Panda House - Build Cost Scenario 2
Residual Land Value Appraisal
To Be Compared to a BLV of £5.89m

Development Appraisal
Prepared by JRB
James R Brown & Company Ltd
01 December 2020

APPRAISAL SUMMARY **JAMES R BROWN & COMPANY LTD**

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Summary Appraisal for Phase 1

Currency in £

REVENUE				
Sales Valuation	**Units**	**Unit Price**	**Gross Sales**	
Hostel Element	1	6,000,000	6,000,000	
HMO Element	1	19,320,000	19,320,000	
Totals	**2**		**25,320,000**	
NET REALISATION				**25,320,000**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			4,272,270	
				4,272,270
Stamp Duty		4.70%	200,797	
Agent Fee		1.00%	42,723	
Legal Fee		0.80%	34,178	
				277,698
CONSTRUCTION COSTS				
Construction	**Units**	**Unit Amount**	**Cost**	
Combined Build Cost	1 un	13,400,401	13,400,401	**13,400,401**
MCIL/CIL/S.106/S.278			395,000	
				395,000
PROFESSIONAL FEES				
Professional Fees		8.00%	1,072,032	
				1,072,032
DISPOSAL FEES				
Sales Agent Fee		1.00%	253,200	
Sales Legal Fee			75,000	
				328,200
FINANCE				
Debit Rate 7.000%, Credit Rate 0.500% (Nominal)				
Land			769,242	
Construction			1,007,157	
Total Finance Cost				1,776,399
TOTAL COSTS				**21,522,000**
PROFIT				
				3,798,000
Performance Measures				
Profit on Cost%		17.65%		
Profit on GDV%		15.00%		
Profit on NDV%		15.00%		
IRR		20.18%		
Profit Erosion (finance rate 7.000%)		2 yrs 4 mths		

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TIMESCALE AND PHASING GRAPH REPORT	JAMES R BROWN & COMPANY LTD

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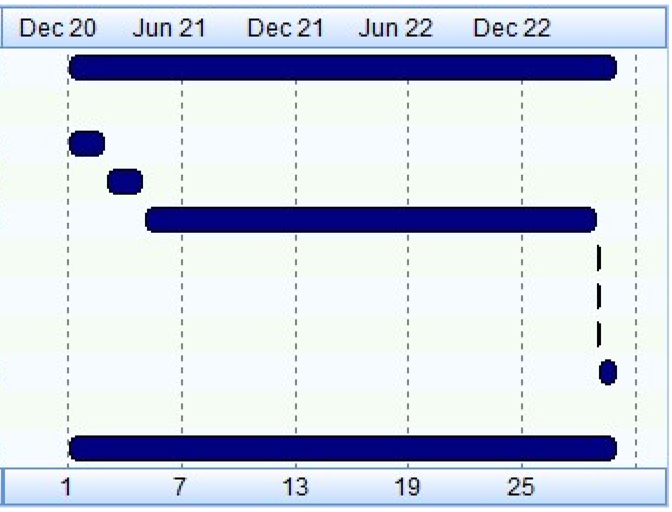
Project Timescale	
Project Start Date	Dec 2020
Project End Date	Apr 2023
Project Duration (Inc Exit Period	29 months

Phase 1

	Start Date	Duration	End Date
Project	Dec 2020	29 Month(s)	Apr 2023
Purchase	Dec 2020	2 Month(s)	Jan 2021
Pre-Construction	Feb 2021	2 Month(s)	Mar 2021
Construction	Apr 2021	24 Month(s)	Mar 2023
Post Development	Apr 2023	0 Month(s)	
Letting	Apr 2023	0 Month(s)	
Income Flow	Apr 2023	0 Month(s)	
Sale	Apr 2023	1 Month(s)	Apr 2023
Cash Activity	Dec 2020	29 Month(s)	Apr 2023



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Detailed Cash flow Phase 1

	001:Dec 2020	002:Jan 2021	003:Feb 2021	004:Mar 2021	005:Apr 2021	006:May 2021
MonthlyB/F	0	(4,549,968)	(4,549,968)	(4,603,051)	(4,603,051)	(5,096,173)
Revenue						
Sale - Hostel Element	0	0	0	0	0	0
Sale - HMO Element	0	0	0	0	0	0
Disposal Costs						
Sales Agent Fee	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0
Unit Information						
HMO Element						
Hostel Element						
Combined Build Cost						
Acquisition Costs						
Residualised Price	(4,272,270)	0	0	0	0	0
Stamp Duty	(200,797)	0	0	0	0	0
Agent Fee	(42,723)	0	0	0	0	0
Legal Fee	(34,178)	0	0	0	0	0
Construction Costs						
MCIL/CIL/S.106/S.278	0	0	0	0	(395,000)	0
Con. - Combined Build Cost	0	0	0	0	(90,854)	(198,851)
Professional Fees						
Professional Fees	0	0	0	0	(7,268)	(15,908)
Net Cash Flow Before Finance	**(4,549,968)**	**0**	**0**	**0**	**(493,123)**	**(214,759)**
Debit Rate 7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
Credit Rate 0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Finance Costs (All Sets)	0	(26,541)	(26,541)	(26,851)	(26,851)	(29,728)
Net Cash Flow After Finance	**(4,549,968)**	**(26,541)**	**(26,541)**	**(26,851)**	**(519,974)**	**(244,487)**
Cumulative Net Cash Flow Monthly	(4,549,968)	(4,576,509)	(4,603,051)	(4,629,902)	(5,149,876)	(5,394,362)

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007:Jun 2021	008:Jul 2021	009:Aug 2021	010:Sep 2021	011:Oct 2021	012:Nov 2021	013:Dec 2021	014:Jan 2022	015:Feb 2022
(5,394,362)	(5,715,840)	(6,134,117)	(6,739,869)	(7,321,993)	(7,971,163)	(8,805,987)	(9,559,495)	(10,350,295)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(297,664)	(387,294)	(467,741)	(539,004)	(601,083)	(653,980)	(697,693)	(732,222)	(757,568)
(23,813)	(30,984)	(37,419)	(43,120)	(48,087)	(52,318)	(55,815)	(58,578)	(60,605)
(321,477)	**(418,278)**	**(505,160)**	**(582,124)**	**(649,170)**	**(706,298)**	**(753,508)**	**(790,800)**	**(818,174)**
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(31,467)	(33,342)	(35,782)	(39,316)	(42,712)	(46,498)	(51,368)	(55,764)	(60,377)
(352,944)	**(451,620)**	**(540,942)**	**(621,440)**	**(691,882)**	**(752,797)**	**(804,876)**	**(846,564)**	**(878,551)**
(5,747,307)	(6,198,927)	(6,739,869)	(7,361,309)	(8,053,191)	(8,805,987)	(9,610,864)	(10,457,427)	(11,335,978)

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016:Mar 2022	017:Apr 2022	018:May 2022	019:Jun 2022	020:Jul 2022	021:Aug 2022	022:Sep 2022	023:Oct 2022	024:Nov 2022
(11,335,978)	(12,171,608)	(13,014,775)	(14,068,609)	(14,897,098)	(15,703,370)	(16,738,077)	(17,470,162)	(18,150,276)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(773,731)	(780,710)	(778,506)	(767,119)	(746,548)	(716,794)	(677,857)	(629,736)	(572,431)
(61,898)	(62,457)	(62,281)	(61,370)	(59,724)	(57,344)	(54,229)	(50,379)	(45,794)
(835,630)	**(843,167)**	**(840,787)**	**(828,489)**	**(806,272)**	**(774,138)**	**(732,085)**	**(680,114)**	**(618,226)**
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
(66,127)	(71,001)	(75,920)	(82,067)	(86,900)	(91,603)	(97,639)	(101,909)	(105,877)
(901,756)	**(914,168)**	**(916,707)**	**(910,555)**	**(893,172)**	**(865,741)**	**(829,724)**	**(782,024)**	**(724,102)**
(12,237,734)	(13,151,902)	(14,068,609)	(14,979,164)	(15,872,336)	(16,738,077)	(17,567,801)	(18,349,825)	(19,073,927)

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025:Dec 2022	026:Jan 2023	027:Feb 2023	028:Mar 2023	029:Apr 2023
(19,073,927)	(19,620,346)	(20,085,040)	(20,800,971)	(21,072,461)
0	0	0	0	6,000,000
0	0	0	0	19,320,000
0	0	0	0	(253,200)
0	0	0	0	(75,000)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
(505,944)	(430,272)	(345,418)	(251,380)	0
(40,475)	(34,422)	(27,633)	(20,110)	0
(546,419)	**(464,694)**	**(373,051)**	**(271,490)**	**24,991,800**
7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%
(111,265)	(114,452)	(117,163)	(121,339)	0
(657,684)	**(579,146)**	**(490,214)**	**(392,829)**	**24,991,800**
(19,731,610)	(20,310,757)	(20,800,971)	(21,193,800)	3,798,000

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