

Natwest Building Purchase Cost Comparison



Due to expansion within Ryde Town Council, as well as an increasing need for storage space and meeting rooms, the current offices at Lind Street are no longer fit for purpose.

This reason, along with the fact that the current offices are not fully accessible, means that the council need to relocate to a larger premises.

The Town Council is also aware that a provision of town centre toilets is highly requested service by the residents, and the cost of providing this has been factored into the below table.

In the table below is a comparison of costs over the next 8 years between the leasing of new premises, and the purchase of the former NatWest Building.

8 years has been used as the comparison timeline as that is the remaining length on the tenancy at Lind Street.

8 Year Costs Comparison			
Leasing a new larger office		Purchase of NatWest Building	
Description	Costs	Description	Costs
Stamp Duty	£ -	Stamp Duty	£ 12,630.00
Legal Fees	£ 5,000.00	Legal Fees	£ 5,000.00
Loan Costs	£ -	Loan Costs	£ 240,000.00
Rental Per annum	£ 340,000.00	Rental Per annum	
Lind Street Rent Per Annum*	£ 256,000.00	Lind Street Rent Per Annum*	£ 256,000.00
Development costs over 5 years**	£ 25,000.00	Development costs over 5 years**	£ 262,912.40
Providing New Toilets	£ 150,000.00	Upgrading existing toilets	£ 30,000.00
Business rates	£ 118,760.00	Business rates	£ 104,792.00
Building running costs	£ 260,000.00	Building running costs	£ 200,000.00
Additional room hire	£ 800.00	Additional room hire	£ 800.00
Cost of remote parking	£ 6,000.00	Cost of remote parking	£ 3,200.00
Cost of storage	£ 8,000.00	Cost of storage	£ -
Room hire income	-£ 40,000.00	Room hire income	-£ 240,000.00
Additional office accommodation	£ -	Additional office accommodation	£ -
Service Charge	£ 60,000.00	Service Charge	£ -
Maintenance	£ 8,000.00	Maintenance	£ 40,000.00
8 Year Total	£ 1,197,560.00	8 Year Total	£ 915,334.40
Asset Value after 8 Years***	£ -	Asset Value after 8 Years***	£ 426,000.00

*Assuming no reassigning of the lease

**Assuming zero grant funding

*** Assuming no increase in value