

Appendix 2 - DSP version of applicant appraisal
DSP25403AD - APP/24/00968 - 12 units of AH
Beachlands, Hayling Island - 6% profit on AH

Development Appraisal
Prepared by NM, DSP
ARGUS Software
October 10, 2025

APPRAISAL SUMMARY**ARGUS SOFTWARE**

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Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Market Sale	22	19,439	467.17	412,787	9,081,318
Affordable Housing	<u>12</u>	<u>7,659</u>	291.12	185,817	<u>2,229,800</u>
Totals	34	27,098			11,311,118

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
4 x retail units	4	13,511	19.50	65,866	263,465	263,465

Investment Valuation**4 x retail units**

Market Rent	263,465	YP @	9.0000%	11.1111	
(1yr Rent Free)		PV 1yr @	9.0000%	0.9174	2,685,673

GROSS DEVELOPMENT VALUE**13,996,791****NET REALISATION****13,996,791****OUTLAY****ACQUISITION COSTS**

Residualised Price	487,542
	487,542

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
4 x retail units	13,511	169.15	2,285,386
Market Sale	22,771	196.63	4,477,462
Affordable Housing	<u>8,972</u>	196.63	<u>1,764,164</u>
Totals	45,254 ft²		8,527,012
Contingency		5.00%	426,351
CIL			430,000
			9,383,362

Section 106 Costs

Section 106 Costs	34 un	5,000.00 /un	170,000
			170,000

PROFESSIONAL FEES

Professional Fees	10.00%	852,701
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852,701

MARKETING & LETTING

Letting Agent Fee	10.00%	26,346	
Letting Legal Fee	3.00%	7,904	
			34,250

DISPOSAL FEES

Sales Agent Fee	2.50%	227,033	
Sales Legal Fee	22 un 750.00 /un	16,500	
			243,533

TOTAL COSTS BEFORE FINANCE**11,171,389****FINANCE**

Timescale	Duration	Commences
Purchase	1	Oct 2025
Pre-Construction	3	Nov 2025
Construction	18	Feb 2026
Sale	8	Aug 2027
Total Duration	30	

Debit Rate 7.50%, Credit Rate 4.25% (Nominal)

Land	67,747	
Construction	548,133	
Other	83,653	
Total Finance Cost		699,532

TOTAL COSTS**11,870,921****PROFIT****2,125,870****Performance Measures**

Profit on Cost%	17.91%
Profit on GDV%	15.19%
Profit on NDV%	15.19%
Development Yield% (on Rent)	2.22%
IRR% (without Interest)	25.75%