

Use Class: **Out of Centre Comparison Retail**

DEVELOPMENT VALUE			
		£ per sq ft	£ per annum
Rent - area x rate per sqft	2,000	30	£60,000
Total Rental Income	2,000		£60,000
Rent free/voids (years)	2	0.8653	£51,918
Total revenue, capitalised (incl all costs)		7.5%	£692,240
Gross Development Value			£692,240
Less Purchaser's Costs	5.75%	£39,804	£652,436

DEVELOPMENT COSTS			
Development Costs			
	Area	£ per sq ft	Total
Demolition Costs	1,000	£15	£15,000
Building Costs		£110	£220,000
Area	2,000		
Contingency		7%	£15,400
External Works		3.00%	£6,600
Professional Fees		12%	£28,200
Community Infrastructure Levy		0	£0
Total			£285,200
Disposal Costs			
		%	Total
Letting Agent's Fee (% of Rent)		15%	£9,000
Agent's Fees (on capital value)		1%	£6,922
Legal Fees (% of capital value)		0.75%	£5,192
Total			£21,114
Interest on Finance			
	Months	%	Total
Total Development duration	12		
Loan arrangement fee		1%	£2,852.00
Interest on Construction Costs	12	7.0%	£21,442
Total			£24,294
Profit			
		%	Total
Developer's Profit on Total Development Cost		20%	£66,122
Total Development Costs			£396,730

LAND VALUE			
	Months	%	Total
Land Surplus			£295,510
Stamp Duty		4%	£11,820
Agent's Fees		1.25%	£3,694
Legal Fees		0.50%	£1,478
Total			£16,992
Interest on land finance	24	7.00%	£19,496
Total			£36,488
RESIDUAL LAND VALUE			£259,022

Existing Site Value			
	%		
Assumes existing space is % of new	50%	1,000	
Rent per sq ft		£40	
Rental income per annum		£40,000	
Rent free/voids (years)		3	0.7938
Total revenue, capitalised (incl all costs)			8%
			£31,752
			£396,900
Refurbishment costs (per sq ft)		£20	£20,000
Fees		7%	£1,400
Total			£21,400
Purchaser's Costs		5.75%	£21,794
Total Costs			£43,194
Existing Site Value			£353,706

SV incl Landowner Premium 20% £70,741 £424,447

Surplus available to fund CIL **-£165,425**

Surplus to fund CIL - sensitivity

	Rent per sqft	£20	£30	£40
Yield				
7.0%		-£339,792	-£121,887	£96,018
7.5%		-£368,817	-£165,425	£37,966
8.0%		-£394,214	-£203,521	-£12,828
8.5%		-£416,624	-£237,135	-£57,647

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B

A-B

C

D

E

C-E