

Appendix 2 Financial Analysis

HARROW		
		Units
LRR rent - 2009	249.2	12
Starting lease rent - 2009	314.61	80
W.Avg LHA - 2009	314.61	92
HB CAP - 2008	333.83	100
W.Avg property price	256,573	100
Conversion rate	65.30%	
Full conversion year	29	

SUB REGIONAL SCHEME SUMMARY	
Conversion at end of 15 years	68.50%
100% conversion year	27
TA Units	1114
SHI Units	212
Weighted average HB Cap - 2008	320.92
Weighted average CMR - 2009	310.8
Weighted average LRR - 2009	263.15
Weighted average TARGET RENT - 2008	91.38
Weighted average MCR(Max LHA) - 2009	340.01
RPI	2.50%
RPI + % for lease rent	0.50%
Rate of LHA increase	2.50%
Investment income rate	4.50%
Grand total rent payable over 15 years	368,281,479
Max income over 15 years	386,377,172
Project Surplus	18,095,693
Held in rent charged account at end of 15 years	26,173,514
Held in property charged account at end of 15 years	0
Overall Project Surplus	26,173,514

Total Rent Payable

Year	TA-CMR	SHI-LRR	AFFORD..	TOTAL RENT	LHA Variations	MCR(TA) (Max LHA)	RENT CHARGED A/C		PROPERTY CHARGED A/C		
							Gain/Deficit	Int.earned B/F	Int.earned C/F		
Total	319,458,654	45,172,232	3,650,592	368,281,479	0	337,554,347	18,095,693	8,077,821			
2008	7,787,659	0	0	7,787,659	0	7,787,659	0				
2009	18,521,325	0	107,675	18,629,000	0	20,261,876	1,740,551	39,162			
2010	22,073,347	1,494,009	226,851	23,794,207	0	24,030,479	1,957,132	124,123	0	0	0
2011	19,100,603	3,077,659	233,657	22,411,919	0	20,693,214	1,592,611	209,577	0	0	0
2012	19,673,621	3,169,988	240,667	23,084,276	0	21,210,545	1,536,923	289,423	0	0	0
2013	20,263,830	3,265,088	247,887	23,776,805	0	21,740,808	1,476,978	370,260	0	0	0
2014	20,871,745	3,363,041	255,323	24,490,109	0	22,284,328	1,412,584	451,936	0	0	0
2015	21,497,897	3,463,932	262,983	25,224,812	0	22,841,437	1,343,540	534,286	0	0	0
2016	22,142,834	3,567,850	270,872	25,981,556	0	23,412,473	1,269,639	617,126	0	0	0
2017	22,807,119	3,674,885	278,999	26,761,003	0	23,997,784	1,190,665	700,253	0	0	0
2018	23,491,333	3,785,132	287,369	27,563,833	0	24,597,729	1,106,397	783,449	0	0	0
2019	24,196,073	3,898,686	295,990	28,390,748	0	25,212,672	1,016,600	866,471	0	0	0
2020	24,921,955	4,015,647	304,869	29,242,471	0	25,842,989	921,034	949,059	0	0	0
2021	25,669,613	4,136,116	314,015	30,119,745	0	26,489,064	819,450	1,030,928	0	0	0
2022	26,439,702	4,260,199	323,436	31,023,337	0	27,151,290	711,589	1,111,768	0	0	0

NOTES

HB Caps in 2008/09 only

Starting lease rent and LHA is as per the information supplied by Lloyds which are based on the indicative rates issued by the DWP. These will be firmed up in January 2008.

Weighted average property price is as per the Lloyds bid document

Investment income rate is assumed to be RPI + 2%