

Panda House - Build Cost Scenario 3
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	<u>1</u>	19,320,000	<u>19,320,000</u>
Totals	2		25,320,000

NET REALISATION
25,320,000
OUTLAY**ACQUISITION COSTS**

Residualised Price		3,878,518	3,878,518
Stamp Duty	4.70%	182,290	
Agent Fee	1.00%	38,785	
Legal Fee	0.80%	31,028	
			252,104

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Combined Build Cost	1 un	13,826,343	13,826,343
MCIL/CIL/S.106/S.278			395,000
			395,000

PROFESSIONAL FEES

Professional Fees	8.00%	1,106,107	1,106,107
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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		698,345	
Construction		1,037,383	
Total Finance Cost			1,735,728

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	20.50%
Profit Erosion (finance rate 7.000%)	2 yrs 4 mths

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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



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Detailed Cash flow Phase 1

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	001:Dec 2020	002:Jan 2021	003:Feb 2021	004:Mar 2021	005:Apr 2021	006:May 2021
MonthlyB/F	0	(4,130,621)	(4,130,621)	(4,178,812)	(4,178,812)	(4,675,053)
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	(3,878,518)	0	0	0	0	0
Stamp Duty	(182,290)	0	0	0	0	0
Agent Fee	(38,785)	0	0	0	0	0
Legal Fee	(31,028)	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	(93,742)	(205,172)
Professional Fees						
Professional Fees	0	0	0	0	(7,499)	(16,414)
Net Cash Flow Before Finance	(4,130,621)	0	0	0	(496,242)	(221,585)
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	(24,095)	(24,095)	(24,376)	(24,376)	(27,271)
Net Cash Flow After Finance	(4,130,621)	(24,095)	(24,095)	(24,376)	(520,618)	(248,856)
Cumulative Net Cash Flow Monthly	(4,130,621)	(4,154,716)	(4,178,812)	(4,203,188)	(4,723,806)	(4,972,663)

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Report Date: 01/12/20

Detailed Cash flow Phase 1

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Detailed Cash flow Phase 1

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025:Dec 2022 (19,021,971)	026:Jan 2023 (19,585,758)	027:Feb 2023 (20,065,223)	028:Mar 2023 (20,792,391)	029:Apr 2023 (21,072,511)
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
(522,025)	(443,949)	(356,397)	(259,370)	0
(41,762)	(35,516)	(28,512)	(20,750)	0
(563,787)	(479,465)	(384,909)	(280,120)	24,991,800
7.000%	7.000%	7.000%	7.000%	7.000%
0.500%	0.500%	0.500%	0.500%	0.500%
(110,961)	(114,250)	(117,047)	(121,289)	0
(674,749)	(593,715)	(501,956)	(401,409)	24,991,800
(19,696,720)	(20,290,435)	(20,792,391)	(21,193,800)	3,798,000

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