

DE PAUL HOUSE VIABILITY - SCHEDULE OF DIFFERENCES

Appraisal input	James Brown (as at 12/1/2021)	Anthony Lee (as at 12/1/2021)	James Brown as at June & September 2020 – key assumptions compared to James Brown now	Anthony Lee as at July 2020 – key assumptions compared to Anthony Lee now	Appellant as at December 2019
BLV of existing hostel per bedroom	£113,269	£113,269	£113,269	£113,269	£153,846
Hostel GDV	£6,000,000	£7,864,676			
Single room rate (9)	£24 per night	£45 per night	£45 per night	£69.30 per night	£32.88 per night
Double room rate (12)	£48 per night	£51 per night	£40 per night	£74.16 per night	£35.60 per night
Accessible room rate (4)	£48 per night	£51 per night	£40 per night	£74.16 per night	£36.16 per night
Total income p.a.	£359,160	£445,665	£340,000	£651,039	
Operating costs p.a.	£89,790 (25%)	£111,416 (25%)			
Net income p.a.	£269,370	£334,249			
Yield	4.25%	4.25%	4.25%	4.25%	4.25%
Year's rent purchased	23.53	23.53			
Capitalised income	£6,338,114	£7,864,682			
Less purchaser's costs	£316,906 (5%)	£534,798 (6.8%)			
Capital value/GDV	£6,000,000 on rounded down basis	£7,329,884			
Value per room	£240,000	£293,195	£228,571	£430,284	
HMO GDV	£20,186,933	£27,629,308			
Single room rate (24)	£1,000 per month	£1,122 per month			£1,000 per month
Double room rate (52)	£1,325 per month	£1,218 per month			£1,083 per month
Accessible room rate (8)	£1,350 per month	£1,196 per month			£1,100 per month
Total income p.a.	£1,244,400	£1,197,270			
Operating costs p.a.	£335,988 (27%)	£299,318 (25%)			
Net income p.a.	£908,412	£897,953			
Yield	4.5%	3.25%	4.25% combined for hostel and HMO	4.25%	
Year's rent purchased	22.22	30.77	23.53	23.53	

Appraisal input	James Brown (as at 12/1/2021)	Anthony Lee (as at 12/1/2021)	James Brown as at June & September 2020 – key assumptions compared to James Brown now	Anthony Lee as at July 2020 – key assumptions compared to Anthony Lee now	Appellant as at December 2019
Capitalised income	£20,186,933	£27,629,308			
Less purchaser's costs	£1,009,347 (5%)	£1,878,793 (6.8%)			
Capital value/GDV	£19,320,000 on rounded-up basis	£25,750,515	£17,665,040	£17,823,055	
Value per room	£230,000	£306,554	£207,824	£209,683	
Food and beverage income	Not included	£452,941			
Construction costs	£14,252,284	£13,400,401			
MCIL	£148,332	£275,000			
Carbon offset	£222,015	Nil			
Construction and skills	£23,000	Nil			
Professional fees (% of construction costs)	8% £1,140,183	8% £1,072,032			
Sales agent fee (% of GDV)	1% £253,200	1% £335,025			
Sales legal fee (% of GDV)	£75,000	0.45% £150,761			
Finance rate	7% £1,695,058	6% £2,390,607			
Profit (% of GDV)	15%	15%			
Development programme	4 months pre-construction 24 months construction	4 months pre-construction 24 months construction			
Benchmark land value	£5.89 m	£5.89 m			

Comparison of residual land values

Appraisal input	James Brown (PoE Appendix E)	Anthony Lee (PoE Appendix 10)	Anthony Lee (updated – see note 1 below)
Hostel GDV	£6,000,000	£7,864,676	£7,864,676
HMO GDV	£19,320,000	£27,629,308	£27,629,308
F&B GDV	Nil	£452,941	£452,941
Purchaser's costs	Included within the above	(£2,444,391)	(£1,797,346)
Net Development Value	£25,320,000	£33,502,534	£34,149,579
Construction costs	£14,252,284	£13,400,401	£13,400,401
MCIL	£148,332	£275,000	£148,332
Carbon offset	£222,015	Nil	£222,015
Construction and skills	£23,000	Nil	£23,000
Professional fees	£1,140,183	£1,072,032	£1,072,032
Sales agent fee	£253,200	£335,025	£335,025
Sales legal fee	£75,000	£150,761	£150,761
Finance rate	£1,695,058	£2,390,607	£2,390,607
Profit	£3,798,000	£5,392,039	£5,392,039
Gross residual land value	£3,711,275	£10,486,669	£10,932,814
Stamp duty	£163,784	£490,949	£511,836
Agent fee	£34,878	£98,190	£102,367
Legal fee	£27,878	£78,552	£81,894
Net residual land value	£3,484,765	£9,818,987	£10,236,718

Note 1: reflecting the Appellant's updated MCIL, Carbon offset and construction & skills contributions, and aligning purchaser's costs with 5% assumption in SOCG.