

**APPENDIX 2 - THE ARCADE, BOGNOR REGIS - DEVELOPMENT APPRAISAL (SITE VALUES) - MARCH 2023**

<b>Existing use value</b>			<b>Informed by advice from Savills</b>
Storage income (pa)		£25,000	
Capitalised at yield of	14%	£178,571	
Say		<b>£180,000</b>	
Net residential income (pa)		£362,160	See Development Appraisal & Appraisal Assumptions
Retail income (pa)		£13,990	See Development Appraisal & Appraisal Assumptions
Total rental income (pa)		£376,150	See Development Appraisal & Appraisal Assumptions
Capitalised at yield of	6%	£6,269,168	Based on advice from Savills. This removes the 0.25% enhancement to the retail value which is included in the Council-led Development Appraisal as this valuation is assumed to be for the residential accommodation only
Less Purchaser's Costs	6.25%	-£391,823	Comprises purchaser's SDLT, agent and legal costs. Whilst this is not applicable in the Council option, which involves the Council retaining the Arcade, it would be necessary in a sale scenario
Less Retail Rent Free		-£6,995	See Development Appraisal & Appraisal Assumptions
<b>Development value after scheme completed</b>		<b>£5,870,350</b>	