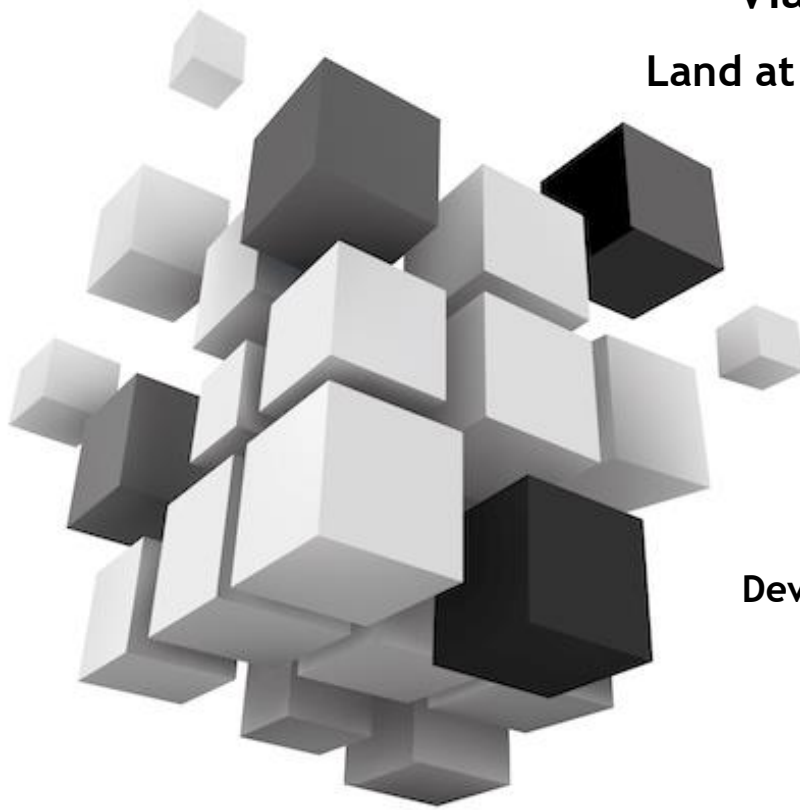


DEVVIA

PROPERTY CONSULTANCY



Viability Assessment

Land at Crabtree Lane, Openshaw

Prepared by:

Devvia Property Consultancy Ltd

On behalf of

MCI Developments Limited

October 2022

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Type	No. of Properties	Average Rent	Median Rent	
One bedroom	371	£1,050	£850	
Two bedrooms	657	£1,363	£1,250	
Three bedrooms	294	£1,698	£1,300	
Four bedrooms	118	£2,225	£1,691	
Five bedrooms	46	£2,289	£2,275	 45

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Non-technical summary

The proposed scheme is designed to deliver a total of 115 dwellings, all to be provided as private rented accommodation.

The development would provide a range of 1 and 2 bedroom apartments and 2,3 and 4-bed houses for a combination.

The assessment includes the following key headlines:

Total Development Value: £21,141,787

Total Development Cost: £18,024,814 (excluding finance)

Residual land value: £272,000

We have assessed the ability of the scheme to be capable of being delivered.

Assumptions

The following key assumptions are contained in our assessment:

Development programme: January 2023 to January 2026.

Developer profit: 11% of GDV for PRS & 18% of GDV for market housing.

1.0 Introduction

- 1.1 This report is provided with reference to the proposed development of 115 dwellings for private rented housing on land off Crabtree Lane, Openshaw.
- 1.2 This report is provided to establish the financial viability of a scheme submitted for planning consent. The planning application presently under consideration is for 115 dwellings, designated as private rented housing.
- 1.3 The report considers the impact on the viability of the scheme as a consequence of the totality of contributions, in the context of all other currently known or estimated development costs, both normal and abnormal.
- 1.4 The site is located within the boundaries of Openshaw, Manchester, acknowledged to be a desirable place to live and for housing to remain in demand. It is further acknowledged that there is a significant level of demand for private rented housing.
- 1.5 The land extends to 2.27 hectares (5.61 acres) and is a broadly rectangular-shaped piece of land which is located between the gardens of houses to the South, some areas of vacant scrubland and the grounds of the Higher Openshaw Community School to the East, the Ashton Canal to the North and a range of other commercial premises to the West on the other side of Crabtree Lane.
- 1.6 The site is a former iron works foundry that is currently vacant. The Site currently accommodates overgrown vegetation and vacant industrial buildings, which were previously occupied by traditional forge works specialising in stainless steel and nickel forging.
- 1.7 The land is split into two parcels, site A is freehold (plots 1-100) and site B is leasehold with a remaining term of c.30 years at a nominal rent (plots 101-115).
- 1.8 The site is flat in its topography, and the site maintains a range of vacant and unused commercial buildings of varying ages and condition together with large areas of the former yard and parking areas which has become overgrown with self-seeded trees and vegetation.

- 1.9 The site is reasonably well contained and secured either by the buildings themselves or concrete panel fencing.
- 1.10 Access to the site is from Crabtree Lane, which currently has bollards at each end. Access to the wider road network is therefore via Claytonbrook Road. As part of the proposed scheme improvements will be made to the Highway, including the introduction of pedestrian footpaths along Crabtree Lane.
- 1.11 The Site is located in a highly sustainable location, with a range of local shops, services and facilities located within close proximity, including a selection of food stores situated less than 0.5km to the north of the Site.
- 1.12 Large areas of green space, including Sandywell Millennium Green and Copperas Field are also accessible within 1km of the Site.
- 1.13 Gorton Train Station is situated approximately 1km to the south of the Site, and Edge Lane Tram stop is approximately 800m to the north of the Site. There are a several bus stops located along Ashton New Road (circa 750m to the north of the Site) providing services to Manchester City Centre, Droylsden, Ashton-under-Lyne, Stalybridge and beyond.
- 1.14 This report aims to establish the extent of contributions that may be facilitated as a result of this scheme, whilst securing an acceptable level of viability. The process of establishing viability is standard and conforms with prevailing guidance and practice.
- 1.15 The report is prepared on an independent basis and is in full conformity with the RICS Guidance Note 'Assessing viability in planning under the NPPF 2019' (1st edition) March 2021; the RICS Professional Statement and the PPG on viability (July 2018 and revised May 2019).
- 1.16 We have acted with objectivity and in an impartial capacity, without interference and utilising all available sources of information. Our terms of engagement confirmed that we have acted without any conflict of interest and any performance-related or contingent fee element.
- 1.17 Any requests made by the applicant are set out within this report and do not contradict the mandatory requirements of the RICS Professional Statement '*Financial viability in planning: conduct and reporting*' (May 2019).
- 1.18 This report is prepared by a suitably qualified practitioner, with more than 30 years of experience in planning and development matters.

2.0 Proposed Development

- 2.1 The application seeks full planning permission for the redevelopment of land, comprising the demolition of the existing buildings and erection of 115 no. properties (70 houses and 45 apartments with associated parking. The description of development is for “Full Planning Application for the development of 115 dwellings (Class C3) with new vehicular accesses from an upgraded Crabtree Lane and associated works, following the demolition of all existing buildings/structures”
- 2.2 The overall gross site area is approximately 2.27 hectares (5.61 acres) and is understood to have most recently been used as an Ironworks foundry and therefore is previously developed land. It is located adjacent to existing residential areas and is presently accessed from Crabtree Lane. The proposed development will continue to be accessed off Crabtree Lane.
- 2.3 The proposed development includes three-storey 1 and 2-bed flats; 2, 3 and 4-bedroom dwellings of terraced, semi-detached and detached house types. Dwelling sizes are across a range as shown below. These unit types and sizes are within a standard range and would not in our opinion lead to an excessive development cost.

House Type	Total No.	Size (Sq. Ft)	Total Sq. Ft
1 Bed 2 Person Apartment: PRS	27	538	14,526
2 Bed 3 Person Apartment: PRS	18	657	11,826
2 Bed 3 Person House: PRS	21	753	15,813
2 Bed 3 Person Aspect House: PRS	12	829	9,948
3 Bed 4 Person House: PRS	13	936	12,168
3 Bed 4 Person House: PRS	18	1001	18,018
4 Bed 5 Person House: PRS	6	1152	6,912
Total	115		89,211

- 2.4 The tenure proposed, and overall development mix is provided within this report.

- 2.5 The proposal includes both adopted and private drive provisions, shared access driveways, and parking courts, with a range of off-site highway improvements.
- 2.6 The development will also include a surface water storage system, site clearance and remediation, a piled foundation solution, appropriate gas precaution measures and the provision of an onsite electricity substation.

3.0 Methodology and policy

3.1 In accordance with the RICS Guidance Note ‘*Assessing viability in planning under the NPPF 2019*’ (1st edition) March 2021; the PPG (Viability) (as amended May 2019) and the RICS Professional Statement ‘Financial Viability in planning: conduct and reporting’ (May 2019) the methodology used to establish the financial viability of the scheme is that of a residual appraisal.

3.2 This methodology in this instance is summarised as follows:

$$\begin{aligned} &\text{GROSS DEVELOPMENT VALUE (GDV) less COSTS less PROFIT} \\ &= \text{RESIDUAL LAND VALUE} \end{aligned}$$

3.3 In this way, financial viability is tested, with a clear connection to planning policy as contained within the NPPF and PPG, which indicate that unless viability is secured development may not proceed, to the detriment of economic gain that would otherwise arise.

3.4 It is recognised that a reasonable return from development should be produced. In the absence of that reasonable return, measured by profit relating to Gross Development Value (GDV), benchmarking of the land value and Internal Rate of Return (IRR), such development will not proceed.

3.5 The purpose of considering financial viability is to establish how a scheme should be considered during the planning application phase with particular regard to matters such as the provision of affordable housing and other levels of planning obligations. The aim is to secure a surplus from the equation above to enhance the land value.

3.6 At present there is no adopted CIL charging schedule for the Manchester City Council area. The Council are participants in the wider ongoing consultations now known as Places for Everyone that is seeking to adopt a wider housing strategy for 9 authorities within the Greater Manchester area. This remains at an early stage and therefore carries limited weight.

3.7 The Site is located within ‘East Manchester’ as defined by MCC Core Strategy (“CS”) Policies EC5 and H4, and the ‘Inner Areas’ (MCC CS Policy SP1).

3.8 The following documents are considered to be relevant in this instance:

- On behalf of the Greater Manchester Combined Authority (Places for Everyone):
- Strategic Viability Report Stage 1, dated September 2020
- Strategic Viability Report Stage 1 Addendum, dated June 2021
- Strategic Viability Report Stage 2 Allocated Sites Viability Report, dated June 2021)
- RICS Guidance Note 94/12
- RICS Professional Statement '*Financial viability in planning: conduct and reporting*' (May 2019)
- RICS Guidance Note '*Assessing viability in planning under the NPPF 2019*' 1st edition (effective July 2021)
- NPPF (July 2018)
- PPG Viability (2018 and amended 2019)

3.9 The policy for affordable housing for market housing developments in the Openshaw part of the Manchester City Council area is not specifically defined under Core Strategy Policy H8 the City Council seeks to achieve 20% on average across the City Council area. The policy does not specify a preferred tenure mix by area but is envisaged that 5% of new housing provision will be social or affordable rented and 15% will be intermediate housing. The policy requires affordable housing to be provided in all residential developments that propose 15 or more units; with the proportion of affordable housing units reflecting the type and size of the development as a whole.

3.10 An applicant may be able to seek an exemption from providing affordable housing, or a lower proportion of affordable housing, a variation in the mix of affordable housing, or a lower commuted sum, where a financial viability assessment is conducted which 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.

3.11 All planning applications should be accompanied by a Viability Assessment to determine the appropriate level of affordable housing. The assessments' costs and values are robustly tested and analysed.

3.12 The assessment date for viability purposes is 27th July 2022. All data sources used were current at that date.

- 3.13 A Viability Study (VS) was completed in September 2020 (and updated in June 2021), prepared by Three Dragons, Ward Williams Associates and Troy Planning + Design to test if the policy requirements and objectives set out in the 'Places for Everyone' Framework are viable and deliverable. Whilst 'Places for Everyone' is not yet finalised the methodology adopted and the inclusion within that report of a series of typologies means that it remains relevant in the context of this assessment of a specific proposal.
- 3.14 The methodology adopted within the VS, in relation to land value benchmarking fails to properly consider Existing Use Value (EUV) as a benchmark. We do not, therefore, believe the approach to BLV is compliant with the PPG as it does not consider a minimum return to a reasonable landowner. It is also not compliant with RICS guidance that sets out a need to follow valuation best practices, with the use of an arbitrarily fixed multiplier against the EUV not an accepted method of valuation. There is also no consideration of the BLVs for each typology area, with a flat rate applied to GF sites across the whole plan area.
- 3.15 This report was commissioned jointly by the participating Greater Manchester Authorities and is an area-wide study, rather than a site-specific one. However, the methodology contained was approved and is relevant in this case.
- 3.16 We note that the Affordable Housing Policy H8 includes a provision for viability assessment. Whilst this is in relation to schemes where affordable housing provision is a requirement on proposed market housing schemes, the guidance is relevant in this case.
- 3.17 The VS considers a variety of data sources when arriving at Residential Benchmark Land Values (BLVs). Most relevant to the subject site is that which focuses on brownfield employment sites, however, it fails to adopt the commonly accepted existing use value plus methodology, with the level of uplift applied not stated
- 3.18 The VS identified 5 main Market Value areas across the Study area. The subject site falls within the VA 5 area. The Brownfield BLV (Viability Threshold) adopted for the Openshaw area regardless of the size of the development site is £430,000 per hectare (circa £174,000 per acre).

- 3.19 In addition, the VS acknowledges that individual site viability will differ from the area-wide conclusions reached, given the need for a detailed understanding of the site-specific considerations. This is especially relevant in confirming that viability considerations must be site-specific and not based entirely on generalisations from a wider geographical area.
- 3.20 House price data contained in the VS was updated as part of the June 2021 addendum report and its reliability is therefore reduced.
- 3.21 The threshold land values within the VS report were derived from market evidence, though not fully in accord with the RICS Guidance Note.
- 3.22 The VS referred to and tested viability based on prevailing policy requirements. These levels were related to policy compliant proposals and market housing permissions, along with negotiated S.106 agreements.
- 3.23 The VS assessed a range of typologies from 5 to 2,500 dwellings in differing value zones and all the strategic sites. The following headline data was considered, at the time, to be relevant to area-wide viability appraisals:
- Benchmark land value: Between £250,000 (Greenfield) and £15,000,000 (Brownfield City Centre Sites)) per hectare
 - 8% Professional fees
 - 3% Disposal Costs
 - 6% Finance
 - 17.5% Profit on GDV for market housing schemes reduced to 6% on affordable housing elements and 10% for PRS schemes in M3 postcodes
 - PRS Rental costs at 23%
- 3.24 We have used costs that are both benchmarked against current BCIS rates and provided by MCI Developments Limited, with identified abnormal costs as stated.
- 3.25 We have adhered to the RICS Guidance Note '*Assessing viability in planning under the NPPF 2019*' (1st edition) March 2021; RICS Professional Statement together with the PPG. We have updated data

from the area-wide viability study and followed the same methodology. We have conformed with local policy as it presently exists.

4.0 Private rented housing proposal

- 4.1 As more fully described within the planning application the proposal is for 115 private rented dwellings with zero affordable housing.
- 4.2 As required by the PPG and th RICs guidance we have first assessed the proposal on the basis of its ability to provide on site affordable housing via a S106 agreement.
- 4.3 Whilst Manchester City Council do not have a specific policy requirement for affordable private rented dwellings, their wider policy for private market housing schemes seeks to achieve an average of 20% across the Council area, acknowledging that there will be significant variation in viability across the city due to the location and the nature of the scheme proposals. Given the site's brownfield status and location, when first assessing the overall viability position of this site it is clear that any appraisal based on 20% on site affordable provision would be unviable. We have therefore initially assessed the scheme on the basis of providing 15 affordable private rented dwellings. This equates to circa 13% of the total development.
- 4.4 As a private rented development any affordable units appraised should be assessed at a reduced rent equivalent to 80% of the market rent. This represents a higher value assumption than other alternative affordable tenures such as intermediate or social rented tenures which would only achieve in the region of 65% and 40% respectively of market values and would therefore have an additional negative impact on overall viability.
- 4.5 We have identified a development programme timescale and separately identify pre-construct; construction and completion phases within our appraisals. We have assumed a typical development cashflow, with the timing of all completed dwellings in common with PRS housing schemes elsewhere.

5.0 Scheme value

Private Rented Housing

- 5.1 The proposed development is for 115 dwellings to be private rented housing. When appraising the policy compliant position we have assumed 15 dwellings (13%) as affordable private rent tenure. We have carried out an appraisal of the scheme on that basis and considered the viability based on all known values and costs.
- 5.2 We have considered all currently available evidence of houses and apartments for rent in the area and specifically in proximity to the site. We have utilised all available data sources which are set out in detail in Appendix B of this report.
- 5.3 Based on the rental evidence detailed in Appendix B we have adopted monthly gross market and affordable rents as follows:

Property Type	Market Rent (per month)	Affordable Rent (per month)
1-Bed 2-Person Apartment PRS	£675.00	
2-Bed 3-Person Apartment: PRS	£825.00	
2-Bed 3-Person House: PRS	£875.00	
2-Bed 3-Person House: PRS Affordable	-	£700.00
2-Bed 3-Person Aspect House: PRS	£925.00	
2-Bed 3-Person Aspect House: PRS Affordable	-	£740.00
3-Bed 4-Person House: PRS	£1,075.00	
3-Bed 4-Person House: PRS	£1,225.00	
4-Bed 5-Person House: PRS	£1,350.00	

- 5.4 The analysis of current apartment and housing availability enables us to create a GDV for the scheme.
- 5.5 The resultant GDV is incorporated into the appraisals created utilising ProDev Developer software, summarised in Appendix C and D The appraisal of the scheme in Appendix C is carried out on the basis of adhering to the currently stated request for contributions and 15 (13%) affordable dwellings . This results in the scheme GDV being optimised, with no realistic prospect of notably higher rents being charged.

- 5.6 We have assessed the value of affordable housing units based on the proposed rents as set out in the summary table above at 5.3.
- 5.7 It is our considered opinion that these levels of rent exceed achieved and asking rents elsewhere within the Openshaw area and as such are maximised for this proposed scheme.

Gross Development Value

Apartment and Housing - Private Rent

- 5.8 The GDV for the scheme is calculated based on capitalised rental income. We have calculated this with the assumption that the tenure of the scheme is entirely PRS for market rent. For the 15 dwellings appraised as affordable rental units the market rents have been reduced by 20% in accord with the PPG as detailed in the table shown above in 5.3.
- 5.9 The net income arises when the operating costs expected for a PRS scheme are deducted from the gross rents. In this instance, we have considered the mix of dwellings proposed and adjusted the apartment rents by 25% and the housing rents by 20% to reflect the higher proportionate costs incurred by apartments for items such as buildings insurance and maintenance and repairs to shared areas. The level of operating costs at 25% is a standard within the PRS sector and therefore the adopted cost deductions are lower than normally adopted.
- 5.10 The net income is capitalised at an all risks yield of 4.75%. in line with evidence drawn from other PRS schemes and considering the previous performance of private rental schemes and recent market reports. It is our considered opinion that, in the current challenging economic conditions, a yield of 4.75% may well be ambitious going forward given the significant strain currently being placed on household budgets by high levels of inflation and the general cost of living crisis which may feed through into downward pressure on rent levels. We have provided within this report a sensitivity analysis to reflect changes to the yield adopted.

This provides the GDV for the completed scheme:

GDV	
Capitalised PRS inclusive of 15 affordable dwellings (net of management costs)	£20,601,158

- 5.11 A developers' profit margin of between 10% and 12% of GDV is generally applied to private rented housing to reflect that all dwellings are often pre-sold to a PRS investor. This also aligns with previous appraisals agreed with the Council for PRS schemes in the wider Manchester area, as well as current market expectations
- 5.12 In this instance the applicant, MCI are also fulfilling the roles of a developer in relation to the negotiation of the land acquisition, and the promotion of the site at risk through the planning process. Only once a consent is achieved will an agreement with a PRS investor be secured. This being the case a higher level of developer return above that of a contractor's return is clearly warranted. A developer's return is also always assessed against the total scheme GDV. As outlined above typical minimum returns range between 10% and 12% in current market conditions. A very conservative target return of 11% of total development GDV has therefore been adopted in this case.
- 5.13 We have separately appraised the proposed scheme for 115 dwellings on the following alternative bases:
- All dwellings as private rented dwellings to be let at full market value. This is considered within our overall viability judgement and summarised in Appendix D. On this basis, the GDV of the development increased from £20,601,158 to **£21,141,787**.
 - An alternative use of the site for a market housing scheme with a policy compliant appraisal assuming 15 affordable dwellings all as social rent tenure and summarised in Appendix E.
 - An alternative use of the site for a 100% market housing scheme and summarised in Appendix F.

6.0 Costs

- 6.1 We have assessed the potential development cost of the proposed development. We have fully considered the development programme, and how the development of this proposal would be carried out. Wherever appropriate we have identified ways of reducing costs.
- 6.2 Our terms of engagement include the request to provide all known or estimated cost information relating to the scheme, together with an identification of the source of such data. We have utilised the cost information provided. The incorporation of information provided is further benchmarked.
- 6.3 We understand that demolition and clearance work remain to be done. We are aware of the potential for asbestos and other contaminants to be present but have made no cost allowance in the absence of any detail at this stage. Should such costs that are assumed for site clearance and demolition be understated as a result of any finding this will negatively impact the appraisals prepared.
- 6.4 The appraisal has included all development costs associated with the proposed development. The incorporation of information provided is further benchmarked.
- 6.5 We have been provided with estimated basic build costs, based on similar schemes undertaken by the applicant.
- 6.6 The base build costs for this scheme, including prelims but exclusive of external works equate to a rate of £126.79/sq.ft. (£1,364.72/m²) for the 3-storey apartments and £110.43/sq.ft. (£1,188.72/m²) for the storey housing units to produce a total basic build cost of **£10,761,575**.
- 6.7 We have benchmarked these costs against prevailing BCIS rates. We have included in Appendix G the current BCIS data regionalised for Manchester. The lower quartile is at present as follows:
- | | |
|-------------------------------|--|
| Estate housing semi-detached | £117.06/sq ft (£1,260/m ²) |
| Flats (apartments) 3-5 storey | £133.59/sq ft (£1,438/m ²) |
- 6.8 The BCIS data excludes any consideration of external works or abnormal costs. Abnormal costs for the site are detailed below.

- 6.9 To determine an appropriate allowance for standard external works consideration needs to be given to the overall site layout and site coverage. In this case, the site is of an irregular shape which results in a site coverage inclusive of the apartments of 15,904 square feet per acre which is below average for a mixed scheme of high-density housing and apartments. In this case therefore, an external works allowance equivalent to 15% of the BCIS base build costs is appropriate for the houses, reducing to just 12% for the 3-storey apartment blocks. This would increase the build costs for each type of housing proposed on the site to:

Estate housing	£1,367.03/m ²	(£127.00/sq ft)
Flats (apartments) 3-5 storey	£1,528.49/m ²	(£142.00/sq ft)

- 6.10 The overall basic build costs (inclusive of external works) at £142.00/sq.ft. (£1,528.49/m²) for the 3-storey apartments and £127.00/sq.ft. (£1,367.03/m²) for the 2-storey housing units included within the appraisal are therefore below the prevailing comparable BCIS lower quartiles data. In this respect we consider them to be an acceptable and conservative measure.

- 6.11 We have further included the following cost data provided:

Professional fees:	6.5% on the cost to cover development fees.
Contingency:	3.5%
Finance:	6.5% borrowing
Part L & F costs	£575,000
Additional fit-out and furniture costs	£690,000 (for PRS appraisals only)

Abnormal costs:

Foundation abnormalities	£470,000
Ground remediation	£930,000
Surface water attenuation	£125,000
Gas Monitoring and Protection Measures	£185,000
Service disconnections & diversion	£35,000
Electricity substation	£50,000
Off-site S104 works	£70,000
Biodiversity net gain	£57,500
Cycle stores	£15,000
Demolition and site clearance	£110,000
Cart away	£100,000
Retaining structures	£110,000
Off-site highway improvements	£245,000
Total	£2,672,500

6.12 The PPG at para 012 identifies the required and separate elements of cost data, including:

- *"...build costs based on appropriate data, for example, that of the Building Cost Information Service*
- *abnormal costs...*
- *site-specific infrastructure costs...*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards...*
- *general finance costs...*
- *professional, project management, sales, marketing and legal costs ... Any professional site fees ...*
- *explicit reference to project contingency costs ...*

6.13 Each of the separate elements is included within our appraisal and therefore this conforms with the PPG.

6.14 We are not aware of any other S.106 contributions requested at this time and reserve the right to amend our appraisals should any be made.

7.0 Site value

- 7.1 The site benefits from a long-established commercial use as an Ironworks foundry and premises. There have been a series of historic planning applications which served to consolidate and intensify this use.
- 7.2 We have assessed the land value in conformity with the RICS Guidance Note ‘*Assessing viability in planning under the NPPF 2019*’ (1st edition) March 2021. The RICS Professional Statement requires the following elements to be assessed in relation to establishing a benchmark land value:

Current use value (EUV) “...first component in the PPG (para 015)...”

Premium “...second component...in the PPG (para 016)...”

Market evidence

All supporting considerations, assumptions, and justifications

Alternative use-value (AUV) (para 017 of the PPG)

We have further noted that price-paid data is not to be used in a viability assessment. We have not, therefore, included details of the price to be paid by the developer should their application be successful.

- 7.3 The PPG states that:

“...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...”

Para 013

The PPG then indicates that:

“...Existing use value (EUV) is the first component of calculating benchmark land value. EUV is 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...”

Para 015

- 7.4 We have appraised the proposed scheme, utilising the cost information provided. We have benchmarked those costs. The appraisal is then used to calculate a Residual Land Value (RLV), which in turn we have benchmarked.
- 7.5 The methodology has been followed and a Residual Land Value (RLV) calculated that would arise from the proposed scheme given all values and costs as described within this report.
- 7.6 We have noted the use of other benchmark land values. The RICS Guidance Note indicates that site value should relate to market evidence, confirmed within PPG guidance on the subject.
- 7.7 The assessment of site value for viability purposes, as defined by the RICS Guidance Note 94/12; the Harman Report, the PPG and appeal decisions is with reference to establishing a point at which the landowner could secure an uplift above the EUV.

Existing Use Value

- 7.8 The Existing Use Value (EUV) of the site is based on the current/ most recent use, being operated as a commercial iron works foundry.
- 7.9 A premium would be required in addition to the EUV in order for the land to come forward for development, as confirmed in the Harman Report. Where no premium exists, the land would not come forward and would remain in its existing use. Whilst the PPG is not prescriptive in the level of that premium it is noted that in other viability cases a minimum of 20% has been applied, rising to 50% in some cases.
- 7.10 The Existing Use Value (EUV) of the site is, as required by the PPG, the value of the site in its existing use. No regard is to be had to hope value or any extant consent, nor the price to be paid. We have noted that the whole site was last used as an Ironworks foundry. Given the age, condition and vacant nature of the site we have determined a commercial site value only would be appropriate for this site.
- 7.11 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.

- 7.12 The VS adopts a very narrow range of benchmark land values for brownfield sites across the 9 local authority areas. The BLVs 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 subject site falls within the lower value zone. As stated above 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.
- 7.13 On this basis, 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 £330,000 to 360,000 per hectare (£133,500 to £146,000 per acre) has been adopted by Three Dragons. And the subject site could have an existing use value of circa **£750,000 to £820,000** albeit as of 2020 and noting that this is a general assumption across the whole plan area and not specific to the Openshaw area. As with residential land values, commercial land values have increased significantly since the VS was completed.
- 7.14 We have also considered the current market evidence for land within a 5-mile radius of the site for similar uses, on the basis of the sale in existing use and not with planning permission for redevelopment. At this time there are no direct comparables available in this area. We have however identified a site in the wider Manchester area at Ashton Old Road, Ardwick, M12 6LB with a similar previous commercial use that has now been cleared and levelled and the site fenced to make it suitable for secure storage. This property is now vacant and available for rent at £175,000 per annum. Adopting a very conservative gross yield of 9%, which equates to a site value of circa £1,944,000 and therefore a market price of circa £555,000 per acre.
- 7.15 This especially limited evidence provides some indication of the potential EUV based on similar uses.
- 7.16 We would accordingly very conservatively assess a minimum EUV, taking into account site clearance and levelling costs as being in the region of £841,500 (£150,000 per acre) as of July 2022.

Alternative Use Value

7.17 There are limited comparable sites for redevelopment in the wider area currently being marketed or under offer as summarised below:

Location	Area (acres)	Use	Status	Asking/sold price	£/acre
Langley Road, Langley, M6	3.8	Vacant site within mixed residential and commercial area.	Cleared brownfield site within settlement area with no recent planning history	£4,000,000	£1,052,614
Kay street, Off Langley Road, M6	0.90	Vacant Commercial Site	Planning consent for 15 houses and 16 apartments	£775,000 Guide Price sold prior to auction	£861,111
Levenshulme Road, Gorton	1.27	Currently provides amenity paddock land.	Has recent consents for community garden and residential. Proposals for a up to 11 houses and 36 apartment prepared but for potential residential use. .	£1,000,000	£787,402
Club Street, Openshaw	0.65	Club Premises and former bowling green	Within settlement, no recent planning history, has residential redevelopment potential	£450,000	£692,308

7.18 As a minimum AUV for the site, based on the comparable, would support at least circa £600,000 per acre. This would result in a current AUV for the site of around £3,366,000.

Benchmark Land Value

- 7.19 A premium would be required in addition to the EUV in order for the land to come forward for development, as confirmed in the Harman Report. Where no premium exists, the land would not come forward and would remain in its existing use.
- 7.20 We have considered the RICS Guidance Note '*Valuation of land for affordable housing*' (April 2016). This stipulates that there are two methods of valuing land for affordable housing provision. The first is by way of comparison with the sale price of land for comparable development and the second is by way of assessing the value of the completed scheme and providing a residual land value. We have illustrated how an EUV would be calculated on the basis of the existing use and have then carried out a development appraisal of the proposed scheme to provide a residual land value (RLV) to compare.
- 7.21 In paragraph 7.17 above we have already determined the minimum EUV of the site at £841,500 (circa £150,000 per acre). We have also determined above in paragraph 7.18 a reasonable AUV for the site of £3,366,000 (£600,000 per acre) given the site benefits from being located within the settlement boundary in a sustainable location.
- 7.22 A minimum premium in this case of just £85,000 results in a BLV for the 5.61-acre site of £926,500.

Scheme Residual Land Value

- 7.23 We have included a detailed summary appraisal report relating to the scheme inclusive of 15 (13%) affordable private rented dwellings in Appendix C. This is derived from Pro Dev software.
- 7.24 The appraisal carried out is on the basis of all currently known values and costs, with any assumptions as indicated earlier within this report. As the summary report identifies the Residual Land Value (RLV) is as follows:
- £231,738.**
- 7.25 Prodev will not calculate negative land values. The scale of the deficit can therefore be calculated by deducting the value of the adopted market return at 11% (£2,325,597) from the actual return in the appraisal of £2,093,859.
- 7.26 This is notably below the assessment of EUV, without a premium, and significantly below the AUV for the site assuming permission.

- 7.27 In Appendix D we have also included an assessment of the proposed scheme based on a 100% private rented development. This has been prepared with the same build cost assumptions as the appraisal in Appendix C, but with open market rental values adopted for all dwellings; this increases the GDV of the development to £21,141,787.
- 7.28 On this basis the Residential Land Value increases to **£272,000** but remains below the assessment of EUV, without a premium, and significantly below the AUV for the site assuming permission.
- 7.29 In Appendix E we have gone on to include an assessment of the proposed scheme on the basis of an alternative residential open market housing site, with 15 (13%) of the dwellings to be provided as affordable social rented dwellings. This has been prepared with the same build cost assumptions as the appraisals in Appendices C and D save for the removal of the additional fit-out and fitted furniture costs required for the PRS scheme. We have adopted open market sales values for the private dwellings as detailed in the table in paragraph 7.33 below and supported by the comparable evidence in Appendix B.
- 7.30 We have adopted transfer values exclusive of any HE grants on the basis that the dwellings would form part of an S106 agreement and are therefore not eligible for grant funding. For the social rented dwellings, a transfer value of 40% of the open market value has been adopted.

- 7.31 We have adopted a blended target return of 17.38% based on 18% for market housing and 8% for the affordable dwellings. The revised GDV of the policy-compliant market housing appraisal is summarised in the table below.

House Type	Total No.	Size (Sq. Ft)	Total Sq. Ft	Value Per Dwelling	Total GDV
1-Bed 2-Person Apartment:	27	538	14,526	£125,000	£3,375,000
2-Bed 3-Person Apartment:	18	657	11,826	£150,000	£2,700,000
2-Bed 3-Person House:	11	753	8,283	£215,000	£2,365,000
2-Bed 3-Person House: Affordable (SR)	10	753	7,530	£86,000	£860,000
2-Bed 3-Person Aspect House:	7	829	5,803	£235,000	£1,645,000
2-Bed 3-Person Aspect House: Affordable (SR)	5	829	4,145	£94,000	£470,000
3-Bed 4-Person House:	13	936	12,168	£265,000	£3,445,000
3-Bed 4-Person House:	18	1001	18,018	£250,000	£4,500,000
4-Bed 5-Person House:	6	1152	6,912	£325,000	£1,950,000
Total	115		89,211		£21,310,000

- 7.32 On this basis, the Residential Land Value is **minus £725,596**.
- 7.33 As explained above, Prodev will not calculate negative land values. The scale of the deficit can therefore be calculated by deducting the value of the adopted market return at 17.38% (£3,702,800) from the actual return in the appraisal of £2,977,204.
- 7.34 Again, this remains below the assessment of EUV, without a premium, and significantly below the AUV for the site assuming permission.
- 7.35 Finally in Appendix F we have included an assessment of the proposed scheme on the basis of an alternative 100% residential open market housing site, this has been prepared with the same build cost assumptions as the appraisal in Appendix E but with open market sales values adopted for all dwellings. This increased the GDV of the proposed development to £23,310,000.

- 7.36 On this basis the Residential Land Value increases to **£598,000** Again this remains below the assessment of EUV, without a premium, and significantly below the AUV for the site assuming permission.

8.0 Viability judgement

- 8.1 We have assessed the value of the scheme and established a level of residual land value (RLV) that is less than the assessment of EUV.
- 8.2 The level of RLV has been compared to market evidence, which is limited, but again shows that a higher land value would be appropriate. This is similar to the conclusion of assessing on the basis of benchmark land values from the area-wide viability report.
- 8.3 The assessment of values and costs carried out has established a range in each instance. We have benchmarked all value and cost data, recognising that values and costs are a matter of judgement following analysis of available data, and considering the extent of risk associated with this type of scheme. We have provided in Appendix H a sensitivity analysis to illustrate a range of scenarios for the proposed PRS development, as required by the RICS Professional Statement.
- 8.4 Our analysis of the proposed scheme provides our professional opinion of the viability of the proposal. This opinion is formed in the context of current guidance, together with the existing planning policy.
- 8.5 We have additionally appraised a policy-compliant market housing scheme, the summary of which is included in Appendix E.
- 8.6 We have fully considered the value and cost data provided and benchmarked against the Viability Study (VS) completed by Three dragons in 2020 and updated in 2021 as well as more recent sources of data. We are of the opinion that the data provided is reflective of the nature and type of development proposed in this instance and is not in any way overstated.
- 8.7 It is our considered opinion that the proposed scheme is capable of delivering the private rented housing proposed based on the tenures described if there are no affordable dwellings and S.106 contributions added or any changes to the proposed housing mix or dwelling sizes. It is our further opinion that the scheme is already at the margins of viability in terms of RLV.
- 8.8 Whilst the overall viability position remains challenging, we understand that the applicant has already allocated significant resources to the site and is fully committed to its development.

- 8.9 Whilst the development of the site will offer significant economic benefits to the area and improvements to the public road network in the immediate vicinity of the site the assessment of viability in this case clearly demonstrates that the scheme cannot be viable if any affordable housing obligations that are not supported by HE grant funding is required..

Written by



Richard Heathcote
Consultant

Reviewed by



A V Martinelli FRICS
Director

...
Devvia Property Consultancy Ltd.
20th October 2022

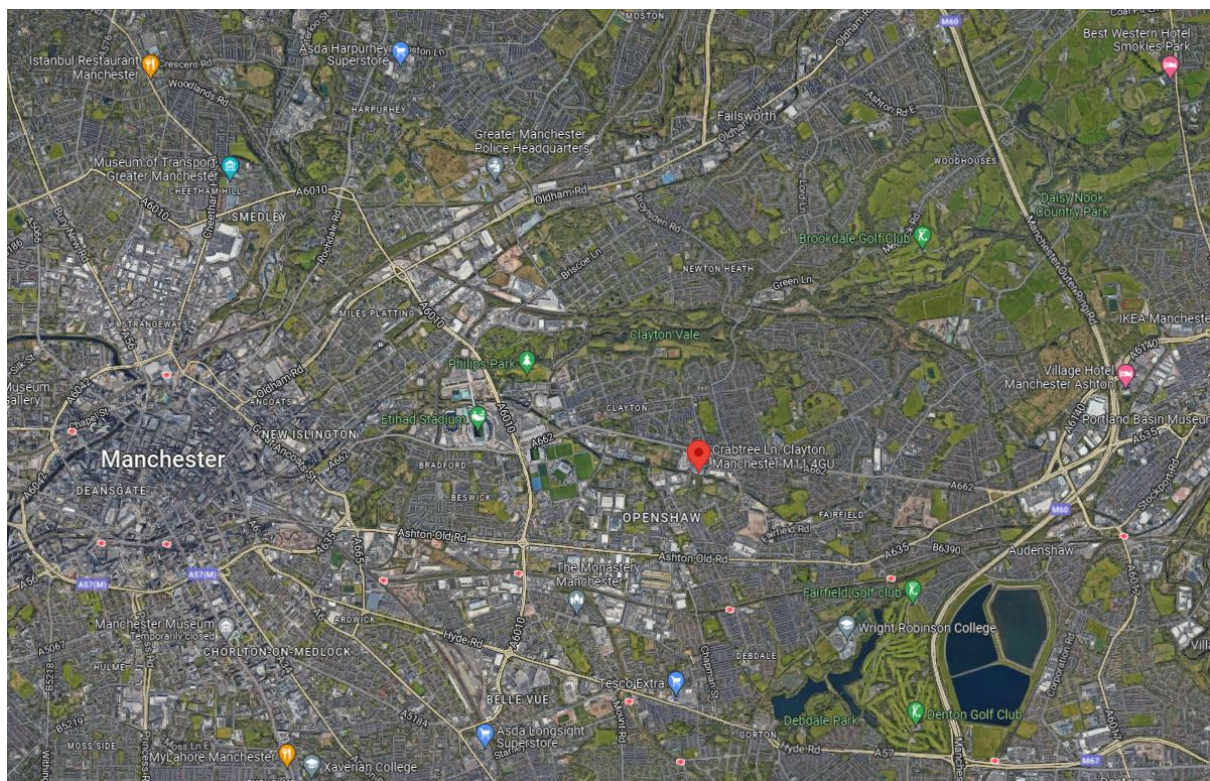
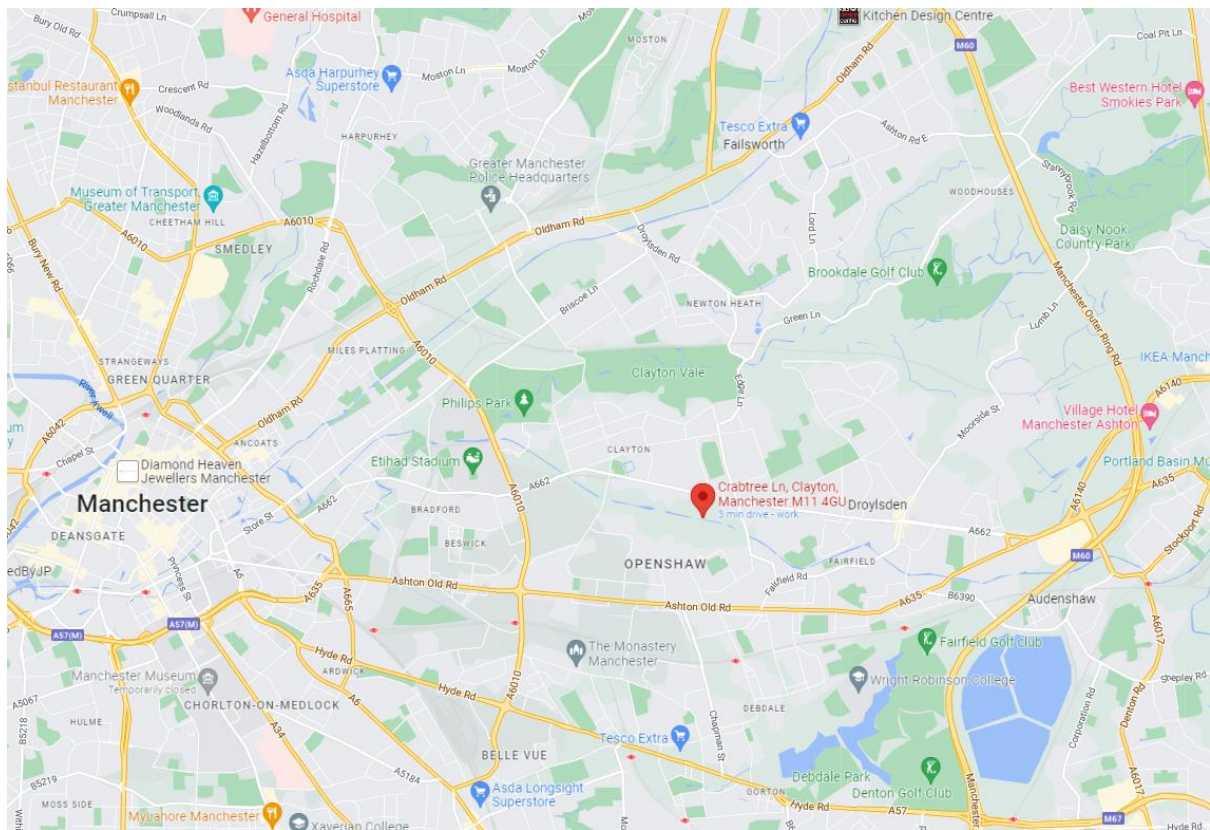
Appendices

A. Indicative layout forming the basis of the appraisals



B. Market Research

Location

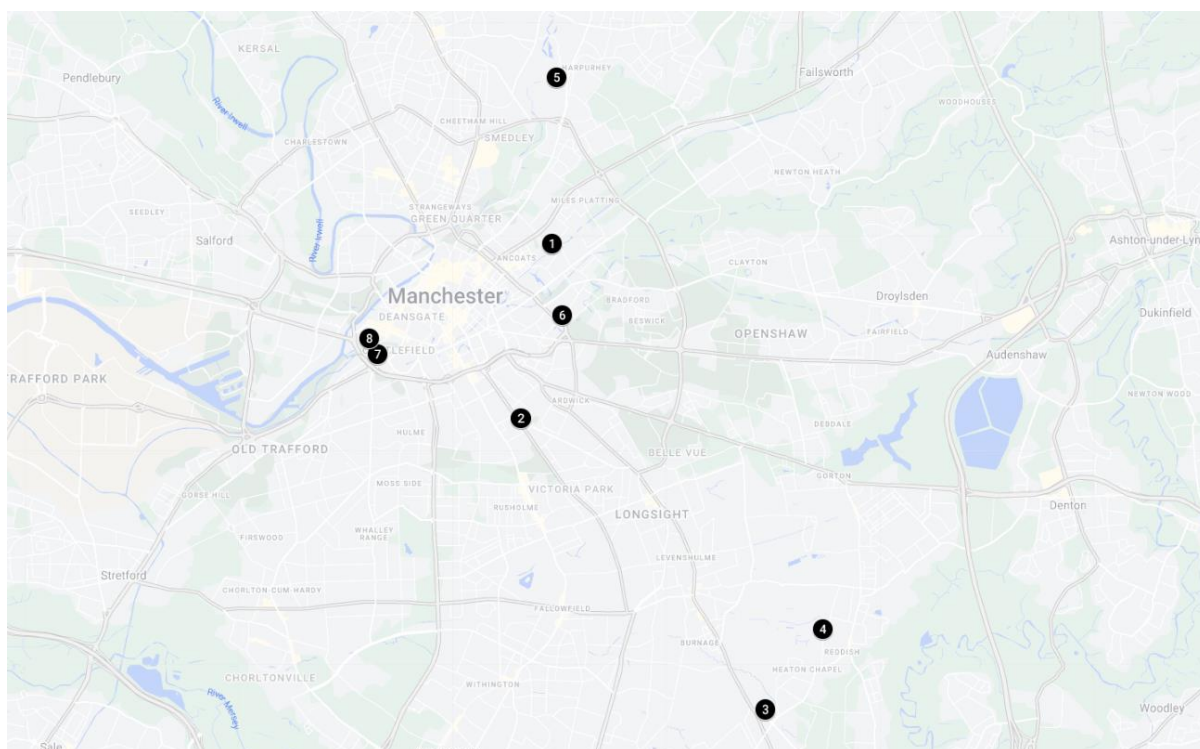


Average Prices and Volume of Sales

Source: Land Registry

2022	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M11 1	£226,000	1	£208,833	3	£155,500	4	£0	0	£184,312	8
Total	£226,000	1	£208,833	3	£155,500	4	£0	0	£184,312	8
2021	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M11 1	£228,165	3	£203,186	24	£167,954	39	£0	0	£183,502	66
Total	£228,165	3	£203,186	24	£167,954	39	£0	0	£183,502	66
2020	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M11 1	£165,000	1	£194,783	40	£151,229	37	£70,625	4	£168,711	82
Total	£165,000	1	£194,783	40	£151,229	37	£70,625	4	£168,711	82
2019	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M11 1	£148,497	2	£170,253	27	£140,020	23	£121,000	1	£155,383	53
Total	£148,497	2	£170,253	27	£140,020	23	£121,000	1	£155,383	53
2018	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M11 1	£156,617	6	£164,377	60	£115,023	50	£0	0	£142,703	116
Total	£156,617	6	£164,377	60	£115,023	50	£0	0	£142,703	116
2017	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M11 1	£136,000	4	£140,558	56	£120,096	50	£89,565	10	£127,631	120
Total	£136,000	4	£140,558	56	£120,096	50	£89,565	10	£127,631	120
2016	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M11 1	£117,143	7	£126,997	21	£102,587	43	£82,008	3	£110,057	74
Total	£117,143	7	£126,997	21	£102,587	43	£82,008	3	£110,057	74
2015	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
M11 1	£0	0	£87,665	3	£96,141	33	£72,000	2	£94,201	38
Total	£0	0	£87,665	3	£96,141	33	£72,000	2	£94,201	38

New Build Availability



1. Lovell Homes - The Gateway, 1 Garforth Avenue, Manchester, Greater Manchester, M4 6JS

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft ²)	Gross Asking Price (ft ²)
Beverley	3	Terraced	3	£444,950	1217	£366
Beverley	3	Terraced	3	£444,950	1217	£366
Beverley	3	Terraced	3	£444,950	1217	£366
Beverley	3	Terraced	3	£444,950	1217	£366
Heartford	4	Semi	3	£514,950	1344	£383
Heartford	4	Semi	3	£514,950	1344	£383
Heartford	4	Semi	3	£514,950	1344	£383
Heartford A	4	Semi	3	£514,950	1344	£383
Heartford A	4	Semi	3	£514,950	1344	£383
Leaford	4	Detached	3	£509,950	1406	£363
Longford	4	Terraced	3	£494,950	1300	£381
Average Net Asking Value (ft ²)						£375

2. Linden Homes - New Brunswick, Upper Brook Street, Manchester, M13 9SZ

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft ²)	Gross Asking Price (ft ²)
Bridgewater	4	Terraced	3	£345,995	1141	£303
Bridgewater	4	Terraced	3	£345,995	1141	£303
Bridgewater	4	Terraced	3	£345,995	1141	£303
Bridgewater	4	Terraced	3	£345,995	1141	£303
Bridgewater	4	Terraced	3	£345,995	1141	£303
Average Net Asking Value (ft ²)						£303

3. Unknown Developer - Heaton Grove, Heaton Chapel, SK4 5DN

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft ²)	Gross Asking Price (ft ²)
Beech	3	Semi	2	£395,000	941	£420
Average Net Asking Value (ft ²)						£420

4. DeTrafford - Elisabeth Gardens, Reddish, Stockport, SK5 6AX

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft ²)	Gross Asking Price (ft ²)
House Type A	3	Terraced	3	£255,000	657	£388
House Type A	3	Terraced	3	£250,000	657	£381
Average Net Asking Value (ft ²)						£384

5. Prime Developers - Kingsbridge Road, Harpurhey, Manchester M9 5SQ

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft ²)	Gross Asking Price (ft ²)
House Type A	4	Semi	3	£250,000	1045	£239
Average Net Asking Value (ft ²)						£239

6. X1 Developments - The Plaza, Every Street, Manchester, M4 7LT

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft ²)	Gross Asking Price (ft ²)
House Type A	3	Flat	Unknown	£269,995	688	£392
Average Net Asking Value (ft ²)						£392

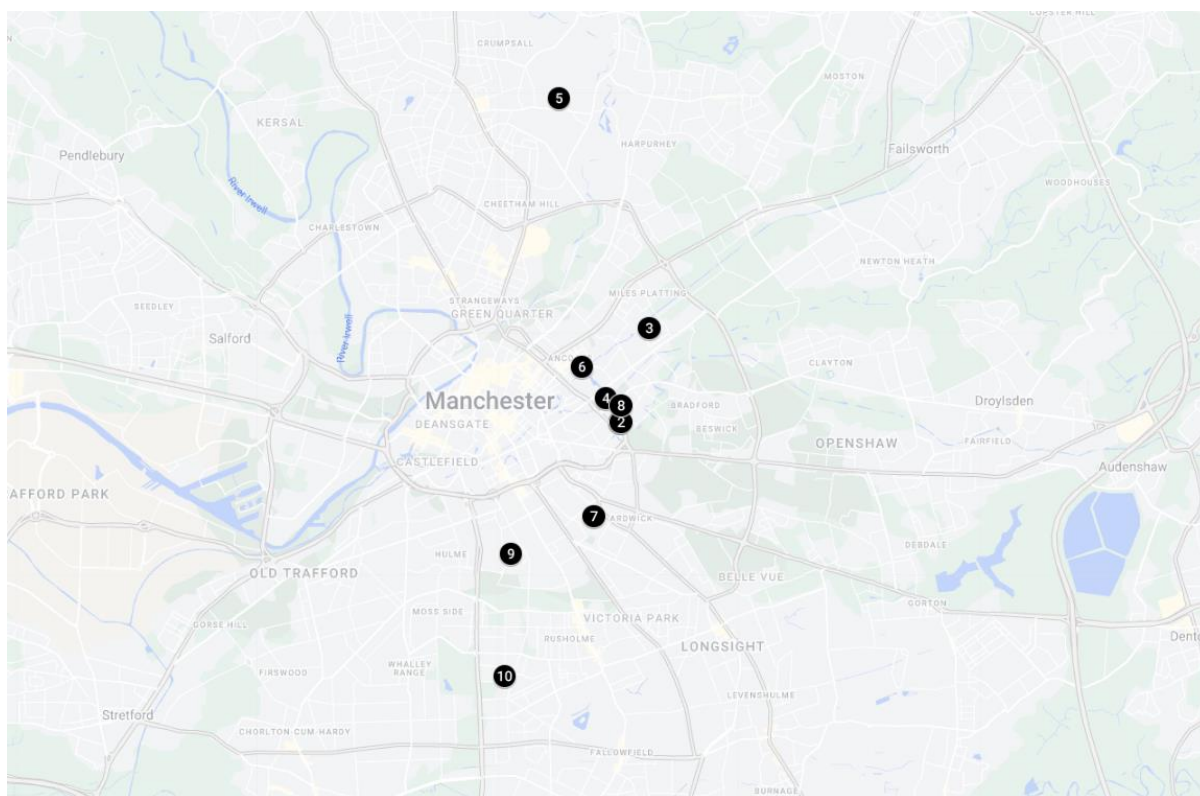
7. DeTrafford - City Gardens, Bentinck Street, Manchester, M15 4SP

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft ²)	Gross Asking Price (ft ²)
A	2	Flat	1	£293,000	620	£473
A	2	Flat	1	£295,950	620	£477
Average Net Asking Value (ft ²)						£475

8. Lendlease - Potato Wharf, Manchester, M3 4BD

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft ²)	Gross Asking Price (ft ²)
A	2	Flat	1	£335,000	684	£490
A	2	Flat	1	£335,000	684	£490
Average Net Asking Value (ft ²)						£490

New Build Sold



1. X1 Developments - Advent Way, Manchester M4 7LR

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft²)	Sale Price (ft²)
114	Apt	1	Flat	Jan-21	£117,500	506	£232
606	Apt	2	Flat	Jan-21	£205,000	667	£307
405	Apt	2	Flat	Jan-21	£163,500	689	£237
2	Apt	2	Flat	Jan-21	£168,000	786	£214
506	Apt	2	Flat	Jan-21	£205,000	829	£247
11	Apt	2	Flat	Feb-21	£204,000	829	£246
424	Apt	2	Flat	Jan-21	£190,000	840	£226
10	Apt	2	Flat	Jan-21	£189,000	893	£212
Average Sale Price (ft²)							£240

2. X1 Developments - Every Street, Manchester M4 7LT

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft²)	Sale Price (ft²)
802	Apt	1	Flat	Jan-21	£160,000	506	£316
902	Apt	2	Flat	Feb-21	£229,500	689	£333
205	Apt	2	Flat	Jan-21	£220,000	786	£280
305	Apt	2	Flat	Jan-21	£217,500	786	£277
Average Sale Price (ft²)							£302

3. Lovell - Miles Platting Area 11, Manchester M40 7QZ

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft²)	Sale Price (ft²)
22	Oakley	2	Terraced	Nov-20	£233,950	764	£306
21	Lexington	2	Terraced	Oct-20	£198,950	775	£257
79	Lexington	2	Terraced	Oct-20	£196,950	775	£254
78	Lexington	2	Terraced	Nov-20	£197,950	775	£255
97	Oakley	3	Terraced	Jul-20	£227,950	915	£249
77	Oakley	3	Terraced	Nov-20	£227,950	936	£244
80	Oakley	3	Terraced	Nov-20	£227,950	936	£244
16	Oakley	3	Semi-detached	Feb-21	£237,995	936	£254
95	Stateley	3	Semi-detached	Jul-20	£239,995	990	£242
18	Heartford	4	Semi-detached	Nov-20	£294,950	1367	£216
20	Heartford	4	Semi-detached	Feb-21	£309,995	1367	£227
18	Heartford	4	Semi-detached	Feb-21	£304,995	1367	£223
23	Westford	4	Semi-detached	Sep-20	£299,950	1432	£209
75	Westford	4	Semi-detached	Oct-20	£297,000	1432	£207
82	Westford	4	Semi-detached	Nov-20	£297,950	1432	£208
24	Westford	4	Semi-detached	Nov-20	£299,950	1432	£209
81	Westford	4	Semi-detached	Nov-20	£297,950	1432	£208
76	Westford	4	Semi-detached	Sep-20	£299,950	1432	£209
27	Westford	4	Semi-detached	Jan-21	£309,995	1432	£216
						Average Sale Price (ft²)	£234

4. MCR Life - One Vesta Street, M4 6LT

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft²)	Sale Price (ft²)
111	Apt	1	Flat	Feb-21	£185,000	527	£351
131	Apt	1	Flat	Mar-21	£190,000	527	£361
157	Apt	1	Flat	Feb-21	£195,000	527	£370
59	Apt	1	Flat	Feb-21	£181,000	527	£343
116	Apt	2	Flat	Jan-21	£245,000	700	£350
57	Apt	2	Flat	Jan-21	£257,000	753	£341
60	Apt	2	Flat	Feb-21	£260,000	764	£340
82	Apt	2	Flat	Jan-21	£280,000	764	£366
						Average Sale Price (ft²)	£353

5. Abraham Halpern - Clarkesville Close, Crumpsall M8 5QA

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft ²)	Sale Price (ft ²)
42	Type A	3	Semi-detached	Mar-21	£187,500	926	£203
75	Type A	3	Semi-detached	Mar-21	£189,000	926	£204
60	Type B	4	Semi-detached	May-21	£246,950	1184	£209
44	Type B	4	Semi-detached	Mar-21	£208,000	1184	£176
36	Type B	4	Semi-detached	Mar-21	£205,000	1184	£173
64	Type B	4	Semi-detached	Mar-21	£232,000	1184	£196
46	Type B	4	Semi-detached	Mar-21	£208,000	1184	£176
38	Type B	4	Semi-detached	Mar-21	£205,000	1184	£173
73	Type A	3	Semi-detached	Feb-21	£191,000	926	£206
54	Type B	4	Semi-detached	Jan-21	£225,000	1184	£190
52	Type B	4	Semi-detached	Feb-21	£225,000	1184	£190
Average Sale Price (ft ²)							£190

6. MCR Life - New Little Mill, M4 6GH

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft ²)	Sale Price (ft ²)
8	Apt	2	Flat	Jan-21	£210,000	581	£361
Average Sale Price (ft ²)							£361

7. Rowlinson Construction - St Ignatius, M13 9PA

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft ²)	Sale Price (ft ²)
11	Type A	3	Terraced	Jun-21	£294,995	969	£305
2	Type A	3	Terraced	Jun-21	£294,995	969	£305
16	Type B	3	Terraced	Mar-21	£331,995	1066	£312
6	Type B	3	Terraced	Jun-21	£327,995	1066	£308
8	Type C	3	Terraced	May-21	£294,995	1141	£259
10	Type C	3	Terraced	Jun-21	£304,995	1141	£267
6	Type C	3	Terraced	Jun-21	£294,995	1141	£259
4	Type C	3	Terraced	Aug-21	£291,995	1141	£256
Average Sale Price (ft ²)							£284

8. Artisan - Loom Building/Vulcan Mill, M4 7BF

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft ²)	Sale Price (ft ²)
48	Apt	2	Flat	Apr-21	£239,416	710	£337
85	Apt	2	Flat	Oct-20	£245,554	721	£341
44	Apt	2	Flat	Mar-21	£252,000	743	£339
11	Apt	2	Flat	Apr-21	£222,871	775	£288
69	Apt	2	Flat	Apr-21	£239,000	818	£292
86	Apt	2	Flat	Nov-20	£292,000	818	£357
Average Sale Price (ft ²)							£326

9. Salboy - Burlington Square, Boundary Lane M15 6JQ

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft ²)	Sale Price (ft ²)
419	Apt	2	Flat	Jan-21	£207,287	721	£287
210	Apt	2	Flat	Jan-21	£264,898	840	£316
Average Sale Price (ft ²)							£301

10. Rowlinson - Bowes Street, Manchester M14 7JJ

Plot	House Name	Bedrooms	Type	Date Sold	Sale Price	Size (ft ²)	Sale Price (ft ²)
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 (ft ²)							£223

Second Hand Sales

Search criteria: within M11 1BR plus 1 mile. Sales Completed within past 6 months.

Source: HM Land Registry

Address	Last sale price	Last sale date	Property type	Bedrooms
16, Kelmarsh Close, Manchester M11 1NL	£160,000	24/01/2022	Terraced	2 to
Apartment 12, 6, The Waterfront, Manchester M11 4AY	£127,500	28/01/2022	Flat	1 to
42, Selby Street, Manchester M11 2BY	£158,000	14/01/2022	Semi-detached	2 to
3, Silverstone Drive, Manchester M40 1UD	£120,000	27/01/2022	Semi-detached	3 to
19, Cherry Avenue, Manchester M11 2LW	£249,500	25/01/2022	Terraced	
70, Chariot Street, Manchester M11 1BA	£189,000	28/01/2022	Semi-detached	2 to
27, Godwin Street, Manchester M18 8GS	£130,000	31/01/2022	Terraced	2 to 3
140, Abbey Hey Lane, Abbey Hey, Manchester M18 8TH	£148,000	17/01/2022	Terraced	3 to
64, Harley Street, Manchester M11 1AU	£76,000	28/01/2022	Terraced	2 to 3
118, Stanton Street, Manchester M11 4PX	£92,000	19/01/2022	Terraced	2 to
12, Halton Road, Manchester M11 4HN	£143,000	03/03/2022	Semi-detached	2 to 3
8, Grapevine Avenue, Manchester M18 8YB	£71,500	22/02/2022	Semi-detached	
9, Canberra Street, Manchester M11 4NL	£119,000	24/01/2022	Terraced	2 to 3
17, Bristowe Street, Manchester M11 4LW	£105,000	11/03/2022	Terraced	3 to
1458, Ashton Old Road, Manchester M11 1HL	£180,000	07/03/2022	Semi-detached	1 to
29, Welbeck Street, Manchester M18 8GW	£125,000	21/02/2022	Terraced	2 to 3
42, Elysian Street, Openshaw, Manchester M11 2GH	£109,000	13/01/2022	Terraced	2 to 3
38, Selby Street, Manchester M11 2BY	£145,000	14/04/2022	Terraced	2 to 3
72, Longford Street, Manchester M18 8GQ	£175,000	20/01/2022	Semi-detached	3 to
24, North Crescent, Manchester M11 4LR	£145,000	25/03/2022	Semi-detached	3 to
14, Neston Street, Manchester M11 1HZ	£172,000	04/04/2022	Terraced	3 to
11, Albany Avenue, Manchester M11 1HQ	£190,000	21/01/2022	Semi-detached	3 to
22, Pennell Street, Manchester M11 4PQ	£119,250	01/04/2022	Terraced	2 to 3
25, Craydon Street, Openshaw, Manchester M11 2FW	£376,000	23/03/2022	Detached	
22, Tinningham Close, Manchester M11 1NB	£61,000	22/03/2022	Flat	2 to
17, Walmer Street, Abbey Hey, Manchester M18 8QP	£115,000	15/02/2022	Terraced	3 to
7, Keynsham Road, Manchester M11 4HX	£165,000	11/02/2022	Terraced	3 to
5, Sumac Street, Manchester M11 4QB	£130,000	28/04/2022	Terraced	2 to
20, Seddon Avenue, Manchester M18 8NW	£145,000	18/03/2022	Semi-detached	2 to 3
887, Ashton New Road, Manchester M11 4PB	£176,000	14/04/2022	Terraced	2 to 3
92, Toxteth Street, Manchester M11 1EZ	£226,000	26/01/2022	Detached	
9, Alpha Street, Manchester M11 1FQ	£247,500	08/02/2022	Semi-detached	
13, Greenside Street, Manchester M11 2EX	£115,000	22/04/2022	Terraced	2 to 3
6, Hovis Street, Manchester M11 2JD	£88,000	24/03/2022	Terraced	2 to
29, Burstead Street, Manchester M18 8ST	£135,000	01/03/2022	Terraced	2 to 3
61, Ewan Street, Manchester M18 8NS	£120,000	25/02/2022	Terraced	2 to 3
87, Ackroyd Street, Manchester M11 1NT	£115,000	18/03/2022	Terraced	2 to 3
16, Seddon Avenue, Manchester M18 8NW	£200,000	11/03/2022	Terraced	2 to 3
17, The Quadrant, Droylsden, Manchester M43 6PY	£150,000	14/01/2022	Semi-detached	3 to

Second Hand Available

Search criteria: Modern houses for sale within postcode M11 1BR plus 1 mile

Source: www.rightmove.co.uk

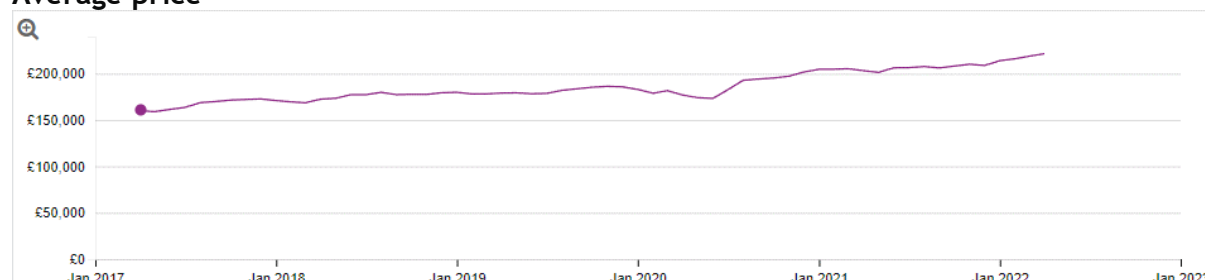
Address	Type	Bedrooms	Price
Windsor Road, Newton Heath, Manchester, Greater Manchest	Detached	4	£450,000
Assheton Crescent, Manchester	Semi	3	£260,000
Ansdell Drive, Droylsden	Semi	3	£249,950
Hornsea Walk, Beswick	Terraced	4	£240,000
Rupert Street, Clayton Bridge, Manchester	Terraced	2	£224,995
Westfield Road, Droylsden, M43	Semi	3	£220,000
Hawkstone Avenue, Droylsden, Manchester	Semi	3	£220,000
Graver Lane, Clayton Bridge, Manchester, M40	Terraced	2	£210,000
Folkestone Road West, Clayton	Semi	3	£200,000
Bergman Walk, Manchester	Terraced	3	£200,000
Berry Brow, Manchester	Terraced	2	£200,000
Ten Acres Lane, Manchester, M40	Semi	3	£195,000
Edge Lane, Droylsden, Manchester	Terraced	3	£195,000
Morse Road, Manchester	Semi	3	£190,000
Buckingham Road, Droylsden	Semi	2	£189,995
Droylsden Road, Newton Heath, Manchester	Terraced	3	£189,950
Droylsden Road, Manchester	Terraced	3	£189,950
Edge Lane, Droylsden	Terraced	2	£175,000
Apartment 19, 6 The Waterfront	Flat	2	£165,000
Berry Brow, Clayton Bridge, Manchester	Terraced	2	£164,950
Fieldfare Avenue, Newton Heath, Manchester, Greater Manch	Terraced	3	£160,000
Apartment 22, The Waterfront, Manchester, M11	Flat	2	£160,000
Stanton Street, Clayton	Terraced	2	£159,950
Stillwater Drive, Sport City, Manchester, Greater Manchester	Flat	2	£150,000
Rossington Street, Manchester	Terraced	2	£150,000
THE DRUM, SPORTCITY	Flat	2	£149,950
THE DRUM, SPORTCITY	Flat	2	£149,950
Harley Street, Openshaw	Terraced	2	£145,000
Greenside Lane, Droylsden, Manchester	Terraced	3	£144,000
Ashley Road, Droylsden	Semi	3	£140,000
5 Stillwater Drive, Sports City, Manchester, M11	Flat	2	£140,000
3 Stillwater Drive, Sports City, Manchester, M11	Flat	2	£140,000
Stillwater Drive, Manchester	Flat	2	£140,000
5 Stillwater Drive, Sports City, Manchester, M11	Flat	1	£100,000
Ballantine Street, Newton Heath	Terraced	3	£98,000
Flat Stansfield Street, Newton heath	Flat	2	£75,000
Flat Stansfield Street, Newton Heath	Flat	1	£60,000

House Price Indices

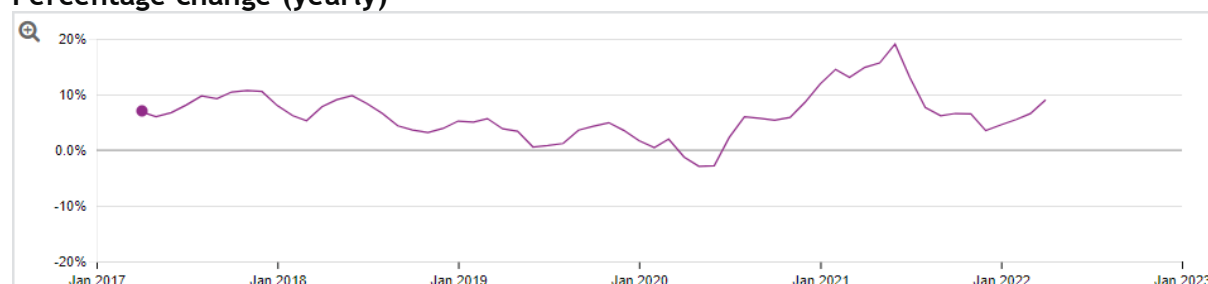
House Price Index Graph - Manchester

Source: HM Land Registry

Average price



Percentage change (yearly)



Price Trends - Manchester

Market Characteristics	Manchester	National
Market Size Indicator: no. of transactions	29,483	4,886,506
Market Size Indicator: total no. of properties	238,800	25,000,000
Market liquidity Indicator: transactions / properties	12.35%	19.55%
Market Growth Indicator: new homes built	3,250	570,561
Market Growth Indicator: new builds / transactions	11.02%	11.68%

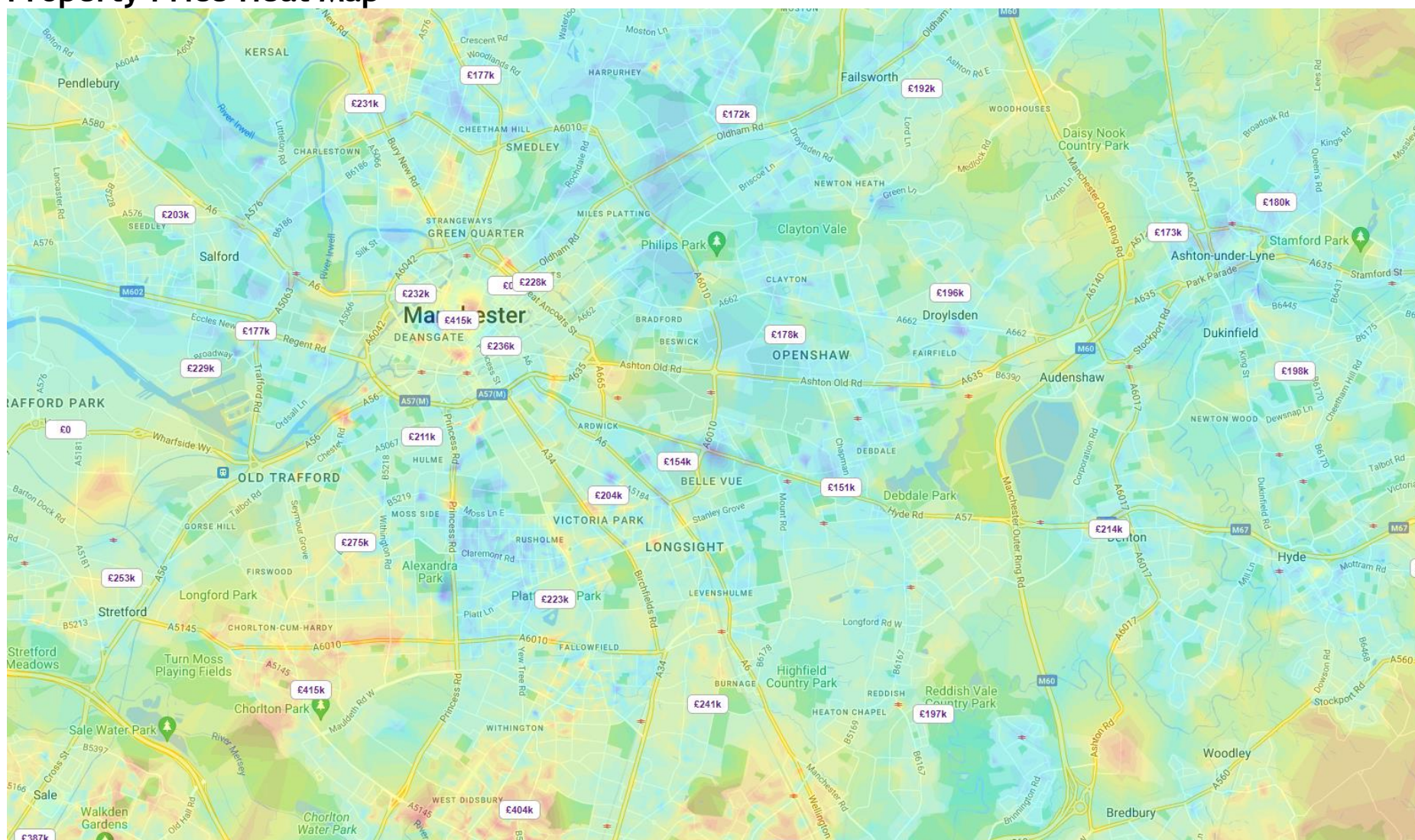
Growth Rate	Manchester	National
5 year house price growth	6.90%	6.90%
Last 12 months house price growth	9.00%	5.40%

Average House Prices

Source: HM Land Registry

Postcode Area - M11 1BR

Property Type	Apr-17	Apr-22	Change
Detached	£315,324	£376,167	19%
Semi	£191,867	£302,824	58%
Terraced	£146,722	£247,080	68%
Flat	£177,551	£200,369	13%
All	£181,997	£259,967	43%



Rent Report

Source: www.home.co.uk

Summary

Summary of Properties to Rent	Manchester
Total Properties for Rent	1799
Properties for rent listed in the last 14 days:	595
Average property rents:	£1,462
Median rent:	£1,175

Properties to Rent by Price

	No. of Properties
Rent under £250 pcm	39
£250 to £500 pcm rent	91
£500 to £1,000 pcm rent	620
£1,000 to £2,000 pcm rent	763
£2,000 to £5,000 pcm rent	252
Rent over £5,000 pcm	34

Property Rents by Number of Bedrooms

Type	No. of Properties	Average Rent	Median Rent
One bedroom	371	£1,050	£850
Two bedrooms	657	£1,363	£1,250
Three bedrooms	294	£1,698	£1,300
Four bedrooms	118	£2,225	£1,691
Five bedrooms	46	£2,289	£2,275

Property Rents by Type

Type	No. of Properties	Average Rent	Median Rent
Room	117	£1,143	£758
Flat	1081	£1,519	£1,175
House	494	£1,603	£1,299

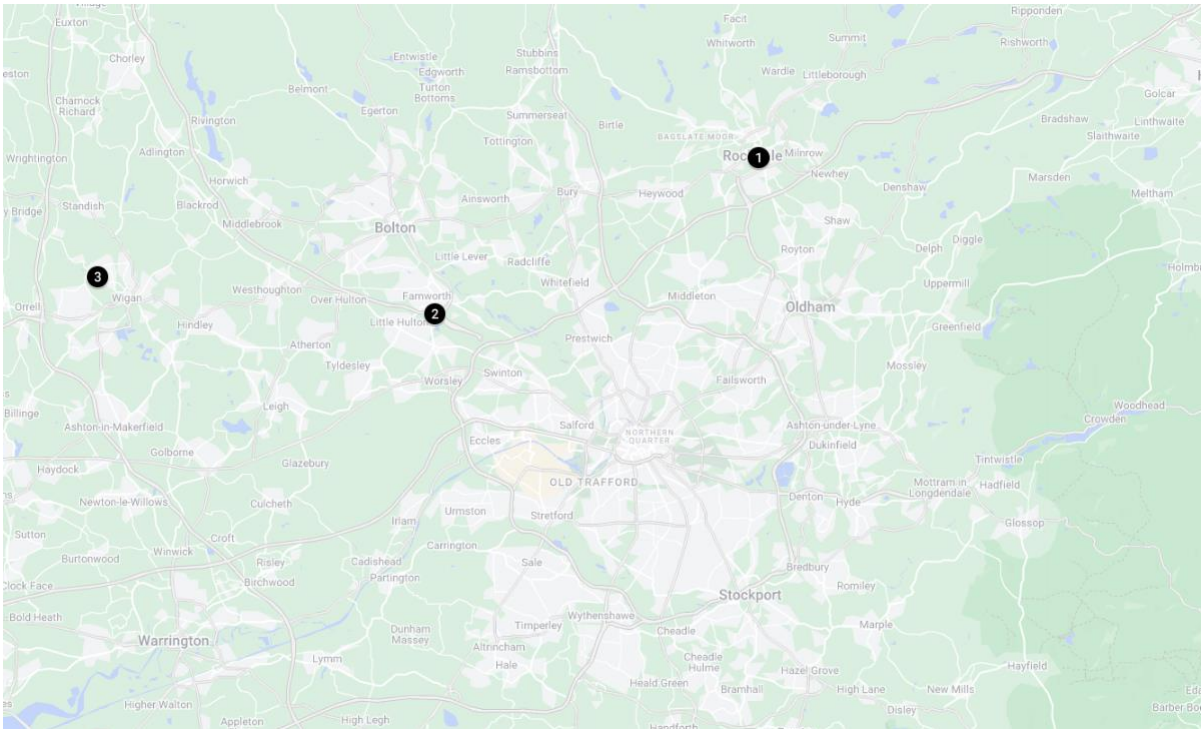
Rental Listings

Search criteria: Modern houses for sale within 1 mile of postcode M11 1BR

Source: www.rightmove.co.uk

Address	Type	Bedrooms	Price (Per Calendar Month)
Oakfield Avenue, Droylsden, Manchester	Semi	3	£1,195.00
St. Andrews Avenue, Manchester, Greater Manchester,	Semi	3	£950.00
Hurford Avenue, Manchester, M18	Semi	3	£850.00
Edge Lane, Droylsden, Manchester, M43	Terraced	2	£825.00
Wellesley Avenue, Gorton, Manchester	Semi	3	£825.00
Stanton Street, Manchester, Greater Manchester, M11	Terraced	2	£800.00
Maybury Street, Manchester	Terraced	2	£725.00
Dalehead Close, Abbey Hey, Manchester	Flat	1	£620.00

New Build Rentals



1. Sigma Capital - Harwood Close, Rochdale OL11 1JZ

House Name	Bedrooms	Type	Storeys	Asking Rent (PCM)	Asking rent (PA)	Size (ft²)	Rent Price (/ft²)
Ellesmere	3	Semi	2	£950	£11,400	855	£13
Average Asking Value (ft²)							£13

2. Sigma Capital - Reynolds Place, Worsley M28 3GJ

House Name	Bedrooms	Type	Storeys	Asking Rent (PCM)	Asking rent (PA)	Size (ft²)	Rent Price (/ft²)
Alder	2	Apartment	1	£800	£9,600	719	£13
Average Asking Value (ft²)							£13

3. Sigma Capital - Canalside, Canal Street, Wigan WN6 7NN

House Name	Bedrooms	Type	Storeys	Asking Rent (PCM)	Asking rent (PA)	Size (ft²)	Rent Price (/ft²)
Ellesmere	3	Semi	2	£950	£11,400	855	£13
Rowan	2	Apartment	1	£725	£8,700	593	£15
Average Asking Value (ft²)							£14

C. Summary appraisal (private rented dwellings with 15 (13%) affordable dwellings)

REVENUE

File: Appendix C

Prs Gdv		20,601,158
	REVENUE	20,601,158

COSTS

Housing Construction	62,859.00 sq-ft at 127.00 psf	7,983,093	
Apartment Construction	30,129.00 sq-ft at 142.00 psf	4,278,318	
Foundation Abnormals		470,000	
Ground Remediation		930,000	
Surface Water Attenuation		125,000	
Gas Monitoring & Protection Measures		185,000	
Service Disconnections & Diversions		35,000	
Substation		50,000	
Off Site S104 Works		70,000	
Biodiversity Net Gain		57,500	
Cycle Stores		15,000	
Demolition & Site Clearance		280,000	
Cart Away		100,000	
Retaining Structures		110,000	
Part L & F		575,000	
Off Site Highway Improvements		245,000	
Additional Fit Out And Furniture		690,000	
Contingency	at 3.50%	566,962	
Professional Fees	at 6.50%	1,052,929	
		Build Costs	17,818,802
Direct Sale Prs Agent And Other Professional Fees	at 1.00%	206,012	
		Disposal Fees	206,012

INTEREST

(See CASHFLOW)

482,485

6.50% pa	on Debt charged Quarterly and compounded Quarterly
Housing Construction (bld.)	Month 5 to 36 (May 23 - Dec 25)
Apartment Construction (bld.)	Month 5 to 36 (May 23 - Dec 25)
Foundation Abnormals	Month 4 to 11 (Apr 23 - Nov 23)
Ground Remediation	Month 3 to 8 (Mar 23 - Aug 23)
Surface Water Attenuation	Month 3 to 10 (Mar 23 - Oct 23)
Gas Monitoring & Protection Measures	Month 1 to 30 (Jan 23 - Jun 25)
Service Disconnections & Diversions	Month 2 (Feb 23)
Substation	Month 6 to 8 (Jun 23 - Aug 23)
Off Site S104 Works	Month 2 to 5 (Feb 23 - May 23)
Biodiversity Net Gain	Month 2 to 3 (Feb 23 - Mar 23)
Cycle Stores	Month 6 to 33 (Jun 23 - Sep 25)
Demolition & Site Clearance	Month 2 to 4 (Feb 23 - Apr 23)
Cart Away	Month 2 to 7 (Feb 23 - Jul 23)
Retaining Structures	Month 4 to 11 (Apr 23 - Nov 23)
Part L & F	Month 5 to 36 (May 23 - Dec 25)
Off Site Highway Improvements	Month 3 to 6 (Mar 23 - Jun 23)
Additional Fit Out And Furniture	Month 8 to 36 (Aug 23 - Dec 25)
Contingency	Month 1 to 36 (Jan 23 - Dec 25)
Professional Fees	Month 1 to 6 (Jan 23 - Jun 23)
Prs Gdv (sale)	Month 10 to 37 (Oct 23 - Jan 26)

PROFIT	2,093,859	COSTS	18,507,299
PROFIT/SALE	10.16%	PROFIT/COST	11.31%
IRR	N/A		

D. Summary appraisal (scheme of 100% private rented dwellings)

REVENUE		File: Appendix D		
Prs Gdv				21,141,787
			REVENUE	21,141,787
COSTS				
Site Value			272,000	
Site Stamp Duty			3,100	
Site Legal Fees	at 0.80%		2,176	
Site Agency Fees	at 1.00%		2,720	
			Site Costs	279,996
Housing Construction	62,859.00 sq-ft at 127.00 psf		7,983,093	
Apartment Construction	30,129.00 sq-ft at 142.00 psf		4,278,318	
Foundation Abnormals			470,000	
Ground Remediation			930,000	
Surface Water Attenuation			125,000	
Gas Monitoring & Protection Measures			185,000	
Service Disconnections & Diversions			35,000	
Substation			50,000	
Off Site S104 Works			70,000	
Biodiversity Net Gain			57,500	
Cycle Stores			15,000	
Demolition & Site Clearance			280,000	
Cart Away			100,000	
Retaining Structures			110,000	
Part L & F			575,000	
Off Site Highway Improvements			245,000	
Additional Fit Out And Furniture			690,000	
Contingency	at 3.50%		566,962	
Professional Fees	at 6.50%		1,052,929	
			Build Costs	17,818,802
Direct Sale Prs Agent And Other Professional Fees	at 1.00%		211,418	
			Disposal Fees	211,418
INTEREST	(See CASHFLOW)			506,385
6.50% pa	on Debt charged Quarterly and compounded Quarterly			
Site Costs	Month 1 (Jul 22)			
Housing Construction (bld.)	Month 5 to 36 (Nov 22 - Jun 25)			
Apartment Construction (bld.)	Month 5 to 36 (Nov 22 - Jun 25)			
Foundation Abnormals	Month 4 to 11 (Oct 22 - May 23)			
Ground Remediation	Month 3 to 8 (Sep 22 - Feb 23)			
Surface Water Attenuation	Month 3 to 10 (Sep 22 - Apr 23)			
Gas Monitoring & Protection Measures	Month 1 to 30 (Jul 22 - Dec 24)			
Service Disconnections & Diversions	Month 2 (Aug 22)			
Substation	Month 6 to 8 (Dec 22 - Feb 23)			
Off Site S104 Works	Month 2 to 5 (Aug 22 - Nov 22)			
Biodiversity Net Gain	Month 2 to 3 (Aug 22 - Sep 22)			
Cycle Stores	Month 6 to 33 (Dec 22 - Mar 25)			
Demolition & Site Clearance	Month 2 to 4 (Aug 22 - Oct 22)			
Cart Away	Month 2 to 7 (Aug 22 - Jan 23)			
Retaining Structures	Month 4 to 11 (Oct 22 - May 23)			

Part L & F	Month 5 to 36 (Nov 22 - Jun 25)		
Off Site Highway Improvements	Month 3 to 6 (Sep 22 - Dec 22)		
Additional Fit Out And Furniture	Month 8 to 36 (Feb 23 - Jun 25)		
Contingency	Month 1 to 36 (Jul 22 - Jun 25)		
Professional Fees	Month 1 to 6 (Jul 22 - Dec 22)		
Prs Gdv (sale)	Month 10 to 37 (Apr 23 - Jul 25)		
PROFIT	2,325,186	COSTS	18,816,601
PROFIT/SALE	11.00%	PROFIT/COST	12.36%
IRR	N/A		

E. Summary Appraisal Alternative Scheme of Market Housing with 15 (13%) affordable dwellings.

REVENUE		File: Appendix E
Privat Gdv		19,980,000
Affordable Gdv	-E	1,330,000
	REVENUE	21,310,000

(Revenue Totals labelled -E do not attract Fees)

COSTS		
Housing Construction	62,859.00 sq-ft at 127.00 psf	7,983,093
Apartment Construction	30,129.00 sq-ft at 142.00 psf	4,278,318
Foundation Abnormals		470,000
Ground Remediation		930,000
Surface Water Attenuation		125,000
Gas Monitoring & Protection Measures		185,000
Service Disconnections & Diversions		35,000
Substation		50,000
Off Site S104 Works		70,000
Biodiversity Net Gain		57,500
Cycle Stores		15,000
Demolition & Site Clearance		280,000
Cart Away		100,000
Retaining Structures		110,000
Part L & F		575,000
Off Site Highway Improvements		245,000
Contingency	at 3.50%	542,812
Professional Fees	at 6.50%	1,008,079
	Build Costs	17,059,802
Direct Sale Agents Fee	at 3.25%	649,350
	Disposal Fees	649,350
Direct Sale Legal Fees		80,500
	End Payments	80,500
INTEREST	(See CASHFLOW)	543,144

6.50% pa	on Debt charged Quarterly and compounded Quarterly
Housing Construction (bld.)	Month 5 to 47 (May 23 - Nov 26)
Apartment Construction (bld.)	Month 5 to 47 (May 23 - Nov 26)
Foundation Abnormals	Month 4 to 15 (Apr 23 - Mar 24)
Ground Remediation	Month 3 to 8 (Mar 23 - Aug 23)
Surface Water Attenuation	Month 3 to 10 (Mar 23 - Oct 23)
Gas Monitoring & Protection Measures	Month 1 to 40 (Jan 23 - Apr 26)
Service Disconnections & Diversions	Month 2 to 4 (Feb 23 - Apr 23)
Substation	Month 6 to 8 (Jun 23 - Aug 23)
Off Site S104 Works	Month 2 to 5 (Feb 23 - May 23)
Biodiversity Net Gain	Month 2 to 3 (Feb 23 - Mar 23)
Cycle Stores	Month 6 to 46 (Jun 23 - Oct 26)
Demolition & Site Clearance	Month 2 to 4 (Feb 23 - Apr 23)
Cart Away	Month 2 to 7 (Feb 23 - Jul 23)
Retaining Structures	Month 4 to 11 (Apr 23 - Nov 23)
Part L & F	Month 5 to 47 (May 23 - Nov 26)
Off Site Highway Improvements	Month 3 to 6 (Mar 23 - Jun 23)

Contingency	Month 1 to 47 (Jan 23 - Nov 26)
Professional Fees	Month 1 to 6 (Jan 23 - Jun 23)
Direct Sale Legal Fees	Month 11 to 48 (Nov 23 - Dec 26)
Privat Gdv (sale)	Month 11 to 48 (Nov 23 - Dec 26)
Affordable Gdv (sale)	Month 11 to 48 (Nov 23 - Dec 26)

PROFIT	2,977,204	COSTS	18,332,796
PROFIT/SALE	13.97%	PROFIT/COST	16.24%
IRR	N/A		

F. Summary Appraisal Alternative Scheme of 100% Market Housing

REVENUE		File: Appendix F		
Privat Gdv				23,305,000
			REVENUE	23,305,000
COSTS				
Site Value			598,000	
Site Stamp Duty			19,400	
Site Legal Fees	at 0.80%		4,784	
Site Agency Fees	at 1.00%		5,980	
			Site Costs	628,164
Housing Construction	62,859.00 sq-ft at 127.00 psf		7,983,093	
Apartment Construction	30,129.00 sq-ft at 142.00 psf		4,278,318	
Foundation Abnormals			470,000	
Ground Remediation			930,000	
Surface Water Attenuation			125,000	
Gas Monitoring & Protection Measures			185,000	
Service Disconnections & Diversions			35,000	
Substation			50,000	
Off Site S104 Works			70,000	
Biodiversity Net Gain			57,500	
Cycle Stores			15,000	
Demolition & Site Clearance			280,000	
Cart Away			100,000	
Retaining Structures			110,000	
Part L & F			575,000	
Off Site Highway Improvements			245,000	
Contingency	at 3.50%		542,812	
Professional Fees	at 6.50%		1,008,079	
			Build Costs	17,059,802
Direct Sale Agents Fee	at 3.25%		757,413	
			Disposal Fees	757,413
Direct Sale Legal Fees			80,500	
			End Payments	80,500
INTEREST	(See CASHFLOW)			583,089
6.50% pa	on Debt charged Quarterly and compounded Quarterly			
Site Costs	Month 1 (Jan 23)			
Housing Construction (bld.)	Month 5 to 47 (May 23 - Nov 26)			
Apartment Construction (bld.)	Month 5 to 47 (May 23 - Nov 26)			
Foundation Abnormals	Month 4 to 15 (Apr 23 - Mar 24)			
Ground Remediation	Month 3 to 8 (Mar 23 - Aug 23)			
Surface Water Attenuation	Month 3 to 10 (Mar 23 - Oct 23)			
Gas Monitoring & Protection Measures	Month 1 to 40 (Jan 23 - Apr 26)			
Service Disconnections & Diversions	Month 2 to 4 (Feb 23 - Apr 23)			
Substation	Month 6 to 8 (Jun 23 - Aug 23)			
Off Site S104 Works	Month 2 to 5 (Feb 23 - May 23)			
Biodiversity Net Gain	Month 2 to 3 (Feb 23 - Mar 23)			
Cycle Stores	Month 6 to 46 (Jun 23 - Oct 26)			
Demolition & Site Clearance	Month 2 to 4 (Feb 23 - Apr 23)			

Cart Away	Month 2 to 7 (Feb 23 - Jul 23)		
Retaining Structures	Month 4 to 11 (Apr 23 - Nov 23)		
Part L & F	Month 5 to 47 (May 23 - Nov 26)		
Off Site Highway Improvements	Month 3 to 6 (Mar 23 - Jun 23)		
Contingency	Month 1 to 47 (Jan 23 - Nov 26)		
Professional Fees	Month 1 to 6 (Jan 23 - Jun 23)		
Direct Sale Legal Fees	Month 11 to 48 (Nov 23 - Dec 26)		
Privat Gdv (sale)	Month 11 to 48 (Nov 23 - Dec 26)		
PROFIT	4,196,033	COSTS	19,108,967
PROFIT/SALE	18.00%	PROFIT/COST	21.96%

G. BCIS Data

BCIS®

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 02-Jul-2022 05:37

> Rebased to Manchester (103; sample 67)

Maximum age of results: Default period

Building function (Maximum age of projects)	Mean	Lowest	£/m² gross internal floor area				Sample
			Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,471	805	1,288	1,430	1,605	3,308	1220
810.1 Estate housing							
Generally (15)	1,473	717	1,257	1,415	1,609	5,079	1425
Single storey (15)	1,665	991	1,418	1,609	1,850	5,079	232
2-storey (15)	1,421	717	1,233	1,379	1,551	3,106	1105
3-storey (15)	1,528	923	1,234	1,455	1,707	3,014	83
4-storey or above (15)	3,106	1,515	2,479	2,768	4,163	4,606	5
810.11 Estate housing detached (15)	1,893	1,095	1,478	1,638	1,897	5,079	22
810.12 Estate housing semi detached							
Generally (15)	1,470	868	1,260	1,443	1,607	2,703	347
Single storey (15)	1,633	1,064	1,407	1,600	1,796	2,703	72
2-storey (15)	1,428	868	1,258	1,398	1,558	2,548	264
3-storey (15)	1,429	1,085	1,149	1,403	1,617	2,106	11
810.13 Estate housing terraced							
Generally (15)	1,520	922	1,234	1,420	1,669	4,606	245
Single storey (15)	1,757	1,115	1,470	1,787	2,022	2,454	19
2-storey (15)	1,455	922	1,222	1,385	1,592	3,106	186
3-storey (15)	1,567	923	1,248	1,438	1,762	3,014	38
816. Flats (apartments)							
Generally (15)	1,734	854	1,441	1,639	1,962	5,987	840
1-2 storey (15)	1,641	1,015	1,385	1,558	1,841	3,028	180
3-5 storey (15)	1,709	854	1,438	1,630	1,932	3,610	562
6 storey or above (15)	2,062	1,253	1,673	1,934	2,217	5,987	95

H. Sensitivity Analysis

In accordance with the RICS Professional Statement, we have prepared a sensitivity analysis. This has been carried out in relation to values and costs and is summarised below.

1. Costs

Cost item	Cost rate	Total	-5%	+5%	Comment
Basic build cost	Housing	£1367.03/m ² (£127.00/sq.ft)	£1298.68/m ² (£120.65/sq.ft)	£1435.38./m ² (£133.35/sq.ft)	BCIS indication of increasing costs, no indicator suggests a decrease
	Apartments	£1528.49/m ² (£142.00/sq.ft)	£1452.06/m ² (£134.90/sq.ft)	1603.84/m ² (£149.00/sq.ft)	
	RLV	Minus £231,738	£446,000	Minus £958,271	

Build cost sensitivity

The BCIS Cost Survey published on the 23rd March 2022 states the following:

The BCIS Private Housing Construction Price Index (PHCPI) based on housebuilders' costs continue to rise at a 23Mar2022 unprecedented pace, growing by an all-time highest rate of 12.7% on an annual basis and 3.2% in the previous quarter. This is against a background of modest growth in private housing construction output, which shows a 0.1% quarterly increase and 0.8% increase on the 4Q2020.

In this respect, we consider that there is a significant risk of inflation on all elements of build costs across the development period. We have not included any such inflation within our appraisals, nor have we increased the contingency level to accommodate any such increases.

We conclude that build costs cannot be reduced arbitrarily.

2. Values

As more fully described within the report we have considered the proposed rents and the potential market values for each dwelling type.

We have calculated the potential Gross Development Value (GDV) of the scheme using standard cost allowances. The GDV of the appraisal is maximised, given the levels of rent.

In our overall consideration of the scheme, we find no evidence to support any higher values than are already included. It is our opinion that there are already at the highest level.