

For Sale vs. For Rent GDV and residual value calculations

Housebuilder Model

Private Units

Unit Type	Units No	Unit NIA sq ft	Total NIA sq ft
1 bed	80	550	44,000
2 bed	60	750	45,000
3 bed	60	1000	60,000
Total/Avg.	200	745	149,000

Total GIA 198,667
Gross to Net 75%

Affordable 35%

Housebuilder Model

Private Units

Unit Type	Units No	Unit NIA sq ft	Total NIA sq ft	Sales Price £/sq ft
1 bed	52	550	28,600	£700
2 bed	39	750	29,250	£675
3 bed	39	1000	39,000	£625
Total/Avg.	130	745	96,850	£670

Affordable Units

Unit Type	Units No	Unit NIA sq ft	Total NIA sq ft	Sales Price £/sq ft
1 bed	28	550	15,400	£370
2 bed	21	750	15,750	£350
3 bed	21	1000	21,000	£323
Total/Avg.	70	745	52,150	£350

Sales Costs 1.5%

GDV at PC £82,855,371

PRS Model

Private Units

Unit Type	Units No	Unit NIA sq ft	Rent p.w.	Rent p. unit	Required Gross Income	Total Rent £ p.a.
1 bed	80	550	347	£1,500	£54,054	£1,440,331
2 bed	60	750	404	£1,750	£63,048	£1,260,000
3 bed	60	1000	462	£2,000	£72,055	£1,440,000
Total	200	745	£398	£1,725	£62,153	£4,140,331

Total GIA 198,667
Gross to Net 75%

Affordable Units 35%
Discounted Rent to Market 20%

PRS Model

Private Units

Unit Type	Units No	Unit NIA sq ft	Rent p.w.	Rent p. unit	Required Gross Income	Total Rent £ p.a.
1 bed	52	550	£347	£1,500	£54,054	£936,936
2 bed	39	750	£404	£1,750	£63,048	£819,630
3 bed	39	1000	£462	£2,000	£72,055	£936,721
Total	130	745	£398	£1,725	£62,153	£2,693,287

Affordable Units

Unit Type	Units No	Unit NIA sq ft	Rent p.w.	Rent p. unit	Required Gross Income	Total Rent £ p.a.
1 bed	28	550	277	£1,200	£43,243	£403,603
2 bed	21	750	323	£1,400	£50,439	£353,072
3 bed	21	1000	370	£1,600	£57,644	£403,510
Total	70	745	£319	£1,380	£49,722	£1,160,185

Total Rent £3,853,472
Expense Ratio 25% (963,368)
Net Income £2,890,104

Net Yield 3.75% **GDV at PC + 2 years £72,162,500**
Sales Costs 6.80%

Discount to Housebuilder GDV 15%



Residual Land Values

Housebuilder Model			PRS Model		
Units		200	Units		200
Total Sales Proceeds		£82,855,371	Total Sales Proceeds		£72,162,500
Construction Costs		£235	Construction Costs		£235
GIA		198,667	GIA		198,667
Total Construction Costs		£46,686,700	Total Construction Costs		£46,686,700
Contingency	5%	£2,334,335	Contingency	5%	£2,334,335
Professional Fees	7%	£3,268,100	Professional Fees	7%	£3,268,100
RoL and CIL	2%	£933,734	RoL and CIL	2%	£933,734
Interest Rate		5.5%	Interest Rate		3.0%
LTC		65%	LTC		55%
Loan Amount		£30,346,355	Loan Amount		£25,677,685
Finance Costs		£3,338,100	Finance Costs		£1,540,700
		17.5%			15.0%
Developer Profit (GDV)		£14,499,690	Developer Profit (GDV)		£10,824,375
Stamp Duty	5%	£561,653	Stamp Duty	5%	£313,074
Total Costs		£71,622,312	Total Costs		£65,901,018
Residual Land		£11,233,059	Residual Land		£6,261,482
<i>Price per unit</i>		<i>56,165</i>	<i>Price per unit</i>		<i>31,307</i>
			Discount to Housebuilder Residual Land		79%

