

SHEPWAY D.C. Proposed Mixed Development Scheme Concept (by Tibbalds – August 2017)

GROSS DEVELOPMENT VALUE CALCULATION

Aggregated Capital Sales Receipts for 150 homes sold by private treaty in the open market (Assumption of: No Affordable Housing).

Level of values established via Agents web sites, such as Rightmove.

<u>FLATS</u>	<u>No.</u> <u>Units</u>	<u>GIA</u> <u>Sq m.</u>	<u>Tot. GIA</u> <u>Sq. m</u>	<u>Unit S.P.</u> <u>@ £K</u>	<u>Sales Receipts</u> <u>£K</u>
1 Bed 2p	60	50	3000	300	18,000
2 Bed 3p	15	70	1070	450	6,000
2 bed 4p	45	80	3600	500	22,500
<u>Sub Total</u>	<u>120</u>	<u>7700</u>			<u>49,500</u>
<u>HOUSES</u>					
3 Bed 5p	15	125	1875	690	10,000
4 Bed 7p	15	160	2400	790	11,500
<u>Sub Total</u>	<u>30</u>	<u>4300</u>			<u>22,500</u>
Total Residentl	150	12,000			68,000
ADD:					
Commercial **		1,270			2,000
TOTAL ASSET VALUE CREATED					70,000

Notes:****Commercial Space Valuation:**

Adopt 1,270 sq.m. as all internal net usable space;

Propose Rental £150/sq. m (approx. £14/sq ft) p.a. exclusive of business rates & service charges;

1,270 sq m x £150/sq. m = Aggregate Estimated Rental Value (ERV) Income of £190,000 p.a.x.;

Capitalise as a freehold investment at yield 9.5%;

*Thus, £190K x multiplier (YP) 10.5 gives **£2m. capital asset value.***