

01 / THE STARTING CASE

Foundry Yard

From explicit assumptions to a reviewable decision.

A fictional Manchester brownfield redevelopment: 96 apartments and 12 sold workspaces in two phases. The model runs from January 2027 to December 2030. All amounts are assumed inputs, before tax.

Core assumptions	Base case
Land purchase + acquisition costs	£5,800,000 + £290,000
Developer equity / loan interest	£13,000,000 / 6.5%
Gross sales / selling costs	£41,970,000 / £1,259,100
Professional fees / other allowances	£2,421,375 / £2,552,825

The construction basis

Component	Gross area	Base cost
Phase 1 apartments	5,025.0 m ²	£2,600/m ²
Phase 2 apartments	2,812.5 m ²	£2,300/m ²
Sold workspaces	1,125.0 m ²	£2,300/m ²
Shared remediation & services	Fixed allowance	£3,600,000
Total construction		£25,721,250

Programme: Phase 1 works start in month 3; Phase 2 and workspaces in month 13. Each runs for 20 months. Remediation starts in month 1 over 18 months. The construction facility is based on 100% of construction costs.

02 / THE FINANCIAL CONSEQUENCE

A 10% construction increase.

The alternative raises the construction rates and remediation allowance by 10%. The displayed land, gross sales, equity and loan-rate assumptions remain unchanged. The Base case is preserved for comparison.

Financial result	Base case	Construction +10%
Construction costs	£25,721,250	£28,293,375
Finance cost	£1,130,480	£1,394,573
Development profit after finance	£2,794,970	-£41,248
Peak debt outstanding	£19,647,276	£21,935,861
Project IRR, before debt	6.67%	2.25%
Equity IRR	5.71%	-0.09%
Project NPV at 12%	-£2,549,093	-£4,756,883

Why the profit changes

£2,572,125 extra construction + £264,093 extra finance
= £2,836,218 reduction in development profit.

The cost alternative turns the Base profit into a small loss. The Base itself still needs review: a positive profit accompanies a 5.71% equity IRR and a negative project NPV at a 12% discount rate.

Basis: profit includes finance costs. Project IRR and NPV use project cash flows before debt; equity IRR uses equity cash flows. Peak debt is borrowing outstanding, not the total funding requirement. Displayed money is rounded to the nearest pound.

03 / THE FINISHED REVIEW

Understand the decision.

Base case: from sales to development profit

Appraisal bridge	GBP
Gross sales	£41,970,000
Less selling costs	-£1,259,100
Net development revenue	£40,710,900
Development costs before finance*	-£36,785,450
Finance cost	-£1,130,480
Development profit after finance	£2,794,970

*Excludes selling costs, already deducted above. The bridge reconciles to the original issued Base development appraisal.

What a reviewer should take away

Check construction pricing, sales assumptions and financing terms before relying on the Base. Compare the return with the intended hurdle. The cost alternative exposes a narrow profit buffer; it does not establish market values or a recommendation to invest.

About this example

A fictional, before-tax development case. This example review brings together the assumptions, a construction-cost alternative and two selected pages from the Base appraisal. It illustrates the financial consequences of the stated inputs, not a market valuation or investment recommendation.

The following pages are excerpts from the original Base appraisal. This example review is a prepared demonstration pack, rather than a complete report exported from Feasly.

BASE APPRAISAL / SELECTED PAGE

Feasly · Demonstration

EXECUTIVE SUMMARY · FOUNDRY YARD

SECTION 1 · EXECUTIVE SUMMARY

Recommendation

Demonstration appraisal: review the saved Base v2 case alongside the construction programme, cost assumptions and funding profile. This illustrative example is prepared to demonstrate the reporting workflow, not to recommend an investment.

Residual profit **GBP 2,794,970**, say two million, seven hundred and ninety-four thousand, nine hundred and seventy GBP.

PROFIT ¹ GBP 2.8 m	MARGIN ON COST ² 7.1 %	MARGIN ON GDV ³ 6.7 %	PROJECT IRR ⁴ 6.7 %
GDV ⁵ GBP 42 m	TOTAL DEV COST ⁶ GBP 37 m	NPV ⁷ GBP -3 m	PEAK FUNDING ⁸ GBP 32 m
EQUITY IRR ⁹ 5.7 %	EQUITY MULTIPLE ¹⁰ 1.21 ×	BREAKEVEN ¹¹ May 2030	PAYBACK ¹² 41 mo

THE SHAPE OF THE DEAL



Cumulative cashflow: the engine's own running balance before finance costs, annotated with its trough (peak funding), breakeven and net at exit. Net at exit is therefore stated before interest and differs from the residual profit above by the finance cost carried in the appraisal. Every point is an engine cell.

Every figure on this page is the engine's own output for Base v2, printed as the engine emitted it. Where this document forms a ratio of two engine figures it says so at the figure. An em-dash marks a value this run did not emit.

¹ Profit. Residual profit BEFORE TAX: net revenue less total cost including finance (the engine identity).

² Margin on cost. Pre-tax profit ÷ total cost including finance (the engine's own denominator).

³ Margin on GDV. Pre-tax profit ÷ gross development value, including the engine's held value on a develop-and-hold model.

⁴ Project IRR. Project IRR reported by the engine.

⁵ GDV. Gross value of the scheme before selling costs and VAT, including the engine's held value where applicable.

⁶ Total dev cost. £ of the engine's total costs, including financing fees and excluding interest paid.

⁷ NPV. Net present value, discounted at the model's discount rate.

⁸ Peak funding. The deepest trough of the cumulative cashflow: the most capital out at once.

⁹ Equity IRR. Return on developer equity (the engine's equity view).

¹⁰ Equity multiple. Equity out ÷ equity in.

¹¹ Breakeven. First period the cumulative cashflow returns to zero or above, on the model calendar.

¹² Payback. Periods until the cumulative cashflow first turns non-negative.

BASE APPRAISAL / SELECTED PAGE

Feasly - Demonstration

DEVELOPMENT APPRAISAL - FOUNDRY YARD

SECTION 2 - DEVELOPMENT APPRAISAL

The appraisal foots to the engine identity: Net revenue – costs – finance = profit

ITEM	AMOUNT - GBP	% NET REVENUE
Gross sales revenue	41,970,000	103.1%
Selling costs	(1,259,100)	(3.1%)
Net development value	40,710,900	100.0%
Land acquisitions	(6,090,000)	15.0%
Construction	(25,721,250)	63.2%
Miscellaneous costs	(2,552,825)	6.3%
Professional fees + contingency	(2,421,375)	5.9%
Total development cost	(36,785,450)	90.4%
Finance & interest	(1,130,480)	2.8%
Total cost incl. finance	(37,915,930)	93.1%
Residual profit	2,794,970	6.9%

The appraisal carries no tax line: the residual is stated **before tax**. Any tax rates the model carries are authored inputs, listed in the assumptions register, and are not applied here.

Feasly - Foundry Yard - Base v2 - engine e5463e4

Section 2 of 8