

Sevenoaks District Council

Community Infrastructure Levy

**Viability Study Addendum Additional
Retail Appraisal Summaries**

Dixon Searle Partnership

Development Appraisal

In Centre Retail (3,000sqm)

Report Date: 26 November 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****In Centre Retail (3,000sqm)****Summary Appraisal for Phase**

1 Currency in £

REVENUE**Rental Area Summary**

	Units	m²	Rate m²
Retail (3000sqm)	1	2,100.00	130.00

Investment Valuation

Retail (3000sqm)			
Current Rent	273,000	YP @	4.0000%

GROSS DEVELOPMENT VALUE

Purchaser's Costs		5.80%	(395,850)
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NET DEVELOPMENT VALUE**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.40 Ha 2,196,918.33 pHect)			878,767
Agent Fee		1.00%	8,788
Legal Fee		0.75%	6,591
Site Survey & Prep Costs	0.40 m ²	100,000.00 pm ²	40,000

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost
Retail (3000sqm)	3,000.00 m ²	922.00 pm ²	2,766,000
Contingency		5.00%	138,300

Other Construction

Site Works		20.00%	553,200
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PROFESSIONAL FEES

All Professional		10.00%	331,920
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MARKETING & LETTING

Letting Agent Fee		10.00%	27,300
Letting Legal Fee		0.75%	2,048

Additional Costs

Arrangement Fee		1.00%	8,788
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	55,320
BREEAM		5.00%	138,300

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****In Centre Retail (3,000sqm)****FINANCE**

Debit Rate 6.500% Credit Rate 0.500% (Nominal)

Land

54,743

Construction

54,086

Total Finance Cost

TOTAL COSTS**PROFIT****Performance Measures**

Profit on Cost%

26.95%

Profit on GDV%

20.00%

Profit on NDV%

21.23%

Development Yield% (on Rent)

5.39%

Equivalent Yield% (Nominal)

4.00%

Equivalent Yield% (True)

4.10%

IRR

79.80%

Rent Cover

5 yrs

Profit Erosion (finance rate 6.500%)

3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

In Centre Retail (3,000sqm)

Report Date: 26 November 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****In Centre Retail (3,000sqm)****Summary Appraisal for Phase****1 Currency in £****REVENUE****Rental Area Summary**

	Units	m²	Rate m²
Retail (3000sqm)	1	2,100.00	130.00

Investment Valuation

Retail (3000sqm)			
Current Rent	273,000	YP @	6.0000%

GROSS DEVELOPMENT VALUE

Purchaser's Costs		5.80%	(263,900)
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NET DEVELOPMENT VALUE**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price			(716,454)
Site Survey & Prep Costs	0.40 m ²	100,000.00 pm ²	40,000

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost
Retail (3000sqm)	3,000.00 m ²	922.00 pm ²	2,766,000

Contingency		5.00%	138,300
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Other Construction

Site Works		20.00%	553,200
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PROFESSIONAL FEES

All Professional		10.00%	331,920
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MARKETING & LETTING

Letting Agent Fee		10.00%	27,300
Letting Legal Fee		0.75%	2,048

Additional Costs

Arrangement Fee		1.00%	7,165
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	55,320
BREEAM		5.00%	138,300

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****In Centre Retail (3,000sqm)**

Land	(20,984)
Construction	53,987
Total Finance Cost	

TOTAL COSTS**PROFIT****Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	8.09%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

IRR N/A

Rent Cover 3 yrs 4 mths
Profit Erosion (finance rate 6.500%) 3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

In Centre Retail (3,000sqm)

Report Date: 26 November 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****In Centre Retail (3,000sqm)****Summary Appraisal for Phase****1 Currency in £****REVENUE****Rental Area Summary**

	Units	m²	Rate m²
Retail (3000sqm)	1	2,100.00	195.00

Investment Valuation

Retail (3000sqm)			
Current Rent	409,500	YP @	6.0000%

GROSS DEVELOPMENT VALUE

Purchaser's Costs		5.80%	(395,850)
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NET DEVELOPMENT VALUE**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.40 Ha 2,163,275.51 pHect)			865,310
Agent Fee		1.00%	8,653
Legal Fee		0.75%	6,490
Site Survey & Prep Costs	0.40 m ²	100,000.00 pm ²	40,000

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost
Retail (3000sqm)	3,000.00 m ²	922.00 pm ²	2,766,000
Contingency		5.00%	138,300

Other Construction

Site Works		20.00%	553,200
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PROFESSIONAL FEES

All Professional		10.00%	331,920
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MARKETING & LETTING

Letting Agent Fee		10.00%	40,950
Letting Legal Fee		0.75%	3,071

Additional Costs

Arrangement Fee		1.00%	8,653
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	55,320
BREEAM		5.00%	138,300

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****In Centre Retail (3,000sqm)****FINANCE**

Debit Rate 6.500% Credit Rate 0.500% (Nominal)

Land

53,904

Construction

54,078

Total Finance Cost

TOTAL COSTS**PROFIT****Performance Measures**

Profit on Cost%

26.95%

Profit on GDV%

20.00%

Profit on NDV%

21.23%

Development Yield% (on Rent)

8.09%

Equivalent Yield% (Nominal)

6.00%

Equivalent Yield% (True)

6.23%

IRR

80.40%

Rent Cover

3 yrs 4 mths

Profit Erosion (finance rate 6.500%)

3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Convenience Store (300sqm) - Medium Value

Report Date: 12 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Convenience Store (300sqm) - Medium Value****Summary Appraisal for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail (300sqm)	1	270.00	150.00	40,500	40,500	40,500

Investment Valuation**Retail (300sqm)**

Current Rent	40,500	YP @	7.5000%	13.3333	540,000	
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GROSS DEVELOPMENT VALUE**540,000**

Purchaser's Costs

5.80% (31,320)

(31,320)

NET DEVELOPMENT VALUE**508,680****NET REALISATION****508,680****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.05 Ha 766,039.30 pHect)

38,302

Agent Fee

1.00% 383

Legal Fee

0.75% 287

Site Survey & Prep Costs

0.05 m² 100,000.00 pm² 5,000

43,972

CONSTRUCTION COSTS**Construction**

Retail (300sqm)

	m²	Rate m²	Cost
Retail (300sqm)	300.00 m ²	763.00 pm ²	228,900

228,900

Contingency

5.00% 11,445

CIL

300.00 m² 50.00 pm² 15,000

26,445

Other Construction

Site Works

20.00% 45,780

45,780

PROFESSIONAL FEES

All Professional

10.00% 27,468

27,468

MARKETING & LETTING

Letting Agent Fee

10.00% 4,050

Letting Legal Fee

0.75% 304

4,354

Additional Costs

Arrangement Fee

1.00% 383

383

MISCELLANEOUS FEES

Planning / Insurances

2.00% 4,578

BREEAM

5.00% 11,445

16,023

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)

Land

2,386

Construction

4,969

Total Finance Cost

7,355

TOTAL COSTS**400,680****PROFIT****108,000****Performance Measures**

Profit on Cost%

26.95%

Convenience Store (300sqm) - Medium Value

Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	10.11%
Equivalent Yield% (Nominal)	7.50%
Equivalent Yield% (True)	7.87%
IRR	93.48%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Convenience Store (400sqm) - Medium Value

Report Date: 12 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Convenience Store (400sqm) - Medium Value****Summary Appraisal for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail (400sqm)	1	360.00	150.00	54,000	54,000	54,000

Investment Valuation

Retail (400sqm)						
Current Rent	54,000	YP @	7.5000%	13.3333	720,000	

GROSS DEVELOPMENT VALUE**720,000**

Purchaser's Costs		5.80%	(41,760)	(41,760)		
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NET DEVELOPMENT VALUE**678,240****NET REALISATION****678,240****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.07 Ha 724,926.78 pHect)				50,745		
Agent Fee		1.00%		507		
Legal Fee		0.75%		381		
Site Survey & Prep Costs	0.07 m ²	100,000.00 pm ²	7,000			
					58,633	

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Retail (400sqm)	400.00 m ²	763.00 pm ²	305,200	305,200
Contingency		5.00%	15,260	
CIL	400.00 m ²	50.00 pm ²	20,000	
				35,260
Other Construction				
Site Works		20.00%	61,040	
				61,040

PROFESSIONAL FEES

All Professional		10.00%	36,624	
				36,624

MARKETING & LETTING

Letting Agent Fee		10.00%	5,400	
Letting Legal Fee		0.75%	405	
				5,805

Additional Costs

Arrangement Fee		1.00%	507	
				507

MISCELLANEOUS FEES

Planning / Insurances		2.00%	6,104	
BREEAM		5.00%	15,260	
				21,364

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			3,161	
Construction			6,645	
Total Finance Cost				9,807

TOTAL COSTS**534,240****PROFIT****144,000****Performance Measures**

Profit on Cost%	26.95%
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Convenience Store (400sqm) - Medium Value

Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	10.11%
Equivalent Yield% (Nominal)	7.50%
Equivalent Yield% (True)	7.87%
IRR	93.48%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Convenience Store (500sqm) - Medium Value

Report Date: 12 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Convenience Store (500sqm) - Medium Value****Summary Appraisal for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail (500sqm)	1	450.00	150.00	67,500	67,500	67,500

Investment Valuation

Retail (500sqm)						
Current Rent	67,500	YP @	7.5000%	13.3333	900,000	

GROSS DEVELOPMENT VALUE**900,000**

Purchaser's Costs		5.80%	(52,200)	(52,200)		
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NET DEVELOPMENT VALUE**847,800****NET REALISATION****847,800****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.08 Ha 802,012.76 pHect)				64,161		
Agent Fee		1.00%		642		
Legal Fee		0.75%		481		
Site Survey & Prep Costs	0.08 m ²	100,000.00 pm ²		8,000		
					73,284	

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Retail (500sqm)	500.00 m ²	763.00 pm ²	381,500	381,500
Contingency		5.00%	19,075	
CIL	500.00 m ²	50.00 pm ²	25,000	
				44,075

Other Construction

Site Works		20.00%	76,300	76,300
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PROFESSIONAL FEES

All Professional		10.00%	45,780	45,780
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MARKETING & LETTING

Letting Agent Fee		10.00%	6,750	
Letting Legal Fee		0.75%	506	
				7,256

Additional Costs

Arrangement Fee		1.00%	642	642
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	7,630	
BREEAM		5.00%	19,075	
				26,705

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			3,997	
Construction			8,261	
Total Finance Cost				12,258

TOTAL COSTS**667,800****PROFIT****180,000****Performance Measures**

Profit on Cost%	26.95%
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Convenience Store (500sqm) - Medium Value

Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	10.11%
Equivalent Yield% (Nominal)	7.50%
Equivalent Yield% (True)	7.87%
IRR	93.48%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

CONFIDENTIAL

Dixon Searle Partnership

Development Appraisal

Retail Warehouse (500sqm) - Medium Value

Report Date: 12 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Retail Warehouse (500sqm) - Medium Value**

Summary Appraisal for Phase 1

Currency in £

REVENUE**Rental Area Summary**

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	450.00	200.00	90,000	90,000	90,000

Investment Valuation

Retail						
Market Rent	90,000	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	1,300,108	

GROSS DEVELOPMENT VALUE**1,300,108**

Purchaser's Costs		5.80%	(75,406)	(75,406)		
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NET DEVELOPMENT VALUE**1,224,702****NET REALISATION****1,224,702****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.16 Ha 2,459,628.90 pHect)				393,541		
Stamp Duty				11,806		
Agent Fee		1.00%		3,935		
Legal Fee		0.75%		2,952		
Site Survey & Prep Costs	0.16 m ²	100,000.00 pm ²		16,000		
					428,234	

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Retail	500.00 m ²	586.00 pm ²	293,000	293,000
Contingency		5.00%	14,650	
CIL	500.00 m ²	125.00 pm ²	62,500	
				77,150

Other Construction

Site Works		20.00%	58,600	58,600
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PROFESSIONAL FEES

All Professional		10.00%	35,160	35,160
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MARKETING & LETTING

Letting Agent Fee		11.00%	9,900	
Letting Legal Fee		0.75%	675	
				10,575

Additional Costs

Arrangement Fee		1.00%	3,935	3,935
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	5,860	
BREEAM		5.00%	14,650	
				20,510

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			27,608	
Construction			9,908	
Total Finance Cost				37,516

TOTAL COSTS**964,680****PROFIT****260,022**

Retail Warehouse (500sqm) - Medium Value**Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	9.33%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	47.33%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Retail Warehouse (555sqm) - Medium Value

Report Date: 13 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Retail Warehouse (555sqm) - Medium Value****Summary Appraisal for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	m ²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	500.00	200.00	100,001	100,001	100,001

Investment Valuation

Retail						
Market Rent	100,001	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	1,444,576	

GROSS DEVELOPMENT VALUE

				1,444,576		
Purchaser's Costs		5.80%	(83,785)	(83,785)		

NET DEVELOPMENT VALUE

				1,360,791		
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NET REALISATION

				1,360,791		
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OUTLAY**ACQUISITION COSTS**

Residualised Price (0.18 Ha 2,428,115.87 pHect)				437,061		
Stamp Duty				13,112		
Agent Fee		1.00%		4,371		
Legal Fee		0.75%		3,278		
Site Survey & Prep Costs	0.18 m ²	100,000.00 pm ²		18,000		
					475,821	

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
Retail	555.56 m ²	586.00 pm ²	325,558	325,558
Contingency		5.00%	16,278	
CIL	555.56 m ²	125.00 pm ²	69,445	
				85,723

Other Construction

Site Works		20.00%	65,112	65,112
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PROFESSIONAL FEES

All Professional		10.00%	39,067	39,067
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MARKETING & LETTING

Letting Agent Fee		11.00%	11,000	
Letting Legal Fee		0.75%	750	
				11,750

Additional Costs

Arrangement Fee		1.00%	4,371	4,371
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	6,511	
BREEAM		5.00%	16,278	
				22,789

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			30,661	
Construction			11,024	
Total Finance Cost				41,685

TOTAL COSTS

				1,071,876
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PROFIT

				288,915
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Retail Warehouse (555sqm) - Medium Value**Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	9.33%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	47.33%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Retail Warehouse (600sqm) - Medium Value

Report Date: 12 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Retail Warehouse (600sqm) - Medium Value****Summary Appraisal for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail (600sqm)	1	540.00	200.00	108,000	108,000	108,000

Investment Valuation

Retail (600sqm)						
Market Rent	108,000	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	1,560,130	

GROSS DEVELOPMENT VALUE**1,560,130**

Purchaser's Costs		5.80%	(90,488)	(90,488)		
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NET DEVELOPMENT VALUE**1,469,642****NET REALISATION****1,469,642****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.19 Ha 2,486,515.12 pHect)				472,438		
Stamp Duty				14,173		
Agent Fee		1.00%	4,724			
Legal Fee		0.75%	3,543			
Site Survey & Prep Costs	0.19 m ²	100,000.00 pm ²	19,000			
					513,879	

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Retail (600sqm)	600.00 m ²	586.00 pm ²	351,600	351,600
Contingency		5.00%	17,580	
CIL	600.00 m ²	125.00 pm ²	75,000	
				92,580

Other Construction

Site Works		20.00%	70,320	70,320
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PROFESSIONAL FEES

All Professional		10.00%	42,192	42,192
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MARKETING & LETTING

Letting Agent Fee		11.00%	11,880	
Letting Legal Fee		0.75%	810	
				12,690

Additional Costs

Arrangement Fee		1.00%	4,724	4,724
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	7,032	
BREEAM		5.00%	17,580	
				24,612

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			33,143	
Construction			11,876	
Total Finance Cost				45,019

TOTAL COSTS**1,157,616****PROFIT****312,026**

Retail Warehouse (600sqm) - Medium Value**Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	9.33%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	47.33%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Retail Warehouse (700sqm) - Medium Value

Report Date: 12 December 2012

Retail Warehouse (700sqm) - Medium Value**Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	9.33%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	47.33%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Retail Warehouse (800sqm) - Medium Value

Report Date: 12 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Retail Warehouse (800sqm) - Medium Value****Summary Appraisal for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	720.00	200.00	144,000	144,000	144,000

Investment Valuation

Retail						
Market Rent	144,000	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	2,080,173	

GROSS DEVELOPMENT VALUE

Purchaser's Costs		5.80%	(120,650)	(120,650)		
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NET DEVELOPMENT VALUE

NET REALISATION **1,959,523**

OUTLAY**ACQUISITION COSTS**

Residualised Price (0.26 Ha 2,397,660.72 pHect)				623,392		
Stamp Duty				24,936		
Agent Fee		1.00%		6,234		
Legal Fee		0.75%		4,675		
Site Survey & Prep Costs	0.26 m ²	100,000.00 pm ²		26,000		
					685,237	

CONSTRUCTION COSTS**Construction**

	m²	Rate m²	Cost	
Retail	800.00 m ²	586.00 pm ²	468,800	468,800
Contingency		5.00%	23,440	
CIL	800.00 m ²	125.00 pm ²	100,000	
				123,440

Other Construction

Site Works		20.00%	93,760	93,760
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PROFESSIONAL FEES

All Professional		10.00%	56,256	56,256
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MARKETING & LETTING

Letting Agent Fee		11.00%	15,840	
Letting Legal Fee		0.75%	1,080	
				16,920

Additional Costs

Arrangement Fee		1.00%	6,234	6,234
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	9,376	
BREEAM		5.00%	23,440	
				32,816

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			44,150	
Construction			15,876	
Total Finance Cost				60,026

TOTAL COSTS

PROFIT **416,035**

1,543,489

Retail Warehouse (800sqm) - Medium Value**Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	9.33%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	47.33%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Retail Warehouse (900sqm) - Medium Value

Report Date: 12 December 2012

Retail Warehouse (900sqm) - Medium Value

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	m ²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	810.00	200.00	162,000	162,000	162,000

Investment Valuation

Retail						
Market Rent	162,000	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	2,340,195	

GROSS DEVELOPMENT VALUE

2,340,195

Purchaser's Costs		5.80%	(135,731)	(135,731)		
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NET DEVELOPMENT VALUE

2,204,464

NET REALISATION

2,204,464

OUTLAY

ACQUISITION COSTS

Residualised Price (0.29 Ha 2,419,137.79 pHect)				701,550		
Stamp Duty				28,062		
Agent Fee		1.00%		7,015		
Legal Fee		0.75%		5,262		
Site Survey & Prep Costs	0.29 m ²	100,000.00 pm ²		29,000		
					770,889	

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
Retail	900.00 m ²	586.00 pm ²	527,400	527,400
Contingency		5.00%	26,370	
CIL	900.00 m ²	125.00 pm ²	112,500	
				138,870

Other Construction

Site Works		20.00%	105,480	105,480
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PROFESSIONAL FEES

All Professional		10.00%	63,288	63,288
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MARKETING & LETTING

Letting Agent Fee		11.00%	17,820	
Letting Legal Fee		0.75%	1,215	
				19,035

Additional Costs

Arrangement Fee		1.00%	7,015	7,015
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	10,548	
BREEAM		5.00%	26,370	
				36,918

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			49,686	
Construction			17,843	
Total Finance Cost				67,529

TOTAL COSTS

1,736,425

PROFIT

468,039

Retail Warehouse (900sqm) - Medium Value**Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	9.33%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	47.33%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Retail Warehouse (1,000sqm) - Medium Value

Report Date: 12 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Retail Warehouse (1,000sqm) - Medium Value**

Summary Appraisal for Phase 1

Currency in £

REVENUE**Rental Area Summary**

	Units	m ²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	900.00	200.00	180,000	180,000	180,000

Investment Valuation

Retail						
Market Rent	180,000	YP @	6.5000%	15.3846		
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	2,600,217	

GROSS DEVELOPMENT VALUE**2,600,217**

Purchaser's Costs		5.80%	(150,813)	(150,813)		
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NET DEVELOPMENT VALUE**2,449,404****NET REALISATION****2,449,404****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.32 Ha 2,436,587.88 pHect)				779,708		
Stamp Duty				31,188		
Agent Fee		1.00%		7,797		
Legal Fee		0.75%		5,848		
Site Survey & Prep Costs	0.32 m ²	100,000.00 pm ²		32,000		
					856,541	

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
Retail	1,000.00 m ²	586.00 pm ²	586,000	586,000
Contingency		5.00%	29,300	
CIL	1,000.00 m ²	125.00 pm ²	125,000	
				154,300
Other Construction				
Site Works		20.00%	117,200	
				117,200

PROFESSIONAL FEES

All Professional		10.00%	70,320	
				70,320

MARKETING & LETTING

Letting Agent Fee		11.00%	19,800	
Letting Legal Fee		0.75%	1,350	
				21,150

Additional Costs

Arrangement Fee		1.00%	7,797	
				7,797

MISCELLANEOUS FEES

Planning / Insurances		2.00%	11,720	
BREEAM		5.00%	29,300	
				41,020

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			55,221	
Construction			19,811	
Total Finance Cost				75,032

TOTAL COSTS**1,929,361****PROFIT****520,043**

Retail Warehouse (1,000sqm) - Medium Value**Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	9.33%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	47.33%
Rent Cover	2 yrs 11 mths
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Dixon Searle Partnership

Development Appraisal

Supermarket (555sqm) - Medium Value

£125 CIL

Report Date: 13 December 2012

APPRAISAL SUMMARY**DIXON SEARLE PARTNERSHIP****Supermarket (555sqm) - Medium Value
£125 CIL**

Summary Appraisal for Phase 1

Currency in £

REVENUE**Rental Area Summary**

	Units	m ²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	500.00	260.00	130,001	130,001	130,001

Investment Valuation

Retail						
Current Rent	130,001	YP @	6.5000%	15.3846	2,000,016	

GROSS DEVELOPMENT VALUE

Purchaser's Costs		5.80%	(116,001)	(116,001)		
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NET DEVELOPMENT VALUE

NET REALISATION **1,884,015**

OUTLAY**ACQUISITION COSTS**

Residualised Price (0.17 Ha 1,830,469.88 pHect)				311,180		
Stamp Duty		1.00%		3,112		
Agent Fee		1.00%		3,112		
Legal Fee		0.75%		2,334		
Site Survey & Prep Costs	0.17 m ²	100,000.00 pm ²		17,000		
					336,737	

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
Retail	555.56 m ²	1,261.00 pm ²	700,561	700,561
Contingency		5.00%	35,028	
CIL	555.56 m ²	125.00 pm ²	69,445	
				104,473
Other Construction				
Site Works		20.00%	140,112	
				140,112

PROFESSIONAL FEES

All Professional		10.00%	84,067	84,067
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MARKETING & LETTING

Letting Agent Fee		11.00%	14,300	
Letting Legal Fee		0.75%	975	
				15,275

Additional Costs

Arrangement Fee		1.00%	3,112	3,112
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MISCELLANEOUS FEES

Planning / Insurances		2.00%	14,011	
BREEAM		5.00%	35,028	
				49,039

FINANCE

Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			25,119	
Construction			25,515	
Total Finance Cost				50,635

TOTAL COSTS

TOTAL COSTS **1,484,012**

PROFIT

PROFIT **400,003**

**Supermarket (555sqm) - Medium Value
£125 CIL****Performance Measures**

Profit on Cost%	26.95%
Profit on GDV%	20.00%
Profit on NDV%	21.23%
Development Yield% (on Rent)	8.76%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	52.59%
Rent Cover	3 yrs 1 mth
Profit Erosion (finance rate 6.500%)	3 yrs 8 mths

Sevenoaks District Council

Community Infrastructure Levy

**Viability Study Addendum Additional
Residential Appraisal Summaries**

SCHEME

Site Address	Sevenoaks District
Site Reference	
File Source	
Scheme Description	
Date of appraisal	01/11/2012
Net Residential Site Area (hectares)	0.38
Author & Organisation	Dixon Searle LLP
HCA Investment Partner (where applicable)	0

Housing Mix (Affordable + Open Market)

Total Number of Units	48	units
Total Number of Open Market Units	29	units
Total Number of Affordable Units	19	units
Total Net Internal Area (sq m)	2,919	sq m
Total Habitable Rooms	0	habitable rooms
% Affordable by Unit	39.6%	
% Affordable by Area	39.6%	
% Affordable by Habitable Rooms	-	
% Social Rented within the Affordable Housing	-	by number of units
% Social Rented within the Affordable Housing	-	by NIA of Units (sq m)
% Social Rented within the Affordable Housing	-	by habitable rooms
Density	126	units/ hectare
Total Number of A/H Persons	0	Persons
Number of Social and Affordable Rent	0	Persons
Number of Intermediate	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Gross site Area	0.38	hectares
Net Site Area	0.38	hectares
Net Internal Housing Area / Hectare	7,681	sq m / hectare

AH Residential Values

Full term yield based

Type of Unit	Social Rented	Affordable Housing AR / SO blend	Affordable Rent phase 1	Shared Ownership phase 2	Affordable Rent phase 2
1 Bed Flat Low rise	£0	£1,374,912	£0	£0	£0
2 Bed Flat Low rise	£0	£695,430	£0	£0	£0
3 Bed Flat Low rise	£0	£0	£0	£0	£0
4 Bed + Flat Low rise	£0	£0	£0	£0	£0
1 Bed Flat High rise	£0	£0	£0	£0	£0
2 Bed Flat High rise	£0	£0	£0	£0	£0
3 Bed Flat High rise	£0	£0	£0	£0	£0
4 Bed + Flat High rise	£0	£0	£0	£0	£0
2 Bed House	£0	£0	£0	£0	£0
3 Bed House	£0	£0	£0	£0	£0
4 Bed House	£0	£0	£0	£0	£0
5 Bed House	£0	£0	£0	£0	£0
6 Bed+ House	£0	£0	£0	£0	£0
	£0	£2,070,342	£0	£0	£0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £2,070,342

RP Cross Subsidy (use of own assets)	£0
LA s106 commuted in lieu	£0
RP Re-cycled SHG	£0
Other source of funding 2	£0
Land Remediation Tax Relief	£0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) £2,070,342

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
Open Market Phase 1:	1,764	£3,600	£6,350,112
Open Market Phase 2:	-	-	£0
Open Market Phase 3:	-	-	£0
Open Market Phase 4:	-	-	£0
Open Market Phase 5:	-	-	£0
Total	1,764	-	£6,350,112

Monthly Sales rate
1.16

	Average value (£ per unit)
Open Market Phase 1:	£218,969
Open Market Phase 2:	£0
Open Market Phase 3:	£0
Open Market Phase 4:	£0
Open Market Phase 5:	£0

Capital Value of Private Rental £0

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING £6,350,112

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING

£0

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£0
Affordable Rent	£0
Open market (all phases)	£216,050
TOTAL CAPITALISED ANNUAL GROUND RENT	£216,050

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME**£8,636,504****Non-Residential Values**

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community Use	£0	£0

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME**£0****TOTAL VALUE OF SCHEME****£8,636,504****Residential Building, Marketing & Section 106 Costs**

			Per sq meter
Affordable Housing Build Costs	£1,703,240	-	1,106
Open Market Housing Build Costs	£2,600,371	-	1,106
	£4,303,611		

Residential Car Parking Build Costs **£0****External Works & Infrastructure Costs (£)**

			Per unit
Site Preparation/Demolition	£0		
Roads and Sewers	£0		
Services (Power, Water, Gas, Telco and IT)	£0		
Strategic Landscaping	£144,000		3,000
Off Site Works	£0		
Public Open Space	£0		
Site Specific Sustainability Initiatives	£0		
Other 1	£0		
Other 2	£0		
Other 3	£0		

Other site costs

Building Contingencies	5.0%	£215,181	4,483
Fees and certification		£451,879	9,414
Other Acquisition Costs (£)		£0	

Site Abnormals (£)

De-canting tenants	£0		
Decontamination	£0		
Voids costs	£192,000		4,000
Renewables	£168,000		3,500

Total Building Costs inc Fees**£5,474,671**

114,056

Statutory 106 Costs (£)

Education	£0		
Sport & Recreation	£0		
Social Infrastructure	£0		
Public Realm	£0		
Affordable Housing	£0		
Transport	£0		
Highway	£0		
Health	£0		
Public Art	£0		
Flood work	£0		
Community Infrastructure Levy	£176,392		2,756

Other Tariff		£0	
Renewables		£0	
Other 2		£0	

Statutory 106 costs **£176,392**

Marketing (Open Market Housing ONLY)

Sales/letting Fees	6.0%	£381,007	per OM unit 13,138
Legal Fees (per Open Market unit):	£600	£17,400	600

Marketing (Affordable Housing)

Developer cost of sale to RP (£)		£0	per affordable unit
RP purchase costs (£)		£0	
Intermediate Housing Sales and Marketing (£)		£0	

Total Marketing Costs **£398,407**

Non-Residential Building & Marketing Costs

Building Costs

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Professional Fees (Building, Letting & Sales)

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Non-Residential Costs **£0**

TOTAL DIRECT COSTS: **£6,049,469**

Finance and acquisition costs

Land Value	£794,041	
Arrangement Fee	£0	0.0% of interest
Misc Fees (Surveyors etc)	£0	0.00% of scheme value
Agents Fees	£7,940	
Legal Fees	£5,955	
Stamp Duty	£31,762	
Total Interest Paid	£477,314	

Total Finance and Acquisition Costs **£1,317,012**

Developer's return for risk and profit

Residential

Market Housing Return (inc OH) on Value	20.0%	£1,270,022	43,794 per OM unit
Affordable Housing Return on Cost	0.0%	£0	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0! per PR unit

Non-residential

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Operating Profit **£1,270,022**

(profit after deducting sales and site specific finance costs but before allowing for developer overheads and taxation)

Surplus/(Deficit) at completion 1/5/2016

Present Value of Surplus (Deficit) at 1/11/2012

per unit

Scheme Investment IRR

20.0%

(before Developer's returns and interest to avoid double counting returns)

Sevenoaks District Council

Community Infrastructure Levy

Retail Warehousing Examples

Address	Description	Size (m²)	£/m² annual rental indications
LARGE RETAIL EXAMPLES			
UNIT 1, LONDON ROAD, RIVERHEAD, SEVENOAKS, KENT, TN13 2DN	RETAIL WAREHOUSE AND PREMISES	324.1	£223
UNIT 2, LONDON ROAD, RIVERHEAD, SEVENOAKS, KENT, TN13 2DN	RETAIL WAREHOUSE AND PREMISES	240.98	£166
UNIT 1, OTFORD ROAD, SEVENOAKS, KENT, TN14 5DH	RETAIL WAREHOUSE AND PREMISES	2397.45	£190
UNIT 2, OTFORD ROAD, SEVENOAKS, KENT, TN14 5DH	RETAIL WAREHOUSE AND PREMISES	924.3	£210
UNIT 3, OTFORD ROAD, SEVENOAKS, KENT, TN14 5DH	RETAIL WAREHOUSE AND PREMISES	610.75	£210
UNIT A, RIVERSIDE RETAIL PARK, OLD OTFORD ROAD, SEVENOAKS, KENT, TN14 5DE	RETAIL WAREHOUSE AND PREMISES	3907.72	£175
UNIT B, RIVERSIDE RETAIL PARK, OLD OTFORD ROAD, SEVENOAKS, KENT, TN14 5DE	RETAIL WAREHOUSE AND PREMISES	696.94	£225
UNIT C, RIVERSIDE RETAIL PARK, OLD OTFORD ROAD, SEVENOAKS, KENT, TN14 5EW	RETAIL WAREHOUSE AND PREMISES	621.1	£225