

DEVELOPMENT APPRAISAL

Commercial Development

Use class: **STUDENT HSG**

QMU accommodation

DEVELOPMENT VALUE		Term rent	£158 per week	
		Vacation rent	£189 per week	
Rental Income				
Annual rent per unit - term time (95% occupancy)	38 weeks	95% occupancy	75,050	2,851,900
Annual rent per unit - summer (50% occupancy)	13 weeks	50% occupancy	47,250	614,250
Operating costs	500 units	£2100 per unit		(1,050,000)
Net annual rents				2,416,150
Total revenue, capitalised (including all costs)			6.25%	38,658,400
Purchasers costs			5.8%	(2,242,187)
GROSS DEVELOPMENT VALUE				36,416,213

DEVELOPMENT COSTS				
Development Costs				
Demolition costs	£5 psf	44,810 sqft		224,050
Building costs	£137.40 psf			20,523,356
Area per unit (incl common areas)	299 sqft pu	149,367 sqft		
External works			10.00%	2,052,336
Contingency			5.00%	1,139,987
Professional fees			10.00%	2,393,973
Residual S106			£5.00 psf	746,834
Mayoral CIL			£3.25 psf	485,678
Disposal Costs				
Letting Agent's fee (% of rent)			0.00%	-
Agent's fees (on capital value)			1.00%	364,162
Legal fees (% of capital value)			0.75%	273,122
Interest on Finance				
Total development duration	24 months			
Loan arrangement fee			1.00%	275,662
Interest on Construction Costs	24 months		6.50%	1,791,804
Profit				
Developer's profit on total revenue			20.00%	7,283,243
TOTAL DEVELOPMENT COSTS				37,554,205

LAND VALUE				
Land surplus				(1,137,992)
Stamp duty			4.00%	45,520
Agent's fees			1.00%	11,380
Legal fees			0.80%	9,104
Interest on land finance	24 months		6.50%	139,359
RESIDUAL LAND VALUE				(932,630)

Existing use value				
Existing space as % of new	30%	44,810 sqft		
Rent per sq ft		£12.00 psf		
Rental income per annum		£537,720		
Rent free/voids (years)		3.0	0.7938	
Total revenue, capitalised (including all costs)			8.00%	5,335,746
Refurbishment costs		£50 psf	2,240,501	
Fees		7%	156,835	
Purchaser's costs		5.80%		170,428
Existing use value				2,767,982
EUV including Landowner premium		20%		3,321,578
Residual Land Value less EUV plus premium				(4,254,208)
Borough CIL Per sqm (net additional floorspace)				-£307