

**Elmbridge Borough Council  
Local Plan & CIL Scoping Viability  
Assessment**

**Appendix IIg:  
Commercial Typologies  
– Appraisal Summaries**

Large Retail - Foodstore/Supermarket  
M Value @ £275/sq.m.  
5% Yield  
CIL @ £75/sq.m.

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**Large Retail - Foodstore/Supermarket**  
**M Value @ £275/sq.m.**  
**5% Yield**

**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
Large Retail - Foodstore/Supermarket	1	2,250.00	275.00	618,750	618,750	618,750

**Investment Valuation**

<b>Large Retail - Foodstore/Supermarket</b>						
Market Rent	618,750	YP @	5.0000%	20.0000		
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	11,785,714	

**GROSS DEVELOPMENT VALUE**

**11,785,714**

Purchaser's Costs	5.75%	677,679	
Effective Purchaser's Costs Rate	5.75%		677,679

**NET DEVELOPMENT VALUE**

**11,108,036**

**NET REALISATION**

**11,108,036**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (0.50 Ha @ 3,022,059.33 /Hect)			1,511,030	
				1,511,030
Stamp Duty			66,551	
Effective Stamp Duty Rate	4.40%			
Agent Fee		1.50%	22,665	
Legal Fee		0.75%	11,333	
Site Prep & s106 Costs	0.50 ha	500,000.00 /ha	250,000	
				350,550

**CONSTRUCTION COSTS**

**Construction**

	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Large Retail - Foodstore/Supermarket	2,500.00	1,698.00	4,245,000	
Contingency		5.00%	289,599	
CIL		1.00%	187,500	
				4,722,099

**Other Construction**

Site Works	25.00%	1,061,250	
Planning/Building Regs/Insurances	2.00%	84,900	
Sustainability/BREEAM	5.00%	212,250	
BNG	1.60%	188,571	
			1,546,971

**PROFESSIONAL FEES**

Professional Fees	10.00%	579,197	
			579,197

**MARKETING & LETTING**

Letting Agent Fee	10.00%	61,875	
Letting Legal Fee	1.00%	6,188	
			68,063

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			562,270

**TOTAL COSTS**

**9,340,179**

**PROFIT**

**1,767,857**

**Performance Measures**

Profit on GDV%	15.00%
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Large Retail - Retail Warehouse

M Value £300/sq.m.

6% Yield

CIL @ £75/sq.m.

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**Large Retail - Retail Warehouse**  
**M Value £300/sq.m.**  
**6% Yield**

**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
Large Retail - Retail Warehouse	1	900.00	300.00	270,000	270,000	270,000

**Investment Valuation**

<b>Large Retail - Retail Warehouse</b>						
Market Rent	270,000	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	4,245,283	

**GROSS DEVELOPMENT VALUE 4,245,283**

Purchaser's Costs	5.75%	244,104	
Effective Purchaser's Costs Rate	5.75%		244,104

**NET DEVELOPMENT VALUE 4,001,179**

**NET REALISATION 4,001,179**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (0.25 Ha @ 5,432,452.66 /Hect)			1,358,113	
				1,358,113
Stamp Duty			58,906	
Effective Stamp Duty Rate	4.34%			
Agent Fee		1.50%	20,372	
Legal Fee		0.75%	10,186	
Site Prep & s106 Costs	0.25 ha	500,000.00 /ha	125,000	
				214,463

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Large Retail - Retail Warehouse	1,000.00	1,053.00	1,053,000
Contingency		5.00%	67,629
CIL		1.00%	75,000
			1,195,629

**Other Construction**

Site Works	15.00%	157,950
Planning/Building Regs/Insurances	2.00%	21,060
Sustainability/BREEAM	5.00%	52,650
BNG	1.60%	67,925
		299,585

**PROFESSIONAL FEES**

Professional Fees	10.00%	135,258	
			135,258

**MARKETING & LETTING**

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

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			131,638

**TOTAL COSTS 3,364,387**

**PROFIT**

**636,792**

**Performance Measures**

Profit on GDV%	15.00%
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Small Retail - Convenience  
M Value £175/sq.m.  
6% Yield  
CIL @ £75/sq.m.

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**Small Retail - Convenience**  
**M Value £175/sq.m.**  
**6% Yield**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

**Rental Area Summary**

	Units	m <sup>2</sup> Rent	Rate m <sup>2</sup>	MRV/Unit	Initial Net Rent at Sale	Initial MRV
Small Retail - Convenience	1	270.00	175.00	47,250	47,250	47,250

**Investment Valuation**

<b>Small Retail - Convenience</b>						
Market Rent (1yr Rent Free)	47,250	YP @	6.0000%	16.6667		
		PV 1yr @	6.0000%	0.9434	742,925	

**GROSS DEVELOPMENT VALUE 742,925**

Purchaser's Costs	5.75%	42,718	
Effective Purchaser's Costs Rate	5.75%		42,718

**NET DEVELOPMENT VALUE 700,206**

**NET REALISATION 700,206**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)			135,151	
Site Prep & s106 Costs	0.06 ha	500,000.00 /ha	30,000	30,000

**CONSTRUCTION COSTS**

**Construction**

	m <sup>2</sup>	Build Rate	m <sup>2</sup>	Cost
Small Retail - Convenience	300.00	1,536.00	460,800	<b>460,800</b>
Contingency		5.00%	28,703	
CIL		1.00%	22,500	
				51,203

**Other Construction**

Site Works	15.00%	69,120	
Planning/Building Regs/Insurances	2.00%	9,216	
Sustainability/BREEAM	5.00%	23,040	
BNG	1.60%	11,887	
			113,263

**PROFESSIONAL FEES**

Professional Fees	10.00%	57,406	
			57,406

**MARKETING & LETTING**

Letting Agent Fee	10.00%	4,725	
Letting Legal Fee	1.00%	473	
			5,198

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			6,049

**TOTAL COSTS 588,768**

**PROFIT**

**111,439**

**Performance Measures**

Profit on GDV%	15.00%
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Small Retail - Settlement Centres - Shops

M Value £250/sq.m.

6% Yield

CIL @ £75/sq.m.

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**Small Retail - Settlement Centres - Shops**  
**M Value £250/sq.m.**  
**6% Yield**

**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
Small Retail - SC Shops	1	270.00	250.00	67,500	67,500	67,500

**Investment Valuation**

**Small Retail - SC Shops**

Market Rent	67,500	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,061,321	

**GROSS DEVELOPMENT VALUE**

**1,061,321**

Purchaser's Costs	5.75%	61,026	
Effective Purchaser's Costs Rate	5.75%		61,026

**NET DEVELOPMENT VALUE**

**1,000,295**

**NET REALISATION**

**1,000,295**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)			70,278	
Site Prep & s106 Costs	0.04 ha	500,000.00 /ha	20,000	20,000

**CONSTRUCTION COSTS**

**Construction**

	m <sup>2</sup>	Build Rate	m <sup>2</sup>	Cost
Small Retail - SC Shops	300.00	1,536.00	460,800	<b>460,800</b>
Contingency		5.00%	37,022	
CIL		1.00%	22,500	
				59,522

**Other Construction**

Site Works	50.00%	230,400	
Planning/Building Regs/Insurances	2.00%	9,216	
Sustainability/BREEAM	5.00%	23,040	
BNG	1.60%	16,981	
			279,637

**PROFESSIONAL FEES**

Professional Fees	10.00%	74,044	
			74,044

**MARKETING & LETTING**

Letting Agent Fee	10.00%	6,750	
Letting Legal Fee	1.00%	675	
			7,425

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			9,947

**TOTAL COSTS**

**841,097**

**PROFIT**

**159,198**

**Performance Measures**

Profit on GDV%	15.00%
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