

## **ATTACHMENT A**

### **Knight Frank Viability Impact Statement**

# **Viability Impact Statement**

Land at Hareshill Road North, South Heywood

Prepared on behalf of Russell Homes UK Limited  
Report date: 16 November 2023

Russell Homes UK Limited

For the attention of Mr Thomas Relph  
Russell Homes UK Limited

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Date of issue: 16 November 2023

Dear Sirs

### **Land at Hareshill Road North, South Heywood - Viability/Deliverability Impact Statement October 2023**

Further to your instructions, this viability impact statement is prepared to demonstrate the impact the Heywood stores planning application Ref 22/01410/FUL on the Hareshill Road North residential phase of the approved South Heywood masterplan.

### **Signed for and on behalf of Knight Frank LLP**

A handwritten signature in black ink that reads "C. Harrison".

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# 1. Introduction and Purpose

1.1 This Viability/Deliverability Impact Statement (herein referred to the 'Statement') sets out the impact that the proposed Heywood Stores planning application (Application Ref. 22/01410/FUL) will have upon the viability and future deliverability of the Hareshill Road North development parcel (herein referred to as 'HRN'), and the wider approved South Heywood Development (Application Ref. 16/01399/HYBR). It is supported by evidence from:

- Appendix 1: Noise Impact Assessment by E3P October 2023
- Appendix 2: Market Impact Response from Jones Lang LaSalle November 2023
- Appendix 3: Baseline Viability Appraisal by Knight Frank LLP
- Appendix 4: Scenario 2 Viability Appraisal by Knight Frank LLP
- Appendix 5: Scenario 3 Viability Appraisal by Knight Frank LLP
- Appendix 6: Scenario 4 Viability Appraisal by Knight Frank LLP
- Appendix 7: Hybrid Planning Permission 16/01399/HYBR Committee Report

## 2. Background

### South Heywood Development

- 2.1 Russell Homes are currently delivering the first phases of the South Heywood scheme which was approved for planning in March 2020 (16/01399/HYBR).
- 2.2 This 320-acre urban extension to South Heywood will create new local jobs, improve accessibility to the M62 motorway and provide a range of new family homes and community facilities. The South Heywood Masterplan involves the creation of a link road from Junction 19 of the M62 motorway to the employment areas off Pilsworth Road. This was opened in November 2022. The masterplan will also provide up to 1,000 new family homes, including affordable houses, a new primary school, a new local retail centre, improved public transport provision, extensive public open space across the 130-hectare site and secure investments for enhanced local sports facilities.
- 2.3 As part of the Very Special Circumstances justified in releasing this former Green Belt site for development, a Design Code was prepared which raised the urban and architectural design expectations of the site, and required the provision of 4 and 5 bedroom homes. This was something that Rochdale Council were keen to pursue, in order to ensure a transformational development comes forward, which offers a housing quality, mix and profile to compete with other Boroughs.
- 2.4 The approved South Heywood Phasing Plan (Appendix 1) shows the HRN residential development parcel being 330 dwellings. This equates to a net development area of approximately 26.54 acres and a density of 12.4 units/acre.

### Heywood Stores Application

- 2.5 The proposed Heywood Stores application (Ref: 22/01410/FUL) is for:  
*“Redevelopment of site comprising the demolition of all existing units and erection of new storage and distribution units (Use Class B8) with ancillary office space, vehicular, pedestrian and cycle access, external yards, parking, landscaping and associated works.”*
- 2.6 For clarity, the Heywood Stores Site abuts the eastern edge of HRN.
- 2.7 This Statement specifically consider impacts of noise (refer to Appendix 1) and visual impact/operations of the development upon the sale and marketability of HRN (refer to Appendix 2).

### Noise Impact upon HRN

- 2.8 Russell Homes have submitted objections on noise to the Council. These raised concerns with the submitted noise report prepared by BWB on behalf of the applicant and identified a number of flaws within the applicant's noise assessment, which were not picked up by the EHO consultee comments.

- 2.9 More recently, a noise assessment model (October 2023) has been prepared by E3P, on behalf of Russell Homes, and accompanies this Statement at Appendix 1. This demonstrates that Russell Homes' previous concerns are founded as the Trammel Crow proposals will result in unacceptable noise impacts. A summary of the key matters in the report is provided below:
- E3P undertook its own background noise survey in May 2023, and found that the background noise levels to be lower than those stipulated by BWB (Trammel Crow's noise consultant), by as much as 1-5dB.
  - This E3P Noise Impact Assessment model is informed by the Heywood Stores' Application parameters.
  - The E3P Assessment shows that proposed noise levels exceed levels deemed acceptable at the housing receptors.
  - The degree of adverse noise encroachment into the Russells' approved housing site and existing housing, is stark. As demonstrated at Figures 1 and 2, large swathes of the west and southern boundaries of the Russell Homes' site are impacted.
  - The proposed mitigation measures have been evidenced to be insufficient for day and night time noise.
  - Noise from the site would have an unacceptable adverse impact at existing and proposed receptors.
  - Fundamental changes to the design of the application will be required, such is the limited protection the noise mitigation provides to housing receptors.
  - If the application was approved in its current form, then it would be physically impossible for Russells' approved housing to achieve acceptable noise standards.
  - Large areas of the Russells' site would be undeliverable, with large numbers of housing being lost.
- 2.10 Reference should be made to this E3P Report.
- 2.11 These adverse impacts are to such an extent that they would render some of the adjacent South Heywood scheme undevelopable for the approved residential use. The plans below show the impact.

*Plan 1: show the original Illustrative Masterplan that formed part of the Hybrid Application 16/01399/HYBR*



*Plan 2: shows the noise model and the extent of unacceptable noise impact, which cannot be mitigated from within the Russell Homes site.*



*Plan 3: the revised illustrative masterplan, and extent of non-developable area (green shaded area), resulting in the loss of a minimum of 66 units.*



- 2.12 As shown above, following E3P's robust noise assessment, and based upon the current proposals for Trammel Crow's Heywood Stores site, this development would mean the loss of approximately 5.3 acres of developable land the HRN development parcel.
- 2.13 The loss of 5.3 acres of developable land will result in a minimum loss of 66 units from this part of the Masterplan. This is based upon the average densities of 12.4 units per acre, already being adopted as part of the consented Reserved matters applications at Hareshill Road (Russell Homes) Anwyl (Manchester Road East) and Bellway (Manchester Road West). These densities are what the Council considers is acceptable.
- 2.14 The Heywood Stores development would mean the loss of a minimum of 66 units as a result of Noise Impact; therefore, this means that Russell Homes would only be able to deliver a quantum of 264 units.

### Impact on HRN Sales

- 2.15 In addition to the noise impact on HRN, there are also Sales and Market considerations. Should the Heywood Stores application be approved at the proposed floor levels and building heights being proposed, then this would result in a significant adverse impact upon the HRN development parcel.
- 2.16 Not only this, but HRN will be sandwiched between two logistics areas, with Axis Point to the West and Heywood Stores to the East. Whilst this was always the case, the intensity and scale of the Heywood Stores development proposals would substantially increase from what is currently operating the landscape screening would be lessened; and the development's scale, height and massing would be substantially greater. This would create a development that is out of scale with the local area, being more prominent.

This would significantly undermine the residential character and sense of place being sought by Russell Homes on this part of the South Heywood masterplan, where a new residential neighbourhood has been approved by the Council.

- 2.17 The verified views below and overleaf, demonstrate the long and medium views of the development across the site. View 12 is close to the entrance of the site, some 50m from the site boundary.

Viewpoint 12 | Proposed Development | Type 3 | Illustrative Finishes



HFOV 73.49°

Viewpoint 15 | Proposed Development | Type 3 | Illustrative Finishes



- 2.18 The dominance of the building across the site; the conflicting character; and the intensity of operations directly facing the proposed housing, all means that the marketability of HRN is affected, with sales revenues being noticeably reduced. This view, is supported by an independent national agent Jones Lang LeSalle (JLL) (See Appendix 2), who confirm that the likely impact on overall open market sale values of the proposed dwellings at HRN, could be up to 10% due to the negative impact of the Trammel Crow development.
- 2.19 JLL and Knight Frank both conclude that without the impairment of the Trammel Crow Development, open market sale values would be in the order of £325 psf (blended across the entire scheme). The 8% impairment to values as a consequence of the Trammel Crow development reduces the blended open market sales value to £300 per sq.ft.
- 2.20 Therefore, should the Heywood Stores Application be approved, there will be an impact upon the sales revenue and sales rates, even before taking into account the lost homes due to the noise impact, covered above.
- 2.21 In line with the RICS Professional Statement 'Financial Viability in Planning- Conduct and Reporting (1st Edition 2019), we provide below an executive summary showing the results of the Financial Viability Assessment (FVA).
- 2.22 This Executive summary is a brief overview of our FVA and must not be relied upon in isolation. It is intended to be read in conjunction with the whole report and is subject to any assumptions, caveats and comments stated within the body of this report.

### 3. Baseline Viability Position

- 3.1 In accordance with the signed Section 106 for the South Heywood Development, all residential reserved matters approvals require a Financial Viability Appraisal (FVA) to be submitted to demonstrate whether or not affordable housing can be delivered for that specific Reserved Matter Approval.
- 3.2 Knight Frank LLP have been instructed to provide Financial Viability Appraisals for the first 3 Reserved Matters Approvals submitted by Russell Homes and approved by the Council.
- 3.3 As part of the approval of the first 3 Reserved Matters approvals, key principles of the FVAs were approved and agreed. These were:
- Benchmark Land Value of £400,000 per acre; and,
  - Developers Profit at 20% of GDV
- 3.4 Taking the above principles as agreed, for the HRN development phase, the Benchmark Land Value is £400,000 multiplied by the Net Acreage for this parcel, which is 26.54 Acres. This creates a benchmark land value of £10,616,000.
- 3.5 As set out above, HRN is anticipated to deliver 330 Dwellings at 12.4 units per acre, in alignment with the approved phasing plan. The HRN viability baseline appraisal (Appendix 3) includes all abnormal costs, Section 106 contribution, the latest RICS Build Costs and agreed percentage to all other fees (professional, legal, etc) and an agreed developer profit of 20% to create a land value of £10,680,000 at £402,400 per acre.
- 3.6 This rate is therefore above the agreed benchmark land value of £400,000 per acre. and demonstrates that HRN is a viable and deliverable development parcel.

## 4. Impact on HRN's Viability

- 4.1 Any impact on the quantum of development will have a significant impact upon the viability and deliverability of HRN. To highlight this impact, we have run three viability positions (at Appendix 4, 5 and 6) to show the significant impact on viability/deliverability to reflect the loss of value and units as a consequence of the Trammel Crow development (the position reflects the noise and sales impacts already noted earlier in this statement).
- 4.2 For completeness, please see overleaf a summary table of the each of the viability positions.

Table 1: HRN Viability Summary

| Viability Appraisal                           | Land Value  | Viability Deficit | Viable |
|-----------------------------------------------|-------------|-------------------|--------|
| Benchmark Land Value based at 26.54 Net Acres | £10,616,000 | -                 | -      |
| Baseline Scenario 330 units at £325 per sq ft | £10,680,000 | £64,000           | Yes    |
| Scenario 2 330 units at £300 per sq ft        | £5,725,000  | -£4,891,000       | No     |
| Scenario 3 264 units at £325 per sq ft        | £7,185,000  | -£3,431,000       | No     |
| Scenario 4 264 units at £300 per sq ft        | £3,215,000  | -£7,401,000       | No     |

- 4.3 The below sets out how each viability appraisal has been reached.
- Scenario 2: The impact of reducing the sale values by 8% from a blend of £325 per sq.ft to £300 per sq.ft reduces the residual land value to **-£4,891,000**. (See Appendix 4)
  - Scenario 3: When applying the loss of 66 units to this specific phase principally due to the loss of developable area as a result of noise impact constraints. This is does not include the loss in sales revenue and the inclusion of additional landscaping mitigation required to address the Heywood Stores proposal, this creates a deficit position against the agreed benchmark land value of **-£3,431,000**. (See Appendix 5).
  - Scenario 4: When applying the loss of 66 units, and a reduction in sales revenue (from £325 per sq ft to £300 per sq ft in accordance with the 8% value impairment) and sales rates, and the conclusion of additional landscaping mitigation then the viability deficit increases further to **-£7,401,000**. (See Appendix 6).
- 4.4 Any of the above land values are below what a reasonable landowner would expect as a reasonable return and as such would not release their land for development. Not only this, but no developer would pursue a development at such deficits, the land cannot be sold on this basis, nor can it be developed as such margins.

- 4.5 The consequence of this is a loss of much needed housing on this one particular phase could have wider impact on the overall deliverability of the South Heywood masterplan. Therefore, in summary based on the above evidence of noise impact and loss in sales revenue HRN would not be viable and could not be delivered.

## 5. Impact Upon the Wider South Heywood Masterplan's Viability

- 5.1 The above evidence demonstrates that the Heywood Stores proposal would impact the developable area of the HRN development parcel to the extent that this Phase would prove unviable and therefore undeliverable. This would have a significant cascading effect on the viability of the entire remaining delivery of the South Heywood masterplan.
- 5.2 Whilst the loss of 66 units in one phase may be perceived to be a minor loss against the wider approved 1,000 units, this statement demonstrates that by reducing the number of plots on the HRN phase from 330 to 264 renders the entire development phase as unviable and undeliverable. The subsequent effect is the impact of a 330 unit loss against the 1,000 unit approved masterplan which will threaten the deliverability of wider South Heywood masterplan.
- 5.3 To confirm this cascading effect, as part of the FVA discussions to support the South Heywood development (16/01399/HYBR), the Council undertake a Sensitivity analysis around the quantum of development, at the time the application was determined. The Council's Independent Expert and Officer agreed with and which fundamentally informed the overall level of housing to be approved.
- 1,100 units – Viability surplus
  - 1,000 units – Balanced Position
  - 900 units – viability deficit
  - 700 units – viability deficit
  - 500 units – viability deficit
- 5.4 This sensitivity analysis and viability position was noted and presented to members in the Council's Officers Committee Report which states:
- 5.5 "A number of viability assessments and sensitivity checks have been submitted to demonstrate that a maximum of 1000 houses are needed to provide the shortfall in the funding for the construction of the proposed highway."
- 5.6 As can be seen from the above, any loss of units has a significant impact on the wider South Heywood Development. Therefore, the loss of the HRN development parcel has significant implications on the viability of the wider development and significant restricting of the planning obligations approved would need to be undertaken to ensure the development remains viable.
- 5.7 This would mean the loss of key social infrastructure contributions towards Education, Play Space, Formal Pitches and social amenities that were due to be delivered in the Local Centre Area. It would also result in a shortfall in the link road S106 financial contributions.

## 6. Conclusion

- 6.1 The wider South Heywood Development was approved on very finely balanced position of viability, and approved by the Council on this basis, following scrutiny by the Council's Independent experts and Officers.
- 6.2 Since 2020, Russell Homes in collaboration with the Council and other stakeholders have already delivered the key strategic link road, started to deliver the first tranche of high-quality homes (with 338 homes approved through Reserved Matters), and key service infrastructure.
- 6.3 The impact on sales and development quantum, of the Heywood Stores Application, renders the HRN development phase undeliverable and unviable. This has been robustly evidenced, using a benchmark position previously scrutinised and agreed by the Council, together with evidence from Knight Frank and Jones Lang-LaSalle. This unequivocally shows that the viability impact would be stark. It has been presented that in turn this would undermine the whole of the South Heywood masterplan, resulting in the loss of the new primary school, sports pitches and other open spaces, whilst also undermining the ability to deliver the Malmanagement Company and size of local centre currently envisaged. There would also be a shortfall in the link road financial contribution.
- 6.4 In short, the Heywood Store application puts the delivery of the South Heywood Scheme at risk as it significantly compromises the delivery of the HRN phase from a viability and deliverability position.

# **Appendix 1    Noise Impact Assessment by E3P October 2023**

Ref: 50-767-R3-3  
Date: 12th October 2023

Gary Lynch  
**RUSSELL HOMES (UK) LTD**  
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BY Email

Dear Gary,

## **NOISE IMPACT ASSESSMENT**

### **22/01410/FUL TRAMMEL CROW COMPANY – HEYWOOD STORES**

#### **1. EXECUTIVE SUMMARY**

Russell Homes have raised a number of concerns to the Council over the last several months, with regards noise; and note that noise consultee comments pre-date the objections previously made.

In response, Russells have instructed E3P to prepare this Noise Impact Assessment, to model the impacts of the proposed Trammel Crow development, on surrounding housing receptors, should the application be approved in its current form.

This makes for compelling reading and highlights that Russells were indeed absolutely resolute in having these concerns. The principal outputs of note, include:

-  E3P undertook its own background noise survey in May 2023, and found that the background noise levels to be lower than those stipulated by BWB (Trammel Crow's noise consultant) , by as much as by 1-5dB.
-  This latest E3P Technical Noise Impact Assessment model is informed by the Heywood Stores' Application parameters.
-  The E3P Assessment shows that proposed noise levels exceed levels deemed acceptable at the housing receptors.
-  The degree of adverse noise encroachment into the Russells' approved housing site and existing housing, is stark. As demonstrated at Figures 1 and 2, large swathes of the west and southern boundaries of the Russells site are impacted.

## Noise Impact Assessment

Trammel Crow Company – Heywood Store 22/01410/FUL

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-  The proposed mitigation measures have been evidenced to be insufficient for day and night time noise.
-  Noise from the site would have an unacceptable adverse impact at existing and proposed receptors.
-  Fundamental changes to the design of the application will be required, such is the limited protection the noise mitigation provides to housing receptors.
-  If the application was approved in its current form, then it would be physically impossible for Russells' approved housing to achieve acceptable noise standards.
-  Large areas of the Russells site would be undeliverable, with large numbers of housing being lost.
-  For these reasons, there are strong technical noise grounds to refuse application 22/01410/FUL.

## 2. BACKGROUND & OBJECTIVES

E3P have previously completed a technical review of the Noise Assessment works completed for and accompanying the planning application for the redevelopment of site comprising the demolition of all existing units and erection of new storage and distribution units (Use Class B8) with ancillary office space, vehicular, pedestrian and cycle access, external yards, parking, landscaping and associated works on land at the Heywood Store site off Manchester Road in Heywood OL10 2PZ. An objection has been lodged by Russell Homes (UK) Ltd against this application (22/01410/FUL) and that this technical document will be submitted to support this.

The following provides a list of objections which cover noise, which have been issued to the Council by Russell Homes:

- ✿ Letter dated 13th January 2023 - raised concerns in regard to the fallback position, Highways, Design Matters, Design Inaccuracies, Privacy and Overlooking, Visual Impact, Noise and Landscaping.
- ✿ Letter dated 26th April 2023 - raised concerns in regard to Design, LVIA, Privacy and Overlooking, Noise, Trees, Daylight & Sunlight and External Lighting.
- ✿ Letter dated 4th May 2023 - raised concerns regarding proposed operating hours.
- ✿ Letter dated 21st July 2023 - raised further concerns in regard to noise impacts.

The above were accompanied by E3P Technical Documents as follows:

- ✿ Technical Review of Noise Assessment (50-767-R1-5) dated 6th July 2023.
- ✿ Baseline Noise Survey (50-767-R2-3) dated 18th July 2023.

E3P note that the Council's Environmental Health Officers (Noise) consultee comments pre-date these objections listed. Accordingly, Russells have raised concerns with Planning Officers that these objections have not been considered by the EHO.

Russells and previous Planning Officers have sought confirmation from the EHO on the above, but without a response. As such, E3P have prepared this Technical Note to demonstrate the impact of the development on Russells approved housing, should App 22/01410/FUL be approved.

This technical document reviewed the information submitted as part of the application, specifically in relation to noise. The following documents have been reviewed:

- ✿ Noise Impact Assessment dated October 2022 and produced by BWB.
- ✿ Transport Assessment dated October 2022 and produced by BWB.
- ✿ Proposed Site Plan (21157-ASA-00-ZZ.ZZ-D-A-0003\_(S3-P7)) dated 14th October 2022.
- ✿ Existing and Proposed Site Sections 2 of 2 (21157-ASA-00-ZZ.ZZ-D-A-0005\_(S3-P6)) dated 7th October 2022.

Since the initial review, E3P understand that the application has been amended and an updated Noise Impact Assessment has been submitted, as follows:

- ✿ Noise Impact Assessment dated 14th March 2023 and produced by BWB.

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E3P have reviewed the updated Noise Impact Assessment above and can confirm no material change to the assessment or report itself. Accordingly, all findings within the E3P Technical Note are considered valid.

Multiple points of note were raised in the assessment of noise and its potential impact on existing and proposed receptors and whether the worst-case operation of the site had been undertaken. As such, E3P have conducted a BS142 noise impact assessment for the proposed Trammel Crow Site upon existing and proposed receptors with allowance for the omissions in the BWB report and lack of worst-case assessment. As such, E3P have made reasonable assumptions and drawn on the information used by BWB and provided by the client.

It has been undertaken by Lee Faulkner, Associate Director at E3P, who holds the Post Graduate Diploma in Acoustics and Noise Control and is a full member of the Institute of Acoustics (MIOA) and the Institute of Environmental Science (MIEnvSci). I have over 12 years' experience in the measurement and assessment of noise and vibration for various clients, sites, and applications.

### 3. ASSESSMENT METHODOLOGY

#### 3.1. BS 4142: 2014+A1:2019 'METHODS FOR RATING AND ASSESSING INDUSTRIAL AND COMMERCIAL SOUND'

This standard describes methods for rating and assessing sound of an industrial or commercial nature which includes:

- ✿ Sound from industrial and manufacturing processes.
- ✿ Sound from fixed installations which comprise mechanical and electrical plant and equipment.
- ✿ Sound from the loading and unloading of goods and materials at industrial and / or commercial premises; and
- ✿ Sound from mobile plant and vehicles that is an intrinsic part of the overall sound emanating from processes or premises, such as that from forklift trucks, or that from train or ship movements on or around an industrial or commercial Site.

The procedure detailed in the standard compares the measured or predicted specific noise level from any of the above with the background sound level at a residential dwelling. The measured background sound level at a receptor should be reliable and should not necessarily ascertain a lowest measured background sound level, but rather to quantify what is typical.

The specific noise level also acknowledges the reference time intervals depending upon whether the noise source operates during daytime (1-hour) or night-time (15-minute) periods.

There are several 'penalties' which can be attributed to the specific sound level depending upon the 'acoustic features' of the sound level under investigation as follows:

##### **Tonality**

- ✿ +2 dB: where the tonality is just perceptible.
- ✿ +4 dB: where the tonality is clearly perceptible; and
- ✿ +6 dB: where the tonality is highly perceptible.

##### **Impulsivity**

- ✿ +3 dB: where the impulsivity is just perceptible.
- ✿ +6 dB: where the impulsivity is clearly perceptible; and
- ✿ +9 dB: where the impulsivity is highly perceptible.

##### **Intermittency**

- ✿ +3dB: where the intermittency is readily distinctive against the acoustic environment.

In addition to the above, there is a penalty for 'other sound characteristics' of +3 dB where a sound exhibits characteristics that are neither tonal nor impulsive, though are readily distinctive against the acoustic environment. BS 4142 goes on to state that the rating level is equal to the specific sound level if there are no such features present or expected to be present.

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Assessment of the rating level relative to the background sound level can yield the following commentary:

-  Typically, the greater this difference (between the rating level and the background sound level), the greater the magnitude of impact.
-  A difference of around +10 dB or more is likely to be an indication of a significant adverse impact, depending on the context.
-  A difference of around +5 dB is likely to be an indication of an adverse impact, depending on the context; and
-  The lower the rating level is relative to the measured background sound level, the less likely it is that the specific sound source will have an adverse impact. Where the rating level does not exceed the background sound level, this is an indication of the specific sound source having a low impact.

It is common that a Local Planning Authority (LPA) will specify their own criterion and, where this is the case, this criterion will usually take precedence over a simple comparison of the rating level against the background sound level.

## 4. BASELINE NOISE LEVELS

In light of queries raised on the BWB survey results, E3P have conducted a full weekday and weekend background and ambient sound survey, between Thursday 29th June and Monday 3rd July 2023, in a position representative of the proposed residential receptors along the proposed southern, south western and western boundaries. The results and discussion of which is shown in the Technical Note produced by E3P (50-797-R2-3).

Table 3.1 below compares the measured values with BWB.

TABLE 3.1 COMPARISON OF E3P AND BWB MEASURED VALUES

| DATE     | ASSESSMENT PERIOD | E3P AVERAGE MEASURED BACKGROUND SOUND LEVEL, $L_{A90,T}$ (dB) | BWB AVERAGE MEASURED BACKGROUND SOUND LEVEL, $L_{A90,T}$ (dB) | DIFFERENCE, +/- (dB) |
|----------|-------------------|---------------------------------------------------------------|---------------------------------------------------------------|----------------------|
| Thursday | Day               | 46                                                            | No data                                                       | -                    |
|          | Night             | 45                                                            | 46                                                            | -1                   |
| Friday   | Day               | 52                                                            | 54                                                            | -2                   |
|          | Night             | 46                                                            | 48                                                            | -2                   |
| Saturday | Day               | 50                                                            | 50                                                            | 0                    |
|          | Night             | 43                                                            | 48                                                            | -5                   |
| Sunday   | Day               | 50                                                            | 53                                                            | -3                   |
|          | Night             | 46                                                            | 49                                                            | -3                   |

As can be seen, all periods measured by E3P, except Saturday day, resulted in a lower measured background sound level by between 1 and 5 dB. A difference of up to 2 dB is likely to be expected with differing conditions, however, anything more than that would suggest a change in sources, adverse weather at the time of the survey or other factors.

Furthermore, when assessing potential commercial sound, receptors to the south of Trammel Crow, bounding the site are subject to higher background sound levels. However, this is based on an unobstructed line of sight to the Link Road. Once constructed, the client's housing plots, which back on to the Trammel Crow Heywood Stores Site, particularly the rear gardens and rear facades facing Trammel Crow would be subject to lower background sound levels than measured here as the houses would create a barrier to noise from the link road.

As such, the measured values to the north have been applied to all receptors, specifically 42 dB during the day and 40 dB during the night to replicate fully shielded facades and gardens from road traffic sound. At these distances, as measured, the main background sound source will be the M62 which is equidistant for all plots.

## 5. NOISE IMPACT ASSESSMENT

This assessment has made assumptions on the sources of sound relating to the development, based on information within the BWB report and E3Ps experience, to predict the noise level impact on the existing closest residential dwellings during the daytime and night-time periods. At this stage, it is assumed that all units will operate 24/7. No operator has been linked to the operation of the site, and thus the type and intensity of the B8 logistic use is unknown. Accordingly, a worst-case operational positions can only be applied to this assessment and by the EHO/Rochdale Council Planning Officers.

With regard to assumptions for the assessment, the following has been considered for the full planning application aspects:

- ✿ Ground elevations have been taken as existing by way of a 2 m grid Digital Terrain Model (DTM) which contains public sector information licensed under the Open Government License v3.0.
- ✿ The daytime period has been assessed between the hours of 07:00 to 23:00. For the assessment, BS 4142:2014+A1:2019 has been used to determine the likelihood of adverse impact within the garden areas over a reference time period of 1 hour.
- ✿ The night-time period has been assessed between the hours of 23:00 and 07:00 for a reference time period of 15 minutes.
- ✿ All proposed mitigation measures, as noted in the BWB report and on barrier details on drawings, are included in the model as the baseline scenario.
- ✿ 100% Bay utilisation during the day and night is assumed as there are no planning conditions restricting activity.
- ✿ All HGV parking bays utilised during the day and night.
- ✿ 50% utilisation of the car park during the day in an hour and during the night in 15 minutes.
- ✿ HGV movements on the road are as per BWB assumptions which equates to 1 HGV movement along the road every minute during the day and during the night.
- ✿ Noise breakout from the façades of the proposed units has been input into the model as vertical area sources; and
- ✿ No soft ground attenuation has been applied.

At this stage, the exact noise sources for the proposed development are not known. As such, the only viable sources that can be modelled, in addition to the proposed HGV loading and unloading activities are breakout noise and car park usage.

With regards to B8 usage, this is generally industrial in nature and there could be any noise source associated with this, but all operations not assessed here or advised upon would be internal only. Given that a minimum sound reduction of 31 dB is expected for a typical industrial building facade and that it is highly unlikely that internal operations at any unit would exceed 80 dB inside, external noise levels at the facades are expected to be, at most, 43 dB radiating from the façade itself. Roller shutter entrances are assumed to be open with a vertical area source sound power level of 74 dB. A simple equation of Sound pressure level outside = Sound pressure level inside – Sound Reduction Index (SRI) of building envelope – 6 dB for diffuse field to free-field correction.

For the BS 4142:2014+A1:2019 assessments, penalties are applied to the specific sound level in order to provide the rating level. These penalties relate to the acoustic features of the sound source. Upon review of the BWB report, only a 3 dB correction was applied to the sources. E3P would argue that reverse alarms to the loading bays and parking spaces would have just perceptible tones at + 2 dB. As such, this is applied to the relevant areas with +3 dB applied to the loading activities. Accordingly, the output from the noise model is the Rating Level.

## 5.1. DAYTIME ASSESSMENT

Table 4.1 details the resultant rating level at each receptor, output from the model. The grid noise map can be seen in Figure 1 of Appendix I.

As discussed, the lowest average background sound level is applied, in this case 42 dB, to all receptors. This informs a worst-case assessment. Levels correspond to worst case garden noise levels.

For AL2 and AL5 for the proposed receptor locations, noise levels along the respective boundaries are used rather than a single point.

TABLE 4.1 BS 4142:2014+A1:2019 ASSESSMENT – DAYTIME – WITH MITIGATION

| RECEPTOR | CALCULATED<br>RATING LEVEL,<br>$L_{A,r}$<br>(dB) | BACKGROUND<br>SOUND LEVEL,<br>$L_{A90,1hr}$<br>(dB) | CRITERION,<br>$L_{A,r} = L_{A90}$<br>(dB) | DIFFERENCE<br>+/-<br>(dB) |
|----------|--------------------------------------------------|-----------------------------------------------------|-------------------------------------------|---------------------------|
| AL1      | 41                                               | 42                                                  | 42                                        | -1                        |
| AL2      | 44-46                                            | 42                                                  | 42                                        | +2 to +4                  |
| AL3      | 45                                               | 42                                                  | 42                                        | +3                        |
| AL4      | 46                                               | 42                                                  | 42                                        | +4                        |
| AL5      | 41-43                                            | 42                                                  | 42                                        | -1 to +1                  |

Table 4.1 indicates that the predicted rating level exceeds the background sound levels at all but AL1. This is in direct contrast to the outcome of the BWB assessment which found no exceedance at any receptor.

As such, the proposed mitigation measures are not considered sufficient and noise from the site would have an unacceptable adverse impact at existing and proposed receptors. The noise encroachment on existing and proposed housing is clear to see at Figure 1 below.

This could lead to complaints by residents, particularly at existing receptors, or the loss of units and redesign of the Russells site potentially rendering their development unviable. Russells would not be able to mitigate against such noise source (nor should they). Instead, all noise mitigation must form part of the application (22/01410/FUL). This cannot currently be demonstrated by application contrary to the BWB assessment.

## 5.2. NIGHT-TIME ASSESSMENT

Table 4.1 details the resultant rating level at each receptor, output from the model. The grid noise map can be seen in Figure 1.

As discussed, the lowest average background sound level is applied, in this case 42 dB, to all receptors. This informs a worst-case assessment. Levels correspond to worst case garden noise levels.

For AL2 and AL5 for the proposed receptor locations, noise levels along the respective boundaries are used rather than a single point.

TABLE 4.2 BS 4142:2014+A1:2019 ASSESSMENT – NIGHT-TIME – WITH MITIGATION

| RECEPTOR | CALCULATED<br>RATING LEVEL,<br>$L_{A,r}$<br>(dB) | BACKGROUND<br>SOUND LEVEL,<br>$L_{A90,15mins}$<br>(dB) | CRITERION,<br>$L_{A,r} = L_{A90}$<br>(dB) | DIFFERENCE<br>+/-<br>(dB) |
|----------|--------------------------------------------------|--------------------------------------------------------|-------------------------------------------|---------------------------|
| AL1      | 37                                               | 40                                                     | 40                                        | -3                        |
| AL2      | 44-48                                            | 40                                                     | 40                                        | +4 to +8                  |
| AL3      | 43                                               | 40                                                     | 40                                        | +3                        |
| AL4      | 44                                               | 40                                                     | 40                                        | +4                        |
| AL5      | 40-45                                            | 40                                                     | 40                                        | 0 to +5                   |

Table 4.2 indicates that the predicted rating level exceeds the background sound levels at all but AL1. This is in direct contrast to the outcome of the BWB assessment which found no exceedance at any receptor.

As such, the proposed mitigation measures are not considered sufficient and noise from the site would have an unacceptable adverse impact at existing and proposed receptors.

This could lead to complaints by residents, particularly at existing receptors, or the loss of units and redesign of the Russells site potentially rendering their development unviable.

This is particularly pertinent at night when residents can be disturbed whilst asleep. Indeed, internal noise levels at the worst-affected receptors could be up to 32 dB inside with windows open which exceeds the 30 dB criterion given in BS 8233.

**Client:**  
**Russell Homes**

Rating Level,  
LA,r (dB)

|  |      |             |
|--|------|-------------|
|  | ...  | $\leq 42.0$ |
|  | 42.0 | $< \dots$   |

## Noise Map Objects

-  Point Source
-  Line Source
-  vert. Area Source
-  Road
-  Parking Lot
-  Building
-  Barrier
-  Building Evaluation
-  Calculation Area



Project Engineer: L Faulkner  
Date: 12/10/2023

Figure 2 - Night-time Grid Noise Map - Calculation at 4m above ground level



## 6. CONCLUSION

As shown in the assessments allowing for all reasonable noise sources at the development, the proposed development, even with considerable mitigation, results in an adverse impact at existing and proposed receptors during daytime and night-time periods.

For existing receptors, only additional on-site mitigation would be possible in order to control noise levels to an acceptable level. However, considering the additional reduction of 4 dB needed at ground and first floor levels, the mitigation would need to be significant and likely unviable at a boundary close to residential receptors.

With regards to proposed receptors, the implementation of additional measures on site is even more constrained given the already sizeable and visually obtrusive measures proposed. Indeed, the 5 m high barrier at the service yard would bring the resultant source level to that height so any measures at the residential development would be eclipsed by this and rendered ineffective. Indeed, an additional model was run with the primary barrier increased from 5 m to 6 m and the benefit was zero to minimal as the barriers currently proposed are likely reducing noise levels as far as practicable possible.

Figures 1 and 2, show the significant noise encroachment into the approved Russell Homes site. without appropriate mitigation, Russells would have to remove large areas of approved housing, as it would be physically impossible for them to achieve acceptable noise standards across their development. Fundamentally, Russells should not have to mitigate any adverse noise levels generated by this proposed development. All mitigation should be employed within the demise of the Heywood Stores Application site. Fundamental changes to the design and mitigation of the Trammel Crow application is required.

It is deemed that noise from the Trammel Crow Site, in its current form, could not be suitably mitigated in order to achieve acceptable levels of noise at existing and/or proposed receptors. Indeed, background sound levels are expected to be exceeded at most receptors surrounding the site, day and night, and internal noise levels at night are exceeded for the closest existing and proposed receptors, potentially leading to sleep disturbance from the activities on site.

For the reasons set out in this Noise Impact Assessment, there are strong technical noise grounds to refuse the Trammel Crow application.

I trust the report is clear and concise but please do not hesitate to contact me should you require further information. Russells have requested feedback from the EHO (noise) for several months. Russells would require confirmation that the EHO have been provided with this and previous objections on noise. Any consultee response from the EHO should provide a response to each of these points.

Yours sincerely,  
For and on behalf of E3P Ltd

Lee Faulkner  
**Associate Director**



## LEE FAULKNER

### Curriculum Vitae

#### POSITION

Associate Director

#### QUALIFICATIONS

BSc (Hons), PGDip

#### PROFESSIONAL MEMBERSHIPS

Member of the Institute of Acoustics (MIOA)

#### AREAS OF EXPERTISE

Environmental Noise Surveys and Assessment

Noise and Vibration Assessments in accordance with British Standards

3D Noise Modelling

Noise and Vibration Environmental Impact Assessments

Construction Noise and Vibration

Sound Verification Testing

## PROFILE

Mr Lee Faulkner is an Associate Director at E3P. His current role involves management of the Acoustic Division at E3P including Noise and Vibration Assessments and Reporting for multiple projects. Lee has over 12 years' experience in the industry and has worked on a multitude of differing projects and sites.

Lee has extensive experience of complex environmental noise assessments, providing detailed and tailored advice on a site-by-site basis that is not only in accordance with the relevant standards but also a cost-effective solution for the client.

Lee has extensive experience in the calculation of complex noise levels across various sites such as those constrained by transportation sources, commercial, industrial and entertainment noise. Noise Modelling of various projects, including residential developments and the Esso Refinery, using SoundPLAN and CadnaA.

## SELECTED PROJECT EXPERIENCE

### Residential Development, Kinross

Noise and Vibration Chapter for the wider EIA. Construction and Operational Noise and Vibration Impacts were assessed for existing and proposed receptors. Key noise sources consisted of existing road traffic and commercial premises and proposed skate park and sports fields. The proximity of the M8 was particularly constraining. The Chapter addressed construction noise and vibration impacts upon existing receptors and existing noise upon the proposed receptors. Mitigation measures included for acoustic barriers, higher spec glazing and alternative ventilation.

### Residential Development, Longsight

Noise Impact Assessment in support of the planning application for a residential development on a parcel of land in a residential location near to a speedway track and sports centre. Included specification of acoustic glazing and also acoustic barrier height to protect future residents from road traffic noise and leisure noise.

### Noise Modelling of Noise at Work Levels for Esso Refinery, Fawley

Esso, Fawley required noise measurements to be taken at a total of 11 blocks for the operations at their Fawley Refinery. This meant a high number of noise measurements were taken due to the scale of the area. The results of the noise survey were used to create contour noise graphics using 3D Noise Modelling in order to determine the noise levels across each block.

## **NOISE AND VIBRATION ES CHAPTER FOR LEISURE DEVELOPMENT**

Noise and Vibration monitoring was required in order to provide baseline conditions across the Site. A Noise and Vibration ES Chapter was provided which addressed construction noise and vibration, construction generated traffic, rail noise and vibration and proposed impacts such as new leisure facilities and fixed plant items. The assessment overcame issues with rail noise for very closely situated receptor by way of an earth bund.

## **SOUND VERIFICATION TESTING, SHEFFIELD**

Sound Testing in order to verify the effectiveness of the installed glazing and alternative ventilation applied to a residential scheme, following the recommendations of a Noise Impact Assessment. Noise Surveys were undertaken over an entire 48-hour period in a dwelling for each phase and showed compliance with the necessary criteria given in the British Standard

## **NEW SUPERMARKET, SHIPLEY**

Noise Impact Assessment in support of a planning application for a new supermarket in Shipley including a Café Retail Unit. Assessed for noise associated with the delivery yard, fan units and the petrol filling station associated with the development. Lee advised on the acoustic fence locations and heights and to ensure no exceedance of the applicable criterion.

## **NOISE AT WORK ASSESSMENT, YORKSHIRE**

Atlas Steel Structures required a Noise at Work Assessment for their daytime and night-time shifts to accompany their annual risk assessment. The Noise at Work Survey comprised the use of personal dose badges and spot measurements to quantify the noise levels across the factory floor. The Noise at Work Assessment advised that existing hearing protection was overprotecting, and so alternative protection was recommended.

## **Appendix 2      Market Impact Response from Jones Lang LaSalle November 2023**

## Ryan Holland

---

**From:** Lafferty, John <John.Lafferty@jll.com>  
**Sent:** 22 November 2023 16:12  
**To:** Daniel Kershaw  
**Cc:** Kenyon, Mabel  
**Subject:** Heywood Desktop Valuation Report  
**Attachments:** Hareshill Road North South Heywood - Desktop Valuation Report with Appendix.pdf

**EXTERNAL EMAIL** - Do not reply, click links or open attachments unless you recognise the sender and know the content is safe. If suspicious, please report to the Help Desk Team.

Dan,

I refer your instructions for JLL to undertake a desktop valuation report for the site at South Heywood and duly attach on behalf of my colleagues James Lockwood and Mabel Kenyon.

I have reviewed the report but thought I would add some further thoughts of my own from a market perspective as follows.

There is considerable new build sales evidence around Heywood, the subject site is well located and will expect to deliver comparable values to the Anwyl and Bellway phases on South Heywood. I don't consider that these phases are any more attractive than the subject site and this is reflected in the attached valuation.

The attached illustrates the rate we believe Russells will achieve for a two storey 3 bedroom detached property will be between £320psf and £330 psf with similar values for 4 bedroom detached 2 storey properties. For the 2.5 storey houses this will be reduced with an average price achieved or around £290 psf. For semi-detached houses this will be reduced also.

It is important to note 3-4 house builders across the South Heywood project alone will be competing within the market at any one time. Housebuilders will compete on price, quality and design of the houses and the housing scheme. If one phase is compromised it will inevitably result in that phase having to work harder and provide incentives to address these shortfalls.

I believe that the Hareshill Road North site will be impacted by the employment unit constructed under Planning Application Ref 22/01410/FUL. The visual impact, operational impact and negative perception surrounding the proximity of housing to this large unit will inevitably prejudice sales. Discounts will likely be required to ensure this phase remains competitive with the neighbouring phases, and the rate of sales will inevitably be reduced.

Based on my experience of the housing market and knowledge of sales values in this area I believe that discounts to sale values could be as much as 10% of the equivalent price on the neighbouring phases, albeit we have shown examples in the attached, with a range of reductions, specific to the house type and size and the adverse factors created by the Heywood Stores proposals. Moreover, the rate of sales of the units could feasibly be diminished to around, say, two thirds of the rate of sales of houses on the neighbouring phases.

Feel free to give Mabel or I a call should you wish to discuss any aspect

Thanks & regards

John

**John Lafferty**

Director - Land & Development

JLL

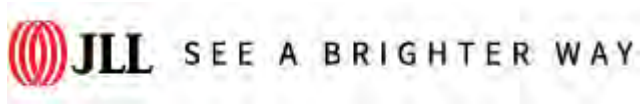
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# Value and Risk Advisory

## Valuation report

Client: Russell Homes

Property: Land at Hareshill Road North, South Heywood

Date:

November 2023

Daniel Kershaw  
Russell Homes  
13 Westpoint Enterprise Park  
Clarence Avenue  
Trafford Park  
Manchester  
M17 1QS

|                      |                      |
|----------------------|----------------------|
| Your ref             | Your ref             |
| Our ref              | MK/MAN/South Heywood |
| Direct line          | 0161 238 6291        |
| Mabel.Kenyon@jll.com |                      |

21 November 2023

Dear Daniel

## **Terms of Reference**

### **Instructions**

Thank you for your instructions dated 21 November 2023 to provide a “desktop” report and valuation of the above property for internal purposes. Our terms of engagement are attached in Appendix 1. Our valuation has been prepared in accordance with the current UK national supplement (the RICS Red Book) on the basis of Market Value as defined in the attached in Appendix 2. We have acted as External valuers.

This report and valuation has been prepared in accordance with, and is subject to, our General Terms and Conditions of Business and our General Principles Adopted in the Preparation of Valuations and Reports, both of which are attached to the rear of this letter.

Please note that the limited nature of our instruction, due diligence and the assumptions means that our advice to you is less certain than would normally be the case, and, as agreed, this report and should not be distributed to any other party.

We do not have a conflict of interest in providing you with this advice. We have previously provided details of any pertinent prior involvement.

This advice has been prepared by Mabel Kenyon MRICS, Director and has been cross-checked by James Lockwood MRICS, Director. We confirm that both surveyors are RICS Registered Valuers and have the knowledge, skills and understanding to provide this advice.

No allowances have been made for any expenses of realisation, or taxes (including VAT) which might arise in the event of a disposal and the property has been considered free and clear of all mortgages and other charges which may be secured thereon.

### **Reliance**

This report is confidential to the party to whom it is addressed. We have not agreed to extend reliance to any other party. If any other party is or becomes entitled to rely upon this report all relying parties shall be bound by the same liability exclusions and limitations, and our liability shall be no greater as a result of extending reliance to additional parties.



Our total liability in respect of this Report shall not exceed £5,000,000. Please note the exclusions and limitations of liability in our General Terms and Conditions of Business agreed between us.

### **Scope and Limitations**

This is a “desktop” appraisal and in providing this “desktop” advice, we have been wholly reliant on the information provided to us and we have not checked the accuracy of this information. We have not inspected the property, nor have we made sufficient enquiries or undertaken other due diligence to enable us to provide reliable valuation advice. Valuations undertaken without an inspection are inherently less reliable than those with a full inspection and this valuation has been undertaken on the assumption that there is nothing that would be discovered upon inspection that would have an adverse effect upon our opinion of value. Consequently, whilst we have undertaken our due diligence carefully and professionally, less certainty –and a higher degree of caution –should be attached to our valuation than would normally be the case.

In accordance with your instructions, we have relied upon information provided to us and have not sought to verify any such information. In particular, we have been provided with, and we have relied upon:

- Schedule of accommodation provided by Russell Homes

We have not undertaken any form of condition or site survey and have assumed:

- the property is free from defects, contamination, deleterious materials and is in good condition commensurate with its age and past and present uses.
- the property complies with all current legislation and byelaws.

### **Basis of Valuation**

We confirm that our valuation and report has been prepared in accordance with the current UK national supplement published by the RICS (the RICS Red Book) on the basis of Market Value as defined in Appendix 1. We have acted as external valuers.

*Market Value: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*

The report is subject to, and should be read in conjunction with, the attached General Terms and Conditions of Business and our General Principles Adopted in the Preparation of Valuations and Reports which are attached in Appendix 1.

### **Special Assumptions**

We have made the Special Assumption that the properties are complete as at the Valuation Date.

### **Valuation Date**

21 November 2023.

### **The Property**

South Heywood is a 320-acre urban extension to Heywood consisting of a 2.2km link road from Junction 19 of the M62 motorway to the employment areas off Pilsworth Road. The wider site will provide up to 1,000 new family homes, including affordable houses, a new primary school, a new village retail centre, improved public transport provision, extensive public open space across the 130- hectare site and secures investments for enhanced local sports facilities.

The Property is the largest residential development parcel of the South Heywood project, extending to approximately 30 acres in size. The Property is referred to as Hareshill Road North on the approved Phasing Plan for the project



(Appendix 2). The Phasing Plan establishes that the Hareshill Road North development will deliver 330 houses and work will begin in January 2027.

The land is greenfield in nature with a farmhouse along the western boundary having been recently demolished. The topography is generally flat, although there is general gentle slope, falling west to east, towards the Heywood Stores Site. The Property has limited defining features. A hedgerow runs through and around the site. Mature landscaping exists at the north and east boundary.

Access is to be obtained from the new link road to the south.

Views across the site are clearly visible to the north, east and west. Low level employment buildings are located along the eastern boundary at Heywood Stores. A high level distribution building is located along the western boundary. Housing is located along the northern boundary.

We understand that a planning application is currently pending for further industrial warehouse development to the immediate east, which will be situated close to the Property boundary.

We have relied on the information provided with regards to the proposed mix of house types, which we summarise below:

| Type      | Description       | Garage          | Beds | Size (sq ft) |
|-----------|-------------------|-----------------|------|--------------|
| Harper    | Semi Detached     | N/A             | 3    | 832          |
| Talbot    | Detached          | Integral Single | 3    | 994          |
| Roberts   | Semi Detached     | N/A             | 3    | 1,109        |
| Worrall   | Detached          | Integral Single | 4    | 1,129        |
| Cromwell  | Detached          | N/A             | 4    | 1,133        |
| Bower     | 3 Storey Semi     | Detached Single | 4    | 1,297        |
| Kenyon    | Detached          | integral Single | 4    | 1,332        |
| Renshaw   | 3 Storey Detached | Detached Single | 3    | 1,501        |
| Eccleston | Detached          | Detached Single | 3    | 1,465        |
| Millward  | Detached          | Integral Double | 4    | 1,695        |

RICS property measurement (incorporating International Property Measurement Standards) 2nd edition, January 2018, requires us to report IPMS measurements in the report for this property. You have not instructed us to measure the property and as IPMS areas are not available to us and the principal market and comparables are assessed on a Net Sales Area (NSA) basis, we have relied upon the areas provided by you which we assume have been measured on the basis of the Royal Institution of Chartered Surveyors' (RICS) Code of Measuring Practice (6th edition).

### Specification

We have assumed that the properties would be built to a good specification in line with other volume house builder products in the area.

We have assumed that all properties would be sold with an NHBC or equivalent 10 year warranty.

### Tenure

We understand that the interest held is freehold.

We have not been provided with a Report on Title. We have assumed that there are no unusual, problematic or onerous covenants, easements or restrictions and that the property has good marketable title.



We have assumed that the completed house units will be sold on individual freehold titles.

## **Tenancies**

Our Valuation is provided on the assumption of full Vacant Possession of the completed properties.

## **Local Market Overview**

The site presents an attractive housing opportunity that will be of interest to large and mid-sized housebuilders. The neighbouring employment buildings will not be an encumbrance to the development. These buildings are low in scale to the east with average building heights of between 6-10m that are set back from the boundary. To the west the buildings are larger but these have a finished floor level some 4-5m lower than the development plateau of the Property. The western boundary buildings have no operational space that is directed towards the Property and are separated by wide landscape bunds.

Post Covid, macro-economic inflationary factors have resulted in a reduction in disposable household income and a rise in interest rates during the second half of 2022 and throughout 2023. Increased costs of borrowing and increased household expenditure, has impacted the housing market. These factors are expected to continue throughout 2024 but are anticipated to ease in 2025.

## **Market Conditions**

Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real estate market conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviours.

In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the valuation date and confirm the conclusions in our report are valid at that date only and advise you to keep the valuation under regular review.

The development market especially faces challenges that are influencing the costs of construction and construction programmes. These issues, together with the risk of developer and/or contractor insolvency and a limited skilled labour force, risk causing increased volatility in land value and development project viability.

For the avoidance of doubt, due to the functioning nature of the market, our valuation is NOT reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

## **Comparable Evidence**

The most appropriate approach to assess the value of new housing is by way of the comparable method of valuation. There are three new build housing sites within the vicinity of the Property that provide good comparable evidence of new housing values that can be used as a benchmark.

These are the two existing sites at South Heywood and sites to the north of Middleton. We have selected the Bellway and Anwyl Homes sites at South Heywood and the Taylor Wimpey site at Langley, Middleton.

The Taylor Wimpey site at Langley is on the northern fringe of Middleton but its proximity to J19 of the M62 motorway and given the similar values between Middleton and Heywood we feel that this provides further comparable sales evidence within the area.



### Bellway Homes – Hopwood Meadows, South Heywood

This site is the first phase of the South Heywood project (referred to as “Manchester Road East” on the approved Phasing Plan).

Once complete the development will provide a total of 156No. 3-, 4-, and 5-bedroom homes. The development has been marketed since December 2022 and to date, 14No. reservations have been agreed, reflecting a reservation rate of 1.3 units per month. They advise that there has been interest in houstypes across the board with no stronger demand towards any end of the range offered.

The table below shows a summary of the prices they are advertising:

| Type            | Description   | Garage          | Beds | Size<br>ft sq | Gross<br>Asking<br>Price | Incentive | Net<br>Asking<br>Price | £psf        |
|-----------------|---------------|-----------------|------|---------------|--------------------------|-----------|------------------------|-------------|
| Taylor Plus     | Semi Detached | N/A             | 3    | 842           | £289,995                 | £14,500   | £275,495               | £327        |
| Thespian        | Semi Detached | N/A             | 3    | 902           | £314,995                 | £15,750   | £299,245               | £332        |
| Mason           | Detached      | Detached Single | 3    | 1,050         | £362,995                 | £18,150   | £344,845               | £328        |
| Farrier         | Detached      | Integral Single | 4    | 1,172         | £399,995                 | £20,000   | £379,995               | £324        |
| Scrivener       | Detached      | Attached Single | 4    | 1,197         | £414,995                 | £20,750   | £394,245               | £329        |
| Lorimer         | Detached      | Detached Single | 4    | 1,554         | £499,995                 | £25,000   | £474,995               | £306        |
| Hawthorne       | 3 storey      | Detached Single | 5    | 1,635         | £484,995                 | £24,250   | £460,745               | £282        |
| <b>Average:</b> |               |                 |      |               |                          |           |                        | <b>£318</b> |

Bellway are offering incentives and discounts which include a 5% deposit, £1,000 per month for up to 24 months (depending on the plot), and part exchange on buyers existing properties. The asking prices range from £296 to £349 psf, but when the discounts and incentives are factored in these asking prices reduce to £278 – £328 psf.

### Anwyl Homes, Whittle Brook Park, South Heywood

This site is the second phase of the South Heywood project (Manchester Road West on the approved Phasing Plan). It comprises a development of 120No. new build houses, approximately 0.7 miles to the north east of the subject site, further along Manchester Road, on the Heywood side of the M62.

The proposed dwellings comprise semi-detached and detached houses ranging from 3 – 5 bedrooms and from 925 to 1,796 sq ft with associated garaging and parking. The focus at the site is on large, detached units, with 57% of all of the units being detached house types. There is no requirement for the Borrower to provide Affordable Housing on site, thus all units are to be sold on the Open Market. The development incorporates energy-efficient construction methods, which include PV panels and Air Source Heat Pumps as standard features. Also within the development plan are areas planned for green space, acoustic bunds, footpath corridors, and an attenuation pond.

The table below shows a summary of the prices they are currently marketing:

| Type      | Description              | Garage          | Beds | Size<br>ft sq | Gross<br>Asking<br>Price | Incentive | Net<br>Asking<br>Price | £psf |
|-----------|--------------------------|-----------------|------|---------------|--------------------------|-----------|------------------------|------|
| Altham    | Semi-Detached            | N/A             | 3    | 925           | £299,995                 | £12,000   | £287,995               | £311 |
| Edgeworth | 2.5 storey Semi Detached | N/A             | 3    | 1,210         | £349,995                 | £14,000   | £335,995               | £278 |
| Crawford  | Detached                 | Integral Single | 3    | 1,096         | £359,995                 | £14,400   | £345,595               | £315 |

|          |          |                 |   |       |          |         |          |      |
|----------|----------|-----------------|---|-------|----------|---------|----------|------|
| Dallton  | Detached | N/A             | 3 | 1,112 | £369,995 | £14,800 | £355,195 | £319 |
| Higham   | Detached | Detached Single | 4 | 1,244 | £399,995 | £16,000 | £383,995 | £309 |
| Newburgh | Detached | Detached Single | 4 | 1,447 | £474,995 | £19,000 | £455,995 | £315 |
| Tatham   | Detached | Detached Single | 4 | 1,510 | £494,995 | £19,800 | £475,195 | £315 |

**Average: £309**

The first release of units had been marketed since May 2023. Anwyl Homes have sold 4 to date, with prices ranging from £289 psf - £332 psf. They are due to open their show homes in late November 2023.

They are offering incentives including £11,000 deposits, flooring and turf. We have assumed that these equate to circa 4% of the gross asking prices.

#### Taylor Wimpey – East Hollinsfield, Hollin Lane, Middleton

West and East Hollinsfield comprise two phases of a development by Taylor Wimpey located in nearby Middleton. Whilst not in the same immediate area as the subject site, the East and West Hollinsfield development are of a similar distance to the motorway. Both locations benefit from good commuter links as well as access to countryside and we therefore believe that they are fairly comparable.

The first phase 'West Hollinsfield' comprised 103No. 3- and 4-bedroom homes all of which were sold on the Open Market. This phase is fully sold out and the homes were finished to a good specification, similar to that proposed for the subject properties. From speaking with the sales representative, we understand the site has been popular with a range of purchasers including first time buyers, families and downsizers. We have been provided with the following sales prices which were achieved on this phase in 2022 from which we note achieved prices were much higher on a rate per square foot for the smaller units, with a range of £40psf between the smallest to the largest unit on site and an overall average of £301 psf:

| House Type      | Beds | Style         | Size (Sq ft) | Achieved Price | Price (£psf) |
|-----------------|------|---------------|--------------|----------------|--------------|
| Gosford         | 3    | Semi-Detached | 866          | £276,995       | £320         |
| Aldenhams       | 3    | Detached      | 967          | £309,995       | £321         |
| Lydford         | 4    | Detached      | 1,099        | £330,995       | £301         |
| Kentdale        | 4    | Detached      | 1,222        | £349,995       | £286         |
| Downham         | 4    | Detached      | 1,244        | £346,995       | £279         |
| <b>Average:</b> |      |               |              |                | <b>£301</b>  |

Taylor Wimpey are currently marketing the second phase 'East Hollinsfield', which is located directly adjacent to the above and once complete will comprise a further 90No. 3- and 4-bedroom homes. The current asking prices at the site are as follows:

| Type      | Description   | Garage          | Beds | Size sq ft | Gross Asking Price | Incentive | Net Asking Price | £psf |
|-----------|---------------|-----------------|------|------------|--------------------|-----------|------------------|------|
| Dadford   | Terrace       | N/A             | 3    | 753        | £255,995           | £12,800   | £243,195         | £323 |
| Flatford  | Semi-Detached | N/A             | 3    | 866        | £275,995           | £13,800   | £262,195         | £303 |
| Milldale  | Terrace       | Parking Space   | 3    | 869        | £274,995           | £13,750   | £261,245         | £301 |
| Gosford   | Semi-Detached | N/A             | 3    | 866        | £284,995           | £14,250   | £270,745         | £313 |
| Aldenhams | Detached      | Integral Single | 3    | 967        | £329,995           | £16,500   | £313,495         | £324 |
| Teasdale  | Detached      | Single          | 4    | 1,290      | £403,995           | £20,200   | £383,795         | £298 |

| Type            | Description | Garage | Beds | Size sq ft | Gross Asking Price | Incentive | Net Asking Price | £psf        |
|-----------------|-------------|--------|------|------------|--------------------|-----------|------------------|-------------|
| <b>Average:</b> |             |        |      |            |                    |           |                  | <b>£310</b> |

Taylor Wimpey are offering 5% incentive plus fees on all plots, which we have taken into account in the above analysis.

## Valuation

You have requested we provide an opinion of Market Value (as defined in the current RICS Valuation – Global Standards, incorporating the IVS, and the RICS Valuation – Global Standards 2017 – UK national supplement) for each of the proposed house types at the development, on the Special Assumption that the units are completed as at the date of valuation.

In arriving at our opinions of value we have considered a range of recent comparable evidence and applied the comparative method of valuation. We have applied a net value to each of the units and would anticipate marketing prices above these values to allow a level of negotiation and incentive allowance. Our opinion of value is an average and we consider there may be some adjustments for plot specific characteristics such as aspect, outlook and plot size. We have not however considered the pending planning application for further industrial warehouse development to the immediate east of the Property given this is yet to be approved and any potential impact on the individual plots nearby has not been taken into account.

Having regard to the foregoing, we are of the opinion, on a non-reliance basis, that the average Market Values of the individual freehold interests in the respective house types, on the Special Assumption that they are completed as at the Valuation Date, are:-

| Type      | Description       | Garage          | Beds | Size (sq ft) | Av. Market Value | £psf |
|-----------|-------------------|-----------------|------|--------------|------------------|------|
| Harper    | Semi Detached     | N/A             | 3    | 832          | £258,000         | £310 |
| Talbot    | Detached          | Integral Single | 3    | 994          | £330,000         | £332 |
| Roberts   | Semi Detached     | N/A             | 3    | 1,109        | £345,000         | £311 |
| Worrall   | Detached          | Integral Single | 4    | 1,129        | £370,000         | £328 |
| Cromwell  | Detached          | N/A             | 4    | 1,133        | £360,000         | £318 |
| Bower     | 3 Storey Semi     | Detached Single | 4    | 1,297        | £375,000         | £289 |
| Kenyon    | Detached          | Integral Single | 4    | 1,332        | £440,000         | £330 |
| Renshaw   | 3 Storey Detached | Detached Single | 3    | 1,501        | £465,000         | £310 |
| Eccleston | Detached          | Detached Single | 3    | 1,465        | £470,000         | £321 |
| Millward  | Detached          | Integral Double | 4    | 1,695        | £500,000         | £295 |

## Confidentiality and Publication

Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

We trust that the contents of this letter meet your requirements but, should you have any queries, please do not hesitate contact us.



Yours sincerely,

A handwritten signature in black ink that reads "M Kenyon".

Mabel Kenyon

**Director**

**For and on behalf of**

**Jones Lang LaSalle Limited**

A handwritten signature in black ink that reads "J Lockwood".

James Lockwood

**Director**

**For and on behalf of**

**Jones Lang LaSalle Limited**

# Appendices

Appendix 1.....General Terms and Conditions

Appendix 1.....General Principles

Appendix 1.....Definition of Market Value

Appendix 2.....South Heywood Phasing Plan

# General Principles

## Adopted in the preparation of Valuations and Reports

These General Principles should be read in conjunction with JLL's General Terms and Conditions of Business except insofar as this may be in conflict with other contractual arrangements.

### 1 RICS Valuation - Global Standards (effective 31 January 2020)

All work is carried out in accordance with the Professional Standards, Valuation Technical and Performance Standards and Valuation Applications contained in the current RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Global Standards 2017 – UK national supplement as applicable (“the RICS Red Book”), by valuers who conform to the requirements thereof. Our valuations may be subject to monitoring by the RICS. The valuations are undertaken by currently Registered RICS Valuers.

### 2 Valuation Basis:

Our reports state the purpose of the valuation and, unless otherwise noted, the basis of valuation is as defined in “the RICS Red Book”. The full definition of the basis, which we have adopted, is set out in our report and appended to these General Principles.

### 3 Assumptions and Special Assumptions:

Where we make an ‘assumption’ or ‘special assumption’ in arriving at our valuations, we define these terms in accordance with “the RICS Red Book” as follows:

**Assumption:** A supposition taken to be true.

**Special Assumption:** An assumption that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date.

We will not take steps to verify any assumptions.

### 4 Disposal Costs Taxation and Other Liabilities:

No allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages or other charges, which may be secured thereon. However, we take into account purchaser's costs in investment valuations in accordance with market conventions.

No allowance is made for the possible impact of potential legislation which is under consideration.

Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

### 5 Sources of Information:

Where we have been provided with information by the client, or its agents, we assume that it is correct and complete and is up to date and can be relied upon. We assume that no information that has a material effect on our valuations has been withheld.

In respect of valuations for loan security purposes, commissioned by a lending institution, we may also rely on information provided to us by the Borrower or its advisors. In such cases, we have similarly assumed that all information is correct, complete, up-to-date and can be relied upon and that no pertinent information has been withheld.

## 6 Title and Tenancy Information:

We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoing of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers. We have assumed that all information provided by the client, or its agents, is correct, up to date and can be relied upon.

## 7 Tenants:

Although we reflect our general understanding of a tenant's status in our valuations i.e. the market's general perception of their creditworthiness, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

## 8 Measurements/Floor Areas:

All measurement is carried out in accordance with either the International Property Measurement Standards (IPMS) or the Code of Measuring Practice (6th Edition) issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source. The areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor used by other parties without our written authorisation.

Where floor areas have been provided to us, we have relied upon these and have assumed that they have been properly measured in accordance with the International Property Measurement Standards (IPMS) or the Code of Measuring Practice referred to above.

## 9 Site Areas:

Site areas are generally calculated using proprietary digital mapping software and are based on the site boundaries indicated to us either at the time of our inspection, or on plans supplied to us. No responsibility is accepted if the wrong boundaries are indicated to us.

## 10 Estimated Rental Values:

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of capital value and is generally on the basis of Market Rent, as defined in "the RICS Red Book". Where circumstances dictate that it is necessary to utilise a different rental value in our capital valuation, we will generally set out the reasons for this in our report. Such a figure does not necessarily represent the amount that might be agreed by negotiation, or determined by an Expert, Arbitrator or Court, at rent review or lease renewal or the figure that might be obtained if the property or unit were being let on the open market.

## 11 Town Planning, Acts of Parliament and Other Statutory Regulations:

Information on town planning is, wherever possible, obtained either verbally from local planning authority officers or publicly available electronic or other sources. It is obtained purely to assist us in forming an opinion of capital value and should not be relied upon for other purposes. If reliance is required we recommend that verification be obtained from lawyers that:

- i the position is correctly stated in our report;
- ii the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities; and
- iii that there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and EC regulations, including fire regulations, access and use by disabled persons, control and remedial measures for asbestos in the workplace, the Energy Performance of Buildings Directive and any applicable bye laws. All buildings are assumed to have Energy Performance Certificates.

Our valuation does not take into account any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act 1972, or the Health and Safety at Work etc. Act 1974.

## **12 Structural Surveys:**

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we, therefore, do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects. Unless stated otherwise in our reports we assume any tenants are fully responsible for the repair of their demise either directly or through a service charge.

## **13 Modern Methods of Construction (MMC)**

If the subject property falls within the category of Modern Methods of Construction as defined by MHCLG (MMC), and we are not aware or made aware during the valuation process, we shall not be liable for any resulting loss or lending decision. We assume that any MMC properties have appropriate BOPAS accreditation or equivalent.

## **14 Deleterious Materials:**

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

## **15 Site Conditions:**

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

## **16 Environmental Contamination:**

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

## **17 Insurance:**

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. In particular, we will have regard to the following:

### Composite Panels

Insurance cover, for buildings incorporating certain types of composite panel may only be available subject to limitation, for additional premium, or unavailable. Information as to the type of panel used is not normally available. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

### Terrorism

Our valuations have been made on the basis that the properties are insured against risks of loss or damage including damage caused by acts of Terrorism as defined by the Terrorism Act 2000. We have assumed that the insurer, with whom cover has been placed, is reinsured by the Government backed insurer, Pool Reinsurance Company Limited.

### Flood and Rising Water Table

Our valuations have been made on the assumption that the properties are insured against damage by flood and rising water table. Unless stated to the contrary our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

#### 18 Outstanding Debts:

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

#### 19 Confidentiality and Third Party Liability:

Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

#### 20 Statement of Valuation Approach:

We are required to make a statement of our valuation approach. The following provides a generic summary of our approach.

The majority of institutional portfolios comprise income producing properties. We usually value such properties adopting the investment approach where we apply a capitalisation rate, as a multiplier, against the current and, if any, reversionary income streams. Following market practice we construct our valuations adopting hardcore methodology where the reversions are generated from regular short term uplifts of market rent. We would normally apply a term and reversion approach where the next event is one which fundamentally changes the nature of the income or characteristics of the investment. Where there is an actual exposure or a risk thereto of irrecoverable costs, including those of achieving a letting, an allowance is reflected in the valuation.

Vacant buildings, in addition to the above methodology, may also be valued and analysed on a comparison method with other capital value transactions where applicable.

Where land is held for development we adopt the comparison method when there is good evidence, and/or the residual method, particularly on more complex and bespoke proposals.

There are situations in valuations for accounts where we include in our valuation properties which are owner-occupied. These are valued on the basis of existing use value, thereby assuming the premises are vacant and will be required for the continuance of the existing business. Such valuations ignore any higher value that might exist from an alternative use.

**21 Capital Expenditure Requirement:**

Where buildings are undergoing works, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the client or their appointed specialist advisors.

**22 Goodwill, Fixtures and Fittings:**

Unless otherwise stated our valuation excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier.

**23 Plant and Machinery:**

No allowance has been made for any plant, machinery or equipment unless it forms an integral part of the building and would normally be included in a sale of the building.

**24 Services:**

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

**25 Land and Building Apportionments:**

When instructed, we will provide apportionments between land and buildings for depreciation purposes only. Such apportionments are not valuations and should not be used for any other purpose unless specified in the report.

**26 Portfolio Valuations:**

In respect of valuations of portfolios of properties, our overall valuation is an aggregate of the individual values of each individual property. The valuation assumes, therefore, that each property would be marketed as an individual property and not as part of a portfolio. Consequently no portfolio premium or discount has been reflected and any consequence of marketing a range of individual properties together has also not been reflected in our valuations. However, if adjoining or complementary properties might achieve a higher value by being marketed together (known as “prudent lotting”), we have reported the higher value that would emerge.

**27 Rating:**

Any information regarding rating has generally been obtained from the Valuation Office website. We will not investigate whether any rating assessment is a fair assessment or considered the likelihood of an appeal being successful.

**27 Plans and Maps:**

All plans and maps included in our report are strictly for identification purposes only, and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence and may include mapping data from Ordnance Survey © Crown Copyright. All rights are reserved.

# General Terms and Conditions of Business for Valuations

## 1. AGREEMENT

1.1. These Terms together with any Engagement set out the terms on which JLL will provide the Services to the Client. Each of the provisions provided in the Agreement are severable and distinct from the others.

1.2. The Engagement shall prevail to the extent of any conflict between the Terms, and the Engagement. The Agreement supersedes any previous arrangement concerning its subject matter. Unless the Parties agree otherwise, these Terms shall apply to any future instructions from the Client, although such instructions may be subject to a separate Engagement.

## 2. INTERPRETATION

The following definitions and rules of interpretation apply in these Terms:

### 2.1. Definitions

**“Affiliates”** includes in relation to either Party each and any subsidiary or holding company of that Party and each and any subsidiary of a holding company of that Party and any business entity from time to time controlling, controlled by, or under common control with, that Party, and **“holding company”** means a holding company as defined in section 1159 of the Companies Act 2006 or a parent undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006, and **“subsidiary”** means a subsidiary as defined in section 1159 of the Companies Act 2006 or a subsidiary undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006;

**“Agreement”** means any Engagement and these Terms together;

**“Client”** means the Party who enters into the Agreement with JLL;

**“Data Protection Legislation”** shall mean GDPR, Data Protection Act 2018. and any national laws, regulations and secondary legislation implementing or supplementing GDPR in force in the United Kingdom from time to time;

**“Engagement”** means the agreement, letter of engagement or engagement agreement or email and any schedules/appendices sent to the Client by JLL (or agreed in writing) which sets out details of the Services to be provided to the Client pursuant to the Agreement;

**“GDPR”** means the General Data Protection Regulation ((EU) 2016/679) retained as law in the United Kingdom by s.3 of the European Union (Withdrawal) Act 2018 and in this Agreement: “controller”, “processor”, “data subject”, “personal data”, “personal data breach”, “supervisory authority”, and

“processing” shall have the meaning set out in the GDPR, and references to “personal data” shall in addition mean personal data related to the Agreement.

**“Insolvent”** means in relation to:

- (a) a company (including any body corporate), that it:
  - (i) is unable to pay its debts as they fall due;
  - (ii) becomes or is deemed insolvent;
  - (iii) has a notice of intention to appoint an administrator filed at Court in respect of it, has an administrator appointed over, or has an administration order in relation to it, or has appointed a receiver or an administrative receiver over, or an encumbrancer takes possession of or sells the whole or part of its undertaking, assets, rights or revenue;
  - (iv) passes a resolution for its winding up or a court of competent jurisdiction makes an order for it to be wound up or dissolved or it is otherwise dissolved (other than a voluntary winding up solely for the purpose of a solvent amalgamation or reconstruction); or
  - (v) enters into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them or takes steps to obtain a moratorium or making an application to a court of competent jurisdiction for protection of its creditors;
- (b) a partnership, that it is dissolved by reason of the bankruptcy of one or more of its partners;
- (c) an individual, that they are bankrupt; or
- (d) a Party based outside England and Wales, that it is considered insolvent by the laws applicable to that Party;

**“JLL”** means Jones Lang LaSalle Limited of 30 Warwick Street London W1B 5NH registered in England and Wales with company number 01188567 and/or any Affiliate of JLL that provides the Services to the Client;

**“Materials”** means all materials, equipment, documents and other property of JLL made available to the Client by JLL in carrying out the Services;

**“Party”** means either the Client or JLL (as the context requires) and **“Parties”** shall mean both of them;

**“Services”** means the Services set out in the Engagement or as otherwise agreed in writing between the Parties;

**“Terms”** means these terms and conditions.

2.2. Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

2.3. A reference to a statute or statutory provision is a reference to it as it is in force as at the date of the Agreement and shall include all subordinate legislation made as at the date of the Agreement under that statute or statutory provision.

2.4. A reference to writing or written unless otherwise specified herein includes email.

2.5. Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6. Headings are for convenience only and do not affect the interpretation of this Agreement.

### **3. SERVICES**

3.1. JLL shall provide the Services using reasonable care and skill.

3.2. JLL has no obligation to provide any services other than the Services and has no obligation to provide nor any liability for:

- a) an opinion on the price of a property (unless specifically agreed in writing);
- b) any advice regarding the condition of a property (unless specifically agreed in writing);
- c) the security or management of a property unless specifically instructed to arrange it;
- d) the safety of any third party entering any premises; or
- e) the management or payment of any third party suppliers.

3.3. Where the Parties have agreed that JLL shall carry out estate agency business, JLL shall (i) report in writing all offers it receives regarding the relevant property; and (ii) comply with its obligations under the Estate Agents Act 1979 and regulations made under that Act together with any other similar laws and regulations.

3.4. Where agreed in writing JLL shall use reasonable endeavours to meet any performance dates. JLL shall not be responsible for any failure to meet performance dates due to

causes outside its reasonable control and time shall not be of the essence for the performance of the Services.

3.5. JLL shall have the right to make any changes to the Services which are necessary to comply with any applicable law, regulation, safety or public health requirement, or any applicable government guidance which do not materially affect the nature or quality of the Services and JLL shall notify the Client in any such event.

3.6. Without prejudice to clause 9.2(b), JLL will take all appropriate steps to identify, prevent or manage a conflict of interest that may arise in the course of business. In the event that an actual or potential conflict of interest is identified, JLL will recommend a course of action.

### **4. CLIENT OBLIGATIONS**

4.1. The Client shall:

- a) immediately notify JLL if any details or requirements set out in the Engagement are incomplete or inaccurate;
- b) co-operate with JLL in all matters relating to the Services;
- c) provide JLL, its employees, agents, consultants and subcontractors, with access to the relevant property as reasonably required by JLL to provide the Services; and
- d) obtain and maintain all necessary licences, permissions and consents which may be required by the Client before the date on which the Services are to start.

4.2. The Client shall promptly provide JLL with such information and materials as it may reasonably require in order to supply the Services and warrants that:

- a) such information is complete and accurate and was obtained and prepared in accordance with all applicable laws;
- b) it shall ensure that where the information and material include representations or descriptions of a property, that such information and material contain no misrepresentation or false impression;
- c) where the Client will advertise a property under JLL's logo, that such advertisement (including its content and context in which it will appear) is approved in writing by JLL prior to its publication; and

d) it shall immediately notify JLL on becoming aware of any changes or issues that may render inaccurate any information or material provided to JLL.

4.3. In the event of any act or omission by the Client in breach of the Agreement or failure by the Client to perform any relevant obligation (Client Default):

a) JLL shall without limiting its other rights or remedies have the right to suspend performance of the Services until the Client remedies the Client Default, and to rely on the Client to relieve JLL from the performance of any of its obligations to the extent the Client Default prevents or delays JLL's performance of any of its obligations; and

b) JLL shall not be liable for any costs or losses sustained or incurred by the Client arising directly or indirectly from the Client Default.

4.4. The Client is responsible for effecting and maintaining adequate property and public liability insurance in relation to its activities and any relevant properties owned or occupied by it and shall be responsible for the safety of any person entering the relevant properties.

4.5 Where the Client constitutes more than one legal person, the liability of such persons shall be joint and several.

## 5. PAYMENTS

5.1. Whenever possible, the fees and expenses (if known) for the Services shall be as set out in the Engagement. Where fees and expenses for the Services are not specified in writing, JLL shall be entitled to the fee specified by the Royal Institution of Chartered Surveyors (RICS) or if there is none specified, by any other applicable professional body chosen by JLL (acting in a reasonably commercial manner) or, if none is specified, a fair and reasonable fee by reference to time spent delivering the Services; and reimbursement of any expenses properly incurred by JLL on the Client's behalf.

5.2. All amounts payable by the Client under the Agreement are exclusive of value added tax (VAT) or similar taxes which the Client shall pay at the applicable rate.

5.3. In consideration of the provision of the Services, the Client shall pay each invoice submitted by JLL in accordance with the Agreement within 28 days from the date of invoice.

5.4. If the Client fails to settle any payment due to JLL under the Agreement by the due date for payment, then JLL reserves the right to charge late payment interest after the due date on the overdue amount at the rate of 4 per cent per annum above the

Bank of England's official bank rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Client shall pay the interest together with the overdue amount.

5.5. If the Agreement is terminated prior to the Services being completed, JLL shall, without limitation to its other rights and remedies under this Agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination.

## 6. INTELLECTUAL PROPERTY RIGHTS

6.1. JLL retains all copyright (and all other intellectual property rights) in all materials, reports, systems and other deliverables which it produces or develops for the purposes of this Agreement, or which it uses in the provision of the Services. For this purpose "**intellectual property rights**" means patents, utility models, rights to inventions, copyright and related rights, trademarks and service marks, trade names and domain names, trade secrets, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, including all applications for (and rights to apply for and be granted), renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world.

6.2. The Client shall have an irrevocable, royalty-free, non-exclusive licence to use the Materials for the purposes for which they are prepared by JLL, subject to JLL having received full payment for the Services in accordance with the Agreement. Such licence shall be capable of sub-licence by the Client to its employees, agents and subcontractors and shall survive termination. No third party has any right to use any such Materials without JLL's specific consent. JLL shall not be liable for the use of any Material for any purpose other than that for which JLL provided it to the Client.

6.3 Nothing in this clause 6 shall affect the Client's intellectual property rights that pre-exist the Services. The Client shall grant to JLL an irrevocable, royalty-free, non-exclusive, sub-licensable licence to use such pre-existing intellectual property rights for the purpose of carrying out the Services.

## 7. CONFIDENTIALITY

7.1 Except where disclosure is required by law, each party and that party's Affiliates must maintain the confidentiality of the other party's information and must not disclose any information

received in confidence from the other party for a period of three years (or any longer period if so required by law) after termination or expiry of this Agreement.

7.2 Where JLL delivers services to or is approached to deliver services to another party JLL shall not be required to use or disclose to the Client any information known to JLL, which is confidential to another party.

## **8. LIABILITY**

8.1. a) JLL shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with the Agreement and/or the Services;

b) JLL's total liability in respect of all losses arising out of or in connection with the Agreement and/or the Services, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5 million; and

c) nothing in the Agreement limits any liability which cannot legally be limited, including but not limited to, liability for: death or personal injury caused by negligence; or fraud or fraudulent misrepresentation.

8.2. JLL shall have no liability for the consequences, including delay in or failure to provide the Services:

a) due to any failure by the Client or any representative or agent of the Client to provide information or other material that JLL reasonably requires promptly, or where that information or material provided is inaccurate or incomplete;

b) to the extent that the Client or someone on the Client's behalf for whom JLL is not responsible is responsible, and where JLL is one of the parties liable in conjunction with others, JLL's liability shall be limited to the share of loss reasonably attributable to JLL on the assumption that all other parties pay the share of loss attributable to them (whether or not they do); or

c) due to any failure by the Client or any representative or agent of the Client to follow JLL's advice or recommendations.

8.3. JLL owes no duty of care and has no liability to anyone but the Client unless specifically agreed in writing by JLL.

## **9. TERMINATION**

9.1. Without limiting its other rights or remedies, either Party may terminate the Agreement by giving the other Party 28 days' written notice.

9.2. Without limiting its other rights or remedies, either Party may terminate the Agreement with immediate effect by giving written notice to the other Party if:

a) the other Party commits a material breach of the Agreement and (if such a breach is remediable) fails to remedy that breach within 14 days of that Party being notified in writing to do so;

b) a conflict of interest arises which prevents JLL continuing to act for the Client; or

c) the other Party becomes Insolvent.

9.3. Without limiting its other rights or remedies, JLL may suspend provision of the Services under the Agreement or any other contract between the Client and JLL if the Client becomes Insolvent, or JLL reasonably believes that the Client is about to become Insolvent, or if the Client fails to pay any amount due under the Agreement on the due date for payment.

9.4. On termination of the Agreement for any reason:

a) the Client shall immediately pay to JLL all of JLL's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted and associated expenses, JLL shall submit an invoice, which shall be payable by the Client immediately on receipt;

b) the Client shall return any Materials which have not been fully paid for;

c) JLL may, to comply with legal, regulatory or professional requirements, keep one copy of all Material which is what was supplied by or on behalf of the Client in relation to the Services;

d) the accrued rights, remedies, obligations and liabilities of the Parties as at expiry or termination shall be unaffected, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry; and

e) clauses which expressly or by implication survive termination shall continue in full force and effect.

9.5. JLL may destroy any hard copy and electronic files it has in its possession after six years from the earlier of completion of the Services or termination of the Agreement.

## **10. DATA PROTECTION**

10.1. JLL (including third parties as described in our Privacy Statement available at [www.jll.co.uk](http://www.jll.co.uk)) may process in hard copy and/or in electronic form, personal data regarding the Client, its officers and any other individuals connected with the Client ('Client Contacts'). It may also verify the identity of Client Contacts including carrying out checks with third parties such as financial probity, anti-money laundering or sanctions-checking agencies. To facilitate compliance with money laundering regulations and avoid duplication of due diligence, the Client acknowledges that JLL may share Client contacts' personal data with such third party agencies and JLL Affiliates.

10.2 Unless the Agreement and factual arrangements dictate otherwise, as between the Parties for the purposes of the Agreement, the Client is deemed to be the controller and JLL is deemed to be the processor. The Client will ensure that any transfer of personal data to JLL (and any sub-processors under clause 10.11) complies with the Data Protection Legislation. In providing the Services, JLL in its role as processor shall comply with the Data Protection Legislation as it relates to data processors. Nothing within the Agreement relieves either Party of its own direct responsibilities and liabilities under the Data Protection Legislation.

10.3 JLL shall not process personal data other than in relation to the documented instructions of the Client, unless it is required to process the personal data by any law to which it is subject. In such a case JLL shall inform the Client of that legal requirement before complying with it, unless that law prohibits JLL from doing so.

10.4 JLL shall ensure that it and any third party with access to the personal data has appropriate technical and organisational security measures in place, to guard against the unauthorised or unlawful processing of personal data and against the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, the personal data. Upon a written request, JLL shall provide to the Client a general description of the security measures it has adopted.

10.5 JLL shall take reasonable steps to ensure any person that has access to personal data is made aware of their responsibilities, and subject to enforceable duties of confidentiality.

10.6 JLL shall notify the Client without undue delay if it:

10.6.1 receives a request for access from an individual, or a request relating to any of the other individuals' rights available under the Data Protection Legislation, in respect of personal data;

10.6.2 receives any enquiry or complaint from a data subject, supervisory authority or third party regarding the processing of the personal data; and

10.6.3 becomes aware of a personal data breach affecting personal data, unless the breach is unlikely to result in a risk to the rights and freedoms of data subjects.

10.7 JLL shall assist and provide all information reasonably requested in writing by the Client in relation to data protection impact assessments or 'prior consultation' with supervisory authorities or matters under clause 10.6.

10.8 JLL shall maintain all the records and information necessary to demonstrate its compliance with the requirements set out in this clause 10.

10.9 JLL shall allow the Client (or its appointed auditor) to audit JLL's compliance with this clause 10. The Client agrees to give reasonable notice of any audit, to undertake any audit during normal business hours, to take steps to minimise disruption to JLL's business, and not exercise this right of audit more than once every year unless instructed otherwise by a supervisory authority.

10.10 JLL shall, upon receipt of a written request, from the Client delete or return all personal data at the end of the provision of the Services. JLL may retain copies of the personal data in accordance with any legal or regulatory requirements, or any guidance that has been issued in relation to deletion or retention by a supervisory authority.

10.11 JLL shall only engage a sub-processor where:

10.11.1 the Client has agreed in writing to the engagement of the sub-processor; or

10.11.2 the sub-processor is an Affiliate of JLL or a service provider engaged by JLL to support the infrastructure and administration of its business (with details maintained at <http://www.jll.co.uk/sub-processors>).

10.12 JLL shall ensure that any arrangements between JLL and a sub-processor are governed by a written contract including terms which offer at least the same level of protection for personal data as those set out in this clause. Where JLL intends to engage a new sub-processor under 10.11.2 and the Client objects, then the Client may choose to terminate the Services in accordance with clause 9.

10.13 In accordance with clause 12.1, JLL shall remain liable for the acts and omissions of its sub-processors.

10.14 JLL shall only transfer personal data outside the UK and European Economic Area where it has ensured the transfer complies with the Data Protection Legislation.

## 11. FORCE MAJEURE

11.1. Neither Party shall be liable to the other Party as a result of any delay or failure to perform its obligations under the Agreement as a result of any event beyond the reasonable control of either Party including strikes, lock-outs or other industrial disputes (whether involving the workforce of JLL or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, an international, national or regional emergency has been declared, a period of quarantine recommended or imposed by any applicable government, epidemic, pandemic, public health emergency, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

11.2. If such an event prevents either Party from performing any of their obligations under the Agreement for a period of more than four weeks, the affected Party shall, without limiting their other rights or remedies, have the right to terminate the Agreement immediately by giving written notice to the Party.

11.3. This clause does not apply to the payment of fees or expenses due to JLL by the Client.

## 12. GENERAL

12.1. **Subcontracting.** JLL may subcontract or deal in any other manner with all or any of its rights or obligations under the Agreement to any third party or agent provided that:

- (i) where JLL subcontracts or delegates its obligations at the specific request of the Client, JLL shall have no liability for the acts or omissions of the third party or agent; and
- (ii) otherwise, JLL shall remain liable for the acts or omissions of the third party or agent, unless the Client agrees to rely only on the third party or agent, such agreement not to be unreasonably withheld.

12.2. **Notices.** a) Any notice or other communication, including the service of any proceedings or other documents in any legal action given to a Party under or in connection with the Agreement shall be in writing, addressed to that Party at its registered office (if it is a company) or its principal place of business (in any other

case) or such other address as that Party may have specified to the other Party in writing in accordance with this clause, and shall be delivered personally or sent by pre-paid first class post or commercial courier. Any notice or other communication sent to a Party located in a different country to the sending Party must be sent by commercial courier;

- b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 12.2.a); if sent by pre-paid first class post at 9.00 am on the second business day after posting; or if sent by commercial courier, on the date and at the time that the courier's delivery receipt is signed. For this purpose, a business day means a day (other than a Saturday or Sunday) on which banks are open for business in London.

12.3. **Severance.** a) If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement;

- b) If any provision or part-provision of the Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

12.4. **Waiver.** A waiver of any right under the Agreement or law is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a Party in exercising any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict its further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

12.5. **No Partnership or Agency.** Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.

12.6. **Third parties.** Subject to clause 12.8, a person who is not a Party to the Agreement shall not have any rights to enforce the Agreement unless specifically agreed in writing.

12.7. **Variation.** Except as set out in these Terms, no variation of the Agreement, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by both Parties. Unless otherwise expressly agreed, variation of these Terms does not require the consent of any third party (whether any employee referred to in clause 12.8 or otherwise).

12.8. **Protection of Employees.** Save in respect of fraud or criminal conduct no employee of JLL or any Affiliate has any personal liability to the Client nor to anyone representing the Client. Neither the Client nor anyone representing the Client may make a claim or bring proceedings against an employee or former employee personally. Any such employee of JLL is entitled to enforce this provision pursuant to the Contracts (Rights of Third Parties) Act 1999.

12.9. **Directors.** Some employees of JLL have the title of “director”. The Client acknowledges that this does not mean they hold the office of director for the purposes of the Companies Act 2006. Rather, it means that they hold a senior role as an employee of JLL.

12.10. **Complaints.** JLL’s complaints procedure is available on request.

12.11. **Publicity.** Neither Party may publicise or issue any specific information to the media about the Services or the Agreement’s subject matter without the consent of the other.

12.12. **Criminal Activity.** To comply with the law and professional rules on suspected criminal activity JLL is required to verify the identity of its clients and understand their business. Upon request, the Client will promptly provide to JLL evidence of the Client’s identity, management or ownership. Where JLL is required by law to obtain similar evidence for another party to a transaction, the Client will provide all reasonable assistance to obtain such evidence. JLL may also need to provide such evidence to another party’s agents and the Client consents to the release of such information. If a Party fails to provide such evidence the transaction and Services may not be able to proceed. JLL is required by law to report to the appropriate authorities any knowledge or suspicion of money laundering or terrorist financing. JLL may be unable to inform the Client of any disclosure and may have to stop the Services for a period of time without explanation.

12.13. **Anti-bribery and corruption.** Both parties shall comply with all applicable laws, statutes, regulations, relating to

anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.

12.14. **RICS.** JLL is regulated by RICS for the provision of surveying services and agrees to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at [www.rics.org](http://www.rics.org). As a RICS regulated firm JLL has committed to cooperate with RICS to ensure compliance with its standards. JLL’s nominated RICS contact is Luis Campbell, Head of Compliance: [emeacompliance@eu.jll.com](mailto:emeacompliance@eu.jll.com).

12.16. **Governing Law.** The Agreement and any disputes arising from it (including non-contractual claims and disputes) are governed by English Law.

12.17. **Jurisdiction.** Each Party irrevocably agrees that the English courts shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

12.17. **Language.** These Terms are provided in English and JLL will communicate with the Client in English.

12.18. **Survival.** Clauses 5 to 10 shall survive termination of the Agreement.

# Market Value

Definition and Interpretive Commentary reproduced from the current RICS Valuation – Global Standards, VPS 4 and IVS Framework

## 1.1 Market Value

### 1.1.1 The definition of *Market Value* as defined in IVS 104 paragraph 30.1 is:

*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*

1.1.2 *Market value* is a basis of *value* that is internationally recognised and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the *valuation date*, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible – fuller treatment of this particular premise of value can be found at section 140 of IVS 104.

1.1.3 It ignores any price distortions caused by *special value* (an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*) or *marriage value*. It represents the price that would most likely be achievable for an asset across a wide range of circumstances. *Market rent* applies similar criteria for estimating a recurring payment rather than a capital sum.

1.1.4 In applying *market value*, regard must also be had to the requirement that the valuation amount reflects the actual market state and circumstances as of the effective *valuation date*. The full conceptual framework for *market value* can be found at paragraph 30.2 of IVS 104.

1.1.5 Notwithstanding the disregard of *special value*, where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the asset in the future, the impact of that expectation is reflected in *market value*. Examples of where the expectation of additional value being created or obtained in the future may have an impact on the *market value* include:

- the prospect of development where there is no current permission for that development and
- the prospect of marriage value arising from merger with another property or asset, or interests within the same property or asset, at a future date.

1.1.6 The impact on value arising by use of an *assumption* or *special assumption* should not be confused with the additional value that might be attributed to an asset by a *special purchaser*.

1.1.7 In some jurisdictions a *basis of value* described as 'highest and best use' is adopted and this may either be defined by statute or established by common practice in individual countries or states.

## IVS Framework

30.2 The definition of *Market Value* shall be applied in accordance with the following conceptual framework:

**(a) “the estimated amount”**

refers to a price expressed in terms of money payable for the *asset* in an arm’s length market transaction. *Market Value* is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser;

**(b) “an asset or liability should exchange”**

refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date;

**(c) “on the valuation date”**

requires that the value is time-specific as of a given date. Because markets and market conditions *may* change, the estimated value *may* be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

**(d) “between a willing buyer”**

refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”;

**(e) “and a willing seller”**

is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price *may* be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

**(f) “in an arm’s length transaction”**

is one between parties who do not have a particular or special relationship, eg parent and subsidiary companies or landlord and tenant that *may* make the price level uncharacteristic of the market or inflated. The Market Value transaction is presumed to be between unrelated parties, each acting independently;

**(g) “after proper marketing”**

means that the *asset* has been exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that *there must* have been sufficient time to allow the asset to be brought to the attention of an adequate number of market *participants*. The exposure period occurs prior to the valuation date;

**(h) “where the parties had each acted knowledgeably, prudently”**

presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the *asset*, its actual and potential uses, and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell *assets* in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

**(i) “and without compulsion”**

establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

- 30.3 The concept of Market Value presumes a price negotiated in an open and competitive market where the *participants* are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market *participants*. The market in which the asset is presumed exposed for sale is the one in which the *asset* notionally being exchanged is normally exchanged.
- 30.4 The Market Value of an *asset* will reflect its highest and best use. The highest and best use is the use of an *asset* that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use *maybe* for continuation of an *asset's* existing use or for some alternative use. This is determined by the use that a market *participant* would have in mind for the *asset* when formulating the price that it would be willing to bid.
- 30.5 The nature and source of the valuation inputs *must* be consistent with the basis of value, which in turn *must* have regard to the *valuation purpose*. For example, various approaches and methods *maybe* used to arrive at an opinion of value providing they use market-derived data. The market approach will, by definition, use market-derived inputs. To indicate Market Value, the income approach should be applied, using inputs and assumptions that would be adopted by participants. To indicate Market Value using the cost approach, the cost of an asset of equal utility and the appropriate depreciation should be determined by analysis of market-based costs and depreciation.
- 30.6 The data available and the circumstances relating to the market for the *asset* being valued *must* determine which valuation method or methods are most relevant and appropriate. If based on appropriately analysed market-derived data, each approach or method used *should* provide an indication of Market Value.
- 30.7 Market Value does not reflect attributes of an *asset* that are of value to a specific owner or purchaser that are not available to other buyers in the market. Such advantages *may* relate to the physical, geographic, economic or legal characteristics of an *asset*. Market Value requires the disregard of any such element of value because, at any given date, it is only assumed that there is a willing buyer, not a particular willing buyer.

## 1.2 Special Value

*Special value* is an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*.

A *special purchaser* is a particular buyer for whom a particular asset has *special value* because of advantages arising from its ownership that would not be available to other buyers in a market.

# Illustrative Phasing Plan

N.B. that the phase areas and timescales are indicative only, and may be updated from time to time, in consultation with Rochdale Council's Planning Department. The landscape to come forward with each phase. Each relevant Reserved Matters to specify the extent of adjacent Linear Corridor to be delivered alongside phase.

## 1st Commercial Building and spine road

- Submit June 2022
- Approval Aug 2022
- Start on site Dec 2022
- Complete Dec 2024

## 1st Earthworks

- Submit Nov 2020
- Approval June 2021
- Start on site July 2022
- Complete June 2023

## 3rd Commercial Building

- Submit Sept 2022
- Approval Jan 2023
- Start on Site Mar 2023
- Complete June 2024

## 2nd Commercial Building/s

- Submit Jan 2024
- Approval Apr 2024
- Start on Site May 2024
- Complete Nov 2025

## Harehill Road North

- Submit Nov 2025
- Approval Nov 2026
- Start on Site Jan 2027
- Complete Oct 2033

## 2nd Earthworks

- Submit Sept 2022
- Approval Jan 2023
- Start on Site Mar 2023
- Complete June 2023

## Collop Gate

- Submit RM Mar 2023
- Approval Jul 2023
- Start on site Aug 2023
- Completion Jul 2029

Green corridor to be delivered with each Reserved Matters Development Parcel

## South Heywood Link Road

- Start Sept 2020
- Finish Nov 2022

Green corridor to be delivered with each Reserved Matters Development Parcel

330 homes

228 homes

101 homes

61 homes

160 homes

120 homes

## Harehill Road Central

- Submit RM Oct 2026
- Approval April 2027
- Start of site May 2027
- Completion Jan 2033

## Manchester Road West

- Submit RM June 2021
- Approval May 2022
- Start on Site July 2022
- Complete Sept 2026

## Harehill Road

- Submit RM Dec 2020
- Approval May 2022
- Start on Site Aug 2022
- Complete Nov 2024

## Manchester Road East

- Submit RM Feb 2022
- Approval June 2022
- Start on Site Sept 2022
- Complete Oct 2025

Russell's transfer school land by occupation of 700th home (circa 2029). Rochdale Council to submit planning application.

All Public Open Space to be complete prior to occupation of 900th home (circa 2031)

Local Centre delivery (2024 - 2028)

Submit RMA Oct 2023

Approval March 2024

Start on Site May 2024

Local Centre  
Primary School

SOUTH HEYWOOD  
Illustrative Phasing Plan

Drawing / Rev: SP(90)119 / G  
Drawn by / Checked by: RK / DM  
Scale: NTS@A3  
Job: 4846



www.ibigroup.com

# Value and Risk Advisory

**We are value and risk advisory experts supporting you through the changing world of real estate.**

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26 September 2023

Dan Kershaw  
Russell Homes  
13 Westpoint Enterprise Park,  
Clarence Avenue,  
Trafford Park,  
Manchester,  
M17 1QS

Dear Dan,

**RE: Heywood Stores (Trammell Crow Company) Application - Ref 22/01410/FUL & South Heywood Planning Application 16/01399/HYBR (Russell Homes)**

I refer to the above and our recent conversation regarding the proposed planning application by Trammell Crow.

By way of background, Jones Lang LaSalle acted for Russell Homes during the marketing of the first housing phase of the South Heywood scheme (16/01399/HYBR), on land to the south of the new link road. This 156 unit phase was sold to Bellway in June 2022.

Accordingly, you have asked my opinion on the Heywood Stores proposals informed by our earlier agency and disposal advice following planning approval in March 2020 together with a high level market assessment.

**South Heywood Urban Extension**

This 320-acre urban extension to South Heywood will create new local jobs, improve accessibility to the M62 motorway and provide a range of new family homes and community facilities. The 15-year South Heywood Masterplan involves the creation of a new 2.2km link road from Junction 19 of the M62 motorway to the employment areas off Pilsworth Road. This was opened in November 2022. The masterplan will also provide up to 1,000 new family homes, including affordable houses, a new primary school, a new village retail centre, improved public transport provision, extensive public open space across the 130-hectare site and secures investments for enhanced local sports facilities.



*Illustrative Masterplan*

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### Proposed Applicant's Scheme

I understand that an application has been submitted to deliver up to 43,198m<sup>2</sup> (464,979 Sq Ft) of B8 employment space split across 3 units that adjoin the South Heywood site (Application - Ref 22/01410/FUL Heywood Stores). This is in the form of two smaller units with a shared party wall (**Units 1 and 2**) which have a finished floor level of approximately 129.2 metres. The ground to ridge height would be 15.4 metres.

The units would provide a total floor space of 8,224 square metres GIA and an additional 438 square metres of ancillary office space. The third unit (**Unit 3**) would have a finished floor level of 129.5 metres and the building would measure 280 metres in length and 116 metres in width. The ground to ridge height would be 17.6 metres and an eaves height generally of 16.3m. The unit would provide a total floor space of 32,527 square metres GIA and an additional 2,009 square metres of ancillary office space. It would have 35 dock access loading bays fronting west onto the approved housing scheme of the neighbouring South Heywood project.



Proposed Site Layout – drwg 21557-ASA-00-ZZ.ZZ-D-A-0003 (S3-P13)

## Visual Impact

The proposed buildings are significantly larger than the existing buildings on the site which have an average height that varies between 6m-10m to ridge above ground level. However, I understand from the Application that the ground levels on the site are being raised by a further 3m, compounding the impact of the larger buildings will have on adjacent premises.

We have reviewed the LVIA prepared by Barnes Walker on behalf of Russell Homes and the independently prepared Accurate Visual Representation (AVR) visualisations of the proposed Trammell Crow development prepared by Robert Lockhart Consultants.

The views illustrate what the proposed building massing will look like when viewed from the South Heywood site to the south and west.

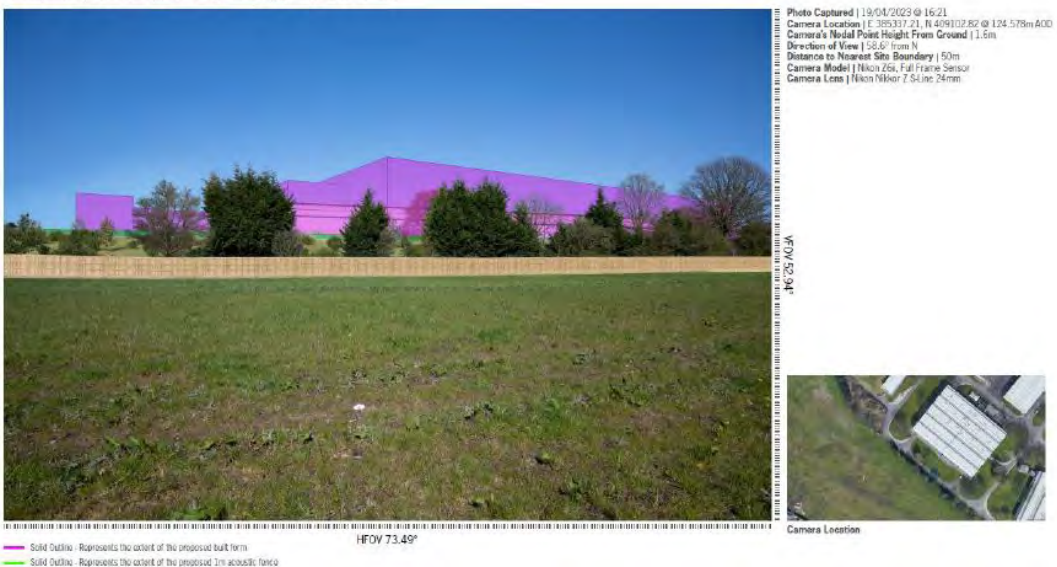
## Existing Building

Viewpoint 12 | Baseline Photograph



## Proposed Building

Viewpoint 12 | Proposed Development | Type 3 | AVR Level 1



Viewpoint 12 | Proposed Development | Type 3 | Illustrative Finishes



Photo Captured | 19/04/2023 @ 16:21  
 Camera Location | E 385337.21, N 409102.82 @ 124.578m AGL  
 Camera's Nodal Point Height From Ground | 1.6m  
 Direction of View | 56.6° from N  
 Distance to Nearest Site Boundary | 50m  
 Camera Model | Nikon Z6i, Full Frame Sensor  
 Camera Lens | Nikon Nikkor Z S-Line 24mm

VFOV 52.94°



Camera Location

HFOV 73.49°

— Solid Outline - Represents the extent of the proposed 1m acoustic fence

## Existing Building

Viewpoint 15 | Baseline Photograph



Photo Captured | 19/04/2023 @ 17:15  
 Camera Location | E 384988.46, N 409186.16 @ 128.847m AGL  
 Camera's Nodal Point Height From Ground | 1.6m  
 Direction of View | 89° from N  
 Distance to Nearest Site Boundary | 307m  
 Camera Model | Nikon Z6i, Full Frame Sensor  
 Camera Lens | Nikon Nikkor Z S-Line 50mm

VFOV 26.89°



Camera Location

HFOV 39.5°

## Proposed Building

Viewpoint 15 | Proposed Development | Type 3 | AVR Level 1



Viewpoint 15 | Proposed Development | Type 3 | Illustrative Finishes



## Market Assessment on the South Heywood Scheme

The South Heywood project is intended to create a high-quality place with community infrastructure, including, but not limited to; a new link road, a primary school, local centre, sports pitches, public open spaces, quality homes, employment and public transport.

The proposed houses are to be built on a garden suburb style with landscaping and open space being integral components of the scheme. The mix will consist of new larger homes and the accompanying design code sets out how this will be achieved.

Demand from house builders has been based around the high-quality design set out at the masterplan stage and the levels of social and environmental infrastructure that is being proposed.

The South Heywood Phasing Plan Drawing / Rev: SP(90)119 / G shows the Hareshill Road North phase (Phase 4) delivering 330 homes and the illustrative masterplan for this phase (4846\_SP(90)57 / C) shows housing directly adjacent to the boundary of the Heywood Stores site.

The proposed Heywood Stores warehouse application Ref 22/01410/FUL will have a significant impact on the neighbouring phases to the south and the west. Specifically Phase 6 (Hareshill Road 61 units); Phase 5 (Hareshill Central 101 units) and Phase 4 (Hareshill Road North 330 Units).

The proximity of the proposed Heywood Stores scheme to Phase 4 (Hareshill Road North 330 Units) will have the most significant impact. The proposed buildings will be visible from the link road and the site entrance, as the detailed verified images clearly show. This large industrial warehouse is not compatible with a high value housing scheme. It will create real and perceived operational issues associated with the light and noise from HGV's accessing the loading bays that front out onto the residential site.

A scheme of this nature, will operate 24 hours a day, seven days a week, and should not be proposed and built out this close to a sensitive receptor such residential use. The proposed warehouses are vast and imposing, which will impact on the general visual amenity of housing on this site. With 35 HGV loading bays facing onto the site this would adversely impact the amenity of new housing, and would create visual, highways and noise issues that cannot be mitigated against.

The scale, massing and operation of the proposed development is not contextual and would dominate and dwarf existing and proposed housing. I understand that technical consultants acting on behalf of the Council, have also raised major issues with the scale, massing and height of development and its impact on the area.

## Summary

The size of the proposed Heywood Stores building leads to a greater height and massing, and thus a more harmful visual impact. The size also directly correlates to operational intensity with the activity and impact facing out onto the approved Phase 4 housing scheme.

There will be both a perceived and real impact from the proposed Heywood Stores application. The buildings will be visible from the link road highway and the entrance to the Phase 4 site. This will be particularly worse for residential units which back on to the site.

Matters around noise, highways and design/visual impact will prejudice sales and homeowner demand.

Yours sincerely



**John Lafferty**  
Director - Planning & Development

## **Appendix 3    Baseline Viability Appraisal by Knight Frank LLP**

Land at Hareshill Road North, South Heywood  
Financial Viability Assessment - Baseline Appraisal  
330 Units, 100% OMV Housing, £325psf

**Land at Hareshill Road North, South Heywood**  
**Financial Viability Assessment - Baseline Appraisal**  
**330 Units, 100% OMV Housing, £325psf**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

| Sales Valuation                     | Units | ft²     | Sales Rate ft² | Unit Price | Gross Sales |
|-------------------------------------|-------|---------|----------------|------------|-------------|
| Estate Housing - 2 Storey Dwellings | 330   | 392,825 | 325.00         | 386,873    | 127,668,046 |

**NET REALISATION** **127,668,046**

**OUTLAY**

**ACQUISITION COSTS**

|                                                   |  |       |            |            |
|---------------------------------------------------|--|-------|------------|------------|
| Residualised Price (26.54 Acres 402,356.99 pAcre) |  |       | 10,678,554 |            |
|                                                   |  |       |            | 10,678,554 |
| Stamp Duty                                        |  |       | 523,428    |            |
| Agent Fee                                         |  | 1.00% | 106,786    |            |
| Legal Fee                                         |  | 0.80% | 85,428     |            |
|                                                   |  |       |            | 715,642    |

**CONSTRUCTION COSTS**

| Construction                        | ft²     | Build Rate ft² | Cost       |                   |
|-------------------------------------|---------|----------------|------------|-------------------|
| Estate Housing - 2 Storey Dwellings | 392,825 | 114.00         | 44,782,022 | <b>44,782,022</b> |
| Contingency                         |         | 3.00%          | 1,642,153  |                   |
| Attached / Detached Garage Costs    |         |                | 1,000,000  |                   |
| Statutory - S.106 Contributions     | 330 un  | 36,737.00 /un  | 12,123,210 |                   |
|                                     |         |                |            | 14,765,363        |

**Other Construction**

|                       |        |              |           |            |
|-----------------------|--------|--------------|-----------|------------|
| Standard Site Costs   |        | 20.00%       | 8,956,404 |            |
| Plot Connection Costs | 330 un | 3,500.00 /un | 1,155,000 |            |
| Site Abnormals        |        |              | 4,000,000 |            |
|                       |        |              |           | 14,111,404 |

**PROFESSIONAL FEES**

|                   |  |       |           |           |
|-------------------|--|-------|-----------|-----------|
| Professional Fees |  | 8.00% | 4,711,474 |           |
|                   |  |       |           | 4,711,474 |

**MARKETING & LETTING**

|           |  |       |         |         |
|-----------|--|-------|---------|---------|
| Marketing |  | 0.75% | 957,510 |         |
|           |  |       |         | 957,510 |

**DISPOSAL FEES**

|                 |  |       |           |           |
|-----------------|--|-------|-----------|-----------|
| Sales Agent Fee |  | 1.00% | 1,276,680 |           |
| Sales Legal Fee |  | 0.50% | 638,340   |           |
|                 |  |       |           | 1,915,021 |

**FINANCE**

|                                                 |  |  |           |           |
|-------------------------------------------------|--|--|-----------|-----------|
| Debit Rate 8.000%, Credit Rate 0.000% (Nominal) |  |  |           |           |
| Land                                            |  |  | 6,286,526 |           |
| Construction                                    |  |  | 3,210,926 |           |
| Total Finance Cost                              |  |  |           | 9,497,452 |

**TOTAL COSTS** **102,134,443**

**PROFIT** **25,533,603**

**Performance Measures**

|                                     |               |
|-------------------------------------|---------------|
| Profit on Cost%                     | 25.00%        |
| Profit on GDV%                      | 20.00%        |
| Profit on NDV%                      | 20.00%        |
| IRR                                 | 16.20%        |
| Profit Erosion (finance rate 8.000) | 2 yrs 10 mths |

## **Appendix 4      Scenario 2 Viability Appraisal by Knight Frank LLP**

Land at Hareshill Road North South Heywood  
Financial Viability Assessment - Scenario 2 Appraisal  
330 Units, 100% OMV Housing £300 psf

**Land at Hareshill Road North South Heywood**  
**Financial Viability Assessment - Scenario 2 Appraisal**  
**330 Units, 100% OMV Housing £300 psf**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

| Sales Valuation                     | Units | ft²     | Sales Rate ft² | Unit Price | Gross Sales |
|-------------------------------------|-------|---------|----------------|------------|-------------|
| Estate Housing - 2 Storey Dwellings | 330   | 392,825 | 300.00         | 357,113    | 117,847,427 |

**NET REALISATION** **117,847,427**

**OUTLAY**

**ACQUISITION COSTS**

|                                                   |  |       |           |           |  |
|---------------------------------------------------|--|-------|-----------|-----------|--|
| Residualised Price (26.54 Acres 215,758.60 pAcre) |  |       | 5,726,233 |           |  |
|                                                   |  |       |           | 5,726,233 |  |
| Stamp Duty                                        |  |       | 275,812   |           |  |
| Agent Fee                                         |  | 1.00% | 57,262    |           |  |
| Legal Fee                                         |  | 0.80% | 45,810    |           |  |
|                                                   |  |       |           | 378,884   |  |

**CONSTRUCTION COSTS**

| Construction                        | ft²     | Build Rate ft² | Cost       |                   |            |
|-------------------------------------|---------|----------------|------------|-------------------|------------|
| Estate Housing - 2 Storey Dwellings | 392,825 | 114.00         | 44,782,022 | <b>44,782,022</b> |            |
| Contingency                         |         | 3.00%          | 1,642,153  |                   |            |
| Attached / Detached Garage Costs    |         |                | 1,000,000  |                   |            |
| Statutory - S.106 Contributions     | 330 un  | 36,737.00 /un  | 12,123,210 |                   |            |
|                                     |         |                |            |                   | 14,765,363 |
| <b>Other Construction</b>           |         |                |            |                   |            |
| Standard Site Costs                 |         | 20.00%         | 8,956,404  |                   |            |
| Plot Connection Costs               | 330 un  | 3,500.00 /un   | 1,155,000  |                   |            |
| Site Abnormals                      |         |                | 4,000,000  |                   |            |
|                                     |         |                |            |                   | 14,111,404 |

**PROFESSIONAL FEES**

|                   |  |       |           |           |  |
|-------------------|--|-------|-----------|-----------|--|
| Professional Fees |  | 8.00% | 4,711,474 |           |  |
|                   |  |       |           | 4,711,474 |  |

**MARKETING & LETTING**

|           |  |       |         |         |  |
|-----------|--|-------|---------|---------|--|
| Marketing |  | 0.75% | 883,856 |         |  |
|           |  |       |         | 883,856 |  |

**DISPOSAL FEES**

|                 |  |       |           |           |  |
|-----------------|--|-------|-----------|-----------|--|
| Sales Agent Fee |  | 1.00% | 1,178,474 |           |  |
| Sales Legal Fee |  | 0.50% | 589,237   |           |  |
|                 |  |       |           | 1,767,711 |  |

**FINANCE**

|                                                 |  |  |           |           |  |
|-------------------------------------------------|--|--|-----------|-----------|--|
| Debit Rate 8.000%, Credit Rate 0.000% (Nominal) |  |  |           |           |  |
| Land                                            |  |  | 3,479,064 |           |  |
| Construction                                    |  |  | 3,671,903 |           |  |
| Total Finance Cost                              |  |  |           | 7,150,967 |  |

**TOTAL COSTS** **94,277,915**

**PROFIT** **23,569,512**

**Performance Measures**

|                                     |               |
|-------------------------------------|---------------|
| Profit on Cost%                     | 25.00%        |
| Profit on GDV%                      | 20.00%        |
| Profit on NDV%                      | 20.00%        |
| IRR                                 | 17.46%        |
| Profit Erosion (finance rate 8.000) | 2 yrs 10 mths |

# **Appendix 5      Scenario 3 Viability Appraisal by Knight Frank LLP**

Land at Hareshill Road North, South Heywood  
Financial Viability Assessment - Scenario 3  
264 Units, 100% OMV Housing £325psf

**Land at Hareshill Road North, South Heywood**  
**Financial Viability Assessment - Scenario 3**  
**264 Units, 100% OMV Housing £325psf**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

| Sales Valuation                     | Units | ft²     | Sales Rate ft² | Unit Price | Gross Sales |
|-------------------------------------|-------|---------|----------------|------------|-------------|
| Estate Housing - 2 Storey Dwellings | 264   | 314,260 | 325.00         | 386,873    | 102,134,437 |

**NET REALISATION** **102,134,437**

**OUTLAY**

**ACQUISITION COSTS**

|                                                   |  |       |           |           |
|---------------------------------------------------|--|-------|-----------|-----------|
| Residualised Price (26.54 Acres 270,697.63 pAcre) |  |       | 7,184,315 |           |
|                                                   |  |       |           | 7,184,315 |
| Stamp Duty                                        |  |       | 348,716   |           |
| Agent Fee                                         |  | 1.00% | 71,843    |           |
| Legal Fee                                         |  | 0.80% | 57,475    |           |
|                                                   |  |       |           | 478,033   |

**CONSTRUCTION COSTS**

| Construction                        | ft²     | Build Rate ft² | Cost       |                   |
|-------------------------------------|---------|----------------|------------|-------------------|
| Estate Housing - 2 Storey Dwellings | 314,260 | 114.00         | 35,825,618 | <b>35,825,618</b> |
| Contingency                         |         | 3.00%          | 1,319,722  |                   |
| Attached / Detached Garage Costs    |         |                | 1,000,000  |                   |
| Additional Landscape Buffer         |         |                | 750,000    |                   |
| Statutory - S.106 Contributions     | 264 un  | 36,737.00 /un  | 9,698,568  |                   |
|                                     |         |                |            | 12,768,290        |
| <b>Other Construction</b>           |         |                |            |                   |
| Standard Site Costs                 |         | 20.00%         | 7,165,124  |                   |
| Plot Connection Costs               | 264 un  | 3,500.00 /un   | 924,000    |                   |
| Site Abnormals                      |         |                | 4,000,000  |                   |
|                                     |         |                |            | 12,089,124        |

**PROFESSIONAL FEES**

|                   |  |       |           |           |
|-------------------|--|-------|-----------|-----------|
| Professional Fees |  | 8.00% | 3,833,179 |           |
|                   |  |       |           | 3,833,179 |

**MARKETING & LETTING**

|           |  |       |         |         |
|-----------|--|-------|---------|---------|
| Marketing |  | 0.75% | 766,008 |         |
|           |  |       |         | 766,008 |

**DISPOSAL FEES**

|                 |  |       |           |           |
|-----------------|--|-------|-----------|-----------|
| Sales Agent Fee |  | 1.00% | 1,021,344 |           |
| Sales Legal Fee |  | 0.50% | 510,672   |           |
|                 |  |       |           | 1,532,017 |

**FINANCE**

|                                                 |  |  |           |           |
|-------------------------------------------------|--|--|-----------|-----------|
| Debit Rate 8.000%, Credit Rate 0.000% (Nominal) |  |  |           |           |
| Land                                            |  |  | 4,337,902 |           |
| Construction                                    |  |  | 2,893,065 |           |
| Total Finance Cost                              |  |  |           | 7,230,967 |

**TOTAL COSTS** **81,707,551**

**PROFIT** **20,426,885**

**Performance Measures**

|                                     |               |
|-------------------------------------|---------------|
| Profit on Cost%                     | 25.00%        |
| Profit on GDV%                      | 20.00%        |
| Profit on NDV%                      | 20.00%        |
| IRR                                 | 16.50%        |
| Profit Erosion (finance rate 8.000) | 2 yrs 10 mths |

# **Appendix 6      Scenario 4 Viability Appraisal by Knight Frank LLP**

Land at Hareshill Road North, South Heywood  
Financial Viability Assessment - Scenario 4  
264 Units, 100% OMV Housing £300psf

**Land at Hareshill Road North, South Heywood**  
**Financial Viability Assessment - Scenario 4**  
**264 Units, 100% OMV Housing £300psf**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

| Sales Valuation                     | Units | ft²     | Sales Rate ft² | Unit Price | Gross Sales |
|-------------------------------------|-------|---------|----------------|------------|-------------|
| Estate Housing - 2 Storey Dwellings | 264   | 314,260 | 300.00         | 357,113    | 94,277,941  |

**NET REALISATION** **94,277,941**

**OUTLAY**

**ACQUISITION COSTS**

|                                                   |       |  |           |           |
|---------------------------------------------------|-------|--|-----------|-----------|
| Residualised Price (26.54 Acres 121,144.33 pAcre) |       |  | 3,215,171 |           |
|                                                   |       |  |           | 3,215,171 |
| Stamp Duty                                        |       |  | 150,258   |           |
| Agent Fee                                         | 1.00% |  | 32,152    |           |
| Legal Fee                                         | 0.80% |  | 25,721    |           |
|                                                   |       |  |           | 208,132   |

**CONSTRUCTION COSTS**

| Construction                        | ft²     | Build Rate ft² | Cost       |                   |
|-------------------------------------|---------|----------------|------------|-------------------|
| Estate Housing - 2 Storey Dwellings | 314,260 | 114.00         | 35,825,618 | <b>35,825,618</b> |
| Contingency                         |         | 3.00%          | 1,319,722  |                   |
| Attached / Detached Garage Costs    |         |                | 1,000,000  |                   |
| Additional Landscape Buffer         |         |                | 750,000    |                   |
| Statutory - S.106 Contributions     | 264 un  | 36,737.00 /un  | 9,698,568  |                   |
|                                     |         |                |            | 12,768,290        |
| <b>Other Construction</b>           |         |                |            |                   |
| Standard Site Costs                 |         | 20.00%         | 7,165,124  |                   |
| Plot Connection Costs               | 264 un  | 3,500.00 /un   | 924,000    |                   |
| Site Abnormals                      |         |                | 4,000,000  |                   |
|                                     |         |                |            | 12,089,124        |

**PROFESSIONAL FEES**

|                   |       |           |           |
|-------------------|-------|-----------|-----------|
| Professional Fees | 8.00% | 3,833,179 |           |
|                   |       |           | 3,833,179 |

**MARKETING & LETTING**

|           |       |         |         |
|-----------|-------|---------|---------|
| Marketing | 0.75% | 707,085 |         |
|           |       |         | 707,085 |

**DISPOSAL FEES**

|                 |       |         |           |
|-----------------|-------|---------|-----------|
| Sales Agent Fee | 1.00% | 942,779 |           |
| Sales Legal Fee | 0.50% | 471,390 |           |
|                 |       |         | 1,414,169 |

**FINANCE**

|                                                 |  |           |           |
|-------------------------------------------------|--|-----------|-----------|
| Debit Rate 8.000%, Credit Rate 0.000% (Nominal) |  |           |           |
| Land                                            |  | 2,014,665 |           |
| Construction                                    |  | 3,346,918 |           |
| Total Finance Cost                              |  |           | 5,361,583 |

**TOTAL COSTS** **75,422,349**

**PROFIT** **18,855,592**

**Performance Measures**

|                                     |               |
|-------------------------------------|---------------|
| Profit on Cost%                     | 25.00%        |
| Profit on GDV%                      | 20.00%        |
| Profit on NDV%                      | 20.00%        |
| IRR                                 | 17.90%        |
| Profit Erosion (finance rate 8.000) | 2 yrs 10 mths |