
Viability Assessment: Alternative Development Review

Hotspur Press, Manchester



Viability Assessment

Hotspur Press, Manchester



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1. Introduction

We have been instructed to undertake an independent review of the Viability Assessment: Alternative Development, dated August 2023, produced by CBRE in respect of the site known as Hotspur Press by Manner ('the applicant').

The applicant intends to deliver a purpose-built student accommodation scheme which would extend to 31 storeys plus ground floor and basement. Following a pre-application meeting, Manchester City Council have requested that the applicant assess the financial viability of:

- the extant permitted residential scheme (ref: 120635/FO/2018) in the current market;
- the alternative uses that would be acceptable in planning terms (office use and hotel use) if delivered within the envelope of the extant permitted scheme;
- the aforementioned range of alternative uses if delivered within the footprint of the proposed PBSA scheme.

We understand that a significant proportion of the existing façade is considered of historic value by Manchester City Council and the local community. This is to be retained within both the extant and proposed scheme designs.

Redevelopment Options

It has been considered that residential, office and hotel uses would be considered appropriate for delivery at the site by Manchester City Council.

The applicant has instructed Hodder + Partners to produce feasibility layouts and area schedules for each redevelopment option which we summarise below:

Option	Use	Description
1	Residential (BTR) – Extant Permission	Basement + 28 storey residential scheme comprising 167 dwellings
2	Residential (BTR) – Proposed	Basement + 32 storey residential scheme comprising 225 dwellings
3	Office – Extant Permission	Basement + 21 storey office scheme
4	Office – Proposed	Basement + 21 storey office scheme
5	Hotel – Extant Permission	Basement + 28 storey hotel scheme comprising 327 keys
6	Hotel – Proposed	Basement + 21 storey hotel scheme comprising 360 keys

CBRE have undertaken a residual appraisal for each of the above options based on current market conditions.

We have reviewed the assumptions made by CBRE and have undertaken residual appraisals for each of the above options to consider which, if any, are viable.

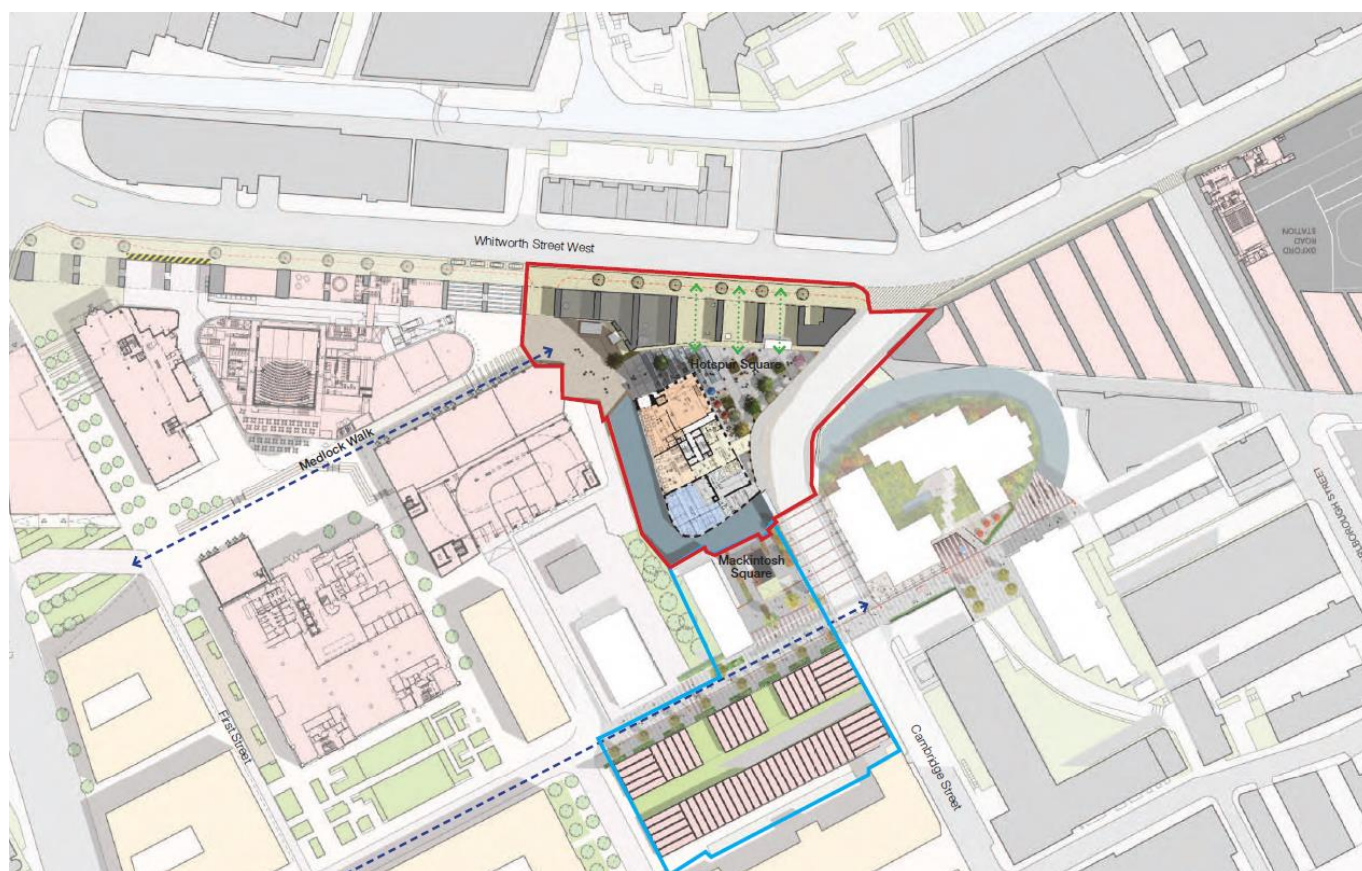
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Site & Location

Hotspur Press comprises vacant industrial buildings across an irregular site that extends to approximately 0.74 acres (0.3 ha). The existing buildings have been vacant since 2011 having been used for a variety of operations during their lifetime. They have now fallen into a state of disrepair. We understand that a significant proportion of the existing façade is considered of historic value by Manchester City Council and the local community, which requires it to be retained. The remaining former mill building behind the façade will be demolished to facilitate redevelopment.



The site is located within Manchester city centre. It is bounded by Whitworth Street West to the north and Cambridge Street to the east. The wider redevelopment of the subject site continues to the south. First Street, a mixed-use development, bounds the site to the west. The River Medlock runs along the southern and western boundary of the site.

2. Benchmark Land Value

In accordance with the NPPF, the land value for a viability assessment should be a Benchmark Land Value (BLV).

CBRE have assumed a nominal BLV of £1 for the site.

Existing Use Value

CBRE comment that the former Hotspur Press complex contains vacant former industrial buildings that were constructed between 1801 and 1882. The complex was formerly used for textile manufacturing before being converted into a printing press in 1903. It has been vacant since 2011 and the existing structures have fallen into a state of disrepair.

CBRE note that the level of cost to retain and restore the existing buildings to a commercial / industrial use is expected to considerably outweigh the end value attributable.

Alternative Use Value

CBRE have tested the redevelopment options within their report. They consider all alternative uses to be unviable.

Benchmark Land Value

CBRE have therefore considered a BLV of the site to be £1.

We consider this approach to be reasonable and have adopted a BLV of £1 within our appraisal.

3. Residential Use (BTR)

Overview

Option 1 (Extant Permission) and Option 2 (Proposed) are for residential (BTR) use. We summarise the viability appraisal results produced by CBRE for both of these options below:

Option	Summary	GDV	Total Development Costs	Profit Margin	Target Profit Margin
1	28-storey residential scheme comprising 167 apartments	£50,190,245	£71,000,429	-30.58% on Cost	15% on Cost
2	32-storey residential scheme comprising 225 apartments	£66,397,777	£86,442,143	-24.57% on Cost	15% on Cost

We have reviewed the assumptions made by CBRE and have been supported by Abacus have undertaken a cost plan review for both of the residential options.

Gross Development Value

CBRE have adopted gross rental values equivalent to £29.30 per sq. ft. for Option 1 and £29.90 per sq. ft. for Option 2. CBRE have then capitalised the residential income at a yield of 4.6%.

Option	No. Dwellings	Net Internal Area (Sq. Ft.)	Average Dwelling Rent PCM	Average Dwelling Rent PA (Per Sq. Ft.)	Yield	GDV
1	167	105,048	£1,536	£29.30	4.6%	£50,190,245
2	225	136,198	£1,508	£29.90	4.6%	£66,397,777

Rental Market

CBRE have conducted a rental market pricing analysis of current new build and high quality second hand apartments in Manchester city centre to inform their estimated open market rental values.

CBRE have adopted average ERV's in the order of £1,235 PCM (£30.00 per sq. ft.) for the 1 bedroom apartments and average ERV's in the order of £1,675 PCM (£29.50 per sq. ft.) for the 2 bedroom apartments.

CBRE consider the following residential developments to be notable comparable evidence:

- **The Assembly** is a 29-storey residential development comprising 282 apartments that completed in 2016 and is situated adjacent the subject site on Cambridge Street. The scheme was marketed for sale, however there are a number of apartments being marketed for private rent. Asking rents are as follows:
 - 1 beds - £1,100 to £1,250 PCM
 - 2 beds - £1,650 to £1,900 PCM
 - 3 beds - £2,700 PCM

The rental values adopted by CBRE for the 1 bedroom are within the upper range of rents at The Assembly whilst the 2 bedroom rental values adopted are at the lower range of rental values. We would expect the subject development to achieve much stronger rental values in comparison to reflect the higher quality of product and resident amenity space that has been proposed compared with The Assembly.

- **Oxygen** is a 31-storey residential development comprising 361 apartments and 12 townhouses. The development is located on Store Street and includes a wide provision of resident amenity including a swimming pool, gym, cinema, workspace, and concierge. Asking rents are as follows:
 - 1 bed apartments - £1,300 to £1,450 PCM (£34.51 to £36.74 per sq. ft.)
 - 2 bed apartments - £1,650 to £1,800 PCM (£27.87 to £30.87 per sq. ft.)
 - 3 bed townhouse - £2,500 PCM (£20.11 per sq. ft.)
 - 4 bed townhouse - £2,750 PCM (£21.74 per sq. ft.)
- **Anco&Co** is a purpose built BTR scheme of 143 apartments on Blossom Street that includes a wide provision of resident amenity including a gym, workspace, social bar and café, screening room and top floor kitchen. Asking rents are as follows:
 - 2 beds - £1,432 to £1,772 PCM (£24.39 to £25.75 per sq. ft.)
- **Kampus** is a 543 apartment BTR development across five main residential blocks that completed in Q3 2021 adjacent Canal Street. The scheme is the best performing BTR development in Manchester with asking rents as follows:
 - 1 beds - £1,175 to £1,575 PCM (£21.47 to £38.74 per sq. ft.)
 - 2 beds - £1,650 to £1,910 PCM (£29.67 to £33.80 per sq. ft.)
- **Angel Gardens** is a BTR development by Moda that completed in Q4 2019. The development includes a wide provision of resident amenity space including a gym, concierge, gardens, roof terraces, cinema / games room, flexible workspace and resident's dining space. Asking rents are as follows:
 - 2 beds - £1,775 to £1,950 PCM (£27.87 to £31.06 per sq. ft.)

We have undertaken a review of the residential rental market to inform our opinion of appropriate ERV's for the proposed development. In addition to the above developments we also consider the below BTR development to provide a useful tone of value.

- **Circle Square** is a mixed-use development comprising office, residential, student, retail and leisure space centred around Symphony Park. The development includes 683 rental apartments across two blocks. Current asking rents reflect an average rent in the order of £38.26 per sq. ft.. We summarise these below:
 - 1 beds - £1,755 to £1,865 PCM (£44.47 to £47.22 per sq. ft.)
 - 2 beds - £2,015 to £2,450 PCM (£34.04 to £42.68 per sq. ft.)
 - 3 beds - £3,010 PCM (£37.70 per sq. ft.)

Circle Square is a strong performing development and we would expect lower rental values in comparison. These asking rents are considerably higher than the rental values adopted by CBRE.

We consider rental values in the order of £30.25 per sq. ft. to be more appropriate across both developments. This results in a total gross rent of £3,177,702 per annum for Option 1 and £4,119,990 for Option 2.

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Operational Expenditure and Voids

CBRE have reduced the total gross annual rental revenue by 25% to reflect the projected minimum operational management costs and voids.

This level of operating expenditure is in line with other new build assets that we have been involved in and we therefore consider it to be acceptable.

Yield

CBRE comment that they have undertaken the appraisals for the BTR appraisals on the assumption that they would be forward funded by an institutional investor with handover at practical completion. They have capitalised the net BTR income at a 4.6% Net Initial Yield which they consider to be the sharpest achievable yield for a prime institutional grade asset in this location in Q3 2023.

We are aware of the following investment transactions in Manchester:

Asset	Purchaser	Units	Sale Price	Transaction Type	NIY	Date
Duet	Swiss Life	270	£74,000,000	Investment Purchase	3.65%	Mar-22
Colliers Wharf	Cortland	559	£180,000,000	Forward Purchase	4.00%	Dec-21
Lampwick Quay	PGIM	213	-	Forward Purchase	4.10%	Sep-21
Trilogy	Barings	232	£53,500,000	Investment Purchase	4.00%	Sep-21
The Castings	CDL	352	£73,000,000	Forward Fund	4.60%	Sep-21
Oldham Road	Cheyne Capital	144	£32,000,000	Forward Fund	4.50%	Jan-21
Skyline 2	L1 Capital	129	£27,325,000	Investment Purchase	4.54%	Sep-20
New Victoria	PIC	520	£130,000,000	Forward Fund	4.68%	Jul-20
Chapel Wharf	ECE	995	£238,103,198	Forward Purchase	4.50%	Mar-20

Investment yields within Manchester have ranged from 3.65% to 4.68%. Forward Fund deals have been completed in the order of 4.5% to 4.6%.

The UK investment market has seen a slowdown in transactional volumes and liquidity. This is partially a result of increased interest rates that are impacting on equity target returns and the cost of debt. We therefore consider the yield of 4.6% adopted by CBRE to be optimistic, and based on current market conditions we instead consider a yield of 4.75% to be more appropriate.

GDV

Based on the above assumptions we have assessed the GDV of the two options to be as follows:

Option	No. Dwellings	Net Internal Area (Sq. Ft.)	Gross Rent PA (Per Sq. Ft.)	Yield	GDV
1	167	105,048	£30.25	4.75%	£50,174,915
2	225	136,198	£30.25	4.75%	£65,047,878

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Development Costs

Construction Costs

CBRE have relied upon cost advice from Gardiner & Theobald (G&T) who were instructed to prepare Feasibility Cost Plans for each redevelopment option.

Abacus Cost Management (ACM) have been instructed to undertake a peer review of the Feasibility Cost Plans produced by G&T. We attach a copy of the peer review for the residential options (Option 1 and Option 2) at **Appendix 1** which includes a detailed breakdown of the difference in the adopted costs. We summarise the G&T costs and the adjusted estimated costs by ACM below:

Option	G&T Total Costs	ACM Total Costs	Difference
1	£57,589,000	£55,205,496	-£2,383,504
2	£69,697,000	£67,871,731	-£1,825,269

We have adopted the ACM costs within our appraisal.

Other Development Costs

CBRE have allowed the following development costs assumptions for both Option 1 and Option 2:

Cost Item	Rate
Professional Fees	10% of construction costs
Development Management Fee	3% of construction costs
Latent Defects Insurance	1% of construction costs
FF&E: Apartments	£4,000 per apartment
FF&E: Amenity Areas	£200,000
Investment Sale Agent Fee	1% of GDV
Investment Sale Legal Fee	0.5% of GDV
Purchaser's Costs	SDLT, 1% sales agent fee and 0.8% sales legal fee
Finance Rate	4.6%

Professional Fees: CBRE have included professional fees at 10% of the construction costs within their appraisal. They have also included a DM fee of 3%. We would usually expect the DM fee to be included within the professional fee allowance. We would usually expect to see professional fees in the order of 8% and 12% for residential developments. The BTR development options are for 28-storey and 32-storey towers that retain the existing façade. The site is constrained with the railway viaduct bounding the site to the north and the River Medlock bounding the southern and western borders. This makes it a complex development and we have therefore adopted professional fees of 12% within our appraisal to reflect the complexity of the proposals.

Latent Defects Insurance: CBRE have made an allowance of 1% of construction costs for latent defects insurance. We do not typically see this allowance within viability assessments for BTR developments and so have excluded this cost within our appraisal.

FF&E: CBRE have included £4,000 per apartment and £200,000 for the amenity areas. We consider this to be a reasonable allowance.

Investment Sales Agent & Legal Fees: CBRE have adopted investment sales agent fees of 1% and investment legal fees of 0.5%. We consider this to be a reasonable assumption and have adopted this within our appraisal.

Purchaser's Costs (Investment & Land): CBRE have adopted SDLT at the prevailing rate, a 1% sales agency fee and 0.8% sales legal fee. These are standard assumptions which we have included within our appraisal.

Finance: CBRE have adopted finance costs at 4.6% which is equal to the Net Initial Yield. We have increased the finance costs to 4.75% in our appraisal as it is a standard assumption for forward funded BTR developments to match the Net Initial Yield.

Developer's Profit Margin

CBRE consider that a minimum target return of 15% on Cost is reasonable for both BTR residential options.

The proposed development assumes a forward funded agreement to an institutional fund on the grant of planning permission. Based on this scenario we would expect to see a profit margin between 10% and 15% on Cost to reflect the lower risk profile, because there is limited sales risk.

We have tested the development assuming a profit margin of 10% on Cost. This is line with other viability assessments that we have been involved in that assume a forward funded BTR model.

Timescales

CBRE have adopted the following timescales within their appraisals:

Option 1 – Consented Scheme

- 1 month purchase period;
- 3 months pre-construction period;
- 30 months construction period;
- 1 months sale period;

Option 2 – Proposed Scheme

- 1 month purchase period;
- 3 months pre-construction period;
- 36 months construction period;
- 1 months sale period;

This is a complex development due to the retention of the façade and the constrained nature of the site being situated between the River Medlock and the railway viaduct. We therefore consider the above timescales to be reasonable.

Development Appraisal

Option 1 – Residential (Consented)

We have run a development appraisal for Option 1 based on our adopted assumptions including a BLV of £1. This results in a loss of **-£17,679,237** reflecting a developer's profit margin of **-26.41% on Cost**. We attach a copy at **Appendix 2**.

This shows that the development is unviable and would suggest that residential BTR use for the consented scheme would not be a viable.

We have undertaken a sensitivity analysis to explore the potential changes to the profit margin based on an increase to the yield. We summarise this below:

	Net Initial Yield				
	3.75%	4%	4.25%	4.5%	4.75%
Developer's Profit Margin	-£4,737,186 -7.06% on Cost	-£8,579,358 -12.79% on Cost	-£11,969,509 -17.86% on Cost	-£14,982,977 -22.37% on Cost	-£17,679,237 -26.41% on Cost

The table shows that if the Net Initial Yield improved to 3.75% then the development would still be producing a loss, now of **-£4,737,186 (-7.06% on Cost)**.

We would historically have expected BTR developments to be forward funded at a Net Initial Yield of 4.5%. In the current economic climate, whilst there is still strong demand for BTR investment, it has weakened slightly. As such we consider a yield of 4.75% to be reasonable and more reflective of current market conditions. The sensitivity analysis highlights that the proposed development would still make a loss if the Net Initial Yield improved to 3.75% which we consider would be unlikely to secure. This highlights the viability issues facing the proposed development.

Option 2 – Residential (Proposed)

We have run a development appraisal for Option 2 based on our adopted assumptions including a BLV of £1. This results in a loss of **-£19,451,943** reflecting a developer's profit margin of **-23.34% on Cost**. We attach a copy at **Appendix 3**.

This also shows that the development is unviable and would suggest that residential BTR use for the proposed scheme would not be a viable.

We have undertaken a sensitivity analysis to explore the potential changes to the profit margin based on an increase to the yield. We summarise this below:

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	Net Initial Yield				
	3.75%	4%	4.25%	4.5%	4.75%
Developer's Profit Margin	-£2,673,580 -3.2% on Cost	-£7,654,656 -9.17% on Cost	-£12,049,724 -14.44% on Cost	-£15,956,450 -19.14% on Cost	-£19,451,943 -23.34% on Cost

The table shows that if the Net Initial Yield improved to 3.75% then the development would still be producing a loss, now of -£2,673,580 (-3.2% on Cost).

As noted above we believe that it would be difficult to secure a Net Initial Yield of 3.75%.

4. Office Use

Overview

Option 3 (Extant Permission) and Option 4 (Proposed) are for office use. We summarise the viability appraisal results produced by CBRE for both of these options below:

Option	Summary	GDV	Total Development Costs	Profit Margin	Target Profit Margin
3	Basement plus 21-storey office scheme	£45,948,568	£78,520,878	-44.98% on Cost	20% on Cost
4	Basement plus 21-storey office scheme	£49,695,447	£84,497,331	-44.06% on Cost	20% on Cost

We have reviewed the assumptions made by CBRE and have been supported by Abacus who have undertaken a cost plan review for both of the office options.

Gross Development Value

Office GDV

CBRE consider office rental values in the order of £29.50 to £32.50 per sq. ft. to be reasonable for the office accommodation on both options. CBRE have then capitalised the office income at a yield of 5.75%.

Option	Net Internal Area (Sq. Ft.)	Total Rent (PA)	Blended Rent PA (Per Sq. Ft.)	Yield	GDV
3	84,670	£2,593,292	£30.63	5.75%	£45,948,568
4	91,408	£2,798,919	£30.62	5.75%	£49,695,447

CBRE have had regard to recent lease transactions over the last 12 months in Manchester city centre. The data from over 100 transactions demonstrates headline prime rents between £40.00 and £43.00 per sq. ft..

CBRE have provided details of lease transactions that they consider to be more comparable:

- **Glassworks** is a new build office by Renaker on Back Turner Street in the Northern Quarter which is currently achieving rents at £42.00 per sq. ft.. CBRE consider Glassworks to be situated in a superior office location and demonstrates a premium over rents achievable at the subject site.
- **No. 2 Circle Square** is a Grade A office building within the Circle Square development. CBRE comment that 19,041 sq. ft. of office accommodation on the 9th and 10th floors were leased in September 2022 at an achieved rent of £32.00 per sq. ft..

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- **Broadhurst, The Tootal Buildings** is a Grade II Listed building on Oxford Road. CBRE comment that 11,106 sq. ft. of office accommodation on the 3rd floor was leased in September at an achieved rent of £25.00 per sq. ft. and 8,191 sq. ft. of office accommodation was leased in August 2022 at an achieved rent of £27.00 per sq. ft..
- **First Street** is a large mixed-use development to the west of the subject site. CBRE comment that 130,000 sq. ft. of office accommodation was secured on a 25 year lease in January 2025 at an achieved rent of £24.00 per sq. ft..

We have consulted with our Savills office agency team who consider the above rental assumptions to be low for a new build office in this location.

No. 8 First Street is a 170,000 sq. ft. Grade A BREEAM Excellent office. On the 4th floor, 14,174 sq. ft. is available at a quoting rent of £32.50 per sq. ft..

We are aware of the following rental values for offices that are currently under construction:

- **Havelock** is a redevelopment of 70 Great Bridgewater Street which will provide 105,250 sq. ft. of office accommodation over 7 floors. The development is expected to complete in Q2 2024 and the quoting rent currently is £36.50 per sq. ft. to £39.00 per sq. ft..
- **Island, John Dalton Street** is a new build development across 10 storeys that will provide 98,813 sq. ft. of office accommodation. The development is expected to complete in Q3 2024 and the quoting rent currently is £40.00 per sq. ft. to £42.00 per sq. ft..
- **No. 3 Circle Square** is a 224,970 sq. ft. new build office in Circle Square that is expected to complete in January 2025. The current quoting rent is £40.00 per sq. ft..

We would expect the subject development to achieve lower rental values than Island and No. 3 Circle Square to reflect the inferior location. Havelock is the best comparable and we would expect a new build office development to achieve rental values in line with Havelock. We have applied a blended rent of £37.00 per sq. ft. across the office accommodation for both office options.

CBRE have capitalised the office income at a yield of 5.75%. We consider this to be optimistic and would instead expect a yield in the order of 6.25% to be more appropriate for a speculative office development.

The strongest pricing achieved for an office in Manchester in recent times is the sale of **101 Barbirolli Square**. The 87,842 sq. ft. office has undergone a major refurbishment to achieve an EPC 'B' rating and was fully let at point of sale to Handelsbanken and a UK Government department with a weighted average unexpired term certain of 4.72 years. The office was sold in December 2022 (although a price was fixed several months earlier) for £47,500,000 reflecting a 5.7% Net Initial Yield.

We calculate the office GDV for both the office options to be as follows:

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Option	Net Internal Area (Sq. Ft.)	Blended Rent PA (Per Sq. Ft.)	Total Rent (PA)	Yield	GDV
3	84,670	£37.00	£2,540,100	6.25%	£50,883,802
4	91,408	£37.00	£3,382,096	6.25%	£59,739,978

Retail GDV

CBRE have assumed a rent of £20.00 per sq. ft. to be reasonable for the ground floor retail unit which results in a total rent of £93,220 per annum. The retail income has been capitalised at a yield of 7.75% to give a capital value of £1,202,839 for the unit.

We consider the rental and yield assumptions for the retail unit to be reasonable in the current market and have included these within our appraisal.

Development Costs

Construction Costs

CBRE have relied upon cost advice from Gardiner & Theobald (G&T) who were instructed to prepare Feasibility Cost Plans for each redevelopment option.

Abacus Cost Management (ACM) have been instructed to undertake a peer review of the Feasibility Cost Plans produced by G&T. We attached a copy of the peer review for the office options (Option 3 and Option 4) at **Appendix 4** which includes a detailed breakdown of the difference in the adopted costs. We summarise the G&T costs and the adjusted estimated costs by ACM below:

Option	G&T Total Costs	ACM Total Costs	Difference
3	£48,270,104	£48,263,394	-£6,710
4	£51,316,538	£51,594,802	£278,264

We have adopted the ACM costs within our appraisal.

Other Development Costs

CBRE have allowed the following development costs assumptions for both Option 3 and Option 4:

Cost Item	Rate
Professional Fees	10% of construction costs
Development Management Fee	3% of construction costs
Marketing	£150,000
Letting Agent Fee	15% of ERV
Letting Legal Fee	5% of ERV
Investment Sale Agent Fee	1% of GDV

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Cost Item	Rate
Investment Sale Legal Fee	0.5% of GDV
Purchaser's Costs	SDLT, 1% sales agent fee and 0.8% sales legal fee
Finance Rate	9%

Professional Fees: CBRE have included professional fees at 10% of the construction costs within their appraisal. They have also included a DM fee of 3%. We would usually expect the DM fee to be included within the professional fee allowance. We would usually expect to see professional fees in the order of 8% and 12% for commercial developments. The office development options are for 21-storey towers that retain the existing façade. The site is constrained with the railway viaduct bounding the site to the north and the River Medlock bounding the southern and western borders. This makes it a complex development and we have therefore adopted professional fees of 12% within our appraisal to reflect the complexity of the proposals.

Marketing: CBRE have allowed for a marketing budget of £150,000 within their appraisal. We consider this to be a reasonable assumption and have adopted this within our appraisal.

Letting Agent and Letting Legal Fee: CBRE have included a letting agent fee of 15% and a letting legal fee of 5% within their appraisal. We consider this to be a reasonable assumption and have adopted this within our appraisals.

Investment Sales Agent & Legal Fees: CBRE have included an investment sales agent fee of 1% and an investment sales legal fee of 0.5% within their appraisal. We consider this to be a reasonable assumption and have adopted this within our appraisal.

Purchaser's Costs (Investment & Land): These are standard assumptions which we have included within our appraisal.

Finance: CBRE have adopted finance costs at 9% which they consider to be an appropriate 'all-in' rate for financing development in the current market. We have adopted finance costs at 8.6% which is 400 basis points higher than the 5 year SONIA swap rate of 4.597%.

Developer's Profit Margin

CBRE consider that a minimum target return of 20% on Cost is reasonable for both office options.

It is usual for commercial developers in the North West to seek a profit margin of 15% to 20% on Cost.

We have tested the development assuming a profit margin of 15% on Cost. This is line with other viability assessments that we have been involved in for new build office schemes. The proposed development is complex due to the retention of the existing façade and the constrained nature of the site. It is likely that a developer would target a higher profit margin based on this and during the current market uncertainty.

Timescales

CBRE have adopted the following timescales informed by advice provided by the applicant:

- 1 month purchase period;
- 3 months pre-construction period;
- 24 months construction period;
- 36 months letting period;
- 1 months sale period;

This is a complex development due to the retention of the façade and the constrained nature of the site being situated between the River Medlock and the railway viaduct. We therefore consider the above timescales to be reasonable.

Development Appraisal

Option 3 – Office (Consented)

We have run a development appraisal for Option 3 based on our adopted assumptions including a BLV of £1. This results in a loss of **-£29,028,634** reflecting a developer's profit margin of **-37.62% on Cost**. We attach a copy at **Appendix 5**.

This demonstrates that the development is unviable and would suggest that office use for the consented scheme would not be a viable.

We have undertaken a sensitivity analysis to explore the potential changes to the profit margin based on an increase to the yield. We summarise this below:

	Net Initial Yield				
	5.25%	5.5%	5.75%	6%	6.25%
Developer's Profit Margin	-£20,266,705 -26.22% on Cost	-£22,755,984 -29.45% on Cost	-£25,028,744 -32.41% on Cost	-£27,112,049 -35.12% on Cost	-£29,028,634 -37.62% on Cost

The table shows that if the Net Initial Yield improved to 5.25% then the development would still be producing a loss, now of **-£20,266,705 (-26.22% on Cost)**.

The sale of the refurbished 101 Barbirolli Square in December 2022 for £52,000,000 reflects a Net Initial Yield of 5.7%. This is the strongest priced achieved for an office scheme in Manchester in recent times and we therefore we consider it to be difficult to achieve a stronger yield than this for a speculative office development.

Option 4 – Office (Proposed)

We have run a development appraisal for Option 4 based on our adopted assumptions including a BLV of £1. This results in a loss of **-£19,451,943** reflecting a developer's profit margin of **-23.34% on Cost**. We attach a copy at **Appendix 6**.

Again, this shows the development is unviable and would suggest that office use for the proposed scheme would not be a viable.

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We have undertaken a sensitivity analysis to explore the potential changes to the profit margin based on an increase to the yield. We summarise this below:

	Net Initial Yield				
	5.25%	5.5%	5.75%	6%	6.25%
Developer's Profit Margin	-£18,714,417 -22.72% on Cost	-£21,401,790 -26% on Cost	-£23,855,413 -28.99% on Cost	-£26,104,504 -31.74% on Cost	-£28,173,609 -34.27% on Cost

The table shows that if the Net Initial Yield improved to 5.25% then the development would still be producing a loss, now of -£18,714,417 (-22.72% on Cost).

As noted above we believe that it would be difficult to secure a Net Initial Yield of 5.25%.

5. Hotel Use

Overview

Option 5 (Extant Permission) and Option 6 (Proposed) are for hotel use. We summarise the viability appraisal results produced by CBRE for both of these options below:

Option	Summary	GDV	Total Development Costs	Profit Margin	Target Profit Margin
5	27-storey hotel comprising 327 keys	£49,828,571	£82,468,240	-40.67% on Cost	15% on Cost
6	31-storey hotel comprising 360 keys	£54,857,143	£95,681,125	-43.70% on Cost	15% on Cost

We have reviewed the assumptions made by CBRE and have been supported by Abacus who have undertaken a cost plan review for both of the hotel options.

Gross Development Value

CBRE consider an annual rent of £8,000 per key to be reasonable for both hotel options. The rental income has then been capitalised at a yield of 5.25% which they consider to be optimistic in the current market.

Option	No. Keys	Rent Per Key (PA)	Total Rent (PA)	Yield	GDV	GDV Per Key
5	327	£8,000	£2,616,000	5.25%	£49,828,571	£152,381
6	360	£8,000	£2,880,000	5.25%	£54,857,143	£152,381

We have consulted with our Savills Hotel team who consider the rental and yield assumptions to be reasonable in the current market. The capital value however equates to approximately £152,000 per key which they consider to be low based on the costs included within the development.

CBRE comment that there are limited recent transactions on Manchester and have provided the following comparable transactions:

Brooklyn Hotel, a 189 key hotel on 59 Portland Street in Manchester transacted in February 2022 for £24,100,000. This reflects a price of approximately £127,500 per key.

Maldron Hotel, a 188 key hotel in Manchester was forward funded with Dalata Group having agreed a 35 year lease. The £30,000,000 forward funding agreement equates to approximately £160,000 per key.

Liverpool Royal Albert Dock, a 321 key hotel in Liverpool transacted for £40,000,000 in 2023. The transacted represented a NIY of 9.5% and a capital value of £124,600 per key.

Viability Assessment

Hotspur Press, Manchester



The Savills Hotel team are also aware of the 261 key **Qbic Hotel** that transacted in October 2021 for £44,000,000. The price equates to a capital value of approximately £168,500 per key.

We have consulted with our Savills Hotel team who consider the rental and yield assumptions made by CBRE to be reasonable. Based on the cost involved in the development they would however expect a higher capital value in the order of £200,000 per key to be achievable to reflect a superior specification. We have increased the rent per key to £10,500 within our appraisal to achieve this value which is a high assumption. This results in a GDV of £65,400,000 for Option 5 and a GDV of £72,000,000 for Option 6.

Development Costs

Construction Costs

CBRE have relied upon cost advice from Gardiner & Theobald (G&T) who were instructed to prepare Feasibility Cost Plans for each redevelopment option.

Abacus Cost Management (ACM) have been instructed to undertake a peer review of the Feasibility Cost Plans produced by G&T. We attached a copy of the peer review for the hotel options (Option 5 and Option 6) at **Appendix 7** which includes a detailed breakdown of the difference in the adopted costs. We summarise the G&T costs and the adjusted estimated costs by ACM below:

Option	G&T Total Costs	ACM Total Costs	Difference
5	£67,321,000	£66,586,476	-£734,524
6	£78,017,000	£76,660,583	-£1,356,417

We have adopted the ACM costs within our appraisal.

Other Development Costs

CBRE have allowed the following development costs assumptions for both Option 5 and Option 6:

Cost Item	Rate
Professional Fees	10% of construction costs
Development Management Fee	3% of construction costs
Letting Agent Fee	15% of ERV
Letting Legal Fee	5% of ERV
Investment Sale Agent Fee	1% of GDV
Investment Sale Legal Fee	0.5% of GDV
Purchaser's Costs	SDLT, 1% sales agent fee and 0.8% sales legal fee
Finance Rate	5.25%

Viability Assessment

Hotspur Press, Manchester



Professional Fees: CBRE have included professional fees at 10% of the construction costs within their appraisal. They have also included a DM fee of 3%. We would usually expect the DM fee to be included within the professional fee allowance. We would usually expect to see professional fees in the order of 8% and 12% for commercial developments. The hotel development options are for 27-storey tower and 31-storey towers that retain the existing façade. The site is constrained with the railway viaduct bounding the site to the north and the River Medlock bounding the southern and western borders. This makes it a complex development and we have therefore adopted professional fees of 12% within our appraisal to reflect the complexity of the proposals.

Letting Agent and Letting Legal Fee: CBRE have included a letting agent fee of 15% and a letting legal fee of 5% within their appraisal. We consider this to be a reasonable assumption and have adopted this within our appraisals.

Investment Sales Agent & Legal Fees: CBRE have included an investment sales agent fee of 1% and an investment sales legal fee of 0.5% within their appraisal. We consider this to be a reasonable assumption and have adopted this within our appraisal.

Purchaser's Costs (Investment & Land): These are standard assumptions which we have included within our appraisal.

Finance: CBRE have adopted finance costs at 5.25% to equal the Net Initial Yield. This is a standard assumption and we have adopted the same approach within our appraisal.

Developer's Profit Margin

CBRE consider that a minim target return of 15% on Cost is reasonable for both hotel options.

We consider this to be a reasonable profit margin for a hotel and have targeted this within our appraisal.

Timescales

CBRE have adopted the following timescales informed by advice provided by the applicant:

- 1 month purchase period;
- 3 months pre-construction period;
- 30 months construction period;
- 1 months sale period;

This is a complex development due to the retention of the façade and the constrained nature of the site being situated between the River Medlock and the railway viaduct. We therefore consider the above timescales to be reasonable.

Development Appraisal

Option 5 – Hotel (Consented)

Viability Assessment

Hotspur Press, Manchester



We have run a development appraisal for Option 5 based on our adopted assumptions including a BLV of £1. This results in a loss of **-£16,466,136** reflecting a developer's profit margin of **-20.41% on Cost**. We attach a copy at **Appendix 8**.

This shows that the development is unviable and would suggest that hotel use for the consented scheme would not be a viable.

We have undertaken a sensitivity analysis to explore the potential changes to the profit margin based on an increase to the yield. We summarise this below:

	Net Initial Yield				
	4.75%	4.875%	5%	5.125%	5.25%
Developer's Profit Margin	-£9,807,246 -12.14% on Cost	-£11,600,024 -14.36% on Cost	-£13,303,163 -16.48% on Cost	-£14,923,222 -18.49% on Cost	-£16,466,136 -20.41% on Cost

The table shows that if the Net Initial Yield improved to 4.75% then the development would still be producing a loss, now of **-£9,807,246 (-12.14% on Cost)**.

Based on a Net Initial Yield of 4.75%, the GDV for the scheme would equate to approximately £221,050 per key. This is considerably ahead of recent hotel transactions in Manchester and we would expect a much lower capital value to be achieved for a speculative hotel.

Option 6 – Hotel (Proposed)

We have run a development appraisal for Option 6 based on our adopted assumptions including a BLV of £1. This results in a loss of **-£22,118,180** reflecting a developer's profit margin of **-15.91% on Cost**. We attach a copy at **Appendix 9**.

This also demonstrates the development is unviable and would suggest that hotel use for the proposed scheme would not be a viable.

We have undertaken a sensitivity analysis to explore the potential changes to the profit margin based on an increase to the yield. We summarise this below:

	Net Initial Yield				
	4.75%	4.875%	5%	5.125%	5.25%
Developer's Profit Margin	-£14,787,292 -15.91% on Cost	-£16,760,992 -18.04% on Cost	-£18,636,008 -20.07% on Cost	-£20,419,560 -21.99% on Cost	-£22,118,180 -23.83% on Cost

The table shows that if the Net Initial Yield improved to 4.75% then the development would still be producing a loss, now of **-£14,787,292 (-15.91% on Cost)**.

As noted above we believe that it would be difficult to secure a capital value in excess of £221,050 per key for a speculative built hotel.

6. Conclusion

As instructed we have reviewed the Viability Assessment: Alternative Development report undertaken by CBRE to determine if residential (BTR), office or hotel uses would be viable on-site.

We summarise our assessment of the different development options below:

Option	Use	GDV	Construction Costs	Other Development Costs	Profit Margin	Target Profit Margin
1	Residential (BTR)	£50,174,915	£55,205,496	£11,745,507	-26.41% on Cost	10% on Cost
2	Residential (BTR)	£65,047,878	£67,871,731	£11,745,507	-23.34% on Cost	10% on Cost
3	Office	£50,883,802	£48,263,394	£15,457,228	-37.62% on Cost	15% on Cost
4	Office	£59,739,978	£51,594,802	£28,908,852	-28.99% on Cost	15% on Cost
5	Hotel	£65,400,000	£66,586,476	£30,681,145	-20.41% on Cost	15% on Cost
6	Hotel	£72,000,000	£76,660,583	£14,102,460	-23.83% on Cost	15% on Cost

We have adopted a slightly lower GDV for the residential BTR options within our appraisal. We consider the rental values adopted by CBRE to be low and have adopted blended rental values of £32.50 per sq. ft. across both options. We consider the Net Initial Yield of 4.6% adopted by CBRE to be optimistic and have adopted a Net Initial Yield of 4.75% within our appraisal.

We have adopted a lower GDV for the office options within our appraisal. We consider the rental values adopted by CBRE to be low and have adopted blended rental values of £37.00 per sq. ft. within our appraisal. We consider the Net Initial Yield of 5.75% adopted by CBRE to be optimistic and have adopted a Net Initial Yield of 5.75% within our appraisal.

We have adopted a higher GDV for the hotel options within our appraisal. We consider the rental values adopted by CBRE to be low and have adopted an annual rent of £10,500 per key within our appraisal. We consider the Net Initial Yield of 5.25% to be reasonable.

ACM have been instructed to undertake a peer review of the Feasibility Cost Plans that were produced by G&T. ACM have suggested lower costs for the residential (Options 1 and 2), the consented office option (Option 3) and the hotel options (Options 5 and 6). They have suggested marginally higher costs for the proposed office option (Option 4). We have included the ACM costs within our appraisal.

Based on our appraisal assumptions and assuming a fixed land value of £1, none of the development options produces a profit. All development options result in a considerable loss to developer ranging from -£16,466,136 (-20.41% on Cost) to -£19,028,634 (-37.62% on Cost).

We have undertaken a sensitivity analysis and tested all developments options based on significant increases to the GDV. All options still result in a negative land value despite applying GDV assumptions significantly ahead of what is being achieved in the residential, office or hotel markets.

Viability Assessment

Hotspur Press, Manchester



The site is constrained with the railway viaduct bounding the site to the north and the River Medlock bounding the southern and western borders. The proposals also including retaining the façade making it a complex development. This results in a high construction costs which impact on the viability of all options. ACM have reviewed the costs for each development option and we have accepted these within our appraisal.

Based on the above we agree with CBRE that the residential (BTR), office and hotel options for the site are all unviable.

7. Important Note

Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.

Appendices

Appendix 1 – ACM Cost Review (Residential)

HOTSPUR PRESS – FEASIBILITY COST PLAN OBSERVATIONS NOTE – RESIDENTIAL

10th OCTOBER 2023

Introduction

On 1st September 2023, Abacus Cost Management (ACM) was instructed by Savills (SA) to undertake a peer review of the 'Feasibility Cost Plans' (FCP) produced by Gardiner & Theobald (G&T) in relation to various design options proposed for the Hotspur Press site.

This note focusses on the 'Residential' schemes.

ACM was provided with the following information:

- CBRE Viability Assessment dated August 2023

To undertake this exercise, ACM has liaised with G&T to better understand the project. ACM and G&T convened a meeting held on Microsoft Teams on 26th September 2023.

It became evident from the meeting that the level of both cost and design information is at a very early stage and therefore our review is commensurate with the level of detail available. For example, the only available measurement data is limited to the façade element and gross internal floor area.

It is noted that G&T costs are base dated 3Q 2023 and are considered current at the time of this peer review.

This note provides an overview of the following:

- 1.0 Project Details
- 2.0 Observations on Elemental Cost Allowances
- 3.0 General Observations
- 4.0 Conclusions

1.0 Project Details

1.1 As noted in the CBRE Viability Assessment, the residential options considered were as follows:

Item	Consented	Proposed
GIFA m2	15,347	18,653
GIFA ft2	165,194	200,779
Storeys	B + 28	B + 32
Number of Units	167	225

FIGURE 1

Note – ACM has not verified the above project data.

2.0 Observations on Elemental Cost Allowances

2.1 Please refer to Appendix A for a copy of the G&T FCP.

2.2 Please refer to Appendix B for a copy of the ACM elemental summary. This document provides a commentary against each cost element.

2.3 In summary, ACM would highlight the following observations (cost difference between ACM and G&T is provided in the header of each of the below items):

2.4 Comments in relation to the 'Consented' scheme are as follows:

2.4.1 Frame +£858,275

G&T rate allowance for this element of works equates to £390/m². ACM consider the G&T rate to be low and suggest a rate of £410-420/m² to be reflective of current market conditions.

ACM consider the cantilever works to be additional to this and so the provisional allowance of £500,000 has been added to the frame allowance.

2.4.2 Finishes (£575,513)

G&T have included a rate of £50/m² for a screed to the GIFA.

ACM's view is that this is not usually required to an insitu concrete frame. ACM has adjusted this allowance to cover a latex levelling screed / dpm.

2.4.3 M&E (£2,819,546)

G&T allowance for M&E equates to £59,383 / unit. ACM consider this to be excessive for a scheme of this nature.

Following discussion with sub-contractors and M&E consultants, ACM consider an allowance of £42,500 / unit to be more reflective of the current market.

2.4.4 Preliminaries +£187,688

ACM consider 17.5% to be a more appropriate level of preliminaries allowance in the context of this development and constraints (adjacent River Medlock and Network Rail issues).

2.4.5 OHP (£117,955)

ACM agrees 5% is a reasonable recovery rate for a 'Tier 1' contractor.

2.4.6 Design Development and Construction Risk +£83,546

G&T has made allowance of 3.5% for Design Development and 3.5% for Construction Risk.

In the context of this project and the current status of design, ACM considers 5% for Design Development appropriate. ACM also consider 2.5% for Construction Risk to be more reflective of current market conditions based on the appointment of a 'Tier 1' contractor.

2.5 Comments in relation to the 'Proposed' scheme are as follows:

2.5.1 Frame +£1,235,080

G&T rate allowance for this element of works equates to £345/m². ACM consider the G&T rate to be low and suggest a rate of £410-420/m² to be reflective of current market conditions.

2.5.2 Finishes (£699,488)

G&T have included a rate of £50/m² for a screed to the GIFA.

ACM's view is that this is not usually required to an insitu concrete frame. ACM has adjusted this allowance to cover a latex levelling screed / dpm.

2.5.3 M&E (£2,813,188)

G&T allowance for M&E equates to £55,003 / unit. ACM consider this to be excessive for a scheme of this nature.

Following discussion with sub-contractors and M&E consultants, ACM consider an allowance of £42,500 / unit to be more reflective of the current market.

2.5.4 Preliminaries +£371,971

ACM consider 17.5% to be a more appropriate level of preliminaries allowance in the context of this development and constraints (adjacent River Medlock and Network Rail issues).

2.5.5 OHP (£94,881)

ACM agrees 5% is a reasonable recovery rate for a 'Tier 1' contractor.

2.5.6 Design Development and Construction Risk +£175,237

G&T has made allowance of 3.5% for Design Development and 3.5% for Construction Risk.

In the context of this project and the current status of design, ACM considers 5% for Design Development appropriate. ACM also consider 2.5% for Construction Risk to be more reflective of current market conditions based on the appointment of a 'Tier 1' contractor.

3.0 Conclusions

- 3.1 Following our review and adjusting estimated costs where considered required, ACM would advise the following:

Item	Consented	Proposed
G&T	£57,589,000	£69,697,000
ACM	£55,205,496	£67,871,731
Difference	(£2,383,504)	(£1,825,269)

FIGURE 2

APPENDIX A

G&T INDICATIVE ORDER OF COST ESTIMATE

Residential (Consented & Proposed)

The Hotspur Press, Manchester
Feasibility Cost Plan - Residential - Consented

Ourmanner

03 August 2023

CONTENTS

- 1** Executive Summary
- 2** Elemental Cost Breakdown
- 3** Model
- 4** Fit Out Summary
- 5** Fit Out Models
- 6** Assumptions & Exclusions
- 7** Area Schedule

1. EXECUTIVE SUMMARY

This report provides an order of cost estimate for the works at The Former Hotspur Press Site in Manchester. This report includes allowances associated with the Strip Out, Demolition and facade retention of the Existing Building and works associated with the Public Realm. An allowance for CAT B fitout to the amenity spaces throughout the building have been included. A summary of these costs can be seen adjacent and also in Section 2 of this report.

Estimated construction costs have been prepared at current day (2Q 2023) prices. Allowances for Main Contractors Preliminaries (16%), OHP (5%), Design and Construction Risk.(3.5% & 3.5%) *(Future Inflation is excluded from this cost model)*

The total estimated Construction Cost includes for construction works only and excludes fees (including pre-construction services agreements), VAT, S106/S278, CIL payments, land acquisition, all developer direct costs, employer risk allowances and contributions.

This report has been prepared solely for use by OurManner and shall not be relied upon by any third party without the express permission of Gardiner & Theobald LLP. G&T accepts no liability arising from reliance on the report other than to the Employer.

1.1 Headlines

CONSTRUCTION COST		Total (£)	£/ft² GIA	%
1	Construction Cost	44,644,000	270	78%
2	Main Contractor's Preliminaries	16.0% 6,735,000	41	12%
3	Main Contractor's OH&P	5.0% 2,442,000	15	4%
Building Works Total		53,821,000	326	93%
4	Design Development Risk Allowance	3.5% 1,884,000	11	3%
5	Construction Risk Allowance	3.5% 1,884,000	11	3%
Sub Total		57,589,000	349	100%
6	Tender Inflation Estimate	Excl	Excl	-
7	Construction Inflation Estimate	Excl	Excl	-
Total Estimated Construction Cost		57,589,000	349	100%

ESTIMATED ROUNDED CONSTRUCTION COST	£	57,590,000	349
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ESTIMATED ROUNDED CONSTRUCTION COST	£/Bed	344,850
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Abnormals

The adjacent items summarise some key abnormals associated with the site. This namely consists of those items related to the existing building and the works required to enable the existing asset.

** The items identified above are included here as abnormals as they may not be included in other benchmark data when comparing overall construction cost or £/ft2 metrics.

	Total Cost	£/Bed	£/ft2
Cost Plan (as Executive Summary)	57,590,000	344,850	349
0.1 Strip Out (allowance only) **- cost plan allowance omitted	-100,000	-278	-0.6
0.2 Removal of Asbestos- cost plan allowance omitted	-50,000	-139	-0.3
0.3 Demolition of Existing Building **- cost plan allowance omitted	-750,000	-2,083	-4.5
0.4 Façade Retention to be omitted. Abnormal omitted in entirety.	-999,225	-2,776	-6.0
0.5 Temporary works : façade retention system omitted.	-250,000	-694	-1.5
0.6 Temporary works: Prop deck across river. Assumes access achieved roadside	-350,000	-972	-2.1
0.7 Removal of obstructions (risk allowance omitted)	-50,000	-139	-0.3
0.8 Deep Piles required for tall building- E.O for high rise enhancements- reduced to 15m piles from 30m	-345,000	-958	-2.1
0.9 Repair of existing retaining walls. Any repair of existing retaining wall is abnormal	-188,860	-525	-1.1
1 E/O finishes + fitout for Amenity to roof space. Revert to standard finishes	-78,200	-217	-0.5
1.1 Davit system in lieu of BMU and track	-300,000	-833	-1.8
1.2 Omission of ecology allowances (green roofs etc)	-45,720	-127	-0.3
1.2 Make good existing retained façade: assumed no making good necessary.	-277,563	-771	-1.7
1.3 Connect retained façade to new façade and structure at levels 1, 2 and 3. Assumes connection not required.	-200,000	-556	-1.2
1.4 Façade rate- E.O for high rise enhancements (£1,100 to 850/m2). Costs saving shown shows abnormality of cost associate with high rise construction. (target rainscreen façade : £850/m2)	-1,651,000	-4,586	-10.0
1.5 Standard doors in lieu of enhanced doors to riverside lounges. Omits sliding doors	-254,750	-708	-1.5
1.6 Allowances for public realm landscaping including feature external wall. Excludes all works/ allowance to public realm	-725,000	-2,014	-4.4
1.7 Main Contractor's Preliminaries costs on the above	-1,058,451	-2,940	-6.4
1.8 Main Contractor's Overheads and Profit-costs on the above	-383,688	-1,066	-2.3
1.9 Design Development Risk Allowance-costs on the above	-282,011	-783	-1.7
2 Construction Risk Allowance-costs on the above	-291,881	-811	-1.8
2.1 Inflation			
		0	
Sub Total of Abnormals	-8,631,349	-51,685	-52
Rounded Construction Cost Excluding Abnormals	48,958,651	293,166	296

2. Elemental Summary

GIA (m2): 15,347

GIA (ft2): 165,194

CONSTRUCTION COST				
			£/sq ft GIA	Total (£)
0 Strip out/ Demolition	165,194 sqft	15	2,549,000	
	165,194 sqft	15	2,549,000	
1 Substructure	165,194 sqft	21	3,400,000	
2 Superstructure				
2.1 Frame	165,194 sqft	15	2,398,000	
2.2 Upper Floors	165,194 sqft	19	3,193,000	
2.3 Roof	165,194 sqft	11	1,783,000	
2.4 Stairs & Ramps	165,194 sqft	3	469,000	
2.5 External Walls	165,194 sqft	51	8,466,000	
2.6 Windows & External Doors	165,194 sqft		inc	
2.7 Internal Walls & Partitions	165,194 sqft	8	1,313,000	
2.8 Internal Doors	165,194 sqft	3	502,000	
3 Internal Finishes	165,194 sqft	8	1,381,000	
4 Fixtures and Fittings	165,194 sqft	12	1,983,000	
5 Services	165,194 sqft	43	7,174,000	
8 External Works	165,194 sqft	6	1,275,000	
Sub Total (Excluding Strip/ Demo)		165,194 sqft	202	33,337,000
Room Fit Out (Inc Cluster/ Ancillary)		165,194 sqft	53	8,758,000
Sub Total (Including all measured works)		165,194 sqft	270	44,644,000
9 Main Contractor's Preliminaries	16.0%	41	6,735,000	
10 Main Contractor's Overheads and Profit	5.0%	15	2,442,000	
Building Works Total			326	53,821,000
11 Design Development Risk Allowance	3.5%	11	1,884,000	
12 Construction Risk Allowance	3.5%	11	1,884,000	
TOTAL			349	57,589,000
13 Tender Inflation Estimate				Excluded
14 Construction Inflation Estimate				Excluded
Total Estimated Construction Cost			349	57,589,000
ESTIMATED ROUNDED CONSTRUCTION COST		£	349	57,589,000

3. DETAILED ESTIMATE**1 FACILITATING / DEMOLITION WORKS****0 Site Clearance & Demolition Generally**

.01 Site Clearance	S&C	2,000	m2	25	50,000	
.02 Allowance for strip out of existing building	S&C	1	item	100,000	100,000	
.03 Allowance for removal of Asbestos	S&C	1	item	50,000	50,000	
.04 Allowance for demolition of existing building	S&C	1	item	750,000	750,000	Includes breakout of slabs
.05 Façade Retention	S&C	2,221	m2	450	999,225	
.06 E/O Temporary Works	S&C	1	item	250,000	250,000	
.07 Prop and deck across the River	S&C	1	item	350,000	350,000	

Subtotal for FACILITATING / DEMOLITION WORKS

ft2 15 2,549,225

1 SUBSTRUCTURE

1 Excavation

.01	Allowance For Excavation To Formation Level & Disposal Off Site; assumed clean inert	S&C	1,016	m3	55	55,880	Assumes 1m deep
.02	Allowance for breaking out existing slabs: assumes circa 1m thick	S&C	1,016	m2		0	Included within demolition scope
.03	E/O for 15% Contaminated Material	S&C	152	m3	200	30,480	
.04	E/O for 5% Non Hazardous Material	S&C	51	m3	50	2,540	
.06	Temporary propping	S&C	1	item		0	Included above
.07	Allowance for removing obstructions	S&C	1	item	50,000	50,000	
.08	Allowance for dewatering	S&C	1	item	100,000	100,000	

2 Piling and Pile Caps

.01	Piling Mat & Removal - Assume 800mm thick	S&C	1,036	m2	80	82,880	
.02	Mobilisation of Rig	S&C	1	item	50,000	50,000	
.03	Piles - assume 750dia at 30m deep	S&C	230	nr	3,000	690,000	Assumes 4 piles per column
	Set up at each pile location	S&C	230	nr	150	34,500	
.04	Pile Caps	S&C	45	nr	10,000	450,000	
.05	Pile Cap to core	S&C	1	item	50,000	50,000	
.06	Testing to piles	S&C	1	item	25,000	25,000	
.07	Attendance on piles	S&C	8	weeks	11,500	88,167	

3 Ground Bearing Slab

.01	Reinforced Raft Slab; 250mm depth	S&C	1,016				
.02	E/O for Waterproof concrete slab	S&C	254	m3	190	48,260	Assumes slab repairs total reconstruction
.03	Reinforcement Bars - 200kg/m3	S&C	51	t	1,620	82,620	
.04	Blinding and DPM beneath slab	S&C	1,016	m2	15	15,240	
.05	Below Ground Drainage	S&C	1,016	m2	100	101,600	
.06	Extra over for forming lift pits	S&C	3	nr	7,500	22,500	

4 Reinforced concrete slabs - suspended slab

.01	<u>RC Slab - Assume 350mm thick:</u>	S&C	1,036	m2		
.02	Blinding beneath slab that sits outside of the basement	S&C	20	m2	55	1,100
.03	Reinforced Concrete ; C35/40	S&C	363	m3	190	68,894
.04	Formwork	S&C	1,036	m2	50	51,800
.05	Slab edge	S&C	133	m	25	3,325
.06	Reinforcement - 140kg/m3	S&C	51	ton	1,620	82,247
.07	Finish - tamped	S&C	1,036	m2	5	5,180

5 Allowance for reinforced concrete walls

.01	Allowance for core walls	S&C		m2		0	up to ground floor
.02	Concrete	S&C	125	m3	190	23,712	
.03	Formwork	S&C	832	m2	60	49,920	
.04	Rebar - 220kg/m3	S&C	27	t	1,620	44,479	
.05	Allowance for structural walls/columns	S&C	1	Item		Included	
.06	Columns to Basement	S&C	45	nr	1,000	45,000	
.07	Allowance for cavity walls	S&C	600	m2	100	60,000	Perimeter of current basement
.08	Allowance for steps in slabs	S&C	1	nr	15,000	15,000	
.05	Allowance for repairing the existing retaining walls	S&C	532	m2	355	188,860	

6 Sub-contractor's Preliminaries

.01	Sub-contractor's Preliminaries	S&C	15%	of	2,634,424	395,164
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7 Internal Walls

.01	Allowance for internal walls	S&C	1,016	m2	125	127,000
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8 Internal Doors

.01	Allowance for doors	S&C	1,016	m2	50	50,800
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9 Internal Finishes

Wall Finishes

.01	Allowance for various wall finishes	S&C	1,016	m2	35	35,560	
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Floor Finishes

.02	Allowance for floor finish - screed and painted floor (see other items for e/o finishes for gym etc.)	S&C	1,016	m2	35	35,560	
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Ceiling Finishes

.03	Allowance for dust sealant	S&C	1,016	m2	20	20,320	
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9 M&E

.01	Allowance for below ground drainage	S&C	1,016	m2	100	101,600	Excludes Pumping
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Subtotal for SUBSTRUCTURE

ft2 21 3,400,000

2 SUPERSTRUCTURE

1 Frame & Upper Floors
Reinforced Concrete Columns; Ground Floor

.01	Concrete Columns to Upper Floors	S&C	13,295	m2	30	398,850	
.02	S/C Prelims	S&C	15%		398,850	59,828	

Reinforced Concrete Walls (Ground - Level 33)
RC Wall; W1 - 300mm thick

.01	Reinforced Concrete; Assume C40/50	S&C	1,985	m3	190	377,084	average floor to floor 3.1m
.02	Formwork	S&C	13,231	m2	58	767,398	
.03	Reinforcement - Assume 135kg/m3	S&C	298	t	1,620	482,270	
.04	Sub-contractor's Preliminaries	S&C	15%	of	2,085,429	312,814	

3 Upper Floors
1 Reinforced concrete slabs

.01	<u>RC Slab - Assume 250mm thick; including roof</u>	S&C	13,231	m2			
.02	Reinforced Concrete ; C35/40	S&C	3,308	m3	190	628,473	
.03	Formwork	S&C	13,231	m2	60	793,860	
.04	Slab edge	S&C	4,125	m	25	103,125	
.05	Reinforcement - 140kg/m3	S&C	463	ton	1,620	750,198	
.06	Finish - tamped	S&C	13,231	m2	5	66,155	
.07	E/O Cantilver Slab - Level 5	S&C	1	item	500,000	500,000	
.08	Sub-contractor's Preliminaries	S&C	15%	of	2,341,810	351,272	

4 Roof

		S&C					
.01	Allowance for new roof structure and finishes	S&C	1,036	m2		0	
.02	New steel and timber roof to historic buildings	S&C	275	m2	400	110,000	
.03	Slate roof finish to historic roof	S&C	275	m2	400	110,000	
.04	Reinforced Concrete ; C35/40	S&C	190	m3	190	36,148	
.05	Formwork	S&C	761	m2	60	45,660	
.06	Reinforcement - 140kg/m3	S&C	27	t	1,620	43,149	
.07	Sub-contractor's Preliminaries	S&C	17.5%	of	344,956	60,367	

.08	Basic finishes to roof	S&C	761	m2	250	190,250
.09	E/O terrace at First and Second Floor	S&C	162	m2	200	32,400
.10	E/O Amenity Roof Space	S&C	229	m2	200	45,800
.11	Aluminium Parapet Capping; 400mm Wide with Drip	S&C	260	m	300	78,000
.12	Allowance for attenuation tanks at ground floor	S&C	1	item	75,000	75,000
.13	Roof Finishes - Paving slabs for plant	S&C	110	m2	100	11,000

Gutters / Rainwater Installation

.14	Gulleys, Gutters, Rainwater Installation	S&C	1	item	150,000	150,000
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Handrails, Balustrades & Safety Systems

.15	Allowance for handrail - level 27	S&C	186	m2	800	148,800	Assumed 3m high
.16	Allowance for man safe system	S&C	2	item	20,000	40,000	
.17	Allowance for Roof Access Hatch	S&C	1	item	10,000	10,000	
.18	Allowance for BMU	S&C	1	item	350,000	350,000	
.19	Lift Overruns	S&C	2	item	20,000	40,000	

Ecology

.20	Brown roof / Green Roof, say 30% of roof area	S&C	305	m2	150	45,720
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Roof Level Amenity - 'fit out'

.21	Level 3	S&C	62	m2	700	43,400
.22	Level 31	S&C	167	m2	700	116,900

5 Stairs & Ramps

.01	<u>Stairs</u>					
.02	Pre-Cast Concrete; Internal Escape Staircase; 1800mm Wide; Including Landings & Half Landings, Balustrade & Handrails.	S&C	58	flights	7,500	435,000
.03	Medium duty hard aluminium alloy stair tread nosings; plugged and screwed in concrete	S&C	1,378	m	25	34,452

6 External Walls, Windows & Doors
.01 External Walls

.02	Make good existing retained façade	S&C	2,221	m2	125	277,563	
.03	Connect retained façade to new façade and structure at levels 1, 2 and 3.	S&C	1	item	200,000	200,000	
.04	External façade; New façade to residential tower.	S&C	6,604	m2	1,100	7,264,400	
.05	New windows to retained façade	S&C	72	nr	1,750	126,000	Assumes DGU
.06	New windows - single glazed to retained façade which is external both sides	S&C	78	nr	1,250	97,500	
.07	Entrance Canopy	S&C	1	item	15,000	15,000	
.08	Louvres to Bin area	S&C	1	item	10,000	10,000	
.09	External building signage	S&C	1	item	75,000	75,000	

Balconies & External Walkways

.10	Allowance for balconies	S&C				Excluded	
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External Door

.11	Front Entrance doors	S&C	1	nr	25,000	25,000	Allowance
.12	Substation doors	S&C	1	nr	10,000	10,000	
.13	Service doors - double	S&C	1	nr	10,000	10,000	
.14	Service doors - single	S&C	1	nr	5,000	5,000	
.15	Service / cycle access 1.5dr	S&C	1	nr	5,000	5,000	
.16	Fire escape door	S&C	2	nr	3,000	6,000	
.17	Single doors to Cafe	S&C	4	nr	7,500	30,000	
.18	Double doors to Café	S&C	4	nr	12,500	50,000	
.19	Sliding doors to Residents lounge	S&C	81	m2	2,250	182,250	
.20	Sliding doors to private dining	S&C	30	m2	2,250	67,500	
.21	Doors to roof top amenity	S&C	1	nr	10,000	10,000	

7 Internal Walls & Doors

.01	Internal Walls						
.02	Internal Partitions; Varying Fire & Acoustic Ratings;	S&C	14,331	m2	80	1,146,480	
.03	Lining to internal face of external walls;					Included in apartment fit out	
.04	E/O for making good to inside face of external walls	S&C	2,221	m2	75	166,538	

Internal doors

.05	Riser and communal doors	S&C	14,331	m2	35	501,585	
.06	Solid Timber Internal Entrance Door sets; to rooms	S&C		nr	1,500	Included	See fitout model

Subtotal for SUPERSTRUCTURE
18,124,186
3 INTERNAL FINISHES

.01	<u>Finishes to Communal Space and BOH Areas</u>					
.02	<u>Wall Finishes to Communal Spaces</u>					
.03	Emulsion Paint; Quick Drying; 1 primer and 2 finishing coats.	S&C	3,984	m2	9	35,856
.04	<u>Floor Finishes to Communal Spaces</u>					
.05	Heavy duty vinyl to communal circulation areas	S&C	3,984	m2	45	179,280
.06	Sub floor (Screed)	S&C	15,347	m2	50	767,350
.07	<u>Ceiling Finishes to Communal Spaces</u>					
.08	Plasterboard and paint finish to communal circulation areas	S&C	3,984	m2	60	239,040
.09	<u>Resi</u>					
.10	<u>Wall Finishes to Communal Spaces</u>					
.11	Emulsion Paint; Quick Drying; 1 primer and 2 finishing coats.	S&C	3,984	m2	40	159,360

Subtotal for INTERNAL FINISHES

1,380,886

4 FIXTURES AND FITTINGS

<u>FF&E</u>							
.01	Post Boxes	S&C	167	nr	250	41,750	
<u>Signage</u>							
.02	Statutory	S&C	15,347	m2	3.5	53,715	
.03	Wayfinding	S&C	15,347	m2	5.0	76,735	
<u>Sundry Allowance</u>							
.04	General	S&C	167	nr	50	8,350	
<u>Amenity Space/ reception (Includes FF&E, finishes and MEP)</u>							
.05	Reception fitout	S&C	214	m2	1,000	214,000	Incl. reception, parcel room, welfare etc.
.06	Residents Lounge / Winter Garden	S&C	142	m2	1,145	162,590	
.07	Lounge	S&C	177	m2	1,145	202,665	
	Café / Bar				Excluded		Shell and core only
.08	Sundry allowances	S&C	1	item	30,000	30,000	
.09	E/O for reception control point	S&C	1	item	35,000	35,000	
.10	Café	S&C	1	item		Shell and core	
.11	Gallery	S&C	1	item		Shell and core	
.12	Sky Lounge	S&C	223	m2	1,645	366,177	
.13	First floor amenity space	S&C	161	m2	1,645	264,845	
<u>Basement fitout (Includes FF&E, finishes and MEP)</u>							
.13	Cycle Racks	S&C	167	nr	300	50,100	
.14	Multimedia Loung and Private Cinema	S&C	79	m2	750	59,250	
.15	Private dining	S&C	50	m2	1,500	75,000	
.16	Gym	S&C	158	m2	500	78,800	Excludes equipment
.17	Co-Working	S&C	214	m2	1,145	245,030	Excludes loose FF&E
.18	Cycle Store fitout	S&C	69	m2	200	13,800	
.19	BOH Laundry Fitout	S&C	24	m2	200	4,840	Excludes laundry equipment

Subtotal for FIXTURES AND FITTINGS
1,982,647
5 SERVICES

.01	<u>MEP</u>	S&C	15,347	m2	430	6,599,210
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.02	Lighting				
.03	Heating and Cooling				
.04	Power				
.05	Inactive IT				
.06	Drainage above ground				
.07	PV's				
.08	New Plant / Distribution etc.				
.09	Ventilation				
.10	Grey Water				
.11	Testing & commissioning				
.12	Services sub-contract preliminaries				
.13	Kitchen Extract for Café	S&C	m2		Excluded
Lifts					
.14	Passenger lifts, single entry (Basement to level 18,1.6m/s)	S&C	2	nr	250,000 500,000
.15	BOH / Goods Lifts -Basement to ground	S&C	1	nr	75,000 75,000
.16	EO lift car finishes	S&C	2	no.	10,000 n/a
.17	EO for lift landing finishes; by others	S&C			Excluded
.18	EO for beneficial use; included in M/C preliminaries	S&C			Excluded
.19	Subcontractor Prelims	S&C			Included

Subtotal for SERVICES

7,174,210

5 External Works and Utilities

.01 **External Works Allowance**

.02 Allowance for ground floor works to create new public square

.03	Hard landscaping	S&C	1	item	500,000	500,000	
.04	Soft Landscaping	S&C	1	item	100,000	100,000	
.05	Lighting	S&C	1	item	50,000	50,000	
.06	E/O feature entrance wall	S&C	1	item	75,000	75,000	

New incoming services

.07	New Electrical Supply	S&C	1	item	250,000	250,000	
.08	New Gas supply	S&C	1	item	75,000	75,000	Assumed by retail tenant - space provision only
.09	New Water and Sewage connections	S&C	1	item	150,000	150,000	
.10	BT and comms	S&C	1	item	75,000	75,000	Standard lift range uplift

Subtotal for External Works and Utilities

1,275,000

ESTIMATED ROUNDED CONSTRUCTION COST

35,886,580

4. DETAILED ESTIMATE - APARTMENT FIT OUT

1 APARTMENT FIT OUT

2 Apartment Fit Out

<u>Models</u>						
.01	1 Bed 1 Person	Fit Out	21	nr	36,000	756,000
.02	1 Bed 2 Person	Fit Out	35	nr	37,800	1,323,000
.03	2 Bed 3 Person	Fit Out	90	nr	55,800	5,022,000
.04	2 Bed 4 Person	Fit Out	21	nr	76,500	1,606,500
.05	E/O for duplex units	Fit Out	5	nr	10,000	50,000

Subtotal for APARTMENT FIT OUT**8,757,500**

ESTIMATED ROUNDED CONSTRUCTION COST**8,757,500**

6. ASSUMPTIONS & EXCLUSIONS

The following should be read in conjunction with the Executive Summary and are a list of key assumptions relating to the Cost Plan at Market Square, Nottingham. The following list is not exhaustive:

- 1 *The existing basement slab is fully demolished to dig new piles*
- 2 *The existing basement retaining wall is retained. An allowance has been included for works associated with this element. This will include enabling works, repair for example.*
- 3 *Strip Out and Demolition works undertaken as separate contract.*
- 4 *Assumes façade retention as indicated on the drawings*
- 5 *Allowance for Asbestos removal: 100k included*
- 6 *Substructure based on new piles. C 750 dia.*
- 7 *Assumes existing basement is increased in depth by 1m*
- 8 *Assumes no works to the river walls.*
- 9 *RC Frame to upper floors assumes 225- 250 thick slab*
- 10 *Assumes slab to slab height of 3.15m*
- 11 *The roof over the heritage / existing building is replaced with a steel and timber structure and covered in new slate tiles*
- 12 *Assumes existing retained façade is 'made good' both internally and externally.*
- 13 *Windows to the existing façade that face onto new terraces are assumed as single glazed.*
- 14 *New punched windows to retained façade forming external envelope assumed as DGU.*
- 15 *Cladding- Stick system brick and punched windows - with solid to glazing ratio of 60:40*
- 16 *Finishes have been aligned with the fitout model section in this report.*
- 17 *For a full list of allowances please refer to section 5*
- 18 *MEPH- includes for commercial sprinkler and wet riser to the taller part of the site. Excludes any*
- 19 *any mechanical vent or cooling with the rooms and clusters.*
- 20 *Roof – allowance for green roof included. Assumed there is either a buried attenuation tank or*
- 21 *Attenuation tanks at ground floor*
- 22 *Assumes a CAT B type fit out to the amenity space*
- 23 *An allowance for temporary propping has been included in this report: 250k*
- 24 *Bathroom to units assumes pods*
- 25 *Excludes loose FF&E including sofa's, screen to cinema space, gym equipment etc.*

The following should be read in conjunction with the Executive Summary and are a list of items not yet able to be included within this cost plan; however, we would like to discuss them further with yourselves and your advisors to determine whether some or all of the following can be included in the cost plan:

- | | |
|---|---|
| 1 Value Added Tax | 29 An allowance for Asbestos removal has been included for 100k |
| 2 Land acquisition costs and fees | 30 Fees, works or costs associated with abnormal ground conditions |
| 3 Client finance, legal or marketing costs | 31 Underpinning of adjoining structures |
| 4 Professional fees (e.g. design, PCSA, PM, surveys etc.) | 32 Works to the river walls |
| 5 Client Contingency (Design and Construction Contingency Included) | 33 Archaeological investigations and exploratory or resulting works |
| 6 Tender Inflation Estimate | 34 Services diversions |
| 7 Construction Inflation Estimate | 35 Furnishings and equipment for building operations / maintenance teams |
| 8 Planning and building regulation fees | 36 Environment agency requirements / constraints on working adjacent a waterway |
| 9 Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc. | 37 Cost associated with Network Rail surveys and monitoring |
| 10 Changes to current building regulations | 38 Increased design criteria for bomb protection |
| 11 Phasing of the works | 39 Enhancements to all lift cars finishes |
| 12 Project insurances | 40 IT hardware / active hubs |
| 13 Section 106 / 278 Contributions | 41 Connection to district heating system |
| 14 Community Infrastructure Levy Contributions or similar | 42 Power factor correction and harmonics |
| 15 Benefits arising from any potential Capital Allowances or other government incentives / grants | 43 Audio visual installations and equipment |
| 16 Currency and exchange rate fluctuations | 44 Highways works outside of the site boundary |
| 17 Vibration monitoring | 45 Transport interchange |
| 18 Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union | 46 AIP Fees |
| 19 Costs resulting from zero carbon requirements or offset charges | 47 Disposal of non-hazardous and hazardous material (e.g. asbestos, contaminated land) |
| 20 Statutory changes | 48 Landlords contributions |
| 21 Works outside of the site boundary except where specifically stated | 49 Road closures |
| 22 Public art installations or contributions | 50 Repairs or works to the adjacent properties including the Existing buildings on site. |
| 23 Works outside of normal working hours | 51 Utility upgrades or costs associated with existing network diversion or transformer relocation costs. |
| 24 Diversion of existing below ground services | 52 Winter Gardens |
| 25 Mock-ups, prototypes, off site benchmark and the like | |
| 26 CPO Costs | |
| 27 Tenant's costs or contributions | |
| 28 Loose fittings, furnishings and equipment and external furniture | |

7.AREA SCHEDULE

		Overall		Residential	Commercial	Amenity	Other
Floor Level		GIA (m2)	GIA (ft2)	NIA (m2)	NIA (m2)	NIA (m2)	GIA (m2)
-1	Basement	1,016	10,936		599		
0	Ground	1,036	11,151		685		
1	First	890	9,580	663			
2	Second	890	9,580	663			
3	Third	703	7,567	527			
4	Fourth	428	4,607	312			
5	Fifth	428	4,607	312			
6	Sixth	478	5,145	365			
7	Seventh	478	5,145	365			
8	Eighth	478	5,145	365			
9	Ninth	478	5,145	365			
10	Tenth	478	5,145	365			
11	Eleventh	478	5,145	365			
12	Twelfth	478	5,145	365			
13	Thirteenth	478	5,145	368			
14	Fourteenth	478	5,145	368			
15	Fifteenth	478	5,145	368			
16	Sixteenth	478	5,145	368			
17	Seventeenth	478	5,145	368			
18	Eighteenth	478	5,145	368			
19	Nineteenth	478	5,145	368			
20	Twenty	478	5,145	368			
21	Twenty One	478	5,145	368			
22	Twenty Two	478	5,145	368			
23	Twenty Three	478	5,145	368			
24	Twenty Four	478	5,145	368			
25	Twenty Five	326	3,509	218			
26	Twenty Six	326	3,509	244			
27	Twenty Seven	222	2,390			169	

Total		15,347	165,194	9,910	1,284	169	-
Room Type		No. of Units					
1B1P		21					
1B2P		35					
2B3P		90					
2B4P		21					
		167					

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The Hotspur Press, Manchester
Feasibility Cost Plan - Residential - Proposed

Ourmanner

03 August 2023

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- 1** Executive Summary
- 2** Elemental Cost Breakdown
- 3** Model
- 4** Fit Out Summary
- 5** Fit Out Models
- 6** Assumptions & Exclusions
- 7** Area Schedule

1. EXECUTIVE SUMMARY

This report provides an order of cost estimate for the works at The Former Hotspur Press Site in Manchester. This report includes allowances associated with the Strip Out, Demolition and facade retention of the Existing Building and works associated with the Public Realm. An allowance for CAT B fitout to the amenity spaces throughout the building have been included. A summary of these costs can be seen adjacent and also in Section 2 of this report.

Estimated construction costs have been prepared at current day (2Q 2023) prices. Allowances for Main Contractors Preliminaries (16%), OHP (5%), Design and Construction Risk.(3.5% & 3.5%) *(Future Inflation is excluded from this cost model)*

The total estimated Construction Cost includes for construction works only and excludes fees (including pre-construction services agreements), VAT, S106/S278, CIL payments, land acquisition, all developer direct costs, employer risk allowances and contributions.

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1.1 Headlines

CONSTRUCTION COST		Total (£)	£/ft² GIA	%
1	Construction Cost	53,935,000	269	77%
2	Main Contractor's Preliminaries	16.0% 8,222,000	41	12%
3	Main Contractor's OH&P	5.0% 2,980,000	15	4%
Building Works Total		65,137,000	324	93%
4	Design Development Risk Allowance	3.5% 2,280,000	11	3%
5	Construction Risk Allowance	3.5% 2,280,000	11	3%
Sub Total		69,697,000	347	100%
6	Tender Inflation Estimate	Excl	Excl	-
7	Construction Inflation Estimate	Excl	Excl	-
Total Estimated Construction Cost		69,697,000	347	100%

ESTIMATED ROUNDED CONSTRUCTION COST	£	69,700,000	347
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ESTIMATED ROUNDED CONSTRUCTION COST	£/Bed	309,778
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Abnormals

The adjacent items summarise some key abnormals associated with the site. This namely consists of those items related to the existing building and the works required to enable the existing asset.

** The items identified above are included here as abnormals as they may not be included in other benchmark data when comparing overall construction cost or £/ft2 metrics.

	Total Cost	£/Bed	£/ft2
Cost Plan (as Executive Summary)	69,700,000	309,778	347
0.1 Strip Out (allowance only) **- cost plan allowance omitted	-100,000	-278	-0.5
0.2 Removal of Asbestos- cost plan allowance omitted	-50,000	-139	-0.2
0.3 Demolition of Existing Building **- cost plan allowance omitted	-750,000	-2,083	-3.7
0.4 Façade Retention to be omitted. Abnormal omitted in entirety.	-999,225	-2,776	-5.0
0.5 Temporary works : façade retention system omitted.	-250,000	-694	-1.2
0.6 Temporary works: Prop deck across river. Assumes access achieved roadside	-350,000	-972	-1.7
0.7 Removal of obstructions (risk allowance omitted)	-50,000	-139	-0.2
Deep Piles required for tall building- E.O for high rise enhancements- reduced to 15m piles from 30m	-345,000	-958	-1.7
0.9 Repair of existing retaining walls. Any repair of existing retaining wall is abnormal	-188,860	-525	-0.9
1 E/O finishes + fitout for Amenity to roof space. Revert to standard finishes	-41,000	-114	-0.2
1.1 Davit system in lieu of BMU and track	-300,000	-833	-1.5
1.2 Omission of ecology allowances (green roofs etc)	-45,405	-126	-0.2
1.2 Make good existing retained façade: assumed no making good necessary. Connect retained façade to new façade and structure at levels 1, 2 and 3. Assumes connection not required.	-277,563	-771	-1.4
1.3 Façade rate- E.O for high rise enhancements (£1,100 to 850/m2). Costs saving shown shows abnormality of cost associate with high rise construction. (target rainscreen façade : £850/m2)	-200,000	-556	-1.0
1.4 Standard doors in lieu of enhanced doors to riverside lounges. Omits sliding doors	-2,560,638	-7,113	-12.8
1.5 Allowances for public realm landscaping including feature external wall. Excludes all works/ allowance to public realm	-230,000	-639	-1.1
1.6 Main Contractor's Preliminaries costs on the above	-725,000	-2,014	-3.6
1.7 Main Contractor's Overheads and Profit-costs on the above	-1,194,030	-3,317	-5.9
1.8 Design Development Risk Allowance-costs on the above	-432,836	-1,202	-2.2
1.9 Construction Risk Allowance-costs on the above	-318,134	-884	-1.6
2 Inflation	-329,269	-915	-1.6
2.1			
		0	
Sub Total of Abnormals	-9,736,960	-43,275	-48
Rounded Construction Cost Excluding Abnormals	59,963,040	266,502	299

2. Elemental Summary

GIA (m2): 18,653

GIA (ft2): 200,779

CONSTRUCTION COST				
			£/sq ft GIA	Total (£)
0 Strip out/ Demolition	200,779 sqft	13	2,549,000	
	200,779 sqft	13	2,549,000	
1 Substructure	200,779 sqft	17	3,394,000	
2 Superstructure				
2.1 Frame	200,779 sqft	14	2,754,000	
2.2 Upper Floors	200,779 sqft	17	3,337,000	
2.3 Roof	200,779 sqft	8	1,593,000	
2.4 Stairs & Ramps	200,779 sqft	3	542,000	
2.5 External Walls	200,779 sqft	62	12,444,000	
2.6 Windows & External Doors	200,779 sqft		inc	
2.7 Internal Walls & Partitions	200,779 sqft	8	1,554,000	
2.8 Internal Doors	200,779 sqft	3	618,000	
3 Internal Finishes	200,779 sqft	8	1,625,000	
4 Fixtures and Fittings	200,779 sqft	9	1,855,000	
5 Services	200,779 sqft	43	8,646,000	
8 External Works	200,779 sqft	6	1,275,000	
Sub Total (Excluding Strip/ Demo)		200,779 sqft	197	39,637,000
Room Fit Out (Inc Cluster/ Ancillary)		200,779 sqft	59	11,749,000
Sub Total (Including all measured works)		200,779 sqft	269	53,935,000
9 Main Contractor's Preliminaries	16.0%	41	8,222,000	
10 Main Contractor's Overheads and Profit	5.0%	15	2,980,000	
Building Works Total			324	65,137,000
11 Design Development Risk Allowance	3.5%	11	2,280,000	
12 Construction Risk Allowance	3.5%	11	2,280,000	
TOTAL			347	69,697,000
13 Tender Inflation Estimate				Excluded
14 Construction Inflation Estimate				Excluded
Total Estimated Construction Cost			347	69,697,000
ESTIMATED ROUNDED CONSTRUCTION COST		£	347	69,697,000

3. DETAILED ESTIMATE**1 FACILITATING / DEMOLITION WORKS****0 Site Clearance & Demolition Generally**

.01 Site Clearance	S&C	2,000	m2	25	50,000	
.02 Allowance for strip out of existing building	S&C	1	item	100,000	100,000	
.03 Allowance for removal of Asbestos	S&C	1	item	50,000	50,000	
.04 Allowance for demolition of existing building	S&C	1	item	750,000	750,000	Includes breakout of slabs
.05 Façade Retention	S&C	2,221	m2	450	999,225	
.06 E/O Temporary Works	S&C	1	item	250,000	250,000	
.07 Prop and deck across the River	S&C	1	item	350,000	350,000	

Subtotal for FACILITATING / DEMOLITION WORKS

ft2 13 2,549,225

1 SUBSTRUCTURE

1 Excavation

.01	Allowance For Excavation To Formation Level & Disposal Off Site; assumed clean inert	S&C	1,009	m3	55	55,495	Assumes 1m deep
.02	Allowance for breaking out existing slabs: assumes circa 1m thick	S&C	1,009	m2		0	Included within demolition scope
.03	E/O for 15% Contaminated Material	S&C	151	m3	200	30,270	
.04	E/O for 5% Non Hazardous Material	S&C	50	m3	50	2,523	
.06	Temporary propping	S&C	1	item		0	Included above
.07	Allowance for removing obstructions	S&C	1	item	50,000	50,000	
.08	Allowance for dewatering	S&C	1	item	100,000	100,000	

2 Piling and Pile Caps

.01	Piling Mat & Removal - Assume 800mm thick	S&C	1,036	m2	80	82,880	
.02	Mobilisation of Rig	S&C	1	item	50,000	50,000	
.03	Piles - assume 750dia at 30m deep	S&C	230	nr	3,000	690,000	Assumes 4 piles per column
	Set up at each pile location	S&C	230	nr	150	34,500	
.04	Pile Caps	S&C	45	nr	10,000	450,000	
.05	Pile Cap to core	S&C	1	item	50,000	50,000	
.06	Testing to piles	S&C	1	item	25,000	25,000	
.07	Attendance on piles	S&C	8	weeks	11,500	88,167	

3 Ground Bearing Slab

.01	Reinforced Raft Slab; 250mm depth	S&C	1,009				
.02	E/O for Waterproof concrete slab	S&C	252	m3	190	47,880	Assumes slab repairs total reconstruction
.03	Reinforcement Bars - 200kg/m3	S&C	50	t	1,620	81,000	
.04	Blinding and DPM beneath slab	S&C	1,009	m2	15	15,135	
.05	Below Ground Drainage	S&C	1,009	m2	100	100,900	
.06	Extra over for forming lift pits	S&C	3	nr	7,500	22,500	

4 Reinforced concrete slabs - suspended slab

.01	<u>RC Slab - Assume 350mm thick:</u>	S&C	1,036	m2		
.02	Blinding beneath slab that sits outside of the basement	S&C	27	m2	55	1,485
.03	Reinforced Concrete ; C35/40	S&C	363	m3	190	68,894
.04	Formwork	S&C	1,036	m2	50	51,800
.05	Slab edge	S&C	133	m	25	3,325
.06	Reinforcement - 140kg/m3	S&C	51	ton	1,620	82,247
.07	Finish - tamped	S&C	1,036	m2	5	5,180

5 Allowance for reinforced concrete walls

.01	Allowance for core walls	S&C		m2		0	up to ground floor
.02	Concrete	S&C	125	m3	190	23,712	
.03	Formwork	S&C	832	m2	60	49,920	
.04	Rebar - 220kg/m3	S&C	27	t	1,620	44,479	
.05	Allowance for structural walls/columns	S&C	1	Item		Included	
.06	Columns to Basement	S&C	45	nr	1,000	45,000	
.07	Allowance for cavity walls	S&C	600	m2	100	60,000	Perimeter of current basement
.08	Allowance for steps in slabs	S&C	1	nr	15,000	15,000	
.05	Allowance for repairing the existing retaining walls	S&C	532	m2	355	188,860	

6 Sub-contractor's Preliminaries

.01	Sub-contractor's Preliminaries	S&C	15%	of	2,631,271	394,691
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7 Internal Walls

.01	Allowance for internal walls	S&C	1,009	m2	125	126,125
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8 Internal Doors

.01	Allowance for doors	S&C	1,009	m2	50	50,450
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9 Internal Finishes

Wall Finishes

.01	Allowance for various wall finishes	S&C	1,009	m2	35	35,315
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Floor Finishes

.02	Allowance for floor finish - screed and painted floor (see other items for e/o finishes for gym etc.)	S&C	1,009	m2	35	35,315
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Ceiling Finishes

.03	Allowance for dust sealant	S&C	1,009	m2	20	20,180
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9 M&E

.01	Allowance for below ground drainage	S&C	1,009	m2	100	100,900	Excludes Pumping
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Subtotal for SUBSTRUCTURE

ft2 17 **3,394,000**

2 SUPERSTRUCTURE

1 Frame & Upper Floors
Reinforced Concrete Columns; Ground Floor

.01	Concrete Columns to Upper Floors	S&C	17,644	m2	30	529,320
.02	S/C Prelims	S&C	15%		529,320	79,398

Reinforced Concrete Walls (Ground - Level 33)
RC Wall; W1 - 300mm thick

.01	Reinforced Concrete; Assume C40/50	S&C	2,179	m3	190	414,002	average floor to floor 3.1m
.02	Formwork	S&C	14,526	m2	58	842,531	
.03	Reinforcement - Assume 135kg/m3	S&C	327	t	1,620	529,487	
.04	Sub-contractor's Preliminaries	S&C	15%	of	2,394,739	359,211	

3 Upper Floors
1 Reinforced concrete slabs

.01	<u>RC Slab - Assume 250mm thick; including roof</u>	S&C	16,608	m2		
.02	Reinforced Concrete ; C35/40	S&C	4,152	m3	190	788,880
.03	Formwork	S&C	16,608	m2	60	996,480
.04	Slab edge	S&C	3,683	m	25	92,070
.05	Reinforcement - 140kg/m3	S&C	581	ton	1,620	941,674
.06	Finish - tamped	S&C	16,608	m2	5	83,040
.07	E/O Cantilver Slab - Level 5	S&C	1	item	0	0
.08	Sub-contractor's Preliminaries	S&C	15%	of	2,902,144	435,322

4 Roof

		S&C				
.01	Allowance for new roof structure and finishes	S&C	1,036	m2		0
.02	New steel and timber roof to historic buildings	S&C	386	m2	400	154,400
.03	Slate roof finish to historic roof	S&C	386	m2	400	154,400
.04	Reinforced Concrete ; C35/40	S&C	163	m3	190	30,875
.05	Formwork	S&C	650	m2	60	39,000
.06	Reinforcement - 140kg/m3	S&C	23	t	1,620	36,855
.07	Sub-contractor's Preliminaries	S&C	17.5%	of	415,530	72,718

.08	Basic finishes to roof	S&C	650	m2	250	162,500
.09	E/O terrace at First and Second Floor	S&C		m2	200	0
.10	E/O Amenity Roof Space	S&C	205	m2	200	41,000
.11	Aluminium Parapet Capping; 400mm Wide with Drip	S&C	45	m	300	13,500
.12	Allowance for attenuation tanks at ground floor	S&C	1	item	75,000	75,000
.13	Roof Finishes - Paving slabs for plant	S&C	110	m2	100	11,000

Gutters / Rainwater Installation

.14	Gulleys, Gutters, Rainwater Installation	S&C	1	item	150,000	150,000
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Handrails, Balustrades & Safety Systems

.15	Allowance for handrail - level 31	S&C	45	m	500	22,500
.16	Allowance for man safe system	S&C	2	item	20,000	40,000
.17	Allowance for Roof Access Hatch	S&C	1	item	10,000	10,000
.18	Allowance for BMU	S&C	1	item	350,000	350,000
.19	Lift Overruns	S&C	2	item	20,000	40,000

Ecology

.20	Brown roof / Green Roof, say 30% of roof area	S&C	303	m2	150	45,405
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Roof Level Amenity - 'fit out'

.21	number not used	S&C		m2	700	0
.22	Level 31	S&C	205	m2	700	143,500

5 Stairs & Ramps

.01	<u>Stairs</u>					
.02	Pre-Cast Concrete; Internal Escape Staircase; 1800mm Wide; Including Landings & Half Landings, Balustrade & Handrails.	S&C	67	flights	7,500	502,500
.03	Medium duty hard aluminium alloy stair tread nosings; plugged and screwed in concrete	S&C	1,592	m	25	39,798

6 External Walls, Windows & Doors

External Walls

.02	Make good existing retained façade	S&C	2,221	m2	125	277,563	
.03	Connect retained façade to new façade and structure at levels 1, 2 and 3.	S&C	1	item	200,000	200,000	
.04	External façade; New façade to residential tower.	S&C	10,243	m2	1,100	11,266,805	
.05	New windows to retained façade	S&C	72	nr	1,750	126,000	Assumes DGU
.06	New windows - single glazed to retained façade which is external both sides	S&C	78	nr	1,250	97,500	
.07	Entrance Canopy	S&C	1	item	15,000	15,000	
.08	Louvres to Bin area	S&C	1	item	10,000	10,000	
.09	External building signage	S&C	1	item	75,000	75,000	

Balconies & External Walkways

.10	Allowance for balconies	S&C				Excluded	
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External Door

.11	Front Entrance doors	S&C	1	nr	25,000	25,000	Allowance
.12	Substation doors	S&C	1	nr	10,000	10,000	
.13	Service doors - double	S&C	1	nr	10,000	10,000	
.14	Service doors - single	S&C	1	nr	5,000	5,000	
.15	Service / cycle access 1.5dr	S&C	1	nr	5,000	5,000	
.16	Fire escape door	S&C	2	nr	3,000	6,000	
.17	Single doors to Cafe	S&C	4	nr	7,500	30,000	
.18	Double doors to Café	S&C	4	nr	12,500	50,000	
.19	Sliding doors to Residents lounge	S&C	100	m2	2,250	225,000	
.20	Sliding doors to private dining	S&C		m2	2,250	0	
.21	Doors to roof top amenity	S&C	1	nr	10,000	10,000	

7 Internal Walls & Doors

.01	Internal Walls						
.02	Internal Partitions; Varying Fire & Acoustic Ratings;	S&C	17,344	m2	80	1,387,520	
.03	Lining to internal face of external walls;					Included in apartment fit out	
.04	E/O for making good to inside face of external walls	S&C	2,221	m2	75	166,538	

Internal doors

.05	Riser and communal doors	S&C	17,644	m2	35	617,540	
.06	Solid Timber Internal Entrance Door sets; to rooms	S&C		nr	1,500	Included	See fitout model

Subtotal for SUPERSTRUCTURE
22,841,831
3 INTERNAL FINISHES

.01	<u>Finishes to Communal Space and BOH Areas</u>					
.02	<u>Wall Finishes to Communal Spaces</u>					
.03	Emulsion Paint; Quick Drying; 1 primer and 2 finishing coats.	S&C	4,497	m2	9	40,473
.04	<u>Floor Finishes to Communal Spaces</u>					
.05	Heavy duty vinyl to communal circulation areas	S&C	4,497	m2	45	202,365
.06	Sub floor (Screed)	S&C	18,653	m2	50	932,650
.07	<u>Ceiling Finishes to Communal Spaces</u>					
.08	Plasterboard and paint finish to communal circulation areas	S&C	4,497	m2	60	269,820
.09	<u>Resi</u>					
.10	<u>Wall Finishes to Communal Spaces</u>					
.11	Emulsion Paint; Quick Drying; 1 primer and 2 finishing coats.	S&C	4,497	m2	40	179,880

Subtotal for INTERNAL FINISHES

1,625,188

4 FIXTURES AND FITTINGS

<u>FF&E</u>							
.01	Post Boxes	S&C	225	nr	250	56,250	
<u>Signage</u>							
.02	Statutory	S&C	18,653	m2	3.5	65,286	
.03	Wayfinding	S&C	18,653	m2	5.0	93,265	
<u>Sundry Allowance</u>							
.04	General	S&C	225	nr	50	11,250	
<u>Amenity Space/ reception (Includes FF&E, finishes and MEP)</u>							
.05	Reception fitout	S&C	174	m2	1,000	173,800	Incl. reception, parcel room, welfare etc.
.06	Residents Lounge / Winter Garden	S&C	205	m2	1,145	234,725	
.07	Lounge	S&C	213	m2	1,145	243,885	
.08	Café / Bar		165	m2	Excluded		Shell and core only
.09	Sundry allowances	S&C	1	item	30,000	30,000	
.10	E/O for reception control point	S&C	1	item	35,000	35,000	
.11	Café	S&C	1	item		Shell and core	
.12	Gallery	S&C	1	item		Shell and core	
.13	Sky Lounge incl. store	S&C	168	m2	1,645	276,360	
.14	Roof amenity and private dining Kitchen	S&C	53	m2	1,645	86,527	
<u>Basement fitout (Includes FF&E, finishes and MEP)</u>							
.14	Cycle Racks	S&C	225	nr	300	67,500	
.15	Private Cinema	S&C	126	m2	750	94,350	
.16	Private dining	S&C		m2	1,500	0	
.17	Gym	S&C	173	m2	500	86,500	Excludes equipment
.18	Co-Working	S&C	168	m2	1,145	192,704	Excludes loose FF&E
.19	Cycle Store fitout	S&C	40	m2	200	8,000	
.20	Toilet Shower Change areas	S&C	1	item	100,000	100,000	Excludes loose FF&E

Subtotal for FIXTURES AND FITTINGS
1,855,401
5 SERVICES

.01	<u>MEP</u>	S&C	18,653	m2	430	8,020,790
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.02	Lighting				
.03	Heating and Cooling				
.04	Power				
.05	Inactive IT				
.06	Drainage above ground				
.07	PV's				
.08	New Plant / Distribution etc.				
.09	Ventilation				
.10	Grey Water				
.11	Testing & commissioning				
.12	Services sub-contract preliminaries				
.13	Kitchen Extract for Café	S&C	m2		Excluded
Lifts					
.14	Passenger lifts, single entry (Basement to level 18,1.6m/s)	S&C	2	nr	275,000 550,000
.15	BOH / Goods Lifts -Basement to ground	S&C	1	nr	75,000 75,000
.16	EO lift car finishes	S&C	2	no.	10,000 n/a
.17	EO for lift landing finishes; by others	S&C			Excluded
.18	EO for beneficial use; included in M/C preliminaries	S&C			Excluded
.19	Subcontractor Prelims	S&C			Included

Subtotal for SERVICES

8,645,790

5 External Works and Utilities

.01 **External Works Allowance**

.02 Allowance for ground floor works to create new public square

.03	Hard landscaping	S&C	1	item	500,000	500,000	
.04	Soft Landscaping	S&C	1	item	100,000	100,000	
.05	Lighting	S&C	1	item	50,000	50,000	
.06	E/O feature entrance wall	S&C	1	item	75,000	75,000	

New incoming services

.07	New Electrical Supply	S&C	1	item	250,000	250,000	
.08	New Gas supply	S&C	1	item	75,000	75,000	Assumed by retail tenant - space provision only
.09	New Water and Sewage connections	S&C	1	item	150,000	150,000	
.10	BT and comms	S&C	1	item	75,000	75,000	Standard lift range uplift

Subtotal for External Works and Utilities

1,275,000

ESTIMATED ROUNDED CONSTRUCTION COST

42,186,682

4. DETAILED ESTIMATE - APARTMENT FIT OUT

1 APARTMENT FIT OUT

2 Apartment Fit Out

<u>Models</u>						
.01	1 Bed 1 Person	Fit Out	3	nr	34,225	102,675
.02	1 Bed 2 Person	Fit Out	74	nr	45,000	3,330,000
.03	2 Bed 3 Person	Fit Out	140	nr	55,800	7,812,000
.04	2 Bed 4 Person	Fit Out	8	nr	63,000	504,000

Subtotal for APARTMENT FIT OUT**11,748,675**

ESTIMATED ROUNDED CONSTRUCTION COST**11,748,675**

6. ASSUMPTIONS & EXCLUSIONS

The following should be read in conjunction with the Executive Summary and are a list of key assumptions relating to the Cost Plan at Market Square, Nottingham. The following list is not exhaustive:

- 1 *The existing basement slab is fully demolished to dig new piles*
- 2 *The existing basement retaining wall is retained. An allowance has been included for works associated with this element. This will include enabling works, repair for example.*
- 3 *Strip Out and Demolition works undertaken as separate contract.*
- 4 *Assumes façade retention as indicated on the drawings*
- 5 *Allowance for Asbestos removal: 100k included*
- 6 *Substructure based on new piles. C 750 dia.*
- 7 *Assumes existing basement is increased in depth by 1m*
- 8 *Assumes no works to the river walls.*
- 9 *RC Frame to upper floors assumes 225- 250 thick slab*
- 10 *Assumes slab to slab height of 3.15m*
- 11 *The roof over the heritage / existing building is replaced with a steel and timber structure and covered in new slate tiles*
- 12 *Assumes existing retained façade is 'made good' both internally and externally.*
- 13 *Windows to the existing façade that face onto new terraces are assumed as single glazed.*
- 14 *New punched windows to retained façade forming external envelope assumed as DGU.*
- 15 *Cladding- Stick system brick and punched windows - with solid to glazing ratio of 60:40*
- 16 *Finishes have been aligned with the fitout model section in this report.*
- 17 *For a full list of allowances please refer to section 5*
- 18 *MEPH- includes for commercial sprinkler and wet riser to the taller part of the site. Excludes any*
- 19 *any mechanical vent or cooling with the rooms and clusters.*
- 20 *Roof – allowance for green roof included. Assumed there is either a buried attenuation tank or*
- 21 *Attenuation tanks at ground floor*
- 22 *Assumes a CAT B type fit out to the amenity space*
- 23 *An allowance for temporary propping has been included in this report: 250k*
- 24 *Bathroom to units assumes pods*
- 25 *Excludes loose FF&E including sofa's, screen to cinema space, gym equipment etc.*

The following should be read in conjunction with the Executive Summary and are a list of items not yet able to be included within this cost plan; however, we would like to discuss them further with yourselves and your advisors to determine whether some or all of the following can be included in the cost plan:

- | | |
|---|---|
| 1 Value Added Tax | 29 An allowance for Asbestos removal has been included for 100k |
| 2 Land acquisition costs and fees | 30 Fees, works or costs associated with abnormal ground conditions |
| 3 Client finance, legal or marketing costs | 31 Underpinning of adjoining structures |
| 4 Professional fees (e.g. design, PCSA, PM, surveys etc.) | 32 Works to the river walls |
| 5 Client Contingency (Design and Construction Contingency Included) | 33 Archaeological investigations and exploratory or resulting works |
| 6 Tender Inflation Estimate | 34 Services diversions |
| 7 Construction Inflation Estimate | 35 Furnishings and equipment for building operations / maintenance teams |
| 8 Planning and building regulation fees | 36 Environment agency requirements / constraints on working adjacent a waterway |
| 9 Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc. | 37 Cost associated with Network Rail surveys and monitoring |
| 10 Changes to current building regulations | 38 Increased design criteria for bomb protection |
| 11 Phasing of the works | 39 Enhancements to all lift cars finishes |
| 12 Project insurances | 40 IT hardware / active hubs |
| 13 Section 106 / 278 Contributions | 41 Connection to district heating system |
| 14 Community Infrastructure Levy Contributions or similar | 42 Power factor correction and harmonics |
| 15 Benefits arising from any potential Capital Allowances or other government incentives / grants | 43 Audio visual installations and equipment |
| 16 Currency and exchange rate fluctuations | 44 Highways works outside of the site boundary |
| 17 Vibration monitoring | 45 Transport interchange |
| 18 Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union | 46 AIP Fees |
| 19 Costs resulting from zero carbon requirements or offset charges | 47 Disposal of non-hazardous and hazardous material (e.g. asbestos, contaminated land) |
| 20 Statutory changes | 48 Landlords contributions |
| 21 Works outside of the site boundary except where specifically stated | 49 Road closures |
| 22 Public art installations or contributions | 50 Repairs or works to the adjacent properties including the Existing buildings on site. |
| 23 Works outside of normal working hours | 51 Utility upgrades or costs associated with existing network diversion or transformer relocation costs. |
| 24 Diversion of existing below ground services | 52 Winter Gardens |
| 25 Mock-ups, prototypes, off site benchmark and the like | |
| 26 CPO Costs | |
| 27 Tenant's costs or contributions | |
| 28 Loose fittings, furnishings and equipment and external furniture | |

7.AREA SCHEDULE

		Overall		Residential	Commercial	Amenity	Other
Floor Level		GIA (m2)	GIA (ft2)	NIA (m2)	NIA (m2)	NIA (m2)	GIA (m2)
-1	Basement	1,009	10,861		563		
0	Ground	1,036	11,151		710		
1	First	891	9,591	682			
2	Second	891	9,591	682			
3	Third	891	9,591	682			
4	Fourth	505	5,436	390			
5	Fifth	505	5,436	390			
6	Sixth	505	5,436	390			
7	Seventh	505	5,436	390			
8	Eighth	505	5,436	390			
9	Ninth	505	5,436	390			
10	Tenth	505	5,436	390			
11	Eleventh	505	5,436	390			
12	Twelfth	505	5,436	395			
13	Thirteenth	505	5,436	395			
14	Fourteenth	505	5,436	395			
15	Fifteenth	505	5,436	395			
16	Sixteenth	505	5,436	395			
17	Seventeenth	505	5,436	395			
18	Eighteenth	505	5,436	395			
19	Nineteenth	505	5,436	395			
20	Twenty	505	5,436	395			
21	Twenty One	505	5,436	395			
22	Twenty Two	505	5,436	395			
23	Twenty Three	505	5,436	395			
24	Twenty Four	505	5,436	395			
25	Twenty Five	505	5,436	395			
26	Twenty Six	505	5,436	395			
27	Twenty Seven	505	5,436	395			
28	Twenty Eight	505	5,436	395			
29	Twenty Nine	505	5,436	395			
30	Thirty	505	5,436	395			
31	Thirty One	300	3,229			212	
Total		18,653	200,779	12,671	1,273	212	-
Room Type		No. of Units					
1B1P		3					
1B2P		74					
2B3P		140					
2B4P		8					
		225					

GARDINER & THEOBALD LLP

Independent Construction and Property Consultancy

10 South Crescent, London, WC1E 7BD

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APPENDIX B

ACM ADJUSTED G&T INDICATIVE ORDER OF COST ESTIMATE

RESIDENTIAL CONSENTED

GIFA 15,347 m²
GIFA 165,194 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
0 Strip Out / Demolition	£ 2,549,000		£ 166.09	£ 15.43	4%	Asbestos allowance appears light at £50,000. However, difficult to assess without understanding the extent. In the context of the available information, allowances in this section appear reasonable.	2,549,000	+0	166.09	15.43
Total Strip Out / Demolition		£ 2,549,000	£ 166.09	£ 15.43	4%		2,549,000	+0	166.09	15.43
1 SUBSTRUCTURE	£ 3,400,000		£ 221.54	£ 20.58	6%	Pile cap rate appears high at £10k per pile cap. However, considered in the context of 30m deep piles, suggest this allowance is sensible. Reinforcement rate at £1,620 / t appears light. We would suggest minimum £1,850 / t. Difference = +£230 / t. Total tonnage = 129 t. Total adjustment = +£29,670. Difference considered negligible so no adjustment made. Internal walls, doors, finishes and drainage are priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made for walls and doors to be at the higher end of the expected range.	3,400,000	+0	221.54	20.58
Total Substructure		£ 3,400,000	£ 221.54	£ 20.58	6%		3,400,000	+0	221.54	20.58
2 SUPERSTRUCTURE										
2A Frame	£ 2,398,000		£ 156.25	£ 14.52	4%	See below item. Total cost of frame from GF to roof structure = £5,591,000 / 14,331m2 (GIFA less basement) = £390/m2. ACM consider in light of recent tender returns that a rate of £410-420/m2 is more appropriate for an approximate floor to floor height of 3.1m. Based on £415/m2 - £390 = +£25 / m2 x 14,331m2 = +£358,275. Plus £500,000 provisional allowance for cantilever noted at 5th floor.	2,398,000	+0	156.25	14.52
2B Upper Floors	£ 3,193,000		£ 208.05	£ 19.33	6%		4,051,275	+858,275	263.98	24.52
2C Roof	£ 1,783,000		£ 116.18	£ 10.79	3%	Allowances appear reasonable.	1,783,000	+0	116.18	10.79
2D Stairs	£ 469,000		£ 30.56	£ 2.84	1%	Allowances appear reasonable.	469,000	+0	30.56	2.84
2E External Walls	£ 8,466,000		£ 551.64	£ 51.25	15%	Key item within this element is the allowance for the new façade. The allowance made is £1,100/m2 which ACM consider to be a sensible allowance.	8,466,000	+0	551.64	51.25
2F External Windows and Doors	£ 0		£ 0.00	£ 0.00	0%	See above item.	0	+0	0.00	0.00
2G Internal Walls and Partitions	£ 1,313,000		£ 85.55	£ 7.95	2%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	1,313,000	+0	85.55	7.95
2H Internal Doors	£ 502,000		£ 32.71	£ 3.04	1%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	502,000	+0	32.71	3.04
Total Superstructure		£ 18,124,000	£ 1,180.95	£ 109.71	31%		18,982,275	+858,275	1,236.87	114.91

RESIDENTIAL CONSENTED

GIFA 15,347 m²
GIFA 165,194 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
3 3A FINISHES Wall Finishes	£ 1,381,000		£ 89.99	£ 8.36	2%	There is an allowance included for a 'screed' at £50/m2 to the GIFA. This is not something that we would consider necessary to a concrete frame. There is usually a requirement for a latex levelling screed/dpm - we would expect the rate for this to be around £10-15/m2. Based on £12.50/m2 - £50 = (£37.50) / m2 x 15,347m2 = (£575,512.50). <u>Allowances for wall finishes appears to be duplicated (item .03 and item .11). Note - no adjustment made as it is unclear as to where allowances are applicable.</u>	805,488	(575,513)	52.49	4.88
3B Floor Finishes	£ 0		£ 0.00	£ 0.00	0%	See above item.		+0	0.00	0.00
3C Ceiling Finishes	£ 0		£ 0.00	£ 0.00	0%	See above item.		+0	0.00	0.00
Total Finishes		£ 1,381,000	£ 89.99	£ 8.36	2%		805,488	(575,513)	52.49	4.88
4 FITTINGS AND FURNISHINGS	£ 1,983,000		£ 129.21	£ 12.00	3%	Allowances appear reasonable.	1,983,000	+0	129.21	12.00
Total Fittings and Furnishings		£ 1,983,000	£ 129.21	£ 12.00	3%		1,983,000	+0	129.21	12.00
5 SERVICES										
5.1 Mechanical & Electrical Services	£ 7,174,000		£ 467.45	£ 43.43	12%	Refer to item 7.	7,174,000	+0	467.45	43.43
5.2 Lift and Conveyor Installations	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
5.3 Special Installations	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
5.4 Builder's Work in Connection	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
Total Services		£ 7,174,000	£ 467.45	£ 43.43	12%		7,174,000	+0	467.45	43.43
BUILDING SUB-TOTAL		£ 34,611,000	£ 2,255.23	£ 209.52	60%		34,893,763	+282,763	2,273.65	211.23
6 EXTERNAL WORKS										
6A External Works	£ 1,275,000		£ 83.08	£ 7.72	2%	Allowances appear reasonable.	1,275,000	+0	83.08	7.72
6B Site Wide Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6C External Services	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6E External Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6D Minor Building Works	£ 0		£ 0.00	£ 0.00	0%					
Total External Works		£ 1,275,000	£ 83.08	£ 7.72	2%		1,275,000	+0	83.08	7.72

RESIDENTIAL CONSENTED

GIFA 15,347 m²
GIFA 165,194 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
7 Room Fit Out	£ 8,758,000		£ 570.67	£ 53.02	15%	M&E inc BWIC allowances as follows: 1 bed 1 person = £15,070 x 21 = £316,470 1 bed 2 person = £16,130 x 35 = £564,550 2 bed 3 person = £20,695 x 90 = £1,862,550 2 bed 4 person = £27,346 x 21 = £574,266 Total = £3,317,836 plus M&E S&C allowance of £6,599,210 = £9,917,046 / 167 units = £59,383 / unit. ACM considers a robust M&E allowance for a scheme of this nature to be circa £35,000 / unit. This would be based upon an electric heating system. It appears that the heating system priced is a 'wet' system. In this case ACM would consider an extra over allowance of £7,500 / unit to be sensible. This would equate to a blended rate of £42,500 / unit for the M&E installation complete. 167 x £42,500 = £7,097,500 Less G&T M&E allowance of £9,917,046 = (£2,819,546).	5,938,454	(2,819,546)	386.95	35.95
Total Room Fit Out		£ 8,758,000	£ 570.67	£ 53.02	15%		5,938,454	(2,819,546)	386.95	35.95
BUILDING & EXTERNAL WORKS SUB-TOTAL		£ 44,644,000	£ 2,908.97	£ 270.25	78%		42,107,217	(2,536,784)	2,743.68	254.90
8 ON COSTS										
8A Preliminaries	£ 6,735,000		£ 438.85	£ 40.77	12%	ACM consider that 17.5% is an appropriate allowance.	6,922,688	+187,688	451.08	41.91
8B OH&P	£ 2,442,000		£ 159.12	£ 14.78	4%	ACM consider that 5% is an appropriate allowance.	2,324,045	(117,955)	151.43	14.07
8C Construction Risk	£ 3,768,000		£ 245.52	£ 22.81	7%	ACM consider that 5% is an appropriate allowance for design development risk and 2.5% is an appropriate allowance for contractor risk.	3,851,546	+83,546	250.96	23.32
Total On Costs		£ 12,945,000	£ 843.49	£ 78.36	22%		13,098,279	+153,279	853.47	79.29
TOTAL ESTIMATE		£ 57,589,000	£ 3,752.46	£ 348.61	100%		55,205,496	(2,383,504)	3,597.15	334.19

RESIDENTIAL PROPOSED

GIFA 18,653 m²
GIFA 200,779 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
0 Strip Out / Demolition	£ 2,549,000		£ 136.65	£ 12.70	4%	Asbestos allowance appears light at £50,000. However, difficult to assess without understanding the extent. In the context of the available information, allowances in this section appear reasonable.	2,549,000	+0	136.65	12.70
Total Strip Out / Demolition		£ 2,549,000	£ 136.65	£ 12.70	4%		2,549,000	+0	136.65	12.70
1 SUBSTRUCTURE	£ 3,394,000		£ 181.95	£ 16.90	5%	Pile cap rate appears high at £10k per pile cap. However, considered in the context of 30m deep piles, suggest this allowance is sensible. Reinforcement rate at £1,620 / t appears light. We would suggest minimum £1,850 / t. Difference = +£230 / t. Total tonnage = 128 t. Total adjustment = +£29,440. Difference considered negligible so no adjustment made. Internal walls, doors, finishes and drainage are priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment. ACM consider the allowances made for walls and doors to be at the higher end of the expected range.	3,394,000	+0	181.95	16.90
Total Substructure		£ 3,394,000	£ 181.95	£ 16.90	5%		3,394,000	+0	181.95	16.90
2 SUPERSTRUCTURE										
2A Frame	£ 2,754,000		£ 147.64	£ 13.72	4%	See below item. Total cost of frame from GF to roof structure = £6,091,000 / 17,644m2 (GIFA less basement) = £345/m2. ACM consider in light of recent tender returns that a rate of £410-420/m2 is more appropriate for an approximate floor to floor height of 3.1m. Based on £415/m2 - £345 = +£70 / m2 x 17,644m2 = +£1,235,080.	2,754,000	+0	147.64	13.72
2B Upper Floors	£ 3,337,000		£ 178.90	£ 16.62	5%		4,572,080	+1,235,080	245.11	22.77
2C Roof	£ 1,593,000		£ 85.40	£ 7.93	2%	Allowances appear reasonable.	1,593,000	+0	85.40	7.93
2D Stairs	£ 542,000		£ 29.06	£ 2.70	1%	Allowances appear reasonable.	542,000	+0	29.06	2.70
2E External Walls	£ 12,444,000		£ 667.13	£ 61.98	18%	Key item within this element is the allowance for the new façade. The allowance made is £1,100/m2 which ACM consider to be a sensible allowance.	12,444,000	+0	667.13	61.98
2F External Windows and Doors	£ 0		£ 0.00	£ 0.00	0%	See above item.	0	+0	0.00	0.00
2G Internal Walls and Partitions	£ 1,554,000		£ 83.31	£ 7.74	2%	Priced on a GIFA basis (note GIFA incorrect - 300m2 less than should be) which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	1,554,000	+0	83.31	7.74
2H Internal Doors	£ 618,000		£ 33.13	£ 3.08	1%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	618,000	+0	33.13	3.08
Total Superstructure		£ 22,842,000	£ 1,224.58	£ 113.77	33%		24,077,080	+1,235,080	1,290.79	119.92

RESIDENTIAL PROPOSED

GIFA 18,653 m²
GIFA 200,779 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
3 3A FINISHES Wall Finishes	£ 1,625,000		£ 87.12	£ 8.09	2%	There is an allowance included for a 'screed' at £50/m2 to the GIFA. This is not something that we would consider necessary to a concrete frame. There is usually a requirement for a latex levelling screed/dpm - we would expect the rate for this to be around £10-15/m2. Based on £12.50/m2 - £50 = (£37.50) / m2 x 18,653m2 = (£699,487.50). <u>Allowances for wall finishes appears to be duplicated (item .03 and item .11). Note - no adjustment made as it is unclear as to where allowances are applicable.</u> See above item.	925,513	(699,488)	49.62	4.61
3B Floor Finishes	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
3C Ceiling Finishes	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
Total Finishes		£ 1,625,000	£ 87.12	£ 8.09	2%		925,513	(699,488)	49.62	4.61
4 FITTINGS AND FURNISHINGS	£ 1,855,000		£ 99.45	£ 9.24	3%	Allowances appear reasonable.	1,855,000	+0	99.45	9.24
Total Fittings and Furnishings		£ 1,855,000	£ 99.45	£ 9.24	3%		1,855,000	+0	99.45	9.24
5 SERVICES										
5.1 Mechanical & Electrical Services	£ 8,646,000		£ 463.52	£ 43.06	12%	Refer to item 7.	8,646,000	+0	463.52	43.06
5.2 Lift and Conveyor Installations	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
5.3 Special Installations	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
5.4 Builder's Work in Connection	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
Total Services		£ 8,646,000	£ 463.52	£ 43.06	12%		8,646,000	+0	463.52	43.06
BUILDING SUB-TOTAL		£ 40,911,000	£ 2,193.27	£ 203.76	59%		41,446,593	+535,593	2,221.98	206.43
6 EXTERNAL WORKS										
6A Enabling Works	£ 1,275,000		£ 68.35	£ 6.35	2%	Allowances appear reasonable.	1,275,000	+0	68.35	6.35
6B Site Wide Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6C External Services	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6E External Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6D Minor Building Works	£ 0		£ 0.00	£ 0.00	0%					
Total External Works		£ 1,275,000	£ 68.35	£ 6.35	2%		1,275,000	+0	68.35	6.35

RESIDENTIAL PROPOSED

GIFA 18,653 m²
GIFA 200,779 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
7 Room Fit Out	£ 11,749,000		£ 629.87	£ 58.52	17%	M&E inc BWIC allowances as follows (assumed consistent with consented scheme allowances): 1 bed 1 person = £15,070 x 3 = £45,210 1 bed 2 person = £16,130 x 74 = £1,193,620 2 bed 3 person = £20,695 x 140 = £2,897,300 2 bed 4 person = £27,346 x 8 = £218,768 Total = £4,354,898 plus M&E S&C allowance of £8,020,790 = £12,375,688 / 225 units = £55,003 / unit. ACM considers a robust M&E allowance for a scheme of this nature to be circa £35,000 / unit. This would be based upon an electric heating system. It appears that the heating system priced is a 'wet' system. In this case ACM would consider an extra over allowance of £7,500 / unit to be sensible. This would equate to a blended rate of £42,500 / unit for the M&E installation complete. 225 x £42,500 = £9,562,500 Less G&T M&E allowance of £12,375,688 = (£2,813,188).	8,935,812	(2,813,188)	479.05	44.51
Total Room Fit Out		£ 11,749,000	£ 629.87	£ 58.52	17%		8,935,812	(2,813,188)	479.05	44.51
BUILDING & EXTERNAL WORKS SUB-TOTAL		£ 53,935,000	£ 2,891.49	£ 268.63	77%		51,657,405	(2,277,596)	2,769.39	257.28
8 ON COSTS										
8A Preliminaries	£ 8,222,000		£ 440.79	£ 40.95	12%	ACM consider that 17.5% is an appropriate allowance.	8,593,971	+371,971	460.73	42.80
8B OH&P	£ 2,980,000		£ 159.76	£ 14.84	4%	ACM consider that 5% is an appropriate allowance.	2,885,119	(94,881)	154.67	14.37
8C Construction Risk	£ 4,560,000		£ 244.46	£ 22.71	7%	ACM consider that 5% is an appropriate allowance for design development risk and 2.5% is an appropriate allowance for contractor risk.	4,735,237	+175,237	253.86	23.58
Total On Costs		£ 15,762,000	£ 845.01	£ 78.50	23%		16,214,327	+452,327	869.26	80.76
TOTAL ESTIMATE		£ 69,697,000	£ 3,736.50	£ 347.13	100%		67,871,731	(1,825,269)	3,638.65	338.04

Appendix 2 – Option 1 Appraisal Summary

Hotspur Press
Option 1 - Residential (Consented)
Savills Appraisal

Development Appraisal
Savills
12 October 2023

Hotspur Press
Option 1 - Residential (Consented)
Savills Appraisal

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Residential Apartments	167	105,049	30.25	19,028	2,383,308	3,177,745	2,383,308

Investment Valuation

Residential Apartments

Current Rent	2,383,308	YP @	4.7500%	21.0526	50,174,915
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GROSS DEVELOPMENT VALUE

50,174,915

Purchaser's Costs	(903,148)
Effective Purchaser's Costs Rate	1.80%

(903,148)

NET DEVELOPMENT VALUE

49,271,766

NET REALISATION

49,271,766

OUTLAY

ACQUISITION COSTS

Fixed Price	1		
Fixed Price		1	
			1

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Residential Apartments	165,198	334.18	55,205,496
			55,205,496
Other Construction Costs			
FF&E: Apartments	167 un	4,000.00 /un	668,000
FF&E: Amenity Areas			200,000
			868,000

PROFESSIONAL FEES

Professional Fees	12.00%	6,624,660
		6,624,660

DISPOSAL FEES

Sales Agent Fee	1.00%	492,718
Sales Legal Fee	0.50%	246,359
		739,076

TOTAL COSTS BEFORE FINANCE

63,437,233

FINANCE

Debit Rate 4.750%, Credit Rate 0.000% (Nominal)			
Land			0
Construction		3,513,770	
Total Finance Cost			3,513,770

TOTAL COSTS

66,951,003

PROFIT

(17,679,237)

Performance Measures

Profit on Cost%	-26.41%
Profit on GDV%	-35.24%
Profit on NDV%	-35.88%
Development Yield% (on Rent)	3.56%
Equivalent Yield% (Nominal)	4.75%
Equivalent Yield% (True)	4.89%

Hotspur Press**Option 1 - Residential (Consented)****Savills Appraisal**

IRR% (without Interest)	-19.34%
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Rent Cover	-7 yrs -5 mths
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Profit Erosion (finance rate 4.750)	N/A
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Appendix 3 – Option 2 Appraisal Summary

Appendix 4 – ACM Cost Review (Office)

HOTSPUR PRESS – FEASIBILITY COST PLAN OBSERVATIONS NOTE – OFFICE

10th OCTOBER 2023

Introduction

On 1st September 2023, Abacus Cost Management (ACM) was instructed by Savills (SA) to undertake a peer review of the 'Feasibility Cost Plans' (FCP) produced by Gardiner & Theobald (G&T) in relation to various design options proposed for the Hotspur Press site.

This note focusses on the 'Office' schemes.

ACM was provided with the following information:

- CBRE Viability Assessment dated August 2023

To undertake this exercise, ACM has liaised with G&T to better understand the project. ACM and G&T convened a meeting held on Microsoft Teams on 26th September 2023.

It became evident from the meeting that the level of both cost and design information is at a very early stage and therefore our review is commensurate with the level of detail available. For example, the only available measurement data is limited to the façade element and gross internal floor area.

It is noted that G&T costs are base dated 3Q 2023 and are considered current at the time of this peer review.

This note provides an overview of the following:

- 1.0 Project Details
- 2.0 Observations on Elemental Cost Allowances
- 3.0 General Observations
- 4.0 Conclusions

1.0 Project Details

1.1 As noted in the CBRE Viability Assessment, the office options considered were as follows:

Item	Consented	Proposed
GIFA m2	12,433	13,287
GIFA ft2	133,828	143,020
Storeys	B + 21	B + 21

FIGURE 1

Note – ACM has not verified the above project data.

2.0 Observations on Elemental Cost Allowances

- 2.1 Please refer to Appendix A for a copy of the G&T FCP.
- 2.2 Please refer to Appendix B for a copy of the ACM elemental summary. This document provides a commentary against each cost element.

2.3 In summary, ACM would highlight the following observations (cost difference between ACM and G&T is provided in the header of each of the below items):

2.4 Comments in relation to the 'Consented' scheme are as follows:

2.4.1 Frame +£500,000

G&T rate allowance for this element of works equates to £442/m². ACM consider the G&T rate to be reasonable for a concrete frame.

However, ACM consider the cantilever works to be additional to this and so the provisional allowance of £500,000 has been added to the frame allowance.

2.4.2 CAT A Fit Out (£677,304)

G&T allowance for the CAT A Fit Out equates to £48/ft². ACM consider this to be excessive for a scheme of this nature, with a rate of £40/ft² more appropriate.

2.4.3 Preliminaries (£28,152)

ACM agrees 16% is a reasonable recovery rate for a 'Tier 1' contractor.

We would note that we have assessed the separate residential and hotel schemes at 17.5%. The reason for the lower percentage in respect of the offices is in relation to the likely reduced staffing levels on an office scheme compared with that on residential and hotel schemes.

2.4.4 OHP (£10,468)

ACM agrees 5% is a reasonable recovery rate for a 'Tier 1' contractor.

2.4.5 Design Development and Construction Risk +£209,214

G&T has made allowance of 3.5% for Design Development and 3.5% for Construction Risk.

In the context of this project and the current status of design, ACM considers 5% for Design Development appropriate. ACM also consider 2.5% for Construction Risk to be more reflective of current market conditions based on the appointment of a 'Tier 1' contractor.

2.5 Comments in relation to the 'Proposed' scheme are as follows:

2.5.1 Frame +£760,802

G&T rate allowance for this element of works equates to £380/m². ACM consider the G&T rate to be low and suggest a rate of £442/m² as per the 'Consented' scheme.

2.5.2 CAT A Fit Out (£731,218)

G&T allowance for the CAT A Fit Out equates to £48/ft². ACM consider this to be excessive for a scheme of this nature, with a rate of £40/ft² more appropriate.

2.5.3 Preliminaries +£4,940

ACM agrees 16% is a reasonable recovery rate for a 'Tier 1' contractor.

We would note that we have assessed the separate residential and hotel schemes at 17.5%. The reason for the lower percentage in respect of the offices is in relation to the likely reduced staffing levels on an office scheme compared with that on residential and hotel schemes.

2.5.4 OHP +£2,103

ACM agrees 5% is a reasonable recovery rate for a 'Tier 1' contractor.

2.5.5 Design Development and Construction Risk +£241,637

G&T has made allowance of 3.5% for Design Development and 3.5% for Construction Risk.

In the context of this project and the current status of design, ACM considers 5% for Design Development appropriate. ACM also consider 2.5% for Construction Risk to be more reflective of current market conditions based on the appointment of a 'Tier 1' contractor.

3.0 Conclusions

- 3.1 Following our review and adjusting estimated costs where considered required, ACM would advise the following:

Item	Consented	Proposed
G&T	48,270,104	51,316,538
ACM	48,263,394	51,594,802
Difference	(6,710)	+278,264

FIGURE 2

APPENDIX A

G&T INDICATIVE ORDER OF COST ESTIMATE

Office (Consented & Proposed)

The Hotspur Press, Manchester
Feasibility Cost Plan - Office - Consented

Ourmanner

03 August 2023

CONTENTS

- 1** Executive Summary
- 2** Elemental Cost Breakdown
- 3** Model
- 4** Fit Out Summary
- 5** Fit Out Models
- 6** Assumptions & Exclusions
- 7** Area Schedule

1. EXECUTIVE SUMMARY

This report provides an order of cost estimate for the works at The Former Hotspur Press Site in Manchester. This report includes allowances associated with the Strip Out, Demolition and facade retention of the Existing Building and works associated with the Public Realm. An allowance for CAT B fitout to the amenity spaces throughout the building have been included. A summary of these costs can be seen adjacent and also in Section 2 of this report.

Estimated construction costs have been prepared at current day (2Q 2023) prices. Allowances for Main Contractors Preliminaries (16%), OHP (5%), Design and Construction Risk.(3.5% & 3.5%) *(Future Inflation is excluded from this cost model)*

The total estimated Construction Cost includes for construction works only and excludes fees (including pre-construction services agreements), VAT, S106/S278, CIL payments, land acquisition, all developer direct costs, employer risk allowances and contributions.

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CONSTRUCTION COST		Total (£) £/ft² GIA %		
1	Construction Cost	37,494,104	280	78%
2	Main Contractor's Preliminaries	16.0% 5,591,000	42	12%
3	Main Contractor's OH&P	5.0% 2,027,000	15	4%
Building Works Total		45,112,104	337	93%
4	Design Development Risk Allowance	3.5% 1,579,000	12	3%
5	Construction Risk Allowance	3.5% 1,579,000	12	3%
Sub Total		48,270,104	361	100%
6	Tender Inflation Estimate	Excl	Excl	-
7	Construction Inflation Estimate	Excl	Excl	-
Total Estimated Construction Cost		48,270,104	361	100%

ESTIMATED ROUNDED CONSTRUCTION COST	£	48,270,000	361
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Abnormals

The adjacent items summarise some key abnormals associated with the site. This namely consists of those items related to the existing building and the works required to enable the existing asset.

** The items identified above are included here as abnormals as they may not be included in other benchmark data when comparing overall construction cost or £/ft2 metrics.

	Total Cost	£/ft2
Cost Plan (as Executive Summary)	48,270,000	361
0.1 Strip Out (allowance only) **- cost plan allowance omitted	-100,000	-0.7
0.2 Removal of Asbestos- cost plan allowance omitted	-50,000	-0.4
0.3 Demolition of Existing Building **- cost plan allowance omitted	-750,000	-5.6
0.4 Façade Retention to be omitted. Abnormal omitted in entirety.	-999,225	-7.5
0.5 Temporary works : façade retention system omitted.	-250,000	-1.9
0.6 Temporary works: Prop deck across river. Assumes access achieved roadside	-350,000	-2.6
0.7 Removal of obstructions (risk allowance omitted)	-50,000	-0.4
Deep Piles required for tall building- E.O for high rise enhancements- reduced to 15m piles from 30m	-345,000	-2.6
0.9 Repair of existing retaining walls. Any repair of existing retaining wall is abnormal	-188,860	-1.4
1 Davit system in lieu of BMU and track	-300,000	-2.2
1.1 Omission of ecology allowances (green roofs etc)	-45,720	-0.3
1.1 Make good existing retained façade: assumed no making good necessary.	-277,563	-2.1
Connect retained façade to new façade and structure at levels 1, 2 and 3. Assumes connection not required.	-200,000	-1.5
1.2 Façade rate- E.O for high rise enhancements (£1,100 to 850/m2). Costs saving shown shows abnormality of cost associate with high rise construction. (target rainscreen façade : £850/m2)	-1,692,500	-12.6
1.3 Standard doors sliding doors	-35,000	-0.3
1.4 Omit Cladding to river elevation (assume not required and is an aesthetic preference)	-84,000	-0.6
1.5 Allowances for public realm landscaping including feature external wall. Excludes all works/ allowance to public realm	-875,000	-6.5
1.6 Main Contractor's Preliminaries costs on the above	-1,054,859	-7.9
1.7 Main Contractor's Overheads and Profit-costs on the above	-382,386	-2.9
1.8 Design Development Risk Allowance-costs on the above	-281,054	-2.1
1.9 Construction Risk Allowance-costs on the above	-290,891	-2.2
2.1 Inflation	Excluded	
		0.0
Sub Total of Abnormals	-8,602,057	-64
Rounded Construction Cost Excluding Abnormals	39,667,943	296

2. Elemental Summary

GIA (m2): 12,433

GIA (ft2): 133,828

CONSTRUCTION COST				
			£/sq ft GIA	Total (£)
0 Strip out/ Demolition	133,828 sqft		19	2,549,000
	133,828 sqft		19	2,549,000
1 Substructure	133,828 sqft		25	3,398,000
2 Superstructure				
2.1 Frame	133,828 sqft		18	2,387,000
2.2 Upper Floors	133,828 sqft		20	2,664,000
2.3 Roof	133,828 sqft		11	1,517,000
2.4 Stairs & Ramps	133,828 sqft		3	451,000
2.5 External Walls	133,828 sqft		64	8,543,000
2.6 Windows & External Doors	133,828 sqft			inc
2.7 Internal Walls & Partitions	133,828 sqft		7	966,000
2.8 Internal Doors	133,828 sqft		5	685,000
3 Internal Finishes	133,828 sqft		5	673,000
4 Fixtures and Fittings	133,828 sqft		10	1,380,000
5 Services	133,828 sqft		51	6,792,000
8 External Works	133,828 sqft		6	1,425,000
Sub Total (Excluding Strip/ Demo)		133,828 sqft	231	30,881,000
9 CAT A Fit Out	£ 48 /sqft	84,668.84 Sqft (NIA)	30	4,064,104
Sub Total (Including all measured works)		133,828 sqft	280	37,494,104
10 Main Contractor's Preliminaries	16.0%		42	5,591,000
11 Main Contractor's Overheads and Profit	5.0%		15	2,027,000
Building Works Total			337	45,112,104
12 Design Development Risk Allowance	3.5%		12	1,579,000
13 Construction Risk Allowance	3.5%		12	1,579,000
TOTAL			361	48,270,104
14 Tender Inflation Estimate				Excluded
15 Construction Inflation Estimate				Excluded
Total Estimated Construction Cost			361	48,270,104
ESTIMATED ROUNDED CONSTRUCTION COST			£ 361	48,270,104

3. DETAILED ESTIMATE**1 FACILITATING / DEMOLITION WORKS****0 Site Clearance & Demolition Generally**

.01 Site Clearance	S&C	2,000	m2	25	50,000	
.02 Allowance for strip out of existing building	S&C	1	item	100,000	100,000	
.03 Allowance for removal of Asbestos	S&C	1	item	50,000	50,000	
.04 Allowance for demolition of existing building	S&C	1	item	750,000	750,000	Includes breakout of slabs
.05 Façade Retention	S&C	2,221	m2	450	999,225	
.06 E/O Temporary Works	S&C	1	item	250,000	250,000	
.07 Prop and deck across the River	S&C	1	item	350,000	350,000	

Subtotal for FACILITATING / DEMOLITION WORKS

ft2 19 2,549,225

1 SUBSTRUCTURE

1 Excavation

.01	Allowance For Excavation To Formation Level & Disposal Off Site; assumed clean inert	S&C	1,016	m3	55	55,880	Assumes 1m deep
.02	Allowance for breaking out existing slabs: assumes circa 1m thick	S&C	1,016	m2		0	Included within demolition scope
.03	E/O for 15% Contaminated Material	S&C	152	m3	200	30,480	
.04	E/O for 5% Non Hazardous Material	S&C	51	m3	50	2,540	
.06	Temporary propping	S&C	1	item		0	Included above
.07	Allowance for removing obstructions	S&C	1	item	50,000	50,000	
.08	Allowance for dewatering	S&C	1	item	100,000	100,000	

2 Piling and Pile Caps

.01	Piling Mat & Removal - Assume 800mm thick	S&C	905	m2	80	72,400	
.02	Mobilisation of Rig	S&C	1	item	50,000	50,000	
.03	Piles - assume 750dia at 30m deep	S&C	230	nr	3,000	690,000	Assumes 4 piles per column
	Set up at each pile location	S&C	230	nr	150	34,500	
.04	Pile Caps	S&C	45	nr	10,000	450,000	
.05	Pile Cap to core	S&C	1	item	50,000	50,000	
.06	Testing to piles	S&C	1	item	25,000	25,000	
.07	Attendance on piles	S&C	8	weeks	11,500	88,167	

3 Ground Bearing Slab

.01	Reinforced Raft Slab; 250mm depth	S&C	1,016				
.02	E/O for Waterproof concrete slab	S&C	254	m3	190	48,260	Assumes slab repairs total reconstruction
.03	Reinforcement Bars - 200kg/m3	S&C	51	t	1,620	82,620	
.04	Blinding and DPM beneath slab	S&C	1,016	m2	15	15,240	
.05	Below Ground Drainage	S&C	1,016	m2	100	101,600	
.06	Extra over for forming lift pits	S&C	3	nr	7,500	22,500	

4 Reinforced concrete slabs - suspended slab

.01	<u>RC Slab - Assume 350mm thick:</u>	S&C	905	m2		
.02	Blinding beneath slab that sits outside of the basement	S&C	905	m2	55	49,775
.03	Reinforced Concrete ; C35/40	S&C	317	m3	190	60,183
.04	Formwork	S&C	905	m2	50	45,250
.05	Slab edge	S&C	133	m	25	3,325
.06	Reinforcement - 140kg/m3	S&C	44	ton	1,620	71,847
.07	Finish - tamped	S&C	905	m2	5	4,525

5 Allowance for reinforced concrete walls

.01	Allowance for core walls	S&C		m2		0	up to ground floor
.02	Concrete	S&C	110	m3	190	20,976	
.03	Formwork	S&C	736	m2	60	44,160	
.04	Rebar - 220kg/m3	S&C	24	t	1,620	39,347	
.05	Allowance for structural walls/columns	S&C	1	Item		Included	
.06	Columns to Basement	S&C	45	nr	1,000	45,000	
.07	Allowance for cavity walls	S&C	600	m2	100	60,000	Perimeter of current basement
.08	Allowance for steps in slabs	S&C	1	nr	15,000	15,000	
.05	Allowance for repairing the existing retaining walls	S&C	532	m2	355	188,860	

6 Sub-contractor's Preliminaries

.01	Sub-contractor's Preliminaries	S&C	15%	of	2,632,674	394,901
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7 Internal Walls

.01	Allowance for internal walls	S&C	1,016	m2	125	127,000
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8 Internal Doors

.01	Allowance for doors	S&C	1,016	m2	50	50,800
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9 Internal Finishes**Wall Finishes**

.01	Allowance for various wall finishes	S&C	1,016	m2	35	35,560	
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Floor Finishes

.02	Allowance for floor finish - screed and painted floor (see other items for e/o finishes for gym etc.)	S&C	1,016	m2	35	35,560	
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Ceiling Finishes

.03	Allowance for dust sealant	S&C	1,016	m2	20	20,320	
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9 M&E

.01	Allowance for below ground drainage	S&C	1,016	m2	100	101,600	Excludes Pumping
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Subtotal for SUBSTRUCTUREft2 25 **3,398,000****2 SUPERSTRUCTURE**

1 Frame & Upper Floors
Reinforced Concrete Columns; Ground Floor

.01	Concrete Columns to Upper Floors	S&C	11,417	m2	30	342,510	
.02	S/C Prelims	S&C	15%		342,510	51,377	

Reinforced Concrete Walls (Ground - Level 33)
RC Wall; W1 - 300mm thick

.01	Reinforced Concrete; Assume C40/50	S&C	2,052	m3	190	389,880	average floor to floor 3.1m
.02	Formwork	S&C	13,680	m2	58	793,440	
.03	Reinforcement - Assume 135kg/m3	S&C	308	t	1,620	498,636	
.04	Sub-contractor's Preliminaries	S&C	15%	of	2,075,843	311,376	

3 Upper Floors
1 Reinforced concrete slabs

.01	<u>RC Slab - Assume 250mm thick; including roof</u>	S&C	10,512	m2			
.02	Reinforced Concrete ; C35/40	S&C	2,628	m3	190	499,320	
.03	Formwork	S&C	10,512	m2	60	630,720	
.04	Slab edge	S&C	4,125	m	25	103,125	
.05	Reinforcement - 140kg/m3	S&C	368	ton	1,620	596,030	
.06	Finish - tamped	S&C	10,512	m2	5	52,560	
.07	E/O Cantilver Slab - Level 5	S&C	1	item	500,000	500,000	
.08	Sub-contractor's Preliminaries	S&C	15%	of	1,881,755	282,263	

4 Roof

	S&C				
.01 Allowance for new roof structure and finishes	S&C	905	m2		0
.02 New steel and timber roof to historic buildings	S&C	278	m2	400	111,200
.03 Slate roof finish to historic roof	S&C	278	m2	400	111,200
.04 Reinforced Concrete ; C35/40	S&C	157	m3	190	29,783
.05 Formwork	S&C	627	m2	60	37,620
.06 Reinforcement - 140kg/m3	S&C	22	t	1,620	35,551
.07 Sub-contractor's Preliminaries	S&C	17.5%	of	325,353	56,937
.08 Basic finishes to roof	S&C	627	m2	250	156,750
.09 E/O terrace at First Floor	S&C	139	m2	200	27,800
.10 Allowance for roof terrace at level 4	S&C	278	m2	200	55,600
.11 Aluminium Parapet Capping; 400mm Wide with Drip	S&C	233	m	300	69,750
.12 Allowance for attenuation tanks at ground floor	S&C	1	item	75,000	75,000
.13 Roof Finishes - Paving slabs for plant	S&C	478	m2	100	47,800

Gutters / Rainwater Installation

.14 Gulleys, Gutters, Rainwater Installation	S&C	1	item	150,000	150,000
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Handrails, Balustrades & Safety Systems

.15 Allowance for handrail - level 4	S&C	133	m	650	86,125
.16 Allowance for man safe system	S&C	1	item	20,000	20,000
.17 Allowance for Roof Access Hatch	S&C	1	item	10,000	10,000
.18 Allowance for Davit Arms	S&C	1	item	350,000	350,000
.19 Lift Overruns	S&C	2	item	20,000	40,000

Ecology

.20 Brown roof / Green Roof, say 30% of roof area	S&C	305	m2	150	45,720
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5 Stairs & Ramps

.01 <u>Stairs</u>					
.02 Pre-Cast Concrete; Internal Escape Staircase; 1800mm Wide; Including Landings & Half Landings, Balustrade & Handrails.	S&C	47	flights	9,000	423,000
.03 Medium duty hard aluminium alloy stair tread nosings; plugged and screwed in concrete	S&C	1,117	m	25	27,918

6 External Walls, Windows & Doors

.01 External Walls

.02	Make good existing retained façade	S&C	2,221	m2	125	277,563	
.03	Connect retained façade to new façade and structure at levels 1, 2 and 3.	S&C	1	item	200,000	200,000	
.04	External façade; New façade to residential tower.	S&C	6,770	m2	1,100	7,447,000	
.05	New windows to retained façade	S&C	72	nr	1,750	126,000	Assumes DGU
.06	New windows - single glazed to retained façade which is external both sides	S&C	78	nr	1,250	97,500	
.07	Entrance Canopy	S&C	1	item	15,000	15,000	
.08	Louvres to Bin area	S&C	1	item	10,000	10,000	
.09	External building signage	S&C	1	item	75,000	75,000	

Balconies & External Walkways

.10	Allowance for balconies	S&C				Excluded	
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External Door

.11	Double doors to office entrance	S&C	3	nr	12,500	37,500	
.12	Substation doors	S&C	2	nr	10,000	20,000	
.13	Service doors - double	S&C	1	nr	10,000	10,000	
.14	Service doors - single	S&C	1	nr	5,000	5,000	
.15	Service / cycle access 1.5dr	S&C	1	nr	5,000	5,000	
.16	Fire escape door	S&C	5	nr	3,000	15,000	
.17	Single doors to office entrance	S&C	3	nr	7,500	22,500	
.18	Double doors to commercial unit	S&C	1	nr	10,000	10,000	
.19	Single door to retail	S&C	1	nr	5,000	5,000	
.20	Side gate / door to External terrace	S&C	1	nr	20,000	20,000	
.21	Cladding to river elevation	S&C	104	m2	1,200	124,800	
.22	E/O doors to shop fronts	S&C	2	nr	10,000	20,000	

7 Internal Walls & Doors
.01 Internal Walls

.02	Internal Partitions; Varying Fire & Acoustic Ratings;	S&C	11,417	m2	70	799,190	
.03	Lining to internal face of external walls;				Included in apartment fit out		
.04	E/O for making good to inside face of external walls	S&C	2,221	m2	75	166,538	

Internal doors

.05	Riser and communal doors	S&C	11,417	m2	60	685,020	
.06	Solid Timber Internal Entrance Door sets; to rooms	S&C		nr	1,500	Included	See fitout model

Subtotal for SUPERSTRUCTURE

17,212,601

3 INTERNAL FINISHES

.01 Finishes to Communal Space and BOH Areas

.02 Wall Finishes to Communal Spaces

.03 Painted plasterboard to walls	S&C	3,369	m2	50	168,450
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.04 Floor Finishes to Communal Spaces

.05 Heavy duty vinyl to communal circulation areas	S&C	3,369	m2	75	252,675
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.06 Ceiling Finishes to Communal Spaces

.07 Plasterboard and paint finish to communal circulation areas	S&C	3,369	m2	60	202,140
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.08 E/O allowance for access hatches	S&C	1	item	50,000	50,000
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Subtotal for INTERNAL FINISHES

673,265

4 FIXTURES AND FITTINGS

<u>FF&E</u>						
.01	Security Gates	S&C	3	nr	20,000	60,000
<u>WC's</u>						
.02	Allowance for Superloos	S&C	80	nr	7,000	560,000
.03	Allowance for DDA WC	S&C	21	nr	8,500	178,500
<u>Signage</u>						
.04	Statutory	S&C	12,433	m2	3.5	43,516
.05	Wayfinding	S&C	12,433	m2	5.0	62,165
<u>Sundry Allowance</u>						
.06	General	S&C	12,433	m2	5	62,165
<u>Reception (Includes FF&E, finishes)</u>						
.07	Reception fitout	S&C	182	m2	500	91,000
.08	Reception Desk	S&C	1	item	25,000	25,000
	Building Management Facilities	S&C	1	item	25,000	25,000
<u>Basement fitout (Includes FF&E, finishes and MEP)</u>						
.09	Cycle Racks	S&C	124	nr	300	37,299
.10	Changing / Shower Provision	S&C	1	item	200,000	200,000
.11	Cycle Store fitout	S&C	1	item	35,000	35,000

Subtotal for FIXTURES AND FITTINGS
1,379,645
5 SERVICES

.01	<u>MEP</u>	S&C	12,433	m2	500	6,216,500
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- .02 Lighting
- .03 Heating and Cooling
- .04 Power
- .05 Inactive IT
- .06 Drainage above ground
- .07 PV's
- .08 New Plant / Distribution etc.
- .09 Ventilation
- .10 Grey Water
- .11 Testing & commissioning
- .12 Services sub-contract preliminaries
- .13 Kitchen Extract for Café

S&C m2 Excluded

Lifts

- .14 Passenger lifts, single entry (Basement to level 18,1.6m/s)
- .15 BOH / Goods Lifts -Basement to ground
- .16 EO lift car finishes
- .17 EO for lift landing finishes; by others
- .18 EO for beneficial use; included in M/C preliminaries
- .19 Subcontractor Prelims

S&C	2	nr	250,000	500,000
S&C	1	nr	75,000	75,000
S&C	2	no.	10,000	n/a
S&C				Excluded
S&C				Excluded
S&C				Included

Subtotal for SERVICES

6,791,500

5 External Works and Utilities

.01 **External Works Allowance**

.02 **Allowance for ground floor works to create new public square**

.03	Hard landscaping	S&C	1	item	500,000	500,000	
.04	Soft Landscaping	S&C	1	item	100,000	100,000	
.05	Lighting	S&C	1	item	50,000	50,000	
.06	E/O feature entrance wall	S&C	1	item	75,000	75,000	
.07	Riverside Terrace	S&C	1	item	150,000	150,000	

New incoming services

.07	New Electrical Supply	S&C	1	item	250,000	250,000	
.08	New Gas supply	S&C	1	item	75,000	75,000	Assumed by retail tenant - space provision only
.09	New Water and Sewage connections	S&C	1	item	150,000	150,000	
.10	BT and comms	S&C	1	item	75,000	75,000	Standard lift range uplift

Subtotal for External Works and Utilities

1,425,000

ESTIMATED ROUNDED CONSTRUCTION COST

33,429,650

6. ASSUMPTIONS & EXCLUSIONS

The following should be read in conjunction with the Executive Summary and are a list of key assumptions relating to the Cost Plan at Market Square, Nottingham. The following list is not exhaustive:

- 1 *The existing basement slab is fully demolished to dig new piles*
- 2 *The existing basement retaining wall is retained. An allowance has been included for works associated with this element. This will include enabling works, repair for example.*
- 3 *Strip Out and Demolition works undertaken as separate contract.*
- 4 *Assumes façade retention as indicated on the drawings*
- 5 *Allowance for Asbestos removal: 100k included*
- 6 *Substructure based on new piles. C 750 dia.*
- 7 *Assumes existing basement is increased in depth by 1m*
- 8 *Assumes no works to the river walls.*
- 9 *RC Frame to upper floors assumes 225- 250 thick slab*
- 10 *Assumes slab to slab height of 4m*
- 11 *The roof over the heritage / existing building is replaced with a steel and timber structure and covered in new slate tiles*
- 12 *Assumes existing retained façade is 'made good' both internally and externally.*
- 13 *Windows to the existing façade that face onto new terraces are assumed as single glazed.*
- 14 *New punched windows to retained façade forming external envelope assumed as DGU.*
- 15 *Cladding- Stick system brick and punched windows - with solid to glazing ratio of 60:40*
- 16 *Finishes have been aligned with the fitout model section in this report.*
- 17 *For a full list of allowances please refer to section 5*
- 18 *MEPH- includes for commercial sprinkler and wet riser to the taller part of the site. Excludes any*
- 19 *any mechanical vent or cooling with the rooms and clusters.*
- 20 *Roof – allowance for green roof included. Assumed there is either a buried attenuation tank or*
- 21 *Attenuation tanks at ground floor*
- 22 *Assumes a CAT B type fit out to the amenity space*
- 23 *An allowance for temporary propping has been included in this report: 250k*
- 24 *Bathroom to units assumes pods*
- 25 *Excludes loose FF&E including sofa's, screen to cinema space, gym equipment etc.*

The following should be read in conjunction with the Executive Summary and are a list of items not yet able to be included within this cost plan; however, we would like to discuss them further with yourselves and your advisors to determine whether some or all of the following can be included in the cost plan:

- | | |
|---|---|
| 1 Value Added Tax | 29 An allowance for Asbestos removal has been included for 100k |
| 2 Land acquisition costs and fees | 30 Fees, works or costs associated with abnormal ground conditions |
| 3 Client finance, legal or marketing costs | 31 Underpinning of adjoining structures |
| 4 Professional fees (e.g. design, PCSA, PM, surveys etc.) | 32 Works to the river walls |
| 5 Client Contingency (Design and Construction Contingency Included) | 33 Archaeological investigations and exploratory or resulting works |
| 6 Tender Inflation Estimate | 34 Services diversions |
| 7 Construction Inflation Estimate | 35 Furnishings and equipment for building operations / maintenance teams |
| 8 Planning and building regulation fees | 36 Environment agency requirements / constraints on working adjacent a waterway |
| 9 Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc. | 37 Cost associated with Network Rail surveys and monitoring |
| 10 Changes to current building regulations | 38 Increased design criteria for bomb protection |
| 11 Phasing of the works | 39 Enhancements to all lift cars finishes |
| 12 Project insurances | 40 IT hardware / active hubs |
| 13 Section 106 / 278 Contributions | 41 Connection to district heating system |
| 14 Community Infrastructure Levy Contributions or similar | 42 Power factor correction and harmonics |
| 15 Benefits arising from any potential Capital Allowances or other government incentives / grants | 43 Audio visual installations and equipment |
| 16 Currency and exchange rate fluctuations | 44 Highways works outside of the site boundary |
| 17 Vibration monitoring | 45 Transport interchange |
| 18 Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union | 46 AIP Fees |
| 19 Costs resulting from zero carbon requirements or offset charges | 47 Disposal of non-hazardous and hazardous material (e.g. asbestos, contaminated land) |
| 20 Statutory changes | 48 Landlords contributions |
| 21 Works outside of the site boundary except where specifically stated | 49 Road closures |
| 22 Public art installations or contributions | 50 Repairs or works to the adjacent properties including the Existing buildings on site. |
| 23 Works outside of normal working hours | 51 Utility upgrades or costs associated with existing network diversion or transformer relocation costs. |
| 24 Diversion of existing below ground services | 52 Winter Gardens |
| 25 Mock-ups, prototypes, off site benchmark and the like | |
| 26 CPO Costs | |
| 27 Tenant's costs or contributions | |
| 28 Loose fittings, furnishings and equipment and external furniture | |

7.AREA SCHEDULE

		Overall		Office	Office	Commercial	Other
Floor Level		GIA (m2)	GIA (ft2)	NIA (m2)	NIA (ft2)	NIA (m2)	GIA (m2)
-1	Basement	1,016	10,936		-		
0	Ground	905	9,741		-	433	
1	First	890	9,580	730	7,858		
2	Second	890	9,580	730	7,858		
3	Third	706	7,599	573	6,168		
4	Fourth	428	4,607	299	3,218		
5	Fifth	428	4,607	299	3,218		
6	Sixth	478	5,145	349	3,757		
7	Seventh	478	5,145	349	3,757		
8	Eighth	478	5,145	349	3,757		
9	Ninth	478	5,145	349	3,757		
10	Tenth	478	5,145	349	3,757		
11	Eleventh	478	5,145	349	3,757		
12	Twelfth	478	5,145	349	3,757		
13	Thirteenth	478	5,145	349	3,757		
14	Fourteenth	478	5,145	349	3,757		
15	Fifteenth	478	5,145	349	3,757		
16	Sixteenth	478	5,145	349	3,757		
17	Seventeenth	478	5,145	349	3,757		
18	Eighteenth	478	5,145	349	3,757		
19	Nineteenth	478	5,145	349	3,757		
20	Twenty	478	5,145	349	3,757		
Total		12,433	133,828	7,866	84,669	433	-

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The Hotspur Press, Manchester
Feasibility Cost Plan - Office - Proposed

Ourmanner

01 August 2023

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- 1** Executive Summary
- 2** Elemental Cost Breakdown
- 3** Model
- 4** Fit Out Summary
- 5** Fit Out Models
- 6** Assumptions & Exclusions
- 7** Area Schedule

1. EXECUTIVE SUMMARY

This report provides an order of cost estimate for the works at The Former Hotspur Press Site in Manchester. This report includes allowances associated with the Strip Out, Demolition and facade retention of the Existing Building and works associated with the Public Realm. An allowance for CAT B fitout to the amenity spaces throughout the building have been included. A summary of these costs can be seen adjacent and also in Section 2 of this report.

Estimated construction costs have been prepared at current day (2Q 2023) prices. Allowances for Main Contractors Preliminaries (16%), OHP (5%), Design and Construction Risk.(3.5% & 3.5%) *(Future Inflation is excluded from this cost model)*

The total estimated Construction Cost includes for construction works only and excludes fees (including pre-construction services agreements), VAT, S106/S278, CIL payments, land acquisition, all developer direct costs, employer risk allowances and contributions.

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CONSTRUCTION COST		Total (£) £/ft² GIA %		
1	Construction Cost		39,831,538	279 78%
2	Main Contractor's Preliminaries	16.0%	5,965,000	42 12%
3	Main Contractor's OH&P	5.0%	2,162,000	15 4%
Building Works Total			47,958,538	335 93%
4	Design Development Risk Allowance	3.5%	1,679,000	12 3%
5	Construction Risk Allowance	3.5%	1,679,000	12 3%
Sub Total			51,316,538	359 100%
6	Tender Inflation Estimate		Excl	Excl -
7	Construction Inflation Estimate		Excl	Excl -
Total Estimated Construction Cost			51,316,538	359 100%

ESTIMATED ROUNDED CONSTRUCTION COST	£	51,320,000	359
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Abnormals

The adjacent items summarise some key abnormals associated with the site. This namely consists of those items related to the existing building and the works required to enable the existing asset.

** The items identified above are included here as abnormals as they may not be included in other benchmark data when comparing overall construction cost or £/ft2 metrics.

	Total Cost	£/ft2
Cost Plan (as Executive Summary)	51,320,000	359
0.1 Strip Out (allowance only) **- cost plan allowance omitted	-100,000	-0.7
0.2 Removal of Asbestos- cost plan allowance omitted	-50,000	-0.3
0.3 Demolition of Existing Building **- cost plan allowance omitted	-750,000	-5.2
0.4 Façade Retention to be omitted. Abnormal omitted in entirety.	-999,225	-7.0
0.5 Temporary works : façade retention system omitted.	-250,000	-1.7
0.6 Temporary works: Prop deck across river. Assumes access achieved roadside	-350,000	-2.4
0.7 Removal of obstructions (risk allowance omitted)	-50,000	-0.3
0.8 Deep Piles required for tall building- E.O for high rise enhancements- reduced to 15m piles from 30m	-345,000	-2.4
0.9 Repair of existing retaining walls. Any repair of existing retaining wall is abnormal	-188,860	-1.3
1 Davit system in lieu of BMU and track	-300,000	-2.1
1.1 Omission of ecology allowances (green roofs etc)	-45,720	-0.3
1.1 Make good existing retained façade: assumed no making good necessary.	-277,563	-1.9
1.2 Connect retained façade to new façade and structure at levels 1, 2 and 3. Assumes connection not	-200,000	-1.4
1.3 Façade rate- E.O for high rise enhancements (£1,100 to 850/m2). Costs saving shown shows abnormality of cost associate with high rise construction. (target rainscreen façade : £850/m2)	-2,061,500	-14.4
1.4 Standard doors sliding doors	-22,500	-0.2
1.5 Allowances for public realm landscaping including feature external wall. Excludes all works/ allowance to public realm	-875,000	-6.1
1.6 Main Contractor's Preliminaries costs on the above	-1,098,459	-7.7
1.7 Main Contractor's Overheads and Profit-costs on the above	-398,191	-2.8
1.8 Design Development Risk Allowance-costs on the above	-292,671	-2.0
1.9 Construction Risk Allowance-costs on the above	-302,914	-2.1
2 Inflation	Excluded	
		0.0
Sub Total of Abnormals	-8,957,602	-63
Rounded Construction Cost Excluding Abnormals	42,362,398	296

2. Elemental Summary

GIA (m2): 13,287

GIA (ft2): 143,020

CONSTRUCTION COST					£/sq ft GIA	Total (£)
0	Strip out/ Demolition	143,020	sqft		18	2,549,000
		143,020	sqft		18	2,549,000
1	Substructure	143,020	sqft		24	3,457,000
2	Superstructure					
2.1	Frame	143,020	sqft		17	2,421,000
2.2	Upper Floors	143,020	sqft		16	2,250,000
2.3	Roof	143,020	sqft		12	1,647,000
2.4	Stairs & Ramps	143,020	sqft		3	451,000
2.5	External Walls	143,020	sqft		71	10,137,000
2.6	Windows & External Doors	143,020	sqft			inc
2.7	Internal Walls & Partitions	143,020	sqft		7	1,026,000
2.8	Internal Doors	143,020	sqft		5	736,000
3	Internal Finishes	143,020	sqft		5	708,000
4	Fixtures and Fittings	143,020	sqft		10	1,418,000
5	Services	143,020	sqft		50	7,219,000
8	External Works	143,020	sqft		6	1,425,000
	Sub Total (Excluding Strip/ Demo)	143,020	sqft		230	32,895,000
9	CAT A Fit Out	£ 48 /sqft	91,407.04	Sqft (NIA)	31	4,387,538
	Sub Total (Including all measured works)	143,020	sqft		279	39,831,538
10	Main Contractor's Preliminaries	16.0%			42	5,965,000
11	Main Contractor's Overheads and Profit	5.0%			15	2,162,000
	Building Works Total				335	47,958,538
12	Design Development Risk Allowance	3.5%			12	1,679,000
13	Construction Risk Allowance	3.5%			12	1,679,000
	TOTAL				359	51,316,538
14	Tender Inflation Estimate					Excluded
15	Construction Inflation Estimate					Excluded
	Total Estimated Construction Cost				359	51,316,538
ESTIMATED ROUNDED CONSTRUCTION COST					£	359
						51,316,538

3. DETAILED ESTIMATE**1 FACILITATING / DEMOLITION WORKS****0 Site Clearance & Demolition Generally**

.01 Site Clearance	S&C	2,000	m2	25	50,000	
.02 Allowance for strip out of existing building	S&C	1	item	100,000	100,000	
.03 Allowance for removal of Asbestos	S&C	1	item	50,000	50,000	
.04 Allowance for demolition of existing building	S&C	1	item	750,000	750,000	Includes breakout of slabs
.05 Façade Retention	S&C	2,221	m2	450	999,225	
.06 E/O Temporary Works	S&C	1	item	250,000	250,000	
.07 Prop and deck across the River	S&C	1	item	350,000	350,000	

Subtotal for FACILITATING / DEMOLITION WORKS

ft2 18 2,549,225

1 SUBSTRUCTURE
1 Excavation

.01	Allowance For Excavation To Formation Level & Disposal Off Site; assumed clean inert	S&C	1,016	m3	55	55,880	Assumes 1m deep
.02	Allowance for breaking out existing slabs: assumes circa 1m thick	S&C	1,016	m2		0	Included within demolition scope
.03	E/O for 15% Contaminated Material	S&C	152	m3	200	30,480	
.04	E/O for 5% Non Hazardous Material	S&C	51	m3	50	2,540	
.06	Temporary propping	S&C	1	item		0	Included above
.07	Allowance for removing obstructions	S&C	1	item	50,000	50,000	
.08	Allowance for dewatering	S&C	1	item	100,000	100,000	

2 Piling and Pile Caps

.01	Piling Mat & Removal - Assume 800mm thick	S&C	1,057	m2	80	84,560	
.02	Mobilisation of Rig	S&C	1	item	50,000	50,000	
.03	Piles - assume 750dia at 30m deep	S&C	230	nr	3,000	690,000	Assumes 4 piles per column
	Set up at each pile location	S&C	230	nr	150	34,500	
.04	Pile Caps	S&C	45	nr	10,000	450,000	
.05	Pile Cap to core	S&C	1	item	50,000	50,000	
.06	Testing to piles	S&C	1	item	25,000	25,000	
.07	Attendance on piles	S&C	8	weeks	11,500	88,167	

3 Ground Bearing Slab

.01	Reinforced Raft Slab; 250mm depth	S&C	1,016				
.02	E/O for Waterproof concrete slab	S&C	254	m3	190	48,260	Assumes slab repairs total reconstruction
.03	Reinforcement Bars - 200kg/m3	S&C	51	t	1,620	82,620	
.04	Blinding and DPM beneath slab	S&C	1,016	m2	15	15,240	
.05	Below Ground Drainage	S&C	1,016	m2	100	101,600	
.06	Extra over for forming lift pits	S&C	3	nr	7,500	22,500	

4 Reinforced concrete slabs - suspended slab

.01	<u>RC Slab - Assume 350mm thick:</u>	S&C	1,057	m2		
.02	Blinding beneath slab that sits outside of the basement	S&C	1,057	m2	55	58,135
.03	Reinforced Concrete ; C35/40	S&C	370	m3	190	70,291
.04	Formwork	S&C	1,057	m2	50	52,850
.05	Slab edge	S&C	133	m	25	3,325
.06	Reinforcement - 140kg/m3	S&C	52	ton	1,620	83,916
.07	Finish - tamped	S&C	1,057	m2	5	5,285

5 Allowance for reinforced concrete walls

.01	Allowance for core walls	S&C		m2		0	up to ground floor
.02	Concrete	S&C	110	m3	190	20,976	
.03	Formwork	S&C	736	m2	60	44,160	
.04	Rebar - 220kg/m3	S&C	24	t	1,620	39,347	
.05	Allowance for structural walls/columns	S&C	1	Item		Included	
.06	Columns to Basement	S&C	45	nr	1,000	45,000	
.07	Allowance for cavity walls	S&C	600	m2	100	60,000	Perimeter of current basement
.08	Allowance for steps in slabs	S&C	1	nr	15,000	15,000	
.05	Allowance for repairing the existing retaining walls	S&C	532	m2	355	188,860	

6 Sub-contractor's Preliminaries

.01	Sub-contractor's Preliminaries	S&C	15%	of	2,683,731	402,560
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7 Internal Walls

.01	Allowance for internal walls	S&C	1,016	m2	125	127,000
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8 Internal Doors

.01	Allowance for doors	S&C	1,016	m2	50	50,800
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9 Internal Finishes

Wall Finishes

.01	Allowance for various wall finishes	S&C	1,016	m2	35	35,560	
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Floor Finishes

.02	Allowance for floor finish - screed and painted floor (see other items for e/o finishes for gym etc.)	S&C	1,016	m2	35	35,560	
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Ceiling Finishes

.03	Allowance for dust sealant	S&C	1,016	m2	20	20,320	
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9 M&E

.01	Allowance for below ground drainage	S&C	1,016	m2	100	101,600	Excludes Pumping
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Subtotal for SUBSTRUCTURE

ft2 24 3,457,000

2 SUPERSTRUCTURE

1 Frame & Upper Floors

Reinforced Concrete Columns; Ground Floor

.01	Concrete Columns to Upper Floors	S&C	12,271	m2	30	368,130	
.02	S/C Prelims	S&C	15%		368,130	55,220	

Reinforced Concrete Walls (Ground - Level 33)

RC Wall; W1 - 300mm thick

.01	Reinforced Concrete; Assume C40/50	S&C	2,052	m3	190	389,880	average floor to floor 3.1m
.02	Formwork	S&C	13,680	m2	58	793,440	
.03	Reinforcement - Assume 135kg/m3	S&C	308	t	1,620	498,636	
.04	Sub-contractor's Preliminaries	S&C	15%	of	2,105,306	315,796	

3 Upper Floors

1 Reinforced concrete slabs

.01	RC Slab - Assume 250mm thick; including roof	S&C	11,214	m2			
.02	Reinforced Concrete ; C35/40	S&C	2,804	m3	190	532,665	
.03	Formwork	S&C	11,214	m2	60	672,840	
.04	Slab edge	S&C	2,360	m	25	59,000	
.05	Reinforcement - 140kg/m3	S&C	392	ton	1,620	635,834	
.06	Finish - tamped	S&C	11,214	m2	5	56,070	
.07	E/O Cantilver Slab - Level 5	S&C	1	item	0	0	
.08	Sub-contractor's Preliminaries	S&C	15%	of	1,956,409	293,461	

4 Roof

	S&C				
.01 Allowance for new roof structure and finishes	S&C	1,057	m2		0
.02 New steel and timber roof to historic buildings	S&C	364	m2	400	145,600
.03 Slate roof finish to historic roof	S&C	364	m2	400	145,600
.04 Reinforced Concrete ; C35/40	S&C	173	m3	190	32,918
.05 Formwork	S&C	693	m2	60	41,580
.06 Reinforcement - 140kg/m3	S&C	24	t	1,620	39,293
.07 Sub-contractor's Preliminaries	S&C	17.5%	of	404,991	70,873
.08 Basic finishes to roof	S&C	693	m2	250	173,250
.09 E/O terrace at First Floor	S&C	139	m2	200	27,800
.10 Allowance for roof terrace at level 4	S&C	364	m2	200	72,800
.11 Aluminium Parapet Capping; 400mm Wide with Drip	S&C	233	m	300	69,750
.12 Allowance for attenuation tanks at ground floor	S&C	1	item	75,000	75,000
.13 Roof Finishes - Paving slabs for plant	S&C	505	m2	100	50,500

Gutters / Rainwater Installation

.14 Gulleys, Gutters, Rainwater Installation	S&C	1	item	150,000	150,000
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Handrails, Balustrades & Safety Systems

.15 Allowance for handrail - level 4	S&C	133	m	650	86,125
.16 Allowance for man safe system	S&C	1	item	20,000	20,000
.17 Allowance for Roof Access Hatch	S&C	1	item	10,000	10,000
.18 Allowance for Davit Arms	S&C	1	item	350,000	350,000
.19 Lift Overruns	S&C	2	item	20,000	40,000

Ecology

.20 Brown roof / Green Roof, say 30% of roof area	S&C	305	m2	150	45,720
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5 Stairs & Ramps

.01 <u>Stairs</u>					
.02 Pre-Cast Concrete; Internal Escape Staircase; 1800mm Wide; Including Landings & Half Landings, Balustrade & Handrails.	S&C	47	flights	9,000	423,000
.03 Medium duty hard aluminium alloy stair tread nosings; plugged and screwed in concrete	S&C	1,117	m	25	27,918

6 External Walls, Windows & Doors

.01 External Walls

.02	Make good existing retained façade	S&C	2,221	m2	125	277,563	
.03	Connect retained façade to new façade and structure at levels 1, 2 and 3.	S&C	1	item	200,000	200,000	
.04	External façade; New façade to office.	S&C	8,246	m2	1,100	9,070,600	
.05	Cladding to river elevation	S&C	104	m2	1,200	124,800	
.06	New windows to retained façade	S&C	72	nr	1,750	126,000	Assumes DGU
.07	New windows - single glazed to retained façade which is external both sides	S&C	78	nr	1,250	97,500	
.08	Entrance Canopy	S&C	1	item	15,000	15,000	
.09	Louvres to Bin area	S&C	1	item	10,000	10,000	
.10	External building signage	S&C	1	item	75,000	75,000	

Balconies & External Walkways

.11	Allowance for balconies	S&C				Excluded	
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External Door

.12	Double doors to office entrance	S&C	4	nr	12,500	50,000	
.13	Substation doors	S&C	2	nr	10,000	20,000	
.14	Service doors - double	S&C	1	nr	10,000	10,000	
.15	Service doors - single	S&C	1	nr	5,000	5,000	
.16	Service / cycle access 1.5dr	S&C	1	nr	5,000	5,000	
.17	Fire escape door	S&C	1	nr	3,000	3,000	
.18	Single doors to office entrance	S&C	5	nr	7,500	37,500	
.19	Double doors to commercial unit	S&C	1	nr	10,000	10,000	
.20	Single door to retail	S&C		nr	5,000	0	
.21	Side gate / door to External terrace	S&C		nr	20,000	0	

7 Internal Walls & Doors
.01 Internal Walls

.02	Internal Partitions; Varying Fire & Acoustic Ratings;	S&C	12,271	m2	70	858,970	
.03	Lining to internal face of external walls;				Included in apartment fit out		
.04	E/O for making good to inside face of external walls	S&C	2,221	m2	75	166,538	

Internal doors

.05	Riser and communal doors	S&C	12,271	m2	60	736,260	
.06	Solid Timber Internal Entrance Door sets; to rooms	S&C		nr	1,500	Included	See fitout model

Subtotal for SUPERSTRUCTURE

18,667,428

3 INTERNAL FINISHES

.01 Finishes to Communal Space and BOH Areas

.02 Wall Finishes to Communal Spaces

.03	Painted plasterboard to walls	S&C	3,558	m2	50	177,910
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.04 Floor Finishes to Communal Spaces

.05	Heavy duty vinyl to communal circulation areas	S&C	3,558	m2	75	266,865
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.06 Ceiling Finishes to Communal Spaces

.07	Plasterboard and paint finish to communal circulation areas	S&C	3,558	m2	60	213,492
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.08	E/O allowance for access hatches	S&C	1	item	50,000	50,000
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Subtotal for INTERNAL FINISHES

708,267

4 FIXTURES AND FITTINGS

<u>FF&E</u>						
.01	Security Gates	S&C	3	nr	20,000	60,000
<u>WC's</u>						
.02	Allowance for Superloos	S&C	80	nr	7,000	560,000
.03	Allowance for DDA WC	S&C	21	nr	8,500	178,500
<u>Signage</u>						
.04	Statutory	S&C	13,287	m2	3.5	46,505
.05	Wayfinding	S&C	13,287	m2	5.0	66,435
<u>Sundry Allowance</u>						
.06	General	S&C	13,287	m2	5	66,435
<u>Reception (Includes FF&E, finishes)</u>						
.07	Reception fitout	S&C	221	m2	500	110,400
.08	Reception Desk	S&C	1	item	25,000	25,000
	Building Management Facilities	S&C	1	item	25,000	25,000
<u>Basement fitout (Includes FF&E, finishes and MEP)</u>						
.09	Cycle Racks	S&C	150	nr	300	45,000
.10	Changing / Shower Provision	S&C	1	item	200,000	200,000
.11	Cycle Store fitout	S&C	1	item	35,000	35,000

Subtotal for FIXTURES AND FITTINGS
1,418,275
5 SERVICES

.01	<u>MEP</u>	S&C	13,287	m2	500	6,643,500
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- .02 Lighting
- .03 Heating and Cooling
- .04 Power
- .05 Inactive IT
- .06 Drainage above ground
- .07 PV's
- .08 New Plant / Distribution etc.
- .09 Ventilation
- .10 Grey Water
- .11 Testing & commissioning
- .12 Services sub-contract preliminaries
- .13 Kitchen Extract for Café

S&C m2 Excluded

Lifts

- .14 Passenger lifts, single entry (Basement to level 18,1.6m/s)
- .15 BOH / Goods Lifts -Basement to ground
- .16 EO lift car finishes
- .17 EO for lift landing finishes; by others
- .18 EO for beneficial use; included in M/C preliminaries
- .19 Subcontractor Prelims

S&C	2	nr	250,000	500,000
S&C	1	nr	75,000	75,000
S&C	2	no.	10,000	n/a
S&C				Excluded
S&C				Excluded
S&C				Included

Subtotal for SERVICES
7,218,500
5 External Works and Utilities

.01 **External Works Allowance**

.02 **Allowance for ground floor works to create new public square**

.03	Hard landscaping	S&C	1	item	500,000	500,000	
.04	Soft Landscaping	S&C	1	item	100,000	100,000	
.05	Lighting	S&C	1	item	50,000	50,000	
.06	E/O feature entrance wall	S&C	1	item	75,000	75,000	
.07	Riverside Terrace	S&C	1	item	150,000	150,000	

New incoming services

.07	New Electrical Supply	S&C	1	item	250,000	250,000	
.08	New Gas supply	S&C	1	item	75,000	75,000	Assumed by retail tenant - space provision only
.09	New Water and Sewage connections	S&C	1	item	150,000	150,000	
.10	BT and comms	S&C	1	item	75,000	75,000	Standard lift range uplift

Subtotal for External Works and Utilities

1,425,000

ESTIMATED ROUNDED CONSTRUCTION COST

35,443,825

6. ASSUMPTIONS & EXCLUSIONS

The following should be read in conjunction with the Executive Summary and are a list of key assumptions relating to the Cost Plan at Market Square, Nottingham. The following list is not exhaustive:

- 1 *The existing basement slab is fully demolished to dig new piles*
- 2 *The existing basement retaining wall is retained. An allowance has been included for works associated with this element. This will include enabling works, repair for example.*
- 3 *Strip Out and Demolition works undertaken as separate contract.*
- 4 *Assumes façade retention as indicated on the drawings*
- 5 *Allowance for Asbestos removal: 100k included*
- 6 *Substructure based on new piles. C 750 dia.*
- 7 *Assumes existing basement is increased in depth by 1m*
- 8 *Assumes no works to the river walls.*
- 9 *RC Frame to upper floors assumes 225- 250 thick slab*
- 10 *Assumes slab to slab height of 4m*
- 11 *The roof over the heritage / existing building is replaced with a steel and timber structure and covered in new slate tiles*
- 12 *Assumes existing retained façade is 'made good' both internally and externally.*
- 13 *Windows to the existing façade that face onto new terraces are assumed as single glazed.*
- 14 *New punched windows to retained façade forming external envelope assumed as DGU.*
- 15 *Cladding- Stick system brick and punched windows - with solid to glazing ratio of 60:40*
- 16 *Finishes have been aligned with the fitout model section in this report.*
- 17 *For a full list of allowances please refer to section 5*
- 18 *MEPH- includes for commercial sprinkler and wet riser to the taller part of the site. Excludes any*
- 19 *any mechanical vent or cooling with the rooms and clusters.*
- 20 *Roof – allowance for green roof included. Assumed there is either a buried attenuation tank or*
- 21 *Attenuation tanks at ground floor*
- 22 *Assumes a CAT B type fit out to the amenity space*
- 23 *An allowance for temporary propping has been included in this report: 250k*
- 24 *Bathroom to units assumes pods*
- 25 *Excludes loose FF&E including sofa's, screen to cinema space, gym equipment etc.*

The following should be read in conjunction with the Executive Summary and are a list of items not yet able to be included within this cost plan; however, we would like to discuss them further with yourselves and your advisors to determine whether some or all of the following can be included in the cost plan:

- | | |
|---|---|
| 1 Value Added Tax | 29 An allowance for Asbestos removal has been included for 100k |
| 2 Land acquisition costs and fees | 30 Fees, works or costs associated with abnormal ground conditions |
| 3 Client finance, legal or marketing costs | 31 Underpinning of adjoining structures |
| 4 Professional fees (e.g. design, PCSA, PM, surveys etc.) | 32 Works to the river walls |
| 5 Client Contingency (Design and Construction Contingency Included) | 33 Archaeological investigations and exploratory or resulting works |
| 6 Tender Inflation Estimate | 34 Services diversions |
| 7 Construction Inflation Estimate | 35 Furnishings and equipment for building operations / maintenance teams |
| 8 Planning and building regulation fees | 36 Environment agency requirements / constraints on working adjacent a waterway |
| 9 Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc. | 37 Cost associated with Network Rail surveys and monitoring |
| 10 Changes to current building regulations | 38 Increased design criteria for bomb protection |
| 11 Phasing of the works | 39 Enhancements to all lift cars finishes |
| 12 Project insurances | 40 IT hardware / active hubs |
| 13 Section 106 / 278 Contributions | 41 Connection to district heating system |
| 14 Community Infrastructure Levy Contributions or similar | 42 Power factor correction and harmonics |
| 15 Benefits arising from any potential Capital Allowances or other government incentives / grants | 43 Audio visual installations and equipment |
| 16 Currency and exchange rate fluctuations | 44 Highways works outside of the site boundary |
| 17 Vibration monitoring | 45 Transport interchange |
| 18 Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union | 46 AIP Fees |
| 19 Costs resulting from zero carbon requirements or offset charges | 47 Disposal of non-hazardous and hazardous material (e.g. asbestos, contaminated land) |
| 20 Statutory changes | 48 Landlords contributions |
| 21 Works outside of the site boundary except where specifically stated | 49 Road closures |
| 22 Public art installations or contributions | 50 Repairs or works to the adjacent properties including the Existing buildings on site. |
| 23 Works outside of normal working hours | 51 Utility upgrades or costs associated with existing network diversion or transformer relocation costs. |
| 24 Diversion of existing below ground services | 52 Winter Gardens |
| 25 Mock-ups, prototypes, off site benchmark and the like | |
| 26 CPO Costs | |
| 27 Tenant's costs or contributions | |
| 28 Loose fittings, furnishings and equipment and external furniture | |

7.AREA SCHEDULE

		Overall		Office	Office	Commercial	Other	Typical Floor:
Floor Level		GIA (m2)	GIA (ft2)	NIA (m2)	NIA (ft2)	NIA (m2)	GIA (m2)	
-1	Basement	1,016	10,936		-			
0	Ground	1,057	11,377		-	505		
1	First	891	9,591	731	7,868			
2	Second	869	9,354	710	7,642			
3	Third	869	9,354	710	7,642			
4	Fourth	505	5,436	373	4,015			
5	Fifth	505	5,436	373	4,015			
6	Sixth	505	5,436	373	4,015			
7	Seventh	505	5,436	373	4,015			
8	Eighth	505	5,436	373	4,015			
9	Ninth	505	5,436	373	4,015			
10	Tenth	505	5,436	373	4,015			
11	Eleventh	505	5,436	373	4,015			
12	Twelfth	505	5,436	373	4,015			
13	Thirteenth	505	5,436	373	4,015			
14	Fourteenth	505	5,436	373	4,015			
15	Fifteenth	505	5,436	373	4,015			
16	Sixteenth	505	5,436	373	4,015			
17	Seventeenth	505	5,436	373	4,015			
18	Eighteenth	505	5,436	373	4,015			
19	Nineteenth	505	5,436	373	4,015			
20	Twenty	505	5,436	373	4,015			
Total		13,287	143,020	8,492	91,407	505	-	

GARDINER & THEOBALD LLP

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APPENDIX B

ACM ADJUSTED G&T INDICATIVE ORDER OF COST ESTIMATE

OFFICE CONSENTED

GIFA 12,433 m²
GIFA 133,828 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
0 Strip Out / Demolition	£ 2,549,000		£ 205.02	£ 19.05	5%	Asbestos allowance appears light at £50,000. However, difficult to assess without understanding the extent. In the context of the available information, allowances in this section appear reasonable.	2,549,000	+0	205.02	19.05
Total Strip Out / Demolition		£ 2,549,000	£ 205.02	£ 19.05	5%		2,549,000	+0	205.02	19.05
1 SUBSTRUCTURE	£ 3,398,000		£ 273.30	£ 25.39	7%	Pile cap rate appears high at £10k per pile cap. However, considered in the context of 30m deep piles, suggest this allowance is sensible. Reinforcement rate at £1,620 / t appears light. We would suggest minimum £1,850 / t. Difference = +£230 / t. Total tonnage = 119 t. Total adjustment = +£27,370. Difference considered negligible so no adjustment made. Internal walls, doors, finishes and drainage are priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment. ACM consider the allowances made for walls and doors to be at the higher end of the expected range.	3,398,000	+0	273.30	25.39
Total Substructure		£ 3,398,000	£ 273.30	£ 25.39	7%		3,398,000	+0	273.30	25.39
2 SUPERSTRUCTURE										
2A Frame	£ 2,387,000		£ 191.99	£ 17.84	5%	See below item. Total cost of frame from GF to roof structure = £5,051,000 / 11,417m2 (GIFA less basement) = £442/m2. Based on a 4m floor to floor, ACM considers this rate to be reasonable. Plus £500,000 provisional allowance for cantilever noted at 5th floor.	2,387,000	+0	191.99	17.84
2B Upper Floors	£ 2,664,000		£ 214.27	£ 19.91	6%		3,164,000	+500,000	254.48	23.64
2C Roof	£ 1,517,000		£ 122.01	£ 11.34	3%	Allowances appear reasonable. Note - reference is made to a davit type access system (item 4.18 within cost plan). However, the cost allowance is consistent with a BMU type access system. For the purposes of this review, we assume the davit description is incorrect and this should reference a BMU.	1,517,000	+0	122.01	11.34
2D Stairs	£ 451,000		£ 36.27	£ 3.37	1%	Allowances appear reasonable.	451,000	+0	36.27	3.37
2E External Walls	£ 8,543,000		£ 687.12	£ 63.84	18%	Key item within this element is the allowance for the new façade. The allowance made is £1,100/m2 which ACM consider to be a sensible allowance.	8,543,000	+0	687.12	63.84
2F External Windows and Doors	£ 0		£ 0.00	£ 0.00	0%	See above item.	0	+0	0.00	0.00
2G Internal Walls and Partitions	£ 966,000		£ 77.70	£ 7.22	2%	Allowances appear reasonable.	966,000	+0	77.70	7.22
2H Internal Doors	£ 685,000		£ 55.10	£ 5.12	1%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	685,000	+0	55.10	5.12
Total Superstructure		£ 17,213,000	£ 1,384.46	£ 128.62	36%		17,713,000	+500,000	1,424.68	132.36

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Elemental Cost Summary
Order of Cost Analysis



OFFICE CONSENTED

GIFA 12,433 m²
GIFA 133,828 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
3 3A FINISHES Wall Finishes	£ 673,000		£ 54.13	£ 5.03	1%	Allowances appear reasonable. There will likely be a requirement for void former to build levels in core areas to meet a level threshold with the offices. We have assumed this is in the rates.	673,000	+0	54.13	5.03
3B Floor Finishes	£ 0		£ 0.00	£ 0.00	0%	See above item.		+0	0.00	0.00
3C Ceiling Finishes	£ 0		£ 0.00	£ 0.00	0%	See above item.		+0	0.00	0.00
Total Finishes		£ 673,000	£ 54.13	£ 5.03	1%		673,000	+0	54.13	5.03
4 FITTINGS AND FURNISHINGS	£ 1,380,000		£ 110.99	£ 10.31	3%	We would question the specificaion required - e.g. superloos vs traditional WC's. Rates appear reasonable for the high end specification assumed.	1,380,000	+0	110.99	10.31
Total Fittings and Furnishings		£ 1,380,000	£ 110.99	£ 10.31	3%		1,380,000	+0	110.99	10.31
5 SERVICES										
5.1 Mechanical & Electrical Services	£ 6,792,000		£ 546.29	£ 50.75	14%	Shell and core MEP allowance including sprinklers appears reasonable. Refer to item 7 (we understand the M&E aspiration is BREEAM Excellent, NABERS 4-5).	6,792,000	+0	546.29	50.75
5.2 Lift and Conveyor Installations	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
5.3 Special Installations	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
5.4 Builders Work in Connection	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
Total Services		£ 6,792,000	£ 546.29	£ 50.75	14%		6,792,000	+0	546.29	50.75
BUILDING SUB-TOTAL		£ 32,005,000	£ 2,574.20	£ 239.15	66%		32,505,000	+500,000	2,614.41	242.89
6 EXTERNAL WORKS										
6A Enabling Works	£ 1,425,000		£ 114.61	£ 10.65	3%	Allowances appear reasonable.	1,425,000	+0	114.61	10.65
6B Site Wide Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6C External Services	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6E External Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6D Minor Building Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
Total External Works		£ 1,425,000	£ 114.61	£ 10.65	3%		1,425,000	+0	114.61	10.65
7 CAT A Fit Out	£ 4,064,104		£ 326.88	£ 30.37	8%	We note from the CAT A breakdown provided by G&T that there appears no inclusion here or elsewhere in the cost plan for both carpet tiles and blinds to tenant floor plates. Notwithstanding this may be included separately within the appraisal as a developer / tenant contribution, we consider the cost of £48/ft2 (nett) to be at the higher end of the expected range. ACM consider a CAT A fit out rate of £40/ft2 (nett) to be appropriate. 84,670 ft2 (nett) x £40 = £3,386,800 less G&T allowance of £4,064,104 = (£677,304)	3,386,800	(677,304)	272.40	25.31
Total CAT A Fit Out		£ 4,064,104	£ 326.88	£ 30.37	8%		3,386,800	(677,304)	272.40	25.31
BUILDING & EXTERNAL WORKS SUB-TOTAL		£ 37,494,104	£ 3,015.69	£ 280.17	78%		37,316,800	(177,304)	3,001.43	278.84

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Elemental Cost Summary
Order of Cost Analysis



OFFICE CONSENTED

GIFA 12,433 m²
GIFA 133,828 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
8 ON COSTS										
8A Preliminaries	£ 5,591,000		£ 449.69	£ 41.78	12%	ACM consider that 16% is an appropriate allowance.	5,562,848	(28,152)	447.43	41.57
8B OH&P	£ 2,027,000		£ 163.03	£ 15.15	4%	ACM consider that 5% is an appropriate allowance.	2,016,532	(10,468)	162.19	15.07
8C Construction Risk	£ 3,158,000		£ 254.00	£ 23.60	7%	ACM consider that 5% is an appropriate allowance for design development risk and 2.5% is an appropriate allowance for contractor risk.	3,367,214	+209,214	270.83	25.16
Total On Costs		£ 10,776,000	£ 866.73	£ 80.52	22%		10,946,594	+170,594	880.45	81.80
TOTAL ESTIMATE		£ 48,270,104	£ 3,882.42	£ 360.69	100%		48,263,394	(6,710)	3,881.88	360.64

OFFICE PROPOSED

GIFA 13,287 m²
GIFA 143,020 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
0 Strip Out / Demolition	£ 2,549,000		£ 191.84	£ 17.82	5%	Asbestos allowance appears light at £50,000. However, difficult to assess without understanding the extent. In the context of the available information, allowances in this section appear reasonable.	2,549,000	+0	191.84	17.82
Total Strip Out / Demolition		£ 2,549,000	£ 191.84	£ 17.82	5%		2,549,000	+0	191.84	17.82
1 SUBSTRUCTURE	£ 3,457,000		£ 260.18	£ 24.17	7%	Pile cap rate appears high at £10k per pile cap. However, considered in the context of 30m deep piles, suggest this allowance is sensible. Reinforcement rate at £1,620 / t appears light. We would suggest minimum £1,850 / t. Difference = +£230 / t. Total tonnage = 127 t. Total adjustment = +£29,210. Difference considered negligible so no adjustment made. Internal walls, doors, finishes and drainage are priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment. ACM consider the allowances made for walls and doors to be at the higher end of the expected range.	3,457,000	+0	260.18	24.17
Total Substructure		£ 3,457,000	£ 260.18	£ 24.17	7%		3,457,000	+0	260.18	24.17
2 SUPERSTRUCTURE										
2A Frame	£ 2,421,000		£ 182.21	£ 16.93	5%	See below item. Total cost of frame from GF to roof structure = £4,671,000 / 12,271m² (GIFA less basement) = £380/m². Based on a 4m floor to floor, ACM considers a rate as calculated in the 'Consented' scheme of £442/m² to be more appropriate. £442 - £380 = £62 / m² x 12,271m² = £760,802.	2,421,000	+0	182.21	16.93
2B Upper Floors	£ 2,250,000		£ 169.34	£ 15.73	4%		3,010,802	+760,802	226.60	21.05
2C Roof	£ 1,647,000		£ 123.96	£ 11.52	3%	Allowances appear reasonable. Note - reference is made to a davit type access system (item 4.18 within cost plan). However, the cost allowance is consistent with a BMU type access system. For the purposes of this review, we assume the davit description is incorrect and this should reference a BMU.	1,647,000	+0	123.96	11.52
2D Stairs	£ 451,000		£ 33.94	£ 3.15	1%	Allowances appear reasonable.	451,000	+0	33.94	3.15
2E External Walls	£ 10,137,000		£ 762.93	£ 70.88	20%	Key item within this element is the allowance for the new façade. The allowance made is £1,100/m² which ACM consider to be a sensible allowance.	10,137,000	+0	762.93	70.88
2F External Windows and Doors	£ 0		£ 0.00	£ 0.00	0%	See above item.	0	+0	0.00	0.00
2G Internal Walls and Partitions	£ 1,026,000		£ 77.22	£ 7.17	2%	Allowances appear reasonable.	1,026,000	+0	77.22	7.17
2H Internal Doors	£ 736,000		£ 55.39	£ 5.15	1%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	736,000	+0	55.39	5.15
Total Superstructure		£ 18,668,000	£ 1,404.98	£ 130.53	36%		19,428,802	+760,802	1,462.24	135.85

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Elemental Cost Summary
Order of Cost Analysis



OFFICE PROPOSED

GIFA 13,287 m²
GIFA 143,020 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
3 3A FINISHES Wall Finishes	£ 708,000		£ 53.29	£ 4.95	1%	Allowances appear reasonable. There will likely be a requirement for void former to build levels in core areas to meet a level threshold with the offices. We have assumed this is in the rates.	708,000	+0	53.29	4.95
3B Floor Finishes	£ 0		£ 0.00	£ 0.00	0%	See above item.		+0	0.00	0.00
3C Ceiling Finishes	£ 0		£ 0.00	£ 0.00	0%	See above item.		+0	0.00	0.00
Total Finishes		£ 708,000	£ 53.29	£ 4.95	1%		708,000	+0	53.29	4.95
4 FITTINGS AND FURNISHINGS	£ 1,418,000		£ 106.72	£ 9.91	3%	We would question the specificaion required - e.g. superloos vs traditional WC's. Rates appear reasonable for the high end specification assumed.	1,418,000	+0	106.72	9.91
Total Fittings and Furnishings		£ 1,418,000	£ 106.72	£ 9.91	3%		1,418,000	+0	106.72	9.91
5 SERVICES										
5.1 Mechanical & Electrical Services	£ 7,219,000		£ 543.31	£ 50.48	14%	Shell and core MEP allowance including sprinklers appears reasonable. Refer to item 7 (we understand the M&E aspiration is BREEAM Excellent, NABERS 4-5).	7,219,000	+0	543.31	50.48
5.2 Lift and Conveyor Installations	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
5.3 Special Installations	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
5.4 Builders Work in Connection	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
Total Services		£ 7,219,000	£ 543.31	£ 50.48	14%		7,219,000	+0	543.31	50.48
BUILDING SUB-TOTAL		£ 34,019,000	£ 2,560.32	£ 237.86	66%		34,779,802	+760,802	2,617.58	243.18
6 EXTERNAL WORKS										
6A Enabling Works	£ 1,425,000		£ 107.25	£ 9.96	3%	Allowances appear reasonable.	1,425,000	+0	107.25	9.96
6B Site Wide Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6C External Services	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6E External Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
6D Minor Building Works	£ 0		£ 0.00	£ 0.00	0%		0	+0	0.00	0.00
Total External Works		£ 1,425,000	£ 107.25	£ 9.96	3%		1,425,000	+0	107.25	9.96
7 CAT A Fit Out	£ 4,387,538		£ 330.21	£ 30.68	9%	We note from the CAT A breakdown provided by G&T that there appears no inclusion here or elsewhere in the cost plan for both carpet tiles and blinds to tenant floor plates. Notwithstanding this may be included separately within the appraisal as a developer / tenant contribution, we consider the cost of £48/ft2 (nett) to be at the higher end of the expected range. ACM consider a CAT A fit out rate of £40/ft2 (nett) to be appropriate. 91,408 ft2 (nett) x £40 = £3,656,320 less G&T allowance of £4,387,538 = (£731,218)	3,656,320	(731,218)	275.18	25.57
Total CAT A Fit Out		£ 4,387,538	£ 330.21	£ 30.68	9%		3,656,320	(731,218)	275.18	25.57
BUILDING & EXTERNAL WORKS SUB-TOTAL		£ 39,831,538	£ 2,997.78	£ 278.50	78%		39,861,122	+29,584	3,000.01	278.71

OFFICE PROPOSED

GIFA 13,287 m²
GIFA 143,020 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
8 ON COSTS										
8A Preliminaries	£ 5,965,000		£ 448.94	£ 41.71	12%	ACM consider that 16% is an appropriate allowance.	5,969,940	+4,940	449.31	41.74
8B OH&P	£ 2,162,000		£ 162.72	£ 15.12	4%	ACM consider that 5% is an appropriate allowance.	2,164,103	+2,103	162.87	15.13
8C Construction Risk	£ 3,358,000		£ 252.73	£ 23.48	7%	ACM consider that 5% is an appropriate allowance for design development risk and 2.5% is an appropriate allowance for contractor risk.	3,599,637	+241,637	270.91	25.17
Total On Costs		£ 11,485,000	£ 864.38	£ 80.30	22%		11,733,680	+248,680	883.09	82.04
TOTAL ESTIMATE		£ 51,316,538	£ 3,862.16	£ 358.81	100%		51,594,802	+278,264	3,883.10	360.75

Appendix 5 – Option 3 Appraisal Summary

Hotspur Press
Option 3 - Office (Consented)
Savills Appraisal

Development Appraisal
Licensed Copy
12 October 2023

Hotspur Press
Option 3 - Office (Consented)
Savills Appraisal

Appraisal Summary for Phase 1 Consented

Currency in £

REVENUE

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Office Level 20	1	3,757	37.00	139,009	139,009	139,009
Office Level 17 - 19	3	11,270	37.00	138,997	416,990	416,990
Office Level 14 - 16	3	11,270	37.00	138,997	416,990	416,990
Office Level 11 - 13	3	11,270	37.00	138,997	416,990	416,990
Office Level 08 - 10	3	11,270	37.00	138,997	416,990	416,990
Office Level 05 - 07	3	10,732	37.00	132,361	397,084	397,084
Office Level 01 - 04	4	25,101	37.00	232,184	928,737	928,737
Retail	1	4,661	20.00	93,220	93,220	93,220
Totals	21	89,331			3,226,010	3,226,010

Investment Valuation

Office Level 20					
Current Rent	139,009	YP @	6.2500%	16.0000	2,224,144
Office Level 17 - 19					
Current Rent	416,990	YP @	6.2500%	16.0000	6,671,840
Office Level 14 - 16					
Current Rent	416,990	YP @	6.2500%	16.0000	6,671,840
Office Level 11 - 13					
Current Rent	416,990	YP @	6.2500%	16.0000	6,671,840
Office Level 08 - 10					
Current Rent	416,990	YP @	6.2500%	16.0000	6,671,840
Office Level 05 - 07					
Current Rent	397,084	YP @	6.2500%	16.0000	6,353,344
Office Level 01 - 04					
Market Rent	928,737	YP @	6.2500%	16.0000	
(6mths Unexpired Rent Free)		PV 6mths @	6.2500%	0.9701	14,416,116
Retail					
Current Rent	93,220	YP @	7.7500%	12.9032	1,202,839
Total Investment Valuation					50,883,802

GROSS DEVELOPMENT VALUE

50,883,802

Purchaser's Costs	(5,289,599)
Effective Purchaser's Costs Rate	6.80%
	(5,289,599)

NET DEVELOPMENT VALUE

45,594,204

Income from Tenants

Office Level 20	278,018
Office Level 17 - 19	833,980
Office Level 14 - 16	625,485
Office Level 11 - 13	416,990
Office Level 08 - 10	208,495
Retail	186,440
	2,549,408

NET REALISATION

48,143,612

OUTLAY

ACQUISITION COSTS

Hotspur Press
Option 3 - Office (Consented)
Savills Appraisal

Fixed Price	1		
Fixed Price		1	
			1

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Office	133,828	360.64	48,263,394	48,263,394

PROFESSIONAL FEES

Professional Fees	12.00%	5,791,607	5,791,607
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MARKETING & LETTING

Marketing		150,000	
Letting Agent Fee	15.00%	483,902	
Letting Legal Fee	5.00%	161,301	
			795,202

DISPOSAL FEES

Sales Agent Fee	1.00%	455,942	
Sales Legal Fee	0.50%	227,971	
			683,913

TOTAL COSTS BEFORE FINANCE			55,534,117
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FINANCE

Debit Rate 8.600%, Credit Rate 0.000% (Nominal)			
Land		0	
Construction		4,409,515	
Other		17,228,614	
Total Finance Cost			21,638,129

TOTAL COSTS			77,172,246
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PROFIT			(29,028,634)
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Performance Measures

Profit on Cost%	-37.62%
Profit on GDV%	-57.05%
Profit on NDV%	-63.67%
Development Yield% (on Rent)	4.18%
Equivalent Yield% (Nominal)	6.29%
Equivalent Yield% (True)	6.54%
IRR% (without Interest)	-3.58%
Rent Cover	-8 yrs -12 mths
Profit Erosion (finance rate 8.600)	N/A

Appendix 6 – Option 4 Appraisal Summary

Hotspur Press
Option 4 - Office (Proposed)
Savills Appraisal

Development Appraisal
Licensed Copy
12 October 2023

Hotspur Press
Option 4 - Office (Proposed)
Savills Appraisal

Appraisal Summary for Phase 1 Proposed

Currency in £

REVENUE

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Office Level 20	1	4,015	37.00	148,555	148,555	148,555
Office Level 17 - 19	3	12,045	37.00	148,555	445,665	445,665
Office Level 14 - 16	3	12,045	37.00	148,555	445,665	445,665
Office Level 11 - 13	3	12,045	37.00	148,555	445,665	445,665
Office Level 08 - 10	3	12,045	37.00	148,555	445,665	445,665
Office Level 05 - 07	3	12,045	37.00	148,555	445,665	445,665
Office Level 01 - 04	4	27,168	37.00	251,304	1,005,216	1,005,216
Retail	1	5,436	20.00	108,720	108,720	108,720
Totals	21	96,844			3,490,816	3,490,816

Investment Valuation

Office Level 20					
Current Rent	148,555	YP @	5.7500%	17.3913	2,583,565
Office Level 17 - 19					
Current Rent	445,665	YP @	5.7500%	17.3913	7,750,696
Office Level 14 - 16					
Current Rent	445,665	YP @	5.7500%	17.3913	7,750,696
Office Level 11 - 13					
Current Rent	445,665	YP @	5.7500%	17.3913	7,750,696
Office Level 08 - 10					
Current Rent	445,665	YP @	5.7500%	17.3913	7,750,696
Office Level 05 - 07					
Current Rent	445,665	YP @	5.7500%	17.3913	7,750,696
Office Level 01 - 04					
Market Rent	1,005,216	YP @	5.7500%	17.3913	
(6mths Unexpired Rent Free)		PV 6mths @	5.7500%	0.9724	17,000,095
Retail					
Current Rent	108,720	YP @	7.7500%	12.9032	1,402,839
Total Investment Valuation					59,739,978

GROSS DEVELOPMENT VALUE

59,739,978

Purchaser's Costs	(4,062,318)
Effective Purchaser's Costs Rate	6.80%
	(4,062,318)

NET DEVELOPMENT VALUE

55,677,659

Income from Tenants

Office Level 20	297,110
Office Level 17 - 19	891,330
Office Level 14 - 16	668,498
Office Level 11 - 13	445,665
Office Level 08 - 10	222,833
Retail	217,440
	2,742,875

NET REALISATION

58,420,534

OUTLAY

ACQUISITION COSTS

**Hotspur Press
Option 4 - Office (Proposed)
Savills Appraisal**

Fixed Price	1		
Fixed Price		1	
			1

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Office	143,020	360.75	51,594,802	51,594,802

PROFESSIONAL FEES

Professional Fees	12.00%	6,191,376	6,191,376
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MARKETING & LETTING

Marketing		150,000	
Letting Agent Fee	15.00%	523,622	
Letting Legal Fee	5.00%	174,541	848,163

DISPOSAL FEES

Sales Agent Fee	1.00%	556,777	
Sales Legal Fee	0.50%	278,388	835,165

TOTAL COSTS BEFORE FINANCE
59,469,507
FINANCE

Debit Rate 8.600%, Credit Rate 0.000% (Nominal)			
Land		0	
Construction		4,712,990	
Other		18,093,450	
Total Finance Cost			22,806,440

TOTAL COSTS
82,275,947
PROFIT
(23,855,413)
Performance Measures

Profit on Cost%	-28.99%
Profit on GDV%	-39.93%
Profit on NDV%	-42.85%
Development Yield% (on Rent)	4.24%
Equivalent Yield% (Nominal)	5.80%
Equivalent Yield% (True)	6.01%
IRR% (without Interest)	-0.46%
Rent Cover	-6 yrs -10 mths
Profit Erosion (finance rate 8.600)	N/A

Appendix 7 – ACM Cost Review (Hotel)

HOTSPUR PRESS – FEASIBILITY COST PLAN OBSERVATIONS NOTE – HOTEL

10th OCTOBER 2023

Introduction

On 1st September 2023, Abacus Cost Management (ACM) was instructed by Savills (SA) to undertake a peer review of the 'Feasibility Cost Plans' (FCP) produced by Gardiner & Theobald (G&T) in relation to various design options proposed for the Hotspur Press site.

This note focusses on the 'Hotel' schemes.

ACM was provided with the following information:

- CBRE Viability Assessment dated August 2023

To undertake this exercise, ACM has liaised with G&T to better understand the project. ACM and G&T convened a meeting held on Microsoft Teams on 26th September 2023.

It became evident from the meeting that the level of both cost and design information is at a very early stage and therefore our review is commensurate with the level of detail available. For example, the only available measurement data is limited to the façade element and gross internal floor area.

It is noted that G&T costs are base dated 3Q 2023 and are considered current at the time of this peer review.

This note provides an overview of the following:

- 1.0 Project Details
- 2.0 Observations on Elemental Cost Allowances
- 3.0 General Observations
- 4.0 Conclusions

1.0 Project Details

1.1 As noted in the CBRE Viability Assessment, the hotel options considered were as follows:

Item	Consented	Proposed
GIFA m2	15,641	18,653
GIFA ft2	168,358	200,779
Storeys	B + 28	B + 32
Number of Keys	327	360

FIGURE 1

Note – ACM has not verified the above project data.

2.0 Observations on Elemental Cost Allowances

2.1 Please refer to Appendix A for a copy of the G&T FCP.

2.2 Please refer to Appendix B for a copy of the ACM elemental summary. This document provides a commentary against each cost element.

2.3 In summary, ACM would highlight the following observations (cost difference between ACM and G&T is provided in the header of each of the below items):

2.4 Comments in relation to the 'Consented' scheme are as follows:

2.4.1 Frame +£836,375

G&T rate allowance for this element of works equates to £392/m². ACM consider the G&T rate to be low and suggest a rate of £410-420/m² to be reflective of current market conditions.

ACM consider the cantilever works to be additional to this and so the provisional allowance of £500,000 has been added to the frame allowance.

2.4.2 Finishes (£586,538)

G&T have included a rate of £50/m² for a screed to the GIFA.

ACM's view is that this is not usually required to an insitu concrete frame. ACM has adjusted this allowance to cover a latex levelling screed / dpm.

2.4.3 M&E (£1,673,500)

G&T allowance for M&E equates to £37,617 / key. ACM consider this to be excessive for a scheme of this nature.

Following discussion with sub-contractors and M&E consultants, ACM consider an allowance of £32,500 / key to be more reflective of the current market.

2.4.4 Preliminaries +£494,384

ACM consider 17.5% to be a more appropriate level of preliminaries allowance in the context of this development and constraints (adjacent River Medlock and Network Rail issues).

2.4.5 OHP (£46,814)

ACM agrees 5% is a reasonable recovery rate for a 'Tier 1' contractor.

2.4.6 Design Development and Construction Risk +£241,568

G&T has made allowance of 3.5% for Design Development and 3.5% for Construction Risk.

In the context of this project and the current status of design, ACM considers 5% for Design Development appropriate. ACM also consider 2.5% for Construction Risk to be more reflective of current market conditions based on the appointment of a 'Tier 1' contractor.

2.5 Comments in relation to the 'Proposed' scheme are as follows:

2.5.1 Frame +£1,235,080

G&T rate allowance for this element of works equates to £345/m². ACM consider the G&T rate to be low and suggest a rate of £410-420/m² to be reflective of current market conditions.

2.5.2 Finishes (£699,488)

G&T have included a rate of £50/m² for a screed to the GIFA.

ACM's view is that this is not usually required to an insitu concrete frame. ACM has adjusted this allowance to cover a latex levelling screed / dpm.

2.5.3 M&E (£2,570,500)

G&T allowance for M&E equates to £39,640 / key. ACM consider this to be excessive for a scheme of this nature.

Following discussion with sub-contractors and M&E consultants, ACM consider an allowance of £32,500 / key to be more reflective of the current market.

2.5.4 Preliminaries +£510,641

ACM consider 17.5% to be a more appropriate level of preliminaries allowance in the context of this development and constraints (adjacent River Medlock and Network Rail issues).

2.5.5 OHP (£76,563)

ACM agrees 5% is a reasonable recovery rate for a 'Tier 1' contractor.

2.5.6 Design Development and Construction Risk +£244,413

G&T has made allowance of 3.5% for Design Development and 3.5% for Construction Risk.

In the context of this project and the current status of design, ACM considers 5% for Design Development appropriate. ACM also consider 2.5% for Construction Risk to be more reflective of current market conditions based on the appointment of a 'Tier 1' contractor.

3.0 Conclusions

- 3.1 Following our review and adjusting estimated costs where considered required, ACM would advise the following:

Item	Consented	Proposed
G&T	67,321,000	78,017,000
ACM	66,586,476	76,660,583
Difference	(734,524)	(1,356,417)

FIGURE 2

APPENDIX A

G&T INDICATIVE ORDER OF COST ESTIMATE

Hotel (Consented & Proposed)

The Hotspur Press, Manchester
Feasibility Cost Plan - Hotel - Consented

Ourmanner

03 August 2023

CONTENTS

- 1** Executive Summary
- 2** Elemental Cost Breakdown
- 3** Model
- 4** Fit Out Summary
- 5** Fit Out Models
- 6** Assumptions & Exclusions
- 7** Area Schedule

1. EXECUTIVE SUMMARY

This report provides an order of cost estimate for the works at The Former Hotspur Press Site in Manchester. This report includes allowances associated with the Strip Out, Demolition and facade retention of the Existing Building and works associated with the Public Realm. An allowance for CAT B fitout to the amenity spaces throughout the building have been included. A summary of these costs can be seen adjacent and also in Section 2 of this report.

Estimated construction costs have been prepared at current day (2Q 2023) prices. Allowances for Main Contractors Preliminaries (16%), OHP (5%), Design and Construction Risk.(3.5% & 3.5%) *(Future Inflation is excluded from this cost model)*

The total estimated Construction Cost includes for construction works only and excludes fees (including pre-construction services agreements), VAT, S106/S278, CIL payments, land acquisition, all developer direct costs, employer risk allowances and contributions.

This report has been prepared solely for use by OurManner and shall not be relied upon by any third party without the express permission of Gardiner & Theobald LLP. G&T accepts no liability arising from reliance on the report other than to the Employer.

1.1 Headlines

CONSTRUCTION COST		Total (£)	£/ft² GIA	%
1	Construction Cost	52,112,000	310	77%
2	Main Contractor's Preliminaries	16.0% 7,930,000	47	12%
3	Main Contractor's OH&P	5.0% 2,875,000	17	4%
Building Works Total		62,917,000	374	93%
4	Design Development Risk Allowance	3.5% 2,202,000	13	3%
5	Construction Risk Allowance	3.5% 2,202,000	13	3%
Sub Total		67,321,000	400	100%
6	Tender Inflation Estimate	Excl	Excl	-
7	Construction Inflation Estimate	Excl	Excl	-
Total Estimated Construction Cost		67,321,000	400	100%

ESTIMATED ROUNDED CONSTRUCTION COST	£	67,320,000	400
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ESTIMATED ROUNDED CONSTRUCTION COST	£/Bed	205,872
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Abnormals

The adjacent items summarise some key abnormals associated with the site. This namely consists of those items related to the existing building and the works required to enable the existing asset.

** The items identified above are included here as abnormals as they may not be included in other benchmark data when comparing overall construction cost or £/ft2 metrics.

	Total Cost	£/Bed	£/ft2
Cost Plan (as Executive Summary)	67,320,000	205,872	400
0.1 Strip Out (allowance only) **- cost plan allowance omitted	-100,000	-278	-0.6
0.2 Removal of Asbestos- cost plan allowance omitted	-50,000	-139	-0.3
0.3 Demolition of Existing Building **- cost plan allowance omitted	-750,000	-2,083	-4.5
0.4 Façade Retention to be omitted. Abnormal omitted in entirety.	-999,225	-2,776	-5.9
0.5 Temporary works : façade retention system omitted.	-250,000	-694	-1.5
0.6 Temporary works: Prop deck across river. Assumes access achieved roadside	-350,000	-972	-2.1
0.7 Removal of obstructions (risk allowance omitted)	-50,000	-139	-0.3
0.8 Deep Piles required for tall building- E.O for high rise enhancements- reduced to 15m piles from 30m	-345,000	-958	-2.0
0.9 Repair of existing retaining walls. Any repair of existing retaining wall is abnormal	-188,860	-525	-1.1
1 E/O finishes + fitout for Amenity to roof space. Revert to standard finishes	-179,900	-500	-1.1
1.1 Davit system in lieu of BMU and track	-300,000	-833	-1.8
1.2 Omission of ecology allowances (green roofs etc)	-45,720	-127	-0.3
1.3 Make good existing retained façade: assumed no making good necessary.	-277,563	-771	-1.6
1.4 Connect retained façade to new façade and structure at levels 1, 2 and 3. Assumes connection not required.	-200,000	-556	-1.2
1.5 Façade rate- E.O for high rise enhancements (£1,100 to 850/m2). Costs saving shown shows abnormality of cost associate with high rise construction. (target rainscreen façade : £850/m2)	-1,651,000	-4,586	-9.8
1.6 Standard doors in lieu of enhanced doors to riverside lounges. Omits sliding doors	-129,700	-360	-0.8
1.7 Oversized lobby and lounge area circa 725m2- reduced to say 300m2	-220,461	-612	-1.3
1.8 Oversized kitchen seating and breakout spaces(400m2 in lieu of 691m2)	NA		
1.9 Oversized conference facility 1000m2 in lieu of 2000m2	-744,500	-2,068	-4.4
2 Allowances for public realm landscaping including feature external wall. Excludes all works/ allowance to public realm	-725,000	-2,014	-4.3
2.1 Main Contractor's Preliminaries costs on the above	-1,209,109	-3,359	-7.2
2.2 Main Contractor's Overheads and Profit-costs on the above	-438,302	-1,218	-2.6
2.3 Design Development Risk Allowance-costs on the above	-322,152	-895	-1.9
2.4 Construction Risk Allowance-costs on the above	-333,427	-926	-2.0
2.5 Inflation	Excluded		
		0	
Sub Total of Abnormals	-9,859,918	-30,153	-59
Rounded Construction Cost Excluding Abnormals	57,460,082	175,719	341

2. Elemental Summary

GIA (m2): 15,641

GIA (ft2): 168,358

CONSTRUCTION COST				
			£/sq ft GIA	Total (£)
0 Strip out/ Demolition	168,358 sqft	15	2,549,000	
	168,358 sqft	15	2,549,000	
1 Substructure	168,358 sqft	20	3,309,000	
2 Superstructure				
2.1 Frame	168,358 sqft	15	2,479,000	
2.2 Upper Floors	168,358 sqft	19	3,263,000	
2.3 Roof	168,358 sqft	10	1,752,000	
2.4 Stairs & Ramps	168,358 sqft	3	478,000	
2.5 External Walls	168,358 sqft	49	8,306,000	
2.6 Windows & External Doors	168,358 sqft		inc	
2.7 Internal Walls & Partitions	168,358 sqft	8	1,337,000	
2.8 Internal Doors	168,358 sqft	3	512,000	
3 Internal Finishes	168,358 sqft	8	1,363,000	
4 Fixtures and Fittings	168,358 sqft	22	3,738,000	
5 Services	168,358 sqft	50	8,396,000	
8 External Works	168,358 sqft	6	1,275,000	
Sub Total (Excluding Strip/ Demo)		168,358 sqft	215	36,208,000
Room Fit Out	168,358 sqft	79	13,355,000	
Sub Total (Including all measured works)		168,358 sqft	310	52,112,000
9 Main Contractor's Preliminaries	16.0%	47	7,930,000	
10 Main Contractor's Overheads and Profit	5.0%	17	2,875,000	
Building Works Total			374	62,917,000
11 Design Development Risk Allowance	3.5%	13	2,202,000	
12 Construction Risk Allowance	3.5%	13	2,202,000	
TOTAL			400	67,321,000
13 Tender Inflation Estimate				Excluded
14 Construction Inflation Estimate				Excluded
Total Estimated Construction Cost			400	67,321,000
ESTIMATED ROUNDED CONSTRUCTION COST		£	400	67,321,000

3. DETAILED ESTIMATE**1 FACILITATING / DEMOLITION WORKS****0 Site Clearance & Demolition Generally**

.01 Site Clearance	S&C	2,000	m2	25	50,000	
.02 Allowance for strip out of existing building	S&C	1	item	100,000	100,000	
.03 Allowance for removal of Asbestos	S&C	1	item	50,000	50,000	
.04 Allowance for demolition of existing building	S&C	1	item	750,000	750,000	Includes breakout of slabs
.05 Façade Retention	S&C	2,221	m2	450	999,225	
.06 E/O Temporary Works	S&C	1	item	250,000	250,000	
.07 Prop and deck across the River	S&C	1	item	350,000	350,000	

Subtotal for FACILITATING / DEMOLITION WORKS

ft2 15 2,549,225

1 SUBSTRUCTURE

1 Excavation

.01	Allowance For Excavation To Formation Level & Disposal Off Site; assumed clean inert	S&C	1,016	m3	55	55,880	Assumes 1m deep
.02	Allowance for breaking out existing slabs: assumes circa 1m thick	S&C	1,016	m2		0	Included within demolition scope
.03	E/O for 15% Contaminated Material	S&C	152	m3	200	30,480	
.04	E/O for 5% Non Hazardous Material	S&C	51	m3	50	2,540	
.06	Temporary propping	S&C	1	item		0	Included above
.07	Allowance for removing obstructions	S&C	1	item	50,000	50,000	
.08	Allowance for dewatering	S&C	1	item	100,000	100,000	

2 Piling and Pile Caps

.01	Piling Mat & Removal - Assume 800mm thick	S&C	1,036	m2	80	82,880	
.02	Mobilisation of Rig	S&C	1	item	50,000	50,000	
.03	Piles - assume 750dia at 30m deep	S&C	230	nr	3,000	690,000	Assumes 4 piles per column
	Set up at each pile location	S&C	230	nr	150	34,500	
.04	Pile Caps	S&C	45	nr	10,000	450,000	
.05	Pile Cap to core	S&C	1	item	50,000	50,000	
.06	Testing to piles	S&C	1	item	25,000	25,000	
.07	Attendance on piles	S&C	8	weeks	11,500	88,167	

3 Ground Bearing Slab

.01	Reinforced Raft Slab; 250mm depth	S&C	1,016				
.02	E/O for Waterproof concrete slab	S&C	254	m3	190	48,260	Assumes slab repairs total reconstruction
.03	Reinforcement Bars - 200kg/m3	S&C	51	t	1,620	82,620	
.04	Blinding and DPM beneath slab	S&C	1,016	m2	15	15,240	
.05	Below Ground Drainage	S&C	1,016	m2	100	101,600	
.06	Extra over for forming lift pits	S&C	3	nr	7,500	22,500	

4 Reinforced concrete slabs - suspended slab

.01	<u>RC Slab - Assume 350mm thick:</u>	S&C	1,036	m2		
.02	Blinding beneath slab that sits outside of the basement	S&C	20	m2	55	1,100
.03	Reinforced Concrete ; C35/40	S&C	363	m3	190	68,894
.04	Formwork	S&C	1,036	m2	50	51,800
.05	Slab edge	S&C	133	m	25	3,325
.06	Reinforcement - 140kg/m3	S&C	51	ton	1,620	82,247
.07	Finish - tamped	S&C	1,036	m2	5	5,180

5 Allowance for reinforced concrete walls

.01	Allowance for core walls	S&C		m2		0	up to ground floor
.02	Concrete	S&C	125	m3	190	23,712	
.03	Formwork	S&C	832	m2	60	49,920	
.04	Rebar - 220kg/m3	S&C	27	t	1,620	44,479	
.05	Allowance for structural walls/columns	S&C	1	Item		Included	
.06	Columns to Basement	S&C	45	nr	1,000	45,000	
.07	Allowance for cavity walls	S&C	600	m2	100	60,000	Perimeter of current basement
.08	Allowance for steps in slabs	S&C	1	nr	15,000	15,000	
.05	Allowance for repairing the existing retaining walls	S&C	532	m2	355	188,860	

6 Sub-contractor's Preliminaries

.01	Sub-contractor's Preliminaries	S&C	15%	of	2,634,424	395,164
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7 Internal Walls

.01	Allowance for internal walls	S&C	1,016	m2	125	127,000
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8 Internal Doors

.01	Allowance for doors	S&C	1,016	m2	50	50,800
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9 Internal Finishes

Wall Finishes

.01	Allowance for various wall finishes	S&C	1,016	m2		0	See FF&E and Specialist Finishes
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Floor Finishes

.02	Allowance for floor finish - screed and painted floor (see other items for e/o finishes for gym etc.)	S&C	1,016	m2		0	See FF&E and Specialist Finishes
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Ceiling Finishes

.03	Allowance for dust sealant	S&C	1,016	m2		0	See FF&E and Specialist Finishes
.04	BOH Laundry, Cycle Store and Plant assumed all Painted concrete		1,016	m2		0	See FF&E and Specialist Finishes

9 M&E

.01	Allowance for below ground drainage	S&C	1,016	m2	100	101,600	Excludes Pumping
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Subtotal for SUBSTRUCTURE

ft2 20 **3,309,000**

2 SUPERSTRUCTURE

1 Frame & Upper Floors
Reinforced Concrete Columns; Ground Floor

.01	Concrete Columns to Upper Floors	S&C	14,625	m2	30	438,750	
.02	S/C Prelims	S&C	15%		438,750	65,813	

Reinforced Concrete Walls (Ground - Level 33)
RC Wall; W1 - 300mm thick

.01	Reinforced Concrete; Assume C40/50	S&C	1,985	m3	190	377,084	average floor to floor 3.1m
.02	Formwork	S&C	13,647	m2	58	791,526	
.03	Reinforcement - Assume 135kg/m3	S&C	298	t	1,620	482,270	
.04	Sub-contractor's Preliminaries	S&C	15%	of	2,155,442	323,316	

3 Upper Floors
1 Reinforced concrete slabs

.01	<u>RC Slab - Assume 250mm thick; including roof</u>	S&C	13,589	m2			
.02	Reinforced Concrete ; C35/40	S&C	3,397	m3	190	645,478	
.03	Formwork	S&C	13,589	m2	60	815,340	
.04	Slab edge	S&C	4,125	m	25	103,125	
.05	Reinforcement - 140kg/m3	S&C	476	ton	1,620	770,496	
.06	Finish - tamped	S&C	13,589	m2	5	67,945	
.07	E/O Cantilver Slab - Level 5	S&C	1	item	500,000	500,000	
.08	Sub-contractor's Preliminaries	S&C	15%	of	2,402,384	360,358	

4 Roof

		S&C					
.01	Allowance for new roof structure and finishes	S&C	1,036	m2		0	
.02	New steel and timber roof to historic buildings	S&C	266	m2	400	106,400	
.03	Slate roof finish to historic roof	S&C	266	m2	400	106,400	
.04	Reinforced Concrete ; C35/40	S&C	193	m3	190	36,575	
.05	Formwork	S&C	770	m2	60	46,200	
.06	Reinforcement - 140kg/m3	S&C	27	t	1,620	43,659	
.07	Sub-contractor's Preliminaries	S&C	17.5%	of	339,234	59,366	

.08	Basic finishes to roof	S&C	770	m2	250	192,500
.09	E/O terrace at First and Second Floor	S&C	162	m2	200	32,400
.10	E/O Amenity Roof Space	S&C	257	m2	200	51,400
.11	Fit out of the above roof space	S&C	257	m2	500	128,500
.12	Aluminium Parapet Capping; 400mm Wide with Drip	S&C	260	m	300	78,000
.13	Allowance for attenuation tanks at ground floor	S&C	1	item	75,000	75,000
.14	Roof Finishes - Paving slabs for plant	S&C	110	m2	100	11,000

Gutters / Rainwater Installation

.15	Gulleys, Gutters, Rainwater Installation	S&C	1	item	150,000	150,000
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Handrails, Balustrades & Safety Systems

.16	Allowance for handrail - level 27	S&C	186	m2	800	148,800	Assumed 3m high
.17	Allowance for man safe system	S&C	2	item	20,000	40,000	
.18	Allowance for Roof Access Hatch	S&C	1	item	10,000	10,000	
.19	Allowance for BMU	S&C	1	item	350,000	350,000	
.20	Lift Overruns	S&C	2	item	20,000	40,000	

Ecology

.21	Brown roof / Green Roof, say 30% of roof area	S&C	305	m2	150	45,720
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5 Stairs & Ramps

.01	<u>Stairs</u>					
.02	Pre-Cast Concrete; Internal Escape Staircase; 1800mm Wide; Including Landings & Half Landings, Balustrade & Handrails.	S&C	59	flights	7,500	442,500
.03	Medium duty hard aluminium alloy stair tread nosings; plugged and screwed in concrete	S&C	1,402	m	25	35,046

6 External Walls, Windows & Doors
.01 External Walls

.02	Make good existing retained façade	S&C	2,221	m2	125	277,563	
.03	Connect retained façade to new façade and structure at levels 1, 2 and 3.	S&C	1	item	200,000	200,000	
.04	External façade; New façade to residential tower.	S&C	6,604	m2	1,100	7,264,400	
.05	New windows to retained façade	S&C	72	nr	1,750	126,000	Assumes DGU
.06	New windows - single glazed to retained façade which is external both sides	S&C	78	nr	1,250	97,500	
.07	Entrance Canopy	S&C	1	item	15,000	15,000	
.08	Louvres to Bin area	S&C	1	item	10,000	10,000	
.09	External building signage	S&C	1	item	75,000	75,000	

Balconies & External Walkways

.10	Allowance for balconies	S&C				Excluded	
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External Door

.11	Front Entrance doors	S&C	1	nr	25,000	25,000	Allowance
.12	Substation / Plant room doors - Double	S&C	1	nr	10,000	10,000	
.13	Service doors - double	S&C	0	nr	10,000	0	
.14	Service doors - single	S&C	2	nr	5,000	10,000	
.15	Service / cycle access 1.5dr	S&C		nr	5,000	0	
.16	Fire escape door	S&C	2	nr	3,000	6,000	
.17	Single doors to Reception	S&C	6	nr	7,500	45,000	
.18	Double doors to Café	S&C	3	nr	12,500	37,500	
.19	Sliding doors to Riverside lounge	S&C	81	m2	1,200	97,200	
.20	Sliding doors to private dining	S&C		m2	1,200	0	
.21	Doors to roof top amenity	S&C	1	nr	10,000	10,000	

7 Internal Walls & Doors

.01	Internal Walls						
.02	Internal Partitions; Varying Fire & Acoustic Ratings;	S&C	14,625	m2	80	1,170,000	
.03	Lining to internal face of external walls;					fit out	
.04	E/O for making good to inside face of external walls	S&C	2,221	m2	75	166,538	

Internal doors

.05	Riser and communal doors	S&C	14,625	m2	35	511,875	
.06	Solid Timber Internal Entrance Door sets; to rooms	S&C		nr	1,500	Included	See fitout model

Subtotal for SUPERSTRUCTURE

18,125,541

3 INTERNAL FINISHES

.01	<u>Finishes to Communal Space and BOH Areas</u>					
.02	<u>Wall Finishes to Communal Spaces</u>					
.03	Emulsion Paint; Quick Drying; 1 primer and 2 finishing coats.	S&C	3,770	m2	9	33,926
.04	<u>Floor Finishes to Communal Spaces</u>					
.05	Heavy duty vinyl to communal circulation areas	S&C	3,770	m2	45	169,628
.06	Sub floor (Screed)	S&C	15,641	m2	50	782,050
.07	<u>Ceiling Finishes to Communal Spaces</u>					
.08	Plasterboard and paint finish to communal circulation areas	S&C	3,770	m2	60	226,170
.09	<u>Wall Finishes to Communal Spaces</u>					
.10	Emulsion Paint; Quick Drying; 1 primer and 2 finishing coats.	S&C	3,770	m2	40	150,780

Subtotal for INTERNAL FINISHES

1,362,553

4 FIXTURES AND FITTINGS

<u>FF&E</u>						
.01	Number not used	S&C	nr	250	0	
<u>Signage</u>						
.02	Statutory	S&C	15,641	m2	3.5	54,744
.03	Wayfinding	S&C	15,641	m2	5.0	78,205
<u>Sundry Allowance</u>						
.04	General	S&C	0	nr	50	0
<u>Amenity Space/ reception (Includes FF&E, finishes and MEP)</u>						
.05	Reception fitout	S&C	725	m2	800	580,160
.06	Sundry allowances	S&C	1	item	30,000	30,000
.07	Conference Facilities	S&C	745	m2	2,000	1,489,000
<u>Basement fitout (Includes FF&E, finishes and MEP)</u>						
.08	Cycle Racks	S&C	50	nr	300	15,000
.09	Front of House Space	S&C	679	m2	1,700	1,154,300
.10	Back of House Space	S&C	337	m2	1,000	337,000

Incl. reception, parcel room, welfare etc.

Includes allowance for kitchen

Subtotal for FIXTURES AND FITTINGS
3,738,409
5 SERVICES

.01	<u>MEP</u>	S&C	15,641	m2	500	7,820,500
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- .02 Lighting
- .03 Heating and Cooling
- .04 Power
- .05 Inactive IT
- .06 Drainage above ground
- .07 PV's
- .08 New Plant / Distribution etc.
- .09 Ventilation
- .10 Grey Water
- .11 Testing & commissioning
- .12 Services sub-contract preliminaries
- .13 Kitchen Extract for Café

S&C m2 Excluded

Lifts

- .14 Passenger lifts, single entry (Basement to level 18,1.6m/s)
- .15 BOH / Goods Lifts -Basement to ground
- .16 EO lift car finishes
- .17 EO for lift landing finishes; by others
- .18 EO for beneficial use; included in M/C preliminaries
- .19 Subcontractor Prelims

S&C	2	nr	250,000	500,000
S&C	1	nr	75,000	75,000
S&C	2	no.	10,000	n/a
S&C				Excluded
S&C				Excluded
S&C				Included

Subtotal for SERVICES

8,395,500

5 External Works and Utilities

.01 **External Works Allowance**

.02 Allowance for ground floor works to create new public square

.03	Hard landscaping	S&C	1	item	500,000	500,000	
.04	Soft Landscaping	S&C	1	item	100,000	100,000	
.05	Lighting	S&C	1	item	50,000	50,000	
.06	E/O feature entrance wall	S&C	1	item	75,000	75,000	

New incoming services

.07	New Electrical Supply	S&C	1	item	250,000	250,000	
.08	New Gas supply	S&C	1	item	75,000	75,000	Assumed by retail tenant - space provision only
.09	New Water and Sewage connections	S&C	1	item	150,000	150,000	
.10	BT and comms	S&C	1	item	75,000	75,000	Standard lift range uplift

Subtotal for External Works and Utilities

1,275,000

ESTIMATED ROUNDED CONSTRUCTION COST

38,755,214

4. DETAILED ESTIMATE - APARTMENT FIT OUT

1 APARTMENT FIT OUT

2 Apartment Fit Out

Models

.01	Standard Room	Fit Out	272	nr	40,000	10,880,000	Includes £10k FF&E
.02	Premium Room	Fit Out	55	nr	45,000	2,475,000	Includes £12k FF&E

Subtotal for APARTMENT FIT OUT

13,355,000

ESTIMATED ROUNDED CONSTRUCTION COST

13,355,000

6. ASSUMPTIONS & EXCLUSIONS

The following should be read in conjunction with the Executive Summary and are a list of key assumptions relating to the Cost Plan at Market Square, Nottingham. The following list is not exhaustive:

- 1 *The existing basement slab is fully demolished to dig new piles*
- 2 *The existing basement retaining wall is retained. An allowance has been included for works associated with this element. This will include enabling works, repair for example.*
- 3 *Strip Out and Demolition works undertaken as separate contract.*
- 4 *Assumes façade retention as indicated on the drawings*
- 5 *Allowance for Asbestos removal: 100k included*
- 6 *Substructure based on new piles. C 750 dia.*
- 7 *Assumes existing basement is increased in depth by 1m*
- 8 *Assumes no works to the river walls.*
- 9 *RC Frame to upper floors assumes 225- 250 thick slab*
- 10 *Assumes slab to slab height of 3.15m*
- 11 *The roof over the heritage / existing building is replaced with a steel and timber structure and covered in new slate tiles*
- 12 *Assumes existing retained façade is 'made good' both internally and externally.*
- 13 *Windows to the existing façade that face onto new terraces are assumed as single glazed.*
- 14 *New punched windows to retained façade forming external envelope assumed as DGU.*
- 15 *Cladding- Stick system brick and punched windows - with solid to glazing ratio of 60:40*
- 16 *Finishes have been aligned with the fitout model section in this report.*
- 17 *For a full list of allowances please refer to section 5*
- 18 *MEPH- includes for commercial sprinkler and wet riser to the taller part of the site. Excludes any*
- 19 *any mechanical vent or cooling with the rooms and clusters.*
- 20 *Roof – allowance for green roof included. Assumed there is either a buried attenuation tank or*
- 21 *Attenuation tanks at ground floor*
- 22 *Assumes a CAT B type fit out to the amenity space*
- 23 *An allowance for temporary propping has been included in this report: 250k*
- 24 *Bathroom to units assumes pods*
- 25 *Excludes OS&E*
- 26 *Excludes AV, loose chairs, tables etc. from Conference facilities*

The following should be read in conjunction with the Executive Summary and are a list of items not yet able to be included within this cost plan; however, we would like to discuss them further with yourselves and your advisors to determine whether some or all of the following can be included in the cost plan:

- | | |
|---|---|
| 1 Value Added Tax | 29 An allowance for Asbestos removal has been included for 100k |
| 2 Land acquisition costs and fees | 30 Fees, works or costs associated with abnormal ground conditions |
| 3 Client finance, legal or marketing costs | 31 Underpinning of adjoining structures |
| 4 Professional fees (e.g. design, PCSA, PM, surveys etc.) | 32 Works to the river walls |
| 5 Client Contingency (Design and Construction Contingency Included) | 33 Archaeological investigations and exploratory or resulting works |
| 6 Tender Inflation Estimate | 34 Services diversions |
| 7 Construction Inflation Estimate | 35 Furnishings and equipment for building operations / maintenance teams |
| 8 Planning and building regulation fees | 36 Environment agency requirements / constraints on working adjacent a waterway |
| 9 Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc. | 37 Cost associated with Network Rail surveys and monitoring |
| 10 Changes to current building regulations | 38 Increased design criteria for bomb protection |
| 11 Phasing of the works | 39 Enhancements to all lift cars finishes |
| 12 Project insurances | 40 IT hardware / active hubs |
| 13 Section 106 / 278 Contributions | 41 Connection to district heating system |
| 14 Community Infrastructure Levy Contributions or similar | 42 Power factor correction and harmonics |
| 15 Benefits arising from any potential Capital Allowances or other government incentives / grants | 43 Audio visual installations and equipment |
| 16 Currency and exchange rate fluctuations | 44 Highways works outside of the site boundary |
| 17 Vibration monitoring | 45 Transport interchange |
| 18 Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union | 46 AIP Fees |
| 19 Costs resulting from zero carbon requirements or offset charges | 47 Disposal of non-hazardous and hazardous material (e.g. asbestos, contaminated land) |
| 20 Statutory changes | 48 Landlords contributions |
| 21 Works outside of the site boundary except where specifically stated | 49 Road closures |
| 22 Public art installations or contributions | 50 Repairs or works to the adjacent properties including the Existing buildings on site. |
| 23 Works outside of normal working hours | 51 Utility upgrades or costs associated with existing network diversion or transformer relocation costs. |
| 24 Diversion of existing below ground services | 52 Winter Gardens |
| 25 Mock-ups, prototypes, off site benchmark and the like | |
| 26 CPO Costs | |
| 27 Tenant's costs or contributions | |
| 28 Loose fittings, furnishings and equipment and external furniture | |

7.AREA SCHEDULE

		Overall		Hotel	Commercial	Amenity	Other
Floor Level		GIA (m2)	GIA (ft2)	NIA (m2)	NIA (m2)	NIA (m2)	GIA (m2)
-1	Basement	1,016	10,936	679			
0	Ground	1,036	11,151	566			
1	First	890	9,580	745			
2	Second	890	9,580	584			
3	Third	694	7,470	360			
4	Fourth	428	4,607	296			
5	Fifth	428	4,607	296			
6	Sixth	478	5,145	341			
7	Seventh	478	5,145	341			
8	Eighth	478	5,145	341			
9	Ninth	478	5,145	341			
10	Tenth	478	5,145	341			
11	Eleventh	478	5,145	341			
12	Twelfth	478	5,145	341			
13	Thirteenth	478	5,145	341			
14	Fourteenth	478	5,145	341			
15	Fifteenth	478	5,145	341			
16	Sixteenth	478	5,145	341			
17	Seventeenth	478	5,145	341			
18	Eighteenth	478	5,145	341			
19	Nineteenth	478	5,145	341			
20	Twenty	478	5,145	341			
21	Twenty One	478	5,145	341			
22	Twenty Two	478	5,145	341			
23	Twenty Three	478	5,145	341			
24	Twenty Four	478	5,145	341			
25	Twenty Five	478	5,145	341			
26	Twenty Six	478	5,145	341			
27	Twenty Seven	221	2,379			169	

Total		15,641	168,358	10,687	-	169	-
Room Type		No. of Units					
Standard Room		272					
Premium Room		55					
		327					

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The Hotspur Press, Manchester
Feasibility Cost Plan - Hotel - Proposed

Ourmanner

01 August 2023

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- 1** Executive Summary
- 2** Elemental Cost Breakdown
- 3** Model
- 4** Fit Out Summary
- 5** Fit Out Models
- 6** Assumptions & Exclusions
- 7** Area Schedule

1. EXECUTIVE SUMMARY

This report provides an order of cost estimate for the works at The Former Hotspur Press Site in Manchester. This report includes allowances associated with the Strip Out, Demolition and facade retention of the Existing Building and works associated with the Public Realm. An allowance for CAT B fitout to the amenity spaces throughout the building have been included. A summary of these costs can be seen adjacent and also in Section 2 of this report.

Estimated construction costs have been prepared at current day (2Q 2023) prices. Allowances for Main Contractors Preliminaries (16%), OHP (5%), Design and Construction Risk.(3.5% & 3.5%) *(Future Inflation is excluded from this cost model)*

The total estimated Construction Cost includes for construction works only and excludes fees (including pre-construction services agreements), VAT, S106/S278, CIL payments, land acquisition, all developer direct costs, employer risk allowances and contributions.

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1.1 Headlines

CONSTRUCTION COST		Total (£)	£/ft² GIA	%
1	Construction Cost	60,319,000	300	77%
2	Main Contractor's Preliminaries	16.0% 9,243,000	46	12%
3	Main Contractor's OH&P	5.0% 3,351,000	17	4%
Building Works Total		72,913,000	363	93%
4	Design Development Risk Allowance	3.5% 2,552,000	13	3%
5	Construction Risk Allowance	3.5% 2,552,000	13	3%
Sub Total		78,017,000	389	100%
6	Tender Inflation Estimate	Excl	Excl	-
7	Construction Inflation Estimate	Excl	Excl	-
Total Estimated Construction Cost		78,017,000	389	100%

ESTIMATED ROUNDED CONSTRUCTION COST	£	78,020,000	389
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ESTIMATED ROUNDED CONSTRUCTION COST	£/Bed	216,722
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Abnormals

The adjacent items summarise some key abnormals associated with the site. This namely consists of those items related to the existing building and the works required to enable the existing asset.

** The items identified above are included here as abnormals as they may not be included in other benchmark data when comparing overall construction cost or £/ft2 metrics.

	Total Cost	£/Bed	£/ft2
Cost Plan (as Executive Summary)	78,020,000	216,722	389
0.1 Strip Out (allowance only) **- cost plan allowance omitted	-100,000	-278	-0.5
0.2 Removal of Asbestos- cost plan allowance omitted	-50,000	-139	-0.2
0.3 Demolition of Existing Building **- cost plan allowance omitted	-750,000	-2,083	-3.7
0.4 Façade Retention to be omitted. Abnormal omitted in entirety.	-999,225	-2,776	-5.0
0.5 Temporary works : façade retention system omitted.	-250,000	-694	-1.2
0.6 Temporary works: Prop deck across river. Assumes access achieved roadside	-350,000	-972	-1.7
0.7 Removal of obstructions (risk allowance omitted)	-50,000	-139	-0.2
0.8 Deep Piles required for tall building- E.O for high rise enhancements- reduced to 15m piles from 30m	-345,000	-958	-1.7
0.9 Repair of existing retaining walls. Any repair of existing retaining wall is abnormal	-188,860	-525	-0.9
1 E/O finishes + fitout for Amenity to roof space. Revert to standard finishes	-143,500	-399	-0.7
1.1 Davit system in lieu of BMU and track	-300,000	-833	-1.5
1.2 Omission of ecology allowances (green roofs etc)	-45,405	-126	-0.2
1.3 Make good existing retained façade: assumed no making good necessary.	-277,563	-771	-1.4
1.4 Connect retained façade to new façade and structure at levels 1, 2 and 3. Assumes connection not required.	-200,000	-556	-1.0
1.5 Façade rate- E.O for high rise enhancements (£1,100 to 850/m2). Costs saving shown shows abnormality of cost associate with high rise construction. (target rainscreen façade : £850/m2)	-2,560,638	-7,113	-12.8
1.6 Standard doors in lieu of enhanced doors to riverside lounges. Omits sliding doors	-152,500	-424	-0.8
1.7 Oversized lobby and lounge area circa 500m2- reduced to say 200m2	-388,800	-1,080	-1.9
1.8 Oversized kitchen seating and breakout spaces(400m2 in lieu of 691m2)	-494,700	-1,374	-2.5
1.9 Oversized conference facility 1000m2 in lieu of 2000m2	-723,000	-2,008	-3.6
2 Allowances for public realm landscaping including feature external wall. Excludes all works/ allowance to public realm	-725,000	-2,014	-3.6
2.1 Main Contractor's Preliminaries costs on the above	-1,455,070	-4,042	-7.2
2.2 Main Contractor's Overheads and Profit-costs on the above	-527,463	-1,465	-2.6
2.3 Design Development Risk Allowance-costs on the above	-387,685	-1,077	-1.9
2.4 Construction Risk Allowance-costs on the above	-401,254	-1,115	-2.0
2.5 Inflation	Excluded		
		0	
Sub Total of Abnormals	-11,865,663	-32,960	-59
Rounded Construction Cost Excluding Abnormals	66,154,337	183,762	329

2. Elemental Summary

GIA (m2): 18,653

GIA (ft2): 200,779

CONSTRUCTION COST				
			£/sq ft GIA	Total (£)
0 Strip out/ Demolition	200,779 sqft	13	2,549,000	
	200,779 sqft	13	2,549,000	
1 Substructure	200,779 sqft	16	3,303,000	
2 Superstructure				
2.1 Frame	200,779 sqft	14	2,754,000	
2.2 Upper Floors	200,779 sqft	17	3,350,000	
2.3 Roof	200,779 sqft	8	1,552,000	
2.4 Stairs & Ramps	200,779 sqft	3	550,000	
2.5 External Walls	200,779 sqft	61	12,331,000	
2.6 Windows & External Doors	200,779 sqft		inc	
2.7 Internal Walls & Partitions	200,779 sqft	8	1,554,000	
2.8 Internal Doors	200,779 sqft	3	618,000	
3 Internal Finishes	200,779 sqft	8	1,684,000	
4 Fixtures and Fittings	200,779 sqft	21	4,147,000	
5 Services	200,779 sqft	49	9,902,000	
8 External Works	200,779 sqft	6	1,275,000	
Sub Total (Excluding Strip/ Demo)		200,779 sqft	214	43,020,000
Room Fit Out	200,779 sqft	73	14,750,000	
Sub Total (Including all measured works)		200,779 sqft	300	60,319,000
9 Main Contractor's Preliminaries	16.0%	46	9,243,000	
10 Main Contractor's Overheads and Profit	5.0%	17	3,351,000	
Building Works Total			363	72,913,000
11 Design Development Risk Allowance	3.5%	13	2,552,000	
12 Construction Risk Allowance	3.5%	13	2,552,000	
TOTAL			389	78,017,000
13 Tender Inflation Estimate				Excluded
14 Construction Inflation Estimate				Excluded
Total Estimated Construction Cost			389	78,017,000
ESTIMATED ROUNDED CONSTRUCTION COST		£	389	78,017,000

3. DETAILED ESTIMATE**1 FACILITATING / DEMOLITION WORKS****0 Site Clearance & Demolition Generally**

.01 Site Clearance	S&C	2,000	m2	25	50,000	
.02 Allowance for strip out of existing building	S&C	1	item	100,000	100,000	
.03 Allowance for removal of Asbestos	S&C	1	item	50,000	50,000	
.04 Allowance for demolition of existing building	S&C	1	item	750,000	750,000	Includes breakout of slabs
.05 Façade Retention	S&C	2,221	m2	450	999,225	
.06 E/O Temporary Works	S&C	1	item	250,000	250,000	
.07 Prop and deck across the River	S&C	1	item	350,000	350,000	

Subtotal for FACILITATING / DEMOLITION WORKS

ft2 13 2,549,225

1 SUBSTRUCTURE

1 Excavation

.01	Allowance For Excavation To Formation Level & Disposal Off Site; assumed clean inert	S&C	1,009	m3	55	55,495	Assumes 1m deep
.02	Allowance for breaking out existing slabs: assumes circa 1m thick	S&C	1,009	m2		0	Included within demolition scope
.03	E/O for 15% Contaminated Material	S&C	151	m3	200	30,270	
.04	E/O for 5% Non Hazardous Material	S&C	50	m3	50	2,523	
.06	Temporary propping	S&C	1	item		0	Included above
.07	Allowance for removing obstructions	S&C	1	item	50,000	50,000	
.08	Allowance for dewatering	S&C	1	item	100,000	100,000	

2 Piling and Pile Caps

.01	Piling Mat & Removal - Assume 800mm thick	S&C	1,036	m2	80	82,880	
.02	Mobilisation of Rig	S&C	1	item	50,000	50,000	
.03	Piles - assume 750dia at 30m deep	S&C	230	nr	3,000	690,000	Assumes 4 piles per column
	Set up at each pile location	S&C	230	nr	150	34,500	
.04	Pile Caps	S&C	45	nr	10,000	450,000	
.05	Pile Cap to core	S&C	1	item	50,000	50,000	
.06	Testing to piles	S&C	1	item	25,000	25,000	
.07	Attendance on piles	S&C	8	weeks	11,500	88,167	

3 Ground Bearing Slab

.01	Reinforced Raft Slab; 250mm depth	S&C	1,009				
.02	E/O for Waterproof concrete slab	S&C	252	m3	190	47,880	Assumes slab repairs total reconstruction
.03	Reinforcement Bars - 200kg/m3	S&C	50	t	1,620	81,000	
.04	Blinding and DPM beneath slab	S&C	1,009	m2	15	15,135	
.05	Below Ground Drainage	S&C	1,009	m2	100	100,900	
.06	Extra over for forming lift pits	S&C	3	nr	7,500	22,500	

4 Reinforced concrete slabs - suspended slab

.01	<u>RC Slab - Assume 350mm thick:</u>	S&C	1,036	m2		
.02	Blinding beneath slab that sits outside of the basement	S&C	27	m2	55	1,485
.03	Reinforced Concrete ; C35/40	S&C	363	m3	190	68,894
.04	Formwork	S&C	1,036	m2	50	51,800
.05	Slab edge	S&C	133	m	25	3,325
.06	Reinforcement - 140kg/m3	S&C	51	ton	1,620	82,247
.07	Finish - tamped	S&C	1,036	m2	5	5,180

5 Allowance for reinforced concrete walls

.01	Allowance for core walls	S&C		m2		0	up to ground floor
.02	Concrete	S&C	125	m3	190	23,712	
.03	Formwork	S&C	832	m2	60	49,920	
.04	Rebar - 220kg/m3	S&C	27	t	1,620	44,479	
.05	Allowance for structural walls/columns	S&C	1	Item		Included	
.06	Columns to Basement	S&C	45	nr	1,000	45,000	
.07	Allowance for cavity walls	S&C	600	m2	100	60,000	Perimeter of current basement
.08	Allowance for steps in slabs	S&C	1	nr	15,000	15,000	
.05	Allowance for repairing the existing retaining walls	S&C	532	m2	355	188,860	

6 Sub-contractor's Preliminaries

.01	Sub-contractor's Preliminaries	S&C	15%	of	2,631,271	394,691
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7 Internal Walls

.01	Allowance for internal walls	S&C	1,009	m2	125	126,125
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8 Internal Doors

.01	Allowance for doors	S&C	1,009	m2	50	50,450
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9 Internal Finishes
Wall Finishes

.01	Allowance for various wall finishes	S&C	1,009	m2		0	See FF&E and Specialist Finishes
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Floor Finishes

.02	Allowance for floor finish - screed and painted floor (see other items for e/o finishes for gym etc.)	S&C	1,009	m2		0	See FF&E and Specialist Finishes
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Ceiling Finishes

.03	Allowance for dust sealant	S&C	1,009	m2		0	See FF&E and Specialist Finishes
.04	BOH Laundry, Cycle Store and Plant assumed all Painted concrete		1,009	m2		0	See FF&E and Specialist Finishes

9 M&E

.01	Allowance for below ground drainage	S&C	1,009	m2	100	100,900	Excludes Pumping
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Subtotal for SUBSTRUCTURE

ft2

16

3,303,000
2 SUPERSTRUCTURE

1 Frame & Upper Floors
Reinforced Concrete Columns; Ground Floor

.01	Concrete Columns to Upper Floors	S&C	17,644	m2	30	529,320	
.02	S/C Prelims	S&C	15%		529,320	79,398	

Reinforced Concrete Walls (Ground - Level 33)
RC Wall; W1 - 300mm thick

.01	Reinforced Concrete; Assume C40/50	S&C	2,179	m3	190	414,002	average floor to floor 3.1m
.02	Formwork	S&C	14,526	m2	58	842,531	
.03	Reinforcement - Assume 135kg/m3	S&C	327	t	1,620	529,487	
.04	Sub-contractor's Preliminaries	S&C	15%	of	2,394,739	359,211	

3 Upper Floors
1 Reinforced concrete slabs

.01	<u>RC Slab - Assume 250mm thick; including roof</u>	S&C	16,608	m2			
.02	Reinforced Concrete ; C35/40	S&C	4,152	m3	190	788,880	
.03	Formwork	S&C	16,608	m2	60	996,480	
.04	Slab edge	S&C	4,125	m	25	103,125	
.05	Reinforcement - 140kg/m3	S&C	581	ton	1,620	941,674	
.06	Finish - tamped	S&C	16,608	m2	5	83,040	
.07	E/O Cantilver Slab - Level 5	S&C	1	item	0	0	
.08	Sub-contractor's Preliminaries	S&C	15%	of	2,913,199	436,980	

4 Roof

		S&C					
.01	Allowance for new roof structure and finishes	S&C	1,036	m2		0	
.02	New steel and timber roof to historic buildings	S&C	386	m2	400	154,400	
.03	Slate roof finish to historic roof	S&C	386	m2	400	154,400	
.04	Reinforced Concrete ; C35/40	S&C	163	m3	190	30,875	
.05	Formwork	S&C	650	m2	60	39,000	
.06	Reinforcement - 140kg/m3	S&C	23	t	1,620	36,855	
.07	Sub-contractor's Preliminaries	S&C	17.5%	of	415,530	72,718	

.08	Basic finishes to roof	S&C	650	m2	250	162,500
.09	E/O terrace at First and Second Floor	S&C		m2	200	0
.10	E/O Amenity Roof Space	S&C	205	m2	200	41,000
.11	Fit out of the above roof space	S&C	205	m2	500	102,500
.12	Aluminium Parapet Capping; 400mm Wide with Drip	S&C	45	m	300	13,500
.13	Allowance for attenuation tanks at ground floor	S&C	1	item	75,000	75,000
.14	Roof Finishes - Paving slabs for plant	S&C	110	m2	100	11,000

Gutters / Rainwater Installation

.15	Gulleys, Gutters, Rainwater Installation	S&C	1	item	150,000	150,000
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Handrails, Balustrades & Safety Systems

.16	Allowance for handrail - level 31	S&C	45	m2	500	22,500
.17	Allowance for man safe system	S&C	2	item	20,000	40,000
.18	Allowance for Roof Access Hatch	S&C	1	item	10,000	10,000
.19	Allowance for BMU	S&C	1	item	350,000	350,000
.20	Lift Overruns	S&C	2	item	20,000	40,000

Ecology

.21	Brown roof / Green Roof, say 30% of roof area	S&C	303	m2	150	45,405
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5 Stairs & Ramps

.01	<u>Stairs</u>					
.02	Pre-Cast Concrete; Internal Escape Staircase; 1800mm Wide; Including Landings & Half Landings, Balustrade & Handrails.	S&C	68	flights	7,500	510,000
.03	Medium duty hard aluminium alloy stair tread nosings; plugged and screwed in concrete	S&C	1,616	m	25	40,392

6 External Walls, Windows & Doors

.01 External Walls

.02	Make good existing retained façade	S&C	2,221	m2	125	277,563	
.03	Connect retained façade to new façade and structure at levels 1, 2 and 3.	S&C	1	item	200,000	200,000	
.04	External façade; New façade to residential tower.	S&C	10,243	m2	1,100	11,266,805	
.05	New windows to retained façade	S&C	72	nr	1,750	126,000	Assumes DGU
.06	New windows - single glazed to retained façade which is external both sides	S&C	78	nr	1,250	97,500	
.07	Entrance Canopy	S&C	1	item	15,000	15,000	
.08	Louvres to Bin area	S&C	1	item	10,000	10,000	
.09	External building signage	S&C	1	item	75,000	75,000	

Balconies & External Walkways

.10	Allowance for balconies	S&C				Excluded	
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External Door

.11	Front Entrance doors	S&C	1	nr	25,000	25,000	Allowance
.12	Substation / Plant room doors - Double	S&C	1	nr	10,000	10,000	
.13	Service doors - double	S&C	0	nr	10,000	0	
.14	Service doors - single	S&C	2	nr	5,000	10,000	
.15	Service / cycle access 1.5dr	S&C		nr	5,000	0	
.16	Fire escape door	S&C	2	nr	3,000	6,000	
.17	Single doors to Reception	S&C	6	nr	7,500	45,000	
.18	Double doors to Café	S&C	3	nr	12,500	37,500	
.19	Sliding doors to Riverside lounge	S&C	100	m2	1,200	120,000	
.20	Sliding doors to private dining	S&C		m2	1,200	0	
.21	Doors to roof top amenity	S&C	1	nr	10,000	10,000	

7 Internal Walls & Doors

.01	Internal Walls						
.02	Internal Partitions; Varying Fire & Acoustic Ratings;	S&C	17,344	m2	80	1,387,520	
.03	Lining to internal face of external walls;					fit out	
.04	E/O for making good to inside face of external walls	S&C	2,221	m2	75	166,538	

Internal doors

.05	Riser and communal doors	S&C	17,644	m2	35	617,540	
.06	Solid Timber Internal Entrance Door sets; to rooms	S&C		nr	1,500	Included	See fitout model

Subtotal for SUPERSTRUCTURE

22,709,138

3 INTERNAL FINISHES

.01	<u>Finishes to Communal Space and BOH Areas</u>					
.02	<u>Wall Finishes to Communal Spaces</u>					
.03	Emulsion Paint; Quick Drying; 1 primer and 2 finishing coats.	S&C	4,880	m2	9	43,920
.04	<u>Floor Finishes to Communal Spaces</u>					
.05	Heavy duty vinyl to communal circulation areas	S&C	4,880	m2	45	219,600
.06	Sub floor (Screed)	S&C	18,653	m2	50	932,650
.07	<u>Ceiling Finishes to Communal Spaces</u>					
.08	Plasterboard and paint finish to communal circulation areas	S&C	4,880	m2	60	292,800
.09	<u>Wall Finishes to Communal Spaces</u>					
.10	Emulsion Paint; Quick Drying; 1 primer and 2 finishing coats.	S&C	4,880	m2	40	195,200

Subtotal for INTERNAL FINISHES

1,684,170

4 FIXTURES AND FITTINGS

<u>FF&E</u>						
.01	Number not used	S&C	nr	250	0	
<u>Signage</u>						
.02	Statutory	S&C	18,653	m2	3.5	65,286
.03	Wayfinding	S&C	18,653	m2	5.0	93,265
<u>Sundry Allowance</u>						
.04	General	S&C	0	nr	50	0
<u>Amenity Space/ reception (Includes FF&E, finishes and MEP)</u>						
.05	Ground Floor Reception, Bar, Seating area	S&C	524	m2	1,200	628,800
	Allowance for Kitchen, seating area, break out space and private dining - Basement	S&C	691	m2	1,700	1,174,700
.06	Sundry allowances	S&C	1	item	30,000	30,000
.07	Conference Facilities	S&C	723	m2	2,000	1,446,000
.08	Sky Lounge incl. store	S&C	168	m2	500	84,000
.09	Roof amenity and private dining Kitchen	S&C	53	m2	550	28,930
<u>Basement fitout (Includes FF&E, finishes and MEP)</u>						
.10	Cycle Racks	S&C	50	nr	300	15,000
.11	Front of House Space	S&C	0	m2	1,700	0
.12	Back of House Space	S&C	830	m2	700	581,000

Incl. reception, parcel room, welfare etc.

Includes allowance for kitchen

Subtotal for FIXTURES AND FITTINGS
4,146,981
5 SERVICES

.01	<u>MEP</u>	S&C	18,653	m2	500	9,326,500
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.02	Lighting				
.03	Heating and Cooling				
.04	Power				
.05	Inactive IT				
.06	Drainage above ground				
.07	PV's				
.08	New Plant / Distribution etc.				
.09	Ventilation				
.10	Grey Water				
.11	Testing & commissioning				
.12	Services sub-contract preliminaries				
.13	Kitchen Extract for Café	S&C	m2		Excluded
Lifts					
.14	Passenger lifts, single entry (Basement to level 18,1.6m/s)	S&C	2	nr	250,000 500,000
.15	BOH / Goods Lifts -Basement to ground	S&C	1	nr	75,000 75,000
.16	EO lift car finishes	S&C	2	no.	10,000 n/a
.17	EO for lift landing finishes; by others	S&C			Excluded
.18	EO for beneficial use; included in M/C preliminaries	S&C			Excluded
.19	Subcontractor Prelims	S&C			Included

Subtotal for SERVICES

9,901,500

5 External Works and Utilities

.01 **External Works Allowance**

.02 Allowance for ground floor works to create new public square

.03	Hard landscaping	S&C	1	item	500,000	500,000	
.04	Soft Landscaping	S&C	1	item	100,000	100,000	
.05	Lighting	S&C	1	item	50,000	50,000	
.06	E/O feature entrance wall	S&C	1	item	75,000	75,000	

New incoming services

.07	New Electrical Supply	S&C	1	item	250,000	250,000	
.08	New Gas supply	S&C	1	item	75,000	75,000	Assumed by retail tenant - space provision only
.09	New Water and Sewage connections	S&C	1	item	150,000	150,000	
.10	BT and comms	S&C	1	item	75,000	75,000	Standard lift range uplift

Subtotal for External Works and Utilities

1,275,000

ESTIMATED ROUNDED CONSTRUCTION COST

45,569,450

4. DETAILED ESTIMATE - APARTMENT FIT OUT

1 APARTMENT FIT OUT

2 Apartment Fit Out

Models

.01	Standard Room	Fit Out	290	nr	40,000	11,600,000	Includes £10k FF&E
.02	Premium Room	Fit Out	70	nr	45,000	3,150,000	Includes £12k FF&E

Subtotal for APARTMENT FIT OUT

14,750,000

ESTIMATED ROUNDED CONSTRUCTION COST

14,750,000

6. ASSUMPTIONS & EXCLUSIONS

The following should be read in conjunction with the Executive Summary and are a list of key assumptions relating to the Cost Plan at Market Square, Nottingham. The following list is not exhaustive:

- 1 *The existing basement slab is fully demolished to dig new piles*
- 2 *The existing basement retaining wall is retained. An allowance has been included for works associated with this element. This will include enabling works, repair for example.*
- 3 *Strip Out and Demolition works undertaken as separate contract.*
- 4 *Assumes façade retention as indicated on the drawings*
- 5 *Allowance for Asbestos removal: 100k included*
- 6 *Substructure based on new piles. C 750 dia.*
- 7 *Assumes existing basement is increased in depth by 1m*
- 8 *Assumes no works to the river walls.*
- 9 *RC Frame to upper floors assumes 225- 250 thick slab*
- 10 *Assumes slab to slab height of 3.15m*
- 11 *The roof over the heritage / existing building is replaced with a steel and timber structure and covered in new slate tiles*
- 12 *Assumes existing retained façade is 'made good' both internally and externally.*
- 13 *Windows to the existing façade that face onto new terraces are assumed as single glazed.*
- 14 *New punched windows to retained façade forming external envelope assumed as DGU.*
- 15 *Cladding- Stick system brick and punched windows - with solid to glazing ratio of 60:40*
- 16 *Finishes have been aligned with the fitout model section in this report.*
- 17 *For a full list of allowances please refer to section 5*
- 18 *MEPH- includes for commercial sprinkler and wet riser to the taller part of the site. Excludes any*
- 19 *any mechanical vent or cooling with the rooms and clusters.*
- 20 *Roof – allowance for green roof included. Assumed there is either a buried attenuation tank or*
- 21 *Attenuation tanks at ground floor*
- 22 *Assumes a CAT B type fit out to the amenity space*
- 23 *An allowance for temporary propping has been included in this report: 250k*
- 24 *Bathroom to units assumes pods*
- 25 *Excludes OS&E*
- 26 *Excludes AV, loose chairs, tables etc. from Conference facilities*

The following should be read in conjunction with the Executive Summary and are a list of items not yet able to be included within this cost plan; however, we would like to discuss them further with yourselves and

your advisors to determine whether some or all of the following can be included in the cost plan:

- | | |
|---|---|
| 1 Value Added Tax | 29 An allowance for Asbestos removal has been included for 100k |
| 2 Land acquisition costs and fees | 30 Fees, works or costs associated with abnormal ground conditions |
| 3 Client finance, legal or marketing costs | 31 Underpinning of adjoining structures |
| 4 Professional fees (e.g. design, PCSA, PM, surveys etc.) | 32 Works to the river walls |
| 5 Client Contingency (Design and Construction Contingency Included) | 33 Archaeological investigations and exploratory or resulting works |
| 6 Tender Inflation Estimate | 34 Services diversions |
| 7 Construction Inflation Estimate | 35 Furnishings and equipment for building operations / maintenance teams |
| 8 Planning and building regulation fees | 36 Environment agency requirements / constraints on working adjacent a waterway |
| 9 Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc. | 37 Cost associated with Network Rail surveys and monitoring |
| 10 Changes to current building regulations | 38 Increased design criteria for bomb protection |
| 11 Phasing of the works | 39 Enhancements to all lift cars finishes |
| 12 Project insurances | 40 IT hardware / active hubs |
| 13 Section 106 / 278 Contributions | 41 Connection to district heating system |
| 14 Community Infrastructure Levy Contributions or similar | 42 Power factor correction and harmonics |
| 15 Benefits arising from any potential Capital Allowances or other government incentives / grants | 43 Audio visual installations and equipment |
| 16 Currency and exchange rate fluctuations | 44 Highways works outside of the site boundary |
| 17 Vibration monitoring | 45 Transport interchange |
| 18 Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union | 46 AIP Fees |
| 19 Costs resulting from zero carbon requirements or offset charges | 47 Disposal of non-hazardous and hazardous material (e.g. asbestos, contaminated land) |
| 20 Statutory changes | 48 Landlords contributions |
| 21 Works outside of the site boundary except where specifically stated | 49 Road closures |
| 22 Public art installations or contributions | 50 Repairs or works to the adjacent properties including the Existing buildings on site. |
| 23 Works outside of normal working hours | 51 Utility upgrades or costs associated with existing network diversion or transformer relocation costs. |
| 24 Diversion of existing below ground services | 52 Winter Gardens |
| 25 Mock-ups, prototypes, off site benchmark and the like | |
| 26 CPO Costs | |
| 27 Tenant's costs or contributions | |
| 28 Loose fittings, furnishings and equipment and external furniture | |

7.AREA SCHEDULE

		Overall		Hotel	Commercial	Amenity	Other	Typical Floor:
Floor Level		GIA (m2)	GIA (ft2)	NIA (m2)	NIA (m2)	NIA (m2)	GIA (m2)	
-1	Basement	1,009	10,861		691			
0	Ground	1,036	11,151		524			
1	First	891	9,591	723				
2	Second	891	9,591	587				
3	Third	891	9,591	544				
4	Fourth	505	5,436	329				
5	Fifth	505	5,436	329				
6	Sixth	505	5,436	329				
7	Seventh	505	5,436	329				
8	Eighth	505	5,436	329				
9	Ninth	505	5,436	329				
10	Tenth	505	5,436	329				
11	Eleventh	505	5,436	329				
12	Twelfth	505	5,436	329				
13	Thirteenth	505	5,436	329				
14	Fourteenth	505	5,436	329				
15	Fifteenth	505	5,436	329				
16	Sixteenth	505	5,436	329				
17	Seventeenth	505	5,436	329				
18	Eighteenth	505	5,436	329				
19	Nineteenth	505	5,436	329				
20	Twenty	505	5,436	329				
21	Twenty One	505	5,436	329				
22	Twenty Two	505	5,436	329				
23	Twenty Three	505	5,436	329				
24	Twenty Four	505	5,436	329				
25	Twenty Five	505	5,436	329				
26	Twenty Six	505	5,436	329				
27	Twenty Seven	505	5,436	329				
28	Twenty Eight	505	5,436	329				
29	Twenty Nine	505	5,436	329				
30	Thirty	505	5,436	329				
31	Thirty One	300	3,229			212		
Total		18,653	200,779	10,737	1,215	212	-	
Room Type		No. of Units						
Standard Room		290						
Premium Room		70						
		360						

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APPENDIX B

ACM ADJUSTED G&T INDICATIVE ORDER OF COST ESTIMATE

HOTEL CONSENTED

GIFA 15,641 m²
GIFA 168,358 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
0 Strip Out / Demolition	£ 2,549,000		£ 162.97	£ 15.14	4%	Asbestos allowance appears light at £50,000. However, difficult to assess without understanding the extent. In the context of the available information, allowances in this section appear reasonable.	2,549,000	+0	162.97	15.14
Total Strip Out / Demolition		£ 2,549,000	£ 162.97	£ 15.14	4%		2,549,000	+0	162.97	15.14
1 SUBSTRUCTURE	£ 3,309,000		£ 211.56	£ 19.65	5%	Pile cap rate appears high at £10k per pile cap. However, considered in the context of 30m deep piles, suggest this allowance is sensible. Reinforcement rate at £1,620 / t appears light. We would suggest minimum £1,850 / t. Difference = +£230 / t. Total tonnage = 129 t. Total adjustment = +£29,670. Difference considered negligible so no adjustment made. Internal walls, doors and drainage are priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made for walls and doors to be at the higher end of the expected range.	3,309,000	+0	211.56	19.65
Total Substructure		£ 3,309,000	£ 211.56	£ 19.65	5%		3,309,000	+0	211.56	19.65
2 SUPERSTRUCTURE										
2A Frame	£ 2,479,000		£ 158.49	£ 14.72	4%	See below item. Total cost of frame from GF to roof structure = £5,742,000 / 14,625m2 (GIFA less basement) = £392/m2. ACM consider in light of recent tender returns that a rate of £410-420/m2 is more appropriate for an approximate floor to floor height of 3.1m. Based on £415/m2 - £392 = +£23 / m2 x 14,625m2 = +£336,375. Plus £500,000 provisional allowance for cantilever noted at 5th floor.	2,479,000	+0	158.49	14.72
2B Upper Floors	£ 3,263,000		£ 208.62	£ 19.38	5%		4,099,375	+836,375	262.09	24.35
2C Roof	£ 1,752,000		£ 112.01	£ 10.41	3%	Allowances appear reasonable.	1,752,000	+0	112.01	10.41
2D Stairs	£ 478,000		£ 30.56	£ 2.84	1%	Allowances appear reasonable.	478,000	+0	30.56	2.84
2E External Walls	£ 8,306,000		£ 531.04	£ 49.34	12%	Key item within this element is the allowance for the new façade. The allowance made is £1,100/m2 which ACM consider to be a sensible allowance.	8,306,000	+0	531.04	49.34
2F External Windows and Doors	£ 0		£ 0.00	£ 0.00	0%	See above item.	0	+0	0.00	0.00
2G Internal Walls and Partitions	£ 1,337,000		£ 85.48	£ 7.94	2%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	1,337,000	+0	85.48	7.94
2H Internal Doors	£ 512,000		£ 32.73	£ 3.04	1%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	512,000	+0	32.73	3.04
Total Superstructure		£ 18,127,000	£ 1,158.94	£ 107.67	27%		18,963,375	+836,375	1,212.41	112.64

HOTEL CONSENTED

GIFA 15,641 m²
GIFA 168,358 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
3 3A FINISHES Wall Finishes	£ 1,363,000		£ 87.14	£ 8.10	2%	There is an allowance included for a 'screed' at £50/m2 to the GIFA. This is not something that we would consider necessary to a concrete frame. There is usually a requirement for a latex levelling screed/dpm - we would expect the rate for this to be around £10-15/m2. Based on £12.50/m2 - £50 = (£37.50) / m2 x 15,641m2 = (£586,537.50). <u>Allowances for wall finishes appears to be duplicated (item .03 and item .11). Note - no adjustment made as it is unclear as to where allowances are applicable.</u> See above item. See above item.	776,463	(586,538)	49.64	4.61
3B Floor Finishes	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
3C Ceiling Finishes	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
Total Finishes		£ 1,363,000	£ 87.14	£ 8.10	2%		776,463	(586,538)	49.64	4.61
4 FITTINGS AND FURNISHINGS	£ 3,738,000		£ 238.99	£ 22.20	6%	Allowances appear reasonable.	3,738,000	+0	238.99	22.20
Total Fittings and Furnishings		£ 3,738,000	£ 238.99	£ 22.20	6%		3,738,000	+0	238.99	22.20
5 SERVICES										
5.1 Mechanical & Electrical Services	£ 8,396,000		£ 536.79	£ 49.87	12%	Refer to item 7.	8,396,000	+0	536.79	49.87
5.2 Lift and Conveyor Installations	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
5.3 Special Installations	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
5.4 Builder's Work in Connection	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
Total Services		£ 8,396,000	£ 536.79	£ 49.87	12%		8,396,000	+0	536.79	49.87
BUILDING SUB-TOTAL		£ 37,482,000	£ 2,396.39	£ 222.63	56%		37,731,838	+249,838	2,412.37	224.12
6 EXTERNAL WORKS										
6A Enabling Works	£ 1,275,000		£ 81.52	£ 7.57	2%	Allowances appear reasonable.	1,275,000	+0	81.52	7.57
6B Site Wide Works	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
6C External Services	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
6E External Works	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
6D Minor Building Works	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
Total External Works		£ 1,275,000	£ 81.52	£ 7.57	2%		1,275,000	+0	81.52	7.57
7 Room Fit Out	£ 13,355,000		£ 853.85	£ 79.33	20%	M&E allowances as follows: Standard Room = £13,500 x 272 = £3,672,000 Premium Room = £14,700 x 55 = £808,500 Total = £4,480,500 plus M&E S&C allowance of £7,820,500 = £12,301,000 / 327 keys = £37,617 / key. ACM considers a robust M&E allowance for a scheme of this nature to be circa £32,500 / key. 327 x £32,500 = £10,627,500 Less G&T M&E allowance of £12,301,000 = (£1,673,500).	11,681,500	(1,673,500)	746.85	69.38
Total Room Fit Out		£ 13,355,000	£ 853.85	£ 79.33	20%		11,681,500	(1,673,500)	746.85	69.38

Hotspur Press
Elemental Cost Summary
Order of Cost Analysis



HOTEL CONSENTED

GIFA 15,641 m²
GIFA 168,358 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
BUILDING & EXTERNAL WORKS SUB-TOTAL		£ 52,112,000	£ 3,331.76	£ 309.53	77%		50,688,338	(1,423,663)	3,240.74	301.07
8 ON COSTS										
8A Preliminaries	£ 7,930,000		£ 507.00	£ 47.10	12%	ACM consider that 17.5% is an appropriate allowance.	8,424,384	+494,384	538.61	50.04
8B OH&P	£ 2,875,000		£ 183.81	£ 17.08	4%	ACM consider that 5% is an appropriate allowance.	2,828,186	(46,814)	180.82	16.80
8C Construction Risk	£ 4,404,000		£ 281.57	£ 26.16	7%	ACM consider that 5% is an appropriate allowance for design development risk and 2.5% is an appropriate allowance for contractor risk.	4,645,568	+241,568	297.01	27.59
Total On Costs		£ 15,209,000	£ 972.38	£ 90.34	23%		15,898,138	+689,138	1,016.44	94.43
TOTAL ESTIMATE		£ 67,321,000	£ 4,304.14	£ 399.87	100%		66,586,476	(734,524)	4,257.18	395.51

HOTEL PROPOSED

GIFA 18,653 m²
GIFA 200,779 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
0 Strip Out / Demolition	£ 2,549,000		£ 136.65	£ 12.70	3%	Asbestos allowance appears light at £50,000. However, difficult to assess without understanding the extent. In the context of the available information, allowances in this section appear reasonable.	2,549,000	+0	136.65	12.70
Total Strip Out / Demolition		£ 2,549,000	£ 136.65	£ 12.70	3%		2,549,000	+0	136.65	12.70
1 SUBSTRUCTURE	£ 3,303,000		£ 177.08	£ 16.45	4%	Pile cap rate appears high at £10k per pile cap. However, considered in the context of 30m deep piles, suggest this allowance is sensible. Reinforcement rate at £1,620 / t appears light. We would suggest minimum £1,850 / t. Difference = +£230 / t. Total tonnage = 128 t. Total adjustment = +£29,440. Difference considered negligible so no adjustment made. Internal walls, doors and drainage are priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made for walls and doors to be at the higher end of the expected range.	3,303,000	+0	177.08	16.45
Total Substructure		£ 3,303,000	£ 177.08	£ 16.45	4%		3,303,000	+0	177.08	16.45
2 SUPERSTRUCTURE										
2A Frame	£ 2,754,000		£ 147.64	£ 13.72	4%	See below item. Total cost of frame from GF to roof structure = £6,104,000 / 17,644m² (GIFA less basement) = £345/m². ACM consider in light of recent tender returns that a rate of £410-420/m² is more appropriate for an approximate floor to floor height of 3.1m. Based on £415/m² - £345 = +£70 / m² x 17,644m² = +£1,235,080.	2,754,000	+0	147.64	13.72
2B Upper Floors	£ 3,350,000		£ 179.60	£ 16.69	4%		4,585,080	+1,235,080	245.81	22.84
2C Roof	£ 1,552,000		£ 83.20	£ 7.73	2%	Allowances appear reasonable.	1,552,000	+0	83.20	7.73
2D Stairs	£ 550,000		£ 29.49	£ 2.74	1%	Allowances appear reasonable.	550,000	+0	29.49	2.74
2E External Walls	£ 12,331,000		£ 661.07	£ 61.42	16%	Key item within this element is the allowance for the new façade. The allowance made is £1,100/m² which ACM consider to be a sensible allowance.	12,331,000	+0	661.07	61.42
2F External Windows and Doors	£ 0		£ 0.00	£ 0.00	0%	See above item.	0	+0	0.00	0.00
2G Internal Walls and Partitions	£ 1,554,000		£ 83.31	£ 7.74	2%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	1,554,000	+0	83.31	7.74
2H Internal Doors	£ 618,000		£ 33.13	£ 3.08	1%	Priced on a GIFA basis which makes it difficult to assess cost allowances included. From our high level assessment, ACM consider the allowances made to be at the higher end of the expected range. Difference considered negligible so no adjustment made.	618,000	+0	33.13	3.08
Total Superstructure		£ 22,709,000	£ 1,217.44	£ 113.10	29%		23,944,080	+1,235,080	1,283.66	119.26

HOTEL PROPOSED

GIFA 18,653 m²
GIFA 200,779 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
3 3A FINISHES Wall Finishes	£ 1,684,000		£ 90.28	£ 8.39	2%	There is an allowance included for a 'screed' at £50/m2 to the GIFA. This is not something that we would consider necessary to a concrete frame. There is usually a requirement for a latex levelling screed/dpm - we would expect the rate for this to be around £10-15/m2. Based on £12.50/m2 - £50 = (£37.50) / m2 x 18,653m2 = (£699,487.50). <u>Allowances for wall finishes appears to be duplicated (item .03 and item .11). Note - no adjustment made as it is unclear as to where allowances are applicable.</u> See above item. See above item.	984,513	(699,488)	52.78	4.90
3B Floor Finishes	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
3C Ceiling Finishes	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
Total Finishes		£ 1,684,000	£ 90.28	£ 8.39	2%		984,513	(699,488)	52.78	4.90
4 FITTINGS AND FURNISHINGS	£ 4,147,000		£ 222.32	£ 20.65	5%	Allowances appear reasonable.	4,147,000	+0	222.32	20.65
Total Fittings and Furnishings		£ 4,147,000	£ 222.32	£ 20.65	5%		4,147,000	+0	222.32	20.65
5 SERVICES										
5.1 Mechanical & Electrical Services	£ 9,902,000		£ 530.85	£ 49.32	13%	Refer to item 7.	9,902,000	+0	530.85	49.32
5.2 Lift and Conveyor Installations	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
5.3 Special Installations	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
5.4 Builder's Work in Connection	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
Total Services		£ 9,902,000	£ 530.85	£ 49.32	13%		9,902,000	+0	530.85	49.32
BUILDING SUB-TOTAL		£ 44,294,000	£ 2,374.63	£ 220.61	57%		44,829,593	+535,593	2,403.34	223.28
6 EXTERNAL WORKS										
6A Enabling Works	£ 1,275,000		£ 68.35	£ 6.35	2%	Allowances appear reasonable.	1,275,000	+0	68.35	6.35
6B Site Wide Works	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
6C External Services	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
6E External Works	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
6D Minor Building Works	£ 0		£ 0.00	£ 0.00	0%			+0	0.00	0.00
Total External Works		£ 1,275,000	£ 68.35	£ 6.35	2%		1,275,000	+0	68.35	6.35
7 Room Fit Out	£ 14,750,000		£ 790.76	£ 73.46	19%	M&E allowances as follows: Standard Room = £13,500 x 290 = £3,915,000 Premium Room = £14,700 x 70 = £1,029,000 Total = £4,944,000 plus M&E S&C allowance of £9,326,500 = £14,270,500 / 360 keys = £39,640 / key. ACM considers a robust M&E allowance for a scheme of this nature to be circa £32,500 / key. 360 x £32,500 = £11,700,000 Less G&T M&E allowance of £14,270,500 = (£2,570,500).	12,179,500	(2,570,500)	652.95	60.66
Total Room Fit Out		£ 14,750,000	£ 790.76	£ 73.46	19%		12,179,500	(2,570,500)	652.95	60.66

HOTEL PROPOSED

GIFA 18,653 m²
GIFA 200,779 ft²

G&T COSTS						ACM Comments	ACM	DIFF	ACM Cost per m² £	ACM Cost per ft² £
Element	Element Cost £	Section Total £	Cost per m² £	Cost per ft² £	%					
BUILDING & EXTERNAL WORKS SUB-TOTAL		£ 60,319,000	£ 3,233.74	£ 300.42	77%		58,284,093	(2,034,908)	3,124.65	290.29
8 ON COSTS										
8A Preliminaries	£ 9,243,000		£ 495.52	£ 46.04	12%	ACM consider that 17.5% is an appropriate allowance.	9,753,641	+510,641	522.90	48.58
8B OH&P	£ 3,351,000		£ 179.65	£ 16.69	4%	ACM consider that 5% is an appropriate allowance.	3,274,437	(76,563)	175.54	16.31
8C Construction Risk	£ 5,104,000		£ 273.63	£ 25.42	7%	ACM consider that 5% is an appropriate allowance for design development risk and 2.5% is an appropriate allowance for contractor risk.	5,348,413	+244,413	286.73	26.64
Total On Costs		£ 17,698,000	£ 948.80	£ 88.15	23%		18,376,491	+678,491	985.18	91.53
TOTAL ESTIMATE		£ 78,017,000	£ 4,182.54	£ 388.57	100%		76,660,583	(1,356,417)	4,109.83	381.82

Appendix 8 – Option 5 Appraisal Summary

Hotspur Press
Option 5 - Hotel (Consented)
Savills Appraisal

Development Appraisal
Savills
12 October 2023

**Hotspur Press
Option 5 - Hotel (Consented)
Savills Appraisal**

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Hotel	327	10,500	3,433,500	3,433,500

Investment Valuation

Hotel					
Current Rent	3,433,500	YP @	5.2500%	19.0476	65,400,000

GROSS DEVELOPMENT VALUE **65,400,000**

Purchaser's Costs	(1,177,200)
Effective Purchaser's Costs Rate	1.80%
	(1,177,200)

NET DEVELOPMENT VALUE **64,222,800**

NET REALISATION **64,222,800**

OUTLAY

ACQUISITION COSTS

Fixed Price	1		
Fixed Price		1	
			1

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Hotel	168,358	395.51	66,586,476
			66,586,476

PROFESSIONAL FEES

Professional Fees	12.00%	7,990,377	
			7,990,377

MARKETING & LETTING

Letting Agent Fee	10.00%	343,350	
Letting Legal Fee	5.00%	171,675	
			515,025

DISPOSAL FEES

Sales Agent Fee	1.00%	642,228	
Sales Legal Fee	0.50%	321,114	
			963,342

TOTAL COSTS BEFORE FINANCE **76,055,221**

FINANCE

Debit Rate 5.250%, Credit Rate 0.000% (Nominal)			
Land		0	
Construction		4,633,715	
Total Finance Cost			4,633,715

TOTAL COSTS **80,688,936**

PROFIT

(16,466,136)

Performance Measures

Profit on Cost%	-20.41%
Profit on GDV%	-25.18%
Profit on NDV%	-25.64%
Development Yield% (on Rent)	4.26%
Equivalent Yield% (Nominal)	5.25%
Equivalent Yield% (True)	5.43%

**Hotspur Press
Option 5 - Hotel (Consented)
Savills Appraisal**

IRR% (without Interest)	-13.37%
Rent Cover	-4 yrs -10 mths
Profit Erosion (finance rate 5.250)	N/A

Appendix 9 – Option 6 Appraisal Summary

Hotspur Press
Option 6 - Hotel (Proposed)
Savills Appraisal

Development Appraisal
Savills
12 October 2023

Hotspur Press
Option 6 - Hotel (Proposed)
Savills Appraisal

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Hotel	360	10,500	3,780,000	3,780,000

Investment Valuation

Hotel					
Current Rent	3,780,000	YP @	5.2500%	19.0476	72,000,000

GROSS DEVELOPMENT VALUE **72,000,000**

Purchaser's Costs	(1,296,000)
Effective Purchaser's Costs Rate	1.80%
	(1,296,000)

NET DEVELOPMENT VALUE **70,704,000**

NET REALISATION **70,704,000**

OUTLAY

ACQUISITION COSTS

Fixed Price	1		
Fixed Price		1	
			1

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Hotel	200,779	381.82	76,660,583
			76,660,583

PROFESSIONAL FEES

Professional Fees	12.00%	9,199,270	
			9,199,270

MARKETING & LETTING

Letting Agent Fee	10.00%	378,000	
Letting Legal Fee	5.00%	189,000	
			567,000

DISPOSAL FEES

Sales Agent Fee	1.00%	707,040	
Sales Legal Fee	0.50%	353,520	
			1,060,560

TOTAL COSTS BEFORE FINANCE **87,487,414**

FINANCE

Debit Rate 5.250%, Credit Rate 0.000% (Nominal)			
Land		0	
Construction		5,334,766	
Total Finance Cost			5,334,766

TOTAL COSTS **92,822,180**

PROFIT

(22,118,180)

Performance Measures

Profit on Cost%	-23.83%
Profit on GDV%	-30.72%
Profit on NDV%	-31.28%
Development Yield% (on Rent)	4.07%
Equivalent Yield% (Nominal)	5.25%
Equivalent Yield% (True)	5.43%

Hotspur Press
Option 6 - Hotel (Proposed)
Savills Appraisal

IRR% (without Interest) -16.61%

Rent Cover -5 yrs -10 mths
Profit Erosion (finance rate 5.250) N/A

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