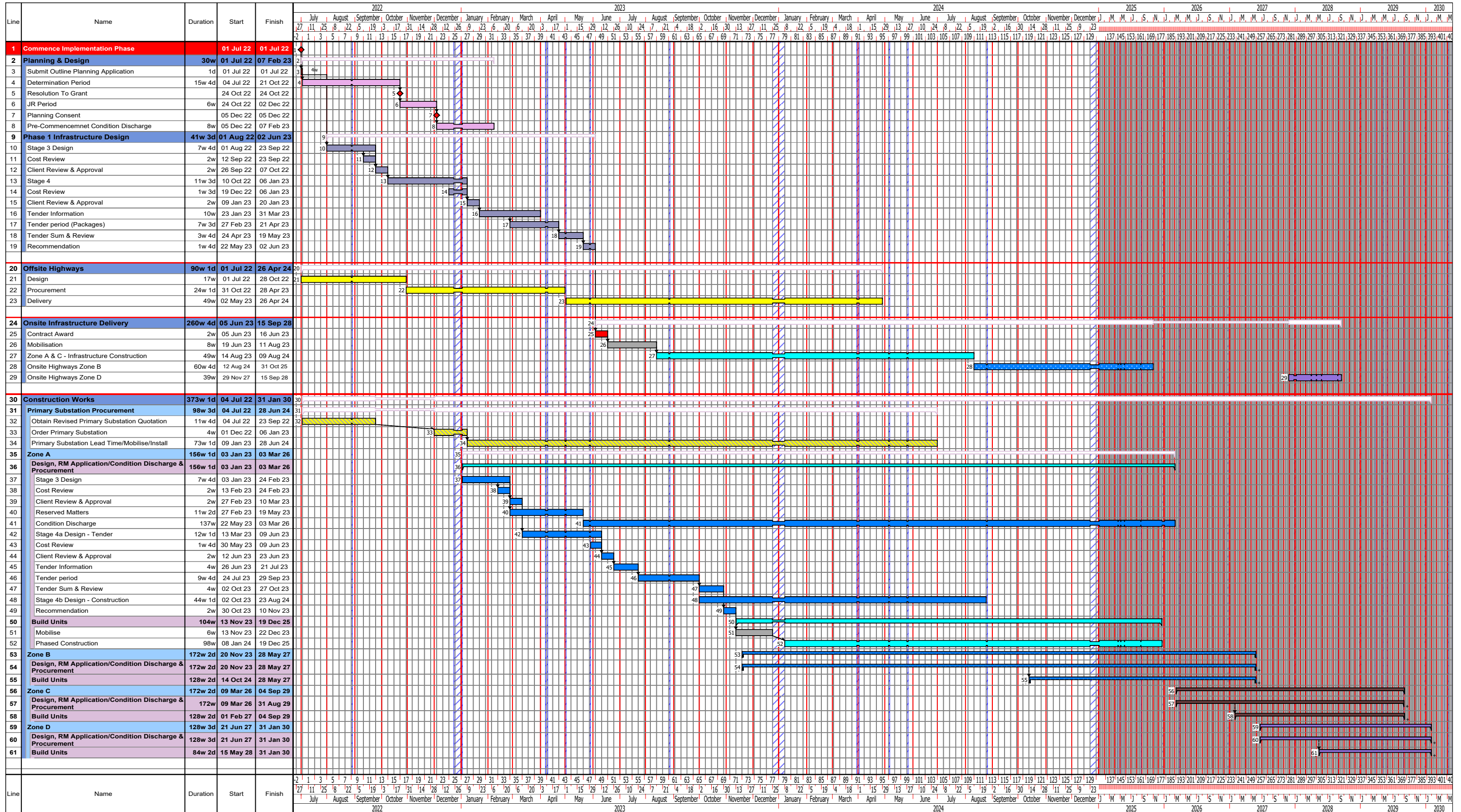


D Delivery Programme



Lancashire Central Infrastructure Delivery Programme

Contract No. Cuerden	Contract: Lancashire Central Overall Project Delivery	Architect: DLA	Programme Ref: Rev12
		Client: Lancashire County Council	Revision Date: 05/07/2022



Rev Comment:	Prepared By: PAS	Orig Issue: 22/06/2022
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E Market Report

Employment Land and Market Report

Cuerden Strategic Site: 'Lancashire Central'

June 2022

Prepared on behalf of:



Contents

1	Introduction.....	3
2	Market Review.....	5
3	Conclusion.....	15

1 Introduction

Instruction

- 1.1 CBRE has been appointed by Maple Grove Developments Ltd ('MGD') and Lancashire County Council ('LCC') to prepare a concise updated market report in support of the proposed outline planning application for the development of Cuerden Strategic Site ('the Site'), to be referred to as 'Lancashire Central', for a scheme comprising the following (constituting 'the Proposed Development'):
- 1.2 *"Application for Outline Planning Permission (with all matters reserved save for access from the public highway and strategic green infrastructure/landscaping) for a mixed-use development including the provision of Employment use (Use Classes B2/B8/E(g)); retail (use Class E(a)); food, drink and drive-through restaurant use (Use Class E(b)/Sui Generis Drive-Through); hotel use (Use Class C1); health, fitness and leisure use (Use Classes E(d)/F(e)/F2(b)); creche/nursery (Class E(f)); car showrooms (Use Class Sui Generis Car Showroom); Residential use (C3) the provision of associated car parking, access, public open space, landscaping and drainage."*

Context

Subject Site, Location & Access

- 1.3 The Site occupies an area of approximately 44.99 hectares (111.17 acres) and is located within the Borough of South Ribble. It is situated at a key gateway location within Central Lancashire between Leyland and the City of Preston, immediately adjacent to (south-west of) the intersection of the M6 (Junction 29) and M65 motorways.
- 1.4 The Site is currently agricultural fields with associated field boundaries. It is bounded by the A582 Lostock Lane to the north, Stanfield Lane to the west and agricultural land and a quarry to the south.
- 1.5 The Site benefits from proximity to West Coast Mainline railway stations (including the main station at Preston) and links to the strategic and local highway network.
- 1.6 The Site is identified within the South Ribble Local Plan under Policy C4 as the Cuerden Strategic Site (CSS), which is to be developed with the necessary infrastructure requirements for high quality employment uses including commercial, industrial, retail and leisure uses.
- 1.7 A site boundary plan is provided within **Appendix A**.

Ownership

- 1.8 The Site is under the ownership of Lancashire County Council and Maple Grove Developments Ltd who are working in collaboration to deliver the Proposed Development.

Planning Allocation

- 1.9 The Site has long been identified in local and regional planning policy for employment uses and is currently allocated within the Central Lancashire Core Strategy (adopted July 2012) and South Ribble Local Plan ('Local Plan') (adopted July 2015).
- 1.10 Under Policy C4 – Cuerden Strategic Site ('CSS') of the Local Plan, the CSS is considered a sustainable and strategically significant site, capable of stimulating economic growth in Central Lancashire and the wider Lancashire sub region with the potential of attracting significant inward investment. The total site allocation covers 65 hectares and is proposed to be developed with the necessary infrastructure requirements for high quality employment uses including commercial, industrial, retail and leisure uses.

Introduction

- 1.11 Alternative uses, including housing, may also be appropriate for development where it can be demonstrated that they help deliver (enable) the employment uses. The scale of any alternative enabling development will be limited to that which is clearly demonstrated to be necessary to fund essential infrastructure and which will not prejudice the delivery and maintenance of the primary employment function of the site.

Development Context

- 1.12 The CSS is located in a key gateway within Central Lancashire and remains a focus of South Ribble Borough Council and LCC for delivery. Due to the significant infrastructure requirements associated with opening up the site, it is considered that 'higher value' enabling development (residential/ retail/ leisure use) is necessary to make the delivery of employment uses at the site a viable proposition.

Central Lancashire Employment Land Study – Objectively Assessed Needs Update 2019 (April 2019)

- 1.13 The latest published Employment Land Study was produced by BE Group on behalf of South Ribble Borough, Chorley and Preston City Councils in November 2017. The study is considered dated and of limited relevance in the current market.
- 1.14 BE Group also produced a Objectively Assessed Needs (OAN) Update in April 2019, which provides a revised evidence base on employment land needs in the local authority areas. Key highlights and conclusions from the OAN Update include:

Land Supply Shortfall

- Local take-up scenario land supply shortfall in South Ribble of 43.72 hectares up to 2036 (based upon a historic take-up of 3.73 ha/pa and when excluding Cuerden/ Salmesbury sites) when comparing local growth rate with supply only picture.
- Gaps in local land supply for sites of larger B2/ B8 uses and B1(a) offices.

Employment Forecasts

- The three largest (employment) growth sectors in South Ribble over the period 2014 – 2036 expected to be: construction; administrative and support services; and transportation and storage.
- Significant declines in manufacturing sector employment forecast over the same period.

2 Market Review

Development Zones/ Phases

- 2.1 The application site comprises a gross land area of 44.99 hectares (110.47 acres).
- 2.2 An outline planning application for the Proposed Development seeks to bring the Site forward in phases, and is supported by parameter plans which outline the following:
- Development Zones (Phases);
 - Land Use & Quantum;
 - Maximum Building Heights;
 - Vehicle, Pedestrian and Cycle Access; and
 - Strategic Landscaping and Green Space.
- 2.3 The 'Parameters Plan 1' comprises details of the proposed phases, land uses and maximum quantum of development. A summary is presented in Table 2.1.

Table 2.1: Proposed Land Use and Quantum | Proposed Development

Zone/ Phase	Use Class	Max GIA (m ²)	Max Plot Size (m ²)
A	Retail (E(a))	4,000	30,000
	Hotel (C1)	2,500	
	Gym (E(d))	1,000	
	Food, Drink & Drive-Through Restaurant (E(b)/Sui Generis Drive-Through)	800	
	Car Sales (Sui Generis)	4,000	
	Creche (E(f))	500	
	Health Centre (E(e))	1,500	
	Employment (B2, B8)	25,000	
	Business (E(g)(i-iii))	4,000	
B	Employment (B2, B8)	65,000	65,000
	Business (E(g)(i-iii))	5,000	
C	Employment (B2, B8)	18,000	18,000
	Business (E(g)(i-iii))	5,000	
	Leisure Centre (E(d), F1(e),F2(b))	13,000	
D	Employment (B2, B8)	47,000	47,000
	Business (E(g)(i-iii))	5,000	
	Leisure Centre (E(d), F1(e),F2(b))	13,000	
E	Residential (C3)	Up to 116 homes	

Source: Fletcher Rae

Employment Land Review

North-West Demand and Supply

North West England Demand

2.4 The CBRE Manchester Industrial and Logistics Agency ('I&L') team take enquiries from potential occupiers across the whole of the North West of England. The following graphs (Figures 2.1 to 2.4) demonstrate the increased level of demand experienced annually between 2018 and 2021, as follows:

Figure 2.1: North West | CBRE Annual Industrial and Logistics Enquiries

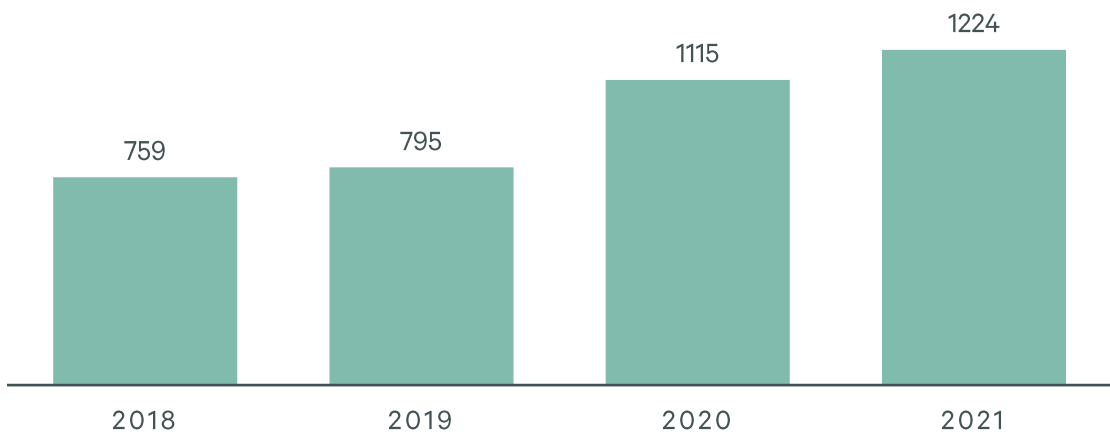
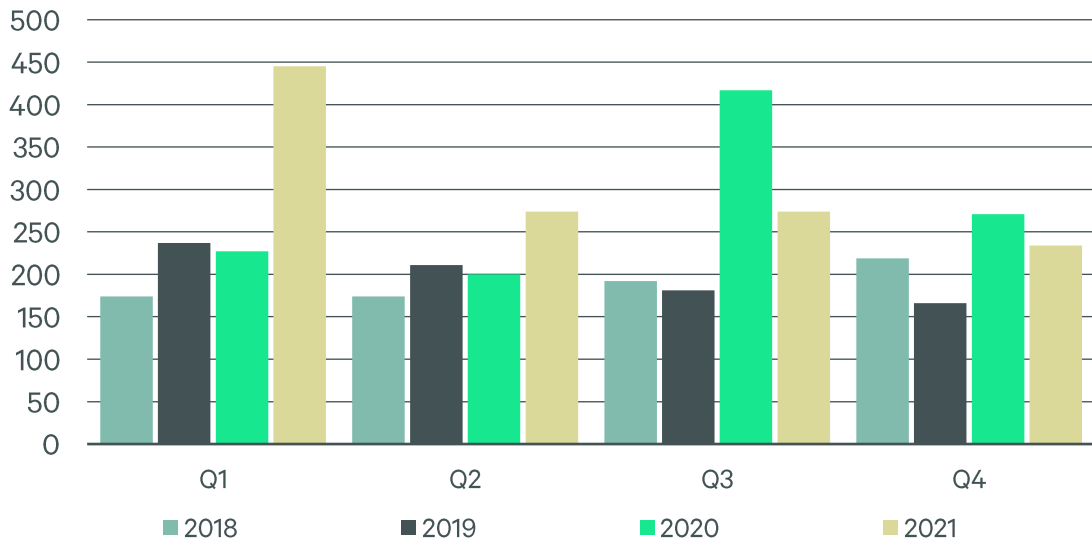


Figure 2.2: North West | CBRE Quarterly Enquiries



Market Review

Figure 2.3: North West | CBRE Annual Enquiries by Size (Sq.ft.)

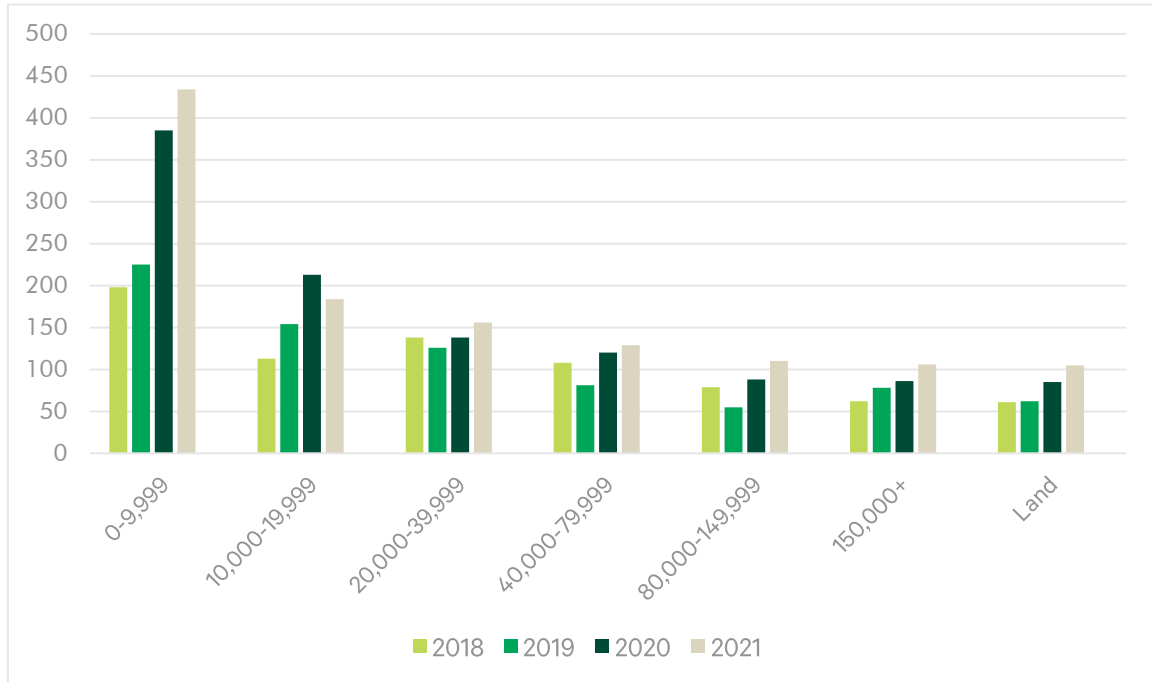
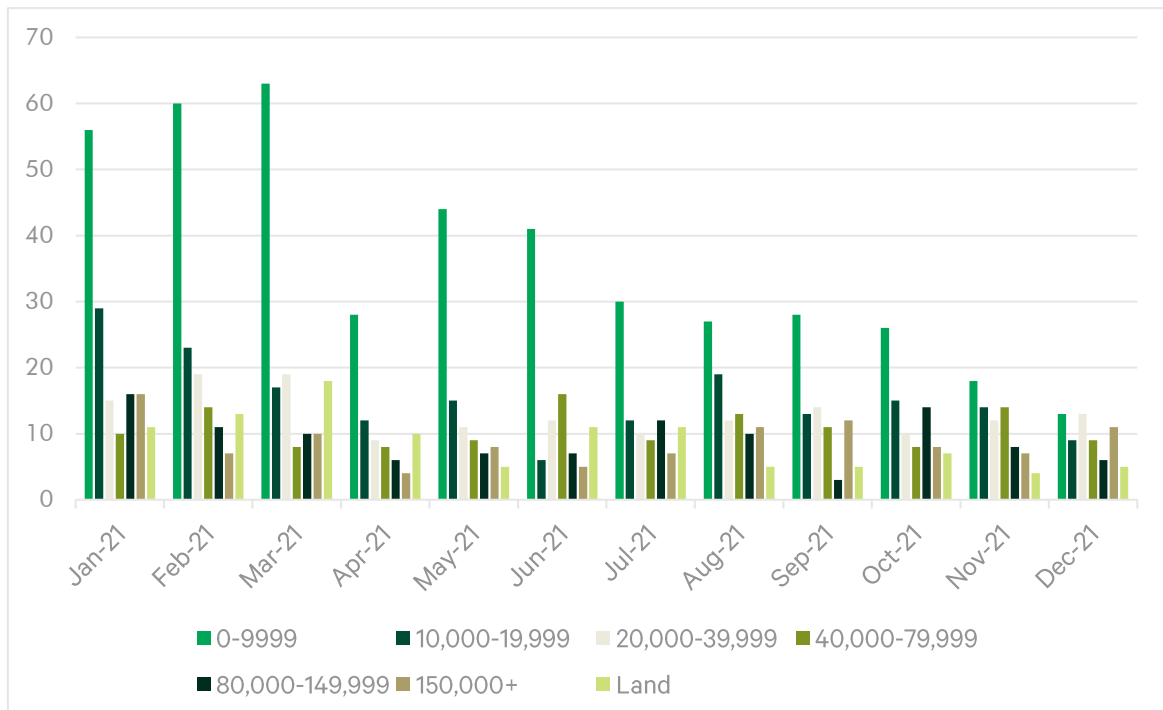


Figure 2.4: North West | CBRE 2021 Monthly Enquiries by Size (Sq.ft.)



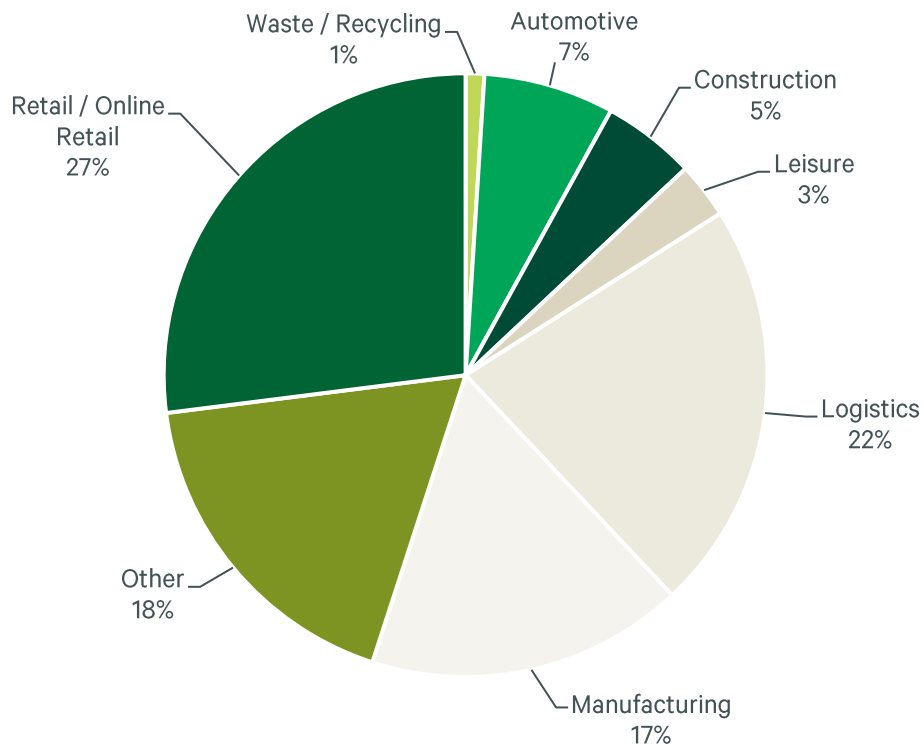
2.5

The volume of industrial and logistics enquiries received by CBRE has increased each year since 2018. The highest volume of enquiries throughout the period has consistently been within the smaller size brackets of up to 9,999ft² and 10,000-19,999ft². Demand has particularly increased for smaller units in 2020 and 2021, and now significantly exceeds enquiries for larger unit sizes.

Market Review

- 2.6 CBRE I&L confirm that levels of industrial and logistics floorspace demand remains elevated into 2022.
- 2.7 The distribution of operational uses cited by enquiring businesses over 2021 is set out within the following graph.

Figure 2.5: North West | CBRE Enquiries by Sector (2021)



- 2.8 The retail / online retail and logistics sectors require similar unit types, but with smaller units typically serving the retail / online retail and larger units required for logistics operations. Retail, online retail and last-mile occupiers will be less dependent than logistics occupiers for locations in close proximity to motorway connections, but will seek premises in close proximity to urban conurbations.
- 2.9 Manufacturing facilities will also require proximity to good highways connections, but are less reliant upon locations immediately neighbouring motorway connections.
- 2.10 There is a current supply / demand imbalance in respect of both units upon multi-let industrial estates and larger scale logistics units leading to strong rental and capital value growth. The availability of all employment unit types is at a record low, pushing rentals and sales values to new levels across the region and these are expected to continue to grow in the short to medium term due to high levels of demand and limited pipeline supply within the planning system, consented or under development.

North West New-Build Employment Scheme Supply

- 2.11 There is a limited supply of new-build developments across the North West and supply across all size ranges remains restricted. Logistics demand has remained resilient across many markets with the accelerated shift to online retail (demonstrated pre-Covid-19 but exacerbated since restrictions were implemented). Last mile logistics and parcel delivery demand remains robust and is likely to continue to grow. The North West also has a strong manufacturing platform with healthy occupational demand which is set to continue.
- 2.12 CBRE I&L confirm that online retail occupancy continues to increase leading to ongoing demand for smaller warehouse units with reasonable highway connections. CBRE considers that changes in shopping

Market Review

behaviours are here to stay and demand for units to service this requirement will remain high for the foreseeable future.

2.13 Moreover, further issues surrounding site availability, protracted planning processes and ongoing supply chain disruption are affecting construction costs and timings, and making the supply response in the industrial and logistics sector challenging¹.

2.14 Details of available and completed employment sites are set out in the following tables:

Table 2.2: Recently Completed Employment Sites | North West

Scheme/ Location	Developer	Date Completed	Size (ft ²)	£/ft ²
Ravenlocks, Bolton	Infrared Capital	2021	11,000 – 61,000	£7.25 - £8.25
Chamberhall Business Park, Bury	St Modwen	2020	9,800 - 25,000	£7.50 - £10.00
Birchwood, Warrington	Patrizia/ Warrington BC	2020	18,000 - 59,000	£7.75
Carrington Gateway, Manchester	HIMOR	2020	11,000 - 104,000	£6.25 - £8.50
Park 66, Bury	Sladen Estates	2019	9,800 - 25,000 <i>for sale</i>	£115
Multiply @ Logistics North, Bolton	Harworth/KFIM	2019	20,000 - 60,000	£7.75
Logic @ Kingsway Business Park, Rochdale	Wilson Bowden	2019	3,000 - 15,000	£6.50 - £7.50
Element , Knowsley	Network Space	2019	22,000 - 46,000	£6.50

Table 2.3: Currently / Recently Available Employment Sites Premises | North West

Scheme/ Location	Developer	Date Completed	Size (ft ²)	Rent (£/ft ²)
PLP Ellesmere Port	PLP	2021	98,548 – 138,612	£6.50
Super W, Tungsten Park, Warrington	Tungsten Properties	2021	246,136	£7.50
Mersey Reach Phase II, Aintree	Chancerygate	2021	4,067 – 29,653	£8.00+
Manor Point, Holmes Chapel	Aus-Bore	2021	2,000 – 31,000	£9.75 - £10.00
Novus, Knutsford	Chancerygate	2020	13,974 - 24,786	£8.00 - £8.50
Artis Park, Winsford	Kier/ Maple Grove	2020	3,450 - 46,000	£7.95 – £9.80

¹ CBRE Research (2021) Market Outlook 2022

Market Review

Table 2.4: Pipeline Employment Site Schemes | North West

Scheme	Location	Developer	Est. Date of PC	Size (ft ²)	Quoting Rent (£/ft ²)
Widnes 400, Gorse Point	Widnes	Marshall CDP / Mirastar	Q1 2022	398,000	£6.50
Ergo	Middlewich	Total/Ergo	Q2 2022	123,000	£6.95
Ma6nitude	Middlewich	Tritax	Q2 2022	149,000	£6.95
Monarch Kingsway Business Park	Rochdale	WB / GMPVF	Q2 2022	328,000	£7.50
Alpha 167 Lingley Mere	Warrington	Canmoor	Q2 2022	167,000	£7.95 <i>Under offer to Supreme Imports.</i>
Ergo Park, Broadway Green	Oldham	Rula Developments	Q3 2022	367,000	£7.75
Urban Park	Rochdale	Urban Logistics REIT	Q3 2022	20,000 – 40,000	£8.25 - £8.75
Gemini8	Warrington	Chancerygate	Q3 2022	4,000 – 16,500	£11.50 - £13.50
Image Business Park	Knowsley	EQT Exeter	Q4 2022	120,000	£6.95
Platinum Business Park	Bolton	Private	Q4 2022	12,500 – 23,000	£7.00+
Stakehill 185	Middleton	Patrick Properties	Q4 2022	185,000	£7.25
Gorse Point	Widnes	Marshall CDP / Mirastar	Q4 2022	257,500	-
Acornfield Industrial Estate	Knowsley	4 th Industrial	Q2 2023	31,200 – 53,000	£7.50 - £7.75
Broadway Central	Oldham	Chancerygate	Q2 2023	6,200 – 23,500	£11.00 - £12.00
Cobalt 2	Oldham	Marshall	Q4 2023	43,000 – 61,500	£8.50 - £9.00
Farrington Park	Leyland	Caddick/Goldman Sachs		557,000	<i>Funding secured, planning permission granted. Not yet quoting rent</i>

Source: CBRE; Savills; B8 Real Estate

- 2.15 The schemes completed up to 2019 are fully let whilst it is understood that a few units remain unlet on schemes completed in 2020 and 2021. The pipeline delivery of new schemes is spread across a wide area of the North West. The nearest pipeline scheme is located at Farrington Park, Leyland.
- 2.16 Occupiers are responding to the scarcity of available space by committing to leases on speculative developments substantially prior to practical completion. Examples are:
- Panattoni Park, Bolton - 280,000ft² - UPS
 - Crewe 305, Crewe - 305,000ft² - AO.com
 - Metro190 Trafford Park - 193,000ft² - The Fragrance Shop
- 2.17 Online retailers acquired the most space in 2021 with 34% of all space transacted, with Amazon completing the acquisition of over 1M sq. ft.
- 2.18 Further details of comparable lease transactions in the local Lancashire market over 2021 are provided in the following tables overleaf.

Market Review

Table 2.5: Comparable Lease Transactions over 100,000 sq. ft. | Lancashire

Date	Address	Tenant	Size (ft ²)	Rent	Term (break)	Comments
Q1 2021	Frontier Park, Blackburn	SIS	160,000	£6.00	15 year lease with 10 year break	12 months RF
Q2 2021	Frontier Park, Blackburn	Fagan & Whalley	208,874	£5.50	10 years 5 year break	
Q2 2021	Kingsway 216, Rochdale	Amazon	216,777	£6.00	10 years	5 year RR fixed uplift CPI 1 - 3%
Q2 2021	F2G, Logistics North, Bolton	Amazon	149,300	£6.85	10 year lease	11 months' rent free
Q2 2021	Panattoni Park, Bolton	UPS	280,700	£7.25	10 year lease break at 5.5	Less than 3 months RF
Q1 2021	375@Logistics North Bolton	Dixons Carphone Warehouse	375,000	£6.35	10 year lease	15 months' rent free

Table 2.6: Comparable Transactions under 100,000 sq. ft. | Lancashire

Date	Address	Tenant	Size (ft ²)	Rent	Term (break)	Comments
Q3 2021	Carrs Hall, Whalley Road, Blackburn, U.K. BB1 9LJ	MuoviTech	32,800	£8.50	10	Fully refurbished industrial warehouse space. Deal done at this level due to lack of supply.
Q2 2021	Mill Bank Park, Eccleshill Blackburn	Business Confidential Lower Road,	10,000 15,000	- £6.50	10 (5)	New build scheme accessed off Junction 4 of the M65. All units pre-let or sold at £110 psf. The scheme is being developed by Barnfield and construction is understood to have commenced in September 2021.
Q2 2021	Mercey Shadsworth	Way, Akzo Nobel	24,000	£5.05	Rent review	Modern unit, slightly over office'ed with 7 metre eaves
Q2 2021	Unit 2, Sumner Point, Leyland, PR26 6TZ	Celebrate Gifts	16,630	£7.50	5	New scheme located on Lancashire Business Park. PC'd Feb 2021. Only one 3,000 sq ft available quoting £9psf. On behalf of the council
Q1 2021	Unit 1 Sumner Point, Leyland, PR26 6TZ	Group 55	20,497	£7.25	3	New scheme located on Lancashire Business Park. PC in Feb 2021. Only one 3,000 sq ft available quoting £9psf. On behalf of the council
U/O	Unit 8 Preston East	DHL Parcel UK Ltd	63,897	£6.50	10	New build - pre let unit
U/O	Amethyst Preston	Court, Sainsburys	42,900	£7.75	15	AFL signed, involves £875,000 capital contribution

Market Review

Date	Address	Tenant	Size (ft ²)	Rent	Term (break)	Comments
U/O	Preston Preston, PR2 5PD	East, TBC	10,419 - 20,871	£7.25	10	New build terrace of units developed by Henry Boot Developments located next Junction 31A of the M6. All units under offer except one
Q4 2021	Unit K3, Buckshaw Link, Chorley	TBC	10,819	£7.50	10 (5)	Modern refurbished unit located on Matrix Park. Last on the estate
Q3 2021	LN50, Bolton	Amscreen	50,809	£7.50	10	New build unit located on Logistics North off the Junction 4 of the M61. North West premier location

Take-up & Yields: Industrial & Logistics

- 2.19 As at Q1 2022, the North West continued a trend of strong take-up with 1.3m ft² of space taken, which is up 14.00% YoY. This comprised second-hand units (3 deals totalling 0.8m ft²) and speculative new-build developments (2 deals totalling 0.5m ft²).
- 2.20 Aggressive bidding in the logistics market has been driving up prices and pushing yields down to historic lows. UK prime yields are forecast to further challenge the current low of 3.50%, however, the key focus for investors will be on rental growth.
- 2.21 As at Q1 2022, rents in the North West continued to increase, although not at the same rate as other regions, and ended the quarter at £7.95/ft². Prime yields in the North West dropped to 3.50%, representing a 25bps change.

Mixed Commercial

- 2.22 Cuerden Strategic Site's connectivity to the motorway network is anticipated to attract strong demand from roadside and mixed commercial sectors.
- 2.23 Phase A of the Proposed Development is identified for mixed commercial uses:
- Car dealership(s)
 - Food store(s)
 - Coffee shop/ Drive-Through's
 - Food & beverage (family pubs/ lodges)
 - Health Centres/facilities
 - Gym/ creche

Gym/ Leisure Centre

- 2.24 Going into 2022 there was demonstrable pent-up consumer demand for most leisure activities, which poses an opportunity for operators to capitalise. It is anticipated there will be a continued recovery of destination leisure businesses as the various operational challenges in each sub market subside.

Market Review

- 2.25 The UK health and fitness market is polarised between out of town clubs in residential locations and clubs that rely heavily on office trade. The former has displayed a strong straight line recovery, but increased home working has had a negative impact on the recovery of city centre lifestyle clubs.
- 2.26 A limited number of recent lease transactions have completed in the locality. CBRE is aware of DW Sports Fitness centre at Port Way, Preston, which comprises 20,330ft² of floorspace over 2 storeys. Particulars state a lease expiry at November 2036 with a current passing rent of £173,890 per annum ('pa') (£8.55/ft²), subject to 5 yearly upwards only rent reviews, the latest stated as being in November 2021 uplifting the rent to £276,955pa (13.62/ft²).
- 2.27 The Applicant has obtained specialist advice from Savills regarding an achievable rent (and terms) for a gym/ leisure centre at the Site. Savills confirm a gross rent of £15.00/ft² for a 10,000 ft² unit is appropriate.

Car Sales (Sui Generis)

- 2.28 The proximity to the motorway network and expected high vehicle movements passing the Site presents a prime location for car dealerships/ automotive occupiers.
- 2.29 CBRE is aware of car dealership investment opportunities in the North West with quoted net initial yields ('NIY') at 5.50%. Volvo dealerships located in prominent positions near to Preston and Bolton present and built in 2021 are achieving passing rents around £15.00/ft² - £15.50/ft² on 5 yearly upward only reviews. CBRE would expect a car dealership at the Site to achieve similar terms.

Convenience Retail/ Discount Foodstore(s)

- 2.30 Significant growth has continued in the discount foodstore sector with numerous transactions occurring in the North West over the past three years, supported in particular by the expansion of the no frills supermarket operators Lidl and Aldi.
- 2.31 Terms for a foodstore at the Site have been informed by market intelligence provide on behalf of the Applicant by Savills, who propose £16.50/ft² rent to be achievable at the Site.
- 2.32 CBRE's Investment Property team advise that, assuming units are let on standard institutional terms for a minimum of 10 years unbroken with open market rent reviews to tenants with strong covenant status, an appropriate NIY for this use would be 4.50%.

Food & Beverage

- 2.33 Confidence is growing across the sub-markets of the leisure and pubs sector with opportunities arising for investors to benefit from potential trading upside and pricing improvements. CBRE research suggests certain sub-sectors have already reached, or exceeded, 2019 pricing levels and investors are willing to consider projected future profits.
- 2.34 Savills advise that an achievable rent for a food & beverage outlet at the Site is £16.50/ft². An appropriate yield, informed by CBRE's Investment Property team, is 5.75%.

Hotel

- 2.35 There is an absence of comparable market data to evidence demand for hotel use in this location presently. However, given the range of uses proposed, it may provide a supporting ancillary use to occupiers that will increase the overall attractiveness of the Proposed Development, or occupier demand may generate market interest once the scheme becomes established.

Health Centre (E(e))

- 2.36 The healthcare sector is underpinned by positive elderly demographic trends and supply-demand imbalance across both public and private pay segments, matching long-term investment requirements and stimulating demand. It is a proven defensive investment sector.
- 2.37 Savills advice suggests that £17.50/ft² reflects an achievable rent at the Site for this use.
- 2.38 CBRE's Investment Property team advise that, assuming units are let on standard institutional terms for a minimum of 10 years unbroken with open market rent reviews to tenants with strong covenant status, an appropriate NIY would be 4.50% for this use.

Residential

- 2.39 The residential land parcel (Phase E) is located to the west of the Site with access via Stanfield Lane. The plot is proposed to yield up to 116 dwellings.
- 2.40 The residential market has remained resilient over the pandemic period and into 2022, however, price growth is expected to moderate towards the end of the year as cost of living and interest rate increases begin to take effect.
- 2.41 The area surrounding the Site, particularly to the south, is considered attractive to developers, with housebuilders including Lovell Homes, Barratt Homes, Keepmoat Homes and David Wilson Homes active in the locality.

Land Values

- 2.42 CBRE is aware of residential sites around Preston achieving prices in the region of £300,000 to £650,000 per net developable acre, noting the following comparable data:
- Cottram Hall, Preston - £348,369 per net acre
 - Whittingham Hospital, Preston - £294,950 per net acre
 - Old Hall Farm, Preston - £650,000 per net acre
- 2.43 CBRE is of the opinion that the residential land parcel would achieve the upper end of the range suggested above.

3 Conclusion

- 3.1 The Cuerden Strategic Site presents a unique opportunity against a backdrop of constrained supply and strong demand for employment land in the region in the current market, with this not expected to abate for the foreseeable future.
- 3.2 The planning application parameters also importantly provide flexibility in the mix of proposed uses to capitalise from ongoing structural market changes once they become embedded or as the market subsequently evolves.

F Indicative Build Cost Estimate



INDICATIVE BUILDING COSTS

LANCASHIRE CENTRAL

Mar-22

<u>PHASE / UNIT</u>	<u>GIA</u>	<u>£/ SQ FT GIA</u>	<u>BUILD COST</u>
PHASE A			
UNIT 1	25,000	200	5,000,000
UNIT 2	23,750	225	5,343,750
UNIT 3	10,000	185	1,850,000
UNIT 4	19,000	175	3,325,000
UNIT 5	2,000	250	500,000
UNIT 6	1,800	400	720,000
UNIT 7	4,500	335	1,507,500
UNIT 8	54,000	66	3,564,000
UNIT 9	59,600	65	3,874,000
	199,650		25,684,250
PHASE B			
UNIT 1	159,500	60	9,570,000
UNIT 2	330,580	56	18,512,480
UNIT 3	66,250	65	4,306,250
UNIT 4	29,550	72	2,127,600
	585,880		34,516,330



PHASE C

UNIT 1	30,000	72	2,160,000
UNIT 2	17,500	77	1,347,500
UNIT 3	50,000	68	3,400,000
UNIT 4	40,000	70	2,800,000
	137,500		9,707,500

PHASE D

UNIT 1	71,750	65	4,663,750
UNIT 2	35,875	72	2,583,000
UNIT 3	25,625	75	1,921,875
UNIT 4	51,250	68	3,485,000
UNIT 5	76,875	65	4,996,875
UNIT 6	35,875	72	2,583,000
	297,250		20,233,500

NOTE

FEEES ARE EXCLUDED
COSTS ARE CURRENT DAY AND EXCLUDE INFLATION

G Proposed Development Appraisal

Lancashire Central
Cuerden Strategic Site
South Ribble

Financial Viability Appraisal:
Proposed Development - Illustrative Masterplan Scheme

**Lancashire Central
Cuerden Strategic Site
South Ribble**

Appraisal Summary for Merged Phases 1 2 3 4 5 6

Currency in £

REVENUE

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase A: Unit 1 (Car Supermarket)	1	25,000	15.25	381,250	381,250	381,250
Phase A: Unit 2 (Health Centre)	1	16,146	17.50	282,555	282,555	282,555
Phase A: Unit 3 (Gym/ Creche)	1	5,382	15.00	80,730	80,730	80,730
Phase A: Unit 4 (Food Store)	1	19,000	16.50	313,500	313,500	313,500
Phase A: Unit 5 (F&B)	1	2,000	37.50	75,000	75,000	75,000
Phase A: Unit 6 (Drive Thru)	1	1,800	45.00	81,000	81,000	81,000
Phase A: Unit 7 (Drive Thru)	1	4,500	35.00	157,500	157,500	157,500
Phase A: Unit 8	1	54,000	7.50	405,000	405,000	405,000
Phase A: Unit 9	1	55,400	7.50	415,500	415,500	415,500
Phase B: Unit 1	1	164,100	7.00	1,148,700	1,148,700	1,148,700
Phase B: Unit 2	1	330,580	6.75	2,231,415	2,231,415	2,231,415
Phase B: Unit 3	1	66,250	7.50	496,875	496,875	496,875
Phase B: Unit 4	1	29,550	7.75	229,013	229,013	229,013
Phase C: Unit 1	1	30,750	7.75	238,313	238,313	238,313
Phase C: Unit 2	1	17,630	8.25	145,448	145,448	145,448
Phase C: Unit 3	1	51,250	7.50	384,375	384,375	384,375
Phase C: Unit 4	1	41,000	7.50	307,500	307,500	307,500
Phase D: Unit 1	1	71,750	7.25	520,188	520,188	520,188
Phase D: Unit 2	1	35,875	7.75	278,031	278,031	278,031
Phase D: Unit 3	1	25,625	7.75	198,594	198,594	198,594
Phase D: Unit 4	1	51,250	7.50	384,375	384,375	384,375
Phase D: Unit 5	1	76,875	7.25	557,344	557,344	557,344
Phase D: Unit 6	1	35,875	7.75	278,031	278,031	278,031
Totals	23	1,211,588			9,590,235	9,590,235

Investment Valuation

Phase A: Unit 1 (Car Supermarket)						
Market Rent	381,250	YP @	5.5000%	18.1818		
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	6,570,444	
Phase A: Unit 2 (Health Centre)						
Market Rent	282,555	YP @	4.5000%	22.2222		
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	6,008,612	
Phase A: Unit 3 (Gym/ Creche)						
Market Rent	80,730	YP @	6.0000%	16.6667		
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,269,340	
Phase A: Unit 4 (Food Store)						
Market Rent	313,500	YP @	4.5000%	22.2222		
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	6,666,667	
Phase A: Unit 5 (F&B)						
Market Rent	75,000	YP @	5.7500%	17.3913		
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	1,233,426	
Phase A: Unit 6 (Drive Thru)						
Market Rent	81,000	YP @	5.7500%	17.3913		
(1yr Rent Free)		PV 1yr @	5.7500%	0.9456	1,332,100	
Phase A: Unit 7 (Drive Thru)						
Market Rent	157,500	YP @	5.5000%	18.1818		
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	2,714,347	
Phase A: Unit 8						
Market Rent	405,000	YP @	4.5000%	22.2222		
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	8,612,440	
Phase A: Unit 9						
Market Rent	415,500	YP @	4.5000%	22.2222		
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	8,835,726	
Phase B: Unit 1						
Market Rent	1,148,700	YP @	4.5000%	22.2222		
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	24,427,432	
Phase B: Unit 2						
Market Rent	2,231,415	YP @	4.5000%	22.2222		
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	47,451,675	
Phase B: Unit 3						
Market Rent	496,875	YP @	4.5000%	22.2222		

**Lancashire Central
Cuerden Strategic Site
South Ribble**

(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	10,566,188
Phase B: Unit 4					
Market Rent	229,013	YP @	4.5000%	22.2222	
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	4,870,016
Phase C: Unit 1					
Market Rent	238,313	YP @	4.5000%	22.2222	
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	5,067,783
Phase C: Unit 2					
Market Rent	145,448	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	2,770,429
Phase C: Unit 3					
Market Rent	384,375	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	7,321,429
Phase C: Unit 4					
Market Rent	307,500	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	5,857,143
Phase D: Unit 1					
Market Rent	520,188	YP @	4.5000%	22.2222	
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	11,061,935
Phase D: Unit 2					
Market Rent	278,031	YP @	4.5000%	22.2222	
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	5,912,414
Phase D: Unit 3					
Market Rent	198,594	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	3,782,738
Phase D: Unit 4					
Market Rent	384,375	YP @	4.5000%	22.2222	
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	8,173,844
Phase D: Unit 5					
Market Rent	557,344	YP @	4.5000%	22.2222	
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	11,852,073
Phase D: Unit 6					
Market Rent	278,031	YP @	4.5000%	22.2222	
(1yr Rent Free)		PV 1yr @	4.5000%	0.9569	5,912,414
Total Investment Valuation					198,270,613
GROSS DEVELOPMENT VALUE					198,270,613
Purchaser's Costs			(7,562,244)		
Effective Purchaser's Costs Rate		3.81%		(7,562,244)	
NET DEVELOPMENT VALUE					190,708,369
Additional Revenue					
Residential Land Sale			3,250,000		3,250,000
NET REALISATION					193,958,369
OUTLAY					
ACQUISITION COSTS					
Fixed Price			815,575		
Fixed Price			865,100		
Fixed Price			249,100		
Fixed Price			648,325		
Fixed Price			170,000		
Total Acquisition			2,748,100		2,748,100
Stamp Duty				87,332	
Effective Stamp Duty Rate		3.18%			
Agent Fee		1.00%	27,481		
Legal Fee		0.80%	21,985		
					136,798
CONSTRUCTION COSTS					
Construction	ft²	Build Rate ft²	Cost		
Phase A: Unit 1 (Car Supermarket)	25,000	200.00	5,000,000		

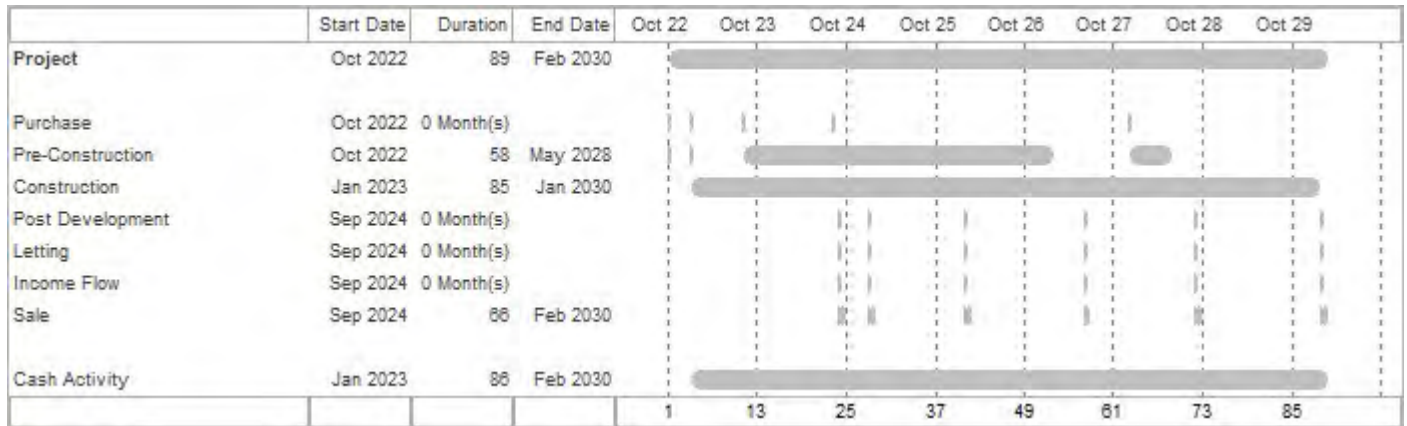
**Lancashire Central
Cuerden Strategic Site
South Ribble**

Phase A: Unit 2 (Health Centre)	16,146	225.00	3,632,850	
Phase A: Unit 3 (Gym/ Creche)	5,382	185.00	995,670	
Phase A: Unit 4 (Food Store)	19,000	175.00	3,325,000	
Phase A: Unit 5 (F&B)	2,000	250.00	500,000	
Phase A: Unit 6 (Drive Thru)	1,800	400.00	720,000	
Phase A: Unit 7 (Drive Thru)	4,500	335.00	1,507,500	
Phase A: Unit 8	54,000	66.00	3,564,000	
Phase A: Unit 9	55,400	65.00	3,601,000	
Phase B: Unit 1	164,100	60.00	9,846,000	
Phase B: Unit 2	330,580	56.00	18,512,480	
Phase B: Unit 3	66,250	65.00	4,306,250	
Phase B: Unit 4	29,550	72.00	2,127,600	
Phase C: Unit 1	30,750	72.00	2,214,000	
Phase C: Unit 2	17,630	77.00	1,357,510	
Phase C: Unit 3	51,250	68.00	3,485,000	
Phase C: Unit 4	41,000	70.00	2,870,000	
Phase D: Unit 1	71,750	65.00	4,663,750	
Phase D: Unit 2	35,875	72.00	2,583,000	
Phase D: Unit 3	25,625	75.00	1,921,875	
Phase D: Unit 4	51,250	68.00	3,485,000	
Phase D: Unit 5	76,875	65.00	4,996,875	
Phase D: Unit 6	35,875	72.00	2,583,000	
Totals	1,211,588 ft²		87,798,360	
Contingency		2.00%	1,755,967	
Off-Plot Infrastructure Works			40,748,465	
Phase A: On-Plot Infrastructure	1 un	4,301,428.00 /un	4,301,428	
Phase B: On-Plot Infrastructure	1 un	7,621,501.00 /un	7,621,501	
Phase C: On-Plot Infrastructure	1 un	2,002,711.00 /un	2,002,711	
Phase D: On-Plot Infrastructure	1 un	3,624,080.00 /un	3,624,080	
Resi Land: On-Plot Infrastructure	1 un	1,333,363.00 /un	1,333,363	
CIL: Convenience Retail			575,750	
				149,761,625
PROFESSIONAL FEES				
Professional Fees		8.00%	8,534,515	8,534,515
MARKETING & LETTING				
Letting Agent Fee		15.00%	1,438,535	
Letting Legal Fee		5.00%	479,512	1,918,047
DISPOSAL FEES				
Sales Agent Fee		0.75%	1,430,313	
Residential Sale Agent Fee		1.00%	32,500	
Sales Legal Fee		0.50%	953,542	
Residential Sale Legal Fee		0.80%	26,000	2,442,355
FINANCE				
Debit Rate 4.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				13,366,934
TOTAL COSTS				178,908,374
PROFIT				15,049,996
Performance Measures				
Profit on Cost%		8.41%		
Profit on GDV%		7.59%		
Profit on NDV%		7.89%		
Development Yield% (on Rent)		5.36%		
Equivalent Yield% (Nominal)		4.62%		
Equivalent Yield% (True)		4.76%		
IRR% (without Interest)		8.17%		
Rent Cover		1 yr 7 mths		
Profit Erosion (finance rate 4.500)		1 yr 10 mths		

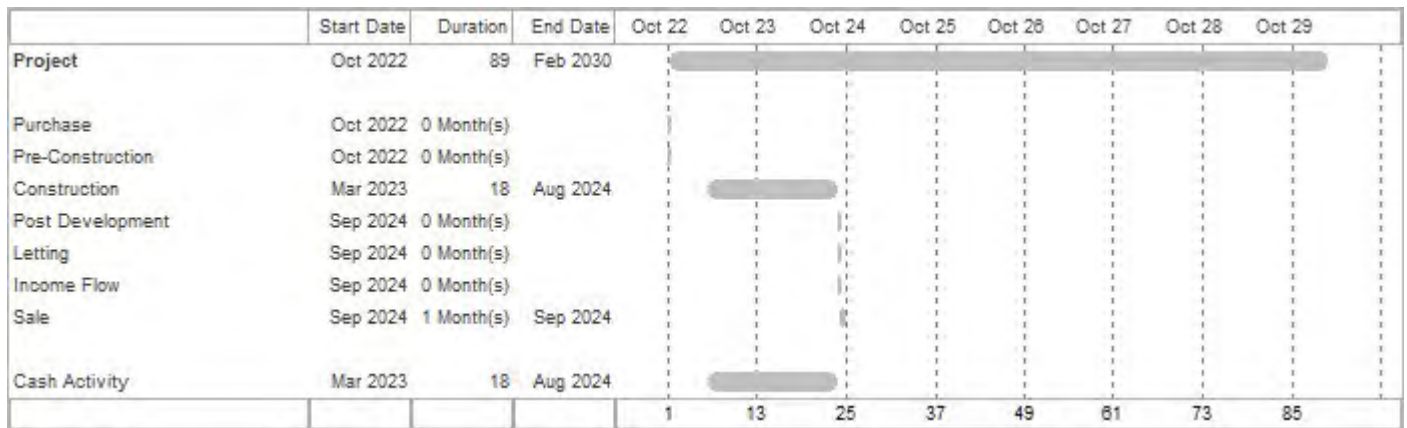
**Lancashire Central
Cuerden Strategic Site
South Ribble**

Project Timescale	
Project Start Date	Oct 2022
Project End Date	Feb 2030
Project Duration (Inc Exit Period)	89 months

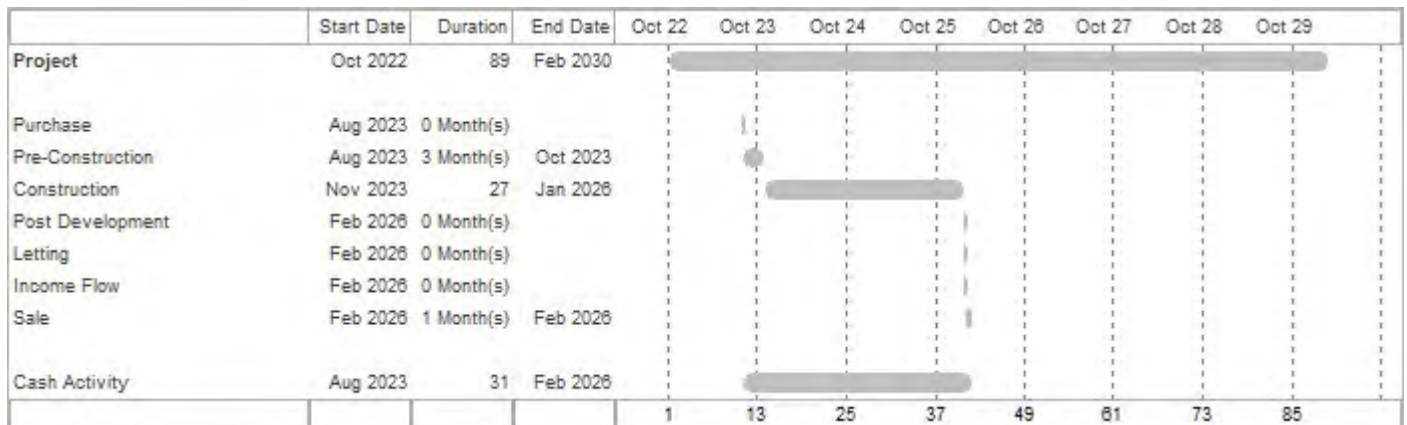
All Phases



1. Off-Plot Infrastructure Works

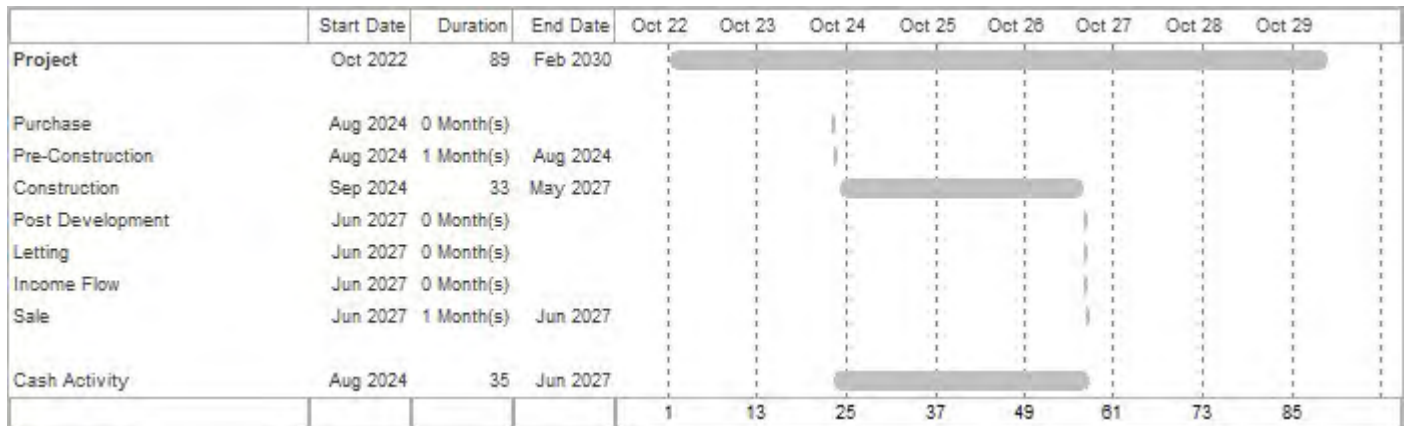


2. Phase A

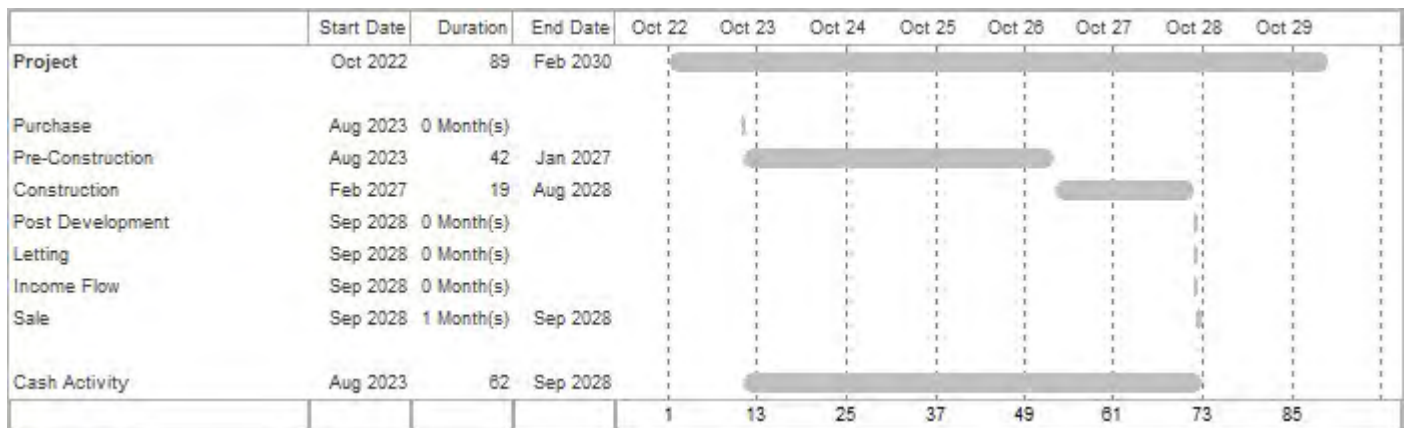


**Lancashire Central
Cuerden Strategic Site
South Ribble**

3. Phase B



4. Phase C

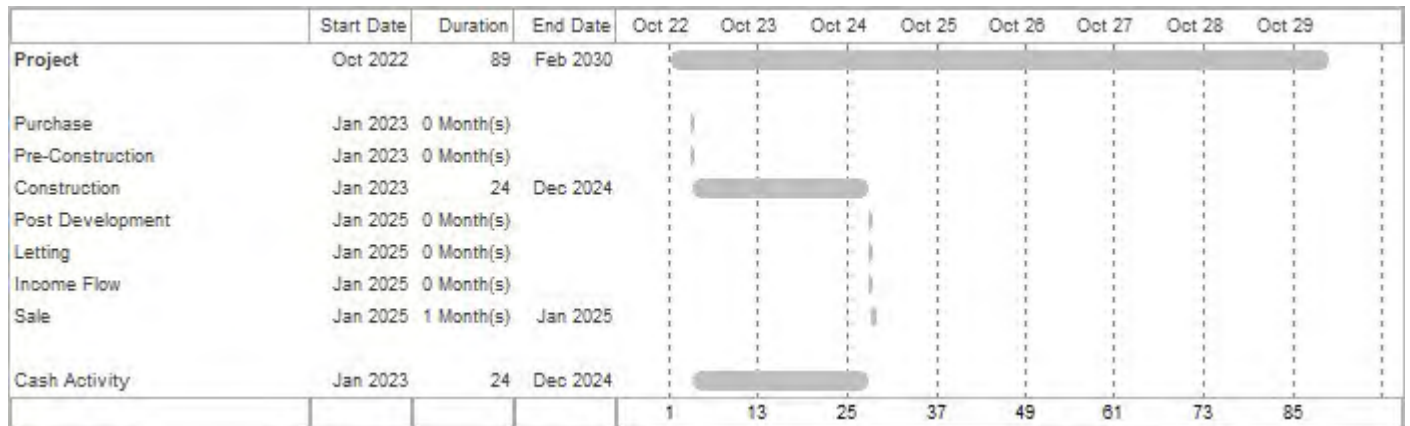


5. Phase D



**Lancashire Central
Cuerden Strategic Site
South Ribble**

6. Residential Land



**Lancashire Central
Cuerden Strategic Site
South Ribble**

Grouped Cash Flow (Merged Phases)

Quarterly B/F	001:Oct 2022	004:Jan 2023	007:Apr 2023	010:Jul 2023	013:Oct 2023	016:Jan 2024	019:Apr 2024	022:Jul 2024	025:Oct 2024	028:Jan 2025	031:Apr 2025	034:Jul 2025
Quarterly B/F	0	0	574,232	(6,419,018)	(14,625,663)	(24,948,838)	(35,986,422)	(48,026,189)	(59,520,931)	(67,306,058)	(76,271,904)	(86,011,197)
Investment Valuation												
Capitalised Rent	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
Sales Costs and Fees												
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
Additional Revenue												
Additional Revenue	0	3,250,000	0	0	0	0	0	0	0	0	0	0
	0	3,250,000	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	3,250,000	0	0	0	0	0	0	0	0	0	0
Acquisition Costs												
Fixed Price	0	(170,000)	0	0	(815,575)	0	0	(865,100)	0	0	0	0
Stamp Duty	0	(400)	0	0	(30,279)	0	0	(32,755)	0	0	0	0
Acquisition Fees	0	(3,060)	0	0	(14,680)	0	0	(15,572)	0	0	0	0
	0	(173,460)	0	0	(860,534)	0	0	(913,427)	0	0	0	0
Construction Costs												
Construction Costs	0	0	0	0	(403,465)	(1,596,632)	(2,522,447)	(3,294,114)	(4,785,442)	(5,938,678)	(6,547,378)	(6,611,542)
Contingency	0	0	0	0	(8,069)	(31,933)	(50,449)	(65,882)	(95,709)	(118,774)	(130,948)	(132,231)
Road/Site Works	0	(2,430,474)	(6,958,081)	(8,008,771)	(8,534,116)	(8,534,116)	(8,534,116)	(6,235,823)	(1,690,971)	(1,524,300)	(1,524,300)	(1,524,300)
	0	(2,430,474)	(6,958,081)	(8,008,771)	(8,945,650)	(10,162,680)	(11,107,012)	(9,595,819)	(6,572,122)	(7,581,752)	(8,202,626)	(8,268,073)
Other Construction Costs												
Statutory/LA	0	0	0	0	(143,938)	(287,875)	(143,938)	0	0	0	0	0
	0	0	0	0	(143,938)	(287,875)	(143,938)	0	0	0	0	0
TOTAL CONSTRUCTION COSTS	0	(2,430,474)	(6,958,081)	(8,008,771)	(9,089,588)	(10,450,555)	(11,250,950)	(9,595,819)	(6,572,122)	(7,581,752)	(8,202,626)	(8,268,073)
Professional Fees												
Architect	0	(13,334)	(13,334)	(97,389)	(171,694)	(267,147)	(341,212)	(400,186)	(518,113)	(597,038)	(645,734)	(650,867)
	0	(13,334)	(13,334)	(97,389)	(171,694)	(267,147)	(341,212)	(400,186)	(518,113)	(597,038)	(645,734)	(650,867)
Marketing and Letting												
Letting Agent Fee	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
Sales Costs and Fees												
Sales Agent Fee	0	(32,500)	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	(26,000)	0	0	0	0	0	0	0	0	0	0
	0	(58,500)	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	0	(2,675,768)	(6,971,415)	(8,106,160)	(10,121,815)	(10,717,702)	(11,592,162)	(10,909,432)	(7,090,235)	(8,178,791)	(8,848,360)	(8,918,940)
Net Cash Flow Before Finance	0	574,232	(6,971,415)	(8,106,160)	(10,121,815)	(10,717,702)	(11,592,162)	(10,909,432)	(7,090,235)	(8,178,791)	(8,848,360)	(8,918,940)
Debit Rate 4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	0	(21,836)	(100,484)	(201,360)	(319,881)	(447,605)	(585,309)	(694,892)	(787,056)	(890,932)	(1,001,263)
Net Cash Flow After Finance	0	574,232	(6,993,251)	(8,206,644)	(10,323,176)	(11,037,583)	(12,039,767)	(11,494,742)	(7,785,127)	(8,965,847)	(9,739,292)	(9,920,203)
Cumulative Net Cash Flow Quarterly	0	574,232	(6,419,018)	(14,625,663)	(24,948,838)	(35,986,422)	(48,026,189)	(59,520,931)	(67,306,058)	(76,271,904)	(86,011,197)	(95,931,400)

**Lancashire Central
Cuerden Strategic Site
South Ribble**

Grouped Cash Flow (Merged Phases)

Quarterly B/F	037:Oct 2025 (95,931,400)	040:Jan 2026 (104,333,758)	043:Apr 2026 (71,137,468)	046:Jul 2026 (76,681,352)	049:Oct 2026 (81,881,792)	052:Jan 2027 (86,461,495)	055:Apr 2027 (90,751,141)	058:Jul 2027 (10,155,677)	061:Oct 2027 (12,379,805)	064:Jan 2028 (15,307,032)	067:Apr 2028 (18,932,343)	070:Jul 2028 (22,952,660)
Investment Valuation												
Capitalised Rent	0	43,243,101	0	0	0	0	87,315,311	0	0	0	0	21,016,783
	0	43,243,101	0	0	0	0	87,315,311	0	0	0	0	21,016,783
Sales Costs and Fees												
Purchaser's Costs	0	(2,940,531)	0	0	0	0	(1,571,676)	0	0	0	0	(1,429,141)
	0	(2,940,531)	0	0	0	0	(1,571,676)	0	0	0	0	(1,429,141)
Additional Revenue												
Additional Revenue	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	40,302,570	0	0	0	0	85,743,635	0	0	0	0	19,587,642
Acquisition Costs												
Fixed Price	0	0	0	0	0	(249,100)	0	0	0	0	(648,325)	0
Stamp Duty	0	0	0	0	0	(1,982)	0	0	0	0	(21,916)	0
Acquisition Fees	0	0	0	0	0	(4,484)	0	0	0	0	(11,670)	0
	0	0	0	0	0	(255,566)	0	0	0	0	(681,911)	0
Construction Costs												
Construction Costs	(6,131,169)	(4,788,894)	(4,296,039)	(3,928,291)	(3,312,900)	(2,771,829)	(2,313,243)	(1,911,273)	(2,170,608)	(2,059,758)	(1,763,354)	(2,445,413)
Contingency	(122,623)	(95,778)	(85,921)	(78,566)	(66,258)	(55,437)	(46,265)	(38,225)	(43,412)	(41,195)	(35,267)	(48,908)
Road/Site Works	(508,100)	0	0	0	0	0	0	0	(362,408)	(1,087,224)	(1,087,224)	(1,087,224)
	(6,761,892)	(4,884,672)	(4,381,960)	(4,006,856)	(3,379,158)	(2,827,266)	(2,359,508)	(1,949,498)	(2,576,428)	(3,188,177)	(2,885,845)	(3,581,545)
Other Construction Costs												
Statutory/LA	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CONSTRUCTION COSTS	(6,761,892)	(4,884,672)	(4,381,960)	(4,006,856)	(3,379,158)	(2,827,266)	(2,359,508)	(1,949,498)	(2,576,428)	(3,188,177)	(2,885,845)	(3,581,545)
Professional Fees												
Architect	(531,142)	(383,112)	(343,683)	(314,263)	(265,032)	(221,746)	(185,059)	(152,902)	(202,641)	(251,759)	(228,046)	(282,611)
	(531,142)	(383,112)	(343,683)	(314,263)	(265,032)	(221,746)	(185,059)	(152,902)	(202,641)	(251,759)	(228,046)	(282,611)
Marketing and Letting												
Letting Agent Fee	0	(328,805)	0	0	0	0	(615,900)	0	0	0	0	(161,345)
Letting Legal Fee	0	(109,602)	0	0	0	0	(205,300)	0	0	0	0	(53,782)
	0	(438,407)	0	0	0	0	(821,201)	0	0	0	0	(215,127)
Sales Costs and Fees												
Sales Agent Fee	0	(302,269)	0	0	0	0	(643,077)	0	0	0	0	(146,907)
Sales Legal Fee	0	(201,513)	0	0	0	0	(428,718)	0	0	0	0	(97,938)
	0	(503,782)	0	0	0	0	(1,071,795)	0	0	0	0	(244,846)
TOTAL COSTS	(7,293,034)	(6,209,973)	(4,725,643)	(4,321,120)	(3,644,190)	(3,304,578)	(4,437,564)	(2,102,400)	(2,779,069)	(3,439,936)	(3,795,803)	(4,324,128)
Net Cash Flow Before Finance	(7,293,034)	34,092,598	(4,725,643)	(4,321,120)	(3,644,190)	(3,304,578)	81,306,072	(2,102,400)	(2,779,069)	(3,439,936)	(3,795,803)	15,263,513
Debit Rate 4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(1,109,325)	(896,307)	(818,241)	(879,320)	(935,513)	(985,067)	(710,608)	(121,728)	(148,159)	(185,375)	(224,515)	(199,112)
Net Cash Flow After Finance	(8,402,359)	33,196,290	(5,543,884)	(5,200,440)	(4,579,704)	(4,289,645)	80,595,464	(2,224,128)	(2,927,228)	(3,625,311)	(4,020,317)	15,064,401
Cumulative Net Cash Flow Quarterly	(104,333,758)	(71,137,468)	(76,681,352)	(81,881,792)	(86,461,495)	(90,751,141)	(10,155,677)	(12,379,805)	(15,307,032)	(18,932,343)	(22,952,660)	(7,888,259)

**Lancashire Central
Cuerden Strategic Site
South Ribble**
Grouped Cash Flow (Merged Phases)

Page A 3

Quarterly B/F	073:Oct 2028 (7,888,259)	076:Jan 2029 (11,590,268)	079:Apr 2029 (16,199,617)	082:Jul 2029 (21,012,210)	085:Oct 2029 (25,316,034)	088:Jan 2030 (28,391,062)
Investment Valuation						
Capitalised Rent	0	0	0	0	0	46,695,418
	0	0	0	0	0	46,695,418
Sales Costs and Fees						
Purchaser's Costs	0	0	0	0	0	(1,620,896)
	0	0	0	0	0	(1,620,896)
Additional Revenue						
Additional Revenue	0	0	0	0	0	0
	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	45,074,522
Acquisition Costs						
Fixed Price	0	0	0	0	0	0
Stamp Duty	0	0	0	0	0	0
Acquisition Fees	0	0	0	0	0	0
	0	0	0	0	0	0
Construction Costs						
Construction Costs	(3,273,434)	(4,056,950)	(4,193,526)	(3,683,163)	(2,525,860)	(472,958)
Contingency	(65,469)	(81,139)	(83,871)	(73,663)	(50,517)	(9,459)
Road/Site Works	0	0	0	0	0	0
	(3,338,903)	(4,138,089)	(4,277,397)	(3,756,826)	(2,576,377)	(482,417)
Other Construction Costs						
Statutory/LA	0	0	0	0	0	0
	0	0	0	0	0	0
TOTAL CONSTRUCTION COSTS	(3,338,903)	(4,138,089)	(4,277,397)	(3,756,826)	(2,576,377)	(482,417)
Professional Fees						
Architect	(261,875)	(324,556)	(335,482)	(294,653)	(202,069)	(37,837)
	(261,875)	(324,556)	(335,482)	(294,653)	(202,069)	(37,837)
Marketing and Letting						
Letting Agent Fee	0	0	0	0	0	(332,484)
Letting Legal Fee	0	0	0	0	0	(110,828)
	0	0	0	0	0	(443,313)
Sales Costs and Fees						
Sales Agent Fee	0	0	0	0	0	(338,059)
Sales Legal Fee	0	0	0	0	0	(225,373)
	0	0	0	0	0	(563,432)
TOTAL COSTS	(3,600,778)	(4,462,645)	(4,612,879)	(4,051,479)	(2,778,446)	(1,526,998)
Net Cash Flow Before Finance	(3,600,778)	(4,462,645)	(4,612,879)	(4,051,479)	(2,778,446)	43,547,524
Debit Rate 4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	(101,231)	(146,704)	(199,715)	(252,345)	(296,582)	(106,466)
Net Cash Flow After Finance	(3,702,009)	(4,609,349)	(4,812,594)	(4,303,824)	(3,075,028)	43,441,057
Cumulative Net Cash Flow Quarterly	(11,590,268)	(16,199,617)	(21,012,210)	(25,316,034)	(28,391,062)	15,049,996

H Sensitivity Test

**Lancashire Central
Cuerden Strategic Site
South Ribble**

Table of Profit Amount and Profit on Cost%

Construction: Rate /ft²	Rent: Rate /ft²						
	-0.30 /ft²	-0.20 /ft²	-0.10 /ft²	0.00 /ft²	+0.10 /ft²	+0.20 /ft²	+0.30 /ft²
-0.75 /ft²	£8,332,845 4.673%	£10,955,808 6.151%	£13,578,771 7.631%	£16,201,735 9.115%	£18,824,698 10.601%	£21,447,661 12.090%	£24,068,235 13.581%
-0.50 /ft²	£7,948,932 4.449%	£10,571,895 5.923%	£13,194,858 7.399%	£15,817,822 8.879%	£18,440,785 10.362%	£21,063,748 11.848%	£23,685,452 13.337%
-0.25 /ft²	£7,565,019 4.225%	£10,187,982 5.695%	£12,810,945 7.169%	£15,433,909 8.645%	£18,056,872 10.125%	£20,679,835 11.607%	£23,302,669 13.093%
0.00 /ft²	£7,181,106 4.002%	£9,804,069 5.469%	£12,427,032 6.939%	£15,049,996 8.412%	£17,672,959 9.888%	£20,295,923 11.367%	£22,918,886 12.849%
+0.25 /ft²	£6,797,193 3.780%	£9,420,156 5.243%	£12,043,119 6.710%	£14,666,083 8.180%	£17,289,046 9.653%	£19,912,010 11.128%	£22,534,973 12.607%
+0.50 /ft²	£6,413,280 3.559%	£9,036,243 5.019%	£11,659,206 6.482%	£14,282,170 7.949%	£16,905,133 9.418%	£19,528,097 10.890%	£22,151,060 12.366%
+0.75 /ft²	£6,029,367 3.338%	£8,652,330 4.796%	£11,275,294 6.256%	£13,898,257 7.719%	£16,521,220 9.185%	£19,144,184 10.654%	£21,767,147 12.125%

Sensitivity Analysis : Assumptions for Calculation

Rent: Rate /ft²

Original Values are varied in Fixed Steps of £0.10

Heading	Phase	Rate	No. of Steps
Phase A: Unit 1 (Car Supermarket)	2	£15.25	3.00 Up & Down
Phase A: Unit 2 (Health Centre)	2	£17.50	3.00 Up & Down
Phase A: Unit 3 (Gym/ Creche)	2	£15.00	3.00 Up & Down
Phase A: Unit 4 (Food Store)	2	£16.50	3.00 Up & Down
Phase A: Unit 5 (F&B)	2	£37.50	3.00 Up & Down
Phase A: Unit 6 (Drive Thru)	2	£45.00	3.00 Up & Down
Phase A: Unit 7 (Drive Thru)	2	£35.00	3.00 Up & Down
Phase A: Unit 8	2	£7.50	3.00 Up & Down
Phase A: Unit 9	2	£7.50	3.00 Up & Down
Phase B: Unit 1	3	£7.00	3.00 Up & Down
Phase B: Unit 2	3	£6.75	3.00 Up & Down
Phase B: Unit 3	3	£7.50	3.00 Up & Down
Phase B: Unit 4	3	£7.75	3.00 Up & Down
Phase C: Unit 1	4	£7.75	3.00 Up & Down
Phase C: Unit 2	4	£8.25	3.00 Up & Down
Phase C: Unit 3	4	£7.50	3.00 Up & Down
Phase C: Unit 4	4	£7.50	3.00 Up & Down
Phase D: Unit 1	5	£7.25	3.00 Up & Down
Phase D: Unit 2	5	£7.75	3.00 Up & Down
Phase D: Unit 3	5	£7.75	3.00 Up & Down
Phase D: Unit 4	5	£7.50	3.00 Up & Down
Phase D: Unit 5	5	£7.25	3.00 Up & Down
Phase D: Unit 6	5	£7.75	3.00 Up & Down

Construction: Rate /ft²

Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Phase A: Unit 1 (Car Supermarket)	2	£200.00	3.00 Up & Down
Phase A: Unit 2 (Health Centre)	2	£225.00	3.00 Up & Down
Phase A: Unit 3 (Gym/ Creche)	2	£185.00	3.00 Up & Down
Phase A: Unit 4 (Food Store)	2	£175.00	3.00 Up & Down
Phase A: Unit 5 (F&B)	2	£250.00	3.00 Up & Down
Phase A: Unit 6 (Drive Thru)	2	£400.00	3.00 Up & Down
Phase A: Unit 7 (Drive Thru)	2	£335.00	3.00 Up & Down
Phase A: Unit 8	2	£66.00	3.00 Up & Down
Phase A: Unit 9	2	£65.00	3.00 Up & Down
Phase B: Unit 1	3	£60.00	3.00 Up & Down
Phase B: Unit 2	3	£56.00	3.00 Up & Down
Phase B: Unit 3	3	£65.00	3.00 Up & Down
Phase B: Unit 4	3	£72.00	3.00 Up & Down
Phase C: Unit 1	4	£72.00	3.00 Up & Down
Phase C: Unit 2	4	£77.00	3.00 Up & Down
Phase C: Unit 3	4	£68.00	3.00 Up & Down
Phase C: Unit 4	4	£70.00	3.00 Up & Down
Phase D: Unit 1	5	£65.00	3.00 Up & Down
Phase D: Unit 2	5	£72.00	3.00 Up & Down
Phase D: Unit 3	5	£75.00	3.00 Up & Down
Phase D: Unit 4	5	£68.00	3.00 Up & Down
Phase D: Unit 5	5	£65.00	3.00 Up & Down
Phase D: Unit 6	5	£72.00	3.00 Up & Down