

COST COMPARISON

FINANCIAL/LFMC/LVA/MDA
RELOCATION

DUNN & CO. KENTISH TOWN

14,500 sq.ft.
(- circulation 20%)
usable footage
11,600 sq.ft.

RENT p.a. @ £8.90 p.sq.ft.
£129,050

lease part building
hence service charge @ £1.40 p.sq.ft.
£ 20,300 p.a.

Rates @ approx £6.00 p.sq.ft.
£ 87,000 p.a.

Fixed rent 1st 5 years
Therefore

THREE YEAR SCENARIO

Rent 129,050
Serv. 20,300
Rates 87,000

Total 236,350 x 3 = £ 709,050

10% RPM fee (rent) 12,900

LVA temp. relocation 20,000

THREE YEARS £ 741,950

DIFFERENCE @ 3 years

FIVE YEAR SCENARIO

rent stays same to five years
hence

to 3yrs 741,950

2yrs incl. rates @
£6.00, service same
@1.40

472,700

Total FIVE YEARS 1,214,650

DIFFERENCE AT FIVE YEARS

SAFFRON HILL, CLERKENWELL

13,370 sq.ft.
(- circulation 10%)

usable
12,150 sq.ft. (plus roof area 2,500 sq.ft.)

@ average £7.10 p.sq.ft.
£95,050

lease whole building
hence service approx. £1.00 p.sq.ft.
£13,370 p.a.

Rates capped @ £4.50 p.sq.ft. (1st 4 years)
£60,165 p.a.

Fixed Rent 1st 3 years

95,050
13,370
60,165

168,585 x 3 = £ 505,755

nil

nil

£ 505,755

£ 246,155

assume 25% rent increase last 2 years

2yrs + 25% (est.) 505,755
rates @ 6.50 237,625
service same 160,440
26,740

£ 930,560

£ 284,090

*subject 80% rent reduction at Eps
21 year lease
all leasehold 67 years @ £1,000,000*

DIFFERENCE @ FIVE YEARS CARRIED OVER

£284,090

CONVERSION COSTS

DUNN & CO. KENTISH TOWN

Initial survey 2,500

Design quote/3 months 30,000

Conversion/structural etc. @ £40 per sq.ft. 580,000 (quote 2 separate known architectural firms)

Above figure excludes heavy structural alterations necessary.

COST CONVERSION £612,500

MINUS INDUCEMENT 375,000

SHORTFALL ON CONVERSION OVER FIVE YEAR PERIOD

£237,500

DIFFERENCE BETWEEN 2 SITES/CONVERSION

SAFFRON HILL, CLERKENWELL

1000

3000

All services there, and to good decorative order, hence removal light partitions and construction internal walls only, estimate cost:-

100,000 (generous)

£104,000

65,000

£ 39,000

£198,500

Check whether landlord Dunn Co. will ask for restitution site to original on termination of lease

and how much is expected to be done with £375,000

TOTAL DIFFERENCE BETWEEN 2 SITES OVER FIVE YEAR PERIOD

£ 482,590

TIME SCALE DUNN & CO. FROM LVA POINT OF VIEW 3 months design, 9 months conversion DELAY OF ONE YEAR ESTIMATED WHEREAS SAFFRON HILL IMMEDIATE OCCUPATION.

prepared by LFMC BUILDING COMMITTEE 1st August '91.

[also portion LFMC space subject 80% rates reduction as Educational Charity, to be calculated according sq. footage both sites]

25 year lease.

21 year lease

(alternative purchase leasehold 69 years @ £1,000,000 Saffron Hill site only)



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COST COMPARISON BETWEEN DUNN & CO SITE AND SAFFRON HILL SITE.

Assumptions.	Dunn & Co	Rent @ £8.90/sq ft	Years 1 - 5	
		£10.70/sq ft	6 - 10	(20% increase)
	Saffron Hill	£7.10/sq ft	1 - 3	
		£12.50/sq ft	4 - 8	(Capped)
		£17.50/sq ft	9 - 10	(Assumed)
Rates		£4.50/sq ft	(Capped for first 3 years)	
		£6.50/sq ft.	(Both buildings remainder)	

Service charge same at £1.50/sq ft (both buildings)

Year	SAFFRON HILL 13,370 sq ft.	Rent	Rates	Service	Total	Running Total
1		95,000	60165	20055	175220	175220
2		95000	60165	20055	175220	350440
3		95000	60165	20055	175220	525660
4		167125	86905	20055	274085	799745
5		"	"	"	"	1,073830
6		"	"	"	"	1,347915
7		"	"	"	"	1,622000
8		"	"	"	"	1,896085
9		233975	86905	20055	340935	2,237020
10		"	"	"	"	2,577955
		<u>1,588575</u>	<u>788830</u>	<u>200550</u>		
Year	DUNN & CO 14,500 sq ft.	Rent	Rates	Service	Total	Running Total
1		129050	94250	21750	245050	245050
2		"	"	"	"	490100
3		"	"	"	"	735150
4		"	"	"	"	980200
5		"	"	"	"	1,225250
6		155150	94250	21750	271150	1,496400
7		" "	"	"	"	1,767550
8		"	"	"	"	2,038700
9		"	"	"	"	2,309850
10		"	"	"	"	2,581000
		<u>1,421000</u>	<u>942500</u>	<u>217500</u>		