

River Road Garages, Arundel, West Sussex.

Option cost / income analysis

Option 1

Demolish existing garages and reconstruct new garages (8 No.) - Lease out garages with increase on current 2021 rental levels

Item	cost
Demolish Garages and cart away	£3,510.00
Eerect 8 No new traditional build garages	£156,000.00
Ready prepare electrical infrastructure to allow future EV charging point install to garages.	£12,000.00
Tarmac remaining areas	£16,500.00
External landscaping	£2,600.00
contingency 10%	£19,061.00
Option total	£209,671.00
Minimum Revenue Provision (in accordance with finance recommendations with the report)	£8,386.84
Loss of interest (in accordance with finance recommendations with the report)	£2,096.71
Rent 8 No garages @ £200 pcm excluding vat. Per annum assuming 100% occupancy rate	£19,200.00
Annual surplus assuming 100% occupancy	£10,813.16
Rent 8 No garages @ £200 pcm excluding vat. Per annum assuming 80% occupancy rate	£15,360.00
Annual surplus assuming 80% occupancy	£4,876.45
Maintenance cost to ADC for Garages over 25 year viability period (£1200 pa + 2% annual uplift).	38,436

total surplus over 25 years = income over 25 years, 3% p/a uplift (£560,014.30) less finance / repayment (£262,088.75), less maintenance (£38,436.36) =	£259,489
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River Road Garages, Arundel, West Sussex.

Option cost / income analysis

Option 2

Demolish existing garages and tarmac site and line paint to provide 10 external parking spaces. Lease out car parking spaces at increased level

Item	cost
Demolish Garages and cart away	£3,510.00
Tarmac whole area and line paint to provide 10 no parking spaces.	£18,525.84
Ready prepare electrical infrastructure to allow future EV charging point install to paking spaces.	£12,000.00
External landscaping	£2,600.00
Contingency 10%	£3,663.58
Option total	£40,299.42
Minimum Revenue Provision (in accordance with finance recommendations with the report)	£1,611.98
Loss of interest (in accordance with finance recommendations with the report)	£402.99
Rent 10 parking spaces @ £100 pcm excluding vat. Per annum assuming 100% occupancy rate	£12,000.00
Annual surplus assuming 100% occupancy	£10,388.02
Rent 10 parking spaces @ £100 pcm excluding vat. Per annum assuming 80% occupancy rate	£9,600.00
Annual surplus assuming 80% occupancy	£7,585.03

over 25 year period allow to resurface and repair costs circa £750 p/a + 2 % annual uplift	£24,023
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total surplus over 25 years = income over 25 years, 3% p/a uplift (£350,008.94) less finance / repayment (£50,374.25), less maintenance (£24,022.72) =	£275,612
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River Road Garages, Arundel, West Sussex.

Option cost / income analysis

Option 3

Demolish existing garages and rebuild 8 garages and retarmac and landscape area and dispose of via leasehold (25 years).

Item	cost
Demolish Garages and cart away	£3,510
Erect 8 No new traditional build garages	£156,000
Ready prepare electrical infrastructure to allow future EV charging point install to garages.	£12,000
Tarmac remaining site areas	£16,500
External landscaping	£2,600
contingency 10%	£19,061
Option total	£209,671
Minimum Revenue Provision (in accordance with finance recommendations with the report)	£8,386.84
Loss of interest (in accordance with finance recommendations with the report)	£2,096.71
Option 3 - Dispose of garage via leasehold 25 years - 8 garages @ £50,000	£400,000
Disposal fees & legal costs (£1650 x 8)	£13,200
Projected surplus = Capital receipt(£400,000), less Option total (£209,671) less 12 months finance (£10,483.55) less disposal & legal fees (£13,200) =	£166,645

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Option cost / income analysis

Option 5

Demolish existing garages and construct 4 bedroom detached dwelling as managed Holiday let.

Item	cost
Demolish Garages and cart away	£2,700
Planning & Architect fees	£8,000
Construct one 4 bed house	£334,500
Renewable technology installations (ADC Carbon reduction commitment)	£30,000
External works	£10,000
Fit out and furnish house	£15,000
Professional fees	£58,425
CIL payment	£27,000
Cost to deliver premises on site	£485,625
Annual income for house (nett) @ 100% occupancy	£183,717
Annual income assuming 60% occupancy rates (nett)	£110,230
Hosting / commision fees 28% (based on 60% occupancy)	£30,864
Annual maintenance /cyclical replacements	£5,000
Nett annual income less costs (assuming 60% occupancy)	£74,366
Nett annual income less costs (assuming 100% occupancy)	£132,788
Minimum Revenue Provision (in accordance with finance recommendations with the report)	£19,425
Loss of interest (in accordance with finance recommendations with the report)	£4,856
Annual surplus assuming 60% occupancy	£50,084
Annual surplus assuming 100% occupancy	£113,363
Maintenance cost dwelling over 25 year viability period (£5000 pa + 2% annual uplift).	£160,152
total surplus over 25 years = income over 25 years, 3% p/a uplift (£4,018,905) less finance / repayment (£607,025), less maintenance (£160,151) less fees (£1,125,293) =	£2,126,435

River Road Arundel - Viability Options Appraisal - Appendix 1

Option 1

Demolish existing garages and reconstruct new garages (8 No.) - Lease out garages with increase on current 2021 rental levels

Option 2

Demolish existing garages and tarmac site and line paint to provide 10 external parking spaces. Lease out car parking spaces at increased level

Option 3

Demolish existing garages and rebuild 8 garages and retarmac and landscape area and dispose of via leasehold (25 years for £50K).

Option 4

Freehold disposal of site for development (unconditional terms) (see note below).

Option 5

Construct and Manage Holiday Let - 1 No 4 bed dwelling

	Option 1	Option 2	Option 3	Option 4	Option 5
Investment Required	£209,671	£40,299	£209,671	£nil	£485,625
Projected first year annual revenue allowing for void periods. (not excluding costs)	£15,360	£9,600	n/a	£nil	£110,230
Projected income over 25 years assuming 3% increase per year allowing for void periods	£560,014	£350,009	n/a	£nil	£4,018,905
Total surplus (over 25 years for option 1,2 & 5 or on disposal for option 3 & 4)	£259,489	£275,612	£166,645	£287,000	£2,126,435
Leasehold / Freehold disposal capital receipt	n/a	n/a	£400,000	£300,000	n/a
Disposal costs & legal fees (to be deducted from capital receipt)	n/a	n/a	£13,200	£13,000	n/a
% yield on Investment (over 25 years or on disposal)	124	684	79	n/a	438

Note: Option 4 is based on an uncondition offer for freehold disposal of the site that the Council received following a soft market testing exercise via local land agent.