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Norton Highfield Ltd is an independent firm of chartered surveyors based in Sheffield. They have been active since 2018 and survey houses, flats and commercial buildings to establish conditions, alteration requirements and extensions. Operating across Sheffield, Derbyshire, the East Midlands and Yorkshire, they are able to provide architectural services, 3D designs, project management and consultancy work.

The Director of Norton Highfield, Paul Morrison MRICS, is an independent chartered surveyor with 15 years of experience in the industry. As a member of the Royal Institution of Chartered Surveyors, Paul carries out building surveys, home-buyer reports and valuations for the company. Aprao is a financial modelling and development appraisal tool for real estate that is cloud-based, ensuring development appraisals can be edited in real-time accurately, and accessed from anywhere.

Prior to using Aprao, Paul recounts how he had to turn down work, owing to the fact that undertaking too many valuations would strain capacity and compromise on their quality service. "That's when I started to look for other alternatives," Paul tells us, "because clients would bring me jobs and I was turning them down because I didn't have the information readily available. I had looked at Argus as an option, but I thought it was a bit expensive for what I wanted.

"I assessed the market and looked at everything that was available. I was going to sign up for Argus because they had a package for smaller companies like ours but I didn't like the option of being restricted, whereas Aprao's software looked better and I didn't mind paying the subscription fee for it."

All images via Norton Highfield.



After looking into other solutions, Paul chose Aprao to drive his estimating service to contractors and deliver a quick turnaround to clients when establishing the viability of schemes and property portfolios.

Since using Aprao, Paul has been able to expand his operations and ensure success for developers over time. For example, the first job he used Aprao for was a scheme he had assessed several years earlier, involving the building of a seven-story site of mixed-use flats and a community centre for a church. At the time, the scheme had not been picked up for various reasons, however, there has been recent development interest and Paul has been able to take another look at its components again using Aprao.

"It takes me an hour – it might be less – to do an appraisal in Aprao, because I've got all the information."

"When I found Aprao, I quickly got how to use it straight away. I've been able to revisit the scheme and reverse engineer the figures to provide the costings accurately for a developer who is interested." In general, Aprao has enabled Norton Highfield to continue to build strong relationships with developers by providing accurate appraisals and a cross-check on the numbers. "Aprao has got me through the door with developers, as I am able to say to them, 'before you buy that land, have you thought about how much it's going to cost you to develop it?' as often developers use their own spreadsheets.

"But when I show them the Aprao software, it's clear that they can then develop larger projects and sense-check the numbers and what they've done. Although I'm not using Aprao all the time, it's of benefit to me because that next job could come in at any time."

Norton Highfield uses the Aprao tool to calculate residual site values, estimate the profitability of upcoming projects and include architect and design scheme costs into its appraisals. Recently, they worked on a scheme that needed to be built in relation to the local authorities' new build design criteria; they were able to use Aprao to include these criteria within their appraisal calculations and run different development scenarios to come up with eight, two-bedroom houses.

"For that particular scheme," Paul tells us, "I was able to put all of that information into Aprao, along with the square metre area, and the finance the developer would use to get the scheme up and running; I did everything in Aprao."

Images via Norton Highfield.



Using the finance tab of Aprao, Norton Highfield were able to work out how much development finance would be needed to make the scheme viable. "Then Aprao would kick out a profit and GDV figure and a land value. In relation to the RICS red book where it talks about working in different scenarios and the open market, Aprao puts me in a position to put a value on the land, value the properties and give those figures to my client's accountant. And that's how we finished that scheme."

The prime reason Norton Highfield uses Aprao is to eliminate errors that can come with using more traditional methods and most importantly, to ensure they can work with confidential information for their clients securely through Aprao's cloud-based system. "When you use an Excel spreadsheet," Paul states, "it's made by you, the individual, so there might be errors in it."

"Whereas Aprao is a software designed by computer programmers and sense-checked several times. Any mistakes are ironed out, whereas in a spreadsheet you have to check constantly, and are changing formulas to get what you want." Unlike traditional legacy systems which are built on old programming architecture, Aprao hosts in the cloud and uses third-party authentication systems that are extremely secure.

With other systems, "there is a potential for it to crash on your home computer and a data protection issue when you're using your own computer," Paul explains, "however, by using Aprao, I can tell my clients I am using external software, all the information is dealt with by the system in terms of privacy, and that it's on a dedicated secure server. That for me is a huge selling point."

Images via Norton Highfield.



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Boards

Personal

Team

General Revenue Build Other Costs Finance **Site Purchase** Cashflow

Purchase of the existing building

Description

Purchase of the existing building

Residual value £ 4,449,018.67

Purchase price* £ 4,500,000

APPLY

Current use class Residential

SDLT (calculated) £ 588,750

Search 3 % Custom SDLT

Legal fees 0.5 % £ 22,500

Agent fees 1.5 % £ 67,500

Effective SDLT rate 13.08 %

Total £ 5,178,750

DELETE

DUPLICATE

ADD PURCHASE ELEMENT

Summary

Total purchase cost £5,178,750.00

Key Metrics

RoC 19.46% Project IRR 26.16%

RoGDV 15.94% Equity IRR 159.59%

RoE 144.17% Units 28

GIA (H) 23,720 NIA (H) 19,650

GENERATE REPORT

Summary Appraisal

Gross Development Value £16,290,000.00

Costs £351,500.00

Net Development Value £15,938,500.00

Purchase Cost £5,178,750.00

Build Cost £6,920,500.00

Other Cost £607,900.00

Finance Cost £634,581.50

Total Costs £13,341,731.50

Target profit £2,668,346.30

Profit £2,768.50

Residual Site Value

Help