

Construction Costs:

Having regard to the BCIS data from Q3 2018 (lower quartile) I have adopted updated construction costs at £1,267/sqm.

This rate is inclusive of external works, preliminaries and overheads/profit.

I have included a construction contingency at 3%.

Professional fees are included at 6%.

Abnormal/Development Costs:

I have adopted abnormal costs, as at November 2017 and as detailed by our QS, as follows:

Demolition/Site Clearance	£76,060
Excavation for rear gardens	£833
Disposal of inactive excavation	£23,562
Membrane to bottom of gardens	£765
Piling	£173,588
Granular capillary break layer	£8,432
Imported topsoil fill to gardens	£15,062
Railway Embankment Removal	<u>£45,000</u>

Total: **£401,664**
(inclusive of Preliminaries, Overheads and Profit)

Construction Period:

I have allowed for a 21 month development programme (including a 3 month lead in period) which I think is appropriate for a scheme of this size and type.

Sales and Marketing Costs:

I have made the following open market allowances:

Legal Fees:	£22,000
Marketing/Agent's Fees:	£144,550

Total: **£166,550**

Finance costs of 6.5% (inclusive of fees) have been adopted which in my opinion reflects current market conditions.

I have assumed a sale rate of 2.32 units per month.

Developer's Profit:

I have adopted an allowance for developer's profit based on 15.0% of the Gross Development Value. This equates to £867,300. In my opinion, this is reasonable based on the proposed residential development scheme in the current market.