

## Policy Compliant appraisal

Cumberland House, Lissadel Street, Salford

### Tenure & Timetable

Tenure is Freehold

	Construction Starts	Construction Mths	Letting Void	Letting Date	Rent Free	Sales Mths	Sale Date
New Tower	10/2025	24					09/2027
<b>Project Start</b>	<b>04/2025</b>	<b>Fees Start</b>	<b>10/2025</b>	<b>Duration</b>	<b>30 Mths</b>	<b>Project End</b>	<b>09/2027</b>

### Development Summary

Unit Sales					42,745,392		
<b>Gross Development Value</b>							<b>42,745,392</b>
Construction					28,868,795		
Demolition					468,720		
All other costs					6,528,494		
Finance					2,627,150		
<b>Development Cost</b>							<b>38,493,159</b>
Profit Required	16.21 %	of Value		19.35 %	of Cost		6,929,032
Balance available						-2,676,799	

Purchase Price

-2,676,799

### Statistics

Total Construction Costs	28,868,795	Total Area: Net (sq.ft.)	91,506
Interest	2,627,150	Total Area: Gross (sq.ft.)	134,246
Peak Borrowing	0	Land Cost / sq.ft. net	-4.15
Gross Development Costs	35,816,360	Development Cost / sq.ft. net	59.74
Gross Development Value	42,745,392	Site & Development Cost / sq.ft. net	55.58
Development Yield on Cost	0.00 %	Investment Value / sq.ft. net	66.34
Void Cover (Finance)	27 months	Profit as % of Total Build Cost	23.62 %
Break-even value	83.79 % of Market Value	Profit / sq.ft.	51.61
		Profit / sq.ft. net	10.75
		IRR	30.51 %
		NPV at 0.000 %	9,556,182

## Policy Compliant appraisal

### Capitalisation & Sales

#### New Tower

		Net Area	Rate	Value	
291 market units	x 291	258.0	484.30	36,360,448	
Discounted market sales	x 73	225.0	388.73	6,384,944	
External Works		1.0	0.00	0	
FFE		1.0	0.00	0	
Rental Guarantee rental deficit		1.0	0.00	0	
		91,506.0		42,745,392	
Market Value	09/2027				42,745,392

**Gross Development Value** **42,745,392**

### Costs

#### Demolition

	Starts	Months		
Demolition	04/2025	1	468,720 v	468,720

#### Construction

Cashflow Weighting 2.32 %

#### New Tower

	Gross Area	Rate	Cost	
291 market units	291 x 369	176.00	18,898,704	
Discounted market sales	73 x 368	176.00	4,728,064	
External Works	1	1,772,971.00	1,772,971	
FFE	1	996,030.00	996,030	
Rental Guarantee rental deficit	1	1,632,187.00	1,632,187	
	134,246	208.78	28,027,956	28,027,956 v
<b>Total Construction</b>				<b>28,027,956</b>

**Contingency** 3.00 % 840,839  
28,868,795

#### Professional Fees

6.000 % (Cashflow Weighting 2.32 %) 1,732,128 v

#### Ancillary Costs

Cashflow Weighting	2.32 %			
S278 works			50,000	
Building Safety Regulations			500,000	
New Walkway			250,000	
Sec 106			1,025,560	1,825,560

#### Sale Costs

	Date	Rate	Amount	
New Tower	09/2027	6.95 %	2,970,805 v	2,970,805

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### Finance

Compounded quarterly

Interest on net equity 8.00 % 2,627,150

2,627,150

### Development Cost

38,493,159

### Purchase Price

-2,676,799

Purchase costs

Agent and Legal fees 1.800 % 124,889 v

Stamp Duty -12.568 % ( 4.849 % ) 336,415

0

### Gross Development Cost

35,816,360

Profit Required 16.21 % of Value 19.35 % of Cost

6,929,032

### Gross Development Value

42,745,392

### VAT Schedule

	Amount	VAT %	Total VAT	Net VAT
Construction	29,337,515	20.00 %	5,867,503	0
Professional Fees	1,732,128	20.00 %	346,426	0
Post Construction	2,970,805	20.00 %	594,161	0
	<b>33,189,209</b>		<b>6,808,089</b>	<b>0</b>
<b>Percentage of VAT recovered</b>	<b>100.00 %</b>	<b>Average recovery time</b>	<b>3 months</b>	

### Assumptions

1. Interest is compounded quarterly
2. Construction related payments are made monthly.
3. Purchase and any rent are paid in advance, at the beginning of a month.
4. All other costs are paid in arrear, at the month's end.
5. Sales take place at the end of the month.
6. YPs are calculated on the basis of rents received annually in arrears (Parry's).
7. VAT is applicable to items marked "v"
8. Rent is paid quarterly in advance.
9. Acquisition costs have been disregarded and the negative residual value is calculated as a gross amount.