VIABILITY ASSESSMENT

Land off Mount Road, Gorton, Manchester.

Prepared on Behalf of:

Kellen Homes

December 2023

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1.0 INTRODUCTION

1.1 Kellen Homes has Commissioned Northern Land Agency (NLA) to provide a Financial Viability Assessment (FVA) in support of the planning application for the redevelopment land at Mount Road, Gorton, Manchester.

1.2 The application proposals are comprised of the redevelopment of the disused playing field site for a development of:

- 207 Units of market sale housing
- 60 units of affordable housing (4No Adaptable Social Rented and 56No Shared Ownership Housing)
- 36 Independent Living Apartments for young adults for Centrepoint (Manchester)
- 2 New Football Association Standard size grass sports pitches
- New youth sports and community hub.

1.3 In preparing this report NLA have had due regard to:

- The National Planning Policy Framework (NPPF) 2021
- NPPG Guidance on Viability in Planning (2019)
- RICS Professional Statement Financial viability in planning: conduct and reporting (2019)
- RICS Guidance Note Assessing viability in planning under the National Planning Policy Framework 2019 for England (2021)

2.0 BASIS OF INSTRUCTION & DECLARATION

2.1 NLA have been instructed by the applicant, Kellen Homes to undertake an assessment of the financial viability of the subject site and the scheme that is depicted in the application drawings.

2.2 This Financial Viability Assessment (FVA) review has been prepared by Tom Merrills and John Dunlop (MRICS), in accordance with the RICS Professional Statement *Financial Viability in Planning: Conduct and Reporting (1st edition)* dated May 2019 and the RICS Guidance Note: *Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st Edition).*

2.3 This viability review has been carried out objectively by a suitably qualified practitioner acting with impartiality and in accordance with the terms of the engagement between the applicant and Northern Land Agency.

2.4 NLA do not consider that any conflict of interest, or risk of conflict of interest arises from any of our previous, ongoing or future business activities and this instruction.

2.5 In preparing this FVA review, no performance-related or contingent fees have been agreed. We confirm that this FVA review has been carried out in accordance with Section 4 – Duty of Care and Due Diligence of the RICS Professional Statement and that full consideration has been given to the matters referenced in Section 4.

3.0 EXECUTIVE SUMMARY

Site Information	The application site is located off Mount Road, Gorton, Manchester and is comprised of former (now disused) playing fields. A former closed sports hall was situated on site. Demolished in 2021 for health and Safety reasons. The site is broadly rectangular, and level with access provided off Mount Road. A previous phase of residential development (delivered in approx. 2018-2020) forms the northern boundary of the site and the western boundary is Mount Road. The east of the site is bounded by Wembley Road and Gorton Education Village and existing housing forms the southern boundary
Scheme Description	The proposals are for a residential scheme of 303 homes, there are also the following proposed developments: • 2No FA standard grass sport Pitches • New youth sports and community hub • 36 no independent living young person apartments
GDV	£82,353,500
Base Build Costs	A base build cost (including external works) of £140 per sqft has been allowed for the new build housing.
Additional Build Costs	• Centrepoint Construction Cost £ 4,150,000 • Sports Pitches Costs £ 1,150,000 • Sports & Community Hub incl • Changing Facilities £ 4,095,000
S106/Financial Contributions	• Off Site Pitch Mitigation £ 200,000 • GMYF Dowry Payment for Sports & Community Hub £1,410,000 • GMYF Dowry Payment towards the Sports Pitches £ 80,000 • Biodiversity Net Gain Payment £ 120,000
Abnormal Costs	£8,217,982
Developer Return	15% for the applicant's scheme of build to rent & affordable housing. 20% in the instance of a scheme for market sale
Benchmark Land Value	£2,500,000 based on the "Greater Manchester Spatial Framework Strategic Viability Report Stage 1 September 2020".
Appraisal Results	A policy compliant scheme comprising 20% (non-grant funded) affordable housing, produces a residual land value of £1,392,000 which is a deficit of -£1,108,000 against the benchmark land value and highlights that a policy compliant scheme suffers viability constraints. The applicants' proposals, which include 32% affordable housing (36 independent living apartments for young adults owned and managed by Centrepoint) and 60 houses in partnership with a registered provider), produce a residual land value of £2,472,000 which is slightly below the BLV, indicating the scheme is close to being in viability balance.
Additional Test	In the instance that an additional adult grass sports pitch was provided on site, this results in a negative residual land value of -£1,685,301 which is significantly below the benchmark land value of £2,500,000 and results in a substantial viability deficit of -£4,185,301.
Report Conclusion	The report concludes that the appraisals demonstrate that the site cannot sustain any additional planning contributions on site or off site and that the applicants' proposals for additional affordable housing are in viability balance.

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4.0 Assessing Financial Viability in Planning

4.1 The NPPF (as amended 2021) envisages that Financial Viability in Planning is broadly determined at the plan making stage of development, stating:

"plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan" (Para 34.)

4.2 NPPF further adds that:

"Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available." (Para 058.)

4.3 NPPF and NPPG highlight that the primary point at which viability ought to be assessed is at the plan-making stage and that where a local plan is up to date, and the evidence and viability assessment that supported the plan is up to date, development schemes that accord with the plan ought to be deemed viable.

4.4 Planning Guidance (NPPG) issued alongside the NPPF notes that in relation to plan making:

"These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development." (para 001.)

then adding:

"The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan." (Para 002.)

And further, NPPG goes on to define Viability as:

"Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return." (Para 010)"

4.5 To define viability, the RICS Guidance note: Assessing viability in planning under the National Planning Policy Framework 2019 for England (March 2021) provides a useful illustration of the planning viability equation, and this is highlighted in Figure 1 below:

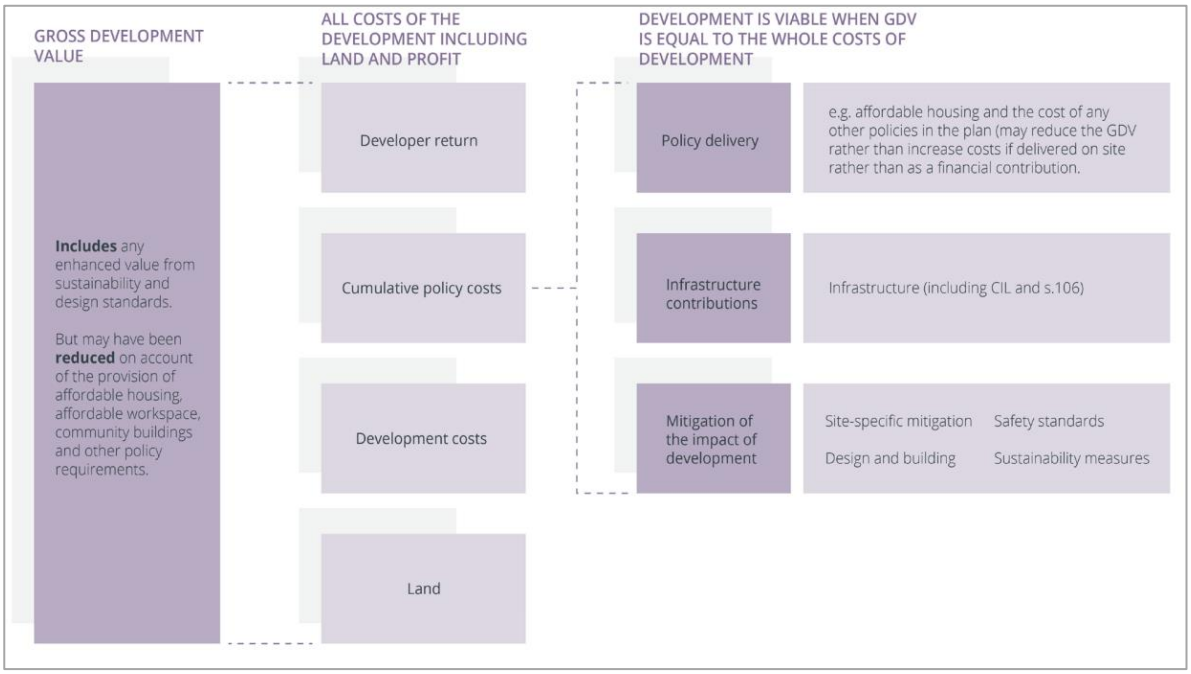


Figure 1

4.6 With regard to a Financial Viability Assessment, the RICS guidance states that:

An FVA should determine whether developments are capable of providing levels of developer contributions that comply with policy in both emerging and up-to-date plans. More specifically, an FVA estimates whether planned developments with policy-compliant levels of developer contributions are able to provide:

- a minimum reasonable return to the landowner (defined as the EUV plus a premium), and
- a suitable return to the developer (defined in PPG paragraph 018)

4.7 The expectation from NPPF and NPPG is that viability is principally tested at the plan making stage and on the assumption that the Plan and the evidence base is up to date, then developments or development typologies that were tested and deemed viable at the plan making stage, will remain viable at the application stage and viability ought not to be revisited.

4.8 The NPPG highlights a series of exceptions to this expectation however, whilst emphasising the burden to demonstrate viability is on the applicant, stating:

"It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. Policy compliant in decision making means that the development fully complies with up-to-date plan policies. A decision maker can give appropriate weight to emerging policies.

Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force" (Para 007.)

NPPG highlights that the onus is on the applicant to demonstrate as part of the application process whether the site circumstances warrant viability assessment at the application/decision making stage.

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4.9 In the case of the subject site, the requirement for viability assessment is for the following reasons:

- Additional information is now available in respect of site-specific costs of delivery and infrastructure.
- The typology/tenure contemplated by the application was not tested at plan making stage.
- There have been significant economic changes since the date of the plan making assessment.

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5.0 SITE DETAILS

5.1 The application site is located off Mount Road, Gorton, Manchester and is comprised of former (now disused) playing fields. A former derelict sports hall was demolished in 2021. The site is broadly rectangular, and level with access provided off Mount Road. A previous phase of residential development (delivered in approx. 2018-2020) forms the northern boundary of the site and the western boundary is Mount Road. The east of the site is bounded by Wembley Road and Gorton Education Village along with existing housing forming the southern boundary. The surrounding area comprises low rise residential development and a number of schools.

5.2 The site is regular in shape and extends to a gross site area of 22.4 acres (9 hectares) with a net developable area of 15.73 acres (6.36 hectares)

5.3 The location of the site is shown in Figure 2, the proposed site layout is included at Appendix 1.



Figure 2

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6.0 APPRAISAL INPUTS

Accommodation

6.1 We have approached the appraisals using a residual methodology, adopting a fixed developer return as a 'cost' within the appraisal and deducting this, along with all other appraisal costs, to arrive a residual land value, which we then compare against a Benchmark Land Value.

6.2 Figure 3 below summarises the accommodation schedule inputs for ease of reference.

Unit Name	Type	No of Beds	No of Units	Size (FT²)
Hickory	Mews	2	98	767
Olive	Semi	2	10	770
Cedar	Semi/Det	3	101	940
Acacia	Semi/Det	3	32	940
Emerson	Semi	4	22	1,064
ADU835 (Adaptable/Disable Unit)	Semi	2	2	835
ADU1009 (Adaptable/Disable Unit)	Semi	3	2	1,009
Centrepoint Studio Apartments	Apt	1	36	280
		Total	**303**	**245,062**

Figure 3

6.3 In addition to the residential units above, there are also the following proposed developments:

- 2No FA standard size grass Playing Pitches
- Youth Sports and Community Hub

6.4 NLA understand that as part of the pre-application discussions, the potential for further sports pitch provision has been requested. This is covered in our appraisal conclusions section.

Gross Development Value

6.5 The PPG states the following:

"Gross development value is an assessment of the value of development. For residential development this may be total sales and/or capitalised net rental income from developments. For viability assessment of specific site ort development, market evidence (rather than average figures) from the actual site or from existing developments can be used".

6.6 The RICS Guidance Note also defines this as follows:

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

6.7 We have therefore assessed the GDV with reference to the comparable method of valuation.

6.8 Average prices (Land Registry) for the M18 7SU area are as follows:

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- Detached £487,495
- Semi Detached £296,586
- Terraced £223,882
- Apartments £192,651

There are modest numbers of sales transactions in the M18 7 submarket area historically, with 26 recorded in 2022 to date and 106 recorded in 2021.

6.9 There is a small degree of new build competitor sites in the locality but there is a notable spread between 'prime' city centre schemes and more 'fringe' edge of urban developments. In assessing the market, we have reviewed and discounted the following schemes as incomparable to the subject site:

- DeTrafford – Elisabeth Gardens. This is a site in Stockport and is not comparable in market location and price point to the inner urban city fringe.
- Rower Property Developments, Heaton Chapel. This is a site in Stockport and is not comparable in market location and price point to the inner urban city fringe.
- Abraham Halpern - Saddlecote Close, this is too distant from the subject site.
- Sheridan - Green Meadow View, Woodhouses, this is too distant from the subject site.
- Bellway - Lancaster Gardens, Chadderton, this is too distant from the subject site.

6.10 The principle comparable sites are the Lovell Homes scheme off Garforth Avenue, the Rowlinson Construction scheme at Bowes Street, and the Countryside Properties scheme at Belle Vue. The average values achieved at these schemes are detailed in Appendix 2 and are summarised below:

- Lovell Homes – Average £256 per ft2
- Rowlinson – Average £223 per ft2
- Countryside Properties – Average £302 per ft2
- Shores Fold – Average £348 per ft2

6.11 The second hand comparables have been selected from an immediate radius to the subject site and from within the past 8 months.

6.12 We have considered the relevant market evidence enclosed at Appendix 3 and taking account of the available comparable evidence and the strength of demand in the market, on balance we would expect average sales values in the order of £345 per sqft for site overall.

6.13 Taking account of the evidence and analysis detailed in the previous section, the market sale values adopted by NLA are highlighted in Figure 4 below:

Open Market Scheme	No of Beds	Number of Units	Unit Size (FT²)	Net Value Per Unit	Net Value (FT²)	Total Revenue
Hickory	2	98	767	£265,000	£346	£25,970,000
Olive	2	10	770	£265,000	£344	£2,650,000
Cedar	3	101	940	£325,000	£346	£32,825,000
Acacia	3	32	940	£325,000	£346	£10,400,000
Emerson	4	22	1,064	£365,000	£343	£8,030,000
ADU835	2	2	835	£285,000	£341	£570,000
ADU1009	3	2	1,009	£345,000	£342	£690,000
Centrepoint Studio Apartments	1	36	280	£99,000	£354	£3,564,000
		303	**Total**		**£346**	**£84,699,000**

Figure 4

6.13 Notwithstanding the above, with regard to the Centrepoint Apartments, we have been advised by the applicant that an agreement in principle has been reached for the 36 Studio Apartments to be acquired on completion for a total figure of £4,300,000. For this reason, we will include this value in the appraisals for the purposes of viability testing.

Affordable Housing Values

6.14 In accordance with Core Strategy Policy H8, 20% on-site affordable housing is sought under adopted planning policies. For the purposes of assessing viability, we have assessed the affordable provision split 70:30 between affordable rented and intermediate tenure affordable housing i.e., shared ownership.

6.15 Based on recent market trends, transfer values equivalent to 45% OMV have been adopted for the rented units and 70% of OMV have been adopted for the intermediate units. The values adopted for the affordable housing units on the subject site are highlighted in Figure 5 below:

S106 Policy Affordable Units GDV	No of Beds	Number of Units	Unit Size (FT²)	Net Value Per Unit	Net Value (FT²)	Total Revenue
Hickory (Intermediate)	2	4	767	£185,500	£242	£742,000
Cedar (Intermediate)	3	9	940	£227,500	£242	£2,047,500
Acacia (Intermediate)	3	4	940	£227,500	£242	£910,000
Emerson (Rented)	4	4	1,064	£164,250	£154	£657,000
ADU835 (Rented)	2	2	835	£128,250	£154	£256,500
ADU1009 (Rented)	3	2	1,009	£155,250	£154	£310,500
Centrepoint Studio Apartments (Rented)	1	36	280	£119,444	£427	£4,300,000
		61			**£277**	**£9,223,500**

Figure 5

Additional Affordable Housing

6.16 The applicant proposes to deliver 60 units of affordable housing in addition to the Centrepoint apartments (totalling a 32% affordable housing provision), and these are proposed to be delivered by a partner Registered Provider, outside of S106. As a result, it is anticipated that these units will qualify for Homes England Grant funding.

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6.17 Typically it is the significant experience of NLA that registered providers, with the support of Homes England grant funding, will acquire units at transfer values between 75% and 90% of open market value (OMV). Considering the open market values on the subject site and adopting a reasonable value of 85% OMV, NLA consider that the GDV of the affordable housing units, inclusive of grant funding (excluding Centrepoint), is a figure of £15,878,000. This GDV is summarised in Figure 6 below:

Additionality Affordable Units GDV	No of Beds	Number of Units	Unit Size (FT²)	Net Value Per Unit	Net Value (FT²)	Total Revenue
Hickory (Intermediate)	2	19	767	£225,250	£294	£4,279,750
Cedar (Intermediate)	3	19	940	£276,250	£294	£5,248,750
Acacia (Intermediate)	3	9	940	£276,250	£294	£2,486,250
Emerson (Intermediate)	4	9	1,064	£310,250	£292	£2,792,250
ADU835 (Rented)	2	2	835	£242,250	£290	£484,500
ADU1009 (Rented)	3	2	1,009	£293,250	£291	£586,500
		60				**£15,878,000**

Figure 6

Base Build Costs

6.18 Based on our experience, professional judgement and a study of the application drawings, a blended base build cost of £140 per sqft (£1,506 per m2) has been included in the appraisals for the new build residential elements of the subject site.

6.19 Whilst we are not relying solely on BCIS data, the BCIS Average Price Index provides a useful benchmark against which to compare the adopted base build cost. Figure 7 below highlights the BCIS Average Price Index for new build housing, rebased to Manchester.

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810.1 Estate housing							
Generally (15)	1,516	735	1,290	1,456	1,661	5,263	1422
Single storey (15)	1,727	1,027	1,459	1,662	1,908	5,263	236
2-storey (15)	1,458	735	1,264	1,414	1,598	3,177	1101
3-storey (15)	1,591	945	1,325	1,509	1,820	3,105	80
4-storey or above (15)	3,170	1,561	2,534	2,830	4,212	4,712	5
810.11 Estate housing detached (15)	1,984	1,115	1,528	1,711	2,124	5,263	21

Figure 7

6.20 Assuming that external works are in the order of 20% of the total new build residential costs (which BCIS does not account for) then the build cost net of external works, adopted by NLA in the instance of the houses (£1,256 per m2) is below the Lower Quartile Figure of the BCIS for new build estate housing generally.

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6.21 For the avoidance of doubt, the build costs adopted do not account for the cost implications of the impending changes to building regulations in 2021 and move towards the Future Homes Standard, the impact of these costs are addressed in the abnormal costs below.

Abnormal Costs

6.22 Following a detailed review of technical information obtained from the applicant, abnormal costs of £8,217,982 have been assumed as summarised in Figure 8 below.

Abnormal Costs	
Site Preparation and Enabling Costs	£1,532,149
Drainage Abnormal Costs	£1,353,673
Roads Abnormal Costs	£579,348
Substructure Abnormal Costs	£1,166,663
Superstructure Abnormal Costs	£2,415,250
External Works Abnormal Costs	£932,245
Services Diversions Abnormal Costs	£238,654
Total	**£8,217,982**

Figure 8

Other Development Costs

6.23 The application proposals are for a mixed-use development with sports pitches, changing rooms and a sports and community hub all being constructed and gifted to the charity. NLA have been advised of the following construction costs in this regard:

- Centrepoint Construction Cost £4,150,000
- Sports Pitches Costs £1,150,000
- Sports & Community Hub Inc Changing Facilities £3,950,000

Planning/Off-Site Contributions

6.24 In addition to the delivery of the facilities in 6.26, we are also advised that the following financial contributions are agreed to be provided:

- Financial Contribution to Off Site Pitch Mitigation £ 200,000
- GMYF Dowry Payment towards the Sports & Community Hub £1,410,000
- GMYF Dowry Payment towards the Sports Pitches £ 80,000
- Biodiversity Net Gain Payment £ 120,000

6.25 The contributions/works in 6.23 and 6.24 equate to a package of £11,060,000.

Contingency

6.26 Taking into account the technical challenges posed by this site and the significant remediation and ground preparation costs, along with substantial pressure of build cost inflation, it is considered that a reasonably prudent developer would require a contingency to be included within their appraisal at this stage of the development cycle. In line with the writers' professional view and judgement on risk, a contingency sum equating to 5% of the total construction budget has been allowed.

Professional Fees

6.27 In accordance with standard industry practice and to reflect the scope of professional fees required, a provision equating to 7% of the build cost has been allowed. This figure will cover the following professional costs:

- Architect
- Landscape Architect
- Conservation Consultant
- Planning Consultant
- Communications Consultant
- Sports Pitch Consultant
- Agronomists
- Flood Engineer
- Engineer (Civil and Structural)
- Traffic Engineer
- Legals (draft S106 agreement etc.)
- Topographical Survey
- Site Investigations
- Ecological Reports
- Noise and Air Consultant
- NHBC or other building warranty costs
- Planning application fee
- Building Regulations application fee
- Viability Advisor

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Finance Costs

6.28 An all-in rate of 8.5% is adopted within the appraisals.

Sales and Marketing Costs

6.29 An allowance of 3% of the gross development value has been allowed for sales and marketing costs of the open market sale units. In addition to this, £750 per open market unit has been allowed for legal fees associated with selling each of the units. These figures are in line with contemporary feedback from volume house builders. These allowances also take into account the significant investment in sales and marketing that will be required in order to achieve the sales rate detailed within the appraisals contained within this report.

Site Acquisition Fees

6.30 Legal fees of 0.5% have been assumed for the acquisition, along with agents' fees of 1%.

Developer Return

6.31 The subject site is technically challenging with a significant degree of abnormal development cost along with the management of a complex design and construction/delivery programme of mixed uses. Taking into account the complexity and duration of the development, we consider that for a scheme of market sale housing a developer would require a return at the upper end of the NPPG guided range (15% to 20%) of GDV to reflect the risks associated with the subject site. A developer return of 20% is adopted for the market sale appraisal.

6.32 A developer's margin equating to 15% of the GDV of the affordable housing units has been adopted, reflecting that they whist the units are 'pre-sold' to a Registered Provider, the developer retains all cost, development and planning risk. The return adopted reflects the fact that the project is a fixed-income development whereby the GDV i.e. the 'package price' will be agreed and the outturn fixed prior to construction commencing, however, it remains the case that construction costs are escalating due to build cost inflation at significant pace. So, whilst the 5% contingency allowance reflects a 'normal' degree of project risk, it is important to acknowledge that there is significantly increased developer risk associated with fixed-price development at a time of significant cost inflation. Developer return is a risk-adjusted return and so accounting for the risk profile of the development, the profit allowance of 15% is reasonable.

6.33 When considering a mixed tenure scheme, the blended margin requirement is 19.44% in the event of the policy compliant scheme and 18.78% for the applicants' proposals. The calculations are highlighted in Figure 9a and 9b below:

Affordable Revenue	Affordable Housing Profit at 15%	Private Sale Revenue	Private Sale Housing Profit at 20%	Total Revenue	Total Profit on GDV	Blended Profit on GDV
£9,223,500	£1,383,525	£73,130,000	£14,626,000	£82,353,500	£16,009,525	**19.44%**

Figure 9a

Affordable Revenue	Affordable Housing Profit at 15%	Private Sale Revenue	Private Sale Housing Profit at 20%	Total Revenue	Total Profit on GDV	Blended Profit on GDV
£20,178,000	£3,026,700	£62,455,000	£12,491,000	£82,633,000	£15,517,700	**18.78%**

Figure 9b

Benchmark Land Value (BLV)

6.34 In order to form a view on viability the writer has sought to test viability by benchmarking Residual Land Value against a Benchmark Land Value (BLV) and reflecting the results in the developer return.

6.35 According to National Planning Policy Guidance (NPPG) on Viability that was issued alongside the revised National Planning Policy Framework (NPPF) on 24th July 2018, BLV is defined as follows:

"To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+)."

6.36 In arriving at a value for the site it is reasonable to assess the existing use of the site and apply an uplift on this value to reflect the incentive to the landowner to sell the site. The subject site extends to 22.4 gross acres (9.07 hectares) of former playing field land which is level, mostly cleared, self-contained and well served by the access from Mount Road.

6.37 Land in use (or formerly in use) as playing fields rarely transacts in the market, and if it did it would likely contain a premium to reflect a planning permission for an alternative use or hope value. In the instance of the subject site, we consider that market comparables will not be appropriate to assess EUV+/BLV.

6.38 On reflection, we consider that the GMSF Viability Evidence Base (now known as Places for Everyone) is the most reasonable and objective assessment of benchmark land value for the purposes of viability assessment. The relevant document is the *"Greater Manchester Spatial Framework Strategic Viability Report Stage 1 September 2020".* With regard to benchmark land values the viability report adopts the values in Figure 10 over:

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Table 6.5 Summary of BLV

Site type	BLV/gross ha
Strategic greenfield	£250,000
Edge of settlement greenfield	£310,000
Brownfield industrial site - lower	£430,000
Brownfield industrial site - upper	£660,000
Town centre/high value existing use brownfield	£1,038,000
Manchester City Centre high density CBD residential site	£15,000,000

Figure 10

6.39 If the application site is conservatively assessed to be "Strategic Greenfield" i.e., the lowest BLV, then this would result in a BLV of £250,000 per hectare for the 9.07-hectare site, equating to £2,267,500. Alternatively, as "Edge of Settlement Greenfield" the BLV would be £2,881,700.

6.40 On balance we consider a very conservative, objective assessment of BLV would be in the order of £2,500,000 a mid-point value.

Appraisal Results

6.41 Three appraisals have been prepared which reflect the following.

- Appraisal 1 (Appendix 3) – An appraisal of a Policy Compliant scheme (i.e., market sale housing, with 20% on Site Affordable.
- Appraisal 2 (Appendix 4) – An appraisal of the applicants' proposals which provide for additional affordable housing.
- Appraisal 3 (Appendix 5) – An appraisal of a notional scheme which includes an additional sport pitch.

6.42 Turning first to the viability tests, appraisal 1 (Appendix 3). When adopting a developer return of 20% the appraisal produces a residual land value of £1,392,000 which is a deficit of -£1,108.000 against the benchmark land value and highlights that a policy compliant scheme suffers viability constraints.

6.43 Appraisal 2 (Appendix 4. When adopting a blended developer return of 18.78% the appraisal produces a residual land value of £2,472,000 which is slightly below the BLV, indicating the scheme is in close to being in viability balance.

6.44 We have summarised the appraisal results in comparison to the benchmark land value in Figure 11 below:

NORTHERN LAND AGENCY

Description	Appendix 3 Policy Compliant Scheme (20% Affordable Housing)	Appendix 4 Affordable Housing Additionality
Benchmark Land Value	£2,500,000	£2,500,000
Residual Land Value	£1,392,000	£2,472,000
Surplus/Defecit Against BLV	-£1,108,000	-£28,000
Viability Concern	**Yes**	**Slight**

Figure 11

6.45 As an additional viability test, we have explored in broad terms the possibility of including a further FA standard adult grass sports pitch on site. This would result in the loss of approximately the 40 units highlighted in Figure 12 which results in the amended accommodation schedule/values in Figure 13.



Figure 12

Scenario of Additional Pitch	No of Beds	Number of Units	Unit Size (FT²)	Net Value Per Unit	Net Value (FT²)	Total Revenue
Hickory	2	67	767	£265,000	£346	£17,755,000
Olive	2	8	770	£265,000	£344	£2,120,000
Cedar	3	65	940	£325,000	£346	£21,125,000
Acacia	3	18	940	£325,000	£346	£5,850,000
Emerson	4	9	1,064	£365,000	£343	£3,285,000
		167	**Total**			**£50,135,000**

Figure 13

NORTHERN LAND AGENCY

6.46 Appraisal 3 (Appendix 5) reflects the scenario of an additional pitch (including the cost of delivery), the loss of 40 units of residential development (reflecting revenue loss and construction costs savings) and results in a residual land value of -£1,685,301 which is significantly below the benchmark land value of £2,500,000 and results in a substantial viability deficit of -£4,185,301. This result is summarised in Figure 14 below and **it is clear that an additional sports pitch on site is unviable:**

Description	Appendix 5 Additional Pitch Scenario
Benchmark Land Value	£2,500,000
Residual Land Value	-£1,685,301
Surplus/Defecit Against BLV	-£4,185,301
Viability Concern	**Yes - Significant**

Figure 14

6.47 The appraisals contained within this report represent a robust assessment of the viability of a residential development on the subject site. This report has been produced utilising a recognised appraisal software package. Due regard has been given to guidance published by the RICS, the Growth and Infrastructure Act and the NPPF/NPPG.

6.48 The BLV adopted within the appraisals is in accordance with NPPF/NPPG guidance and reflects a conservative assessment of the uplift required to incentivise the landowner to bring the site forward for development. The appraisals demonstrate that the site cannot deliver sustain any additional planning contributions on site or off site.

7.0 CONCLUSIONS

7.1 NLA have prepared the FVA in accordance with the PPG, and the RICS Publications Financial Viability in Planning: Conduct and Reporting and Assessing viability in planning under the National Planning Policy Framework 2019 for England.

7.2 NLA have considered each of the inputs into the FVA and determined whether they are reasonable for the purpose of assessing viability in this case.

7.3 The viability test that has been used adopts a benchmark land value in accordance with relevant guidance and it concludes that the applicants' proposals represent a balances position on viability.

7.4 The applicant is proposing to deliver greater than policy compliant levels of affordable housing (32% on site affordable vs. a 20% Policy Requirement), along with a significant package of planning gain, (pitches, community centre, off site contributions etc) and based on their proposals, the scheme is at the limits of viability and delivers a 18.13% return which is slightly lower than the 18.78% profit requirement.

7.5 NLA have adopted a conservative developer return to reflect the commercial risk undertaken by the developer, risk-adjusted to accord with both NPPG Guidance on Viability and also by reference to contemporary viability negotiations and S106 agreements in Manchester. The viability argument presented within this report underpins the conclusion that the proposals cannot sustain any additional planning contributions or further sports pitch provision. An additional sports pitch provision is demonstrably unviable.

8.0 APPRAISAL UNCERTAINTY

8.1 The economic impact of Covid-19 may be significant and may result in material changes in activity and pricing in the property market in the short, medium and longer terms. This assessment must therefore be considered in the context of these comments and the changing circumstances. The RICS has recommended that reports should note 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty, and a higher degree of caution, should be attached to the conclusions of our assessment of viability than would normally be the case.

9.0 DISCLAIMER

9.1 The contents of this report do not constitute a valuation, in accordance with the appropriate sections of the RICS Valuation – Global Standards. This report is for the purpose of the addressee and its contents should not be reproduced in part or in full without our prior consent. Our Valuations and Reports are for the specific purpose to which they refer and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents.

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Tom Merrills
Director
Northern Land Agency

DATE: December 2023

NORTHERN
LAND AGENCY

APPENDIX 1

Site Layout


MOUNT ROAD
KELLEN
Cedar Mount Academy
Mallard High School
Gorton Education Village

Appendix 2 – Market Research

Market Research

Average Price & Volume of Sales

Source: Land Registry

2023	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M18 7	£0	0	£237,978	11	£178,437	12	£84,000	3	£192,731	26
Total	£0	0	£237,978	11	£178,437	12	£84,000	3	£192,731	26

2022	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M18 7	£287,500	2	£222,121	33	£163,858	65	£111,000	6	£181,337	106
Total	£287,500	2	£222,121	33	£163,858	65	£111,000	6	£181,337	106

2021	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M18 7	£252,100	5	£192,076	33	£139,399	73	£84,781	8	£155,071	119
Total	£252,100	5	£192,076	33	£139,399	73	£84,781	8	£155,071	119

2020	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M18 7	£229,250	2	£160,426	48	£124,566	51	£83,000	6	£140,278	107
Total	£229,250	2	£160,426	48	£124,566	51	£83,000	6	£140,278	107

2019	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M18 7	£218,102	21	£172,626	99	£119,515	76	£70,812	4	£155,182	200
Total	£218,102	21	£172,626	99	£119,515	76	£70,812	4	£155,182	200

2018	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M18 7	£231,150	3	£139,479	26	£110,644	75	£55,580	5	£118,313	109
Total	£231,150	3	£139,479	26	£110,644	75	£55,580	5	£118,313	109

New Build Availability



1. Rowers Property Developments - Broadstone Road, Heaton Chapel SK4 5HP

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Type A	3	Semi	2.5	£450,000	1505	£299
Type A	3	Semi	2.5	£450,000	1505	£299
				Average Asking Value (ft²)		£299

2. Lovell Homes - The Gateway, 1 Garforth Avenue, Manchester M4 6JS

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Beverley	3	Terraced	3	£454,950	1217	£374
Clifton	2	Flat	1	£294,950	742	£398
Clifton	2	Flat	1	£294,950	742	£398
Clifton	2	Flat	1	£294,950	742	£398
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
Clifton	2	Flat	1	£299,950	742	£404
				Average Asking Value (ft²)		£401

3. Julian Wadden - Shores Fold, Cringle Road, Levenshulme M19 2RT

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Butler	3	Semi	2	£350,000	1001	£350
Jackson	4	Semi	2.5	£430,000	1346	£319
Yates	3	Detached	2.0	£375,000	1001	£375
				Average Asking Value (ft²)		£348

4. Wainhomes - Crown Point, Lance Corporal Andrew Breeze Way, Denton M34 3BS

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Baird	3	Semi	2	£279,950	766	£365
Wordsworth	4	Detached	2.5	£374,950	1308	£287
				Average Asking Value (ft²)		£326

5. Quereshi - Roxburgh Street, Gorton M18 8WX

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
DB0519	4	Semi	2	£260,000	1218	£213
DB0519	4	Semi	2	£260,000	1218	£213
DB0519	4	Semi	2	£260,000	1218	£213
				Average Asking Value (ft²)		£213

6. Bellway - Marmalade at the Jam Factory, Manchester Road, Droylsden M34 5PX

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Blenheim	2	Flat	1	£191,995	625	£307
Blenheim	2	Flat	1	£191,995	625	£307
Blenheim	2	Flat	1	£193,995	625	£310
Chapleton	2	Flat	1	£185,995	628	£296
Tailor	3	Semi	2	£309,995	802	£387
Tailor	3	Semi	2	£309,995	802	£387
Tailor	3	Semi	2	£312,995	802	£390
Tailor	3	Semi	2	£312,995	802	£390
Tailor	3	Semi	2	£314,995	802	£393
				Average Asking Value (ft²)		£352

7. Taylor Wimpey - Orangery at The Jam Factory, Manchester Road, Droylsden M34 5PX

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Braxton	3	Semi	2.5	£346,995	1092	£318
Braxton	3	Semi	2.5	£346,995	1092	£318
Clementime	2	Flat	1	£179,995	567	£317
Mandarin	2	Flat	1	£182,995	567	£323
Seville	2	Flat	1	£188,995	648	£292
				Average Asking Value (ft²)		£313

New Build Sold



1. One Living Manchester (Shared Ownership) - Crossley Grange, Gorton M18 8DY

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
12	Type C	3	Terraced	Dec-22	£252,000	1087	£232
					Average Sale Price (ft²)		**£232**

2. DeTrafford - Elisabeth Mill, Stockport SK5 6GD

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
510	Apt	1	Flat	Jan-22	£135,000	420	£322
512	Apt	2	Flat	Mar-22	£155,000	549	£282
111	Apt	2	Flat	Nov-21	£170,000	603	£282
227	Apt	2	Flat	Nov-21	£205,000	775	£265
26	Type C	3	Terraced	May-22	£245,000	936	£262
					Average Sale Price (ft²)		**£282**

3. Lovell - Miles Platting Area 1.1 M40 7PQ

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
7	Easton	3	Detached	Apr-22	£223,995	753	£297
9	Lexington	3	Semi Detached	Apr-22	£214,995	764	£281
13	Lexington	3	Semi Detached	Jan-22	£214,995	764	£281
1	Lexington	3	Semi Detached	Dec-21	£214,995	764	£281
33	Stateley	3	Semi Detached	Apr-22	£219,995	1012	£217
2a	Stateley	3	Semi Detached	Apr-22	£219,995	1012	£217
31	Stateley	3	Semi Detached	Apr-22	£266,995	1012	£264
239	Stateley	3	Terraced	Apr-22	£266,995	1012	£264
233	Stateley	3	Semi Detached	Apr-22	£264,995	1012	£262
231	Stateley	3	Semi Detached	Apr-22	£264,995	1012	£262
235	Stateley	3	Terraced	Feb-22	£264,995	1012	£262
5	Stateley	3	Semi Detached	Jan-22	£262,995	1012	£260
41	Stateley	3	Terraced	Nov-21	£269,995	1012	£267
3	Stateley	3	Semi Detached	Dec-21	£260,995	1012	£258
11	Heartford	4	Semi Detached	Apr-22	£323,995	1324	£245
27	Heartford	4	Semi Detached	Apr-22	£325,995	1324	£246
29	Heartford	4	Semi Detached	Apr-22	£325,995	1324	£246
17	Heartford	4	Semi Detached	Apr-22	£323,995	1324	£245
5	Heartford	4	Semi Detached	Apr-22	£323,995	1324	£245
19	Heartford	4	Semi Detached	Apr-22	£323,995	1324	£245
43	Heartford	4	Terraced	Nov-21	£314,995	1324	£238
					Average Sale Price (ft²)		**£256**

4. Sheridan - Green Meadow View, Woodhouses M35 9FG

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
28	Plot 28	5	Detached	Mar-22	£795,000	2217	£359
26	Plot 26	5	Detached	Mar-22	£875,000	2228	£393
30	Plot 30	5	Detached	Nov-21	£750,000	2228	£337
					Average Sale Price (ft²)		**£363**

5. Rowlinson - Bowes Street, Manchester M14 7JJ

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
152	Type B	4	Terraced	Feb-22	£279,500	1227	£228
150	Type B	4	Terraced	Feb-22	£279,500	1227	£228
35	Type B	4	Terraced	Nov-21	£279,500	1227	£228
33	Type B	4	Terraced	Nov-21	£279,500	1227	£228
158	Type B	4	Terraced	Nov-21	£279,500	1227	£228
40	Type A	4	Terraced	Dec-21	£269,950	1238	£218
41	Type A	4	Terraced	Dec-21	£269,950	1238	£218
138	Type A	4	Terraced	Dec-21	£269,950	1238	£218
38	Type A	4	Terraced	Nov-21	£269,950	1238	£218
					Average Sale Price (ft²)		**£223**

6. Taylor Wimpey - The Orangery, Droylsden M43 7BE

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
22	Gosford	3	Semi Detached	Dec-21	£249,995	866	£289
2	Easedale	3	Semi Detached	Feb-22	£269,995	931	£290
16	Amersham	3	Semi Detached	Dec-21	£269,995	990	£273
					Average Sale Price (ft²)		**£284**

7. Abraham Halpern - Saddlecote Close, Manchester M8 5QE

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
36	Type B	3	Semi Detached	Dec-21	£257,000	1184	£217
					Average Sale Price (ft²)		**£217**

8. One Living Manchester (Shared Ownership) - Bank Bridge Road, Clayton M11 4TT

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
8	Type A	3	Semi Detached	Dec-21	£165,000	786	£210
30	Type B	4	Semi Detached	Dec-21	£279,000	1119	£249
					Average Sale Price (ft²)		**£230**

9. Bellway - Lancaster Gardens, Chadderton M35 0DX

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
9	Bennett	3	Detached	Dec-21	£319,995	978	£327
					Average Sale Price (ft²)		**£327**

10. Countryside - Belle Vue Place, Manchester M18 7BA

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
163	Hollinwood	3	Semi-detached	RESERVED	£289,995	948	£306
164	Hollinwood	3	Semi-detached	RESERVED	£289,995	948	£306
165	Hollinwood	3	Semi-detached	RESERVED	£287,995	948	£304
177	Dearne	3	Semi-detached	RESERVED	£319,995	1073	£298
175	Dearne	3	Semi-detached	RESERVED	£319,995	1073	£298
174	Dearne	3	Semi-detached	RESERVED	£319,995	1073	£298
					Average Sale Price (ft²)		**£302**

Second Hand Sales

Search criteria: within 1 miles of postcode M18 7SU. Sales Completed within past 12 months.

Source: HM Land Registry

Address	Last sale price	Last sale date	Property type	Bedrooms	Size	Price per ft²
130, Heathcote Road, Manchester M18 7GL	£85,000	10/05/2023	Terraced	3	764	£111
25, Macfarren Street, Manchester M12 4WX	£130,000	05/05/2023	Terraced	3	904	£144
6, Sunny Brow Road, Manchester M18 7AE	£116,500	28/04/2023	Terraced	4	1044	£112
63, Melland Road, Manchester M18 7QA	£205,000	28/04/2023	Semi_Detached	3	732	£280
19, Grasmere Street, Manchester M12 5TE	£150,000	28/04/2023	Terraced	3	678	£221
85, Wembley Road, Manchester M18 7PX	£146,000	27/04/2023	Semi_Detached	3	764	£191
31, Falshaw Way, Manchester M18 7TG	£250,000	21/04/2023	Terraced	3	1173	£213
12, Maida Street, Manchester M12 4QQ	£171,000	20/04/2023	Terraced	3	538	£318
81, Hornbeam Road, Manchester M19 3EN	£150,000	20/04/2023	Terraced	3	915	£164
3, Santley Street, Manchester M12 5RG	£190,000	13/04/2023	Terraced	3	990	£192
14, Ryder Brow Road, Manchester M18 7FX	£205,000	12/04/2023	Semi_Detached	3	732	£280
59, Barlow Road, Levenshulme, Manchester M19 3DB	£200,000	12/04/2023	Terraced		1421	£141
38, Norton Avenue, Manchester M12 5TJ	£160,000	11/04/2023	Terraced	2	678	£236
2a, Dorset Road, Manchester M19 3WA	£222,500	06/04/2023	Terraced	3	840	£265
1, Nutmeg Drive, Gorton, Manchester M18 7DU	£220,000	03/04/2023	Semi_Detached	3	614	£359
50, Brook Avenue, Manchester M19 3DQ	£135,000	03/04/2023	Terraced	3	743	£182
Flat 20, Bickerdike Court, East Road, Longsight M12 5RD	£85,000	31/03/2023	Flat	1	517	£165
7, Brookhurst Road, Manchester M18 7ER	£150,000	31/03/2023	Terraced	3	1141	£131
92, Darras Road, Manchester M18 7PS	£215,000	31/03/2023	Semi_Detached	3	915	£235
6, Crantock Street, Manchester M12 5TD	£100,000	31/03/2023	Terraced	3	560	£179
3, Crosfield Grove, Manchester M18 7ES	£200,000	30/03/2023	Terraced	4	1356	£147
13, Roseneath Avenue, Manchester M19 3LT	£233,000	20/03/2023	Terraced	3	904	£258
15, Darras Road, Manchester M18 7PB	£270,000	20/03/2023	Semi_Detached	3	904	£299
146, Craig Road, Gorton, Manchester M18 7GN	£152,000	17/03/2023	Terraced	3	797	£191
4, Ramsey Avenue, Manchester M19 3JN	£247,500	16/03/2023	Semi_Detached	3	915	£271
10, Spring Street, Manchester M12 5SP	£160,000	15/03/2023	Terraced	2	678	£236
151, Stanley Grove, Manchester M18 7DL	£162,000	14/03/2023	Semi_Detached	3	753	£215
7, Prestage Street, Longsight, Manchester M12 4GQ	£109,000	13/03/2023	Terraced	3	517	£211
30, Gatling Avenue, Manchester M12 5SX	£240,000	10/03/2023	Terraced	4	1119	£214
49, Ratcliffe Street, Manchester M19 3GF	£182,000	06/03/2023	Terraced	3	732	£249
7, Stovell Avenue, Longsight, Manchester M12 5SY	£140,000	03/03/2023	Terraced	3	646	£217
4, Flemish Crescent, Manchester M18 7TR	£225,000	02/03/2023	Semi_Detached	3	807	£279
35, Fir Tree Avenue, Stockport SK5 6BF	£100,000	28/02/2023	Semi_Detached		786	£127
11, Maida Street, Manchester M12 4QQ	£170,000	28/02/2023	Terraced	3	721	£236
43, Guildford Road, Manchester M19 3FZ	£248,000	27/02/2023	Terraced	2	764	£325
5, Carrill Grove East, Manchester M19 3BT	£161,000	24/02/2023	Terraced	3	797	£202
4, Odette Street, Manchester M18 7BS	£130,000	22/02/2023	Terraced	3	678	£192
15, Brookhurst Road, Manchester M18 7ER	£226,000	21/02/2023	Terraced	4	1109	£204
127, Craig Road, Gorton, Manchester M18 7QW	£125,000	17/02/2023	Terraced	3	818	£153

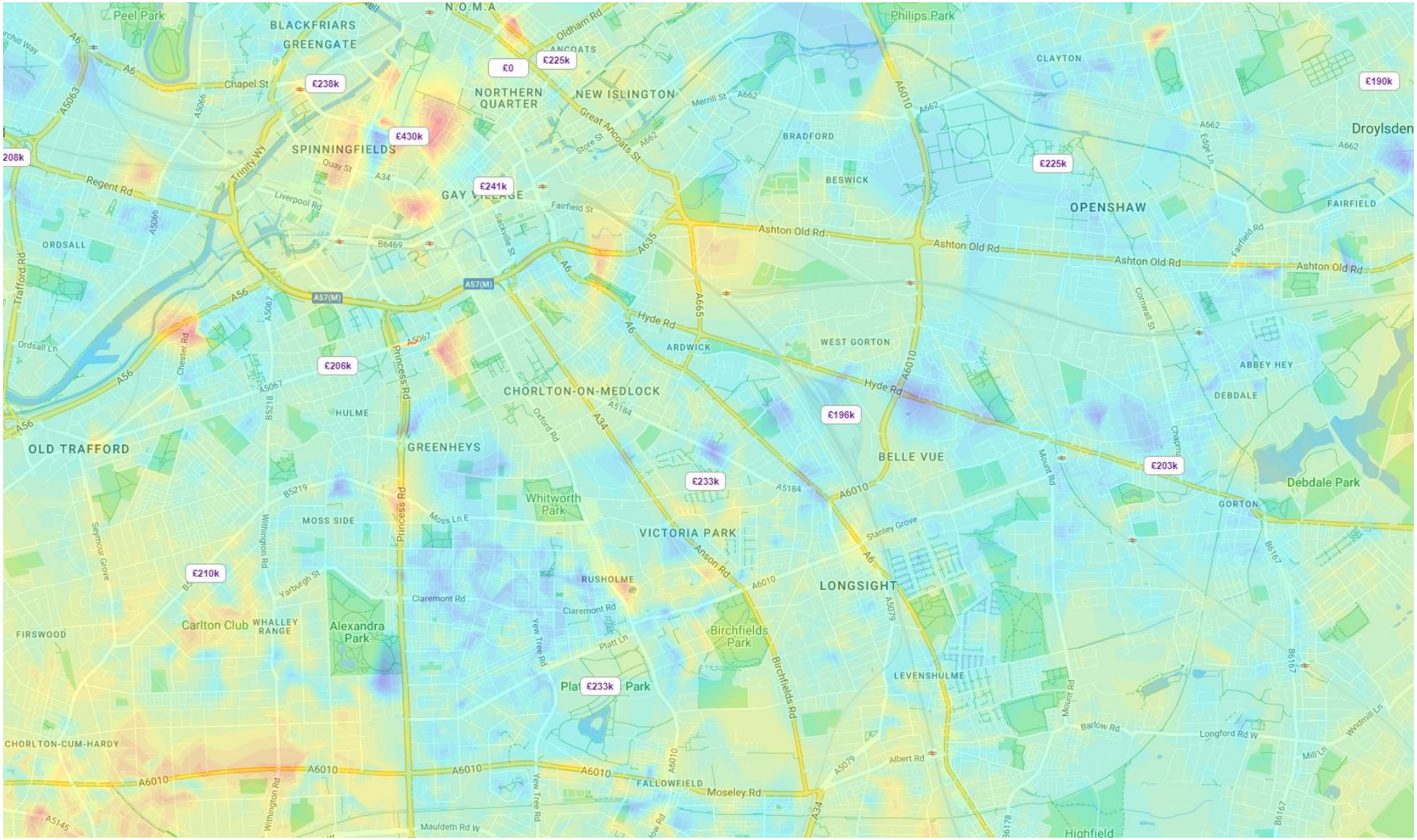
Second Hand Available

Search criteria: Modern houses for sale within 1 mile of postcode M18 7SU

Source: www.rightmove.co.uk

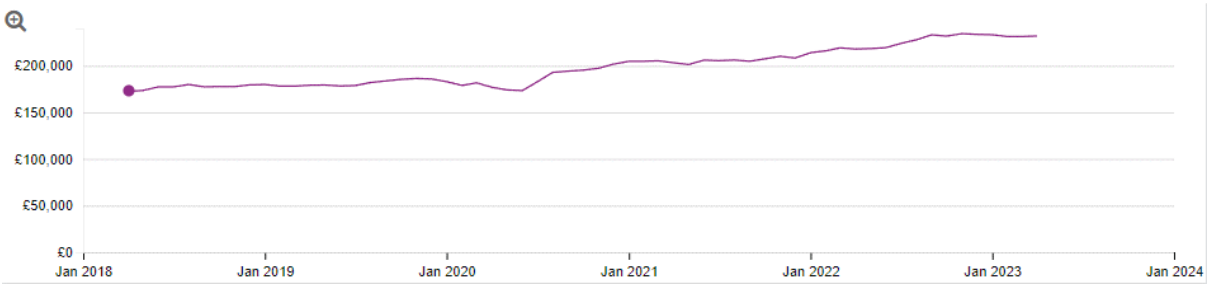
Address	Type	Bedrooms	Price
Cornford Avenue, Gorton, Manchester, M18	Semi	4	£350,000
Langland Close, Reddish, Stockport, M19	Detached	3	£340,000
Rainforth Street, Longsight, Manchester, M13	Flat	2	£325,000
Mannering Street, Gorton	Semi	3	£310,000
Shillingford Road, Gorton	Detached	3	£290,000
Fylde Lane, Gorton	Detached	4	£290,000
Horbury Avenue, Manchester, M18	Semi	4	£285,000
Hornbeam Road, Levenshulme, Manchester, M19	Terraced	3	£275,000
Falshaw Way, Manchester, M18	Terraced	4	£270,000
Shillingford Road, Gorton	Detached	3	£270,000
Lonsdale Road, Manchester, M19	Semi	3	£260,000
Braithwaite Road, Manchester	Semi	3	£250,000
Lonsdale Road, Levenshulme, Manchester, M19	Terraced	3	£250,000
Brookhurst Road, Manchester, M18	Terraced	3	£245,000
Greening Road, Levenshulme	Terraced	2	£230,000
Falshaw Way, Gorton, Manchester, M18	Semi	3	£230,000
Hexham Road, Gorton	Semi	3	£230,000
Fylde Lane, Manchester	Semi	3	£220,000
Audley Road, Levenshulme, Manchester, M19	Terraced	2	£215,000
Milkwood Grove, Manchester	Terraced	3	£195,000
Rawsthorne Avenue, Manchester, M18	Semi	3	£190,000
Rawsthorne Avenue, Gorton	Terraced	3	£190,000
Grasmere Street, Longsight	Terraced	2	£165,000
Hemmons Road, Longsight	Terraced	2	£160,000
Rushford Avenue, Levenshulme, Manchester, M19 2HF	Flat	2	£150,000
Cravenwood Road, Stockport	Flat	2	£145,000
Windsor Street, Manchester	Terraced	2	£140,000
Beard Road, Manchester	Terraced	2	£130,000
Hyde Road Flat , Gorton	Flat	2	£130,000
Hyde Road, Gorton	Flat	2	£130,000
H Mount Road, Gorton	Flat	2	£130,000
Mount Road, Manchester, M18	Flat	2	£125,000
Rawsthorne Avenue, Manchester	Flat	2	£115,000
Brookside Court, Slade Lane, Manchester, M19	Flat	1	£115,000
Central Avenue Flat Warwick House, Levenshulme	Flat	1	£90,000

Property Price Heat Map

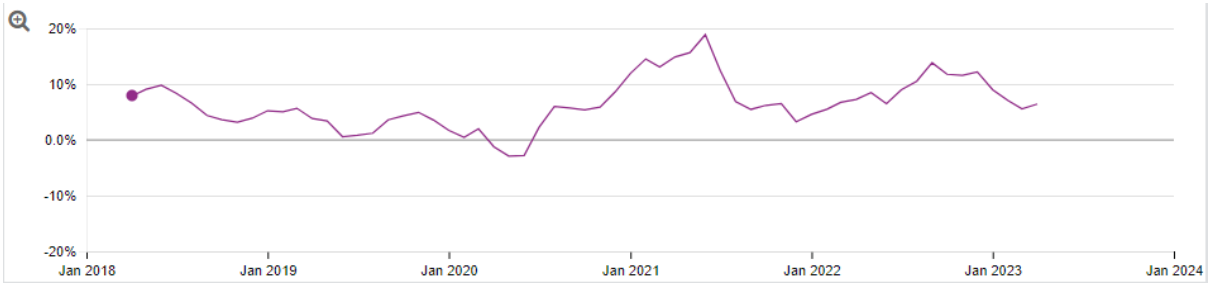


Average price by type of property

Source: HM Land Registry



Percentage change (yearly)



Price Trends – M18 7SU

Market Characteristics	Manchester	National
Market Size Indicator: no. of transactions	28,099	4,886,506
Market Size Indicator: total no. of properties	243,890	25,000,000
Market liquidity Indicator: transactions / properties	11.52%	19.55%
Market Growth Indicator: new homes built	3,140	570,561
Market Growth Indicator: new builds / transactions	11.17%	11.68%

Growth Rate	Manchester	National
5 year house price growth	7.80%	4.50%
Last 12 months house price growth	6.40%	16.00%

Average House Prices

Source: HM Land Registry

Postcode Area – M18 7SU

Property Type	Apr-18	Apr-23	Change
Detached	£496,351	£487,495	-2%
Semi	£226,556	£296,586	31%
Terraced	£166,377	£223,882	35%
Flat	£177,282	£192,651	9%
All	£204,805	£257,886	26%

Appendix 3 – Viability Appraisal. Policy Compliant Scheme

REVENUE	File: Policy Compliant (20% Affordable Housing)		
Open Market Gdv	211,750 ft2 at avg. £345 per ft2 (rounded)		73,130,000
Affordable Gdv	23,232 ft2 at avg. £212 per ft2 (rounded)		4,923,500
Centrepoint Revenue	10,080 ft2 at avg. £427 per ft2 (rounded)		4,300,000
		REVENUE	82,353,500

(Revenue Totals labelled -E do not attract Fees)

COSTS

Site Value		1,392,000	
Site Stamp Duty		59,100	
Site Legal Fees	at 0.50%	6,960	
Site Agency Fees	at 1.00%	13,920	
		Site Costs	1,471,980
Pitches		1,150,000	
Sports & Community Hub Inc Changing		4,095,000	
Off Site Pitch Mitigation		200,000	
Sports & Com Hub Dowry		1,410,000	
Pitches Dowry		80,000	
Biodiversity Net Gain		120,000	
Basketball And Netball Court		63,000	
Cricket Wicket		28,000	
		Initial Payments	7,146,000
Base Build Cost	234,982.00 sq-ft at 140.00 psf	32,897,480	
Centrepoint Construction Cost		4,150,000	
Site Prep And Enabling Costs		1,532,149	
Drainage Abnormal Costs		1,353,673	
Roads Abnormals Costs		579,348	
Substructure Abnormal Costs		1,166,663	
Superstructure Abnormal Costs		2,415,250	
External Works Abnormal Costs		932,245	
Services Abnormal Costs		238,654	
Contingency	at 5.00%	2,263,273	

Professional Fees	at 7.00%	3,168,582	
		Build Costs	50,697,317
Direct Sale Agents Fee	at 3.00%	2,193,900	
Direct Sale Legal Fees		181,500	
		Disposal Fees	2,375,400
INTEREST	**(See CASHFLOW)**		4,649,555
8.50% pa	on Debt charged Monthly and compounded Monthly		
Site Costs	Month 1 (Feb 24)		
Pitches	Month 1 to 13 (Feb 24 - Feb 25)		
Sports & Community Hub Inc Changing	Month 1 to 24 (Feb 24 - Jan 26)		
Off Site Pitch Mitigation	Month 1 (Feb 24)		
Sports & Com Hub Dowry	Month 18 (Jul 25)		
Pitches Dowry	Month 18 (Jul 25)		
Biodiversity Net Gain	Month 24 (Jan 26)		
Basketball And Netball Court	Month 12 to 17 (Jan 25 - Jun 25)		
Cricket Wicket	Month 12 to 17 (Jan 25 - Jun 25)		
Base Build Cost (bld.)	Month 1 to 89 (Feb 24 - Jun 31)		
Centrepoint Construction Cost (bld.)	Month 1 to 42 (Feb 24 - Jul 27)		
Site Prep And Enabling Costs	Month 1 to 12 (Feb 24 - Jan 25)		
Drainage Abnormal Costs	Month 1 to 18 (Feb 24 - Jul 25)		
Roads Abnormals Costs	Month 1 to 48 (Feb 24 - Jan 28)		
Substructure Abnormal Costs	Month 1 to 80 (Feb 24 - Sep 30)		
Superstructure Abnormal Costs	Month 1 to 80 (Feb 24 - Sep 30)		
External Works Abnormal Costs	Month 1 to 80 (Feb 24 - Sep 30)		
Services Abnormal Costs	Month 1 to 3 (Feb 24 - Apr 24)		
Contingency	Month 1 to 89 (Feb 24 - Jun 31)		
Professional Fees	Month 1 to 36 (Feb 24 - Jan 27)		
Direct Sale Agents Fee	Month 1 to 39 (Feb 24 - Apr 27)		
Direct Sale Legal Fees	Month 12 to 91 (Jan 25 - Aug 31)		
Open Market Gdv (sale)	Month 12 to 91 (Jan 25 - Aug 31)		
Affordable Gdv (sale)	Month 24 to 35 (Jan 26 - Dec 26)		
Centrepoint Revenue (sale)	Month 18 to 42 (Jul 25 - Jul 27)		

PROFIT	16,013,248	**COSTS**	66,340,252
PROFIT/SALE	19.44%	**PROFIT/COST**	24.14%

**If the benchmark land value is inputted into the appraisal as a 'fixed' input then the resulting developer return is 17.24% compared to a target return threshold of 19.44%

Appendix 4 – Viability Appraisal. Applicant's Proposals

REVENUE	File: Additionality– (32% Grant Funded Affordable Housing		
Open Market Gdv	180,825 ft2 at avg. £345 per ft2 (rounded)		62,455,000
Affordable Gdv	54,157 ft2 at avg. £293 per ft2 (rounded)		15,878,000
Centrepoint Revenue	10,080 ft2 at avg. £427 per ft2 (rounded)		4,300,000
		REVENUE	82,633,000

(Revenue Totals labelled -E do not attract Fees)

COSTS

Site Value		2,472,000	
Site Stamp Duty		113,100	
Site Legal Fees	at 0.50%	12,360	
Site Agency Fees	at 1.00%	24,720	
		Site Costs	2,622,180
Pitches		1,150,000	
Sports & Community Hub Inc Changing		4,095,000	
Off Site Pitch Mitigation		200,000	
Sports & Com Hub Dowry		1,410,000	
Pitches Dowry		80,000	
Biodiversity Net Gain		120,000	
Basketball And Netball Court		63,000	
Cricket Wicket		28,000	
		Initial Payments	7,146,000
Base Build Cost	234,982.00 sq-ft at 140.00 psf	32,897,480	
Centrepoint Construction Cost		4,150,000	
Site Preparation And Enabling Costs		1,532,149	
Drainage Abnormal Costs		1,353,673	
Roads Abnormal Costs		579,348	
Substructure Abnormal Costs		1,166,663	
Superstructure Abnormal Costs		2,415,250	
External Works Abnormal Costs		932,245	
Services Diversions Abnormal Costs		238,654	
Contingency	at 5.00%	2,263,273	

Professional Fees	at 7.00%	3,168,582	
		Build Costs	50,697,317
Direct Sale Agents Fee	at 3.00%	1,873,650	
Direct Sale Legal Fees		155,250	
		Disposal Fees	2,028,900
INTEREST	**(See CASHFLOW)**		4,618,420
8.50% pa	on Debt charged Monthly and compounded Monthly		
Site Costs	Month 1 (Feb 24)		
Pitches	Month 1 to 13 (Feb 24 - Feb 25)		
Sports & Community Hub Inc Changing	Month 1 to 24 (Feb 24 - Jan 26)		
Off Site Pitch Mitigation	Month 1 (Feb 24)		
Sports & Com Hub Dowry	Month 18 (Jul 25)		
Pitches Dowry	Month 18 (Jul 25)		
Biodiversity Net Gain	Month 24 (Jan 26)		
Basketball And Netball Court	Month 12 to 17 (Jan 25 - Jun 25)		
Cricket Wicket	Month 12 to 17 (Jan 25 - Jun 25)		
Base Build Cost (bld.)	Month 1 to 78 (Feb 24 - Jul 30)		
Centrepoint Construction Cost (bld.)	Month 1 to 42 (Feb 24 - Jul 27)		
Site Preparation And Enabling Costs	Month 1 to 12 (Feb 24 - Jan 25)		
Drainage Abnormal Costs	Month 1 to 18 (Feb 24 - Jul 25)		
Roads Abnormal Costs	Month 1 to 48 (Feb 24 - Jan 28)		
Substructure Abnormal Costs	Month 1 to 70 (Feb 24 - Nov 29)		
Superstructure Abnormal Costs	Month 1 to 70 (Feb 24 - Nov 29)		
External Works Abnormal Costs	Month 1 to 70 (Feb 24 - Nov 29)		
Services Diversions Abnormal Costs	Month 1 to 3 (Feb 24 - Apr 24)		
Contingency	Month 1 to 78 (Feb 24 - Jul 30)		
Professional Fees	Month 1 to 36 (Feb 24 - Jan 27)		
Direct Sale Agents Fee	Month 1 to 39 (Feb 24 - Apr 27)		
Direct Sale Legal Fees	Month 12 to 80 (Jan 25 - Sep 30)		
Open Market Gdv (sale)	Month 12 to 80 (Jan 25 - Sep 30)		
Affordable Gdv (sale)	Month 24 to 47 (Jan 26 - Dec 27)		
Centrepoint Revenue (sale)	Month 18 to 42 (Jul 25 - Jul 27)		

PROFIT	15,520,182	**COSTS**	67,112,818
PROFIT/SALE	18.78%	**PROFIT/COST**	23.13%

**If the benchmark land value is inputted into the appraisal as a 'fixed' input then the resulting developer return is 18.73% compared to a target return threshold of 18.78%

Appendix 5 – Viability Appraisal. Additional Sports Pitch Scenario

REVENUE	File: Scenario		
Open Market Gdv	145,145 ft2 at avg. £345 per ft2 (rounded)		50,135,000
Affordable Gdv	54,157 ft2 at avg. £293 per ft2 (rounded)		15,878,000
Centrepoint Revenue	10,080 ft2 at avg. £427 per ft2 (rounded)		4,300,000
		REVENUE	70,313,000

(Revenue Totals labelled -E do not attract Fees)

COSTS

Pitches		1,725,000	
Sports & Community Hub Inc Changing		4,095,000	
Off Site Pitch Mitigation		200,000	
Sports & Com Hub Dowry		1,410,000	
Pitches Dowry		80,000	
Biodiversity Net Gain		120,000	
Basketball And Netball Court		63,000	
Cricket Wicket		28,000	
		Initial Payments	7,721,000
Base Build Cost	209,382.00 sq-ft at 140.00 psf	29,313,480	
Centrepoint Construction Cost		4,150,000	
Site Preparation And Enabling Costs		1,532,149	
Drainage Abnormals		1,174,970	
Roads Abnormal Costs		579,348	
Substructure Abnormal Costs		1,012,648	
Superstructure Abnormal Costs		2,096,405	
External Works Abnormal Costs		809,176	
Services Diversions Abnormal Costs		238,654	
Contingency	at 5.00%	2,045,342	
Professional Fees	at 7.00%	2,863,478	
		Build Costs	45,815,650
Direct Sale Agents Fee	at 3.00%	1,504,050	
Direct Sale Legal Fees		121,500	
		Disposal Fees	1,625,550

INTEREST	**(See CASHFLOW)**		3,167,254
8.50% pa	on Debt charged Monthly and compounded Monthly		
Pitches	Month 1 to 13 (Feb 23 - Feb 24)		
Sports & Community Hub Inc Changing	Month 1 to 24 (Feb 23 - Jan 25)		
Off Site Pitch Mitigation	Month 1 (Feb 23)		
Sports & Com Hub Dowry	Month 18 (Jul 24)		
Pitches Dowry	Month 18 (Jul 24)		
Biodiversity Net Gain	Month 24 (Jan 25)		
Basketball And Netball Court	Month 12 to 17 (Jan 24 - Jun 24)		
Cricket Wicket	Month 12 to 17 (Jan 24 - Jun 24)		
Base Build Cost (bld.)	Month 1 to 66 (Feb 23 - Jul 28)		
Centrepoint Construction Cost (bld.)	Month 1 to 41 (Feb 23 - Jun 26)		
Site Preparation And Enabling Costs	Month 1 to 12 (Feb 23 - Jan 24)		
Drainage Abnormals	Month 1 to 18 (Feb 23 - Jul 24)		
Roads Abnormal Costs	Month 1 to 48 (Feb 23 - Jan 27)		
Substructure Abnormal Costs	Month 1 to 60 (Feb 23 - Jan 28)		
Superstructure Abnormal Costs	Month 1 to 60 (Feb 23 - Jan 28)		
External Works Abnormal Costs	Month 6 to 65 (Jul 23 - Jun 28)		
Services Diversions Abnormal Costs	Month 8 to 10 (Sep 23 - Nov 23)		
Contingency	Month 1 to 66 (Feb 23 - Jul 28)		
Professional Fees	Month 1 to 36 (Feb 23 - Jan 26)		
Direct Sale Agents Fee	Month 1 to 39 (Feb 23 - Apr 26)		
Direct Sale Legal Fees	Month 12 to 67 (Jan 24 - Aug 28)		
Open Market Gdv (sale)	Month 12 to 67 (Jan 24 - Aug 28)		
Affordable Gdv (sale)	Month 24 to 35 (Jan 25 - Dec 25)		
Centrepoint Revenue (sale)	Month 18 to 42 (Jul 24 - Jul 26)		
PROFIT	11,983,546	**COSTS**	58,329,454
PROFIT/SALE	17.04%	**PROFIT/COST**	20.54%

**Land value is omitted from the above appraisal because the appraisal software cannot accommodate negative values.*

**If the benchmark land value is inputted into the appraisal as a 'fixed' input then the resulting developer return is 11.98% compared to a target return threshold of 18.78%