

NXQ

Lever Street, Manchester

Development Options Appraisal

Revision 01 _ April 2024



Development Options Appraisal

Proposed Office Development at NXQ, Lever Street, Manchester
Soller Nine

April 2024

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Appendix I Financial Appraisal of Development Options

Document Details

Report title: Development Options Appraisal

Prepared by: NL/LF

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For and on behalf of AshtonHale Limited

1. Introduction

1.1 This Development Options Appraisal has been prepared by AshtonHale Ltd ("AshtonHale") for Soller Nine ("the Applicant") in support of a full planning application submitted to Manchester City Council ("MCC") for an office-led development at NXQ, Land Bound by Lever Street, Great Ancoats Street, Little Lever Street and Houldsworth Street, Manchester ("the Site").

1.2 The full description of development as stated on the application form is:

"Full planning application for part-retention, conversion and extension of existing buildings; selective demolition; the erection of a ground floor + 17 storey building comprising new office space (Use Class E) with ground floor reception area and ancillary uses; supporting infrastructure and ancillary facilities, roof top plant enclosures, and landscaping."

1.3 Full details of the proposed development are provided in the submitted Design and Access Statement and on the planning application drawings prepared by Howells architects. A summary of the scheme proposals is also provided within the Planning Statement and Section 5 of this document.

Purpose of the Development Options Appraisal

1.4 The purpose of this Development Options Appraisal is to present and explore the development options considered by the Applicant in formulating its preferred scheme, which is the subject of this planning application.

1.5 The document will including an assessment of the existing building on the site, their heritage value and structural integrity, and the various levels of intervention tested during the extensive pre-application design process to formulate the final proposals, including varying degrees of full and partial retention of existing buildings on the site. This document also provides a summary of the main urban design considerations which have informed the final massing, scale and design once a preferred option was established.



1.6 This document should be read in conjunction with the following reports that also form part of the planning application and provide more detailed assessments of the issues summarised in this document:

- Design and Access Statement;
- Planning Statement;
- Tall Building Statement; and
- Heritage Chapter of the Environmental Statement, including the Heritage Assessment.

Report Structure

1.7 The Development Options Appraisal is structured as follows:

- **Chapter 2** - analyses the existing site and its constraints;
- **Chapter 3** - provides an overview of the development options;
- **Chapter 4** - provides an overview of the financial implications of options;
- **Chapter 5** - provides an overview of the proposed scheme submitted as part of this planning application; and
- **Chapter 6** - summarises the report findings and conclusions of the options appraisal.



2. Existing Site Appraisal

- 2.1 This chapter provides a description of the site and its surroundings. For further detail (and to avoid repetition), please also refer to the submitted Design and Access Statement ("DAS") which has been prepared by Howells Architects.

The Site and Surrounding Context

- 2.2 The extent of the application site edged red is shown at **Figure 1** below.



Figure 1: Existing Site Layout (application boundary roughly in red)

- 2.3 The application boundary extends to a total of 0.16ha (1,640 sqm) and is bounded by Great Ancoats Street, Lever Street, Houldsworth Street and Little Lever Street. There is no vehicle access to the buildings on site and no on-site car parking.
- 2.4 There are a variety of existing buildings on site, including the Bem Brasil Restaurant, smaller takeaway restaurants along Great Ancoats Street and Houldsworth Street, accompanied by small commercial premises.
- 2.5 The site is located on the north-eastern edge of the Northern Quarter and also on a key intersection between Lever Street and Great Ancoats Street. Both the

Northern Quarter and Great Ancoats Street (and beyond into Ancoats) contribute to the surrounding context of the site. The buildings adjacent to the site predominantly range from 5 – 7 storeys, with more recent developments along Great Ancoats Street extending to 11 storeys.

- 2.6 Ground floor uses in the surrounding area include commercial, leisure, food & beverage, retail and residential uses. Along Lever Street there is predominantly commercial and retail unit, whereas along Great Ancoats Street there is a variety of residential, commercial and retail uses.

Site History

- 2.7 The historical development of the site is discussed in detail within the Heritage Assessment prepared by Turley and submitted in support of the application, however, a summary of the historic development is set out below:

- The Site was developed from the late 18th century as part of the development of what is now known as the Northern Quarter, laid out on a grid pattern. By 1819 the Site was fully developed with a mixture of residential and commercial development.
- During the 19th century properties on the Site were changed and adapted, most notably with the addition of the tin plate manufactory as well as the late 19th century warehouses on the corner of Lever St and Houldsworth Street which remain extant today. The change from residential to commercial industrial development, often related to the textile industry, reflected wider changes within this part of Manchester.
- Into the 20th century, the Site and its surrounding context continued to evolve. The 1930s Daily Express Building with its Streamline Moderne architecture and curtain walling marked a step change in height and scale on Great Ancoats Street and a move away from traditional construction. The Threlfalls Brewery also sought to update the Griffin Public House on the corner of the Site at Lever Street and Great Ancoats Street at this time, which was extended and clad in faience.
- The post-war period and late 20th century saw the redevelopment and amalgamation of plots adjacent to the Site with Griffin House and the Travelodge, to the south and west respectively, dating from this period. The surrounding context has continued to evolve and today provides a varied urban environment. The buildings within the site are in varying condition and uses, with some including the two warehouses in a derelict state.

The Existing Buildings

2.8 Within the Site today is a collection of buildings shown on Figure 2 below.



Figure 2: Existing Buildings

2.9 The existing buildings can be summarised as follows:

- **Building 1** - 32 Great Ancoats Street, Former Land O' Cakes Hotel and currently in use as Bem Brasil restaurant (**Green**)
- **Building 2 & 3** - 36-38 Great Ancoats Street (**Yellow**)
- **Buildings 4 & 5** - 40-42 Great Ancoats Street (**Orange**)
- **Building 6** - 58 Lever Street (**Blue**)
- **Buildings 7 & 8** - 56 Lever Street and 25 Houldsworth Street (**Light Blue**)
- **Building 9** - Former Bakery, Little Ancoats Street (**Purple**)
- **Building 10** - 65-67 Lever Street (**Pink**)
- **Buildings 11 & 12** - 27 Houldsworth Street and 63 Little Lever Street (**Dark Green**)

2.10 As described above, the existing buildings currently house a variety of commercial uses including the Bem Brasil Restaurant, smaller takeaway restaurants along Great Ancoats Street and Houldsworth Street, as well as small commercial premises.

Heritage Context

- 2.11 The site does not contain any statutory designated listed buildings and is not located within a conservation area.
- 2.12 Whilst not within a conservation area itself, the site is situated close to both the Ancoats and Stevenson Square Conservation Areas. Stevenson Square Conservation Area forms a significant area of the city centre in which the majority of the Victorian building stock remain, capturing the identity of Manchester City Centre. Within the Ancoats Conservation Area the principal buildings are predominantly large mills located adjacent to Rochdale Canal, where its identity is focused around its industrial past. Within the conservation areas there are several Listed Buildings within proximity to the application site on Lever Street.
- 2.13 The NPPF identifies that heritage assets include both designated heritage assets and assets identified by the local planning authority (including local listing). As stated above, there are no designated heritage assets within the Site.
- 2.14 Historic England's guidance on 'Managing Significance in Decision Taking in the Historic Environment' (2015) states that:

"Non-designated heritage assets include those that have been identified in a Historic Environment Record, in a local plan, through local listing or during the process of considering the application."

- 2.15 MCC does not hold a list of local heritage assets. The Greater Manchester Historic Environment Record (HER) was consulted in January 2023 and there were no entries within the Site. Notwithstanding, the buildings within the Site have a degree of local architectural and/or historic interest; the nature and extent of which has been assessed at Appendix 1 of the Heritage Assessment submitted as part of the planning application. National Planning Practice Guidance (NPPG) provides the following guidance from the Government on the identification of non-designated heritage assets:

"A substantial majority of buildings have little or no heritage significance and thus do not constitute heritage assets. Only a minority have enough heritage significance to merit identification as non-designated heritage assets."



2.16 Taking the above guidance into account, the following buildings within the Site have been identified by the submitted Heritage Assessment as having potential to be considered non-designated heritage assets:

- **Former Land O' Cakes/ Bem Brazil (Building 1)** – dates from c.1781 but extensively altered in c.1933 by Threlfalls Brewery who extended and clad the building in faience. Its significance principally resides in its historic interest as the birthplace of the National Chartist Association in 1840.
- **58 Lever Street (Building 6)** - has local architectural and historic interest as a late 19th century warehouse in an Italianate style; contributing to an understanding of the development of the Manchester warehouse typology and the city's industrial development during the 19th century.
- **56 Lever Street and 25 Houldsworth Street (Buildings 7 & 8)** – are buildings of functional appearance, likely to have been built c1830s-1840s as part a Tin Plate Manufactory Works. They have been extensively altered during the 19th and 20th centuries though remain legible as 19th century warehouses. They therefore hold a limited level of local significance as a early to mid-19th century warehouse complex in this part of Manchester.
- **40-42 Great Ancoats Street (Buildings 4 & 5)** - hold a limited degree of significance as two late 19th century brick properties. They have local architectural value in their traditional construction and the yellow stock brick detailing of no.42; albeit that value is diminished by the poor condition of windows on the upper floors and the altered ground floor.
- **27 Houldsworth Street and Little Lever Street (Buildings 11 & 12)** – are two former townhouses thought to date to the late 18th century which have local interest in illustrating the late 18th century development of Manchester's Northern Quarter. They were converted into one-unit commercial use in the 1920s and have lost original features such as doors and windows. The buildings are typical of their type and date, and given the loss of original features, their architectural interest is limited.

2.17 The Heritage Statement also identifies that whilst the buildings had different functions and are not wholly contemporary, they do have a degree of group value as a surviving, grouping of late 18th and 19th century within an urban block which provides an understanding of the area's growth and development during that period. The extent and limited quality of alterations limit their value as a historic townscape.

Structural Condition

- 2.18 A structural report was commissioned by AKTII to assess each building currently on the existing site. This represents the most up to date knowledge of the existing structures and helped influence the evolution of the proposed development.
- 2.19 A summary of the condition and assessment of the structural risk associated with each of the current buildings on site is set out below in Figure 3 below:

Building	Building Name	General Condition	Property Risk Level
1	Bem Brazil	Generally sound, possible water ingress in upper levels.	Moderate
2 & 3	36-38 Great Ancoats Street	Appears to be in sound condition.	Low
4&5	40-42 Great Ancoats Street	Little Lever Street elevation significant brickwork defects and signs of leaking at high level.	Moderate
6	58 Lever Street	Extremely poor condition. Rotten timber bearings, partial collapsed floor structures and loss of restraint ties to façade walls	High
7 & 8	56 Lever Street and 25 Houldsworth Street	Extremely poor condition. Rotten timber bearings, partial collapsed floor structures and loss of restraint ties to façade walls.	High
9	Former Bakery, Little Ancoats Street	Appears to be in sound condition.	Low
10	65-67 Lever Street	Minor defects to elevations.	Low
11 & 12	27 Houldsworth Street and 63 Little Lever Street	Appears to be in sound condition.	Low

Figure 3: Summary of Structural Condition of Existing Buildings

Constraints to Development

- 2.20 The current structural form of the majority of the buildings means they are unsuitable for conversion to modern day occupier needs without major alteration works. The structural appraisal undertaken by AKTII highlights the structural constraints and challenges associated with retention and conversation of a

number of the existing buildings, and in particular the former warehouse buildings on Lever Street.

- 2.21 In addition to the structural constraints associated with the re-use and potential refurbishment of the existing buildings, a number of other site constraints exist which need to be taken into account when assessing the financial viability of the scheme, including the heritage assets and the ability to create a new-build commercial development that will address market demand and the requirements of modern design standards and tenants.

The Opportunity and Vision

- 2.22 Sitting strategically as one of the main arterial routes into the city centre, the site is located on the junction of Lever Street and Great Ancoats Street and sits in close proximity to New Islington, Stevenson Square and Piccadilly Gardens. Comprising numerous buildings, it is currently only partially occupied by restaurants and has lacked significant investment for some time.
- 2.23 This lack of historic investment has led to many of the existing buildings falling into severe disrepair, and a fundamental aspect of the proposed development is the considered retention of key buildings or facades within the block, which have both historical and architectural townscape value.
- 2.24 The vision is to give this city block a new lease of life and transform it into a vibrant mixed-use destination, which responds to its urban and historic context, with a bold and dramatic approach to massing which will positively contribute to Manchester's skyline. At ground floor, the vision is to deliver an active ground floor providing a mix of flexible uses, to offer significant community value for Northern Quarter residents.
- 2.25 The aspiration is for a commercial-led scheme in response to the current lack of Grade A office space available in the Northern Quarter, which has resulted in many employers relocating to other areas within the city. Over the past decade, there has been very little local development of new build offices except for The Hive on Lever Street. In its opening in 2012, The Hive achieved maximum

occupation in just under 24 months and the availability of new space spearheaded the re-location of The Arts Council to the area.

- 2.26 The significant economic benefits should not be underestimated, including the potential to generate 800 direct jobs in the high value, high paying sectors as well as a predicted annual GVA contribution of £60m to the Greater Manchester economy. The development will provide a valuable boost to the city centre economy, driving footfall and boosting spend, which local businesses will benefit from.



3. Development Options Appraisal

3.1 In reaching the current scheme subject to this planning application, the Applicant and its design team have considered a number of different options for the redevelopment of this important site to realise its potential ranging from full retention of the existing buildings to a scheme far more akin to the current proposals. The main aim has always been to find appropriate and viable uses for the existing buildings before considering any demolition or redevelopment. In terms of potential uses, early discussions with planning officers at Manchester City Council (MCC) confirmed that an office use on the site was entirely appropriate in accordance with the planning policy framework, and no further options were asked to be assessed either during the pre-application stage or as part of this Development Options Appraisal.

3.2 A number of options were considered for an office-led development. These started with a thorough assessment of the heritage value of the existing buildings and the ability to retain as much of the existing built fabric as possible. Only after that had been fully explored were options looking a partial or full demolition of buildings, and appropriate forms of new development, considered that can respond to the site's heritage context and meet the relevant and necessary high standards of design required. The options considered were:

- **Option 1** - Retention and extension of existing buildings. Renovation and rebuild of internal space & dilapidated structure.
- **Option 2** - Partial demolition. Retaining majority of buildings on site. Renovation and rebuild of internal space and dilapidated structure. Demolish buildings 8,9,10,11-12 along Houldsworth Street and Little Lever Street. Erection of 6 storey office building.
- **Option 3** - Facade retention & partial demolition. Facade of 58 & 56 Lever Street to be retained. Bem Brasil building and No. 40-42 Great Ancoats Street to be retained and refurbished. Erection of 8 storey office building along Houldsworth Street and Little Lever Street.
- **Option 4** - Facade retention & partial demolition. Bem Brasil building to be retained. Facade of 58 Lever Street to be retained. Demolition of other buildings on site and erection of 10 storey office building.



- **Option 5** - Full demolition of existing buildings on site. Erection of new 16 storey office building.
- **Option 6** - Facade retention & partial demolition. Bem Brasil building to be retained. Facade of 58 Lever Street to be retained. Demolition of other buildings on site and erection of a GF+17 storey building to improve viability.

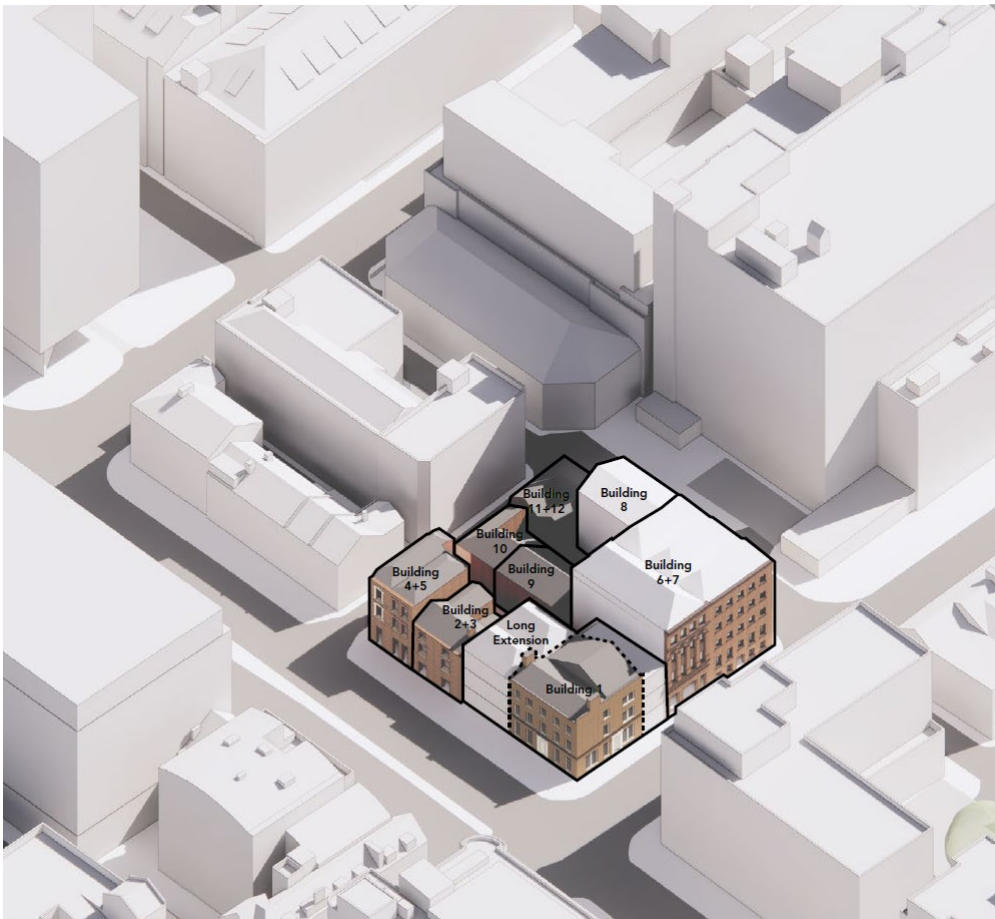
3.3 The above six options are summarised and evaluation in the following pages of this document.



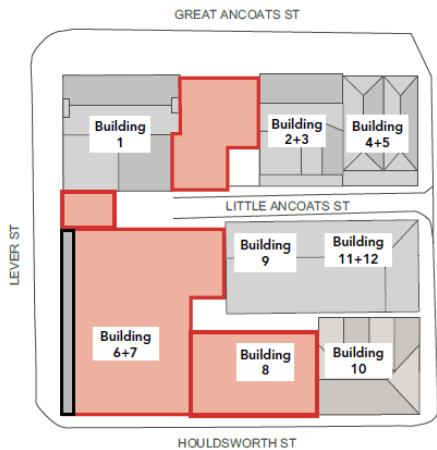
Option 1: Retention and Extension of Existing Buildings

Introduction

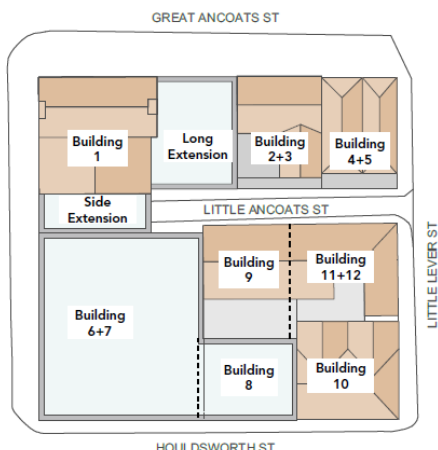
3.4 This option focuses on retaining as much of the existing buildings as possible and only considers partial demolition of certain existing buildings, with minimal new building development. Plans and an image of this option is provided below:



Axonometric view of the retention scheme



Demolition plan



Proposed roof Plan

Overview

- 3.5 The benefits of this option are that the majority of the existing buildings are retained. Buildings 1, 2+3, 4+5, 9, 10 and 11+12 would all to be retained and converted to food and beverage (F&B) or flexible office space. The facade for Buildings 6+7 along Lever Street would be retained due to its architectural and heritage value. The internal space for building 6+7 and 8 will be completely restored and converted to flexible office space.
- 3.6 The restoration and conversion of these buildings, however, would be difficult and costly from a structural perspective and the development would not be financially viable. A number of the buildings have also been proven to not be physically capable of conversion owing to their structural conditions.

Quantum of Development

- 3.7 The quantum of development that would be delivered by this option would be 44,600 sqft GEA of commercial floorspace.
- 3.8 The heights assessed for this option were as existing, so between 3 and 5 storeys across the site.

Heritage Considerations

- 3.9 The starting point for the consideration of a heritage-led redevelopment scheme, this option would retain the majority of the existing buildings on the site. Their group value in contributing to an understanding of the late 18th and 19th century development would be retained and potentially enhanced along with their historic townscape value, for example through the reinstatement of lost features. As identified above, a number of the buildings would require extensive or total rebuilding and therefore would result in a facsimile replacement rather than an authentic historic building(s).
- 3.10 The key heritage consideration is therefore whether such an approach is justified or desirable given the limited heritage value of assets within the site (in particular Buildings 2, 3, 9, 10, 11 and 12).



Structural Interventions

- 3.11 The current structural form and condition of a number of existing buildings on site would not be suitable for conversion and upgrading to meet modern design standards without major alteration works and, in particular, Building 1 and Buildings 4+5, which are considered to have moderate structural risk. Significant structural interventions would be required to keep the facades of Buildings 6, 7 + 8 and integrate into a new build development behind.

Development / Viability Constraints

- 3.12 This option is subject to a number of development and/or viability constraints including:

- The scale and form of a number of the existing buildings does not lend itself to conversion.
- A number of the building present significant structural challenges and do not obviously lend themselves to conversion / re-use.
- Costs to repair these buildings before any re-development could take place would be significant and further increase the viability gap.
- It would only be possible to create small office space and floorplates within the buildings, which are unlikely to meet modern day standards and requirements, will be inefficient, and adversely affects viability.
- Overall development not viable.

Summary

Pros:

- Retains most of the current buildings on-site, which are considered to have a degree of group heritage value.
- Modest new buildings that would be of the same scale as the existing buildings on site.

Cons:

- Major structural interventions required even to repair and convert existing buildings.
- Difficult to convert to modern commercial use.



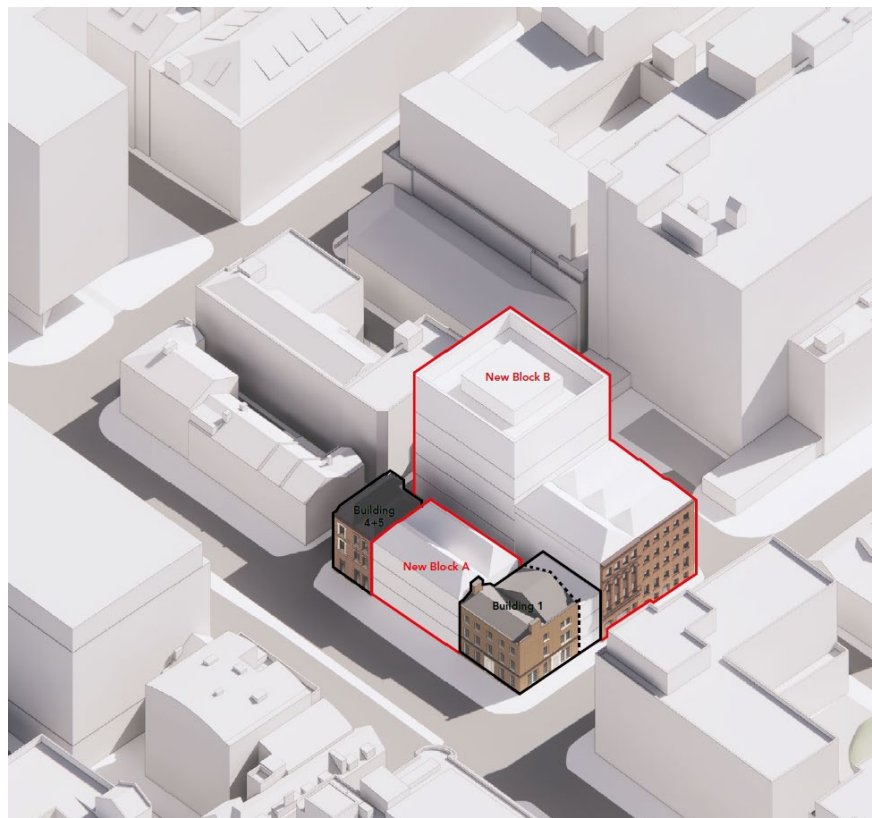
- Cost of repair/restoration would be too great to only achieve minimal commercial rent.
- Difficult to convert existing buildings and achieve relevant design and energy standards.
- Underutilisation of a key brownfield site within the City Centre.
- Not viable.



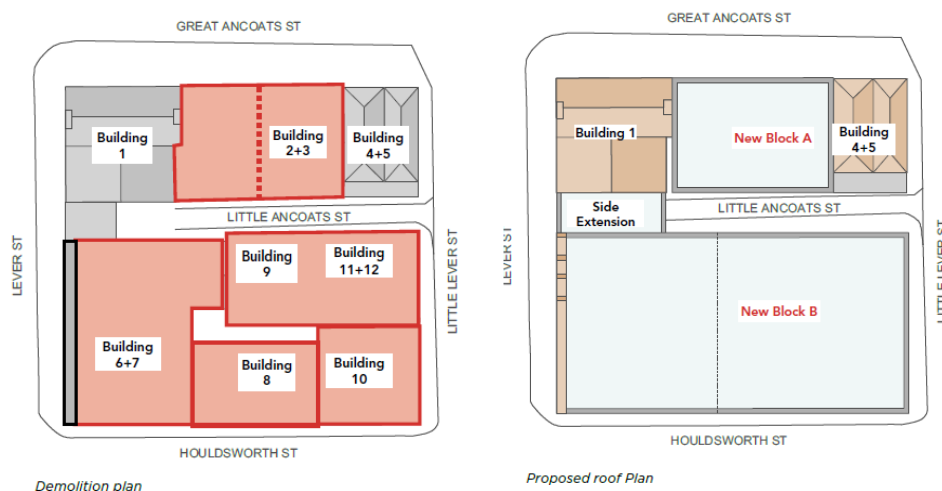
Option 2: Part Retention and Two New Buildings to 6-Storeys

Introduction

- 3.13 This option considers the demolition of certain existing buildings that are considered to have low historic interest, conversion or façade retention of the remaining existing buildings, and some new build development proposed in the form of two new office buildings either side of Little Ancoats Street. A plan of this option is provided below:



Axonometric view of the retention scheme



Overview

- 3.14 This options proposed to retain Buildings 1, 4+5, which will be retained and restored for historic and architectural interest. The extension to Building 1 along Lever Street will be refurbished to increase economical value.
- 3.15 Buildings 2+3, 6 - 12, which are considered to have low historical value, will be demolished and replaced by two new buildings of 3 and 6 storeys.
- 3.16 The facade for Buildings 6+7 along Lever Street will be retained due to its moderate architectural and historic value.
- 3.17 The benefits of this option are that, whilst a number of buildings considered to have low historical value are to be removed, it retains the existing buildings with the greatest architectural and historical value. Whilst this option can accommodate additional development there are still a number of significant constraints from a design, structural, and viability standpoint. This option would still represent a missed opportunity to provide a high-quality new commercial development within the City Centre and is ultimately still not viable.

Quantum of Development

- 3.18 The quantum of development that would be delivered by this option would be 52,450 sqft GEA of commercial floorspace.
- 3.19 The heights assessed for this option were part retention of Buildings 1, 4+5, and 6+7 at 3 and 5 storeys, alongside two new buildings of 3 and 6 storeys.

Heritage Considerations

- 3.20 This option retains those buildings within the Site which are of greater local significance. Only the Lever Street façade of building 7 is retained, which could be challenging in creating the sense of depth required for a successful façade retention scheme. The new Block A provides a consistent height to Bem Brasil (building 1) and 40-42 Great Ancoats Street (buildings 4 & 5) with Block B stepping up the scale between the historic warehouses within the site and Griffin House to the south. In doing so, the scale and height of new development is set

back from the retained historic buildings and the nearby Daily Express Building. Little Ancoats Street is retained, maintaining an understanding of the historic street plan within the block.

Structural Interventions

- 3.21 The current structural form and condition of a number of existing buildings on site would not be suitable for conversion and upgrading to meet modern design standards without major alteration works.
- 3.22 This option does remove a number of the smaller buildings on site, however, there would still be structural challenges associated with the retained buildings and, in particular, Building 1, Building 4&5 and the facades of Buildings 6, 7 & 8.

Development / Viability Constraints

- 3.23 This option is subject to a number of development and/or viability constraints including:
- The scale and form of Buildings 4+5 does not lend itself to conversion / re-use. It would only be possible to create small office space and floorplates within the buildings, which are unlikely to meet modern day standards and requirements, will be inefficient, and adversely affects viability.
 - Costs to repair the existing buildings before any re-development could take place would be significant and impact on viability.
 - The scale and footprint of the new buildings will not optimise the new commercial floorspace, including the inclusion of multiple cores.
 - Overall development not viable.

Summary

Pros:

- Retains existing buildings / facades on-site that are considered to have the most significant historical or architectural value.
- Higher density new build commercial development of heights commensurate to surrounding buildings.

Cons:

- Major structural interventions required even to repair and convert existing buildings.
- Difficult to convert existing buildings into modern commercial use.
- Cost of repair/restoration of existing buildings would be too great to only achieve minimal commercial rent.
- Difficult to convert existing buildings and achieve relevant design and energy standards.
- New office buildings will not be efficient with separate cores and amenities.
- Underutilisation of a key brownfield site within the City Centre.
- Not viable.



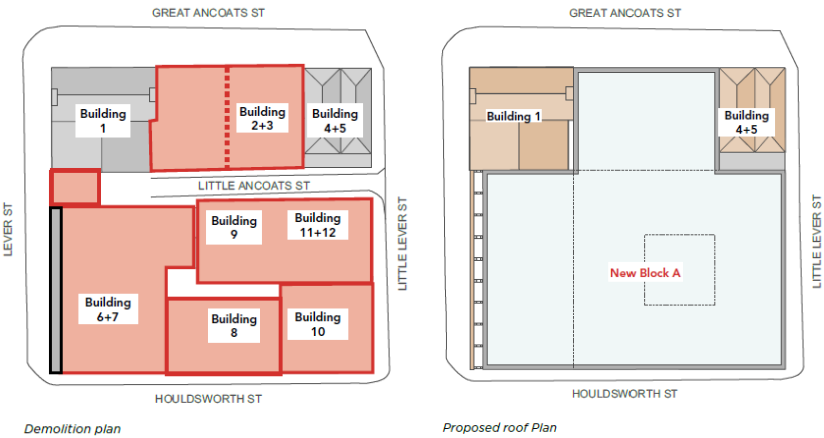
Option 3: Part Retention and Single 6-Storey Building

Introduction

3.24 This option considers the demolition of certain existing buildings that are considered to have low historic interest, conversion or façade retention of the remaining existing buildings, and a larger new build development proposed in the form of a single new office building filling the remainder of the site. A plan of this option is provided below:



Axonometric view of the retention scheme



Overview

- 3.25 This option proposed to retain Buildings 1, 4+5, which will be retained and restored for historic and architectural interest.
- 3.26 Buildings 2+3, 6 – 12, which are considered to have low historical value, will be demolished and replaced by a single new building of 3 and 6 storeys that covers the remainder of the site.
- 3.27 The facade for building 6+7 along Lever Street will be retained due to its moderate architectural and historic value, alongside the façade of the extension to Building 1.
- 3.28 As with the previous option, the benefits of this option are that, whilst a number of buildings considered to have low historical value are to be removed, it retains the existing buildings with the greatest architectural and historical value. Whilst this option can accommodate a greater quantum of commercial development than Option 2, which is beneficial from a viability perspective, it is not reaching the critical mass required to aid financial viability. There are still a number of significant constraints from a design, structural, and viability standpoint.

Quantum of Development

- 3.29 The quantum of development that would be delivered by this option would be 71,660 sqft GEA of commercial floorspace.
- 3.30 The heights assessed for this option were part retention of Buildings 1, 4+5, and 6+7 at 3 and 5 storeys, alongside a single new building of part-3, part-6 storeys.

Heritage Considerations

- 3.31 Similarly to the previous option, the buildings within the Site which are of greater local significance are retained. Only the Lever Street façade of building 7 is retained, which could be challenging in creating the sense of depth required for a successful façade retention scheme. Development is set back from the retained historic buildings and height is concentrated away from the nearby Daily Express

Building. Little Ancoats Street would be removed, diminishing the legibility of the block's historic development and street plan.

Structural Interventions

- 3.32 The current structural form and condition of a number of existing buildings on site would not be suitable for conversion and upgrading to meet modern design standards without major alteration works.
- 3.33 As with the previous option, there would still be structural challenges associated with the retained buildings and, in particular, Building 4&5 and the facades of Buildings 6, 7 & 8.

Development / Viability Constraints

- 3.34 This option is subject to a number of development and/or viability constraints including:
- The scale and form of Buildings 4+5 does not lend itself to conversion / re-use. It would only be possible to create small office space and floorplates within the buildings, which are unlikely to meet modern day standards and requirements, will be inefficient, and adversely affects viability.
 - Costs to repair the existing buildings before any re-development could take place would be significant and impact on viability.
 - More viable new building office development with larger footprints, although still constrained by Buildings 4+5.
 - Overall development not viable.

Summary

Pros:

- Retains existing buildings / facades on-site that are considered to have the most significant historical or architectural value.
- Higher density single new build commercial development with stepped height commensurate to surrounding buildings.

Cons:

- Major structural interventions required even to repair and convert existing buildings.

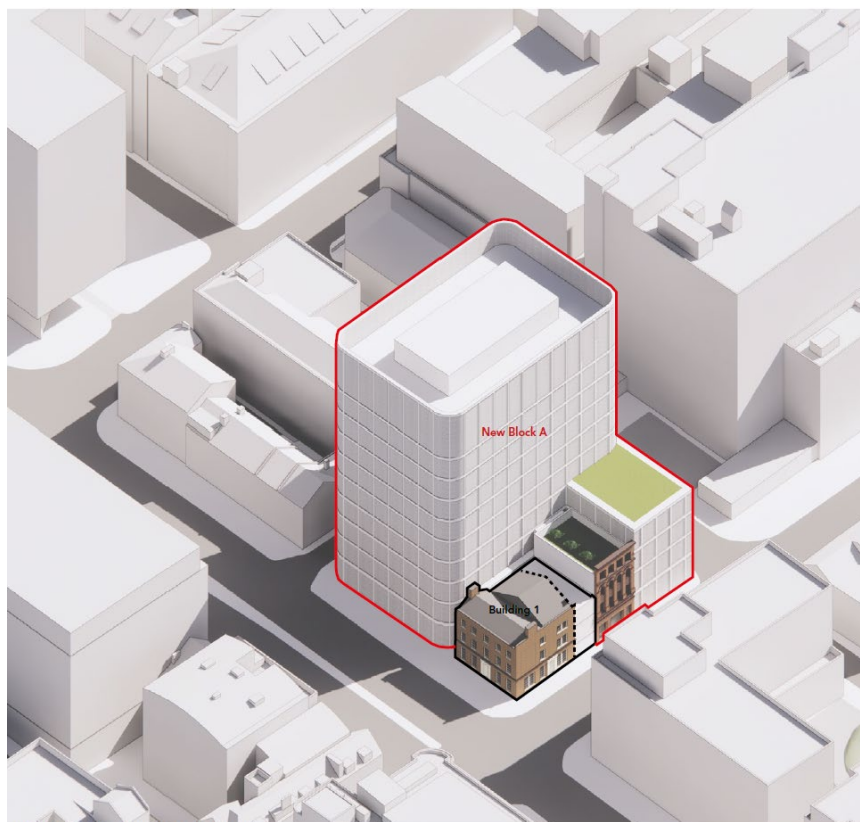
- Difficult to convert existing buildings into modern commercial use.
- Cost of repair/restoration of existing buildings would be too great to only achieve minimal commercial rent.
- Difficult to convert existing buildings and achieve relevant design and energy standards.
- Not viable.



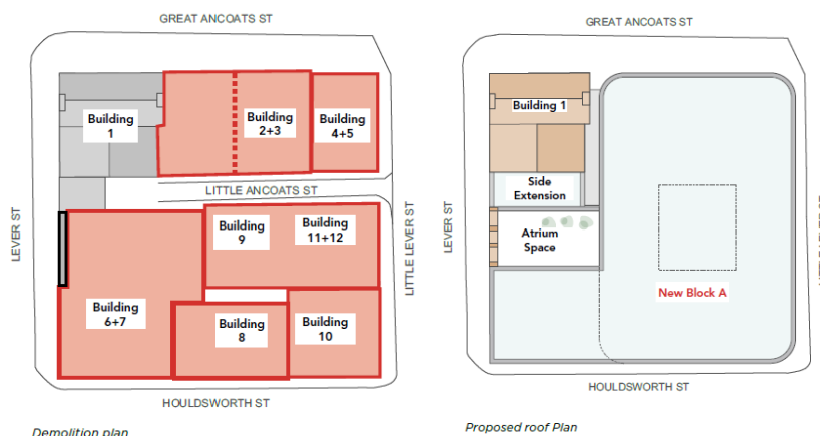
Option 4: Part Retention and Single 10-Storey Building

Introduction

- 3.35 As with previous options, this option considers the demolition of certain existing buildings that are considered to have low historic interest plus Buildings 4+5 and the façade of Building 7, conversion or façade retention of the remaining existing buildings, and a larger new build development proposed in the form of a single new office building filling the remainder of the site. A plan of this option is provided below:



Axonometric view of the retention scheme



Demolition plan

Proposed roof Plan

Overview

- 3.36 This option proposed to retain only Building 1, which will be retained and restored for historic and architectural interest.
- 3.37 Buildings 2+3, 4+5, 6 - 12, which are considered to have low historical value, will be demolished and replaced by a single new commercial building of 10 storeys that covers the remainder of the site.
- 3.38 The facade for Building 6 only along Lever Street will be retained due to its moderate architectural and historic value.
- 3.39 This option retains fewer buildings. The main difference from Option 3 is the demolition of Buildings 4+5 to create a larger building footprint for the new commercial building. A significant benefit is the ability to still retain what is considered to be the building with the most historical value yet accommodate a greater quantum and quality of new build development, however, this option is still not financially viable. There are still a number of significant constraints from a design, structural, and viability standpoint.

Quantum of Development

- 3.40 The quantum of development that would be delivered by this option would be 100,570 sqft GEA of commercial floorspace.
- 3.41 The heights assessed for this option were part retention of Buildings 1 and 6+7 at 3 and 5 storeys, alongside a new development up to 10 storeys.

Heritage Considerations

- 3.42 This option would result in additional loss of historic fabric (40 and 42 Great Ancoats Street and the Lever Street façade of building 7). However, it provides the opportunity for a high quality replacement building on the corner of Lever Street and Houldsworth Street that references the former warehouse it replaces in its proportionate, industrial character and materiality and thereby the different character of Lever Street in comparison to Great Ancoats Street. Little Ancoats Street would be removed within this option, diminishing the ability to understand

the historic street plan within the site. Height within the site is distanced from the nearby Daily Express Building and would be comparable with Griffin House and surrounding recent development on Great Ancoats Street.

Structural Interventions

- 3.43 This option proposes the demolition of Building 4&5 and the facade of Buildings 7 & 8, which are considered to be of moderate and high structural risk respectively. There would still need to be costly structural interventions in respect of the conversion of Building 1 and retaining the façade of Building 6.

Development / Viability Constraints

- 3.44 This option is subject to a number of development and/or viability constraints including:

- Costs to repair the existing buildings before any re-development could take place would be significant and impact on viability.
- Negates structural and viability constraints associated with Buildings 4+5, although they still exist for the retention of the Building 6 façade.
- More viable new office building with larger footprints and density.
- Overall development still not viable.

Pros:

- Still retains existing buildings / facades on-site that are considered to have the most significant historical or architectural value.
- Demolition of Buildings 4+5 allows for larger floorplate of new office building, resulting in additional floorspace.
- Higher density single new build commercial development with height set back from surrounding heritage assets and key views along Lever Street.

Cons:

- Major structural interventions required even to repair and convert existing buildings.
- Difficult to convert existing buildings into modern commercial use.
- Cost of repair/restoration of existing buildings would be too great to only achieve minimal commercial rent.

- Difficult to convert existing buildings and achieve relevant design and energy standards.
- New build floorspace not sufficient to overcome viability constraints.
- Not viable.



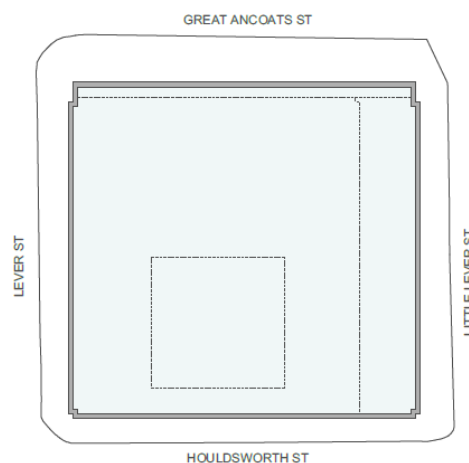
Option 5: Complete Demolition and New 16-Storey Building

Introduction

- 3.45 This option considers the complete demolition of the existing buildings on site to be replaced by a new office building to fill the site. Plans and an image of this option is provided below:



Axonometric view of the scheme



Proposed roof Plan

Overview

- 3.46 The option proposed the full demolition of existing buildings on site and the erection of new 16 storey office building.
- 3.47 The demolition of all buildings allows for the creation of the largest possible building footprint for the new commercial building to address design, structural and viability constraints. This option will, however, remove all historical and architectural significant associated with the existing buildings on site.
- 3.48 This option is financially viable but demolishes all existing buildings on the site.

Quantum of Development

- 3.49 The quantum of development that would be delivered by this option would be 186,820 sqft GEA of commercial floorspace.
- 3.50 The height assessed for this option is a single new building of 16 storeys.

Heritage Considerations

- 3.51 This option would result in the total loss of historic development and street plan within the site. A balanced judgement would be required in relation to the loss of the buildings, having regard to their limited local significance.
- 3.52 Height would be brought closer to the Daily Express Building and careful consideration would need to be given to the effect on its significance. Given the increased height of the proposed development, there would be increased potential for the significance of heritage assets at a greater distance from the site to be affected as a result of change within their setting.

Structural Interventions

- 3.53 No structural concerns as all existing buildings on site to be demolished.

Development / Viability Constraints

- 3.54 This option is subject to a number of development and/or viability constraints including:

- Removes significant costs required to repair the existing buildings before any re-development could take place.
- Viable new office building with optimum footprints and density.

Summary

Pros:

- Demolition of all buildings currently on-site removes design, structural and viability constraints to redevelopment .
- Higher density single new build commercial development of appropriate height.
- Largest possible office floorplates that will deliver the optimum quantum of office floorspace and new jobs.
- Highly sustainable new building.
- Viable.

Cons:

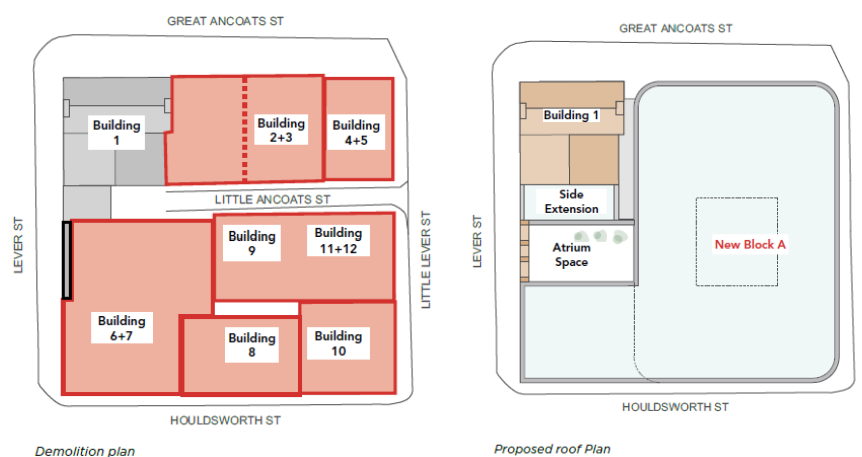
- Loss of all existing historical and architectural value from the site.
- Scale and mass of new building fills the whole site and will be more visible from key views and in the setting of surrounding heritage assets.



Option 6: Part Retention and Buildings up to 18-Storeys

Introduction

- 3.55 This option considers an alternative approach to creating a viable development on the site, which still involves the demolition of certain existing buildings that are considered to have low historic interest, but seeks the conversion or façade retention of the remaining existing buildings, and a taller, stepped new build development filling the remainder of the site. A plan of this option is provided below:



Overview

- 3.56 This option seeks an alternative approach to Option 5 in order to deliver a viable development on the site. It looks to maintain the heritage-led approach of Options 2 - 4 and will retain and restore Building 1 for historic and architectural interest, as well as the facades of Buildings 6+7.
- 3.57 Buildings 2+3, 4+5, 6 - 12, which are considered to have low historical value, will still be demolished and replaced by a single new, stepped commercial building of GF+17 storeys (plus roof plant) that covers the remainder of the site.
- 3.58 This option retains the same level of existing buildings / facades as Option 4, as well as the full façade extent of Buildings 6+7 on Lever Street. The main difference from Option 4 is the increase in height and stepped form of the new commercial building to ensure it is viable. A significant benefit of this option, over and above Option 5, is the ability to still retain what is considered to be the building with the most historical value yet accommodate a greater quantum and quality of new build development to ensure the overall project is viable.

Quantum of Development

- 3.59 The quantum of development that would be delivered by this option would be 212,438 sqft GEA of commercial floorspace.
- 3.60 The heights assessed for this option were part retention of Buildings 1 and 6+7 at 3 and 5 storeys, alongside a new development up to GF+17 storeys (plus roof plant).

Heritage Considerations

- 3.61 This option retains those historic elements within the site which are of greatest significance (Bem Brasil and the warehouse facades), retaining and enhancing the historic character of the site fronting onto Lever Street. By retaining the Houldsworth Street façade of building 7, the façade-retention scheme will have a greater sense of depth and 3D form. There would be loss of some buildings with local heritage value and the legibility of the block's 18th and 19th century development through the loss of Little Ancoats Street. Whilst the height of the

new build element is greater than other options considered, it creates a more slender form and is set back from Lever Street and the nearby Daily Express Building.

Structural Interventions

3.62 This option proposes the retention and conversion of Building 1 and retaining the facades of Buildings 6, 7 & 8, which are considered to be of moderate and high structural risk respectively, which would require costly structural interventions to form part of the overall new development.

Development / Viability Constraints

3.63 This option is subject to a number of development and/or viability constraints including:

- Costs to repair the existing buildings before any re-development could take place would be significant and impact on viability.
- Negates structural and viability constraints associated with Buildings 4+5, although they still exist for the retention of the Building 6+7 façade.
- More viable new office building with larger footprints, density, and increase in height to GF+17 storeys (plus roof plant).
- Creation of new atrium space to create “address” for the development.
- Overall development is viable with additional office floorspace proposed.

Summary

Pros:

- Heritage-led development that still retains existing buildings / facades on-site that are considered to have the most significant historical or architectural value.
- Re-use of Building 1 for a modern F&B unit.
- Creation of a new entrance atrium space behind the retained façade of Building 6.
- High density single new build commercial development with height set back from surrounding heritage assets and key views along Lever Street.
- High quality new build office development meeting and exceeding relevant design standards.



- Height increased to GF+17 storeys (plus roof plant) to ensure the viability of the overall development.
- Viable.

Cons:

- Demolition of some existing buildings on-site to create new office building.
- Major structural interventions required to repair and convert existing buildings.
- Increase in height of new building will be seen in certain viewpoints.



4. Financial Viability Summary

- 4.1 A series of Development Appraisals have been prepared by the Applicant, which are submitted to support the planning application and consider the development feasibility options that were considered during the pre-application process and set out in this document.
- 4.2 Due regard has been given to guidance published by the Registered Institute of Chartered Surveyor (RICS), the National Planning Policy Framework (NPPF), and the Viability Planning Practice Guidance (PPG).
- 4.3 As detailed elsewhere in this document, the Applicant has considered six primary options for the proposed development of the site. These range from retention and conversion of existing buildings to new build development. The full detail around the development of the options for the site, and the justification from a design and heritage perspective, is contained elsewhere in the planning application and summarised in Chapter 3 of this document.
- 4.4 A summary of the floorspace relevant to each option, is provided below:

Option	GEA (sqft)
1	44,600
2	52,450
3	71,660
4	100,570
5	186,820
6	212,438

- 4.5 Both the NPPF and PPG set out a core planning principle that planning policies should encourage the effective use of land by re-using land that has been previously development (brownfield land). Having regard to adopted policies and guidance, and reflecting up-to-date appraisal assumptions/methodology, the following summary table sets out the viability of the development options considered. The individual Development Appraisal for each option considered are contained **Appendix I** of this document.

Option	GEA (sqft)	Residual Land Value	Benchmark Land Value	Surplus or Deficit	Viable
1	44,600	£ (9,314,892)	£10,626,518	-£19,941,410	Unviable
2	52,450	£ (8,170,113)	£10,626,518	-£18,796,631	Unviable
3	71,660	£ (7,003,295)	£10,626,518	-£17,629,814	Unviable
4	100,570	£ (511,216)	£10,626,518	-£11,137,734	Unviable
5	186,820	£12,084,585	£10,626,518	£1,458,067	Viable
6	212,438	£12,148,578	£10,626,518	£1,522,060	Viable

4.6 As clearly demonstrated above, only two schemes (Option 5 and Option 6) are viable.

4.7 Option 5, however, involves the complete demolition of all existing buildings on site. In light of the heritage assessment, and pre-application discussion with MCC officers, local ward members, and public consultation, the Applicant considers that Option 6 that would retain and refurbish the most significant elements of the existing buildings would be a more acceptable form of development.

4.8 Option 6 is, therefore, considered to represent the minimum amount of new build accommodation needed in order to retain and refurbish the elements of the existing buildings that have the most historical and architectural significance, provide a new office building of the necessary quality and requirements fit for modern-day occupiers, and deliver the jobs, public benefits, and regeneration opportunity that can be delivered.

5. The Application Scheme

- 5.1 In light of the development options appraisal and viability analysis presented in the proceeding sections, the Applicant is now submitting a detailed planning application for an iteration of the scheme referred to as Option 6.
- 5.2 The application proposals are described in detail within the accompanying Design and Access Statement and Planning Statement, with a summary set out below.
- 5.3 The description of development is as follows:

“Full planning application for part-retention, conversion and extension of existing buildings; selective demolition; the erection of a ground floor + 17 storey building comprising new office space (Use Class E) with ground floor reception area and ancillary uses; supporting infrastructure and ancillary facilities, roof top plant enclosures, and landscaping.”

Selective Demolition

- 5.4 The vision for the design has been to take a ‘heritage-led’ approach to the existing buildings on-site, exploring the significance and value of each individual non-listed building with the aspiration to retain and refurbish those with the greatest value as part of a new vibrant mixed-use destination that responds to its urban and historic context, with a bold and dramatic approach to massing which will positively contribute to Manchester’s skyline.
- 5.5 As discussed in detail in early Sections of this Appraisal, a number of development options were explored by the Applicant in formulating its preferred scheme that considered partial or full demolition of buildings, and appropriate forms of new development.
- 5.6 The proposed development submitted as part of the planning application is an iteration of Option 6. The Bem Brasil building (32 Great Ancoats Street) is to be retained alongside the facades of nos. 56 and 58 Lever Street. 32 Great Ancoats Street will be pivotal to the ground floor experience and has the opportunity to become a destination within itself, reinstated to its former glory worthy of this

important corner site opposite the Express Building. The other buildings will be demolished.

Use and Amount

5.7 The proposed development will incorporate:

- A standalone new Food & Beverage (“F&B”) offer in the retained Bem Brasil building (549 sqm GIA) (Use Class E) (referred to as “The Heritage Hub”)
- A private ground floor courtyard;
- A new-build office-led development (16,989 sqm GIA) (Use Class E) including:
 - The Tech Hub (New-Build)
 - Grade A office space (Use Class E) across flexible floorplates;
 - A south-west facing terrace (on top of the Creative Hub); and
 - A Business Lounge and event space.
 - The Creative Hub (New-Build Set Behind Retained Façade)
 - Ancillary F&B uses; and
 - Informal working space.
- External landscaping improvements.

Layout

5.8 The site is surrounded by streets in four sides as shown at **Figure 4**. The main entrance into the Tech Hub and Creative Hub is located on Lever Street via the new courtyard, with cycle access from Houldsworth Street. The Courtyard is at the heart of the proposal, linking No. 32 Great Ancoats Street (“The Heritage Hub”), and the “Tech” and “Creative” Hubs within the new development.

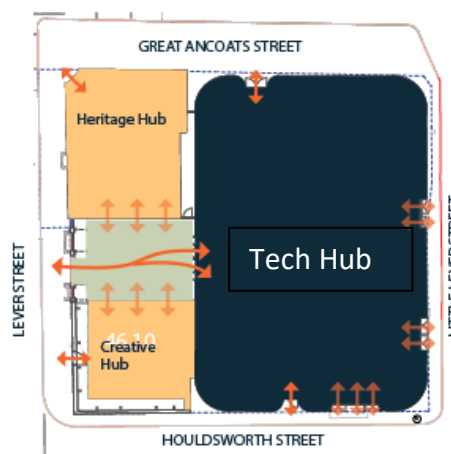


Figure 4: Proposed Development Elements

- 5.9 The entrance to No. 32 is located on the corner of Lever Street and Great Ancoats Street to clearly mark the original building's entrance. A mixture of F&B spaces are provided on the ground floor looking upon the central courtyard.
- 5.10 The ground floor of the Creative Hub offers a café space overlooking the courtyard with its primary access from the Tech Hub. The retained façade of 58 Lever Street is being kept by the retaining structure along both Houldsworth Street and Lever Street. The Courtyard is open to the elements with a feature tree central to the space. Spill out space into the Courtyard is provided to accommodate for all users during all seasons.



Figure 5: *Proposed Courtyard CGI - Retained Façade View*



Figure 6: Ground Floor Layout

- 5.11 The second floor has been designed to provide flexible working space to accommodate a variety of needs depending on the tenancy. The two main office spaces are located in the Creative Hub and the Tech Hub. The Tech Hub office space aims to be flexible for future tenants, whilst the Creative Hub offers tenants a prime space for collaborative working while being flexible to accommodate breakout spaces for future users.
- 5.12 The Third Floor has a variety of spaces including a Business Lounge, Terrace and Office space. The spaces offer opportunities for breakout spaces, events and collaborative working. The Business Lounge and Terrace are accessible to all users of the Tech Hub and accessed from the central core.
- 5.13 The floorplates of the Tech Hub office space above Third Floor level, which increase in size the higher you go, are designed to be flexible working spaces which can accommodate single or multiple tenants with opportunities in the slabs to create voids to connect multiple floors together, depending on tenancy demands.

Scale and Massing

- 5.14 The new office development has been articulated to act as a new landmark building for this part of the City Centre fronting onto Great Ancoats Street, standing at GF+17 storeys (plus roof plant), with two cantilevers to provide theatre to the emerging skyline, as shown at **Figure 7**.



Figure 7: *Proposed Site Section*

- 5.15 The building has been developed to minimise its impact on the setting of listed buildings within the vicinity, such as the Express Building. A distinct solid brick base (2-storeys) is proposed for the Tech Hub to re-establish the original datum of the existing buildings situated along Great Ancoats Street, Houldsworth Street and Little Lever Street. The 2-storey tall base and recessed entrances will create a human scale street scene. The articulation of the Tech Hub has been designed to be read as four elements; the 2-storey base, cantilevered typical floors and crown to create an elegant silhouette on the skyline. In addition, the curved edges of the Tech Hub echo the architectural fenestration of the Grade II* Express Building and provide a sense of playfulness to the main elevations.

- 5.16 To ensure the architectural and urban fabric of Lever Street is preserved, No. 32 Great Ancoats Street will be preserved in its scale and massing alongside the retained facades of 19th century warehouse buildings on No. 56 & 58 Lever Street. Retaining both No. 32 and retaining the facades of No. 56 & 58 is seen as being vital to maintaining the distinct Northern Quarter architectural character of the site along Lever Street.



Figure 8: Great Ancoats Street CGI (south)

Appearance

- 5.17 The application looks to preserve the local area's distinct warehouse typology through the retention of the key buildings and facades along Lever Street and Houldsworth Street. The retained facades of No. 56 & 58 Lever Street will be achieved through an articulated exposed steel work. The steel retaining structure

- will look to be recessive in appearance so not to detract away from the main proposed building sitting behind the retained facades.
- 5.18 The first and second floor façades of No. 32 Great Ancoats Street (the current Bem Brasil building) are intended to be retained and restored to its original 1930's faience terracotta appearance, subject to its condition when exposed. Faience terracotta was commonly used to clad public houses and is synonymous with 19th and early 20th century pubs and the effect can be seen at **Figure 8**. By restoring the former terracotta façade, the design looks to preserve the identity of the old Land O' Cakes pub; retaining it as a key local landmark along Lever Street.
- 5.19 The Ground Floor is designed to provide a contrast to the upper floors with a darker faience terracotta face with traditional plinth detailing and reinstating the openings seen in the 1930's renovations of the former public house. This will create a distinct difference to the upper floors and aid in celebrating the Ground Floor experience of the restaurant.
- 5.20 The arrival space in the courtyard has been designed to be a calm space with a clean, articulated glazed façade. The glazed façade will provide a sense of space and provide clarity between the retained elements and the new buildings.
- 5.21 The base of the new-build office development is designed to be solid, to reflect the robustness of the traditional 19th century brick buildings of the past and is articulated by a regular rhythm of openings to echo the 19th century warehouse rhythm of openings alongside brick corbelling along the apex.
- 5.22 The Grade II* Listed Express Building is a significant heritage asset which fronts onto Great Ancoats Street opposite the application site. The design of the typical floors of the office building have been articulated to echo the prominent glazing banding and horizontality of the 1930's landmark and are designed to be a mixture of glazing and metal, as can be seen in **Figure 9**. The cantilevered soffits are intended to be backlit to provide a drama to the streetscape during the evening, as can be seen in **Figure 10**.





Figure 9: Great Ancoats Street CGI (front)



Figure 10: Great Ancoats Street CGI (north)

Landscaping

- 5.23 To deliver a high-quality public realm finish to the existing footpaths surrounding the development, the design maintains the generous pedestrian routes along Great Ancoats Street and Lever Street, while enhancing further through the stepping backs of the building facade.
- 5.24 The proposed high-quality finishes in both the public and private spaces are tying the site to the heritage of the Northern Quarter and the adjacent Ancoats area. The heritage approach is strengthened by using reclaimed materials.



Figure 11: *Proposed Courtyard CGI*

- 5.25 While providing a spacious route to the new office building's principal entrance, the new courtyard will also create a lush, green enclosed space for visitors to meet and socialise. Given sufficient legibility of the frontages around the courtyard, the design approach is to create an elegant tapestry, rather than to mark-up routes. The light-coloured natural stone surface incorporates heritage elements from Little Ancoats Street. The centrepiece of the courtyard is a

Japanese maple feature tree. At the perimeter of the space bespoke timber seatings and raised on-ground planters are proposed to create a stylish backdrop in front of the support system for the retained façades of No. 56 & 58 Lever Street.

- 5.26 The courtyard proposes biodiverse, low-level mixed planting underneath the large feature tree and raised planters containing a variety of pollinating herbaceous plants with evergreen species throughout. Planters are located along the perimeter of the space, between the vertical beams of the retained façade's support structure. Their positions enable plant climber shrubs growing on the steel support structure, producing a lush vertical greenery for the courtyard.
- 5.27 Deep-shade tolerant perennials and shrubs are proposed for the 'hidden greenery' area and in ground plantings are proposed between the retained façade and the Creative Hub street-side elevations.



6. Summary and Conclusions

- 6.1 This Development Options Appraisal has been prepared to present and explore the development options considered by the Applicant in formulating its preferred scheme, which is the subject of this detailed planning application.
- 6.2 The planning application includes a detailed assessment of the existing buildings on the site, their heritage value, and the various levels of intervention tested during the extensive pre-application design process to formulate the final proposals, including various degrees of full and partial retention of the existing buildings on site. The findings of these detailed assessments are brought together in this report, along with a summary of the financial viability position dictating which/whether particular options considered could viably come forward for development.
- 6.3 In arriving at the proposed development, the Applicant has considered a number of heritage-led development options relating to the retention of the existing buildings on site and the location and quantum of new office-led development, including:
- **Option 1** - Retention and extension of existing buildings. Renovation and rebuild of internal space & dilapidated structure.
 - **Option 2** - Partial demolition. Retaining majority of buildings on site. Renovation and rebuild of internal space and dilapidated structure. Demolish buildings 8,9,10,11-12 along Houldsworth Street and Little Lever Street. Erection of 6 storey office building.
 - **Option 3** - Facade retention & partial demolition. Facade of 58 & 56 Lever Street to be retained. Bem Brasil building and No. 40-42 Great Ancoats Street to be retained and refurbished. Erection of 8 storey office building along Houldsworth Street and Little Lever Street.
 - **Option 4** - Facade retention & partial demolition. Bem Brasil building to be retained. Facade of 58 Lever Street to be retained. Demolition of other buildings on site and erection of 10 storey office building.
 - **Option 5** - Full demolition of existing buildings on site. Erection of new 16 storey office building.



- **Option 6** - Facade retention & partial demolition. Bem Brasil building to be retained. Facade of 58 Lever Street to be retained. Demolition of other buildings on site and erection of a stepped GF+17 storey building (plus roof plant) to improve viability.

- 6.4 When the financial viability of the above options has been tested, Option 6 represents the most appropriate yet viable proposal, and one that the Applicant is committed to deliver. This option necessitates the demolition of certain existing buildings at the site, the conservation or façade retention of others, and significant new build development to make the overall scheme viable. Notably, however, the buildings fronting Lever Street can be retained either in full or their facades, refurbished and re-used. It is these buildings that are of the most historic and architectural significance and their long-term future would be secured as a result of the proposed development.
- 6.5 The vision for the proposed development is to give this city block a new lease of life and transform it into a vibrant mixed-use destination, which responds to its urban and historic context, with a bold and dramatic approach to massing which will positively contribute to Manchester's skyline. At ground floor, the vision is to deliver an active ground floor providing a mix of flexible uses, to offer significant community value for Northern Quarter residents.
- 6.6 The aspiration is for a commercial-led scheme that is rooted in the Northern Quarter - retaining the most significant heritage elements whilst providing a striking new-build development that will respond to the current lack of Grade A office space available in the Northern Quarter and the wider city centre.



Appendix I

of Development Options

Financial Appraisal

SALES / REVENUE						
Sales Description:	Units	NIA	Yield	Annual Rent (£)	% of ERV	Capital Value (£)
Office	1	27,058 ft2	5.50%	541,165	100.00%	9,839,369
Total						9,839,369
Rent Free and Void	12 months					541,165
Gross Revenue						9,298,204
Less Purchasers Costs	5.80%					570,683
Net Revenue						8,727,520

Costs						
ACQUISITION COSTS						
All in Purchase Price (£)					£	10,500,000
Total					£	10,500,000
CONSTRUCTION COSTS						
	GIA (sq ft)	GEA (sq ft)	Cost/sq ft			
Office	38,655	44,600	£ 300		£	11,596,399
Contingency	5.0% of build costs				£	579,820
Total					£	12,176,219
Insurance					£	15,000
SPV Fees					£	30,000
DM Fee	3.00%				£	347,892
Professional Fees	3.50% of build costs				£	405,874
Total Fees					£	798,766
TOTAL NET DEVELOPMENT COSTS					£	23,474,985
Letting Fees						
Agent	7.50% of Yr 1 rent				£	40,587
Marketing	0.13% of GDV				£	12,791
Legal	0.13% of GDV				£	12,791
Total Additional Fees					£	66,170
Total Costs					£	27,233,284

DEBT						
	% to Borrow	Amount (£)	Term (months)	All in Interest Rate (% Total Interest (£))		
Acquisition Loan	53.80% of site value	£ 5,649,000	12	13.00%	£	857,884
Construction Loan	63.15% of net dev costs	£ 14,823,495	30	8.50%	£	2,316,149
Acquisition Loan Fees	2.00% of loan amount	£ 122,124			£	122,124
Construction Loan Fees	2.50% of loan amount	£ 395,972			£	395,972
Total					£	3,692,129

PROFIT		
Total Net Revenue	£	8,727,520
Total Costs (Unlevered)	£	23,541,155
Ungeared Profit (pre-tax)	£	(14,813,634)
Ungeared Profit on Cost (%)		-62.93%

RESIDUAL LAND VALUATION		
Total Net Revenue	£	8,727,520
Total Costs (ex. Land)	£	16,733,284
Assumed Developer Profit	£	1,309,128
Residual Day 1 Land Value	£	(9,314,892)

15.0%

SALES / REVENUE						
Sales Description:	Units	NIA	Yield	Annual Rent (£)	% of ERV	Capital Value (£)
Office	1	31,821 ft ²	5.50%	795,519	100.00%	14,463,983
Total						14,463,983
Rent Free and Void	12 months					795,519
Gross Revenue						13,668,463
Less Purchasers Costs	5.80%					838,911
Net Revenue						12,829,553

Costs						
ACQUISITION COSTS						
All in Purchase Price (£)					£	10,500,000
Total					£	10,500,000
CONSTRUCTION COSTS						
	GIA (sq ft)	GEA (sq ft)	Cost/sq ft			
Office	45,458	52,450	£ 300		£	13,637,469
Contingency	5.0% of build costs				£	681,873
Total					£	14,319,343
Insurance					£	15,000
SPV Fees					£	30,000
DM Fee	3.00%				£	409,124
Professional Fees	3.50% of build costs				£	477,311
Total Fees					£	931,436
TOTAL NET DEVELOPMENT COSTS					£	25,750,778
Letting Fees						
Agent	7.50% of Yr 1 rent				£	59,664
Marketing	0.13% of GDV				£	18,803
Legal	0.13% of GDV				£	18,803
Total Additional Fees					£	97,270
Total Costs					£	29,575,232

DEBT						
	% to Borrow	Amount (£)	Term (months)	All in Interest Rate (%)	Total Interest (£)	
Acquisition Loan	53.80% of site value	£ 5,649,000	12	13.00%	£ 857,884	
Construction Loan	63.15% of net dev costs	£ 16,260,566	30	8.50%	£ 2,315,072	
Acquisition Loan Fees	2.00% of loan amount	£ 122,124			£ 122,124	
Construction Loan Fees	2.50% of loan amount	£ 432,104			£ 432,104	
Total					£	3,727,184

PROFIT		
Total Net Revenue	£	12,829,553
Total Costs (Unlevered)	£	25,848,048
Ungeared Profit (pre-tax)	£	(13,018,496)
Ungeared Profit on Cost (%)		-50.37%

RESIDUAL LAND VALUATION		
Total Net Revenue	£	12,829,553
Total Costs (ex. Land)	£	19,075,232
Assumed Developer Profit	£	1,924,433
Residual Day 1 Land Value	£	(8,170,113)

15.0%

SALES / REVENUE						
Sales Description:	Units	NIA	Yield	Annual Rent (£)	% of ERV	Capital Value (£)
Office	1	43,475 ft ²	5.50%	1,304,257	100.00%	23,713,761
Total						23,713,761
Rent Free and Void	12 months					1,304,257
Gross Revenue						22,409,505
Less Purchasers Costs	5.80%					1,375,398
Net Revenue						21,034,106

Costs						
ACQUISITION COSTS						
All in Purchase Price (£)					£	10,500,000
Total					£	10,500,000
CONSTRUCTION COSTS						
	GIA (sq ft)	GEA (sq ft)	Cost/sq ft			
Office	62,107	71,660	£ 300		£	18,632,241
Contingency	5.0% of build costs				£	931,612
Total					£	19,563,853
Insurance					£	15,000
SPV Fees					£	30,000
DM Fee	3.00%				£	558,967
Professional Fees	3.50% of build costs				£	652,128
Total Fees					£	1,256,096
TOTAL NET DEVELOPMENT COSTS					£	31,319,949
Letting Fees						
Agent	7.50% of Yr 1 rent				£	97,819
Marketing	0.13% of GDV				£	30,828
Legal	0.13% of GDV				£	30,828
Total Additional Fees					£	159,475
Total Costs					£	35,382,286

DEBT						
	% to Borrow	Amount (£)	Term (months)	All in Interest Rate (%)	Total Interest (£)	
Acquisition Loan	53.80% of site value	£ 5,649,000	12	13.00%	£ 857,884	
Construction Loan	63.15% of net dev costs	£ 19,777,270	30	8.50%	£ 2,401,441	
Acquisition Loan Fees	2.00% of loan amount	£ 122,124			£ 122,124	
Construction Loan Fees	2.50% of loan amount	£ 521,413			£ 521,413	
Total					£	3,902,862

PROFIT		
Total Net Revenue	£	21,034,106
Total Costs (Unlevered)	£	31,479,424
Ungeared Profit (pre-tax)	£	(10,445,318)
Ungeared Profit on Cost (%)		-33.18%

RESIDUAL LAND VALUATION		
Total Net Revenue	£	21,034,106
Total Costs (ex. Land)	£	24,882,286
Assumed Developer Profit	£	3,155,116
Residual Day 1 Land Value	£	(7,003,295)

15.0%



Development Appraisal

Address: Lever St Manchester

Scenario

Date: 04/04/2024

Option 4

SALES /REVENUE						
Sales Description:	Units	NIA	Yield	Annual Rent (£)	% of ERV	Capital Value (£)
Office	1	61,015 ft2	5.50%	2,440,583	100.00%	44,374,230
Total						44,374,230
Rent Free and Void	12 months					2,440,583
Gross Revenue						41,933,647
Less Purchasers Costs	5.80%					2,573,705
Net Revenue						39,359,942

Costs						
ACQUISITION COSTS						
All in Purchase Price (£)					£	10,500,000
Total					£	10,500,000
CONSTRUCTION COSTS						
	GIA (sq ft)	GEA (sq ft)	Cost/sq ft			
Office	87,164	100,570	£ 300		£	26,149,100
Contingency	5.0% of build costs				£	1,307,455
Total					£	27,456,555
Insurance					£	15,000
SPV Fees					£	30,000
DM Fee	3.00%				£	784,473
Professional Fees	3.50% of build costs				£	915,218
Total Fees					£	1,744,691
TOTAL NET DEVELOPMENT COSTS					£	39,701,246
Letting Fees						
Agent	7.50% of Yr 1 rent				£	183,044
Marketing	0.13% of GDV				£	57,686
Legal	0.13% of GDV				£	57,686
Total Additional Fees					£	298,417
Total Costs					£	44,467,167

DEBT						
	% to Borrow	Amount (£)	Term (months)	All in Interest Rate (% Total Interest (£))		
Acquisition Loan	53.80% of site value	£ 5,649,000	12	13.00%	£	857,884
Construction Loan	63.15% of net dev costs	£ 25,069,717	30	8.50%	£	2,828,705
Acquisition Loan Fees	2.00% of loan amount	£ 122,124			£	122,124
Construction Loan Fees	2.50% of loan amount	£ 658,790			£	658,790
Total					£	4,467,504

PROFIT		
Total Net Revenue	£	39,359,942
Toal Costs (Unlevered)	£	39,999,663
Ungeared Profit (pre-tax)	£	(639,721)
Ungeared Profit on Cost (%)		-1.60%

RESIDUAL LAND VALUATION		
Total Net Revenue	£	39,359,942
Total Costs (ex. Land)	£	33,967,167
Assumed Developer Profit	£	5,903,991
Residual Day 1 Land Value	£	(511,216)

15.0%

SALES / REVENUE						
Sales Description:	Units	NIA	Yield	Annual Rent (£)	% of ERV	Capital Value (£)
Office	1	113,341 ft2	5.50%	4,987,020	100.00%	90,673,093
Total						90,673,093
Rent Free and Void	12 months					4,987,020
Gross Revenue						85,686,073
Less Purchasers Costs	5.80%					5,259,039
Net Revenue						80,427,034

Costs						
ACQUISITION COSTS						
All in Purchase Price (£)					£	10,500,000
Total					£	10,500,000
CONSTRUCTION COSTS						
	GIA (sq ft)	GEA (sq ft)	Cost/sq ft			
Office	161,916	186,820	£ 275		£	44,526,965
Contingency	5.0% of build costs				£	2,226,348
Total					£	46,753,314
Insurance					£	15,000
SPV Fees					£	30,000
DM Fee	3.00%				£	1,335,809
Professional Fees	3.50% of build costs				£	1,558,444
Total Fees					£	2,939,253
TOTAL NET DEVELOPMENT COSTS					£	60,192,566
Letting Fees						
Agent	7.50% of Yr 1 rent				£	374,027
Marketing	0.13% of GDV				£	117,875
Legal	0.13% of GDV				£	117,875
Total Additional Fees					£	609,777
Total Costs					£	66,778,393

DEBT						
	% to Borrow	Amount (£)	Term (months)	All in Interest Rate (%)	Total Interest (£)	
Acquisition Loan	53.80% of site value	£ 5,649,000	12	13.00%	£ 857,884	
Construction Loan	63.15% of net dev costs	£ 38,009,150	30	8.50%	£ 4,000,111	
Acquisition Loan Fees	2.00% of loan amount	£ 122,124			£ 122,124	
Construction Loan Fees	2.50% of loan amount	£ 995,931			£ 995,931	
Total					£	5,976,050

PROFIT		
Total Net Revenue	£	80,427,034
Total Costs (Unlevered)	£	60,802,343
Ungeared Profit (pre-tax)	£	19,624,691
Ungeared Profit on Cost (%)		32.28%

RESIDUAL LAND VALUATION		
Total Net Revenue	£	80,427,034
Total Costs (ex. Land)	£	56,278,393
Assumed Developer Profit	£	12,064,055
Residual Day 1 Land Value	£	12,084,585

15.0%

SALES /REVENUE						
Sales Description:	Units	NIA	Yield	Annual Rent (£)	% of ERV	Capital Value (£)
Office	1	125,000 ft2	5.50%	5,500,000	100.00%	100,000,000
Total						100,000,000
Rent Free and Void	12 months					5,500,000
Gross Revenue						94,500,000
Less Purchasers Costs	5.80%					5,800,000
Net Revenue						88,700,000

Costs						
ACQUISITION COSTS						
All in Purchase Price (£)					£	10,500,000
Total					£	10,500,000
CONSTRUCTION COSTS						
	GIA (sq ft)	GEA (sq ft)	Cost/sq ft			
Office	182,859	212,438	£ 275		£	50,286,225
Contingency	5.0% of build costs				£	2,514,311
Total					£	52,800,536
Insurance					£	15,000
SPV Fees					£	30,000
DM Fee	3.00%				£	1,508,587
Professional Fees	3.50% of build costs				£	1,760,018
Total Fees					£	3,313,605
TOTAL NET DEVELOPMENT COSTS					£	66,614,141
Letting Fees						
Agent	7.50% of Yr 1 rent				£	412,500
Marketing	0.13% of GDV				£	130,000
Legal	0.13% of GDV				£	130,000
Total Additional Fees					£	672,500
Total Costs					£	73,746,422

DEBT						
	% to Borrow		Amount (£)	Term (months)	All in Interest Rate (% Total Interest (£))	
Acquisition Loan	53.80% of site value		£ 5,649,000	12	13.00%	£ 857,884
Construction Loan	63.15% of net dev costs		£ 42,064,112	30	8.50%	£ 4,378,080
Acquisition Loan Fees	2.00% of loan amount		£ 122,124			£ 122,124
Construction Loan Fees	2.50% of loan amount		£ 1,101,693			£ 1,101,693
Total						£ 6,459,781

PROFIT		
Total Net Revenue	£	88,700,000
Total Costs (Unlevered)	£	67,286,641
Ungeared Profit (pre-tax)	£	21,413,359
Ungeared Profit on Cost (%)		31.82%

RESIDUAL LAND VALUATION		
Total Net Revenue	£	88,700,000
Total Costs (ex. Land)	£	63,246,422
Assumed Developer Profit	£	13,305,000
Residual Day 1 Land Value	£	12,148,578

15.0%

