

8 November 2023



VIABILITY UPDATE STATEMENT

APPEAL – APP/Q4245/W/23/3325034

ADDRESS – 35 Oakfield, Sale

Following exchange of evidence I have reviewed the information submitted to the Inquiry. Appendix 12 of my proof of evidence details an incorrect summary and cashflow.

The cashflow was not correctly calculating the finance costs based on the assumptions made relating to sales and overall timescale. In the negotiations with Mr Lloyd it was agreed to reduce the pre-construction period from 6 months to 4 months. The appraisal was updated but the cashflow didn't amend meaning that there was a 2-month void between practical completion and sales commencing. The cashflow extended the sales period beyond the 18 months sales period rather than move to coincide with the amended timescale. There was also a minor issue with legal fees not matching the sales period. Both of these points have an impact on the overall finance costs.

My duty to the Inquiry is to correct this and as such I provide an updated appraisal and cashflow that corrects these timing issues. As a result of the update the available surplus increases to £287,104.



R James Mackay MRICS
Enc

APPRAISAL SUMMARY**ALDER KING LLP**

SALE - 35 Oakfield (Appeal - November 2023)
McCS Proposal (RL 25 Apartments)
Alder King LLP - 2023

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	m	Sales Rate m ²	Unit Price	Gross Sales
RL - 1 Bed	14	740.19	6,619.92	350,000	4,900,000
RL - 2 Bed	11	819.50	6,442.95	480,000	5,280,000
Totals	25	1,559.69			10,180,000

NET REALISATION**10,180,000****OUTLAY****ACQUISITION COSTS**

Residualised Price		2,087,104			
Stamp Duty			93,855		2,087,104
Effective Stamp Duty Rate		4.50%			
Agent Fee - 1%		1.00%	20,871		
Legal Fee - 0.8%		0.80%	16,697		
					131,423

CONSTRUCTION COSTS

Construction	m	Build Rate m ²	Cost	
RL - 1 Bed	1,104.76	1,671.00	1,846,056	
RL - 2 Bed	1,223.13	1,671.00	2,043,857	
Totals	2,327.90 m²		3,889,913	
Contingency		3.00%	127,908	
Demolition			98,670	
				4,116,492

Other Construction Costs

External Costs		8.00%	311,193	
Part L	25.00 un	2,500.00 /un	62,500	
				373,693

PROFESSIONAL FEES

Other Professional Fees		8.00%	348,982	
				348,982

DISPOSAL FEES

Sales & Marketing		5.00%	509,000	
Sales Legal Fee	25.00 un	650.00 /un	16,250	
				525,250

Additional Costs

Additional Costs - EPC			59,119	
				59,119

TOTAL COSTS BEFORE FINANCE**7,642,063****FINANCE**

Timescale	Duration	Commences
Pre-Construction	4	Sep 2023
Construction	12	Jan 2024
Sale	18	Jan 2025
Total Duration	34	

Debit Rate 7.000%, Credit Rate 1.000% (Nominal)

Land	201,197
Construction	152,464
Other	148,276

APPRAISAL SUMMARY**ALDER KING LLP****SALE - 35 Oakfield (Appeal - November 2023)****McCS Proposal (RL 25 Apartments)****Alder King LLP - 2023**

Total Finance Cost 501,937

TOTAL COSTS 8,144,000**PROFIT 2,036,000****Performance Measures**

Profit on Cost% 25.00%

Profit on GDV% 20.00%

Profit on NDV% 20.00%

IRR% (without Interest) 27.38%

Floor Area Ratio 0.00%

DETAILED CASH FLOW**ALDER KING LLP**

SALE - 35 Oakfield (Appeal - November 2023) (1)
McCS Proposal (RL 25 Apartments)
Alder King LLP - 2023

Detailed Cash flow Phase 1

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	001:Nov 2023	002:Dec 2023	003:Jan 2024	004:Feb 2024	005:Mar 2024	006:Apr 2024	007:May 2024	008:Jun 2024	009:Jul 2024
Monthly B/F	0	(2,218,527)	(2,231,468)	(2,244,410)	(2,257,502)	(2,479,473)	(2,735,690)	(3,107,199)	(3,568,480)
Revenue									
Sale - RL - 1 Bed	0	0	0	0	0	0	0	0	0
Sale - RL - 2 Bed	0	0	0	0	0	0	0	0	0
Disposal Costs									
Sales & Marketing	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0
Unit Information									
RL - 1 Bed									
RL - 2 Bed									
Acquisition Costs									
Residualised Price	(2,087,104)	0	0	0	0	0	0	0	0
Stamp Duty	(93,855)	0	0	0	0	0	0	0	0
Agent Fee - 1%	(20,871)	0	0	0	0	0	0	0	0
Legal Fee - 0.8%	(16,697)	0	0	0	0	0	0	0	0
Construction Costs									
Demolition	0	0	0	0	(98,670)	0	0	0	0
Con. - RL - 1 Bed	0	0	0	0	(39,910)	(94,361)	(138,690)	(172,899)	(196,987)
Con. - RL - 2 Bed	0	0	0	0	(44,186)	(104,471)	(153,551)	(191,425)	(218,094)
External Costs	0	0	0	0	(6,728)	(15,907)	(23,379)	(29,146)	(33,206)
Part L	0	0	0	0	(1,351)	(3,195)	(4,695)	(5,854)	(6,669)
Contingency	0	0	0	0	(2,765)	(6,538)	(9,609)	(11,980)	(13,649)
Professional Fees									
Other Professional Fees	0	0	0	0	(15,268)	(17,435)	(25,625)	(31,946)	(36,396)
Miscellaneous Costs									
Additional Costs - EPC	0	0	0	0	0	0	0	0	0
Net Cash Flow Before Finance	(2,218,527)	0	0	0	(208,878)	(241,906)	(355,551)	(443,249)	(505,001)
Debit Rate 7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
Credit Rate 1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
Finance Costs (All Sets)	0	(12,941)	(12,941)	(13,092)	(13,092)	(14,311)	(15,958)	(18,032)	(20,618)
Net Cash Flow After Finance	(2,218,527)	(12,941)	(12,941)	(13,092)	(221,971)	(256,217)	(371,509)	(461,281)	(525,619)
Cumulative Net Cash Flow Monthly	(2,218,527)	(2,231,468)	(2,244,410)	(2,257,502)	(2,479,473)	(2,735,690)	(3,107,199)	(3,568,480)	(4,094,099)

DETAILED CASH FLOW

ALDER KING LLP

SALE - 35 Oakfield (Appeal - November 2023) (1)
McCS Proposal (RL 25 Apartments)
Alder King LLP - 2023

Detailed Cash flow Phase 1

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010:Aug 2024 (4,094,099)	011:Sep 2024 (4,658,788)	012:Oct 2024 (5,236,492)	013:Nov 2024 (5,801,321)	014:Dec 2024 (6,327,709)	015:Jan 2025 (6,788,991)	016:Feb 2025 (7,158,825)	017:Mar 2025 (7,411,355)	018:Apr 2025 (4,543,875)	019:May 2025 (4,135,442)	020:Jun 2025 (3,723,641)
0	0	0	0	0	0	0	1,471,100	222,626	222,626	222,626
0	0	0	0	0	0	0	1,583,910	240,020	240,807	240,022
0	0	0	0	0	0	0	(152,751)	(23,132)	(23,172)	(23,132)
0	0	0	0	0	0	0	(4,876)	(739)	(739)	(739)
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
(210,954)	(214,800)	(208,525)	(192,129)	(165,612)	(128,974)	(82,216)	0	0	0	0
(233,557)	(237,815)	(230,868)	(212,715)	(183,357)	(142,794)	(91,025)	0	0	0	0
(35,561)	(36,209)	(35,151)	(32,388)	(27,918)	(21,741)	(13,859)	0	0	0	0
(7,142)	(7,272)	(7,060)	(6,505)	(5,607)	(4,367)	(2,783)	0	0	0	0
(14,616)	(14,883)	(14,448)	(13,312)	(11,475)	(8,936)	(5,696)	0	0	0	0
(38,977)	(39,688)	(38,528)	(35,499)	(30,599)	(23,830)	(15,191)	0	0	0	0
0	0	0	0	0	0	0	(4,736)	(6,926)	(6,302)	(5,838)
(540,807)	(550,667)	(534,580)	(492,547)	(424,568)	(330,642)	(210,770)	2,892,648	431,850	433,221	432,940
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
(23,882)	(27,037)	(30,249)	(33,841)	(36,714)	(39,191)	(41,760)	(25,168)	(23,417)	(21,420)	(18,898)
(564,689)	(577,704)	(564,829)	(526,388)	(461,282)	(369,833)	(252,530)	2,867,479	408,433	411,801	414,042
(4,658,788)	(5,236,492)	(5,801,321)	(6,327,709)	(6,788,991)	(7,158,825)	(7,411,355)	(4,543,875)	(4,135,442)	(3,723,641)	(3,309,599)

DETAILED CASH FLOW

ALDER KING LLP

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Detailed Cash flow Phase 1

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021:Jul 2025	022:Aug 2025	023:Sep 2025	024:Oct 2025	025:Nov 2025	026:Dec 2025	027:Jan 2026	028:Feb 2026	029:Mar 2026	030:Apr 2026	031:May 2026
(3,309,599)	(2,892,567)	(2,472,874)	(2,050,186)	(1,624,500)	(1,196,018)	(764,533)	(330,042)	106,720	426,944	747,788
222,626	222,626	222,626	222,626	222,626	222,626	222,626	222,626	163,308	163,308	163,348
240,022	240,022	240,022	240,022	240,022	240,022	240,022	240,022	175,814	175,814	175,858
(23,132)	(23,132)	(23,132)	(23,132)	(23,132)	(23,132)	(23,132)	(23,132)	(16,956)	(16,956)	(16,960)
(739)	(739)	(739)	(739)	(739)	(739)	(739)	(739)	(541)	(541)	(541)
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	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
(5,374)	(4,910)	(4,446)	(3,982)	(3,518)	(3,054)	(2,590)	(2,126)	(1,772)	(1,418)	(1,063)
433,404	433,868	434,332	434,796	435,260	435,724	436,188	436,652	319,852	320,206	320,642
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
(16,372)	(14,175)	(11,644)	(9,110)	(6,777)	(4,238)	(1,697)	111	371	638	906
417,032	419,693	422,688	425,686	428,482	431,485	434,491	436,762	320,224	320,844	321,548
(2,892,567)	(2,472,874)	(2,050,186)	(1,624,500)	(1,196,018)	(764,533)	(330,042)	106,720	426,944	747,788	1,069,336

