



## **Addendum Report on Viability for Otterpool Park New Garden Settlement**

On behalf of Folkestone and Hythe District Council (LPA)

This note should be read in conjunction with our June 2020 deliverability and viability report and represents a continuation of this work. As such, all instruction notes set out in the original report remain relevant to this Addendum note.

Commercially Confidential

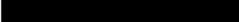
June 2021

Prepared by:



© copyright reserved 2021 Gerald Eve LLP

72 Welbeck Street London W1G 0AY

  
[www.geraldeve.com](http://www.geraldeve.com)



---

NOTE: The contents of this report are confidential to Folkestone and Hythe District Council (LAA) and it together with any further information supplied shall not be copied, reproduced or distributed to any third parties without the prior express written consent of Gerald Eve LLP. The information contained within this report is believed to be correct as at June 2021, but Gerald Eve LLP give notice that:

- (i) all statements contained within this report are made without acceptance of any liability in negligence, tort or otherwise by Gerald Eve LLP. The information contained in this report has not been independently verified by Gerald Eve LLP;
- (ii) none of the statements contained within this report are to be relied upon as statements or representations of fact or warranty whatsoever without referring to Gerald Eve LLP in the first instance and taking appropriate legal advice;
- (iii) references to national and local government legislation and regulations should be verified with Gerald Eve LLP and legal opinion sought as appropriate;
- (iv) Gerald Eve LLP do not accept any liability, nor should any of the statements or representations be relied upon, in respect of intending lenders or otherwise providing or raising finance to which this report as a whole or in part may be referred to;
- (v) Any estimates of values or similar, other than specifically referred to otherwise, are subject to and for the purposes of discussion and are herefore only draft and excluded from the provisions of the RICS Valuation – Global Standards 2020; and
- (vi) if this report is subsequently to be provided to the Council in full, it should be on a confidential basis. We therefore request that the report should not be disclosed to any third parties (other than consultants instructed by the Council to review this report) under the Freedom of Information Act (Sections 41 and 43 (2)) or under the Environmental Information Regulations.

## Contents

---

1	Executive Summary (Non-Technical)	4
2	Introduction	6
3	Additional Infrastructure Items	8
4	Outturn and Conclusions	12

## 1 Executive Summary (Non-Technical)

- 1.1 This addendum report represents further work requested to our original assessment following the Examination in public in January 2021. This addendum sets out an update and test to the viability of the development of Otterpool Park New Garden Settlement, Kent (the 'Scheme') having regard to proposed amendments to associated costs.
- 1.2 The proposals for the Scheme are part of the emerging Otterpool Park Framework Masterplan ('the Masterplan') which allocates approximately 765 hectares for the delivery of circa 10,000 homes and other associated uses to create a Garden Community.
- 1.3 Gerald Eve LLP ("GE") were instructed on behalf of Folkestone and Hythe District Council, the Local Planning Authority ('LPA') in June 2020 provide an initial report regarding the deliverability and viability of the Scheme. The purpose of the report was to provide an update to our findings to reflect potential changes in infrastructure costs associated with the proposed allocation and their impact on deliverability.
- 1.4 GE originally established that the Scheme generated an IRR of 10.53%. As such, GE concluded that the proposed development appeared to be potentially viable.
- 1.5 GE have subsequently been instructed to prepare an addendum to the initial report to undertake further scenario testing of the scheme's deliverability with additional infrastructure cost items. The infrastructure cost items relate to upgrades to highway infrastructure within the locality of the Scheme following discussions between The Promoter, The LPA and Highways England.
- 1.6 Through our assessment, GE conclude that the proposed Scheme of 8,500 new homes at Otterpool Park, with additional infrastructure cost items, appears to remain potentially viable and deliverable.
- 1.7 The key inputs to our financial appraisal are summarised below:

Gross Development Value	£692 m
Total Costs	£611 m
Benchmark Land Value	£95 m

- 1.8 On review, the Scheme appears capable of viably delivering additional financial contributions if they were required by the Council, subject to further revenue recovery from this and benefiting schemes, through financial recovery methods, such as an effective roof tax.

DRAFT

## 2 Introduction

- 2.1 Gerald Eve LLP ('GE') has been instructed by Folkestone and Hythe District Council, the Local Planning Authority ('LPA') to undertake a review of viability evidence submitted to support the proposed allocation of land known as Otterpool Park ('the Scheme') for a Garden Settlement in the emerging Local Plan.
- 2.2 The emerging Local Plan has allocated development of a garden settlement to be jointly undertaken with the community at Otterpool Park for up to 10,000 residential units, along with commercial and ancillary uses, and in conjunction with associated infrastructure.
- 2.3 The evidence provided relates to the proposed delivery of 8,500 homes; as the major component part of the overall site allocation. It is anticipated that the remaining 1,500 units and other proposed uses will be delivered by the remaining landowners and developers in the area.
- 2.4 It is understood that to support the delivery of the proposed allocation the Council ('FHDC') has become a significant landowner at Otterpool Park, along with Homes England and a small number of parties. The inclusion of FHDC as Landowner has several positive effects on delivery of this project. We refer to these parties promoting to this part of the allocation that the review is relating to, as the 'Promoter'. At all stages, The Promoter has been advised by Arcadis (the 'Advisor')
- 2.5 Viability Evidence ('VE1') was submitted in late 2018 on behalf of the Promoter to support the inclusion of the proposed allocation in the Local Plan. The proposals do not appear to significantly deviate from that proposed by the LPA in their emerging Local Plan and are provided to provide overall comfort that the allocation is deliverable. VE1 therefore, does not constitute the level of detailed information that would be required for a full planning application and Financial Viability Assessment (FVA), particularly to justify deviation from planning policy.
- 2.6 Subsequent evidence (VE2) was submitted by the Advisor on behalf of the Promoter between April and June 2020. It should be noted that this submission was prior to the RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England', published in March 2021 (effective 1 July 2021).

- 2.7 GE's role in both the initial assessment and this addendum is to provide further commentary on the VE2, having regard to the work undertaken by the Reviewer and VE1.
- 2.8 GE understands that the evidence supplied on behalf of the Promoter does not reflect an FVA to support and a planning application to justify deviation from planning policy, but rather as support to the LPA that the allocation at Otterpool is reasonable and deemed deliverable.
- 2.9 In order to demonstrate the robustness of the planning policies, the Promoters development proposals have been used as the basis of delivery for both the initial assessment and this addendum. Supplementary information has also been provided to assess the viability of the project in the context of the Core Strategy Local Plan policies.
- 2.10 GE have subsequently been instructed to prepare an addendum to the initial report to test the deliverability of the Scheme with additional infrastructure cost items. The infrastructure cost items relate to upgrades to highway infrastructure within the locality of the Scheme.
- 2.11 We have been provided with additional infrastructure costs from the Advisor. The costs have been inputted into the financial appraisal submitted within Appendix 2 of the June 2020 report (the 'Base Appraisal').
- 2.12 The output IRR for the Base Appraisal was 10.52%.
- 2.13 The Scheme will only be liable to contribute an apportionment of the total additional infrastructure cost. The Advisor has provided GE with the applicable apportionment for each infrastructure item.
- 2.14 GE have also been informed that the requirement leading to additional Onsite Waste-Water costs (amounting to £8 million) may no longer be required. We have therefore undertaken an additional scenario test whereby the On-site Waste-Water costs are removed from our appraisal.

### 3 Additional Infrastructure Items

3.1 We have been supplied with additional infrastructure items by the Advisor. These relate to the following infrastructure upgrades;

1. M20 Junction 11 (Option A) Phase 1;
2. M20 Junction 11 (Option A) Phase 2;
3. M20 Junction 11 (Option A) Phase 3;
4. M20 Junction 11 (Option A) Phase 4;
5. M20 Junction 12 - 13;
6. M20 Junction 13 Local Junction Upgrade;
7. A20/A260 Interchange Junction 1 (Spitfire Way/ Canterbury Road);
8. A20/A260 Interchange Junction 2 (Alkham Road/ A20 Slips); and
9. A20/A260 Interchange Junction 3 (Canterbury Road/ Alkham Valley Road) Minor Works.

3.2 The cost of each upgrade has been supplied by the Advisor with an additional 20% Risk Allowance and 44% 'Optimism Bias'. We outline the base cost, risk allowance, optimism bias and gross cost for each upgrade item in Table 1 below.

**Table 1: Schedule of infrastructure interventions and costs**

Intervention Number	Description	Base Cost	Risk Allowance	Optimism Bias	Gross Cost
1	M20 Junction 11 (Option A) Phase 1	£2,381,263	£476,253	£1,047,756	£3,905,271
2	M20 Junction 11 (Option A) Phase 2	£2,644,450	£528,890	£1,163,558	£4,336,898
3	M20 Junction 11 (Option A) Phase 3	£3,385,677	£677,135	£1,489,698	£5,552,511
4	M20 Junction 11 (Option A) Phase 4	£2,156,947	£431,389	£949,057	£3,537,394
5	M20 Junction 12 - 13	£17,297,078	£3,459,416	£7,610,714	£28,367,208
6	M20 Junction 13 Local Junction Upgrade	£115,665	£23,133	£50,893	£189,691
7	A20/A260 Interchange Junction 1	£2,785,590	£557,118	£1,225,660	£4,568,368
8	A20/A260 Interchange Junction 2	£51,392	£10,278	£22,613	£84,283
9	A20/A260 Interchange Junction 3 Minor Works	£421,510	£84,302	£185,465	£691,277
<b>Total:</b>		<b>£31,239,573</b>	<b>£6,247,914</b>	<b>£13,745,412</b>	<b>£51,232,900</b>

### Apportionment of Additional Infrastructure Costs

- 3.3 The Scheme is only liable to contribute an apportionment of the total additional infrastructure cost for each item. The Advisor has provided GE with the applicable apportionment for each infrastructure item.
- 3.4 The apportioned infrastructure costs (inclusive of risk allowance and optimism bias) are outlined in table 2.

**Table 2 – Apportioned infrastructure costs**

Intervention Number	Description	Gross Cost	Apportionment	Apportioned Cost
1	M20 Junction 11 (Option A) Phase 1	£3,905,271	64%	£2,499,373
2	M20 Junction 11 (Option A) Phase 2	£4,336,898	64%	£2,775,615
3	M20 Junction 11 (Option A) Phase 3	£5,552,511	64%	£3,553,607
4	M20 Junction 11 (Option A) Phase 4	£3,537,394	64%	£2,263,932
5	M20 Junction 12 - 13	£28,367,208	29%	£8,226,490
6	M20 Junction 13 Local Junction Upgrade	£189,691	29%	£55,010
7	A20/A260 Interchange Junction 1	£4,568,368	35%	£1,598,929
8	A20/A260 Interchange Junction 2	£84,283	35%	£29,499
9	A20/A260 Interchange Junction 3 Minor Works	£691,277	35%	£241,947
		<b>£51,232,900</b>		<b>£21,244,403</b>

- 3.5 The apportioned infrastructure costs amount to approximately **£21.2 million**.

### Additional Infrastructure Timings

- 3.6 We have been supplied with infrastructure cost timings from the Advisor. These timings are provided in table 3 on the overleaf.

**Table 3: Infrastructure Cost Timings**

Intervention Number	Description	Timing
1	M20 Junction 11 (Option A) Phase 1	25% to 45% of Otterpool Park (2,125 – 3,825 dwellings)
2	M20 Junction 11 (Option A) Phase 2	45% of Otterpool Park (3,825 dwellings)
3	M20 Junction 11 (Option A) Phase 3	70% of Otterpool Park (5,950 dwellings)
4	M20 Junction 11 (Option A) Phase 4	92% of Otterpool Park (7,820 dwellings)
5	M20 Junction 12 - 13	2034
6	M20 Junction 13 Local Junction Upgrade	2031
7	A20/A260 Interchange Junction 1	1,500 dwellings
8	A20/A260 Interchange Junction 2	1,500 dwellings
9	A20/A260 Interchange Junction 3 Minor Works	1,500 dwellings

3.7 Our June 2020 base appraisal comprised of a series of overlapping phases. We have analysed our housing delivery estimates previously presented to ascertain the construction timings for items 1 – 4 and 7 - 9 for the purposes of our financial modelling.

3.8 We have estimated the respective trigger points for each infrastructure item. The trigger points are outlined in table 5 below.

**Table 4: Infrastructure item trigger points**

Intervention Number	Description	Trigger
1	M20 Junction 11 (Option A) Phase 1	Year 7
2	M20 Junction 11 (Option A) Phase 2	Year 13
3	M20 Junction 11 (Option A) Phase 3	Year 17
4	M20 Junction 11 (Option A) Phase 4	Year 21
5	M20 Junction 12 - 13	Year 14
6	M20 Junction 13 Local Junction Upgrade	Year 11
7	A20/A260 Interchange Junction 1	Year 5
8	A20/A260 Interchange Junction 2	Year 5
9	A20/A260 Interchange Junction 3 Minor Works	Year 5

3.9 We have not been supplied with construction timescales for any of the infrastructure items. We have assumed a 24-month construction period for all infrastructure items, with the exception of items 1, 2, 3 and 4 (M20 Junction 11 Phases 1 – 4).

3.10 For M20 Junction 11 Phases 1 – 4 we have assumed that each item will complete the month prior to the commencement of the next phase. We have assumed that the final phase (phase 4) will complete upon completion of the final dwelling.

### **Additional Cost Recovery**

3.11 We understand that the LPA is considering utilising recovery methods, such as a roof tax, to recover additional infrastructure spend, beyond the current apportioned spend attributed to the Garden Town outlined herein.

3.12 We understand that the proposals are currently in their infancy and therefore at this stage, we have insufficient information to incorporate a form of recovery into our financial appraisals.

## 4 Outturn and Conclusions

### Outturn

- 4.1 The outturn of our updated appraisal for the Scheme following the amendments aforementioned in this report results in an IRR of **9.31%** which is shown at **Appendix 1**.
- 4.2 We have undertaken an additional scenario test ('Scenario Test 1'), adopting the infrastructure costs, exclusive of risk allowance and optimism bias.
- 4.3 The outturn for this additional scenario test results in an IRR of **9.79%** which is shown at **Appendix 2**.
- 4.4 We have undertaken a further scenario test ('Scenario Test 2') whereby the On Site Waste water costs amounting to £8 million are removed from the updated appraisal.
- 4.5 The outturn IRR for scenario test 2 results in an IRR of scenario test 2 is an IRR of **9.90%**.

### Sensitivity

- 4.6 We have undertaken a sensitivity analysis. The sensitivity analysis tests gross sales receipts from land parcels against gross cost of the infrastructure items. The sensitivity analysis is set out below.

Sales: Gross Sales					
Additional Infrastructure: Gross Cost	-10.0%	-5.0%	0.0%	5.0%	10.0%
-10.0%	4.23%	7.01%	9.43%	11.63%	13.66%
-5.0%	4.14%	6.93%	9.37%	11.58%	13.61%
0.0%	4.05%	6.86%	<b>9.31%</b>	11.52%	13.56%
5.0%	3.96%	6.79%	9.24%	11.46%	13.51%
10.0%	3.87%	6.71%	9.18%	11.41%	13.46%

## Conclusions

- 4.7 Based on the evidence submitted in relation to the delivery of 8,500 units and associated uses as part of the Otterpool Park Core Strategy allocation, the Scheme is potentially capable of being viable with the additional infrastructure spend provided over the life time of the development. The resultant IRRs are reduced from our initial assessment, however we consider it is possible to identify a reasonable return at this stage to commence the development, with the potential for the return to improve over the life time of the development.
- 4.8 Further, we consider that it may be possible to support additional infrastructure items within the Scheme, beyond the proportions required of the Promoter, subject to appropriate recovery and additional detailed financial modelling.
- 4.9 We recommend however that should the Scheme deviate, then a further assessment on deliverability and viability should be undertaken.
- 4.10 To conclude, our review has demonstrated that the proposed garden town development of Otterpool Park appears to be potentially financially viable and deliverable. We therefore consider the Core Strategy policies in relation to the garden settlement to be supported by viability evidence and reasonable.

## Appendix 1

Otterpool Park - Master Developer Appraisal  
Gerald Eve

**Otterpool Park - Master Developer Appraisal  
Gerald Eve**

Appraisal Summary for Merged Phases 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

Currency in £

**REVENUE**

Sales Valuation	Units	Unit Price	Gross Sales
1A Plot Sales	15	4,863,319	72,949,785
1B Plot Sales	13	4,863,319	63,223,147
1C Plot Sales	4	4,863,319	19,453,276
2B Plot Sales	6	4,863,319	29,179,914
2C Plot Sales	1	4,863,319	4,863,319
2C Plot Sales - Premium	5	6,960,943	34,804,715
3A Plot Sales	5	4,863,319	24,316,595
3B Plot Sales	4	4,863,319	19,453,276
3B Plot Sales - Premium	7	6,960,943	48,726,601
3C Plot Sales - Premium	4	6,960,943	27,843,772
4 Plot Sales - Premium	13	6,960,943	90,492,259
5 Plot Sales - Premium	2	6,960,943	13,921,886
6 Plot Sales - Premium	11	6,960,943	76,570,373
7 Plot Sales - Premium	19	6,960,943	132,257,917
8 Plot Sales - Premium	5	6,960,943	34,804,715
<b>Totals</b>	<b>114</b>		<b>692,861,550</b>

**NET REALISATION**

**692,861,550**

**OUTLAY**

**ACQUISITION COSTS**

Fixed Price	95,000,000		
Fixed Price		95,000,000	95,000,000
Stamp Duty		4,737,500	
Effective Stamp Duty Rate	4.99%		
Agent Fee	1.00%	950,000	
Legal Fee	0.50%	475,000	
			6,162,500

**CONSTRUCTION COSTS**

Construction	Units	Unit Amount	Cost
M20 Junction 12-13	1 un	8,226,490	8,226,490
M20 Junction 12-13 Local Junction Upgrades	1 un	55,010	55,010
Junction 11 Option A Phase 1	1 un	2,499,373	2,499,373
Junction 11 Option A Phase 2	1 un	2,775,615	2,775,615
Junction 11 Option A Phase 3	1 un	3,553,607	3,553,607
Junction 11 Option A Phase 4	1 un	2,263,932	2,263,932
A20/A260 Interchange Junction 1	1 un	1,598,929	1,598,929
A20/A260 Interchange Junction 1	1 un	29,499	29,499
A20/A260 Interchange Junction 1	1 un	241,947	241,947
<b>Totals</b>			<b>21,244,402</b>
1A - Direct Works			28,241,689
1B - Direct Works			30,205,989
1C - Direct Works			17,745,514
2A - Direct Works			3,906,530
2B - Direct Works			10,946,152
2C - Direct Works			9,814,490
3A - Direct Works			20,437,949
3B - Direct Works			17,625,169
3C - Direct Works			9,935,132
4 - Direct Works			23,340,929
5 - Direct Works			5,380,870
6 - Direct Works			14,398,078
7 - Direct Works			18,169,856
8 - Direct Works			7,323,484
1A - General Overheads/Prelims			229,238
1B - General Overheads/Prelims			227,087
1C - General Overheads/Prelims			108,844
2A - General Overheads/Prelims			22,248
2B - General Overheads/Prelims			89,580
2C - General Overheads/Prelims			80,030
3A - General Overheads/Prelims			136,180

**Otterpool Park - Master Developer Appraisal**

**Gerald Eve**

3B - General Overheads/Prelims	149,095	
3C - General Overheads/Prelims	73,009	
4 - General Overheads/Prelims	190,198	
5 - General Overheads/Prelims	40,336	
6 - General Overheads/Prelims	128,662	
7 - General Overheads/Prelims	185,592	
8 - General Overheads/Prelims	64,494	
Professional fees	5,376,011	
1B - Professional / LA Fees	5,718,116	
1C - Professional / LA Fees	4,039,591	
2A - Professional / LA Fees	648,766	
2B - Professional / LA Fees	1,880,866	
2C - Professional / LA Fees	2,346,306	
3A - Professional / LA Fees	4,213,400	
3B - Professional / LA Fees	4,010,486	
3C - Professional / LA Fees	2,469,277	
4 - Professional / LA Fees	5,008,303	
5 - Professional / LA Fees	1,181,612	
6 - Professional / LA Fees	3,683,105	
7 - Professional / LA Fees	4,547,331	
8 - Professional / LA Fees	1,443,739	
		287,007,735

**Other Construction**

Infrastructure Risk	3,541,922	
1B - Infra Risk	3,673,911	
1C - Infra Risk	2,073,477	
2A - Infra Risk	468,861	
2B - Infra Risk	1,366,000	
2C - Infra Risk	1,251,507	
3A - Infra Risk	2,555,107	
3B - Infra Risk	2,269,146	
3C - Infra Risk	1,275,145	
4 - Infra Risk	2,955,885	
5 - Infra Risk	677,142	
6 - Infra Risk	1,871,540	
7 - Infra Risk	2,412,053	
8 - Infra Risk	940,549	
		27,332,245

**Section 106 Costs**

1A - Section 106 Costs	16,890,000	
Onsite waste water scenario	1,052,632	
1B - Section 106 Costs	14,760,000	
Onsite waste water scenario	912,281	
1C - Section 106 Costs	4,230,000	
Onsite waste water scenario	280,702	
2B - Section 106 Costs	6,510,000	
Onsite waste water scenario	421,053	
2C - Section 106 Costs	6,375,000	
Onsite waste water scenario	421,053	
3A - Section 106 Costs	5,100,000	
Onsite waste water scenario	350,877	
3B - Section 106 Costs	12,570,000	
Onsite waste water scenario	771,930	
3C - Section 106 Costs	4,350,000	
Onsite waste water scenario	280,702	
4 -Section 106 Costs	14,925,000	
Onsite waste water scenario	912,282	
5 - Section 106 Costs	2,550,000	
Onsite waste water scenario	140,351	
6 - Section 106 Costs	12,345,000	
Onsite waste water scenario	771,930	
7 - Section 106 Costs	21,150,000	
Onsite waste water scenario	1,333,333	
8 - Section 106 Costs	5,745,000	
Onsite waste water scenario	350,877	
		135,500,003

**PROFESSIONAL FEES**

Development Management Fee	6.00%	15,602,713	
Unrecovered Estate Costs		6,750,002	
			22,352,715

**Otterpool Park - Master Developer Appraisal**

**Gerald Eve**

**MARKETING & LETTING**

Marketing	1.00%	5,696,622	5,696,622
-----------	-------	-----------	-----------

**DISPOSAL FEES**

Sales Agent Fee	1.00%	6,531,935	6,531,935
-----------------	-------	-----------	-----------

**FINANCE**

Debit Rate 4.250%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			26,084,341

**TOTAL COSTS**

**611,668,096**

**PROFIT**

██████████

**Performance Measures**

Profit on Cost%	██████████
Profit on GDV%	██████████
Profit on NDV%	██████████
Gross Margin%	██████████

IRR% (without Interest) 9.31%

Profit Erosion (finance rate 4.250) 2 yrs 11 mths

## Appendix 2

Otterpool Park - Master Developer Appraisal  
Gerald Eve

**Otterpool Park - Master Developer Appraisal  
Gerald Eve**

Appraisal Summary for Merged Phases 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

Currency in £

**REVENUE**

Sales Valuation	Units	Unit Price	Gross Sales
1A Plot Sales	15	4,863,319	72,949,785
1B Plot Sales	13	4,863,319	63,223,147
1C Plot Sales	4	4,863,319	19,453,276
2B Plot Sales	6	4,863,319	29,179,914
2C Plot Sales	1	4,863,319	4,863,319
2C Plot Sales - Premium	5	6,960,943	34,804,715
3A Plot Sales	5	4,863,319	24,316,595
3B Plot Sales	4	4,863,319	19,453,276
3B Plot Sales - Premium	7	6,960,943	48,726,601
3C Plot Sales - Premium	4	6,960,943	27,843,772
4 Plot Sales - Premium	13	6,960,943	90,492,259
5 Plot Sales - Premium	2	6,960,943	13,921,886
6 Plot Sales - Premium	11	6,960,943	76,570,373
7 Plot Sales - Premium	19	6,960,943	132,257,917
8 Plot Sales - Premium	5	6,960,943	34,804,715
<b>Totals</b>	<b>114</b>		<b>692,861,550</b>

**NET REALISATION**

**692,861,550**

**OUTLAY**

**ACQUISITION COSTS**

Fixed Price	95,000,000		
Fixed Price		95,000,000	95,000,000
Stamp Duty		4,737,500	
Effective Stamp Duty Rate	4.99%		
Agent Fee	1.00%	950,000	
Legal Fee	0.50%	475,000	
			6,162,500

**CONSTRUCTION COSTS**

Construction	Units	Unit Amount	Cost
M20 Junction 12-13	1 un	5,016,153	5,016,153
M20 Junction 12-13 Local Junction Upgrades	1 un	33,543	33,543
Junction 11 Option A Phase 1	1 un	1,524,008	1,524,008
Junction 11 Option A Phase 2	1 un	1,692,448	1,692,448
Junction 11 Option A Phase 3	1 un	2,166,834	2,166,834
Junction 11 Option A Phase 4	1 un	1,380,446	1,380,446
A20/A260 Interchange Junction 1	1 un	974,957	974,957
A20/A260 Interchange Junction 1	1 un	17,987	17,987
A20/A260 Interchange Junction 1	1 un	147,529	147,529
<b>Totals</b>			<b>12,953,905</b>
1A - Direct Works			28,241,689
1B - Direct Works			30,205,989
1C - Direct Works			17,745,514
2A - Direct Works			3,906,530
2B - Direct Works			10,946,152
2C - Direct Works			9,814,490
3A - Direct Works			20,437,949
3B - Direct Works			17,625,169
3C - Direct Works			9,935,132
4 - Direct Works			23,340,929
5 - Direct Works			5,380,870
6 - Direct Works			14,398,078
7 - Direct Works			18,169,856
8 - Direct Works			7,323,484
1A - General Overheads/Prelims			229,238
1B - General Overheads/Prelims			227,087
1C - General Overheads/Prelims			108,844
2A - General Overheads/Prelims			22,248
2B - General Overheads/Prelims			89,580
2C - General Overheads/Prelims			80,030
3A - General Overheads/Prelims			136,180

**Otterpool Park - Master Developer Appraisal**

**Gerald Eve**

3B - General Overheads/Prelims	149,095	
3C - General Overheads/Prelims	73,009	
4 - General Overheads/Prelims	190,198	
5 - General Overheads/Prelims	40,336	
6 - General Overheads/Prelims	128,662	
7 - General Overheads/Prelims	185,592	
8 - General Overheads/Prelims	64,494	
Professional fees	5,376,011	
1B - Professional / LA Fees	5,718,116	
1C - Professional / LA Fees	4,039,591	
2A - Professional / LA Fees	648,766	
2B - Professional / LA Fees	1,880,866	
2C - Professional / LA Fees	2,346,306	
3A - Professional / LA Fees	4,213,400	
3B - Professional / LA Fees	4,010,486	
3C - Professional / LA Fees	2,469,277	
4 - Professional / LA Fees	5,008,303	
5 - Professional / LA Fees	1,181,612	
6 - Professional / LA Fees	3,683,105	
7 - Professional / LA Fees	4,547,331	
8 - Professional / LA Fees	1,443,739	
		278,717,238

**Other Construction**

Infrastructure Risk	3,541,922	
1B - Infra Risk	3,673,911	
1C - Infra Risk	2,073,477	
2A - Infra Risk	468,861	
2B - Infra Risk	1,366,000	
2C - Infra Risk	1,251,507	
3A - Infra Risk	2,555,107	
3B - Infra Risk	2,269,146	
3C - Infra Risk	1,275,145	
4 - Infra Risk	2,955,885	
5 - Infra Risk	677,142	
6 - Infra Risk	1,871,540	
7 - Infra Risk	2,412,053	
8 - Infra Risk	940,549	
		27,332,245

**Section 106 Costs**

1A - Section 106 Costs	16,890,000	
Onsite waste water scenario	1,052,632	
1B - Section 106 Costs	14,760,000	
Onsite waste water scenario	912,281	
1C - Section 106 Costs	4,230,000	
Onsite waste water scenario	280,702	
2B - Section 106 Costs	6,510,000	
Onsite waste water scenario	421,053	
2C - Section 106 Costs	6,375,000	
Onsite waste water scenario	421,053	
3A - Section 106 Costs	5,100,000	
Onsite waste water scenario	350,877	
3B - Section 106 Costs	12,570,000	
Onsite waste water scenario	771,930	
3C - Section 106 Costs	4,350,000	
Onsite waste water scenario	280,702	
4 -Section 106 Costs	14,925,000	
Onsite waste water scenario	912,282	
5 - Section 106 Costs	2,550,000	
Onsite waste water scenario	140,351	
6 - Section 106 Costs	12,345,000	
Onsite waste water scenario	771,930	
7 - Section 106 Costs	21,150,000	
Onsite waste water scenario	1,333,333	
8 - Section 106 Costs	5,745,000	
Onsite waste water scenario	350,877	
		135,500,003

**PROFESSIONAL FEES**

Development Management Fee	6.00%	15,602,713	
Unrecovered Estate Costs		6,750,002	
			22,352,715

**Otterpool Park - Master Developer Appraisal  
Gerald Eve****MARKETING & LETTING**

Marketing	1.00%	5,696,622	5,696,622
-----------	-------	-----------	-----------

**DISPOSAL FEES**

Sales Agent Fee	1.00%	6,531,935	6,531,935
-----------------	-------	-----------	-----------

**FINANCE**

Debit Rate 4.250%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			25,304,609

**TOTAL COSTS****602,597,867****PROFIT**

[REDACTED]

**Performance Measures**

Profit on Cost%	[REDACTED]
Profit on GDV%	[REDACTED]
Profit on NDV%	[REDACTED]
Gross Margin%	[REDACTED]

IRR% (without Interest)	9.79%
-------------------------	-------

Profit Erosion (finance rate 4.250)	3 yrs 4 mths
-------------------------------------	--------------