



# CIL Development Viability Study: Additional Employment Testing

Birmingham City Council



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For and on behalf of GVA Grimley Ltd

# Foreword

## 1. INTRODUCTION

## 2. ANALYSIS

Table 1: Summary of Development Typologies

Typology	Type	Use Class	GIA Sq M	Car Parking Spaces	
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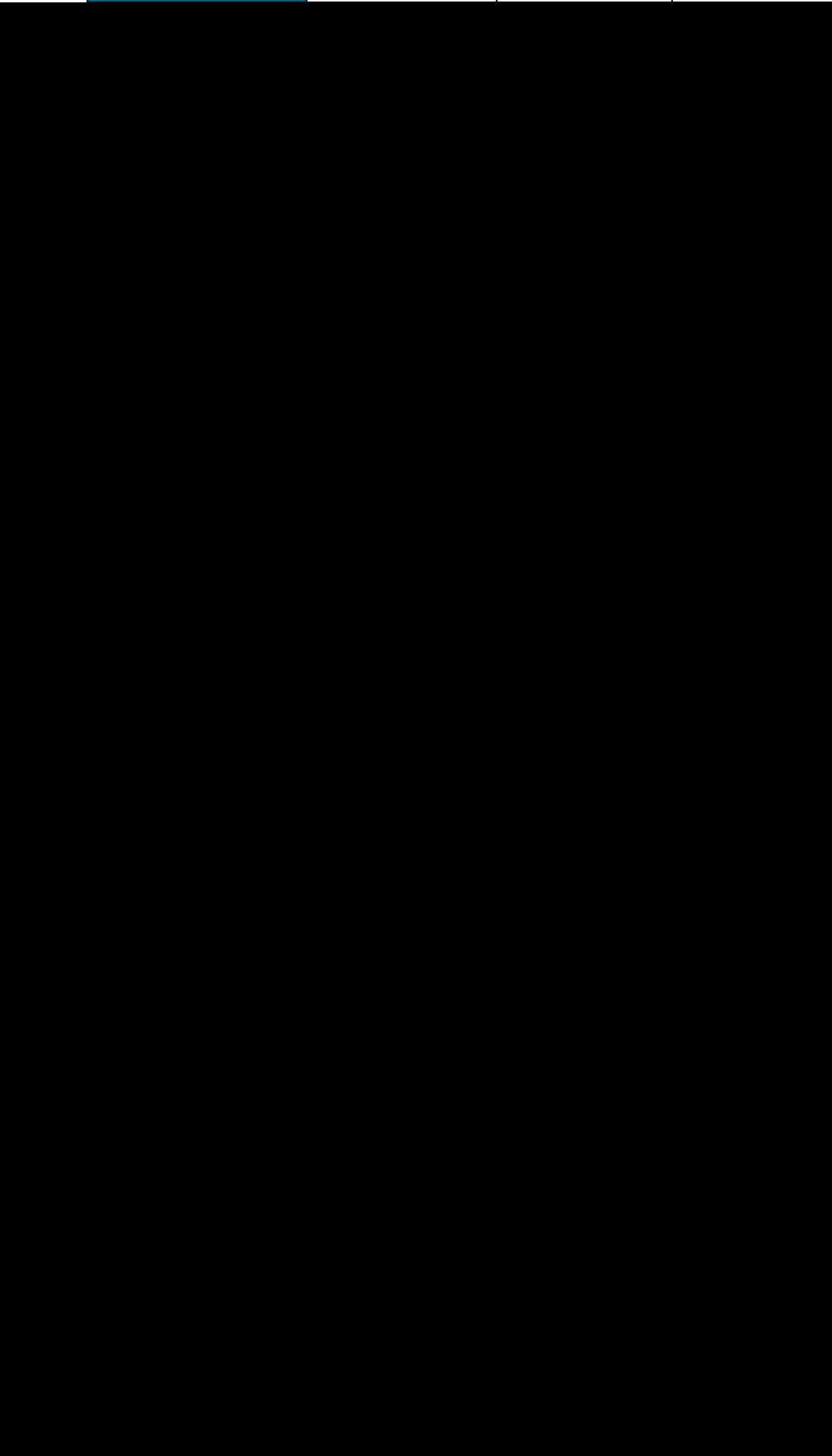


Table 2: Summary of Rents, Yields and Rent Free Periods

Scenario		Original Assumptions	New Assumptions
Scheme 18 (Speculative)	Rent per Sq M		
	Yield		
	Rent Free - months		
	Rent per Sa M		

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Item	Scheme 18 City Prime Office	Scheme 19 City Fringe Office (Speculative)	Scheme 20 Business Park (Speculative)	Scheme 21 Industrial (Speculative)	Scheme 22 Industrial (Pre-let)
Professional Fees					



## (Scheme 29) Green Belt Release – 80 ha of Employment Land at Peddimore

Table 5: Summary of Assumptions

Item	Scheme 23
Serviced land	
Market Value of serviced land	
Time to sell	
Enabling Costs	
Planning Costs	
S106 Costs	

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# Appendices

Birmingham City Council – Additional Employment CIL Testing  
Scheme 18 City Centre Office – Pre-let 2014 Values & Costs

**REVENUE**

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City Centre Office	9,300.00 sq-m at 296.00 psm/pa	2,752,800
Car Parking Spaces	50 units at 2,500.00 ea./pa	125,000
<b>Inv.Value-A</b>	Net annual income	2,877,800
	Capitalised at 6.75% Yield	42,634,074
	Less Unpaid Rent: 30 Months Income	7,194,500

Birmingham City Council – Additional Employment CIL Testing  
Scheme 18 City Centre Office – Speculative 2014 Values & Costs

**REVENUE**

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City Centre Office	9,300.00 sq-m at 306.00 psm/pa	2,845,800
Basement Parking	50 units at 2,500.00 ea./pa	125,000
<b>Inv.Value-A</b>	Net annual income	2,970,800
	Capitalised at 6.75% Yield	44,011,852

Birmingham City Council – Additional Employment CIL Testing  
Scheme 19 City Centre Fringe – 2014 Values & Costs

<b>REVENUE</b>	File: 2012 Fringe City May 14		
Fringe City Centre Office	5,600.00 sq-m at 237.00 psm/pa	1,327,200	
Car Parking Spaces	30 units at 1,500.00 ea./pa	45,000	
<b>Inv.Value-A</b>	Net annual income	1,372,200	
	Capitalised at 7.5% Yield	18,296,000	
	Less Unpaid Rent: 24 Months Income	2,744,400	
	Less Purchasers costs at 5.8%	1,002,994	14,548,606
(Net Income: 1,372,200)		<b>REVENUE</b>	<b>14,548,606</b>

**COSTS**



Birmingham City Council – Additional Employment CIL Testing  
Scheme 21 Green Belt Industrial - Speculative 2014 Values & Costs

**REVENUE**

Small Scheme Employment	4,700.00 sq-m at 54.00 psm/pa	253,800	
<b>Inv.Value-A</b>	Net annual income	253,800	
	Capitalised at 7.5% Yield	3,384,000	
	Less Unpaid Rent: 18 Months Income	380,700	
	Less Purchasers costs at 5.75%	184,000	2,819,300
(Net Income: 253,800)		<b>REVENUE</b>	2,819,300

**COSTS**

Site Value		1	
Site Stamp Duty	at 4.00%	0	
Site Legal Fees	at 1.00%	0	
Site Agency Fees	at 0.50%	0	
		Site Costs	1
Small Scheme Employment	4,700.00 sq-m at 485.00 psm	2,279,500	
Contingency	at 5.00%	113,975	
Professional Fees	at 10.00%	227,950	
Enabling And Infrastructure Costs	at 5.00%	113,975	
		Build Costs	2,735,400
Letting Agents Fee	at 10.00%	25,380	
Letting Legal Fees	at 5.00%	12,690	
Invest.sale Agents Fee	at 0.75%	24,000	
Invest.sale Legal Fees	at 0.50%	16,000	
		Disposal Fees	78,070
<b>INTEREST</b>	<b>(See CASHFLOW)</b>		54,722
7.50% pa			

Birmingham City Council – Additional Employment CIL Testing  
Scheme 22 Green Belt Industrial - Pre-let 2014 Values & Costs

**REVENUE**  
Pre-let Sale