

Appendix 13 – Proposed Affordable Appraisal

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CONFIDENTIAL

Heygate Masterplan

20.04.2012

Policy Compliant - Social Rent + SO at SC levels



Count	Type	Tenure	Number of Bedrooms	Persons	Area Sq M	Area Sq Ft	Estimated Market Value	Estimated Market Value	Discounted Market Value	Aggregate Market Value
83	1bf	Social Rent	1	2	51.00	543.96	£325,000	£292,500	£533	£26,975,000
118	2bf/4p	Social Rent	2	4	72.00	775.00	£420,000	£378,000	£488	£49,560,000
52	3bf/5p	Social Rent	3	5	86.00	925.70	£500,000	£450,000	£486	£26,000,000
30	3b townhouseSp	Social Rent	3	5	106.55	1146.89	£540,000	£486,000	£424	£16,200,000
89	1bf	Shared Ownership	1	2	50.00	538.20	£325,000	£292,500	£543	£26,032,500
129	2bf	Shared Ownership	2	4	69.00	731.95	£420,000	£378,000	£516	£48,762,000
61	3bf	Shared Ownership	3	5	80.50	866.49	£500,000	£450,000	£519	£27,450,000
8	3b townhouse	Shared Ownership	3	5	106.55	1146.89	£540,000	£486,000	£424	£3,888,000
570					38,382	423,908				



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**Target Rent Calculation**  
RENTED GROSS DEVELOPMENT VALUE - TARGET RENTS

Area of Units	Unit type	SO FT per unit	SOM per unit	Beeds	SO FT per unit	Build Area per Unit	CURRENT MARKET VALUE (p/s)	DISCOUNT FACTOR	DISCOUNTED MARKET VALUE (p/s)	Grosser London Price - 1999	BEDROOM WEIGHT	TARGET RENT pu 1999	TARGET RENT pu 2012/2011	HEAT CAP pu pw 2012/2011	INFLATED TARGET RENT pu 2001/011	INFLATED TARGET RENT TOTAL pw
83	1bc	5064.11	51.00	4	5064.11	4,270.84 m <sup>2</sup>	£177,921	40%	£111,953	£264.1	0.9	£71.09	£117.52	£117.52	£117.52	£3,257.89
49	2/2/5	7064.11	79.00	2	7064.11	8,208.24 m <sup>2</sup>	£174,315	40%	£104,589	£264.1	0.0	£88.75	£131.09	£131.09	£131.09	£3,971.62
52	2/2/5	4470.81	49.00	3	4470.81	3,812.71 m <sup>2</sup>	£114,282	40%	£68,569	£264.1	1.1	£105.69	£141.52	£141.52	£141.52	£4,247.13
30	2/2/5	1,427.91	15.00	3	1,427.91	3,119.83 m <sup>2</sup>	£688,338	40%	£412,993	£264.1	1.1	£105.69	£141.52	£141.52	£141.52	£4,247.13
219587																
203672																
RV UP All Stock £109,661,500																
Average MV (VP) £377,802																
Average Rent pu pw 2010/11 £26.63																
Average Rent pu pw 2011/1 £26.52																

Bed Rooms Multiples	Year	Target Rent Uplifts	Apnl Rent	Change*	RPI	Sepl	Uplift Factor
1	1998	164.4	£ 53.50	2.10%	1.1%	164.4	1.0000
2	1999	165.2	£ 54.82	4.38%	3.3%	165.2	1.0216
3	2000	171.7	£ 56.97	2.20%	1.7%	171.7	1.0649
4	2001	174.6	£ 59.23	2.20%	1.7%	174.6	1.0993
5	2002	177.6	£ 59.51	3.30%	2.8%	177.6	1.1123
6	2003	182.3	£ 61.47	3.60%	3.1%	182.3	1.1490
7	2004	188.1	£ 63.08	3.20%	2.7%	188.1	1.1903
8	2005	193.1	£ 65.72	4.10%	3.6%	193.1	1.2284
9	2006	200.1	£ 68.42	4.0%	3.5%	200.1	1.2768
10	2007	208.0	£ 71.43	5.0%	5.0%	208.0	1.3351
11	2008	218.4	£ 75.35	-0.50%	-1.4%	218.4	1.4055
12	2009	218.4	£ 74.08	5.10%	4.6%	218.4	1.3959
13	2010	218.4	£ 78.48	3.00%	2.5%	218.4	1.4670
14	2011	218.4	£ 80.84	3.00%	2.5%	218.4	1.5110
15	2012	218.4	£ 83.28	3.00%	2.5%	218.4	1.5563
16	2013	218.4	£ 86.76	3.00%	2.5%	218.4	1.6030
17	2014	218.4	£ 90.24	3.00%	2.5%	218.4	1.6513
18	2015	218.4	£ 93.72	3.00%	2.5%	218.4	1.7013
19	2016	218.4	£ 97.20	3.00%	2.5%	218.4	1.7530
20	2017	218.4	£ 100.68	3.00%	2.5%	218.4	1.8063
21	2018	218.4	£ 104.16	3.00%	2.5%	218.4	1.8613
22	2019	218.4	£ 107.64	3.00%	2.5%	218.4	1.9180
23	2020	218.4	£ 111.12	3.00%	2.5%	218.4	1.9763
24	2021	218.4	£ 114.60	3.00%	2.5%	218.4	2.0363
25	2022	218.4	£ 118.08	3.00%	2.5%	218.4	2.0980
26	2023	218.4	£ 121.56	3.00%	2.5%	218.4	2.1613
27	2024	218.4	£ 125.04	3.00%	2.5%	218.4	2.2263
28	2025	218.4	£ 128.52	3.00%	2.5%	218.4	2.2930
29	2026	218.4	£ 132.00	3.00%	2.5%	218.4	2.3613
30	2027	218.4	£ 135.48	3.00%	2.5%	218.4	2.4313
31	2028	218.4	£ 138.96	3.00%	2.5%	218.4	2.5030
32	2029	218.4	£ 142.44	3.00%	2.5%	218.4	2.5763
33	2030	218.4	£ 145.92	3.00%	2.5%	218.4	2.6513

Bedroom Weightings	Number of bed Weighting
0	0.8
1	0.8
2	1.1
3	1.1
4	1.2
5	1.2
6+	1.4

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**SHARED OWNERSHIP STOCK**

**KEY ASSUMPTIONS**



Total Stock Number	
Average MV/VP	
Initial Equity Sale Percentage pu	
Rent on Unsold Equity	
Average Rent pu pa	
Rental Growth Rate (Nominal)	
Staircasing Percentage	
Rent Discount Rate (Nominal)	
Sales Discount Rate (Nominal)	
Costs of Disposal	
Void Losses on Rent	

No of Units	Unit type	Flat No	SQM per unit	SQ FT per unit	Total sq ft	UNIT VP	INITIAL SALES	UNIT SALE	RESIDUAL UNIT VP	RENT	RENT PU PA	TOTAL RENT PA
89	1bf		50.00	535.20	47,859							
129	2bf		68.00	731.95	94,421							
61	3bf		80.50	866.49	52,856							
8	35 townhouse		106.55	1146.89	9,175							
287				0	204,352	Aggregate MV/VP				Aggregate Rent PA		Average Rent pu PA

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GROSS DEVELOPMENT VALUE

SUMMARY

GROSS DEVELOPMENT VALUE	UNITS	Area sqft	GDV	GDV with Grant	On costs	Net GDV	Epsf	E per unit
GENERAL NEEDS STOCK (EUV-SH)	283	219,557				£21,829,772	£99.43	£77,137.00
SHARED OWNERSHIP STOCK	287	204,352				£45,899,950	£224.61	£159,930.14
SUB-MARKET RENTED STOCK	0	0				N/A	N/A	N/A
TOTAL	570	423,908						



GRANT ALLOCATION ASSUMPTION	UNITS	Persons	Grant PP	GRANT ASSUMED PU	TOTAL SHG
GENERAL NEEDS STOCK	283			£0	£0
SHARED OWNERSHIP STOCK	287			£0	£0
SUB-MARKET RENTED STOCK	0			£0	£0
TOTAL					£0

