0	£0	£0	£0	£15,410,400	£6,961,500	£6,961,500	£6,961,500	£6,961,500	£0	
Build Programme		10%	15%	20%	23%	20%	13%							100%
Infra Lead In		60%	30%	10%										100%
CIL Breakdown		100%												100%
Agents & Marketing - Market	-£1,252,350						£0	-£417,450	-£208,725	-£208,725	-£208,725	-£208,725		-£1,252,350
Affordable Disposal	-£11,100	-£3,663.00						-£7,437	£0					-£11,100
Commercial Disposal	£0													
Cost Plan Build Costs														
Technical Fees	-£1,650,000	-£165,000	-£247,500	-£330,000	-£371,250	-£330,000	-£206,250	£0	£0					-£1,650,000
Infrastructure & Abnormals														
≤106	£0													£0
CIL	-£1,572,504	-£393,126	-£393,126	-£393,126	-£393,126	£0	£0	£0	£0					-£1,572,504
EUV	-£215,587	-£215,587												-£215,587
TOTAL EXPENDITURE		-£5,447,376	-£5,725,626	-£6,543,126	-£6,951,876	-£5,830,000	-£3,643,750	-£424,887	-£208,725	-£208,725	-£208,725	-£208,725	£0	-£34,775,366
Net position		-£4,714,776	-£5,725,626	-£6,543,126	-£6,951,876	-£5,830,000	-£3,643,750	£14,985,513	£6,752,775	£6,752,775	£6,752,775	£6,752,775	£0	
Rolling Balance		-£4,714,776	-£10,517,017	-£17,231,044	-£24,462,925	-£30,690,447	-£34,832,917	-£20,413,439	-£13,992,382	-£7,466,984	-£835,547	£5,903,650	£5,903,650	
Finance rate	6.50%	-£76,615	-£170,902	-£280,004	-£397,523	-£498,720	-£566,035	-£331,718	-£227,376	-£121,338	-£13,578	£0	£0	-£2,683,809