

# East Thames Group

## Appraisal for Rent & Sale

SDS ProVal Version 9.13 Nov-2012

Saved file path: Q:\Development\Applications\Proval\Working Provals\Epping Forest House Building

**Scheme Name** EFDC - Red Cross site, Roundhills

**Date** 24 Jun 2013

**Address**

**Funding Year** 2013/2014

**Another Description**

**Local Authority** Epping Forest

**Project/File Ref.**

LA Number 361

County Essex

Appraisal by georg.herrmann

**Scheme Description**

**Sketch Drw'g No.**

Site Area (acs)

0.00 ha

Seller

**Units** 6

Appraisal Version 1

**Comments**

See also Commentary in Rent Summary

### A Unit Details

	A	B	C	D	E	F	G	H	TOTALS
Unit Description									
Net Area	m <sup>2</sup> 93.00	77.00							526.00
Bedrooms	3-bed	2-bed							m <sup>2</sup> 28
Persons	5	4							28
Units	4	2							6
Commercial - y?	n	n							
Flat (not house) -y?	n	y							
Shared Accom. - y?	n	n							
Habitable Rooms	4	3							22
Storeys	2	2							
Value at Jan' 1999									
Market Sales Value									0
Product Type	Affordable Rent	Affordable Rent							
Catalyst Dev. Type	New Build	New Build							
Other Description									
Sales % at Outset									
Res' Sold Equity	0	0	0	0	0	0	0	0	0
Res' Unsold Equity	0	0	0	0	0	0	0	0	0
Initial Commercial Sales	0	0	0	0	0	0	0	0	0

#### Confirm Gross Floor Area

	Net m <sup>2</sup>	Adjust by % and/or by m <sup>2</sup>	Gross m <sup>2</sup>	Gross ft <sup>2</sup>
Residential Floor Area	526.00		526.00	5,661.86
Commercial Floor Area	0.00		0.00	0.00
<b>Total Floor Area</b>	<b>526.00</b>		<b>526.00</b>	<b>5,661.86</b>

#### Habitable Rooms Summary

Residential Rent	22
Residential Sale	0
Other	0
<b>Total</b>	<b>22</b>

### B Acquisition & Works Cost

ACQUISITION	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	Memorandum information
Use Value from Land Appraisal, y/n?							
		VAT Total	0		0	0	
<b>Acquisition Total</b>			<b>0</b>		<b>0</b>	<b>0</b>	
WORKS	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	
Asbestos removal	Lump Sum	660,000	660,000		110,000	23,571	
Demolition	Lump Sum	2,000	2,000		333	71	
Abnormals	Lump Sum	28,000	28,000		4,667	1,000	3.67%
Contingency + design fees	Lump Sum	120,000	120,000		20,000	4,286	
	Lump Sum	91,000	91,000		15,167	3,250	
Use Total from Land Appraisal, y/n?							
		VAT Total	0		0	0	
<b>Works Total</b>	1,713 /m <sup>2</sup> nfa	1,713 /m <sup>2</sup> gfa	<b>901,000</b>		<b>150,167</b>	<b>32,179</b>	

Acquisition & Works Summary	Total	Average per Unit	Average per Person
<b>Total</b>	1,713 /m <sup>2</sup> nfa, 1,713 /m <sup>2</sup> gfa	<b>901,000</b>	150,167, 32,179

#### A&W as % of Market Sales Value

#### Optimisation

Target % for A&W/Market Sales Value

Acquisition  
Works  
Dev. Interest  
Net Loan

#### Account Codes

Acquisition Total Entered 0  
Market Value, if Different  
Land Discount 0

For optimisation of Total Scheme Costs see Section F



## F Total Scheme Cost

		% TSC
Acquisition & Works as Section B	901,000	86.8%
Development Fees as Section D	120,541	11.6%
User-defined Interest Cost	16,216	1.6%
Other Costs or Savings(-)		
Other Costs or Savings(-)		
<b>Total Scheme Cost (TSC)</b>	<b>1,037,757</b>	<b>100.0%</b>

### TSC as % of Market Sales Value

#### Optimisation

Target % for TSC/Market Sales Value 90.0%

#### Alternative Solutions:

Total saving in TSC required	0	0 per unit
or Affordable Acq. Total	0	0 per unit, or per hab. room
or Affordable Wks. Total	0	per unit, or per gross m <sup>2</sup>

Optimisation results for Acq. and Wks. assume that development fees & interest remain at 13.2% of TSC

### Analysis of RSL Funding

	Per Unit	Per Person	% of TSC
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment	0		
RSL Capital Contribution	0		
Net Loan	932,757	155,460	33,313
<b>Total RSL Funding</b>	<b>932,757</b>	<b>155,460</b>	<b>33,313</b>

### Analysis of Subsidy & Other Funding

As Prod. Type	0		
Other	105,000	17,500	3,750
Other Sum	0		
<b>Total Other Funding</b>	<b>105,000</b>	<b>17,500</b>	<b>3,750</b>

## G Private Finance

### Private Finance Requirement at Year 1

		% of TSC	% of MSV
Total Scheme Cost - as Section F	1,037,757	100.0%	0.0%
Development Subsidy - as Section C	105,000	10.1%	0.0%
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment			
Capital Contribution at Year 1			
<b>Net Loan, before Sales (Section J)</b>	<b>932,757</b>	<b>89.9%</b>	<b>0.0%</b>

### Apportionment of Net Loan & Long Term Interest Rates

		Loan A	Loan B		
Loan A: % Apportionment		100.00%	0.00%		
Loan Amounts		932,757	0		
		Interest Rate	Interest Rate	Effective Rate %	
		%	%		
Year 1 to	45	3.50%		3.50%	

### Loan Repayment Method

Annuity y/n? n Interest Only Method Chosen  
Leave blank

### Value: Loan Ratios & Affordable Loan Values

Current Market Sales Value	0
NPV of Net Rent Only	954,082
User Specified Value	
Current Market Sales Value:Net Loan %	0.0%
NPV of Net Rent:Net Loan %	102.3%
User Specified Value:Net Loan %	0.0%

### Value: Net Loan, Target %

Affordable Loan on NPV Value  
Affordable Loan on User Spec. Value

## H Inflation

Base Inflation Rate 2.50%

Inflation is applied from Year 2 onwards. Set all periods to Year 45.

### Inflation Margins & Periods for Income

			Margin on Base Rate	Effective Inflation Rates
<b>Residential Tenant Rent</b>				
Period 1	Year 1 to	45	0.50%	3.00%
				0.00%

### Commercial Rent - n/a

Year 1 to	45		
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### Ground Rent

Period 1	Year 1 to	45	2.50%
			0.00%

### Services (Charges & Costs)

Period 1	Year 1 to	45	0.00%	2.50%
				0.00%

### Market Sales Values (Residential) - n/a

Year 1 to	45	0.00%	0.00%
			0.00%

### Market Sales Values (Commercial) - n/a

Year 1 to	45		0.00%
			0.00%

### Inflation Margins & Periods for Allowances

			Margin on Base Rate	Effective Inflation Rates
<b>Management</b>				
Period 1	Year 1 to	45	1.00%	3.50%
				0.00%

### Maintenance

Period 1	Year 1 to	45	1.00%	3.50%
				0.00%

### Reinstatement

Period 1	Year 1 to	45		2.50%
				0.00%

### Another Allowance

Period 1	Year 1 to	45	0.00%	2.50%
				0.00%

### Major Repairs

Period 1	Year 1 to	45	1.50%	4.00%
				0.00%

**I Rent Allowances & Periods**

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	A	B	C	D	E	F	G	H	Weighted Averages at Year 1
Product Type	Affordable Rent	Affordable Rent							Units Available 6
Commercial									
Number of Units	4	2							
Res' Shared Equity?	n	n							
Prop. Ava'ble for Rent?	y	y							
<b>Managing Agent</b>	<b>% of Gross Rent (excl. Ground Rent &amp; Service Charges) less voids</b>								
Year 1 to 45									0.00%
Add VAT to M. Ag.									
<b>RSL Management</b>	<b>Per Unit Per Annum</b>								Default value for information, Shared Equity 0
Year 1 to 45	1,327	1,327							1,327
<b>Maintenance</b>	<b>Per Unit Per Annum</b>								Default value for information, Rent 691
Year 1 to 45	910	910							910
Product Type	A	B	C	D	E	F	G	H	
Res' Shared Equity?	Affordable Rent	Affordable Rent							
Prop. Ava'ble for Rent?	n	n							
	y	y							
<b>Services Cost</b>	<b>Per Unit Per Annum</b>								
Year 1 to 45									0
<b>Reinstatement Cost</b>	<b>Per Unit Per Annum</b>								
Year 1 to 45									0
<b>Another Allowance</b>	<b>Per Unit Per Annum</b>								
Year 1 to 45									0
<b>Voids &amp; Bad Debts</b>	<b>% of Gross Rents &amp; Service Charges</b>								Default value for information, Shared Equity 0.00%
Year 1 to 45	2.00%	2.00%							4.25%
									2.00%

**Major Repair Sinking Fund Options**

**Option 1**

% Selection	% User Input	Year 1 to 45	0.80%	on 621,400
	User Input	621,400		

**Option 2**

Per Unit, Per Annum, Com. Rented Units Only	Year 1 to 45		
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**Option 3**

Per Unit, Per Annum, Res. Rented Units Only	Year 1 to 45		
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Sinking Fund at Year 7 6,290

Defer the Start of the Sinking Fund to Year 7

Memorandum Information

Options 2 & 3 can be used together. With these options shared equity units and units fully sold at the outset are excluded.

**J Sales & Other Capital Receipts**

**1. Other Capital Receipts in Long Term Cashflow**

All capital income is deemed to be received at the end of the year entered.

Lump Sum	Description	
Infla'd Sum	Description	

**2. Unit & Ground Rent Sales**

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A

For staircasing shared equity units, use the Shared Equity Report

	A	B	C	D	E	F	G	H	Total for all Units
Product Type	Affordable Rent	Affordable Rent							
Units	4	2	0	0	0	0	0	0	
Commercial									
Market Sales Value Available for Sale	0	0	0	0	0	0	0	0	
<b>Sell units at end of Year</b>									
Value for Sale at Yr. 1	0	0	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	0
Total Received	0	0	0	0	0	0	0	0	0
<b>Sell Gr'd Rents at Year</b>									
Capital'd %	0	0	0	0	0	0	0	0	0

Set Ground Rents in Section L. Inflation is applied to Year 2 onwards.

**K Cost Rent at Year 1**

No. of Weekly Rent Periods p.a.

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1
Loan Interest	32,646
Managing Agent	0
RSL Management	7,962
Maintenance	5,460
Services Cost (S.C.)	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids etc. 2.0%	940
<b>Total Cost at Year 1</b>	<b>47,009</b>

Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area					
Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w.	Total p.m.
	n	159.29	0.00	159.29	692.62
	n	131.88	0.00	131.88	573.46
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
<b>Averages</b>	150.15 per week (ex. S.C.)	652.90 per month (ex. S.C.)			
	150.15 per unit per week	652.90 per unit per month			
	89.37 per net m <sup>2</sup> (ex. S.C.)	89.37 per net m <sup>2</sup> (incl. S.C.)			

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated. NB For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

**L Set Rents & Service Charges for Long Term Cashflow**

Cost Rent & S.C., p.w.	A	B	C	D	E	F	G	H	Total at Year 1
Product Type	Affordable Rent	Affordable Rent							
Commercial									
Target - April 2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cost Rent p.w. excl. S.C.	159.29	131.88	0.00	0.00	0.00	0.00	0.00	0.00	47,009
<b>Total Cost Rent p.w.</b>	<b>159.29</b>	<b>131.88</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>47,009</b>

**Commercial Rents n/a**

Year 1 to									0
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These Options n/a Set Initial Rent Free Period (months)  months  
Rent Review Period, i.e. rent fixed for  years

Preferred Yield % on Unsold Equity, n/a

**Residential Shared Equity units only**

Unsold Equity Share %									
Cost Rent % of u/s Eq'ty									
Rent p.w at 2.75% Yield									

**Local Housing Allowance**

**Residential Rents n/a**

Year 1 to 45	180.00	165.58							54,848
	275.97	206.98	Market rents	£1200 3 bed, £900 2 bed, rent cap as per EFDC policy £180					

**Set all service charges received per week**

Year 1 to 45									0
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**Set Ground Rents received per annum**

Year 1 to 45									0
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Rent Yields as at end of Year	1	Gross	Net
Total All Revenue Income, ex. voids at Year 1		53,751	40,329
Compared with Market Value at Year 1	0		
Compared with Total Scheme Cost of	1,037,757	5.18%	3.89%
Compared with Acquisition Cost of	0		

**Residential at Start of Year 1**

Gross Rent 54,848  
Market Value 0  
Yield

**Commercial at Start of Year 1**

Gross Rent 0  
Market Value 0  
Yield

Rent Yields as at end of Year	Gross	Net

NPV of Gross Rent & S.C. ex. Voids, divided by Open'g Loan, p.a.  at Year 1  
NPV of Net Rent less loan interest, divided by Open'g Loan, p.a.   
NPV Period & Discount Rate: 30 years at 3.50%, as defined in Section M

**Calculation of Affordable Loan Based on Net Income at Year 1**

Total Set Rent	54,848
Service Charges	0
Ground Rents	0
Managing Agent	0
RSL M'ngm't & Maint.	13,422
Services Cost	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids & Bad Debts	1,097
<b>Net Income at Year 1</b>	<b>40,329</b>

	Per Unit p.a.	Per Unit p.w.	Per Unit p.m.
Set Residential Rent	9,141	175.19	761.78
Set Commercial Rent	0		

Actual Loan 932,757  
Affordable Loan 1,170,661  
Difference 237,904  
Assuming net income meets Year 1 loan costs  
Equivalent to the capitalised Year 1 net revenue surplus.

# M Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 1 932,757  
 Revenue First Exceeds Costs Year 1  
 Loan Repaid by Year 30

NPV Calculation Options Net Rent + Cap. Val. - Loan

NPV Discount Rate 3.50%  
 Summarise Cashflow Results to Year 30

Capital Value of Scheme - Year 1

Capital Growth Rate p.a.  
 Discounted Cap. Value

Max. Annual Deficit: Year n/a  
 Capitalised Yr. 1 Net Revenue Surplus 237,904  
 Cum. Surplus at Year 30 59,130  
 NPV Net Rent + Cap. Val. - Loan 21,325  
 IRR 3.67%  
 NPV of Net Rent Only 954,082  
 NPV of All Capital Receipts 0

	Per Unit	Per Person
Max. Annual Deficit: Year	n/a	
Capitalised Yr. 1 Net Revenue Surplus	237,904	39,651
Cum. Surplus at Year 30	59,130	9,855
NPV Net Rent + Cap. Val. - Loan	21,325	3,554
IRR	3.67%	
NPV of Net Rent Only	954,082	
NPV of All Capital Receipts	0	

Interest Total 626,648  
 Min. Interest Cover: Year 1 126.02%  
 Target Interest Cover % 115.00%  
 First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Jan-2015

Year	1	2	3	4	5	6	7	8	9
<b>Opening Loan</b>	<b>932,757</b>	<b>924,431</b>	<b>914,653</b>	<b>903,339</b>	<b>890,402</b>	<b>875,751</b>	<b>859,291</b>	<b>847,313</b>	<b>833,802</b>
Average Interest	32,004	31,694	31,333	30,918	30,445	29,912	29,415	28,979	28,488
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	40,329	41,472	42,647	43,854	45,096	46,372	41,393	42,489	43,613
<b>Closing Loan</b>	<b>924,431</b>	<b>914,653</b>	<b>903,339</b>	<b>890,402</b>	<b>875,751</b>	<b>859,291</b>	<b>847,313</b>	<b>833,802</b>	<b>818,677</b>
<b>Gross Resid'l Rent</b>	<b>54,848</b>	<b>56,494</b>	<b>58,189</b>	<b>59,934</b>	<b>61,732</b>	<b>63,584</b>	<b>65,492</b>	<b>67,457</b>	<b>69,480</b>
<b>Gross Comm'l Rent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,097	1,130	1,164	1,199	1,235	1,272	1,310	1,349	1,390
<b>s/t</b>	<b>53,751</b>	<b>55,364</b>	<b>57,025</b>	<b>58,736</b>	<b>60,498</b>	<b>62,313</b>	<b>64,182</b>	<b>66,108</b>	<b>68,091</b>
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	7,962	8,241	8,529	8,828	9,137	9,456	9,787	10,130	10,484
Maintenance	5,460	5,651	5,849	6,054	6,265	6,485	6,712	6,947	7,190
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	0	0	0	0	0	6,290	6,542	6,803
<b>Net Rent</b>	<b>40,329</b>	<b>41,472</b>	<b>42,647</b>	<b>43,854</b>	<b>45,096</b>	<b>46,372</b>	<b>41,393</b>	<b>42,489</b>	<b>43,613</b>
<i>Net Rent + Rec'ts - Inter't</i>	<i>8,326</i>	<i>9,778</i>	<i>11,314</i>	<i>12,937</i>	<i>14,651</i>	<i>16,460</i>	<i>11,978</i>	<i>13,511</i>	<i>15,125</i>
<b>Cashflow</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cum. Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Year</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>
<b>Opening Loan</b>	<b>818,677</b>	<b>801,852</b>	<b>783,239</b>	<b>762,745</b>	<b>740,273</b>	<b>715,724</b>	<b>688,992</b>	<b>659,969</b>	<b>628,541</b>
Average Interest	27,940	27,332	26,662	25,925	25,118	24,238	23,281	22,243	21,121
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	44,765	45,946	47,156	48,396	49,667	50,969	52,304	53,671	55,071
<b>Closing Loan</b>	<b>801,852</b>	<b>783,239</b>	<b>762,745</b>	<b>740,273</b>	<b>715,724</b>	<b>688,992</b>	<b>659,969</b>	<b>628,541</b>	<b>594,591</b>
<b>Gross Resid'l Rent</b>	<b>71,565</b>	<b>73,712</b>	<b>75,923</b>	<b>78,201</b>	<b>80,547</b>	<b>82,963</b>	<b>85,452</b>	<b>88,016</b>	<b>90,656</b>
<b>Gross Comm'l Rent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,431	1,474	1,518	1,564	1,611	1,659	1,709	1,760	1,813
<b>s/t</b>	<b>70,133</b>	<b>72,237</b>	<b>74,405</b>	<b>76,637</b>	<b>78,936</b>	<b>81,304</b>	<b>83,743</b>	<b>86,255</b>	<b>88,843</b>
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	10,851	11,231	11,624	12,031	12,452	12,888	13,339	13,806	14,289
Maintenance	7,441	7,702	7,971	8,250	8,539	8,838	9,147	9,468	9,799
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	7,076	7,359	7,653	7,959	8,277	8,609	8,953	9,311	9,683
<b>Net Rent</b>	<b>44,765</b>	<b>45,946</b>	<b>47,156</b>	<b>48,396</b>	<b>49,667</b>	<b>50,969</b>	<b>52,304</b>	<b>53,671</b>	<b>55,071</b>
<i>Net Rent + Rec'ts - Inter't</i>	<i>16,825</i>	<i>18,613</i>	<i>20,494</i>	<i>22,472</i>	<i>24,549</i>	<i>26,732</i>	<i>29,023</i>	<i>31,428</i>	<i>33,950</i>
<b>Cashflow</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cum. Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Year	19	20	21	22	23	24	25	26	27
<b>Opening Loan</b>	<b>594,591</b>	<b>557,995</b>	<b>518,624</b>	<b>476,346</b>	<b>431,022</b>	<b>382,507</b>	<b>330,651</b>	<b>275,297</b>	<b>216,283</b>
Average Interest	19,910	18,606	17,204	15,699	14,088	12,364	10,523	8,558	6,465
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	56,506	57,976	59,482	61,024	62,603	64,220	65,876	67,572	69,308
<b>Closing Loan</b>	<b>557,995</b>	<b>518,624</b>	<b>476,346</b>	<b>431,022</b>	<b>382,507</b>	<b>330,651</b>	<b>275,297</b>	<b>216,283</b>	<b>153,440</b>
<b>Gross Resid'l Rent</b>	<b>93,376</b>	<b>96,177</b>	<b>99,062</b>	<b>102,034</b>	<b>105,095</b>	<b>108,248</b>	<b>111,496</b>	<b>114,840</b>	<b>118,286</b>
<b>Gross Comm'l Rent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,868	1,924	1,981	2,041	2,102	2,165	2,230	2,297	2,366
s/t	<b>91,508</b>	<b>94,254</b>	<b>97,081</b>	<b>99,994</b>	<b>102,993</b>	<b>106,083</b>	<b>109,266</b>	<b>112,544</b>	<b>115,920</b>
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	14,789	15,307	15,843	16,397	16,971	17,565	18,180	18,816	19,475
Maintenance	10,142	10,497	10,864	11,244	11,638	12,045	12,467	12,903	13,355
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	10,071	10,474	10,893	11,328	11,781	12,253	12,743	13,252	13,783
<b>Net Rent</b>	<b>56,506</b>	<b>57,976</b>	<b>59,482</b>	<b>61,024</b>	<b>62,603</b>	<b>64,220</b>	<b>65,876</b>	<b>67,572</b>	<b>69,308</b>
<i>Net Rent + Rec'ts - Inter't</i>	<i>36,596</i>	<i>39,371</i>	<i>42,278</i>	<i>45,324</i>	<i>48,515</i>	<i>51,856</i>	<i>55,354</i>	<i>59,014</i>	<i>62,843</i>
<b>Cashflow</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cum. Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Year	28	29	30	31	32	33	34	35	36
<b>Opening Loan</b>	<b>153,440</b>	<b>86,592</b>	<b>15,556</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Average Interest	4,237	1,868	81	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	71,085	72,904	15,637	0	0	0	0	0	0
<b>Closing Loan</b>	<b>86,592</b>	<b>15,556</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Resid'l Rent</b>	<b>121,834</b>	<b>125,489</b>	<b>129,254</b>	<b>133,132</b>	<b>137,126</b>	<b>141,239</b>	<b>145,476</b>	<b>149,841</b>	<b>154,336</b>
<b>Gross Comm'l Rent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	2,437	2,510	2,585	2,663	2,743	2,825	2,910	2,997	3,087
s/t	<b>119,398</b>	<b>122,979</b>	<b>126,669</b>	<b>130,469</b>	<b>134,383</b>	<b>138,414</b>	<b>142,567</b>	<b>146,844</b>	<b>151,249</b>
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	20,156	20,862	21,592	22,348	23,130	23,939	24,777	25,644	26,542
Maintenance	13,822	14,306	14,807	15,325	15,861	16,417	16,991	17,586	18,201
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	14,334	14,907	15,503	16,124	16,769	17,439	18,137	18,862	19,617
<b>Net Rent</b>	<b>71,085</b>	<b>72,904</b>	<b>74,767</b>	<b>76,673</b>	<b>78,623</b>	<b>80,619</b>	<b>82,662</b>	<b>84,751</b>	<b>86,889</b>
<i>Net Rent + Rec'ts - Inter't</i>	<i>66,848</i>	<i>71,036</i>	<i>74,686</i>	<i>76,673</i>	<i>78,623</i>	<i>80,619</i>	<i>82,662</i>	<i>84,751</i>	<i>86,889</i>
<b>Cashflow</b>	<b>0</b>	<b>0</b>	<b>59,130</b>	<b>76,673</b>	<b>78,623</b>	<b>80,619</b>	<b>82,662</b>	<b>84,751</b>	<b>86,889</b>
<b>Cum. Balance</b>	<b>0</b>	<b>0</b>	<b>59,130</b>	<b>135,803</b>	<b>214,426</b>	<b>295,045</b>	<b>377,706</b>	<b>462,458</b>	<b>549,347</b>
Year	37	38	39	40	41	42	43	44	45
<b>Opening Loan</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Average Interest	0	0	0	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	0	0	0	0	0	0	0	0	0
<b>Closing Loan</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Resid'l Rent</b>	<b>158,966</b>	<b>163,735</b>	<b>168,647</b>	<b>173,706</b>	<b>178,918</b>	<b>184,285</b>	<b>189,814</b>	<b>195,508</b>	<b>201,373</b>
<b>Gross Comm'l Rent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	3,179	3,275	3,373	3,474	3,578	3,686	3,796	3,910	4,027
s/t	<b>155,787</b>	<b>160,460</b>	<b>165,274</b>	<b>170,232</b>	<b>175,339</b>	<b>180,600</b>	<b>186,018</b>	<b>191,598</b>	<b>197,346</b>
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	27,471	28,433	29,428	30,458	31,524	32,627	33,769	34,951	36,174
Maintenance	18,838	19,498	20,180	20,887	21,618	22,374	23,157	23,968	24,807
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	20,401	21,218	22,066	22,949	23,867	24,822	25,814	26,847	27,921
<b>Net Rent</b>	<b>89,076</b>	<b>91,313</b>	<b>93,600</b>	<b>95,939</b>	<b>98,331</b>	<b>100,777</b>	<b>103,277</b>	<b>105,833</b>	<b>108,444</b>
<i>Net Rent + Rec'ts - Inter't</i>	<i>89,076</i>	<i>91,313</i>	<i>93,600</i>	<i>95,939</i>	<i>98,331</i>	<i>100,777</i>	<i>103,277</i>	<i>105,833</i>	<i>108,444</i>
<b>Cashflow</b>	<b>89,076</b>	<b>91,313</b>	<b>93,600</b>	<b>95,939</b>	<b>98,331</b>	<b>100,777</b>	<b>103,277</b>	<b>105,833</b>	<b>108,444</b>
<b>Cum. Balance</b>	<b>638,423</b>	<b>729,735</b>	<b>823,335</b>	<b>919,274</b>	<b>1,017,606</b>	<b>1,118,383</b>	<b>1,221,660</b>	<b>1,327,492</b>	<b>1,435,937</b>

# East Thames Group

## Rent & Sale Appraisal Summary

SDS ProVal Version 9.13 Nov-2012

**Scheme Name** EFDC - Red Cross site, Roundhills

**Date** 24 Jun 2013

**Address**  
 Funding Year 2013/2014  
 Local Authority Epping Forest  
 Scheme Description  
 Units 6

**Appraisal by** georg.herrmann  
**Seller**  
 Site Area (acs) 0 ha  
 Defaults Validation Check  See validation page for details  
**Appraisal Version** 1

### Unit Details

	A	B	C	D	E	F	G	H	Total - All Units
Product Type	Affordable Rent	Affordable Rent							
Net Floor Area m <sup>2</sup>	93	77							526
Persons	5	4							28
Units	4	2							6
Commercial?	n	n							0
Market Sales Value									
Sales % at Outset									
Yr 1 Resid'tial Rent p.w.	180.00	165.58							54,848
Yr 1 Comm' Rent per m <sup>2</sup>									0
Units sold at end Year									

Product Type  
 Net Floor Area m<sup>2</sup>  
 Persons  
 Units  
 Commercial?  
 Market Sales Value  
 Sales % at Outset  
 Yr 1 Resid'tial Rent p.w.  
 Yr 1 Comm' Rent per m<sup>2</sup>  
 Units sold at end Year

I	J	K	L	M	N	O	P

### Acquisition & Works Costs

	Total	Average per Unit	Average per Person	hr - habitable room, ac - acre, ha - hectare	nfa - net floor area, gfa - gross floor area
Acquisition	0	0	0		
Works	901,000	150,167	32,179	1,713 /m <sup>2</sup> nfa	1,713 /m <sup>2</sup> gfa
<b>Total</b>	<b>901,000</b>	<b>150,167</b>	<b>32,179</b>		

A&W as % of Market Sales Value

### Development Subsidy

	Total	Avg'e per Res' Unit	Average per Person	% TSC
<b>Total</b>	<b>105,000</b>	<b>17,500</b>	<b>3,750</b>	<b>10.12%</b>

### Other Capital Receipts (not Sales)

Lump Sums: Rec'd in Year 0  
 Capitalised Ground Rents, Total 0

	Total	Per Unit	Per Person	% of TSC
RSL Funding				
Receipts from Initial Sales	0			
Advance Rent Income	0			
Loan Adjustment	0			
RSL Capital Contribution	0			
Net Loan	932,757	155,460	33,313	89.9%
<b>Total</b>	<b>932,757</b>	<b>155,460</b>	<b>33,313</b>	<b>89.9%</b>

### Total Scheme Costs

	Total	% TSC
Acquisition & Works as Section B	901,000	86.8%
Development Fees as Section D	120,541	11.6%
User-defined Interest Cost	16,216	1.6%
Other Costs	0	
<b>Total Scheme Cost (TSC)</b>	<b>1,037,757</b>	

	Total	Per Unit	Per Person	% of TSC
Subsidy & Other Funding				
As Prod. Type	0			
Other	105,000	17,500	3,750	10.1%
Other Sum	0			
<b>Total</b>	<b>105,000</b>	<b>17,500</b>	<b>3,750</b>	<b>10.1%</b>

Residential Market Value 0  
 Commercial Market Value 0  
**TSC as % of Market Sales Value**

### Private Finance

	Total	% of TSC	% of MSV
Total Scheme Cost	1,037,757	100.0%	0.0%
Development Subsidy	105,000	10.1%	0.0%
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment	0		
Capital Contribution at Year 1	0		
<b>Net Loan (before sales)</b>	<b>932,757</b>	<b>89.9%</b>	<b>0.0%</b>

Interest Rates	Loan A	Loan B
Loan Amounts	932,757	0
Year 1 to 45	3.50%	

Repayment Method Interest Only

### Inflation & Allowances

Base Inflation Rate 2.50%

#### Year 1 Effective Inflation Rates & Values for Income

	Inflation Rate
Residential Tenant Rent	3.00%
Commercial Rent - n/a	
Ground Rent	2.50%
Services (Charges and Costs)	2.50%
Market Sales Values (Residential) - n/a	0.00%
Market Sales Values (Commercial) - n/a	0.00%

#### Year 1 Effective Inflation Rates & Values for Allowances

	Inflation Rate	Cost Per Unit, p.a.
Management	3.50%	1,327
Managing Agent	n <sub>i</sub>	0.00%
Maintenance	3.50%	910
Reinstatement	2.50%	0
Another Allowance	2.50%	0
Major Repairs	4.00%	0
Void	n <sub>i</sub>	2.00%

### Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 1 932,757  
 Revenue First Exceeds Costs Year 1  
 Loan Repaid by Year 30

Chosen NPV Calculation Net Rent + Cap. Val. - Loan  
 NPV Discount Rate 3.50%  
 Summarise Cashflow Results to Year 30  
 Capital Value of Scheme - Year 1  
 Capital Growth Rate p.a.  
 Discounted Cap. Value

Max. Annual Deficit: Year n/a  
 Capitalised Yr. 1 Net Revenue Surplus 237,904  
 Cum. Surplus at Year 30 59,130  
 NPV Net Rent + Cap. Val. - Loan 21,325  
 IRR 3.67%  
 NPV of Net Rent Only 954,082  
 NPV of All Capital Receipts 0

	Per Unit	Per Person
	39,651	8,497
	9,855	2,112
	3,554	762

Interest Total 626,648  
 Min. Interest Cover: Year 1 126.02%  
 Target Interest Cover % 115.00%  
 First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Jan-2015