

Somerleyton Road Project

Summary of Results

Developer Scenario

Summary: Developer Scenario

Sources and uses table

Sources (£)	Uses (£)
Operating	Operating
Sales income from private units	Construction costs
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	Letting and maintenance costs (Private Units)
Rental income from private units	Letting and maintenance costs (Social Units)
Rental income from social units	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
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
Grant Funding	Total VAT paid to HMRC
VAT received on revenue	
Total VAT received from HMRC	
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	Developer (Bank) Finance Repayment incl. rolled up interest
Developer equity injection	Rent paid for Institutional Funding during construction
Council funding from internal sources	Rent paid for Institutional Funding during operations
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 to Developer
	Surpluses arising to Council
	Residual land value at concession end date
	Net cash increase
Total sources	Total uses

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 20

Financing Dates

Date of peak funding	31 Dec 15
Debt payback date	31 Dec 16

Returns

Pre-Tax Project IRR	21.49%
Developer Equity IRR	20.38%
NPV of project cashflows	7,063,332
Developer equity repayments - needed from Council	-
Surpluses arising to Council	7,705,819
NPV of payments to Lambeth Council	5,609,820

Rental assumptions (£ / week) (Council 100% Rental Scenario)	Target / Social rent	Private rent
Flat size		
1 Bed (average)	-	-
2 Bed (average)	-	-
3 Bed (average)	-	-
4 Bed (average)	-	-

Sales Price - £ per sq ft (Developer Scenario)	Social units Sales	Private units Sales
Flat size		
1 Bed (average)	125	600
2 Bed (average)	125	600
3 Bed (average)	125	600
4 Bed (average)	125	600

Units Summary

Tenure	Sold	Rented	Mixed (sale and rent)	Switch from rent to sales
Private	170	-	-	-
Social	79	-	-	-
Shared	34	-	-	-
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		3,768,941	1,685,142	3,100,208	4,018,453	1,982,635	2,675,542	1,716,660	1,936,368	1,467,209	1,567,944	1,700,136	1,725,840	-	27,345,078
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		411,300	176,250	321,450	479,850	203,100	307,800	176,250	201,600	153,600	176,250	176,250	176,250	-	2,959,950
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		219,360	94,000	171,440	255,920	108,320	164,160	94,000	107,520	81,920	94,000	94,000	94,000	-	1,578,640
Mayoral Community Infrastructure Levy		95,970	41,125	75,005	111,965	47,390	71,820	41,125	47,040	35,840	41,125	41,125	41,125	-	690,655
Preliminaries	471,250	405,128	123,103	225,170	295,152	144,185	196,680	125,152	141,080	107,465	115,485	124,078	125,748	-	2,599,677
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	7,022,134	2,186,587	3,987,475	5,255,542	2,552,598	3,510,202	2,220,154	2,500,576	1,913,001	2,061,772	2,202,556	2,229,931	-	45,363,778
Contractors OHP	362,500	331,893	100,850	184,466	241,798	118,121	161,126	102,528	115,577	88,039	94,609	101,648	103,017	-	2,106,173
Contingency	121,256	104,546	31,768	58,107	76,166	37,208	50,755	32,296	36,407	27,732	29,802	32,019	32,450	-	670,513
Professional fees	565,863	487,883	148,249	271,166	355,443	173,638	236,855	150,716	169,899	129,417	139,075	149,423	151,435	-	3,129,061
Total (£)	8,770,869	7,946,457	2,467,454	4,501,214	5,928,948	2,881,565	3,958,939	2,505,695	2,822,459	2,158,189	2,325,257	2,485,646	2,516,833	-	51,269,525