

Viability Assessment

Oakenrod, Rochdale

August 2022



RogerHannah

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1. Introduction

1.1 Instructions

Roger Hannah, incorporating Grasscroft Development Solutions from September 2021, has been instructed by Hallmark Developments to provide a financial viability assessment in respect of its proposed development at Oakenrod, Rochdale.

This report has been prepared to support a planning application and considers the financial impact of the proposed planning obligations on the proposed scheme.

We understand that the report will be submitted to Rochdale Borough Council as part of the planning application for this development.

1.2 RICS Compliance

In accordance with the RICS Professional Statement, Financial viability in planning: conduct and reporting (2019), we can confirm the following:

- The persons involved in the preparation and review of this report are suitably qualified professionals that have extensive experience advising on viability matters across the region
- There are no conflicts of interest that affect our independent opinion being provided
- We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information

We can also confirm that we have had reference to and followed the best practice recommendations in the RICS Guidance Note, Assessing viability in planning under the National Planning Policy Framework 2019 for England (2021).

1.3 Reporting

The following suitably qualified professionals have produced and reviewed this report:

Author:

A handwritten signature in black ink, appearing to read 'J Mistry'.

.....
Jessica Mistry BA(Hons) MSc
Senior Surveyor

Reviewer:

A handwritten signature in black ink, appearing to read 'L Mackay'.

.....
Laura Mackay BA (Hons) MA MRICS
Director

2. Executive Summary

Site	Oakenrod, Rochdale, OL11 4HS		
Scheme	52 residential dwellings for market sale		
GDV	The total GDV for the scheme equates to £11,810,000, which we have adopted within appraisal. This equates to an average price of £229 per sq ft across the proposed house types.		
Build Costs	We have adopted an 'all in' base build cost of £138 per sq ft for the proposed development. Further details of the base build costs are provided in Section 7 of this report.		
Abnormal Costs	We have included an allowance of £150,000 for site remediation works.		
Profit	We have adopted a developers profit of 20% on GDV		
Benchmark Land Value	We have adopted a Benchmark Land Value of £913,500 (£150,000 per acre) for the site.		
Appraisal Results –		Appraisal 1 – Policy Compliant	Appraisal 2 – Applicant's Proposal
	Benchmark Land Value	£913,500	£913,500
	Residual Land Value	(£54,326)	£731,593
	Viability Concern	Yes	Marginal

3. Site Information

3.1 Location

The proposal site is located approximately 1.3 miles to the northwest of Rochdale town centre. Rochdale comprises a large town within the administrative area of Greater Manchester, with a population of 107,926 (Census). Manchester city centre is approximately 13.5 miles to the southwest.

Rochdale benefits from the level of amenities and facilities commensurate of a town of its size including the recent Rochdale Riverside development. Manchester city centre affords the employment, retail and leisure expected of a major city.

Rochdale is well-connected with the A58, A664 and A627(M) running through. The M62 and M66 are also in proximity, connecting to the wider motorway network beyond.

The nearest railway station is Rochdale Railway Station, which provides regular services to Manchester Victoria. Metrolink tram services also run from Rochdale town centre and provide regular services to Manchester city centre and the surrounding areas.

Included below is a map showing the sites location within the region.



Figure 2: Location Plan (Source – Google Maps)

3.2 The Site

The application site extends to approximately 6.09 acres (2.46 hectares) and is accessed via Bury Road (B6222). The majority of the application site is vacant land and is in part previously developed as a former school which has now been demolished. There are also electricity pylons and wooded areas on site.

The site has a varied topography. It is bordered by River Roch to the south, residential properties and adjoining scrub land to the west, Bury Road to the north and Bridgefield Street to the east.

The approximate site boundaries are outlined on the plan below.

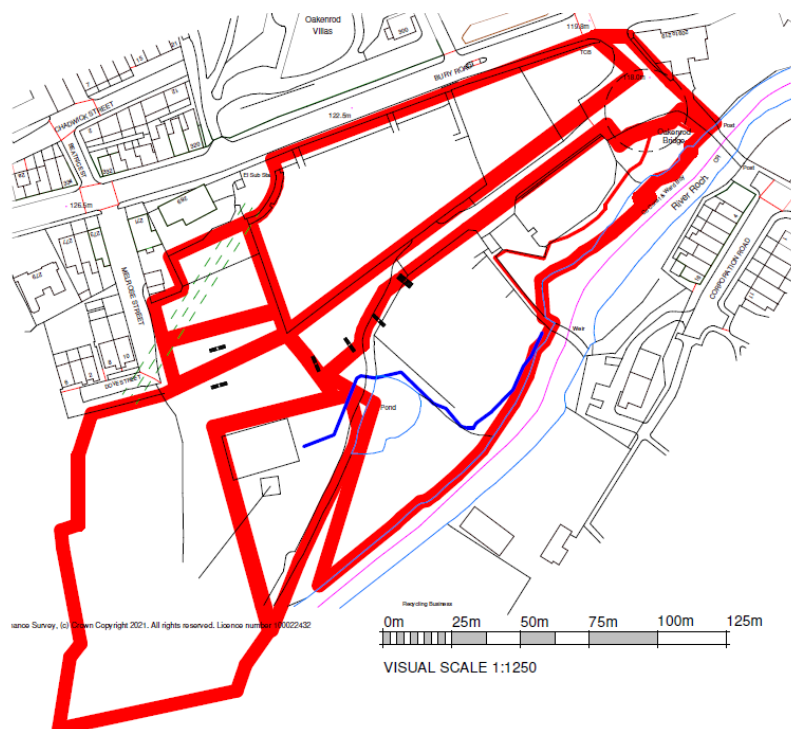


Figure 4: Site Plan

3.3 Proposed Development

The proposed scheme comprises the development of 52 dwellings, providing a mix of 1 bedroom apartments and 2, 3 and 4-bedroom houses.

The proposed development layout is illustrated at Figure 5 below.



Figure 5: Proposed Development Layout

The table below shows the proposed mix and total sales area:

Type	Beds	Sqm	Sq ft	No. Units	Total Sq ft
A	1b2p	48	515	2	1,030
A	1b2p	51	550	2	1,100
B	2b4p	74	800	12	9,600
C	3b5p	88	950	14	13,300
D	4b6p	111	1,200	4	4,800
E	3b Split level	110	1,189	6	7,134
F	3b Split level	112	1,210	12	14,520
Total				52	51,484

Figure 6: Schedule of Accommodation

3.4 Planning Policy

In this section we set out the planning policy which is relevant in respect of viability. The Rochdale Core Strategy was adopted in October 2016. It is the lead document in the Local Plan. The Unitary Development Plan ("UDP") from the 1996 – 2016 Local Plan is still in place until the Allocations Development Plan is adopted.

Rochdale forms part of the Greater Manchester Combined Authority and is one of the nine Local Authorities that is progressing with the Places for Everyone ("Pfe") Joint Development Plan, which is due to set out a strategic policy framework for employment, new homes, and infrastructure up to 2037. The Pfe publications were the subject of a public consultation period in late 2021, with responses submitted to the Planning Inspector(s) as part of the Examination in Public, which is expected to take place later in 2022.

3.4.1 Affordable Housing

Policy C4 of the Core Strategy sets out the affordable housing policy for Rochdale. The Council's current affordable housing policy seeks a contribution of 7.5% of the development sales value of the overall scheme for all developments of 15 dwellings or more. We have included this contribution in our policy compliant financial appraisal.

3.4.2 Community Infrastructure Levy

We understand that the Council currently do not have an adopted CIL charging schedule. The development will therefore not be liable for this charge.

3.4.3 S106 Contributions

To date, we have not been provided with any additional S106 contributions for the proposed development.

4. Viability in Planning Guidance

4.1 National Planning Policy Framework

Paragraph 57 of the National Planning Policy Framework (NPPF), which was last updated in 2019, states the following:

“where up to date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”

The NPPF places emphasis on assessing viability at the plan-making stage, but also sets out that it may also be required at the decision-making stage. It refers to the methodology set out in the Planning Practice Guidance (PPG), which we consider below.

4.2 Planning Practice Guidance

The PPG in respect of viability, which was last updated in 2019, defines a viability assessment at Paragraph 010 as:

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

The preferred method is to assess viability at the plan-making stage through the use of a typology approach. Paragraph 004 states:

“Plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of sites and current and proposed use or type of development . . . Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.”

The guidance requires standardised inputs to be used when assessing viability in relation to Gross Development Value (GDV), costs (construction costs and planning policy related costs), developer's return and Benchmark Land Value (BLV), each of which will be assessed within this report. The BLV is to be assessed as the Existing Use Value (EUV) plus a minimum premium for the landowner.

The PPG also states that viability may also need to be assessed at the application stage, with paragraph 007 stating:

“Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.”

Paragraph 008 goes on to say that:

“The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and sites circumstances

including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.”

The PPG also sets out a clear need for strategic sites to be individually tested, with paragraph 005 stating:

“It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic policies of the plan. This could include, for example, large sites, sites that provide a significant proportion of planning supply, sites that enable or unlock other development sites or sites within priority regeneration areas.”

4.3 RICS Assessing viability in planning under the NPPF 2019

We have referred to the best practice recommendations within this Guidance Note, dated 2021, which provides clarifications in relation to the PPG standardised input approach. It sets out the need to use residual appraisals to assess viability in planning, using the following diagram to demonstrate this:

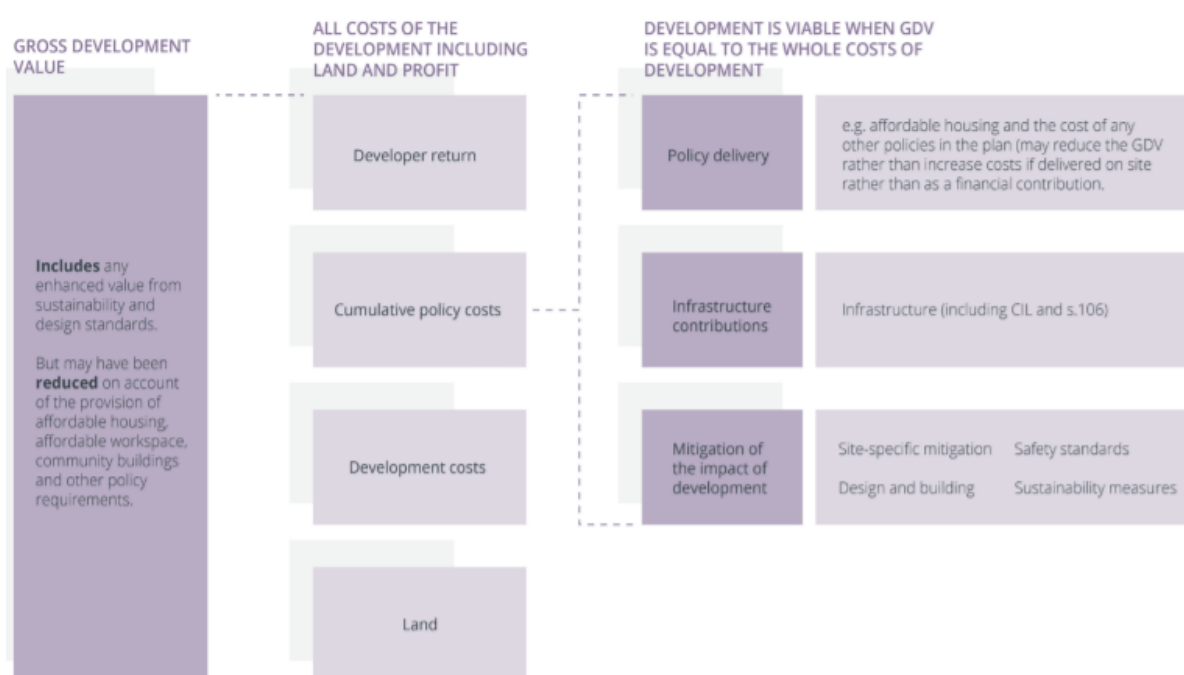


Figure 1: RICS Residual Valuation Framework (Source – RICS)

This Guidance Note is clear that the NPPF and PPG are the ‘authoritative requirement’, providing clarity on the application of this relevant guidance and the relevance to other RICS guidance, including the following:

- RICS Professional Statement, Financial viability in planning: conduct and reporting (2019)
- RICS Guidance Note, Valuation of development property (2019)
- RICS Guidance Note, Comparable evidence in real estate valuation (2019)
- RICS Professional Statement, RICS Valuation – Global Standards ‘Red Book’ (2020)

It also provides additional guidance on the Benchmark Land Value (BLV), which should be assessed through a five-stage process:

1. Assess the EUV – the Market Value of the property is in existing use, excluding hope value
2. Assess the Alternative Use Value (AUV) where appropriate
3. Assess the premium above EUV
4. Determine the residual value of the site, assuming policy compliance, to cross check against the EUV and assessment of the premium
5. Reference land transaction evidence to sense check the EUV and assessment of the premium

We can confirm that we have had reference to the contents of this guidance and followed the best practice recommendations set out within it.

4.4 RICS Financial viability in planning: conduct and reporting

This Professional Statement, dated 2019, sets out a number of mandatory requirements in Section 2 that apply when assessing viability in planning, which we summarise as follows:

- All inputs into an appraisal must be reasonably justified with as much good quality evidence as possible. Where a reviewer disagrees with a submitted assessment and/or elements in it, differences must be clearly set out with supporting and reasonable justification. Where possible, practitioners should always try to resolve differences of opinion.
- In respect of the benchmark land value RICS members must report the existing use value, premium, market evidence and all supporting considerations, assumptions and justifications adopted, as well as alternative use value (if appropriate).
- All viability assessment must include a sensitivity analysis
- A non-technical summary of the report should be provided, which includes key figures and conclusions, so that non-specialists can better understand them
- RICS members must advocate reasonable, transparent and appropriate engagement between the parties.

We can confirm that we have had regard to the mandatory reporting requirements within this Professional Statement.

5. Methodology

5.1 Site Specific Viability Assessment

In accordance with the scenarios set out in the PPG, we have undertaken a site-specific assessment of viability for the following reasons:

- The adopted Local Plan evidence base is considered out of date
- Additional information is now available in respect of infrastructure or sites costs, compared to the assumptions adopted at the plan-making stage

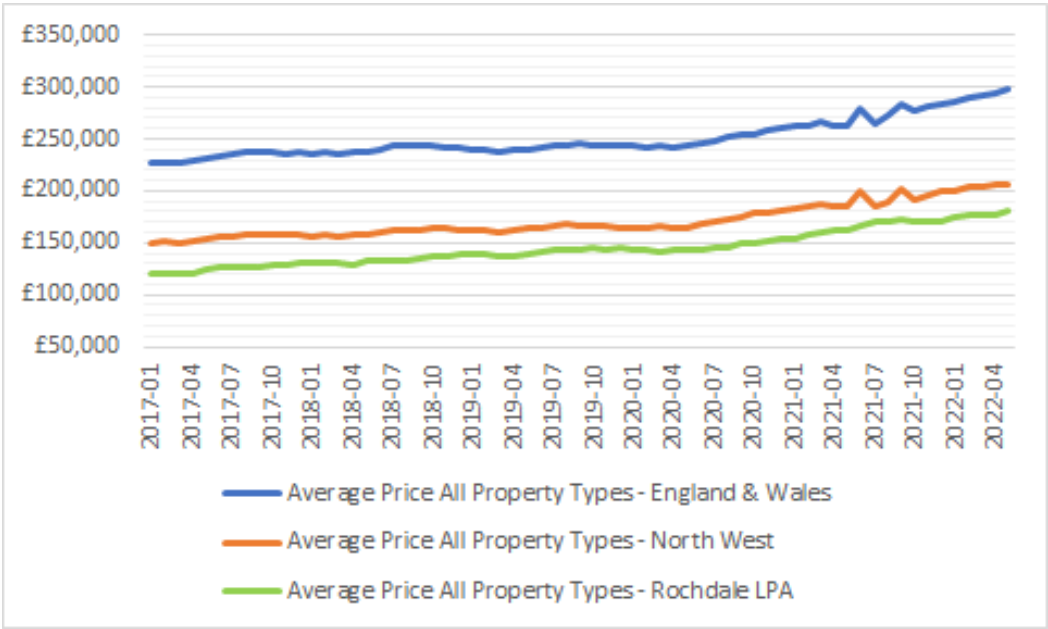
5.2 Adopted Methodology

As per the PPG and RICS guidance, we have adopted the residual method to assess site viability. This is based on the following calculation:

Gross Development Value – (Costs + Developer's Return) = Residual Value

We have also established the Benchmark Land Value (BLV) as appropriate for assessing viability. Should the residual value be below the BLV, which represents the minimum return a reasonable landowner can expect, the development is deemed to be unviable and changes to planning policy are likely to be required to ensure that the development is delivered. We have therefore also assessed what level of planning obligations can be delivered in order for the BLV to be achieved, therefore resulting in a viable development.

6. Gross Development Value

Method	The PPG states the following: <i>“Gross development value is an assessment of the value of development. For residential development this may be total sales and/or capitalised net rental income from developments . . . For viability assessment of specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used”</i> The RICS Guidance Note also defines this as follows: <i>“The aggregate market value of the proposed development, assessed on the special assumption that the development is complete on the date of valuation in the market conditions prevailing pm that date.”</i> Based on the above, we have therefore calculated the GDV and structured the appraisal based on the tenure mix below: • 52 x Market Sale Units
Approach	We have undertaken a review of the market values of the units in the locality.
Sales Market Overview	The graph below displays the average sold values for all property types in England and Wales, the Northwest and in the Rochdale Local Authority area. It shows that values for all property types are consistently below the national and regional average. Property prices have since experience significant growth over the last couple of years following the start of the Covid-19 pandemic, which resulted in a surge in demand for housing. The average price for properties as of May 2022 is c. £182,000 in the Rochdale Local Authority area, c.£205,000 in the Northwest and c. £297,000 in England and Wales.  The market research we have had regard to is provided at Appendix I and summarised below:

	New Build Development	Average Asking Price £ psf	Average Achieved Price £ psf						
	Private Developer - Holland Street, Heywood OL10 4JZ	£239	N/A						
	Taylor Wimpey - East Hollinsfield, Middleton M24 5LF	N/A	£250						
	Gleeson Homes - Hill Top Park, Rochdale OL11 2SB	N/A	£172						
	Gleesons - Beaconsfield Road, Rochdale OL11 2WE	N/A	£176						
	Keepmoat - Willow Park, Middleton M24 5QP	N/A	£247						
	Roche BS - Middle Starring, Littleborough OL15 8FH		£181						
GDV Summary	Following a detailed review of the local and regional markets the open market sales values in the table below have been adopted. The values adopted are reflective of the site being situated in a lower value area being surrounded by industrial uses and second-hand housing stock.								
	Type	Beds	Sqm	Sq ft	No. Units	Total Sq ft	Market Value	£ psf	Total GDV
	A	1b2p	48	515	2	1030	£115,000	£223	£230,000
	A	1b2p	51	550	2	1100	£120,000	£218	£240,000
	B	2b4p	74	800	12	9600	£185,000	£231	£2,220,000
	C	3b5p	88	950	14	13300	£220,000	£232	£3,080,000
	D	4b6p	111	1200	4	4800	£280,000	£233	£1,120,000
	E	3b Split level	110	1189	6	7134	£270,000	£227	£1,620,000
	F	3b Split level	112	1210	12	14520	£275,000	£227	£3,300,000
	Total				52	51484		£229	£11,810,000
	The total GDV for the scheme equates to £11,810,000, which we have adopted within appraisal. This equates to an average price of £229 per sq ft across the proposed house types.								

7. Residual Appraisals

We have undertaken a residual appraisal of the proposed development and the following scenarios:

1. Proposed scheme (52 units) tested on a policy compliant basis (7.5% of GDV affordable housing contribution)
2. Applicants' proposal which assumes 100% private sale and excludes the 7.5% contribution towards affordable housing

Appraisal Assumptions																	
GDV	The total GDV for the scheme equates to £11,810,000, which we have adopted within appraisal. This equates to an average price of £229 per sq ft across the proposed house types.																
Base Build Costs	For this assessment, we have had reference to BCIS data as well as own experience and current knowledge of base build costs. The site is being developed by a small-scale developer who does not benefit from economies of scale and in-house expertise to that of a larger housebuilder, we have therefore assumed the mid-range between the 'Mean' and 'Lower Quartile' BCIS rates (see Appendix 2) which equates to £120 psf. BCIS includes preliminaries but excludes external works. We have therefore allowed for external works at 15% above the base build. Assuming the above, we have adopted an all-in build cost of £138 per sq ft. The rate utilised makes allowances for the following: • Basic superstructure costs • Nominal strip footing foundations • Plot development costs (including provision of utilities, driveways, formation of curtilage parking spaces and gardens, boundary treatments to properties) • The rate includes for builders' preliminary costs (site management, all welfare facilities, site office, construction utilities, etc.) • Standard estate roads and sewers In addition to the above base build, we have allowed for £292,226 of Part L costs. This is based on the below cost assumptions for the different house types which have been indexed linked from the previous figure set out in Option 2 of the Future Homes Standard consultation document (2019) issued by the Government. <table> <tr> <th>House Type</th><th>Gov. Cost (2019)</th><th>BCIS Indexed Cost</th></tr> <tr> <td>Detached</td><td>£6,520</td><td>£6,838</td></tr> <tr> <td>Semi-detached</td><td>£4,850</td><td>£5,087</td></tr> <tr> <td>Terrace</td><td>£4,740</td><td>£4,971</td></tr> <tr> <td>Apartments</td><td>£2,260</td><td>£2,370</td></tr> </table>		House Type	Gov. Cost (2019)	BCIS Indexed Cost	Detached	£6,520	£6,838	Semi-detached	£4,850	£5,087	Terrace	£4,740	£4,971	Apartments	£2,260	£2,370
House Type	Gov. Cost (2019)	BCIS Indexed Cost															
Detached	£6,520	£6,838															
Semi-detached	£4,850	£5,087															
Terrace	£4,740	£4,971															
Apartments	£2,260	£2,370															
Abnormal Costs	As advised by the applicant, we have included an allowance of £150,000 for site remediation works during the pre-construction stage of development. It should be noted that the above cost is indicative, and should the Applicant undertake a detailed study of the abnormal costs at a later stage, we reserve the right to review the costs adopted.																

Contingency	Considering the challenges and risk that are associated with brownfield sites, it is considered that a reasonably prudent developer would require a contingency to be included within their appraisal at this stage of the development cycle. A contingency sum equating to 3% has been allowed. This is considered conservative in the context of increasing build cost inflation.
Professional Fees	In accordance with standard industry practice, a provision equating to 7% of the build cost has been allowed which reflects the significant infrastructure and master planning work that is required to deliver a scheme of the size and nature. This figure will cover the following professional costs: • Architect • Landscape Architect • Engineer (Civil and Structural) • Traffic Engineer • Highways Engineer • Legal Fees (draft S106 agreement etc.) • Topographical Survey • Site Investigations • Ecological Reports • NHBC or other building warranty costs • Planning application fee • Building Regulations application fee • Arboriculture Surveys/Reports • Planning Consultant • Viability Consultant
Section 106 Costs	We have allowed for a sum equal to 7.5% of GDV as a contribution towards affordable housing in the policy compliant appraisal. This equates to a total contribution of £885,750.
CIL	Not applicable
Finance Costs	We have assumed a debit rate of 6.5% and a credit rate of 0%.
Disposal Costs	We have assumed a sales and marketing cost of 3%. This provides a budget towards sales agent fees, a show house/apartment, website, advertisement, and other marketing initiatives. We have also allowed for sales legal fees at £650 per unit. These are considered to be standard market assumptions.
Site Acquisition Costs	Stamp Duty at HMRC prevailing rates, £10,000 for agent fees and £5,000 for legal fees.
Profit Margin	Depending on the type and risks associated with a scheme, development profit typically ranges between 17.5-20% of Gross Development Value (GDV) as advocated in National Planning Guidance on Viability. The level of profit should be considered in the round of the assumptions made within an appraisal and should reflect the risk in bringing the development forward.

	We have adopted a developers profit of 18.5% on GDV across the whole development. We consider the level of profit appropriate to reflect the risk associated with bringing forward development on a brownfield site and the general risks around build cost inflation and cost forecasts. The profit also reflects the scheme being developed by a smaller scale developer who is exposed to greater risk than a larger housebuilder.
Timescales	We have assumed the following timing assumptions • Pre-construction –3 months to allow for the discharge of planning conditions and commencement on site. • Construction – 19 months • Sales – 17 months phased at 3 units per month (first sale 6-month into construction) • Total – 26 months

8. Benchmark Land Value

8.1 Method

In any typical viability assessment, a benchmark land value is used to assess whether or not a scheme is viable. Paragraph 013 of the PPG states that:

“A benchmark land value should be established on the basis of the Existing Use Value (EUV), plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell the land for development while allowing a sufficient contribution to fully comply with policy requirement.”

This is often referred to as the EUV+ approach, which we have adopted in this case.

The EUV is defined in Paragraph 015 of the PPG as:

“the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types.”

It is clear that the EUV is the value of the land in its current use and we had reference to comparable market evidence as appropriate.

In respect of the minimum premium, paragraph 016 of the PPG states that:

“the premium (or the ‘plus’ in EUV+) is the second component of benchmark land value. It is the amount above the existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.”

The PPG goes on to state that:

“Benchmark land value should:

- *Be based upon existing use value*
- *Allow for a premium to landowners (including equity release from those building their own homes)*
- *Reflect the implications of abnormal costs, site-specific infrastructure costs; and professional site fees” (Paragraph 014)*

“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements.” (Paragraph 013)

There are therefore a number of factors that need to be considered when assessing the BLV. There is a need to reflect abnormal costs and planning policy, but there is also a need to consider a reasonable minimum level of return in order to incentivise landowners to release their land for development. These factors can be at odds with each other and the PPG is clear that there is a need to “strike a balance” between the interests of Local Councils, developers and landowners in order to ensure that land is released for development.

It should also be noted that the PPG is clear that the actual price paid is not relevant for the purpose of viability assessment.

The latest RICS Guidance Note relating to viability in planning, dated 2021, provides additional guidance on the approach to Benchmark Land Value (BLV), which should be assessed through a five-stage process:

1. Assess the EUV – the Market Value of the property in its existing use, excluding hope value
2. Assess the Alternative Use Value (AUV) where appropriate

3. Assess the premium above EUV
4. Determine the residual value of the site, assuming policy compliance, to cross check against the EUV and assessment of the premium
5. Reference land transaction evidence to sense check the EUV and assessment of the premium

We have considered all of the relevant guidance in our assessment of BLV.

8.2 Benchmark Land Value

As mentioned above, the site extends to approximately 6.09 acres (2.46 hectares) and is previously developed having been a former school which has now been demolished.

Brownfield benchmark land values for previously developed sites generally range between £150,000 to £250,000 per acre in the context of viability for planning purposes.

For the purposes of this appraisal and the site being situated in a lower value area surrounding industrial and second-hand housing stock, we have adopted a land value of £150,000 per acre. This provides an overall benchmark land value of £913,500 for the site.

9. Results & Sensitivity Analysis

Appraisal 1 – Policy Compliant	The residual land value for the scheme including the policy compliant affordable housing sum of 7.5% produces a negative land value significantly below the benchmark land value. The development is therefore unviable on this basis.
Appraisal 2 – Applicant's Proposal	The financial assessment undertaken shows that with 100% market sale, the scheme produces a land value of c. £732,000 which remains below the benchmark land value. The scheme is therefore considered marginal on this basis.
Sensitivity Analysis	The RICS Practice Statement requires that all FVAs and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation in respective calculations on viability, having regard to risks and an appropriate return(s). This is to: • allow both the Applicant and decision maker to consider how changes in inputs to a financial appraisal affect viability, and • understand the extent of these results, to arrive at an appropriate conclusion on viability of the application scheme. We consider the most likely scenario based on forecast data is that sales values would increase, but this inflation in sales values is likely to be matched or outstripped by build cost inflation. An increase in sales values and build cost by 2.5% still equates to a residual land value below the BLV on a policy compliant basis (see Appendix 3).

10. Conclusions

We have summarised the appraisal results in comparison to the BLV in the table below:

	Appraisal 1 – Policy Compliant	Appraisal 2 – Applicant's Proposal
Benchmark Land Value	£913,500	£913,500
Residual Land Value	(£54,326)	£731,593
Viability Concern	Yes	Marginal

The appraisals contained within this report represent a robust assessment of the viability of a residential development on the subject site (see Appendix 3)

This report has been produced utilising a recognised appraisal software package. Due regard has been given to guidance published by the RICS, and the NPPF/NPPG.

The residual land value for the scheme including the policy compliant affordable housing sum of 7.5% produces a negative land value significantly below the benchmark land value. The development is therefore unviable on this basis.

The financial assessment undertaken shows that with 100% market sale, the scheme produces a land value of c. £732,000 which remains below the benchmark land value. The scheme is therefore considered marginal on this basis. We are therefore of the opinion that the policy requirements associated with the scheme in order for the development to be considered viable and deliverable.

11. Compliance

This report is provided for general informative purposes only and only for the use of the party to whom it is addressed. It is confidential to the client and may not be disclosed to any other third party without our prior written consent. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report. Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our prior approval of the form and context in which it will appear.

This report does not constitute a formal valuation and should not be relied upon as such. Values can change over a short period of time and our findings should be considered valid for a limited time period. Our conclusions are based on the assumptions provided and information available at the time of the report. We have verified the information relied upon to the best of our ability and relied upon our experience of the property markets. Some information may be unavailable at the time of writing or is provided to us on a verbal or informal basis and the accuracy therefore cannot be guaranteed.

APPENDICES

Appendix I – Market Research

Market Research

Average Price & Volume of Sales

Source: Land Registry

2022	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 4	£411,812	8	£188,333	3	£148,571	7	£99,950	1	£263,129	19
Total	£411,812	8	£188,333	3	£148,571	7	£99,950	1	£263,129	19

2021	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 4	£352,944	20	£224,831	27	£113,248	30	£80,242	6	£204,918	83
Total	£352,944	20	£224,831	27	£113,248	30	£80,242	6	£204,918	83

2020	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 4	£336,029	17	£182,985	17	£120,105	21	£81,237	4	£197,803	59
Total	£336,029	17	£182,985	17	£120,105	21	£81,237	4	£197,803	59

2019	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 4	£326,714	21	£165,108	18	£102,958	24	£90,650	3	£190,544	66
Total	£326,714	21	£165,108	18	£102,958	24	£90,650	3	£190,544	66

2018	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 4	£302,520	23	£169,092	19	£110,793	29	£109,791	11	£177,944	82
Total	£302,520	23	£169,092	19	£110,793	29	£109,791	11	£177,944	82

2017	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 4	£275,163	30	£127,456	25	£85,684	25	£73,536	11	£158,157	91
Total	£275,163	30	£127,456	25	£85,684	25	£73,536	11	£158,157	91

2016	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 4	£313,016	21	£147,203	32	£85,553	19	£66,681	8	£168,035	80
Total	£313,016	21	£147,203	32	£85,553	19	£66,681	8	£168,035	80

New Build Availability

3. Private Developer - Holland Street, Heywood OL10 4JZ

House Name	Bedrooms	Type	Storeys	Asking Price	Size (ft²)	Gross Asking Price (ft²)
House Type A	2	Terraced	2	£174,950	731	£239
Average Asking Value (ft²)						£239

New Build Sold

1. Taylor Wimpey - East Hollinsfield, Middleton M24 5LF

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft ²)	Gross Sale Price (ft ²)
85	Daford	3	Terraced	Nov-20	£195,995	764	£256
92	Flatford	3	Semi-detached	Dec-20	£222,995	872	£256
93	Flatford	3	Semi-detached	Dec-20	£224,995	872	£258
88	Flatford	3	Semi-detached	Dec-20	£231,995	872	£266
80	Lydford	4	Detached	Feb-21	£293,995	1098	£268
91	Lydford	4	Detached	Dec-20	£284,995	1098	£260
97	Lydford	4	Semi-detached	Apr-21	£299,995	1098	£273
96	Alton G	3	Semi-detached	Apr-21	£252,995	1109	£228
95	Alton G	3	Semi-detached	Mar-21	£255,995	1109	£231
82	Alton G	3	Semi-detached	Feb-21	£253,995	1109	£229
81	Alton G	3	Semi-detached	Feb-21	£255,995	1109	£231
83	Kentdale	4	Detached	Jan-21	£300,995	1227	£245
94	Kentdale	4	Detached	Mar-21	£306,995	1227	£250
Average Sale Price (ft ²)							£250

2. Gleeson Homes - Hill Top Park, Rochdale OL11 2SB

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft ²)	Gross Sale Price (ft ²)
52	201	2	Semi-detached	Apr-21	£128,995	646	£200
54	201	2	Semi-detached	May-21	£117,995	646	£183
56	201	2	Semi-detached	Dec-20	£105,995	646	£164
58	201	2	Semi-detached	Dec-20	£105,995	646	£164
62	201	2	Semi-detached	Dec-20	£105,995	646	£164
64	201	2	Semi-detached	Dec-20	£105,995	646	£164
68	202	2	Semi-detached	Dec-20	£106,995	667	£160
70	202	2	Semi-detached	Dec-20	£107,995	667	£162
161	202	2	Semi-detached	Sep-20	£100,995	667	£151
163	202	2	Semi-detached	Sep-20	£106,995	667	£160
169	202	2	Semi-detached	Nov-20	£106,995	667	£160
60	301	3	Semi-detached	Dec-20	£132,995	764	£174
66	301	3	Semi-detached	Dec-20	£130,995	764	£171
72	301	3	Semi-detached	Oct-20	£130,995	764	£171
159	301	3	Semi-detached	Sep-20	£119,995	764	£157
171	301	3	Semi-detached	Nov-20	£106,995	764	£140
1	301	3	Semi-detached	Oct-20	£121,995	764	£160
2	301	3	Semi-detached	Oct-20	£142,995	764	£187
8	303	3	Semi-detached	Feb-21	£134,995	775	£174
10	303	3	Semi-detached	Jan-21	£134,995	775	£174
27	303	3	Detached	Aug-20	£147,995	775	£191
33	303	3	Detached	Dec-20	£162,995	775	£210
49	303	3	Semi-detached	Dec-20	£137,995	775	£178
51	303	3	Semi-detached	Dec-20	£140,995	775	£182
157	303	3	Semi-detached	Sep-20	£131,995	775	£170
47	309	3	Detached	Mar-21	£164,995	818	£202
53	309	3	Detached	Nov-20	£152,995	818	£187
74	309	3	Semi-detached	Oct-20	£139,995	818	£171
31	404	4	Detached	Sep-20	£178,995	1044	£171
25	401	4	Detached	Aug-20	£194,995	1066	£183
45	401	4	Detached	Mar-21	£194,995	1066	£183
57	401	4	Detached	Apr-21	£194,995	1066	£183
123	401	4	Detached	Aug-20	£192,995	1066	£181
29	405	4	Detached	Aug-20	£182,995	1173	£156
155	405	4	Detached	Sep-20	£182,995	1173	£156
179	405	4	Detached	Dec-20	£187,995	1173	£160
Average Sale Price (ft ²)						£172	

3. Gleasons - Beaconsfield Road, Rochdale OL11 2WE

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft ²)	Gross Sale Price (ft ²)
47	201	2	Semi-detached	Dec-20	£112,995	646	£175
65	201	2	Semi-detached	Oct-20	£109,995	646	£170
11	202	2	Semi-detached	Sep-20	£109,995	667	£165
22	301	3	Semi-detached	Dec-20	£137,995	764	£181
63	301	3	Semi-detached	Oct-20	£133,995	764	£175
59	301	3	Terraced	Jul-20	£127,995	764	£167
7	309	3	Detached	Aug-20	£151,995	818	£186
51	309	3	Detached	Dec-20	£161,995	818	£198
58	309	3	Terraced	Jul-20	£137,995	818	£169
Average Sale Price (ft ²)							£176

4. Keepmoat - Willow Park, Middleton M24 5QP

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft ²)	Gross Sale Price (ft ²)
150	649	2	Semi-detached	Apr-21	£164,995	649	£254
152	649	2	Semi-detached	Apr-21	£162,995	649	£251
158	649	2	Semi-detached	Apr-21	£164,995	649	£254
156	832vl	3	Semi-detached	Apr-21	£189,995	832	£228
Average Sale Price (ft ²)							£247

5. Roche BS - Middle Starring, Littleborough OL15 8FH

Plot No.	House Name	Bedrooms	Type	Sale Date	Sale Price	Size (ft ²)	Gross Sale Price (ft ²)
1c	1c	5	Detached	Dec-20	£650,000	3337	£195
1bh	1bh	5	Detached	May-21	£675,000	2842	£238
1a	1a	5	Detached	May-21	£350,000	2863	£122
2c	2c	5	Detached	Jan-21	£400,000	2842	£141
1b	1b	5	Detached	Jan-21	£695,000	3337	£208
Average Sale Price (ft ²)							£181

Second Hand Sales

Search criteria: within 1 miles of postcode OL11 4EG. Sales Completed within past 12 months.

Source: HM Land Registry

Address	Last sale price	Last sale date	Property type	Bedrooms
12, Ullswater Avenue, Rochdale OL12 7DU	£158,208	10/12/2021	Semi-detached	2 to 3
14, Pike Street, Rochdale OL11 1PB	£70,000	17/12/2021	Terraced	2 to
4, Sudden Street, Rochdale OL11 4PD	£79,000	31/01/2022	Terraced	2 to 3
22, Foot Wood Crescent, Rochdale OL12 6PB	£367,500	11/02/2022	Detached	
23, Oulder Hill Drive, Rochdale OL11 5LB	£330,000	21/01/2022	Semi-detached	3 to 4
8, Laurie Place, Rochdale OL12 0RL	£50,000	21/01/2022	Terraced	3 to
9, Links View, Rochdale OL11 4DD	£225,000	04/02/2022	Semi-detached	2 to 3
36, Holmes Street, Rochdale OL12 6AQ	£115,000	20/12/2021	Terraced	2 to 3
10, Abingdon Close, Rochdale OL11 3PX	£70,000	02/12/2021	Terraced	2 to 3
139, Churchill Street, Rochdale OL12 7DL	£135,000	03/12/2021	Terraced	2 to 3
353, Edenfield Road, Rochdale OL11 5YY	£135,000	22/12/2021	Terraced	2 to 3
359, Edenfield Road, Rochdale OL11 5YY	£170,000	27/01/2022	Terraced	
73a, Deeplish Road, Rochdale OL11 1PQ	£138,000	07/12/2021	Terraced	3 to
29, Cronkeyshaw Road, Rochdale OL12 0RF	£70,000	19/01/2022	Terraced	2 to
19, Cutgate Road, Rochdale OL12 7NL	£125,000	11/01/2022	Semi-detached	2 to 3
15, Jephys Street, Rochdale OL12 0JH	£85,000	15/03/2022	Terraced	2 to 3
8, Oulder Mount, Rochdale OL11 5LL	£290,000	22/02/2022	Semi-detached	3 to 4
66, Sparth Bottoms Road, Rochdale OL11 4HT	£80,000	03/12/2021	Terraced	3 to
68, Birchfield Drive, Rochdale OL11 4NY	£275,000	20/12/2021	Detached	3 to 4
46, Marland Fold, Rochdale OL11 4RF	£325,000	18/02/2022	Detached	
7, St Aidans Close, Rochdale OL11 4PR	£160,000	09/03/2022	Semi-detached	3 to
57, Haslam Street, Rochdale OL12 6QQ	£115,000	14/12/2021	Terraced	3 to
21, Holborn Street, Rochdale OL11 4NF	£80,000	04/02/2022	Terraced	2 to 3
18, Norwich Avenue, Rochdale OL11 5JZ	£385,000	31/03/2022	Detached	
98, Deeplish Road, Rochdale OL11 1PQ	£70,000	14/04/2022	Terraced	
19, Bamford Court, Rochdale OL11 4BX	£83,000	21/04/2022	Terraced	1 to
80, Birchfield Drive, Rochdale OL11 4NY	£304,500	19/01/2022	Detached	3 to
492, Bury Road, Rochdale OL11 4DG	£510,000	18/03/2022	Detached	
27, Sudley Road, Rochdale OL11 4PY	£152,000	03/12/2021	Terraced	3 to
12, Beaufort Street, Rochdale OL12 7EP	£97,500	10/12/2021	Terraced	2 to 3
46, Beaufort Street, Rochdale OL12 7EP	£160,000	15/12/2021	Semi-detached	3 to 4
Flat 12, St. Clements Court, 159, Sandy Lane, Rochdale OL11 4JX	£54,500	14/01/2022	Flat	1 to
Flat 9, St. Clements Court, 159, Sandy Lane, Rochdale OL11 4JX	£54,500	14/01/2022	Flat	1 to
22, Marland Hill Road, Rochdale OL11 4PQ	£180,000	25/03/2022	Semi-detached	2 to
Flat 30, Stonevale Court, Dicken Green Lane, Rochdale OL11 4JX	£85,000	25/03/2022	Flat	2 to 3
61, Mizzy Road, Rochdale OL12 6HW	£85,000	20/12/2021	Terraced	2 to
8, Kenion Road, Rochdale OL11 5JX	£260,000	16/03/2022	Semi-detached	3 to
28, Taunton Avenue, Rochdale OL11 5LD	£191,000	31/03/2022	Terraced	2 to 3
22, Fieldhead Avenue, Rochdale OL11 5JU	£312,500	08/04/2022	Semi-detached	3 to
417, Bury Road, Rochdale OL11 5EU	£200,000	16/03/2022	Terraced	3 to
16, Greenhill Avenue, Rochdale OL12 6QJ	£125,000	25/03/2022	Semi-detached	3 to
4, Derwent Street, Rochdale OL12 0RR	£83,100	07/01/2022	Terraced	2 to 3
26, Innes Close, Rochdale OL12 7BA	£235,000	17/12/2021	Detached	
200, Kensington Street, Rochdale OL11 1QS	£125,000	03/12/2021	Terraced	3 to
15, Winifred Street, Rochdale OL12 7ND	£162,500	06/12/2021	Terraced	3 to
20, Bolton Road, Rochdale OL11 4PB	£100,000	14/02/2022	Terraced	2 to 3
13, Holborn Street, Rochdale OL11 4NF	£102,500	24/02/2022	Terraced	2 to 3
32, Mons Avenue, Rochdale OL11 5BQ	£187,000	23/03/2022	Terraced	2 to 3

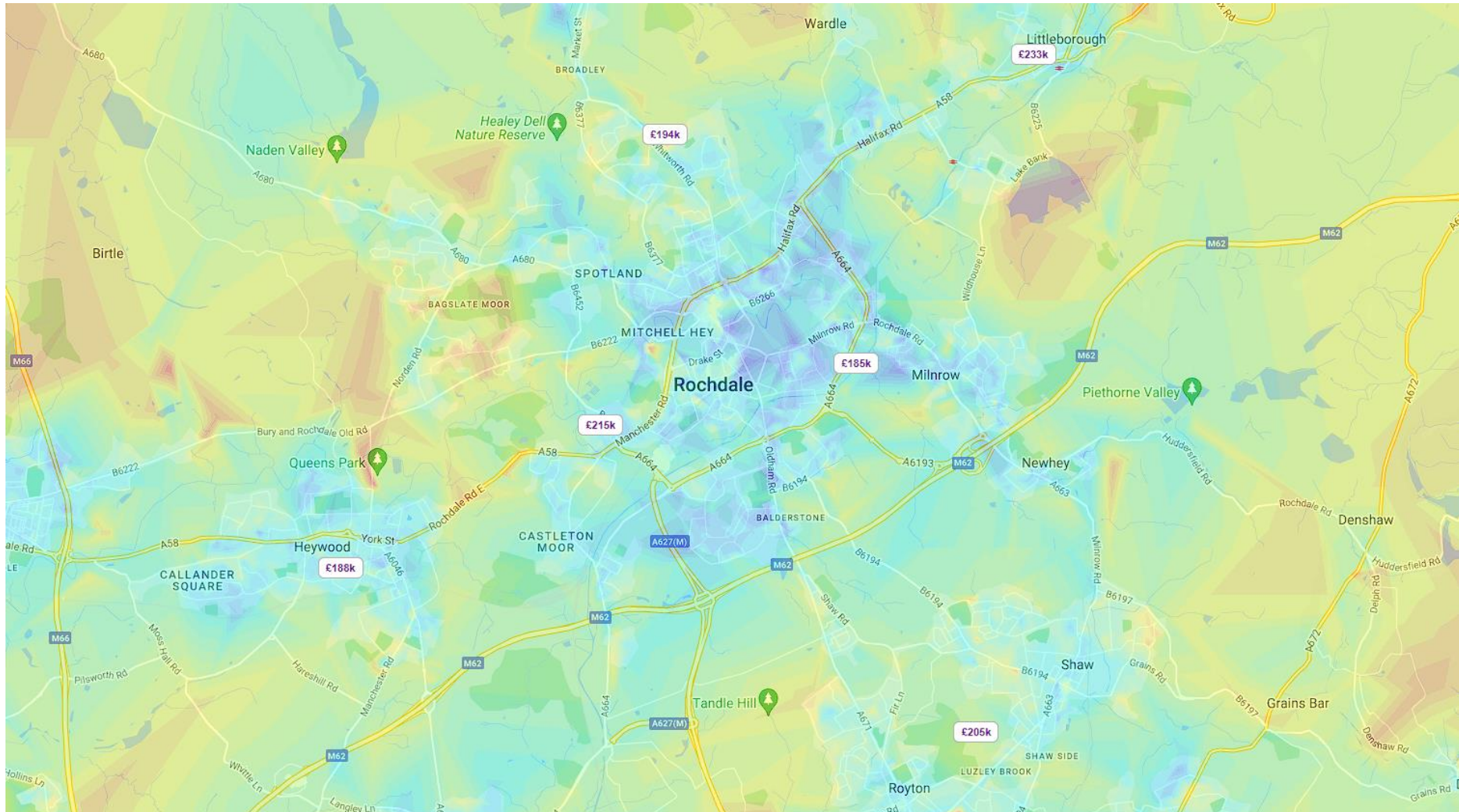
Second Hand Available

Search criteria: Modern houses for sale within 1 mile of postcode OL11 4EG

Source: www.rightmove.co.uk

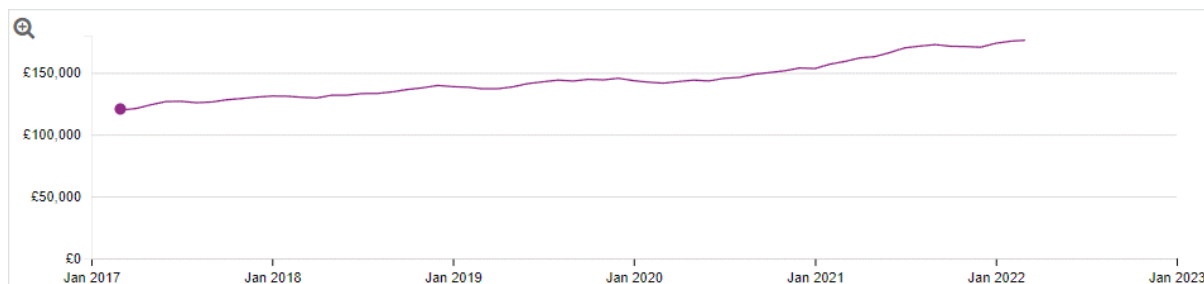
Address	Type	Bedrooms	Price
Ryefields, Bamford, Rochdale, Greater Manchester	Detached	7	£1,250,000
Bury Road, Rochdale, OL11	Detached	5	£1,250,000
Broadhalgh Avenue, Rochdale	Detached	5	£899,950
Bentmeadows, Rochdale, Greater Manchester, OL12	Detached	7	£875,000
Broadhalgh Road, Bamford, Rochdale, OL11	Detached	5	£775,000
Broadhalgh Road, Bamford, Rochdale, OL11	Detached	5	£775,000
9 Broadhalgh Road, Bamford	Detached	4	£765,000
Pargate Chase, Rochdale, OL11	Detached	5	£750,000
YEALAND CLOSE, Bamford, Rochdale OL11 4DL	Detached	4	£600,000
Moorgate Avenue, Bamford, Rochdale, Greater Manchester, OL11	Detached	4	£600,000
16 Marland Old Road, Rochdale	Detached	3	£550,000
TAUNTON AVENUE, Bamford, Rochdale OL11 5LD	Detached	4	£475,000
MARLAND FOLD, Marland, Rochdale OL11 4RF	Detached	3	£450,000
Bury Road, Bamford, Rochdale, OL11	Detached	3	£400,000
8 Taunton Avenue, Bamford	Semi	3	£375,000
Marland Fold, Marland, Rochdale, Greater Manchester, OL11	Semi	3	£360,000
THE WOODS, Castleton, Rochdale OL11 3NT	Detached	4	£350,000
Falinge Fold, Falinge, Rochdale, Greater Manchester, OL12	Semi	3	£325,000
ROOLEY MOOR ROAD, Meanwood, Rochdale OL12 7BS	Semi	4	£290,000
Drake Street Rochdale Manchester	Detached	Not specified	£250,000
Marland Hill Road, Marland, Rochdale, Greater Manchester, OL11	Semi	4	£250,000
Apt 9, Bamford Brook, Bamford OL11 4DJ	Flat	3	£235,000
Birchfield Drive, Rochdale, OL11	Detached	3	£235,000
MADELEY GARDENS, Meanwood, Rochdale OL12 7BZ	Semi	3	£230,000
DREW AVENUE, Rochdale OL11 5BL	Terraced	3	£225,000
St. Albans Street, Rochdale, Greater Manchester, OL16	Terraced	5	£220,000
Green Lane, Falinge, Rochdale, Greater Manchester, OL12	Semi	2	£215,000
Exeter Street, Rochdale, Greater Manchester, OL11	Terraced	4	£200,000
High Barn Close, Sudden, OL11 3PW	Terraced	3	£199,500
Blair Street, Rochdale, Greater Manchester, OL12	Semi	4	£197,000
Blair Street, Rochdale, Greater Manchester, OL12	Semi	4	£197,000
Blair Street, Rochdale, Greater Manchester, OL12	Semi	4	£192,500
Bury Road, Rochdale, Greater Manchester, OL11	Terraced	2	£190,000
Edmund Street, Rochdale, Greater Manchester, OL12	Terraced	3	£175,000
CUTGATE ROAD, Cutgate, Rochdale OL12 7NL	Semi	3	£175,000
Whalley Road, Rochdale, Greater Manchester, OL12	Terraced	4	£170,000
Bosworth Street, Rochdale	Terraced	3	£167,500
BALFOUR ROAD, Meanwood, Rochdale OL12 7EH	Semi	3	£165,000
Bowness Avenue, Meanwood, Rochdale OL12 7DN	Terraced	3	£160,000

Property Price Heat Map

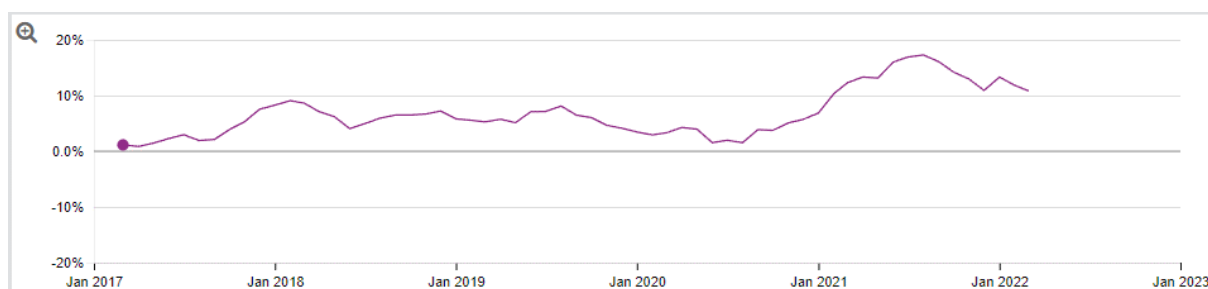


Average price by type of property in Rochdale

Source: HM Land Registry



Percentage change (yearly) in Rochdale



Price Trends – OLI 4EG

Market Characteristics	Rochdale	National
Market Size Indicator: no. of transactions	14,518	4,886,506
Market Size Indicator: total no. of properties	95,670	25,000,000
Market liquidity Indicator: transactions / properties	15.18%	19.55%
Market Growth Indicator: new homes built	1,237	570,561
Market Growth Indicator: new builds / transactions	8.52%	11.68%

Growth Rate	Rochdale	National
5 year house price growth	1.10%	6.90%
Last 12 months house price growth	10.80%	5.40%

Average House Prices

Source: HM Land Registry

Postcode Area – OLI 1 4EG

Property Type	Mar-17	Mar-22	Change
Detached	£230,754	£310,000	34%
Semi	£122,262	£165,625	35%
Terraced	£83,337	£130,871	57%
Flat	£87,434	£80,000	-9%
All	£126,892	£178,506	41%

Appendix 2 – BCIS

£/m2 study

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

Last updated: 30-Jul-2022 05:38

➤ Rebased to Rochdale (100; sample 34)

Maximum age of results: 5 years

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (5)	1,396	782	1,250	1,359	1,499	3,021	355
810.1 Estate housing							
Generally (5)	1,371	769	1,179	1,326	1,507	2,852	205
Single storey (5)	1,526	962	1,246	1,507	1,692	2,852	42
2-storey (5)	1,326	769	1,163	1,297	1,430	2,474	161
810.12 Estate housing semi detached							
Generally (5)	1,392	842	1,192	1,344	1,507	2,474	53
Single storey (5)	1,453	1,120	1,180	1,382	1,614	2,455	21
2-storey (5)	1,352	842	1,192	1,313	1,419	2,474	32
810.13 Estate housing terraced							
Generally (5)	1,369	914	1,155	1,279	1,497	2,052	11
2-storey (5)	1,300	914	1,151	1,238	1,410	1,836	10
816. Flats (apartments)							
Generally (5)	1,608	892	1,334	1,506	1,806	3,504	188
1-2 storey (5)	1,583	985	1,321	1,487	1,883	2,259	32
3-5 storey (5)	1,595	892	1,323	1,491	1,752	3,504	132
6 storey or above (5)	1,720	1,216	1,458	1,714	1,863	2,491	24

Appendix 3 – Financial Appraisals

APPRAISAL SUMMARY**ARGUS SOFTWARE**

220810 Oakenrod, Rochdale v1_ PC 7.5% AH

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
OMS	52	51,484	229.39	227,115	11,810,000

NET REALISATION 11,810,000**OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(54,326)	(54,326)
Agent Fee	10,000	
Legal Fee	5,000	15,000

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
OMS	51,484	138.00	7,104,792
Contingency		3.00%	217,644
Other Construction Costs			
Abnormal Development Works			150,000
Part L Building Regs			292,226
7.5% AH Contribution			885,750
			1,327,976

PROFESSIONAL FEES

Professional Fees	7.00%	507,835	507,835
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MARKETING & LETTING

Marketing	3.00%	354,300	354,300
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DISPOSAL FEES

Sales Legal Fee	52 un	650.00 /un	33,800	33,800
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TOTAL COSTS BEFORE FINANCE 9,507,022**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)	
Land	(4,229)
Construction	122,110
Other	248
Total Finance Cost	118,128

TOTAL COSTS 9,625,150**PROFIT** 2,184,850**Performance Measures**

Profit on Cost%	22.70%
Profit on GDV%	18.50%
IRR% (without Interest)	69.11%

220810 Oakenrod, Rochdale v1_ PC 7.5% AH

Table of Gross Development Value and Land Cost

Construction: Rate /ft²					
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	131.10 /ft²	134.55 /ft²	138.00 /ft²	141.45 /ft²	144.90 /ft²
-5.000%	£11,219,500	£11,219,500	£11,219,500	£11,219,500	£11,219,500
217.92 /ft²	£116,506	£301,496	£488,087	£674,714	£862,002
-2.500%	£11,514,750	£11,514,750	£11,514,750	£11,514,750	£11,514,750
223.66 /ft²	(£98,164)	£85,416	£269,918	£456,415	£643,042
0.000%	£11,810,000	£11,810,000	£11,810,000	£11,810,000	£11,810,000
229.39 /ft²	(£312,834)	(£129,254)	£54,326	£238,471	£424,783
+2.500%	£12,105,250	£12,105,250	£12,105,250	£12,105,250	£12,105,250
235.13 /ft²	(£527,504)	(£343,924)	(£160,345)	£23,235	£207,165
+5.000%	£12,400,500	£12,400,500	£12,400,500	£12,400,500	£12,400,500
240.86 /ft²	(£742,174)	(£558,595)	(£375,015)	(£191,435)	(£7,855)

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
OMS	1	£138.00	2.00 Up & Down

Sales: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
OMS	1	£229.39	2.00 Up & Down

APPRAISAL SUMMARY**ARGUS SOFTWARE****220810 Oakenrod, Rochdale v1_100% MS****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
OMS	52	51,484	229.39	227,115	11,810,000

NET REALISATION 11,810,000**OUTLAY****ACQUISITION COSTS**

Residualised Price			731,593		
				731,593	
Stamp Duty			26,080		
Effective Stamp Duty Rate		3.56%			
Agent Fee			10,000		
Legal Fee			5,000		
				41,080	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost		
OMS	51,484	138.00	7,104,792		
Contingency		3.00%	217,644		
				7,322,436	
Other Construction Costs					
Abnormal Development Works			150,000		
Part L Building Regs			292,226		
				442,226	

PROFESSIONAL FEES

Professional Fees		7.00%	507,835		
				507,835	

MARKETING & LETTING

Marketing		3.00%	354,300		
				354,300	

DISPOSAL FEES

Sales Legal Fee	52 un	650.00 /un	33,800		
				33,800	

TOTAL COSTS BEFORE FINANCE 9,433,270**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)					
Land			81,900		
Construction			107,593		
Other			2,387		
Total Finance Cost				191,880	

TOTAL COSTS 9,625,150**PROFIT****2,184,850****Performance Measures**

Profit on Cost%	22.70%
Profit on GDV%	18.50%
IRR% (without Interest)	51.20%

220810 Oakenrod, Rochdale v1_100% MS

Table of Gross Development Value and Land Cost

Construction: Rate /ft²					
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	131.10 /ft²	134.55 /ft²	138.00 /ft²	141.45 /ft²	144.90 /ft²
-5.000%	£11,219,500	£11,219,500	£11,219,500	£11,219,500	£11,219,500
217.92 /ft²	(£672,398)	(£497,604)	(£322,811)	(£144,918)	£38,615
-2.500%	£11,514,750	£11,514,750	£11,514,750	£11,514,750	£11,514,750
223.66 /ft²	(£876,789)	(£701,996)	(£527,202)	(£352,409)	(£175,486)
0.000%	£11,810,000	£11,810,000	£11,810,000	£11,810,000	£11,810,000
229.39 /ft²	(£1,081,180)	(£906,387)	(£731,593)	(£556,800)	(£382,006)
+2.500%	£12,105,250	£12,105,250	£12,105,250	£12,105,250	£12,105,250
235.13 /ft²	(£1,285,572)	(£1,110,778)	(£935,985)	(£761,191)	(£586,398)
+5.000%	£12,400,500	£12,400,500	£12,400,500	£12,400,500	£12,400,500
240.86 /ft²	(£1,489,963)	(£1,315,170)	(£1,140,376)	(£965,583)	(£790,789)

Sensitivity Analysis : Assumptions for Calculation**Construction: Rate /ft²**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
OMS	1	£138.00	2.00 Up & Down

Sales: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
OMS	1	£229.39	2.00 Up & Down



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