

Upper Brook Street Masterplan(Williams Motor Co (Holdings) / Alliance UBS Limited)

Financial Viability Statement

July 2023

Private and Confidential

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Report title: UBS Masterplan - Williams Motor Co (Holdings) / Alliance UBS Limited – Financial Viability Statement

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Status: Final Report

Draft date: © July 2023

For and on behalf of Avison Young (UK) Limited

1. Introduction

- 1.1 Williams Motor Co (Holdings) and Alliance UBS Limited (the applicant), are seeking full planning permission for a life sciences and purpose-built student accommodation (PBSA) development (hereafter referred to as the 'Proposed Development') on Phase Two of the Upper Brook Street Masterplan (hereafter referred to as the 'site'). The proposal would bring forward development on a previously developed site which is earmarked for commercial and PBSA uses in the Oxford Road Corridor Strategic Regeneration Framework Guidance (SRFG) endorsed by MCC in 2019.
- 1.2 Avison Young (AY) has been appointed by the applicant to prepare an independent assessment of scheme viability; the purpose of which is to:
- a) Demonstrate that the quantum of student development proposed is the minimum necessary to balance the risk profile and scheme viability inclusive of wider public realm benefits.
 - b) Demonstrate that the PBSA scheme is deliverable, which is a key strand of the Council's student housing policy¹
- 1.3 The report is a technical annex to the application and is intended to form a material consideration in the eventual determination of this application.
- 1.4 The assessment should be read in conjunction with the supporting development appraisals as well as the documents submitted as part of the planning application.

Basis of Reporting

- 1.5 Our report has been prepared in accordance with the RICS Professional Statement Financial Viability in Planning: Conduct, and Reporting, 1st edition, May 2019. This document sets out mandatory requirements on conduct and reporting in relation to viability assessments for planning in England to demonstrate how a reasonable, objective and impartial outcome should be arrived at.
- 1.6 The Professional Statement sets out the mandatory reporting and process requirements for all viability assessments prepared on behalf of, or by applicants, reviewers, decisionmakers and plan-makers.
- 1.7 This assessment has been undertaken in accordance with these mandatory reporting requirements, which are set out under the sub-headings below and expanded on where relevant in this document.

Objectivity, Impartiality and Reasonableness Statement

- 1.8 This assessment has been carried out by an RICS member who has acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information. Furthermore the RICS member who has undertaken this report is a suitably qualified practitioner and RICS Registered Valuer with sufficient skills, expertise and knowledge to provide a robust and objective assessment.
- 1.9 The RICS member has extensive experience in advising on financial viability assessments and up-to-date knowledge of the planning system gained through previous viability experience and working alongside Avison Young's local and national planning teams.

Confirmation of Instructions and Absence of Conflicts of Interest

- 1.10 The terms of engagement for this instruction are appended to the rear of this report².

¹ Policy H12 – Purpose Built Student Accommodation.

² Refer to Appendix I.

- 1.11 We confirm that we have not had previous involvement with the subject site in preparing any viability assessments and we also confirm that, to the best of our knowledge, no conflict of interest arises in preparing the advice requested.

No Contingent Fee Statement

- 1.12 In preparing this assessment, no performance-related or contingent fees have been agreed.

Confirmation Where the RICS Member is Acting on Area-Wide and Scheme-Specific Assessments

- 1.13 Neither Avison Young or the RICS member has undertaken an area-wide viability assessment concerning existing or future planning policies against which the proposed scheme could be assessed in the future.

Justification of Evidence

- 1.14 All inputs into this assessment have been reasonably justified as explained in further detail throughout this report. We have aimed to provide thorough detail regarding our approach and assumptions to limit the need for clarifications and subsequent negotiations with the LPA's appointed reviewer following submission of this report.

- 1.15 It is noted that where the appointed reviewer disagrees with elements of this assessment, the parties should always seek to resolve differences of opinion where possible.

Benchmark Land Value (BLV)

- 1.16 As outlined previously the purpose of this assessment is to demonstrate that the PBSA scheme is deliverable and that the quantum of PBSA proposed is the minimum necessary to balance scheme viability / cross subsidise the life science space.

- 1.17 In this context we don't believe that a BLV is required, as this assessment does not concern a viability in planning matter regarding commuted sums or affordable housing.

- 1.18 Instead the assessment, as part of demonstrating that the scheme is deliverable, includes the agreed land values for both sites. This is expanded upon further within Section 5.

Engagement

- 1.19 We confirm that we have advocated, and will advocate reasonable, transparent and appropriate engagement between the parties at all stages of the viability process.

Non-technical summary

- 1.20 A non-technical summary has been prepared and presented independently of this main report.

Timescales

- 1.21 We confirm that adequate time has been allowed to produce this assessment having regard to the scale of this particular project. We further confirm that this assessment has been carried out in accordance with Section 4 – Duty of Care and Due Diligence of the Professional Statement and that full consideration has been given to the matters referenced in Section 4.

- 1.22 Further to the mandatory RICS reporting requirements the assessment has also been undertaken with due regard to the RICS Guidance Note: Assessing viability in planning under the National Planning Policy Framework 2019³ for England, 1st edition March 2021 and the latest Planning Policy guidance (PPG) and National Planning Policy Framework (NPPF) guidance relating to viability.

³ It should be noted that although the latest version of the NPPF is July 2021 the guidance remains valid.

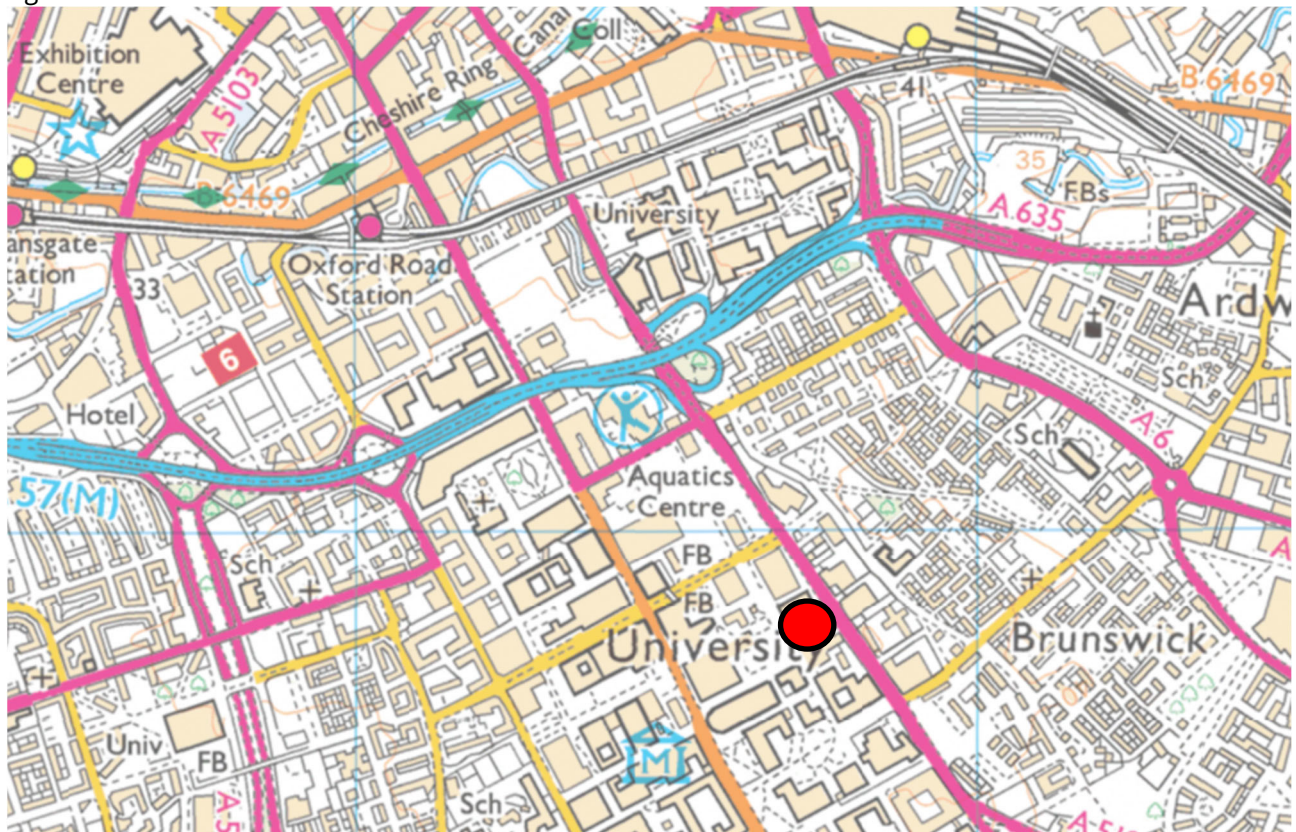
- 1.23 The advice contained within this report does not constitute a valuation of the site in accordance with RICS Valuation – Global Standards January 2022 and should not be relied upon as such⁴.
- 1.24 This report has been prepared for the sole use of our client, based on the scope of work and on the terms and conditions agreed with our client. Whilst facts have been rigorously checked, Avison Young can take no responsibility for any damage or loss suffered because of any inadvertent inaccuracy within this report. Information contained herein should not, in whole or part, be published, reproduced, or referred to without prior approval. Any such reproduction should be credited to Avison Young

⁴ The assessment is prepared for assessing the viability of development to assist with planning matters, either plan/policy making, or decision taking. The assessment therefore constitutes an exception from valuation technical and performance standards ('VPS') 1 – 5 of the Red Book, and is not a formal valuation and should not be relied upon as such

2. Site Description and Location

- 2.1 The site is located within the Brunswick area of Ardwick, on the edge of Manchester City centre. It sits along the arterial road of Upper Brook Street, with Brunswick residential neighbourhood to the east and the two Manchester university campuses to the west.
- 2.2 Upper Brook Street, is a primary arterial and bus route into the city centre from the south east, connecting both Ardwick and the University to the Mancunian Way Ring Road.
- 2.3 The site is approximately 10 minutes' walk of Manchester Piccadilly and Oxford Road stations and is also served by numerous bus services on both Upper Brook Street and Oxford Road to the west.

Figure 2.1 – Location Plan



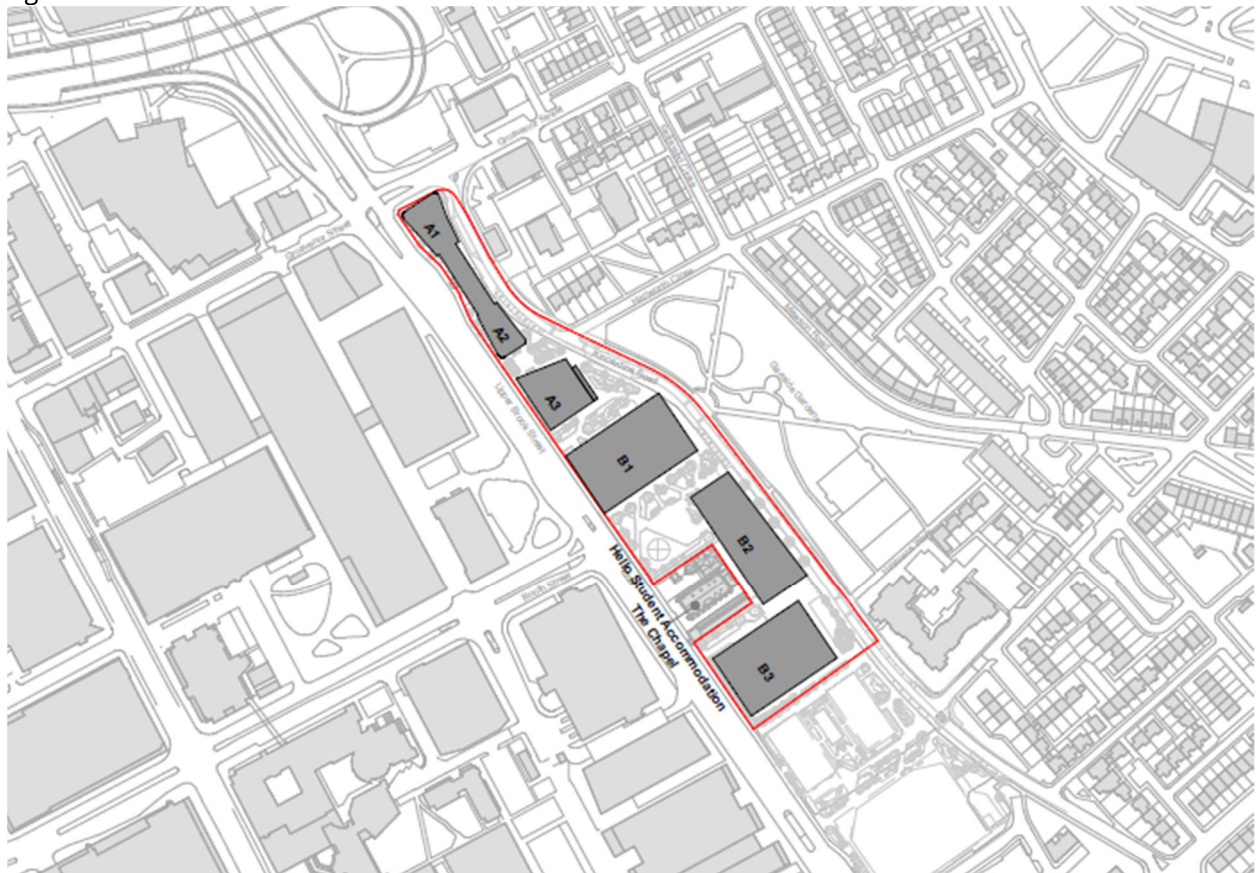
Source: Avison Young/Nimbus Maps

 The site

- 2.4 The site extends to circa 2.13 hectares (5.26 acres) and is bounded by Upper Brook Street (UBS), Grosvenor Street and Kincardine Road with Inchley Road running through the centre. The site comprises the various former Williams Garage buildings and their associated car parking forecourts. These buildings are now vacant and are formed around the Grade II* listed 'Former Unitarian Chapel' (sits outside of the site boundary) which now operates as student accommodation.
- 2.5 Demolition of the existing structures on site, would be necessary to facilitate the construction of the proposed development.
- 2.6 To the north, the site is bounded by Grosvenor Street, immediately beyond which is a car park sited adjacent to the Mancunian Way Ring Road. Beyond this, the Ring Road overlooks Princess Street /Sackville Street, which comprises buildings forming part of the University of Manchester (the John Garside Building and the George Begg Building) which range from 3-15 storeys in height.

- 2.7 To the east of the site is Kincardine Road beyond which the predominant use is two-storey residential dwellings that form part of the wider Brunswick Estate, which is an area currently undergoing extensive urban regeneration. The area to the east of the site also includes a Salvation Army building, the Sheung Lok Wellbeing Centre and Gartside Gardens.
- 2.8 To the west of the site is Upper Brook Street, on the opposite side of which is the University of Manchester's main campus, which includes the National Graphene Institute, the Manchester Engineering Campus and the Sir Henry Royce Institute, with buildings ranging from 4 to 10-storeys in height.
- 2.9 To the south of the site lays a temporary paid car park (formerly in use as a Citroën car dealership) alongside the former Elizabeth Yarwood Court residential complex.
- 2.10 The site is identified for redevelopment within the Oxford Road Corridor Strategic Regeneration Framework Guidance document (SRF)⁵, for mixed commercial uses in line with the SRF being a priority for the Upper Brook Street site.
- 2.11 The site also sits within a wider illustrative masterplan (known as the Upper Brook Street Masterplan), which indicates how the principles of the SRF can be delivered and is being jointly promoted by the Applicant, alongside McLaren Property Ltd and Kadan's Science Partner who are proposing to redevelop the former Citroen car dealership and Elizabeth Yarwood Court immediately to the south the site, as the first phase of the Upper Brook Street Masterplan.

Figure 2.2 – Site Plan



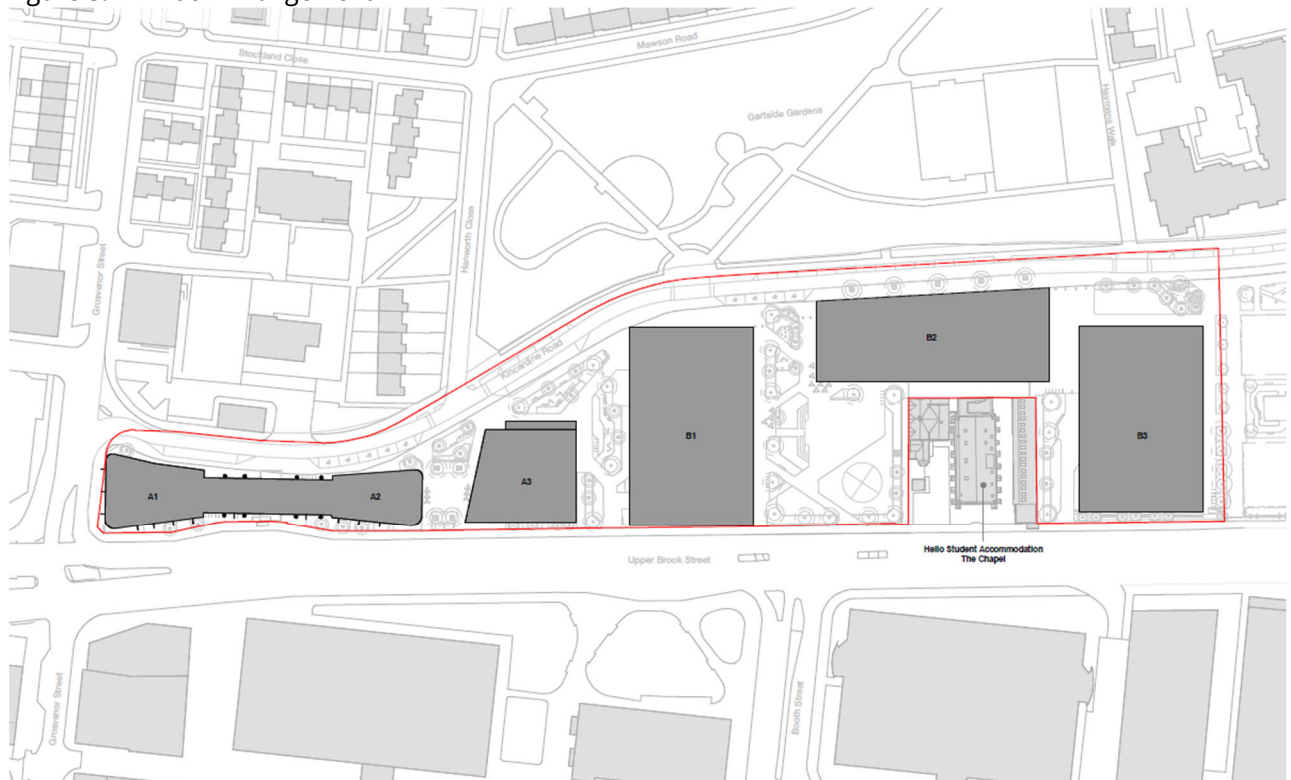
Source: Hawkins Brown

⁵ Deloitte (2019) Oxford Road Corridor Strategic Regeneration Framework Guidance.

3. Summary of the Proposed Scheme

- 3.1 The scheme comprises the demolition of existing buildings and the erection of three buildings that are to be used for Purpose Built Student Accommodation, comprising 1,100 bedrooms, of which 20%⁶ are proposed to be affordable, and ground floor ancillary uses (café/ commercial and convenience store). These buildings are referred to as blocks A1, A2 and A3.
- 3.2 In addition the scheme also comprises three new life science buildings including ground floor community uses (food and beverage, cafés and medical facility) and the provision of new public realm, two new public squares, new access and parking, and associated works. These buildings are referred to as blocks B1, B2 and B3.

Figure 3.1 – Block Arrangement



Source: Hawkins Brown

Plot A - Purpose Built Student Accommodation (PBSA)

- 3.3 This part of the scheme comprises the PBSA, which will be delivered by Moda Living. The PBSA development seeks to provide 1,100 student beds, including 613 (55%) cluster beds and 487 (45%) studios, over three buildings.
- 3.4 The scheme is targeting BREEAM Excellent alongside Fitwel 2* accreditation.

Buildings A1 and A2

- 3.5 Buildings A1 and A2, linked by ground floor uses, contain a total of 880 beds. Building A1 is 40 storeys in height with A2 being smaller at 14 storeys.
- 3.6 The accommodation is provided as a mix of studio apartments and 3/4 person cluster flats with shared kitchen facilities. Included within the studio mix, there are standard studios, large studios and

⁶ A total of 220 beds which will all be provided in block A3.

accessible studios; alongside duplex studios. Within the cluster flats, enlarged accessible cluster bedrooms are also provided.

- 3.7 On the ground floor there is a 121sqm (1,302sq.ft)⁷ commercial unit⁸, reception and amenity spaces, a resident's gym, plant and refuse spaces, staff welfare and management spaces. A basement is also provided, which houses cycle storage and plant. At first floor level there are further amenity spaces and an external terrace. The fortieth floor of Building A1 also contains a full floor of amenity spaces with city-wide views.
- 3.8 There is further amenity space and a second external terrace on the fourteenth floor of Building A2.
- 3.9 In total there is approximately 1.5sq.m of amenity space per bed. These amenity spaces are intended to include the following uses:
- Resident's lounges.
 - Study rooms and booths.
 - Gaming and movie rooms.
 - Games rooms.
 - Private dining.
 - Laundry.
 - Gym.

Building A3

- 3.10 Building A3, exists as a standalone building and contains 220 beds. It is eleven storeys in height.
- 3.11 The accommodation is provided in the form of 6 and 8 person cluster flats with shared kitchen facilities. These flats also provide enlarged accessible cluster bedrooms.
- 3.12 At ground floor level there is a 386sq.m (4,155sq.ft)⁹ commercial unit¹⁰, reception and amenity spaces, plant and refuse spaces, staff welfare and management spaces, cycle storage. At first floor level there are further amenity spaces and an external terrace, alongside plant rooms.
- 3.13 It is proposed that all of these units be provided as affordable.
- 3.14 There is approximately 1.4sqm of amenity space per bed. These amenity spaces are intended to include the following uses:
- Resident's lounges.
 - Study rooms.
 - Games rooms.
 - Laundry.
- 3.15 The proposed roof terraces will seek to maximise the useable space and provide a flexible space for social gatherings events and general enjoyment of students. The roof terraces will include such elements as:
- Covered seating areas with dining tables.
 - Open lawn area with mini-stage and outdoor screen.
 - Outdoor kitchen and barbecue.

⁷ Gross Internal Area (GIA).

⁸ Use Class E

⁹ Gross Internal Area (GIA)

¹⁰ Use Class E

- Small, intimate pockets of seating.
- Outdoor recreation elements, such a pool or table tennis.
- Small, flexible planters with multi-stem trees.

3.16 The schedule of accommodation is summarised in Table 3.1.

Table 3.1 – PBSA Schedule of Accommodation

Bedroom Type	A1	A2	A3	Total	Proportion
Cluster	243	130	210	583	53%
Acc. Cluster	20	0	10	30	3%
Standard Studio	308	101	0	409	37%
Acc. Studio	24	0	0	24	2%
Large Studio	46	0	0	46	4%
Duplex Studio	8	0	0	8	1%
Total beds	649	231	220	1,100	100%

Source: Simpsonhaugh Unit Mix Area Schedules

Plot B - Sci-Tech Building

3.17 Plot B within the masterplan is the proposed life science quarter, which will be delivered by the Property Alliance Group. The massing is split into three buildings ranging in height from 4 to 9 storeys, which provide approximately 46,643sq.m (502,060sq.ft¹¹).

3.18 The schedule of accommodation is summarised below.

Table 3.2 – Life Sciences Schedule of Accommodation

Building	Total GIA		Total NIA	
	Sq.m	Sq.ft	Sq.m	Sq.ft
B1	20,932	225,311	13,833	148,898
B2	14,079	151,544	8,828	95,210
B3	11,632	125,205	7,020	75,563
Total	46,643	502,060	29,681	319,671

3.19 The net office / laboratory space extends to circa 29,681sq.m (319,671 sq.ft), which is split 30% office space (8,904sq.m /95,848sq.ft) and 70% laboratory space (20,777sq.m (223,823sq.ft).

3.20 The buildings themselves are a mixture of lab, offices, meeting rooms, collaboration and communal spaces. The more social communal areas will be focused at the lower levels, creating a central hub for the building. The labs themselves will support a number of uses and technologies, they will also have a supporting office space.

3.21 A typical unit will compromise a series of spaces for the individual businesses. The main space is the primary laboratory, generally these will be equipped as wet labs depending on the type of research being carried out. The secondary labs are spaces which support the functions of the primary labs, for example hosting speciality equipment.

¹¹ Gross Internal Area (GIA)

- 3.22 Each building has a roof terrace, which will provide a relaxing and green environment acting as a breakout space for staff and visitors. The roof terraces will feature the following elements:
- Large, free-form planters that will provide additional habitat for local wildlife.
 - Central covered seating area.
 - Pockets of seating offering views onto adjacent public realm and chapel building.
- 3.23 In addition the scheme also includes ground floor community uses (food and beverage, cafés and medical facility). There is 278sq.m (2,992sq.ft) in Block B2 and 556sq.m (5,985sq.ft) in Block 3.

Public Realm

- 3.24 The proposed development also provides a significant amount of new / high quality public realm extending to circa 0.77ha (1.9 acres). The key areas of new public realm include:
- *Hanworth Square*. This is a new community square between PBSA buildings A2 and A3. This space will offer a flexible community space that is able to host a variety of small, organised events or provide a spill out space for the ground floor commercial space.
 - *Gaskell Green*. Will be a key public space at the heart of the proposed development. The green character of the space will offer an extension to Gartside Gardens and a much better setting for the existing Chapel. There will be a central paved area, which will provide a flexible space for community events and organised activities while open lawns will provide additional Informal recreational space for students, local residents and staff.
 - *Kincardine Road*, will be *upgraded* to form a new community oriented and active edge to the Ardwick area. New planting will give the street a revived green character, interwoven with areas for seating and informal play. A primary pedestrian path will be complemented by secondary routes meandering through areas of planting. Natural play and outdoor exercise elements will be incorporated throughout. A total of 9 disabled parking spaces will also be provided.
 - *Upper Brook Street*. Along Upper Brook Street, a more formal character with new areas of planting will refocus this edge as part of a pedestrian streetscape. Avenue tree and ground level planting will create a buffer from the busy road edge, creating a more pleasant and pedestrian focussed route. A small spill out area outside the commercial unit in building B3 will also be created.

4. Methodology

4.1 Financial viability for planning purposes is defined as:

'An objective financial viability test of the ability of a development project to meet its costs, including the cost of planning obligations, while ensuring an appropriate site value for the landowner and a market risk adjusted return to the developer in delivering that project'.

4.2 There is no single approach for assessing viability, but an accepted method of valuation is the 'residual method'. This is explained further in the RICS Guidance Note (Valuation of Development Property – 1st Edition, October 2019). In summary this valuation approach recognises that the value of a development scheme is a function of several elements. These include:

- The value of the completed development (GDV).
- The direct costs of developing the scheme (TCC).
- The return (profit) to the developer for taking the development risk and delivering the scheme.
- The cost or value of the land.

4.3 Normally the residual method of valuation is used in two basic ways. In the first instance it can be used to assess the level of return (profit) generated from the proposed project where the cost of the land is an input into the appraisal. In the second option it can be used to establish a 'residual site value' by inputting a predetermined level of profit. The consequential outputs of both options can then be compared to a benchmark to assess the viability of the scheme.

4.4 This assessment is based on the first option, with the resultant output from our appraisal being the residual profit. This can be expressed through the simple calculation below.

Gross Development Value (GDV) (minus) Total Costs (including land value) = Residual Profit

- Gross Development Value (GDV) includes all sales income generated by the development.
- Total Development Costs (TDC) includes construction costs, professional fees, planning/S106 obligations, land value and finance / interest charges etc.
- Developer's Profit is expressed by reference to a percentage of the Total Development Costs or Gross Development Value. It can also be expressed by reference to an Internal Rate of Return (IRR) or Return on Capital Employed (ROCE).

Developer's Target Profit

4.5 In simple terms, only when the development value exceeds the total project costs can a scheme be considered viable. A scheme will not proceed where development costs exceed revenue (i.e. where the scheme is loss making). However, even in circumstances where a very modest profit is generated it does not always meet the expectations of the developer. Therefore, when undertaking a viability assessment, a minimum profit needs to be identified.

4.6 Planning Practice Guidance (PPG) states¹² that for the purpose of plan making an assumption of 15% to 20% of gross development value (GDV) may be considered a suitable return to developers to establish the viability of plan policies. It further states that plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned

¹² Paragraph: 018 Reference ID: 10-018-20190509

development. It also states that alternative figures may also be appropriate for different development types.

- 4.7 Whilst the reference within PPG is clearly aimed towards viability in plan making many practitioners also refer to the guidance within PPG for viability in decision making. However, at the application and decision-making stage the level of return needs to have regard to the scale and complexity of the project in question, its cash efficiency, the scale of investment required and the embedded risk in the project.
- 4.8 With respect to this project, we would highlight the following:
- The project is a large complex project in an urban location on a constrained site, enhancing the construction risks.
 - Current cost estimates are subject to a much higher level of uncertainty than would normally be the case due to continuing cost inflation. However, allowances for inflation have been included in the costs, thereby mitigating this risk to some degree.
 - Increasing interest rates, together with wider economic concerns, are causing developers and investors to reprice assets. The market is still in a period of 'pricing discovery' meaning there is a higher level of uncertainty on the schemes estimated net development value, than would normally be the case.
- 4.9 Because, this assessment is focussed on demonstrating 'deliverability' of the scheme the profit included in the assessment needs to reflect the Applicants 'target profit'. In this instance and reflecting the inherent risk associated with the scheme the Applicant is targeting a blended scheme profit of 15% on cost, with an absolute minimum profit of 10%.

5. Appraisal Assumptions

- 5.1 Assessing viability requires judgements which are informed by the relevant available information / evidence. It requires a realistic understanding of the costs and the value of development in the local area and an understanding of the operation of the market.
- 5.2 Para 008 of the PPG states that any viability assessment should reflect the governments recommended approach to defining key [standardised] inputs as set out in National Planning Guidance.
- 5.3 Para 010 of PPG¹³ further states that any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners and infrastructure and affordable housing providers. It also states that any viability assessment should follow the governments recommended approach to assessing viability as set out in the National Planning Guidance and be proportionate, simple, transparent, and publicly available.
- 5.4 The RICS Guidance Note¹⁴ also provides further guidance to practitioners on the evidence that could be used.

Gross Development Value

- 5.5 Para 011¹⁵ states that for a viability assessment of a specific site or development, market evidence from the actual site or from existing developments can be used. The RICS Guidance note also advocates the use of evidence from the actual site (if available/applicable) or from existing developments.

PBSA Market Rents

- 5.6 We have obtained evidence on rental values for purpose built student accommodation within close proximity of the site, which includes the following schemes:

Table 5.1 – Comparable Schemes for Rental Value Evidence

ID	Scheme	Provider
1	Artisan Heights	Unite Students
2	Parkway Gate	Unite Students
3	Mill Point	Unite Students
4	Piccadilly Point	Unite Students
5	Circle Square	Vita Student
6	Manchester Student Village (MSV)	Dwell Student Living
7	New Medlock House	Unite Students
8	First Street	Vita Student
9	Sir Charles Groves Hall	Unite Students
10	Kincardine Court	Unite Students
11	Canvas	Canvas Manchester

Source: Avison Young

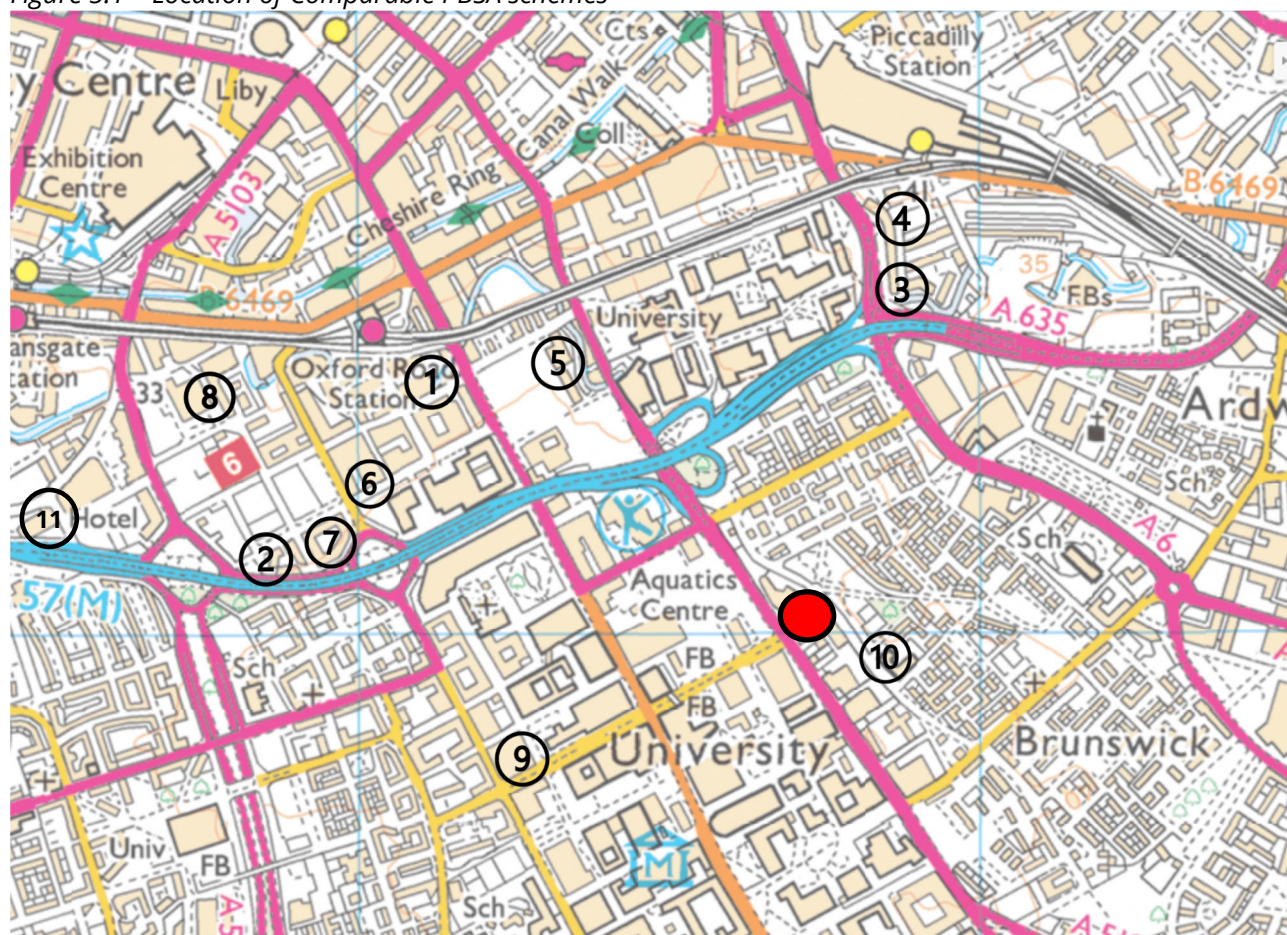
- 5.7 Figure 5.1, shows the location of these schemes relative to the subject site. As highlighted, most of the schemes, with the exception of Sir Charles Groves Hall and Kincardine Court, are situated to the north of Mancunian Way.

¹³ Ref ID: 10-010-20180724

¹⁴ Assessing viability in planning under the National Planning Policy Framework 2019 for England

¹⁵ Ref ID: 10-011-20180724

Figure 5.1 – Location of Comparable PBSA schemes



Source: Avison Young and Nimbus Maps

● The site

5.8 A summary of the rental range for these schemes based on rents for the 23/24 academic year is presented below¹⁶.

Table 5.2 – Ensuite Cluster Rents (£ per week)

ID	Scheme	Min Rent	Max Rent	Average Rent
1	Artisan Heights	£152	£235	£196
2	Parkway Gate	£192	£237	£213
3	Mill Point	£195	£201	£199
4	Piccadilly Point	£189	£211	£200
5	Circle Square	£394	£451	£424
6	Manchester Student Village	£192	£192	£192
7	New Medlock House	£196	£206	£199
8	First Street	-	-	-
9	Sir Charles Groves Hall	£176	£215	£194
10	Kincardine Court	£204	£213	£209
11	Canvas	£299	£379	£346

¹⁶ A detailed rental schedule for the PBSA comparable schemes is included at Appendix 2.

Table 5.3 – Studio Rents (£ per week)

ID	Scheme	Min Rent	Max Rent	Average Rent
1	Artisan Heights	£295	£309	£302
2	Parkway Gate	£289	£298	£294
3	Mill Point	-	-	-
4	Piccadilly Point	£279	£304	£292
5	Circle Square	£429	£634	£499
6	Manchester Student Village	£248	£276	£267
7	New Medlock House	£190	£190	£190
8	First Street	£388	£449	£422
9	Sir Charles Groves Hall	£235	£308	£262
10	Kincardine Court	-	-	-
11	Canvas	£394	£499	£427

5.9 Based on the above, average rents of circa £235pw for the cluster flats and £350pw for the studios have been adopted. However, because the costs of delivering the scheme include inflation (see later), we have also inflated the rents to completion of the project, assuming annual growth of 2.5% per annum.

5.10 On this basis the following rental values have been assumed.

Table 5.4– PBSA Rental Assumptions

Room	Occupancy	Term (weeks)	Rent (£per week)	Rent (£ per annum)
All Studios ¹⁷	Single	51	£380	£19,380
All Cluster Rooms ¹⁸	Single	51	£250	£12,750

5.11 We have assumed voids and bad debt of 3% and also made an allowance for sundry income of £150 per bed space per annum.

5.12 The Applicant is mindful of the Council's concerns over affordability and their objective of securing a more diverse pipeline of new PBSA within the City at affordable prices. In this regard the Applicant is proposing to offer all of the bed spaces in Block A3 as affordable. This equates to 20% of the overall number of PBSA bed spaces.

Affordable PBSA

5.13 The Council has no adopted policy position on affordable PBSA so we have referred to other recently consented PBSA schemes including One Medlock Street, which included 20% of the beds as affordable and proposed to value these at 80% (i.e. 20% market discount) of the market rents, with equal access to all facilities.

5.14 As outlined previously all of Block A3 (220 units) are being offered as affordable. These are all cluster flats so at a 20% discount the affordable rents would be £200pw or £10,200per annum.

¹⁷ Average rents across all studios - standard, accessible, large and duplex.

¹⁸ Average rents across all clusters - standard and accessible cluster.

PBSA Operational Expenditure

- 5.15 Actual operating expenditure will vary significantly each year depending on the stage within the life cycle that the building is at. We have adopted a 'straight line' approach to average annual costs over the life of the investment. We have assumed that the subject rents will be charged inclusive of utility charges.
- 5.16 We would expect operational costs (inclusive of management fee and sinking fund/lifecycle costs etc.) to be broadly in the region of 23% of the gross operating income.

Commercial / Retail Rents

- 5.17 We have assumed a base rental value of £231psm (£21.50psf) and a rent free period of 6 months. When factoring in inflation at 2.5% per annum the rent at point the project is delivered will be circa £247psm (£23psf).

PBSA Capital Value

- 5.18 We are not aware of any recent PBSA transactions upon which to form an opinion on pricing. However, our student specialist has advised, given the location of the proposed scheme it would be highly attractive to both student and investors once completed. They advised that prime yields for regional cities such as Manchester are currently forecast at circa 5.25% having moved out in recent months from a peak of circa 4.5% in 2022. Whilst there has been limited transactional evidence to underpin this outward movement, recent market processes and investor sentiment pricing at around this level.
- 5.19 As a sense check we have also referred to the Knight Frank prime yield guide (April 2023) which shows yields of between 5% and 5.25% for prime regional direct lets, which are classified as stable. These yields are based on modern purpose built and fully stabilised schemes.
- 5.20 Within this context we have applied a yield of 5.25%.

Life Science Rents

- 5.21 Manchester Oxford Road Corridor is recognised as a global leader in tech and life sciences. The three main locations include Circle Square, City Labs and Manchester Science Park.

Circle Square

- 5.22 Is a new neighbourhood for digital and tech businesses, a number of properties are available offering high quality flexible office space, including co working, serviced and managed workspace. Asking rents for office space are £323psm (£30psf) but JLL are marketing space at £339psm (£31.50psf). Recent transactions have exceeded the asking rents with achieved rents ranging between £323psm and £33psf. The average achieved rent is £343psm (£31.83psf). Office space is also available in the technology centre at asking rents of £253psm (£23.50psf). Cost for meeting rooms range between £30 and £50 per hour or £180 to £1,500 per day.

City Labs

- 5.23 City Labs is a hub for health innovation and precision medicine. The Citylabs campus is home to a cluster of diagnostics, MedTech, digital health and genomics businesses driving the future of healthcare. Located within Manchester University NHS Foundation Trust's Oxford Road campus. Office space is currently available from circa £274psm (£25.50psf). Lab space is available from £290psm (£27psf). Meeting rooms are also available from £40 per hour. City Labs 4 will be the newest development coming to the Citylabs campus and will provide 11,613sq.m (125,000sq.ft) office and lab space. We understand the quoting rents are £430psm (£40psf).

Manchester Science Park

5.24 The park is an established park and offers office space, lab space and specialist 1:1 business support in the heart of the largest clinical, academic campus in Europe. Asking rents for offices and lab space start from £145psm (£13.50psf). New build / modern properties with space available to rent include:

- Base. This is an 8,454sq.m (91,000sq.ft) office and maker-space development, which will be a hub for Industry 4.0, computer engineering, energy technology and low carbon, robotics, light manufacturing, materials science, gaming and animation businesses. Offering flexible, secure, leased or managed sustainable office space, and makerspace workshop capability, it will also be home to the Manchester Innovation Activities Hub (MIAH). Asking rents for office and lab space are £296psm (£27.50psf). Meeting rooms are available from £20 per hour.
- Bright Building, sits at the heart of Manchester Science Park and offers affordable, high spec office space with flexible leases. It's already the home of several world-leading digital and tech businesses. The building also includes a large shared informal breakout space, meeting rooms, event space, studio gym, outdoor garden, an on site cafe and pub, car parking and secure cycle storage, showers and kit drying room. Asking rents for office and lab space are £285psm (£26.50psf). Meeting rooms are available from £30 per hour.
- Greenheys, will be a new 12,170sq.m (131,000sq.ft) highly specialist lab space with supporting office space for diagnostic, genomics, biotech and precision medicine due for completion in spring 2026. No information has been released yet on asking rents but we anticipate rents to be in the region of £430psm (£40psf)

Figure 5.2 – Location of comparable Sci Tech Schemes



Source: Avison Young and Nimbus Maps

 The site

5.25 The Applicant has also sought advice from Track Real Estate (TRE)¹⁹ who state that the current headline rents are between £431psm (£40psf) and £452psm (£42psf). However, because the costs include inflation to completion of the project (see later), the rents have also been adjusted for inflation. TRE are forecasting a headline rent of circa £495psm (£46psf) in 2026 on completion of the life science buildings.

¹⁹ Track Real Estate provide strategic commercial property advice to investors and occupiers on life sciences, laboratory & office space to let.

Life Science Capital Value

5.26 Over the past 12 months we are aware of the following transactions.

- *101 Barbirolli Square.* Sold for £47m in December 2022, reflecting an initial yield of 5.75%. La Francaise bought the building from AEW Investors. Around half of the building is let to Swedish Bank Handelsbanken with the remaining space let to multiple occupiers. The building underwent a high quality refurbishment in 2018.
- *Sunlight House.* Sold for £42m in August 2022 reflecting an initial yield of 4.45%. The property was acquired by a joint venture between Kinrise and real estate fund Karrev. The property was recently refurbished and has a vacancy rate of 19%. Tenants at Sunlight House include Booking.com, which occupies around 5,760sq.m (62,000sq.ft) at the building but is to depart for Allied London's Manchester Goods Yard soon. The Department for Levelling Up, Housing & Communities accounts for around 25% of rental income at Sunlight House.
- *Manchester Ship Canal House.* The property was bought by Grosvenor in June 2022 for £33.65m, reflecting an initial yield of 5.07%. The 6,782sq.m (73,000sq.ft) property is nearly fully let with only a single office suite vacant on the top floor.
- *16, John Dalton Street.* The circa 58,500sq.ft building was sold by Helical in May 2022 to Mayfair Capital IM Ltd for £34.5m, reflecting an initial yield of 5%. The property is 76% let to eight occupiers including law firm Kennedys and Aew Architects.

5.27 Within their Big 6 Office market report (H2 2022) JLL state that prime yields have moved out to 5.5% reflecting the recent market correction.

5.28 The Lambert Smith Hampton Regional Office Report 2023 quotes prime yields of 5.25%.

5.29 Within their Office Q4 2022 Market Beat report Cushman and Wakefield quoted prime yields of 5.75%.

5.30 For the purpose of our assessment a yield of 5.25% has been adopted.

Development Costs

5.31 Para 012 PPG²⁰ states that the assessment of costs should be based on evidence which is reflective of local market conditions. The latest RICS Guidance²¹ also states that a full quantity surveyor's cost report showing how costs have been estimated should be made available for site-specific viability.

Construction Costs

Costs of PBSA Block

5.32 The costs for the PBSA Blocks (A1 A2 and A3) have been estimated, by Abacus, to be in the region of £138,621,530, which equate to a cost of or £126,019 per bed²². A breakdown of these costs is presented in Table 5.5.

Table 5.5 – PBSA Costs

Key Elements	Total; (£)
Building Works	£101,000,712
External Works	£5,422,410,
Preliminaries	£15,482,547

²⁰ Reference ID:10-012-20180724

²¹ Assessing viability in planning under the National Planning Policy Framework 2019 for England.

²² Total cost of £138,621,530 divided by 1,100 beds.

Key Elements	Total; (£)
Overheads and Profit	£5,934,976
Risk and Design Development	£3,115,863
Inflation (to midpoint of construction – Q4 25)	£7,665,022
Total Costs	£138,621,530

Source: Abacus

Costs of Life Science Blocks

- 5.33 The total costs for the life science blocks have been estimated by Gardiner Theobald (GT) to be in the region of £182,353,835, which equates to circa £3,910psm (£363psf)²³. A breakdown of these costs is presented in Table 5.6.

Table 5.6 – Life Science Costs

Key Elements	Total; (£)
Base Cost Estimate	£132,600,315
Design Development Contingency	£3,315,372
Inflation (completion June 2026)	£7,117,967
Base Cost CAT A Fit Out	£38,360,534
Design Development Contingency	£959,647
Total Estimated Cost	£182,353,835

Developers Contingency

- 5.34 A developers contingency equal to 5% of the construction costs has been included within our appraisal.

Project Fees

- 5.35 Within our appraisal we have included project fees, which covers planning, architecture, QS, structural engineer, services engineer, project manager, specialist fees and surveys, legal, development management and other fees at 8% of construction costs.

S.106 Contributions

- 5.36 No costs have been included for Section 106 contributions but the cost plans include an allowance of £1,709,741 for Section 278 Works.
- 5.37 If contributions over and above those outlined above are subsequently requested our appraisal will need to be updated.

CIL

- 5.38 The Council are not charging a Community Infrastructure Levy (CIL) in relation to any planning permission so no costs have been included in our appraisal.

Disposal Costs

- 5.39 The following allowances have been included within our appraisal:

²³ Total costs of £182,353,835 divided by the total GIA of 46,643sq.m (502,060sq.ft). Refer to Table 3.2 in Section 3.

- Sales agent fee based (PBSA and Sci Tech) on 0.5% of GDV
- Sales legal fee based (PBSA and Sci Tech) on 0.25% of GDV
- Letting agents' fees on life science floorspace at 10% of first year's rental value
- Letting legal fees on life science floorspace at 5% of the first year's rental value

Land Value

- 5.40 As outlined previously the purpose of this assessment is to demonstrate that the PBSA scheme is deliverable and that the quantum of PBSA proposed is the minimum necessary to balance scheme viability / cross subsidise the sci tech space. In this context we don't believe that a BLV is required, as this assessment does not concern a viability in planning matter regarding commuted sums or affordable housing.
- 5.41 Instead the assessment, as part of demonstrating that the scheme is deliverable, includes the agreed land values for both sites.
- 5.42 We understand that Williams Motors benefit from a Long Lease from the freeholder, Manchester City Council (MCC) with a term of circa 70 years unexpired. The applicant has agreed to pay Williams Motors £18.5m for their interest and at the same time have also agreed to pay MCC £22m to regear the lease, extending the term to 250 years. Total acquisition costs are, therefore, £40,500,000. The land value has then been apportioned based on site area, as set out below.

Table 5.7 – Land Value Apportionments

Plots	Site Area	% of total site area	Total Land Acquisition Apportionment
A	1 acres (20%)	20%	£8,100,000
B	4.26 acres	80%	£32,400,000
	5.26 acres		£40,500,000

Stamp Duty and Purchasers Costs on Land Value

- 5.43 We have applied Stamp Duty in line with HMRC's prevailing rates. These are set out in Table 5.8.

Table 5.8 – Stamp Duty Thresholds for Non-Residential Land or Property²⁴

Purchase Price	SDLT Rate
Up to £150,000	0%
The next £100,000 (the portion from £150,001 to £250,000)	2%
The remaining amount (the portion over £250,000)	5%

Source: HM Customs and Revenue

- 5.44 In addition to stamp duty purchasers' costs have also been included at 1.8%.

²⁴ The HMRC Guidance states that non – residential properties include commercial property such as shops or offices, agricultural land, forests and any other land or property transaction which is not used as a dwelling and six or more residential properties bought in a single transaction.

Finance Costs

5.45 It is difficult to establish what the appropriate rate of interest would be in the current market. The Bank of England has recently increased the base rate to 5%, as it continues to grapple with inflation. It is also widely recognised that the approach to development varies widely and is influenced by the equity invested in the site along with the financial organisation/strength of the developer. The interest rates can, therefore, differ widely between these approaches.

5.46 For the purpose of our appraisal we have assumed an interest rate of 7%.

Phasing and Timescales

5.47 In terms of timescales /phasing our assessment is based on the following assumptions:

PBSA Blocks

- 6 months lead in /mobilisation to construction, including demolition.
- 24 months construction programme (Blocks A1, A2 and A3)
- Investment sales on Practical Completion.

Life Science Blocks

- 6 months lead in / mobilisation to construction / including demo, this will run concurrent with PBSA
- 24 months construction programme
- Investment sales on PC

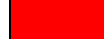
6. Appraisal Results

- 6.1 The results of our baseline assessment are summarised in Table 6.1 and a copy of our appraisal is included at Appendix III.

Table 6.1- Summary of Base Appraisal

Item	£
PBSA – Gross Development Value	£240,412,741
Sci Tech – Gross Development Value	£282,351,110
Total Gross Development Value	£523,763,852
Purchasers Costs	(£35,615,942)
Net Development Value / Realisation (A)	£488,147,910
Acquisition Costs / Land Value	£40,500,000
Stamp Duty and Purchasers Costs	£2,754,000
PBSA Block – Construction Costs	£138,622,000
Sci Tech Block – Construction Costs	£182,353,213
Developers Contingency	£16,048,761
Project Fees	£25,678,017
Marketing and Disposal Costs	£6,152,715
Finance	£31,186,986
Total Costs (B)	£443,295,691
Profit (A- B)	£44,852,219
Profit on Cost	10.12%

Source: Avison Young Base Appraisal

	Target profit of 15% exceeded.
	Below target profit but higher than minimum profit of 10%.
	Below minimum profit of 10%.

- 6.2 As demonstrated above our base case appraisal generates a profit of 10.12%, which is below the target profit of 15% but marginally higher than the absolute minimum profit of 10% on cost, thereby demonstrating that the scheme (including the student block) is deliverable, which is a key strand of the Council's student housing policy.

7. Sensitivity Analysis

7.1 Within this section of our report, we consider the impact on viability of various scenario. The purpose of this exercise is to demonstrate that the quantum of development proposed is the minimum necessary to bring forward the scheme.

7.2 The scenarios considered, which are not exhaustive, are set out in Table 7.1.

Table 7.1 – Sensitivity Matrix

Scenario	Profit % on Cost	Min Profit	Target Profit
1 Exclude one floor from Block A2 resulting in the loss of 18 beds (8 studios and 10 cluster rooms)	9.96%	10%	15%
2 Same as scenario 1 but with a 5% increase in construction costs ²⁵ .	5.28%	10%	15%
3 Same as scenario 1 but with a 5% decrease in construction costs ²⁶	15.15%	10%	15%
4 Same as scenario 3 but with a change in yields of 25bps. This would crease the yield on the PBSA and Life Science blocks to 5.5%.	9.83%	10%	15%
5 Same as scenario 3 but with a reduction in rent on the Sci Tech buildings to £452psm (£42psf).	9.61%	10%	15%
6 Same as scenario 3 but with a reduction in the student rents to £360per week for the studios ²⁷ and £225per week ²⁸ for the clusters.	11.43%	10%	15%
7. Same as scenario 3 but with a reduction in rent on the Sci Tech buildings to £452psm (£42psf) and a reduction in the student rents to £360per week for the studios and £225per week for the clusters.	5.89%	10%	15%

	Target profit of 15% exceeded
	Below target profit but higher than minimum profit of 10%
	Below minimum profit of 10%

7.3 Scenario 3 generates a profit which marginally exceeds the target profit of 15% on cost. This scenario is based on a 5% decrease in construction costs. However, it is unlikely construction costs will fall rendering this scenario hypothetical. As highlighted above, scenario 2 shows the impact of a 5% increase in construction costs alongside a reduction in height of one floor from Block A2 (resulting in the loss of 18 beds). This scenario shows the profit is significantly below both the target and minimum profit levels, which will be worsened with additional cost increases and / or a further loss of PBSA floorspace.

7.4 As outlined previously the market is currently in a period of 'pricing discovery' and Scenario 4 explores the impact of a softening of investment yields by 25bps. Under this scenario (including a 5% decrease in construction costs) the profit would fall to 9.83%, which is below both the target and minimum profit levels.

²⁵ Increases PBSA costs to £132,321 per bed and the life science space to £4,103psm (£381.15psf).

²⁶ Decreases PBSA costs to £119,719 per bed and the life science space to £3,712psm (£344.85psf).

²⁷ Equates to £18,360 per annum assuming 51 week term

²⁸ Equates to £11,475 per annum assuming 51 week term

- 7.5 As Scenarios 5, 6 and 7 also demonstrate, even if costs are reduced by 5% small variances in the rents (PBSA and Life Sciences) will also negate any benefits from the costs savings.
- 7.6 Based on the results of our base appraisal (refer to Section 6) and the above sensitivities we believe the scale of the PBSA proposed is the minimum necessary to balance the risk profile and scheme viability to ensure a deliverable scheme, inclusive of wider public realm.

8. Conclusions

- 8.1 Williams Motor Co (Holdings) and Alliance UBS Limited (the Applicant), are seeking full planning permission for a life sciences and purpose-built student accommodation (PBSA) development on Phase two of the Upper Brook Street Masterplan. The new life science floor space would be developed by Property Alliance Group while the student accommodation would be developed by Moda Living.
- 8.2 Avison Young (AY) has been appointed to prepare an independent assessment of scheme viability; the purpose of which is to:
- Demonstrate that the quantum of student development proposed is the minimum necessary to balance the risk profile and scheme viability, inclusive of wider public realm and community benefits.
 - Demonstrate that the PBSA scheme is deliverable, which is a key strand of the Council's student housing policy.
- 8.3 Because, this assessment is focussed on demonstrating 'deliverability' of the scheme the profit included in the assessment reflects the applicant's 'target profit'. In this instance and reflecting the inherent risk associated with the scheme the Applicant is targeting a blended scheme profit of 15% on costs, with an absolute minimum profit of 10%.
- 8.4 We also don't believe that a BLV is required, as this assessment does not concern a viability in planning matter regarding commuted sums or affordable housing. Instead the assessment, as part of demonstrating that the scheme is deliverable, needs to include the agreed land values. We understand that Williams Motors benefit from a Long Lease from the freeholder, Manchester City Council (MCC) with a term of circa 70 years unexpired. The Applicant has agreed to pay Williams Motors £18.5m for their interest and at the same time have also agreed to pay MCC £22m to regear the lease, extending the term to 250 years. Total acquisition costs are, therefore, £40,500,000.
- 8.5 Our base case appraisal generates a profit of 10.12%, which is below the Applicant's target profit but marginally higher than their minimum profit of 10%, thereby demonstrating that the scheme (including the PBSA with 20% affordable bed spaces) is deliverable, which is a key strand of the Council's student housing policy.
- 8.6 Based on the results of our base appraisal and the previous sensitivities we have also demonstrated that the scale of the PBSA proposed is the minimum necessary to balance the risk profile and scheme viability to ensure a deliverable scheme, inclusive of wider public realm.

Appendix 1

Terms of Engagement

Avison Young (UK) Limited Standard Terms of Appointment

PARTIES

- (1) Avison Young (UK) Limited incorporated and registered in England and Wales with company number 6382509 whose registered office is at 3 Brindleyplace, Birmingham, B1 2JB, United Kingdom (**Avison Young**).
- (2) The Client named in the Letter of Appointment (**Client**)

1. Interpretation

The following definitions and rules of interpretation apply in this appointment:

Additional Services: any additional services which Avison Young agrees to provide in accordance with clause 6.

Fee: the fees for the Services and any Additional Services (if any) as set out in the Letter of Appointment.

Force Majeure Event: means any circumstance not within a party's reasonable control including, without limitation: acts of God, flood, drought, earthquake or other natural disaster; epidemic or pandemic; terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; nuclear, chemical or biological contamination or sonic boom; any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent; collapse of buildings, fire, explosion or accident; any labour or trade dispute, strikes, industrial action or lockouts; any interruption or failure of utility service

Insolvent: a party is insolvent if: a party is making a voluntary arrangement with its creditors, entering administration or going into liquidation; or a security holder taking possession, or a receiver or an administrative receiver being appointed over all or any part of the property or the assets of the party; or any other similar or analogous event in another jurisdiction.

Letter of Appointment: the letter by Avison Young which sets out the details of the Client and the Services and the Fee together with other details relating to the Service which may be appropriate to this appointment.

Material: all designs, drawings, models, plans, specifications, design details, photographs, brochures, reports, notes of meetings, CAD materials, calculations, data, databases, schedules, programmes, bills of quantities, budgets and any other materials provided in connection with the Services and all updates, amendments, additions and revisions to them and any works, designs, or inventions incorporated or referred to in them for any purpose relating to the Services.

Services: the Services set out in the Letter of Appointment and the Additional Services (if any).

VAT: value added tax imposed by the Value Added Tax Act 1994, or any similar tax in addition to or replacing it from time to time.

2. Appointment

- 2.1. The Client appoints Avison Young to carry out the Services, subject to the terms of this appointment.
- 2.2. This appointment takes effect from the date when Avison Young begins performing the Services, regardless of the date of this appointment.
- 2.3. This appointment consists of these Avison Young Terms and the Letter of Appointment.
- 2.4. Avison Young shall deem the Client to have accepted the terms of this appointment (including the details set out in the Letter of Appointment) within 30 days of their issue unless the Client has notified Avison Young otherwise in writing.

3. Consultant's Obligations

- 3.1. Avison Young warrants and undertakes that it shall comply with the terms of this appointment.
- 3.2. Avison Young warrants and undertakes that it shall act with reasonable skill and care:
 - 3.2.1. when performing the Services;
 - 3.2.2. to comply with any Act of Parliament, any instrument, rule or order made under any Act of Parliament; and any regulation or bye-law of any local authority, statutory undertaker or public or private utility or undertaking that has any jurisdiction over the Services or with those systems or property the Services is or will be connected.

Avison Young (UK) Limited Standard Terms of Appointment

4. Client Obligations

- 4.1. The Client undertakes promptly to provide Avison Young with all information, assistance and materials that Avison Young may request from time to time to facilitate the proper and timely performance of the Services. The Client warrants that all information provided by it to Avison Young will be accurate and complete, and that it is entitled to provide the same to Avison Young for its use without recourse to any third party.
- 4.2. The Client undertakes promptly to carry out all such actions and provide all such resources (if any) as may be required of the Client in the Letter of Appointment.
- 4.3. The Services will be provided at Avison Young's premises when the nature of the work permits. If any of Avison Young's personnel are to perform any Services at the Client's premises, the Client shall ensure that such personnel are allowed access to such premises upon reasonable prior notice during normal business hours and shall take full responsibility for the safety and security of Avison Young's personnel whilst at such premises.

5. Remuneration

- 5.1. The payment terms set out in clauses 5.5 to 5.7 shall apply to all Services not covered under the Housing Grants, Construction and Regeneration Act 1996. The payments terms set out in clauses 5.8 to 5.14 apply to Services which are covered under the Housing Grants, Construction and Regeneration Act 1996.
- 5.2. The Client shall pay the Fee, together with any reasonable expenses and disbursements, which shall be Avison Young's entire remuneration under this appointment.
- 5.3. The Client shall pay Avison Young any VAT properly chargeable on the Services. Any amount expressed as payable to Avison Young under this appointment is exclusive of VAT unless stated otherwise.
- 5.4. The Fee shall be calculated and paid in instalments in accordance with the dates set out in the Letter of Appointment or if not set out, the Fee shall be paid at intervals of not less than one month, beginning one month after Avison Young begins performing the Services.

To the extent that the Fee is not set out in the Letter of Appointment, Avison Young will be entitled to charge a Fee based on its current hourly rates (which are available on request), and on the number of hours it has worked on the matter.

- 5.5. Avison Young shall submit to the Client an invoice for each instalment of the Fee, together with any supporting documents that are reasonably necessary to check the invoice. The invoice and supporting documents (if any) shall specify the sum that Avison Young considers will become due on the relevant instalment date.
- 5.6. Payment shall be made within 30 days of the date of the Invoice.
- 5.7. Avison Young reserves the right to charge interest and debt recovery costs in respect of any amounts not paid in accordance with clause 5.6. Interest will be calculated in accordance with the "Late Payment of Commercial Debts (Interest) Act 1998".
- 5.8. Avison Young shall submit to the Client an invoice for each instalment of the Fee, together with any supporting documents that are reasonably necessary to check the invoice. The invoice and supporting documents (if any) shall specify the sum that Avison Young considers will become due on the payment due date in respect of the instalment of the Fee, and the basis on which that sum is calculated.
- 5.9. Payment shall be due on the date Avison Young submits each invoice (**payment due date**).
- 5.10. No later than five days after the payment due date, the Client shall notify Avison Young of the sum that the Client considers to have been due at the payment due date in respect of the payment and the basis on which that sum is calculated.
- 5.11. The **final date for payment** shall be 30 days after the payment due date.
- 5.12. Unless the Client has served a notice under clause 5.13, it shall pay Avison Young the sum referred to in the Client's notice under clause 5.10 (or, if the Client has not served notice under clause 5.10, the sum in the invoice referred to in clause 5.8) (the **notified sum**) on or before the final date for payment.
- 5.13. Not less than five days before the final date for payment (the **prescribed period**), the Client may give Avison Young notice that it intends to pay less than the notified sum (a pay less notice). Any pay less notice shall specify:

Avison Young (UK) Limited Standard Terms of Appointment

5.13.1. the sum that the Client considers to be due on the payment due date; and

5.13.2. the basis on which that sum is calculated.

5.14. If the Client fails to pay an amount due to Avison Young by the final date for payment and fails to give a pay less notice, then the Client shall pay interest calculated in accordance with the "Late Payment of Commercial Debts (Interest) Act 1998".

6. Additional Services

6.1. Each party shall notify the other as soon as reasonably practicable if it becomes apparent that Additional Services are likely to be required, and such notice will identify the required services.

6.2. Additional Services may arise as a result of the following:

6.2.1. a change in the scope, size, complexity or duration of the Services;

6.2.2. any other changes to the Services as set out in the Letter of Appointment;

6.2.3. any material delay or disruption to the Services; or

6.2.4. any other cause outside Avison Young's reasonable control and which it could not reasonably have foreseen at the date of this appointment.

6.3. If the Client provides a notice under clause 6.1, then as soon as reasonably practicable after receiving the notice, Avison Young shall provide the Client with a written estimate of the change to the Fee in respect of the Additional Services. If Avison Young provides a notice under clause 6.1, Avison Young shall provide the Client with a written estimate of the change to the Fee in respect of the Additional Services at the same time it provides the notice.

6.4. The Fee for the Additional Services shall be calculated by agreement between the parties.

6.5. At the Client's discretion, acting reasonably, it may instruct Avison Young to carry out the Additional Services. For the avoidance of doubt, Avison Young shall only perform Additional Services on receipt of a written instruction to do so by the Client.

6.6. Any Fee payable by the Client in respect of Additional Services shall be included in the next invoice following performance of the Additional Services.

7. Limitation of Liability – PLEASE READ THIS SECTION CAREFULLY

7.1. Without affecting any other limitation in this appointment, Avison Young's liability under or in connection with this appointment shall be limited to £5,000,000 in total for all claims arising. This limit shall apply however that liability arises including a liability arising by breach of contract, arising by tort (including the tort of negligence) or arising by breach of statutory duty. Nothing in this appointment shall exclude or limit Avison Young's liability for:

7.1.1. death or personal injury caused by Avison Young's negligence; or

7.1.2. fraud or fraudulent misrepresentation.

7.2. None of Avison Young's employees, directors or consultants individually has a contract with the Client or owes the Client a duty of care or personal responsibility. The Client agrees that it will not bring any claim against any such individuals personally in connection with the Services.

7.3. If the Client suffers loss as a result of Avison Young's breach of contract or negligence, Avison Young's liability shall be limited to a just and equitable proportion of the Client's loss having regard to the extent of responsibility of any other party. Avison Young's liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an appointment between the Client and them, difficulty in enforcement, or any other cause.

7.4. Avison Young shall have no liability to the Client under this appointment in respect of loss of profits, loss of revenue or business, loss of goodwill or reputation or any other indirect or consequential losses.

7.5. The Services and any Material produced in connection with the Services are provided for the Client's benefit alone and solely for the purposes of the instruction to which it relates. The Services or any Material may not, without Avison Young's written consent, be used or relied upon by any third party, even if that party pays all or part of Avison Young's Fees, or is permitted to see a copy of the Materials Avison Young create. If Avison Young provides written consent for a third party to rely on the Services or the Materials, it may be subject to a further fee, and any such third party will be deemed to have accepted the terms and conditions set out in this appointment.

Avison Young (UK) Limited Standard Terms of Appointment

7.6. Avison Young shall not be liable for any loss or damage suffered or incurred by the Client arising from Avison Young's delay in performing or failure to perform the Services and/or any of its obligations under this appointment where such delay or failure results from a Force Majeure Event.

8. Suspension

- 8.1. The Client may, at any time, suspend performance of all or part of the Services by giving written notice to Avison Young. Subject to clause 9.1, Avison Young shall resume performance of the Services as soon as reasonably practicable after receiving a written notice to do so from the Client.
- 8.2. Avison Young may suspend the performance of any or all of its Services and other obligations under this appointment by giving not less than seven days' notice to the Client of its intention to do so in the event that the Client fails to pay an invoice in accordance with the relevant payment provisions set out in clause 5.
- 8.3. In the event of a suspension in accordance with this appointment, the Client shall pay Avison Young an amount in respect of any costs and expenses reasonably incurred by Avison Young as a result of such suspension.

9. Termination

- 9.1. Avison Young may immediately terminate its engagement under this appointment by giving written notice to the Client if:
 - 9.1.1. a suspension of the Services in accordance with clause 8.1 continues for a continuous period of six months; and
 - 9.1.2. the Client does not instruct Avison Young to resume the Services within 30 days of receiving a written notice from Avison Young requiring it to do so.
- 9.2. Either party may immediately terminate this appointment by giving written notice to the other party if:
 - 9.2.1. the other party is in material breach of its obligations under this appointment and fails to remedy that breach within 14 days of receiving written notice requiring it to do so; or
 - 9.2.2. the other party becomes Insolvent; or
 - 9.2.3. a Force Majeure Event continues for a period of more than 30 days.

9.3. Either party may terminate this appointment at any time for any reason by giving no less than 30 days written notice to the other party.

10. Consequences of Termination

- 10.1. On termination the Client shall immediately pay Avison Young:
 - 10.1.1. any amount properly due for payment under this appointment at the date of termination; and
 - 10.1.2. a fair and reasonable proportion of the next instalment of the Fee, together with any expenses and disbursements, commensurate with the Services properly performed at the date of termination; and
 - 10.1.3. any expenses, disbursements or costs necessarily incurred by Avison Young as a direct result of termination (unless the termination arises as a result of Avison Young's default).
- 10.2. Termination of Avison Young's engagement under this appointment shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of this appointment which existed at or before the date of termination.

11. Copyright and Intellectual Property

- 11.1. Avison Young owns all intellectual property rights (including copyright) relating to the Material it produces.
- 11.2. On payment of the Fee, Avison Young grants to the Client an irrevocable, non-exclusive, non-terminable, royalty-free licence to copy and make full use of any Material prepared by, or on behalf of, Avison Young for any purpose relating to the project or the property to which the Services relate.
- 11.3. Avison Young shall not be liable for use of the Material for any purpose other than that for which it was prepared and/or provided.
- 11.4. The Client may, at any time (whether before or after completion of the Services, or after termination of Avison Young's engagement under this appointment), request a copy or copies of (some or all of) the Material from Avison Young. On the Client's payment of Avison Young's reasonable charges for providing the copy (or copies), Avison Young shall provide the copy (or copies) to the Client.

Avison Young (UK) Limited Standard Terms of Appointment

12. Confidentiality

- 12.1. Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party or of any member of the group of companies to which the other party belongs, except as permitted by clause 12.2.
- 12.2. Each party may disclose the other party's confidential information:
 - 12.2.1. to its employees, officers, representatives, contractors, sub-contractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out the party's obligations under or in connection with this appointment. Each party shall ensure that its employees, officers, representatives, contractors, sub-contractors or advisers to whom it discloses the other party's confidential information comply with this clause 12; and
 - 12.2.2. as may be required by law, to a court of competent jurisdiction or any governmental or regulatory authority.
- 12.3. No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with this appointment.

13. Anti-Money Laundering

- 13.1. Avison Young operate an anti-money laundering policy in compliance with the Money Laundering Regulations 2007 and the Money Laundering Regulations 2017, The Proceeds of Crime Act 2002, The Terrorism Act 2000 and subordinate legislation. Avison Young may require the Client to provide information (including proof of identity or income) from time to time to enable Avison Young to verify the Client's identity. For the avoidance of doubt this may require Avison Young to request and retain information relating to the directors and the "beneficial owners" of the Client, as is required under the legislation.
- 13.2. Any failure to provide such information within seven days of such a request shall give Avison Young the right to terminate this appointment in accordance with Clause 9.2.1 of this appointment.

14. Bribery Act

- 14.1. In order to Comply with the Bribery Act 2010, either party must inform the other if it becomes aware of any person (employee, agent, intermediary, contractor, private individual, commercial organisation or public official) connected (in any way) with this appointment who has committed an offence under the Bribery Act 2010 (or any equivalent legislation).
- 14.2. Avison Young reserves the right to terminate this appointment in accordance with Clause 9.2.1 should it reasonably believe that a breach or likely breach of the Bribery Act 2010 (or any equivalent legislation) has occurred.

15. Data Protection

As a result of Avison Young's relationship with the Client, Avison Young may collect or retain personal data about the Client. If the Client is a company, this may include information about the Client's employees, officers, or shareholders. If the Client is a person, this may include information about the Client's family members. Avison Young will only use such data for the purposes of providing the Services, or for related purposes such as updating Client records, money laundering compliance and other legal and regulatory compliance, and we may need to disclose this information to appropriate persons in relation to such matters. In providing any personal data to Avison Young, the Client confirms that it has informed the individuals concerned and obtained any necessary consent to the transfer to Avison Young and for Avison Young's use of their data for these purposes.

16. Professional Indemnity Insurance

- 16.1. Avison Young shall maintain professional indemnity insurance to cover its liabilities arising out of this appointment for a period beginning on the date of this appointment and ending 6 years after the date of completion of the Services provided that such insurance is available at commercially reasonable rates and terms with reputable insurers lawfully carrying on insurance business in the UK.
- 16.2. Whenever the Client reasonably requests, Avison Young shall send the Client a broker letter/certificate to evidence that Avison Young's professional indemnity insurance is in force.

Avison Young (UK) Limited Standard Terms of Appointment

17. Complaints

In the event that the Client has a complaint the Client shall be entitled to have access to the complaints handling procedure maintained by Avison Young which contains a dispute resolution process as required by the Royal Institution of Chartered Surveyors (RICS) rules of conduct (details of which are available from Avison Young on request).

18. Unoccupied Premises or Properties

Avison Young accepts no liability or responsibility for the security, maintenance or repair of, or for any damage to any premises or properties to which the Services relate. The Client shall take all necessary action to protect such premises or property and to ensure that they have adequate insurance cover in place.

19. Joint and Several Liability

If at any time the Client shall consist of more than one person, the obligations on the Client under this appointment shall be enforceable against each of them on a joint and several basis.

20. Assignment and Subcontracting

- 20.1. Neither party shall assign or subcontract its rights or obligations under this appointment without the prior written consent of the other party such consent not to be unreasonably withheld or delayed.
- 20.2. If the Client wishes to instruct Avison Young to use a specific contractor or consultant, Avison Young shall instruct such contractor on the Client's behalf. The Client retains all responsibility for any such contractors or consultants and will undertake all due diligence and investigation in relation to their competences and resources. Avison Young accepts no responsibility or liability for the acts of any consultants or contractors appointed at the Client's request.

21. Notice

A notice given to a party under or in connection with this appointment shall be in writing and delivered by hand or by recorded delivery post to the address recorded in the Letter of Appointment or such other address as the party may specify from time to time by written notice to the other.

22. Liability Period

Neither party shall commence any legal action against the other under this appointment after six years from the date of completion of the Services.

23. Third Party Rights

Except in relation to clause 7.2, a person who is not a party to this appointment shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this appointment.

24. Entire Agreement

- 24.1. This appointment constitutes the entire agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 24.2. Each party agrees that in entering into this appointment it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this appointment.
- 24.3. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this appointment.
- 24.4. No variation to this appointment will be binding unless agreed in writing by both parties.
- 24.5. Nothing in this clause shall limit or exclude any liability for fraud.

25. Severance

If any provision or part-provision of this appointment is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this appointment.

Avison Young (UK) Limited Standard Terms of Appointment

26. Non-Solicitation

- 26.1. The Client agrees that both during and for a period of twelve months after the term of this Appointment, the Client shall not (and shall procure that none of its subsidiary or associated companies shall) without the prior written consent of Avison Young:
- 26.1.1. directly or indirectly employ or engage any person who is (or was at any time during the term of this Appointment) a director, member, employee, agent or contractor of Avison Young and with whom the Client has had dealings pursuant to this Appointment (a "relevant person"), or solicit or induce any such relevant person to terminate their employment or engagement with Avison Young;
- 26.1.2. engage or accept services from or otherwise deal with any company, partnership or other entity of which any relevant person is a director, member, employee, agent or contractor.
- 26.2. In granting its consent hereunder, if it agrees to do so, Avison Young shall be entitled to make such consent conditional upon the payment by the Client to Avison Young of a fee equal to 50% of the relevant person's average annual salary or earnings during the preceding 12 months, which equates roughly to the cost to Avison Young of replacing such relevant person.

27. Governing Law and Jurisdiction

- 27.1. This appointment and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales and each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the appointment.
- 27.2. If the Services are provided primarily in Scotland then the appointment and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with Scots law and each party irrevocably agrees that the courts of Scotland shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the appointment.

Appendix 2

PBSA Rental Comps

Sept 2023 - August 24 Calendar Year

Operator	Asset Name	Room Type	Floor	Type	Size (sq.m)	Price per person perWeek	Weeks
Unite Students	Artisan Heights	Classic		Ensuite		152	51
		Premium 1		Ensuite		200	51
		Premium 2		Ensuite		235	51
		Premium 1		Studio		295	51
		Premium 2		Studio		309	51
Unite Students	Parkway Gate	Classic		Ensuite		195	51
		Classic		Ensuite		192	44
		Classic		Accessible Ensuite		195	51
		Premium 2		Ensuite		232	51
		Premium 2		Ensuite		237	44
		Premium 1		Ensuite		224	44
		Premium 1		Ensuite		214	51
		Premium 1		Studio		289	51
Unite Students	Mill Point	Classic		Studio		298	51
		Classic		Ensuite	14	195	51
		Classic		Ensuite	14	201	44
Unite Students	Picaddilly Point	Premium 1		Ensuite	17	201	44
		Classic		Ensuite	12	189	51
		Premium 1		Ensuite		201	51
		Premium 2		Ensuite		211	51
		Classic		Studio	27	279	51
Vita Student	Circle Square	Premium 1		Studio	27	304	51
		Lite	8	Studio	16	476	45
		Lite	8	Studio	16	435	52
		Lite	1	Studio	16	476	45
		Lite	16	Studio	16	437	52
		Lite	8	Studio	16	432	52
		Lite	15	Studio	16	448	52
		Lite	1	Studio	16	432	52
		Lite	13	Studio	16	486	45
		Lite	1	Studio	16	472	45
		Lite	13	Studio	16	441	52
		Lite	1	Studio	16	429	52
		Lite	7	Studio	16	478	45
		Lite	8	Studio	16	479	45
		Lite	16	Studio	16	481	45
		Lite	7	Studio	16	434	52
		Lite	15	Studio	16	493	45
		Premium	2	Studio	20	475	52
		Premium	14	Studio	20	488	52
		Premium	9	Studio	20	483	52
		Premium	14	Studio	20	537	45
		Premium	10	Studio	20	484	51
		Premium	10	Studio	20	533	45
		Premium	4	Studio	20	477	52
		Premium	6	Studio	20	471	52
		Premium	6	Studio	20	519	45
		Premium	2	Studio	20	523	45
		Premium	9	Studio	20	532	45
		Premium	9	Studio	20	532	45
		Premium	9	Studio	20	483	52
		Premium	4	Studio	20	525	45
		Premium	8	Studio	20	533	45
		Premium	10	Studio	20	486	52
		Premium	10	Studio	20	535	45
		Premium	10	Studio	20	486	52
		Premium	2	Studio	20	478	52
		Premium	8	Studio	20	484	52
		Premium	10	Studio	20	535	45
		Premium	16	Studio	20	490	52
		Premium	16	Studio	20	539	45
		Premium	3	Studio	20	526	45
		Premium Plus	14	Studio	31	520	45
		Premium Plus	14	Studio	31	472	52
		Delux	3	Studio	26	567	45
		Delux	8	Studio	26	519	52
		Delux	7	Studio	26	508	45
		Delux	5	Studio	26	510	52
		Delux	8	Studio	26	465	52
		Delux	7	Studio	26	461	52
		Delux	5	Studio	26	561	45
		Delux	6	Studio	26	571	45
		Delux	8	Studio	26	512	45
		Delux	6	Studio	26	519	52
		Delux	8	Studio	26	571	45
		Delux	1	Studio	26	513	45
		Delux	1	Studio	26	466	52
		Delux	3	Studio	26	515	52
		Delux	1	Studio	26	464	52
		Delux	1	Studio	26	511	45
		Ultimate Vita	10	Studio	40	634	45
		Ultimate Vita	10	Studio	40	576	52
		Cluster	11	Ensuite	16	451	45

		Cluster	11	Ensuite	16	410	52
		Cluster	7	Ensuite	16	447	45
		Cluster	7	Ensuite	16	406	52
		Cluster	7	Ensuite	16	448	45
		Cluster	7	Ensuite	16	407	52
		Cluster	7	Ensuite	16	446	45
		Cluster	7	Ensuite	16	405	52
		Cluster	16	Ensuite	16	398	52
		Cluster	6	Ensuite	16	438	45
		Cluster	2	Ensuite	16	394	52
		Cluster	2	Ensuite	16	434	45
Dwell Student Living	Manchester Student Village	Silver Cluster		Standard Non Ensuite		156	51
		Silver Cluster		Non Ensuite		160	51
		Silver Cluster		Large Non Ensuite		162	51
		Platinum		Studio		276	51
		Bronze Cluster		Non Ensuite		143	51
		Bronze Cluster		Non Ensuite		147	44
		Bronze Cluster		Medium Non Ensuite		152	44
		Bronze Cluster		Medium Non Ensuite		148	51
		Bronze Cluster		Large Non Ensuite		154	44
		Bronze Cluster		Large Non Ensuite		150	51
		Bronze Plus Cluster		Non Ensuite		151	51
		Bronze Plus Cluster		Non Ensuite		156	44
		Silver Cluster		Large Non Ensuite		162	51
		Silver Cluster		Large Non Ensuite		162	44
		Silver Plus Cluster		Non Ensuite		162	51
		Gold Cluster		Ensuite		192	51
		Silver Cluster		Medium Non Ensuite		160	51
		Silver Cluster		Medium Non Ensuite		158	44
		Platinum		Studio		276	51
		Gold		Studio		248	51
Unite Students	New Medlock House	Classic Cluster		Ensuite		196	51
		Classic Cluster		Non Ensuite		154	51
		Premium 1 Cluster		Non Ensuite		169	51
		Premium 1 Cluster		Ensuite		206	51
		Classic		Studio		190	51
		Premium Cluster		Ensuite		196	51
Vita Student	First Street	Classic	10	Studio	18	447	45
		Classic	10	Studio	18	406	52
		Class	10	Studio	18	445	45
		Classic	10	Studio	18	404	52
		Classic	10	Studio	18	448	45
		Classic	10	Studio	18	407	52
		Classic	8	Studio	18	445	45
		Classic	8	Studio	18	404	52
		Classic	1	Studio	18	400	52
		Classic	1	Studio	18	440	45
		Classic	1	Studio	18	388	45
		Classic	1	Studio	18	388	52
		Classic Plus	6	Studio	18	444	45
		Classic Plus	6	Studio	18	403	52
		Classic Plus	7	Studio	18	445	45
		Classic Plus	7	Studio	18	404	52
		Classic Plus	9	Studio	18	447	45
		Classic Plus	9	Studio	18	406	52
		Classic Plus	2	Studio	18	442	45
		Classic Plus	2	Studio	18	401	52
		Classic Plus	8	Studio	18	408	52
		Classic Plus	8	Studio	18	449	45
		Classic Plus	9	Studio	18	444	45
		Classic Plus	9	Studio	18	403	52
Unite Students	Sir Charles Groves Hall	Classic Cluster		Ensuite	14	190	42
		Classic Cluster		Ensuite	14	215	51
		Classic Cluster		Accessible Ensuite	14	176	44
		Classic		Studio	17	254	51
		Premium		Studio	15	235	51
		Classic		Accessible Studio	14	254	51
		Premium 1		Studio	18	259	51
		Delux		Studio	17	260	51
		Premium 2		Studio	32	308	51
Unite Students	Kincardine Court	Premium 1 Cluster		Ensuite		213	51
		Classic Cluster		Ensuite		204	51
Canvas	Canvas Manchester	Gold Cluster		Ensuite		349	51
		Gold Cluster		Ensuite		349	51
		Gold Cluster		Ensuite		344	51
		Gold Cluster		Ensuite		344	51
		Gold Cluster		Ensuite		379	44
		Gold Cluster		Ensuite		379	44
		Gold Cluster		Ensuite		374	44
		Gold Cluster		Ensuite		299	44
		Bronze Cluster		Ensuite		334	51
		Bronze Cluster		Ensuite		369	44
		Bronze Cluster		Ensuite		369	44
		Bronze Cluster		Ensuite		339	51
		Bronze Cluster		Ensuite		334	44
		Bronze Cluster		Ensuite		304	51
		Bronze Cluster		Ensuite		314	51
		Bronze Cluster		Ensuite		339	44
		Cluster		Silver Ensuite		344	51

Cluster	Silver Ensuite	374	44
Cluster	Silver Ensuite	374	44
Cluster	Silver Ensuite	369	44
Cluster	Silver Ensuite	344	51
Cluster	Silver Ensuite	329	51
Cluster	Silver Ensuite	339	51
Cluster	Silver Ensuite	319	44
Platinum	Studio	419	51
Platinum	Studio	464	44
Platinum	Studio	469	44
Platinum	Studio	429	51
Platinum	Studio	419	51
Silver	Studio	409	51
Silver	Studio	394	51
Silver	Studio	439	44
Silver	Studio	404	51
Gold	Studio	449	44
Gold	Studio	419	51
Gold	Studio	419	51
Gold	Studio	414	51
Gold	Studio	394	51
Bronze	Studio	439	44
Bronze	Studio	409	51
Bronze	Studio	394	51
Diamond	Studio	499	44
Diamond	Studio	439	51
Cluster	Non Ensuite	304	51
Cluster	Non Ensuite	294	51
Cluster	Non Ensuite	334	44
Cluster	Non Ensuite	349	44
Cluster	Non Ensuite	324	51
Cluster	Non Ensuite	324	51
Cluster	Non Ensuite	319	51
Cluster	Non Ensuite	354	44
Cluster	Non Ensuite	354	44

Appendix 3

Development Appraisals

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited

Base Appraisal

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Blocks A1 and A2 - Clusters	393			12,750	3,707,955	5,010,750	3,707,955
Blocks A1 and A2 - Studios	487			19,380	6,984,164	9,438,060	6,984,164
Block A3 - Affordable Clusters	220			10,200	1,660,560	2,244,000	1,660,560
Block A1- A2 Ancilliary Commercial	1	1,107	23.00	25,454	25,454	25,454	25,454
Block A3 - Ancilliary Commercial	1	3,532	23.00	81,230	81,230	81,230	81,230
Blocks A1 - A2 Sundry Income	880			150	132,000	132,000	132,000
Block A3 Sundry Income	220			150	33,000	33,000	33,000
Block B1 - Life Science	1	148,898	46.00	6,849,308	6,849,308	6,849,308	6,849,308
4Block B2 - Life Science	1	95,210	46.00	4,379,660	4,379,660	4,379,660	4,379,660
Block B3 - Life Science	1	75,563	46.00	3,475,898	3,475,898	3,475,898	3,475,898
Life Science - B2 Ancilliary Commercial	1	2,543	23.00	58,494	58,494	58,494	58,494
Life Science - B3 Ancilliary Commercial	1	5,087	23.00	117,007	117,007	117,007	117,007
Totals	2,207	331,940			27,504,730	31,844,861	27,504,730

Investment Valuation

Blocks A1 and A2 - Clusters					
Current Rent	3,707,955	YP @	5.2500%	19.0476	70,627,714
Blocks A1 and A2 - Studios					
Current Rent	6,984,164	YP @	5.2500%	19.0476	133,031,703
Block A3 - Affordable Clusters					
Current Rent	1,660,560	YP @	5.2500%	19.0476	31,629,714
Block A1- A2 Ancilliary Commercial					
Market Rent	25,454	YP @	5.2500%	19.0476	
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	472,593
Block A3 - Ancilliary Commercial					
Market Rent	81,230	YP @	5.2500%	19.0476	
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,508,160
Blocks A1 - A2 Sundry Income					
Current Rent	132,000	YP @	5.2500%	19.0476	2,514,286
Block A3 Sundry Income					
Current Rent	33,000	YP @	5.2500%	19.0476	628,571
Block B1 - Life Science					
Current Rent	6,849,308	YP @	5.2500%	19.0476	130,463,010
4Block B2 - Life Science					
Current Rent	4,379,660	YP @	5.2500%	19.0476	83,422,095
Block B3 - Life Science					
Current Rent	3,475,898	YP @	5.2500%	19.0476	66,207,581
Life Science - B2 Ancilliary Commercial					
Market Rent	58,494	YP @	5.2500%	19.0476	
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,086,020
Life Science - B3 Ancilliary Commercial					
Market Rent	117,007	YP @	5.2500%	19.0476	
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	2,172,404
Total Investment Valuation					523,763,852

GROSS DEVELOPMENT VALUE523,763,852

Purchaser's Costs(35,615,942)
Effective Purchaser's Costs Rate6.80%
(35,615,942)

NET DEVELOPMENT VALUE488,147,910

NET REALISATION488,147,910

OUTLAY

ACQUISITION COSTS

Land Value8,100,000
Fixed Price32,400,000
Total Acquisition40,500,000
40,500,000
Stamp Duty2,754,000
Effective Stamp Duty Rate6.80%
2,754,000

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Blocks A1 and A2 - Clusters	393 un	126,020	49,525,860
Blocks A1 and A2 - Studios	487 un	126,020	61,371,740
Block A3 - Affordable Clusters	220 un	126,020	27,724,400
Totals			138,622,000
	ft²	Build Rate ft²	Cost

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited

Block B1 - Life Science	225,311	363.21	81,835,208	
4Block B2 - Life Science	151,544	363.21	55,042,296	
Block B3 - Life Science	<u>125,205</u>	363.21	<u>45,475,708</u>	
Totals	516,494 ft²		182,353,213	
Developers Contingency		5.00%	16,048,761	337,023,973

PROFESSIONAL FEES

Project Fees		8.00%	25,678,017	25,678,017
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MARKETING & LETTING

Letting Agent's and Legals		15.00%	16,003	
Letting Agent Fee		10.00%	1,488,037	
Letting Legal Fee		5.00%	744,018	2,248,058

DISPOSAL FEES

Sales Agent Fee		0.50%	2,603,105	
Sales Legal Fee		0.25%	1,301,552	3,904,657

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				31,186,986

TOTAL COSTS

443,295,691

PROFIT

44,852,219

Performance Measures

Profit on Cost%	10.12%
Profit on GDV%	8.56%
Profit on NDV%	9.19%
Development Yield% (on Rent)	6.20%
Equivalent Yield% (Nominal)	5.25%
Equivalent Yield% (True)	5.43%
IRR% (without Interest)	15.42%
Rent Cover	1 yr 8 mths
Profit Erosion (finance rate 7.000)	1 yr 5 mths

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Scenario 1

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate	ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Blocks A1 and A2 - Clusters	383				12,750	3,613,605	4,883,250	3,613,605
Blocks A1 and A2 - Studios	479				19,380	6,869,435	9,283,020	6,869,435
Block A3 - Affordable Clusters	220				10,200	1,660,560	2,244,000	1,660,560
Block A1- A2 Ancilliary Commercial	1	1,107	23.00		25,454	25,454	25,454	25,454
Block A3 - Ancilliary Commercal	1	3,532	23.00		81,230	81,230	81,230	81,230
Blocks A1 - A2 Sundry Income	862				150	129,300	129,300	129,300
Block A3 Sundry Income	220				150	33,000	33,000	33,000
Block B1 - Life Science	1	148,898	46.00		6,849,308	6,849,308	6,849,308	6,849,308
4Block B2 - Life Science	1	95,210	46.00		4,379,660	4,379,660	4,379,660	4,379,660
Block B3 - Life Science	1	75,563	46.00		3,475,898	3,475,898	3,475,898	3,475,898
Life Science - B2 Ancilliary Commercial	1	2,543	23.00		58,494	58,494	58,494	58,494
Life Science - B3 Ancilliary Commercial	1	5,087	23.00		117,007	117,007	117,007	117,007
Totals	2,171	331,940				27,292,951	31,559,621	27,292,951

Investment Valuation

Blocks A1 and A2 - Clusters								
Current Rent	3,613,605	YP @	5.2500%	19.0476	68,830,571			
Blocks A1 and A2 - Studios								
Current Rent	6,869,435	YP @	5.2500%	19.0476	130,846,377			
Block A3 - Affordable Clusters								
Current Rent	1,660,560	YP @	5.2500%	19.0476	31,629,714			
Block A1- A2 Ancilliary Commercial								
Market Rent	25,454	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	472,593			
Block A3 - Ancilliary Commercal								
Market Rent	81,230	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,508,160			
Blocks A1 - A2 Sundry Income								
Current Rent	129,300	YP @	5.2500%	19.0476	2,462,857			
Block A3 Sundry Income								
Current Rent	33,000	YP @	5.2500%	19.0476	628,571			
Block B1 - Life Science								
Current Rent	6,849,308	YP @	5.2500%	19.0476	130,463,010			
4Block B2 - Life Science								
Current Rent	4,379,660	YP @	5.2500%	19.0476	83,422,095			
Block B3 - Life Science								
Current Rent	3,475,898	YP @	5.2500%	19.0476	66,207,581			
Life Science - B2 Ancilliary Commercial								
Market Rent	58,494	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,086,020			
Life Science - B3 Ancilliary Commercial								
Market Rent	117,007	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	2,172,404			
Total Investment Valuation					519,729,955			

GROSS DEVELOPMENT VALUE519,729,955

Purchaser's Costs(35,341,637)
Effective Purchaser's Costs Rate6.80%
(35,341,637)

NET DEVELOPMENT VALUE484,388,318

NET REALISATION484,388,318

OUTLAY

ACQUISITION COSTS

Land Value8,100,000
Fixed Price32,400,000
Total Acquisition40,500,000
40,500,000
Stamp Duty2,754,000
Effective Stamp Duty Rate6.80%
2,754,000

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Blocks A1 and A2 - Clusters	383 un	126,020	48,265,660
Blocks A1 and A2 - Studios	479 un	126,020	60,363,580
Block A3 - Affordable Clusters	220 un	126,020	27,724,400
Totals			136,353,640

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

	ft²	Build Rate	ft²	Cost
Block B1 - Life Science	225,311	363.21		81,835,208
4Block B2 - Life Science	151,544	363.21		55,042,296
Block B3 - Life Science	125,205	363.21		45,475,708
Totals	516,494			182,353,213
Developers Contingency		5.00%		15,935,343
				334,642,195
PROFESSIONAL FEES				
Project Fees		8.00%		25,496,548
				25,496,548
MARKETING & LETTING				
Letting Agent's and Legals		15.00%		16,003
Letting Agent Fee		10.00%		1,488,037
Letting Legal Fee		5.00%		744,018
				2,248,058
DISPOSAL FEES				
Sales Agent Fee		0.50%		2,583,193
Sales Legal Fee		0.25%		1,291,596
				3,874,789
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				31,004,666
TOTAL COSTS				440,520,256
PROFIT				
				43,868,061

Performance Measures	
Profit on Cost%	9.96%
Profit on GDV%	8.44%
Profit on NDV%	9.06%
Development Yield% (on Rent)	6.20%
Equivalent Yield% (Nominal)	5.25%
Equivalent Yield% (True)	5.43%
IRR% (without Interest)	15.28%
Rent Cover	1 yr 7 mths
Profit Erosion (finance rate 7.000)	1 yr 4 mths

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Scenario 2

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate	ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Blocks A1 and A2 - Clusters	383				12,750	3,613,605	4,883,250	3,613,605
Blocks A1 and A2 - Studios	479				19,380	6,869,435	9,283,020	6,869,435
Block A3 - Affordable Clusters	220				10,200	1,660,560	2,244,000	1,660,560
Block A1- A2 Ancilliary Commercial	1	1,107	23.00		25,454	25,454	25,454	25,454
Block A3 - Ancilliary Commercal	1	3,532	23.00		81,230	81,230	81,230	81,230
Blocks A1 - A2 Sundry Income	862				150	129,300	129,300	129,300
Block A3 Sundry Income	220				150	33,000	33,000	33,000
Block B1 - Life Science	1	148,898	46.00		6,849,308	6,849,308	6,849,308	6,849,308
4Block B2 - Life Science	1	95,210	46.00		4,379,660	4,379,660	4,379,660	4,379,660
Block B3 - Life Science	1	75,563	46.00		3,475,898	3,475,898	3,475,898	3,475,898
Life Science - B2 Ancilliary Commercial	1	2,543	23.00		58,494	58,494	58,494	58,494
Life Science - B3 Ancilliary Commercial	1	5,087	23.00		117,007	117,007	117,007	117,007
Totals	2,171	331,940				27,292,951	31,559,621	27,292,951

Investment Valuation

Blocks A1 and A2 - Clusters								
Current Rent	3,613,605	YP @	5.2500%	19.0476	68,830,571			
Blocks A1 and A2 - Studios								
Current Rent	6,869,435	YP @	5.2500%	19.0476	130,846,377			
Block A3 - Affordable Clusters								
Current Rent	1,660,560	YP @	5.2500%	19.0476	31,629,714			
Block A1- A2 Ancilliary Commercial								
Market Rent	25,454	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	472,593			
Block A3 - Ancilliary Commercal								
Market Rent	81,230	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,508,160			
Blocks A1 - A2 Sundry Income								
Current Rent	129,300	YP @	5.2500%	19.0476	2,462,857			
Block A3 Sundry Income								
Current Rent	33,000	YP @	5.2500%	19.0476	628,571			
Block B1 - Life Science								
Current Rent	6,849,308	YP @	5.2500%	19.0476	130,463,010			
4Block B2 - Life Science								
Current Rent	4,379,660	YP @	5.2500%	19.0476	83,422,095			
Block B3 - Life Science								
Current Rent	3,475,898	YP @	5.2500%	19.0476	66,207,581			
Life Science - B2 Ancilliary Commercial								
Market Rent	58,494	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,086,020			
Life Science - B3 Ancilliary Commercial								
Market Rent	117,007	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	2,172,404			
Total Investment Valuation					519,729,955			

GROSS DEVELOPMENT VALUE519,729,955

Purchaser's Costs		(35,341,637)	
Effective Purchaser's Costs Rate	6.80%		(35,341,637)

NET DEVELOPMENT VALUE484,388,318

NET REALISATION484,388,318

OUTLAY

ACQUISITION COSTS

Land Value	8,100,000		
Fixed Price	32,400,000		
Total Acquisition		40,500,000	
			40,500,000
Stamp Duty		2,754,000	
Effective Stamp Duty Rate	6.80%		2,754,000

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Blocks A1 and A2 - Clusters	383 un	132,321	50,678,943
Blocks A1 and A2 - Studios	479 un	132,321	63,381,759
Block A3 - Affordable Clusters	220 un	132,321	29,110,620
Totals			143,171,322

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

	ft²	Build Rate ft²	Cost	
Block B1 - Life Science	225,311	381.15	85,877,288	
4Block B2 - Life Science	151,544	381.15	57,760,996	
Block B3 - Life Science	125,205	381.15	47,721,886	
Totals	516,494 ft²		191,360,169	
Developers Contingency		5.00%	16,726,575	351,258,066
PROFESSIONAL FEES				
Project Fees		8.00%	26,762,519	26,762,519
MARKETING & LETTING				
Letting Agent's and Legals		15.00%	16,003	
Letting Agent Fee		10.00%	1,488,037	
Letting Legal Fee		5.00%	744,018	2,248,058
DISPOSAL FEES				
Sales Agent Fee		0.50%	2,583,193	
Sales Legal Fee		0.25%	1,291,596	3,874,789
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				32,707,876
TOTAL COSTS				460,105,308
PROFIT				24,283,010
Performance Measures				
Profit on Cost%		5.28%		
Profit on GDV%		4.67%		
Profit on NDV%		5.01%		
Development Yield% (on Rent)		5.93%		
Equivalent Yield% (Nominal)		5.25%		
Equivalent Yield% (True)		5.43%		
IRR% (without Interest)		11.30%		
Rent Cover		11 mths		
Profit Erosion (finance rate 7.000)		9 mths		

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Scenario 3

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate	ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Blocks A1 and A2 - Clusters	383				12,750	3,613,605	4,883,250	3,613,605
Blocks A1 and A2 - Studios	479				19,380	6,869,435	9,283,020	6,869,435
Block A3 - Affordable Clusters	220				10,200	1,660,560	2,244,000	1,660,560
Block A1- A2 Ancilliary Commercial	1	1,107	23.00		25,454	25,454	25,454	25,454
Block A3 - Ancilliary Commercal	1	3,532	23.00		81,230	81,230	81,230	81,230
Blocks A1 - A2 Sundry Income	862				150	129,300	129,300	129,300
Block A3 Sundry Income	220				150	33,000	33,000	33,000
Block B1 - Life Science	1	148,898	46.00		6,849,308	6,849,308	6,849,308	6,849,308
4Block B2 - Life Science	1	95,210	46.00		4,379,660	4,379,660	4,379,660	4,379,660
Block B3 - Life Science	1	75,563	46.00		3,475,898	3,475,898	3,475,898	3,475,898
Life Science - B2 Ancilliary Commercial	1	2,543	23.00		58,494	58,494	58,494	58,494
Life Science - B3 Ancilliary Commercial	1	5,087	23.00		117,007	117,007	117,007	117,007
Totals	2,171	331,940				27,292,951	31,559,621	27,292,951

Investment Valuation

Blocks A1 and A2 - Clusters								
Current Rent	3,613,605	YP @	5.2500%	19.0476	68,830,571			
Blocks A1 and A2 - Studios								
Current Rent	6,869,435	YP @	5.2500%	19.0476	130,846,377			
Block A3 - Affordable Clusters								
Current Rent	1,660,560	YP @	5.2500%	19.0476	31,629,714			
Block A1- A2 Ancilliary Commercial								
Market Rent	25,454	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	472,593			
Block A3 - Ancilliary Commercal								
Market Rent	81,230	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,508,160			
Blocks A1 - A2 Sundry Income								
Current Rent	129,300	YP @	5.2500%	19.0476	2,462,857			
Block A3 Sundry Income								
Current Rent	33,000	YP @	5.2500%	19.0476	628,571			
Block B1 - Life Science								
Current Rent	6,849,308	YP @	5.2500%	19.0476	130,463,010			
4Block B2 - Life Science								
Current Rent	4,379,660	YP @	5.2500%	19.0476	83,422,095			
Block B3 - Life Science								
Current Rent	3,475,898	YP @	5.2500%	19.0476	66,207,581			
Life Science - B2 Ancilliary Commercial								
Market Rent	58,494	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,086,020			
Life Science - B3 Ancilliary Commercial								
Market Rent	117,007	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	2,172,404			
Total Investment Valuation					519,729,955			

GROSS DEVELOPMENT VALUE519,729,955

Purchaser's Costs(35,341,637)
Effective Purchaser's Costs Rate6.80%
(35,341,637)

NET DEVELOPMENT VALUE484,388,318

NET REALISATION484,388,318

OUTLAY

ACQUISITION COSTS

Land Value8,100,000
Fixed Price32,400,000
Total Acquisition40,500,000
40,500,000
Stamp Duty2,754,000
Effective Stamp Duty Rate6.80%
2,754,000

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Blocks A1 and A2 - Clusters	383 un	119,719	45,852,377
Blocks A1 and A2 - Studios	479 un	119,719	57,345,401
Block A3 - Affordable Clusters	220 un	119,719	26,338,180
Totals			129,535,958

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

	ft²	Build Rate	ft²	Cost	
Block B1 - Life Science	225,311	344.85		77,698,498	
4Block B2 - Life Science	151,544	344.85		52,259,948	
Block B3 - Life Science	125,205	344.85		43,176,944	
Totals	516,494			173,135,391	
Developers Contingency		5.00%		15,133,567	317,804,916
PROFESSIONAL FEES					
Project Fees		8.00%		24,213,708	24,213,708
MARKETING & LETTING					
Letting Agent's and Legals		15.00%		16,003	
Letting Agent Fee		10.00%		1,488,037	
Letting Legal Fee		5.00%		744,018	2,248,058
DISPOSAL FEES					
Sales Agent Fee		0.50%		2,583,193	
Sales Legal Fee		0.25%		1,291,596	3,874,789
FINANCE					
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)					
Total Finance Cost					29,274,411
TOTAL COSTS					420,669,882
PROFIT					63,718,436
Performance Measures					
Profit on Cost%		15.15%			
Profit on GDV%		12.26%			
Profit on NDV%		13.15%			
Development Yield% (on Rent)		6.49%			
Equivalent Yield% (Nominal)		5.25%			
Equivalent Yield% (True)		5.43%			
IRR% (without Interest)		19.56%			
Rent Cover		2 yrs 4 mths			
Profit Erosion (finance rate 7.000)		2 yrs			

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Scenario 4

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate	ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Blocks A1 and A2 - Clusters	383				12,750	3,613,605	4,883,250	3,613,605
Blocks A1 and A2 - Studios	479				19,380	6,869,435	9,283,020	6,869,435
Block A3 - Affordable Clusters	220				10,200	1,660,560	2,244,000	1,660,560
Block A1- A2 Ancilliary Commercial	1	1,107	23.00		25,454	25,454	25,454	25,454
Block A3 - Ancilliary Commercial	1	3,532	23.00		81,230	81,230	81,230	81,230
Blocks A1 - A2 Sundry Income	862				150	129,300	129,300	129,300
Block A3 Sundry Income	220				150	33,000	33,000	33,000
Block B1 - Life Science	1	148,898	46.00		6,849,308	6,849,308	6,849,308	6,849,308
4Block B2 - Life Science	1	95,210	46.00		4,379,660	4,379,660	4,379,660	4,379,660
Block B3 - Life Science	1	75,563	46.00		3,475,898	3,475,898	3,475,898	3,475,898
Life Science - B2 Ancilliary Commercial	1	2,543	23.00		58,494	58,494	58,494	58,494
Life Science - B3 Ancilliary Commercial	1	5,087	23.00		117,007	117,007	117,007	117,007
Totals	2,171	331,940				27,292,951	31,559,621	27,292,951

Investment Valuation

Blocks A1 and A2 - Clusters								
Current Rent	3,613,605	YP @	5.5000%	18.1818	65,701,909			
Blocks A1 and A2 - Studios								
Current Rent	6,869,435	YP @	5.5000%	18.1818	124,898,815			
Block A3 - Affordable Clusters								
Current Rent	1,660,560	YP @	5.5000%	18.1818	30,192,000			
Block A1- A2 Ancilliary Commercial								
Market Rent	25,454	YP @	5.5000%	18.1818				
(6mths Rent Free)		PV 6mths @	5.5000%	0.9736	450,577			
Block A3 - Ancilliary Commercial								
Market Rent	81,230	YP @	5.5000%	18.1818				
(6mths Rent Free)		PV 6mths @	5.5000%	0.9736	1,437,901			
Blocks A1 - A2 Sundry Income								
Current Rent	129,300	YP @	5.5000%	18.1818	2,350,909			
Block A3 Sundry Income								
Current Rent	33,000	YP @	5.5000%	18.1818	600,000			
Block B1 - Life Science								
Current Rent	6,849,308	YP @	5.5000%	18.1818	124,532,873			
4Block B2 - Life Science								
Current Rent	4,379,660	YP @	5.5000%	18.1818	79,630,182			
Block B3 - Life Science								
Current Rent	3,475,898	YP @	5.5000%	18.1818	63,198,145			
Life Science - B2 Ancilliary Commercial								
Market Rent	58,494	YP @	5.5000%	18.1818				
(6mths Rent Free)		PV 6mths @	5.5000%	0.9736	1,035,427			
Life Science - B3 Ancilliary Commercial								
Market Rent	117,007	YP @	5.5000%	18.1818				
(6mths Rent Free)		PV 6mths @	5.5000%	0.9736	2,071,200			
Total Investment Valuation					496,099,937			

GROSS DEVELOPMENT VALUE496,099,937

Purchaser's Costs(33,734,796)
Effective Purchaser's Costs Rate6.80%
(33,734,796)

NET DEVELOPMENT VALUE462,365,141

NET REALISATION462,365,141

OUTLAY

ACQUISITION COSTS

Land Value	8,100,000			
Fixed Price	32,400,000			
Total Acquisition		40,500,000		40,500,000
Stamp Duty		2,754,000		
Effective Stamp Duty Rate	6.80%			2,754,000

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Blocks A1 and A2 - Clusters	383 un	119,719	45,852,377
Blocks A1 and A2 - Studios	479 un	119,719	57,345,401
Block A3 - Affordable Clusters	220 un	119,719	26,338,180
Totals			129,535,958

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

	ft²	Build Rate	ft²	Cost
Block B1 - Life Science	225,311	344.85		77,698,498
4Block B2 - Life Science	151,544	344.85		52,259,948
Block B3 - Life Science	125,205	344.85		43,176,944
Totals	516,494			173,135,391
Developers Contingency		5.00%		15,133,567
				317,804,916
PROFESSIONAL FEES				
Project Fees		8.00%	24,213,708	
				24,213,708
MARKETING & LETTING				
Letting Agent's and Legals		15.00%	16,003	
Letting Agent Fee		10.00%	1,488,037	
Letting Legal Fee		5.00%	744,018	
				2,248,058
DISPOSAL FEES				
Sales Agent Fee		0.50%	2,465,745	
Sales Legal Fee		0.25%	1,232,873	
				3,698,618
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				29,767,437
TOTAL COSTS				420,986,737
PROFIT				41,378,404
Performance Measures				
Profit on Cost%		9.83%		
Profit on GDV%		8.34%		
Profit on NDV%		8.95%		
Development Yield% (on Rent)		6.48%		
Equivalent Yield% (Nominal)		5.50%		
Equivalent Yield% (True)		5.69%		
IRR% (without Interest)		15.13%		
Rent Cover		1 yr 6 mths		
Profit Erosion (finance rate 7.000)		1 yr 4 mths		

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Scenario 5

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate	ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Blocks A1 and A2 - Clusters	383				12,750	3,613,605	4,883,250	3,613,605
Blocks A1 and A2 - Studios	479				19,380	6,869,435	9,283,020	6,869,435
Block A3 - Affordable Clusters	220				10,200	1,660,560	2,244,000	1,660,560
Block A1- A2 Ancilliary Commercial	1	1,107	23.00		25,454	25,454	25,454	25,454
Block A3 - Ancilliary Commercal	1	3,532	23.00		81,230	81,230	81,230	81,230
Blocks A1 - A2 Sundry Income	862				150	129,300	129,300	129,300
Block A3 Sundry Income	220				150	33,000	33,000	33,000
Block B1 - Life Science	1	148,898	42.00		6,253,716	6,253,716	6,253,716	6,253,716
4Block B2 - Life Science	1	95,210	42.00		3,998,820	3,998,820	3,998,820	3,998,820
Block B3 - Life Science	1	75,563	42.00		3,173,646	3,173,646	3,173,646	3,173,646
Life Science - B2 Ancilliary Commercial	1	2,543	23.00		58,494	58,494	58,494	58,494
Life Science - B3 Ancilliary Commercial	1	5,087	23.00		117,007	117,007	117,007	117,007
Totals	2,171	331,940				26,014,267	30,280,937	26,014,267

Investment Valuation

Blocks A1 and A2 - Clusters								
Current Rent	3,613,605	YP @	5.2500%	19.0476	68,830,571			
Blocks A1 and A2 - Studios								
Current Rent	6,869,435	YP @	5.2500%	19.0476	130,846,377			
Block A3 - Affordable Clusters								
Current Rent	1,660,560	YP @	5.2500%	19.0476	31,629,714			
Block A1- A2 Ancilliary Commercial								
Market Rent	25,454	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	472,593			
Block A3 - Ancilliary Commercal								
Market Rent	81,230	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,508,160			
Blocks A1 - A2 Sundry Income								
Current Rent	129,300	YP @	5.2500%	19.0476	2,462,857			
Block A3 Sundry Income								
Current Rent	33,000	YP @	5.2500%	19.0476	628,571			
Block B1 - Life Science								
Current Rent	6,253,716	YP @	5.2500%	19.0476	119,118,400			
4Block B2 - Life Science								
Current Rent	3,998,820	YP @	5.2500%	19.0476	76,168,000			
Block B3 - Life Science								
Current Rent	3,173,646	YP @	5.2500%	19.0476	60,450,400			
Life Science - B2 Ancilliary Commercial								
Market Rent	58,494	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,086,020			
Life Science - B3 Ancilliary Commercial								
Market Rent	117,007	YP @	5.2500%	19.0476				
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	2,172,404			
Total Investment Valuation					495,374,069			

GROSS DEVELOPMENT VALUE495,374,069

Purchaser's Costs(33,685,437)
Effective Purchaser's Costs Rate6.80%
(33,685,437)

NET DEVELOPMENT VALUE461,688,632

NET REALISATION461,688,632

OUTLAY

ACQUISITION COSTS

Land Value	8,100,000			
Fixed Price	32,400,000			
Total Acquisition		40,500,000		
			40,500,000	
Stamp Duty		2,754,000		
Effective Stamp Duty Rate	6.80%			
			2,754,000	

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Blocks A1 and A2 - Clusters	383 un	119,719	45,852,377
Blocks A1 and A2 - Studios	479 un	119,719	57,345,401
Block A3 - Affordable Clusters	220 un	119,719	26,338,180
Totals			129,535,958

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

	ft²	Build Rate	ft²	Cost
Block B1 - Life Science	225,311	344.85		77,698,498
4Block B2 - Life Science	151,544	344.85		52,259,948
Block B3 - Life Science	125,205	344.85		43,176,944
Totals	516,494 ft²			173,135,391
Developers Contingency		5.00%	15,133,567	
				317,804,916
PROFESSIONAL FEES				
Project Fees		8.00%	24,213,708	
				24,213,708
MARKETING & LETTING				
Letting Agent's and Legals		15.00%	16,003	
Letting Agent Fee		10.00%	1,360,168	
Letting Legal Fee		5.00%	680,084	
				2,056,255
DISPOSAL FEES				
Sales Agent Fee		0.50%	2,461,413	
Sales Legal Fee		0.25%	1,230,707	
				3,692,120
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				30,199,694
TOTAL COSTS				421,220,693
PROFIT				40,467,939
Performance Measures				
Profit on Cost%		9.61%		
Profit on GDV%		8.17%		
Profit on NDV%		8.77%		
Development Yield% (on Rent)		6.18%		
Equivalent Yield% (Nominal)		5.25%		
Equivalent Yield% (True)		5.43%		
IRR% (without Interest)		14.87%		
Rent Cover		1 yr 7 mths		
Profit Erosion (finance rate 7.000)		1 yr 4 mths		

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Scenario 6

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate	ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Blocks A1 and A2 - Clusters	383				11,475	3,252,245	4,394,925	3,252,245
Blocks A1 and A2 - Studios	479				18,360	6,507,886	8,794,440	6,507,886
Block A3 - Affordable Clusters	220				9,180	1,494,504	2,019,600	1,494,504
Block A1- A2 Ancilliary Commercial	1	1,107	23.00		25,454	25,454	25,454	25,454
Block A3 - Ancilliary Commercal	1	3,532	23.00		81,230	81,230	81,230	81,230
Blocks A1 - A2 Sundry Income	862				150	129,300	129,300	129,300
Block A3 Sundry Income	220				150	33,000	33,000	33,000
Block B1 - Life Science	1	148,898	46.00		6,849,308	6,849,308	6,849,308	6,849,308
4Block B2 - Life Science	1	95,210	46.00		4,379,660	4,379,660	4,379,660	4,379,660
Block B3 - Life Science	1	75,563	46.00		3,475,898	3,475,898	3,475,898	3,475,898
Life Science - B2 Ancilliary Commercial	1	2,543	23.00		58,494	58,494	58,494	58,494
Life Science - B3 Ancilliary Commercial	1	5,087	23.00		117,007	117,007	117,007	117,007
Totals	2,171	331,940				26,403,985	30,358,316	26,403,985

Investment Valuation

Blocks A1 and A2 - Clusters					
Current Rent	3,252,245	YP @	5.2500%	19.0476	61,947,514
Blocks A1 and A2 - Studios					
Current Rent	6,507,886	YP @	5.2500%	19.0476	123,959,726
Block A3 - Affordable Clusters					
Current Rent	1,494,504	YP @	5.2500%	19.0476	28,466,743
Block A1- A2 Ancilliary Commercial					
Market Rent	25,454	YP @	5.2500%	19.0476	
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	472,593
Block A3 - Ancilliary Commercal					
Market Rent	81,230	YP @	5.2500%	19.0476	
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,508,160
Blocks A1 - A2 Sundry Income					
Current Rent	129,300	YP @	5.2500%	19.0476	2,462,857
Block A3 Sundry Income					
Current Rent	33,000	YP @	5.2500%	19.0476	628,571
Block B1 - Life Science					
Current Rent	6,849,308	YP @	5.2500%	19.0476	130,463,010
4Block B2 - Life Science					
Current Rent	4,379,660	YP @	5.2500%	19.0476	83,422,095
Block B3 - Life Science					
Current Rent	3,475,898	YP @	5.2500%	19.0476	66,207,581
Life Science - B2 Ancilliary Commercial					
Market Rent	58,494	YP @	5.2500%	19.0476	
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,086,020
Life Science - B3 Ancilliary Commercial					
Market Rent	117,007	YP @	5.2500%	19.0476	
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	2,172,404
Total Investment Valuation					502,797,275

GROSS DEVELOPMENT VALUE502,797,275

Purchaser's Costs(34,190,215)
Effective Purchaser's Costs Rate6.80%
(34,190,215)

NET DEVELOPMENT VALUE468,607,060

NET REALISATION468,607,060

OUTLAY

ACQUISITION COSTS

Land Value	8,100,000		
Fixed Price	32,400,000		
Total Acquisition		40,500,000	
			40,500,000
Stamp Duty		2,754,000	
Effective Stamp Duty Rate	6.80%		
			2,754,000

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Blocks A1 and A2 - Clusters	383 un	119,719	45,852,377
Blocks A1 and A2 - Studios	479 un	119,719	57,345,401
Block A3 - Affordable Clusters	220 un	119,719	26,338,180
Totals			129,535,958

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

	ft²	Build Rate	ft²	Cost
Block B1 - Life Science	225,311	344.85		77,698,498
4Block B2 - Life Science	151,544	344.85		52,259,948
Block B3 - Life Science	125,205	344.85		43,176,944
Totals	516,494			173,135,391
Developers Contingency		5.00%		15,133,567
				317,804,916
PROFESSIONAL FEES				
Project Fees		8.00%	24,213,708	
				24,213,708
MARKETING & LETTING				
Letting Agent's and Legals		15.00%	16,003	
Letting Agent Fee		10.00%	1,488,037	
Letting Legal Fee		5.00%	744,018	
				2,248,058
DISPOSAL FEES				
Sales Agent Fee		0.50%	2,498,529	
Sales Legal Fee		0.25%	1,249,265	
				3,747,794
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				29,274,411
TOTAL COSTS				420,542,886
PROFIT				
				48,064,173

Performance Measures	
Profit on Cost%	11.43%
Profit on GDV%	9.56%
Profit on NDV%	10.26%
Development Yield% (on Rent)	6.28%
Equivalent Yield% (Nominal)	5.25%
Equivalent Yield% (True)	5.43%
IRR% (without Interest)	16.55%
Rent Cover	1 yr 10 mths
Profit Erosion (finance rate 7.000)	1 yr 7 mths

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Scenario 7

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
Sensitivity Analysis

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate	ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Blocks A1 and A2 - Clusters	383				11,475	3,252,245	4,394,925	3,252,245
Blocks A1 and A2 - Studios	479				18,360	6,507,886	8,794,440	6,507,886
Block A3 - Affordable Clusters	220				9,180	1,494,504	2,019,600	1,494,504
Block A1- A2 Ancilliary Commercial	1	1,107	23.00		25,454	25,454	25,454	25,454
Block A3 - Ancilliary Commercal	1	3,532	23.00		81,230	81,230	81,230	81,230
Blocks A1 - A2 Sundry Income	862				150	129,300	129,300	129,300
Block A3 Sundry Income	220				150	33,000	33,000	33,000
Block B1 - Life Science	1	148,898	42.00		6,253,716	6,253,716	6,253,716	6,253,716
4Block B2 - Life Science	1	95,210	42.00		3,998,820	3,998,820	3,998,820	3,998,820
Block B3 - Life Science	1	75,563	42.00		3,173,646	3,173,646	3,173,646	3,173,646
Life Science - B2 Ancilliary Commercial	1	2,543	23.00		58,494	58,494	58,494	58,494
Life Science - B3 Ancilliary Commercial	1	5,087	23.00		117,007	117,007	117,007	117,007
Totals	2,171	331,940				25,125,301	29,079,632	25,125,301

Investment Valuation

Blocks A1 and A2 - Clusters						
Current Rent	3,252,245	YP @	5.2500%	19.0476	61,947,514	
Blocks A1 and A2 - Studios						
Current Rent	6,507,886	YP @	5.2500%	19.0476	123,959,726	
Block A3 - Affordable Clusters						
Current Rent	1,494,504	YP @	5.2500%	19.0476	28,466,743	
Block A1- A2 Ancilliary Commercial						
Market Rent	25,454	YP @	5.2500%	19.0476		
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	472,593	
Block A3 - Ancilliary Commercal						
Market Rent	81,230	YP @	5.2500%	19.0476		
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,508,160	
Blocks A1 - A2 Sundry Income						
Current Rent	129,300	YP @	5.2500%	19.0476	2,462,857	
Block A3 Sundry Income						
Current Rent	33,000	YP @	5.2500%	19.0476	628,571	
Block B1 - Life Science						
Current Rent	6,253,716	YP @	5.2500%	19.0476	119,118,400	
4Block B2 - Life Science						
Current Rent	3,998,820	YP @	5.2500%	19.0476	76,168,000	
Block B3 - Life Science						
Current Rent	3,173,646	YP @	5.2500%	19.0476	60,450,400	
Life Science - B2 Ancilliary Commercial						
Market Rent	58,494	YP @	5.2500%	19.0476		
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	1,086,020	
Life Science - B3 Ancilliary Commercial						
Market Rent	117,007	YP @	5.2500%	19.0476		
(6mths Rent Free)		PV 6mths @	5.2500%	0.9747	2,172,404	
Total Investment Valuation					478,441,389	

GROSS DEVELOPMENT VALUE478,441,389

Purchaser's Costs	(32,534,014)
Effective Purchaser's Costs Rate	6.80%
	(32,534,014)

NET DEVELOPMENT VALUE445,907,374

NET REALISATION445,907,374

OUTLAY

ACQUISITION COSTS

Land Value	8,100,000		
Fixed Price	32,400,000		
Total Acquisition		40,500,000	
			40,500,000
Stamp Duty		2,754,000	
Effective Stamp Duty Rate	6.80%		
			2,754,000

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Blocks A1 and A2 - Clusters	383 un	119,719	45,852,377
Blocks A1 and A2 - Studios	479 un	119,719	57,345,401
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Totals			129,535,958

UBS Masterplan
Williams Motor Co (Holdings)/Alliance UBS Limited
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Totals	516,494			173,135,391
Developers Contingency		5.00%		15,133,567
				317,804,916
PROFESSIONAL FEES				
Project Fees		8.00%	24,213,708	
				24,213,708
MARKETING & LETTING				
Letting Agent's and Legals		15.00%	16,003	
Letting Agent Fee		10.00%	1,360,168	
Letting Legal Fee		5.00%	680,084	
				2,056,255
DISPOSAL FEES				
Sales Agent Fee		0.50%	2,376,750	
Sales Legal Fee		0.25%	1,188,375	
				3,565,125
FINANCE				
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				30,199,694
TOTAL COSTS				421,093,698
PROFIT				24,813,676
Performance Measures				
Profit on Cost%		5.89%		
Profit on GDV%		5.19%		
Profit on NDV%		5.56%		
Development Yield% (on Rent)		5.97%		
Equivalent Yield% (Nominal)		5.25%		
Equivalent Yield% (True)		5.43%		
IRR% (without Interest)		11.78%		
Rent Cover		12 mths		
Profit Erosion (finance rate 7.000)		10 mths		

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