

Appendix A - Projected garage management proposal cost model.

	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
No of garages	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258
No of voids at year end	335	295	255	215	175	135	115	105	95	85	75
New garages let (assume let evenly during year)		40	40	40	40	40	20	10	10	10	10
Total number of garages let at year end	923	963	1,003	1,043	1,083	1,123	1,143	1,153	1,163	1,173	1,183
Weekly rent	15.00										
Proposed weekly rent - existing lets		16.00	17.00	18.00	19.00	20.00	20.00	20.00	20.00	20.00	20.00
Proposed weekly rent - new lets		18.00	19.00	20.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00
Rental income from new lets		18,720	57,200	97,760	140,400	185,120	219,440	236,600	248,040	259,480	270,920
Rental income from rent increase on existing lets - Yr 1		47,996	47,996	47,996	47,996	47,996	47,996	47,996	47,996	47,996	47,996
Rental income from rent increase on existing lets - Yr 2			47,996	47,996	47,996	47,996	47,996	47,996	47,996	47,996	47,996
Rental income from rent increase on existing lets - Yr 3				47,996	47,996	47,996	47,996	47,996	47,996	47,996	47,996
Rental income from rent increase on existing lets - Yr 4					47,996	50,076	50,076	50,076	50,076	50,076	50,076
Ave Weekly Rent (total portfolio)	15.00	15.82	16.99	18.10	19.18	19.36	19.65	19.79	19.82	19.86	19.89
Gross rental income (current year modelled)	664,560	731,276	817,752	906,308	996,944	1,043,744	1,078,064	1,095,224	1,106,664	1,118,104	1,129,544
Estimated DBC maintenance * clearing expenditure pa.	75,000										
Garage Management Fee (£115 per garage, pa. - includes advertising, management, minor repairs, site appraisals etc)		144,670	148,287	151,994	155,794	159,689	163,681	167,773	171,967	176,266	180,673
Less DBC (est) maintenance costs saved pa as now included in management fee.		85,000	95,000	105,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Net Revenue Income to HRA p.a	589,560	671,606	764,465	859,314	956,150	999,055	1,029,383	1,042,451	1,049,697	1,056,838	1,063,871
Net Revenue loss to HRA		59,670	53,287	46,994	40,794	44,689	48,681	52,773	56,967	61,266	65,673
Gross increase in rental income compared to current performance		66,716	153,192	241,748	332,384	379,184	413,504	430,664	442,104	453,544	464,984
Net increase in rental income compared to current performance	-	2,954	79,905	164,754	251,590	294,495	324,823	337,891	345,137	352,278	359,311

Increased income does not include any additional income that would be generated from letting contract as a Central Purchasing Scheme (Framework) where other LA's would pay a fee to use our procurement process for their own garages stock.

Backlog of repairs required for garages estimated at £4.5m

No direct staff savings as not delivered by a single post.

Void rates increasing by 5-7% pa due to deteriorating condition of garages.