

Major changes to the assumptions between KGE Board approved projections and revised projections for the repatriation of profit.

Officers have highlighted below the major changes to the assumptions between the original version agreed by the KGE Board and shared with Council in June 2021 and the latest set of projections as at 7 April 2022.

This means that

A -There are no changes to the PWLB interest rates used, as we had erred on the slightly higher side in the original projections

B - There was not a significant change in the percentage split between affordable housing and private rentals and therefore the total combined interest rates have not changed.

C - Based on the actual profiling of other related costs over the last year, officers have assessed that there is no material change required to the projections.

D - officers do not expect any potential increases in the PWLB interest rate to exceed those used in the original projections.

Estimated Practical Completion Date

| | Was | Now |
|-------------------------------|------------|------------|
| Oast House | Nov-25 | Dec-25 |
| Thameside | Jun-24 | Feb-26 |
| Victory Place | Dec-23 | Jun-24 |
| Benwell phase II | Oct-22 | Oct-24 |
| Ashford Multi storey car park | Dec-25 | unchanged |
| West Wing | May-21 | Dec-21 |

This will cause delays to rental cash inflows

Capital costs

| | Was | Now |
|-------------------------------|------------|---------------------|
| Oast House | £105.1m | £71.4m NHS on board |
| Thameside | £60.9m | £62.8m |
| Victory Place | £33.0m | £36.4m |
| Benwell phase I | £9.3m | £9.3m |
| Benwell phase II | £20.8m | £20.8m |
| Ashford Multi storey car park | £15.5m | £15.5m |
| West Wing | £5.9m | £5.9m |

Number of apartments

| | Was | Now |
|-------------------------------|------------|------------|
| Oast House | 216 | 182 * |
| Thameside | 140 | 104 * |
| Victory Place | 127 | 127 * |
| Benwell phase I | 55 | 55 |
| Benwell phase II | 39 | 39 |
| Ashford Multi storey car park | 48 | 48 |
| West Wing | 25 | 25 |

*Configuration of apartment sizes has changed.

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Apartment configuration change for Thameside

| | Was | Now |
|----------------------|------------|------------|
| 1 bed - 50:50 AH:PRS | 69 | |
| 2 bed - 50:50 AH:PRS | 67 | |
| 3 bed - 50:50 AH:PRS | 4 | |
| 1 bed/2p - PRS | | 2 |
| 2 bed/4p - PRS | | 27 |
| 3 bed/5p - PRS | | 4 |
| 2 bed/4p - AH | | 27 |
| 1 bed/2p - PRS | | 22 |
| 1 bed/2p - AH | | 7 |
| 2 bed/4p - AH | | 15 |
| | <u>140</u> | <u>104</u> |

Monthly residential rental income £000s

| | Was | Now |
|-------------------------------|--------------|--------------|
| Oast House | 226.5 | 208.6 |
| Thameside | 165.4 | 112.9 |
| Victory Place | 131.5 | 116.3 |
| Benwell phase I | 53.9 | 53.9 |
| Benwell phase II | 43.7 | 43.7 |
| Ashford Multi storey car park | 47.0 | 47.0 |
| West Wing | 22.2 | 22.2 |
| | <u>690.2</u> | <u>604.6</u> |

A difference of £ -85.6 k per month
-1,027.2 k per annum

Monthly commercial rental income £000s

| | Was | Now |
|-------------------------------|--------------|--------------|
| Oast House | 47.7 | 17.9 |
| Thameside | 124.1 | 100.0 |
| Victory Place | 0.0 | 0.0 |
| Benwell phase I | 0.0 | 0.0 |
| Benwell phase II | 0.0 | 0.0 |
| Ashford Multi storey car park | 6.7 | 6.7 |
| West Wing | 0.0 | 0.0 |
| | <u>178.5</u> | <u>124.6</u> |

A difference of £ -53.9 k per month
-646.8 k per annum