

COMMUNITY HOUSING - RESIDENTIAL INVESTMENT MODEL (APPENDIX A)

ASSUMPTIONS	<p>Based on illustrative 4 units for affordable rent in South Hams Rented units - 3 x 2 bedroom and 1 x 3 bedroom Rental at Local Housing Allowance rent for South Hams i.e. £128.19 / week (2 Bedroom) and £153.02 / week (3 bedroom) net of service charge LHA increasing at 1.5% p.a. Management, maintenance, insurance, service charge - assume 15% of gross rent Purchase Price of 4 x rental properties £670k (3 bed house £200k, 2 bed house £160k, 2 bed bungalow £150k) Acquisition Costs - assume 4% to cover fees & SDLT (2% between £125k - £250k property value) Paying back 50% of the capital over the 50 years and 3% on Interest PWLB annuity rate @ Jan 20 is 3%</p>
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INCOME												
Year			1	2	3	4	5	6	7	8	9	10
2 bed LHA prior to management etc	£6,665.00											
3 Bed LHA prior to management etc	£7,957.00											
Man, maint, insur., service charge	15%											
Rental Inflation	1.50%											
Rent / 2 Bed	3	5,665	16,996	17,251	17,509	17,772	18,039	18,309	18,584	18,863	19,146	19,433
Rent / 3 Bed	1	6,763	6,763	6,865	6,968	7,072	7,178	7,286	7,395	7,506	7,619	7,733
Rent Total		1,750,645	23,759	24,116	24,477	24,844	25,217	25,595	25,979	26,369	26,765	27,166
COSTS												
Interest Rate	PWLB (Jan 20)	3.0%										
2 Bed House	2											
2 Bed Bungalow	1											
3 Bed House	1											
Capital Amount £670k + 4% (Costs)		700,000										
Year			1	2	3	4	5	6	7	8	9	10
Interest and Capital Repayments (based on 50% repayment)			24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100
Net Surplus / Net (loss)			- 341	16	377	744	1,117	1,495	1,879	2,269	2,665	3,066

11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
19,724	20,020	20,320	20,625	20,935	21,249	21,567	21,891	22,219	22,553	22,891	23,234	23,583	23,936	24,295	24,660
7,849	7,967	8,087	8,208	8,331	8,456	8,583	8,711	8,842	8,975	9,109	9,246	9,385	9,525	9,668	9,813
27,574	27,987	28,407	28,833	29,266	29,705	30,150	30,602	31,061	31,527	32,000	32,480	32,967	33,462	33,964	34,473
11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100
3,474	3,887	4,307	4,733	5,166	5,605	6,050	6,502	6,961	7,427	7,900	8,380	8,867	9,362	9,864	10,373

27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
25,030	25,405	25,786	26,173	26,566	26,964	27,369	27,779	28,196	28,619	29,048	29,484	29,926	30,375	30,831	31,293
9,961	10,110	10,262	10,416	10,572	10,730	10,891	11,055	11,221	11,389	11,560	11,733	11,909	12,088	12,269	12,453
34,990	35,515	36,048	36,589	37,138	37,695	38,260	38,834	39,416	40,008	40,608	41,217	41,835	42,463	43,100	43,746
27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100
10,890	11,415	11,948	12,489	13,038	13,595	14,160	14,734	15,316	15,908	16,508	17,117	17,735	18,363	19,000	19,646

43	44	45	46	47	48	49	50
31,762	32,239	32,722	33,213	33,712	34,217	34,730	35,251
12,640	12,829	13,022	13,217	13,415	13,617	13,821	14,028
44,402	45,068	45,744	46,431	47,127	47,834	48,551	49,280
43	44	45	46	47	48	49	50
24,100	24,100	24,100	24,100	24,100	24,100	24,100	374,100
20,302	20,968	21,644	22,331	23,027	23,734	24,451	- 324,820

1,750,645

1,555,000

195,645