

Cross Keys, New Cross, Manchester



Financial Viability Statement

CBRE Limited | National Planning & Development proposal for: Cross Keys Estates Ltd

March 2025

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Declaration

A declaration of conformity with the RICS Professional Statement Financial Viability in Planning, September 2019, 1st Edition¹, is set out within the following sub-sections.

Instruction and Purpose of Report

CBRE has been instructed by Cross Keys Estate Limited ('the Applicant') to objectively assess, and report upon, the financial viability of the proposed redevelopment of the Cross Keys Street Car Park, 19 Cross Keys Street, Manchester ('the Site') for the full demolition and redevelopment of the car park to deliver a new residential building.

This viability assessment ('VA') examines the financial viability of the residential redevelopment of the Site (hereafter referred to as the 'Proposed Residential Development').

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

Objectivity, impartiality and reasonableness

CBRE 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. CBRE 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, CBRE always confirms that we have acted impartially, with objectivity, without interference and with reference to all appropriate available sources of information.

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

CBRE 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.

CBRE has set out a full explanation of the evidence provided with reasoned justification.

Conflict(s) of interest

CBRE 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(s) and in respect of the site.

¹ RICS (May 2019) *Financial viability in planning: conduct and reporting*, 1st Edition

Contingent Fee

In preparing this report, no performance related or contingent fees have been agreed between CBRE and the Applicant(s).

Status

This report does not constitute a formal valuation and cannot be regarded, or relied upon, as such.

This report provides a guide for feasibility in line with the purpose for which the assessment is required, in accordance with the National Planning Policy Framework ('NPPF')² and national Planning Practice Guidance for Viability ('PPGV')³, and as stated within the relevant guidance published by the RICS⁴.

The conclusions of this report are based upon the input assumptions as stated herein and as available at the time of production. The input assumptions and conclusions of this report are valid at the date of publication and should be subject to review should further information be made available or in the event of material economic or property market change, or in respect of relevant legislative and policy changes.

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 approved by the following personnel:

Project Name:	Cross Keys, New Cross, Manchester		
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² MHCLG (2025) National Planning Policy Framework (NPPF)

³ MHCLG (2019) National Planning Practice Guidance – Viability

⁴ RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021 (effective from 1 July 2021) ('RICS Viability Guidance')

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Executive Summary

CBRE has been appointed by Cross Keys Estate Limited (hereto referred to as ‘the Applicant’) to objectively assess, and report upon, the financial viability of the proposed redevelopment of the Cross Keys Street Car Park, 19 Cross Keys Street, Manchester (‘the Site’) for the full demolition and redevelopment of the car park to deliver a new residential building.

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

Assessment Methodology

The viability model is conducted on a residual basis using industry standard Argus Developer software. A cashflow is provided for full transparency.

The key viability modelling input assumptions adopted by CBRE for the viability appraisal of the Proposed Residential Development are summarised in Table ES1.

Table ES1: Viability Assessment Inputs Summary

Input	Rate	Comment
BTR Estimated Rental Values (‘ERV’): Open Market Apartments	£27.72/ft ²	Based upon local BTR market evidence
BTR Net Initial Yield (‘NIY’)	4.75%	Forward funded NIY set optimistically in comparison to the current transactional funding market.
Construction Costs	£22,313,833	Based upon a Cost Estimate provided by Enabl, dated March 2025. The cost excludes contractors design and build risk, client’s contingency, professional fees and inflation beyond Q1 2025.
Enabling Works	£166,102	Based on the Cost Estimate produced by Enabl, dated March 2025. Includes allowances for main contractor’s preliminaries and OH&P.
External Works	£216,888	Based on the Cost Estimate produced by Enabl, dated March 2025. Includes allowances for main contractor’s preliminaries and OH&P.
Contingency (Design, Contractor & Developer)	5.00%	Of estimated build costs. Considered a minimum allowance for contractor’s and developer’s risk in the current market.
Professional Fees & Insurances	8.00%	Estimated rate as a % of total build costs.
Investment Sale Agent Fee	1.00%	Of GDV
Investment Sale Legal Fee	0.50%	Of GDV
Purchaser’s Costs (Land)	SDLT+1.8%	Standard HMRC non-residential stamp duty land tax (‘SDLT’), agent’s fee (1.00%) and legal fee (0.80%)
Purchaser’s Costs (Investment)	2.00%	Optimistically assumes asset held in SPV. SDLT on share transfer at 0.5%, plus institutional fund’s agency and legal fees (including VAT at 20%) on funding commitment.
Finance	4.75%	Coupon rate, which is expected to be equal to the NIY. Optimistic funding rate in current market (a 5-6% rate is more realistic).

Input	Rate	Comment
Developer's Return (blended)	12.00%	Total target return on GDV (circa 13-15% return on Cost) to reflect current levels of market risk, in line with the minimum market expectations and at the low end the range set-out in PPGV.

Benchmark Land Value ('BLV')

By way of analysis set out within chapter 5 of this document, the BLV for the Site has been determined based on the Existing Use Value ('EUUV') plus premium. The BLV represents CBRE's conclusion as to the minimum level of value at which the landowner would be suitably incentivised to release the site.

It is CBRE's professional opinion that the BLV for the Site for the Proposed Residential Development equates to £1.73m.

Viability Assessment Results & Conclusion

The policy compliant viability appraisal demonstrates that, when incorporating the BLV as a fixed input, and 20% affordable housing (in the form of APR units at 80% of local market rent), the outturn residual profit margin generated is -1.84% on Cost (-1.83% on GDV). The residual profit margin falls significantly below the target risk-adjusted developer's return.

The delivery of the Proposed Development on a basis in compliance with the Council's adopted development plan fails to generate a profit sufficient to meet the target minimum risk-adjusted developer's return on cost and the Proposed Development is not financially viable on this basis.

CBRE has subsequently run a Scenario Test to assess the implications on financial viability of removing the affordable housing provision. This generates a residual profit margin of 2.19% on Cost (2.10% on GDV). This demonstrates that the viability deficit is significantly reduced and the scheme is no longer loss-making, but the financial viability of the Proposed Development remains challenged.

The commercial decision whether to proceed with the Proposed Development will therefore be at the discretion of the Applicant and will, to some degree, be reliant on a combination of factors including improving market conditions, the ability to further reduce construction costs, or the potential sourcing of grant funding.

Given the commercial risks, it would be CBRE's recommendation that the Proposed Development does not incorporate any affordable housing units (or a payment in lieu of on-site provision) and any sums towards planning obligations.

1 Introduction

Instruction

- 1.1 CBRE has been appointed by the Applicant to objectively assess, and report upon, the financial viability of the Proposed Development at the Site.
- 1.2 The purpose of the VA is to test the financial viability of the Proposed Residential Development at the Site, taking into account the policy requirements set by the Council as well as national planning policy and guidance.

Context

Subject Site, Description, Location & Access

- 1.3 The Site is located in the New Cross area of Manchester City Centre.
- 1.4 The Site is bounded by Cross Keys Street to the north-west, Goulden Street to the north-east, Chadderton Street to the south-east, and Marshall Street to the south-west.
- 1.5 The Site currently comprises 19 Cross Keys Street Parking, a 0.31 acre surface car park, comprising 70 car parking spaces. A portion of the site is currently occupied by industrial storage containers used for the adjacent development. The car park, comprising the remaining 39 occupiable spaces, is in active use as a pay and display car park, operated by Car Park Securities.
- 1.6 A Site Location Plan is provided within **Appendix A**.

Planning and Status

- 1.7 A review of the MCC's online planning application public access database has been undertaken. Planning history pertinent to the Site is summarised below:
- Application for prior notification of proposed demolition of building (Ref no. 101827/DEM/2013/N1). Decided with no objections 23/05/2013.
 - Continuation of use of land as temporary car park for 48 spaces for duration of 18 months (Ref no. 108833/FO/2015/N1). Approved 30/06/2015.
 - Continuation of use of land as temporary car park for 48 spaces for duration of 18 months (Ref no. 121596/FO/2018). Approved 18/10/2018.
 - Erection of part 8, part 9-storey residential building (Use Class C3) comprising 99no. residential units with communal space, landscaping, infrastructure and other associated works (Ref no. 140133/FO/2024). Undecided, albeit recommended for approval by MCC Planning Committee, subject to S106 Agreement.

Proposed Planning Application

- 1.8 In May 2024, the Applicant submitted a full planning application at the Site for the following:

“Erection of part 8, part 9-storey residential building (Use Class C3) comprising 99no. residential units with communal space, landscaping, infrastructure and other associated works.”

- 1.9 CBRE understands that despite receiving approval in Gateway 1 in May 2024, it was determined that amendments to the Proposed Development would be required in order to satisfy Building Safety Regulations, following updates to the Building Safety Act in November 2024.
- 1.10 In order to ensure all apartments are served by two staircases, amendments to the scheme design have been made to raise the 7th floor, remove the rooftop amenity space, and introduce additional apartments. CBRE understands that the Council have shown support to this approach.
- 1.11 This scheme update necessitates a new (full) planning application, which MCC have indicated full support of.

Date of Appraisal

- 1.12 The date of appraisal is the stated date on the cover of this report.

Document Structure

- 1.13 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 the Council in respect of the level of affordable housing provision and Section 106 planning obligations (as applicable) that can be realistically supported by the Proposed Development in accordance with the National Planning Policy Framework ('NPPF')⁵ and national Planning Practice Guidance ('PPG')⁶.

⁵ MHCLG (2024) National Planning Policy Framework

⁶ 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 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 otherwise⁷. 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 is at the heart of the NPPF and is to be pursued positively in both decision-making and plan-making as set out within NPPF paragraphs 10 and 11. For the purposes of plan-making the presumption is only disapplied in the circumstances indicated in paragraph 11(b).

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:
- the rent is set at least 20% below local market rents (including service charges where applicable);
 - where a build to rent scheme the landlord need not be a registered provider; and
 - 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
 - whether there have been any changes in site circumstances since the Plan was brought into force.

⁷ Section 38(6) of the Planning and Compulsory Purchase Act 2004

- 2.8 All viability assessments, including those undertaken at plan-making stage, should reflect the recommended approach in national planning guidance⁸.

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 PPGV⁹.
- 2.10 Detailed guidance is provided regarding viability assessment in decision-taking upon individual schemes at the application stage. Firstly, it is the responsibility of the applicant to demonstrate the 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).

Build to Rent

- 2.12 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.
- 2.13 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 across a development, and the ability to review the value of a scheme (rent levels) over the duration of its life.

PPG for Build to Rent

- 2.14 PPG for Build to Rent sets out the Government’s national planning guidance for understanding planning for Build to Rent (BTR) development.
- 2.15 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%, unless an LPA has set an alternative proportion via Local Plan policy.
- 2.16 PPG Build to Rent 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.

⁸ MHCLG (2024) National Planning Policy Framework (NPPF): Paragraph: 58

⁹ MHCLG (2019) Planning Practice Guidance: 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 APR 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

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:
- New Cross Neighbourhood Development Framework (July 2015)
 - The emerging Places for Everyone Joint Development Plan Document ('PFE') (August 2021)
 - Guide to development in Manchester SPD (adopted April 2007)
 - Providing for Housing Choice SPD (adopted September 2008)

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 Policy CC3 states: *"The City Centre will see the most intensive development of housing in the City. It is expected that a minimum of 16,500 new units will be provided from 2010-2027. Key locations for the residential development will be Castlefield, Piccadilly, the Southern Gateway, and the Northern Quarter..."* In other parts of the City Centre residential development will only be appropriate in line with Policy CC7.
- 2.25 Policy CC7 confirms that residential development will be supported as part of schemes which include employment. The Council must be satisfied that proposals will contribute to the economic regeneration of the City and that the residential element of the scheme is of a scale which will ensure that the economic uses on the site, including retail and hotels, will be maximised. A clear justification will be required for proposals without employment opportunities.

2.26 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

2.27 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.

2.28 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.

2.29 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

2.30 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

2.31 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.

Low and Zero Carbon Development

2.32 In relation to climate change, the Core Strategy's policies are now somewhat out of date and do not reflect the accelerated ambitions of the City as it pushes towards a zero-carbon future.

2.33 Policy EN4 encourages the reduction on CO2 Emissions through following the Energy Hierarchy principles:

- To reduce the need for energy through design features that provide passive heating, natural lighting and cooling.
- To reduce the need for energy through energy efficient features such as improved insulation and glazing
- To meet residual energy requirements through the use of low or zero carbon energy generating technologies.

2.34 Policy EN6 seeks CO2 reductions from low or zero carbon energy supplies and includes the following targets:

- A CHP/district heating anchor or connection; or where not feasible
- A 15% increase on Part L 2010.

2.35 Policy EN8 Adaption to Climate Change set out that all new development will be expected to be adaptable to climate change in terms of design, layout, siting and function of buildings and external spaces.

Providing for Housing Choice – Supplementary Planning Document

2.36 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.

- 2.37 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).
- 2.38 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.
- 2.39 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.
- 2.40 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.
- 2.41 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.
- 2.42 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.
- 2.43 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.

Places for Everyone (Joint DPD) (August 2021)

- 2.44 The emerging Places for Everyone Joint Development Plan Document (‘PFE’) (August 2021) is the result of a process that began with the publication of the Greater Manchester Spatial Framework (‘GMSF’), which represented a joint plan for the 10 authorities of Greater Manchester, but was voted against by Stockport (for independent examination) in December 2020, signalling the end of the GMSF as a joint plan for 10 councils.
- 2.45 The PFE, now representing the remaining nine councils of Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford, and Wigan, sets out a plan for sustainable growth across the nine boroughs up to the year 2037, identifying the amount of new development that will come forward in terms of housing, offices, industry and warehousing, and the main areas in which this will be focused. The PFE has been approved by all nine councils for publication under Regulation 19 of the Town and Country Planning (Local Planning) England Regulations 2012 and the consultation period has recently passed. The Inspectors’ Report, which sets out the findings of the examination of PFE was received on 14th February 2024, marking the end of the examination into the plan.

- 2.46 Draft Policy JP Strat 2 identifies a requirement for land to accommodate around 2,200,000 sq m of office floorspace, around 56,000 new dwellings and minimal industry and warehousing (just over 35,000 sqm) within the City Centre.
- 2.47 Draft Policy JP-H 2 (Affordability of New Housing) aims to deliver at least 50,000 additional affordable homes across Greater Manchester up to 2037, with at least 60% being for social rent or affordable rent. The policy supports provision of affordable housing, either on- or off-site, as part of new developments (avoiding where possible clusters of tenure to deliver mixed communities), with locally appropriate requirements being set by each local authority. Moreover, the policy targets increasing the supply of low-cost market housing, to complement the provision of affordable homes and diversify options for low income households.
- 2.48 Draft Policy JP-H 3 (Type, Size and Design of New Housing) requires developments to incorporate a range of dwelling types and sizes, which will be defined by district local plans, masterplans and other guidance. All new dwellings 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.
- 2.49 Draft Policy JP-H 4 (Density of New Housing) requires new housing development to be delivered at a density appropriate to location. Within the City Centre development is to achieve a minimum net residential density of 200 dwellings per hectare.
- 2.50 Draft Policy JP-D 1 (Infrastructure Implementation) seeks to:
- Establish a new long-term funding mechanism for transport and site specific infrastructure to ensure timely delivery and capture of developer contributions;
 - Encourage early dialogue between developers and infrastructure providers to identify the infrastructure needs arising from new development and ensuring that these are addressed through building design, utility networks and connections in time to serve the proposed development;
 - Require applicants to prepare an infrastructure phasing and delivery strategy for strategic sites, and major sites where build out will be delivered by different developers or in phases. This strategy must outline what needs to be provided by when and who will fund and deliver it;
 - Ensure that development does not lead to capacity or reliability problems in the surrounding area by requiring applicants to demonstrate that there will be adequate utility infrastructure capacity, from first occupation until development completion. As a minimum, applicants should identify and plan for:
 - Minimising the demand for energy, water and utility services by requiring sustainable building design and the incorporation of demand management measures within all new development and conversions where practicable;
 - Electricity supply to serve the construction phase and the intended use for the site, and identify, in conjunction with electricity providers the estimated load capacity of the building and the substations and routes for supply;
 - Reasonable gas and water supply, considering the need to conserve natural resources;
 - The provision of multiple-ducting to support full fibre digital connections from different providers;

- Heating and cooling demand and the viability of its provision via decentralised energy networks. Designs must incorporate access to existing networks where feasible and viable; and
 - Where potential capacity problems are identified and no improvements are programmed by the relevant infrastructure provider, we will require the developer to contribute to and/or facilitate necessary improvements.
- 2.51 Policy JP-D 2 (Developer Contributions) requires developers to provide, or contribute towards, the provision of mitigation measures to make the development acceptable in planning terms. These will be secured through the most appropriate mechanism, including, but not limited to, planning conditions, legal contracts, or CIL (or any subsequently adopted planning gain regime).
- 2.52 Applicants should take account of policies in development plans and other relevant documents when developing proposals and acquiring land. It is expected that viability assessments should only be undertaken where there are clear circumstances creating barriers to delivery. If an applicant wishes to make the case that viability should be considered, they should provide clear evidence at the planning application submission stage, demonstrating the specific issues that would create barriers to delivery in a transparent manner and reflecting national guidance.
- 2.53 Where it is accepted that viability should be considered as part of the determination of an application, the Local Planning Authority should determine the weight to be given to a viability assessment alongside other material considerations.

New Cross Neighbourhood Development Framework

- 2.54 The Site falls within the New Cross Neighbourhood Development Framework (NDF) (July 2015) area, which provides development principles for future regeneration and development of key sites within this part of the city centre.
- 2.55 The NDF identifies New Cross as an emerging strategic development location, with proximity to the Northern Quarter and the wider City Centre's employment, leisure, cultural attractions, and transport connections. The New Cross area also neighbours key regeneration priorities including NOMA, Ancoats, and New Islington, which are catalysing wider transformation throughout the north eastern fringe of the City Centre.
- 2.56 The NDF seeks to establish New Cross as a key contributor to the City Centre's quality of life offer, and a key differentiator in both retaining existing talent and attracting the new talent that is required to fuel the City's next wave of economic growth.
- 2.57 Specifically, the Site sits within Zone A of the NDF, which targets a mix of apartment-led residential accommodation in a high-quality well-managed environment, with mixed-use development also encouraged to create a distinctive sense of place and neighbourhood.

Other Material Considerations

- 2.58 In November 2018, Manchester City Council made a series of commitments, informed by the Manchester Climate Change Agency's (MCCA) work with the world-renowned Tyndall Centre for Climate Research based at University of Manchester. The key commitments are as follows:
- To becoming zero carbon by 2038, significantly accelerated from the original target of 2050.
 - To adopt a carbon budget and emit only a maximum of 15 million tonnes CO₂ for the period 2018-2100. This has been transposed from a global carbon budget which has been calculated as "likely" to maintain global temperature change within 2°C as agreed in the Paris Agreement.

- To achieve a 13% year-on-year reduction in citywide CO2 emissions from 2018 to achieve this carbon budget.
- 2.59 On 13th March 2019, MCC fully endorsed the Zero Carbon Framework 2020-2038, outlining how Manchester can meet its aim to being a zero-carbon city by 2038. Building from this, on 10 July 2019, MCC debated a motion to declare a Climate Emergency, declaring that climate change is a serious risk to Manchester's future. MCC committed to embedding the issue as an integral part of council decision-making, making sure that all key decisions are taken with the City's target of becoming zero-carbon by 2038 in mind.
- 2.60 Areas for action in the Manchester Zero Carbon Framework (2020-2038) include improving the energy efficiency of local homes; generating more renewable energy to power buildings; creating well-connected cycling and walking routes, public transport networks and electric vehicle charging infrastructure; plus, the development of a 'circular economy', in which sustainable and renewable materials are reused and recycled as much as possible.
- 2.61 Following this commitment, MCC's Executive endorsed the Manchester Climate Change Framework 2020-2025 in March 2020 which has been produced by the Manchester Climate Change Partnership and Agency. Within this, all developments where MCC has additional influence, for example as a client / end-user, landowner or development partner, all new development will need to be zero carbon from 2025 at the latest, when the new Manchester Local Plan is expected to become operational and is expected to become a policy requirement.
- 2.62 In addition, MCC developed a Climate Change Action Plan 2020-2025 to ensure that all aspects of the Climate Emergency Declaration were converted into clear actions with tonnes of CO2 savings included where applicable. The Plan builds on over a decade of previous activity which has seen the Council's direct CO2 emissions reduce by 54.7% between 2009/10 and 2019/20.
- 2.63 In August 2021 the Manchester Climate Change Partnership adopted and endorsed a roadmap to net zero carbon for new buildings within Manchester. The Partnership is a task force made up of private, public and third sector representatives and has been developed collaboratively with MCC. The roadmap sets out that all new buildings in the City should be net zero carbon from 2023.
- 2.64 Whilst the roadmap is not planning policy, it has been indicated by MCC that the roadmap may be considered as part of the new Local Plan.

Community Infrastructure Levy (CIL)

- 2.65 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.
- 2.66 The Council's website states that they are *"not [currently] charging a CIL in relation to any planning permission."* However, they *"may seek contributions through relevant S106 agreements."*
- 2.67 CIL is therefore not applicable to this assessment at the current date.

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 ('FVAs') 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 Guidance Note: Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st edition, March 2021)

- 3.4 The RICS Viability Guidance¹⁰, effective from 1st July 2021, supplements the RICS Professional Statement and gives added guidance to RICS members and other stakeholders in the planning process on undertaking and understanding FVAs in both a plan-making and decision-taking context.
- 3.5 The RICS Viability Guidance, which replaces the earlier 2012 publication, provides best practice guidance for practitioners in carrying out and interpreting the results of viability assessments under the NPPF and PPGV.

PPGV

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

¹⁰ RICS (2021) *Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021*

‘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’.¹¹

3.7 PPGV confirms that the minimum landowner’s return should be referred to 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+’).

3.8 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.’¹²

3.9 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)¹³.

Methodology

3.10 In order to determine the viability of the Proposed Development at the Site, a residual valuation model with cash flow has been prepared using proprietary software Argus Developer.

3.11 The methodology for undertaking this viability assessment follows the residual appraisal method, which is that accepted by the RICS and recommended within RICS Viability Guidance¹⁴. The methodology is also consistent with the Government’s recommended approach as set out in PPGV¹⁵.

3.12 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. No allowance is made for underlying inflation.

3.13 This method is an industry standard approach for developers in calculating an appropriate bid to acquire land and premises for development. The residual land value (‘RLV’) represents the sum available following the deduction of all costs, including allowance for developer’s profit, from the net achievable revenue which can be derived from the proposed scheme.

Benchmark Land Value (‘BLV’)

3.14 As set out above, both the Government’s PPGV and RICS Guidance set out a requirement for viability assessment to compare the RLV of the Proposed Development, as derived through the viability assessment, with the BLV (i.e. minimum return at which it is considered a reasonable landowner would be willing to sell their land) in order to determine whether the proposed development is viable or unviable.

¹¹ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 010

¹² MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

¹³ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

¹⁴ RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021

¹⁵ MHCLG (2019) National Planning Practice Guidance – Viability

4 Viability Assessment Assumptions

4.1 This section presents the principal assumptions used in the viability assessment.

Development Outputs

Land Analysis

4.2 The site area associated with the Proposed Residential Development is 0.31 acres.

Proposed Development

4.3 The Proposed Development constitutes 104 no. high-quality, build-to-rent (‘BTR’) apartments and townhouses in a 8 storey building.

4.4 The proposed residential unit mix comprises the following:

- 1-bed apartments: 28 no. (27%)
- 2-bed apartments: 66 no. (63%)
- 1-bed duplexes: 4 no. (4%)
- 2-bed duplexes: 1 no. (1%)
- 2-bed townhouses: 4 no. (4%)
- 3-bed townhouses: 1 no. (1%)

4.5 The Proposed Development provides 50 no. double stacked bike racks (100 bike spaces) on the ground floor, alongside bin storage and plant.

4.6 The Proposed Development floor plans are provided within **Appendix B**.

Accommodation Schedule

4.7 An accommodation schedule for the Proposed Residential Development has been prepared by the Applicant’s appointed consultants Tim Groom Architects. A summary of the accommodation schedule is presented in Table 4.1 overleaf.

Table 4.1: Summary Accommodation Schedule | Proposed Residential Development

Accommodation Type	No. of Units	Avg. NIA (ft²)	Total NIA (ft²)	Total GIA (ft²)
1-Bed Apartment	28	531	14,854	-
2-Bed Apartment	66	721	47,587	-
1-Bed Duplex	4	608	2,433	-
2-Bed Duplex	1	969	969	-
2-Bed Townhouse	4	907	3,627	-
3-Bed Townhouse	1	1,313	1,313	-
Total:	104	681	70,783	95,368

Source: Tim Groom Architects

4.8 A copy of the Area Schedule is provided at **Appendix C**.

Policy Compliant Accommodation Schedule

4.9 In accordance with the Council's affordable housing policy (Policy H8), as a starting point a 20% provision should be delivered on schemes where 15 or more units are proposed. The specified affordable housing tenure split is 25% affordable rented accommodation and 75% intermediate housing. The Council does not have an affordable housing policy specific or suitable to BTR development.

4.10 CBRE has therefore given weight to the NPPF and PPG for BTR, which confirms the following:

- the normal form of affordable housing provision in a BTR scheme will be affordable private rent ('APR') homes;
- a 'generally suitable benchmark' for the level APR homes to be provided (and maintained in perpetuity) in a BTR scheme is 20%; and
- the rental discount in APR units should be a minimum of 20% relative to local market rents (inclusive of service charges).

4.11 CBRE has incorporated a 20% affordable housing provision in the form of APR units within the policy compliant viability appraisal of the Proposed Residential Development.

4.12 The adopted policy compliant accommodation schedule is summarised in Table 4.2 overleaf.

Table 4.2: Summary Accommodation Schedule | Proposed Development

Tenure	Accommodation Type	No. of Units	Avg. NIA (ft ²)	Total NIA (ft ²)
Open Market	1-Bed Apartment	22	531	11,679
	2-Bed Apartment	53	729	38,632
	1-Bed Duplex	3	624	1,873
	2-bed Duplex	1	969	969
	2-Bed Townhouse	3	947	2,842
	3-Bed Townhouse	1	1,313	1,313
	Open Market Sub-Total:	83	690	57,307
APR	1-Bed Apartment	6	529	3,175
	2-Bed Apartment	13	689	8,956
	1-Bed Duplex	1	560	560
	2-Bed Townhouse	1	786	786
APR Sub-Total:		21	642	13,476
Scheme Total:		104	681	70,783

Source: CBRE

Development Value

- 4.13 The value to be adopted is based on the special assumption that the development is complete on the publication date of this document in the prevailing market conditions.

Residential (BTR) | Open Market Rents

- 4.14 CBRE has conducted a residential rental market pricing analysis of current new-build and re-let apartments in the locality of the Site to inform estimated open market rental values ('ERVs') within the viability appraisal of the Proposed Development.

- 4.15 In reaching a position on pricing, particular attention has been paid to high-end, new-build, purpose-built BTR schemes in the areas surrounding the Site, as well as more dated stock within close proximity. These include the following:

- **Broadside:** A Balfour Beatty BTR scheme located 100m south-east from the Site, comprising 274 1-bed, 2-bed, and 3-bed apartments across two blocks. Broadside was completed in Q2 2020 and offers a outdoor courtyard between the two buildings, alongside 24-hour concierge; residents' gym; on-site parking; communal roof terrace; and tv lounge. The unit sizes are larger than average. The asset is stabilized and, whilst CBRE is aware of the following marketed rents, there are few available units which is reflected in the pricing:
 - 1-Bed Apartments: £1,250 pcm (or £26/ft²)
 - 2-Bed Apartments: £1,375 to £1,500 pcm (or £22/ft² to £24/ft²)
 - 3-Bed Apartment: £2,000 pcm (or £26/ft²)

CBRE understands achieved average rents to reflect the following as at Q1 2025.

- 1-Bed Apartments: £1,202 pcm
- 2-Bed Apartments: £1,470 pcm
- 3-Bed Apartments: £2,101 pcm

Given its proximity to the subject Site, CBRE consider Broadside to reflect a close comparable to the Proposed Development for benchmarking purposes, albeit Broadside benefits from higher quality internal specification and amenity. The headline achieved rents will represent an upper threshold for the Proposed Development, which will need to directly compete for occupants.

- **Poplin:** A Cheyne Capital scheme located less than 100m south of the Site, comprising 144 one-, two-, and three-bedroom Build to Rent apartments. The development includes 3,500ft² of contemporary amenities, including a residents' lounge, co-working space, private dining room, communal roof terrace, and tenth storey atrium space. CBRE understands that Poplin is operating near full occupancy, with only one apartment currently marketed at the following asking rent::

- 2-Bed Apartments: £1,595 pcm (or £30/ft²)

CBRE understand achieved average rents to reflect the following as at Q1 2025.

- 1-Bed Apartments: £1,219 pcm
- 2-Bed Apartments: £1,488 pcm
- 3-Bed Apartments: £2,163 pcm

Given its proximity to the subject Site, CBRE consider Poplin to reflect an appropriate comparable to the Proposed Development for benchmarking purposes, albeit Poplin benefits from higher quality internal specification and a wider amenity offering. The average achieved rents will be at or beyond the upper threshold for the Proposed Development, and likely exceed what is achievable, given that it will need to directly compete for occupants.

The Astley: Located on the southern edge of the Ancoats neighbourhood, and northern edge of the Northern Quarter, approximately 500m south east of the Site, comprising 135 studio, 1-bed, 2-bed, and 3-bed apartments. The scheme completed in Q1 2019. Amenities include a residents lounge and rooftop terrace. The asset is fully stabilized, but has several units available to let. Units at The Astley are currently being marketed strongly at the following rates:

- 1-Bed Apartments: £1,295 pcm (or £33/ft²)
- 2-Bed Apartments: £1,500 to £1,600 pcm (or £24/ft² to £29/ft²)
- CBRE considers this scheme to be a reasonable comparable to the Proposed Development of the subject Site, albeit notes that the average marketed unit sizes at The Astley are at the smaller end of the market spectrum. The rents advertised are in line with expectations, but this skews upwards the £psf rates for the marketed units.

CBRE understands that achieved average rents reflect the following as at Q1 2025.

- 1-Bed Apartments: £1,199 pcm
- 2-Bed Apartments: £1,444 pcm
- 3-Bed Apartments: £1,920 pcm

- **Skyline Central:** located 100m to the north-west of the Site in the New Cross neighbourhood, Way of Life's Skyline Central was refurbished in 2021 and provides 129 1-bed, 2-bed, and 3-bed apartments. Amenities include 24-hour concierge; bike storage; car parking; a gym and swimming pool; and resident social events. Apartments are currently being marketed at the following asking rents:

- 1-Bed Apartment: £1,200 to £1,250 pcm (or £27/ft² to £29/ft²)
- 2-Bed Apartments: £1,450 to £1,800 pcm (or £22/ft² to £27/ft²)

CBRE considers this scheme to be a reasonable comparable to the Proposed Development of the subject Site, given the dated nature of the scheme is offset by the high specification refurbishment and wider tenant amenity offer.

- **Anco&Co:** An Mulbury Homes development located on the southern edge of the Ancoats neighbourhood, approximately 300m south east of the Site, comprising 140 1-bed, 2-bed, and 3-bed apartments and 3 townhouses. The scheme completed in Q4 2020 and is fully stabilized. It provides a superior amenity offering to the Proposed Development of the subject Site, including on-site management; parcel collection; 24 hour concierge; private gym; cinema room; communal garden; roof terrace; and private dining room. CBRE is aware of a single townhouse at Anco&Co currently being advertised at the following asking rent:

- 2-bed Townhouse: £1,575 pcm (or £22/ft²)

CBRE considers this scheme to be a reasonable comparable to the Proposed Development of the subject Site, albeit given the high specification and resident amenity offer, CBRE considers the marketed rents at Anco&Co will be at the upper end of those achievable at the subject Site.

- **Ancoats Gardens:** A high-end recently completed development (2022) of 155 one-, two-, and three-bedroom apartments overlooking Ancoats and N.O.M.A, located approximately 135m north of the Site. The scheme is described as 'super premium' and residents at Ancoats Gardens benefit from a duplex gym, coffee lounge, co-working space, and two exclusive rooftop gardens. There are currently a number of units being advertised within the scheme. The marketed rents are as follows:

- 1-Bed Apartments: £1,517 to £1,569 pcm
- 2-Bed Apartments: £1,325 to £2,037 pcm

Given the high specification and resident amenity offer, and superior micro-location, CBRE considers the marketed rents at Ancoats Gardens will be stronger than those achievable in the subject Site. The rents marketed are also circa 5 months ahead, meaning they do not reflect the current market and are likely to be set optimistically.

- **Flint Glass Wharf:** Northern Group's canal-side development, Flint Glass Wharf, is located 500m south east of the Site on the eastern edge of Ancoats, and comprises 132 apartments on top of ground floor retail. The scheme benefits from in-house maintenance and cleaning, video entry, bike storage, parking, and a roof terrace. Asking rents are currently being marketed at the following rates:

- 1-Bed Apartments: £1,225 pcm (or £32/ft² to £33/ft²)
- 2-Bed Apartments: £1,450 to £1,475 pcm (or £25/ft² to £26/ft²)

CBRE considers this scheme to be a reasonable comparable to the Proposed Development of the subject Site.

- **The Quarters:** Located on the northern edge of the Northern Quarter, 300m south of the Site, Northern Group's The Quarters was completed in 2022, and comprises 100 one, two, and three-bed apartments across two blocks. The scheme offers furnished and unfurnished units, and benefits from free Wifi, daytime concierge, on-site maintenance, communal areas, and four rooftop terraces. CBRE is aware of the following marketed asking rents:
 - 1-Bed Apartments: £1,175 to £1,250 (or £31/ft² to £33/ft²)
 - 2-Bed Apartments: £1,400 to £1,500 (or £24/ft² to £27/ft²)
- **New Cross Central:** New Cross Central is a development of 80 no. high quality 1- and 2-bedroom apartments and 3-bedroom townhouses, oriented around a central shared courtyard. Situated 50m south-west of the Subject Site, New Cross Central offers The development was initially delivered on a market sale basis, but CBRE is aware of a number of apartments now marketed for private rent as follows:
 - 1-Bed Apartments: £1,200 to £1,350 pcm
 - 2-Bed Apartments: £1,550 to £1,850 pcm
- **Swan Street House:** Located 200m west of the Site, Swan Street House is a high quality BTR development which was completed in Q4 2024. The scheme comprises 20 no. studios, 117 no. 1-beds, 146 no. 2-beds, and 87 no. 3-beds, which benefit from a residents' lounge, co-working areas, private dining room, cinema room, workout studio, terrace, parking, and 24-hour concierge. CBRE has had regard to apartments marketed in first 8 storeys, which are currently advertised at the following rates:
 - 1-Bed Apartments: £1,250 to £1,350 pcm (or £31/ft² to £38/ft²)
 - 2-Bed Apartments: £1,600 to £1,650 pcm (or £25/ft² to £27/ft²)
 - 3-Bed Apartments: £2,300 to £2,350 pcm (or £30/ft² to £31/ft²)

Given the new high-specification and strong amenity offer at Swan Street House, CBRE considers this would reflect a premium over the Proposed Development.
- **Angel Gardens:** A Moda Living scheme comprising 466 apartments, which feature designed interiors and state-of-the-art amenities, including a rooftop sports pitch, private dining, co-working space, residents' events, gym, and more. Angel Gardens is located on the north-western border of New Cross and N.O.M.A, approximately 220m west of the Site. CBRE considers this to be the highest specification purpose-built BTR scheme on the market. Advertised rents at Angel Gardens are currently marketed at the following rates:
 - 1-Bed Apartments: £1,710 to £1,875 pcm (or £34/ft² to £39/ft²)
 - 2-Bed Apartments: £1,750 to £2,175 pcm (or £29/ft² to £35/ft²)
 - 3-Bed Apartments: £2,385 to £2,450 pcm (or £28/ft² to £29/ft²)

This is a high specification and amenity-rich flagship BTR scheme within the city and benefits strongly from this and the Moda Living 'brand', which acts as a differentiator in the rents advertised and achieved. It is also in a prominent and superior location and will command higher achieved rents in comparison to the Proposed Development subject Site.

For these reasons, CBRE considers this scheme not to be directly comparable to the Proposed Development of the Site, but has incorporated for completeness.

4.16 Tabulated rental data has been provided at **Appendix D**.

- 4.17 CBRE has positioned the achievable rents within the Proposed Development at the optimistic end of the current market spectrum when benchmarked against the comparable scheme rents (including advertised) as set out above. Particular weight has been given to Broadside and Poplin given their very close proximity to the subject Site and will form the Proposed Development's primary competition for lettings.
- 4.18 The adopted ERVs reflect location, scale of the redevelopment, floor height/ outlook, expectation of a high quality specification, and professional, on-site management within a dedicated BTR product.
- 4.19 The ERV structure for the Proposed Development is summarised in Table 4.3. The APR units reflect a 20% discount to open market rents.

Table 4.3: ERV Summary | Proposed Development

Tenure	Unit Type	Total Units	Avg. Unit NSA (ft ²)	Total NSA (ft ²)	Avg. Gross Rent PCM (£/Unit)	Avg. Gross Rent PA (£/Unit)	Total Gross Rent PA (£)	Gross Rent (£/ft ²)
Open Market	1-Bed apartment	22	531	11,679	£1,340	£16,077	£353,700	£30.29
	2-Bed Apartment	53	729	38,632	£1,653	£19,840	£1,051,500	£27.22
	1-Bed Duplex	3	634	1,873	£1,500	£18,000	£54,000	£28.83
	2-Bed Duplex	1	969	969	£1,975	£23,700	£23,700	£24.46
	2-Bed Townhouse	3	947	2,842	£2,000	£24,000	£72,000	£25.34
	3-Bed Townhouse	1	1,313	1,313	£2,800	£33,600	£33,600	£25.59
Open Market Sub-Total:		83	690	57,307	£1,595	£19,139	£1,588,500	£27.72
APR	1-Bed Apartment	6	529	3,175	£1,070	£12,840	£77,040	£24.26
	2-Bed Apartment	13	689	8,956	£1,277	£15,323	£199,200	£22.24
	1-Bed Duplex	1	560	560	£1,120	£13,440	£13,440	£24.01
	2-Bed Townhouse	1	786	786	£1,520	£18,240	£18,240	£23.21
APR Sub-Total:		21	642	13,476	£1,222	£14,663	£307,920	£22.85
Scheme Total:		104	681	70,783	£1,520	£18,235	£1,896,420	£26.79

Source: CBRE

Operational Expenditure and Voids

- 4.20 The total gross annual residential rental revenue has been reduced by 25.00% to reflect the projected minimum operational management costs and voids. It should be noted that there is continued upward pressure on operational costs due to the inflationary macro-economic environment witnessed from 2022 to date.

Total Net Revenue

- 4.21 On the basis the Proposed Development is forward funded by an institutional investor with handover at practical completion ('PC'), a Net Initial Yield ('NIY') of 4.75% is currently applied to the net BTR residential revenue, which is considered optimistic for an institutional grade asset as at Q1 2025, in this market location.
- 4.22 Whilst yields sharpened in the period to mid-2022, the inflationary climate coupled with macro-economic and geo-political instability and rising interest rates, has resulted in a softening of residential investment yields over the course of 2023. This has stabilised over the past 12 months, but conditions remain challenging and subdued. The liquidity pool of investors seeking forward funding opportunities is extremely shallow and, due to the resultant viability constraints, there are few transactions occurring in this challenging market.
- 4.23 CBRE is aware of the following recent transactions of high-quality build-to-rent assets in Manchester.

Table 4.4: Comparable BTR Investment Deals | Manchester

Investor	Asset	Type	Date	Price	No of Units	Estimated Net Yield
CDL	1NQ	Forward Funding	Q4 2023	£75.6m	261	c. 5.00%
Moorfield	Lumina Village	Forward Funding	Q4 2023	£104m	440	c. 5.05%
CBRE IM	New Bailey	Forward Funding	Q1 2024	£55m	196	c. 4.65%
Grainger	The Astley	Standing Investment	Q2 2024	£31m	135	c. 4.60%
Citra Living	Broadside	Standing Investment	Q3 2024	undisclosed	274	c. 4.60%

- 4.24 Stepping back, CBRE's February 2025 Investment Yield Guide confirms sentiment for multi-family residential remains stable. The NIY for Regional Cities Prime is at 4.35% and Regional Cities Secondary is 4.75%.
- 4.25 Knight Frank's most recently published Residential Investment Yield Guide, dated January 2025, reports that income-focused transactions of prime, stabilised institutional grade assets have stabilised at 4.50% in Tier 1 Regional Cities, and 4.75% in Tier 2 Regional Cities.
- 4.26 It is CBRE's opinion that the subject is akin to Regional Cities Secondary in present market conditions, given the location out outside the ring road and in the Cross Keys / Ancoats fringe sub-market. It is not 'Prime' city centre. As a result, a stabilised yield ranging from 4.75% - 5.00% is appropriate, and is supported by the transactional evidence.
- 4.27 CBRE is typically seeing a 25-35bps yield compression on stabilised transactions in comparison to funding deals. CBRE's professional opinion is that a funding yield in the present market would sit equal to or in excess of 5.0%.
- 4.28 In order to reflect an optimistic stance, and reflecting on the evidence above, CBRE has applied a funding yield of 4.75%, in anticipation of an improving investment environment through 2025. This generates a capital value, on a net basis, of £432/ft² or £293,702 per unit – assuming full open market rents.
- 4.29 This reaffirms CBRE's opinion that a yield range between 4.75% and 5.0% is broadly appropriate.
- 4.30 CBRE reserves the right to keep the NIY applied under observation and update this should new evidence come to light.

Development Costs

Construction Costs

- 4.31 The Applicant has instructed cost consultants Enabl to prepare a cost estimate for the Proposed Residential Development.
- 4.32 The Cost Estimate, Dated March 2025, quotes a total cost for construction of £22,696,823, covering base construction cost, enabling works, external works, main contractor's preliminaries (13.5%) and main contractor's OH&P (7%) but excluding contractors design risk, client's contingency, professional fees and inflation beyond Q1 2025.
- 4.33 The above construction cost has been adopted within the viability appraisal of the Proposed Residential Development at the Site.
- 4.34 A copy of the Cost Estimate is provided within **Appendix E**.

Other Development Costs

- 4.35 Other development costs are summarised in Table 4.4.

Table 4.4: Other Development Costs | Proposed Development

Cost Item	Rate	Commentary
Enabling Works	£166,102	Based on the Cost Estimate produced by Enabl, dated March 2025. Includes allowances for main contractor's preliminaries and OH&P.
External Works	£216,888	Based on the Cost Estimate produced by Enabl, dated March 2025. Includes allowances for main contractor's preliminaries and OH&P.
Contingency (Contractor & Developer)	5.00%	Of estimated build costs. Considered a reasonable allowance for both contractor's and developer's risk for the scale (height) and design complexity of the development, in the current market.
Residential FF&E (Furniture Packs)	£5,000 per unit	Based on estimations provided by the Applicant.
Professional Fees & Insurances	8.00%	Estimated rate as a % of total build costs
Investment Sale Agent Fee	1.00%	Of GDV
Investment Sale Legal Fee	0.50%	Of GDV
Purchaser's Costs (Land)	SDLT+1.8%	Standard HMRC non-residential stamp duty land tax ("SDLT"), agent's fee (1.00%) and legal fee (0.80%)
Purchaser's Costs (Investment)	2.00%	Optimistically assumes asset held in SPV. SDLT on share transfer at 0.5%, plus institutional fund's agency and legal fees (including VAT at 20%) on funding commitment.
Finance	4.75%	Coupon rate, which is expected to be equal to the NIY. Optimistic funding rate in current market (a 5-6% rate is more realistic).
Developer's Return (blended)	12.00%	Total target return on GDV (circa 13-15% return on Cost) to reflect current levels of market risk, in line with the minimum market expectations and at the low end the range set-out in PPGV.

Cost Item	Rate	Commentary
		CBRE’s experience is that, given the heightened market and commercial risk, both developers and funders are requiring demonstration of higher minimum returns ranging up to 15% profit on Cost. The rate applied in this assessment, in comparison, is at the lower end of the range and takes a more aggressive stance as a result.

Development & Disposal

4.36 The adopted development programme, informed by advice provided by the Applicant, is summarised in Table 4.5.

Table 4.5: Development & Disposal Programme | Proposed Development

Duration	Stage	Description
Month 1:	Purchase	Assumes grant of planning permission
Months 2 - 6:	Pre-Construction	Procurement, discharge of planning conditions and site set-up
Months 7 - 30:	Construction	Overall construction period
Months 31:	Sale	Investment disposal upon Practical Completion

Source: CBRE; The Applicant

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 Whilst not directly featuring as a cost in an appraisal conducted on a residual basis, this 'minimum return' forms the 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 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.'*¹⁶
- 5.4 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.'*¹⁷
- 5.5 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 (2021). It considers:
- the existing use value ('EUV') of the subject site;
 - the alternative use value ('AUV') of the subject site;
 - the premium; and
 - available comparable evidence of land transactions.

¹⁶ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014

¹⁷ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 016

Existing Use Value ('EUV')

- 5.6 The area of the Site associated with the Proposed Development extends to 0.31 acres and is currently in use as a pay and display car parking with approximately 70 spaces. Whilst a proportion of these spaces are currently occupied for temporary industrial storage, the EUV is assessed on the primary basis of pay and display parking.
- 5.7 CBRE is aware that the car park (referred to as 19 Cross Keys Street Car Park) is operated by Car Park Securities and understands that a competitive rate of £8.80 for up to 24 hours is currently charged.
- 5.8 The average daily rate is reduced by 20% to £23.75 per space per day, to allow for VAT.
- 5.9 CBRE has visited the car park on several occasions to monitor occupancy. It is conservatively assumed that the car park would achieve 90% daily occupancy at the average rate above. However, occupancy could be expected to achieve higher levels due to prominent location and if spaces were made available to let on a monthly, seasonal, or annual basis.
- 5.10 CBRE has estimated the annual cost of business rates at approximately £35,840, at 2023-24 rates, which is deducted from the gross annual turnover. Other costs including marketing, management, maintenance, and an allowance for operating profit on turnover are deducted at an estimate rate of 20% of gross annual turnover.
- 5.11 The resultant sum represents that available to the operator to meet annual rental costs, which is subsequently capitalised at 7.00%, which is considered reasonable for this location, in the current market.
- 5.12 Purchaser's costs are deducted from the gross investment value at HMRC's current SDLT rate plus 1.80% for agency and legal fees.
- 5.13 The surface pay & display car park appraisal calculation is summarised in Table 5.1.

Table 5.1: EUV Appraisal Summary | Surface Pay & Display Car Park

Input		Total
Capacity (No. of Spaces)		70
Daily Rate (£)	Per space per day	£8.80
Daily Rate Ex. VAT @ 20% (£)	Per space per day	£7.33
Utilisation (%)	Spaces per day per annum	90%
Gross Annual Turnover (£) (Ex. VAT)		£168,630
Business Rates (£)	Annual Cost (2023-24) @ 51.2p	-£35,840
Operating Costs (£)		-£33,726
Net Annual Turnover (£) (Excl. VAT)		£99,064
Cap. Rate (%)	@	7.00%
Gross Investment Value (£)		£1,415,200
Purchaser's Costs (£)	@ 6.06%	-£85,734
Net Investment Value (£)		£1,329,466
£/Space		£18,992

Source: CBRE

- 5.14 The surface car park EUV appraisal generates a net investment value of £1,329,466, which is considered reasonable for this use, in this location and in the current market.

Premium ('+')

- 5.15 The premium should represent the minimum return that would persuade a reasonable landowner to release the land for development.
- 5.16 CBRE considers the surface car park representing a relatively stable income generating asset which is well located and requires limited (if any) capital expenditure in the short-medium term, and could attract a significant premium in excess of the EUV.
- 5.17 A 30% premium is applied to the EUV to generate the 'EUV+' calculation of the estimated minimum sum at which the landowner may reasonably be incentivised to dispose of the subject site and premises in the current market.
- 5.18 The EUV+ equates to approximately £1,728,306.

Alternative Use Value (AUV)

- 5.19 An assessment of AUV has not been prepared at this stage. However, CBRE reserves the right to prepare such an assessment if deemed necessary.

Determining the BLV

- 5.20 Reflecting on the above analysis, when assessed consistently with the methodology of NPPF, PPGV, and RICS Guidance, it is CBRE's professional view that the BLV for the area of the site associated with the Proposed Residential Development equates to £1.73m.

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 policy compliant viability appraisal has been undertaken for the Proposed Residential Development at the Site.
- 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 area of] the site associated with the Proposed Residential Development, this results in a BLV of £1.73m.
- 6.4 The policy compliant viability appraisal demonstrates that, when incorporating the BLV as a fixed input, and 20% affordable housing (in the form of APR units at 80% of local market rent), the outturn residual profit margin generated is -1.84% on Cost (-1.83% on GDV).
- 6.5 The residual profit margin falls significantly below the target risk-adjusted developer’s return.
- 6.6 A copy of the policy compliant viability appraisal for the Proposed Development is provided within **Appendix F**.

Scenario Test

- 6.7 CBRE has scenario tested the implications on financial viability of reducing the level of affordable housing sought from the Proposed Development to return it to a financially viable position.
- 6.8 When reducing the affordable housing provision to nil, the residual profit margin is 2.19% on Cost (2.10% on GDV). This demonstrates that the viability deficit is significantly reduced and the scheme is no longer loss-making, but the financial viability of the Proposed Development remains challenged.
- 6.9 A copy of the ‘Scenario Test’ viability appraisal for the Proposed Development is provided within **Appendix G**.

Sensitivity Test

- 6.10 CBRE has undertaken sensitivity testing of key appraisal variables in order to seek to return the Proposed Development to a financially viable position.
- 6.11 Utilising the Scenario Test appraisal as the baseline, sensitivity testing illustrates that the Proposed Development would need to achieve an increase of circa £3/ft² in residential sales values, and a parallel decrease in base construction costs of circa -£2/ft² to return an outturn residual profit margin that nears the minimum risk-adjusted developer’s return of 12.00% on GDV.
- 6.12 A copy of the sensitivity test is provided within **Appendix H**.
- 6.13 The sensitivity scenario would carry significant risk and should be treated with a degree of caution and, CBRE would advise, given limited weight.

7 Conclusions

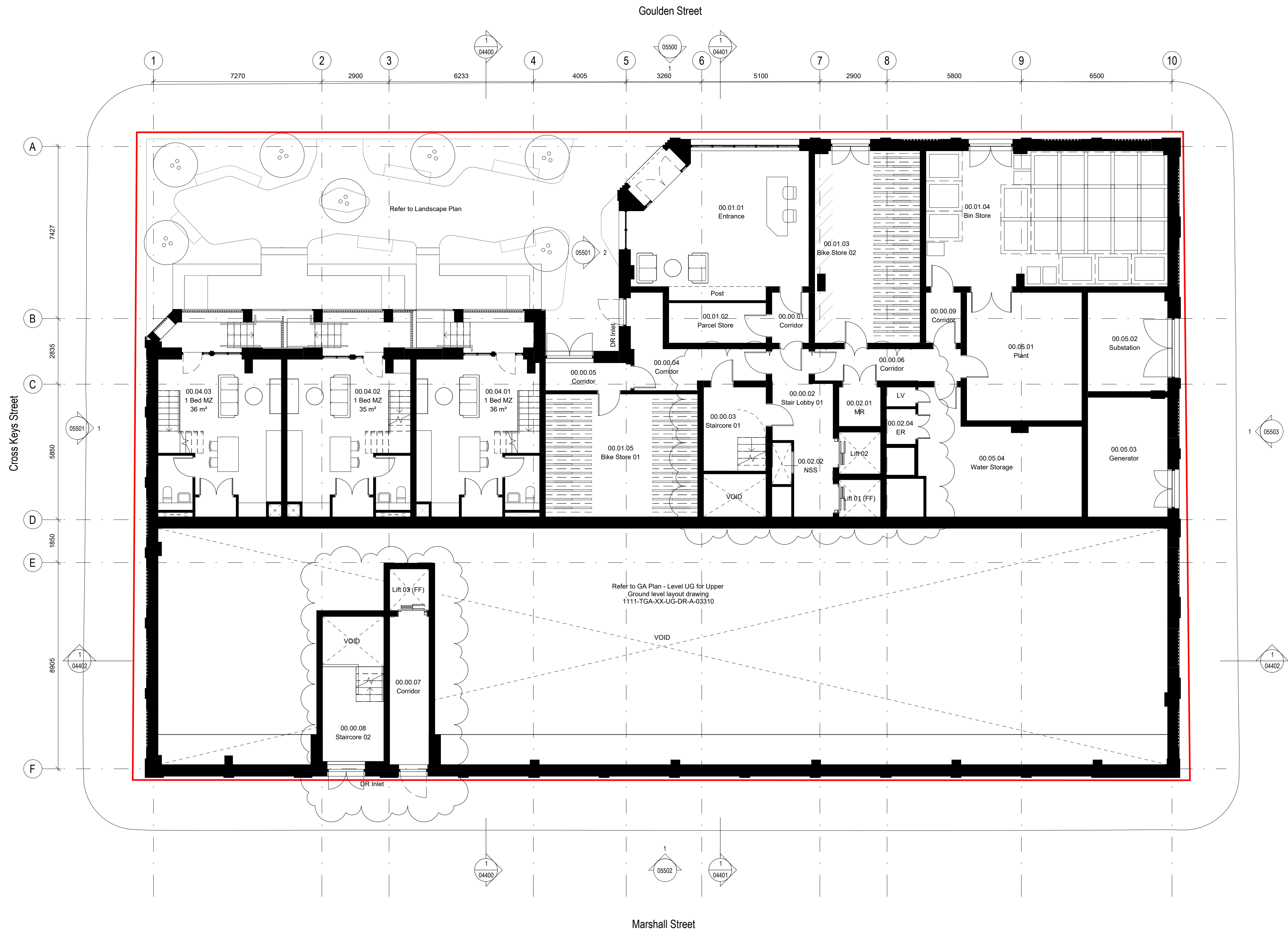
- 7.1 CBRE has been appointed by the Applicant to objectively assess, and report upon, the financial viability of the Proposed Residential Development at the Site.
- 7.2 The purpose of the viability assessment is to test the financial viability of the Proposed Residential Development at the Site, taking into account the policy requirements set by MCC 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, the 'premium' at which the vendor would be incentivised to dispose of [the area of] the site associated with the Proposed Residential Development represents a total minimum BLV of £1.73m.
- 7.4 The policy compliant viability appraisal demonstrates that, when incorporating the BLV as a fixed input, and 20% affordable housing (in the form of APR units at 80% of local market rent), the outturn residual profit margin generated is -1.84% on Cost (-1.83% on GDV). The residual profit margin falls significantly below the target risk-adjusted developer's return.
- 7.5 The delivery of the Proposed Development on a basis in compliance with the Council's adopted development plan fails to generate a profit sufficient to meet the target minimum risk-adjusted developer's return on cost and the Proposed Development is not financially viable on this basis.
- 7.6 CBRE has subsequently run a Scenario Test to assess the implications on financial viability of removing the affordable housing provision. This generates a residual profit margin of 2.19% on Cost (2.10% on GDV). This demonstrates that the viability deficit is significantly reduced and the scheme is no longer loss-making, but the financial viability of the Proposed Development remains challenged.
- 7.7 The commercial decision whether to proceed with the Proposed Development will therefore be at the discretion of the Applicant.
- 7.8 Given the commercial risks, it would be CBRE's recommendation that the Proposed Development does not incorporate any affordable housing units (or a payment in lieu of on-site provision) and any sums towards planning obligations.

Appendices



A Site Location Plan

B Floor Plans | Proposed Development



General Notes

Use figured dimensions only. Do not scale off this drawing. All dimensions must be set out and checked by the contractor on site prior to commencement of construction. Any variations between drawings and site must be reported to TGA before work proceeds.

Drawings to be read in conjunction with Architectural Specification, Structural Engineer's Drawings and Specifications, Mechanical & Electrical Engineer's Drawings and Specifications, all Supplemental Information, including but not limited to, Detailed Fire Strategy, Acoustic Report, Thermal Report & Overheating Report.

No portion of the Works to commence without acceptance of the required submittals by the Employer.

Main Contractor to submit relevant documents to building regulation and legislation approval authorities as required to comply with the Specification.

Bin Store Schedule			
Type	Quantity	Bin Litres	Total Bin Litres
240l - Food	5	240	1,200
1100l - General Waste Black	8	1100	8,800
1100l - Mixed	7	1100	7,700
1100l - Pulpy Blue	8	1100	8,800
Total: 28			26,500

Bike Store Schedule		
Description	No. of Bike Racks	No. of Bike Spaces
Double Stacked	47	94
Bike Store Total: 47		94

Legend and Notes

DR	Dry Riser
ER	Electrical Riser
MR	Mechanical Riser
NSS	Natural Smoke Shaft
MSS	Mechanical Smoke Shaft
(FF)	Fire Fighting Lift

Room Numbering Key

XX.XX.XX (Level, Use, Room Number)

Room Use Categories

00	- Circulation
01	- Amenity
02	- Services
03	- Apartment
04	- Townhouse
05	- Plant

Loose items and fitted furniture by Interior Designer

Rev	Description	Date	By
P01	Preliminary issue for comment	06.10.23	MC
P02	Preliminary issue to Design Team	31.01.25	BS
	WIP GA Plans Issued to Design Team. Plans updated following input from Fire Engineer.	14.02.25	JB

Title
General Arrangement - Level 00

Drawing No.
1111-TGA-XX-00-DR-A-03000

Revision
P02

Status
Stage 3

Scale
1:100@A1

Project
Cross Keys Street

Client
CERT Property

TIM GROOM ARCHITECTS

Eastgate, 2 Castle Street, Manchester, M3 4LZ

0161 870 1152

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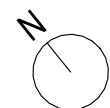
Legend and Notes

Room Numbering Key

Loose items and fitted furniture by Interior Designer

161 870 1152

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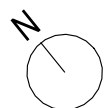
No portion of the Works to commence without acceptance of the required submittals by the Employer.

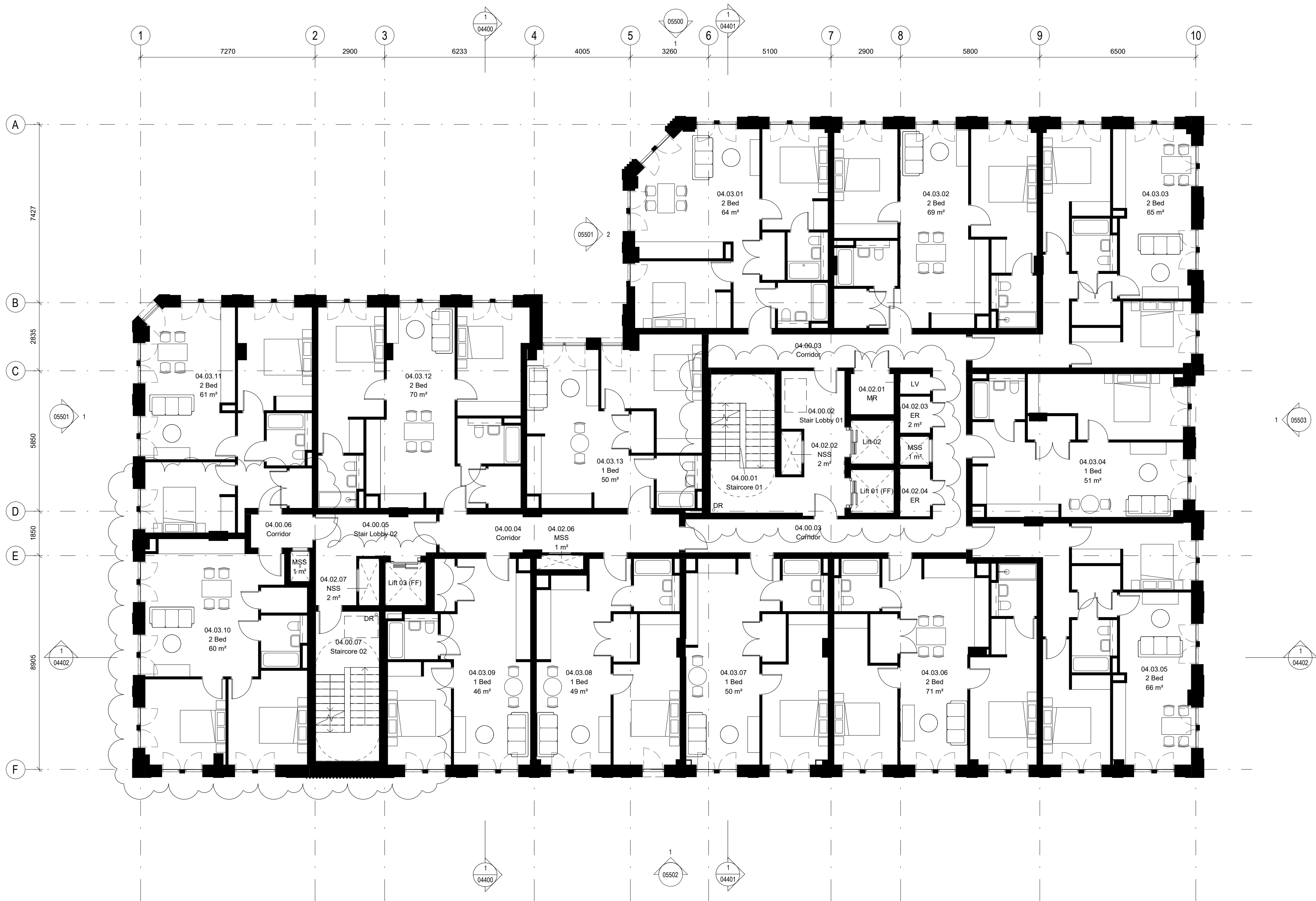
DR	Dry Riser
ER	Electrical Riser
MR	Mechanical Riser
NSS	Natural Smoke Shaft
MSS	Mechanical Smoke Shaft
(FF)	Fire Fighting Lift

Loose items and fitted furniture by Interior Designer

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Main Contractor to submit relevant documents to building regulation and legislation approval authorities as required to comply with the Specification.

Legend and Notes

- DR Dry Riser
- ER Electrical Riser
- MR Mechanical Riser
- NSS Natural Smoke Shaft
- MSS Mechanical Smoke Shaft
- (FF) Fire Fighting Lift

Room Numbering Key

XX.XX.XX (Level . Use . Room Number)

Room Use Categories

- 00 - Circulation
- 01 - Amenity
- 02 - Services
- 03 - Apartment
- 04 - Townhouse
- 05 - Plant

Loose items and fitted furniture by Interior Designer

Rev	Description	Date	By
P01	Preliminary issue for comment	06.10.23	MC
P02	Preliminary issue to Design Team	31.01.25	BS
	WIP GA Plans Issued to Design Team. Plans updated following input from Fire Engineer.	14.02.25	JB

Title
General Arrangement - Level 02-05

Drawing No.
1111-TGA-XX-XX-DR-A-03002

Revision
P02

Status
Stage 3

Scale
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Project
Cross Keys Street

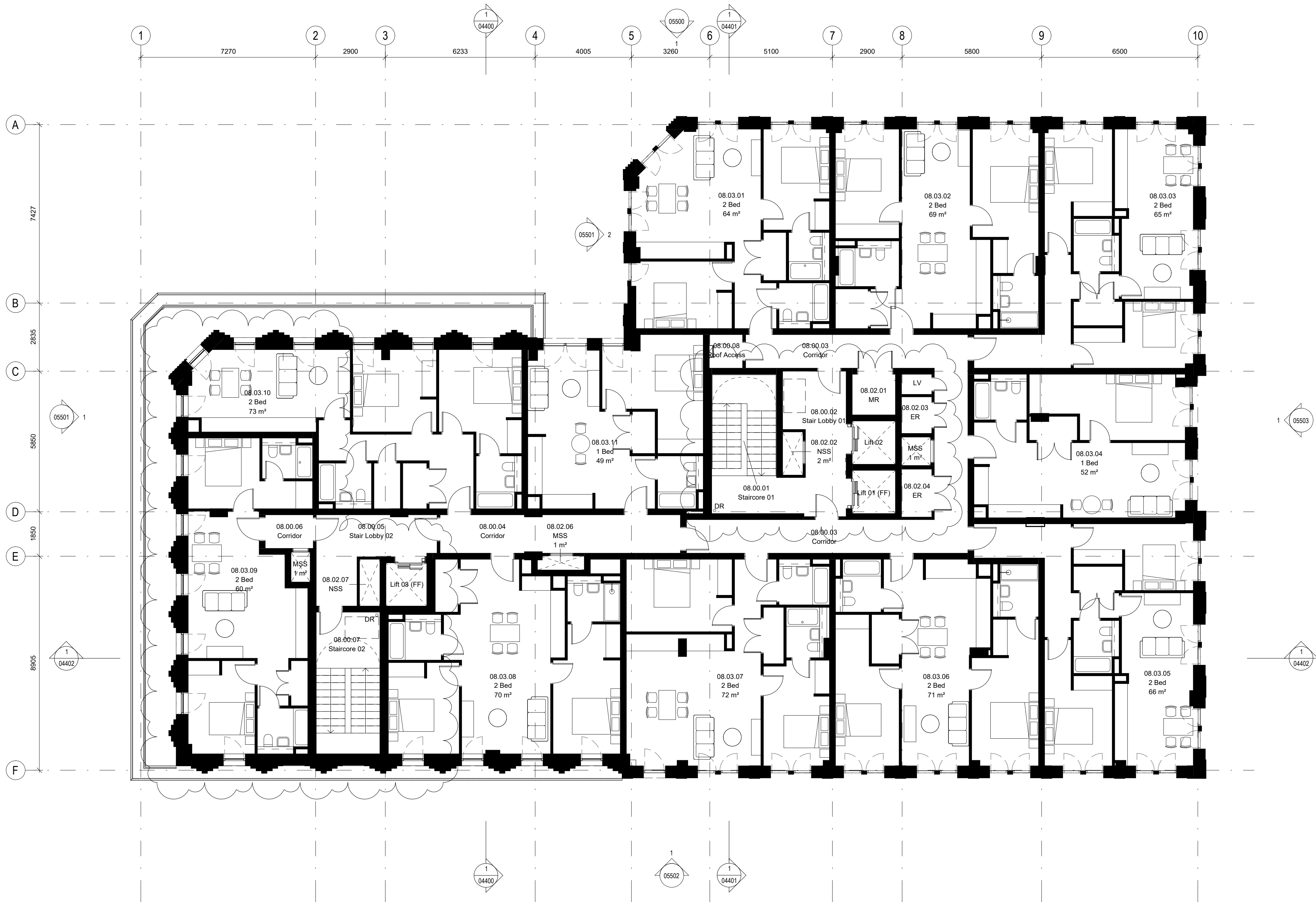
Client
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Legend and Notes

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ER	Electrical Riser
MR	Mechanical Riser
NSS	Natural Smoke Shaft
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Room Numbering Key

XX.XX.XX (Level . Use . Room Number)

Room Use Categories

00	- Circulation
01	- Amenity
02	- Services
03	- Apartment
04	- Townhouse
05	- Plant

Loose items and fitted furniture by Interior Designer

Rev	Description	Date	By
P01	Preliminary issue for comment	06.10.23	MC
P02	Preliminary issue to Design Team	31.01.25	BS
	WIP GA Plans Issued to Design Team. Plans updated following input from Fire Engineer.	14.02.25	JB

Title
General Arrangement - Level 08

Drawing No.
1111-TGA-XX-08-DR-A-03008

Revision
P02

Status
Stage 3

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C Area Schedule | Proposed Development

UNIT	TYPE	FLOOR	BEDS	SQM	SQFT
0.01	Duplex	0.0	1.0	53.0	570.5
0.02	Duplex	0.0	1.0	52.0	559.7
0.03	Duplex	0.0	1.0	54.0	581.3
0.04	Townhouse	0.0	3.0	122.0	1313.2
0.05	Townhouse	0.0	2.0	73.0	785.8
0.06	Townhouse	0.0	2.0	91.0	979.5
0.07	Townhouse	0.0	2.0	90.0	968.8
0.08	Duplex	0.0	2.0	90.0	968.8
0.09	Duplex	0.0	1.0	67.0	721.2
0.10	Townhouse	0	2.0	83.0	893.4
1.01	Apartment	1	2.0	64.0	688.9
1.02	Apartment	1	2.0	69.0	742.7
1.03	Apartment	1	2.0	65.0	699.7
1.04	Apartment	1	1.0	50.0	538.2
1.05	Apartment	1	1.0	50.0	538.2
1.06	Apartment	1	2.0	70.0	753.5
1.07	Apartment	1	2.0	63.0	678.1
2.01	Apartment	2	2.0	64.0	688.9
2.02	Apartment	2	2.0	69.0	742.7
2.03	Apartment	2	2.0	65.0	699.7
2.04	Apartment	2	1.0	50.0	538.2
2.05	Apartment	2	2.0	66.0	710.4
2.06	Apartment	2	2.0	71.0	764.2
2.07	Apartment	2	1.0	50.0	538.2
2.08	Apartment	2	1.0	50.0	538.2
2.09	Apartment	2	1.0	45.0	484.4
2.10	Apartment	2	2.0	62.0	667.4
2.11	Apartment	2	2.0	63.0	678.1
2.12	Apartment	2	2.0	70.0	753.5
2.13	Apartment	2	1.0	50.0	538.2
3.01	Apartment	3	2.0	64.0	688.9
3.02	Apartment	3	2.0	69.0	742.7
3.03	Apartment	3	2.0	65.0	699.7
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3.10	Apartment	3	2.0	62.0	667.4
3.11	Apartment	3	2.0	63.0	678.1
3.12	Apartment	3	2.0	70.0	753.5
3.13	Apartment	3	1.0	50.0	538.2
4.01	Apartment	4	2.0	64.0	688.9
4.02	Apartment	4	2.0	69.0	742.7
4.03	Apartment	4	2.0	65.0	699.7
4.04	Apartment	4	1.0	50.0	538.2
4.05	Apartment	4	2.0	66.0	710.4
4.06	Apartment	4	2.0	71.0	764.2
4.07	Apartment	4	1.0	50.0	538.2
4.08	Apartment	4	1.0	50.0	538.2
4.09	Apartment	4	1.0	45.0	484.4

4.10	Apartment	4	2.0	62.0	667.4
4.11	Apartment	4	2.0	63.0	678.1
4.12	Apartment	4	2.0	70.0	753.5
4.13	Apartment	4	1.0	50.0	538.2
5.01	Apartment	5	2.0	64.0	688.9
5.02	Apartment	5	2.0	69.0	742.7
5.03	Apartment	5	2.0	65.0	699.7
5.04	Apartment	5	1.0	50.0	538.2
5.05	Apartment	5	2.0	66.0	710.4
5.06	Apartment	5	2.0	71.0	764.2
5.07	Apartment	5	1.0	50.0	538.2
5.08	Apartment	5	1.0	50.0	538.2
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6.01	Apartment	6	2.0	64.0	688.9
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6.05	Apartment	6	2.0	66.0	710.4
6.06	Apartment	6	2.0	71.0	764.2
6.07	Apartment	6	2.0	71.0	764.2
6.08	Apartment	6	2.0	71.0	764.2
6.09	Apartment	6	2.0	77.0	828.8
6.10	Apartment	6	2.0	61.0	656.6
6.11	Apartment	6	2.0	63.0	678.1
6.12	Apartment	6	1.0	50.0	538.2
7.01	Apartment	7	2.0	64.0	688.9
7.02	Apartment	7	2.0	69.0	742.7
7.03	Apartment	7	2.0	65.0	699.7
7.04	Apartment	7	1.0	50.0	538.2
7.05	Apartment	7	2.0	66.0	710.4
7.06	Apartment	7	2.0	71.0	764.2
7.07	Apartment	7	2.0	71.0	764.2
7.08	Apartment	7	2.0	71.0	764.2
7.09	Apartment	7	2.0	77.0	828.8
7.10	Apartment	7	2.0	61.0	656.6
7.11	Apartment	7	2.0	63.0	678.1
7.12	Apartment	7	1.0	50.0	538.2
8.01	Apartment	8	2.0	64.0	688.9
8.02	Apartment	8	2.0	69.0	742.7
8.03	Apartment	8	2.0	65.0	699.7
8.04	Apartment	8	1.0	50.0	538.2
8.05	Apartment	8	2.0	66.0	710.4
8.06	Apartment	8	2.0	71.0	764.2
8.07	Apartment	8	2.0	71.0	764.2
8.08	Apartment	8	2.0	72.0	775.0
8.09	Apartment	8	2.0	60.0	645.8
8.10	Apartment	8	2.0	76.0	818.1
8.11	Apartment	8	1.0	50.0	538.2

D Rental Market Asking Price Data

BTR Market Data

Development	Developer	Description	Link	New-Build / Re-Let	Date	Post Code	Address	Accommodation Type	Beds	m²	ft²	Rent PCM (£)	Rent PA (£)	Average Rent (£/ft²)	Comments
Broadside	Balfour Beatty		https://www.rightr	New-Build	27/02/2025	M4 5FS	49 Oldham Road, Mancheste	Apartment	1	52.6	566	£1,250	£15,000	£26	
Broadside	Balfour Beatty		https://www.rightr	New-Build	27/02/2025	M4 5FS	49 Oldham Road, Mancheste	Apartment	2	70.8	762	£1,375	£16,500	£22	
Broadside	Balfour Beatty		https://www.rightr	New-Build	27/02/2025	M4 5FS	49 Oldham Road, Mancheste	Apartment	2	70.8	762	£1,475	£17,700	£23	
Broadside	Balfour Beatty		https://www.rightr	New-Build	27/02/2025	M4 5FS	49 Oldham Road, Mancheste	Apartment	2	70.8	762	£1,500	£18,000	£24	
Broadside	Balfour Beatty		https://broadsiden	New-Build	27/02/2025	M4 5FS	49 Oldham Road, Mancheste	Apartment	3	86.0	926	£2,000	£24,000	£26	3 beds from £2000 pcm
Swan Street House	Ridgeback	370 units (20 studios, 117 1-bedds, 146 2-bedds, 87 3-bedds) Completed Q4 2024 Residents lounge, co-working areas, private dining room, cinema	https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	2		769	£1,600	£19,200	£25	2nd floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	2		760	£1,600	£19,200	£25	2nd floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	3		924	£2,300	£27,600	£30	2nd floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	1		483	£1,250	£15,000	£31	3rd floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	2		754	£1,600	£19,200	£25	3rd floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	2		768	£1,600	£19,200	£25	3rd floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	2		779	£1,675	£20,100	£26	3rd floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	3		924	£2,300	£27,600	£30	3rd floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	1		415	£1,300	£15,600	£38	4th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	3		924	£2,300	£27,600	£30	4th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	3		926	£2,300	£27,600	£30	4th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	2		756	£1,600	£19,200	£25	5th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	3		923	£2,350	£28,200	£31	5th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	1		505	£1,350	£16,200	£32	6th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	3		923	£2,350	£28,200	£31	6th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	1		505	£1,350	£16,200	£32	7th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	1		505	£1,350	£16,200	£32	8th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	2		705	£1,600	£19,200	£27	8th floor, furnished
Swan Street House	Ridgeback		https://www.ilivea	New-Build	27/02/2025	M4 5GB	70 Swan Street, Manchester	Apartment	2		760	£1,650	£19,800	£26	8th floor, furnished
New Cross Central	Far East Consortium	New Cross Central New Cross Central is a development of 80 high quality new 1, 2 and 3 bedroom homes, with individual townhouses, one of a kind	https://www.rightr	New-Build	27/02/2025	M4 5EY	Addington Street, Mancheste	Apartment	2			£1,550	£18,600		
New Cross Central	Far East Consortium		https://www.rightr	New-Build	27/02/2025	M4 5EY	Addington Street, Mancheste	Apartment	1			£1,350	£16,200		
New Cross Central	Far East Consortium		https://www.rightr	New-Build	27/02/2025	M4 5EY	Addington Street, Mancheste	Apartment	2			£1,600	£19,200		4th floor
New Cross Central	Far East Consortium		https://www.rightr	New-Build	27/02/2025	M4 5EY	Addington Street, Mancheste	Apartment	2			£1,600	£19,200		
New Cross Central	Far East Consortium		https://www.rightr	New-Build	27/02/2025	M4 5EY	Addington Street, Mancheste	Apartment	2			£1,850	£22,200		6th floor Private terrace
New Cross Central	Far East Consortium		https://www.rightr	New-Build	27/02/2025	M4 5EY	Addington Street, Mancheste	Apartment	1		570	£1,200	£14,400	£25	3rd floor
Ancoats Gardens	Beech Holdings	155 one, two, and three-bedroom apartments Rooftop garden, state-of-the-art gym, and residents' lounge	https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2			£1,600	£19,200		4th floor Recently reduced
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Penthouse	2			£1,550	£18,600		5th floor penthouse
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2			£1,550	£18,600		
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	1	45.0	484	£1,517	£18,204	£38	
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2	64.0	689	£1,907	£22,884	£33	
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2		678	£1,450	£17,400	£26	

Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2			£1,950	£23,400		including bills
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2			£1,650	£19,800		
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2		740	£1,325	£15,900	£21	3rd floor
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2			£2,037	£24,444		including bills
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	1			£1,569	£18,828		including bills
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2			£2,000	£24,000		including bills
Ancoats Gardens	Beech Holdings		https://www.rightr	New-Build	27/02/2025	M4 5GH	30 Bendix Street	Apartment	2			£1,993	£23,916		including bills
Poplin	Cheyne		https://www.rightr	New-Build	27/02/2025	M4 5FQ	2 Addington Street	Apartment	2		640	£1,595	£19,140	£30	
The Astley	Grainger		https://www.rightr	New-Build	27/02/2025	M1 2FA	61 Houldsworth Street	Apartment	1		468	£1,295	£15,540	£33	
The Astley	Grainger		https://www.rightr	New-Build	27/02/2025	M1 2FA	61 Houldsworth Street	Apartment	2		750	£1,500	£18,000	£24	5th floor
The Astley	Grainger		https://www.rightr	New-Build	27/02/2025	M1 2FA	61 Houldsworth Street	Apartment	2		733	£1,560	£18,720	£26	7th floor
The Astley	Grainger		https://www.rightr	New-Build	27/02/2025	M1 2FA	61 Houldsworth Street	Apartment	2		663	£1,600	£19,200	£29	10th floor
The Quarters	Northern Group	100 one, two and three bed apartments roof terraces, onsite maintenance, communal areas,	https://www.loveto	New-Build	27/02/2025	M1 1AU	5 Warwick Street	Apartment	1	42.0	452	£1,175	£14,100	£31	Unfurnished
The Quarters	Northern Group		https://www.loveto	New-Build	27/02/2025	M1 1AU	5 Warwick Street	Apartment	1	42.0	452	£1,250	£15,000	£33	
The Quarters	Northern Group		https://www.loveto	New-Build	27/02/2025	M1 1AU	5 Warwick Street	Apartment	2	66.0	710	£1,400	£16,800	£24	Unfurnished
The Quarters	Northern Group		https://www.loveto	New-Build	27/02/2025	M1 1AU	5 Warwick Street	Apartment	2	57.0	613	£1,400	£16,800	£27	
The Quarters	Northern Group		https://www.loveto	New-Build	27/02/2025	M1 1AU	5 Warwick Street	Apartment	2	59.0	635	£1,400	£16,800	£26	
The Quarters	Northern Group		https://www.loveto	New-Build	27/02/2025	M1 1AU	5 Warwick Street	Apartment	2	60.9	656	£1,500	£18,000	£27	
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	1	49.0	527	£1,710	£20,520	£39	26th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	2	63.0	678	£1,750	£21,000	£31	1st floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	1	60.0	646	£1,825	£21,900	£34	29th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	1	60.0	646	£1,825	£21,900	£34	27th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	1	57.0	614	£1,825	£21,900	£36	31st floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	1	60.0	646	£1,875	£22,500	£35	31st floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	2	76.0	818	£1,975	£23,700	£29	4th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	2	71.0	764	£1,995	£23,940	£31	6th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	2	70.0	753	£1,995	£23,940	£32	15th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	2	76.0	818	£2,015	£24,180	£30	6th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	2	70.0	753	£2,050	£24,600	£33	22nd floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	2	70.0	753	£2,165	£25,980	£34	30th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	2	70.0	753	£2,175	£26,100	£35	29th floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	3	94.0	1,012	£2,385	£28,620	£28	2n d floor
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	3	94.0	1,012	£2,415	£28,980	£29	2nd floor Unfurnished
Angel Gardens	MODA		https://modaliving	New-Build	27/02/2025	M4 4GE	1 Rochdale Road, Manchester	Apartment	3	94.0	1,012	£2,450	£29,400	£29	3rd floor Unfurnished
Anco&Co	UrbanBubble		https://www.rightr	New-Build	27/02/2025	M4 5AF	13 Blossom Street	Townhouse	2		870	£1,575	£18,900	£22	
Skyline Central	Way of Life	129 one, two, and three bed apartment Concierge, parcel, onsite maintenance, bike storage, parking, gym, pool, social events	https://www.rightr	New-Build	03/03/2025	M4 4JR	10-12 Rochdale Road, Manchi	Apartment	1		499	£1,200	£14,400	£29	5th floor Balcony Wifi included
Skyline Central	Way of Life		https://www.rightr	New-Build	03/03/2025	M4 4JR	10-12 Rochdale Road, Manchi	Apartment	2			£1,600	£19,200		14th floor Wifi included
Skyline Central	Way of Life		https://www.rightr	New-Build	03/03/2025	M4 4JR	10-12 Rochdale Road, Manchi	Apartment	2		796	£1,500	£18,000	£23	15th floor Wifi included
Skyline Central	Way of Life		https://www.rightr	New-Build	03/03/2025	M4 4JR	10-12 Rochdale Road, Manchi	Apartment	1		551	£1,250	£15,000	£27	12th floor Balcony Wifi included

Skyline Central	Way of Life	https://www.rightr	New-Build	03/03/2025	M4 4JR	10-12 Rochdale Road, Manchr	Apartment	2	807	£1,525	£18,300	£23	Balcony Wifi included
Skyline Central	Way of Life	https://www.rightr	New-Build	03/03/2025	M4 4JR	10-12 Rochdale Road, Manchr	Apartment	2	791	£1,450	£17,400	£22	2nd floor Balcony Wifi included
Skyline Central	Way of Life	https://www.rightr	New-Build	03/03/2025	M4 4JR	10-12 Rochdale Road, Manchr	Apartment	2	807	£1,475	£17,700	£22	5th floor Balcony Wifi included
Skyline Central	Way of Life	https://www.rightr	New-Build	03/03/2025	M4 4JR	10-12 Rochdale Road, Manchr	Apartment	2	794	£1,800	£21,600	£27	17th floor Balcony Wifi included
Flint Glass Wharf	Northern Group	https://www.rightr	New-Build	03/03/2025	M4 6AD	11 Blossom Street	Apartment	1	451	£1,225	£14,700	£33	Canal view balcony
Flint Glass Wharf	Northern Group	https://www.rightr	New-Build	03/03/2025	M4 6AD	11 Blossom Street	Apartment	2	704	£1,475	£17,700	£25	5th floor Canal view balcony
Flint Glass Wharf	Northern Group	https://www.rightr	New-Build	03/03/2025	M4 6AD	11 Blossom Street	Apartment	1	464	£1,225	£14,700	£32	5th floor
Flint Glass Wharf	Northern Group	https://www.rightr	New-Build	03/03/2025	M4 6AD	11 Blossom Street	Apartment	2	675	£1,450	£17,400	£26	2nd floor
Lockgate Mews	-	https://www.rightr	Re-Let	27/02/2025		Lockgate Mews, Manchester	Townhouse	3	1,152	£2,400	£28,800	£25	Gated community Large private terrace garage
Cortland at Colliers Yard	-	https://www.rightr	New-Build	27/02/2025		Bankside Boulevard, Manche	Townhouse	3	0	£2,940	£35,280		Free car parking spaece
Finders Quay	Urban Splash	https://www.rightr	New-Build	27/02/2025		Finders Quay, Manchester	Townhouse	3	1,500	£2,600	£31,200	£21	Shared private garden Parking included
Total / Average:								66	726	£1,710	£20,521	£28	

E Order of Cost Estimate

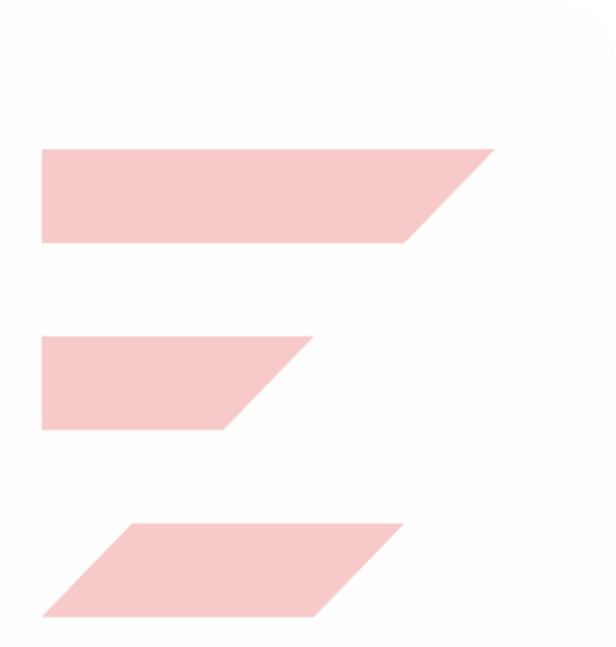


Cross Keys

Stage 2 Cost Estimate No.4

Document Issue Sheet

Issue Nr.	Document	Status	Issue Date	Parties Sent To	Prepared By	Checked By	Reviewed By
0.4	Stage 2 Cost Plan	Final	04/03/2025	Stephen Oster	Becky Garner	Louis Howard	Louis Howard



Cost Summary

This feasibility estimate represents the proposed new development works of the site at Cross Keys, Manchester. The costs have been based upon the information listed in the basis & assumptions. The rates used are at Q1 2025 fixed price levels and but excludes professional fees, VAT and other items listed in the exclusions.

Overall Summary			
	GIA (ft2)	GIA (m2)	
Apartments	95,368 / ft²	8,860/m²	
External Areas	4,618 / ft²	429/m²	
Total Internal Area	95,368 / ft²	8,860/m²	
Total External Area	4,618 / ft²	429/m²	

Nr	Description	Cost (£)	Cost p/sqft (£)	Cost p/m2 (£)
1.0	Enabling Works	£137,844.35	£1.45	£15.56
2.0	Substructure	£999,265.85	£10.48	£112.78
3.0	Frame	£1,810,468.00	£18.98	£204.34
4.0	Upper Floors	£1,747,020.00	£18.32	£197.18
5.0	Roof	£489,940.00	£5.14	£55.30
6.0	Stairs & Ramps	£209,660.00	£2.20	£23.66
7.0	External Walls	£2,025,628.85	£21.24	£228.63
8.0	Windows & External Doors	£1,415,482.75	£14.84	£159.76
9.0	Internal Walls & Partitions	£1,209,044.09	£12.68	£136.46
10.0	Internal Doors	£550,550.00	£5.77	£62.14
11.0	Wall Finishes	£540,200.40	£5.66	£60.97
12.0	Floor Finishes	£695,926.29	£7.30	£78.55
13.0	Ceilings Finishes	£511,236.53	£5.36	£57.70
14.0	Fixtures & Fittings	£1,464,100.00	£15.35	£165.25
15.0	Mechanical Installations	£2,397,516.00	£25.14	£270.60
16.0	Electrical Installations	£1,677,894.29	£17.59	£189.38
17.0	Builders Works In Connection	£203,770.51	£2.14	£23.00
18.0	Lift	£300,000.00	£3.15	£33.86
19.0	External Works	£179,990.00	£1.89	£20.31
20.0	Utilities	£250,000.00	£2.62	£28.22
21.0	Miscellaneous	£20,000.00	£0.21	£2.26
SUB-TOTAL NET COSTS		£18,835,537.92	£198	£2,126
22.0	Preliminaries @ 13.5%	£2,542,797.62	£26.66	£287.00
23.0	OH&P @ 7%	£1,318,487.65	£13.83	£148.81
24.0	Inflation to Mid Point of Construction	EXC	EXC	EXC
SUB-TOTAL OTHER COSTS		£3,861,285.27	£40	£436
25.0	Contractor Design Risk Contingency	EXC	EXC	EXC
26.0	Professional Fees	EXC	EXC	EXC
TOTAL CONSTRUCTION ESTIMATE (@ 1Q 2025 prices)		£22,696,823.19	£238	£2,562

Basis & Assumptions

Basis and Assumptions: Generally

- 1 This feasibility estimate represents the proposed new development works of the site at Cross Keys, Manchester. The costs have been based upon the information listed in the basis & assumptions. The rates used are at Q1 2025 fixed price levels and but excludes professional fees, VAT and other items listed in the exclusions.
- 2 For the purposes of preparing this estimate we have assumed that the main contract works will be let on a JCT Design and Build contract on a fixed Lump Sum basis with competitive tendering.
- 3 The costs included within this report are based upon the following information
1111-TGA-XX-00-DR-A-03000-WIP-General Arrangement - Level 00.pdf [Rev P02 - 14.02.25]
1111-TGA-XX-UG-DR-A-03010-WIP-General Arrangement - Level Upper Ground.pdf [Rev P01 - 14.02.25]
1111-TGA-XX-01-DR-A-03001-WIP-General Arrangement - Level 01.pdf [Rev P02 - 14.02.25]
1111-TGA-XX-XX-DR-A-03002-WIP-General Arrangement - Level 02-05.pdf [Rev P02 - 14.02.25]
1111-TGA-XX-06-DR-A-03006-WIP-General Arrangement - Level 06.pdf [Rev P02 - 31.01.25]
1111-TGA-XX-07-DR-A-03007-WIP-General Arrangement - Level 07.pdf [Rev P01 - 31.01.25]
1111-TGA-XX-08-DR-A-03008-WIP-General Arrangement - Level 08.pdf [Rev P02 - 14.02.25]
Cross Keys - 104x Units.xlsx

Due to the limited information and lack of mechanical, electrical, civil and structural we have made assumptions in line with experience on other projects.
- 4 Costs have been prepared on a current day price basis, at Q1 2025 price levels. Any impact associated with Brexit or COVID is currently excluded from this cost plan.
- 5 Main Contractor's preliminaries include management and support staff as well as organisational costs including site accommodation, welfare, rubbish removal, plant, scaffolding, craneage etc.
- 6 No allowance has been made for out of hours working as this is not deemed necessary.
- 7 Costs associated with contamination (including asbestos) are excluded. This remains as a risk.
- 8 It is assumed any costs associated with investigations or surveys will be included under a separate budget.
- 9 Refer to Appendix A for a detailed cost breakdown with our current assumptions.
- 10 Costs currently assume mid specification of finish
- 11 Costs associated with contamination (including asbestos, other than noted within the schedule) are excluded. This remains as a risk.
- 12 In the absence of detailed design information assumptions have been made on the required structural, civil, mechanical and electrical works. No proposed elevations have been provided and as such assumptions have been made
- 13 Assumed floor to ceiling heights for partitions & finishes @ 2400mm
- 14 Assumed 600mm CFA Piles @ 20m Depth with a 400mm piling mat; subject to geotechnical investigation
- 15 Assumed Single-Ply finish to roof laid onto concrete deck
- 16 Assumed anodised aluminium windows and external doors
- 17 Prime cost sum allowances for finishes shown with the Cost Build Up
- 18 Assumed 3nr. 10 person 1.0m/s passenger lift required (2 firefighting)

Exclusions

Exclusions: Generally

The Following Costs are excluded:-

- 1 Professional / legal fees; planning / building control fees; site surveys; monitoring costs; environmental audits; wind studies; third party fees / costs / novated professional fees; other fees
- 2 Value Added Tax (VAT)
- 3 Site, building or other surveys, including statutory service investigations
- 4 Archaeological works (Consultants fees, investigation and attendance costs or resultant delays / disruption)
- 5 Site acquisition fees / costs and other developers costs
- 6 Capital allowances or other incentives / grants
- 7 Boundary Issues
- 8 Adjoining owners negotiations / costs
- 9 Impact of sustainability requirements that may be required over an above those noted
- 10 Costs associated with any road closures / rentals
- 11 Finance charges, developers costs and profit
- 12 Works associated with Section 106 and 278 agreements; road stopping-up etc
- 13 Exploration for and removal of unexploded ordnance
- 14 Monitoring of existing building & adjacent buildings / structures
- 15 Abnormal ground conditions (contamination etc.)
- 16 Loose fittings, fixtures and equipment that are not listed individually in this document
- 17 New Artwork
- 18 Out of hours working
- 19 Highways closures and the like
- 20 Potential benefits accrued through Land Remediation Relief
- 21 Tender Inflation beyond Q1 2025
- 22 Highway enabling works
- 23 Utility Diversion Works
- 24 Ground Obstructions, remediation or removal of contaminated materials INCLUDING asbestos
- 25 Costs associated with ecology and biodiversity net gain (including protected animals)
- 26 Off-site infrastructure works/upgrades
- 27 Costs exclude any room furniture other than those noted within the schedule
- 28 Party Wall Surveyor / Remedial Works
- 29 Refuse Store Fittings
- 30 Reduced Level Access to Courtyard; Assumed Level Access

Area Schedule (m2)

Element	GIA (m2)
GFA	
LVL 00	449.00
LVL UGF	470.00
LVL 01	999.00
LVL 02	998.00
LVL 03	998.00
LVL 04	998.00
LVL 05	998.00
LVL 06	998.00
LVL 07	998.00
LVL 08	954.00
Hard and soft landscaping	429
Total Internal Area (m2)	8,860/m2
Total External Area (m2)	429/m2

We measure in accordance with the RICS Code of Measurement Practice, 6th Edition.

The measurements and areas within this document should not be relied upon for any other purpose other than the formulation of the Cost Estimate itself.

F Policy Compliant Appraisal | Proposed Development

Cross Keys, Manchester

Financial Viability Appraisal

Policy Compliant

104 BTR Units | 20% Affordable Housing

Cross Keys, Manchester

Appraisal Summary for Phase 1 Policy Compliant

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
1-Bed Apartment	22	11,679	30.29	16,077	265,275	353,700	265,275
2-Bed Apartment	53	38,632	27.22	19,840	788,625	1,051,500	788,625
1-Bed Duplex	3	1,873	28.83	18,000	40,500	54,000	40,500
2-Bed Duplex	1	969	24.46	23,700	17,775	23,700	17,775
2-Bed Townhouse	3	2,842	25.33	24,000	54,000	72,000	54,000
3-Bed Townhouse	1	1,313	26.05	34,200	25,650	34,200	25,650
1-Bed Apartment (APR)	6	3,175	24.26	12,840	57,780	77,040	57,780
2-Bed Apartment (APR)	13	8,956	22.24	15,323	149,400	199,200	149,400
1-Bed Duplex (APR)	1	560	24.86	13,920	10,440	13,920	10,440
2-Bed Townhouse (APR)	1	786	23.21	18,240	13,680	18,240	13,680
Totals	104	70,785			1,423,125	1,897,500	1,423,125

Investment Valuation

1-Bed Apartment					
Current Rent	265,275	YP @	4.7500%	21.0526	5,584,737
2-Bed Apartment					
Current Rent	788,625	YP @	4.7500%	21.0526	16,602,632
1-Bed Duplex					
Current Rent	40,500	YP @	4.7500%	21.0526	852,632
2-Bed Duplex					
Current Rent	17,775	YP @	4.7500%	21.0526	374,211
2-Bed Townhouse					
Current Rent	54,000	YP @	4.7500%	21.0526	1,136,842
3-Bed Townhouse					
Current Rent	25,650	YP @	4.7500%	21.0526	540,000
1-Bed Apartment (APR)					
Current Rent	57,780	YP @	4.7500%	21.0526	1,216,421
2-Bed Apartment (APR)					
Current Rent	149,400	YP @	4.7500%	21.0526	3,145,263
1-Bed Duplex (APR)					
Current Rent	10,440	YP @	4.7500%	21.0526	219,789
2-Bed Townhouse (APR)					
Current Rent	13,680	YP @	4.7500%	21.0526	288,000
Total Investment Valuation					29,960,526

GROSS DEVELOPMENT VALUE
29,960,526

Purchaser's Costs	(599,211)
Effective Purchaser's Costs Rate	2.00%
	(599,211)

NET DEVELOPMENT VALUE
29,361,316
NET REALISATION
29,361,316
OUTLAY
ACQUISITION COSTS

Fixed Price	1,728,306		
Fixed Price		1,728,306	
			1,728,306
Stamp Duty		75,915	
Effective Stamp Duty Rate	4.39%		

Cross Keys, Manchester

Agent Fee	1.00%	17,283	
Legal Fee	0.80%	13,826	
			107,025

CONSTRUCTION COSTS

Construction	ft²	Build Rate	ft²	Cost	
Construction Costs	95,368	233.98		22,313,833	
Contingency		5.00%		1,160,841	
					23,474,674

Other Construction

Enabling Works				166,102	
External Works				216,888	
FF&E: Apartments	104 un	5,000.00 /un		520,000	
					902,990

PROFESSIONAL FEES

Professional Fees	8.00%	1,857,346	
			1,857,346

DISPOSAL FEES

Sales Agent Fee	1.00%	299,605	
Sales Legal Fee	0.50%	149,803	
			449,408

FINANCE

Debit Rate 4.750%, Credit Rate 0.000% (Nominal)				
Land			221,889	
Construction			1,168,886	
Total Finance Cost				1,390,775

TOTAL COSTS
29,910,524
PROFIT
(549,208)
Performance Measures

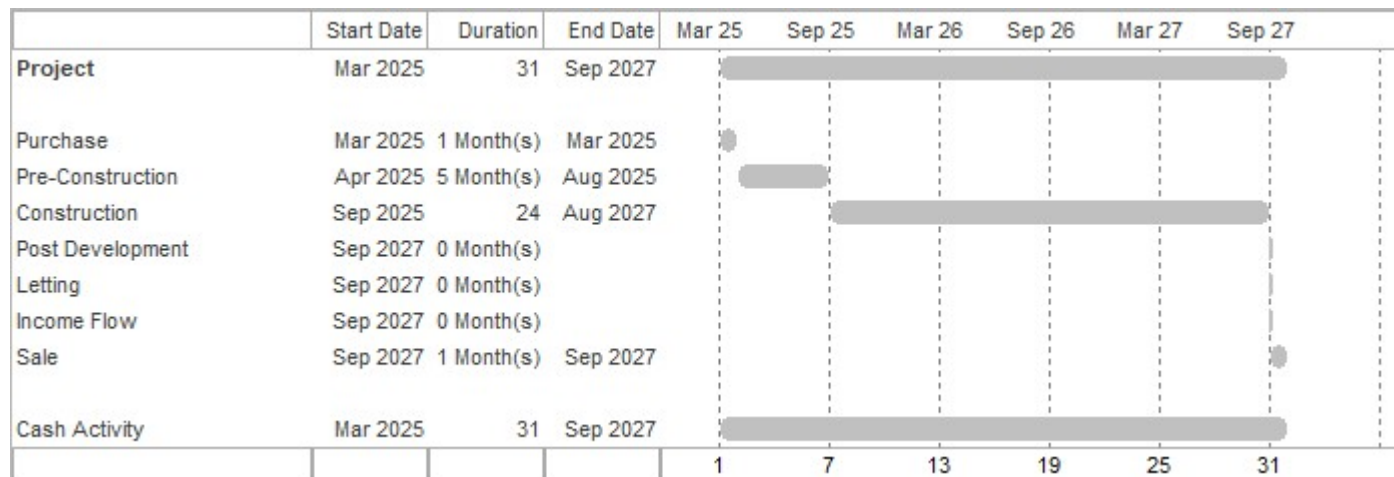
Profit on Cost%	-1.84%
Profit on GDV%	-1.83%
Profit on NDV%	-1.87%
Development Yield% (on Rent)	4.76%
Equivalent Yield% (Nominal)	4.75%
Equivalent Yield% (True)	4.89%
IRR% (without Interest)	2.71%
Rent Cover	-5 mths
Profit Erosion (finance rate 4.750)	N/A

Cross Keys, Manchester

Project Timescale

Project Start Date	Mar 2025
Project End Date	Sep 2027
Project Duration (Inc Exit Period)	31 months

1. Policy Compliant



Cross Keys, Manchester

Grouped Cash Flow Phase 1 (Policy Compliant)

Page A 1

Monthly B/F	001:Mar 2025	002:Apr 2025	003:May 2025	004:Jun 2025	005:Jul 2025	006:Aug 2025	007:Sep 2025	008:Oct 2025	009:Nov 2025	010:Dec 2025
	0	(1,835,331)	(1,861,405)	(1,911,143)	(1,970,473)	(2,025,147)	(2,060,920)	(2,245,678)	(2,641,056)	(3,230,034)
Investment Valuation										
Capitalised Rent	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Sales Costs and Fees										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0	0	0	0	0
Acquisition Costs										
Fixed Price	(1,728,306)	0	0	0	0	0	0	0	0	0
Stamp Duty	(75,915)	0	0	0	0	0	0	0	0	0
Acquisition Fees	(31,110)	0	0	0	0	0	0	0	0	0
	(1,835,331)	0	0	0	0	0	0	0	0	0
Construction Costs										
Construction Costs	0	0	0	0	0	0	(151,287)	(331,119)	(495,659)	(644,907)
Contingency	0	(832)	(1,876)	(2,290)	(2,075)	(1,231)	(7,814)	(17,103)	(25,601)	(33,310)
	0	(832)	(1,876)	(2,290)	(2,075)	(1,231)	(159,101)	(348,222)	(521,260)	(678,218)
Other Construction Costs										
Other Construction Costs	0	(16,645)	(37,522)	(45,809)	(41,508)	(24,618)	(4,996)	(10,935)	(16,369)	(21,297)
	0	(16,645)	(37,522)	(45,809)	(41,508)	(24,618)	(4,996)	(10,935)	(16,369)	(21,297)
TOTAL CONSTRUCTION COSTS	0	(17,477)	(39,398)	(48,100)	(43,583)	(25,849)	(164,097)	(359,157)	(537,629)	(699,515)
Professional Fees										
Architect	0	(1,332)	(3,002)	(3,665)	(3,321)	(1,969)	(12,503)	(27,364)	(40,962)	(53,296)
	0	(1,332)	(3,002)	(3,665)	(3,321)	(1,969)	(12,503)	(27,364)	(40,962)	(53,296)
Sales Costs and Fees										
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	(1,835,331)	(18,809)	(42,399)	(51,764)	(46,904)	(27,818)	(176,600)	(386,521)	(578,591)	(752,811)
Net Cash Flow Before Finance	(1,835,331)	(18,809)	(42,399)	(51,764)	(46,904)	(27,818)	(176,600)	(386,521)	(578,591)	(752,811)
Debit Rate 4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(7,265)	(7,339)	(7,565)	(7,770)	(7,956)	(8,158)	(8,857)	(10,387)	(12,786)
Net Cash Flow After Finance	(1,835,331)	(26,074)	(49,739)	(59,329)	(54,674)	(35,774)	(184,758)	(395,378)	(588,978)	(765,597)
Cumulative Net Cash Flow Monthly	(1,835,331)	(1,861,405)	(1,911,143)	(1,970,473)	(2,025,147)	(2,060,920)	(2,245,678)	(2,641,056)	(3,230,034)	(3,995,631)

Cross Keys, Manchester

Grouped Cash Flow Phase 1 (Policy Compliant)

Page A 2

Monthly B/F	011:Jan 2026 (3,995,631)	012:Feb 2026 (4,920,577)	013:Mar 2026 (5,987,641)	014:Apr 2026 (7,179,711)	015:May 2026 (8,479,224)	016:Jun 2026 (9,868,736)	017:Jul 2026 (11,331,073)	018:Aug 2026 (12,848,310)	019:Sep 2026 (14,402,792)	020:Oct 2026 (15,977,326)
Investment Valuation										
Capitalised Rent	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Sales Costs and Fees										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0	0	0	0	0
Acquisition Costs										
Fixed Price	0	0	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0	0	0
Acquisition Fees	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Construction Costs										
Construction Costs	(778,864)	(897,528)	(1,000,901)	(1,088,982)	(1,161,771)	(1,219,268)	(1,261,474)	(1,288,387)	(1,300,009)	(1,296,339)
Contingency	(40,229)	(46,358)	(51,698)	(56,247)	(60,007)	(62,977)	(65,157)	(66,547)	(67,147)	(66,957)
	(819,093)	(943,887)	(1,052,599)	(1,145,229)	(1,221,778)	(1,282,245)	(1,326,630)	(1,354,934)	(1,367,156)	(1,363,297)
Other Construction Costs										
Other Construction Costs	(25,721)	(29,640)	(33,054)	(35,962)	(38,366)	(40,265)	(41,659)	(42,547)	(42,931)	(42,810)
	(25,721)	(29,640)	(33,054)	(35,962)	(38,366)	(40,265)	(41,659)	(42,547)	(42,931)	(42,810)
TOTAL CONSTRUCTION COSTS	(844,814)	(973,526)	(1,085,652)	(1,181,191)	(1,260,144)	(1,322,510)	(1,368,289)	(1,397,482)	(1,410,087)	(1,406,107)
Professional Fees										
Architect	(64,367)	(74,173)	(82,716)	(89,996)	(96,011)	(100,763)	(104,251)	(106,475)	(107,435)	(107,132)
	(64,367)	(74,173)	(82,716)	(89,996)	(96,011)	(100,763)	(104,251)	(106,475)	(107,435)	(107,132)
Sales Costs and Fees										
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	(909,181)	(1,047,700)	(1,168,369)	(1,271,187)	(1,356,155)	(1,423,272)	(1,472,540)	(1,503,956)	(1,517,523)	(1,513,239)
Net Cash Flow Before Finance	(909,181)	(1,047,700)	(1,168,369)	(1,271,187)	(1,356,155)	(1,423,272)	(1,472,540)	(1,503,956)	(1,517,523)	(1,513,239)
Debit Rate 4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(15,765)	(19,364)	(23,701)	(28,326)	(33,358)	(39,064)	(44,698)	(50,526)	(57,011)	(63,018)
Net Cash Flow After Finance	(924,946)	(1,067,064)	(1,192,070)	(1,299,513)	(1,389,513)	(1,462,336)	(1,517,237)	(1,554,483)	(1,574,534)	(1,576,256)
Cumulative Net Cash Flow Monthly	(4,920,577)	(5,987,641)	(7,179,711)	(8,479,224)	(9,868,736)	(11,331,073)	(12,848,310)	(14,402,792)	(15,977,326)	(17,553,583)

Cross Keys, Manchester

Grouped Cash Flow Phase 1 (Policy Compliant)

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Monthly B/F	021:Nov 2026 (17,553,583)	022:Dec 2026 (19,113,695)	023:Jan 2027 (20,640,472)	024:Feb 2027 (22,115,158)	025:Mar 2027 (23,519,674)	026:Apr 2027 (24,836,834)	027:May 2027 (26,047,454)	028:Jun 2027 (27,133,241)	029:Jul 2027 (28,076,994)	030:Aug 2027 (28,859,120)
Investment Valuation										
Capitalised Rent	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Sales Costs and Fees										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0	0	0	0	0
Acquisition Costs										
Fixed Price	0	0	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0	0	0
Acquisition Fees	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Construction Costs										
Construction Costs	(1,277,377)	(1,243,124)	(1,193,578)	(1,128,741)	(1,048,612)	(953,191)	(842,478)	(716,473)	(575,177)	(418,588)
Contingency	(65,978)	(64,209)	(61,650)	(58,301)	(54,162)	(49,233)	(43,515)	(37,007)	(29,709)	(21,621)
	(1,343,355)	(1,307,332)	(1,255,228)	(1,187,041)	(1,102,774)	(1,002,424)	(885,993)	(753,480)	(604,885)	(440,209)
Other Construction Costs										
Other Construction Costs	(42,184)	(41,053)	(39,417)	(37,275)	(34,629)	(31,478)	(27,822)	(23,661)	(18,995)	(13,823)
	(42,184)	(41,053)	(39,417)	(37,275)	(34,629)	(31,478)	(27,822)	(23,661)	(18,995)	(13,823)
TOTAL CONSTRUCTION COSTS	(1,385,539)	(1,348,385)	(1,294,644)	(1,224,317)	(1,137,403)	(1,033,902)	(913,814)	(777,140)	(623,880)	(454,032)
Professional Fees										
Architect	(105,565)	(102,734)	(98,640)	(93,281)	(86,659)	(78,773)	(69,624)	(59,211)	(47,534)	(34,593)
	(105,565)	(102,734)	(98,640)	(93,281)	(86,659)	(78,773)	(69,624)	(59,211)	(47,534)	(34,593)
Sales Costs and Fees										
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	(1,491,104)	(1,451,119)	(1,393,284)	(1,317,598)	(1,224,062)	(1,112,675)	(983,438)	(836,351)	(671,413)	(488,625)
Net Cash Flow Before Finance	(1,491,104)	(1,451,119)	(1,393,284)	(1,317,598)	(1,224,062)	(1,112,675)	(983,438)	(836,351)	(671,413)	(488,625)
Debit Rate 4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(69,008)	(75,658)	(81,402)	(86,917)	(93,099)	(97,944)	(102,348)	(107,402)	(110,713)	(113,371)
Net Cash Flow After Finance	(1,560,112)	(1,526,778)	(1,474,686)	(1,404,516)	(1,317,161)	(1,210,619)	(1,085,787)	(943,754)	(782,126)	(601,996)
Cumulative Net Cash Flow Monthly	(19,113,695)	(20,640,472)	(22,115,158)	(23,519,674)	(24,836,834)	(26,047,454)	(27,133,241)	(28,076,994)	(28,859,120)	(29,461,116)

Cross Keys, Manchester

Grouped Cash Flow Phase 1 (Policy Compliant)

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Monthly B/F	031.Sep 2027 (29,461,116)
-------------	------------------------------

Investment Valuation

Capitalised Rent	29,960,526
	29,960,526

Sales Costs and Fees

Purchaser's Costs	(599,211)
	(599,211)

TOTAL REVENUE	29,361,316
----------------------	-------------------

Acquisition Costs

Fixed Price	0
Stamp Duty	0
Acquisition Fees	0
	0

Construction Costs

Construction Costs	0
Contingency	0
	0

Other Construction Costs

Other Construction Costs	0
	0

TOTAL CONSTRUCTION COSTS	0
---------------------------------	----------

Professional Fees

Architect	0
	0

Sales Costs and Fees

Sales Agent Fee	(299,605)
Sales Legal Fee	(149,803)
	(449,408)

TOTAL COSTS	(449,408)
--------------------	------------------

Net Cash Flow Before Finance	28,911,908
-------------------------------------	-------------------

Debit Rate 4.750%	4.750%
-------------------	--------

Credit Rate 0.000%	0.000%
--------------------	--------

Finance Costs (All Sets)	0
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Net Cash Flow After Finance	28,911,908
------------------------------------	-------------------

Cumulative Net Cash Flow Monthly	(549,208)
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G Scenario Test Appraisal | Proposed Development

Cross Keys, Manchester

Financial Viability Appraisal

Scenario Test

104 BTR Units | 0% Affordable Housing

Cross Keys, Manchester

Appraisal Summary for Phase 2 Scenario 1

Currency in £

REVENUE

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
1-Bed Apartment	28	14,854	30.29	16,071	337,500	450,000	337,500
2-Bed Apartment	66	47,587	27.33	19,705	975,375	1,300,500	975,375
1-Bed Duplex	4	2,433	29.10	17,700	53,100	70,800	53,100
2-Bed Duplex	1	969	24.46	23,700	17,775	23,700	17,775
2-Bed Townhouse	4	3,627	26.14	23,700	71,100	94,800	71,100
3-Bed Townhouse	1	1,313	26.05	34,200	25,650	34,200	25,650
Totals	104	70,783			1,480,500	1,974,000	1,480,500

Investment Valuation

1-Bed Apartment					
Current Rent	337,500	YP @	4.7500%	21.0526	7,105,263
2-Bed Apartment					
Current Rent	975,375	YP @	4.7500%	21.0526	20,534,211
1-Bed Duplex					
Current Rent	53,100	YP @	4.7500%	21.0526	1,117,895
2-Bed Duplex					
Current Rent	17,775	YP @	4.7500%	21.0526	374,211
2-Bed Townhouse					
Current Rent	71,100	YP @	4.7500%	21.0526	1,496,842
3-Bed Townhouse					
Current Rent	25,650	YP @	4.7500%	21.0526	540,000
Total Investment Valuation					31,168,421

GROSS DEVELOPMENT VALUE

31,168,421

Purchaser's Costs	(623,368)
Effective Purchaser's Costs Rate	2.00%
	(623,368)

NET DEVELOPMENT VALUE

30,545,053

NET REALISATION

30,545,053

OUTLAY

ACQUISITION COSTS

Fixed Price	1,728,306		
Fixed Price		1,728,306	
			1,728,306
Stamp Duty		75,915	
Effective Stamp Duty Rate	4.39%		
Agent Fee	1.00%	17,283	
Legal Fee	0.80%	13,826	
			107,025

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Construction Costs	95,368	233.98	22,313,833
Contingency		5.00%	1,149,997
			23,463,830
Other Construction			
Enabling Works			166,102
External Works			216,888
FF&E: Apartments	104 un	5,000.00 /un	520,000
			902,990

PROFESSIONAL FEES

Cross Keys, Manchester

Professional Fees	8.00%	1,839,995	1,839,995
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DISPOSAL FEES

Sales Agent Fee	1.00%	305,451	
Sales Legal Fee	0.50%	152,725	458,176

FINANCE

Debit Rate 4.750%, Credit Rate 0.000% (Nominal)			
Land		221,889	
Construction		1,167,643	
Total Finance Cost			1,389,532

TOTAL COSTS
29,889,853
PROFIT
655,200
Performance Measures

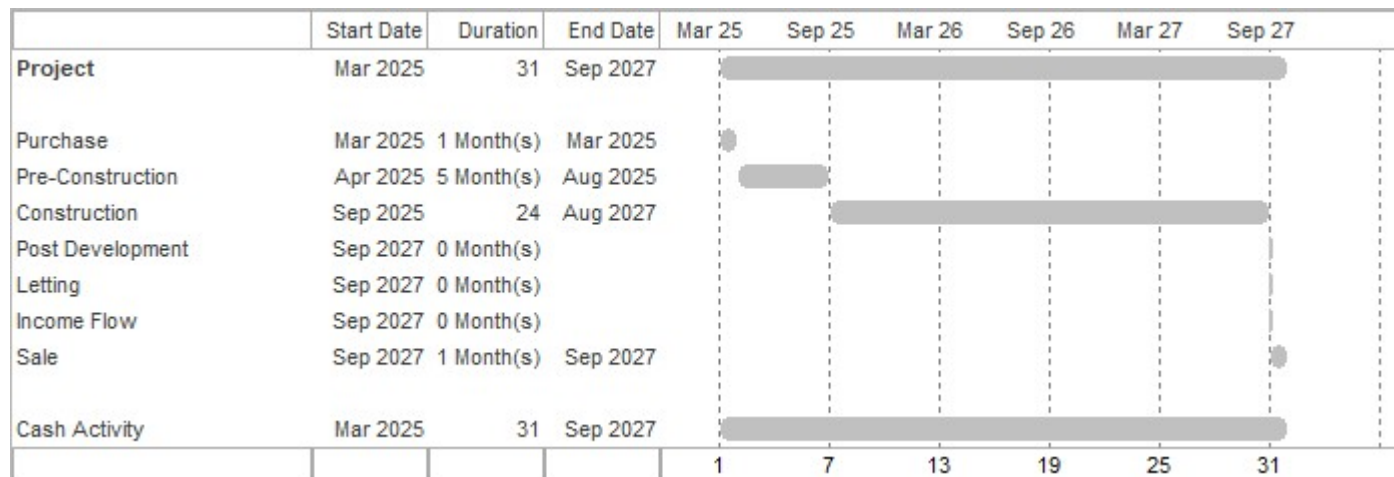
Profit on Cost%	2.19%
Profit on GDV%	2.10%
Profit on NDV%	2.15%
Development Yield% (on Rent)	4.95%
Equivalent Yield% (Nominal)	4.75%
Equivalent Yield% (True)	4.89%
IRR% (without Interest)	6.54%
Rent Cover	5 mths
Profit Erosion (finance rate 4.750)	6 mths

Cross Keys, Manchester

Project Timescale

Project Start Date	Mar 2025
Project End Date	Sep 2027
Project Duration (Inc Exit Period)	31 months

2. Scenario 1



Cross Keys, Manchester

Grouped Cash Flow Phase 2 (Scenario 1)

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Monthly B/F	001:Mar 2025	002:Apr 2025	003:May 2025	004:Jun 2025	005:Jul 2025	006:Aug 2025	007:Sep 2025	008:Oct 2025	009:Nov 2025	010:Dec 2025
	0	(1,835,331)	(1,861,405)	(1,911,143)	(1,970,473)	(2,025,147)	(2,060,920)	(2,245,487)	(2,640,446)	(3,228,795)
Investment Valuation										
Capitalised Rent	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Sales Costs and Fees										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0	0	0	0	0
Acquisition Costs										
Fixed Price	(1,728,306)	0	0	0	0	0	0	0	0	0
Stamp Duty	(75,915)	0	0	0	0	0	0	0	0	0
Acquisition Fees	(31,110)	0	0	0	0	0	0	0	0	0
	(1,835,331)	0	0	0	0	0	0	0	0	0
Construction Costs										
Construction Costs	0	0	0	0	0	0	(151,287)	(331,119)	(495,659)	(644,907)
Contingency	0	(832)	(1,876)	(2,290)	(2,075)	(1,231)	(7,741)	(16,942)	(25,360)	(32,997)
	0	(832)	(1,876)	(2,290)	(2,075)	(1,231)	(159,028)	(348,061)	(521,020)	(677,904)
Other Construction Costs										
Other Construction Costs	0	(16,645)	(37,522)	(45,809)	(41,508)	(24,618)	(4,996)	(10,935)	(16,369)	(21,297)
	0	(16,645)	(37,522)	(45,809)	(41,508)	(24,618)	(4,996)	(10,935)	(16,369)	(21,297)
TOTAL CONSTRUCTION COSTS	0	(17,477)	(39,398)	(48,100)	(43,583)	(25,849)	(164,024)	(358,996)	(537,388)	(699,201)
Professional Fees										
Architect	0	(1,332)	(3,002)	(3,665)	(3,321)	(1,969)	(12,385)	(27,107)	(40,577)	(52,795)
	0	(1,332)	(3,002)	(3,665)	(3,321)	(1,969)	(12,385)	(27,107)	(40,577)	(52,795)
Sales Costs and Fees										
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	(1,835,331)	(18,809)	(42,399)	(51,764)	(46,904)	(27,818)	(176,409)	(386,102)	(577,965)	(751,996)
Net Cash Flow Before Finance	(1,835,331)	(18,809)	(42,399)	(51,764)	(46,904)	(27,818)	(176,409)	(386,102)	(577,965)	(751,996)
Debit Rate 4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(7,265)	(7,339)	(7,565)	(7,770)	(7,956)	(8,158)	(8,856)	(10,384)	(12,781)
Net Cash Flow After Finance	(1,835,331)	(26,074)	(49,739)	(59,329)	(54,674)	(35,774)	(184,567)	(394,959)	(588,349)	(764,777)
Cumulative Net Cash Flow Monthly	(1,835,331)	(1,861,405)	(1,911,143)	(1,970,473)	(2,025,147)	(2,060,920)	(2,245,487)	(2,640,446)	(3,228,795)	(3,993,572)

Cross Keys, Manchester

Grouped Cash Flow Phase 2 (Scenario 1)

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Monthly B/F	011:Jan 2026 (3,993,572)	012:Feb 2026 (4,917,526)	013:Mar 2026 (5,983,444)	014:Apr 2026 (7,174,232)	015:May 2026 (8,472,348)	016:Jun 2026 (9,860,365)	017:Jul 2026 (11,321,128)	018:Aug 2026 (12,836,732)	019:Sep 2026 (14,389,541)	020:Oct 2026 (15,962,379)
Investment Valuation										
Capitalised Rent	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Sales Costs and Fees										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0	0	0	0	0
Acquisition Costs										
Fixed Price	0	0	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0	0	0
Acquisition Fees	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Construction Costs										
Construction Costs	(778,864)	(897,528)	(1,000,901)	(1,088,982)	(1,161,771)	(1,219,268)	(1,261,474)	(1,288,387)	(1,300,009)	(1,296,339)
Contingency	(39,851)	(45,922)	(51,211)	(55,718)	(59,442)	(62,384)	(64,544)	(65,921)	(66,515)	(66,327)
	(818,714)	(943,450)	(1,052,112)	(1,144,700)	(1,221,213)	(1,281,652)	(1,326,017)	(1,354,308)	(1,366,524)	(1,362,667)
Other Construction Costs										
Other Construction Costs	(25,721)	(29,640)	(33,054)	(35,962)	(38,366)	(40,265)	(41,659)	(42,547)	(42,931)	(42,810)
	(25,721)	(29,640)	(33,054)	(35,962)	(38,366)	(40,265)	(41,659)	(42,547)	(42,931)	(42,810)
TOTAL CONSTRUCTION COSTS	(844,435)	(973,090)	(1,085,166)	(1,180,662)	(1,259,579)	(1,321,917)	(1,367,676)	(1,396,855)	(1,409,456)	(1,405,477)
Professional Fees										
Architect	(63,761)	(73,476)	(81,938)	(89,149)	(95,108)	(99,815)	(103,270)	(105,473)	(106,424)	(106,124)
	(63,761)	(73,476)	(81,938)	(89,149)	(95,108)	(99,815)	(103,270)	(105,473)	(106,424)	(106,124)
Sales Costs and Fees										
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	(908,197)	(1,046,566)	(1,167,104)	(1,269,811)	(1,354,687)	(1,421,732)	(1,470,946)	(1,502,328)	(1,515,880)	(1,511,601)
Net Cash Flow Before Finance	(908,197)	(1,046,566)	(1,167,104)	(1,269,811)	(1,354,687)	(1,421,732)	(1,470,946)	(1,502,328)	(1,515,880)	(1,511,601)
Debit Rate 4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(15,757)	(19,352)	(23,684)	(28,304)	(33,331)	(39,031)	(44,658)	(50,481)	(56,959)	(62,959)
Net Cash Flow After Finance	(923,954)	(1,065,918)	(1,190,788)	(1,298,115)	(1,388,018)	(1,460,762)	(1,515,604)	(1,552,809)	(1,572,839)	(1,574,559)
Cumulative Net Cash Flow Monthly	(4,917,526)	(5,983,444)	(7,174,232)	(8,472,348)	(9,860,365)	(11,321,128)	(12,836,732)	(14,389,541)	(15,962,379)	(17,536,939)

Cross Keys, Manchester

Grouped Cash Flow Phase 2 (Scenario 1)

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Monthly B/F	021:Nov 2026 (17,536,939)	022:Dec 2026 (19,095,371)	023:Jan 2027 (20,620,505)	024:Feb 2027 (22,093,604)	025:Mar 2027 (23,496,609)	026:Apr 2027 (24,812,353)	027:May 2027 (26,021,672)	028:Jun 2027 (27,106,293)	029:Jul 2027 (28,049,034)	030:Aug 2027 (28,830,323)
Investment Valuation										
Capitalised Rent	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Sales Costs and Fees										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0	0	0	0	0
Acquisition Costs										
Fixed Price	0	0	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0	0	0
Acquisition Fees	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Construction Costs										
Construction Costs	(1,277,377)	(1,243,124)	(1,193,578)	(1,128,741)	(1,048,612)	(953,191)	(842,478)	(716,473)	(575,177)	(418,588)
Contingency	(65,357)	(63,605)	(61,070)	(57,752)	(53,652)	(48,770)	(43,106)	(36,658)	(29,429)	(21,417)
	(1,342,734)	(1,306,728)	(1,254,648)	(1,186,493)	(1,102,264)	(1,001,961)	(885,583)	(753,132)	(604,606)	(440,005)
Other Construction Costs										
Other Construction Costs	(42,184)	(41,053)	(39,417)	(37,275)	(34,629)	(31,478)	(27,822)	(23,661)	(18,995)	(13,823)
	(42,184)	(41,053)	(39,417)	(37,275)	(34,629)	(31,478)	(27,822)	(23,661)	(18,995)	(13,823)
TOTAL CONSTRUCTION COSTS	(1,384,918)	(1,347,781)	(1,294,064)	(1,223,768)	(1,136,893)	(1,033,439)	(913,405)	(776,792)	(623,600)	(453,829)
Professional Fees										
Architect	(104,572)	(101,767)	(97,711)	(92,404)	(85,844)	(78,032)	(68,969)	(58,654)	(47,086)	(34,267)
	(104,572)	(101,767)	(97,711)	(92,404)	(85,844)	(78,032)	(68,969)	(58,654)	(47,086)	(34,267)
Sales Costs and Fees										
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	(1,489,490)	(1,449,548)	(1,391,776)	(1,316,172)	(1,222,737)	(1,111,471)	(982,374)	(835,446)	(670,687)	(488,096)
Net Cash Flow Before Finance	(1,489,490)	(1,449,548)	(1,391,776)	(1,316,172)	(1,222,737)	(1,111,471)	(982,374)	(835,446)	(670,687)	(488,096)
Debit Rate 4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(68,942)	(75,586)	(81,324)	(86,833)	(93,007)	(97,847)	(102,247)	(107,296)	(110,603)	(113,258)
Net Cash Flow After Finance	(1,558,432)	(1,525,134)	(1,473,099)	(1,403,005)	(1,315,744)	(1,209,318)	(1,084,621)	(942,742)	(781,289)	(601,354)
Cumulative Net Cash Flow Monthly	(19,095,371)	(20,620,505)	(22,093,604)	(23,496,609)	(24,812,353)	(26,021,672)	(27,106,293)	(28,049,034)	(28,830,323)	(29,431,677)

Cross Keys, Manchester

Grouped Cash Flow Phase 2 (Scenario 1)

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Monthly B/F	031:Sep 2027 (29,431,677)
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Investment Valuation

Capitalised Rent	31,168,421
	31,168,421

Sales Costs and Fees

Purchaser's Costs	(623,368)
	(623,368)

TOTAL REVENUE	30,545,053
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Acquisition Costs

Fixed Price	0
Stamp Duty	0
Acquisition Fees	0
	0

Construction Costs

Construction Costs	0
Contingency	0
	0

Other Construction Costs

Other Construction Costs	0
	0

TOTAL CONSTRUCTION COSTS	0
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Professional Fees

Architect	0
	0

Sales Costs and Fees

Sales Agent Fee	(305,451)
Sales Legal Fee	(152,725)
	(458,176)

TOTAL COSTS	(458,176)
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Net Cash Flow Before Finance	30,086,877
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Debit Rate 4.750%	4.750%
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Credit Rate 0.000%	0.000%
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Finance Costs (All Sets)	0
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Net Cash Flow After Finance	30,086,877
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Cumulative Net Cash Flow Monthly	655,200
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H Sensitivity Test

Cross Keys, Manchester

Sensitivity Analysis Report

Scenario Test

104 BTR Units | 0% Affordable Housing

Cross Keys, Manchester
Table of Profit Amount and Profit on GDV%

		Rent: Rate /ft²					
Construction: Rate /ft²	0.00 /ft²	+1.00 /ft²	+2.00 /ft²	+3.00 /ft²	+4.00 /ft²	+5.00 /ft²	+6.00 /ft²
-6.00 /ft²	£1,330,311	£2,409,156	£3,488,001	£4,566,845	£5,645,690	£6,724,535	£7,803,379
227.98 /ft²	4.268%	7.462%	10.442%	13.229%	15.841%	18.295%	20.603%
-5.00 /ft²	£1,217,793	£2,296,637	£3,375,482	£4,454,327	£5,533,171	£6,612,016	£7,690,861
228.98 /ft²	3.907%	7.113%	10.105%	12.903%	15.526%	17.989%	20.306%
-4.00 /ft²	£1,105,274	£2,184,119	£3,262,963	£4,341,808	£5,420,653	£6,499,498	£7,578,342
229.98 /ft²	3.546%	6.765%	9.768%	12.577%	15.210%	17.683%	20.009%
-3.00 /ft²	£992,755	£2,071,600	£3,150,445	£4,229,290	£5,308,134	£6,386,979	£7,465,824
230.98 /ft²	3.185%	6.416%	9.431%	12.251%	14.894%	17.376%	19.712%
-2.00 /ft²	£880,237	£1,959,082	£3,037,926	£4,116,771	£5,195,616	£6,274,460	£7,353,305
231.98 /ft²	2.824%	6.068%	9.095%	11.925%	14.578%	17.070%	19.415%
-1.00 /ft²	£767,718	£1,846,563	£2,925,408	£4,004,252	£5,083,097	£6,161,942	£7,240,786
232.98 /ft²	2.463%	5.719%	8.758%	11.599%	14.263%	16.764%	19.118%
0.00 /ft²	£655,200	£1,734,044	£2,812,889	£3,891,734	£4,970,578	£6,049,423	£7,128,268
233.98 /ft²	2.102%	5.371%	8.421%	11.273%	13.947%	16.458%	18.821%

Sensitivity Analysis : Assumptions for Calculation
Rent: Rate /ft²

Original Values are varied in Fixed Steps of £1.00

Heading	Phase	Rate	No. of Steps
1-Bed Apartment	2	£30.29	7 Up only
2-Bed Apartment	2	£27.33	7 Up only
1-Bed Duplex	2	£29.10	7 Up only
2-Bed Duplex	2	£24.46	7 Up only
2-Bed Townhouse	2	£26.14	7 Up only
3-Bed Townhouse	2	£26.05	7 Up only

Construction: Rate /ft²

Original Values are varied in Fixed Steps of £1.00

Heading	Phase	Rate	No. of Steps
Construction Costs	2	£233.98	7 Down only