

Crabtree Lane, Openshaw
Viability Assessment
April 2025



RogerHannah

Contents

1. Executive Summary.....	1
2. Introduction.....	3
3. Site Information	4
4. Viability in Planning Guidance	8
5. Methodology.....	11
6. Gross Development Value.....	12
7. Residual Appraisals	14
8. Benchmark Land Value	17
9. Results & Sensitivity Analysis	22
10. Conclusions	23

Appendices

1. Scheme Layout
2. Market Research
3. Abnormal Cost Schedule
4. Appraisal 1- Policy Compliant Residual Appraisal (20% affordable housing provision)
5. Appraisal 2 – Proposed Scheme Residual Appraisal (0% affordable housing provision)

I. Executive Summary

Site	The subject site is located in Openshaw, approximately 2.5 miles east of Manchester City Centre and is positioned south of the Ashton Canal and to the east of Crabtree Lane. It comprises an irregular shaped parcel of land, extending to approximately 7.19 gross acres. The site is occupied by a number of disused and dilapidated commercial units, surrounded by an area of woodland and shrubbery. There is a parcel of cleared commercial land to the north east of the site, which is used as commercial storage land. The remainder of the site is covered in trees and shrubbery and comprises amenity land.														
Scheme	The proposed scheme of 194 units is to comprise a mix of 70 x 2, 3 and 4 bed houses ranging across terraced and semi-detached house types. The scheme is to also comprise a mix of 124 x 1 and 2 bed apartments. The apartments are set across 4 blocks, each set across 4 storeys.														
GDV	Policy Compliant (20% affordable housing): £45,062,500 Proposed Scheme (0% affordable housing): £47,680,000														
Build Costs	Based on our professional knowledge and expertise, we consider £150 per sq. ft to be a reasonable assessment of base build costs for a scheme of this size and nature. This reflects a blended rate across both the house and apartment units for a volume housebuilder.														
Abnormal Costs	We have been provided with a cost schedule in relation to abnormal development costs. The total cost for abnormal works is £6,246,173, equating to an average of £32,197 per plot.														
Developers Profit	We have adopted a profit equating to 20% of GDV for market sale properties and 8% of GDV for affordable housing.														
Benchmark Land Value	<table><tr><th>Item</th><th colspan="2">Assessment</th></tr><tr><td>Existing Use Value</td><td colspan="2">£1,965,000</td></tr><tr><td>Minimum Premium</td><td colspan="2">£700,000</td></tr><tr><td>Total</td><td colspan="2">£2,665,000</td></tr></table>			Item	Assessment		Existing Use Value	£1,965,000		Minimum Premium	£700,000		Total	£2,665,000	
Item	Assessment														
Existing Use Value	£1,965,000														
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Total	£2,665,000														
Appraisal Results	<table><tr><th></th><th>Appraisal 1 – 20% Affordable Housing Provision</th><th>Appraisal 2 – 0% Affordable Housing Provision</th></tr><tr><td>Benchmark Land Value</td><td>£2,665,000</td><td>£2,665,000</td></tr><tr><td>Residual Land Value</td><td>-£239,765</td><td>£1,117,502</td></tr></table>				Appraisal 1 – 20% Affordable Housing Provision	Appraisal 2 – 0% Affordable Housing Provision	Benchmark Land Value	£2,665,000	£2,665,000	Residual Land Value	-£239,765	£1,117,502			
	Appraisal 1 – 20% Affordable Housing Provision	Appraisal 2 – 0% Affordable Housing Provision													
Benchmark Land Value	£2,665,000	£2,665,000													
Residual Land Value	-£239,765	£1,117,502													
Conclusion	We have demonstrated that a scheme offering 20% affordable housing will generate a negative land value of -£239,765, creating a significant viability deficit of -£2,904,765 when compared to the benchmark land value. This is therefore unviable. We have further considered a scheme offering 100% open market sales. The residual land value on this basis is £1,117,502 therefore falling short of the benchmark land														

value by £1,547,498. The applicant is however prepared to take a commercial view in order to bring forward the development on this basis.

In line with planning policy, the requirements for affordable housing should therefore be reduced because of viability constraints.

2. Introduction

1.1. Instructions

Roger Hannah has been instructed by Keepmoat Homes ('the Applicant') to provide a financial viability assessment in respect of the proposed development at Land at Crabtree Lane, Openshaw, Manchester. The scheme is to comprise 194 units in total and comprising 70 x 2, 3 and 4 bed houses together with 124 x 1 and 2 bed apartments. We have been instructed to assess the viability of the scheme.

This report has been prepared to support the planning application. We understand that this report will be submitted to Manchester City Council as part of the planning application process for this development.

1.2. RICS Compliance

In accordance with the RICS Professional Standard, Financial viability in planning: conduct and reporting (2019), we can confirm the following:

- The person(s) involved in the preparation and review of this report are suitably qualified professionals that have extensive experience advising on viability matters across the region
- There are no conflicts of interest that affect our independent opinion being provided
- We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information
- We are not acting on an incentivised fee basis

We can also confirm that we have had reference to and followed the best practice recommendations in the RICS Professional Standard, Assessing viability in planning under the National Planning Policy Framework for England (2023).

1.3. Information Provided

We have been provided with and relied upon the following information:

- Schedule of Accommodation, Figure 3
- Abnormal Cost Schedule, Figure 8 and Appendix 3

3. Site Information

3.1 Location

The subject site is located in Openshaw, approximately 2.5 miles east of Manchester City Centre, and circa 3 miles west of Ashton-Under-Lyne town centre.

The area benefits from good communication links being within 700 metres of Ashton Old Road, one of the main arterial routes into central Manchester from the east. The property is also within a short distance of Lime Square retail centre, which is anchored by Morrisons Supermarket with complementary tenants including B&M and Poundland, Specsavers, Costa and Wynsors, whilst Lidl is also located in the wider area.

Edge Lane Tram Stop is within 10 minutes walking distance of the site, offering regular direct services between Ashton-Under-Lyne and Eccles, Via Manchester city centre. There are also many regular bus services running along the A662 into Manchester city centre.

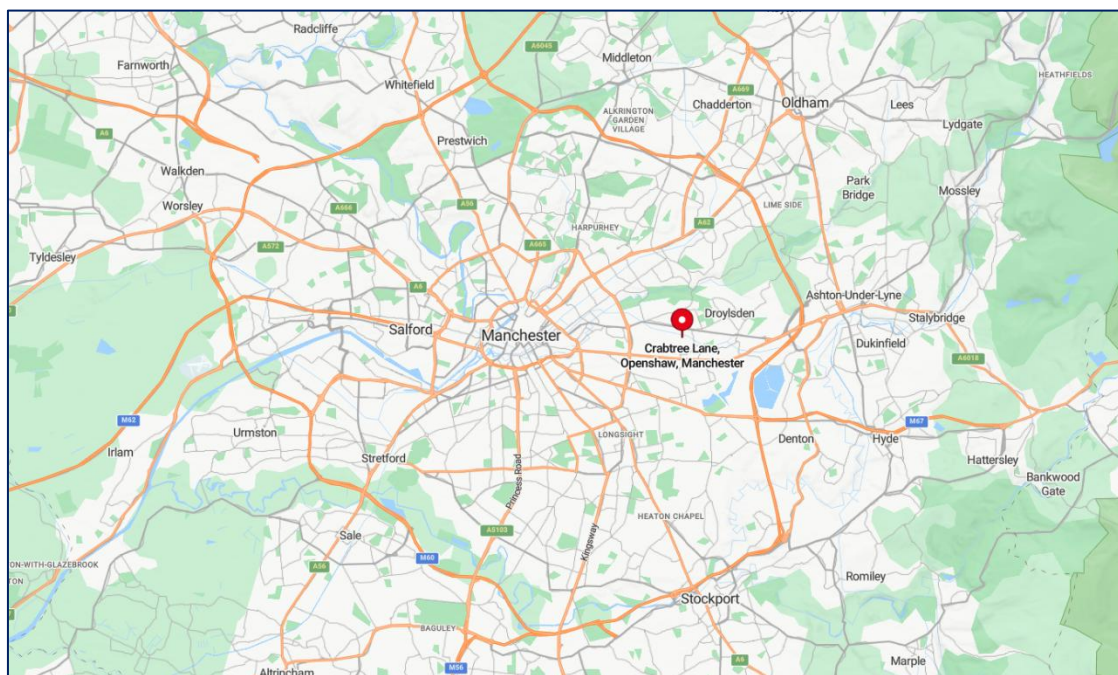


Figure 1: Bing Maps

3.2 The Site

The subject site comprises an irregular shaped parcel of land, extending to approximately 7.19 gross acres.

The site is positioned south of the Ashton Canal and to the east of Crabtree Lane. Higher Openshaw Community School borders the site to the south, together with a number of semi-detached and terraced dwellings. To the east is a site occupied by amenity land and allotment plots, separated via a footpath leading from the canal path to Salcombe Road. To the west is Clayton Industrial Estate.

The site is occupied by a number of disused and dilapidated commercial units, surrounded by an area of woodland and shrubbery. There is a parcel of cleared commercial land to the north

of the site, which appears to be used as commercial storage land. The remainder of the site is covered in trees and shrubbery and comprises amenity land.

In general, the immediate locale is mixed with residential uses around as well as Clayton Industrial Estate positioned on the adjoining side of Crabtree Lane, and further industrial uses to the north on the opposite side of Ashton Canal.

Vehicular access to the site is via Crabtree Lane, to which the only means of access is via Claytonbrook Road. Access onto the site is therefore through Clayton Industrial Estate, leading onto Louisa Street, which in turn leads to Ashton Old Road. Direct vehicular access onto Ashton New Road is not permissible from the site, due to the pedestrianised crossing over the Ashton Canal.

The site boundary is illustrated on the map below.



Figure 2: Site Plan

3.3 Proposed Development

The proposed scheme is to comprise a mix of 70 x 2, 3 and 4 bed houses ranging across terraced and semi-detached house types. The scheme is to also comprise a mix of 124 x 1 and 2 bed apartments. The apartments are set across 4 blocks, each set over 4 storeys. The proposed housing mix for all 194 units is summarised below:

Property	Type	Beds	Storeys	Sqft	No.	Total Sq. Ft
Devoke	Semi	4	3	1,322	18	23,796
Longford	Semi	4	2	1,153	12	13,836
Holgate	Semi	3	2	1,019	2	2,038
Fewston	Semi	3	2	918	10	9,180

Seacourt	End	3	2	918	6	5,508
Seacourt	Mid	3	2	918	6	5,508
Ashburn	End	2	2	765	8	6,120
Ashburn	Mid	2	2	765	8	6,120
2B 4P Apartment	Apartment	2	1	755	24	18,120
2B 3P Apartment	Apartment	2	1	660	37	24,420
1B 2P Apartment	Apartment	1	1	540	63	34,020
				SUM	194	148,666

Figure 3: Schedule of Accommodation

The total net developable area is 148,666 sq ft, equating to an average of 766.32 per unit.

The apartment units are to be set across 4 blocks, fronting onto Ashton Canal. Each apartment unit is to benefit from an off-road parking space. We understand the gross internal area of the apartment units, accounting for communal space, is 100,000 sq. ft.

All of the house types are semi-detached units, benefiting from private garden space and off-road parking.

The proposed development is illustrated on the site layout plan below.



Figure 4: Site Layout

3.4 Planning Policy

3.4.1 Affordable Housing

Manchester's Core Strategy was adopted on the 11 July 2012 and is the key document is the Manchester Local Plan. It sets the out the long term strategic policies for Manchester's future development and will form the framework that planning applications will be assessed against.

Policy H8 within Manchester's Core Strategy requires 20% of new housing development to comprise affordable housing. The Council expects that 5% of the affordable housing provision will comprise social or affordable rented units and 15% will be intermediate housing.

Manchester is also within the Places for Everyone Joint Development Plan ("Pfe") which was adopted in March 2024. It covers the Greater Manchester authority areas apart from Stockport and identifies the amount of new development that come forward across the nine districts.

3.4.2 S.106 Contributions

We understand that the Council have not yet requested any S.106 contributions for the proposed development.

3.4.3 Community Infrastructure Levy

The City Council have not formally adopted a CIL charging schedule. We have therefore assumed that the development will not be liable for this charge.

4. Viability in Planning Guidance

4.1 National Planning Policy Framework

Paragraph 58 of the National Planning Policy Framework (NPPF), which was last updated in December 2024, states the following:

“where up to date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”

The NPPF places emphasis on assessing viability at the plan-making stage, but also sets out that it may also be required at the decision-making stage. It refers to the methodology set out in the Planning Practice Guidance (PPG), which we consider below.

4.2 Planning Practice Guidance

The PPG in respect of viability, which was last updated in 2024, defines a viability assessment at Paragraph 010 as:

“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.”

The preferred method is to assess viability at the plan-making stage through the use of a typology approach. Paragraph 004 states:

“Plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of sites and current and proposed use or type of development . . . Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.”

The guidance requires standardised inputs to be used when assessing viability in relation to Gross Development Value (GDV), costs (construction costs and planning policy related costs), developer’s return and Benchmark Land Value (BLV), each of which will be assessed within this report. The BLV is to be assessed as the Existing Use Value (EUV) plus a minimum premium for the landowner.

The PPG also states that viability may also need to be assessed at the application stage, with paragraph 007 stating:

“Such circumstances could include, for example 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 build

to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.”

Paragraph 008 goes on to say that:

“The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and sites circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.”

The PPG also sets out a clear need for strategic sites to be individually tested, with paragraph 005 stating:

“It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic policies of the plan. This could include, for example, large sites, sites that provide a significant proportion of planning supply, sites that enable or unlock other development sites or sites within priority regeneration areas.”

4.3 RICS Assessing viability in planning under the NPPF

We have referred to the best practice recommendations within this Professional Standard, dated 2021, which provides clarifications in relation to the PPG standardised input approach. It sets out the need to use residual appraisals to assess viability in planning, using the following diagram to demonstrate this:

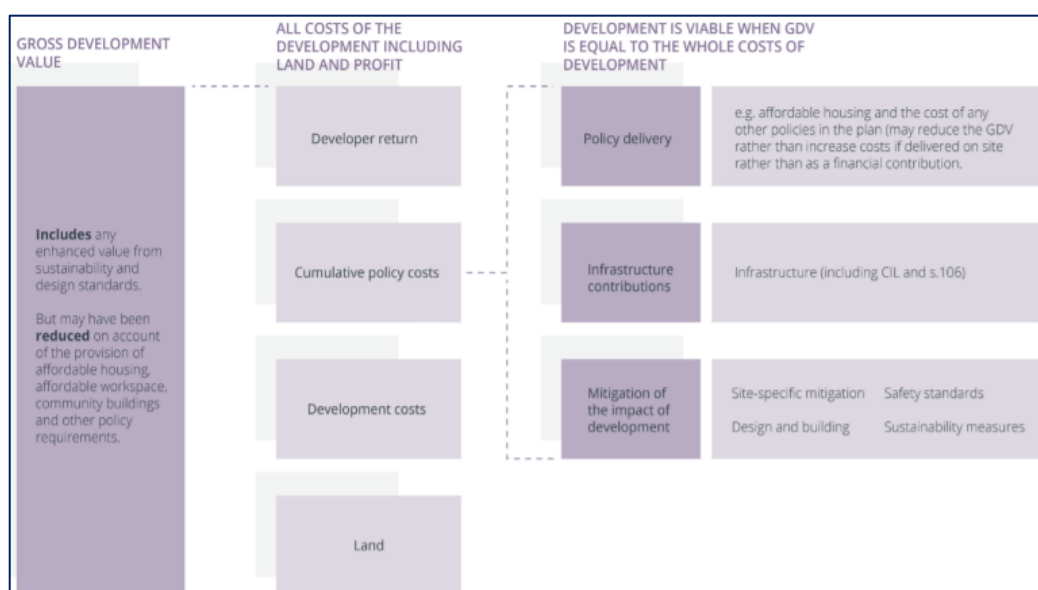


Figure 5: RICS Residual Valuation Framework (Source – RICS)

This Professional Standard is clear that the NPPF and PPG are the ‘authoritative requirement’, providing clarity on the application of this relevant guidance and the relevance to other RICS guidance, including the following:

- RICS Professional Standard, Financial viability in planning: conduct and reporting (2019)
- RICS Guidance Note, Valuation of development property (2019)
- RICS Guidance Note, Comparable evidence in real estate valuation (2019)
- RICS Professional Standard, RICS Valuation – Global Standards ‘Red Book’ (2024)

It also provides additional guidance on the Benchmark Land Value (BLV), which should be assessed through a five-stage process:

1. Assess the EUV – the Market Value of the property is in existing use, excluding hope value
2. Assess the Alternative Use Value (AUV) where appropriate
3. Assess the premium above EUV
4. Determine the residual value of the site, assuming policy compliance, to cross check against the EUV and assessment of the premium
5. Reference land transaction evidence to sense check the EUV and assessment of the premium

We can confirm that we have had reference to the contents of this guidance and followed the best practice recommendations set out within it.

4.4 RICS Financial viability in planning: conduct and reporting

This Professional Standard, dated 2019, sets out a number of mandatory requirements in Section 2 that apply when assessing viability in planning, which we summarise as follows:

- All inputs into an appraisal must be reasonably justified with as much good quality evidence as possible. Where a reviewer disagrees with a submitted assessment and/or elements in it, differences must be clearly set out with supporting and reasonable justification. Where possible, practitioners should always try to resolve differences of opinion.
- In respect of the benchmark land value RICS members must report the existing use value, premium, market evidence and all supporting considerations, assumptions and justifications adopted, as well as alternative use value (if appropriate).
- All viability assessment must include a sensitivity analysis
- A non-technical summary of the report should be provided, which includes key figures and conclusions, so that non-specialists can better understand them
- RICS members must advocate reasonable, transparent and appropriate engagement between the parties.

We can confirm that we have had regard to the mandatory reporting requirements within this Professional Standard.

5. Methodology

5.1 Site Specific Viability Assessment

In accordance with the scenarios set out in the PPG, we have undertaken a site-specific assessment of viability for the following reasons:

- The adopted Local Plan viability evidence base is considered out of date
- Additional information is now available in respect of infrastructure or sites costs, compared to the assumptions adopted at the plan-making stage

5.2 Adopted Methodology

As per the PPG and RICS guidance, we have adopted the residual method to assess site viability. This is based on the following calculation:

Gross Development Value – (Costs + Developer's Return) = Residual Value

We have also established the Benchmark Land Value (BLV) as appropriate for assessing viability. Should the residual value be below the BLV, which represents the minimum return a reasonable landowner can expect, the development is deemed to be unviable and changes to planning policy are likely to be required to ensure that the development is delivered. We have therefore also assessed what level of planning obligations can be delivered in order for the BLV to be achieved, therefore resulting in a viable development.

6. Gross Development Value

Method	The PPG states the following: <i>“Gross development value is an assessment of the value of development. For residential development this may be total sales and/or capitalised net rental income from developments . . . For viability assessment of specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used”</i> The RICS also defines this as follows: <i>“The aggregate market value of the proposed development, assessed on the special assumption that the development is complete on the date of valuation in the market conditions prevailing at that date.”</i> We have undertaken a review of sales values in the locality.
Local Market Overview	According to Rightmove, properties in Openshaw had an overall average price of £178,160 over the last year. The majority of properties sold in Openshaw during the last year were terraced properties, selling for an average price of £184,075. Flats sold for an average of £153,643, with semi-detached properties fetching £231,429.
Market Analysis	We have had consideration to the local new build housing market. The comparable evidence is contained at Appendix 2. There is a distinct lack of new build sales evidence within the immediate vicinity. Reflecting on apartment values, we have had close consideration to Bellway and Taylor Wimpey’s Marmalade and Orangery at the Jam Factory, situated just over a mile east of the subject site in Droylsden. The average net sale price across the apartment units is £292 per sq. ft across units extending to 614 sq. ft. We would expect the subject site to attract higher values in comparison taking location and setting into account. For completeness we have also had consideration to Wain Home’s Crown Point scheme in Denton, where 2 x 495 sq. ft units have sold for £156,950, equating to £317 per sq. ft. Again, we would expect the subject site to attract higher values across the apartment units in comparison. Reflecting on house prices, we have also had consideration to Marmalade and Orangery at the Jam Factory. Across 2024, the average sale price is £378 per sq. ft, net of assumed incentives. The Jam Factory is located in a more desirable area and setting more suited to family homes in comparison to the subject. We would therefore expect the subject site to achieve lower values in comparison. We have also had consideration to achieved sales values at Belle View Place by Countryside and Saxon Square by Lovell. Belle View Place is situated within a less prominent area and has achieved an average sale value of £325 per sq. ft across 2023/2024. Saxon Square by Lovell is however considered to be in a more favourable location, being within walking distance of New Islington and Ancoats, and has achieved an average net sale price of £332 per sq. ft. The Moorings by Loxley Homes is a new build scheme of just 5 plots, located in Audenshaw and currently on the market. The net average asking price across the available plots is £343 per sq. ft. We consider Audenshaw to be a more desirable area in comparison and would expect higher values in this location.

On the balance of evidence, having consideration to all the above, the nature of the proposed scheme, house types, unit sizes and the main access onto the site being through an industrial estate, we would expect the subject scheme to attract average values in the region of £340 per sq. ft for the house types and £290 - £330 per sq. ft for the apartment units.

Private GDV

Having consideration to the above, we have applied the following values across each house and apartment type within the proposed development:

Property	Type	Beds	Storeys	Sqft	No.	Total Sq. Ft	Value Per Sq. Ft	Value	Total Value
Devoke	Semi	4	3	1322	18	23796	£310	£410,000	£7,380,000
Longford	Semi	4	2	1153	12	13836	£334	£385,000	£4,620,000
Holgate	Semi	3	2	1019	2	2038	£339	£345,000	£690,000
Fewston	Semi	3	2	918	10	9,180	£349	£320,000	£3,200,000
Seacourt	End	3	2	918	6	5508	£338	£310,000	£1,860,000
Seacourt	Mid	3	2	918	6	5508	£332	£305,000	£1,830,000
Ashburn	End	2	2	765	8	6,120	£346	£265,000	£2,120,000
Ashburn	Mid	2	2	765	8	6,120	£340	£260,000	£2,080,000
2B 4P Apartment	Apartment	2	1	755	24	18120	£285	£215,000	£5,160,000
2B 3P Apartment	Apartment	2	1	660	37	24420	£303	£200,000	£7,400,000
1B 2P Apartment	Apartment	1	1	540	63	34020	£333	£180,000	£11,340,000
					SUM	194	148,666		£47,680,000

Figure 6: Open Market GDV

Affordable GDV

In line with Manchester City Council policy requirements we have accounted for 20% affordable housing provision (38 units) with 5% affordable rented units (9 units) and 15% shared ownership (29 units). In line with market trends, we have adopted 50% of open market value (OMV) for the affordable rented properties and 70% of OMV for the shared ownership units.

Property	Type	Beds	Storeys	Sqft	No.	Total Sq. Ft	Value Per Sq. Ft	Value	Total Value
Devoke	Semi	4	3	1322	18	23796	£310	£410,000	£7,380,000
Longford	Semi	4	2	1153	12	13836	£334	£385,000	£4,620,000
Holgate	Semi	3	2	1019	2	2038	£339	£345,000	£690,000
Fewston	Semi	3	2	918	10	9,180	£349	£320,000	£3,200,000
Seacourt	End	3	2	918	6	5508	£338	£310,000	£1,860,000
Seacourt	Mid	3	2	918	6	5508	£332	£305,000	£1,830,000
Ashburn	End	2	2	765	8	6,120	£346	£265,000	£2,120,000
Ashburn	Mid	2	2	765	8	6,120	£340	£260,000	£2,080,000
2B 4P Apartment	Apartment	2	1	755	9	6795	£285	£215,000	£1,935,000
2B 4P Apartment - SO	Apartment	2	1	755	15	11325	£199	£150,500	£2,257,500
2B 3P Apartment	Apartment	2	1	660	23	15180	£303	£200,000	£4,600,000
2B 3P Apartment - SO	Apartment	2	1	660	14	9240	£212	£140,000	£1,960,000
1B 2P Apartment	Apartment	1	1	540	54	29160	£333	£180,000	£9,720,000
1B 2P Apartment - AR	Apartment	1	1	540	9	4860	£167	£90,000	£810,000
					SUM	194	148,666		£45,062,500

Figure 7: GDV with 20% Affordable Housing Provision

7. Residual Appraisals

We have undertaken a residual appraisal of the proposed development on the following bases:

1. Policy Compliant, 20% affordable housing provision
2. Proposed Scheme, 0% affordable housing provision

Appraisal 1 – Policy Compliant, 20% Affordable Housing Provision																					
GDV	As set out within Section 6, the GDV for the policy compliant scheme is £45,062,500. The GDV across the 70 house units totals £23,780,000. The GDV across the 124 apartment units is £21,282,500.																				
Base Build Costs	Based on our professional knowledge and expertise, we consider £150 per sq. ft to be a reasonable assessment of base build costs for a scheme of this size and nature for a volume developer, with reference to our experience and BCIS data. This reflects a blended rate across both the house and apartment units and is inclusive of standard external works as well as Part L & F.																				
Abnormal Costs	We have been provided with a cost schedule in relation to abnormal development costs. The total cost for abnormal works is £6,246,173 equating to £32,197 per plot. The abnormal costs are summarised below, and a full schedule is contained at Appendix 3. <table border="1"> <thead> <tr> <th>Item</th><th>Cost (£)</th></tr> </thead> <tbody> <tr> <td>Remediation / Site Enablement / Earthworks</td><td>£1,891,119.87</td></tr> <tr> <td>Substructures</td><td>£1,032,847.40</td></tr> <tr> <td>Superstructures</td><td>£765,675.00</td></tr> <tr> <td>Externals</td><td>£343,148.23</td></tr> <tr> <td>Roads & Sewers</td><td>£1,053,211.89</td></tr> <tr> <td>Utilities</td><td>£398,725.00</td></tr> <tr> <td>Off Site Works</td><td>£634,074.23</td></tr> <tr> <td>Other On Site Works</td><td>£127,371.63</td></tr> <tr> <td>SUM</td><td>£6,246,173.25</td></tr> </tbody> </table> Figure 8: Abnormal Costs Schedule	Item	Cost (£)	Remediation / Site Enablement / Earthworks	£1,891,119.87	Substructures	£1,032,847.40	Superstructures	£765,675.00	Externals	£343,148.23	Roads & Sewers	£1,053,211.89	Utilities	£398,725.00	Off Site Works	£634,074.23	Other On Site Works	£127,371.63	SUM	£6,246,173.25
Item	Cost (£)																				
Remediation / Site Enablement / Earthworks	£1,891,119.87																				
Substructures	£1,032,847.40																				
Superstructures	£765,675.00																				
Externals	£343,148.23																				
Roads & Sewers	£1,053,211.89																				
Utilities	£398,725.00																				
Off Site Works	£634,074.23																				
Other On Site Works	£127,371.63																				
SUM	£6,246,173.25																				
Contingency	It is considered that a reasonably prudent developer would require a contingency to be included within their appraisal at this stage of the development cycle. In line with what is typically agreed in the context of viability assessments, a contingency sum equating to 3% has been allowed on the base build costs as well as the abnormal costs.																				
Professional Fees	We have applied a standard allowance of 6% of cost to account for professional fees.																				
CIL	CIL is not applicable																				

Biodiversity Net Gain	You have a loss of 9.02 units on the BNG. We have applied an assumed cost of £30,000 per unit, equating to an off-site contribution of £270,600.
S.106 Contributions	We understand that the Council have not yet requested any S.106 contributions for the proposed development.
Finance Costs	We have assumed a debit rate of 8%. The Bank of England raised the base rate from 1.25% in June 2022 to 5.25% in August 2023. As of April 2025, the base rate sits at 4.5%. Therefore, a minimum interest figure of 8% is appropriate. In reality, finance deals are exceeding this level. The rate applied is therefore conservative.
Disposal Costs	An allowance of 3% of the gross development value has been allowed for sales and marketing costs of the open market sale units. In addition to this, £650 per unit has been allowed for legal fees associated with selling each of the units.
Site Acquisition Costs	The following costs have been assumed: • Stamp Duty at HMRC prevailing rates • 1.5 % for Agent and Legal fees
Profit Margin	To reflect market conditions and risks, we have adopted a profit equating to 20% of market sale GDV and 8% on the affordable housing GDV. This results in a blended margin of 18.66% on GDV.
Timescales	We have assumed the following timing assumptions: • Purchase: 1 month • Pre-construction: 2 months • Construction: 57 months • Sales: 52 months, phased at 3 open market units per month, with sales to commence 6 months into construction. Total – 61 months

We have also undertaken a second residual appraisal, with reduced levels of policy compliance based on the assumptions set out above, with the exception of the following:

Appraisal 2 – Proposed Scheme, 0% Affordable Housing Provision	
Private GDV	The GDV for the 194 open market units is £47,680,000. The GDV across the 70 house units totals £23,780,000. The GDV across the 124 apartment units is £23,900,000.
Profit Margin	We have adopted a profit equating to 20% of open market sale GDV.

Timescales

We have assumed the following timing assumptions:

- Purchase: 1 month
- Pre-construction: 2 months
- Construction: 70 months
- Sales: 65 months, phased at 3 open market units per month, with sales to commence 6 months into construction.

Total – 74 months

8. Benchmark Land Value

8.1 Method

In any typical viability assessment, a benchmark land value is used to assess whether or not a scheme is viable. Paragraph 013 of the PPG states that:

“A benchmark land value should be established on the basis of the Existing Use Value (EUV), plus a premium for the landowner. The premium for the landowner 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 the land for development while allowing a sufficient contribution to fully comply with policy requirement.”

This is often referred to as the EUV+ approach, which we have adopted in this case.

The EUV is defined in Paragraph 015 of the PPG as:

“the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types.”

It is clear that the EUV is the value of the land in its current use and we had reference to comparable market evidence as appropriate.

In respect of the minimum premium, paragraph 016 of the PPG states that:

“the premium (or the ‘plus’ in EUV+) is the second component of benchmark land value. It is the amount above the existing use value (EUV) that goes the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.”

The PPG goes on to state that:

“Benchmark land value should:

- *Be based upon existing use value*
- *Allow for a premium to landowners (including equity release from those building their own homes)*
- *Reflect the implications of abnormal costs, site-specific infrastructure costs; and professional site fees” (Paragraph 014)*

“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner 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 fully comply with policy requirements.” (Paragraph 013)

There are therefore a number of factors that need to be considered when assessing the BLV. There is a need to reflect abnormal costs and planning policy, but there is also a need to consider a reasonable minimum level of return in order to incentivise landowners to release their land for development. These factors can be at odds with each other and the PPG is clear

that there is a need to “*strike a balance*” between the interests of Local Councils, developers and landowners in order to ensure that land is released for development.

It should also be noted that the PPG is clear that the actual price paid is not relevant for the purpose of viability assessment.

The latest RICS Guidance Note relating to viability in planning, dated 2021, provides additional guidance on the approach to Benchmark Land Value (BLV), which should be assessed through a five-stage process:

1. Assess the EUV – the Market Value of the property is in existing use, excluding hope value
2. Assess the Alternative Use Value (AUV) where appropriate
3. Assess the premium above EUV
4. Determine the residual value of the site, assuming policy compliance, to cross check against the EUV and assessment of the premium
5. Reference land transaction evidence to sense check the EUV and assessment of the premium

We have considered the relevant guidance in our assessment of BLV.

8.2 Existing Use Value

The subject site extends to circa 7.19 acres in total and in its existing form comprises largely commercial storage land together with parcels of amenity land.

The industrial storage land to the north east of the site is currently cleared and considered to be occupiable. The western parcel of the site contains a number of derelict industrial units which have now become overgrown with vegetation. We do not consider the industrial units to be tenatable and consider that a cost would be required to clear the site to be functional as industrial storage land. The remainder of the site comprises amenity land and is overgrown with vegetation and trees.

Our assessment of existing use value is set out below.

Industrial Storage Land (cleared parcel to the north east of the site)

The industrial storage land to the north east of the subject site is cleared and extends to circa 1.592 acres.

We have reviewed comparable commercial storage land sites which have transacted, as summarised below:

Address	Area (Acres)	Price (£)	£ per Acre	Sale Date	Comments
Southside Rail Line, Gorton Road, Manchester	0.4	£339,000	£847,500	Nov-22	Freehold covered site with a small workshop unit, located circa 1.5 miles south west of the subject site in Gorton. Small parcel generating an income of £20,400 per annum (£51,000 per acre). Adjustment for quantum required when compared against the subject.

West Egerton Street, Salford	5.1	£6,250,000	£1,225,490	Sep-22	Located within the industrial area in Salford. This parcel of land, formally owned by United Utilities was used as a gas holder site. Located in a more prominent position compared to the subject.
Lower Bridgeman Street, Bolton	1.3	£1,800,000	£1,384,615	Jul-22	Purchased by Lok'n'Store. Comprising a cleared brownfield parcel of land in Bolton town centre. Situated in a prominent position adjacent to a new Audi dealership.
Irlam Wharf Road, Manchester	3.78	£5,055,000	£1,337,300	2022	This is a level but irregular parcel of land, which is surfaced in concrete. It is located on an established industrial estate in Irlam and was previously used for container storage.

Figure 9: Industrial Storage Land Sales

There is a distinct lack of comparable transactions within Manchester, and we have therefore widened our search to include the wider Greater Manchester area. Based on the comparable evidence above, there is a range in values between £847,500 and £1,384,615 per acre for commercial storage land. Given the setting of the subject site in a largely residential urban area and also having consideration to the limited accessibility of the site, we would expect the site to achieve values towards the lower end of the range in values.

We have also considered comparable rental values of storage land in the Greater Manchester area:

Address	Area (Acres)	Annual Rent (£)	£ Per Acre	Date	Comments
Land at Barking Street, Manchester M40 7BT	1.1	£61,500	£55,909	Jul-22	Let to Manchester Storage. Located in Miles Platting.
Trafford Park Road, Manchester	1.16	£145,000	£125,000	2022	Let to Newco. Located in Trafford Park, an established industrial location.
Daniel Adamson Road, Salford M50 1DT	0.71	£42,000	£59,155	Apr-21	10-year lease, no break, 4 months rent free. Located in an established industrial area.
Land off Duncan Street, Salford M5 3SQ	0.84	Quoting £70,000	£83,333	Available	Located less than a mile north west of the subject site, positioned just behind Regent Retail Park.
10 Bute Street, Salford M50 1DU	0.84	Quoting £70,000	£83,333	Available	Located in Salford, circa 2 miles from the subject site. Located further out of the city and within an industrial setting.

Figure 10: Industrial Storage Land Rents

This evidence shows a range of rents in the order of £55,000 - £125,000 per acre. The subject site is not within an established commercial area, the local vicinity is largely residential. Overall, having consideration to setting, condition and quantum we would expect the cleared storage land to attract rental values in the region of £50,000 per acre, equating to 79,600 per annum. On an investment basis, we would expect a yield in the order of 8%, which equates to an overall value of £995,000, rounded down to £935,000 after purchaser's costs.

With reference to land value, a capital value of £935,000 equates to c. £587,000 per acre which is considered relatively conservative with reference to the comparable evidence. We have adopted this value of **£935,000** as the existing use value for this element of the site.

Industrial Storage Land (to the north west of the site, containing derelict industrial units)

To the west, and directly accessible off Crabtree Lane are a number of disused industrial units which are all in a dilapidated condition. The industrial site has become overgrown with vegetation and trees. These units are not in a tenable condition and we have therefore considered the value of the site as storage land. That being said, works are required to clear the site to be occupiable as storage land. This parcel extends to 4.025 acres.

Reflecting on the condition of this part of the site, we have adopted a reduced rate in the order of £250,000 per acre, equating to **£1,000,000**. We consider this to be a reasonable assessment accounting for the site characteristics.

Amenity Land

The remainder of the site comprises amenity land, largely covered in dense vegetation and trees. The amenity land element of the site extends to 1.575 acres. We have considered recent amenity land transactions within the area of Greater Manchester to inform our assessment of value, summarised below:

Address	Area	Price	Price per Acre	Sale Date
Land at Blackshaw Clough, Glossop SK13 9QR	0.52	£13,500	£25,962	Mar-25
Land at Oak Street, Whitworth, Rochdale OL12 8NU	0.94	£51,000	£54,255	Mar-25
Land East of Brookside Road, Bolton BL2 2SE	2.9	£37,000	£12,759	Feb-25
Land Lying East of Meadway, Bury BL9 8DA	2.14	£16,000	£7,477	Feb-25

Figure 11: Amenity Land Sales

On reflection of all the above, reflecting on setting, quantum and condition, it is our considered opinion that the subject site would attract land values in the region of £20,000 per acre, equating to a total EUV of **£31,500**.

EUV Summary

Cleared Industrial Storage Land	£935,000
Industrial Storage Land, Containing Derelict Units	£1,000,000
Amenity Land	£31,500
SUM	£1,966,500, Say, £1,965,000

8.3 Minimum Premium

The value of a site is a key consideration within a viability assessment. Fundamentally, a landowner will sell an asset which has development potential when they consider that the development potential of the site is being fairly reflected within the price being paid. Otherwise, the site will essentially remain in its existing use with no incentive for the landowner to bring the site forward for development. Should landowners view current planning requirements as too onerous, they have the ability to wait for a change in planning policy and to release land at the point at which a minimum level of acceptable return is reached in the future.

It is necessary for a landowner to reflect the abnormal costs that affect their site in their value premium expectations and the value premium adopted herein is at a reduced level from that which would be applied to a site with lower levels of abnormal costs.

Across the commercial storage land, extending to a total of 5.617 acres, we consider 20% to be a reasonable premium to be applied to the EUV to incentivise the landowner to sell the site in its current condition without the requirement for further expenditure of time or capital. Based on an EUV of £1,935,000 (£935,000 + £1,000,000), the minimum premium equates to **£387,000**.

In relation to the remaining amenity land, extending to 1.575 acres, we have considered evidence from various sources to assess the minimum premium. Based on our experience, we believe a minimum premium of £200,000 per gross acre. This equates to **£315,000**.

Overall, we have assessed the minimum premium to be £702,000, say **£700,000**. This takes account of the available evidence and relevant RICS guidance in respect of BLV.

8.4 Benchmark Land Value

Reflecting on the above, we consider the Benchmark Land Value of the subject site to be **£2,589,000** as follows.

Item	Assessment
Existing Use Value	£1,965,000
Minimum Premium	£700,000
Total	£2,665,000

9. Results & Sensitivity Analysis

Appraisal 1 – Policy Compliant	The financial assessment undertaken on a policy compliant basis including 20% affordable housing, produces a negative residual land value of -£239,765 which is significantly below the benchmark land value and is therefore considered unviable on this basis.
Appraisal 2 – Proposed Scheme	The appraisal comprising 100% open market sales produces a residual land value of £1,117,502, therefore falling short of the benchmark land value by £1,547,498. The applicant is however prepared to take a commercial view in order to bring forward the development on this basis.
Sensitivity Analysis	The RICS Practice Statement requires that all FVAs and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation in respective calculations on viability, having regard to risks and an appropriate return(s). This is to: • allow both the Applicant and decision maker to consider how changes in inputs to a financial appraisal affect viability, and • understand the extent of these results, to arrive at an appropriate conclusion on viability of the application scheme. In this respect we have carried out a sensitivity analysis of the policy compliant scheme, which is included at Appendix

10. Conclusions

We have summarised the appraisal results in comparison to the BLV in the table below:

	Appraisal 1 – 20% Affordable Housing Provision	Appraisal 2 – 0% Affordable Housing Provision
Benchmark Land Value	£2,665,000	£2,665,000
Residual Land Value	-£239,765	£1,117,502

The appraisals contained within this report represent a robust assessment of the viability of a residential development on the subject site.

This report has been produced utilising a recognised appraisal software package. Due regard has been given to guidance published by the RICS, and the NPPF/NPPG.

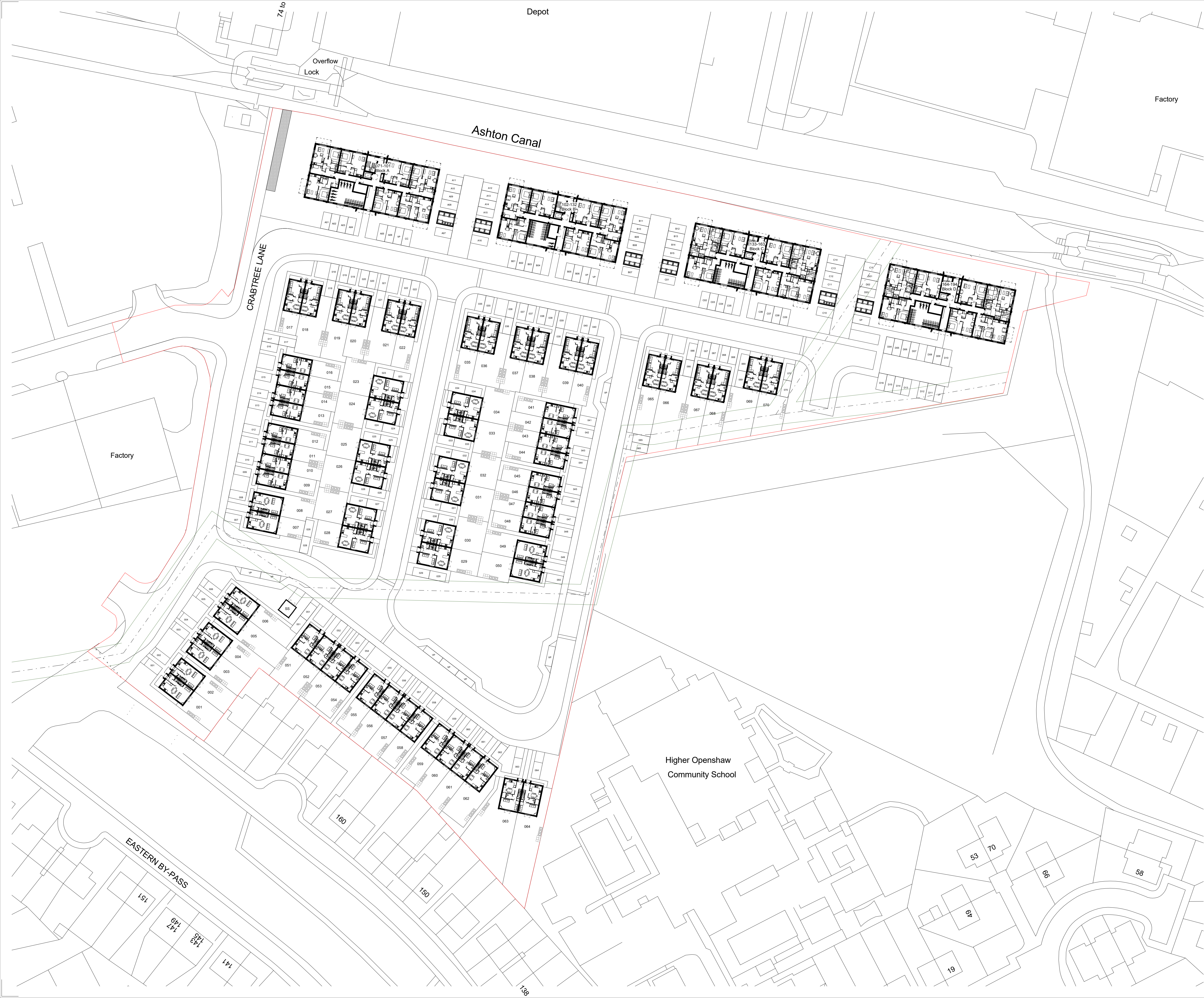
We have demonstrated that a scheme offering 20% affordable housing will generate a negative land value of -£239,765, creating a significant viability deficit of -£2,904,765 when compared to the benchmark land value. This is therefore unviable.

We have further considered a scheme offering 100% open market sales. The residual land value on this basis is £1,117,502 therefore falling short of the benchmark land value by £1,547,498. The applicant is however prepared to take a commercial view in order to bring forward the development on this basis.

In line with planning policy, the requirements for affordable housing should therefore be reduced because of viability constraints.

APPENDICES

Appendix I – Scheme Layout



Notes

Do not scale from this drawing.
All contractors must visit the site and be responsible for taking and checking dimensions.
All construction information should be taken from figured dimensions only.
Any discrepancies between drawings, specifications and site conditions must be brought to the attention of the supervising officer.
This drawing & the works depicted are the copyright of JTP.

This drawing is prepared for the specific project stage in the Drawing Status section below and it is not intended to be used for any other purpose. Whilst all reasonable efforts are used to ensure drawings are accurate, JTP accept no liability for any reliance placed on, or use made of, this plan by anyone for purposes other than those stated in the Drawing Status below.

D017	19.03.25	Removal of Crossing Points and Plot 13 Parking Amend	SAK	JC
D016	10.03.25	Amendments to Crabtree Lane footpath	SAK	JC
D015	28.02.25	Final Planning Draft	SAK	JC
D014	20.02.25	Amendments to Apartment Blocks	RA	JC
D013	06.02.25	Amendments to north-western pathway	SAK	JC
D012	04.02.25	Amendments to north-western junction and parking	SAK	JC
D011	29.01.25	Amendments to position of plots 01-06 and inclusion of paths to all rear gardens	SAK	JC
D010	24.01.25	Updates to parking along northern street and removal of turning head in north-east corner	SAK	JC
D09	15.01.25	Updates to south-eastern road radius and entrances to parking court widths	SAK	JC
D08	14.01.25	Updates to plots along northern road and rearrangement of parking	SAK	JC
D07	06.01.25	Draft Issue	RA	JC
D06	19.12.24	Redline Boundary Update and Parking Amended	SAK	JC
D05	16.12.24	Parking updates and southern layout changes	SAK	JC
D04	27.11.24	Redline Boundary Updates	SAK	JC
D03	22.11.24	External Refuse Stores aded and Proposed Accessway shown	SAK	JC
D02	19.11.24	Footway added infront of plots 58-60	RA	JC
D01	12.11.24	Draft issue	RA	JC

Rev	Date	Description	Drawn	Chkd
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Drawing Status

Draft



Client

Project

Land at Crabtree Lane

Drawing Title

Level 00 - Proposed Site Plan

Scale @A1 1 : 500

Job Ref. 02292

Drawing No. 02292_JTP_MP_00_DR_A_1100Revision D017

Scale Bar

0 5 10 15 20 25 m

Appendix 2 – Market Research

Apartments

Marmalade and Orangery at the Jam Factory – Bellway Homes / Taylor Wimpey

Situated just over a mile east of the subject property in Droylsden, this development has been brought forward by both Bellway Homes and Taylor Wimpey. The scheme comprises a mix of housing and apartment units. The apartment units offer the best form of comparison to the subject scheme apartments, both in terms of specification and setting. The Jam Factory apartment blocks are also situated fronting onto the canal.

The most decent achieved sales data across the apartment units is detailed below:

Address	Type	Size (ft ²)	Sale Price	Net of 5% Assumed Incentives	Per Sq. Ft	Sale Date
Apartment 5, 13, Robertsons Way	Apartment	614	£193,995	£184,295	£300	Dec-23
Apartment 6, 13, Robertsons Way	Apartment	614	£193,995	£184,295	£300	Dec-23
Apartment 6, 11, Robertsons Way	Apartment	614	£193,995	£184,295	£300	Nov-23
Apartment 5, 11, Robertsons Way	Apartment	614	£193,995	£184,295	£300	Nov-23
Apartment 11, 29, Quinn Square	Apartment	614	£193,995	£184,295	£300	Jun-23
Apartment 10, 29, Quinn Square	Apartment	614	£193,995	£184,295	£300	Jun-23
Apartment 4, 13, Robertsons Way	Apartment	614	£191,995	£182,395	£297	Dec-23
Apartment 3, 13, Robertsons Way	Apartment	614	£191,995	£182,395	£297	Dec-23
Apartment 3, 11, Robertsons Way	Apartment	614	£191,995	£182,395	£297	Nov-23
Apartment 4, 11, Robertsons Way	Apartment	614	£191,995	£182,395	£297	Nov-23
Apartment 7, 29, Quinn Square	Apartment	614	£191,995	£182,395	£297	Jun-23
Apartment 11, 1, Robertsons Way	Apartment	614	£189,995	£180,495	£294	Sep-23
Apartment 10, 1, Robertsons Way	Apartment	614	£189,995	£180,495	£294	Sep-23
Apartment 12, 1, Robertsons Way	Apartment	614	£189,995	£180,495	£294	Sep-23
Apartment 6, 29, Quinn Square	Apartment	614	£189,995	£180,495	£294	Jun-23
Apartment 6, 1, Robertsons Way	Apartment	614	£187,995	£178,595	£291	Sep-23
Apartment 8, 1, Robertsons Way	Apartment	614	£187,995	£178,595	£291	Sep-23
Apartment 7, 1, Robertsons Way	Apartment	614	£187,995	£178,595	£291	Sep-23
Apartment 5, 1, Robertsons Way	Apartment	614	£187,995	£178,595	£291	Sep-23
Apartment 3, 29, Quinn Square	Apartment	614	£187,995	£178,595	£291	Jun-23
Apartment 2, 29, Quinn Square	Apartment	614	£187,995	£178,595	£291	Jun-23
Apartment 4, 1, Robertsons Way	Apartment	614	£185,995	£176,695	£288	Oct-23
Apartment 3, 1, Robertsons Way	Apartment	614	£185,995	£176,695	£288	Sep-23
Apartment 1, 1, Robertsons Way	Apartment	614	£185,995	£176,695	£288	Sep-23
Apartment 2, 1, Robertsons Way	Apartment	614	£185,995	£176,695	£288	Sep-23
Apartment 5, 29, Quinn Square	Apartment	614	£185,995	£176,695	£288	Jun-23
Apartment 9, 1, Robertsons Way	Apartment	614	£184,995	£175,745	£286	Sep-23
Apartment 4, 29, Quinn Square	Apartment	614	£183,995	£174,795	£285	Jun-23
Apartment 12, 29, Quinn Square	Apartment	614	£183,995	£174,795	£285	Jun-23
Apartment 8, 29, Quinn Square	Apartment	614	£181,995	£172,895	£282	Jun-23
Apartment 1, 29, Quinn Square	Apartment	614	£179,995	£170,995	£278	Jun-23
Average Net Sale Price (ft²)					£292	

The average net sale price across the apartment units is £292 per sq ft. All units detailed above are of the same size, extending to 614 sq ft. The achieved values, net of assumed incentives, range between £170,995 and £184,295, equating to between £278 and £300 per sq ft.

Orangery at the Jam Factory is located in Droylsden, which is considered to be an area where the demand is for family housing as opposed to 2 bed apartments. The subject site in comparison is situated circa 1 mile closer to Manchester City Centre and within walking distance of Edge Lane Tram Stop, as well as regular bus services along Ashton New Road and Ashton Old Road. We therefore consider that there would be more demand for apartments in Openshaw in comparison Droylsden and would expect slightly higher values across the apartment units at the subject site to reflect this.

Crown Point – Wain Homes

This scheme by Wain Homes comprises a mix of house and apartment units and has now completed with all units sold. The scheme is located within Denton, directly off Hyde Road. Achieved apartment transactions, as recorded on Land Insight, are summarised below:

Address	Type	Size (ft ²)	Sale Price	Net of 5% Assumed Incentives	Net Price Per Sq Ft	Sale Date
2 Drummond Street, Denton	Apartment	495	£164,950	£156,703	£317	Sep-23
12 Cohen Avenue, Denton	Apartment	495	£164,950	£156,703	£317	Sep-23
Average Net Sale Price (ft ²)					£317	

The average net sale price across the above mentioned apartment units is £317 per sq ft. Both apartments extend to 495 sq ft which we have assumed relates to 1 bed units. Both units sold for £156,703 net of assumed incentives. The subject site is situated with closer proximity to Manchester City Centre, albeit Crown Point does benefit from direct access onto the motorway network.

Houses

Marmalade and Orangery at the Jam Factory – Bellway Homes / Taylor Wimpey

Situated just over a mile east of the subject property in Droylsden, this development has been brought forward by both Bellway Homes and Taylor Wimpey. The scheme comprises circa 350 units across a mix of housing and apartment house types. All phases of the scheme have now completed. We have had consideration to the most recent achieved sales data, summarised below:

Address	Type	Size (ft ²)	Sale Price	Net of Assumed 5% Incentives	Per Sq. Ft	Sale Date
1, Ginger Way	Detached	1,141	£459,995	£436,995	£383	Aug-24
25, The Orangery	Detached	1,141	£439,995	£417,995	£366	Jun-24
18, The Orangery	Detached	1,044	£409,995	£389,495	£373	Aug-24
20, The Orangery	Detached	1,044	£404,995	£384,745	£369	May-24
12, Marmalade Lane	Detached	1,044	£403,995	£383,795	£368	Apr-24
21, The Orangery	Detached	969	£399,990	£379,991	£392	May-24
27, The Orangery	Detached	969	£394,995	£375,245	£387	Jun-24
15, The Orangery	Detached	969	£393,995	£374,295	£386	Apr-24
23, The Orangery	Detached	969	£384,995	£365,745	£377	May-24
10, Robertsons Way	Detached	893	£374,995	£356,245	£399	Aug-24
24, The Orangery	Detached	893	£373,995	£355,295	£398	May-24
16, The Orangery	Detached	893	£372,995	£354,345	£397	Apr-24
9, The Orangery	Detached	893	£371,995	£353,395	£396	Apr-24
5, Bramberry Drive	Semi	861	£321,995	£305,895	£355	May-24
3, Bramberry Drive	Semi	861	£321,995	£305,895	£355	May-24
19, The Orangery	Semi	786	£311,995	£296,395	£377	May-24
2, Marmalade Lane	Semi	786	£310,995	£295,445	£376	Apr-24
16, Marmalade Lane	Semi	786	£310,995	£295,445	£376	Apr-24
17, The Orangery	Semi	786	£308,995	£293,545	£373	May-24
11, The Orangery	Semi	786	£306,995	£291,645	£371	May-24
6, Marmalade Lane	Semi	786	£306,995	£291,645	£371	May-24
8, Marmalade Lane	Semi	786	£306,995	£291,645	£371	Apr-24
Average Net Sale Price (ft ²)					£378	

The average net sale price across the 2024 sales is £378 per sq ft, net of assumed 5% incentives. Achieved values range from £291,645 net for a 786 sq ft semi-detached unit and up to £436,995 for a detached 1,141 sq ft dwelling. The values per sq ft range between £355 and £399 per sq ft.

The Jam Factory is located in a more desirable area and within a setting more suited to family homes in comparison to the subject. We would therefore expect the subject site to achieve lower values across the house types in comparison.

Belle View Place - Countryside

This new build housing scheme by Countryside offers a mix of 2, 3 and 4 bed homes. Belle View Place is located circa 1.35 miles south west of the subject site. The scheme has now completed. The below summarises the most recent transactions across the scheme.

Address	Type	Size (ft²)	Sale Price	Net of Assumed 5% Incentives	Per Sq. Ft	Sale Date
1, Fairground Road	Detached	1,410	£424,995	£403,745	£286	Sep-23
3, Fairground Road	Detached	1,410	£424,995	£403,745	£286	Sep-23
6, Greyhound Avenue	Detached	1,163	£399,995	£379,995	£327	Apr-24
24, Fairground Road	Detached	1,163	£399,995	£379,995	£327	Feb-24
2, Scenic Street	Detached	1,023	£394,995	£375,245	£367	Dec-23
21, Fairground Road	Detached	1,033	£389,995	£370,495	£359	Dec-23
23, Fairground Road	Detached	1,023	£384,995	£365,745	£358	Dec-23
7, Kings Hall Drive	Detached	1,033	£384,995	£365,745	£354	Nov-23
12, Fairground Road	Detached	1,033	£379,995	£360,995	£349	Oct-23
10, Fairground Road	Detached	1,033	£379,995	£360,995	£349	Oct-23
9, Kings Hall Drive	Detached	1,023	£375,000	£356,250	£348	Mar-24
1, Kings Hall Drive	Detached	1,023	£374,995	£356,245	£348	Dec-23
4, Scenic Street	Semi	1,119	£364,995	£346,745	£310	Dec-23
46, Greyhound Avenue	Detached	1,023	£359,995	£341,995	£334	Apr-23
5, Fairground Road	Semi	1,119	£334,995	£318,245	£284	Nov-23
2, Fairground Road	Semi	980	£329,995	£313,495	£320	Nov-23
7, Fairground Road	Semi	1,119	£329,995	£313,495	£280	Sep-23
14, Fairground Road	Detached	915	£324,995	£308,745	£337	Dec-23
4, Fairground Road	Semi	980	£324,995	£308,745	£315	Nov-23
11, Fairground Road	Semi	980	£324,995	£308,745	£315	Oct-23
4, Kings Hall Drive	Detached	915	£319,995	£303,995	£332	Dec-23
2, Kings Hall Drive	Detached	915	£319,995	£303,995	£332	Dec-23
9, Fairground Road	Semi	980	£319,995	£303,995	£310	Oct-23
19, Fairground Road	Semi	915	£309,995	£294,495	£322	Dec-23
5, Kings Hall Drive	Semi	915	£309,995	£294,495	£322	Nov-23
17, Fairground Road	Semi	915	£309,995	£294,495	£322	Nov-23
13, Fairground Road	Semi	915	£309,995	£294,495	£322	Nov-23
4, Greyhound Avenue	Semi	915	£304,995	£289,745	£317	Apr-24
318, Kirkmanshulme Lane	Semi	915	£304,995	£289,745	£317	Sep-23
320, Kirkmanshulme Lane	Semi	915	£304,995	£289,745	£317	Sep-23
22, Fairground Road	Semi	764	£279,995	£265,995	£348	Feb-24
20, Fairground Road	Semi	764	£274,995	£261,245	£342	Feb-24
16, Fairground Road	Semi	764	£274,995	£261,245	£342	Jan-24
18, Fairground Road	Semi	764	£274,995	£261,245	£342	Jan-24
26, Fairground Road	Semi	764	£264,995	£251,745	£330	Dec-23
302, Kirkmanshulme Lane	Semi	764	£249,995	£237,495	£311	Sep-23
304, Kirkmanshulme Lane	Semi	764	£244,995	£232,745	£305	Sep-23
Average Net Sale Price (ft²)					£325	

The average net sale price is £325 per sq ft net of assumed 5% incentives. The net capital values range between £232,745 for a 764 sq ft semi-detached unit and up to £403,745 for a detached dwelling extending to 1,410 sq ft. The subject site is in a more favourable location in comparison and we would therefore expect the subject site to attract higher values.

Saxon Square, Lovell

Saxon Square is a development of 28 x 2, 3 and 4 bed houses situated on the periphery of Miles Platting. The scheme is located circa 1.6 miles north west of the subject site. The scheme has now

completed with all units sold. The most recent transactions as recorded on Land Registry are summarised below:

Address	Type	Size (ft ²)	Sale Price	Net of Assumed 5% Incentives	Net Price Per Sq Ft	Sale Date
70, Sandal Street	Terraced	1,378	£465,453	£442,180	£321	Aug-24
4, Stracey Street	Terraced	1,378	£465,453	£442,180	£321	Feb-24
195, Varley Street	Terraced	1,378	£455,953	£433,155	£314	Jul-24
2, Stracey Street	Terraced	1,378	£446,453	£424,130	£308	Dec-23
211, Bradford Road	Semi	980	£347,950	£330,553	£337	Feb-24
68, Sandal Street	Terraced	980	£346,703	£329,368	£336	Jun-24
62, Sandal Street	Terraced	915	£346,703	£329,368	£360	Jun-24
201, Bradford Road	Semi	980	£341,953	£324,855	£331	Apr-24
203, Bradford Road	Semi	980	£341,953	£324,855	£331	Dec-23
213, Bradford Road	Semi	980	£341,953	£324,855	£331	Dec-23
64, Sandal Street	Terraced	980	£337,203	£320,343	£327	Jun-24
66, Sandal Street	Terraced	915	£337,203	£320,343	£350	Jun-24
205, Bradford Road	Terraced	915	£332,455	£315,832	£345	Apr-24
209, Bradford Road	Terraced	915	£332,453	£315,830	£345	Feb-24
207, Bradford Road	Terraced	764	£284,953	£270,705	£354	Apr-24
Average Net Sale Price (ft ²)					£332	

The average sale price, net of assumed incentives is £332 per sq ft. The achieved net values range between £270,705 for a 764 sq ft unit and up to £442,180 for a 1,378 sq ft unit. We do consider Saxon Square to be comparable in that it reflects a regeneration scheme. We do not however consider the location of the scheme to be directly comparable to the subject. Saxon Square is within walking distance of the desirable areas of New Islington and Ancoats.

The Moorings- Loxley Homes

Located circa 1.7 miles east of the subject site in Audenshaw, The Moorings comprises a scheme of just 5 plots, comprising 3 different house types. The current asking price for each house type is summarised below:

House Type	Type	Storeys	No. Beds	Floor area (Sq. ft)	Asking Price	Net of Assumed Incentives	Net Price per sq ft
The Hamilton	Detached	3	5	1,636	£595,000	£565,250	£346
The Kingsley	Detached	3	5	1,636	£550,000	£522,500	£319
The Ascot	Detached	2	5	1,422	£550,000	£522,500	£367
Average Net Asking Value (ft ²)							£343

The net average asking price is £343 per sq ft, with net capital values ranging between £522,500 and £565,250. We do consider Audenshaw to be a more desirable area in comparison and there is an increased level of demand for larger family homes.

Appendix 3- Abnormal Cost Schedule

CRABTREE LANE, OPENSHAW

ABNORMALS DETAILS - Cost Plan Rev 04

COST HEADS	Quant	Unit	Rate	Sub-Total	Total
Remediation / Site Enablement / Earthworks					£ 1,891,119.87
- Demolition & Remediation quotation from DB Remediation (dated 4th Jun '24)	1	sum	£ 1,257,629.79	£ 1,257,629.79	
- Inflation provision on above due to age of quotation	3%		£ 1,257,629.79	£ 37,728.89	
- Exccavete pile mats and cart arisings to tip	4239	m3	£ 46.16	£ 195,654.22	
- Installation of anti-dig layer (garden capping)	13,133	m2	£ 2.05	£ 26,922.65	
- Carting development arisings to tip	3,134	m3	£ 56.38	£ 176,687.45	
- Importing clean subsoils	5,440	m3	£ 35.88	£ 195,160.00	
- Other miscellaneous costs	1	sum	£ 1,336.87	£ 1,336.87	
Substructures					£ 1,032,847.40
- E/O PCC Driven Pile & Beam - Houses	1	sum	£ 517,373.36	£ 517,373.36	
- E/O PCC Driven Pile & Beam - Apartments	1	sum	£ 515,474.04	£ 515,474.04	
Superstructures					£ 765,675.00
- Elevational enhancements (required for planning) - Houses	1	sum	£ 253,175.00	£ 253,175.00	
- Elevational enhancements (required for planning) - Apartment Blocks	4	no	£ 112,750.00	£ 451,000.00	
- Proviison for FHS - Implementation date of May '27	10	plots	£ 6,150.00	£ 61,500.00	
Externals					£ 343,148.23
- Additional depth stone required under driveways (levels related)	547.00	m3	£ 54.33	£ 29,715.78	
- Installation of terram material under drives	1963	m2	£ 6.40	£ 12,555.35	
- E/O Provision for porours drive specification (planning requirement)	3427.00	m2	£ 51.25	£ 175,633.75	
- Screen Walls (required for planning)	133	m	£ 400.78	£ 53,303.08	
- Metal Railings (required for planning)	261	m	£ 97.38	£ 25,414.88	
- Retaining structures	51.00	m	£ 85.73	£ 4,372.28	
- Land drainage	35.00	plots	£ 768.75	£ 26,906.25	
- ACO drains to back-falling gardens	175.00	m	£ 87.13	£ 15,246.88	
Compound / CMP					£ -
-					
Prelims					£ -
-					
Roads & Sewers					£ 1,053,211.89
- Alteration works to existing manholes	8.00	no	£ 1,281.25	£ 10,250.00	
- SW Attenuation Crates (inc. associated works)	380.00	m3	£ 414.25	£ 157,414.38	
- Additional stone requirement in carriageway construction (to achieve design formation levels)	1064.00	m3	£ 52.95	£ 56,340.40	
- Additional stone requirement in footpath construction (to achieve formation levels)	399.16	m3	£ 52.28	£ 20,865.93	
- Additional spec carriageway & footpath construction (e/o LA Spec requirements)	1.00	sum	£ 169,750.25	£ 169,750.25	
- E/O Drainage works: (SW Sewer depths >1.5m & 225mm pipe / FW Sewer depths >1.5m / MH's > 1200mm dia & 1.5m depth)	1.00	sum	£ 638,590.94	£ 638,590.94	
Utilities					£ 398,725.00
- Gas diversion	1.00	sum	£ 82,000.00	£ 82,000.00	
- Electric diversion (HV)	1.00	sum	£ 153,750.00	£ 153,750.00	
- Electric service lowering (LV)	1.00	sum	£ 41,000.00	£ 41,000.00	
- New sub-sttaion requirement	1.00	sum	£ 101,475.00	£ 101,475.00	
- BT Diversion	1.00	sum	£ 20,500.00	£ 20,500.00	
Technical Fees					£ -
-					
Technical Overheads					£ -
-					
Maintenance					£ -
-					
Sales Complex (ink Maintenance)					£ -
-					
Sales Maintenance					£ -
-					
Off Site Works					£ 634,074.23
- S.278 Works - Crabtree Lane upgrades	1.00	sum	£ 505,949.23	£ 505,949.23	
- Provision for service diversion works	1.00	sum	£ 128,125.00	£ 128,125.00	
Other On Site Works					£ 127,371.63
- Formation of 2no PPOS Areas (planning requirement)	1.00	sum	£ 127,371.63	£ 127,371.63	

TOTAL **£ 6,246,173.24**

Appendix 4- Policy Compliant Residual Appraisal (20% affordable)

APPRAISAL SUMMARY**ARGUS SOFTWARE****Crabtree Lane Policy Compliant****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Houses	70	72,106	329.79	339,714	23,780,000
Apartments	<u>124</u>	<u>76,560</u>	277.98	171,633	<u>21,282,500</u>
Totals	194	148,666			45,062,500

NET REALISATION**45,062,500****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(239,765)	(239,765)
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CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Houses	72,106	150.00	10,815,900	
Apartments	<u>100,000</u>	150.00	<u>15,000,000</u>	
Totals	172,106 ft²		25,815,900	25,815,900

Contingency	3.00%	961,862	961,862
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Other Construction Costs

Abnormals	6,246,173	
BNG	270,600	6,516,773

PROFESSIONAL FEES

Professional Fees	6.00%	1,923,724	1,923,724
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DISPOSAL FEES

Sales Agent and Marketing Fee		1,201,050	
Sales Legal Fee	194 un	650.00 /un	126,100
			1,327,150

TOTAL COSTS BEFORE FINANCE**36,305,645****FINANCE**

Debit Rate 8.000%, Credit Rate 0.000% (Nominal)		
Construction	348,193	
Total Finance Cost		348,193

TOTAL COSTS**36,653,837****PROFIT****8,408,663****Performance Measures**

Profit on Cost%	22.94%
Profit on GDV%	18.66%
Profit on NDV%	18.66%
IRR% (without Interest)	65.84%
Profit Erosion (finance rate 8.000)	2 yrs 7 mths

Appendix 5- Proposed Scheme Appraisal (0% Affordable Housing Provision)

Crabtree Lane Reduced Policy Compliance

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Houses	70	72,106	329.79	339,714	23,780,000
Apartments	<u>124</u>	<u>76,560</u>	312.17	192,742	<u>23,900,000</u>
Totals	194	148,666			47,680,000

NET REALISATION

47,680,000

OUTLAY

ACQUISITION COSTS

Residualised Price			1,117,502		1,117,502
Stamp Duty			45,375		
Effective Stamp Duty Rate		4.06%			
Agent Fee		1.00%	11,175		
Legal Fee		0.50%	5,588		
					62,138

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost		
Houses	72,106	150.00	10,815,900		
Apartments	<u>100,000</u>	150.00	<u>15,000,000</u>		
Totals	172,106 ft²		25,815,900		
Contingency		3.00%	961,862		
					26,777,762
Other Construction Costs					
Abnormals			6,246,173		
BNG			270,600		
					6,516,773

PROFESSIONAL FEES

Professional Fees		6.00%	1,923,724		1,923,724
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DISPOSAL FEES

Sales Agent and Marketing Fee		3.00%	1,430,400		
Sales Legal Fee	194 un	650.00 /un	126,100		
					1,556,500

TOTAL COSTS BEFORE FINANCE

37,954,399

FINANCE

Debit Rate 8.000%, Credit Rate 0.000% (Nominal)					
Land			9,564		
Construction			180,037		
Total Finance Cost					189,601

TOTAL COSTS

38,144,000

PROFIT

9,536,000

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
IRR% (without Interest)	54.75%



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