

**COMMUNITY INFRASTRUCTURE LEVY**  
**Commercial Development**

DEVELOPMENT VALUE	Common Assumptions		Appraisal A	
	Existing Space	Rooms	£ per room	£ pa
<u>Rental Income</u>				
Gross Rent	49,875	500	£173.00	£4,498,000
Operating Costs				-£1,050,000
Net Annual Rents				£3,448,000
Rent free / voids (years)			-	-
Yield	6.25%		6.25%	
Capitalised rent				£55,168,000
<b>GROSS DEVELOPMENT VALUE</b>				
Purchasers Costs	5.80%			£3,199,744
				<b>£51,968,256</b>
<b>DEVELOPMENT COSTS</b>				
<u>Development Costs</u>				
Existing floor area	30%			
Demolition costs (psf)	£5			£249,375
Building costs (psf)	£180			£25,650,000
Area per unit (inc. common area)	285	142,500		
External works	10.00%			£2,565,000
Professional fees	10.00%			£2,846,438
Contingency				£0
Mayor CIL and S106				£900,000
<u>Disposal Costs</u>				
Letting Agent's fee (% of rent)	0.00%			£0
Agent's fee (on capital value)	1.00%			£519,683
Legal fees (% of capital value)	0.75%			£389,762
<u>Interest on Finance</u>				
Total development duration	24 months			
Loan arrangement fee		1.00%		£322,108
Interest on Construction Costs	24 months	7.00%		£2,254,757
<u>Profit</u>				
Developer's profit on total revenue	20.00%			£10,393,651
<b>TOTAL DEVELOPMENT COSTS</b>				<b>£46,090,773</b>
<b>LAND VALUE</b>				
Land surplus				£5,877,483
Stamp duty	4.00%			£235,099
Agent's fees	1.25%			£73,469
Legal fees	0.50%			£29,387
Interest rate	6.50%			£808,007
Finance period	24 months			
<b>RESIDUAL LAND VALUE</b>				<b>£4,731,521</b>
Less EUV				£2,642,133
Net additional floorspace (sq ft)		92625		92625
Net additional floorspace (sq m)		8,605		8,605
<b>Maximum CIL per sqm</b>				
Against EUV				£120