

LOCAL HOUSING COMPANY 10 YEAR BUSINESS PLAN (based on a 6% rental income)

	Years									
	1	2	3	4	5	6	7	8	9	10
One off costs										
Purchase of houses	1,530,000	1,480,000								
Stamp Duty on houses	32,100	26,000								
Conveyancing Fees	3,270	3,270								
Total one off costs	1,565,370	1,509,270	0	0	0	0	0	0	0	0
On going costs										
Borrowing cost	31,307	92,239	169,105	169,105	169,105	169,105	169,105	169,105	169,105	169,105
<u>Service Level Agreement with EFDC</u>										
Management	3,582	7,092	7,198	7,342	7,526	7,714	7,907	8,105	8,307	8,515
Insurance	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Accommodation for meeting rooms	100	100	100	100	100	100	100	100	100	100
Repairs	2,400	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Major Repairs	0	0	0	0	0	6,000	6,000	6,000	6,000	6,000
Company house	40	40	40	40	40	40	40	40	40	40
Remuneration for Directors	0	0	0	0	0	0	0	0	0	0
VAT	1,047	2,081	2,100	2,125	2,157	3,240	3,274	3,308	3,344	3,380
Capital Gains Tax	0	0	0	0	0	0	0	0	0	0
Total on going costs	40,976	108,852	185,843	186,012	186,228	193,499	193,726	193,958	194,196	194,440
Income										
Loan	1,565,370	1,509,270	0	0	0	0	0	0	0	0
Rental income	91,800	181,977	184,707	187,477	190,289	193,144	196,041	198,982	201,966	204,996
Voids & bad debt (4%)	(3,672)	(7,279)	(7,388)	(7,499)	(7,612)	(7,726)	(7,842)	(7,959)	(8,079)	(8,200)
Total Income	1,653,498	1,683,968	177,318	179,978	182,678	185,418	188,199	191,022	193,888	196,796
Profit before Tax	47,152	65,846	(8,525)	(6,034)	(3,550)	(8,081)	(5,527)	(2,936)	(309)	2,356
Company Tax	9,902	13,828	0	0	0	0	0	0	0	495
Profit after tax	37,250	52,018	(8,525)	(6,034)	(3,550)	(8,081)	(5,527)	(2,936)	(309)	1,861
Balance B/Fwd	0	37,250	89,268	80,743	74,709	71,158	63,077	57,551	54,615	54,306
Balance C/Fwd	37,250	89,268	80,743	74,709	71,158	63,077	57,551	54,615	54,306	56,167
Profit after tax for the following scenario										
House prices 10% higher	41,744	58,548	(7,668)	(4,911)	(2,157)	(6,414)	(3,581)	(708)	1,742	4,077
House prices 10% lower	32,756	45,488	(9,382)	(7,158)	(4,944)	(9,748)	(7,472)	(5,163)	(2,823)	(449)
Borrowing 1% higher	24,883	27,728	(39,271)	(36,781)	(34,297)	(38,828)	(36,273)	(33,682)	(31,055)	(28,391)
Borrowing 1% lower	49,616	76,308	17,555	19,523	21,485	17,906	19,924	21,970	24,046	26,151
Cost 10% higher	36,486	50,706	(10,199)	(7,725)	(5,263)	(10,521)	(7,989)	(5,421)	(2,818)	(178)
Cost 10% lower	38,014	53,330	(6,851)	(4,344)	(1,838)	(5,642)	(3,064)	(451)	1,738	3,862
Rents 1% higher	48,853	75,020	16,612	18,930	21,248	18,029	20,414	22,832	25,285	27,772
Rents 1% lower	25,646	29,016	(38,078)	(36,031)	(33,997)	(38,984)	(36,893)	(34,773)	(32,623)	(30,444)