

85 Rochdale Road, Manchester



Financial Viability Statement – Independent Review

CBRE Limited | National Planning & Development report for:
Manchester City Council

August 2026

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Declaration

The RICS Professional Statement Financial Viability in Planning, September 2019, 1st Edition

Confirmation of conformity with the RICS Professional Statement Financial Viability in Planning, September 2019, 1st Edition, is set out within the following sub-sections.

Instruction and Purpose of Report

CBRE received formal written instruction to act on behalf of Manchester City Council ('the Council') on 29 April 2026.

The purpose of CBRE's instruction is to independently advise the Council as to whether the viability appraisal inputs and assumptions proposed by the Applicant are 'reasonable' based upon CBRE's experience of industry norms and regarding the evidence available at the time of writing.

If it is CBRE's professional view that an alternative input to viability assessment would be appropriate and justifiable, this has been adopted to report the cumulative impact any changes will have on the overall viability of the Development of the Site.

Objectivity, impartiality, and reasonableness

In undertaking this instruction CBRE confirms it has:

- at all times acted impartially, with objectivity, without interference and with reference to all appropriate available sources of information;
- had adequate time to produce the report; and
- has not undertaken an Area-Wide viability assessment concerning existing and future planning policies against which the Development will, in due course be considered.

CBRE has set out a full explanation of the evidence provided with reasoned justification.

CBRE notes the requirement to seek resolution of differences of opinion where possible, should these arise.

Conflict(s) of interest

CBRE confirms, to the best of its knowledge, that no conflict or risk of conflict of interest exists in carrying out this instruction on behalf of the Council in respect of the Site.

Contingent Fee

In preparing this report, no performance related or contingent fees have been agreed.

Status

This report does not constitute a formal valuation and cannot be regarded, or relied upon, as such.

Publication

This report has been prepared on the basis that it is expected to be made publicly available, other than in exceptional circumstances.

Validity

Subject to all site-specific variables remaining constant and in the absence of substantial market or planning policy changes, the inputs to and conclusions of this report remain valid for a period of three months following final publication.

CBRE reserves the right to review both inputs and conclusions following the passing of this period or subject to changes in market conditions or planning policy.

This independent review has been conducted by CBRE on a site-specific basis, and utilising evidential information available at the time of its undertaking.

Given the site-specific nature of assessment, the inputs should not be treated as directly transferable to other assessments undertaken for alternate sites and development schemes.

Personnel

This report has been prepared and approved by the following personnel:

Project Name:	85 Rochdale Road, Manchester		
Project Number:	Date:	Prepared By:	Verified By:
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Executive Summary

In accordance with email correspondence on 29 April 2026, CBRE has been instructed by Manchester City Council (‘the Council’) to conduct an independent review of the viability evidence produced by Savills on behalf of McGoff Group (‘the Applicant’) pertaining to a planning application (Ref: 145583/FO/2026) for:

“Erection of a 17-storey residential apartment building (Use Class C3 (a), with associated access, amenity, landscaping, public realm, infrastructure and other associated works following demolition of existing vacant building on site.” (‘the Proposed Development’).

The Applicant is seeking to demonstrate justification for the delivery of the Proposed Development without the provision of affordable housing on the grounds of financial viability.

The purpose of CBRE’s instruction is to independently advise the Council as to whether the viability appraisal inputs and assumptions proposed by the Applicant are reasonable, and whether the submitted evidence can be relied upon by the Council to determine whether the Applicant’s request is justified on grounds of financial viability.

A tabulated summary of appraisal inputs adopted by Savills and CBRE is provided overleaf in Table ES1.

Table ES1: Viability Assessment Inputs Comparison Summary (Policy Compliant) | Savills & CBRE

Input	Savills	CBRE
DEVELOPMENT VALUE		
Avg 1-Bed BTR ERV ¹	£1,263 PCM (£30.38/ft ²)	£1,263 PCM (£30.38/ft ²)
Avg 2-Bed BTR ERV	£1,670 PCM (£27.73/ft ²)	£1,670 PCM (£27.73/ft ²)
Avg 3-Bed BTR ERV	£2,252 PCM (£24.90/ft ²)	£2,252 PCM (£24.90/ft ²)
APR ² ERV (% of Open Market Rent)	80%	80%
BTR OPEX ³ Deduction	25%	25%
BTR NIY ⁴	4.75%	5.00%
Total GDV (Policy Compliant)	£43,464,066	£41,290,862
Total GDV (Nil Affordable)	£45,330,719	£43,064,183
DEVELOPMENT COST		
Construction Cost	£256.49/ft ²	£243.18/ft ²
Demolition	£100,000	£100,000
Residential FF&E	£3,000 per unit	£5,203 per unit
Contingency	5.00%	5.00%
Professional Fees	8.00%	8.00%
Investment Sales Agent Fees	1.00%	1.00%
Investment Sales Legal Fees	0.50%	0.50%
Purchaser's Costs (Land)	SDLT + 1.50% ⁵	SDLT + 1.80%
Purchaser's Costs (Investment)	2.00%	2.00%
Finance Rate	8.00%	7.50%
BENCHMARK LAND VALUE		
EUV	£377,673	£364,327
Premium	50%	30%
BLV	£566,500	£473,625
DEVELOPER'S PROFIT MARGIN		

¹ Estimated Rental Values (inclusive of floor height premiums)² Affordable Private Rent³ Operational Expenditure⁴ Net Initial Yield⁵ Note: Savills FVA states 1.80% but Savills viability appraisal applies 1.50%

Input	Savills	CBRE
Target Developer’s Profit Margin	15.00% on Cost	15.00% on Cost
RESIDUAL PROFIT MARGIN		
Outturn Profit on Cost (Policy Compliant)	-5.56%	-1.97%
Outturn Profit on Cost (Nil Affordable)	-1.57%	2.27%

1 Introduction

Instruction

- 1.1 In accordance with email correspondence on 29 April 2026, CBRE has been instructed by Manchester City Council ('the Council') to conduct an independent review of the viability evidence produced by Savills ('Savills') on behalf of McGoff Group ('the Applicant') pertaining to a planning application (Ref: 145583/FO/2026) for:

"Erection of a 17-storey residential apartment building (Use Class C3 (a), with associated access, amenity, landscaping, public realm, infrastructure and other associated works following demolition of existing vacant building on site." ("the Proposed Development").

Purpose

- 1.2 The Applicant is seeking to demonstrate justification for the delivery of the Proposed Development without the provision of affordable housing on the grounds of financial viability.
- 1.3 The purpose of CBRE's instruction is to independently advise the Council as to whether the viability appraisal inputs and assumptions proposed by the Applicant are reasonable, and whether the submitted evidence can be relied upon by the Council to determine whether the Applicant's request is justified on grounds of financial viability.
- 1.4 CBRE's instruction is undertaken in accordance with the relevant RICS guidance⁶, National Planning Policy Framework ('NPPF')⁷ and Planning Practice Guidance – Viability ('PPGV')⁸.
- 1.5 CBRE's advice is not a formal RICS opinion of Market Value and does not constitute a Red Book Valuation⁹. It is a guide for feasibility only which, whilst approved for publication by an RICS-qualified Chartered Surveyor, is for the sole use of the Council.
- 1.6 This document is not to be relied upon for lending purposes, taxation, or other financial planning matters¹⁰.
- 1.7 Whilst not constituting a Red Book Valuation, where deemed relevant and appropriated consistency is maintained with the RICS guidance note *Valuation of Development Property 1st edition, October 2019*.

⁶ RICS (2021) *Assessing viability in planning under the National Planning Policy Framework 2019 for England, Guidance Note, 1st Edition, March 2021*

⁷ DLUHC (2025) *National Planning Policy Framework*

⁸ MHCLG (2019) *National Planning Practice Guidance - Viability*

⁹ *It sits outside the RICS Valuation - Global Standards (Red Book Global Standards)*

¹⁰ *CBRE shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this document.*

2 The Site and Development

The Site

- 2.1 The Site is located within the New Town area of Manchester, to the north east of Manchester City Centre, and is bound by Rochdale Road (A664) to the south east, phase 1 of the wider development to the north east and north west, and the Marble Arch public house to the south west.
- 2.2 The Site occupies a prominent position on the A664 (Rochdale Road), a key arterial route connecting Manchester City Centre with the north of Greater Manchester, and is well served by public transport. Manchester Victoria Station lies approximately 1 mile from the Site and Manchester Piccadilly Station approximately 1.2 miles, both offering national rail and Metrolink services, and a number of bus routes serve Rochdale Road directly.
- 2.3 The Site falls within the Victoria North Strategic Regeneration Framework (SRF), which seeks to deliver a mixed-use neighbourhood complementing the adjacent Northern Quarter and Ancoats. The Site benefits from proximity to the NOMA district and Ancoats Urban Village, with Shudehill Interchange and the Northern Quarter within a 10 to 15-minute walk.
- 2.4 CBRE understands that the Site extends to approximately 0.33 acres (0.13 ha) and comprises a commercial building and a surface car park.
- 2.5 CBRE understands that the building at 85 Rochdale Road is vacant and due to be demolished as part of the Proposed Development. It is understood that the car park ceased trading on commencement of the phase 1 works and is presently used as a construction compound.

The Development

- 2.6 The Applicant is seeking full planning approval (ref: 145583/FO/2026) for the following:

 “Erection of a 17-storey residential apartment building (Use Class C3 (a), with associated access, amenity, landscaping, public realm, infrastructure and other associated works following demolition of existing vacant building on site.”
- 2.7 This forms Phase 2 of the wider development.
- 2.8 A summary accommodation schedule for the Proposed Development is provided in Table 2.1 overleaf. A full accommodation schedule is provided within **Appendix A**.

Table 2.1: Summary Accommodation Schedule | Proposed Development

Unit Type	Beds	No. of Units	Avg. NIA (m²)	Avg. NIA (ft²)	Total NIA (ft²)
1A	1	32	44.41	478	15,296
1B	1	18	49.80	536	9,648
2A	2	32	63.36	682	21,824
2B	2	32	67.91	731	23,392
2C	2	32	70.14	755	24,160
3A	3	7	100.80	1,085	7,595
Total:		153	61.88	666	101,915

Source: The Applicant

3 Overview of Applicant's Viability Assessment

Information supplied

3.1 The Applicant's viability evidence as submitted to the Council comprised the following:

- Financial Viability Assessment ('FVA') dated March 2026, prepared by Savills
- Market Research, prepared by Savills
- Phase 1 Summary of Costs, prepared by the Applicant
- Phase 1 Cost Plan Analysis, prepared by the Applicant
- Financial Viability Appraisal, prepared by Savills

Approach

3.2 Savills' viability model follows a development appraisal methodology whereby a Benchmark Land Value (BLV) is entered as a fixed input and the appraisal residualises an outturn developer's return / profit margin.

3.3 Savills' starting point has been to prepare a viability appraisal of the Proposed Development on a policy compliant basis, incorporating a provision of 20% (31 no.) affordable housing, which is assumed to be delivered as Affordable Private Rented ('APR') units (the 'Policy Compliant Scheme').

3.4 Savills has then prepared a second viability appraisal which assesses the Proposed Development on a 100% open market rent basis, incorporating nil affordable housing provision (the '100% Open Market Scheme').

Results

3.5 Savills' Policy Compliant viability appraisal calculates that, when allowing for a fixed BLV of £566,500 and a policy compliant (20%) provision of affordable housing, the Proposed Development generates a residual outturn profit margin of -5.56% on Cost (-5.77% on GDV).

3.6 Therefore, the Savills' FVA states that *"this is significantly lower than the target margin of 15% on cost which would suggest that the proposals cannot support any contribution for affordable housing."*

3.7 Savills' 100% Open Market appraisal calculates that, when reducing the affordable housing provision to nil and allowing for a fixed BLV of £566,500, the Proposed Development generates a residual outturn profit margin of -1.57% on Cost (-1.56% on GDV).

3.8 On this basis, the Savills' FVA concludes that this *"reiterates the unviable position of the proposals even without affordable housing provisions or contributions"*.

3.9 Savills' sensitivity analysis indicates that, on the basis of the 100% Open Market appraisal, the Proposed Development would need to achieve a 0.50% sharpening in the investment yield and a decrease in construction costs of circa. 5% to generate a residual outturn profit margin which exceeds the minimum risk-adjusted developer's return. However, Savills' state that these values are not considered to be achievable at the subject Site in the current market.

- 3.10 Despite this, the Savills' FVA concludes that the Applicant remains committed to delivering the Proposed Development and will engage in an assessment of value engineering to combat the viability challenges facing the Proposed Development.

4 Viability Appraisal Assumptions

Development Value

Residential Rental Values

- 4.1Savills has assessed the market value of the Proposed Development based on disposal and operation as a Build to Rent (‘BTR’) asset.
- 4.2Savills has set baseline ERVs for each unit type, before making adjustments for floor height premiums. Savills has adopted a floor height premium of 0.5% (per floor) from floor 7-16.
- 4.3Savills’ adopted Open Market ERVs (inclusive of premiums) are summarised in Table 4.1 below.

Table 4.1: Summary of Open Market ERVs | Savills Appraisal

Unit	Unit Type	Total Units	Avg. Unit NSA (ft²)	Total NSA (ft²)	Avg. Gross Rent PCM (£/Unit)	Avg. Gross Rent PA (£/Unit)	Total Gross Rent PA (£)	Avg. Gross Rent (£/ft²)
1A	1-Bed	32	478	15,296	£1,221	£14,648	£468,720	£30.64
1B	1-Bed	18	536	9,648	£1,339	£16,068	£289,224	£29.98
2A	2-Bed	32	682	21,824	£1,577	£18,920	£605,430	£27.74
2B	2-Bed	32	731	23,392	£1,678	£20,140	£644,490	£27.55
2C	2-Bed	32	755	24,160	£1,755	£21,056	£673,785	£27.89
3A	3-Bed	7	1,085	7,595	£2,252	£27,019	£189,135	£24.90
Total:		153	666	101,915	£1,564	£18,763	£2,870,784	£28.17

Source: Savills

- 4.4Savills’ Policy Compliant appraisal incorporates a provision of 20% affordable housing (31 no. units), which is assumed to resemble an Affordable Private Rent (‘APR’) tenure, reflecting a rental discount of 20% relative to local market rents.
- 4.5Savills’ adopted Policy Compliant ERVs (inclusive of premiums) are summarised in Table 4.2 overleaf.

Table 4.2: Summary of Policy Compliant ERVs | Savills Appraisal

Tenure	Unit	Unit Type	Total Units	Avg. Unit NSA (ft ²)	Total NSA (ft ²)	Avg. Gross Rent PCM (£/Unit)	Avg. Gross Rent PA (£/Unit)	Total Gross Rent PA (£)	Avg. Gross Rent (£/ft ²)
Open Market	1A	1-Bed	24	478	11,472	£1,228	£14,730	£353,520	£30.82
	1B	1-Bed	18	536	9,648	£1,339	£16,068	£289,224	£29.98
	2A	2-Bed	24	682	16,368	£1,586	£19,026	£456,630	£27.90
	2B	2-Bed	26	731	19,006	£1,685	£20,219	£525,690	£27.66
	2C	2-Bed	24	755	19,630	£1,761	£21,138	£549,585	£28.00
	3A	3-Bed	4	1,085	4,340	£2,253	£27,034	£108,135	£24.92
Open Market Sub-Total:			122	660	80,464	£1,559	£18,711	£2,282,784	£28.37
APR	1A	1-Bed	8	478	3,824	£960	£11,520	£92,160	£24.10
	2A	2-Bed	8	682	5,456	£1,240	£14,880	£119,040	£21.82
	2B	2-Bed	6	731	4,386	£1,320	£15,840	£95,040	£21.67
	2C	2-Bed	6	755	4,530	£1,380	£16,560	£99,360	£21.93
	3A	3-Bed	3	1,085	3,255	£1,800	£21,600	£64,800	£19.91
Open Market Sub-Total:			31	692	21,451	£1,265	£15,174	£470,400	£21.93
Total:			153	666	101,915	£1,500	£17,995	£2,753,184	£27.01

Source: Savills

4.6 Savills' ERVs are based upon a review of new build BTR developments within proximity to the subject Site.

4.7 CBRE has conducted an independent rental market analysis of new build BTR schemes in Manchester City Centre, within proximity to the Site, to retrospectively sense-check Savills' ERV assumptions for the Proposed Development of the Site. Notable comparables include the following:

- **Angel Gardens:** a 466-unit BTR scheme developed by Moda Living in partnership with Apache Capital, completed in Q4 2019 and located approximately 300m south-west of the Site within the NOMA neighbourhood. The 35-storey tower provides a mix of studio, one, two and three-bedroom apartments alongside an extensive amenity offer, including a 24-hour concierge, gym, residents' lounge, private dining room, media and games room, roof gardens, co-working space and car parking. Units are currently marketed at the following asking rents:

- Studios: £1,300 to £1,450 pcm (or £32/ft² to £36/ft²)
- 1-Beds: £1,148 to £1,970 pcm (or £27/ft² to £38/ft²)
- 2-Beds: £1,448 to £2,635 pcm (or £20/ft² to £45/ft²)
- 3-Beds: £2,010 to £2,500 pcm (or £34/ft² to £42/ft²)

CBRE understands that achieved rents at Angel Gardens are in the region of £1,300 pcm to £2,500 pcm, reflecting a blended average of circa. £31/ft².

- **Swan Street House:** a 373-unit BTR scheme (plus 12 serviced apartments) developed by Ridgeback Group and operated under its ila brand, completed in Q4 2024 and located approximately 350m south-

west of the Site. The scheme comprises two towers of 32 and 14 storeys connected by a six-storey plinth, providing one, two and three-bedroom apartments with amenities including a concierge, gym and wellness studio, cinema room, podcast room, residents' lounges, private dining room, co-working space and roof terraces. Units are currently marketed at the following asking rents:

- 1-Beds: £1,300 to £1,435 pcm
- 2-Beds: £1,353 to £1,960 pcm (or £23/ft² to £31/ft²)
- 3-Beds: £1,892 to £2,450 pcm (or £23/ft² to £32/ft²)

CBRE understands that achieved rents at Swan Street House are in the range of £1,350 pcm to £2,400 pcm, reflecting a blended average of circa. £30/ft².

- **Poplin:** a 144-unit BTR scheme developed by Mulbury City, owned by Cheyne Capital and operated by Native Residential, completed in Q3 2023 and located approximately 300m south of the Site. The 12-storey building on Oldham Road provides one, two and three-bedroom apartments, with 35% of homes reserved for local key workers at discounted rents. Amenities include a concierge, residents' lounge, co-working space, private dining room, a 10-storey atrium and a communal roof terrace. Units are currently marketed at the following asking rents:

- 1-Beds: £1,260 to £1,350 pcm (or £29/ft² to £31/ft²)
- 2-Beds: £1,450 to £1,520 pcm (or £25/ft² to £27/ft²)

CBRE understands that achieved rents at Poplin are in the region of £1,275 pcm to £2,200 pcm, reflecting a blended average of £28/ft².

- **Bendix:** a 161-unit BTR scheme developed by Mulbury and forward-funded by Europa Capital, completed in Q4 2024 and located approximately 275m south-east of the Site. The 12-storey building on Bendix Street provides one, two and three-bedroom apartments targeted at mid-market rents, with amenities including a concierge, gym, residents' lounges, co-working space, an extensive roof terrace and secure cycle storage. Units are currently marketed at the following asking rents:

- 1-Beds: £1,195 to £1,400 pcm (or £31/ft² to £33/ft²)
- 2-Beds: £1,410 pcm (or £25/ft²)
- 3-Beds: £1,995 to £2,120 pcm (or £26/ft² to £27/ft²)

CBRE understands that achieved rents at Bendix are in the region of £1,280 pcm to £2,150 pcm, reflecting a blended average of circa. £27/ft².

- **Broadside:** a 274-unit BTR scheme delivered by Balfour Beatty in Q3 2020 and acquired by Citra Living (part of Lloyds Banking Group) in 2024, located approximately 250m south of the Site. The scheme comprises two blocks of eight and 10 storeys positioned around a landscaped courtyard, providing one, two and three-bedroom apartments with amenities including a 24-hour concierge, residents' lounge, co-working space, fitness studio and two roof terraces incorporating private dining pavilions. Units are currently marketed at the following asking rents:

- 1-Beds: £1,145 to £1,350 pcm (or £27/ft² to £31/ft²)
- 2-Beds: £1,350 to £1,820 pcm (or £27/ft² to £28/ft²)
- 3-Beds: £2,250 to £2,370 pcm

CBRE understands that achieved rents at Broadside are in the region of £1,350 pcm to £2,250 pcm, reflecting a blended average of £27/ft².

- **Ancoats Gardens:** a 155-unit PRS scheme developed by Beech Holdings, completed in Q3 2022 and located on Rochdale Road approximately 150m south-west of the Site. The scheme provides one, two and three-bedroom apartments finished to a high specification, with amenities including a concierge, duplex gym, residents' lounge, co-working space, coffee shop and rooftop gardens. Units are currently marketed at the following asking rents:
 - 1-Beds: £875 to £1,375 pcm (or £19/ft² to £35/ft²)
 - 2-Beds: £1,700 to £1,899 pcm (or £26/ft² to £32/ft²)

4.8 A copy of the residential rental market data is provided at **Appendix B**.

4.9 Having considered the local market evidence, and that presented by Savills, it is CBRE's professional opinion that the ERVs adopted by Savills at the Proposed Development are reasonable in the current market, taking into account the location and scale of the development, floor height / outlook, a high-quality new-build fit-out specification, level of resident amenity offer, and expectation of professional, on-site management within a dedicated BTR product.

4.10 CBRE is also in agreement with Savills' approach to the ERVs of the affordable units, whereby the rental value is set at a rental discount of 20% relative to local market rents.

4.11 On this basis, CBRE has adopted these ERVs within the independent viability review.

Operational Expenditure and Voids

4.12 Savills has reduced the total gross annual residential ERV by 25% to reflect the projected operational management costs and voids at the Proposed Development, stating that this level of operational expenditure is in line with other new build assets in which Savills has been involved. This equates to a rate per unit of £4,691 per annum on an open market rent basis.

4.13 In CBRE's experience, an allowance of 25% - 28% is reasonable on high quality regional assets, incorporating an allowance for void turnover and bad debt provisions (typically circa 2-3% at stabilisation). Savills' allowance is consistent with CBRE's Residential Valuation's current benchmarks rates on high specification institutional grade BTR assets.

4.14 On this basis, CBRE accepts Savills' allowance of 25% for operational expenditure and voids, and this is adopted within CBRE's independent viability review.

Total Net Revenue

4.15 Savills state that the Proposed Development is expected to be debt funded, with exit upon practical completion ('PC'). CBRE interprets this as reflecting a forward commitment/sale arrangement.

4.16 Savills present a range of stabilised, forward fund, and forward purchase BTR investment transactions from Manchester and the North West, reflecting investment yield in Manchester ranging from 3.65% - 5.00%. Savills' evidence presents forward fund deals in Manchester in the order of 4.50% - 5.00% in recent years. However, Savills notes that recent transactional activity has been limited and that yields have softened since a number of the reported transactions completed.

4.17 On this basis, Savills has optimistically capitalised the total net rental income at a net initial yield of 4.75%, reflecting the subject Site's situation in central Manchester. This results in a residential GDV of £45,330,719 (or £444.78/ft²) under the 100% Open Market scenario and £43,464,066 (or £426.47/ft²) under the Policy Compliant scenario.

4.18 The transactional evidence outlined by Savills' accords with CBRE's latest understanding of BTR investment yields in Manchester.

- 4.19 However, as Savills note, prime BTR yields have softened over recent months, driven by the deterioration in the macro-economic environment following the onset of the US-Iran conflict at the end of February 2026, and associated weakened investor confidence. CBRE's July 2026 Investment Yield Guide confirms sentiment for multi-family residential has weakened, with prime Regional Cities multi-family BTR yields softening from 4.50% to 4.65% between April and May 2026.
- 4.20 Knight Frank's July 2026 Prime Yield Guide also reports a weakening trend, with prime Tier 1 Regional Cities BTR yields shifting outward from 4.50% to 4.50 - 4.75% in May 2026.
- 4.21 At the time of production (March 2026), CBRE considers that Savills' assumption of a NIY of 4.75% was reasonable. However, taking into account the softening of BTR yields over the intervening period, it is CBRE's professional opinion that in present market conditions a **stabilised** net initial yield of c. 4.50-4.75%+ would be considered appropriate for the Proposed Development of the Site, assuming it was operational and stabilised at the present date.
- 4.22 When reviewing yield guides it is essential to draw the distinction that these represent published investment yields on a stabilised basis. Unstabilised yields will price a discount to allow for factors including the additional cost of mobilisation, the cost of capital, and deductions to stabilised annual rent that will be incurred prior to an asset stabilising (i.e. lease up/void). CBRE's current in-house view is that unstabilised funding yields are typically softer than stabilised yields by circa 50bps.
- 4.23 On this basis, CBRE has adopted a net initial yield of 5.00% for the Proposed Development, reflecting the anticipated delivery route of the Applicant. This is optimistic in the current market given the softening of BTR yields in recent months. This generates a capital value, on a net basis, of over £414/ft² or £275,931 per unit assuming full open market rents - which is a strong assumption of capital value in comparison to equivalent vacant possession values ('VPVs'), which represent a recognised valuation underwrite in a thin investment market.

Development Costs

- 4.24 For the purposes of the FVA, Savills has relied upon an Elemental Cost Summary for Phase 1 of the development (provided by the Applicant) as a pro-rata basis of cost for the Proposed Development (i.e. Phase 2).
- 4.25 The Phase 1 costs total £52.7m, equating to £311.91/ft², including base construction cost, site clearance and enabling works, main contractor's preliminaries (15.5%), main contractor's OH&P (5%), and design fees, but excluding contingency.
- 4.26 Savills' state that site clearance costs are excluded from the pro-rata estimate of Phase 2 costs, and that design fees are removed and included under a separate professional fees allowance.
- 4.27 On this basis, Savills' pro-rata estimate of construction costs for Phase 2 is summarised in Table 4.3 overleaf.

Table 4.3: Summary of Savills' Construction Costs | Proposed Development

Cost Item		Total Cost (£)	Average Cost (£/ft ²)
Superstructure		£14,609,180	£110.12
Internal Finishes		£5,951,397	£44.86
M&E Installations		£5,603,812	£42.24
Base Build Cost		£26,164,389	£197.22
External Works		£2,074,896	£15.64
Total Build Cost		£28,239,285	£212.86
Preliminaries	15.50%	£4,376,651	£32.99
OH&P	5.00%	£1,411,566	£10.64
Total Construction Cost:		£34,027,502	£256.49

Source: The Applicant; Savills

4.28 On this basis, Savills adopt a total construction cost of £34,027,502.

4.29 Savills also make the following separate cost allowances:

- Demolition: £100,000
- Residential Furniture & Fit-Out ('FF&E'): £459,000 (£3,000 per unit)

4.30 CBRE / Turner & Townsend ('T&T') Quantity Surveying ('T&T QS') team has been instructed to provide an independent review of the costs adopted by Savills. T&T QS has produced a Scott Schedule which provides adjustments to the rates adopted within the Savills FVA, with supporting commentary. A copy of the cost review is provided within **Appendix C**.

4.31 T&T QS conclude that, overall, the total construction cost of £34m (£256.49/ft²) is broadly in line with the market data observe by T&T QS. However, T&T QS' independent opinion of cost, reflecting a benchmarking of market data, reflects a total construction cost of £32,261,055, which equates to £243.18/ft².

4.32 On this basis, CBRE has adopted a total construction cost of £32,261,055 within the independent viability review.

4.33 T&T QS consider an allowance of £100,000 to be reasonable. CBRE has adopted this within the independent viability review.

4.34 T&T QS consider an allowance of £459,000 (or £3,000 per unit) for residential FF&E to be below their expectations, based on market benchmark data. T&T QS consider an allowance of £795,996 (or £5,203 per unit) to be appropriate, based on an average benchmark cost of £6.00/ft².

4.35 In sum, T&T QS' independent cost review reflects a reduction in total costs of -£1,429,451, as summarised in Table 4.4 overleaf.

Table 4.4: Summary of T&T QS Cost Review | Proposed Development

Cost	Savills' FVA	T&T QS Independent Review	Delta
Superstructure	£14,609,180	£18,573,240	+£3,964,060
Internal Finishes	£5,951,397	£1,989,990	-£3,961,407
M&E Installations	£5,603,812	£5,041,308	-£562,504
Base Build Cost	£26,164,389	£25,604,538	-£559,851
External Works	£2,074,896	£1,061,328	-£1,013,568
Total Build Cost	£28,239,285	£26,665,866	-£1,573,419
Preliminaries	£4,376,651	£3,979,980	-£396,671
OH&P	£1,411,566	£1,615,209	+£203,643
Total Construction Cost:	£34,027,502	£32,261,055	-£1,766,447
Demolition	£100,000	£100,000	£0
Residential FF&E	£459,000	£795,996	+£336,996
Total Development Cost:	£34,586,502	£33,157,051	-£1,429,451

Source: The Applicant; T&T QS

Contingency

- 4.36 The Savills' FVA includes a contingency allowance of 5%, which equates to £1,701,375. However, this is applied solely to the total construction cost of £34m.
- 4.37 T&T QS maintain an allowance of 5% for contingency within the independent cost review.
- 4.38 It is CBRE's view that the contingency allowance should be applied to all development costs, including the total construction cost, demolition, and FF&E.
- 4.39 On this basis, CBRE has included a contingency allowance of 5%, which equates to £1,657,853, when applied to all development costs.

Professional Fees

- 4.40 Savills' FVA incorporates an allowance for professional fees costs of 8%, which equates to £2,758,920. In this case, Savills' allowance is applied to the total construction cost and the FF&E cost.
- 4.41 T&T QS deem a 5.00% allowance is appropriate for post-planning professional fees, based on T&T QS' benchmark data and depending upon the procurement / tender route of the Proposed Development.
- 4.42 To account for pre-planning and planning application professional fees, CBRE has adopted an overall allowance of 8.00%, applied to the total construction cost and demolition costs. This equates to a sum of £2,588,884.

Investment Disposal Costs

- 4.43 Savills' FVA includes an allowance of 1.00% of GDV to account for the investment sales agents fee associated with the disposal of the BTR asset at PC.
- 4.44 CBRE considers this to be a reasonable assumption and CBRE has adopted this within the independent viability review.
- 4.45 Savills' FVA includes an allowance of 0.50% of GDV to account for the investment sales legal fees.

4.46 CBRE considers this to be a reasonable assumption and CBRE has adopted this within the independent viability review.

Finance

4.47 Savills’ FVA includes a debt finance rate of 8.00% on 100% of the land and construction costs (representing the default finance structure within Argus Developer software), stating that *“this allows for the cost of borrowing and opportunity cost of capital.”*

4.48 Whilst CBRE does not consider Savills’ assumption to be unreasonable, CBRE considers that 7.50% represents the minimum cost of capital for financing the development via the market, accounting for arrangement, monitoring, and related fees / credits when assuming that the project is 100% levered (debt funded).

4.49 As such, CBRE has adjusted the finance rate accordingly to 7.50% within the independent viability review.

Developer’s Return

4.50 Savills’ FVA confirms that the Site is going to be delivered as a BTR product and funded through senior debt, and states that *“commercial investors usually require developers to make between 10% and 15% profit on cost for a BTR scheme.”*

4.51 Savills state that the Applicant has confirmed that to obtain the required senior debt finance, a developer’s return of 15% on cost is required.

4.52 On this basis, Savills adopts a target risk-adjusted developer’s return of 15% on Cost.

4.53 Reflecting upon the risk commensurate with delivery of the Proposed Development under the Applicant’s anticipated route, under current market conditions, CBRE considers Savills’ assumption to be reasonable.

4.54 This is adopted within the independent viability review.

Development Programme

4.55 The development programme reported in Savills’ FVA and adopted within Savills’ appraisal are not consistent. Table 4.5 summarises these below.

Table 4.5: Savills Development Programme | Proposed Development

Development Stage	Timescale (FVA)	Timescale (Appraisal)
Purchase	Month 1	Month 1
Pre-Construction	Months 2-7 (6 months)	Months 2-7 (6 months)
Construction	Months 8-34 (27 months)	Months 8-31 (24 months)
Letting	-	Months 32-37 (6 months)
Sale	Month 35 (1 months)	Month 38 (1 months)

Source: Savills; The Applicant

4.56 Given that Savills’ conclusions are reflective of the timescales adopted within the appraisal, CBRE has assumed that these timescales are correct.

- 4.57 Given the relatively modest demolition requirements, and the Applicant’s existing presence at the Site, CBRE has reduced the pre-construction period from 6 months to 3 months.
- 4.58 CBRE considers that a 24 month construction period is reasonable for a development of this scale.
- 4.59 Given it is assumed that the Proposed Development is to be transferred on a vacant/complete basis via at PC (reflecting the forward commitment/sale arrangement), CBRE considers it unnecessary to allow for a letting period (lease-up is reflected in the yield). Given the absence of this allowance within Savills’ reporting, CBRE considers this to be an erroneous allowance within Savills’ appraisal.
- 4.60 However, the presence of this additional period, in which no costs or revenues occur, results in an additional £1,726,129 in finance costs in Savills’ Policy Compliant appraisal, due to the prolonged roll-up of interest costs between PC and disposal within the appraisal cash flow. This understates the viability of the Proposed Development.
- 4.61 As such, CBRE has removed the letting period. CBRE’s adopted development programme is summarised in Table 4.6 below.

Table 4.6: CBRE Development Programme | Proposed Development

Development Stage	Timescale (Appraisal)
Purchase	Month 1
Pre-Construction	Months 2-4 (3 months)
Construction	Months 5-28 (24 months)
Sale	Month 29 (1 months)

Source: CBRE

5 Site Value (or 'Benchmark Land Value')

BLV

- 5.1 Establishing the minimum level of financial return at which a reasonable landowner would be willing to release their land for development represents a critical component of a viability assessment.
- 5.2 PPGV defines this as the 'benchmark land value' ('BLV'), which should be established on the basis of the existing use value ('EUV') of the land, plus a premium for the landowner. This approach is referred to as the 'existing use value plus' ('EUV+'). PPGV confirms that the premium (i.e. 'plus') 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 comply with policy requirements'¹¹.*
- 5.3 PPGV confirms that the BLV should be calculated as follows. It should:
- be based upon existing use value;
 - allow for a premium to landowners (including equity resulting from those building their own homes);
 - reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees; and
 - be informed by market evidence including current uses, costs and values wherever possible.
- 5.4 Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance.
- 5.5 It proceeds to confirm that the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any CIL charge should be taken into account¹².
- 5.6 PPGV also confirms that alternative uses can be used in establishing the BLV. For the purposes of viability assessment the AUV refers to:
- '...the value of land for uses other than its existing use.'¹³*
- 5.7 Where there is no implementable alternative permission upon which to calculate the AUV, plan makers can set out circumstances where AUV is used. Examples of such circumstances included in PPGV (whilst not exhaustive) are:
- if there is evidence that the alternative use would fully comply with development plan policies;

¹¹ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 013

¹² MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014

¹³ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

- if it can be demonstrated that the alternative use could be implemented on the site in question;
 - if it can be demonstrated there is market demand for that use; and
 - If there is an explanation as to why the alternative use has not been pursued.
- 5.8 Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. PPGV confirms the Government’s position that valuation based on AUV includes the premium to the landowner (i.e. the AUV is equal to the EUV+ as a BLV)¹⁴.
- 5.9 PPGV clearly states that where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan¹⁵.

Savills’ BLV

5.10 Savills’ FVA has followed the EUV+ methodology to determine the BLV for the Site.

5.11 Savills confirm that the subject Site currently comprises three uses, as summarised in Table 5.1 below.

Table 5.1: | Subject Site

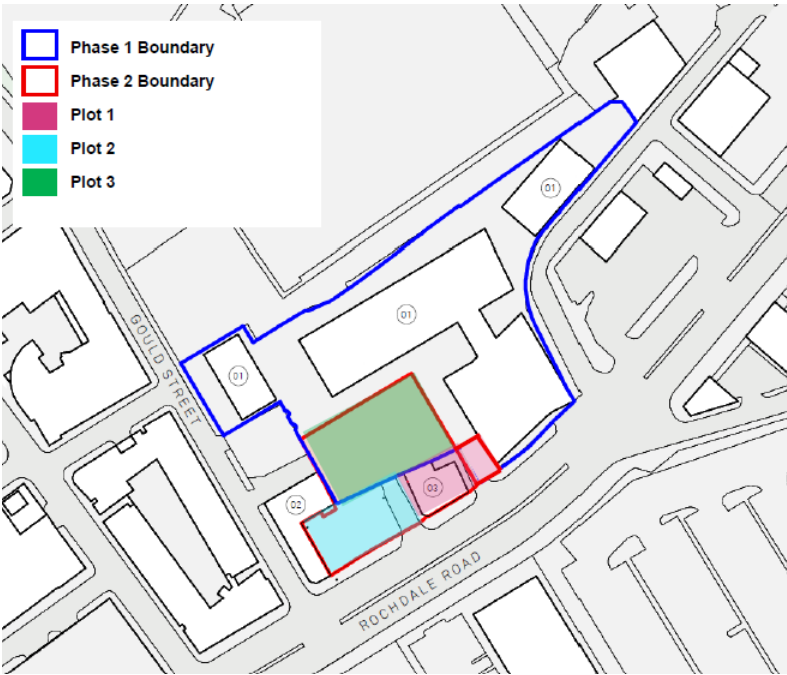
Plot	Use / Description
1	85 Rochdale Road: - Ground floor: retail use - First floor: 3-bedroom residential apartment
2	Car Park: - Tarmacadam surface car park for up to 15 spaces - Currently used as a construction compound for Phase 1
3	Area of Phase 1: - 0.07 Ha (0.18 Acres) of land - Formed part of Phase 1 works to provide open green space

Source: Savills; The Applicant

5.12 For reference, CBRE has extracted Savills’ figure 5.1 below, which presents a site plan identifying these plot uses.

¹⁴ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

¹⁵ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014



Source: Savills; The Applicant

5.13 Savills’ assess the EUV of each plot individually.

EUV: Plot 1

5.14 Savills’ FVA confirms that Plot 1 comprises 85 Rochdale Road, a former public house which has most recently been used as a ground floor retail unit with an upper floor 3-bedroom apartment.

5.15 Savills’ FVA provides the following accommodation schedule for the existing building:

Table 5.2: Existing Accommodation Schedule | Plot 1

Floor	Use	NIA (ft²)
Ground	Retail	1,650
First	3-bedroom apartment	1,650
Total		3,300

Source: Savills; The Applicant

5.16 Savills confirms that the property is vacant, subject to demolition as part of the delivery of the Proposed Development.

5.17 On this basis, Savills’ FVA firstly undertakes an assessment of achievable ERVs for the ground floor retail floorspace and the 3-bedroom apartment.

5.18 To determine an appropriate retail ERV, Savills undertook a comparable analysis of retail rental evidence, identifying a rental tone of between £15.00 to £25.00/ft². Savills note that this evidence primarily comprises ground floor commercial elements of new build residential blocks.

- 5.19 Considering the more peripheral location of the subject Site and the spatial restrictions of the historical building, Savills Retail advised an achievable rent of between £12.50 to £15.00/ft².
- 5.20 On this basis, Savills apply an ERV of £12.50/ft² to the 1,650ft² retail floorspace, with a 6 months' rent free and tenant incentivisation period and a 12 months void period also applied.
- 5.21 Savills then considers the achievable ERV of the first floor apartment.
- 5.22 Savills states that there is no comparable evidence of 3-bedroom apartments for lease within the area, reflective of the type, size, and condition of the subject Site.
- 5.23 Savills confirms that the majority of 3-bedroom rental apartments are within purpose-built developments, more akin to the Proposed Development, at which 3-bedroom rents typically range from £1,500 - £3,000 PCM.
- 5.24 On this basis, Savills discount the rental value of the first floor apartment, to reflect the poor condition of the subject property, which is currently vacant and requiring significant refurbishment. Therefore, Savills apply an ERV of £600 PCM to the first floor 3-bedroom apartment.
- 5.25 Savills' FVA confirms that this results in an ERV of £27,825 per annum for Plot 1, as summarised in Table 5.3 below.

Table 5.3: Savills ERVs | Plot 1

Floor	Use	NIA (ft ²)	Adopted ERV	ERV PA
Ground	Retail	1,650	£12.50/ft ²	£20,625
First	3-bedroom apartment	1,650	£600 PCM	£7,200
Total		3,300		£27,825

Source: Savills; The Applicant

- 5.26 To arrive at an EUV for Plot 1, Savills then consider comparable retail investment evidence, to inform an appropriate investment yield assumption.
- 5.27 Savills' FVA presents four comparable secondary high street retail investment transactions from across Greater Manchester, which reflect net initial yields ranging from 7.00% to 11.14%.
- 5.28 Savills confirms that there is limited availability of investment evidence of secondary retail transactions within the North West.
- 5.29 Based on advice from Savills Investment, Savills capitalise the total gross annual rent at a yield of 12.00%, reflecting the location of the subject property and the capital investment required to bring the property into a lettable condition.
- 5.30 Savills' FVA states that this equates to an EUV for Plot 1 of "**£216,108** (net of purchaser's costs at 6.8%)."
- 5.31 CBRE note that Savills' allowance for 6 months' rent free incentive and 12 months letting void has not been factored into this calculation. Furthermore, CBRE highlights that Savills' application of full purchaser's costs (6.80%) is erroneous in this case, as the capital value would not incur full SDLT costs.

EUV: Plot 2

- 5.32 Savills' FVA confirms that Plot 2 comprises a surface tarmacadam white line pay and display car park, with capacity for 15 spaces. Savills note that the car park has ceased trading upon commencement of Phase 1 works, whereby the site is temporarily used as a construction compound.
- 5.33 On this basis, Savills' assess the EUV of Plot 2 on the basis of a car park.
- 5.34 Savills undertake a comparable analysis of nearby car parks to determine an appropriate daily rate.
- 5.35 Savills' analysis identifies five local surface car parks, with daily rates ranging from £4.00 - £8.50.
- 5.36 On this basis, Savills' adopt a daily rate of £6.00. Savills then reduce this by 20% to allow for VAT, which Savills' FVA states results in a daily rate (net of VAT) of £4.80.
- 5.37 Reflecting Savills' assessment of nearby car parks during the daytime, Savills' apply an occupancy rate of 90%.
- 5.38 On this basis, Savills calculate a gross annual income of £23,652.
- 5.39 Savills then deduct the annual costs of Business Rates (2025/26 rates) and deduct an allowance for operating costs of 20% of the gross annual turnover.
- 5.40 To arrive at an opinion of an appropriate investment yield, Savills consider other EUV assessments of car parks elsewhere in Manchester. Based on nine comparable assessments, Savills adopt a yield of 10% for the subject site.
- 5.41 On this basis, Savills' FVA calculates a gross investment value for Plot 2 of £150,070. Savills then deduct purchaser's costs of 6.8% to arrive at an EUV of **£139,865**, equating to £9,324 per space.
- 5.42 CBRE notes that Savills' application of full purchaser's costs (6.80%) is erroneous in this case, as the capital value would not incur full SDLT costs.
- 5.43 Savills EUV for Plot 2 equates to £9,324 per space, which Savills state is a lower value reflective of a car park site to the north east of Manchester City Centre.

EUV: Plot 3

- 5.44 Savills' FVA confirms that Plot 3 comprises an area of land originally part of Phase 1 to provide open green space. Savills confirms that the revised plan to incorporate Phase 2 results in the open green space being repositioned within the site over an area across both Phase 1 and Phase 2.
- 5.45 On this basis, Savills assess the EUV of Plot 3 as 'green space'.
- 5.46 Savills states that green space is rare to transact, with transactional evidence being very difficult to obtain.
- 5.47 As a result, Savills had regard to the '*Greater Manchester Spatial Framework Strategic Viability Report Stage 1 September 2020*'. This is the viability evidence base which supports the adopted Places for Everyone joint development plan.
- 5.48 Savills' FVA confirms that the GMSF Viability Report estimates agricultural land in Greater Manchester at £22,500 per hectare, and suggests greenfield premium multipliers of 10-20 times agricultural land values. On this basis, the GMSF Viability Report supports greenfield BLVs in the range of £225,000/ha to £450,000/ha.

- 5.49Savills' FVA also confirms that the GMSF Viability Report estimates 'edge of settlement' greenfield sites to sit in the middle of this range, reflecting a BLV of £310,000/ha and a premium multiplier of 15x agricultural EUV.
- 5.50Savills' state that the edge of settlement assessment best reflects the subject site and therefore apply a value of £310,000/ha to the 0.07 ha of Plot 3, generating a total value of £21,700.
- 5.51Savills' FVA states that the EUV of Plot 3 would be in the order of **£21,700**.
- 5.52CBRE would highlight that by applying the GMSF Viability Report value of £310,000/ha, Savills has already accounted for a premium (in excess of EUV as a multiplier), and this figure reflects the EUV+ (i.e. BLV) for Plot 3.

Total EUV

- 5.53Based on Savills' assessment of the plots, Savills' FVA reports a total EUV of **£377,673**, as summarised in Table 5.4 below.

Table 5.4: Total EUV | Savills FVA

Plot	Use / Description	EUV
1	Ground floor retail & first floor 3-bedroom apartment	£216,108
2	Surface car park	£139,865
3	0.07 Ha green space	£21,700
Total		£377,673

Source: Savills; The Applicant

Landowner Premium

- 5.54To arrive at an appropriate premium, Savills' has had consideration for evidence from various sources, including land transactions and FVA evidence.
- 5.55Whilst noting the difficulty in comparing land transactions, Savills' FVA presents nine residential land transactions in Manchester, Salford, and Trafford, which reflect values in the region of £15,000 - £25,000 per plot.
- 5.56Savills' state that the transaction at Broadways, Rochdale Road, Manchester, which achieved a plot value of £15,865 per plot. On this basis, Savills' suggest it could be argued that a minimum price of £15,000 per plot would be appropriate at the subject Site.
- 5.57Savills' FVA states that this would reflect a BLV of £2,175,000 for the subject Site. However, this reflects a value of £14,216 per plot and CBRE is therefore unable to verify this figure. Savills' FVA then states that this would equate to a premium allowance of £1,856,666, based on an EUV of £318,334, which Savills' calculates as a premium of 5.83 x EUV or 583%. These figures do not align with Savills' EUV assessment.
- 5.58Savills then provide BLV evidence from 16 applications within Manchester, which Savills have reviewed on behalf of MCC, which reflect BLVs from £4,412 to £15,000 per plot, reflecting premiums ranging from 20% to 50%.
- 5.59On this basis, Savills consider 50% to represent an appropriate premium to incentivise a reasonable landowner to release the site for development.

- 5.60Savills apply this premium to Savills’ stated EUV of £377,673, which Savills’ calculates generates a premium of £188,837.
- 5.61Savills states that this generates a BLV of £566,500, which equates to £3,703 per plot, which is below the BLVs reported by Savills.

EUV+

- 5.62Based on the above methodology, Savills estimate an EUV+ for the Site of £566,510. On this basis, Savills adopt a rounded BLV of **£566,500**.

AUV

- 5.63Savills do not put forward an AUV assessment.

CBRE’s BLV

EUV: Plot 1

- 5.64CBRE has reviewed the Planning Statement and Design and Access Statement (‘DAS’) for the Proposed Development, to determine the condition of the existing premises within Plot 1.
- 5.65Section 1.2 of the DAS confirms that the internal condition of the ground floor retail premises is very poor, with significant capital works required to return this to a lettable state. The first floor apartment also appears in poor condition. CBRE has extracted internal images from the DAS below.



Source: Jon Matthews Architects; The Applicant

5.66 CBRE has undertaken an independent analysis of comparable retail rental evidence, to validate Savills' assumption of achievable ERVs. CBRE's comparable evidence is summarised in Table 5.5 below.

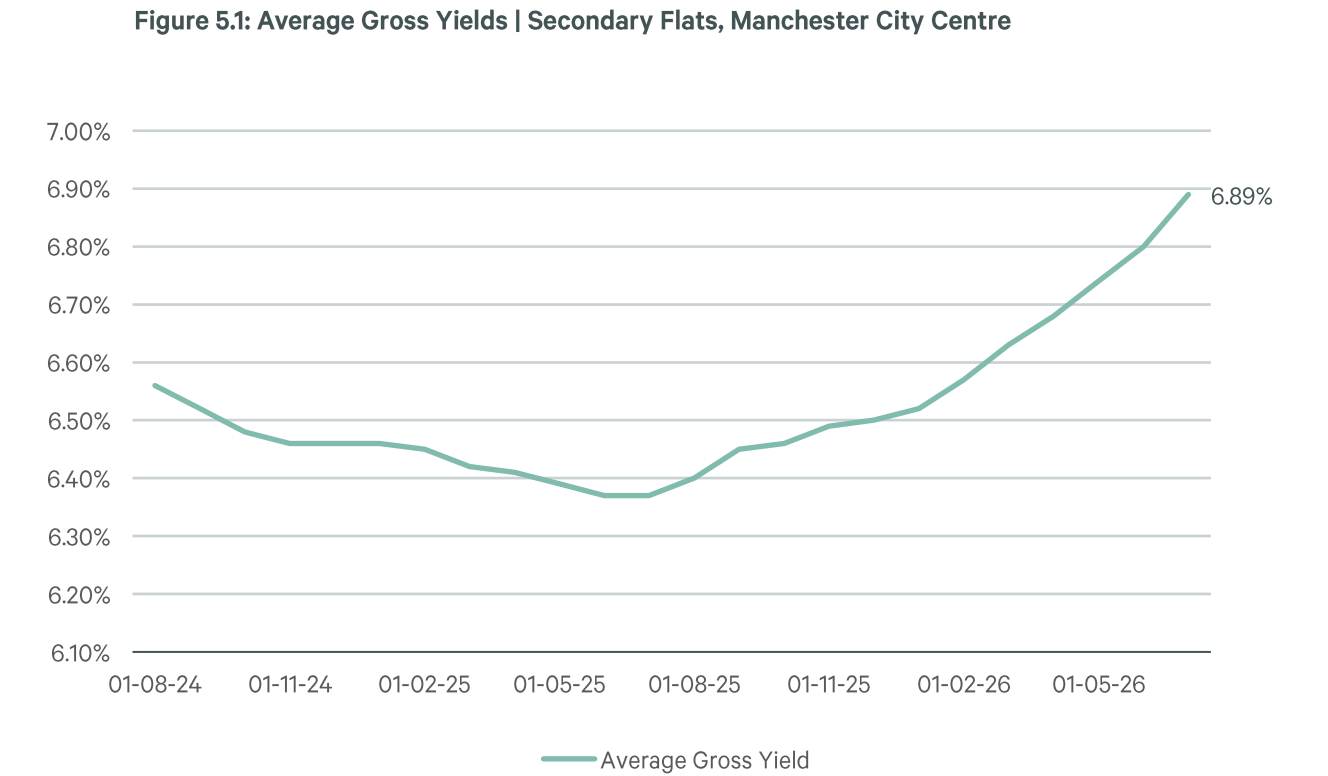
Table 5.5: Comparable Retail Evidence | CBRE

Address	Use	Area (ft ²)	Asking Rent (£ PA)	Asking Rent (£ psf)	Comments
25-31 Cheetham Hill Rd	GF Retail	2,957	£50,000	£16.91	Prominent frontage Partial fit-out
33 Oldham St	GF Retail	3,074	£75,000	£24.40	Prominent central location
Sb House, 28A Bury New Rd	GF Retail	1,100	£20,400	£18.55	Partial fit-out
Brunswick Mill, Manchester M40	GF Retail	886	£18,000	£20.32	Brand new mill conversion scheme
Brunswick Mill, Manchester M40	GF Retail	2,744	£44,400	£16.18	Brand new mill conversion scheme
Fountain Street, Manchester M2	GF Retail	1,321	£42,504	£32.18	Prominent central location

Source: CBRE

- 5.67 CBRE's analysis shows ground floor retail floorspace currently being marketed at asking rents ranging from circa. £16/ft² in edge of city centre locations to circa. £32/ft² in prominent central locations.
- 5.68 Reflecting upon the location and condition of the subject site, CBRE considers Savills' ERV of £12.50/ft² for the ground floor retail unit to be reasonable. Furthermore, CBRE considers Savills' allowance of 12 months letting void and 6 months' tenant incentive to be reasonable.
- 5.69 To review Savills' ERV for the first floor 3-bedroom apartment, CBRE has undertaken a comparable rental market analysis for secondary 3-bedroom apartments in Manchester.
- 5.70 As reported by Savills, there is a lack of directly comparable properties for rent within the city centre, with the majority of properties currently on the market located within purpose-built new-build apartment developments.
- 5.71 Within a 1-mile radius of Manchester City Centre, there are currently 190 no. 3-bedroom apartments listed for rent on Rightmove, reflecting asking rents ranging from £995 PCM to £5,000+ PCM. The cheapest comparable is a newly refurbished 3-bedroom unfurnished apartment within a secondary apartment development located on Eccles New Road, Salford. This property is superior to the subject property and would therefore command a higher rent.
- 5.72 Reflecting on the above, CBRE consider Savills' adopted ERV of £600 PCM for the first floor 3-bedroom apartment to be reasonable.
- 5.73 It is CBRE's professional opinion that a separate investment yield should be applied to the retail element and the residential element of Plot 1.
- 5.74 To review Savills' adopted net initial yield for the retail element, CBRE has had regard to CBRE's July 2026 Investment Yield Guide, which confirms that prime stabilised High Street Shops yields are currently

- trending stable at 6.25%, whilst Good Secondary and Secondary High Street Shops yields are trending at 9.00% and 12.00% respectively.
- 5.75 Considering the above, and taking into account the retail investment evidence presented within the Savills' FVA, it is CBRE's professional opinion that Savills' adopted yield of 12% is optimistic. For the purpose of this assessment, CBRE has accepted Savills' optimistic assumption, noting that CBRE has accurately accounted for the necessary void and rent free allowances within the calculation of EUV.
- 5.76 To determine an appropriate yield at which to capitalise the rental income generated by the first floor apartment, CBRE has used Realyse sourced average gross investment yields for secondary flats in Manchester City Centre over the past 2 years. This is presented in Figure 5.1 below.



Source: Realyse

- 5.77 Figure 5.1 shows that secondary gross yields for apartments in Manchester City Centre are currently in the region of 7%.
- 5.78 Reflecting upon the location of the site, the current condition of the accommodation and associated refurbishment required, and the situation of the property above a retail premises and not within a purpose-built residential development, CBRE has capitalised the rental income generated by the first floor apartment at a yield of 10%.
- 5.79 On the basis of CBRE's assessment, an EUV of **£211,760** is generated for Plot 1, as summarised in Table 5.6 overleaf.

Table 5.6: Plot 1 EUV Assessment | CBRE

Element	NIA (sqm)	NIA (sqft)	Rent (£/sqft)	Rent PA (£)	Yield (%)	Void & Rent Free	YP in Perp Def	Capital Value (£)
Ground Floor Retail	153	1,650	£12.50	£20,625	12.0%	1.50 (yrs)	7.0306	£145,006
First Floor Apartment	153	1,650	£4.36	£7,200	10.0%	0.00 (yrs)	10.0000	£72,000
Gross Value	307	3,300	£8.43	£27,825				£217,006
Purchaser's Costs	SDLT						0.62%	-£1,340
	Agents & Legal Fees						1.80%	-£3,906
EUV								£211,760

Source: CBRE

EUV: Plot 2

- 5.80 CBRE has reviewed local surface car parking rates to review the reasonableness of Savills' assumption. CBRE's analysis corroborates the evidence presented by Savills and CBRE considers Savills' allowance of £6.00 per day to be reasonable.
- 5.81 CBRE also considers it appropriate to reduce the average daily rate by 20% to allow for VAT. However, CBRE calculates the net daily rate as £5.00, as opposed to Savills' £4.80, which incorrectly calculates the deduction.
- 5.82 Taking into account the location of the subject site and competitive daily rate, CBRE considers an occupancy rate of 90% to be reasonable.
- 5.83 CBRE also considers it appropriate to deduct the annual costs of Business Rates from the gross annual turnover. Since Savills' FVA was produced, a new Business Rates five-multiplier structure has been introduced. On this basis, CBRE has deducted the annual costs of Business Rates utilising the 'Small Business Non-RHL' multiplier (43.2p). In agreement with Savills' approach, CBRE has also deducted operating costs at 20% of the gross annual turnover.
- 5.84 Reflecting upon the car park EUV evidence presented by Savills' and taking into account the location, condition and scale of the subject site, CBRE considers Savills' adopted yield of 10% to be appropriate.
- 5.85 CBRE's assessment of Plot 2 generates a gross investment value of £155,475. After deducting purchaser's costs, this results in an EUV for Plot 2 of **£152,567**, which equates to £10,171/space, as summarised in Table 5.7 overleaf.

Table 5.7: Plot 2 EUV Assessment | CBRE

Input	Total
Capacity (No. of Spaces)	15
Daily Rate (£)	Per space per day £6.00
Daily Rate Ex. VAT @ 20% (£)	Per space per day £5.00
Utilisation (%)	Spaces per day per annum 90%
Gross Annual Turnover (£) (Ex. VAT)	£24,638
Business Rates (£)	Annual Cost (2026-27) @ 43.2p -£4,163
Operating Costs (£)	-£4,928
Net Annual Turnover (£) (Excl. VAT)	£15,548
Cap. Rate (%)	@ 10.00%
Gross Investment Value (£)	£155,475
Purchaser's Costs (£)	1.87% -£2,908
Net Investment Value (£)	£152,567
£/Space	£10,171

Source: CBRE

EUV: Plot 3

- 5.86 Based on the information provided within Savills' FVA, this part of the site formed part of the Phase 1 site area and would therefore have formed part of the site area (and BLV) under the determination of that planning application. Its inclusion within this Phase 2 application BLV would therefore represent a duplication.
- 5.87 CBRE also considers that it is inappropriate to apply an agricultural land value with a multiplier to landscaped public realm (as shown in the Appendix A layout plan of Savills' FVA) within a residential development.
- 5.88 As such, CBRE considers Savills' application of the GMSF Viability Report 'edge of settlement' greenfield BLV to Plot 3 to be inappropriate.
- 5.89 On this basis, CBRE has applied a nominal £0 EUV to Plot 3.

Total EUV

- 5.90 Based on CBRE's independent assessment of the plots, CBRE estimates a total EUV of **£364,327**, as summarised in Table 5.8 overleaf.

Table 5.8: Total EUV CBRE Independent Review		
Plot	Use / Description	EUV
1	Ground floor retail & first floor 3-bedroom apartment	£211,760
2	Surface car park	£152,567
3	0.07 Ha green space	£0
Total		£364,327

Source: CBRE

- Landowner Premium**
- 5.91

The premium should represent the minimum return that would persuade a reasonable landowner to release the land for development.
- 5.92

Considering the current condition of the existing premises at Plot 1, and the absence of a current active use at Plot 2, CBRE considers that Savills’ adopted premium of 50% is excessive.
- 5.93

Whilst Savills has conducted high-level benchmark of transactions, these can only form a cross-check on BLV in accordance with PPGV, and it is CBRE’s professional opinion that these hold limited weight due to the difficulties of accurate comparison (for example, whether they reflect Plan policy compliance or otherwise), as acknowledged in the Savills’ FVA.
- 5.94

CBRE considers a premium of 30% represents the minimum return that would persuade a reasonable landowner to release the land for development, taking into account the location of the subject Site and the existing uses and accommodation. This sits at the upper end of the 0%-30% range typically applied in viability assessments and reviews.
- 5.95

CBRE’s independent assessment of the EUV+ therefore equates to £473,625.
- EUV+**
- 5.96

Reflecting on the above analysis, when assessed consistently with the methodology of NPPF, PPGV, and RICS Guidance, it is CBRE’s independent professional view that the BLV for the Site equates to **£473,625**.
- 5.97

CBRE has adopted this BLV within the independent viability review.

6 Results

- 6.1 CBRE has prepared an adjusted independent version of the Policy Compliant and 100% Open Market viability appraisals within Savills' FVA, which reflects the analysis and commentary provided in section 4 of this document.
- 6.2 At this stage, the amendments made by CBRE are as follows:
- Adjusted BTR NIY to 5.00%
 - Reduced construction cost by £1.7m to reflect T&T QS' cost rate adjustments.
 - Increased FF&E cost to £795,996 (£5,203 per unit) to reflect T&T QS' cost rate adjustments.
 - Adjusted contingency to apply to all development costs (but maintained a 5% allowance).
 - Adjusted professional fees to apply to construction costs and demolition costs (but maintained an 8% allowance).
 - Adjusted finance rate to 7.50%.
 - Reduced pre-construction period to 3 months.
 - Removed letting period.
- 6.3 CBRE has also prepared an independent analysis of the BLV of the Subject Site.
- 6.4 The result of CBRE's adjusted Policy Compliant viability appraisal is an outturn residual Profit on Cost of -1.97% (-1.97% on GDV) for the Proposed Development. This appraisal is enclosed at **Appendix D**.
- 6.5 The residual profit fails to achieve the agreed minimum target risk-adjusted return of 15.00% on Cost. CBRE's independent appraisal supports Savills' conclusion that the Proposed Development is financially unviable on a policy compliant basis.
- 6.6 The result of CBRE's adjusted 100% Open Market viability appraisal is an outturn residual Profit on Cost of 2.27% (2.17% on GDV) for the Proposed Development. This appraisal is enclosed at **Appendix E**.
- 6.7 Whilst profit-making, the residual profit fails to achieve the agreed minimum target risk-adjusted return of 15.00% on Cost. CBRE's independent appraisal supports Savills' conclusion that the Proposed Development remains viability challenged on this basis.

Sensitivity Testing

- 6.8 CBRE has undertaken sensitivity testing of key appraisal variables to seek to return the Proposed Development to a financially viable position.
- 6.9 Utilising CBRE's adjusted 100% Open Market viability appraisal as the baseline, sensitivity testing illustrates that an increase in the ERVs by £3.00/ft² and decrease in construction costs by -£5.00/ft² would return a residual profit on cost that exceeds the target risk-adjusted return of 15.00%.
- 6.10 A copy of the sensitivity test is provided within **Appendix F**.
- 6.11 The sensitivity scenario would carry significant risk and should be treated with a degree of caution and, CBRE would advise, given limited weight.

7 Independent Conclusions

Conclusion

- 7.1 Savills' FVA concludes that, when allowing for a fixed BLV of £566,500 and incorporating a policy compliant provision of affordable housing, a residual profit on cost of -5.56% is generated. Savills conclude that the Proposed Development is financially unviable on this basis.
- 7.2 Savills' FVA concludes that, when reducing the affordable housing provision to nil (i.e. 100% Open Market), the Proposed Development generates a residual profit on cost of -1.57% is generated. Savills' conclude that *"whilst the viability deficit is reduced the proposed schemes viability remains challenged."*
- 7.3 Despite this, the Savills' FVA concludes that the Applicant remains committed to delivering the Proposed Development and will engage in an assessment of value engineering to combat the viability challenges facing the Proposed Development.
- 7.4 CBRE has prepared an adjusted independent version of the Policy Compliant and 100% Open Market viability appraisals within Savills' FVA, which reflects the analysis and commentary provided in section 4 of this document. This incorporates several input amendments, which CBRE considers to be appropriate and reasonable.
- 7.5 CBRE has also prepared an independent analysis of the BLV of the Subject Site.
- 7.6 The result of CBRE's adjusted Policy Compliant viability appraisal is an outturn residual Profit on Cost of -1.97% (-1.97% on GDV) for the Proposed Development. The residual profit fails to achieve the agreed minimum target risk-adjusted return of 15.00% on Cost.
- 7.7 The result of CBRE's adjusted 100% Open Market viability appraisal is an outturn residual Profit on Cost of 2.27% (2.17% on GDV) for the Proposed Development. Whilst profit-making, the residual profit fails to achieve the agreed minimum target risk-adjusted return of 15.00% on Cost.
- 7.8 The results of CBRE's independent assessment support Savills' conclusion that the Proposed Development is financially unviable on a policy compliant basis. Furthermore, CBRE's assessment confirms that, whilst the viability deficit is reduced and the scheme is profit-making, the Proposed Development remains viability challenged on a 100% Open Market basis.
- 7.9 On this basis, it is CBRE's independent professional opinion that the Proposed Development cannot viably support a provision of affordable housing and other planning obligations under current market conditions.

Appendices



A Accommodation Schedule | Proposed Development

Residential

Floor	Apartment Type	GIA	NIA	No.	Total NIA
G					-
		7,804		0	-
1	1A		478	2	956
	2A		682	2	1,364
	2B		731	2	1,462
	2C		755	2	1,510
	3A		1085	1	1,085
		7,804		9	6,377
2	1A		478	2	956
	2A		682	2	1,364
	2B		731	2	1,462
	2C		755	2	1,510
	3A		1085	1	1,085
		7,804		9	6,377
3	1A		478	2	956
	2A		682	2	1,364
	2B		731	2	1,462
	2C		755	2	1,510
	3A		1085	1	1,085
		7,804		9	6,377
4	1A		478	2	956
	2A		682	2	1,364
	2B		731	2	1,462
	2C		755	2	1,510
	3A		1085	1	1,085
		7,804		9	6,377
5	1A		478	2	956
	2A		682	2	1,364
	2B		731	2	1,462
	2C		755	2	1,510
	3A		1085	1	1,085
		7,804		9	6,377
6	1A		478	2	956
	2A		682	2	1,364
	2B		731	2	1,462
	2C		755	2	1,510
	3A		1085	1	1,085
		7,804		9	6,377
7	1A		478	2	956
	2A		682	2	1,364
	2B		731	2	1,462
	2C		755	2	1,510
	3A		1085	1	1,085
		7,804		9	6,377
8	1A		478	2	956
	1B		536	2	1,072
	2A		682	2	1,364
	2B		731	2	1,462

	2C	755	2	1,510
		7,804	10	6,364
9	1A	478	2	956
	1B	536	2	1,072
	2A	682	2	1,364
	2B	731	2	1,462
	2C	755	2	1,510
		7,804	10	6,364
10	1A	478	2	956
	1B	536	2	1,072
	2A	682	2	1,364
	2B	731	2	1,462
	2C	755	2	1,510
		7,804	10	6,364
11	1A	478	2	956
	1B	536	2	1,072
	2A	682	2	1,364
	2B	731	2	1,462
	2C	755	2	1,510
		7,804	10	6,364
12	1A	478	2	956
	1B	536	2	1,072
	2A	682	2	1,364
	2B	731	2	1,462
	2C	755	2	1,510
		7,804	10	6,364
13	1A	478	2	956
	1B	536	2	1,072
	2A	682	2	1,364
	2B	731	2	1,462
	2C	755	2	1,510
		7,804	10	6,364
14	1A	478	2	956
	1B	536	2	1,072
	2A	682	2	1,364
	2B	731	2	1,462
	2C	755	2	1,510
		7,804	10	6,364
15	1A	478	2	956
	1B	536	2	1,072
	2A	682	2	1,364
	2B	731	2	1,462
	2C	755	2	1,510
		7,804	10	6,364
16	1A	478	2	956
	1B	536	2	1,072
	2A	682	2	1,364
	2B	731	2	1,462
	2C	755	2	1,510
		7,804	10	6,364
Total		132,668	153	101,915

Commercial

Floor	Type	GIA	NIA	No.	Total NIA
G	Retail		1,722	1	1,722
	Total				1,722

B Residential Rental Market Data

Rental Market Data



	Angel Gardens	Swan Street House	Poplin	Ancoats Gardens	Broadside	Bendix
Type	BTR	BTR	BTR	PRS	BTR	BTR
Owner/ Operator	MODA	ila (Ridgeback Group)	Native Residential (Cheyne Capital)	Beech Holdings / private investors (Manchester Apartments)	Touchstone (Citra Living)	urbanbubble (Europa Capital)
No. of Units	466	373	144	155	274	161
P.C.	Q4 2019	Q4 2024	Q3 2023	Q3 2022	Q3 2020	Q4 2024
New-Build/ Conversion	New Build	New Build	New Build	New Build	New Build	New Build
Studio						
Avg. Unit Size	-	-	-	548	-	-
Avg. Rent (£PCM)	-	-	-	£949	-	-
Avg. Rent (£/ft²)	-	-	-	£20.79	-	-
1 Bed Flats						
Avg. Unit Size	522	-	529	521	521	490
Avg. Rent (£PCM)	£1,436	£1,370	£1,295	£1,241	£1,254	£1,298
Avg. Rent (£/ft²)	£33.01	-	£29.38	£28.60	£29.17	£31.80
2 Bed Flats						
Avg. Unit Size	741	727	677	761	667	666
Avg. Rent (£PCM)	£1,795	£1,595	£1,485	£1,800	£1,566	£1,410
Avg. Rent (£/ft²)	£29.09	£26.33	£26.34	£28.39	£27.39	£25.41
3 Bed Flats						
Avg. Unit Size	710	944	-	-	-	935
Avg. Rent (£PCM)	£2,255	£2,171	-	-	£2,307	£2,055
Avg. Rent (£/ft²)	£38.11	£27.61	-	-	-	£26.37
Amenities						
Concierge	✓	✓	✓	✓	✓	✓
Gym/Wellness Space	✓	✓		✓	✓	✓
Resident's Lounge	✓	✓	✓	✓	✓	✓
Private Dining Room	✓	✓	✓		✓	
Media/ Games Room	✓	✓				
Roof Top Spaces	✓	✓	✓	✓	✓	✓
Communal Gardens	✓		✓	✓	✓	
Co-working space	✓	✓	✓	✓	✓	✓
Parking Provision	✓					

C T&T QS Independent Cost Review

Phase 2 - 85 Rochdale Road

Manchester City Council

Benchmark Analysis

Date: 12 August 2026
Job Ref: 50PJM0673410
Rev: 1

Terms of Reference

Phase 2 - 85 Rochdale Road

12 August 2026

Brief

The report is prepared for Manchester City Council & no responsibility whatsoever is accepted to any further parties for the whole or any part of this report.

Turner & Townsend / CBRE Ltd have been appointed to undertake a commercial review of the existing cost estimate which was benchmarked against Phase 1 of the works.

Please note that this document has been produced on the information provided and as such is reflective of this information. Where no information has been included assumptions/ exclusions may have been made the extent of which is detailed within this report.

In undertaking this review and preparing this document, the information received and reviewed is highlighted below

Information Used

This document has been based on the following information:

Savills

- 85 Rochdale Road Viability Assessment

Jon Matthews Architect

- 243-JMA-B1-00-DR-A-022200 P07
- 243-JMA-B1-01-DR-A-022201 P06
- 243-JMA-B1-08-DR-A-022208 P01

McGoff Construction Limited

- Elemental Cost Plan Analysis

Basis of Estimation

Generally

- The T&T estimate was calculated by utilising internal cost data from previous projects of a similar nature. The review provides a very high level overview against the elemental costs provided by Savills.

Qualifications

- The following cost estimate is indicative only and based on previous projects. No consideration has been applied for specific or bespoke requirements.
- The Sq/ft area has been used from the project information provided.
- No measures from the proposed drawings have been undertaken.
- All cost data used from benchmarked data have been adjusted for inflation and location if necessary.

T&T - Benchmark Review

Phase 2 - 85 Rochdale Road
12 August 2026

PROJECT DETAILS									
Client	Manchester City Council								
Project Name	Phase 2 - 85 Rochdale Road								
Area (GIFA) sqft	132,666								
Project Summary	Benchmark Review								
SUMMARY COST									
	Savills			T&T Analysis					
Construction Elements	Cost	Cost/sqft	%	Cost	Cost/sqft	%	T&T Comments		
A Preliminaries	£ 4,376,651	£ 32.99	11%	£ 3,979,980	£ 30.00	11%	T&T benchmark preliminaries percentage is at circa 12% and £30-33 per sqft. The current estimate at £33 per sqft is similar and within our range for the scheme based on our data		
B Site Clearance/ Substructures	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded	Although this has been excluded, we would expect the cost per sqft to fall between £5-£7 depending on the scope and site conditions		
C Superstructure	£ 14,609,180	£ 110.12	37%	£ 18,573,240	£ 140.00	50%	After review, the T&T benchmark is higher at £140 per sqft than the £110/sqft that is being proposed which has been based on the Phase 1 costs. This is due to the contractor including the 'Internal Partitions & Doors' packages in the 'Internal Finishes' costs. If you were to total both elements, it is at an estimated £155 per sqft combined		
D Internal Finishes	£ 5,951,397	£ 44.86	15%	£ 1,989,990	£ 15.00	5%	As noted above, the reason why the Savills estimate is high is due to the inclusion of internal partitions and doors in the Phase 1 works		
E M&E Installations	£ 5,603,812	£ 42.24	14%	£ 5,041,308	£ 38.00	14%	£38 per sq/ft is in line with T&T estimates and benchmarking data. The Savills £42 is slightly on the higher side however it is not a concern or due to an outlier within the Phase 1 costs		
F External Works	£ 2,074,896	£ 15.64	5%	£ 1,061,328	£ 8.00	3%	The biggest difference between both cost per sq/ft rates is due to the roads and footpaths. In Phase 1, circa £8 per sq/ft was attributed to this element. On average, the £8 per sq/ft should be able to cover this and potential landscaping, site furniture, drainage etc. but this will be dictated by the scope. Furthermore, from the proposed drawings, the site for Phase 2 is smaller than Phase 1 and on probability, it would have a reduced scope		
G Contractor Overhead & Profit	£ 1,411,566	£ 10.64	4%	£ 1,615,209	£ 12.18	4%	The Savills rate currently sits at 4.15% OH&P despite the note which indicates it is at 5%. For a scheme like this, we would expect a 5% OH&P which is a £12.18 cost per sqft		
Sub-Total (Construction Works)	£ 34,027,502	£ 256.49	87%	£ 32,261,055	£ 243	87%	Overall, the construction cost per sq/ft recommended by Savills is in line with market data and sits within the average/median range		
Other Construction Costs	Cost	Cost/sqft	Cost/sqft	Cost	Cost/sqft	Cost/sqft			
A Contingencies	£ 1,701,375	£ 12.82	4%	£ 1,923,657	£ 14.50	5%	The Savills cost is at a circa 4.36% contingency of the total cost. The rate used in the T&T benchmark is closer to the full 5%		
B Demolition	£ 100,000	£ 0.75	0%	£ 100,000	£ 0.75	0%	This item is dependent on the current site and its requirements. We have maintained the current cost and assumed this to be an allowance		
C Furniture & Fit Out	£ 459,000	£ 3.46	1%	£ 795,996	£ 6.00	2%	Based on our data, the cost per sqft for this element is low and would include items such as; kitchens, blinds, signage etc. T&T data indicate a rate between £5-7 per sqft is required for this package with the exclusion of amenity areas.		
D Professional Fees	£ 2,758,920	£ 20.80	7%	£ 1,989,990	£ 15.00	5%	This rate is slightly higher than what we would anticipate based on our data. The procurement/tender route would also dictate this cost most notably if this was a design & build or a two stage tender process		
Sub-Total (Other Construction Works)	£ 5,019,295	£ 37.83	13%	£ 4,809,643	£ 36	13%			
TOTAL (Construction & Other)	£ 39,046,797	£ 294	100%	£ 37,070,698	£ 279	100%	Overall, the cost per sqft for the full scheme is in line with market expectations and T&T benchmark data		

Benchmark Insight

PHASE 2 - ROCHDALE ROAD

Manchester City Council

making the **difference**



About this Benchmark Insight

Contents

1 EXECUTIVE SUMMARY

2 COST ANALYSIS

3 APPENDICES

Quality Assurance

CLIENT NAME	DOCUMENT TITLE	PRODUCED BY	APPROVED BY	APPROVED DATE
Manchester City Council	Phase 2 - Rochdale Road	Ismail Bobat	Ismail Bobat - Senior Cost Manager	06/08/2026

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This focus of this cost benchmarking report is to provide an indicative comparison of key metrics for the proposed development using appropriate reference projects. It should be noted that the benchmarks can only be considered as indicative.

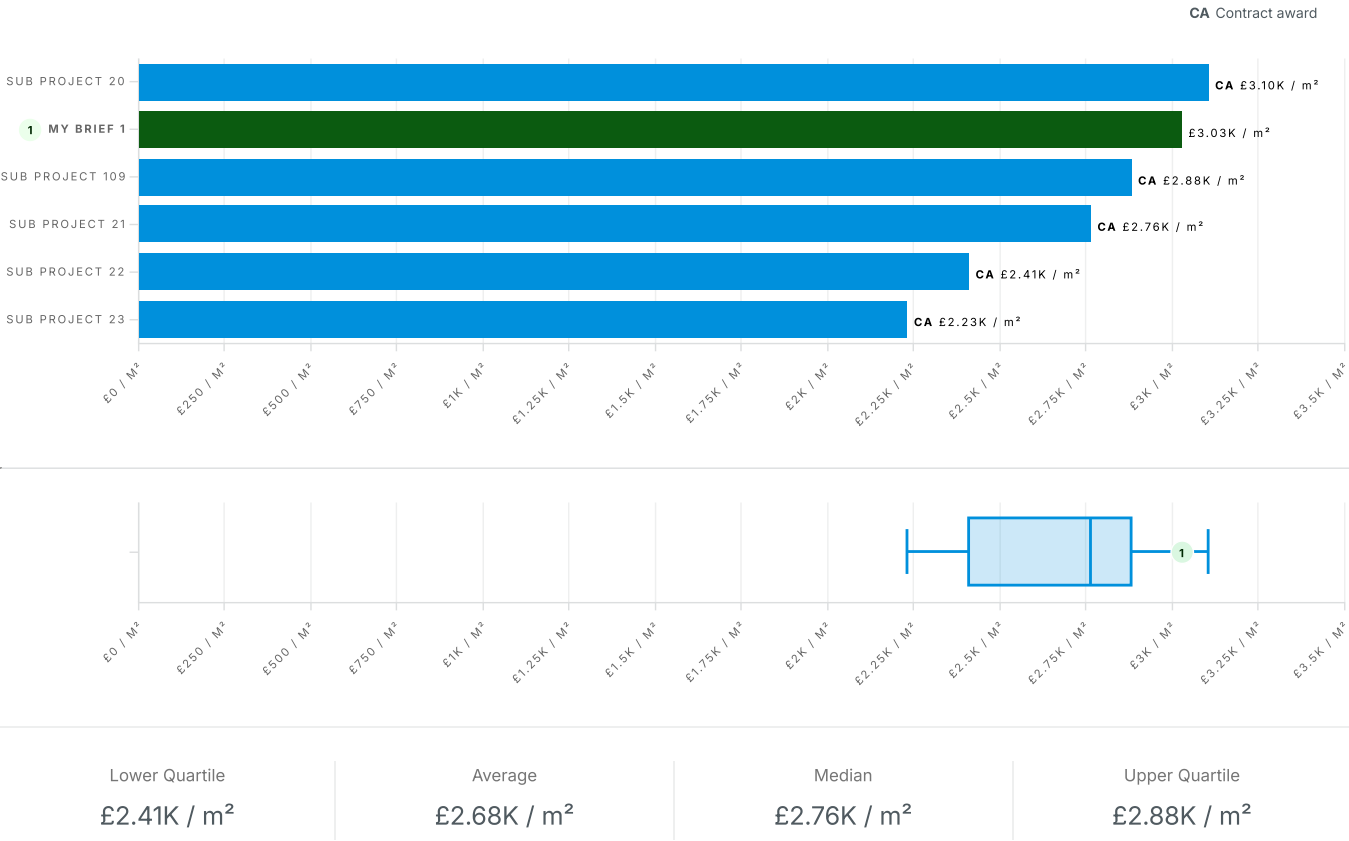
1 Executive Summary

1.1 Introduction

This benchmarking document has been produced for Manchester City Council to analyze and evaluate current apartment development standards across the local area. It highlights key benchmark figures from comparable high-density residential schemes within Manchester, establishing a clear baseline for construction costs.

1.2 Summary

1.3 Construction Cost per Area (GIA / FECA)



The Brief (Green) included in the above and throughout the document is based on the cost breakdown/figures provided in the Financial Viability Assessment. The above highlights the current construction cost estimate of circa £37.3m (£3k/m2) is of the higher end of the benchmarked projects whose figures have been adjusted to Q3 2026. This figure includes all construction elements, professional fees and furniture/fit-out and displays the cost per m2

1.4 Cost Analysis

A brief overview of the current construction estimate provided within the Viability Assessment shows the total cost for Phase 2 of the works is higher than the average cost per m2 range against similar projects in Manchester. The cost per unit figures, which can be found below, are tracking within the average figures.

1.5 Next Steps

The focus of this cost benchmarking report is to provide an indicative comparison of key metrics for the proposed development using appropriate reference projects. It should be noted that the benchmarks can only be considered as indicative.

2 Cost Analysis

2.1 Set-up

2.1.1 TARGET COST NORMALISATION

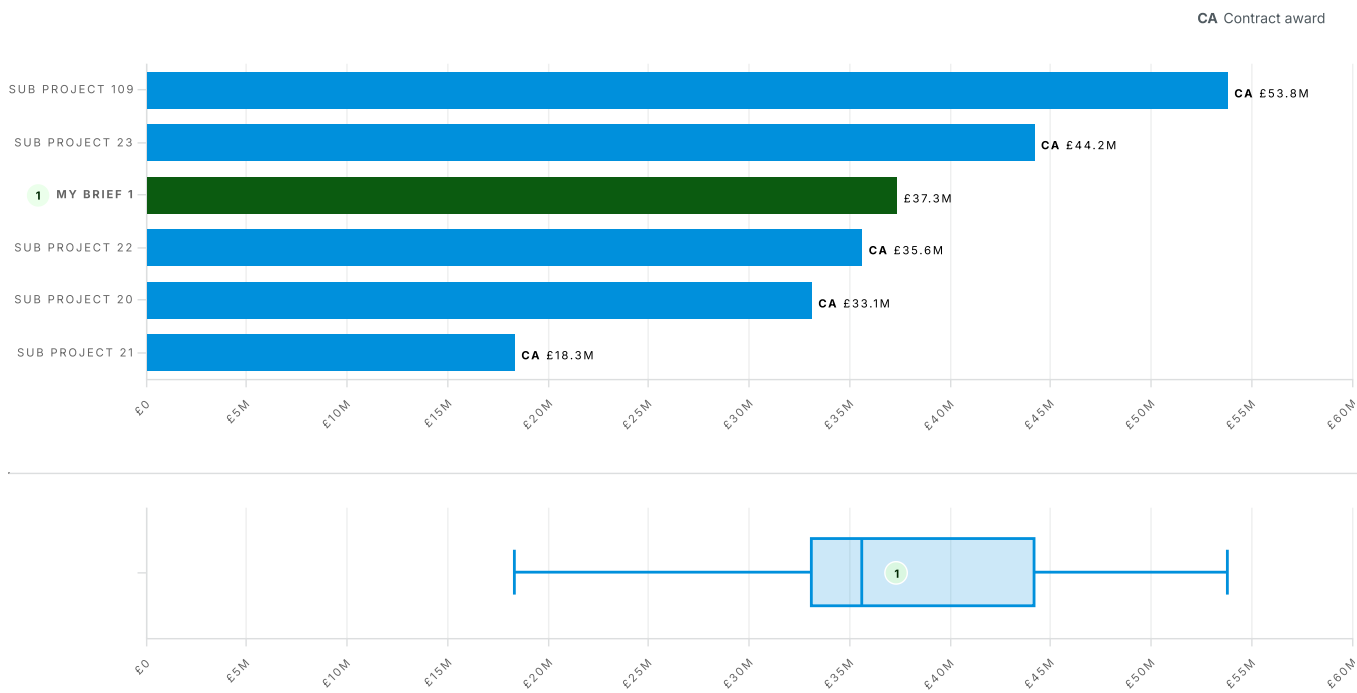
TARGET COUNTRY	United Kingdom
TARGET LOCATION	North West
TARGET DATE	2026 - Q3
TARGET CURRENCY	GBP (£)

2.1.2 TYPE OF PROJECT

ASSET TYPE	(RE) Residential
WORK TYPE	New Build & Extension

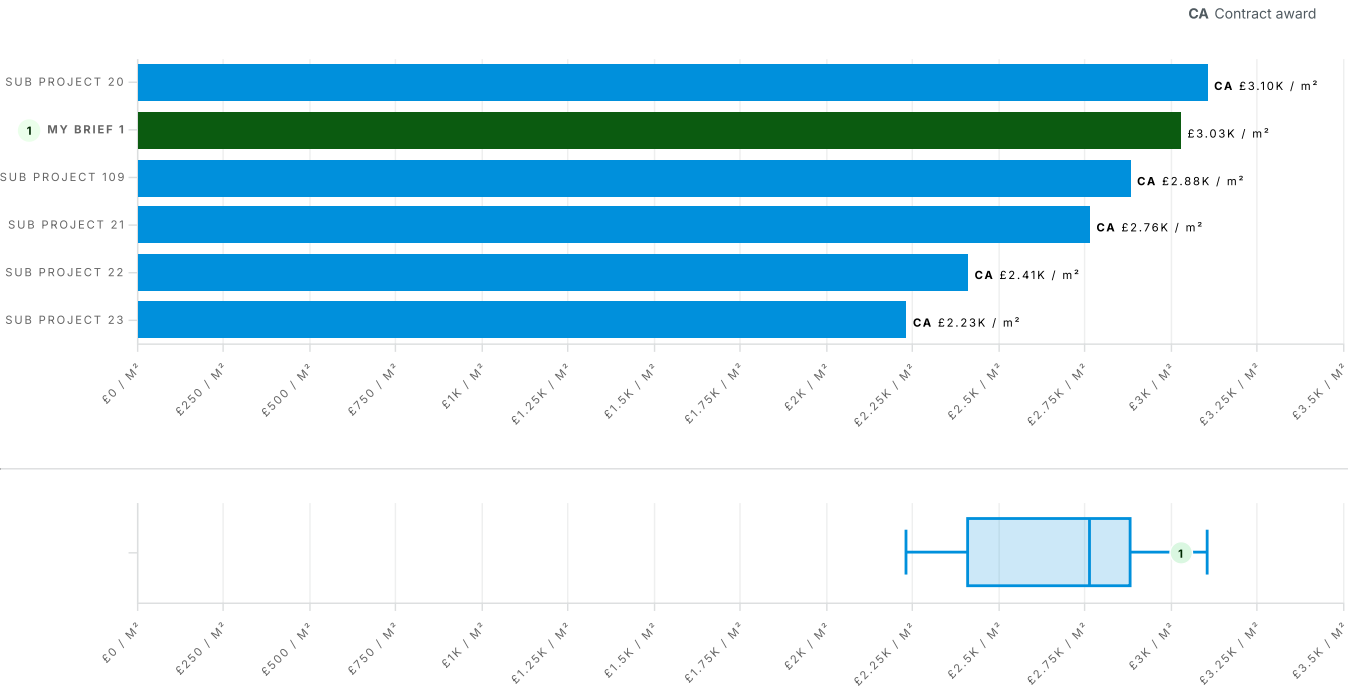
2.2 Construction Cost

2.2.1 OVERALL CONSTRUCTION COST



A boxplot, or box and whisker plot, summarises data points in the Construction Cost. The 'box' represents the interquartile range (IQR), while the 'whiskers' extend to the largest or smallest data point within the distance of 1.5 times the IQR from the upper and lower quartiles. Outliers, depicted as dots, are data points outside the box and whiskers.

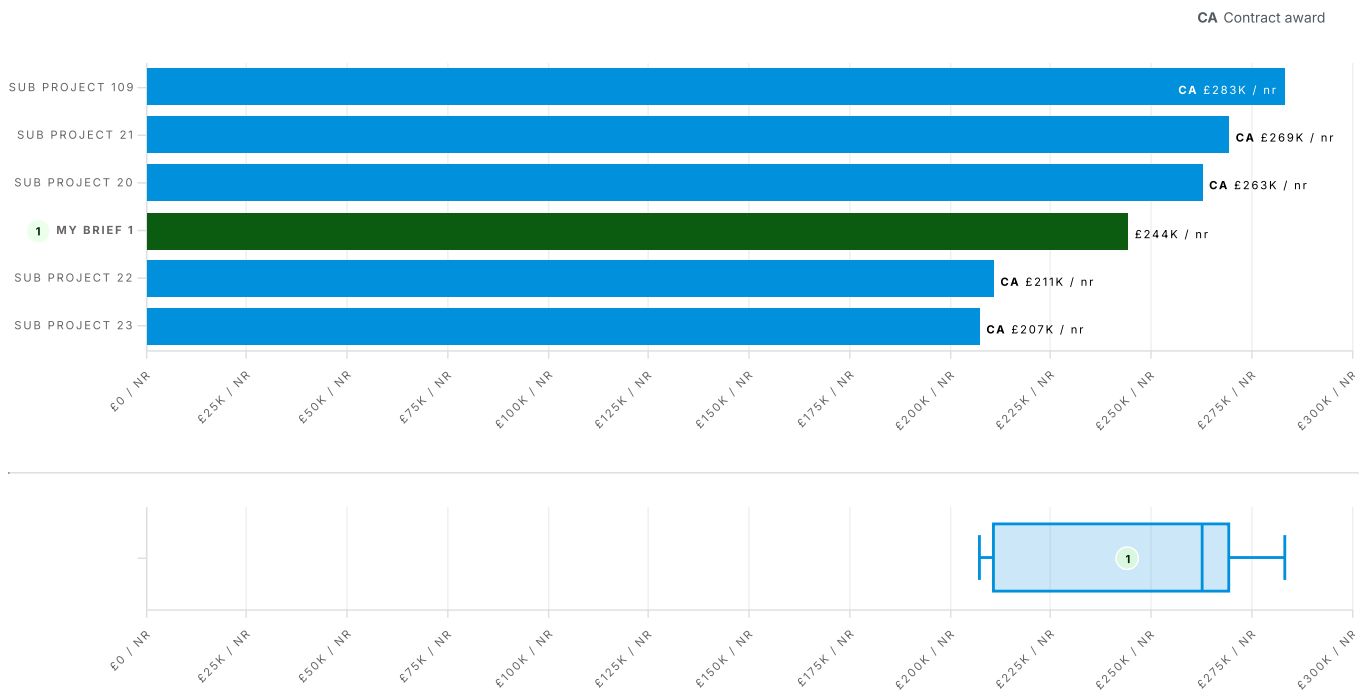
2.2.2 OVERALL CONSTRUCTION COST PER AREA (GIA / FECA)



A boxplot, or box and whisker plot, summarises data points in the Construction Cost. The ‘box’ represents the interquartile range (IQR), while the ‘whiskers’ extend to the largest or smallest data point within the distance of 1.5 times the IQR from the upper and lower quartiles. Outliers, depicted as dots, are data points outside the box and whiskers.

Lower Quartile	Average	Median	Upper Quartile
£2.41K / m²	£2.68K / m²	£2.76K / m²	£2.88K / m²

2.2.3 OVERALL UNITS CONSTRUCTION UNIT COST



A boxplot, or box and whisker plot, summarises data points in the Construction Cost. The 'box' represents the interquartile range (IQR), while the 'whiskers' extend to the largest or smallest data point within the distance of 1.5 times the IQR from the upper and lower quartiles. Outliers, depicted as dots, are data points outside the box and whiskers.

Lower Quartile	Average	Median	Upper Quartile
£211K / nr	£247K / nr	£263K / nr	£269K / nr

2.2.4 ADJ. ELEMENTAL CONSTRUCTION COST

Cost Breakdown Structure: nrm1 - second - UK & Europe Benchmarking

Cost Elements:

Cost Measure: Adj. Cost



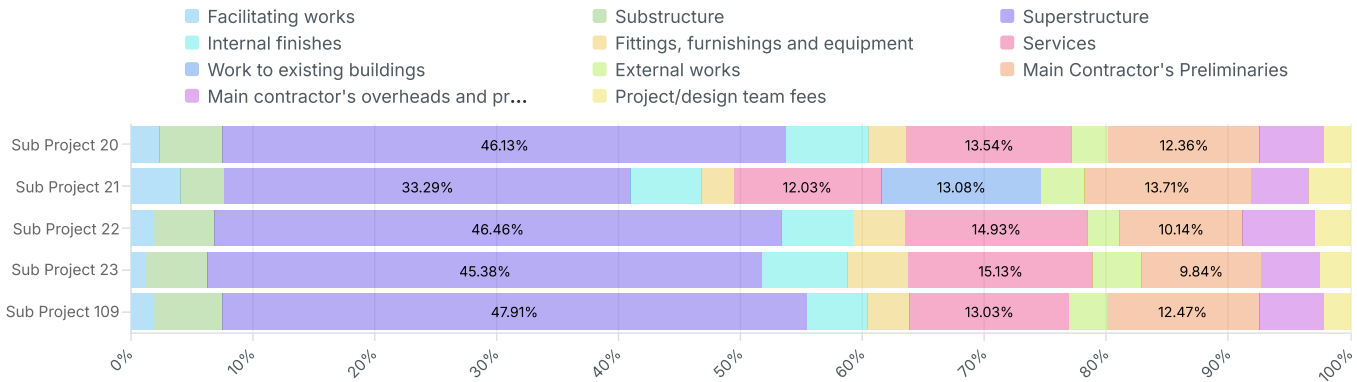
Choose at least one cost element to generate chart

2.2.5 AVERAGE ADJ. ELEMENTAL CONSTRUCTION COST - NRM1 - SECOND - UK & EUROPE BENCHMARKING

COST ELEMENT	AVERAGE PERCENTAGE OF OVERALL CONSTRUCTION COST	AVERAGE ADJ. CONSTRUCTION COST PER AREA (GIA / FECA)	AVERAGE UNITS ADJ. CONSTRUCTION UNIT COST
0 Facilitating works	2.34%	£63.89 / m ²	£5.92K / nr
1 Substructure	4.88%	£131 / m ²	£12.0K / nr
2 Superstructure	43.83%	£1.17K / m ²	£108K / nr
2.1 Frame	4.54%	£122 / m ²	£11.3K / nr
2.2 Upper floors	8.5%	£224 / m ²	£20.5K / nr
2.3 Roof	2.87%	£79.37 / m ²	£7.40K / nr
2.4 Stairs and ramps	0.9%	£24.25 / m ²	£2.27K / nr
2.5 External walls	13.79%	£370 / m ²	£33.7K / nr
2.6 Windows and external doors	4.96%	£135 / m ²	£12.5K / nr
2.7 Internal walls and partitions	5.81%	£155 / m ²	£14.2K / nr
2.8 Internal doors	2.46%	£63.86 / m ²	£5.86K / nr
3 Internal finishes	6.09%	£162 / m ²	£14.9K / nr
3.1 Wall Finishes	1.24%	£31.85 / m ²	£2.93K / nr
3.2 Floor Finishes	2.73%	£72.95 / m ²	£6.67K / nr
3.3 Ceiling Finishes	2.11%	£57.43 / m ²	£5.27K / nr
4 Fittings, furnishings and equipment	3.69%	£96.81 / m ²	£8.90K / nr
5 Services	13.73%	£365 / m ²	£33.5K / nr
7 Work to existing buildings	13.08%	£361 / m ²	£35.2K / nr
8 External works	3.27%	£86.93 / m ²	£8.04K / nr
9 Main Contractor's Preliminaries	11.7%	£317 / m ²	£29.3K / nr
10 Main contractor's overheads and profits	5.21%	£139 / m ²	£12.8K / nr
11 Project/design team fees	2.64%	£70.28 / m ²	£6.49K / nr
11.3 Main contractor's design fees	2.64%	£70.28 / m ²	£6.49K / nr

2.2.6 OVERALL CONSTRUCTION COST BREAKDOWN - NRM1 - SECOND - UK & EUROPE BENCHMARKING

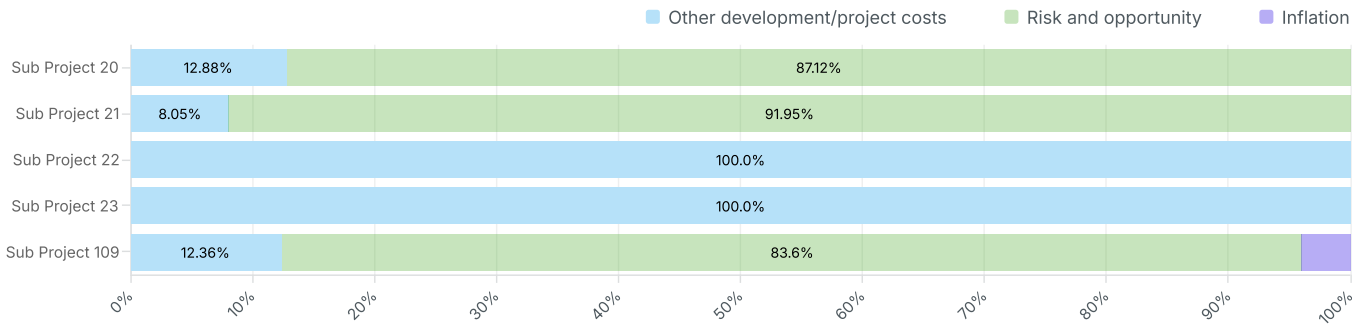
CA Contract award



2.3 Non-Construction Cost

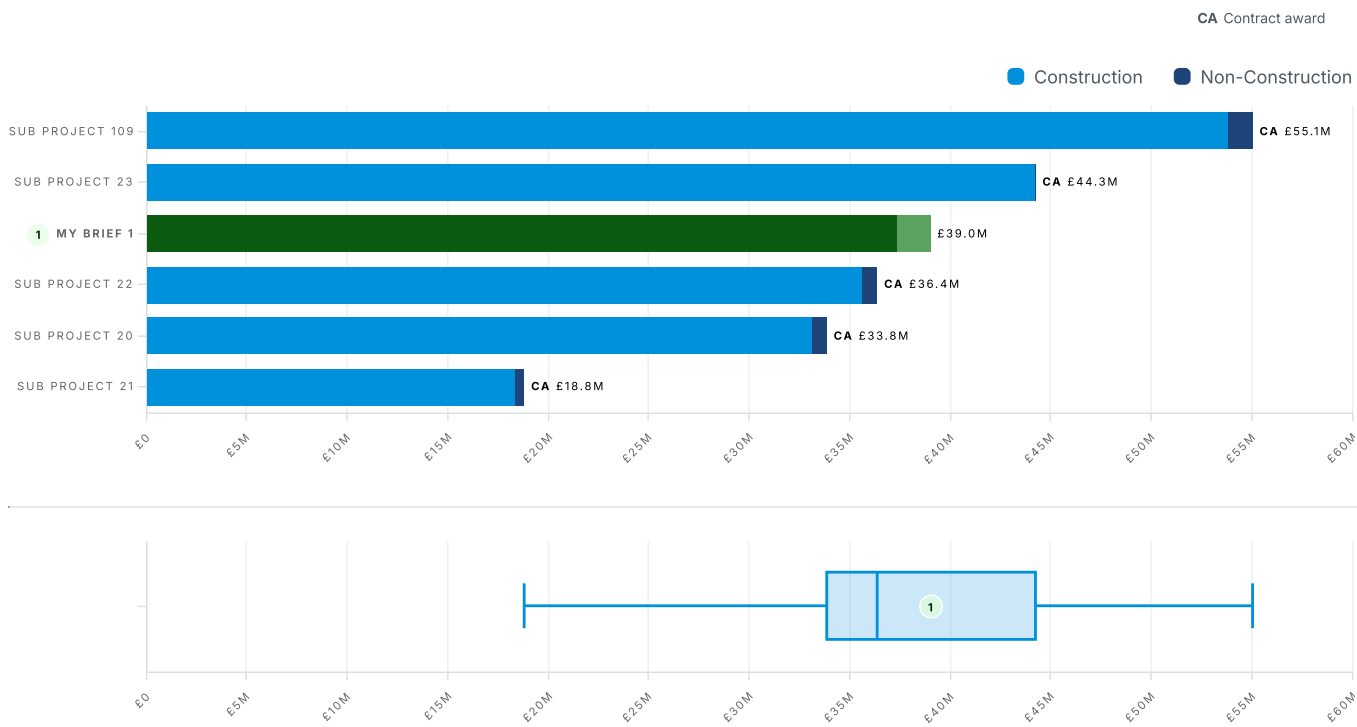
2.3.1 OVERALL NON-CONSTRUCTION COST BREAKDOWN - NRM1 - SECOND - UK & EUROPE BENCHMARKING

CA Contract award



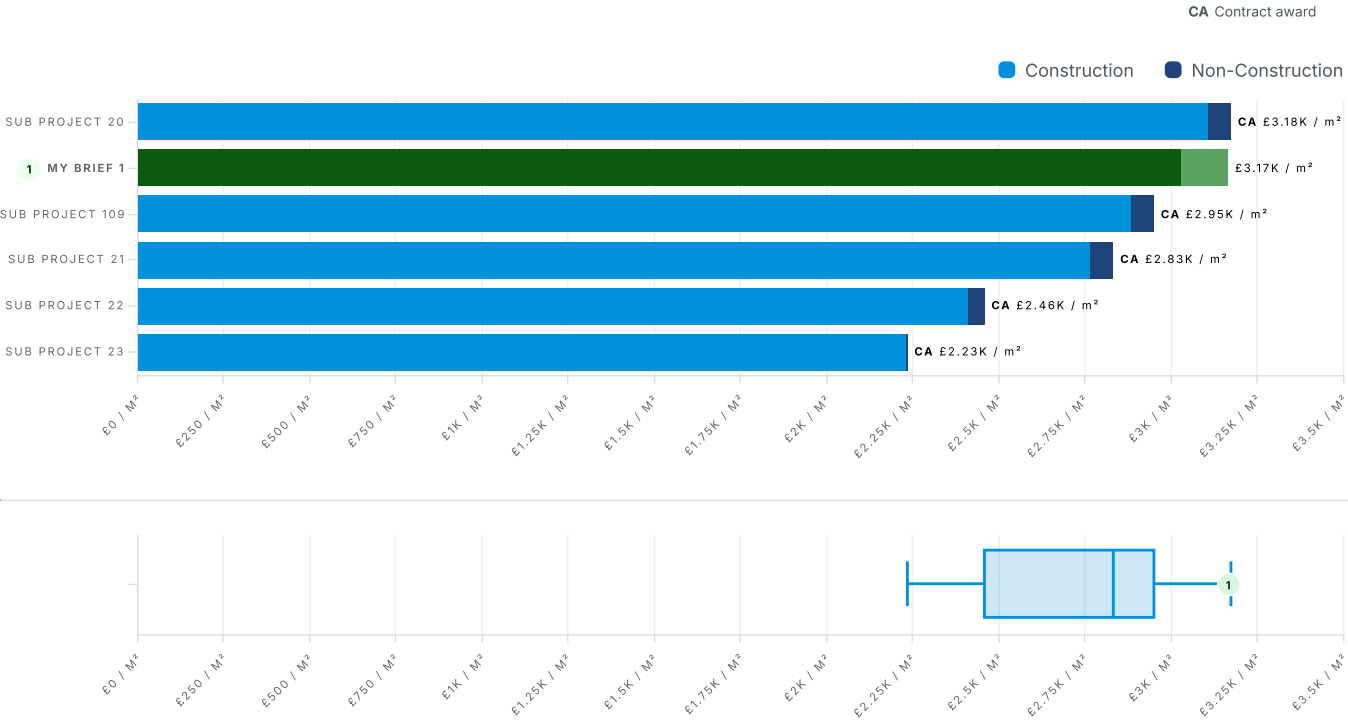
2.4 Total Cost

2.4.1 OVERALL TOTAL COST



A boxplot, or box and whisker plot, summarises data points in the Total Cost. The 'box' represents the interquartile range (IQR), while the 'whiskers' extend to the largest or smallest data point within the distance of 1.5 times the IQR from the upper and lower quartiles. Outliers, depicted as dots, are data points outside the box and whiskers.

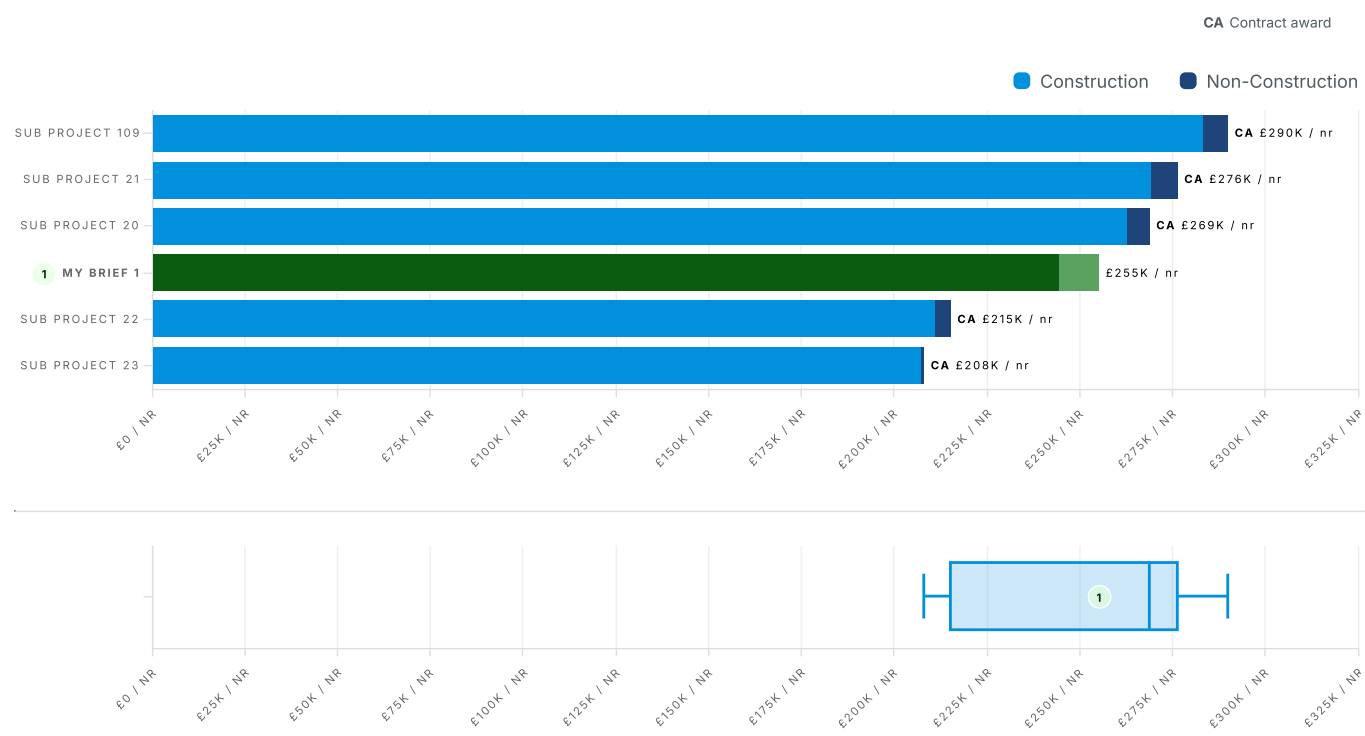
2.4.2 OVERALL TOTAL COST PER AREA (GIA / FECA)



A boxplot, or box and whisker plot, summarises data points in the Total Cost. The 'box' represents the interquartile range (IQR), while the 'whiskers' extend to the largest or smallest data point within the distance of 1.5 times the IQR from the upper and lower quartiles. Outliers, depicted as dots, are data points outside the box and whiskers.

Lower Quartile	Average	Median	Upper Quartile
£2.46K / m²	£2.73K / m²	£2.83K / m²	£2.95K / m²

2.4.3 OVERALL UNITS TOTAL UNIT COST



A boxplot, or box and whisker plot, summarises data points in the Total Cost. The 'box' represents the interquartile range (IQR), while the 'whiskers' extend to the largest or smallest data point within the distance of 1.5 times the IQR from the upper and lower quartiles. Outliers, depicted as dots, are data points outside the box and whiskers.

2.4.4 ADJ. ELEMENTAL TOTAL COST

Cost Breakdown Structure: nrm1 - second - UK & Europe Benchmarking

Cost Elements:

Cost Measure: Adj. Cost

CA Contract award



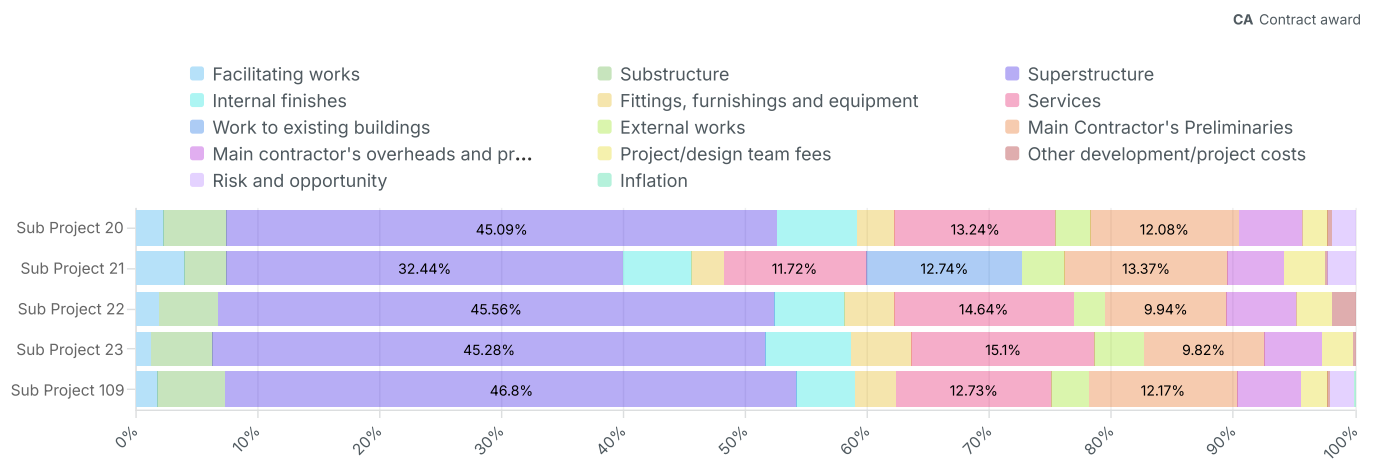
Choose at least one cost element to generate chart

2.4.5 AVERAGE ADJ. ELEMENTAL TOTAL COST - NRM1 - SECOND - UK & EUROPE BENCHMARKING

COST ELEMENT	AVERAGE PERCENTAGE OF OVERALL TOTAL COST	AVERAGE ADJ. TOTAL COST PER AREA (GIA / FECA)	AVERAGE UNITS ADJ. TOTAL UNIT COST
0 Facilitating works	2.29%	£63.89 / m ²	£5.92K / nr
1 Substructure	4.79%	£131 / m ²	£12.0K / nr
2 Superstructure	43.03%	£1.17K / m ²	£108K / nr
2.1 Frame	4.45%	£122 / m ²	£11.3K / nr
2.2 Upper floors	8.36%	£224 / m ²	£20.5K / nr
2.3 Roof	2.81%	£79.37 / m ²	£7.40K / nr
2.4 Stairs and ramps	0.88%	£24.25 / m ²	£2.27K / nr
2.5 External walls	13.54%	£370 / m ²	£33.7K / nr
2.6 Windows and external doors	4.87%	£135 / m ²	£12.5K / nr
2.7 Internal walls and partitions	5.71%	£155 / m ²	£14.2K / nr
2.8 Internal doors	2.42%	£63.86 / m ²	£5.86K / nr
3 Internal finishes	5.98%	£162 / m ²	£14.9K / nr
3.1 Wall Finishes	1.23%	£31.85 / m ²	£2.93K / nr
3.2 Floor Finishes	2.68%	£72.95 / m ²	£6.67K / nr
3.3 Ceiling Finishes	2.07%	£57.43 / m ²	£5.27K / nr
4 Fittings, furnishings and equipment	3.63%	£96.81 / m ²	£8.90K / nr
5 Services	13.49%	£365 / m ²	£33.5K / nr
7 Work to existing buildings	12.74%	£361 / m ²	£35.2K / nr
8 External works	3.21%	£86.93 / m ²	£8.04K / nr
9 Main Contractor's Preliminaries	11.48%	£317 / m ²	£29.3K / nr
10 Main contractor's overheads and profits	5.11%	£139 / m ²	£12.8K / nr
11 Project/design team fees	2.59%	£70.28 / m ²	£6.49K / nr
11.3 Main contractor's design fees	2.59%	£70.28 / m ²	£6.49K / nr

COST ELEMENT	AVERAGE PERCENTAGE OF OVERALL TOTAL COST	AVERAGE ADJ. TOTAL COST PER AREA (GIA / FECA)	AVERAGE UNITS ADJ. TOTAL UNIT COST
12 Other development/project costs	0.59%	£15.27 / m ²	£1.37K / nr
13 Risk and opportunity	2.08%	£62.04 / m ²	£5.79K / nr
14 Inflation	0.09%	£2.78 / m ²	£273 / nr

2.4.6 OVERALL TOTAL COST BREAKDOWN - NRM1 - SECOND - UK & EUROPE BENCHMARKING



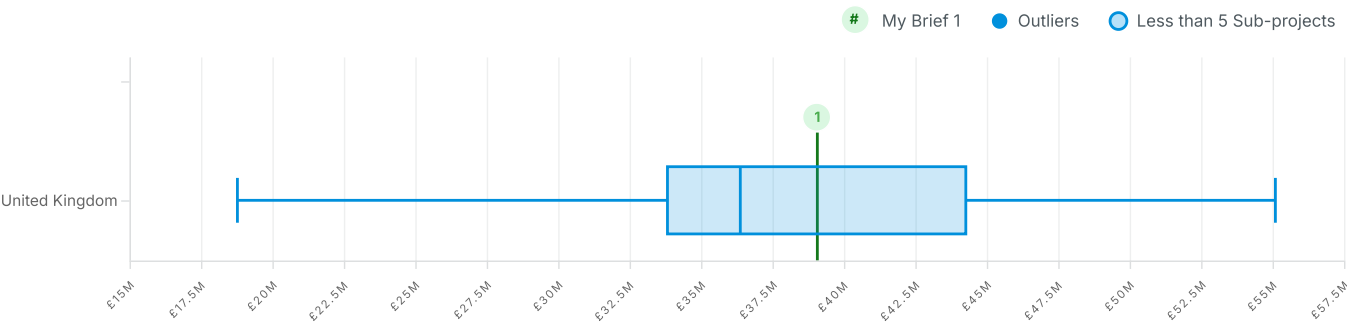
2.5 Performance

2.5.1 ATTRIBUTE ANALYSIS

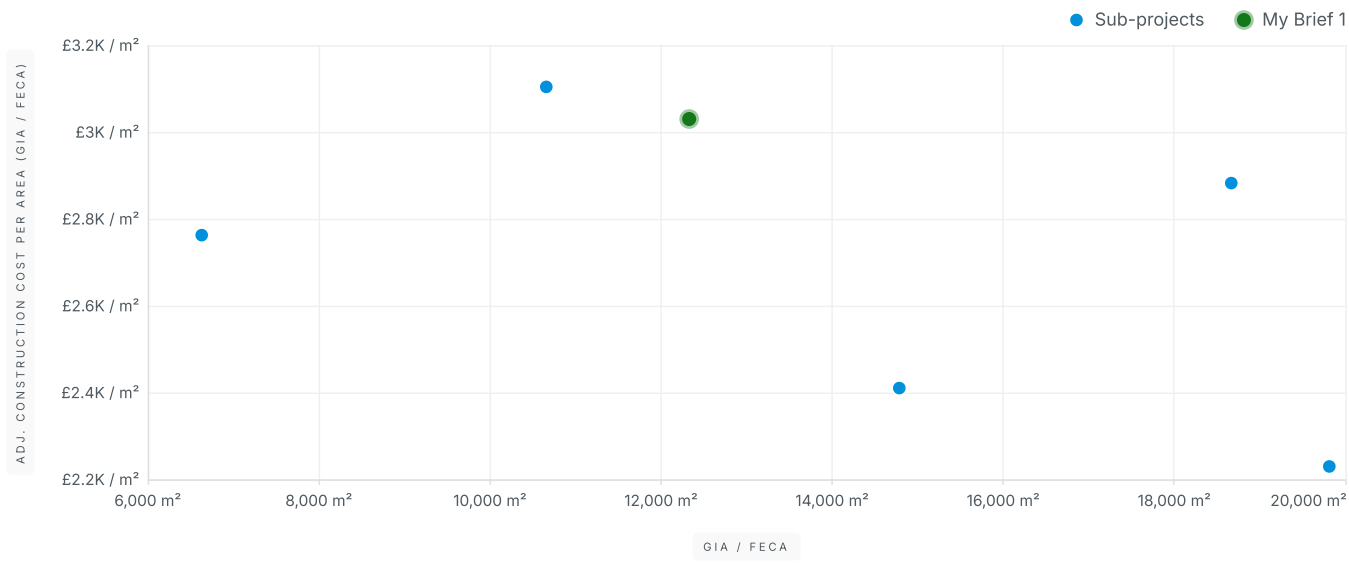
Attribute: Country
Cost Measure: Adj. Cost

Your briefs

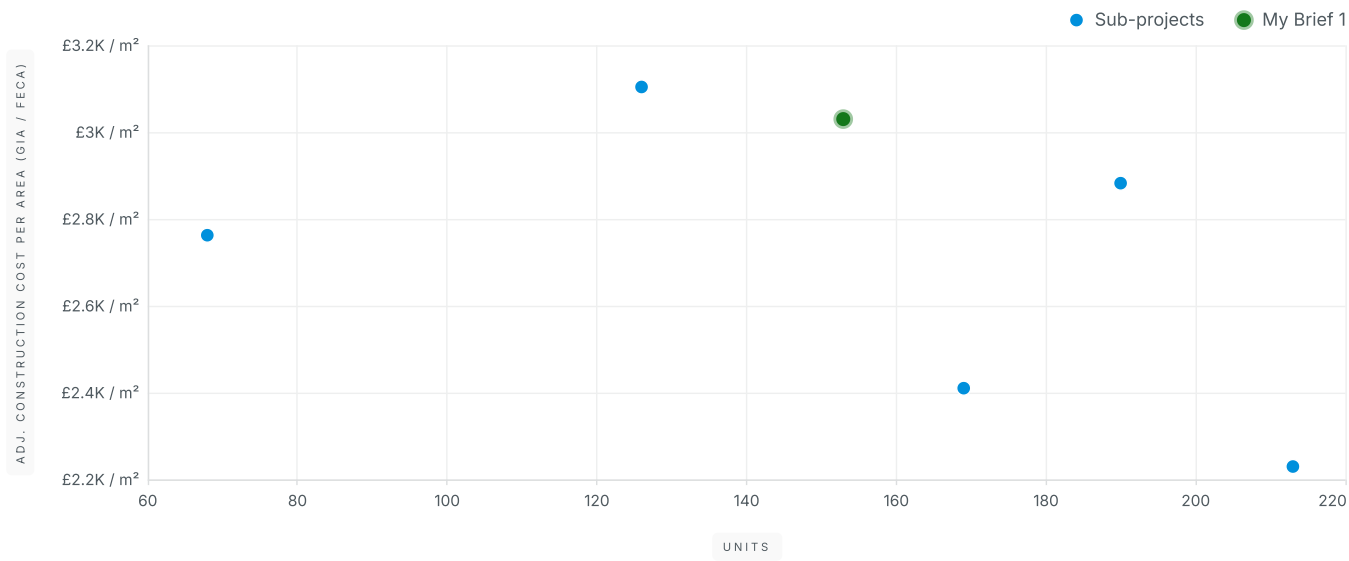
- 1 My Brief 1



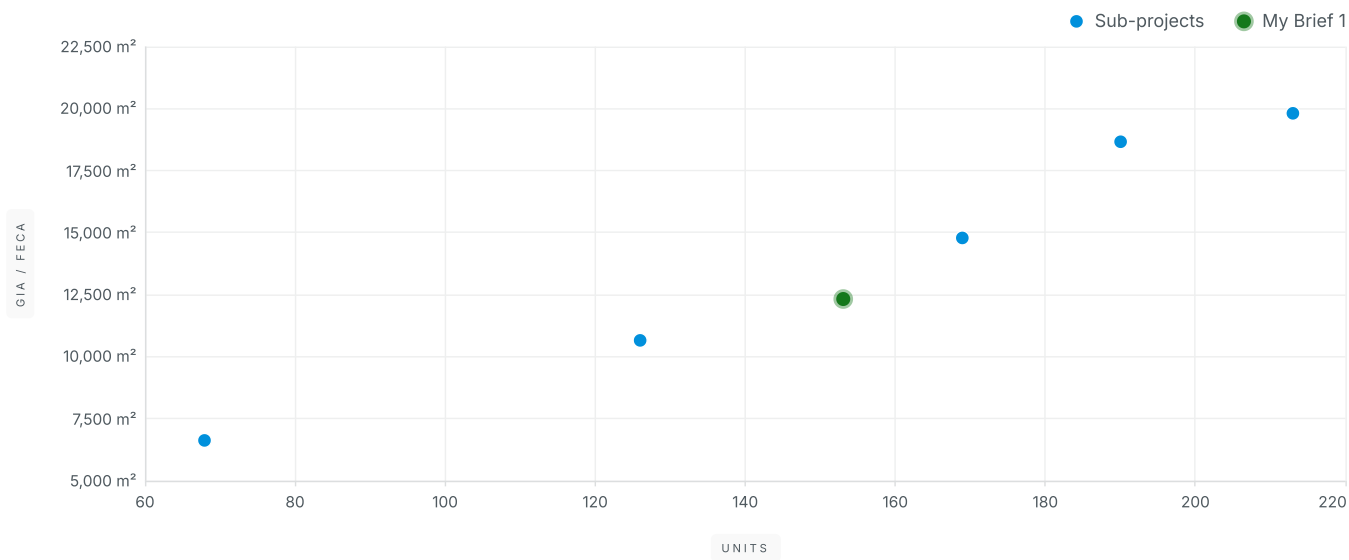
2.5.2 ADJ. CONSTRUCTION COST PER AREA (GIA / FECA) VS GIA / FECA



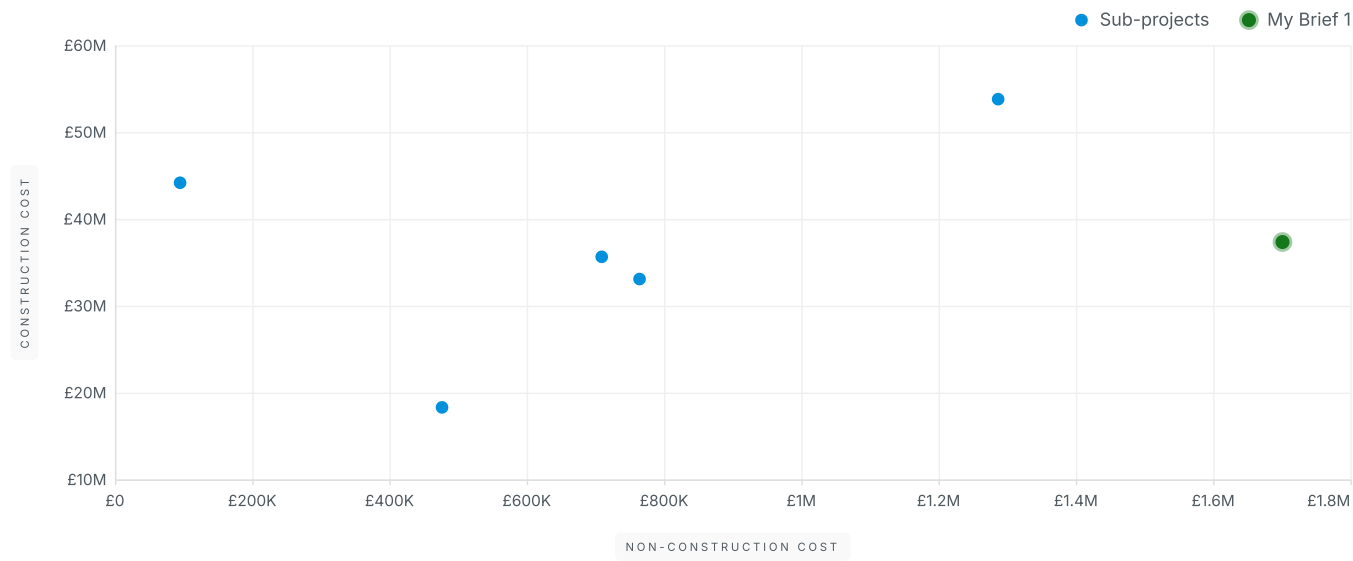
2.5.3 ADJ. CONSTRUCTION COST PER AREA (GIA / FECA) VS UNITS



2.5.4 GIA / FECA VS UNITS

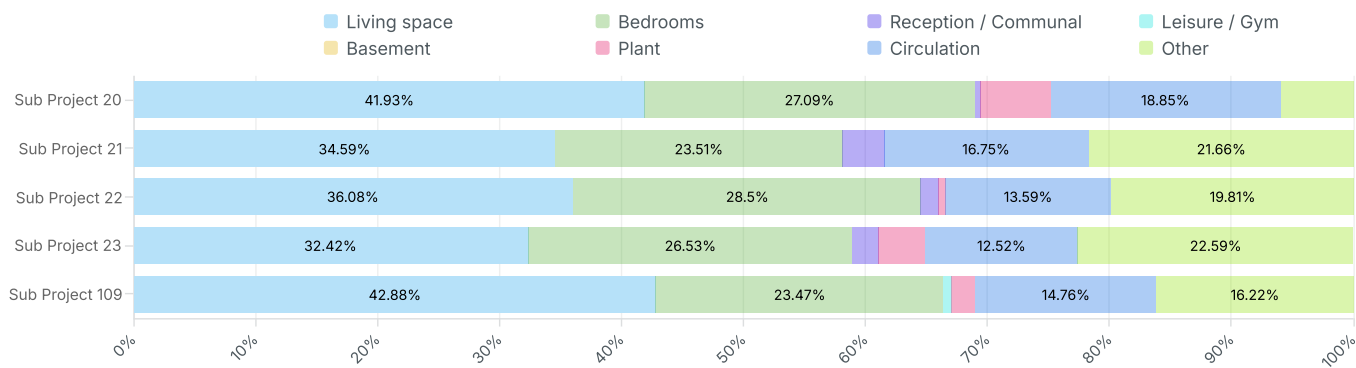


2.5.5 CUSTOMISABLE SCATTER - CONSTRUCTION COST VS NON-CONSTRUCTION COST



2.6 Functional Space

2.6.1 FUNCTIONAL SPACE BREAKDOWN



3 Appendices

3.1 Your Brief

SUB-PROJECT NAME	My Brief 1
CONSTRUCTION COST	£37.3M
NON-CONSTRUCTION COST	£1.70M
TOTAL COST	£39.0M
GIA / FECA	12,325 m ²
CONSTRUCTION COST PER AREA (GIA / FECA)	£3.03K / m ²
NON-CONSTRUCTION COST PER AREA (GIA / FECA)	£138 / m ²
UNITS	153
UNITS CONSTRUCTION UNIT COST	£244K / nr
UNITS NON-CONSTRUCTION UNIT COST	£11.1K / nr

3.2 Applied Filters

FACILITY TYPE (EXCLUDED)	Social housing
COUNTRY (EXCLUDED)	Australia, Canada, Ireland, Kenya, Qatar, Saudi Arabia, United Arab Emirates, United States
LOCATION LEVEL TWO (EXCLUDED)	Abu Dhabi, Al Dawhah, Alberta, British Columbia, Buckinghamshire, California, Derbyshire, Devon, Dublin, East Central Scotland, Eastern, Eastern Scotland, Hertfordshire, Inner London Boroughs, Nottinghamshire, Ontario, Outer London Boroughs, Quebec, Surrey, Sydney Metropolitan, Washington, West Central Scotland, West Yorkshire, (Not Set)

3.3 Included Sub-projects

CA Contract award

SUB-PROJECT	COUNTRY	ADJ. CONSTRUCTION COST	PRIMARY MEASURES	PRIMARY MEASURE VALUES	PRIMARY MEASURE ADJ. CONSTRUCTION UNIT COSTS
Sub Project 20	United Kingdom	CA £33.1M	GIA / FECA Units	10,658 m ² 126	£3.10K / m ² £263K / nr
Sub Project 21	United Kingdom	CA £18.3M	GIA / FECA Units	6,626 m ² 68	£2.76K / m ² £269K / nr
Sub Project 22	United Kingdom	CA £35.6M	GIA / FECA Units	14,787 m ² 169	£2.41K / m ² £211K / nr
Sub Project 23	United Kingdom	CA £44.2M	GIA / FECA Units	19,810 m ² 213	£2.23K / m ² £207K / nr
Sub Project 109	United Kingdom	CA £53.8M	GIA / FECA Units	18,664 m ² 190	£2.88K / m ² £283K / nr

3.4 Excluded Sub-projects

D CBRE Policy Compliant Viability Appraisal

85 Rochdale Road
CBRE Independent Viability Review

Policy Compliant: 20% Affordable Housing

Development Appraisal
CBRE
13 August 2026

**85 Rochdale Road
CBRE Independent Viability Review**
Appraisal Summary for Phase 5 20% Affordable (CBRE) - Adj. Costs
Currency in £
REVENUE
Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Apartments (20% Aff Rent)	153	101,915	27.01	17,992	2,064,543	2,752,724	2,064,543

Investment Valuation
Apartments (20% Aff Rent)

Current Rent	2,064,543	YP @	5.0000%	20.0000	41,290,862
--------------	-----------	------	---------	---------	------------

GROSS DEVELOPMENT VALUE
41,290,862

Purchaser's Costs	(809,625)
Effective Purchaser's Costs Rate	2.00%
	(809,625)

NET DEVELOPMENT VALUE
40,481,238
NET REALISATION
40,481,238
OUTLAY
ACQUISITION COSTS

Fixed Price	473,625	
Fixed Price	473,625	
		473,625
Stamp Duty		13,181
Effective Stamp Duty Rate	2.78%	
Agent Fee	1.00%	4,736
Legal Fee	0.80%	3,789
		21,707

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Apartments (20% Aff Rent)	132,666	243.18	32,261,055
Contingency		5.00%	1,657,853
Demolition			100,000
			34,018,908
Other Construction			
Furniture & Fit Out	153 un	5,202.59 /un	795,996
			795,996

PROFESSIONAL FEES

Professional Fees	8.00%	2,588,884
		2,588,884

DISPOSAL FEES

Sales Agent Fee	1.00%	412,909
Sales Legal Fee	0.50%	206,454
		619,363

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)	
Land	90,183
Construction	2,648,753
Other	37,861
Total Finance Cost	2,776,797

TOTAL COSTS
41,295,280
PROFIT
(814,043)
Performance Measures

Profit on Cost%	-1.97%
Profit on GDV%	-1.97%
Profit on NDV%	-2.01%

85 Rochdale Road**CBRE Independent Viability Review**

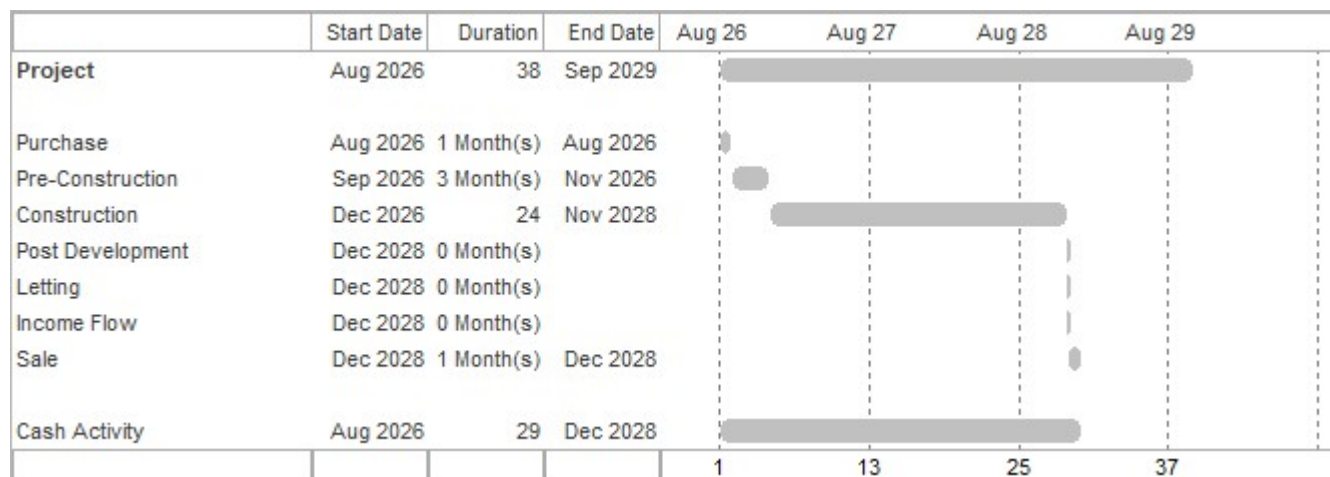
Development Yield% (on Rent)	5.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	5.08%
Rent Cover	-5 mths
Profit Erosion (finance rate 7.500)	N/A

85 Rochdale Road
CBRE Independent Viability Review

Project Timescale

Project Start Date	Aug 2026
Project End Date	Sep 2029
Project Duration (Inc Exit Period)	38 months

5. 20% Affordable (CBRE) - Adj. Costs



**85 Rochdale Road
CBRE Independent Viability Review**
Detailed Cash flow Phase 5 (20% Affordable (CBRE) - Adj. Costs)
Page A 1

Monthly B/F	001:Aug 2026	002:Sep 2026	003:Oct 2026	004:Nov 2026	005:Dec 2026	006:Jan 2027	007:Feb 2027	008:Mar 2027	009:Apr 2027	010:May 2027
	0	(495,332)	(498,427)	(501,523)	(504,658)	(873,623)	(1,432,408)	(2,269,704)	(3,361,601)	(4,684,100)
Revenue										
Cap - Apartments (20% Aff Rent)	0	0	0	0	0	0	0	0	0	0
Disposal Costs										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
Unit Information										
Acquisition Costs										
Fixed Price	(473,625)	0	0	0	0	0	0	0	0	0
Stamp Duty	(13,181)	0	0	0	0	0	0	0	0	0
Agent Fee	(4,736)	0	0	0	0	0	0	0	0	0
Legal Fee	(3,789)	0	0	0	0	0	0	0	0	0
Construction Costs										
Demolition	0	0	0	0	(100,000)	0	0	0	0	0
Con. - Apartments (20% Aff Rent)	0	0	0	0	(218,729)	(478,728)	(716,618)	(932,399)	(1,126,071)	(1,297,635)
Furniture & Fit Out	0	0	0	0	(5,397)	(11,812)	(17,682)	(23,006)	(27,784)	(32,017)
Contingency	0	0	0	0	(16,206)	(24,527)	(36,715)	(47,770)	(57,693)	(66,483)
Professional Fees										
Professional Fees	0	0	0	0	(25,498)	(38,298)	(57,329)	(74,592)	(90,086)	(103,811)
Net Cash Flow Before Finance	(495,332)	0	0	0	(365,830)	(553,365)	(828,343)	(1,077,766)	(1,301,634)	(1,499,946)
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(3,096)	(3,096)	(3,135)	(3,135)	(5,421)	(8,953)	(14,130)	(20,866)	(29,276)
Net Cash Flow After Finance	(495,332)	(3,096)	(3,096)	(3,135)	(368,965)	(558,786)	(837,296)	(1,091,896)	(1,322,500)	(1,529,221)
Cumulative Net Cash Flow Monthly	(495,332)	(498,427)	(501,523)	(504,658)	(873,623)	(1,432,408)	(2,269,704)	(3,361,601)	(4,684,100)	(6,213,321)

**85 Rochdale Road
CBRE Independent Viability Review**
Detailed Cash flow Phase 5 (20% Affordable (CBRE) - Adj. Costs)
Page A 2

Monthly B/F	011:Jun 2027 (6,213,321)	012:Jul 2027 (7,924,673)	013:Aug 2027 (9,793,680)	014:Sep 2027 (11,796,438)	015:Oct 2027 (13,907,419)	016:Nov 2027 (16,101,670)	017:Dec 2027 (18,355,453)	018:Jan 2028 (20,642,115)	019:Feb 2028 (22,936,223)	020:Mar 2028 (25,214,322)
Revenue										
Cap - Apartments (20% Aff Rent)	0	0	0	0	0	0	0	0	0	0
Disposal Costs										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
Unit Information										
Acquisition Costs										
Fixed Price	0	0	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0	0	0
Agent Fee	0	0	0	0	0	0	0	0	0	0
Legal Fee	0	0	0	0	0	0	0	0	0	0
Construction Costs										
Demolition	0	0	0	0	0	0	0	0	0	0
Con. - Apartments (20% Aff Rent)	(1,447,090)	(1,574,436)	(1,679,674)	(1,762,803)	(1,823,823)	(1,862,734)	(1,879,537)	(1,874,231)	(1,846,816)	(1,797,292)
Furniture & Fit Out	(35,705)	(38,847)	(41,444)	(43,495)	(45,000)	(45,960)	(46,375)	(46,244)	(45,568)	(44,346)
Contingency	(74,140)	(80,664)	(86,056)	(90,315)	(93,441)	(95,435)	(96,296)	(96,024)	(94,619)	(92,082)
Professional Fees										
Professional Fees	(115,767)	(125,955)	(134,374)	(141,024)	(145,906)	(149,019)	(150,363)	(149,938)	(147,745)	(143,783)
Net Cash Flow Before Finance	(1,672,702)	(1,819,902)	(1,941,547)	(2,037,636)	(2,108,170)	(2,153,148)	(2,172,570)	(2,166,437)	(2,134,748)	(2,077,503)
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(38,650)	(49,105)	(61,211)	(73,345)	(86,080)	(100,635)	(114,093)	(127,671)	(143,351)	(156,694)
Net Cash Flow After Finance	(1,711,352)	(1,869,007)	(2,002,758)	(2,110,981)	(2,194,250)	(2,253,783)	(2,286,663)	(2,294,108)	(2,278,099)	(2,234,197)
Cumulative Net Cash Flow Monthly	(7,924,673)	(9,793,680)	(11,796,438)	(13,907,419)	(16,101,670)	(18,355,453)	(20,642,115)	(22,936,223)	(25,214,322)	(27,448,519)

85 Rochdale Road
CBRE Independent Viability Review

Detailed Cash flow Phase 5 (20% Affordable (CBRE) - Adj. Costs)

Page A 3

Monthly B/F	021:Apr 2028 (27,448,519)	022:May 2028 (29,612,900)	023:Jun 2028 (31,684,327)	024:Jul 2028 (33,633,633)	025:Aug 2028 (35,434,424)	026:Sep 2028 (37,063,835)	027:Oct 2028 (38,491,466)	028:Nov 2028 (39,690,447)	029:Dec 2028 (40,638,056)	030:Jan 2029 (776,181)
Revenue										
Cap - Apartments (20% Aff Rent)	0	0	0	0	0	0	0	0	41,290,862	0
Disposal Costs										
Purchaser's Costs	0	0	0	0	0	0	0	0	(809,625)	0
Sales Agent Fee	0	0	0	0	0	0	0	0	(412,909)	0
Sales Legal Fee	0	0	0	0	0	0	0	0	(206,454)	0
Unit Information										
Acquisition Costs										
Fixed Price	0	0	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0	0	0
Agent Fee	0	0	0	0	0	0	0	0	0	0
Legal Fee	0	0	0	0	0	0	0	0	0	0
Construction Costs										
Demolition	0	0	0	0	0	0	0	0	0	0
Con. - Apartments (20% Aff Rent)	(1,725,660)	(1,631,919)	(1,516,069)	(1,378,111)	(1,218,043)	(1,035,868)	(831,583)	(605,190)	0	0
Furniture & Fit Out	(42,578)	(40,265)	(37,407)	(34,003)	(30,054)	(25,559)	(20,518)	(14,932)	0	0
Contingency	(88,412)	(83,609)	(77,674)	(70,606)	(62,405)	(53,071)	(42,605)	(31,006)	0	0
Professional Fees										
Professional Fees	(138,053)	(130,554)	(121,286)	(110,249)	(97,443)	(82,869)	(66,527)	(48,415)	0	0
Net Cash Flow Before Finance	(1,994,703)	(1,886,347)	(1,752,435)	(1,592,968)	(1,407,945)	(1,197,367)	(961,233)	(699,543)	39,861,875	0
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(169,678)	(185,081)	(196,870)	(207,823)	(221,465)	(230,265)	(237,748)	(248,065)	0	(3,301)
Net Cash Flow After Finance	(2,164,381)	(2,071,428)	(1,949,306)	(1,800,791)	(1,629,410)	(1,427,632)	(1,198,981)	(947,608)	39,861,875	(3,301)
Cumulative Net Cash Flow Monthly	(29,612,900)	(31,684,327)	(33,633,633)	(35,434,424)	(37,063,835)	(38,491,466)	(39,690,447)	(40,638,056)	(776,181)	(779,482)

85 Rochdale Road
CBRE Independent Viability Review

Detailed Cash flow Phase 5 (20% Affordable (CBRE) - Adj. Costs)

Page A 4

Monthly B/F	031:Feb 2029 (779,482)	032:Mar 2029 (784,354)	033:Apr 2029 (789,225)	034:May 2029 (794,097)	035:Jun 2029 (799,060)	036:Jul 2029 (804,023)	037:Aug 2029 (808,986)	038:Sep 2029 (814,043)
Revenue								
Cap - Apartments (20% Aff Rent)	0	0	0	0	0	0	0	0
Disposal Costs								
Purchaser's Costs	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0
Unit Information								
Acquisition Costs								
Fixed Price	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0
Agent Fee	0	0	0	0	0	0	0	0
Legal Fee	0	0	0	0	0	0	0	0
Construction Costs								
Demolition	0	0	0	0	0	0	0	0
Con. - Apartments (20% Aff Rent)	0	0	0	0	0	0	0	0
Furniture & Fit Out	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0
Professional Fees								
Professional Fees	0	0	0	0	0	0	0	0
Net Cash Flow Before Finance	0	0	0	0	0	0	0	0
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(4,872)	(4,872)	(4,872)	(4,963)	(4,963)	(4,963)	(5,056)	0
Net Cash Flow After Finance	(4,872)	(4,872)	(4,872)	(4,963)	(4,963)	(4,963)	(5,056)	0
Cumulative Net Cash Flow Monthly	(784,354)	(789,225)	(794,097)	(799,060)	(804,023)	(808,986)	(814,043)	(814,043)

E CBRE 100% Open Market Viability Appraisal

85 Rochdale Road
CBRE Independent Viability Review

100% Open Market: Nil Affordable Housing

APPRAISAL SUMMARY

CBRE

85 Rochdale Road CBRE Independent Viability Review

Appraisal Summary for Phase 6 Nil Affordable (CBRE) - Adj. Costs

Currency in £

REVENUE

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Apartments	153	101,915	28.17	18,764	2,153,209	2,870,946	2,153,209

Investment Valuation

Apartments

Current Rent	2,153,209	YP @	5.0000%	20.0000	43,064,183
--------------	-----------	------	---------	---------	------------

GROSS DEVELOPMENT VALUE

43,064,183

Purchaser's Costs	(844,396)
Effective Purchaser's Costs Rate	2.00%
	(844,396)

NET DEVELOPMENT VALUE

42,219,788

NET REALISATION

42,219,788

OUTLAY

ACQUISITION COSTS

Fixed Price	473,625
Fixed Price	473,625
	473,625
Stamp Duty	13,181
Effective Stamp Duty Rate	2.78%
Agent Fee	4,736
Legal Fee	3,789
	21,707

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Apartments	132,666	243.18	32,261,055
Contingency		5.00%	1,657,853
Demolition			100,000
			34,018,908
Other Construction			
Furniture & Fit Out	153 un	5,202.59 /un	795,996
			795,996

PROFESSIONAL FEES

Professional Fees	8.00%	2,588,884
		2,588,884

DISPOSAL FEES

Sales Agent Fee	1.00%	430,642
Sales Legal Fee	0.50%	215,321
		645,963

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)	
Land	90,183
Construction	2,648,753
Total Finance Cost	2,738,936

TOTAL COSTS

41,284,018

PROFIT

935,769

Performance Measures

Profit on Cost%	2.27%
Profit on GDV%	2.17%
Profit on NDV%	2.22%
Development Yield% (on Rent)	5.22%

85 Rochdale Road**CBRE Independent Viability Review**

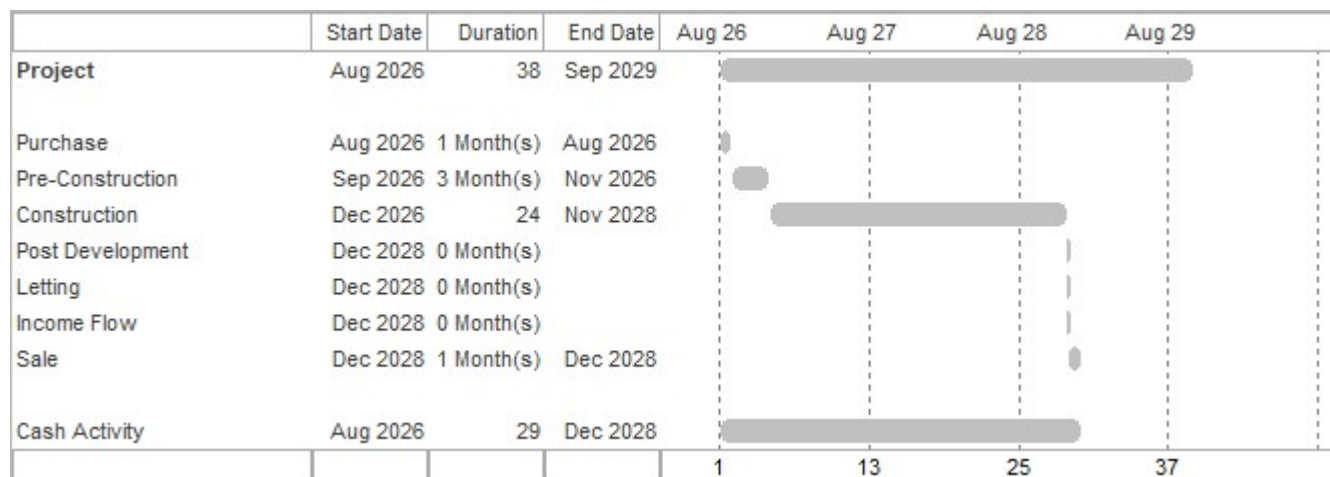
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	9.46%
Rent Cover	5 mths
Profit Erosion (finance rate 7.500)	4 mths

85 Rochdale Road
CBRE Independent Viability Review

Project Timescale

Project Start Date	Aug 2026
Project End Date	Sep 2029
Project Duration (Inc Exit Period)	38 months

6. Nil Affordable (CBRE) - Adj. Costs



85 Rochdale Road
CBRE Independent Viability Review

Detailed Cash flow Phase 6 (Nil Affordable (CBRE) - Adj. Costs)

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	001:Aug 2026	002:Sep 2026	003:Oct 2026	004:Nov 2026	005:Dec 2026	006:Jan 2027	007:Feb 2027	008:Mar 2027	009:Apr 2027	010:May 2027
Monthly B/F	0	(495,332)	(498,427)	(501,523)	(504,658)	(873,623)	(1,432,408)	(2,269,704)	(3,361,601)	(4,684,100)
Revenue										
Cap - Apartments	0	0	0	0	0	0	0	0	0	0
Disposal Costs										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
Unit Information										
Acquisition Costs										
Fixed Price	(473,625)	0	0	0	0	0	0	0	0	0
Stamp Duty	(13,181)	0	0	0	0	0	0	0	0	0
Agent Fee	(4,736)	0	0	0	0	0	0	0	0	0
Legal Fee	(3,789)	0	0	0	0	0	0	0	0	0
Construction Costs										
Demolition	0	0	0	0	(100,000)	0	0	0	0	0
Con. - Apartments	0	0	0	0	(218,729)	(478,728)	(716,618)	(932,399)	(1,126,071)	(1,297,635)
Furniture & Fit Out	0	0	0	0	(5,397)	(11,812)	(17,682)	(23,006)	(27,784)	(32,017)
Contingency	0	0	0	0	(16,206)	(24,527)	(36,715)	(47,770)	(57,693)	(66,483)
Professional Fees										
Professional Fees	0	0	0	0	(25,498)	(38,298)	(57,329)	(74,592)	(90,086)	(103,811)
Net Cash Flow Before Finance	(495,332)	0	0	0	(365,830)	(553,365)	(828,343)	(1,077,766)	(1,301,634)	(1,499,946)
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(3,096)	(3,096)	(3,135)	(3,135)	(5,421)	(8,953)	(14,130)	(20,866)	(29,276)
Net Cash Flow After Finance	(495,332)	(3,096)	(3,096)	(3,135)	(368,965)	(558,786)	(837,296)	(1,091,896)	(1,322,500)	(1,529,221)
Cumulative Net Cash Flow Monthly	(495,332)	(498,427)	(501,523)	(504,658)	(873,623)	(1,432,408)	(2,269,704)	(3,361,601)	(4,684,100)	(6,213,321)

**85 Rochdale Road
CBRE Independent Viability Review**
Detailed Cash flow Phase 6 (Nil Affordable (CBRE) - Adj. Costs)
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Monthly B/F	011:Jun 2027 (6,213,321)	012:Jul 2027 (7,924,673)	013:Aug 2027 (9,793,680)	014:Sep 2027 (11,796,438)	015:Oct 2027 (13,907,419)	016:Nov 2027 (16,101,670)	017:Dec 2027 (18,355,453)	018:Jan 2028 (20,642,115)	019:Feb 2028 (22,936,223)	020:Mar 2028 (25,214,322)
Revenue										
Cap - Apartments	0	0	0	0	0	0	0	0	0	0
Disposal Costs										
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0
Unit Information										
Acquisition Costs										
Fixed Price	0	0	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0	0	0
Agent Fee	0	0	0	0	0	0	0	0	0	0
Legal Fee	0	0	0	0	0	0	0	0	0	0
Construction Costs										
Demolition	0	0	0	0	0	0	0	0	0	0
Con. - Apartments	(1,447,090)	(1,574,436)	(1,679,674)	(1,762,803)	(1,823,823)	(1,862,734)	(1,879,537)	(1,874,231)	(1,846,816)	(1,797,292)
Furniture & Fit Out	(35,705)	(38,847)	(41,444)	(43,495)	(45,000)	(45,960)	(46,375)	(46,244)	(45,568)	(44,346)
Contingency	(74,140)	(80,664)	(86,056)	(90,315)	(93,441)	(95,435)	(96,296)	(96,024)	(94,619)	(92,082)
Professional Fees										
Professional Fees	(115,767)	(125,955)	(134,374)	(141,024)	(145,906)	(149,019)	(150,363)	(149,938)	(147,745)	(143,783)
Net Cash Flow Before Finance	(1,672,702)	(1,819,902)	(1,941,547)	(2,037,636)	(2,108,170)	(2,153,148)	(2,172,570)	(2,166,437)	(2,134,748)	(2,077,503)
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(38,650)	(49,105)	(61,211)	(73,345)	(86,080)	(100,635)	(114,093)	(127,671)	(143,351)	(156,694)
Net Cash Flow After Finance	(1,711,352)	(1,869,007)	(2,002,758)	(2,110,981)	(2,194,250)	(2,253,783)	(2,286,663)	(2,294,108)	(2,278,099)	(2,234,197)
Cumulative Net Cash Flow Monthly	(7,924,673)	(9,793,680)	(11,796,438)	(13,907,419)	(16,101,670)	(18,355,453)	(20,642,115)	(22,936,223)	(25,214,322)	(27,448,519)

**85 Rochdale Road
CBRE Independent Viability Review**
Detailed Cash flow Phase 6 (Nil Affordable (CBRE) - Adj. Costs)
Page A 3

Monthly B/F	021:Apr 2028 (27,448,519)	022:May 2028 (29,612,900)	023:Jun 2028 (31,684,327)	024:Jul 2028 (33,633,633)	025:Aug 2028 (35,434,424)	026:Sep 2028 (37,063,835)	027:Oct 2028 (38,491,466)	028:Nov 2028 (39,690,447)	029:Dec 2028 (40,638,056)	030:Jan 2029 935,769
Revenue										
Cap - Apartments	0	0	0	0	0	0	0	0	43,064,183	0
Disposal Costs										
Purchaser's Costs	0	0	0	0	0	0	0	0	(844,396)	0
Sales Agent Fee	0	0	0	0	0	0	0	0	(430,642)	0
Sales Legal Fee	0	0	0	0	0	0	0	0	(215,321)	0
Unit Information										
Acquisition Costs										
Fixed Price	0	0	0	0	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0	0	0	0	0
Agent Fee	0	0	0	0	0	0	0	0	0	0
Legal Fee	0	0	0	0	0	0	0	0	0	0
Construction Costs										
Demolition	0	0	0	0	0	0	0	0	0	0
Con. - Apartments	(1,725,660)	(1,631,919)	(1,516,069)	(1,378,111)	(1,218,043)	(1,035,868)	(831,583)	(605,190)	0	0
Furniture & Fit Out	(42,578)	(40,265)	(37,407)	(34,003)	(30,054)	(25,559)	(20,518)	(14,932)	0	0
Contingency	(88,412)	(83,609)	(77,674)	(70,606)	(62,405)	(53,071)	(42,605)	(31,006)	0	0
Professional Fees										
Professional Fees	(138,053)	(130,554)	(121,286)	(110,249)	(97,443)	(82,869)	(66,527)	(48,415)	0	0
Net Cash Flow Before Finance	(1,994,703)	(1,886,347)	(1,752,435)	(1,592,968)	(1,407,945)	(1,197,367)	(961,233)	(699,543)	41,573,825	0
Debit Rate 7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(169,678)	(185,081)	(196,870)	(207,823)	(221,465)	(230,265)	(237,748)	(248,065)	0	0
Net Cash Flow After Finance	(2,164,381)	(2,071,428)	(1,949,306)	(1,800,791)	(1,629,410)	(1,427,632)	(1,198,981)	(947,608)	41,573,825	0
Cumulative Net Cash Flow Monthly	(29,612,900)	(31,684,327)	(33,633,633)	(35,434,424)	(37,063,835)	(38,491,466)	(39,690,447)	(40,638,056)	935,769	935,769

Detailed Cash flow Phase 6 (Nil Affordable (CBRE) - Adj. Costs)

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F Sensitivity Analysis | 100% Open Market

85 Rochdale Road
CBRE Independent Viability Review

Sensitivity Analysis Report
100% Open Market: Nil Affordable Housing

85 Rochdale Road
CBRE Independent Viability Review

Table of Profit Amount and Profit on Cost%

Rent: Rate /ft²											
Construction: Rate /ft²	0.00 /ft²	+0.50 /ft²	+1.00 /ft²	+1.50 /ft²	+2.00 /ft²	+2.50 /ft²	+3.00 /ft²	+3.50 /ft²	+4.00 /ft²	+4.50 /ft²	+5.00 /ft²
	28.17 /ft²	28.67 /ft²	29.17 /ft²	29.67 /ft²	30.17 /ft²	30.67 /ft²	31.17 /ft²	31.67 /ft²	32.17 /ft²	32.67 /ft²	33.17 /ft²
-5.00 /ft²	£1,738,225	£2,476,135	£3,214,044	£3,951,954	£4,689,864	£5,427,773	£6,165,683	£6,903,592	£7,641,502	£8,379,411	£9,117,321
238.18 /ft²	4.294%	6.115%	7.935%	9.754%	11.572%	13.389%	15.205%	17.020%	18.834%	20.647%	22.459%
-4.50 /ft²	£1,657,980	£2,395,889	£3,133,799	£3,871,708	£4,609,618	£5,347,527	£6,085,437	£6,823,347	£7,561,256	£8,299,166	£9,037,075
238.68 /ft²	4.088%	5.905%	7.722%	9.537%	11.352%	13.165%	14.977%	16.789%	18.599%	20.409%	22.217%
-4.00 /ft²	£1,577,734	£2,315,644	£3,053,553	£3,791,463	£4,529,372	£5,267,282	£6,005,191	£6,743,101	£7,481,011	£8,218,920	£8,956,830
239.18 /ft²	3.882%	5.696%	7.509%	9.321%	11.132%	12.942%	14.751%	16.559%	18.366%	20.171%	21.976%
-3.50 /ft²	£1,497,488	£2,235,398	£2,973,308	£3,711,217	£4,449,127	£5,187,036	£5,924,946	£6,662,855	£7,400,765	£8,138,674	£8,876,584
239.68 /ft²	3.677%	5.488%	7.297%	9.106%	10.913%	12.720%	14.525%	16.330%	18.133%	19.935%	21.737%
-3.00 /ft²	£1,417,243	£2,155,152	£2,893,062	£3,630,971	£4,368,881	£5,106,791	£5,844,700	£6,582,610	£7,320,519	£8,058,429	£8,796,338
240.18 /ft²	3.473%	5.280%	7.086%	8.891%	10.695%	12.498%	14.300%	16.101%	17.901%	19.700%	21.498%
-2.50 /ft²	£1,336,997	£2,074,907	£2,812,816	£3,550,726	£4,288,635	£5,026,545	£5,764,455	£6,502,364	£7,240,274	£7,978,183	£8,716,093
240.68 /ft²	3.270%	5.074%	6.876%	8.678%	10.478%	12.278%	14.076%	15.874%	17.670%	19.466%	21.260%
-2.00 /ft²	£1,256,752	£1,994,661	£2,732,571	£3,470,480	£4,208,390	£4,946,299	£5,684,209	£6,422,118	£7,160,028	£7,897,938	£8,635,847
241.18 /ft²	3.068%	4.868%	6.667%	8.465%	10.262%	12.058%	13.853%	15.647%	17.440%	19.232%	21.023%
-1.50 /ft²	£1,176,506	£1,914,415	£2,652,325	£3,390,235	£4,128,144	£4,866,054	£5,603,963	£6,341,873	£7,079,782	£7,817,692	£8,555,602
241.68 /ft²	2.867%	4.663%	6.459%	8.253%	10.047%	11.839%	13.631%	15.422%	17.211%	19.000%	20.787%
-1.00 /ft²	£1,096,260	£1,834,170	£2,572,079	£3,309,989	£4,047,899	£4,785,808	£5,523,718	£6,261,627	£6,999,537	£7,737,446	£8,475,356
242.18 /ft²	2.666%	4.459%	6.251%	8.042%	9.832%	11.621%	13.410%	15.197%	16.983%	18.768%	20.552%
-0.50 /ft²	£1,016,015	£1,753,924	£2,491,834	£3,229,743	£3,967,653	£4,705,562	£5,443,472	£6,181,382	£6,919,291	£7,657,201	£8,395,110
242.68 /ft²	2.466%	4.256%	6.044%	7.832%	9.619%	11.404%	13.189%	14.973%	16.756%	18.537%	20.318%
0.00 /ft²	£935,769	£1,673,679	£2,411,588	£3,149,498	£3,887,407	£4,625,317	£5,363,226	£6,101,136	£6,839,046	£7,576,955	£8,314,865
243.18 /ft²	2.267%	4.053%	5.838%	7.623%	9.406%	11.188%	12.969%	14.750%	16.529%	18.307%	20.085%

Sensitivity Analysis : Assumptions for Calculation

Rent: Rate /ft²
Original Values are varied in Fixed Steps of £0.50

Heading	Phase	Rate	No. of Steps
Apartments	6	£28.17	11 Up only

Construction: Rate /ft²
Original Values are varied in Fixed Steps of £0.50

Heading	Phase	Rate	No. of Steps
Apartments	6	£243.18	11 Down only