

Nuvu Investments Limited

Jacksons Brickworks

Ten Acres Lane

Newton Heath

M20

Financial Viability Appraisal

April 2022

PRIVATE & CONFIDENTIAL

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1. Introduction

- 1.1 Tim Claxton Property Limited has been commissioned by Nuvu Investments Limited (the applicant) to undertake an assessment of the financial viability of a proposed development scheme located on a site situated off Ten Acres Lane in Newton Heath within the Manchester City Council administrative area.
- 1.2 The proposed scheme is for 713 residential units to be delivered in two phases on a site of 17.48 hectares (43.19 acres). Phase 1 is to comprise 378 residential units with ancillary community space whilst Phase 2 is proposed for 335 residential units.
- 1.3 The planning application is a hybrid application with Phase 1 being the detailed element and Phase 2 being the outline. In addition to the main housing development Phase 2 also includes a site for a school which is to be transferred to the local authority.
- 1.4 As a Registered Provider the applicant is proposing that the residential units will be a mix of open market, private rented and social/affordable rent and shared ownership. Homes England grant will be secured on the relevant portion.
- 1.5 It is considered by the applicant that the Section 106 requirements that are a requirement of local planning policy will render the scheme unviable and it is against this background that this report assesses the viability of the proposed scheme with reference to all relevant guidance particularly Planning Policy Guidance dated May 2014 and most recently updated in July 2021 and the new RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England' which sets out a framework for undertaking viability appraisals of this nature.
- 1.6 In line with RICS professional guidance and standards – Financial viability in planning: conduct and reporting (May 2019) we are able to confirm:
 - We have no conflicts of interest
 - The report has been prepared by us with no contingent or performance related fee in place with the applicant
 - In preparing this report we have acted
 - with objectivity
 - impartially
 - without interference, and
 - with reference to all appropriate sources of information

Signed on behalf of Tim Claxton Property Limited



.....
Tim D Claxton MA MRICS,
Director

2. Development Description

Site Location and Description

- 2.1 The site is located in Newton Heath a suburb in East Manchester approximately 3.5km (2.2 miles) to the east of Manchester City Centre. It is the site of the former Jackson's Brickworks and was latterly a landfill site. It has been vacant since the 1990s.
- 2.2 The subject site itself totals 19.1 hectares (47.2 acres) and is bordered to the north by the Rochdale Canal, Mitchell Street and the Newton Heath Resource Centre to the east, residential and Briscoe Lane Academy to the south, and Ten Acres Lane Sports Complex to the west.
- 2.3 It is currently overgrown with old building footings and piles of rubble littering the site.
- 2.4 The location enjoys good communication links being a short distance to the south of Oldham Road, one of the main arterial routes in and out of Manchester.
- 2.5 The extent of the proposed scheme, both Phases 1 and 2, is shown at Fig.1.

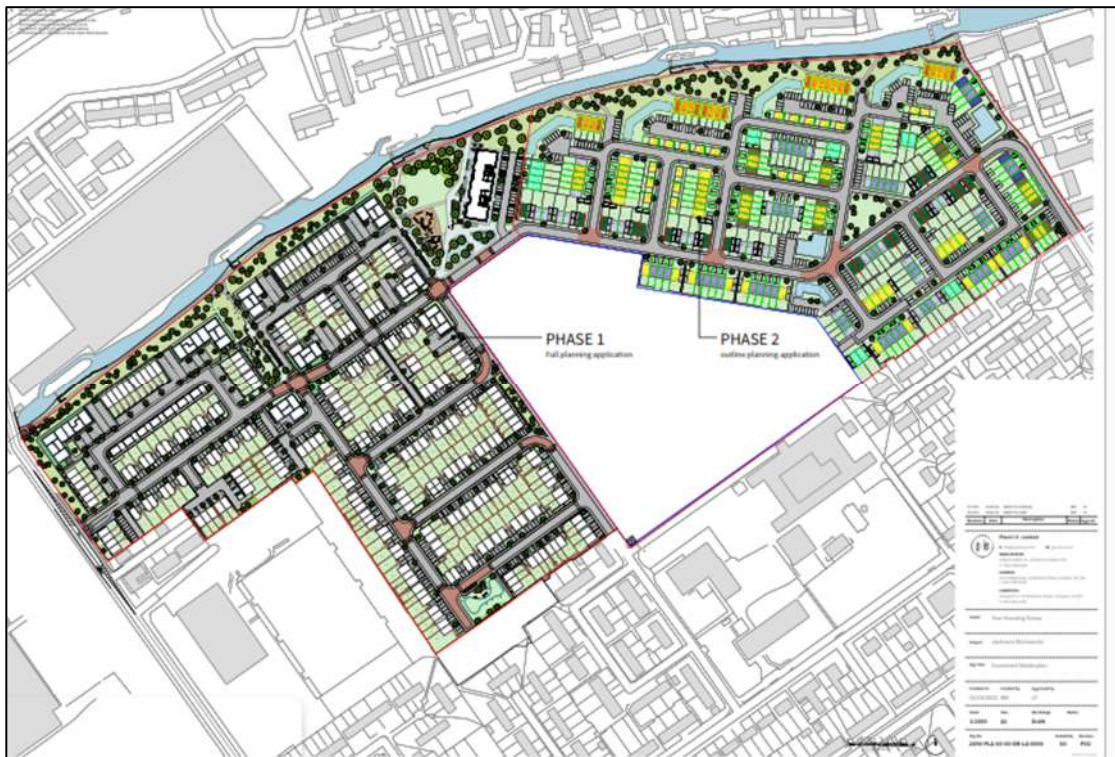


Fig.1: Jacksons Brickworks Overall Scheme

- 2.6 The immediate area is mixed in character with industrial making way to residential uses. The area is becoming increasingly residential in character.



Fig.2: Jacksons Brickworks Phase 1

Scheme Description

- 2.7 The proposed scheme comprises two phases. Phase 1 is proposed to deliver a total of 378 units – 244 houses and 134 apartments together with a community facility including a café on a site which totals 6.9 ha (17.05 acres). Phase 2 is proposed to comprise 335 units comprising 234 houses and 101 apartments. In addition this phase includes a new school the site of which is to be transferred to the local authority. The overall site area for Phase 2 is 10.58 ha (26.14 acres).
- 2.8 The proposed planning application is a hybrid application – Phase 1 will be a detailed application whilst Phase 2 will be an outline application.
- 2.9 The proposed mix of units in respect of Phase 1 is outlined in Table 1 and 2 and a plan of the scheme is reproduced at Fig.2 and attached at Appendix I. Table 3 outlines the mix of units currently envisaged for Phase 2 (excluding the school) and a plan of this phase is outlined at Fig 3.

Unit Type	Units	Size sq.m (sq.ft)	Total sq.m (sq.ft)	Proposed Tenure Mix
Apartments - Blocks A, B, C				
Type 1 - 1B2P	20	50.3 (541)	1,005.6 (10,284)	35% Shared Ownership; 25% Affordable Rent; 7.5% Social Rent; 25% Private Rent; 7.5% Open Market Sale
Type 2 – 2B3P	39	61.7 (664)	2,407.4 (25,914)	
Type 3 – 2B4P	45	70.9 (763)	3,190.1 (34,339)	
Apartments – Block D				
Type a – 1B1P	1	49.0 (527)	49.0 (527)	35% Shared Ownership; 25% Affordable Rent; 7.5% Social Rent; 25% Private Rent; 7.5% Open Market Sale
Type b – 1B2P	11	50.3 (541)	553.0 (5,952)	
Type c – 2B3P	6	61.3 (660)	368.0 (3,961)	
Type d – 2B4P	12	70.3 (757)	844.0 (9,085)	
Houses				
Type A – 2B3P Mews	41	70.4 (758)	2,886.7 (31,073)	35% Shared Ownership; 25% Affordable Rent; 7.5% Social Rent; 25% Private Rent; 7.5% Open Market Sale
Type B – 2B4P Mews	18	83.4 (898)	1,501.1 (16,159)	
Type C – 3B4P Mews	59	87.9 (946)	5,183.6 (55,798)	
Type D– 3B4P Mews	8	93.6 (1,008)	748.8 (8,060)	
Type E – 3B5P Mews 2.5 storey	59	102.4 (1,102)	6,038.7 (65,002)	
Type F – 3B6P Mews 3 storey	8	116.0 (1,249)	928.0 (9,989)	
Type G – 3B6P Detached 3 storey	3	116.2 (1,251)	348.6 (3,752)	
Type H – 4B6P Mews 3 storey	34	113.1 (1,217)	3,845.3 (41,392)	
Type I – 4B8P Mews 3 storey	14	133.6 (1,438)	1870.7 (20,137)	
Total	378		31,768.5 (341,964)	

Table 1: Phase 1 Scheme Residential Unit Mix

2.10 In respect of tenure a mix is proposed across both phases to provide the following

		Phase 1	Phase 2
Shared Ownership	35%	132	118
Affordable Rent	25%	95	85
Social Rent	7.5%	28	25
Private Rent	25%	95	85
Open Market Sale	7.5%	<u>28</u>	<u>25</u>
Total		378	338

Unit Type	Units	Size sq.m (sq.ft)	Proposed Operation
Community Space	1	454.6 (4,893)	To be taken by community group TBC
Café	1	161.9 (1,743)	To be taken by commercial operator TBC
Total	2	616.5 (6,636)	

Table 2: Phase 1 Commercial/Community Floorspace

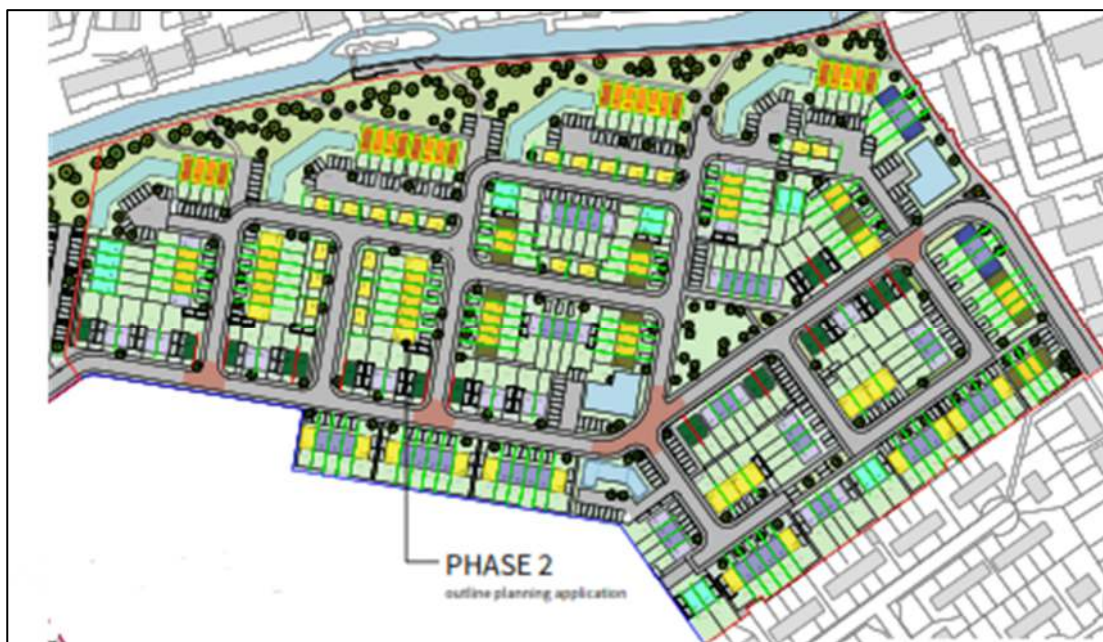


Fig.3: Jacksons Brickworks Phase 2

Ownership and Proposed Transaction

- 2.11 The site is owned by Nuvu Development Limited a subsidiary company of Your Housing Group. The Land Registry confirms that the site was purchased for £13.0 million in February 2020 although this appears to exclude land under title number MAN380905 (pending first registration).
- 2.12 A site for a new school which forms part of Phase 2 is to be transferred for a minimum price of £6.0 million (following an adjustment of up to £1.76 million for abnormal costs).

Unit Type	Units	Size sq.m (sq.ft)	Total sq.m (sq.ft)	Proposed Tenure
Apartments				
Type 1 - 1B2P	42	37.8 (407)	1,587.6 (17,094)	35% Shared Ownership; 25% Affordable Rent; 7.5% Social Rent; 25% Private Rent; 7.5% Open Market Sale
Type 2 – 2B3/4P	59	64.3 (692)	3,793.7 (40,828)	
Houses				
Type A – 2B3P Mews	71	71.2 (766)	5,055.2 (54,386)	35% Shared Ownership; 25% Affordable Rent; 7.5% Social Rent; 25% Private Rent; 7.5% Open Market Sale
Type B – 2B4P	29	83.1 (895)	2,409.9 (25,955)	
Type C – 3B4P	25	87.6 (943)	2,190 (23,575)	
Type D– 3B5P	14	93.6 (1,008)	1,310.4 (14,112)	
Type E – 3B5P 2.5 storey	55	104.2 (1,121)	5,731 (61,655)	
Type F – 3B6P 3 storey	5	119.3 (1,284)	596.5 (6,420)	
Type G – 4B6P 3 storey	19	113.3 (1,220)	2,152.7 (23,180)	
Type H – 4B8P 3 storey	19	134.0 (1,442)	2,546 (27,398)	
Total	338		27,373 (294,603)	

Table 3: Phase 2 Scheme Unit Mix

3. Planning Background

National Planning Policy Framework (NPPF)

- 3.1 The NPPF (Revised July 2018) is a national framework which forms the basis for the preparation of locally focussed development plans. Elements of the NPPF that are relevant to the assessment of scheme viability in a planning context are:

Paragraph 34 - that states that local plans *'should set-out the contributions expected from development'*.

Paragraph 57 – that states that *'planning applications that comply with [up to date policies relating to contributions] should be assumed to be viable'* and that *'It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability appraisal at the application stage'*.

- 3.2 It is clear from this revised document that although there is a presumption that all schemes are able to meet the planning obligation requirements set-out by local policy there remains a non-rigid approach to agreeing Section 106 which takes into account market conditions and the need to deliver sustainable development. Also such a presumption can only apply where policies are suitably up to date and based on up to date information.
- 3.3 In this case plan making is based on historic information with policies dating back to 2012.

Manchester City Core Strategy (2012)

- 3.4 The Manchester Core Strategy Development Plan Document which was adopted in 2012 is the principal development plan document that guides development control decision making in Manchester.
- 3.5 Manchester are in the process of preparing Part 2 of the Local Plan document which deals with specific site allocations. The subject site is not currently allocated.
- 3.6 The policies contained within the Core Strategy that are of particular relevance to this report are:

Policy H4: East Manchester

Policy H8: Affordable Housing

Policy PA1: Developer Contributions

Policy H4: East Manchester

- 3.7 This policy outlines that East Manchester will accommodate 30% of new residential development over the lifetime of the Core Strategy. Priority will be given to family housing and high density housing will be allowed in parts of East Manchester that that are adjacent to the Regional Centre and this includes Newton Heath.

Policy H8: Affordable Housing

- 3.8 This policy outlines the extent and circumstances under which affordable housing will be requested. This policy is reproduced in full below:

'The following requirements for affordable housing or an equivalent financial contribution, as set out in 'Providing For Housing Choice', or any future published SPD and Planning Guidance, currently apply to all residential developments on sites of 0.3 hectares and above or where 15 or more units are proposed. These thresholds will be subject to amendment

over the lifetime of the Core Strategy to reflect changing economic circumstances. The targets and thresholds will form part of supporting SPD and/or Planning Guidance.

- 1) *New development will contribute to the City-wide target for 20% of new housing provision to be affordable. Developers are expected to use the 20% target as a starting point for calculating affordable housing provision. It is envisaged that 5% of new housing provision will be social or affordable rented and 15% will be intermediate housing, delivering affordable home ownership options.*
- 2) *The proportion of affordable housing units will reflect the type and size of the development as a whole; and where appropriate provision will be made within Section 106 agreements to amend the proportion of affordable housing in light of changed economic conditions, subject to a financial viability assessment.*
- 3) *Affordable housing units will be inclusively designed to reflect the character of development on the site.*
- 4) *Either an exemption from providing affordable housing, or a lower proportion of affordable housing, a variation in the proportions of socially rented and intermediate housing, or a lower commuted sum, may be permitted where either a financial viability assessment is conducted and demonstrates that it is viable to deliver only a proportion of the affordable housing target of 20%; or where material considerations indicate that intermediate or social rented housing would be inappropriate. In the latter case, such circumstances could include:*
 - *There is a very high level of affordable housing in the immediate area;*
 - *There is either a high proportion of social rented (35%), or low house prices in the immediate area compared to average incomes;*
 - *Affordable housing would be prejudicial to the diversification of the existing housing mix.*
 - *The inclusion of affordable housing would prejudice the achievement of other important planning or regeneration objectives which are included within existing Strategic Regeneration Frameworks, planning frameworks or other Council approved programmes;*
 - *It would financially undermine significant development proposals critical to economic growth within the City;*
 - *The financial impact of the provision of affordable housing, combined with other planning obligations would affect scheme viability;*
 - *There is a need for additional housing provision for older people or disabled people either as affordable or market housing dependent on the results of a financial viability assessment of the scheme.*
- 5) *The Council will also consider the provision of affordable housing which is delivered by taking advantage of other equity based products in addition to those options identified in PPS 3.*
- 6) *The definition used for affordable housing is set out in Annex B of PPS 3.'*

- 3.9 The provisions of this policy are clear in that the starting requirement is for 20% affordable housing and that where there are viability arguments this basic requirement can be negotiated down. In addition, a full or partial exemption may be permitted under certain circumstances linked to the general affordability of housing in the area, the current levels of affordable housing

or the impact of affordable housing on achieving the regeneration and economic growth objectives of the Council.

Policy PA1: Developer Contributions

- 3.10 This policy states that where the need arises the Council will seek developer contributions to off-set the impact of development and such requests will be in line with national policy and guidelines.

- 3.11 Critically this non-prescriptive policy states that

'In determining the nature and scale of any planning obligation, specific site conditions and other material considerations including viability, redevelopment of previously developed land or mitigation of contamination may be taken into account.'

- 3.12 It is apparent therefore that the extent of developer contributions may be impacted by the overall viability of the proposed scheme.

- 3.13 Associated documents that link into these policies and informed their content include:

Providing for Housing Choice – Supplementary Planning Document and Planning Guidance (2008)

- 3.14 This document sets out in detail the Council's Affordable Housing Strategy and sets out the rationale for the target proportion of affordable housing and tenure mix. It gives more detail in relation to how viability will be considered and sets-out a specific formula for the calculation of a commuted sum in lieu of on-site provision.

Greater Manchester Strategic Housing Market Assessment (2019)

- 3.15 The most up to date assessment of need within the Manchester Council area is the Strategic Housing Market Assessment (2019).

Prima Facie Assessment of Section 106 Requirements

- 3.16 In line with the policies outlined above and information supplied directly from the Council we have calculated the potential requirement for planning obligations as follows:

Item	Base Requirement	Comment
Affordable Housing	20% provision (on-site or commuted sum)	Subject to the provisions of Policy H5.
Developer Contributions	Unknown	Subject to the provisions of Policy PA1.

Table 3: Prima Facie Section 106 Requirements

Summary

- 3.17 In summary, under current local planning policy there is a potential requirement for developer contributions and the provision of affordable housing but that this is subject to a test of financial viability. Also, in the case of affordable housing full or partial exemptions are possible if it can be demonstrated that affordable housing is not required in the area or its imposition has a negative impact of the regeneration objectives of the Council.
- 3.18 We go on to test the potential for planning obligations when considered against a financial appraisal for the scheme.

4. Market Review

Residential

- 4.1 We have undertaken a review of the residential market concentrating on prices achieved and prospects for the type of properties within the proposed scheme assuming open market sale which can be defined as a range of 1 and 2 bedroom apartments and 2, 3 and 4 bed mews; semi-detached; and limited numbers of detached houses.
- 4.2 We have also considered the likely open market rental value of the properties.
- 4.3 The detail of this research can be found at Appendix II.
- 4.4 To set the prospects of new houses and apartments in this location in context we have undertaken a review of the national and regional markets before focussing on achieved prices in the immediate vicinity.

National Context

- 4.5 The February 2022 RICS Residential Market Survey which surveys the sentiments of estate agents throughout the UK reports a strengthening of momentum in the market with a rising level of agreed sales against a backdrop of growth in new buyer enquiries. The general view of respondents is positive in the short term but rises in interest rates are viewed as a factor that may dampen demand in the medium to longer term. Having said this expectations in terms of sales remain positive for the year ahead.
- 4.6 Key to price rises that have been experienced across the country has been the limited supply of new properties to the market and this continues to be a feature of the market suggesting continued growth in sales prices assuming that demand remains strong.
- 4.7 In the lettings market demand continues to grow with continued limited supply. Such is the level of demand that rental levels are expected to grow at 4.5% over the next year and this level of growth is anticipated to be maintained over the coming 5 years.
- 4.8 In terms of performance judged through increases/decreases in sales values, according to the Land Registry House Price Index the UK is shown to have experienced an overall increase of 9.64% in respect of all property types for the year to January 2022. For semi-detached and terraced properties the rise has been 10.54% and 8.99% respectively. For apartments an increase of 5.09%.
- 4.9 The Nationwide whose data run to February 2022 recorded an increase in value across the country as a whole of 12.6% over the previous 12 months (up from 11.2% in the year to January).

Regional Picture

- 4.10 In terms of actual performance the Land Registry records an increase in values for all property types across the North-West of 9.63% in the 12 months to January 2022. For semi-detached properties an increase of 10.02% is recorded and for terraced properties 9.08%. For apartments a lower growth rate at 5.31% was identified. Nationwide identifies a more positive picture with a 11.2% increase for the year to Q4 2021, which is an increase from 8.0% in the previous quarter.
- 4.11 It can be seen then that the North-West is performing in line with the national average.

Manchester

- 4.12 In terms of performance at a more local level the area is clearly performing behind the North-West as a whole with growth in Manchester in the year to January being only 2.88% for all properties and similarly 3.89% for semi-detached housing and 2.54% for terraced houses.

Apartment values grew by 2.03%. This indicates a material underperformance when compared with the regional and national picture.

- 4.13 The site itself sits in the M4 2 postcode area which covers a substantial portion of Newton Heath (as illustrated in Fig 2).

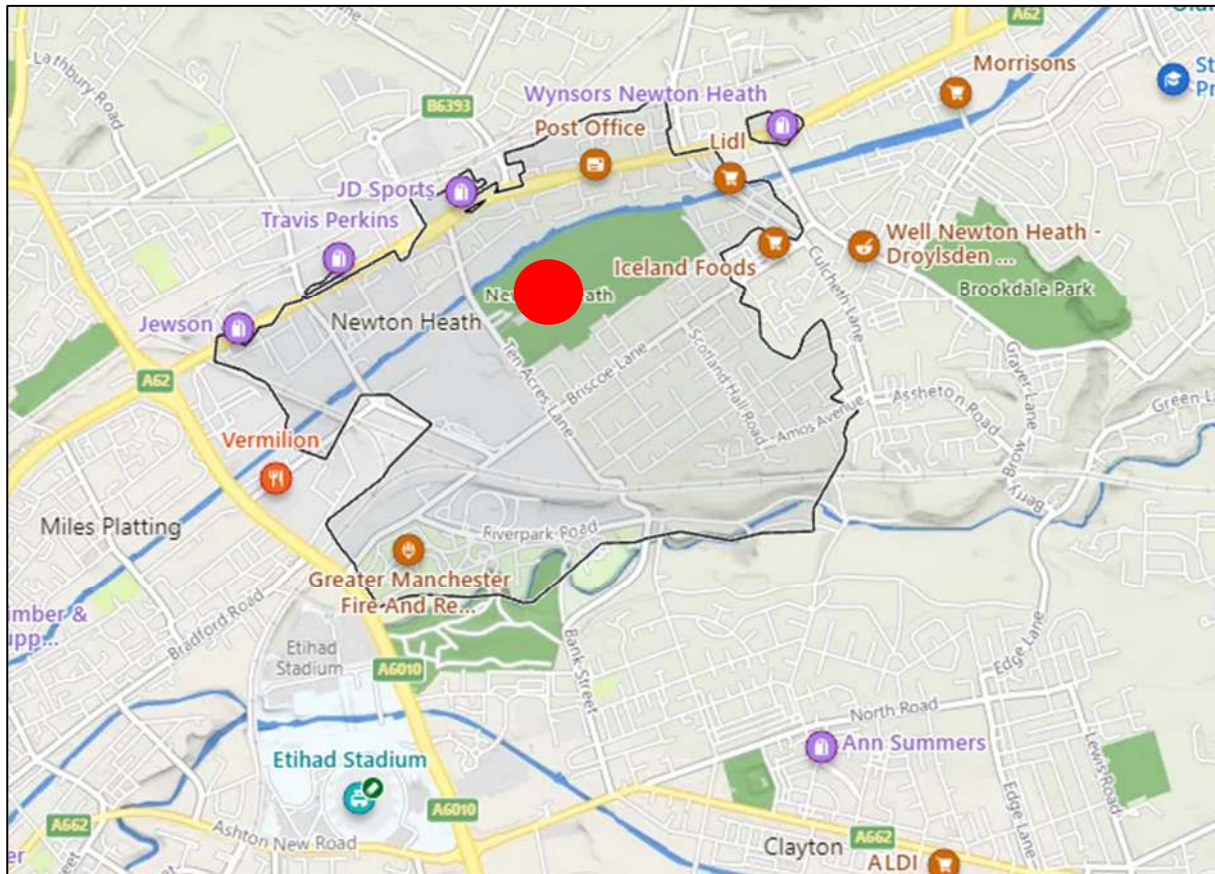


Fig 2: M4 2 postcode area
Source: Bing Maps

- 4.14 As shown in the heatmap at Figure 3, the location is characterised by lower value properties as shown by the blue shading.

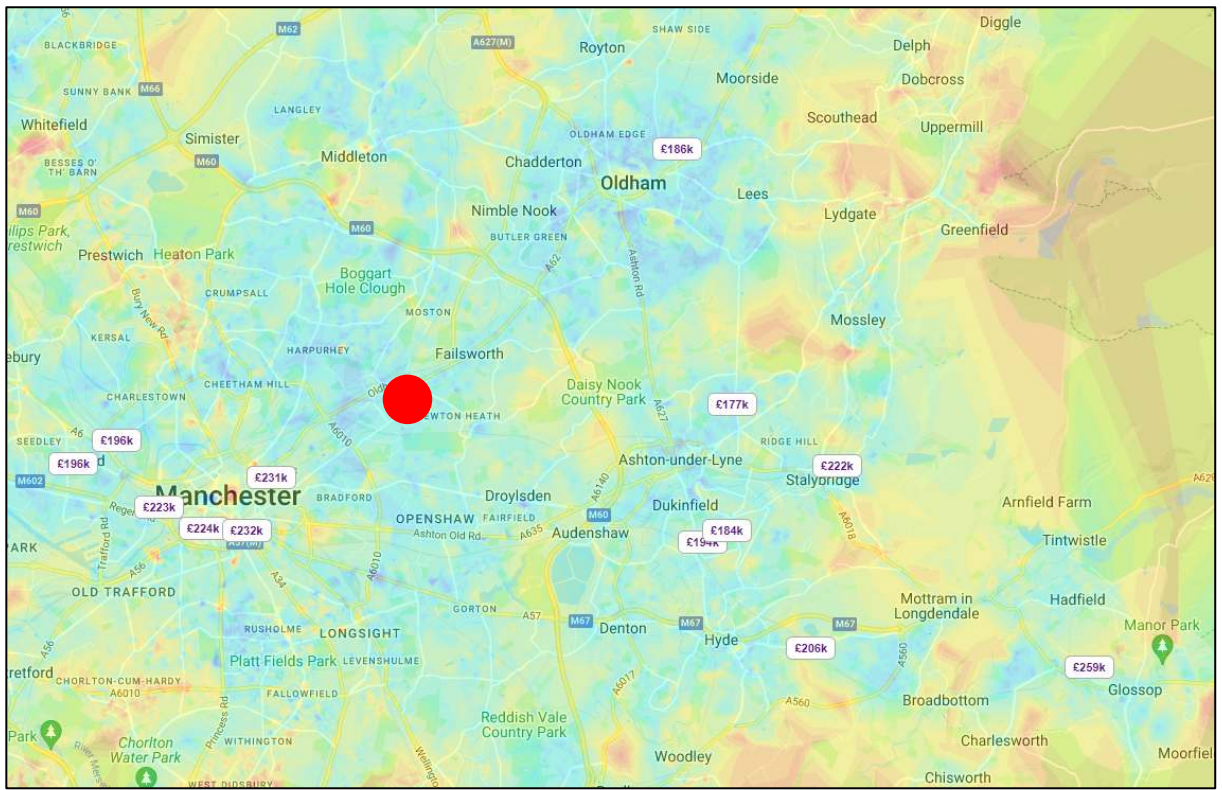


Fig 3: East Manchester Residential Heat Map
Source: Primelocation.com

Residential Transactions

- 4.15 We have undertaken research into the local residential property market and this is appended at Appendix II.
- 4.16 What this has identified is a general lack of new build product within close proximity to the subject site. However evidence further afield indicates the level at which this new product should be priced.

New Build

- 4.17 The closest available on the market new build product is the Splash Properties scheme at Woodhouses which is to the east of the subject in a semi-rural location. Large terraces/townhouses are being offered at £310 per sq.ft.
- 4.18 Other schemes are those that are more towards the edge of Manchester centre (such as Lovell's Platting Village) and are offering terraces/townhouses between £339 and 366 per sq.ft.
- 4.19 We consider that like for like product would transact below both these schemes given the nature of the location, but paying due regard to the place making premium that a site such as this could command.
- 4.20 There is also limited evidence within close proximity relating to new sold properties. Those schemes that are more comparable to the subject (such as Toxteth Street, Openshaw and Miles Platting Area 11) are exhibiting historic sales prices of between £203 and £234 per sq.ft and upward to £285 per sq.ft in Radcliffe. Taking into account the subject's location and the historic nature of the evidence we consider that again like for like the subject would command in the middle of this range.

Second Hand

- 4.21 The Land Registry records a total of 40 sales of residential dwellings over the past 12 months within 1.0 mile of the subject.
- 4.22 The majority of these sales relate to 2 or 3 bedroom terraces having sold for between £71,000 and £170,000. Semi-detached are the next best represented in the data selling for between £142,000 and £300,000. Only 2 flats sold for £74,000 and £131,000.
- 4.23 Average house prices in the subject's postcode area are as follows (rounded to nearest £000):
- | | |
|---------------|----------|
| Detached | £555,000 |
| Semi-detached | £264,765 |
| Terraced | £195,685 |
| Flat | £183,258 |

Residential Rentals

- 4.24 A list of available rentals in the area can be found at Appendix II. It is clear from these that rents as low as £650 pcm apply for modern one and two bed apartments rising to £1,300 pcm for larger modern 4 bedroom terrace (townhouse). In all cases we would anticipate the subject properties to command at the upper end of the range.

Residential Summary

- 4.25 In summary the subject scheme is a significant development that will change the nature of the location through its regenerative effects.
- 4.26 There is no comparable evidence in the immediate vicinity and as such one needs to consider new schemes that are further afield and apply suitable adjustments to reflect the location but also the ability for a site of this scale to change the local market.
- 4.27 The established evidence close to the regional centre and further out of the conurbation does not correspond with the subject and we consider the site has more in common with sites in locations such as Crumpsall and Openshaw.
- 4.28 Accordingly we believe the following range of values to be appropriate for the subject scheme:

One Bed Apartments	£130,000 - £135,000
Two Bed Apartments	£145,000 - £155,000
Two Bed Terrace/Semi-detached	£230,000 - £245,000
Three Bed Terrace/Semi-detached	£250,000 - £300,000
Three Bed Detached	£315,000
Four Bed Terrace/Semi-detached	£315,000 - £360,000

4.29 In terms of rentals we believe appropriate gross monthly rents to be as follows:

One Bed Apartments	£700.00
Two Bed Apartments	£800.00 - £825.00
Two Bed Terrace/Semi-detached	£850.00 - £875.00
Three Bed Terrace/Semi-detached	£950.00 - £975.00
Three Bed Detached	£1,050.00
Four Bed Terrace/Semi-detached	£1,050 - £1,150

5. Appraisal Methodology

- 5.1 As previously outlined, we have adopted the guidance and methodology that applies to assessing financial viability in the context of planning negotiations.
- 5.2 The new RICS Guidance Note 'Assessing viability under the National Planning Policy Framework 2019 for England' gives guidance as to how viability should be undertaken in the context of the NPPG.
- 5.3 Paragraph 010 of the NPPG states that:
'Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.'
- 5.4 The residual valuation framework shown in Fig. 5 describes how the different elements of an FVA are pieced together.



Figure 5: Residual Valuation Framework
Source: RICS Valuation of development property

- 5.5 This Guidance Note covers how to undertake Financial Viability Appraisals (FVAs) at the plan making stage and also at the decision-making stage (ie, as part of the planning application process).
- 5.6 This FVA is submitted as part of a planning application and so the guidance as it relates to the decision-making stage is relevant.

- 5.7 The NPPG and RICS Guidance is clear that an FVA at the decision-making stage should not be necessary where an up-to-date local plan is in place.¹ The preparation of an FVA may be necessary if particular circumstances justify that viability issues should be considered by the local planning authority.
- 5.8 In this case the local planning authority (Manchester City Council) has an emerging local plan but this is in its early stages of formation. The existing Local Plan was adopted in 2012 and covers the period to 2027. As far as viability is concerned the plan can therefore be seen as being historic in the context of decision making today.
- 5.9 In simple terms the test is, having taken into account the appropriate costs of development and its anticipated end value, does the proposed development meet market expectations in terms of return?
- 5.10 Looking to the component parts of the development appraisal:
- Development Costs**
- 5.11 The usual costs of development that are to be included within a FVA include:
- i) Base construction costs
 - ii) Abnormal costs
 - iii) Section 106 Costs
 - iv) Contingency
 - v) Fees
 - vi) Finance
 - vii) Land Value
 - viii) Profit
- Construction Costs*
- 5.12 Build costs should be substantiated through a professional assessment of likely costs undertaken by a qualified quantity surveyor or the use of industry benchmarked cost data (such as BCIS).
- Abnormal Costs*
- 5.13 Abnormal costs of development are often the costs that push a project into being 'unviable' in terms of it not being able to generate a reasonable level of return. Equally a project may be considered 'unviable' because market conditions are such that values may not be sufficiently high to cover costs even if there are no abnormal costs.
- 5.14 The presence of significant abnormal development costs is one justification for considering site specific FVAs at the decision making stage where an up to date local plan exists.
- 5.15 It is important to recognise that abnormal costs should not necessarily reduce the Benchmark Land Value 'pound for pound' and it is clearly stated in the Guidance as follows:
- 'It is only where the premium above EUV falls below the minimum level needed for a reasonable landowner to bring forward the site for development that reducing emerging*

¹ - In this context 'up-to-date' means a local plan that has been formulated under the guidance issued within the NPPG updated in 2019 which outlines how viability should be determined at local plan making stage and that subsequent use of viability evidence at decision making stage is therefore restricted.

or actual policy requirements, taking into account the deliverability of the plan and all relevant circumstances, should be considered'. Para 4.4.8

- 5.16 It is clear therefore that the landowner's reasonable expectation of value may limit the impact of the abnormal costs on the Benchmark Land Value.

Section 106 Costs

- 5.17 Section 106 contributions (including requirements for affordable housing) which are required as part of local planning policy.

Contingency/Fees

- 5.18 Contingency is a normal expression of risk in relation to development costs and professional fees are of course an allowable expense.

Finance

- 5.19 Finance costs should be at a rate that can be considered appropriate in terms of it being the market norm for the type and size of project being appraised.

Land Value

- 5.20 The Guidance considers in some detail an appropriate land value for inclusion within the appraisal. This guidance is covered in Section 6 of this report where the Benchmark Land Value (BLV) for this scheme is specifically considered.

Profit

- 5.21 The level of return that is permitted is outlined in the NPPG as normally being between 15% and 20%. The Guidance considers that the appropriate level of profit to be applied to a proposed scheme at decision making stage is to be assessed taking into account similar factors as at plan making stage (ie, the normal range of suitable profit should be between 15% and 20%). Profit should be at a rate that is considered to be the 'market norm' and reflective of the particular characteristics and risk profile of the project.

Values

- 5.22 Values should be based on evidence available in the open market and take into account all known site specific factors.
- 5.23 The residual appraisal should be undertaken on a basis that will allow the level of profit to be compared against the benchmark profit – which in this case is expressed as a percentage of Gross Development Value.
- 5.24 It is also best practice and a mandatory requirement of the RICS to carry-out sensitivity analysis on each of the appraisals to determine the impact on profitability of a change in the most important variables which are typical sales values and build costs but also other inputs which may have an increased chance of variability.

6. Appraisal Inputs

- 6.1 We have undertaken residual valuations of the proposed scheme using industry standard software (Argus Developer) to demonstrate the extent of viability on an Open Market Sales basis.
- 6.2 In addition to an open market sales appraisal we have considered the position assuming the proposed tenure for the scheme which is to be a mix of open market sales, private rented, affordable rented, shared ownership and social rented units. These appraisals are attached at Appendix V and outline the viability of the scheme on these two bases.
- 6.3 The inputs to the appraisal are divided between cost items and values and detail in relation to each of the inputs is outlined below:

COSTS

Construction Cost

- 6.4 The costs for both phases of the scheme are detailed in the cost plan produced by CPC attached at Appendix III. In respect of Phase 1 these total £74,602,924 (£214.00 per sq.ft) and for Phase 2 £61,891,208 (£210.07 per sq.ft). These are Day One costs.²
- 6.5 The base construction cost which in this instance is defined as being base build cost plus preliminaries totals £55,372,328 (£158.84 per sq.ft) for Phase 1 and £45,388,629 (£154.06 per sq.ft) for Phase 2 and excludes externals, abnormal costs and fees.³
- 6.6 This figure compares reasonably well with the industry recognised benchmark data produced by BCIS which identifies an overall median build cost for base build and preliminaries for estate housing in Greater Manchester of £118.82 per sq.ft and for apartments of £140.09 per sq.ft. The commercial space we would expect a benchmark rate of £75.00 (assuming shell only) As an average these differing rates total £123.39 per sq.ft. This should be considered in the context of an inflationary environment where such benchmarks will lag behind actual costs in the market.
- 6.7 In addition an allowance for Future Homes Standard costs is included as follows⁴:
 - Phase 1 - £6,449,174
 - Phase 2 - £5,450,235

Abnormal Costs

- 6.8 Abnormal development costs totalling £19,219,465 have been identified across both phases as outlined in Table 13 and detailed at Appendix III.

² - It is important to note that these figures exclude estimated costs for Future Homes Standards to be introduced in 2025 which are estimated to cost £7,448,796 and £6,295,022 for Phases 1 and 2 respectively.

³ - Construction cost based net area adjusted for apartments

⁴ - 15.5% inflation included within the CPC cost plan has been deducted to bring to a Day One cost.

Abnormal Cost Item	Phase 1	Phase 2	Total Cost
Abnormal Foundations – piling	£768,000	£504,000	£1,272,000
Abnormal Foundations – vibro	£208,000	£210,000	£418,000
Highways works – Boulevard	£25,000	£25,000	£50,000
Gas membrane	£282,000	£175,500	£457,500
New Sub-station	£200,000	-	£200,000
Diversion of Existing Services	£200,000	£200,000	£400,000
Remediation	£7,918,994	£7,081,006	£15,000,000
Surface Water Attenuation	£200,000	£200,000	£400,000
Drainage - Hydrobrake	£10,000	£10,000	£20,000
Retaining Walls	£150,000	£150,000	£300,000
Air Quality – measures to apartments	£61,538	£38,462	£100,000
SUDS	£75,000	-	£75,000
Surface Water Land Drains	£75,000	£75,000	£150,000
Public Open Space	£248,797	£128,168	£376,965
Total	£10,422,329	£8,797,136	£19,219,465

Table 13: Abnormal Costs

- 6.9 The detail of the construction cost and the identified abnormal costs are listed at Appendix III and a summary of the construction costs for the scheme as a whole is detailed in Table 14.

Item	Phase 1	Phase 2	Total Cost
Base build cost (inc externals and prelims)	£55,372,328	£45,388,629	£100,760,957
Externals	£5,185,424	£4,571,511	£9,756,935
Abnormals	£10,422,329	£8,797,136	£19,219,465
Fees (6%)	£4,258,805	£3,525,437	£7,784,241
Total	£75,238,886	£62,282,713	£137,521,598

Table 14: Construction Costs

Fees

- 6.10 Professional and other fees across the whole site total £7,784,241 which represents 6.0% of the base build plus externals and abnormals.

Finance

- 6.11 A finance rate of 7% has been adopted which reflects the typical rate of interest charged in the market place for a project of this scale.

Marketing

- 6.12 A figure based on 2.5% of the GDV of the open market sales has been adopted where open market sales are envisaged, which includes sales legal fees.

Profit Level Benchmark

- 6.13 The benchmark profit level is determined as being 18% on GDV for the open market sales units. A similar profit is applied to the mixed tenure appraisal.
- 6.14 The viability of the scheme will be judged by the ability for the scheme to meet this overall target rate.

Land Input Value

- 6.15 In order to successfully assess the financial viability of the scheme one needs to take into account the underlying value of the land on which the development is to be constructed (ie the Benchmark Land Value or BLV). Whether or not the land is already in the ownership of the applicant, adequate allowance should be made for the acquisition price or notional acquisition price when identifying the true costs of the development.

The Guidance

- 6.16 The RICS Guidance which uses the NPPG as its base reference point states that the BLV
'will usually be based on the Existing Use Value (EUV) plus a premium (EUV+) but may sometimes be based on the Alternative Use Value (AUV) excluding the premium where appropriate.' (para 5.1.3)
- 6.17 Importantly the BLV should not be expected to be the same as market value and therefore is not necessarily the price paid for a site in the open market. Rather the BLV
'should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell.' (para 5.1.3)
- 6.18 The guidance is clear that establishing the BLV requires a review of five component elements as follows:
- a) EUV (Step 1)
 - b) Premium (Step 3)
 - c) AUV (where the EUV+ is not appropriate) (Step 2)
 - d) The policy compliant site value assessed by the residual method of valuation (Step 4)
 - e) The policy compliant site value assessed by the comparison method of valuation (Step 5)
- 6.19 The assessment of the EUV and the Premium is the principal method of determining the BLV. This is replaced by an assessment of the AUV in cases where there is strong case that a higher value would result from either a) the undertaking of development works within the parameters

- of the existing use or, b) a planning permission that would be reasonably considered to be achievable, or from an extant permission.
- 6.20 The valuation of the site assuming full policy compliance on both the residual valuation basis and the comparison method of valuation is used as a cross check. It is clearly stated that the assessment of the EUV the Premium and the AUV relies on the professional skill of the valuer to reach a reasoned conclusion. As the policy compliant assessments are designed as a cross check they are to all intents and purposes part of the evidence base used for determining a suitable BLV.
- 6.21 However, at the heart of the assessment process is the central tenet that the BLV
‘should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell.’ (para 5.1.3)
- 6.22 On this basis the BLV has to equate to a landowner’s reasonable expectation of value under all the circumstances and not be unduly driven by the cross-check methodologies.
- 6.23 In this case the site comprises 19.1 hectares (47.2 acres) of generally cleared former land fill and brickworks which has lain unused since the 1990s.
- 6.24 The site has been allocated for redevelopment since 1995 (Policy EM5 in the Manchester UDP) and has subsequently been supported for development through the East Manchester Strategic Regeneration Framework (2008). The site obtained a resolution to grant outline planning permission in 2014 (ref: 098689/OO/2012/N1) for upto 500 dwellings and 3,500 sq.m of business floorspace. The permission was never granted as the Section 106 Agreement was not signed owing to insolvency. Nuvu Investments Limited (the applicant) obtained permission in 2021 to undertake certain site remediation works.
- 6.25 The BLV in this case will be anchored in the site’s existing use value but with reference to the strong policy and planning background which clearly establishes the principle of a significant residential led development scheme.
- 6.26 Looking at the site following the stage approach:
Step 1 - EUV
- 6.27 In its existing use as a former industrial/waste site with no standing buildings the existing use value is considered to be relatively low on a per acre basis. The site would be suitable for some form of open storage but given the costs that would need to be incurred to make the site suitable for such a use the land value would be significantly compromised. Assuming only £50,000 per acre the site value on an existing use basis would be in the region of £2.15 million.
Step 2 - AUV
- 6.28 Alternative Use Value in this case is not relevant as the site does not have permission either specific or by way of permitted development for any alternative use.
Step 3 - Premium
- 6.29 The Premium is the amount above the existing use value that would incentivise a typical landowner to deliver their land for development.
- 6.30 As the site has a strong planning background it would be reasonable for a typical landowner to expect a material premium over and above the existing use of the site. However in this case there are abnormal development costs which would not be considered ‘usual’ and as such would depress the margin. Over the whole site the abnormal costs that relate specifically to the site’s history as a landfill and brick works are the remediation costs which are estimated at £15,000,000.

- 6.31 These costs are so significant so as to wipe out the majority of any premium which would otherwise be bolstered by the strong planning background.
- 6.32 On this basis a notional uplift of only 10% may be argued above existing use giving a Benchmark Land Value of £2,374,750 split £937,750 for Phase 1 and £1,437,000 for Phase 2.

Step 4 - Residual Check

- 6.33 A check by way of residual appraisal is not helpful in this case given the impact of the abnormal costs and the suggested approach to the Premium (ie a notional 10% incentive).

Step 5 - Land Comparable Check

- 6.34 We have not undertaken this analysis owing to the unique nature of the site within the locality, the impact of the abnormal costs and the suggested approach to the Premium (ie a notional 10% incentive)

- 6.35 Having regard to all the facts we consider that a suitable BLV in this case would be £2,374,750 split £937,750 for Phase 1 and £1,437,000 for Phase 2. This is based on an existing use value of £50,000 per acre and a notional uplift of 10% owing to the substantial 'unusual' abnormal cost that particularly impact this site.

VALUES

- 6.36 Value is created through the scheme through a combination of

- Open Market Sales
- Value of the affordable units
- Value of the private rented units
- Value of the commercial/community units (Phase 1)
- Brownfield Land Grant (Phase 1)
- Receipts from the sale of land for the school (Phase 2)

- 6.37 Looking to each of these value items in turn for each of the two phases:

Phase 1

Values – Open Market Sales

- 6.38 We have considered the value generated by Phase 1 of the scheme on an Open Market Sales basis where value in the scheme is generated through the sale of the completed residential units in the open market. This is outlined in Table 15.

Unit Type	Units	Size sq.m (sq.ft)	Unit Value	Total Value
Apartments - Blocks A, B, C				
Type 1 - 1B2P	20	50.3 (541)	£135,000	£2,700,000
Type 2 – 2B3P	39	61.7 (664)	£145,000	£5,655,000

Type 3 – 2B4P	45	70.9 (763)	£155,000	£6,975,000
Apartments – Block D				
Type a – 1B1P	1	49.0 (527)	£132,500	£132,500
Type b – 1B2P	11	50.3 (541)	£135,000	£1,485,000
Type c – 2B3P	6	61.3 (660)	£145,000	£870,000
Type d – 2B4P	12	70.3 (757)	£155,000	£1,860,000
Houses				
Type A – 2B3P Mews	41	70.4 (758)	£230,000	£9,430,000
Type B – 2B4P Mews	18	83.4 (898)	£245,000	£4,410,000
Type C – 3B4P Mews	59	87.9 (946)	£250,000	£14,750,000
Type D – 3B4P Mews	8	93.6 (1,008)	£255,000	£2,040,000
Type E – 3B5P Mews 2.5 storey	59	102.4 (1,102)	£255,000	£15,045,000
Type F – 3B6P Mews 3 storey	8	116.0 (1,249)	£300,000	£2,400,000
Type G – 3B6P Detached 3 storey	3	116.2 (1,251)	£315,000	£945,000
Type H – 4B6P Mews 3 storey	34	113.1 (1,217)	£315,000	£10,710,000
Type I – 4B8P Mews 3 storey	14	133.6 (1,438)	£360,000	£5,040,000
Total	378			£159,757,500

Table 15: Phase 1 - Residential Pricing Open Market Sales

- 6.39 As outlined in Table 15 the average sales rate for the open market units is £250.32 per sq.ft with prices starting at £135,000 for the apartments and ranging from £230,000 to £360,000 for the houses.
- 6.40 The total value of the residential element is £159,757,500 assuming no discount to OMV for affordable units.
- 6.41 It is proposed that 7.5% of the completed units will be for open market sale, the remainder being for rent or affordable under a range of tenures (see below).

Values – Open Market Rental

- 6.42 We have considered the open market rental value of the individual units and these are outlined in Table 16.
- 6.43 These rental values are appropriate when considering the value of the proposed private rented sector element (25%).

Unit Type	Units	Size sq.m (sq.ft)	Rental Value pcm	Total Rental Value pcm
Apartments - Blocks A, B, C				
Type 1 - 1B2P	20	50.3 (541)	£700	£14,000
Type 2 – 2B3P	39	61.7 (664)	£800	£31,200
Type 3 – 2B4P	45	70.9 (763)	£825	£37,125
Apartments – Block D				
Type a – 1B1P	1	49.0 (527)	£700	£700
Type b – 1B2P	11	50.3 (541)	£700	£7,700
Type c – 2B3P	6	61.3 (660)	£800	£4,800
Type d – 2B4P	12	70.3 (757)	£825	£9,900
Houses				
Type A – 2B3P Mews	41	70.4 (758)	£850	£34,850
Type B – 2B4P Mews	18	83.4 (898)	£875	£15,750
Type C – 3B4P Mews	59	87.9 (946)	£950	£56,050
Type D– 3B4P Mews	8	93.6 (1,008)	£950	£7,600
Type E – 3B5P Mews 2.5 storey	59	102.4 (1,102)	£950	£56,050
Type F – 3B6P Mews 3 storey	8	116.0 (1,249)	£975	£7,800
Type G – 3B6P Detached 3 storey	3	116.2 (1,251)	£1,050	£3,150

Type H – 4B6P Mews 3 storey	34	113.1 (1,217)	£1,050	£35,700
Type I – 4B8P Mews 3 storey	14	133.6 (1,438)	£1,150	£16,100
Total	378			£338,475

Table 16: Phase 1 - Residential Pricing Open Market Rental

Values – Affordable Housing Tenures

- 6.44 As previously outlined the majority of the scheme will be delivered as affordable housing. A summary of how each tenure is valued is set out in Table 17.
- 6.45 The rents adopted for the Social Rented elements and the Affordable Rented element are outlined in Table 18 and Table 19.
- 6.46 The rental income from each unit is netted down for costs (20% for houses; 18% for apartments) and capitalised at 5.75%. Gross development value is subject to purchaser's costs at 4.8%. This is detailed at Appendix IV and the resultant values are set out at Table 20.

Tenure	Proportion of Scheme	Approach	Homes England Grant
Shared Ownership	35%	Assumed 60% equity; 40% rental Rent on rental element based on 2.75% of OMV	£40,000
Affordable Rent	25%	Rent based on Local Housing Allowance rates	£40,000
Social Rent	7.5%	Rent based on standard formula	£59,000

Table 17: Phase 1 – Affordable Tenures

Unit Size	Affordable Rent pcm (set at Local Housing Allowance levels)
One Bed	£598
Two Bed	£648
Three Bed	£723
Four Bed	£947

Table 18: Phase 1 – Affordable Rents

Open Market Price	Social Rent pcm
£125,000	£332
£135,000 (1 bed)	£340
£135,000 (2 bed)	£367
£145,000	£345
£155,000	£352
£230,000	£401
£245,000	£411
£250,000	£440
£255,000	£443
£300,000	£473
£315,000	£508

Table 19: Phase 1 – Social Rents

Unit Type	Units	Tenure	Unit Value (incl HE Grant)	Total Value
Type 1 - 1B2P	8	Social rent	£115,793	£926,344
Type 2 – 2B3P	39	Shared ownership	£140,239	£5,469,321
Type 3 – 2B4P	26	Affordable Rent	£148,160	£3,852,160
Apartments – Block D				
Type b – 1B2P	8	Affordable Rent	£139,840	£1,118,720
Type c – 2B3P	2	Social rent	£120,279	£240,557
Type d – 2B4P	12	Shared ownership	£140,239	£1,682,870
Houses				
Type A – 2B3P Mews	20	Shared ownership	£200,100	£4,002,000
Type B – 2B4P Mews	9	Social rent	£129,300	£1,163,703
Type C – 3B4P Mews	9	Social rent	£134,269	£1,208,420
	30	Shared ownership	£214,022	£6,420,652

Type D – 3B4P Mews	8	Social rent	£134,269	£1,740,017
Type E – 3B5P Mews 2.5 storey	59	Affordable Rent	£163,693	£9,657,892
Type F – 3B6P Mews 3 storey	2	Affordable Rent	£163,693	£327,386
Type G – 3B6P Detached 3 storey	3	Shared ownership	£259,267	£777,802
Type H – 4B6P Mews 3 storey	20	Shared ownership	£259,267	£5,185,340
Total	255			£43,773,198

Table 20: Phase 1 – Affordable Pricing

Values – Commercial/Community

- 6.47 We have considered the open market rental value of the individual units and these are outlined in Table 21.

Unit Type	Size sq.m (sq.ft)	Rent	Yield	Net Value⁵
Community Space	454.6 (4,893)	£5.00	10%	£
Café	161.9 (1,743)	£13.00	8%	£
Total	616.5 (6,636)			£503,013

Table 21: Phase 1 Commercial/Community Floorspace

Values – Brownfield Land Grant

- 6.48 Phase 1 of the scheme has secured Brownfield Land Grant in the sum of £3.7 million which has been assumed to be paid as a single tranche early in the remediation phase.

⁵ - Net of purchasers costs at 4.8%

Phase 2

Values – Open Market Sales

- 6.49 We have considered the value generated by Phase 2 of the scheme on an Open Market Sales basis where value in the scheme is generated through the sale of the completed residential units in the open market. This is outlined in Table 22.

Unit Type	Units	Size sq.m (sq.ft)	Unit Value	Total Value
Apartments				
Type 1 - 1B2P	42	37.8 (407)	£125,000	£5,250,000
Type 2 – 2B3/4P	59	64.3 (692)	£145,000	£8,555,000
Houses				
Type A – 2B3P Mews	71	71.2 (766)	£230,000	£16,330,000
Type B – 2B4P	29	83.1 (895)	£245,000	£7,105,000
Type C – 3B4P	25	87.6 (943)	£250,000	£6,250,000
Type D– 3B5P	14	93.6 (1,008)	£255,000	£3,570,000
Type E – 3B5P 2.5 storey	55	104.2 (1,121)	£255,000	£14,025,000
Type F – 3B6P 3 storey	5	119.3 (1,284)	£300,000	£1,500,000
Type G – 4B6P 3 storey	19	113.3 (1,220)	£315,000	£5,985,000
Type H – 4B8P 3 storey	19	134.0 (1,442)	£360,000	£6,840,000
Total	338			£75,410,000

Table 22: Phase 2 - Residential Pricing Open Market Sales

- 6.50 As outlined in Table 22 the average sales rate for the open market units is £256 per sq.ft with prices starting at £125,000 for the apartments and ranging from £230,000 to £360,000 for the houses.
- 6.51 The total value of the residential element is £75,410,000 assuming no discount to OMV for affordable units.
- 6.52 It is proposed that 7.5% of the completed units will be for open market sale, the remainder being for rent or affordable under a range of tenures (see below).

Values – Rental Values

- 6.53 We have considered the open market rental value of the individual units and these are outlined in Table 23.
- 6.54 These rental values are relevant when considering the value of the proposed private rented sector element (25%)

Unit Type	Units	Size sq.m (sq.ft)	Rental Value pcm	Total Rental Value
Apartments				
Type 1 - 1B2P	42	37.8 (407)	£700	£29,400
Type 2 – 2B3/4P	59	64.3 (692)	£825	£48,675
Houses				
Type A – 2B3P Mews	71	71.2 (766)	£850	£60,350
Type B – 2B4P	29	83.1 (895)	£875	£25,375
Type C – 3B4P	25	87.6 (943)	£950	£23,750
Type D– 3B5P	14	93.6 (1,008)	£950	£13,300
Type E – 3B5P 2.5 storey	55	104.2 (1,121)	£975	£53,625
Type F – 3B6P 3 storey	5	119.3 (1,284)	£975	£4,875
Type G – 4B6P 3 storey	19	113.3 (1,220)	£1,050	£19,950
Type H – 4B8P 3 storey	19	134.0 (1,442)	£1,150	£21,850
Total	338			£301,150

Table 23: Phase 2 - Residential Pricing Open Market Rental

Values – Affordable Housing Tenures

- 6.55 As previously outlined the majority of the scheme will be delivered as affordable housing. A summary of how each tenure is valued is set out in Table 24.
- 6.56 The rents adopted for the Social Rented elements and the Affordable Rented element are outlined in Table 25 and Table 26.
- 6.57 The rental income from each unit is netted down for costs (20% for houses; 18% for apartments) and capitalised at 5.75%. Gross development value is subject to purchaser's costs at 4.8%. This is detailed at Appendix IV and the resultant values are set out at Table 27.

Tenure	Proportion of Scheme	Approach	Homes England Grant
Shared Ownership	35%	Assumed 50% equity; 50% rental Rent on rental element based on 2.75% of OMV	£40,000
Affordable Rent	25%	Rent based on Local Housing Allowance rates	£40,000
Social Rent	7.5%	Rent based on standard formula	£59,000

Table 24: Phase 2 – Affordable Tenures

Unit Size	Affordable Rent pcm (set at Local Housing Allowance levels)
One Bed	£598
Two Bed	£648
Three Bed	£723
Four Bed	£947

Table 25: Phase 2 – Affordable Rents

Open Market Price	Social Rent pcm
£125,000	£332
£135,000 (1 bed)	£340
£135,000 (2 bed)	£367
£145,000	£345
£155,000	£352
£230,000	£401
£245,000	£411
£250,000	£440
£255,000	£443
£300,000	£473
£315,000	£508

Table 26: Phase 2 – Social Rents

Unit Type	Units	Tenure	Unit Value (incl HE Grant)	Total Value
Type 1 - 1B2P	8	Social rent	£114,346	£914,769
	9	Affordable Rent	£139,840	£1,258,560
Type 2 – 2B3/4P	35	Shared ownership	£140,239	£4,908,365
	16	Affordable Rent	£148,160	£2,370,560
Houses				
Type A	10	Social Rent	£127,595	£1,275,950
Type B	8	Social rent	£110,263	£882,104
	21	Shared ownership	£210,541	£4,421,361
Type C	25	Affordable rent	£182,693	£4,567,325
Type D	14	Affordable Rent	£163,693	£2,291,703
Type E	35	Shared Ownership	£217,502	£7,612,570
	20	Affordable Rent	£182,693	£3,653,860
Total	226			£39,559,848

Table 27: Phase 2 – Affordable Pricing

Values – School Land Receipt

- 6.58 A sum of £7.76 million has been agreed for the purchase by Manchester City Council of land for a school. This price is subject to deductions of £1.76 million relating to abnormal costs and the minimum figure of £6.0 million has been adopted in the appraisal for Phase 2.

Timings

- 6.59 In the case of the Open Market Sales strategy the appraisal has been undertaken on the basis that from the date of this report (April 2022) there will be a period of 18 months before a start of construction on site (October 2023). This is due to the amount of on site remediation that is required.
- 6.60 From here in relation to Phase 1 there will be a 38 month construction period (to December 2026). The open market houses are assumed to be sold at a rate of 10 per calendar month. In

respect of Phase 2 this will commence on site in September 2025 and will be completed within a 38 month period.

- 6.61 This pace of sales is considered ambitious and assumes 3no. sales outlets.
- 6.62 In the case of the mixed tenure appraisal the sales and construction period has been reduced to 24 months for each phase.
- 6.63 The viability of the application scheme on the different tenure bases is outlined in Section 7.

7. Results of the Appraisals & Conclusions

7.1 The viability of the scheme has been assessed on the following bases:

- a) Open market sales
- b) A mixed tenure scheme

7.2 The result of each of the appraisals (which are attached at Appendix V) is outlined below.

a) Open Market Sales

Scheme	Profit on GDV	Compared to Benchmark Profit (@ 18.0%)
Open Market Sales	6.96%	-11.04%

Table 28: Appraisal Result with an Open Market Sales Strategy

7.3 This clearly demonstrates that the scheme is unable to afford any planning obligations if the benchmark return of 18% on GDV is to be achieved.

b) Mixed Tenure

Scheme	Profit on GDV	Compared to Benchmark Profit (@ 18.0%)
Mixed Tenure Scheme with Section 106 commuted sums	-28.09%	-46.09%

Table 29: Appraisal Result with a Mixed Tenure Strategy

7.4 This clearly demonstrates that the scheme is unable to afford any planning obligations if the benchmark return of 18% on GDV is to be achieved.

Sensitivity Analysis

7.5 The nature of residual appraisals are such that they are materially impacted by changes in one or more variables. We have therefore considered changes to the key variables, namely;

- Build Costs – Base Build
- Residential Open Market Sales Values/Rental Values

7.6 The results of the analysis for the appraisal is as follows:

a) Open Market Sales

		Build Costs		
		-10%	0%	+10%
Sales Values	-10%	3.93%	-5.28%	-14.56%
	0%	14.38%	6.96%	-1.22%
	+10%	22.29%	15.89%	9.39%

Table 30: Sensitivity Analysis with an Open Market Sales Strategy

7.7 This analysis demonstrates that for the benchmark return of 18% on GDV to be exceeded there would need to be either a material increase in sales values or reduction in build costs.

b) Mixed Tenure

		Build Costs		
		-10%	0%	+10%
Sales Values	-10%	-31.83%	-43.02%	-54.21%
	0%	-18.01%	-28.09%	-38.16%
	+10%	-4.61%	-15.86%	-25.02%

Table 31: Sensitivity Analysis with a Mixed Tenure Strategy

- 7.8 This analysis demonstrates that for the benchmark return of 18% on GDV to be exceeded there would need to be an even greater material increase in sales values and reduction in build costs.

Conclusion

- 7.9 In conclusion the viability analysis undertaken concludes the following
- A financial appraisal of a scheme based on an open market sales strategy demonstrates that the scheme does not generate sufficient profit to justify Section 106 payments/obligations.
 - An appraisal of a scheme which is based on the applicant's proposed strategy (ie a mixed tenure approach to include open market sales and rental together with affordable tenures supported by Homes England grant) has also demonstrated that the affordable housing requirement cannot be afforded.

Appendix I – Scheme Plan

NOTE:
1. Do not scale from this drawing
2. All setting out, levels and dimensions to be agreed on site
3. The dimensions of all materials must be checked on site before being laid out
4. This drawing must be read with the relevant specification clauses and detail drawings
5. Order of construction and setting out to be agreed on site
6. This drawing is copyright protected and may not be reproduced in whole or part without written authority
7. All dimensions are in millimetres or metres unless stated otherwise.

PHASE 1
Full planning application

PHASE 2
outline planning application

S3-P02	01/03/22	DRAFT for Viability	BW	LF
S0-P01	23/02/22	DRAFT for GMP	BW	LF
Revision	Date	Description	Drawn	Apprvd.



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Client Your Housing Group

Project Jacksons Brickworks

Drg Title Combined Masterplan

Created on	Created by	Approved by
01/03/2022	BW	LF

Scale	Size	Workstage	Status
1:1000	A1	Draft	

Drg No.	Suitability	Revision
2490-PLA-00-00-DR-LA-0056	S0	P02

Appendix II – Market Research Report

Market Research

Average Price & Volume of Sales

Source: Land Registry

2021	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M40 2	£0	0	£162,869	8	£158,711	14	£132,000	1	£158,996	23
Total	£0	0	£162,869	8	£158,711	14	£132,000	1	£158,996	23

2020	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M40 2	£0	0	£164,500	6	£125,122	18	£0	0	£134,967	24
Total	£0	0	£164,500	6	£125,122	18	£0	0	£134,967	24

2019	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M40 2	£0	0	£115,550	8	£104,964	28	£0	0	£107,317	36
Total	£0	0	£115,550	8	£104,964	28	£0	0	£107,317	36

2018	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M40 2	£0	0	£118,256	16	£114,220	20	£65,000	1	£114,635	37
Total	£0	0	£118,256	16	£114,220	20	£65,000	1	£114,635	37

2017	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M40 2	£0	0	£107,800	5	£92,138	21	£60,500	1	£93,867	27
Total	£0	0	£107,800	5	£92,138	21	£60,500	1	£93,867	27

2016	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M40 2	£0	0	£140,746	12	£77,054	14	£83,497	2	£104,811	28
Total	£0	0	£140,746	12	£77,054	14	£83,497	2	£104,811	28

New Build Availability



1. Lovell - The Gateway, Platting Village, Manchester M4 6JY

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Beverley	3	Terraced	3	£444,950	1217	£366
Beverley	3	Terraced	3	£444,950	1217	£366
Beverley	3	Terraced	3	£444,950	1217	£366
Beverley	3	Terraced	3	£444,950	1217	£366
Beverley	3	Terraced	3	£444,950	1217	£366
Average Asking Value (ft²)						£366

2. Splash Properties Ltd - Fairway Views, Woodhouse, M35 9NG

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Plot 2	4	Terraced	2.5	£440,000	1420	£310
Plot 3	4	Terraced	2.5	£440,000	1420	£310
Plot 4	4	Terraced	2.5	£440,000	1420	£310
Average Asking Value (ft²)						£310

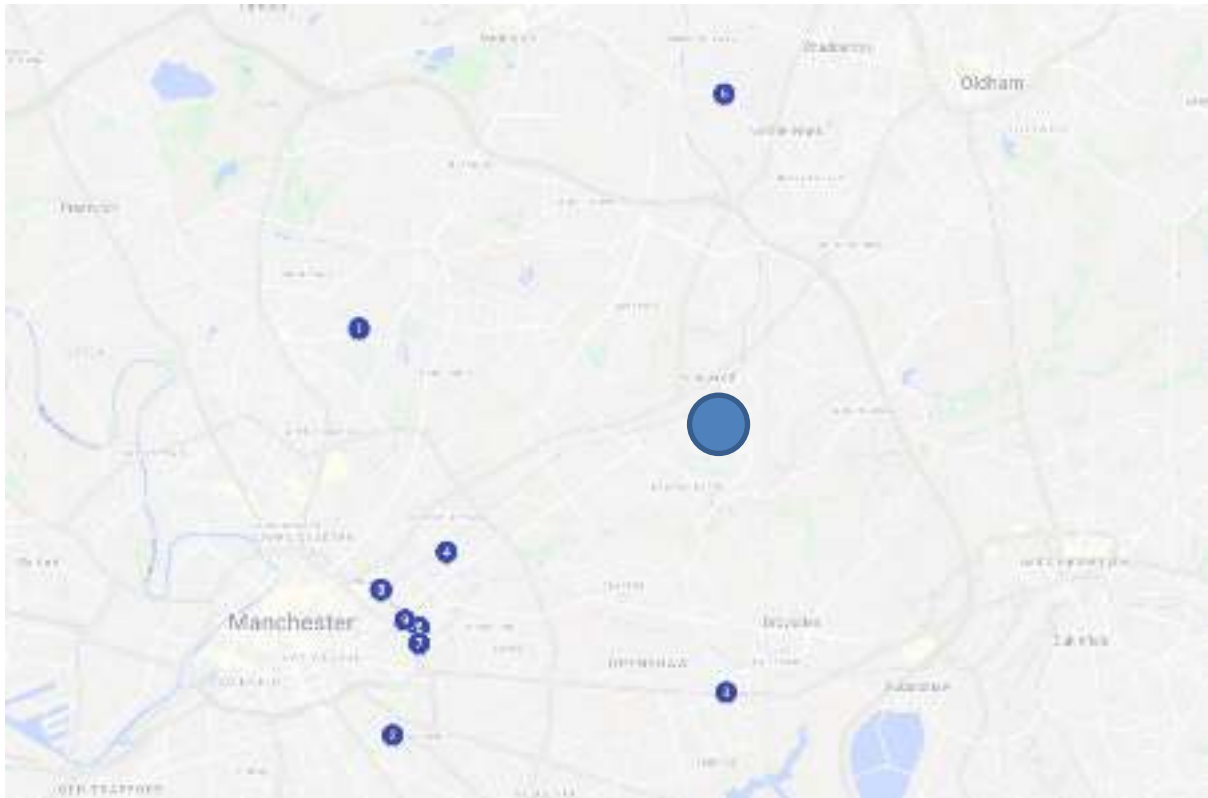
3. Linden Homes - New Brunswick, Upper Brook Street, Manchester M13 9SZ

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Beal	4	Terraced	3	£349,995	1032	£339
Beal	4	Terraced	3	£349,995	1032	£339
Beal	4	Terraced	3	£349,995	1032	£339
Average Asking Value (ft²)						£339

4. Victoria Riverside, Dantzic St, Manchester M4 4DW

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
03-006	1	Apartment	1	£237,885	539	£441
02-005	2	Apartment	1	£327,745	773	£424
02-006	1	Apartment	1	£236,845	539	£439
24-002	3	Apartment	1	£525,500	1100	£478
Average Asking Value (ft²)						£446

New Build Sold



1. Abraham Halpern - Clarkesville Close, Crumpsall M8 5QA

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
42	Type A	3	Semi-detached	Mar-21	£187,500	926	£203
75	Type A	3	Semi-detached	Mar-21	£189,000	926	£204
60	Type B	4	Semi-detached	May-21	£246,950	1184	£209
44	Type B	4	Semi-detached	Mar-21	£208,000	1184	£176
36	Type B	4	Semi-detached	Mar-21	£205,000	1184	£173
64	Type B	4	Semi-detached	Mar-21	£232,000	1184	£196
46	Type B	4	Semi-detached	Mar-21	£208,000	1184	£176
38	Type B	4	Semi-detached	Mar-21	£205,000	1184	£173
73	Type A	3	Semi-detached	Feb-21	£191,000	926	£206
54	Type B	4	Semi-detached	Jan-21	£225,000	1184	£190
52	Type B	4	Semi-detached	Feb-21	£225,000	1184	£190
Average Sale Price (ft²)							£190

2. Rowlinson Construction - St Ignatius, M13 9PA

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
6	Type C	3	Terraced	Jun-21	£294,995	1141	£259
8	Type C	3	Terraced	May-21	£294,995	1141	£259
10	Type C	3	Terraced	Jun-21	£304,995	1141	£267
4	Type C	3	Terraced	Aug-21	£291,995	1141	£256
7	Type B	3	Terraced	Jun-21	£327,995	1066	£308
11	Type A	3	Terraced	Jun-21	£294,995	969	£305
2	Type A	3	Terraced	Jun-21	£294,995	969	£305
41	Type D	4	Terraced	Jun-21	£344,995	1238	£279
Average Sale Price (ft²)							£279

3. Lovell Homes - Toxteth Street, Openshaw M11 1JT

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
57	Mews	2	Terraced	Mar-21	£171,995	764	£225
51	Singleton	2	Terraced	May-21	£184,995	786	£235
15	Pendleton	2	Terraced	Mar-21	£171,995	797	£216
14	Pendleton	2	Terraced	Feb-21	£171,995	797	£216
22	Aylesbury	3	Terraced	Feb-21	£194,995	936	£208
13	Aylesbury	3	Terraced	Jan-21	£191,995	936	£205
17	Aylesbury	3	Terraced	Jan-21	£191,995	936	£205
12	Aylesbury	3	Terraced	Jan-21	£194,995	936	£208
35	PRP 262	3	Terraced	Apr-21	£209,995	947	£222
53	Beresford	4	Terraced	Jun-21	£274,995	1378	£200
Terraced Average							£214
58	Thirston	3	Semi-detached	Jan-21	£204,995	1012	£203
54	Thirston	3	Semi-detached	Feb-21	£207,995	1012	£206
56	Thirston	3	Semi-detached	Jan-21	£207,995	1012	£206
62	Westford	4	Semi-detached	Jan-21	£250,995	1432	£175
11	Westford	4	Semi-detached	Jan-21	£261,995	1432	£183
9	Westford	4	Semi-detached	Feb-21	£250,995	1432	£175
10	Westford	4	Semi-detached	Feb-21	£250,995	1432	£175
Semi Detached Average							£189
31	Beresford	4	Detached	May-21	£267,995	1378	£195
Detached Average							£195
Average Sale Price (ft²)							£203

4. Lovell - Miles Platting Area 11, Manchester M40 7QZ

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
22	Oakley	2	Terraced	Nov-20	£233,950	764	£306
21	Lexington	2	Terraced	Oct-20	£198,950	775	£257
79	Lexington	2	Terraced	Oct-20	£196,950	775	£254
78	Lexington	2	Terraced	Nov-20	£197,950	775	£255
97	Oakley	3	Terraced	Jul-20	£227,950	915	£249
77	Oakley	3	Terraced	Nov-20	£227,950	936	£244
80	Oakley	3	Terraced	Nov-20	£227,950	936	£244
Terraced Average							£258
16	Oakley	3	Semi-detached	Feb-21	£237,995	936	£254
95	Stateley	3	Semi-detached	Jul-20	£239,995	990	£242
18	Heartford	4	Semi-detached	Nov-20	£294,950	1367	£216
20	Heartford	4	Semi-detached	Feb-21	£309,995	1367	£227
18	Heartford	4	Semi-detached	Feb-21	£304,995	1367	£223
23	Westford	4	Semi-detached	Sep-20	£299,950	1432	£209
75	Westford	4	Semi-detached	Oct-20	£297,000	1432	£207
82	Westford	4	Semi-detached	Nov-20	£297,950	1432	£208
24	Westford	4	Semi-detached	Nov-20	£299,950	1432	£209
81	Westford	4	Semi-detached	Nov-20	£297,950	1432	£208
76	Westford	4	Semi-detached	Sep-20	£299,950	1432	£209
27	Westford	4	Semi-detached	Jan-21	£309,995	1432	£216
Semi Detached Average							£219
Average Sale Price (ft²)							£234

5. Countryside - Radclyffe Gardens, Chadderton M24 1QW

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
48	Midford	3	Semi-detached	Apr-21	£266,995	980	£273
34	Midford	3	Semi-detached	Mar-21	£259,995	980	£265
46	Midford	3	Semi-detached	Apr-21	£265,995	980	£272
50	Midford	3	Semi-detached	Apr-21	£264,995	980	£271
36	Midford	3	Semi-detached	Mar-21	£259,995	980	£265
52	Midford	3	Semi-detached	Apr-21	£264,995	980	£271
42	Sankey	3	Semi-detached	Mar-21	£274,995	1119	£246
38	Sankey	3	Semi-detached	Mar-21	£269,995	1119	£241
40	Sankey	3	Semi-detached	Mar-21	£274,995	1119	£246
51	Sankey	3	Semi-detached	May-21	£274,995	1119	£246
49	Sankey	3	Semi-detached	May-21	£274,995	1119	£246
Semi Detached Average							£258
35	Midford	3	Detached	Mar-21	£299,995	980	£306
41	Midford	3	Detached	Apr-21	£299,995	980	£306
33	Midford	3	Detached	Feb-21	£282,995	980	£289
58	Midford	3	Detached	Jul-21	£299,995	980	£306
56	Midford	3	Detached	Jun-21	£299,995	980	£306
39	Witham	3	Detached	Mar-21	£309,995	1023	£303
20	Witham	3	Detached	Jan-21	£294,995	1023	£288
22	Witham	3	Detached	Jan-21	£299,995	1023	£293
54	Witham	3	Detached	May-21	£324,995	1023	£318
31	Tyne	3	Detached	Feb-21	£315,995	1033	£306
32	Tyne	3	Detached	Feb-21	£334,995	1033	£324
24	Tyne	3	Detached	Jan-21	£315,995	1033	£306
30	Tyne	3	Detached	Feb-21	£317,995	1033	£308
45	Tyne	3	Detached	May-21	£324,995	1033	£315
43	Tyne	3	Detached	May-21	£324,995	1033	£315
60	Tyne	3	Detached	Jun-21	£324,995	1033	£315
37	Rusland	4	Detached	Feb-21	£379,995	1389	£274
28	Rusland	4	Detached	Jan-21	£379,995	1389	£274
26	Rusland	4	Detached	Jan-21	£374,995	1389	£270
47	Rusland	4	Detached	May-21	£379,995	1389	£274
Detached Average							£300

Average Sale Price (ft²) £285

6. Artisan - Loom Building/Vulcan Mill, M4 7BF

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
48	Apt	2	Flat	Apr-21	£239,416	710	£337
85	Apt	2	Flat	Oct-20	£245,554	721	£341
44	Apt	2	Flat	Mar-21	£252,000	743	£339
11	Apt	2	Flat	Apr-21	£222,871	775	£288
69	Apt	2	Flat	Apr-21	£239,000	818	£292
86	Apt	2	Flat	Nov-20	£292,000	818	£357
Average Sale Price (ft²)							£326

7. X1 Developments - The Plaza, M4 7LT

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
304	Type 1	1	Flat	Dec-20	£117,500	506	£232
603	Type 1	1	Flat	Oct-20	£149,250	506	£295
302	Type 2	2	Flat	Oct-20	£155,000	538	£288
406	Type 4	2	Flat	Dec-20	£193,000	689	£280
201	Type 5	2	Flat	Dec-20	£192,500	700	£275
404	Type 7	2	Flat	Oct-20	£245,000	786	£312
Average Sale Price (ft²)							£280

8. MCR Life - New Little Mill, M4 6GH

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
28	Apt	2	Flat	Nov-20	£210,000	581	£361
29	Apt	2	Flat	Oct-20	£215,000	581	£370
8	Apt	2	Flat	Jan-21	£210,000	581	£361
31	Apt	2	Flat	Oct-20	£220,000	614	£358
60	Apt	2	Flat	Jan-21	£440,000	614	£717
27	Apt	2	Flat	Nov-20	£285,000	764	£373
47	Apt	2	Flat	Nov-20	£330,000	818	£403
33	Apt	2	Flat	Nov-20	£332,500	829	£401
67	Apt	2	Flat	Nov-20	£370,000	829	£446
65	Apt	2	Flat	Oct-20	£366,500	861	£426
32	Apt	2	Flat	Nov-20	£330,000	893	£370
36	Apt	2	Flat	Nov-20	£355,000	926	£383
66	Apt	2	Flat	Oct-20	£410,000	947	£433
30	Apt	2	Flat	Nov-20	£365,000	980	£372
42	Apt	2	Flat	Nov-20	£367,500	980	£375
59	Apt	2	Flat	Dec-20	£470,000	1130	£416
Average Sale Price (ft²)							£410

9. MCR Life - One Vesta Street, M4 6LT

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
111	Apt	1	Flat	Feb-21	£185,000	527	£351
117	Apt	1	Flat	Oct-20	£190,000	527	£361
131	Apt	1	Flat	Mar-21	£190,000	527	£361
139	Apt	1	Flat	Oct-20	£189,000	527	£359
155	Apt	1	Flat	Dec-20	£193,000	527	£366
157	Apt	1	Flat	Feb-21	£195,000	527	£370
163	Apt	1	Flat	Dec-20	£188,000	527	£357
47	Apt	1	Flat	Nov-20	£185,000	527	£351
59	Apt	1	Flat	Feb-21	£181,000	527	£343
71	Apt	1	Flat	Nov-20	£188,000	527	£357
73	Apt	1	Flat	Nov-20	£177,500	527	£337
85	Apt	1	Flat	Dec-20	£180,000	527	£342
45	Apt	2	Flat	Oct-20	£188,000	581	£324
91	Apt	2	Flat	Dec-20	£185,000	581	£318
116	Apt	2	Flat	Jan-21	£245,000	700	£350
143	Apt	2	Flat	Dec-20	£247,500	700	£354
24	Apt	2	Flat	Nov-20	£252,500	700	£361
10	Apt	2	Flat	Oct-20	£245,000	743	£330
102	Apt	2	Flat	Dec-20	£255,000	743	£343
145	Apt	2	Flat	Dec-20	£257,500	753	£342
31	Apt	2	Flat	Nov-20	£267,500	753	£355
57	Apt	2	Flat	Jan-21	£257,000	753	£341
3	Apt	2	Flat	Dec-20	£290,000	764	£380
40	Apt	2	Flat	Dec-20	£272,500	764	£357
60	Apt	2	Flat	Feb-21	£260,000	764	£340
7	Apt	2	Flat	Oct-20	£295,000	764	£386
82	Apt	2	Flat	Jan-21	£280,000	764	£366
84	Apt	2	Flat	Oct-20	£270,000	764	£353
26	Apt	2	Flat	Nov-20	£300,000	883	£340
8	Apt	2	Flat	Nov-20	£350,000	969	£361
156	Apt	3	Flat	Oct-20	£397,500	1055	£377
Average Sale Price (ft²)						£353	

Second Hand Sales

Search criteria: within 1 miles of postcode M40 2SP. Sales Completed within past 12 months.

Source: HM Land Registry

Address	Last sale price	Last sale date	Property type	Bedrooms
5, Falls Green Avenue, Manchester M40 2BL	£140,000	30/09/2021	Terraced	2 to 3
31, Frank Birchall Close, Manchester M40 1RP	£188,000	01/09/2021	Semi-detached	
7, Benton Street, Manchester M9 4NG	£95,000	01/12/2021	Terraced	2 to 3
285, Droylsden Road, Manchester M40 1GJ	£118,000	02/12/2021	Terraced	2 to 3
121, Troydale Drive, Manchester M40 2AP	£102,000	06/09/2021	Terraced	2
14, Partington Street, Manchester M40 2AQ	£132,000	15/09/2021	Terraced	3
1, Lewisham Avenue, Manchester M40 2UR	£223,000	20/10/2021	Semi-detached	2 to 3
149, Barrington Street, Manchester M11 4FB	£130,000	17/09/2021	Terraced	2 to 3
23, Himley Road, Manchester M11 4JE	£155,000	23/09/2021	Semi-detached	2 to 3
52, Lily Lane, Manchester M9 4WX	£250,000	28/09/2021	Semi-detached	3 to 4
43, Ballantine Street, Manchester M40 1RT	£95,000	17/09/2021	Terraced	2
22, Edale Avenue, Manchester M40 9HU	£110,000	15/12/2021	Terraced	2
36, Joyce Street, Manchester M40 5HA	£142,000	24/11/2021	Semi-detached	3
3, Leyton Avenue, Manchester M40 5HT	£140,000	03/11/2021	Terraced	3
72, Assheton Road, Manchester M40 1WE	£299,995	24/09/2021	Semi-detached	
8, Iron Street, Miles Platting, Manchester M40 7LE	£230,000	17/12/2021	Semi-detached	
10, Clough Street, Manchester M40 1RW	£150,000	10/09/2021	Terraced	3
Flat 10, 1, Dean Lane, Manchester M40 3AZ	£131,000	23/11/2021	Flat	
19, Falls Green Avenue, Manchester M40 2BL	£135,000	26/11/2021	Terraced	2 to 3
20, Falls Green Avenue, Manchester M40 2BL	£145,000	26/11/2021	Semi-detached	2 to 3
26, Falls Green Avenue, Manchester M40 2BL	£145,000	26/11/2021	Semi-detached	2 to 3
7, Wallis Street, Manchester M40 1NU	£110,000	01/09/2021	Terraced	2 to 3
104, Adrian Street, Manchester M40 5FQ	£96,000	02/09/2021	Terraced	2 to 3
Flat 537, 5, Stillwater Drive, Manchester M11 4TF	£74,000	20/09/2021	Flat	1
15, East Grange Avenue, Manchester M11 4JB	£145,000	26/10/2021	Terraced	2 to 3
15, Margaret Ashton Close, Manchester M9 4PZ	£170,000	15/10/2021	Semi-detached	3
2, Dean Brook Close, Manchester M40 0AZ	£132,500	09/11/2021	Terraced	3 to 4
47, Lily Lane, Manchester M9 4NR	£72,000	15/10/2021	Terraced	2
7, Silchester Drive, Manchester M40 8NT	£100,000	11/10/2021	Terraced	3
9, Thornton Street North, Manchester M40 8JT	£120,000	20/09/2021	Terraced	3
63, Arbory Avenue, Moston, Manchester M40 5HJ	£155,000	15/10/2021	Semi-detached	3
31, Ceylon Street, Manchester M40 2EF	£140,000	30/09/2021	Terraced	2 to 3
28, Kenwyn Street, Manchester M40 7AE	£140,000	15/10/2021	Terraced	2
4, Margaret Ashton Close, Manchester M9 4PZ	£165,000	28/10/2021	Semi-detached	3
65, Queensferry Street, Manchester M40 1HR	£80,000	06/10/2021	Terraced	2 to 3
23, Holmfield Avenue, Manchester M9 4LG	£71,000	29/10/2021	Terraced	2 to 3
29, Bardsley Street, Manchester M40 1PB	£89,950	26/10/2021	Terraced	2 to 3
3, Ascot Road, Manchester M40 2UD	£163,000	11/10/2021	Terraced	3
15, Oakley Close, Manchester M40 1JT	£170,000	30/09/2021	Terraced	3
12, Edale Avenue, Manchester M40 9HU	£120,000	30/09/2021	Terraced	3

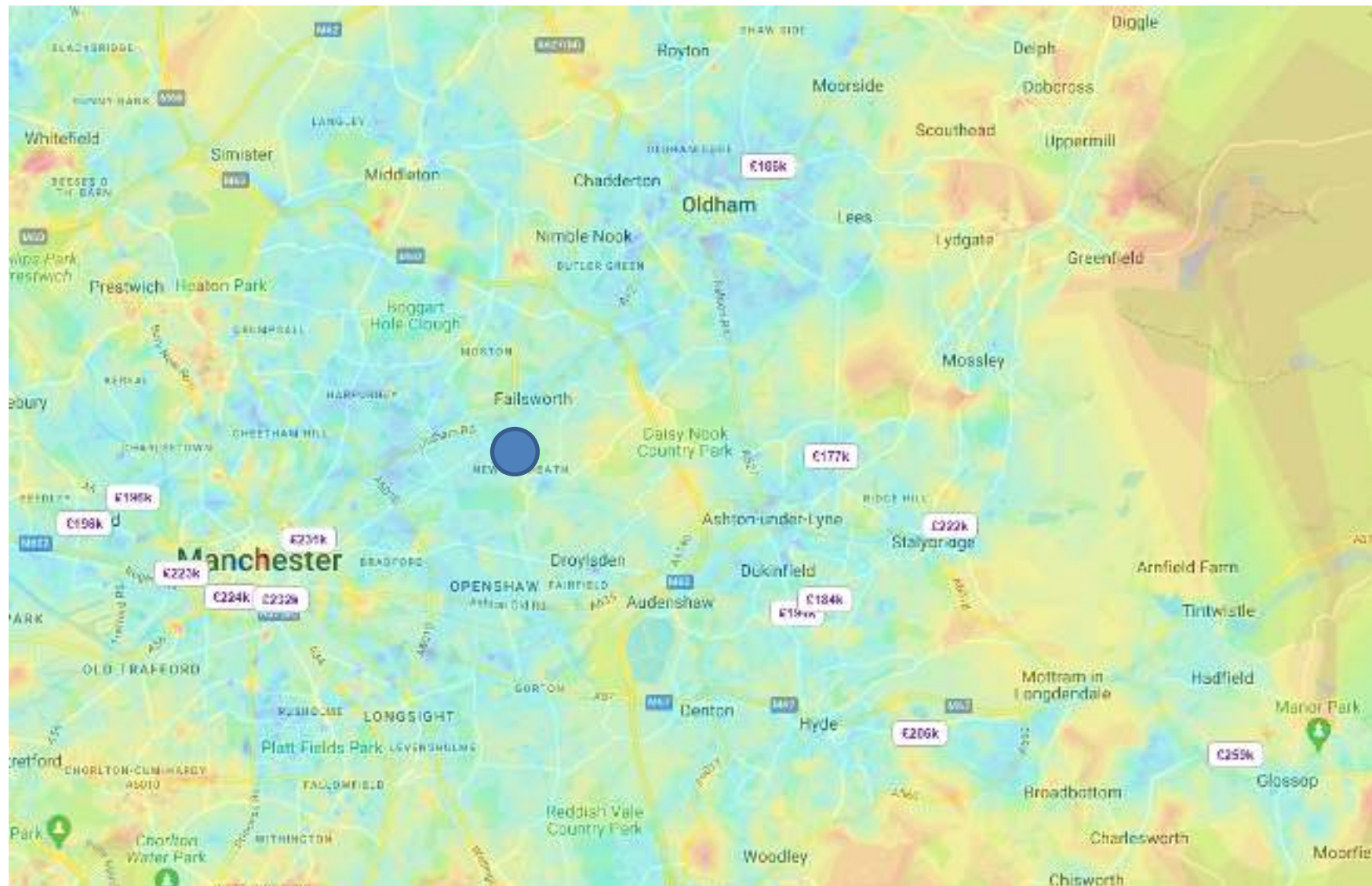
Second Hand Available

Search criteria: Modern houses for sale within 1 mile of postcode M40 2SP

Source: www.rightmove.co.uk

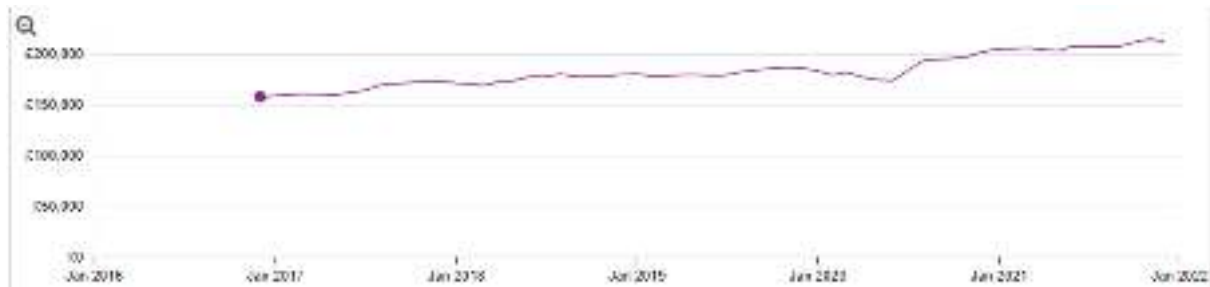
Address	Type	Bedrooms	Price
Hornsea Walk, Beswick, M11	Terraced	4	£240,000
Kenyon Lane, Moston	Semi	3	£240,000
Marleyer Close, Manchester	Semi	3	£225,000
Assheton Road, Newton Heath, Manchester	Terraced	3	£224,950
Fulham Avenue, Newton Heath, Manchester	Semi	3	£179,950
Rossington Street, Newton Heath	Semi	3	£179,950
Bank Street, Manchester	Terraced	3	£178,000
Oldham Road, Newton Heath, Manchester, M40	Terraced	3	£170,000
Ravine Avenue, Manchester, Greater Manchester, M9	Terraced	3	£160,000
Irvin Street, Manchester	Terraced	2	£160,000
Apartment 22, The Waterfront, Manchester, M11	Apartment	2	£160,000
Stillwater Drive, Sport City, Manchester,	Apartment	2	£150,000
The Drum, Sportcity	Apartment	2	£149,950
The Drum, Sportcity	Apartment	2	£149,950
Stillwater Drive, Sportscity, Manchester	Apartment	2	£145,000
The Frame, 2A The Waterfront, Openshaw	Apartment	2	£145,000
Stillwater Drive, SportCity, Manchester	Apartment	2	£145,000
Stillwater Drive, Manchester	Apartment	2	£140,000
Stott Street, Failsworth, Manchester	Terraced	2	£139,950
Apartment 23, 53 Ivy Graham Close, Newton Heath,	Apartment	2	£130,000
Ivy Graham Close, Manchester	Apartment	2	£128,000
Ivy Graham Close, Manchester, Greater Manchester,	Apartment	2	£120,000
Kenyon Court, Kenyon Lane, Manchester	Apartment	2	£120,000
Stillwater Drive, Manchester	Apartment	1	£120,000
Scotland Street, Newton Heath	Terraced	2	£114,000
Stillwater Drive, Manchester, Greater Manchester	Apartment	2	£110,000
Stillwater Drive, Manchester	Apartment	1	£99,950
Holmfield Avenue West, Moston	Terraced	2	£95,000

Property Price Heat Map

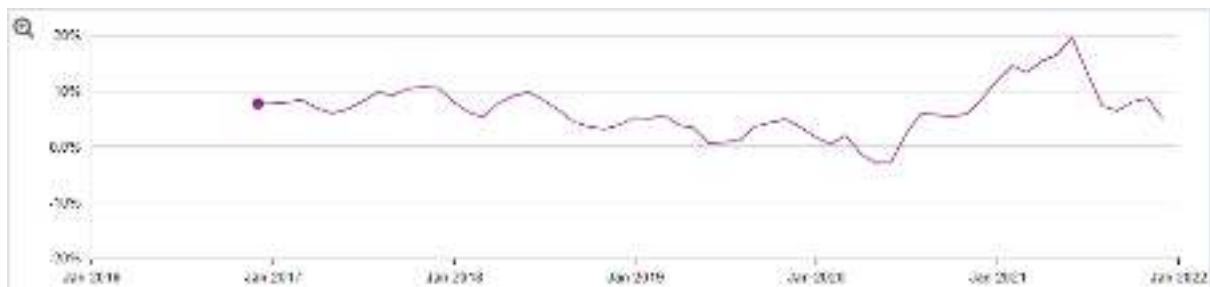


Average price by type of property in Manchester

Source: HM Land Registry



Percentage change (yearly) in Manchester



Price Trends – M40 2SP

Market Characteristics	Manchester	National
Market Size Indicator: no. of transactions	29,492	4,886,506
Market Size Indicator: total no. of properties	234,290	25,000,000
Market liquidity Indicator: transactions / properties	12.59%	19.55%
Market Growth Indicator: new homes built	3,116	570,561
Market Growth Indicator: new builds / transactions	10.57%	11.68%

Growth Rate	Manchester	National
5 year house price growth	7.70%	6.90%
Last 12 months house price growth	5.00%	5.40%

Average House Prices

Source: HM Land Registry

Postcode Area – M40 2SP

Property Type	Dec-16	Dec-21	Change
Detached	£295,334	£554,639	88%
Semi	£202,209	£264,765	31%
Terraced	£153,373	£195,685	28%
Flat	£185,206	£183,258	-1%
All	£186,411	£246,195	32%

Rent Report

Source: www.home.co.uk

Summary

Summary of Properties to Rent

Total Properties for Rent	1933
Properties for rent listed in the last 14 days:	531
Average property rents (pcm)	£1,327
Median rent (pcm)	£1,075

Properties to Rent by Price

	No. of Properties
Rent under £250 pcm	38
£250 to £500 pcm rent	183
£500 to £1,000 pcm rent	702
£1,000 to £2,000 pcm rent	778
£2,000 to £5,000 pcm rent	203
Rent over £5,000 pcm	29

Property Rents by Number of Bedrooms

Type	No. of Properties	Average Rent (pcm)	Median Rent (pcm)
One bedroom	337	£1,019	£825
Two bedrooms	617	£1,307	£1,192
Three bedrooms	352	£1,553	£1,200
Four bedrooms	184	£1,861	£1,555
Five bedrooms	44	£1,605	£1,950

Property Rents by Type

Type	No. of Properties	Average Rent (pcm)	Median Rent (pcm)
Room	233	£1,070	£580
Flat	987	£1,462	£1,127
House	592	£1,312	£1,150

Rental Listings

Search criteria: Modern houses for sale within 1 mile of postcode M40 2SP

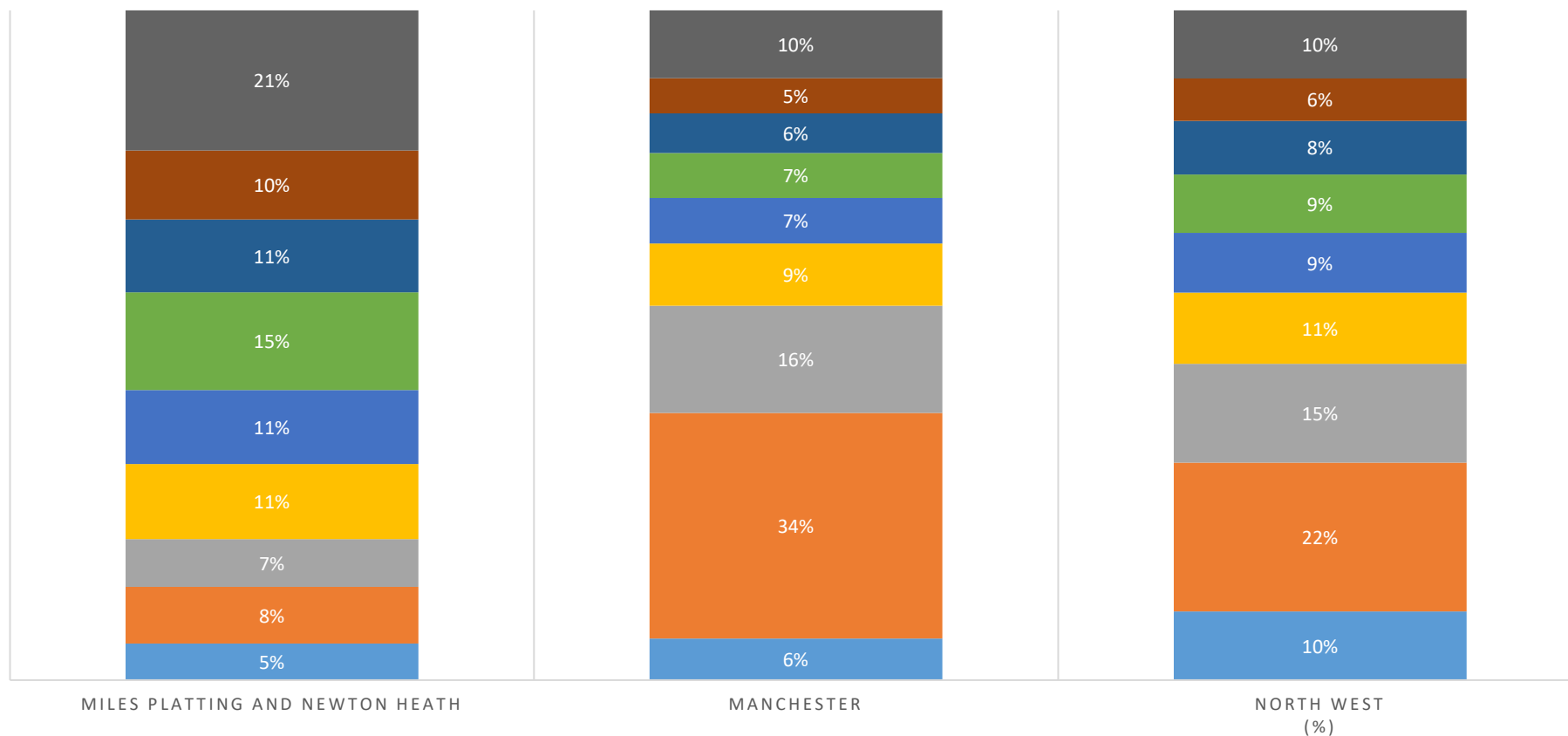
Source: www.rightmove.co.uk

Address	Type	Bedrooms	Price (Per Calendar Month)
Limerston Drive, Manchester, M40	Terraced	4	£1,300
Astoria Avenue, Manchester, M40	Terraced	3	£1,250
Kilsby Walk, Manchester, M40	Terraced	3	£1,180
Astoria Avenue, Newton Heath	Semi	3	£1,100
Tartan Street, Manchester, M11	Semi	3	£979
Silchester Drive, Manchester, M40	Apartment	2	£900
Fletcher Street, Manchester	Terraced	3	£895
Chinley Avenue, Manchester, M40	Terraced	3	£850
Stillwater Drive, Sportcity, Manchester, M11	Apartment	2	£850
Stillwater Drive, Sportscity, M11	Apartment	2	£850
The Drum, 2 Stuart Street, Sport City	Apartment	2	£825
Stillwater Drive, 3 Stillwater Drive, Manchester	Apartment	2	£800
Ravensbury Street, Manchester	Semi	3	£795
Ben Street, Manchester	Terraced	3	£795
Stillwater Drive, Manchester, Greater Manchester, M1	Apartment	2	£795
Droylsden Road, Manchester	Terraced	2	£775
3 Stillwater Drive, Manchester, M11	Apartment	2	£775
The Drum, Sportcity	Apartment	2	£775
Partington Street, Manchester	Terraced	3	£750
Partington Street, Manchester	Terraced	2	£750
Silton Street, Manchester	Terraced	2	£725
The Mews, Miles Platting, Manchester	Terraced	2	£725
Stillwater Drive, Sportscity, Manchester	Apartment	1	£700
Ivy Graham Close, Manchester, M40	Apartment	1	£695
Hayden Court, Manchester	Apartment	2	£675

Employment by Occupation (July 2020 – June 2021)

EMPLOYMENT BY OCCUPATION (JUL 2020-JUN 2021)

- 1 Managers, Directors And Senior Officials
- 2 Professional Occupations
- 3 Associate Professional & Technical
- 4 Administrative & Secretarial
- 5 Skilled Trades Occupations
- 6 Caring, Leisure And Other Service Occupations
- 7 Sales And Customer Service Occs
- 8 Process Plant & Machine Operatives
- 9 Elementary Occupations



Employment by occupation (Jul 2020-Jun 2021)

	Miles Platting and Newton Heath	Manchester	North West (%)	Great Britain (%)
Soc 2010 Major Group 1-3	1130	152,700	47.1	49.7
1 Managers, Directors And Senior Officials	292	16,900	9.9	10.7
2 Professional Occupations	454	92,000	22.3	23.4
3 Associate Professional & Technical	384	43,800	14.7	15.5
Soc 2010 Major Group 4-5	1194	43,900	19.1	19.1
4 Administrative & Secretarial	602	25,300	10.4	10.2
5 Skilled Trades Occupations	592	18,600	8.6	8.9
Soc 2010 Major Group 6-7	1368	34,500	17.2	16.2
6 Caring, Leisure And Other Service Occupations	784	18,300	9.2	9.1
7 Sales And Customer Service Occs	584	16,200	7.9	7.0
Soc 2010 Major Group 8-9	1678	42,100	16.7	15.0
8 Process Plant & Machine Operatives	553	14,400	6.4	5.6
9 Elementary Occupations	1125	27,700	10.2	9.4

Major group General nature of qualifications, training and experience for occupations in the major group

Managers, directors and senior officials A significant amount of knowledge and experience of the production processes and service requirements associated with the efficient functioning of organisations and businesses.

Professional occupations A degree or equivalent qualification, with some occupations requiring postgraduate qualifications and/or a formal period of experience-related training.

Associate professional and technical occupations An associated high-level vocational qualification, often involving a substantial period of full-time training or further study. Some additional task-related training is usually provided through a formal period of induction.

Administrative and secretarial occupations A good standard of general education. Certain occupations will require further additional vocational training to a well-defined standard (e.g. office skills).

Skilled trades occupations A substantial period of training, often provided by means of a work based training programme.

Caring, leisure and other service occupations A good standard of general education. Certain occupations will require further additional vocational training, often provided by means of a work-based training programme.

Sales and customer service occupations A general education and a programme of work-based training related to Sales procedures. Some occupations require additional specific technical knowledge but are included in this major group because the primary task involves selling.

Process, plant and machine operatives The knowledge and experience necessary to operate vehicles and other mobile and stationary machinery, to operate and monitor industrial plant and equipment, to assemble products from component parts according to strict rules and procedures and subject assembled parts to routine tests. Most occupations in this major group will specify a minimum standard of competence for associated tasks and will have a related period of formal training.

Elementary occupations Occupations classified at this level will usually require a minimum general level of education (that is, that which is acquired by the end of the period of compulsory education). Some occupations at this level will also have short periods of work-related training in areas such as health and safety, food hygiene, and customer service requirements.

Earnings by place of residence (2021)

Gross Weekly Pay	Manchester	North West	Great Britain
Full-Time Workers	£529.1	£578.0	£613.1
Male Full-Time Workers	£574.9	£615.8	£655.5
Female Full-Time Workers	£495.3	£529.0	£558.1

Gross Monthly	Manchester	North West	Great Britain
Full-Time Workers	£2,293	£2,505	£2,657
Male Full-Time Workers	£2,491	£2,668	£2,841
Female Full-Time Workers	£2,146	£2,292	£2,418

Gross Annually	Manchester	North West	Great Britain
Full-Time Workers	£27,513	£30,056	£31,881
Male Full-Time Workers	£29,895	£32,022	£34,086
Female Full-Time Workers	£25,756	£27,508	£29,021

Definitions

The figures show the median earnings in pounds for employees living in the area who are on adults rates of pay and whose pay was not affected by absence. Figures for earnings come from the Annual Survey of Hours and Earnings (ASHE). The ASHE is based on a 1 per cent sample of employees, information on whose earnings and hours is obtained from employers. The survey does not cover self-employed. Information relates to a pay period in April.

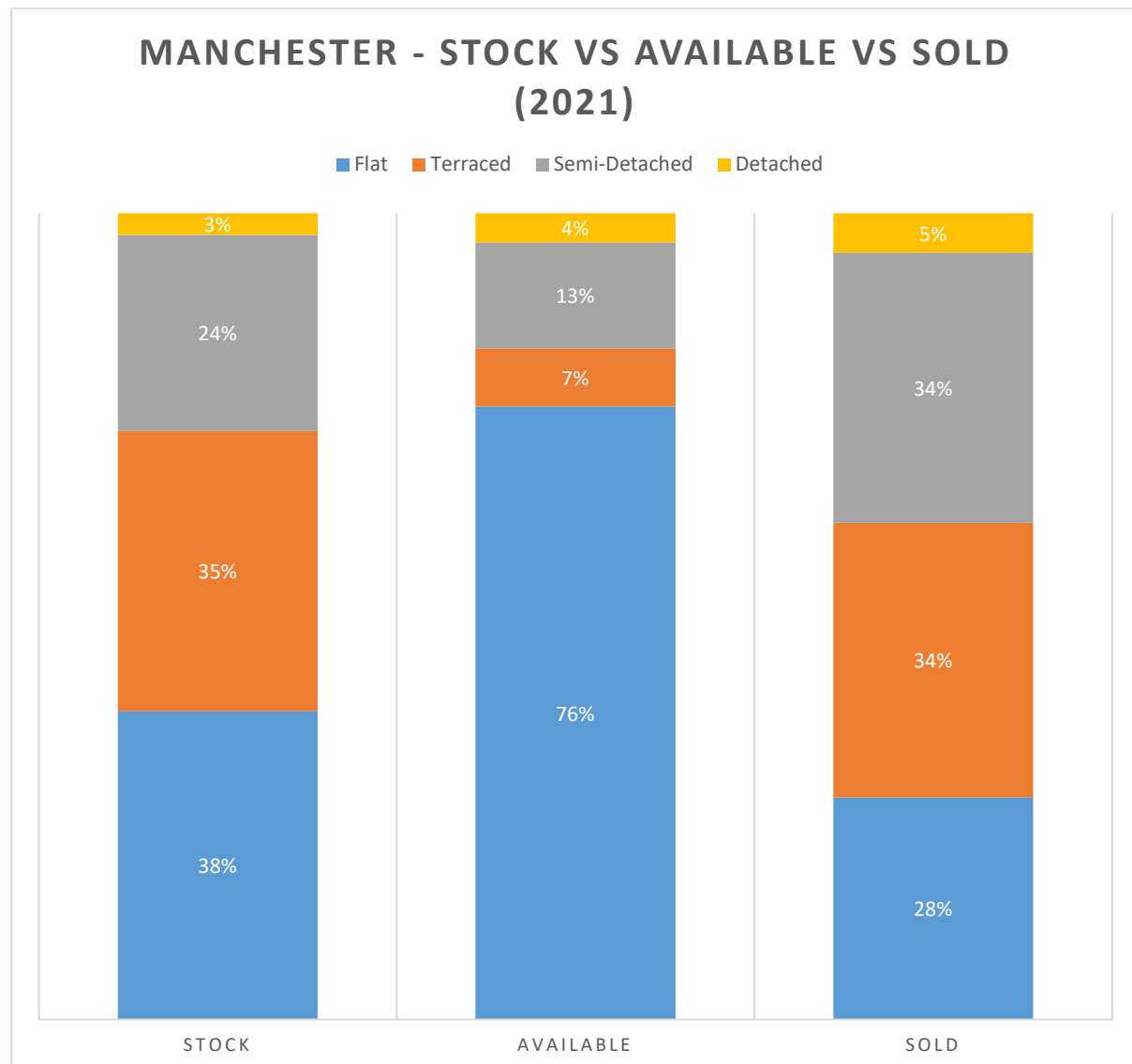
The earnings information collected relates to gross pay before tax, national insurance or other deductions, and excludes payments in kind. It is restricted to earnings relating to the survey pay period and so excludes payments of arrears from another period made during the survey period; any payments due as a result of a pay settlement but not yet paid at the time of the survey will also be excluded.

Employee Jobs (2020)

	Miles Platting and Newton Heath	Miles Platting and Newton Heath %	Manchester	Manchester %	North West %	Great Britain %
Total Employee Jobs	5,142	-	406,000	-	-	-
Full-Time	3,279	64%	289,000	71.2%	67.7%	67.9%
Part-Time	1,369	27%	117,000	28.8%	32.3%	32.1%
Employee Jobs By Industry						
A : Agriculture, forestry and fishing	3	0.1%	0	0.0%	1.9%	2.0%
B : Mining And Quarrying	1	0.0%	20	0.0%	0.1%	0.2%
C : Manufacturing	415	7.7%	15,000	3.7%	9.7%	7.9%
D : Electricity, Gas, Steam And Air Conditioning Supply	30	0.6%	900	0.2%	0.6%	0.5%
E : Water Supply; Sewerage, Waste Management And Remediation Activities	61	1.1%	800	0.2%	0.7%	0.7%
F : Construction	367	6.8%	8,000	2.0%	4.2%	4.8%
G : Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	912	17.0%	49,000	12.1%	16.7%	14.9%
H : Transportation And Storage	371	6.9%	28,000	6.9%	5.0%	5.1%
I : Accommodation And Food Service Activities	482	9.0%	30,000	7.4%	6.8%	7.2%
J : Information And Communication	128	2.4%	20,000	4.9%	3.1%	4.5%
K : Financial And Insurance Activities	147	2.7%	18,000	4.4%	2.6%	3.5%
L : Real Estate Activities	73	1.4%	9,000	2.2%	1.6%	1.8%
M : Professional, Scientific And Technical Activities	231	4.3%	55,000	13.5%	8.9%	8.7%
N : Administrative And Support Service Activities	424	7.9%	50,000	12.3%	8.4%	8.8%
O : Public Administration And Defence; Compulsory Social Security	261	4.9%	20,000	4.9%	4.6%	4.6%
P : Education	441	8.2%	41,000	10.1%	8.5%	9.0%
Q : Human Health And Social Work Activities	785	14.6%	49,000	12.1%	14.4%	13.6%
Other	238	4.4%	7,000	1.7%	1.8%	1.9%

The number of jobs held by employees. Employee jobs excludes self-employed, government-supported trainees and HM Forces, so this count will be smaller than the total jobs figure shown in the Jobs density table. The information comes from the Business Register and Employment Survey (BRES) - an employer survey conducted in September of each year. The BRES records a job at the location of an employee's workplace (rather than at the location of the business's main office).

Housing Stock vs Available vs Sold



Manchester	Stock	Available	Sold
Flat	88,120	2,907	1,028
Terraced	80,260	276	1,273
Semi-Detached	56,000	502	1,252
Detached	6,250	139	183
Total	230,630	3,824	3,736

Manchester	Stock	Available	Sold
Flat	38%	76%	28%
Terraced	35%	7%	34%
Semi-Detached	24%	13%	34%
Detached	3%	4%	5%

Appendix III – Cost Plan

Ten Acres Lane, Manchester

Feasibility Estimate Nr. 2
716 No. Houses

18th March 2022



For
Your Housing Group

Document Issue Sheet

Issue Nr.	Document	Issue Date	Parties Sent To	Prepared By	Checked By	Reviewed By
1	Feasibility Estimate Nr 1	14.03.22	Your Housing Group	SH	DS	AT
2	Feasibility Estimate Nr 2	18.03.22	Your Housing Group	SH	DS	AT

Authorised by (Partner)	Anthony Tarr
Date	18.03.22

1.0 FEASIBILITY ESTIMATE SUMMARY

The Summary below identifies the overall forecast construction cost, cost per dwelling and a cost per m2 of GIFA.

Issue Nr	Description	Number of Dwellings	Overall construction cost	Cost per dwelling	Cost per m2
2	Feasibility Estimate Nr 2 (Phase 1&2) (Including Abnormals)	716	£171,357,389	£239,326	£2,868
2	Phase 1 (Including Abnormals)	378	£93,594,869	£247,605	£2,890
2	Phase 2 (Including Abnormals)	338	£77,762,520	£230,067	£2,841

2.0 ASSUMPTIONS

- 1.0 The Feasibility Estimate has been prepared from the following Planit.IE drawing:
Site Plan
 2490-PLA-00-00-DR-LA-0056-Combined Masterplan
- 2.0 The estimate has been based on the Planit.IE masterplan.
- 3.0 The accommodation schedule is as per the Phase 1 & Phase 2 schedule sent by YHG
- 4.0 Procurement will follow a competitive single stage tender route using JCT 2016 Design and Build Contract.
- 5.0 The feasibility estimate includes typical percentage allowances for Contractor's Preliminaries and Overheads and Profit.
- 6.0 Professional fees and all other fees and charges assumed to be captured in separate client budget.
- 7.0 Boundary treatments, retaining walls & finish floor levels are currently assumed and dependent on further
- 8.0 Layout is dependant upon confirmation of legal site boundary & subject to Highway approval.
- 9.0 The GIFA's and accommodation schedule have been assumed based on the current masterplan split please see 5.0 Schedule of Accommodation.
- 10.0 Based on the required programme for the remediation works we have assumed that the works will progress on site in Q4 2025. As such we have included the requisite BCIS All in TPI uplift of 15.5%
- 11.0 Assumed this scheme will be have to incorporate the Future Homes and Building Standards 2025 to all plots.
- 12.0 The current BCIS all in tender price indices is currently showing a forecast of 15.5% increase for Q4 2025. SOS assumed based on the widespread and in-depth remediation works requiring a programme of 4 years for approval and completion.

 Whilst forecasting against the BCIS all in tender price indices for this duration has associated risks as market conditions, legislative changes and international policies remain unknown, this provides an industry recognised forecast for cost increases and provides the client with a reasonable assumption. This should be reviewed as we approach SOS/ Tender to review the construction market conditions.
- 13.0 Piling has been based on AJP FZP

3.0 EXCLUSIONS

The following items are excluded, but are known to have a cost impact and therefore need to be covered by other budgets within the overall Project Cost Feasibility. The list is intended only as a guide and cannot be relied upon to be exhaustive:

- 1.0 Professional fees; legal fees; planning fees; section agreements; statutory fees; site surveys and investigations; monitoring costs; environmental audits; wind studies; third party fees/costs.
- 2.0 Post-contract fees for design provided by the contractor (assumed to be included within the total professional fee budget with novation of services at contract award).
- 3.0 Works outside the site perimeter.
- 4.0 Value Added Tax (VAT).
- 5.0 Site acquisition fees/costs, air rights, rights to light (or any other third party compensation settlements), over sailing licences, easements, sale or letting fees/costs, Party Wall surveys and costs, footpath diversion and other developer's costs.
- 6.0 Capital allowances or other incentives/grants.
- 7.0 Client finance costs and associated insurances.
- 8.0 Monitoring of adjacent buildings.
- 9.0 Local Authority costs, charges etc.
- 10.0 Archaeological survey or excavation costs.
- 11.0 Diversion of major services, within or outside the site.
- 12.0 Any necessary off-site reinforcement of services infrastructure.
- 13.0 Abnormal services costs.
- 14.0 Land purchase/acquisition costs.
- 15.0 Costs associated with the provision of any maintenance agreements.
- 16.0 Loose furniture, fittings and equipment except where noted.
- 17.0 Local Authority bins.
- 18.0 Abnormal foundation costs over and above those described in the estimate (traditional concrete strip foundations have been included within this estimate).
- 19.0 Road Closure Notices.
- 20.0 Community hub fitout

5.0 SCHEDULE OF ACCOMMODATION

Ten Acres Lane, Manchester

GIFA: 59,756
Site Area: 152,697
Site Perimeter: 2,651

Current Housing SOA based on: 2490-PLA-00-00-DR-U-0033-S2-P01-Combined Masterplan

PHASE 1 Site Area: 85,211
Site Perimeter: 1,507

Dwelling Type	Description	Units	m ²	Mix (%)	Total (m ²)
1B1P Apartment	1 Bed	1	49	0%	49
1B2P Apartment	1 Bed	20	50.28	5%	1,006
1B2P Apartment	1 Bed	8	50	2%	400
1B2P Apartment	1 Bed	3	51	1%	153
2B3P Apartment	2 Bed	30	61.7	8%	1,851
2B3P Apartment	2 Bed	9	61.83	2%	556
2B3P Apartment	2 Bed	4	61	1%	244
2B3P Apartment	2 Bed	2	62	1%	124
2B4P Apartment	2 Bed	30	71.16	8%	2,135
2B4P Apartment	2 Bed	15	70.36	4%	1,055
2B4P Apartment	2 Bed	8	70	2%	560
2B4P Apartment	2 Bed	4	71	1%	284
Type A 2B3P	2 Bed	7	70	2%	490
Type B 2B3P	2 Bed	20	70	5%	1,400
Type C 2B3P	2 Bed	14	71.2	4%	997
Type D 2B4P	2 Bed	12	83.4	3%	1,001
Type E 2B4P	2 Bed	6	83.4	2%	500
Type F 3B4P	3 Bed	49	88.2	13%	4,322
Type G 3B4P	3 Bed	8	86.2	2%	690
Type H 3B4P	3 Bed	2	86.2	1%	172
Type I 3B4P	3 Bed	8	93.6	2%	749
Type J 3B5P	3 Bed	46	102.2	12%	4,701
Type K 3B5P	3 Bed	13	102.9	3%	1,338
Type L 3B6P	3 Bed	8	116	2%	928
Type M 4B6P	4 Bed	3	116.2	1%	349
Type N 4B6P	4 Bed	34	113.1	9%	3,845
Type O 4B8P	4 Bed	8	132.6	2%	1,061
Type P 4B8P	4 Bed	6	135	2%	810
TOTAL		378		100%	31,770

Community Hub

Dwelling Type	Description	Units	m ²	Mix (%)	Total (m ²)
HUB	Community Use	1	454.6	50%	455
HUB	Community Café	1	161.9	50%	162
TOTAL		2		100%	617

PHASE 2

Site Area: 67,486
Site Perimeter: 1,144

Dwelling Type	Description	Units	m ²	Mix (%)	Total (m ²)
1B1P Apartment	1 Bed	42	37.85	12%	1,590
2B3P Apartment	2 Bed	43	61.7	13%	2,653
2B3P Apartment	2 Bed	0	61.83	0%	0
2B4P Apartment	2 Bed	16	71.16	5%	1,139
2B4P Apartment	2 Bed	0	70.36	0%	0
2B3P Type A	2 Bed	20	71.7	6%	1,434
2B3P Type B	2 Bed	14	70	4%	980
2B3P Type C	2 Bed	37	71.3	11%	2,638
2B4P Type D	2 Bed	4	83.55	1%	334
2B4P Type E	2 Bed	25	83.08	7%	2,077
3B4P Type F	3 Bed	24	87.6	7%	2,102
3B4P Type G	3 Bed	1	87.6	0%	88
3B4P Type H	3 Bed		87.6	0%	0
3B5P Type I	3 Bed	14	93.6	4%	1,310
3B5P Type J	3 Bed	34	103.43	10%	3,517
3B5P Type K	3 Bed	21	105.39	6%	2,213
3B6P Type L	3 Bed	5	119.3	1%	597
4B6P Type M	4 Bed		116.26	0%	0
4B6P Type N	4 Bed	19	113.31	6%	2,153
4B8P Type O	4 Bed	10	132.5	3%	1,325
4B8P Type P	4 Bed	9	135.6	3%	1,220
	TOTAL	338		100%	27,370



6.0 PHASE 1 FEASIBILITY ESTIMATE SUMMARY

Ten Acres Lane, Manchester

See 5.0 Schedule of accommodation

Total GIFA 32,386 m²
Total Dwellings 378 Nr

Ref	Description	Quant	Unit	Rate	Total	£/GIFA
	Rates are based on current day 1st Quarter 2022 costs					
1	Site Preparation					
a	Site clearance & preparation	85,211	m2	£5	£426,055	£13
2	Substructure					
a	Traditional concrete strip foundation and ground floor slab to ALL 2 & 2.5 Story properties	8,180	m2	£210	£1,717,748	£53
b	Traditional concrete strip foundation and ground floor slab three story building to 3 Story properties	5,342	m2	£240	£1,282,126	£40
3	Superstructure					
a	Traditional new build construction, Upper floors, roof, external walls with facing brick/stone, upvc windows, and external doors, internal doors, wall, ceiling and floor finishes (vinyl only to wet areas, no carpet included), wall tiling and decoration to ALL HOUSE TYPES Based on Benchmark Rate	23,352	m2	£739	£17,257,350	£533
b	Traditional construction, roof, external walls with facing brick, upvc windows, external doors, internal doors, wall, ceiling and floor finishes, wall tiling and decoration (vinyl sheet to wet areas) to Apartments	8,417	m2	£1,117	£9,402,303	£290
c	Traditional construction, roof, external walls with facing brick, upvc windows, external doors, internal doors, wall, ceiling and floor finishes, wall tiling and decoration (vinyl sheet to wet areas) to Community Hub construction (Excluding fit out)	617	m2	£955	£588,758	£18
d	Uplift to three story houses to allow for additional brickwork and upper floor	59	nr	£5,000	£295,000	£9
4	Fixtures and Fittings					
a	Kitchen fittings (white goods excluded) to 1B & 2B Houses/ Apartments	193	nr	£2,250	£434,250	£13
b	Kitchen fittings (white goods excluded) to 3B Houses	134	nr	£2,500	£335,000	£10
c	Kitchen fittings (white goods excluded) to 4B Houses	51	nr	£2,750	£140,250	£4
d	Community Hub & Café fit out (ALLOWANCE)	1	nr	£150,000	£150,000	£5
5	Sanitary Appliances					
a	Main Bathroom comprising of WC, wash basin, bath, electric shower, shower screen to 1B & 2B Houses	193	nr	£2,500	£482,500	£15
b	Main Bathroom comprising of WC, wash basin, bath, electric shower, shower screen to 3B Houses	134	nr	£2,500	£335,000	£10
c	Main Bathroom comprising of WC, wash basin, bath, electric shower, shower screen to 4B Houses	51	nr	£2,750	£140,250	£4
d	En suite comprising of WC, wash basin and shower to 4B Houses	51	nr	£1,500	£76,500	£2
e	Downstairs WC, comprising WC and wash basin to ALL TYPES	378	nr	£1,000	£378,000	£12
f	WC to Community Hub	1	nr	£15,000	£15,000	£0

6	Mechanical and Electrical					
a	Full M&E Installation to Houses	23,352	m2	£150	£3,502,845	£108
b	Full M&E Installation to Apartments & Community Hub	9,034	m2	£360	£3,252,157	£100
7	External Site Works					
a	External Site Works (inc car parking, access road, turf, paving, plot fencing and trees)		Item		£4,103,691	£127
8	Below Ground Drainage					
a	All drainage and connections to existing system (Assumed 2 connections needed for Hub & Café)	380	nr	£4,500	£1,710,000	£53
9	Incoming Services - Water, electric, BT connections (including landlords, assumed 2 needed for Hub & Café)					
		380	nr	£5,000	£1,900,000	£59
	Total Elemental Cost (current day)				£47,924,781	£1,480
	Preliminaries			12.5%	£5,990,598	£185
	Contractors OH&P			8%	£4,313,230	£133
	Design / Contingency			4%	£2,329,144	£72
10	Abnormals (See Abnormals Schedule)				£11,175,830	£345
	Total Works Cost (current day)				£71,733,583	£2,215
	Post Contract Design Fees			4%	£2,869,343	£89
	General allowance for inflation based on Q4 2025 start (material shortages, labour shortages, high demand, brexit, logistics shortages etc.)			15.5%	£11,543,146	£356
	Overall Construction Cost (Q4 2025)				£86,146,073	£2,660
	Overall Construction Cost (Q4 2025)				£86,146,073	£2,660
11	Allowance for Future Homes Standards Introduced in 2025	32,386	m2	230	£7,448,796	£230
	Overall Construction Cost (Q4 2025 Including abnormals and Future Homes Standards)				£93,594,869	£2,890

7.0 PHASE 2FEASIBILITY ESTIMATE SUMMARY

Ten Acres Lane, Manchester

See 5.0 Schedule of accomodation

Total GIFA 27,370 m²
Total Dwellings 338 Nr

Ref	Description	Quant	Unit	Rate	Total	£/GIFA
	Rates are based on current day 1st Quarter 2022 costs					
1	Site Preparation					
a	Site clearance & preparation	67,486	m2	£5	£337,430	£12
2	Substructure					
a	Traditional concrete strip foundation and ground floor slab to ALL 2 & 2.5 Story properties	8,347	m2	£210	£1,752,819	£64
b	Traditional concrete strip foundation and ground floor slab three story building to 3 Story properties	3,559	m2	£240	£854,092	£31
3	Superstructure					
a	Traditional new build construction, Upper floors, roof, external walls with facing brick/stone, upvc windows, and external doors, internal doors, wall, ceiling and floor finishes (vinyl only to wet areas, no carpet included), wall tiling and decoration to ALL HOUSE TYPES Based on Benchmark Rate	21,988	m2	£739	£16,249,354	£594
b	Traditional construction, roof, external walls with facing brick, upvc windows, external doors, internal doors, wall, ceiling and floor finishes, wall tiling and decoration (vinyl sheet to wet areas) to Apartments	5,381	m2	£1,117	£6,011,115	£220
d	Uplift to three story houses to allow for additional brickwork and upper floor	43	nr	£5,000	£215,000	£8
4	Fixtures and Fittings					
a	Kitchen fittings (white goods excluded) to 1B & 2B Houses/ Apartments	201	nr	£2,250	£452,250	£17
b	Kitchen fittings (white goods excluded) to 3B Houses	99	nr	£2,500	£247,500	£9
c	Kitchen fittings (white goods excluded) to 4B Houses	38	nr	£2,750	£104,500	£4
5	Sanitary Appliances					
a	Main Bathroom comprising of WC, wash basin, bath, electric shower, shower screen to 1B & 2B Houses	201	nr	£2,500	£502,500	£18
b	Main Bathroom comprising of WC, wash basin, bath, electric shower, shower screen to 3B Houses	99	nr	£2,500	£247,500	£9
c	Main Bathroom comprising of WC, wash basin, bath, electric shower, shower screen to 4B Houses	38	nr	£2,750	£104,500	£4
d	En suite comprising of WC, wash basin and shower to 4B Houses	38	nr	£1,500	£57,000	£2
e	Downstairs WC, comprising WC and wash basin to ALL TYPES	338	nr	£1,000	£338,000	£12

6	Mechanical and Electrical					
a	Full M&E Installation to Houses	21,988	m2	£150	£3,298,245	£121
b	Full M&E Installation to Apartments & Community Hub	5,381	m2	£360	£1,937,290	£71
7	External Site Works					
a	External Site Works (inc car parking, access road, turf,		Item		£3,617,847	£132
8	Below Ground Drainage					
a	All drainage and connections to existing system to all Types	338	nr	£4,500	£1,521,000	£56
9	Incoming Services - Water, electric, BT connections (including landlords)	338	nr	£5,000	£1,690,000	£62
	Total Elemental Cost (current day)				£39,537,941	£1,445
10	Preliminaries			12.5%	£4,942,243	£181
	Contractors OH&P			8%	£3,558,415	£130
	Design / Contingency			4%	£1,921,544	£70
	Abnormals (See Abnormals Schedule)				£9,550,635	£349
	Total Works Cost (current day)				£59,510,777	£2,174
	Post Contract Design Fees			4%	£2,380,431	£87
	General allowance for inflation based on Q4 2025 start (material shortages, labour shortages, high demand, brexit, logistics shortages etc.)			15.5%	£9,576,290	£350
	Overall Construction Cost (Q4 2025)				£71,467,498	£2,611
	Overall Construction Cost (Q4 2025)				£71,467,498	£2,611
11	Allowance for Future Homes Standards Introduced in 2025	27,370	m2	230	£6,295,022	£230
	Overall Construction Cost (Q4 2025 Including abnormals and Future Homes Standards)				£77,762,520	£2,841

5 ANTICIPATED ABNORMAL COSTS

Ten Acres Lane, Manchester



No.	Item	Comment / Action	Anticipated Total Cost	Phase 1	Phase 2
1	Abnormal foundations	Allowance for driven piling to plots based on engineering advise (£4500 pu) & (£30k/apt block)	£1,272,000.00	£768,000.00	£504,000.00
	Abnormal Foundations Vibro	Allowance for vibro piling to plot based on AJP FZP £2,000	£418,000.00	£208,000.00	£210,000.00
2	Abnormal foundations	Gas membrane to every plot (£1,500/pp & £10k per apartment)	£457,500.00	£282,000.00	£175,500.00
3	Highways works	Enhanced highways works to roads through site (Boulevard)	£50,000.00	£25,000.00	£25,000.00
4	Infrastructure works	New substation to service additional properties	£200,000.00	£200,000.00	£0.00
5	Services Diversions/ Disconnections	Diversion and disconnection of existing services	£400,000.00	£200,000.00	£200,000.00
6	Remediation costs	Remediation cost	£15,000,000.00	£7,918,994.41	£7,081,005.59
7	Surface water pipework	Expected Attenuation	£400,000.00	£200,000.00	£200,000.00
8	Drainage works	Hydro break MH	£20,000.00	£10,000.00	£10,000.00
9	Retaining structures to plots across site	Assumed retaining structure 500mm	£300,000.00	£150,000.00	£150,000.00
10	Ecological surveys after planning application	Ecological surveys	£3,000.00	£1,500.00	£1,500.00
11	Air quality	Infrastructure only to apartments	£100,000.00	£61,538.46	£38,461.54
12	SUDS	Excavation relating to swales	£75,000.00	£75,000.00	£0.00
13	Surface Water Land Drains	Allowance for Land Drainage	£150,000.00	£75,000.00	£75,000.00
14	S106	Expected cost	£1,464,000.00	£732,000.00	£732,000.00
15	Planning Risk	Potential risk from planning (Sheds, elevational treatments, etc)	£40,000.00	£20,000.00	£20,000.00
16	Areas of POS	Allowance for landscaping to POS areas	£376,965.00	£248,796.90	£128,168.10
			£20,726,465.00	£11,175,829.77	£9,550,635.23

Appendix IV – Mixed Tenure Values/Income

Jackson's Brickworks, Ten Acres Lane, Newton Heath

Phase 2 - Affordable Units

Phase 2 - Affordable Units						GDV: OMV		GDV: PROPOSED TENURE										
Type	Beds		Size	Units	Sq Ft	Tenure		Shared Ownership Equity	Rent pw	Rent pcm	Apartments Houses Gross Rent	20.0% 18.0% Management Costs	Net Rent	Cap at 5.75%	Grant / Unit	Total	Total Capitalised Rent (incl. Grant)	Total Sale Receipts
Apartments																		
Type 1	1B2P	Apartment	407	8	3,256	Social Rent	£125,000		£76.50	£332	£3,978	-£796	£3,182	£55,346	£59,000	£114,346	£914,769	
			407	9	3,663	Affordable Rent	£125,000		£138.00	£598	£7,176	-£1,435	£5,741	£99,840	£40,000	£139,840	£1,258,560	
Type 2	2B3/4P	Apartment	692	35	24,220	Shared Ownership - RENTAL (50%)	£145,000		£38.34	£166	£1,994	-£399	£1,595	£27,739	£40,000	£67,739	£2,370,870	
						Shared Ownership - EQUITY (50%)		£72,500										£2,537,500
			692	16	11,072	Affordable Rent	£145,000		£149.50	£648	£7,774	-£1,555	£6,219	£108,160	£40,000	£148,160	£2,370,560	
Houses																		
Type A	2B3P	House	766	10	7,660	Social Rent	£230,000		£92.50	£401	£4,810	-£866	£3,944	£68,595	£59,000	£127,595	£1,275,948	
			766	27	20,682	Shared Ownership - RENTAL (50%)	£230,000		£60.82	£264	£3,163	-£569	£2,593	£45,100	£40,000	£85,100	£2,297,700	
						Shared Ownership - EQUITY (50%)		£115,000										£3,105,000
Type B	2B4P	House	895	21	18,795	Shared Ownership - RENTAL (50%)	£245,000		£64.78	£281	£3,369	-£606	£2,762	£48,041	£40,000	£88,041	£1,848,867	
						Shared Ownership - EQUITY (50%)		£122,500										£2,572,500
			895	8	7,160	Social Rent	£245,000		£94.75	£411	£4,927	-£887	£4,040	£70,263	£40,000	£110,263	£882,106	
Type C	3B4P	House	943	25	23,575	Affordable Rent	£255,000		£166.80	£723	£8,674	-£1,561	£7,112	£123,693	£59,000	£182,693	£4,567,327	
Type D	3B4P	House	1,008	14	14,112	Affordable Rent	£255,000		£166.80	£723	£8,674	-£1,561	£7,112	£123,693	£40,000	£163,693	£2,291,703	
Type E	3B5P	2.5 storey House	1,121	35	39,235	Shared Ownership - RENTAL (50%)	£255,000		£67.43	£292	£3,506	-£631	£2,875	£50,002	£40,000	£90,002	£3,150,076	
						Shared Ownership - EQUITY (50%)		£127,500										£4,462,500
			1,121	20	22,420	Affordable Rent	£255,000		£166.80	£723	£8,674	-£1,561	£7,112	£123,693	£59,000	£182,693	£3,653,862	
			228		195,850		£49,105,000		£1,283	£5,560	£66,717		£54,290	£16,565,348			£26,882,348	
Gross Area	195,850	sq.ft																
Houses G:N	100%																	
													Investment Purchaser's Costs		4.80%		-£1,231,253	
													NET DEVELOPMENT VALUE				£25,651,095	£12,677,500
													TOTAL				£38,328,595	

Discount to VP @ 22%

Jackson's Brickworks, Ten Acres Lane, Newton Heath

Phase 2 - Private Rented Units

Phase 2 - Private Rented Units										Apartments	20.0%			
Type	Beds		Size	Units	Sq Ft	Tenure	OMV	Rent pw	Rent pcm	Houses	18.0%	Cap at		
										Gross Rent	Management (Net Rent	5.75%	Total Capitalised Rent	
Apartments														
Type 1	1B2P	Apartment		407	25	10,175	Private Rent	£135,000	£161.50	£700	£8,398	-£1,680	£6,718	£116,842
Houses														
Type A	2B3P	House		766	16	12,256	Private Rent	£230,000	£196.20	£850	£10,202	-£1,836	£8,366	£145,495
Type F	3B6P	3 storey House		1,284	5	6,420	Private Rent	£255,000	£219.25	£950	£11,401	-£2,052	£9,349	£162,588
Type G	4B6P	3 storey House		1,220	19	23,180	Private Rent	£315,000	£242.25	£1,050	£12,597	-£2,267	£10,330	£179,644
Type H	4B8P	3 Storey House		1,442	19	27,398	Private Rent	£360,000	£265.33	£1,150	£13,797	-£2,483	£11,314	£196,759
				84		79,429		£21,155,000	£1,085	£4,700	£931,682		£46,076	£801,329
Gross Area											Investment Purchaser's Costs		4.80%	-£605,202
Houses G:N											NET DEVELOPMENT VALUE		£12,608,374	
											TOTAL		£12,608,374	
											Discount to VP @		40%	

Discount to VP @ 40%

Appendix V – Summary Development Appraisals

Jackson's Brickworks Phases 1 & 2
Your Housing Group
Open Market Sales Basis

Ten Acres Lane
Newton Heath

Development Appraisal
Prepared by TDC
Tim Claxton Property Limited
April 1, 2022

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED**

Jackson's Brickworks Phases 1 & 2
Your Housing Group
Open Market Sales Basis

Appraisal Summary for Merged Phases 1 2 3 4 5 6 7

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Type A - 2B3P Mews (758 sq.ft)	41	31,078	303.43	230,000	9,430,000
Type B - 2B4P Mews (898 sq.ft)	18	16,164	272.83	245,000	4,410,000
Type C - 3B4P Mews (946 sq.ft)	59	55,814	264.27	250,000	14,750,000
Type D - 3B4P Mews (1,008 sq.ft)	8	8,064	252.98	255,000	2,040,000
Type E - 3B5P Mews 2.5 storey (1,102 sq.ft)	59	65,018	231.40	255,000	15,045,000
Type F - 3B6P Mews 3 storey (1,249 sq.ft)	8	9,992	240.19	300,000	2,400,000
Type G - 3B6P Detached 3 storey (1,251 sq.ft)	3	3,753	251.80	315,000	945,000
Type H - 4B6P Mews 3 storey (1,217 sq.ft)	34	41,378	258.83	315,000	10,710,000
Type I - 4B8P Mews 3 storey (1,438 sq.ft)	14	20,132	250.35	360,000	5,040,000
Pre-sale Type 1 - 1B2P Apt (541 sq.ft)	10	5,410	249.54	135,000	1,350,000
Type 1 - 1B2P Apt (541 sq.ft)	10	5,410	249.54	135,000	1,350,000
Pre-sale Type 2 - 2B3P Apt (664 sq.ft)	20	13,280	218.37	145,000	2,900,000
Type 2 - 2B3P Apt (664 sq.ft)	19	12,616	218.37	145,000	2,755,000
Pre-sale Type 3 - 2B4P Apt (763 sq.ft)	22	16,786	203.15	155,000	3,410,000
Type 3 - 2B4P Apt (763 sq.ft)	23	17,549	203.15	155,000	3,565,000
Pre-sale Type a - 1B1P Apt (527 sq.ft)	1	527	251.42	132,500	132,500
Pre-sale Type b - 1B2P Apt (541 sq.ft)	6	3,246	249.54	135,000	810,000
Type b - 1B2P Apt (541 sq.ft)	5	2,705	249.54	135,000	675,000
Pre-sale Type c - 2B3P Apt (660 sq.ft)	3	1,980	219.70	145,000	435,000
Type c - 2B3P Apt (660 sq.ft)	3	1,980	219.70	145,000	435,000
Pre-sale Type d - 2B4P Apt (757 sq.ft)	6	4,542	204.76	155,000	930,000
Type d - 2B4P Apt (757 sq.ft)	6	4,542	204.76	155,000	930,000
Type A - 2B3P Mews (766 sq.ft)	71	54,386	300.26	230,000	16,330,000
Type B - 2B4P (895 sq.ft)	29	25,955	273.74	245,000	7,105,000
Type C - 3B4P (943 sq.ft)	25	23,575	265.11	250,000	6,250,000
Type D - 3B5P (1,008 sq.ft)	14	14,112	252.98	255,000	3,570,000
Type E - 3B5P 2.5 storey (1,121 sq.ft)	55	61,655	227.48	255,000	14,025,000

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Jackson's Brickworks Phases 1 & 2****Your Housing Group****Open Market Sales Basis**

Type F - 3B6P 3 storey (1,284 sq.ft)	5	6,420	233.64	300,000	1,500,000
Type G - 4B6P 3 storey (1,220 sq.ft)	19	23,180	258.20	315,000	5,985,000
Type H - 4B8P 3 storey (1,442 sq.ft)	19	27,398	249.65	360,000	6,840,000
Pre-sale Type 1 - 1B2P Apt (407 sq.ft)	21	8,547	307.13	125,000	2,625,000
Type 1 - 1B2P Apt (407 sq.ft)	21	8,547	307.13	125,000	2,625,000
Pre-sale Type 2 - 2B3P Apt (692 sq.ft)	29	20,068	209.54	145,000	4,205,000
Type 2 - 2B3P Apt (692 sq.ft)	<u>30</u>	<u>20,760</u>	209.54	145,000	<u>4,350,000</u>
Totals	716	636,569			159,857,500

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Cafe (1,746 sq.ft)	1	1,746	13.00	22,698	22,698	22,698
Community (4,893 sq.ft)	<u>1</u>	<u>4,893</u>	5.00	24,465	<u>24,465</u>	<u>24,465</u>
Totals	2	6,639			47,163	47,163

Investment Valuation**Cafe (1,746 sq.ft)**

Market Rent	22,698	YP @	8.0000%	12.5000	
		PV 1yr 1mth @	8.0000%	0.9200	261,029

Community (4,893 sq.ft)

Market Rent	24,465	YP @	10.0000%	10.0000	
		PV 1yr 1mth @	10.0000%	0.9019	220,650

Total Investment Valuation**481,678****GROSS DEVELOPMENT VALUE****160,339,178**

Purchaser's Costs		(23,121)	
Effective Purchaser's Costs Rate	4.80%		(23,121)

NET DEVELOPMENT VALUE**160,316,058**

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED**
Jackson's Brickworks Phases 1 & 2
Your Housing Group
Open Market Sales Basis
Additional Revenue

Brownfield Land Grant	3,700,000	
School Site Receipt	6,000,000	
		9,700,000

NET REALISATION**170,016,058****OUTLAY****ACQUISITION COSTS**

Fixed Price	937,750	
Fixed Price	1,437,700	
Total Acquisition	2,375,450	
		2,375,450
Stamp Duty	5.00%	118,773
Agent Fee	1.00%	23,755
Legal Fee	0.80%	19,004
		161,531

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Cafe (1,746 sq.ft)	1,746	158.84	277,335
Community (4,893 sq.ft)	4,893	158.84	777,204
Type A - 2B3P Mews (758 sq.ft)	31,078	158.84	4,936,430
Type B - 2B4P Mews (898 sq.ft)	16,164	158.84	2,567,490
Type C - 3B4P Mews (946 sq.ft)	55,814	158.84	8,865,496
Type D - 3B4P Mews (1,008 sq.ft)	8,064	158.84	1,280,886
Type E - 3B5P Mews 2.5 storey (1,102 sq.ft)	65,018	158.84	10,327,459
Type F - 3B6P Mews 3 storey (1,249 sq.ft)	9,992	158.84	1,587,129
Type G - 3B6P Detached 3 storey (1,251 sq.ft)	3,753	158.84	596,127
Type H - 4B6P Mews 3 storey (1,217 sq.ft)	41,378	158.84	6,572,482
Type I - 4B8P Mews 3 storey (1,438 sq.ft)	20,132	158.84	3,197,767
Pre-sale Type 1 - 1B2P Apt (541 sq.ft)	5,410	158.84	859,324

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Jackson's Brickworks Phases 1 & 2****Your Housing Group****Open Market Sales Basis**

Type 1 - 1B2P Apt (541 sq.ft)	5,410	158.84	859,324
Pre-sale Type 2 - 2B3P Apt (664 sq.ft)	13,280	158.84	2,109,395
Type 2 - 2B3P Apt (664 sq.ft)	12,616	158.84	2,003,925
Pre-sale Type 3 - 2B4P Apt (763 sq.ft)	16,786	158.84	2,666,288
Type 3 - 2B4P Apt (763 sq.ft)	17,549	158.84	2,787,483
Pre-sale Type a - 1B1P Apt (527 sq.ft)	527	158.84	83,709
Pre-sale Type b - 1B2P Apt (541 sq.ft)	3,246	158.84	515,595
Type b - 1B2P Apt (541 sq.ft)	2,705	158.84	429,662
Pre-sale Type c - 2B3P Apt (660 sq.ft)	1,980	158.84	314,503
Type c - 2B3P Apt (660 sq.ft)	1,980	158.84	314,503
Pre-sale Type d - 2B4P Apt (757 sq.ft)	4,542	158.84	721,451
Type d - 2B4P Apt (757 sq.ft)	4,542	158.84	721,451
Type A - 2B3P Mews (766 sq.ft)	54,386	154.06	8,378,707
Type B - 2B4P (895 sq.ft)	25,955	154.06	3,998,627
Type C - 3B4P (943 sq.ft)	23,575	154.06	3,631,965
Type D - 3B5P (1,008 sq.ft)	14,112	154.06	2,174,095
Type E - 3B5P 2.5 storey (1,121 sq.ft)	61,655	154.06	9,498,569
Type F - 3B6P 3 storey (1,284 sq.ft)	6,420	154.06	989,065
Type G - 4B6P 3 storey (1,220 sq.ft)	23,180	154.06	3,571,111
Type H - 4B8P 3 storey (1,442 sq.ft)	27,398	154.06	4,220,936
Pre-sale Type 1 - 1B2P Apt (407 sq.ft)	8,547	154.06	1,316,751
Type 1 - 1B2P Apt (407 sq.ft)	8,547	154.06	1,316,751
Pre-sale Type 2 - 2B3P Apt (692 sq.ft)	20,068	154.06	3,091,676
Type 2 - 2B3P Apt (692 sq.ft)	<u>20,760</u>	154.06	<u>3,198,286</u>
Totals	643,208 ft²		100,758,956
			100,758,956

Other Construction Costs

Allowance for Future Homes Standard			6,449,174
External Works	251,393 ft ²	14.87	3,738,214
External Works	90,573 ft ²	14.87	1,346,821
External Works	6,639 ft ²	14.87	98,722
Allowance for Future Homes Standard			5,450,235
External Works	236,681 ft ²	15.52	3,673,289
External Works	57,922 ft ²	15.52	898,949

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Jackson's Brickworks Phases 1 & 2****Your Housing Group****Open Market Sales Basis**

PH1 Abnormals - Remediation		7,918,994	
PH1 Abnormals		2,503,335	
PH2 Abnormal - Remediation		7,081,006	
PH2 Abnormals		1,716,130	
			40,874,869

PROFESSIONAL FEES

Houses Fees	6.00%	2,395,876	
Apartments Fees	6.00%	863,197	
Commercial Fees	6.00%	63,272	
Houses Fees	6.00%	2,187,784	
Apartments Fees	6.00%	535,408	
			6,045,537

MARKETING & LETTING

Marketing	2.50%	3,996,438	
			3,996,438

TOTAL COSTS BEFORE FINANCE**154,212,781****FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			4,645,276

TOTAL COSTS**158,858,057****PROFIT****11,158,001****Performance Measures**

Profit on Cost%	7.02%
Profit on GDV%	6.96%
Profit on NDV%	6.96%
Development Yield% (on Rent)	0.03%

APPRAISAL SUMMARY

TIM CLAXTON PROPERTY LIMITED

Jackson's Brickworks Phases 1 & 2

Your Housing Group

Open Market Sales Basis

IRR% (without Interest)

15.02%

Jackson's Brickworks Phases 1 & 2
Your Housing Group
YHG Tenure Basis

Ten Acres Lane
Newton Heath

Development Appraisal
Prepared by TDC
Tim Claxton Property Limited
April 1, 2022

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED**

Jackson's Brickworks Phases 1 & 2
Your Housing Group
YHG Tenure Basis

Appraisal Summary for Merged Phases 1 2 3 4 5 6 7**Currency in £****REVENUE**

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Type B - 2B4P Mews (898 sq.ft)	9	8,082	272.83	245,000	2,205,000
Type F - 3B6P Mews 3 storey (1,249 sq.ft)	6	7,494	240.19	300,000	1,800,000
Type H - 4B6P Mews 3 storey (1,217 sq.ft)	7	8,519	258.83	315,000	2,205,000
Type I - 4B8P Mews 3 storey (1,438 sq.ft)	6	8,628	250.35	360,000	2,160,000
PH1 Affordable Tenure Investment Value	1	228,603	185.59	42,427,403	42,427,403
PH1 PRS Investment Value	1	80,640	167.58	13,513,376	13,513,376
Type A - 2B3P Mews (766 sq.ft)	18	13,788	297.93	228,212	4,107,824
PH2 Affordable Investment Value	1	195,850	195.70	38,328,595	38,328,595
PH2 PRS Investment Value	1	79,429	158.74	12,608,374	12,608,374
Pre-sale Type 2 - 2B3/4P Apt (692 sq.ft)	4	2,768	220.03	152,261	609,044
Type 2 - 2B3/4P Apt (692 sq.ft)	<u>4</u>	<u>2,768</u>	220.03	152,261	<u>609,044</u>
Totals	58	636,569			120,573,660

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Cafe (1,746 sq.ft)	1	1,746	13.00	22,698	22,698	22,698
Community (4,893 sq.ft)	<u>1</u>	<u>4,893</u>	5.00	24,465	<u>24,465</u>	<u>24,465</u>
Totals	2	6,639			47,163	47,163

Investment Valuation**Cafe (1,746 sq.ft)**

Current Rent	22,698	YP @	8.0000%	12.5000	283,725
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Community (4,893 sq.ft)

Current Rent	24,465	YP @	10.0000%	10.0000	244,650
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APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Jackson's Brickworks Phases 1 & 2****Your Housing Group****YHG Tenure Basis****Total Investment Valuation****528,375****GROSS DEVELOPMENT VALUE****121,102,035****Additional Revenue**

Brownfield Land Grant

3,700,000

School Site Receipt

6,000,000

9,700,000

NET REALISATION**130,802,035****OUTLAY****ACQUISITION COSTS**

Fixed Price

937,750

Fixed Price

1,437,700

Total Acquisition

2,375,450

2,375,450

Stamp Duty

5.00%

118,773

Agent Fee

1.00%

23,755

Legal Fee

0.80%

19,004

161,531

CONSTRUCTION COSTS**Construction****ft² Build Rate ft²****Cost**

Cafe (1,746 sq.ft)

1,746

158.84

277,335

Community (4,893 sq.ft)

4,893

158.84

777,204

Type B - 2B4P Mews (898 sq.ft)

8,082

158.84

1,283,745

Type F - 3B6P Mews 3 storey (1,249 sq.ft)

7,494

158.84

1,190,347

Type H - 4B6P Mews 3 storey (1,217 sq.ft)

8,519

158.84

1,353,158

Type I - 4B8P Mews 3 storey (1,438 sq.ft)

8,628

158.84

1,370,472

PH1 Affordable Tenure Investment Value

228,603

158.84

36,311,301

PH1 PRS Investment Value

80,640

158.84

12,808,858

Type A - 2B3P Mews (766 sq.ft)

13,788

154.06

2,124,179

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Jackson's Brickworks Phases 1 & 2****Your Housing Group****YHG Tenure Basis**

PH2 Affordable Investment Value	195,850	154.06	30,172,651
PH2 PRS Investment Value	79,429	154.06	12,236,832
Pre-sale Type 2 - 2B3/4P Apt (692 sq.ft)	2,768	154.06	426,438
Type 2 - 2B3/4P Apt (692 sq.ft)	<u>2,768</u>	154.06	<u>426,438</u>
Totals	643,208 ft²		100,758,956

100,758,956

Other Construction Costs

Allowance for Future Homes Standard			6,449,174
External Works	341,966 ft²	14.87	5,085,034
External Works	6,639 ft²	14.87	98,722
Allowance for Future Homes Standard			5,450,235
External Works	289,067 ft²	15.52	4,486,320
External Works	5,536 ft²	15.52	85,919
PH1 Abnormals - Remediation			7,918,994
PH1 Abnormals			2,503,335
PH2 Abnormals - Remediation			7,081,006
PH2 Abnormals			1,716,130
			40,874,869

PROFESSIONAL FEES

Houses Fees	6.00%	3,259,073
Commercial Fees	6.00%	63,272
Houses Fees	6.00%	2,672,020
Apartments Fees	6.00%	51,173
		6,045,537

MARKETING & LETTING

Marketing	2.50%	209,250
		209,250

TOTAL COSTS BEFORE FINANCE**150,425,593****FINANCE**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)	
Total Finance Cost	14,392,152

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED**

Jackson's Brickworks Phases 1 & 2
Your Housing Group
YHG Tenure Basis

TOTAL COSTS 164,817,745

PROFIT
(34,015,710)

Performance Measures

Profit on Cost%	-20.64%
Profit on GDV%	-28.09%
Profit on NDV%	-28.09%
Development Yield% (on Rent)	0.03%
IRR% (without Interest)	-10.04%