Logo

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**Sample Development Appraisal**

**FOR BORROWERS**

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**Requirement (for lenders)**

An 18-month facility of £2,275,000 is sought to enable Globe Results Limited to acquire a site in 10 Kings Road, York, YO1 1ET and undertake the development of 4 new houses with a total of 6000 sq ft.

The loan represents 65% of GDV and 90% of costs.

There will be cash equity of £266,200 in the transaction.

Detailed planning in place at the time of completion.

The build will be undertaken by the developer using sub-contractors known to the developer with an expected budget of £1,175,000 or £195.83 per sq ft (including professional fees).

Repayment will come from sale of units.

(Lender) support will represent 65% of the projected £3.5m GDV

(Lender) support will represent 90% of costs

**Case Overview**

**Ownership**

**How will you own the new development?**

UK Limited Company

**Has the company or pension been formed yet?**

Yes

**What is the Name of the UK Limited Company?**

Globe Results Limited

**UK Limited Company Number**

12322370

**Site Details**

**Address**

10 Kings Road, York, YO1 1ET

**Will you have planning permission before or on completion of this loan?**

Detailed Planning

**Do you own the property?**

No

**Purchase process**

Regular Purchase

**Planning**

**Who was responsible for gaining the planning?**

Borrower

**Please provide any futher information on the planning permission & process**

We purchased the site with outline planning 6 months ago, with a bridging loan. We have now dealt with all reserved matters, and have detailed planning permission for 26x 3 & 4 bed houses.

**Tell us about how the site will look when the loan completes?**

The site will be bare land at completion.

**Build procurement**

**Please tell us about your build procurement**

Self-managed procurement (borrowers will manage the individual trade packages)

**Please provide us with more information about your chosen procurement method?**

We are managing the build ourselves and will tender the individual packages. We have worked this way on 3x previous personal projects. Prior to that one of our shareholders worked as a PM for 10 years at a regional house builder, managing projects of up to 150 houses.

**Deposit source**

**Please tell us what percentage of the total deposit is planned to come directly from the borrowers / named shareholders and how that money is being raised?**

50% of the deposit will come from the shareholders and 50% will come from investors. The investors are family and friends and their investment will be secured as a 2nd charge.

**Exit strategy**

**How do you plan to repay the development loan?**

Part Sale & Part-Refinance

**Completion**

**Do you have a set completion date for the initial loan?**

Yes

**Confirmed completion date**

02-05-2022

**Mezzanine**

**If mezzanine finance is available for your project, would you like to get quotes?**

No

**Preferences**

Biggest loan Yes - 1

Best pricing Yes - 2

Speed of completion Yes - 4

Great customer service Yes - 3

**Existing relationships**

**Please list the names of any lenders below that you do not wish to be approached to fund this project.**

Paragon Bank

**Further information**

**Is there anything else you wish to disclose at this time, positive or negative, that a lender should know before they bid on your project?**

No

**Shareholders**

John Doe

Email Address: john@doe.com

Ownership Percentage: 100%

**Developer Profile**

**How will you own the new development?**

UK Limited Company

**Are there any lenders that you don't want Brickflow to talk to?**

Paragon Bank

**Has the company or pension been formed yet?**

Yes

**Company, pension or partnership name**: Globe Results Limited

**Company or partnership number:** 12322370

**Partner Information**

**Number of partners:** 1

**Name:** John Doe

**Email Address**: john@doe.com

**Date of Birth**: 1975-09-02

**National Insurance No.** WK734588A

**Ownership Percentage**: 100%

**Address**: 32 Brookside Road, Istead Rise, Gravesend DA13 9JJ

**Years at this address** : 2

**If less than 3 years , previous address**:-

3 Farley Road, Gravesend DA12 2LT

**Has the Applicant Developed Property Before?** Yes

**Shareholder Experience: John Doe**

|  |  |
| --- | --- |
| **How Many Years has John been a Developer?** | 15 |
| **Number of Developments John has Completed as an Owner** | 7 |
| **Number of Residential Projects** | 7 |
| **Number of Commercial Projects** | 0 |
| **Years of Experience as an Architect** | 0 |
| **Years of Experience as a Builder** | 0 |
| **Years of Experience as a Carpenter** | 0 |
| **Years of Experience as an Electrician** | 0 |
| **Years of Experience as an Estate Agency** | 0 |
| **Years of Experience as a Planner** | 0 |
| **Years of Experience as a Project Manager** | 10 |
| **Years of Experience as a Property Surveyor** | 0 |
| **Years of Experience as a Quantity Surveyor** | 0 |
| **Years of Experience as a Structural Engineer** | 0 |
| **Skills** | - |
| **Professional Qualifications** | BA / BSc |

**Developer Profile continued: Previous Developments**

|  |  |
| --- | --- |
| **Development 1** | |
| **Were you One of the Owners or an Employee?** | Owner |
| **Development Type** | None |
| **Address Line 1** | 32 Brookside Road |
| **Address Line 2** | Istead Rise |
| **Address Line 3** | Gravesend |
| **Address Line 4** | Kent |
| **Postcode** | DA13 9JJ |
| **Acquisition Date** | 2016-09-30 |
| **Acquisition Costs** | £350,000.00 |
| **Did you use Developer Finance?** | Yes |
| **Development Finance Lender Name** | Masthaven |
| **Area Unit** | Square Feet |
| **Gross Internal Area sq.m** | 3000 |
| **Build Costs** | £350,000.00 |
| **Project Time in Months** | 12 |
| **GDV** | £900,000.00 |
| **Sold on Exit** | No |
| **Description of Works** | Knock down and rebuild of main residence |

|  |  |
| --- | --- |
| **Development 2** | |
| **Were you One of the Owners or an Employee?** | Owner |
| **Development Type** | None |
| **Address Line 1** | 7 Soho Square |
| **Address Line 3** | London |
| **Postcode** | W1D 3QB |
| **Acquisition Date** | 2018-02-01 |
| **Acquisition Costs** | £3,500,000.00 |
| **Did you use Developer Finance?** | Yes |
| **Development Finance Lender Name** | Paragon |
| **Area Unit** | Square Meters |
| **Gross Internal Area sq.m** | 4500 |
| **Build Costs** | £9,000,000.00 |
| **Project Time in Months** | 24 |
| **GDV** | £18,000,000.00 |
| **Sold on Exit** | No |
| **Description of Works** | Office to residential conversion on upper floors, and retention of the downstairs commercial - included a basement dig and 2 storey extension. |

**Development Appraisal**

**Property**

10 Kings Road, York, YO1 1ET

Property Type: Residential

**Area**

Acquisition Area (sq.ft):

Build Area (sq.ft): 6,000

Sales Area (sq.ft): 6000

Sales Area / GIA (Commercial, sq.ft): 0

**Costs**

|  |  |
| --- | --- |
| **Purchase Costs** | |
| Purchase Price | £1,000,000.00 |
| SDLT | £0.00 |
| Agent Fees | £0.00 |
| Legal Fees | £0.00 |
| Other Fees | £100,000.00 |
| **Total Original Purchase Costs** | **£1,100,000.00** |
| Do you own the property | No |

|  |  |
| --- | --- |
| **Build Costs** | |
| Build Costs | £1,000,000.00 |
| Contingency | £75,000.00 |
| Professional Costs & Charges | £100,000.00 |
| **Total Build Costs** | **£1,175,000.00** |

|  |  |
| --- | --- |
| **Sales & Costs** | |
| GDV | £3,500,000.00 |
|  |  |
| Marketing Costs | £ 10,000.00 |
| Agent Fees | £ 35,000.00 |
| Legal Fees | £ 10,000.00 |
|  |  |
| **Total Sales Costs** | **£ 55,000.00** |
|  |  |
| **NDV** | **£3,445,000.00** |

**Summary**

|  |  |
| --- | --- |
| **Purchase Price** | £1,000,000.00 |
| **Total Build Costs** | £1,175,000.00 |
| **GDV** | £3,500,000.00 |
| **Loan Term Requested (months)** | 18 |
| **Build Term (months)** | 12 |

**Schedule**

**Houses**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Plot Number** | **Description** | **Bedrooms** | **Bathrooms** | **Area (sq.ft)** | **Tenure** | **Sales Price** |
| 1 | Detached house | 4 | 3 | 1,800 | Freehold | £1,000,000.00 |
| 2 | Semi-detached house | 3 | 2 | 1,200 | Freehold | £ 750,000.00 |
| 3 | Semi-detached house | 3 | 2 | 1,200 | Freehold | £ 750,000.00 |
| 4 | Detached house | 4 | 3 | 1,800 | Freehold | £1,000,000.00 |
|  |  |  | TOTAL | 6,000 |  | £3,500,000.00 |

**GDVs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Commercial GDV** | **House GDV** | **Flats GDV** | **Parking GDV** | **Total GDV** |
| £0.00 | £3,500,000.00 | £0.00 | £0.00 | £3,500,000.00 |

**Planning**

**Link to planning decision notice or Planning application**

[https://publicaccess.tameside.gov.uk/online-applications/simpleSearchResults.do?action=firstPage](about:blank)

**Planning description**

We purchased the site with outline planning 6 months ago, with a bridging loan. We have now dealt with all reserved matters, and have detailed planning permission for 4 x 3 & 4 bed houses.

**Professional Team**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Team Role** | **Name** | **Email** | **Website** | **Worked With Before** | **Previous Projects** |
| Architect | Jane Doe | jane@jdarchitects.com | [https://janedoearchitects.com](about:blank) | Yes | Worked with them on our project in Soho Square |
| Main Contractor | JS Build & Design | john@jsdandb.com | [https://jsbuildanddesign.com](about:blank) | Yes | Project on Soho Square |
| Structural Engineer | R Charles | info@rcharles.com | [http://www.rcharles.com/](about:blank) | Yes | Project in Soho Square |

**COMPARABLE PROPERTIES**

**Example 1**

**Property Type:** 4 bed detached house

**URL:** https://www.rightmove.co.uk/properties/118409864#/?channel=RES\_BUY

**Value:** £1,100,000.00

**Is this a good comparable?** Yes

**Why is this a good/bad comparable:** It is a very similar spec and layout to our property and is in the same side of the road - south-facing

**Example 2**

**Property Type:** 4 bed detached house

**URL:** [https://www.rightmove.co.uk/properties/119098043#/?channel=RES\_BUY](about:blank)

**Value:** £1,150,000.00

**Is this a good comparable?** Yes

**Why is this a good/bad comparable:** Similar property - different street

**Assets and Liabilities – John Doe**

**Assets**

|  |  |
| --- | --- |
| **Property Assets** | |
| **Residential Properties** | |
| 32 Brookside Road | £900,000.00 |
| **Buy to let (BTL) Properties** | |
| 10 Brookside Road | £850,000.00 |
| 95 Flowerhill Way | £600,000.00 |
| **Commercial Properties** | |
| 1 King Street, York | £2,300,000.00 |
| **Overseas Properties** | £0 |
| **TOTAL** | **£4,650,000.00** |

|  |  |
| --- | --- |
| **Other Assets** | |
| **Cash/Deposits** | |
| Savings | £1,000,000.00 |
| **Stocks & Shares** | |
| Barclays bank | £450,000.00 |
| **Business equipment, vehicles, art, other** | £0 |
| **TOTAL** | **£1,450,000.00** |
| **TOTAL ASSETS** | **£6,100,000.00** |

**Liabilities**

|  |  |
| --- | --- |
| **Property Liabilities** | |
| **Address** | **Value** |
| **Residential Property Loans** | |
| 32 Brookside | £250,000.00 |
| **TOTAL** | **£250,000.00** |

|  |  |
| --- | --- |
| **Other Liabilities** | |
| Leasing, overdraft, other loans | £0.00 |
| **TOTAL** | **£0.00** |

|  |  |
| --- | --- |
| **TOTAL LIABILITIES** | **£250,000.00** |

|  |  |
| --- | --- |
| **NET ASSETS** | **£5,850,000.00** |

**Outstanding Personal Guarantees**

|  |  |  |  |
| --- | --- | --- | --- |
| **Lender** | **PG Amount Outstanding** | **Start Date** | **Expected End Date** |
| Paragon | £400,000.00 | 2021-12-01 | 2023-03-31 |
| **Total Outstanding Personal Guarantees** | **£400,000.00** | | |

**Further supporting information**

|  |  |
| --- | --- |
| **Contact details for site access** | Selling agents :- Carter Jonas York office  82 Micklegate York YO1 6LF. 01904 558200 |
| **Nationality** | British |
| **If not UK national – visa status** | N/A |
| **If not UK national – years in UK** | N/A |
| **UK resident** | YES |
| **Bank Details - Company** | Metro Bank  One Southampton Row, London WC1B 5HA  Sort Code 23-05-80  Account no. 33742813 |
| **Bank Details - Personal** | Barclays Bank  Enfield Town  Sort Code 20-29-77  Account no. 90346139 |
| **Solicitor’s details** | * John Nelmes – Fieldfisher solicitors * Riverbank House, 2 Swan Lane, London EC4R 3TT * [john.nelmes@fieldfisher.com](about:blank) * 0330460 6885 |
| **Accountant’s details** | * Kevin Hayman – King & Taylor Accountants * Joynes House, New Road, Gravesend DA11 0AT * 01474 569777 |

**Appendix**

**Image of Property**

A picture containing building, outdoor, old, stone

Description automatically generated

**Location area of property – Google Maps**

Map

Description automatically generated