48 Store Street, M1 2WA

Financial Viability Assessment (FVA) Review

10th March 2026

Prepared for:

Manchester City Council MCC

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Executive Summary

Colliers has been instructed by Manchester City Council (the Council) to independently review the Financial Viability Assessment (FVA) prepared by Tim Claxton Property (TCP) for a proposed residential development containing 16-storeys with 73 apartments (the Subject Scheme) at 47–48 Store Street, Manchester (the Site). TCP has created a development appraisal to test the viability of the Scheme at the Site. TCP's appraisal shows the Scheme produces a residual profit of 8.24% on Gross Development Value (GDV) which is below a benchmark profit target on 20.00% on GDV. TCP concludes that the Scheme cannot fund the requirements of local planning policy and S106 obligations.

We are instructed to review TCP's FVA and comment whether the development can viably support affordable housing or planning obligations. We have examined the development value, costs, assumptions and Benchmark Land Value (BLV) used by TCP and produced a bespoke development appraisal to test the viability of Scheme.

Clarification is required on the unit schedule due to a discrepancies between the TCP's appraisal and the architectural drawings submitted with the planning application. The Site is currently vacant and is subject to groundworks in relation to the implemented extant consent for 54 apartments.

The GDV adopted by TCP was reviewed against local market residential sales evidence which we found to be broadly reasonable. We made a small upward adjustment, revising the GDV from £21.44m to £21.53m, mainly due to us increasing the value of the three-bedroom units. Construction costs were reviewed by cost consultants Ridge & Partners LLP. Although some elements of the cost plan lacked detail, the overall cost allowances were considered acceptable, assuming preliminaries and overheads/profit were included. We have adjusted the finance rate, reducing TCP's assumption of 9% to 7%. We have not included any S106 contributions and request that the Council provide clarification on TCP's approach.

TCP adopted a Benchmark Land Value (BLV) of £340,000 based on an EUV+ approach assuming open storage use, uplifted by a 20x landowner premium. TCP's approach was unsupported by evidence, inconsistent with planning guidance, and reliant on an unlawful use of the Site. Given the absence of a robust EUV or AUV assessment we adopted a nominal BLV of £1. We have reduced the profit target to 17.50% on GDV which we consider to be more appropriate.

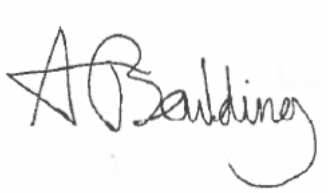
Our adjustments to GDV, finance and BLV generate a residual profit of £2.78m, equivalent to 12.92% of GDV. This falls short of the 17.50% profit benchmark applied by TCP and considered appropriate for a scheme of this nature. The resulting shortfall of -£987,000 demonstrates that the scheme does not currently achieve a viable level of developer return. Sensitivity analysis shows that a 10% uplift in GDV or reduction in construction costs is required for the Scheme to support affordable housing contributions.

In conclusion, the Subject Scheme is not currently viable for planning purposes and cannot support affordable housing or S106 contributions on present evidence. We recommend that a viability review mechanism is secured in the S106 agreement to monitor the viability of the scheme throughout the development process.

Financial Viability Appraisal – Mandatory Requirements

We confirm that this report complies with the requirements of RICS Professional Statement – RICS Financial Viability in Planning: Conduct and Reporting (2019; 1st ed.) We highlight the following in relation to our report:

- That we have acted with objectivity, impartiality, without interference and with reference to all appropriate sources of information.
- We confirm that in preparing a report, no performance related or contingent fees have been agreed.
- We can confirm that we have no conflicts of interest.
- We have prepared this report with the skill, care and diligence that can be reasonably expected of a competent and experienced financial viability consultant, but my responsibility is to my instructing client and my client only.
- We have not previously provided advice in relation to this planning application.
- We have justified our adopted inputs in our report and have explained how supporting evidence has been analysed within our assessment.
- Our assessment includes a sensitivity analysis which has been provided with an accompanying explanation and interpretation of the results.
- The contents of this report and any appendices attached to it are for the sole use of the applicant and the LPA. Unless explicitly agreed in writing by both Colliers International and our instructing client the contents of this report and its appendices shall remain private and confidential and shall not be used for any purposes other than the subject financial viability assessment, nor be published, referred to or quoted in any way.
- This report has been signed and dated, and we have allowed adequate time to produce this report and have advised my client on the timeframes.



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This report is not a valuation as defined by the RICS. It offers advice and opinion on the viability of the proposed development through market research and development experience. Comments made as to the value of the land, the viability of development or the suitability of the proposed schemes are based on the assumptions set out in this report. We reserve the right to amend our report in light of new information or whenever we deem necessary.

This report has been issued on a private and confidential basis for our client. This report must not be referred to or recited from in any document. It must not be copied or made available (in whole or in part) to any other person without express written consent.

1. Introduction

1.1. Instruction

1.1.1. Colliers International Property Consultants Limited (Colliers / We) were instructed by Manchester City Council ('the Council') on 3rd February 2026 to assess the viability of a proposed scheme to deliver a 16-storey building and 73 residential apartments (the Scheme) at 47-48 Store Street, Manchester, M1 2WA (the Site).

1.1.2. This report reviews the Financial Viability Appraisal (FVA) report prepared by Tim Claxton Property ('TCP'), dated November 2025, on behalf Shaw Street Homes Developments Limited (the Applicant). TCP has put forward evidence to support development revenues and development costs, where construction costs are as supported by a cost plan. TCP has included a Benchmark Land Value (BLV) of £340,000 based on the Existing Use Value Plus (EUV+) of the Site. TCP has prepared development appraisals to model the viability of the Scheme with 100% private for sale housing/apartments.

1.1.3. TCP's FVA concludes that the Scheme as 100% private for sale housing produces a residual profit of 8.24% on GDV which is below TCP's benchmark profit target on 20.00% on GDV. TCP conclude that there is insufficient profit beyond the benchmark to fund the requirements of local planning policy and S106 obligations.

1.1.4. Our review analyses the TCP report and development appraisal..

1.2. Viability Methodology

1.2.1. In order to test the viability of the proposals we have created bespoke development appraisals created using Microsoft Excel Software. Development appraisals adopt assumptions on development revenue and cost to provide a residual outcome for a proposed scheme. The outcome can vary depending on the structure of the appraisal, be it residual profit or residual land value.

1.2.2. For the purposes of our review we have included land value as a fixed development costs, which means the outputs of our appraisals produce a residual profit. This profit is then compared to a suitable risk adjusted benchmark profit target. Where the residual profit is higher than the target return a scheme can be concluded to be able to make a contribution towards affordable housing. We consider this most clearly demonstrates the deliverability of each appraisal and calculates the finance costs on the land value.

1.2.3. We have commented on the proposals, development revenues and costs in order to review the viability of the Scheme.

2. Proposed Development

2.1. Location

2.1.1. The Site is located in Piccadilly in the South East of Manchester City Centre. The Site is on Store Street which runs between Great Ancoats Street to the East and Piccadilly to the West.

2.1.2. The Site is approximately a seven minute walk from Manchester Piccadilly Station and a 12 minute walk to Piccadilly Gardens.



Location Plan. Source: Four Architects (Planning Portal).

2.1.3. The surrounding buildings predominantly comprise residential blocks of four to five storeys. Immediately to the west of the Site is an industrial and storage unit on the corner of Sparkle Street and Store Street. In the wider surrounding area are some light industrial, office and retail uses. The Ashton Canal is approximately 30m to the north of the Site.

2.1.4. The adjacent property to the west, on the corner of Sparkle Street and Store Street, had full planning permission reference 139986/FO/2024 approved on 29th October 2025 for:

Demolition of existing part vacant buildings and erection of a part 10 storey, part 27, part 28 storey residential development comprising 359 homes (Use Class C3) with supporting amenity spaces, and associated highways works, landscaping, plant areas, and other associated works.

2.1.5. One of the conditions has been discharged and there are 2 further conditions awaiting decision on the Council's planning portal, therefore we consider this consent has been

implemented. The site is allocated in the SHLAA as M1 Piccadilly for 54 dwellings in accordance with the previous planning permission.

2.1.6.

2.2. Site Description

2.2.1. The Site currently comprises cleared land with no buildings. There are large amounts of earth, the origin of which is unclear. We can only assume that this is related to the implemented extant planning consent, but would refer to planning officers for confirmation. The Design and Access Statement states that the Site has been vacant since the 1960s, other than civil works undertaken to ensure the stability of the sloping ground on the Site during the construction of the adjacent residential development.

2.2.2. We externally inspected the property on 11th February 2025. The images below show the view from Store Street.





2.2.3. The Site has frontage on to Store Street from the North from which it can be accessed.

2.2.4. There is a clear level change across the Site which steps down from Piccadilly Village in the South East to Store Street in the North.

2.2.5. The planning documents state the Site measures approximately 0.07 ha (0.17 acres) which is supported by Nimbus, a property research tool. We have not measured the Site.

2.3. Proposed Development

2.3.1. The description of development within the Council's planning reference 144771/FO/2025, is:

2.3.2. Erection of a 16-storey building comprising 73 apartments (Use Class C3) with associated residential facilities (residents lounge and terrace), 2 car parking spaces and 52 cycle parking spaces, landscaping, access and associated development.

2.3.3. There are two internal lifts proposed. Two of the units have private terraces and there is no communal residential amenity.

2.3.4. The proposed accommodation schedule is summarised as follows:

Beds	Unit Type	Units	Av Sq M	Av Sq Ft
1	1A	25	50	538
1	1B	1	58	625
2	2A	12	63	673
2	2B	27	65	700
2	2C	6	70	750
2	2D	1	73	788
3	3A	1	94	1,015
Total		**73**	**4,399**	**47,354**

2.3.5. It should be noted that the net areas on the unit schedule provided by TCP differ from the areas provided in the floorplans submitted with the planning application (total NIA of 47,050 sq ft). For the purposes of our review we have adopted TCP's areas but we request that confirmation on the unit schedule is provided.

2.3.6. The total GIA is listed as 60,200 sq ft (5,593 sq m) in TCP's FVA. We have not measured or verified this. This calculates to a net / gross ratio of 78.66%.

3. Planning & Guidance

3.1. Planning Policy

National Planning Practice Guidance (NPPG) on Viability

3.1.1. The most up to date planning guidance is the Planning Practice Guidance (PPG) on Viability which was last updated 16th December 2025. This sets out the key principles in preparing and presenting viability assessments in plan making and decision taking.

3.1.2. PPG has the following on inputs for viability assessments:

How should gross development value be defined for the purpose of viability assessment?

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. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.

For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative.

For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

See related policy: National Planning Policy Framework paragraph 59
Paragraph: 012 Reference ID: 10-012-20180724
Revision date: 24 07 2018

How should costs be defined for the purpose of viability assessment?

Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.

Costs include:

- *build costs based on appropriate data, for example that of the Building Cost Information Service*

- *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*
- *site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, biodiversity net gain (as required by Schedule 7A of the Town and Country Planning Act), and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- *general finance costs including those incurred through loans*
- *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*
- *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return*

See related policy: National Planning Policy Framework paragraph 59
Paragraph: 013 Reference ID: 10-013-20240214
Revision date: 12 02 2024

3.1.3. Developers return (profit) is defined as follows:

How should a return to developers be defined for the purpose of viability assessment?

Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

See related policy: National Planning Policy Framework paragraph 59

Paragraph: 019 Reference ID: 10-019-20190509
Revision date: 09 05 2019

3.1.4. On the matter of Benchmark Land Value (BLV) NPPG sets a clear preference for Existing Use Value (EUV) to be used as the primary basis of benchmark land value:

How should land value be defined for the purpose of viability assessment?

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. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).

In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.

See related policy: National Planning Policy Framework paragraph 57
Paragraph: 014 Reference ID: 10-013-20190509
Revision date: 09 05 2019

3.1.5. EUV is further defined as follows:

What is meant by existing use value in viability assessment?

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. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).

See related policy: National Planning Policy Framework paragraph 57
Paragraph: 016 Reference ID: 10-015-20190509
Revision date: 09 05 2019

3.1.6. The above is also clear that under no circumstance should price paid be used as a justification for benchmark land value which is reiterated throughout the NPPG and the GLA's affordable housing and viability SPD (2017).

3.1.7. It is common practice to apply a premium to the existing use value as part of a BLV assessment. The premium provides an incentive for the landowner to release the site for development. This is known as an Existing Use Value Plus (EUV+). NPPG sets the following advice on the setting of landowner premiums:

How should the premium to the landowner be defined for viability assessment?

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

See related policy: National Planning Policy Framework paragraph 57
Paragraph: 017 Reference ID: 10-016-20190509
Revision date: 09 05 2019

3.1.8. Alternative Use Value (AUV) is another approach that can be taken to assess the BLV. NPPG requires that any AUV assessment is only undertaken in certain circumstances:

Can alternative uses be used in establishing benchmark land value?

For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.

Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.

See related policy: National Planning Policy Framework paragraph 57
Paragraph: 018 Reference ID: 10-017-20190509
Revision date: 09 05 2019

RICS Guidance

3.1.9. We have considered and adhered to the following professional guidance when reviewing the FVA of the Scheme:

- *RICS Professional Standard: Valuation of development property*, 1st edition, effective 1st February 2020
- *RICS Professional Standard: Assessing viability in planning under the National Planning Policy Framework 2019 for England*, 1st edition, effective July 2021
- *RICS Professional Standard: Financial viability in planning: conduct and reporting*, 1st edition, effective from July 2021

Local Policy

3.1.10. The primary policy document against which the application is to decided is the local plan, which is the Manchester Core Strategy, adopted on 12th July 2012 (the Core Strategy). The Places for Everyone Joint Development Plan was adopted on 21st March 2024 and covers the Greater Manchester Region.

3.1.11. Policy H8 of the Core Strategy requires residential developments of 15 units / 0.3+ hectares to provide 20% affordable housing. The preferred tenure split is 5% for social or affordable rent and 15% for intermediate affordable home ownership options.

3.1.12. TCP has estimated the commuted sum of providing policy compliant (20%) affordable housing provision in accordance with Policy H5 at £1.876 million.

3.1.13. We do not consider this reflects Policy H5. Appendix C of the Council's September 2008 SPG '*Providing for Housing Choice*' provides a calculation for commuted sums in lieu of on-site affordable housing.

3.1.14. We have used the calculation in Appendix C to calculate the following contribution:

Commuted Sum (Max Contribution) - Whole Site				
Total units		73	73	
Affordable Contribution		20%		15
Total Private		79%		58
Contribution Units		26%		19
A	Market Price		293,698	
B	Affordable Price (80% Market Value)		234,958	
C	Units Applied to		19	
Commuted Sum				1,116,052
Plus Management		5%	55,803	
Total Sum				**1,171,855**

3.1.15. This calculates to a maximum contribution of £1,171,855 which is approximately £700,000 lower than the figure referenced by TCP.

3.2. Planning History

3.2.1. We have identified the following planning history for the Site from the Planning Statement submitted with the subject application:

Reference	Full description	Decision (and date)
39223	*Erection of a 4-storey building to form 16 one-bedroom flats.*	Approved – 28 Jun 1991
39976	*Erection of four part 3/part 4-storey blocks to form 28 one-bedroom flats.*	Approved – 11 Oct 1991
32006	*Mixed-use development comprising 89 flats, 21 houses, 15 craft studios/flats, 15 commercial office/shop units, and a public house/restaurant, together with associated site works, a new canal basin, and parking.*	Approved – 1 Sep 1998
063657/FO/CITY3/01	*Construction of 15 one-bedroom apartments and 37 two-bedroom apartments with associated parking and landscaping.*	Approved – 21 Mar 2002
070322/FO/2003/C3	*Construction of 56 apartments (18 one-bedroom and 38 two-bedroom units) with associated parking and landscaping.*	Approved – 20 May 2004
070326/FO/2003/C3	*Construction of a new residential development comprising 16 apartments with associated car parking and external landscaping.*	Approved – 21 Feb 2006
107245/FO/2014/C2	*Erection of a 13-storey building comprising 34 apartments (3 x 1-bed, 28 x 2-bed, and 3 x 3-bed duplex) with ground floor D2 (Assembly and Leisure) use, together with associated landscaping, highways, engineering, and other works following the removal of a section of retaining wall.*	Approved – 3 Mar 2016
132626/FO/2022	*Erection of a 15-storey building comprising 54 apartments (Use Class C3) with associated residential facilities (residents' lounge, terrace, and office space), 2 car parking spaces, 57 cycle parking spaces, landscaping, access, and associated development.*	Approved – 21 November 2022.
142675/NMC/2025	*Non-material amendment to planning permission 132626/FO/2022 to enable the introduction of a second staircase and associated internal alterations.*	Approved - 30 April 2025

143338/NMC/2025	*Non-material amendment to planning permission 132626/FO/2022 (as amended by 142675/NMC/2025) to amend the wording of conditions 3 (External Materials), 7 (Construction Management Plan), 8 (Landscaping), and 34 (Wind Mitigation).*	Approved – 29 Jul 2025
CDN/25/0926	*Discharge of conditions 4 (Enabling Works), 5 (Site Reinstatement), 6 (Contaminated Land), 7 (Construction Management Plan), 9 (Sustainable Urban Drainage Systems), 16 (Local Labour Agreement), and 36 (Unexploded Ordnance) attached to planning permission 132626/FO/2022, as amended by 142675/NMC/2025 and 143338/NMC/2025.*	Approved – 26 Sep 2025

3.3. Conservation & Environmental

3.3.1. The Site is not in a Conservation area and there are no Listed Buildings within it.

3.3.2. The Store Street viaduct to the north east is Grade II* Listed.

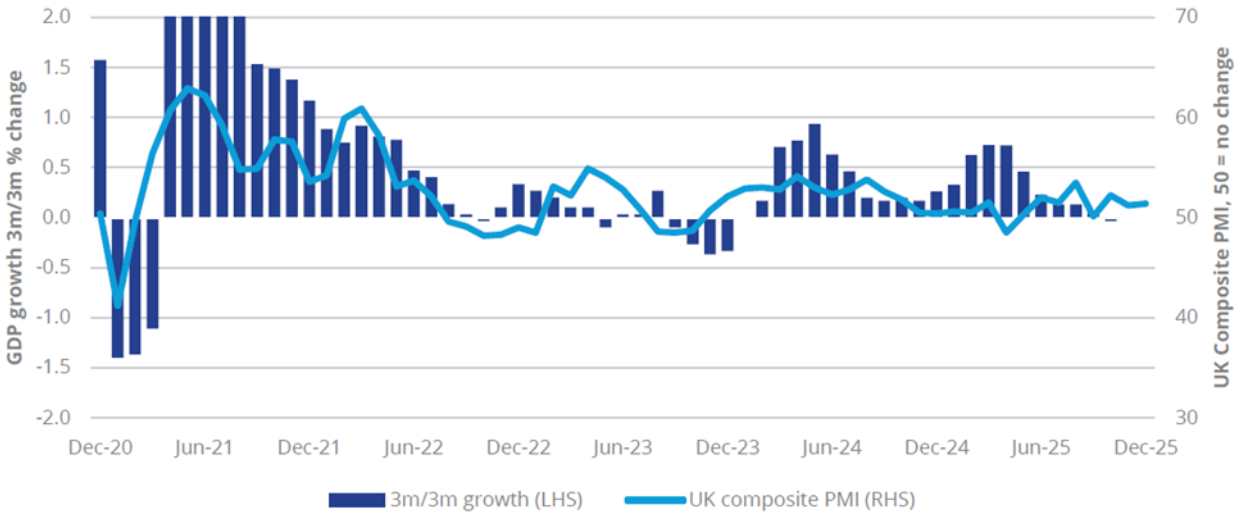
3.3.3. We have not identified any relevant environmental constraints from our searches on Nimbus. We reserve the right to revisit this assessment if any issues are identified.

4. Market Commentary – February 2026

4.1. Economy

4.1.1. GDP grew by 0.3% m/m in November, following a 0.1% m/m decline in October. Over the latest three-month period, GDP increased by 0.1%. Services output rose by 0.2%, but production output fell by 0.1% and construction output dropped by 1.1%. December's PMI posted 51.4, little changed from November's 51.2, and indicative of a marginal improvement in business conditions. Headline CPI inflation stood at 3.4% in December, up from 2.5% a year ago. Retail sales volumes rose by 0.4% m/m in December, following a 0.1% m/m decline in November. Sales volumes were down by 0.3% in the latest three-month period and remained 1.5% below pre-pandemic levels.

Figure 1: UK GDP growth (Nov) and the PMI (Dec)



Source: ONS, S&P Global

4.1.2. The unemployment rate stood at 5.1%, up from 4.4% a year ago (in 2024). Job vacancies have stabilised recently but remain down by 69,000 compared to a year ago. Annual regular nominal wage growth slowed to 4.5% but remained above the pre-pandemic average of 2.7%. HM Treasury forecasts show interest rates falling to around 3.00-3.50% in 2026. The GBP/USD exchange rate stands at 1.37, up from 1.21 a year ago. 10-year gilt yields have been stable at around 4.50% post-Budget. The two-year 75% LTV mortgage rate eased to 3.97% in December, its lowest level since August 2022.

4.2. Investment

4.2.1. Monthly investment volumes rose from November's £3.5bn (previously reported as £2.7bn) to £6.1bn in December. The 2025 total of £46.8bn was 3% below the equivalent figure for 2024 but ahead of 2023's figure. However, based on historical revisions to the RCA data, the 2025

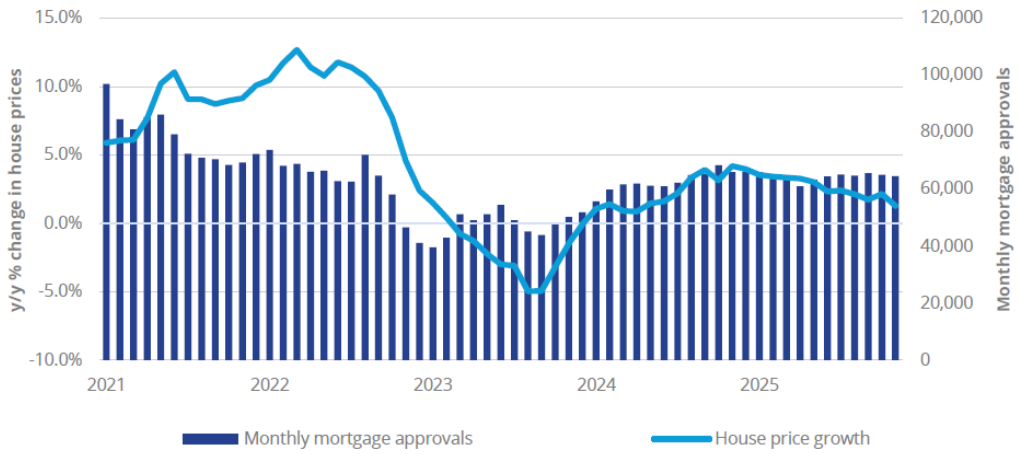
figure is likely to rise to around £50bn. Around £15bn of the 2025 total targeted London, followed by Birmingham (£2bn), Manchester (£1.8bn), and Glasgow (£1.5bn). Cross-border capital accounted for 45% of all sales volumes in 2025, broadly in line with the 2024 share of 47%.

4.2.2. Industrial accounted for the largest sector share in 2025 (25%), followed by offices (22%) and retail (18%). In one of December's largest single-asset transactions, Capreon and Hayfin Capital Management bought London's 70 St Mary Axe for £332m at a 5.7% yield. "All Property" net initial yields were relatively stable in December, and yields are around 15 bps lower than they were a year ago

4.3. Residential

4.3.1. Average annual house price growth slowed to a two-year low of 0.5% in December, down from 1.3% in November, and below the five-year monthly average of 4.5%. Rental growth (ONS), slowed for the eleventh consecutive month since peaking at 7.8% in January. The December rate of 3.5% was the lowest since mid-2022. Residential property transactions recovered further, but at 100,350, remained below the five-year monthly average of 102,020. Monthly mortgage approvals slowed to a five-month low of 64,530 in November and were in line with the five-year monthly average. The two-year 75% LTV mortgage rate fell from 4.06% in November to 3.97% in December.

Figure 10: House price growth and mortgage approvals



Source: Bank of England, Halifax, Nationwide

4.3.2. Residential investment volumes were stable at around £150m in December. The December figure was below the five-year monthly average of £420m. The 2025 total of £4bn is lower than the corresponding 2023 & 2024 figures. PBSA investment volumes rose from £60m in November to £390m in December. In December's largest sale by value the McLaren Group brought Upper Brook St (737 units), Manchester for £160m. According to the MSCI Digest Index, Residential yields compressed slightly in December. Yields are around 75 bps lower than a year ago.

5. Development Value

5.1. TCP's Approach

5.1.1. TCP has valued the units as open market sale and has used what it considers to be comparable transactions to inform the GDV.

5.1.2. TCP has provided data and commentary on the national, regional and local market and identified several comparable schemes in the surrounding area. Much of the data has been indexed, the basis and calculation of which is unclear. We comment on these below:

Victoria House, 250 Great Ancoats Street, M4 7BT

5.1.3. A 25-storey scheme providing 177 apartments developed by Salboy. This comparable lies 300m east of the Site on a busier road. It was completed 2024. Amenities include gymnasium, reception, co-working, residents terrace & rooftop. TCP have identified the following comparable transactions:

Victoria House, 250 Great Ancoats Street, M4 7BT — **NEW SOLD**



Unit	Sale Price	Committed Date	Unit Size	Indexed Rate Per Sq.ft
Apt 1701	£220,000	Jun 2025	420	£534
Apt 2005	£367,000	Dec 2024	775	£486
Apt 403	£345,571	Oct 2024	764	£462
Apt 1903	£377,554	Oct 2024	764	£504
Apt 1705	£383,258	Sep 2024	775	£503
Apt 907	£388,258	Sep 2024	807	£489
Apt 308	£340,259	Aug 2024	753	£454
Apt 203	£249,000	Aug 2024	570	£439

5.1.4. TCP identified 169 sales at an average indexed value of £496 per sq ft. We are unsure what rate and level of indexation is being used and are unsure what the Committed Date refers to. We have identified an average sales value of £473 over the past three years from 148 transactions using Nimbus.

5.1.5. We consider the units in Victoria House would achieve a premium compared to the units to be delivered within the Scheme due to the units at Victoria House having premiums associated with height and stronger amenity offering.

Phoenix Building, 72 Chapeltown Street, M1 2EY

5.1.6. A development by Capital & Centric. Part conversion of historic mill (Crusader) to provide 126 apartments. Part new build (Phoenix Building) to provide 75 apartments over 10

storeys. 150m southeast of the Site. Amenities include concierge, residents garden, balconies. Completed in 2021. TCP have identified the following comparable second hand transactions:

Pheonix Building, 72 Chapeltown St, M1 2EY — **SOLD**



Unit	Sale Price	Committed Date	Unit Size	Indexed Rate Per Sq.ft
Apt 107	£200,000	July 2025	495	£404
Apt 401	£270,000	Jan 2025	732	£380
Apt 4	£230,000	Jan 2025	732	£324
Apt 302	£220,000	Dec 2024	495	£457
Apt 803	£295,000	Dec 2024	732	£414
Apt 902	£388,500	Sep 2024	732	£540
Apt 606	£295,000	Jun 2024	732	£391
Apt 208	£280,000	Feb 2024	732	£411

5.1.7. TCP notes that sales in the Phoenix Building in the past 24 months achieved an average value of £399 per sq ft.

5.1.8. The size and location of Phoenix Building suggests it to be a strongly comparable evidence, however the transactions are not for new build units. We anticipate there would be a new build premium for the units in the Subject Scheme and therefore would expect the units to achieve higher values than the evidence identified by TCP.

1 Vesta Street, M4 6LT

5.1.9. A 9 storey scheme developed by Manchester Life. It contains a total of 169 apartments and three townhouses. Completed in 2020, it is located 200m north east of the Site in a waterfront location off Old Mill Street, further from the City Centre. Amenities include a 24 hour concierge, bicycle storage and a residents' terrace. TCP has identified the following comparable transactions which are second-hand sales that have been indexed:

1 Vesta Street, M4 6LT					SECOND HAND SOLD
	Unit	Sale Price	Sold Date	Unit Size (sq.ft)	Indexed Rate Per Sq.ft
	Apt 121	£300,000	Aug 2025	700	£429
	Apt 160	£487,500	Jul 2025	1,055	£462
	Apt 44	£292,000	May 2025	764	£383
	Apt 1	£320,000	May 2025	764	£420
	Apt 158	£445,000	Mar 2025	904	£500
	Apt 37	£215,000	Mar 2025	581	£376
	Apt 74	£320,000	Mar 2024	764	£425
	Apt 106	£315,000	Feb 2024	764	£427
	Apt 20	£309,000	Feb 2024	764	£419

5.1.10. We consider the location of the Scheme would achieve a premium compared to 1 Vesta Street owing to a new build premium and the Site's closer proximity to the City Centre.

Additional Evidence

5.1.11. TCP has identified sales from Islington Wharf which was completed in 2010/11 and we do not consider to be as strongly comparable as the other schemes.

5.1.12. TCP has identified transactions from Piccadilly Basin (Thomas Telford Basin), the adjacent residential accommodation to the Site on the South East. Picadilly Basin is a low density scheme adjacent to the canal and was completed in the early 2000s. TCP has identified 11 sales over the past 'couple of years', details of which are not provided. The sales range between £266 to £489 psf with units between 550 to 670 sq ft ranging between £420 to £490 psf, most of which we note is at the lower end of this range. Piccadilly Basin is considerably older than the Scheme, which is currently unbuilt but benefits from waterfront adjacency and therefore good comparison.

Conclusions and Pricing

5.1.13. TCP states it has taken into account the small scale nature of the Scheme within the constraints of the Site and the irregular shape of the proposed apartments. TCP has assumed a positive outlook and propose a range of values per unit type.

5.1.14. TCP has created a pricing schedule which reflects an average price per unit type. It is not clear if there is a unit by unit schedule for the Scheme. It should be noted the price of the 3 bed apartments in the schedule is £50,000 below the price outlined in their identified range in paragraph 4.29. The TCP Pricing schedule is summarised in the table below:

Beds	Unit Type	Units	Av Sq M	Av Sq Ft	£ Unit	£ PSF
1	1A	25	50	538	242,500	451
1	1B	1	58	625	268,750	430
2	2A	12	63	673	315,000	468
2	2B	27	65	700	318,500	455
2	2C	6	70	750	335,700	448
2	2D	1	73	788	345,000	438
3	3A	1	94	1,015	370,000	365
Total	**0**	**73**	**4,399**	**47,354**	**21,439,950**	**453**

5.1.15. The total GDV is £21,439,950 which reflects a rate of £453 per sq ft.

5.2. Colliers Review

5.2.1. We have reviewed the evidence provided by TCP. We consider the schemes they have identified are the most directly comparable to the Scheme at the Site. The best comparable evidence is the new build transactional evidence at Victoria House which we agree with TCP is more desirable than those apartments proposed at the Scheme. The One Vesta Street and Phoenix Building developments are comparable due to their amenities and location but are not new build, therefore we would expect the units in the Scheme to achieve a slight premium when compared to these transactions. The second-hand evidence at Thomas Telford Basin is relevant due to the locational proximity however limited weight can be applied due to the age and design differences.

5.2.2. We have undertaken a thorough searched for additional evidence and have been unable to identify any comparable transactions or marketing beyond that provided by TCP. We have identified marketing prices for new build flats in the surrounding area which are consistent with the prices adopted by TCP, when allowing for a discount for negotiation from the asking price. We have identified several second-hand residential schemes which have had transactions that are consistent with or lower than the prices identified by TCP.

5.2.3. We consider most of the TCP analysis and commentary to be appropriate in relation to the Scheme. We have reviewed the pricing of the units and found TCP's pricing to be consistent with our expectations. We do not agree with the pricing of the 3-bedroom unit which we have increased from £370,000 to £420,000 in accordance with the analysis in paragraph 4.29 of the TCP report. We have rounded the prices of the other units for consistency. Our revised pricing schedule and comparison with TCP is shown below:

Beds	Unit Type	Units	Av Sq M	Av Sq Ft	TCP £ / Unit	£ PSF	Colliers £ / Unit	£ PSF
1	1A	25	50	538	242,500	451	245,000	455
1	1B	1	58	625	268,750	430	270,000	432
2	2A	12	63	673	315,000	468	310,000	461
2	2B	27	65	700	318,500	455	320,000	457
2	2C	6	70	750	335,700	448	335,000	447
2	2D	1	73	788	345,000	438	350,000	444
3	3A	1	94	1,015	370,000	365	420,000	414
Total	**0**	**73**	**4,399**	**47,354**	**21,439,950**	**453**	**21,535,000**	**455**

5.2.4. This shows a total GDV of £21,525,000 (£455 psf) for the Scheme. This is a relatively minor increase of £95,000 on the value adopted by TCP.

5.3. Affordable Residential

5.3.1. TCP have not included any affordable housing in their FVA. For the purposes of our review we have adopted the same approach.

6. Development Costs

6.1. Construction Costs

6.1.1. TCP has adopted construction costs which were provided by the Applicant which are inclusive of abnormal costs and external works. The total construction cost is £15,081,000 (£251 per sq ft).

6.1.2. Abnormal costs of £350,000 and enabling works of £700,000 have been included.

6.1.3. External works of £77,000 have been included.

6.1.4. TCP has included a contingency allowance of 5.00%. We consider this to be appropriate.

6.1.5. We have relied on advice from cost consultants Ridge & Partners LLP ('Ridge') to review the cost estimate. The Ridge *Feasibility Estimate Review* is attached in Appendix 1 of this report. Ridge have reviewed the cost allowances made by the Applicant and note that there is detail lacking in the Applicant's cost estimate which makes the analysis of some of the cost assumptions difficult. There is no reference to preliminaries or Overheads and Profit (OHP) in the Applicant's estimate. Ridge do not agree with all of the rate allowances made by the Applicant but conclude that the costs are acceptable on the assumption that OHP is included in the estimates.

6.1.6. For the purposes of our review we have assumed that the Applicant's estimate includes allowances for preliminaries and OHP. On this basis, and in agreement with Ridge we have adopted the costs as presented by TCP.

6.2. Professional Fees

6.2.1. TCP has adopted fees based on an estimate which has been provided by the Applicant. The total fees are £1,439,500 which is equivalent to 9.09% on construction costs.

6.2.2. We consider these to be appropriate and within the normal range for a scheme of this scale and complexity. We have adopted these in our assessment.

6.3. Planning Obligations

6.3.1. No S106 costs have been included in TCP's FVA. For the purposes of our review we have adopted this position and request that confirmation on planning obligations is provided by the Council.

6.4. Agency and Legal Fees

6.4.1. TCP have included the following disposal costs:

- Marketing: 0.50%
- Agency: 1.20%
- Legal: 0.80%

6.4.2. We consider these to be appropriate and within the normal range for a scheme of this scale and complexity. We have adopted them for the purposes of this assessment.

6.5. Finance Costs

6.5.1. TCP have included a finance (interest) cost of 9.00%. We consider this to be higher than we would expect given the recent interest rate cuts and current market conditions. We have reduced this to 7.00% assuming 100% debt financing.

6.5.2. The total finance costs in TCP's FVA equate to £1,510,749. We calculate the total finance cost to be £940,112.

6.6. Development Timescales

6.6.1. TCP has adopted the following development timescales:

- Pre construction period: six months
- Construction period: 22 months
- Sales: two thirds off plan, eight months for remainder of units (rate of three units per month)

6.6.2. We consider these timescales to be reasonable and have adopted them in our development cashflow.

7. Benchmarking

7.1. Benchmark Land Value

The site

7.1.1. The Site's current state is that of cleared land with no buildings. There are large amounts of earth on the Site which appear to be related to the extant consent. The DAS submitted as part of the planning application states that the Site has been vacant since the 1960s, other than civil works undertaken to ensure the stability of the sloping ground during the construction of the adjacent residential development. We inspected the property externally on 11th February 2025.

7.1.2. The Site has frontage on to Store Street from the North from which it is accessed. There is a clear level change across the Site which steps down from Piccadilly Village in the South East to Store Street in the North.

7.1.3. The planning documents state the Site measures approximately 0.07 ha (0.17 acres) which is supported by Nimbus, a property research tool.

TCP Approach to BLV

7.1.4. TCP have referenced RICS guidance and PPG on viability in order to establish the most appropriate approach to arrive at a BLV. TCP infers that the guidance prefers to first consider the EUV+ approach, then AUV approach, followed by a policy compliant assessment of site value.

7.1.5. TCP note the Site has extant consent for 54 apartments in accordance with planning application reference 132626/FO/2022. They consider a residual valuation of this would form the basis of the AUV approach.

7.1.6. Within TCP's FVA there is an explanation of its EUV+ approach. TCP has applied a figure of £100,000 per acre, which is not justified by any evidence or analysis, for incidental open storage. TCP arrives at an EUV of £17,000 for the Site.

7.1.7. TCP reference the premium should reflect the amount at which the landowner is prepared to accept over and above the EUV to bring forward the Site for development and that the landowner's reasonable expectation of value. TCP states "*city centre location where high rise residential development is actively encouraged should be in some way linked to the general value of land in the general vicinity for the form and nature of the proposed scheme – suitably adjusted to be policy compliant.* TCP argues that where the EUV is very low, applying a multiplier rather than a percentage uplift is more appropriate. They consider the EUV of the Site is more akin to rural land values to which multipliers of 10 – 20 times have been successfully argued at plan making and decision making stage.

7.1.8. TCP has adopted a 20x multiplier (net 19x multiplier) which calculates to a premium of £323,000 and an EUV+ of £340,000.

7.1.9. TCP has not considered an AUV approach on the basis that it would be similar to the Subject Scheme which "*cannot be expected to general a positive residual land value assuming all required planning obligations are met".* Furthermore, TCP considers a policy compliant residual valuation would deliver a land value that is lower than the EUV of the Site.

7.1.10. TCP has accordingly adopted the EUV+ of £340,000 as the BLV.

Colliers Approach to BLV

7.1.11. We have reviewed the analysis and assumptions made by TCP in adopting their position on arriving at a suitable BLV. We agree that the EUV+ approach is the most appropriate approach as set out within PPG.

7.1.12. TCP has adopted an EUV based on an assumed open storage use. The Site does not have planning consent for such a use and would require planning permission for such a use. The Planning Application Form submitted with the Subject Scheme states the site is vacant and the planning use is not known. This approach reflects an AUV approach as it is assumes a material change is required. The Site is not cleared, flat or secured and therefore could not readily be used for open storage even if planning consent were obtained. TCP has not provided any evidence to justify its EUV for open storage. This approach is contrary to PPG and RICS Guidance and best practice. TCP has adopted a 20x or a 2,000% landowner premium. This is highly disproportionate to the typical 10-30% premium we would normally expect for an EUV, which suggest to us that TCP's approach is fundamentally flawed. PPG does not state that a landowner premium should be added to an AUV. Due to the lack of planning permission for storage, lack of evidence, and the approach being contrary to PPG. We cannot accept TCP's approach to BLV.

7.1.13. The Site has an approved planning consent for a 54-unit scheme, as permitted under planning application reference 132626/FO/2022. The Planning Statement submitted with the Scheme's application refers to the 54-unit consent as the 'extant' scheme. There has been a subsequent application to discharge conditions, reference CDN/25/0926, which was approved on 21st November 2025.

7.1.14. For the purposes of this assessment we have adopted a nominal BLV of £1. We are instructed only to review the FVA and in the absence of an assessment of BLV that is close to valuation principles or PPG we have no option other than to take this rudimentary approach. Whilst we acknowledge that this approach is flawed we have not been provided with any evidence or analysis that can be relied upon to inform a BLV. We recommend that alternative approaches, justified by evidence, are provided if a land value is to be accepted.

7.2. Profit Benchmark (Developer Return)

7.2.1. TCP have included a benchmark profit target of 20.00% on GDV. TCP considers this to be the minimum level of return that would be acceptable in the market given the scale and speculative nature.

7.2.2. It is worth noting that this profit target is at the upper end of the range recommended in PPG As the viability of the Scheme is challenged we would recommend that a reduced profit target is adopted in order for the scheme to face a stronger prospect of delivery. It is worth noting that the Scheme does not even achieve a profit target of 15.00% on GDV which would be the lowest target we would recommend for a scheme of this nature.

7.2.3. For the purposes of this assessment we have adopted a reduced profit target of 17.50% on GDV. This represents a target of 20.10% on cost which we consider to be appropriate.

Due to the large deficit produced by the scheme we consider this represents a more appropriate target and still provides sufficient incentive for the scheme to be delivered.

8. Viability Assessment

8.1. Development Appraisal

8.1.1. We have reviewed all of the inputs adopted by TCP in its appraisal of the Scheme. The areas of disagreement are in relation to the GDV, interest rates, profit target and BLV.

8.1.2. We have modelled the viability of the Scheme. We have mirrored TCP's appraisal, and then structured our appraisal to include a fixed land cost reflecting the BLV. Our appraisal therefore produces a residual profit, where viability is measured against a risk adjusted target profit. When the residual profit exceeds the target profit, the surplus can be used for contributions.

8.1.3. We have populated our appraisal with the inputs as outlined in this report. For the purposes of our review we have only modelled the Scheme as 100% private housing, which mirrors TCP's approach.

8.2. Appraisal Results

8.2.1. Our appraisal results are shown in the table below:

48 Store Street
Viability Review

Development Revenue	£21,535,000
LESS	
Land Value	£1
LESS	
Development Costs	£18,753,000
EQUALS	
Profit	£2,782,000
% Cost	14.83%
% GDV	12.92%

8.2.2. The appraisal shows a residual profit of £2,782,000 which is equivalent to 12.92% on GDV. This is **-£987,000** below the profit target of 17.50% on GDV (£3,769,000). On this basis the scheme cannot viably provide any affordable housing or S106 contributions.

8.2.3. The appraisal summary is provided in Appendix 2.

8.2.4. We recommend that the viability of the development is monitored through a review mechanism in the S106 Agreement in accordance with PPG.

8.3. Sensitivity Analysis

8.3.1. We have undertaken sensitivity analysis on two of the key inputs – GDV and construction cost. We have tested this in the Scheme appraisal to test how changes over the development lifecycle can impact the viability. The results on the residual profit are shown in the table below, with cells highlighted in green showing a profit target above the target level:

48 Store Street

		Construction				
	12.92%	20.00%	10.00%	0.00%	-10.00%	-20.00%
GDV	20.00%	15.65%	21.37%	27.09%	32.81%	38.54%
	10.00%	8.17%	14.41%	20.65%	26.89%	33.13%
	0.00%	-0.81%	6.05%	12.92%	19.78%	26.65%
	-10.00%	-11.79%	-4.16%	3.47%	11.10%	18.73%
	-20.00%	-25.51%	-16.93%	-8.34%	0.24%	8.82%

8.3.2. A 10% improvement to GDV or saving in construction cost is required for the Scheme to produce a surplus profit that could be made available for affordable housing or S106 contributions.

9. Conclusion

9.1. Conclusion

9.1.1. We have reviewed TCP's FVA. We consider most of the inputs to be reasonable but have made adjustments to the GDV, interest rate and BLV.

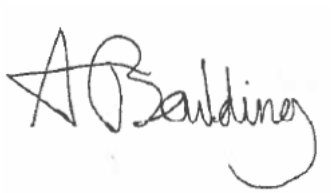
9.1.2. Clarification is required from the Applicant or TCP on the unit schedule due to a difference between TCP's appraisal and the architectural drawings submitted with the planning application.

9.1.3. We have created a bespoke development appraisal to model the impact of these changes on the viability of the Scheme. Our appraisal shows a residual profit of equivalent to 12.92% on GDV, below the target of 17.50% on GDV. We have undertaken sensitivity analysis which shows a 10% improvement to GDV would create a surplus that would be available for affordable housing contributions.

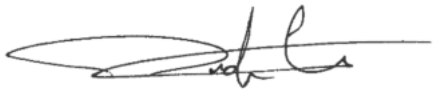
9.1.4. On this basis the scheme cannot viably provide affordable housing contributions.

9.2. Author Sign Off

9.2.1. This report and its contents were prepared by the following individuals on behalf of Colliers:



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Appendix 1 – Ridge Feasibility Estimate Review



RIDGE

5032542 - FEASIBILITY ESTIMATE REVIEW

47 – 48 STORE STREET

COLLIERS

23 FEBRUARY 2026

FEASIBILITY ESTIMATE REVIEW
47 – 48 STORE STREET

23 February 2026

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1. EXECUTIVE SUMMARY

1.1. Report Summary

This report has been produced in order to provide Colliers with a comprehensive review of costs associated with a proposed development in Manchester. Ridge note that the costs associated and subsequently included in the wider viability assessment are high level, priced elementally as lump sums. As such Ridge have made a number of assumptions which are noted in section 4 of this report.

The proposed development would see the construction of 73nr apartments in one block, comprising 26nr 1 bed, 46nr 2 bed and 1 nr 3 bed apartments.

The purpose of this review is to inform Colliers of the accuracy and validity of the costs applied to the proposed scheme. In this instance, there is very limited information to assess, so this review relies heavily on historical benchmark data. The following has been concluded;

1. Arithmetically, the estimate is accurate.

2. The estimate is severely lacking in detail. The provision of such detail would enable us to determine whether those costs that are either much higher or much lower than expected are justified.

3. The applicant has not included Preliminaries or Overheads and Profit (OHP) in their costings, it is important to clarify whether these are built in or have been omitted in error. If they have been omitted in error, this will increase the costs significantly.

4. Construction costs (excluding contingency) are comparable to schemes of a similar nature which have defined allowances for Preliminaries and OHP included. Therefore we consider them to be reasonable, any adjustment to the costs may change our view.

2. INTRODUCTION

2.1. Project Background

The Feasibility Estimate included in the Financial Viability Assessment produced by Tim Claxton Property Limited pertains to a proposed 73-unit development in Manchester. The works include for a reduced dig to achieve the requisite levels, followed by installation of a new retaining structure and the construction of a single 16 storey residential tower.

Construction costs are estimated to be £17,274,550 including £754,050 for contingency and £1,439,500 for professional fees. No allowance appears to have been included for Contractors Preliminaries or Overheads and Profit which we would expect to be included. These costs may be included in the elemental lump sum costs, if the applicant is seeking to act as a management contractor in order to minimise costs. The estimated costs will be assessed in section 5 of this report.

2.2. Project Brief

Ridge and Partners LLP (Ridge) have been appointed by Colliers to provide commentary in relation to a Feasibility Estimate included in an FVA produced by Tim Claxton Property Limited. The cost information prepared by the applicant is in relation to the project detailed in 2.1,

This review has been prepared following Ridge's appointment dated 3rd February 2026. This review is for the sole use of Colliers in connection with this development and shall not be used or relied upon by any other third party without Ridge's prior written consent.

3. DESIGN BASIS OF THE REPORT

3.1. Design Proposals, Drawings – Document Register

This feasibility estimate review has been prepared after reviewing the following documentation provided to Ridge;

- 2025.11.14 07.53 - Viability Assessment

3.2. Schedule of Accommodation

A schedule of accommodation has been included below, based on areas noted in the FVA, the areas noted have been rounded;

REF	DESCRIPTION	ft²	m²
SS	47 – 48 Store Street	60,200	5,593
	Total Gross Floor Area	**60,200**	**5,593**

4. GENERAL QUALIFICATIONS

- This review is based on construction cost information produced by the applicant, included in the FVA produced by Tim Claxton Property Limited. All costs reviewed are included in Appendix 2 of the FVA.
- Ridge have not attended site.
- Ridge have used industry standard sources such as SPONS, BCIS as well as in house cost data to conduct this review.
- Ridge have adopted a GIFA of 5,593m2 as per the FVA. We have tested this GIFA against the design information provided and confirm its validity.
- This review has been conducted based on present day rates and as such Ridge advise further review of the costs are carried out at regular intervals from the date of issue of this report, to ensure that market trends are accounted for.
- This review has been prepared for the exclusive use of Ridge's client, Colliers, and shall not be copied, issued or relied upon by any third parties without Ridge's prior written consent.
- We assume that the priced works comprise the entire scope of works required to deliver the scheme, Ridge cannot and have not provided comment on any works not noted.
- Ridge have assumed an economical to mid-level finish for all apartments, in the absence of any information.
- Where possible, Ridge have applied quantities through reasoned assumption to enable rationalisation of costs.
- We have assumed a storey height of 3m to enable the wall area to be calculated.

5. REVIEW OF FEASIBILITY ESTIMATE

5.1. General Comments

Item	Comment
Base Date	Ridge note that the FVA is dated November 2025, we assume that the construction costs associated were developed at a similar time, so take this as the base date.
Floor Areas	The Gross Internal Floor Area is noted as 5,593m2, we have tested the design information provided and take this measure as accurate.
Procurement	Ridge note that no procurement route is specified. We anticipate that this work would be procured either via a design and build or management contracting route, the latter is assumed owing to the lack of Preliminaries and Overheads and Profit being explicitly allowed for.
Notes, Assumptions and Exclusions	No notes, assumptions or exclusions are included for review.
Quantification	Lump sum values have been applied for each work item, with no detail regarding applicable quantities. For the purpose of this exercise we have calculated the cost/m2 for each item to enable comparison with similar schemes.
Preliminaries	No specified allowance has been included. We would expect an allowance for Preliminaries to be included and separated out from the builders works costs. It should be noted that a specific allowance for scaffolding/cranes/mast climbers has been included within the costs, which would ordinarily sit within a Preliminaries build up. On this basis we would expect an allowance of circa 10% of the builders works costs to cover contractors costs.
OHP	No specified allowance has been included, we would expect an allowance between 5 – 7.5% to be included.
Professional Fees	Excluded from this appraisal.
Contingency	An allowance of 5% has been included for Contingency. At this stage we consider this reasonable, although note that it is commonplace for a Contingency allowance of up to 10% to be applied for HRBs.
Inflation	Inflation has not been allowed for, as such Ridge have no comment.

5.2. Feasibility Estimate Review

5.2.1. Construction Costs

Ref	Comment					
Pricing and Rate Review	**Item**	**Quantity**	**Unit**	**Rate (£)**	**Total (£)**	**Ridge Commentary**
	Elemental Cost Summary					
	Enabling works					
	Site clearance and temporary works	688	m2	509	350,000	We assume this allowance also includes for a reduced dig to achieve the appropriate ground level. We have calculated a rate of £509/m2 against the site area. The allowance appears to be robust but the temporary works need to be refined to validate this.
	Sheet Piling	1	Item	700,000	700,000	The quantum of sheet piling is not defined, but assuming the sheet piling is in situ around the perimeter of the site to retain adjacent structures, this allows for circa 75 linear metres of sheet piling excluding sheet piling to the frontage. Applying this quantity gives a rate of £9,333/lm for sheet piling, assuming a height of say 12m we would expect the rate to be circa £4,000 per linear metre. The design intent should be established however before this cost can be validated as the assumptions made may not reflect the proposal.
	Scaffolding/crane/mast climbers	3,696	m2	156	578,000	We would expect a rate of circa £120/m2 for scaffolding/mast climbers to a building of this height. This leaves £133,056 for a tower crane, which at £6,000 per week gives 22 weeks on site. It is unlikely this will be enough time to construct the frame and envelope, so this total is lower than expected.
	Sub total				**1,628,000**	

Ref	Comment					
	Substructure					
	Piling	350	m2	1,287	450,000	Based on a footprint of circa 350m2, a rate of £1,287/m2 for piling has been established. Once again depth of pile and nr of piles is not defined. However based on comparable schemes we would expect this cost to be between £550 - £600/m2 against the floor slab area. Again more detail would enable accurate validation of the cost.
	Ground floor slab	350	m2	429	150,000	Based on the footprint of 350m2, the allowance is higher than expected. We consider a m2 rate of £300/m2 to be reasonable for a slab up to 300mm thick.
	Substructure masonry/DPC/screed	1	Item	225,000	225,000	Assuming the screed is to be applied to all floors, we would generally consider £30/m2 an acceptable rate. This rate against the GIFA totals £167,760, leaving £57,240 for substructure masonry and DPC. On this basis the allowance is reasonable.
	Sub total				**825,000**	
	Superstructure					
	Steel Frame	1	Item	3,200,000	3,200,000	Assuming this is for the frame only, the cost/m2 against the GIFA is £572/m2. This is higher than expected, we would assume a rate of £350 - £400 per m2 to be applicable to a building of this height.
	Brick Façade	3,696	m2	406	1,500,000	The rate is marginally lower than expected, assuming this includes for the SFS on which bricks are fixed, we would expect a rate of circa £450/m2.
	Structural floors	5,235	m2	86	450,000	Assuming this is a comflor with concrete topping, we would expect costs to be circa £110 - £120 per m2.

Ref	Comment					
	Staircase and metalwork	1	Item	45,000	45,000	This allows circa £2,800 per floor which is not enough assuming a PCC or steel staircase, however it may be that some of the costs associated are built into the steel frame lump sum. On that basis we consider this acceptable.
	Roof	350	m2	171	60,000	Assuming a metal deck no concrete topping, we would expect a cost in the region of £75 per m2. Rate high if assumption are correct.
	Roof coverings and leadwork	350	m2	157	55,000	We assume this will be a single ply covering or similar, we would expect this to be circa £260 per m2 to allow for associated upstands and flashing on an assumed parapet. Based on the estimated cost of the roof works in totality, the costs associated are reasonable on balance.
	Rainwater goods	1	Item	74,000	74,000	Given the height of the proposed structure and the length of downpipes required (assume 4 nr) the allowance is higher than expected although clarity on the drainage proposal would assist in validating costs.
	Internal walls/partitions and insulation	5,593	m2	85	475,000	Rate low against the GIFA, we expect to see costs in the region of £130 - £150 per m2 for metal stud partitions including linings and insulation. We note that a separate allowance has been included for plasterboard and taping but we assume that this relates to lining the internal leaf of the external walls.
	Windows and external doors	5,593	m2	98	550,000	Rate against the GIFA moderately lower than expected, we would expect to see a figure in the region of £120 per m2.

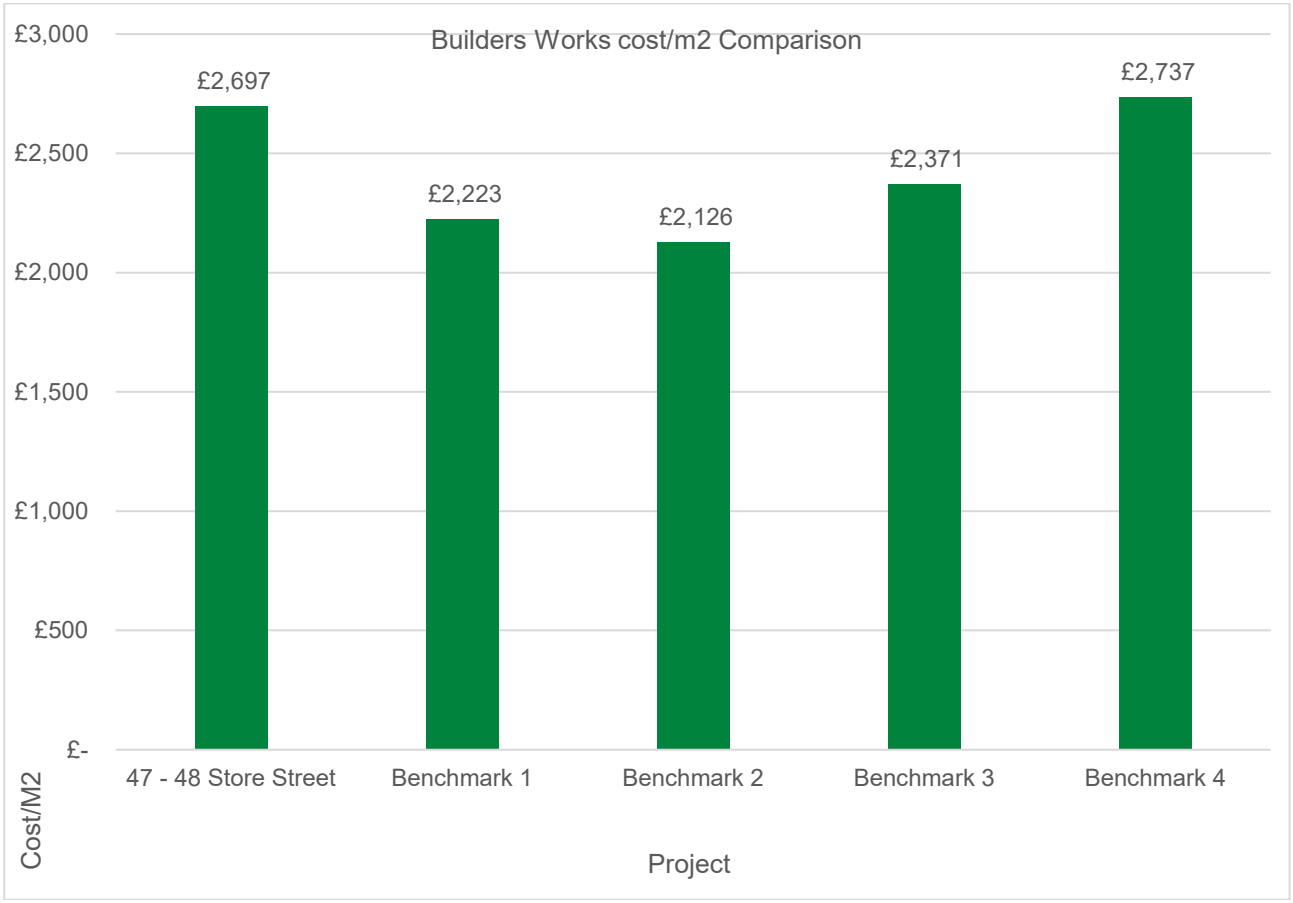
Ref	Comment					
	2nd fix joinery	5,593	m2	37	205,000	We assume this is an allowance for internal doors, skirting, architrave and the like. The prescribed rate is lower than we would expect, this should be in the region of £80 per m2.
	Sub total				**6,614,000**	
	Finishes					
	Plasterboards and tape	9,289	m2	18	165,000	Assuming this is to cover external walls and ceilings, the allowance is lower than expected. We anticipate that the ceilings would likely need double boarding for fire compartmentation.
	Tiling	1	Item	96,000	96,000	Assuming this refers to wall coverings, no areas defined, as such we cannot comment on suitability of rate.
	Decoration	5,593	m2	52	289,000	Assume allowance is to cover both wall and ceiling decoration, costs at the lower end of fair and reasonable.
	Sub total				**550,000**	
	FF&E					
	Kitchen/utility appliances	73	Nr	3,767	275,000	Allowance per flat slightly lower than expected for kitchens and appliances, we would expect this to be circa £5,000 per unit.
	Sub total				**275,000**	
	Mechanical and Electrical					
	Lift	2	Nr	137,500	275,000	Provision of 2 nr 10 person lifts, this rate could like to be reduced to circa £100,000 per lift.
	1st and 2nd fix MEP including plant	5,593	m2	653	3,650,000	We have combined the MEP and plant allowances as the specifics are not defined. The allowance is higher than expected. We would expect to see a value in the region of £550 per m2 for MEP installations owing to the repetition.
	Sprinklers	5,593	m2	63	350,000	For a basic residential system this allowance is reasonable. It should be noted however that the sizing of the tank and

Ref	Comment					
						subsequent pump array can have a significant impact on cost.
	Fire Engineering inc alarms etc	5,593	m2	50	280,000	Allowance fair and reasonable.
	Sanitaryware	73	Nr	2,534	185,000	Fair and reasonable.
	Sub total				**4,740,000**	
	Externals					
	Substation	1	Nr	225,000	225,000	Fair and reasonable
	External works	338	m2	228	77,000	We have calculated a cost per m2 based on the site area less the footprint. We would allow say £150/m2 for hard landscaping, with the remaining 27k not being enough to cover drainage provision. We would allow £75/m2 against the footprint for foul drainage and £25/m2 against the external area for storm drainage, meaning the allowance is short by circa 8k.
	Section 278 works	1	Item	38,000	38,000	No detail has been provided for 278 works, assuming this is to simply tie the entrance into the existing road this allowance is reasonable.
	Landscaping	338	m2	65	22,000	Sufficient allowance for say a boundary fence and some minor landscaping.
	Statutory service connections	1	Item	87,000	87,000	Sufficient to connect to existing water and openreach lines assuming they are in close proximity
	Sub total				**449,000**	
	Total				**15,081,000**	**The noted total is arithmetically correct. The total cost of the builders works is higher than expected, on the basis that we consider the substructure costs and the MEP costs abnormally high. However it should be noted that there are no separate allowances for Preliminaries and OHP, so these costs will be compared with comparable schemes with and without these allowances.**

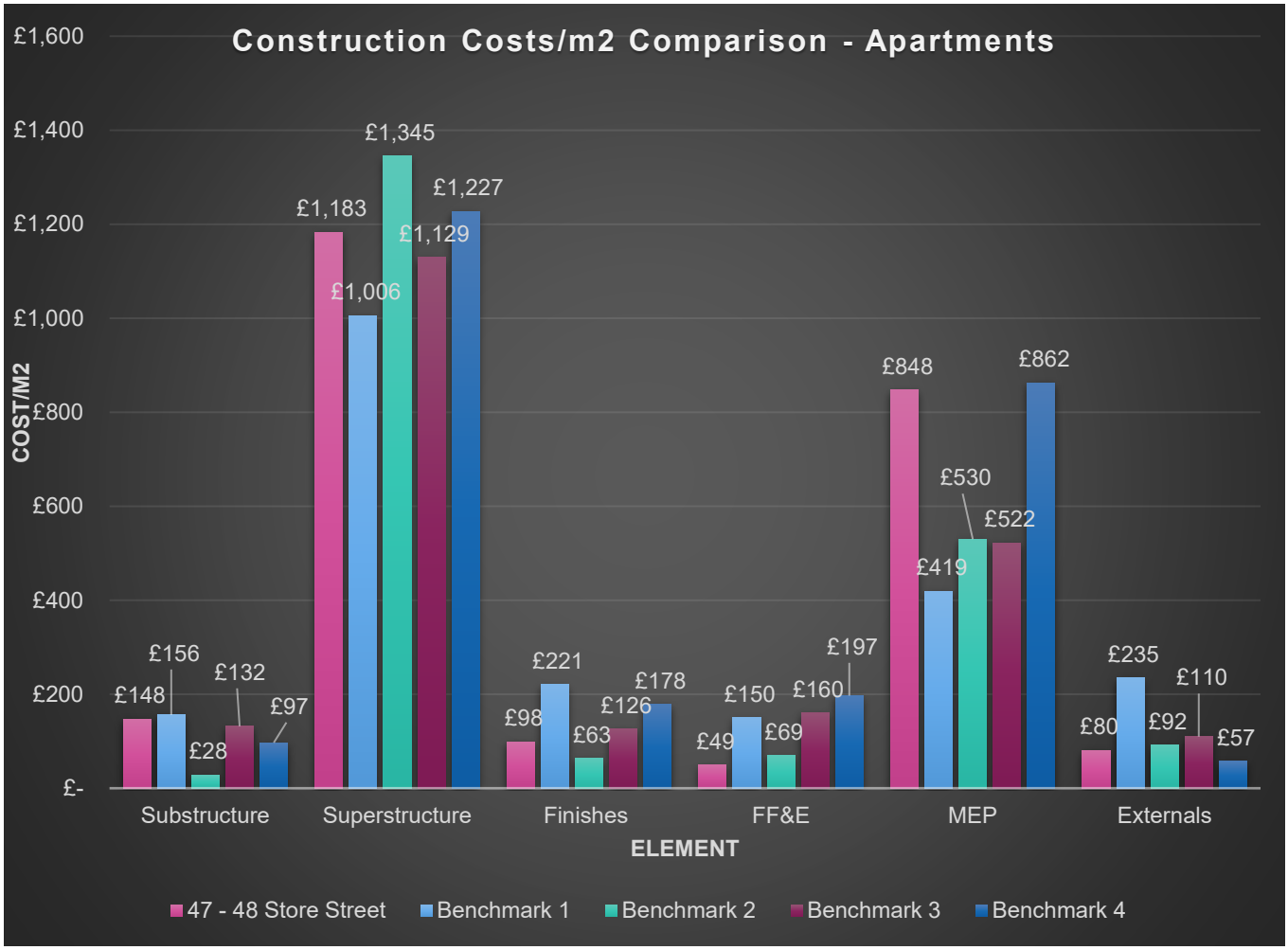
6. BENCHMARKING

Ridge have carried out a benchmarking exercise using industry data from SPONS, the BCIS and in house cost data, in order to compare the construction costs included in the Tim Claxton Property Limited FVA to schemes of a similar nature.

The bar graph below provides a high-level summary of how the anticipated builders works costs of the scheme at store street compares with 4 nr comparable benchmarks, all comparable costs are exclusive of Preliminaries and OHP to provide direct comparison.



The graph above indicates that the builders works costs associated with the store street scheme are generally higher than comparables, aside from benchmark 4. We have further interrogated the costs associated with builders works below, by breaking out the costs elementally;



Based on the above, we conclude the following;

Substructure – The costs associated with this element are higher than most comparables. Given the size of the building footprint, this aligns with our assessment that generally costs associated with the substructure are higher than expected.

Superstructure – Whilst our assessment generally found that costs were either higher than or lower than expected, on balance the costs associated with this element in totality are fair and reasonable when benchmarked.

Finishes – As per our narrative above which stated that costs were either lower than expected, or on the cusp of fair and reasonable, the total cost of finishes for store street are in most instances lower than comparable projects, with one exception. That exception is benchmark 2, which may have attributed the cost of lining material under superstructure, hence rationalising why that element is higher than most as indicated in the graph.

FF&E – The costs for FF&E for the store street scheme are universally lower than the comparable schemes, in line with our narrative that the budget for kitchens and utilities is lower than expected.

MEP – As per our narrative, the costs associated with MEP installations on the scheme are far higher than all but one comparable, validating our view that these costs could well be revised.

Externals – The estimated costs at store street are slightly lower than most comparables, however given the size of the site and the external areas we feel the costs in the estimate are justified.

On the basis of the above two graphs, it is reasonable to assume that there is room for movement in some of the builders works costs for Store street. This can be achieved by provision of more detail and general substantiation as to what is being specified. However, as noted previously, the estimate provided in the FVA does not include for Preliminaries or OHP, as such we have compared store street with the same four comparables with Preliminaries and OHP now included.



The above graph indicates that, whilst the costs associated with the store street scheme do not have a separate allowance for Preliminaries and OHP, we could assume inclusion on the basis that the total costs are comparable with two of the benchmarks with these allowances now included. The above indicates that the scheme could be constructed for the sum included in the FVA. Converse to this, it could be inferred that the applicant has failed to include these allowances in error, which may lead to total costs significantly increasing as can be seen with Benchmarks 3 and 4. On this basis, it needs to be determined whether the applicant has built these allowances into their build costs.

7. SUMMARY

Ridge conclude the following after careful review of the Feasibility Estimate associated with the Store Street development;

1. Arithmetically, the estimate is accurate.

2. The costs associated with the sheet piling appear to be high, however further detail is required to validate this opinion.

3. We consider the Substructure costs to be high given the size of the building footprint.

4. In respect of Superstructure costs, some elements are higher than expected and others lower than expected. Further detail would help to validate this assessment as our review is relying on a number of assumption as detailed in our cost narrative. Overall, the total cost of the Superstructure does align with the benchmarks so on balance the estimate is fair and reasonable.

5. FF&E costs are significantly lower than expected, further substantiation required to rationalise.

6. MEP costs are significantly higher than expected and this is reinforced when reviewing the benchmarks, with one exception. Further detail required to justify position.

7. No allowance has been included for Preliminaries, we would expect this to be included.

8. No allowance has been included for OHP, we would expect this to be included.

9. The total cost to construct, when comparing against similar projects (which allow for Preliminaries and OHP) is acceptable. As stated previously however, it is important to confirm whether the applicant has built Preliminaries and OHP into the build cost, as this will impact the overall costs and viability if not.

10. With reference to the build costs, if it is determined that the applicant has built Preliminaries and OHP into their estimate, we would consider the costs overall to be fair and reasonable. We would however stress the importance of sufficient detail being included in the estimate, which will either validate costs for some elements being higher or lower than expected or enable the applicant to revisit these and refine their costings.

11. Ridge have not commented on the allowance included for Professional Fees, this is commented on in the wider FVA review.

12. Ridge consider the contingency allowance to be reasonable based on the nature of the scheme.



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Appendix 2 – Appraisal Summary

Manchester City Council

48 Store Street **Viability Review**

Date: 10/03/2026

CAPITAL VALUE

Private Market Housing	Unit Type	Count	Av Sq Ft	£ PSF	Colliers £ / Unit
1	1A	25	538	455	245,000
1	1B	1	625	432	270,000
2	2A	12	673	461	310,000
2	2B	27	700	457	320,000
2	2C	6	750	447	335,000
2	2D	1	788	444	350,000
3	3A	1	1,015	414	420,000
Total	Total	73	47,354	455	21,535,000

TOTAL CAPITAL VALUE	**21,535,000**

DEVELOPMENT COSTS

0

Site Acquisition Costs					
Site Value					1
Stamp Duty		@	0.00%		0
Agent and Legal Fees		@	1.50%		0
				TOTAL ACQUISITION FEES	**1**
Site Preparation Costs					
Abnormal Costs					350,000
Enabling Costs					700,000
				TOTAL SITE PREPARATION COSTS	**1,050,000**
Construction Costs					
General Works	60,200	Sq Ft	@	232	13,954,000
External Works					77,000
Contingency		@	5.00%		754,050
				TOTAL CONSTRUCTION COSTS	**14,785,050**
Professional Fees & Payments					
Professional Fees		@	9.74%		1,439,500
S106 Costs					0
				TOTAL PROFESSIONAL FEES & PAYMENTS	**1,439,500**
Agency Fees & Contributions					
Marketing		@	0.50%		107,675
Agents		@	1.20%		258,420
Legal		@	0.80%		172,280
				TOTAL AGENCY FEES AND CONTRIBUTIONS	**538,375**
Finance Costs					
Finance - Interest		@	7.00%		940,112
				TOTAL FINANCE COSTS	**940,112**
				TOTAL DEVELOPMENT COSTS	**18,753,038**

PROFIT

Profit Target	@	17.50%	on GDV		3,768,625	Profit	2,781,962
Surplus / Deficit	@	-4.58%	on GDV	-	**986,663**	Profit on Costs (%)	14.83%
						Profit on GDV (%)	12.92%

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