

Residual Valuation of site as renovated and retained entirely as commercial

Item	Values	Totals	Subtotal Checks	
Value of Completed Development (GDV)	£ 868,908			*1
Cost of Repairs				*2
New Roof		£ 100,000		
Removal of Asbestos		£ 95,000		
New Windows		£ 70,000		
General Internal Remedial Works		£ 70,000		
Decorations		£ 40,000		
New Heating System		£ 30,000		
Solar Panels		£ 40,000		
Car Park Upgrade and Tree Removal		£ 30,000		
Cladding/Insulation		£ 40,000		
Utilities Works		£ 100,000		
			£ 615,000	
Contingency @ 10% cost of repairs		£ 61,500		
Professional Fees @ 10% cost of repairs		£ 61,500		
			£ 738,000	
Finance 4% (3.9% over base rate) of capital costs for 2 years		£ 59,040		*3
			£ 797,040	
Inflation (2 years as of current rate of 4.2%)		£ 66,951		*4*5
			£ 863,991	
Developer Profit @ 20%		£ 172,798		*7
Total Capital Costs		£ 1,036,790		
Residual Valuation	-£ 167,882			*6

*1 Based on renovated value of proposed retained commercial space as per Red Book Valuation by Salloway dated 9th August 2021

*2 Cost of repairs based on figures attained by prospective commercial tenant

*3 Bank of England Interest Rate as of 18th November 2021

*4 Inflation as per the National Office of Statistics on 18th November 2021

*5 Project anticipated to take 2 year son the basis of commercial development

*6 Residual valuation of solely commercial development is negative, though the site would still retain a basic land value

*7 Removal of developer profit would only result in a minimal profit which would essentially not be worth the risk of investment

Site as proposed mixed commercial and residential

Item	Values	Totals	Subtotal Checks	
Value of Completed Development (GDV) of Commercial	£ 410,000			*1
Cost of Repairs - Commercial				*2
New Roof		£ 50,000		
Removal of Asbestos		£ 95,000		*3
New Windows		£ 35,000		
General Internal Remedial Works		£ 35,000		
Decorations		£ 20,000		
New Heating System		£ 20,000		*4
Solar Panels		£ 20,000		
Car Park Upgrade and Tree Removal		£ 10,000		*5
Cladding/Insulation		£ 20,000		
Utilities Works		£ 100,000		
			£ 405,000	
Value of Completed Development (GDV) of Residential	£ 3,299,200			*6
Development @ £320 per sqft				
Cost of construction of residential @ £170 per sqft		£ 1,752,700		*7
			£ 2,157,700	
Contingency @ 10% cost of repairs and construction		£ 215,770		
Professional Fees @ 10% cost of repairs and construction		£ 215,770		
			£ 2,589,240	
Finance 4% (3.9% over base rate) of capital costs for 2 years		£ 207,139		*8
			£ 2,796,379	
Inflation (2 years as of current rate of 4.2%)		£ 234,896		*9*10
			£ 3,031,275	
Developer Profit @ 20%		£ 606,255		*11
Total Capital Costs		£ 3,637,530		
Residual Valuation	£ 71,670			

*1 Value of proposed retained commercial space as per Red Book Valuation by Salloway dated 9th August 2021

*2 Cost of repairs based on proportioned amount of figures attained by prospective tenant

*3 Asbestos will have to be removed irrelevant of type of development therefore cost remains constant

*4 New heating system installation would not be equally proportional due to the primary cost is associated with heat source i.e. boilers, air source heat pump, etc. rather than transmitter i.e. radiator, underfloor heating, etc.

*5 Greater reduction in costs due to a greater proportion of the car park is taken.

*6 Based on recent sales as relayed by local agent Howkins and Harrison LLP

*7 Based on developers recent developments in the surrounding area

*8 Bank of England Interest Rate as of 18th November 2021

*9 Inflation as per the National Office of Statistics on 18th November 2021

*10 Project anticipated to take 2 year son the basis of commercial development