

**RESIDUAL VALUATIONS: PROJECT VIABILITY TEST**

	<b><u>£m</u></b>	<b><u>Cum £m</u></b>
1. <u>Gross Development Value</u> (GDV - Total Capital Receipts)	<b>70.0</b>	70.0
2. Agents Commission @ 1.5% inc. VAT	(1.1)	68.9
3. Legal Fees (External Firm) @ 2% inc. VAT	(1.5)	67.4
4. Funding & Developers Profit @ 15% of GDV	(10.5)	56.9
5. Devt. Finance 24 months Prog. @ 4% of £72.6m averaged	(2.9)	54.0
6. Full Building Costs – see Appendix C	(72.6)	(18.6)
7. Design & Prof. Fees @ 15% of £72.6m (large team)	(11.0)	(29.6) **
TOTAL DEVELOPMENT COSTS (incl. £72.6 Build Cost)	<b>(99.6)</b>	
DEVELOPMENT DEFICIT **	<b>(29.6)</b>	

Residual Amount for the **MAXIMUM LAND VALUE is of the order of: minus £30 million.**

**NOTES:-**

1. *The land value with a GDV based upon a proportion of subsidised housing (Affordable Homes) would produce a significantly more adverse land value, probably by about £5 million, i.e. from minus £30 to £35 million.*
2. *The Tibbalds scheme concept has a number of abnormal cost obstacles to recognise \*\*. The overall total is £72.6m, comprising:*

<i>Special Engineering/Technical Content **</i>	<i>£25.4 million</i>
<i>Leisure Centre + Commercial</i>	<i>£12.2 million</i>
<i>Residential Element</i>	<i>£35.0 million</i>