

The Scheme

The scheme involves the demolition of an existing structure and erection of 9no. affordable apartments with associated parking and access. The schedule of accommodation is highlighted in figure 1 below.

Figure 1	Unit	Floor	Beds	Sq. Mtrs	Sq. Ft
	1	GF	2	59	635
	2	1st	2	58	624
	3	1st	2	43.8	471
	4	1st	2	43.8	471
	5	1st	2	59	635
	6	2nd	2	58	624
	7	2nd	2	43.8	471
	8	2nd	2	43.8	471
	9	2nd	2	59	635
	Totals:			468.2	5037

Appraisal Inputs

Following a detailed review of the local housing/apartment markets the open market values in Figure 2 below have been adopted: Further evidence with regard to the market in the vicinity of the subject site is detailed within Appendix 1.

Figure 2	Unit	Floor	Sq. Mtrs	Sq. Ft	Price (£)	£ Sq. Ft
	1	GF	59	635	£105,000	£165.4
	2	1st	58	624	£105,000	£168.3
	3	1st	43.8	471	£95,000	£201.7
	4	1st	43.8	471	£95,000	£201.7
	5	1st	59	635	£105,000	£165.4
	6	2nd	58	624	£105,000	£168.3
	7	2nd	43.8	471	£95,000	£201.7
	8	2nd	43.8	471	£95,000	£201.7
	9	2nd	59	635	£105,000	£165.4
	Totals:		468.2	5037	£905,000	£182.2

Build Costs

A built cost of £1,153.48/m2 (£107.16/ft2) has been utilised for the new build apartments. This is made up of a base cost of £1073/m2 (£99.69/ft2) the median figure of the Wrexham rebased BCIS Average Price Index for new build apartments, plus an additional 7.5% included for external works. The figure adopted is considered to be conservative and makes allowances for the following:

Basic Superstructure Costs
Normal strip footing foundations
Plot development costs (including provisions of utilities, parking court/formation of parking spaces).
The rate includes for builders preliminary costs (site management, all welfare facilities).
Normal infrastructure costs including formation of new access, boundary treatments.

Building Contingency

A contingency of 5% of the build cost has been allowed within the appraisals, which is in accordance with general practice.

Abnormal Works

The site is hampered by site specific abnormal costs.
The following costs will be included within the appraisal:
Remediation/Site Clearance £20,000 (Provisional Sum)
Service diversions £5,000 (Provisional Sum)
Bat relocation/rehouse £8,500 (Provisional Sum)

Professional Fees

Provision equating to 7% of the build costs have been allowed, a figure which is in accordance with general practice. This figure will cover the following professional costs:

Architect
Landscape Architect
Structural Engineer
Site Investigations
Planning Application Fee
Building Regulations Application Fee

Finance Costs

An interest rate of 6.75% has been utilised, which is approximately 6.25% above the UK 3 month LIBOR rate and is very conservative with many funding institutions currently seeking higher interest rates from developers.

Sales and Marketing Costs

An allowance of 1.5% of the gross development value has been allowed for sales and marketing costs of the apartments, which is in accordance with the rate adopted by many local agents. In addition, 0.60% of the sales value has been allowed for legal fees associated with selling each of the apartments.

Acquisition Costs

The site was acquired in August 2007.
A total expenditure of £146,823 (Incl. Legal Fees) has been spent to date.

Viability Summary

Figure 3 below, summarises the total development costs:

Figure 3

Description	
GDV	£905,000.00
Build Costs	£540,059.34
Contingency (5%)	£27,002.97
Abnormal Costs	£33,500.00
Professional Fees (7.5%)	£40,504.45
Finance Costs (6.75%)	£36,454.01
Sales and Marketing Costs (2.1%)	£19,005.00
Acquisition Cost/Cost to Date	£146,823.00
Total Cost:	£843,348.76
Profit (before taxation)	£61,651.24
Education Contribution	£35,000.00
Profit Margin (%)	7%
Profit Margin (After Education Contribution)	3%