

COMMUNITY INFRASTRUCTURE LEVY
Commercial Development

DEVELOPMENT VALUE	Common Assumptions		Appraisal B			
	Proposed Space	Rooms	95% Occupancy	£ per room	£ pa	
<u>Rental Income</u>						
Gross Rent		200	190	£135.00	£1,333,800	
Operating Costs					-£475,000	
Net Annual Rents						
Net Annual Rents		50	48	£180.00	£449,280	
Net Annual Rents					£1,308,080	
Rent free / voids (years)				-	-	
Yield				6.25%		
Capitalised rent					£20,929,280	
GROSS DEVELOPMENT VALUE						
Purchasers Costs	5.80%				£1,213,898	
					£19,715,382	
DEVELOPMENT COSTS						
<u>Development Costs</u>						
Existing floor area	30%					
Demolition costs (psf)	£5	22405			£112,025	
Building costs (psf)	£133				£9,941,750	
Area per unit (inc. common area)	299	74,750				
External works	10.00%				£994,175	
Professional fees	10.00%				£1,104,795	
Contingency					£0	
Mayor CIL and S106					£373,750	
<u>Disposal Costs</u>						
Letting Agent's fee (% of rent)	0.00%				£0	
Agent's fee (on capital value)	1.00%				£197,154	
Legal fees (% of capital value)	0.75%				£147,865	
<u>Interest on Finance</u>						
Total development duration	24 months					
Loan arrangement fee		1.00%			£125,265	
Interest on Construction Costs	24 months	7.00%			£876,855	
DEVELOPMENT COST (before profit)					£13,873,634	
<u>Profit</u>						
Developer's profit on cost	20.00%				£2,774,727	
TOTAL DEVELOPMENT COSTS					£16,648,361	
LAND VALUE						
Land surplus					£3,067,021	
Stamp duty	4.00%				£122,681	
Agent's fees	1.25%				£38,338	
Legal fees	0.50%				£15,335	
Interest rate	6.50%				£421,639	
Finance period	24 months					
RESIDUAL LAND VALUE					£2,469,029	
Less EUV (inc premium)					£2,563,482	
Total					-£94,453	
Net floorspace (sq m)		6,944			2,081	
Maximum CIL per sqm						
Against EUV					£14	