

For: Bath & North East Somerset Council

**Bath & North East
Somerset Council**

Improving People's Lives

Local Plan Viability Assessment – Stage 2

**Appendix 7a – Non-Residential
Typologies – Appraisal Summaries**

July 2026

DSP24878

Dixon Searle Partnership

Ash House, Tanshire Park,

Shackleford Road, Elstead, Surrey, GU8 6LB

<https://www.dixonsearle.co.uk/>



DixonSearle
Partnership

Non-Residential Typologies - Appraisal Summaries

- **Research & Development – High Rent; 5% Yield**
- **Larger Industrial / Distribution – High Rent; 5% Yield**
- **Data Centre – High Rent; 5% Yield**

Business - Research & Development
Technologies

Bath and North East Somerset Council
High Rent
5% Yield

Business - Research & Development Technologies

Project Pro Forma for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	m²	Rent Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
R&D	1	10,800.00	500.00	5,400,000	5,400,000	5,400,000

Investment Valuation

R&D						
Market Rent	5,400,000	YP @	5.0000%	20.0000		
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	102,857,143	

GROSS DEVELOPMENT VALUE102,857,143

Purchaser's Costs	(5,914,286)
Effective Purchaser's Costs Rate	5.75%
	(5,914,286)

NET DEVELOPMENT VALUE96,942,857

TOTAL PROJECT REVENUE96,942,857

DEVELOPMENT COSTS

ACQUISITION COSTS				
Residualized Price (4.00 Ha @ 3,039,718.62 /Hect)			12,158,874	
				12,158,874
Land Transfer Tax			598,944	
Effective Land Transfer Tax Rate		4.93%		
Agent Fee		1.50%	182,383	
Legal Fee		0.75%	91,192	
				872,518

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	m²	Cost
R&D	12,000.00	3,458.00		41,496,000
Contingency		5.00%		2,609,760
Site prep / Servicing	4.00 ha	600,000.00 /ha		2,400,000
s106	12,000.00 m²	50.00		600,000
				47,105,760
Other Construction Costs				
External Works		15.00%	6,224,400	
Sustainability		5.00%	2,074,800	
BNG	4.00 ha	47,885.00 /ha	191,540	
				8,490,740

PROFESSIONAL FEES			
Professional Fees	10.00%	5,238,674	
			5,238,674

DISPOSAL FEES			
Marketing / Sales fee	3.00%	3,085,714	
			3,085,714

TOTAL COSTS BEFORE FINANCE76,952,281

FINANCE			
Debit Rate 6.50%, Credit Rate 0.50% (Nominal)			
Land		1,723,997	
Construction		2,838,008	
Total Finance Cost			4,562,005

TOTAL COSTS81,514,286

PROFIT15,428,571

Performance Measures		
Profit on Cost%	18.93%	
Profit on GDV%	15.00%	

Business - Research & Development Technologies

Table of Land Cost and Land Cost

Rent: Cap Rate%					
0.0000%	+0.5000%	+1.0000%	+1.5000%	+2.0000%	+2.5000%
4.0000%	4.5000%	5.0000%	5.5000%	6.0000%	6.5000%
(£29,080,821)	(£19,678,089)	(£12,158,874)	(£6,009,453)	(£887,341)	£3,831,463
(£29,080,821)	(£19,678,089)	(£12,158,874)	(£6,009,453)	(£887,341)	£3,831,463

Sensitivity Analysis : Assumptions for Calculation

Rent: Cap Rate%
Original Values are varied in Fixed Steps of 0.50%

Heading	Phase	Cap. Rate	No. of Steps
R&D	1	4.0000%	6 Up only

Industrial or Warehousing
Larger Industrial

Bath and North East Somerset Council
High Rent
5% Yield

Industrial or Warehousing
Larger Industrial

Project Pro Forma for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	m ²	Rent Rate	m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Industrial or Warehousing	1	18,000.00		160.00	2,880,000	2,880,000	2,880,000

Investment Valuation

Industrial or Warehousing							
Market Rent	2,880,000	YP @	5.0000%	20.0000			
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	54,857,143		

GROSS DEVELOPMENT VALUE54,857,143

Purchaser's Costs	(3,154,286)
Effective Purchaser's Costs Rate	5.75%
	(3,154,286)

NET DEVELOPMENT VALUE51,702,857

TOTAL PROJECT REVENUE51,702,857

DEVELOPMENT COSTS

ACQUISITION COSTS				
Residualized Price (5.00 Ha @ 1,916,926.35 /Hect)			9,584,632	
				9,584,632
Agent Fee	1.50%	143,769		
Legal Fee	0.75%	71,885		
				215,654

CONSTRUCTION COSTS				
Construction	m ²	Build Rate	m ²	Cost
Industrial or Warehousing	20,000.00	902.00		18,040,000
Contingency		5.00%		1,232,400
Site prep / Servicing	5.00 ha	600,000.00 /ha		3,000,000
s106	20,000.00 m ²	50.00		1,000,000
				23,272,400

Other Construction Costs				
External Works		15.00%	2,706,000	
Sustainability		5.00%	902,000	
BNG	5.00 ha	47,885.00 /ha	239,425	
				3,847,425

PROFESSIONAL FEES				
Professional Fees		10.00%	2,488,742	
				2,488,742

DISPOSAL FEES				
Marketing / Sales fee		3.00%	1,645,714	
				1,645,714

TOTAL COSTS BEFORE FINANCE41,054,568

FINANCE				
Debit Rate 6.50%, Credit Rate 0.50% (Nominal)				
Land			1,177,290	
Construction			1,242,428	
Total Finance Cost				2,419,718

TOTAL COSTS43,474,286

PROFIT8,228,571

Performance Measures		
Profit on Cost%	18.93%	
Profit on GDV%	15.00%	

Industrial or Warehousing
Larger Industrial

Table of Land Cost and Land Cost

Rent: Cap Rate%					
0.0000%	+0.5000%	+1.0000%	+1.5000%	+2.0000%	+2.5000%
4.0000%	4.5000%	5.0000%	5.5000%	6.0000%	6.5000%
(£19,153,822)	(£13,836,672)	(£9,584,632)	(£6,107,196)	(£3,210,693)	(£761,044)
(£19,153,822)	(£13,836,672)	(£9,584,632)	(£6,107,196)	(£3,210,693)	(£761,044)

Sensitivity Analysis : Assumptions for Calculation

Rent: Cap Rate%
Original Values are varied in Fixed Steps of 0.50%

Heading	Phase	Cap. Rate	No. of Steps
Industrial or Warehousing	1	4.0000%	6 Up only

Data Centre

Bath and North East Somerset Council
High Rent
5% Yield

Data Centre

Project Pro Forma for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	m²	Rent Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Data Centre	1	16,200.00	450.00	7,290,000	7,290,000	7,290,000

Investment Valuation

Data Centre						
Market Rent	7,290,000	YP @	5.0000%	20.0000		
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	138,857,143	

GROSS DEVELOPMENT VALUE138,857,143

Purchaser's Costs	(7,984,286)
Effective Purchaser's Costs Rate	5.75%
	(7,984,286)

NET DEVELOPMENT VALUE130,872,857

TOTAL PROJECT REVENUE130,872,857

DEVELOPMENT COSTS

ACQUISITION COSTS				
Residualized Price (3.60 Ha @ 4,489,232.90 /Hect)			16,161,238	
				16,161,238
Agent Fee	1.50%	242,419		
Legal Fee	0.75%	121,209		
				363,628

CONSTRUCTION COSTS				
Construction	m²	Build Rate m²	Cost	
Data Centre	18,000.00	3,235.00	58,230,000	
Contingency		5.00%	3,601,800	
Site prep / Servicing	3.60 ha	600,000.00 /ha	2,160,000	
s106	18,000.00 m²	50.00	900,000	
				64,891,800

Other Construction Costs				
External Works	15.00%	8,734,500		
Sustainability	5.00%	2,911,500		
BNG	3.60 ha	47,885.00 /ha	172,386	
				11,818,386

PROFESSIONAL FEES				
Professional Fees	10.00%	7,220,839		
				7,220,839

DISPOSAL FEES				
Marketing / Sales fee	3.00%	4,165,714		
				4,165,714

TOTAL COSTS BEFORE FINANCE104,621,605

FINANCE				
Debit Rate 6.50%, Credit Rate 0.50% (Nominal)				
Land			1,985,100	
Construction			3,437,580	
Total Finance Cost				5,422,681

TOTAL COSTS110,044,286

PROFIT20,828,571

Performance Measures		
Profit on Cost%	18.93%	
Profit on GDV%	15.00%	

Data Centre

Table of Land Cost and Land Cost

Rent: Cap Rate%					
0.0000%	+0.5000%	+1.0000%	+1.5000%	+2.0000%	+2.5000%
4.0000%	4.5000%	5.0000%	5.5000%	6.0000%	6.5000%
(£40,383,252)	(£26,924,215)	(£16,161,238)	(£7,358,978)	(£27,206)	£6,533,264
(£40,383,252)	(£26,924,215)	(£16,161,238)	(£7,358,978)	(£27,206)	£6,533,264

Sensitivity Analysis : Assumptions for Calculation

Rent: Cap Rate%
Original Values are varied in Fixed Steps of 0.50%

Heading	Phase	Cap. Rate	No. of Steps
Data Centre	1	4.0000%	6 Up only