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Stocktons, Great Ancoats Street, Manchester

(Planning Reference: 142535/FO/2025)

ADDENDUM – Build to Rent Appraisal

- 1.1 This addendum adds to the analysis set-out in Tim Claxton Property's FVA dated March 2025 which reported on the viability of the Stocktons scheme on the basis of Open Market Sales. This concluded that the scheme was 'unviable'.
- 1.2 The FVA was independently reviewed by Savills and their report (September 2025) also concluded that the scheme was 'unviable'.
- 1.3 A note was issued in September 2025 (Revised Accommodation Impact on Viability) which advised on the effect of a slightly amended unit mix on the overall viability position. This concluded that there was no material impact on the conclusions of the original FVA.
- 1.4 This document adds to the analysis by reviewing the viability of the scheme from a Build to Rent perspective and as such assesses the likely end value of the completed scheme based on the investment value of the rental income that the scheme is anticipated to produce.
- 1.5 The application proposes a total of 752 residential units across two blocks (Blocks A&B). In addition the scheme proposes commercial floorspace within Block A totalling 1,119 sq.ft and Block B totalling 29,193 sq.ft.

Values

Anticipated Residential Rents/Yield

- 1.6 We have reviewed the rental market in the vicinity of the subject scheme and set-out in Tables 1 and 2 the residential rental income that may be anticipated.
- 1.7 The total rent roll of £16,992,600 per annum is subject to OPEX deductions of 25% giving a net annual rent roll of £12,744,450. A breakdown of the OPEX deductions is set-out at Table 3.
- 1.8 Applying a 4.50%¹ investment yield generates a gross value of £283,210,000 to which purchaser's costs at 6.80% are deducted to achieve a net value for the residential element of the scheme of £263,951,720.

Commercial Rental Income/Yield

- 1.9 As outlined in the original FVA Blocks A & B include commercial units delivering 30,311 sq.ft of floorspace.
- 1.10 As in the original report an average rent of £29.80 is applied to a yield of 8% which delivers a net of purchaser's costs value of £9,748,623 assuming a 12 month rent free for each letting.
- 1.11 The total Net Development Value ('NDV') of the scheme on a BTR basis is therefore £273,700,723.
- 1.12 This compares against a total NDV of £240,218,223 on a sales basis promoted in the original TCP FVA and £265,417,804 suggested in the Savills review.

¹ - This is considered an ambitious yield in the current market and should be considered best case.

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Unit Type (Average Size)	Units	Rent pcm	Rent Per sq.ft	Total Rent pa
Studios				
SA / SB (453 sq.ft)	90	£1,400	£37.09	£1,512,000
One Bed Apartments				
1A / 1B (526 sq.ft)	90	£1,850	£42.21	£1,998,000
Two Bed Apartments				
2A / 2B / 2C (754 sq.ft)	356	£2,000	£31.83	£8,544,000
Two Bed Duplex Apartments				
2AD / 2BD / 2CD (1,058 sq.ft)	6	£2,200	£24.95	£158,400
Three Bed Duplex Apartments				
3AD (1,498 sq.ft)	10	£2,400	£19.23	£288,000
Total	552			£12,500,400

Table 1: Block A Proposed Residential Rents

Unit Type	Units	Rent pcm	Rent Per sq.ft	Total Rent pa
Studio Apartments				
SA (424 sq.ft)	35	£1,400	£39.62	£588,000
One Bed Apartments				
1A / 1B (511 sq.ft)	31	£1,850	£43.44	£688,200
Two Bed Apartments				
2A / 2B / 2C (780 sq.ft)	134	£2,000	£30.77	£3,216,000
Total	200			£4,492,200

Table 2 – Block B Proposed Residential Rents

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Item	Percentage of Income
Voids/Bad Debts	2.4%
Marketing	1.0%
Insurance/Legal	1.8%
Staffing	4.3%
Amenity/Communal Area Costs	3.1%
Building/Apartment Maintenance & Turnover	2.3%
Utilities	3.1%
Management Fees	7.0%
Total	25.0%

Table 3 – OPEX Item Percentage Deductions

Costs

- 1.13 The costs that have been applied are as in the original FVA with notable exceptions:

Build Costs

- 1.14 The TCP FVA applied a construction cost of £259.68 per sq.ft whereas Savills review applied a higher figure at £281.04 per sq.ft. We have adopted the Savills build cost owing to further work indicating an increase in cost from the original level.

Furnishing Packs

- 1.15 Additional costs relate to the furnishing of the residential units which are all let on a furnished basis. A figure of £3,000 per unit is applied.

Marketing/Sales Costs

- 1.16 In the BTR appraisal there are no marketing and sales costs in relation to the residential units. Letting costs are contained within the Build to Rent OPEX.

Impact on the Appraisal

- 1.17 The attached appraisal (at Appendix I) which applies these changes demonstrates a profit on cost of -7.51% and although this is an improvement in profitability in absolute terms when compared with the Open Market Sales appraisal is still 'unviable' as it remains below the permitted benchmark level of profit at 15% on cost.
- 1.18 In conclusion, in both the BTR and open market sale scenarios the development is unviable and therefore the scheme cannot afford any affordable units or additional S106 contributions.

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APPENDIX I – Summary Development Appraisal

Stocktons
Financial Viability Appraisal

Great Ancoats Street
Manchester
M4 6DU

Development Appraisal
Prepared by TC
Tim Claxton Property Limited
November 4, 2025

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED**

Stocktons

Financial Viability Appraisal

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE**Sales Valuation**

	Units	Unit Price	Gross Sales
Block A Rental Investment Value	1	194,172,800	194,172,800
Block B Rental Investment Value	<u>1</u>	69,778,840	<u>69,778,840</u>
Totals	2		263,951,640

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commercial 1 (1,119 sq.ft)	1	1,119	25.00	27,975	27,975	27,975
Commercial - Gnd Floor (5,091 sq.ft)	1	5,091	30.00	152,730	152,730	152,730
Commercial - 1st Floor (8,213 sq.ft)	1	8,213	30.00	246,390	246,390	246,390
Commercial - 2nd Floor (8,213 sq.ft)	1	8,213	30.00	246,390	246,390	246,390
Commercial - 3rd Floor (7,675 sq.ft)	<u>1</u>	<u>7,675</u>	30.00	230,250	<u>230,250</u>	<u>230,250</u>
Totals	5	30,311			903,735	903,735

Investment Valuation**Commercial 1 (1,119 sq.ft)**

Market Rent	27,975	YP @	8.0000%	12.5000	
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	323,785

Commercial - Gnd Floor (5,091 sq.ft)

Market Rent	152,730	YP @	8.0000%	12.5000	
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	1,767,708

Commercial - 1st Floor (8,213 sq.ft)

Market Rent	246,390	YP @	8.0000%	12.5000	
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	2,851,736

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Stocktons****Financial Viability Appraisal**

Commercial - 2nd Floor (8,213 sq.ft)					
Market Rent	246,390	YP @	8.0000%	12.5000	
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	2,851,736
Commercial - 3rd Floor (7,675 sq.ft)					
Market Rent	230,250	YP @	8.0000%	12.5000	
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	2,664,931
Total Investment Valuation					10,459,896
GROSS DEVELOPMENT VALUE					274,411,536
Purchaser's Costs			(711,273)		
Effective Purchaser's Costs Rate		6.80%		(711,273)	
NET DEVELOPMENT VALUE					273,700,263
NET REALISATION					273,700,263
OUTLAY					
ACQUISITION COSTS					
Fixed Price	2,883,000				
Fixed Price			2,883,000		
				2,883,000	
Stamp Duty			133,650		
Effective Stamp Duty Rate		4.64%			
Agent Fee		1.00%	28,830		
Legal Fee		0.50%	14,415		
				176,895	

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Stocktons****Financial Viability Appraisal****CONSTRUCTION COSTS**

Construction	ft²	Build Rate ft²	Cost	
Commercial 1 (1,119 sq.ft)	1,662	281.04	467,217	
Commercial - Gnd Floor (5,091 sq.ft)	7,291	281.04	2,048,940	
Commercial - 1st Floor (8,213 sq.ft)	11,761	281.04	3,305,430	
Commercial - 2nd Floor (8,213 sq.ft)	11,761	281.04	3,305,430	
Commercial - 3rd Floor (7,675 sq.ft)	10,991	281.04	3,088,904	
Type SA - 1B1P Apt (453 sq.ft)	60,570	281.04	17,022,732	
Type 1A - 1B2P Apt (526 sq.ft)	70,331	281.04	19,765,909	
Type 2A - 2B4P Apt (754 sq.ft)	398,788	281.04	112,075,295	
Type 2AD - 2B4P Duplex Apt (1,058 sq.ft)	9,431	281.04	2,650,486	
Type 3AD - 3B6P Duplex Apt (1,498 sq.ft)	22,255	281.04	6,254,612	
Type SA - 1B1P Apt (424 sq.ft)	21,252	281.04	5,972,553	
Type 1A - 1B2P Apt (511 sq.ft)	22,685	281.04	6,375,418	
Type 2A - 2B4P Apt (780 sq.ft)	<u>149,678</u>	281.04	<u>42,065,446</u>	
Totals	798,457 ft²		224,398,371	
Contingency		5.00%	11,219,919	235,618,290
Other Construction Costs				
Furnishing Packs	552 un	3,000.00 /un	1,656,000	
Construction Warranty	552 un	3,000.00 /un	1,656,000	
Furnishing Packs	200 un	3,000.00 /un	600,000	
Construction Warranty	200 un	3,000.00 /un	600,000	4,512,000
PROFESSIONAL FEES				
Other Professional Fees		5.00%	8,307,403	
Other Professional Fees		5.00%	3,473,511	11,780,914
MARKETING & LETTING				
Letting Agent Fee		10.00%	90,374	
Letting Legal Fee		5.00%	45,187	135,560

APPRAISAL SUMMARY**TIM CLAXTON PROPERTY LIMITED****Stocktons****Financial Viability Appraisal****TOTAL COSTS BEFORE FINANCE** 255,106,659**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)

Land	1,188,757	
Construction	38,031,391	
Other	1,590,151	
Total Finance Cost		40,810,299

TOTAL COSTS 295,916,958**PROFIT**
(22,216,695)**Performance Measures**

Profit on Cost%	-7.51%
Profit on GDV%	-8.10%
Profit on NDV%	-8.12%
Development Yield% (on Rent)	0.31%
IRR% (without Interest)	3.60%