

**Site:** Former B&Q, Trafford  
**Client:** Trafford Council  
**Local Authority:** Trafford Council  
**Job:** Former B&Q Planning Inquiry  
**Date:** January 2022  
**Title:** BCIS Average Price Appraisal Note

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## Introduction

This note seeks to support and explain the inputs to the viability appraisal prepared by Continuum and submitted as a Core Document for the Inquiry library.

The inputs fully correspond with the SOCG Position Statement prepared on 28<sup>th</sup> January 2022. The vast majority of inputs have been agreed between Mr Miles and Mr Lloyd through the SOCG process and the subsequent Position Statement. For clarity, gross development is included at an average value of £382.50 and benchmark land value included at £1,580,000. The key remaining variable where there is no agreement is the assumptions in regard of build costs.

## Build Cost - BCIS Average Price

For an assessment of Base Build the data from Q4 2021 has been utilised. A 15 year default position has been used for each of the elements of the building, which provides a blended rate (per sq m/ft based on the GIA). For clarity these rates include prelims.

For external works the Edmund Shipway assumptions from their Rev D cost estimate (June 2020) have been used. In addition, the prelims allowance (12%) in this cost estimate has been applied to external works.

The agreed inflation rate as set out by Edmund Shipway of 6.58% between Q1 2020 and Q4 2021 has been adopted.

On this basis total build costs equate to £156.44 per sq ft.

Secondary education is now not included in regard S106 costs so a total allowance of £1,134,586 is included in the appraisal.

## Appraisal Position

Using the blended BCIS average price position as is set out in the section above and the agreed sales value of £382.50 per sq ft the scheme can support a provision of 39% affordable housing (130 units) reflecting the recommended tenure split of 50% affordable rent and 50% shared ownership.

The residual output is £1,599,857 which is in advance of the agreed BLV of £1,580,000 demonstrating the scheme is viable.

Former B&Q, Trafford  
39% Affordable Housing  
Continuum Assessment - Blended BCIS Base Build

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Blended BCIS Default Position Base Build (incl. Prelims)  
June 2020 External Works  
June 2020 Prelims on External Works and Demolition Costs  
Agreed Inflation of 6.58% applied to External Works and Demo  
Total Build Costs = £156.44 (Q4 2021)  
S106 Contributions without Secondary Education  
All other Inputs Agreed in SoCG on Viability

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**Former B&Q, Trafford  
39% Affordable Housing  
Continuum Assessment - Blended BCIS Base Build**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Phase 1 Market Resi	71	49,024	382.50	264,106	18,751,499
Phase 1 Affordable Resi	45	31,073	229.50	158,470	7,131,139
Phase 2 Market Resi	131	83,515	382.50	243,850	31,944,322
Phase 2 Affordable Resi	85	54,188	229.50	146,306	12,436,031
Car Parking	<u>98</u>	<u>29,278</u>	66.94	20,000	<u>1,960,000</u>
<b>Totals</b>	<b>430</b>	<b>247,076</b>			<b>72,222,992</b>

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commercial Retail	1	1,647	15.00	24,705	24,705	24,705
Commercial Cafe	<u>1</u>	<u>1,938</u>	15.00	29,070	<u>29,070</u>	<u>29,070</u>
<b>Totals</b>	<b>2</b>	<b>3,585</b>			<b>53,775</b>	<b>53,775</b>

**Investment Valuation**

<b>Commercial Retail</b>						
Market Rent	24,705	YP @	7.5000%	13.3333		
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	306,419	
<b>Commercial Cafe</b>						
Market Rent	29,070	YP @	7.5000%	13.3333		
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	360,558	
<b>Total Investment Valuation</b>					<b>666,977</b>	

**GROSS DEVELOPMENT VALUE 72,889,969**

Purchaser's Costs		(44,687)
Effective Purchaser's Costs Rate	6.70%	(44,687)

**NET DEVELOPMENT VALUE 72,845,281**

**NET REALISATION 72,845,281**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price		1,599,857	
Stamp Duty		69,493	1,599,857
Effective Stamp Duty Rate	4.34%		
Agent Fee	1.20%	19,198	
Legal Fee	0.60%	9,599	
			98,290

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Commercial Retail	1,647	156.44	257,657
Commercial Cafe	1,938	156.44	303,181
Phase 1 Market Resi	61,548	156.44	9,628,537
Phase 1 Affordable Resi	39,015	156.44	6,103,507
Phase 2 Market Resi	112,506	156.44	17,600,477
Phase 2 Affordable Resi	73,002	156.44	11,420,421
Car Parking	<u>29,278</u>	156.44	<u>4,580,250</u>
<b>Totals</b>	<b>318,934 ft<sup>2</sup></b>		<b>49,894,030</b>
Contingency		5.00%	2,494,701
CIL			4,640
			52,393,371

**Section 106 Costs**

S106 Contributions		1,134,586	
			1,134,586

**PROFESSIONAL FEES**

All Professional Fees	8.00%	3,991,522	
			3,991,522

**MARKETING & LETTING**

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Letting Agent Fee	10.00%	5,378	
Letting Legal Fee	5.00%	2,689	
			8,066

**DISPOSAL FEES**

Marketing	1.50%	789,837	
Sales Agent Fee	1.00%	532,781	
Sales Legal Fee	0.50%	12,911	
Sales Legal Fee	332 un 650.00 /un	215,800	
			1,551,330

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Land		317,356	
Construction		1,364,081	
Total Finance Cost			1,681,437

**TOTAL COSTS**

**62,458,461**

**PROFIT**

**10,386,821**

**Performance Measures**

Profit on Cost%	16.63%
Profit on GDV%	14.25%
Profit on NDV%	14.26%
Development Yield% (on Rent)	0.09%
Equivalent Yield% (Nominal)	7.50%
Equivalent Yield% (True)	7.87%
IRR% (without Interest)	32.11%
Rent Cover	193 yrs 2 mths
Profit Erosion (finance rate 6.000)	2 yrs 7 mths

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Continuum Assessment - Blended BCIS Base Build**

**Detailed Cash flow Phase 1**

Monthly B/F	001:Dec 2021	002:Jan 2022	003:Feb 2022	004:Mar 2022	005:Apr 2022	006:May 2022	007:Jun 2022	008:Jul 2022	009:Aug 2022	010:Sep 2022	011:Oct 2022
	0	(1,698,148)	(1,706,638)	(1,715,129)	(1,723,705)	(1,732,280)	(1,740,856)	(514,258)	(728,267)	(1,142,265)	(1,732,716)
<b>Revenue</b>											
Cap - Commercial Retail	0	0	0	0	0	0	0	0	0	0	0
Cap - Commercial Cafe	0	0	0	0	0	0	0	0	0	0	0
Sale - Phase 1 Market Resi	0	0	0	0	0	0	0	0	0	0	0
Sale - Phase 1 Affordable Resi	0	0	0	0	0	0	1,970,448	187,663	187,663	187,663	187,663
Sale - Phase 2 Market Resi	0	0	0	0	0	0	0	0	0	0	0
Sale - Phase 2 Affordable Resi	0	0	0	0	0	0	0	0	0	0	0
Sale - Car Parking	0	0	0	0	0	0	0	0	0	0	0
<b>Disposal Costs</b>											
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0	0
<b>Acquisition Costs</b>											
Residualised Price	(1,599,857)	0	0	0	0	0	0	0	0	0	0
Stamp Duty	(69,493)	0	0	0	0	0	0	0	0	0	0
Agent Fee	(19,198)	0	0	0	0	0	0	0	0	0	0
Legal Fee	(9,599)	0	0	0	0	0	0	0	0	0	0
<b>Construction Costs</b>											
Con. - Commercial Retail	0	0	0	0	0	0	0	0	0	0	0
Con. - Commercial Cafe	0	0	0	0	0	0	0	0	0	0	0
Con. - Phase 1 Market Resi	0	0	0	0	0	0	(95,627)	(216,670)	(324,414)	(418,859)	(500,005)
Con. - Phase 1 Affordable Resi	0	0	0	0	0	0	(60,618)	(137,347)	(205,645)	(265,514)	(316,952)
Con. - Phase 2 Market Resi	0	0	0	0	0	0	0	0	0	0	0
Con. - Phase 2 Affordable Resi	0	0	0	0	0	0	0	0	0	0	0
Con. - Car Parking	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	(7,812)	(17,701)	(26,503)	(34,219)	(40,848)
CIL	0	0	0	0	0	0	0	0	0	0	0
<b>Professional Fees</b>											
All Professional Fees	0	0	0	0	0	0	(12,500)	(28,321)	(42,405)	(54,750)	(65,357)
<b>Marketing/Letting</b>											
Letting Agent Fee	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fee	0	0	0	0	0	0	0	0	0	0	0
<b>Other Related Items (+/-)</b>											
S106 Contributions	0	0	0	0	0	0	(567,293)	0	0	0	0
<b>Net Cash Flow Before Finance</b>	<b>(1,698,148)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,226,598</b>	<b>(212,376)</b>	<b>(411,304)</b>	<b>(585,678)</b>	<b>(735,498)</b>
Debit Rate 6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	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%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(8,491)	(8,491)	(8,576)	(8,576)	(8,576)	0	(1,633)	(2,695)	(4,773)	(7,701)
<b>Net Cash Flow After Finance</b>	<b>(1,698,148)</b>	<b>(8,491)</b>	<b>(8,491)</b>	<b>(8,576)</b>	<b>(8,576)</b>	<b>(8,576)</b>	<b>1,226,598</b>	<b>(214,009)</b>	<b>(413,999)</b>	<b>(590,451)</b>	<b>(743,199)</b>
Cumulative Net Cash Flow Monthly	(1,698,148)	(1,706,638)	(1,715,129)	(1,723,705)	(1,732,280)	(1,740,856)	(514,258)	(728,267)	(1,142,265)	(1,732,716)	(2,475,915)



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Detailed Cash flow Phase 1

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025:Dec 2023 (15,048,847)	026:Jan 2024 (15,945,266)	027:Feb 2024 2,563,994	028:Mar 2024 4,463,237	029:Apr 2024 6,029,441	030:May 2024 5,011,613	031:Jun 2024 3,729,437	032:Jul 2024 2,217,260	033:Aug 2024 509,426	034:Sep 2024 (1,359,717)	035:Oct 2024 (3,361,211)	036:Nov 2024 (5,465,304)	037:Dec 2024 (7,638,114)
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	14,063,625	2,343,937	2,343,937	0	0	0	0	0	0	0	0	0
187,656	1,782,785	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	3,391,641	282,634	282,634	282,634	282,634	282,634	282,634	282,634	282,634	282,634	282,634	282,634
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	(210,954)	(35,159)	(35,159)	0	0	0	0	0	0	0	0	0
0	(140,636)	(23,439)	(23,439)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	(71,214)	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	(2,011)	(4,463)	(6,686)	(8,680)	(10,444)	(11,979)	(13,285)	(14,362)	(15,210)	(15,828)	(16,217)	(16,376)
0	(2,367)	(5,252)	(7,868)	(10,214)	(12,290)	(14,096)	(15,633)	(16,900)	(17,897)	(18,624)	(19,082)	(19,270)
(239,655)	0	0	0	0	0	0	0	0	0	0	0	0
(151,917)	0	0	0	0	0	0	0	0	0	0	0	0
0	(137,394)	(304,897)	(456,741)	(592,926)	(713,451)	(818,317)	(907,524)	(981,071)	(1,038,958)	(1,081,186)	(1,107,755)	(1,118,665)
0	(89,151)	(197,839)	(296,366)	(384,732)	(462,937)	(530,981)	(588,865)	(636,587)	(674,149)	(701,549)	(718,789)	(725,868)
0	(35,755)	(79,345)	(118,860)	(154,300)	(185,665)	(212,954)	(236,169)	(255,308)	(270,373)	(281,362)	(288,276)	(291,115)
(19,579)	(13,334)	(29,590)	(44,326)	(57,543)	(69,239)	(79,416)	(88,074)	(95,211)	(100,829)	(104,927)	(107,506)	(108,565)
0	(4,640)	0	0	0	0	0	0	0	0	0	0	0
(31,326)	(21,334)	(47,344)	(70,922)	(92,068)	(110,783)	(127,066)	(140,918)	(152,338)	(161,327)	(167,884)	(172,009)	(173,703)
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
(567,293)	0	0	0	0	0	0	0	0	0	0	0	0
<b>(822,113)</b>	<b>18,509,261</b>	<b>1,899,243</b>	<b>1,566,204</b>	<b>(1,017,828)</b>	<b>(1,282,176)</b>	<b>(1,512,177)</b>	<b>(1,707,833)</b>	<b>(1,869,144)</b>	<b>(1,996,108)</b>	<b>(2,088,727)</b>	<b>(2,147,000)</b>	<b>(2,170,928)</b>
6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	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%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(74,306)	0	0	0	0	0	0	0	0	(5,385)	(15,366)	(25,810)	(36,777)
<b>(896,419)</b>	<b>18,509,261</b>	<b>1,899,243</b>	<b>1,566,204</b>	<b>(1,017,828)</b>	<b>(1,282,176)</b>	<b>(1,512,177)</b>	<b>(1,707,833)</b>	<b>(1,869,144)</b>	<b>(2,001,494)</b>	<b>(2,104,093)</b>	<b>(2,172,810)</b>	<b>(2,207,705)</b>
(15,945,266)	2,563,994	4,463,237	6,029,441	5,011,613	3,729,437	2,217,260	509,426	(1,359,717)	(3,361,211)	(5,465,304)	(7,638,114)	(9,845,820)

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**Detailed Cash flow Phase 1**

038:Jan 2025	039:Feb 2025	040:Mar 2025	041:Apr 2025	042:May 2025	043:Jun 2025	044:Jul 2025	045:Aug 2025	046:Sep 2025	047:Oct 2025	048:Nov 2025	049:Dec 2025	050:Jan 2026
(9,845,820)	(12,053,962)	(14,228,142)	(16,334,506)	(18,337,597)	(20,202,492)	(21,895,312)	(23,379,605)	(24,619,945)	(25,582,337)	(26,229,404)	2,600,392	4,546,999
0	0	0	0	0	0	0	0	0	0	306,419	0	0
0	0	0	0	0	0	0	0	0	0	360,558	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	23,958,242	1,996,520	1,996,520
282,634	282,634	282,634	282,634	282,646	282,646	282,646	282,646	282,646	282,646	3,109,008	0	0
0	0	0	0	0	0	0	0	0	0	1,960,000	0	0
0	0	0	0	0	0	0	0	0	0	(44,687)	0	0
0	0	0	0	0	0	0	0	0	0	(388,774)	(29,948)	(29,948)
0	0	0	0	0	0	0	0	0	0	(265,405)	(19,965)	(19,965)
0	0	0	0	0	0	0	0	0	0	(12,911)	0	0
0	0	0	0	0	0	0	0	0	0	(144,586)	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
(16,307)	(16,008)	(15,480)	(14,723)	(13,736)	(12,521)	(11,076)	(9,401)	(7,498)	(5,365)	0	0	0
(19,188)	(18,836)	(18,215)	(17,324)	(16,163)	(14,733)	(13,032)	(11,062)	(8,823)	(6,313)	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
(1,113,915)	(1,093,505)	(1,057,436)	(1,005,708)	(938,320)	(855,273)	(756,567)	(642,201)	(512,176)	(366,491)	0	0	0
(722,786)	(709,543)	(686,139)	(652,574)	(608,848)	(554,961)	(490,913)	(416,705)	(332,335)	(237,805)	0	0	0
(289,879)	(284,568)	(275,181)	(261,720)	(244,183)	(222,572)	(196,885)	(167,123)	(133,286)	(95,374)	0	0	0
(108,104)	(106,123)	(102,623)	(97,602)	(91,063)	(83,003)	(73,424)	(62,325)	(49,706)	(35,567)	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
(172,966)	(169,797)	(164,196)	(156,164)	(145,700)	(132,805)	(117,478)	(99,719)	(79,529)	(56,908)	0	0	0
0	0	0	0	0	0	0	0	0	0	(5,378)	0	0
0	0	0	0	0	0	0	0	0	0	(2,689)	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
<b>(2,160,510)</b>	<b>(2,115,746)</b>	<b>(2,036,636)</b>	<b>(1,923,181)</b>	<b>(1,775,368)</b>	<b>(1,593,221)</b>	<b>(1,376,728)</b>	<b>(1,125,890)</b>	<b>(840,706)</b>	<b>(521,177)</b>	<b>28,829,796</b>	<b>1,946,607</b>	<b>1,946,607</b>
6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	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%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(47,632)	(58,435)	(69,728)	(79,911)	(89,527)	(99,599)	(107,565)	(114,449)	(121,686)	(125,890)	0	0	0
<b>(2,208,142)</b>	<b>(2,174,180)</b>	<b>(2,106,364)</b>	<b>(2,003,092)</b>	<b>(1,864,894)</b>	<b>(1,692,820)</b>	<b>(1,484,294)</b>	<b>(1,240,339)</b>	<b>(962,393)</b>	<b>(647,067)</b>	<b>28,829,796</b>	<b>1,946,607</b>	<b>1,946,607</b>
(12,053,962)	(14,228,142)	(16,334,506)	(18,337,597)	(20,202,492)	(21,895,312)	(23,379,605)	(24,619,945)	(25,582,337)	(26,229,404)	2,600,392	4,546,999	6,493,606



