

A	Convenience	1,500	£60	£100	£150
B	Convenience	2,700	£60	£100	£140
C	Convenience	5,000	£70	£110	£160
D	City Centre	6,968	£60	£90	£130

Table 8: CIL if assessed by reference to the Costs including Land (Developer Led)

Scenario	Type	GIA Sq M	3% of Costs	5% of Costs	7% of Costs
A	Convenience	1,500	£60	£110	£150
B	Convenience	2,700	£110	£180	£250
C	Convenience	5,000	£100	£170	£240
D	City Centre	6,968	£80	£130	£180

4. CONCLUSIONS

- 4.1 It should also be noted that the appraisals have been undertaken on a high level basis, and that there can be exceptional costs for individual sites which can mean that the residual land value is materially reduced.
- 4.2 Within the City centre we consider that retail development is already seriously challenged and cannot afford a CIL payment
- 4.3 In the case of the food sector, there is an ability to make a sizeable contribution to CIL for certain categories of store.
- 4.4 The analysis suggests that the results for Scenario A (1,500 sq m convenience store) are the most sensitive and unable to bear a material CIL contribution. Whilst the appraisals show that large stores, above c 2,000 sq m, can afford a significant CIL payment.



Report

Appendices

**Birmingham City Council – Additional Retail CIL Testing
1,500 sq m Convenience Store, Profit 15% on Cost**

APPENDIX 2iii

REVENUE					
Retail	1,500.00 sq-m at 161.46 psm/pa				242,190
Inv.Value-A	Net annual income				242,190
	Capitalised at 6% Yield				4,036,500
	Less Unpaid Rent: 12 Months Income				242,190
	Less Purchasers costs at 5.8%				221,283
					3,573,027
				REVENUE	3,573,027
COSTS					
Site Value					201,250
Site Stamp Duty	at 4.00%				8,050
Site Legal Fees	at 0.75%				1,509
Site Agency Fees	at 1.00%				2,013
				Site Costs	212,822
Retail	1,500.00 sq-m at 1,300.00 psm				1,950,000
Surface Parking	90 spaces at 2,000.00 ea.				180,000
Enabling Works	1,500.00 sq-m at 108.00 psm				162,000
Highways					100,000
Contingency	at 5.00%				119,600
Professional Fees	at 10.00%				239,200
				Build Costs	2,750,800
Letting Agents Fee	at 10.00%				24,219
Letting Legal Fees	at 5.00%				12,110
Invest.sale Agents Fee	at 1.00%				38,152
Invest.sale Legal Fees	at 0.50%				19,076
				Disposal Fees	93,557
					49,763
INTEREST					
7.50% pa	on Debt charged Quarterly and compounded Quarterly				
PROFIT	466,086				COSTS 3,106,942
PROFIT/SALE	13.04%				PROFIT/COST 15.00%
IRR	100.43%				RENT COVER 1.9 years
YIELD/COST	7.80%				
	1,170.00	1,235.00	1,300.00	1,365.00	1,430.00
137.46	0	0	0	0	0
	14.97%	10.23%	5.86%	1.82%	-1.93%
145.46	136,250	31,875	0	0	0
	15.00%	15.00%	11.84%	7.58%	3.64%
153.46	273,250	168,750	64,500	0	0
	15.00%	15.00%	15.00%	13.33%	9.18%
161.46	410,000	305,750	201,250	97,000	0
	15.00%	15.00%	15.00%	15.00%	14.70%
169.46	547,000	442,500	338,250	233,750	129,250
	15.00%	15.00%	15.00%	15.00%	15.00%
177.46	684,000	579,500	475,000	370,750	266,250
	15.00%	15.00%	15.00%	15.00%	15.00%
185.46	820,750	716,250	612,000	507,500	403,000
	15.00%	15.00%	15.00%	15.00%	15.00%

Residual Site Value and Profit on Cost (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm

**Birmingham City Council – Additional Retail CIL Testing
1,500 sq m Convenience Store, Profit 20% on GDV**

APPENDIX 2iii

REVENUE			
Retail	1,500.00 sq-m at 161.46 psm/pa	242,190	
Inv.Value-A	Net annual income	242,190	
	Capitalised at 6% Yield	4,036,500	
	Less Unpaid Rent: 12 Months Income	242,190	
	Less Purchasers costs at 5.8%	221,283	3,573,027
		REVENUE	3,573,027
COSTS			
Site Value		12,000	
Site Stamp Duty	at 4.00%	480	
Site Legal Fees	at 0.75%	90	
Site Agency Fees	at 1.00%	120	
		Site Costs	12,690
Retail	1,500.00 sq-m at 1,300.00 psm	1,950,000	
Surface Parking	90 spaces at 2,000.00 ea.	180,000	
Enabling Works	1,500.00 sq-m at 108.00 psm	162,000	
Highways		100,000	
Contingency	at 5.00%	119,600	
Professional Fees	at 10.00%	239,200	
		Build Costs	2,750,800
Letting Agents Fee	at 10.00%	24,219	
Letting Legal Fees	at 5.00%	12,110	
Invest.sale Agents Fee	at 1.00%	38,152	
Invest.sale Legal Fees	at 0.50%	19,076	
		Disposal Fees	93,557
			43,470
INTEREST			
7.50% pa	on Debt charged Quarterly and compounded Quarterly		
PROFIT	672,511	COSTS	2,900,517
PROFIT/SALE	18.82%	PROFIT/COST	23.19%
IRR	185.07%	RENT COVER	2.8 years
YIELD/COST	8.35%		

	1,170.00	1,235.00	1,300.00	1,365.00	1,430.00
137.46	0	0	0	0	0
	13.02%	9.28%	5.54%	1.79%	-1.96%
145.46	0	0	0	0	0
	17.66%	14.13%	10.59%	7.05%	3.51%
153.46	56,500	0	0	0	0
	20.00%	18.47%	15.11%	11.76%	8.41%
161.46	182,250	77,750	0	0	0
	20.00%	20.00%	19.19%	16.00%	12.81%
169.46	307,750	203,500	99,000	0	0
	20.00%	20.00%	20.00%	19.84%	16.81%
177.46	433,500	329,000	224,500	120,250	15,750
	20.00%	20.00%	20.00%	20.00%	20.00%
185.46	559,000	454,500	350,250	245,750	141,500
	20.00%	20.00%	20.00%	20.00%	20.00%

Residual Site Value and Profit on GDV (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm

**Birmingham City Council – Additional Retail CIL Testing
1,500 sq m Convenience Store, Profit 5% on Cost**

APPENDIX 2iii

REVENUE

Retail	1,500.00 sq-m at 161.46 psm/pa	242,190	
Inv.Value-A	Net annual income	242,190	
	Capitalised at 6% Yield	4,036,500	
	Less Unpaid Rent: 12 Months Income	242,190	
	Less Purchasers costs at 5.8%	221,283	3,573,027

REVENUE 3,573,027

COSTS

Site Value		472,500	
Site Stamp Duty	at 4.00%	18,900	
Site Legal Fees	at 0.75%	3,544	
Site Agency Fees	at 1.00%	4,725	
		Site Costs	499,669

Retail	1,500.00 sq-m at 1,300.00 psm	1,950,000	
Surface Parking	90 spaces at 2,000.00 ea.	180,000	
Enabling Works	1,500.00 sq-m at 108.00 psm	162,000	
Highways		100,000	
Contingency	at 5.00%	119,600	
Professional Fees	at 10.00%	239,200	
		Build Costs	2,750,800

Letting Agents Fee	at 10.00%	24,219	
Letting Legal Fees	at 5.00%	12,110	
Invest.sale Agents Fee	at 1.00%	38,152	
Invest.sale Legal Fees	at 0.50%	19,076	
		Disposal Fees	93,557

INTEREST

7.50% pa on Debt charged Quarterly and compounded Quarterly 58,783

PROFIT 170,219 **COSTS** 3,402,808

PROFIT/SALE 4.76% **PROFIT/COST** 5.00%

IRR 32.25% **RENT COVER** 0.7 years

YIELD/COST 7.12%

	1,170.00	1,235.00	1,300.00	1,365.00	1,430.00
137.46	230,500	126,000	21,500	0	0
	5.00%	5.00%	5.00%	1.82%	-1.93%
145.46	380,750	276,250	172,000	67,500	0
	5.00%	5.00%	5.00%	5.00%	3.64%
153.46	531,000	426,750	322,250	217,750	113,500
	5.00%	5.00%	5.00%	5.00%	5.00%
161.46	681,500	577,000	472,500	368,250	263,750
	5.00%	5.00%	5.00%	5.00%	5.00%
169.46	831,750	727,250	623,000	518,500	414,000
	5.00%	5.00%	5.00%	5.00%	5.00%
177.46	982,000	877,500	773,250	668,750	564,500
	5.00%	5.00%	5.00%	5.00%	5.00%
185.46	1,132,500	1,028,000	923,500	819,000	714,750
	5.00%	5.00%	5.00%	5.00%	5.00%

Residual Site Value and Profit on Cost (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm.

**Birmingham City Council – Additional Retail CIL Testing
2,700 sq m Convenience Store, Profit 15% on Cost**

APPENDIX 2iii

REVENUE						
Retail	2,700.00 sq-m at 215.00 psm/pa				580,500	
Inv.Value-A	Net annual income				580,500	
	Capitalised at 5% Yield				11,610,000	
	Less Purchasers costs at 5.8%				636,465	10,973,535
				REVENUE		10,973,535
COSTS						
Site Value					3,855,000	
Site Stamp Duty	at 4.00%				154,200	
Site Legal Fees	at 0.75%				28,913	
Site Agency Fees	at 1.00%				38,550	
				Site Costs		4,076,663
Retail	2,700.00 sq-m at 1,430.00 psm				3,861,000	
Surface Parking	150 spaces at 2,000.00 ea.				300,000	
Enabling Works	2,700.00 sq-m at 100.00 psm				270,000	
Contingency	at 3.00%				132,930	
Professional Fees	at 10.00%				443,100	
				Build Costs		5,007,030
Letting Agents Fee	at 10.00%				58,050	
Letting Legal Fees	at 5.00%				29,025	
Invest.sale Agents Fee	at 1.00%				109,735	
Invest.sale Legal Fees	at 0.50%				54,868	
				Disposal Fees		251,678
INTEREST						206,588
7.50% pa	on Debt charged Quarterly and compounded Quarterly					
PROFIT	1,431,576					COSTS 9,541,959
PROFIT/SALE	13.05%					PROFIT/COST 15.00%
IRR	71.44%					RENT COVER 2.5 years
YIELD/COST	6.08%					
	1,287.00	1,358.50	1,430.00	1,501.50	1,573.00	
182.75	2,984,000 15.00%	2,781,000 15.00%	2,577,500 15.00%	2,374,500 15.00%	2,171,500 15.00%	
193.50	3,410,000 15.00%	3,206,500 15.00%	3,003,500 15.00%	2,800,500 15.00%	2,597,000 15.00%	
204.25	3,835,500 15.00%	3,632,500 15.00%	3,429,000 15.00%	3,226,000 15.00%	3,023,000 15.00%	
215.00	4,261,500 15.00%	4,058,000 15.00%	3,855,000 15.00%	3,652,000 15.00%	3,449,000 15.00%	
225.75	4,687,000 15.00%	4,484,000 15.00%	4,281,000 15.00%	4,078,000 15.00%	3,875,000 15.00%	
236.50	5,113,000 15.00%	4,910,000 15.00%	4,707,000 15.00%	4,504,000 15.00%	4,301,000 15.00%	
247.25	5,539,000 15.00%	5,336,000 15.00%	5,133,000 15.00%	4,930,000 15.00%	4,727,000 15.00%	

Residual Site Value and Profit on Cost (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm

**Birmingham City Council – Additional Retail CIL Testing
2,700 sq m Convenience Store, Profit 20% on GDV**

APPENDIX 2iii

REVENUE

Retail	2,700.00 sq-m at 215.00 psm/pa	580,500	
Inv.Value-A	Net annual income	580,500	
	Capitalised at 5% Yield	11,610,000	
	Less Purchasers costs at 5.8%	636,465	10,973,535
		REVENUE	10,973,535

COSTS

Site Value		3,155,000	
Site Stamp Duty	at 4.00%	126,200	
Site Legal Fees	at 0.75%	23,663	
Site Agency Fees	at 1.00%	31,550	
		Site Costs	3,336,413
Retail	2,700.00 sq-m at 1,430.00 psm	3,861,000	
Surface Parking	150 spaces at 2,000.00 ea.	300,000	
Enabling Works	2,700.00 sq-m at 100.00 psm	270,000	
Contingency	at 3.00%	132,930	
Professional Fees	at 10.00%	443,100	
		Build Costs	5,007,030
Letting Agents Fee	at 10.00%	58,050	
Letting Legal Fees	at 5.00%	29,025	
Invest.sale Agents Fee	at 1.00%	109,735	
Invest.sale Legal Fees	at 0.50%	54,868	
		Disposal Fees	251,678
			183,311
INTEREST			
7.50% pa	on Debt charged Quarterly and compounded Quarterly		
PROFIT	2,195,103	COSTS	8,778,432
PROFIT/SALE	20.00%	PROFIT/COST	25.01%
IRR	130.24%	RENT COVER	3.8 years
YIELD/COST	6.61%		

	1,287.00	1,358.50	1,430.00	1,501.50	1,573.00
182.75	2,389,000	2,186,000	1,983,000	1,780,000	1,576,500
	20.00%	20.00%	20.00%	20.00%	20.00%
193.50	2,780,000	2,577,000	2,374,000	2,170,500	1,967,000
	20.00%	20.00%	20.00%	20.00%	20.00%
204.25	3,171,000	2,968,000	2,764,500	2,561,000	2,358,000
	20.00%	20.00%	20.00%	20.00%	20.00%
215.00	3,562,000	3,358,000	3,155,000	2,952,000	2,749,000
	20.00%	20.00%	20.00%	20.00%	20.00%
225.75	3,952,000	3,749,000	3,546,000	3,343,000	3,140,000
	20.00%	20.00%	20.00%	20.00%	20.00%
236.50	4,343,000	4,140,000	3,937,000	3,734,000	3,531,000
	20.00%	20.00%	20.00%	20.00%	20.00%
247.25	4,734,000	4,531,000	4,328,000	4,125,000	3,922,000
	20.00%	20.00%	20.00%	20.00%	20.00%

Residual Site Value and Profit on GDV (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate ps

**Birmingham City Council – Additional Retail CIL Testing
2,700 sq m Convenience Store, Profit 5% on Cost**

APPENDIX 2iii

REVENUE					
Retail	2,700.00 sq-m at 215.00 psm/pa				580,500
Inv.Value-A	Net annual income				580,500
	Capitalised at 5% Yield				11,610,000
	Less Purchasers costs at 5.8%				636,465
					REVENUE 10,973,535
COSTS					
Site Value					4,688,000
Site Stamp Duty	at 4.00%				187,520
Site Legal Fees	at 0.75%				35,160
Site Agency Fees	at 1.00%				46,880
					Site Costs 4,957,560
Retail	2,700.00 sq-m at 1,430.00 psm				3,861,000
Surface Parking	150 spaces at 2,000.00 ea.				300,000
Enabling Works	2,700.00 sq-m at 100.00 psm				270,000
Contingency	at 3.00%				132,930
Professional Fees	at 10.00%				443,100
					Build Costs 5,007,030
Letting Agents Fee	at 10.00%				58,050
Letting Legal Fees	at 5.00%				29,025
Invest.sale Agents Fee	at 1.00%				109,735
Invest.sale Legal Fees	at 0.50%				54,868
					Disposal Fees 251,678
					234,288
INTEREST					
7.50% pa	on Debt charged Quarterly and compounded Quarterly				
PROFIT	522,979				COSTS 10,450,556
PROFIT/SALE	4.77%				PROFIT/COST 5.00%
IRR	26.23%				RENT COVER 0.9 years
YIELD/COST	5.55%				
	1,287.00	1,358.50	1,430.00	1,501.50	1,573.00
182.75	3,692,000 5.00%	3,489,000 5.00%	3,286,000 5.00%	3,083,000 5.00%	2,879,500 5.00%
193.50	4,159,500 5.00%	3,956,500 5.00%	3,753,000 5.00%	3,550,000 5.00%	3,347,000 5.00%
204.25	4,627,000 5.00%	4,424,000 5.00%	4,221,000 5.00%	4,018,000 5.00%	3,815,000 5.00%
215.00	5,095,000 5.00%	4,891,500 5.00%	4,688,000 5.00%	4,485,000 5.00%	4,282,000 5.00%
225.75	5,562,000 5.00%	5,359,000 5.00%	5,156,000 5.00%	4,953,000 5.00%	4,750,000 5.00%
236.50	6,030,000 5.00%	5,827,000 5.00%	5,623,000 5.00%	5,420,000 5.00%	5,217,000 5.00%
247.25	6,497,000 5.00%	6,294,000 5.00%	6,091,000 5.00%	5,888,000 5.00%	5,685,000 5.00%

Residual Site Value and Profit on Cost (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm.

**Birmingham City Council – Additional Retail CIL Testing
5,000 sq m Convenience Store, Profit 20% on GDV**

APPENDIX 2iii

REVENUE		
Retail	5,000.00 sq-m at 215.00 psm/pa	1,075,000
Inv.Value-A	Net annual income	1,075,000
	Capitalised at 5% Yield	21,500,000
	Less Unpaid Rent: 9 Months Income	806,250
	Less Purchasers costs at 5.8%	1,178,639
		REVENUE 19,515,111

COSTS		
Site Value		5,514,000
Site Stamp Duty	at 4.00%	220,560
Site Legal Fees	at 0.75%	41,355
Site Agency Fees	at 1.00%	55,140
		Site Costs 5,831,055

Retail	5,000.00 sq-m at 1,300.00 psm	6,500,000
Surface Parking	250 spaces at 2,000.00 ea.	500,000
Enabling Works	5,000.00 sq-m at 54.00 psm	270,000
Pfs		1,000,000
Highways		500,000
Contingency	at 5.00%	438,500
Professional Fees	at 10.00%	877,000
		Build Costs 10,085,500

Letting Agents Fee	at 10.00%	107,500
Letting Legal Fees	at 5.00%	53,750
Invest.sale Agents Fee	at 1.00%	203,214
Invest.sale Legal Fees	at 0.50%	101,607
		Disposal Fees 466,070

INTEREST 587,766

7.50% pa on Debt charged Quarterly and compounded Quarterly

PROFIT 2,544,719 **COSTS** 16,970,392

PROFIT/SALE 13.04% **PROFIT/COST** 15.00%

IRR 43.87% **RENT COVER** 2.4 years

YIELD/COST 6.33%

1,157.00 1,228.50 1,300.00 1,371.50 1,443.00

182.75	4,046,000 15.00%	3,666,000 15.00%	3,286,000 15.00%	2,905,000 15.00%	2,525,000 15.00%
193.50	4,789,000 15.00%	4,409,000 15.00%	4,028,000 15.00%	3,648,000 15.00%	3,267,000 15.00%
204.25	5,532,000 15.00%	5,151,000 15.00%	4,771,000 15.00%	4,390,000 15.00%	4,010,000 15.00%
215.00	6,274,000 15.00%	5,894,000 15.00%	5,514,000 15.00%	5,133,000 15.00%	4,752,000 15.00%
225.75	7,017,000 15.00%	6,636,000 15.00%	6,256,000 15.00%	5,876,000 15.00%	5,495,000 15.00%
236.50	7,760,000 15.00%	7,379,000 15.00%	6,998,000 15.00%	6,618,000 15.00%	6,238,000 15.00%
247.25	8,502,000 15.00%	8,122,000 15.00%	7,741,000 15.00%	7,360,000 15.00%	6,980,000 15.00%

Residual Site Value and Profit on Cost (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm.

**Birmingham City Council – Additional Retail CIL Testing
5,000 sq m Convenience Store, Profit 20% on GDV**

APPENDIX 2iii

REVENUE					
Retail	5,000.00 sq-m at 215.00 psm/pa				1,075,000
Inv.Value-A	Net annual income				1,075,000
	Capitalised at 5% Yield				21,500,000
	Less Unpaid Rent: 9 Months Income				806,250
	Less Purchasers costs at 5.8%				1,178,639
					REVENUE 19,515,111
COSTS					
Site Value					4,292,000
Site Stamp Duty	at 4.00%				171,680
Site Legal Fees	at 0.75%				32,190
Site Agency Fees	at 1.00%				42,920
					Site Costs 4,538,790
Retail	5,000.00 sq-m at 1,300.00 psm				6,500,000
Surface Parking	250 spaces at 2,000.00 ea.				500,000
Enabling Works	5,000.00 sq-m at 54.00 psm				270,000
Pfs					1,000,000
Highways					500,000
Contingency	at 5.00%				438,500
Professional Fees	at 10.00%				877,000
					Build Costs 10,085,500
Letting Agents Fee	at 10.00%				107,500
Letting Legal Fees	at 5.00%				53,750
Invest.sale Agents Fee	at 1.00%				203,214
Invest.sale Legal Fees	at 0.50%				101,607
					Disposal Fees 466,070
					522,139
INTEREST					
7.50% pa	on Debt charged Quarterly and compounded Quarterly				
PROFIT	3,902,611				COSTS 15,612,500
PROFIT/SALE	20.00%				PROFIT/COST 25.00%
IRR	73.09%				RENT COVER 3.6 years
YIELD/COST	6.89%				
	1,170.00	1,235.00	1,300.00	1,365.00	1,430.00
182.75	2,939,000 20.00%	2,593,000 20.00%	2,247,000 20.00%	1,901,000 20.00%	1,556,000 20.00%
193.50	3,620,000 20.00%	3,274,000 20.00%	2,928,000 20.00%	2,582,000 20.00%	2,237,000 20.00%
204.25	4,302,000 20.00%	3,956,000 20.00%	3,610,000 20.00%	3,264,000 20.00%	2,918,000 20.00%
215.00	4,984,000 20.00%	4,638,000 20.00%	4,292,000 20.00%	3,946,000 20.00%	3,600,000 20.00%
225.75	5,664,000 20.00%	5,319,000 20.00%	4,974,000 20.00%	4,628,000 20.00%	4,282,000 20.00%
236.50	6,346,000 20.00%	6,000,000 20.00%	5,654,000 20.00%	5,308,000 20.00%	4,962,000 20.00%
247.25	7,028,000 20.00%	6,682,000 20.00%	6,336,000 20.00%	5,990,000 20.00%	5,644,000 20.00%

Residual Site Value and Profit on GDV (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm.

**Birmingham City Council – Additional Retail CIL Testing
5,000 sq m Convenience Store, Profit 5% on Cost**

APPENDIX 2iii

REVENUE

Retail	5,000.00 sq-m at 215.00 psm/pa	1,075,000	
Inv.Value-A	Net annual income	1,075,000	
	Capitalised at 5% Yield	21,500,000	
	Less Unpaid Rent: 9 Months Income	806,250	
	Less Purchasers costs at 5.8%	1,178,639	19,515,111
		REVENUE	19,515,111

COSTS

Site Value		6,968,000	
Site Stamp Duty	at 4.00%	278,720	
Site Legal Fees	at 0.75%	52,260	
Site Agency Fees	at 1.00%	69,680	
		Site Costs	7,368,660
Retail	5,000.00 sq-m at 1,300.00 psm	6,500,000	
Surface Parking	250 spaces at 2,000.00 ea.	500,000	
Enabling Works	5,000.00 sq-m at 54.00 psm	270,000	
Pfs		1,000,000	
Highways		500,000	
Contingency	at 5.00%	438,500	
Professional Fees	at 10.00%	877,000	
		Build Costs	10,085,500
Letting Agents Fee	at 10.00%	107,500	
Letting Legal Fees	at 5.00%	53,750	
Invest.sale Agents Fee	at 1.00%	203,214	
Invest.sale Legal Fees	at 0.50%	101,607	
		Disposal Fees	466,070
INTEREST			665,853
7.50% pa	on Debt charged Quarterly and compounded Quarterly		
PROFIT	929,028		COSTS 18,586,083
PROFIT/SALE	4.76%		PROFIT/COST 5.00%
IRR	18.87%		RENT COVER 0.9 years
YIELD/COST	5.78%		

	1,170.00	1,235.00	1,300.00	1,365.00	1,430.00
182.75	5,214,000 5.00%	4,868,000 5.00%	4,522,000 5.00%	4,176,000 5.00%	3,830,000 5.00%
193.50	6,029,000 5.00%	5,683,000 5.00%	5,337,000 5.00%	4,991,000 5.00%	4,646,000 5.00%
204.25	6,844,000 5.00%	6,498,000 5.00%	6,152,000 5.00%	5,806,000 5.00%	5,460,000 5.00%
215.00	7,660,000 5.00%	7,314,000 5.00%	6,968,000 5.00%	6,622,000 5.00%	6,276,000 5.00%
225.75	8,475,000 5.00%	8,129,000 5.00%	7,783,000 5.00%	7,438,000 5.00%	7,092,000 5.00%
236.50	9,290,000 5.00%	8,944,000 5.00%	8,598,000 5.00%	8,252,000 5.00%	7,906,000 5.00%
247.25	10,106,000 5.00%	9,760,000 5.00%	9,414,000 5.00%	9,068,000 5.00%	8,722,000 5.00%

Residual Site Value and Profit on Cost (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm

REVENUE

Retail 1	5,574.00 sq-m at 188.00 psm/pa	1,047,912	
Retail 2	929.00 sq-m at 215.00 psm/pa	199,735	
Retail 3	465.00 sq-m at 269.00 psm/pa	125,085	
Inv.Value-A	Net annual income	1,372,732	
	Capitalised at 5.5% Yield	24,958,764	
	Less Unpaid Rent: 24 Months Income	2,745,464	
	Less Purchasers costs at 5.8%	1,368,250	20,845,050
		REVENUE	20,845,050

COSTS

Site Value		4,778,000	
Site Stamp Duty	at 4.00%	191,120	
Site Legal Fees	at 0.50%	23,890	
Site Agency Fees	at 1.00%	47,780	
		Site Costs	5,040,790
Survey		100,000	
		Initial Payments	100,000
Retail 1	5,574.00 sq-m at 1,291.70 psm	7,199,936	
Retail 2	929.00 sq-ft at 1,291.70 psf	1,199,989	
Retail 3	465.00 sq-ft at 1,291.70 psf	600,641	
Demolition		250,000	
Contingency	at 4.00%	370,023	
Professional Fees	at 12.00%	1,110,068	
		Build Costs	10,730,656
Letting Agents Fee	at 10.00%	137,273	
Letting Legal Fees	at 5.00%	68,637	
Invest.sale Agents Fee	at 1.00%	235,905	
Invest.sale Legal Fees	at 0.50%	117,953	
		Disposal Fees	559,768
			1,695,497

INTEREST

7.50% pa on Debt charged Quarterly and compounded Quarterly

PROFIT	2,718,339	COSTS	18,126,711
PROFIT/SALE	13.04%	PROFIT/COST	15.00%
IRR	19.13%	RENT COVER	2.0 years
YIELD/COST	7.57%		

	1,033.70	1,162.70	1,291.70	1,420.70	1,549.70
70.00%	2,005,500	1,304,500	603,000	0	0
	15.00%	15.00%	15.00%	13.89%	6.53%
80.00%	3,397,000	2,696,000	1,995,000	1,294,000	593,000
	15.00%	15.00%	15.00%	15.00%	15.00%
90.00%	4,788,000	4,087,000	3,386,000	2,685,000	1,984,000
	15.00%	15.00%	15.00%	15.00%	15.00%
100.00%	6,180,000	5,478,000	4,778,000	4,076,000	3,376,000
	15.00%	15.00%	15.00%	15.00%	15.00%
110.00%	7,571,000	6,870,000	6,169,000	5,468,000	4,767,000
	15.00%	15.00%	15.00%	15.00%	15.00%
120.00%	8,962,000	8,262,000	7,560,000	6,859,000	6,158,000
	15.00%	15.00%	15.00%	15.00%	15.00%
130.00%	10,354,000	9,652,000	8,952,000	8,250,000	7,550,000
	15.00%	15.00%	15.00%	15.00%	15.00%

Residual Site Value and Profit on Cost (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm.

REVENUE

Retail 1	5,574.00 sq-m at 188.00 psm/pa	1,047,912	
Retail 2	929.00 sq-m at 215.00 psm/pa	199,735	
Retail 3	465.00 sq-m at 269.00 psm/pa	125,085	
Inv.Value-A	Net annual income	1,372,732	
	Capitalised at 5.5% Yield	24,958,764	
	Less Unpaid Rent: 24 Months Income	2,745,464	
	Less Purchasers costs at 5.8%	1,368,250	20,845,050

REVENUE 20,845,050

COSTS

Site Value		3,629,000	
Site Stamp Duty	at 4.00%	145,160	
Site Legal Fees	at 0.50%	18,145	
Site Agency Fees	at 1.00%	36,290	
		Site Costs	3,828,595
Survey		100,000	
		Initial Payments	100,000
Retail 1	5,574.00 sq-m at 1,291.70 psm	7,199,936	
Retail 2	929.00 sq-ft at 1,291.70 psf	1,199,989	
Retail 3	465.00 sq-ft at 1,291.70 psf	600,641	
Demolition		250,000	
Contingency	at 4.00%	370,023	
Professional Fees	at 12.00%	1,110,068	
		Build Costs	10,730,656
Letting Agents Fee	at 10.00%	137,273	
Letting Legal Fees	at 5.00%	68,637	
Invest.sale Agents Fee	at 1.00%	235,905	
Invest.sale Legal Fees	at 0.50%	117,953	
		Disposal Fees	559,768
			1,457,053
INTEREST			
7.50% pa	on Debt charged Quarterly and compounded Quarterly		
PROFIT	4,168,978		
PROFIT/SALE	20.00%	COSTS	16,676,071
IRR	27.61%	PROFIT/COST	25.00%
YIELD/COST	8.23%	RENT COVER	3.0 years

	1,033.70	1,162.70	1,291.70	1,420.70	1,549.70
70.00%	1,202,000	500,000	0	0	0
	20.00%	20.00%	18.26%	12.20%	6.13%
80.00%	2,478,000	1,777,000	1,076,000	375,000	0
	20.00%	20.00%	20.00%	20.00%	17.53%
90.00%	3,754,000	3,054,000	2,352,000	1,652,000	950,000
	20.00%	20.00%	20.00%	20.00%	20.00%
100.00%	5,031,000	4,330,000	3,629,000	2,928,000	2,227,000
	20.00%	20.00%	20.00%	20.00%	20.00%
110.00%	6,308,000	5,606,000	4,906,000	4,204,000	3,504,000
	20.00%	20.00%	20.00%	20.00%	20.00%
120.00%	7,584,000	6,884,000	6,182,000	5,480,000	4,780,000
	20.00%	20.00%	20.00%	20.00%	20.00%
130.00%	8,860,000	8,160,000	7,458,000	6,758,000	6,056,000
	20.00%	20.00%	20.00%	20.00%	20.00%

Residual Site Value and Profit on GDV (%)

Y Axis: Retail Income psm/pa

X Axis: Retail Build Rate psm