

# Worthing Borough Council DSP18551 - CIL Viability Assessment

## Appendix IIb – Commercial Results



Table 3a Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
5% Yield

Use Class / Type	Scheme Type	Va ue Leve	S te Size (Ha)	Res dua Land Va ue (£)															Res dua Land Va ue (£/ha)																							
				Res dua Land Va ue £0/m² CIL	Res dua Land Va ue £25/m² CIL	Res dua Land Va ue £50/m² CIL	Res dua Land Va ue £75/m² CIL	Res dua Land Va ue £100/m² CIL	Res dua Land Va ue £125/m² CIL	Res dua Land Va ue £150/m² CIL	Res dua Land Va ue £175/m² CIL	Res dua Land Va ue £183.58/m² CIL	Res dua Land Va ue £200/m² CIL	Res dua Land Va ue £225/m² CIL	Res dua Land Va ue £250/m² CIL	Res dua Land Va ue £275/m² CIL	Res dua Land Va ue £300/m² CIL	Res dua Land Va ue £0/m² CIL	Res dua Land Va ue £25/m² CIL	Res dua Land Va ue £50/m² CIL	Res dua Land Va ue £75/m² CIL	Res dua Land Va ue £100/m² CIL	Res dua Land Va ue £125/m² CIL	Res dua Land Va ue £150/m² CIL	Res dua Land Va ue £175/m² CIL	Res dua Land Va ue £183.58/m² CIL	Res dua Land Va ue £200/m² CIL	Res dua Land Va ue £225/m² CIL	Res dua Land Va ue £250/m² CIL	Res dua Land Va ue £275/m² CIL	Res dua Land Va ue £300/m² CIL											
A1 Large Format Reta	Foodstore / Supermarket	L	0.71	£1,151,922	£1,094,312	£1,036,701	£979,091	£921,481	£863,871	£806,260	£748,650	£728,878	£691,040	£633,430	£575,819	£518,209	£460,599	£1,622,425	£1,541,284	£1,460,143	£1,379,001	£1,297,860	£1,216,719	£1,135,578	£1,054,437	£1,026,589	£973,295	£892,154	£811,013	£729,872	£648,731											
		M	0.71	£1,850,610	£1,793,000	£1,735,390	£1,677,779	£1,620,169	£1,562,559	£1,504,949	£1,447,338	£1,427,567	£1,389,728	£1,332,118	£1,274,508	£1,216,897	£1,159,287	£1,101,677	£2,606,493	£2,525,352	£2,444,211	£2,363,070	£2,281,928	£2,200,787	£2,119,646	£2,038,505	£2,010,657	£1,957,364	£1,876,222	£1,795,081	£1,713,940	£1,632,799										
		H	0.71	£2,549,299	£2,491,688	£2,434,078	£2,376,468	£2,318,858	£2,261,247	£2,203,637	£2,146,027	£2,126,255	£2,088,417	£2,030,806	£1,973,196	£1,915,586	£1,857,976	£1,800,366	£3,390,561	£3,309,420	£3,228,279	£3,147,138	£3,066,000	£2,984,859	£2,903,718	£2,822,577	£2,741,436	£2,660,295	£2,579,154	£2,498,013	£2,416,872	£2,335,731										
A1 Large Format Reta	Reta Warehouse ng	L	0.25	£1,678,422	£1,655,799	£1,633,176	£1,610,553	£1,587,931	£1,565,308	£1,542,685	£1,520,062	£1,512,298	£1,497,439	£1,474,817	£1,452,194	£1,429,571	£1,406,948	£6,713,687	£6,623,196	£6,532,705	£6,442,214	£6,351,723	£6,261,232	£6,170,741	£6,080,250	£6,049,192	£5,989,758	£5,899,267	£5,808,776	£5,718,285	£5,627,794											
		M	0.25	£2,233,007	£2,210,385	£2,187,762	£2,165,139	£2,142,516	£2,119,893	£2,097,271	£2,074,648	£2,066,884	£2,052,025	£2,029,402	£2,006,779	£1,984,157	£1,961,534	£8,932,030	£8,841,539	£8,751,047	£8,660,556	£8,570,065	£8,479,574	£8,389,083	£8,298,592	£8,267,535	£8,208,100	£8,117,609	£8,027,118	£7,936,627	£7,846,136											
		H	0.25	£2,787,593	£2,764,970	£2,742,347	£2,719,725	£2,697,102	£2,674,479	£2,651,856	£2,629,233	£2,621,469	£2,606,611	£2,581,753	£2,556,895	£2,532,037	£2,507,179	£11,150,372	£11,059,881	£10,969,390	£10,878,899	£10,788,407	£10,697,916	£10,607,425	£10,516,934	£10,426,443	£10,335,951	£10,245,460	£10,154,969	£10,064,478												
A1 AS Sma Reta Un ts	Compar son (Town Centre)	L	0.04	£30,468	£25,722	£20,976	£16,230	£11,484	£6,739	£1,993	Negative RLV															£761,693	£643,048	£524,403	£405,757	£287,112	£168,467	£49,822	Negative RLV									
		M	0.04	£124,006	£119,260	£114,514	£109,768	£105,023	£100,277	£95,531	£90,785	£89,156	£86,039	£81,294	£76,548	£71,802	£67,056	£3,100,146	£3,381,501	£3,662,855	£3,944,210	£4,225,565	£4,506,920	£4,788,274	£5,069,629	£5,350,984	£5,632,339	£5,913,693	£6,195,048	£6,476,403												
		H	0.04	£18,547	£11,429	£4,310	Negative RLV															£370,948	£228,574	£86,200	Negative RLV																	
B1(a) Off ces Town Centre	Smaller Off ce Bld g (Town Centres / Urban Areas)	L	0.08	Negative RLV															Negative RLV																							
		M	0.08	Negative RLV															Negative RLV																							
		H	0.08	Negative RLV															Negative RLV																							
B1(a) Off ces	Out of Town / Bus ness Park	L	0.25	Negative RLV															Negative RLV																							
		M	0.25	Negative RLV															Negative RLV																							
		H	0.25	Negative RLV															Negative RLV																							
B1/B2/B Warehouse ng	Start-up / Move on	L	0.13	Negative RLV															Negative RLV																							
		M	0.13	Negative RLV															Negative RLV																							
		H	0.13	Negative RLV															Negative RLV																							
B1/B2/B Warehouse ng	Larger	L	0.50	Negative RLV															Negative RLV																							
		M	0.50	Negative RLV															Negative RLV																							
		H	0.50	Negative RLV															Negative RLV																							
C1 Hote	Budget (60 Beds)	L	0.42	Negative RLV															Negative RLV																							
		M	0.42	£723,348	£673,517	£623,686	£573,855	£524,024	£474,193	£424,362	£374,531	£324,700	£274,869	£225,038	£175,207	£125,376	£1,722,257	£1,603,612	£1,484,967	£1,366,321	£1,247,676	£1,129,031	£1,010,386	£891,741	£851,021	£773,095	£654,450	£535,805	£417,160	£298,514												
		H	0.42	Negative RLV															Negative RLV																							
C2 Res dent a Institut on	Nursing Home	L	0.21	Negative RLV															Negative RLV																							
		M	0.21	Negative RLV															Negative RLV																							
		H	0.21	Negative RLV															Negative RLV																							

Key:

RLV beneath Viability Test 1 (RLV <£250,000/ha)
Viability Test 1 (RLV £250,000 to £500,000/ha)
Viability Test 2 (RLV £500,000 to £850,000/ha)
Viability Test 3 (RLV £850,000 to £1,500,000/ha)
Viability Test 4 (RLV £1,500,000 to £2,200,000/ha)
Viability Test 5 (RLV £2,200,000 to £2,800,000/ha)
Viability Test 6 (RLV £2,800,000 to £3,500,000/ha)
Viability Test 7 (RLV >£3,500,000/ha)

RLV Notes:

EUVA £/ha	Notes
£250,000	Greenfield Enhancement
£500,000	Greenfield Enhancement (Upper)
£850,000	Low-grade industrial land values.
£1,500,000	Industrial Upper / Commercial lower (includes a 20% uplift).
£2,200,000	Commercial Upper (includes 20% uplift)
£2,800,000	Residential land values - lower. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.
£3,500,000	Residential land values - upper.

Source: Dixon Searle Partnership (2020)

Table 3b Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
5.5% Yield

Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value (£)															Residual Land Value (£/Ha)																		
				Residual Land Value £0/m² CIL	Residual Land Value £25/m² CIL	Residual Land Value £50/m² CIL	Residual Land Value £75/m² CIL	Residual Land Value £100/m² CIL	Residual Land Value £125/m² CIL	Residual Land Value £150/m² CIL	Residual Land Value £175/m² CIL	Residual Land Value £183.58/m² CIL	Residual Land Value £200/m² CIL	Residual Land Value £225/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £275/m² CIL	Residual Land Value £300/m² CIL	Residual Land Value £0/m² CIL	Residual Land Value £25/m² CIL	Residual Land Value £50/m² CIL	Residual Land Value £75/m² CIL	Residual Land Value £100/m² CIL	Residual Land Value £125/m² CIL	Residual Land Value £150/m² CIL	Residual Land Value £175/m² CIL	Residual Land Value £183.58/m² CIL	Residual Land Value £200/m² CIL	Residual Land Value £225/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £275/m² CIL	Residual Land Value £300/m² CIL						
A1 Large Format Retail	Foodstore / Supermarket	L	0.71	£548,685	£491,074	£433,464	£375,854	£318,244	£260,635	£201,645	£142,270	£121,717	£82,385	£22,499	Negative RLV			£772,795	£691,654	£610,513	£529,372	£448,231	£367,091	£284,008	£200,380	£171,433	£116,035	£31,689	Negative RLV								
		M	0.71	£1,180,347	£1,122,737	£1,065,126	£1,007,516	£949,906	£892,296	£834,685	£777,075	£719,465	£661,855	£604,244	£546,634	£489,024	£1,662,460	£1,581,319	£1,500,178	£1,419,037	£1,337,896	£1,256,754	£1,175,613	£1,094,472	£1,013,331	£932,190	£851,048	£769,907	£688,766	£607,624	£526,483	£445,342					
A1 Large Format Retail	Retail Warehousing	H	0.71	£1,812,009	£1,754,399	£1,696,788	£1,639,178	£1,581,568	£1,523,958	£1,466,347	£1,408,737	£1,351,127	£1,293,517	£1,235,906	£1,178,296	£1,120,686	£2,552,125	£2,470,984	£2,389,843	£2,308,702	£2,227,560	£2,146,419	£2,065,278	£1,984,137	£1,902,996	£1,821,854	£1,740,713	£1,659,572	£1,578,431	£1,497,290	£1,416,149						
		L	0.25	£1,412,321	£1,389,698	£1,367,075	£1,344,452	£1,321,829	£1,299,207	£1,276,584	£1,253,961	£1,231,338	£1,208,715	£1,186,093	£1,163,470	£1,140,847	£5,649,283	£5,558,792	£5,468,300	£5,377,809	£5,287,318	£5,196,827	£5,106,336	£5,015,844	£4,925,353	£4,834,862	£4,744,371	£4,653,880	£4,563,389	£4,472,898	£4,382,407						
A1 AS Small Retail Units	Comparison (Town Centre)	M	0.25	£1,913,686	£1,891,063	£1,868,440	£1,845,818	£1,823,195	£1,800,572	£1,777,949	£1,755,326	£1,732,704	£1,710,081	£1,687,458	£1,664,835	£1,642,212	£7,654,744	£7,564,253	£7,473,762	£7,383,271	£7,292,779	£7,202,288	£7,111,797	£7,021,306	£6,930,815	£6,840,323	£6,749,832	£6,659,341	£6,568,850	£6,478,359	£6,387,868						
		H	0.25	£2,415,051	£2,392,429	£2,369,806	£2,347,183	£2,324,560	£2,301,937	£2,279,315	£2,256,692	£2,234,069	£2,211,446	£2,188,823	£2,166,201	£2,143,578	£9,660,206	£9,569,714	£9,479,223	£9,388,732	£9,298,241	£9,207,750	£9,117,259	£9,026,767	£8,936,276	£8,845,785	£8,755,294	£8,664,803	£8,574,312	£8,483,821	£8,393,330						
A1 AS Small Retail Units	Local convenience stores	L	0.04	Negative RLV															Negative RLV																		
		M	0.04	Negative RLV															Negative RLV																		
A1 AS Small Retail Units	Comparison (Town Centre)	H	0.04	£72,392	£67,646	£62,901	£58,155	£53,409	£48,663	£43,917	£39,172	£37,543	£34,426	£29,680	£24,934	£20,188	£15,442	£1,809,804	£1,691,159	£1,572,514	£1,453,869	£1,335,223	£1,216,578	£1,097,933	£979,288	£860,642	£741,997	£623,352	£504,707	£386,061							
		H	0.05	Negative RLV															Negative RLV																		
B1(a) Offices Town Centre	Smaller Office Buildings (Town Centres / Urban Areas)	L	0.08	Negative RLV															Negative RLV																		
		M	0.08	Negative RLV															Negative RLV																		
B1(a) Offices	Out of Town / Business Park	H	0.08	Negative RLV															Negative RLV																		
		L	0.25	Negative RLV															Negative RLV																		
B1/B2/B Industrial / Warehousing	Start-up / Move on	M	0.25	Negative RLV															Negative RLV																		
		H	0.25	Negative RLV															Negative RLV																		
B1/B2/B Industrial / Warehousing	Larger	L	0.13	Negative RLV															Negative RLV																		
		M	0.13	Negative RLV															Negative RLV																		
B1/B2/B Industrial / Warehousing	Larger	H	0.13	Negative RLV															Negative RLV																		
		L	0.50	Negative RLV															Negative RLV																		
C1 Hotel	Budget (60 Beds)	M	0.50	Negative RLV															Negative RLV																		
		H	0.50	Negative RLV															Negative RLV																		
C2 Residential Institution	Nursing Home	L	0.42	£95,745	£45,914	Negative RLV															£227,964	£109,318	Negative RLV														
		M	0.42	Negative RLV															Negative RLV																		
C2 Residential Institution	Nursing Home	H	0.42	Negative RLV															Negative RLV																		
		L	0.21	Negative RLV															Negative RLV																		
C2 Residential Institution	Nursing Home	M	0.21	Negative RLV															Negative RLV																		
		H	0.21	Negative RLV															Negative RLV																		

Key:

RLV beneath Viability Test 1 (RLV <£250,000/ha)
Viability Test 1 (RLV £250,000 to £500,000/ha)
Viability Test 2 (RLV £500,000 to £850,000/ha)
Viability Test 3 (RLV £850,000 to £1,500,000/ha)
Viability Test 4 (RLV £1,500,000 to £2,200,000/ha)
Viability Test 5 (RLV £2,200,000 to £2,800,000/ha)
Viability Test 6 (RLV £2,800,000 to £3,500,000/ha)
Viability Test 7 (RLV >£3,500,000/ha)

BLV Notes:

EUVE £/ha	Notes
£250,000	Greenfield Enhancement
£500,000	Greenfield Enhancement (Upper)
£850,000	Low-grade industrial land values.
£1,250,000	Industrial - Upper
£1,500,000	Commercial CBD/OOT land values. Includes a 20% uplift.
£3,000,000	Residential land values. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.
£3,500,000	Residential land values - North of Plan Area only. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.

Source: Dixon Searle Partnership (2020)

Table 3c Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
6% Yield

Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value (£)													Residual Land Value (£/Ha)																	
				Residual Land Value £0/m² CIL	Residual Land Value £25/m² CIL	Residual Land Value £50/m² CIL	Residual Land Value £75/m² CIL	Residual Land Value £100/m² CIL	Residual Land Value £125/m² CIL	Residual Land Value £150/m² CIL	Residual Land Value £175/m² CIL	Residual Land Value £183.58/m² CIL	Residual Land Value £200/m² CIL	Residual Land Value £225/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £275/m² CIL	Residual Land Value £300/m² CIL	Residual Land Value £0/m² CIL	Residual Land Value £25/m² CIL	Residual Land Value £50/m² CIL	Residual Land Value £75/m² CIL	Residual Land Value £100/m² CIL	Residual Land Value £125/m² CIL	Residual Land Value £150/m² CIL	Residual Land Value £175/m² CIL	Residual Land Value £183.58/m² CIL	Residual Land Value £200/m² CIL	Residual Land Value £225/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £275/m² CIL	Residual Land Value £300/m² CIL			
A1 Large Format Retail	Foodstore / Supermarket	L	0.71	£39,163	Negative RLV													£55,159	Negative RLV															
		M	0.71	£622,056	£564,446	£506,836	£449,226	£391,615	£334,005	£276,395	£217,869	£197,517	£158,569	£98,768	£38,883	Negative RLV																		
		H	0.71	£1,197,889	£1,140,279	£1,082,669	£1,025,059	£967,448	£909,838	£852,228	£794,618	£737,007	£679,397	£621,787	£564,177	£506,566	£1,687,168	£1,606,027	£1,524,886	£1,443,744	£1,362,603	£1,281,462	£1,200,321	£1,119,180	£1,038,038	£956,897	£875,756	£794,615	£713,474					
A1 Large Format Retail	Retail Warehousing	L	0.25	£1,190,674	£1,168,051	£1,145,428	£1,122,805	£1,100,183	£1,077,560	£1,054,937	£1,032,314	£1,024,550	£1,009,691	£987,069	£964,446	£941,823	£919,200	£4,762,895	£4,672,204	£4,581,513	£4,491,222	£4,400,731	£4,310,139	£4,219,748	£4,129,257	£4,038,766	£3,948,275	£3,857,783	£3,767,292	£3,676,801				
		M	0.25	£1,647,710	£1,625,087	£1,602,464	£1,579,841	£1,557,219	£1,534,596	£1,511,973	£1,489,350	£1,481,586	£1,466,727	£1,444,105	£1,421,482	£1,398,859	£1,376,236	£6,590,839	£6,500,348	£6,409,857	£6,319,366	£6,228,875	£6,138,383	£6,047,892	£5,957,401	£5,926,344	£5,866,910	£5,776,419	£5,685,927	£5,595,436	£5,504,945			
		H	0.25	£2,104,746	£2,082,123	£2,059,500	£2,036,877	£2,014,255	£1,991,632	£1,969,009	£1,946,386	£1,938,622	£1,923,763	£1,901,141	£1,878,518	£1,855,895	£1,833,272	£8,418,983	£8,328,492	£8,238,001	£8,147,510	£8,057,019	£7,966,527	£7,876,036	£7,785,545	£7,754,488	£7,695,054	£7,604,563	£7,514,071	£7,423,580	£7,333,089			
A1 AS Small Retail Units	Comparison (Town Centre)	L	0.04	Negative RLV													Negative RLV																	
		M	0.04	Negative RLV													Negative RLV																	
		H	0.04	£29,401	£24,655	£19,909	£15,164	£10,418	£5,672	£926	Negative RLV													£735,025	£616,380	£497,734	£379,089	£260,444	£141,799	Negative RLV				
A1 AS Small Retail Units	Local convenience stores	L	0.05	Negative RLV													Negative RLV																	
		M	0.05	Negative RLV													Negative RLV																	
		H	0.05	Negative RLV													Negative RLV																	
B1(a) Offices Town Centre	Smaller Office Building (Town Centres / Urban Areas)	L	0.08	Negative RLV													Negative RLV																	
		M	0.08	Negative RLV													Negative RLV																	
		H	0.08	Negative RLV													Negative RLV																	
B1(a) Offices	Out of Town / Business Park	L	0.25	Negative RLV													Negative RLV																	
		M	0.25	Negative RLV													Negative RLV																	
		H	0.25	Negative RLV													Negative RLV																	
B1/B2/B Warehousing	Start-up / Move on	L	0.13	Negative RLV													Negative RLV																	
		M	0.13	Negative RLV													Negative RLV																	
		H	0.13	Negative RLV													Negative RLV																	
B1/B2/B Warehousing	Larger	L	0.50	Negative RLV													Negative RLV																	
		M	0.50	Negative RLV													Negative RLV																	
		H	0.50	Negative RLV													Negative RLV																	
C1 Hotel	Budget (60 Beds)	L	0.42	Negative RLV													Negative RLV																	
		M	0.42	Negative RLV													Negative RLV																	
		H	0.42	Negative RLV													Negative RLV																	
C2 Residential Institution	Nursing Home	L	0.21	Negative RLV													Negative RLV																	
		M	0.21	Negative RLV													Negative RLV																	
		H	0.21	Negative RLV													Negative RLV																	

Key:

	RLV beneath Viability Test 1 (RLV <£250,000/ha)
	Viability Test 1 (RLV £250,000 to £500,000/ha)
	Viability Test 2 (RLV £500,000 to £850,000/ha)
	Viability Test 3 (RLV £850,000 to £1,500,000/ha)
	Viability Test 4 (RLV £1,500,000 to £2,200,000/ha)
	Viability Test 5 (RLV £2,200,000 to £2,800,000/ha)
	Viability Test 6 (RLV £2,800,000 to £3,500,000/ha)
	Viability Test 7 (RLV >£3,500,000/ha)

BLV Notes:

EUVE £/ha	Notes
£250,000	Greenfield Enhancement
£500,000	Greenfield Enhancement (Upper)
£850,000	Low-grade industrial land values.
£1,250,000	Industrial - Upper
£1,500,000	Commercial CBD/OOT land values. Includes a 20% uplift.
£3,000,000	Residential land values. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.
£3,500,000	Residential land values - North of Plan Area only. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.

Source: Dixon Searle Partnership (2020)

Table 3d Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
6.5% Yield

Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value (£)													Residual Land Value (£/Ha)																											
				Residual Land Value £0/m² CIL	Residual Land Value £25/m² CIL	Residual Land Value £50/m² CIL	Residual Land Value £75/m² CIL	Residual Land Value £100/m² CIL	Residual Land Value £125/m² CIL	Residual Land Value £150/m² CIL	Residual Land Value £175/m² CIL	Residual Land Value £183.58/m² CIL	Residual Land Value £200/m² CIL	Residual Land Value £225/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £0/m² CIL	Residual Land Value £25/m² CIL	Residual Land Value £50/m² CIL	Residual Land Value £75/m² CIL	Residual Land Value £100/m² CIL	Residual Land Value £125/m² CIL	Residual Land Value £150/m² CIL	Residual Land Value £175/m² CIL	Residual Land Value £183.58/m² CIL	Residual Land Value £200/m² CIL	Residual Land Value £225/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £275/m² CIL	Residual Land Value £300/m² CIL														
A1 Large Format Retail	Foodstore / Supermarket	L	0.71	Negative RLV																																								
		M	0.71	Negative RLV																																								
		H	0.71	Negative RLV																																								
A1 Large Format Retail	Retail Warehousing	L	0.25	£146,929	£87,044	£27,159	Negative RLV																									£206,943	£122,597	£38,252	Negative RLV									
		M	0.25	£678,512	£620,902	£563,292	£505,681	£448,071	£390,461	£332,851	£275,240	£255,471	£216,681	£157,381	£97,568	£37,683	£731,748	£955,651	£874,510	£793,369	£712,227	£631,086	£549,945	£468,804	£387,663	£359,819	£305,184	£221,663	£137,420	£53,075	Negative RLV													
		H	0.25	£1,003,221	£980,598	£957,976	£935,353	£912,730	£890,107	£867,484	£844,862	£837,098	£822,239	£799,616	£776,993	£754,371	£731,748	£4,012,885	£3,922,394	£3,831,903	£3,741,412	£3,650,920	£3,560,429	£3,469,938	£3,379,447	£3,348,390	£3,288,956	£3,198,464	£3,107,973	£3,017,482	£2,926,991													
A1 AS Small Retail Units	Comparison (Town Centre)	L	0.25	£1,422,767	£1,400,144	£1,377,521	£1,354,898	£1,332,276	£1,309,653	£1,287,030	£1,264,407	£1,256,643	£1,241,784	£1,219,162	£1,196,539	£1,173,916	£1,151,293	£5,691,067	£5,600,576	£5,510,085	£5,419,593	£5,329,102	£5,238,611	£5,148,120	£5,057,629	£5,026,572	£4,967,137	£4,876,646	£4,786,155	£4,695,664	£4,605,173													
		M	0.25	£1,842,312	£1,819,689	£1,797,067	£1,774,444	£1,751,821	£1,729,198	£1,706,575	£1,683,953	£1,676,188	£1,661,330	£1,638,707	£1,616,084	£1,593,461	£1,570,839	£7,369,249	£7,278,758	£7,188,267	£7,097,775	£7,007,284	£6,916,793	£6,826,302	£6,735,811	£6,704,754	£6,645,319	£6,554,828	£6,464,337	£6,373,846	£6,283,355													
		H	0.25	Negative RLV																																								
A1 AS Small Retail Units	Local convenience stores	L	0.04	Negative RLV																																								
		M	0.04	Negative RLV																																								
		H	0.04	Negative RLV																																								
B1(a) Off ces Town Centre	Smaller Office Building (Town Centres / Urban Areas)	L	0.05	Negative RLV																																								
		M	0.05	Negative RLV																																								
		H	0.05	Negative RLV																																								
B1(a) Off ces	Out of Town / Business Park	L	0.25	Negative RLV																																								
		M	0.25	Negative RLV																																								
		H	0.25	Negative RLV																																								
B1/B2/B Industrial / Warehousing	Start-up / Move on	L	0.13	Negative RLV																																								
		M	0.13	Negative RLV																																								
		H	0.13	Negative RLV																																								
B1/B2/B Industrial / Warehousing	Larger	L	0.50	Negative RLV																																								
		M	0.50	Negative RLV																																								
		H	0.50	Negative RLV																																								
C1 Hote	Budget (60 Beds)	L	0.42	Negative RLV																																								
		M	0.42	Negative RLV																																								
		H	0.42	Negative RLV																																								
C2 Residential Institution	Nursing Home	L	0.21	Negative RLV																																								
		M	0.21	Negative RLV																																								
		H	0.21	Negative RLV																																								

Key:

	RLV beneath Viability Test 1 (RLV <£250,000/ha)
	Viability Test 1 (RLV £250,000 to £500,000/ha)
	Viability Test 2 (RLV £500,000 to £850,000/ha)
	Viability Test 3 (RLV £850,000 to £1,500,000/ha)
	Viability Test 4 (RLV £1,500,000 to £2,200,000/ha)
	Viability Test 5 (RLV £2,200,000 to £2,800,000/ha)
	Viability Test 6 (RLV £2,800,000 to £3,500,000/ha)
	Viability Test 7 (RLV >£3,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement
£500,000	Greenfield Enhancement (Upper)
£850,000	Low-grade industrial land values.
£1,250,000	Industrial - Upper
£1,500,000	Commercial CBD/OOT land values. Includes a 20% uplift.
£3,000,000	Residential land values. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.
£3,500,000	Residential land values - North of Plan Area only. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.

Source: Dixon Searle Partnership (2020)

Table 3e Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
7% Yield

Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value (£)														Residual Land Value (£/Ha)													
				Residual Land Value £0/m² CIL	Residual Land Value £25/m² CIL	Residual Land Value £50/m² CIL	Residual Land Value £75/m² CIL	Residual Land Value £100/m² CIL	Residual Land Value £125/m² CIL	Residual Land Value £150/m² CIL	Residual Land Value £175/m² CIL	Residual Land Value £183.58/m² CIL	Residual Land Value £200/m² CIL	Residual Land Value £225/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £275/m² CIL	Residual Land Value £300/m² CIL	Residual Land Value £0/m² CIL	Residual Land Value £25/m² CIL	Residual Land Value £50/m² CIL	Residual Land Value £75/m² CIL	Residual Land Value £100/m² CIL	Residual Land Value £125/m² CIL	Residual Land Value £150/m² CIL	Residual Land Value £175/m² CIL	Residual Land Value £183.58/m² CIL	Residual Land Value £200/m² CIL	Residual Land Value £225/m² CIL	Residual Land Value £250/m² CIL	Residual Land Value £275/m² CIL	Residual Land Value £300/m² CIL
A1 Large Format Retail	Foodstore / Supermarket	L	0.71	Negative RLV														Negative RLV													
		M	0.71	Negative RLV														Negative RLV													
		H	0.71	£233,090	£173,791	£114,140	£54,255	Negative RLV										£328,296	£244,775	£160,761	£76,415	Negative RLV									
A1 Large Format Retail	Retail Warehousing	L	0.25	£842,634	£820,012	£797,389	£774,766	£752,143	£729,520	£706,898	£684,275	£676,511	£661,652	£639,029	£616,406	£593,784	£571,161	£3,370,538	£3,280,047	£3,189,555	£3,099,064	£3,008,573	£2,918,082	£2,827,591	£2,737,099	£2,706,043	£2,646,608	£2,556,117	£2,465,626	£2,375,135	£2,284,643
		M	0.25	£1,230,063	£1,207,440	£1,184,817	£1,162,194	£1,139,571	£1,116,949	£1,094,326	£1,071,703	£1,063,939	£1,049,080	£1,026,457	£1,003,835	£981,212	£958,589	£4,920,250	£4,829,759	£4,739,268	£4,648,777	£4,558,285	£4,467,794	£4,377,303	£4,286,812	£4,255,755	£4,196,321	£4,105,829	£4,015,338	£3,924,847	£3,834,356
		H	0.25	£1,617,491	£1,594,868	£1,572,245	£1,549,622	£1,526,999	£1,504,377	£1,481,754	£1,459,131	£1,451,367	£1,436,508	£1,413,885	£1,391,263	£1,368,640	£1,346,017	£6,469,962	£6,379,471	£6,288,980	£6,198,489	£6,107,998	£6,017,507	£5,927,015	£5,836,524	£5,805,468	£5,746,033	£5,655,542	£5,565,051	£5,474,559	£5,384,068
A1 A5 Small Retail Units	Comparison (Town Centre)	L	0.04	Negative RLV														Negative RLV													
		M	0.04	Negative RLV														Negative RLV													
		H	0.04	Negative RLV														Negative RLV													
A1 A5 Small Retail Units	Local convenience stores	L	0.05	Negative RLV														Negative RLV													
		M	0.05	Negative RLV														Negative RLV													
		H	0.05	Negative RLV														Negative RLV													
B1(a) Office Town Centre	Smaller Office Buildings (Town Centres / Urban Areas)	L	0.08	Negative RLV														Negative RLV													
		M	0.08	Negative RLV														Negative RLV													
		H	0.08	Negative RLV														Negative RLV													
B1(a) Office	Out of Town / Business Park	L	0.25	Negative RLV														Negative RLV													
		M	0.25	Negative RLV														Negative RLV													
		H	0.25	Negative RLV														Negative RLV													
B1/B2/B Industrial / Warehousing	Start up / Move on	L	0.13	Negative RLV														Negative RLV													
		M	0.13	Negative RLV														Negative RLV													
		H	0.13	Negative RLV														Negative RLV													
B1/B2/B Industrial / Warehousing	Larger	L	0.50	Negative RLV														Negative RLV													
		M	0.50	Negative RLV														Negative RLV													
		H	0.50	Negative RLV														Negative RLV													
C1 Hotel	Budget (60 Beds)	L	0.42	Negative RLV														Negative RLV													
		M	0.42	Negative RLV														Negative RLV													
		H	0.42	Negative RLV														Negative RLV													
C2 Residential Institution	Nursing Home	L	0.21	Negative RLV														Negative RLV													
		M	0.21	Negative RLV														Negative RLV													
		H	0.21	Negative RLV														Negative RLV													

Key:

	RLV beneath Viability Test 1 (RLV <£250,000/ha)
	Viability Test 1 (RLV £250,000 to £500,000/ha)
	Viability Test 2 (RLV £500,000 to £850,000/ha)
	Viability Test 3 (RLV £850,000 to £1,500,000/ha)
	Viability Test 4 (RLV £1,500,000 to £2,200,000/ha)
	Viability Test 5 (RLV £2,200,000 to £2,800,000/ha)
	Viability Test 6 (RLV £2,800,000 to £3,500,000/ha)
	Viability Test 7 (RLV >£3,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement
£500,000	Greenfield Enhancement (Upper)
£850,000	Low-grade industrial land values.
£1,250,000	Industrial - Upper
£1,500,000	Commercial CBD/OOT land values. Includes a 20% uplift.
£3,000,000	Residential land values. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.
£3,500,000	Residential land values - North of Plan Area only. An allowance has been made for a 50% reduction for planning obligations (AH) and planning risk; 20% uplift to adjusted estimate.

Source: Dixon Searle Partnership (2020)



# Worthing Borough Council DSP18551 - CIL Viability Assessment

## Appendix IIb – Example Commercial Appraisal Summaries

Worthing Borough Council  
A1 - Foodstore / Supermarket (2500sqm)  
MV 5.5% Yield @ £150 CIL

Development Appraisal  
Dixon Searle Partnership  
March 24, 2020



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

**Worthing Borough Council**  
**A1 - Foodstore / Supermarket (2500sqm)**  
**MV 5.5% Yield @ £150 CIL**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE****Rental Area Summary**

	Units	m <sup>2</sup>	Rent Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Foodstore / Supermarket (2500 sqm)	1	2,250.00	250.00	562,500	562,500	562,500

**Investment Valuation****Foodstore / Supermarket (2500 sqm)**

Market Rent	562,500	YP @	5.5000%	18.1818		
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	9,694,097	

**GROSS DEVELOPMENT VALUE****9,694,097**

Purchaser's Costs				(557,411)		
Effective Purchaser's Costs Rate		5.75%			(557,411)	

**NET DEVELOPMENT VALUE****9,136,687****NET REALISATION****9,136,687****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.71 Ha @ 1,175,613.13 /Hect)				834,685		
					834,685	
Stamp Duty				32,734		
Effective Stamp Duty Rate		3.92%				
Agent Fee		1.50%		12,520		
Legal Fee		0.75%		6,260		
Site Prep & s06 Costs	0.71 ha	200,000.00 /ha		142,000		
					193,515	

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Foodstore / Supermarket (2500 sqm)	2,500.00	1,641.00	4,102,500
Contingency		5.00%	205,125
CIL		1.00%	375,000
			4,682,625

**Other Construction**

Site Works		15.00%	615,375		615,375
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**PROFESSIONAL FEES**

All Professional		10.00%	471,788		471,788
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	56,250		
Letting Legal Fee		1.00%	5,625		
					61,875

**MISCELLANEOUS FEES**

Planning / Insurances		2.00%	82,050		
BREEAM		5.00%	205,125		
Arrangement Fee		2.00%	137,395		
					424,570

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)					
Land				107,719	

**Worthing Borough Council  
A1 - Foodstore / Supermarket (2500sqm)  
MV 5.5% Yield @ £150 CIL**

Construction	290,420	
Total Finance Cost		398,139
<b>TOTAL COSTS</b>		<b>7,682,572</b>
<b>PROFIT</b>		<b>1,454,115</b>

**Performance Measures**

Profit on Cost%	18.93%
Profit on GDV%	15.00%
Profit on NDV%	15.92%
Development Yield% (on Rent)	7.32%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
Rent Cover	2 yrs 7 mths
Profit Erosion (finance rate 6.000)	2 yrs 11 mths

Worthing Borough Council  
A1 - Retail Warehouse (1000sqm)  
MV 5.5% Yield @ £200 CIL

Development Appraisal  
Dixon Searle Partnership  
March 24, 2020



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

**Worthing Borough Council**  
**A1 - Retail Warehouse (1000sqm)**  
**MV 5.5% Yield @ £200 CIL**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE****Rental Area Summary**

	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Rent Rate m<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Retail Warehouse (1000sqm)	1	900.00	300.00	270,000	270,000	270,000

**Investment Valuation****Retail Warehouse (1000sqm)**

Market Rent	270,000	YP @	5.5000%	18.1818		
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	4,653,167	

**GROSS DEVELOPMENT VALUE****4,653,167**

Purchaser's Costs				(267,557)		
Effective Purchaser's Costs Rate		5.75%				(267,557)

**NET DEVELOPMENT VALUE****4,385,610****NET REALISATION****4,385,610****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.25 Ha @ 6,930,814.60 /Hect)				1,732,704		
					1,732,704	
Stamp Duty				77,635		
Effective Stamp Duty Rate		4.48%				
Agent Fee		1.50%		25,991		
Legal Fee		0.75%		12,995		
Site Prep & s06 Costs	0.25 ha	200,000.00 /ha		50,000		
					166,621	

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>m<sup>2</sup></b>	<b>Build Rate m<sup>2</sup></b>	<b>Cost</b>
Retail Warehouse (1000sqm)	1,000.00	976.00	976,000
Contingency		5.00%	48,800
CIL		1.00%	200,000
			1,224,800

**Other Construction**

Site Works		15.00%	146,400		146,400
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**PROFESSIONAL FEES**

All Professional		10.00%	14,640		14,640
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	27,000		
Letting Legal Fee		1.00%	2,700		
					29,700

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)					
Land				114,062	
Construction				26,049	
Total Finance Cost					140,112

**TOTAL COSTS****3,454,976****PROFIT**

**Worthing Borough Council**  
**A1 - Retail Warehouse (1000sqm)**  
**MV 5.5% Yield @ £200 CIL**

**930,633**

**Performance Measures**

Profit on Cost%	26.94%
Profit on GDV%	20.00%
Profit on NDV%	21.22%
Development Yield% (on Rent)	7.81%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
Rent Cover	3 yrs 5 mths
Profit Erosion (finance rate 6.000)	3 yrs 12 mths

Worthing Borough Council  
A1 - Comparison Shops (200sqm)  
MV 6% Yield @ £0 CIL

Development Appraisal  
Dixon Searle Partnership  
March 24, 2020



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Worthing Borough Council  
A1 - Comparison Shops (200sqm)  
MV 6% Yield @ £0 CIL****Appraisal Summary for Phase 1**

Currency in £

**REVENUE****Rental Area Summary**

	Units	m <sup>2</sup>	Rent Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Comparison Shops (200sqm)	1	180.00	190.00	34,200	34,200	34,200

**Investment Valuation**

<b>Comparison Shops (200sqm)</b>						
Market Rent	34,200	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	537,736	

**GROSS DEVELOPMENT VALUE****537,736**

Purchaser's Costs			(30,920)			
Effective Purchaser's Costs Rate		5.75%				(30,920)

**NET DEVELOPMENT VALUE****506,816****NET REALISATION****506,816****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)			(50,002)			
Site Prep & s06 Costs	0.03 ha	200,000.00 /ha	6,000			(50,002)
						6,000

**CONSTRUCTION COSTS****Construction**

	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost		
Comparison Shops (200sqm)	200.00	1,361.00	272,200	<b>272,200</b>	
Contingency		5.00%	13,610		13,610

**Other Construction**

Site Works		50.00%	136,100		136,100
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**PROFESSIONAL FEES**

All Professional		10.00%	13,610		13,610
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	3,420		
Letting Legal Fee		1.00%	342		
					3,762

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)					
Land			(1,504)		
Construction			5,494		
Total Finance Cost					3,989

**TOTAL COSTS****399,269****PROFIT****107,547****Performance Measures**

**Worthing Borough Council****A1 - Comparison Shops (200sqm)****MV 6% Yield @ £0 CIL**

Profit on Cost%	26.94%
Profit on GDV%	20.00%
Profit on NDV%	21.22%
Development Yield% (on Rent)	8.57%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Rent Cover	3 yrs 2 mths
Profit Erosion (finance rate 6.000)	3 yrs 12 mths

Worthing Borough Council  
A1 - Convenience Store (300sqm)  
MV 6% Yield @ £0 CIL

Development Appraisal  
Dixon Searle Partnership  
March 24, 2020



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

**Worthing Borough Council**  
**A1 - Convenience Store (300sqm)**  
**MV 6% Yield @ £0 CIL**

Appraisal Summary for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

	Units	m <sup>2</sup>	Rent Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Convenience Store	1	270.00	120.00	32,400	32,400	32,400

**Investment Valuation**

<b>Convenience Store</b>						
Market Rent	32,400	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	509,434	

**GROSS DEVELOPMENT VALUE****509,434**

Purchaser's Costs				(29,292)		
Effective Purchaser's Costs Rate		5.75%				(29,292)

**NET DEVELOPMENT VALUE****480,142****NET REALISATION****480,142****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)				(132,246)		
Site Prep & s06 Costs	0.04 ha	200,000.00 /ha		8,000		(132,246)
					8,000	

**CONSTRUCTION COSTS****Construction**

	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Convenience Store	300.00	1,361.00	408,300	<b>408,300</b>
Contingency		5.00%	20,415	20,415

**Other Construction**

Site Works		15.00%	61,245	61,245
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**PROFESSIONAL FEES**

All Professional		10.00%	6,124	6,124
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	3,240	
Letting Legal Fee		1.00%	324	
				3,564

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)				
Land			(3,471)	
Construction			6,323	
Total Finance Cost				2,852

**TOTAL COSTS****378,255****PROFIT****101,887****Performance Measures**

**Worthing Borough Council****A1 - Convenience Store (300sqm)****MV 6% Yield @ £0 CIL**

Profit on Cost%	26.94%
Profit on GDV%	20.00%
Profit on NDV%	21.22%
Development Yield% (on Rent)	8.57%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
Rent Cover	3 yrs 2 mths
Profit Erosion (finance rate 6.000)	3 yrs 12 mths

Worthing Borough Council  
A1 - Office building (out of town) (1000sqm)  
MV 7% Yield @ £0 CIL

Development Appraisal  
Dixon Searle Partnership  
March 24, 2020

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

**Worthing Borough Council**  
**A1 - Office building (out of town) (1000sqm)**  
**MV 7% Yield @ £0 CIL**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE****Rental Area Summary**

	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Rent Rate m<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Office building (out of town) (1000sqm)	1	900.00	150.00	135,000	135,000	135,000

**Investment Valuation**

<b>Office building (out of town) (1000sqm)</b>						
Market Rent	135,000	YP @	7.0000%	14.2857		
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	1,802,403	

**GROSS DEVELOPMENT VALUE**

				<b>1,802,403</b>		
Purchaser's Costs			(103,638)			
Effective Purchaser's Costs Rate		5.75%		(103,638)		

**NET DEVELOPMENT VALUE****1,698,765****NET REALISATION****1,698,765****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)			(1,101,809)			
Site Prep & s06 Costs	0.25 ha	200,000.00 /ha	50,000	(1,101,809)		
				50,000		

**CONSTRUCTION COSTS****Construction**

	<b>m<sup>2</sup></b>	<b>Build Rate m<sup>2</sup></b>	<b>Cost</b>		
Office building (out of town) (1000sqm)	1,000.00	1,933.00	1,933,000	<b>1,933,000</b>	
Contingency		5.00%	96,650		96,650

**Other Construction**

Site Works		15.00%	289,950		289,950
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**PROFESSIONAL FEES**

All Professional		10.00%	28,995		28,995
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	13,500		
Letting Legal Fee		1.00%	1,350		
					14,850

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)					
Land			(76,217)		
Construction			102,866		
Total Finance Cost					26,648

**TOTAL COSTS****1,338,284****PROFIT****360,481****Performance Measures**

**Worthing Borough Council****A1 - Office building (out of town) (1000sqm)****MV 7% Yield @ £0 CIL**

Profit on Cost%	26.94%
Profit on GDV%	20.00%
Profit on NDV%	21.22%
Development Yield% (on Rent)	10.09%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.000)	3 yrs 12 mths

Worthing Borough Council  
A1 - Office building (500sqm)  
MV 7% Yield @ £0 CIL

Development Appraisal  
Dixon Searle Partnership  
March 24, 2020



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

**Worthing Borough Council**  
**A1 - Office building (500sqm)**  
**MV 7% Yield @ £0 CIL**

Appraisal Summary for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Rent Rate m<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Office building (500sqm)	1	450.00	160.00	72,000	72,000	72,000

**Investment Valuation**

<b>Office building (500sqm)</b>						
Market Rent	72,000	YP @	7.0000%	14.2857		
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	961,282	

**GROSS DEVELOPMENT VALUE****961,282**

Purchaser's Costs			(55,274)			
Effective Purchaser's Costs Rate		5.75%				(55,274)

**NET DEVELOPMENT VALUE****906,008****NET REALISATION****906,008****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)			(629,313)			
Site Prep & s06 Costs	0.03 ha	200,000.00 /ha	6,000		(629,313)	
						6,000

**CONSTRUCTION COSTS****Construction**

	<b>m<sup>2</sup></b>	<b>Build Rate m<sup>2</sup></b>	<b>Cost</b>	
Office building (500sqm)	500.00	2,175.00	1,087,500	<b>1,087,500</b>
Contingency		5.00%	54,375	54,375

**Other Construction**

Site Works		15.00%	163,125	163,125
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**PROFESSIONAL FEES**

All Professional		10.00%	16,312	16,312
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	7,200	
Letting Legal Fee		1.00%	720	
				7,920

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)				
Land			(27,567)	
Construction			35,400	
Total Finance Cost				7,833

**TOTAL COSTS****713,752****PROFIT****192,256****Performance Measures**

**Worthing Borough Council  
A1 - Office building (500sqm)  
MV 7% Yield @ £0 CIL**

Profit on Cost%	26.94%
Profit on GDV%	20.00%
Profit on NDV%	21.22%
Development Yield% (on Rent)	10.09%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.000)	3 yrs 12 mths

Worthing Borough Council  
A1 - Smaller Industrial (500sqm)  
MV 7% Yield @ £0 CIL

Development Appraisal  
Dixon Searle Partnership  
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**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

**Worthing Borough Council**  
**A1 - Smaller Industrial (500sqm)**  
**MV 7% Yield @ £0 CIL**

Appraisal Summary for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

	Units	m <sup>2</sup>	Rent Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Smaller Industrial (500sqm)	1	450.00	80.00	36,000	36,000	36,000

**Investment Valuation**

<b>Smaller Industrial (500sqm)</b>						
Market Rent	36,000	YP @	7.0000%	14.2857		
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	480,641	

**GROSS DEVELOPMENT VALUE** **480,641**

Purchaser's Costs			(27,637)			
Effective Purchaser's Costs Rate		5.75%			(27,637)	

**NET DEVELOPMENT VALUE** **453,004**

**NET REALISATION** **453,004**

**OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)			(617,351)			
Site Prep & s06 Costs	0.13 ha	200,000.00 /ha	26,000		(617,351)	
					26,000	

**CONSTRUCTION COSTS****Construction**

	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Smaller Industrial (500sqm)	500.00	1,555.00	777,500	<b>777,500</b>
Contingency		5.00%	38,875	38,875

**Other Construction**

Site Works		15.00%	116,625	116,625
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**PROFESSIONAL FEES**

All Professional		10.00%	11,662	11,662
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	3,600	
Letting Legal Fee		1.00%	360	
				3,960

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)				
Land			(13,044)	
Construction			12,648	
Total Finance Cost				(396)

**TOTAL COSTS** **356,876**

**PROFIT** **96,128**

**Performance Measures**

**Worthing Borough Council  
A1 - Smaller Industrial (500sqm)  
MV 7% Yield @ £0 CIL**

Profit on Cost%	26.94%
Profit on GDV%	20.00%
Profit on NDV%	21.22%
Development Yield% (on Rent)	10.09%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.000)	3 yrs 12 mths

Worthing Borough Council  
A1 - Larger Industrial (2000sqm)  
MV 7% Yield @ £0 CIL

Development Appraisal  
Dixon Searle Partnership  
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**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

**Worthing Borough Council**  
**A1 - Larger Industrial (2000sqm)**  
**MV 7% Yield @ £0 CIL**

Appraisal Summary for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Rent Rate m<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Larger Industrial (2000sqm)	1	1,800.00	65.00	117,000	117,000	117,000

**Investment Valuation**

<b>Larger Industrial (2000sqm)</b>						
Market Rent	117,000	YP @	7.0000%	14.2857		
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	1,562,083	

**GROSS DEVELOPMENT VALUE****1,562,083**

Purchaser's Costs			(89,820)			
Effective Purchaser's Costs Rate		5.75%				(89,820)

**NET DEVELOPMENT VALUE****1,472,263****NET REALISATION****1,472,263****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)			(1,766,140)			
Site Prep & s06 Costs	0.50 ha	200,000.00 /ha	100,000	(1,766,140)		
				100,000		

**CONSTRUCTION COSTS****Construction**

	<b>m<sup>2</sup></b>	<b>Build Rate m<sup>2</sup></b>	<b>Cost</b>	
Larger Industrial (2000sqm)	2,000.00	1,155.00	2,310,000	<b>2,310,000</b>
Contingency		5.00%	115,500	115,500

**Other Construction**

Site Works		15.00%	346,500	346,500
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**PROFESSIONAL FEES**

All Professional		10.00%	34,650	34,650
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	11,700	
Letting Legal Fee		1.00%	1,170	
				12,870

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)				
Land			(76,448)	
Construction			82,915	
Total Finance Cost				6,467

**TOTAL COSTS****1,159,847****PROFIT****312,416****Performance Measures**

**Worthing Borough Council  
A1 - Larger Industrial (2000sqm)  
MV 7% Yield @ £0 CIL**

Profit on Cost%	26.94%
Profit on GDV%	20.00%
Profit on NDV%	21.22%
Development Yield% (on Rent)	10.09%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.000)	3 yrs 12 mths

Worthing Borough Council  
Hotel (60-Beds)  
MV 5.5% Yield @ £0 CIL

Development Appraisal  
Dixon Searle Partnership  
March 24, 2020

**Worthing Borough Council  
Hotel (60-Beds)  
MV 5.5% Yield @ £0 CIL**

Appraisal Summary for Phase 1

Currency in £

**REVENUE**

**Rental Area Summary**

	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Rent Rate m<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Hotel	60	1,500.00	27.40	6,000	360,000	360,000

**Investment Valuation**

<b>Hotel</b>						
Current Rent	360,000	YP @	5.5000%	18.1818	6,545,455	

**GROSS DEVELOPMENT VALUE**

**6,545,455**

Purchaser's Costs				(376,364)		
Effective Purchaser's Costs Rate		5.75%			(376,364)	

**NET DEVELOPMENT VALUE**

**6,169,091**

**NET REALISATION**

**6,169,091**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)				(839,937)		
Site Survey & Prep Costs	0.42 ha	200,000.00 /ha	84,000		(839,937)	
				84,000		

**CONSTRUCTION COSTS**

**Construction**

	<b>m<sup>2</sup></b>	<b>Build Rate m<sup>2</sup></b>	<b>Cost</b>	
Hotel	2,100.00	2,294.00	4,817,400	<b>4,817,400</b>
Contingency		5.00%	240,870	240,870

**Other Construction**

Site Works		15.00%	722,610	722,610
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**PROFESSIONAL FEES**

All Professional		10.00%	554,001	554,001
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	36,000	
Letting Legal Fee		1.00%	3,600	
				39,600

**MISCELLANEOUS FEES**

Planning / Insurances		2.00%	96,348	
BREEAM		5.00%	240,870	
				337,218

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)				
Land			(71,846)	
Construction			285,175	
Total Finance Cost				213,329

**TOTAL COSTS**

**6,169,091**

**Worthing Borough Council****Hotel (60-Beds)****MV 5.5% Yield @ £0 CIL****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	5.84%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
IRR% (without Interest)	6.16%
Profit Erosion (finance rate 6.000)	N/A

Worthing Borough Council  
Care Home - 60-Beds  
MV 5.5% Yield @ £0 CIL

Development Appraisal  
Dixon Searle Partnership  
March 24, 2020



**Worthing Borough Council  
Care Home - 60-Beds  
MV 5.5% Yield @ £0 CIL**

Appraisal Summary for Phase 1

Currency in £

**REVENUE**

**Rental Area Summary**

	Units	m <sup>2</sup>	Rent Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Care Home	60	1,235.00	15.22	5,000	225,000	300,000	225,000

**Investment Valuation**

<b>Care Home</b>							
Current Rent	225,000	YP @	5.5000%	18.1818	4,090,909		

**GROSS DEVELOPMENT VALUE**

**4,090,909**

Purchaser's Costs				(235,227)			
Effective Purchaser's Costs Rate		5.75%			(235,227)		

**NET DEVELOPMENT VALUE**

**3,855,682**

**NET REALISATION**

**3,855,682**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)				(2,358,177)			
Site Survey & Prep Costs	0.32 ha	200,000.00 /ha		64,000	(2,358,177)		
					64,000		

**CONSTRUCTION COSTS**

**Construction**

	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Care Home	1,900.00	1,993.00	3,786,700	<b>3,786,700</b>
Contingency		5.00%	189,335	189,335

**Other Construction**

Site Works		15.00%	568,005	568,005
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**PROFESSIONAL FEES**

All Professional		10.00%	435,471	435,471
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**MARKETING & LETTING**

Letting Agent Fee		10.00%	22,500	
Letting Legal Fee		1.00%	2,250	
				24,750

**MISCELLANEOUS FEES**

Planning / Insurances		2.00%	75,734	
BREEAM		5.00%	189,335	
				265,069

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)				
Land			(161,566)	
Construction			223,914	
Total Finance Cost				62,348

**TOTAL COSTS**

**3,037,500**

**Worthing Borough Council****Care Home - 60-Beds****MV 5.5% Yield @ £0 CIL****PROFIT****818,182****Performance Measures**

Profit on Cost%	26.94%
Profit on GDV%	20.00%
Profit on NDV%	21.22%
Development Yield% (on Rent)	7.41%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%

IRR% (without Interest) N/A

Rent Cover 3 yrs 8 mths

Profit Erosion (finance rate 6.000) 3 yrs 12 mths