

Step Places / One Manchester

**Land at Ardwick Green North
Ardwick Green North
Manchester
M12 6FZ**

Economic Viability Appraisal

December 2022

PRIVATE & CONFIDENTIAL

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1. Introduction

- 1.1 Tim Claxton Property Limited has been commissioned by Step Places and One Manchester (the Applicant) to undertake an assessment of the financial viability of a proposed development scheme located on a site situated on the corner of Ardwick Green North and Cotter Street in the Ardwick area of Manchester within the Manchester City Council local authority area.
- 1.2 The proposed scheme is the subject of a detailed planning application for a total 16no. residential dwellings all of which are 3 bedroom townhouses with brownfield grant support being provided through Homes England.
- 1.3 This report assesses the viability of the proposed scheme with reference to all relevant guidance particularly RICS Guidance Note 94/2012 (GN94) which sets out a framework for undertaking viability appraisals of this nature and the more recent Planning Policy Guidance dated May 2014 and most recently updated in September 2019.
- 1.4 In line with RICS professional guidance and standards – Financial viability in planning: conduct and reporting (May 2019) we are able to confirm:
 - We have no conflicts of interest
 - The report has been prepared by us with no contingent or performance related fee in place with the applicant
 - In preparing this report we have acted
 - with objectivity
 - impartially
 - without interference, and
 - with reference to all appropriate sources of information

Signed on behalf of Tim Claxton Property Limited



.....

**Tim D Claxton MA MRICS,
Director**

2. Development Description

Site Location and Description

- 2.1 The site is located in the Ardwick area of Manchester which is situated approximately 1.25 kms (0.8 miles) to the south-east of Manchester City Centre.
- 2.2 The site comprises a cleared rectangular piece of flat land of approximately 0.35 acres (0.1427 ha) in size. It previously accommodated the Church Inn which fronted onto Ardwick Green North and an associated dwelling house which was located to the rear of the site on the corner of Cotter Street and Nivin Street.
- 2.3 The site is not currently used having been fenced off for some years.
- 2.4 The immediate area is predominantly residential in character with small scale industrial/commercial uses in close proximity. The site is bordered to the south, east and north by public highway (Ardwick Green North, Cotter Street and Nivin Street) and to the west by a former church which now operates as a community centre. Ardwick Green is situated immediately to the south of the site.

Scheme Description

- 2.5 The proposed scheme (illustrated in Fig.1) comprises a total of 16 houses which are all 3 bedroom 2.5 storey townhouses. These are arranged in two blocks of 8 units which are back to back and identical in terms of accommodation. An area of car parking providing 16 spaces and amenity space is situated in the centre of the site between the two blocks.

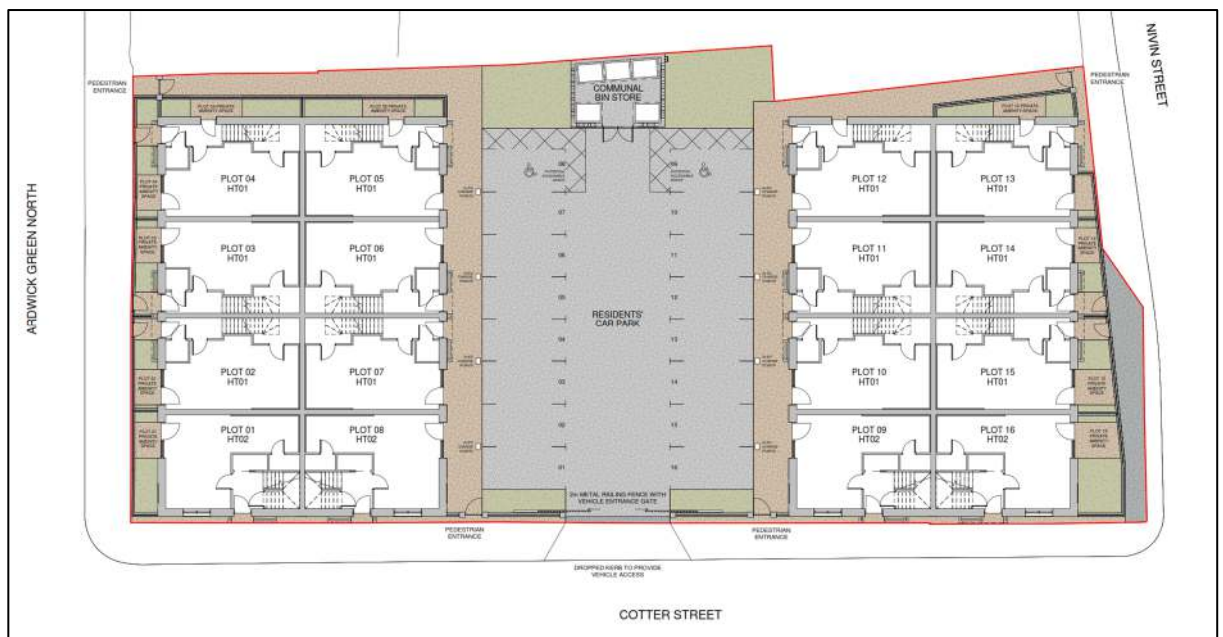


Fig 1: Scheme Plan

- 2.6 The total GIA of the scheme totals 1,658.8 sq.m (17,856 sq.ft).
- 2.7 The proposed mix of units is outlined in Tables 1 and plans of the scheme are attached at Appendix I.

Unit Type	Units	Size sq.m (sq.ft)	Total sq.m (sq.ft)
Type 1 – 3B/5P	8	103.6 (1,115)	828.7 (8,919)
Type 2 – 3B/5P	8	103.8 (1,117)	830.2 (8,936)
Total	16		1,658.9 (17,856)

Table 1: House Mix

Ownership and Proposed Transaction

- 2.8 The site is held under a number of different titles. The Church Inn (Ardwick) Limited (the Applicant) is the freeholder of the majority of the site (Title Nos GM659645; LA64770; GM620224) with a small element currently in the ownership of Manchester City Council (Title No. GM92741 with part unregistered).
- 2.9 The Applicant is in discussions with Manchester City Council concerning the acquisition of their interest.

3. Planning Policy Background

National Planning Policy Framework (NPPF)

- 3.1 The NPPF (Revised September 2021) is a national framework which forms the basis for the preparation of locally focussed development plans. Elements of the NPPF that are relevant to the assessment of scheme viability in a planning context are:

Paragraph 34 - that states that local plans *'should set-out the contributions expected from development'*.

Paragraph 57 – that states that *'planning applications that comply with [up to date policies relating to contributions] should be assumed to be viable'* and that *'It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability appraisal at the application stage'*.

- 3.2 It is clear from this revised document that although there is a presumption that all schemes are able to meet the planning obligation requirements set-out by local policy there remains a non-rigid approach to agreeing Section 106 which takes into account market conditions and the need to deliver sustainable development. Also such a presumption can only apply where policies are suitably up to date and based on up to date information.
- 3.3 In this case plan making is based on historic information with policies dating back to 2012.

Manchester City Core Strategy (2012)

- 3.4 The Manchester Core Strategy Development Plan Document which was adopted in 2012 is the principal development plan document that guides development control decision making in Manchester.
- 3.5 Manchester are in the process of preparing Part 2 of the Local Plan document which deals with specific site allocations. The subject site is not currently allocated.
- 3.6 The policies contained within the Core Strategy that are of particular relevance to this report are:

Policy H5: Central Manchester

Policy H8: Affordable Housing

Policy PA1: Developer Contributions

Policy H5: Central Manchester

- 3.7 This policy outlines that Central Manchester will accommodate 14% of new residential development over the lifetime of the Core Strategy. Priority will be given to family housing and high value and high quality development.

Policy H8: Affordable Housing

- 3.8 This policy outlines the extent and circumstances under which affordable housing will be requested. This policy is reproduced in full below:

'The following requirements for affordable housing or an equivalent financial contribution, as set out in 'Providing For Housing Choice', or any future published SPD and Planning Guidance, currently apply to all residential developments on sites of 0.3 hectares and above or where 15 or more units are proposed. These thresholds will be subject to amendment

over the lifetime of the Core Strategy to reflect changing economic circumstances. The targets and thresholds will form part of supporting SPD and/or Planning Guidance.

- 1) *New development will contribute to the City-wide target for 20% of new housing provision to be affordable. Developers are expected to use the 20% target as a starting point for calculating affordable housing provision. It is envisaged that 5% of new housing provision will be social or affordable rented and 15% will be intermediate housing, delivering affordable home ownership options.*
- 2) *The proportion of affordable housing units will reflect the type and size of the development as a whole; and where appropriate provision will be made within Section 106 agreements to amend the proportion of affordable housing in light of changed economic conditions, subject to a financial viability assessment.*
- 3) *Affordable housing units will be inclusively designed to reflect the character of development on the site.*
- 4) *Either an exemption from providing affordable housing, or a lower proportion of affordable housing, a variation in the proportions of socially rented and intermediate housing, or a lower commuted sum, may be permitted where either a financial viability assessment is conducted and demonstrates that it is viable to deliver only a proportion of the affordable housing target of 20%; or where material considerations indicate that intermediate or social rented housing would be inappropriate. In the latter case, such circumstances could include:*
 - *There is a very high level of affordable housing in the immediate area;*
 - *There is either a high proportion of social rented (35%), or low house prices in the immediate area compared to average incomes;*
 - *Affordable housing would be prejudicial to the diversification of the existing housing mix.*
 - *The inclusion of affordable housing would prejudice the achievement of other important planning or regeneration objectives which are included within existing Strategic Regeneration Frameworks, planning frameworks or other Council approved programmes;*
 - *It would financially undermine significant development proposals critical to economic growth within the City;*
 - *The financial impact of the provision of affordable housing, combined with other planning obligations would affect scheme viability;*
 - *There is a need for additional housing provision for older people or disabled people either as affordable or market housing dependent on the results of a financial viability assessment of the scheme.*
- 5) *The Council will also consider the provision of affordable housing which is delivered by taking advantage of other equity based products in addition to those options identified in PPS 3.*
- 6) *The definition used for affordable housing is set out in Annex B of PPS 3.'*

- 3.9 The provisions of this policy are clear in that the starting requirement is for 20% affordable housing and that where there are viability arguments this basic requirement can be negotiated down. In addition, a full or partial exemption may be permitted under certain circumstances linked to the general affordability of housing in the area, the current levels of affordable housing

or the impact of affordable housing on achieving the regeneration and economic growth objectives of the Council.

Policy PA1: Developer Contributions

- 3.10 This policy states that where the need arises the Council will seek developer contributions to off-set the impact of development and such requests will be in line with national policy and guidelines.

- 3.11 Critically this non-prescriptive policy states that

'In determining the nature and scale of any planning obligation, specific site conditions and other material considerations including viability, redevelopment of previously developed land or mitigation of contamination may be taken into account.'

- 3.12 It is apparent therefore that the extent of developer contributions may be impacted by the overall viability of the proposed scheme.

- 3.13 Associated documents that link into these policies and informed their content include:

Providing for Housing Choice – Supplementary Planning Document and Planning Guidance (2008)

- 3.14 This document sets out in detail the Council's Affordable Housing Strategy and sets out the rationale for the target proportion of affordable housing and tenure mix. It gives more detail in relation to how viability will be considered and sets-out a specific formula for the calculation of a commuted sum in lieu of on-site provision.

Greater Manchester Strategic Housing Market Assessment (2019)

- 3.15 The most up to date assessment of need within the Manchester Council area is the Strategic Housing Market Assessment (2019).

Prima Facie Assessment of Section 106 Requirements

- 3.16 In line with the policies outlined above and information supplied directly from the Council we have calculated the potential requirement for planning obligations as follows:

Item	Base Requirement	Comment
Affordable Housing	20% provision (on-site or commuted sum)	Subject to the provisions of Policy H8.
Developer Contributions	Unknown	Subject to the provisions of Policy PA1.

Table 2: Prima Facie Section 106 Requirements

Summary

- 3.17 In summary, under current local planning policy there is a potential requirement for developer contributions and the provision of affordable housing but that this is subject to a test of financial viability. Also, in the case of affordable housing full or partial exemptions are possible if it can be demonstrated that affordable housing is not required in the area or its imposition has a negative impact of the regeneration objectives of the Council.
- 3.18 We go on to test the potential for planning obligations when considered against a financial appraisal for the scheme.

4. Market Review

Residential

- 4.1 We have undertaken a review of the residential market concentrating on prices achieved and prospects for the type of properties proposed for open market sale within the proposed scheme which can be defined as a range of 3 bedroom terraced houses.
- 4.2 To set the prospects of new houses in this location in context we have undertaken a review of the national and regional markets before focussing on achieved prices in the immediate vicinity.

National Context

- 4.3 The Land Registry records a national increase in prices for all dwelling types of 9.5% for the year to September 2022. Values of terraced houses have demonstrated a similar increase of 9.22% over the period.
- 4.4 The Nationwide have issued their index results for the year to October 2022 and record a 7.2% increase for all properties over the previous year down from 9.5% the previous month. These figures are lower than the more dated Land Registry figures. Importantly the Nationwide has recorded a 0.9% drop in process over the month.
- 4.5 The October 2022 RICS Residential Market Survey which surveys the sentiments of estate agents throughout the UK is another up to date survey of activity and this identifies a general downward trend in sales and new buyer enquiries. Demand is negative across all parts of the UK and this is accompanied by a decline in new listings.
- 4.6 Agreed sales are as one might expect in decline and expectations remain negative over the medium and long (12 month) term.
- 4.7 House price inflation is being seen to slow although price rises in Northern Ireland and Scotland remain strong. By contrast the picture is particularly negative in the South-East and East Anglia. Expectations remain negative across the coming year.
- 4.8 By contrast the lettings market remains strong with increasing demand and a decline in properties available for letting resulting in the predominant view that rents will continue to rise.

Regional Picture

- 4.9 In North West regional terms the picture reflects the national backdrop for the year to September 2022 recording an increase of 9.14%% across all property types and 8.42% for terraced housing. The Nationwide records a higher increase for all properties at 11.3% over the 12 months to September.

Manchester Market

- 4.10 At the local level, the local authority area of Manchester has experienced growth at a higher rate than at the regional level. The Land Registry records price growth over the 12 months to September 2022 across all property types of 16.34% with terraced housing demonstrating a higher level of growth at 17.30%.
- 4.11 In general terms therefore the market for the type of property proposed appears generally robust but set against a negative economic picture that is expected to impact the Manchester market in due course meaning expected falls in prices.
- 4.12 As shown in the heatmap at Figure 2, the location is characterised by lower value properties as shown by green and blue shading with a small area of higher value properties identified to the north-west.

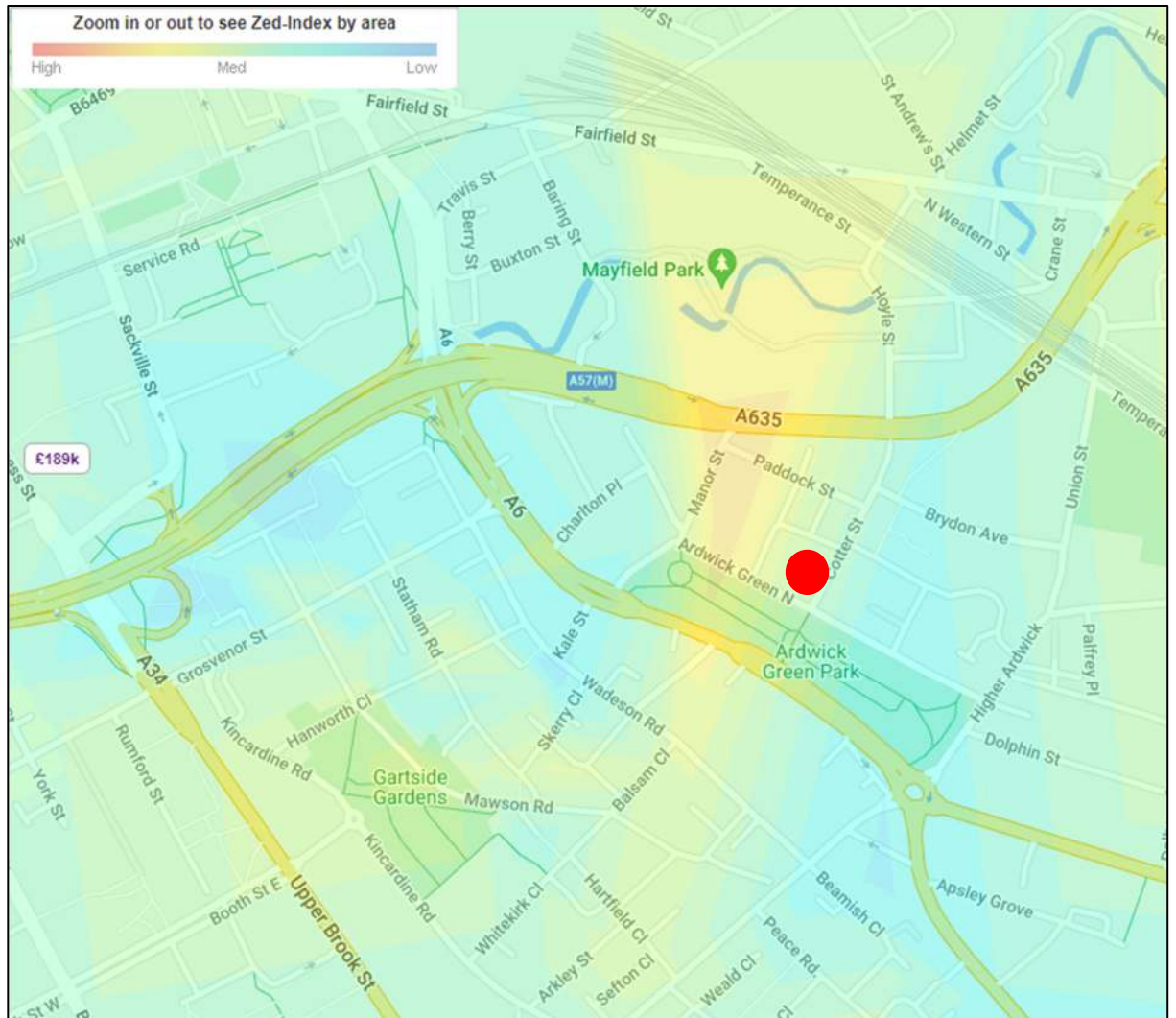


Fig 2: Ardwick Residential Heat Map
Source: PrimeLocation.co.uk

- 4.13 The site is located within the M12 6 postcode area and is close to the M13 9 area as shown at Fig.3.

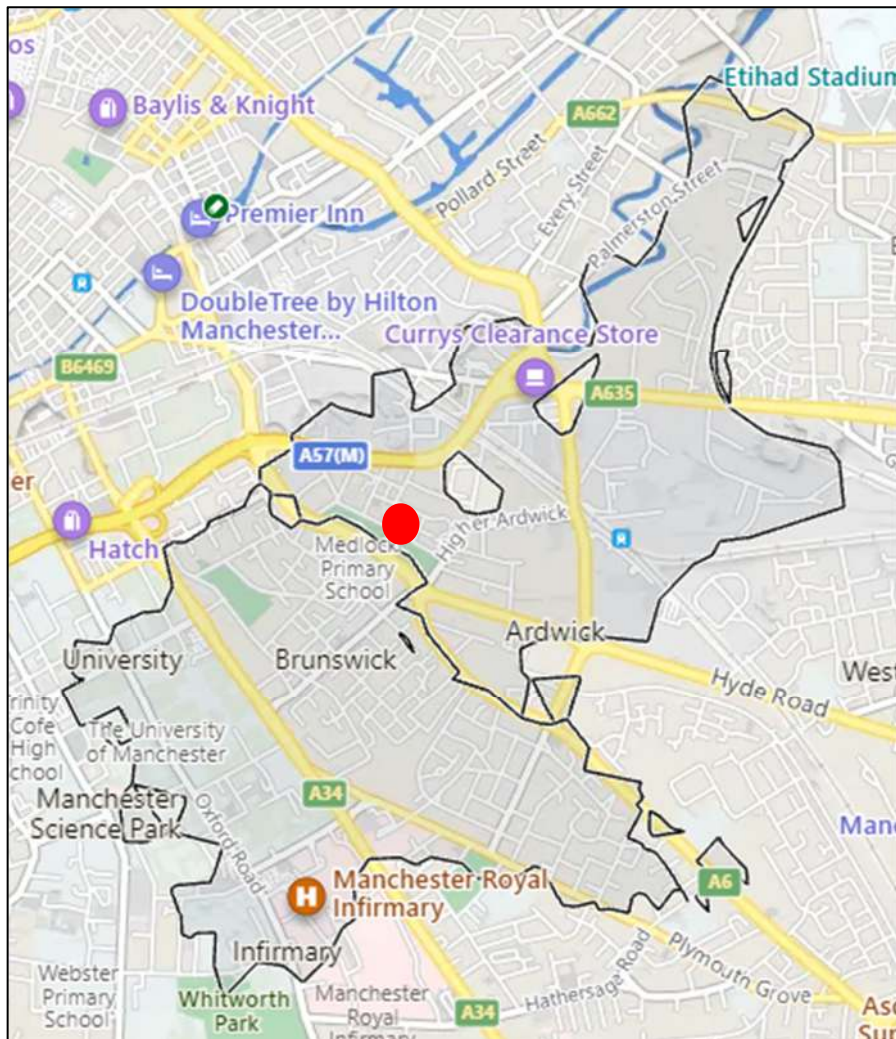


Fig 3: M12 6 and M13 9 postcode areas
Source: Bing Maps

Residential Transactions

- 4.14 We have specifically considered the market in the locality for residential properties similar to those proposed. We have considered new build evidence as a priority as this is most comparable on a like for like basis in terms of housing style and size.

New Build

- 4.15 There is relatively recent new build evidence relating to terraced properties situated 0.5 km to the south-west of the subject. These sales (see Table 3) centred around Sylvia Pankhurst Way and Peace Road average £336 per sq.ft on an inflated value basis.

NEW BUILD – TERRACED					SOLD
Address	Sales Price	Sale Date	Size (sq.ft)	Rate Per Sq.ft	Inflated Rate Per Sq.ft ¹
4 Peace Road, M13 9PA	£291,995	Aug 2021	1,141	£256	£292
26 Sylvia Pankhurst Way, M13 9NJ	£324,995	Aug 2021	1,066	£305	£347
6 Peace Road, M13 9PA	£294,995	Jun 2021	1,141	£259	£295
2 Ardeen Walk, M13 9RY	£294,995	Jun 2021	969	£305	£347
12 Sylvia Pankhurst Way, M13 9NJ	£327,995	Jun 2021	1,066	£308	£351
4 Sylvia Pankhurst Way, M13 9NJ	£327,995	Jun 2021	1,066	£308	£351
10 Ardeen Walk, M13 9RY	£294,995	Jun 2021	969	£305	£347
10 Peace Road, M13 9PA	£304,995	Jun 2021	1,141	£267	£305
10 Sylvia Pankhurst Way, M13 9NJ	£327,995	Jun 2021	1,066	£308	£351
6 Sylvia Pankhurst Way, M13 9NJ	£327,995	Jun 2021	1,066	£308	£351
8 Peace Road, M13 9PA	£294,995	May 2021	1,141	£259	£303
2 Sylvia Pankhurst Way, M13 9NJ	£332,995	Mar 2021	1,066	£312	£360
16 Sylvia Pankhurst Way, M13 9NJ	£331,995	Mar 2021	1,066	£312	£359
22 Sylvia Pankhurst Way, M13 9NJ	£327,995	Feb 2021	1,066	£308	£356
				Average	£336

Table 3: New Build Terraced House Sales

¹ - Inflated by the Land Registry HPI to the present day.

- 4.16 We consider this evidence to be very persuasive when considering the sales value of the proposed 3 bedroom units.
- 4.17 Furthermore advice received by the Applicant from Reside, a local firm of estate agents supports the view that this evidence is relevant and consider values in the range £375,000 to £390,000 per unit to be applicable.

5. Appraisal Methodology

- 5.1 As previously outlined, we have adopted the guidance and methodology that applies to assessing financial viability in the context of planning negotiations.
- 5.2 The new RICS Guidance Note 'Assessing viability under the National Planning Policy Framework 2019 for England' which becomes effective in July 2021 gives guidance as to how viability should be undertaken in the context of the NPPG.
- 5.3 Paragraph 010 of the NPPG states that:
- 'Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.'*
- 5.4 The residual valuation framework shown in Fig. 4 describes how the different elements of an FVA are pieced together.



Figure 4: Residual Valuation Framework
Source: RICS Valuation of development property

- 5.5 This Guidance Note covers how to undertake Financial Viability Appraisals (FVAs) at the plan making stage and also at the decision-making stage (ie, as part of the planning application process).
- 5.6 This FVA is submitted as part of a planning application and so the guidance as it relates to the decision-making stage is relevant.

- 5.7 The NPPG and RICS Guidance is clear that an FVA at the decision-making stage should not be necessary where an up-to-date local plan is in place.² The preparation of an FVA may be necessary if particular circumstances justify that viability issues should be considered by the local planning authority.
- 5.8 In this case the local planning authority (Manchester City Council) has an emerging local plan by virtue of the preparation of the Greater Manchester Strategic Framework but this is relatively early stages of formulation. The existing Local Plan was adopted in October 2013 and covers the period to 2027. As far as viability is concerned the plan can therefore be seen as being historic in the context of decision making today.
- 5.9 In simple terms the test is, having taken into account the appropriate costs of development and its anticipated end value, does the proposed development meet market expectations in terms of return?
- 5.10 Looking to the component parts of the development appraisal:
- Development Costs**
- 5.11 The usual costs of development that are to be included within a FVA include:
- i) Base construction costs
 - ii) Abnormal costs
 - iii) Section 106 Costs
 - iv) Contingency
 - v) Fees
 - vi) Finance
 - vii) Land Value
 - viii) Profit
- Construction Costs*
- 5.12 Build costs should be substantiated through a professional assessment of likely costs undertaken by a qualified quantity surveyor or the use of industry benchmarked cost data (such as BCIS).
- Abnormal Costs*
- 5.13 Abnormal costs of development are often the costs that push a project into being 'unviable' in terms of it not being able to generate a reasonable level of return. Equally a project may be considered 'unviable' because market conditions are such that values may not be sufficiently high to cover costs even if there are no abnormal costs.
- 5.14 The presence of significant abnormal development costs is one justification for considering site specific FVAs at the decision making stage where an up to date local plan exists.
- 5.15 It is important to recognise that abnormal costs should not necessarily reduce the Benchmark Land Value 'pound for pound' and it is clearly stated in the Guidance as follows:

² - In this context 'up-to-date' means a local plan that has been formulated under the guidance issued within the NPPG updated in 2019 which outlines how viability should be determined at local plan making stage and that subsequent use of viability evidence at decision making stage is therefore restricted.

'It is only where the premium above EUV falls below the minimum level needed for a reasonable landowner to bring forward the site for development that reducing emerging or actual policy requirements, taking into account the deliverability of the plan and all relevant circumstances, should be considered'. Para 4.4.8

- 5.16 It is clear therefore that the landowner's reasonable expectation of value limits the impact of the abnormal costs on the Benchmark Land Value.

Section 106 Costs

- 5.17 Section 106 contributions (including requirements for affordable housing) which are required as part of local planning policy.

Contingency/Fees

- 5.18 Contingency is a normal expression of risk in relation to development costs and professional fees are of course an allowable expense.

Finance

- 5.19 Finance costs should be at a rate that can be considered appropriate in terms of it being the market norm for the type and size of project being appraised.

Land Value

- 5.20 The Guidance considers in some detail an appropriate land value for inclusion within the appraisal. This guidance is covered in Section 6 of this report where the Benchmark Land Value (BLV) for this scheme is specifically considered.

Profit

- 5.21 The level of return that is permitted is outlined in the NPPG as normally being between 15% and 20%. The Guidance considers that the appropriate level of profit to be applied to a proposed scheme at decision making stage is to be assessed taking into account similar factors as at plan making stage (ie, the normal range of suitable profit should be between 15% and 20%). Profit should be at a rate that is considered to be the 'market norm' and reflective of the particular characteristics and risk profile of the project.

Values

- 5.22 Values should be based on evidence available in the open market and take into account all known site specific factors.
- 5.23 The residual appraisal should be undertaken on a basis that will allow the level of profit to be compared against the benchmark profit – which in this case is expressed as a percentage of Gross Development Value.
- 5.24 It is also best practice and a mandatory requirement of the RICS to carry-out sensitivity analysis on each of the appraisals to determine the impact on profitability of a change in the most important variables which are typical sales values and build costs but also other inputs which may have an increased chance of variability.

6. Appraisal Inputs

- 6.1 We have undertaken residual valuations of the proposed scheme using industry standard software (Argus Developer) to demonstrate the extent of viability on an Open Market Sales basis.
- 6.2 A summary of the appraisal with no additional Section 106 payments included to demonstrate that none can be afforded are attached at Appendix III and outline the viability of the scheme.
- 6.3 The inputs to the appraisal are divided between cost items and values and detail in relation to each of the inputs is outlined below:

Cost Items

Construction Cost

- 6.4 The base construction cost defined as being base build cost plus preliminaries totals £3,566,730 (£199.75 per sq.ft) and excludes externals, abnormal costs and fees.
- 6.5 This compares with the industry recognised benchmark data produced by BCIS which identifies an overall mean build cost for three storey terraced housing in the locality of £142.79 per sq.ft (upper quartile £163.41 per sq.ft).
- 6.6 With externals the overall cost on a per sq.ft basis equates to £216.94 per sq.ft.

Abnormal Costs

- 6.7 Abnormal development costs totalling £58,830 have been identified in the following areas:

Abnormal Cost Item	Cost
Facilitating Works	£58,830
Total	£58,830

Table 4: Abnormal Costs

- 6.8 This abnormal cost represents the cost that is specifically identified at this stage. The developer's contingency (see below) represents abnormal risk alongside a level of normal developer's contingency.
- 6.9 The detail of the construction cost and the identified abnormal costs are listed at Appendix II and a summary of the construction costs for the scheme as a whole is detailed in Table 5.

Item	Cost
Base build cost (inc prelims)	£3,566,730
External Works	£306,874
Abnormals	£58,830
Contingency (11.5%)	£452,230
Sub-total	£4,384,664
Fees (14.44%)	£633,339
Total	£5,018,003

Table 5: Construction Costs

Contingency

- 6.10 The contingencies in respect of the project are divided into construction contingency (at 2% of construction cost) and developers contingency (at 9.3% of construction cost).
- 6.11 The developers contingency specifically takes into account the following:
- Risk associated with unexploded ordnance
 - Risk of archeological investigation being a requirement of planning
 - Risk of contaminated ground
 - Risk of excessive foundation structures/unknown ground/basement (prior to Phase 2 Investigation and design being concluded)
 - Tight site constraints, off site welfare/ management and triple glazing fenestration/doors
 - Increased U value to envelope
 - Increased Air Tightness requirements
 - MEP systems/solar panels
 - Unknown Services/disconnections
 - Unknown electrical capacity of area not known
 - Distance of excavation /cable for electrical point of connection not known
 - Potential Party Wall agreements and Right to Light Agreements
 - Structural monitoring of neighbouring property requirements.

Fees

- 6.12 Professional and other fees across the whole site total £633,339 which represents 14.44% of the base build plus external works, abnormalities and contingency. In addition to fees directly related to the construction itself, this item includes all lending fees, fees related to the brownfield land grant, and all associated legal fees.

Finance

- 6.13 A finance rate of 4.5% which is confirmed as being appropriate in this case.

Section 278

- 6.14 Section 278 works at a cost of £10,000 has been applied.

Construction Warranty

- 6.15 A construction warranty in the sum of £1,200 per unit has been applied.

Marketing

- 6.16 A figure based on £3,500 per unit has been adopted for marketing with 0.7% for sales agents fees and £500 per unit for sales legal fees.

Profit Level Benchmark

- 6.17 The benchmark profit level is set at 20% on GDV assuming for the Open Market Sales
- 6.18 The viability of the scheme will be judged by the ability for the scheme to meet this target rate.

Land Input Value

- 6.19 In order to successfully assess the financial viability of the scheme one needs to take into account the underlying value of the land on which the development is to be constructed (ie the Benchmark Land Value or BLV). Whether or not the land is already in the ownership of the applicant, adequate allowance should be made for the acquisition price or notional acquisition price when identifying the true costs of the development.

The Guidance

- 6.20 The RICS Guidance which uses the NPPG as its base reference point states that the BLV
‘will usually be based on the Existing Use Value (EUV) plus a premium (EUV+) but may sometimes be based on the Alternative Use Value (AUV) excluding the premium where appropriate.’ (para 5.1.3)
- 6.21 Importantly the BLV should not be expected to be the same as market value and therefore is not necessarily the price paid for a site in the open market. Rather the BLV
‘should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell.’ (para 5.1.3)
- 6.22 The guidance is clear that establishing the BLV requires a review of five component elements as follows:
- a) EUV (Step 1)
 - b) Premium (Step 3)
 - c) AUV (where the EUV+ is not appropriate) (Step 2)
 - d) The policy compliant site value assessed by the residual method of valuation (Step 4)
 - e) The policy compliant site value assessed by the comparison method of valuation (Step 5)
- 6.23 The assessment of the EUV and the Premium is the principal method of determining the BLV. This is replaced by an assessment of the AUV in cases where there is strong case that a higher value would result from either a) the undertaking of development works within the parameters of the existing use or, b) a planning permission that would be reasonably considered to be achievable, or from an extant permission.
- 6.24 The valuation of the site assuming full policy compliance on both the residual valuation basis and the comparison method of valuation is used as a cross check. It is clearly stated that the assessment of the EUV the Premium and the AUV relies on the professional skill of the valuer to reach a reasoned conclusion. As the policy compliant assessments are designed as a cross check they are to all intents and purposes part of the evidence base used for determining a suitable BLV.
- 6.25 However, at the heart of the assessment process is the central tenet that the BLV
‘should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell.’ (para 5.1.3)
- 6.26 On this basis the BLV has to equate to a landowner’s reasonable expectation of value under all the circumstances and not be unduly driven by the cross-check methodologies.

The Subject Site

- 6.27 In this case the site is a 0.35 acre cleared site which formerly accommodated a public house, associated pub garden and single dwelling house.
- 6.28 In terms of its planning status the site is unallocated in the Manchester Local Plan but has an expired planning permission granted in 2014 for a three storey building accommodating 20 apartments with Basement car parking (Ref: 098937/FO/2012/N2).

Existing Use Value (Step 1)

- 6.29 The EUV in this case is based on the site’s apparent existing use as a cleared site. Anything other than this would require works and would therefore be defined as an Alternative Use.

6.30 A value of £100,000 per acre has been adopted suggesting an Existing Use Value of £35,000.

6.31 It is therefore reasonable to apply an Existing Use Value of £0.035 million.

Premium (Step 3)

6.32 As we are applying the AUV in this case consideration of the Premium is not relevant.

Alternative Use Value (Step 2)

6.33 Alternative Use Value would apply for a use which already has planning permission or for which planning would clearly be given. Given the nature of the site and its planning history we consider that the chances of achieving planning for a residential scheme similar to that proposed is very high. Accordingly we believe it is appropriate to apply the AUV.

6.34 We consider that the AUV in this case, that would need to be policy compliant, to be in the region of [£800,000].

Policy Compliant Residual Valuation (Step 4)

6.35 In this case a policy compliant residual valuation is effectively the same as the AUV assessment above.

Comparable Analysis Adjusted as Required to Reflect Full Policy Compliance (Step 5)

6.36 To cross check the suggested BLV an assessment of residential land sales suitably adjusted to reflect fully the planning requirements currently in force is recommended.

6.37 In this case such analysis is difficult given

a) the lack of sites in the area on which to undertake the analysis and

b) the historic settlements which did not typically impose any affordable housing on private sector schemes in the Central Manchester area.

6.38 In conclusion we consider the AUV of the site to be in the region of £0.8 million. As no Premium is applicable the BLV that is applied is £0.8 million.

Values

6.39 We have considered the value generated by the scheme on an Open Market Sales Basis – the value of 16no. completed units on the open market.

Unit Type	Units	Price Per Unit	Total
Type 1 – 3B/5P (1,115 sq.ft)	8	£390,000	£3,120,000
Type 2 – 3B/5P (1,117 sq.ft)	8	£390,000	£3,120,000
Total	16		£6,240,000

Table 6: Residential Pricing

6.40 The sales rate for the open market units is £349 per sq.ft with prices of £390,000 applicable for each unit.

Brownfield Land Grant

6.41 The sum of £316,000 in Brownfield Land Grant is being committed to the scheme.

Timings

- 6.42 The appraisal has been undertaken on the basis that from the date of this report (December 2022) there will be a period of 2 months to complete site acquisition and then a period of 5 months before a start on site (July 2023) followed by a 12 month construction period (June 2024).
- 6.43 It is assumed that all units will be sold by August 2024.
- 6.44 The viability of the application scheme is outlined in Section 7.

7. Results of the Appraisals & Conclusions

- 7.1 The viability of the scheme has been assessed on an Open Market Sales basis
- 7.2 The result of the appraisal (which is attached at Appendix III) assuming no S.106 payments is outlined below.

Scheme	Profit on GDV	Compared to Benchmark Profit (@ 20%)
Scheme with no Section 106	7.05%	12.95%

Table 7: Appraisal Result with No Affordable Housing/Section 106 Payment

- 7.3 This clearly demonstrates that the scheme is unable to afford any planning obligations if the benchmark return of 20% on GDV is to be achieved.

Sensitivity Analysis

- 7.4 The nature of residual appraisals are such that they are materially impacted by changes in one or more variables. We have therefore considered changes to the key variables, namely;
- Build Costs – Base Build
 - Residential Open Market Sales Values

- 7.5 The results of the analysis for the appraisal is as follows:

		Build Costs		
		-10%	0%	+10%
Sales Values	-10%	4.97%	-3.32%	-11.62%
	0%	14.52%	7.05%	-0.41%
	+10%	22.30%	15.54%	8.75%

Table 8: Sensitivity Analysis No Affordable Housing/Section 106 Payment

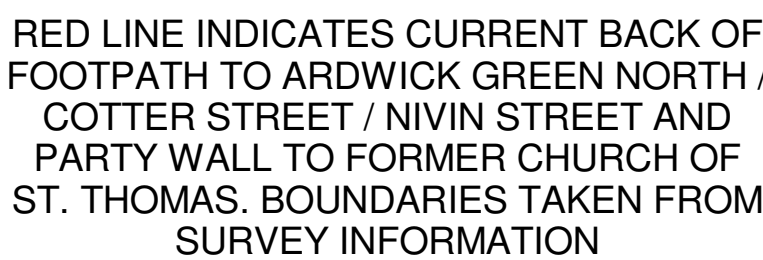
- 7.6 This analysis demonstrates that for the benchmark return of 20% on GDV to be exceeded there would need to be a material increase in sales values and reduction in build costs.

Conclusion

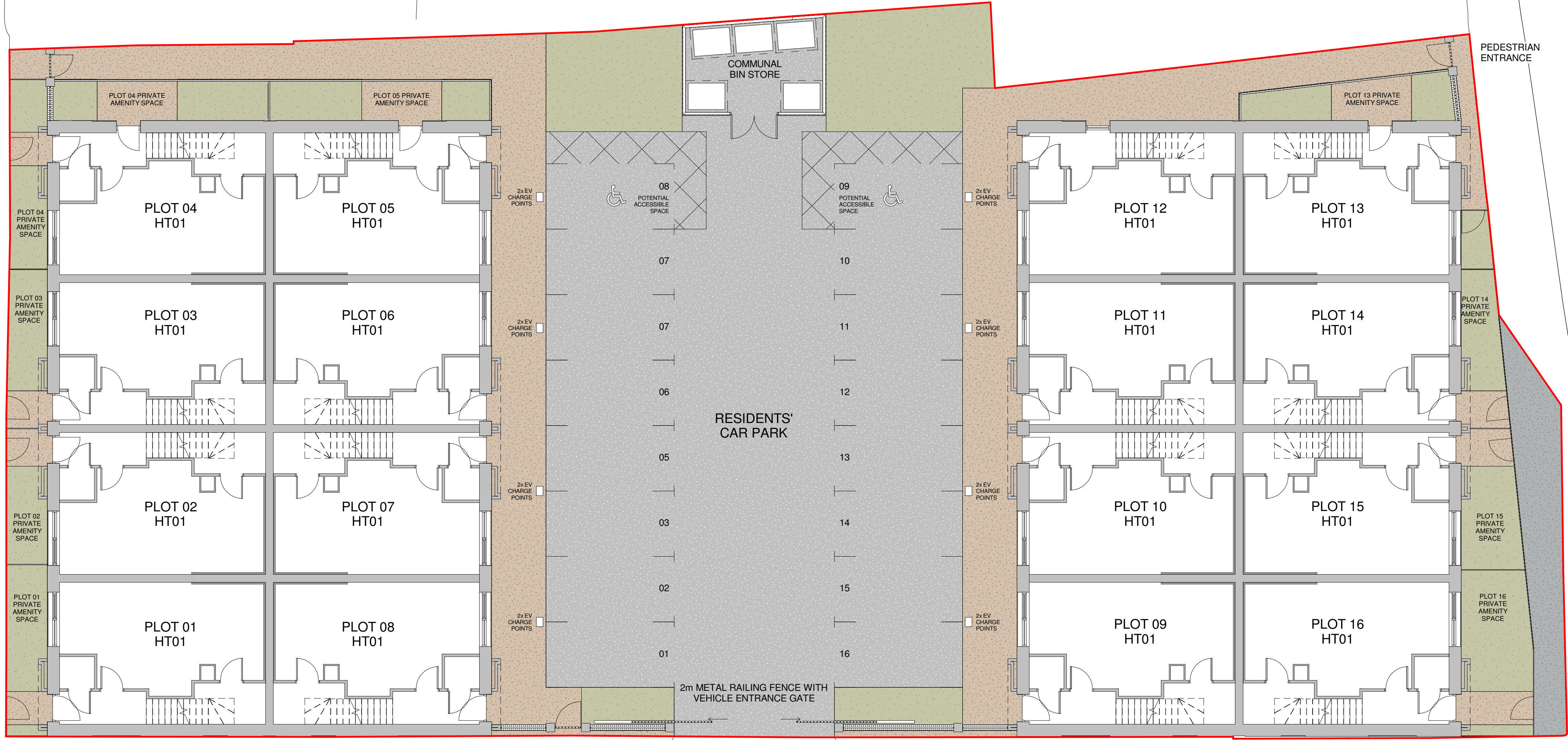
- 7.7 In conclusion, this analysis demonstrates that on an open market basis the proposed scheme cannot meet an acceptable level of developer return even where Section 106 contributions are not included within the figures. On this basis the mitigation of Section 106 payments is justified.

Appendix I – Scheme Plans

FOR ELECTRONIC DATA ISSUE
Electronic Data / drawings are issued as "read only" and should not be interrogated for measurement. All dimensions and levels should read, only from those values stated on the drawing. Coda Studios Ltd is not responsible for discrepancies caused by the overlay of other parties BIM/IFC models. These are overlaid purely as reference.



Project	Originator:	Volume:	Level:	Type:	Role:	Number:	Revision:
---------	-------------	---------	--------	-------	-------	---------	-----------



ARDWICK GREEN NORTH

NIVIN STREET



Proposed Site Layout - Roof Level
1 : 100

INDICATIVE BAT/BIRD BOX LOCATIONS.
REQUIREMENT AND LOCATIONS TBC BY
SPECIALIST CONSULTANT

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Revision		Date	Drawn	Checked
A	Boundary treatments updated / Pedestrian entrance gate removed / Bin store updated to timber store, as per client comments	09/11/22	RM	JH
B	Site layout amended as entrances to Cotter Street removed	22/11/22	RM	JH
C	Areas added for future provision of PV panel	24/11/22	RM	JH
D	Car park layout amended to suit vehicle tracking. Plot 12 side entrance removed to DIS comments	28/11/22	RM	JH
E	Indicative bat/bird box locations added	30/11/22	RM	JH

CODA
Architecture

CODA Studios Ltd, 70-71 Cornish Place, Cornish St, Sheffield, S6 3AF
T: 0114 279 6003 E: information@codastudios.co.uk

Client
STEP PLACES

Project
ARDWICK

Drawn	Checked	Date	Scale @ A1
RM	JH	03/11/22	1 : 100

Title
PROPOSED SITE LAYOUT - ROOF LEVEL

Suitability Code
S1

Purpose for issue
COORDINATION

Drawing No
2565 - CDA - 00 - RF - DR - A - 0503 E

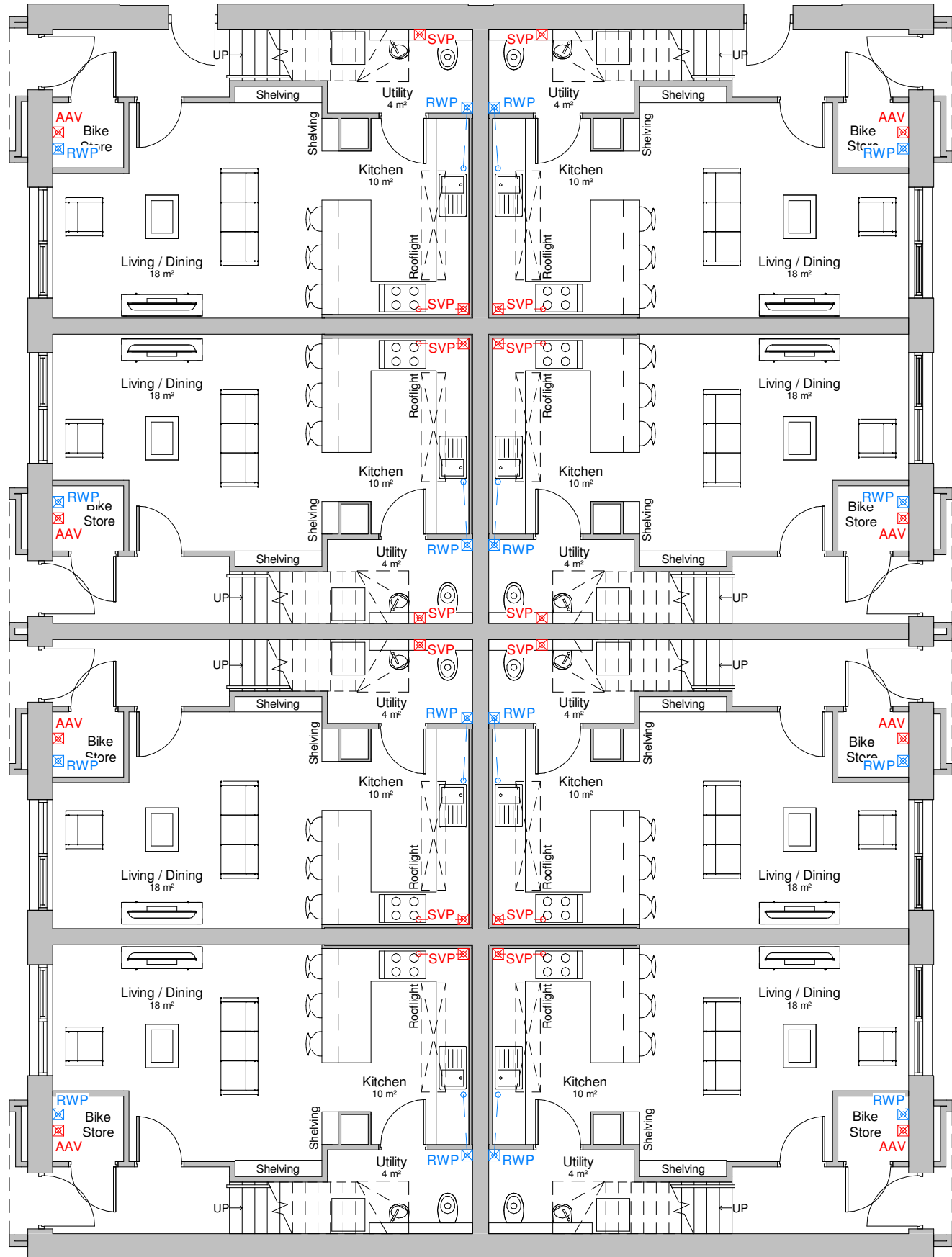
Project	Originator	Volume	Level	Type	Role	Number	Revision
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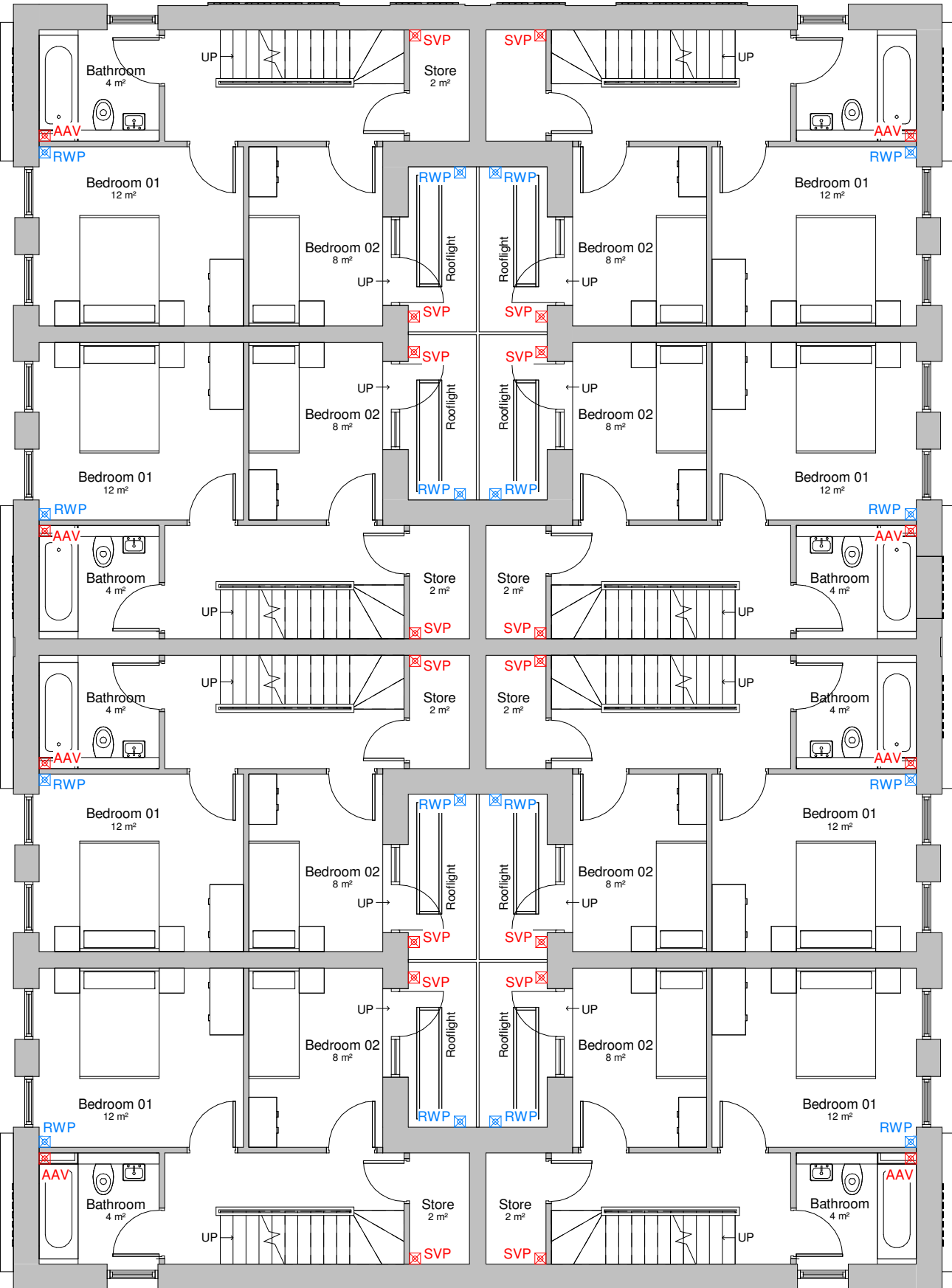
DO NOT SCALE FROM THIS DRAWING
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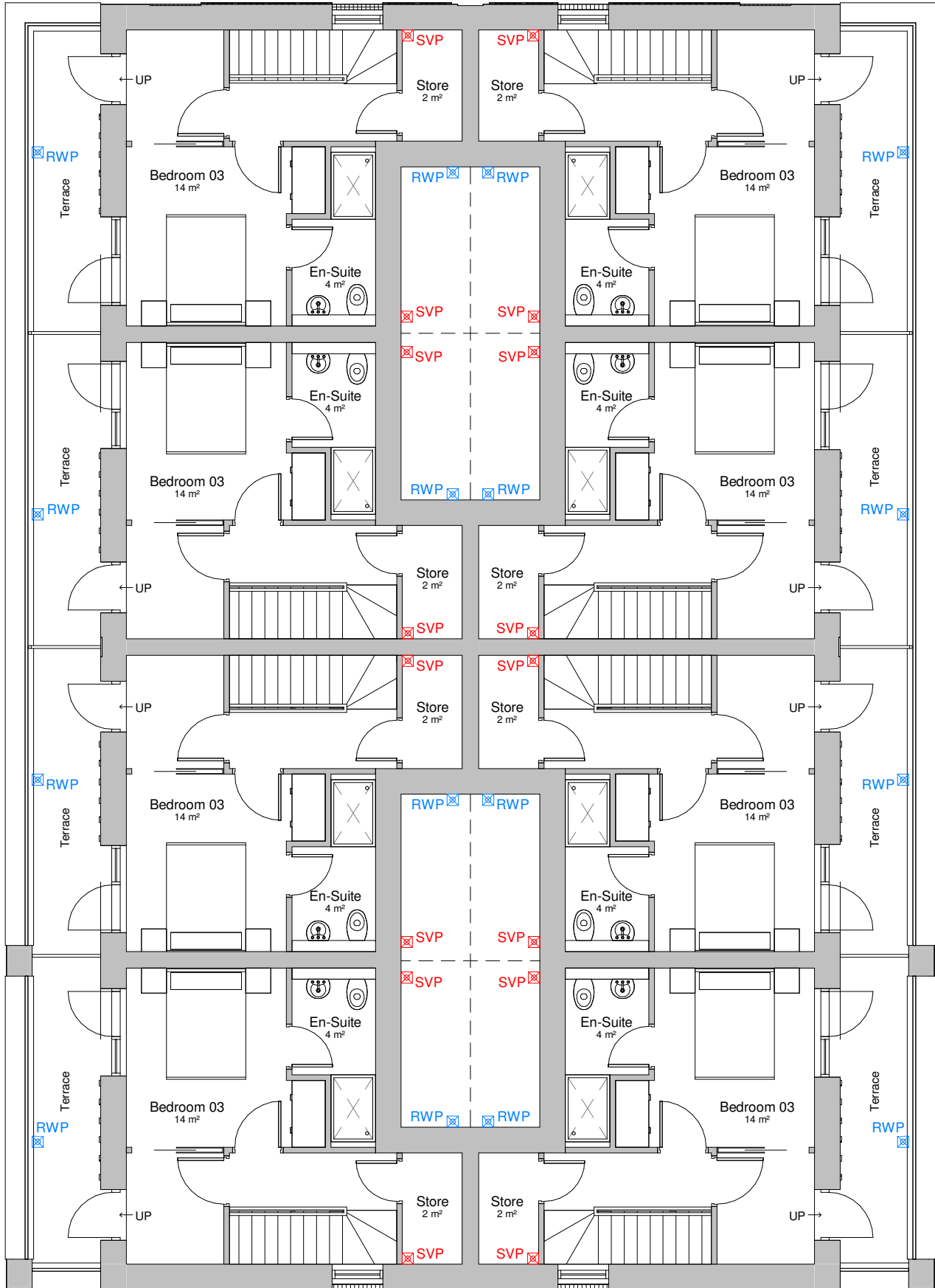
Revision		Date	Drawn	Checked
A	Amendments made to floor plans and SVP/RWPs added	20/10/22	RM	JH
B	SVP Locations amended and Roof Plan added	24/10/22	RM	JH
C	Internal amendments made to client and SE comments	09/11/22	RM	JH
D	Floor plans updated to revised scheme, as per client's comments	15/11/22	RM	JH
E	Further design amendments to client comments	17/11/22	RM	JH
F	Areas added for future provision of PV panel	24/11/22	RM	JH



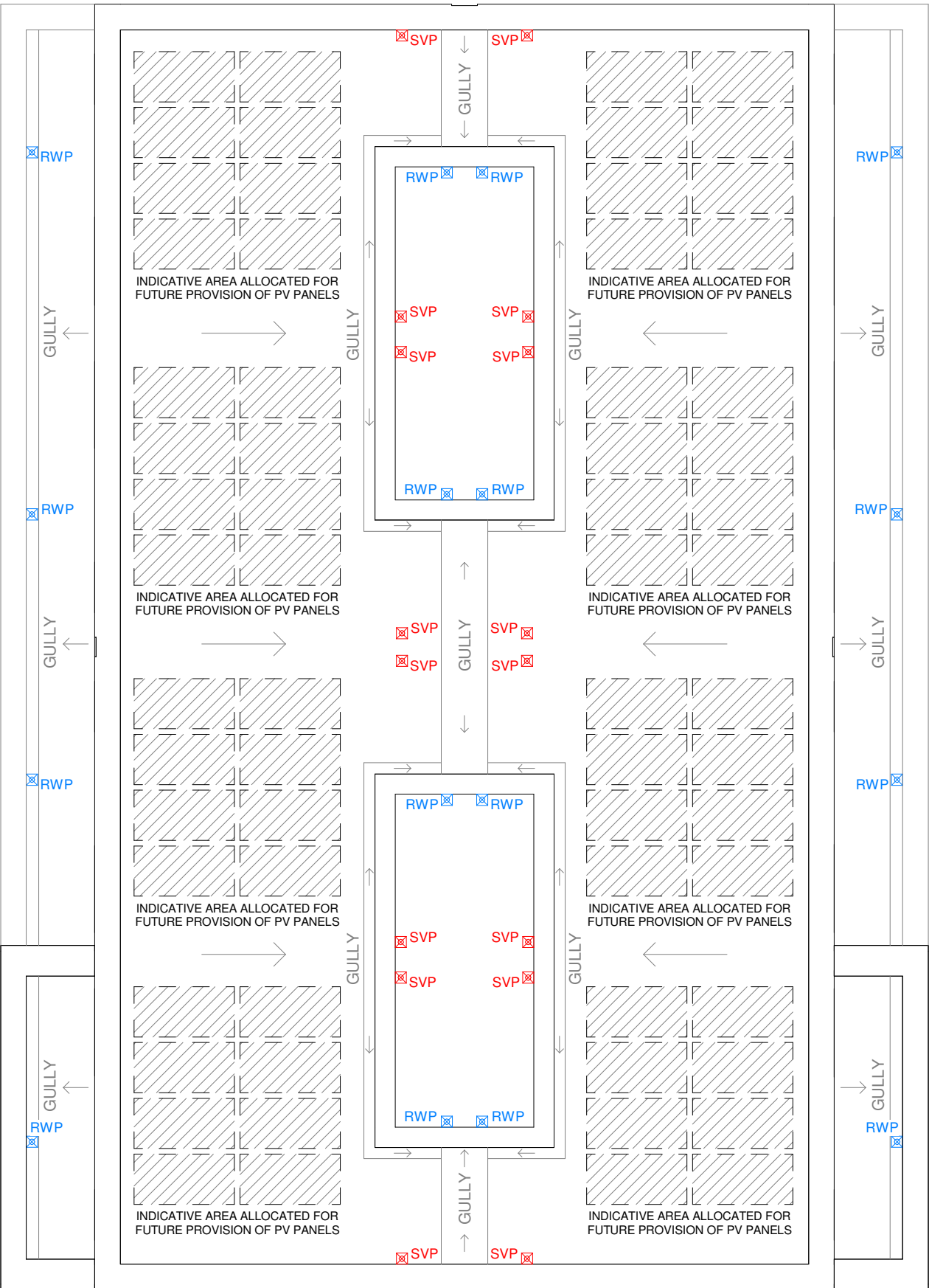
Ground Floor Plan
1 : 100



First Floor Plan
1 : 100



Second Floor Plan
1 : 100



Roof Level Plan
1 : 100

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Architecture

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Client

STEP PLACES

Project

ARDWICK

Drawn	Checked	Date	Scale @ A1
RM	JH	19/10/22	1 : 100

Title

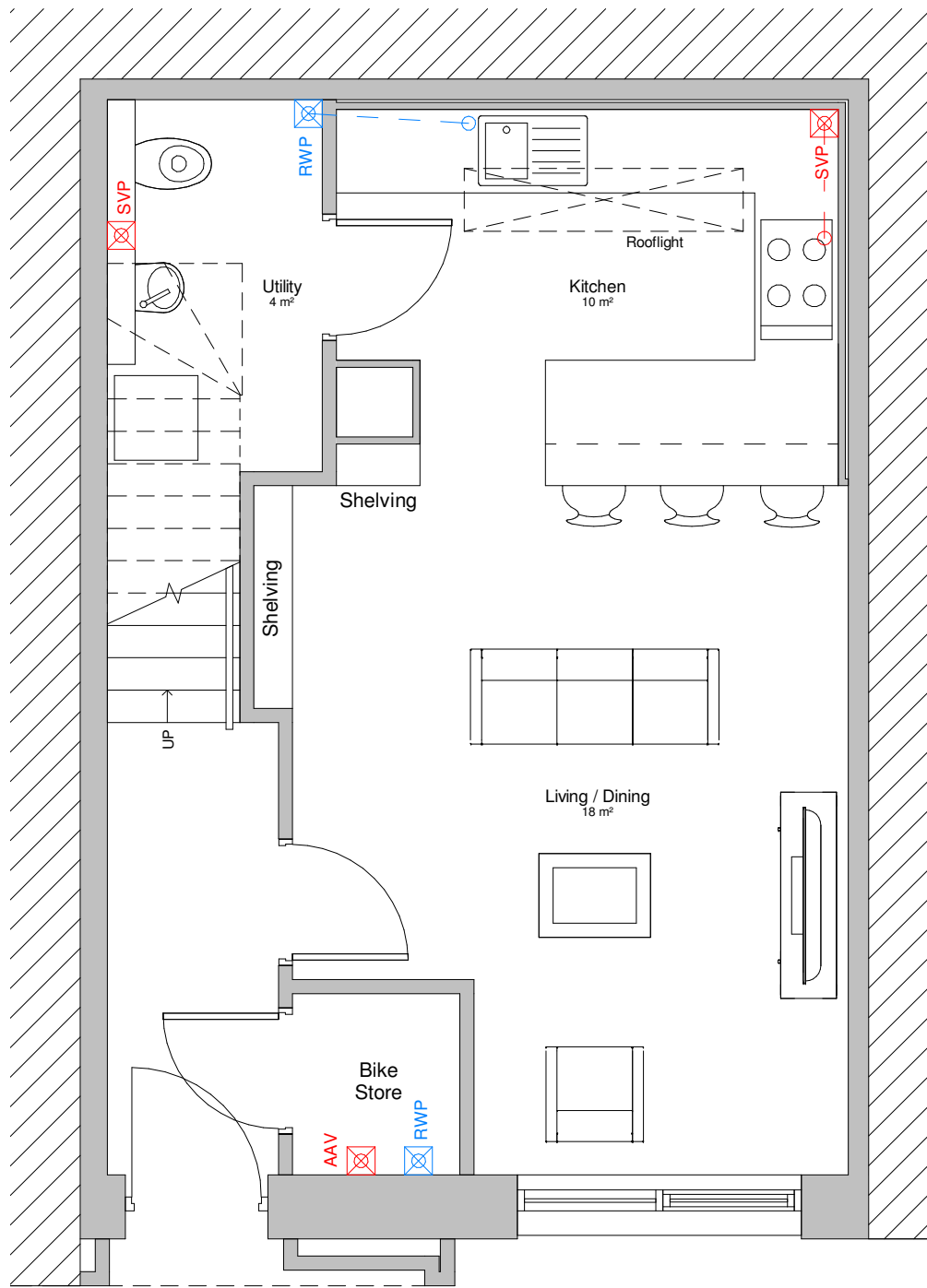
PROPOSED FLOOR PLANS

Suitability Code	Purpose for issue
	COORDINATION

Drawing No

2565	-	CDA	-	01	-	XX	-	DR	-	A	-	0600		F
Project		Originator		Volume		Level		Type		Role		Number		Revision

Revision		Date	Drawn	Checked
A	Internal amendments made to client and SE comments	09/11/22	RM	JH
B	HT02 removed and HT01 updated to client comments	22/11/22	RM	JH
C	Areas added for future provision of PV panel	24/11/22	RM	JH
D	Areas added to floor plans	29/11/22	RM	JH

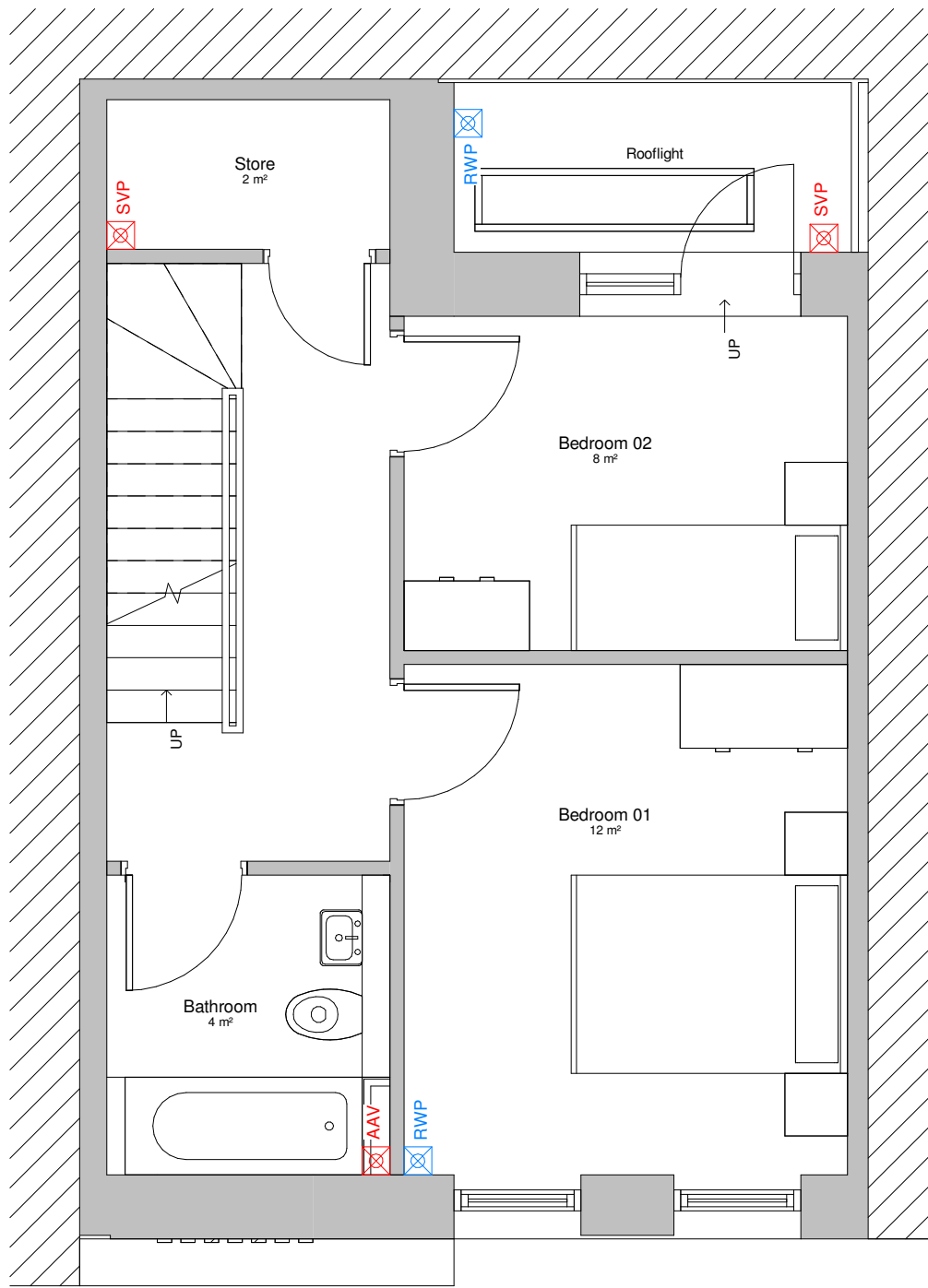


HT01 - Typical Ground Floor Plan

1 : 50

GROUND FLOOR INTERNAL AREA: 41.0m² (441ft²)
TOTAL INTERNAL FLOOR AREA: 103.8m² (1117ft²)

NOTE: INTERNAL DIMENSIONS OF HT01 PLOTS VARY SLIGHTLY TO COORDINATE WITH OVERALL BRICKWORK DIMENSIONS

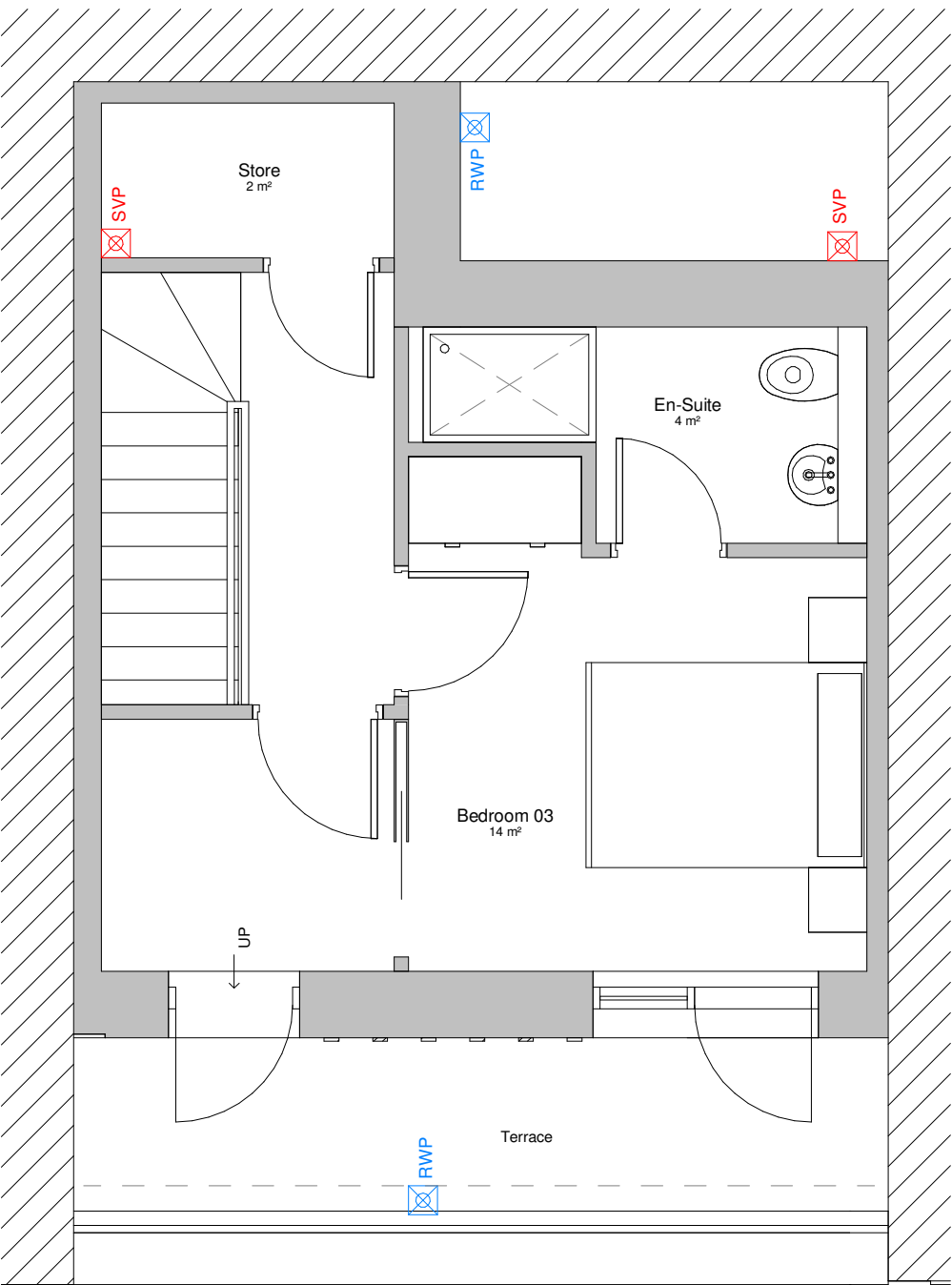


HT01 - Typical First Floor Plan

1 : 50

FIRST FLOOR INTERNAL AREA: 41.0m² (441ft²)
TOTAL INTERNAL FLOOR AREA: 103.8m² (1117ft²)

FIRST FLOOR EXTERNAL AREA: 3.6m² (39ft²)
TOTAL EXTERNAL AREA: 10.4m² (112ft²)

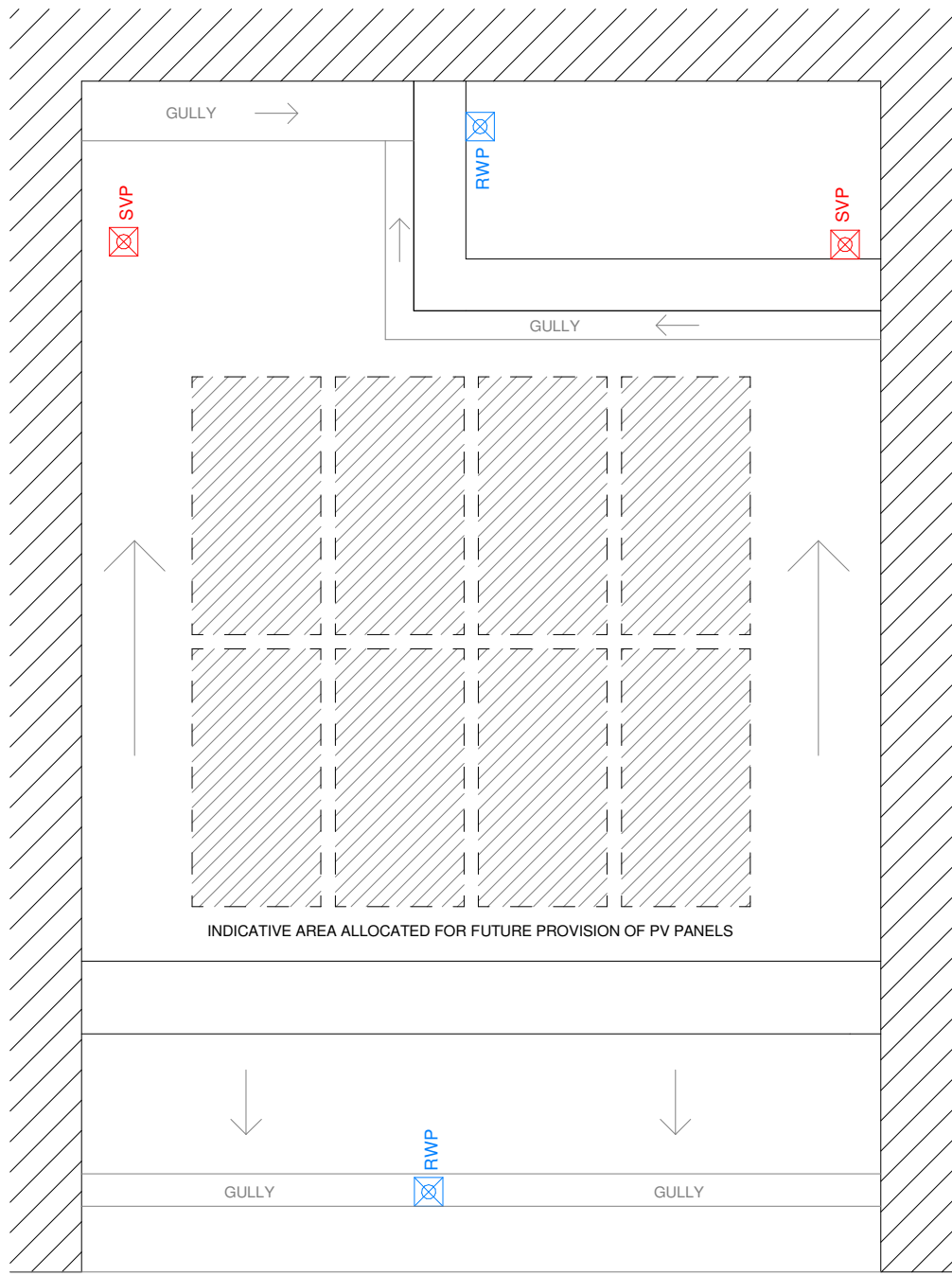


HT01 - Typical Second Floor Plan

1 : 50

SECOND FLOOR INTERNAL AREA: 26.9m² (290ft²)
TOTAL INTERNAL FLOOR AREA: 103.8m² (1117ft²)

FIRST FLOOR EXTERNAL AREA: 6.8m² (73ft²)
TOTAL EXTERNAL AREA: 10.4m² (112ft²)



HT01 - Typical Roof Plan

1 : 50

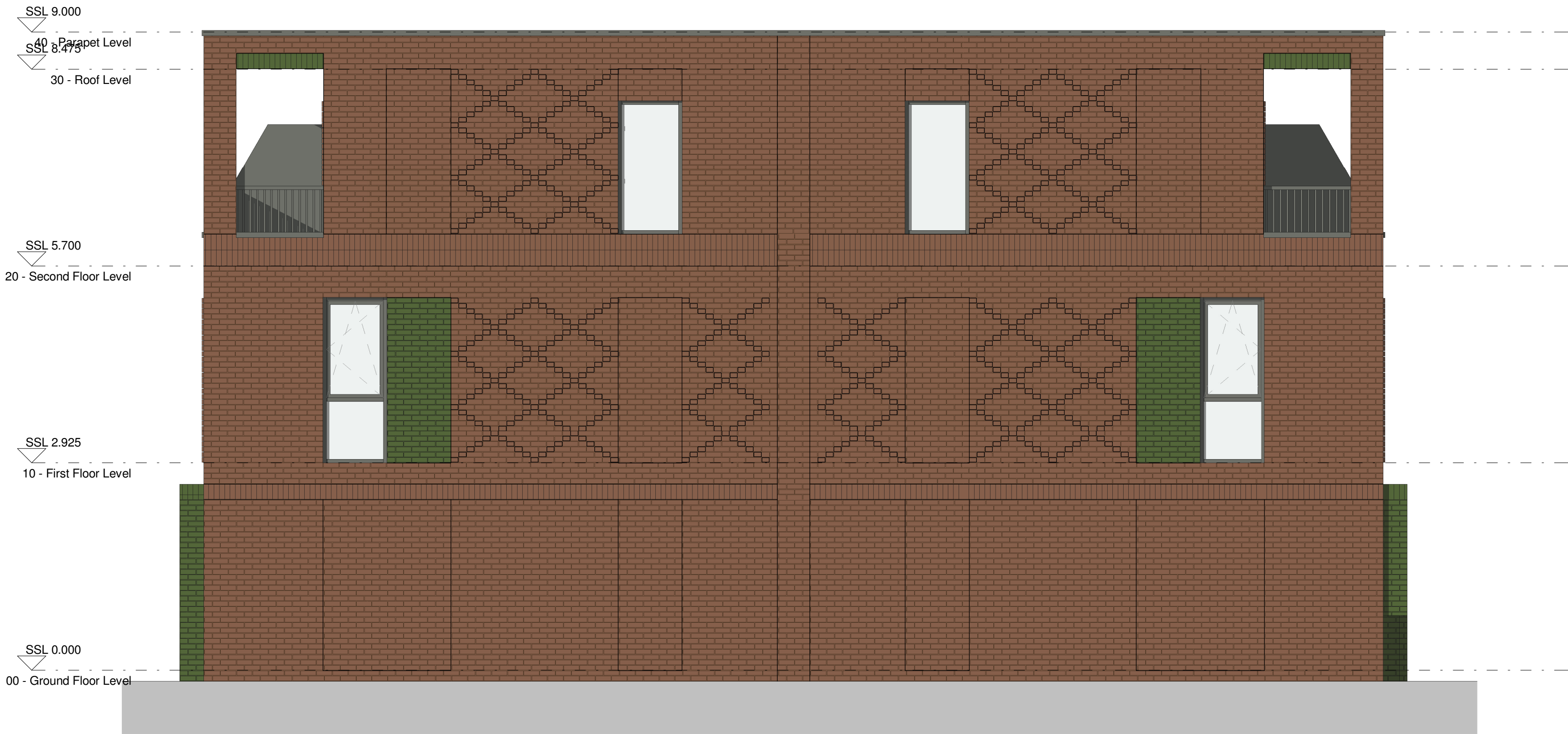
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Revision		Date	Drawn	Checked
A	Window openings added and glazed panel to ground floor relocated	20/10/22	RM	JH
B	East Elevation window sill amended. Elevation titles updated	03/11/22	RM	JH
C	Second floor windows amended to client comments. Vertical recessed brickwork panel added to North/South elevations	09/11/22	RM	JH
D	Elevations updated to revised scheme, as per client's comments	16/11/22	RM	JH
E	Further design amendments to client comments	17/11/22	RM	JH
F	Second floor windows and gable elevation detailing updated	18/11/22	RM	JH
G	Window and door RAL colour updated	23/11/22	RM	JH



South Elevation
1 : 50



East Elevation
1 : 50

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Client				
STEP PLACES				
Project				
DRAWING				
Drawn	Checked	Date	Scale @ A1	
RM	JH	19/10/22	1 : 50	
Title				
PROPOSED ELEVATIONS - SHEET 01				
Suitability Code	Purpose for issue			
S1	COORDINATION			
Drawing No				
2565	-	CDA	-	01 - XX - DR - A - 0700
Project	Originator	Volume	Level	Type
				Role
				Number
				Revision

DO NOT SCALE FROM THIS DRAWING
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Revision		Date	Drawn	Checked
A	Window coverings added and glazed panel to ground floor relocated	20/10/22	RM	JH
B	Elevation titles updated	03/11/22	RM	JH
C	Second floor windows amended to client comments. Vertical recessed brickwork panel added to North/South elevations	09/11/22	RM	JH
D	Elevations updated to revised scheme, as per client's comments	16/11/22	RM	JH
E	Further design amendments to client comments	17/11/22	RM	JH
F	Second floor windows and gable elevation detailing updated	18/11/22	RM	JH
G	Window and door RAL colour updated	23/11/22	RM	JH

Revision	Date	Drawn	Checked
A	Window openings added and glazed panel to ground floor relocated	20/10/22	RM JH
B	Elevation lifts updated	03/11/22	RM JH
C	Second floor windows updated to client comments. Vertical recessed brickwork panel added to North/South elevations	09/11/22	RM JH
D	Elevations updated to revised scheme, as per client's comments	16/11/22	RM JH
E	Further design amendments to client comments	17/11/22	RM JH
F	Second floor windows and gable elevation detailing updated	18/11/22	RM JH
G	Window and door RAL colour updated	23/11/22	RM JH



Appendix II – MAC Construction Consultants Cost Plan

Step Places

Church Inn Ardwick Green

Stage: Feasibility Estimate

Date: 18 November 2022
Job Reference: CMN33006
Rev: 2

File Reference: [https://macostconsulting-my.sharepoint.com/personal/matthewgrimes_macconsultingltd_com/Documents/221118 Ardwick Green Feasibility Cost Estimate.xlsx](https://macostconsulting-my.sharepoint.com/personal/matthewgrimes_macconsultingltd_com/Documents/221118%20Ardwick%20Green%20Feasibility%20Cost%20Estimate.xlsx)

Matthew Grimes
Graduate Cost Manager

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m: 07507 629162



Step Places - Church Inn Ardwick Green

Executive Summary

18 November 2022

PROJECT SUMMARY:

Rev. 2 cost estimate for 16 new build 3 storey terraced townhouses, each with a small amenity space. The townhouses are split into two blocks with 8 townhouses in each. The centre of the site comprises of car park and other associated external works and incoming statutory services.

Constituent	Feasibility Estimate	£/m ² (GIA)	£/ft ² (GIA)
A Building Works Estimate	£3,192,476.06	£1,640.53	£152.41
9 Main Contractors Preliminaries Estimate	£478,871.41	£246.08	£22.86
B Sub Total (A+9)	£3,671,347.47	£1,886.61	£175.27
10 Main Contractors Overheads & Profit Estimate	£256,994.32	£132.06	£12.27
C Works Cost Estimate (10+B)	£3,928,341.80	£2,018.68	£187.54
11 Project/Design Team Fees Estimate	£0.00	£0.00	£0.00
D Sub Total (11+C)	£3,928,341.80	£2,018.68	£187.54
12 Other Development/Project Costs Estimate	£0.00	£0.00	£0.00
E Base Cost Estimate (12+D)	£3,928,341.80	£2,018.68	£187.54
13A Construction Risk	£78,566.84	£40.37	£3.75
F Cost Limit (excluding inflation) (13A+E)	£4,006,908.63	£2,059.05	£191.29
13B Risk Allowances	£373,192.47	£191.77	£17.82
G Cost Limit (excluding inflation) (13B+F)	£4,380,101.10	£2,250.82	£209.11
14 Inflation Estimate	£0.00	£0.00	£0.00
H Cost Limit (including inflation) (14+G)	£4,390,000.00	£2,250.82	£209.58

Commentary

Feasibility Estimate produced for Step Places on the Ardwick Green Townhouse Residential scheme.

1) The project currently sits at RIBA stage 1. Indicative unit areas have been provided and two types of townhouse layouts have been incorporated into the scheme.

2) The construction period at this stage is assumed at 52 weeks due to site logistics and works split across two separate blocks.

3) The risk percentage is currently set at 11.5%, however, this is subject to potential reduction following further survey information and design development. Please note that no specific allowance has been for implications surrounding conflicts across Europe.

Key Exclusions

- Ground contamination
- Loose FF&E, or client directs
- Service diversions or statutory upgrades
- Development & Project Costs
- Inflation
- VAT - guidance should be sought
- s106/278 works
- Capital allowances (to be explored), CIL, or the like
- Ongoing or future effects of Covid 19
- BREEAM or similar
- Ongoing future effects of European conflicts
- Asbestos removal or remediation above current allowance made in absence of full asbestos survey
- Site requires no cut/fill
- Floor finishes

Key Assumptions - Additional detail in elemental tabs

- 12 month construction period
- Works will be carried out in one uninterrupted site visit
- Prelims included at 15% of building works estimate
- OH&P included at 7%
- Construction risk allowance 2%
- Risk allowance 9.5%
- Deep strip foundations
- Timber framing system
- Full brick façade
- Ground floor height 2.5m
- 1st and 2nd floor height 2.4m
- M&E Allowance at this Stage
- Incoming services allowance at this Stage

Summary

Building Function	Houses
GIA (m²)	1,946
Car Park Spaces	16
Programme (wks.)	52
RIBA Stage	1

Step Places - Church Inn Ardwick Green

Summary

18 November 2022

		Feasibility Estimate		£/m² (GIFA)		£/ft² (GIFA)		Notes
Buildings Work Estimate								
0	Facilitating works							
0.1	Facilitating works	£	44,484.38		22.86	£	2.12	Includes allowance for general site clearance. Includes EO for hazardous and non-hazardous waste removal.
1	Substructure							
1.1	Substructure	£	216,040.00	£	111.02	£	10.31	Includes deep strip concrete foundations. Ground bearing concrete beam and block slab with insulation, vapour barrier and screed finish. Includes associated sub-slab drainage.
2	Superstructure							
2.1	Frame	£	317,510.00	£	163.16	£	15.16	Timber framing system; includes uninsulated open panel external walls, internal walls, party walls floor joists and decking and roof structures.
2.2	Upper floors	£	-	£	-	£	-	Included in framing system.
2.3	Roof	£	201,380.00	£	103.48	£	9.61	Roof structure included in frame. Allowance for Roof coverings, non-structural screeds, thermal insulation and surface treatments. Rooflights to 1st floor.
2.4	Stairs and ramps	£	130,240.00	£	66.93	£	6.22	Includes timber stairs and landings. Assumed no stair to roof. Carpet finishes and timber handrails.
2.5	External walls	£	735,305.00	£	377.85	£	35.10	Includes brick facing façade with 25% allowed for detailing. Includes green brick/tile. Allowance for lightwell brick work included. Includes 0.5m high parapet and allowance for louvres.
2.6	Windows and external doors	£	297,400.00	£	152.83	£	14.20	Includes allowance for velfac or similar windows. Allows for fire rated composite entrance doors, side entrance doors and glazed doors to ground floor and balcony doors.
2.7	Internal walls and partitions	£	77,100.00	£	39.62	£	3.68	Allowed for 2.7m high internal walls boarded both sides; further detail pending spec. Includes increased allowance for acoustic and fire allowances; details tbc. Plasterboard and insulation allowed to inner face of external wall.
2.8	Internal doors	£	104,600.00	£	53.75	£	4.99	Assumed standard softwood with softwood architrave and aluminium ironmongery
3	Internal Finishes							
3.1	Wall finishes	£	42,530.69	£	21.86	£	2.03	Includes 3 coats vinyl matt emulsion in brilliant white with allowance for feature colours to WC, utility, bedroom, store and kitchen. Allowance made for 16nr kitchen splashbacks. Includes tiling to 3 side of bath in bathrooms, recess and tiling to vanity units with paint above.
3.2	Floor finishes	£	14,976.00	£	7.70	£	0.71	Allowance for floor finishes to townhouse entrance, wc's, utilities and kitchens.

3.3	Ceiling finishes	£	13,120.00	£	6.74	£	0.63	Allowance for 12.5mm plasterboard with painted finish
4	Fittings, Furnishings and Equipment (FF&E)							
4.1	FF&E	£	186,800.00	£	95.99	£	8.92	Allowance includes for Kitchen units, white goods and vanity units. Balustrades to balcony and basic bike rack to bike store.
5	Services	£	541,600.00	£	278.31	£	25.86	Allowance for MEP services generally and incoming services; awaiting quotes.
6	Prefabricated buildings and building units	£	-	£	-			Excl.
7	Work to Existing Buildings	£	20,000.00	£	10.28			Allowance for underpinning boundary wall to graveyard
8	External works	£	249,390.00	£	128.16	£	11.91	Includes tarmacadam car park, pedestrian walkway; assumed slab paving. Townhouse entrances; assumed block paving. Includes soft landscaping to private amenity spaces, drainage to general areas and pedestrian and vehicle gates to site entrance. Also includes external lighting.
A	Building Works Estimate (A)	£	3,192,476.06	£	1,640.53	£	152.41	Total of 0 to 8
9	Main Contractors Preliminaries Estimate	£	478,871.41	£	246.08	£	22.86	Allowance for 15%
B	Sub Total (A + 9)	£	3,671,347.47	£	1,886.61	£	175.27	
10	Main Contractors Overheads & Profit Estimate	£	256,994.32	£	132.06	£	12.27	Allowance for 7%
C	Works Cost Estimate (10 + B)	£	3,928,341.80	£	2,018.68	£	187.54	
11	Project/Design Team Fees Estimate	£	-	£	-	£	-	Excl.
D	Sub Total (11 + C)	£	3,928,341.80	£	2,018.68	£	187.54	
12	Other Development/Project Costs Estimate	£	-	£	-	£	-	Excl.
E	Base Cost Estimate (12 + D)	£	3,928,341.80	£	2,018.68	£	187.54	
13A	Construction Risk	£	78,566.84	£	40.37	£	3.75	Allowance at 2%; moved above the line as requested by Step Places
F	Cost Limit (excluding inflation) (13A + E)	£	4,006,908.63	£	2,059.05	£	191.29	
13B	Risk Allowances	£	373,192.47	£	191.77	£	17.82	Allowance at 9.5%, includes employer risk and design development risk.
G	Cost Limit (excluding inflation) (13B + F)	£	4,380,101.10	£	2,250.82	£	209.11	
14	Inflation	£	-	£	-	£	-	Excl.
H	Cost Limit (including inflation) (14 + G)	£	4,390,000.00	£	2,250.82	£	209.58	

Step Places - Church Inn Ardwick Green

Drawing Register

18 November 2022

Information used

The information used when preparing this cost plan consists of the below drawings/specifications/ cost data:

Architectural

2565-CDA-00-SL-DR-A-0500A - Proposed Site Plan.pdf
2565-CDA-01-XX-DR-A-0600 - Proposed Floor Plans.pdf
2565-CDA-01-XX-DR-A-0700 - Proposed Elevations - Sheet 01.pdf
2565-CDA-01-XX-DR-A-0701 - Proposed Elevations - Sheet 02.pdf
2075-CIV-XX-XX-SK-S-0002
2075-CIV-XX-XX-SK-S-0001

Mechanical

Electrical

General

18 November 2022

MAC
COST CONSULTING LTD

1 Substructure

[illegible]

Step Places - Church Inn Ardwick Green

2 Superstructure

18 November 2022

Ref	Item Description	Quantity	Unit	Rate	Estimate Total	Notes
2.1	Frame					
2.1.1	Timber framing system; supply and fit	1,946	m ²	£ 155.00	£ 301,630.00	Includes uninsulated open panel external walls, internal walls, party walls, floor joists and decking and roof structures. Cost guidance provided by Frame-tech 26/10/22.
2.1.2	EO balcony	130	m ²	£ 100.00	£ 13,000.00	Floor structure only
2.1.3	EO brick colonnade	48	m ²	£ 60.00	£ 2,880.00	Isolated columns only
2.2	Upper floors					
2.2.1	Block A					
2.2.1.1	1st Floor	381	m ²	£ -	£ -	Included in 2.1 Frame as advised by Frame-tech
2.2.1.2	2nd Floor	325	m ²	£ -	£ -	As above
2.2.2	Block B					
2.2.2.1	1st Floor	381	m ²	£ -	£ -	Included in 2.1 Frame as advised by Frame-tech
2.2.2.2	2nd Floor	325	m ²	£ -	£ -	As above
2.3	Roof					
2.3.1	Block A	381	m ²		£ -	Included in 2.1 Frame
	Roof Structure					Included in 2.1 Frame
2.3.2	Roof lights to first floor	32	m ²	£ 650.00	£ 20,800.00	Individual glazed roof lights; rectangular; fixed light; to first floor within lightwell
2.3.3	Roof coverings, non-structural screeds, thermal insulation and surface treatments	381	m ²	£ 190.00	£ 72,390.00	Flat roofing system; 200mm thick insulation with enhanced airtightness detailing. Includes first floor lightwell area. Includes rainwater goods
2.3.4	Man-safe System	1	item	£ 7,500.00	£ 7,500.00	As advised by RJD
2.3.5	Block B	381	m ²		£ -	Included in 2.1 Frame
	Roof Structure					Included in 2.1 Frame
2.3.6	Roof lights to first floor	32	m ²	£ 650.00	£ 20,800.00	Individual glazed roof lights; rectangular; fixed light; to first floor within lightwell
2.3.7	Roof coverings, non-structural screeds, thermal insulation and surface treatments	381	m ²	£ 190.00	£ 72,390.00	Flat roofing system; 200mm thick insulation with enhanced airtightness detailing. Includes first floor lightwell area. Includes rainwater goods
2.3.8	Man-safe System	1	item	£ 7,500.00	£ 7,500.00	As advised by RJD
2.4	Stairs and ramps					
2.4.1	Stair structures; details including vertical rise of staircase to be stated	32	nr	£ 1,750.00	£ 56,000.00	Softwood staircase; plasterboard skim and emulsion to soffit. Assumed no stair to roof.
2.4.2	Stair finishes; details including vertical rise of staircase to be stated.	32	nr	£ 1,000.00	£ 32,000.00	Assumed carpet finish
2.4.3	Wall handrails; details to be stated including vertical rise of staircase or ramp to be stated.	384	m	£ 110.00	£ 42,240.00	Allowance for timber, awaiting spec
2.5	External walls					
2.5.1	External Elevations	1,082	m ²	£ 375.00	£ 405,750.00	Assumed build is brick face, cavity, breather membrane, ply / OSB, insulation and vapor control barrier. Timber frame captured in 2.1.1
2.5.2	EO brick colonnade	86	m ²	£ 200.00	£ 17,280.00	
2.5.3	EO brick detailing	271	m ²	£ 200.00	£ 54,100.00	Allowed 25% of external elevations
2.5.4	Green tile/brick	53	m ²	£ 775.00	£ 41,075.00	
2.5.5	Parapet	91	m ²	£ 350.00	£ 31,850.00	Assumed brick 500mm parapet
2.5.6	Allowance for louvres	1	item	£ 7,500.00	£ 7,500.00	Allowance
2.5.7	Lightwell brick work	474	m ²	£ 375.00	£ 177,750.00	Assumed brick; perimeter to internal void

Step Places - Church Inn Ardwick Green

2 Superstructure

18 November 2022

Ref	Item Description	Quantity	Unit	Rate	Estimate Total	Notes
2.6	Windows and external doors					
2.6.1	North Elevation					
2.6.1.1	800mm x 2400mm Window (3.2m2)	2	nr	£ 1,900.00	£ 3,800.00	Velfac or similar
2.6.2	East Elevation					
2.6.2.1	800mm x 2000mm Window (1.6m2)	24	nr	£ 1,000.00	£ 24,000.00	As above
2.6.2.2	2000mm x 2400mm Window (4.8m2)	8	nr	£ 2,800.00	£ 22,400.00	As above
2.6.3	South Elevation					
2.6.3.1	1500mm x 1800mm Window (2.7m2)	4	nr	£ 1,600.00	£ 6,400.00	As above
2.6.3.2	800mm x 2300mm Window (1.84m2)	4	nr	£ 1,100.00	£ 4,400.00	As above
2.6.3.3	1500mm x 2300mm Window (3.45m2)	8	nr	£ 2,000.00	£ 16,000.00	As above
2.6.4	West Elevation					
2.6.4.1	800mm x 2000mm Window (1.6m2)	8	nr	£ 1,000.00	£ 8,000.00	As above
2.6.4.2	800mm x 2200mm Window (1.76m2)	16	nr	£ 1,000.00	£ 16,000.00	As above
2.6.4.3	2000mm x 2400mm Window (4.8m2)	8	nr	£ 2,800.00	£ 22,400.00	As above
2.6.5	External Doors					
2.6.5.1	Entrance Door	16	nr	£ 2,200.00	£ 35,200.00	Fire rated composite door
2.6.5.2	Side Door	4	nr	£ 2,200.00	£ 8,800.00	Fire rated composite door
2.6.5.3	Glazed Door	52	nr	£ 2,500.00	£ 130,000.00	
2.7	Internal walls and partitions					
2.7.1	Internal flat walls	656	m²	£ 80.00	£ 52,480.00	Assumed 2.7m high boarded both sides
2.7.2	Townhouse party walls	160	m²	£ 110.00	£ 17,600.00	Increased allowance for acoustic and fire allowances; details tbc
2.7.3	Internal face of external wall	156	m²	£ 45.00	£ 7,020.00	Allowed plasterboard and additional insulation
2.8	Internal doors					
2.8.1	Internal Townhouse Doors	160	nr	£ 475.00	£ 76,000.00	Assumed standard softwood with softwood architrave and aluminium ironmongery
2.8.2	Sliding Doors	52	nr	£ 550.00	£ 28,600.00	Includes additional builders work
2 Superstructure Total						
					£ 1,863,535.00	

Step Places - Church Inn Ardwick Green

3 Internal Finishes

18 November 2022

Ref	Item Description	Quantity	Unit	Rate	Estimate Total	Notes
3.1	Wall finishes					
3.1.1	Town House Type 1					
3.1.1.1	Ground Floor					Ground Floor Height Assumed 2.5m High
3.1.1.1.1	Entrance	180	m²	£ 7.00	£ 1,260.00	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.1.1.2	Kitchen	210	m²	£ 7.00	£ 1,470.00	As above
3.1.1.1.3	Kitchen splashback	12	nr	£ 50.00	£ 600.00	As advised by Step Places
3.1.1.1.4	Living Room	510	m²	£ 7.00	£ 3,570.00	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.1.1.5	WC/Utility					
3.1.1.1.5.1	Paint finish	240	m²	£ 7.00	£ 1,680.00	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.1.1.5.2	Tile finish	5	m²	£ 70.00	£ 336.00	Tile finish to above vanity unit
3.1.1.1.6	Stairs	0	m²	£ -	£ -	Within 2.4 - Stairs and Ramps
3.1.1.2	1st to 2nd Floor					1st and 2nd Floor Height Assume 2.4m High
3.1.1.2.1	Bedroom	662	m²	£ 7.00	£ 4,636.80	As above
3.1.1.2.2	Bathroom					
3.1.1.2.2.1	Paint finish	119	m²	£ 7.00	£ 831.68	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.1.2.2.1	Tile finish	115	m²	£ 70.00	£ 8,051.40	Tile finish above vanity unit, 3 sides of bath and recess
3.1.1.2.3	En-suite					
3.1.1.2.3.1	Paint finish	144	m²	£ 7.00	£ 1,008.00	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.1.2.3.2	Tile finish	78	m²	£ 70.00	£ 5,460.00	Tile finish above vanity unit and 3 sides of shower
3.1.1.2.4	Landing	317	m²	£ 7.00	£ 2,217.60	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.1.2.5	Store	173	m²	£ 7.00	£ 1,209.60	As above
3.1.2	Town House Type 2					
3.1.2.1	Ground Floor					Ground Floor Height Assumed 2.5m High
3.1.2.1.1	Entrance	50	m²	£ 7.00	£ 350.00	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.2.1.2	Kitchen	70	m²	£ 7.00	£ 490.00	As above
3.1.2.1.3	Kitchen splashback	4	nr	£ 50.00	£ 200.00	As advised by Step Places
3.1.2.1.4	Living Room	180	m²	£ 7.00	£ 1,260.00	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.2.1.5	Stairs	288	m²	£ -	£ -	Within 2.4 - Stairs and Ramps
3.1.2.1.6	Utility	50	m²	£ 7.00	£ 350.00	As above
3.1.2.1.7	WC		m²	£ 7.00	£ -	
3.1.2.1.7.1	Paint finish	57	m²	£ 7.00	£ 396.20	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.2.1.7.2	Tile finish	4	nr	£ 100.00	£ 400.00	Tiled sink splashback
3.1.2.2	1st to 2nd Floor					1st and 2nd Floor Height Assumed 2.4m High

Step Places - Church Inn Ardwick Green

3 Internal Finishes

18 November 2022

Ref	Item Description	Quantity	Unit	Rate	Estimate Total	Notes
3.1.2.2.1	Bedroom	295	m ²	£ 7.00	£ 2,066.40	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.2.2.2	Bathroom					
3.1.2.2.2.1	Paint Finish	45	m ²	£ 7.00	£ 316.48	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.2.2.2.2	Tile Finish	40	m ²	£ 70.00	£ 2,813.16	Tile finish above vanity unit, 3 sides of bath and recess
3.1.2.2.3	En-suite					
3.1.2.2.3.1	Paint Finish	16	m ²	£ 7.00	£ 113.68	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.1.2.2.3.2	Tile Finish	15	m ²	£ 70.00	£ 1,062.88	Tile finish above vanity unit and 3 sides of shower
3.1.2.2.4	Store	54	m ²	£ 7.00	£ 380.80	3 coats vinyl matt emulsion in brilliant white with allowance for feature colours
3.2	Floor finishes					
3.2.1	Town House Type 1					
3.2.1.1	W/C Utility	48	m ²	£ 42.00	£ 2,016.00	As advised by Step Places PC Sum £12
3.2.1.2	Kitchen	120	m ²	£ 42.00	£ 5,040.00	As advised by Step Places PC Sum £12
3.2.1.3	Living/Dining	0	m ²	£ -	£ -	As advised by Step Places
3.2.1.4	Bedroom	0	m ²	£ -	£ -	As advised by Step Places
3.2.1.5	Bathroom	96	m ²	£ 42.00	£ 4,032.00	As advised by Step Places PC Sum £12
3.2.1.6	Store	0	m ²	£ -	£ -	As advised by Step Places
3.2.1.7	Entrance	24	m ²	£ 48.00	£ 1,152.00	As advised by Step Places PC Sum £18
3.2.2	Town House Type 2					
3.2.2.1	W/C	8	m ²	£ 42.00	£ 336.00	As advised by Step Places PC Sum £12
3.2.2.2	Kitchen	32	m ²	£ 42.00	£ 1,344.00	As advised by Step Places PC Sum £12
3.2.2.3	Living/Dining	0	m ²	£ -	£ -	As advised by Step Places
3.2.2.4	Bedroom	0	m ²	£ -	£ -	As advised by Step Places
3.2.2.5	Bathroom	16	m ²	£ 42.00	£ 672.00	As advised by Step Places PC Sum £12
3.2.2.6	Store	8	m ²	£ -	£ -	As advised by Step Places
3.2.2.7	Utility	8	m ²	£ -	£ -	As advised by Step Places
3.2.2.8	Entrance	8	m ²	£ 48.00	£ 384.00	As advised by Step Places PC Sum £18
3.3	Ceiling finishes					
3.3.1	Town House Type 1					
3.3.1.1	W/C Utility	48	m ²	£ 40.00	£ 1,920.00	12.5mm plasterboard with painted finish
3.3.1.2	Kitchen	120	m ²	£ 40.00	£ 4,800.00	As above
3.3.1.3	Living/Dining	0	m ²	£ 40.00	£ -	Excl.
3.3.1.4	Bedroom	0	m ²	£ 40.00	£ -	Excl.
3.3.1.5	Bathroom	96	m ²	£ 40.00	£ 3,840.00	As above
3.3.1.6	Store	0	m ²	£ 40.00	£ -	Excl.

Step Places - Church Inn Ardwick Green

3 Internal Finishes

18 November 2022

Ref	Item Description	Quantity	Unit	Rate	Estimate Total	Notes
3.3.1.6	Town House Type 2					
3.3.2	W/C	8	m ²	£ 40.00	£ 320.00	As above
3.3.2.1	Kitchen	32	m ²	£ 40.00	£ 1,280.00	As above
3.3.2.2	Living/Dining	0	m ²	£ 40.00	£ -	Excl.
3.3.2.3	Bedroom	0	m ²	£ 40.00	£ -	Excl.
3.3.2.4	Bathroom	16	m ²	£ 40.00	£ 640.00	As above
3.3.2.5	Store	8	m ²	£ 40.00	£ Excl.	As above
3.3.2.6	Utility	8	m ²	£ 40.00	£ 320.00	As above
3 Internal Finishes Total						
					£ 70,626.69	

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Step Places - Church Inn Ardwick Green

5 Services

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Step Places - Church Inn Ardwick Green

8 External Works

18 November 2022

Ref	Item Description	Quantity	Unit	Rate	Estimate Total	Notes
8.1	Roads, paths, pavings and surfacing's					
8.1.1	Car park	448	m ²	£ 120.00	£ 53,760.00	Assumed tarmacadam. two layers; limestone or igneous chipping finish paving on subbase ;including excavation and type1 subbase
8.1.2	Bin store	42	m ²	£ 120.00	£ 5,040.00	Assumed tarmacadam. two layers; limestone or igneous chipping finish paving on subbase ;including excavation and type1 subbase
8.1.3	Pedestrian Area	230	m ²	£ 120.00	£ 27,600.00	Assumed slab paving. Precast concrete paving slabs on subbase
8.1.4	Private Amenity Space; Townhouse entrance	57	m ²	£ 120.00	£ 6,840.00	Assumed brick paviours on subbase
8.1.5	White lining	1	item	£ 2,000.00	£ 2,000.00	
8.1.6	Drop Kerb	1	item	£ 3,500.00	£ 3,500.00	Includes removal of existing kerb
8.1.7	Trenching and ducting	1	item	£ 7,500.00	£ 7,500.00	Allowance
8.1.8	S278 Works	1	item	Incl. in 13.1	Design Dev. Risk	Allowance
8.2	Soft Landscaping, Planting, and Irrigation Systems					
8.2.1	Private Amenity Space; Townhouse garden area	127	m ²	£ 15.00	£ 1,905.00	Assumed grass turfing
8.2.2	Planting allowance	1	item	£ 5,000.00	£ 5,000.00	Allowance BNG
8.3	Fencing, Railings, and Walls					
8.3.1	Private amenity space fencing; 2000mm high	177	m	£ 135.00	£ 23,895.00	Assumed timber fencing to perimeter of townhouse's private amenity spaces
8.3.2	Bin store fencing	28	m	£ 135.00	£ 3,780.00	Assumed timber fencing to perimeter of bin store; including 2 entrance gates
8.3.3	Low level brick wall	13	m	£ 190.00	£ 2,470.00	To border between townhouses
8.3.4	Vehicle entrance gate	1	item	£ 15,000.00	£ 15,000.00	2000mm high automated steel gates; powder coated finish
8.3.5	Pedestrian entrance gate	4	nr	£ 2,000.00	£ 8,000.00	Manual pedestrian access gate with key fob access control including power
8.4	Drainage					
8.4.1	General drainage to paved areas	490	m ²	£ 40.00	£ 19,600.00	
8.4.2	Attenuation assumed (200m3 per acre)	100	m ³	£ 250.00	£ 25,000.00	Assumed allowance subject to further survey; site approximately 0.5 acres
8.4.3	Interceptor	1	item	£ 7,500.00	£ 7,500.00	Allowance
8.4.4	Drainage connections	1	item	£ 10,000.00	£ 10,000.00	
8.5	External Fixtures					
8.5.1	Cycle rack	2	nr	£ 500.00	£ 1,000.00	Allows 6 hoops per rack
8.5.2	Bin holsters	1	item	£ -	£ -	As advised by Step Places
8.5.3	Bins	1	item	£ -	£ -	As advised by Step Places

Step Places - Church Inn Ardwick Green

8 External Works

18 November 2022

Ref	Item Description	Quantity	Unit	Rate	Estimate Total	Notes
8.6	External Lighting Systems					
8.6.1	External lighting to paved areas	1	item	£ 20,000.00	£ 20,000.00	Allowance
8 External Works Total						
					£ 249,390.00	

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13B - Risk Allowances

[illegible]

Step Places - Church Inn Ardwick Green

14 Inflation

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[illegible]

Step Places - Church Inn Ardwick Green

Summary - Variance to Feasibility Estimate Rev. 1

18 November 2022

		Feasibility Estimate Rev. 1		Feasibility Estimate Rev. 2		Variance		Notes
Buildings Work Estimate								
0 Facilitating works								
0.1	Facilitating works	£	44,484.38		44484.38	£	-	No changes present
1 Substructure								
1.1	Substructure	£	216,040.00	£	216,040.00		£0.00	No changes present
2 Superstructure								
2.1	Frame	£	301,630.00	£	317,510.00		£15,880.00	Includes EO for structure to balcony and brick colonnade.
2.2	Upper floors	£	-		-	£	-	No changes present
2.3	Roof	£	201,380.00	£	201,380.00	£	-	No changes present
2.4	Stairs and ramps	£	130,240.00	£	130,240.00	£	-	No changes present
2.5	External walls	£	698,150.00	£	735,305.00	£	37,155.00	EO included for brick colonnade. Green Tile taken from EO to full measured item.
2.6	Windows and external doors	£	306,200.00	£	297,400.00	-£	8,800.00	Window rate scaled down from £625/m2 to £600/m2.
2.7	Internal walls and partitions	£	77,100.00	£	77,100.00	£	-	No changes present
2.8	Internal doors	£	104,600.00	£	104,600.00	£	-	No changes present
3 Internal Finishes								
3.1	Wall finishes	£	54,658.80	£	42,530.69	-£	12,128.11	Paint finish to Entrance, Bedroom, Landing and Kitchen. Allowance for £50 kitchen splashback to each kitchen. Tile finish above vanity unit, 3 sides of bath and recess in bathroom; paint to remaining areas.
3.2	Floor finishes	£	54,460.00	£	14,976.00	-£	39,484.00	Includes Prime Cost sum of £12 (provided by Step Places) for WC/Utility, Kitchen and Bathroom. Includes Prime Cost sum of £18 for Entrance (provided by Step Places).
3.3	Ceiling finishes	£	45,920.00	£	13,120.00	-£	32,800.00	Includes 12.5mm plasterboard with painted finish to Kitchen, WC/Utility, Bathrooms, Store and Utility.
4 Fittings, Furnishings and Equipment (FF&E)								
4.1	FF&E	£	255,150.00	£	186,800.00	-£	68,350.00	Includes scaled back rate for kitchen units (as advised by Step Places); Kitchen units include, integrated oven, ceramic hob, stainless steel sink, 70/30 fridge freezer and extractor fan. Includes Vanity unit rate scaled back (as advised by Step Places). Bedroom blinds omitted (as advised by Step Places). Includes metal balustrades as opposed to previous glass infill panels. Allowance for bike rack scaled back (as advised by Step Places).
5 Services		£	608,800.00	£	541,600.00	-£	67,200.00	Allowance for MEP services generally scaled down to £24,000 per house (as advised by QED). Subsequent reduction in BWIC as a result of this.
6 Prefabricated buildings and building units		£	-	£	-			
7 Work to Existing Buildings		£	-	£	20,000.00	£	20,000.00	Remedial works to boundary wall moved to works to existing for clarity. Rate upscaled to allow for underpinning and general making good.

8 External works	£	248,390.00	£	249,390.00	£	1,000.00	Includes removal of remedial works to boundary wall, as above. Includes allowance for drainage connections. Includes removal of bin holsters to bin store and allowance for bins.
A Building Works Estimate (A)	£	3,347,203.18	£	3,192,476.06	-£	154,727.11	Total difference of the above elements.
9 Main Contractors Preliminaries Estimate	£	502,080.48	£	478,871.41	-£	23,209.07	Total difference in preliminaries due to rate being percentage based on Building Works Estimate.
B Sub Total (A + 9)	£	3,849,283.66	£	3,671,347.47	-£	177,936.18	
10 Main Contractors Overheads & Profit Estimate	£	269,449.86	£	256,994.32	-£	12,455.54	Total difference in Overhead and Profit due to rate being percentage based on Building Works Estimate + Preliminaries.
C Works Cost Estimate (10 + B)	£	4,118,733.52	£	3,928,341.80	-£	190,391.72	Total difference in Works Cost Estimate.
11 Project/Design Team Fees Estimate	£	-	£	-	£	-	
D Sub Total (11 + C)	£	4,118,733.52	£	3,928,341.80	-£	190,391.72	
12 Other Development/Project Costs Estimate	£	-	£	-	£	-	
E Base Cost Estimate (12 + D)	£	4,118,733.52	£	3,928,341.80	-£	190,391.72	
13A Construction Risk	£	82,374.67	£	78,566.84	£	3.93	
F Cost Limit (excluding inflation) (13A + E)	£	4,201,108.19	£	4,006,908.63	-£	194,199.55	Total difference with Construction Risk percentage included.
13B Allowances	£	391,279.68	£	373,192.47	£	18.68	
G Cost Limit (excluding inflation) (13B + F)	£	4,592,387.87	£	4,380,101.10	-£	212,286.77	Total difference with design development risk and employer change risk percentage.
14 Inflation	£	-	£	-	£	-	Excl.
H Cost Limit (including inflation) (14 + G)	£	4,600,000.00	£	4,390,000.00	-£	210,000.00	

Step Places - Church Inn Ardwick Green

Summary - Passivhaus Uplift

18 November 2022

		Feasibility Estimate		£/m² (GIFA)		£/ft² (GIFA)		Notes
Buildings Work Estimate								
0 Facilitating works								
0.1	Facilitating works	£	44,484.38		22.86	£	2.12	Includes allowance for general site clearance. Includes EO for hazardous and non-hazardous waste removal.
1 Substructure								
1.1	Substructure	£	233,323.20	£	119.90	£	11.14	Floor constructions included insulated slab, and beam and block floor with additional insulation. Includes deep strip concrete foundations. Ground bearing concrete beam and block slab with insulation, vapour barrier and screed finish. Includes associated sub-slab drainage.
2 Superstructure								
2.1	Frame	£	317,510.00	£	163.16	£	15.16	Timber framing system; includes uninsulated open panel external walls, internal walls, party walls floor joists and decking and roof structures.
2.2	Upper floors	£	-	£	-	£	-	Included in framing system.
2.3	Roof	£	201,380.00	£	103.48	£	9.61	Roof structure included in frame. Allowance for Roof coverings, non-structural screeds, thermal insulation and surface treatments. Rooflights to 1st floor.
2.4	Stairs and ramps	£	130,240.00	£	66.93	£	6.22	Includes timber stairs and landings. Assumed no stair to roof. Carpet finishes and timber handrails.
2.5	External walls	£	845,600.75	£	434.53	£	40.37	Includes brick facing façade with 25% allowed for detailing. Includes green brick/tile. Allowance for lightwell brick work included. Includes 0.5m high parapet and allowance for louvres. Allowance for larger thickness and smaller cavity in order to adhere to passivhaus.
2.6	Windows and external doors	£	386,620.00	£	198.67	£	18.46	Includes moisture resistant MDF with bull nosed edge returned 50mm past in white satinwood paint finish. Allows for fire rated composite entrance doors, side entrance doors and glazed doors to ground floor and balcony doors. Includes allowance for triple glazing, specialist hinges/rails and enhanced airtightness.
2.7	Internal walls and partitions	£	87,123.00	£	44.77	£	4.16	Allowed for 2.7m high internal walls boarded both sides; further detail pending spec. Includes increased allowance for acoustic and fire allowances; details tbc. Plasterboard and insulation allowed to inner face of external wall.
2.8	Internal doors	£	104,600.00	£	53.75	£	4.99	Assumed standard softwood with softwood architrave and aluminium ironmongery
3 Internal Finishes								
3.1	Wall finishes	£	42,105.38	£	21.64	£	2.01	Includes 3 coats vinyl matt emulsion in brilliant white with allowance for feature colours to WC, utility, bedroom, store and kitchen. Allowance made for 16nr kitchen splashbacks. Includes tiling to 3 side of bath in bathrooms and 1.1m to ceiling where vanity units present.

3.2	Floor finishes	£	14,826.24	£	7.62	£	0.71	Allowance for floor finishes to townhouse entrance, wc's, utilities and kitchens.
3.3	Ceiling finishes	£	12,988.80	£	6.67	£	0.62	Allowance for 12.5mm plasterboard with painted finish
4 Fittings, Furnishings and Equipment (FF&E)								
4.1	FF&E	£	186,800.00	£	95.99	£	8.92	Allowance includes for Kitchen units and white goods. Vanity units and blinds to bedrooms. Balustrades to balcony and bike rack to bike store.
5 Services		£	579,512.00	£	297.80	£	27.67	Allowance for MEP services generally and incoming services; awaiting quotes.
6 Prefabricated buildings and building units		£	-	£	-			Excl.
7 Work to Existing Buildings		£	20,000.00	£	10.28			Allowance for underpinning boundary wall to graveyard
8 External works		£	249,390.00	£	128.16	£	11.91	Includes tarmacadam car park, pedestrian walkway; assumed slab paving. Townhouse entrances; assumed block paving. Includes soft landscaping to private amenity spaces, drainage to general areas and pedestrian and vehicle gates to site entrance. Also includes external lighting to car park and bin holsters for external bin store.
A	Building Works Estimate (A)	£	3,456,503.75	£	1,776.21	£	165.01	Total of 0 to 8
9 Main Contractors Preliminaries Estimate		£	589,011.83	£	302.68	£	28.12	Increased allowance due to enhanced levels of site supervision, potential for clerk of works or airtightness champion.
B	Sub Total (A + 9)	£	4,045,515.58	£	2,078.89	£	193.13	
10 Main Contractors Overheads & Profit Estimate		£	256,994.32	£	132.06	£	12.27	Allowance for 7%
C	Works Cost Estimate (10 + B)	£	4,302,509.90	£	2,210.95	£	205.40	
11 Project/Design Team Fees Estimate		£	-	£	-	£	-	Excl.
D	Sub Total (11 + C)	£	4,302,509.90	£	2,210.95	£	205.40	
12 Other Development/Project Costs Estimate		£	-	£	-	£	-	Excl.
E	Base Cost Estimate (12 + D)	£	4,302,509.90	£	2,210.95	£	205.40	
13A Construction Risk		£	78,566.84	£	40.37	£	3.75	Allowance at 2%; moved above the line as requested by Step Places
F	Cost Limit (excluding inflation) (13A + E)	£	4,381,076.74	£	2,251.32	£	209.15	
13B Risk Allowances		£	373,192.47	£	191.77	£	17.82	Allowance at 9.5%, includes employer risk and design development risk.
G	Cost Limit (excluding inflation) (13B + F)	£	4,754,269.21	£	2,443.10	£	226.97	
14 Inflation		£	-	£	-	£	-	Excl.
H	Cost Limit (including inflation) (14 + G)	£	4,760,000.00	£	2,443.10	£	227.24	

Appendix III – Summary Development Appraisal

Ardwick Green North
Step Places / One Manchester
Open Market Sales Basis

Development Appraisal
Prepared by TDC
Tim Claxton Property Limited
December 19, 2022

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED**

Ardwick Green North
Step Places / One Manchester
Open Market Sales Basis

Appraisal Summary for Phase 1 OMS

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Type 1 - 3B5P (1,115 sq.ft)	8	8,920	349.78	390,000	3,120,000
Type 2 - 3B5P (1,117 sq.ft)	<u>8</u>	<u>8,936</u>	349.15	390,000	<u>3,120,000</u>
Totals	16	17,856			6,240,000

Additional Revenue

Brownfield Land Grant	316,000	
		316,000

NET REALISATION**6,556,000****OUTLAY****ACQUISITION COSTS**

Fixed Price	800,000	
Fixed Price		800,000
		800,000
Stamp Duty		51,500
Effective Stamp Duty Rate	6.44%	
Agent Fee	1.00%	8,000
Legal Fee	0.50%	4,000
Town Planning		6,080
		69,580

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Type 1 - 3B5P (1,115 sq.ft)	8,920	199.75	1,781,770
Type 2 - 3B5P (1,117 sq.ft)	<u>8,936</u>	199.75	<u>1,784,966</u>

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Ardwick Green North
Step Places / One Manchester
Open Market Sales Basis**

Totals	17,856 ft²		3,566,736	
Contingency		11.50%	452,239	
				4,018,975
Other Construction Costs				
Abnormal - Facilitating Works			58,830	
Externals	17,856 ft²	17.19	306,945	
Construction Warranty	16 un	1,200.00 /un	19,200	
Section 278			10,000	
				394,975
PROFESSIONAL FEES				
Professional Fees		14.44%	633,158	
				633,158
MARKETING & LETTING				
Marketing	16 un	3,500.00 /un	56,000	
				56,000
DISPOSAL FEES				
Sales Agent Fee		0.70%	43,680	
Sales Legal Fee	16 un	500.00 /un	8,000	
				51,680
TOTAL COSTS BEFORE FINANCE			6,024,367	

FINANCE

Timescale	Duration	Commences
Purchase	2	Dec 2022
Pre-Construction	5	Feb 2023
Construction	12	Jul 2023
Sale	3	Jun 2024
Total Duration	21	

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

Land	55,082
Construction	36,527

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Ardwick Green North
Step Places / One Manchester
Open Market Sales Basis**

Total Finance Cost	91,609
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TOTAL COSTS	6,115,976
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PROFIT	440,024
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Performance Measures

Profit on Cost%	7.19%
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Profit on GDV%	7.05%
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Profit on NDV%	7.05%
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IRR% (without Interest)	20.69%
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