

Lupin House Development



REPORT Q4 2021

March 2022



Aviv Prop 3

1 Completion

We successfully Completed the acquisition of the property as planned on 22 October 2021. The purchase price was £8,500,000.

2 Planning Permission

Once completed the acquisition, we have submitted a [pre-application](#) for Lupin House 11-13 Macklin Street.

Description of the pre-application:

“Erection of a new fifth storey, construction of a four-storey rear extension, installation of plant, and associated works including external alterations, fenestration changes and the provision of external terraces, all in conjunction with the mixed use of the building to provide office floorspace (use Class E) at ground to first floor level and 12 residential apartments (use Class C3) at second to fifth floor level (6 x 1 bed, 4 x 2 bed, and 2 x 3 bed).”

The planning officer replied to the pre-application as follows:

The conclusion was that residential accommodation would be supported on this site subject to policy compliance in all other respects.

In terms of its design, the roof extension should be revised to provide a more complimentary form and detailed design as the current extension appears incongruous. The proposed rear extension should be revised to appear subservient, and the balconies shouldn't dominate or add bulk to the rear elevation.

We will need to demonstrate that the development would not harm the amenity of neighboring residential properties and it is likely that a daylight and sunlight report would be required (this should also assess internal light levels for the proposed office and residential units on the site).

To conclude, we see that there is a good chance to receive the new planning.

Therefore, we are now preparing a full planning permission to be submitted soon, including the comments we got from the local council in the pre-application.

3 Strip-Out

The below vacant areas were stripped out:

- 2nd Floor Suite A
- 2nd Floor Suite B
- 3rd Floor Suite C
- 3rd Floor Suites B & D

Total costs: £15,000.

In order to save municipality taxes, since these areas are vacant, we have carried out this strip-out.

4 Commercial Leases

We have managed to extend the four existing commercial leases for the same rents for one year with a rolling break option from 31st March 2022 from which point there is a 2-month mutual rolling break option.

5 Corona Virus in the UK

Total coronavirus cases – 18,654,572.

The UK government has canceled all Coronavirus restrictions.

There is no longer a legal requirement to isolate yourself if you test positive COVID-19.

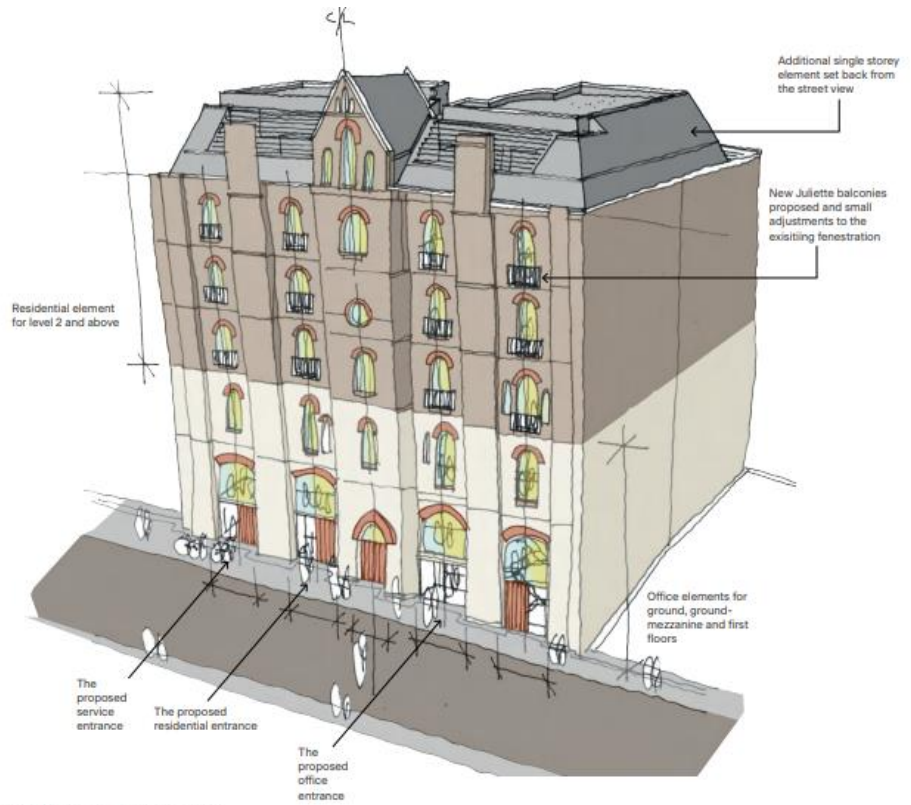
6 Housing Market Price Growth

Annual house price growth accelerated to 11.2% in January, the strongest pace since June last year, and the strongest start to the year for 17 years.

Prices rose by 0.8% month-on-month, after taking into account seasonal effects, the sixth consecutive monthly increase.

Headlines	Jan-22	Dec-21
Monthly Index	5.13	5.091
Monthly Change	0.8%	1.1%
Annual Chang	11.2%	10.4%
Average Price (not seasonally adjusted)	£255,556	£254,822

7 Pictures



A Sketch Proposal Illustrating the Key Briefing Elements

8 Budget 31/12/2021

		Budget		Paid	Balance	ratio
Purchase Price		£8,500,000		£8,500,000	£0	100%
SDLT	4.4%	£376,241		£376,241	£0	100%
Broker agent	2.0%	£170,000		£186,762	£0	110%
Legals, Due Diligence/Surveys	1.0%	£85,000		£72,325	£12,675	85%
Valuations, planning, initiation fee	2.0%	£170,000		£150,000	£20,000	88%
Purchase Costs Subtotal			£801,241	£785,328	£32,675	
Construction Costs						
	GIA	per sqft				
Hard costs - resi new	8,299 sqft	£310	£2,572,690			
Hard costs - office	11,237 sqft	£260	£2,921,620			
Construction Subtotal			£5,494,310	£0	£5,494,310	0%
Contingency						
Contingency	5.0%	£274,716		£149	£274,567	0%
Project management	3.5%	£192,301		£30,000	£162,301	16%
Professional Fees	5.0%	£274,716		£24,991	£249,724	9%
Utilities & insurance	2.0%	£109,886		£0	£109,886	0%
Building Warranties	0.5%	£27,472		£0	£27,472	0%
Quantitative surveyor	0.3%	£16,483		£0	£16,483	0%
M & E Designer	0.5%	£27,472		£0	£27,472	0%
CIL / S106	-	£59,800		£0	£59,800	0%
Construction Soft Costs Subtotal			£982,844			
Total Construction Cost						
			£6,477,154			
Total Costs						
			£15,778,395	£9,340,468	£6,437,927	59%
Cost of Finance (interest/fees)						
			£1,887,000	£204,905	£1,682,095	11%