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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					
		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

Disposal Costs

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

Interest on Finance

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

Profit

Developer's profit on cost	20.00%	£2,774,727
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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
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Maximum CIL per sqm

Against EUV

£14

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