

Appendix 5: Financial Feasibility Summaries

Draft Feasibility for Option 3: Cooperative Rental Development Model Low Density Design

5/24/2020

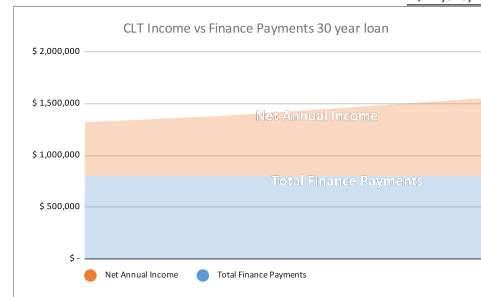
Development Costs	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Consultants	\$ (2,819,137)											
Permits	\$ (1,155,560)											
Holding Costs (council rates & insurance)	\$ (76,039)											
Leasing & marketing	\$ (178,143)											
Establishment finance costs	\$ (265,489)											
Construction phase interest	\$ (1,486,633)											
Project Contingency	\$ (1,237,190)											
Construction	\$ (14,938,650)											
Construction Contingency (5%)	\$ -											
Total Perm Debt Required (65% of Dev Costs)	\$ 16,562,239											

Annual Operating Incomes and Expenses	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Residential Rental Income (2% annual incre; 90% of market)	\$ 1,447,935	\$ 1,476,893	\$ 1,506,431	\$ 1,536,560	\$ 1,567,291	\$ 1,598,637	\$ 1,630,609	\$ 1,663,222	\$ 1,696,486	\$ 1,730,416		
Less vacancy allowance (1.5%)	\$ (21,719)	\$ (22,153)	\$ (22,596)	\$ (23,048)	\$ (23,509)	\$ (23,980)	\$ (24,459)	\$ (24,948)	\$ (25,447)	\$ (25,956)		
Coworking (2% annual increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Guest House (2% annual increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Retail (2% annual increase)	\$ 29,400	\$ 29,988	\$ 30,588	\$ 31,200	\$ 31,824	\$ 32,460	\$ 33,109	\$ 33,771	\$ 34,447	\$ 35,136		
Childcare (2% annual increase)	\$ 186,276	\$ 190,002	\$ 193,802	\$ 197,678	\$ 201,631	\$ 205,664	\$ 209,777	\$ 213,973	\$ 218,252	\$ 222,617		
Car Park (2% annual increase)	\$ 6,240	\$ 6,365	\$ 6,492	\$ 6,622	\$ 6,754	\$ 6,889	\$ 7,027	\$ 7,168	\$ 7,311	\$ 7,457		
Total Recoveries	\$ 43,200	\$ 44,064	\$ 44,945	\$ 45,844	\$ 46,761	\$ 47,696	\$ 48,650	\$ 49,623	\$ 50,616	\$ 51,628		
Net Rental Income	\$ 1,691,332	\$ 1,725,158	\$ 1,759,661	\$ 1,794,855	\$ 1,830,752	\$ 1,867,367	\$ 1,904,714	\$ 1,942,808	\$ 1,981,664	\$ 2,021,298	\$ -	\$ -
Operating Expenses: building and tenancies	\$ (216,000)	\$ (220,320)	\$ (224,726)	\$ (229,221)	\$ (233,805)	\$ (238,481)	\$ (243,251)	\$ (248,116)	\$ (253,078)	\$ (258,140)		
Annual Ground Rent	\$ (80,000)	\$ (90,000)	\$ (100,000)	\$ (110,000)	\$ (120,000)	\$ (130,000)	\$ (140,000)	\$ (150,000)	\$ (160,000)	\$ (170,000)		
Net Operating Income:	\$ 1,395,332	\$ 1,414,838	\$ 1,434,935	\$ 1,455,634	\$ 1,484,746	\$ 1,514,441	\$ 1,544,730	\$ 1,575,625	\$ 1,607,137	\$ 1,639,280	\$ -	\$ -
GST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Capital Expenses / Replacement Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Capital Works (sinking) Fund	\$ (75,000)	\$ (76,500)	\$ (78,000)	\$ (79,500)	\$ (81,000)	\$ (82,500)	\$ (84,000)	\$ (85,500)	\$ (87,000)	\$ (88,500)		
Total GST & Capital Works Expense	\$ (75,000)	\$ (76,500)	\$ (78,000)	\$ (79,500)	\$ (81,000)	\$ (82,500)	\$ (84,000)	\$ (85,500)	\$ (87,000)	\$ (88,500)	\$ -	\$ -
Interest (30 years 3.0%)	\$ (542,707)	\$ (534,137)	\$ (525,278)	\$ (516,122)	\$ (506,659)	\$ (496,880)	\$ (486,774)	\$ (476,328)	\$ (465,536)	\$ (454,376)		
Payments on principal	\$ (255,832)	\$ (264,402)	\$ (273,261)	\$ (282,417)	\$ (291,880)	\$ (301,659)	\$ (311,765)	\$ (322,211)	\$ (333,003)	\$ (344,163)		
Total Finance Payments	\$ (798,539)	\$ (798,539)	\$ (798,539)	\$ (798,539)	\$ (798,539)	\$ (798,539)	\$ (798,539)	\$ (798,539)	\$ (798,539)	\$ (798,539)	\$ -	\$ -
<i>Debt cover ratio (interest & principal)</i>	1.65	1.68	1.70	1.73	1.76	1.80	1.83	1.87	1.91	1.94		
Net Annual Income	\$ 521,793	\$ 539,800	\$ 561,396	\$ 580,595	\$ 608,178	\$ 636,312	\$ 665,009	\$ 694,280	\$ 724,136	\$ 754,590	\$ -	\$ -
Impact Investor Returns	\$ (445,906)	\$ (445,906)	\$ (445,906)	\$ (445,906)	\$ (445,906)	\$ (445,906)	\$ (445,906)	\$ (445,906)	\$ (445,906)	\$ (445,906)		
Dividend to Coop Shareholders	\$ (50,961)	\$ (50,961)	\$ (50,961)	\$ (50,961)	\$ (50,961)	\$ (50,961)	\$ (50,961)	\$ (50,961)	\$ (50,961)	\$ (50,961)		
Net Cash Flow to CLT	\$ 24,926	\$ 42,932	\$ 64,529	\$ 83,728	\$ 111,311	\$ 139,445	\$ 168,142	\$ 197,413	\$ 227,269	\$ 257,723	\$ -	\$ -

Proceeds for hypothetical sale in yr. 10 5.75% cap rate \$ 27,625,430
 Mortgage payoff balance \$ (13,581,650)
\$ 14,043,780

Rents	Market Rate/sqm	# of Units	Market Weekly Rent	Affordable (% of mrkt) 90.00%	Annual/Unit	Total
Studio	27	14	\$ 360.33	\$ 324.30	\$ 16,863.60	\$ 236,090
One Bedroom	50	10	\$ 554.36	\$ 498.92	\$ 25,944.00	\$ 259,440
Two Bedroom	70	17	\$ 654.14	\$ 588.73	\$ 30,613.92	\$ 520,437
Two Bedroom	78	9	\$ 748.38	\$ 673.55	\$ 35,024.40	\$ 315,220
Three Bedroom	90	3	\$ 831.54	\$ 748.38	\$ 38,916.00	\$ 116,748
						\$ 1,447,935

Market Comp (Tenancy Services March Q 2020 Avondale)						
	2019	2020	2021	2022	Esc	
Studio	\$ 325	\$ 336	\$ 348	\$ 360	3.50%	
One-Bed	\$ 500	\$ 518	\$ 536	\$ 554		
Two Bedroom	\$ 590	\$ 611	\$ 632	\$ 654		
Two Bedroom	\$ 675	\$ 699	\$ 723	\$ 748		
Three Bedroom	\$ 750	\$ 776	\$ 803	\$ 832		



Appendix 5: Financial Feasibility Summaries

Draft Feasibility for Option 2: Cooperative Rental Development Model Tower Design

5/24/2020

Development Costs	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Consultants	\$ (2,972,508)											
Permits	\$ (1,223,646)											
Holding Costs (council rates & insurance)	\$ (76,039)											
Leasing & marketing	\$ (174,092)											
Establishment finance costs	\$ (276,315)											
Construction phase interest	\$ (1,488,782)											
Project Contingency	\$ (1,215,441)											
Construction	\$ (16,989,254)											
Construction Contingency (5%)	\$ -											

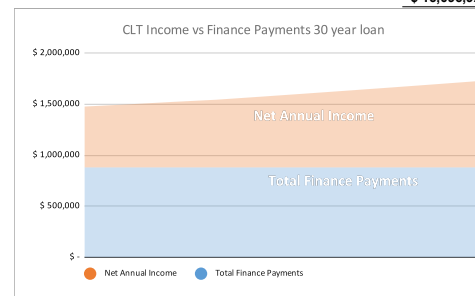
Total Perm Debt Required (65% of Dev Costs) \$ 18,251,017

Annual Operating Incomes and Expenses	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Residential Rental Income (2% annual incr: 95% of market)	\$ 1,551,653	\$ 1,582,686	\$ 1,614,340	\$ 1,646,626	\$ 1,679,559	\$ 1,713,150	\$ 1,747,413	\$ 1,782,361	\$ 1,818,009	\$ 1,854,369		
Less vacancy allowance (1.5%)	\$ (23,275)	\$ (23,740)	\$ (24,215)	\$ (24,699)	\$ (25,193)	\$ (25,697)	\$ (26,211)	\$ (26,735)	\$ (27,270)	\$ (27,816)		
Coworking (2% annual increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Guest House (2% annual increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Retail (2% annual increase)	\$ 29,400	\$ 29,988	\$ 30,588	\$ 31,200	\$ 31,824	\$ 32,460	\$ 33,109	\$ 33,771	\$ 34,447	\$ 35,136		
Childcare (2% annual increase)	\$ 186,276	\$ 190,002	\$ 193,802	\$ 197,678	\$ 201,631	\$ 205,664	\$ 209,777	\$ 213,973	\$ 218,252	\$ 222,617		
Car Park (2% annual increase)	\$ 6,240	\$ 6,365	\$ 6,492	\$ 6,622	\$ 6,754	\$ 6,889	\$ 7,027	\$ 7,168	\$ 7,311	\$ 7,457		
Total Recoveries	\$ 43,200	\$ 44,064	\$ 44,945	\$ 45,844	\$ 46,761	\$ 47,696	\$ 48,650	\$ 49,623	\$ 50,616	\$ 51,628		
Net Rental Income	\$ 1,793,494	\$ 1,829,364	\$ 1,865,951	\$ 1,903,270	\$ 1,941,336	\$ 1,980,162	\$ 2,019,766	\$ 2,060,161	\$ 2,101,364	\$ 2,143,391	\$ -	
Operating Expenses: building and tenancies	\$ (216,000)	\$ (220,320)	\$ (224,726)	\$ (229,221)	\$ (233,805)	\$ (238,481)	\$ (243,251)	\$ (248,116)	\$ (253,078)	\$ (258,140)		
Annual Ground Rent	\$ (26,500)	\$ (35,000)	\$ (45,000)	\$ (55,000)	\$ (67,750)	\$ (83,638)	\$ (103,069)	\$ (126,553)	\$ (154,816)	\$ (188,516)		
Net Operating Income:	\$ 1,550,994	\$ 1,574,044	\$ 1,596,225	\$ 1,619,049	\$ 1,649,780	\$ 1,681,043	\$ 1,712,845	\$ 1,745,192	\$ 1,778,090	\$ 1,811,546	\$ -	
GST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Capital Expenses / Replacement Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Capital Works (sinking) Fund	\$ (75,000)	\$ (76,500)	\$ (78,000)	\$ (79,500)	\$ (81,000)	\$ (82,500)	\$ (84,000)	\$ (85,500)	\$ (87,000)	\$ (88,500)		
Total GST & Capital Works Expense	\$ (75,000)	\$ (76,500)	\$ (78,000)	\$ (79,500)	\$ (81,000)	\$ (82,500)	\$ (84,000)	\$ (85,500)	\$ (87,000)	\$ (88,500)	\$ -	
Interest (30 years 3.0%)	\$ (598,045)	\$ (588,600)	\$ (578,839)	\$ (568,748)	\$ (558,320)	\$ (547,547)	\$ (536,410)	\$ (524,898)	\$ (513,002)	\$ (500,707)		
Payments on principal	\$ (281,917)	\$ (291,362)	\$ (301,123)	\$ (311,214)	\$ (321,642)	\$ (332,415)	\$ (343,552)	\$ (355,064)	\$ (366,960)	\$ (379,255)		
Total Finance Payments	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ (879,962)	\$ -
Debt cover ratio (interest & principal)	1.68	1.70	1.73	1.75	1.79	1.82	1.85	1.89	1.92	1.96		
Net Annual Income	\$ 596,032	\$ 617,582	\$ 641,263	\$ 662,587	\$ 691,788	\$ 721,491	\$ 751,701	\$ 782,424	\$ 813,666	\$ 845,433	\$ -	
Impact Investor Returns	\$ (491,374)	\$ (491,374)	\$ (491,374)	\$ (491,374)	\$ (491,374)	\$ (491,374)	\$ (491,374)	\$ (491,374)	\$ (491,374)	\$ (491,374)		
Dividend to Coop Shareholders	\$ (56,157)	\$ (56,157)	\$ (56,157)	\$ (56,157)	\$ (56,157)	\$ (56,157)	\$ (56,157)	\$ (56,157)	\$ (56,157)	\$ (56,157)		
Net Cash Flow to CLT	\$ 104,659	\$ 126,208	\$ 149,889	\$ 171,214	\$ 200,415	\$ 230,117	\$ 260,327	\$ 291,050	\$ 322,292	\$ 354,059		

Proceeds for hypothetical sale in yr. 10 5.75% cap rate \$ 31,063,440
Mortgage payoff balance \$ (14,966,513)
\$ 16,096,927

Rents	Market Rate sqm	# of Units	Market Weekly Rent	Affordable (% of mrkt) 95.00%	Annual/Unit	Total
Studio	27	13	\$ 360.33	\$ 342.32	\$ 17,800.47	\$ 231,406
One Bedroom	50	10	\$ 554.36	\$ 526.64	\$ 27,385.33	\$ 273,853
Two Bedroom	70	17	\$ 654.14	\$ 621.44	\$ 32,314.69	\$ 549,350
Two Bedroom	78	9	\$ 748.38	\$ 710.97	\$ 36,970.20	\$ 332,732
Three Bedro	90	4	\$ 831.54	\$ 789.96	\$ 41,078.00	\$ 164,312
						\$ 1,551,653

Market Comp (Tenancy Services March Q 2020 Avondale)					
	2019	2020	2021	2022	Esc 3.50%
Studio	\$ 325	\$ 336	\$ 348	\$ 360	
One-Bed	\$ 500	\$ 518	\$ 536	\$ 554	
Two Bedroom	\$ 590	\$ 611	\$ 632	\$ 654	
Two Bedroom	\$ 675	\$ 699	\$ 723	\$ 748	
Three Bedro	\$ 750	\$ 776	\$ 803	\$ 832	



8/4 Racecourse Parade, Avondale		Head-lines:	% Total Development Cost	Total # of units	53	Nov-19
3	Owner Equity (land)	1,327,200	5%	Total Project GFA		
existing units above	Project Costs Funded from Revenue	42,400	57% attributed to SDF	Total Project NSA	3,409	
Tower	Mezz / Equity Loan Value	5,992,324	23%	Equity interest rate	10.0%	
	Senior Debt Loan Value	18,599,350	71%	Interest rate	4.50%	
Summary & Inputs	Pre-sales cover (100% cover+portion settlement costs+gst)	21,417,046	100.0%	Loan to Value Ratio	71.3%	<60%
EXPENSES			% Project Cost	% Construction Cost		
1 ACQUISITION COSTS	Area (m ²)	\$m ⁻²	Govt. Value			
Land Purchase Price	948	1,400	1,327,200			1,327,200
Valuation	0	5,000	0			
Buyers Commission						0
Legals on Land Purchase / Transfer						0
Due Diligence & Feasibility	0	0	0			0
TOTAL LAND ACQUISITION COSTS			5.09%	7.8%		1,327,200
2 PLANNING & DESIGN COSTS	Construction Cost	16,989,254	1,791,133	% Allocation		
Planning Consultants				0.15%		25,000
Development Management fee to FC				0.00%		0
Architects				3.50%		594,000
Geotech & Contamination				0.45%		76,452
Structural Engineers				1.35%		229,355
Electrical				0.30%		50,968
Mechanical (in D&B Price section 8.0)				0.30%		50,968
Hydraulics				0.30%		50,968
Engineers Rep				1.00%		169,893
Quantity Surveyor				0.50%		84,946
Acoustic Engineer				0.11%		19,141
Surveyor (boundary adjustments / unit title)				0.17%		29,605
Fire Engineering & Protection + Peer Review				0.40%		67,957
Infrastructure (Power, water, gas, telecoms)				0.25%		42,473
Specialist Consultants / Peer Reviews				1.76%		299,408
TOTAL PLANNING AND DESIGN			6.87%	10.5%		1,791,133
3 STATUTORY AUTHORITIES	Rate / Unit	Number of Units	% Construction Cost / Value	Apportioned		
Resource Consent Lodgement and Processing			1.00%	25.00%		42,473
Resource Consent for subdivision (incl. 223 & 224 certification)			169,893	7.50%		12,742
Building Consent Fees and Inspections				67.50%		114,677
Electricity Supply Infrastructure & permanent transformer (Vector)						120,000
Provision of temporary transformer (Vector) - incl in builders price						0
Rebate from Vector for permanent transformer on connection	0	53				0
Provision of telecommunications infrastructure						32,277
Provision of gas services infrastructure						5,097
Development Contributions - Residential	9,500	50				475,000
Development Contributions - commercial	12,174	0				0
Watercare Infrastructure growth (IGC's) - Residential	11,860	53				391,380
Watercare Infrastructure growth (IGC's) - Commercial	0	0				0
Watercare disconnection services and new meter						30,000
Sub-soil Lease costs						0
TOTAL STATUTORY AUTHORITIES			4.69%	7.2%		1,223,646
4 HOLDING COSTS		Per annum	Per annum	Per month	No. Months	
Rates	Rate	Incl. GST	Excl. GST			
Rates - Preconstruction	100%	\$17,275	\$15,022	1,252	8	10,015
Rates - Post Demolition / construction	60%	\$10,365	\$9,013	751	22	16,524
Insurance						
Insurance - Construction (existing buildings)						0
Insurance - Show suite - building & contents	100%	\$2,300	\$2,000	\$167	12	2,000
Insurance - Insurance - Show suite re-location insurance	100%	\$0	\$0	\$0	0	0
Project Construction Insurances	Value insured	Rate	Premium / one off payment			
Consequential loss insurance	5,500,000	0.70%	\$38,500			38,500
Public liability insurance	-	-	-	-	-	9,000
Contract works insurance	16,989,254	0.00%	\$0			0
Fire Service Levy	16,989,254	0.00%	\$0			0
Other - Statutory Liability	-	-	-	-	-	0
TOTAL HOLDING COSTS			0.29%	0.45%		76,039
5 SALES, LEASING & MARKETING COSTS						
Procure Show Suite						119,092
Show Suite Fitout						0
PR (incl. launch events & speaker series)						0
Advertising Design & Production incl model						0
Marketing Placements						0
Marketing Contingency (Post Settlement Sales)		At FC (50%)	Settlement (50%)			0
Office Leasing Commission		0	0			0
Retail Sales Commission		0	0			0
Incentives office and retail		0	0			0
Apartment Sales Commissions: FC	2.00%	427,785	0			427,785
Apartment Sales Commissions post FC	2.00%	81,941	0			81,941
Legal on Afl / Retail S&P						0
Legal on apartment S&P contracts: FC		15,900	0			15,900
Legal on apartment S&P contracts: post FC						0
Legal fees - Unit Titling (incl. LINZ fees)		included in legal fees and Terra Fees in section 2)				0
TOTAL SALES, LEASING & MARKETING COSTS			2.47%	3.79%		644,718

Appendix 5: Financial Feasibility Summaries



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8/4 Racecourse Parade, Avondale		Head-lines:	% Total Development Cost	Total # of units	53	Nov-19
3	Owner Equity (land)	1,327,200	5%	Total Project GFA		
existing units above	Project Costs Funded from Revenue	42,400	57% attributed to SDF	Total Project NSA	3,409	
Tower	Mezz / Equity Loan Value	5,992,324	23%	Equity interest rate	10.0%	
	Senior Debt Loan Value	18,599,350	71%	Interest rate	4.50%	
Summary & Inputs	Pre-sales cover (100% cover+portion settlement costs+gst)	21,417,046	100.0%	Loan to Value Ratio	71.3%	<60%

EXPENSES			% Project Cost	% Construction Cost		
6 FINANCE COSTS		Debt			Term / No	
Legal Fees - Land Finance	663,600			0.00%	1	0
Establishment Fee - Land Finance	663,600	663,600		0.00%	0	0
Interest - Land Finance - equity	663,600			10.00%	28	154,840
Interest - Land Finance - equity	663,600			10.00%	28	154,840
Legal Fees - Working Capital Funding	5,992,324			0.10%	0	0
Establishment Fee - Working Capital Funding	5,992,324	5,992,324		0.50%	0	0
Line Fees - Working Capital Funding	5,992,324			0.00%	0	0
IRR - Working Capital Funding				10.00%	24	898,849
Legal Fees - Senior Debt (incl below)	18,599,350			0.10%	1	18,599
Establishment Fee - Senior Debt	18,599,350	18,599,350		1.00%	1	185,994
BG and Line Fees - Senior Debt	18,599,350			1.00%	16	247,991
Interest - Senior Debt				4.50%	18	402,240
Bank Quantity Surveyor (initial Report and Monthly Drawdown)					18	69,000
Valuation					1	30,000
TOTAL FINANCE COSTS			8.29%	12.73%		2,162,353

7 DEVELOPMENT COSTS & PROJECT OVERHEADS		% / Rate month-1	No. Months	Cost month-1	
Development Management Fees (excl eng. Rep work)	509,726		1	509,726	509,726
Development Company Overhead	0		1	0	0
Development Company internal costs	0		24	0	0
Accounting & Tax / Other Overheads	1,000		40	1,000	40,000
Legal advisory services	0.50%		30	3,454	103,624
Development Contingency (From FC to PC) as a % of Senior Debt Loan	6.50%		21	57,569	1,208,958
TOTAL DEVELOPMENT MANAGEMENT AND LEGAL COSTS			7.14%	10.96%	1,862,308

8 CONSTRUCTION COSTS		Measurement Unit	Benchmark \$ / m ²	\$ / m ²	subtotal	
Enabling Works: Infrastructure / Demo / Road			0	0	0	
Contingency			0	incl.	incl.	
Escalation		years		0	0	
Total Demolition					0	0
Basement			1,000	0	0	
Upper basement (open 1 side)			2,600	0	0	
Apartments (Excluding Penthouses)			3,950	12,221,300	12,221,300	
Extra specifications for Apartments			4,000	0	0	
Penthouses			6,990	0	0	
Common areas / services			3,500	4,371,500	4,371,500	
Landscaping			300	111,454	111,454	
child care fitout			1,250	285,000	285,000	
Subtotal			0	0	0	16,989,254
Contingency			0.00%	0	0	0
Total Construction Cost						16,989,254
Legal on Construction Contract						0
TOTAL CONSTRUCTION COSTS (incl construction contin)			65.15%			16,989,254
TOTAL PROJECT COSTS			100.00%			26,076,651

REVENUE		No of Units	NSA (nternal)	NSA (external)	Rate average (\$m2) / unit	
9 REVENUE						
On Sale of 21c Godden (\$1.65M less gst)						
Apartments Sale	53	3,409	0.0		\$	25,486,290
GST on sales					-\$	3,324,299
Rebate from Vector for permanent transformer on connection					\$	-
Apartment Sales Commissions: FC					\$	-
Apartment Sales Commissions post FC					\$	-
Legal on apartment S&P contracts: post FC					-\$	42,400
Commercial						3,964,364
TOTAL PROJECT REVENUE (net of settlement cost, ex GST)						26,083,955
Project Profit						7,304
RETURN ON COST (Profit/Risk Factor)						0.03%

Appendix 5: Financial Feasibility Summaries



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8/4 Racecourse Parade, Avondale		Head-lines:	% Total Development Cost	Total # of units	53	May-20
3	Owner Equity (land)	4,002,600	15%	Total Project GFA		
existing units above	Project Costs Funded from Revenue	42,400	57% attributed to SDF	Total Project NSA	3,415	
3 Storey and 3 Buildings	Mezz / Equity Loan Value	3,625,249	14%	Equity interest rate	10.0%	
	Senior Debt Loan Value	19,033,693	71%	Interest rate	4.50%	
Summary & Inputs	Pre-sales cover (100% cover+portion settlement costs+gst)	21,916,540	100.0%	Loan to Value Ratio	70.6%	<60%
EXPENSES			% Project Cost	% Construction Cost		
1 ACQUISITION COSTS	Area (m ²)	\$m ⁻²	Govt. Value			
Land Purchase Price	2,859	1,400	4,002,600			4,002,600
Valuation	0	5,000	0			
Buyers Commission						0
Legals on Land Purchase / Transfer						0
Due Diligence & Feasibility	0	0	0			0
TOTAL LAND ACQUISITION COSTS			14.93%	26.8%		4,002,600
2 PLANNING & DESIGN COSTS	Construction Cost	14,938,650	1,574,656	% Allocation		
Planning Consultants				0.15%		22,000
Development Management fee to FC				0.00%		0
Architects				3.50%		522,000
Geotech & Contamination				0.45%		67,224
Structural Engineers				1.35%		201,672
Electrical				0.30%		44,816
Mechanical (in D&B Price section 8.0)				0.30%		44,816
Hydraulics				0.30%		44,816
Engineers Rep				1.00%		149,387
Quantity Surveyor				0.50%		74,693
Acoustic Engineer				0.11%		16,831
Surveyor (boundary adjustments / unit title)				0.17%		26,031
Fire Engineering & Protection + Peer Review				0.40%		59,755
Infrastructure (Power, water, gas, telecoms)				0.25%		37,347
Specialist Consultants / Peer Reviews				1.76%		263,269
TOTAL PLANNING AND DESIGN			5.87%	10.5%		1,574,656
3 STATUTORY AUTHORITIES	Rate / Unit	Number of Units	% Construction Cost / Value	Apportioned		
Resource Consent Lodgement and Processing			1.00%	25.00%		37,347
Resource Consent for subdivision (incl. 223 & 224 certification)			149,387	7.50%		11,204
Building Consent Fees and Inspections				67.50%		100,836
Electricity Supply Infrastructure & permanent transformer (Vector)						120,000
Provision of temporary transformer (Vector) - incl in builders price						0
Rebate from Vector for permanent transformer on connection	0	53				0
Provision of telecommunications infrastructure						32,277
Provision of gas services infrastructure						4,482
Development Contributions - Residential	9,500	50				475,000
Development Contributions - commercial	12,174	0				0
Watercare Infrastructure growth (IGC's) - Residential	11,860	47				344,414
Watercare Infrastructure growth (IGC's) - Commercial	0	0				0
Watercare disconnection services and new meter						30,000
Sub-soil Lease costs						0
TOTAL STATUTORY AUTHORITIES			4.31%	7.7%		1,155,559
4 HOLDING COSTS		Per annum	Per annum	Per month	No. Months	
Rates	Rate	Incl. GST	Excl. GST			
Rates - Preconstruction	100%	\$17,275	\$15,022	1,252	8	10,015
Rates - Post Demolition / construction	60%	\$10,365	\$9,013	751	22	16,524
Insurance						
Insurance - Construction (existing buildings)						0
Insurance - Show suite - building & contents	100%	\$2,300	\$2,000	\$167	12	2,000
Insurance - Insurance - Show suite re-location insurance	100%	\$0	\$0	\$0	0	0
Project Construction Insurances	Value insured	Rate	Premium / one off payment			
Consequential loss insurance	5,500,000	0.70%	\$38,500			38,500
Public liability insurance	-	-	-	-	-	9,000
Contract works insurance	14,938,650	0.00%	\$0			0
Fire Service Levy	14,938,650	0.00%	\$0			0
Other - Statutory Liability	-	-	-	-	-	0
TOTAL HOLDING COSTS			0.28%	0.51%		76,039
5 SALES, LEASING & MARKETING COSTS						
Procure Show Suite						123,143
Show Suite Fitout						0
PR (incl. launch events & speaker series)						0
Advertising Design & Production incl model						0
Marketing Placements						0
Marketing Contingency (Post Settlement Sales)		At FC (50%)	Settlement (50%)			0
Office Leasing Commission		0	0			0
Retail Sales Commission		0	0			0
Incentives office and retail		0	0			0
Apartment Sales Commissions: FC	2.00%	437,775	0			437,775
Apartment Sales Commissions post FC	2.00%	89,288	0			89,288
Legal on Afl / Retail S&P						0
Legal on apartment S&P contracts: FC		15,900	0			15,900
Legal on apartment S&P contracts: post FC						0
Legal fees - Unit Titling (incl. LINZ fees)						0
		included in legal fees and Terra Fees in section 2)				0
TOTAL SALES, LEASING & MARKETING COSTS			2.48%	4.46%		666,106

8/4 Racecourse Parade, Avondale		Head-lines:	% Total Development Cost	Total # of units	53	May-20
3	existing units above	Owner Equity (land)	4,002,600	15%	Total Project GFA	
3 Storey and 3 Buildings		Project Costs Funded from Revenue	42,400	57% attributed to SDF	Total Project NSA	3,415
		Mezz / Equity Loan Value	3,625,249	14%	Equity interest rate	10.0%
		Senior Debt Loan Value	19,033,693	71%	Interest rate	4.50%
Summary & Inputs		Pre-sales cover (100% cover+portion settlement costs+gst)	21,916,540	100.0%	Loan to Value Ratio	70.6% <60%

EXPENSES			% Project Cost	% Construction Cost		
6 FINANCE COSTS		Debt			Term / No	
Legal Fees - Land Finance		2,001,300		0.00%	1	0
Establishment Fee - Land Finance		2,001,300	2,001,300	0.00%	0	0
Interest - Land Finance - equity		2,001,300		10.00%	28	466,970
Interest - Land Finance - equity		2,001,300		10.00%	28	466,970
Legal Fees - Working Capital Funding		3,625,249		0.10%	0	0
Establishment Fee - Working Capital Funding		3,625,249	3,625,249	0.50%	0	0
Line Fees - Working Capital Funding		3,625,249		0.00%	0	0
IRR - Working Capital Funding				10.00%	24	543,787
Legal Fees - Senior Debt (incl below)		19,033,693		0.10%	1	19,034
Establishment Fee - Senior Debt		19,033,692	19,033,693	1.00%	1	190,337
BG and Line Fees - Senior Debt		19,033,692		1.00%	16	253,783
Interest - Senior Debt				4.50%	18	466,148
Bank Quantity Surveyor (initial Report and Monthly Drawdown)					18	69,000
Valuation					1	30,000
TOTAL FINANCE COSTS			9.35%	16.78%		2,506,029

7 DEVELOPMENT COSTS & PROJECT OVERHEADS		% / Rate month-1	No. Months	Cost month-1	
Development Management Fees (excl eng. Rep work)		527,063	1	527,063	527,063
Development Company Overhead		0	1	0	0
Development Company internal costs		0	24	0	0
Accounting & Tax / Other Overheads		1,000	40	1,000	40,000
Legal advisory services		0.50%	30	3,069	92,055
Development Contingency (From FC to PC) as a % of Senior Debt Loan		6.50%	21	58,914	1,237,190
TOTAL DEVELOPMENT MANAGEMENT AND LEGAL COSTS			7.07%	12.69%	1,896,308

8 CONSTRUCTION COSTS		Measurement Unit	Benchmark \$ / m ²	\$ / m ²	subtotal	
Enabling Works: Infrastructure / Demo / Road				0	0	0
Contingency				0	incl. incl.	
Escalation				years	0	0
Total Demolition					0	0
Basement				1,000	0	0
Upper basement (open 1 side)				2,600	0	0
Apartments (Excluding Penthouses)				3,450	10,691,550	10,691,550
Extra specifications for Apartments				4,000	0	0
Penthouses				6,990	0	0
Common areas / services				3,450	3,512,100	3,512,100
Landscaping				300	450,000	450,000
childcare fitout				1,250	285,000	285,000
Subtotal				0	0	14,938,650
Contingency				0.00%	0	0
Total Construction Cost						14,938,650
Legal on Construction Contract						0
TOTAL CONSTRUCTION COSTS (incl construction contin)				55.71%		14,938,650
TOTAL PROJECT COSTS				100.00%		26,815,948

REVENUE					
9 REVENUE					
	No of Units	NSA (nternal)	NSA (external)	Rate average (\$m2) / unit	
On Sale of 21c Godden (\$1.65M less gst)					
Apartments Sale	53	3,415	0.0		\$ 26,353,160
GST on sales					-\$ 3,437,369
Rebate from Vector for permanent transformer on connection					\$ -
Apartment Sales Commissions: FC					\$ -
Apartment Sales Commissions post FC					\$ -
Legal on apartment S&P contracts: post FC					-\$ 42,400
Commercial					4,072,655
TOTAL PROJECT REVENUE (net of settlement cost, ex GST)					26,946,046
Project Profit					130,098
RETURN ON COST (Profit/Risk Factor)					0.49%