

Financial Viability Statement

Victoria House, Great Ancoats Street

Prepared on behalf of:

Forshaw Land & Property Group Ltd

March 2020

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Client

Forshaw Land & Property Group Ltd

Date

March 2020

Declaration: Conformity with RICS Professional Statement

The RICS Professional Statement Financial Viability in Planning, September 2019, 1st Edition

Confirmation of conformity with the RICS Professional Statement Financial Viability in Planning, September 2019, 1st Edition, is set out within the following sub-sections.

Instruction and Purpose of Report

In accordance with email correspondence and an instruction dated 30 January 2020, Turley has been instructed by Forshaw Land & Property Group Ltd to objectively assess, and report upon, the financial viability of a proposed residential development comprising 177 build to rent ('BTR') apartment units at Victoria House, Great Ancoats Street, Manchester.

The purpose of the viability assessment ('VA') is to test the financial viability of the Proposed Development of the Site, taking into account the policy requirements set by the Manchester City Council ('MCC') as well as national planning policy and guidance.

Objectivity, impartiality and reasonableness

Turley places the utmost importance on the integrity, impartiality and potential conflicts of interests in carrying out its services, and seeks to identify and assess all relationships which may result in a conflict of interest or pose a threat to impartiality. Turley aims to inspire confidence by being open and impartial, offering transparency of process, being fair and maintaining the confidentiality of our clients.

In undertaking this instruction and carrying out the viability assessment, Turley confirms that at all times we have acted impartially, with objectivity, without interference and with reference to all appropriate available sources of information.

Turley confirms that adequate time has been provided to produce this report.

Turley confirms that there is no instruction in place to undertake an Area-Wide viability assessment concerning existing and future planning policies against which the Proposed Development scheme will, in due course be considered.

Turley has set out a full explanation of the evidence provided with reasoned justification. It is noted that it is a requirement to seek to secure resolution of any differences of opinion between parties where possible, should these arise.

Conflict(s) of interest

Turley confirms, to the best of its knowledge, that no conflict or risk of conflict of interest exists in carrying out this viability assessment on behalf of the Applicant and in respect of the Site.

Contingent Fee

In preparing this report, no performance related or contingent fees have been agreed between Turley and the Applicant.

Confidentiality and Publication

This viability assessment has been prepared on the basis that it is expected to be made publicly available, other than in exceptional circumstances.

Where information may compromise delivery of the Proposed Development or infringe other statutory and regulatory requirements, these exceptions will be discussed and agreed with the Local Planning Authority (LPA) and documented early in the process. Commercially sensitive information will be presented in aggregate form following these discussions. Any sensitive personal information will not be made public.

Personnel

This report has been prepared and countersigned by:



Steve Smith MRICS

Associate Director, Development Viability

For and on behalf of Turley



Matt Spilsbury MRICS MRTPI

Director, Head of Development Viability

For and on behalf of Turley

Executive Summary

Turley has been appointed by Forshaw Land & Property Group Ltd (hereafter 'the Applicant') to objectively assess, and report upon, the financial viability of a proposed residential development comprising 177 build to rent ('BTR') apartment units ('the Proposed Development') at Victoria House, Great Ancoats Street, Manchester ('the Site').

The purpose of the viability assessment ('VA') is to test the financial viability of the Proposed Development of the Site, taking into account the policy requirements set by Manchester City Council ('MCC') as well as national planning policy and guidance.

By way of analysis set out in chapter 5 of this document, it is considered that the benchmark land value ('BLV') for the Site is £880,890.

In comparison, the Proposed Development viability appraisal generates a residual land value ('RLV') of £249,394, at the minimum developer's profit of 10% on development cost, with the RLV falling below the BLV.

The RLV generated by financial appraisal of the Proposed Development accounts for payment of a £479,000 public realm contribution, which the Applicant has confirmed is in accordance with the draft PSE Collaboration Agreement, attached to an outline planning permission (ref: 121467/FO/2018) for demolition and public realm delivery.

In sensitivity testing the viability of the Proposed Development, a financial appraisal has been carried out for an alternative 'build for sale' scheme to determine if financial viability would be increased under such a model.

The build for sale viability appraisal demonstrates that, to generate the minimum risk-adjusted developer's return of 17.5% profit on GDV, the residual land value (RLV) generated equates to -£1,558,605, which falls significantly (further) below the BLV and demonstrates that the Proposed Development would be financially unviable if developed in the current market as an open market sale scheme.

On this basis it is therefore deemed appropriate that MCC applies the flexibility provided within its Local Plan policies in order to support the delivery of the Proposed Development of the Site (as a BTR scheme), which would be undertaken at the developer's risk.

As supported by national planning policy and guidance, it is recommended that the Proposed Development does not contribute any affordable housing units (or a payment in lieu of on-site provision) or any further sums towards planning obligations (beyond the Public Realm contribution incorporated).

1. Introduction

Instruction

- 1.1 Turley has been appointed by the Applicant to objectively assess, and report upon, the financial viability of a proposed residential development comprising 177 build to rent ('BTR') apartment units ('the Proposed Development') at Victoria House, Great Ancoats Street, Manchester ('the Site').
- 1.2 The purpose of the viability assessment ('VA') is to test the financial viability of the Proposed Development of the Site, taking into account the policy requirements set by Manchester City Council ('MCC') as well as national planning policy and guidance.

Justification for Viability Assessment

- 1.3 National Planning Policy Framework ('NPPF')¹ and Planning Practice Guidance for Viability ('PPGV')² set out the key principles which should be considered when assessing the viability of development at the plan-making and decision-taking stages.
- 1.4 PPGV, Paragraph 007, states that *"where up-to-date planning policies have set out contributions expected from development, planning applications which comply with them should be assumed to be viable."* It is for the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.
- 1.5 The circumstances that justify the need for a decision-taking viability assessment could include:
 - where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan;
 - where further information on infrastructure or site costs is required;
 - where particular types of development are proposed which may significantly vary from standard models of development for sale (for example BTR or housing for older people); or
 - where a recession or similar significant economic changes have occurred since the plan was brought into force.
- 1.6 The Applicant considers that particular circumstances exist which justify the requirement for a viability assessment at application stage, for the Proposed Development. The principal circumstances which support the requirement for a viability assessment in this instance are:

¹ MHCLG (2019) National Planning Policy Framework (NPPF)

² MHCLG (2019) Planning Practice Guidance: Viability

- BTR apartment delivery is not modelled in the Local Plan (Manchester Core Strategy) Viability Assessment;
 - An out-of-date Local Plan Viability Assessment: Assessment of the Viability of SHLAA and Strategic Sites, dated October 2009.
- 1.7 This report demonstrates the need for MCC to apply the flexibility provided within the Local Plan policies in order to support the viable delivery of the Proposed Development of the Site.

Context

Subject Site Location & Access

- 1.8 The Site is located on the eastern edge of Manchester City Centre and occupies an area of approximately 0.16 hectares (0.39 acres).
- 1.9 The Site is bounded by Great Ancoats Street to the north-east, Epworth Street to the east, existing industrial development to the south / south-west and Longacre Street to the west / north-west. A location plan is provided within **Appendix 1**.
- 1.10 The Site is located within walking distance of Piccadilly Station, the Etihad Campus, New Islington, Ancoats and the Northern Quarter and is therefore within a sustainable location for regeneration and development. The New Islington metro-link stop is located 450m to the north of the Site and Manchester Piccadilly railway station lies 1km to the south-west.
- 1.11 The Site comprises previously developed land and is occupied by an existing single storey industrial unit, with ancillary offices, currently operated as a safety deposit centre with a service yard providing car parking to the rear.
- 1.12 The Site is within an area that is currently undergoing, and will continue to undergo, transformational change as part of the Manchester Piccadilly Strategic Regeneration Framework ('MP SRF') and the Portugal Street East SRF ('PSE SRF').

Manchester Piccadilly SRF

- 1.13 The MP SRF (updated in 2018) considers the regeneration potential for the Manchester Piccadilly area – utilising the arrival of HS2 and Northern Powerhouse Rail ('NPR') as its catalyst - and comprises a high level document which demonstrates the potential scale and type of development that could be achieved in the area.
- 1.14 The overarching objectives of the MP SRF are: to create a 'One Station Solution', providing seamless integration between national, regional and local transport modes; to improve station connectivity to the City and station integration with surrounding development; to provide a World Class Destination that serves not only the travelling public but also the local / wider environs; to remove constraints that currently fetter the main entrance to create a new public space that properly announces arrival into the city; and to strengthen wider connectivity with neighbouring areas.
- 1.15 The MP SRF identifies the Site within the Piccadilly Central area, which is proposed to be a district of dense, mixed use development focused around high quality public space.

Portugal Street East SRF

- 1.16 The PSE SRF forms an extension to the MP SRF, and serves to guide future development/ regeneration within this specific area. The vision for the PSE SRF is:

“... to shape and realise the city’s ambitions to regenerate and transform the neighbourhood surrounding the Piccadilly train station and create a sense of place for the area. The successful delivery of the masterplan will create a new vibrant mixed-use, pedestrian community, which complements the arrival of HS2 and strengthens Manchester’s Eastern Gateway.”

- 1.17 The PSE SRF proposes that future development will provide a new residential-led community, which achieves a density that optimises the area’s ‘uniquely accessible’ location within the City Centre³. As the area will predominantly comprise residential development, smaller complementary uses at ground-floor level are encouraged to provide active frontages⁴ to high quality public spaces and public realm⁵. The improved public realm is identified as important to the success of the area and the delivery of the PSE SRF area as an ‘urban gateway’ to Piccadilly. The regeneration of the PSE SRF area will assist MCC in realising the opportunities created by HS2 and the potential of this area as a high quality neighbourhood that can act as a further catalyst to regeneration of the wider Manchester Piccadilly SRF and support Manchester’s regeneration objectives across its eastern gateway.
- 1.18 The Site is referred to as ‘Plot F’ within the PSE SRF and forms an integral part of the Masterplan Area. It is located at the northern tip of the PSE SRF area, adjacent to the intersection of Great Ancoats Street, Pollard Street and the Metrolink line/ green boulevard / Chapeltown Street.

Planning History and Status

- 1.19 A review of the MCC’s online planning application public access database has been undertaken to identify any relevant planning history pertaining to the Site.
- 1.20 Recent planning applications at the Site are summarised in Table 1.1, and include the demolition of the existing buildings within the PSE SRF Masterplan Area and an extension and alterations to this existing building at the Site.

³ Manchester City Council Manchester Piccadilly SRF – Page 34

⁴ Manchester City Council Manchester Piccadilly SRF – Para 6.12

⁵ Manchester City Council Manchester Piccadilly SRF – Page 32

Table 1.1: Planning History | The Site

Planning Ref.	Description	Decision	Decision Date
121467/FO/2018	Phased demolition of existing buildings including those within Plots A to E and delivery of public realm (including hard and soft landscaping, tree planting and street furniture), including a public square, highways improvements and associated works.	Pending	-
105098/FO/2014/C2	The erection of a single storey rear extension, including elevation alterations to re clad the existing building, the formation of a new boundary treatment to facilitate the change of use of the vacant industrial unit to provide storage for locksmith equipment and vehicles with ancillary office use with staff parking, and a secure safety deposit facility for visiting members of the public with visitor car parking provision.	Approved	06/10/2014

Source: Manchester City Council

- 1.21 Other recent, relevant and/ or significant planning applications within proximity of the Site, and within the PSE SRF, are detailed within Table 1.2. This includes a 488 unit apartment development at Portugal Street East (minded for approval) and approved applications for hotel developments of 212 and 275 bedrooms.

Table 1.2: Planning History | Proximate to the Site

Planning Ref.	Address	Description	Decision	Decision Date
121099/FO/2018	Land At Portugal Street East, Manchester, M1 2WX	Construction of two residential buildings (Use Class C3) comprising Block 1 (29 storeys) (224 apartments (4 x 1 bed 1 person, 52 x 1 bed 2 person, 64 x 2 bed 3 person and 104 x 2 bed 4 person) 25% 1 bed and 75 % 2 bed) Block 2 (23 storeys) (264 apartments 44 x1 bed 1 person, 44 x 1 bed 2 person, 92 x 2 bed 3 person and 84 x 2 bed 4 person) (33% 1 bed and 67%% 2 bed) with a linked central podium, to deliver 488 units, shared amenity space, 27 car parking spaces, 492 cycle spaces, landscaping (including new public park) , lighting, highways and associated	Minded to approve (committee meeting, 16 January 2020)	-

Planning Ref.	Address	Description	Decision	Decision Date
		works following demolition of existing buildings and structures.		
124495/FO/2 019	Land At Great Ancoats Street, Manchester, M4 7DB	Erection of a 12 storey building to create a 212-bedroom hotel (Use Class C1) with ancillary facilities at ground and first floor level and associated servicing, disabled car parking, drop-off area, public realm and hard landscaping works, with access from Pollard Street.	Approved	19/12/2019
122599/FO/2 019	1 Adair Street, Manchester, M1 2NQ	Demolition of existing building and erection of a 13 / part 14 (plant level) storey building to create a 275-bedroom hotel (Class C1 Use).	Approved	23/09/2019
120090/DEM/ 2018	Rammon House, Portugal Street East, Manchester	Prior approval for demolition.	No Objection	02/07/2018
113363/FO/2 016	Land Bounded By Chapeltown Street, Fair Street, The Metrolink And Congou Street, Crusader Works, 72-76 Chapeltown Street, Manchester, M1 2WH	Conversion of former Crusader works to create 126 apartments (Use Class C3) and associated elevational alterations; the erection of a 10 storey building containing 75 apartments (Class C3) following the demolition of Block 4; the creation of a new landscaped courtyard following the demolition of existing buildings within a shared yard space; and, the provision of 201 cycle parking spaces, lighting and other associated works.	Approved	21/10/2016

Source: Manchester City Council

Submitted Planning Application

- 1.22 Following extensive pre-application engagement with MCC, it is understood that the Applicant intends to submit a full planning application for the Proposed Development imminently.

Disclaimer

- 1.23 This report does not constitute a valuation, and cannot be regarded, or relied upon as a valuation as it falls outside of the RICS Valuation – Professional Standards (the ‘Red Book’)⁶.

⁶ RICS (2017) RICS Valuation, Global Standards 2017

- 1.24 This report provides a guide for feasibility in line with the purpose for which the assessment is required, as stated within the RICS Financial Viability in Planning (2012) Guidance Note⁷.

Date of Appraisal

- 1.25 The date of appraisal is the stated date on the cover of this report. Subject to all site specific variables remaining constant and, in the absence of substantial market or planning policy changes, the inputs to and conclusions of this report remain valid for a period of three months following final publication. Following the passing of this period, or subject to changes in market conditions or planning policy, Turley reserves the right to review both inputs and conclusions.

Document Structure

- 1.26 The viability assessment report is structured as follows:
- **Section 2:** presents the relevant planning policy context.
 - **Section 3:** confirms the approach and methodology to this viability assessment together with a brief review of the relevant current guidance for undertaking viability assessments.
 - **Section 4:** sets out a summary of the principal assumptions and evidence used within this financial viability assessment.
 - **Section 5:** derives the benchmark land value (BLV) or 'Site Value'.
 - **Section 6:** summarises the results of viability assessment.
 - **Section 7:** sets out concluding recommendations to the Applicant and MCC in respect of the level of affordable housing provision and Section 106 planning obligations that can be realistically supported by the Proposed Development in accordance with the National Planning Policy Framework (NPPF) and national Planning Practice Guidance (PPG)⁸.

⁷ RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

⁸ MHCLG (2019) National Planning Practice Guidance – Viability

2. Planning Policy Context

- 2.1 This section of the document presents the relevant national and local planning policy context to viability assessment of the Proposed Development of the Site.

National Planning Policy Framework

- 2.2 The National Planning Policy Framework (NPPF) presents the Government's planning policies for England and how these are expected to be applied.
- 2.3 Paragraph 2 of the NPPF states that planning law requires planning applications to be determined in accordance with the development plan unless material considerations indicate otherwise⁹. The NPPF, along with emerging plans, are material considerations that must be accorded weight within planning decision-making.

Sustainable Development

- 2.4 The presumption in favour of sustainable development runs as a 'golden thread' through decision-making and plan-making as set out within paragraph 11. However, the presumption in favour will not apply where specific policies in the NPPF indicate that development should be restricted.

Affordable Housing

- 2.5 Within Annex 2, the NPPF confirms that affordable housing for rent is expected to be the normal form of affordable housing provision within BTR schemes. This is to be known as Affordable Private Rent ('APR') and must meet the following conditions:
- (a) the rent is set at least 20% below local market rents (including service charges where applicable;
 - (b) where a build to rent scheme the landlord need not be a registered provider; and
 - (c) it includes provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Deliverability & Viability

- 2.6 The NPPF confirms that it is the applicant's responsibility to demonstrate whether the circumstances affecting the development justify the requirement for the submission of a viability assessment at the application stage.
- 2.7 The LPA, as decision maker, must determine the weight to be given to the submitted viability assessment having regard to all the circumstances in the case including the following:
- whether the Plan and viability evidence underpinning it is up to date; and

⁹ Section 38(6) of the Planning and Compulsory Purchase Act 2004

- whether there have been any changes in site circumstances since the Plan was brought into force.

2.8 All viability assessments, including those undertaken at plan-making stage, should reflect the recommended approach in national planning guidance¹⁰.

Planning Practice Guidance for Viability ('PPGV')

2.9 The Government's national planning guidance for understanding viability in both plan making and decision taking is set out within national Planning Practice Guidance for Viability ('PPGV')¹¹.

2.10 Detailed guidance is provided with regard to viability assessment in decision-taking upon individual schemes at the application stage. Firstly, it is the responsibility of the applicant to demonstrate the particular circumstances justifying the need for viability assessment. Whilst not stated as exhaustive, examples stated in PPGV are:

- where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan;
- where further information on infrastructure or site costs is required;
- where particular types of development are proposed which may significantly vary from standard models of development for sale (for example BTR or housing for older people); or
- where a recession or similar significant economic changes have occurred since the plan was brought into force.

2.11 Paragraph 20 confirms that the inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers. Reports and findings should clearly state what assumptions have been made about costs and values (including gross development value, benchmark land value ('BLV') including the landowner premium, developer's return and costs).

2.12 Paragraph 10 confirms the applicant's viability assessment must be based upon and refer back to the viability assessment that informed the plan, and transparently present evidence of any change in site circumstances since the plan was brought into force. It should reflect the Government's recommended approach to defining key inputs as set out in PPGV.

Build to Rent

2.13 Paragraph 019 of PPGV confirms that the economics of build to rent schemes differ from build for sale as they depend on a long term income stream. For BTR it is expected that the normal form of affordable housing provision will be affordable private rent ('APR').

2.14 For individual schemes, PPGV confirms developers may propose alternatives to the policy, such as variations to the discount and proportions of affordable private rent units

¹⁰ MHCLG (2019) National Planning Policy Framework (NPPF)

¹¹ MHCLG (2019) Planning Practice Guidance: Viability

across a development, and the ability to review the value of a scheme (rent levels) over the duration of its life¹².

PPG for Build to Rent

- 2.15 PPG for Build to Rent sets out the Government's national planning guidance for understanding planning for Build to Rent (BTR) development.
- 2.16 The PPG confirms that a '*generally suitable benchmark*' for the level of APR homes to be provided (and maintained in perpetuity) in a build to rent scheme is 20%. It also confirms that the PPG for Viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark on the basis of financial viability.
- 2.17 The rental discount in APR units should be a minimum of 20% relative to local market rents (inclusive of service charges) and should be calculated when a discounted home is rented out or the tenancy is renewed.
- 2.18 Both the proportion of affordable private rent units, and discount offered on them can be varied across a development, over time. Similarly it should be possible to explore a trade-off between the proportion of discounted units and the discount(s) offered on them, with the proviso being that these should accord with the headline affordable housing contribution agreed through the planning permission. All options should be agreed jointly between the local authority and the developer as part of the planning permission, and set out in a section 106 agreement.

Adopted Local Policy

Manchester Development Plan

- 2.19 For the purposes of this assessment, the development plan documents for the Site comprise the following:
- Manchester Core Strategy ('MCS') (adopted July 2012)
 - Extant Unitary Development Plan ('UDP') policies (incl. alterations) (adopted 1995)
- 2.20 Other material considerations include:
- The emerging Greater Manchester Spatial Framework ('GMSF')
 - Guide to development in Manchester SPD (adopted April 2007)
 - Providing for Housing Choice SPD (adopted September 2008)
 - Manchester Piccadilly Strategic Regeneration Framework Update 2018 ('MPSRF')
 - Emerging Portugal Street East Strategic Regeneration Framework ('PSE SRF')

¹² MHCLG (2019) National Planning Practice Guidance – Viability

Manchester Core Strategy

- 2.21 The MCS is a key document of the Manchester' Local Plan and sets out the long term (15 year) strategic policies for Manchester's future development and forms the framework against which planning applications are assessed.

Housing

- 2.22 Spatial objective SO3 (Housing) targets a significant increase in high quality housing provision at sustainable locations throughout the City to address demographic needs and support economic growth.
- 2.23 Policy H1 – Overall Housing Provision, states that approximately 60,000 new dwellings will be provided in Manchester over the period March 2009 to March 2027, which equates to an average of 3,333 units per year.
- 2.24 High density development (over 75 dph) is expected to be appropriate in the City Centre and parts of the Regional Centre – given the accessible location. However, the general distribution and mix of new housing is expected to depend upon:
- The number of available sites identified as potential housing sites in the SHLAA;
 - Land values and financial viability;
 - The need to diversify housing stock in mono-tenure areas by increasing the availability of family housing and the availability of other tenures to meet identified needs, and preserving and improving the quality of the existing housing stock; and
 - The management of areas where Houses in Multiple Occupation predominate.

Affordable Housing

- 2.25 The Council's affordable housing requirements (Policy H8) currently apply to all residential developments on sites of 0.3 hectares and above, or where 15 or more units are proposed. New residential developments that meet this criteria will contribute to the city-wide target of 20% affordable housing provision – expected to be a starting point. The specified affordable housing tenure split is 25% affordable rented accommodation and 75% intermediate housing.
- 2.26 Policy H8 requires affordable housing units to reflect the type and size of the development as a whole and for an inclusive design which reflects the character of the development on the site.
- 2.27 Variations to the affordable housing policy may be permitted where either a financial viability assessment is conducted and demonstrates that it is only viable to deliver only a proportion of the affordable housing target of 20%; or where material considerations indicate that intermediate/ 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."*

Developer Contributions

2.28 In accordance with Policy PA1 – Developer Contributions, the Council may seek to secure planning obligations (in line with Circular 5/2005) for the following:

- Affordable housing
- Education
- Health and wellbeing facilities
- Community facilities
- Provision of Green Infrastructure including open space
- Public realm improvements
- Protection or enhancement of cultural heritage
- Protection or enhancement of environmental value
- Safety and security improvements
- Training and employment initiatives
- Highway improvements, traffic management, sustainable transport and disabled people's access
- Climate change mitigation / adaptation

2.29 The scale of planning obligations sought will relate to the form of development and its potential impact upon the surrounding area. Where appropriate the provisions will be made on site, alternatively a commuted payment is likely to be sought. Site specific conditions and viability issues may be taken into account when determining the nature and scale of the planning obligations.

Providing for Housing Choice – Supplementary Planning Document

2.30 The Providing for Housing Choice SPD was adopted in March 2008. The document recognises the importance of providing a sufficient mix of homes which are decent, affordable and accessible homes to everybody living in Manchester. The SPD provides

planning guidance about the mix of new housing provision to meet the requirements of Manchester.

- 2.31 Paragraphs 5.11 - 5.12 confirm the city-wide affordable housing target of 20% and expected tenure split – as adopted in MCS Policy H8 (affordable Housing).
- 2.32 Paragraph 5.28 states that the types and size of housing provision suitable for each site will vary and should take account of the housing need of the immediate neighbourhood. Where schemes relate to wider regeneration initiatives, the Council may wish to consult with the local community to ensure that local needs are considered. The appropriate mix of development should be part of the pre-application discussions.
- 2.33 Paragraphs 5.49 and 5.50 iterate the presumption that affordable housing will be provided on application sites; however, where it can be robustly justified by reference to local housing needs or the infeasibility of on-site provision, then off-site provision, or a commuted sum or payment in lieu of on-site provision, will be considered.
- 2.34 Paragraph 5.58 sets out examples of exceptions which may allow developers to provide a lower proportion of affordable housing, including where 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; or financially undermine the significant development proposals critical to economic growth within the City and where the financial impact of the provision of affordable housing, combined with other planning obligations would affect scheme viability.
- 2.35 Paragraphs 5.59 – 5.67 set out the exceptional circumstances where particular costs associated with development may be taken into account in order to agree the amount of affordable housing and tenure mix.
- 2.36 Where an applicant proposes to demonstrate particular or ‘abnormal’ costs the onus is on them to show, through a detailed financial appraisal, that these are genuine additional costs that:
- cannot be offset by depreciated land value;
 - were not known prior to purchase; or
 - cannot be recouped in the open market sale price of the new homes.
- 2.37 Financial appraisals to support viability cases should be submitted for pre-application consideration. Where abnormal costs can be demonstrated to the satisfaction of the Council, a negotiated deduction may be agreed, either to the overall scale of affordable provision or to size and/or tenure.

Greater Manchester Spatial Framework

- 2.38 The Greater Manchester Spatial Framework (“GMSF”) will set out a spatial vision for Greater Manchester for a period of 20 years including economic development and housing requirements for each district and key locations for delivery, a town centre hierarchy, strategic transport schemes and other strategic infrastructure.

- 2.39 The GMSF is being progressed as a joint Greater Manchester Plan. It is one of a suite of documents which support the Greater Manchester Combined Authority's ("GMCA") growth and reform ambitions and devolution agreement. The current draft of the GMSF was released in January 2019 and was subject to a consultation which ran from 14 January to 18 March 2019. The (final) document is currently expected to be adopted in December 2021.
- 2.40 Draft Policy GM-H 1 – Scale of New Housing Development, sets out a minimum target of 201,000 net additional dwellings to be delivered in Greater Manchester over the plan period 2018-2037 (an annual average of approximately 10,580). This includes a targeted delivery of at least 50,000 new affordable homes, with at least 30,000 being social rent or affordable rent (draft Policy GM-H 2). This policy supports affordable housing provision either on or off-site.
- 2.41 Draft Policy GM-H 3 – Type, Size and Design of New Housing, seeks to incorporate a range of dwelling types and sizes to meet local needs. The specific mix and sizes of dwellings are to be informed by local plans, masterplans and other guidance, in order to reflect local circumstances.
- 2.42 All new dwellings in Greater Manchester are required to:
- Comply with the nationally described space standards; and
 - Be built to the 'accessible and adaptable' standard in Part M4(2) of the Building Regulations, unless specific site conditions make this impracticable.
- 2.43 In accordance with draft Policy GM-H 4 – Density of New Housing, in order to achieve an appropriate mix of housing across Greater Manchester, densities should typically be delivered as follows:
- (a) 35-70 dwellings per hectare: primarily houses
 - (b) 70-120 dwellings per hectare: mix of houses and apartments
 - (c) 120+ dwellings per hectare: primarily apartments, incorporating houses and/or ground-floor duplexes where practicable.
- 2.44 Housing density should also reflect the relative accessibility of the site by walking, cycling and public transport.

GMSF Consultation 2019 Draft Proposals Map

- 2.45 The Site forms part of a land allocation, referred to as Portugal Street East, which has been identified for future housing development. The Portugal East Street draft allocation is expected to deliver 1,000 net additional apartments during the period 2023-2033.

Portugal Street East Strategic Regeneration Framework

- 2.46 The purpose of the PSE SRF is to guide future development of the Portugal Street East masterplan area, and to realise the opportunities created by HS2 and the potential of this area as a high quality neighbourhood that can act as a catalyst to regeneration of

the wider HS2 masterplan. As such, the overarching objectives of the PSE Framework reflect those of the HS2 Framework.

- 2.47 The Site is referred to as 'Plot F' in the PSE SRF and forms an integral part of the PSE SRF Masterplan Area. The PSE SRF sets the parameters for development in the area and establishes the design principles to which development should adhere.
- 2.48 It is anticipated that residential development could come forward across a range of tenures and unit sizes including build to rent ('BTR'), private for sale, and family sized units. However, the range of tenures is not fixed and the principle of paramount importance is to ensure the design of all phases provides and maintains high quality safe and dynamic neighbourhood on the basis set out within Manchester City Council's PSE SRF.
- 2.49 The PSE SRF identifies the potential for a 'landmark' in the north western corner of the proposed regeneration area, adjacent to the intersection of Great Ancoats Street, Pollard Street and the Metrolink line / green boulevard / Chapeltown Street. Plot F is located at this intersection and provides the opportunity to assist MCC in delivering the desired landmark.
- 2.50 The Site is included within Phase 2 of the delivery of the PSE SRF. The second phase envisages two residential buildings with ground floor retail, café, restaurant / bars and other commercial units to maximise the active frontage to existing streets and proposed new public spaces. Timescales for the delivery of Phase 2 are anticipated to be between 2018 and 2021.
- 2.51 In terms of funding and developer contributions, each development coming forward will be required to contribute to and deliver the public realm infrastructure for the masterplan area. This is in line with the key priority and vision for the area to create a comprehensive, safe, visually attractive, accessible, vibrant and distinctive residential led sustainable neighbourhood where people want to live.

Community Infrastructure Levy (CIL)

- 2.52 CIL was introduced under the Planning Act 2008 and is legislated by the CIL Regulations 2010 (as amended). Local authorities in England and Wales can elect to charge CIL on new development to assist in funding infrastructure associated with planned growth.
- 2.53 According to MCC's website it is "*not [currently] charging a CIL in relation to any planning permission.*" However, it "*may seek contributions through relevant S106 agreements.*"
- 2.54 CIL is therefore not currently applicable to this assessment.

3. Approach & Methodology

The Role of Viability Assessment in Planning

- 3.1 This chapter provides the approach and methodology to this viability assessment set within the context of the legislative planning framework and recognised national practice guidance for undertaking viability assessments.

RICS Financial Viability in Planning: Conduct and Reporting (1st edition, May 2019)

- 3.2 This RICS professional statement sets out mandatory requirements on conduct and reporting in relation to financial Viability Assessments ('VAs') for planning in England, whether for area-wide or scheme-specific purposes. It recognises the importance of impartiality, objectivity and transparency when reporting on such matters. It also aims to support and complement the Government's reforms to the planning process announced in July 2018 and subsequent updates, which include an overhaul of the NPPF and PPGV and related matters.

- 3.3 The statement focuses on reporting and process requirements, and the need for the assessment of viability to be carried out having proper regard to all material facts and circumstances. The additional requirements became effective on 1 September 2019.

RICS Financial Viability in Planning Guidance Note (GN 94/2012)

- 3.4 The RICS Financial Viability in Planning (2012) Guidance Note¹³ (hereafter 'the Guidance') is grounded in the statutory and regulatory planning regime. It provides a definitive and objective methodological framework for the preparation of scheme specific viability assessments for planning purposes, which concords with national best practice.

- 3.5 It defines financial viability for planning purposes as:

*'An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project.'*¹⁴

- 3.6 The Guidance supports the use of the residual appraisal methodology where either the level of return or residual Land Value (RLV) can be an input, and the consequential output (either a residual land value or return respectively) can be compared to a benchmark 'Site Value' to assess the implications on viability.

- 3.7 Importantly, the Guidance defines Site Value, either input into a scheme specific viability assessment or as a benchmark, as follows:

*'Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.'*¹⁵

¹³ RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

¹⁴ Ibid, p.4

¹⁵ Ibid, p.4

- 3.8 The fundamental objective, therefore, is to ensure an efficient use of the site (land) and a fair return for the landowner and/or developer (risk adjusted) with reasonable planning obligations that can be realised through the efficient use of the land.

National Planning Practice Guidance for Viability (PPGV)

- 3.9 PPGV sets out the Government's recommended approach and confirms the principles for conducting viability assessment as follows:

'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'.¹⁶

- 3.10 PPGV defines Site Value as the 'benchmark land value' (BLV), which should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. This approach is referred to as the 'existing use value plus' (EUV+). PPGV confirms that the premium (i.e. 'plus') should:

'...reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements'.¹⁷

- 3.11 PPGV confirms that the BLV should be calculated as follows. It should:

- be based upon existing use value;
- allow for a premium to landowners (including equity resulting from those building their own homes);
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees; and
- be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance.

- 3.12 It proceeds to confirm that the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any CIL charge should be taken into account¹⁸.

¹⁶ MHCLG (2018) National Planning Practice Guidance – Viability: Paragraph: 010

¹⁷ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 013

¹⁸ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014

- 3.13 PPGV also confirms that alternative uses can be used in establishing the BLV. For the purposes of viability assessment the AUV refers to:

*'...the value of land for uses other than its existing use.'*¹⁹

- 3.14 Where there is no implementable alternative permission upon which to calculate the AUV, plan makers can set out circumstances where AUV is used. Examples of such circumstances included in PPGV (whilst not exhaustive) are:

- if there is evidence that the alternative use would fully comply with development plan policies;
- if it can be demonstrated that the alternative use could be implemented on the site in question;
- if it can be demonstrated there is market demand for that use; and
- if there is an explanation as to why the alternative use has not been pursued.

- 3.15 Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. PPGV confirms the Government's position that valuation based on AUV includes the premium to the landowner (i.e. the AUV is equal to the EUV+ as a BLV)²⁰.

Procedural Requirements

- 3.16 The RICS Guidance recommends that practitioners are reasonable and transparent in both undertaking and reviewing FVAs. It specifically states at G5 on p.50:

'Where possible, differences of opinion should be resolved between consultants acting for the applicant and the council. Once the financial position has been established and agreed between consultants, this does not preclude further negotiation between the council and the applicant having regard to all material planning considerations.'

- 3.17 Paragraph 4.5.2 on page 25 of the RICS Guidance states the following:

'Many local authorities will require, in respect of individual developments, an impartial and objective review of the viability assessment submitted as part of a planning application. These should be prepared by suitably qualified practitioners as set out in 4.2. It is recommended that once these reports have been prepared, the applicant is provided with a copy (in draft and final forms) to enable responses, if any, to be made to either the LPA or directly to the consultant undertaking the independent review'.

- 3.18 This is reinforced by paragraph 4.5.3 on page 25, which states:

'Practitioners should be reasonable, transparent and fair in objectively undertaking or reviewing financial viability assessments. Where possible, practitioners should seek to resolve differences of opinion'.

¹⁹ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

²⁰ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

- 3.19 It is expected that the Council and any appointed reviewing practitioners will act to follow best practice, which is reflective of the transparent process of dialogue advocated by the RICS Guidance.

Methodology

- 3.20 In order to determine the viability of the Proposed Development of the Site, a residual valuation model with cash flow has been prepared using proprietary software Argus Developer.
- 3.21 The methodology for undertaking this viability assessment follows the residual appraisal method, which is that accepted by the RICS and recommended within RICS Professional Guidance²¹. The methodology is also consistent with the Government's recommended approach as set out in PPGV²².
- 3.22 The assessment calculates the cost to acquire, construct, and deliver the capital costs of the development scheme, which is set against the value of the development on the assumption it is completed in the current market.

²¹ RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

²² MHCLG (2019) National Planning Practice Guidance – Viability

4. Viability Assessment Assumptions

- 4.1 This section presents the principal assumptions used in the viability assessment. As recommended by the Guidance²³, in undertaking a scheme specific viability assessment, the approach taken is to reflect industry benchmarks having regard to the specific circumstances of the Proposed Development.

Development Outputs

Land Analysis

- 4.2 The Site area is approximately 0.16 hectares (0.39 acres) and is currently occupied by an existing single storey industrial unit, with ancillary offices, operated as a safety deposit centre with a service yard to the rear providing car parking.

Proposed Development

- 4.3 The Proposed Development seeks planning permission for the redevelopment of the Site for 177 BTR apartment units.
- 4.4 The development comprises a unit mix of 59 no. 1-bed flats (33%), 113 no. 2-bed flats (64%) and 5 no. 3-bed flats (3%), which are distributed across 23 storeys (1-23).
- 4.5 The amenity provision (2,594ft²) and a retail unit (1,733ft²) are generally distributed across the ground floor of the development. The proposed resident amenity offer includes a resident's gym, lounge, and a co-working space. There is a resident's garden located on the second floor providing external communal amenity space.
- 4.6 The proposed floor plans for the Proposed Development are included within **Appendix 2**.

Accommodation Schedule

- 4.7 An accommodation schedule for the Proposed Development has been prepared on behalf of the Applicant by SimpsonHaugh and Partners. A summary is presented in Table 4.1 overleaf.

²³ RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

Table 4.1: Summary Accommodation Schedule

Use	Use Type	No. of Units	Average NIA (ft ²)	Total NIA (ft ²)	Total GIA (ft ²)
Residential	1-Bed	59	490	28,912	
	2-Bed	113	743	83,958	
	3-Bed	5	980	4,898	
Residential Total / Average:		177	665	117,768	
Amenity	Gym (GF)	1	1,292	1,292	
	Lounge (GF)	1	947	947	
	Co-Working Space (GF)	1	355	355	
	Garden (2F)	1	2,153	2,153	
Amenity Total / Average:		4	1,187	4,747	
Retail		1	1,733	1,733	
Grand Total:					163,182

Source: SimpsonHaugh & Partners

Development Value

Built to Rent Units

- 4.8 The Applicant instructed Turley to prepare an independent rental pricing analysis to inform estimated rental values (ERVs) for the Proposed Development in the current market. The analysis has included advertised rents across comparable residential developments proximate to the Site – including Piccadilly, Ancoats and New Islington districts - and includes new-build and good quality re-let/re-sale apartment data.
- 4.9 The analysis was undertaken in late January / early February 2020 and comprises 50 records of asking rents from six apartment developments. A copy of the full data is enclosed within **Appendix 3**.
- 4.10 The ERVs are predicated on the basis of anticipated achievable gross open market ERVs within the Proposed Development in the current market. Rental pricing is set at a premium to the immediate local re-let/re-sale market in order to reflect spatial location, floor height²⁴ and outlook, the new build specification, amenity provision, and the expectation of professional on-site management. The expected ERV structure for the Proposed Development is summarised in Table 4.2 overleaf.

²⁴ Note: where far reaching and unobstructed views achieved in units at floor heights exceeding majority of surrounding buildings.

Table 4.2: Achievable Gross Open Market ERVs | Proposed (BTR) Development

Unit Type	Total Units	Total Area (ft ²)	Avg. Area (ft ²)	Avg. Gross Rent PCM (£/Unit)	Avg. Gross Rent PA (£/Unit)	Total Gross Rent PA (£)	Avg. Gross Rent PA (£/ft ²)
1-Bed Flat	59	28,912	490	£872	£10,468	£617,640	£21.36
2-Bed Flat	113	83,958	743	£1,269	£15,223	£1,720,238	£20.49
3-Bed Flat	5	4,898	980	£1,674	£20,083	£100,416	£20.50
Total / Average:	177	117,768	665	£1,148	£13,776	£2,438,294	£20.70

Source: Turley analysis

Retail Use

- 4.11 It has been assumed that the ground floor unit of up to 161m² will take the form of A1-A4 Use Class retail provision.
- 4.12 Having reviewed Co-Star and liaised with local agents, there is limited recent comparable transactional evidence for similar uses locally. However, there are two lease transactions which took place in 2017 for retail units at Piccadilly Place. The units, of 2,765ft² and 1,977ft², were let to Simply Fresh (grocery store) and Black Sheep Coffee at rents equivalent to £16.60 and £22.10, respectively.
- 4.13 It is assumed that the commercial use will be for a café, and achievable lease terms would include a 15 year lease (with a 10 year break clause) at a rent of £22.50/ft² with a 6 month rent free period, capitalised at 6.50%.

Car Parking

- 4.14 The Proposed Development does not currently make provision for car parking spaces.

Total Net Revenue

- 4.15 Reflecting that the Proposed Development is expected to be forward funded by an institutional investor and acquired at practical completion, a Net Initial Yield (NIY) of 4.25% is applied to the net residential and car parking revenue²⁵, which is representative of a prime institutional grade BTR asset in the current market.

Operational Deductions

- 4.16 The total gross annual residential rental revenue has been reduced by 24.25% to reflect the projected minimum operational management costs. This is in line with Turley's detailed understanding and knowledge of BTR operational requirements and is considered the absolute minimum sum to reflect forecast operating costs. This makes an estimated allowance for void costs (i.e. lease-up), block management, lettings and lease turnover (LAT), insurance, utilities, lifecycle costs and dilapidations.

Development Costs

Construction Costs

- 4.17 The Applicant instructed Arcadis, a multi-disciplinary consultancy, with a track record in cost and commercial management, to prepare a Cost Plan for the Proposed Development.
- 4.18 The Cost Plan, dated January 2020, includes an elemental breakdown of the expected cost of development, excluding inflation. The base construction costs including preliminaries and OH&P equate to £32,062,421.
- 4.19 Additional allowances have been made for the following:
- Contractors Risk: £641,000
 - External Works: £300,000
 - Abnormal Works: £122,000

²⁵ Note: this represents a prime NIY in respect of institutional quality, stabilised assets typically associated with major regional city centres (i.e. Manchester, Birmingham) in the current market.

4.20 The Cost Plan assumes a clear site and excludes demolition, and inflation.

4.21 A copy of the Cost Plan is provided at **Appendix 4**.

Other Development Costs

4.22 Other development costs are summarised in Table 4.3.

Table 4.3: Other Development Costs

Cost	Rate	Commentary
Demolition	£75,000	In accordance with a quotation received from Forshaw Demolition Ltd - demolition and deconstruction specialists. The quotation includes demolition of building, grub up of slab and foundations (and crushing of arisings), and removal of other material from site. A copy of the quotation can be found within Appendix 5 .
Public Realm Contribution	£479,000	The Applicant's contribution towards the Public Realm. Proportion assessed on the basis of Gross Internal Floor Areas within the landholdings of and in accordance with the Collaboration Agreement relating to Portugal Street East (area). Payment Date being 20 working days from a start on site date. The Public Real Contribution is provided in addition to the provision of a parcel of land which will form part of the new public square, in line with the Collaboration Agreement.
Oversailing and Right of Light (licence/ insurance)	N/A	Landholding/ developing parties of the Collaboration Agreement, relating to Portugal Street East (area), agree to assist each other with any such oversailing rights required or rights of light infringement issues. No additional allowance has been included within the appraisal.
Development Management Fees	3.00%	Of total build costs. Consistent with market expectations.
Professional Fees and Insurances	7.50%	Of total build costs. Consistent with market expectations.
Investment Sale Agent Fee	1.00%	Of GDV
Investment Sale Legal Fee	0.50%	Of GDV
Purchaser's Costs (Investment & Land)	-	Standard fees relating to SDLT (as per HMRC), agent's fee (1.0%) and legal fee (0.8%).
Finance (Debit)	4.25%	Assumed to be set at 4.25%, which is equal to the NIY of the Proposed Development.
Developer's Return	10%	Total target return on cost to reflect current levels of market risk, in line with minimum market expectations and PPGV ²⁶ .

Source: Turley; the Applicant

²⁶ Note: This represents the lowest risk model assuming a forward funded/sold agreement to an institutional fund in place at the grant of planning permission. It is our understanding that not all BTR developers can deliver at this margin, with hurdle rates necessary to secure funding and/or meet Board approvals ranging between 10% and 15% of development cost, and circa 12% representing the market 'norm'.

Development, Marketing & Sales Programme

4.23 The development programme has been informed by the Applicant, and is generally in line with Turley's experience of similar scale schemes. A summary is provided below:

- Month 1: **Purchase** Assumes grant of planning permission.
- Months 2 - 4: **Pre-Construction** Procurement, planning and site set-up.
- Months 5 - 25: **Construction** Overall construction period, including one month at commencement for demolition.
- Month 26: **Sale** Acquisition by investor.

5. Site Value (or ‘Benchmark Land Value’)

- 5.1 Establishing the minimum level of financial return at which a reasonable landowner would be willing to release their land for development represents a critical component of a viability assessment. It must represent a premium over the existing use value (EUV) and a reasonable incentive, in comparison with other options available, for the landowner to sell land for development, whilst allowing a sufficient contribution to comply with policy requirements.
- 5.2 While not directly featuring as a cost in an appraisal conducted on a residual basis, this ‘minimum return’ forms the benchmark land value (BLV) against which the RLV derived from the appraisal is tested in order to determine the viability of the Proposed Development and scope for planning obligations (including affordable housing).
- 5.3 The RICS Guidance recommends consideration of both transactional and comparable evidence in reaching an appropriate BLV – which it defines as ‘Site Value’. Specifically, it recommends that checks should include comparison with the sale price of land for similar development, where such evidence exists, based on land value per hectare (or acre) and per unit of development.
- 5.4 The Government’s PPGV requires that the BLV should:
- ‘...be informed by market evidence including current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value... This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.’²⁷*
- 5.5 Paragraph 016 of PPGV provides further elaboration. It states:
- ‘Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.’²⁸*
- 5.6 The approach adopted for arriving at an appropriate BLV for the Site follows that set out within Chapter 3 of this document and accords with the relevant RICS Guidance, PPGV and the NPPF (2019). It considers:
- the existing use value (EUV) of the subject site;

²⁷ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014

²⁸ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 016

- the alternative use value (AUV) of the subject site; and
- available comparable evidence of land transactions.

Existing Use Value

- 5.7 The Site comprises previously developed land, currently occupied by an existing industrial unit with offices and a secure yard containing 12 surface-level car parking spaces. The premises are operated as a safety deposit centre.

Warehouse/ Office Use

- 5.8 Turley has undertaken an assessment of achievable rents, capitalised at a yield reflective of the condition of the premises and the strength of the local market, in order to determine the appropriate EUV for the subject premises.
- 5.9 A CoStar review of recent lease transaction data for comparable properties, within approximately a two kilometre radius, presented asking and achieved rents between £3.33-£9.00/ft² per annum, and floorspaces of 2,355-18,834ft².
- 5.10 The lease transaction considered most closely comparable to the premises upon the Site is that completed at 410 Ashton Old Road, approximately 1.5km from the Site, which comprised a warehouse and office space, with a service yard, with a total built floor area of 5,061ft². According to CoStar a five year lease was signed in August 2019 at a rent of £7.15/ft². A copy of the marketing particulars is enclosed within **Appendix 6**.
- 5.11 Turley has also sought the opinion of local agents on current rents for warehouses with office space in the locality. It is considered that there is good occupier demand and that this type and size of premises would achieve approximately £7.50/ft² in the current market, in this location.
- 5.12 Considered in the round, Turley considers that a base rent of £7.50/ft² would be achievable for the existing premises in the current market. An investment yield of 7.0% is considered appropriate.
- 5.13 Turley's assessment of EUV is detailed in Table 5.1.

Table 5.1: Assessment of Existing Use Value (EUV) Plus Premium

Use	Area (ft ²)	Rent PA (£)	Rent PA (£/ft ²)	Yield (%)	Capital Value (£)	Purchaser Costs (%)	Net Capital Value (£)
Warehouse/ Office	5,881	£42,640	£7.50	7.00%	£630,107	6.80%	£587,260
EUV Total:							£587,260

Source: Turley analysis

- 5.14 Table 5.1 sets out an estimated EUV for the subject Site of £587,260.

Market Evidence

- 5.15 Turley has obtained evidence of several land transactions for sites that are known to have been sold prior to grant of planning permission for comparable residential developments to the Proposed Development on the Site.
- 5.16 The average transaction value equated to £14,161 per plot, based on the volume of residential units subsequently granted planning permission by MCC.
- 5.17 This information is set out in Table 5.2.

Table 5.2: Comparable Land Transactions | Manchester City Centre

Development Scheme	Developer	Gross Area (ac)	No. Units	Planning Ref.	Purchased With Planning	Sold Price (£)	Sold Price Per Plot Permitted (£)	Date of Sale
The Warehouse, Worrall Street	Forshaw	0.292	86	18/71363/F UL	No	£1,450,000	£16,860	-
Angelgate (Meadowside)	FEC	2.05	344	103382/FO/2013/N1	No	£5,200,000	£15,116	May-18
Portugal Street East	Olympian / Aecom	2.17	488	121099/FO/2018	No	£6,350,000	£13,012	Nov-17

- 5.18 Should the average demonstrable transaction value be applied to the Site, this would equate to a total of £2,506,536, which would reflect a premium of 373% in excess of the modest EUV of the Site.
- 5.19 It would be expected that this would influence landowner expectations – particularly given the location of the subject site in an identified regeneration area of the city, and within a spatial context of recently permitted high-density development, inclusive of tall buildings.

Alternative Use Value (AUV)

- 5.20 The Site is not subject to any extant planning permission(s) for alternative uses to the current built premises.
- 5.21 A formal appraisal of alternative prospective uses that would be acceptable in planning policy terms has not been undertaken by applicant. As a result, at this stage, AUV has not been assessed in respect of the Site.
- 5.22 This can be addressed should it be deemed necessary by the applicant and/or MCC.

Determining 'Benchmark Land Value'

- 5.23 In summary, the Site demonstrates a relatively modest EUV of £587,260 due to the limited scale and density of existing premises. This equates to £3,318 per residential unit assuming grant of permission for the Proposed Development.
- 5.24 Market evidence indicates that transactions for similar sites within the city centre, without benefit of residential planning permission (but then subsequently granted permission for high density residential development), the average transaction value equated to £14,161 per unit. If applied to the Proposed Development of the Site, this would result in site value of £2.5m, which represents a premium in excess of 325% over the EUV.
- 5.25 It is unclear how much allowance has been made by purchasers for planning risk or planning policy requirements. It would therefore be rational to moderate this premium to levels more frequently associated within viability testing within decision-taking for planning purposes to allow for such factors.
- 5.26 In arriving at a professional judgement on the appropriate premium, Turley has determined that a realistic minimum premium in respect of the subject Site would equate to 50% in excess of the adopted EUV.
- 5.27 This equates to a modest BLV of £880,890.
- 5.28 For comparison purposes, this represents less than £5,000 per unit assuming subsequent grant of planning permission for the Proposed Development. This demonstrably represents a very substantial discount (of -65%) from the average rate within comparable market transactional evidence.

6. Appraisal Results

- 6.1 This chapter presents the results of the assessment of financial viability arising from the Proposed Development of the Site.

Viability Appraisal

- 6.2 A viability appraisal has been undertaken for a proposed residential development of 177 BTR apartment units.
- 6.3 By way of analysis set out in chapter 5 of this document, it is considered that, if acting reasonably and when fully accounting for adopted planning policy, guidance and all other relevant factors, including a minimum 'premium' at which the vendor would be incentivised to dispose of the Site, this results in a BLV of £880,890.
- 6.4 The viability appraisal demonstrates that, for the Proposed Development to generate the minimum risk-adjusted developer's return, the residual output (RLV) generated equates to £249,394, which falls below the BLV.
- 6.5 The RLV generated by financial appraisal of the Proposed Development accounts for payment of £479,000 of public realm contribution in accordance with the draft PSE Collaboration Agreement, attached to an outline planning permission (ref: 121467/FO/2018) for demolition and public realm delivery (in the PSE Masterplan Area).
- 6.6 The viability appraisal for the Proposed Development is provided within **Appendix 7**.
- 6.7 On this basis it is therefore deemed appropriate that MCC applies the flexibility provided within its Local Plan policies in order to support the delivery of the Proposed Development of the Site, which would be undertaken at the developer's risk.
- 6.8 As supported by national planning policy and guidance, it is recommended that the Proposed Development does not contribute any affordable housing units (or a payment in lieu of on-site provision) or any further sums towards planning obligations (beyond the Public Realm contribution incorporated).

Sensitivity Testing

- 6.9 In order to comprehensively test the viability of the Proposed Development, to determine if scheme level viability can be improved, testing has been carried out for an alternative 'build for sale' scheme.
- 6.10 This approach accords with PPGV, Paragraph 019, as follows:

“Scheme level viability assessment may be improved through the inclusion of two sets of figures, one based on a build to rent scheme and another for an alternative build for sale scheme. This would enable authorities to compare and understand the differences, and agree any necessary adjustments to the affordable private rent contribution.”

- 6.11 To inform estimated open market sales values, Turley has undertaken an analysis of comparable new-build properties in proximity to the Site. The data has been enclosed within **Appendix 8**.
- 6.12 The input assumptions into the build for sale appraisal, where they represent a deviation from the BTR appraisal assumptions, are summarised in Table 6.1.

Table 6.1: Build for Sale Appraisal | Inputs Summary

Input	Rate	Commentary
Sales Revenue (blended)	£425.88	Assumes 50% pre-sales and a sales rate thereafter of approximately 6 units per month (optimistic).
Purchaser's Costs	6.80%	Applied to the investment value of the retail use(s)
Marketing	1.00%	Applied to GDV
Residential Sales Agent Fee	1.50%	Applied to GDV
Residential Sales Legal Fee	£750	Per unit
Finance (Debit)	6.00%	Total blended cost of capital
Developer's Return	17.50%	Total target minimum return on GDV to reflect current levels of market risk, in line with minimum market expectations and PPGV.

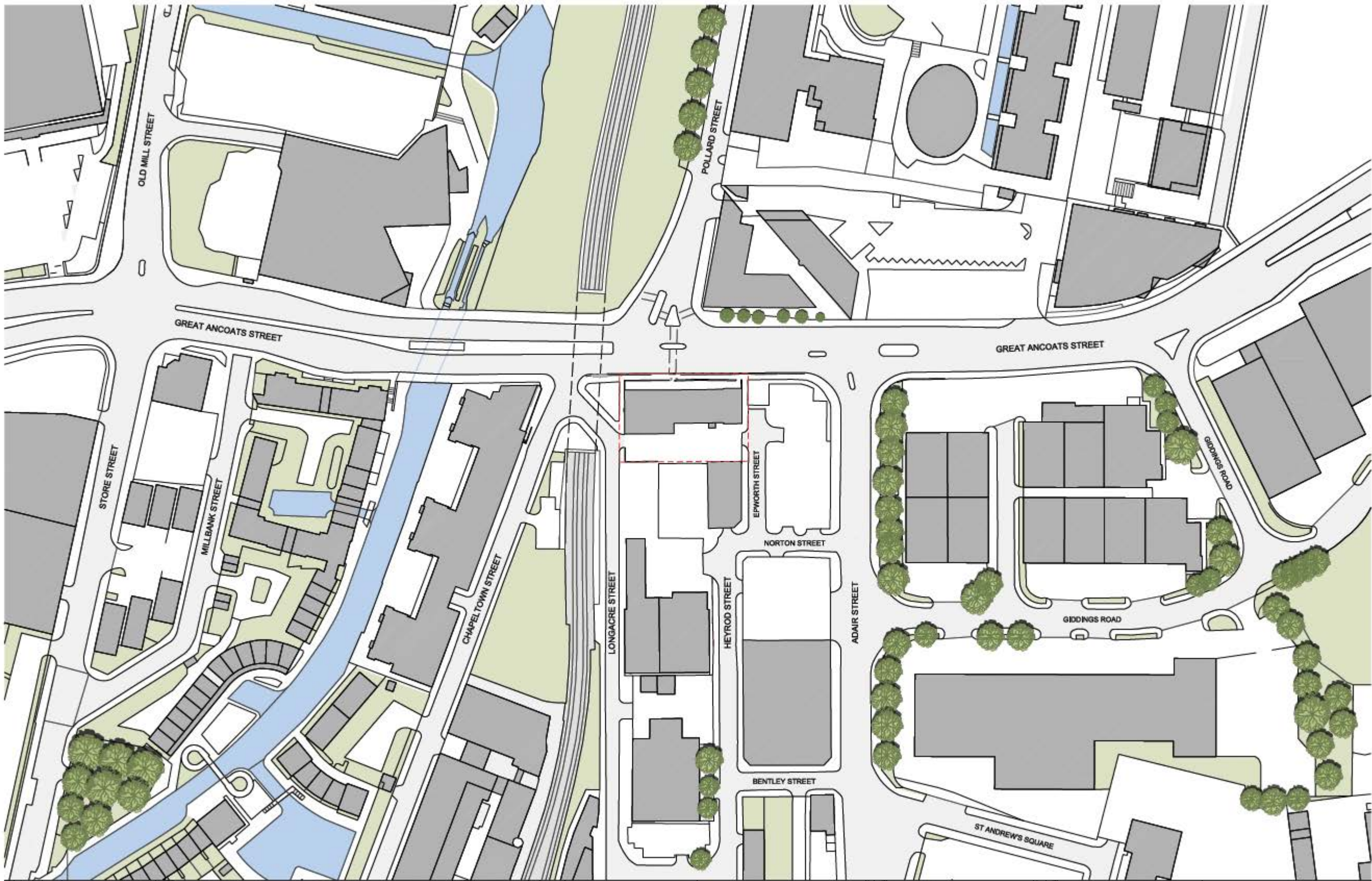
Source: Turley; the Applicant

- 6.13 The build for sale viability appraisal demonstrates that, were the Proposed Development to be disposed of solely for open market housing (and before allowing any affordable housing contribution), to generate the minimum risk-adjusted developer's return of 17.5% profit on GDV, the residual land value (RLV) generated equates to -£1,558,605. The viability appraisal is enclosed within **Appendix 9**.
- 6.14 The RLV falls significantly further below the BLV and demonstrates that the Proposed Development would be financially unviable if developed in the current market as an open market sale scheme.
- 6.15 It follows that there would be no financial benefit to the Applicant in disposal of the Proposed Development on an equivalent basis for open market sale.
- 6.16 However, it is at the Applicant's discretion as to whether there is sufficient commercial justification to proceed at risk with the delivery of the Proposed Development for open market sale.

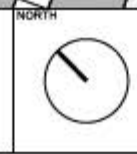
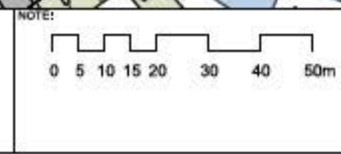
7. Conclusion

- 7.1 Turley has been appointed by Forshaw Land & Property Group Ltd to objectively assess, and report upon, the financial viability of a proposed residential development comprising 177 BTR apartment units at Victoria House, Great Ancoats Street, Manchester.
- 7.2 The purpose of the viability assessment is to test the financial viability of the Proposed Development of the Site, taking into account the policy requirements set by Manchester City Council as well as national planning policy and guidance.
- 7.3 By way of analysis set out in chapter 5 of this document, it is considered that, if acting reasonably and when fully accounting for adopted planning policy, guidance and all other relevant factors, including a minimum 'premium' at which the vendor would be incentivised to dispose of the Site, this results in a BLV of £880,890.
- 7.4 The viability appraisal demonstrates that, for the Proposed Development to generate the minimum risk-adjusted developer's return, the residual output (RLV) generated equates to £249,394.
- 7.5 This falls below the BLV. The commercial decision whether to proceed with the scheme will therefore be at the discretion of the Applicant.
- 7.6 The RLV generated by financial appraisal of the Proposed Development accounts for payment of £479,000 of public realm contribution in accordance with the draft PSE Collaboration Agreement, attached to an outline planning permission (ref: 121467/FO/2018) for demolition and public realm delivery.
- 7.7 On this basis it is therefore deemed appropriate that MCC applies the flexibility provided within its Local Plan policies in order to support the delivery of the Proposed Development of the Site, which would be undertaken at the developer's risk.
- 7.8 As supported by national planning policy and guidance, it is recommended that the Proposed Development does not contribute any affordable housing units (or a payment in lieu of on-site provision) or any further sums towards planning obligations (beyond the Public Realm contribution already incorporated).

Appendix 1: Site Location Plan



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Drawn By	10122	Drawn By	00
Check By	10122	Check By	00
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Project Name	FOR PLANNING		

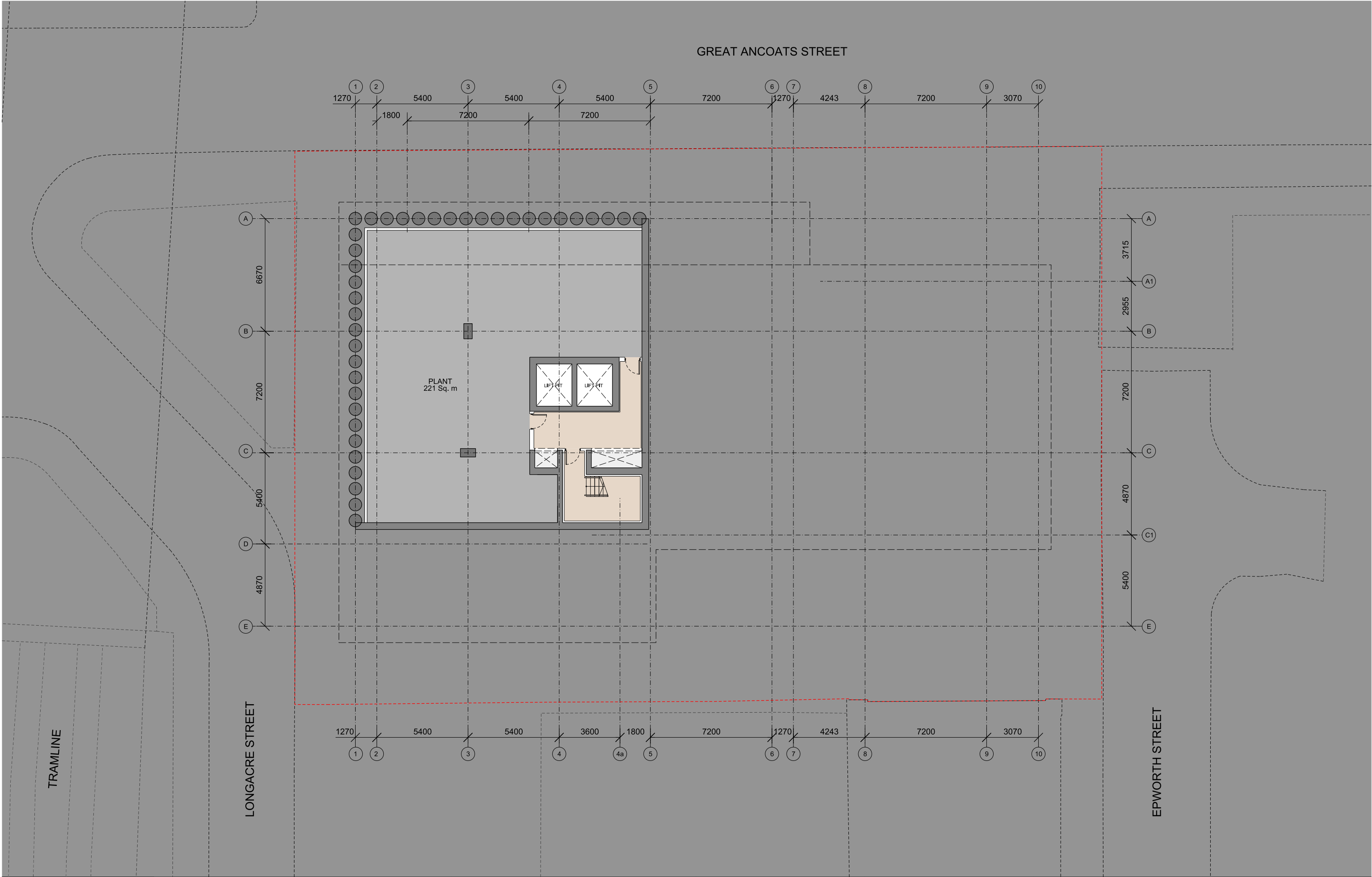
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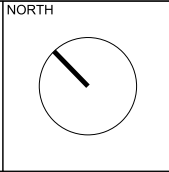
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Appendix 2: Proposed Floor Plans



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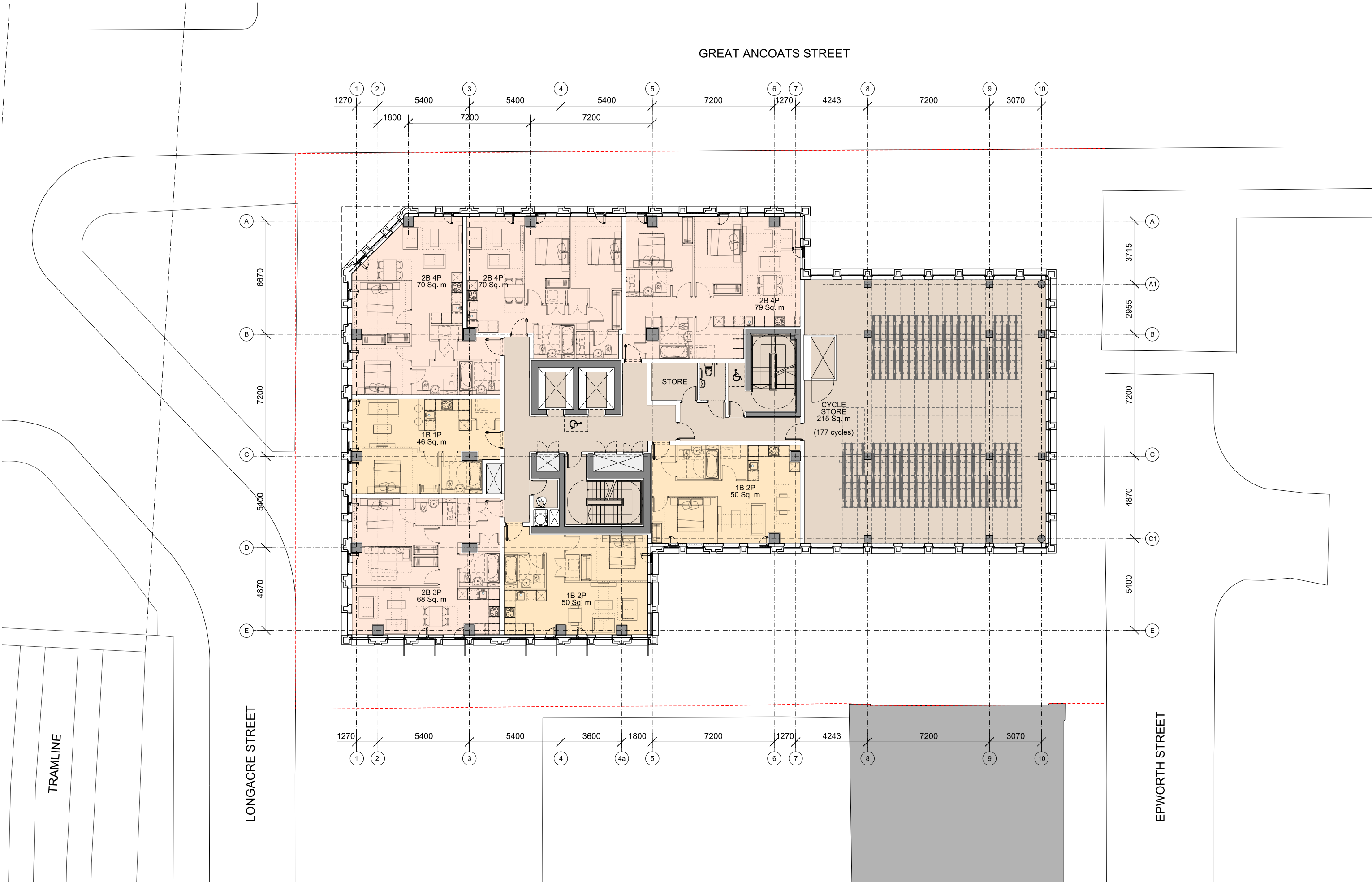
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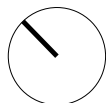


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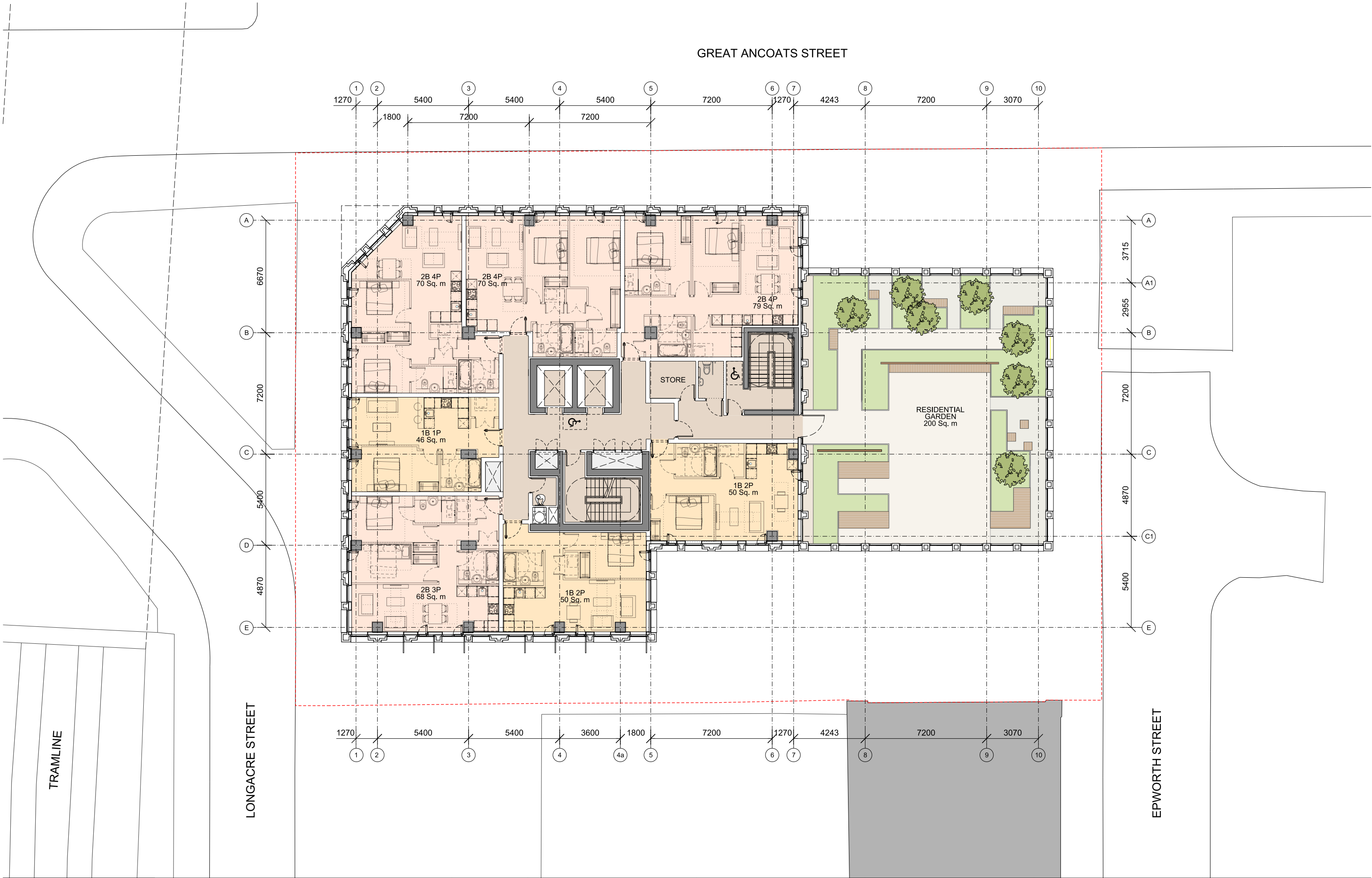
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Status
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Drawing Title
LEVEL 02 PLAN

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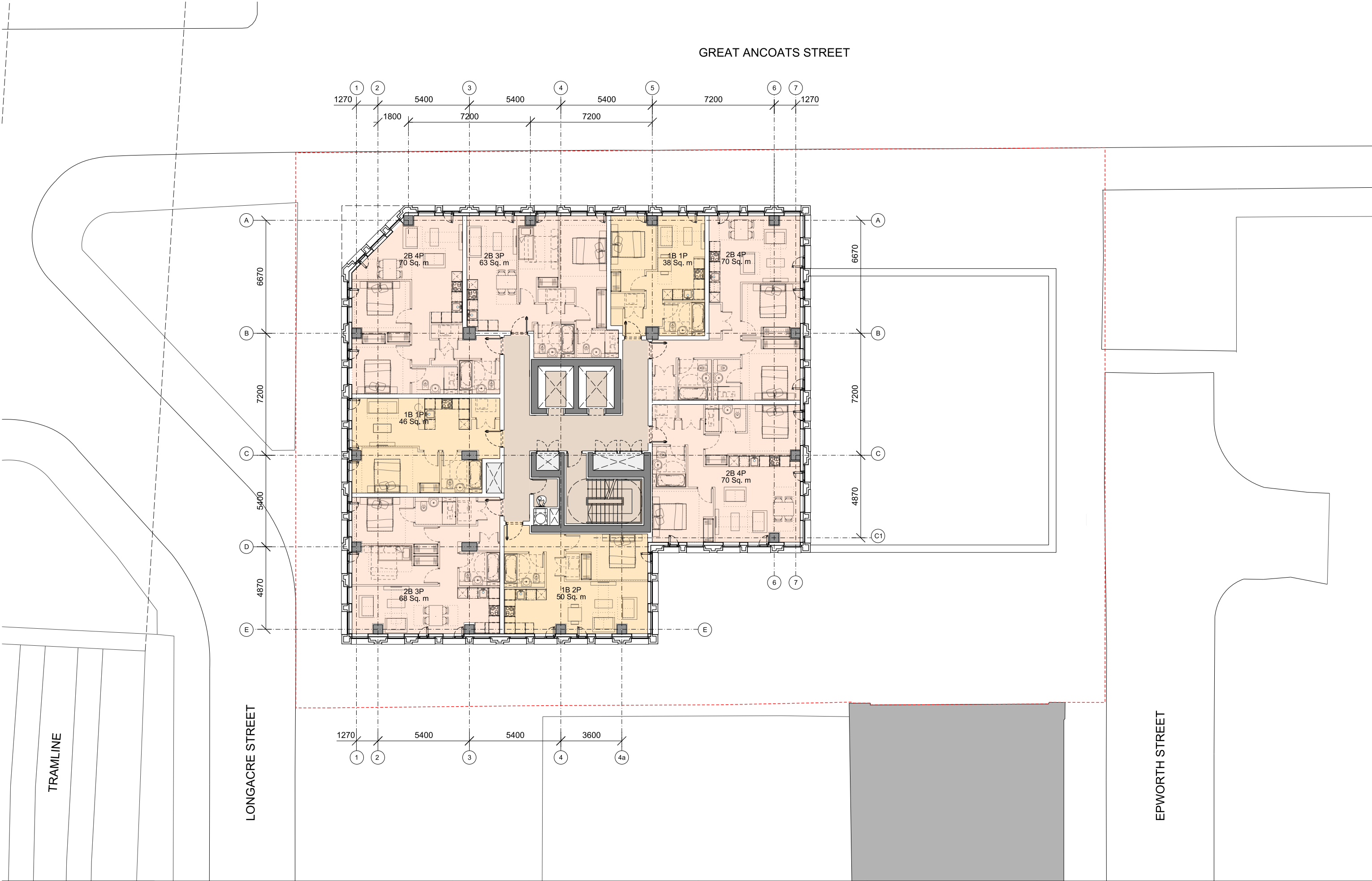
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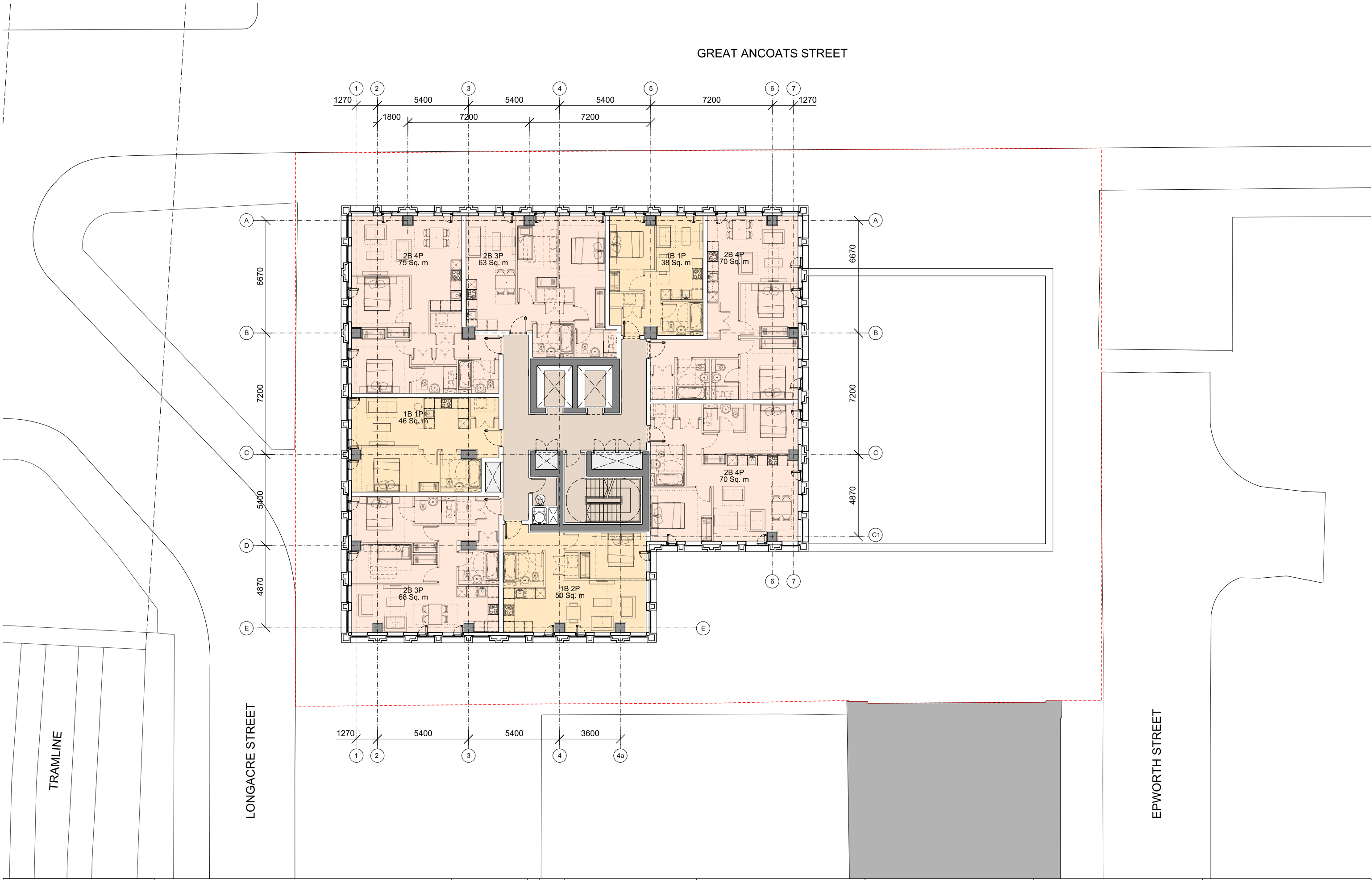
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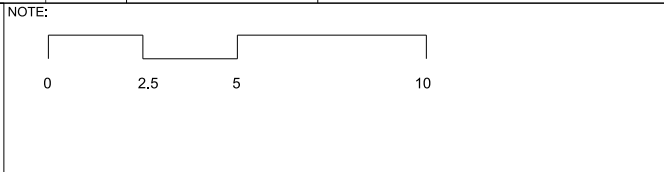
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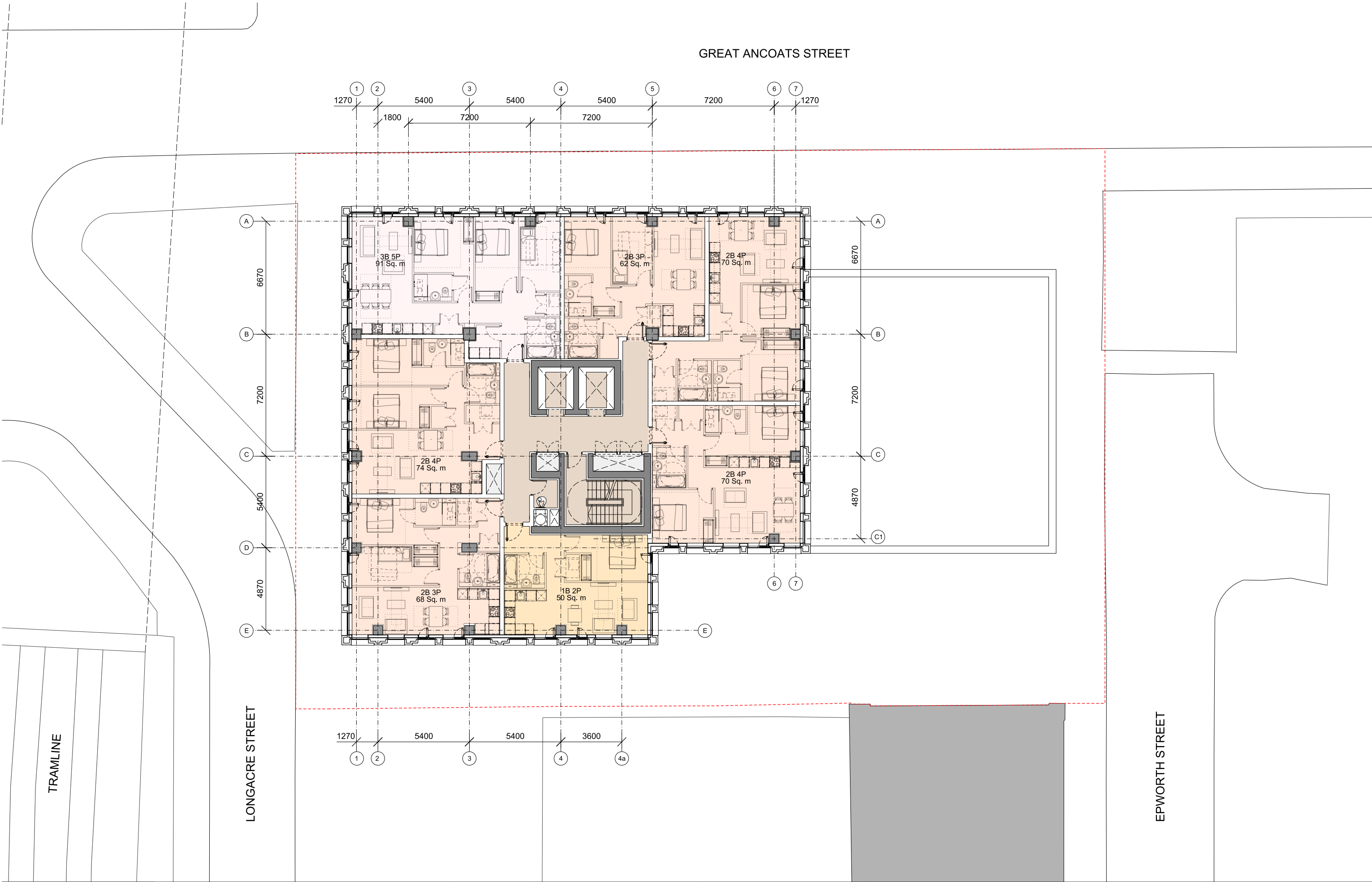
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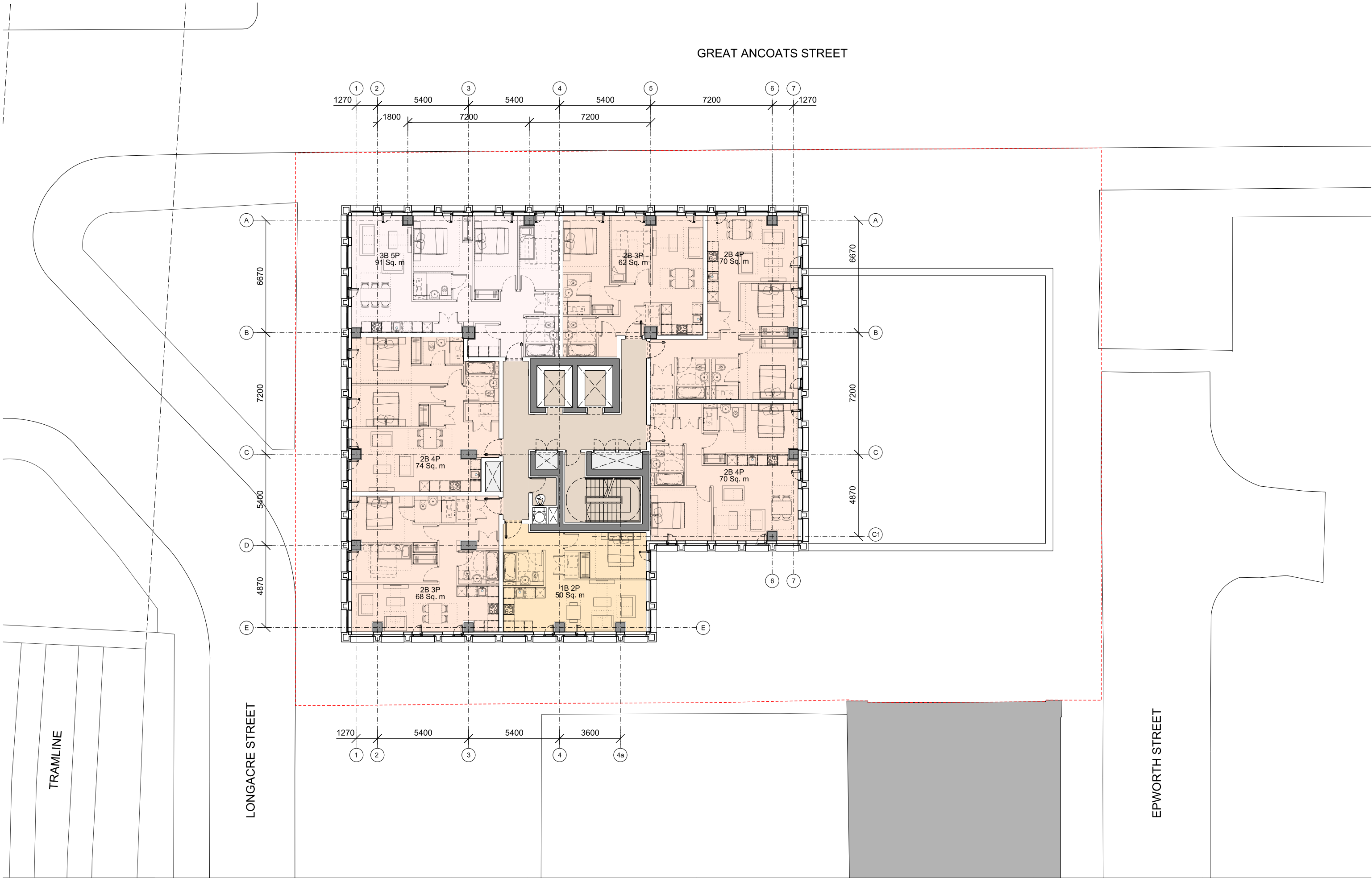
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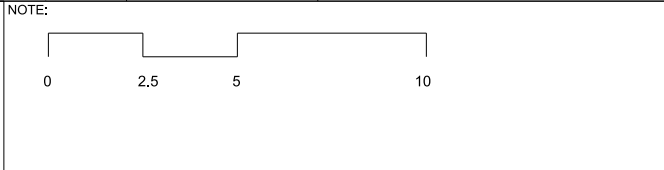
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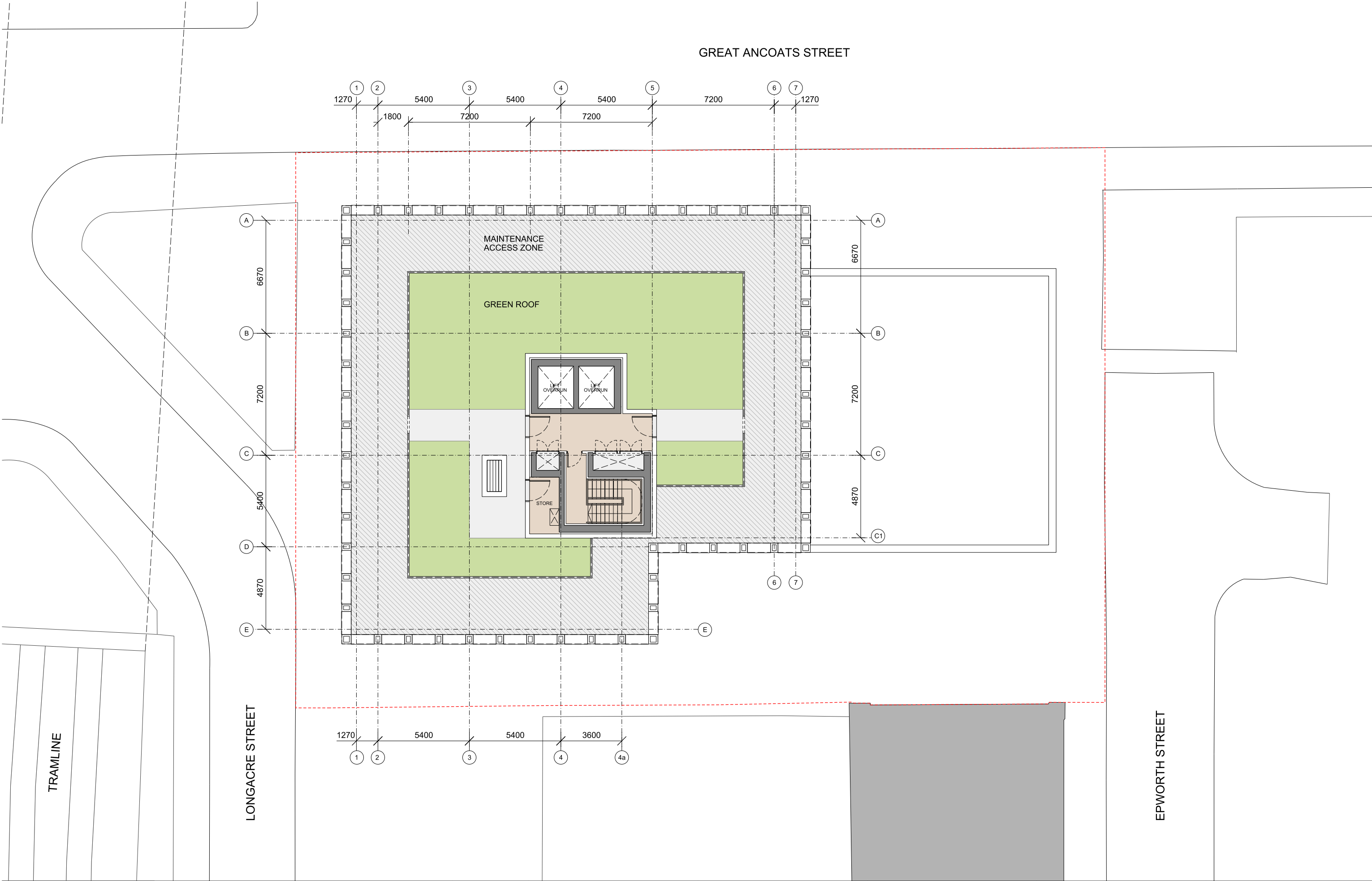
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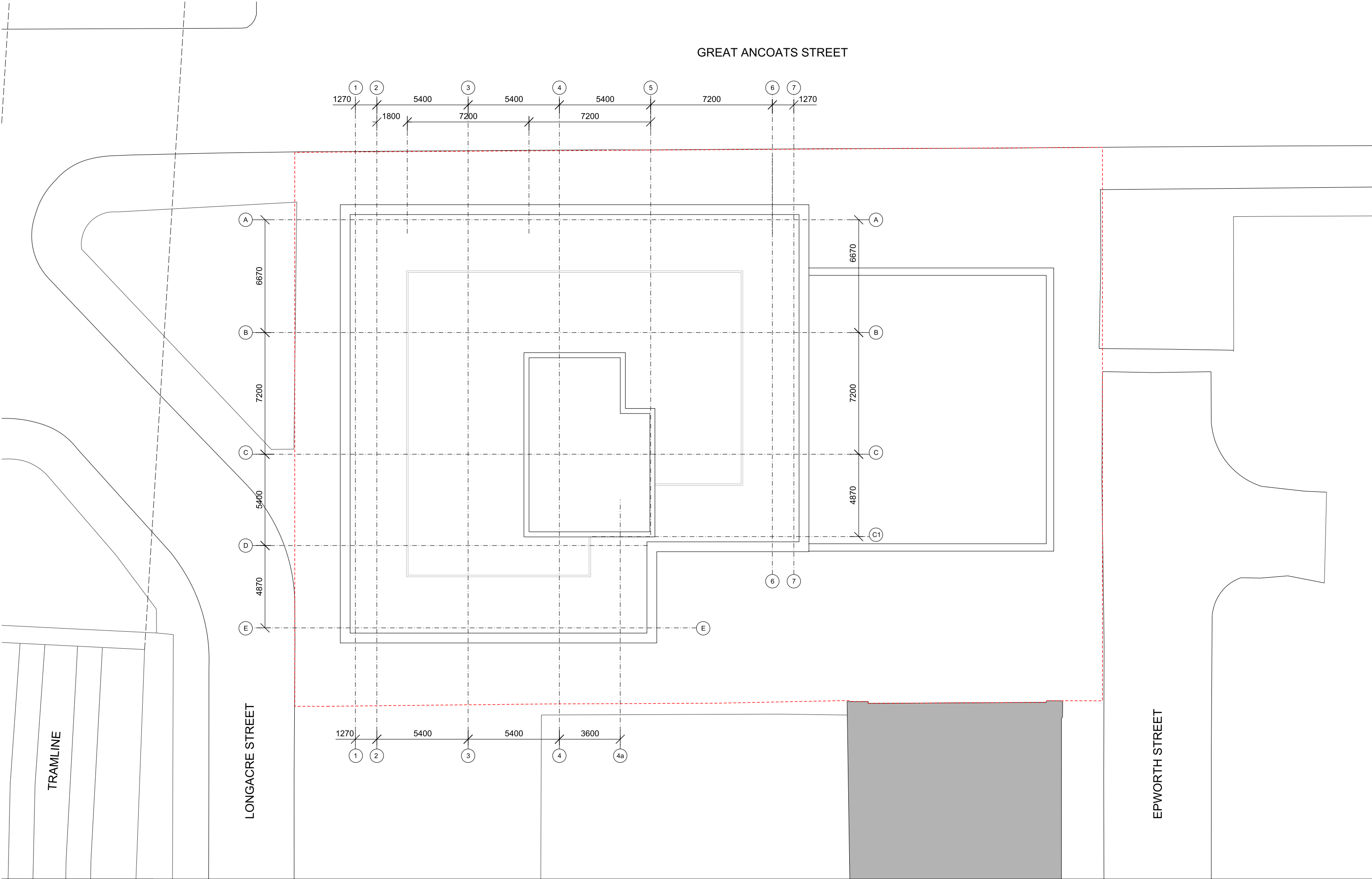
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Appendix 3: Market Rental Analysis Data

Market Comparables: Asking Rents

Link	Development	Developer	Asking / Sold Prices	New-Build / Re-Sale	Date	Post Code	No	Address	Accommodation Type	Beds	Storey(s)	Parking	m²	ft²	Rent PCM (£)	Rent PA (£)	£ / ft²	Amenities
rty-77128657.html	Eastbank Tower		Asking Price	Re-Sale	31/01/2020	M4 7FD	616	277 Great Ancoats Street	Flat	2	6F		60.0	646	£930	£11,160	£17.3	Gym
rty-77089117.html	Eastbank Tower		Asking Price	Re-Sale	31/01/2020	M4 7FD	510	277 Great Ancoats Street	Flat	2	5F		56.0	603	£970	£11,640	£19.3	Gym
rty-76824022.html	Eastbank Tower		Asking Price	Re-Sale	31/01/2020	M4 7FD	708	277 Great Ancoats Street	Flat	1	7F		38.0	409	£825	£9,900	£24.2	Gym
rty-76751908.html	Eastbank Tower		Asking Price	Re-Sale	31/01/2020	M4 7FD	610	277 Great Ancoats Street	Flat	2	6F		56.0	603	£975	£11,700	£19.4	Gym
rty-76747393.html	Eastbank Tower		Asking Price	Re-Sale	31/01/2020	M4 7FD	110	277 Great Ancoats Street	Flat	2	1F		56.0	603	£950	£11,400	£18.9	Gym
rty-77092204.html	Eastbank Tower		Asking Price	Re-Sale	31/01/2020	M4 7FD	711	277 Great Ancoats Street	Flat	2	7F		58.0	624	£960	£11,520	£18.5	Gym
rty-77142664.html	Eastbank Tower		Asking Price	Re-Sale	31/01/2020	M4 7FD	308	277 Great Ancoats Street	Flat	1	3F		38.0	409	£800	£9,600	£23.5	Gym
rty-83843120.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD	167	51 Old Mill Street	Flat	3	8F		90.0	969	£1,565	£18,780	£19.4	Concierge; secure parking; gym; club room
rty-83844137.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD	182	51 Old Mill Street	Flat	2	5F		72.0	775	£1,090	£13,080	£16.9	Concierge; secure parking; gym; club room
rty-81857444.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GA	3	51 Old Mill Street	Flat	3	GF		90.0	969	£1,450	£17,400	£18.0	Concierge; secure parking; gym; club room
rty-88307240.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD		51 Old Mill Street	Flat	1	9F				£875	£10,500		Concierge; secure parking; gym; club room
rty-88307279.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD	189	51 Old Mill Street	Flat	1	9F		49.0	527	£875	£10,500	£19.9	Concierge; secure parking; gym; club room
rty-88307288.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD	172	51 Old Mill Street	Flat	1	9F		49.0	527	£875	£10,500	£19.9	Concierge; secure parking; gym; club room
rty-88291628.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD		51 Old Mill Street	Flat	1	8F				£880	£10,560		Concierge; secure parking; gym; club room
rty-86133101.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD		51 Old Mill Street	Flat	2	5F				£1,049	£12,588		Concierge; secure parking; gym; club room
rty-84308699.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD	195	51 Old Mill Street	Flat	2	9F		72.0	775	£1,105	£13,260	£17.1	Concierge; secure parking; gym; club room
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rty-84699926.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD	153	51 Old Mill Street	Flat	1	7F		49.0	527	£890	£10,680	£20.2	Concierge; secure parking; gym; club room
rty-84699830.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GB	132	51 Old Mill Street	Flat	1	6F		49.0	527	£880	£10,560	£20.0	Concierge; secure parking; gym; club room
rty-85112936.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD	184	51 Old Mill Street	Flat	2	9F		72.0	775	£1,100	£13,200	£17.0	Concierge; secure parking; gym; club room
rty-85113065.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD	165	51 Old Mill Street	Flat	2	8F		72.0	775	£1,080	£12,960	£16.7	Concierge; secure parking; gym; club room
rty-88721396.html	Weavers Quay		Asking Price	New-Build	31/01/2020	M4 6GD		51 Old Mill Street	Flat	2	1F				£999	£11,988		Concierge; secure parking; gym; club room
rty-88810757.html	The Astley		Asking Price	New-Build	31/01/2020			Houldsworth Street	Flat	2					£1,190	£14,280		Residents lounge; roof top terrace
rty-88810757.html	The Astley		Asking Price	New-Build	31/01/2020			Houldsworth Street	Flat	2					£1,270	£15,240		Residents lounge; roof top terrace
rty-88976060.html	The Astley		Asking Price	New-Build	31/01/2020			Houldsworth Street	Flat	2					£1,220	£14,640		Residents lounge; roof top terrace
rty-88810745.html	The Astley		Asking Price	New-Build	31/01/2020			Houldsworth Street	Flat	2					£1,175	£14,100		Residents lounge; roof top terrace
rty-88810742.html	The Astley		Asking Price	New-Build	31/01/2020			Houldsworth Street	Flat	2					£1,245	£14,940		Residents lounge; roof top terrace
rty-88810751.html	The Astley		Asking Price	New-Build	31/01/2020			Houldsworth Street	Flat	2					£1,190	£14,280		Residents lounge; roof top terrace
rty-88810781.html	The Astley		Asking Price	New-Build	31/01/2020			Houldsworth Street	Flat	2					£1,390	£16,680		Residents lounge; roof top terrace
court.mcrlife.co.uk/	Sawmill Court		Asking Price	New-Build	31/01/2020	M4 6LQ	147	3 Murray Street	Flat	2			71.0	764	£1,171	£14,052	£18.4	Concierge; gym; club room
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court.mcrlife.co.uk/	Sawmill Court		Asking Price	New-Build	31/01/2020	M4 6FQ	35	3 Murray Street	Flat	2	1F		71.0	764	£1,132	£13,584	£17.8	Concierge; gym; club room
court.mcrlife.co.uk/	Sawmill Court		Asking Price	New-Build	31/01/2020	M4 6FQ	129	3 Murray Street	Flat	3			93.0	1,001	£1,650	£19,800	£19.8	Concierge; gym; club room
court.mcrlife.co.uk/	Sawmill Court		Asking Price	New-Build	31/01/2020	M4 6FQ	94	3 Murray Street	Flat	3			93.0	1,001	£1,585	£19,020	£19.0	Concierge; gym; club room
rty-65578029.html	Sawmill Court		Asking Price	New-Build	31/01/2020	M4 6LQ	103	3 Murray Street	Flat	2	5F		71.0	764	£1,075	£12,900	£16.9	Concierge; gym; club room
rty-87347918.html	Cotton Field Wharf		Asking Price	New-Build	31/01/2020	M4 6FW	263	4 New Union Street	Flat	2	4F	Yes	68.0	732	£1,266	£15,192	£20.8	Concierge; gym; private gardens; club room
rty-88383638.html	Cotton Field Wharf		Asking Price	New-Build	31/01/2020	M4 6FW	254	4 New Union Street	Flat	2		Yes	68.0	732	£1,295	£15,540	£21.2	Concierge; gym; private gardens; club room
rty-88384253.html	Cotton Field Wharf		Asking Price	New-Build	31/01/2020	M4 6FR	83	4 New Union Street	Flat	1	5F	Yes	48.0	517	£919	£11,028	£21.3	Concierge; gym; private gardens; club room
rty-86942732.html	Cotton Field Wharf		Asking Price	New-Build	31/01/2020	M4 6FW	17	4 New Union Street	Flat	1	1F	Yes	49.0	527	£825	£9,900	£18.8	Concierge; gym; private gardens; club room
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rty-88675514.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6AJ	58	43 Blossom Street	Flat	2	4F	Yes	71.0	764	£1,113	£13,356	£17.5	Concierge; gym; club room
rty-87919847.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6FY	212	43 Blossom Street	Flat	2	7F	Yes	69.0	743	£1,250	£15,000	£20.2	Concierge; gym; club room
rty-87919772.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6AJ	44	43 Blossom Street	Flat	2	3F	Yes	71.0	764	£1,107	£13,284	£17.4	Concierge; gym; club room
rty-59531421.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6FY	207	43 Blossom Street	Flat	2	7F	Yes	71.0	764	£1,259	£15,108	£19.8	Concierge; gym; club room
rty-86943572.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6AJ	50	43 Blossom Street	Flat	2	4F	Yes	71.0	764	£1,113	£13,356	£17.5	Concierge; gym; club room
rty-86943368.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6AJ	33	43 Blossom Street	Flat	2	3F	Yes	71.0	764	£1,124	£13,488	£17.6	Concierge; gym; club room
rty-88903691.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6FY	198	43 Blossom Street	Flat	3	7F	Yes	89.0	958	£1,675	£20,100	£21.0	Concierge; gym; club room
rty-88593227.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6AJ	37	43 Blossom Street	Flat	1	3F	Yes	49.0	527	£908	£10,896	£20.7	Concierge; gym; club room
rty-87919805.html	Smiths Yard		Asking Price	New-Build	31/01/2020	M4 6FY	201	43 Blossom Street	Flat	1	7F	Yes	49.0	527	£935	£11,220	£21.3	Concierge; gym; club room
Total / Average:							50						66	711	£1,137	£682,404	£19.22	

Summary: Asking Rents

Asking / Sold Prices	New-Build / Re-Sale	Accommodati on Type	Beds	No. of Advertised Units	Average Size (ft²)	Total Size (ft²)	Total Rent PA (£)	Avg. Rent PA (£)	Avg. Rent PCM (£)
Asking Price	Re-Sale	Flat	1	2	409	818	£19,500	£9,750	£813
			2	5	616	3,078	£57,420	£11,484	£957
	New-Build	Flat	1	11	526	4,736	£117,204	£10,655	£888
			2	27	788	14,185	£393,180	£14,562	£1,214
			3	5	980	4,898	£95,100	£19,020	£1,585
			Grand Total			50	711	27,715	£682,404

Summary: Asking Rents by Development

New-Build / Re-Sale	Scheme	Accommodati on Type	Beds	No. of Advertised Units	Min Date	Max Date	Average Size (ft²)	Total Size (ft²)	Total Rent PA (£)	Average Rent PA (£)	Average Rent PCM (£)	
Re-Sale	Eastbank Tower	Flat	1	2	31/01/2020	31/01/2020	409	818	£19,500	£9,750	£813	
			2	5	31/01/2020	31/01/2020	616	3,078	£57,420	£11,484	£957	
New-Build	Burlington House	Flat	2	2	03/02/2020	03/02/2020	1,000	2,000	£43,080	£21,540	£1,795	
			Cotton Field Wharf	Flat	1	2	31/01/2020	31/01/2020	522	1,044	£20,928	£10,464
				2	2	31/01/2020	31/01/2020	732	1,464	£30,732	£15,366	£1,281
				Sawmill Court	Flat	2	4	31/01/2020	31/01/2020	764	3,057	£54,540
				3	2	31/01/2020	31/01/2020	1,001	2,002	£38,820	£19,410	£1,618
				Smiths Yard	Flat	1	2	31/01/2020	31/01/2020	527	1,055	£22,116
				2	6	31/01/2020	31/01/2020	761	4,564	£83,592	£13,932	£1,161
				3	1	31/01/2020	31/01/2020	958	958	£20,100	£20,100	£1,675
				The Astley	Flat	2	7	31/01/2020	31/01/2020	0	0	£104,160
	Weavers Quay	Flat	1	7	31/01/2020	31/01/2020	527	2,637	£74,160	£10,594	£883	
			2	6	31/01/2020	31/01/2020	775	3,100	£77,076	£12,846	£1,071	
			3	2	31/01/2020	31/01/2020	969	1,938	£36,180	£18,090	£1,508	
Total / Average:				50	31/01/2020	03/02/2020	711	27,715	£682,404	£13,648	£1,137	

Appendix 4: Cost Plan

FORSHAW LAND & PROPERTY GROUP

VICTORIA HOUSE, MANCHESTER

Stage 0 Cost Plan Report - REV A

Jan-20



VICTORIA HOUSE, MANCHESTER

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Section 1. Executive Summary

1.1 Overview

This cost models provides a financial appraisal Forshaw Land & Property Group in respect of the residential development along Great Ancoats in Manchester. We have based our assessment on the Simpson Haugh area schedule included in the CFD Test Option pack dated Nov 2019 and accompanying drawings.

The scheme comprises 177 units constructed over two lower and 24 upper floors . This equates to approximately 163,182 sqft of new build development.

The estimated out-turn construction cost for the base case scheme including Infrastructure and External Works is **£33,125,000 (£203/ft2)** based on a current day cost.

The rates used within the body of this estimate and summarised here are dated 1st Quarter 2020 and are provided on a 'Current Fixed Price Basis'. Inflation is excluded.

Construction Costs	£	£/m ²	£/ft ²
		15,160	163,182
Victoria House, Manchester	33,125,000	2,185	203
Total current day cost	33,125,000	2,185 £/m ²	203 £/ft ²
Tender Price Inflation to mid-point TBA	EXCLUDED	EXCLUDED	EXCLUDED
Construction Cost @ Q1 2020	33,125,000	2,185 £/m ²	203 £/ft ²

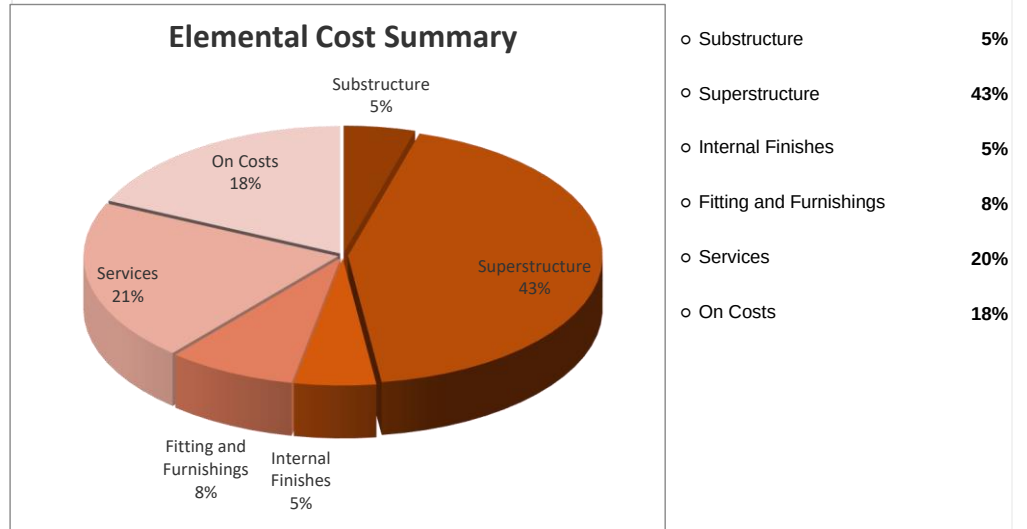
Note: £/m2 and £/ft2 calculated using the total GIA of the residential block.

Victoria House, Manchester

Element	£	GIA £/m²	GIA £/tf²
Stage 0 Cost Plan Report - REV A	1,478,275.68	97.51	9.06
Substructure (a)	1,478,275.68	97.51	9.06
Frame	5,306,000.00	350.00	32.52
Upper Floors	incl	Incl.	Incl.
Roof	373,600.00	24.64	2.29
Stairs	222,441.00	14.67	1.36
External Walls	5,969,722.50	393.78	36.58
Windows and External Doors	incl	Incl.	Incl.
Internal Walls	1,622,120.00	107.00	9.94
Internal Doors	641,030.00	42.28	3.93
Superstructure (b)	14,134,913.50	932.38	86.62
Wall Finishes	189,500.00	12.50	1.16
Floor Finishes	1,056,861.00	69.71	6.48
Ceiling Finishes	446,045.00	29.42	2.73
Internal Finishes (c)	1,692,406.00	111.64	10.37
Fittings and Furnishings	2,661,500.00	175.56	16.31
Fitting and Furnishings (d)	2,661,500.00	175.56	16.31
Sanitary Appliances	1,648,500.00	108.74	10.10
Mechanical Services	4,501,685.00	296.94	27.59
Electrical Services	0.00	0.00	Incl.
Lift Installations	403,000.00	26.58	2.47
M&E Builders Work	147,140.55	9.71	0.90
Services (e)	6,700,325.55	441.97	41.06
Fit-out of Amenity Areas	100,000.00	6.60	0.61
Sub Total (a+b+c+d+e)	26,767,420.73	1,765.66	164.03
Main Contractors Preliminaries	3,480,000.00	229.55	21.33
Pre-Construction Fee	0.00	0.00	0.00
Sub Total	30,247,420.73	1,995.21	185.36
Main Contractor's Overheads & Profit	1,815,000.00	119.72	11.12
Sub Total	32,062,420.73	2,114.94	196.48
Contractors Risk	641,000.00	42.28	3.93
Sub Total	32,703,420.73	2,157.22	200.41
Inflation Allowance	See Exec Summary		
Sub Total	32,703,420.73	2,157.22	200.41
Total (rounded)	32,703,000.00	2,157.22	200.41
External Works	300,000.00	19.79	1.84
Abnormals	122,000.00	8.05	0.75
Total (rounded)	33,125,000.00	2,185.03	203.00

Gross Internal Floor Area: -			15,160 m²	163,182 ft²
Net Internal Floor Area: -			10,941 m²	117,769 ft²

Elemental Cost Wheel		Key Drivers by %
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Preliminaries and Overhead & Profit			
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These costs relate to site supervision, contractors overheads and the general management of the contract.

Preliminaries

These include for time related and fixed running costs and are typically split across the following headings; management and staff, site accommodation, services and welfare facilities, temporary works, temporary power and services, site security, health and safety provisions, producing O&M documentation.

Overhead & Profit

The Contractor's management overheads include; a proportion of the company's central overheads such as head office and staff costs which are not in the preliminaries, and an amount for profit.

Section 3. General and Key Assumptions

The following are key assumptions made in the preparation of the cost plan:

Stage 0 Cost Plan Report - REV A

4.1 General

- Costs current at 1Q 2020
- Inflation is currently excluded
- Overall construction period to be confirmed
- Anticipated form of contract is the JCT Design and Build
- Anticipated procurement route is a negotiated contract
- Works procured under a single contract
- All works to be undertaken during normal working hours
- Sufficient time will be allowed for design development
- Local labour used for works
- Vacant possession at start on site
- Assume site is clear and ready for construction to commence

4.2 Key Assumptions

- Limited basement works anticipated
- Demolition if required undertaken separately
- No outstanding contamination / deleterious materials
- No archaeological works required
- No major services diversions on and/ or off site
- No allowance for blinds
- No BREEAM or exceptional requirements imposed by Lifetime Homes or National Technical Standard requirements
- Mixture of abseil and BMU to the building
- Kitchens included in the costs
- Allowance for a refuse chute
- Allowance for landscaping and incoming services
- Provisional allowance for incoming utilities
- Refuse compactors excluded from costs (assumed to be leased from others)
- Finished to a premium quality including sanitaryware, floor finishes and kitchens
- Furniture packs included

4.3 Assumed Building Specification

- | | |
|------------------|---|
| Ground Floor | ▪ Reinforced concrete slab |
| Frame | ▪ Insitu concrete frame |
| Upper Floors | ▪ PT Concrete slab |
| Roof | ▪ PT Concrete slab |
| Stairs | ▪ PCC stairs |
| External Walls | ▪ Standard façade & windows |
| Internal Walls | ▪ Concrete core walls (frame cost), plasterboard faced stud partitions |
| Finish/ Fittings | ▪ Communal floors in carpet/ tile. |
| | ▪ Apartment flooring living areas Amtico and bedroom carpet |
| | ▪ Kitchen provision: medium range kitchen |
| | ▪ Bathroom provision: pods medium range |
| | ▪ Exposed blockwork and concrete to BoH and plant; no decoration |
| Mechanical | ▪ Ventilation systems within apartments |
| | ▪ Heating electrical |
| | ▪ Boosted cold water installation |
| | ▪ Budget range sanitaryware |
| | ▪ Assume Otis lifts or similar |
| | ▪ Sprinkler installation |
| Electrical | ▪ Combination of pendant and LED lighting within apartments |
| | ▪ Brushed stainless steel cover plates for apartment switches and sockets |
| | ▪ Audio entry system |
| | ▪ Fire detection and alarm system / fire rated ductwork |
| | ▪ We have assumed that the utilities costs cover all sub-station works |

Section 4. Exclusions List

The following items are excluded, but have a potential cost impact and therefore need to be covered by other budgets within the Client's project appraisal.

The list is intended as a guide only and cannot be relied upon to be exhaustive:

Stage 0 Cost Plan Report - REV A

- Value Added Tax (VAT)
- Capital allowances or other incentives/ grants
- Developer's risk allowance/ overall project contingency
- Inflation
- Design, statutory/ commissioning fees, novated design fees
- Independent commissioning management fees
- Site acquisition fees/ costs, air rights, oversailing, rights to light
- Legal, planning, building control, fees and the like
- Costs arising from a Section 106 / 278 / CIL agreements
- Allowance for currency fluctuations
- Project insurances (beyond contractors 'all risks')
- Client finance costs and other insurances
- Contractors PCSA fee
- Costs associated with NHBC Guarantee and Warranty
- UXO implications
- Local Authority charges, road closures, etc.
- Compensation payments for road closures
- Compensation payments for parking bay suspensions
- Archaeological excavation costs for trial pits
- Site, architectural, building condition or monitoring surveys
- Phasing, sectional completion/ other requirements imposed by third parties
- Restricted/ out of hours working
- Removal of deleterious materials
- Abnormal ground conditions (see assumptions regarding enabling works)
- External works or infrastructure costs, beyond the allowance identified
- Diversion of services, within or outside of the site boundary
- Reinforcement of services infrastructure
- Asset protection costs; waterways etc.
- Monitoring of adjacent buildings, and work to existing structures
- Enabling Works / Demolition
- Sliding doors
- Provision for specialist joinery work is excluded
- Bespoke curtains/ blinds (allowance included for a small budget blind)
- Artwork, furniture, internal planting and the like (beyond allowances stated)
- Green roof/ terraces
- Marketing floors/ suites; any other marketing costs (brochures, etc.)

Section 4. Information Used

The following is a list of consultants who have provided information for the development of this cost plan:

Stage 0 Cost Plan Report - REV A

- Victoria House - Manchester CFD Test Option, November 2019, 10122-SHP-RP-CP42
REV R01

Victoria House, Manchester

Ref	Element	Quantity		Unit	Rate	Totals			Comments
		Per Unit	Total			£	£/m2	£/sqft	
	Substructure								
	Ground floor construction; reinforced concrete slab; including piles, pile caps, ground beams and below slab drainage		15,160	m²	75	1,142,276	75.35	7.00	
			-	nr	20,000	0	-	-	
	Abnormal Allowance for basement works		280	m³	1,100	308,000	20.32	1.89	
	Extra; insulated soffit over basement		280	m²	100	28,000	1.85	0.17	
	Substructure (a)					1,478,276	97.51	9.06	
	Superstructures								
2A.	Frame								
	Concrete frame / upper floors; insitu, 225mm thick PT Slab		15,160	m2	350	5,306,000	350.00	32.52	
2B.	Upper Floors - Included in Frame								
2C.	Roof								
	Built up roof finish		824	m2	150	123,600	8.15	0.76	
	BMU / Abseiling Points		1	item	250,000	250,000	16.49	1.53	Allowance
2D.	Stairs								
	Handrail to stairs; stainless steel (assume 12m per lift)		636	m	95	60,420	3.99	0.37	
	Baulstrade to stairs (assume 7m per lift)		371	m	415	153,965	10.16	0.94	
	Protection		1,007	m	8	8,056	0.53	0.05	
	Stairs / ladder access to roof		1	item		0	-	-	
							-	-	
2E.	External Walls								
	Extra; Main residential entrance doors		1	nr	30,000	30,000	1.98	0.18	
	External Wall through rate		9,023	m²	650	5,864,723	386.86	35.94	
	Allowance for balconies		-	nr	7,500	0	-	-	
	Plant Enclosure (roof)		165	m²		0	-	-	Included on the ground floor
	Airtightness testing		1	item	50,000	50,000	3.30	0.31	
	Signage zone		1	item	25,000	25,000	1.65	0.15	
2F.	Windows and External Doors - See External Walls								
2G.	Internal Walls and Partitions								
	Studwork; apartment walls; plasterboard both sides		15,160	m2	107	1,622,120	107.00	9.94	Allowance based on benchmark
2H.	Internal Doors								
	Apartment front doors		177	nr	600	106,200	7.01	0.65	
	Apartment single doors						-	-	
	Studio - Bathroom		0	1	nr	350	0	-	-
	one bed apartment - Bathroom		59	1	nr	350	20,650	1.36	0.13
	one bed apartment - Bedroom		59	1	nr	350	20,650	1.36	0.13
	two bed apartment - Bathroom		113	2	nr	350	79,100	5.22	0.48
	two bed apartment - Bedroom		113	2	nr	350	79,100	5.22	0.48
	three bed apartment - Bathroom		5	3	nr	350	5,250	0.35	0.03
	three bed apartment - Bedroom		5	3	nr	350	5,250	0.35	0.03
	Cupboard door		177	1	nr	340	60,180	3.97	0.37
	Architraves		-	m	8	0	-	-	
	Circulation doors						-	-	
	single; to stair cores		52	1	nr	1,000	52,000	3.43	0.32
	single; to other areas		35	2	nr	1,000	70,000	4.62	0.43
	single; to other rooms			nr	1,000	0	-	-	
	double; to public areas			nr	2,000	0	-	-	
	Service riser doors; single (1 nr per apartment)		177	1	nr	450	79,650	5.25	0.49
	Service riser doors; double		35	2	nr	900	63,000	4.16	0.39
	Superstructure (b)					14,134,914	932.38	86.62	
	Internal Finishes								
3A.	Wall Finishes								
	Paint generally		15,160	m²	13	189,500	12.50	1.16	
3B.	Floor Finishes								
	Common Areas								
	50mm thick screed to corridors		2,462	m2	25	61,550	4.06	0.38	
	regupol or similar underfloor matting		2,462	m²		0	-	-	
	Tiling; ground floor			m²	80	0	-	-	
	Extra; skirtings			incl		0	-	-	
	Extra; entrance matting		2	nr	4,000	8,000	0.53	0.05	
	Carpet; staircases and corridors		2,462	m²	40	98,480	6.50	0.60	
	Extra; skirtings		15,160	m²	9.00	136,440	9.00	0.84	
	To plant areas		-	m²	10	0	-	-	
	To BOH areas; incl. stair core		-	m²	10	0	-	-	
	To affinity living spaces e.g. private dining / working lounge			m²		0	-	-	
	To gym			m²		0	-	-	
	To WC's			m²		0	-	-	
	To retail areas			m²		0	-	-	
	Apartments - Generally								
	latex levelling screed		10,056	m²	6	60,336	3.98	0.37	
	levelling under pods		885	m²	15	13,275	0.88	0.08	
	regupol or similar underfloor matting		10,056	m²	30	301,680	19.90	1.85	
	Finish to apartments - Solid		5,028	m²	45	226,260	14.92	1.39	
	Finish to apartments - Carpet		5,028	m2	30	150,840	9.95	0.92	
3C.	Ceiling Finishes								
	Common Areas								
	General Common Areas		2,221	m²	65	144,365	9.52	0.88	
	Apartments						-	-	
	Suspended plasterboard and paint throughout		10,056	m²	30	301,680	19.90	1.85	
	Internal Finishes (c)					1,692,406	111.64	10.37	
4.1	Fitting and Furnishings								
	Common Areas								
	reception desk		1	nr	15,000	15,000	0.99	0.09	
	storage capacity		1	item		0	-	-	
	statutory signage		1	item	10,000	10,000	0.66	0.06	
	Post Boxes		177	nr	100	17,700	1.17	0.11	
	Fire Extinguishers		1	item	10,000	10,000	0.66	0.06	
	Apartments						-	-	

Victoria House, Manchester

Ref	Element	Quantity		Unit	Rate	Totals			Comments
		Per Unit	Total			£	£/m2	£/sqft	
	Studio - Fixed FFE; Kitchen		-	nr	4,750	0	-	-	
	1 Bed - Fixed FFE; Kitchen		59	nr	5,250	309,750	20.43	1.90	
	2 Bed - Fixed FFE; Kitchen		113	nr	5,250	593,250	39.13	3.64	
	3 Bed - Fixed FFE; Kitchen		5	nr	5,750	28,750	1.90	0.18	
	Furnishings to apartments		300	nr	4,000	1,200,000	79.16	7.35	Excluded from Cost Plan
	Blinds to apartments		300	nr	750	225,000	14.84	1.38	
	Refuse Chute					-	-	-	
	Refuse chute; 600mm dia, incl sound-damping etc		26	item	5,000	130,000	8.58	0.80	
	EO for 1100l galv waste containers		40	nr	595	23,800	1.57	0.15	
	EO for 25mm punif-foam sound deadening		26	floors	1,000	26,000	1.72	0.16	
	Cycle Spaces		289	nr	250	72,250	4.77	0.44	
4.2	Sanitary Appliances								
	Cleaners Stores		26	nr	1,000	26,000	1.72	0.16	
	Bath Pods to studios		-	nr	5,500	0	-	-	
	Bath Pods to 1 bed apartments		59	nr	5,500	324,500	21.41	1.99	
	Bath Pods to 2 bed apartments		226	nr	5,500	1,243,000	81.99	7.62	
	Bath Pods to 3 bed apartments		10	nr	5,500	55,000	3.63	0.34	
	Fitting and Furnishings, including Sanitary Fittings (d)					4,310,000	175.56	16.31	
	Services								
5.1	Utility Services								
	studio		-	nr	905	0	-	-	
	one bed apartment		59	nr	905	53,395	3.52	0.33	
	two bed apartment		113	nr	905	102,265	6.75	0.63	
	three bed apartment		5	nr	905	4,525	0.30	0.03	
5.2	MEP Installations								
	Shell and core		177	nr	11,500	2,035,500	134.27	12.47	
	Fit out					-	-	-	
	Studio apartment		-	nr	10,000	0	-	-	
	one bed apartment		59	nr	11,000	649,000	42.81	3.98	
	two bed apartment		113	nr	14,000	1,582,000	104.35	9.69	
	three bed apartment		5	nr	15,000	75,000	4.95	0.46	24,528.25
5.3	Lifts Installation								
	Passenger lifts -		52	nr	7,000	364,000	24.01	2.23	
	Passenger lifts - 28 storeys (Fire Fighting)		26	nr	1,500	39,000	2.57	0.24	
5.4	Builder Work								
	M&E Builder's Work in Connection		3	%		147,141	9.71	0.90	
	Services (e)					5,051,826	333.23	30.96	
	Amenity Space								
	GROUND FLOOR								
	Reception								
	Reception Desk					included in FF&E		-	
	Reception Fit-out		1	item	100,000	100,000	6.60	0.61	
	Cold Store		1	item		Excl	Excl	Excl	
	Postal Room		1	item		Excl	Excl	Excl	
						100,000	7	0.61	
	Abnormals								
	Abnormals					0	-	-	
						0	0	-	
	Sub Total (a+b+c+d+e+f)					26,767,421	1,765.66	164.03	
	Prelims	13.0%				3,480,000	229.55	21.33	
	OH&P	6.0%				1,815,000	119.72	11.12	
	Contractors Risk	2.0%				641,000	42.28	3.93	
	Inflation					See Exec Summary	-	-	
	Preconstruction Services Fee					0	-	-	
	Total					32,700,000	2,157.22	200.41	

Appendix 5: Demolition Quotation



Date: 10th March 2020

Our Ref: JW/FG/10551/20

Your Ref:

Forshaw Group
14 Wood Street
Bolton,
BL1 1DY

For the attention of Lyndon Forshaw

Re: Demolition of Victoria House, Manchester

Further to your recent invitation to tender for the above project, we have pleasure in forwarding our quotation for the demolition works herewith.

DEMOLITION AND SITE CLEARANCE

- *Demolition of building*
- *Grub up slab and foundations and crush demolition arisings on site*
- *Removal of other materials from site*

Seventy Five Thousand Pounds + VAT (£75,000.00 + VAT)

SERVICE DISCONNECTIONS

We have not made allowance for service disconnections / isolations nor any diversions that may be required. We will require written evidence of service disconnections / isolations prior to commencing any strip out work. Any programmes agreed are subject to the satisfactory supply of this information.

ASBESTOS REMOVAL

Prior to demolition commencing we would need a copy of a Demolition & Refurbishment Asbestos Survey for the building. We have not allowed for the removal of any asbestos containing material that may be highlighted in such a survey.

SUPERVISION & TRAINING

We can confirm that our quotation includes for a Site Manager and Supervisor trained to NFDC National Demolition Training Group Supervisor Gold Card Level as part of the CSCS Card Scheme. They are also trained to the SMSTS Construction Industry Standard.

All of our operatives hold the relevant CSCS or CPCS card relevant to their discipline and all our machine operatives carry the requisite CPCS card with the Demolition Plant element, which is often something clients are not aware of.

HAZARDOUS MATERIALS/CONTAMINATED GROUND

We have not allowed for the removal of any contaminated ground that may be encountered on the site.

CREDITS

We have allowed for credits gained from the materials on site and are therefore integral to our quotation.

HEALTH AND SAFETY DOCUMENTATION

An outline, Demolition Phase Plan in accordance with the CDM Regulations 2015 can be provided within 72 hours of request, and will, upon development, include all demolition Method Statements, COSHH and Risk Assessments for the works. All demolition works will be carried out in accordance with but not restricted to:

1. BS6187: 2011: Code of Practice for Demolition.
2. The Health and Safety at Work Act 1974.
3. Construction Design and Management Regulations 2015.
4. Local Authority Conditions of Demolition under Section 80 & 81 of the 1984 Building Act.

In the meantime, should you require any further information please contact the undersigned at your convenience.

Yours sincerely,

For Forshaw Demolition Ltd



pp **Christian Forshaw**
CONTRACTS DIRECTOR

Appendix 6: Marketing Particulars - 410 Ashton Old Road

TO LET



Warehouse Premises

470.21m² (5,061 sq ft) plus secure yard to rear

**410 Ashton Old Road
Manchester
M11 2DT**

- Busy main road position
- Recently re-roofed
- 5.6m eaves

LOCATION

The property is located on the south side of Ashton Old Road close to its junction with Stainforth Street in Beswick. Manchester City Centre is approx. 2 miles to the west and Junction 23 of the M60 motorway is approx. 5 miles to the east.

DESCRIPTION

The property comprises a warehouse premises of steel portal frame construction with a double storey section of offices to the front beneath a flat roof and warehouse to the rear beneath a new pitched steel sheet roof. The warehouse has an eaves height of approx. 5.6m with 6m to the apex. It has roller shutter loading door access. Externally there is a secure yard to the rear of the property.

ACCOMMODATION

As measured on a gross internal basis, the areas are as follows:-

Ground Floor Warehouse	314.41m ²
Ground Floor Offices	77.90m ²
First Floor Offices	77.90m ²
Total	470.21m ² (5,061 sq ft)

LEASE

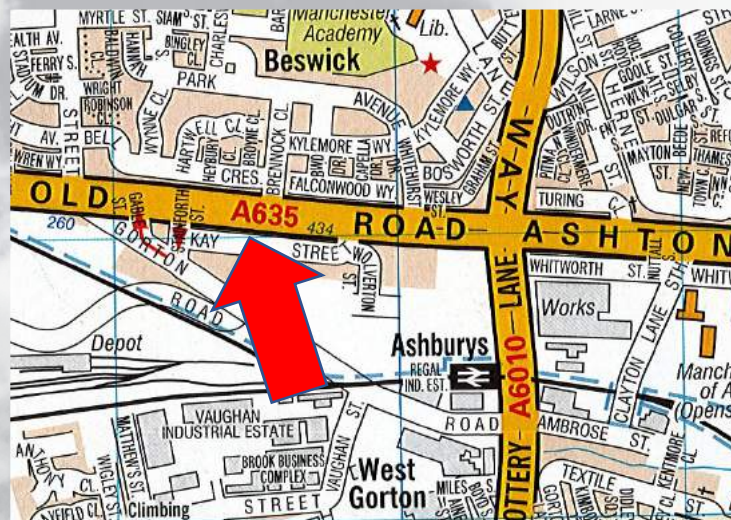
The property is available by way of a new fully repairing and insuring lease for a term of years to be agreed at an initial rent of £32,000 per annum.

BUSINESS RATES

The property has a rateable value of £20,000 and the rates payable are £9,860 per annum (2018/19 – 49.3p/£).

EPC

A copy of the EPC is available upon request.



VAT

All figures quoted are exclusive of but may be liable to VAT.

VIEWING

By appointment with the sole agent, W T Gunson for the attention of:

Neale Sayle
(Email: neale.sayle@wtgunson.co.uk)

Or

Sam Beckett
(Email: sam.beckett@wtgunson.co.uk)

Tel: 0161 833 9797
Date of Preparation: 24/10/18

Appendix 7: Appraisal - Proposed Development

Forshaw Land & Property Group Ltd
Victoria House, Great Ancoats Street

177 Apartment Units (BTR)

Development Appraisal
Turley
10 March 2020

APPRAISAL SUMMARY**TURLEY**

Forshaw Land & Property Group Ltd
Victoria House, Great Ancoats Street

Appraisal Summary for Phase 1 BTR

Currency in £

REVENUE**Rental Area Summary**

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Residential: 1-Bed Unit	59	28,912	21.36	10,468	467,862	617,640	467,862
Residential: 2-Bed Unit	113	83,958	20.49	15,223	1,303,080	1,720,238	1,303,080
Residential: 3-Bed Unit	5	4,898	20.50	20,083	76,065	100,416	76,065
Retail Unit	1	1,733	22.50	38,993	38,993	38,993	38,993
Totals	178	119,501			1,886,000	2,477,287	1,886,000

Investment Valuation**Residential: 1-Bed Unit**

Current Rent 467,862 YP @ 4.2500% 23.5294 11,008,525

Residential: 2-Bed Unit

Current Rent 1,303,080 YP @ 4.2500% 23.5294 30,660,713

Residential: 3-Bed Unit

Current Rent 76,065 YP @ 4.2500% 23.5294 1,789,768

Retail Unit

Market Rent 38,993 YP @ 6.5000% 15.3846
 (6mths Rent Free) PV 6mths @ 6.5000% 0.9690 581,290

Total Investment Valuation**44,040,295****GROSS DEVELOPMENT VALUE****44,040,295**

Purchaser's Costs (792,725)
 Effective Purchaser's Costs Rate 1.80% (792,725)

NET DEVELOPMENT VALUE**43,247,570****NET REALISATION****43,247,570****OUTLAY****ACQUISITION COSTS**

Residualised Price 249,394
 Stamp Duty 1,988
 Effective Stamp Duty Rate 0.80%
 Agent Fee 1.00% 2,494
 Legal Fee 0.80% 1,995
 6,477

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
Construction Costs	163,182	196.48	32,062,421
Contractors Risk			641,000
External Works			300,000
Abnormals Works			122,000
Demolition			75,000
Public Realm Contribution			479,000
			33,679,421

PROFESSIONAL FEES

APPRAISAL SUMMARY**TURLEY****Forshaw Land & Property Group Ltd
Victoria House, Great Ancoats Street**

Professional Fees	7.50%	2,441,957	
Development Management Fee	3.00%	974,533	
			3,416,489

DISPOSAL FEES

Investment Sale Agent Fee	1.00%	432,476	
Investment Sale Legal Fee	0.50%	216,238	
			648,714

FINANCE

Debit Rate 4.250%, Credit Rate 0.000% (Nominal)			
Land		22,582	
Construction		1,292,895	
Total Finance Cost			1,315,477

TOTAL COSTS**39,315,972****PROFIT****3,931,597****Performance Measures**

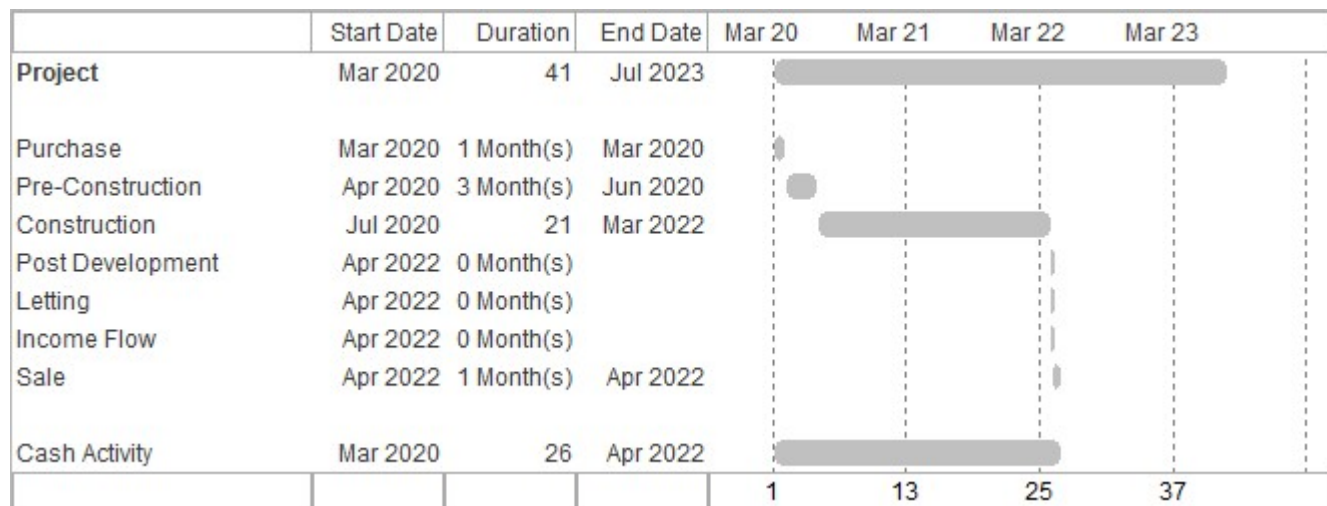
Profit on Cost%	10.00%
Profit on GDV%	8.93%

Forshaw Land & Property Group Ltd
Victoria House, Great Ancoats Street

Project Timescale

Project Start Date	Mar 2020
Project End Date	Jul 2023
Project Duration (Inc Exit Period)	41 months

1. BTR



Appendix 8: Market Sales Analysis Data

Market Comparables: Asking Prices / Sales

Link	Development	Developer	Asking / Sold Prices	New-Build / Re-Sale	Date	Post Code	No	Address	House Type	Accommodation Type	Beds	Storey(s)	Parking	m²	ft²	Price	£ / ft²	Amenities/ Comments
7831477.html	Oxygen		Asking Price	New-Build	31/01/2020	M1 2WA		Store Street	Flat		2					£406,280		Gym; swimming pool; concierge;
7831519.html	Oxygen		Asking Price	New-Build	31/01/2020	M1 2WA		Store Street	Flat		2					£327,915		Gym; swimming pool; concierge;
7831573.html	Oxygen		Asking Price	New-Build	31/01/2020	M1 2WA		Store Street	Flat		1					£270,338		Gym; swimming pool; concierge;
9020907.html	Oxygen		Asking Price	New-Build	31/01/2020	M1 2WA		Store Street	Flat		1					£250,000		Gym; swimming pool; concierge;
7831576.html	Oxygen		Asking Price	New-Build	31/01/2020	M1 2WA		Store Street	Flat		1					£236,740		Gym; swimming pool; concierge;
0308241.html	Crusader	Capital & Centric	Asking Price	New-Build	31/01/2020	M1 2WH		Chapeltown Street	Flat		2	Penthouse		90.0	969	£420,000	£434	Concierge; residents garden
0307440.html	Crusader	Capital & Centric	Asking Price	New-Build	31/01/2020	M1 2WH	208	Chapeltown Street	Flat		2			74.7	804	£318,000	£395	Concierge; residents garden
0207993.html	Crusader	Capital & Centric	Asking Price	New-Build	31/01/2020	M1 2WH	22	Chapeltown Street	Flat		1			48.4	521	£198,000	£380	
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	7	Vesta Street	Flat		2	GF		71.1	765	£285,000	£373	Terrace; concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	8	Vesta Street	Flat		3	GF		89.1	959	£350,000	£365	Terrace; concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	10	Vesta Street	Flat		2	1F		67.4	725	£245,000	£338	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	13	Vesta Street	Flat		1	1F		49.7	535	£180,000	£336	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	15	Vesta Street	Flat		1	1F		54.3	585	£190,000	£325	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	20	Vesta Street	Flat		2	1F		70.9	763	£265,000	£347	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	21	Vesta Street	Flat		2	1F		74.1	798	£282,500	£354	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	25	Vesta Street	Flat		1	1F		49.7	535	£180,500	£337	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	53	Vesta Street	Flat		2	2F		68.3	735	£252,500	£344	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	62	Vesta Street	Flat		2	3F		70.8	762	£275,000	£361	Balcony; concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	64	Vesta Street	Flat		2	3F		70.9	763	£262,500	£344	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	65	Vesta Street	Flat		1	3F		49.1	529	£185,000	£350	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	70	Vesta Street	Flat		2	3F		64.7	696	£245,000	£352	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	100	Vesta Street	Flat		2	4F		70.9	763	£272,500	£357	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	125	Vesta Street	Flat		2	6F		69.6	749	£262,500	£350	Concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	142	Vesta Street	Flat		2	6F		82.1	884	£315,000	£356	Balcony; concierge; resident's clubroom; outdoor amenity space
om/availability	One Vesta Street	Manchester Life	Asking Price	New-Build	03/02/2020	M4 5AB	156	Vesta Street	Flat		3	8F		88.3	950	£395,000	£416	Terrace; concierge; resident's clubroom; outdoor amenity space
7049364.html	Murrays' Mills		Asking Price	New-Build	03/02/2020	M4 6LS	73	MURRAYS MILLS, 50 Bengal Street	Flat		1			50.0	538	£210,000	£390	Concierge;
8988363.html	Avro	Urban Splash	Asking Price	New-Build	03/02/2020			Binns Place	Flat		2			134.0	1,442	£575,000	£399	Private resident's garden
8985417.html	Avro	Urban Splash	Asking Price	New-Build	03/02/2020			Binns Place	Flat		2			106.0	1,141	£475,000	£416	Private resident's garden
8208156.html	Avro	Urban Splash	Asking Price	New-Build	03/02/2020			Binns Place	Flat		2			104.0	1,119	£435,000	£389	Private resident's garden
8985255.html	Avro	Urban Splash	Asking Price	New-Build	03/02/2020			Binns Place	Flat		2			94.0	1,012	£380,000	£375	Private resident's garden
7796352.html	Avro	Urban Splash	Asking Price	New-Build	03/02/2020			Binns Place	Flat		2			77.0	829	£350,000	£422	Private resident's garden
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		1			50.0	538	£228,500	£425	Gym; resident's lounge; shared terrace
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		1			50.0	538	£233,500	£434	Gym; resident's lounge; shared terrace
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		1			50.0	538	£231,000	£429	Gym; resident's lounge; shared terrace
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		1			50.0	538	£226,000	£420	Gym; resident's lounge; shared terrace
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		2			70.0	753	£335,000	£445	Gym; resident's lounge; shared terrace
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		2			70.0	753	£291,000	£386	Gym; resident's lounge; shared terrace
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		2			72.0	775	£306,000	£395	Gym; resident's lounge; shared terrace
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		2			70.0	753	£310,000	£411	
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		2			70.0	753	£307,000	£407	
i&sf_paged=2	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		2			70.0	753	£295,000	£392	
t&sf_paged=2	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		2			70.0	753	£311,000	£413	
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		3			98.0	1,055	£403,500	£383	
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		3			98.0	1,055	£393,500	£373	
je=Apartment	Meadowside	FEC	Asking Price	New-Build	03/02/2020			Irk Street	Flat		3			98.0	1,055	£388,500	£368	
	Cotton Square		Sold Price	New-Build	16/10/2019	M4 5EP	10	Cotton House, 21 Blossom Street	Flat					104.0	1,119	£399,500	£357	
	Cotton Square		Sold Price	New-Build	01/07/2019	M4 5EP	13	Cotton House, 21 Blossom Street	Flat					66.0	710	£198,100	£279	
	Cotton Square		Sold Price	New-Build	28/06/2019	M4 5EP	20	Cotton House, 21 Blossom Street	Flat					61.0	657	£240,000	£366	
	Cotton Square		Sold Price	New-Build	17/07/2019	M4 5EP	21	Cotton House, 21 Blossom Street	Flat					86.0	926	£381,000	£412	
	Cotton Square		Sold Price	New-Build	19/08/2019	M4 5EP	7	Cotton House, 21 Blossom Street	Flat					104.0	1,119	£401,500	£359	
	Cotton Square		Sold Price	New-Build	13/06/2019	M4 5EP	1	Cotton House, 21 Blossom Street	Flat					104.0	1,119	£399,500	£357	
	Cotton Square		Sold Price	New-Build	27/06/2019	M4 5EP	11	Cotton House, 21 Blossom Street	Flat					66.0	710	£197,100	£277	
	Cotton Square		Sold Price	New-Build	19/07/2019	M4 5EP	14	Cotton House, 21 Blossom Street	Flat					61.0	657	£196,800	£300	
	Cotton Square		Sold Price	New-Build	20/06/2019	M4 5EP	15	Cotton House, 21 Blossom Street	Flat					66.0	710	£225,000	£317	
	Cotton Square		Sold Price	New-Build	28/06/2019	M4 5EP	17	Cotton House, 21 Blossom Street	Flat					66.0	710	£202,100	£284	
	Cotton Square		Sold Price	New-Build	18/07/2019	M4 5EP	19	Cotton House, 21 Blossom Street	Flat					66.0	710	£201,100	£283	
	Cotton Square		Sold Price	New-Build	21/06/2019	M4 5EP	2	Cotton House, 21 Blossom Street	Flat					104.0	1,119	£402,000	£359	
	Cotton Square		Sold Price	New-Build	21/06/2019	M4 5EP	3	Cotton House, 21 Blossom Street	Flat					104.0	1,119	£402,000	£359	
	Cotton Square		Sold Price	New-Build	10/06/2019	M4 5EP	4	Cotton House, 21 Blossom Street	Flat					104.0	1,119	£399,500	£357	
	Cotton Square		Sold Price	New-Build	05/07/2019	M4 5EP	5	Cotton House, 21 Blossom Street	Flat					102.0	1,098	£399,950	£364	
	Cotton Square		Sold Price	New-Build	17/06/2019	M4 5EP	9	Cotton House, 21 Blossom Street	Flat					104.0	1,119	£399,500	£357	
	Popworks		Sold Price	New-Build	12/09/2019	M4 6BQ	FLAT 1	Popworks Building, 164 Oldham Road	Flat					62.0	667	£205,000	£307	
	Popworks		Sold Price	New-Build	04/09/2019	M4 6BQ	FLAT 11	Popworks Building, 164 Oldham Road	Flat					49.0	527	£172,500	£327	
	Popworks		Sold Price	New-Build	05/08/2019	M4 6BQ	FLAT 12	Popworks Building, 164 Oldham Road	Flat					62.0	667	£226,000	£339	
	Popworks		Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 13	Popworks Building, 164 Oldham Road	Flat					65.0	700	£218,000	£312	

Popworks	Sold Price	New-Build	01/08/2019	M4 6BQ	FLAT 14	Popworks Building, 164 Oldham Road	Flat	69.0	743	£223,500	£301
Popworks	Sold Price	New-Build	30/08/2019	M4 6BQ	FLAT 15	Popworks Building, 164 Oldham Road	Flat	62.0	667	£207,000	£310
Popworks	Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 16	Popworks Building, 164 Oldham Road	Flat	42.0	452	£152,000	£336
Popworks	Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 18	Popworks Building, 164 Oldham Road	Flat	49.0	527	£186,000	£353
Popworks	Sold Price	New-Build	09/08/2019	M4 6BQ	FLAT 2	Popworks Building, 164 Oldham Road	Flat	42.0	452	£145,000	£321
Popworks	Sold Price	New-Build	31/07/2019	M4 6BQ	FLAT 20	Popworks Building, 164 Oldham Road	Flat	65.0	700	£224,500	£321
Popworks	Sold Price	New-Build	26/07/2019	M4 6BQ	FLAT 21	Popworks Building, 164 Oldham Road	Flat	69.0	743	£227,000	£306
Popworks	Sold Price	New-Build	05/09/2019	M4 6BQ	FLAT 22	Popworks Building, 164 Oldham Road	Flat	62.0	667	£215,000	£322
Popworks	Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 23	Popworks Building, 164 Oldham Road	Flat	42.0	452	£155,500	£344
Popworks	Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 25	Popworks Building, 164 Oldham Road	Flat	49.0	527	£179,500	£340
Popworks	Sold Price	New-Build	08/08/2019	M4 6BQ	FLAT 26	Popworks Building, 164 Oldham Road	Flat	62.0	667	£233,000	£349
Popworks	Sold Price	New-Build	31/07/2019	M4 6BQ	FLAT 27	Popworks Building, 164 Oldham Road	Flat	65.0	700	£228,000	£326
Popworks	Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 28	Popworks Building, 164 Oldham Road	Flat	69.0	743	£237,500	£320
Popworks	Sold Price	New-Build	13/09/2019	M4 6BQ	FLAT 4	Popworks Building, 164 Oldham Road	Flat	49.0	527	£165,000	£313
Popworks	Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 5	Popworks Building, 164 Oldham Road	Flat	62.0	667	£216,000	£324
Popworks	Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 6	Popworks Building, 164 Oldham Road	Flat	65.0	700	£217,500	£311
Popworks	Sold Price	New-Build	09/08/2019	M4 6BQ	FLAT 7	Popworks Building, 164 Oldham Road	Flat	69.0	743	£220,000	£296
Popworks	Sold Price	New-Build	30/08/2019	M4 6BQ	FLAT 8	Popworks Building, 164 Oldham Road	Flat	62.0	667	£208,000	£312
Popworks	Sold Price	New-Build	24/07/2019	M4 6BQ	FLAT 9	Popworks Building, 164 Oldham Road	Flat	42.0	452	£145,500	£322
Warehaus	Sold Price	New-Build	24/05/2019	M4 6GG	30	Roper Court, 109 George Leigh Street	Flat			£330,000	
Warehaus	Sold Price	New-Build	01/05/2019	M4 6GG	31	Roper Court, 109 George Leigh Street	Flat			£335,000	
Warehaus	Sold Price	New-Build	10/04/2019	M4 6GG	32	Roper Court, 109 George Leigh Street	Flat	99.0	1,066	£355,000	£333
Murrays' Mills	Sold Price	New-Build	29/05/2019	M4 6LR	10	Murrays Mills, 50 Bengal Street	Flat	81.0	872	£290,000	£333
Murrays' Mills	Sold Price	New-Build	31/05/2019	M4 6LR	11	Murrays Mills, 50 Bengal Street	Flat	66.0	710	£255,000	£359
Murrays' Mills	Sold Price	New-Build	30/05/2019	M4 6LR	12	Murrays Mills, 50 Bengal Street	Flat	45.0	484	£190,000	£392
Murrays' Mills	Sold Price	New-Build	28/05/2019	M4 6LR	14	Murrays Mills, 50 Bengal Street	Flat	66.0	710	£260,000	£366
Murrays' Mills	Sold Price	New-Build	28/05/2019	M4 6LR	16	Murrays Mills, 50 Bengal Street	Flat	81.0	872	£300,000	£344
Murrays' Mills	Sold Price	New-Build	07/06/2019	M4 6LR	17	Murrays Mills, 50 Bengal Street	Flat	66.0	710	£265,000	£373
Murrays' Mills	Sold Price	New-Build	03/10/2019	M4 6LR	19	Murrays Mills, 50 Bengal Street	Flat	81.0	872	£325,000	£373
Murrays' Mills	Sold Price	New-Build	12/06/2019	M4 6LR	20	Murrays Mills, 50 Bengal Street	Flat	66.0	710	£280,000	£394
Murrays' Mills	Sold Price	New-Build	29/05/2019	M4 6LR	21	Murrays Mills, 50 Bengal Street	Flat	45.0	484	£190,000	£392
Murrays' Mills	Sold Price	New-Build	30/08/2019	M4 6LR	22	Murrays Mills, 50 Bengal Street	Flat	114.0	1,227	£435,000	£354
Murrays' Mills	Sold Price	New-Build	24/05/2019	M4 6LR	23	Murrays Mills, 50 Bengal Street	Flat	135.0	1,453	£310,000	£213
Murrays' Mills	Sold Price	New-Build	14/06/2019	M4 6LR	25	Murrays Mills, 50 Bengal Street	Flat	88.0	947	£300,000	£317
Murrays' Mills	Sold Price	New-Build	30/05/2019	M4 6LR	26	Murrays Mills, 50 Bengal Street	Flat	88.0	947	£385,000	£406
Murrays' Mills	Sold Price	New-Build	28/05/2019	M4 6LR	27	Murrays Mills, 50 Bengal Street	Flat	88.0	947	£307,500	£325
Murrays' Mills	Sold Price	New-Build	28/05/2019	M4 6LR	28	Murrays Mills, 50 Bengal Street	Flat	88.0	947	£290,000	£306
Murrays' Mills	Sold Price	New-Build	06/09/2019	M4 6LR	30	Murrays Mills, 50 Bengal Street	Flat	88.0	947	£335,000	£354
Murrays' Mills	Sold Price	New-Build	11/09/2019	M4 6LR	33	Murrays Mills, 50 Bengal Street	Flat	123.0	1,324	£435,000	£329
Murrays' Mills	Sold Price	New-Build	22/08/2019	M4 6LR	34	Murrays Mills, 50 Bengal Street	Flat	118.0	1,270	£440,000	£346
Murrays' Mills	Sold Price	New-Build	10/06/2019	M4 6LR	35	Murrays Mills, 50 Bengal Street	Flat	157.0	1,690	£350,000	£207
Murrays' Mills	Sold Price	New-Build	21/06/2019	M4 6LR	37	Murrays Mills, 50 Bengal Street	Flat	99.0	1,066	£310,000	£291
Murrays' Mills	Sold Price	New-Build	24/10/2019	M4 6LR	38	Murrays Mills, 50 Bengal Street	Flat	74.0	797	£285,000	£358
Murrays' Mills	Sold Price	New-Build	31/05/2019	M4 6LR	39	Murrays Mills, 50 Bengal Street	Flat	56.0	603	£185,000	£307
Murrays' Mills	Sold Price	New-Build	18/06/2019	M4 6LR	40	Murrays Mills, 50 Bengal Street	Flat	93.0	1,001	£330,000	£330
Murrays' Mills	Sold Price	New-Build	28/05/2019	M4 6LR	41	Murrays Mills, 50 Bengal Street	Flat	74.0	797	£270,000	£339
Murrays' Mills	Sold Price	New-Build	29/05/2019	M4 6LR	42	Murrays Mills, 50 Bengal Street	Flat	56.0	603	£185,000	£307
Murrays' Mills	Sold Price	New-Build	28/05/2019	M4 6LR	45	Murrays Mills, 50 Bengal Street	Flat	56.0	603	£195,000	£324
Murrays' Mills	Sold Price	New-Build	25/07/2019	M4 6LR	46	Murrays Mills, 50 Bengal Street	Flat	93.0	1,001	£335,000	£335
Murrays' Mills	Sold Price	New-Build	24/05/2019	M4 6LR	47	Murrays Mills, 50 Bengal Street	Flat	74.0	797	£265,000	£333
Murrays' Mills	Sold Price	New-Build	31/05/2019	M4 6LR	48	Murrays Mills, 50 Bengal Street	Flat	56.0	603	£195,000	£324
Murrays' Mills	Sold Price	New-Build	24/07/2019	M4 6LR	5	Murrays Mills, 50 Bengal Street	Flat	83.0	893	£260,000	£291
Murrays' Mills	Sold Price	New-Build	14/06/2019	M4 6LR	50	Murrays Mills, 50 Bengal Street	Flat	111.0	1,195	£345,000	£289
Murrays' Mills	Sold Price	New-Build	28/05/2019	M4 6LR	51	Murrays Mills, 50 Bengal Street	Flat	56.0	603	£200,000	£332
Murrays' Mills	Sold Price	New-Build	31/05/2019	M4 6LR	52	Murrays Mills, 50 Bengal Street	Flat	121.0	1,302	£390,000	£299
Murrays' Mills	Sold Price	New-Build	28/05/2019	M4 6LR	7	Murrays Mills, 50 Bengal Street	Flat	45.0	484	£180,000	£372
Murrays' Mills	Sold Price	New-Build	13/06/2019	M4 6LR	8	Murrays Mills, 50 Bengal Street	Flat	66.0	710	£250,000	£352
Murrays' Mills	Sold Price	New-Build	14/06/2019	M4 6LR	9	Murrays Mills, 50 Bengal Street	Flat	45.0	484	£185,000	£382
Murrays' Mills	Sold Price	New-Build	26/04/2019	M4 6LS	101	Murrays Mills, 50 Bengal Street	Flat	50.0	538	£167,500	£311
Murrays' Mills	Sold Price	New-Build	17/05/2019	M4 6LS	102	Murrays Mills, 50 Bengal Street	Flat	80.0	861	£285,000	£331
Murrays' Mills	Sold Price	New-Build	29/04/2019	M4 6LS	104	Murrays Mills, 50 Bengal Street	Flat	50.0	538	£170,000	£316
Murrays' Mills	Sold Price	New-Build	26/07/2019	M4 6LS	107	Murrays Mills, 50 Bengal Street	Flat	50.0	538	£205,000	£381
Murrays' Mills	Sold Price	New-Build	27/03/2019	M4 6LS	110	Murrays Mills, 50 Bengal Street	Flat	72.0	775	£238,500	£308
Murrays' Mills	Sold Price	New-Build	27/03/2019	M4 6LS	111	Murrays Mills, 50 Bengal Street	Flat	72.0	775	£245,000	£316
Murrays' Mills	Sold Price	New-Build	26/03/2019	M4 6LS	112	Murrays Mills, 50 Bengal Street	Flat	78.0	840	£275,000	£328
Murrays' Mills	Sold Price	New-Build	29/03/2019	M4 6LS	113	Murrays Mills, 50 Bengal Street	Flat	78.0	840	£285,000	£339
Murrays' Mills	Sold Price	New-Build	26/03/2019	M4 6LS	114	Murrays Mills, 50 Bengal Street	Flat	72.0	775	£252,500	£326
Murrays' Mills	Sold Price	New-Build	26/03/2019	M4 6LS	116	Murrays Mills, 50 Bengal Street	Flat	78.0	840	£290,000	£345
Murrays' Mills	Sold Price	New-Build	27/03/2019	M4 6LS	117	Murrays Mills, 50 Bengal Street	Flat	78.0	840	£287,500	£342

Murrays' Mills	Sold Price	New-Build	26/03/2019	M4 6LS	118	Murrays Mills, 50 Bengal Street	Flat	72.0	775	£255,000	£329
Murrays' Mills	Sold Price	New-Build	26/03/2019	M4 6LS	119	Murrays Mills, 50 Bengal Street	Flat	72.0	775	£262,500	£339
Murrays' Mills	Sold Price	New-Build	26/03/2019	M4 6LS	122	Murrays Mills, 50 Bengal Street	Flat	72.0	775	£272,500	£352
Murrays' Mills	Sold Price	New-Build	29/03/2019	M4 6LS	123	Murrays Mills, 50 Bengal Street	Flat	72.0	775	£265,000	£342
Murrays' Mills	Sold Price	New-Build	25/03/2019	M4 6LS	124	Murrays Mills, 50 Bengal Street	Flat	78.0	840	£295,000	£351
Murrays' Mills	Sold Price	New-Build	03/05/2019	M4 6LS	70	Murrays Mills, 50 Bengal Street	Flat	101.0	1,087	£245,000	£225
Murrays' Mills	Sold Price	New-Build	26/04/2019	M4 6LS	72	Murrays Mills, 50 Bengal Street	Flat	81.0	872	£260,000	£298
Murrays' Mills	Sold Price	New-Build	26/04/2019	M4 6LS	73	Murrays Mills, 50 Bengal Street	Flat	50.0	538	£155,000	£288
Murrays' Mills	Sold Price	New-Build	25/04/2019	M4 6LS	74	Murrays Mills, 50 Bengal Street	Flat	81.0	872	£255,000	£292
Murrays' Mills	Sold Price	New-Build	24/04/2019	M4 6LS	76	Murrays Mills, 50 Bengal Street	Flat	50.0	538	£160,000	£297
Murrays' Mills	Sold Price	New-Build	24/04/2019	M4 6LS	78	Murrays Mills, 50 Bengal Street	Flat	81.0	872	£285,000	£327
Murrays' Mills	Sold Price	New-Build	14/06/2019	M4 6LS	79	Murrays Mills, 50 Bengal Street	Flat	50.0	538	£165,000	£307
Murrays' Mills	Sold Price	New-Build	09/08/2019	M4 6LS	80	Murrays Mills, 50 Bengal Street	Flat	81.0	872	£300,000	£344
Murrays' Mills	Sold Price	New-Build	24/04/2019	M4 6LS	82	Murrays Mills, 50 Bengal Street	Flat	50.0	538	£170,000	£316
Murrays' Mills	Sold Price	New-Build	16/08/2019	M4 6LS	85	Murrays Mills, 50 Bengal Street	Flat	143.0	1,539	£390,000	£253
Murrays' Mills	Sold Price	New-Build	18/10/2019	M4 6LS	87	Murrays Mills, 50 Bengal Street	Flat	83.0	893	£280,000	£313
Murrays' Mills	Sold Price	New-Build	25/04/2019	M4 6LS	88	Murrays Mills, 50 Bengal Street	Flat	86.0	926	£297,500	£321
Murrays' Mills	Sold Price	New-Build	26/04/2019	M4 6LS	89	Murrays Mills, 50 Bengal Street	Flat	83.0	893	£285,000	£319
Murrays' Mills	Sold Price	New-Build	25/04/2019	M4 6LS	91	Murrays Mills, 50 Bengal Street	Flat	83.0	893	£287,500	£322
Murrays' Mills	Sold Price	New-Build	03/05/2019	M4 6LS	92	Murrays Mills, 50 Bengal Street	Flat	120.0	1,292	£395,000	£306
Murrays' Mills	Sold Price	New-Build	03/05/2019	M4 6LS	93	Murrays Mills, 50 Bengal Street	Flat	114.0	1,227	£395,000	£322
Murrays' Mills	Sold Price	New-Build	03/05/2019	M4 6LS	94	Murrays Mills, 50 Bengal Street	Flat	152.0	1,636	£350,000	£214
Murrays' Mills	Sold Price	New-Build	10/05/2019	M4 6LS	95	Murrays Mills, 50 Bengal Street	Flat	101.0	1,087	£252,500	£232
Murrays' Mills	Sold Price	New-Build	25/04/2019	M4 6LS	96	Murrays Mills, 50 Bengal Street	Flat	51.0	549	£165,000	£301
Murrays' Mills	Sold Price	New-Build	13/09/2019	M4 6LS	98	Murrays Mills, 50 Bengal Street	Flat	50.0	538	£188,000	£349
Murrays' Mills	Sold Price	New-Build	24/04/2019	M4 6LS	99	Murrays Mills, 50 Bengal Street	Flat	80.0	861	£280,000	£325
Unknown	Sold Price	New-Build	14/08/2019	M4 6GE	101	1 Lockgate Mews	Flat	68.0	732	£212,000	£290
Unknown	Sold Price	New-Build	14/08/2019	M4 6GE	104	1 Lockgate Mews	Flat	70.0	753	£233,000	£309
Unknown	Sold Price	New-Build	12/08/2019	M4 6GE	105	1 Lockgate Mews	Flat	71.0	764	£247,500	£324
Unknown	Sold Price	New-Build	16/08/2019	M4 6GE	106	1 Lockgate Mews	Flat	45.0	484	£171,950	£355
Unknown	Sold Price	New-Build	13/08/2019	M4 6GE	107	1 Lockgate Mews	Flat	44.0	474	£171,950	£363
Unknown	Sold Price	New-Build	14/08/2019	M4 6GE	2	1 Lockgate Mews	Flat	69.0	743	£208,000	£280
Unknown	Sold Price	New-Build	21/08/2019	M4 6GE	203	1 Lockgate Mews	Flat	45.0	484	£170,000	£351
Unknown	Sold Price	New-Build	16/08/2019	M4 6GE	204	1 Lockgate Mews	Flat	70.0	753	£237,950	£316
Unknown	Sold Price	New-Build	20/08/2019	M4 6GE	206	1 Lockgate Mews	Flat	45.0	484	£173,950	£359
Unknown	Sold Price	New-Build	12/08/2019	M4 6GE	207	1 Lockgate Mews	Flat	44.0	474	£174,950	£369
Unknown	Sold Price	New-Build	19/08/2019	M4 6GE	208	1 Lockgate Mews	Flat	43.0	463	£181,950	£393
Unknown	Sold Price	New-Build	22/08/2019	M4 6GE	3	1 Lockgate Mews	Flat	45.0	484	£170,000	£351
Unknown	Sold Price	New-Build	09/08/2019	M4 6GE	301	1 Lockgate Mews	Flat	68.0	732	£234,500	£320
Unknown	Sold Price	New-Build	15/08/2019	M4 6GE	304	1 Lockgate Mews	Flat	71.0	764	£253,000	£331
Unknown	Sold Price	New-Build	27/08/2019	M4 6GE	305	1 Lockgate Mews	Flat	45.0	484	£175,000	£361
Unknown	Sold Price	New-Build	15/08/2019	M4 6GE	4	1 Lockgate Mews	Flat	70.0	753	£245,000	£325
Unknown	Sold Price	New-Build	16/08/2019	M4 6GE	401	1 Lockgate Mews	Flat	68.0	732	£233,000	£318
Unknown	Sold Price	New-Build	19/08/2019	M4 6GE	402	1 Lockgate Mews	Flat	69.0	743	£220,500	£297
Unknown	Sold Price	New-Build	13/08/2019	M4 6GE	403	1 Lockgate Mews	Flat	41.0	441	£258,000	£585
Unknown	Sold Price	New-Build	15/08/2019	M4 6GE	404	1 Lockgate Mews	Flat	71.0	764	£258,000	£338
Unknown	Sold Price	New-Build	30/08/2019	M4 6GE	406	1 Lockgate Mews	Flat	44.0	474	£179,950	£380
Unknown	Sold Price	New-Build	12/08/2019	M4 6GE	407	1 Lockgate Mews	Flat	43.0	463	£181,950	£393
Unknown	Sold Price	New-Build	15/08/2019	M4 6GE	5	1 Lockgate Mews	Flat	71.0	764	£242,500	£317
Unknown	Sold Price	New-Build	22/08/2019	M4 6GE	501	1 Lockgate Mews	Flat	68.0	732	£240,000	£328
Unknown	Sold Price	New-Build	09/08/2019	M4 6GE	506	1 Lockgate Mews	Flat	43.0	463	£182,000	£393
Unknown	Sold Price	New-Build	13/08/2019	M4 6GE	6	1 Lockgate Mews	Flat	45.0	484	£169,000	£349
Unknown	Sold Price	New-Build	30/08/2019	M4 6GE	602	1 Lockgate Mews	Flat	69.0	743	£180,500	£243
Unknown	Sold Price	New-Build	20/09/2019	M4 6GE	605	1 Lockgate Mews	Flat	44.0	474	£197,450	£417
Unknown	Sold Price	New-Build	30/08/2019	M4 6GE	606	1 Lockgate Mews	Flat	43.0	463	£186,000	£402
Unknown	Sold Price	New-Build	15/11/2019	M4 6GE	7	1 Lockgate Mews	Flat	44.0	474	£167,950	£355
Unknown	Sold Price	New-Build	23/08/2019	M4 6GE	703	1 Lockgate Mews	Flat	41.0	441	£275,450	£624
Unknown	Sold Price	New-Build	09/10/2019	M4 6GE	704	1 Lockgate Mews	Flat	72.0	775	£277,500	£358
Unknown	Sold Price	New-Build	05/09/2019	M4 6GE	706	1 Lockgate Mews	Flat	43.0	463	£189,000	£408
Unknown	Sold Price	New-Build	13/08/2019	M4 6GE	801	1 Lockgate Mews	Flat	68.0	732	£257,500	£352
Unknown	Sold Price	New-Build	09/08/2019	M4 6GE	802	1 Lockgate Mews	Flat	70.0	753	£280,000	£372
Unknown	Sold Price	New-Build	21/08/2019	M4 6GE	804	1 Lockgate Mews	Flat	43.0	463	£200,450	£433
Unknown	Sold Price	New-Build	16/08/2019	M4 6GE	901	1 Lockgate Mews	Flat	68.0	732	£255,000	£348
Unknown	Sold Price	New-Build	16/08/2019	M4 6GE	902	1 Lockgate Mews	Flat	70.0	753	£272,000	£361
Unknown	Sold Price	New-Build	12/08/2019	M4 6GE	903	1 Lockgate Mews	Flat	71.0	764	£277,000	£362
Unknown	Sold Price	New-Build	20/08/2019	M4 6GE	405	1 Lockgate Mews	Flat	45.0	484	£179,950	£372
Total / Average:					200			72	771	£263,834	£340

Summary: Asking Prices

Asking / Sold Prices	New-Build / Re-Sale	Accommodation Type	Beds	No. of Advertised Units	Average Size (ft²)	Total Size (ft²)	Total Asking Revenue (£)	Average Asking Price (£)
Asking Price	New-Build	Flat	1	13	540	5,396	£2,819,578	£216,891
			2	27	841	21,015	£8,804,695	£326,100
			3	5	1,015	5,074	£1,930,500	£386,100
Grand Total				45	787	31,484	£13,554,773	£301,217

Summary: Sold Prices

Sold Prices	New-Build / Re-Sale	Accommodation Type	Beds	Min Date	Max Date	No. of Sales	Average Size (ft²)	Total Size (ft²)	Total Sold Revenue (£)	Average Sold Price (£)	Average £ / ft²
Sold Price	New-Build	Flat		25/03/2019	15/11/2019	155	767	117,380	£39,212,000	£252,981	£334
Grand Total				25/03/2019	15/11/2019	155	767	117,380	£39,212,000	£252,981	£334

Summary: Asking Prices/ Sold Prices (by Development)

Asking / Sold Prices	Development	New-Build / Re-Sale	Beds	Average Size (ft²)	Total Size (ft²)	Total Price/ Revenue (£)	Average of Price (£)	Average £ / ft²
Sold Price	Cotton Square	New-Build		920	14,725	£5,044,650	£315,291	£343
	Murrays' Mills	New-Build		861	62,829	£19,919,000	£272,863	£317
	Popworks	New-Build		624	14,359	£4,607,000	£200,304	£321
	Warehaus	New-Build		1,066	1,066	£1,020,000	£340,000	
	Unknown	New-Build		610	24,402	£8,621,350	£215,534	£353
Asking Price	Crusader	New-Build	1	521	521	£198,000	£198,000	£380
			2	886	1,773	£738,000	£369,000	£416
	Murrays' Mills	New-Build	1	538	538	£210,000	£210,000	£390
	One Vesta Street	New-Build	1	546	2,184	£735,500	£183,875	£337
			2	764	8,403	£2,962,500	£269,318	£353
			3	955	1,909	£745,000	£372,500	£390
	Oxygen	New-Build	1	0	0	£757,078	£252,359	
			2	0	0	£734,195	£367,098	
	Avro	New-Build	2	1,109	5,543	£2,215,000	£443,000	£400
	Meadowside	New-Build	1	538	2,153	£919,000	£229,750	£427
			2	757	5,296	£2,155,000	£307,857	£407
			3	1,055	3,165	£1,185,500	£395,167	£375
Grand Total				771	148,865	£52,766,773	£263,834	

Appendix 9: Appraisal - Build For Sale

Forshaw Land & Property Group Ltd
Victoria House, Great Ancoats Street

177 Apartment Units (Build for Sale)

Development Appraisal
Turley
10 March 2020

Forshaw Land & Property Group Ltd
Victoria House, Great Ancoats Street

Appraisal Summary for Phase 2 Build for Sale

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential: 1-Bed Unit	59	28,912	434.43	212,888	12,560,375
Residential: 2-Bed Unit	113	83,958	423.33	314,527	35,541,525
Residential: 3-Bed Unit	5	4,898	419.10	410,555	2,052,775
Totals	177	117,768			50,154,675

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail Unit	1	1,733	22.50	38,993	38,993	38,993

Investment Valuation

Retail Unit

Market Rent	38,993	YP @	6.5000%	15.3846	
(6mths Rent Free)		PV 6mths @	6.5000%	0.9690	581,290

GROSS DEVELOPMENT VALUE

50,735,965

Purchaser's Costs	(39,528)
Effective Purchaser's Costs Rate	6.80%
	(39,528)

NET DEVELOPMENT VALUE

50,696,437

NET REALISATION

50,696,437

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)	(1,558,605)
	(1,558,605)

CONSTRUCTION COSTS

Construction

	ft²	Build Rate ft²	Cost
Construction Costs	163,182	196.48	32,062,421
Contingency			641,000
External Works			300,000
Abnormals Works			122,000
Demolition			75,000
Public Realm Contribution			479,000
			1,617,000

PROFESSIONAL FEES

Professional Fees	7.50%	2,441,957
Development Management Fee	3.00%	974,533
		3,416,489

MARKETING & LETTING

Marketing	1.00%	501,547
		501,547

DISPOSAL FEES

Investment Sale Agent Fee	1.00%	5,418
Sales Agent Fee	1.50%	752,320
Investment Sale Legal Fee	0.50%	2,709
Sales Legal Fee	177 un	750.00 /un
		132,750
		893,197

FINANCE

APPRAISAL SUMMARY

TURLEY

Forshaw Land & Property Group Ltd

Victoria House, Great Ancoats Street

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)

Construction

1,845,409

Other

3,040,935

Total Finance Cost

4,886,344

TOTAL COSTS

41,818,392

PROFIT

8,878,045

Performance Measures

Profit on Cost%

21.23%

Profit on GDV%

17.50%

Forshaw Land & Property Group Ltd
Victoria House, Great Ancoats Street

Project Timescale

Project Start Date	Mar 2020
Project End Date	Jul 2023
Project Duration (Inc Exit Period)	41 months

2. Build for Sale

