SELL SIDE · VIABILITY AND BEST USE · SUMMARY

Site A, Manchester: which use should the owner market the site for, to attract offers above £2.4 million?

THE QUESTION

The owner of Site A, a 0.4 hectare surface car park on the edge of Manchester city centre, wishes to sell it. The owner needs at least £2.4 million for the land and asked Gentium Advisers which use the site should be marketed for, so that buyers' offers come in above £2.4 million.

WHAT THE £2.4 MILLION BENCHMARK IS

The benchmark land value is the lowest price at which a reasonable owner would sell the land rather than keep its current use. Manchester City Council's Local Plan Viability Assessment (June 2026) sets it at £6.0 million a hectare for city-centre car park sites: the car park's current value plus a premium to persuade the owner to sell. For Site A: 0.4 hectares × £6.0 million = **£2.4 million**. It is also the owner's minimum price, so every scheme in this report is judged against it.

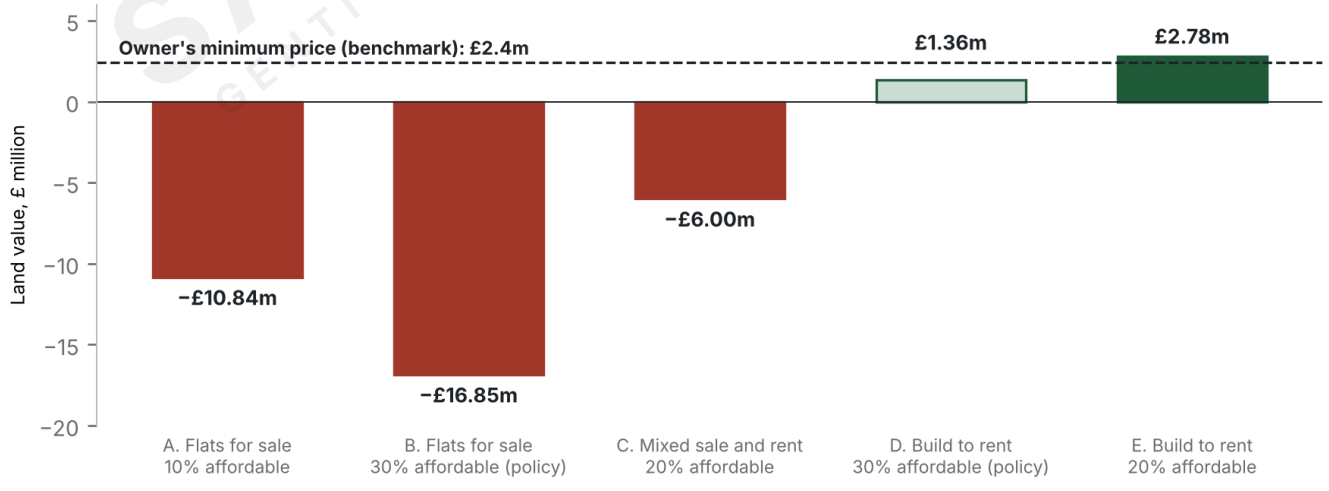
RESULT: THE BEST USE IS BUILD TO RENT

Market Site A to build-to-rent developers and investors, for a tower of about 300 rented homes with 20% affordable homes (Scheme E).

- **Highest land value:** £2.78m, the only one of the five schemes above the £2.4 million benchmark (£0.38m above it).
- **Why build to rent works and flats for sale do not:** a build-to-rent developer sells the whole completed, let building to one investor in a single sale, so it needs no sales period, lower marketing costs and a lower profit margin (10% of value against 17.5% for flats sold one by one). Flats for sale would need to sell for about £6,132 per sq m, 20% above today's £5,100, before the land is worth £2.4 million.
- **The margin is thin.** The result rests on the council's assumptions: rent of £350 per sq m a year and an investor's yield of 4.50%. Knight Frank's October 2026 guide puts the yield for regional build to rent at 4.75%; at that yield Scheme E's land value falls to −£1.06m. The owner should therefore take the steps on page 7 before marketing. Together, planning certainty, a forward-funded buyer and a slightly taller scheme could lift the land value to about £4.6 million to £5.1 million on the council's assumptions and they protect against a delay that would cost about £1.5 million.

Exhibit 1 What the land is worth under each of the five schemes, against the owner's £2.4 million minimum price

How to read this: each bar is the land value for one scheme: what a developer could pay for the land after paying for everything else and taking a normal profit. Dark green: above the £2.4 million benchmark. Light green: positive but below it. Red: negative, meaning the scheme cannot pay anything for the land. Dashed line: the £2.4 million benchmark.



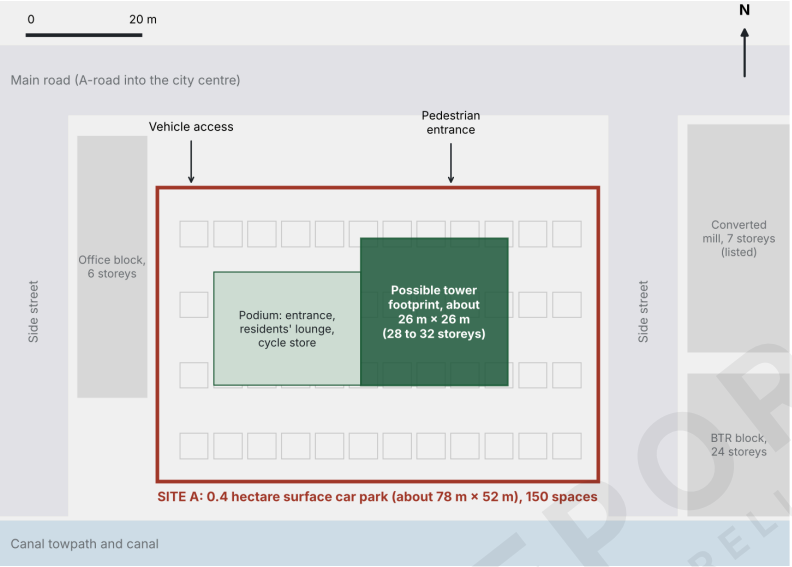
Source: Gentium Advisers residual appraisal on the inputs of Manchester City Council's Local Plan Viability Assessment (June 2026). Full workings in Schedule 1.

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THE SITE AND ITS PLANNING OPTIONS

A 0.4 hectare car park on the city-centre fringe, where the council supports tall residential buildings

Exhibit 2 Site A: an illustrative site plan



Illustrative plan drawn by Gentium Advisers for this anonymised sample: not a real site. Tower position, footprint and access are examples to show how about 300 homes could fit.

The site. A level surface car park of about 78 m by 52 m with about 150 spaces, between a main road into the city centre and a canal. Neighbours include a six-storey office block, a listed seven-storey converted mill and a 24-storey build-to-rent tower. Ground conditions, services and title are assumed to be normal; they must be confirmed before sale.

Exhibit 3 Planning options for Site A and why only residential uses are tested

USE	PLANNING POSITION (EXAMPLE)	IN THIS REPORT
Flats for sale (Schemes A and B)	Supported: the site is in the city centre's residential growth area	Tested
Build to rent (Schemes D and E)	Supported; the council's policy treats affordable private rent as affordable housing in build-to-rent schemes	Tested
Mixed sale and build to rent (Scheme C)	Supported	Tested
Purpose-built student homes	Allowed only where the council sees a need and a university supports the scheme; the site is 1.5 km from the main campuses, outside the area the council directs student homes to	Not tested: policy risk and no university partner
Offices	Allowed, but the council directs new offices to the commercial core, about 1 km away	Ruled out: fringe offices need a pre-let to be built and let for less than prime; office land values are below the benchmark
Hotel	Allowed	Ruled out: 0.4 ha is more than a hotel needs and a hotel-only scheme cannot match the land value of 300 homes
Shops, food and leisure	Ground floor only, as part of a larger scheme	Included in the ground floor of a residential tower, not as a use on its own
Keep as a car park	Current use; temporary permission	The current use value is within the £2.4 million benchmark: the owner's fall-back

Planning position based on the policies the council's 2026 Local Plan and its viability study apply to city-centre fringe sites; for a named site it would be confirmed with the council at a pre-application meeting.

Why commercial uses are not considered. The site's value lies in its height and in housing demand. Offices on the fringe of the city centre are built only with a tenant signed up in advance and let for less than in the core, so an office scheme cannot pay a land price near £2.4 million. A hotel needs far less land than 0.4 ha. Commercial uses therefore belong, at most, on the ground floor of a residential tower.

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THE FIVE SCHEMES

Only build to rent with 20% affordable homes leaves more than £2.4 million for the land

How the land value is worked out (the residual method). Start with what the finished homes are worth. Take away every cost of creating them: construction, professional fees and contingency, the costs of selling, interest on the money borrowed and the developer's profit. What is left is what a developer can pay for the land, after its own stamp duty and fees on the purchase. If it is above £2.4 million, the owner can sell; if it is below, the scheme will not attract an offer the owner can accept.

Exhibit 4 The five schemes: from the value of the finished homes to the land value, £ million

SCHEME	HOMES	AFFORD-ABLE	VALUE WHEN COMPLETE	CONSTRUCTION	FEES AND CONTIN-GENCY	SELLING COSTS	FINANCE	DEVELOPER'S PROFIT	LAND PURCHASE COSTS AND FINANCE	LAND VALUE	AGAINST £2.4M
A. For sale	250	10%	£87.2m	−£66.1m	−£6.0m	−£2.5m	−£8.7m	−£14.7m	n/a	**− £10.84m**	−£13.24m
B. For sale (policy)	250	30%	£78.0m	−£66.1m	−£6.0m	−£2.0m	−£8.7m	−£12.1m	n/a	**− £16.85m**	−£19.25m
C. Mixed	280	20%	£93.3m	−£70.6m	−£6.4m	−£2.0m	−£8.1m	−£12.2m	n/a	**− £6.00m**	−£8.40m
D. Build to rent (policy)	300	30%	£98.7m	−£72.0m	−£6.5m	−£1.5m	−£7.1m	−£9.9m	−£0.4m	**£1.36m**	−£1.04m
E. Build to rent	**300**	**20%**	**£100.8m**	**−£72.0m**	**−£6.5m**	**−£1.5m**	**−£7.1m**	**−£10.1m**	**−£0.9m**	**£2.78m**	**£0.38m**

Each row adds across: value when complete − construction − fees and contingency − selling costs − finance − developer's profit − land purchase costs and finance = land value. Construction is the building contract, including external works, at the council's £2,755 (for sale) and £2,858 (build to rent) per sq m of gross floor area. Fees (6%) and contingency (3%) are percentages of construction. Where the land value is negative no land costs arise. Full working: Schedule 1.

WHY FLATS FOR SALE FAIL HERE

A 72 sq m flat sells for about £367,200 (£5,100 per sq m), but its share of the tower costs about £264,480 to build before fees, finance, selling costs and a 17.5% profit. To leave £2.4 million for the land, flats would need to sell at about £6,132 per sq m, 20% above today's price. The council's own 2026 study reached the same finding for tall sale schemes.

WHY BUILD TO RENT WORKS

The developer sells the finished, let building to one investor in a single transaction. There is no two-year sales period, selling costs are 1.5% rather than 3% and the council accepts a 10% profit rather than 17.5%. Those savings, about £6.9 million on a £100 million scheme, are what leave money for the land.

Scheme D against Scheme E. Both are the same 300-home build-to-rent tower. At the council's 30% affordable policy (Scheme D) the land is worth £1.36m, £1.04m below the benchmark. At 20% affordable (Scheme E) it is worth £2.78m. The council's own study says it will be flexible on affordable housing for tall schemes where a viability assessment shows it is needed, so the affordable level is the main point to settle with the council.

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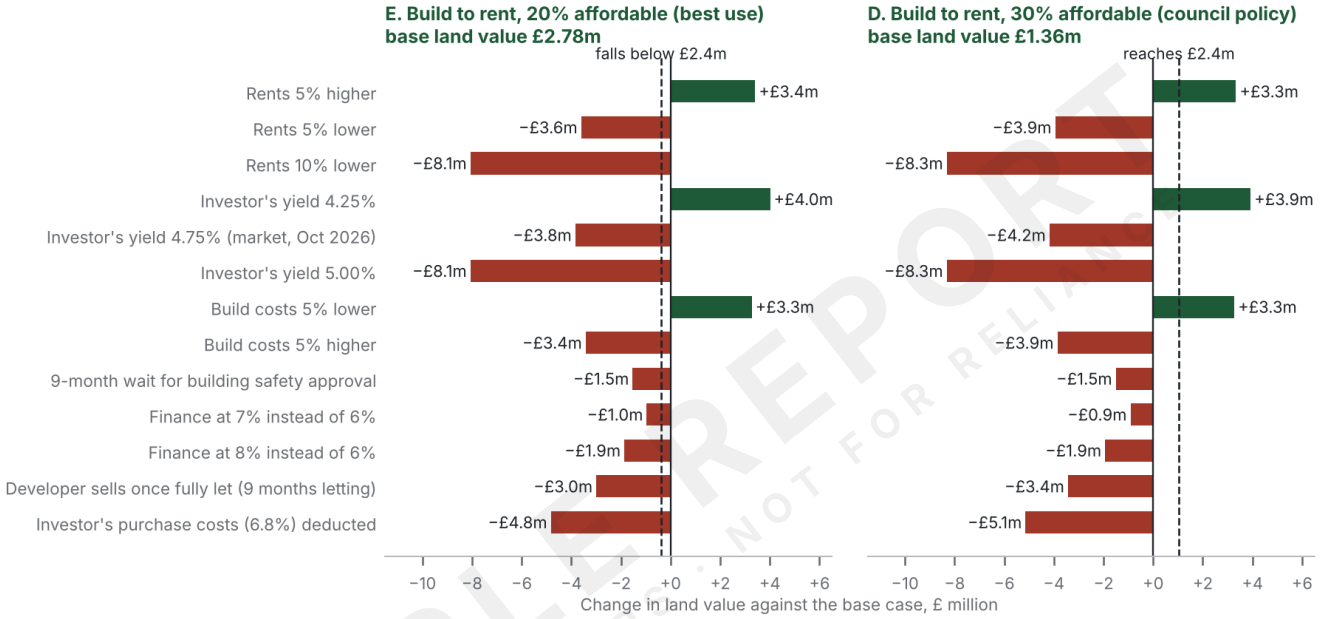
WHAT AFFECTS THE LAND VALUE

How sensitive the best use, build to rent, is to rents, the investor's yield, build costs, delay and finance

Each test changes one input and keeps everything else at the council's assumptions. Because rent and yield set the value of the whole building and build costs are most of the outlay, small changes in any of them move the land value by more than its whole amount.

Exhibit 5 Change in land value when one input changes: Scheme E (best use) and Scheme D (council policy)

How to read this: each bar shows how much the land value would rise (green) or fall (red), in £ million, if that one input changed. The dashed line marks the change that would take the land value to exactly £2.4 million.



Source: Gentium Advisers. Every test, its calculation and the resulting land value are set out in Schedule 2.

INPUT TESTED	WHAT IT MEANS AND WHY IT IS TESTED
Rents	The rent the completed homes let for. In build to rent, rent sets the value: the investor pays a multiple of the net rent. The council assumes £350 per sq m a year; asking rents in the city centre (Exhibit 9) suggest this needs evidence from comparable rental blocks.
Investor's yield	The return an investor requires on the net rent of the completed building. A lower yield means a higher price. The council uses 4.50%; Knight Frank's October 2026 guide shows 4.75% for regional build to rent.
Build costs	The construction contract. ±5% is a normal range between cost plans for a tall building.
Building safety approval	Buildings of 18 m or more need approval from the Building Safety Regulator before work starts. Its average wait was 43 weeks against a 12-week target in late 2025. A 9-month wait adds interest on the land and about 2.25% to build costs (3% a year construction inflation).
Finance at 7% or 8%	The council assumes 6% a year. Development loans are priced as a margin over Bank Rate (3.75%); margins of 3 to 4 points give 6.75% to 7.75%, so 7% and 8% test a realistic range.
Sells once fully let	The base case assumes the developer agrees the sale with an investor during construction and completes it when the building is finished. If instead the developer lets the homes first (about 9 months) and then sells, it pays 9 more months of interest.
Investor's purchase costs	Investors usually deduct their own stamp duty and fees (about 6.8%) from the price they pay. The council's study does not; this test shows the effect.

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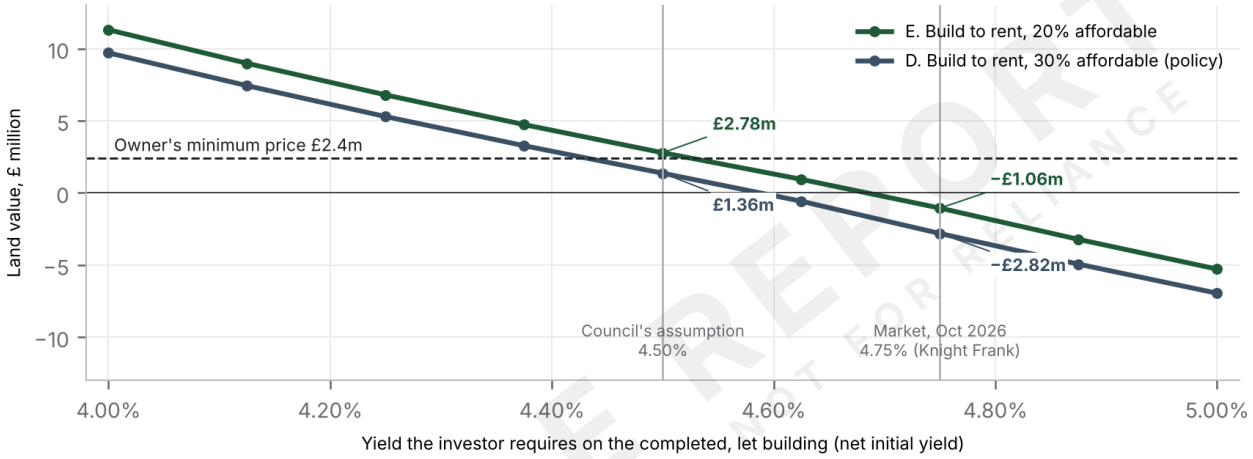
WHO BUYS AND WHAT THEY PAY

The land is sold to a developer, who builds the homes and sells the completed, let building to an investor; the investor's yield sets the price the developer can pay for the land

The chain of buyers. The owner sells Site A to a build-to-rent developer. The developer builds the tower and either keeps it or, more usually, sells the whole completed building to an investor such as a pension fund or insurer, which owns it for the long term and collects the rent. The homes are never sold one by one. The investor values the building on its rent: it pays a price that gives it the yield it requires on the net rent. The developer works back from that price to what it can pay for the land.

Exhibit 6 Land value against the investor's required yield: Schemes E and D

How to read this: each line shows the land value (left scale) at each yield an investor might require on the completed building (bottom scale). The lower the yield, the more the investor pays, the more the developer can pay for the land. Grey lines: the council's 4.50% and the market's 4.75%. Dashed line: the £2.4 million benchmark.



Source: Gentium Advisers; Manchester City Council viability study (June 2026); Knight Frank Prime Yield Guide, October 2026 (regional build to rent, tier 1 cities: 4.75%, up from 4.50% a year earlier).

Exhibit 7 What an investor would pay for Scheme E's completed, let building

INVESTOR'S YIELD	NET RENT A YEAR	PRICE FOR THE BUILDING	PRICE PER HOME	LAND VALUE
4.25%	£4.54m	£106.7m	£355,765	£6.79m
4.50% (council)	**£4.54m**	**£100.8m**	**£336,000**	**£2.78m**
4.75% (market, Oct 2026)	£4.54m	£95.5m	£318,316	−£1.06m
5.00%	£4.54m	£90.7m	£302,400	−£5.28m

Rent: 240 market homes × 60 sq m × £350 per sq m = £5.04m a year; 60 affordable homes at 20% below market = £1.01m; total £6.05m, less 25% running costs (management, repairs, empty periods, service costs) = net rent £4.54m. Price = net rent ÷ yield.

What this means for the owner. At the council's 4.50% the land is worth £2.78m; each 0.25 point rise in yield takes about £4 million off it. Investors' yields have risen this year, so the land value a developer offers will depend on the yield its investor will accept. A developer with an investor already lined up (a forward sale) can offer more and with more certainty.

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RENTS, PRICES AND TAKE-UP

Rents, prices and how fast the homes would be let or sold

Exhibit 8 Rent ladder for the build-to-rent schemes, per month

HOME	SHARE	SIZE, SQ M	MARKET RENT	AFFORDABLE RENT (20% BELOW MARKET)
Studio	20%	42	£1,225	£980
One bedroom	45%	55	£1,604	£1,283
Two bedrooms	35%	77	£2,246	£1,797

At the council's £350 per sq m a year. Affordable private rent at 20% below market, as the council's policy for build to rent requires.

Exhibit 9 Price evidence: asking rents in the city-centre postcode districts, October 2026, per month

DISTRICT	ONE BEDROOM, MEDIAN	ONE BEDROOM, MIDDLE HALF OF THE RANGE	TWO BEDROOMS, MEDIAN	TWO BEDROOMS, MIDDLE HALF OF THE RANGE
M1 (Piccadilly, Northern Quarter)	1,490	1,300 to 1,550	1,800	1,595 to 1,995
M3 (Spinningfields, Deansgate)	1,250	965 to 1,346	1,600	1,475 to 1,700
M4 (Ancoats, Northern Quarter)	1,341	1,230 to 1,500	1,585	1,450 to 1,685
M15 (Hulme, Castlefield fringe)	1,265	1,170 to 1,700	1,565	1,400 to 1,910

Source: Market Code asking rents, October 2026 (all flats listed, new and old; middle half = 25th to 75th percentile). 238 to 492 listings per district and size.

What the evidence shows. The rents assumed for Site A (£1,604 for a one-bedroom and £2,246 for a two-bedroom home) are above the upper quartile of all asking rents in each district. That is typical of new build-to-rent blocks with concierge, gym and residents' lounges, which let at a premium to older flats, but the premium must be proven from lettings in comparable rental blocks before a developer will rely on it. A 5% shortfall in rent takes about £3.6 million off Scheme E's land value.

Exhibit 10 Absorption: how fast each scheme is taken up

ROUTE	WHO BUYS AND HOW	PACE	TIME
Build to rent, forward sale (base case)	One investor buys the whole building, agreed during construction, completing when it is finished	One sale	At completion, month 42
Build to rent, sold once let	Developer lets the homes, then sells the building	About 30 to 35 lettings a month	9 to 10 months after completion
Flats for sale (Scheme A)	Individual buyers, off-plan then completed	10 a month off-plan until half are sold, then 5 a month	112 of 225 sold by completion; the rest take about 23 more months

Sales pace from the council's viability study. Letting pace: Gentium estimate from city-centre build-to-rent lettings, 2025 to 2026.

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ADVICE TO THE SITE OWNER

Seven steps the owner can take to make the site less risky for a developer and so easier to sell above £2.4 million

A developer prices in every risk it has to carry: planning, building safety approval, ground conditions, build costs and the yield its investor will pay. Each risk the owner removes before the sale is money the developer no longer needs to hold back. The base case is Scheme E at £2.78m.

Exhibit 11 **Steps for the owner and their effect on the land value**

STEP	WHAT IT INVOLVES	EFFECT ON WHAT A DEVELOPER CAN PAY
1. Agree the affordable housing level with the council before selling	Hold a pre-application meeting and submit a viability assessment supporting 20% affordable homes for a build-to-rent tower.	Moves the land value from Scheme D (£1.36m) to Scheme E (£2.78m): about £1.42m
2. Obtain outline planning permission for a build-to-rent tower	Height, number of homes and affordable level fixed; the buyer takes on far less planning risk.	A buyer with planning certainty may accept a 9% profit rather than 10%: about £0.77m
3. Prepare for building safety approval	Commission a fire strategy and second staircase design to the Building Safety Regulator's standard, so the buyer can apply for approval at once.	Protects against the 9-month wait, which would cost about £1.53m
4. Market to developers backed by long-term investors	Approach build-to-rent developers with forward-funding partners: the investor funds construction at a lower cost than a bank loan.	Finance at about 5% rather than 6%: about £1.02m
5. Test a taller scheme	Ask the architect whether about 330 homes fit within the council's tall-building guidance.	About £0.28m
6. Remove unknowns before marketing	Ground investigation, contamination survey, utilities capacity, rights of light and a clean title report in a data room.	Fewer price cuts after offers are made
7. Structure the sale to share risk	Sell subject to planning, or take part of the price later (overage) if rents or yields beat the base case.	Keeps the headline price above £2.4 million while the buyer carries less risk

Effects calculated with the Schedule 1 appraisal, changing one input at a time; they do not simply add up. Costs of steps 1 to 3 and 6 (typically £150,000 to £400,000 for a site of this size) fall on the owner and are recovered in the price.

OUR RECOMMENDATION TO THE OWNER

Market Site A for build to rent. Before going to market, take steps 1, 3 and 6, which cost relatively little and remove the risks a developer would otherwise price in. If time allows, obtain outline planning permission (step 2). Market to build-to-rent developers with forward-funding partners (step 4) and invite bids on a fixed timetable. On the council's assumptions these steps should support offers comfortably above £2.4 million. If investors' yields stay at 4.75%, even with steps 2 and 4 the land is worth about £0.85m, so the owner should then either accept a lower price, wait for yields to fall or sell subject to planning with part of the price paid later.

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SCHEDULE 1 · FULL APPRAISAL WORKING

Schedule 1: the residual appraisal for each scheme, £

LINE	A	B	C	D	E
Homes	250	250	280	300	300
Affordable homes	10%	30%	20%	30%	20%
Flats for sale: market / affordable	225 / 25	175 / 75	112 / 28	0 / 0	0 / 0
Build to rent: market / affordable	0 / 0	0 / 0	112 / 28	210 / 90	240 / 60
Gross floor area, sq m	24,000	24,000	25,200	25,200	25,200
Value: market flats for sale (72 sq m × £5,100)	£82,620,000	£64,260,000	£41,126,400	£0	£0
Value: affordable flats for sale (50% of market)	£4,590,000	£13,770,000	£5,140,800	£0	£0
Value: market rented homes (£350,000 each)	£0	£0	£39,200,000	£73,500,000	£84,000,000
Value: affordable rented homes (£280,000 each)	£0	£0	£7,840,000	£25,200,000	£16,800,000
Value when complete	**£87,210,000**	**£78,030,000**	**£93,307,200**	**£98,700,000**	**£100,800,000**
Construction (£ per sq m × floor area)	−£66,120,000	−£66,120,000	−£70,637,280	−£72,021,600	−£72,021,600
Professional fees, 6% of construction	−£3,967,200	−£3,967,200	−£4,238,237	−£4,321,296	−£4,321,296
Contingency, 3% of construction	−£1,983,600	−£1,983,600	−£2,119,118	−£2,160,648	−£2,160,648
Selling costs (3% sale; 0.5% affordable; 1.5% build to rent)	−£2,501,550	−£1,996,650	−£1,965,096	−£1,480,500	−£1,512,000
Finance during construction, 6% on half the cost for 3 years	−£6,486,372	−£6,486,372	−£6,929,517	−£7,065,319	−£7,065,319
Finance after completion (unsold flats)	−£2,258,519	−£2,258,519	−£1,206,410	£0	£0
Developer's profit (17.5% sale; 6% affordable; 10% build to rent)	−£14,733,900	−£12,071,700	−£12,209,568	−£9,870,000	−£10,080,000
Left for the land, including its costs	**−£10,841,141**	**−£16,854,041**	**−£5,998,026**	**£1,780,637**	**£3,639,137**
Months the land is held (land finance period)	n/a	n/a	n/a	42 months	42 months
Land purchase costs (stamp duty, agent, legal: 6.75%)	n/a	n/a	n/a	−£91,821	−£187,657
Interest on the land	n/a	n/a	n/a	−£328,509	−£671,383
Land value	**−£10,841,141**	**−£16,854,041**	**−£5,998,026**	**£1,360,307**	**£2,780,097**
Against the £2.4 million benchmark	−£13,241,141	−£19,254,041	−£8,398,026	−£1,039,693	£380,097

A: Flats for sale, 10% affordable; B: Flats for sale, 30% affordable (council policy); C: Mixed: half for sale, half build to rent, 20% affordable; D: Build to rent, 30% affordable (council policy); E: Build to rent, 20% affordable. Build to rent: average home 60 sq m (net), 75% of floor area lettable plus 5% residents' amenity space; flats for sale average 72 sq m. Market rented home = 60 sq m × £350 × (1 − 25% running costs) ÷ 4.50% = £350,000; affordable rented home at 80% of that. Finance after completion: unsold half of the sale flats repaid evenly over 23 months; build to rent sold on completion (base case). Land value = left for the land ÷ (1.0675 × 1.06 ^ years held); a negative figure is shown without land costs. Figures may not add exactly because of rounding.

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SCHEDULE 2 · SENSITIVITY ANALYSIS

Schedule 2: land value of the two build-to-rent schemes under each test

TEST (ONE CHANGE AT A TIME)	E: LAND VALUE	E: CHANGE	E: AGAINST £2.4M	D: LAND VALUE	D: CHANGE	D: AGAINST £2.4M
Base case: the council's assumptions	**£2.78m**		**Clears**	**£1.36m**		**£1.04m short**
Rents 5% higher	£6.19m	£3.41m	Clears	£4.70m	£3.34m	Clears
Rents 5% lower	−£0.82m	−£3.60m	£3.22m short	−£2.59m	−£3.95m	£4.99m short
Rents 10% lower	−£5.28m	−£8.06m	£7.68m short	−£6.95m	−£8.31m	£9.35m short
Investor's yield 4.25%	£6.79m	£4.01m	Clears	£5.29m	£3.93m	Clears
Investor's yield 4.75% (market, Oct 2026)	−£1.06m	−£3.84m	£3.46m short	−£2.82m	−£4.18m	£5.22m short
Investor's yield 5.00%	−£5.28m	−£8.06m	£7.68m short	−£6.95m	−£8.31m	£9.35m short
Build costs 5% lower	£6.05m	£3.27m	Clears	£4.63m	£3.27m	Clears
Build costs 5% higher	−£0.64m	−£3.42m	£3.04m short	−£2.50m	−£3.86m	£4.90m short
9-month wait for building safety approval	£1.25m	−£1.53m	£1.15m short	−£0.14m	−£1.50m	£2.54m short
Finance at 7% instead of 6%	£1.82m	−£0.96m	£0.58m short	£0.45m	−£0.91m	£1.95m short
Finance at 8% instead of 6%	£0.92m	−£1.86m	£1.48m short	−£0.57m	−£1.93m	£2.97m short
Developer sells once fully let (9 months letting)	−£0.21m	−£2.99m	£2.61m short	−£2.07m	−£3.43m	£4.47m short
Investor's purchase costs (6.8%) deducted	−£2.04m	−£4.82m	£4.44m short	−£3.78m	−£5.14m	£6.18m short
Market case: yield 4.75% and rents 5% lower	−£5.28m	−£8.06m	£7.68m short	−£6.95m	−£8.31m	£9.35m short

E: build to rent, 20% affordable (best use). D: build to rent, 30% affordable (council policy). Flats-for-sale and mixed schemes are negative in every test (Schedule 1 base: A −£10.84m, B −£16.85m, C −£6.00m).

How each test is calculated

Rents ±5%, −10%	£350 per sq m × 1.05 = £367.50; × 0.95 = £332.50; × 0.90 = £315. The value of each rented home moves by the same percentage; nothing else changes.
Investor's yield	Value = net rent ÷ yield. At 4.75%: £15,750 net rent per home ÷ 4.75% = £331,600 (against £350,000 at 4.50%).
Build costs ±5%	£2,858 per sq m × 1.05 = £3,001; × 0.95 = £2,715. Fees and contingency move with it.
9-month approval wait	Lead-in 6 months + 9 = 15 months: land held 9 months longer at 6%; build cost +2.25% (3% a year inflation for 9 months).
Finance 7% and 8%	The same cash flow with interest at 7% or 8% a year on construction and on the land. Development loans: Bank Rate 3.75% plus a 3 to 4 point margin.
Sells once fully let	9 months of letting after completion with no net income assumed (early rents cover letting costs and empty homes): 9 more months of interest on all costs and the land.
Purchase costs	Price for the building ÷ 1.068: the investor's stamp duty and fees deducted.

Break-even points: the change from the base case that brings the land value to exactly £2.4 million

	SCHEME E (20% AFFORDABLE)	SCHEME D (30% AFFORDABLE)
Rents (against £350 per sq m)	−0.6%	1.6%
Build costs (against £2,858 per sq m)	0.6%	−1.6%
Investor's yield (against 4.50%)	4.53%	4.43%
Flats for sale (Scheme A): price per sq m	£6,132 (20% above £5,100)	

SAMPLE REPORT GENTIUM ADVISERS NOT FOR RELIANCE

SCHEDULE 3 · ASSUMPTIONS, EVIDENCE AND SOURCES

Schedule 3: assumptions, evidence and data sources

INPUT	ASSUMPTION	SOURCE
Benchmark land value	£6.0m a hectare for city-centre car park sites × 0.4 ha = £2.4m	Council viability study, June 2026
Build costs, 16 to 29 storeys	£2,755 (for sale) and £2,858 (build to rent) per sq m of gross floor area, including external works	Council viability study (BCIS based)
Lettable or saleable share of floor area	75%; build to rent adds 5% residents' amenity space	Council viability study
Fees; contingency	6% of construction; 3% of construction	Council; contingency added by Gentium
Sale value	£5,100 per sq m; affordable sale homes at 50% of market value	Council study; affordable share by Gentium
Rent; running costs	£350 per sq m a year; 25% of rent	Council viability study; tested against Exhibit 9
Investor's yield	4.50% (council); 4.75% market, Oct 2026	Council study; Knight Frank Prime Yield Guide, Oct 2026
Affordable rent	20% below market rent	Council policy for build to rent
Developer's profit	17.5% of value (sale); 6% (affordable); 10% (build to rent)	Council viability study
Selling costs	3% (sale); 0.5% (affordable); 1.5% (build to rent, one investment sale)	Gentium, from agents' and legal fee scales
Finance; programme	6% a year; 6-month lead-in, 3-year build	Council viability study
Land purchase costs	6.75% (stamp duty, agent and legal)	Council viability study

Data sources

- Manchester City Council, Local Plan Viability Assessment (June 2026) and Housing Topic Paper
- Knight Frank, Prime Yield Guide, October 2026: build to rent, tier 1 regional cities, net initial yield 4.75%
- Market Code: asking rents by postcode district, October 2026 (M1, M3, M4, M15)
- Boodle Hatfield on Building Safety Regulator Gateway 2 waits (January 2026)
- Deloitte, Manchester Crane Survey 2026; Bank of England (Bank Rate 3.75%)
- REalyse build-to-rent pipeline and rental data, 2026

Glossary

Residual land value	What is left for the land after the value of the finished homes has paid for every cost and the developer's profit.
Benchmark land value	The lowest price at which a reasonable owner would sell: current use value plus a premium.
Build to rent	Homes built to be let, owned as one building by a long-term investor.
Net initial yield	Net rent a year as a percentage of the price an investor pays for the building.
Forward sale or forward funding	An investor agrees to buy (or funds) the building before it is finished.
Gateway 2	Building Safety Regulator approval needed before work starts on a building of 18 m or more.

What a full report adds

A site-specific cost plan from a quantity surveyor, rents and sale prices from named comparable blocks, a month-by-month cash flow, tests of other heights and mixes and a viability statement in the form the council expects. Viability and best use from £5,000.

Important. A sample report on an anonymised site with an illustrative site plan. A development appraisal for illustration, not a formal valuation, planning or investment advice; a formal valuation can only be provided by a RICS Registered Valuer. Prepared by Gentium Advisers, November 2026.

SAMPLE REPORT
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