



Report

Appendix 2.

Commercial
Evidence &
Development
Assumptions from
Viability Study

Commercial Evidence & Development Assumptions from Viability Study

We set out below for ease of reference a brief summary of the commercial evidence we used for the Viability Study, as well as a summary of our development assumptions for office, retail (warehouse and convenience) and industrial development and a summary of the development typologies we analysed.

Table A2.1: Summary of the Development Typologies

Typology	Land Uses
Scheme 1	3 residential dwellings
Scheme 2	16 residential dwellings
Scheme 3	50 residential dwellings
Scheme 4	250 residential dwellings
Scheme 5	1,000 residential dwellings
Scheme 6	Mixed use scheme including residential, retail and office units
Scheme 7	Office scheme - 2,400 sqm
Scheme 8	Office scheme - 4,250 sqm
Scheme 9	Retail warehouse scheme - 1,500 sqm
Scheme 10	Convenience retail - 3,000 sqm
Scheme 11	General industrial scheme - 2,000 sqm
Scheme 12	Storage and distribution scheme - 10,000 sqm

Commercial Development Assumptions

Office

From our research we have concluded that there are three Market Value Areas for office developments. These are Norwich City Centre, North of City Centre, and South of the City Centre. The City Centre represents the most desirable location for businesses explaining the higher values

APPENDIX 2.

achieved there. Rental values are higher in the South of the City Centre than they are to the North of the City Centre. This is largely due to the majority of new stock that has been built in the South and the relative levels of accessibility to the A11.

Table A2.2: Office Values & Build Costs Adopted for Appraisals

	Norwich City Centre	North of City Centre	South of City Centre
Scheme 6 & 7	£188 sq m	£156 sq m	£178 sq m
Scheme 8	£188 sq m	£156 sq m	£178 sq m
Build Cost	£1,087	£1,087	£1,087
Yield	7.50%	8%	8%

Retail

From our research it is concluded that there are three Market Value Areas for retail development. The City Centre location commands the highest rental values, while the Rackheath Urban Extension area is taken to have the lowest. Rental levels for the rest of the area are considered to be slightly above or the same as those for Rackheath.

Table A2.3 Retail Values Adopted for Appraisals

	Norwich City Centre	Rackheath Urban Extension	Rest of Area
Scheme 9	£108-161sqm	£108sqm	£108sqm
Yield	7.50%	6%	8%
Build Cost	£861	£861	£861
Scheme 6 & 10	£152sqm	£130sqm	£130sqm
Yield	5%	5%	6%
Build Cost	£946	£946	£946

Industrial

There are three district Market Value Areas for industrial developments in the area. These are Norwich City Centre and North of the City Centre, and South of the City Centre.

APPENDIX 2.

Values are highest to the South of the City Centre as the availability of new industrial stock in the area is greatest and due to the close proximity of the A11. Values are lowest in the North of the City Centre, as the majority of stock is older and of lower quality. There is little industrial floorspace located within the Norwich City Centre area; the majority of space is located on the edge of the City near the ring road.

Table A2.4: Industrial Values Adopted for Appraisals

	Norwich City Centre	North of City Centre	South of City Centre
Scheme 11	£70sqm	£60sqm	£70sqm
Scheme 12	£60sqm	£60sqm	£70sqm
Build Cost	£453	£453	£453
Yield	8.00%	8.00%	8.00%