

Cross Keys, Manchester

Development Appraisal
Savills
15 August 2024

Cross Keys, Manchester

Appraisal Summary for Phase 1 Scenario Test

Currency in £

REVENUE

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
1-Bed Apartment	29	15,731	29.18	15,828	344,250	459,000
2-Bed Apartment	60	43,612	27.19	19,765	889,425	1,185,900
1-Bed Duplex	4	2,493	29.12	18,150	54,450	72,600
2-Bed Townhouse	5	4,702	25.52	24,000	90,000	120,000
3-Bed Townhouse	1	1,244	26.53	33,000	24,750	33,000
Totals	99	67,782			1,402,875	1,870,500

Investment Valuation

1-Bed Apartment					
Current Rent	344,250	YP @	4.7500%	21.0526	7,247,368
2-Bed Apartment					
Current Rent	889,425	YP @	4.7500%	21.0526	18,724,737
1-Bed Duplex					
Current Rent	54,450	YP @	4.7500%	21.0526	1,146,316
2-Bed Townhouse					
Current Rent	90,000	YP @	4.7500%	21.0526	1,894,737
3-Bed Townhouse					
Current Rent	24,750	YP @	4.7500%	21.0526	521,053
Total Investment Valuation					29,534,211

GROSS DEVELOPMENT VALUE

29,534,211

Purchaser's Costs	(590,684)
Effective Purchaser's Costs Rate	2.00%
	(590,684)

NET DEVELOPMENT VALUE

28,943,526

NET REALISATION

28,943,526

OUTLAY

ACQUISITION COSTS

Fixed Price	1,395,910		
Fixed Price		1,395,910	
			1,395,910
Stamp Duty		59,295	
Effective Stamp Duty Rate	4.25%		
Agent Fee	1.00%	13,959	
Legal Fee	0.80%	11,167	
			84,422

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
Construction Costs	90,860	237.20	21,552,110
Contingency		5.00%	1,109,248

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				22,661,358
Other Construction Costs				
Enabling Works			137,844	
FF&E: Apartments	99 un	5,000.00 /un	495,000	
				632,844
PROFESSIONAL FEES				
Professional Fees		8.00%	1,774,796	
				1,774,796
DISPOSAL FEES				
Sales Agent Fee		1.00%	289,435	
Sales Legal Fee		0.50%	144,718	
				434,153
TOTAL COSTS BEFORE FINANCE				26,983,483
FINANCE				
Debit Rate 4.750%, Credit Rate 0.000% (Nominal)				
Land			178,970	
Construction			1,115,446	
Total Finance Cost				1,294,416
TOTAL COSTS				28,277,899
PROFIT				
				665,627
Performance Measures				
Profit on Cost%		2.35%		
Profit on GDV%		2.25%		
Profit on NDV%		2.30%		
Development Yield% (on Rent)		4.96%		
Equivalent Yield% (Nominal)		4.75%		
Equivalent Yield% (True)		4.89%		
IRR% (without Interest)		6.73%		
Rent Cover		6 mths		
Profit Erosion (finance rate 4.750)		6 mths		

Cross Keys, Manchester**Net MRV
at Sale**

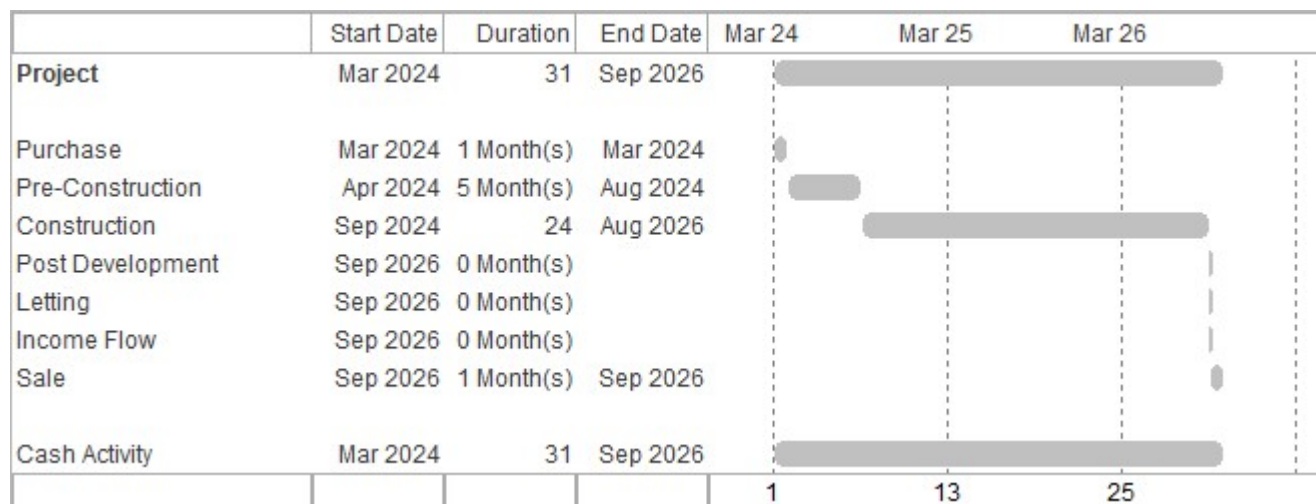
344,250
889,425
54,450
90,000
24,750
1,402,875

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Project Timescale	
Project Start Date	Mar 2024
Project End Date	Sep 2026
Project Duration (Inc Exit Period)	31 months

1. Scenario Test



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Detailed Cash flow Phase 1 (Scenario Test)
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	001:Mar 2024	002:Apr 2024	003:May 2024	004:Jun 2024	005:Jul 2024
Monthly B/F	0	(1,480,332)	(1,501,801)	(1,542,908)	(1,591,974)
Revenue					
Cap - 1-Bed Apartment	0	0	0	0	0
Cap - 2-Bed Apartment	0	0	0	0	0
Cap - 1-Bed Duplex	0	0	0	0	0
Cap - 2-Bed Townhouse	0	0	0	0	0
Cap - 3-Bed Townhouse	0	0	0	0	0
Disposal Costs					
Purchaser's Costs	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0
Unit Information					
Acquisition Costs					
Fixed Price	(1,395,910)	0	0	0	0
Stamp Duty	(59,295)	0	0	0	0
Agent Fee	(13,959)	0	0	0	0
Legal Fee	(11,167)	0	0	0	0
Construction Costs					
Con. - Construction Costs	0	0	0	0	0
Enabling Works	0	(13,813)	(31,138)	(38,016)	(34,446)
FF&E: Apartments	0	0	0	0	0
Contingency	0	(691)	(1,557)	(1,901)	(1,722)
Professional Fees					
Professional Fees	0	(1,105)	(2,491)	(3,041)	(2,756)
Net Cash Flow Before Finance	(1,480,332)	(15,609)	(35,186)	(42,958)	(38,925)
Debit Rate 4.750%	4.750%	4.750%	4.750%	4.750%	4.750%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(5,860)	(5,921)	(6,107)	(6,277)
Net Cash Flow After Finance	(1,480,332)	(21,469)	(41,108)	(49,065)	(45,202)
Cumulative Net Cash Flow Monthly	(1,480,332)	(1,501,801)	(1,542,908)	(1,591,974)	(1,637,176)

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Detailed Cash flow Phase 1 (Scenario Test)

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Detailed Cash flow Phase 1 (Scenario Test)

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Detailed Cash flow Phase 1 (Scenario Test)

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020:Oct 2025 (14,961,202)	021:Nov 2025 (16,467,566)	022:Dec 2025 (17,958,488)	023:Jan 2026 (19,417,512)	024:Feb 2026 (20,826,713)	025:Mar 2026 (22,168,798)	026:Apr 2026 (23,427,317)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(1,252,086)	(1,233,772)	(1,200,687)	(1,152,833)	(1,090,209)	(1,012,815)	(920,652)
0	0	0	0	0	0	0
(28,757)	(28,337)	(27,577)	(26,478)	(25,039)	(23,262)	(21,145)
(64,042)	(63,105)	(61,413)	(58,966)	(55,762)	(51,804)	(47,090)
(102,467)	(100,969)	(98,261)	(94,345)	(89,220)	(82,886)	(75,344)
(1,447,353)	(1,426,183)	(1,387,939)	(1,332,621)	(1,260,231)	(1,170,767)	(1,064,230)
4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(59,011)	(64,740)	(71,086)	(76,580)	(81,855)	(87,751)	(92,386)
(1,506,364)	(1,490,922)	(1,459,024)	(1,409,201)	(1,342,085)	(1,258,519)	(1,156,616)
(16,467,566)	(17,958,488)	(19,417,512)	(20,826,713)	(22,168,798)	(23,427,317)	(24,583,933)

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Detailed Cash flow Phase 1 (Scenario Test)

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027:May 2026 (24,583,933)	028:Jun 2026 (25,621,152)	029:Jul 2026 (26,522,506)	030:Aug 2026 (27,269,270)	031:Sep 2026 (27,843,746)
0	0	0	0	7,247,368
0	0	0	0	18,724,737
0	0	0	0	1,146,316
0	0	0	0	1,894,737
0	0	0	0	521,053
0	0	0	0	(590,684)
0	0	0	0	(289,435)
0	0	0	0	(144,718)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
(813,718)	(692,015)	(555,542)	(404,299)	0
0	0	0	0	0
(18,689)	(15,894)	(12,759)	(9,286)	0
(41,620)	(35,395)	(28,415)	(20,679)	0
(66,593)	(56,633)	(45,464)	(33,087)	0
(940,620)	(799,937)	(642,181)	(467,351)	28,509,373
4.750%	4.750%	4.750%	4.750%	4.750%
0.000%	0.000%	0.000%	0.000%	0.000%
(96,598)	(101,417)	(104,583)	(107,125)	0
(1,037,219)	(901,354)	(746,764)	(574,476)	28,509,373
(25,621,152)	(26,522,506)	(27,269,270)	(27,843,746)	665,627