

Valuation Report  
Site of Former  
Ravenscraig Hospital  
Inverkip Road  
Greenock  
PA16 9HY



Report for:  
NHS Greater Glasgow & Clyde  
More Homes Scotland

Prepared by:  
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## 1. Introduction

This instruction has been carried out with reference to your instructions dated 10 November 2017 my Terms of Engagement dated 18 December 2017.

## 2. Advice Parameters

### 2.1 Identification of Client

This is a joint instruction on behalf of NHS Greater Glasgow and Clyde (NHSGG&C) and the More Homes Scotland division of the Scottish Government (MHS).

### 2.2 Subject of the Valuation

The property comprises the site of the former Ravenscaig Hospital, Inverkip Road, Greenock.

It is currently held by NHSGG&C on a heritable basis.

### 2.3 Purpose of the Valuation

The property is to be transferred from NHSGG&C to the MHS, using the procedure set out in the Scottish Public Finance Manual. As such, the parties require a determination of the Market Value of the property.

The parties have not made any representations and according to the Proposed Heads of Terms, both parties agree to be bound by this determination.

### 2.4 Date of Valuation

The date of this advice is 18 January 2018.

Please note that values change over time and that a valuation given on a particular date may not be valid on an earlier or later date.

### 2.5 Confirmation of Standards

The valuation has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards 2017 and the RICS Valuation - Professional Standards UK (January 2014, revised April 2015), commonly known together as the Red Book.

Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

## 2.6 Agreed Departures from the RICS Professional Standards

There are no departures beyond those restrictions on the extent of investigations and survey, and the assumptions, stated below.

## 2.7 Basis of Value

The basis of value is Market Value (MV). RICS VPS 4, para 1.2 defines MV as:

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

On occasion, it may be agreed that a basis of value requires to be modified and a Special Assumption added, for example where there is the possibility of Special Value attaching to a property from its physical, functional, legal or economic association with some other property. Any Special Assumptions agreed with you have been captured below under the heading Special Assumptions, in accordance with VPS 4, para 3 of the RICS Valuation - Professional Standards 2014 UK edition, and will be restated in my report.

## 2.8 Special Assumptions

There are no special assumptions although in arriving at our opinion of value we have made general assumptions with regard to the number of residential units that can potentially be developed on the site.

## 2.9 Nature and Source of Information Relied Upon

Information that has been provided to the VOA by, or on behalf of you, which we have relied upon, comprises the following material:

- Valuation Instruction and briefing note.
- Site Plan.
- Proposed Heads of Terms.
- Listed Building Consent (demolition).
- Demolition estimate provided by NHSGG&C (including removal of asbestos).
- Demolition programme feasibility report dated October 2016 prepared by Graeme Construction.
- Engineering Appraisal dated February 2017 prepared by AECOM.
- Transport Report dated February 2017 prepared by Systra.
- Infrastructure and Advanced Enabling Works Cost Appraisal dated March 2017 prepared by AECOM.

## 2.10 Date of Inspection

Following a review of the above information and the provision of our interim advice dated 20 December 2017, I am of the opinion that a site inspection is unnecessary. This report is therefore provided on a desktop basis only.

## 2.11 Extent of Investigations, Survey Restrictions and Assumptions

An assumption in this context is a limitation on the extent of the investigations or enquiries undertaken by the valuer. The following agreed assumptions have been applied in respect of your instruction, reflecting restrictions to the extent of our investigations.

- Such inspection of the property and investigations as the Valuer considered professionally adequate and possible in the particular circumstance was undertaken. See 2.10 above.
- No detailed site survey, building survey or inspection of covered, unexposed or inaccessible parts of the property was undertaken. The Valuer has had regard to the apparent state of repair and condition, and assumed that inspection of those parts not inspected would neither reveal defects nor cause material alteration to the valuation, unless aware of indication to the contrary. The building services have not been tested and it is assumed that they are in working order and free from defect. No responsibility can therefore be accepted for identification or notification of property or services' defects that would only be apparent following such a detailed survey, testing or inspection.
- It has been assumed that good title can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoings.
- It has been assumed that the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.
- Valuations include that plant that is usually considered to be an integral part of the building or structure and essential for its effective use (for example building services installations), but exclude all machinery and business assets that comprise process plant, machinery and equipment unless otherwise stated and required.
- It has been assumed that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated. However where an inspection was made and obvious signs of such materials or techniques were observed, this will be drawn to your attention and captured in this report.
- No access audit has been undertaken to ascertain compliance with the Equality Act 2010 and it has been assumed that the premises are compliant unless stated otherwise in this report.
- No environmental assessment of the property (including its site) and neighbouring properties has been provided to or by the VOA, nor is the VOA instructed to arrange consultants to investigate any matters with regard to flooding, contamination or the presence of radon gas or other hazardous

substances. No search of contaminated land registers has been made.

However, where an inspection was made and obvious signs of contamination or other adverse environmental impact were visible this will have been advised to you, further instructions requested and the observations captured in the report. Where such signs were not evident during any inspection made, it has been assumed that the property (including its site) and neighbouring properties are not contaminated and are free of radon gas, hazardous substances and other adverse environmental impacts. Where a risk of flooding is identified during any inspection made, or from knowledge of the locality, this will be reported to you. The absence of any such indication should not be taken as implying a guarantee that flooding can never occur.

### **3. Property Information**

#### **3.1 Location**

The property is located on the southern side of Inverkip Road (A78), adjacent to Branchton Rail Station, approximately 2 km (1.25 miles) to the south west of Greenock Town Centre.

The A78 is the major western thoroughfare through the town eventually heading south along the Firth of Clyde to Ayrshire. It connects with the A8 at the Bullring Roundabout within the town centre which heads east through Port Glasgow prior to becoming the M8 Motorway heading into central Glasgow.

Greenock has a population of c.45,000 and is the administrative centre for the Inverclyde Council area. The town forms a contiguous urban area with Gourrock to the west and Port Glasgow to the east and lies approximately 35 km (22 miles) to the north west of Glasgow.

#### **3.2 Description**

The site is broadly rectangular in shape and generally comprises three sections:

- A northern, lower level lying to the immediate south of the Glasgow to Wemyss Bay Railway Line which runs just to the south of Inverkip Road. This part of the site is occupied by hospital buildings dating from the 1970s and 1980s which were vacated during 2017. The strip of land between the road and the railway has largely been transferred to Inverclyde Council.
- A southern, higher level which is occupied by the original Category B Listed buildings dating from the 1870's. Built in the Scots Baronial style, the buildings are a rare example of a 19th century poorhouse complex. The buildings were used during the war by the Canadian Navy before being used for the care of the elderly and mentally ill in the post war period. The buildings have lain empty for a number of years and are now in a state of disrepair and dereliction. Listed Building Consent was granted for the demolition of the buildings on 1 November 2017.
- An area of woodland forming part of Cockrobin Hill lies between the hospital and the Greenock Cut aqueduct and the Clyde Muirshiel Country Park to the south.

This area was planted with conifers in the 1970s is considered to be largely unusable due to the steepness of the slope upon which the trees are planted. It is understood that access for the extraction of timber would be challenging due to the topography and a felling licence would be required from the Forestry Commission.

Access to the site is via a bridge over the railway lines from Inverkip Road at the north east of the site. Egress is via a second bridge forming part of Branchton Road to the north west of the site.

### 3.3 Tenure

Owner's heritable interest subject to vacant possession.

### 3.4 Title Restrictions

The Branchton Bridge is adopted by the Council however the main access bridge to the north east is not adopted, with title being held by Network Rail. A servitude over the bridge was granted in favour of the NHS in 1872 and while the access right is not restricted to the original use of the site, it is understood that any alternative use must not impose an additional burden on Network Rail.

### 3.5 Site Area

I am advised that the property extends to a total of 31.9 hectares (79 acres) or thereby which includes an area of steeply sloping woodland to the south extending to 13.35 hectares (33 acres).

### 3.6 Services

I understand that although the site is connected to the usual mains services of gas, water, electricity and drainage, these have been decommissioned.

### 3.7 Access and Highways

It is assumed that maintenance of existing roads and footpaths ex adverso the properties will be the responsibility of the Local Authority.

### 3.8 Planning

The site is covered by the Inverclyde Local Development Plan which was adopted in August 2014.

The site benefits from a favourable land allocation supporting residential development which identifies that the site has an indicative capacity for 200 dwellings of which 25% should be affordable housing. The allocation is believed to focus on the footprint of the existing buildings and excludes an area of scrubland to the west which is defined as open space. A Masterplan for the site shows that it is likely that up to 400 units could potentially be developed if various site constraints are overcome. This is discussed at 3.10 below.

There is a blanket Tree Preservation Order covering the site.

### 3.9 Mineral Stability

The site is not located in an underground mining area.

### 3.10 Development Proposals

The site is being transferred to MHS for residential use and the proposed development will be taken forward by Link Housing Association. Although an indicative capacity of 200 units is stated within the local Development Plan the Transport Report prepared by Systra states that only around 150 units could be developed if the existing access arrangement is retained. The initial Masterplan estimate by Hoskins Architects shows that it is possible that up to 400 units could potentially be developed if these access arrangements are upgraded.

The plan below shows how the site could be developed for 400 units with a new access bridge over the railway line (with the existing bridge retained for pedestrian and cycle access). Furthermore, the existing Branchton Bridge will require to be signalised to allow both access and egress while a new spine road will be required to link the two access points.



### 3.11 Infrastructure and Abnormal Costs

#### **Demolition**

We have been provided with a demolition programme feasibility report prepared by Graeme Construction and a demolition estimate provided by NHSGG&C which includes an allowance for the removal of asbestos. Demolition includes all of the modern hospital buildings occupying the northern part of the site and all of the Listed Victorian buildings occupying the southern part for which Listed Building Consent has been granted.

The total amount allowed for demolition of all buildings and asbestos removal is £3,905,500.

#### **Infrastructure**

We have been provided with an Infrastructure and Advanced Enabling Works Cost Appraisal dated March 2017 prepared by AECOM. This has been prepared on the basis of a 150 unit scheme occupying 12.5 developable acres.

The appraisal reports total infrastructure costs of c.£2.887m equating to c.£231,000 per developable acre.

The appraisal can be summarised as follows:

<b>Roads Infrastructure</b>	
Including distributor roads and Branchton Bridge / Road signalisation.	£963,000
<b>Drainage &amp; Flooding</b>	
Including SUDS pond, surface water drainage, foul drainage, excavations.	£695,900
<b>Utilities and Services</b>	
Including utility diversions and site boundary reinforcement.	£200,000
<b>Earthworks</b>	
Site clearance, excavations, retaining walls, capping layers.	£136,500
<b>Geotechnical</b>	
Nominal allowance.	£200,000
<b>Environmental</b>	
Nominal sums for made ground, fuel storage and drainage system.	£205,000
<b>Other</b>	
Archaeology and invasive species treatment.	£110,000

Sub-Total	£2,510,400
Contingency @ 15%	£376,560
TOTAL	£2,886,960

This appraisal does not allow for the building of a new access bridge over the railway lines if a capacity greater than 150 units is to be realised and we have not been provided with any separate estimates for this item. We have therefore made an allowance of £1m within our residual appraisals for 300 units and 400 units at section 4 below. This allowance is broadly based on a recent cost estimate for a bridge of a similar specification which we have knowledge of and does not reflect any advice taken from a structural or civil engineer.

It should be noted that infrastructure costs relating to development in excess of 150 units will be higher than the figure above. This is discussed at section 4 below.

### 3.11 Overage Agreement

The proposed transfer was originally to be subject to an overage agreement, however I am now advised that the overage clause has been removed from the Heads of Terms.

### 3.12 Environmental Factors Identified

The site was formerly been used as a hospital for over 100 years and asbestos is likely to be present within the majority of the buildings. Furthermore, I would expect that some form of localised residual contamination could potentially be present across parts of the site. However, this valuation is reliant upon the cost information provided to me and for the purposes of this report, I have assumed that there are no additional costs related to environmental factors other than those outlined above.

## **4. Valuations**

### 4.1 Valuation Considerations

The property is to be transferred from NHSGG&C to the MHS, using the procedure set out in the Scottish Public Finance Manual. As such, the parties require a determination of the Market Value of the property.

We have had reference to the site's planning designation which states a capacity for 200 residential units and note that the current access arrangements would, without further upgrading, limit the development of the site to 150 units. Given that the Masterplan identifies that the site could potentially provide for as many as 400 units subject to planning, we have prepared development appraisals on the basis of providing 150, 300 and 400 residential units.

We have adopted the following key inputs within our appraisals:

- Residential development comprising a mix of two, three and four bed houses extending to an average of 93 sqm (1,000 sq ft).

- 25% Affordable Housing in accordance with the “Inverclyde Local Development Plan 2014”. For the avoidance of doubt, this has been allowed for on a cost / value neutral basis.
- An average Market Value of £175,000 based on £150,000 for a 2 bed house, £175,000 for a 3 bed house and £200,000 for a 4 bed house.
- Residential sales rates of 4 houses a month.
- Development period of 44 months (150 units), 75 months (300 units) & 97 months (400 units).
- Average build cost rate of £915 per sqm (£85 per sq ft) inclusive of prelims. This rate is consistent with cost information provided by the RICS Build Cost Information Service and build cost information for large scale development sites we have been involved with.
- Demolition cost including an allowance for the removal of asbestos containing materials as stated within the cost estimate provided to us of £3,905,500.
- Infrastructure and enabling works of £2.887m as per AECOM Cost Appraisal provided to us.
- Allowance of £1m for a second access bridge over railway lines to the west of current access from A78 (300 and 400 unit schemes only).
- No allowance has been made for any additional abnormal development costs.
- Professional fees totalling 6% - 7.5% subject to the number of proposed units.
- Contingency allowance on build costs of 3%.
- Externals allowance as percentage of build costs at 15%.
- Finance debit rate of 6.50% and Credit rate of 1.5%.
- Purchaser’s costs including an allowance for LBTT (suspended on negative land values).
- Marketing, Sales Agent & Legal Fees totalling 2.25% of GDV.
- NHBC allowance reflecting an average of £750 per unit.
- Section 75 Developer Contributions – we confirm that while we have had regard to the “Planning Guidance on Developer Contributions – May 2015” published by Inverclyde Council, no additional costs towards Section 75 contributions have been included within our appraisals (see comment below).
- Developers profit based on the Gross Development Value (GDV) of 20%.

On this basis, our appraisals can be summarised as follows:

	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
	<b>150 Units</b>	<b>300 Units</b>	<b>400 Units</b>
Gross Development Value	£19,600,000	£39,375,000	£52,500,000
Total Development Costs inc Profit @ 20% of GDV	£23,518,000	£42,118,000	£53,528,000
Residual Site Value	-£3,917,998	-£2,742,632	-£1,027,655
<b>Market Value</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

The above figures are subject to the various costs provided to us such as infrastructure and demolition estimates. We would wish to revisit our valuation should these be subject to material change.

We would emphasise that infrastructure costs relating to the 300 and 400 unit schemes will be higher than those assumed, which were prepared for 150 units. However, any additional costs under this heading will only result in residual values even more negative than those shown above.

Similarly, with regard to Section 75 developer contributions, we understand that each planning application will be assessed individually and an accurate allowance is impossible to provide at this stage. However, given the costs and revenues shown above, any levy of developer contributions will only result in residual values even more negative than those reported.

The site includes an area of steeply sloping woodland to the south which extends to 13.35 hectares (33 acres). For the purposes of this valuation we have assumed that the value of the timber and the underlying land value will be outweighed by the costs of extraction, replanting and management.

Finally, although we have reported a NIL Market Value for all three scenarios, in reality, there is the possibility that a speculator might pay a nominal sum and thereafter hold the asset for the medium to long term in the hope that end values may eventually exceed development costs. However, given that MHS will want to see the site developed in the short term and given the ongoing security costs to be incurred while vacant and derelict buildings remain on site, we are comfortable in reporting a NIL value to reflect the current circumstances.

**On this basis, it is my opinion that the Market Value of the site, subject to the assumptions outlined above, is NIL.**

Copies of my appraisals are attached as an appendix below.

#### 4.3 Comparable Evidence

We are not aware of any recent comparable land sales in Greenock or the surrounding area. Ogilvie Homes are currently marketing 98 apartments for sale on a 3.5 acre site at Eldon Street overlooking the Esplanade however we are unable to verify the price paid for the land which is likely to have taken place some time ago. Persimmon Homes are understood to have sold the remaining properties at their Kingston Dock development in early 2017 although the purchase price for the land was agreed many years ago.

We have therefore based our opinion of GDV on completed property sales as follows:

- 2 Harrier Way, Greenock – 5 bed detached house, early 2000s, drive, conservatory, very good condition. Sold 10/2017 £187,000
- 11 Mitchell Row, Mitchell Street, Greenock – 3 bed semi-detached house, early 200s, very good condition, sold 9/2017 £175,000

- 13 Chroman Place, Greenock – 4 bed detached house with conservatory, very good condition, sold 8/2017 £210,575
- 82 Kenmore Drive, Greenock – 4 bed detached house with integral garage, late 1990s, very good condition, sold 7/2017 £185,000
- 8 Reid Grove, Greenock – 3 bed end terrace house, early 2000s, very good condition, sold 7/2017 £160,317
- 10 Laverock Avenue, Greenock – 3 bed detached house, integral garage converted to public room, 1990s, very good condition, sold 6/2017 £160,000
- 14 Octavia Walk, Port Glasgow – 2 bed terraced house, 807 sq ft, early 2000s, very good condition, sold 8/2017 £130,000 equating to £161 per sq ft.
- 32 Orchard Court, Port Glasgow – 2 bed terraced house, 807 sq ft, early 2000s, very good condition, sold 8/2017 £130,000 equating to £161 per sq ft.

#### 4.4 Currency

All prices or values are stated in pounds sterling.

#### 4.5 VAT

We understand that VAT does not apply to this transaction and our opinion of value reflects this. In the event that our understanding is found to be inaccurate, this valuation should be referred back for reconsideration.

### **5. General Information**

#### 5.1 Status of Valuer

It is confirmed that the valuation has been carried out by Andrew Putland MRICS, Principal Surveyor and RICS Registered Valuer with assistance from Marco Meoni MRICS, Senior Surveyor and MRICS Registered Valuer, both acting in the capacity of an external valuers, with the appropriate knowledge and skills and understanding necessary to undertake the valuation competently and who are in a position to provide an objective and unbiased valuation.

The valuation was overseen by Alastair C Watson MRICS, Chief Valuer for Scotland and RICS Registered Valuer.

#### 5.2 Conflict of Interest

Checks have been undertaken in accordance with the requirements of the RICS professional standards and have revealed no conflict of interest.

For the avoidance of doubt, I confirm that we have previously acted for both parties on a number of individual instructions. Furthermore, we have previously provided

advice to NHSGG&C in relation to the subject property for asset valuation purposes, however, given the circumstances of the current instruction, I am of the opinion that this does not constitute a conflict of interest. This situation was disclosed within our Terms of Engagement.

5.3 Restrictions on Disclosure and Publication

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

5.4 Limits or Exclusions of Liability

The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers. No responsibility whatsoever is accepted to any Third Party who may seek to rely on the content of the report unless previously agreed.

5.5 Validity

This report remains valid for 3 (three) months from its date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion.

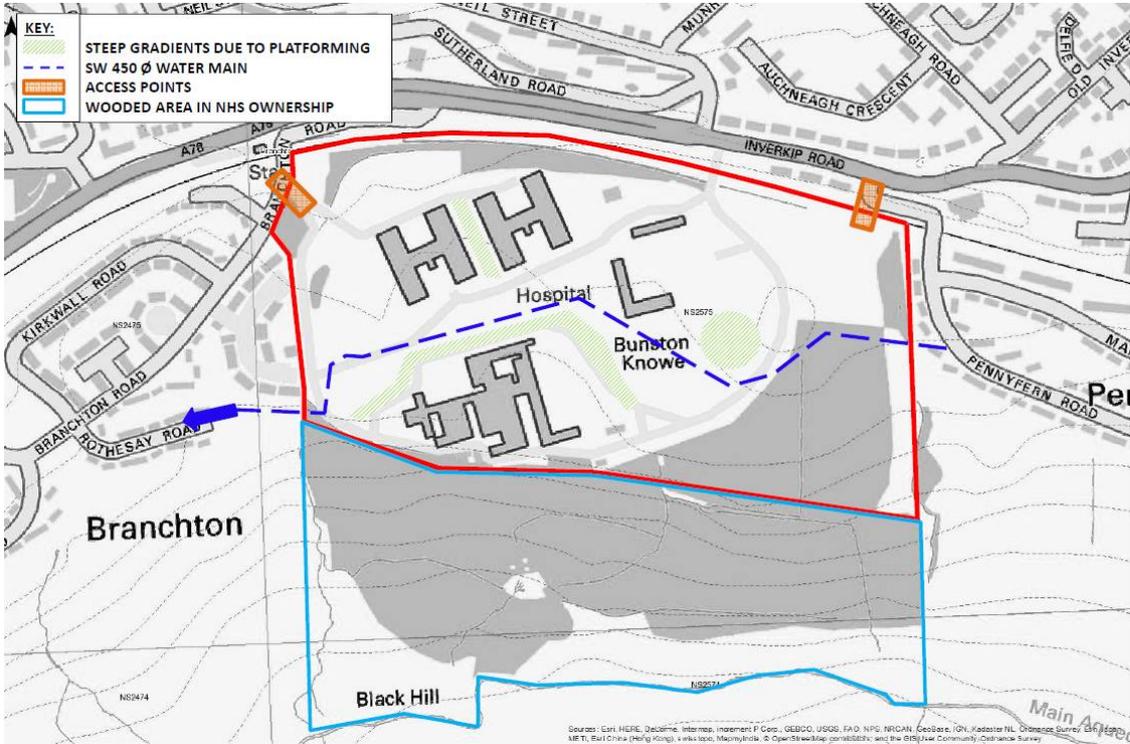
I trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further.

[Redacted]

Andrew Putland BArch DipSurv MRICS  
Principal Surveyor  
RICS Registered Valuer  
DVS

### 6. Appendices

#### Site and Location Plans



Appraisal – 150 Units

**APPRAISAL SUMMARY** **VALUATION OFFICE AGENCY**

Former Ravenscraig Hospital Greenock - 150 Units v1

Summary Appraisal for Phase 1 Density - 150 Units

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Average Unit - Private	112	112,000	175.00	175,000	19,600,000
38 AH Units (25% of 150) - Cost Neutral	1	0	0.00	1	1
<b>Totals</b>	<b>113</b>	<b>112,000</b>			<b>19,600,001</b>

**NET REALISATION**

**19,600,001**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)	(3,917,998)
Town Planning	25,000
Survey	25,000
	<b>50,000</b>

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Average Unit - Private	112,000	85.00	9,520,000
Contingency		3.00%	285,600
Externals		15.00%	1,428,000
Demolition			3,905,500
			<b>5,619,100</b>
Other Construction			
Infrastructure & Enabling Works			2,640,000
			<b>2,640,000</b>

**PROFESSIONAL FEES**

Architect	2.50%	304,000
Quantity Surveyor	1.00%	121,600
Structural Engineer	1.00%	121,600
Mech./Elec. Engineer	0.50%	60,800
Project Manager	0.50%	60,800
C.D. Manager	0.50%	60,800
		<b>729,600</b>

**MARKETING & LETTING**

NHBC @ £750 per unit	112 un	750.00 /un	84,000
			<b>84,000</b>

**DISPOSAL FEES**

Sales & Marketing Fee	2.50%	490,000
Sales Legal Fee	0.75%	147,000
		<b>637,000</b>

**FINANCE**

Debit Rate 6.500%, Credit Rate 1.500% (Nominal)		
Land		(719,402)
Construction		1,037,127
Other		578
Total Finance Cost		<b>318,303</b>

**TOTAL COSTS**

**15,680,004**

**PROFIT**

**3,919,997**

**Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%

Appraisal – 300 units

**APPRAISAL SUMMARY** VALUATION OFFICE AGENCY

Former Ravenscraig Hospital Greenock - 300 Units v1

Summary Appraisal for Phase 1 Density - 300 Units

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Average Unit - Private	225	225,000	175.00	175,000	39,375,000
75 AH Units (25% of 300) - Cost Neutral	1	0	0.00	1	1
<b>Totals</b>	<b>226</b>	<b>225,000</b>			<b>39,375,001</b>

**NET REALISATION**

39,375,001

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)		(2,742,632)		(2,742,632)
Town Planning		50,000		
Survey		25,000		
				75,000

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost	
Average Unit - Private	225,000	85.00	19,125,000	19,125,000
Contingency		3.00%	573,750	
Externals		15.00%	2,868,750	
Demolition			3,905,500	
				7,348,000
<b>Other Construction</b>				
Infrastructure & Enabling Works			2,885,000	
New Bridge (A78)			1,000,000	
				3,885,000

**PROFESSIONAL FEES**

Architect		2.50%	550,250	
Quantity Surveyor		1.50%	330,150	
Structural Engineer		2.00%	440,200	
Mech./Elec.Engineer		0.50%	110,050	
Project Manager		0.50%	110,050	
C.D. Manager		0.50%	110,050	
				1,650,750

**MARKETING & LETTING**

NHBC @ £750 per unit	225 un	750.00 /un	168,750	
				168,750

**DISPOSAL FEES**

Sales & Marketing Fee		2.50%	984,375	
Sales Legal Fee		0.75%	295,313	
				1,279,688

**FINANCE**

Debit Rate 6.500%, Credit Rate 1.500% (Nominal)				
Land			(1,065,756)	
Construction			1,824,423	
Other			(48,217)	
<b>Total Finance Cost</b>				710,450

**TOTAL COSTS**

31,500,005

**PROFIT**

7,874,996

**Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%

Appraisal – 400 units

**APPRAISAL SUMMARY** VALUATION OFFICE AGENCY

Former Ravenscraig Hospital Greenock - 400 Units v1

Summary Appraisal for Phase 1 Density - 400 Units

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Average Unit - Private	300	300,000	175.00	175,000	52,500,000
100 AH Units (25% of 400) - Cost Neutral	1	0	0.00	1	1
<b>Totals</b>	<b>301</b>	<b>300,000</b>			<b>52,500,001</b>

**NET REALISATION**

**52,500,001**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)			(1,027,655)		(1,027,655)
Town Planning			50,000		
Survey			25,000		
					75,000

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost		
Average Unit - Private	300,000	85.00	25,500,000	<b>25,500,000</b>	
Contingency		3.00%	765,000		
Externals		15.00%	3,825,000		
Demolition			3,905,500		
					8,495,500
<b>Other Construction</b>					
Infrastructure & Enabling Works			2,885,000		
New Bridge (A78)			1,000,000		
					3,885,000

**PROFESSIONAL FEES**

Architect		2.50%	709,625		
Quantity Surveyor		1.50%	425,775		
Structural Engineer		2.00%	567,700		
Mech./Elec.Engineer		0.50%	141,925		
Project Manager		0.50%	141,925		
C.D. Manager		0.50%	141,925		
					2,128,875

**MARKETING & LETTING**

NHBC @ £750 per unit	300 un	750.00 /un	225,000		225,000
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**DISPOSAL FEES**

Sales & Marketing Fee		2.50%	1,312,500		
Sales Legal Fee		0.75%	393,750		
					1,706,250

**FINANCE**

Debit Rate 6.500%, Credit Rate 1.500% (Nominal)					
Land			(529,247)		
Construction			1,615,753		
Other			(74,475)		
Total Finance Cost					1,012,031

**TOTAL COSTS**

**42,000,001**

**PROFIT**

**10,500,000**

**Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%