

Appendix 12.3 - Avison Young financial Viability Assessment (Jan 2020)



Application Submission

Financial Viability Assessment in respect of

Former Kellogg's Site, Talbot Road, Old Trafford, Manchester

Prepared for Trafford Bruntwood LLP

January 2020

Executive Summary



In accordance with your instructions we have inspected the property in order to carry out a Viability Assessment for the redevelopment of the site.

Our instructions are to provide an independent assessment of the viability of the proposed development and to determine whether it would be viable for a fully planning policy compliant scheme to be delivered. If a policy compliant scheme is not viable we are to advise on the maximum achievable quantum and type of on-site affordable housing which it would be viable to provide, as well as any contributions (Community Infrastructure Levy and Section 106 financial obligations). This report has made a number of assumptions regarding anticipated Section 106 financial obligations based on the Council's adopted policy and has had due regard to the Council's published Community Infrastructure Levy Charging Schedule.

Location:

The property is located in Old Trafford fronting Talbot Road and to the north east of Old Trafford Cricket Ground in a mixed use location. Residential, commercial and leisure uses are all prevalent in the area. The property also adjoins Old Trafford Metrolink Station which provides frequent services to Manchester City Centre approximately two miles to the north east.

Existing Site:

The site comprises the land surrounding the former Kellogg's HQ building, a brick built, four storey, office building built in 1990. The land comprises the former grounds which provide car parking, grassland, shrubbery and mature trees. Since, Kellogg's vacated the building and following refurbishment works, the building is now occupied by University Academy 92 (UA92), a higher education provider backed by Lancaster University which predominantly offers courses relating to sport, media, and business degrees.

The existing building has been subject to an earlier planning consent for its present use, which is unaffected by the proposals.

The Proposed Development:

The proposal is summarised as follows:-

“Outline planning application (all matters reserved except for access) for the redevelopment of the site for residential dwellings (Use Class C3); office/ education uses (Use Class B1a/D1); local centre uses (Use Classes A1-A4 and D1); hotel (C1); primary school (Use Class D1); energy centre (Use Class B2) and associated infrastructure and open space, with access from Talbot Road”.

The proposed development has been designed for use as a residential led mixed – use scheme proposing the following uses:

- Up to 750 residential units (Use Class C3);
- Up to 7,000 sq m for a Primary School (Use Class D1);
- Up to 18,500 sq m for Office/Education use (Use Class B1a/D1);
- Up to 4,500 sq m for a Local Centre (Use Class A1-A4 & D1);
- Up to 100 bedroom hotel (Use Class C1);
- Up to 600 sq m for an Energy Centre (Use Class B2);
- Open space, sustainable drainage systems (SuDS) and landscaping; and
- Associated infrastructure.

*The above floor areas represent the Gross External Area (GEA).

The viability appraisal has been undertaken on the basis that all of the above uses are delivered (as maxima) however it should be noted that the 750 residential units is an upper limit which is proposed in the interests of flexibility and would only arise if for example other elements of the development do not come forward in due course such as the offices/education uses. The viability assessment has been undertaken on the basis that if all of the above non-residential uses are maximised, then only circa 556 residential units would be capable of being provided.

Affordable Housing Policy

Affordable Housing requirements are set out in adopted Core Strategy policy L2 as further articulated in the Council's Planning Obligations SPD. According to adopted policy, the site lies within a “cold” market location. Within a “Cold Zone” the policy is for 5% Affordable Housing or 10% in “good conditions” subject to a viability assessment. In line with the Obligations SPD, the Council can also assess each site on its merits with Affordable Housing provision of up to 40% if it is judged that a scheme will not perform in a generic way. Paragraph 3.14 of the SPD states:

"In those areas where the nature of the development is such that, in viability terms, it will perform differently to generic developments within a specified market location, the affordable housing contribution will be determined via a site specific viability study, and will not normally exceed 40%. This will apply in the case of most of the strategic locations."

Under current market conditions we understand that a 10% provision of affordable housing would be considered to be policy compliant.

Community Infrastructure Levy (CIL)

With the site being located in a "cold charging zone" the CIL applicable to any new development is £20 psm for private market housing and £10 psm for hotels. There is no CIL charge for apartments, offices or public/institutional facilities such as education, health, community, emergency services or public transport facilities.

Gross Development Value (GDV)

We have assessed the GDV of the proposed scheme, assuming it is policy compliant (10% Affordable Housing), to be £216,691,554.

Developers Return

We have adopted a developer's return of 15.36% of GDV, which is a blend of 15.75% to the residential Market Value properties and commercial uses, and 6% for the Affordable homes.

Affordable Housing Values

We have adopted a ratio of 50:50 between Intermediate (shared ownership) and Social Rented housing in line with planning policy (the SPD). The level of discount to Market Value is negotiated on a site by site basis. We have adopted 45% of Market Value for Social Rented homes and 70% for Intermediate homes (or a blended rate of 58%) which is in line with various case examples of affordable housing provision at developments within the Borough.

Benchmark Land Value

We have adopted a Benchmark Land Value of £4,750,000 which is based on an Alternative Use Value (AUV) approach, having regard to the Trafford Core Strategy and the Trafford Civic Quarter Masterplan SPD. It reflects a land value of £577,859 per gross acre.

Abnormal Costs

There are significant abnormal costs associated with developing the site which are estimated to be £6,734,700. These are summarised below:

Abnormal cost Item	Estimated cost
Public Realm	£317,750
Utilities and Services	£3,566,615
Highway Works to Brian Statham Way	£1,461,135
Highway Works to Talbot Road	£780,000
Energy Centre	£609,200
Total	£6,734,700

Primary School site

The proposal is to transfer the site of the proposed Primary School to Trafford Council for Nil consideration. This site is 0.87 acres. If it could be developed for residential apartments, then based on evidence of nearby land transactions, the site, with the benefit of planning permission, could have a Market Value in the region of £3,270,000.

Viability Assessment

We have assessed the Viability based on a policy compliant scheme of 10% affordable housing provision and the inclusion of assumed (based on the Obligations SPD) S106 Contributions of £1,105,613 towards Local Open Space, Children/Young People, Outdoor sports and potential CIL Contributions of £151,952. At this level of affordable housing and contribution level the scheme is viable as summarised in the table below:

Affordable provision	Policy Compliant Scheme
	10% Affordable (55 dwellings)
Local Open Space Contribution	£168,458
Children/Young People	£395,055
Outdoor sports	£542,100
Primary School Site *	£3,270,000
CIL (Houses)	£122,430
CIL (Hotel)	£29,522
Abnormal costs	£6,734,700
Fixed Price (Benchmark Land Value)	£4,750,000
Residual Land Value	£4,740,269
Viability Surplus/Deficit	-£9,731

* The Primary School Site is not a physical payment but reflects the opportunity cost of losing £3.27m of potential revenue from the school land (if this were to come forward as residential apartments) which is to be transferred to Trafford Council for £1.

As outlined above, after adopting a Benchmark Land Value of £4,750,000 and assuming a policy compliant scheme along with total abnormal costs of £6,734,700 and transferring the school site to Trafford Council for £1, the proposed scheme produces a slight viability deficit of less than £10,000. Based on the scale of the proposed development such a small deficit is not significant enough to consider the scheme unviable.

Summary

As we have shown above and within the body of the report, the proposed scheme can provide the following planning obligations, without affecting viability:

- 10% Affordable Housing provision
- S106 Contributions and Community Infrastructure Levy (CIL):
 - I. Local Open Space - £168,458
 - II. Children/Young People - £395,055
 - III. Outdoor Sports - £542,100
 - IV. CIL - £151,952
- School site transferred to Trafford Council for £1.

The scheme can therefore be delivered on a policy compliant basis.

Contents

1.	Instructions	8
2.	Location and Situation	10
3.	Site Area	14
4.	Proposed Floor Areas.....	15
5.	Planning Policy Context	17
6.	Title	21
7.	Approach to Viability	22
8.	Land Value Benchmark	24
9.	Appraisal Assumptions.....	27
10.	Development Costs and Programme	32
11.	Outputs and Results	36
12.	General Comments	38

Appendices

Appendix 1 Viability Appraisal - Policy Compliant

Appendix 2 Scheme Masterplan

Appendix 3 Viability Appraisal – Office/Commerical Use

Appendix 4 Viability Appraisal - High Density Residential Use

Appendix 5 Viability Appraisal - Low Density Residential Use

Appendix 6 Residential Comparable Evidence

Appendix 7 Office and Retail Comparable Evidence

Appendix 8 Hotel Comparable Evidence

Appendix 9 Richard Boothroyd & Associates Feasibility Cost Plan dated December 2019

Appendix 10 BCIS Costings

Definitions and Reservations for Valuations

1. Instructions

We have been instructed by Trafford Bruntwood LLP to undertake a Viability Assessment for the development of the site.

Bruntwood is a property investor and developer with more than £1bn in assets under ownership across more than 100 landmark properties, a development pipeline of £1.4bn, and a team of more than 800 people working across the group. The company owns, leases and manages over 100 buildings across Manchester, Cheshire, Leeds, Liverpool and Birmingham including workspace, innovation and science facilities through Bruntwood SciTech and Bruntwood Works. They have entered into a Joint Venture agreement with the owner of the site, Trafford Council in order to deliver the scheme.

We have been instructed to determine the maximum reasonable amount of affordable housing and contributions (Community Infrastructure Levy and Section 106 obligations) that can be provided whilst maintaining a viable scheme. In order to do this we have considered the following scenarios:

- i) Whether it would be viable for a policy compliant scheme to be delivered;
- ii) If a policy compliant scheme is not viable, advise on the maximum achievable quantum of on-site affordable housing and contributions which it would be viable to provide;

In undertaking this exercise we have considered the following:

- RICS Guidance;
- The NPPF - February 2019.
- Planning Practice Guidance (PPG) - September 2019.

The specific Trafford Council documents we have had regard to are as follows:

- Trafford Local Plan Core Strategy, adopted January 2012;
- Trafford Local Plan: Revised Supplementary Planning Document 1 (SPD1) – Planning Obligations, adopted July 2014.
- Trafford Community Infrastructure Levy: Charging Schedule, adopted March 2014.
- Draft Trafford Civic Quarter Masterplan Supplementary Planning Document, October 2018.

Our assessment has been undertaken in accordance with your brief, and our Terms of Engagement, which have been prepared in accordance with the RICS Valuation – Global Standards 2017.

Our assessment has been undertaken:

- With objectivity
- Impartially

-
- Without interference and
 - With reference to all appropriate available sources of information.

We are confident that this FVA fully reflects the way the development would be carried out and that the information we have provided is balanced, reasonable and reflects an appropriate level of judgement in the circumstances. Our advice complies with Section 4: Duty of care and due diligence of the RICS Guidance Note: Financial viability in planning: conduct and reporting – 1st edition, May 2019.

In assessing any potential conflicts, we have adhered to the RICS Professional Statement – Conflicts of Interest, (1st Edition, March 2017) and the RICS Rules of Conduct.

As far as we are aware, we have no conflict of interest in relation to the provision of valuation advice in respect of the property. Avison Young is a regulated firm.

In preparing this report, no performance related or contingent fee has been agreed.

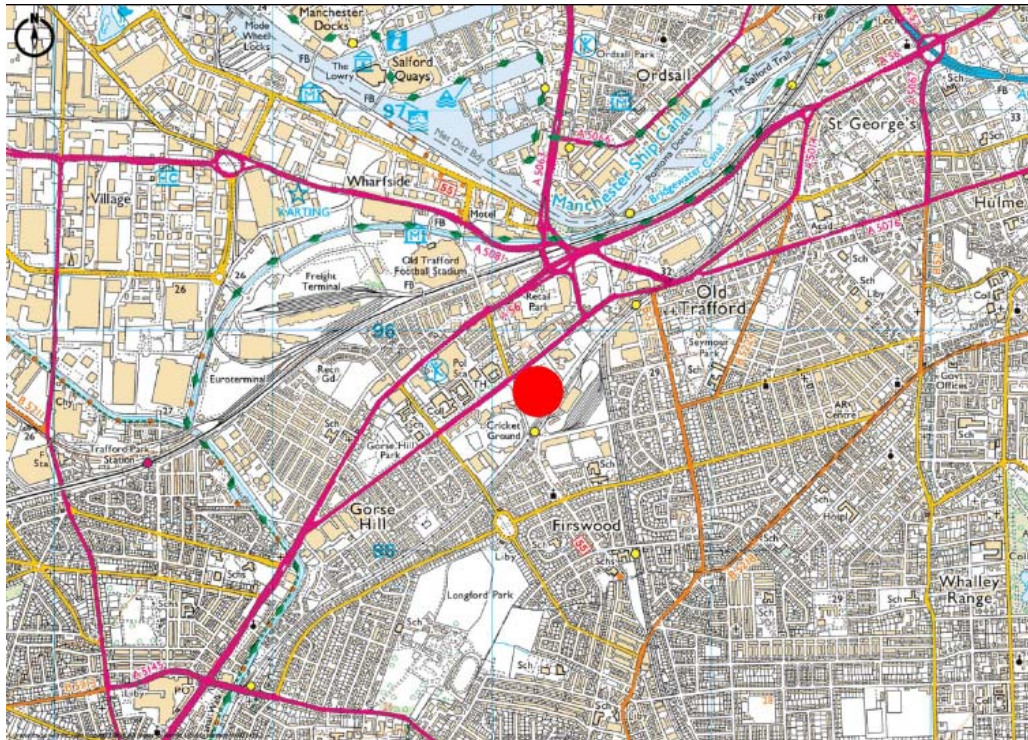
2. Location and Situation

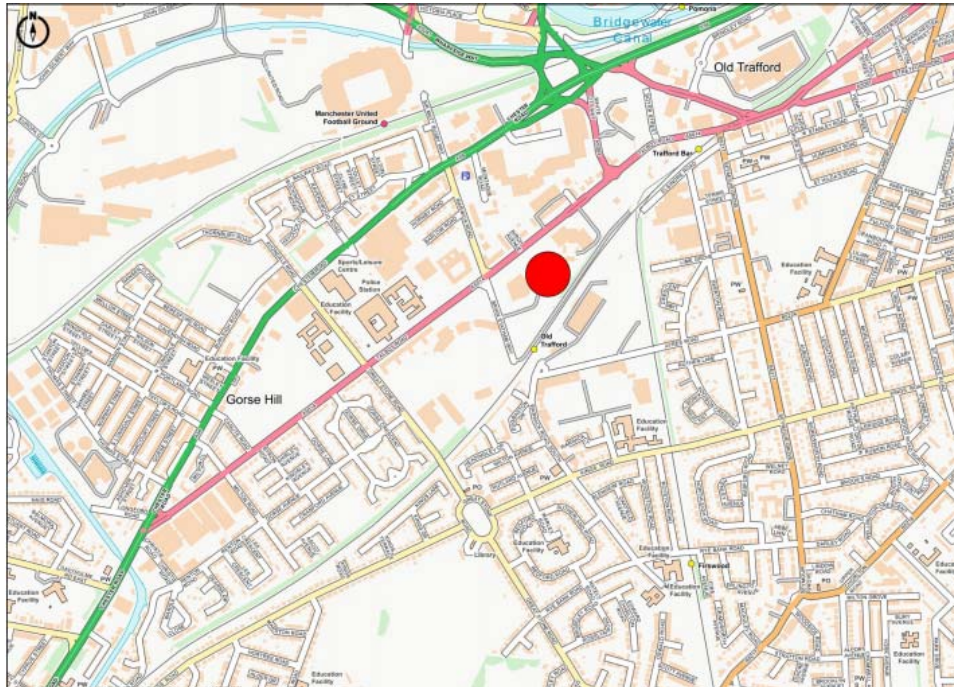
The site is located within the administrative area of Trafford Council. The site is bound by Talbot Road to the north, British Gas offices to the east, the Altrincham-Bury Metrolink line to the south and southeast, and Lancashire County Cricket Club (LCCC) to the west. The neighbouring tram stop (Old Trafford) provides high frequency services across Greater Manchester, connecting Manchester Airport in the south with Rochdale and Bury in the north, Ashton-under-Lyne and Oldham in the east to Eccles in the West and Altrincham and East Didsbury to the south.

The existing building on the site is occupied by University Academy 92 and other nearby occupiers include United Utilities, Trafford PCT, and the Greater Manchester Police. There is also a large Tesco Express which is located on Chester Road and the property is in close proximity to Old Trafford Football Ground and immediately adjacent Old Trafford Cricket Ground.

The surrounding area is characterised by a wide range of uses; including office, commercial, residential and sport uses and transport infrastructure. Buildings range up to approximately 15 storeys high.

We provide a plan below showing the approximate location and situation of the property which is denoted by a red circle.





Description

Existing Site

The former Kellogg's building is located centrally within the site. The building comprises a five storey brick-built building set within a landscaped area to the front and a large expanse of hardstanding for car parking to the rear. The building was designed and built especially for Kellogg's, opening in November 1990. The site served as the Kellogg's offices for almost three decades before they relocated to MediaCityUK in January 2018. The building has subsequently been refurbished as part of a redevelopment project for the newly established University Academy 92 (UA92).

The building works have now been completed, and as of September 2019 the building is fully operational again. This building will be retained as part of the proposals and does not form part of the application.

The site is irregular in shape.



Proposed Scheme

The proposals will retain the existing former Kellogg's HQ building and develop the surrounding land to provide a mixed use scheme.

An outline planning application with all matters reserved except access has been submitted, and will seek outline approval for the following uses:

"Outline planning application (all matters reserved except for access) for the redevelopment of the site for residential dwellings (Use Class C3); office/ education uses (Use Class B1a/D1); local centre uses (Use Classes A1-A4 and D1); hotel (C1); primary school (Use Class D1); energy centre (Use Class B2) and associated infrastructure and open space, with access from Talbot Road".

The proposed development has been designed as a residential led mixed – use scheme providing the following uses and quantity of development:

- Up to 750 residential units (Use Class C3);
- Up to 7,000 sq m for a Primary School (Use Class D1);
- Up to 18,500 sq m for Office/Education (Use Class B1a/D1)
- Up to 4,500 sq m for a Local Centre (Use Class A1-A4 & D1)
- Up to 100 bed hotel (Use Class C1)
- Up to 600 sq m for an Energy Centre (Use Class B2)
- Associated infrastructure

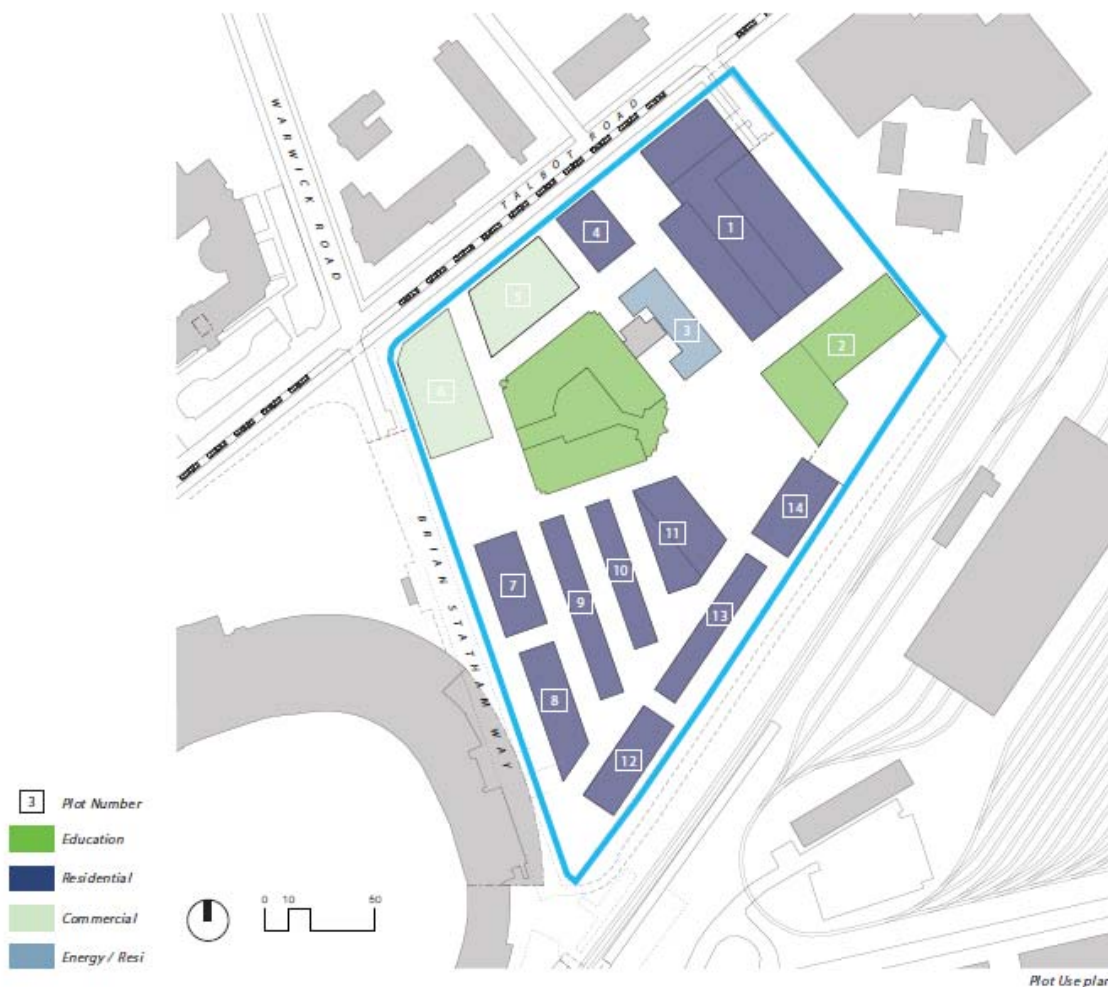
These figures reflect the Gross External Areas (GEA).

It is proposed that the scheme will be delivered in seven phases. The residential accommodation is proposed to be a mixture of town houses and apartments with the majority of buildings varying in height from two to eight storeys. In addition there is planned to be two taller buildings fronting Talbot Road of 14 and 18 storeys in height.

It is proposed that the hotel will front Brian Statham Way, opposite the Cricket Ground and the office/education uses will be located on the corner of Brian Statham Way and Talbot Road to the front of the former Kelloggs building.

The local centre will comprise a number of retail and food and beverage units spread across several phases and forming the ground floor of a number of the residential buildings. It is proposed that 230 surface car spaces will be provided and the site for the school has been identified adjoining the rear boundary with the Metrolink line.

We provide a plan below showing the masterplan of the proposed development which is also appended (Appendix 2)



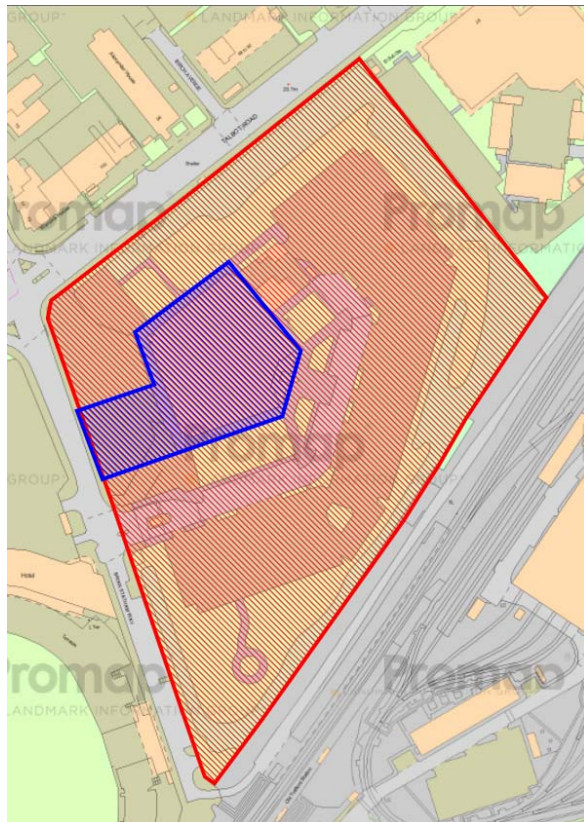
A summary breakdown of the uses and floor areas to be provided within each phase is detailed within Section 4 of the report.

3. Site Area

The property, edged red on the plan below has an approximate Gross site area of 3.3 hectares (8.22 acres) which excludes the site area occupied by the former Kelloggs building, now UA92 (edged blue) which totals approximately 0.52 hectares (1.29 acres).

The main vehicular access is currently from Brian Statham Way. Under the proposals the main access will be from Talbot Road at the northern corner of the site, via a priority controlled T-junction arrangement. This access would accommodate all vehicle ingress manoeuvres. Access to the main areas of the site will be restricted to disabled users and servicing/delivery vehicles through a control point (automatic raising bollards or similar) which will enable the proposed school, retail, and residential uses to be serviced appropriately. Cyclists and pedestrians travelling east/west along the southern side of Talbot Road would have priority over vehicles.

Various areas of public realm within the site are proposed and will provide a mixture of hard and soft landscaping with grassed areas, shrubbery and mature trees throughout.



4. Proposed Floor Areas

We have been provided with a breakdown of the proposed floor areas and unit numbers by the developer which are set out in Tables 1 and 2 below:-

Residential

*Table 1: Residential Schedule of Accommodation**

Phase	Plots	Unit Type	No of Apartments	Size sq ft (GIA)	Size sq ft (NIA)
2	1	Studios/ Apartments/ Townhouses	254	231,022	188,468
3	7,12	Apartments	60	67,874	54,300
4	9,10,13	Townhouses	47	62,754	62,754
5	11,14	Apartments	91	85,199	68,159
6	3,4	Apartments	104	105,971	84,777
Total			556	552,820	458,458

* The Net Internal Areas (NIA) are based on 80% of the GIA for apartments, and 100% for the townhouses. Therefore, those phases with a combination of apartments and townhouses reflect a blended rate.

The accommodation will range from 1-4 bedrooms and whilst the application has been submitted for 750 residential units, this is a maximum figure to allow flexibility in case the office/education uses do not come forward, in which case they could be developed for residential uses instead. Our appraisal assumes the office/educational uses will be provided, in which case the number of residential units that can be accommodated under the proposed scheme is 556.

Commercial

Table 2: Commercial Schedule of Accommodation

Phase	Plots	Use	Size sq ft (GIA)	Size sq ft (NIA)
1	8	Retail	9,203	7,363
		100 bed hotel	30,189	21,132
2	1	Retail	9,203	7,363
3	7,12	Retail	9,203	7,363
5	11,14	Retail	9,203	7,363
6	3,4	Retail	9,203	7,363
7	5,6	Office	189,177	151,342
Total			265,381	209,289

The Gross Internal Areas (GIA) are based on 95% of the Gross External Areas (GEA) for which planning permission is being sought. The Net Internal Areas (NIA) are based on 80% of the GIA for all use types, with the exception of the hotel which is calculated based on 70% of the GIA. A gross to net ratio of 80% is typical for residential and office schemes which we have analysed.

The total proposed floor area equates to a GIA of 818,201 sq ft and a NIA of 667,747 sq ft.

Type	GIA (Sq. M.)	GIA (Sq. FT.)	NIA (Sq. M.)	NIA (Sq. Ft.)
Residential	51,358.23	552,820	42,591.79	458,458
Commercial	24,654.50	265,381	19,443.42	209,289
Total	76,012.73	818,201	62,035.21	667,747

5. Planning Policy Context

Planning History

The existing site is the former Kellogg's corporate offices – a 1990's built five storey office building with low density car parking and landscaping. Full planning consent was granted on 10th August 2018 *"for change of use to part educational use (Use Class D1) and part office space (Use Class B1), together with ancillary IT demonstration/experience centre (Use Class D1), cafe (Use Class A3) and external alterations including selective demolition to facilitate conversion, landscaping, public realm and other associated works"*. Following this, University Academy 92 refurbished the building which completed in September 2019 and is now operational as of October 2019 (Application number: 94747/FUL/18).

The Development Plan

The Development Plan for the site currently comprises:

- Trafford Core Strategy ("the Core Strategy") (adopted January 2012); and
- The Revised Trafford Unitary Development Plan ("the UDP") (adopted June 2006).

There are no saved policies of relevance to the determination of this application and as such, no further consideration has been given to the UDP.

The Trafford Core Strategy (January 2012)

The Trafford Core Strategy was adopted in January 2012 and now forms the key element of the statutory Development Plan.

As set out in Chapter 3, the Core Strategy sets out a number of "strategic locations" which are opportunities the Council wish to see delivered however, the precise boundaries are not defined by the Core Strategy itself. **Policy SL3 (Lancashire County Cricket Club Quarter)** is identified as a strategic proposal, identifying the area as capable for delivering a major mixed-use development comprising:

- A redeveloped LCCC Sports Stadium with ancillary sports and leisure facilities;
- 400 residential units comprising predominately accommodation suitable for families;
- A redeveloped and renovated Trafford Town Hall providing new accommodation for Trafford Council's and administrative function;
- Improvements to education, community and commercial facilities (including a superstore); and
- Improvements to the local highway network and better linkages with public transport infrastructure.

Affordable Housing

Policy L2 (Meeting Housing Needs) states that all new residential development proposals will be assessed for the contribution that will be made to meeting the housing needs of the Borough. In order to meet the identified affordable housing need within the Borough, the Council will seek a target split of 60:40 market: affordable housing.

Policy L2 also sets out that the expected delivery methods of affordable housing would be on site; at least 50% of the affordable housing provision will be required to be accommodation suitable for families; the affordable housing element should reflect the overall mix of unit types on the site and a split of 50: 50 in the affordable housing units to be provided between intermediate and social/affordable rented housing units.

In "cold" market locations such as where the property is situated, the minimum threshold for qualifying sites is developments of 15 or more dwellings. Within "cold" market locations no more than a 5% affordable housing target will be applied under normal market conditions, with a flexibility to raise this to a 10% requirement under "good" conditions.

The level of discount required in the Trafford Borough is negotiated on a site by site basis and so for the purpose of this exercise, we have assumed 45% of Market Value for social rented homes and 70% for intermediate homes which is in line with our experience of the prices at which Registered Providers have been acquiring affordable housing stock.

Other Material Considerations

There are a number of other planning policy guidance documents at a local and national level that may be relevant to the determination of this application which include:

- Community Infrastructure Levy
- National Planning Policy Framework (NPPF) (February 2019); and
- Planning Practice Guidance (March 2014, and subsequent updates).

Community Infrastructure Levy

The Trafford Community Infrastructure Levy (CIL) Charging Schedule was formally approved by Trafford Council in March 2014 and came into effect in July 2014.

The charging schedule indicates that the following charges should be applied for development in the '*cold charging zone*':

Use	CIL Charge (per sqm)
Private market housing	£20
Apartments	£0
Public/Institutional Facilities as follows: education, health, community & emergency services, public transport	£0

Offices	£0
Hotels	£10

The subject property is located within a Cold Charging Zone and the table below summarises our assessment of the costs applicable to the subject site:-

Use	CIL charge (per sq m)	Size GEA (sq m)	Contribution
Private Market Houses	£20	6,122	£122,430
Apartments	£0	-	£0
Public/Institutional Facilities including education	£0	-	£0
Offices	£0	-	£0
Hotel	£10	2,952	£29,522
Total			£151,952

National Planning Policy Framework (NPPF)

The revised NPPF was updated in February 2019 and outlines the government's planning policies for England and how these are expected to be applied. It provides a framework within which locally-prepared plans for housing and other development can be produced.

The revised NPPF places greater importance in achieving high quality design and undertaking engagement with local communities and it also provides a clearer framework in which to demonstrate doing so. At the same time, there is greater potential to increase the density and value of development in suitable, central locations. The NPPF imposes an incentive to process housing applications as quickly as possible and to work with developers in an attempt to speed up implementation and delivery, with implications for underperformance.

The framework states that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area.

Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site.

The NPPF states that where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment.

The PPG states that where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan.

Section 106 Requirements

Referring to the Trafford Local Plan: Revised Supplementary Planning Document 1 (SPD1) – Planning Obligations, adopted July 2014, we summarise below the required section 106 contributions required:

Open Space Contribution/Sports Contribution

Large residential development of approximately 100 units will aim to provide new open space as part of the site design. For the purpose of this exercise, whilst the site does provide a number of areas of public realm, we have still accounted for this contribution.

Regarding sports, very large developments in the region of over 300 units will need to provide on-site facilities although in exceptional circumstances a commuted sum may be payable.

The contributions are calculated as follows:

Dwelling Size	Capacity	No of Units	Total Capacity
1 bed	1.3 persons	97	126.1
2 bed	1.8 persons	343	617.4
3 bed	2.5 persons	101	252.5
4 bed	3.1 persons	15	46.5
5+ bed	3.5 persons	0	0
Total		556	1,042.5

Multiplying the total capacity of the scheme at the below rates equates to the following contributions:

Type	Total Capacity	Cost per person	Total Contribution
Local open space	1,042.5	£161.59	£168,458
Children/young people	1,042.5	£378.95	£395,055
Sports	1,042.5	£520.00	£542,100
		Total	£1,105,613

6. Title

We have not been provided with a Report on Title, however we have assumed for the purpose of the viability assessment that the interest is an unencumbered freehold.

7. Approach to Viability

Our approach to assessing the viability of the proposed scheme is based on the policy documents which we have summarised above and the following guidance notes:

- I. RICS Guidance Note on Financial Viability and Planning, the first edition of which was published in September 2012. Viability for planning purposes is defined in the RICS Guidance as follows:

“An objective financial viability test of the ability of the development project to meet its costs including the cost of planning obligations, whilst ensuring an appropriate site value for the land owner and a market risk adjusted return to a developer in delivering that project”.

- II. NPPF (Feb 2019) and PPG (September 2019)

A viability assessment is required in respect of this site at the application stage as the development proposed varies significantly from the standard models used in assessing viability at the plan making stage. The proposed development is a large mixed use scheme with a significant amount of abnormal works required as well as a requirement to transfer part of the site to Trafford Council for use as a primary school. For these reasons it is considered a Viability Assessment is required at the application stage.

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

The key in assessing viability is to identify what is considered an appropriate return for the developer and an appropriate site value for the land owner, having regard for the requirement to provide the maximum reasonable level of affordable housing and other planning obligations.

The level of return to the developer is dependent upon the level of risk associated with a specific scheme. This is determined having regard to the complexity of the scheme in terms of delivery, current market conditions and risk associated with realising the GDV on completion, as the developer only takes a profit when all other costs have been accounted for.

With regard to the site value, it is recognised that a site with development potential will not be released for development at its current use value, however, it is not appropriate to adopt a land value based on a purchase price (if this is relevant) where the purchaser may not have assumed the full payment of planning obligations in order to secure the site in competitive bidding.

The new PPG (September 2019) states that to define land value for any viability assessment, a Benchmark Land Value (BLV) should be established on the basis of the Existing Use Value (EUV) of the land plus a premium for the land owner. The premium should provide a reasonable incentive, in comparison with other options available, for the land owner to sell land for development whilst allowing a sufficient contribution to comply with policy requirements. This approach is called Existing Use Value Plus (EUV+).

With the BLV and developers return fixed, an appraisal is produced in which all the costs of the development are included. The output is a Residualised Price which if positive shows the scheme is viable and can support planning obligations, including affordable housing. If it is negative the scheme is not viable and cannot support any additional planning obligations to those (if any) that have been included in the appraisal.

8. Land Value Benchmark

The revised Planning Practice Guidance (PPG) was updated in line with the new National Planning Policy Framework and was published in May 2019. The PPG sets out that the benchmark land value should

- be based upon existing use value;
- allow for a premium to land owners;
- 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. Market evidence can also be used as a cross – check of benchmark land value but should not be used in place of benchmark land value.

Market evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan.

Existing Use Value

Existing Use Value is the first component of calculating benchmark land value. EUV is the value of the land in its current use. EUV is not the price paid and should disregard hope value. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).

As the Existing Use is effectively car parking and landscaped gardens and with the knowledge that the site is within the Lancashire County Cricket Club Quarter, described as a strategic location for major mixed use development within the Trafford Core Strategy and is within the Campus Quarter in the draft Civic Quarter Masterplan SPD, which describes the former Kelloggs site as a significant opportunity to create a vibrant new mixed use community around the UA92 building, we consider the EUV+ approach is not appropriate and would not adequately reflect the price that a landowner would require to release their land for development in this location.

Instead the PPG (September 2019) states that Alternative Use Value (AUV) may be informative in establishing benchmark land value. For the purpose of viability assessment AUV refers to the value of land for uses other than its existing use. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan and those uses where it can be demonstrated they could be implemented on the site in question and it can be demonstrated there is market demand for that use. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.

Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.

Alternative Use Value

As the site is identified for a mixed use development we have considered land values for Office/Commercial use and both high and low density residential development.

Office/Commercial Use

Due to the lack of comparable evidence of land transactions we have undertaken a development appraisal based on a hypothetical office development. We have assumed a similar site density to the development of 8 First Street in Manchester which has many similar site characteristics. With a building footprint equating to 46% of the site and assuming a four storey building, to be in keeping with the adjoining UA92 building, we estimate that an acre of the site could be developed with a building offering a net internal floor area of 60,914 sq ft.

We have then adopted rents and yields based on our knowledge of the market and construction costs taken from BCIS. Our appraisal is attached at Appendix 3 which shows a land value of £473,257 per acre which we have rounded to £475,000. This value assumes planning consent.

High Density Residential Use

We are aware of the sale of a site, very close to the subject property which has planning permission for 90 apartments. The site sold for £3,000,000 and is 0.7 acres. The sale therefore devalues to £4,285,000 per acre or £33,333 per apartment. However the scheme is not policy compliant in that no affordable housing is required. We have therefore adjusted the comparable to allow for 10% affordable housing provision. This reduces the land value to £2,630,000 equating to £3,757,000 per acre which we have rounded to £3,750,000. Our appraisal is attached at Appendix 4.

Low Density Residential Use

We have undertaken an appraisal based on a development of 47 townhouses on 1.47 acres, which accords with the proposed density for phase 4 of the scheme. We have adopted sales rates of £400,000 per property and allowed for four affordable dwellings as well as payments for CIL and contributions for Open Space, Children/Young Persons and Outdoor Sports. We have taken rates for construction from BCIS. The appraisal produces a land value equating to £2,643,459 per acre which we have rounded to £2,650,000 per acre (Appendix 5).

The gross site area is 8.22 acres. We have assumed that 0.5 acres would be required for open space/public realm etc reducing the developable area to 7.72 acres. We have then assumed a 55%:45% split of the site between commercial and residential uses and further split the residential uses between high density and low density.

The development area for the different uses is shown in the table below, to which we have applied the land values identified previously. The total land value is £12,929,500 which assumes planning consent and is before allowing for abnormal costs.

Abnormal costs, excluding the Energy Centre, have been estimated by RBA, Cost Consultants to be £6,125,500 as detailed later in this report. Deducting these costs reduces the land value to £6,804,000. We have then made a 30% deduction to reflect the risks, time and holding costs associated with obtaining planning consent. The net land value is £4,762,800 which we have rounded to £4,750,000. This equates to £579,416 and in our opinion reflects the price a landowner would require in order to release the land for development and therefore reasonably represents the Benchmark Land Value (BLV).

Acres	Use	Value per acre	Value
4.22	Commercial/Leisure	£475,000	£2,004,500
1.50	High Rise Residential	£3,750,000	£5,625,000
2.00	Low Rise Residential	£2,650,000	£5,300,000
0.50	Open Space	£0	£0
8.22			£12,929,500
		Abnormal Costs	£6,125,500
		Gross Value less abnormal costs	£6,804,000
		30% discount for planning risk/timing	£2,041,200
		BLV	£4,762,800
		say	£4,750,000

9. Appraisal Assumptions

Development and Sales Programme

We have been provided with the proposed development programme by Trafford Bruntwood LLP. It is intended to develop the site in seven phases. We summarise the proposed timescales below:-

Phase	Use	Construction period	Sales period	Comments
1	100 bed hotel with retail & F&B	9 months pre-construction 12 months (month 10 to 21)	1 month (month 22)	Assumed pre sold
2	254 apartments and townhouses with retail and F&B	19 months (month 16 to 34)	6 months (month 35 to 40)	Assumed the commercial, affordable and parking is 100% pre-sold. Assumed the Market Value apartments are sold within 6 months of PC.
3	60 apartments with retail and F&B	18 months (month 38 to 55)	6 months (month 56 to 61)	Assumed the commercial and affordable homes are 100% pre-sold. Assumed the Market Value apartments are sold within 6 months of PC.
4	47 townhouses	18 months (month 56 to 73)	3 months (month 74 to 76)	Assumed the houses are sold within 3 months of PC.
5	91 apartments with retail and F&B	14 months (month 75 to 88)	6 months (month 89 to 94)	Assumed the commercial is 100% pre-sold. Assume the Market Value apartments are sold within 6 months of PC.
6	104 apartments with retail and F&B	22 months (month 89 to 110)	6 months (month 111 to 116)	Assumed the commercial is 100% pre-sold. Assume the Market Value apartments are sold within 6 months of PC.
7	Offices	17 months (month 113 to 129)	1 month (month 130)	Assumed pre-sold.

The scheme is programmed to take 10 years and 10 months to be developed and sold. The main access for development after phase 1 and 3 have been completed, both of which front Brian Statham Lane, will be from Talbot Road. Phases to the rear of the site will need completing before phases to the middle and front of the site can commence.

Gross Development Value

We have assessed the GDV based on a policy compliant scheme, providing 10% affordable housing.

We have applied a 50%/50% mix of intermediate and social rented dwellings to be provided, creating a blended discount of 58% of Market Value for the affordable properties.

The PPG states that:

“Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.

For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers.”

The subject site is strategically located next to Old Trafford Metrolink Tram stop, providing frequent services into Manchester city centre and is situated within easy walking and cycling distances to a number of key services and facilities within Stretford (approximately 1.6km to the south west) and Manchester City Centre (approximately 3km to the north east).

The area's excellent connectivity creates an attractive and more affordable alternative to Manchester city centre with the highly successful Salford Quays/Mediacity an example that helps to highlight the demand from both a residential and commercial perspective in areas peripheral to Manchester city centre.

We have undertaken enquiries into residential and commercial values in the locality and have attached comparable evidence in order to help inform our opinion of the Gross Development Value. In arriving at commercial values we have looked at rental and yield evidence. For the residential accommodation we have looked at unit sales of comparable schemes (Appendix 6).

For ease, we have summarised the comparable evidence attached into the following tables:

Residential

1-3 Bed Apartments

Development	Lowest Price psf	Highest Price psf
No 1 Old Trafford, Old Trafford – Cole Waterhouse*	£365	£418
Gallery Gardens, Castlefield – DeTrafford*	£415	£415
86 Talbot Road, Old Trafford – Cert Properties	£285	£362
Bridgewater Wharf, Salford – Fortis Group	£243	£336
Local Blackfriars, Manchester – Salboy	£321	£358
St. George's Island, Castlefield– Dandara (second hand)	£307	£310
Spectrum, Blackfriars – Dandara (second hand)	£304	£365
Potato Wharf, Castlefield – Lendlease (second hand)	£215	£223
Metropolitan House, Stretford (second hand)	£264	£307
Warwickgate House, Old Trafford (second hand)	£227	£458

West Point, Old Trafford (second hand)	£322	£460
Sillavan Way, Salford – Dandara (second hand)	£207	£307
Subject Property	£340	£350

* reflects quoting prices

Of particular note is the neighbouring Cert Properties scheme at 86 Talbot Road, directly opposite the subject site. The development has not commenced, however pre sales have achieved values ranging from £285 - £362 psf. As the scheme lies immediately opposite we have adopted similar rates. Also of note is the Gallery Gardens scheme in Castlefield where quoting prices average £415 psf. This scheme is located within a superior location closer to Manchester city centre. We have made a suitable adjustment to reflect this.

3-4 bed terraced house sales

Development	Lowest Price	Highest Price
Scholars Walk, Whalley Range – Laurus Homes*	£277	£280
The Roof Gardens, Castlefield – DeTrafford	£316	£361
Irwell Riverside, Salford – Urban Splash	£238	£263
Barrel Yard, Moss Lane, Manchester – Forshaw Land & Property	£224	£238
Subject Property	£300	£300

There is a lack of recent new build/second hand sales of terraced/townhouses within the locality. Of particular note is The Roof Gardens which provides a high quality scheme within Castlefield, closer to Manchester city centre. The location is considered superior which we have reflected in the rate we have adopted. The Urban Splash scheme is a modular development as opposed to a traditional construction and the location whilst on the edge of Manchester City Centre is currently dominated by local authority housing. We consider the subject site will offer a better specified product.

Conclusion

Having regard to the above, we have applied an average rate of £350 psf to Phase 2 which reflects the high rise nature of this phase. There is evidence from other schemes that a height premium is payable for apartments on the higher floors. For the apartment buildings up to eight storeys in height we have adopted an average sales rate of £340 psf and £300 psf for the townhouses.

Commercial

We attach rental and investment yield evidence of office, retail (Appendix 7), and hotel (Appendix 8) transactions comparable to the scheme being proposed at the subject property.

Office

Rent - Rental comparables range from £17.50 psf - £26.00 psf depending on factors such as size, location, age, and specification. Those towards the top end of the range are located within more established locations within Salford Quays and Media City. As the proposed office space at the subject site will provide brand new Grade A office space but within a less established office location, we have adopted a rate of £22.50 psf.

Investment Yield – There is a lack of recent comparable transactions that are of a similar lot size and location. Of particular note however is the sale of The Soapworks, Salford Quays which shares similar locational qualities and is within proximity to the subject property. This sold at a price reflecting a 6.50% Net Initial Yield (NIY) in September 2017.

The property comprises the former Colgate Factory which has been converted to provide office accommodation over five storeys. The property provides a total of 211,410 sq ft; equating to floorplates of circa 42,000 sq ft. The property is located west of Manchester City Centre in Salford Quays on Colgate Lane in an established commercial area.

Also of note is 1 Exchange Quay, Salford Quays which sold at a price reflecting a NIY of 7.62% in June 2017. We have therefore adopted a yield of 6.50%.

The property comprises a detached office building of circa 2002 steel portal frame construction with glazed elevations under flat roofs. The property was refurbished in 2015 and provides a total of 75,958 sq ft. The property is located west of Manchester City Centre in Salford on Exchange Quay with good access to Deansgate Railway Station and the A57(M).

Retail

Rent - Rental comparables range from £15.27 psf - £23.67 psf depending on factors such as size, location, and age. We have adopted a rate of £20.00 psf. to reflect the location, which, with the exception of White City Retail Park is not an established retail location.

Investment Yield - There is a lack of investment sales evidence to rely upon primarily due to the location of the property. Of particular note however is The Quadrangle which is located within a similar albeit superior location and forms part of the ground floor of an apartment scheme. The development sold at a price reflecting a 6.91% net initial yield. We therefore consider that a yield of 7.00% appropriately reflects the location of the site and the likely tenant profile of the scheme which is likely to range from local to national operators.

Hotel

Rent – Rental comparables range from £3,000 - £8,850 per bed per annum depending on factors such as star rating of the hotel, specification, amenities available and location. Of particular note is the Travelodge at Markendale Place in Salford Quays which is let at a rent of £4,500 per bed. We have adopted a similar rent of £4,500 per bed.

Investment Yield - Achieved net initial yields vary from 4.10%-7.25% depending on factors such as location, ancillary uses, covenant, size, rent review provision, unexpired term and specification. We consider that the hotel would attract a national operator due to its location adjacent to Old Trafford Cricket Ground, a short walk from Old Trafford football stadium and adjacent to Old Trafford tram stop providing regular services into Manchester City Centre. We have therefore applied a yield of 5.50% which we consider to be in line with the appended comparable evidence.

Summary Table of Values

Having regard to the above we have assessed the Gross Development Value of the completed scheme on a fully planning policy compliant basis to be £216,691,554. A breakdown of the GDV between the commercial and residential elements of the scheme is shown in the tables below.

Residential					
Phase	Unit Type	No of Units	Size sq ft (NIA)	Price per sq ft	Total GDV
2	Studios/ Apartments/ Townhouses	217	161,014	£350.00	£56,354,900
	Affordable Studios and Apartments	37	27,454	£203.00	£5,573,162
	Residential Parking	230 spaces	n/a	£9,000 per space	£1,552,500*

3	Apartments	42	38,010	£340.00	£12,923,400
	Affordable Apartments	18	16,290	£197.00	£3,209,130
4	Townhouses	47	62,754	£300.00	£18,826,200
5	Apartments	91	68,159	£340.00	£23,174,060
6	Apartments	104	84,777	£340.00	£28,824,180
Total			458,458		£150,437,532

*We have allocated 25% of the spaces to the commercial elements of the scheme. The rents for the commercial uses are inclusive of the car parking.

Phase	Use	Size sq ft (NIA)	Rent per sq ft	Total Market Rent	Yield	Total GDV
1	Retail	7,363	£20.00	£147,260	7.00%	£2,103,714
	100 bed hotel	21,132	£4,500 per bed	£450,000	5.50%	£8,181,818
2	Retail	7,363	£20.00	£147,260	7.00%	£2,103,714
3	Retail	7,363	£20.00	£147,260	7.00%	£2,103,714
5	Retail	7,363	£20.00	£147,260	7.00%	£2,103,714
6	Retail	7,363	£20.00	£147,260	7.00%	£2,103,714
7	Office	151,342	£22.50	£3,405,195	6.50%	£52,387,615
Total		209,289			Gross Value	£71,088,005

The Gross Value of £71,088,005 for the commercial element needs to be adjusted for purchaser's normal costs of acquisition which includes SDLT at 5% and acquisition agents and legal fees, including VAT of 1.8%. The value of the commercial element after allowing for costs of 6.8% is £66,254,021 with the total GDV of the scheme being £216,691,554 as shown below.

Use	GDV
Residential	£150,437,532
Commercial	£66,254,021
Total	£216,691,553

Primary School Site

In addition to the above is an area to the rear of the site comprising 0.87 acres (0.35 hectares) which has been allocated for the development of a primary school and which it is intended will be transferred to Trafford Council for £1. The construction of the school will not be undertaken by the applicant and as such no development costs have been included in the appraisal.

10. Development Costs and Programme

We set out below our assumptions in relation to development costs for the scheme.

Land Acquisition costs

It is standard practice in Financial Viability Assessments to adopt the Benchmark Land Value as the land value within the appraisal. With the land value and developers return fixed, the appraisal will then calculate a Residualised Price. If this is positive then it shows the scheme is viable and can support a level of Affordable housing or other planning obligations. If it is negative it shows the scheme is not viable.

We have assessed the BLV at £4,750,000 which reflects the Alternative Use Value of the site (see Section 8). We have then allowed for SDLT at 4.76% as well as professional fees of 1.5%.

Section 106/CIL Contributions

We have adopted the following Section 106/CIL contributions in line with planning policy (see Section 5).

Contribution	Sum
Local open space	£168,458
Children/young people	£395,055
Sports	£542,100
CIL – Houses	£122,430
CIL – Hotel	£29,522
TOTAL	£1,257,565

Construction Costs

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

Costs include:

- Build costs based on appropriate data, for example that of the Building Cost Information Service.
- Abnormal costs which should be taken into account when defining benchmark land value.
- Site specific infrastructure costs, which might include access roads, green infrastructure, and connection to utilities. These costs should be taken into account when defining benchmark land value.
- The total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value.
- General finance costs including those incurred through loans.

- Professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value.
- Explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return.

We have been provided with a Feasibility Cost Estimate prepared by Richard Boothroyd & Associates (RBA), dated December 2019 relating to Enabling Works, External Works, Abnormal Costs and Professional Fees which we have attached (Appendix 9). For the construction cost of the buildings, we have made reference to the Building Cost Information Service (BCIS) which is an accepted source of information. The PPG on Viability (September 2019), as referred to above, states that build costs should "be based on appropriate data, for example that of the BCIS".

The total build cost is estimated at £132,486,411. This excludes enabling works, external works, abnormal costs, contingency and professional fees.

The main components of the construction costs, which include preliminaries, are shown in the following table:

Use	Cost	BCIS Rate psf	Comment
Retail	£4,422,400	£96.10	BCIS Median: shops, 1 to 2 storey
Parking	£3,680,000	£16,000 per space	Provided by RBA
Offices	£31,970,998	£169.00	BCIS Median: air conditioned offices, general
Townhouses	£10,012,105	£123.60	BCIS Upper Quartile: two and three storey, semi detached and terraced, estate housing.
Apartments up to 8 storeys	£44,094,439	£153.30	BCIS Median: apartments 6 storey or above.
Apartments: 9 – 14 storeys	£11,739,136	£165.30	BCIS Midpoint between Median and Upper Quartile: 6 storey or above.
Apartments: 15 – 18 storeys	£20,067,330	£177.40	BCIS Upper Quartile: apartments, 6 storey or above.
Hotel	£6,500,000	£65,000 per bed	BCIS Upper Quartile: hotels
Total	£132,486,411		

We have used BCIS data from 21 December 2019 which has been rebased to Trafford. We have used the Upper Quartile rates for the majority of the residential accommodation to reflect the quality of the proposed scheme intended to satisfy the Council's objective of a high quality neighbourhood centred around an improved stadium offering visitors a high quality experience.

Enabling Works

This cost which is for £284,490 has been provided by RBA.

External Works

These costs which have been divided between the different phases have been provided by RBA. The total cost is £4,028,470.

Abnormal Costs

These costs are listed within the RBA report and relate to highway works to Brian Statham Way and Talbot Road, utility Infrastructure, an Energy Centre, and public realm furniture and landscaping. The costs are summarised in the table below:

Abnormal cost Item	Estimated cost
Public Realm	£317,750
Utilities and Services	£3,566,615
Highway Works to Brian Statham Way	£1,461,135
Highway Works to Talbot Road	£780,000
Energy Centre	£609,200
Total	£6,734,700

Other costs that we have included in our appraisal are shown in the following table:

Cost	Allowance	Comment
Fees and surveys	£11,482,726	Fees have been calculated based on 8% of cost. This includes all consultancy fees as well as costs for surveys, NHBC warranties and EPC's.
Contingency	5% (£7,176,704)	A developer's contingency of 3% to 5% is usually considered acceptable. We have adopted 5% which is at the higher end of the range to reflect the early stage of the project.
Marketing - Residential	1.00% (£1,401,027)	This covers the cost of a show home, brochures, advertising, mailing etc. We have not applied a marketing cost to the Affordable properties.
Disposal Fees	Agents 1.50% (£3,105,843) Legal 0.50% (£1,079,192)	These rates are generally considered typical for this type of development. Agents fees have not been applied to the Affordable properties.
Letting Fees	Agents 10.00% (£459,150) Legal 5.00% (£229,575)	Applied to the commercial element, these rates are generally considered typical for this type of development.
Finance Costs	6.00% (£4,497,174)	From discussions with lenders and developers this interest rate, which includes an arrangement fee, monitoring fee and exit fee

		is considered typical in the current market.
Rent Free – Offices	£3,405,195	We have allowed a rent free period of 12 months on the offices which we consider would be required in order to incentivise incoming tenants.
School Land	£1	Our appraisal accounts for a nominal receipt of £1 for the land that will be transferred to Trafford Council.

Developers Return

The PPG states that

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

Following discussion with Trafford Bruntwood LLP we have adopted a profit target for the market value element of the scheme of 15.75% of GDV which is towards the lower end of the range considered by the market to be an acceptable return.

Where any accommodation is provided as Affordable it is generally accepted in the market place that the developer return should be reduced to 6% as the Affordable Accommodation is usually sold to a single Registered Provider and the sales risk is therefore substantially reduced.

Adopting the above rates for the different elements of the scheme produces a blended profit margin of 15.36%. We are of the opinion that this is the minimum return a developer of a scheme of this size and complexity, in this location would require.

Property	Return - % of GDV
Residential	15.75%
Commercial	15.75%
Affordable housing	6.00%
Blended Return	15.36%

11. Outputs and Results

Appraisal based on a fully compliant scheme

We have carried out a viability appraisal for a fully compliant scheme at a level of 10% Affordable Housing. For the Affordable Housing we have assumed a 50:50 ratio between Intermediate (shared ownership) and Social Rented housing in line with planning policy (the SPD), and applying a discounted rate of 45% of Market Value for Social Rented homes and 70% for Intermediate homes (or a blended rate of 58%).

Our Residual Appraisal attached at Appendix 1 adopts a Benchmark Land Value (BLV) of £4,750,000, being the price at which we consider a landowner would be prepared to sell the site and allow it to be brought forward for development.

Our appraisal adopts a blended profit target of 15.36% of GDV being the return we consider would be acceptable for a developer to deliver the scheme.

By fixing the land price and developer return the appraisal produces a 'Residualised Price'. If it is negative, it shows how far below the Benchmark Land Value the land would need to be sold in order for the scheme to be delivered. On the basis that the BLV is assessed to be the minimum amount that a landowner would sell the land for then anything below is considered unviable.

Should the 'Residualised Price' be positive it shows that the scheme is viable and can deliver a certain level of affordable housing or other planning contributions.

Summary

The appraisal shows a land value of £4, 740,269, against a Benchmark Land Value of £4,750,000, a difference of **£-9,731**. Based on the scale of the proposed development, such a small deficit is not significant enough to consider the scheme unviable.

The scheme can therefore be delivered on a policy compliant basis and provide the following planning obligations, without affecting viability:

- 10% Affordable Housing provision;
- S106 Contributions and Community Infrastructure Levy (CIL):
 - i. Local Open Space - £168,458
 - ii. Children/Young People - £395,055
 - iii. Outdoor Sports - £542,100
 - iv. CIL - £151,952

-
- School site transferred to Trafford Council for £1.

As the proposal is policy compliant we have not prepared a sensitivity analysis. However it is clear that any increase in costs without a corresponding increase in revenues and GDV will impact on the viability of the scheme and its ability to deliver the affordable housing provision, CIL and S106 contributions set out above.

12. General Comments

We confirm that we meet the requirements as to competence and the definitions of an External Valuer within the RICS Valuation – Global Standards 2017.

The Viability Report has been prepared by Roger Phillips BSc (Hons) MRICS, a RICS Registered Valuer and Senior Director within the Valuation Consultancy Department.

Yours faithfully



Roger Phillips BSc (Hons) MRICS
RICS Registered Valuer
Principal and Senior Director
Valuation Consultancy
For and on behalf of
GVA Grimley Limited t/a Avison Young

Appendix 1

Viability Appraisal - Policy Compliant

Kelloggs- 10% affordable excl school BCIS costs

APPRAISAL SUMMARY**AVISON YOUNG****Kelloggs- 10% affordable excl school BCIS costs****Summary Appraisal for Merged Phases 1 2 3 4 5 6 7**

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
P2 - studios,1-4 bed apts, townhouses	217	161,014	350.00	259,700	56,354,900	0	56,354,900
P2 - studios and 1 bed affordable	37	27,454	203.00	150,626	5,573,162	0	5,573,162
Residential Parking	230	0	0.00	9,000	2,070,000	(517,500)	1,552,500
P3 - 2 & 3 bed apartments	42	38,010	340.00	307,700	12,923,400	0	12,923,400
P3 - 2 bed apartments afford	18	16,290	197.00	178,285	3,209,130	0	3,209,130
P4 - 1,3 & 4 bed townhouses	47	62,754	300.00	400,557	18,826,200	0	18,826,200
P5 - 2,3, 4 bed apartments	91	68,159	340.00	254,660	23,174,060	0	23,174,060
P6 - 1 & 2 bed apartments	<u>104</u>	<u>84,777</u>	340.00	277,156	<u>28,824,180</u>	<u>0</u>	<u>28,824,180</u>
Totals	786	458,458			150,955,032	(517,500)	150,437,532

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
P1 retail/f&b	1	7,363	20.00	147,260	147,260	147,260
P1 Hotel	100			4,500	450,000	450,000
P2 - retail/f&b	1	7,363	20.00	147,260	147,260	147,260
P2 - Parking	230	63,471		0	0	
P3 - retail f&b	1	7,363	20.00	147,260	147,260	147,260
P5 - retail/f&b	1	7,363	20.00	147,260	147,260	147,260
P6 - retail /f&b	1	7,363	20.00	147,260	147,260	147,260
P7 - Offices	<u>1</u>	<u>151,342</u>	22.50	3,405,195	<u>3,405,195</u>	<u>3,405,195</u>
Totals	336	251,628			4,591,495	4,591,495

Investment Valuation

P1 retail/f&b						
Current Rent	147,260	YP @	7.0000%	14.2857	2,103,714	
P1 Hotel						
Current Rent	450,000	YP @	5.5000%	18.1818	8,181,818	
P2 - retail/f&b						
Current Rent	147,260	YP @	7.0000%	14.2857	2,103,714	
P3 - retail f&b						
Current Rent	147,260	YP @	7.0000%	14.2857	2,103,714	
P5 - retail/f&b						
Current Rent	147,260	YP @	7.0000%	14.2857	2,103,714	
P6 - retail /f&b						
Current Rent	147,260	YP @	7.0000%	14.2857	2,103,714	
P7 - Offices						
Current Rent	3,405,195	YP @	6.5000%	15.3846	52,387,615	
					71,088,005	

GROSS DEVELOPMENT VALUE**221,525,537**

Purchaser's Costs	(4,833,984)
Effective Purchaser's Costs Rate	6.80%
	(4,833,984)

NET DEVELOPMENT VALUE**216,691,553****Additional Revenue**

School Land	1	1
-------------	---	---

NET REALISATION**216,691,554****OUTLAY****ACQUISITION COSTS**

Fixed Price (8.22 Acres 300,386.41 pAcre)	4,862,000
Residualised Price (Negative land)	(2,392,824)
	2,469,176
Acquisition Costs	299,734
	299,734

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
P1 Hotel	100 un	65,000	6,500,000
	ft ²	Build Rate ft ²	Cost

APPRAISAL SUMMARY**AVISON YOUNG****Kelloggs- 10% affordable excl school BCIS costs**

P1 retail/f&b	9,204	96.10	884,480	
P2 - retail/f&b	9,204	96.10	884,480	
P2 - Parking	63,471	57.98	3,680,000	
P3 - retail f&b	9,204	96.10	884,480	
P5 - retail/f&b	9,204	96.10	884,480	
P6 - retail /f&b	9,204	96.10	884,480	
P7 - Offices	189,178	169.00	31,970,998	
P2 - studios,1-4 bed apts, townhouses	197,369	162.72	32,115,957	
P2 - studios and 1 bed affordable	33,653	162.72	5,475,993	
P3 - 2 & 3 bed apartments	47,513	153.30	7,283,666	
P3 - 2 bed apartments afford	20,363	153.30	3,121,571	
P4 - 1,3 & 4 bed townhouses	62,754	123.60	7,756,394	
P5 - 2,3, 4 bed apartments	85,199	153.30	13,060,968	
P6 - 1 & 2 bed apartments	<u>105,971</u>	161.35	<u>17,098,461</u>	
Totals	851,489		125,986,411	132,486,411

Contingency		5.00%	7,176,704	
Enabling Works			284,490	
P 2 External Works			1,111,120	
P3 External Works			353,950	
P4 External Works			702,240	
P5 External Works			747,730	
P6 - External Works			509,470	
P7 - External Works			603,960	
				11,489,664

Other Construction

Section 106 - Open Space			168,458	
Section 106 - Children/Young People			395,055	
Section 106 - Open Space			542,100	
CIL Houses			122,430	
CIL Hotel			29,522	
Abnormal P2 - Bespoke Lighting			50,000	
Abnormal P2 - Street Furniture			25,000	
Abnormal P3 - HV Mains			2,519,615	
Abnormal P3 - Gas Mains			522,000	
Abnormal P3 - Water Mains			525,000	
Abnormal P3 - Highways Works BSW			1,461,135	
Abnormal P5 - Feature paving			100,000	
Abnormal P5 - Planting			42,750	
Abnormal P5 - Play furniture			50,000	
Abnormal P6 - Highway Works TR			780,000	
Abnormal P6 - Energy Centre			609,200	
Abnormal P7 - Street Furniture			50,000	
				7,992,265

PROFESSIONAL FEES

Fees and Surveys		8.00%	11,482,726	
				11,482,726

MARKETING & LETTING

Marketing		1.00%	1,401,027	
Letting Agent Fee		10.00%	459,150	
Letting Legal Fee		5.00%	229,575	
				2,089,752

DISPOSAL FEES

Sales Agent Fee		1.50%	3,105,843	
Sales Legal Fee		0.50%	1,079,192	
				4,185,035

Additional Costs

Rent Free - Offices			3,405,195	
				3,405,195

FINANCE

Debit Rate 6.00%, Credit Rate 0.00% (Nominal)				
Total Finance Cost				3,619,617

TOTAL COSTS**179,519,574****PROFIT****37,171,980****Performance Measures**

Profit on Cost%		20.71%		
-----------------	--	--------	--	--

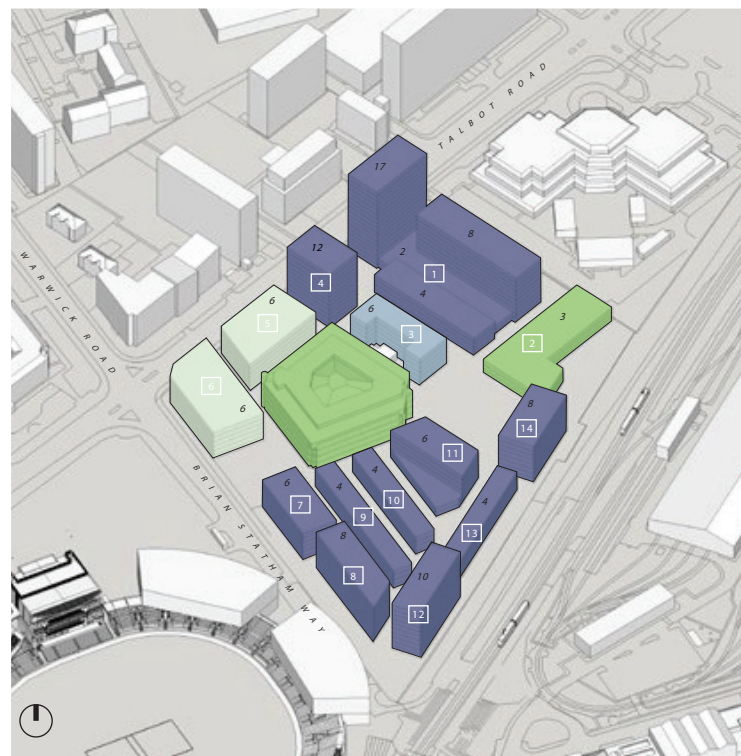
APPRAISAL SUMMARY**AVISON YOUNG****Kelloggs- 10% affordable excl school BCIS costs**

Profit on GDV%	16.78%
Profit on NDV%	17.15%
Development Yield% (on Rent)	2.56%
Equivalent Yield% (Nominal)	6.46%
Equivalent Yield% (True)	6.73%
IRR	22.52%
Rent Cover	8 yrs 1 mth
Profit Erosion (finance rate 6.000)	3 yrs 2 mths

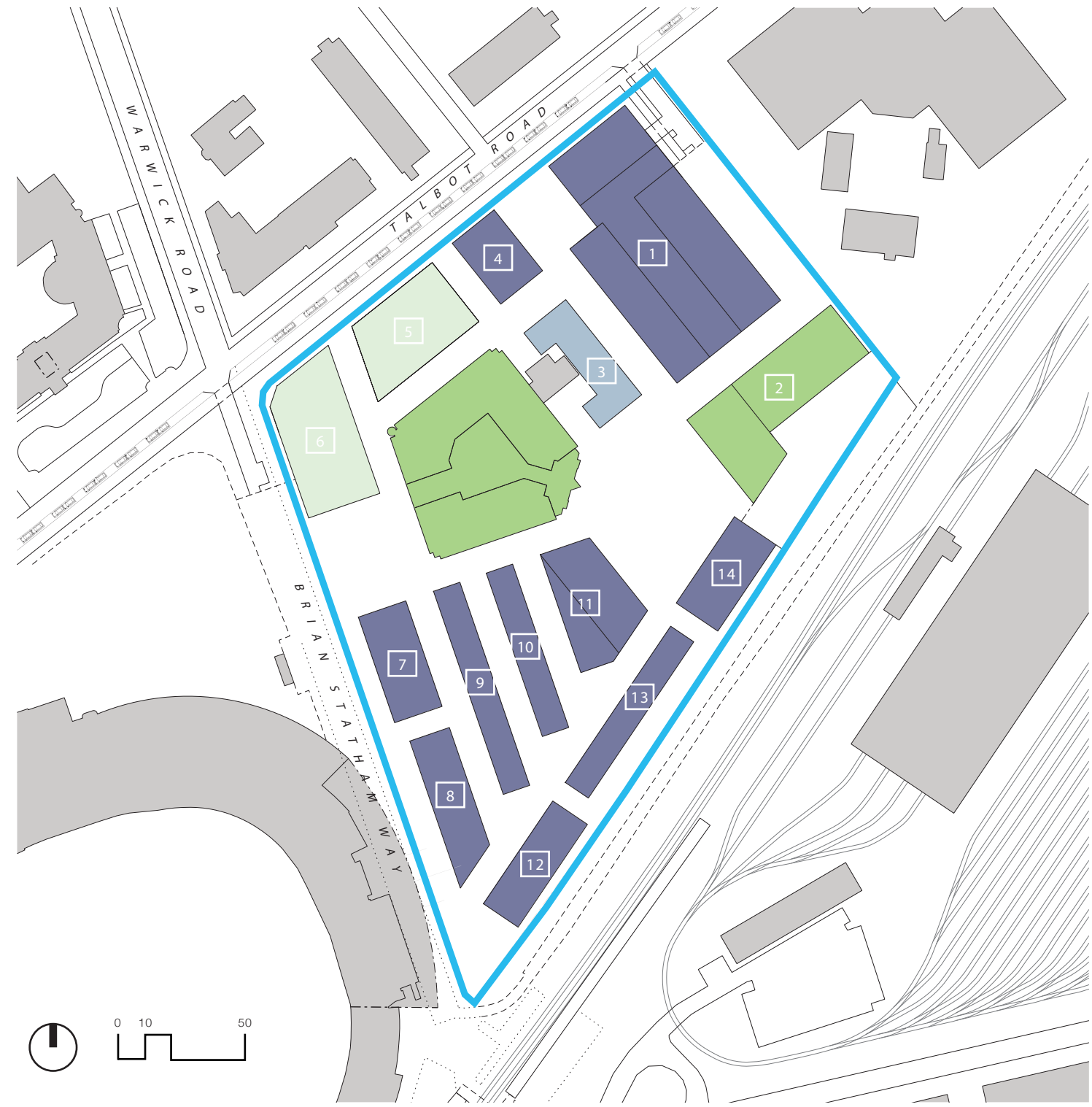
Appendix 2

Scheme Masterplan

STAGE 1 STRATEGY PRIMARY USES

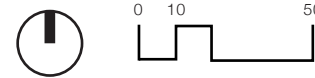


Plot Use 3d



Plot Use plan

- 3 Plot Number
- Education
- Residential
- Commercial
- Energy / Resi



Appendix 3

Viability Appraisal – Office/Commerical Use

APPRAISAL SUMMARY**AVISON YOUNG****Former Kellogg's HQ - Office/Commercial Use****Summary Appraisal for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale
New Build Office	1	60,914	23.00	1,401,022	1,401,022

Investment Valuation**New Build Office**

Current Rent	1,401,022	YP @	6.5000%	15.3846	21,554,185
--------------	-----------	------	---------	---------	------------

GROSS DEVELOPMENT VALUE**21,554,185**

Purchaser's Costs

(1,454,907)

Effective Purchaser's Costs Rate

6.75%

(1,454,907)

NET DEVELOPMENT VALUE**20,099,277****NET REALISATION****20,099,277****OUTLAY****ACQUISITION COSTS**

Residualised Price (1.00 Acres 473,257.34 pAcre)

473,257

473,257

Stamp Duty

3.91%

18,504

Agent Fee

1.00%

4,733

Legal Fee

0.50%

2,366

25,603

CONSTRUCTION COSTS**Construction**

New Build Office

76,143

ft² Build Rate ft²

167.50

Cost

12,753,869

12,753,869

Contingency

3.00%

382,616

382,616

PROFESSIONAL FEES

Professional Fees

8.00%

1,020,310

1,020,310

MARKETING & LETTING

Letting Agent Fee

10.00%

140,102

Letting Legal Fee

5.00%

70,051

210,153

DISPOSAL FEES

Sales Agent Fee

1.50%

323,313

Sales Legal Fee

0.50%

107,771

431,084

Additional Costs

Rent Free

1,401,022

1,401,022

FINANCE

Debit Rate 6.00%, Credit Rate 0.00% (Nominal)

Land

35,907

APPRAISAL SUMMARY**AVISON YOUNG****Former Kellogg's HQ - Office/Commercial Use**

Construction	371,947	
Total Finance Cost		407,854
TOTAL COSTS		17,105,768
PROFIT		2,993,509

Performance Measures

Profit on Cost%	17.50%
Profit on GDV%	13.89%
Profit on NDV%	14.89%
Development Yield% (on Rent)	8.19%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
 IRR	 45.59%
 Rent Cover	 2 yrs 2 mths
Profit Erosion (finance rate 6.000)	2 yrs 8 mths

APPRAISAL SUMMARY

AVISON YOUNG

Former Kellogg's HQ - Office/Commercial Use

**Initial
MRV**
1,401,022

Appendix 4

Viability Appraisal - High Density Residential Use

86 Talbot Road with Afford - High Density Residential Use

Development Appraisal
Avison Young
23 January 2020

APPRAISAL SUMMARY**AVISON YOUNG****86 Talbot Road with Afford - High Density Residential Use****Summary Appraisal for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Type A - 1 Bed	22	10,870	344.08	170,000	3,740,000
Type B - 2 Bed (Large)	9	6,516	317.69	230,000	2,070,000
Type C - 2 Bed (Small)	41	26,775	321.57	210,000	8,610,000
Type D - 3 Bed	9	8,064	306.91	275,000	2,475,000
Car Parking	90	0	0.00	9,500	855,000
Type A - 1 Bed Affordable	5	2,470	240.86	119,000	595,000
Type C - 2 Bed (Small) Affordable	4	<u>2,612</u>	225.10	147,000	<u>588,000</u>
Totals	180	57,307			18,933,000

NET REALISATION**18,933,000****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.70 Acres 3,757,338.94 pAcre)		2,630,137		2,630,137
Stamp Duty	4.63%	121,775		
Agent Fee	1.00%	26,301		
Legal Fee	0.80%	21,041		
				169,118

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Type A - 1 Bed	13,332	146.54	1,953,671	
Type B - 2 Bed (Large)	7,992	146.54	1,171,148	
Type C - 2 Bed (Small)	32,841	146.54	4,812,520	
Type D - 3 Bed	9,891	146.54	1,449,427	
Type A - 1 Bed Affordable	3,030	146.54	444,016	
Type C - 2 Bed (Small) Affordable	<u>3,204</u>	146.54	<u>469,514</u>	
Totals	70,290		10,300,297	10,300,297

Contingency	5.00%	515,015		515,015
-------------	-------	---------	--	---------

Other Construction

NHBC	90 un	1,000.00 /un	90,000	
EPC	90 un	250.00 /un	22,500	
Principal Designer			21,450	
				133,950

Section 106 Costs

Section 106			70,150	
				70,150

PROFESSIONAL FEES

Professional Fees	8.00%	824,024		824,024
-------------------	-------	---------	--	---------

MARKETING & LETTING

Marketing			100,000	100,000
-----------	--	--	---------	---------

DISPOSAL FEES

Sales Agent Fee	1.50%	283,995		
Sales Legal Fee	0.50%	94,665		
				378,660

FINANCE

Debit Rate 6.00%, Credit Rate 0.00% (Nominal)				
Land			99,098	
Construction			50,911	
Other			348,366	
Total Finance Cost				498,375

TOTAL COSTS**15,619,725****PROFIT****3,313,275****Performance Measures**

Profit on Cost%	21.21%
-----------------	--------

APPRAISAL SUMMARY**AVISON YOUNG****86 Talbot Road with Afford - High Density Residential Use**

Profit on GDV%	17.50%
Profit on NDV%	17.50%
IRR	41.89%
Profit Erosion (finance rate 6.000)	3 yrs 3 mths

Appendix 5

Viability Appraisal - Low Density Residential Use

Kelloggs HQ - Low Density Residential Use

Development Appraisal
Avison Young
23 January 2020

APPRAISAL SUMMARY**AVISON YOUNG****Kelloggs HQ - Low Density Residential Use****Summary Appraisal for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
P4 - 1,3 & 4 bed townhouses	43	57,413	300.00	400,557	17,223,970
P4 - 1,3 & 4 bed TH AR	2	2,670	135.00	180,251	360,502
P4 - 1,3 & 4 bed TH IH	<u>2</u>	<u>2,670</u>	210.00	280,390	<u>560,780</u>
Totals	47	62,754			18,145,252

NET REALISATION**18,145,252****OUTLAY****ACQUISITION COSTS**

Residualised Price (1.47 Acres 2,643,459.35 pAcre)		3,885,885			
				3,885,885	
Stamp Duty	4.72%	183,414			
Agent Fee	1.00%	38,859			
Legal Fee	0.80%	31,087			
				253,360	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost		
P4 - 1,3 & 4 bed townhouses	57,413	127.00	7,291,481		
P4 - 1,3 & 4 bed TH AR	2,670	127.00	339,139		
P4 - 1,3 & 4 bed TH IH	<u>2,670</u>	127.00	<u>339,139</u>		
Totals	62,754		7,969,758	7,969,758	

Contingency		3.00%	260,243		
P4 External Works	47 un	15,000.00 /un	705,000		
CIL			122,430		
Open Space Contribution			20,828		
Children/Young Person Contribution			48,846		
Outdoor Sports Contribution			67,028		
				1,224,375	

PROFESSIONAL FEES

Fees and Surveys		8.00%	693,981		
				693,981	

MARKETING & LETTING

Marketing		1.00%	172,240		
				172,240	

DISPOSAL FEES

Sales Agent Fee		1.50%	272,179		
Sales Legal Fee		0.50%	90,726		
				362,905	

FINANCE

Debit Rate 6.00%, Credit Rate 0.00% (Nominal)					
Land			415,916		
Construction			83,171		
Other			13,485		
Total Finance Cost				512,573	

TOTAL COSTS**15,075,076****PROFIT**

APPRAISAL SUMMARY**AVISON YOUNG****Kelloggs HQ - Low Density Residential Use****3,070,177****Performance Measures**

Profit on Cost%	20.37%
Profit on GDV%	16.92%
Profit on NDV%	16.92%
IRR	32.09%
Profit Erosion (finance rate 6.000)	3 yrs 1 mth


Appendix 6


Residential Comparable Evidence


Freehold Residential Sales


Apartment Sales

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)	
	86 Talbot Road, Old Trafford – Beech - This development is to provide 90 apartments within a 10 storey building. The apartments will be made up of 27 x one bedroom apartments; 54 x two bedroom apartments and 9 x three bedroom apartments. The site lies opposite the subject site. We understand that the majority of the units have been sold off plan with sales to complete at practical completion. We summarise the sales below.					
	A	Exchanged	494	1	£156,099 - £178,950	£316 - £362
	B	Exchanged	723	2	£216,500 - £224,950	£299 - £311
	C	Exchanged	653	2	£186,014 - £217,500	£285 - £333
	D	Exchanged	896	3	£256,721 - £282,500	£287 - £315

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)	
	St. George's Island- Dandara - This development is located in Castlefield on the banks of the Bridgewater Canal. The scheme comprises one and two bedroom apartments.					
	Apartment 572	Feb 2019	657	2	£210,000	£320
	Apartment 554	Jan 2019	635	2	£195,000	£307
	Apartment 502	Nov 2018	657	2	£195,000	£297
	Apartment 522	Nov 2018	657	2	£193,350	£294
	Apartment 571	Sep 2018	700	2	£216,000	£309


Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)	
	Spectrum – Dandara - This development is located in Castlefield on the banks of the Bridgewater Canal. The scheme comprises one and two bedroom apartments.					
	Apartment 547	Jul 2019	883	2	£205,000	£232
	Apartment 539	Jul 2019	624	2	£230,000	£369
	Apartment 546	Jun 2019	721	2	£230,000	£319
	Apartment 571	Jun 2019	549	1	£175,000	£319
	Apartment 252	May 2019	506	1	£146,000	£289
	Apartment 232	May 2019	592	1	£215,000	£363


Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	Potato Wharf – Lendlease - This development is located in Castlefield and comprises one and two bedroom apartments.				
Apartment G05	Mar 2019	420	1	£243,000	£579
Apartment 105	Mar 2019	431	1	£240,000	£557
Apartment 207	Mar 2019	646	2	£220,000	£341
Apartment 702	Jan 2019	667	2	£253,000	£379

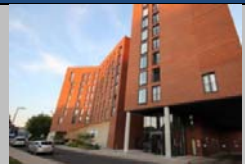
Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	Warwickgate House - This development is located in Old Trafford and comprises one and two bedroom apartments. The property is in close proximity of the subject.				
Apartment 67	Jun 2019	883	2	£189,000	£214
Apartment 1	Feb 2019	861	2	£140,000	£163
Apartment 35	Dec 2018	872	2	£185,500	£213

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	Bridgewater Wharf - This development is located in Salford and comprises 376 one, two and three bedroom apartments, as well as three and four bedroom duplexes.				
Block C, Unit 402	Jul 2019	664	2	£185,245	£279
Block C, Unit 212	Jul 2019	500	1	£164,495	£329
Block B, Unit 103	Jul 2019	886	3	£235,995	£266
Block B, Unit G06	Jun 2019	500	1	£167,950	£336
Block D, Unit 209	Jun 2019	886	3	£214,995	£243
Block A, Unit 803	May 2019	500	1	£163,495	£327
Block E, Unit G02	May 2019	886	3	£232,495	£262


Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
------	-----------	--------------	----------	------------	------------------


	West Point, Old Trafford - This development comprises a refurbishment of an ex-office property, consisting of 317 studio and one bedroom apartments. The development is situated close to the subject.				
Apartment 1311	Jun 2019	452	1	£170,857	£378
Apartment 1302	May 2019	301	1	£137,000	£455
Apartment 1209	May 2019	344	1	£135,200	£393
Apartment 1216	Apr 2019	484	1	£156,000	£322
Apartment 1210	Apr 2019	441	1	£156,000	£354
Apartment 1512	Apr 2019	323	1	£148,572	£460
Apartment 1408	Apr 2019	344	1	£127,000	£369


Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	Metropolitan House - This development is located in Stretford on Talbot Road. The property comprises one and two bedroom apartments. The property is in close proximity of the subject.				
Apartment 54	Jul 2018	495	1	£126,974	£257
Apartment 34	Jul 2018	807	2	£212,820	£264
Apartment 36	Jul 2018	645	2	£183,600	£285
Apartment 70	Jul 2018	484	1	£133,918	£277
Apartment 4	Jul 2018	538	1	£161,920	£301
Apartment 18	Jul 2018	581	1	£153,560	£264

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	Alto, Sillavan Way - Dandara - This development is located in Salford in the close proximity of Salford Central. The scheme comprises two and three bedroom apartments.				
Apartment 79, Block D	Jul 2019	657	2	£207,900	£316
Apartment 6, Block A	May 2019	657	2	£160,000	£244
Apartment 78, Block D	Feb 2019	1,410	3	£417,500	£296
Apartment 3, Block C	Jan 2019	926	3	£230,000	£248

Unit	Date Sold	Size (Sq Ft)	No.	Sale Price	Sale Price (psf)
------	-----------	--------------	-----	------------	------------------


			Beds		
	No 1 Old Trafford – Cole Waterhouse- This development is located in Old Trafford on the banks of the River Irwell. The scheme comprises one, two and three bedroom apartments. The development has not been completed and the developer is selling off plan.				
One bedroom	Available	455	1	£180,400	£396
One bedroom	Available	437	1	£182,600	£418
Two bedroom	Available	691	2	£252,500	£365
Two bedroom	Available	679	2	£257,300	£379
Two bedroom	Available	693	2	£265,000	£382


Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	Chorlton Plaza, Chorlton – Newpark Group This development comprises 22 apartments, situated above modern retail units. The property has been redeveloped from a vacant 1960s building. The development is located in the centre of Chorlton. The development has not been completed and the developer is selling off plan.				
Flat 5	Available	484	2	£185,000	£382
Flat 4	Available	388	1	£170,000	£438
Flat 6	Available	420	1	£170,000	£405
Flat 9	Available	398	1	£160,000	£402
Flat 2	Available	388	1	£160,000	£412

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	This development comprises 380 apartments, townhouses and penthouses situated on the outskirts of Manchester, off Trinity Way.				
Apartment 612, Block B	Jul 2019	570	1	£198,082	£348
Apartment 301, Block A	Jul 2019	463	1	£148,830	£321
Apartment 513, Block B	Jul 2019	700	2	£250,431	£358
Apartment 312, Block B	Jul 2019	463	1	£152,433	£329
Apartment 302, Block B	Jul 2019	700	2	£231,203	£330
Apartment 501, Block B	Jul 2019	635	2	£219,203	£345
Apartment 102, Block B	Jul 2019	549	1	£192,377	£350

Freehold Terrace Sales

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	<p>Scholars Walk, Whalley Range – Laurus Homes This development comprises a collection of 4 bedroom terraced properties. The development is located on the outskirts of Manchester city centre in the Whalley Range area. The development has not been completed and the developer is selling off plan.</p>				
13 Wellington Road	Available	1,350	4	£374,495	£277
11 Wellington Road	Available	1,343	4	£374,495	£279
9 Wellington Road	Available	1,335	4	£374,495	£280
7 Wellington Road	Available	1,356	4	£374,495	£276
5 Wellington Road	Available	1,356	4	£374,495	£276
3 Wellington Road	Available	1,335	4	£374,495	£280

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	<p>The Roof Gardens, Castlefield – DeTrafford This development comprises 49 townhouses and 22 apartments. The development is located to the south of Manchester city centre, close to the subject property.</p>				
3 Ellesmere Street	Oct 2018	969	3	£350,000	£361
15a Ellesmere Street	Oct 2018	969	3	£345,000	£356
5a Ellesmere Street	Sep 2018	1,378	4	£435,000	£316
7 Ellesmere Street	May 2018	1,324	4	£440,000	£332
5 Ellesmere Street	May 2018	969	3	£314,000	£324

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	<p>Irwell Riverside, Salford – Urban Splash This development comprises three and four bedroom townhouses. The development is situated on the River Irwell to the north of Manchester city centre.</p>				
12 Sandywell Lane	Sep 2018	1,539	4	£395,000	£257
11 Sandywell Lane	Sep 2018	1,539	4	£366,500	£238
8 Sandywell Lane	Aug 2018	1,539	4	£395,000	£257

4 Sandywell Lane	Aug 2018	1,539	4	£367,000	£238
2 Sandywell Lane	Aug 2018	1,539	4	£405,000	£263
6 Sandywell Lane	Aug 2018	1,539	4	£374,300	£243

Unit	Date Sold	Size (Sq Ft)	No. Beds	Sale Price	Sale Price (psf)
	<p>Barrel Yard, Manchester – Forshaw Land & Property This development comprises a variety of 2, 3 and 4 bedroom properties consisting of apartments and terraced houses. The development is situated on Moss Lane West in Moss Side, near Manchester.</p>				
36 Moss Lane West	Jul 2019	1,195	4	£285,000	£238
34 Moss Lane West	Jul 2019	1,206	4	£270,000	£224
30 Moss Lane West	Jun 2018	1,206	4	£272,500	£226
28 Moss Lane West	Jun 2018	1,216	4	£285,000	£234
42 Moss Lane West	Apr 2018	1,206	4	£270,000	£224
38 Moss Lane West	Apr 2018	1,206	4	£275,000	£228
44 Moss Lane West	Apr 2018	1,216	4	£290,000	£238

Appendix 7

Office and Retail Comparable Evidence

Office Rental Comparables

Address	Floor/Unit	Tenant	Term	Lease Start	Size (sq ft)	Rent pa (psf)	Comments
Blue Tower, Broadway, Salford Quays, M50 2UW	15 th	Undisclosed	5	02/19	8,204	£180,488 (£22.00)	2008 built, 19 storey office.
	2 nd	Undisclosed	5	11/18	8,278	£182,116 (£22.00)	Located west of Manchester City Centre in Salford within MediaCityUK
Orange Tower, Broadway, Salford Quays, M5 2UW	10 th	The Hut Group	Undisclosed	07/18	16,040	£417,040 (£26.00)	2010 built, 13 storey mixed use building. West of Manchester City Centre in Salford Quays on Broadway in MediaCity.
5 Exchange Quay, Salford, M5 3EF	10 th	Beauty Bay Ltd	Undisclosed	01/19	7,591	£155,388 (£20.47)	1997 built, 14 storey office building. Located west of Manchester City Centre in Salford on Exchange Quay with good access to Deansgate Railway Station and the A57(M)
8 Exchange Quay, Salford, M5 3EJ	2 nd	Undisclosed	5	12/18	4,021	£86,452 (£21.50)	1997 built, 14 storey office building. Located west of Manchester City Centre in Salford on Exchange Quay with good access to Deansgate Railway Station and the A57(M)
8 Exchange Quay, Salford, M5 3EJ	3 rd	Analysys Mason	Undisclosed	06/18	4,140	£76,590 (£18.50)	As above.
Soapworks, Salford Quays, M5 3LZ	Undisclosed	CGI	5	10/18	6,866	£120,155 (£17.50)	A 5 year lease with a break option in year 2 was agreed. Grade A refurbished office. Located within Salford Quays immediately

Address	Floor/Unit	Tenant	Term	Lease Start	Size (sq ft)	Rent pa (psf)	Comments
							adjacent a Metrolink tramstop.
Soapworks, Salford Quays, M5 3LZ	Undisclosed	Inwell Valley Housing Association	15	12/18	10,817	£189,298 (£17.50)	A 15 year lease with a break option in year 7 was agreed. As above
Quay West, Trafford Wharf Road, Salford, M17 1HH	3 rd	WYG Group	10	04/18	14,610	£255,675 (£17.50)	10 year lease with a break option in year 5. 1990s built, office building opposite Mediacity.
The Victoria, The Quays, Salford Quays, M50 3SP	Ground	Studio Little	5	10/17	5,990	£110,815 (£18.50)	1988 built, office building located within Salford Quays.

Office Investment Comparables

The Lighthouse, The Quays, Salford, M50 3BF

The property comprises a 1993 built, six storey multi-let office building of 1993 steel portal frame construction with brick elevations under a flat roof. The property extends to 64,299 sq ft and provides floorplates of 15,700 sq ft. The property is located west of Manchester City Centre in Salford within MediaCityUK. The property is situated within the close proximity of the subject property. The property is circa 70% let to Keepmoat, Engie, Pearson VUE and Spectec and generates a total passing rent of £1,250,000 per annum. In February 2018, the freehold interest in the property was purchased by Squarestone Growth LLP for £13,400,000; reflecting a net initial yield of 8.75% and capital value of £208.41 per sq ft.



Optimum House, Clippers Quay, Salford, M50 3XP

The property comprises a 1998 built, multi-let office building of steel portal frame construction with brick and double glazed elevations under a pitched tiled roof. The property extends to 27,056 sq ft and provides floorplates of circa 6,000 sq ft. The property is located west of Manchester City Centre in Salford Quays on Clippers Quay in close proximity of Exchange Quay metrolink station. The property is let to Kier Construction, Edge Worldwide Logistics and McCafferty Asset Management; producing a total passing rent of £442,500 per annum. We understand the property has an AWULT term of 6 years. In December 2018, the long leasehold interest in the property was purchased by Christs Hospital Foundation for £7,540,000;



reflecting a net initial yield of 5.50% and capital value per sq ft of £278.68.

Centenary House, Centenary Way, Salford, M30 0AP

The property comprises a 2007 built, six storey multi-let office building of steel portal frame construction with a mixture of profile clad and double glazed elevations under a series of flat roofs. The property extends to 89,276 sq ft and provides floorplates of circa 22,000 sq ft. The property is located west of Manchester City Centre in Salford on Centenary Way, within an established commercial area. The property is circa 90% let to Li & Fu Limited and Regus plc; producing a total passing rent of £1,279,000 per annum. The property has an AWULT of 8.15 years to expiry. In June 2018, the freehold interest in the property was purchased by MFL Finance Limited for £13,851,000; reflecting a net initial yield of 8.65% and capital value of £155.15 per sq ft.



Brightgate House, Cobra Court, Trafford, M32 0TB

The property comprises a detached 2006 built, steel portal frame office building of steel portal frame construction with brick elevations under a pitched profile metal clad roof. The property is two storey and extends to 21,974 sq ft; providing circa 11,500 sq ft floorplates. The property is situated on Trafford Park outside of Manchester City Centre. The property is fully let to Markem-Imaje Limited and Murray Metals Group limited; providing a total passing rent of £264,700 per annum. The property has an AWULT of 5 years. In January 2018, the freehold interest in the property was purchased by Seneca Partners Limited for £2,950,000; reflecting a net initial yield of 8.43% and capital value of £134.54 per sq ft.



Blocks A – C, The Soapworks, Salford Quays, M5 3LZ

The property comprises the former Colgate Factory that has been converted to provide office accommodation over five storeys. The property provides a total of 211,410 sq ft; equating to floorplates of circa 42,000 sq ft. The property is located west of Manchester City Centre in Salford Quays on Colgate Lane in an established commercial area. The property is let to MWH Global plc, The Home Office and Talk Talk Telecom Group plc; with an AWULT of circa 9 years. The total rent generated is £4,000,000 per annum. In September 2017, the freehold interest in the property was purchased by Greater Manchester Pension Fund for £60,000,000; reflecting a net initial yield of 6.50% and capital value of £283.81 per sq ft.



5 Exchange Quay, Salford Quays, M5 3EJ

The property comprises a detached office building of circa 1990 steel portal frame construction with glazed elevations under flat roofs. The property was refurbished in 2015 and provides a total of 78,331 sq ft. The property is 14 storey and provides floorplates of circa 7,600 sq ft. The property is located west of Manchester City Centre in Salford on Exchange Quay with good access to Deansgate Railway Station and the A57(M). Exchange Quay also contains an on-site metrolink station. The property is let to Raytheon Systems Limited, Phillips & Cohen Limited, Environmental Resources Management Limited, Beauty Bay and C H Robinson Worldwide Limited. The property is circa 66% let and produces a total passing rent of £929,097 per annum. The property has an AWULT to break of 3.34 years and 6.34 years to expiry. In June 2017, the freehold interest in the property was purchased by Ekistics Property Advisors LLP for



£11,705,000; reflecting a net initial yield of 7.51% and capital value of £149.43 per sq ft.

1 Exchange Quay, Salford Quays, M5 3EJ

The property comprises a detached office building of circa 2002 steel portal frame construction with glazed elevations under flat roofs. The property was refurbished in 2015 and provides a total of 75,958 sq ft. The property is seven storeys and provides floorplates of circa 10,500 sq ft. The property is located west of Manchester City Centre in Salford on Exchange Quay with good access to the A57 (M) and adjacent Exchange Quay Metrolink station. The property is let to Sage (UK) Limited, JLA Limited, ISG Construction Limited and First Central Insurance. The property is circa 94% let and produces a total passing rent of £91,194,177 per annum. The property has an AWULT to break of 3.0 years and 6.79 years to expiry. In June 2017, the freehold interest in the property was purchased by Ekistics Property Advisors LLP for £11,030,000; reflecting a net initial yield of 7.62% and capital value of £145.18 per sq ft.



The Alexandra, 200 – 220 Quays, Salford Quays, M50 3SP

The property comprises a 2002 built, five storey multi-let office building of steel portal frame construction with a mixture of profile clad and double glazed elevations under a series of flat roofs. The property extends to 59,434 sq ft and provides floorplates of circa 11,800 sq ft. The property is located west of Manchester City Centre in Salford within MediaCityUK and fronts onto the Harbour City metrolink station. The property is situated within the close proximity of the subject property. The property is circa 80% at the time of sale to Japan Tobacco International Limited and Marks & Spencer Pension Trust Limited. The tenants produce a passing rent of £880,000 per annum and have an AWULT of circa 3.50 years. In May 2017, the freehold interest in the property was purchased by Peel Land & Property Investments plc for £9,500,000; reflecting a net initial yield of 8.80% and capital value of £159.84 per sq ft.



Retail Rental Comparables

Address	Date	Rent psf	Size (sq. ft.)	Tenant	Comments
127 Manchester Road, Chorlton, M21 9PG	Apr 2019	£16.58	1,206	Eunji Noh	5 year FRI lease, subject to rent review and tenant only break in April 2022. Mid terrace unit situated in the centre of Chorlton. Basic specification and condition. Masonry construction. Local tenant covenant.
40 Davyhulme Road East, Manchester, M32 0DW	Oct 2018	£16.00	450	Unknown	FRI lease. Details not disclosed. Ground floor, mid terrace retail unit on small parade of shops in predominantly residential location. Basic specification and condition.
Unit 28, Park Road South, Urmston, M41 5AR	Oct 2018	£23.67	2,324	Costa Coffee	11 year lease, subject to rent review in Oct 2023. Constructed in 2009. Situated in core retail area in centre of Urmston. Let to a strong tenant covenant. Good specification and condition.

Unit E2, Ordsall Lane, Salford, M5 3TP	Sep 2018	£22.07	6,118	Cancer Research	10 year lease term. Constructed 1999. Situated on prominent retail park on outskirts of Manchester city centre. Steel constructed unit of good condition and specification. Mid terrace unit. Good tenant covenant.
Unit E1, Ordsall Lane, Salford, M5 3TP	Sep 2018	£20.95	6,157	Office Outlet	Lease terms undisclosed. Constructed 1999. Situated on prominent retail park on outskirts of Manchester city centre. Steel constructed unit of good condition and specification. Mid terrace unit. Good tenant covenant.
Unit 6-7 Chester Road, Manchester, M16 0RP	May 2018	£23.40	12,762	Wren Kitchens	10 year FRI lease, subject to rent review in May 2023. Constructed in 2000, of steel construction. Recently renovated in 2015 to a good standard of specification. Mid terrace unit let to a good tenant covenant.
414-416 Wilbraham Road, Manchester, M21 0SD	Sep 2018	£15.27	2,751	Oddest Bar Ltd	3 year lease. Ground floor, mid terrace retail unit currently occupied by a restaurant/ bar operator. Situated in a secondary location in the centre of Chorlton and of masonry construction. Let to a moderate tenant covenant.

Retail Investment Comparables

2A and 2B, Trafford Road, Salford, M5 3AW

The property comprises two units measuring a total of 3,663 sq. ft., situated in a prominent position on Trafford Road. The property as constructed in 2006 and is currently let to two tenants who use the premises as a takeaway/ restaurant and beauty salon. The current rental income accrues to £43,500 pa and the property has a strong AWULT of 17.5 years to lease expiry. In July 2018, the property was sold to a private investor for £375,000, equating to £102.38 psf and reflecting a net initial yield of 11.60%.



Bridgewater Point, Ordsall Lane, Salford, M5 4UB

The property comprises a new build retail unit, situated on the ground floor of an apartment block. The unit is situated in Salford, with good frontage onto the popular and busy main road of Ordsall Lane. The property is currently under construction but will provide 2,777 sq. ft. of retail accommodation to a shell finish and is to be sold on a long leasehold basis. The property is currently on the market for £400,000, equating to £144.00 per sq. ft.

3 Hulme High Street, Manchester, M15 5JR

The property comprises a ground floor retail unit, set within a modern residential apartment building on the outskirts of Manchester. The property is of a good condition and specification and measures 793 sq. ft. The property is currently let to M&M Fonez for a 15 year term, expiring in April 2028 and produces a rental income of £8,400 pa. In September 2017, the property was sold on a long leasehold basis for £98,000, equating to £123.58 per sq. ft. and reflects a net initial yield of 8.42%.



11 Hulme High Street, Manchester, M15 5JR

The property comprises a retail unit set on the ground floor of a modern apartment block. The property measures 797 sq. ft. and is currently let to Lynn's Wines & Beers on a 15 year lease, expiring in 2028. It is situated in a prominent location on the outskirts of Manchester. The property produces a rent per annum of £9,600 and was sold in September 2017 for £95,000. This reflects a net initial yield of 9.93% and a rate per sq. ft. of £119.20.



110 Hulme High Street, Manchester, M15 5JP

The property comprises a double fronted ground floor retail unit that is set below a number of modern residential apartments. The property benefits from parking and rear loading access and measures 1,358 sq. ft. The property is currently let to Hulme Manchester Superstore at a current passing rent of £12,000 pa. In September 2017, the property was sold for £207,000, equating to £152.43 psf and reflecting a net initial yield of 5.66%.



The Quadrangle, Chester Street, Manchester, M1 5QS

The property comprises 31,583 sq ft of ground floor retail space within an apartment scheme located close to the University and Oxford Road Station. The development was let to tenant such as Nandos, Zouk, Blue Ginger, Pancho's Burritos, and Rice Flame Bar and Grill and sold for £5,250,000 in August 2017 reflecting a net initial yield of 6.91%.



Appendix 8

Hotel Comparable Evidence

Hotel Rental Comparables

We are aware of the following rental evidence in Manchester City Centre which we consider to be relevant to the subject property:-

Address	Brand	No of Rooms	Rent Per Room
88 Oldham Road, Manchester	Holiday Inn	87	£6,207
Oxford Road, Manchester	Holiday Inn	147	£8,850
First Street, Manchester	Melia	208	£7,692
Cheetham Hill Road, Manchester	Radisson (Park Inn)	252	£5,952
Trafford Road, Salford Quays	Ibis Budget	210	£3,000
17 - 19 Trafford Road, Manchester	Ibis Budget	210	£3,000
Trafford Centre, Manchester	Premier Inn	232	£5,000
Manchester Central, Manchester	Travelodge	157	£4,500
Great Ducie St, Manchester	Travelodge	200	£4,500
Markendale Place, Salford Quays	Travelodge	200	£4,500
The Circus, Manchester	Premier Inn	228	£3,500

In addition, we are also aware of the following passing rents in the North West region:-

Address	Brand	No of Rooms	Rent Per Room
Corn Exchange, Liverpool	Stay City	212	£6,018
John Lennon Airport, Liverpool	Travelodge	100	£4,250
Exchange Street, Liverpool	Travelodge	125	£4,285
Preston Central, Preston	Premier Inn	140	£4,575
Liverpool One, Liverpool	Novotel	209	£5,000

Liverpool			
Chester Central, Chester	Travelodge	60	£3,700
Shrigley Hall, Macclesfield	British Hotel Group	148	£6,000

Hotel Investment Comparables

Transactions that we have considered in assessing our valuation include:-

Date	Address	Tenant	No of Rooms	AWULT (yrs)	Rent Review (5 yearly)	Purchase Price	Purchase Price Per Room	Net Initial Yield
Aug-19	Eglington Crescent, Edinburgh	Travelodge	73	U/K	U/K	£9,478,000	£129,835	5.27%
Jul-19	Halbeath Junction, Dunfermline	Travelodge	50	U/K	RPI	£3,370,000	£67,400	5.50%
Jul-19	Millbay Road, Plymouth	Bespoke	72	U/K	U/K	£4,100,000	£56,944	7.10%
Jun-19	Streetsbrook Road, Solihull	Travelodge	82	82	RPI	£11,770,000	£143,536	4.51%
Jun-19	Winchester Road, Alton	Travelodge	50	10	RPI	£3,550,000	£70,000	5.82%
Jun-19	Euston Road, Morecambe	Travelodge	60	16	U/K	£3,250,000	£54,166	7.90%
Jun-19	St Peters Street, St Albans	Travelodge	130	35	U/K	£24,425,000	£187,884	4.38%
Jun-19	Etna Road, Bury	Travelodge	80	25	RPI	£9,500,000	£118,750	5.00%
May-19	Charles Street, Manchester	Maldrom	278	U/K	U/K	£44,750,000	£160,971	4.22%
Apr-	Vicar Lane, Manchester	Travelodge	127	22	RPI	£8,600,000	£67,717	5.80%

19	Leeds							
Apr-19	West Cliffe Road, Bournemouth	Premier Inn	105	24	RPI	£13,266,000	£126,343	4.15%
Mar-19	Avebury Boulevard, Milton Keynes	Premier Inn	180	25	RPI	£23,700,000	£131,667	4.24%
Mar-19	St Mays Gate, Sheffield	Premier Inn	126	25	CPI	£10,000,000	£79,365	4.50%
May 19	Govan, Glasgow	Travelodge	60	25	CPI	£5,260,000	£87,667	5.59%
Mar 19	Luton	Holiday Inn	140	U/K	U/K	£7,700,000	£55,000	4.50%
Feb19	88 Oldham Road, Manchester	Holiday Inn	87	U/K	RPI	£7,500,000	£86,207	7.25%
Feb19	Parc Cybi, Holyhead	Premier Inn	80	25	RPI	£6,900,000	£86,250	4.70%
Jan 19	Rickmansworth, Hertfordshire	Travelodge	92	30	RPI	£14,000,000	£152,174	4.25%
Jan 19	Cameron Toll, Edinburgh	Travelodge	115	25	RPI	£13,700,000	£119,130	4.45%
Dec-18	Key Bridge, London	Travelodge	111	31	RPI	£29,000,000	£261,261	4.10%
Dec 18	Corn Exchange, Liverpool	Stay City	212	35	CPI	£22,800,000	£107,547	5.30%
Nov18	Midland Hotel, Manchester	Fattal Hotel Group	312	U/K	RPI	£102,000,000	£326,923	5.70%
Nov 18	Brunswick Street, Liverpool	StayCity	212	35	CPI	£22,800,000	£107,547	5.30%
Oct 18	Waterside, Bath	Travelodge	125	30	RPI	£22,000,000	£176,000	5.25%
Oct 18	Scarborough	Travelodge	140	29	RPI	£14,000,000	£100,000	5.88%
Sep 18	Mansfield	Travelodge	63	25	RPI	£5,900,000	£93,651	6.35%
Aug-18	Cockermouth, Cumbria	Travelodge	43	14	RPI	£2,900,000	£67,442	5.59%
Aug-18	Hatfield, Hertfordshire	Travelodge	120	30	RPI	£12,225,000	£101,875	4.26%

May 18	Braehead, Glasgow	Travelodge	99	21.2	RPI	£7,500,000	£75,758	4.97%
May- 18	Tadcaster Road, York	Holiday Inn	148	53.2	RPI	£15,080,000	£101,892	4.97%
Mar- 18	Cathedral Hotel Qtr, Derby	Jurys Inn	213	25	RPI	£20,000,000	£93,897	5.85%

Appendix 9

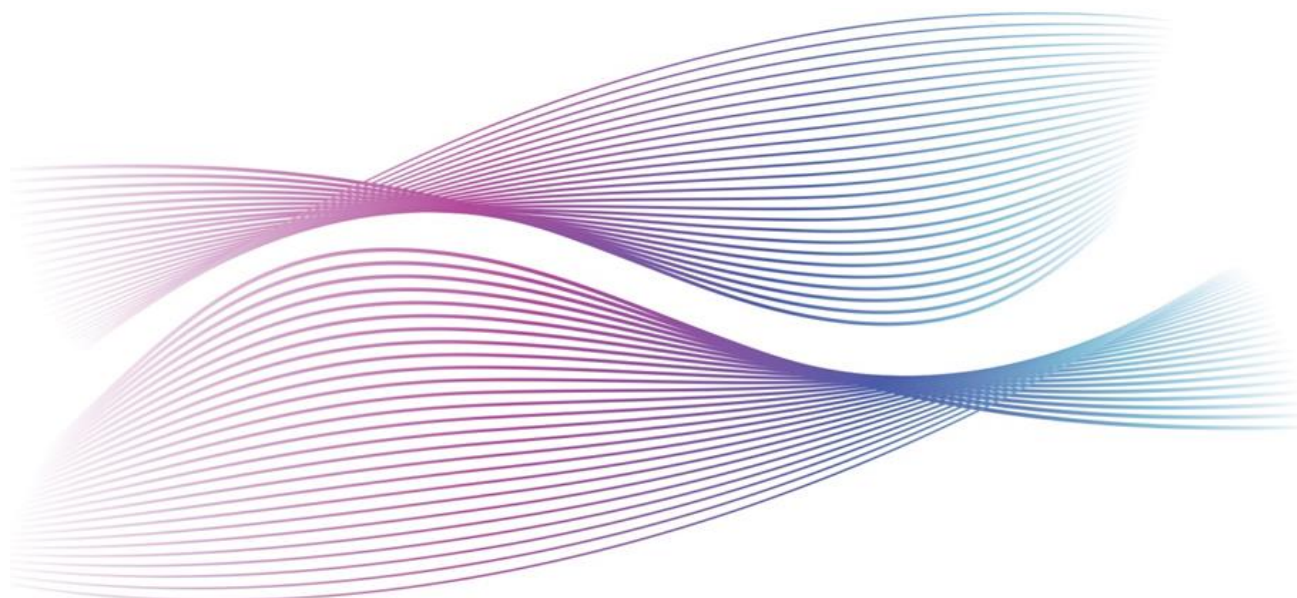
Richard Boothroyd & Associates
Feasibility Cost Plan dated
December 2019

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN

COST PLAN No. 3b [External Works & Abnormal Costs Only]

JOB NR: 2019-038



K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN

COST PLAN No. 3b [External Works & Abnormal Costs Only]

JOB NR: 2019-038

Contents

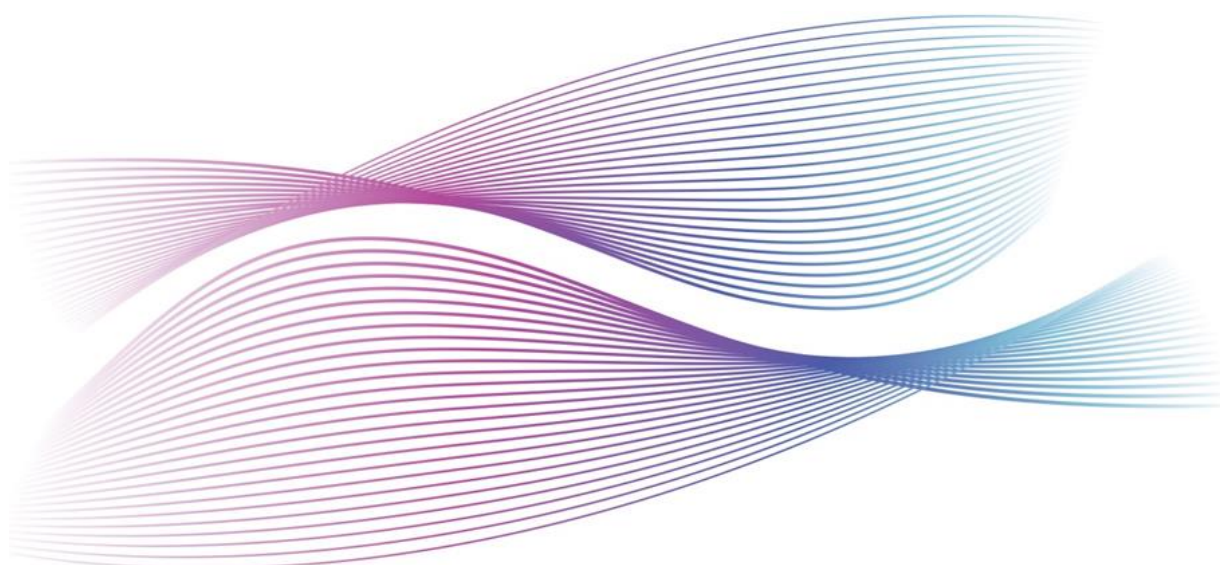
Drawings Used

Exclusions and Assumptions

Summary

Elemental Breakdown

Prepared by TAH
Checked by TAH / REB
Comp by EP
Director Review REB



K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN

COST PLAN No. 3b [External Works & Abnormal Costs Only]

Drawings Used for Cost Plan

FCBS 191024 - Stage 2 Totals Schedule - Rev C.

FCBS RIBA Draft Stage 2 Report - Dated September 2019 - Rev A (**Note:** Excluding the Totals Schedule as it was revised to Rev C).

Phasing Plan as agreed with Ian Roberts at 4Red Planning.

K-SITE MASTERPLAN

TRAFFORD

FEASIBILITY COST PLAN

COST PLAN No. 3b [External Works & Abnormal Costs Only]

Exclusions

- 1 VAT.
- 2 Finance Charges.
- 3 Increased Costs/ Inflation.
- 4 Planning & Building Regulation Charges, and Section 106 costs and other commuted sums.
- 5 Off site reinforcement works for statutory services, drainage and highways (unless noted).
- 6 Photovoltaics.
- 7 Asbestos surveys or removal.
- 8 Fixed and loose furniture.
- 9 Any works beyond the site boundary line shown indicatively on Architects plan.
- 10 Diversions of drainage and services above, beneath and adjacent the proposed site.
- 11 Costs as a result of archaeological survey (prolongation costs and alternative forms of construction).
- 12 Specific exclusions listed within the body of the cost breakdown.
- 13 The fit-out works associated with the 'Local Centre'.
- 14 ~~CHP / Energy Centre.~~
- 15 Basement parking (notwithstanding FCBS Proposals all spaces assumed to be above ground).
- 16 The stats and drainage diversions in Brian Statham Way are to be funded by LCC.
- 17 We have excluded any costs associated with the school and its associated external works.
- 18 We have assumed that all areas provided by FCBS are correct at the time of the CP.
- 19 We have not included the full costs associated with the Curtins Highways Mitigation Plans (Curtins Drawing Ref: 72559 - CUR - 00 - XX - DR - TP: 75001 - P03 / 75002 - P01 | all as per JB Email dated 14/11/2019 at 17:05.
- 20 Excludes Design Fees / Risk Allowance / Contingency (as requested by Avison Young).

Assumptions

- 1 The Works have been priced at current day prices based on a competitive D&B tender, to large regional contractors (not "tier 1") actively seeking work of this nature. This may require splitting the phases into several sections. Note: We specifically need to review Phase 1 to allow these works to split in to a smaller projects.
- 2 Statutory services readily available (extendable) to the site.
- 3 We have assumed the existing drainage infrastructure in the locale is in good working order.
- 4 Building industry standard life expectancy for building components
- 5 The external works have been priced on a blended rate based on the 'K Building' external works costs.

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN

COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Element	Total (£)	GIFA m2 N/A £/m2	GIFA sqft N/A £/ft2	NIA m2 N/A £/m2	NIA sqft N/A £/ft2
1	Enabling Works	£ 284,491	N/A	N/A	N/A	N/A
2	External Works	£ 4,028,470	N/A	N/A	N/A	N/A
3	Public Realm	£ 317,750	N/A	N/A	N/A	N/A
4	Utilities & Services	£ 3,586,616	N/A	N/A	N/A	N/A
5	Highway Works to BSW	£ 1,461,135	N/A	N/A	N/A	N/A
6	Highway Works to Talbot Road	£ 780,000	N/A	N/A	N/A	N/A
7	Energy Centre	£ 609,300	N/A	N/A	N/A	N/A
TOTAL MEASURED WORKS COLLECTED (EXC. DESIGN FEES / RISK / CONTINGENCY)		£ 11,067,762	N/A	N/A	N/A	N/A

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
1	ENABLING WORKS						
	Allowance for demolition any existing features.			1	Item	20,000.00	£ 20,000.00
	General site preparation.		42,109		m2	4.50	£ 189,490.50
	Allowance for good quality hoardings.		500		m	100.00	£ 50,000.00
	Allowance for arboriculture works and ecological improvements.			1	Item	25,000.00	£ 25,000.00
	Sub-Total						£ 284,490.50

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
2	EXTERNAL WORKS						
	PHASE 2						
	External Works:						
	Allowance for modifications to the existing sub-station / panel for Phase 2 works.		1	Item	250,000.00	£ 250,000.00	
	Allowance for external works in line with the costs at K Building.		3,672	m2	210.00	£ 771,120.00	Blended rate based on K Building Specification.
	Sacrificial paving's to facilitate access and servicing whilst later plots are in progress.		1,000	m2	50.00	£ 50,000.00	Assume tarmac.
	Allowance for crossovers to access the site.		2	Nr.	20,000.00	£ 40,000.00	
	Sub-Total					£ 1,111,120.00	

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
	PHASE 3						
	External Works:						
	Allowance for external works in line with the costs at K Building.		1,495	m2	210.00	£ 313,950.00	Blended rate based on K Building Specification.
	Allowance for crossovers to access the site.		2	Nr.	20,000.00	£ 40,000.00	
	Sub-Total					£ 353,950.00	
	PHASE 4						
	External Works:						
	Allowance for external works in line with the costs at K Building.		3,344	m2	210.00	£ 702,240.00	Blended rate based on K Building Specification.
	Sub-Total					£ 702,240.00	

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
	PHASE 5						
	External Works:						
	Allowance for external works in line with the costs at K Building.		3,513	m2	210.00	£ 737,730.00	Blended rate based on K Building Specification.
	Allowance for the breaking out and removal of the sacrificial paving.		1,000	m2	10.00	£ 10,000.00	
	Sub-Total					£ 747,730.00	

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
	PHASE 6						
	External Works:						
	Allowance for external works in line with the costs at K Building.		2,307	m2	210.00	£ 484,470.00	Blended rate based on K Building Specification.
	Allowance for seating / street furniture.		1	Prov. Sum	25,000.00	£ 25,000.00	Phase 6
	Sub-Total					£ 509,470.00	

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
	PHASE 7						
	External Works:						
	Allowance for external works in line with the costs at K Building.		2,876	m2	210.00	£ 603,960.00	Blended rate based on K Building Specification.
	Sub-Total					£ 603,960.00	
	Total					£ 4,028,470.00	
3	PUBLIC REALM						
	Allowance for bespoke lighting to square.		1	Prov. Sum	50,000.00	£ 50,000.00	Phase 2
	Allowance for seating / street furniture.		1	Prov. Sum	25,000.00	£ 25,000.00	Phase 2
	Extra Over feature paving to main focal square.		1	Item	100,000.00	£ 100,000.00	Phase 5

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
	Extra Over Allowance for Planting; allowance for planting and lawn areas to central green area; Incl. steel edging.		855	m2	50.00	£ 42,750.00	Phase 5
	Allowance for bespoke play furniture within the central green.		1	Prov. Sum	50,000.00	£ 50,000.00	Phase 5
	Allowance for seating / street furniture.		1	Prov. Sum	50,000.00	£ 50,000.00	Phase 7
	Sub-Total					£ 317,750.00	
4	UTILITIES & SERVICES						
	New HV mains infrastructure, 7 x HV/LV substations and LV mains apparatus and connections to serve mixed-use development.		1	Item	2,519,615.61	£ 2,519,615.61	All as per Utility Connections Report dated October 2018.
	HV substation decommissioning works to existing K Building.		1	Item	20,000.00	£ 20,000.00	

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
	New LP gas mains infrastructure and connections to serve mixed-use development.		1	Item	522,000.00	£ 522,000.00	All as per Utility Connections Report dated October 2018.
	New potable water mains infrastructure and connections to serve mixed-use development.		1	Item	525,000.00	£ 525,000.00	All as per Utility Connections Report dated October 2018.
	Sub-Total					£ 3,586,615.61	
5	HIGHWAY WORKS (AREA 3); AREA UPDATED IN LINE WITH MEETING; APPROX 75% NOW INCLUDED						
	General site preparation and levelling.		7,219	m2	10.00	£ 72,190.00	
	PCC concrete small module paving setts and flags; suitable for vehicular loading.		7,219	m2	140.00	£ 1,010,660.00	
	Granite edgings / kerbing.		600	m	75.00	£ 45,000.00	
	Allowance for bespoke lighting to the processional route.		1	Prov. Sum	150,000.00	£ 150,000.00	

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)		Comments
		m2	Sq. Ft					
	Trees; semi mature within load bearing cell system below ground; Incl. resin bound tree infill.		11	Nr.	5,000.00	£	55,000.00	
	Allowance for high security bollards.		1	Item	20,000.00	£	20,000.00	
	Drainage to hard landscaping.		7,219	m2	15.00	£	108,285.00	
	Note: we assume that all stats diversions (including drainage) will be done by LCC.							
	Sub-Total						£ 1,461,135.00	

K-SITE MASTERPLAN TRAFFORD

FEASIBILITY COST PLAN COST PLAN No. 3b [External Works & Abnormal Costs Only]

Ref	Description	Residential Areas		Unit	Rate (£)	Sum (£)	Comments
		m2	Sq. Ft				
6	HIGHWAY WORKS (AREA 4)						
	Allowance for works associated with the existing highway.		180	m	3,500.00	£ 630,000.00	
	Allowance for junction reconfiguration and signalling.		1	Item	150,000.00	£ 150,000.00	
	Sub-Total					£ 780,000.00	
7	ENERGY CENTRE						
	Energy Centre <u>Shell Only</u>	566	6,093	Sq. Ft	100.00	£ 609,300.00	
	Sub-Total					£ 609,300.00	

Appendix 10

BCIS Costings

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 21-Dec-2019 00:39

› Rebased to Trafford (97; sample 44)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
816. Flats (apartments)							
Generally (15)	1,453	735	1,210	1,377	1,637	4,938	953
1-2 storey (15)	1,390	860	1,181	1,330	1,541	2,542	228
3-5 storey (15)	1,429	735	1,202	1,366	1,626	3,088	631
6 storey or above (15)	1,772	1,080	1,450	1,650	1,909	4,938	91

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 21-Dec-2019 00:39

› Rebased to Trafford (97; sample 44)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810.12 Estate housing semi detached							
Generally (15)	1,230	708	1,060	1,200	1,357	2,263	408
Single storey (15)	1,374	860	1,181	1,357	1,534	2,263	82
2-storey (15)	1,197	708	1,054	1,174	1,313	2,065	310
3-storey (15)	1,150	888	926	1,118	1,233	1,793	16
810.13 Estate housing terraced							
Generally (15)	1,274	779	1,060	1,207	1,413	3,902	336
Single storey (15)	1,430	957	1,202	1,365	1,655	2,032	36
2-storey (15)	1,233	779	1,050	1,196	1,367	2,562	247
3-storey (15)	1,269	782	1,010	1,208	1,407	2,510	51
4-storey or above (10)	3,668	3,433	-	-	-	3,902	2

The results contained on the page are as published on 21-Dec-2019

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 07-Dec-2019 00:42

› Rebased to 4Q 2019 (330) and Trafford (97; sample 44)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
320. Offices							
Generally (15)	1,801	798	1,315	1,651	2,091	5,518	124
Air-conditioned							
Generally (15)	1,995	1,130	1,515	1,824	2,248	5,518	35
1-2 storey (15)	1,753	1,130	1,435	1,607	1,864	3,297	12
3-5 storey (15)	2,078	1,237	1,451	1,804	2,269	5,518	14
6 storey or above (15)	2,135	1,644	1,886	2,035	2,199	3,093	8
Not air-conditioned							
Generally (15)	1,740	916	1,273	1,659	2,043	3,177	62
1-2 storey (15)	1,683	1,013	1,210	1,622	2,008	2,969	35
3-5 storey (15)	1,772	916	1,336	1,608	2,104	3,177	24
6 storey or above (20)	2,224	1,723	-	2,293	-	2,590	4
345. Shops							
Generally (30)	1,434	562	813	1,081	1,913	3,914	26
1-2 storey (30)	1,440	562	808	1,031	1,951	3,914	25
3-5 storey (30)	1,276	-	-	-	-	-	1

The results contained on the page are as published on 21-Dec-2019

£/m² study

Description: Rate per m² gross internal floor area for the building Cost including prelims.

Last updated: 07-Dec-2019 00:42

› Rebased to 4Q 2019 (330) and Trafford (97; sample 44)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
125. Car parks (Multi-storey) (15)	567	334	419	537	660	1,051	9
320. Offices							
Generally (15)	1,801	798	1,315	1,651	2,091	5,518	124
Air-conditioned							
Generally (15)	1,995	1,130	1,515	1,824	2,248	5,518	35
1-2 storey (15)	1,753	1,130	1,435	1,607	1,864	3,297	12
3-5 storey (15)	2,078	1,237	1,451	1,804	2,269	5,518	14
6 storey or above (15)	2,135	1,644	1,886	2,035	2,199	3,093	8
Not air-conditioned							
Generally (15)	1,740	916	1,273	1,659	2,043	3,177	62
1-2 storey (15)	1,683	1,013	1,210	1,622	2,008	2,969	35
3-5 storey (15)	1,772	916	1,336	1,608	2,104	3,177	24
6 storey or above (20)	2,224	1,723	-	2,293	-	2,590	4
345. Shops							
Generally (30)	1,434	562	813	1,081	1,913	3,914	26
1-2 storey (30)	1,440	562	808	1,031	1,951	3,914	25
3-5 storey (30)	1,276	-	-	-	-	-	1
512. Restaurants (25)	2,666	1,839	-	2,438	-	3,952	4
852. Hotels (15)	1,983	1,158	1,650	1,892	2,341	2,940	20