

Shoreham Fifteen

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Development Appraisal  
tavis house properties  
08 November 2017

**APPRAISAL SUMMARY****TAVIS HOUSE PROPERTIES**

Shoreham Fifteen

Summary Appraisal for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Warehouses	1	161,450	9.50	1,533,775	1,533,775	1,533,775

**Investment Valuation****Warehouses**

Market Rent	1,533,775	YP @	6.7500%	14.8148		
(1yr Rent Free)		PV 1yr @	6.7500%	0.9368	21,285,801	

**GROSS DEVELOPMENT VALUE****21,285,801**

Purchaser's Costs

(1,490,006)

(1,490,006)

**NET DEVELOPMENT VALUE****19,795,795****NET REALISATION****19,795,795****OUTLAY****ACQUISITION COSTS**

(13.62 Acres 7,342.14 pAcre)

100,000

100,000

Stamp Duty

5.00%

5,000

Agent Fee

1.00%

1,000

Legal Fee

50,000

Town Planning

75,000

Survey

511,000

642,000

**CONSTRUCTION COSTS****Construction**

	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost	
Warehouses	170,000 ft <sup>2</sup>	85.00 pf <sup>2</sup>	14,450,000	<b>14,450,000</b>

Contingency

3.00%

433,500

Airport road upgrade

400,000

833,500

**PROFESSIONAL FEES**

Architect

3.00%

433,500

Quantity Surveyor

0.75%

108,375

Structural Engineer

0.75%

108,375

Project Manager

2.00%

289,000

C.D. Manager

2.00%

289,000

1,228,250

**MARKETING & LETTING**

Marketing

50,000

Letting Agent Fee

15.00%

230,066

Letting Legal Fee

5.00%

76,689

356,755

**DISPOSAL FEES**

Sales Agent Fee

0.75%

148,468

Sales Legal Fee

0.50%

98,979

247,447

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)

Land

10,405

Construction

320,850

**APPRAISAL SUMMARY****TAVIS HOUSE PROPERTIES****Shoreham Fifteen**

Letting Void	532,879	
Total Finance Cost		864,134
<b>TOTAL COSTS</b>		<b>18,722,086</b>
<b>PROFIT</b>		<b>1,073,709</b>

**Performance Measures**

Profit on Cost%	5.74%
Profit on GDV%	5.04%
Profit on NDV%	5.42%
Development Yield% (on Rent)	8.19%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
IRR	12.48%
Rent Cover	8 mths
Profit Erosion (finance rate 6.000%)	11 mths

