

email: [REDACTED]@montagu-evans.co.uk

13 April 2017

[REDACTED]  
Development Manager  
Herefordshire Council  
PO Box 167  
Plough Lane  
Hereford  
HR4 0XY

Dear Ian,

**Invitation to Quote: [REDACTED] Investment Strategy**

We have set out below the scope of works to be carried out in relation to the [REDACTED]  
[REDACTED] Investment Strategy:

- Inception and Site Meeting;
- SWOT analysis of centre;
- Layout considerations / refurb options / drastic / minimal;
- Town/scheme National Ranking;
- Analysis of threats;
- Tenant audit and performance analysis (would need to be high level at this stage);
- Tenant covenant analysis;
- Rental and comparable analysis and ERV assessment;
- Analysis and projection of tenants occupational plans;
- Adoption of assumptions regarding occupational voids and required incentives;
- Review of potential target tenants;
- Tenancy assumptions to form the basis of a business model;
- Investment market review with analysis of relevant comparables;
- Assessment of income risks balanced with alternate plans of action;
- Analyse marriage value that may be achieved by combining both legal and physical interests
- Analyses of rental income from the head lease and what income profile to Council could be following purchase of head lease;
- Resource required to manage;
- Management/investment plan;
- Opportunity that may exist for HC or partners occupation in the future i.e. new university, library, HC back office etc;
- Draft and Final report on the above issues.

Following the EPS hourly rates we have set out our fee proposal for carrying out this scope of work. In order to provide an accurate fee quote to undertake this instruction, we have initially prepared the below fee matrix based upon our proposed resourcing;

MONTAGU EVANS' TEAM - EPS RATES							
Resource	MONTAGU EVANS						Sub Total
	Lead Partner		Associate		Surveyor		
Hourly Rate (8 Hour Days)	£100.00		£65.00		£40.00		
	Days	Cost	Days	Cost	Days	Cost	
1 - Inception / Site Visit	1	£800	1	£520	1	£320	£1,640
2 - Workshop (including preparation)	2	£1,600	2	£1,040	2	£640	£3,280
3 - Analysis (as previously agreed)	4	£3,200	7	£3,640	6	£1,920	£8,760
4- Draft report	2	£1,600	2	£1,040	2	£640	£3,280
5- Final Report	2	£1,600	2	£1,040	2	£640	£3,280
<b>SUB TOTAL (DAYS / COST)</b>	<b>11</b>	<b>£8,800</b>	<b>14</b>	<b>£7,280</b>	<b>13</b>	<b>£4,160</b>	<b>£20,240</b>

The above fee resourcing schedule indicates a fee of £20,240 plus Value Added Tax. Therefore we are prepared to reduce our fee to **£20,000** plus VAT at the prevailing rate. We reserve the right to charge additional fees should the scope of services expand. It is proposed that any additional services will be agreed on an ad-hoc basis and will be charged on either a fixed fee basis or hourly basis subject to caps.

We hope the above is acceptable and we look forward to working on what is an exciting project. In the meantime, if you have any further queries, or we can be of further assistance, please do not hesitate to contact us.

Yours sincerely

  
**Partner**  
**Development Consultancy**  
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