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Development Appraisal

Neptune Wharf - Fish Island

Cost of Commercial Space to the Scheme

Report Date: 13 November 2012

APPRAISAL SUMMARY

Neptune Wharf - Fish Island

Cost of Commercial Space to the Scheme

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Summary Appraisal for Merged Phases 18 19 20 21 22 23

REVENUE

Rental Area Summary	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 - A1 -4	1	8,547	£			
Phase 1 - B1	1	26,285	£			
Phase 2 - A1-4	1	7,588	£			
Phase 1 - B1	1	14,607	£			
Phase 3 - A1-4	1	7,104	£			
Phase 3 - B1	1	7,481	£			
Totals	6	71,612				

Investment Valuation

Phase 1 - A1 -4					
Market Rent (2yrs Rent Free)	106,838				
Phase 1 - B1					
Market Rent (1yr Rent Free)	328,563				
Phase 2 - A1-4					
Market Rent (2yrs Rent Free)	94,850				
Phase 1 - B1					
Market Rent (1yr Rent Free)	182,588				
Phase 3 - A1-4					
Market Rent (2yrs Rent Free)	88,800				
Phase 3 - B1					
Market Rent (1yr Rent Free)	93,513				

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.80%		
NET DEVELOPMENT VALUE			

NET REALISATION

OUTLAY

ACQUISITION COSTS

Residualised Price			
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CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
Phase 1 - A1 -4	8,547	£69.71	595,776
Phase 1 - B1	26,285	£88.26	2,319,900
Phase 2 - A1-4	7,588	£69.71	528,995
Phase 1 - B1	14,607	£88.26	1,289,150
Phase 3 - A1-4	7,104	£69.71	495,229
Phase 3 - B1	7,481	£88.26	660,250
Totals	71,612		5,889,300
Contingency		5.00%	321,583

Other Construction

Commercial Abnormals	542,362
Commercial Abnormals	345,597
Commercial Abnormals	227,101
Total	1,115,060

PROFESSIONAL FEES

Professional Fees	11.00%	805,854	805,854
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MARKETING & LETTING

Letting Agent Fee	10.00%		
Letting Legal Fee	5.00%		

DISPOSAL FEES

Sales Agent Fee	1.00%		
Sales Legal Fee	0.50%		

FINANCE

Debit Rate 7.00% Credit Rate 1.00% (Nominal)			
Total Finance Cost			350,425

TOTAL COSTS

6,661,496

PROFIT

Performance Measures

Profit on Cost%	25.85%
Profit on GDV%	20.00%
Profit on NDV%	20.54%
Development Yield% (on Rent)	13.44%
Equivalent Yield% (Nominal)	9.25%
Equivalent Yield% (True)	9.81%

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IRR	N/A
Rent Cover	1 yr 11 mths
Profit Erosion (finance rate 7.000%)	3 yrs 4 mths

File: J:\visualdeveloper\Data\Neptune Group\Neptune Wharf\Oct 2012\Appraisals for FVA\121112_Cost of Commercial Space.wcfx
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