Continuum

Independent Viability Assessment

Former B&Q Site, Great Stone Road, Old Trafford

Trafford Council

September 2020

Inspiring Built Environments

Viability | Development | Management

Contents

Executive Summary

- Trebbi Continuum has reviewed the financial viability appraisal (FVA) prepared by Cushman & Wakefield (CW) submitted by Forum 1 Ltd (applicant), in respect of the Land at Former B&Q Site, Great Stone Road, Old Trafford, 100400/OUT/20;

- The viability case made is that should more than 10% affordable housing and £1,069,870 of other S106/S278 contributions be made, then the development of 333 apartment units (incl. ground floor commercial space) at Former B&Q site would be financially compromised to a point where the scheme would not be delivered;

- It is argued that a blended profit margin of 16.78% on GDV (17.5% on GDV for market housing, commercial units and parking spaces and 6% on GDV for affordable housing) constitutes the minimum return to the developer and the estimated land value of £3,600,000 (suggested Benchmark Land Value [BLV]) constitutes the minimum return to the landowner;

- CW have generated a residual land value (scenario 1) that is less than what they argue the landowner should rightfully expect. In order for the landowner to achieve the estimated benchmark land value, the applicant is willing to deliver the development at a blended margin of £12,089,157 (16.61% on GDV). This is slightly lower than the blended aspirational return identified by CW of 16.78% on GDV;

- It is our opinion, that the proposed scheme performs differently, in viability terms, to generic developments within Old Trafford. As such, in accordance Trafford Council Core Strategy Policy L2.12 the proposed scheme is subject to an affordable housing contribution of up to 40% (134 units);

- CW state that following advice from the Applicant's planning consultant, WSP, a total of £1,069,870 S106/S278 contributions have been assumed;

- CW are requested to provide further evidence to support their profit margin assertion of 17.5% on GDV for market housing, car parking and commercial units. We would usually expect the commercial and car park element to have a lower profit margin of around 15% on cost;

- We agree with CW that 2.5% on GDV sales and marketing costs is appropriate for the market units, however we would expect a lower than 2.5% on GDV sales and marketing costs for the commercial units and car parking spaces;

- The sale legal fees for the market units at 0.5% on GDV equates to £1,114 per market unit. This fee is considerably higher than what we would expect an apartment developer to incur;

- CW are requested to provide a cash flow for scenario 2;

- We have analysed the CW cash flow for scenario 1 and have two issues with the cash flow and phasing. The first issue is around the timing of the S106/S278 and CIL payments. The second is around the development being a single-phase development. Due to the scheme having no phasing element the total finance costs are one of the highest we have seen at schemes in Trafford. We find it highly unusual that a developer would not have designed the three-block scheme to enable some phasing element;

- CW have used the Kinetic development on Talbot Road as their main sales comparable. An office to residential permitted development rights conversion that did not provide any developer contributions. A value of £322 per sq ft was achieved at the Kinetic development in October 2018. The sales values estimated by CW at £340 per sq ft reflect a 5.59% increase in growth in the local residential market between October 2018 and June 2020.

- We have analysed the Land Registry House Price Index and Hometrack Cities Index in order to understand the extent to which the Trafford Market has grown since October 2018 to present date. Based on our analysis the evidence suggests an increase of circa. 7.7% in Trafford's apartment market. This assessment includes both new build and office to residential conversions, it is accepted that new build and conversions perform differently in terms of value. It is difficult to thus extrapolate from the 7.7% figure the percentage increase for new build apartments. When taken in isolation it is expected that the growth in value of new build properties would be greater than 7.7%;

- The majority of the transactional data presented by CW are of office to residential conversion/refurbishment rather than new build schemes. It is accepted that office to residential conversion/refurbishment schemes have a lower sale value than new build schemes. CW have not taken this account when assessing the value of the proposed development;

- Overall, based on the transactional data presented by CW, it could be argued that the proposed scheme could achieve a higher sale value than £340 per sq ft for market units. If CW's presented transactional data were indexed in line Land Registry data and as a result adjusted upwards and taking into account the impact of office to residential conversion/refurbishment on the indexed increase, it is expected that sale values would be over £350 per sq ft;

- CW are requested to provide comparable evidence to support their commercial rents (£10 per sq ft Café and £14 per sq ft retail) and yield (7%) as well as the car parking value of £10,000 per space;

- Trafford Council have confirmed that the subject property does not have an open-A1 use and is in poor condition (we have been informed that it is not fit for an operator without substantial refurbishment). CW have failed to factor this in when assessing their EUV of the site. In our opinion, given the state of the property and it's planning restriction this would have marked impact on the EUV of the site;

- We disagree with CW that a 50% premium is appropriate for the subject site. CW use the Former Kelloggs site BLV estimated by Avison Young as evidence to support their assertion. We can confirm that in concluding viability negotiations at Kelloggs the agreed premium was 15%. We have also provided evidence to support a premium of around 15% to 20%, which CW have accepted at other brownfield sites in Trafford;

- CW have used the alternate use value (AUV) when assessing their adopted BLV following stipulations contained in the PPG (2019);

- We do not agree with the estimated refurbishment cost used in the AUV calculation. The costs are based off an historic cost plan which was produced in 2016, when the property had just become vacant. Significant time has now passed, and the physical state of the property has deteriorated. The estimated refurbishment cost of £483,770 (£14.83 per sq ft) is considerably lower than what we would expect when comparing to BCIS data;

- It should also be noted that it appears CW have not applied purchaser's cost or SDLT in the AUV calculation;

- The CW estimate of AUV at circa £3,520,000 is higher than their estimated RLV of £3,480,000. Given the AUV is greater than the RLV it is apparent that the landowner would receive a better incentive by retaining the property's current use rather than selling to a residential developer;

- CW estimated AUV is the key reason for Core Strategy Policy L2.12 to be appropriate in this case as the proposed development perform differently to generic developments within Old Trafford. According to CW there is a disbenefit to the landowner for achieving a change of use;

- It is in our opinion that the viability case for the Former B&Q Site, Old Trafford scheme does not meet the required tests, either through guidance or national policy, to demonstrate unequivocally that if Planning Policy requirements for affordable housing is greater than is being proposed (10% affordable housing), the Former B&Q Site, Old Trafford scheme would be undeliverable on viability grounds.

1. Instructions

Trebbi Continuum have been instructed by Trafford Council to undertake an independent viability assessment of the the viability case submitted by Accure (Forum) 1 Ltd (hereafter "applicant") in support of the planning application at Land at Former B&Q Site, Great Stone Road, Old Trafford (ref: 100400/OUT/20).

This independent viability assessment report has three tasks:

1. Assess in terms of legislation and professional practice guidelines whether Accure (Forum) 1 Ltd has made a compelling case for the identified aspirational return to the developer and landowner in their viability proposition, and the values and costs used in their appraisal are fair and evidenced;
2. To establish what further information/evidence is required from the applicant in the event that further justification for the viability case made is required; and
3. To advise the Council, following evaluation, if there is the potential for contributions to be made by the applicant, once evidence based aspirational returns to the developers and landowner are achieved.

The Independent Assessment report has been prepared in light of the most recent government legislations; NPPF (updated 2019) and PPG (updated 2019). The PPG (2019) sets out a standard approach in how to approach viability at both the plan and decision-making stage. The PPG (2019) defines viability as:

> *"In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission."* (paragraph 10).

The emphasis in relation to viability in planning has changed. The PPG (2019) states that:

> *"The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment."* (paragraph 8).

Guidance prepared by the Royal Institution of Chartered Surveyors (RICS) has been taken in account in the preparation of this report with particular reference to the RICS Professional Statement: Financial viability in planning: conduct and reporting, 1st Edition published May 2019. This document sets out mandatory requirements to be followed by RICS professionals with regard to conduct and reporting in relation to FVAs for planning in England.

This Independent Assessment does not constitute a formal valuation, as such, the guidance included in this report is exempt from regulations set out in the RICS Valuation Professional Standards (the Red Book) (2019).

Trebbi Continuum reserves the right to update, amend or vary our advice should the matter progress to a planning Appeal Hearing or Inquiry.

Appendix 1 confirms that this review is in accordance with the requirements set out within the RICS Professional Statement: Financial Viability in Planning (2019).

2. Confidentiality

This independent viability assessment report is confidential to Trafford Council and their advisors. It has been prepared in accordance with our terms of engagement.

This independent viability assessment report has been prepared on the basis that it will be made publicly available should Trafford Council, require it to be as under our terms of engagement.

No party other than the Client is entitled to rely on this report for any purpose whatsoever and we accept no responsibility or liability to any other party other than the Client in respect of the contents of this report. This report must not, save as expressly provided for in our terms of engagement, be recited or referred to in any document, or copied or made available (in whole or in part) to any other person without our express prior written consent.

This independent viability assessment report should not be disclosed to any third parties under either the Freedom of Information Act 2000 (sections 41 and 43 (2)) or under the Environmental Information Regulations.

3. Background and Documents Supplied

The Former B&Q site currently consists of a vacant retail warehouse and associated car parking, formerly occupied by B&Q. The site extends to circa 1.04 ha (2.57 acres) and is broadly rectangular in shape. The site is accessed via Great Stone Road which fronts the subject site to its western fringe.

The proposed development seeks to deliver a mix of 1,2 and 3 bed residential apartments in addition to active ground floor commercial units, bike storage facilities, car parking and the creation of a new public realm. The scheme will consist three separate towers, 7, 8 and 9 storeys in height. The scheme has been designed for market sale and will consist of:

Use	Quantum
Residential	333 Units
Commercial	324 sq m
Undercroft Car Parking	98
Cycle Parking	176

An earlier planning application at the Former B&Q site was withdrawn by the applicant. This scheme consisted of a 13-storey block with 433 apartments (and commercial space) to be sold as a PRS scheme.

The following document has been prepared by Cushman and Wakefield (hereafter “CW”) and has been submitted in support of the planning application at the Former B&Q site:

- Financial Viability Assessment of Former B&Q Site, Great Stone Road, Old Trafford (June 2020)

4. Cushman & Wakefield Financial Viability Appraisal

The sale values were estimated by CW through analysis of nearby transactional data. Both build costs and abnormal costs were estimated based upon a cost plan produced by Edmond Shipway. The software model used by CW to run the appraisal is Argus Developer. The appraisal information is presented in a form of a summary page with supporting cash flow (cash flow submitted only for scenario 1; 10% affordable housing).

CW have run two different development scenarios:

1. 10% affordable housing scheme with £1,009,270 other S106/S278 Contributions; and
2. 40% affordable housing and £1,009,270 other S106/S278 Contributions.

The development and sale period are as follows for the 2 different scenarios:

Scenario	Scenario 1	Scenario 2
Total Dev. Period	39 months	39 months
Pre-construction	6 months	6 months
Build Period	28 months	28 months
Market Sale Period	5 months at post completion. 30% of units are pre-sold	5 months at post completion. 30% of units are pre-sold
Affordable Sale Period	1 month at post completion	1 month at post completion
Commercial Sale Period	1 month at post completion	1 month at post completion

CW state the development period is 40 months with a 6-month sale period, the cash flow shows it is actually a 5-month sale period.

The output of the appraisal is the Residual Land Value (RLV), after all costs and profit margin are deducted from the Gross Development Value (Total Revenue).

4.1 Development Value

The information used to assess the project value is provided in the residential market commentary section with supporting transactional data found in the appendices.

4.1.1 Market Housing

CW explain they have assessed nearby residential developments which they summarise at section 8 of their report. The table below presents five office to residential developments and one new build residential scheme. Office to residential developments are able generate lower sales values and still make the same level of return for the developer as the costs associated with delivery are considerably less. As such it is considered that new build transactional sales data is more reflective of the proposed scheme at the Former B&Q site.

Name	Description	Avg. Value	Date
West Point, Chester Rd (Beech Holdings)	Office to residential conversion/refurbishment of over 300 x studios, 1, 2 and 3 bed apartments. CW state it is a high-quality scheme with market-leading amenities and low carbon technologies. Scheme is located c. 1,000m from subject site.	£337psf (200 sales)	2019
Kinetic, Talbot Rd (Cert Property)	Office to residential conversion/refurbishment plus two storey extension of 62 x studios, 1, 2 and 3 bed apartments. Located c. 300m from subject site.	£322psf (50 pre-sales)	October 2018
Celestia Court, 147 Upper Chorlton Range	New build scheme of 20 x 2 bed apartment. Scheme is located x. 1,000m from subject site. Not located in Old Trafford but lower performing market of Whalley Range.	£291psf (3 sales)	2019
Park Rise, Seymour Grove	Office to residential conversion/refurbishment of 87 x 1 and 2 bed apartments. The scheme is located c. 500 metres from the subject site.	£286psf Re-sale values at £310psf	2018 Re-sale asking price
Grove House, Skerton Rd	Office to residential conversion over 9 storeys, providing 98 x 1 and 2 bed apartments. The scheme is located c. 400 metres from the subject site.	£201psf	2018

In the appendices CW present further transactional data which is not referenced in section 8 of their report. This includes schemes such as Chorlton Plaza, 102 Manchester Rd, Chorlton. This scheme is an office to residential conversion/refurbishment plus extension to provide 22 x 1 and 2 bed apartments. The average sale value was circa £351 per sq ft in 2019.

CW summarise the presented transactional data stating:

> *"The nearest comparable scheme to the subject site is the Kinetic on Talbot Road, which achieved average sales values of £322 per sq ft in October 2018. Allowing for increase in values since this time we are of the opinion that a sales value of £340 per sq ft represents an appropriate estimate of the sales revenue achievable on the subject scheme."* (paragraph 8.9).

To allow for the time difference, the achieved sales values at Kinetic (an office to residential development comparable) in October 2018 of £322 per sq ft have been increased by 5.59% by CW to achieve the applicable values in June 2020. CW have not discussed how the subject site is a new build development which should have premium attached to it when compared with office to residential conversion/refurbishment developments.

4.1.2 Affordable Housing

CW state that affordable housing has been estimate based on a 50/50 split between affordable rent and shared ownership as per Trafford Council's SPD1. CW state that:

> *"Transfer values have been applied in accordance with the Trafford Validation Checklist November 2018 which directs a transfer value of 50% of OMV for social rent, 60% of OMV for affordable rent (therefore the midpoint between the two of 55% of OMV has been inputted for the 50% of the affordable units attributed to social rent/affordable rent) and 60% to 70% for shared ownership (therefore the mid-point of 65% of OMV has been assumed for the shared ownership units)."* (paragraph 8.10).

The applicant is arguing that the affordable housing contribution should be 10% based on the subject site being located in a "cold" market location operating in "good" market conditions. However, Trafford Council consider that

Core Strategy Policy L2.12 is of relevance to this planning application. The policy states that in 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%.

CW have provided two appraisals, the first showing the scheme can only support a 10% affordable housing contribution and the second appraisal that includes a 40% affordable housing contribution which is unviable.

4.1.3 Car Parking Value

CW have assumed a car parking sale value of £10,000 per space. This equates to a total value of £980,000 for the 98 spaces. No evidence has been provided to support this assumption.

4.1.4 Commercial Value

The ground floor commercial units have a GIA of circa. 324 sqm (circa. 3,487 sq ft). This commercial space is split between a retail unit of 168 sqm (1,808 sq ft) and café/restaurant of 180 sqm (1937 sq ft).

CW argue that:

> *"The location of the subject property does not lend itself to high street retail operators, however we believe it will be more suited to a convenience type occupier serving the residential accommodation within the subject scheme and neighbouring developments. A frontage onto Great Stone St could provide good visibility for commercial occupiers, and the level of proposed tenant occupiers could generate a reasonable on-site foot fall.*
>
> *We have engaged with Cushman and Wakefield's retail agency team who have advised a coffee bar operator would likely acquire the space based on a headline rent of £14 psf and a retail operator on a rent of £10 per sq ft. Having assessed the local market, comparable retail lease terms indicate a tone of £10 per sq ft with very limited evidence of café bars therefore we have relied on the judgement of consultation with retail agents in this respect."* (paragraph 8.13 to 8.14).

Based on the above CW have adopted a rent of £10 per sq ft for the retail unit and £14 per sq ft for the café. No comparable evidence has been provided to support this assumption.

CW have capitalised there adopted rent by a yield of 7% based on the assumption that good covenant operators would occupy the space. Again, no comparable evidence has been provided to support this assumption.

CW have assumed that there will be no letting voids or rent frees and have provided the following Investment Value for the commercial units:

Description	Indicative NIA (sq.ft)	Headline Rent (£ per sq.ft)	Gross Annual Rent	Yield	Gross Capitalised Value	Less Purchaser's Costs	Value
Coffee Bar	1,937	£14	£27,118	7%	£387,400	3.98%	£372,566
Retail	1,550	£10	£15,500	7%	£221,428	2.41%	£216,212

Source: *CW, June 2020.*

4.1.5 Gross Development Value (GDV)

The total revenue generated from the 333-unit scheme (with ground floor commercial space) is £72,748,254 for Scenario 1 (10% affordable housing) and £63,933,482 for Scenario 2 (40% affordable housing). The following table demonstrates the Gross Development Value (GDV) of the residential scheme:

333-unit Scheme with Commercial Space	Market Housing GDV	Affordable Housing GDV	Car Parking GDV	Commercial GDV	Total GDV
S1: 100% Market Housing	£66,633,540	£4,545,935	£980,000	£588,778	**£72,748,254**
S2: 30% Affordable Housing	£44,570,930	£17,793,774	£980,000	£588,778	**£63,933,482**

4.2 Development Costs

The standard build cost data was estimated by Edmond Shipway (cost consultant) through a detailed cost plan exercise. That total build costs in the cost plan equates to £43,565,000 (circa £135.82 per sq ft). This all-in cost assessment allows for:

- Demolition (abnormal cost);
- Substructure;
- Superstructures;
- Internal finishes and fittings;
- Services;
- Plot external works (drives, fences, plot service connection, plot drainage);
- Preliminaries (12%); and
- Overhead and Profit (incl. in all costs in cost plan).

CW have adopted a build cost of £43,564,537 in their appraisal. They explain that the small difference between the figures in the Edmond Shipway Cost Plan and the development appraisal is due to the rounding.

4.2.1 Build Costs

The base build costs (excl. demolition and external works) is £41,507,559 (incl. prelims of 12%) which equates to £129.41 per sq ft for the 7 to 9 storey building. This includes the cost of the under-croft/basement car parking as well as ground floor commercial space.

The external works cost is £1,889,441 (incl. prelims of 12%) which equates to 4.55% of the base build cost and £5.89 per sq ft.

The total demolition cost (incl. prelims of 12%) equates to £168,000.

4.2.2 Abnormal Costs

Abnormal costs are those that the developer perceives to be in addition to ‘normal’ cost that would be expected to be incurred in the delivery of development. The abnormal element will be a treatment over and above standard, primarily to deal with difficult ground conditions.

It could be argued that some of the cost identified in the Edmond Shipway cost plan would be perceived as an abnormal cost by developers in Trafford. The following costs include:

- Demolition - £168,000 (incl. prelims);
- Site preparation - £194,768 (incl. prelims); and
- Fencing, railings, and walls (incl. retaining walls and boundary walls/fencing) - £316,820 (incl. prelims).

These cost which could be perceived as abnormal equate to circa £680,000.

It should be noted that the PPG on Viability (2019) is explicitly clear how abnormal costs should be treated:

> *"abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value" (paragraph 12).*

4.2.3 Contingency

A contingency of 5% has been included and applied only to the build costs which equates to £2,178,227.

4.2.4 Professional & Marketing Fees

Professional fees are referenced as a percentage of total build cost (excluding contingency). The figure used is 8% and equates to £3,485,163. CW argue that this is in accordance with standard industry practice.

CW state the figure will typically include:
- Architect
- Landscape architect
- Engineer (civil and structural)
- Traffic engineer
- Legals – construction contracts etc.
- Topographical survey
- Site investigations
- Ecological reports
- NHBC or other building warranty costs
- Planning application fee
- Building regulations application fee

In addition, there are sales and marketing costs and legal fees. CW state:

> *"We have allowed for a marketing cost of 1.5% of GDV of market units and a sales agent fee of 1% of GDV of marketing units, which is standard industry practice and within the parameters of the Local Plan viability evidence."* (paragraph 9.11).

CW however have applied marketing of 1.5% to the retail unit, car parking and market houses GDV and the 1% agent fee to the retail unit, café unit, car parking and market houses GDV. The 2.5% sales and marketing costs equates to £5,571 per market apartment (scenario 1)

Legal fees have been assumed at 0.5% of GDV for all units (commercial, affordable, car parking and market). The legal fees per a market unit equates to £1,114 and per affordable units £669 (scenario 1).

The total fee bill is £5,548,374 for Scenario 1 (10% affordable housing) and £4,952,735 for Scenario 2 (40% affordable housing).

4.2.5 Finance Cost

CW have assumed an interest rate of 6% p.a. CW state that:

> *"We have adopted a finance rate of 6% which reflects the likely cost of borrowing in current market conditions for a market sales scheme of this size and developer based on our previous experience. The finance rate is inclusive of arrangement fees."* (paragraph 9.15).

CW have provided a cash flow for scenario 1 (10% affordable housing) but not scenario 2 (40% affordable housing).

The cash flows sale period (5 months) does not match up to the estimated sale period in CW report of 6 months.

The whole scheme is being built in one phase. CW argue:

> *"The scheme is to be built in three integrated blocks and to be delivered as a single phase. Careful consideration has been given to the possibility of a phased construction to allow income from unit sales to offset construction costs and so mitigate finance costs. However, advice from our client's design team was that this would be impractical due to limitations of the site and resultant impacts of building works on residential amenity and associated mitigation requirements. Separating the scheme into three distinct phases would also necessitate increased plant costs which would need to be designed to serve each block independently."* (paragraph 7.5).

4.2.6 Planning Obligations

CW state that following advice from the applicant's planning consultant, Indigo, the following S106/S278 contributions have been assumed:

Description	Total Cost
Health	£399,307
Spatial Green Infrastructure	£316,558
Sports	£330,333
Highways	£23,072
Total	**£1,069,870**

CW has cash flowed these cost items as single payments at the commencement of construction.

Following discussion with Trafford Council we have been made aware that that Council will require the following S106/ S278 contributions from the proposed development.

Description	Total Costs
Spatial Green Infrastructure	£252,836.87
Sports Contribution	Unknown but will be sought
Education	£641,973
Highways	£30,000
Total	**£924,809**

4.2.7 Profit

CW argue:

> *"On the assumption of a market sales basis, there is greater risk to a developer to dispose of many units on an individual basis and as such the return they are willing to accept must be higher to reflect these greater risks. As such, the GVA profit position of 20% of GDV assuming market sales would be appropriate and is in line with the guidance set out in the PPG for Viability. We have applied 17.5% profit on GDV for market units which is the mid-point of the range of profit requirements indicated in National Planning Practice Guidance, alongside a discounted 6% profit on GDV for affordable units. This is below the level provided for in the Local Plan viability evidence and also central in the range advised in NPG, therefore is justified."* (paragraph 9.16).

A profit margin of 17.5% on GDV has also been applied to the commercial element and car parking. No evidence has been provided by CW to support this profit level. CW are also requested to provide a breakdown of how they got to their blended profit margins.

Scenario 1's blended profit margin equates to £12,207,157 (16.78% on GDV) and scenario 2's blended profit margin equates to £9,084,948 (14.21% on GDV).

4.3 Benchmark Land Value

CW state that they have assessed the Benchmark Land Value (BLV) using both the Existing Use Value (EUV) plus a premium (EUV+) and Alternative Use Value (AUV) approach. CW argue that this is in accordance with the PPG (2019), paragraph 13-17.

CW argue:

> *"In assessing the benchmark land value, we have allowed a sufficient premium to incentivise the landowner to release their land for development whilst also allowing for a contribution towards public realm. This supports the approach to viability put forward in the PPG for Viability, which aims "to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission" (PPG for Viability, Paragraph 10). We believe it is crucial that this balance is maintained and that the cost of policy compliance does not prevent a landowner from receiving a competitive return and therefore releasing their land for development."* (paragraph 10.1)

For avoidance of doubt, the NPPF (2019) and PPG (2019) no longer includes references to competitive returns to landowner and developer; instead, it seeks aspirational returns.

CW argue that:

> *"any existing land with development potential will be much sought after by the residential developer market. Landowners will be well aware of the lack of supply and increasing competition for land which will only serve to increase the value of their assets. Furthermore, as the judge noted in Parkhurst Road Ltd v Secretary of State for Communities and Local Government and another [2018], the value of the new land use for which the site is to be sold should arguably represent a key factor in determining the appropriate premium to the landowner, with the judge suggesting that a reasonable landowner would treat this "as a primary consideration in valuing his property" (Paragraph 145)."* (paragraph 10.3).

CW argue that:

> *"In order to facilitate the release of land for development, it is essential that the landowner receives a reasonable premium to incentivise a sale. This is further reinforced in the PPG for Viability which emphasises that "the premium should provide a reasonable incentive, in comparison with other options available" (Paragraph 13)."* (paragraph 10.4).

CW first examine the historic Trafford Council Local Plan Viability Assessment prepared by GVA in 2009. GVA adopted a BLV of £750,000 per hectare (£303,000 per acre) for sites in "cold" market areas. CW argue there appears to be no premium applied to this BLV, however the BLV was based on unadjusted residential market transactions so we believe it does include a premium. The subject site is circa 1 hectare, so based on this the value of the site in 2009 based on GVA's assumption would be circa £750,000.

CW argue that:

> *"a landowner's expected return would greatly differ should a 8 storey apartment block be developed as opposed to low density 2 storey estate housing which is more reflective of a land value at that lower level."* (paragraph 10.7).

We agree with CW that the Local Plan Viability Assessment is historic and as such merely anecdotal as it pre-dates the NPPF (2012), updated NPPF (2019) and PPG (2019).

4.3.1 Existing Use Value

CW have used the rateable value of the property, as assessed by the VOA, as the basis for their estimation of EUV. The rateable value (RV) of the subject property is £178,000, which calculates to circa £5 per sq ft. This RV is based on a 2015 valuation when the store was occupied. CW argue that:

> *"it should be noted that rating valuations are prepared on the assumption that the property is available with vacant possession. Therefore, the fact that the property is now vacant does not represent a reason in itself for discounting this figure further. In fact, this is a conservative rental assumption when compared to the rent that the property was formerly let to B&Q for at £214,500, equating to £6.64 per sq ft."* (paragraph 10.12).

CW have then provided two properties which they argue are comparable:

- Carpetright, Regent Road, Salford – 19,761 sq.ft unit let to Selco for £199,783 (£10.11 per sq ft) – Regent Road, Salford; and
- Wren Kitchens, Unit 6 – 15 White City Retail Park – 12,762 sq ft unit let for £198,614 (£23.40 per sq ft)

CW state that:

> *"These transactions underline the fact that the £5 per sq ft rent derived from the RV position represents a conservative, if pessimistic position on the rental value that could be achieved on the property."*

When assessing comparables for the subject site CW have failed to take into account the planning condition which restricts the use of the site.

CW have failed to provide information about the state of the comparable properties. From our understanding, the subject property is in poor condition. CW are requested to provide information on the state of the comparable properties.

CW have applied the £5 per sq ft rent to the subject property and then capitalised the rent by a yield of 7%. After allowing for purchaser's cost and SDLT, CW's EUV equates to £2,390,779 circa £74 per sq ft.

CW have provided transactional evidence to support their estimation of investment value as follows:

Location	Description	Annua Passing Rent	NI Yield	Date	Investment Value
Middleton Trade Park, Middleton	24,000 sq.ft. Multi-let trade counter estate comprising 13 units	£164,000	7%	Mar 2019	£2,330,000
Parkway Trading Estate, Trafford Park	108,000 sq.ft, 5.3 year WAULT	£650,000	6.5%	Oct 2019	£10,000,000

CW have not provided information about the repair of the comparable properties. CW are requested to provide this information.

CW conclude:

> *"Overall therefore, we consider that yield of 7% is justified given that this represents a discount from the yields observed the above properties (which are demonstrated to be in the range of 5% 6.5% based on the evidence above), and the resultant capital value of £74 per sq ft is below that achieved on transactions of warehouse property locally (£96-£97 per sq ft)."* (paragraph 10.18).

The assessment of appropriate yield has been undertaken without consideration of the restriction contained within the planning condition. The limited numbers of occupiers who would be able to operate from the building would inevitably have an impact on yield assessment.

4.3.2 Premium

The second part of the EUV+ methodology is the estimation of a reasonable premium to incentivise a landowner to release their land for development. CW argue:

> *"A landowner with a large, prominent site with an expectation that the land could support a large residential led scheme is likely to have higher expectations than a landowner with a less prime parcel of land which could support a smaller development. Equally, a landowner with existing and alternative commercial use options that offer potentially valuable alternatives to residential development will also likely require a higher premium to incentivise a sale. Both these scenarios apply to the subject property."* (paragraph 10.20).

CW have then applied a 50% premium to their EUV which equates to a total BLV of £3,600,000 (rounded). CW argue that this is consistent with the premium being applied to the EUV at the former Kellogg's office building site adjacent to the subject site. This BLV was estimated by Avison Young dated February this year. Following negotiation a Avison Young accepted a premium of 15%.

No other evidence has been provided by CW to support the 50% premium.

4.3.3 Alternate Use Value

CW state that the PPG (2019) also allows for the AUV to be used to determine the BLV. CW reference the PPG (2019) that states:

> *"that AUV must accord with relevant Development Plan policies, should be based on relevant market evidence, and that where AUV is applied as a benchmark land value, should exclude any additional premium over and above the AUV. It also states that where any refurbishment of a property is assumed even when*

retained within its existing use class, this should effectively form an AUV rather than an EUV based methodology." (paragraph 10.22).

CW have considered an AUV based on the refurbishment of the property for re-letting for retail use ignoring the existing planning condition. CW have assessed the cost of refurbishment based on a cost plan. This cost plan was produced by Martin Willis Partnership in 2016 and estimates the refurbishment cost at £417,219.62 (circa £12.79 per sq ft). The cost plan is over 4 years old and we understand the state of the property is likely to have deteriorated since then. The refurbishment costs appear considerably lower than what would be expected to get the subject building back to a lettable condition. CW have used the BCIS Build Cost Index to reflect a 2020 build cost. The total cost equates to £483,770 (£14.83 per sq ft). CW have converted this cost into a tenant inducement equivalent to 18 months' worth of rent.

CW have then based their assumed rental values on two comparables presented earlier and have based the rent on the Carpetright Salford comparable which had a rent of £10.11 per sq ft. CW have applied a £10 per sq ft rent as well as a 12-month rent free period. CW have then applied a 7% yield supported by the comparables below:

Company	Town	Address	Value (£M)	Yield (%)	Date	Comment
Blue Brick Investments	OLDHAM	Larch Street	4.50		Aug-2019	2,323m² T:Wickes
Cheshire East Council	CREWE	Weston Road	20.95	7.00	Jun-2019	9,699m² R:£1,566,000 T:B&Q Plc LL:10.8
FPG (UK) Ltd	AINTREE	Ormskirk Road	5.90	6.10	Sep-2019	2,440m² T:Wickes LEX:12/2032
Greenridge Regional UK	LIVERPOOL	Great Homer Street (A&B)	9.50		Sep-2019	5,946m² T:B&M, The Gym Group, Home Bargains
Janus Henderson UK PAIF	CREWE	Weston Road	20.95	7.00	Jun-2019	9,699m² R:£1,566,000 T:B&Q Plc LL:10.8
M&F Finance (Ireland) Ltd	STOCKPORT	Portwood Court	1.60		Jan-2020	1,721m² open A1
M7 Real Estate	AINTREE	Ormskirk Road	5.90	6.10	Sep-2019	2,440m² T:Wickes LEX:12/2032
Nuveen Real Estate	MANCHESTER	Hulme High St Retail Park	42.75	5.30	Aug-2019	10,509m² R:£2,427,950 T:Argos, Poundstretcher,KFC,Asda
St Modwen Plc	LIVERPOOL	Great Homer Street (A&B)	9.50		Sep-2019	5,946m² T:B&M, The Gym Group, Home Bargains
Warrington Bor Council	MANCHESTER	Hulme High St Retail Park	42.75	5.30	Aug-2019	10,509m² R:£2,427,950 T:Argos, Poundstretcher,KFC,Asda

Source: *CW, June 2020.*

CW, in the estimation of AUV have included a total tenant incentive package of 30 months (18 month for refurbishment and 12 month rent free) as well as a void period of 6 months for letting with appropriate holding costs being deducted from the gross value. This equates to an AUV of £3,524,578. See calculation below:

Table Alternative Use Value Assessment

Area (sq ft)	£32,616
Rent (headline, psf)	£10.00
Estimated Rental Value	£326,160
Yield (10 year lease)	7.00%
Gross Development Value	£4,659,429
Net Development Value	£4,372,710
PV 3 years for void/rent free	0.8163
Value	£3,569,434
Less void costs	
Rateable Value	£178,000
Rates Payable	£89,712
Rates over 6 months	£44,856
Value	**£3,524,578**

Source: *CW, June 2020.*

Purchaser's cost or SDLT has not been applied in the AUV calculation.

CW conclude:

> *"Assessing both the Alternative Use Value and Existing Use Value + premium methodology result in a benchmark land value range of £3,500,000 to £3,600,000 and therefore £3,600,000 has been adopted as the benchmark land value. The upper end of this range is considered justified given the potential value of the site in existing / alternative use. The range of these figures is marginally above the residual land value generated by the development appraisal of the scheme with 10% of units being affordable thus confirming the scheme is unable to deliver above this level of affordable homes on site."* (paragraph 10.28).

4.4 Appraisal Output

As a result of deducting all the above costs (including profit) from the GDV, what remains is the Residual Land Value (RLV). The RLV outputted for scenario 1 (10% affordable housing with other S106/S278 contributions) equates to £3,482,000 and for scenario 2 (40% affordable housing with other S106/S278 contribution) equates to a negative land value of -£512,204.

The RLV for the 10% affordable housing scheme is £118,000 less than the BLV (calculated using AUV). The result being the landowner would not be incentivised to promote their site for change of use.

4.4.1 Sensitivity Analysis

CW have undertaken a sensitivity analysis on scenario 1 (10% affordable housing) in accordance with RICS Professional Statement (2019). CW have increased/reduced the construction costs and values by 5% and 10% to see how this effects the RLV. Below are CW results:

		Sales Value				
		-10%	-5%	0%	5%	10%
Construction Cost	-10%	£ 3,011,655	£ 5,119,823	£ 7,227,990	£ 9,336,157	£ 11,444,324
	-5%	£ 1,138,660	£ 3,246,828	£ 5,254,995	£ 7,463,162	£ 9,571,329
	0%	-£ 820,852	£ 1,373,833	£ 3,482,000	£ 5,590,167	£ 7,698,334
	5%	-£ 2,894,603	-£ 562,096	£ 1,609,005	£ 3,717,172	£ 5,825,339
	10%	-£ 4,990,388	-£ 2,632,528	-£ 303,341	£ 1,844,177	£ 3,952,344

Source: *CW, June 2020.*

CW state that:

> *"The results illustrate the sensitivity of the residual land value to relatively small variations in cost and revenue."* (paragraph 11.2).

They conclude:

> *"In relation to cost, with as little as a 5% increase in build costs, this reduces the residual land value by more than 50% to £1.61million, substantially below the benchmark land value. Similarly, a reduction in build cost could result in a significant increase in residual land value to £5.25million. Changes in sales value could have similarly significant impacts on resultant residual land values with 5% shifts placing the residual land value substantially below or above the benchmark land value."* (paragraph 11.3)

333-unit scheme with commercial space	Scenario 1 (10% AH)	Scenario 2 (40% AH)

Build Costs	£43,564,537	£43,564,537
Contingency (5%)	£2,178,227	£2,178,227
Fees	£5,548,374	£4,952,736
S106/278 Contributions	£1,069,870	£1,069,870
CIL	£4,437	£4,437
Finance (6%)	£4,469,377	£3,591,656
Profit Margin	£12,207,157 (16.78% on GDV)	£9,084,948 (14.21% on GDV)
Site Disposal Cost	£224,276	£0
RLV	£3,482,000 (1.35m per acre)	-£512,204

5. Independent Assessment

5.1 The Viability Case

The viability case made by CW is that the proposed development at the Former B&Q site will be unable to fund any more than 10% affordable housing and £1.07m of other S106/278 contributions. This is based on the assertion that the value created by the development minus the costs incurred to deliver it does not provide sufficient headroom to meet the applicant's assertion of landowner and developer aspirational returns if more affordable housing contribution were sought. It should be noted that the RLV generated from scenario 1 (10% affordable housing) does produce a deficit when compared to the BLV of £118,000.

For the purposes of clarification, the phrase "competitive return" no longer appears in the updated NPPF (2019) and PPG (2019).

5.2 Development Costs

5.2.1 Profit Margin

CW are requested to provide further evidence to support their profit margin assertion of 17.5% on GDV for market housing, car parking and commercial units. We would usually expect the commercial and car park element to have a lower profit margin of around 15% on cost.

We agree with the 6% on GDV profit margin for the affordable housing.

CW have generated a RLV margin (scenario 1) that is less than what they argue the landowner should rightfully expect. In order for the landowner to achieve the estimated BLV, it appears that the applicant is 'willing' to deliver the development at a blended margin of £12,089,157 (16.61% on GDV). This is lower than the blended aspirational return identified by CW of 16.78% on GDV.

During the Luton Appeal (Jan 2020), APP/B0230/W/19/3235438, the apartment scheme was tested at a lower profit margin of 15% on GDV to see what planning contributions the scheme could offer. It may be appropriate to test the sensitivity of the scheme based on different profit margins.

5.2.2 Build Cost Rate

We agree that the total build cost estimated by Edmond Shipway is appropriate for a scheme of this nature and specification. The base build costs (incl. prelims) equates to £129.41per sq ft and external works is at 4.55% of the base build costs.

We agree that a 5% contingency is appropriate for a scheme of this nature.

5.2.3 Fees

We agree with CW that the professional fees of 8% of the build costs is appropriate for an apartment scheme of this nature.

We agree with CW that 2.5% on GDV sales and marketing costs is appropriate for the market units, however we would expect a lower than 2.5% on GDV sales and marketing costs for the commercial units and car parking spaces.

The sale legal fees for the market units at 0.5% on GDV equates to £1,114 per market unit. This fee is considerably higher than what we would expect an apartment developer to incur.

We would also expect the affordable units to be subject to a legal fee of around £500 per unit though this is usually capped to around £10,000 to £20,000 due to the block sale to one Register Provider.

5.2.4 Finance Cost

CW are requested to provide a cash flow for scenario 2.

We have analysed CW cash flow scenario 1 and have two issues with the cash flow and phasing.

The first is about the timing of S106/278 and CIL payments. CW has assumed that all of these payments occur as a single payment at the commencement of construction. For a payment of over £1m, an LPA would usually not seek all of these contribution at the commencement of construction.

The second issue is around the development being a single-phase development. Due to the scheme having no phasing element the total finance costs are one of the highest we have seen in Trafford at £4,469,377 (scenario 1). We find it highly unusual that a developer would not have designed a three-block scheme to enable some phasing element. For example, Pomona Phase 2 (circa 500 apartments) was delivered in three phases which helped reduce their finance costs to improve the viability of the scheme. The question to pose to Trafford Council, is why should the community pay through the reduction in planning obligations, due to a personal commercial choice by the developer?

5.3 Development Value

5.3.1 Sale Values

CW have used the Kinetic development on Talbot Road comparable as their main comparable. They have then increased the £322 per sq ft achieved October 2018 values to £340 per sq ft in order to allow for an increase in value overtime. CW have then used £340 per sq ft value in their appraisal and have therefore estimated that sales have increased by 5.59% from October 2018 to June 2020.

Continuum have analysed the Land Registry House Price Index and Hometrack Cities Index in order to understand how the Trafford Market has grown since October 2018. The Land Registry House Price Index rebased to Trafford currently only goes up to May 2020. The index can also be separated by property type. The flats and maisonettes index in October 2018 was 133.85 and in May 2020 was 142.66, this equates to an increase of circa. 6.6% over this period (see **Appendix 2**). We have then looked at the Hometrack Cities Index rebased to Manchester which currently goes up to July 2020. The Hometrack Cities Index (all property types) for Manchester showed that between May 2020 to July 2020 there had been a 1.1% increase in sale values (see **Appendix 3**). The evidence above shows that between October 2018 and July 2020 (most recent figures) we could expect a circa 7.7% increase in sale values in the Trafford apartment market, this is greater than the increase used by CW in their assumption of sales value.

The majority of the transactional data presented by CW are office to residential conversion/refurbishment rather than new build schemes. This appears to not have been factored in by CW when assessing the value of the proposed development. If the proposed sales values are to be estimated based on the Kinetic development on Talbot Road, we would expect a premium as the proposed scheme is new build.

CW do not present the achieved sale comparable, Chorlton Plaza, 102 Manchester Rd, Chorlton in section 8 of their report, but include it in the appendices. This scheme is an office to residential conversion / refurbishment plus extension to provide 22 x 1 and 2 bed apartments. The average sale value was circa. £351 per sq ft in 2019.

Based upon the transactional data presented by CW, the scheme could achieve a higher sale value than £340 per sq ft for market units. If CW's historic comparables were adjusted to present day values and to take into account they are office to residential conversion/refurbishment, it is expected sales values would be over £350 per sq ft. We have tested the increase sale values in our own sensitivity analysis (see section 5.1.11).

5.3.2 Car Parking and Commercial Values

CW are requested to provide comparable evidence to support their commercial rents (£10 per sq ff Café and £14 per sq ft retail) and yield (7%) as well as the car parking value of £10,000 per space.

5.4 Benchmark Land Value

5.4.1 Existing Use Value

CW have estimated their EUV based on the 2015 rateable value of the B&Q which was £178,000 (circa £5 per sq ft). CW also state the property was formerly let (2015) to B&Q for £214,500 (£6.64 per sq ft). CW have provided comparable evidence which they argue support higher rents, however CW have failed to provide information about the state of the comparable properties.

CW have estimated a yield of 7% for the property. CW have provided comparables to support this yield, though CW have failed to provide information about the state of the comparable properties.

Trafford Council have confirmed that the subject property does not have an open-A1 use and is in poor condition (we have been informed that it is not fit for an operator without substantial refurbishment). CW have failed to factor this in when assessing their EUV of the site. In our opinion, given the state of the property and it's planning restriction this would have marked impact on the EUV of the site.

5.4.2 Premium

We disagree with CW that a 50% premium is appropriate for the subject site. CW use the Former Kelloggs site BLV estimated by Avison Young as evidence to support their assertion. We can confirm that in concluding viability negotiations at Kelloggs the agreed premium was 15%.

Recent Inspector decisions argue that appropriate premiums for brownfield sites range from 15% to 30%. In the recent High Court case Holborn Studios Ltd vs London Borough of Hackney (March 2020), both parties accepted that a 15% premium was acceptable for the brownfield site. In the Inspector Decisions on Olivers Garage, West Oxfordshire District Council (October 2018) the inspector agreed with the Appellant that 20% premium would be appropriate.

At Carrington Village, CW accepted that a 20% premium was appropriate for the brownfield elements of the site and at Itron, CW accepted that a 18% premium was appropriate for the brownfield site.

It should also be noted that there are circa. £680,000 of costs which could be perceived as abnormal which need to be reflected in the BLV.

Based on this we would argue that a 15% to 20% premium is appropriate for the site, based on the evidence we have provided and the AY updated premium at the Former Kellogg's site.

5.4.3 Alternate Use Value

The PPG (2019) allows for the use of AUV in the estimation of BLV. It is accepted that the refurbishment of the unit to its current use would represent an AUV.

In terms of the rents (£10 per sq ft) and yields (7%) used for the refurbished property, the evidence used by CW to support this level do not reflect the sites restrictive planning condition. CW are requested to provide evidence to support their rents and yields from occupiers who would be able to operate under the sites restrictive planning condition.

The refurbishment costs used by CW are based off an historic cost plan produced in 2016, when the property had just become vacant. Significant time has now passed, and the subject properties state has deteriorated considerably. As mentioned earlier, from discussions with Trafford Council it is understood that the building is in poor condition and has been subject to break ins/attempts and water ingress. There are also issues with asbestos in the building which would need to be dealt with. Based on this the estimated refurbishment cost at £483,770 (£14.83 per sq ft) is considerably lower than what we would expect.

We have cross-checked the refurbishment costs to BCIS, though we recognise that refurbishment costs can vary considerably given the different circumstances of each project. For the retail warehouse conversion costs (rebased to Trafford) there is only a sample of 2 which has a mean cost of £608 per sq m (£56.48 per sq ft). We recognise the limitations of this data due to it being a very small sample set. We have also looked at warehouse conversion costs (rebased to Trafford) which has a median cost of £680 per sq m (£63.17 per sq ft) based on a sample of 5. Again, there are limitations to this data, but it does show that when benchmarking to BCIS the refurbishment costs used by CW seem very low.

As noted above the property does not benefit from and unrestricted A1 use and as such the applicant would need to demonstrate that the principle of food retail is acceptable through both a retail sequential test and a retail impact assessment. In addition, the applicant would need to demonstrate that the are no adverse highways or amenity impacts. Given the stated planning restrictions and requirement for change of use it can be argued that use as a retail food store does not provide an appropriate alternate use. Furthermore, in the immediate vicinity of the site there are Aldi, Lidl, Iceland, Tesco and M&S foodstores raising the question of where there was the market for that use.

It should also be noted that it appears CW have not applied purchaser's cost or SDLT in the AUV calculation.

The CW estimate of AUV at circa £3,520,000 is higher than their estimated RLV of £3,480,000. Given the AUV is greater than the RLV it is apparent that the landowner would receive a better incentive by retaining the property's current use rather than selling to a residential developer;

5.5 Sensitivity Analysis

Although we have not produced our own viability appraisal for the subject scheme, we have undertaken a sensitivity analysis (based on the applicant's figures/appraisal) of certain inputs where the position could be improved. This is required by the RICS Professional Statement (2019).

As stated under section 5.1.7 on sale values, we believe the sale values could be higher than what CW have estimated. We have also run a sensitivity analysis on the sale values to find out how it affects the residual land value.

We have run a mirror appraisal on Argus Developer based on CW's scenario 1 appraisal (10% affordable housing) figures and development period (though we do not agree with all of the inputs). We have then tested the sensitivity of the sale values, to see how it affects the RLV when the profit margin is fixed at CW's stated blended profit margin of 16.78% on GDV (though we do not fully agree with CW profit margin assumptions). The table below outlines our RLV results (see **Appendix 4** for appraisal):

	Sales: Rate /ft²				
% Increase	0.000%	1.000%	2.000%	3.000%	4.000%
Resi Market Value	£340.00	£343.40	£346.80	£350.20	£353.60
RLV	£3,480,127	£3,931,772	£4,383,416	£4,835,061	£5,286,705

The RLV at £340 per sq f is slightly lower than CW RLV due to SDLT correction.

The table above demonstrates that the scheme has the potential to fund further affordable housing should the sale values be improved based on what we have stated under section 5.1.7.

5.6 Core Strategy Policy L2.12

We have been requested by Trafford Council to highlight how the subject scheme operates differently, in viability terms, to generic developments within Old Trafford.

One reason why the subject site in viability terms is unique, is due to CW arguing that the existing building has a higher alternative use value if refurbished than the Residual Land Value (RLV) generated from CW's appraisal (incl. 10% affordable housing). CW estimated an AUV of £3,524,578 based on refurbishing the retail warehouse and their RLV generated for the residential scheme (incl. 10% affordable housing) is £3,482,000. This is a unique case in Old Trafford, as we have not seen any other applicant arguing that the residential use has a lower value than the alternative/ existing use.

This is also the only scheme in Old Trafford that we have seen being developed on an existing retail site, with most schemes in Old Trafford based on existing office, industrial or car parking sites.

Another key area where the viability of the scheme performs differently is around phasing and the total finance costs of £4,469,377. This is one of the highest finance costs we have seen for an apartment development in Old Trafford. The reason the finance costs are so high is because CW have assumed that the whole scheme would be built in one phase, whereas the majority of large apartment schemes are delivered in phases.

Overall, we agree with Trafford Council that the fourth bullet point of the Core Strategy Policy L2.12 is of relevance to this planning application. This states that 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%.

It is understood that the applicant is of the opinion that he proposed development would not perform differently in viability terms to generic development, as such the submission of the FVA prepared by CW is somewhat contradictory.

6. Conclusions

It is in our opinion that the viability case for the Former B&Q Site, Old Trafford scheme does not meet the required tests, either through Guidance or national policy, to demonstrate unequivocally that if planning policy requirements for affordable housing is greater than is being proposed (10% affordable housing), the Former B&Q Site, Old Trafford scheme would be undeliverable on viability grounds.

From our assessment of appropriate sales values, BLV, legal fees and finance costs (not an exhaustive list); the financial outputs of the development could be substantially different, indicating that there is the potential to fund further affordable housing than being offered at this stage by the applicant.

It is our opinion, that the proposed scheme performs differently, in viability terms, to generic developments within Old Trafford. We agree with Trafford Council, that policy Core Strategy Policy L2.12 is of relevance to this specific planning application and the scheme is subject to an affordable housing contribution of up to 40%.

Appendices

Appendix 1: RICS Professional Statement

This report has been prepared in accordance with the RICS Professional Statement: Financial viability in planning: conduct and reporting, 1st Edition published May 2019. The aim of the RICS Professional Statement (section 1.2) is to:

- Set out mandatory requirements on conduct and reporting in relation to FVAs for planning in England;
- Recognises the importance of impartiality, objectivity and transparency when reporting on such matters;
- Support and complement the government's reforms to the planning process announced in July 2018 and subsequent updates, which include an overhaul of the NPPF and PPG on viability and related matters.

The RICS Professional Statement explains that:

"The primary policy and guidance on assessing viability in a planning context is provided in the NPPF 2019 and the PPG 2019. These have sought to change the emphasis on how viability should be approached in the planning system and the weight that should be given to viability assessments at the plan-making and development management stages." (section 1.4).

This report has been set out in accordance with the government guidance on assessing viability in a planning which is provided in the NPPF (2019) and PPG (2019).

Sections 2.1 to 2.14 of the RICS Professional Statement set out the fourteen mandatory reporting and process requirements for all FVAs prepared on behalf of, or by applicants, reviewers, decisionmakers and plan-makers. We confirm that this Independent Viability Assessment has been carried out in accordance with sections 2.1 to 2.14. The mandatory reporting requirements are set out under the headings below and expanded on where relevant in this Independent Viability Assessment report.

6.1.1 Section 2.1: Objectivity, Impartiality and Reasonableness Statement

We confirm that this Independent Viability Assessment has been carried out by a suitably qualified practitioner who has acted with:

- with objectivity;
- impartially;
- without interference and;
- with reference to all appropriate available sources of information.

6.1.2 Section 2.2: Confirmation of Instructions and Absence of Conflicts of Interest

We were instructed by Trafford Council to undertake an Independent Assessment and to provide advice on the viability case put forward by Accure (Forum) 1 Ltd (applicant), in respect of the Land at Former B&Q Site, Great Stone Road, Old Trafford, 100400/OUT/20.

We can confirm that these is an absence of conflict of interest as we only act for the public sector, in the North West, in matters to do with financial viability in planning. We are currently working for a number of Local Planning Authorities in the North West which we do not consider is a conflict of interest.

6.1.3 Section 2.3: A No Contingent Fee Statement

We can confirm that we have no performance-related or contingent fees agreed with our Client, Trafford Council
.

6.1.4 Section 2.4: Transparency of Information

The PPG (2019) states that

"Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances." (paragraph 21).

We can confirm that this viability assessment has been prepared on the basis that it will be made publicly available should our Client, Trafford Council, require it to be as under our terms of engagement.

6.1.5 Section 2.5: Confirmation Where the Practitioner is Acting on Area-wide and Scheme Specific FVAs

As stated above, we only act for the public sector, in the North West, in matters to do with financial viability in planning. We are currently working for a number of Local Planning Authorities in the North West on both Area-Wide and Scheme-Specific FVAs, which we do not consider is a conflict of interest.

6.1.6 Section 2.6: Justification of Evidence

In this Independent Viability Assessment, we have provided a detail response to the viability case set out by the Applicant and have outlined areas where the Applicant is requested to provide more detail, evidence, justification and explanation. We also highlighted areas where we believed the Applicant has deviated from the government national guidance PPG on Viability (2019). Each of our queries in this Independent Viability Assessment are clearly set out and supported by justifications as to why more detail of these inputs are needed.

6.1.7 Section 2.7: Benchmark Land Value

We have assessed the Applicant's Benchmark Land Value in accordance with the requirements of section 2.7 of the RICS Professional Statement. The RICS Professional Statement is clear that when estimating the Benchmark Land Value, practitioners must follow the PPG on Viability (2019). The PPG defines Benchmark Land Value as:

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+). (paragraph 13).

And;

Benchmark land value should:

- *"be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees…*
- *This 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."* (paragraph 14).

Where we believe the Applicant has not followed the PPG (2019) and RICS Professional Statement when assessing the Benchmark Land Value, we have clearly explained and justified why.

6.1.8 Section 2.8: FVA Origination, Reviews and Negotiations

This document is an independent review of an FVA. It is clear from the RICS Professional Statement that negotiations occur subsequent to the production of a viability case review. If the reviewer/assessor is unable to form an opinion due to limited information being provided by the Applicant, then it is not possible to get to the negotiation phase. If the requirements of the PPG (and thus the RICS Professional Statement) have not been followed, then the viability case does not meet the required criteria.

6.1.9 Section 2.9: Sensitivity Analysis

Although we have not produced our own viability appraisal for the subject scheme, we have undertaken a sensitivity analysis (based on the Applicant's figures/appraisal) of certain inputs where we believe the position could be improved. This can be found in section 5 of this report.

6.1.10 Section 2.10: Engagement

We can confirm that we will advocate reasonable, transparent, and appropriate engagement between the parties at all stages of the viability process.

6.1.11 Section 2.11: Non-technical Summaries

The executive summary of this report has been provided as a non-technical summary, which outlines the key figures and issues that support the conclusion of our Independent Viability Assessment.

6.1.12 Section 2.12: Author(s) Sign-off

This report has been produced by Murray Lloyd and Chris Gardner on the 27nd September 2020.

Murray Lloyd and Chris Gardner have extensive experience undertaken Independent Viability Assessments on behalf of Local Planning Authorities and currently work with 8 LPAs on their viability cases.

6.1.13 Section 2.13: Inputs to Reports Supplied by Other Contributors

We can confirm that all contributions to this report relating to assessments of viability comply with the mandatory requirements as set out in the RICS Professional Statement.

6.1.14 Section 2.14: Timeframes for Carrying out Assessments

We can confirm that adequate time has been allowed to produce this Independent Viability Assessment having regards to the scale and complexities of this particular project.

Appendix 2: Land Registry House Price Index

House price index by type of property in Trafford

All property types | Detached houses | Semi-detached houses | Terraced houses | Flats and maisonettes

See data graph | See data table | Download this data | Compare with location ...

Date	Flats and maisonettes
Oct 2018	133.85
Nov 2018	135.85
Dec 2018	134.68
Jan 2019	133.93
Feb 2019	132.03
Mar 2019	131.53
Apr 2019	132.50
May 2019	132.09
Jun 2019	132.04
Jul 2019	133.45
Aug 2019	134.29
Sep 2019	136.28
Oct 2019	134.14
Nov 2019	133.33
Dec 2019	131.46
Jan 2020	131.95
Feb 2020	133.59
Mar 2020	136.84
Apr 2020	140.03
May 2020	142.66

Source: *Land Registry, September 2020*.

Appendix 3: Home Track Cities Index

July 2020

2.6% UK

2.5% 20 City Average

House prices are set to hold firm for the remainder of the year - despite the onset of recession and rising unemployment

- Housing market conditions remain unseasonably strong
- Supply/demand imbalance supporting headline rate of growth and has resulted in the time to sell a home falling 31% since the lockdown
- Changing buyer requirements see 4/5 bed homes selling faster than flats

City Overview Table | Interactive Chart

Select a city below to view the interactive chart.

City	Average price	Trough-current	Peak-current	Last 12 months	Last 3 months	Last month	Year on year
Aberdeen	£145,100	1.2%	-9.6%	-1.4%	0.5%	0.0%	
Belfast	£137,000	29.8%	-36.1%	2.2%	0.5%	0.1%	
Birmingham	£167,700	46.3%	25.8%	2.9%	0.7%	0.1%	
Bournemouth	£289,400	51.2%	28.0%	1.6%	0.5%	0.1%	
Bristol	£279,800	76.5%	45.2%	2.9%	0.6%	0.0%	
Cambridge	£415,300	82.5%	52.1%	2.1%	0.4%	0.1%	
Cardiff	£207,800	44.5%	22.8%	2.7%	0.8%	0.0%	
Edinburgh	£229,000	35.7%	18.0%	3.0%	0.6%	0.0%	
Glasgow	£119,100	22.5%	0.0%	2.3%	0.5%	0.0%	
Leeds	£169,800	35.3%	15.6%	3.6%	1.0%	0.2%	
Leicester	£183,300	54.2%	32.7%	3.0%	0.4%	0.1%	
Liverpool	£122,800	25.6%	2.1%	3.3%	0.8%	0.1%	
London	£475,000	84.4%	56.6%	2.1%	0.5%	0.1%	
Manchester	£174,000	46.0%	24.7%	4.0%	1.1%	0.3%	

Source: *Hometrack, September 2020.*

Appendix 4: Trebbi Mirror Appraisal (10% Affordable Housing)

APPRAISAL SUMMARY TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

Appraisal Summary for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Residential	299	195,981	340.00	222,855	66,633,540
Car Parking	98	0	0.00	10,000	980,000
Commercial Retail	1	1,550	139.49	216,212	216,212
Commercial Cafe	1	1,937	192.34	372,566	372,566
Affordable Housing AR	17	11,142	187.00	122,562	2,083,554
Affordable Housing SO	17	11,142	221.00	144,846	2,462,382
Totals	**433**	**221,752**			**72,748,254**
NET REALISATION				**72,748,254**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			3,480,127		
				3,480,127	
Stamp Duty			163,506		
Effective Stamp Duty Rate		4.70%			
Agent Fee		1.20%	41,762		
Legal Fee		0.60%	20,881		
				226,149	
CONSTRUCTION COSTS					
Construction	**ft²**	**Build Rate ft²**	**Cost**		
Residential	288,004	135.82	39,116,703		
Affordable Housing AR	16,374	135.82	2,223,917		
Affordable Housing SO	16,374	135.82	2,223,917		
Totals	**320,752 ft²**		**43,564,537**		
Contingency		5.00%	2,178,227		
Spatial Green Infrastructure			316,558		
Sports Facility			330,333		
Health Contribution			399,907		
Off site highways			23,072		
CIL			4,437		
				46,817,070	
PROFESSIONAL FEES					
All Professional Fees		8.00%	3,485,163		
				3,485,163	
DISPOSAL FEES					
Marketing		1.50%	1,017,446		
Sales Agent Fee		1.00%	682,023		
Sales Legal Fee		0.50%	363,741		
				2,063,211	
FINANCE					
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)					
Land			659,743		
Construction			3,413,723		
Other			395,911		
Total Finance Cost				4,469,377	

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APPRAISAL SUMMARY — TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

TOTAL COSTS		**60,541,097**
PROFIT		**12,207,157**

Performance Measures

Profit on Cost%	20.16%
Profit on GDV%	16.78%
Profit on NDV%	16.78%
IRR% (without Interest)	19.84%
Profit Erosion (finance rate 6.000)	3 yrs 1 mth

SENSITIVITY ANALYSIS REPORT TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

Table of Land Cost and Profit on GDV%

Sales: Rate /ft²				
0.000%	+1.000%	+2.000%	+3.000%	+4.000%
(£3,480,127)	(£3,931,772)	(£4,383,416)	(£4,835,061)	(£5,286,705)
16.780%	16.780%	16.780%	16.780%	16.780%

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /ft²
Original Values are varied by Steps of 1.000%.

Heading	Phase	Rate	No. of Steps
Residential	1	£340.00	5 Up only
Affordable Housing AR	1	£187.00	5 Up only
Affordable Housing SO	1	£221.00	5 Up only

DETAILED CASH FLOW TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

Detailed Cash flow Phase 1 **Page A 1**

	001:Feb 2020	002:Mar 2020	003:Apr 2020	004:May 2020	005:Jun 2020
Monthly B/F	0	(3,706,276)	(3,724,807)	(3,743,338)	(3,762,055)
Revenue					
Sale - Residential	0	0	0	0	0
Sale - Car Parking	0	0	0	0	0
Sale - Commercial Retail	0	0	0	0	0
Sale - Commercial Cafe	0	0	0	0	0
Sale - Affordable Housing AR	0	0	0	0	0
Sale - Affordable Housing SO	0	0	0	0	0
Disposal Costs					
Marketing	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0
Acquisition Costs					
Residualised Price	(3,480,127)	0	0	0	0
Stamp Duty	(163,506)	0	0	0	0
Agent Fee	(41,762)	0	0	0	0
Legal Fee	(20,881)	0	0	0	0
Construction Costs					
Con. - Residential	0	0	0	0	0
Con. - Affordable Housing AR	0	0	0	0	0
Con. - Affordable Housing SO	0	0	0	0	0
Contingency	0	0	0	0	0
Spatial Green Infrastructure	0	0	0	0	0
Sports Facility	0	0	0	0	0
Health Contribution	0	0	0	0	0
Off site highways	0	0	0	0	0
CIL	0	0	0	0	0
Professional Fees					
All Professional Fees	0	0	0	0	0
Net Cash Flow Before Finance	**(3,706,276)**	**0**	**0**	**0**	**0**
Debit Rate 6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(18,531)	(18,531)	(18,717)	(18,717)
Net Cash Flow After Finance	**(3,706,276)**	**(18,531)**	**(18,531)**	**(18,717)**	**(18,717)**
Cumulative Net Cash Flow Monthly	(3,706,276)	(3,724,807)	(3,743,338)	(3,762,055)	(3,780,772)

DETAILED CASH FLOW TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

Detailed Cash flow Phase 1 **Page A 2**

006:Jul 2020	007:Aug 2020	008:Sep 2020	009:Oct 2020	010:Nov 2020	011:Dec 2020	012:Jan 2021
(3,780,772)	(3,799,489)	(5,153,799)	(5,735,502)	(6,593,761)	(7,709,067)	(9,061,072)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(207,397)	(441,822)	(659,367)	(860,030)	(1,043,811)	(1,210,711)
0	(11,791)	(25,119)	(37,487)	(48,896)	(59,344)	(68,833)
0	(11,791)	(25,119)	(37,487)	(48,896)	(59,344)	(68,833)
0	(11,549)	(24,603)	(36,717)	(47,891)	(58,125)	(67,419)
0	(316,558)	0	0	0	0	0
0	(330,333)	0	0	0	0	0
0	(399,907)	0	0	0	0	0
0	(23,072)	0	0	0	0	0
0	(4,437)	0	0	0	0	0
0	(18,478)	(39,365)	(58,747)	(76,626)	(93,000)	(107,870)
0	**(1,335,313)**	**(556,028)**	**(829,805)**	**(1,082,337)**	**(1,313,624)**	**(1,523,666)**
6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(18,717)	(18,997)	(25,674)	(28,454)	(32,969)	(38,380)	(44,949)
(18,717)	**(1,354,311)**	**(581,702)**	**(858,260)**	**(1,115,306)**	**(1,352,005)**	**(1,568,615)**
(3,799,489)	(5,153,799)	(5,735,502)	(6,593,761)	(7,709,067)	(9,061,072)	(10,629,687)

DETAILED CASH FLOW TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

Detailed Cash flow Phase 1 **Page A 3**

013:Feb 2021	014:Mar 2021	015:Apr 2021	016:May 2021	017:Jun 2021	018:Jul 2021	019:Aug 2021
(10,629,687)	(12,395,299)	(14,337,026)	(16,434,459)	(18,668,016)	(21,016,148)	(23,458,127)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(1,360,730)	(1,493,868)	(1,610,124)	(1,709,499)	(1,791,992)	(1,857,604)	(1,906,335)
(77,362)	(84,931)	(91,541)	(97,191)	(101,881)	(105,611)	(108,382)
(77,362)	(84,931)	(91,541)	(97,191)	(101,881)	(105,611)	(108,382)
(75,773)	(83,187)	(89,660)	(95,194)	(99,788)	(103,441)	(106,155)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(121,236)	(133,098)	(143,456)	(152,310)	(159,660)	(165,506)	(169,848)
(1,712,464)	**(1,880,016)**	**(2,026,323)**	**(2,151,385)**	**(2,255,202)**	**(2,337,774)**	**(2,399,101)**
6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(53,148)	(61,711)	(71,111)	(82,172)	(92,929)	(104,205)	(117,291)
(1,765,612)	**(1,941,726)**	**(2,097,434)**	**(2,233,557)**	**(2,348,131)**	**(2,441,979)**	**(2,516,392)**
(12,395,299)	(14,337,026)	(16,434,459)	(18,668,016)	(21,016,148)	(23,458,127)	(25,974,519)

DETAILED CASH FLOW TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

Detailed Cash flow Phase 1 **Page A 4**

020:Sep 2021	021:Oct 2021	022:Nov 2021	023:Dec 2021	024:Jan 2022	025:Feb 2022	026:Mar 2022
(25,974,519)	(28,542,989)	(31,142,491)	(33,753,817)	(36,353,767)	(38,920,980)	(41,436,505)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(1,938,185)	(1,953,153)	(1,951,240)	(1,932,445)	(1,896,769)	(1,844,212)	(1,774,773)
(110,192)	(111,043)	(110,935)	(109,866)	(107,838)	(104,850)	(100,902)
(110,192)	(111,043)	(110,935)	(109,866)	(107,838)	(104,850)	(100,902)
(107,928)	(108,762)	(108,655)	(107,609)	(105,622)	(102,696)	(98,829)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(172,686)	(174,019)	(173,849)	(172,174)	(168,996)	(164,313)	(158,126)
(2,439,184)	**(2,458,021)**	**(2,455,613)**	**(2,431,960)**	**(2,387,062)**	**(2,320,920)**	**(2,233,532)**
6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(129,286)	(141,482)	(155,712)	(167,991)	(180,150)	(194,605)	(206,210)
(2,568,470)	**(2,599,503)**	**(2,611,325)**	**(2,599,951)**	**(2,567,213)**	**(2,515,525)**	**(2,439,742)**
(28,542,989)	(31,142,491)	(33,753,817)	(36,353,767)	(38,920,980)	(41,436,505)	(43,876,247)

DETALLED CASH FLOW TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

Detailed Cash flow Phase 1 **Page A 5**

027:Apr 2022 (43,876,247)	028:May 2022 (46,218,523)	029:Jun 2022 (48,444,638)	030:Jul 2022 (50,529,604)	031:Aug 2022 (52,451,423)	032:Sep 2022 (54,191,599)	033:Oct 2022 (55,724,307)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(1,688,453)	(1,585,252)	(1,465,169)	(1,328,205)	(1,174,360)	(1,003,633)	(816,025)
(95,994)	(90,127)	(83,300)	(75,513)	(66,766)	(57,060)	(46,394)
(95,994)	(90,127)	(83,300)	(75,513)	(66,766)	(57,060)	(46,394)
(94,022)	(88,275)	(81,588)	(73,962)	(65,395)	(55,888)	(45,441)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(150,435)	(141,240)	(130,542)	(118,339)	(104,631)	(89,420)	(72,705)
(2,124,899)	**(1,995,022)**	**(1,843,899)**	**(1,671,532)**	**(1,477,919)**	**(1,263,061)**	**(1,026,959)**
6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(217,377)	(231,093)	(241,068)	(250,287)	(262,257)	(269,647)	(275,962)
(2,342,277)	**(2,226,114)**	**(2,084,967)**	**(1,921,819)**	**(1,740,176)**	**(1,532,708)**	**(1,302,921)**
(46,218,523)	(48,444,638)	(50,529,604)	(52,451,423)	(54,191,599)	(55,724,307)	(57,027,228)

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DETAILED CASH FLOW TREBBI

Former B&Q Site, Trafford
Trebbi Mirror App.
10% AH

Detailed Cash flow Phase 1 **Page A 6**

034:Nov 2022	035:Dec 2022	036:Jan 2023	037:Feb 2023	038:Mar 2023	039:Apr 2023
(57,027,228)	(58,081,975)	(40,060,736)	(27,073,996)	(14,024,725)	(909,870)
0	13,326,708	13,326,708	13,326,708	13,326,708	13,326,708
0	196,000	196,000	196,000	196,000	196,000
0	216,212	0	0	0	0
0	372,566	0	0	0	0
0	2,083,554	0	0	0	0
0	2,462,382	0	0	0	0
0	(206,084)	(202,841)	(202,841)	(202,841)	(202,841)
0	(141,115)	(135,227)	(135,227)	(135,227)	(135,227)
0	(93,287)	(67,614)	(67,614)	(67,614)	(67,614)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(611,536)	0	0	0	0	0
(34,768)	0	0	0	0	0
(34,768)	0	0	0	0	0
(34,054)	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(54,486)	0	0	0	0	0
(769,611)	**18,216,936**	**13,117,027**	**13,117,027**	**13,117,027**	**13,117,027**
6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(285,136)	(195,697)	(130,286)	(67,756)	(2,171)	0
(1,054,747)	**18,021,239**	**12,986,741**	**13,049,270**	**13,114,855**	**13,117,027**
(58,081,975)	(40,060,736)	(27,073,996)	(14,024,725)	(909,870)	12,207,157

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