

136 Withington Road, Whalley Range, Manchester.

Viability Assessment

December 2022



RogerHannah

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1. Introduction

1.1. Instructions

Roger Hannah has been instructed by Views (Holdings) Limited to provide a financial viability assessment in respect of its proposed development at 136 Withington Road, Whalley Range, Manchester. The scheme comprises the development of 31 no 1 and 2 bedroom apartments with associated communal areas together with 4 no 2 and 3 bedroom townhouses.

This report has been prepared to support a planning application and considers the financial impact of the proposed planning obligations. We understand that the report will be submitted to Manchester City Council as part of the planning application for the proposed development.

1.2. RICS Compliance

In accordance with the RICS Professional Statement, Financial viability in planning: conduct and reporting (2019), we can confirm the following:

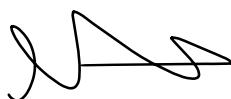
- The person(s) involved in the preparation and review of this report are suitably qualified professionals that have extensive experience advising on viability matters across the region
- There are no conflicts of interest that affect our independent opinion being provided
- We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information

We can also confirm that we have had reference to and followed the best practice recommendations in the RICS Guidance Note, Assessing viability in planning under the National Planning Policy Framework 2019 for England (2021).

1.3. Reporting

The following suitably qualified professionals have produced and reviewed this report:

Author:

A handwritten signature in black ink, appearing to be 'R. Heathcote'.

.....
Richard Heathcote
Consultant

Reviewer:

A handwritten signature in black ink, appearing to be 'L. Mackay'.

.....
Laura Mackay MRICS
Director

1.4. Information Provided

We have been provided with and relied upon the following information:

- Proposed Development Layout and Floor Plans, Appendix I

2. Executive Summary

Site	The site is located in the Whalley Range area, within the administrative area of Manchester City Council. The site is roughly rectangular in shape and occupies approximately 0.25 ha (0.62 acres) of previously developed land to the west of the Withington Road and close to the Junction with Mayfield Road approximately 2 miles South of Manchester City Centre. The site contains a substantial range of empty buildings that have been vacant for a number of years and subject to vandalism. The last use on site was as local community centre. Immediately to the north of the site is a small local centre which provides a range of shops including a small co-op food store, hot food takeaways and other commercial users. As you travel south of the site along Withington Road the users are predominantly residential dwellings and apartments.
Scheme	The proposed scheme comprises the development of 31 apartments over lower ground, upper ground, first and second floors together with 4 mews townhouses and communal areas.
GDV (Policy Compliant)	£7,006,250
Standard Costs	Base build: £4,433,120 Contingency: 5% Professional fees: 10%
Abnormal Costs	£74,000
Profit	18% on GDV
Benchmark Land Value	£487,500
Residual Land Value (Policy Compliant)	-£251,878
Residual Land Value (Reduced Policy Compliant)	£157,000

3. Viability in Planning Guidance

3.1. National Planning Policy Framework

Paragraph 57 of the National Planning Policy Framework (NPPF), which was last updated in 2021, states the following:

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

The NPPF places emphasis on assessing viability at the plan-making stage, but also recognises that it may also be required at the decision-making stage. It refers to the methodology set out in the Planning Practice Guidance (PPG), which we consider below.

3.2. Planning Practice Guidance

The PPG in respect of viability, which was last updated in July 2021, defines a viability assessment at Paragraph 010 as:

“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.”

The preferred method is to assess viability at the plan-making stage through a typology approach. Paragraph 004 states:

“Plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of sites and current and proposed use or type of development . . . Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.”

The guidance requires standardised inputs to be used when assessing viability in relation to Gross Development Value (GDV), costs (construction costs and planning policy related costs), developer's return and Benchmark Land Value (BLV), each of which will be assessed within this report. The BLV is to be assessed as the Existing Use Value (EUV) plus a minimum premium for the landowner.

The PPG also states that viability may also need to be assessed at the application stage, with paragraph 007 stating:

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

Paragraph 008 goes on to say that:

“The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and sites circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.”

The PPG also sets out a clear need for strategic sites to be individually tested, with paragraph 005 stating

“It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic policies of the plan. This could include, for example, large sites, sites that provide a significant proportion of planning supply, sites that enable or unlock other development sites or sites within priority regeneration areas.”

3.3. RICS Assessing viability in planning under the NPPF 2021

We have referred to the best practice recommendations within this Guidance Note, dated 2021, which provides clarifications in relation to the PPG standardised input approach. It sets out the need to use residual appraisals to assess viability in planning, based on the following illustrative diagram:

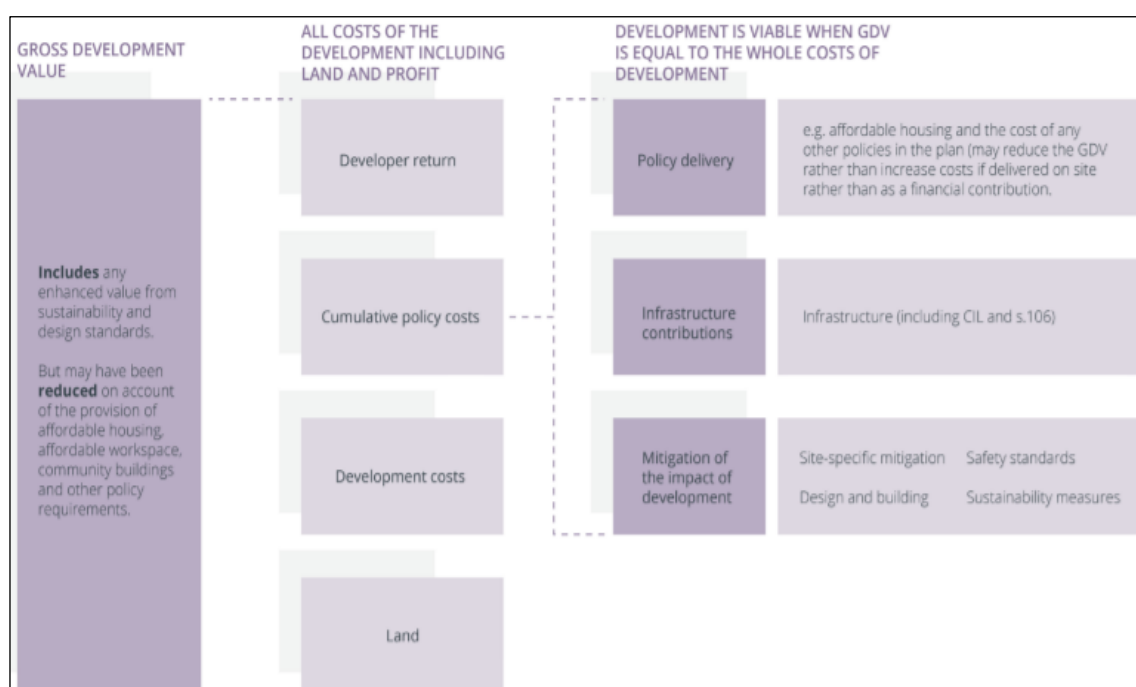


Figure 1: RICS Residual Valuation Framework

This Guidance Note is clear that the NPPF and PPG are the ‘authoritative requirement’, providing clarity on the application of this relevant planning guidance, as well as the relevance of other RICS guidance including the following:

- RICS Professional Statement, Financial viability in planning: conduct and reporting (2019)
- RICS Guidance Note, Valuation of development property (2019)
- RICS Guidance Note, Comparable evidence in real estate valuation (2019)
- RICS Professional Statement, RICS Valuation – Global Standards ‘Red Book’ (2020)

It also provides additional guidance on the Benchmark Land Value (BLV), which should be assessed through a five-stage process:

1. Assess the EUV – the Market Value of the property is in existing use, excluding hope value.
2. Assess the Alternative Use Value (AUV) where appropriate
3. Assess the premium above EUV
4. Determine the residual value of the site, assuming policy compliance, to cross check against the EUV and assessment of the premium
5. Reference land transaction evidence to sense check the EUV and assessment of the premium

We can confirm that we have had reference to the contents of this guidance and followed the best practice recommendations set out within it.

3.4. RICS Financial viability in planning: conduct and reporting

This Professional Statement, dated 2019, sets out mandatory requirements when assessing viability in planning, which we summarise as follows:

- RICS members must advocate reasonable, transparent and appropriate engagement between the parties.
- All inputs into an appraisal must be reasonably justified with as much good quality evidence as possible. Where a reviewer disagrees with any inputs or evidence, differences must be clearly set out with supporting and reasonable justification. Where possible, practitioners should always try to resolve differences of opinion.
- In respect of the Benchmark Land Value RICS members must report the existing use value, premium, market evidence and all supporting considerations, assumptions and justifications adopted.
- All viability assessment must include a sensitivity analysis.
- A non-technical executive summary of the report should be provided, which includes key figures and conclusions, so that non-specialists can better understand them.

We can confirm that we have had regard to the mandatory reporting requirements within this Professional Statement.

4. Methodology

4.1. Site Specific Viability Assessment

In accordance with the scenarios set out in the PPG, we have undertaken a site-specific assessment of viability for the following reasons:

- Additional information is now available in respect of site-specific costs, compared to the assumptions adopted at the plan-making stage.

4.2. Adopted Methodology

As per the PPG and RICS guidance, we have adopted the residual method to assess site viability. This is based on the following calculation:

Gross Development Value – (Costs + Developer's Return) = Residual Value

We will then establish the Benchmark Land Value (BLV) as appropriate for assessing viability. Should the residual value be below the BLV, which represents the minimum return a reasonable landowner can expect, the development is deemed to be unviable and changes to planning policy are likely to be required to ensure that the development is delivered.

We have therefore assessed the value of the scheme assuming policy compliance as well as on the basis of reduced policy compliance in order for the BLV to be achieved.

5. Site Information

5.1. Location

The site is located in the Whalley Range area, within the administrative area of Manchester City Council. The site is roughly rectangular in shape and occupies approximately 0.25 ha (0.62 acres) of previously developed land to the west of the Withington Road and close to the Junction with Mayfield Road approximately 1.6 miles South of Manchester City Centre. The site contains a substantial range of empty buildings that have been vacant for a number of years and subject to vandalism. The last use on site was as local community centre.

Immediately to the north of the site is a district local centre which provides a range of shops including a small co-op food store, hot food takeaways and other commercial users. As you travel south of the site along Withington Road the users are predominantly residential dwellings and apartments.

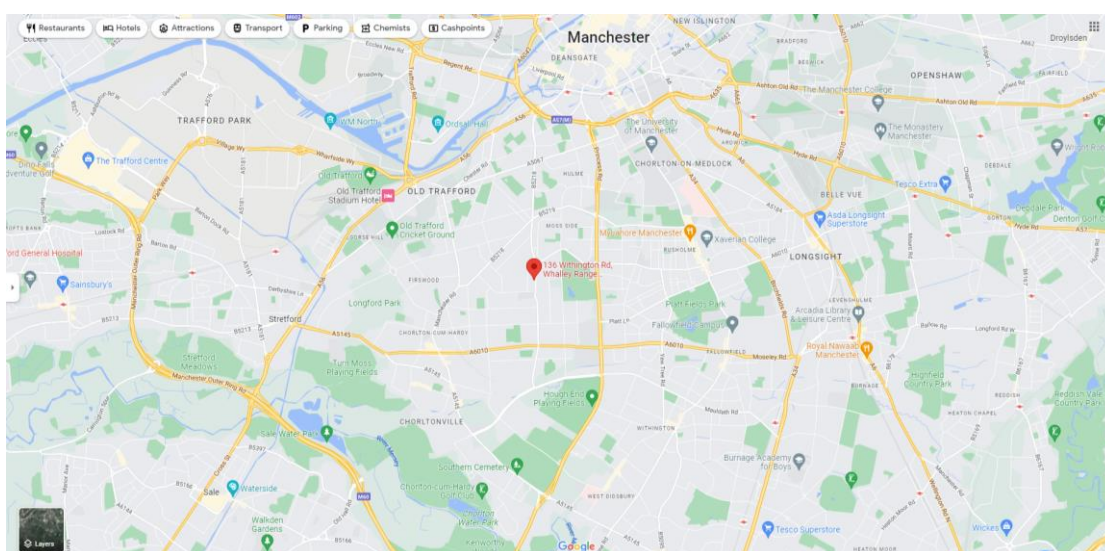


Figure 2: Google Location Map

5.2. Site Description

The surrounding area comprises of a mix of uses, including residential, retail and commercial premises.

In terms of accessibility to services, the site is extremely well connected. The site is located adjacent to a small local centre of shops, hot food takeaways and other commercial users which contains a range of local services and amenities, including a Co-op convenience store.

The site benefits from high levels of accessibility for both private and public transport modes. There are high frequency bus stops located along Withington Road which provide regular services between the site, Manchester City Centre, and Chorlton. The site is approximately 1.5km to the east of Firwood Metrolink Tram Station which links to both the City Centre, the Airport. The site is approximately 1 km north of the A6010 road and 1.4 km to the north of Princess Road. The site is a short distance to an on-road cycle lane along Alexandria Road and Chorlton Road.

The site is situated in a highly sustainable and accessible location, with very close proximity to a range of existing shops, services and leisure facilities. The surrounding area exhibits good levels of pedestrian infrastructure and excellent links to public transport will allow for reduced reliance on private motor vehicles.



Figure 3: Site Location Plan

5.3. Proposed Development

The proposed development layout is illustrated in the plan contained within Appendix I (an extracted version is highlighted in Figure 4 below for ease of reference). The scheme comprises the development of 31 one and two bedroom apartments and 4 two and three bedroom mews townhouses.



Figure 4: Ground Floor Development Layout

The scheme for 35 residential units is comprised of 23,460 ft² and is detailed in the plans contained within Appendix 2. The accommodation provided is summarised in Figure 5 below:

Name	Type	No of Beds	No of Units	Size (Ft ²)
Type 1	Apartment	1	12	467
Type 2	Apartment	2	19	748
Type 3	Townhouse	2	2	730
Type 4	Townhouse	3	2	1092
		Total	35	23,460

Figure 5 – Summary Accommodation Schedule

5.4. Planning Requirements

The planning policy requirements associated with the scheme are highlighted in Figure 6 below:

Item	Planning Policy	Requirement
Affordable housing	Core Strategy Policy H8 – Affordable Housing	20%
CIL	Not applicable	Not applicable
Further financial contributions	TBC	To be determined

Figure 6: Planning Requirements

6. Gross Development Value

Method	The PPG states the following: <i>“Gross development value is an assessment of the value of development. For residential development this may be total sales and/or capitalised net rental income from developments . . . For viability assessment of specific site ort development, market evidence (rather than average figures) from the actual site or from existing developments can be used”</i> The RICS Guidance Note also defines this as follows: <i>“The aggregate market value of the proposed development, assessed on the special assumption that the development is complete on the date of valuation in the market conditions prevailing pm that date.”</i> We have therefore assessed the GDV with reference to the comparable method of valuation.																																	
Local Market Trends	Average prices for the M16 8FD area are as follows: • Detached £679,000 • Semi Detached £309,179 • Terraced £246,609 • Apartments £162,292 There are limited numbers of sales transactions in the M16 8 submarket area, with just 12 recorded in 2022 to date, of which 8 were for flats/ maisonettes and 5 for terraced houses. In the previous year there were just 123 sales of which 60 were flats and 26 terraced houses..																																	
Market Analysis	We have considered the relevant market evidence enclosed at Appendix 3. Whilst there are a large number of higher rise developments within or close to the city centre such sites are not comparable with the subject site. We have therefore summarised the closer comparables, located out of centre or in more fringe locations as follows, though none provide a direct comparable. <table><tr><th>Scheme</th><th>Average Asking Price</th><th>Average Sold Price</th></tr><tr><td>1.Birchfield Court, Swinton</td><td>£305 per sq ft</td><td>Not Available</td></tr><tr><td>2.Trafford Bar Apartments</td><td>£406 per sq ft</td><td>Not Available</td></tr><tr><td>3.Moorcroft Road, M23</td><td>£301 per sq ft</td><td>Not Available</td></tr><tr><td>4.Varsity Quarter, Northenden, M23</td><td>£349 per sq ft</td><td>Not Available</td></tr><tr><td>5.Novus, Renton Road, Stretford</td><td>£364 per sq ft</td><td>£285 per sq ft</td></tr><tr><td>6.Bank House, Swinbourne Grove, Withington</td><td>£ 376 per sq ft</td><td>Not Available</td></tr><tr><td>7.Pomona Stand, Old Trafford</td><td>Not Available</td><td>£338 per sq ft</td></tr><tr><td>8.King Street, Stretford</td><td>Not Available</td><td>£290 per sq ft</td></tr><tr><td>9.Burlington Square, Boundary Lane, M15</td><td>Not Available</td><td>£301 per sq ft</td></tr><tr><td>10. Bowes Street, M14</td><td>Not Available</td><td>£309 per sq ft</td></tr></table>	Scheme	Average Asking Price	Average Sold Price	1.Birchfield Court, Swinton	£305 per sq ft	Not Available	2.Trafford Bar Apartments	£406 per sq ft	Not Available	3.Moorcroft Road, M23	£301 per sq ft	Not Available	4.Varsity Quarter, Northenden, M23	£349 per sq ft	Not Available	5.Novus, Renton Road, Stretford	£364 per sq ft	£285 per sq ft	6.Bank House, Swinbourne Grove, Withington	£ 376 per sq ft	Not Available	7.Pomona Stand, Old Trafford	Not Available	£338 per sq ft	8.King Street, Stretford	Not Available	£290 per sq ft	9.Burlington Square, Boundary Lane, M15	Not Available	£301 per sq ft	10. Bowes Street, M14	Not Available	£309 per sq ft
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Whilst there are a large number of developments either currently being marketed or recently sold in and around the city centre these are not comparable with the subject site.

Whilst we have summarised above the more peripheral schemes, given the scale of development and the closer proximity to the city centre, some of the sites identified above offer a superior location to the subject site.

This site location has more in common with the sites in Streford and Withington. We would therefore expect achieved values to be in the range of £300 per sq ft to £375 per sq ft depending on the dwelling type.

Given the lack of meaningful new build comparables in the immediate area we have also considered the second hand market sales. Full details are set out in Appendix 3 of this report.

There are no 2 bedroom apartments currently being marketed. For 2 bedroom apartments current marketing prices within one mile of the site range from £110,000 to £265,000. There are no 2 bedroom houses currently being marketed. For 3 bedroom houses these range from £295,000 to £475,000 though as identified above the volumes available are low.

The range of values for sold apartments within 1 mile of the site on the second hand market has also been considered. For 1 bedroom apartments there is just the one recent transaction at £95,000. For 2 bedroom apartments these range from £130,000 to £270,000. For 2 bedroom terraced houses the range is from circa £135,000 up to £310,000. Finally 3 bedroom terraces range from £140,000 to £315,000.

When considering the second hand market comparables there will be a wide range of sizes of dwelling and general condition.

Taking account of the above comparable evidence we would expect average sales values in the order of £314 to £376 per sq ft across the proposed development, with the price in £ per sq ft declining as apartment unit sizes increase and for the 3 storey mews houses. This equates to £155,000 for the 1 bedroom apartments and £235,000 for the 2 bedroom apartments. For the 2 bedroom mews houses it equates to £275,000 and £375,000 for the 3 bedroom town houses, a premium to comparable sales from the second hand market.

7. Appraisal Inputs

We have undertaken a residual appraisal of the proposed scheme, adopting a policy compliant level of affordable housing as per the assumptions below.

Appraisal I – Policy Compliant

Private GDV	Taking account of the evidence and analysis detailed in the previous section, the market values adopted by Roger Hannah are highlighted below: <table><tr><th>Name</th><th>No of Beds</th><th>Number of Units</th><th>Unit Size (FT2)</th><th>Type</th><th>Net Value Per Unit</th><th>Net Value (ft²)</th><th>Total Revenue</th></tr><tr><td>Type 1</td><td>1</td><td>12</td><td>467</td><td>Apartment</td><td>£155,000</td><td>£331.91</td><td>£1,860,000</td></tr><tr><td>Type 2</td><td>2</td><td>19</td><td>748</td><td>Apartment</td><td>£235,000</td><td>£314.17</td><td>£4,465,000</td></tr><tr><td>Type 3</td><td>2</td><td>2</td><td>730</td><td>Townhouse</td><td>£275,000</td><td>£376.71</td><td>£550,000</td></tr><tr><td>Type 4</td><td>3</td><td>2</td><td>1092</td><td>Townhouse</td><td>£375,000</td><td>£343.41</td><td>£750,000</td></tr><tr><td></td><td>Total</td><td>35</td><td></td><td></td><td></td><td>£325.02</td><td>£7,625,000</td></tr></table>								Name	No of Beds	Number of Units	Unit Size (FT2)	Type	Net Value Per Unit	Net Value (ft²)	Total Revenue	Type 1	1	12	467	Apartment	£155,000	£331.91	£1,860,000	Type 2	2	19	748	Apartment	£235,000	£314.17	£4,465,000	Type 3	2	2	730	Townhouse	£275,000	£376.71	£550,000	Type 4	3	2	1092	Townhouse	£375,000	£343.41	£750,000		Total	35				£325.02	£7,625,000
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Affordable GDV	In accordance with Core Strategy Policy H8, 20% on-site affordable housing is sought under adopted planning policies. For the purposes of assessing viability, we have assessed the affordable provision split 57:43 between affordable rented and intermediate tenure affordable housing i.e., shared ownership. Based on recent market trends, transfer values equivalent to 40% OMV have been adopted for the rented units and 65% of OMV have been adopted for the intermediate units. The values adopted for the affordable housing units on the subject site are highlighted below: <table><tr><th>20% Affordable Housing</th><th>No of Beds</th><th>No of Units</th><th>Unit Size (FT2)</th><th>Type</th><th>Net Value Per Unit</th><th>Net Value (FT²)</th><th>Total Revenue</th></tr><tr><td>Type 1 (AR)</td><td>1</td><td>4</td><td>467</td><td>Apartment</td><td>£62,000</td><td>£132.76</td><td>£248,000</td></tr><tr><td>Type 2 (INT)</td><td>1</td><td>3</td><td>748</td><td>Apartment</td><td>£152,750</td><td>£204.21</td><td>£458,250</td></tr><tr><td></td><td>Total</td><td>7</td><td></td><td></td><td></td><td></td><td>£706,250</td></tr></table>								20% Affordable Housing	No of Beds	No of Units	Unit Size (FT2)	Type	Net Value Per Unit	Net Value (FT²)	Total Revenue	Type 1 (AR)	1	4	467	Apartment	£62,000	£132.76	£248,000	Type 2 (INT)	1	3	748	Apartment	£152,750	£204.21	£458,250		Total	7					£706,250																
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Base Build Costs	Based on initial specialist third-party advice and our recent experience with assessing viability developments of a very similar nature, a build cost of £4,037,557 has been included within the appraisals. This is inclusive of (and reflects), completing all communal areas.																																																							
External Works	Included above																																																							
Parking Provision	N/A																																																							
Abnormal Costs	A cost allowance of £40,000 has been included within the appraisal to complete initial service disconnections and diversions, site demolition, site clearance and foundation removal. In addition allowances of £4,000 has been included for tree works and protection, £10,000 for the construction of communal bin storage and £20,000 for cycle storage to serve the development.																																																							

	Other cost items may be identified as detailed scheme design is progressed and further investigations are completed which may impact on total costs.
Contingency	Taking into account the technical challenges posed by this site, it is considered that a reasonably prudent developer would require a contingency to be included within their appraisal at this stage of the development cycle. In line with our professional view and judgement on risk, a contingency sum equating to 5% of the total construction budget has been allowed.
Professional Fees	In accordance with standard industry practice, a provision equating to 10% of the build cost has been allowed which reflects the significant infrastructure and planning work that is required to deliver a scheme of the size and nature. This figure will cover the following professional costs: • Architect • Landscape Architect • Engineer (Civil and Structural) • Fire Engineer • M&E Consultant • Traffic Engineer • Highways Engineer • Legal Fees (draft S106 agreement etc.) • Topographical Survey • Site Investigations • Ecological Reports • NHBC or other building warranty costs • Planning application fee • Building Regulations application fee • Arboriculture Surveys/Reports • Planning Consultant • Viability Consultant
Section 106 Costs	None included within the appraisals.
CIL	Not applicable
Finance Costs	An interest rate of 7.50% has been adopted, inclusive of all arrangement, management and cost monitoring fees.
Disposal Costs	An allowance of 3.50% of the gross development value has been allowed for sales and marketing costs of the open market sale units. In addition to this, £800 per unit has been allowed for legal fees associated with selling each of the units. These figures are in line with contemporary feedback from developers. They also take into account the significant investment in sales and marketing that will be required in order to achieve the sales rate detailed within the appraisals contained within this report. No sales and marketing costs have been attributed to the affordable units contained within the appraisals.

Site Acquisition Costs	Legal fees of 0.5% have been assumed for the acquisition, along with an Agency fee of 1% of the site value. These are however subject to a minimum fee of £10,000 for each.
Profit Margin	The site is complex and challenging and constrained by its small size and tight boundaries. On sites as small as the subject site, every element is interlinked, and one slight construction issue has the potential to have a knock-on effect across the site. The nature of the scheme does not allow for partial completion or partial occupation and the result is that all units will have to be built at the same time. This interdependency creates a high level of risks of delays. With all the revenue for the scheme being realised upon completion of all the units, there is a high risk of delays to revenue, increased finance costs and associated commercial implications. This therefore means that during the construction phase there is significant capital commitment to the project with financial returns coming back only once all construction is complete. This is unlike for example a low-rise traditional housing scheme where within reason, construction can be phased, slowed or even halted in the event of a market downturn, thus reducing exposure to market sales risk. The proposed development, once commenced, are required to be completed, regardless of external market conditions during the construction phase as this is the only route to recovering the significant capital investment in the project. As a result, the risks associated with the delivery of the subject site are considered to be relatively high. In light of the unfolding economic impact of the Covid-19 pandemic on the UK economy and emergence from 'Brexit', increasing levels of cost price inflation and rising interest rates we therefore consider that 18.00% return on GDV is a conservative assessment of a risk adjusted developer return.
Timescales	• Sales Period of just 6 months following practical completion • Pre Development Period of just 3 months to let main contract, discharge conditions, etc. • Demolition and Site clearance start month 4 for 2 months • Construction starts month 6 with a 18-month construction programme • Marketing commences on site acquisition • Professional fees profiled to reflect fee expenditure i.e. more professional input up-front as part of the planning process and technical due diligence

We have also undertaken a second residual appraisal, with reduced levels of policy compliance, based on the assumptions set out above, with the exception of the following:

Appraisal 2 – Reduced Policy Compliance (Zero Affordable Housing)							
Private GDV	The alternative appraisal adopts a zero affordable housing position i.e. 100% market sale. On this basis, the values we have adopted are highlighted below.						
	Name	No of Beds	Number of Units	Unit Size (FT2)	Type	Net Value Per Unit	Net Value (ft ²)
	Type 1	1	12	467	Apartment	£155,000	£331.91
	Type 2	2	19	748	Apartment	£235,000	£314.17
	Type 3	2	2	730	Townhouse	£275,000	£376.71
	Type 4	3	2	1092	Townhouse	£375,000	£343.41
	Total		35				£325.02
Section 106 Costs	None included within the appraisals.						
Profit Margin	On the basis of 100% market sale, a developer return of 18.0% is adopted.						
CIL	Not applicable						

8. Benchmark Land Value

8.1 Method

In any typical viability assessment, a Benchmark Land Value (BLV) is used to assess if a scheme is viable, with a viable development achieving a value above the BLV and unviable development achieving a value below it. Paragraph 013 of the PPG states that:

“A benchmark land value should be established on the basis of the Existing Use Value (EUV), plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell the land for development while allowing a sufficient contribution to fully comply with policy requirement.”

This is often referred to as the EUV+ approach, which we have adopted in this case.

The EUV is defined in Paragraph 015 of the PPG as:

“the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types.”

It is clear that the EUV is the Market Value of the land in its current use and we had reference to comparable market evidence as appropriate.

In respect of the minimum premium, paragraph 016 of the PPG states that:

“the premium (or the ‘plus’ in EUV+) is the second component of benchmark land value. It is the amount above the existing use value (EUV) that goes the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.”

The PPG goes on to state that:

“Benchmark land value should:

- *Be based upon existing use value*
- *Allow for a premium to landowners (including equity release from those building their own homes)*
- *Reflect the implications of abnormal costs, site-specific infrastructure costs; and professional site fees” (Paragraph 014)*

“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. This approach is often called ‘existing use value plus’ (EUV+).” (Paragraph 013)

There are therefore a number of factors that need to be considered when assessing the BLV. There is a need to reflect abnormal costs and planning policy, but there is also a need to consider a reasonable minimum level of return when assessing the premium to ensure this incentivises landowners to release their land for development. These factors can be at odds

with each other, and the PPG is clear that there is a need to “*strike a balance*” between the interests of Local Councils, developers and landowners in order to ensure that land is released for development.

It should also be noted that the PPG is clear that the actual price paid is not relevant for the purpose of viability assessment.

The latest RICS Guidance Note relating to viability in planning, dated 2021, provides additional guidance on the approach to Benchmark Land Value (BLV), which should be assessed through a five-stage process:

1. Assess the EUV – the Market Value of the property is in existing use, excluding hope value
2. Assess the Alternative Use Value (AUV) where appropriate
3. Assess the premium above EUV
4. Determine the residual value of the site, assuming policy compliance, to cross check against the EUV and assessment of the premium
5. Reference land transaction evidence to sense check the EUV and assessment of the premium

We have considered all of the relevant guidance in our assessment of BLV.

8.2 Existing Use Value

The subject site extends to 0.62 gross acres of commercial land last utilised as a local community centre.

The site benefits from close proximity to many of Manchester’s amenities as well as the inner ring road and the national motorway network. The site is in an urban setting with a mix of nearby commercial and residential uses.

The Viability Study (VS) completed for the Places For Everyone consultation by Three Dragons in September 2021 identified no meaningful comparable sales to support residential land values.

It adopted a very narrow range of benchmark land values for “industrial” brownfield sites across the 9 local authority areas. The BLV’s range from £430,000 per ha for lower value locations and £660,000 per ha for higher value location outside town and city centres. The study also acknowledged that sites in “town centre/high value” locations existing use brownfield warranted a higher BLV of £1,038,000 per gross hectare (circa £420,000 per acre) whilst for sites in Manchester City Centre a BLV of £15,000,000 per hectare (£6,070,416 per acre) was adopted.

The subject site appears to fall within the VA2 value zone but is also in close proximity to VA1 areas. The methodology adopted within the VS does not follow the latest PPG guidance as it fails to identify a premium to the existing use value. The above values are therefore assumed to be inclusive of an undefined level of premium.

On this basis, that the minimum premium for an area wide assessment of viability tends to fall in the range of 20% to 30% of the EUV this would indicate an existing use value of around £800,000 to £900,000 per hectare (£325,000 to £365,000 per acre) has been adopted by Three Dragons. On this basis the subject site could have an existing use site value of circa £250,000 albeit as of 2020 and noting that this is a general assumption across the whole plan area and not specific to the Whalley range area.

As noted above the site is located in one of the higher value areas covered by the Three Dragons Study and as with residential land values, commercial land values have increased significantly since the VS was completed. This being the case a higher EUV than the average level adopted across the study area is warranted in this case. We have therefore adopted an EUV of £375,000.

8.3 Alternative Use Value

The individual elements of the site are currently vacant however we consider that there are limited alternative use values that could apply to the subject site that would result in a higher value other than a residential redevelopment.

8.4 Minimum Premium

We have considered evidence from various sources to assess the minimum premium, including local plan assumptions, market evidence, and applied our professional judgement based on the balance of this evidence.

The landowner premium should reflect “the minimum return at which it is considered a reasonable landowner would be willing to sell their land”. There is no one size fits all approach to this with site specific factors determining the size of the uplift, with the key factor being that the premium must be at a level that incentivises the landowner to sell. Landowners with large, prominent sites and buildings are likely to have higher aspirations than landowners with smaller, less prominent sites.

To inform the level of premium, typically relevant market evidence of policy compliant residential land transactions would be analysed. Notwithstanding this, there is limited evidence of comparable of policy compliant transactions in Manchester city centre, making it difficult to assess an appropriate landowner premium based on transactional evidence.

The PPG therefore advises that “Plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time”. We are aware of premiums ranging from 20 to 50% being applied in viability assessments by other consultants in the Manchester City Council area.

The Addendum report prepared by Three Dragons, published in 2021, report that they find no evidence that the Benchmark Land Values should be revised, stating “A landowner premium of 10% - 30% is well established as in industry norm for strategic high level viability studies”.

For the purpose of our assessment, we have therefore adopted a premium of 30% which equates to just £112,500. This results in an EUV+ for the subject property of **£487,500**.

8.5 Residual Site Value

Appendix 3 contains a residual appraisal of the subject site, based on a scheme containing policy compliant levels of affordable housing. The residual value of the land on this basis is **minus £251,878**.

8.6 Market Comparison

We have had reference to land transactional evidence that is summarised in Figure 7 below, to inform the minimum premium a reasonable landowner would expect:

Address	Date of Purchase	Net Price	Number of Units	Achieved Price Per Unit
Wharf End, Trafford Wharf Road	Apr-18	£5,600,000	354	£15,819
First Street, Manchester	Mar-19	£18,000,000	624	£28,846
Oldham Road, Adlington Road	Dec-20	£4,300,000	144	£29,861
Swan House, Britannia Group	Oct-19	£10,000,000	385	£25,974
Boddingtons (Higher)	Option Exercised	£16,800,000	556	£30,216
1 Lord Street	Jan-18	£5,900,000	192	£30,729
Average Residential Land Value per Net Acre				£26,908

Figure 7: Land Transactions

The evidence shows that land transactions in the city centre are achieving per plot values in the region of £15,000 to £30,000.

Whilst the above transactions are for larger sites in more central locations, we are also aware of the following nearby transactions all of which were sold without an alternative planning consent:

1. Cross Road, Chorlton, M21 9DJ. The site extends to 0.2 hectares (0.50 acres) and was last used as a car park. This site was purchased in January 2021 without an alternative planning consent for £1,720,000. Consent was granted in September 2022 for 29 apartments. The price paid therefore equates to £59,310 per dwelling or £8.6m per hectare (£3.48m per acre).
2. Alnes Road, M16 8HW. This site extends to 0.16 hectares (0.40 acres) and was last used as tennis courts. The site was sold in November 2017 also with no alternative planning consent for £637,500. Planning was granted in August 2019 for 4 semi detached dwellings. The price paid equates to £159,375 per dwelling or £3.98m per hectare (£1.61m per acre).
3. Former Community Hospital, Russell Road, M16 8AJ. This site extends to 0.93 hectares (2.30 acres), last used for health purposes. The site was sold in September 2018 with no alternative planning consent in place for £4,250,000. The purchaser, Manchester City Council originally intended to redevelop the site with an extra care facility in partnership with Anchor Housing Association. This proposal is no longer proceeding and a new development partner is yet to be identified. No application for an alternative use has been submitted. The price paid equates to £4.57m per hectare (£1.85m per acre).

Our adopted EUV+ value for the site equates to £13,928 per residential plot, which reflects a significant discount compared to transactional evidence within the local vicinity.

We therefore believe that the adopted EUV+ value provides a suitable discount to reflect planning and design risk, along with providing a sufficient allowance for planning contributions and a minimum level of return to the landowner.

8.7 Benchmark Land Value

Based on above, this is summarised in Figure 8 as follows:

Item	Assessment
Existing Use Value	£375,000
Minimum Premium	£112,500
Total	£487,500

Figure 8: Benchmark Land Value

9. Results & Sensitivity Analysis

Appraisal 1 (Policy Compliance)	Appraisal 1 (Appendix 3) produces a residual land value of minus £251,878 which is significantly below the benchmark land value. This confirms that full policy provision of affordable housing (20%) is unviable.																
Appraisal 2 (Zero Affordable Housing)	Appraisal 2 (Appendix 4) produces a residual land value of £157,000 that is an improvement on viability and represents a viability balance, slightly below the benchmark land value.																
Sensitivity Analysis	The above figures clearly demonstrate that the site is deliverable, in the case that the site comes forward without the inclusion of any on site affordable housing. However, the site is significantly unviable if a full policy level of 20% affordable housing is applied. In accordance with RICS guidance it is appropriate to sensitivity test the appraisals to highlight sensitivity to cost and value change. <u>Appraisal 1 –20% Affordable Housing; Zero Section 106 Contributions</u> Figure 9 below highlights the impact of a 5% shift in cost and value on residual land value based on the applicants proposed scheme. <table><tr><th></th><th>Baseline Revenue</th><th>5% Additional Revenue</th><th>5% Decreased Revenue</th></tr><tr><td>Baseline Build Cost</td><td>-£251,878</td><td>£22,000</td><td>-£531,179</td></tr><tr><td>5% Reduced Cost</td><td>£32,500</td><td>£266,000</td><td>-£239,275</td></tr><tr><td>5% Increased Cost</td><td>-£543,783</td><td>-£264,482</td><td>-£823,083</td></tr></table> Figure 9 – Sensitivity Analysis At the time of writing, BCIS cost forecasts are for a 21% increase in construction costs over the next 5-years and up to 10% over the next 12-months. Conversely Savills are forecasting a ‘soft landing’ for house prices in 2022 with growth of 4.5% forecast as part of a general ‘cooling’ once the SDLT relief measures are lifted. Accordingly, it is likely that the most appropriate sensitivity test is for sales values and build costs to increase. Assuming a 5% growth in both, the residual land value reduces slightly to minus £264,482 which still represents a scheme deficit and an unviable scheme with 20% affordable housing provision.		Baseline Revenue	5% Additional Revenue	5% Decreased Revenue	Baseline Build Cost	-£251,878	£22,000	-£531,179	5% Reduced Cost	£32,500	£266,000	-£239,275	5% Increased Cost	-£543,783	-£264,482	-£823,083
	Baseline Revenue	5% Additional Revenue	5% Decreased Revenue														
Baseline Build Cost	-£251,878	£22,000	-£531,179														
5% Reduced Cost	£32,500	£266,000	-£239,275														
5% Increased Cost	-£543,783	-£264,482	-£823,083														

10. Conclusions

We have summarised the appraisal results in comparison to the BLV in Figure 10 below:

	Appraisal 1 – Policy Compliant (20% Affordable Housing)	Appraisal 2 – Reduced Policy Compliance (100% Market Housing)
Benchmark Land Value	£487,500	£487,500
Residual Land Value	-£251,878	£157,000
Surplus/Deficit	-£739,378	-£330,500
Viability Concern	Yes - Significant	Yes

Figure 10: Summary of Viability

The appraisals contained within this report represent a robust assessment of the viability of a residential development on the subject site.

This report has been produced utilising a recognised appraisal software package. Due regard has been given to guidance published by the RICS and the NPPF/NPPG.

The appraisals demonstrate that the site can deliver a scheme of 100% market sale housing but zero affordable housing.

The BLV adopted within the appraisals is in accordance with NPPF/NPPG guidance and reflects a conservative assessment of the uplift required to incentivise the landowner to bring the site forward for development.

The viability tests that have been used compares the residual land values generated by the development, against a conservatively assessed benchmark land value of EUV+. It clearly demonstrates that a full policy compliant provision of affordable housing (20%) is unviable.

This report has tested appraisals of both a scheme for 100% open market sale and a scheme containing 20% on site affordable housing. We have found that with 20% affordable, a land value below the EUV is generated, resulting in a viability deficit of -£739,378 which results in an undeliverable scheme.

In line with planning policy, we are therefore of the opinion that the affordable housing and planning obligations on site should be reduced to reflect scheme viability.

APPENDICES

Appendix I: – Site Layout and Upper Floor Plans



PROPOSED SITE PLAN

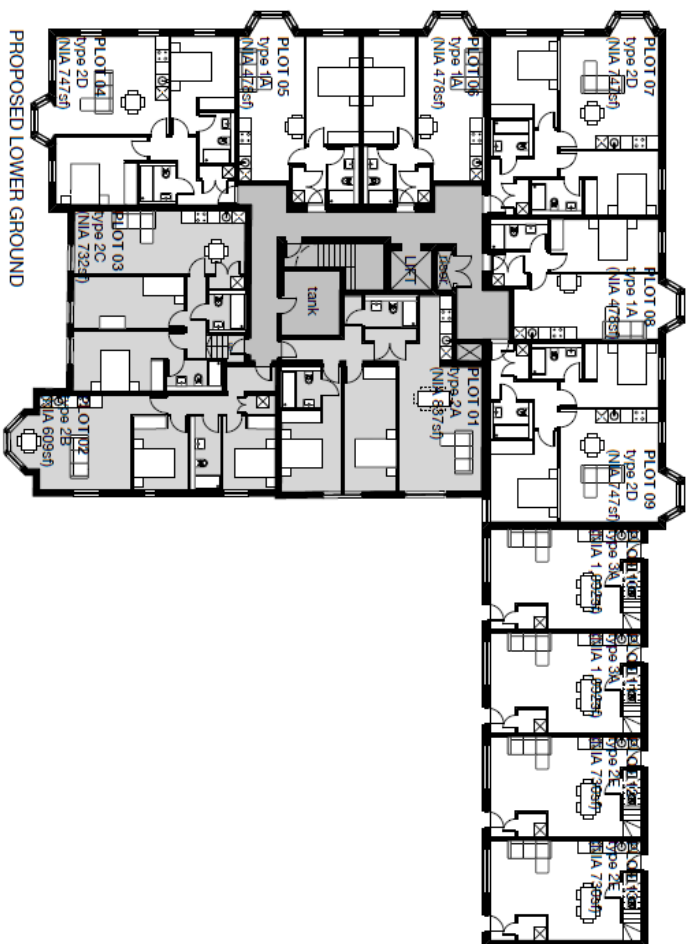
136 Withington Road,
Whalley Range

35no. Apartments
With
24no. Parking Spaces (68%)

DATE	
REVISION	
DATE	DESCRIPTION

CLIENT	MOORE PROPOSED RESIDENTIAL DEVELOPMENT
ADDRESS	136 WITHINGTON RD
DEVELOPER	MOORE TRADING PROPOSED SITE PLAN
SCALE	1:250 (N/A)
DATE	MAY 2022
DESIGNED BY	ADAM J. C. 1000

OLLIER SMURTHWAITE ARCHITECTS
106 Albert Rd., 10 Whalley Hall Road, Manchester, M15 4JY
T: 0161 661 6661
F: 0161 661 6662
E: info@olliersmurthwaite.com



PROPOSED LOWER GROUND FLOOR PLAN

136 Winton Road,
Whalley Range
35no. Apartments
with
24no. Parking Spaces (68%)

REVISION	DATE	DESCRIPTION

CLIENT
PROPOSED RESIDENTIAL DEVELOPMENT
ADDRESS: 136 WINTON RD
STATION: TRAIL PROPOSED LOWER GROUND FLOOR PLAN
SCALE: 1:200 (A3)
DATE: MAY 2022
DRAWING NO: 4488, BK 2000

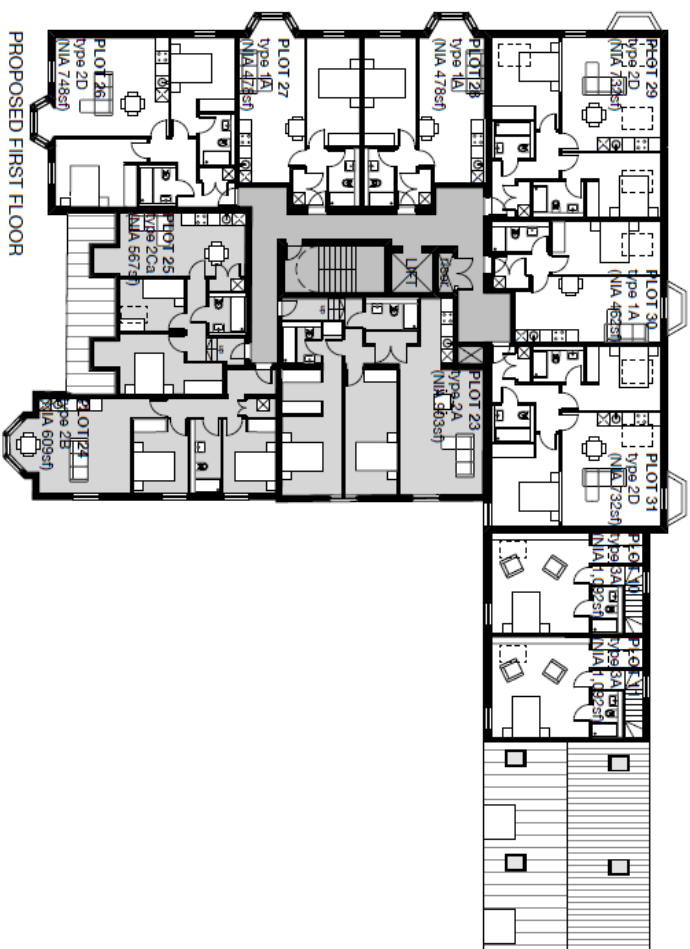
OLLIER SMURTHWAITE ARCHITECTS
109 Albert Hall, 10 Hume Hill Road, Manchester, M15 4LW
T: 0161 868 0026
F: 0161 868 0028
E: info@olliersmurthwaite.com



REVISION	DATE	DESCRIPTION

CLIENT PLANNED PROPOSED RESIDENTIAL DEVELOPMENT ADDRESS: 158 WILKINSON RD SUBMITTED TITLE: PROPOSED 10-UNIT GROUND FLOOR PLAN DATE: 3/20/2016 DATE: MAY 2022 DESIGNED BY: ADRIAN SHEN 2010	
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OLLIER SMURTHWAITE ARCHITECTS
1106 Albert Mall, 10 Hulme Hall Road, Manchester, M15 4LY
T: 0161 880 0036
F: 0161 880 0030
E: info@olliersmurthwaite.com



PROPOSED FIRST FLOOR PLAN

136 Withington Road,
Whalley Range
35no. Apartments
with
24no. Parking Spaces (68%)

REVISION	DATE	DESCRIPTION

CLIENT	
PROJECT PROPOSED RESIDENTIAL DEVELOPMENT	
ADDRESS 136 WITHINGTON RD	
ARCHITECTURAL PROPOSED FIRST FLOOR PLAN	
SCALE 1:200 (A3)	DATE JULY 2022
DRAWING NO. 136_01	

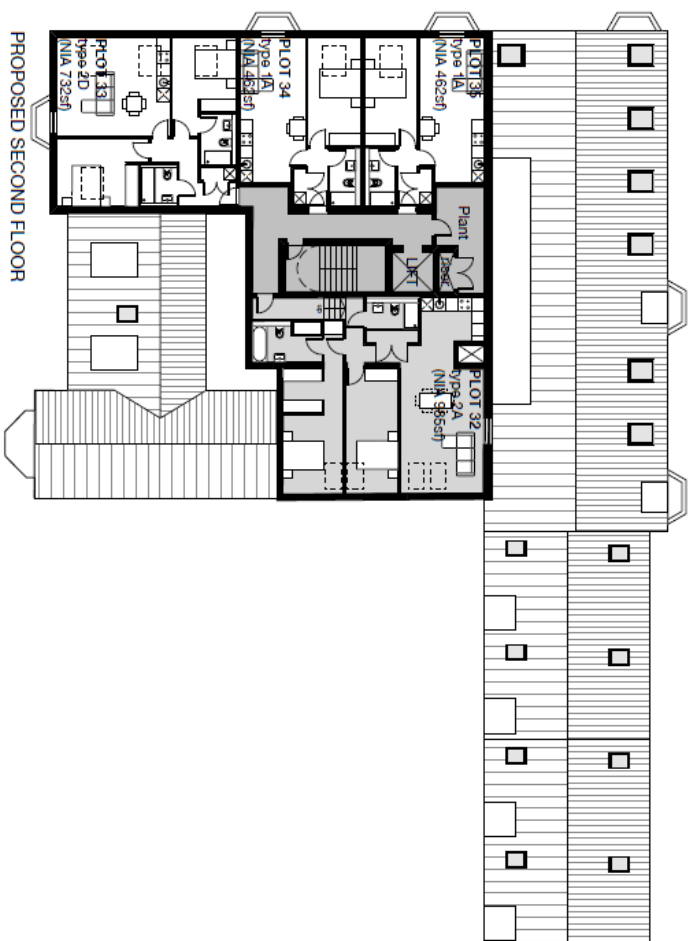
OLLIER SMURTHWAITE ARCHITECTS
109 Albert Gate, 10 Hallow Hill Road, Manchester, M15 4LY
T: 0161 963 0030
E: info@olliersmurthwaite.com
www.olliersmurthwaite.com

**136 Writington Road,
Whalley Range**
35no. Apartments
with
24no. Parking Spaces (68%)

REFERENCE	DATE	DESCRIPTION

CLIENT	PROJECT PROPOSED RESIDENTIAL DEVELOPMENT		
ADDRESS	136 WITHINGTON RD		
DRAWING TITLE	PROPOSED SECOND FLOOR PLAN		
SCALE	1:200(9A3)	DATE	MAY 2022
DRAWING NO. A4846-SPC-2010C			

OLLIER SMURTHWAITE ARCHITECTS
106 Albert Mall, 10 Hulsing Hall Road, Manchester, N.Y. 417
T: 0181 888 0808
F: 0181 888 0806
E: info@ollier-smurthwaite.com



PROPOSED SECOND FLOOR

Appendix 2: Market Research

Average Price & Volume of Sales

Source: Land Registry

2022	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M16 8	£379,333	3	£543,333	3	£305,657	5	£177,856	8	£301,007	19
Total	£379,333	3	£543,333	3	£305,657	5	£177,856	8	£301,007	19

2021	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M16 8	£461,500	4	£370,591	33	£321,394	26	£155,988	60	£258,464	123
Total	£461,500	4	£370,591	33	£321,394	26	£155,988	60	£258,464	123

2020	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M16 8	£328,833	3	£357,429	32	£328,126	26	£153,889	38	£270,740	99
Total	£328,833	3	£357,429	32	£328,126	26	£153,889	38	£270,740	99

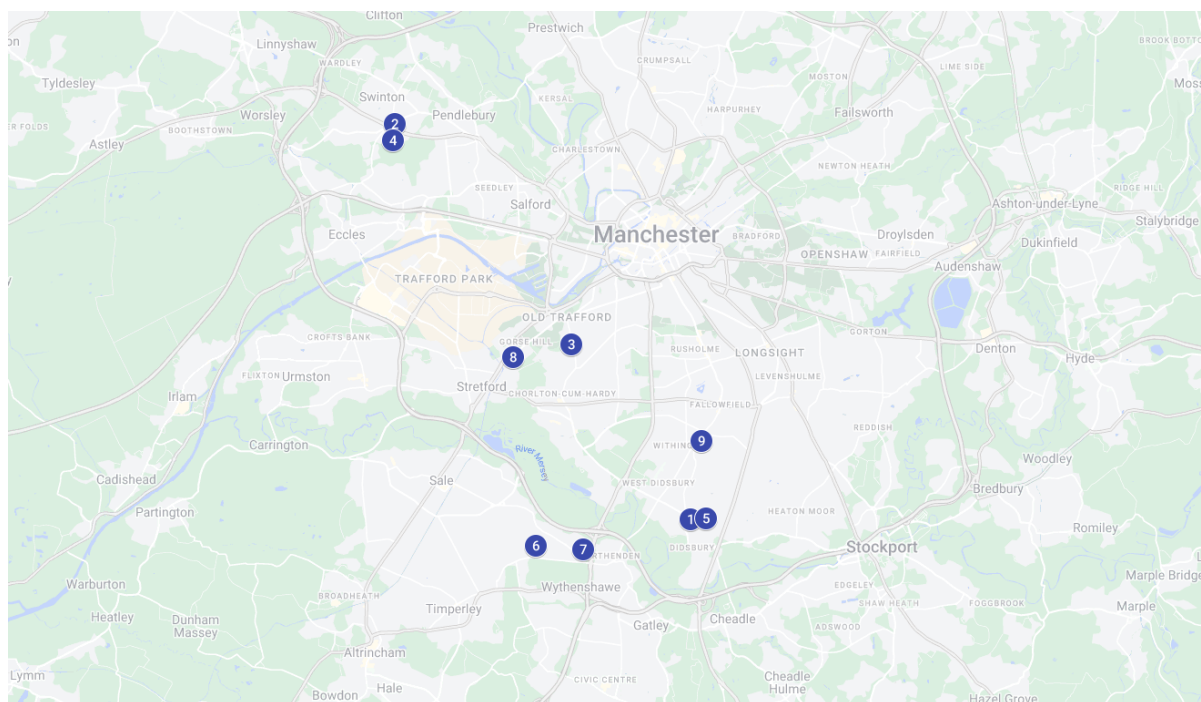
2019	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M16 8	£371,500	4	£426,500	24	£298,394	19	£148,002	56	£249,316	103
Total	£371,500	4	£426,500	24	£298,394	19	£148,002	56	£249,316	103

2018	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M16 8	£342,500	2	£306,462	33	£228,177	22	£135,053	46	£213,889	103
Total	£342,500	2	£306,462	33	£228,177	22	£135,053	46	£213,889	103

2017	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M16 8	£410,357	7	£322,003	33	£313,464	35	£126,371	62	£235,802	137
Total	£410,357	7	£322,003	33	£313,464	35	£126,371	62	£235,802	137

2016	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M16 8	£346,045	11	£281,495	32	£225,102	31	£124,802	90	£189,175	164
Total	£346,045	11	£281,495	32	£225,102	31	£124,802	90	£189,175	164

New Build Availability



1. SPS - Albert Hill Street, Didsbury Village M20 6RF

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
3 Albert Place	3	Terraced	2.5	£595,000	1153	£516
1 Albert Hill Street	3	Semi	2.5	£590,000	1100	£536
2 Albert Street	3	Semi	2.5	£590,000	1100	£536
Average Asking Value (ft²)						£530

2. Elan Homes - Birchfield Court, Worsley Road, Swinton, Manchester, Greater Manchester M27 5SN

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Dunham	5	Detached	2	£489,995	1461	£335
Thurston Max	3	Terraced	2	£334,995	1097	£305
Average Asking Value (ft²)						£320

3. LPC Residential - Trafford Bar Apartments, Seymour Grove, Manchester M16 0FF

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Type A	2	Flat	2	£526,303	1090	£483
Type B	2	Flat	2	£499,867	983	£509
Type C	2	Flat	1	£319,148	728	£438
Type C	2	Flat	1	£307,580	728	£423
Type D	2	Flat	1	£310,734	714	£435
Type D	2	Flat	1	£309,421	716	£432
Type D	2	Flat	1	£302,060	711	£425
Type E	2	Flat	1	£305,476	743	£411
Type F	2	Flat	1	£298,447	696	£429
Type G	2	Flat	1	£291,282	703	£414
Type G	2	Flat	1	£281,292	706	£398
Type G	2	Flat	1	£262,363	707	£371
Type G	2	Flat	1	£255,003	701	£364
Type G	2	Flat	1	£254,214	707	£360
Type G	2	Flat	1	£252,899	706	£358
Type G	2	Flat	1	£249,482	707	£353
Type G	2	Flat	1	£248,957	706	£353
Type G	2	Flat	1	£248,626	706	£352
Type H	2	Flat	1	£286,599	682	£420
Type H	2	Flat	1	£279,036	685	£407
Type H	2	Flat	1	£252,637	683	£370
Type I	2	Flat	1	£284,972	754	£378
Type I	2	Flat	1	£268,510	754	£356
Type I	2	Flat	1	£260,063	754	£345
Type J	2	Flat	1	£284,446	739	£385
Type J	2	Flat	1	£247,904	737	£336
Type K	2	Flat	1	£268,673	356	£755
Type L	2	Flat	1	£261,559	695	£376
Type L	2	Flat	1	£232,394	694	£335
Average Asking Value (ft²)						£406

4. Bellway - The Brackens, Off Campbell Rd, Greater, Swinton, Manchester M27 5GQ

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Japonica Alt	3	Detached	2	£399,995	978	£409
Average Asking Value (ft²)						£409

5. Kamani Property Group - Ladysmith Row, Ladysmith Road, Didsbury, Manchester M20 6HQ

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Type A	3	Terraced	2	£450,000	943	£477
Average Asking Value (ft²)						£477

6. Unknown Developer - Moorcroft Development, Moorcroft Road, Manchester M23 0WW

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
House Type A	4	Terraced	2.5	£425,000	1357	£313
House Type A	4	Terraced	2.5	£399,995	1357	£295
House Type A	4	Terraced	2.5	£399,950	1357	£295
Average Asking Value (ft²)						£301

7. Miller Homes - Varsity Quarter, Sale Rd, Northenden, Wythenshawe, Manchester M23 0DD

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Burnett	3	Semi	2.5	£403,000	1166	£346
Burnett	3	Semi	2.5	£400,000	1166	£343
Burnett	3	Semi	2.5	£400,000	1166	£343
Burnett	3	Semi	2.5	£393,000	1166	£337
Wilson	3	Semi	2.5	£377,000	1042	£362
Wilson	3	Semi	2.5	£370,000	1042	£355
Wilson	3	Semi	2.5	£370,000	1042	£355
Average Asking Value (ft²)						£349

8. Miller Homes - Novus, Renton Rd, Stretford, Manchester M32 0YA

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Hatysa Type A 1F	1	Flat	1.0	£181,000	502	£361
Hatysa Type A 2F	1	Flat	1.0	£182,000	502	£363
Hatysa Type B 1F	1	Flat	1.0	£184,000	505	£364
Hatysa Type B 2F	1	Flat	1.0	£185,000	505	£366
Hatysa Type B 3F	1	Flat	1.0	£186,000	505	£368
Average Asking Value (ft²)						£364

9. Bank House, Swinbourne Grove - Withington, Manchester M20

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
Type A	2	Flat	1.0	£310,000	797	£389
Type B	2	Flat	1.0	£305,000	775	£394
Type A	2	Flat	1.0	£300,000	797	£376
Type B	2	Flat	1.0	£295,000	775	£381
Type C	2	Flat	1.0	£275,000	807	£341
Average Asking Value (ft²)						£376

New Build Sold



I. Miller Homes - Novus, Stretford M32 0GY

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
A1307	Type A	1	Flat	Jan-21	£142,995	484	£295
A2307	Type A	1	Flat	Feb-21	£142,995	484	£295
A4305	Type B	2	Flat	Jan-21	£195,995	721	£272
A6307	Type B	2	Flat	Jan-21	£197,995	721	£275
A4307	Type B	2	Flat	Jan-21	£196,995	721	£273
A6309	Type B	2	Flat	Feb-21	£199,995	721	£277
A3307	Type C	2	Flat	Jan-21	£216,995	786	£276
A5307	Type C	2	Flat	Jan-21	£218,995	786	£279
A5309	Type C	2	Flat	Feb-21	£220,995	786	£281
142	Duco	3	Terraced	Feb-21	£304,995	1033	£295
143	Duco	3	Terraced	Feb-21	£294,995	1033	£285
144	Duco	3	Terraced	Feb-21	£294,995	1033	£285
145	Duco	3	Terraced	Feb-21	£294,995	1033	£285
29	Ortus	3	Terraced	Mar-21	£294,995	1044	£283
19	Ortus	3	Terraced	May-21	£304,995	1044	£292
18	Prosus	3	Terraced	Jun-21	£304,995	1055	£289
140	Prosus	3	Terraced	Mar-21	£304,995	1055	£289
217	Opto	3	Terraced	Mar-21	£320,000	1098	£291
218	Opto	3	Terraced	Apr-21	£320,000	1098	£291
219	Opto	3	Terraced	Apr-21	£330,000	1098	£301
220	Opto	3	Terraced	Apr-21	£330,000	1098	£301
1	Clara	4	Detached	May-21	£394,995	1421	£278
141	Venit	4	Detached	Mar-21	£405,995	1518	£268
						Average Sale Price (ft²)	£285

2. XI Developments - Pomona Strand, Old Trafford M16 0YD

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
112	Type A	0	Flat	May-21	£109,995	269	£409
212	Type A	0	Flat	May-21	£114,995	269	£427
113	Type A	0	Flat	May-21	£109,495	269	£407
206	Type A	0	Flat	May-21	£114,995	269	£427
205	Type A	0	Flat	Jun-21	£120,995	269	£450
201	Type B	1	Flat	Apr-21	£144,995	398	£364
101	Type B	1	Flat	May-21	£144,494	398	£363
107	Type C	1	Flat	Apr-21	£139,995	409	£342
103	Type C	1	Flat	May-21	£139,995	409	£342
108	Type C	1	Flat	May-21	£157,500	409	£385
208	Type C	1	Flat	May-21	£144,995	409	£354
1106	Type D	1	Flat	May-21	£199,995	420	£476
1006	Type D	1	Flat	May-21	£179,995	420	£429
1003	Type D	1	Flat	May-21	£179,995	420	£429
1005	Type D	1	Flat	May-21	£199,995	420	£476
114	Type E	1	Flat	Jun-21	£139,495	431	£324
1011	Type F	1	Flat	May-21	£199,995	441	£453
1111	Type F	1	Flat	May-21	£199,995	441	£453
209	Type G	2	Flat	Apr-21	£144,995	484	£299
501	Type J	2	Flat	May-21	£159,995	549	£291
304	Type J	2	Flat	May-21	£149,995	549	£273
1108	Type K	2	Flat	Mar-21	£249,995	657	£381
503	Type L	2	Flat	May-21	£202,495	700	£289
506	Type M	2	Flat	Apr-21	£209,995	732	£287
305	Type M	2	Flat	Apr-21	£184,995	732	£253
508	Type M	2	Flat	Apr-21	£209,995	732	£287
708	Type M	2	Flat	Apr-21	£229,995	732	£314
306	Type M	2	Flat	May-21	£184,995	732	£253
405	Type M	2	Flat	May-21	£199,995	732	£273
607	Type M	2	Flat	May-21	£254,995	732	£348
812	Type M	2	Flat	May-21	£219,995	732	£301
706	Type M	2	Flat	May-21	£237,995	732	£325
905	Type M	2	Flat	Jun-21	£199,995	732	£273
705	Type M	2	Flat	Jun-21	£189,995	732	£260
104	Type O	2	Flat	May-21	£194,995	840	£232
204	Type O	2	Flat	May-21	£204,995	840	£244
1010	Type P	3	Flat	May-21	£289,995	861	£337
1009	Type Q	3	Flat	May-21	£288,995	883	£327
1109	Type Q	3	Flat	May-21	£289,995	883	£329
413	Type R	3	Flat	Apr-21	£234,995	947	£248
313	Type R	3	Flat	May-21	£289,995	947	£306
613	Type R	3	Flat	May-21	£239,995	947	£253
513	Type R	3	Flat	May-21	£239,995	947	£253
Average Sale Price (ft²)							£338

3. Heaton Group - 20a King Street, Stretford M32 8AE

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
5	Apt 5	-00	Flat	Aug-21	£119,000	377	£316
9	Apt 9	-00	Flat	Jul-21	£123,500	409	£302
8	Apt 8	1	Flat	Aug-21	£122,500	420	£292
12	Apt 12	1	Flat	Jul-21	£147,500	495	£298
6	Apt 6	2	Flat	Jul-21	£151,000	527	£286
11	Apt 11	2	Flat	Jul-21	£152,500	560	£272
10	Apt 10	2	Flat	Aug-21	£156,000	592	£264
Average Sale Price (ft²)							£290

4. Navaa Ltd - Burlington Square, Boundary Lane, Manchester M15 6JQ

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
419	Apt 419	2	Flat	Jan-21	£207,287	721	£287
210	Apt 210	2	Flat	Jan-21	£264,898	840	£316
Average Sale Price (ft²)							£301

5. PJ Livesey Group - Parklands - Bempton Drive, Manchester M20 2WE

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
20	1.1	2	Flat	Mar-21	£259,950	614	£424
33	1.1	2	Flat	Jan-21	£274,950	614	£448
19	1.3	3	Flat	Apr-21	£419,950	915	£459
21	1.3	3	Flat	Mar-21	£349,950	915	£382
32	1.3	3	Flat	Mar-21	£349,950	915	£382
8	1.3	3	Flat	Feb-21	£369,950	915	£404
36	1.44	4	Flat	Jan-21	£649,950	1356	£479
39	1.45	4	Flat	Jan-21	£599,950	1389	£432
37	1.47	4	Flat	Apr-21	£699,950	1625	£431
Average Sale Price (ft²)							£427

6. Rowlinson - Bowes Street, Manchester M14 7JJ

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft²)	Gross Sale Price (ft²)
48	Type B	4	Terraced	Jun-21	£279,500	1227	£228
31	Type B	4	Terraced	Sep-21	£279,500	1227	£228
42	Type A	4	Terraced	Oct-21	£269,950	1238	£218
32	Type D	4	Detached	Sep-21	£309,950	1367	£227
34	Type C	4	Detached	Jun-21	£299,950	1378	£218
33	Type C	4	Detached	Apr-21	£299,950	1378	£218
Average Sale Price (ft²)							£223

Second Hand Sales

Search criteria: within 1 miles of postcode M16 8FD. Sales Completed within past 12 months.

Source: HM Land Registry

Address	Last sale price	Last sale date	Property type	Bedrooms
11, Marlborough Avenue, Manchester M16 0AJ	£315,000	17/06/2022	Terraced	2 to 3
42, Plainsfield Street, Manchester M16 7HB	£130,000	06/06/2022	Flat	2
330a, Stretford Road, Manchester M15 5TP	£161,000	10/06/2022	Flat	2
7, Dalmorton Road, Manchester M21 0YQ	£402,500	17/06/2022	Semi-detached	3
11, Tarnbrook Walk, Manchester M15 6NB	£215,000	01/06/2022	Terraced	3
7, Bowdon Avenue, Manchester M14 7HD	£287,500	01/06/2022	Terraced	3 to 4
16, Cranswick Street, Manchester M14 7JA	£136,000	14/06/2022	Terraced	2
Apartment 3, The Quadrangle, 6, Albany Road, Manchester	£270,000	29/03/2022	Flat	2
10, Cheltenham Road, Manchester M21 9QN	£388,000	31/03/2022	Terraced	3 to 4
21, Kippax Street, Manchester M14 4EX	£140,000	02/03/2022	Terraced	3
184, Thornton Road, Manchester M14 7NS	£195,000	23/03/2022	Terraced	2 to 3
15, Burford Road, Manchester M16 8EV	£760,000	10/03/2022	Semi-detached	
395, Princess Road, Manchester M14 7ER	£265,000	18/03/2022	Semi-detached	2 to 3
28, Edith Avenue, Manchester M14 7HU	£135,000	02/03/2022	Terraced	2 to 3
24, Betsham Street, Manchester M15 5JN	£235,000	25/03/2022	Flat	2 to 3
7, Blue Moon Way, Manchester M14 7SH	£190,000	04/03/2022	Terraced	2
Apartment 3, 2, St Marys Street, Hulme, Manchester M15 5J	£197,000	21/03/2022	Flat	2 to 3
38, Broadfield Road, Manchester M14 4WF	£183,000	18/03/2022	Terraced	3
3, Marlborough Avenue, Manchester M16 0AJ	£310,000	18/03/2022	Terraced	2
24, Gildridge Road, Whalley Range, Manchester M16 8PS	£445,000	18/03/2022	Terraced	3 to 4
27, Heron Street, Manchester M15 5PR	£190,000	28/03/2022	Semi-detached	3
Flat 3, 64, Whalley Road, Manchester M16 8AH	£95,000	11/03/2022	Flat	1
Apartment 44, 13, Hulme High Street, Manchester M15 5JR	£120,000	09/03/2022	Flat	
4, Nash Street, Manchester M15 5NZ	£196,000	10/03/2022	Terraced	2
196, College Road, Manchester M16 0AA	£375,000	29/04/2022	Semi-detached	2 to 3
13, Caythorpe Street, Manchester M14 4UD	£186,000	27/04/2022	Terraced	3
73, Brantingham Road, Whalley Range, Manchester M16 8SA	£351,550	06/04/2022	Terraced	3 to 4
Apartment 29, 150, Withington Road, Manchester M16 8FE	£173,000	19/04/2022	Flat	2
6, Bankwell Street, Hulme, Manchester M15 5LN	£255,000	08/04/2022	Terraced	3
233, Broadfield Road, Manchester M14 7JT	£261,000	01/04/2022	Terraced	3
Flat 1, 406a, Wilbraham Road, Manchester M21 0SD	£210,000	29/04/2022	Flat	2 to 3
6, Elmswood Avenue, Manchester M14 7JR	£187,500	20/04/2022	Terraced	3
Flat 2, 12, Ellesmere Road, Manchester M21 0SR	£242,000	08/04/2022	Flat	2 to 3
14, Broadmeadow Avenue, Manchester M16 8GS	£408,000	08/04/2022	Detached	2 to 3
144, Thornton Road, Manchester M14 7WS	£178,000	28/04/2022	Terraced	2 to 3
29, Beresford Street, Manchester M14 4SB	£150,000	14/04/2022	Terraced	3
16, Ribston Street, Manchester M15 5RH	£225,000	13/04/2022	Terraced	3
Flat 1, Grosvenor House, 280, Wilbraham Road, Manchester	£223,000	12/04/2022	Flat	2
65, Manley Road, Manchester M16 8WF	£500,000	11/04/2022	Semi-detached	
43, Buckingham Road, Manchester M21 0SB	£440,000	30/05/2022	Semi-detached	3
Flat 16, 77 - 79, Upper Chorlton Road, Manchester M16 7R	£185,000	31/05/2022	Flat	2
120, Hulme High Street, Manchester M15 5JP	£148,100	23/05/2022	Flat	2
447, Wilbraham Road, Manchester M21 0UZ	£700,000	26/05/2022	Semi-detached	

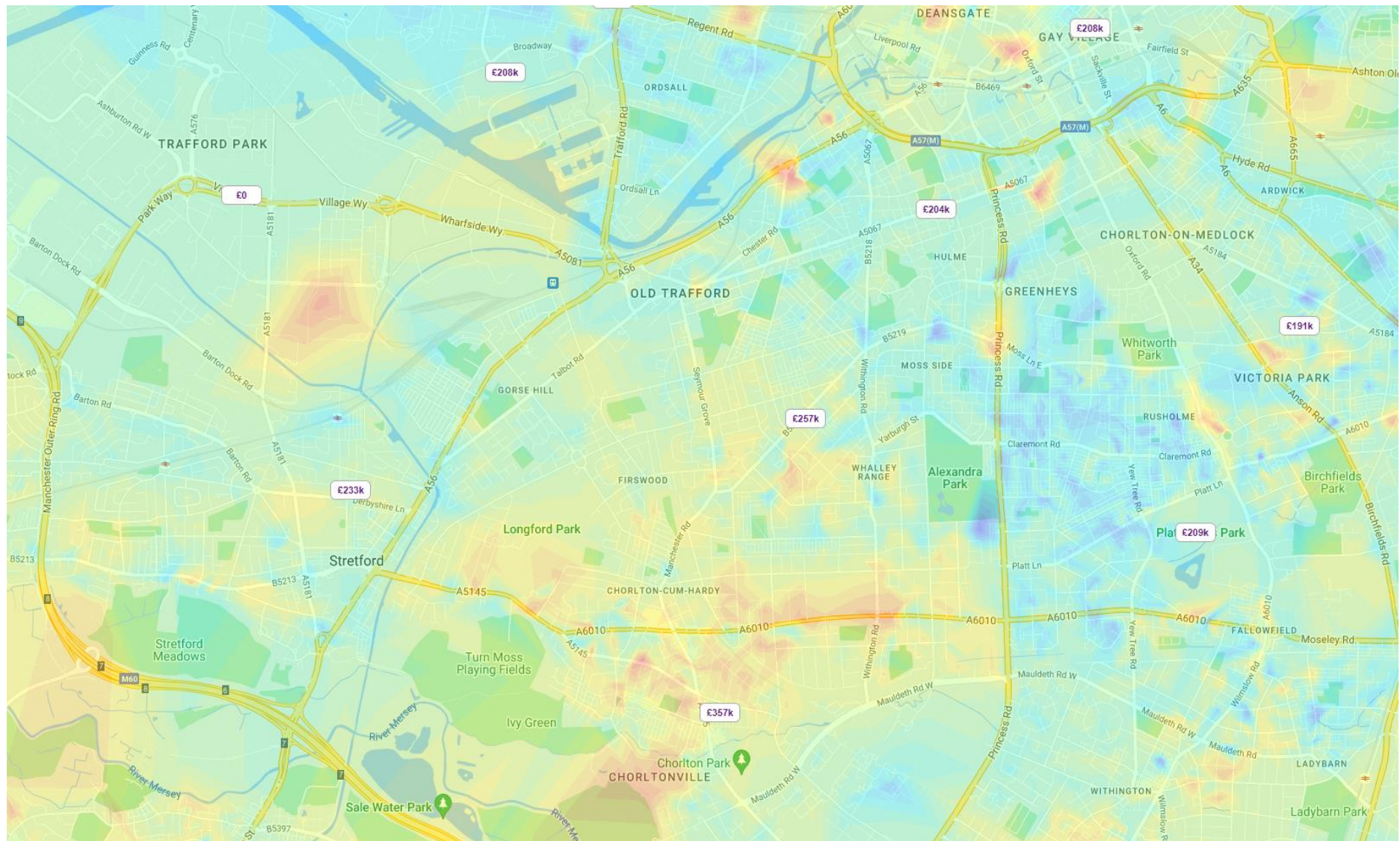
Second Hand Available

Search criteria: Modern houses for sale within 1 mile of postcode M16 8FD

Source: www.rightmove.co.uk

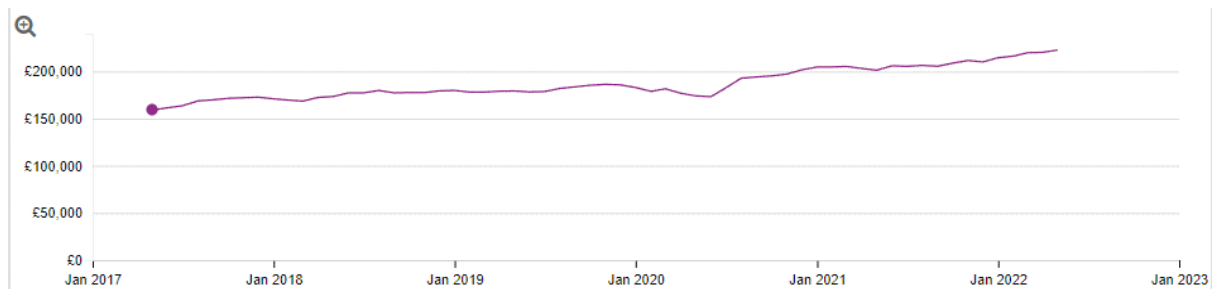
Address	Type	Bedrooms	Price
Range Road, Whalley Range	Semi	6	£795,000
Green Walk, Whalley Range	Semi	4	£725,000
Burford Road, Manchester M16 8EW	Semi	8	£725,000
College Road, Manchester, M16	Semi	5	£700,000
24 Victoria Road Whalley Range	Semi	4	£580,000
Morville Road, Chorlton	Semi	4	£535,000
56 Clarendon Road	Semi	5	£525,000
Brantingham Road, Manchester, M21	Semi	4	£489,000
Park Drive, Whalley Range	Semi	3	£475,000
Waltham Road, Whalley Range	Semi	4	£475,000
Rostherne Avenue, Old Trafford, Manchester, Greater Manchester	Semi	4	£425,000
Brantingham Road, Whalley Range, Manchester, M16	Semi	4	£400,000
May Road, Whalley Range, Manchester, M16	Semi	3	£400,000
Hartley Hall Gardens, Gowan Road, Whalley Range	Terraced	3	£389,000
Grosvenor Road, Whalley Range, Manchester, M16	Semi	4	£350,000
Railton Avenue, Manchester, M16	Terraced	3	£325,000
Palmerston Avenue, Manchester, M16	Terraced	4	£295,000
Withington Road, Whalley Range, Manchester. M16 8BX	Semi	3	£295,000
200 Upper Chorlton Road, Manchester, M16	Flat	2	£265,000
Cenacle House, 28 Alexandra Road South, Chorlton, Manchester,	Flat	2	£250,000
Alexandra Road South, Whalley Range	Flat	2	£220,000
Alexandra Road South, Manchester	Flat	2	£210,000
Stanley Road, Manchester, M16	Flat	2	£210,000
Range Road, Manchester	Flat	2	£210,000
Apex Apartments, 150 Withington Road, Greater Manchester, M	Flat	2	£199,995
Withington Road, Manchester, M16	Flat	2	£190,000
City Road East, Manchester, Greater Manchester, M15	Flat	2	£180,000
City Road East, Manchester, Gtr Manchester, M15	Flat	2	£175,000
Marlborough Avenue, Manchester, Greater Manchester, M16	Flat	2	£170,000
Flat Mayfield Road, Whalley Range	Flat	2	£110,000
Demesne Road, Manchester	Flat	0	£29,000
Demesne Road, Manchester, M16	Flat	0	£20,000
Demesne Road, Manchester, M16	Flat	0	£20,000
Demesne Road, Manchester, M16	Flat	0	£18,000
Demesne Road, Manchester, M16	Flat	0	£17,000

Property Price Heat Map

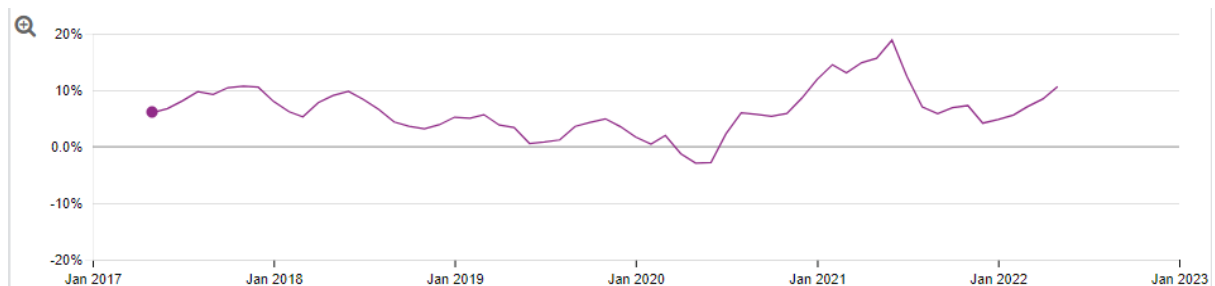


Average price by type of property in Manchester

Source: HM Land Registry



Percentage change (yearly) in Manchester



Price Trends – M16 8FD

Market Characteristics	Manchester	National
Market Size Indicator: no. of transactions	29,936	4,886,506
Market Size Indicator: total no. of properties	238,800	25,000,000
Market liquidity Indicator: transactions / properties	12.54%	19.55%
Market Growth Indicator: new homes built	3,352	570,561
Market Growth Indicator: new builds / transactions	11.20%	11.68%

Growth Rate	Manchester	National
5 year house price growth	6.00%	6.90%
Last 12 months house price growth	10.60%	5.40%

Average House Prices

Source: HM Land Registry

Postcode Area – M16 8FD

Property Type	May-17	May-22	Change
Detached	£287,352	£679,000	136%
Semi	£206,789	£309,179	50%
Terraced	£154,453	£246,609	60%
Flat	£160,090	£162,292	1%
All	£184,371	£260,902	42%

Appendix 3 – Policy Compliant Residual Appraisal

REVENUE

File: Appendix 3

Open Market Gdv		6,300,000
Affordable Housing Gdv	-E	706,250
		REVENUE
		7,006,250

(Revenue Totals labelled -E do not attract Fees)

COSTS

Site Agency Fees		10,000	
Site Legal Fees		10,000	
		Initial Payments	20,000
Total Construction		4,433,120	
Site Demolition & Foundation Removal		40,000	
Tree Works		4,000	
Bin Store		10,000	
Cycle Store		20,000	
Part L & F At 4500		157,500	
Contingency	at 5.00%	233,231	
Professional Fees	at 10.00%	466,462	
		Build Costs	5,364,313
Direct Sale Agents Fee	at 3.50%	220,500	
Direct Sale Legal Fees		28,000	
		Disposal Fees	248,500

INTEREST**(See CASHFLOW)**

364,190

7.50% pa on Debt charged Monthly and compounded Monthly

Site Agency Fees	Month 1 (Mar 23)
Site Legal Fees	Month 1 (Mar 23)
Total Construction (bld.)	Month 6 to 23 (Aug 23 - Jan 25)
Site Demolition & Foundation Removal	Month 4 to 5 (Jun 23 - Jul 23)
Tree Works	Month 6 to 20 (Aug 23 - Oct 24)
Bin Store	Month 18 to 20 (Aug 24 - Oct 24)
Cycle Store	Month 18 to 20 (Aug 24 - Oct 24)
Part L & F At 4500	Month 6 to 23 (Aug 23 - Jan 25)
Contingency	Month 4 to 23 (Jun 23 - Jan 25)
Professional Fees	Month 4 to 23 (Jun 23 - Jan 25)
Direct Sale Agents Fee	Month 1 to 25 (Mar 23 - Mar 25)

Direct Sale Legal Fees	Month 23 to 28 (Jan 25 - Jun 25)		
Open Market Gdv (sale)	Month 23 to 28 (Jan 25 - Jun 25)		
Affordable Housing Gdv (sale)	Month 17 to 22 (Jul 24 - Dec 24)		
PROFIT	1,009,247	COSTS	5,997,003
PROFIT/SALE	14.40%	PROFIT/COST	16.83%

Appendix 4 – Residual Appraisal Reflecting Zero Affordable Housing

REVENUE

File: Appendix 4

Open Market Gdv		7,625,000
	REVENUE	7,625,000

COSTS

Site Value		157,000	
Site Stamp Duty		140	
		Site Costs	157,140
Site Agency Fees		10,000	
Site Legal Fees		10,000	
		Initial Payments	20,000
Total Construction		4,433,120	
Site Demolition & Foundation Removal		40,000	
Tree Works		4,000	
Bin Store		10,000	
Cycle Store		20,000	
Part L & F At 4500		157,500	
Contingency	at 5.00%	233,231	
Professional Fees	at 10.00%	466,462	
		Build Costs	5,364,313
Direct Sale Agents Fee	at 3.50%	266,875	
Direct Sale Legal Fees		28,000	
		Disposal Fees	294,875

INTEREST**(See CASHFLOW)**

415,817

7.50% pa	on Debt charged Monthly and compounded Monthly
Site Costs	Month 1 (Mar 23)
Site Agency Fees	Month 1 (Mar 23)
Site Legal Fees	Month 1 (Mar 23)
Total Construction (bld.)	Month 6 to 23 (Aug 23 - Jan 25)
Site Demolition & Foundation Removal	Month 4 to 5 (Jun 23 - Jul 23)
Tree Works	Month 6 to 20 (Aug 23 - Oct 24)
Bin Store	Month 18 to 20 (Aug 24 - Oct 24)
Cycle Store	Month 18 to 20 (Aug 24 - Oct 24)
Part L & F At 4500	Month 6 to 23 (Aug 23 - Jan 25)

Contingency	Month 4 to 23 (Jun 23 - Jan 25)
Professional Fees	Month 4 to 23 (Jun 23 - Jan 25)
Direct Sale Agents Fee	Month 1 to 25 (Mar 23 - Mar 25)
Direct Sale Legal Fees	Month 23 to 28 (Jan 25 - Jun 25)
Open Market Gdv (sale)	Month 23 to 28 (Jan 25 - Jun 25)

PROFIT	1,372,855	COSTS	6,252,145
PROFIT/SALE	18.00%	PROFIT/COST	21.96%



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