Viability Assessment

Thorncross Close, Off Ellesmere Street, Castlefield, Manchester, M15 4LU
August 2026

RogerHannah

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1. Introduction

1.1 Instructions

Roger Hannah has been instructed by Kirindolam 8 Ltd to provide a financial viability assessment in respect of the proposed residential development at Thorncross Close, Off Ellesmere Street, Castlefield, Manchester, M15 4LU.

The proposed development is for the construction of 593 apartments across two blocks. Block A comprises 436 apartments (46 storeys in height) which will be available for Build to Rent and Block B comprises 157 apartments (8 storeys in height), which will be made available for sale.

This report has been prepared to support the planning application and considers the financial impact of the potential S106 planning contributions. We understand that the report will be submitted to Manchester City Council ('the Council') as part of the planning application for this development.

RICS Compliance

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

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

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

1.2 Reporting

This report has been produced and reviewed by the following suitably qualified professionals.

Author:



……..
Jessica Mistry MRICS
Associate Director

Reviewer:



……..
Laura Mackay MRICS
Director

1.3 Information Provided

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

- Accommodation Schedule

- Cost Plan prepared by Monaghan's (Appendix 4)

2. Executive Summary

Financial Appraisal

<table>
<tr><td>Site</td><td>Thorncross Close, Off Ellesmere Street, Castlefield, Manchester, M15 4LU</td></tr>
<tr><td>Scheme</td><td>The proposed development is for the construction of 593 apartments across two blocks. Block A comprises 436 apartments (46 storeys in height) which will be available for Build to Rent and Block B comprises 157 apartments (8 storeys in height), which will be made available for sale.</td></tr>
<tr><td>GDV</td><td>We have tested the scheme on both a policy compliant basis, including an affordable housing contribution at 20% of total units and S106 contributions, and on the Applicant's proposal which seeks to deliver a 100% private rented and market sale scheme and no S106 contributions.

Appraisal 1: the total GDV for the policy compliant scheme equates to £180,041,000, which we have adopted within appraisal at Appendix 2.

Appraisal 2: the total GDV for the 100% private rented and market sale scheme equates to £190,994,000 which we have adopted within our appraisal at Appendix 3.</td></tr>
<tr><td>Build Costs</td><td>For this assessment, the Applicant has provided us with the construction costs for the scheme which has been prepared by cost consultants – Monaghans. This provides an all-in build cost of £152,595,000 (£263.85 per sq ft) inclusive of base build, standard external works, prelims, main contactors overheads & profit and abnormal works. A copy of the full cost plan is provided at Appendix 4.

The build cost is exclusive of contingency and professional fees. We have therefore made a separate allowance within the appraisal.

Further details of the build cost adopted is set out in Section 7 of this report.</td></tr>
<tr><td>Developer's Profit</td><td>18% on GDV for Open Market units

8% on GDV for Affordable units</td></tr>
<tr><td>Other Costs</td><td>Other costs have been applied in respect of professional fees, finance, and sales and agent's fees.</td></tr>
<tr><td>Benchmark Land Value</td><td>A benchmark land value of £4,700,000 has been adopted.</td></tr>
<tr><td>Appraisal Results</td><td>
<table>
<tr><th></th><th>Appraisal 1 – Policy Compliant</th><th>Appraisal 2 – Proposed 100% PR, MS and No S106</th></tr>
<tr><td>Blended Target Profit on GDV</td><td>12.48%</td><td>12.48%</td></tr>
<tr><td>Blended Scheme Profit on GDV</td><td>-0.23%</td><td>4.44%</td></tr>
</table>
</td></tr>
</table>

Conclusion	Given the conclusions from this appraisal and the policy wording, we are of the opinion that the full policy requirements in respect of affordable housing and S.106 contributions should be relaxed on viability grounds for the proposed development.

3. Site Information

3.1 Location

The site is located at Thorncross Close, off Ellesmere Street, within the Castlefield area of Manchester (postcode M15 4LU). The site lies approximately 1 km south-west of Manchester City Centre and is situated within a predominantly residential and mixed-use urban environment.

The site is accessed from Ellesmere Street via Thorncross Close and is located close to Chester Road (A56), providing direct links to Manchester City Centre, Salford and the regional motorway network. In terms of railway services, Deansgate railway station and Cornbrook Metrolink interchange are both located within walking distance of the site.

The site forms part of the established Castlefield/Hulme fringe area and is surrounded by a mixture of modern residential developments, commercial premises and local amenities.

Included below is a map showing the site's location within the region.



Figure 1: Location Plan (Source – Google Maps)

3.2 The Site

The application site is brownfield and extends to approximately 1.77 acres (0.72 hectares).

We understand the previous use of the site included a mixture of commercial and industrial uses. The buildings have been demolished to ground slab.

The site is adjacent to the Bridgewater Canal and both train and tram lines to the north of the site, Castlefield Lock apartments to the east, Ellesmere Street to the south and Vox apartments to the west.

The red line boundary of the site in its entirety is illustrated on the proposed layout plan at Figure 3.

3.3 Proposed Development

The proposed development is for the construction of 593 apartments across two blocks. Block A comprises 436 apartments (46 storeys in height) which will be available for Build to Rent and Block B comprises 157 apartments (8 storeys in height), which will be made available for sale. An accommodation schedule is provided below.

Block A

Type	Beds	Av. NIA Sq ft	No.	Total NIA Sq ft
Apartment	1b2p	554	172	95,347
Apartment	2b3p	664	86	57,115
Apartment	2b4p	755	172	129,783
Apartment	3b6p	1,029	6	6,174
Total			**436**	**288,419**

Block B

Floor	Type	Beds	Av. NIA Sq ft	No.	Total NIA Sq ft
Ground	Apartment	1b2p	554	2	1,108
Ground	Apartment	2b4p	755	3	2,265
Ground	Townhouse	2b4p	1,020	5	5,100
Ground	Apartment	3b6p	1,029	1	1,029
First	Apartment	1b2p	554	8	4,432
First	Apartment	2b4p	755	10	7,550
First	Apartment	3b6p	1,029	1	1,029
Second	Apartment	1b2p	554	3	1,662
Second	Apartment	2b4p	755	16	12,080
Second	Apartment	3b6p	1,029	3	3,087
Third	Apartment	1b2p	554	3	1,662
Third	Apartment	2b4p	755	16	12,080
Third	Apartment	3b6p	1,029	3	3,087
Fourth	Apartment	1b2p	554	3	1,662
Fourth	Apartment	2b4p	755	16	12,080
Fourth	Apartment	3b6p	1,029	3	3,087
Fifth	Apartment	1b2p	554	3	1,662
Fifth	Apartment	2b4p	755	16	12,080
Fifth	Apartment	3b6p	1,029	3	3,087
Sixth	Apartment	1b2p	554	4	2,216
Sixth	Apartment	2b4p	755	15	11,325
Sixth	Apartment	3b6p	1,029	3	3,087
Seven	Apartment	2b4p Duplex	1,015	1	1,015
Seven	Apartment	3b6p Duplex	1,322	3	3,966
Seven	Apartment	4b8p Duplex	1,432	13	18,616
Total				**157**	**130,054**

Figure 2: Schedule of Accommodation

The development as a whole provides a total NIA of 418,473 sq ft and GIA of 578,333 sq ft. This provides a net to gross ratio of 72.36%.

The proposed development is illustrated on the plan overleaf.

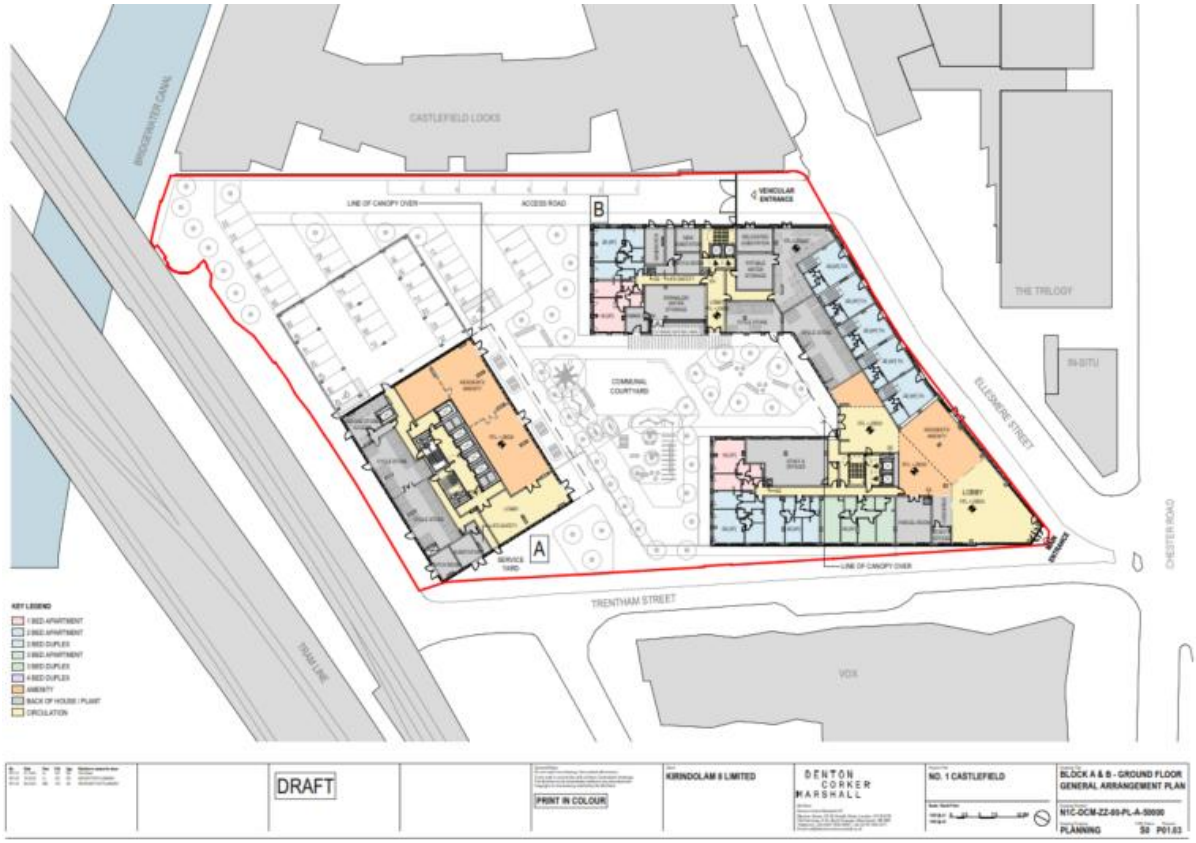


Figure 3: Proposed Development Layout

3.4 Planning Policy

In this section we set out the planning policy which is relevant in respect of viability.

Manchester's Core Strategy was adopted on the 11 July 2012 and is the key document in the Manchester Local Plan. It was updated in March 2024, after the Places for Everyone joint development plan was adopted. It sets out the long-term strategic policies for Manchester's future development and will form the framework that planning applications will be assessed against.

The council is actively updating its Local Plan to cover the next 15 years. The latest draft was published for public consultation in late 2025. The updated plan is expected to undergo further consultation before being submitted to the government for examination, with official adoption anticipated in summer 2027.

As this is not adopted, the Core Strategy (2012) remains the statuary document to inform planning policy.

3.4.1 Affordable Housing

National Planning Policy guidance for Build to Rent, sets out 20% as a suitable benchmark for affordable private rent (at least 20% below market rates).

Policy H8 of the adopted Local plan sets out an affordable housing requirement of 20% for residential developments on sites of 0.3 hectares or more or where 15 or more dwellings are proposed.

The Council's required tenure split for the affordable housing is to be provided as 5% affordable rented housing and 15% intermediate housing (such as shared ownership and other affordable home ownership products).

3.4.2 Community Infrastructure Levy

The Council has not formally adopted a CIL charging schedule. The development will therefore not be liable for this charge.

3.4.3 Section 106 Contributions

To date, the Council has not confirmed the required S106 contributions for the proposed development.

4. Viability in Planning Guidance

4.1 National Planning Policy Framework

The National Planning Policy Framework (NPPF) was last updated in August 2026. Paragraph 59 of the NPPF has been removed and replaced with Policy DM5 – Development viability, which states the following:

DM5 (1) Where development proposals accord with relevant up-to-date plan policies and national decision-making policies, they should be assumed to be viable. Relevant policies in this context are those that relate to the contributions expected from development.

DM5(2) There may be circumstances in which a viability assessment demonstrates that it wouldnot be possible for development to proceed on a policy compliant basis. In such circumstances, the submission of a viability assessment as part of a development proposal may be justified to ensure that the proposed development makes the maximum possible contribution to affordable housing and other infrastructure. Such circumstances may include where:

- *The development proposed is materially different to any development type considered in the viability assessment that informed the development plan;*
- *The site characteristics are materially different to those considered in the viability assessment that informed the development plan;*
- *The development is demonstrably burdened by costs which were not taken into account in the viability assessment that informed the development plan; and/or*
- *Site or economic circumstances have changed significantly since the viability assessment that informed the development plan was prepared.*

DM5(3) Neither the price paid for land, nor the price intended to be paid through an option agreement, should be a justification for failing to accord with relevant policies in the plan.

DM5(4) Where a viability assessment is submitted with a development proposal, this should be based upon and refer back to the viability assessment(s) that informed the relevant development plan policies. It should fully evidence all inputs and assumptions used in the assessment and explain any differences from those used for viability assessment that informed the relevant plan policies. All viability assessments should reflect the recommended approach in planning practice guidance, including the standardised inputs, and should be made publicly available.

DM5(5) It is a matter for the decision-maker, having regard to the circumstances under which the viability assessment is submitted, to assess the weight to be given to a viability assessment.

4.2 Planning Practice Guidance

The PPG in respect of viability, which was last updated in 2025, defines a viability assessment at Paragraph 011 as:

"A process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return."

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

"Plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of sites and current and proposed use or type of development . . . Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy

requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology."

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

The PPG also states that viability may also need to be assessed at the application stage, with paragraph 008 stating:

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

Paragraph 009 goes on to say that:

"The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment. The decision maker should consider whether the assessment and its conclusions are objective, reasonable and realistic".

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

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

4.3 RICS Assessing viability in planning under the NPPF 2019

We have referred to the best practice recommendations within this RICS Professional Standard, dated 2021, which provides clarifications in relation to the PPG standardised input approach. It sets out the need to use residual appraisals to assess viability in planning, using the following diagram to demonstrate this:

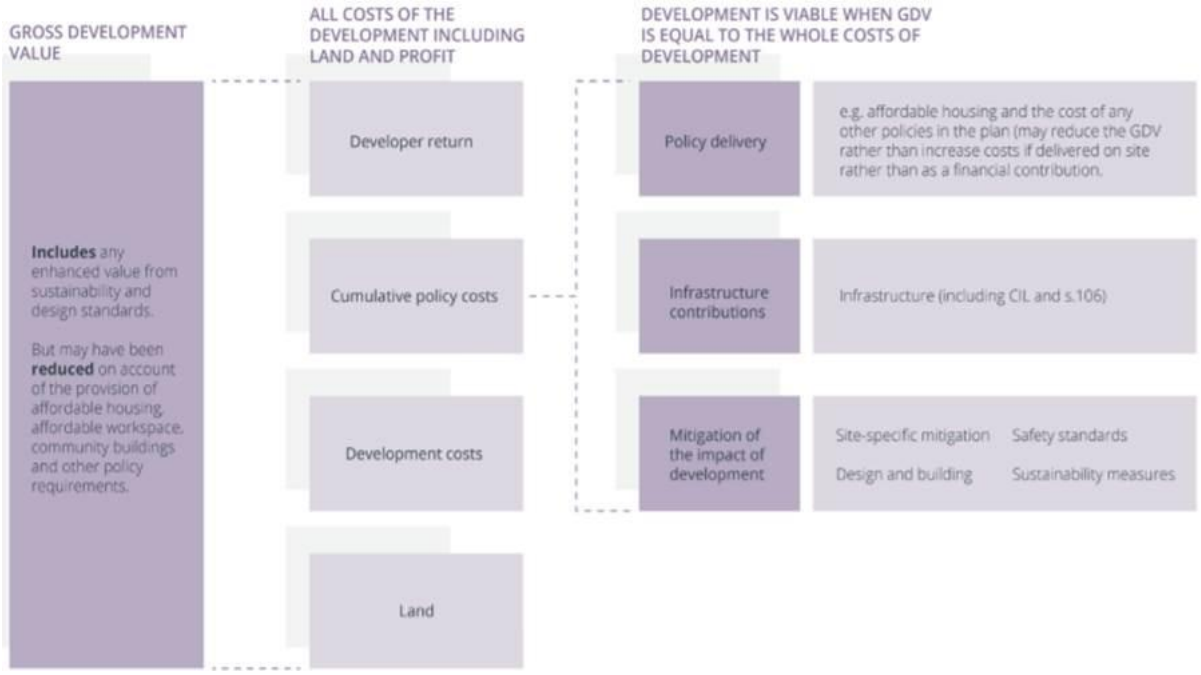


Figure 1: RICS Residual Valuation Framework (Source – RICS)

This Professional Standard is clear that the NPPF and PPG are the 'authoritative requirement', providing clarity on the application of this relevant guidance and the relevance to other RICS guidance, including the following:

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

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

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

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

4.4 RICS Financial viability in planning: conduct and reporting

This Professional Standard, dated 2019, sets out a number of mandatory requirements in Section 2 that apply when assessing viability in planning, which we summarise as follows:

- All inputs into an appraisal must be reasonably justified with as much good quality evidence as possible. Where a reviewer disagrees with a submitted assessment and/or elements in it, differences must be clearly set out with supporting and reasonable justification. Where possible, practitioners should always try to resolve differences of opinion.

- In respect of the benchmark land value RICS members must report the existing use value, premium, market evidence and all supporting considerations, assumptions and justifications adopted, as well as alternative use value (if appropriate).
- All viability assessment must include a sensitivity analysis
- A non-technical summary of the report should be provided, which includes key figures and conclusions, so that non-specialists can better understand them
- RICS members must advocate reasonable, transparent and appropriate engagement between the parties.

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

5. Methodology

5.1 Site Specific Viability Assessment

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

- The Local Plan viability evidence is out of date
- Additional information is now available in respect of infrastructure or sites costs, compared to the assumptions adopted at the plan-making stage.

5.2 Adopted Methodology

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

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

We have also established the Benchmark Land Value (BLV) as appropriate for assessing viability. typically, the BLV and residual value will be compared to assess scheme viability. Should the residual value be below the BLV, which represents the minimum return a reasonable landowner can expect, the development can be considered to be unviable.

It is also possible to include the BLV as a fixed input into the appraisal as follows:

Gross Development Value – (Costs + BLV) = Profit

This is effectively the same calculation as a residual appraisal, but the BLV is included as a fixed cost instead of the profit to assess the profitability of a scheme. It can be useful to also assess scheme viability on this basis, particularly when the level of capital outlay required is significant and the BLV is a very small proportion of the costs.

6. Gross Development Value

Method

The PPG states the following:

"Gross development value is an assessment of the value of development. For residential development this may be total sales and/or capitalised net rental income from developments . . . For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used"

The RICS Guidance Note also defines this as follows:

"The aggregate market value of the proposed development, assessed on the special assumption that the development is complete on the date of valuation in the market conditions prevailing at that date."

We have therefore assessed the GDV with reference to the comparable method of valuation.

Local Sales Market Overview

According to Rightmove, house prices in Manchester have an overall average of £339,124 over the last year. The majority of properties sold in Old Trafford during the last year were terraced properties, selling for an average price of £302,411. Semi-detached properties sold for an average of £430,921, with flats fetching £184,917.

Sales Market Evidence

We have reviewed the market for new build apartment schemes located within relative proximity of the proposed site. We provide details of the schemes we have had regard to below:

Excelsior Works, 2 Hulme Hall Road, Manchester M15 4LY

House Name	Type	Bedrooms	Size (ft²)	Storeys	Asking Price	Gross Asking Price (ft²)	Net Asking Price	Net Asking Price (ft²)
7	Flat	2	757	1	£264,848	£350	£251,606	£332
112	Flat	2	723	1	£255,000	£353	£242,250	£335
406	Flat	2	668	1	£233,956	£350	£222,258	£333
508	Flat	2	688	1	£240,000	£349	£228,000	£331
601	Flat	2	764	1	£250,000	£327	£237,500	£311
Average						**£346**		**£328**

Excelsior Works is residential apartment development located at 2 Hulme Hall Road on the southern edge of the Castlefield district adjacent to the Bridgewater Canal, approximately 0.2 miles north of the proposed site. The average current asking price for 2-bedroom apartments, net of assumed incentives is £328 per sq ft.

The scheme redevelops the former Excelsior Mill site and comprises 108 apartments arranged within a purpose-built multi-storey residential building completed in 2020. The development provides a mix of one- and two-bedroom apartments together with communal resident facilities, including a rooftop terrace, landscaped communal areas, cycle storage and shared workspace/lounge facilities.

It is apparent that these units are still being marketed as new build 6 years after completion of construction, calling into question the desirability of this development.

Sky Gardens, Spinners Way, Manchester, Greater Manchester M15 4SR

Address	Floor area ft²	Sold price	£ per sq ft	Date sold
Flat 709, 3b, Spinners Way, Manchester, Greater Manchester M15 4SR	732	£292,950	£400	21/03/2025
Flat 303, 3b, Spinners Way, Manchester, Greater Manchester M15 4SP	624	£244,950	£392	05/03/2025
Flat 104, 3b, Spinners Way, Manchester, Greater Manchester M15 4SP	657	£264,950	£404	03/03/2025
Flat 510, 3b, Spinners Way, Manchester, Greater Manchester M15 4SR	667	£278,950	£418	10/02/2025
Flat 803, 3b, Spinners Way, Manchester, Greater Manchester M15 4SR	969	£391,250	£404	24/01/2025
Average			**£404**	

The development at Spinners Way is located 0.3 miles east of the proposed site. The average achieved price at this development is £404 per sq ft for sales over 2025.

Sky Gardens comprises a mid-rise mixed use apartment block of approximately 160 apartments, fronting onto Chester Road in the Castlefield/Cornbrook area. The development benefits from amenities including a concierge service, communal rooftop gardens, resident lounge areas, fob-controlled access, and on-site retail convenience with a Tesco Express on the ground floor.

Contour Tower, Great Jackson Street, Manchester M15 4PA

House Name	Type	Bedrooms	Size (ft²)	Storeys	Asking Price	Gross Asking Price (ft²)	Net Asking Price	Net Asking Price (ft²)
201	Flat	2	818	1	£401,000	£490	£380,950	£466
1511	Flat	2	821	1	£422,000	£514	£400,900	£488
4306	Flat	2	860	1	£485,000	£564	£460,750	£536
Average						£523		£497

The development at Great Jackson Street is located approximately 1 mile southeast of the proposed site. The average current asking price for 2-bedroom apartments, net of assumed incentives is £497 per sq ft.

The development is being offered by Renaker and comprises 494 apartments for Build-to-rent & a private sale mix across 51 storeys. The Contour is part of the New Jackson regeneration masterplan, a cluster of tall towers forming Manchester's southern city-centre skyline. It aims to deliver high-density, luxury apartments with resident amenities (gym, lounges, co-working spaces) and is aimed at professionals and investors which is reflected in the higher asking prices at this development.

Proposed Open Market Sales Values

On the balance of the evidence provided, A total GDV of £59,270,000 (£456 per sq ft) has been adopted for the scheme on an open market sale basis as per the following breakdown. Values range between £384 - £514 per sq ft for properties ranging in size of 554 – 1,432 sq ft. A slight premium has been applied to the apartments situated on floors 5-7.

Floor	Type	Beds	Av. NIA Sq ft	No.	Total NIA Sq ft	Value	£ per sq ft	Total GDV
Ground	Apartment	1b2p	554	2	1,108	£280,000	£505	£560,000
Ground	Apartment	2b4p	755	3	2,265	£360,000	£477	£1,080,000
Ground	Townhouse	2b4p	1,020	5	5,100	£430,000	£422	£2,150,000
Ground	Apartment	3b6p	1,029	1	1,029	£435,000	£423	£435,000
First	Apartment	1b2p	554	8	4,432	£280,000	£505	£2,240,000
First	Apartment	2b4p	755	10	7,550	£360,000	£477	£3,600,000
First	Apartment	3b6p	1,029	1	1,029	£435,000	£423	£435,000
Second	Apartment	1b2p	554	3	1,662	£280,000	£505	£840,000
Second	Apartment	2b4p	755	16	12,080	£360,000	£477	£5,760,000
Second	Apartment	3b6p	1,029	3	3,087	£435,000	£423	£1,305,000
Third	Apartment	1b2p	554	3	1,662	£280,000	£505	£840,000
Third	Apartment	2b4p	755	16	12,080	£360,000	£477	£5,760,000
Third	Apartment	3b6p	1,029	3	3,087	£435,000	£423	£1,305,000
Fourth	Apartment	1b2p	554	3	1,662	£280,000	£505	£840,000
Fourth	Apartment	2b4p	755	16	12,080	£360,000	£477	£5,760,000
Fourth	Apartment	3b6p	1,029	3	3,087	£435,000	£423	£1,305,000
Fifth	Apartment	1b2p	554	3	1,662	£282,500	£510	£847,500
Fifth	Apartment	2b4p	755	16	12,080	£362,500	£480	£5,800,000
Fifth	Apartment	3b6p	1,029	3	3,087	£437,500	£425	£1,312,500
Sixth	Apartment	1b2p	554	4	2,216	£285,000	£514	£1,140,000
Sixth	Apartment	2b4p	755	15	11,325	£365,000	£483	£5,475,000
Sixth	Apartment	3b6p	1,029	3	3,087	£440,000	£428	£1,320,000
Seven	Apartment	2b4p Duplex	1,015	1	1,015	£435,000	£429	£435,000
Seven	Apartment	3b6p Duplex	1,322	3	3,966	£525,000	£397	£1,575,000
Seven	Apartment	4b8p Duplex	1,432	13	18,616	£550,000	£384	£7,150,000
Total				**157**	**130,054**		**£456**	**£59,270,000**

Rental Market Evidence

We have reviewed the market for rental values for apartment schemes located within relative proximity of the proposed site. We provide details of the properties we have had regard to below:

Address	Beds	Sq ft	Rent PCM	Rent PA	Letting Type
The Trilogy, Ellesmere Street, Manchester, M15	1	539	£1,285	£15,420	Furnished or unfurnished
	1	580	£1,350	£16,200	Furnished
	1	544	£1,365	£16,380	Furnished
	2	716	£1,390	£16,680	Furnished or unfurnished
	2	892	£1,610	£19,320	Furnished
	3	980	£1,940	£23,280	Unfurnished
	3	1,110	£2,090	£25,080	Unfurnished
	3	910	£2,090	£25,080	Furnished or unfurnished

The Trilogy is a purpose-built residential apartment development located at 27 Ellesmere Street within the Castlefield regeneration area. The scheme comprises 232 one-, two- and three-bedroom apartments arranged across three blocks ranging from approximately 8 to 12 storeys in height. The scheme provides Gym, residents' lounge, co-working space, communal gardens, cycle storage and parking.

The scheme is located directly adjacent to proposed site and therefore provides a good comparable in terms of rental values which can be achieved in this location.

We have also reviewed rental prices for the several towers located off Great Jackson Street and Silvercroft Street.

Address	Beds	Sq ft	Rent PCM	Rent PA	Letting Type
Three60, New Jackson	1	581	£1,550	£18,600	Furnished
Blade Tower, Silvercroft Street	1	590	£1,600	£19,200	Furnished
1280785TB, 15 Silvercroft Street	1	593	£1,750	£21,000	Furnished
15 Silvercroft Street	2	883	£2,150	£25,800	Furnished
11 Silvercroft Street	3	1130	£3,200	£38,400	Furnished

The apartment towers around both Great Jackson Street and Silvercroft Street are part of Renaker's New Jackson development in Manchester.

As shown in the table above, rental prices for properties located in these towers command a higher rental value to account for its City Centre location, being situated in proximity to Deansgate, sky views and specification/facilities being offered within these buildings with many of them including concierge services, gyms, swimming pools, roof terraces, co-working spaces, lounges, yoga studios, private dining rooms, and resident events.

Given the scale of the Block A (46 storeys in height) and the sites location in Castlefield in close proximity to Chester Road, we consider the above rental evidence as a good comparable.

Private Rent

On the balance of the evidence provided, we consider the following private rental values achievable at the site:

Type	Beds	Av. NIA Sq ft	No.	Total NIA Sq ft	Market Rent PCM	Market Rent PA
Apartment	1b2p	554	172	95,347	£1,400	£16,800
Apartment	2b3p	664	86	57,115	£1,500	£18,000
Apartment	2b4p	755	172	129,783	£2,000	£24,000
Apartment	3b6p	1,029	6	6,174	£3,000	£36,000
Total			**436**	**288,419**		

BtR Investment Value

Given the size and scale of the building and City Centre location, we consider it appropriate to deduct an OPEX cost of 25% from the gross rent to arrive at a net rental income.

There has been some upward movement in yields, with more recent transactions reportedly reflecting net yields in the order of 5.00% for forward funding deals. In comparison, purchasing a let investment attracts less risk than a BtR development as the asset is stabilised and carries less lettings risk with limited or no initial void period, and there is no development risk associated with the investment. The yields on these types are transactions are therefore lower, with recent examples of between 4.25% - 5.00%.

The BtR aspect of the scheme has been modelled on a forward fund basis. We have therefore capitalised the net rental income by applying a yield of 5%. This provides an overall GDV of £131,724,000 for the Build to Rent scheme as per the below:

Type	Beds	Av. NIA Sq ft	No.	Total NIA Sq ft	Market Rent PCM	Market Rent PA	Opex	Net Rent PA	Yield	Capital Value	Total GDV
Apartment	1b2p	554	172	95,347	£1,400	£16,800	25%	£12,600	5.00%	£252,000	£43,344,000
Apartment	2b3p	664	86	57,115	£1,500	£18,000	25%	£13,500	5.00%	£270,000	£23,220,000
Apartment	2b4p	755	172	129,783	£2,000	£24,000	25%	£18,000	5.00%	£360,000	£61,920,000
Apartment	3b6p	1,029	6	6,174	£3,000	£36,000	25%	£27,000	5.00%	£540,000	£3,240,000
Total			**436**	**288,419**							**£131,724,000**

We have further allowed for purchaser's costs at 1.8% within the appraisal to provide a Net developable value for the scheme.

Policy Compliant Values

National Planning Policy guidance for Build to Rent, sets out 20% as a suitable benchmark for affordable private rent (at least 20% below market rates).

Policy H8 of the adopted Local plan sets out an affordable housing requirement of 20% for residential developments on sites of 0.3 hectares or more or where 15 or more dwellings are proposed. This equates to 119 affordable units at the proposed site.

The Council's required tenure split for the affordable housing is to be provided as 5% affordable rented housing and 15% intermediate housing (such as shared ownership and other affordable home ownership products).

Based on assessments of similar schemes, we have applied the following discounts to market value to reflect a policy compliant level of affordable housing for the on-site provision.

- Affordable Rented ('AR') – 80% of Market Value
- Shared Ownership ('SO') – 70% of Market Value

The policy compliant GDV equates to £180,041,000 as follows:

Type	Beds	Av. NIA Sq ft	No.	Total NIA Sq ft	Market Rent PCM	Market Rent PA	Opex	Net Rent PA	Yield	Capital Value	Total GDV
Apartment (AR)	1b2p	554	30	16,630	£1,120	£13,440	25%	£10,080	5.00%	£201,600	£6,048,000
Apartment	1b2p	554	142	78,716	£1,400	£16,800	25%	£12,600	5.00%	£252,000	£35,784,000
Apartment	2b3p	664	86	57,115	£1,500	£18,000	25%	£13,500	5.00%	£270,000	£23,220,000
Apartment	2b4p	755	172	129,783	£2,000	£24,000	25%	£18,000	5.00%	£360,000	£61,920,000
Apartment	3b6p	1,029	6	6,174	£3,000	£36,000	25%	£27,000	5.00%	£540,000	£3,240,000
Total			**436**	**288,419**							**£130,212,000**

Floor	Type	Tenure	Beds	Av. NIA Sq ft	No.	Total NIA Sq ft	Value	£ per sq ft	Total GDV
Ground	Apartment	SO	1b2p	554	2	1,108	£196,000	£354	£392,000
Ground	Apartment	SO	2b4p	755	3	2,265	£252,000	£334	£756,000
Ground	Townhouse	SO	2b4p	1,020	5	5,100	£301,000	£295	£1,505,000
Ground	Apartment	SO	3b6p	1,029	1	1,029	£304,500	£296	£304,500
First	Apartment	SO	1b2p	554	8	4,432	£196,000	£354	£1,568,000
First	Apartment	SO	2b4p	755	10	7,550	£252,000	£334	£2,520,000
First	Apartment	SO	3b6p	1,029	1	1,029	£304,500	£296	£304,500
Second	Apartment	SO	1b2p	554	3	1,662	£196,000	£354	£588,000
Second	Apartment	SO	2b4p	755	16	12,080	£252,000	£334	£4,032,000
Second	Apartment	SO	3b6p	1,029	3	3,087	£304,500	£296	£913,500
Third	Apartment	SO	1b2p	554	3	1,662	£196,000	£354	£588,000
Third	Apartment	SO	2b4p	755	16	12,080	£252,000	£334	£4,032,000
Third	Apartment	SO	3b6p	1,029	3	3,087	£304,500	£296	£913,500
Fourth	Apartment	SO	1b2p	554	3	1,662	£196,000	£354	£588,000
Fourth	Apartment	SO	2b4p	755	12	9,060	£252,000	£334	£3,024,000
Fourth	Apartment	OMS	2b4p	755	4	3,020	£360,000	£477	£1,440,000
Fourth	Apartment	OMS	3b6p	1,029	3	3,087	£435,000	£423	£1,305,000
Fifth	Apartment	OMS	1b2p	554	3	1,662	£282,500	£510	£847,500
Fifth	Apartment	OMS	2b4p	755	16	12,080	£362,500	£480	£5,800,000
Fifth	Apartment	OMS	3b6p	1,029	3	3,087	£437,500	£425	£1,312,500
Sixth	Apartment	OMS	1b2p	554	4	2,216	£285,000	£514	£1,140,000
Sixth	Apartment	OMS	2b4p	755	15	11,325	£365,000	£483	£5,475,000
Sixth	Apartment	OMS	3b6p	1,029	3	3,087	£440,000	£428	£1,320,000
Seven	Apartment	OMS	2b4p Duplex	1,015	1	1,015	£435,000	£429	£435,000
Seven	Apartment	OMS	3b6p Duplex	1,322	3	3,966	£525,000	£397	£1,575,000
Seven	Apartment	OMS	4b8p Duplex	1,432	13	18,616	£550,000	£384	£7,150,000
Total					**157**	**130,054**		**£383**	**£49,829,000**

7. Residual Appraisals

We have undertaken residual appraisals of the proposed development on the following bases:

1. A policy compliant scheme, including an affordable housing contribution of 20% of total units and no S106 contributions.
2. A scenario reflecting the Applicants' proposal to deliver a 100% private rented and market sale scheme and no S106 contributions.

The appraisal assumptions are detailed below:

Appraisal Inputs	
Scheme GDV	We have included the following Gross Development Value in each of the appraisals: 1. Appraisal 1 - £180,041,000 (policy compliant) 2. Appraisal 2 - £190,994,000
Build Costs	For this assessment, the Applicant has provided us with the construction costs for the scheme which has been prepared by cost consultants – Monaghans. This provides an all-in build cost of £152,595,000 (£263.85 per sq ft) inclusive of base build, standard external works, prelims, main contactors overheads & profit and abnormal works. A copy of the full cost plan is provided at Appendix 4. The build cost is exclusive of contingency and professional fees. We have therefore made a separate allowance within the appraisal.
Contingency	In line with our professional view and judgement on risk, a contingency sum equating to 3% of the total build cost has been allowed. This is considered to be a conservative assumption.
Professional Fees	A provision equating to 8% of the total build cost has been allowed as a minimum allowance to reflect the work that is required to deliver a scheme of the proposed size and nature for a local developer. This is considered a minimum allowance, with fees typically ranging from 8 – 12% for these types of developments.
Section 106 Costs	To date, the Council has not confirmed the required S106 contributions for the proposed development.
CIL	The Council has not formally adopted a CIL charging schedule. The development will therefore not be liable for this charge.
Finance Costs	We have assumed a debit rate of 5%.
Disposal Costs	For the sales of the market units in the scheme, we have assumed a marketing cost of 1.5% and a sales cost of 1.5%. This provides a budget towards a show house, website, advertisements, and other marketing initiatives. We have also

	allowed for sales legal fees at £750 per unit. These are considered to be standard market assumptions. For the affordable units we have allowed for legal fees only.
Site Acquisition Costs	Stamp Duty at HMRC prevailing rates, 1% agent fee and £20,000 for legal fees.
Profit Margin	During recent years, profit for market sale residential development has typically ranged between 18-20% of Gross Development Value (GDV) as advocated in National Planning Guidance on Viability. The level of profit should be considered in the round of the assumptions made within an appraisal and should reflect the risk in bringing the development forward. Market conditions have changed markedly over the last 3 years, including increasing interest rates with only small reductions over 25/26, increasing cost of living, reduced affordability, reduced sales rates, increased incentives and high levels of build cost inflation. Market forecasts are for sales values to stagnate or decline and for costs to continue to increase. We have therefore adopted a profit equating to 18% of market sale GDV and 8% on the affordable housing GDV. As per the forward funding model, we have adopted a developer's margin of 10% on GDV. This is at the lower end of what we would expect in this regard. This overall equates to a blended target profit of 12.48% for the scheme.
Timescales	We have assumed the following timing assumptions for Appraisal 1 – Policy Compliant: • Site Purchase – 1 month • Pre-Construction – 2 months to allow for site preparation works and planning. • Construction – 36 months for Block A (BtR) and 18 months for Block B (Sale). • BtR Sales – Block A modelled as a forward fund with sales over construction period] • Market Sales – 11 months - Block B modelled at a sales rate of 6 units per months. Affordable units to sell over this period. First sale post construction. • Total development period – 39 months. We have assumed the following timing assumptions for Appraisal 2 – 100% Private: • Site Purchase – 1 month • Pre-Construction – 2 months to allow for site preparation works and planning. • Construction – 36 months for Block A (BtR) and 18 months for Block B (Sale).

- BtR Sales – Block A modelled as a forward fund with sales over construction period
- Market Sales – 26 months - Block B modelled at a sales rate of 6 units per months. First sale post construction.
- Total development period – 47 months.

8. Benchmark Land Value

8.1 Method

In any typical viability assessment, a benchmark land value is used to assess whether or not a scheme is viable. Paragraph 013 of the PPG states that:

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

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

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

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

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

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

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

The PPG goes on to state that:

"Benchmark land value should:

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

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

There are therefore a number of factors that need to be considered when assessing the Benchmark Land Value (BLV). There is a need to reflect abnormal costs and planning policy, but there is also a need to consider a reasonable minimum level of return in order to incentivise landowners to release their land for development. These factors can be at odds with each other and the PPG is clear that there is a need to *"strike a balance"*[1] between the interests of Local Councils, developers and landowners in order to ensure that land is released for development.

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

[1] Planning Practice Guidance Viability: Paragraph: 010 Reference ID: 10-010-20180724

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

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

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

8.2 Existing Use Value Plus Premium

As mentioned above, the application site is brownfield and extends to approximately 1.77 acres (0.72 hectares).

We understand the previous use of the site included a mixture of commercial and industrial uses. The buildings have been demolished to ground slab.

Given the site currently comprises cleared previously developed land, comprising hardstanding surfaces, the existing use of the site has been assessed as industrial / open storage land.

We set out below transactional evidence for open storage land in Greater Manchester:

Address	Area (Acres)	Price (£)	£ per Acre	Sale Date	Comments
West Egerton Street, Salford	5.1	£6,250,000	£1,225,490	Sep-22	Located within the industrial area in Salford. This parcel of land, formally owned by United Utilities was used as a gas holder site.
Lower Bridgeman Street, Bolton	1.3	£1,800,000	£1,384,615	Jul-22	Purchased by Lok'n'Store. Comprising a cleared brownfield parcel of land in Bolton town centre. Situated in a prominent position adjacent to a new Audi dealership.
Nash Road, Trafford Park	1.2	£1,800,000	£1,500,000	Jul-22	The property is located on Nash Road, in Trafford Park. It comprises a linear parcel of land, which is cleared and is used for storage.
Irlam Wharf Road, Manchester	3.78	£5,055,000	£1,337,300	2022	This is a level but irregular parcel of land, which is surfaced in concrete. It is located on an established industrial estate in Irlam and

					was previously used for container storage.
Crossley Road, Stockport	0.44	£570,000	£1,295,455	Sep-21	Parcel of land adjacent to Discovery Park, an industrial complex in Stockport.

Based on the comparable evidence above, there is a clear tone in the region of £1,200,000 to £1,500,000 per acre for storage land.

We recognise the site does not benefit from motorway proximity; however, the site is conveniently located close to Chester Road (A56), providing a direct link to Manchester City Centre (approximately 1.9 miles), Salford and M60 regional routes. Given this, we had adopted an EUV of £950,000 per acre. From an industrial redevelopment perspective, this is considered conservative with recognition to the technical challenges and abnormal development costs associated with the site.

This provides an existing use value of £1,681,500 for the site.

8.3 Minimum Premium

The value of a site is a key consideration within a viability assessment. Fundamentally, a landowner will sell an asset which has development potential when they consider that the development potential of the site is being fairly reflected within the price being paid. Otherwise, the site will essentially remain in its existing use with no incentive for the landowner to bring the site forward for development. Should landowners view current planning requirements as too onerous, they have the ability to wait for a change in planning policy and to release land at the point at which a minimum level of acceptable return is reached in the future.

With reference to the Viability Assessment associated with the PfE Local Plan, this adopts a premium of 20% in the case of brownfield sites. This is a relatively standard approach to the assessment of a minimum premium when there is an underlying commercial value associated with a site. Whilst landowners are unlikely to do this calculation, when you consider that there is a reasonable level of underlying commercial value, it would be reasonable to assume that the minimum premium above this is a reasonable proportion of the EUV.

The PfE Viability Assessment also adopts a BLV of £15,000,000 per hectare (c. £6,070,000 per acre) for brownfield high density Manchester city centre sites for the highest density schemes. This is based on BLVs that already include a landowner premium with recognition that a value below this may also be appropriate, but that high density schemes will attract a higher premium. We are aware that minimum premiums can be up to 50% for the purpose of viability assessments in Manchester city centre on this basis.

On balance we have adopted a minimum premium of 50% to reflect the high density and prime nature of the site. Based on an EUV of £1,681,500, a 50% minimum premium equates to £840,750.

8.4 Alternative Use Value

The site obtained planning permission in July 2018 for the “Demolition and redevelopment of the site to create a mixed-use development comprising 419 apartments within five new residential buildings rising from 5 to 16 storeys in height together with 2,997 sq. m of commercial / leisure floorspace (A1, A2, A3, A4, B1, D2) at the lower floor levels. The development also includes associated car and cycle parking, hard and soft landscaping and ancillary works” (Ref: 113473/FO/2016).

Following the approval of planning permission, approved demolition works have taken place. We are informed that the planning permission is extant as development has been implemented by the completion of demolition works.

On the basis of the lawful use of the site being residential development land, we understand that residential land values in Castlefield generally range between £15,000 - £20,000 per plot. This would provide a land value of £6,285,000 for 419 dwellings.

We are aware that the previous consent would need amending to be compliant with current building regulations. We therefore consider it reasonable to adopt 75% of this value to reflect both risk and cost. This would provide an overall benchmark land value of £4,700,000 (rounded) for the site.

8.5 Policy Compliant Land Value

The appraisal attached at Appendix 3 is provided on the basis of policy compliant development. This generates a loss of -0.23%.

8.6 Benchmark Land Value

Based on the above methodology, the EUV plus premium approach would provide an overall Benchmark land value of £2,522,000 for the site as per the below:

BLV	£
Existing use value	£1,681,500
Minimum Premium	£840,750
Total	**£2,522,000 (rounded)**

Figure 9: Benchmark Land Value

Given that planning permission has been implemented for residential development, we have adopted a benchmark land value of £4,700,000 for the site, which we consider to be reasonable.

9. Results & Sensitivity Analysis

Appraisal 1: Policy Compliant (Appendix 2)	Given the scale of the scheme and level of capital required to deliver the scheme, we have considered the profitability of the scheme with the BLV as a fixed input into the appraisal to better understand scheme viability. In this case, the BLV of £4,700,000 is just over 2.60% of the total scheme costs, and the appraisal will therefore be very sensitive in respect of the land value. Including the BLV as a fixed cost shows what the profit would be and what commercial view (if any) a developer would need to take to progress with a scheme, when the BLV is fully accounted for. On this basis, the scheme generates a loss of -0.23% on GDV, against a target blended profit of 12.48% on GDV.
Appraisal 2: 100% Private Rented, Market Sale & No S106 **(Appendix 3)**	Given the scale of the scheme and level of capital required to deliver the scheme, we have considered the profitability of the scheme with the BLV as a fixed input into the appraisal to better understand scheme viability. In this case, the BLV of £4,700,000 is just over 2.60% of the total scheme costs, and the appraisal will therefore be very sensitive in respect of the land value. Including the BLV as a fixed cost shows what the profit would be and what commercial view (if any) a developer would need to take to progress with a scheme, when the BLV is fully accounted for. On this basis, the scheme generates a profit margin of 4.44% on GDV, against a target blended profit of 12.48% on GDV. We understand that the applicant is willing to take a commercial view and are committed to the delivery of the scheme on this basis.
Sensitivity Analysis	The RICS Practice Statement requires that all FVAs and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation in respective calculations on viability, having regard to risks and an appropriate return(s). This is to: • allow both the Applicant and decision maker to consider how changes in inputs to a financial appraisal affect viability, and • understand the extent of these results, to arrive at an appropriate conclusion on viability of the application scheme. In this respect we have carried out a sensitivity analysis (see Appendix 3) to show the impact of fluctuations to build costs and sales values on the scheme's viability. We consider the most likely scenario based on forecast data is that sales values are likely to stagnate / decline whilst build cost inflation is set to increase. This results in a worse viability position.

10. Conclusions

We have summarised the appraisal results in comparison to the blended target profit level in the table below:

	Appraisal 1 – Policy Compliant	Appraisal 2 – Proposed 100% PR, MS and No S106
Blended Target Profit on GDV	12.48%	12.48%
Blended Scheme Profit on GDV	-0.23%	4.44%

The appraisals contained within this report represent a robust assessment of the viability of a residential development on the subject site (see Appendix 2 & 3).

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

Given the scale of the scheme and level of capital required to deliver the scheme, we have considered the profitability of the scheme with the BLV as a fixed input into the appraisal to better understand scheme viability.

In this case, the BLV of £4,700,000 is just over 2.60% of the total scheme costs, and the appraisal will therefore be very sensitive in respect of the land value. Including the BLV as a fixed cost shows what the profit would be and what commercial view (if any) a developer would need to take to progress with a scheme, when the BLV is fully accounted for.

On a policy compliant basis, the scheme generates a loss of -0.23% on GDV, against a target blended profit of 12.48% on GDV.

The scheme tested without any affordable housing and S106 contributions, generates a profit margin of 4.44% on GDV, against a target blended profit of 12.48% on GDV. We understand that the applicant is willing to take a commercial view and are committed to the delivery of the scheme on this basis.

Given the conclusions from this appraisal and the policy wording, we are of the opinion that the full policy requirements in respect of affordable housing and S.106 contributions should be relaxed on viability grounds for the proposed development.

11. Compliance

Values can change over a short period of time and our findings should be considered valid for a limited time period. Our conclusions are based on the assumptions provided and information available at the time of the report. We have verified the information relied upon to the best of our ability and relied upon our experience of the property markets. Some information may be unavailable at the time of writing or is provided to us on a verbal or informal basis and the accuracy therefore cannot be guaranteed.

This report is provided for the stated purpose and only for the use of the party to whom it is addressed. It is confidential to the client(s) and may not be disclosed to any other third party without our prior written consent. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report.

Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our prior approval of the form and context in which it will appear.

APPENDICES

Appendix 1 – Proposed Layout Plan



KEY LEGEND

- 1 BED APARTMENT
- 2 BED APARTMENT
- 2 BED DUPLEX
- 3 BED APARTMENT
- 3 BED DUPLEX
- 4 BED DUPLEX
- AMENITY
- BACK OF HOUSE / PLANT
- CIRCULATION

No.	Date	Dwn	Chk	App	Revision or reason for issue
P01.01	21.10.25	JJ	GS	GS	First Issue
P01.02	19.02.26	JJ	GS	GS	ISSUED FOR PLANNING
P01.03	06.03.26	MM	GS	GS	REISSUED FOR PLANNING

DRAFT

General Notes
Do not scale from drawing. Use marked dimensions.
To be read in conjunction with all other Consultant's drawings.
The Architect to be immediately notified of any discrepancies.
Copyright on this drawing retained by the Architect.

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Project Title
NO. 1 CASTLEFIELD

Scale / North Point
1:250 @ A1 0 2.5 5 7.5 12.5M
1:500 @ A3

Drawing Title
BLOCK A & B - GROUND FLOOR GENERAL ARRANGEMENT PLAN

Drawing Number
N1C-DCM-ZZ-00-PL-A-50000

Drawing Purpose
PLANNING

CDE Status S0

Revision P01.03

Appendix 2 – Policy Compliant Appraisal

APPRAISAL SUMMARY — ARGUS SOFTWARE

2607 No 1 Castlefield v3_PC

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Block A - Private BtR	406	271,789	456.84	305,823	124,164,000
Block A - Aff BtR	30	16,630	363.68	201,600	6,048,000
Block B - Private Sale	68	63,161	440.15	408,824	27,800,000
Block B - AFF SO	89	66,893	329.32	247,517	22,029,000
Totals	**593**	**418,473**			**180,041,000**
Purchaser's Costs		1.80%	(2,234,952)		
Effective Purchaser's Costs Rate		0.00%			
				(2,234,952)	
NET DEVELOPMENT VALUE				**177,806,048**	
NET REALISATION				**177,806,048**	
OUTLAY					
ACQUISITION COSTS					
Fixed Price		4,700,000			
Fixed Price			4,700,000		
				4,700,000	
Stamp Duty			224,500		
Effective Stamp Duty Rate		4.78%			
Agent Fee		1.00%	47,000		
Legal Fee			20,000		
				291,500	

CONSTRUCTION COSTS

Construction	**ft²**	**Build Rate ft²**	**Cost**	
Block A - Private BtR	375,607	263.85	99,103,825	
Block A - Aff BtR	22,982	263.85	6,063,883	
Block B - Private Sale	87,287	263.85	23,030,721	
Block B - AFF SO	92,445	263.85	24,391,540	
Totals	**578,321 ft²**		**152,589,968**	
Contingency		3.00%	4,577,699	
				157,167,667
PROFESSIONAL FEES				
Professional Fees		8.00%	12,207,197	
				12,207,197
MARKETING & LETTING				
Marketing - Sale		3.00%	834,000	
				834,000
DISPOSAL FEES				
Sales Legal Fee	157 un	750.00 /un	117,750	
				117,750
TOTAL COSTS BEFORE FINANCE				**175,318,115**
FINANCE				
Debit Rate 5.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				2,900,993
TOTAL COSTS				**178,219,108**
PROFIT				
				(413,060)

2607 No 1 Castlefield v3_PC

Performance Measures

Profit on Cost%	-0.23%
Profit on GDV%	-0.23%
Profit on NDV%	-0.23%
IRR% (without Interest)	3.57%
Profit Erosion (finance rate 5.000)	N/A

Appendix 3 – 100% Private BrR & Market Sale & No S106 Appraisal

APPRAISAL SUMMARY — ARGUS SOFTWARE

2607 No 1 Castlefield v3_Proposed

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Block A - Private BtR	436	288,419	456.71	302,119	131,724,000
Block B - Private Sale	157	130,054	455.73	377,516	59,270,000
Totals	**593**	**418,473**			**190,994,000**
Purchaser's Costs		1.80%	(2,371,032)		
Effective Purchaser's Costs Rate		0.00%			
				(2,371,032)	
NET DEVELOPMENT VALUE				**188,622,968**	
NET REALISATION				**188,622,968**	
OUTLAY					
ACQUISITION COSTS					
Fixed Price		4,700,000			
Fixed Price			4,700,000		
				4,700,000	
Stamp Duty			224,500		
Effective Stamp Duty Rate		4.78%			
Agent Fee		1.00%	47,000		
Legal Fee			20,000		
				291,500	
CONSTRUCTION COSTS					
Construction	**ft²**	**Build Rate ft²**	**Cost**		
Block A - Private BtR	398,589	263.85	105,167,708		
Block B - Private Sale	179,732	263.85	47,422,261		
Totals	**578,321 ft²**		**152,589,968**		
Contingency		3.00%	4,577,699		
				157,167,667	
PROFESSIONAL FEES					
Professional Fees		8.00%	12,207,197		
				12,207,197	
MARKETING & LETTING					
Marketing - Sale		3.00%	1,778,100		
				1,778,100	
DISPOSAL FEES					
Sales Legal Fee	157 un	750.00 /un	117,750		
				117,750	
TOTAL COSTS BEFORE FINANCE				**176,262,215**	
FINANCE					
Debit Rate 5.000%, Credit Rate 0.000% (Nominal)					
Total Finance Cost				3,881,058	
TOTAL COSTS				**180,143,273**	
PROFIT					
				8,479,695	
Performance Measures					
Profit on Cost%		4.71%			
Profit on GDV%		4.44%			
Profit on NDV%		4.50%			

2607 No 1 Castlefield v3_Proposed

IRR% (without Interest)	12.12%
Profit Erosion (finance rate 5.000)	11 mths

Appendix 4 – Cost Plan

Castlefield, Manchester

Cost Plan 03 - RIBA Stage 2

3 June 2026

Revision 3

Inspiring Built Environments

Cost Management
Project Management
Programme Management
Building Surveying
Health & Safety Consultancy
Building Regulations Consultancy

CONTENTS

Section 1 Executive Summary

Section 2 Project Information

Section 3 Elemental Cost Breakdown

Section 5 Assumptions

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Section 7 Risks and Opportunities

Appendix A Detailed Cost Breakdown

Appendix B Information used for this estimate

SECTION 1 | EXECUTIVE SUMMARY

Client	**Kirindolam 8 Limited**
Project	**New Build Residential Development, Comprising 593nr Apartments.**
Location	**Castlefield, Manchester**
RIBA Stage	**Stage 2: Concept Design**
Start on Site	**Q1 2028 (Anticipated)**

Current Cost Estimate	Total GIFA (ft²)	Estimate Total	Cost per m² GIFA	Cost per ft² GIFA	Average Unit Cost
Cost Plan 03	**578,334**	**£152,595,000**	**£2,840**	**£264**	**£257,327**

Cost Breakdown		
Demolition/Enabling	**143,160**	0.1%
Building Works	**96,676,564**	63.4%
Mechanical & Electrical Works	**24,967,306**	16.4%
External Works	**4,585,970**	3.0%
Prelims/OH&P	**26,222,450**	17.2%
Fees	**-**	0.0%
Risk/Contingency	**-**	0.0%
Inflation	**-**	0.0%
Total Project Cost	**152,595,000**	100.0%

Apartment Mix		
1B / 2P	**198**	33%
2B / 3P	**86**	15%
2B / 4P	**264**	45%
2B / 4P (Duplex)	**1**	0%
2B / 4P (TH)	**5**	1%
3B / 6P	**23**	4%
3B / 6P (Duplex)	**3**	1%
4B / 8P (Duplex)	**13**	2%
Total Units	**593**	100%
Average Size	**79.1 m²**	

Key Notes

- All costs are exclusive of VAT.
- No inclusion for risk allowance as per Client instruction, this is to be managed and maintained separately to this estimate.
- No inclusion for inflation as per Client instruction, this is to be managed and maintained separately to this estimate (inflation from September 2025 to April 2026 of 1.5%).
- No inclusion for design team or project team fees as per Client instruction. These fees are to be managed outside of this estimate.
- No inclusion for fees and charges for obtaining Planning Permission, Building Regulations approvals, Higher-Risk Building (Gateway 1-3) charges to associated fees and charges for any surveys, reports or investigations.
- No cost allowance for a Pre-Contract Services Agreement.
- This estimate is based on the current scheme, outlined within the 'documents used' section of this document. The estimated cost is subject to change as the design develops and specifications are finalised.
- Apartment count has increased by 37nr since Cost Plan V01.
- Elements of design relevant to the project stage remain outstanding, such as M&E input, finalised structural information and facade specification, will need to be reviewed commercially to determine the cost impact.
- Cost Plan V03 is reflective of the combining of Blocks B and C into a single Block, which is now referred to as 'Block B'. The previous Block D is now removed.
- Facade designs have amended significantly since Cost Plan V01, and is now a predominantly glazed facade. Block B facade remains as mainly brickwork.
- No allowance for phasing of the works. Assumed all works will be undertaken in a single phase.

SECTION 1 | EXECUTIVE SUMMARY

Cost Breakdown Per Block

A summary of estimated costs per block are shown below, dividing the scheme into Blocks A and B. Within the estimate there are a selection of 'shared costs' which are not explicitly associated to a designated block, however these have been determined on a pre-rata basis depending on the number of units within each block breakdown.

	Estimate Sub-Total (£)	Shared Costs (Pro-Rata Sub-Total) (£)		Estimate Total (£)	Cost per ft² GIFA (£)	Cost per Unit (£)
Current Cost Estimate	**£152,595,000**	**£152,595,000**		**152,595,000**	**£264**	**£257,327**
Block A	£85,851,000	£20,731,000		106,582,000	£264	£317,208
Block B	£38,048,000	£7,465,000		45,513,000	£261	£267,724
Shared Costs	*£28,196,000*					

SECTION 2 | PROJECT INFORMATION

Existing Site Conditions

The existing site is located on the junction of Trentham Street and Ellesmere Street, within the wider area of Castlefield, Manchester. The site is adjacent to the Bridgewater Canal and both train and tram lines to the rear of the site. Existing buildings have been recently demolished, with a small quantity of debris remaining on the site. Previous uses included a mixture of commercial and industrial units, with an established access road remaining in-situ. The site is located in Flood Zone 1 (DeSimone Civil and Structural Report dated 27th August 2025). Information regarding the ground conditions are to be confirmed through a Ground Investigation survey, however at present it is assumed no significantly adverse ground conditions will be encountered.

Overview of Works Scope

The proposed scheme develops a currently vacant brownfield site to form a residential complex comprising 593nr apartments across 2nr blocks. Block A is proposed to span 47-storeys (excluding basement level), with Block B spanning 9-storeys. Residential accommodation comprises a mixture of sizes, including one to four bedroom units, with one and two bed units accounting for 93% of total apartments. Ancillary spaces including commercial, communal, plant and services spaces will be provided alongside the residential dwellings. Externally, 45nr car parking spaces are proposed together with pedestrian walkways and landscaping.

Schedule of Areas

Buildings	**Gross Internal Floor Area**		**Living Space**		**Circulation and Ancillary Areas**		**Amenity Areas**	
	100%		**87%**		**11%**		**2%**	
	ft²	**m²**	**ft²**	**m²**	**ft²**	**m²**	**ft²**	**m²**
Block A	403,743	37,509	353,055	32,800	40,516	3,764	10,172	945
Block B	174,590	16,220	151,577	14,082	21,044	1,955	1,970	183
Buildings Total	**578,334**	**53,729**	**504,632**	**46,882**	**61,559**	**5,719**	**12,142**	**1,128**
Site Area	**Total Site Area**		**Building Footprint**		**Roads / Car Park**		**Footpaths / Landscaping**	
	100%		**39%**		**21%**		**40%**	
	ft²	**m²**	**ft²**	**m²**	**ft²**	**m²**	**ft²**	**m²**
Area 1	77,049	7,158	30,301	2,815	16,028	1,489	30,720	2,854
Site Total	**77,049**	**7,158**	**30,301**	**2,815**	**16,028**	**1,489**	**30,720**	**2,854**

Proposed Contract and Procurement Strategy

The proposed contract is the JCT Design and Build 2024 Edition including current published amendments. A two stage D&B tender is proposed. It is assumed a first stage competitive tender would be undertaken based on a RIBA Stage 3 design, with a second stage negotiated tender based on developed Stage 4 information.

Key Dates (Targeted)*

Anticipated Tender Return	Q2 2027	**Anticipated Start on Site**	Q1 2028
Anticipated Contract Period	36-months	**Anticipated Completion**	Q1 2031

*Allied London to provide an overall Project Programme based on a 36-month Construction duration.

SECTION 3 | ELEMENTAL BREAKDOWN

Floor Area / Functional Unit:	m² GIFA	Units
	53,729	593

Ref	Description	Cost £	Cost Per m² GIFA	Cost Per Unit	% of Total
00	**Facilitating Works**	**143,160**	**3**	**241**	**0.1%**
00.01	Toxic / Hazardous Material Removal	143,160	3	241	0.1%
00.02	Major Demolition Works	-	-	-	0.0%
00.03	Temporary Support to Adjacent Structures	-	-	-	0.0%
00.04	Specialist Ground Works	-	-	-	0.0%
00.05	Temporary Diversion Works	-	-	-	0.0%
00.06	Extraordinary Site Investigation Works	-	-	-	0.0%
01	**Substructure**	**4,634,850**	**86**	**7,816**	**3.0%**
01.01	Substructure	4,634,850	86	7,816	3.0%
02	**Superstructure**	**76,451,094**	**1,423**	**128,923**	**50.1%**
02.01	Frame	6,237,765	116	10,519	4.1%
02.02	Upper Floors	14,888,565	277	25,107	9.8%
02.03	Roof	3,217,690	60	5,426	2.1%
02.04	Stairs and Ramps	1,534,365	29	2,587	1.0%
02.05	External Walls	33,543,100	624	56,565	22.0%
02.06	Windows and External Doors	2,425,125	45	4,090	1.6%
02.07	Internal Walls and Partitions	10,007,704	186	16,876	6.6%
02.08	Internal Doors	4,596,780	86	7,752	3.0%
03	**Internal Finishes**	**11,475,587**	**214**	**19,352**	**7.5%**
03.01	Wall Finishes	5,480,516	102	9,242	3.6%
03.02	Floor Finishes	3,097,012	58	5,223	2.0%
03.03	Ceiling Finishes	2,898,059	54	4,887	1.9%
04	**Fittings, Furnishings and Equipment**	**4,114,750**	**77**	**6,939**	**2.7%**
04.01	Fittings, Furnishing and Equipment	4,114,750	77	6,939	2.7%
05	**Services**	**24,967,306**	**465**	**42,103**	**16.4%**
05.01	Sanitary Installations	3,245,850	60	5,474	2.1%
05.02	Services Equipment	10,722,516	200	18,082	7.0%
05.03	Disposal Installations	-	-	-	0.0%
05.04	Water Installations	-	-	-	0.0%
05.05	Heat Source	-	-	-	0.0%
05.06	Space Heating and Air Conditioning	-	-	-	0.0%
05.07	Ventilation Systems	-	-	-	0.0%
05.08	Electrical Installations	8,947,733	167	15,089	5.9%
05.09	Fuel Installations	-	-	-	0.0%
05.10	Lift and Conveyor Installations	1,370,000	25	2,310	0.9%
05.11	Fire and Lightning Protection	-	-	-	0.0%
05.12	Communication, Security and Control Systems	-	-	-	0.0%
05.13	Specialist Installations	50,000	1	84	0.0%
05.14	Builders Work in Connection with Services	631,207	12	1,064	0.4%

SECTION 3 | ELEMENTAL BREAKDOWN

Floor Area / Functional Unit:	m² GIFA 53,729	Units 593

Ref	Description	Cost £	Cost Per m² GIFA	Cost Per Unit	% of Total
06	**Prefabricated Buildings and Building Units**	**-**	**-**	**-**	**0.0%**
06.01	Prefabricated Buildings and Building Units	-	-	-	0.0%
07	**Work to Existing Buildings**	**-**	**-**	**-**	**0.0%**
07.01	Minor Demolition Works and Alteration Works	-	-	-	0.0%
07.02	Repairs to Existing Services	-	-	-	0.0%
07.03	Damp-proof Courses / Fungus and Beetle Eradication	-	-	-	0.0%
07.04	Facade Retention	-	-	-	0.0%
07.05	Clean Existing Services	-	-	-	0.0%
07.06	Renovation Works	-	-	-	0.0%
08	**External Works**	**4,585,970**	**85**	**7,734**	**3.0%**
08.01	Site Preparation Works	-	-	-	0.0%
08.02	Roads, Paths, Pavings and Surfacings	616,825	11	1,040	0.4%
08.03	Soft Landscaping, Planting and Irrigation Systems	154,700	3	261	0.1%
08.04	Fencing, Railings and Walls	71,800	1	121	0.0%
08.05	External Fixtures	425,225	8	717	0.3%
08.06	External Drainage	527,700	10	890	0.3%
08.07	External Services	2,789,720	52	4,704	1.8%
08.08	Minor Building Works and Ancillary Buildings	-	-	-	0.0%
A	**Facilitating Works and Building Works**	**126,373,000**	**2,352**	**213,108**	**82.8%**
09	**Main Contractor's Preliminaries**	**18,956,000**	**353**	**31,966**	**12.4%**
09.01	Employer's Requirements	18,955,950	353	31,966	12.4%
09.02	Main Contractor's Cost Items	-	-	-	0.0%
09.03	Main Contractor's Cost Items	-	-	-	0.0%
B	**Facilitating Works and Building Works + Preliminaries**	**145,329,000**	**2,705**	**245,074**	**95.2%**
10	**Main Contractor's Overheads and Profit**	**7,266,450**	**135**	**12,254**	**4.8%**
10.01	Main Contractor's Overheads	7,266,450	135	12,254	4.8%
10.02	Main Contractor's Profit	-	-	-	0.0%
C	**Total Construction Cost**	**152,595,000**	**2,840**	**257,327**	**100.0%**
11	**Project and Design Team Fees**	**-**	**-**	**-**	**0.0%**
11.01	Consultants Fees	-	-	-	0.0%
11.02	Main Contractor Pre-Construction Fees	-	-	-	0.0%
11.03	Main Contractors Design Fees	-	-	-	0.0%
D	**Construction Cost + Project and Design Team Fees**	**152,595,000**	**2,840**	**257,327**	**100.0%**
12	**Other Project Costs**	**-**	**-**	**-**	**0.0%**
12.01	Other Project Costs	-	-	-	0.0%
E	**Project Cost Excluding Risk/Contingency and Inflation**	**152,595,000**	**2,840**	**257,327**	**100.0%**
13	**Risk/Contingency**	**-**	**-**	**-**	**0.0%**
13.01	Design Development Risks	-	-	-	0.0%
13.02	Construction Risks	-	-	-	0.0%
13.03	Employer Change Risks	-	-	-	0.0%
13.04	Employer Other Risks	-	-	-	0.0%

SECTION 3 | ELEMENTAL BREAKDOWN

	Floor Area / Functional Unit:	m² GIFA	Units
		53,729	593

Ref	Description	Cost £	Cost Per m² GIFA	Cost Per Unit	% of Total
F	**Project Cost Excluding Inflation**	**152,595,000**	**2,840**	**257,327**	**100.0%**
14	**Inflation**	**-**	**-**	**-**	**0.0%**
14.01	Tender Inflation	-	-	-	0.0%
14.02	Construction Inflation	-	-	-	0.0%
G	**Total Project Cost**	**152,595,000**	**2,840**	**257,327**	**100.0%**

SECTION 5 | ASSUMPTIONS

Where in the 'Information provided for this estimate' there is a lack of project-specific design or there is a choice of elements we have made the following assumptions regarding existing conditions and specification of the works to be constructed. These elements will be reviewed and costs updated as design development progresses, and further, more detailed information about the project becomes available.

Site Preparation and Groundworks

- No allowance has been made for breaking out obstructions, disposal of contaminated material discovered within the ground. Disposal of materials off-site are assumed to be non-hazardous materials, subject to ground investigations being undertaken.
- Block A - Raft foundation sat upon solid rock below ground, which also form the slab to basement level. Secant piled retaining wall with concrete infills.
- Block B - Piled foundations and concrete ground bearing floor slab.
- No significant 'cut and fill' operations required to create a level site as existing topography is understood to be largely unaltered for the development.

Superstructure

- Concrete frame, floors and roofs to all blocks, with SFS infills to external walls.
- Block A - Elevations to include glazed curtain walling system, including back painted spandrel panels and sections of perforated aluminium cladding.
- Blocks B - Elevations to include predominately a brickwork finish (including traditional brickwork and brickwork features), along with perforated aluminium cladding. Floors seven and eight have a black aluminium cladding envelope with feature pitched and flat concrete roof structure.
- Aluminium framed windows and external doors to all blocks.
- Powder coated metal balustrades to Juliet balconies and terraces, glazed balustrade to amenity deck.
- Blockwork walls to plant rooms, cycle stores, bin stores and the like.
- Metal stud partitions to internal apartment walls.
- Reinforced concrete walls to stairs and lift cores to Structural Engineers designs.

Internal Finishes and FF&E

- Bathrooms, shower rooms and WCs to be full height tiling.
- Allowance made for kitchens to include appliances/white goods. Allowance is dependent on apartment size (i.e., greater allowance for 4-bed unit compared to 1-bed unit, assumed larger kitchen to be provided). Tiled backsplash assumed to kitchens to a height of 500mm.
- Allowance made for apartment numbers, wayfinding and statutory signage.
- Cycle storage, refuse, plant and services areas to be painted blockwork, powerfloat concrete floors with floor sealant applied.
- Apartments to comprise LVT to living spaces , internal corridors (including staircases), and cupboards. Carpet to bedrooms.
- Apartment walls to be painted with matt emulsion, except where tiled in bathrooms and kitchen splashbacks/tiling.
- Communal corridor flooring assumed to be LVT, walls to be painted with matt emulsion.
- Amenity areas to be exposed concrete finishes.

Mechanical, Electrical and Plumbing

- Bathrooms, shower rooms and WCs are fitted with standard appliances, no allowance for DDA equipment.
- Bathrooms and shower rooms are tanked and provided with floor drainage for future use as a wet room, if required.
- Plant rooms and risers/voids are of adequate size to suit the required installations.
- Allowance for EV charging provision, subject to finalised quantification and specifications.

Landscaping and External Works

- Acoustic fencing assumed adjacent to the rail line, subject to further design development.
- External surfaces to include tarmac to access roads, permeable block paving and other concrete pavings.
- Planting areas to include buffer and shrub planting, as per landscape drawings.
- External features such as canopies, pergolas, seating and site furniture.

SECTION 6 | EXCLUSIONS

This estimate contains **NO ALLOWANCE** for the following items. The Client should review this list and make financial provision elsewhere if deemed necessary.

Site Preparation and Groundworks

- Any works in connection with breaking up and removing underground obstructions, contaminated ground material removal or treatment, or any other ground improvement unless explicitly stated.
- Any works involving invasive non-native plants removal or treatment (Japanese knotweeds etc).
- Any abnormal ground conditions.
- Any significant 'cut and fill' operations required to create a level site as the existing topography is understood to be largely unaltered for the development.

Superstructure

- Division of amenity areas. Division of amenity blocks is to be determined to meet space requirements during design development.
- Any enhanced vibration or acoustic treatments.
- Bespoke features or the like unless explicitly stated.
-

Internal Finishes and FF&E

- Fit-out works to amenity spaces such as cafés, internal gyms and the like.
- Plaster boarding or decorations to concrete walls within lobbys, amenity areas and stair cores.
- Feature finishes within apartments or communal/amenity spaces.
- Bespoke finishes to 'penthouse' duplex apartments.
- Fittings or furniture within apartments, such as wardrobes, rails and the like (except kitchens and bathrooms as stated, and wardrobes to Block A).
- Loose furniture and fittings, including soft furnishings (such as curtains/blinds).
- Specialist acoustic wall/floor systems above Building Regulation requirements.
- Solar shading to windows, such as internal shutters or the like.

Mechanical, Electrical and Plumbing

- Specialist Mechanical or Electrical installations other than those typical of a project of this nature.
- Smart-home installations or systems.
- DDA equipment.
- Connections to district heating systems or the like.
- Sprinkler systems to community/amenity areas.
- Specialist renewable technologies, unless explicitly stated otherwise.
- Specialist services installations to amenity areas (such as services to suit commercial kitchens).
- Installation of renewable technologies, such as PV panels and the like.

Landscaping and External Works

- General boundary treatments, other than acoustic fencing along the boundary to the rail line.
- Public realm works or off-site works, including to adjacent roadways, waterways or the like.
- Access control systems to the carpark areas, such as automated barriers or the like.
- Works in connection with abnormal drainage requirements / diversions.
- Works in connection with mains services diversions or removal.
- Costs associated with agreements/obligations associated with working adjacent to railway asset infrastructure.

SECTION 6 | EXCLUSIONS

Project and Design Team Fees

- Any Design Team or Project Team fees as per Client request.
- Any Project & Design Team Fees needed for HRB approval through Gateways and Golden Thread.
- Any site investigations or any other surveys as per Client request.
- Any fees or costs associated with a Pre-Contract Services Agreement, or similar contractual arrangement.
- Any inflation, contingency and risk allowance.

Other Project Costs and Charges

- Changes to Building Regulations, Part L 2025 and Building Safety Act including HRBs.
- Works in connection with abnormal planning conditions.
- Works in connection with abnormal fire officer requirements.
- Works to adjoining properties to comply with the provisions of The Party Wall etc Act 1996.
- Works in connection with any Town and Country Planning Act, Section 106 agreements (Planning Obligations).
- Works in connection with any Water Industry Act, Section 104 agreements (Sewer Connection).
- Works in connection with any Water Industry Act, Section 106 agreements (Planning Authority Agreements).
- Works in connection with any Highways Act, Section 38 agreements (Highways Adoption).
- Works in connection with any Highways Act, Section 184 agreements (Vehicle Access).
- Works in connection with any Highways Act, Section 278 agreements (Highways Alterations).
- Works in connection with any geotechnical problem (mining, subsidence etc).
- Works in connection with any ecological issues.
- Flood prevention measures.
- Works resulting from any surveys not yet undertaken.
- Works outside the site boundary (other than those specifically described).
- Noise attenuation measures i.e. for plant. to comply with the any potential Planning noise restriction.
- Specific anti-terrorism measures.
- Out of hours working.
- Restricted hours of working.
- Value Added Tax.
- Land acquisition costs.
- Leasehold premium costs.
- Employer finance costs in connection with funding the project including fund monitoring fees.
- Capital allowances, land remediation relief and grants.
- Financial contributions related to planning consent e.g. Section 106, 278, etc.
- Community Infrastructure Levy (CIL) charges.
- Building Regulations application and inspection fee.
- Any abnormal cost associated with the new Building Safety Act 2022.
- Planning application and associated fees.
- BREEAM requirements.
- Project collaboration or BIM management tool and associated costs.
- Payments for neighbourly agreements.
- Insurance of the works/existing buildings where taken out by the Employer including latent defects insurance.
- Contributions/incentives to potential tenants.
- Legal advice and preparation of contractual agreements.
- Marketing costs i.e. advertising, sales and launch activity.
- No allowance made for any HRB delays
- Multi Phased Delivery excluded (Single Phase only)
- Network Rail Allowances for works close to boundary
- Tenant/ Landlord liaison and management.
- Any risk items or contingency as per Client request. Contingency and risk allowances are to be determined separately to this estimate.
- Building Safety Levy

SECTION 7 | RISKS AND OPPORTUNITIES

Risk Allowances

Design Development Risks

No allowance has been included in the estimate

The risk allowances are to be managed separately to this estimate and are therefore excluded at this stage. As design work progresses, specific risks will be further identified and cost allowances for the works estimated with greater certainty. Consequently the percentage risk allowance allowed separately to this estimate can be gradually reduced as design work is completed and risks are identified, costed, and mitigation plans put in place.

Construction/Procurement Risks

No allowance has been included in the estimate

The risk allowances are to be managed separately to this estimate and are therefore excluded at this stage. This allowance would allow for common sources of cost increase such as unforeseen ground conditions, restrictions on access or buildability, supply chain matters, any other third-party action outside the Main Contractor's control. This risk allowance should be reduced through the procurement stage on the basis of lump sum Design and Build procurement.

Employer Change Risks

No allowance has been included in the estimate

The risk allowances are to be managed separately to this estimate and are therefore excluded at this stage. This amount is specifically to fund changes instructed by the Employer after design has been completed and Main Contractor costs agreed. It is unusual for a project to complete without some change therefore we recommend that consideration be given to making a separate allowance within Employer's internal financial appraisals to cover such occurrences.

Employer Other Risks

No allowance has been included in the estimate

The risk allowances are to be managed separately to this estimate and are therefore excluded at this stage. We recommend the Employer should assess their risk exposure in relation to: completion timescale of the project, changes to availability and cost of funding, liquidation/insolvency of contractors and consultants, third-party decisions and factors e.g. planning, environmental, economic and industrial factors, and set aside funds to deal with such risk possibilities.

Risk Management Recommendations

The following are areas of uncertainty where further investigative or design work could be carried out to allow more informed estimates for the work to be established and included within this estimate.

It should be noted that the impact of removing uncertainty could result in an increase or decrease in cost, depending on the outcome of the action taken.

- Detailed review of any planning conditions in conjunction with the Design Team once planning approval is obtained. This will highlight any unusually restrictive or abnormal Planning requirements, and assess compliance of the current design intent with the Conditions.
- Discussions with the Highways Authority to be held to establish and determine the requirements for site or off site works to be carried out as Section 106, 104 or 278 Agreements.
- Any risks within the Ground due to no available Site Investigation details
- A detailed Fire Risk Assessment and thorough review of the scheme relative to current Building Regulations and Higher Risk Building Regulations needs to be undertaken; this may need to be repeated for any amendments made.
- Full design and due diligence review with relevant consultants i.e. Architect, Structural Engineer and Services Engineer.
- Desire to incorporate further renewables initiatives may impact upon space planning / current consented design.
- Review is required for specific DDA equipment requirements to bathrooms and kitchens within apartments, no allowance currently included.
- Changes to Building Regulations requirements to be incorporated into design development as required.

SECTION 7 | RISKS AND OPPORTUNITIES

- Effects of works on adjacent properties and infrastructure, including access roads, waterways and rail/tram tracks.
- Planning Consent, once obtained, may need to be reviewed to enable new Regulations requirements to be incorporated.
- Location of existing underground services are not known and desktop records can be inaccurate. Obtain plans from statutory services supplier (electric/water/gas/data) and follow up with site survey.
- Archaeology Requirement - No allowance for associated costs are included.
- Obtain quotations from consultants to replace percentage allowance.
- Window details / types to be reviewed relative to acoustic properties.
- Lift provision to be reviewed further for accuracy and structure.
- Extent of scaffolding/oversailing licences to be determined and accounted for.
- Public Realm commitment - clarification required to determine financial impact on the project costs.
- Party wall agreements may be required.
- Network Rail charges due to distance to boundary
- Building Safety Act - HRB Delays
- Right of light to adjacent buildings may be an issue due to the close proximity of new/existing structures.

Opportunities for Value Engineering

The following are suggestions of areas where the design or specification could be altered to achieve better value. Any amendments must be verified by the design team for suitability and adherence to the client's requirements, current regulations or other standards the building is to comply with, and any consequent design changes necessary to the achieve the amendment.

- Option to crush excavated material on-site to utilise as Type 1 material, mitigating the requirement for disposal off-site.
- Option to simplify the roof structure on Block B by removing the concrete pitched roof design, instead opting for a flat roof structure, or replacing the proposed concrete structure with a lightweight steel frame structure.
- Reduction in area of wall tiling within bathroom and WC areas.



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