

Somerleyton Road Project

Summary of Results

Council 100% Rental Scenario: Institutional Funding
 Summary: Council 100% Rental Scenario: Institutional Funding

Sources and uses table

Sources (£)	Uses (£)
Operating	Operating
Sales income from private units	Construction costs (52,294,399)
Sales income from private units - converted from private rent	Sales & Marketing (Private Sale)
Sales income from social units	Sales & Marketing (Shared Ownership)
Sales income from shared ownership units	Developer's margin
Sales income from commercial units	Developer's management fees
Sales income from car parking units	Development contingency
Ovalhouse Contribution 6,250,000	Letting and maintenance costs (Private Units) (28,479,198)
Rental income from private units 251,544,745	Letting and maintenance costs (Social Units) (18,939,634)
Rental income from social units 57,948,336	Letting and maintenance costs (Shared Ownership)
Rental income from shared ownership units	Management costs (Private Units)
Rental income from commercial units	Management costs (Social Units)
Rental income from car parking units	Management costs (Shared Ownership)
Ground rental income - private	SPV Costs (8,380,403)
Ground rental income - social	Pre-sales major repairs
Ground rental income - shared	Irrecoverable Service Charge Cost
Grant Income	Stamp Duty Land Tax
Feed In Tariff from Solar Panels	Total VAT paid on costs (21,618,727)
Grant Funding	Total VAT paid to HMRC
VAT received on revenue	
Total VAT received from HMRC 21,618,727	
Financing	Financing
Interest on Cash Balances received	Interest on Cash Balances paid
Developer (Bank) Finance Drawdown for costs	Developer (Bank) Finance Arrangement fee
Cash shortfall from Council to cover repayments	Developer (Bank) Finance Interest paid - base rate
	Prudential Borrowing - State aid mark up paid
Institutional Funding drawdowns incl rent during construction 55,648,032	Developer (Bank) Finance Repayment incl. rolled up interest
Developer equity injection	Rent paid for Institutional Funding during construction (13,594,069)
Council funding from internal sources	Rent paid for Institutional Funding during operations (225,303,338)
Positive adjustment to equity repayments	Developer equity repayments - funded from project cashflow
	Developer equity repayments - needed from Council
	Surplus to Council (if Equity IRR exceeds Required IRR)
	Surpluses arising (calculated pre-tax) to Developer
	Surpluses arising (calculated pre-tax) to Council (24,400,072)
	Residual land value at concession end date
	Net cash increase
Total sources 393,009,841	Total uses (393,009,841)

Check sources equals uses ok

Key Dates

First construction start date	26 Feb 15
Last construction end date	31 Oct 19
Concession end date	26 Feb 60

Financing Dates

Date of peak funding	31 Dec 19
Debt payback date	26 Feb 60

Returns

Pre-Tax Project IRR	8.28%
Developer Equity IRR	-
NPV of project cashflows	17,068,468
Developer equity repayments - needed from Council	-
Surpluses arising (calculated pre-tax) to Council	24,400,072
NPV of payments to Lambeth Council (calculated pre-tax)	4,882,356

Rental assumptions (£ / week)

(Council 100% Rental Scenario)	Target / Social rent	Private rent
Flat size		
1 Bed (average)	94	270
2 Bed (average)	109	335
3 Bed (average)	123	435
4 Bed (average)	138	600

Sales Price - £ per sq ft

(Developer Scenario)	Social units Sales	Private units Sales
Flat size		
1 Bed (average)	-	-
2 Bed (average)	-	-
3 Bed (average)	-	-
4 Bed (average)	-	-

Units Summary

Tenure	Sold	Rented	Mixed (sale and rent)	Switch from rent to sales
Private	-	170	-	-
Social	-	113	-	-
Shared	-	-	-	-
Total:	-	283	-	-
Project total:	283			

Units detail

By archetype	By block
1B2P Apt	84 Block A
1B3P AptW	8 Block B
2B4P Flat	118 Block C
2B4P FlatW	24 Block D
3B6P Flat	22 Block E
3B6P FlatW	4 Block F
3B5P Hse	8 Block G
4B7P Hse	15 Block H
Spare House	- Block I
Spare House	- Block J
Spare House	- Block K
Spare House	- Block L
Spare House	- Spare
Total:	283 Total: 283

CONSTRUCTION COSTS SPLIT (£)

	Project - wide	Block A	Block B	Block C	Block D	Block E	Block F	Block G	Block H	Block I	Block J	Block K	Block L	Spare	Total (£)
Main residential construction costs		3,712,680	1,696,890	3,093,810	3,820,290	1,960,800	2,644,320	1,738,500	1,920,660	1,482,600	1,584,240	1,688,640	1,765,680	-	27,109,110
Wheelchair upgrades		40,000	20,000	30,000	30,000	20,000	30,000	20,000	20,000	20,000	20,000	20,000	20,000	-	290,000
E/O for Underground		503,319	215,682	393,367	587,205	248,539	376,663	215,682	246,703	187,964	215,682	215,682	215,682	-	3,622,170
Commercial Space		2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	2,000,000
s278 Works		12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	-	150,000
S106 (applied all dwellings)		68,935	34,467	51,701	51,701	34,467	51,701	34,467	34,467	34,467	34,467	34,467	34,467	-	499,778
Community Infrastructure Levy		268,032	117,712	210,128	298,352	132,032	201,600	117,712	131,232	101,888	117,712	117,712	117,712	-	1,931,824
Mayoral Community Infrastructure Levy		117,264	51,499	91,931	130,529	57,764	88,200	51,499	57,414	44,576	51,499	51,499	51,499	-	845,173
Preliminaries	471,250	407,452	126,430	229,429	289,250	145,720	199,126	129,134	142,991	110,699	119,107	125,893	130,901	-	2,627,383
Services Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Council's Project Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPO Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Landscaping/Outdoor Space	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sec. 106 costs - commercial space	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre construction costs	6,250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	6,250,000
Workspace	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Sub-total (£)	7,721,250	7,130,182	2,275,180	4,112,866	5,219,827	2,611,822	3,604,111	2,319,495	2,565,968	1,994,695	2,155,208	2,266,394	2,348,441	-	46,325,438
Contractors OHP	362,500	333,798	103,575	187,955	236,962	119,378	163,130	105,791	117,143	90,688	97,576	103,136	107,238	-	2,128,871
Contingency	121,256	105,146	32,626	59,206	74,643	37,604	51,386	33,324	36,900	28,567	30,737	32,488	33,780	-	677,663
Professional fees	565,863	490,682	152,255	276,294	348,335	175,486	239,802	155,512	172,200	133,312	143,437	151,610	157,640	-	3,162,427
Total (£)	8,770,869	8,059,808	2,563,637	4,636,322	5,879,767	2,944,289	4,058,429	2,614,122	2,892,210	2,247,262	2,426,958	2,553,627	2,647,100	-	52,294,399