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Jamie Ferguson
Development – City Centre
Manchester City Council
Town Hall Extension
Albert Square, Manchester
M60 2LA

1st April 2026

Dear Jamie,

48 Store Street: Viability Review Addendum

Original FVA and Review

Colliers were instructed by Manchester City Council (the Council) to independently review the Financial Viability Assessment (FVA) prepared by Tim Claxton Property (TCP) dated November 2025. The proposals are for a residential development containing 16-storeys with 73 apartments (the Subject Scheme) at 47–48 Store Street, Manchester (the subject site).

TCP concluded the proposed scheme produced a residual profit target of 8.24% on GDV which is below their target of 20.00% on GDV.

We reviewed the FVA and made adjustments to GDV, finance and Benchmark Land Value (BLV). We noted there were discrepancies with the unit schedule and did not consider the approach taken to BLV to be acceptable. We created a bespoke development appraisal and concluded that the proposed scheme produced a residual profit target of 12.92% on GDV which is below our target of 17.50% on GDV. On this basis we concluded that the scheme cannot viably support affordable housing contributions and we recommended a viability review mechanism be secured in the S106 Agreement.

Updated position

TCP have agreed to adopt the area schedule as provided in the architectural drawings therefore this matter is now agreed.

We have attempted to reach an agreed position with TCP on the matter of BLV. We did not consider their approach to be justified by evidenced and planning policy. TCP originally adopted a BLV based on the value of the site as open land at £100,000 per acre which calculates to £17,000 for the subject site (0.17 acres). They applied a 20x multiplier (landowner premium) to the site to calculate an Existing Use Value Plus (EUV+) of £340,000 which they adopted as the BLV. As no evidence was provided to support either the valuation or the landowner premium, we did not consider the approach taken by TCP was appropriate nor compliant with policy. We accordingly adopted a nominal land value of £1.

TCP have not undertaken an Alternative Use Valuation (AUV) assessment of the site would produce a positive land value given the assessment of the proposed scheme. We consider this is a logical position given the viability of the proposed scheme is challenged and the extant consent is for fewer residential units.

We have discussed the BLV position with TCP and attempted to reach an agreed position. We consider it reasonable that the site will have a value due to the extant residential planning permission and location.

We have created an appraisal for the land as open storage. This assessment assumes that works will be undertaken to level and secure the site for this use. This constitutes an AUV assessment of BLV and our calculation is outlined below:

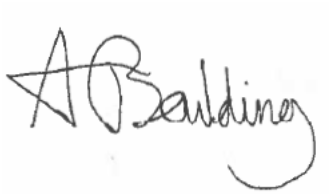
48 Store Street AUV	
Sq Ft	7,535
£ Rent psf	3.00
£ Acre	132,966
ERV	22,604
Yield	8.00%
YP	12.50
CV	282,552
PC	6.80%
CV	**264,562**
Prep Costs	50,000
Pre Round	214,562
AUV	**210,000**

TCP confirmed this BLV was agreed by email on 26th March 2026. We have fixed this as the land cost in our appraisal.

Updated development appraisal

We have updated our development appraisal to reflect the updated BLV. The appraisal shows a residual profit of **£2,527,000 (11.73% on GDV)** which is **-£1,242,000 (-5.77% on GDV)** lower than our profit target of 17.50% on GDV. The appraisal summary is provided as an appendix to this note. On this basis our conclusion remains unchanged from our original review and the scheme cannot viably deliver affordable housing contributions.

Yours Sincerely,



Arthur Boulding MRICS

Associate Director, Development Advisory

Manchester City Council

48 Store Street **Viability Review**

Date: 01/04/2026

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					210,000	
Stamp Duty		@	0.57%		1,200	
Agent and Legal Fees		@	1.50%		3,150	
					TOTAL ACQUISITION FEES	**214,350**
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%		980,720	
					TOTAL FINANCE COSTS	**980,720**
					TOTAL DEVELOPMENT COSTS	**19,007,995**

PROFIT

Profit Target	@	17.50%	on GDV		3,768,625	Profit	2,527,005
Surplus / Deficit	@	-5.77%	on GDV	-	**1,241,620**	Profit on Costs (%)	13.29%
						Profit on GDV (%)	11.73%

Business