

22<sup>nd</sup> June 2015

**46 E and 46 F Broad Street  
Ross-on-Wye  
Herefordshire HR9 7DY**

**Estimated costs**

**Proposed new building – 52m2 A**

Demolition & external works		£ 5,000
New building costs: £1,000/m2 per flat	£52,000 x 2	
	=	£104,000
	VAT	zero
<b>Total:</b>		<b>£109,000</b>

Rental: £495.00/month ( $£5,940.00 \times 2 = £11,880.00$  per annum)

Return in approx. 9 years. This is a reasonable return on capital.

Note: Thereafter the rental is £100/month higher return than B.

**Existing building – 90% renovated – 36m2 B**

Demolition & external works		£ 7,000
Building costs: retaining parts of building taking into account Health & Safety issues resulting and repairs to part of south wall retained: £1,300/m2 per flat	£46,800 x 2	
	=	£ 93,600
	VAT	£ 4,680
<b>Total:</b>		<b>£ 98,280</b>

Rental: £395.00/month ( $£4,740.00 \times 2 = £9,480.00$  per annum)

Return in approx. 10 ½ years.

**Conclusion:**

If it is accepted that 90% of the existing building would have to be rebuilt it makes sense to totally rebuild and maximise the potential of the site.