

Appendix G – Results of Commercial Viability Testing

G1 – Discount Supermarket

Revenue

| | Units | ft2 | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 26,900 | 15.00 | 403,500 |

Investment Valuation

| | | | | | |
|--------------------|---------|-----------------------|-------|------------------|-------------------|
| Market Rent | 403,500 | YP @ | 5.75% | 17.3913 | |
| (1 yr Rent Free) | | PV 1 yr | 5.75% | 1.159 | 6,549,565.22 |
| Purchasers costs | | | 6.40% | (419,172) | |
| | | Net Development Value | | 6,130,393 | |
| | | | | | 14.28571 0.952381 |
| Construction costs | ft2 | Rate £/ psf | | | |
| | 26,900 | 136.18 | | 3,663,332 | 1466 psm |
| | | Externals | | 549,500 | |
| | | Total Build | | 4,212,832 | |
| Contingency | | | 3% | 241,902 | |

| | | | |
|---------------------------------|-------|---------------|------|
| Professional fees | 8% | 645,072 | |
| Marketing | | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 40,350 | |
| Letting Legal Fee (% Yr 1 rent) | 5% | 20,175 | |
| | | 60,525 | |
| Sales Agent Fee | 1% | 61,304 | |
| Sales Legal Fee | 0.50% | 30,652 | |
| | | 91,956 | |
| Total Cost | | 1,772,100 | |
| Profit on cost | 15% | 702,997 | |
| Total Cost | | 5,389,642 | |
| Residual Land Value | | 610,358 | |
| BLV | | 104,000 | 0.26 |

G2 – Retail Warehouse

Revenue

| | Units | ft2 | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 24,748 | 10.00 | 247,480 |

Investment Valuation

| | | | | | |
|-----------------------|---------|-------------|-------|-----------|-------------------|
| Market Rent | 247,480 | YP @ | 7.00% | 14.2857 | |
| (1 yr Rent Free) | | PV 1 yr | 7.00% | 0.952 | 3,299,733.33 |
| Purchasers costs | | | 6.40% | (211,183) | |
| Net Development Value | | | | | |
| | | | | 3,088,550 | |
| | | | | | 14.28571 0.952381 |
| Construction costs | ft2 | Rate £/ psf | | | |
| | 24,748 | 77.20 | | 1,910,430 | 831 psm |
| | | Externals | | 286,565 | |
| | | Total Build | | 2,196,995 | |
| Contingency | | | 3% | 65,910 | |
| Professional fees | | | 8% | 175,760 | |

| | | |
|---------------------------------|---------------------|---------------|
| Marketing | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 24,748 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 12,374 |
| | | 37,122 |
| Sales Agent Fee | 1% | 30,886 |
| Sales Legal Fee | 0.50% | 15,443 |
| | | 46,328 |
| | Total Cost | 2,522,114 |
| Profit on cost | 15% | 378,317 |
| | Total Cost | 2,900,431 |
| | Residual Land Value | 399,302 |
| | BLV | 184,000 |

G3 – A1-A5

Revenue

| | Units | ft2 | Rate £/ psf | Initial MRV / Unit |
|--------|-------|-------|-------------|--------------------|
| Type 1 | 1 | 2,905 | 15.00 | 43,578 |

Investment Valuation

| | | | | | |
|------------------|--------|---------|-------|---------|------------|
| Market Rent | 43,578 | YP @ | 8.00% | 12.5000 | |
| (1 yr Rent Free) | | PV 1 yr | 8.00% | 0.833 | 508,410.00 |
| Purchasers costs | | | 6.40% | | (32,538) |

Net Development Value 475,872

14.28571 0.952381

| | ft2 | Rate £/ psf | | |
|--------------------|-------|-------------|---------|----------|
| Construction costs | 2,905 | 126.89 | 368,652 | 1366 psm |
| | | Externals | 55,298 | |
| | | Total Build | 423,950 | |
| Contingency | | 3% | 12,718 | |
| Professional fees | | 8% | 33,916 | |

| | | |
|---------------------------------|----------------------------|-----------------|
| Marketing | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 4,358 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 2,179 |
| | | 6,537 |
| Sales Agent Fee | 1% | 4,759 |
| Sales Legal Fee | 0.50% | 2,379 |
| | | 7,138 |
| | Total Cost | 484,259 |
| Profit on cost | 15% | 72,639 |
| | Total Cost | 556,898 |
| | Residual Land Value BLV | (48,488) |

G4 – B1(a)

Revenue

| | Units | ft2 | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 12,374 | 12.00 | 148,488 |

Investment Valuation

| | | | | | |
|-----------------------|---------|---------|-------------|-----------|-------------------|
| Market Rent | 148,488 | YP @ | 7.50% | 13.3333 | |
| (1 yr Rent Free) | | PV 1 yr | 7.50% | 0.889 | 1,847,850.67 |
| Purchasers costs | | | 6.40% | (118,262) | |
| Net Development Value | | | | | |
| | | | | 1,729,588 | |
| | | | | | 14.28571 0.952381 |
| Construction costs | 12,374 | ft2 | Rate £/ psf | 136.18 | 1,685,133 |
| | | | | | 1466 psm |
| | | | | | 252,770 |
| | | | | | 1,937,902 |
| Contingency | | | 3% | | 58,137 |
| Professional fees | | | 8% | | 155,032 |

| | | |
|---------------------------------|---------------------|---------------|
| Marketing | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 14,849 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 7,424 |
| | | 22,273 |
| Sales Agent Fee | 1% | 17,296 |
| Sales Legal Fee | 0.50% | 8,648 |
| | | 25,944 |
| | Total Cost | 2,199,289 |
| Profit on cost | 15% | 329,893 |
| | Total Cost | 2,529,182 |
| | Residual Land Value | (681,331) |

G5 – B1 A (2)

Revenue

| | Units | ft2 | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 34,432 | 12.00 | 413,184 |

Investment Valuation

| | | | | | |
|------------------|---------|---------|-------|---------|--------------|
| Market Rent | 413,184 | YP @ | 8.00% | 12.5000 | |
| (1 yr Rent Free) | | PV 1 yr | 8.00% | 0.833 | 4,820,480.00 |
| Purchasers costs | | | 6.40% | | (308,511) |

Net Development Value

4,511,969

14.28571 0.952381

| | ft2 | Rate £/ psf | | |
|--------------------|--------|-------------|-----------|----------|
| Construction costs | 34,432 | 136.18 | 4,689,065 | 1466 psm |
| | | Externals | 703,360 | |
| | | Total Build | 5,392,424 | |
| Contingency | | 3% | 161,773 | |
| Professional fees | | 8% | 431,394 | |

| | | |
|---------------------------------|---------------------|---------------|
| Marketing | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 41,318 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 20,659 |
| | | 61,978 |
| Sales Agent Fee | 1% | 45,120 |
| Sales Legal Fee | 0.50% | 22,560 |
| | | 67,680 |
| | Total Cost | 6,115,248 |
| Profit on cost | 15% | 917,287 |
| | Total Cost | 7,032,535 |
| | Residual Land Value | (2,212,055) |

G6 – B1c

Revenue

| | Units | ft2 | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 38,736 | 5.00 | 193,680 |

Investment Valuation

| | | | | | |
|--------------------|---------|-----------------------|-------------|-----------|-------------------|
| Market Rent | 193,680 | YP @ | 7.50% | 13.3333 | |
| (1 yr Rent Free) | | PV 1 yr | 7.50% | 0.889 | 2,410,240.00 |
| Purchasers costs | | | 6.40% | (154,255) | |
| | | Net Development Value | | 2,255,985 | |
| | | | | | 14.28571 0.952381 |
| Construction costs | 38,736 | ft2 | Rate £/ psf | 136.18 | 5,275,198 |
| | | | | | 1466 psm |
| | | Externals | | | 791,280 |
| | | Total Build | | | 6,066,477 |
| Contingency | | | 3% | | 181,994 |
| Professional fees | | | 8% | | 485,318 |

| | | |
|---------------------------------|---------------------|---------------|
| Marketing | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 19,368 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 9,684 |
| | | 29,052 |
| Sales Agent Fee | 1% | 22,560 |
| Sales Legal Fee | 0.50% | 11,280 |
| | | 33,840 |
| | Total Cost | 6,796,682 |
| Profit on cost | 15% | 1,019,502 |
| | Total Cost | 7,816,184 |
| | Residual Land Value | (5,405,944) |

G7 – B2

Revenue

| | Units | ft2 | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 31,204 | 5.00 | 156,020 |

Investment Valuation

| | | | | |
|-------------|---------|------|--------|---------|
| Market Rent | 156,020 | YP @ | 0.0575 | 17.3913 |
|-------------|---------|------|--------|---------|

(1 yr Rent Free) PV 1 yr 0.0575 1.159 2,532,498.55

Purchasers costs 6.40% (162,080)

Net Development Value 2,370,419

14.28571 0.952381

| | ft2 | Rate £/ psf | |
|--------------------|--------|-------------|-----------|
| Construction costs | 31,204 | 136.18 | 4,249,465 |
| | | Externals | 637,420 |
| | | Total Build | 4,886,885 |

1466 psm

Contingency 3% 146,607

Professional fees 8% 390,951

| | | |
|---------------------------------|---------------------|--------------------|
| Marketing | | |
| Letting Agent Fee (% Yr 1 rent) | 10% | 15,602 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 7,801 |
| | | 23,403 |
| Sales Agent Fee | 1% | 23,704 |
| Sales Legal Fee | 0.50% | 11,852 |
| | | 35,556 |
| | Total Cost | 5,483,401 |
| Profit on cost | 15% | 822,510 |
| | Total Cost | 6,305,911 |
| | Residual Land Value | (3,773,413) |

G8 – B8

Revenue

| | Units | ft2 | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 74,244 | 4.00 | 296,976 |

Investment Valuation

| | | | | |
|-------------|---------|------|--------|---------|
| Market Rent | 296,976 | YP @ | 0.0575 | 17.3913 |
|-------------|---------|------|--------|---------|

(1 yr Rent Free) PV 1 yr 0.0575 1.159 4,820,480.00

Purchasers costs 6.40% (308,511)

Net Development Value 4,511,969

14.28571 0.952381

| | ft2 | Rate £/ psf | |
|--------------------|--------|-------------|-----------|
| Construction costs | 74,244 | 82.68 | 6,138,205 |
| | | Externals | 920,731 |
| | | Total Build | 7,058,935 |

890 psm

Contingency 3% 211,768

Professional fees 8% 564,715

| | | |
|---------------------------------|---------------------|--------------------|
| Marketing | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 29,698 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 14,849 |
| | | 44,546 |
| Sales Agent Fee | 1% | 45,120 |
| Sales Legal Fee | 0.50% | 22,560 |
| | | 67,680 |
| | Total Cost | 7,947,644 |
| Profit on cost | 15% | 1,192,147 |
| | Total Cost | 9,139,791 |
| | Residual Land Value | (4,319,311) |

G9 – C1

Revenue

| | Rooms | sq ft | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 26,900 | 18.00 | 484,200 |

Investment Valuation

| | | | | |
|-------------|---------|------|--------|---------|
| Market Rent | 484,200 | YP @ | 0.0575 | 17.3913 |
|-------------|---------|------|--------|---------|

(1 yr Rent Free) PV 1 yr 0.0575 1.159 7,859,478.26

Purchasers costs 6.40% (503,007)

Net Development Value 7,356,472

14.28571 0.952381

| | ft2 | Rate £/ psf | |
|--------------------|--------|-------------|-----------|
| Construction costs | 26,900 | 177.89 | 4,785,321 |
| | | Externals | 717,798 |
| | | Total Build | 5,503,119 |

1915 psm

Contingency 3% 165,094

Professional fees 8% 440,250

| | | |
|---------------------------------|---------------------|----------------|
| Marketing | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 48,420 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 24,210 |
| | | 72,630 |
| Sales Agent Fee | 1% | 73,565 |
| Sales Legal Fee | 0.50% | 36,782 |
| | | 110,347 |
| | Total Cost | 6,291,439 |
| Profit on cost | 15% | 943,716 |
| | Total Cost | 7,235,155 |
| | Residual Land Value | 624,323 |

G10 – D2

Revenue

| | Rooms | sq ft | Rate £/ psf | Initial MRV / Unit |
|--------|-------|--------|-------------|--------------------|
| Type 1 | 1 | 30,128 | 7.81 | 235,300 |

Investment Valuation

| | | | | |
|-------------|---------|------|--------|---------|
| Market Rent | 308,000 | YP @ | 0.0575 | 17.3913 |
|-------------|---------|------|--------|---------|

(1 yr Rent Free) PV 1 yr 0.0575 1.159 4,999,420.29

Purchasers costs 6.40% (319,963)

Net Development Value 4,679,457

14.28571 0.952381

| | ft2 | Rate £/ psf | |
|--------------------|--------|-------------|-----------|
| Construction costs | 30,128 | 177.89 | 5,359,559 |
| | | Externals | 267,978 |
| | | Total Build | 5,627,537 |

1915 psm

Contingency 3% 168,826

Professional fees 8% 450,203

| | | |
|---------------------------------|---------------------|---------------|
| Marketing | | |
| Letting Agent Fee (% yr 1 rent) | 10% | 23,530 |
| Letting Legal Fee (% Yr 1 rent) | 5% | 11,765 |
| | | 35,295 |
| | | |
| Sales Agent Fee | 1% | 46,795 |
| Sales Legal Fee | 0.50% | 23,397 |
| | | 70,192 |
| | | |
| | Total Cost | 6,352,053 |
| | | |
| Profit on cost | 15% | 952,808 |
| | | |
| | Total Cost | 7,304,861 |
| | | |
| | Residual Land Value | (2,305,441) |