

Aviv Property Development Ltd

Report for Breams Development



September 2021

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1. Planning:

Planning application (to achieve extra floors and create 9 units) is still ongoing.

Maya Construction together with Elca Architects have worked closely with JLL to respond to the planning design team and queries.

Responses have been submitted and planning consultation expires 19th September.

We expect to have the planning application approved soon; this will allow us to carry out the planned improvement to the property and increase the return accordingly.

2. Party Wall Agreements with Neighbors:

Party wall matters are ongoing, award with building No 4 has been agreed, responses from JMS Engineering expected to be able to revert to other adjoining neighbor's queries.

3. Site Progress:

Excavation had started on site but under planning condition needed to be watched by archaeologist for possible items of historic interest.

Watching brief agreed with the council and archaeologist engaged.

Sub-contractor recommenced on site with archaeologist only to raise concerns on stability of rear wall.

Excavation has been halted to explore options to either erect an internal scaffold to act as a brace or to demolish the rear wall prior to excavation.

4. Design Update:

Maya Construction together with Elca Architects and Lousie Est have worked on refining the new proposed layouts, these have been passed to Fire Consultant and Building Control for detailed review.

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Fire consultant has provided written feedback and Building Control oral feedback.

Layouts will be further refined based on these.

Structural plan will then be revised to facilitate these works.

Once completed party wall awards with then have to be revised.

5. Planning Conditions:

With planning permission expected it is unknown what the new planning conditions will be.

The planning conditions under the previous permission have all been discharged.

6. Contract Documentation:

The Solicitors have drafted the contract based on JCT Standard Building Contract Without Quantities 2016 with amendments with contractor having lead design role excluding the basement.

Initial comments are being reviewed.

Discussion with Crownage (the contractor) to enter a contract based on original scheme and original pricing and deal with changes under contingency until new planning is granted and pricing can be accurately costed.

7. Corona Virus in the UK:

The lockdown in England was lifted on 17 May and the rules on what can and cannot do has changed, such as:

- No limits on how many people can meet.
- Face coverings no longer required by law, although the government still expects and recommends" them in crowded and enclosed spaces.
- Some shops and transport operators still require masks.
- Pubs and restaurants no longer table-service only.

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- No limits on guests at weddings and funerals.
- No limits on people attending concerts, theatres or sports events.
- No restrictions on communal worship.

Vaccinations:

- More than 47 million people have had a first vaccine dose - about 70% of the adult population.
- More than 40 million have had a second vaccine dose.

Impact on the real estate market:

- Annual house price growth remained in double digits, but fell back to 10.5%
- Prices down 0.5% month-on-month
- Stamp duty changes impacting market dynamics

Headlines	Jul-21	Jun-21
Monthly Index*	484.2	486.5
Monthly Change*	-0.5%	0.7%
Annual Change	10.5%	13.4%
Average Price (not seasonally adjusted)	£244,229	£245,432

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8. Pictures:



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9. Budget 30/06/2021:

			Budget	Paid	Balance	ratio
Purchase Price			£4,650,000	£4,650,000	£0	100%
SDLT	5.8%	£268,500		£172,000	£96,500	64%
Broker	2.0%	£93,000		£93,000	£0	100%
Due Diligence/Surveys	2.0%	£93,000		£93,000	£0	100%
Legals, valuations, planning, initiation fee	2.0%	£93,000		£93,000	£0	100%
VAT loan interest	0.8%	£37,200		£18,950	£18,250	51%
Purchase Costs Subtotal			£584,700	£469,951	£114,749	
Construction Costs	GIA	per sqft				
Hard costs	8,636 sqft	£304	£2,625,344	£0	£2,625,344	0%
Construction Subtotal			£2,625,344			
Contingency	7.0%	£183,774		£81,034	£102,740	44%
Project management	4.0%	£105,014		£62,769	£42,245	60%
Professional Fees (inc QS)	2.0%	£52,507		£38,451	£14,056	73%
Utilities	2.0%	£52,507		£46,172	£6,335	88%
Building Warranties	1.0%	£26,253		£0	£26,253	0%
Quantitative surveyor	1.0%	£26,253		£1,000	£25,253	4%
M & E Designer	1.0%	£26,253		£0	£26,253	0%
CIL	£133	£43,772		£0	£43,772	0%
Construction Soft Costs Subtotal		£516,334				
New planning:						
Construction costs, planning and others		£564,234		£125,212	£439,023	22%
New Planning Subtotal		£564,234				
Total Construction Cost			£3,706,000			
Total Costs			£8,940,700	£5,474,587	£3,466,113	61%
Cost of Finance (interest/fees)			£722,000	£292,430	£429,570	41%