



FINANCIAL APPRAISAL OF OPTIONS

For the Project

At

SOUTH LAMBETH ESTATE

Prepared On Behalf Of

LONDON BOROUGH OF LAMBETH

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FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE



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1. INTRODUCTION

The London Borough of Lambeth has committed to a programme of estate regeneration within the Borough to bring about long-term improvements to its housing stock and the quality of living for its residents.

To bring about this change the Council has been looking at viable options to refurbish and extend the lifespan of existing stock to provide good quality housing to meet the needs of residents. It has also been looking at areas within the Borough with development potential, including its own estates, to bring forward additional housing in the Borough to help meet the growing number of households wishing to live there.

As part of this programme, the Council has identified the housing stock on the South Lambeth Estate ("the site") as being in need of improvement and with the potential for delivering an up-lift in the number of homes.

Airey Miller Partnership has been commissioned to complete financial analysis of the preliminary options being considered by the Council and to report on the relative merits in financial terms of the options being explored.

The scenarios tested demonstrate how by flexing some of the key priorities underpinning regeneration on the site, the capital cost, funding requirements and level of cross-subsidy generated interlinks to bring about different outcomes and risk profiles for the Council.

The purpose of this report is therefore to provide an overview of the financial viability of the site summarising work to date and setting out a series of scenarios for consideration by the Council.

An initial viability has been carried out on two options to show a base option based on the Council's aspirations in terms of the ability to cross subsidise the anticipated refurbishment costs, provide the requisite level of affordable housing provision and deliver any new build housing.

This base option has demonstrated that the two development options are viable, but do require modest adjustments to the Council's principle objectives and aspirations. Consequently, further scenario testing has been undertaken to understand the effects of changes to these requirements and to present the Council with a number of options to allow it to make informed decisions on how and where there is flexibility in the proposed development strategy. These options are presented in Section 4 of this report.

1.1 Delivery from the proposed options

The Council is considering a number of development options. These options have been produced as part of the feasibility and massing exercise completed by Pollard Thomas Edwards and summarised in the Briefing Document for Lambeth Housing Delivery dated July 2015:

- ***Avenue Scenario (v2) with Wimborne retained***

This scenario proposes:

- Retaining Wimborne House with works to improve
- New homes, flats and houses
- A new community and commercial space
- Create a new landscaped Avenue park

Details of Avenue Scenario v2

- Provides circa 327 new homes (mix to be determined)
- Phased redevelopment maintaining Wimborne House (104 existing homes)
- Total homes circa 431 including Wimborne House
- Approximate density: 209 units per hectare
- Net gain homes 226

- ***Square Scenario (v2) without Wimborne retained***

This scenario proposes:

- No existing homes retained
- New homes, flats and houses
- A new community and commercial space
- Create a new landscaped Square

Details of the Square Scenario v2

- Provides circa 500 new homes (mix to be determined)
- Creates new landscaped square, with associated community space
- Approximate density: 247 units per hectare
- Net gain homes 303

1.2 Delivery Aspirations

Under both base options, it is been assumed that the regeneration proposals will re-provide the existing stock as far as practicable (re-providing the equivalent unit size mix as currently exists).

It is assumed under the Avenue option that the refurbishment to Wimborne House could be partially funded by the wider development. This represents an indicative cost of work of £500k. This is included in the financial appraisal as an additional cost during the development works. Further work and cost analysis of this scenario is required.

A Right to Buy capital input is assumed against 30% of the net gain affordable housing construction costs. This assumes that the funding requirements can be satisfied by the Council.

Airey Miller is advised by the Council that it has set out clear minimum objectives for regeneration. These are:

- To re-provide homes for all those wishing to remain on an estate. For the purposes of the estate regeneration this means:
 - Re-providing existing tenants with an equivalent new home
 - Re-providing 80% of leaseholders with an equivalent new home
- To fix the rent for existing tenants to the equivalent of a social or target rent (i.e. homes at council rent levels)
- As a minimum, to ensure that the net gain additional new homes meet Council policy:
 - Planning Policy requires a minimum of 40% affordable homes
 - Council Rent requires that 1 and 2 bedroom properties be let at maximum of LHA rates and family homes (3 bedrooms and larger) be let at target rents

The Council has also declared its aspirations as set out below:

Tenure of net gain homes

- 40% affordable
 - made up from 100% Council Rent
- 60% private rent

Unit Size Mix of net gain homes

- 1 Bed – 15%
- 2 Bed – 50%
- 3 Bed – 25%
- 4 Bed – 10%

Rents

- Net gain affordable homes to be provided at council rent levels (otherwise known as Target Rent)

1.3 Programme and Decanting

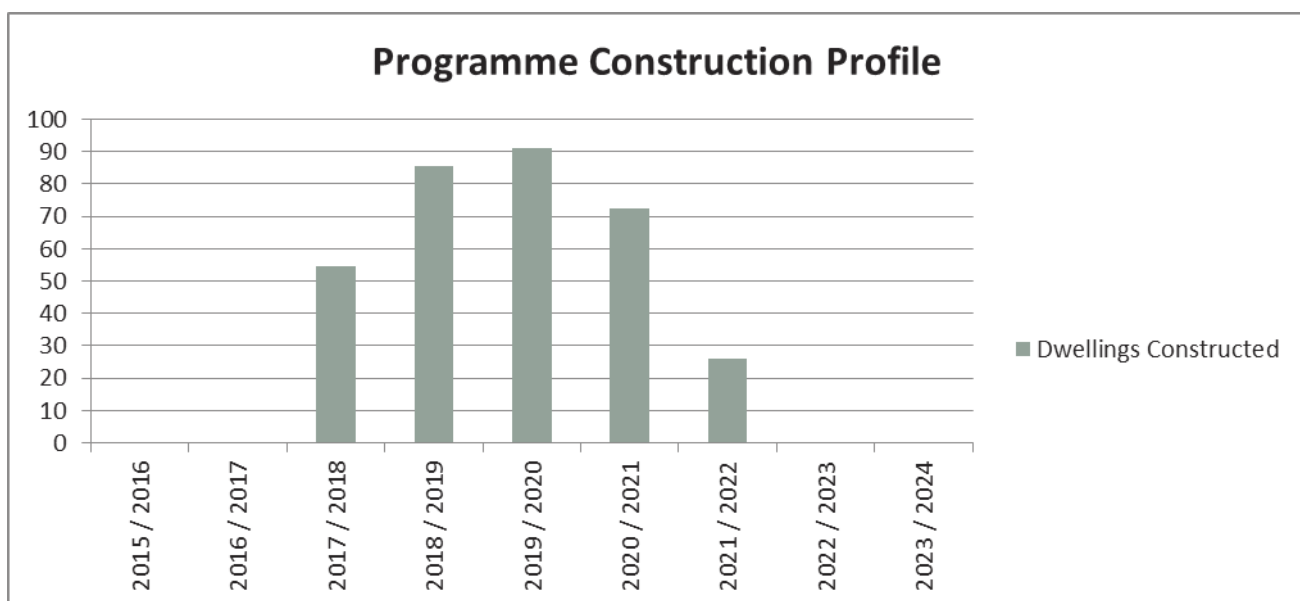
The programme for the development options is based on a sequenced decant strategy that is aligned to the construction programme. It is acknowledged that the Council may deviate from this timeline, securing properties as and when they become available.

Broadly, development is proposed to take place in a continuous phase with site preparation concluding in the first quarter of 2017. Construction and refurbishment work will commence in the second quarter 2017 with work taking approximately 256 and 296 weeks respectively for the Avenue and the Square.

The delivery profile is illustrated below for the base options:

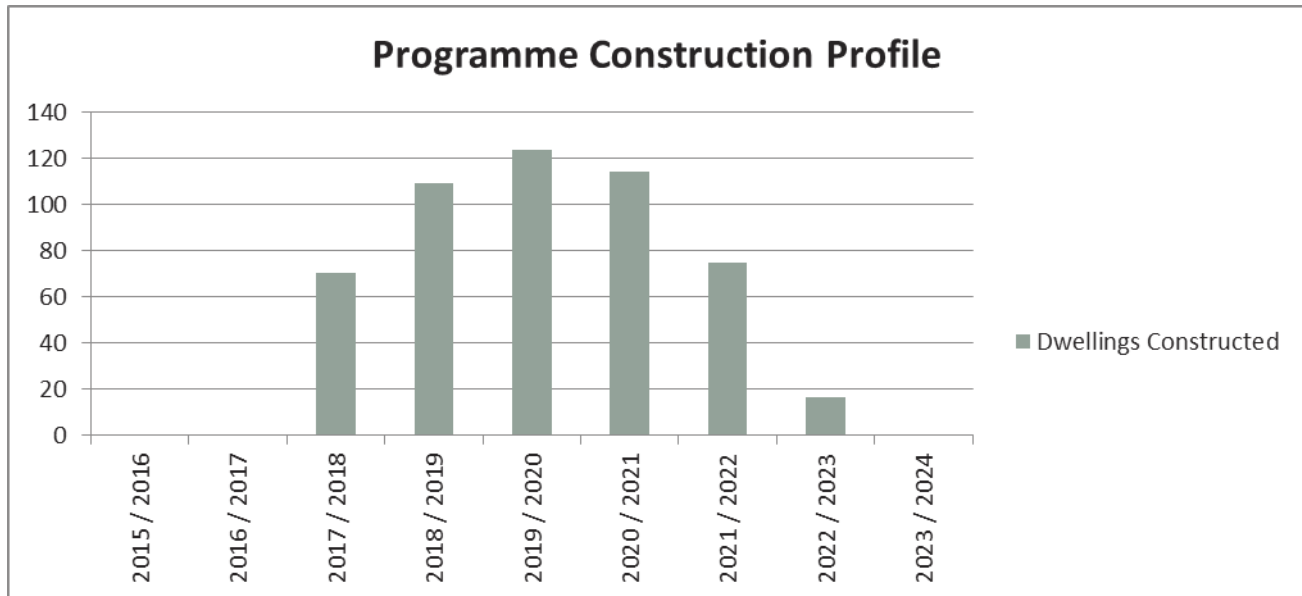
Avenue

Delivery Profile



Square

Delivery Profile



2. FINANCIAL VIABILITY ANALYSIS

The purpose of this financial viability analysis is to establish whether the options proposed to bring about estate regeneration at South Lambeth are viable and deliverable, providing the Council with an acceptable risk profile and a positive net present value ("NPV"¹).

In terms of the financial structure, it is recognised that the Council is still considering a number of different finance approaches. For the purpose of this analysis, the financial appraisal is operating a tiered funding structure. In brief, this approach enables:

- Development finance cost to be rolled-up
- Re-finance after Practical Completion. Ability to borrow more than development cost if there is sufficient headroom within LTV limit of asset.
- Tier One (Senior debt) to be re-paid as a priority before Tier Two Finance (Subordinated debt)
- Income commences upon occupation under PRS scenario. Private sales enable income to be realised earlier through off-plan sales and earlier hand-over during construction.

To demonstrate the viability of the design options being considered, a number of financial models and scenarios have been prepared and analysed to ensure that the financial parameters of the business case are satisfied within an acceptable risk profile.

The outputs are based on a notional regeneration approach and was assessed to be viable when the following criteria were achieved:

- A positive NPV greater than £0 is calculated.
- The ability of the project to be self-financing over the lifecycle of the scheme. Self-financing means having the ability to service its operating costs beyond the construction phase.

The key data inputs of the assumed scenarios are demonstrated in the outputs reported in Section 4. To ensure consistency across the analysis the following common data sets were applicable to all the scenarios tested:

- Finance Costs (annual rate)
 - Sub Debt funding 6.00%
 - Senior Debt funding 5.87%

¹ NPV is a measure of how profitable a future cashflow is by comparing the value of a pound today to the value of that pound at a future point, taking inflation into account. If the NPV of a prospective project is positive, the project stands to provide an increased return on investment and would be considered acceptable. However, if NPV is negative, the project probably should be rejected because the cost of implementing will not be recovered in the future.

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE



- Private Sale
 - Open Market Value £675.00 sqft

- Assumed rents
 - Private Rent (£pw)

Beds	
1	£348.00
2	£446.00
3	£595.00
4	£744.00

- New Build Council Rent (£pw)

Beds	
1	£117.00
2	£135.00
3	£144.00
4	£158.00
5	£166.00

- Replaced Council Rent (£pw)

Beds	
1	£117.00
2	£135.00
3	£144.00
4	£158.00
5	£166.00

- Assumed number of leaseholders remaining on estate:
 - Remaining @ 80%
 - Leaseholder Buy Out @ 20.00%

- Percentage of gross rent assumed for capitalisation purposes:

	Beds	1	2	3	4	
Private		76.20%	78.31%	80.19%	81.31%	Gross:Net Rent
Affordable		68.30%	70.69%	71.66%	72.95%	Gross:Net Rent

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE

3. BASE OPTION

A base option has been considered for each development proposal. The base option takes account of the Council's objectives and aspirations detailed earlier in this report and determines the extent to which these ambitions can be achieved.

The base option delivers the following outcomes:

Avenue Baseline

No. of dwellings proposed	327
No. of net gain dwellings	226
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	Achieved
Net gain homes meet Planning Policy (40% affordable housing)	Achieved
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Achieved
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£577m
% Affordable housing on whole estate	48%
Tenant and Leaseholder payments	£5.6m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£24.7m
NPV	£14,592,351
Finance Cost	£333,845,371
Breakeven achieved in	Dec-69

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Ave	137	0	58	34	100	0

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE

Square Baseline

No. of dwellings proposed	Flex – 515 dwellings
No. of net gain dwellings	310
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	N/A
Net gain homes meet Planning Policy (40% affordable housing)	Achieved
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Achieved
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£820m
% Affordable housing on whole estate	53%
Tenant and Leaseholder payments	£8m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£34.9m
NPV	£870,609
Finance Cost	£620,356,496
Breakeven achieved in	Sept-75

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Sqr	190	0	140	52	134	0

4. SCENARIO TESTING

It is recognised that it is preferable for the Council to achieve as many of its ambitions as possible, within the most acceptable risk profile.

To assess and provide visibility of some of the potential options available to the Council to secure improvements, a number of alternative development scenarios have been tested. Using the base option as the starting point, sequential alterations have been made to the principle assumptions to capture and articulate the potential scope for enhancement.

In conducting these viability scenarios, two principle assumptions have been explored. These are tenure of private net gain dwellings and level of affordable rents.

4.1 Outcomes of Scenario Testing

The outputs are summarised over the following pages.

A. Avenue – Partial Redevelopment with Refurbishment of Wimborne House

A.1 Avenue Base Option

Based on 327 dwellings and a refurbishment cost of £500k a viable scheme is achievable. The replaced affordable properties are re-provided at Council Rent levels.

This relies on a 40/60 affordable to private tenure split on the net gain element. The affordable element is provided in accordance with the Council's Council Rent and the private net gain element is completely provided (100%) as private rent.

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE

A.2

To establish if the scheme could deliver an enhanced level of affordable housing, the scheme has been tested by reducing the amount of private housing. In this instance, the development could support 55% affordable housing at Council Rent levels. By reducing the private element, the annual revenue reduces which increases the cost of borrowings and extends the breakeven period.

No. of dwellings proposed	327
No. of net gain dwellings	226
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	Achieved
Net gain homes meet Planning Policy (40% affordable housing)	Flex - 45/55 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Achieved
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£543m
% Affordable housing on whole estate	51%
Tenant and Leaseholder payments	£5.6m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£23.5m
NPV	£2,428,516
Finance Cost	£396,883,458
Breakeven achieved in	Dec-74

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Ave	126	0	58	34	111	0

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE

A.3

To enable an additional 10% affordable housing to be secured against the baseline scenario, an element of private sale can be introduced. By introducing a higher proportion of private sale will enable an earlier breakeven to be achieved and a reduce finance cost. Within the private element, the 15% private sale and 85% private rent can support the net gain element of affordable housing at Council Rent levels.

No. of dwellings proposed	327
No. of net gain dwellings	226
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	Achieved
Net gain homes meet Planning Policy (40% affordable housing)	Flex - 50/50 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Flex - 22:78 private sale: PRS
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£440m
% Affordable housing on whole estate	55%
Tenant and Leaseholder payments	£5.6m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£20m
NPV	£181,356
Finance Cost	£319,211,065
Breakeven achieved in	Dec-75

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Ave	88	23	58	34	122	0

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A.4

To enable an earlier breakeven and to reduce finance costs the amount of private sale housing has been increased to 50%. The affordable housing element is maintained at 50%. This would deliver 180 dwellings as affordable housing at Council Rent levels.

No. of dwellings proposed	327
No. of net gain dwellings	226
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	Achieved
Net gain homes meet Planning Policy (40% affordable housing)	Flex – 50/50 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Flex – 50:50 private sale: PRS
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£364m
% Affordable housing on whole estate	55%
Tenant and Leaseholder payments	£5.6m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£16.2m
NPV	£20,119,722
Finance Cost	£114,223,830
Breakeven achieved in	Jun-60

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Ave	56	56	58	34	122	0

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE

A.5

To enable the Council to deliver an alternative tenure split, an element of private sale instead of private rent has been tested. A 50:50 split between private sale and private rent could support the 210 dwellings as affordable housing at Council Rent levels. By introducing an element of private sale, reduces finance costs and reduces the breakeven period.

No. of dwellings proposed	327
No. of net gain dwellings	226
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	Achieved
Net gain homes meet Planning Policy (40% affordable housing)	Flex - 55/45 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Flex - 50:50 private sale: PRS
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£336m
% Affordable housing on whole estate	60%
Tenant and Leaseholder payments	£5.6m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£16.4m
NPV	£2,723,575
Finance Cost	£200,073,635
Breakeven achieved in	Sept-73

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Ave	48	49	58	34	135	0

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE

A.6

With a scheme providing 100% private sale in the net gain element, it could be possible to deliver 65% affordable housing in the net gain element. It would enable this provision to be made at Council Rent levels. This would have the effect of reducing finance costs and achieving an earlier payback period.

No. of dwellings proposed	327
No. of net gain dwellings	226
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	Achieved
Net gain homes meet Planning Policy (40% affordable housing)	Flex - 65/35 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Flex - 100% private sale
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£218m
% Affordable housing on whole estate	65%
Tenant and Leaseholder payments	£5.6m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£12.6m
NPV	£2,196,241
Finance Cost	£90,737,359
Breakeven achieved in	Sept-71

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Ave	0	82	58	34	156	0

B. The Square – Comprehensive Redevelopment

B.1 Base Option

Based on 515 dwellings a viable scheme is achievable that delivers the net gain element of the scheme at 40% affordable and private tenures. The affordable housing delivery is in accordance with the Council's Council Rent. The private element relies on 100% private rent.

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B.2

Based on 508 dwellings a viable scheme is achievable if the amount of affordable housing is flexed to 35%. The replaced affordable properties are re-provided at Council Rent levels. The private net gain element is completely provided (100%) as private rent.

No. of dwellings proposed	508
No. of net gain dwellings	303
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	N/A
Net gain homes meet Planning Policy (40% affordable housing)	Flex - 35/65 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Achieved
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£852m
% Affordable housing on whole estate	50%
Tenant and Leaseholder payments	£8m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£35.9m
NPV	£13,237,520
Finance Cost	£550,513,677
Breakeven achieved in	Mar-72

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Sqr	203	0	140	52	116	0

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE

B.3

To enable the Council to deliver an alternative tenure split, an element of private sale instead of private rent has been tested. A 50:50 split between private sale and private rent could support the 210 dwellings as affordable housing at Council Rent levels. By introducing an element of private sale, reduces finance costs and reduces the breakeven period.

No. of dwellings proposed	508
No. of net gain dwellings	303
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	N/A
Net gain homes meet Planning Policy (40% affordable housing)	Flex – 50/50 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Flex – 50:50 private sale: PRS
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£520m
% Affordable housing on whole estate	60%
Tenant and Leaseholder payments	£8m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£24.6m
NPV	£16,297,172
Finance Cost	£229,271,797
Breakeven achieved in	Dec-66

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Sq	75	75	140	52	161	0

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B.4

With a scheme providing 100% private sale in the net gain element, it could be possible to deliver 60% affordable housing in the net gain element. It would enable this provision to be made at Council Rent levels. This would have the effect of reducing finance costs and achieving an earlier payback period.

No. of dwellings proposed	508
No. of net gain dwellings	303
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	N/A
Net gain homes meet Planning Policy (40% affordable housing)	Flex – 60/40 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Flex – 100% private sale
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£335m
% Affordable housing on whole estate	66%
Tenant and Leaseholder payments	£8m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£18.4m
NPV	£15,358,113
Finance Cost	£79,045,746
Breakeven achieved in	Mar-57

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Sqr	0	123	140	52	195	0

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE

B.5

To enable an earlier breakeven and to reduce finance costs the amount of affordable housing has been reduced to 50%. The private element is maintained as a 100% private sale in the net gain element with the affordable housing provision made at Council Rent levels.

No. of dwellings proposed	508
No. of net gain dwellings	303
Housing Size Mix	Achieved
Re-provide existing homes at Target Rent	Achieved
Fund £500k Refurbishment Cost	N/A
Net gain homes meet Planning Policy (40% affordable housing)	Flex - 50/50 Affordable / Private
Net gain affordable homes meet Council Rent	Achieved
Net Gain Private delivered as Private Rent	Flex - 100% private sale
Nil pump priming investment from LBL	Achieved
Finance at Council Rate	Achieved
Grant Levels	£0
Gross development value (60yr)	£349m
% Affordable housing on whole estate	59%
Tenant and Leaseholder payments	£8m
Total costs (exc. Construction and Tenant and Leaseholder costs)	£19m
NPV	£38,741,103
Finance Cost	£22,411,828
Breakeven achieved in	Jun-36

Tenure Split

	Private Rent	Private Sale	Replaced Council Rent	Shared Equity	New Build @ Council Rent	Commercial area
S. Lambeth Sqr	0	155	140	52	161	0

5. SUMMARY

Through our financial analysis of the two development options, it is evident that the South Lambeth Estate is viable for regeneration.

The base options presented recognise the key objectives of delivering within the principle policy requirements of the Council.

The scenario testing then further demonstrates the scope for further refinement moving forward. Within the scenario testing reported here, it is evident that there is sufficient scope to flex the base option to achieve more of the Council's aspirations or to achieve a greater NPV.

FINANCIAL APPRAISAL OF OPTIONS FOR THE REDEVELOPMENT OF SOUTH LAMBETH ESTATE



Notes and Exclusions

- Numerous input data remains to be refined by the client and other advisors, the current model output is therefore not representative of the final scheme position.
- Indicated finance costs will not be accurate where the scheme does not reach a positive position.
- The finance structure is indicative and will need to be agreed with the eventual funder.
- This model has been prepared at an early stage in the project development based on limited information; the results of the model may therefore change in line with scheme / financial development. A further iteration of the model will be undertaken in due course.
- The gross and net rent cashflow is intended to be indicative only. A full business plan including major repair and replacement should be produced to inform cashflow.
- Airey Miller accepts no liability for the accuracy of input data other than that provided by Airey Miller Partnership. In particular, no liability is accepted in respect of values or income or operational/management costs. At present, the model uses affordable values as advised by the Council and those set out in the Local Housing Allowance for Inner South East London, June 2015. The Open Market Sales and Rental Values reported to the Council are provided by Lambert Smith Hampton and Hamptons International. These will need to be checked for a more location specific value weightings going forward.
- Airey Miller Partnership accept no liability for user changes to the model, any proposed changes should be referred to Airey Miller Partnership for checking.
- Airey Miller Partnership has produced its own Order of Costs to inform the cost assumptions. It is intended that these OoC's provide a consistent and up to date base date. The detail is based on the previous design work and it is assumed that the design will work around the existing infrastructure layout. If there is a need to re-route services etc. then this will incur additional cost.
- The NPV figures reported are illustrative only. Cost and values will fluctuate during the development period and it is recommended that the financial position is constantly monitored to ensure financial performance is maintained.
- There may be minor discrepancies between the figures presented owing to rounding in the calculations within the financial model.