

Havant Lorry Park Investment Appraisal - Based on letting to be used as Open Storage.

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| 1 Purchase Cost | £400,000 |
| 2 Less Back rent | (£60,000) |
| 3 Legal Costs | £5,000 |
| 4 Agents Fees | £22,500 |
| 5 Planning Costs | £10,000 |
| 6 Stamp Duty | £9,500 |
| 7 Net Cost | £387,000 |

| Stamp Duty Calculation | | | |
|------------------------|-----------------|------------|-------|
| Stamp Duty | Capital Payment | Stamp Duty | |
| 0% | £ 150,000 | £ | - |
| 2% | £ 100,000 | £ | 2,000 |
| 5% | £ 150,000 | £ | 7,500 |
| | £ 400,000 | £ | 9,500 |

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|--------------------|-----------|
| 8 Cost of Capital | 3.50% |
| 9 Area (Sq ft) | 100,000 |
| 10 Income per sqft | £ 2.25 |
| 11 Total Income | £ 225,000 |

| Year | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 12 Inflation Multiplier 3% | 1.000 | 1.030 | 1.061 | 1.093 | 1.126 | 1.159 | 1.194 | 1.230 | 1.267 | 1.305 |
| 13 Year | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |

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|---------------------------|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 14 Capital Cost | £387,000 | | | | | | | | | |
| 15 Holding Costs | £9,000 | | | | | | | | | |
| 16 Income Already enjoyed | £80,000 | £80,000 | £80,000 | £80,000 | £80,000 | £92,742 | £92,742 | £92,742 | £92,742 | £92,742 |
| 17 Rental Income | (£112,500) | (£225,000) | (£225,000) | (£225,000) | (£225,000) | (£260,837) | (£260,837) | (£260,837) | (£260,837) | (£260,837) |
| 18 Net Cashflow | £387,000 | (£23,500) | (£145,000) | (£145,000) | (£145,000) | (£168,095) | (£168,095) | (£168,095) | (£168,095) | (£168,095) |
| 19 DCF | 1.000 | 0.966 | 0.934 | 0.902 | 0.871 | 0.842 | 0.814 | 0.786 | 0.759 | 0.734 |
| 20 PV | £387,000 | (£22,705) | (£135,359) | (£130,782) | (£126,359) | (£122,086) | (£136,745) | (£132,121) | (£127,653) | (£123,336) |
| 21 NPV | (£789,312) | | | | | | | | | |

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|---------------------------|-----------|-----------|-----------|----------|-----------|------------|------------|------------|------------|------------|--------------|
| 22 Cumulative Cashflow | £ 387,000 | £ 363,500 | £ 218,500 | £ 73,500 | -£ 71,500 | -£ 216,500 | -£ 384,595 | -£ 552,689 | -£ 720,784 | -£ 888,879 | -£ 1,056,974 |
| 23 Pay Back working | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Payback in Whole Years | 4 | | | | | | | | | | |

- Gross purchase cost of the long lease.
- 4 Years back rent at £15,000 per annum.
- Estimated Havant Legal Costs
- Agents Fees at 10% of passing Rent
- Estimated Planning costs that may be required to sore containers on the site.
- Net Capital Cost including legal fees, planning and any remedial woks, this is the amount that needs to be drawn from reserves.
- This is the risk free rate of return as prescribed by the Treasury Green Book.
- Approximate area of the site.
- Expected price per sqft achievable.
- Annual rental Income (9. x 10.)
- This is the inflation multiplier based on 1% per annum with a rent review at the end of year 5.
- The year
- Net Capital Cost including legal fees, planning and any remedial woks, this is the amount that needs to be drawn from reserves.
- £1,500 per month for 6 months, after which time the site should be tenanted.
- The site already attracts a rent of £80,000 per annum that's built into the cash limited budget..
- As 11. First year assumes a 6 month void
- Net Cash Flow
- Discount Factor applied for calculation of NPV
- Present value of in year cash flows
- Net Present Value of cumulative cash flows over 10 years.
- Cumulative cash flow
- Payback Working
- Number of years the project takes to pay back the initial investment.