

Appendix 16  
Development Appraisal Sensitivity Option 2.1

**Perth City Hall**

**Option 2.1 - Retail Commercial**

**Table of Residual Land Price (Target Rate 20.00%)**

**Sensitivity Analysis for Phase 1**

**Rent Total MRV - 5.000%**

	<b>Constr. Tot Cost</b>		<b>Capitalisation Yield</b>		
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
-10.000%	-£780,765	-£968,705	-£1,137,126	-£1,288,403	-£1,425,252
-5.000%	-£969,023	-£1,157,462	-£1,325,916	-£1,477,445	-£1,614,502
0.000%	-£1,157,609	-£1,346,251	-£1,514,849	-£1,666,695	-£1,803,750
+5.000%	-£1,346,398	-£1,535,041	-£1,704,099	-£1,855,943	-£1,992,999
+10.000%	-£1,535,188	-£1,724,262	-£1,893,349	-£2,045,192	<b>-£2,182,601</b>

**Rent Total MRV - 2.500%**

	<b>Constr. Tot Cost</b>		<b>Capitalisation Yield</b>		
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
-10.000%	-£708,191	-£901,076	-£1,073,676	-£1,228,935	-£1,369,167
-5.000%	-£896,448	-£1,089,578	-£1,262,466	-£1,417,754	-£1,558,417
0.000%	-£1,084,761	-£1,278,369	-£1,451,255	-£1,607,003	-£1,747,665
+5.000%	-£1,273,552	-£1,467,158	-£1,640,411	-£1,796,252	-£1,936,914
+10.000%	-£1,462,341	-£1,656,124	-£1,829,660	-£1,985,500	-£2,126,308

**Rent Total MRV 0.000%**

	<b>Constr. Tot Cost</b>		<b>Capitalisation Yield</b>		
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
-10.000%	-£635,693	-£833,446	-£1,010,226	-£1,169,466	-£1,313,196
-5.000%	-£823,872	-£1,021,703	-£1,199,016	-£1,358,256	-£1,502,331
0.000%	-£1,012,130	-£1,210,486	<b>-£1,387,806</b>	-£1,547,311	-£1,691,581
+5.000%	-£1,200,705	-£1,399,276	-£1,576,724	-£1,736,560	-£1,880,829
+10.000%	-£1,389,494	-£1,588,065	-£1,765,973	-£1,925,809	-£2,070,078

**Rent Total MRV + 2.500%**

	<b>Constr. Tot Cost</b>		<b>Capitalisation Yield</b>		
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
-10.000%	-£563,386	-£765,816	-£946,891	-£1,109,997	-£1,257,321
-5.000%	-£751,297	-£954,074	-£1,135,566	-£1,298,787	-£1,446,246
0.000%	-£939,554	-£1,142,602	-£1,324,356	-£1,487,620	-£1,635,496
+5.000%	-£1,127,857	-£1,331,393	-£1,513,146	-£1,676,868	-£1,824,746
+10.000%	-£1,316,647	-£1,520,183	-£1,702,285	-£1,866,118	-£2,013,993

**Rent Total MRV + 5.000%**

	<b>Constr. Tot Cost</b>		<b>Capitalisation Yield</b>		
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
-10.000%	<b>-£491,079</b>	-£698,187	-£883,678	-£1,050,528	-£1,201,446
-5.000%	-£678,744	-£886,444	-£1,072,116	-£1,239,318	-£1,390,235
0.000%	-£866,978	-£1,074,720	-£1,260,906	-£1,428,108	-£1,579,410
+5.000%	-£1,055,236	-£1,263,510	-£1,449,696	-£1,617,177	-£1,768,660
+10.000%	-£1,243,799	-£1,452,300	-£1,638,597	-£1,806,426	-£1,957,908

**Perth City Hall****Option 2.1 - Retail Commercial**

Sensitivity Analysis for Phase 1

**Sensitivity Analysis : Assumptions for Calculation****Capitalisation Yield**

<b>Heading</b>	<b>Phase</b>	<b>Original Value</b>
GF - Retail	1	9.5000%
FF - Retail	1	9.5000%
Stalls etc.	1	12.0000%

These fields varied in Fixed Steps of 0.5000%

**Construction Total Cost**

<b>Heading</b>	<b>Phase</b>	<b>Original Value</b>
GF - Retail	1	£1,703,160
FF - Retail	1	£1,470,120

These fields varied in Steps of 5.0000 % of the original value

**Rent Total MRV**

<b>Heading</b>	<b>Phase</b>	<b>Original Value</b>
GF - Retail	1	£237,040
FF - Retail	1	£160,220
Stalls etc.	1	£40,000

These fields varied in Steps of 2.5000 % of the original value

Appendix 17  
Development Appraisal Sensitivity Option 2.2

**Perth City Hall****Option 2.2 - Cultural****Table of Profit Amount and Profit on Cost %****Sensitivity Analysis for Phase 1**

<b>Construction Total Cost</b>				
-10.000%	-5.000%	0.000%	+5.000%	+10.000%
(£3,803,132)	(£4,007,635)	(£4,212,139)	(£4,416,642)	(£4,621,145)
-100.000%	-100.000%	-100.000%	-100.000%	-100.000%

**Sensitivity Analysis : Assumptions for Calculation****Construction Total Cost**

<b>Heading</b>	<b>Phase</b>	<b>Original Value</b>
GF - Cultural	1	£1,774,125
FF - Cultural	1	£1,531,375

These fields varied in Steps of 5.0000 % of the original value

File: M:\Circle\Developer4\Data\Glasgow\Bellshaw Matt\Perth City Hall Options\Perth City Hall - Option 2.2.wcf  
ARGUS Developer Version: 4.05.000

Date: 22/04/2010

Appendix 18  
Development Appraisal Sensitivity Option 3.1

# SENSITIVITY ANALYSIS

COLLIERS CRE

## Perth City Hall - Option 3.1 - Partial Demolition and Re-Use of the Building:

### Retail/Commercial led redevelopment

#### Table of Residual Land Price (Target Rate 20.00%)

##### Sensitivity Analysis for Phase 1

###### Rent Total MRV - 5.000%

Yield %	Construction Total Cost				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	£314,604	£332,082	£349,560	£367,038	£384,516
-1.000%	(£62,226)	(£101,045)	(£140,087)	(£180,801)	(£221,854)
-0.500%	(£124,753)	(£164,821)	(£205,873)	(£246,925)	(£287,977)
0.000%	(£182,436)	(£223,488)	(£264,540)	(£305,635)	(£346,855)
+0.500%	(£234,824)	(£275,876)	(£317,018)	(£358,292)	(£399,637)
+1.000%	(£281,879)	(£323,046)	(£364,354)	(£405,701)	(£447,177)

###### Rent Total MRV - 2.500%

Yield %	Construction Total Cost				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	£314,604	£332,082	£349,560	£367,038	£384,516
-1.000%	(£38,430)	(£77,249)	(£116,067)	(£155,636)	(£196,688)
-0.500%	(£102,602)	(£141,679)	(£182,448)	(£223,500)	(£264,552)
0.000%	(£160,554)	(£201,606)	(£242,658)	(£283,710)	(£324,873)
+0.500%	(£214,321)	(£255,374)	(£296,438)	(£337,640)	(£378,980)
+1.000%	(£262,614)	(£303,709)	(£344,945)	(£386,290)	(£427,696)

###### Rent Total MRV 0.000%

Yield %	Construction Total Cost				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	£314,604	£332,082	£349,560	£367,038	£384,516
-1.000%	(£14,633)	(£53,452)	(£92,271)	(£131,115)	(£171,522)
-0.500%	(£80,451)	(£119,269)	(£159,021)	(£200,074)	(£241,126)
0.000%	(£139,046)	(£179,724)	(£220,776)	(£261,828)	(£302,910)
+0.500%	(£193,819)	(£234,871)	(£275,923)	(£317,060)	(£358,323)
+1.000%	(£243,350)	(£284,402)	(£325,575)	(£366,881)	(£408,226)

###### Rent Total MRV + 2.500%

Yield %	Construction Total Cost				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	£314,604	£332,082	£349,560	£367,038	£384,516
-1.000%	£8,811	(£29,655)	(£68,474)	(£107,293)	(£146,477)
-0.500%	(£58,300)	(£97,119)	(£136,072)	(£176,649)	(£217,701)
0.000%	(£118,154)	(£157,843)	(£198,895)	(£239,947)	(£280,999)
+0.500%	(£173,316)	(£214,368)	(£255,420)	(£296,481)	(£337,683)
+1.000%	(£224,085)	(£265,137)	(£306,238)	(£347,472)	(£388,817)

###### Rent Total MRV + 5.000%

Yield %	Construction Total Cost				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	£314,604	£332,082	£349,560	£367,038	£384,516
-1.000%	£31,692	(£5,859)	(£44,678)	(£83,497)	(£122,316)
-0.500%	(£36,148)	(£74,967)	(£113,786)	(£153,223)	(£194,275)
0.000%	(£97,463)	(£136,424)	(£177,013)	(£218,065)	(£259,117)
+0.500%	(£152,813)	(£193,865)	(£234,917)	(£275,969)	(£317,103)
+1.000%	(£204,820)	(£245,872)	(£286,925)	(£328,104)	(£369,408)

**Perth City Hall - Option 3.1 - Partial Demolition and Re-Use of the Building:  
Retail/Commercial led redevelopment  
Sensitivity Analysis for Phase 1**

**Sensitivity Analysis : Assumptions for Calculation**

**Construction Total Cost**

Heading	Phase	Original Value
GF - Retail	1	£349,560
FF - Retail	1	£349,560

These fields varied in Steps of 5.0000 % of the original value

**Capitalisation Yield**

Heading	Phase	Original Value
GF - Retail	1	9.0000%
FF - Retail	1	9.0000%

These fields varied in Fixed Steps of 0.5000%

**Rent Total MRV**

Heading	Phase	Original Value
GF - Retail	1	£87,390
FF - Retail	1	£43,695

These fields varied in Steps of 2.5000 % of the original value

Appendix 19  
Development Appraisal Sensitivity Option 3.2

---

**Perth City Hall**

**Option 3.2 - Partial Demolition and Re-Use of the Building: Cultural redevelopment**

**Table of Profit Amount and Profit on Cost %**

**Sensitivity Analysis for Phase 1**

Construction Total Cost					
-10.000%	-5.000%	0.000%	+5.000%	+10.000%	
(£1,064,764)	£327,713	£345,919	£364,125	£382,331	£400,538
(£1,109,819)	(£1,109,819)	(£1,154,874)	(£1,199,929)	(£1,244,984)	
-100.000%	-100.000%	-100.000%	-100.000%	-100.000%	

**Sensitivity Analysis : Assumptions for Calculation**

**Construction Total Cost**

Heading	Phase	Original Value
GF - Cultural	1	£364,125
FF - Cultural	1	£364,125

These fields varied in Steps of 5.0000 % of the original value

Appendix 20  
Development Appraisal Sensitivity Option 5.1

**Perth City Hall - Option 5.1 - Full Demolition and New Build of a New Facility:**

**Retail Commercial**

**Table of Residual Land Price (Target Rate 20.00%)**

**Sensitivity Analysis for Phase 1**

**Rent Total MRV - 5.000%**

Constr. Tot Cost £	Capitalisation Yield				
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
8.000%	8.000%	8.500%	9.000%	9.500%	10.000%
-10.000%	£597,985	£318,413	£70,774	(£155,992)	(£373,119)
-5.000%	£434,835	£155,262	(£96,072)	(£334,705)	(£553,876)
0.000%	£271,683	(£8,205)	(£271,258)	(£515,210)	(£735,300)
+5.000%	£108,533	(£178,336)	(£451,336)	(£696,474)	(£917,268)
+10.000%	(£56,802)	(£357,918)	(£632,309)	(£878,263)	<b>(£1,099,614)</b>

**Rent Total MRV - 2.500%**

Constr. Tot Cost £	Capitalisation Yield				
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
8.000%	8.000%	8.500%	9.000%	9.500%	10.000%
-10.000%	£697,817	£410,888	£156,732	(£72,637)	(£290,468)
-5.000%	£534,667	£247,737	(£6,676)	(£246,475)	(£470,754)
0.000%	£371,516	£84,586	(£176,718)	(£426,399)	(£651,902)
+5.000%	£208,365	(£81,708)	(£356,303)	(£607,332)	(£833,608)
+10.000%	£45,215	(£256,067)	(£536,839)	(£788,789)	(£1,015,641)

**Rent Total MRV 0.000%**

Constr. Tot Cost £	Capitalisation Yield				
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
8.000%	8.000%	8.500%	9.000%	9.500%	10.000%
-10.000%	£797,651	£503,363	£242,690	£10,305	(£208,046)
-5.000%	£634,499	£340,212	£79,540	(£158,960)	(£387,763)
0.000%	£471,349	£177,061	<b>(£86,956)</b>	(£337,847)	(£568,552)
+5.000%	£308,197	£13,911	(£261,617)	(£518,340)	(£749,949)
+10.000%	£145,048	(£155,210)	(£441,590)	(£699,564)	(£931,917)

**Rent Total MRV + 2.500%**

Constr. Tot Cost £	Capitalisation Yield				
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
8.000%	8.000%	8.500%	9.000%	9.500%	10.000%
-10.000%	£897,483	£595,838	£328,649	£90,454	(£128,039)
-5.000%	£734,331	£432,688	£165,498	(£75,605)	(£305,064)
0.000%	£571,181	£269,536	£2,347	(£249,613)	(£485,427)
+5.000%	£408,030	£106,386	(£167,235)	(£429,528)	(£666,579)
+10.000%	£244,879	(£59,035)	(£346,618)	(£610,422)	(£848,259)

**Rent Total MRV + 5.000%**

Constr. Tot Cost £	Capitalisation Yield				
	-1.000%	-0.500%	0.000%	+0.500%	+1.000%
8.000%	8.000%	8.500%	9.000%	9.500%	10.000%
-10.000%	<b>£997,316</b>	£688,313	£414,608	£170,603	(£50,100)
-5.000%	£834,165	£525,163	£251,456	£7,452	(£222,642)
0.000%	£671,013	£362,012	£88,306	(£161,927)	(£402,406)
+5.000%	£507,863	£198,861	(£77,839)	(£340,990)	(£583,231)
+10.000%	£344,710	£35,711	(£251,976)	(£521,469)	(£764,606)

**Perth City Hall - Option 5.1 - Full Demolition and New Build of a New Facility:****Retail Commercial****Sensitivity Analysis for Phase 1****Sensitivity Analysis : Assumptions for Calculation****Capitalisation Yield**

<b>Heading</b>	<b>Phase</b>	<b>Original Value</b>
GF - Retail	1	9.0000%
FF - Retail	1	9.0000%

These fields varied in Fixed Steps of 0.5000%

**Construction Total Cost**

<b>Heading</b>	<b>Phase</b>	<b>Original Value</b>
GF - Retail	1	£1,632,195
FF - Retail	1	£1,408,865

These fields varied in Steps of 5.0000 % of the original value

**Rent Total MRV**

<b>Heading</b>	<b>Phase</b>	<b>Original Value</b>
GF - Retail	1	£447,080
FF - Retail	1	£192,953

These fields varied in Steps of 2.5000 % of the original value

Appendix 21  
Development Appraisal Sensitivity Option 5.2

**Perth City Hall - Option 5.2 - Full Demolition and New Build of a New Facility:****Cultural****Table of Profit Amount and Profit on Cost %****Sensitivity Analysis for Phase 1**

<b>Construction Total Cost</b>				
-10.000%	-5.000%	0.000%	+5.000%	+10.000%
(£4,044,155)	(£4,254,303)	(£4,464,450)	(£4,674,598)	(£4,884,745)
-100.000%	-100.000%	-100.000%	-100.000%	-100.000%

**Sensitivity Analysis : Assumptions for Calculation****Construction Total Cost**

<b>Heading</b>	<b>Phase</b>	<b>Original Value</b>
GF - Cultural	1	£1,774,125
FF - Cultural	1	£1,531,375

These fields varied in Steps of 5.0000 % of the original value

Appendix 22  
Development Appraisal Sensitivity Option  
5.1(Floor Areas)

