

HDH Planning and Development Ltd

CIL Viability Study Update December 2014

8. Student Accommodation page 59-60

Revised modelling based on the assumptions adopted in HDH report in Jan 3013 Viability Study subject to amendment in line with the assumptions sated in the Dec 2014 Viability Update

- Para 8.2** 175 Student Study bedspaces assumed at 20m2 per bedspace with 35% circulation therefore 27 m2 per bedspace
- Para 8.3** 175 bedspaces at 27 m2 equals **4,725 m2**
- Para 8.9** Net room rent assumed £3,000 pa at 6.5% yield provides value per bedspace at £46,154 before purchaser's costs at 5.8%, net bedspace value therefore **£43,477**
- Para 8.10** Build cost assumption **£1,179/m2**

**Residual Appraisal**

**Gross Development Value**

|  |                  |  |                  |
|--|------------------|--|------------------|
| Bedspaces  | 175              |  |                  |
| Value Per Bedspace                               | 43,477           |  |                  |
| Gross Development Value<br>After Purchaser Costs | <b>7,608,475</b> |  | <b>7,608,475</b> |

**Less Costs to Develop**

|                     |       |
|---------------------|-------|
| Strategic Promotion | 2,500 |
| Planning            | 2,500 |

**Less Costs to Develop**

|                     |       |
|---------------------|-------|
| Strategic Promotion | 2,500 |
| Planning            | 2,500 |

|  |                  |                  |   |                  |                   |
|--|------------------|------------------|---|------------------|-------------------|
| Base Build Costs Per m2 as per<br>2013 Viability Study | <b>1,179</b>     |                  | Base Build Costs Per m2<br>as per August 2014 | <b>1,281</b>     |                   |
| Scheme Area m2   | 4,725            |                  | Scheme Area m2                                | 4,725            |                   |
| Base Build Costs                                       | <b>5,570,775</b> | 31,833           | Base Build Costs                              | <b>6,052,725</b> | 34,587            |
| Infrastructure Costs                                   | 15%              | 835,616          | Infrastructure Costs                          | 15%              | 907,909           |
| Fees   | 8%               | 512,511          | Fees  | 8%               | 556,851           |
| Contingency  | 2.50%            | 172,973          | Contingency                                   | 2.50%            | 187,937           |
| Finance  |                  | 5,000            | Finance                                       |                  | 5,000             |
| Sales  | 3%               | 228,254          | Sales   | 3%               | 228,254           |
| Misc Financial   |                  | 5,000            | Misc Financial                                |                  | 5,000             |
| Subtotal   |                  | <b>7,335,129</b> | Subtotal                                      |                  | <b>7,948,676</b>  |
| Interest   | 7%               | 513,459          | Interest                                      | 7%               | 556,407           |
| Profit % Costs   | 20%              | 1,569,718        | Profit % Costs                                | 20%              | 1,701,017         |
| <b>Costs</b>   |                  | <b>9,418,306</b> | <b>Costs</b>                                  |                  | <b>10,206,100</b> |
| <b>Additional profit</b>                               | -                | <b>1,809,831</b> | <b>Additional profit</b>                      | -                | <b>2,597,625</b>  |

The Residual/Additional profit based upon HDH Planning and Development Ltd own figures and methodology is negative before adjustment to the build cost for December 2014 from their January 2013 report to £1,281 per m2