

09 February 2024



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Dear Ian,

RE: VIABILITY ASSESMENT ADDENDUM - JERSEY WHARF, ANCOATS

Further to our original viability assessment dated May 2022, I set out our addendum to be read in conjunction with our original viability assessment, based on the updated scheme/ accommodation schedule, build costs and GDV for the above site.

Proposed Development

Since our May 2022 assessment, macro-economic and inflationary pressures have given rise to a 20% uplift in the cost to deliver Jersey Wharf. These cost increases have the effect of producing a negative land value in excess of £10m within both private sale and rent appraisals and render the scheme unviable. This has led Manchester Life to consider efficiencies via amendments to the scheme which allow it to be delivered whilst maintaining the quality and design intent of the scheme.

Amendments to the schemes can be summarised as follows:

- A reduction in building footprint and subsequent slight change in the apartment mix, following the removal of the balconies,
- A reduction in building height, following the removal of 2 brick courses per level (excluding ground floor),
- The reduction of installed PV area to that required for compliance, while maintaining the space and infrastructure to facilitate future installation/expansion of the PV array.

We detail the changes to the accommodation mix below:

Residential

	1B2P		2B4P		3B6P		Total	GIA	Change	NIA	Change
	No.	%	No.	%	No.	%	No.	Sq.M	Sq.M	Sq.M	Sq.M
2022	50	26.3	128	67.4	12	6.3	190	18,623	N/A	13,526.9	N/A
2024	57	30.0	122	64.2	11	5.8	190	18,339	-284	12,936.4	-590.5

Commercial

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	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Total	Change (Sq.M)
2022	126.1	94.8	158.4	134.9	99.5	613.7	N/A
2024	102.81	92.17	121.31	121.02	92.1	529.41	-84.29

Manchester Life have provided the following schedule of accommodation for the site which has been prepared by PRP:

Level	Unit Name	Area (m²)	Area (Sq.Ft.)
00	Commercial Unit A	102.8	1,107
00	Commercial Unit B	92.2	992
00	Commercial Unit C	121.3	1,306
00	Commercial Unit D	121.0	1,302
00	Commercial Unit E	92.1	991
	TOTAL :	529.4	5,698

Commercial Schedule of Accommodation

Level	1 Bed	2 Bed	3 Bed	Total Beds	NIA (Sq M)	NIA (Sq Ft)
0	2	3	0	5	320.6	3,451
1	9	18	1	28	1,880.6	20,243
2	9	18	1	28	1,880.6	20,243
3	9	18	1	28	1,880.6	20,243
4	9	18	1	28	1,880.6	20,243
5	9	18	1	28	1,880.6	20,243
6	9	18	1	28	1,880.6	20,243
7	1	11	5	17	1,343.0	14,456
TOTAL:	57	122	11	190	12,947.4	139,365

Schedule of Accommodation

The proposals result in a total Net Internal Area of 5,698 sq ft across the ground floor commercial units and a total Net Internal Area of 139,365 sq ft across 190 apartments. The average unit size across the apartments is approximately 734 sq. ft. All balconies and terraces have been removed in the latest design changes.

Across the development, the total floor areas are as follows:

Type	Net Internal Area		Gross Internal Area	
	Sq. M.	Sq. Ft.	Sq. M.	Sq. Ft.
Commercial	529.4	5,698		
Residential	12,947.4	139,365	18,339.0	197,399
TOTAL:	13,476.8	145,063	18,339.0	197,399

Total Floor Areas

For the purpose of this assessment, we have assumed that the development will be finished to an appropriate standard of workmanship, specification and layout commensurate with new build schemes delivered by Manchester Life and other developers in the local market.

Market Commentary

As set out in our original report, there has been a significant amount of new build activity in the Ancoats / New Islington area and we have had regard to the latest asking prices and sales prices confirmed by agents acting on the developments and reflecting the uplift in value since our original report. We have also had regard to different areas on the periphery of Manchester City Centre, outside of the ring road, and similarly positioned to the subject site.

Ancoats Gardens

Ancoats Gardens offers a development of 155 x one, two and three-bedroom apartments benefitting from split level gymnasium, two rooftop gardens and a residents lounge and coffee roastery, situated c.0.4 miles north west of the subject site. We understand many sales were from overseas investors, which often inflate the achieved price against the potential returns, compared to private ownership.



The latest asking prices are as follows:

Type	Sq.Ft	Price	Price/ Sq.Ft
1 Bed	498	£250,000	£502
2 Bed	689	£330,000	£479

One Port Street

One Port Street offers a development of 477 x one, two and three-bedroom apartments, across 32 storeys situated in the Northern Quarter, fronting Great Ancoats Street, approximately 0.3 miles south west of the subject site. The scheme is being marketed as luxury apartments, including facilities such as swimming pool, gym, private hire roof top terrace, urban garden, residents lounge, working space and private dining areas.



The latest asking prices are as follows:

Type	Sq.Ft	Asking Price	Price/ Sq.Ft
1 Bed	538-541	£303,402 - £332,402	£564 - £615
2 Bed	755-764	£421,290 - £500,200	£558 - £655

One Port Street is an executive style development, aimed at luxury specification aimed at the overseas investment market. We would therefore expect the subject site to achieve lower values reflective of the owner occupier market.

William Sutton Building

William Sutton Building offers a 15 storey development of 106 x one and two bedroom apartments situated on the junction of Great Ancoats Street and Old Mill Street, approximately 0.6 miles south of the subject site. The scheme offers both private and shared ownership units.



The latest asking prices of the private units are as follows:

Type	Sq.Ft	Asking Price	Price/ Sq.Ft
1 Bed	570	£267,000	£468
2 Bed	807	£365,800	£453

William Sutton Building offers fewer facilities than the subject site, albeit located in a more accessible location. We would therefore expect the subject site to achieve similar values.

We have also considered the secondary market and mill conversions within the local vicinity, focusing on stock that appears to be in a good condition and of a good specification so that a comparison can be made against potential new build prices:

Unit	Beds	SQ M	Sq. Ft.	Price	Price/ Sq.Ft.	Date
84 Murrays' Mills	3	206	2,217	£550,000	£248	Aug-23
509 Paragon Mill	3	82	882	£550,000	£623	Jan-24
63 New Little Mill	2	95	1,022	£421,000	£412	Sep-23

10 New Little Mill	2	94	1,011	£415,000	£410	Oct-23
72 Vesta Street	2	86	925	£350,000	£378	Sep-23
66 Murrays' Mills	2	85	914	£335,000	£366	Oct-23
29 Vesta Street	2	73	785	£297,500	£379	Jul-23
75 Vesta Street	2	72	774	£285,000	£368	Oct-23
58 Murrays' Mills	1	56	602	£260,000	£431	Sep-23
48 Murrays' Mills	1	63	678	£250,000	£369	Aug-23
8 New Little Mill	1	61	656	£242,500	£369	Jun-23
608 Royal Mills	1	64	688	£240,000	£348	Nov-23
6 New Little Mill	1	58	624	£237,500	£380	Aug-23
3 Cutting Room Square	1	55	591	£205,000	£346	Mar-23

Second Hand Comparables

There is evidently a range of values across 1, 2 and 3 bedroom properties. Values achieved can depend on factors such as location, size, specification, house type, layout, location and parking provision.

The average sold price of the above sample is £375 per sq.ft. We would expect to see some uplift above values for second hand stock to reflect the improved condition and specification that will be offered by new build property. It is however, important to maintain a relationship between the pricing of the new build property and existing stock to preserve affordability. Should the new build units be priced significantly above the second hand stock then the rate of sale will suffer as affordability and ceiling values in the area will affect ability to purchase.

New Build Rental Market (BtR)

We have reviewed the new build schemes in the local area, to assess any changes since our original report. BtR developments are new build properties that have been designed and built for the purpose of renting. There is a particular focus on service, with developments offering on-site management and amenities, shared spaces such as resident's lounges and gyms, which are typically provided inside the buildings along with the homes. The Manchester Life product is now self-evidencing from the existing schemes in Ancoats, therefore we have taken greater reliance on these rents as the best comparable reflective of the location, style and amenities of the proposed scheme.

Cotton Field Wharf	
Beds	Range £pcm
1	£720 - £1,015
2	£990 - £1,450
3	£1,478 - £1,790

Smith's Yard	
Beds	Range £pcm
1	£757 - £1,113
2	£970 - £1,495
3	£1,399 - £1,882
Sawmill Court	
Beds	Range £pcm
1	£813 - £985
2	£1,075 - £1,300
3	£1,460 - £1,902
Lampwick Quay	
Beds	Range £pcm
1	£867 - £1,113
2	£1,091 - £1,562
3	£1,616 - £2,014
Poplin – Oldham Road	
Beds	Range £pcm
1	£1,175
2	£1,460 - £2,000
3	£2,160
Broadside – Oldham Road	
Beds	Range £pcm
1	£1,225
2	£1,475
3	£2,000

New Build BtR Rents

We have also considered the secondary rental market and mill conversions within the local vicinity, focusing on stock that appears to be in a good condition and of a good specification so that a comparison can be made against potential new build prices:

Property	Beds	Rent (pcm)	Status	Comments
One Silk Street	1	£1,350	Available	This is a development by Northern Group, that comprises 75 apartments in a converted mill-building.
	2	£1,600		
Ice Plant	2	£1,495 - £1,550	Available	Redeveloped building in Ancoats that opened in 2012.
One Cutting Room Square	2	£1,775 - £1,850	Available	Apartment block fronting Cutting Room Square
Flint Glass Wharf	1	£1,075	Available	132 apartment block located on Radium Street adjacent to the subject site that completed in c. 2009/10.
	2	£1,400		
Royal Mills	1	£1,250	Available	Grade II listed Royal Mills development located on the edge of Ancoats.
Oxid House	2	£1,400	Available	Completed in 2018, this is a 12 storey development with 119 one and two bedroom apartments.

Second Hand Rental Comparables

There is evidently a range of asking rents across 1 and 2 bedroom properties. Rental values achieved can depend on factors such as location, size, specification, house type, layout, location and parking provision.

The 1 bedroom flats are available to let for rents between £1,075 and £1,350 per calendar month, the 2 bedroom flats are available for rents between £1,400 and £1,850 per calendar month. Across the sample, the higher value rents were achieved on top-floor apartments which typically let for a premium.

We would expect to see some uplift above values for second hand stock to reflect the improved condition and specification that will be offered by new build property. It is however, important to maintain a relationship between the pricing of the new build property and existing stock to preserve affordability. Should the new build units be priced significantly above the second hand stock then the rate of sale will suffer as affordability and ceiling values in the area will affect ability to purchase.

Commercial

The subject site comprises five commercial units located at ground floor level. We have therefore reviewed comparable evidence of commercial units on new-build development schemes to see if they have changed since the original report.

At Mansion House in New Islington, a development by Urban Splash, the last remaining ground floor commercial units ranging from 947 – 1,895 sq ft were let in July 2023 for £25.00 per sq ft. These units overlook New Islington Marina and Cotton Field Park and we would therefore expect the subject to achieve a lower rent per sq ft.

We are therefore of the opinion that the commercial units at the subject site would achieve a rental value of £23.50 per sq ft. This is an increase of £1.50 per sq.ft from the rent of £22.00 per sq.ft. adopted in our original report. The most recent rental transactions for commercial units have been in the region of £25.00 per sq.ft, albeit in a better location fronting the marina, in an area of higher footfall, therefore we would expect the commercial units at the subject site to be lower than the transactions detailed above.

Investment Market

Yields have moved out materially over the last 12-18 months, by approximately 50bps, but there are so few transactions over a short period, that there is insufficient data to demonstrate long term yield trends. At present investment values typically reflect a discount to break-up value. As the market evolves it is expected there will be premiums established for stabilised assets. This is over the vacant possession values, similar to commercial property investment values. There is also likely to be a premium for portfolios. There is currently a premium for standing investments over forward funding and forward acquisition transactions reflecting the letting risks and costs associated. However, despite the risk the discount is only 0.5-0.75% in most cases. We expect this discount to widen in future years as investors better reflect the development and letting risk. This current discount illustrates the level of competition for true BTR stock. As the development cycle moves on and we begin to see this stock trade, we would expect to see this risk discount to increase. In today's market the reality is that the yield is currently at 4.5 – 4.75%, therefore we have adopted a yield of 4.5%, 25bps behind our 2022 assessment.

Benchmark Land Value

Our BLV on the original application was of £1,416,000. This was made up of £1m per acre industrial land value and a premium of 20%, this equated to £7,453 per plot. We have undertaken more recent applications on similar sites such as Phoenix Ironworks for Manchester Life and Dantzic Street for FEC where we agreed with MCC a figure of £900k per acre for industrial land and a 30% premium. Given that this is more recent evidence we have amended the benchmark to reflect these recent comparables. This gives an EUV of £1,062,000, adding a premium of 30% gives a reduced benchmark land value of £1,380,600 or £7,266 per plot.

Gross Development Value

Based on the market research and evidence in this addendum, we have produced an updated pricing schedule for the proposed development using the below base sales values.

100% Private Sales

Type	Beds	SQ M	No.	Sq Ft	Sales Value	£ per Sq. Ft.
Type 01	1b2p	51.5	49	554	£242,500	£437
		51.6		555	£242,500	£437
		51.7		556	£245,000	£440
		51.8		558	£245,000	£439
		51.9		559	£245,000	£439
Type 01a	1b2p	51.3	1	552	£242,500	£439
Type 02	2b4p	71.5	30	770	£330,000	£429
		71.6		771	£330,000	£428
Type 03	2b4p	71.4	18	769	£330,000	£429
		71.6		771	£330,000	£428

		71.7		772	£330,000	£428
Type 04	1b2p	51.1	6	550	£242,500	£441
Type 05	2b4p	71.5	7	770	£330,000	£429
Type 05a	2b4p	71.4	7	769	£330,000	£429
		71.6		771	£330,000	£428
Type 05b	2b4p	71.5	6	770	£330,000	£429
Type 06	2b4p	75.1	7	808	£340,000	£421
Type 07	3b6p	110.3	6	1187	£490,000	£413
Type 08	2b4p	82	6	883	£370,000	£419
Type 09	2b4p	71.8	6	773	£330,000	£427
Type 10	2b4p	71.5	12	770	£330,000	£429
		71.6		771	£330,000	£428
Type 11	2b4p	71.4	6	769	£330,000	£429
Type 12	2b4p	71.4	1	769	£330,000	£429
Type 12a	2b4p	71.6	1	771	£330,000	£428
Type 13	2b4p	77.1	2	830	£350,000	£422
		77.2		831	£350,000	£421
Type 14	2b4p	71.4	1	769	£330,000	£429
Type 15	3b6p	97.6	1	1051	£435,000	£414
Type 16	2b4p	73.4	1	790	£335,000	£424
Type 17	3b6p	98	1	1055	£435,000	£412
Type 18	3b6p	97.9	1	1054	£435,000	£413
Type 19	3b6p	98	1	1055	£435,000	£412
Type 20	2b4p	72.1	1	776	£332,500	£428
Type 21	3b6p	98.9	1	1065	£440,000	£413
Type 22	2b4p	71.7	1	772	£330,000	£428

Type 22a	2b4p	71.5	1	770	£330,000	£429
Type 23	2b4p	71.5	1	770	£330,000	£429
Type 24	2b4p	71.5	1	770	£330,000	£429
Type 25	1b2p	51.9	1	559	£245,000	£439
Type 2A	2b4p	74.6	6	803	£340,000	£423

Sales Values

In the pricing schedule we have applied a 2% increase in sales prices every two floors. This results in a total GDV for the 190 apartments at **£61,262,581** reflecting an average price of £439.58 per sq ft.

Commercial GDV

We have increased the rental value from our original report at £22.00 per sq.ft, and now valued the ground floor commercial units at £23.50 per sq ft. We have adopted a 3 month rent free period and have capitalised the income stream at an 8% yield, as per our original report and in line with the current market. This results in a GDV of £1,641,891 for the commercial units.

Built-to-Rent

Type	Beds	SQ M	No.	Sq Ft	Rent (pcm)
Type 01	1b2p	51.5	49	554	£1,000
		51.6		555	£1,000
		51.7		556	£1,000
		51.8		558	£1,050
		51.9		559	£1,050
Type 01a	1b2p	51.3	1	552	£975
Type 02	2b4p	71.5	30	770	£1,350
		71.6		771	£1,350
Type 03	2b4p	71.4	18	769	£1,350
		71.6		771	£1,350
		71.7		772	£1,350
Type 04	1b2p	51.1	6	550	£975
Type 05	2b4p	71.5	7	770	£1,350
Type 05a	2b4p	71.4	7	769	£1,350

		71.6		771	£1,350
Type 05b	2b4p	71.5	6	770	£1,350
Type 06	2b4p	75.1	7	808	£1,400
Type 07	3b6p	110.3	6	1,187	£2,050
Type 08	2b4p	82	6	883	£1,450
Type 09	2b4p	71.8	6	773	£1,350
Type 10	2b4p	71.5	12	770	£1,350
		71.6		771	£1,350
Type 11	2b4p	71.4	6	769	£1,350
Type 12	2b4p	71.4	1	769	£1,350
Type 12a	2b4p	71.6	1	771	£1,350
Type 13	2b4p	77.1	2	830	£1,400
		77.2		831	£1,400
Type 14	2b4p	71.4	1	769	£1,350
Type 15	3b6p	97.6	1	1,051	£1,900
Type 16	2b4p	73.4	1	790	£1,350
Type 17	3b6p	98	1	1,055	£1,900
Type 18	3b6p	97.9	1	1,054	£1,900
Type 19	3b6p	98	1	1,055	£1,900
Type 20	2b4p	72.1	1	776	£1,350
Type 21	3b6p	98.9	1	1,065	£1,975
Type 22	2b4p	71.7	1	772	£1,350
Type 22a	2b4p	71.5	1	770	£1,350
Type 23	2b4p	71.5	1	770	£1,350
Type 24	2b4p	71.5	1	770	£1,350
Type 25	1b2p	51.9	1	559	£1,050

Type 2A	2b4p	74.6	6	803	£1,400
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As per our original report, we have undertaken a unit by unit pricing exercise for the updated scheme using the above rents and adopting a £40 per calendar month increase every two floors. This results in a Total Rent of £3,153,600 per annum. We have accounted for 25% operational costs on the Total Rent which results in a Net Rent of £2,365,339 per annum. We have then capitalised this rent at a yield of 4.50% which is reflective of the market. This results in an estimated GDV of £52,563,078 across the 190 dwellings, which equates to a blended average of £377.16 per sq ft across the Build-to-Rent apartments. This level of value is aligned with Savills' view on the forward funding market in Manchester.

Appraisal

Private Sales Scheme – 100% Private Housing

Gross Development Value

As outlined above, we have assessed the GDV of the 100% private sales scheme to be **£62,904,472**.

Build Costs

The total build costs adopted in our original report, as provided by Turner and Townsend in 2022 totalled £41,640,623, which equates to £208 per sq.ft across the gross internal area of 200,454 sq.ft..

We have had reference to the updated cost plan provided and produced by Turner & Townsend, dated 30th January 2024. The cost plan has been produced in accordance with the updated plans drawn up for the scheme by PRP. The total build costs equate to £51,652,544, which equates to an average of approximately £262 per sq ft across the gross internal area of 197,397 sq ft. The costs are summarised as follows:

- Construction Costs: £47,751,228 (including preliminaries, OH&P and design fees)
- Contingency: £982,488
- Facilitating Works: £968,20
- External Works: £1,950,627

We are content that the above costs represent a realistic assumption for a development such as this.

Section 106 and other costs

Whilst the May 2022 appraisal concluded that no section 106 contributions could be made, the consented scheme is subject to a section 106 agreement with Manchester City Council. This agreement requires re-submission of the appraisal 12 months from occupation using real cost and pricing information to determine whether any section 106 contributions could be made.

On that basis, we have not allowed for any Section 106 costs within this appraisal addendum and we would propose the section 106 arrangement referenced above remains extant.

Fees and Finance

We have also made the following allowances within our appraisal:

- A finance rate of 7.5% for the sales appraisal (normal market assumption, an increase of 1.5% since our original report, reflective of the current market) and 4.5% for the rental appraisal (aligned with the yield as is normal investment practice) - this allows for the cost of borrowing and opportunity cost of capital;
- Professional Fees of 8%;
- Letting Agent Fees of 10% for the commercial elements on the scheme;
- Letting Legal Fees of 5% for the commercial elements on the scheme;
- Sales Agent Fees of 1%;
- Legal Fees of 0.5%.

Timescales

We have allowed for phased construction over 24 months. For the private sales appraisals, we have included 16 months for sales which is based on 50% being pre-sold prior to completion and the remaining selling at a rate of 6 per month. For the Build-to-Rent appraisals we have included no sales period on the assumption that the units are rented and held as an investment by Manchester Life, we have included a 6 month letting period reflecting current market absorption.

Profit

We have adopted the same rationale regarding profit level as in our original Viability Assessment, dated May 2022.

At the subject site, for the 100% sales scheme, we have adopted a profit margin of 15% on GDV. We have reduced this to 10% profit on cost for the BTR scheme to reflect the reduced risk. Commercial investors usually require developers to make between 10 and 15% profit on cost for a BTR scheme so this assumption is the lower end of the acceptable range.

Private Rental Scheme – 100% Private Rent

For this appraisal, all inputs remain the same as the above sales appraisals, apart from a change to the Gross Development Value to account for 100% Private Rent units and the profit level. For the rental scheme, given that the assumption is that this will be a de-risked forward funding Build To Rent development we have agreed with the applicant that a profit margin of 10% on cost is appropriate for the viability assessment. This profit margin is in-line with standard assumptions for pre-let developments.

Gross Development Value

As outlined in section 6, we have assessed the GDV of the 100% Private Rent scheme to be **£54,204,969**.

Appraisal Results

We have undertaken a residual appraisal using Argus Developer Software based on the above revenue, costs and timescales for the development across each scheme. The results are outlined below.

Appraisal Summary – 100% Private Sales

Our original viability assessment dated May 2022 produced a negative land value of £95,000. Following the amendments detailed above, the updated scheme produces a negative residual value of £7,806,755, say - **£7,807,000**. A copy of the appraisal summary is attached. This demonstrates that the scheme is not viable as it does not deliver the benchmark land value.

Appraisal Summary – 100% Private Rent

Our original viability assessment dated May 2022 produced a negative land value of £499,500. Following the amendments detailed above, the updated scheme produces a negative residual value of £8,710,420, say - **£8,710,000**. A copy of the appraisal summary is attached. This demonstrates that the scheme is not viable as it does not deliver the benchmark land value.

Conclusion

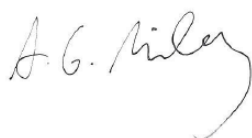
We have undertaken an appraisal of both private sales and private BtR schemes using 2023 tender prices on currently consented schemes. Both scenarios produced negative land values in excess of £10m and render delivery of the consented scheme unviable.

This has led Manchester Life to consider efficiencies to the scheme which allow it to be delivered whilst maintaining the quality and design intent of the scheme. Those efficiencies produce cost savings and have served to reduce the negative land value at an already reduced profit level. These efficiencies alone will not be sufficient to facilitate the viable delivery of the scheme.

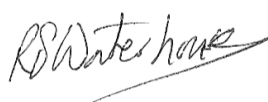
Despite the challenges and limited financial return, Manchester Life remains committed to transforming Ancoats and is investigating opportunities to further enhance the viability position via the reduction of non-construction related cost. The amendments outlined within this appraisal, will be required in combination with such additional opportunities and a long-term approach to investment in Ancoats, to provide a route to delivery. As per the signed section 106 agreement, section 106 obligations on the scheme will be determined by a post occupation appraisal which captures all real costs incurred and values achieved.

The proposed amendments enhance the viability position. This supports Manchester Life delivering against the vision for the Poland Street area as articulated in the 2020 NDF whilst complying with its massing principles and providing 190 high-quality homes. This supports both Ancoats' regeneration, and the city's housing demand.

Yours sincerely,



Adam Mirley MRICS
Director



Robert Waterhouse MRICS
Associate

Jersey Wharf
100% Private Rent

Development Appraisal
Savills
08 February 2024

APPRAISAL SUMMARY**SAVILLS****Jersey Wharf
100% Private Rent****Appraisal Summary for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commercial	5	5,698	23.50	26,781	133,903	133,903
Residential	<u>190</u>	<u>139,363</u>	22.63	16,599	<u>2,365,339</u>	<u>3,153,785</u>
Totals	195	145,061			2,499,242	3,287,688

Investment Valuation**Commercial**

Market Rent	133,903	YP @	8.0000%	12.5000	
(3mths Rent Free)		PV 3mths @	8.0000%	0.9809	1,641,891

Residential

Current Rent	2,365,339	YP @	4.5000%	22.2222	52,563,078
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Total Investment Valuation**54,204,969****NET REALISATION****54,204,969****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(8,710,420)
	(8,710,420)

CONSTRUCTION COSTS**Construction**

	ft ²	Build Rate ft ²	Cost	
Residential	197,397	241.90	47,751,228	47,751,228
Contingency			982,488	982,488

Other Construction Costs

Facilitating Works	968,202
External Works (Private)	1,950,627
	2,918,829

PROFESSIONAL FEES

Professional Fees	8.00%	3,820,098
		3,820,098

MARKETING & LETTING

Letting Agent Fee	10.00%	13,390
Letting Legal Fee	5.00%	6,695
		20,085

DISPOSAL FEES

Sales Agent Fee	1.00%	542,050
Sales Legal Fee	0.50%	271,025
		813,075

TOTAL COSTS BEFORE FINANCE**47,595,383****FINANCE**

Debit Rate 4.500%, Credit Rate 0.000% (Nominal)

Jersey Wharf
100% Private Rent

Total Finance Cost	1,681,856
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TOTAL COSTS	49,277,239
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PROFIT	4,927,730
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Performance Measures

Profit on Cost%	10.00%
Profit on GDV%	9.09%
Profit on NDV%	9.09%
Development Yield% (on Rent)	5.07%
Equivalent Yield% (Nominal)	4.61%
Equivalent Yield% (True)	4.74%
IRR% (without Interest)	18.84%
Rent Cover	1 yr 12 mths
Profit Erosion (finance rate 4.500)	2 yrs 2 mths

Jersey Wharf
100% Private Rent

Net MRV
at Sale
133,903
2,365,339
2,499,242

Jersey Wharf
100% Private Rent

Jersey Wharf
100% Private Sales

Development Appraisal
Savills
08 February 2024

APPRAISAL SUMMARY**SAVILLS****Jersey Wharf
100% Private Sales****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential	190	139,363	439.59	322,435	61,262,581

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commercial Units	5	5,698	23.50	26,781	133,903	133,903

Investment Valuation**Commercial Units**

Market Rent	133,903	YP @	8.0000%	12.5000	
(3mths Rent Free)		PV 3mths @	8.0000%	0.9809	1,641,891

GROSS DEVELOPMENT VALUE**62,904,472****NET REALISATION****62,904,472****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(7,806,755)
	(7,806,755)

CONSTRUCTION COSTS**Construction**

	ft²	Build Rate ft²	Cost
Residential	197,397	241.90	47,751,228
Contingency			982,488
			982,488

Other Construction Costs

Facilitating Works	968,202
External Works	1,950,627
	2,918,829

PROFESSIONAL FEES

Professional Fees	8.00%	3,820,098
		3,820,098

MARKETING & LETTING

Marketing	2.00%	1,225,252
Letting Agent Fee	10.00%	13,390
Letting Legal Fee	5.00%	6,695
		1,245,337

DISPOSAL FEES

Sales Agent Fee	1.00%	629,045
Sales Legal Fee	0.50%	314,522
		943,567

TOTAL COSTS BEFORE FINANCE**49,854,792****FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)	
Total Finance Cost	3,614,009

Jersey Wharf
100% Private Sales
TOTAL COSTS

53,468,802

PROFIT

9,435,671

Performance Measures

Profit on Cost%	17.65%
Profit on GDV%	15.00%
Profit on NDV%	15.00%
Development Yield% (on Rent)	0.25%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
IRR% (without Interest)	24.55%
Rent Cover	70 yrs 6 mths
Profit Erosion (finance rate 7.500)	2 yrs 2 mths