

Financial Viability Assessment

B&M, Kingsway, Burnage, M19 1BB

Triple Jersey Ltd

Pre-Application Stage

August 2024

Quality Assurance

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Non-technical Summary

- ES 1 This Non-technical Summary should be read in conjunction with the main report and general assumptions and definitions attached hereto.
- ES 2 We refer to the instructions which were enclosed in an email dated 24th July 2024 requesting a Financial Viability Assessment (FVA) in respect of the proposed single-family build to rent (BTR) scheme at B&M, Kingsway, Burnage, M19 1BB. The current proposed scheme comprises 115 units – 74 houses (from 2-4 beds) and 41 apartments (2-beds).
- ES 3 This FVA has been prepared for Triple Jersey Ltd (the 'client'), in order to determine whether their proposed scheme on the existing site is able to deliver policy-compliant affordable housing. The client is currently at the pre-application stage of development and consultation with Manchester City Council (MCC).
- ES 4 We understand that Manchester City Council's Local Plan Policy H8 requires 20% affordable housing on residential development sites of 0.3 hectares and above or where 15 or more units are proposed. The NPPF Glossary defines affordable housing for rent. In the context of private development this is known as Affordable Private Rent. This forms the basis of our appraisal.
- ES 5 The subject proposal in this FVA is an update to this scheme.
- ES 6 The site is located at the existing B&M retail warehouse store on Kingsway (A34) in Burnage, South Manchester, M19 1BB. The site is currently occupied by B&M on a lease. B&M moved into the building in September 2014 and their lease is set to expire in December 2023. The current passing rent on the existing lease is £379,500 pa.
- ES 7 The floor area (GIA) of the occupied warehouse is 3,458 sqm (37,222 sqft). The front of the site is largely car parking space with associated hardstanding. The rear of the site holds the warehouse storage space, accessible via the Mauldeth Rd entrance.
- ES 8 Manchester City Council's Local Plan Policy H8 requires 20% affordable housing on residential development sites of 0.3 hectares and above or where 15 or more units are proposed. The NPPF Glossary defines affordable housing for rent. In the context of private development this is known as Affordable Private Rent. This forms the basis of our appraisal.

Appraisal Inputs

Market Rents

ES 9 Section 4 provides our market assessment for the BTR Houses and Apartments. We have analysed the local residential BTR and lettings market through which we have come to a view on the value assumptions/yield to be adopted in our financial appraisals. Further detailed comments and analysis are contained within the main report. Our value assumptions are as follows.

Table ES.1 – Rental Value Assumptions

Unit Type	Sqm per unit	Market Rent £ pcm	Rent £ psm PA
Type 2 - House	84	£1,683	£20
Type 3 - House	105	£1,866	£18
Type 4 - House	121	£2,425	£20
Type 5 - Apartments Type 1	61	£1,347	£22
Type 5 - Apartments Type 2	63	£1,382	£22
Type 5 - Apartments Type 3	65	£1,435	£22
Type 5 - Apartments Type 4	65	£1,437	£22
Type 5 - Apartments Type 5	65	£1,439	£22

ES 10 This leads to a total gross monthly income of £192,702 pcm and £2,312,428 PA; without affordable rent.

ES 11 After taking into account affordable rent tenure mix, the GDVs amount to:

- Private Market Rent Total Rent PA - £1,931,512 | 8,014 sqm
- Affordable Rented Total Rent PA - £304,733 | 1,443 sqm

ES 12 A total gross rent PA of £2,236,245 including affordable housing.

ES 13 This is based on a pro-rata split of PMR and AR across the Type 5 – Apartments 1 to 4. The scheme mix may change as the scheme develops in consultation with MCC.

ES 14 We also adopt a 25% leakage assumption, a 4.25% yield and 6% purchasers' costs. Deducting these allowances leads to a Net Development Value of **£37,095,358**. based on 20% affordable housing.

Cost Assumptions

ES 15 Our cost assumptions are as follows.

Table ES.2 – Cost Assumptions

Element	Cost (£)	Comment
Construction Costs	£25,092,500 (£2,356 psm)	Including: - Construction Costs per unit type – including FF&E, ASHPs - Site Infrastructure – demolition, clearance, drainage, EV bays, services etc. - Abnormal and External works - Prelims (11%) - Overheads & Profit (5%) - Contingency (2.5%)
Site Acquisition Costs	1.75% for agent/legal fees 4.9% stamp duty	Fees based on the GMCA Viability report's allowance. We included a rate based on the Non-Residential Stamp Duty Land Tax England 2016 scheme. This only applies if the land value is a positive figure.
Professional Fees	6%	We have included this as an allowance to cover any professional fees.
Marketing Costs	£20,000	Included as an initial allowance for BTR launch.
Disposal Fees	0.75%	We have included this allowance for investment disposal.
Finance	7%	We have allowed for 7% as an allowance at this stage.
Tenant Compensation	£720,000	Tenant compensation under section 37, LTA 1954. Compensation amounts to x2 the rateable value. The current rateable value of the site (from 1 April 2023 to present) is £360,000. At x2 this

		value, the compensation to B&M would be £720,000.
Profit	20%	On Cost

Land Value

- ES 16 A Red Book Valuation was prepared by Savills (dated August 2024) confirming in their view that the retail warehouse on-site has a market value of £5,605,000. This is on the special assumption that B&M renew their lease on a 10-year term at a market rent (Savill's opinion) of £388,575 per annum (£10 psf). The net equivalent, net initial and net reversionary yields are all 6.50% in the valuation.
- ES 17 Based on the valuation, we have adopted an EUV of £5.6m. A copy of the valuation is provided in Appendix.
- ES 18 We have adopted a 5% premium for vendors' transaction costs. Based on this and the EUV, we assess the BLV to be **£5,885,250**.

Appraisal Outturn

- ES 19 The below table summarises our policy-compliant appraisal.

Table ES.5 – Policy Compliant Residual Appraisal.

Residual Land Value (policy compliant) [A]	£1,081,995
Residual Land Value £ per acre	£318,234 per acre
Profit	£6,182,560
Profit on Cost	20.0%
Profit on GDV	15.67%
BLV [B]	£5,885,250
Deficit [B] – [A] (excluding premium)	-£4,803,255

Source: 231002 B&M Kingsway Residual Appraisal_v6 Affordable

- ES 20 This scheme produces a deficit of around -£4.8m and is therefore unable to deliver the policy-compliant level of affordable units.
- ES 21 We assess alternative scenarios below to assess the scope for delivery of affordable units.

Sensitivities / scenario testing

ES 22 We have undertaken 3 different scenarios on the above appraisal. The appraisals (including sensitivity tables) can be seen appended.

Scenario 1 - Values and Build Costs change by +/- 5%

ES 23 Sensitivity analysis on the policy-compliant appraisal (20% affordable) assuming that the values and build costs change by +/- 5%.

ES 24 Based on this scenario, our sensitivity analysis shows with even a 10% increase in the MRV would result in a RLV of £3.7m. This is lower than the BLV and therefore would still be unviable.

ES 25 To be viable, costs would have to decrease by 5% and values rise by 10% which is an unlikely scenario in the current market.

Scenario 2 - No Affordable Units (100% Market Scheme)

ES 26 We have undertaken an exercise to determine if any affordable units are able to be delivered on-site by testing the viability of the scheme under a 100% market scenario with a profit of 20% on cost.

ES 27 Our appraisal for this scenario resulted in an RLV of £2.59m. Based on the BLV, this results in a deficit of -£3.28m.

ES 28 The scheme is therefore not able to provide any affordable units.

Scenario 3 – 100% Market Scheme with Reduced Profit Margin

ES 29 We have also undertaken an exercise to determine with what profit rate is the scheme deliverable. We have tested the scheme under a 100% market scenario with a reduced profit.

ES 30 We have included land as a fixed cost (of £5.88m) to ascertain the profit rate at which the scheme would be viable. i.e. $RLV = BLV$.

ES 31 This appraisal generated a profit amount of £2,639,903. This amounts to:

- 6.47% Profit on GDV
- 7.39% Profit on Cost

ES 32 For the scheme to be deliverable, the profit would need to be reduced to 7.39% on cost. This is not a realistic level of profit to bring the scheme forward in the open market.

- ES 33 However, in the specific circumstances, the Client may take a view, considering the potential future rental growth/ long term income stream, to proceed on this basis. This is to their discretion and can be contingent on their required rate of return.
- ES 34 Overall, the sensitivity testing and scenarios show that there is no excessive surplus/profit in the scheme to support any affordable housing contributions.

Conclusions and Recommendations

- ES 35 We conclude, that the subject scheme cannot currently viably support any on-site affordable housing contributions.
- ES 36 Our appraisal including affordable housing results in a RLV of £1.082 million, against a BLV of £5.885 million (as evidenced by the Savills Red Book EUV).
- ES 37 Sensitivity testing on values and build costs suggests that to be deliverable and viable, costs would have to decrease by 5-10% and values rise by 10% which is an unlikely scenario in the current market.
- ES 38 With no affordable housing (100% market rent scheme) and 20% profit on cost (15 % on GDV), this results in an RLV of £2.59 million. Based on the BLV, this results in a deficit of -£3.28 million.
- ES 39 In order to deliver the BLV with 100% market rent, the profit would have to fall to only 7.39% profit on cost (6.47% profit on GDV). This is not a realistic level of profit to bring the scheme forward in the open market, and the scheme is only deliverable in the current specific circumstances as the discretion of the client. Should you have any questions or queries in respect of any aspect of this report, please do not hesitate to contact AspinallVerdi.

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For the attention of Alex Lewis, on behalf of Triple Jersey Ltd,

Dear Alex,

1 Introduction

- 1.2 We refer to the instructions which were enclosed in an email dated 24th July 2024 requesting a Financial Viability Assessment (FVA) in respect of the proposed single-family build to rent (BTR) scheme at B&M, Kingsway, Burnage, M19 1BB. The current proposed scheme comprises 115 units – 74 houses (from 2-4 beds) and 41 apartments (2-beds).
- 1.3 This FVA has been prepared for Triple Jersey Ltd (the 'client'), in order to determine whether their proposed scheme on the existing site is able to deliver policy-compliant affordable housing. The client is currently at the pre-application stage of development and consultation with Manchester City Council (MCC).
- 1.4 We understand that Manchester City Council's Local Plan Policy H8 requires 20% affordable housing on residential development sites of 0.3 hectares and above or where 15 or more units are proposed. The NPPF Glossary defines affordable housing for rent. In the context of private development this is known as Affordable Private Rent. This forms the basis of our appraisal.
- 1.5 We understand that a full application for a similar 112-unit scheme was submitted to Manchester City Council (MCC) in December 2023 (Planning Reference: 138712/FO/2023). We understand from the MCC Committee Report that the principle of residential development on-site was acceptable. The committee recommendation was to refuse the application on the grounds of design, layout, and no affordable housing, but the application was withdrawn before any decision was made.
- 1.6 The subject proposal in this FVA is an update to this scheme.

RICS Professional Statement

- 1.7 Our FVA has been carried out in accordance with the RICS Financial Viability in Planning: Conduct and Reporting Professional Standard (May 2019).
- 1.8 Our FVA is also carried out having regard to the following policy and guidance:
- National Planning Policy Framework (NPPF, September 2023);
 - Planning Practice Guidance (PPG, February 2024);
 - Assessing viability in planning under the National Planning Policy Framework 2019 for England (March 2021).

Confirmation of Instructions

- 1.9 This report has been prepared by AspinalVerdi – Property Regeneration Consultants.
- 1.10 We confirm that that in preparing this report, no performance-related or contingent fees have been agreed.

Conflicts of Interest

- 1.11 We confirm that we have no conflict of interest in providing this advice and we have acted independently and impartially.

Transparency of Information

- 1.12 Transparency and fairness are key to the effective operation of the planning process. The presumption is that this viability assessment will be published in full, except where this may compromise delivery of the proposed application scheme or infringe other statutory and regulatory requirements.

Area Wide Viability Assessment

- 1.13 We confirm that we have not acted for Manchester City Council in respect of the preparation of an area wide Local Plan or CIL viability assessment.

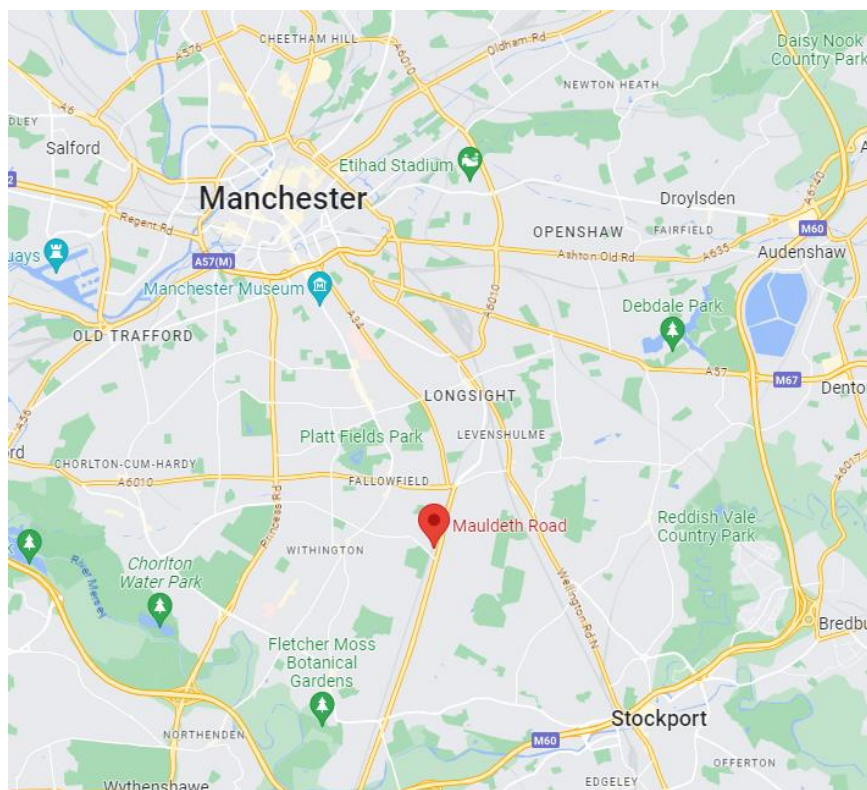
2 Scheme Details

2.1 This section of our report sets out our understanding of the scheme.

Location

- 2.2 The site is located at the existing B&M retail warehouse store on Kingsway (A34) in Burnage, South Manchester, M19 1BB. This is a primarily a residential estate area with local businesses nearby and a primary school. Towards the south of the site sits a petrol station and other commercial units. Some of these are unoccupied.
- 2.3 The site is adjacent to Mauldeth Road station with links via the northern line to Manchester Piccadilly, Manchester Airport, Crewe and Liverpool Lime Street. The City Centre is 5 miles away via the A34 and Manchester Airport is up to 15 minutes away via the A34/M56.

Figure 2.1 - Location Map



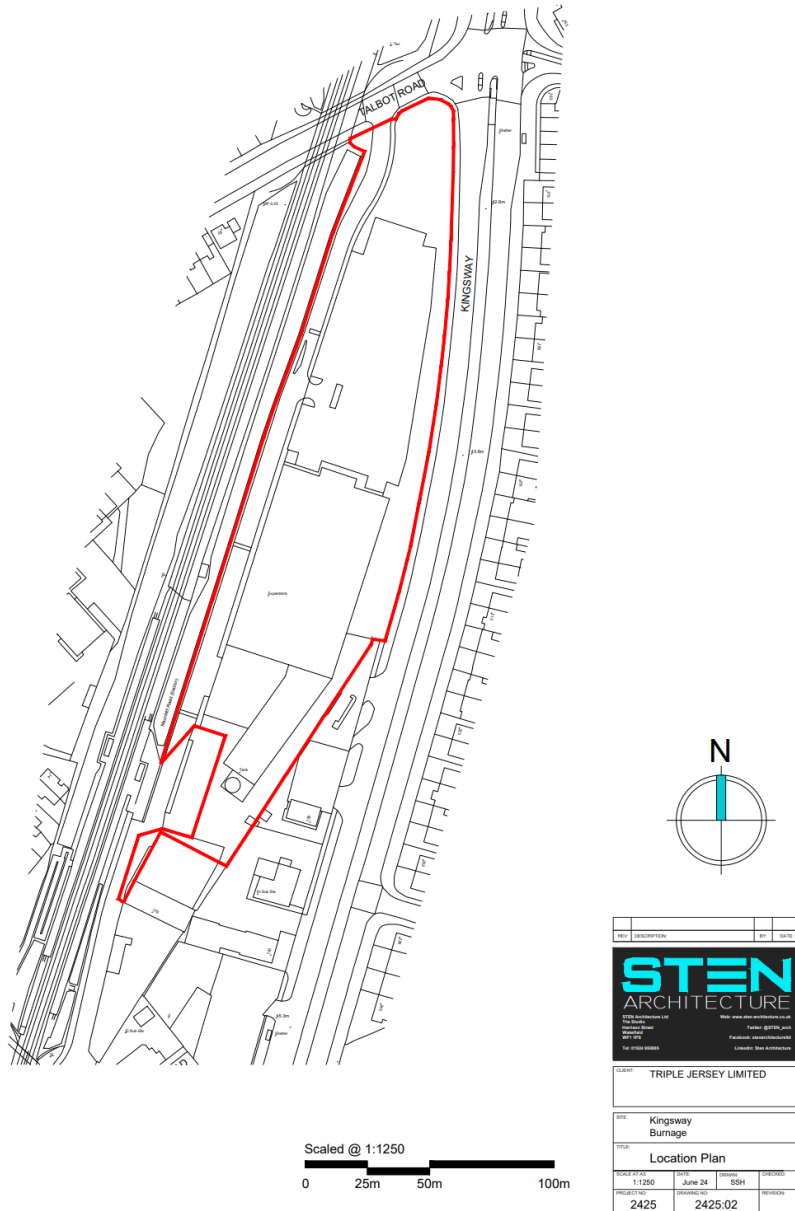
Source: Google Maps (2023)

The Site

- 2.4 The site location plan below was provided by JA Lewis. We measured the area on Digimap which showed a site area of 3.4 acres (1.37 hectares).

- 2.5 The site is orientated north/south. The primary access point is from the A34, north of the site. The site is also accessible from Mauldeth Road (south).
- 2.6 The red-line site plan for identification is shown in Figure 2.2.

Figure 2.2 - Red Line Site Plan



Source: JA Lewis (2024)

Existing Use(s)

- 2.7 The site is currently occupied by a B&M retail warehouse on a lease. B&M took occupation of the building in September 2014 and their lease expired in December 2023. The passing rent on the lease was £379,500 pa.
- 2.8 The existing unit is still occupied by B&M (on a rolling basis). We understand that B&M intend to provide notice to renew their lease. Therefore, to secure vacant possession of the site, the Landowner will need to oppose the tenant's statutory right to a lease renewal under in section 30(1)(f) of the Landlord and Tenant Act 1954 (no fault grounds of opposition – redevelopment purposes).
- 2.9 The floor area (GIA) of the occupied warehouse is 3,458 sqm (37,222 sqft). The front of the site is largely car parking space with associated hardstanding. The rear of the site holds the warehouse storage space, accessible via the Mauldeth Rd entrance. These can be seen in Table 2.1.

Table 2.1 – Existing Site Images



Existing Retail Warehouse – B&M



Existing Car Park – via A34 site entrance



Site Rear – via Mauldeth Rd



Site Rear – storage area

Source: Google Maps (2023)

Proposed Scheme

- 2.10 The proposal is for the demolition of the existing building and delivery of a new-build BTR scheme on-site with the associated landscaping, infrastructure and engineering works. The proposal is currently at the pre-application stage for a 115-unit residential scheme.
- 2.11 The scheme layout plan can be seen below in Figure 2.3.

Figure 2.3 - Site Layout Plan



Source: JA Lewis (2024)

- 2.12 The scheme is made up of:
- 74 single-family 3-story BTR houses;

- 41 BTR apartments from 3-4 stories
- Outdoor communal space/community garden;
- Car parking spaces, cycle storage and refuse collection.

Scheme Mix / Areas

2.13 The proposed unit mix is 83% 2-beds, 7% 3-beds and 10% 4-beds.

2.14 Table 2.2 summarises the scheme mix.

Table 2.2 – Unit Mix

Uses	Floor Area Sqm (per unit)	Beds	No of Units
Type 2 - House	84	2	54
Type 3 - House	105	3	8
Type 4 - House	121	4	12
Type 5 – Apartments (Type 1)	61	2	12
Type 5 – Apartments (Type 1)	63	2	4
Type 5 – Apartments (Type 1)	65	2	2
Type 5 – Apartments (Type 1)	65	2	20
Type 5 – Apartments (Type 1)	65	2	3
Total			115

Source: AspinallVerdi

- 2.15 The total Net Internal Area (NIA) for the site is 9,457 sqm – 6,838 sqm for houses and 2,619 for flats.
- 2.16 The Net-to-Gross ratio for the apartments is 89% and thus the total GIA of the apartments is 2,942 sqm. We have appended the Floor Area Schedule to Appendix 2.

3 Planning Policy Requirements

- 3.1 In this section we set out the planning policy which is relevant in respect of viability.
- 3.2 Paragraph 010 of the PPG describes the principles for carrying out a viability assessment. It stated that, 'viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it.'¹
- 3.3 We note that the principles of carrying out viability assessments, namely proportionately and transparency are to, 'strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure the maximum benefits in the public interest through the granting of planning permission'²
- 3.4 We note that it is not a balance that the landowner's aspirational land value and the developer's profit is protected at the expense of affordable housing. However, land value and profit have to be set in the context of the real estate market.
- 3.5 The PPG describes how the gross development value and costs should be defined for the purposes of a viability assessment (Paragraphs 011 and 012). The PPG also described how benchmark land value (BLV) is defined i.e. existing use value (EVU) + a premium (Paragraph: 016 Reference ID: 10-016-20190509) (see section 6 below).

Affordable Housing Requirement

- 3.6 The Manchester City Council Core Strategy highlights in Policy H6 that the delivery strategy for South Manchester includes the delivery of around 3,240 residential units. It also states that outside the district centres of Chortlon, Didsbury, Fallowfield, Levenshulme, and Withington, '*...priorities will be for housing which meets identified shortfalls, including family housing and provision that meets the needs of elderly people, with schemes adding to the stock of affordable housing*'.
- 3.7 Policy H8 states that 20% affordable housing is required on new housing provisions, residential development sites of 0.3 hectares and above or where 15 or more units are proposed. The policy also states:
- 'It is envisaged that 5% of new housing provision will be social or affordable rented and 15% will be intermediate housing, delivering affordable home ownership options.'*
- 3.8 Also, that there may be:
- 'Either an exemption from providing affordable housing, or a lower proportion of affordable housing, a variation in the proportions of socially rented and intermediate housing, or a lower*

¹ Paragraph: 010 Reference ID: 10-010-20180724, Revision date: 24 07 2018

² Paragraph: 010 Reference ID: 10-010-20180724, Revision date: 24 07 2018

commuted sum, may be permitted where either a financial viability assessment is conducted and demonstrates that it is viable to deliver only a proportion of the affordable housing target of 20%; or where material considerations indicate that intermediate or social rented housing would be inappropriate.'

- 3.9 Within the PPG Build to Rent Guidance Paragraph: 002 Reference ID: 60-002-20180913 its states that:

'20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any Build to Rent scheme. National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents'

- 3.10 MCC have adopted this in their "Manchester Living Rent" policy (MLR)³. The Council does not have a specific Build to Rent policy. We have therefore assumed 20% affordable housing at 20% discount to market rent in our baseline appraisal.
- 3.11 We understand that a full application for a similar 112-unit scheme was submitted to Manchester City Council (MCC) in December 2023 (Planning Reference: 138712/FO/2023). We understand from the MCC Committee Report that the principle of residential development on-site was acceptable. The committee recommendation was to refuse the application on the grounds of design, layout, and no affordable housing, but the application was withdrawn before any decision was made.

S106 Requirements

- 3.12 We understand that at this stage, no non-housing site-specific S106 contributions have been requested by the Council.
- 3.13 However, we note that the Greater Manchester Combined Authority (GMCA) Strategic Viability Report makes an allowance of £5,250 per unit for S106 contributions. We have adopted this generic sum for the purpose of this assessment.
- 3.14 This allowance is subject to change based on any discussions with the Council. Any further contributions/allowance may further impact the scheme's viability.

Community Infrastructure Levy (CIL)

- 3.15 We note that MCC are not charging CIL and may seek contributions through S106 agreements⁴.

³ <https://www.manchester.gov.uk/livingrent>

⁴ [Guide to Development in Manchester - Supplementary Planning Document and Planning Guidance \(SPD\) | The Guide to Development in Manchester | Manchester City Council](#)

4 Build to Rent (BTR) Market Assessment

- 4.1 This section considers evidence to inform the rental values for the Build to Rent accommodation in Manchester (particularly South Manchester). BTR is in effect its own asset class and is a subsidiary of the wider private rented sector which includes private landlords, institutional and large corporate investors. This section refers to evidence from the rented sector in general, where information is specifically related to BTR we explicitly state this.
- 4.2 We have focused our research on the proposed scheme (single-family dwellings) which includes two-, three- and four-bedroom houses and two-bedroom flats. This is to understand the likely rental values which could be achieved in the current market. The outputs of this section will inform the values used in our appraisals.
- 4.3 Our market research takes into consideration the location of the site, its proximity to amenities and transport services.

National Market Context (August 2024)

- 4.4 The Savills Q2 2024 Build to Rent Market Update highlights that demand for BTR schemes/units is high with schemes letting 25% faster than they did pre-pandemic. Savills report this due to the lack of supply. Although BTR stock has increased by 24% nationally compared to Q2 2023, in May 2024 there were -29% fewer listings than compared to the 2018-19 average across the UK. Demand for BTR units has remained strong due to supply shortages and increase in graduates looking for convenience and security similar to that experienced in purpose-built student accommodation (PBSA).
- 4.5 In line with the rising demand for Build to Rent properties, nearly £1.2 billion was invested into BTR deals in Q2 2024. The deals completed will contribute nearly 4,500 Build to Rent homes. The majority of deals were for funding future development (74%), rather than into stabilised assets.
- 4.6 Cushman & Wakefield's Q2 2024 report highlights that the rental market has been popular with investors due to its reliable long-term performance, little volatility in capital values, stable income streams and the sector's underlying structural trends (demographic shifts, housing shortage, affordability and urbanisation).

Local Market Context (August 2024)

- 4.7 In terms of market rental evidence, the Office for National Statistics (ONS) records private monthly rents across the different administrative areas in England.

4.8 The ONS report that the average private rent in the North-West in July 2024 is £851 pcm. The ONS also report that the average rental price in Manchester in June 2024 was £1,228. This is an annual increase of 12.3%. They report the following average rents in July 2024 by unit-type:

- 1-bed private rent - £902 pcm
- 2-bed private rent - £1,117 pcm
- 3-bed private rent - £1,294 pcm
- 4-bed+ private rent - £1,863 pcm

Rental Evidence

- 4.9 For the purpose of this assessment, we have had regard to listings in the Manchester BTR Sector, and to supplement this, we also looked to the Private Rented Sector (PRS), to inform our value assumptions. For houses, we have looked to primarily townhouses and terraced units.
- 4.10 We have referred to websites such as Rightmove and Zoopla for our research on values. We focused mainly on schemes/units in South Manchester, but where there was a lack of data, we looked further towards the City Centre for comparables. The majority of BTR schemes by developers such as MODA, Urban Splash, Kampus etc are closer to/or in the City Centre with high-rise blocks and numerous amenities.
- 4.11 There is visibly a lack of BTR schemes towards South Manchester so we have also had regard to modern apartment buildings with similar design to the subject scheme and strong transport links nearby. These have been considered when adopting our rental values.
- 4.12 In the previous iteration of the FVA (based on the 112-unit scheme from October 2023 – ref 138712/FO/2023), we identified the comparables listed in Table 4.1 for houses and Table 4.2 for flats.

Table 4.1 – Houses Rental Evidence (Manchester)

Address	Unit Type	Asking Rent (£ pcm)	Size (Sqm)	£ / sqm	Distance from site (miles)	Comments	Image
Whimberry Way, Withington, Manchester M20 4SG	4-bed	£1,700	88	£19	0.6	X2 bathrooms, recently renovated, fitted kitchen, garage, 3 storeys. Not a new build but similar in design terms and closest comp to the subject site. Internal finishings dated and subject scheme has no garage. Sits near a station in South Manchester. Smaller than the proposed 4-beds.	
Dundreggan Gardens, Spath Road, Didsbury, Manchester, M20 2EH	3-bed	£2,400	130	£18	2.7	Gated development, high spec unit that is furnished, 3 storeys, modern fittings, private balcony, spacious garden and parking for 2. Sitting in a sub-urban location in South Manchester. Similar designed unit to Type 3 & 4 with high quality specification. Larger than the proposed 3-bed unit but we may anticipate there being a similar £ psm figure.	
Pennington Gardens, Cheadle, SK8 2GP	4-bed	£1,800	168	£11	2.9	3 bathrooms, open plan living, private garden etc. No Garage Access. Close proximity to a train station and similar in appearance to Type 1 proposed units. However, much larger unit than those proposed.	
Chichester Road South, Hulme, Manchester, M15 5QQ	3-bed	£1,600	89	£18	3.5	Dated comparative to new schemes. 3 Storeys, 2 balconies, 3 car parking, 2 en-suite bathrooms, modern integrated kitchen and fully furnished. More comparable in design and size terms with 3 stories and situated closer to South Manchester. Internals and exterior are however dated in appearance.	

Address	Unit Type	Asking Rent (£ pcm)	Size (Sqm)	£ / sqm	Distance from site (miles)	Comments	Image
Dearden Street, Hulme, Manchester, M15 5LZ	3-bed	£1,600	93	£17	3.9	Dated unit relatively. X2 bathrooms, fully furnished, rear garden, secure parking, 3 stories and a balcony. Similar design to 3 storey proposed units however condition is dated	
147 Chorlton Rd, Hulme, Manchester M15 4JG	4-bed	£1,990	122	£16	4.0	X3 bathrooms, 3 stories, fully furnished, rear garden, open plan layout, fitted kitchen, dated furnishings. Dated comp although similar in size. Comp is close to Old Trafford and city centre.	
7 Guest Street, Manchester, M4 7EJ	3-bed	£2,600	139	£19	4.4	BTR scheme with x2 bathrooms, private garden, parking space, high ceilings, large windows, loft living style, 25% bigger than the average new build., canal facing. Unlikely for site to achieve similar asking rents for 3-beds in South Manchester. Much higher floor area.	
Henry Street, Manchester, M4 5BA	2-bed	£1,772	81	£22	4.4	New high-spec scheme with communal facilities including gym, lounge, rooftop terrace etc. X2 bathrooms, Wi-Fi, co-working space, smart home, 24/7 concierge service. Site sits in the Northern Quarter, hence higher relative £psm value. Although marketed as a house, we note it resides on the ground floor of an apartment building therefore would be less comparable.	

Address	Unit Type	Asking Rent (£ pcm)	Size (Sqm)	£ / sqm	Distance from site (miles)	Comments	Image
Roof Gardens, Arundel Street, Castlefield, Manchester, M15 4JZ	3-bed	£1,995	116	£17	4.5	X2 bathrooms, fully furnished, 3 storey, secure parking, open plan layout, modern spec and integrated appliances. City centre location, high quality scheme with rooftop terraces and an internal courtyard with parking. Built around 2019 next to the A57. Similar design and size.	
Botanica, Chester Road, Manchester, M15	2-bed	£1,190	101	£12	4.8	BTR scheme with spacious layout, private balcony, fitted high spec appliances, on-site gym and managed development. scheme may be comparable in terms of design and quality, but not in location or size for 2-beds.	
Novus Development, Dodie Smith Walk, Stretford, Manchester. M32 0HS	3-bed	£1,950	109	£18	5.1	2022 scheme with x2 bathrooms, (inc en-suite), furnished unit with a sun deck terrace, open plan layout, fitted kitchen, and undercroft parking. Although the site is (arguably) in South Manchester, it is in closer proximity to Old Trafford, near the stadium. Location-wise it is weaker than the nearby comps.	
Upper Wharf Street, Manchester, M5 4BY	2-bed	£1,849	106	£17	5.4	X2 Bathrooms, podium garden, equipped gym, managed by Greystar, benefits from scheme communal facilities and 24/7 on-site service. High internal specifications. 2 storey unit. Comp sits between city centre and Salford Quays in a newly developed area with many BTR schemes	

Address	Unit Type	Asking Rent (£ pcm)	Size (Sqm)	£ / sqm	Distance from site (miles)	Comments	Image
Vimto Gardens, Barrow St, Salford M3 5LF	3-bed	£1,900	101	£19	5.5	X2 bathrooms, furnished, private terrace, 3 storeys. Similar design and size ideal for single families. Near other BTR schemes in Salford Quays but distant location.	

Source: Rightmove (2023)

Table 4.2 – Apartments Rental Evidence (Manchester)

Address	Unit Type	Asking Rent (£ pcm)	Size (Sqm)	£ / sqm	Distance from site (m)	Comments	Image
Wilmslow Road, Withington, M20 3BD	2-bed	£1,300	61	£21	1.7	Dated building but comparable in location, design and floor area. Comp may have a smaller asking rent due to its condition than what the subject units may ask for pcm. Ideal for families with modern fittings and private outdoor space. Communal areas and lift available.	
Wilmslow Road, Withington, M20 3BD	2-bed	£1,275	66	£19	1.7	Dated building but comparable in location, design and floor area. Comp may have a smaller asking rent due to its condition than what the subject units may ask for pcm.	

Address	Unit Type	Asking Rent (£) pcm	Size (Sqm)	£ / sqm	Distance from site (m)	Comments	Image
St. Pauls Road, Withington, M20 4PG	2-bed	£1,200	64	£19	2.1	Dated building with modern refurb but comparable in location, design and floor area. 2x baths, open plan layout, appliances included in kitchen, lift access, part furnished and allocated residents parking.	
Sherwood Street, Manchester M14 6NJ	2-bed	£2,600			2.2	More recent comp than the above but not a new build. Comp is multi-use with retail on GF in a commercial location. Units are more 'luxury' marketed but situated in South Manchester. Not ideal for 'single families'. Values may be aspirational for subject scheme considering the above.	
The Depot, 12 Bowes St, Manchester M14 4TF	1-bed	£825	52	£16	2.4	BTR Scheme. Strong comparable in terms of location although smaller floor area. Sitting in a primarily residential area with new-build development surrounding. Comp is part of a new-build development (2020+). This is however 1-bed. 2-bed would hold a higher value.	
Clarence Road, Manchester, Greater Manchester, M13	3-bed	£1,400	76	£18	2.6	BTR Scheme. Comp is 3-bed so not directly comparable however similar floor area and locality to subject scheme. Based on above comps, the proposed unit may have values pcm in a similar range.	
Kampus Apt 516 South Block, 59 Chorlton Street, Manchester, M1 3GD	2-bed	£1,650 - £1,910	62	£27	4.4	Weak comparable as it is visibly a high rise BTR block in the city centre which will no doubt have a higher £sqm value due to the location, spec and amenities. Similar floor area to the proposed flats. We still hold this comp in regard as the subject scheme has arguably a strong location and transport links to the city centre and at outline stage, the	

Address	Unit Type	Asking Rent (£) pcm	Size (Sqm)	£ / sqm	Distance from site (m)	Comments	Image
						spec/amenities are not apparent. There are x12 two-bed listings from this scheme.	
Oxygen, Store Street, Manchester, M1 2WA	2-bed	£1,425 - £1,700	65	£26	4.6	Weak comparable but given regards to as mentioned above. There are x3 units from this scheme.	
Apartment 6.02 Ice Plant, Ancoats, Manchester, M4 6AP	2-bed	£1,600	79	£20	5.2	Similar in stories (design) to subject scheme in a strong location. Floor area is higher than what is proposed and comp sits much closer to the City Centre. X2 units from this scheme on market.	
1st Floor, Angel Gardens, 1 Rochdale Rd, Manchester, M4 4GE	2-bed	£1,650 - £,725	63	£26	5.6	MODA scheme. Weak comparable as it is visibly a high rise BTR block in the city centre. We have regards to it based on its locational attributes, as mentioned above. X5 units from this scheme from £1,650 to £1,725.	
Blossom Street, Manchester, Greater Manchester	2-bed	£1,566	72	£22	5.6	Somewhat similar in stories (design) to subject scheme in a strong location. Floor area is similar however comp sits much closer to the City Centre.	

Address	Unit Type	Asking Rent (£) pcm	Size (Sqm)	£ / sqm	Distance from site (m)	Comments	Image
Block H Townhouses Rolling Street, Salford, M5 4RT	2-Bed	£1,395	66	£21	5.7	Comp sits between Salford Quays and City Centre in a prominently new-built location with many BTR schemes nearby. Although similar floor area, this comp is weaker than what's been presented due to the location and higher blocks. X4 units from this scheme.	
Manchester Waters, 1 Pomona Strand, Old Trafford, Manchester, M16 0YE	2-bed	£1,250	68	£18	6.7	Comp sits near Salford Quays and Old Trafford, close to the City Centre so stronger location. Although similar in floor area and block height. Weak comparable in terms of location but in design/size it is stronger.	

Source: Rightmove (2023)

- 4.13 Based on the data above, we assumed the following values for the proposed 112-unit scheme:
- Houses Value Assumption per unit (October-23) - £17 - £19 psm PA
 - Flats Value Assumption per unit (October-23) - £22 psm PA
- 4.14 We have sense checked these values by identifying recent comparable listings for rented houses and flats on Rightmove and Zoopla. Our search identified 13 houses comparables to those which are proposed. 9 of these were in or near South Manchester and the remaining 5.8 miles away from the site. These were primarily 3-storey townhouses.
- 4.15 We also identified 6 apartment listings, 3 of which were in South Manchester and the remaining within 6.7 miles from the site.
- 4.16 Our recent comparables included 2 new-build private-rented schemes (PRS) near South Manchester, from 1 to 3.5 miles from the site. These are by developers such as Cube Homes and Simple Life Developments.
- 4.17 We have therefore relied on these comparables for our sense check and relied less on the City-Centre BTR schemes by MODA, Urban Splash, UNCLE etc. Our sense check comparables are listed in Appendix 3.
- 4.18 We have also looked at the Office of National Statistics Price Index of Private Rents in the UK (PIPR). PIPR produces rent price and inflation statistics for the UK, tracking prices paid for new and existing tenancies in the private rental sector. This is constructed using administrative rent price data, which means that the index makes use of data that are already collected for other purposes to estimate rental prices. PIPR is updated on a monthly basis and uses January 2023 as the base year for indexing.
- 4.19 The PIPR index reports that private rents in Manchester have increased by 9% from October 2023 to July 2024. Based on our previous assumptions, this inflates the values to:
- Houses Inflated Value Assumption per unit (July 24) - £19 - £21 psm PA
 - Flats Inflated Value Assumption per unit (July-24) - £24 psm PA

Value Assumptions (August 2024)

- 4.20 Based on the recent comparables and PIPR index, we have assumed the rental values shown in Table 4.3. These will be applied in our appraisal.

Table 4.3 – Proposed Scheme Rental Value Assumptions (August 2024)

Unit Type	Sqm per unit	Market Rent £ pcm	Rent £ psm PA
Type 2 - House	84	£1,683	£20
Type 3 - House	105	£1,866	£18
Type 4 - House	121	£2,425	£20
Type 5 - Apartments Type 1	61	£1,347	£22
Type 5 - Apartments Type 2	63	£1,382	£22
Type 5 - Apartments Type 3	65	£1,435	£22
Type 5 - Apartments Type 4	65	£1,437	£22
Type 5 - Apartments Type 5	65	£1,439	£22

Source: AspinallVerdi

- 4.21 This leads to a total gross monthly income of £192,702 pcm and £2,312,428 PA; without affordable rent.
- 4.22 After taking into account affordable rent tenure mix, the gross rents amount to:
- Private Market Rent Total Rent PA - £1,931,512 | 8,014 sqm
 - Affordable Rented Total Rent PA - £304,733 | 1,443 sqm
- 4.23 A total gross rent PA of **£2,236,245** including affordable housing.
- 4.24 This is based on a pro-rata split of PMR and AR across the Type 5 – Apartments 1 to 4. The scheme mix may change as the scheme develops in consultation with MCC.

Leakage Assumption

- 4.25 We understand the scheme is at outline stage and details on the operating model for the scheme are still to be finalised. RICS Professional Standard on Valuing residential property purpose-built for renting 2018 states that:
- ‘Consideration should be given to potential income lost through bad debts or delays in payments, non-recoverable arrears, voids and tenancy turnover.’ This includes any operating expenditure, including utilities, management and letting costs, maintenance etc.’*

- 4.26 The Greater Manchester Combined Authority (GMCA) Strategic Viability Report Stage 1 2020 by Three Dragons allows for 28.25% of operating costs made up of management fees, sinking funds and voids.
- 4.27 Therefore, for the purposes of our appraisal, we have made an allowance of 25% for operating/leakage costs. This is also based on our experience of working on other BTR / PRS schemes where leakage assumptions are between 20-30%. This was also agreed by Capita for the earlier 112-unit scheme.
- 4.28 The total leakage cost applied in our appraisal is £559,061 PA.
- 4.29 The total net income is therefore £1,677,184 PA (including affordable housing).

Yields

- 4.30 For the purposes of our appraisal, we have adopted a yield of 4.25% on the net income; based on yield guides from Knight Frank and LSH. This was also agreed by Capita for the earlier 112-unit scheme.
- 4.31 We note that this is subject to change based on the operating model and more concrete costs for the operating expenditure; and based on market risk, yield expectations of investors etc.
- 4.32 Based on the net income and adopted yield, the total capital value / gross development value (GDV) is £39,463,144 (with affordable housing).

Purchasers Costs

- 4.33 We have made an allowance of 6% for purchasers' costs based on the JLL Stamp Duty Calculator.
- 4.34 This equates to £2,367,789
- 4.35 The total Net Development Value (NDV) considering all the above, is **£37,095,358**.

5 Cost Assumptions

- 5.1 This section sets out the cost assumptions which form the basis of the financial appraisals for the proposed scheme. Details of the viability conclusions are set out in section 9.
- 5.2 The financial development appraisals have been prepared using industry standard software, Argus Developer. This provides a complete assessment of the scheme including costs of finance and income generated during the development period.

Construction Costs

- 5.3 For the proposed scheme, a cost model has been provided by Gardner & Theobald (G&T) in August 2024. The cost plan includes:
- Construction Costs per unit type – including FF&E, ASHPs
 - Site Infrastructure – demolition, clearance, drainage, EV bays, services etc.
 - Abnormal and External works
 - Prelims (11%)
 - Contractors Overheads & Profit (5%)
 - Contingency (2.5%)
- 5.4 They report a construction cost of £25,092,500 (£2,356 psm). This Cost Plan is attached in Appendix 4.
- 5.5 We have adopted this construction cost in our appraisal.

Other Development Costs

- 5.6 We have adopted the following cost assumptions in our appraisals that are not covered in the G&T cost model, as summarised in Table 5.1.

Table 5.1 – Development Costs Summary

Element	Cost (£)	Comment
Site Acquisition Costs	1.75% for agent/legal fees 4.9% stamp duty	Fees based on the GMCA Viability report's allowance. We included a rate based on the Non-Residential Stamp Duty Land Tax England 2016 scheme. This only applies if the land value is a positive figure.
Professional Fees	6%	We have included this as an allowance to cover any professional fees. This was previously agreed by Capita for the earlier 112-unit scheme.
Marketing Costs	£20,000	Included as an initial allowance for BTR launch.

Element	Cost (£)	Comment
Disposal Fees	0.75%	We have included this allowance for investment disposal.
Finance	7%	The bank base rate was reduced from 5.25% to 5% in Q2 2024. We understand that in the upcoming Autumn budget, the BoE may take a stance to remain or decrease the base rate further. We have allowed for 7% as an allowance at this stage.
Tenant Compensation	£720,000	B&M has a protected lease under the Landlord and Tenant Act 1954. It expired in December 2023; however, the existing unit is still occupied by B&M (on a rolling basis). We understand that B&M intend to provide notice to renew their lease. Therefore, to secure vacant possession of the site, the Landowner will need to oppose the tenant's statutory right to a lease renewal under in section 30(1)(f) of the Landlord and Tenant Act 1954 (no fault grounds of opposition – redevelopment purposes). Under these grounds, B&M would be entitled to compensation (section 37, LTA 1954). This is calculated as a multiplier of the rateable value of the property. Where the tenant and any predecessor that carried on the same business have been in occupation for business purposes for 14 years or more, the compensation is calculated as a multiplier of twice the rateable value. Prior to B&M's occupation, the site was occupied by B&Q since 2003. Therefore, the compensation will amount to x2 the rateable value. The current rateable value of the site (from 1 April 2023 to present) is £360,000. At x2 this value, the compensation to B&M would be £720,000. We have included this as a cost in our appraisal.
Profit	20%	We note the 20% on cost allowance is based on our client's required rate of return for delivering the scheme. This equates to a profit on GDV of 15.67%, which is a suitable return according to the PPG Paragraph 18⁵. The level of profit should reflect the risk in bringing the development forward, particularly considering the level of costs and the compensation that will be required for the existing tenant. We understand that the developer has little in-house capacity and therefore is reliant upon services from 3rd parties. We are not aware that the scheme will be forward funded / forward sold. Based on the above, we

⁵ 2 PPG Viability - Paragraph: 018 Reference ID: 10-018-20190509

Element	Cost (£)	Comment
		consider our 15% of GDV and 20% profit on cost appropriate.

- 5.7 We have also not included any S106 contributions. This is because for this scheme (and the previously withdrawn 112-unit scheme), the Council did not provide any specific obligation requests. We understand based on the Client's correspondence with the Council, that the Council may not expect many obligations from the site.

Timing / Phasing Assumptions

- 5.8 We have assumed the following timing assumptions in respect of the construction

- Pre-construction – 3 months
- Construction – 18 months
- Investment Sale – 1 month

6 Land Value

- 6.1 The value of a site is a key consideration within a viability assessment as the 'cost' of the land or Benchmark Land Value (BLV) needs to be taken into account within any financial appraisal. Fundamentally, a landowner will sell an asset which has development potential, when they consider that the development potential of the site is being fairly reflected within the price being paid. Otherwise, the site will essentially remain in its existing use with no incentive for the landowner to bring the site forward for development.
- 6.2 The PPG (Paragraph: 014 Reference ID: 10-014-20190509) states that the BLV should:
- be based upon Existing Use Value;
 - allow for a premium to landowners;
 - reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.
- 6.3 The PPG defines EUV as follows:
- (Paragraph 015) *'[...] EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types'.⁶*
- 6.4 The PPG also defines the premium to the landowner:
- (Paragraph 016) *'The premium (or the 'plus' in EUV+) [...] is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements'.*
- 6.5 And, 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.⁷

Existing Use Value (EUV)

- 6.6 The existing retail warehouse on-site is in reasonable condition and we understand that it is occupied by B&M on a rolling basis, following its lease expiry in December 2023.
- 6.7 The Burnage property is centrally located in a residential area, adjacent to the A34 and Mauldeth Road Station, both with routes into Manchester City Centre. Fallowfield Retail Park sits 0.8 miles

⁶ Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

⁷ Paragraph: 016 Reference ID: 10-016-20190509, Revision date: 09 05 2019

from the unit. The unit also benefits from a park near the station. It is an ideal location for a convenience goods retailer which is surrounded by housing and is easily accessible with significant parking.

- 6.8 The use class of the existing unit is Class E(a) and the site benefits from an unrestricted user clause. As the unit is in a good location with reasonable condition, we consider that it can be reoccupied for a range of E1 class uses. We also understand there is demand for the freestanding retail unit with B&M willing to renew their lease and a number of approaches to the Client from interested occupiers willing to take vacant possession (including Aldi). This demonstrates market interest in the site.
- 6.9 A Red Book Valuation was prepared by Savills (dated August 2024) confirming in their view that the retail warehouse on-site has a market value of £5,605,000. This is on the special assumption that B&M renew their lease on a 10-year term at a market rent (Savill's opinion) of £388,575 per annum (£10 psf). The net equivalent, net initial and net reversionary yields are all 6.50% in the valuation.
- 6.10 Based on the valuation, we have adopted an EUV of **£5.6m**. A copy of the valuation is provided in Appendix 5

Premium

- 6.11 The PPG states that the Benchmark Land Value (BLV) is to be established on the basis of the EUV + premium for the landowner. This is to reflect the minimum return at which a reasonable landowner would be willing to sell their land (Paragraph: 013 Reference ID: 10-013-20190509).
- 6.12 The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements (Paragraph: 016 Reference ID: 10-016-20190509)
- 6.13 We have adopted a modest 5% premium to our EUV to allow for vendors' transaction costs.

Benchmark Land Value (BLV)

- 6.14 Based on our EUV and a 5% premium for vendors' transaction costs, we assess the BLV to be £5,885,250.

7 Appraisal Results

- 7.1 We present below in Table 7.1 our conclusions with respect to the viability of this scheme and the ability to provide affordable housing in accordance with adopted policy. Copies of our financial appraisals can be found at Appendix 6.

Policy Compliant Appraisal

- 7.2 Table 7.1 summarised our results from the policy-compliant residual appraisal.

Table 7.1 – Policy Compliant Residual Appraisal Results

Residual Land Value (policy compliant) [A]	£1,081,995
Residual Land Value £ per acre	£318,234 per acre
Profit	£6,182,560
Profit on Cost	20.0%
Profit on GDV	15.67%
BLV [B]	£5,885,250
Deficit [B] – [A]	-£4,803,255

Source: 240728 B&M Kingsway Residual Appraisal 115-unit scheme_v1

- 7.3 This scheme produces a deficit of around -£4.8m and is therefore unable to deliver the policy-compliant level of affordable units.
- 7.4 We assess alternative scenarios below to assess the scope for delivery of affordable units.

Sensitivity Analysis and Scenario Testing

- 7.5 The RICS Practice Statement requires that all FVAs and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation in respective calculations on viability, having regard to risks and an appropriate return(s). This is to:
- allow both the Applicant and decision maker to consider how changes in inputs to a financial appraisal affect viability, and
 - understand the extent of these results, to arrive at an appropriate conclusion on viability of the application scheme.
- 7.6 This also forms part of an exercise to ‘stand back’ and apply a viability judgment to the outcome of a report.

- 7.7 We have undertaken 3 different scenarios on the above appraisals. The appraisals (including sensitivity tables) can be seen appended.

Scenario 1 - Values and Build Costs change by +/- 5%

- 7.8 We have carried out a sensitivity analysis on the open market values and cost assumptions on the original appraisal.
- 7.9 We have assumed that the values and build costs change by +/- 5%.
- 7.10 The results of the sensitivity analysis are shown in the table below.

Table 7.2 – Values v Construction Costs Sensitivity Table

Rent: Total MRV					
Construction: Gross Cost	-10%	-5%	0%	5%	10%
-10%	902,500	2,212,372	3,522,243	4,832,108	6,141,988
-5%	-328,834	992,247	2,302,119	3,611,990	4,921,857
0%	-1,595,444	-235,921	1,081,995	2,391,867	3,701,738
5%	-2,873,267	-1,501,901	-143,006	1,171,742	2,481,614
10%	-4,157,654	-2,778,209	-1,408,359	-50,090	1,261,490

- 7.11 In the table above, the colour-scaled figures are the land value.
- 7.12 Our sensitivity analysis shows with even a 10% increase in the MRV would result in a RLV of £3.7m. This is lower than the BLV and therefore would still be undeliverable.
- 7.13 To be deliverable and viable, costs would have to decrease by 5-10% and values rise by 10% which is an unlikely scenario in the current market.

Scenario 2 - No Affordable Units (100% Market Scheme)

- 7.14 We have undertaken an exercise to determine if any affordable units are able to be delivered on-site by testing the viability of the scheme under a 100% market scenario with a profit of 20% on cost.
- 7.15 Our appraisal for this scenario resulted in an RLV of £2.59m. Based on the BLV, this results in a deficit of -£3.28m.
- 7.16 The scheme is therefore not able to provide any affordable units.

Scenario 3 – 100% Market Scheme with Reduced Profit Margin

- 7.17 We have also undertaken an exercise to determine with what profit rate is the scheme deliverable. We have tested the scheme under a 100% market scenario with a reduced profit.
- 7.18 We have included land as a fixed cost (of £5.88m) to ascertain the profit rate at which the scheme would be viable. i.e. RLV =BLV.
- 7.19 This appraisal generated a profit amount of £2,639,903. This amounts to:
- 6.47% Profit on GDV
 - 7.39% Profit on Cost
- 7.20 For the scheme to be deliverable, the profit would need to be reduced to 7.39% on cost. This is not a realistic level of profit to bring the scheme forward in the open market.
- 7.21 However, in the specific circumstances, the Client may take a view, considering the potential future rental growth/ long term income stream, to proceed on this basis. This is to their discretion and can be contingent on their required rate of return.
- 7.22 Overall, the sensitivity testing and scenarios show that there is no excessive surplus/profit in the scheme to support any affordable housing contributions.

8 Summary and Conclusions

- 8.1 We conclude, that the subject scheme cannot currently viably support any on-site affordable housing contributions.
- 8.2 Our appraisal including affordable housing results in a RLV of £1.082 million, against a BLV of £4.8 million (as evidenced by the Savills Red Book EUV).
- 8.3 Sensitivity testing on values and build costs suggests that to be deliverable and viable, costs would have to decrease by 5-10% and values rise by 10% which is an unlikely scenario in the current market.
- 8.4 With no affordable housing (100% market rent scheme) and 20% *profit on cost* (15 % *on GDV*), this results in an RLV of £2.59 million. Based on the BLV, this results in a deficit of -£3.28 million.
- 8.5 In order to deliver the BLV with 100% market rent, the profit would have to fall to only 7.39% profit on cost (6.47% profit on GDV). This is not a realistic level of profit to bring the scheme forward in the open market, and the scheme is only deliverable in the current specific circumstances as the discretion of the client. Should you have any questions or queries in respect of any aspect of this report, please do not hesitate to contact AspinallVerdi.
- 8.6 For and on behalf of Aspinall Verdi Ltd:

Yours faithfully,

(checked by)



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Appendix 1 – Floor Area Schedule

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S:_Client Projects\2306 B&M Kingsway Burnage Manchester FVA_Jersey Limited\2307 Accommodation Schedule\240827 B&M Scheme Accommodation Schedule_v8 115 unit scheme
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Appendix 2 – August 2024 Market Comparables

Address	Comments	Developer/agent	Beds	Unit Type	Asking Rent (£/pcn	Size (Sqm)	£ / sqm	Distance from site (m)	Comparison to subject scheme	Image	Date
Marland Way, Stretford, M32 0NQ	X2 Bathrooms, unfurnished, rear garden, designated parking space, modern spec	Trading Places	3-bed	Townhouse	£1,475	96	£15	5.8	Comp sits near Trafford park in established "new" residential area, near a canal and near the Trafford Park station. Similar travel time into City Centre. Ideal for single families.		Aug-24
Roof Gardens, Arundel Street, Castlefield, Manchester, M15 4PT	X2 bathrooms, fully furnished, 3 storey, secure parking, open plan layout, modern spec and integrated appliances.	Bentley Hurst (agent)	3-bed	Townhouse	£2,200	94	£23	4.5	City centre location, high quality scheme with rooftop terraces and an internal courtyard with parking. Built around 2019 next to the A57. Similar design and size although subject scheme has no roof terraces and is in a weaker location.		Aug-24
Snell Street, New Islington, Manchester, M4	x4 bathrooms, fully furnished to high-spec, modern integrations, private roof terrace and rear garden, driveway + EV point.	Thornley Groves (agent)	4-bed	Townhouse	£2,800	133	£21	4.0	City Centre edge location with established residential blocks nearby. Comparable is higher specification and "luxury" relative to the proposed units. Most comparable with Type 4 Houses although subject scheme has no roof terraces and is in a weaker location.		Aug-24
35, Victoria Road Fallowfield MANCHESTER M14 6BW	x3 Storey dwelling in established residential location. Furnish type flexible, modern fittings, rear garden. Nearby schools.	Urban Lettings (agent)	4-bed	Semi-detached	£2,300	75	£31	1.2	Close to site. Sitting in a sub-urban location in South Manchester. Similar designed unit to Type 4 with high quality specification. Smaller than the proposed 4-bed unit which inflates this comp's £psm value. We expect the subject scheme to have a lower £psm figure.		Aug-24
10 The Stable Yard, Withington, M20 3WH	x3 storey dwelling with x2 bathrooms. Part of exclusive single-family development, fully furnished, allocated parking in residential location.	Jordan Fishwick (agent)	4-bed	Townhouse	£2,000	113	£18	1.0	Close to site. Sitting in a sub-urban location in South Manchester. Similar designed unit to Type 3 & 4 with high quality specification. Larger than the proposed 3-bed unit but we may anticipate there being a similar £/psm figure.		Aug-24
2, Arena Drive MANCHESTER M11 3NW	Over 3 stories, x3 bathrooms, modern design with driveway parking, in strong residential location.	Leaders (agent)	4-bed	Townhouse	£2,200	119	£18	4.2	Distant from subject site. Sitting in high-quality residential location on City Centre edge ad near Ethad Stadium. Design of this comp is more unique than the units proposed but the specification and size is comparable to Type 4 house.		Aug-24
Cedar House, Brick Kiln Road, Ardwick, M12 5NL	BTR scheme, near south-east Manchester, near Ardwick station. Scheme has modern fittings, private garden, parking space, 24 hour maintenance and professional management on-site.	Simple Life	3-bed	House	£1,595	73	£22	3.5	Strong comparable scheme on a brownfield site, near station with proposed 2-3 storey single-family BTR houses. In terms of size, this comparable is strongest for the proposed Type 1 Houses.		Aug-24
Cedar House, Brick Kiln Road, Ardwick, M12 5NL	BTR scheme, near south-east Manchester, near Ardwick station. Scheme has modern fittings, private garden, parking space, 24 hour maintenance and professional management on-site.	Simple Life	3-bed	House	£1,595	73	£22	3.5	Strong comparable scheme on a brownfield site, near station with proposed 2-3 storey single-family BTR houses. In terms of size, this comparable is strongest for the proposed Type 1 Houses.		Aug-24
Cedar House, Brick Kiln Road, Ardwick, M12 5NL	BTR scheme, near south-east Manchester, near Ardwick station. Scheme has modern fittings, private garden, parking space, 24 hour maintenance and professional management on-site.	Simple Life	3-bed	House	£1,595	73	£22	3.5	Strong comparable scheme on a brownfield site, near station with proposed 2-3 storey single-family BTR houses. In terms of size, this comparable is strongest for the proposed Type 1 Houses.		Aug-24
Cedar House, Brick Kiln Road, Ardwick, M12 5NL	BTR scheme, near south-east Manchester, near Ardwick station. Scheme has modern fittings, private garden, parking space, 24 hour maintenance and professional management on-site.	Simple Life	3-bed	House	£1,595	73	£22	3.5	Strong comparable scheme on a brownfield site, near station with proposed 2-3 storey single-family BTR houses. In terms of size, this comparable is strongest for the proposed Type 1 Houses.		Aug-24
Acasia House, Brick Kiln Road, Ardwick, M12 5NL	BTR scheme, near south-east Manchester, near Ardwick station. Scheme has modern fittings, private garden, parking space, 24 hour maintenance and professional management on-site.	Simple Life	3-bed	House	£1,595	72	£22	3.5	Strong comparable scheme on a brownfield site, near station with proposed 2-3 storey single-family BTR houses. In terms of size, this comparable is strongest for the proposed Type 1 Houses.		Aug-24
Cedar House, Brick Kiln Road, Ardwick, M12 5NL	BTR scheme, near south-east Manchester, near Ardwick station. Scheme has modern fittings, private garden, parking space, 24 hour maintenance and professional management on-site.	Simple Life	3-bed	House	£1,595	73	£22	3.5	Strong comparable scheme on a brownfield site, near station with proposed 2-3 storey single-family BTR houses. In terms of size, this comparable is strongest for the proposed Type 1 Houses.		Aug-24
Cedar House, Brick Kiln Road, Ardwick, M12 5NL	BTR scheme, near south-east Manchester, near Ardwick station. Scheme has modern fittings, private garden, parking space, 24 hour maintenance and professional management on-site.	Simple Life	3-bed	House	£1,595	73	£22	3.5	Strong comparable scheme on a brownfield site, near station with proposed 2-3 storey single-family BTR houses. In terms of size, this comparable is strongest for the proposed Type 1 Houses.		Aug-24

Address	Description	Developer	Beds	Asking Rent (£) pcm	Size (Sqm)	£ / sqm	Distance from site (m)	Comparison to subject scheme	Image	Date
Apartment 8, Trinity Court, Higher Cambridge Street Manchester, M15 6AR	10-storey complex sitting outside the City Centre ringroad. 8th floor apartment with balcony, fully furnished and including service charges. Near Piccadilly station with gated entrance.		2-bed	£1,250	62	£20	3.6	Comp sits near City Centre in a strong location, ideal for students. Floor area is similar to proposed flats however comparable is weaker in terms of design/specification. Comparable is also dated, being over 15 years old. The proposed units are likely to have higher asking rents.		Aug-24
Manchester Waters, 1 Pomona Strand, Old Trafford, Manchester, M16 0YE	6.7 miles from subject site but also sits outside of City Centre (Old Trafford). BTR Scheme part of a regeneration scheme. Sits on waterfront, is fully furnished, balcony and parking included. On-site gym and overnight security.	X1 Developments	2-bed	£1,450	65	£22	6.7	Comp sits near Salford Quays and Old Trafford, close to the City Centre so stronger location. Although similar in floor area and block height. Weak comparable in terms of location but in design/size it is stronger.		Aug-24
Manchester Waters, 1 Pomona Strand, Old Trafford, Manchester, M16 0YE	6.7 miles from subject site but also sits outside of City Centre (Old Trafford). BTR Scheme part of a regeneration scheme. Sits on waterfront, is fully furnished, balcony and parking included. On-site gym and overnight security.	X1 Developments	2-bed	£1,400	65	£22	6.7	Comp sits near Salford Quays and Old Trafford, close to the City Centre so stronger location. Although similar in floor area and block height. Weak comparable in terms of location but in design/size it is stronger.		Aug-24
CitiPeak3, Wilmslow Road, Didsbury, M20 5AA	5-storey complex with modern fittings, balconies, secured allocated parking with strong transport links including adjacency to East Didsbury station.		2-bed	£1,300	68	£19	1.9	Comp sits near a station and in a mixed area with residential and commercial (retail warehouses) schemes nearby. Therefore it is strong in terms of location and also floor area. We anticipate the subject scheme will have slightly higher asking rents to reflect the mixed-unit scheme and higher specification.		Aug-24
Beech Tree Court, Manchester, Greater Manchester, M19	4-storey new-build (2021) PRS scheme with open plan layouts, integrated kitchen fittings, corner plot location, balconies, lifts, parking etc. Flats include x2 bathrooms including an ensuite.		2-bed	£1,100	57	£19	1.0	Comp is in a strong location with similar proposal in principle (luxury mixed-unit PRS scheme). Unit sizes are slightly smaller than those proposed and design is varied. We expect the subject scheme to have higher asking rents to reflect the higher specification.		Aug-24
CitiPeak, Wilmslow Road, Didsbury, M20 3RA	3-storey complex with modern fittings, balconies, secured allocated parking with strong transport links including adjacency to East Didsbury station.		2-bed	£1,350	61	£22	1.9	Comp sits near a station and in a mixed area with residential and commercial (retail warehouses) schemes nearby. Therefore it is strong in terms of location and also floor area. We anticipate the subject scheme will have slightly higher asking rents to reflect the mixed-unit scheme and higher specification.		Aug-24

Appendix 3 – G&T Cost Plan

KINGSWAY, BURNAGE, MANCHESTER
COST ESTIMATE - REV B
TRIPLE JERSEY LIMITED

August 2024

CONTROL ISSUE SHEET

Revision	Status	Prepared By (name/position/date)	Checked By (name/position/date)	Authorised By (name/position/date)
-	Issue	Lewis Fletcher Assistant Surveyor 09/02/2024	Ben McCartney Partner 09/02/2024	Ben McCartney Partner 09/02/2024
A	Issue	Lewis Fletcher Assistant Surveyor 27/02/2024	Ben McCartney Partner 27/02/2024	Ben McCartney Partner 27/02/2024
B	Issue	Lewis Fletcher Assistant Surveyor 09/08/2024	Ben McCartney Partner 09/08/2024	Ben McCartney Partner 09/08/2024

BASIS, ASSUMPTIONS & EXCLUSIONS

This Cost Estimate has been prepared using the information available on the Manchester Planning Portal, application ref 138712/FO/2023.

The below are a list of key assumptions that have been made to inform the basis of our costs:-

Key Assumptions	
1	Estimated costs have been prepared using current day pricing levels (3Q 2024).
2	Allowances have been included for Main Contractor preliminaries and Main Contractor's overheads and profit across all construction works.
3	Design and construction risk allowances have been included to reflect the status of the design.
4	The procurement strategy for the works is yet to be determined but is assumed to be a competitive lump sum with all works tendered under one main contract.
5	Net internal areas are based on the architects area schedules from their document referenced: 2305:01:PL Planning Layout
6	Areas are intended for the production of the Cost Estimate only and should not be relied upon for any other purpose.
7	The designs comply with current Building Regulations.
8	Fit out allowances included for kitchens, bathrooms, MEP store cupboards and cycle storage.
9	The substructure is assumed to be RC strip foundations with a ground bearing slab.

Key Assumptions	
10	Facades prices as hand laid masonry with areas of feature / projecting elements, with uPVC windows throughout.
11	All house and apartment types are assumed to have load bearing masonry walls with timber joisted upper floors. The apartments at 4 storeys require further investigation to ensure this solution works.
12	Allowances have been made for balconies as per the GAs / elevations.
13	We have assumed that bedroom wardrobes and roller blinds are excluded from the cost plan, to be provided direct by tenants.
14	All staircases are assumed to be timber construction and timber balustrades.
15	Kitchens and bathrooms are assumed to be fully tiled, with carpet finish to all other floors.
16	Please note that there are some discrepancies with the Type 2 layout drawings. G&T have marked up the site plan to detail each plot allowance.

BASIS, ASSUMPTIONS & EXCLUSIONS

The following are a list of inclusions / exclusions that have been used to inform the basis of our costs.

	List of Inclusions / Exclusions	Incl.	Excl.	Client
1	Value Added Tax			X
2	Land acquisition costs and fees			X
3	Client finance, legal or marketing costs			X
4	Professional fees (e.g. design, PCSA, PM, surveys etc)			X
5	Planning and building regulation fees			X
6	Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc..			X
7	Project insurances			X
8	Section 106 / 278 Contributions			X
9	Community Infrastructure Levy Contributions or similar		X	
10	Benefits arising from any potential Capital Allowances or other government incentives / grants		X	

	List of Inclusions / Exclusions	Incl.	Excl.	Client
11	Currency and exchange rate fluctuations		X	
12	Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union		X	
13	Latent Defects Insurance			X
14	Statutory changes		X	
15	Works outside of the site boundary except where specifically stated		X	
16	Public art installations or contributions		X	
17	Phasing of the works		X	
18	Works outside of normal working hours		X	
19	Mockups, prototypes, off site benchmark and the like		X	
20	Fit out of retail spaces, constructed to shell & core only		X	

BASIS, ASSUMPTIONS & EXCLUSIONS

	List of Inclusions / Exclusions	Incl.	Excl.	Client
21	Tenant's costs or contributions		X	
22	Loose fittings, furnishings and equipment and external furniture		X	
23	Fees, works or costs associated with abnormal ground conditions		X	
24	Underpinning of adjoining structures		X	
25	Archaeological investigations and exploratory or resulting works		X	
26	Diversion of unidentified / unknown existing below ground services		X	
27	IT hardware / active hubs		X	
28	Connection to district heating system		X	
29	Audio visual installations and equipment		X	

	List of Inclusions / Exclusions	Incl.	Excl.	Client
30	Spares and maintenance costs		X	
31	Changes to current building regulations		X	
32	Costs relating from force majeure events		X	
33	Changes in costs and / or programme caused by an epidemic or pandemic disease; advice or guidance issued and / or laws or actions taken by the UK Government or other relevant governmental or regulatory bodies (including the NHS) in the UK (or abroad) in relation thereto.		X	
34	Home Warranty fees (NHBC or similar)			X
35	Inflation beyond current day pricing		X	

		Per Block Type				Total									
	Description	Units Total	GIA (ft2)	NIA (ft2)	Quant of Types	Units Total	GIA (ft2)	NIA (ft2)	Quantity	Unit	Rate (£)	Total (£)		£ / Unit	
	HOUSES														
	Block Type 2A	6	5,425	5,425	6	36	32,550	32,550	32,550	ft2	£ 180	£	5,850,000	£ 162,500	
	Block Type 2B	4	3,617	3,617	3	12	10,850	10,850	10,850	ft2	£ 199	£	2,160,000	£ 180,000	
	Block Type 2C	3	2,713	2,713	2	6	5,425	5,425	5,425	ft2	£ 199	£	1,080,000	£ 180,000	
	Block Type 3	2	2,260	2,260	4	8	9,042	9,042	9,042	ft2	£ 183	£	1,650,000	£ 206,250	
	Block Type 4	2	2,648	2,648	6	12	15,888	15,888	15,888	ft2	£ 166	£	2,640,000	£ 220,000	
	TOTAL COST HOUSES					74	73,754	73,754	73,754	ft2	£ 181.41	£	13,380,000	£ 180,811	
	APARTMENTS														
	Block Type 5a					9	9,095	6,394	9,095	ft2	£ 232	£	2,110,000	£ 234,444	
	Block Type 5b					32	31,807	22,733	31,807	ft2	£ 216	£	6,860,000	£ 214,375	
	TOTAL COST APARTMENTS					41	40,903	29,127	40,903	ft2	£ 219.30	£	8,970,000	£ 218,780	
	SITE WORKS														
	Site Works - Externals / Abnormals etc.								14,902	m2	£ 176	£	2,630,000	£ 22,870	
	Uplift for acoustic treatment to Kingsway Road								225	nr	£ 500	£	112,500	£ 978	
	TOTAL SITE WORKS											£	2,742,500	£ 23,848	
	TOTAL					115	114,657	102,881	114,657	ft2	£ 219	£	25,092,500	£ 218,196	

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 2A

Ref.	Item	Quantity	Unit	Rate	Total
1	Site prep.				See Ext Works
2	Substructure				£ 45,900
	Allowance for strip foundations to external walls and party walls	78	m	£ 200.00	£ 15,600
	Allowance for RC ground slab, incl. excavation, remove soil, compact, hardcore, blinding, dpm, insulation, concrete slab, mesh reinforcement to slab, screed to insulation	202	m²	£ 150.00	£ 30,300
3	Masonry				£ 9,000
	Allowance for brick and block masonry walls to DPC; including damp proofing/ waterproofing	60	m	£ 150.00	£ 9,000
4	Upper floors				£ 31,920
	Allowance for timber floor joists; including timber noggins and insulation laid between joists	336	m²	£ 95.00	£ 31,920
5	Roof				£ 62,938
	<u>Roof Structure</u> Allowance for timber roof trusses; including structural bracing; noggings etc;	202	m²	£ 80.00	£ 16,160
	<u>Roof Coverings</u> Allowance for felt, battens, tiles and accessories;	323	m²	£ 120.00	£ 38,784
	<u>Insulation</u> Allowance for loft ceiling void filled with 450mm rockwool insulation or other equal and approved insulation material	202	m²	£ 22.00	£ 4,444
	<u>Roof Drainage</u> Allowance for internal gutters	22	m	£ 50.00	£ 1,100
	Allowance for roof drainage; Guttering and Downpipes	98	m	£ 25.00	£ 2,450
6	Timber stairs incl. balustrades				£ 24,000
	Allowance for Timber Stairs; inc Balustrades	12	nr	£ 2,000.00	£ 24,000
7	External Walls				£ 115,400
	Allowance for external wall masonry; including cills / lintels	442	m²	£ 225.00	£ 99,450
	E/o allowance for areas of feature / expressed masonry	74	m²	£ 175.00	£ 12,950
	Allowance for entrance canopy over entrance door	6	nr	£ 500.00	£ 3,000
8	Windows and External Doors				£ 103,000
	Allowance for external doors; single	6	nr	£ 1,500.00	£ 9,000
	Allowance for French doors; double; bin store		nr	£ 4,500.00	£ -
	Allowance uPVC windows	62	m²	£ 500.00	£ 31,000
	Allowance for Juliet balcony doors and balustrade	18	nr	£ 3,500.00	£ 63,000

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 2A

Ref.	Item	Quantity	Unit	Rate	Total
9	Internal Walls and Partitions				£ 69,510
	Allowance for internal timber stud partitions; including insulation and associated fittings required	82	m	£ 180.00	£ 14,760
	Allowance for concrete block walls	387	m	£ 130.00	£ 50,310
	MDF window boards	42	m	£ 20.00	£ 840
	Allowance for pointing joints between windows; external doors and masonry approved silicone	6	item	£ 600.00	£ 3,600
10	Internal doors				£ 10,500
	Allowance for Internal Doors inc heads, jambs and architraves with all required fittings	30	nr	£ 350.00	£ 10,500
11	Wall finishes				£ 69,648
	Allowance for Plaster and Paint Finish inc all finish to timber and block wall features	1,653	m²	£ 32.50	£ 53,723
	Allowance for tiling to bathroom and kitchens	245	m²	£ 65.00	£ 15,925
12	Floor finishes				£ 20,190
	Allowance for carpet floor finish	419	m²	£ 35.00	£ 14,665
	Allowance for tiling to bathrooms and kitchens	85	m²	£ 65.00	£ 5,525
13	Ceiling finishes				£ 17,880
	Allowance for plasterboard and skim to ceilings	504	m²	£ 32.50	£ 16,380
	Loft Hatch	6	nr	£ 250.00	£ 1,500
14	FF&E				£ 76,500
	Supply and fit of kitchens generally	6	nr	£ 10,000.00	£ 60,000
	Bedroom wardrobes	12	item	£ 850.00	£ 10,200
	Roller blinds	42	item	£ 150.00	£ 6,300
15	Mechanical and Electrical Services				£ 159,300
	Allowance for Mechanical and Electrical Services inc Builder's work in Connection (based on GIA)	504	m²	£ 200.00	£ 100,800
	E/o uplift for ASHP (1/2 Bed unit)	6	nr	£ 4,500.00	£ 27,000
	Allowance for Bathroom sanitary ware; to family bathrooms	6	nr	£ 3,000.00	£ 18,000
	Allowance for Bathroom sanitary ware; to WCs	6	nr	£ 2,250.00	£ 13,500
16	External drainage; allowance				See Site Works
17	Landscaping				See Site Works
18	Allowance for incoming stats				See Site Works
19	Sub-Total				£ 815,686
20	Prelims	11.0%			£ 89,725
21	OH&P	5.0%			£ 45,271
22	Risk	2.5%			£ 23,767
23	Total				£ 974,448
				£/sqft	£ 180

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 2B

Ref.	Item	Quantity	Unit	Rate	Total
1	Site prep.				See Ext Works
2	Substructure				£ 32,620
	Allowance for strip foundations to external walls and party walls	61	m	£ 200.00	£ 12,220
	Allowance for RC ground slab, incl. excavation, remove soil, compact, hardcore, blinding, dpm, insulation, concrete slab, mesh reinforcement to slab, screed to insulation	136	m²	£ 150.00	£ 20,400
3	Masonry				£ 7,050
	Allowance for brick and block masonry walls to DPC; including damp proofing/ waterproofing	47	m	£ 150.00	£ 7,050
4	Upper floors				£ 21,280
	Allowance for timber floor joists; including timber noggins and insulation laid between joists	224	m²	£ 95.00	£ 21,280
5	Roof				£ 42,209
	<u>Roof Structure</u> Allowance for timber roof trusses; including structural bracing; noggings etc;	136	m²	£ 80.00	£ 10,880
	<u>Roof Coverings</u> Allowance for felt, battens, tiles and accessories;	218	m²	£ 120.00	£ 26,112
	<u>Insulation</u> Allowance for loft ceiling void filled with 450mm rockwool insulation or other equal and approved insulation material	136	m²	£ 22.00	£ 2,992
	<u>Roof Drainage</u> Allowance for internal gutters	11	m	£ 50.00	£ 550
	Allowance for roof drainage; Guttering and Downpipes	67	m	£ 25.00	£ 1,675
6	Timber stairs incl. balustrades				£ 16,000
	Allowance for Timber Stairs; inc Balustrades	8	nr	£ 2,000.00	£ 16,000
7	External Walls				£ 130,225
	Allowance for external wall masonry; including cills / lintels	349	m²	£ 225.00	£ 78,525
	E/o allowance for areas of feature / expressed masonry	44	m²	£ 175.00	£ 7,700
	Allowance for entrance canopy over entrance door	4	nr	£ 500.00	£ 2,000
	Allowance for juliet balconies	12	nr	£ 3,500.00	£ 42,000
8	Windows and External Doors				£ 68,500
	Allowance for external doors; single	4	nr	£ 1,500.00	£ 6,000
	Allowance for French doors; double; bin store		nr	£ 4,500.00	£ -
	Allowance uPVC windows	41	m²	£ 500.00	£ 20,500
	Allowance for Juliet balcony doors and balustrade	12	nr	£ 3,500.00	£ 42,000

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 2B

Ref.	Item	Quantity	Unit	Rate	Total
9	Internal Walls and Partitions				£ 45,740
	Allowance for internal timber stud partitions; including insulation and associated fittings required	56	m	£ 180.00	£ 10,080
	Allowance for concrete block walls	252	m	£ 130.00	£ 32,760
	MDF window boards	25	m	£ 20.00	£ 500
	Allowance for pointing joints between windows; external doors and masonry approved silicone	4	item	£ 600.00	£ 2,400
10	Internal doors				£ 7,000
	Allowance for Internal Doors inc heads, jambs and architraves with all required fittings	20	nr	£ 350.00	£ 7,000
11	Wall finishes				£ 51,090
	Allowance for Plaster and Paint Finish inc all finish to timber and block wall features	1,092	m²	£ 32.50	£ 35,490
	Allowance for tiling to bathroom and kitchens	240	m²	£ 65.00	£ 15,600
12	Floor finishes				£ 13,200
	Allowance for carpet floor finish	288	m²	£ 35.00	£ 10,080
	Allowance for tiling to bathrooms and kitchens	48	m²	£ 65.00	£ 3,120
13	Ceiling finishes				£ 11,920
	Allowance for plasterboard and skim to ceilings	336	m²	£ 32.50	£ 10,920
	Loft Hatch	4	nr	£ 250.00	£ 1,000
14	FF&E				£ 50,550
	Supply and fit of kitchens generally	4	nr	£ 10,000.00	£ 40,000
	Bedroom wardrobes	8	item	£ 850.00	£ 6,800
	Roller blinds	25	item	£ 150.00	£ 3,750
15	Mechanical and Electrical Services				£ 106,200
	Allowance for Mechanical and Electrical Services inc Builder's work in Connection (based on GIA)	336	m²	£ 200.00	£ 67,200
	E/o uplift for ASHP (1/2 Bed unit)	4	nr	£ 4,500.00	£ 18,000
	Allowance for Bathroom sanitary ware; to family bathrooms	4	nr	£ 3,000.00	£ 12,000
	Allowance for Bathroom sanitary ware; to WCs	4	nr	£ 2,250.00	£ 9,000
16	External drainage; allowance				See Site Works
17	Landscaping				See Site Works
18	Allowance for incoming stats				See Site Works
19	Sub-Total				£ 603,584
20	Prelims	11.0%			£ 66,394
21	OH&P	5.0%			£ 33,499
22	Risk	2.5%			£ 17,587
23	Total				£ 721,064
				£/sqft	£ 199

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 2C

Ref.	Item	Quantity	Unit	Rate	Total
1	Site prep.				See Ext Works
2	Substructure				£ 28,230
	Allowance for strip foundations to external walls and party walls	62	m	£ 200.00	£ 12,480
	Allowance for RC ground slab, incl. excavation, remove soil, compact, hardcore, blinding, dpm, insulation, concrete slab, mesh reinforcement to slab, screed to insulation	105	m²	£ 150.00	£ 15,750
3	Masonry				£ 7,200
	Allowance for brick and block masonry walls to DPC; including damp proofing/ waterproofing	48	m	£ 150.00	£ 7,200
4	Upper floors				£ 15,960
	Allowance for timber floor joists; including timber noggins and insulation laid between joists	168	m²	£ 95.00	£ 15,960
5	Roof				£ 32,970
	<u>Roof Structure</u> Allowance for timber roof trusses; including structural bracing; noggings etc;	105	m²	£ 80.00	£ 8,400
	<u>Roof Coverings</u> Allowance for felt, battens, tiles and accessories;	168	m²	£ 120.00	£ 20,160
	<u>Insulation</u> Allowance for loft ceiling void filled with 450mm rockwool insulation or other equal and approved insulation material	105	m²	£ 22.00	£ 2,310
	<u>Roof Drainage</u> Allowance for internal gutters	11	m	£ 50.00	£ 550
	Allowance for roof drainage; Guttering and Downpipes	62	m	£ 25.00	£ 1,550
6	Timber stairs incl. balustrades				£ 12,000
	Allowance for Timber Stairs; inc Balustrades	6	nr	£ 2,000.00	£ 12,000
7	External Walls				£ 96,275
	Allowance for external wall masonry; including cills / lintels	380	m²	£ 225.00	£ 85,500
	E/o allowance for areas of feature / expressed masonry	53	m²	£ 175.00	£ 9,275
	Allowance for entrance canopy over entrance door	3	nr	£ 500.00	£ 1,500
8	Windows and External Doors				£ 45,500
	Allowance for external doors; single	3	nr	£ 1,500.00	£ 4,500
	Allowance for French doors; double	0	nr	£ 4,500.00	£ -
	Allowance uPVC windows	19	m²	£ 500.00	£ 9,500
	Allowance for Juliet balcony doors and balustrade	9	nr	£ 3,500.00	£ 31,500

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 2C

Ref.	Item	Quantity	Unit	Rate	Total
9	Internal Walls and Partitions				£ 34,230
	Allowance for internal timber stud partitions; including insulation and associated fittings required	42	m	£ 180.00	£ 7,560
	Allowance for concrete block walls	189	m	£ 130.00	£ 24,570
	MDF window boards	15	m	£ 20.00	£ 300
	Allowance for pointing joints between windows; external doors and masonry approved silicone	3	item	£ 600.00	£ 1,800
10	Internal doors				£ 5,250
	Allowance for Internal Doors inc heads, jambs and architraves with all required fittings	15	nr	£ 350.00	£ 5,250
11	Wall finishes				£ 38,318
	Allowance for Plaster and Paint Finish inc all finish to timber and block wall features	819	m²	£ 32.50	£ 26,618
	Allowance for tiling to bathroom and kitchens	180	m²	£ 65.00	£ 11,700
12	Floor finishes				£ 9,900
	Allowance for carpet floor finish	216	m²	£ 35.00	£ 7,560
	Allowance for tiling to bathrooms and kitchens	36	m²	£ 65.00	£ 2,340
13	Ceiling finishes				£ 8,940
	Allowance for plasterboard and skim to ceilings	252	m²	£ 32.50	£ 8,190
	Loft Hatch	3	nr	£ 250.00	£ 750
14	FF&E				£ 37,350
	Supply and fit of kitchens generally	3	nr	£ 10,000.00	£ 30,000
	Bedroom wardrobes	6	item	£ 850.00	£ 5,100
	Roller blinds	15	item	£ 150.00	£ 2,250
15	Mechanical and Electrical Services				£ 79,650
	Allowance for Mechanical and Electrical Services inc Builder's work in Connection (based on GIA)	252	m²	£ 200.00	£ 50,400
	E/o uplift for ASHP (1/2 Bed unit)	3	nr	£ 4,500.00	£ 13,500
	Allowance for Bathroom sanitary ware; to family bathrooms	3	nr	£ 3,000.00	£ 9,000
	Allowance for Bathroom sanitary ware; to WCs	3	nr	£ 2,250.00	£ 6,750
16	External drainage; allowance				See Site Works
17	Landscaping				See Site Works
18	Allowance for incoming stats				See Site Works
19	Sub-Total				£ 451,773
20	Prelims	11.0%			£ 49,695
21	OH&P	5.0%			£ 25,073
22	Risk	2.5%			£ 13,164
23	Total				£ 539,704
				£/sqft	£ 199

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 3

Ref.	Item	Quantity	Unit	Rate	Total
1	Site prep.				See Ext Works
2	Substructure				£ 22,670
	Allowance for strip foundations to external walls and party walls	48	m	£ 200.00	£ 9,620
	Allowance for RC ground slab, incl. excavation, remove soil, compact, hardcore, blinding, dpm, insulation, concrete slab, mesh reinforcement to slab, screed to insulation	87	m²	£ 150.00	£ 13,050
3	Masonry				£ 5,550
	Allowance for brick and block masonry walls to DPC; including damp proofing/ waterproofing	37	m	£ 150.00	£ 5,550
4	Upper floors				£ 13,300
	Allowance for timber floor joists; including timber noggins and insulation laid between joists	140	m²	£ 95.00	£ 13,300
5	Roof				£ 27,128
	<u>Roof Structure</u> Allowance for timber roof trusses; including structural bracing; noggings etc;	87	m²	£ 80.00	£ 6,960
	<u>Roof Coverings</u> Allowance for felt, battens, tiles and accessories;	139	m²	£ 120.00	£ 16,704
	<u>Insulation</u> Allowance for loft ceiling void filled with 450mm rockwool insulation or other equal and approved insulation material	87	m²	£ 22.00	£ 1,914
	<u>Roof Drainage</u> Allowance for internal gutters	9	m	£ 50.00	£ 450
	Allowance for roof drainage; Guttering and Downpipes	44	m	£ 25.00	£ 1,100
6	Timber stairs incl. balustrades				£ 8,000
	Allowance for Timber Stairs; inc Balustrades	4	nr	£ 2,000.00	£ 8,000
7	External Walls				£ 50,675
	Allowance for external wall masonry; including cills / lintels	207	m²	£ 225.00	£ 46,575
	E/o allowance for areas of feature / expressed masonry	12	m²	£ 175.00	£ 2,100
	Allowance for entrance canopy over entrance door	1	nr	£ 2,000.00	£ 2,000
8	Windows and External Doors				£ 47,000
	Allowance for external doors; single	2	nr	£ 1,500.00	£ 3,000
	Allowance for French doors; double	2	nr	£ 4,500.00	£ 9,000
	Allowance uPVC windows	42	m²	£ 500.00	£ 21,000
	Allowance for Juliet balcony doors and balustrade	4	nr	£ 3,500.00	£ 14,000

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 3

Ref.	Item	Quantity	Unit	Rate	Total
9	Internal Walls and Partitions				£ 22,780
	Allowance for internal timber stud partitions; including insulation and associated fittings required	74	m	£ 180.00	£ 13,320
	Allowance for concrete block walls	60	m	£ 130.00	£ 7,800
	MDF window boards	23	m	£ 20.00	£ 460
	Allowance for pointing joints between windows; external doors and masonry approved silicone	2	item	£ 600.00	£ 1,200
10	Internal doors				£ 8,400
	Allowance for Internal Doors inc heads, jambs and architraves with all required fittings	24	nr	£ 350.00	£ 8,400
11	Wall finishes				£ 23,920
	Allowance for Plaster and Paint Finish inc all finish to timber and block wall features	624	m²	£ 32.50	£ 20,280
	Allowance for tiling to bathroom and kitchens	56	m²	£ 65.00	£ 3,640
12	Floor finishes				£ 8,070
	Allowance for carpet floor finish	186	m²	£ 35.00	£ 6,510
	Allowance for tiling to bathrooms and kitchens	24	m²	£ 65.00	£ 1,560
13	Ceiling finishes				£ 7,325
	Allowance for plasterboard and skim to ceilings	210	m²	£ 32.50	£ 6,825
	Loft Hatch	2	nr	£ 250.00	£ 500
14	FF&E				£ 30,250
	Supply and fit of kitchens generally	2	nr	£ 10,000.00	£ 20,000
	Bedroom wardrobes	8	item	£ 850.00	£ 6,800
	Roller blinds	23	item	£ 150.00	£ 3,450
15	Mechanical and Electrical Services				£ 71,000
	Allowance for Mechanical and Electrical Services inc Builder's work in Connection (based on GIA)	210	m²	£ 200.00	£ 42,000
	E/o uplift for ASHP (3/4 Bed unit)	2	nr	£ 7,000.00	£ 14,000
	Allowance for Bathroom sanitary ware; to family bathrooms	2	nr	£ 3,000.00	£ 6,000
	Allowance for Bathroom sanitary ware; to WCs	4	nr	£ 2,250.00	£ 9,000
16	External drainage; allowance				See Site Works
17	Landscaping				See Site Works
18	Allowance for incoming stats				See Site Works
19	Sub-Total				£ 346,068
20	Prelims	11.0%			£ 38,067
21	OH&P	5.0%			£ 19,207
22	Risk	2.5%			£ 10,084
23	Total				£ 413,426
				£/sqft	£ 183

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 4

Ref.	Item	Quantity	Unit	Rate	Total
1	Site prep.				See Ext Works
2	Substructure				£ 25,250
	Allowance for strip foundations to external walls and party walls	52	m	£ 200.00	£ 10,400
	Allowance for RC ground slab, incl. excavation, remove soil, compact, hardcore, blinding, dpm, insulation, concrete slab, mesh reinforcement to slab, screed to insulation	99	m²	£ 150.00	£ 14,850
3	Masonry				£ 6,000
	Allowance for brick and block masonry walls to DPC; including damp proofing/ waterproofing	40	m	£ 150.00	£ 6,000
4	Upper floors				£ 15,580
	Allowance for timber floor joists; including timber noggins and insulation laid between joists	164	m²	£ 95.00	£ 15,580
5	Roof				£ 30,956
	<u>Roof Structure</u> Allowance for timber roof trusses; including structural bracing; noggings etc;	99	m²	£ 80.00	£ 7,920
	<u>Roof Coverings</u> Allowance for felt, battens, tiles and accessories;	158	m²	£ 120.00	£ 19,008
	<u>Insulation</u> Allowance for loft ceiling void filled with 450mm rockwool insulation or other equal and approved insulation material	99	m²	£ 22.00	£ 2,178
	<u>Roof Drainage</u> Allowance for internal gutters	11	m	£ 50.00	£ 550
	Allowance for roof drainage; Guttering and Downpipes	52	m	£ 25.00	£ 1,300
6	Timber stairs incl. balustrades				£ 8,000
	Allowance for Timber Stairs; inc Balustrades	4	nr	£ 2,000.00	£ 8,000
7	External Walls				£ 61,925
	Allowance for external wall masonry; including cills / lintels	257	m²	£ 225.00	£ 57,825
	E/o allowance for areas of feature / expressed masonry	12	m²	£ 175.00	£ 2,100
	Allowance for entrance canopy over entrance door	2	nr	£ 1,000.00	£ 2,000
8	Windows and External Doors				£ 47,000
	Allowance for external doors; single	2	nr	£ 1,500.00	£ 3,000
	Allowance for French doors; double	2	nr	£ 4,500.00	£ 9,000
	Allowance uPVC windows	42	m²	£ 500.00	£ 21,000
	Allowance for Juliet balcony doors and balustrade	4	nr	£ 3,500.00	£ 14,000

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 4

Ref.	Item	Quantity	Unit	Rate	Total
9	Internal Walls and Partitions				£ 19,540
	Allowance for internal timber stud partitions; including insulation and associated fittings required	56	m	£ 180.00	£ 10,080
	Allowance for concrete block walls	60	m	£ 130.00	£ 7,800
	MDF window boards	23	m	£ 20.00	£ 460
	Allowance for pointing joints between windows; external doors and masonry approved silicone	2	item	£ 600.00	£ 1,200
10	Internal doors				£ 7,700
	Allowance for Internal Doors inc heads, jambs and architraves with all required fittings	22	nr	£ 350.00	£ 7,700
11	Wall finishes				£ 20,410
	Allowance for Plaster and Paint Finish inc all finish to timber and block wall features	516	m²	£ 32.50	£ 16,770
	Allowance for tiling to bathroom and kitchens	56	m²	£ 65.00	£ 3,640
12	Floor finishes				£ 9,330
	Allowance for carpet floor finish	222	m²	£ 35.00	£ 7,770
	Allowance for tiling to bathrooms and kitchens	24	m²	£ 65.00	£ 1,560
13	Ceiling finishes				£ 8,495
	Allowance for plasterboard and skim to ceilings	246	m²	£ 32.50	£ 7,995
	Loft Hatch	2	nr	£ 250.00	£ 500
14	FF&E				£ 30,250
	Supply and fit of kitchens generally	2	nr	£ 10,000.00	£ 20,000
	Bedroom wardrobes	8	item	£ 850.00	£ 6,800
	Roller blinds	23	item	£ 150.00	£ 3,450
15	Mechanical and Electrical Services				£ 78,200
	Allowance for Mechanical and Electrical Services inc Builder's work in Connection (based on GIA)	246	m²	£ 200.00	£ 49,200
	E/o uplift for ASHP (3/4 Bed unit)	2	nr	£ 7,000.00	£ 14,000
	Allowance for Bathroom sanitary ware; to family bathrooms	2	nr	£ 3,000.00	£ 6,000
	Allowance for Bathroom sanitary ware; to WCs	4	nr	£ 2,250.00	£ 9,000
16	External drainage; allowance				See Site Works
17	Landscaping				See Site Works
18	Allowance for incoming stats				See Site Works
19	Sub-Total				£ 368,636
20	Prelims	11.0%			£ 40,550
21	OH&P	5.0%			£ 20,459
22	Risk	2.5%			£ 10,741
23	Total				£ 440,386
				£/sqft	£ 166

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 5A

Ref.	Item	Quantity	Unit	Rate	Total
1	Site prep.				See Ext Works
2	Substructure				£ 45,780
	Allowance for strip foundations to external walls and party walls	82	m	£ 200.00	£ 16,380
	Allowance for RC ground slab, incl. excavation, remove soil, compact, hardcore, blinding, dpm, insulation, concrete slab, mesh reinforcement to slab, screed to insulation	196	m²	£ 150.00	£ 29,400
3	Masonry				£ 9,450
	Allowance for brick and block masonry walls to DPC; including damp proofing/ waterproofing	63	m	£ 150.00	£ 9,450
4	Upper floors				£ 270,400
	Allowance for lightweight steel frame structure	676	m²	£ 400.00	£ 270,400
5	Roof				£ 99,967
	<u>Roof Structure</u> Allowance for lightweight steel frame structure	196	m²	£ 400.00	£ 78,400
	<u>Roof Coverings</u> Allowance for EPDM flat roof covering	196	m²	£ 80.00	£ 15,680
	<u>Insulation</u> Allowance for loft Ceiling void filled with 450mm rockwool insulation or other equal and approved insulation material	196	m²	£ 22.00	£ 4,312
	<u>Roof Drainage</u> Allowance for roof drainage; Guttering and Downpipes	63	m	£ 25.00	£ 1,575
6	Timber stairs incl. balustrades				£ 20,000
	Allowance for Timber Stairs; inc Balustrades; communal	4	nr	£ 5,000.00	£ 20,000
7	External Walls				£ 357,575
	Allowance for external wall masonry; including cills / lintels	753	m²	£ 275.00	£ 207,075
	E/o allowance for areas of feature / expressed masonry	295	m²	£ 200.00	£ 59,000
	Allowance for bespoke entrance canopy over entrance door	1	nr	£ 25,000.00	£ 25,000
	Allowance for Juliet balcony doors and balustrade	19	nr	£ 3,500.00	£ 66,500
8	Windows and External Doors				£ 127,000
	Allowance for sliding entrance doors;	2	nr	£ 5,000.00	£ 10,000
	Allowance for external louver doors; single	4	nr	£ 2,000.00	£ 8,000
	Allowance for double louver doors; double	1	nr	£ 4,500.00	£ 4,500
	Allowance uPVC windows	209	m²	£ 500.00	£ 104,500

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 5A

Ref.	Item	Quantity	Unit	Rate	Total
9	Internal Walls and Partitions				£ 107,990
	Allowance for internal timber stud partitions; including insulation and associated fittings required	243	m	£ 180.00	£ 43,740
	Allowance for internal timber stud partitions; including insulation and associated fittings required; AMENITY	21	m	£ 180.00	£ 3,780
	Allowance for plasterboard lining to LSF walls	189	m	£ 90.00	£ 17,010
	Internal dividing blockwork walls	408	m	£ 90.00	£ 36,720
	MDF window boards	67	m	£ 20.00	£ 1,340
	Allowance for pointing joints between windows; external doors and masonry approved silicone	9	item	£ 600.00	£ 5,400
10	Internal doors				£ 38,500
	Allowance for apartment entrance doors	9	nr	£ 700.00	£ 6,300
	Allowance for Internal Doors inc heads, jambs and architraves with all required fittings	81	nr	£ 350.00	£ 28,350
	Allowance for communal doors	7	nr	£ 550.00	£ 3,850
11	Wall finishes				£ 114,868
	Allowance for Plaster and Paint Finish inc all finish to timber and block wall features	2,728	m²	£ 32.50	£ 88,660
	Allowance for tiling to bathroom and kitchens	403	m²	£ 65.00	£ 26,208
12	Floor finishes				£ 34,570
	Apartments; allowance for carpet floor finish	432	m²	£ 35.00	£ 15,120
	Apartments; allowance for tiling to bathrooms and kitchens	162	m²	£ 65.00	£ 10,530
	Communal; allowance for hard wearing carpet to circulation	190	m²	£ 40.00	£ 7,600
	Communal; allowance for sheet vinyl to cycle / bin store	61	m²	£ 20.00	£ 1,220
	Allowance for flooring fit out to lift	3	m²	£ 40.00	£ 100
13	Ceiling finishes				£ 27,463
	Allowance for plasterboard and skim to ceilings	845	m²	£ 32.50	£ 27,463
14	FF&E				£ 115,350
	Supply and fit of kitchens generally	9	nr	£ 10,000.00	£ 90,000
	Bedroom wardrobes	18	nr	£ 850.00	£ 15,300
	Roller blinds	67	nr	£ 150.00	£ 10,050
15	Mechanical and Electrical Services				£ 366,875
	Allowance for Mechanical and Electrical Services inc Builder's work in Connection (based on GIA)	845	m²	£ 275.00	£ 232,375
	E/o uplift for ASHP (1/2 Bed unit)	9	nr	£ 4,500.00	£ 40,500
	Allowance for Bathroom sanitary ware; to family bathrooms	18	nr	£ 3,000.00	£ 54,000
	Allowance for Bathroom sanitary ware; to WCs	0	nr	£ 2,250.00	£ -
	Allowance for lift facilitating 4 levels	1	nr	£ 40,000.00	£ 40,000
16	External drainage; allowance				See Site Works
17	Landscaping				See Site Works
18	Allowance for incoming stats				See Site Works

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 5A

Ref.	Item	Quantity	Unit	Rate	Total
19	Sub-Total				£ 1,735,788
20	Prelims	13.0%			£ 225,652
21	OH&P	5.0%			£ 98,072
22	Risk	2.5%			£ 51,488
23	Total				£ 2,111,000
				£/sqft	£ 232

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 5B

Ref.	Item	Quantity	Unit	Rate	Total
1	Site prep.				See Ext Works
2	Substructure				£ 140,560
	Allowance for strip foundations to external walls and party walls	209	m	£ 200.00	£ 41,860
	Allowance for RC ground slab, incl. excavation, remove soil, compact, hardcore, blinding, dpm, insulation, concrete slab, mesh reinforcement to slab, screed to insulation	658	m²	£ 150.00	£ 98,700
3	Masonry				£ 24,150
	Allowance for brick and block masonry walls to DPC; including damp proofing/ waterproofing	161	m	£ 150.00	£ 24,150
4	Upper floors				£ 945,600
	Allowance for lightweight steel frame structure	2,364	m²	£ 400.00	£ 945,600
5	Roof				£ 334,341
	<u>Roof Structure</u> Allowance for lightweight steel frame structure	658	m²	£ 400.00	£ 263,200
	<u>Roof Coverings</u> Allowance for EPDM flat roof covering	658	m²	£ 80.00	£ 52,640
	<u>Insulation</u> Allowance for loft Ceiling void filled with 450mm rockwool insulation or other equal and approved insulation material	658	m²	£ 22.00	£ 14,476
	<u>Roof Drainage</u> Allowance for roof drainage; Guttering and Downpipes	161	m	£ 25.00	£ 4,025
6	Timber stairs incl. balustrades				£ 75,000
	Allowance for Timber Stairs; inc Balustrades; communal	15	nr	£ 5,000.00	£ 75,000
7	External Walls				£ 923,100
	Allowance for external wall masonry; including cills / lintels	1,820	m²	£ 275.00	£ 500,500
	E/o allowance for areas of feature / expressed masonry	618	m²	£ 200.00	£ 123,600
	Allowance for bespoke entrance canopy over entrance door	3	nr	£ 25,000.00	£ 75,000
	Allowance for Juliet balcony doors and balustrade	64	nr	£ 3,500.00	£ 224,000
8	Windows and External Doors				£ 435,000
	Allowance for sliding entrance doors;	5	nr	£ 5,000.00	£ 25,000
	Allowance for external louver doors; single	10	nr	£ 2,000.00	£ 20,000
	Allowance for double louver doors; double	6	nr	£ 4,500.00	£ 27,000
	Allowance uPVC windows	726	m²	£ 500.00	£ 363,000

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 5B

Ref.	Item	Quantity	Unit	Rate	Total
9	Internal Walls and Partitions				£ 361,110
	Allowance for internal timber stud partitions; including insulation and associated fittings required; UNITS	800	m	£ 180.00	£ 144,000
	Allowance for internal timber stud partitions; including insulation and associated fittings required; AMENITY	68	m	£ 180.00	£ 12,240
	Allowance for plasterboard lining to LSF walls	483	m	£ 90.00	£ 43,470
	Internal dividing blockwork walls	1,530	m	£ 90.00	£ 137,700
	MDF window boards	225	m	£ 20.00	£ 4,500
	Allowance for pointing joints between windows; external doors and masonry approved silicone	32	item	£ 600.00	£ 19,200
10	Internal doors				£ 150,150
	Allowance for apartment entrance doors	32	nr	£ 700.00	£ 22,400
	Allowance for Internal Doors inc heads, jambs and architraves with all required fittings	288	nr	£ 350.00	£ 100,800
	Allowance for communal doors	49	nr	£ 550.00	£ 26,950
11	Wall finishes				£ 367,062
	Allowance for Plaster and Paint Finish inc all finish to timber and block wall features	8,427	m²	£ 32.50	£ 273,878
	Allowance for tiling to bathroom and kitchens	1,434	m²	£ 65.00	£ 93,184
12	Floor finishes				£ 113,060
	Apartments; allowance for carpet floor finish	1,792	m²	£ 35.00	£ 62,720
	Apartments; allowance for tiling to bathrooms and kitchens	320	m²	£ 65.00	£ 20,800
	Communal; allowance for hard wearing carpet to circulation	619	m²	£ 40.00	£ 24,760
	Communal; allowance for sheet vinyl to cycle / bin store	224	m²	£ 20.00	£ 4,480
	Allowance for flooring fit out to lift	8	m²	£ 40.00	£ 300
13	Ceiling finishes				£ 96,038
	Allowance for plasterboard and skim to ceilings	2,955	m²	£ 32.50	£ 96,038
14	FF&E				£ 408,150
	Supply and fit of kitchens generally	32	nr	£ 10,000.00	£ 320,000
	Bedroom wardrobes	64	item	£ 850.00	£ 54,400
	Roller blinds	225	item	£ 150.00	£ 33,750
15	Mechanical and Electrical Services				£ 1,268,625
	Allowance for Mechanical and Electrical Services inc Builder's work in Connection (based on GIA)	2,955	m²	£ 275.00	£ 812,625
	E/o uplift for ASHP (1/2 Bed unit)	32	nr	£ 4,500.00	£ 144,000
	Allowance for Bathroom sanitary ware; to family bathrooms	64	nr	£ 3,000.00	£ 192,000
	Allowance for Bathroom sanitary ware; to WCs	0	nr	£ 2,250.00	£ -
	Allowance for lift facilitating 5 levels	3	nr	£ 40,000.00	£ 120,000
16	External drainage; allowance				See Site Works
17	Landscaping				See Site Works
18	Allowance for incoming stats				See Site Works

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
BLOCK TYPE 5B

Ref.	Item	Quantity	Unit	Rate	Total
19	Sub-Total				£ 5,641,945
20	Prelims	13.0%			£ 733,453
21	OH&P	5.0%			£ 318,770
22	Risk	2.5%			£ 167,354
23	Total				£ 6,861,522
				£/sqft	£ 216

TRIPLE JERSEY LIMITED
KINGSWAY, BURNAGE, MANCHESTER
SITE INFRASTRUCTURE

Ref.	Item	Quantity	Unit	Rate	Total
					£ 2,633,823
	Site Prep. / Enabling				
	Allowance for demolition	1	item	£ 200,000	£ 200,000
	Allowance for breaking out existing car park slab	6,525	m2	£ 12	£ 78,300
	Site prep - site strip etc. to soft landscaped areas	5,002	m2	£ 8	£ 40,016
	Allowance for remediation / removal of obstructions; Provisional Sum	1	item	£ 350,000	£ 350,000
	Landscaping				
	Hard landscaping 45%	5,074	m2	£ 100	£ 507,420
	Soft landscaping 55%	6,202	m2	£ 25	£ 155,045
	Other External Items				
	1.8m high brick wall	116	m	£ 200	£ 23,200
	1.8m high close boarded timber fence	394	m	£ 70	£ 27,580
	1.2m high metal railing	136	m	£ 120	£ 16,320
	Allowance for EV charging; to 100% of bays 100%	81	nr	£ 4,000	£ 324,000
	Allowance for external lighting	70	nr	£ 1,500	£ 105,000
	Allowance for bin stores	5	nr	£ 18,750	£ 93,750
	Drainage				
	SW Drainage				
	MHs, upto 2m deep; assumed 1200mm dia	9	nr	£ 4,000	£ 36,000
	Pipes, upto 2m deep; 225mm dia	41	m	£ 165	£ 6,716
	Pipes, upto 2m deep; 300mm dia	64	m	£ 180	£ 11,556
	Pipes, upto 2m deep; 375mm dia	72	m	£ 205	£ 14,781
	Pipes, upto 2m deep; 450mm dia	39	m	£ 240	£ 9,456
	Pipes, upto 2m deep; 600mm dia	14	m	£ 265	£ 3,763
	Allowance for attenuation tank	140	m3	£ 225	£ 31,500
	Allowance for hydrobrake	1	item	£ 5,000	£ 5,000
	FW Drainage				
	MHs, upto 2m deep; assumed 1200mm dia	4	nr	£ 4,000	£ 16,000
	Pipes, upto 2m deep; 150mm dia	240	m	£ 140	£ 33,600
	Allowance for connection into existing sewer	1	item	£ 5,000	£ 5,000
	Services				
	Incoming Services; prov sum	1	item	£ 50,000	£ 50,000
	Off-site reinforcement	1	item		Excluded
	Statutory diversions	1	item		Excluded
	Off-Plot Works				
	Off-plot highways works; Provisional Sum (scope TBC)	1	item	£ 50,000	£ 50,000
	Prelims	11%		£ 2,194,002	£ 241,340
	OH&P	5%		£ 2,435,342	£ 121,767
	Risk	3%		£ 2,557,109	£ 76,713

[illegible]

Appendix 4 – Savills EUV Red Book Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB

Report and Valuation

Prepared for Triple Jersey Limited

09 August 2024

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Report and Valuation

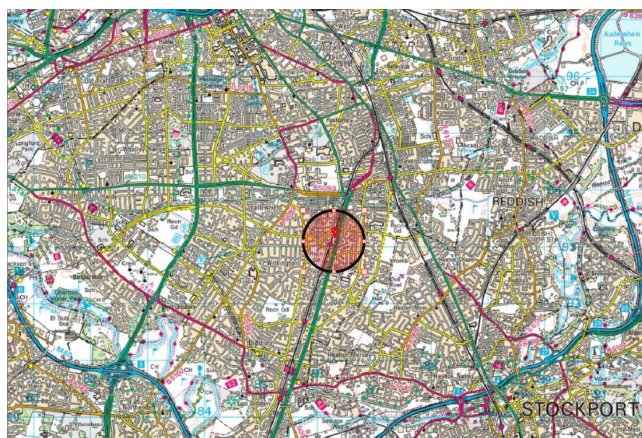
B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



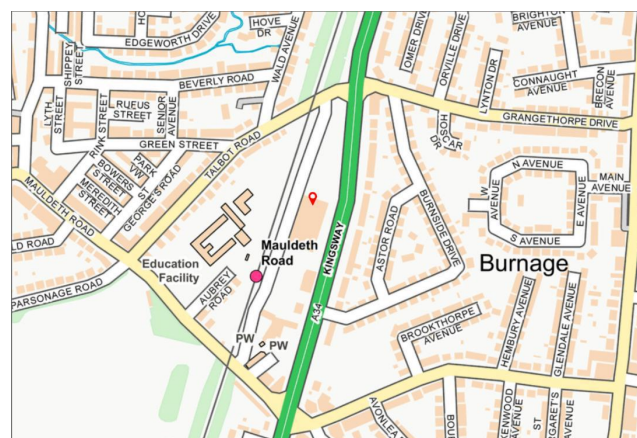
Executive Summary



Aerial Image



Location within South Manchester



Access Talbot Road and Mauldeth Road

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



Property	B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB				
Purpose of Valuation	As part of a Financial Viability Study in connection with dialogue with Manchester City Council in relation to redevelopment of the site for residential purposes, and associated affordable housing provisions. Such valuation is to be based on the existing use as a retail warehouse, and to disregard alternative use / redevelopment potential.				
Description	Purpose built detached warehouse constructed in the late 1980s.				
Building Condition	Reasonable condition, commensurate with its age, type and use.				
Accommodation	Floor	Use	Sq ft	Sq m	
	Ground	Sales	35,010	3,252.51	
	First	Offices, Staff amenities	1,998	185.62	
Total Area (GIA)			37,008	3,438.13	
Planning and Use	Unrestricted Retail Use including food.				
	In line with instructions, the potential for redevelopment for residential purposes has been expressly disregarded.				
	The potential to add other drive to or drive thru units on the external areas (obviously subject to planning) has been implicitly reflected in the yield.				
Title	Freehold				
Tenancies	B&M Retail Limited is currently trading from the unit, holding over under an expired full repairing and insuring lease which was inside the Landlord & Tenant Act 1954. The retailer has Security of Tenure and wishes to continue trading.. Our valuation is on the Special Assumption that B&M Retail Limited has signed a new 10 year lease at our opinion of the headline market rent which is £388,575 per annum.	WAULTC (earliest)	10.00 years		
		WAULT (expiry)	10.00 years		
Tenant Covenant	Recent investment activity has confirmed that investors consider that B&M Retail Limited provides a strong covenant (D&B Rating 5A2 and INCANS Equivalent Bond BBB rating).				
Passing Rent	£388,575 per annum Special Assumption of a 10 year lease renewal completed at this rent.	£10.50 per sq ft			
Market Rent (Headline)	£388,585 per annum	£10.50 per sq ft			
Incentives	6 months' letting void	12 months' rent free			
Date of Valuation	09 August 2024				
Reported Valuation:		Net Initial	Equivalent	Reversionary	Value per sq ft
Market Value – Special Assumption that B&M Retail Limited renewed on a 10 year lease at our opinion of Market Rent- rent free expired	£5,605,000 (FIVE MILLION SIX HUNDRED AND FIVE THOUSAND POUNDS	6.50%	6.50%	6.50%	£151
Capital Expenditure?	£0				

1. Instructions and Terms of Reference

- 1.1. Client**
- Triple Jersey Limited
15 Esplanade
St Helier
Jersey
JE1 1RB
- For the attention of Mr Bill Sarre**
- 1.2. Property**
- B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB
- 1.3. Instructions and Basis of Valuation**
- In accordance with the instructions contained in your e-mail to us dated 8 July 2024, as confirmed in our letter to you dated 9 July 2024 (**Appendix 1**), we have inspected the property and made such enquiries as are sufficient to provide you with our opinion of value on the basis/es stated below. .
- You have instructed us to provide our opinions of value on the following bases:
- The Market Value of the freehold interest, subject to the current occupation by B&M Retail Limited (who are holding over under an expired lease) on the Special Assumption that B&M Retail Limited has renewed on a 10 Year lease at our opinion of Market Rent. ("Market Value").
- 1.4. Background**
- The subject property is currently occupied by B&M Retail Limited which has been holding over under an expired lease.
- The property is the subject of redevelopment proposals for residential development and discussions are ongoing with Manchester City Council regarding planning requirements.
- As part of these discussions, we understand that an independent opinion of the value of the site in existing use is required as part of a financial viability assessment regarding an appropriate scheme design and matters such as affordable housing requirements.
- 1.5. Conflicts of Interest**
- In accordance with the RICS professional statement on Conflicts of Interest (1st Edition, March 2017), we are required by our professional body, the Royal Institution of Chartered Surveyors, to inform you of certain matters that could be perceived as a conflict prior to confirm our valuation appointment.
- We confirm that Savills (UK) Limited does not have an involvement with the property and there are no other factors that could limit our ability to provide an impartial and independent valuation. Accordingly, we are reporting on an objective and unbiased basis.
- 1.6. Date of Valuation**
- Our opinions of value are as at 09 August 2024 which is the date of this report. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

- 1.7. Purpose of Valuation**
- You instruct us that our valuation is required as part of a Financial Viability Assessment linked to proposals for residential redevelopment at the site. The valuation is required to be prepared in accordance with RICS Valuation –Global Standards Effective from 31 January 2022.
- The valuation is required on the special assumption of continuation of the existing use as a retail warehouse.
- 1.8. Valuer Details and Inspection**
- The due diligence enquiries referred to below were undertaken by Jonathan Langstaff FRICS. The valuations have also been reviewed by Stewart Clark MRICS.
- The property was inspected on 31 July 2024 by Jonathan Langstaff FRICS. We were able to inspect the whole of the property, both externally and internally, but limited to those areas that were easily accessible or visible
- The weather on the date of our inspection was sunny.
- 1.9. Liability Cap**
- Our aggregate liability to any one, or more, or all of the Addressees or any other party who otherwise becomes entitled to rely upon this report under or in connection with this agreement and our Valuation, however that liability arises (including, without limitation, a liability arising by breach of contract, arising by tort, including, without limitation, the tort of negligence, or arising by breach of statutory duty) shall be limited to £50,000.
- Nothing shall exclude or limit our liability for death or personal injury caused by our negligence or for any other liability that cannot be excluded by law.
- 1.10. RICS Compliance**
- The report has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together, where applicable, with the UK National Supplement effective 14 January 2019, (together the “**Red Book**”).
- 1.11. Extent of Due Diligence Enquiries and Information Sources**
- Where possible in the time available, we have verified and supplemented information provided to us. However, if further information becomes available of which we are not currently aware, we reserve the right to amend our valuation accordingly to take this into account.
- The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of the report below.
- 1.12. Market Conditions**
- As predicted by the polls, a Labour government was elected on 4 July 2024, bringing to an end 14 years of Conservative led rule. Whilst the new government’s policies have yet to be fully outlined, an element of positivity has nonetheless returned to the UK economy. UK GDP increased by 0.7% in Q1 2024, cementing the UK’s exit from the briefest and shallowest of recessions. The headline rate of inflation fell to 2.0% in May, down from 2.3% in April 2024, meeting the Bank of England’s target of 2.0% for the first time in almost

three years. However, it held steady at 2.0% in June, higher than estimates from economists of a drop to 1.9%.

Within the financial markets momentum had been growing towards a reduction in interest rates over the course of 2024. Whilst they remained unchanged at 5.25% for the first seven months of the year, the Bank of England MPC opted to reduce the base rate to 5.0% on 1 August 2024 with the markets currently forecasting further rate reductions in the latter part of 2024 and /or early 2025. Nonetheless inflation in parts of the economy remains at levels above target and the rate cut to 5.0% was voted on the basis of five votes to four, which suggests the predicted reduction in base rates will be gradual. In the meantime, swap rates remain volatile, and commercial transactional volumes, coupled with the decline in liquidity over the last few years, has led to a scarcity of comparable evidence to inform the valuation process.

The investment market recorded significantly reduced volumes with the UK commercial real estate market in 2023 at broadly 45% of the long-term average, whilst in Central London investment volumes were down almost 60%. Whilst, it does appear that UK investment volumes have recovered from their nadir given investment turnover in Q1 2024 was 20% higher than the weakest quarter of 2023, activity is still being held back by both expectations of recovery, the hunt for 'distress' and vendor and purchaser pricing aspirations.

Market sentiment has gained increased importance in making informed assessments, given the limited availability of data. Notably, a polarised market has emerged, differentiating "best in class" properties from those facing challenges due to locational factors and the overall quality of the real estate. Stakeholders in the market, including occupiers, investors, and lenders, have also heightened significance to environmental, social, and governance (ESG) considerations and the associated costs, in their decision making.

While there is still liquidity in the market, ongoing geopolitical uncertainties, economic challenges, and the cost and accessibility of debt finance continue to impact pricing. As a result, the potential for future value erosion cannot be discounted, particularly for secondary properties and those outside prime markets. Whilst we anticipate that market sentiment will continue to improve during the remainder of 2024, the new Government's policies and the lack of a meaningful cut in the base rate may curtail the prospect for a sustained return to growth this year. Trading volumes need to increase before confidence is truly restored.

It is therefore important to recognise that our valuation has been prepared against the backdrop outlined above. Moreover, investor behaviour can change quickly during such periods of volatility. As such, the conclusions set out in this report are only valid at the valuation date and we would recommend that the value of the property is kept under regular review. For the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined in the RICS Valuation – Global Standards.

1.13. General Assumptions and Conditions

All valuation advice has been carried out on the basis of the *General Assumptions and Conditions* set out in Section 5.

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



1.14. Signatories

A handwritten signature in blue ink, appearing to read "Jonathan Langstaff".

A handwritten signature in blue ink, appearing to read "Stewart Clark".

Jonathan Langstaff FRICS
RICS Registered Valuer
Director

Stewart Clark MRICS
RICS Registered Valuer
Director

For and on behalf of Savills (UK) Limited, a subsidiary of Savills Plc

Regulated by RICS
Registered in England No. 2605138
Registered Office: 33 Margaret Street, London, W1G 0JD

1.15. Date of Report

9 August 2024

2. The Property, Statutory and Legal Aspects

2.1. Location and Situation

The property is situated between the inner urban areas of Burnage and Ladybarn, approximately 4.3 miles south, south east of Manchester city centre.

It occupies an elongated site extending between Kingsway (A34), on its east side, and a mainline railway on its west side. It is immediately adjacent to Mauldeth Road station which is the branch line between Manchester Piccadilly station and Manchester Airport and Wilmslow stations, and Crewe. There are also services to Liverpool Lime Street via Manchester Piccadilly, Manchester Oxford Road and Manchester Deansgate stations.

The A34 is one of the key commuter routes linking Manchester city centre to Junction 3 of the M60 Orbital motorway which is also the interchange with Junction 1 of the M56. The A34 also provides a dual carriageway link to Wilmslow and Alderley Edge, 8.7 miles and 11 miles to the south respectively.

The property is between Mauldeth Road and Moseley Road which are two key east-west roads in this area of South Manchester. The road network facilitates ready access to the property from the densely populated residential areas of Fallowfield, Withington, Levenshulme and Longsight, along with Didsbury and Parris Wood to the south.

An unnamed road runs alongside the mainline railway from Mauldeth Road north to Talbot Road, a section of which appears to be part of the freehold title to the subject property. Access and egress to the property can be taken along this road from Mauldeth Road, but access only is available from Talbot Road (ie. vehicles are not allowed to exit onto Talbot Road). There are traffic signal controlled junctions on Kingsway to both Mauldeth Road and Talbot Road.

The block to the south, between the property and Mauldeth Road, comprises a mix of secondary and tertiary commercial buildings, including a complex known as Kingsway Business Centre which is vacant and the subject of proposals for residential development. On the corner of Kingsway and Mauldeth Road is a building occupied by Rainbows Nursery. Immediately abutting the property is a Texaco petrol filling station which includes a Star Market forecourt shop.

In terms of retail warehouse and foodstore offer on the Kingsway Corridor the nearest units are:

- An Aldi Store, approximately 825 metres to the south at the junction of Kingsway and Green End Road.
- Fallowfield Retail Park which is a similar distance to the north on Birchfields Road, immediately to the north of Moseley Road. This scheme has been partially demolished following the grant of planning permission for a new Lidl foodstore. Home Bargains and Iceland continue to trade from the scheme.
- Tesco store on Lane End Road, just off Kingsway, approximately 1 mile south of the subject property.
- A second Tesco store at Parris Wood at the junction of Wilmslow Road and Kingsway, approximately 1.6 miles to the south.

Prior to the current occupation by B&M Retail Limited the subject property was occupied by B&Q. The nearest B&Q stores on the south side of Manchester are at Stockport, 3.2 miles, and Handforth which is 6.4 miles south of the subject property via the A34.

The nearest Wickes Stores are at Manchester Road, Stockport, 2.6 miles, and Altrincham Road, Baguley which is 6.6 miles from the subject property.

The nearest Homebase Stores are at Bredbury, 5.2 miles, and George Richards Way, Altrincham which is 9.7 miles from the subject property.

In terms of key retail warehouse parks, the nearest scheme is The Peel Centre, Stockport, 3.5 miles from the subject property.

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



2.2. Property Description

2.2.1. Overview

The property comprises a detached purpose built retail warehouse dating from the late 1980s.

Photographs of the property, taken on the date of our inspection, are provided below.



Front (North) Elevation



Front (North) Elevation



West Elevation & Access Road



South Elevation and Loading Door



East Elevation (Kingsway)



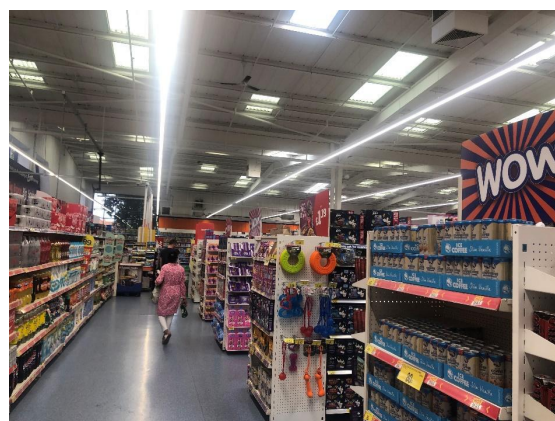
Service Yard

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



Garden Centre



Sales Area

The unit is of steel frame construction with two portal frame bays. The elevations are formed from a mix of brick/block cavity walls, insulated profile steel cladding, supplemented by sections of curtain wall glazing and composite panels. The roof is formed from insulated profiled steel cladding and incorporates translucent skylights. The floor is a sectional loadbearing concrete slab.

Integral first floor office and staff amenities are provided at the south eastern corner of the unit which are finished to a reasonable standard.

To the southern gable of the unit there is an enclosed external concrete hardstanding area, part allocated to use as a garden centre and part allocated to form a service yard area. There is a roller steel shutter door providing loading access.

The unit was let in a shell form and has been subject to fit out by the tenant which has provided LED strip lighting, ceiling mounted gas fired space heaters and electric ceiling suspended cassette type air conditioning units. Seven payment tills are provided in front of an external entry and exit lobby fitted with automatic doors

2.2.2. Services

We understand that the property benefits from all mains services.

It also has a full sprinkler system served by sprinkler tank and pump room to the south of the external garden centre and service yard area.

2.2.3. Accommodation

We have valued the property on the basis of the gross internal areas (GIA) (as defined by RICS Property Measurement 2nd edition, published in January 2018) as follows:

Floor	Use	Sq ft	(sq m)
Ground	Sales	35,010	3,252.51
First	Offices/ Staff Amenities	1,998	185.62
Total Gross Internal Area		37,008	3,438.13

The floor areas in the table are those on which we understand the landlord and tenant agreed the rent under the expired lease, and also at rent review. We have checked these against CAD (.dwg files) drawings provided to us, from which we have calculated a GIA of 36,869 sq ft which is within 139 sq ft. We are therefore satisfied that it is reasonable to rely on the floor areas above.

The area excludes the small entry/exit lobby (not usually rentalised) which, based on CAD drawings, is around 341 sq ft.

2.3. Site

The property occupies an elongated and tapered site on an elevated plateau above the Kingsway street level. The car park and the northern part of the site slopes down towards Talbot Road.

It has a frontage, but no direct access to/from Kingsway, of around 225m, although visibility is partially screened by trees.

By reference to the site plan below, we calculate that the site has an area of 3.945 acres (1.596 hectares). This area and the precise site boundaries should be confirmed by your legal advisers.

2.4. Condition

2.4.1. General Condition

As instructed, we have not carried out a structural survey, nor have we tested any of the services. However, we would comment, without liability, that during the course of our inspection for valuation purposes, we observed that the property appears to be in a condition, commensurate with its age, character, use and location.

Under the expired lease B&M Retail Limited continues to have full repairing obligations, and in the event that it serves notice to quit, will be responsible for dilapidations.

We have not made any explicit CAPEX deductions in our valuation.

2.5. Environmental Considerations

2.5.1. Environmental Report

As instructed, we have not carried out a soil test or an environmental audit. However, we note that a Phase 1 Desk Study has been carried out by SEP Technical, dated 3 July 2023, specifically in connection with the proposed construction of new residential housing.

This established that prior to the current development the site comprised former rail sidings and a coal yard. As the context of the Desk Study was associated with development of the site for residential purposes, it was recommended that Phase 2 Intrusive investigation was required to assess the potential environmental risks, and to obtain geotechnical data for foundation design. It attributed a Hazard Rating of "Medium Risk".

Clearly, such intrusive investigations are required as a matter of routine as part of any redevelopment, and would not necessarily be carried out (or recommended) where it is envisaged that a property is to continue in its present form and use, which is the basis on which we have been instructed to value the subject property.

As far as we are aware, the recommended intrusive investigations have not, at this stage, been undertaken and therefore the results are not yet known.

Our approach to this valuation is on the assumption that the subject property is not at risk of exposure to liabilities under environmental legislation whilst it remains in its existing form and use. We are not attributing value derived from a redevelopment of the property.

Clearly, if subsequent investigations establish that the property is affected by contamination from historical uses, then we would need to review our valuation in the light of such findings to assess the impact on value.

2.5.2. Japanese Knotweed

The site has extensive landscaped areas. Identifying Japanese knotweed is problematic and cannot be guaranteed. This is partly because during the early stages of its annual life cycle some of the classic visual characteristics are not distinctive and during the winter months the plant sheds its leaves and suffers die back. It is also possible that Japanese knotweed has received a herbicide-

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



based treatment which has removed all visible above ground signs but may not have killed the below ground rhizome (root) which, in turn, may lead to new growth and the spread of the plant in time.

Our investigations have not revealed any Japanese Knotweed at the property and we have reported on the premise there is none. Should this prove not to be the case, there may be an impact on the figures reported and in that event we reserve the right to revisit our calculations.

2.5.3. Asbestos

The property is of an age and type of construction where we consider the risk of asbestos or other deleterious materials being present is low.

Whilst we have not requested or seen an Asbestos Inspection Report, we have assumed that obligations under the Control of Asbestos Regulations 2012 have, and are, being complied with.

2.5.4. Flooding

Following enquiries via the official Government website <https://check-long-term-flood-risk.service.gov.uk>, we were able to confirm the following details in relation to flood risk:

Type of risk:	Level of risk:	What impact, if any is there on marketability and value of the property?
River / Sea	Very Low	"Very low" means less than 0.1% chance of a flood each year.
Surface Water	Very Low	"Very low" means less than 0.1% chance of a flood each year.

On the basis of this information, we have assumed that comprehensive insurance is readily available, and at reasonable cost, in relation to the property

2.5.5. Energy Performance Certificates (EPCs)

The UK Government views the improvement in Energy Performance Certificate (EPC) ratings as key to achieving net-zero carbon by 2050. Current EPC ratings run from A to G, with buildings that are rated "A" considered the most energy efficient, and those rated "G", the least efficient.

From 1 April 2023, the Minimum Energy Efficiency Standards (MEES) required that all non-domestic private rented property must have an EPC rating of "E" or above. This requirement applies to any existing leases and not just new ones. Consequently, it is now unlawful for landlords to continue to let commercial properties with an "F" or "G" rating.

Looking forward, the Government has suggested that future minimum EPC standards will be further raised to "C" by 1 April 2027 and "B" by April 2030. Inevitably therefore landlords will need to consider what works are required to the property to comply with these future requirements which could give rise to additional capital expenditure.

Following informal enquiries via official Government websites, we were able to confirm the following details in relation to EPCs:

Address	Reference	Expiry Date	EPC Rating
B&Q Plc (Previous Tenant), Kingsway, Manchester M19 1BB	9175-3063-0356-0400-2705	29 July 2025	C52

The property has an EPC rating of C52, which is within the current requires MEES requirements, but in the future it is likely that further improvements will be required. This is largely likely to be down to a tenant's store fit out and the heating, lighting and

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



cooling M&E systems, rather than the Landlord's shell. Over time, however, the thermal efficiency of the elevations and roof materials may need to be considered.

2.6. Planning Enquiries

The undernoted information has been obtained from our web based enquiries and we would recommend that this information is confirmed by your legal advisers as part of your diligence process:

Local Planning Authority:	Manchester City Council
Local Plan:	Manchester City Council Core Strategy adopted on 11 July 2012 is the key Development Plan document in the Manchester Local Plan (previously) Local Development Framework (LDF).
Listed Building:	No.
Conservation Area:	No.
Additional Comments:	The subject property is not subject to any site specific allocations under the Local Development Framework Area Map. It is part of an area identified as a Major Road Rail Environmental Improvement Corridor. The Council's interactive map browser also identifies the property as within South Manchester where Policy EC9 and Policy H6 apply. Policy EC9 states "South Manchester is not expected to make a significant contribution to employment provision within the City. New development is expected to mainly comprise office development, although proposals for high technology industry and research will also be supported. Employment and economic development provision will be within: - Existing employment locations, such as - Business Parks, such as, Towers, Didsbury Point, Christie Fields and Parkway; Christies Hospital; - Along Princess Parkway. - District Centres of Chorlton, Didsbury, Fallowfield, Levenshulme and Withington. These will be suitable for mixed use development providing local needs and services. Development proposals and planning applications should have regard to: - Ensuring efficient use of existing employment space; Improving public transport, walking and cycling connectivity between residential neighbourhoods and employment locations such as the City Centre, district centres, Trafford Park and Manchester Airport, particularly orbital connectivity". Policy H6 states "South Manchester will accommodate around 5% of new residential development over the lifetime of the Core Strategy. High density development in South Manchester will generally only be appropriate within the district centres of Chorlton, Didsbury, Fallowfield, Levenshulme, and Withington, as part of mixed-use schemes. Outside the district centres priorities will be for housing which meets identified shortfalls, including family housing and provision that meets the needs of elderly people, with schemes adding to the stock of affordable housing."

2.6.1. Planning History

Planning decisions of note revealed by our enquiries are as follows:

Planning Ref.	Description of Development	Decision Date	Decision
066769/LE/SOUTH1/02	B & Q Retail Unit, Mauldeth Rd/Kingsway, Burnage - CERTIFICATE OF LAWFUL USE - Use of the premises for unrestricted A1 (retail) use.	09/12/2002	Approved.
032397	Former British Rail sidings, Mauldeth Road Station, Mauldeth Road, Kingsway, Talbot Road, Burnage - RESERVED MATTERS Details of the landscaping for the erection of a non-food retail unit with a garden centre, access roads, parking and landscaping.	03/11/1988	Approved.

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



Planning Ref.	Description of Development	Decision Date	Decision
031079	Outline application for the erection of a non-food retail unit with garden centre, access roads, parking and landscaping. The three applications below relate to land to the south of the current application site currently comprising vacant offices and associated lands.	28/04/1988	Approved.

This report has been prepared on the Special Assumption of continued use of the property as a retail warehouse.

For the record, we are aware of the following applications for redevelopment:-

- 138733/P3MA/2023 - Prior Approval for change of use from offices (Class E - Commercial, Business and Service) to 24 self-contained flats (Class C3 - Dwelling houses). Refused 05.02.2024
- 130098/OO/2021 - Outline application (access, layout and scale) for the erection of a 3, 4 and 6 storey building to form 90 apartments with associated parking, landscaping and vehicle access/egress from Kingsway. Refused 30.08.2022 – Subsequent Appeal dismissed 31.07.2023
- 122088/OO/2018 - Outline application (all matters reserved) for the erection of a 5, 6 and 10 storey apartment building with associated car parking to form 147 new apartments. Refused 16.10.2019 – Subsequent Appeal dismissed 14.04.2020.

Our valuation expressly disregards potential for redevelopment of the property for residential purposes, or other alternative uses.

2.7. Taxation

2.7.1. Business Rates

The following entry appears on the 2023 Rating List published by the Valuation Office Agency on the government website www.gov.uk/find-business-rates:

Property Address	Description	Rateable Value	Rates Payable £ per annum	Rates Payable £ per sq ft
B&Q (previous tenant), Kingsway, Manchester M19 1BB	Retail Warehouse and Premises	£360,000	£196,560	£5.31

The rates payable noted in the table exclude any transitional or other relief.

2.7.2. VAT

We are informed that the landlord has exercised its option to tax the property for VAT purposes.

We would comment that should this position change, then there may be an effect on both the rental and capital value of the property.

Our valuation is exclusive of VAT.

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



2.8. Title

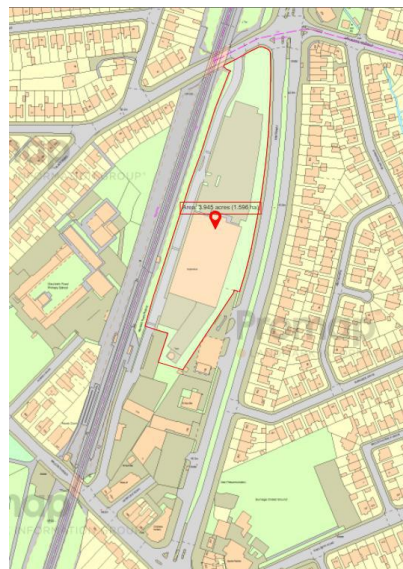
2.8.1. Report on Title

We have valued the Freehold interest in the property held under title number GM499667, the approximate boundaries of which are edged red on the plan below.

We have been not provided with a Report on Title / Certificate of Title.

We note that Talbot Road to the north, and Mauldeth Road to the south are adopted roads. As can be seen, a section of the unnamed access road from Talbot Road is included with the Freehold title of the subject property. The status of the remainder of the access road which also provides access to Mauldeth Road station is unknown. We have assumed that the subject property benefits from full rights of way over this access.

We have also assumed that the property is not affected by third party rights of way, easements, restrictive covenants, or other onerous restrictions or encumbrances.



2.9. Occupational Lease & Occupation

The property is currently occupied by B&M Retail Limited which is holding over and continues to trade under a lease which expired 25 December 2023.

The passing rent is £379,500 per annum.

The lease was on effective full repairing and insuring (FRI) terms and inside the Landlord & Tenant Act 1954 and therefore the tenant has security of tenure. We understand that B&M Retail Limited trades well from the unit and wishes to renew.

Our valuation is on the Special Assumption that a new 10 year effective full repairing and insuring lease has been agreed at our opinion of Headline Market Rent and the tenant is paying £388,858 per annum based on the evidence we have cited at 3.1.

2.10. Strength of Tenant Covenant

As valuers we are not qualified to interpret company accounts nor provide a judgment on a tenant's ability to meet its lease covenants, in particular the payment of rent. However, we have had regard to credit rating reports and have formed a view on the property investment market's perception of the covenant strength offered by the tenant.

We have obtained an INCANS report on the tenant from Income Analytics, which confirms the Dun & Bradstreet rating and attributes an equivalent bond rating to the company. We have set out below the information provided.

B&M Retail Limited – D&B Rating 5A2 “Low Risk” of business failure.

Period	Mar 2023 (GBP '000s)	Mar 2022 (GBP '000s)	Mar 2021 (GBP '000s)	Mar 2020 (GBP '000s)
Turnover/Net Sales	Not yet	£3,914,000	£4,085,024	£3,148,497

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Period	Mar 2023 (GBP '000s)	Mar 2022 (GBP '000s)	Mar 2021 (GBP '000s)	Mar 2020 (GBP '000s)
Pre-Tax Profit (Loss)	updated	£514,000	£531,888	£262,360
Net Worth		£617,000	£593,925	£806,847
Net Current Assets (Liabilities)		-	£358,138	£574,051

INCANS attributes a BBB Equivalent Bond rating to the company, representing “low risk”.

Investments with the benefit of the B&M Retail Limited covenant have traded readily during the course of this year and recent years and, in our experience, investors consider the covenant to be strong.

In the case of the subject property where the tenant is actually holding over, investors would be keen to engage with a view to securing B&M Retail Limited on a new lease. With a 10 year lease in place in line with our Special Assumption this would be a readily marketable investment as demonstrated by the evidence we have cited at 32.

3. Market Commentary

3.1. Occupational Market – Rental Evidence Overview

We schedule below examples of rents, focused on larger units of 20,000 sq ft or more, across the southern side of Manchester which have influenced our conclusions on the current headline market rent of the subject property.

Property	Date	Area sq ft	Tenant	Term	Rent (per annum)	Rent (per sq ft)	Comments
Wickes, Brookway Retail Park, Baguley	See comments	28,763	Wickes	25 years	£385,000	£13.40	Wickes occupies under a 25 year lease from December 1998, subject to 5 yearly reviews. The rent stated is our understanding of the passing rent, but we have not been able to verify the date at which this was fixed. There have been some falls in rental values in the sector over the period of this lease. Part of a small scheme which includes Matalan, B&M Homestore and Pets at Home stores. Close to an Aldi and Tesco Extra superstore.

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Property	Date	Area sq ft	Tenant	Term	Rent (per annum)	Rent (per sq ft)	Comments
Matalan, Brookway Retail Park, Baguley	See comments	27,812	Matalan	25 years	£415,108	£14.92	Matalan occupies under a 25 year lease from March 2003, subject to 5 yearly reviews. The rent stated is our understanding of the passing rent, but we have not been able to verify the date at which this was fixed. There have been some falls in rental values in the sector over the period of this lease. Same scheme as Wickes.
Wickes, Manchester Road Retail Park, Stockport	See comments	33,804	Wickes	25 years	£473,250	£14.00	Wickes occupies under a 25 year lease from September 1987, subject to 5 yearly reviews. The rent stated is our understanding of the passing rent, but we have not been able to verify the date at which this was fixed. There have been some falls in rental values in the sector over the period of this lease. Part of a small scheme which includes Asda (40,000 sq ft), JYSK, Halfords and Greggs.
Homebase, Stockport Road East, Bredbury, Stockport,	December 2022	41,255	Homebase	10 years	£550,000	£13.72	Large standalone store next door to a Morrisons foodstore and petrol filling station.
Homebase, Altrincham Retail Park, Altrincham	2023	Downsize of a larger store to 30,500	Homebase	tbc	£488,000	£16.00 (see comments- substantial capital contribution)	Previously a store of 38,879 sq ft. Permission was granted on appeal to extend and reconfigure the scheme to accommodate a new Lidl foodstore, which involved downsizing the Homebase unit. Substantial confidential capital contribution incentive to Homebase.
B&M Homestore, Altrincham Retail Park, Altrincham	2023	27,520	B&M Retail Limited	tbc	C £302,720 - £330,240	£11.00 - £12.00	Lease renewal following expiry in September 2021. We have not been able to formally verify the outcome but understand that it was in the range we have noted. Other occupiers of the park include Wren Kitchens, Boots, The Range, Hobbycraft, Pets at Home, Sportsdirect, Homesense and Currys. Separate terrace with TK Maxx and Carpetright
The Range, Altrincham Retail Park, Altrincham	2021	20,000	CDS The Range	15 years	£255,000	£12.50	Lease re-gear reducing the previous rent down from £400,000 (£20.00 per sq ft).

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Property	Date	Area sq ft	Tenant	Term	Rent (per annum)	Rent (per sq ft)	Comments
Dunelm, Bridgewater Retail Park, Altrincham	See comments	20,400	Dunelm (Soft Furnishings) Limited	15 years	£295,000	£14.46	Dunelm occupies under a 15 year lease from January 2017, subject to 5 yearly reviews. At review the rent is to the lower of Market Rent or 1.104080 X the previous rent. The rent passing is, we believe, derived from the minimum uplift at the 2022 review. Small scheme opposite the main Altrincham Retail Park which includes Halfords and Bensons for Beds.
Dunelm, Trafford Retail Park, Urmston.	See comments	35,027	Dunelm (Soft Furnishings) Limited	20 years	£490,784	£14.30	Dunelm occupies under a 20 year lease from April 2005, subject to 5 yearly reviews. The rent stated is our understanding of the passing rent, but we have not been able to verify the date at which this was fixed. We consider it is still representative of the headline market rent for a unit of that size on a scheme such a Trafford Retail Park. Other occupiers on the park include: Sports Direct, Home Bargains, Carpetright, Iceland, Pets at Home, Boots, TK Maxx and a number of fast food units.
B&M, Trafford Retail Park, Urmston.	See comments	20,226	B&M Retail Limited	15 years	£293,277	£15.98	B&M occupies under a 15 year lease from June 2015, subject to 5 yearly reviews. The rent stated is our understanding of the passing rent, but we have not been able to verify the date at which this was fixed. We consider that it is likely to be over-rented with a headline Market Rent nearer to £14.50 per sq ft.
B&M, Snipe Retail Park, Ashton-Under-Lyne	March 2023	30,095	B&M Retail Limited	Reversionary extending existing lease by 5 years from January 2032	£421,330	£14.00	A lease re-gear agreed March 2023-reversionary lease from January 2032. Passing rent retained at £14.00, but tenant received 3 months' rent free. Other occupiers on the park which is anchored by a large B&Q Warehouse are Home Bargains, Halfords, Tapi, Carpetright, Wrens Kitchens, Pets at Home, Next, Argos, Currys, and Dunelm.

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Property	Date	Area sq ft	Tenant	Term	Rent (per annum)	Rent (per sq ft)	Comments
Dunelm, Snipe Retail Park, Ashton-Under-Lyne	See comments	25.040	Dunelm (Soft Furnishings) Limited	15 years	£331,224	£13.25	Dunelm occupies under a 15 year lease from September 2013, subject to 5 yearly reviews. The rent stated is our understanding of the passing rent, but we have not been able to verify the date at which this was fixed.
Dunelm, St Mary's Way. The Peel Centre, Stockport	See comments	35,000	Dunelm (Soft Furnishings) Limited		£490,512	£14.00	Dunelm occupies under a 20 year lease from April 2005, subject to 5 yearly reviews. The rent stated is our understanding of the passing rent, but we have not been able to verify the date at which this was fixed. We consider it is still representative of the headline market rent for a unit of that size on a scheme such as The Peel Centre, even though the unit is separated from the main terraces on the park .

3.2. Investment Evidence

We schedule below a sample of recent investment activity which has influenced our conclusions on the subject property.

Property	Date	Floor Area (Sq Ft)	Tenure	Principal Tenant(s)	UXT Years	Rent Passing pa Rent (psf)	Price (£ sq/ft)	Net Initial Yield	Comments
B&M Homestore, Hyndburn Road, Accrington, Lancashire BB5 4AH 	Current	31,430	FH	Let to B&M Retail Ltd until 23 June 2032	8.00	£299,374 (£9.52)	Q £4,162,000 (£132)	Q 6.75%	Anticipating a bid at circa £4.0 million reflecting 7.0% Accrington small secondary town.
B&M Brownhills, Perrie Grove, Birmingham W58 6EB 	Current	25,732	LLH 149 years UXT . Peppercorn	Let to B&M Retail Limited on a 15 year lease, expiring 29th April 2034	10.20	£309,100 (£12.01)	Q £4,150,000 (£161)	Q 7.0%	150 years peppercorn. Interest at lower than quoting. Anticipated outcome between 7.25% - 7.5%.

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Property	Date	Floor Area (Sq Ft)	Tenure	Principal Tenant(s)	UXT Years	Rent Passing pa Rent (psf)	Price (£ sq/ft)	Net Initial Yield	Comments
Beacon Hill Retail Park, Newark-on-Trent, Nottinghamshire 	June 24	40,520	FH	CDS The Range, Topps Tiles	4.30	£452,203 (£11.16)	£5,650,000 (£139)	7.40%	Former B&Q unit re-let to CDS The Range. Small scheme in an industrial area. Secondary town.
Kingsway Retail Park, East Kilbride, G74 4ZA 	June 2024	59,385	Heritable	The Range, Currys, Halfords and Pets at Home	9.30 (8.70)	£1,359,506 (£22.89)	Circa £16.5 million Quoting £16,200,000 (£104)	±7.72% (±6.83% on re-based rent) Quoting 7.86% (6.96% on re-based rent)	Realty acquired and insisted on NDA, but pricing exceeded quoting and agents indicated "mid £16 millions" and also confirmed that it received good interest.
B&M Barnfields Rd, Leek Staffordshire, ST13 5QJ 	May 24	26,719	FH	Let to B&M Retail Limited 30 year lease from 23 March 2003.	9.80	£336,500	£5,000,000 (£187)	6.45%	SOLUS unit. Small Staffordshire market town.
B&M Homestore, Billing Brook Rd, Weston Favell, East Midlands NN3 8SE, 	Apr 24	29,691	FH	Let to B&M Retail Limited with reversionary lease expiring on 10th October 2042	18.7	£405,810 (£13.67)	£6,375,000 (£215)	5.97%	Good interest. Much longer UXT and in a stronger location.
B&M Home Store, Belton Road, Loughborough, Leicestershire LE11 1LW 	April 24	26,167	FH	10 year lease from 2023 full terms to be confirmed, but reviews to OMRV capped at 115%.	9.55	£221,994 (£8.48)	£3,090,000 (£118)	6.75%	SOLUS unit previously occupied by Wickes. Close to Currys, Home Bargains and Aldi in an industrial area.

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Property	Date	Floor Area (Sq Ft)	Tenure	Principal Tenant(s)	UXT Years	Rent Passing pa Rent (psf)	Price (£ sq/ft)	Net Initial Yield	Comments
B&Q Nelson, Churchill Way, Brierfield, Nelson BB9 5NF 	Feb 24	37,188	FH	Let to B&Q Limited under a new reversionary lease expiring on 23rd June 2031	7.35	£353,286 (£9.50)	£4,665,000 (£141)	7.11%	SOLUS unit just of Junction12 M65 motorway. Secondary town in East Lancashire.

4. Valuation Advice

4.1. Principal Valuation Considerations

Location and Situation	The property occupies a good position on one of South Manchester's busiest arterial routes, and is surrounded by high density residential areas.
Building Quality and Condition	It is a purpose built retail warehouse which, although it was built in the 1980s, is still suited to modern retailer requirements. It presents in a condition commensurate with its age character and location, and the occupier appears to have carried out routine repair and maintenance in line with its lease obligations. If the tenant serves notice to quit, then we would expect that any items of disrepair will be addressed as part of dilapidations obligations.
Floor Areas	The unit is relatively large, although as can be seen from the schedule of rents we have presented, there are a reasonable number of examples of units of this size. It will, however, influence the rent achievable. The configuration of the building and the site does not suit sub-division of the unit, so it is likely that a single occupier would have to be found.
Title	We understand the title to be freehold, and that part of the access road from Talbot Road is within this freehold interest. The ownership and status of the access road from Mauldeth Road is unknown, but we have assumed that the subject property benefits from appropriate rights of way over this road, together with appropriate easements in respect of utilities.
Environmental Considerations	This report expressly disregards the redevelopment potential at the property. It is known that the historical use of the site included rail sidings and a coal yard. Intrusive investigations associated with the residential proposals have not, as far as we are aware, been carried out at this stage. Our valuation is on the assumption that the property is not at risk of liabilities under environmental legislation whilst it is in its current form and use.
ESG	The property is compliant with current MEES, and the first stage proposed requirement for a minimum EPC "C" rating which is widely anticipated to be introduced by the government. As retail warehouse units are typically let in shell form, much of the onus in relation to meeting more stringent EPC requirements will fall on the retailer as part of its fit out. In the medium to longer term there may be more focus on the "envelope" of the building and the thermal characteristics of the cladding and glazed areas, but at the current time the subject property is not likely to be materially impacted by concerns in relation to its ESG credentials.
Planning and Use	It has been established that the unit has permission for unrestricted A1 (retail) use including food, which quite clearly widens the potential pool of retailers.
Occupational Lease	The tenant has security of tenure and is holding over under an expired lease. At this stage we understand that the landlord has not engaged with the tenant about the possibility to renew the lease, due to the redevelopment opportunity which is being explored. Our valuation is on the Special Assumption that the lease has been renewed for a term of 10 years and B&M Retail Limited is paying £388,585 per annum in line with our opinion of headline market rent.
Tenant Covenant Strength	B&M Retail Limited has been proven to be a readily marketable covenant, either on a standalone basis or as part of a multi-let scheme.

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Occupational Market	The retail warehouse sector as a whole is characterised by very low vacancy rates. Well located standalone units on the key arterial routes will attract good demand and if B&M Retail Limited chose to vacate, there would be reasonable demand for this unit.
Market Rent	B&M Retail is currently holding at a rent of £379,500 equating to £10.25 per sq ft. For standalone units of this type there tends to be a ceiling on the global rent (by which we mean the rent per annum, rather than the rent on a £ per sq ft basis) which discount sector retailers will commit to. Some of the rents we have referred to within section 3.1 are historical and pre-date a period in the retail warehouse sector when there was a re-basing of rents. For example, CDS The Range negotiated the rent on its unit at Altrincham Retail Park down from £400,000 per annum to £250,000 per annum, or from £20 per sq ft down to £12.50 per sq ft. Some of the upper end rents we have noted are also on strong retail parks such as The Peel Centre, Stockport, Trafford Retail Park, and Snipe Retail Park at Ashton-Under-Lyne, each of which are located alongside M60 motorway junctions. There have been recent signs that rents have stabilised across the retail warehouse sector and also the low vacancy rates have encouraged investor confidence. On this basis, we are of the opinion that a modest improvement in the headline Market Rent could be justified on the subject unit. We have concluded that the current headline Market Rent is £10.50 per sq ft showing £388,585 per annum. This is based on a rent free incentive of 12 months.
Marketability / Lettability	We consider that the unrestricted Open A1, including food, planning use in combination with the location of the property on a busy arterial route make this a readily lettable unit. If a lease to B&M Retail Limited was agreed on the basis of a 10 year term, then the evidence we have summarised suggests that a net equivalent yield of 6.50% could realistically be achieved. As demonstrated by the evidence this would be a readily marketable investment opportunity. We are of the opinion that there would be good demand from other private investors and property companies, and overseas investors.
Any other relevant considerations	We stress again that we have been instructed to disregard value attributable to redevelopment of the property for alternative use, specifically residential use. A factor which could attract investors would be the opportunity to add a roadside drive through or drive to unit on the scheme (staying within the retail classification rather than residential). We have not explicitly allowed for this, but it is an influence on the yield.

4.2. Approach to Valuation

In arriving at our opinion of value we have adopted the traditional income capitalisation by reference to an “all risks” equivalent yield analysis approach. We have adopted the following inputs:

- A headline Market Rent of £388,585 per annum, as noted in the Principal Valuation Considerations above, and by reference to the comparable evidence we have cited and our opinion on the current market conditions,
- The unit is let to B&M Retail Limited on a 10 year lease,
- A net equivalent yield 6.50% (based on the evidence cited),
- An allowance for purchaser’s costs at 6.62%.

The resultant Market Value assuming a 10 year lease to B&M Retail Limited at our opinion of headline rent, and the unit is income producing at that rent is £5,605,000. The net equivalent, net initial and net reversionary yields are all 6.50%.

The Special Assumption scenario of a 10 year lease has been adopted because it is known that B&M Retail Limited wishes to continue trading from the unit which is a strong performer for the retailer. It is the landlord who is focussing on redevelopment proposals and therefore not engaging in relation to formalising a new lease. If the Special Assumption is disregarded the market value would be lower reflecting the holding over status. In these circumstances the likely value would be in the order of £4,785,000 to £4,975,000 on the basis that indications are that B&M Retail Limited wishes to stay but precise terms remain unresolved.

4.3. Valuations

Having carefully considered the property, as described in the report, we provide the following opinions of value:

4.3.1. Market Rent

As stated above and on the basis outlined above, in our opinion the Market Rent of the property as at 09 August 2024 is:

£388,585 per annum

(THREE HUNDRED AND EIGHTY EIGHT THOUSAND FIVE HUNDRED AND EIGHTY FIVE POUNDS PER ANNUM)

4.3.2. Market Value- Special Assumption that B&M Retail Limited Has Agreed a 10 Year Lease at £388,585 per annum

The Market Value of the freehold interest on the Special Assumption that B&M Retail Limited has signed a 10 Year Lease at and is paying £388,585 per annum, as at 09 August 2024 , is:

£5,605,000

(FIVE MILLION SIX HUNDRED AND FIVE THOUSAND POUNDS)

We consider that a period of up to 6 months is a reasonable period within which to negotiate completion of a sale by private treaty of the property at the level of our valuation, taking into account the nature of the property and the state of the market.

This valuation reflects a net initial yield of 6.50%, an equivalent yield of 6.50% and a reversionary yield of 6.50, all net of purchaser's costs of 6.62%. In addition, it reflects £151 per sq ft.

4.3.3. Valuation Calculations

Our valuation calculations have been undertaken using the Argus Enterprise software, and a summary of those calculations is enclosed at **Appendix 2**.

5. General Assumptions & Conditions

Unless otherwise stated in the report, our Valuation has been carried out on the basis of the following general assumptions and conditions in relation to each property that is the subject of our report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

5.1. General Assumptions

That we have been supplied with all information likely to have an effect on the value of the property, and that the information supplied to us and summarised in the report is both complete and correct.

Legal

- 5.1.1. That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings contained in the title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. Unless provided to us by your legal advisors, we have not inspected the relevant title documents.
- 5.1.2. That the property abuts an adopted highway maintainable at public expense. We assume that full rights of access are enjoyed, and that no third parties enjoy any rights over the property. This should be confirmed by your legal advisers prior to relying on our report.
- 5.1.3. That where there are tenants, they are capable of meeting their obligations and there are no arrears of rent or undisclosed breaches of covenant.

Legislative and Statutory Compliance

- 5.1.4. That the building(s) has/have been constructed and used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control or building regulations. Likewise, that any future construction or use will be lawful (other than those points referred to above).
- 5.1.5. That the property is not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
- 5.1.6. That the property either complies/comply with the Equality Act 2010 and all other Acts relating to occupation, or if there is any such non-compliance, it is not of a substantive nature.
- 5.1.7. No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation.

The Property

- 5.1.8. That the property has been measured in accordance with the Code of Measuring Practice (6th Edition) and we have valued on the basis of the floor areas stated in the report. Whilst the 6th Edition has been superseded by RICS Property Measurement (2nd Edition) which outlines the International Property Measurement Standards (IPMS) for offices and residential property, this basis of measurement has yet to be adopted by market participants. Where we have been provided with floor areas, we assume these floor areas are complete and correct, and are the net/gross internal/external floor areas measured in accordance with the Code of Measuring Practice (6th Edition).
- 5.1.9. That the building(s) is/are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in the parts we have inspected or not, that

would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the property and our report do not constitute a building survey or any warranty as to the state of repair or refurbishment of the property. Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our valuation materially.

- 5.1.10. That there is unrestricted access to the property and that the site(s) is/are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
- 5.1.11. Sewers, mains services and roads giving access to the property have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.
- 5.1.12. That in the construction or alteration of the building(s) no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.
- 5.1.13. That either there is no asbestos present within the building(s) or if there is asbestos present this is recorded and managed within an Asbestos Register in accordance with the Control of Asbestos Regulations 2012.
- 5.1.14. Unless stated otherwise, our valuation will be reported on the basis that the property falls/fall outside the RICS Guidance Note on the *Valuation of multi-storey, multi occupancy residential blocks of flats with cladding*.

Environmental

- 5.1.15. That the property has not suffered any land contamination in the past, nor likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination. Should it subsequently be established that contamination exists at the property, or on any neighbouring land, then we may wish to review our valuation advice.
- 5.1.16. That, unless otherwise stated in the report, the property has an EPC rating of 'E' or above. As part of the Minimum Energy Efficiency Standards 2015 (MEES) that were passed by law in April 2015, from 1 April 2018 it has been a legal requirement for residential or commercial properties to have a minimum EPC rating of 'E' in order to be subject to a new letting. From 1 April 2023, this has applied to all lettings, including lease renewals.
- 5.1.17. The Scottish legislation covering EPCs is contained in the Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 [AEP Regulations]. The legislation captures existing buildings (or units within a building) which are over 1,000 sq m and are either sold or leased to a new tenant. On a sale/lease of a property which is over 1,000 sq m which is not built to 2002 Building Regulation Standards, a seller is legally obliged to provide an "Action Plan" to a purchaser.

The Action Plan will identify emissions and energy improvement targets for a building and the improvement measures that the owners needs to implement to meet these targets. Owners have two options, either carry out the improvement works detailed in the recommendations report within three and half years, or, defer carrying out the works by providing annual report on the operational ratings of the property. The Action Plan will state which option has been chosen. Responsibility for complying with the AEP Regulations and completing the works and reporting on operational ratings rests with the owners of the property.

- 5.1.18. EPCs are required for the sale, letting, construction, or alteration of all residential buildings in Scotland. The Scottish Government recently published its Energy Efficient Route Map which brought in The Energy Efficiency (Private Rented Property) (Scotland) Regulations 2019. Pre-COVID-19 it had been legislated that at the change in a tenancy of any private rented property it would need to meet an EPC of D by April 2022, with a backstop date of existing properties by 2025, this was then rescinded due to the pandemic. As a result of the SNP/ Green Alliance, the Scottish Government's "Heat in Buildings Strategy" was published on 07 October 2021, this now removes the single goal of

achieving higher energy efficiency and links it with achieving net zero emissions. The regulations are due to be introduced in 2025 requiring all properties in the private rented sector to reach a minimum standard equivalent to an EPC of C, where technically feasible and cost effective, at change of tenancy, with a backstop date of 2028 for all remaining existing let properties. It is also proposed that the same will follow in the owner occupied sector by 2033.

- 5.1.19. That the property is free from environmental hazards.
- 5.1.20. That, unless otherwise stated within the report, the property does not suffer from any ill effects of Radon Gas, high voltage electrical supply apparatus or other environmental detriment.
- 5.1.21. We have made informal enquiries in respect of risk of flooding to the property. The Environment Agency/Scottish Environment Protection Agency (SEPA) (as appropriate) categorise the risk of flooding to a property from rivers or sea, and the Lead Local Flood Authority (LLFA)/Scottish Environment Protection Agency (SEPA) (as appropriate) categorise the risk of flooding to a property from surface water. The risk categories are defined as very low / low / medium / high risk and represent a less than 0.1% / 0.1% - 1% / 1% - 3.3% / 3.3% chance of flooding each year.
- 5.1.22. Where we have been asked to value the site under the special assumption that the property will be developed, there are no adverse site or soil conditions, that the property is not adversely affected by an Environmental Impact Assessment, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.

5.2. General Conditions

Our valuation has been carried out on the basis of the following general conditions:

- 5.2.1. In undertaking our valuations, we have adopted the definitions of Market Value and Market Rent as defined in the RICS Valuation – Global Standards (“the Red Book”), as detailed below:

Market Value (MV) is defined in IVS 104 paragraph 30.1 as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Market Rent (MR) is defined in IVS 104 paragraph 40.1 as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

- 5.2.2. Where relevant, we have adopted the definition of Fair Value as defined in the RICS Valuation – Global Standards (“the Red Book”) and the definition adopted by the International Accounting Standards Board (IASB) in IFRS 13:

“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

- 5.2.3. Where relevant, we have adopted the RICS definition of Gross Development Value (GDV) as defined in the RICS Guidance Note on the *Valuation of Development Property* 2019:

“The aggregate market value of the proposed development, assessed on the assumption that the development is complete at the date of valuation in the market conditions prevailing at that date”.

- 5.2.4. All those involved in the production of the report with AssocRICS, MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VPS 3.2 of the Red Book, we confirm that the aforementioned

individuals have sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

5.2.5. Where the report is addressed to multiple addressees under Addressee(s) at 1.1, it is capable of being relied upon provided that, in relying on the report, each of the Addressees acknowledges and agrees that:

5.2.5.1 our aggregate liability to any one or more or all of the Addressees in respect of the report shall be limited to the liability cap stated in Section 1 and the instruction documents in **Appendix 1**; and

5.2.5.2 the report is subject to the terms and conditions set out in the instruction documents in **Appendix 1**.

5.2.5.3 the report is given solely for the benefit of the Addressee(s) and for the purpose stated herein. No third party may rely on the report, and we shall have no liability in respect of any third parties unless otherwise agreed in writing.

5.2.6. Without prejudice to the generality of the foregoing, any party who is permitted to rely on the report (whether by our agreement, by an assignment, or who otherwise becomes entitled to rely upon the report) may only do so subject to the terms of the engagement letter between us and the Original Addressee(s). We shall have no liability that is greater, or for a longer duration, to any party than we have under the terms of the engagement letter. Without limitation to the terms of the engagement letter, any party purporting to rely on the report does so subject to the following:

5.2.6.1 Our aggregate liability due to or under and/or arising out of or in connection with the report to any one or more or all parties relying on the report, however that liability arises (including, without limitation, liability arising by breach of contract, tort, including the tort of negligence, or breach of statutory duty) shall be limited to the liability cap stated above.

5.2.6.2 The report is governed by and shall be construed in accordance with English law, and the English courts shall have exclusive jurisdiction over any claim or proceedings arising hereunder; and

5.2.6.3 The report is confidential and may not be disclosed to any third party without our prior written consent.

5.2.7. In accordance with the recommendations of the RICS, we would state that the report is provided solely for the purpose stated. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon the report at their own risk. Neither the whole nor any part of the report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

5.2.8. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property.

5.2.9. Our valuation is exclusive of VAT (if applicable).

5.2.10. No allowance has been made for any expenses of realisation.

5.2.11. Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.

5.2.12. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.

- 5.2.13. In the case of a property where there is a distressed loan we will not take account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the property in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property in either of these scenarios.
- 5.2.14. The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of the report. Where reports and other information have been provided, we summarise the relevant details in the report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.
- 5.2.15. Our valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our report, we are unable to warrant that the information on which we have relied is correct.
- 5.2.16. The report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of the report. Where possible, we have sought to verify the information provided to us. However should further due diligence highlight inaccuracies in the data supplied to us, or new material information come to light, this may have an adverse impact on the valuations herein reported. In such cases, we would reserve the right to amend our advice accordingly.

Report and Valuation

B&M Home Store & Garden Centre, Kingsway, Burnage, Manchester M19 1BB



Appendix 1 – Instructions



9 July 2024

Our Ref: 681955/JAL

Triple Jersey Limited

15 Esplanade
St Helier
Jersey
JE1 1RB

(the **Addressee**)

Jonathan Langstaff FRICS
E: jangstaff@savills.com
DL: +44 (0) 161 244 7777
M: +44 (0) 7870 555 790

Belvedere
12 Booth Street
Manchester
M2 4AW
T: +44 (0) 161 236 8644
savills.com

For the attention of Mr Bill Sarre

Dear Sirs

PROPERTY: B&M HOME STORE WITH GARDEN CENTRE, KINGSWAY, BURNAGE, MANCHESTER M19 1BB

CONFIRMATION OF TERMS OF ENGAGEMENT FOR THE PROVISION OF VALUATION ADVICE

1. Thank you for your correspondence dated 8 July 2024. We are grateful to you for your kind instructions to advise and now write to confirm the terms upon which Savills (UK) Limited (**Savills, we or us**) will provide Triple Jersey Limited (**you**) with a valuation report (the **Valuation or Report**) in respect of the above property or properties (each being a **Property**).
2. Our Valuation will be undertaken on the terms set out in this letter, including its appendices.
3. Please sign and return a copy of this letter to us to confirm your acceptance of the terms set out herein. In particular, we draw your attention to the fact that when signing this letter you are confirming your agreement to the limitation of our liability set out at paragraphs 8 - 12 inclusive.
4. Please note we will be unable to formally issue our final Report to you, and you will be unable to rely upon the contents of our Report, until such time as we have received your signed copy of this letter.
5. To the extent that there is conflict or inconsistency between this confirmation of instruction letter and your correspondence referred to above, this confirmation of instruction letter will prevail.

CONFLICTS OF INTEREST

6. We confirm that Savills (UK) Limited does not have an involvement with the Property. As already advised to you Savills Out of Town Retail Warehousing Agency team is instructed by Triple Jersey Limited on number of retail warehouse assets elsewhere, but this would not prevent Savills Valuation from providing an independent and objective opinion on the Market Value of the subject property. In particular Savills Northern Valuation team, of which Jonathan Langstaff FRICS is head, has had no involvement with Triple Jersey Limited. You have emailed your Informed Consent to us.

RICS RED BOOK

7. We shall prepare our Valuation in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together, where applicable, with the UK National Supplement effective 1 May 2024, together the **“Red Book”**. Accordingly, we confirm that:

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills (UK) Limited. Chartered Surveyors. Regulated by RICS. A subsidiary of Savills plc. Registered in England No. 2605138.
Registered office: 33 Margaret Street, London, W1G 0JD



(a) Identification and status of the Valuer

- (i) The Valuation will be the responsibility of and the Report will be signed by Jonathan Langstaff FRICS, RICS Registered Valuer (the **Valuer**). The Valuer will work with colleagues as appropriate, and the Report will be counter-signed by at least one other RICS Registered Valuer.
- (ii) The Valuer has sufficient current knowledge of the particular market(s) and sufficiently developed skills and understanding to undertake the valuation competently.

We are acting as an "external valuer" as defined in the Red Book and within Appendix 1.

(b) Identification of the client and other intended users

The client is the addressee of this letter. We will address our Report to the Addressee.

(c) Identification of the asset or liability to be valued

- (i) The interest to be valued is detailed below:

Property Address	Tenure	Use
B&M Home Store with Garden Centre, Kingsway, Burnage, Manchester M19 1BB	Freehold	Retail

- (ii) The interest will be valued subject to the current occupational agreement (which you have advised is an expired lease under which the tenant B&M Retail Limited is holding over) details to be confirmed in our Report.
- (iii) The interest to be valued is held for investment/redevelopment purposes but for the purposes of this instruction the property is to be valued on the Special Assumption of continuation of the existing use as a Retail Warehouse. The residential redevelopment proposals are to be disregarded.

(d) The valuation will be in pounds sterling.

(e) Purpose of the valuation

You outlined that a report and valuation is required in connection with dialogue with Manchester City Council in relation to redevelopment of the site for residential purposes, and associated affordable housing provisions. Such valuation is to be based on the existing use as a retail warehouse, and to disregard alternative use /redevelopment potential.

The Report will be provided strictly for this purpose, and may not be used for any other purpose and in particular it is not to be used for loan security or accounts purposes.

It is important that the Report is not used out of context or for the purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended, or outside of the restrictions on its use set out at sub-paragraph (f) below.

(f) Bases of value

The bases of our Valuation will be Market Value, and Market Rent, the definitions of which are set out at **Appendix 1** (attached).



(g) Valuation Date

The Valuation Date will be the date of our report. We stress the importance of the Valuation Date.

(h) Extent of investigation

- (i) We will carry out an inspection of the Property and undertake investigations to the extent necessary to undertake the Valuation. We will not carry out a structural survey or test the services and nor will we inspect the woodwork and other parts of the structures which are covered, unexposed or inaccessible.

ESG and Sustainability

- (ii) As directed by the Red Book, we will limit our ESG and Sustainability enquiries (and restrict our comments) to observations of facts which will impact on value.

Cladding

- (iii) Our valuation will be reported on the basis that the Property falls outside the RICS Guidance Note on the *Valuation of multi-storey, multi occupancy residential blocks of flats with cladding*.

Japanese Knotweed

- (iv) If Japanese Knotweed has been previously identified at the Property (or on neighbouring land) then we will require copies of any specialist reports, management plan or warranties.

Identifying Japanese knotweed is problematic and cannot be guaranteed. This is partly because during the early stages of its annual life cycle some of the classic visual characteristics are not distinctive and during the winter months the plant sheds its leaves and suffers die back. It is also possible that Japanese knotweed has received a herbicide-based treatment which has removed all visible above ground signs but may not have killed the below ground rhizome (root) which, in turn, may lead to new growth and the spread of the plant in time.

Should our investigations reveal the existence of Japanese Knotweed at the Property which has caused visible material damage to a structure, or is likely to prevent use of, or restrict access to amenity space, we will recommend that a specialist report is obtained, which will delay the publication of our report. Alternatively, we will discuss with you whether it is appropriate to report on the basis of a Special Assumption that there is no Japanese Knotweed at the property (or on neighbouring land) pending receipt of a specialist report.

(i) Nature and source of information to be relied upon

- (i) We will carry out our Valuation based on the information listed below:

Document/Item	Source
Confirmation of Tenure and Title Plan.	J A Development Consulting Limited / Triple Jersey Limited
Copy of the expired lease to B&M Retail Limited.	J A Development Consulting Limited / Triple Jersey Limited
Details of Tenant's Improvements.	J A Development Consulting Limited / Triple Jersey Limited
A summary of the dialogue (if any) with B&M Retail Limited regarding the terms of ongoing occupation.	J A Development Consulting Limited / Triple Jersey Limited



Document/Item	Source
Planning Permission (s) for the current use as Retail Warehousing. In particular, the planning permission confirming unrestricted Open A1 retail use including food.	J A Development Consulting Limited / Triple Jersey Limited
Floor Areas (GIA) Measured in Accordance with the RICS Code of Measuring Practice.	J A Development Consulting Limited / Triple Jersey Limited

(ii) To the extent that you have provided us with information, you agree, unless it is otherwise agreed by us in writing, we can safely rely upon the accuracy, completeness and consistency of this information without further verification and that you will not hold us responsible in the event that any dispute regarding the Valuation arises from the accuracy of such information.

(iii) Floor areas:

We will not be measuring the Property. It is agreed that we will rely on the Gross Internal Area (GIA) floor areas provided to us by J A Development Consulting Limited.

(iv) We will not make formal searches with local planning authorities, but shall rely on the information provided informally by the local planning authority or its officers. We recommend you instruct lawyers to confirm the position in relation to planning and that the Report is reviewed in light of advice from your solicitors in this respect.

(v) For the avoidance of doubt, we accept no liability for any inaccuracy or omission contained in information disclosed by you or any third party or from the Land Registry or any database to which we subscribe. We will highlight in our Report where we have relied on such information.

j) Assumptions and Special Assumptions

Unless otherwise agreed, our Valuation will be reported on the basis of the general assumptions attached at **Appendix 2**.

Our Valuation will also be reported on the basis of the following Special Assumptions:

- That the property is to continue in its existing use as a Retail Warehouse.
- Value derived from the redevelopment potential, and in particular the residential redevelopment proposals is to be disregarded.

(k) Format of Report

We will adopt the relevant Savills (UK) Limited valuation report template, adapted, as necessary, to accommodate your instructions.

(l) Restrictions on use, distribution or publication

(i) Our Report shall be confidential to, and for the use only of, the Addressee(s) and no responsibility shall be accepted to any third party for the whole or any part of its contents.

(ii) Neither the whole nor any part of our Report or any reference to it may be included in any published document, circular or statement, nor published, reproduced, referred to or used in any way without our prior written approval (with such approval to be given or withheld at our absolute discretion).



(iii) Draft reports, if provided, will be sent on the basis that they are provisional (i.e. subject to completion of our final report) and for your internal purposes only. They must not be published or disclosed and you will not be entitled to rely upon them for any purpose whatsoever. Savills neither owes nor accepts a duty of care to you in connection with any drafts and shall not be liable to you for any loss, damage, cost or expense of whatever nature caused by your use of or reliance on them. Should you choose to rely upon a draft you do so entirely at your own risk and you are responsible for carrying out your own independent investigations.

(m) Confirmation that the valuation will be undertaken in accordance with IVS

We confirm we will prepare our Valuation in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together, and where applicable, with the UK National Supplement effective 1 May 2024, together the “Red Book”.

We also confirm that the valuers will assess the appropriateness of all significant inputs.

(n) The basis on which the fee will be calculated:

(i) The agreed fee for the provision of the Valuation is **£5,000 plus VAT** and is payable in pounds sterling. This fee is inclusive of expenses.

(ii) Our agreed fee and any expenses, together with any VAT (at the prevailing rate) on such amounts, shall become due and payable by you to us within 30 days of us issuing you with a valid VAT invoice in respect of such amounts. In the event that our fee is not paid by the date for payment we reserve the right to charge default interest at a rate of 4% above the Barclays Bank base rate for payment.

(iii) In the event of our instructions being terminated at any time prior to completion of our work, a fee will become payable on a time basis (at our prevailing rates) for work carried out up to the date of termination, subject to a minimum of 50% of the agreed fee, together with all expenses incurred.

(iv) If we incur any expenditure on solicitors or other third parties in order to recover the fee due, such amounts will be payable by you.

(v) If we perform any additional services for you, we will agree an additional fee with you in respect of such services and such fee shall be payable in the manner set out above.

(vi) You acknowledge that you shall not be entitled to rely upon our Report until such time as our fees have been paid as detailed here.

(n) Savills Complaints Handling Procedure

A copy of our Client Complaints Handling Procedure can be made available to you on request.

(o) Monitoring under RICS conduct and disciplinary regulations

Savills (UK) Limited is regulated by RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Nicola McGinnis (nmcginnis@savills.com), Chief Financial Officer.



LIMITATIONS ON LIABILITY

8. Subject to paragraph 11 below, our aggregate liability to any one, or more, or all of the Addressees or any other party who otherwise becomes entitled to rely upon the Report under or in connection with this agreement and our Valuation, however that liability arises (including, without limitation, a liability arising by breach of contract, arising by tort, including, without limitation, the tort of negligence, or arising by breach of statutory duty) shall be limited to £50,000.
9. You acknowledge and agree that we shall not be liable under or in connection with this agreement and the provision of our Valuation in tort (including negligence), breach of contract, breach of statutory duty or otherwise due to, under and/or arising out of or in connection with this agreement to the extent such loss or damage is consequential, indirect, special or punitive.
10. You acknowledge and agree that none of our employees, partners or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring a claim against any such individuals personally in connection with our services.
11. Nothing in this agreement shall exclude or limit our liability for death or personal injury caused by our negligence or for any other liability that cannot be excluded by law.

INSURANCE

12. During the period that we are producing our Valuation and for a period of six years thereafter, we will maintain in force, with insurers or underwriters approved by the RICS, professional indemnity insurance in an amount not less than the amount of our liability cap, as calculated pursuant to clause **Error! Reference source not found.** above and shall, on your request, produce confirmation of the same from our insurance broker.

RELIANCE

13. As stated above, we accept responsibility for our Report only to the Addressees and no third party may rely on our Report. We do not accept any responsibility to, and shall have no liability in respect of, any third parties unless otherwise agreed in writing even if that third party pays all or part of our fees, or is permitted to see a copy of our Valuation. In addition, the benefit of our Report is personal and neither you nor any other Addressee may assign the benefit of our Report to any third party without our prior written consent (with such consent to be given or withheld at our absolute discretion). You acknowledge that if we agree to extend reliance on our Report to any third party or to the benefit of our Report being assigned, we will require the relevant third party or assignee to enter into a reliance letter before such party is entitled to rely upon our Report. We will provide you with a copy of our reliance letter on request. If we agree to any such extension or assignment, we may charge you an additional fee.
14. The Addressee(s) and their assignees, who may be permitted to rely on our Report, do so subject to the terms of this engagement.

CONFIDENTIALITY

15. Neither party shall disclose any confidential information relating to the affairs, business, customers or clients of the disclosing party to any other party without the disclosing party's prior written consent except to those of the receiving party's employees, officers, representatives and/or advisors who need to know the information for the purposes of carrying out the receiving party's obligations under this agreement (save to the extent that the receiving party is compelled to disclose such information by law).
16. Our Report is confidential to and for the use only of the Addressees, but the Addressees may disclose the Report on a non-reliance and without liability basis to their directors, officers, employees and professional advisers provided the relevant Addressee procures any person to whom our Report is disclosed pursuant to this paragraph 16 keeps the Report confidential and does not disclose it to any other party.



DATA PROTECTION

17. We may use your personal information in our provision of services to you. Please see our Privacy Notice for details of how your personal information will be used. Our Privacy Notice can be found at the following web address: <http://www.savills.co.uk/footer/privacy-policy.aspx>

SUB-CONTRACTING

18. We may sub-contract the provision of any services to be performed by us pursuant to this agreement (including, without limitation, to other companies that are direct or indirect subsidiaries of Savills plc) provided that we will remain responsible to you for the provision of those services and the provision of our Report. We may request that you pay any sub-contractor directly for those of our fees which relate to work carried out by the sub-contractor. In these circumstances, the fees in question are to be paid by you directly to the sub-contractor and we will be entitled to assign to the sub-contractor any rights that we have in respect of those fees.

MONEY LAUNDERING

19. You shall promptly, upon request, provide us with any information reasonably required to enable us to comply with our obligations under the Money Laundering Regulations and our internal compliance policies relating to the same. For the avoidance of doubt, searches may also be conducted on your directors and "beneficial owners" as is required by the legislation. You agree that we may retain such information and documentation for these purposes and make searches of appropriate databases electronically. If such information is not provided within a reasonable time or you do not meet the requirements set out in our relevant internal policies, we may terminate this instruction immediately upon written notice to you.
20. The provision of our services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, we are required to comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.

HEALTH AND SAFETY

21. If we are undertaking physical inspections of the Property, you shall take reasonable steps to procure that the owner and/or occupier of the Property: (a) advises us of any hazards to which our staff may be exposed at the Property (b) provides us with any relevant health and safety policies and (c) arranges for any site visits to the Property to be hosted by a representative of the owner/occupier of the Property.

JURISDICTION

22. This agreement and any dispute arising from the Valuation is subject to English jurisdiction and law.

APPENDICES

23. Your attention is drawn to the attached appendices which form part of the agreement between us and on which our Valuation will be reported. By signing a copy of this letter you are also confirming your agreement to them.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Jonathan Langstaff".

Jonathan Langstaff FRICS
RICS Registered Valuer
Director

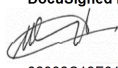
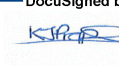
For and on behalf of Savills (UK) Limited



Client Acceptance

I confirm Triple Jersey Limited’s agreement to this letter and the attached appendices and, in particular, confirm that the limitation on liability set out in paragraph 8 above is acknowledged, considered reasonable and accepted:

Signed for and on behalf of Triple Jersey Limited

Signature	DocuSigned by:  82982C13F6114EC...	DocuSigned by:  ABFAEEA04CFA4B8...
Name (in capitals)	Hemant Poonyth	Karen Proper
Position	Authorised Signatories of Hawksford Directors 1 Limited and Hawksford Directors 2 Limited, in their capacity as Corporate Directors of Triple Jersey Limited	
Date	24-07-2024	



Appendix 1: Definitions and Bases of Valuation

Assumption

A supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process. Typically, an assumption is made where specific investigation by the valuer is not required in order to prove that something is true (RICS Valuation – Global Standards, 2022).

Depreciated Replacement Cost

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation (RICS Valuation – Global Standards, 2022).

Existing Use Value

The estimated amount for which an asset or liability should exchange on the Valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost (RICS Valuation – Global Standards 2017, UK national supplement).

Existing Use Value is to be used only for valuing property that is owner occupied by a business, or other entity, for inclusion in financial statements.

External Valuer

A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client or the subject of the assignment. (RICS Valuation – Global Standards 2022). Unless otherwise stated, External Valuer does not refer to the role of an external valuer within the context of the Alternative Investment Fund Managers Directive 2011/61/EU and its implementing provisions in the United Kingdom unless agreed otherwise in writing.

Equitable Value

The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties (IVS 104 – Bases of Value), (RICS Valuation – Global Standards 2022).

Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (RICS Valuation – Global Standards 2022).

Gross Development Value (GDV)

The aggregate market value of the proposed development, assessed on the assumption that the development is complete at the date of valuation in the market conditions prevailing at that date.

Investment Value (or Worth)

The value of an asset to a particular owner or prospective owner for individual investment or operational objectives (RICS Valuation – Global Standards 2022).

Market Rent

The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion (RICS Valuation – Global Standards 2022).

**Market Value**

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion (RICS Valuation – Global Standards 2022).

Market Value for Capital Gains Tax, Inheritance Tax, Stamp Duty Land Tax and the Annual Tax on Enveloped Dwellings

The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time (RICS Valuation - Global Standards 2017: UK national supplement).

Special Assumption

An assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date (RICS Valuation – Global Standards 2022).



Appendix 2: General assumptions and conditions applicable to all valuations

Unless otherwise agreed in writing and /or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1.1 General Assumptions

That we have been supplied with all information likely to have an effect on the value of the property(ies), and that the information supplied to us and summarised in the report is both complete and correct.

Legal

- 1.1.1 That the property(ies) is/are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings contained in the title. Should there be any mortgages or charges, we have assumed that the property(ies) would be sold free of them. Unless provided to us by your legal advisors, we have not inspected the relevant title documents.
- 1.1.2 That the property abuts an adopted highway maintainable at public expense. We assume that full rights of access are enjoyed, and that no third parties enjoy any rights over the property. This should be confirmed by your legal advisers prior to relying on our report.
- 1.1.3 That where there are tenants, they are capable of meeting their obligations and there are no arrears of rent or undisclosed breaches of covenant.

Legislative and Statutory Compliance

- 1.1.4 That the building(s) has/have been constructed and used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control or building regulations. Likewise, that any future construction or use will be lawful (other than those points referred to above).
- 1.1.5 That the property(ies) is/are not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
- 1.1.6 That the property(ies) either complies/comply with the Equality Act 2010 and all other Acts relating to occupation, or if there is any such non-compliance, it is not of a substantive nature.
- 1.1.7 No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation.

The Property

- 1.1.8 That the property(ies) has/have been measured in accordance with the Code of Measuring Practice (6th Edition) and we have valued on the basis of the floor areas stated in the report. Whilst the 6th Edition has been superseded by RICS Property Measurement (2nd Edition) which outlines the International Property Measurement Standards (IPMS) for offices and residential property, this basis of measurement has yet to be adopted by market participants. Where we have been provided with floor areas, we assume these floor areas are complete and correct, and are the net/gross internal/external floor areas measured in accordance with the Code of Measuring Practice (6th Edition).
- 1.1.9 That the building(s) is/are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in the parts we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection



of the property(ies) and our report do not constitute a building survey or any warranty as to the state of repair or refurbishment of the property(ies). Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our valuation materially.

- 1.1.10 That there is unrestricted access to the property(ies) and that the site(s) is/are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
- 1.1.11 Sewers, mains services and roads giving access to the property(ies) have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.
- 1.1.12 That in the construction or alteration of the building(s) no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.
- 1.1.13 That either there is no asbestos present within the building(s) or if there is asbestos present this is recorded and managed within an Asbestos Register in accordance with the Control of Asbestos Regulations 2012.
- 1.1.14 Unless stated otherwise, our valuation will be reported on the basis that the property(ies) falls/fall outside the RICS Guidance Note on the Valuation of multi-storey, multi occupancy residential blocks of flats with cladding.

Environmental

- 1.1.15 That the property(ies) has/have not suffered any land contamination in the past, nor likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination. Should it subsequently be established that contamination exists at the property(ies), or on any neighbouring land, then we may wish to review our valuation advice.
- 1.1.16 That, unless otherwise stated in the report, the property(ies) has/have an EPC rating of 'E' or above. As part of the Minimum Energy Efficiency Standards 2015 (MEES) that were passed by law in April 2015, from 1 April 2018 it has been a legal requirement for residential or commercial properties to have a minimum EPC rating of 'E' in order to be subject to a new letting. From 1 April 2023, this has applied to all lettings, including lease renewals.
- 1.1.17 The Scottish legislation covering EPCs is contained in the Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 [AEP Regulations]. The legislation captures existing buildings (or units within a building) which are over 1,000 sq m and are either sold or leased to a new tenant. On a sale/lease of a property which is over 1,000 sq m which is not built to 2002 Building Regulation Standards, a seller is legally obliged to provide an "Action Plan" to a purchaser.

The Action Plan will identify emissions and energy improvement targets for a building and the improvement measures that the owners needs to implement to meet these targets. Owners have two options, either carry out the improvement works detailed in the recommendations report within three and half years, or, defer carrying out the works by providing annual report on the operational ratings of the property. The Action Plan will state which option has been chosen. Responsibility for complying with the AEP Regulations and completing the works and reporting on operational ratings rests with the owners of the property.

- 1.1.18 EPCs are required for the sale, letting, construction, or alteration of all residential buildings in Scotland. The Scottish Government recently published its Energy Efficient Route Map which brought in The Energy Efficiency (Private Rented Property) (Scotland) Regulations 2019. Pre-COVID-19 it had been legislated that at the change in a tenancy of any private rented property it would need to meet an EPC of D by April 2022, with a backstop date of existing properties by 2025, this was then rescinded due to the pandemic. As a result of the SNP/ Green Alliance, the Scottish Government's "Heat in Buildings Strategy" was published on 07 October 2021, this now removes the single goal of achieving higher energy efficiency and links it with achieving net zero emissions. The regulations are due to be introduced in 2025 requiring



all properties in the private rented sector to reach a minimum standard equivalent to an EPC of C, where technically feasible and cost effective, at change of tenancy, with a backstop date of 2028 for all remaining existing let properties. It is also proposed that the same will follow in the owner occupied sector by 2033.

- 1.1.19 That the property(ies) is/are free from environmental hazards.
- 1.1.20 That, unless otherwise stated within the report, the property(ies) does/do not suffer from any ill effects of Radon Gas, high voltage electrical supply apparatus or other environmental detriment.
- 1.1.21 We have made informal enquiries in respect of risk of flooding to the property. The Environment Agency/Scottish Environment Protection Agency (SEPA) (as appropriate) categorise the risk of flooding to a property from rivers or sea, and the Lead Local Flood Authority (LLFA)/Scottish Environment Protection Agency (SEPA) (as appropriate) categorise the risk of flooding to a property from surface water. The risk categories are defined as very low / low / medium / high risk and represent a less than 0.1% / 0.1% - 1% / 1% - 3.3% / 3.3% chance of flooding each year.
- 1.1.22 Where we have been asked to value the site under the special assumption that the property(ies) will be developed, there are no adverse site or soil conditions, that the property(ies) is/are not adversely affected by an Environmental Impact Assessment, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.
- 1.1.23 Where we have been asked to value the site under the special assumption that the property(ies) will be developed, there are no adverse site or soil conditions, that the property(ies) is/are not adversely affected by an Environmental Impact Assessment, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.

Further General Assumptions applicable to residential valuations

The following general assumptions apply to residential property valuations and are in addition to the general assumptions as above.

- 1.1.24 Where the Property comprises flats or maisonettes, unless instructed or otherwise aware to the contrary, we will assume that:
 - (a) The costs of repairs and maintenance of the building and grounds are shared equitably between the flats and maisonettes.
 - (b) There are suitable, enforceable covenants between all leaseholds, or through the landlord or the owner.
 - (c) There are no onerous liabilities outstanding.
 - (d) There are no substantial defects, or other matters requiring expenditure (in excess of the current amount or assumed amount of service charge payable on an annual basis), expected to result in charges to the leaseholder, or owner of the Property, during the next five years, equivalent to 10% or more of the reported Market Value.
- 1.1.25 Where the dwelling is leasehold and it is not possible to inspect the lease or details have not been provided, the following further assumptions will be made, unless instructed to the contrary:
 - (a) The unexpired term of the lease is 85 years, and no action is being taken by any eligible party with a view to acquiring the freehold or to extending the lease term.
 - (b) That there are no exceptionally onerous covenants upon the leaseholder.



- (c) The lease cannot be determined except on the grounds of a serious breach of covenant in the existing lease agreement.
- (d) If there are separate freeholders, head and/or other sub-head leaseholders, the terms and conditions of all the leases are in the same form and contain the same terms and conditions.
- (e) The lease terms are mutually enforceable against all parties concerned.
- (f) There are no breaches of covenants or disputes between the various interests concerned.
- (g) The leases of all the properties in the building/development are materially the same.
- (h) The ground rent stated or assumed is not subject to unreasonable review and is payable throughout the expired lease term.
- (i) In the case of blocks of flats or maisonettes of over six dwellings, the freeholder manages the Property directly or there is an appropriate management structure in place.
- (j) There is a dutyholder, as defined in the Control of Asbestos Regulations 2012, and there are in place an asbestos register and effective management plan, which does not require any immediate expenditure, pose a significant risk to health or breach of the Health and Safety Executive (HSE) regulations.
- (k) Where the Property forms part of a mixed residential or commercially used block or development, there will be no significant changes in the existing pattern of use.
- (l) Where the Property forms part of a development containing separate blocks of dwellings, the lease terms of the Property apply only to the block. There will be no requirement to contribute towards costs relating to the other parts of the development, other than in respect of common roads, paths, communal grounds and services.
- (m) Where the Property forms part of a larger development, the ownership of which has since been divided, all necessary rights and reservations have been reserved.
- (n) There are no unusual restrictions on assignment or sub-letting of the Property for residential purposes.
- (o) There are no outstanding claims or litigation concerning the lease of the Property or any others within the same development.
- (p) Where the Property benefits from additional facilities within a development, the lease makes adequate provision for the lessee to continue to enjoy them with exceptional restriction, for the facilities to be maintained adequately, and that there are no charges over and above the service charge for such use and maintenance.

1.1.26 In respect of insurance the following assumptions will be made, unless instructed otherwise:

- (a) The Property can be insured under all-risks cover for the current reinstatement cost and is available on normal terms.
- (b) There are no outstanding claims or disputes.
- (c) Where individuals in a block makes separate insurance arrangements, the leases make provision for mutual enforceability of insurance and repairing obligations and
- (d) Any landlord responsible for insurance is required to rebuild the Property with the alterations that may be necessary to comply with current Building Regulations and planning requirements.



1.2 General Conditions

Our valuation has been carried out on the basis of the following general conditions:

- 1.2.1 In undertaking our valuations, we have adopted the definitions of Market Value and Market Rent as defined in the RICS Valuation – Global Standards (“the Red Book”), as detailed below:

Market Value (MV) is defined in IVS 104 paragraph 30.1 as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Market Rent (MR) is defined in IVS 104 paragraph 40.1 as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

- 1.2.2 Where relevant, we have adopted the definition of Fair Value as defined in the RICS Valuation – Global Standards (“the Red Book”) and the definition adopted by the International Accounting Standards Board (IASB) in IFRS 13:

“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

- 1.2.3 Where relevant, we have adopted the RICS definition of Gross Development Value (GDV) as defined in the RICS Guidance Note on the Valuation of Development Property 2019:

“The aggregate market value of the proposed development, assessed on the assumption that the development is complete at the date of valuation in the market conditions prevailing at that date”.

- 1.2.4 The importance of the date of valuation must be stressed as property values can change over a relatively short period.

- 1.2.5 All those involved in the production of the report with AssocRICS, MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VPS 3.2 of the Red Book, we confirm that the aforementioned individuals have sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

- 1.2.6 Where the report is addressed to multiple addressees under Addressee(s) at 1.1, it is capable of being relied upon provided that, in relying on the report, each of the Addressees acknowledges and agrees that:

1.2.1.1 our aggregate liability to any one or more or all of the Addressees in respect of the report shall be limited to the liability cap stated in Section 1 and the instruction documents in **Appendix 1**; and

1.2.1.2 the report is subject to the terms and conditions set out in the instruction documents in **Appendix 1**.

1.2.1.3 the report is given solely for the benefit of the Addressee(s) and for the purpose stated herein. No third party may rely on the report, and we shall have no liability in respect of any third parties unless otherwise agreed in writing.

- 1.2.7 Without prejudice to the generality of the foregoing, any party who is permitted to rely on the report (whether by our agreement, by an assignment, or who otherwise becomes entitled to rely upon the report) may only do so subject to the terms of the engagement letter between us and the Original Addressee(s). We shall have no liability that is greater, or



for a longer duration, to any party than we have under the terms of the engagement letter. Without limitation to the terms of the engagement letter, any party purporting to rely on the report does so subject to the following:

- 1.2.1.4 Our aggregate liability due to or under and/or arising out of or in connection with the report to any one or more or all parties relying on the report, however that liability arises (including, without limitation, liability arising by breach of contract, tort, including the tort of negligence, or breach of statutory duty) shall be limited to the liability cap stated above.
- 1.2.1.5 The report is governed by and shall be construed in accordance with English law, and the English courts shall have exclusive jurisdiction over any claim or proceedings arising hereunder; and
- 1.2.1.6 The report is confidential and may not be disclosed to any third party without our prior written consent.
- 1.2.8 In accordance with the recommendations of the RICS, we would state that the report is provided solely for the purpose stated. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon the report at their own risk. Neither the whole nor any part of the report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.
- 1.2.9 Where our valuation is provided for the purposes of secured lending, although we comment on the suitability of the property(ies) as loan security, we do so generally and not in the context of any specific loan terms as we are not qualified to do so.
- 1.2.10 Where we have provided an indication for insurance purposes of the current reinstatement cost of the property(ies) in its/their present form, it is given solely as a guide. A formal estimate for insurance purposes can only be given by a quantity surveyor or other person with sufficient current experience of replacement costs. We confirm that the property(ies) has/have not been inspected by such a person, and therefore any cost estimate is provided without liability.
- 1.2.11 We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property(ies).
- 1.2.12 Our valuation is exclusive of VAT (if applicable).
- 1.2.13 No allowance has been made for any expenses of realisation.
- 1.2.14 Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
- 1.2.15 When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.
- 1.2.16 In the case of a property(ies) where there is a distressed loan we will not take account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the property(ies) in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property(ies) in either of these scenarios.
- 1.2.17 The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of the report. Where reports and other information have been provided, we summarise the relevant details in the report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.



- 1.2.18 Our valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our report, we are unable to warrant that the information on which we have relied is correct.
- 1.2.19 The report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of the report. Where possible, we have sought to verify the information provided to us. However should further due diligence highlight inaccuracies in the data supplied to us, or new material information come to light, this may have an adverse impact on the valuations herein reported. In such cases, we would reserve the right to amend our advice accordingly.

Appendix 2 – Valuation Calculations

Summary Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 09/08/2024

Property

Address

B&M Home Store With Garden Centre (2), Burnage, Manchester , M19 1BB, United Kingdom

External ID

Gross Valuation

5,978,231

Capital Costs

0

Net Value Before Fees

5,978,231

Less

Agent's Fee

@1.00% Net Sale Price

67,289

Legal Fee

@0.50% Net Sale Price

33,645

Stamp Duty

@4.81% Stamp Duty

269,871

Fees include non recoverable VAT @ 20.00%

Net Valuation

5,607,426

Say

5,605,000

Equivalent Yield

6.5028%

True Equivalent Yield

6.776%

Initial Yield (Valuation Rent)

6.5026%

Initial Yield (Contracted Rent)

6.5026%

Reversion Yield

6.5026%

Total Valuation Rent

388,585

Total Contracted Rent

388,585

Total Rental Value

388,585

Number of Tenants

1

Capital Value Per Area

151

Running Yields

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
09/08/2024	388,585	0	0	388,585	6.5026%	6.7758%

Yields Based On Say Value + Acq.Costs + Cap.Ex

Tenants

Tenant Name	Suite	Lease ID	Next Review	Earliest Termination	CAP Group	Method	Contracted Rent	Valuation Rent	Rental Value	Gross Value	Initial Yield	Initial Yield (Contracted)	Equivalent Yield	Reversionary Yield
B&M Retail Limited			09/08/2029	08/08/2039	B&M Retail Lmited	Hardcore(6.5%)	388,585	388,585	388,585	5,978,231	6.5000%	6.5000%	6.5000%	6.5000%

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Appraisal 5 – Policy Compliant Residual Appraisal

APPRAISAL SUMMARY

ASPINALLVERDI

B&M Kingsway, Burnage, M19 1BB 240830_B&M Kingsway Residual 115-unit scheme Appraisal_v1

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	m ²	Rent Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Private Market Units	92	8,014.00	241.02	20,995	1,448,634	1,931,512	1,448,634
Affordable Units	23	1,443.00	211.18	13,249	228,550	304,733	228,550
Totals	115	9,457.00			1,677,184	2,236,245	1,677,184

Investment Valuation

Private Market Units

Current Rent	1,448,634	YP @	4.2500%	23.5294	34,085,506
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Affordable Units

Current Rent	228,550	YP @	4.2500%	23.5294	5,377,641
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Total Investment Valuation

39,463,147

GROSS DEVELOPMENT VALUE

39,463,147

Purchaser's Costs		(2,367,789)
Effective Purchaser's Costs Rate	6.00%	

(2,367,789)

NET DEVELOPMENT VALUE

37,095,358

NET REALISATION

37,095,358

OUTLAY

ACQUISITION COSTS

Residualised Price		1,081,995	
Agent Fee	1.00%	405,451	1,081,995
Legal Fee	0.75%	304,089	
			709,540

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost
Construction Costs	10,651.00	2,355.88	25,092,500
			25,092,500

Other Construction Costs

Tenant Compensation		720,000	
			720,000

PROFESSIONAL FEES

Professional Fees	6.00%	1,505,550	1,505,550
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MARKETING & LETTING

Marketing		20,000	20,000
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DISPOSAL FEES

Legal and Sales Fee	0.75%	295,974	295,974
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TOTAL COSTS BEFORE FINANCE

29,425,558

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Land		135,069	
Construction		1,352,171	
Total Finance Cost			1,487,240

TOTAL COSTS

30,912,798

PROFIT

B&M Kingsway, Burnage, M19 1BB
240830_B&M Kingsway Residual 115-unit scheme Appraisal_v1

6,182,560

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	5.43%
Equivalent Yield% (Nominal)	4.25%
Equivalent Yield% (True)	4.37%
IRR% (without Interest)	33.08%
Rent Cover	3 yrs 8 mths

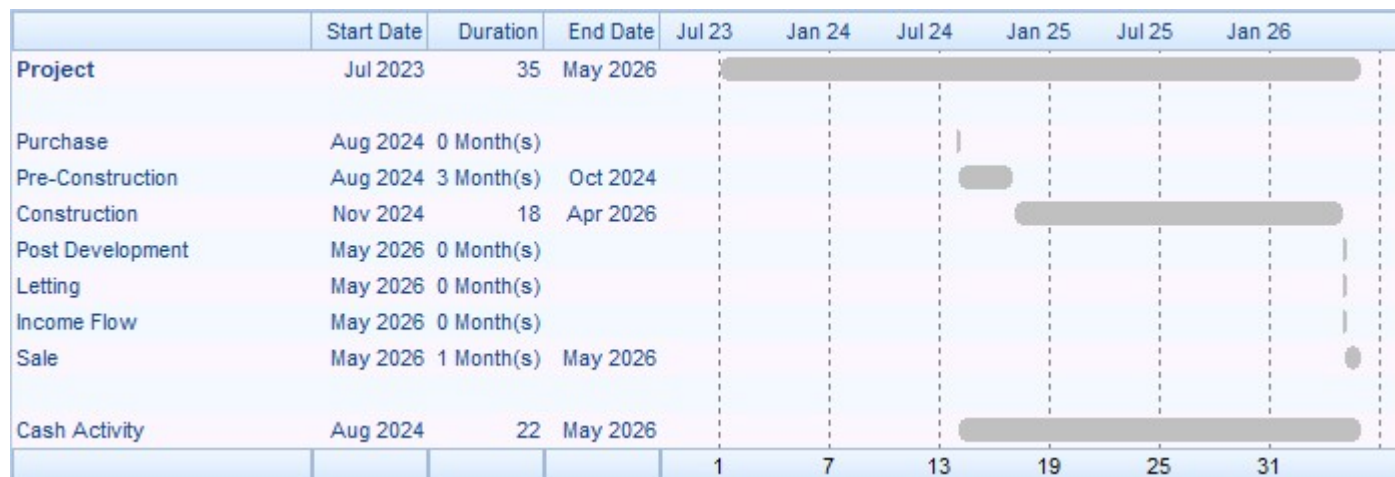
B&M Kingsway, Burnage, M19 1BB

240501_B&M Kingsway Residual 115-unit scheme Appraisal_v1

Project Timescale

Project Start Date	Jul 2023
Project End Date	May 2026
Project Duration (Inc Exit Period)	35 months

Phase 1



B&M Kingsway, Burnage, M19 1BB

240501_B&M Kingsway Residual 115-unit scheme Appraisal_v1

Table of Land Cost and Profit Amount

Rent: Total MRV					
Construction: Gross Cost	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-10.000%	(£902,500)	(£2,212,372)	(£3,522,243)	(£4,832,108)	(£6,141,988)
22,583,250	£5,564,304	£5,873,432	£6,182,561	£6,491,697	£6,800,816
-5.000%	£328,834	(£992,247)	(£2,302,119)	(£3,611,990)	(£4,921,857)
23,837,875	£5,564,298	£5,873,432	£6,182,560	£6,491,689	£6,800,824
0.000%	£1,595,444	£235,921	(£1,081,995)	(£2,391,867)	(£3,701,738)
25,092,500	£5,564,305	£5,873,430	£6,182,560	£6,491,688	£6,800,817
+5.000%	£2,873,267	£1,501,901	£143,006	(£1,171,742)	(£2,481,614)
26,347,125	£5,564,305	£5,873,433	£6,182,559	£6,491,688	£6,800,816
+10.000%	£4,157,654	£2,778,209	£1,408,359	£50,090	(£1,261,490)
27,601,750	£5,564,305	£5,873,434	£6,182,561	£6,491,688	£6,800,816

Sensitivity Analysis : Assumptions for Calculation

Rent: Total MRV

Original Values are varied by Steps of 5.000%.

Heading	Phase	Amount	No. of Steps
Private Market Units	1	£1,931,512	2.00 Up & Down
Affordable Units	1	£304,733	2.00 Up & Down

Construction: Gross Cost

Original Values are varied by Steps of 5.000%.

Heading	Phase	Amount	No. of Steps
Construction Costs	1	£25,092,500	2.00 Up & Down

Appendix 6 – No Affordable Units Appraisals

APPRAISAL SUMMARY

ASPINALLVERDI

B&M Kingsway, Burnage, M19 1BB

240830_B&M Kingsway Residual 115-unit 100% Market Scheme Appraisal_v1

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	m ²	Rent Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Private Market Units	115	9,457.00	244.52	20,108	1,734,321	2,312,428	1,734,321

Investment Valuation

Private Market Units

Current Rent	1,734,321	YP @	4.2500%	23.5294	40,807,553
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GROSS DEVELOPMENT VALUE

40,807,553

Purchaser's Costs	(2,448,453)
Effective Purchaser's Costs Rate	6.00%
	(2,448,453)

NET DEVELOPMENT VALUE

38,359,100

NET REALISATION

38,359,100

OUTLAY

ACQUISITION COSTS

Residualised Price		2,599,625	
		2,599,625	
Agent Fee	1.00%	25,996	
Legal Fee	0.75%	19,497	
		45,493	

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost
Construction Costs	10,651.00	2,355.88	25,092,500
			25,092,500

Other Construction Costs

Tenant Compensation	720,000
	720,000

PROFESSIONAL FEES

Professional Fees	6.00%	1,505,550
		1,505,550

MARKETING & LETTING

Marketing	20,000
	20,000

DISPOSAL FEES

Legal and Sales Fee	0.75%	306,057
		306,057

TOTAL COSTS BEFORE FINANCE

30,289,225

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)	
Land	324,521
Construction	1,352,171
Total Finance Cost	1,676,691

TOTAL COSTS

31,965,916

PROFIT

6,393,184

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	5.43%

B&M Kingsway, Burnage, M19 1BB**240830_B&M Kingsway Residual 115-unit 100% Market Scheme Appraisal_v1**

Equivalent Yield% (Nominal)	4.25%
Equivalent Yield% (True)	4.37%
IRR% (without Interest)	30.82%
Rent Cover	3 yrs 8 mths

APPRAISAL SUMMARY

ASPINALLVERDI

B&M Kingsway, Burnage, M19 1BB

240830_B&M Kingsway Residual 115-unit 100% Market Scheme with Reduced Profit Appraisal_v1

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	m²	Rent Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Private Market Units	115	9,457.00	244.52	20,108	1,734,321	2,312,428	1,734,321

Investment Valuation

Private Market Units

Current Rent	1,734,321	YP @	4.2500%	23.5294	40,807,553
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GROSS DEVELOPMENT VALUE

40,807,553

Purchaser's Costs	(2,448,453)
Effective Purchaser's Costs Rate	6.00%
	(2,448,453)

NET DEVELOPMENT VALUE

38,359,100

NET REALISATION

38,359,100

OUTLAY

ACQUISITION COSTS

Fixed Price	5,885,250		
Fixed Price		5,885,250	
			5,885,250
Agent Fee	1.00%	58,853	
Legal Fee	0.75%	44,139	
			102,992

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost
Construction Costs	10,651.00	2,355.88	25,092,500
			25,092,500

Other Construction Costs

Tenant Compensation	720,000
	720,000

PROFESSIONAL FEES

Professional Fees	6.00%	1,505,550
		1,505,550

MARKETING & LETTING

Marketing	20,000
	20,000

DISPOSAL FEES

Legal and Sales Fee	0.75%	306,057
		306,057

TOTAL COSTS BEFORE FINANCE

33,632,349

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)	
Land	734,677
Construction	1,352,171
Total Finance Cost	2,086,848

TOTAL COSTS

35,719,196

PROFIT

2,639,903

Performance Measures

Profit on Cost%	7.39%
Profit on GDV%	6.47%
Profit on NDV%	6.88%

B&M Kingsway, Burnage, M19 1BB**240830_B&M Kingsway Residual 115-unit 100% Market Scheme with Reduced Profit Appraisal_v1**

Development Yield% (on Rent)	4.86%
Equivalent Yield% (Nominal)	4.25%
Equivalent Yield% (True)	4.37%
IRR% (without Interest)	14.71%
Rent Cover	1 yr 6 mths

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