

Cost/Income Analysis

Demolish existing garages and construct 3 bedroom detached dwelling as managed Holiday let.

Item	Year 1 Costs		Notes
	As reported March 2022	Revised October 2023	
Demolish Garages and cart away	£ 2,700.00	£ 3,041.91	1
Planning & Architect fees	£ 8,000.00	£ 14,050.00	Fixed fee as agreed plus fee quote for revision work
Construct one 3 bed house	£ 334,500.00	£ 376,859.07	1
Renewable technology installations (ADC Carbon reduction commitment)	£ 30,000.00	£ 33,799.02	1
External works	£ 10,000.00	£ 11,266.34	1
Fit out and furnish house	£ 15,000.00	£ 16,899.51	1
Professional fees	£ 58,425.00	£ 65,823.59	1
CIL payment	£ 27,000.00	£ 22,639.06	Calculated based on 142m ² at CIL zone 2 (£159.43/m ²)
Cost to deliver premises on site	£ 485,625.00	£ 544,378.50	
Annual income for house (nett) @ 100% occupancy	£ 183,717.00	£ 95,889.15	2
Annual income assuming indicative 60% occupancy rates (nett)	£ 110,230.00	£ 57,533.49	2
Hosting / commision / management fees 28% (based on 60% occupancy)	£ 30,864.00	£ 16,109.38	
Annual maintenance /cyclical replacements	£ 5,000.00	£ 5,633.17	1
Nett annual income less costs (assuming 60% occupancy)	£ 74,366.00	£ 35,790.94	
Nett annual income less costs (assuming 100% occupancy)	£ 132,788.00	£ 74,146.60	
Minimum Revenue Provision (in accordance with finance recommendations with the report)	£ 19,425.00	£ 25,313.60	Year 1 only - Year 2 onwards adjusted in accordance with projected interest rates
Loss of interest (in accordance with finance recommendations with the report)	£ 4,856.00	£ 25,313.60	Year 1 only - Year 2 onwards adjusted in accordance with projected interest rates
Annual surplus assuming 60% occupancy	£ 50,084.00	-£ 14,836.26	
Annual surplus assuming 100% occupancy	£ 113,363.00	£ 23,519.40	
Income over 25 year viability period	£ 4,018,904.71	£ 2,097,628.72	Using conservative 3% year on year uplift
Hosting / commision / management fees over 25 year viability period	£ 1,125,293.32	£ 587,336.04	Using estimated 3% year on year uplift
Maintenance over 25 year viability period	£ 160,151.50	£ 417,882.37	1 using 8.1% year on year uplift
Finance over 25 year viability period	£ 573,275.00	£ 1,004,378.56	
Total return over 25 year viability period	£ 2,160,184.89	£ 88,031.75	

1 Amended by reference to ONS Construction Output Price Index - Public (other than housing) index using the period March 2022-March 2023 (latest available) and then projected forward to October 2023.

2 Amended in accordance with market evidence gathered October 2023, assuming a 3 bed property as worst case scenario.