

JACKSON ROW DEVELOPMENT LIMITED
VIABILITY APPRAISAL
NOVEMBER 2023

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1.0 INTRODUCTION

- 1.1 The intention of this document is to share with Manchester City Council the viability appraisal for the St Michael's project and in particular demonstrate that by applying the Affordable Housing requirements based on current MCC policy it makes the delivery of the project unviable.
- 1.2 We have used the same format as our previous affordable housing submission but given the development is split into two phases, each with different owners, we have had to appraise the impact to each phases and then show the overall position as a combined model so we are able to see how it compares to the previous revision of this assessment.
- 1.3 This document should be read in conjunction with the planning application submission, in particular the Planning Statement issued by Zerum, within which there is a more detailed statement relating to why it is considered that the application cannot afford to make affordable housing contributions
- 1.4 The information in this document is confidential.
- 1.5 The development appraisal is supported by information produced by the wider project team and where considered relevant this has been appended. If a lot of instances across both phases now it is based on actual positions, in particular construction costs and professional fees.
- 1.6 The appraisal dashboard appended are very much summary documents, driven off detailed models and cashflows, with a granular development cost basis. At this stage we have provided a brief overview on each of the relevant revenue and cost headings, but these can be expanded and detailed if required.

2.0 FINANCIAL MODEL KEY ASSUMPTIONS OVERVIEW

2.1 As noted in the introduction we have provided appraisals for each phase of the project, along with a consolidated appraisal. We have then used the consolidated appraisal to test the impact of affordability.

2.2 The assumption used when determining the affordable housing contributions are;

- *Residential sales:*
 - 80% sold at market value
 - 15% Intermediate homes sold at 75% of market value
 - 5% affordable sold at 40% of market value

For the purpose of our calculations, we assumed market value is £650/sqft for this development.

2.3 Revenue Projections – Phase One

2.3.1 Offices

Taking into account deals exchanged and terms offered office rents are an average of £39/sqft, ranging from £36/sqft, rising to £42/sqft for upper floor lettings, with an incentive package of 30 months based on a mixture of 10 and 15 year leases. Office investment exit yields are based on 5.5% at this stage. The current market position on yields is probably worse than this, however our business plan is under review to consider a refinance and hold until yields hopefully improve in the future.

2.3.2 Retail / Leisure

We have included the terms agreed with our roof top tenant Chotto Matte and based the ground floor rents advised from our leasing agent's Metis, who advise a rent of £40/sqft with a 24 month incentive package. We have used the same investment yield as we have the office, assuming this will be blended.

2.4 Revenue Projections – Phase Two

2.4.1 Private Residential

We have worked with Salboy International who are the Phase Two JV's appointed residential sales agent. We have also been working with the W Residences Team. This product will be unique for the city, with the average sales price set at £770/sqft – which is significantly more than anything sold in the city at scale.

We have allocated 10% of this cost to pay for agency fees, marketing and deal discounts with the balance taking into the model as the developers residential sales value.

Our sales programme starts this month and we have modelled a fairly straight line of sales over the 3 year 7 month build programme.

2.4.2 Hotel

We have worked closely with CBRE to develop this project and their opinion of pricing has been appended to this report. We also have P&L's from W hotels which whilst lower than that assessed by CBRE, they acknowledge their assessments are often conservative and in general Marriott outperform the markets they enter – in particular bedroom revenue.

Our intention is to hold this hotel till it stabilises, which is typically 3 years after it opens.

2.6.3 *Offices*

We have taken the figures from Ph1 and used this of the basis of Ph2, although we have increased the rents to an average of £42/sqft, with an incentive package of 30 months based on a mixture of 10 and 15 year leases. Office investment exit yields are based on 5.75% at this stage, although our business plan is to hold the offices for longer until yields improve in the future.

2.7 **Development Costs – Phase One**

2.7.1 *Acquisition Costs*

The figures in the model are all based on contractual agreements to acquire various parts of the site. In addition to this we have made market allowances for professional fees, insurances and stamp duty.

2.7.2 *Construction Cost*

This is based on the contract sum agreed for this phase with a market facing contingency as agreed with our debt provider.

2.7.3 *Professional Fees*

A detailed schedule can be provided with the development appraisal, however these are based on signed fee agreements.

The overall fee percentage is just under 10% of construction cost.

2.7.4 *Other Development Costs*

This section includes allowances for sundry items such as;

- a) legal fees for construction, corporate, funding and property
- b) accountancy fees
- c) planning costs, including the application fee
- d) surveys & site investigation
- e) Rights to Light compensation (based on an assessment by GVA)
- f) Marketing

Again, the majority of these are based on actual costs now.

2.7.5 *Funding Costs*

These allowances are based on the debt finance terms agreed for this phase and applied to a detailed cashflow model.

2.7.6 *Lettings fees*

*Office leasing is 15% of ERV
F&B leasing is 10% of ERV
Letting legal fees of £150k in total.*

2.8 Development Costs – Phase Two

2.8.1 Acquisition Costs

The figures in the model are all based on contractual agreements to acquire various parts of the site. In addition to this we have made market allowances for professional fees, insurances and stamp duty.

Stamp Duty is included twice as a result of the way in which the land is being assembled.

2.8.2 Construction Cost

This is based on the contract sum agreed for this phase with a market facing contingency as agreed with our debt provider.

2.8.3 Professional Fees

A detailed schedule can be provided with the development appraisal, however these are based on signed fee agreements.

2.8.4 Other Development Costs

This section includes allowances for sundry items such as;

- a) legal fees for construction, corporate, funding and property
- b) accountancy fees
- c) planning costs, including the application fee
- d) surveys & site investigation
- e) Rights to Light compensation (based on an assessment by GVA)
- f) Marketing
- g) W Hotel related fees and costs that sit outside the traditional development costs and can be scheduled out if required.

Again, the majority of these are based on actual costs now.

2.8.5 Funding Costs

These allowances are based on the debt finance terms agreed for this phases and applied to a detailed cashflow model.

2.8.6 Lettings fees

*Office leasing is 15% of ERV
F&B leasing is 10% of ERV
Letting legal fees of £500k in total*

As noted earlier residential sales fees are covered in the difference between the gross sales price to the model and the return to the developer. Fees are 10% which includes agency fees, marketing and deal discounts.

3.0 SUMMARY

- 3.1 The table below identifies the profit and profit on cost (POC) for each phase of the project, together with a consolidated position with and without affordable housing.

	Total Development Revenue	Total Development Cost	Profit	POC
Phase One	£131.6m	£104.4m	£27.2m	26.1%
Phase Two	£254.9m	£241.8m	£13.1m	5.2%
Phase Two more afford	£240.7m	£241.8	£-1.2m	-0.5%
Consolidated	£386.5m	£347.8m	£38.8m	11.1%
Consolidated with affordable	£372.3m	£347.8m	£24.5m	7.0%
2018 - Consolidated	£252.0m	£227.0m	£33.9m	15.6%
2018 - Consolidated with affordable	£239.6m	£214.5m	£20.6m	9.4%

- 3.2 We have also highlighted the equivalent figures from the last affordable exercise submitted in 2018.
- 3.3 The updated exercise really highlights the significant change in the market since this was first produced in 2018, which shows the growth in the city but also the cost of development, particularly finance and construction. It also reflects significant changes to the scheme over these years, such as more residential in lieu of hotel bedrooms, the replacement of the synagogue and the replacement of the boutique hotel with offices. So in reality its hard to compare, but we have provided this nonetheless.
- 3.4 The Ph2 project in particular show a poor level of return and not one that would not typically attract investment, especially as this already relies on strong sales performance. However, the model for this project is to hold this phase into the longer term, it simply does not work at practical completion. This is a common problem with full service 5 star hotels and why we do not see many of them in the city – it takes patient capital to make it work.
- 3.5 The additional residential floors we are applying for is to help support significant increases in construction costs and in particular finance costs, both of which we are all familiar with. The finance cost on its own has increased by over £15m from inception of the JV in Apr 2022 to current day for example.
- 3.6 We have a S106 in place with an index linked affordable housing payments totaling £2.23m (based on the current index this is actually £2.9m). It can be seen from the models provided that the current affordable housing contribution already puts significant challenge on viability, although we are certainly not suggesting it is revisited downwards, we are however suggesting that there is no scope to increase this, with the additional floors supporting increased funding and construction costs experienced in all parts of the development since planning consent was first granted.



ST MICHAELS

VIABILITY APPRAISAL

Appendix A

Development Appraisal – Ph1

St Michael's

Area **1**

Business Plan

	Total	
	£m	£/sqft
Purchase Price	£5.0	£24
Acquisition Costs	£0.9	£4
Total Acquisition	£5.9	£29
Hard Costs	£215 psf GIA	£60.9
Prof Fees	6.6% of Hard Costs	£4.0
Other Dev Costs		£3.1
Contingency	2.1% of Total Costs	£2.0
MCC Lease payment		£3.8
Total Capex	£73.9	£360
Leasing & Marketing	20% of ERV p.a.	£1.8
Cap. Cont. Leisure Tenants		£4.2
All in cost		£85.7
plus void costs		£1.6
plus structure costs		£0.3
Unlevered Cost Basis	£87.7	£428
Total Pre-Let	36%	
Office Pre-Let	30%	
Void on rest	9 months	
Exit Date	30-Sep-25	
Purchase Price	£5.0	
MCC Lease payment	£3.8	
MCC Overage	-	
TOTAL LAND PRICE	£8.8	£43

	Total	
	£m	£/sqft
Rent	£8.6	£42
Unlevered YoC	9.8%	
LTC excl. fin. cost	Margin	LTC
Finance Cost	4.40%	£16.7
All-in Basis	£104.4	£509
Levered YoC	8.2%	
Exit Cap Rate	5.50%	
Gross Valuation	£147.3	£718
less unexpired RF	30m total (office)	£14.9
less sale costs		£0.8
Net Proceeds	£131.6	£642
	-	-
Pre-Tax Profit	£27.2	£133
Levered Pre-Tax & Promote PoC	26%	
Tax	25.0%	£6.8
JV Post-Tax & Pre-Promote Profit	£20.5	£100
JV Post-Tax & Pre-Promote PoC	19.6%	
		-
		-
JV Post-Tax & Promote Profit	Confidential	
JV Post-Tax Post-Promote PoC	Confidential	
KKR Post-Tax & Promote IRR	Confidential	
KKR Post-Tax & Promote MOIC	Confidential	



ST MICHAELS

VIABILITY APPRAISAL

Appendix B

Development Appraisal – Ph2

St Michaels PH2
Development Summary

Costs			
Land			
	Land cost	18,250,000	
	Acquisition fees + costs	1,260,410	
			17,510,410
Plant Costs			
	Build Costs Inc Contingency	160,880,731	
Soft Costs			
	Architect	2,698,000	
	Professional Team	12,870,750	
	Surveys & Other Fees	2,970,750	
	Construction	133,280	
	Logistics	2,590,237	
	Agents	1,126,536	
	Planning	160,000	
	Overheads	1,420,000	
	Other	8,584,211	
			152,165,769
Finance			
	Interest	23,437,034	
	Entry and Exit fees	4,463,393	
	Exit Fee	3,165,000	
	Equity Gaps in Development	0	31,105,427

Total Costs			
Indirect Total Equity Requirements			
	Interest Income	1,000,000	
	Facility Amount	0	0
	Indirect Pre-Building Contract Expense	0	0
	Cost	1,000,000	0
Total value			
	Revenue	1,000,000	
	Hotel	1,000,000	
	Commercial	1,000,000	
			3,000,000

Profit on Scheme	13,125,000
Profit before finance costs	14,125,000
Profit Return on GDV	5.2%
Profit before finance costs on GDV	17.4%
Profit on Equity	100.00%
Profit on Cost	5.4%

and



ST MICHAELS

VIABILITY APPRAISAL

Appendix C

Development Appraisal –
Consolidated

St Michaels Ph2
Development Summary

Costs		
Land		
Land cost		16,250,000
Acquisition fees + costs		1,260,410
		17,510,410

Hard Costs		
	Build Costs inc Contingency	160,880,731
Soft Costs		
	Architect	2,696,000
	Professional Team	12,879,791
	Surveys & Other Fees	1,510,720
	Contamination	133,260
	Legals	3,606,337
	Agents	1,128,538
	Planning	150,000
	Overheads	1,420,000
	Other	8,584,311
		193,189,709

Finance		
Interest	23,437,034	
Entry and NJ/less	4,483,393	
Exit Fee	3,185,000	
Equity Coupon in Development	0	31,105,427

Total Costs			241,895,546
Safety Total Equity Requirement		Considerable	
Insured Deposits		Considerable	
Facility Amount	0	Considerable	0
Safety Pre-Bidding Contract Spend			60
Owner	60	Months =	60 days

	At PC
Residential	£123,430,689
Hotel	£67,500,000
Commercial	£50,224,414
Total value	240,655,103

Profit on Scheme	-1,155,443
Profit before finance costs	29,954,384
Project Return on GDV	-0.5%
Profit before finance costs on GDV	12.4%
JV Share (%)	100.00%
Profit on Equity	Confidential
Profit on Cost	-0.5%



ST MICHAELS

VIABILITY APPRAISAL

Appendix D

Development Appraisal –
Consolidated Affordable applied

Level	Number	Beds	Area (sq.m)	Area (sq.ft)	Aspect	Orientation	View	Balcony	Gross Sales Price	Gross Price sqft
17 - Residential 01	17.01	Two Bedroom	71.3	768	Dual	N+E	Albert Square	Balcony	£499,200	£650
17 - Residential 01	17.02	Studio	37.8	407	Single	E	Albert Square	None	£264,550	£650
17 - Residential 01	17.03	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
17 - Residential 01	17.04	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
17 - Residential 01	17.05	Studio	38.1	410	Single	E	Library	None	£266,500	£650
17 - Residential 01	17.06	Two Bedroom	87.2	939	Dual	S+E	Old Trafford/Spinningfield	Balcony	£610,350	£650
17 - Residential 01	17.07	Two Bedroom	87.2	939	Dual	S+W	Old Trafford/Spinningfield	Balcony	£610,350	£650
17 - Residential 01	17.08	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
17 - Residential 01	17.09	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
17 - Residential 01	17.10	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
17 - Residential 01	17.11	Studio	37.8	407	Single	W	Spinningfields	None	£264,550	£650
17 - Residential 01	17.12	Two Bedroom	71.3	768	Dual	N+W	Deansgate	Balcony	£499,200	£650
18 - Residential 02	18.01	Two Bedroom	78.3	843	Dual	N+E	Albert Square	Balcony	£547,950	£650
18 - Residential 02	18.02	Studio	38.1	410	Single	E	Albert Square	None	£266,500	£650
18 - Residential 02	18.03	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
18 - Residential 02	18.04	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
18 - Residential 02	18.05	Studio	38.1	410	Single	E	Library	None	£266,500	£650
18 - Residential 02	18.06	Two Bedroom	87.2	939	Dual	S+E	Old Trafford/Spinningfield	Balcony	£610,350	£650
18 - Residential 02	18.07	Two Bedroom	87.2	939	Dual	S+W	Old Trafford/Spinningfield	Balcony	£610,350	£650
18 - Residential 02	18.08	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
18 - Residential 02	18.09	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
18 - Residential 02	18.10	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
18 - Residential 02	18.11	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
18 - Residential 02	18.12	Two Bedroom	78.3	843	Dual	N+W	Deansgate	Balcony	£547,950	£650
19 - Residential 03	19.01	Two Bedroom	79	851	Dual	N+E	Albert Square	Balcony	£553,150	£650
19 - Residential 03	19.02	Studio	38.1	410	Single	E	Albert Square	None	£266,500	£650
19 - Residential 03	19.03	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
19 - Residential 03	19.04	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
19 - Residential 03	19.05	Studio	38.1	410	Single	E	Library	None	£266,500	£650
19 - Residential 03	19.06	Two Bedroom	87.2	938	Dual	S+E	Old Trafford/Spinningfield	Balcony	£609,700	£650
19 - Residential 03	19.07	Two Bedroom	87.2	938	Dual	S+W	Old Trafford/Spinningfield	Balcony	£609,700	£650
19 - Residential 03	19.08	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
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19 - Residential 03	19.11	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
19 - Residential 03	19.12	Two Bedroom	79	851	Dual	N+W	Deansgate	Balcony	£553,150	£650
20 - Residential 04	20.01	Two Bedroom	79	851	Dual	N+E	Albert Square	Balcony	£553,150	£650
20 - Residential 04	20.02	Studio	38.1	410	Single	E	Albert Square	None	£266,500	£650
20 - Residential 04	20.03	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
20 - Residential 04	20.04	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
20 - Residential 04	20.05	Studio	38.1	410	Single	E	Library	None	£266,500	£650
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20 - Residential 04	20.12	Two Bedroom	79	851	Dual	N+W	Deansgate	Balcony	£553,150	£650
21 - Residential 05	21.01	Two Bedroom	79	851	Dual	N+E	Albert Square	Balcony	£553,150	£650
19 - Residential 03	19.01	Two Bedroom	79	851	Dual	N+E	Albert Square	Balcony	£553,150	£650
19 - Residential 03	19.02	Studio	38.1	410	Single	E	Albert Square	None	£266,500	£650
19 - Residential 03	19.03	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
19 - Residential 03	19.04	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
19 - Residential 03	19.05	Studio	38.1	410	Single	E	Library	None	£266,500	£650
19 - Residential 03	19.06	Two Bedroom	87.2	938	Dual	S+E	Old Trafford/Spinningfield	Balcony	£609,700	£650
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21 - Residential 05	21.01	Two Bedroom	79	851	Dual	N+E	Albert Square	Balcony	£553,150	£650
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22 - Residential 06	22.08	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
22 - Residential 06	22.09	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
22 - Residential 06	22.10	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
22 - Residential 06	22.11	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
22 - Residential 06	22.12	Two Bedroom	79	851	Dual	N+W	Deansgate	Balcony	£553,150	£650
23 - Residential 07	23.01	Two Bedroom	79	851	Dual	N+E	Albert Square	Balcony	£553,150	£650
23 - Residential 07	23.02	Studio	38.1	410	Single	E	Albert Square	None	£266,500	£650
23 - Residential 07	23.03	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
23 - Residential 07	23.04	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
23 - Residential 07	23.05	Studio	38.1	410	Single	E	Library	None	£266,500	£650
23 - Residential 07	23.06	Two Bedroom	87.2	938	Dual	S+E	Old Trafford/Spinningfield	Balcony	£609,700	£650
23 - Residential 07	23.07	Two Bedroom	87.2	938	Dual	S+W	Old Trafford/Spinningfield	Balcony	£609,700	£650
23 - Residential 07	23.08	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
23 - Residential 07	23.09	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
23 - Residential 07	23.10	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
23 - Residential 07	23.11	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
23 - Residential 07	23.12	Two Bedroom	79	851	Dual	N+W	Deansgate	Balcony	£553,150	£650
24 - Residential 08	24.01	Two Bedroom	79	851	Dual	N+E	Albert Square	Balcony	£553,150	£650
24 - Residential 08	24.02	Studio	38.1	410	Single	E	Albert Square	None	£266,500	£650
24 - Residential 08	24.03	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
24 - Residential 08	24.04	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
24 - Residential 08	24.05	Studio	38.1	410	Single	E	Library	None	£266,500	£650
24 - Residential 08	24.06	Two Bedroom	87.2	938	Dual	S+E	Old Trafford/Spinningfield	Balcony	£609,700	£650
24 - Residential 08	24.07	Two Bedroom	87.2	938	Dual	S+W	Old Trafford/Spinningfield	Balcony	£609,700	£650
24 - Residential 08	24.08	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
24 - Residential 08	24.09	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
24 - Residential 08	24.10	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
24 - Residential 08	24.11	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
24 - Residential 08	24.12	Two Bedroom	79	851	Dual	N+W	Deansgate	Balcony	£553,150	£650
25 - Residential 09	25.01	Two Bedroom	79	851	Dual	N+E	Albert Square	Balcony	£553,150	£650
25 - Residential 09	25.02	Studio	38.1	410	Single	E	Albert Square	None	£266,500	£650
25 - Residential 09	25.03	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
25 - Residential 09	25.04	One Bedroom	49.8	536	Single	E	Library	Balcony	£348,400	£650
25 - Residential 09	25.05	Studio	38.1	410	Single	E	Library	None	£266,500	£650
25 - Residential 09	25.06	Two Bedroom	87.2	938	Dual	S+E	Old Trafford/Spinningfield	Balcony	£609,700	£650
25 - Residential 09	25.07	Two Bedroom	87.2	938	Dual	S+W	Old Trafford/Spinningfield	Balcony	£609,700	£650
25 - Residential 09	25.08	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
25 - Residential 09	25.09	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
25 - Residential 09	25.10	One Bedroom	49.8	536	Single	W	Spinningfields	Balcony	£348,400	£650
25 - Residential 09	25.11	Studio	38.1	410	Single	W	Spinningfields	None	£266,500	£650
25 - Residential 09	25.12	Two Bedroom	79	851	Dual	N+W	Deansgate	Balcony	£553,150	£650
26 - Residential 10	26.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650

26 - Residential 10	26.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
26 - Residential 10	26.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
26 - Residential 10	26.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
26 - Residential 10	26.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
26 - Residential 10	26.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
26 - Residential 10	26.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
26 - Residential 10	26.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
27 - Residential 11	27.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
27 - Residential 11	27.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
27 - Residential 11	27.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
27 - Residential 11	27.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
27 - Residential 11	27.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
27 - Residential 11	27.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
27 - Residential 11	27.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
27 - Residential 11	27.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
28 - Residential 12	28.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
28 - Residential 12	28.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
28 - Residential 12	28.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
28 - Residential 12	28.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
28 - Residential 12	28.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
28 - Residential 12	28.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
28 - Residential 12	28.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
28 - Residential 12	28.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
29 - Residential 13	29.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
29 - Residential 13	29.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
29 - Residential 13	29.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
29 - Residential 13	29.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
29 - Residential 13	29.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
29 - Residential 13	29.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
29 - Residential 13	29.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
29 - Residential 13	29.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
30 - Residential 14	30.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
30 - Residential 14	30.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
30 - Residential 14	30.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
30 - Residential 14	30.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
30 - Residential 14	30.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
30 - Residential 14	30.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
30 - Residential 14	30.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
30 - Residential 14	30.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
31 - Residential 15	31.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
31 - Residential 15	31.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
31 - Residential 15	31.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
31 - Residential 15	31.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
31 - Residential 15	31.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
31 - Residential 15	31.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650

31 - Residential 15	31.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
31 - Residential 15	31.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
32 - Residential 16	32.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
32 - Residential 16	32.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
32 - Residential 16	32.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
32 - Residential 16	32.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
32 - Residential 16	32.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
32 - Residential 16	32.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
32 - Residential 16	32.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
32 - Residential 16	32.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
33 - Residential 17	33.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
33 - Residential 17	33.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
33 - Residential 17	33.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
33 - Residential 17	33.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
33 - Residential 17	33.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
33 - Residential 17	33.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
33 - Residential 17	33.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
33 - Residential 17	33.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
34 - Residential 18	34.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
34 - Residential 18	34.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
34 - Residential 18	34.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
34 - Residential 18	34.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
34 - Residential 18	34.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
34 - Residential 18	34.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
34 - Residential 18	34.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
34 - Residential 18	34.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
35 - Residential 19	35.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
35 - Residential 19	35.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
35 - Residential 19	35.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
35 - Residential 19	35.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
35 - Residential 19	35.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
35 - Residential 19	35.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
35 - Residential 19	35.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
35 - Residential 19	35.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
36 - Residential 20	36.01	Two Bedroom	91.5	985	Dual	N+E	Albert Square	Balcony	£640,250	£650
36 - Residential 20	36.02	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
36 - Residential 20	36.03	Two Bedroom	80	861	Single	E	Library	Balcony	£559,650	£650
36 - Residential 20	36.04	Two Bedroom	99.9	1075	Dual	S+E	Old Trafford/Spinningfield	Balcony	£698,750	£650
36 - Residential 20	36.05	Two Bedroom	99.9	1075	Dual	S+W	Old Trafford/Spinningfield	Balcony	£698,750	£650
36 - Residential 20	36.06	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
36 - Residential 20	36.07	Two Bedroom	80	861	Single	W	Spinningfields	Balcony	£559,650	£650
36 - Residential 20	36.08	Two Bedroom	91.5	985	Dual	N+W	Deansgate	Balcony	£640,250	£650
37 - Residential 21	37.01	Three Bedroom	222.4	2394	Triple	W+N+E	Deansgate/Albert Square	Balcony	£1,556,100	£650
37 - Residential 21	37.01	Two Bedroom	118.2	1272	Single	E	Library	Balcony	£826,800	£650
37 - Residential 21	37.01	Three Bedroom	240.4	2587	Triple	W+S+E	Library/Old Trafford/Spinni	Balcony	£1,681,550	£650

37 - Residential 21	37.01	Two Bedroom	131.7	1418	Single	W	Spinningfields	Balcony	£921,700	£650
38 - Residential 22	38.01	Three Bedroom	222.4	2394	Triple	W+N+E	Deansgate/Albert Square	Balcony	£1,556,100	£650
38 - Residential 22	38.01	Two Bedroom	118.2	1272	Single	E	Library	Balcony	£826,800	£650
38 - Residential 22	38.01	Three Bedroom	240.4	2587	Triple	W+S+E	Library/Old Trafford/Spinni	Balcony	£1,681,550	£650
38 - Residential 22	38.01	Two Bedroom	131.7	1418	Single	W	Spinningfields	Balcony	£921,700	£650
39 - Residential 23	39.01	Three Bedroom	222.4	2394	Triple	W+N+E	Deansgate/Albert Square	Balcony	£1,556,100	£650
39 - Residential 23	39.02	Two Bedroom	118.2	1272	Single	E	Library	Balcony	£826,800	£650
39 - Residential 23	39.03	Three Bedroom	240.4	2587	Triple	W+S+E	Library/Old Trafford/Spinni	Balcony	£1,681,550	£650
39 - Residential 23	39.04	Two Bedroom	131.7	1418	Single	W	Spinningfields	Balcony	£921,700	£650
40 - Residential 24	40.01	Three Bedroom	222.4	2394	Triple	W+N+E	Deansgate/Albert Square	Balcony	£1,556,100	£650
40 - Residential 24	40.02	Two Bedroom	118.2	1272	Single	E	Library	Balcony	£826,800	£650
40 - Residential 24	40.03	Three Bedroom	240.4	2587	Triple	W+S+E	Library/Old Trafford/Spinni	Balcony	£1,681,550	£650
40 - Residential 24	40.04	Two Bedroom	131.7	1418	Single	W	Spinningfields	Balcony	£921,700	£650
41 - Residential 25	41.01	Penthouse	752.7	8102	Multiple	N+E+S+W	All	Balcony	£5,266,300	£650
238			18919.9	203639				MARKET VALUE	£ 132,365,350.00	

Affordable Housing Cslc

80% Market value	£	105,892,280
15% Intermediate @ 75% value	£	14,891,102
5% affordable @ 40% value	£	2,647,307
Total Sales value	£	123,430,689

St Michael's
Dashboard - November 2017 Development Appraisal

OUTPUTS

Development Summary

Revenues

Sales - Private Resi	137,716,795
Sales - Car Parking	Incl above
Sales - Hotel	67,000,000
Sales - Offices & Leisure (Ph1)	131,601,260
Sales - Offices (Ph2)	50,224,414

Total Revenues **386,542,469**

Costs

Gross Acquisition Costs	(27,262,781)
Construction	(217,548,824)
Developer's Contingency	(6,195,833)
Professional Fees	(19,595,637)
Other Development Costs (see detailed schedule)	(19,918,218)
Marketing	Incl above
Funding Costs	Incl above
Sales & Letting Fees	(1,752,465)
Cap Con Leisure tenants (Ph1)	(4,199,875)
Void cost	(1,944,974)

Total Costs **(298,418,607)**

EBITDA

88,123,862

Debt:

- Interest	(41,686,516)
- Commitment Fee	(3,185,000)
- Arrangement Fee	(4,483,393)

Net Profit

38,768,953

Check Zero

Returns

Development Profit on Cost	11.1%
Development Profit on Revenue	10.0%

Costs to Fund - Sources and Uses

Confidential Information

St Michael's
Dashboard - November 2017 Development Appraisal

OUTPUTS

Development Summary

Revenues

Sales - Private Resi	123,430,689
Sales - Car Parking	Incl above
Sales - Hotel	67,000,000
Sales - Offices & Leisure (Ph1)	131,601,260
Sales - Offices (Ph2)	50,224,414

Total Revenues **372,256,363**

Costs

Gross Acquisition Costs	(27,262,781)
Construction	(217,548,824)
Developer's Contingency	(6,195,833)
Professional Fees	(19,595,637)
Other Development Costs (see detailed schedule)	(19,918,218)
Marketing	Incl above
Funding Costs	Incl above
Sales & Letting Fees	(1,752,465)
Cap Con Leisure tenants (Ph1)	(4,199,875)
Void cost	(1,944,974)

Total Costs **(298,418,607)**

EBITDA **73,837,756**

Debt:	
- Interest	(41,686,516)
- Commitment Fee	(3,185,000)
- Arrangement Fee	(4,483,393)

Net Profit **24,482,847**

Check Zero

Returns

Development Profit on Cost	7.0%
Development Profit on Revenue	6.6%

Costs to Fund - Sources and Uses

Confidential Information