



Rob Hope
Principal Planning Officer
Development Control Group
Lancashire County Council

Our Ref:

SCS

Your Ref:

5th July 2023

Dear Sirs

PROPERTY ADDRESS: CUERDEN STRATEGIC SITE: LANCASHIRE CENTRAL
CLIENT: LANCASHIRE COUNTY COUNCIL
APPLICANT(S): MAPLE GROVE DEVELOPMENTS LIMITED & LCC
PURPOSE: VIABILITY REVIEW

Instruction

Further to confirmed instructions received from Lancashire County Council ('LCC' or 'the Council') on 23rd May 2023, following the issue of our fee proposal and terms of engagement dated 22nd May 2023, Roger Hannah are pleased to provide our independent review of the viability assessment submitted by CBRE on behalf of the joint Applicants: Maple Grove Developments Limited ('MGDL') and LCC, pertaining to the Cuerden Strategic Site: 'Lancashire Central'.

The proposed development comprises significant delivery of employment (B2 and B8) and business (E(g)(i-iii)) uses totalling 149,000 sq m (1,603,836 sq ft) along with various supporting uses totalling 42,800 sq m (460,699 sq ft) as follows:

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)	
Business (E(g)(i-iii))		5,000	
C	Employment (B2, B8)	18,000	18,000
	Business (E(g)(i-iii))	5,000	
D	Leisure Centre (E(d), F1(e), F2(b))	13,000	47,000
	Employment (B2, B8)	47,000	
	Business (E(g)(i-iii))	5,000	
E	Leisure Centre (E(d), F1(e), F2(b))	13,000	Up to 116 homes
	Residential (C3)		

The max Plot Size in the table above is the largest size of any single unit.

The Council has confirmed that a planning application for the proposed development has been submitted by the Applicants, reference LCC/2022/0044.

CBRE's submitted viability assessment is dated July 2022 and a Viability Addendum letter has been provided by CBRE, dated 26 June 2023 in order to provide further evidence to support the need for the proposed level of alternative, non employment, or business uses. The Viability Addendum is attached at Appendix 1.

Information Received

The CBRE "Cuerden Strategic Site: 'Lancashire Central' | Financial Viability Statement" ('FVS') dated July 2022 included the viability assessment report and eight appendices as follows: A Site Location Plan; B parameters Plan; C Illustrative Development Framework; D Delivery Programme; E Market Report; F Indicative Build Cost Assessment; G Proposed Development Appraisal; H Sensitivity Test.

CBRE has also provided a supplementary letter headed "Cuerden Strategic Site: 'Lancashire Central' | Viability Addendum" ('VA') dated 26th June 2023, providing commentary in respect of the level of required non-employment uses and a financial appraisal showing the impact on financial viability of a partial reduction in non-employment uses.

RPP's assessments of Core Infrastructure On-Plot Infrastructure Costs were provided during the preparation of this review and are attached at Appendix 2.

A more detailed breakdown of infrastructure costs, excluding planning fees, legal fees, site investigations, estate management shortfalls, marketing, signage, professional fees, and management fees has been provided by RPP, as attached at Appendix 3.

CBRE also supplied a main scheme Argus development appraisal and residential land Argus appraisal for transparency.

Context / History

The site comprises approximately 44.99 hectares (111.17 acres) of agricultural land.

As stated in the FVS, 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. A preferred Masterplan for the CSS was commissioned on behalf of LCC and formally adopted in April 2015.

The Site benefits from an extant hybrid planning permission (ref: 07/2017/0211/ORM) which was granted approval (with conditions) in December 2017 by South Ribble Borough Council. The development proposal, led by the Applicant on behalf of the landowners (Lancashire County Council (LCC) and Brookhouse Group Ltd ('BHG), was described as follows:

"Hybrid planning application comprising of Full and Outline development - Environmental Impact Assessment (EIA) development Part 1 FULL - Retail floorspace (Use Classes A1 & A3) and associated car parking, site access, highway works, drainage and strategic landscaping; Part 2 OUT - Employment floorspace (Classes B1, B2 & B8), hotel (Class C7), health and fitness and leisure (Class D2), creche/nursery (Class DD, retail (Classes A1, A2, A3, A4 & A5),

car showrooms (Use Class Sui Generis), residential (Classes C2/C3) and provision of associated car parking, access, public open space, landscaping and drainage (Access applied for) and affecting the setting of a Listed Building." It is understood that the extant permission has not been implemented, albeit it remains capable of implementation should all pre-commencement conditions be discharged.

Following the grant of the hybrid planning permission IKEA withdrew from the scheme. Due to this change, which reflected the start of a structural shift in the broader retail market, it was deemed necessary to revisit the development proposal and consider possible amendments to better reflect the current market and commercial conditions.

An illustrative Development Framework Plan has been prepared on behalf of the Applicant by consultants Fletcher Rae outlining the Proposed Development scheme, which focuses primarily on the delivery of an employment-led redevelopment at the Site, together with an element of ancillary and residential uses."

We understand that, due to the passage of time, the extant permission has since expired.

Approach & Methodology

This review references and provides professional opinion and advice in respect of the assumptions adopted in the FVS.

Commentary is provided in respect of the conclusions reached in the FVS, and, where applicable, revised conclusions and advice is provided in respect of the amount of non-employment development that is required to support the proposed amount of employment uses.

Scope of Assessment and General Assumptions

Acting on behalf the Applicant, CBRE has submitted the FVS, dated July 2022, which provides a full assessment of the viability of the site under the following headings: Introduction; Planning Policy Context; Approach & Methodology; Viability Assessment Assumptions; Site Value (or 'Benchmark Land Value'); Appraisal Results; and Conclusions.

The FVS determines a benchmark land value ('BLV') of £2,748,100 and adopts this as a fixed residual land value ('RLV') within the site appraisal. The level of profit that is generated by the scheme is used as the residual output.

On the basis of the proposed development, the scheme generates a profit equating to 8.41% on total development cost.

CBRE has undertaken an additional appraisal within the VA letter. Non-employment uses are reduced by 2,500 sq m (26,910 sq ft) on 2.8 acres in the appraisal that is attached to CBRE's VA. The non-employment uses are replaced with 4,422 sq m (47,600 sq ft) of employment accommodation. On this basis, the scheme generates a lower profit equating to 7.46% on total development cost.

CBRE's FVS and VA state that the proposed level of non-employment use is required to ensure that viability is maintained at an appropriate, absolute minimum level and the fact that profit reduces following the reduction in non-employment uses provides the required evidence that a reduction in non-employment uses is not viable.

Whilst an 8% developer return (profit) is stated within the FVS to represent a minimum threshold for viability, it is proposed that the Applicant will target higher return levels with a 15.00% profit on cost reflecting the current expected market norm for speculative commercial development.

We have been instructed to provide an independent review of CBRE's submitted viability evidence, providing independent professional analysis and opinion on scheme viability.

In accordance with the RICS Financial viability in planning: conduct and reporting 1st Edition (May 2019) ('RICS C&R') we can confirm that in completing this instruction Roger Hannah has acted: with objectivity; impartially; without interference; and with reference to all appropriate available sources of information.

In accordance with the RICS C&R paragraph 2.2 we can confirm that prior to accepting this instruction we undertook a conflict of interest check. No conflicts have been identified.

In line with our fee proposal and confirmation of instructions, our advice will be provided on an independent basis, with no conflict of interest.

In accordance with the RICS C&R paragraph 2.3 we can confirm that CBRE is not currently providing advice to the Council in respect of area-wide financial viability assessments to help formulate policy.

On a consistent basis with CBRE's FVS and VA, we have assessed the viability of the scheme based on the values and costs as at the date of submission of the FVS in July 2022.

For context, it is our opinion that market conditions have worsened since July 2022 due to the impact of the war in Ukraine, increased living costs and a significant shift in Bank of England base rates from 1.25% as at July 2022 to the current rate of 5%.

This assessment does not provide a critique of the proposed development design. Our role is limited to testing the viability of the proposals as detailed in the relevant planning application.

We have relied on the information provided to us by the Council and CBRE and have also reviewed information publicly available through the Council's planning portal website and wider data sources such as Land Registry and EPC websites.

We have not met directly with the Council but have held an introductory meeting with CBRE to raise points requiring clarification and request supporting evidence at the outset of our instruction.

Our appraisal assumes a hypothetical landowner and a hypothetical developer, reflecting the approach a 'typical' or 'average' developer / landowner would take to delivering the Site for development.

Furthermore, we can confirm that our review also adheres to the guidance as set out in the Planning Practice Guidance for viability ('PPGV'), published in July 2018 (and last updated in September 2019).

The FVS sets out commentary under headings, which have been adopted below.

Declaration

We have no comments on the standard text in this section, other than it accords with the RICS C&R.

Executive Summary

CBRE provides a high level breakdown of the assumptions adopted in the appraisal of the proposed development along with confirmation of the adopted BLV and the viability assessment results and conclusions.

We will comment, where appropriate, on the adopted appraisal assumptions under later headings within this review.

CBRE concludes that the proposed development will generate a profit equating to 8.41% of total development costs which, whilst at the lower end of the spectrum of acceptable profit allowance, is regarded as deliverable. On this basis, the proposed development is determined to be deliverable taking into account the policy requirements set by both South Ribble Borough Council ('SRBC') and LCC, as well as national planning policy and guidance.

No testing is provided within the FVS to explicitly model the impact of reducing the amount of non-employment uses to satisfy the requirements of Local Plan Policy C4 in respect of permitting only the minimum amount necessary on non-employment uses.

However, this evidence has subsequently been provided within CBRE's VA, which shows a reduction in profit to 7.46% following partial reduction in non-employment uses and increase in employment uses.

Introduction

Background information is provided in respect of CBRE's instruction, site location and access, planning history and the planning application.

No comment is required.

Planning Policy Context

Background information in respect of national planning policy and guidance is provided along with commentary in respect of the South Ribble Local Plan, Central Lancashire Core Strategy, Affordable Housing SPD and Open Space and Playing Pitch SPD requirements.

An estimated Community Infrastructure Levy ('CIL') payment of £575,750 is assessed and will be accepted within our review, with payments modelled in line with the CIL Instalments Schedule.

Approach and Methodology

Standard background text is provided in respect of RICS viability guidance and Planning Practice Guidance: Viability and no comment is required from us on these inputs.

Viability Assessment Assumptions

Development Outputs

The proposed development is to take place over five phases ('A – E'), with four comprising: development; green infrastructure; and highways infrastructure and the fifth being a parcel of residential land that is to be sold directly to a residential developer. The residential land is labelled as Phase E, but we understand that

this disposal will take place early in the development period to assist with the funding of required infrastructure costs.

The total site area inclusive of phases A to E is stated as 44.99 hectares (111.17 acres).

A breakdown of the proposed land uses is provided earlier in this review, with the accommodation schedule taken from the Illustrative Development Framework Masterplan, which has been developed to comply with the South Ribble Local Plan Policy C4 requirement for an agreed masterplan.

The phasing of the proposed development is as follows:

Phase		Estimated Start Date	Estimated End Date
-	Off-Plot Infrastructure	March 2023	August 2024
A	On-Plot Infrastructure	August 2023	July 2024
	Mixed-use/ Employment Uses	November 2023	January 2026
B	On-Plot Infrastructure	August 2024	October 2025
	Employment Uses	September 2024	June 2027
C	On-Plot Infrastructure	August 2023	July 2024
	Employment Uses	February 2027	August 2028
D	On-Plot Infrastructure	December 2027	September 2028
	Employment Uses	June 2028	January 2030
E	On-Plot Infrastructure	January 2023	December 2024
	Residential Land Sale	January 2023	-

Due to the historic nature of the CBRE FVS, some dates have passed, but the profile is taken to be representative of the Applicant’s forward expectations assuming grant of planning permission.

Development Value

Values for employment and non-employment uses are applied within the FVS as follows, with the non-employment uses constrained to Phase A:

Phase/ Unit	GIA (ft ²)	Estimated Rental Value (£/ft ²)	Net Initial Yield (%)	Incentives Period (Void/ Rent Free)
Phase A: Unit 1 (Car Supermarket)	25,000	15.25	5.50%	1 Year
Phase A: Unit 2 (Health Centre)	16,146	17.50	4.50%	1 Year
Phase A: Unit 3 (Gym/ Creche)	5,382	15.00	6.00%	1 Year
Phase A: Unit 4 (Food Store)	19,000	16.50	4.50%	1 Year
Phase A: Unit 5 (F&B)	2,000	37.50	5.75%	1 Year
Phase A: Unit 6 (Drive-Through)	1,800	45.00	5.75%	1 Year
Phase A: Unit 7 (Drive-Through)	4,500	35.00	5.50%	1 Year
Phase A: Unit 8	54,000	7.50	4.50%	1 Year
Phase A: Unit 9	59,600	7.50	4.50%	1 Year
Phase B: Unit 1	159,500	7.00	4.50%	1 Year
Phase B: Unit 2	330,580	6.75	4.50%	1 Year
Phase B: Unit 3	66,250	7.50	4.50%	1 Year
Phase B: Unit 4	29,550	7.75	4.50%	1 Year
Phase C: Unit 1	30,750	7.75	4.50%	1 Year
Phase C: Unit 2	17,630	8.25	5.00%	1 Year
Phase C: Unit 3	51,250	7.50	5.00%	1 Year
Phase C: Unit 4	41,000	7.50	5.00%	1 Year
Phase D: Unit 1	71,750	7.25	4.50%	1 Year
Phase D: Unit 2	35,875	7.75	4.50%	1 Year
Phase D: Unit 3	25,625	7.75	5.00%	1 Year
Phase D: Unit 4	51,250	7.50	4.50%	1 Year
Phase D: Unit 5	76,875	7.25	4.50%	1 Year
Phase D: Unit 6	35,875	7.75	4.50%	1 Year

CBRE have provided an Employment Land and Commercial Market Report at Appendix E of the FVS.

This document provides analysis of employment land demand and supply and comparable evidence in respect of available, completed and pipeline employment unit rentals across the north west of England, including deals of units over or under 100,000 sq ft.

The adopted employment rents and yields are stated to be based on market data and professional opinion provided by Savills and B8 Real Estate. The adopted rents and yields are regarded as positively assessed, fully reflecting the new build nature of the proposed units. For example, in comparison to the current CoStar Industrial Market Report attached at Appendix 4, CBRE's adopted rents at £6.75 per sq ft to £8.25 per sq ft are in excess of the average CoStar Market Rent Per Square Feet at £6 per sq ft for logistics, and £6.75 per sq ft for light industrial. CBRE rents reduce for the larger units reduce in comparison with smaller units, in line with market expectations.

Employment yields are applied at 4.5% to 5% in comparison to the CoStar average Market Yield of 6.6% to 6.75%.

The employment rents and yields are regarded as acceptable.

Incentive periods of 1 year are applied for all proposed units. This is regarded as acceptable, albeit a minimum allowance.

Rents adopted for car supermarket, health centre, gym/creche and food store range from £15 per sq ft to £17.50 per sq ft, being based on comparable evidence, market knowledge and advice from Savills.

Yields for these uses are at 4.5% to 5.75%.

No details of the advice received from Savills is provided in the FVS, but we regard the adopted rents and yields as acceptable, being in line with maximum market expectations.

Food and beverage/drive through rents are at £35 per sq ft to £45 per sq ft and yields at 5.5% to 5.75%. We are aware of a currently marketed Tim Horton coffee shop in Liverpool achieving £32.49 per sq ft with an asking price equating to 5.29%. The adopted rents and yields are regarded as acceptable.

The Phase E residential land also constitutes non-employment use and CBRE assumes it will be sold as a serviced plot of 6.8 gross acres (5 net acres) at £650,000 per net acre.

We have been provided with a copy of CBRE's high level Argus RLV appraisal that was used to assess the adopted value equating to £650,000 per net acre. This value is regarded as appropriate on the basis that the subject site will be subject to minimal abnormal costs.

We have re-run the appraisal on the basis of 3 market unit sales per month, generating a sales period of 27 months for the 81 market units. As a result, the serviced RLV reduces from c.£3,250,000 to c.£3,000,000.

A reduction in value of £250,000 will have a minor impact on the profit generated by the overall scheme, reducing slightly from CBRE's reported 8.41%, but will not significantly alter the conclusions.

Development Costs

Strategic infrastructure costs of £59,631,546 are referenced in the FVS, but no details of the Applicant's cost assessment were included, which was understood to be for the reason of commercial sensitivity at the point of submission.

During the preparation of this review CBRE has issued a high level cost assessment from RPP Cost Consultants, as attached at Appendix 2.

A more detailed breakdown of infrastructure costs, excluding prelims, contingency, planning fees, legal fees, site investigations, estate management shortfalls, marketing, signage, professional fees and management fees has subsequently been provided by RPP, as attached at Appendix 3.

RPS Cost Consultants have been commissioned to review the adopted RPP cost assessment and RPS' overview is attached at Appendix 5 with additional columns headed "RPS Rate 2022", "RPS Total" and "Comment" added to the RPP cost assessment.

A summary of the cost differences is as follows:

Cost Item	RPP Cost (£)	RPS Cost (£)	Cost Difference (£) (RPS – RPP)
Carriageway	6,585,000	6,518,500	-66,500

Cost Item	RPP Cost (£)	RPS Cost (£)	Cost Difference (£) (RPS – RPP)
Surface water drainage	10,572,325	10,383,575	-188,750
Foul water drainage	1,774,250	1,887,250	113,000
Retaining structures	1,298,750	1,730,000	431,250
Landscaping	2,212,035	2,366,935	154,900
Site preparation, Cut/Fill	4,059,904	4,466,511	406,607
Abnormal Foundations	8,808,913	9,052,683	243,770
Off-site services	9,037,639	9,037,639	0
Total	44,348,816	45,443,093	1,094,277

The total difference between the two cost assessments is £1,094,277, with RPS being 2.46% higher. Considering the lack of detailed design at the current stage in the development process, we regard a difference in costs of less than 2.5% as being within reasonable tolerance and the RPP cost assessment is regarded as reasonable.

An Indicative Cost Estimate, dated March 2022, and prepared by RPP is attached at Appendix F to the CBRE FVS to underwrite the base building construction costs for the various proposed uses.

Due to the lack of supporting information and scheme design, costs are regarded as high level but the adopted approach is appropriate for an outline planning application.

Base construction costs have been compared with published RICS BCIS data, as attached at Appendix 6 and summarised as follows:

Use	RPP Cost (£/sq ft GIA)	BCIS Lower Quartile Cost (£/sq ft GIA)	BCIS Median Cost (£/sq ft GIA)
Car Supermarket	200	N/A	N/A
Health Centre	225	223	274
Gym	185	114	230
Food Store	175	101	140
Food & Beverage	250	215	246
Drive Through	335-400	N/A	N/A

The adopted costs tend to fall between BCIS lower quartile and median costs, which is regarded as appropriate. The costs for the food store and food & beverage outlet are in excess of BCIS median and, whilst at the upper end of the range, these costs are within a reasonable tolerance.

BCIS does not provide data in respect of car supermarket or drive through costs but, in comparison with the other uses, the adopted costs appear appropriate.

Other Development Costs

Table 4.8 of CBRE's FVS sets out details of the other development costs, as below.

Cost heading	Rate	Commentary
Contingency	2.00%	Of construction costs (equating to an all-in 5.00%, accounting for the 3.00% already built into the construction costs). Not applied to assessed infrastructure costs which already incorporate a 5.00% contingency.
Professional Fees	8.00%	Of development costs
Commercial Letting Agent Fee	15.00%	Of net commercial rents
Commercial Letting Legal Fee	5.00%	Of net commercial rents
Investment Sale Agent Fee	0.75%	Of GDV
Investment Sale Legal Fee	0.50%	Of GDV
Residential Land Sale Agent Fee	1.00%	Of residential land value
Residential Land Sale Legal Fee	0.80%	Of residential land value
Purchaser's Costs (Investment)	6.80%	Standard fees relating to stamp duty, agent's fee (1%) and legal fee (0.8%) save for units which CBRE are advised will be pre-let/ forward sales from Phase B and Units D1, D4 & D5 - assumed at 1.80%
Purchaser's Costs (Land)	-	Standard fees relating to stamp duty, agent's fee (1%) and legal fee (0.8%)
Finance	4.50%	Total blended estimated cost of capital for financing the development as advised by the Applicant.
Developer's return	8.00%	Whilst 8.00% profit on cost is set at the minimum threshold for viability, the Applicant will target higher return levels with a 15.00% profit on cost reflecting the current expected market norm.

Source: CBRE

The cost allowances are regarded as standard except for finance and developer's return, which are at absolute minimum levels. To achieve a finance rate of 4.5% it is deemed that the Applicant is expecting to achieve pre-lets prior to commencement of construction and the Applicant's target profit level of 15% on cost is regarded as more appropriate than 8%.

Benchmark Land Value ('BLV')

The FVS discusses the existing use value of the land, which is assessed at £9,316 per acre, in line with RICS evidence, which is regarded as reasonable.

In line with PPGV, local plan evidence is referenced, with the most recent being historic, dating back to October 2012. The Community Infrastructure Levy Viability Evidence for Draft Consultation Stage: Addendum Viability Evidence Report adopted a BLV equating to £325,000 per hectare, allowing for on-site infrastructure costs of £450,000 per hectare.

In comparison, the subject site requires total infrastructure costs equating to £1,325,443 per hectare.

As referenced in PPGV, the CBRE FVS confirms that the policy compliant residual land value that is generated by the proposed development is £2,748,100. This is stated to be on the basis of a minimum profit allowance equating to 8% of costs but this RLV is actually produced using a profit of 8.41%. A slightly higher BLV would be generated at a profit of 8% on cost.

The historic purchase price of the site is stated to be £2,570,000.

A BLV of £2,748,100 is determined to be appropriate in the FVS.

This is regarded as an absolute minimum allowance, equating to 2.7 x existing use value, which fully accounts for the very high level of infrastructure costs, which any land vendor will need to take into account within their value expectations.

The adopted BLV is acceptable.

Appraisal Results

As referenced in the previous section, the BLV is £2,748,100. This is adopted as a fixed residual land value, with the profit amount used as the residual amount, equating to 8.41%.

We have reviewed the Argus appraisal adopted to generate the profit amount and find the inputs to be in line with the stated assumptions and development timescale to accord with FVS Table 4.4.

Sensitivity testing indicates that marginal adjustments to revenue and construction costs have a significant impact on the residual developer's return, to either upside or downside. It is agreed that a high degree of caution should be applied to the results of the sensitivity testing.

The appraisal attached to the CBRE VA letter generates a profit amount equating to 7.46% following the reduction in non-employment uses. Again, we have reviewed the Argus appraisal adopted to generate the profit amount and find the inputs to be in line with the stated assumptions and stated development timescale.

Conclusions

The CBRE FVS concludes that adopting the BLV of £2,748,100 as the fixed input land cost generates an outturn developer's profit of c.£15,050,000, equating to 8.41% on total development cost.

The profit level is regarded as a minimum return.

The CBRE VA letter references Local Plan Policy C4 and states that the c. 20% of development floor area that will come forward as non-employment uses is the minimum amount necessary.

The CBRE VA letter tests the impact of a reduction in non-employment uses.

The VA letter concludes that the profit level from the scheme will reduce to 7.46% due to the negative impact on marketability and result in a slower take-up of employment parcels by prospective occupiers and a requirement to provide greater incentivization.

Whilst Roger Hannah has identified areas minor aspects that we would amend in reappraisal, such as the residential land value and a modest difference in opinion on infrastructure costs, we conclude that the proposed development is deliverable, albeit at absolute minimum profit levels. As a result, the proposed amount of non-employment uses is required, in accordance with the test within Local Plan Policy C4, as the generated profit amount reduces further and is insufficient as a result, in a scenario where non employment uses are reduced.

Yours faithfully



Steve Smith MRICS
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For and on behalf of
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APPENDICES

APPENDIX I

CBRE VIABILITY ADDENDUM

CBRE Limited
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FAO:

Maple Grove Developments

Lancashire County Council

26 June 2023

Dear Sir / Madam,

Cuerden Strategic Site: 'Lancashire Central' | Viability Addendum

Context

CBRE was appointed by Maple Grove Developments ('MGD') and Lancashire County Council ('LCC') (jointly 'the Applicant') to objectively assess and report upon the financial viability of the proposed development of the Cuerden Strategic Site (referred to as 'Lancashire Central') in support of a submitted planning application (reference LCC/2022/0044).

CBRE published a Financial Viability Statement for Lancashire Central, dated July 2022. This provides full details of the proposed development and should be reviewed as a point of cross-reference with this letter.

CBRE's Financial Viability Statement concluded that the proposed development generated a residual profit of £15.05m, or 8.4% profit on total development cost.

It was acknowledged that this level of return sat at the lower end of the typical spectrum, but via dialogue with the Applicant, CBRE understood reflected the minimum acceptable profit margin at which the proposed development would be viable and deliverable.

Local Plan Policy

Policy C4 of the South Ribble Local Plan (July 2015) ('the Local Plan') confirms that alternative uses (to strategic employment, industrial and green infrastructure) including retail, leisure and housing may be appropriate where it can be demonstrated that they help deliver employment uses on the Lancashire Central site.

The scale of the alternative uses will be limited to that which is demonstrated to be necessary to fund essential infrastructure and that will not prejudice delivery and maintenance of the primary employment land function of the site.

Proposed Development – Alternative Uses

CBRE's Viability Statement adopted a schedule of accommodation (see Table 4.3 on p.20) on a consistent basis with the Illustrative Development Framework Masterplan containing a range of 'alternative uses' within Phase A. Namely:

- Unit 1: Car Supermarket
- Unit 2: Health Centre
- Unit 3: Gym / Creche
- Unit 4: Food Store
- Unit 5: F&B
- Unit 6: Drive-Through
- Unit 7: Drive-Through

These uses are in the centre of the proposed development and at the vehicular gateway into the site. They will be delivered early in the overall development programme to generate an arrival point, creating a sense of place, and providing a range of active uses that will both drive footfall into the site from users during both working and non-working hours and will provide a diverse range of ancillary supporting and reinforcing services and amenities that will be attractive to both occupiers and investors and will maximise the market appeal for a new strategic employment site as a competitor to other existing or pipeline employment locations.

In addition, CBRE's Viability Statement also incorporates a serviced residential land parcel of 6.8 gross acres (5.0 net developable acres), which is to be delivered and disposed of to a third-party housebuilder early in the development programme to generate a capital receipt that can be utilized to cross-subsidise capital investment in delivery of the infrastructure required to facilitate the primary employment use within the site. The residential land parcel will be served by an independent access from Stanfield Lane and will be physically separate to the strategic employment site.

Compliance with Local Plan Policy C4

The proposed development generates a level of return at the lower end of the typical market spectrum for speculative development – inclusive of the 'alternative uses'.

The serviced residential land parcel provides an early capital injection into the scheme, which can be utilized to cross-subsidise the costs of infrastructure works to release subsequent employment parcels. If this was removed, it would increase the debt financing burden of the overall development scheme and commensurately reduce the outturn profitability.

The other 'alternative uses' within Units 1 – 7 (as listed above) will also be brought forward during the first phase of delivery of the site, creating a mixed-use arrival point at the primary gateway.

Without the inclusion of 'alternative uses' the scheme would fail to distinguish itself from competitor employment locations. The direct consequence is that this would negatively impact its marketability, with the primary employment use expected to hold less appeal to both occupiers and investors.

It would therefore be CBRE's expectation that this would either or both result in a slower take-up of employment parcels by prospective occupiers and a requirement to provide greater incentivization via either offering rent-free periods (or equivalent contributions) or by reducing headline rents. This would either or both increase the debt financing burden of the overall development scheme or would reduce the investment value, which would reduce the outturn profitability.

To assess the implication of this on financial viability, CBRE has run a sensitivity test that replaces the Unit 2 Health Centre and Unit 3 Gym / Creche with an industrial and logistics unit of 47,600sqft. This represents 17,000ft² coverage per developable acre on a combined parcel of 2.8 developable acres.

Reflecting the loss of these alternative uses, which would be appealing to employment occupiers, the lease-up period on employment uses has been extended by a further 6 months, which is considered the minimum.

The implication of this modest adjustment is that the outturn profit on total development cost reduces from 8.41% to 7.46%. This demonstrates that the enabling uses provide a positive contribution towards the deliverability of the wider scheme.

This is important under present conditions, and the breadth of amenity is necessary to support the attractiveness of the proposed development to both occupiers and investors in a competitive market given the slim profit margin.

It is noteworthy that various further sensitivity tests could be conducted to examine the implication of inclusion or exclusion of 'alternative uses' on financial viability. To do so could be extensive and, in CBRE's view, unduly onerous in the context of the objectives of Local Plan Policy C4.

As a result, it remains CBRE's professional opinion that the proposed development of the Site complies with the requirements of Local Plan Policy C4, with the incorporation of a mix of 'alternative' uses as proposed representing an optimum balance and the minimum necessary to underpin delivery of the wider employment uses and associated enabling infrastructure. Any reduction in the quantum of alternative uses increases the risk of undermining the financial viability and deliverability of the strategic employment allocation.

Please do contact me should you have any queries or wish to discuss this further.

Yours sincerely

CBRE Ltd

Enclosures:

- Appendix A: Proposed Development Viability Appraisal

A Viability Appraisal - Proposed Development: Unit 1+2 Sensitivity

Lancashire Central
Cuerden Strategic Site
South Ribble

Financial Viability Appraisal:
Proposed Development - Illustrative Masterplan Scheme
Unit 2 & 3 Replaced by I&L Use

**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 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 A: Unit 2 & 3 Repl.	1	47,600	7.50	357,000	357,000	357,000
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	22	1,237,660			9,583,950	9,583,950

Investment Valuation

Phase A: Unit 1 (Car Supermarket)						
Market Rent	381,250	YP @	5.5000%	18.1818		
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.5000%	0.9228	6,396,884	
Phase A: Unit 4 (Food Store)						
Market Rent	313,500	YP @	4.5000%	22.2222		
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	6,521,547	
Phase A: Unit 5 (F&B)						
Market Rent	75,000	YP @	5.7500%	17.3913		
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.7500%	0.9196	1,199,424	
Phase A: Unit 6 (Drive Thru)						
Market Rent	81,000	YP @	5.7500%	17.3913		
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.7500%	0.9196	1,295,378	
Phase A: Unit 7 (Drive Thru)						
Market Rent	157,500	YP @	5.5000%	18.1818		
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.5000%	0.9228	2,642,647	
Phase A: Unit 8						
Market Rent	405,000	YP @	4.5000%	22.2222		
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	8,424,964	
Phase A: Unit 9						
Market Rent	415,500	YP @	4.5000%	22.2222		
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	8,643,389	
Phase A: Unit 2 & 3 Repl.						
Market Rent	357,000	YP @	4.5000%	22.2222		

**Lancashire Central
Cuerden Strategic Site
South Ribble**

(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	7,426,450
Phase B: Unit 1					
Market Rent	1,148,700	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	23,895,695
Phase B: Unit 2					
Market Rent	2,231,415	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	46,418,745
Phase B: Unit 3					
Market Rent	496,875	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	10,336,183
Phase B: Unit 4					
Market Rent	229,013	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	4,764,005
Phase C: Unit 1					
Market Rent	238,313	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	4,957,467
Phase C: Unit 2					
Market Rent	145,448	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	2,703,661
Phase C: Unit 3					
Market Rent	384,375	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	7,144,983
Phase C: Unit 4					
Market Rent	307,500	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	5,715,986
Phase D: Unit 1					
Market Rent	520,188	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	10,821,139
Phase D: Unit 2					
Market Rent	278,031	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	5,783,712
Phase D: Unit 3					
Market Rent	198,594	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	3,691,574
Phase D: Unit 4					
Market Rent	384,375	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	7,995,915
Phase D: Unit 5					
Market Rent	557,344	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	11,594,077
Phase D: Unit 6					
Market Rent	278,031	YP @	4.5000%	22.2222	
(1yr 6mths Rent Free)		PV 1yr 6mths @	4.5000%	0.9361	5,783,712
Total Investment Valuation					194,157,541
GROSS DEVELOPMENT VALUE					194,157,541
Purchaser's Costs			(7,411,425)		
Effective Purchaser's Costs Rate		3.82%			(7,411,425)

**Lancashire Central
Cuerden Strategic Site
South Ribble**

NET DEVELOPMENT VALUE **186,746,116**

Additional Revenue

Residential Land Sale	3,250,000	3,250,000
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NET REALISATION **189,996,116**

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
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 A: Unit 2 & 3 Repl.	47,600	66.00	3,141,600
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	1,237,660 ft²		86,311,440
Contingency		2.00%	1,663,397
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
			148,182,135

PROFESSIONAL FEES

Professional Fees	8.00%	8,164,234	8,164,234
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MARKETING & LETTING

Letting Agent Fee	15.00%	1,437,593
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**Lancashire Central
Cuerden Strategic Site
South Ribble**

Letting Legal Fee	5.00%	479,198	1,916,790
DISPOSAL FEES			
Sales Agent Fee	0.75%	1,400,596	
Residential Sale Agent Fee	1.00%	32,500	
Sales Legal Fee	0.50%	933,731	
Residential Sale Legal Fee	0.80%	26,000	
			2,392,826
FINANCE			
Debit Rate 4.500%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			13,262,628
TOTAL COSTS			176,803,510
PROFIT			13,192,605

Performance Measures

Profit on Cost%	7.46%
Profit on GDV%	6.79%
Profit on NDV%	7.06%
Development Yield% (on Rent)	5.42%
Equivalent Yield% (Nominal)	4.61%
Equivalent Yield% (True)	4.75%
IRR% (without Interest)	7.78%
Rent Cover	1 yr 5 mths
Profit Erosion (finance rate 4.500)	1 yr 7 mths

APPENDIX 2

RPP CORE INFRASTRUCTURE AND ON-PLOT INFRASTRUCTURE COSTS ASSESSMENT

No. 1 Infrastructure Cost (LCC Funded) Breakdown

As per RPP Infrastructure Cost Breakdown

COST HEAD	COST
Carriageways	£6,585,000
Off Plot Surface Water Drainage	£5,694,375
Foul Water Drainage	£1,774,250
Off Plot Landscaping	£2,212,035
Earthworks	£4,059,904
Incoming Services	£9,037,639
Prelims @ 12%	£3,523,584
Contingency @ 5%	£1,644,339
Masterplanning Costs	£100,000
Archaeology	£50,000
Site Wide fencing	
CIL/S106 costs	£500,000
S278 works (Wigan Road/Stanifield Lane)	£1,000,000
Statutory agreement costs	£250,000
ManCo Set Up costs	£100,000
Contingency @ 5%	£100,000
Design Fees - 8% (not included in financial model)	£2,930,490
MGD Project/Infrastructure Management Fee - 3%	£1,186,848
TOTAL	£40,748,465

No. 2 Infrastructure Cost (MGD Funded) Breakdown

As per RPP Infrastructure Cost Breakdown

COST HEAD	COST
On Plot Surface Water Drainage	£4,877,950
Retaining Structures	£1,298,750
Abnormal Foundations	£8,808,913
Prelims @ 12%	£1,798,274
Contingency @ 5%	£839,194
Additional site wide planning fees	£100,000
Site wide legal fees	£200,000
Site Investigations	£500,000
Estate Management Shortfalls	£100,000
Marketing	£250,000
Signage	£50,000
Contingency @ 5%	£60,000
Design Fees (inc within financial model)	
TOTAL	£18,883,081
	£59,631,546

APPENDIX 3

**RPP CORE INFRASTRUCTURE AND ON-PLOT INFRASTRUCTURE COSTS DETAILED
BREAKDOWN**

INFRASTRUCTURE WORKS - LANCASHIRE CENTRAL

ESTIMATED INFRASTRUCTURE COSTS - MARCH 2022



SUMMARY

<u>LCC FUNDED</u>						<u>MGD FUNDED</u>							
	<u>TOTAL</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>		<u>TOTAL</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>		
CARRIAGEWAYS	6,585,000	3,628,400	1,410,000	-	1,546,600	CARRIAGEWAYS							
SURFACE WATER DRAINAGE	5,694,375	3,032,125	2,155,500	85,000	421,750	SURFACE WATER DRAINAGE	4,877,950	867,650	2,655,100	-	1,355,200		
FOUL WATER DRAINAGE	1,774,250	827,000	127,875	-	819,375	FOUL WATER DRAINAGE							
RETAINING STRUCTURES						RETAINING STRUCTURES	1,298,750	420,000	350,000	297,500	231,250		
LANDSCAPING	2,212,035	1,221,985	459,780	197,140	333,130	LANDSCAPING							
EARTHWORKS	4,059,904	1,520,718	1,801,045	535,901	202,241	EARTHWORKS							
ABNORMAL FOUNDATIONS						ABNORMAL FOUNDATIONS	8,808,913	395,610	6,561,573	87,080	209,230		
INCOMING SERVICES	9,037,639	9,037,639				INCOMING SERVICES							
	29,363,203	19,267,867	5,954,200	818,041	3,323,096		14,985,613	1,683,260	9,566,673	384,580	1,795,680		
PRELIMINARIES	12%	3,523,584	2,312,144	714,504	98,165	398,771	PRELIMINARIES	12%	1,798,274	201,991	1,148,001	46,150	215,482
	32,886,787	21,580,010	6,668,704	916,205	3,721,867		16,783,887	1,885,251	10,714,674	430,730	2,011,162		
CONTINGENCY	5%	1,644,339	1,079,001	333,435	45,810	186,093	CONTINGENCY	5%	839,194	94,263	535,734	21,536	100,558
<u>TOTAL ESTIMATED COST</u>	34,531,126	22,659,011	7,002,139	962,016	3,907,960	<u>TOTAL ESTIMATED COST</u>	17,623,081	1,979,514	11,250,407	452,266	2,111,720		

NOTE

COSTS ARE CURRENT DAY AND EXCLUDE INFLATION FEES ARE EXCLUDED
 OFF SITE WORKS ARE EXCLUDED
 PLANNING COSTS ARE EXCLUDED
 CIL / S106 COSTS ARE EXCLUDED
 LEGAL FEES ARE EXCLUDED
 SITE INVESTIGATIONS ARE EXCLUDED
 ARCHAEOLOGY IS EXCLUDED
 MARKETING IS EXCLUDED
 INTEREST IS EXCLUDED
 STATUTORY AGREEMENT COSTS ARE EXCLUDED
 MANCO SET UP COSTS ARE EXCLUDED
 MGD MANAGEMENT FEES ARE EXCLUDED

DRAWINGS

FLETCHER RAE
 WATERMAN

21017 - SK 07 REV C

WIE - DR - 92 - 0501 - 01 - P03 SHEET 1
 WIE - DR - 92 - 0501 - 02 - P03 SHEET 2
 WIE - DR - 92 - 0501 - 03 - P03 SHEET 3
 LCP - WSL - ZZ - ZZ - DR - S - 02000 - P05
 LCP - WSL - ZZ - ZZ - DR - S - 04100 - P04

INFRASTRUCTURE WORKS - LANCASHIRE CENTRAL

ESTIMATED INFRASTRUCTURE COSTS - JANUARY 2022



INFRASTRUCTURE WORKS													
		TOTAL QUANTITY			OVERALL TOTAL		PHASES	TOTAL		QUANTITIES			
						A	B	C	D	A	B	C	D
Carriageway													
1	Adopted roads; 7.3m carriageway width	2,406	m	2,300	5,533,800	2,792,200	1,265,000	-	1,476,600	1,214	550	-	642
2	Adopted roads; 14.6m carriageway width	84	m	4,800	403,200	403,200	-	-	-	84			
3	Tie-in at junction with main M65 roundabout	2	Nr	5,000	10,000	10,000	-	-	-	2			
4	Tie-in at junctions	2	Nr	25,000	50,000	-	25,000	-	25,000		1		1
5	Pedestrian crossings; all-in incl signals	3	Nr	75,000	225,000	150,000	75,000	-	-	2	1		
6	Bus Stops; forming lay-by, shelter, signs	3	Nr	25,000	75,000	25,000	25,000	-	25,000	1	1		1
7	Road signage generally (on site only)	4	item	20,000	80,000	40,000	20,000	-	20,000	2	1	-	1
8	Landscaping to islands and roundabouts; topsoil, grass Concrete slab paving on sub-base	1,330	m2	100	133,000	133,000	-	-	-	1,330			
9	extra over for feature to roundabout	1	item	75,000	75,000	75,000	-	-	-	1			
					6,585,000	3,628,400	1,410,000	-	1,546,600				
Surface water drainage													
<u>Main distribution:</u>													
Pipe runs; excavation, bed and surround, backfill with granular material, disposal of spoil; average n/e 4m deep													
1	300 dia	985	m	225	221,625	118,125	54,000	-	49,500	525	240	-	220
2	450 dia	255	m	350	89,250	52,500	-	-	36,750	150	-	-	105
3	600 dia	430	m	500	215,000	65,000	-	-	150,000	130	-	-	300

4	675 dia	1,370	m	550	753,500	467,500	286,000	-	-	850	520	-	-
5	Manholes	62	Nr	4,500	279,000	117,000	76,500	-	85,500	26	17	-	19
6	Ditto; flow control	22	Nr	15,000	330,000	105,000	60,000	75,000	90,000	7	4	5	6
7	Culverts	565	m	1,500	847,500	727,500	120,000	-	-	485	80	-	-
8	Outfall headwall into brook	6	Nr	5,000	30,000	15,000	15,000	-	-	3	3	-	-
9	Fill Existing Ditches	1,815	m	900	1,633,500	594,000	1,039,500	-	-	660	1,155		
10	Attenuation cells; 1.50m deep, set 0.50m below formation; incl excavation and stock pile on site	13,937	m2	350	4,877,950	867,650	2,655,100	-	1,355,200	2,479	7,586	-	3,872
11	Ditch Type 1	450	m	1,000	450,000	450,000	-	-	-	450	-	-	-
12	Ditch Type 2	700	m	1,150	805,000	310,500	494,500	-	-	270	430	-	-
13	Petrol interceptors	4	Nr	10,000	40,000	10,000	10,000	10,000	10,000	1	1	1	1
					10,572,325	3,899,775	4,810,600	85,000	1,776,950				
Foul water drainage													
1	Manholes; 1350 dia; max 3.90m deep, min 1.50m deep; average rate	61	Nr	3,750	228,750	127,500	41,250	-	60,000	34	11	-	16
2	Pipe runs; excavation, bed and surround, backfill with granular material, disposal of spoil												
3	225 dia	2,160	m	175	378,000	182,000	86,625	-	109,375	1,040	495	-	625
4	Pumping station; civils and M&E	2	item	500,000	1,000,000	500,000	-	-	500,000	1	-	-	1
5	Rising main; c. 200 dia; within existing pavement/road; excavation, pipe, bed and surround, backfill, disposal of spoil, make good surfacing	650	m	250	162,500	12,500	-	-	150,000	50	-	-	600
6	Connection to existing outfall manhole, A6 Lostock Lane	1	item	5,000	5,000	5,000	-	-	-	1			
					1,774,250	827,000	127,875	-	819,375				
Retaining structures													
	Retaining Wall 1 m high	375	m	750	281,250	120,000	-	-	161,250	160			215
	Retaining Wall 2 m high	520		1,250	650,000	300,000	350,000	-	-	240	280		
	Retaining Wall 3 m high	210		1,750	367,500		-	297,500	70,000			170	40
					1,298,750	420,000	350,000	297,500	231,250				

	Landscaping												
1	Landscaping; native grassland (wildflower, meadow grass), native tree and scrub	120,406	m2	10	1,204,060	286,010	387,780	197,140	333,130	28,601	38,778	19,714	33,313
2	Pond; clear ground, construct pond 1.0 - 1.5m deep; (in 6nr)	7,745	m2	50	387,250	387,250	-	-	-	7,745	-	-	-
3	Wetlands Area	2,178	m2	50	108,900	108,900	-	-	-	2,178	-	-	-
4	Pond plants (varying specifications, as listed by DLA Landscape)	7,745	m2	25	193,625	193,625	-	-	-	7,745	-	-	-
5	Path; clear ground, construct path (3m wide); assume bound gravel	1,490	m	150	223,500	163,500	60,000	-	-	1,090	400	-	-
6	Path edgings (assumed timber)	2,980	m	15	44,700	32,700	12,000	-	-	2,180	800	-	-
7	Habitat Features	1	item	50,000	50,000	50,000	-	-	-	1			
					2,212,035	1,221,985	459,780	197,140	333,130				
	Site preparation and cut/fill (site wide)												
	Volumes provided by Watermans												
	Abnormal Foundations												
1	Demolish farm buildings on Stoney Lane			100,000	100,000	100,000	-	-	-	1			
2	General site clearance	344,600	m2	0.30	103,380	37,710	42,570	14,850	8,250	125,700	141,900	49,500	27,500
3	Topsoil and site strip, 350 thick	144,667	m3	2.50	361,668	131,925	148,928	51,953	28,863	52,770	59,571	20,781	11,545
4	Disposal of stripped material off site (inert)	90,485	m3	25	2,262,125	997,500	1,053,025	297,750	-	86,150	39,900	42,121	11,910
5	Less topsoil required to be preserved on site for use in new green verges etc	54,182	m3	8	433,456	102,960	139,600	70,968	119,928	12,870	17,450	8,871	14,991
6	Cut; excavations, deposit on site	138,511	m3	2.50	346,278	45,073	155,400	76,443	69,363	18,029	62,160	30,577	27,745
7	Fill; arisings, from site deposit	166,215	m3	2.50	415,538	98,903	242,558	21,770	52,308	39,561	97,023	8,708	20,923
8	Cut; from attenuation tanks; deposit on site	13,937	m3	2.50	34,843	6,198	18,965	-	9,680	2,479	7,586	-	3,872
9	Cut; from deeper Ponds; deposit on site	1,047	m3	2.50	2,618	450	-	2,168	-	180	-	867	-
					4,059,904	1,520,718	1,801,045	535,901	202,241				
	Abnormal Foundations												
1	Ground stabilisation; liming	166,215	m3	10.00	1,662,150	395,610	970,230	87,080	209,230	39,561	97,023	8,708	20,923

APPENDIX 4

COSTAR INDUSTRIAL MARKET REPORT



Industrial Market Report

Lancashire

PREPARED BY



Michael Tolan



INDUSTRIAL MARKET REPORT

Market Key Statistics	1
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12 Mo Deliveries in SF

582K

12 Mo Net Absorption in SF

(127K)

Vacancy Rate

2.8%

12 Mo Rent Growth

6.4%

Lancashire's connectivity to the rest of the UK via the M55, M6 and M65 makes it an important industrial and logistics hub. Key warehouse occupiers in the local area include Asda, Boots and DHL.

Occupier market conditions in Lancashire remain tilted in the landlords' favour. While moving out recently, vacancies sit near historic lows following multiple years of positive net absorption and limited speculative development. Supply constraints in some parts of the market have led to some occupiers looking beyond their initial search area, with Blackburn and Burnley seeing increased mid-box demand as a result.

Tight vacancy across multiple size bands is putting upward pressure on rents, which are growing at an elevated rate of 6.4% year-over-year. Still, Lancashire remains an affordable alternative to other markets in the north west of England with an average rent of £6.60/SF.

In spite of the slump in investment sentiment across the country volumes have held up relatively well in Lancashire largely due to the sale of a couple of big box units in recent quarters. Total volumes have amounted to £177 million over the past 12 months, which compares to the ten-year average of £108 million.

KEY INDICATORS

Current Quarter	GIA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	55,481,874	3.6%	£6.34	5.4%	23,711	13,440	681,634
Specialised Industrial	29,233,826	1.6%	£7.04	1.8%	58,572	9,000	548,648
Light Industrial	9,099,032	1.3%	£7.02	1.7%	(36,394)	0	16,920
Market	93,814,732	2.8%	£6.62	3.9%	45,889	22,440	1,247,202
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.6%	4.5%	3.3%	8.9%	2009 Q4	1.4%	2020 Q1
Net Absorption SF	(127K)	1,017,762	652,128	3,208,988	2011 Q1	(553,004)	2009 Q4
Deliveries SF	582K	783,083	905,077	1,543,876	2011 Q1	127,017	2015 Q1
Rent Growth	6.4%	4.4%	3.8%	11.2%	2022 Q3	-2.6%	2010 Q1
Sales Volume	£164M	£93.3M	N/A	£183.5M	2023 Q1	£20M	2012 Q4

Demand for industrial space in Lancashire has been consistently strong in recent years. Several years of positive net absorption, coupled with limited new supply, has pulled the vacancy rate down to near historic lows, although recent deliveries and some occupiers moving out of older premises has lifted them to 2.8%. However, they should remain low as consistent positive net absorption is expected in 2023.

Whilst receding in recent quarters, online businesses continue to take giant distribution hubs. In December listed UK online bathroom retailer Victorian Plumbing Group signed a 20-year lease for a 544,000-SF, purpose-built distribution in Farington Park, Leyland in Lancashire. It was developed by Canmoor and Caddick with forward funding from Goldman Sachs Asset Management. It is close to its existing operations in Skelmersdale and it is scheduled to be completed in autumn 2023.

Third party logistics lettings have increased in recent quarters as more retailers outsource their distribution. In October Birmingham based Montgomery Transport Group took 135,320 SF of industrial accommodation within Alpha on Walton Summit Road on a 10 year lease at £6.50 per square foot.

The geography of warehouse demand has shifted a little in recent years. South Ribble continues to account for

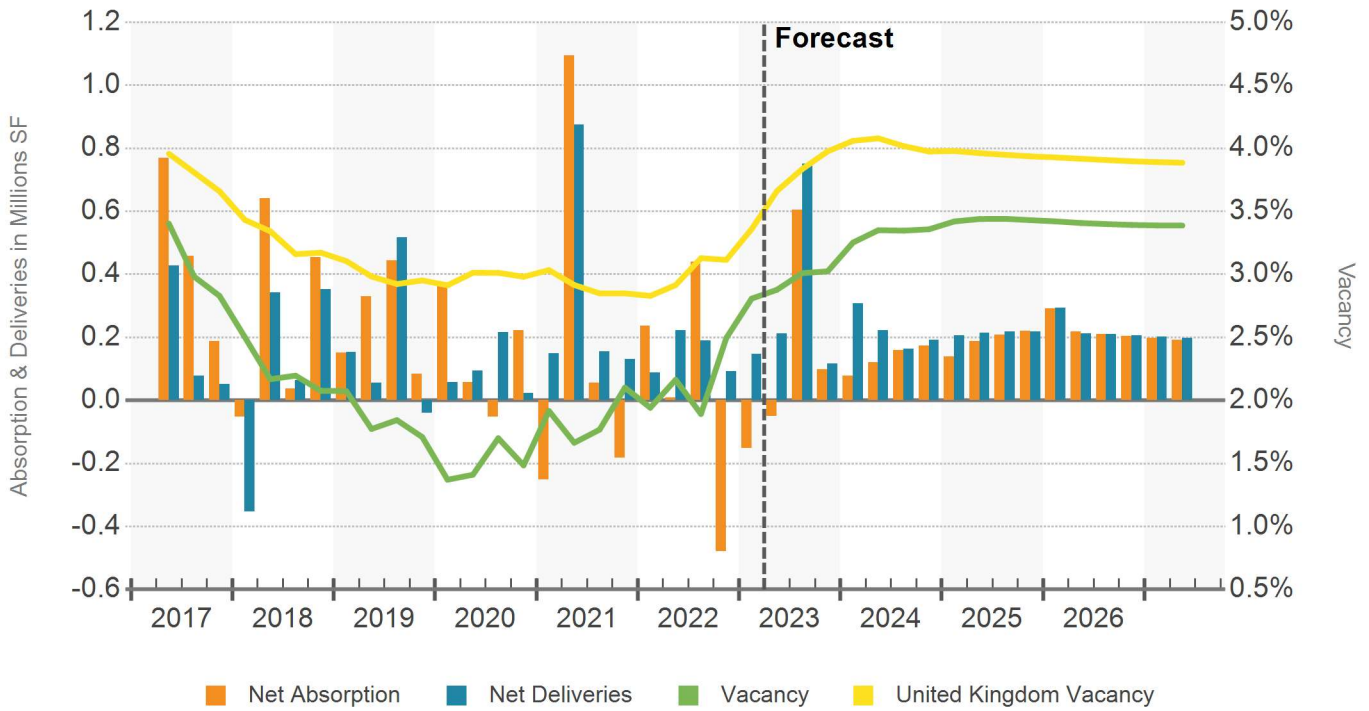
key deals such as these two main deals to Victorian Plumbing and Montgomery Transport as well as third-party logistics provider Kammac taking 85,750 SF at 366 Four Oaks Rd in March 2022. However, tight vacancy in the submarket where the M6, M61 and M65 meet is leading occupiers to increasingly consider other locations.

A number of 2023 mid-box lettings have been signed further along the M65 between Blackburn and Burnley, such as 97,300 SF to Steel Dynamics at Walker Road in Blackburn and 95,800 SF to Limitless Digital Group in Nelson. Morecombe has also been a beneficiary of tenants looking further afield as Veolia Energy took 76,900 SF in December.

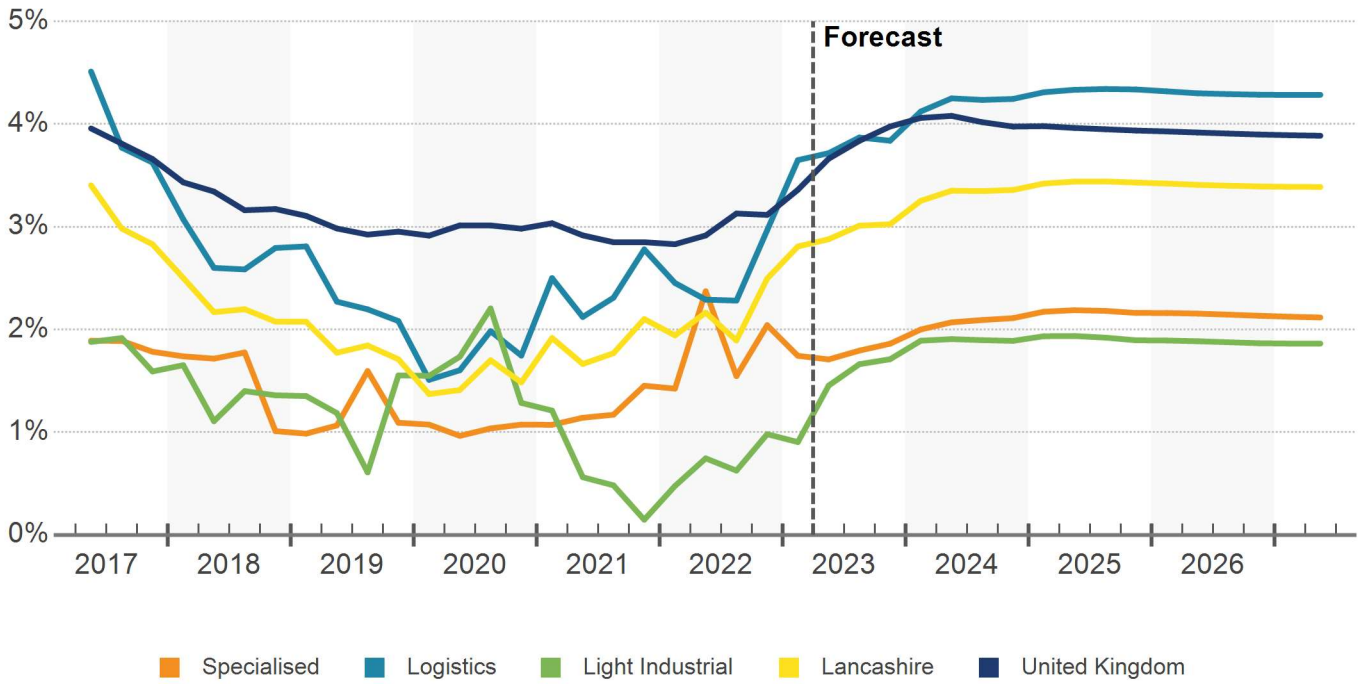
Vacancy has increased across all size brackets but remained low at the end of May, at below 3% for mid box (20,000–100,000 SF) and big box (100,000-SF+) segments and below 4% in the sub-20,000-SF, where vacancy has increased the most.

Strong demand for industrial space has resulted in void periods reducing and warehouses spending less time available. The median months on the market for industrial space in Lancashire fell to a record low 4 months at the end of 2022, down from 10 months in 2021. However, at the end of May they increased to 6 months.

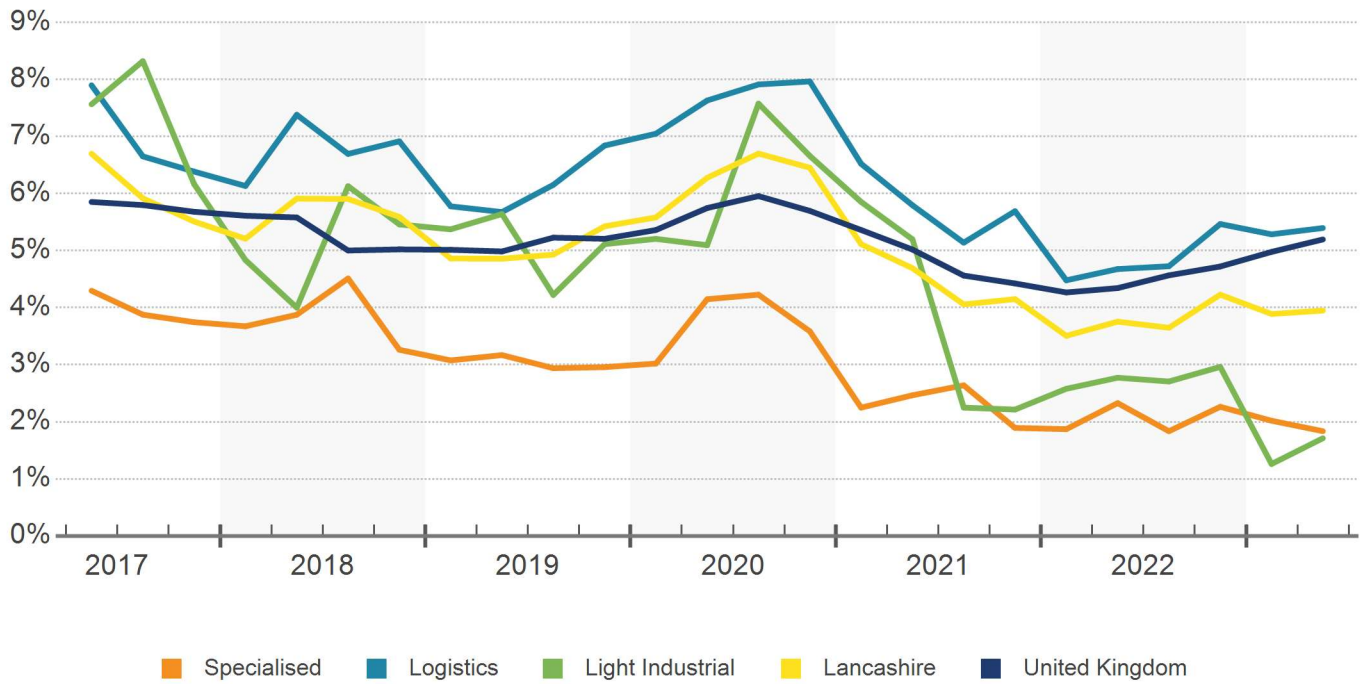
NET ABSORPTION, NET DELIVERIES & VACANCY



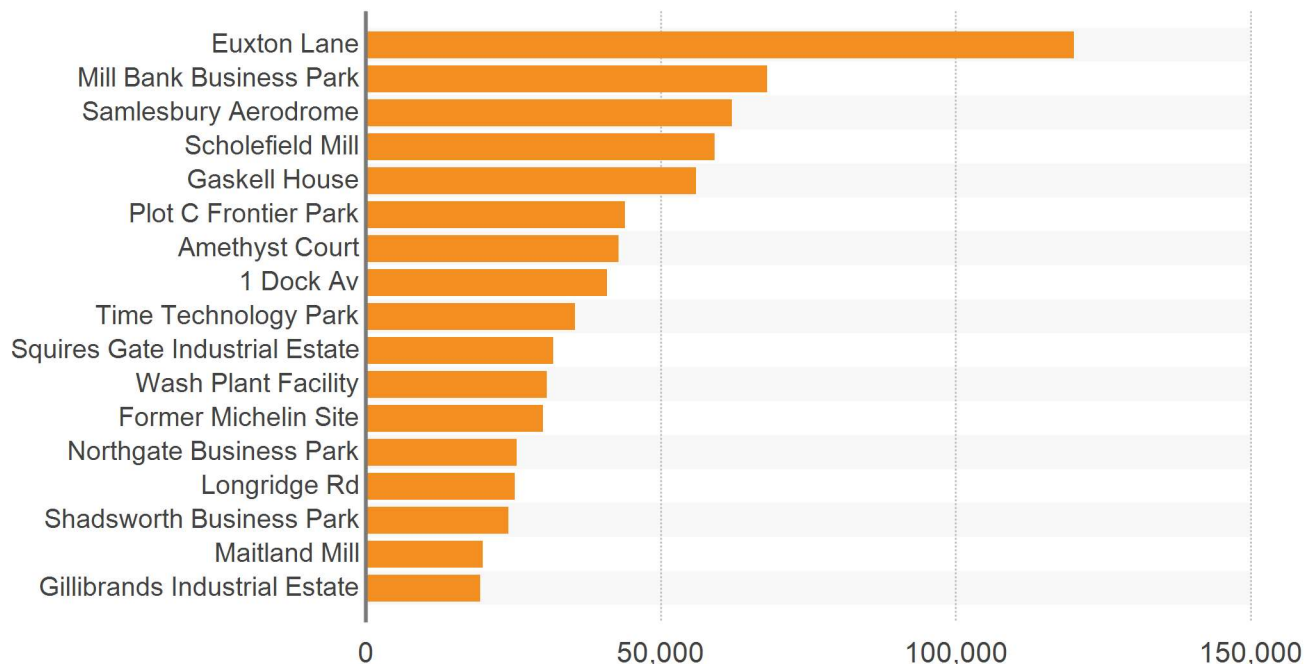
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Euxton Lane	Chorley Ind	120,000	0	0	0	0	0	120,000
Mill Bank Business Park	Blackburn With Darw...	98,000	0	0	68,000	0	0	68,000
Samlesbury Aerodrome	South Ribble Ind	62,020	0	0	0	0	0	62,020
Scholefield Mill	Pendle Ind	162,948	101,967	60,981	0	0	0	59,190
Gaskell House	Preston Ind	58,000	0	0	0	0	0	56,017
Plot C Frontier Park	Hyndburn Ind	334,191	0	0	0	0	0	44,000
Amethyst Court	South Ribble Ind	42,900	0	0	0	0	0	42,900
1 Dock Av	Wyre Ind	40,871	0	(1,300)	1,300	0	0	40,871
Time Technology Park	Ribble Valley Ind	421,517	86,689	0	0	0	0	35,438
Squires Gate Industrial Estate	Blackpool Ind	32,166	0	0	0	0	0	31,812
Wash Plant Facility	West Lancashire Ind	30,677	0	0	0	0	0	30,677
Former Michelin Site	Burnley Ind	30,000	0	0	0	0	0	30,000
Northgate Business Park	Lancaster Ind	25,565	0	25,565	0	0	0	25,565
Longridge Rd	Preston Ind	25,336	0	25,336	0	0	0	25,318
Shadsworth Business Park	Blackburn With Darw...	30,960	0	0	0	0	0	24,191
Maitland Mill	Preston Ind	20,066	0	0	0	0	0	19,845
Gillibrands Industrial Estate	West Lancashire Ind	21,641	0	0	19,396	0	0	19,396
Subtotal Primary Competitors		1,556,858	188,656	110,582	88,696	0	0	735,240
Remaining Lancashire Market		92,772,806	2,427,655	(263,107)	(34,495)	0	0	(871,515)
Total Lancashire Market		94,329,664	2,616,311	(152,525)	54,201	0	0	(136,275)

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Farington Park	South Ribble	544,000	Q4 22	Victorian Plumbing	Davies Harrison	Cushman & Wakefield;...
Walton Summit Rd	South Ribble	131,486	Q4 22	Montgomery Transport Gr...	-	JLL;Robert Pinkus & Co
Walker Rd	Blackburn With Darwen	97,290	Q1 23	Steel Dynamics LTD	-	B8RE;Knight Frank LL...
Churchill Way	Pendle	95,819	Q1 23	Limitless Digital Group	-	-
Walker Rd	Blackburn With Darwen	87,262	Q3 22	Staci	-	B8RE;Knight Frank LLP
Stancliffe St	Blackburn With Darwen	78,000	Q1 23	-	-	Trevor Dawson & Co
Imperial Rd	Lancaster	76,944	Q4 22	Veolia Energy	-	-
Blackburn Rd	Ribble Valley	55,942	Q3 22	-	-	Trevor Dawson & Co
C-D Blackburn Rd	Hyndburn	44,000	Q3 22	-	-	Trevor Dawson & Co
Walker Rd	Blackburn With Darwen	37,934	Q1 23	-	-	Taylor Weaver
Pittman Way	Preston	35,820	Q4 22	Johnsons Workwear	-	-
Cowling Brow	Chorley	35,056	Q4 22	Tivoli Group	-	Robert Pinkus & Co
Squires Gate Ln	Blackpool	32,166	Q3 22	Simpsons Beverages Sup...	-	Duxburys Commercial;...
Longridge Rd	Preston	25,336	Q4 22	-	-	Mileway Real Estate
Maitland St	Preston	20,066	Q3 22	-	-	HDAK Commercial Pro...
Lower Eccleshill Rd	Blackburn With Darwen	18,000	Q4 22	-	-	Taylor Weaver
St. James's Rd	Blackburn With Darwen	15,616	Q3 22	-	-	Trevor Dawson & Co
Caxton Rd	Preston	15,070	Q3 22	-	-	Eckersley
Lower Eccleshill Rd	Blackburn With Darwen	15,000	Q4 22	-	-	Taylor Weaver
Lower Eccleshill Rd	Blackburn With Darwen	15,000	Q4 22	-	-	Taylor Weaver
Charnley Fold Ln	South Ribble	13,620	Q3 22	-	-	Eckersley
Dyneley Rd	Blackburn With Darwen	13,107	Q4 22	FB Chain Ltd	-	Nolan Redshaw
Preston New Rd	Fylde	11,128	Q3 22	-	-	HDAK Commercial Pro...
Billington Rd	Burnley	10,800	Q3 22	-	-	Trevor Dawson & Co
Oxford Ct	Hyndburn	9,572	Q1 23	-	-	Trevor Dawson & Co;W...
Clydesdale Pl	South Ribble	9,198	Q4 22	-	-	Peter E Gilkes
22 Summer St	Pendle	8,787	Q1 23	-	-	Taylor Weaver
Roman Way	Preston	8,148	Q2 23	-	-	Eckersley
Cambridge St	Hyndburn	7,385	Q1 23	-	-	Trevor Dawson & Co
1-12 Grattan Pl	West Lancashire	6,987	Q1 23	-	-	Parkinson Real Estate
Copse Rd	Wyre	6,975	Q4 22	-	-	Duxburys Commercial
Billington Rd	Burnley	6,862	Q4 22	FDM Digital Solutions	-	Trevor Dawson & Co
36A-36B Church St	Hyndburn	6,711	Q4 22	Ashbrook Traders Limited	-	M4 Property Consultant...
Campbell	Preston	6,653	Q2 23	-	-	Eckersley
Oakshott Pl	South Ribble	6,600	Q4 22	GWP (NW) Ltd	-	Robert Pinkus & Co
Waverledge St	Hyndburn	6,000	Q1 23	-	-	Trevor Dawson & Co
River St	Blackburn With Darwen	6,000	Q2 23	-	-	Thomas V Shaw & Co Ltd
Waverledge St	Hyndburn	5,190	Q3 22	-	-	Trevor Dawson & Co
Railway Rd	Chorley	4,884	Q4 22	Surpro	-	Lamb & Swift Commercial
Deepdale Mill St	Preston	4,059	Q2 23	-	-	Eckersley

*Renewal

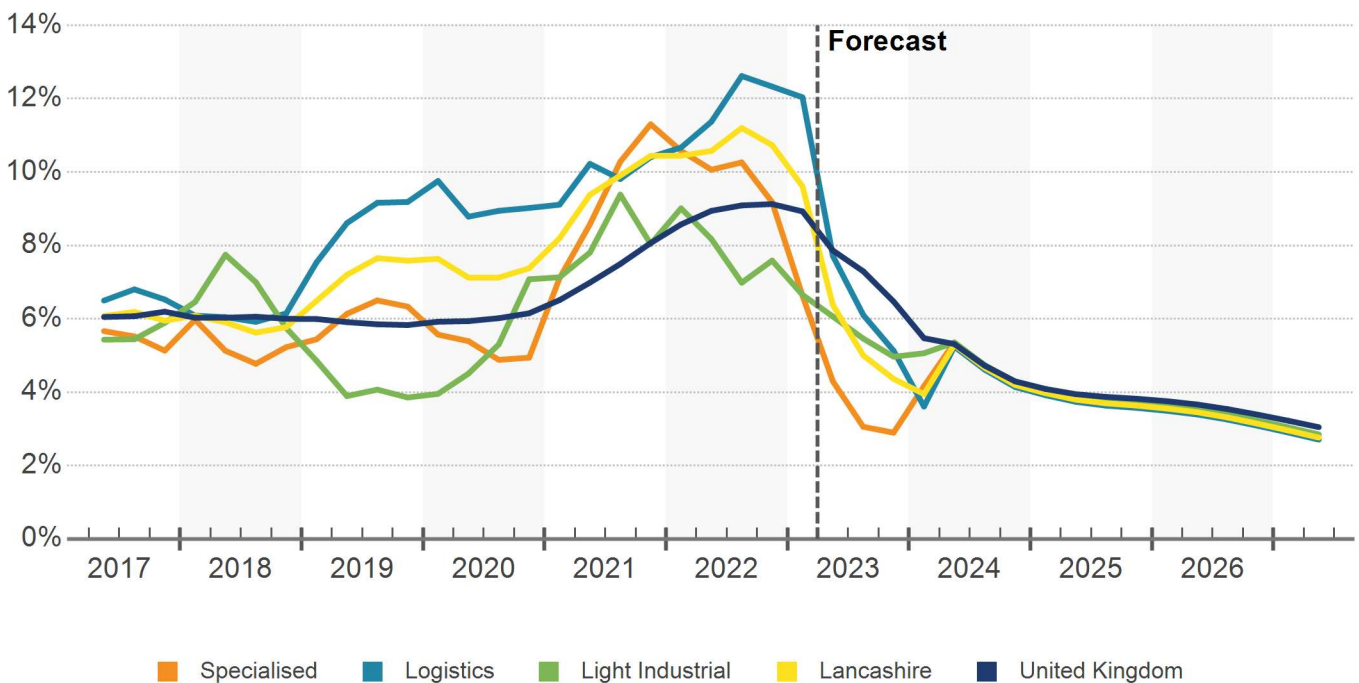
Supported by historically low vacancies, annual rental growth in Lancashire of 6.4% continues to exceed the long-term average of 4.4% pa and compares to the UK average of 7.8%. The long-term shift towards online retail is expected to continue to underpin rental growth in industrial properties. Although rent growth slows in CoStar's Base Case forecast scenario, it remains comfortably positive in the years ahead.

Lancashire's submarkets have benefited from heightened demand from distributors and logistics, and as a result have posted this strong rent growth in recent years.

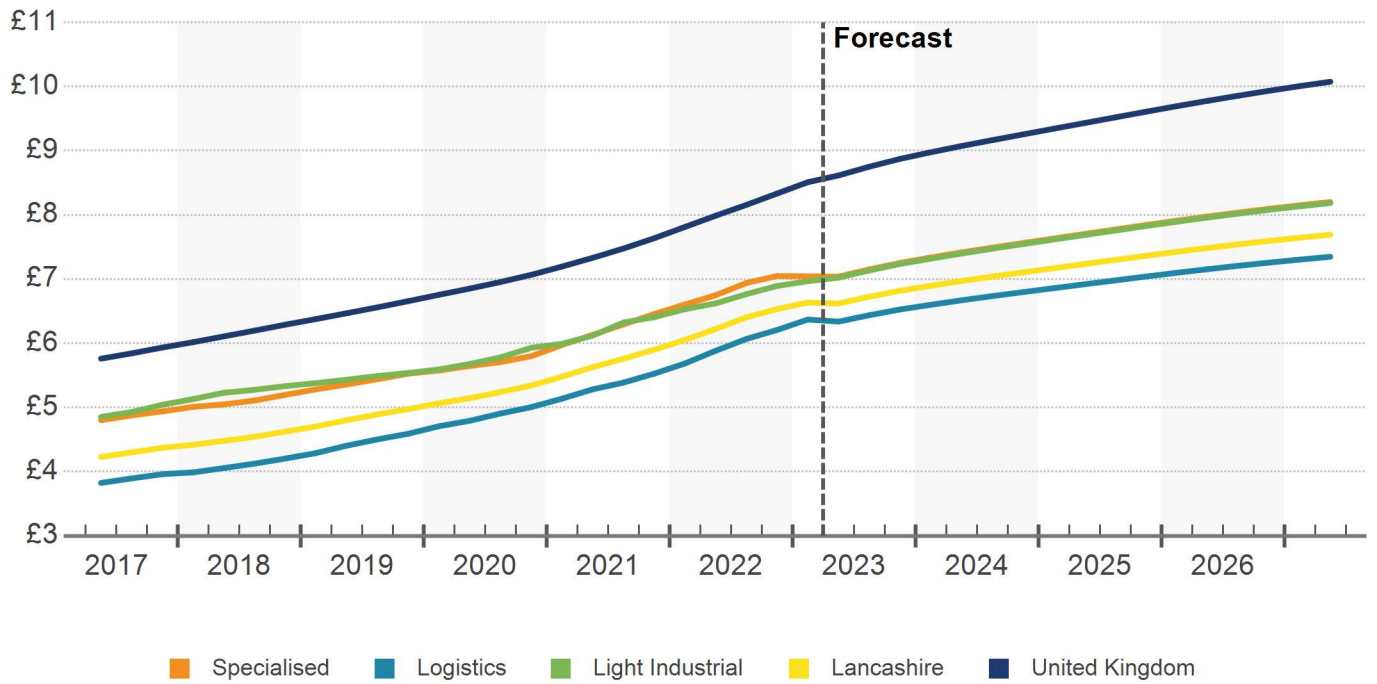
Growth varies across Lancashire's submarkets, with Hyndburn, Chorley and South Ribble submarkets among the strongest performers of late.

At an average of £6.60/SF, Lancashire remains a relatively inexpensive market to rent industrial property, relative to other parts of the North West. Average rents here are around 10% cheaper than rents in Warrington. At a submarket level rents vary between Chorley, where some of the highest rents are paid at around £8.50/SF, compared to Rossendale with the cheapest (£5.45/SF).

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



Lancashire contains 94.3 million SF of industrial space, around half of which is in the logistics subsector. Its largest warehouses are mainly concentrated along the M55, M6, M65 and M58 motorway corridors, which provide access to the wider North West region and other major population centres.

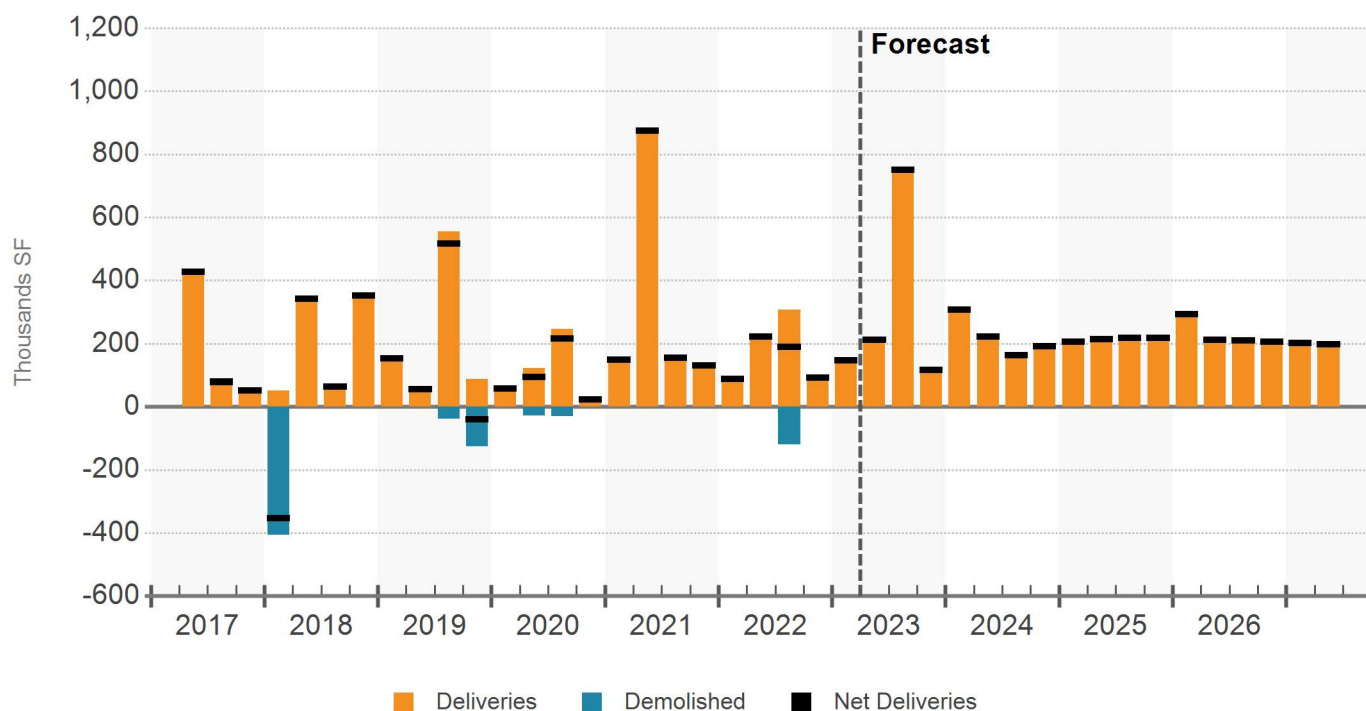
Construction activity has been strong over the past few years, and there is currently 1.3 million SF under construction, across a broad range of sizes.

Among the most notable is the 544,000 SF design and build unit for Victorian Plumbing. The property is located at the heart of Central Lancashire's motorway network Farington Park, Leyland within a few minutes' drive of the M6, M65 & M61 motorways.

There are also several mid-box units under construction at Lower Eccleshill Road, Blackburn amounting to 55,000 SF and 65,000 SF and Preston East, Trefoil Way in Preston where DHL and DPD have taken a similar amount of space. In the multi-let sector there are units underway at Minerva Road in Lancaster and Greenbank Technology Park in Blackburn.

There are also several sizeable proposed industrial schemes in the pipeline. Among the most noteworthy are 195,000 SF at Barrowford Road, Burnley, several mid-box units at Pendle Park, Burnley and build to suit opportunities at Altham Park South (800,000 SF) and G-Park Skelmersdale (600,000 SF in 3 units), both between Accrington and Burnley.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	South Ribble	1	544	544	100%	1	36,066	544,000	1
2	Lancaster	11	202	90	44.6%	4	19,741	18,401	4
3	Preston	3	153	153	100%	1	29,576	51,138	2
4	Pendle	3	146	96	65.7%	3	28,422	48,606	3
5	Blackburn With Darwen	8	130	39	30.1%	5	29,971	16,271	5
6	West Lancashire	5	54	15	27.5%	6	39,343	10,894	6
7	Chorley	2	17	0	0%	7	28,639	8,460	8
8	Fylde	1	9	0	0%	7	13,352	8,892	7
9	Blackpool	0	-	-	-	-	14,320	-	-
10	Burnley	0	-	-	-	-	35,478	-	-
	All Other	0	-	-	-		26,495	-	
Totals		34	1,256	938	74.7%		28,074	36,944	

Under Construction Properties

Lancashire Industrial

Properties

Square Feet

Percent of Inventory

Released

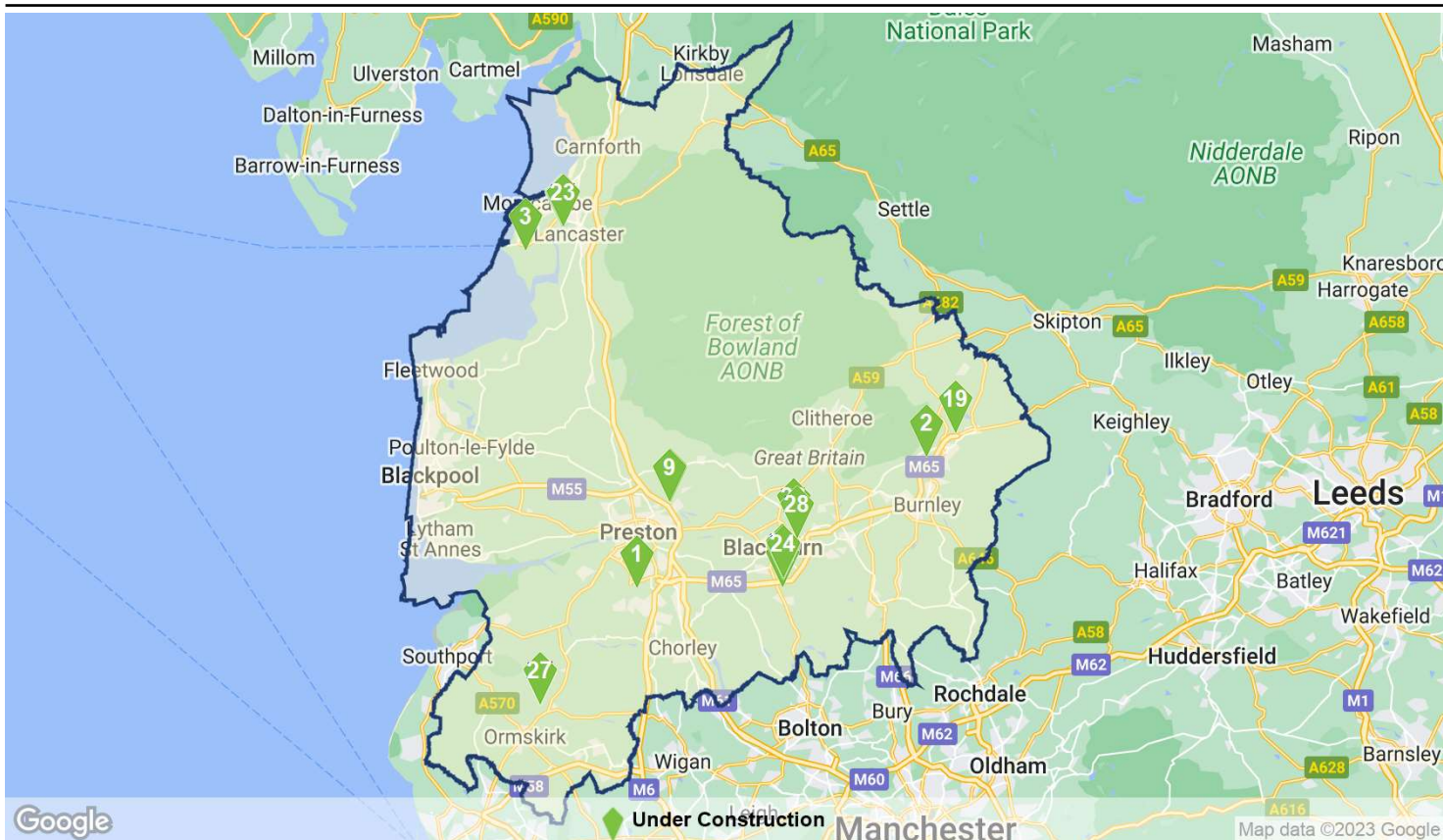
39

1,369,196

1.6%

76.8%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Floors	Start	Complete	Developer/Owner
1 Connect 6 Farington Park	★★★★☆	544,000	3	Dec 2022	Jul 2023	Caddick Construction Ltd Canmoor Developments Ltd
2 Churchill Way	★★★★☆	95,819	2	Jan 2023	Nov 2023	-
3 Veolia Energy Recovery... Imperial Rd	★★★★☆	76,944	3	Mar 2023	Feb 2026	-
4 DHL Trefoil Way	★★★★☆	63,897	2	Sep 2022	Aug 2023	Barnfield Construction
5 DPD Trefoil Way	★★★★☆	58,872	2	Sep 2022	Sep 2023	Barnfield Construction Limited
6 Warehouse A Lower Eccleshill Rd	★★★★☆	58,071	2	Jun 2023	May 2024	-
7 Warehouse B Lower Eccleshill Rd	★★★☆☆	55,175	2	May 2021	Sep 2023	-



Under Construction Properties

Lancashire Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Floors	Start	Complete	Developer/Owner
8 92 Greenfield Rd	★ ★ ★ ★ ★	38,000	1	Oct 2021	Dec 2023	-
9 Garden Bird Trefoil Way	★ ★ ★ ★ ★	30,645	2	Nov 2022	Nov 2023	- Barnfield Construction
10 Minerva Rd	★ ★ ★ ★ ★	24,994	1	Aug 2022	Jul 2023	- Hurstwood Holdings Limited
11 Minerva Rd	★ ★ ★ ★ ★	24,994	1	Aug 2022	Jul 2023	- Hurstwood Holdings Limited
12 Hollins Grove St	★ ★ ★ ★ ★	24,542	1	Jan 2023	Jul 2023	- Hollins Grove Mill
13 Unit 2 Greenbank Ter	★ ★ ★ ★ ★	22,669	1	Jun 2022	Aug 2023	-
14 Seafire Business Park Seafire Way	★ ★ ★ ★ ★	20,910	2	Jan 2023	Jul 2023	Crompton Property Development... -
15 Minerva Rd	★ ★ ★ ★ ★	19,945	1	Aug 2022	Jul 2023	- Hurstwood Holdings Limited
16 53 Minerva	★ ★ ★ ★ ★	19,696	1	Aug 2022	Jul 2023	- Hurstwood Holdings Limited
17 25 Minerva Rd	★ ★ ★ ★ ★	19,136	1	Aug 2022	Jul 2023	- Hurstwood Holdings Limited
18 Unit 9A - 9F 9F Seafire Way	★ ★ ★ ★ ★	15,000	2	Jan 2022	Jul 2023	-
19 98 Greenfield Rd	★ ★ ★ ★ ★	12,000	1	Oct 2022	Dec 2023	-
20 Challenge Way	★ ★ ★ ★ ★	12,000	1	Oct 2022	Oct 2023	-
21 Greenbank Ter	★ ★ ★ ★ ★	11,470	1	Feb 2022	Aug 2023	-
22 Chanters Way	★ ★ ★ ★ ★	10,892	1	Feb 2022	Dec 2023	-
23 Minerva Rd	★ ★ ★ ★ ★	10,053	1	Aug 2022	Jul 2023	- Hurstwood Holdings Limited
24 Unit 3 Lower Eccleshill Rd	★ ★ ★ ★ ★	10,000	1	May 2022	Jul 2023	-
25 Challenge Way	★ ★ ★ ★ ★	10,000	1	Oct 2022	Oct 2023	-
26 Challenge Way	★ ★ ★ ★ ★	10,000	1	Oct 2022	Oct 2023	-
27 Unit 6 Seafire Way	★ ★ ★ ★ ★	9,850	2	Jan 2022	Jul 2023	-
28 Burnley Rd	★ ★ ★ ★ ★	9,250	1	Jan 2023	Oct 2023	-



In spite of the slump in investment sentiment across the country following soaring interest rates and debt costs, volumes have held up relatively well in Lancashire largely due to the sale of a couple of big box units in recent months. Total volumes have amounted to £177 million over the past 12 months, which compares to the ten year average of £108 million and the highest mark on record during 2021, nearing £140 million, as strong rent growth and tight vacancies drew investors from both the domestic market and abroad.

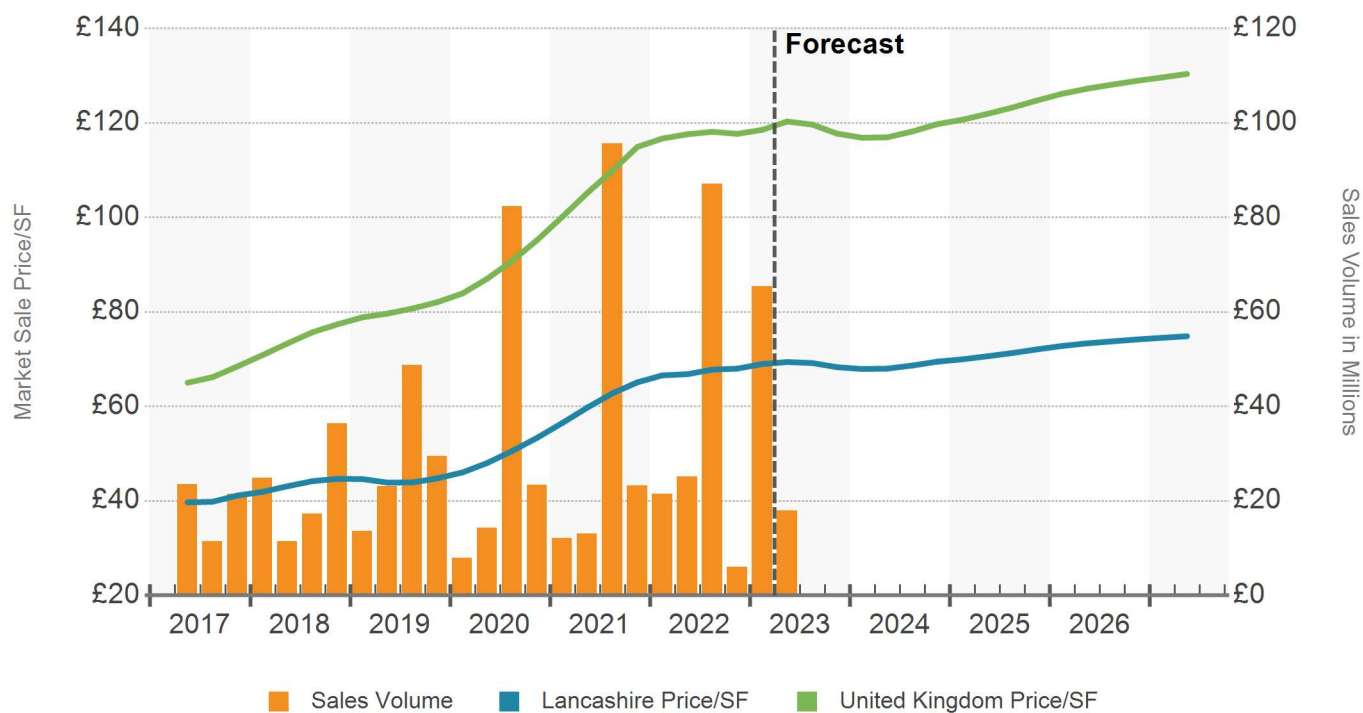
A recapitalisation deal by Brookfield lifted volumes at the beginning of the year. Copley Point Capital along with Brookfield, bought a trio of assets from Tritax Big Box REIT for £125 million, reflecting a blended net initial yield of 4.6%. All three properties are non-core to the investment strategy of Tritax. The 470,000 SF unit let to DHL in Skelmersdale has an estimated sale price of \$47.5 million according to CoStar's price allocation model.

Forward funding investments were among 2022's stand out transactions. In September Goldman Sachs Asset

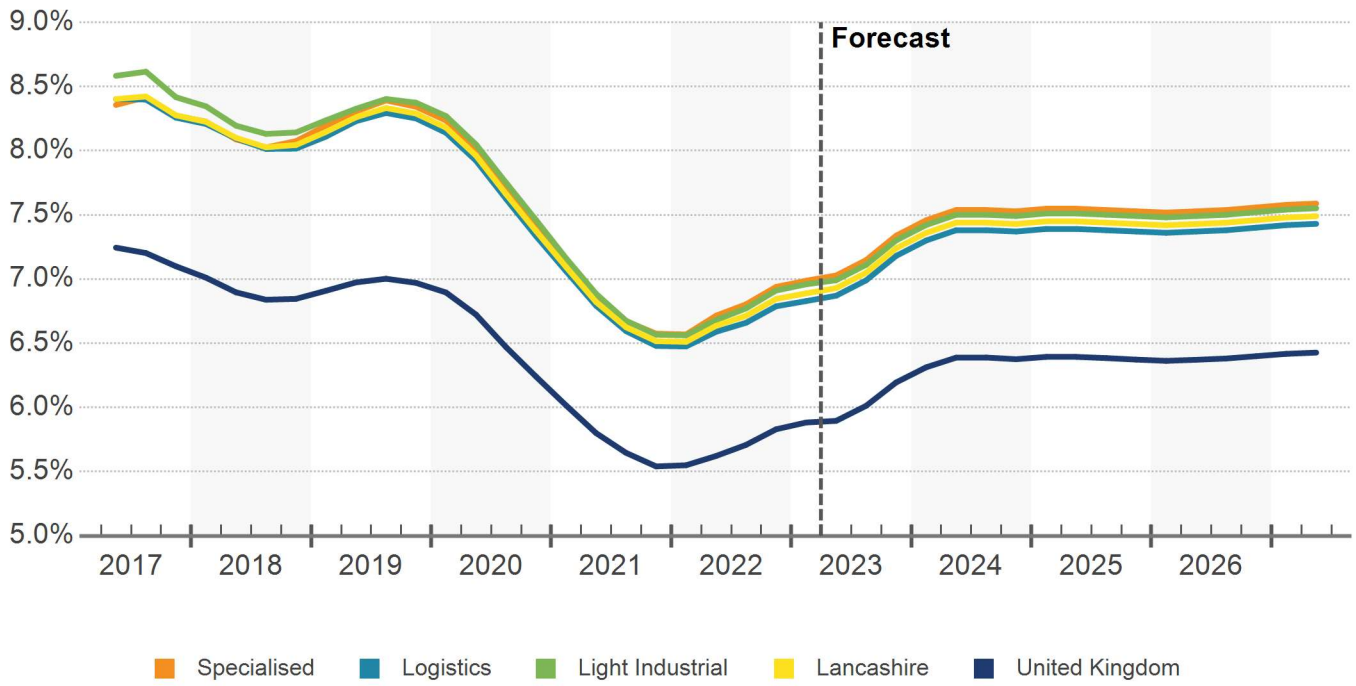
Management and Canmoor Developments completed a forward funding agreement deal with Caddick Group for 544,000 SF Connect 6, Farington Park in Leyland for £70.8 million. The property will be developed by Canmoor and Caddick and is due to complete in July. In February London Metric Property forward funded a 42,900 SF pre-let to Sainsbury's for £8.3 million from Mashall CDP. The development has been pre-let to Sainsbury's on a 15-year unbroken index-linked lease worth an initial £332,475.

Volumes in 2022 were been supported by three properties that were sold as part of the Polaris Portfolio. Adhan Group acquired the freehold interest in Long Ing Business Park, Barnoldswick, Station Road, Wigton and Jubilee Mill, Clitheroe. The portfolio belonged to Clearbell Property Partners II, a fund managed by Clearbell Capital and the sale price was £11,750,000, with a passing rent for the three properties is £1,210,000 pa. Blackstone grew its industrial ownership in the region with the acquisition of an Asda distribution warehouse in the Stanley Industrial Estate in July 2021.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET YIELD



Sales Past 12 Months

Lancashire Industrial

Sale Comparables

Avg. Yield

Avg. Price/SF

Avg. Vacancy At Sale

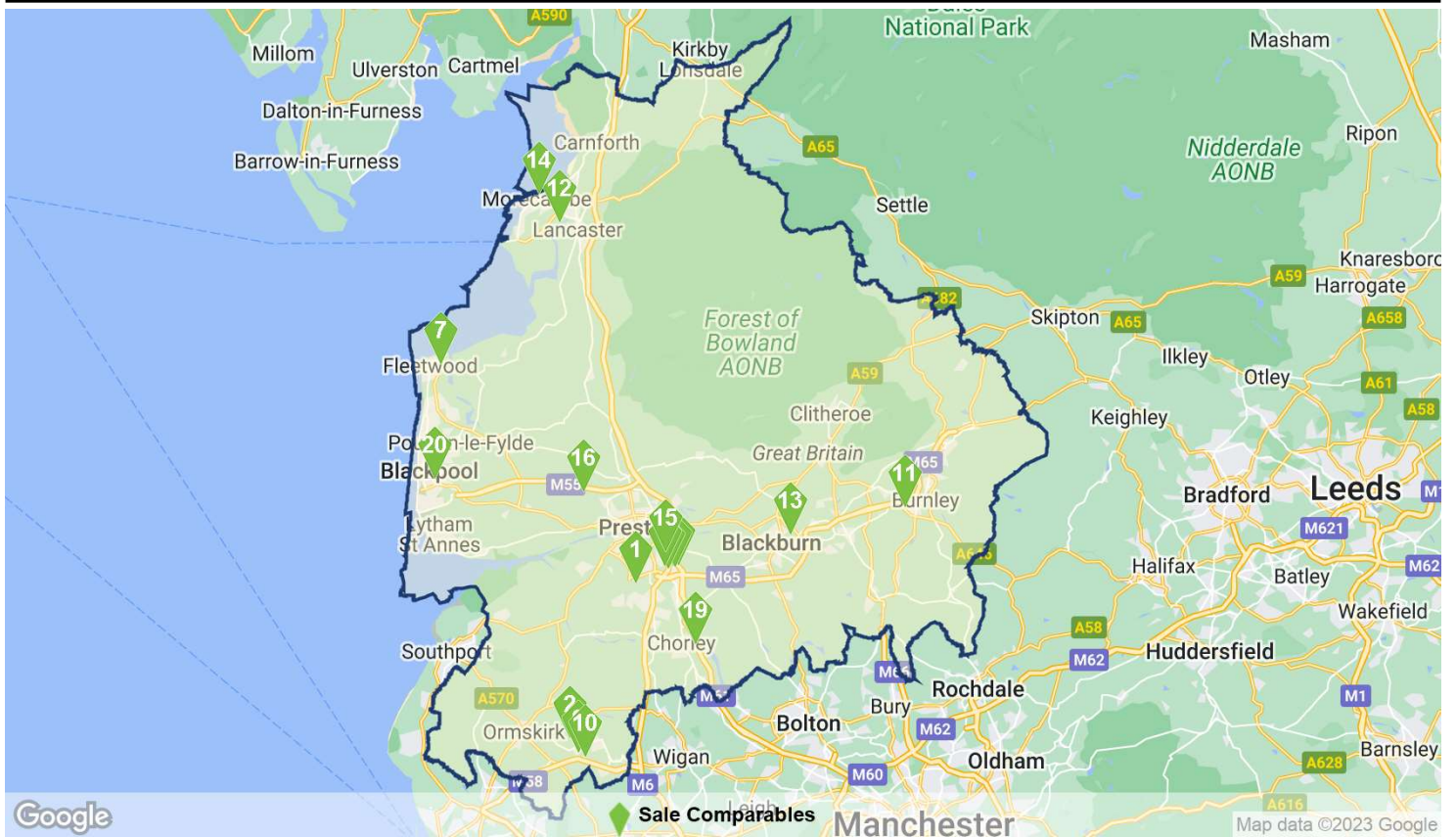
26

7.8%

£96

0.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	£72,000	£12,593,841	£3,598,180	£70,802,000
Price/SF	£37	£96	£95	£146
Yield	6.6%	7.8%	7.6%	9.1%
Time Since Sale in Months	0.3	6.3	5.1	11.6
Property Attributes	Low	Average	Median	High
Building SF	541	86,698	35,895	544,000
Ceiling Height	17'2"	30'10"	28'7"	59'
Docks	0	19	5	64
Vacancy Rate At Sale	0%	0.2%	0%	100%
Year Built	1890	1977	1981	2023
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.8	★ ★ ★ ★ ★	★ ★ ★ ★ ★



Sales Past 12 Months

Lancashire Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Yield
1 Connect 6 Farington Park	★★★★★	2023	544,000	100%	30/09/2022	£70,802,000	£130	-
2 DHL Distribution Centre Statham Rd	★★★★★	2003	470,000	0%	01/03/2023	£47,494,636	£101	-
3 Alpha Walton Summit Rd	★★★★★	1991	131,486	0%	01/03/2023	£12,300,000	£94	6.7%
4 Four Oaks Rd	★★★★★	1960	84,051	0%	28/07/2022	£12,300,000	£146	-
5 Four Oaks Rd	★★★★★	1993	330,000	0%	10/05/2023	£12,250,000	£37	7.6%
6 Reedfield Pl	★★★★★	1970	58,204	0%	15/05/2023	£5,588,773	£96	-
7 1 Dock Av	★★★★★	2022	40,871	1.2%	09/08/2022	£3,931,525	£96	-
8 Club Court Club St	★★★★★	1982	51,881	0%	23/11/2022	£3,264,835	£63	-
9 Gladden House Gladden Pl	★★★★★	1985	20,885	0%	18/11/2022	£2,750,000	£132	-
10 Gillibrands Rd	★★★★★	1970	41,060	0%	02/02/2023	£2,130,000	£52	8.8%
11 Units 1-2 Farringdon Rd	★★★★★	1990	39,343	0%	09/02/2023	£1,900,000	£48	9.1%
12 New Quay Ln	★★★★★	1952	10,397	0%	15/02/2023	£1,050,000	£101	-
13 Gorse St	★★★★★	1999	7,000	0%	22/03/2023	£480,000	£69	-
14 35 Oxford St	★★★★★	1990	1,022	0%	27/04/2023	£72,000	£70	-
15 School Ln	★★★★★	1979	4,842	0%	21/06/2023	-	-	-
16 Blackleach Ln	★★★★★	1978	6,705	0%	12/04/2023	-	-	-
17 Cowling Brow	★★★★★	1979	3,987	0%	26/01/2023	-	-	-
18 Cowling Brow	★★★★★	1980	73,611	0%	26/01/2023	-	-	-
19 Cowling Brow	★★★★★	1974	14,770	0%	26/01/2023	-	-	-
20 Rear Of Preston Old Rd	★★★★★	1955	1,539	0%	06/12/2022	-	-	-



The Lancashire Market is located in the North West region, focused around several large towns including Blackpool on the west coast, linked via the M55 and M65 to Preston, Blackburn and Burnley in the east. The M6 links this conurbation belt to Lancaster in the north and Liverpool and Manchester to the south.

Lancashire's economy was hit hard by the coronavirus pandemic. After contracting by 11.9% in 2020, the economy is estimated to have expanded by 8.8% in 2021–22, fuelled by a strong rebound across most sectors but particularly consumer-facing services, which were disproportionately affected by pandemic restrictions. Oxford Economics expects the county's full economic recovery to take until 2026 based on projections for real GDP growth. The firm's March forecast called for flat growth in 2023 before growth of 1.4% in 2024 and 2.2% in 2025. The outlook remains downbeat in light of the cost-of-living crisis, weak business confidence and rising interest rates.

Lancashire's primary economic driver is manufacturing, which makes up 19% of annual GVA according to Oxford Economics, more than twice the national average. Other key drivers are wholesale & retail trade and real estate, which each generate around 11% of annual output, while human health & social work makes up 8%. Conversely, GVA estimates from Oxford Economics emphasise how the market is underrepresented in some of the high-value financial and professional service sectors.

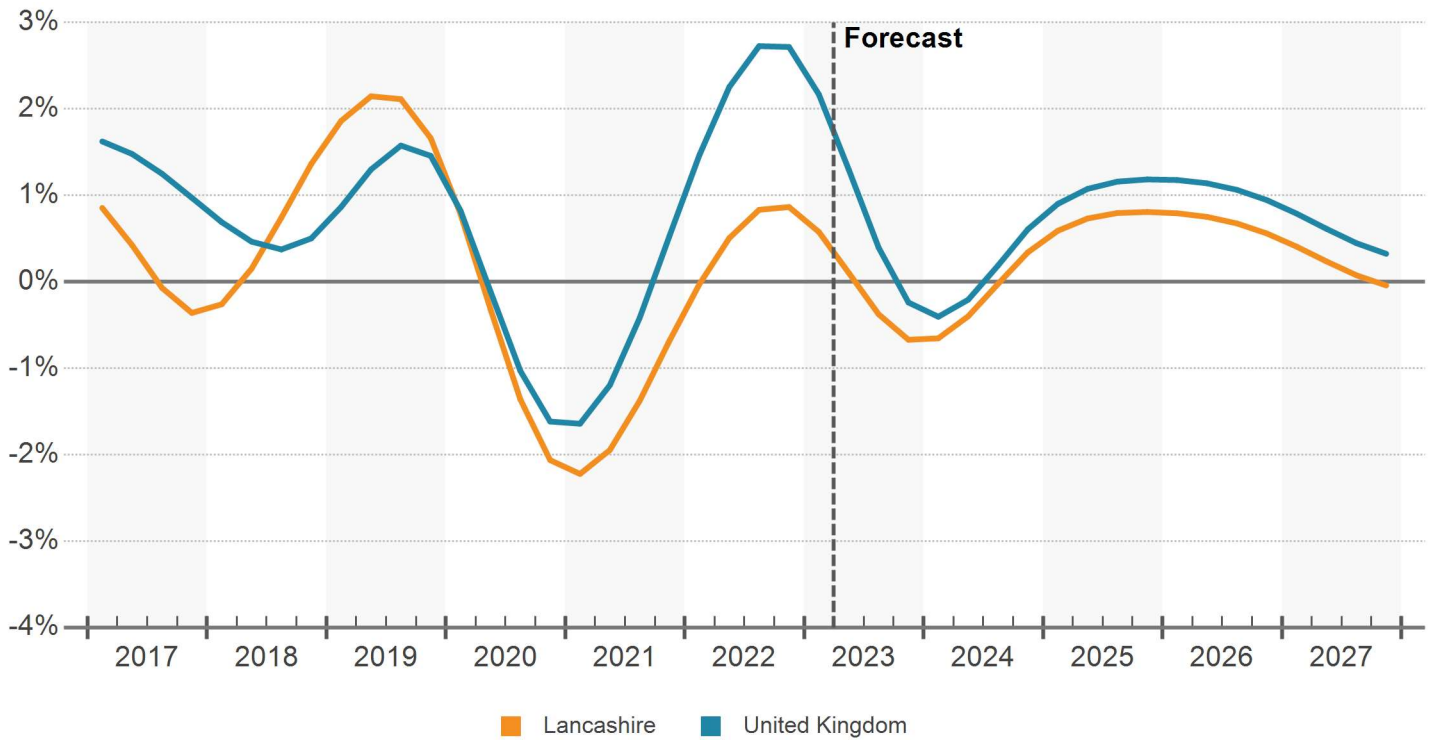
The defence industry is a key private sector employer. This resulted in the launch of the first Lancashire Enterprise Zone in April 2012. Two further Enterprise Zones were established in November 2015, at Blackpool Airport and Hillhouse in Thornton. These sites benefit from schemes such as Business Rates Relief and Enhanced Capital Allowances for businesses moving to the area, but some businesses will be facing headwinds, as the manufacturing sector feels a heavy impact from the economic headwinds.

LANCASHIRE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	UK	Market	UK	Market	UK
Manufacturing	84	1.6	0.67%	1.08%	0.11%	-0.01%	-2.05%	-2.07%
Transportation Warehouse Utilities	7	1.0	0.84%	-0.81%	0.08%	1.58%	-0.79%	-0.61%
Retail Trade	107	1.1	-0.92%	-0.47%	-0.30%	-0.17%	0.50%	0.57%
Financial Activities	19	0.5	0.80%	0.93%	-0.66%	0.88%	0.08%	0.16%
Government	36	1.1	-0.83%	-0.39%	-0.26%	0.31%	-0.71%	-0.41%
Natural Resources, Mining and Construction	8	1.1	-0.89%	-2.07%	-1.18%	-1.76%	-0.19%	-0.40%
Education and Health Services	177	1.1	0.77%	1.12%	0.70%	1.17%	0.62%	0.78%
Professional and Business Services	97	0.8	1.97%	2.16%	1.70%	1.99%	1.29%	1.46%
Information	17	0.5	3.68%	4.17%	0.27%	2.82%	0.55%	0.92%
Leisure and Hospitality	71	1.0	0.86%	3.60%	1.42%	1.97%	0.69%	0.90%
Other Services	18	0.9	0.04%	1.06%	-0.68%	0.83%	1.76%	1.47%
Total Employment	722	1.0	0.10%	1.30%	0.46%	1.17%	0.24%	0.57%

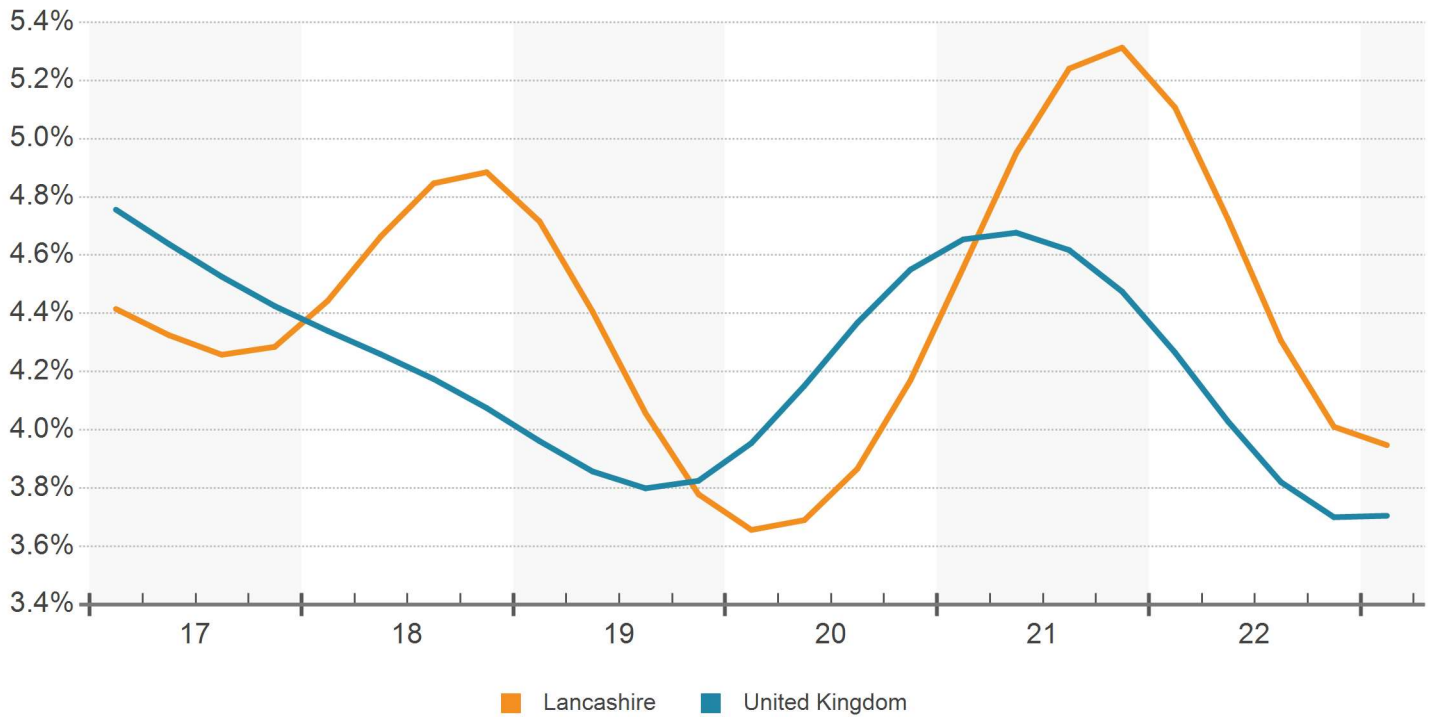
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

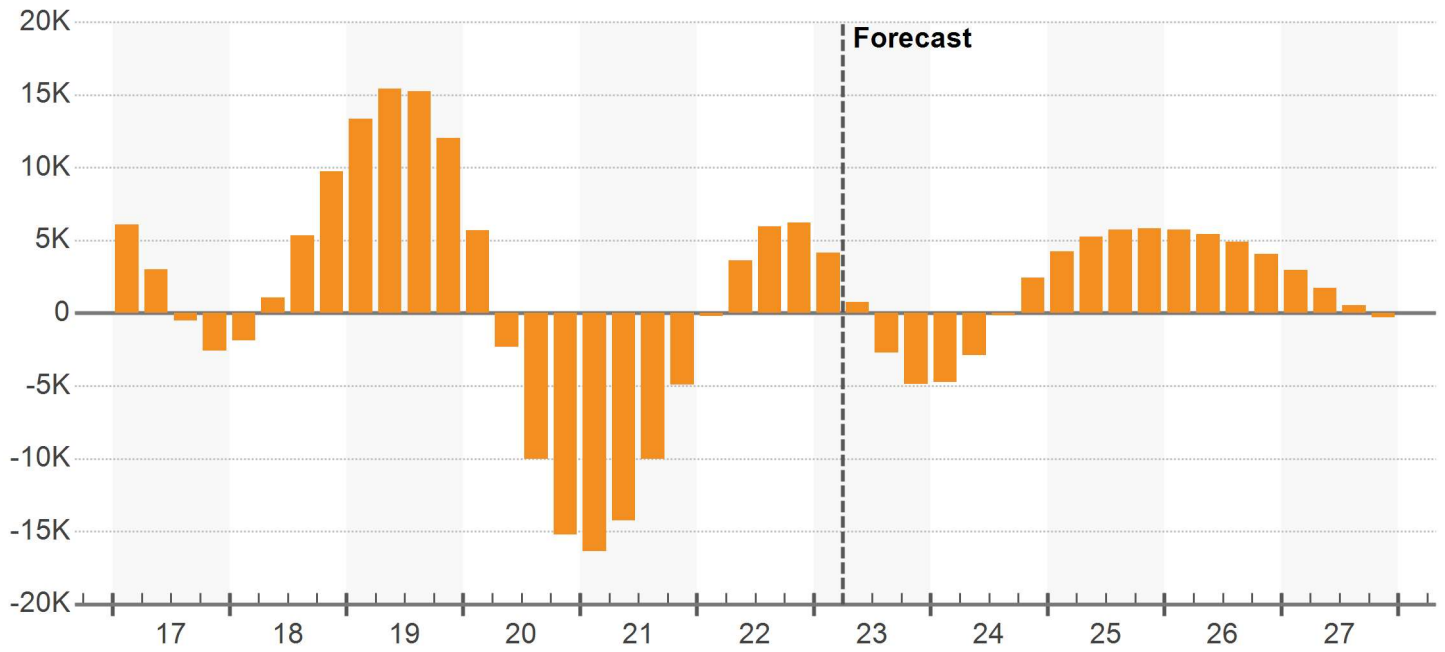


Source: Oxford Economics

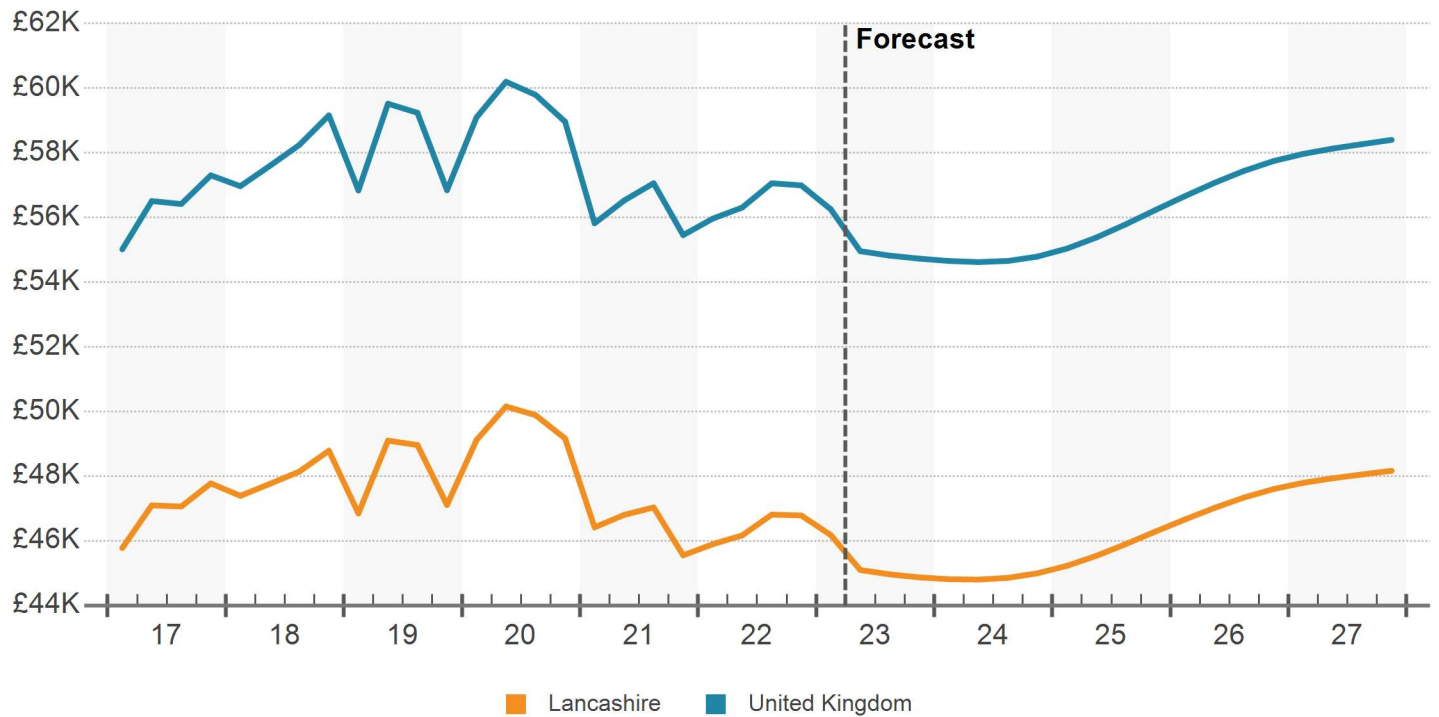
UNEMPLOYMENT RATE (%)



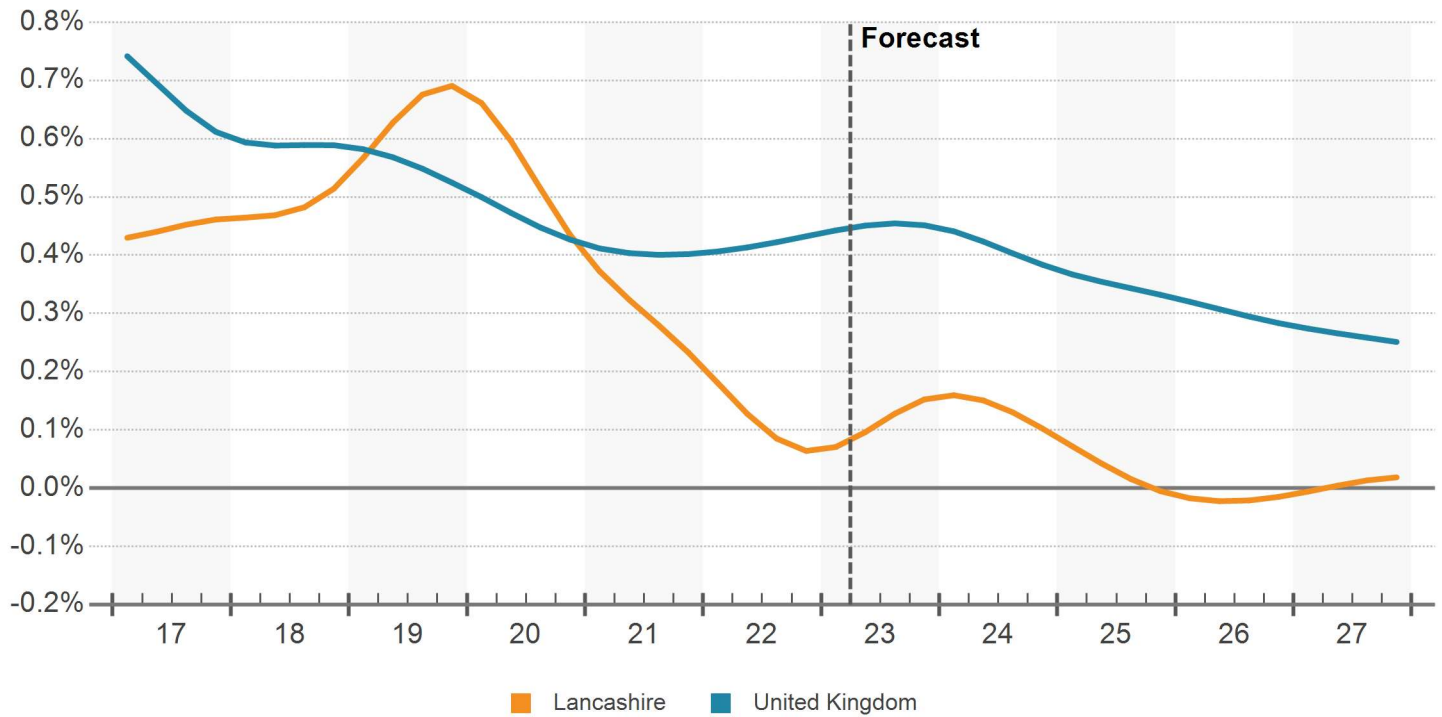
NET EMPLOYMENT CHANGE (YOY)



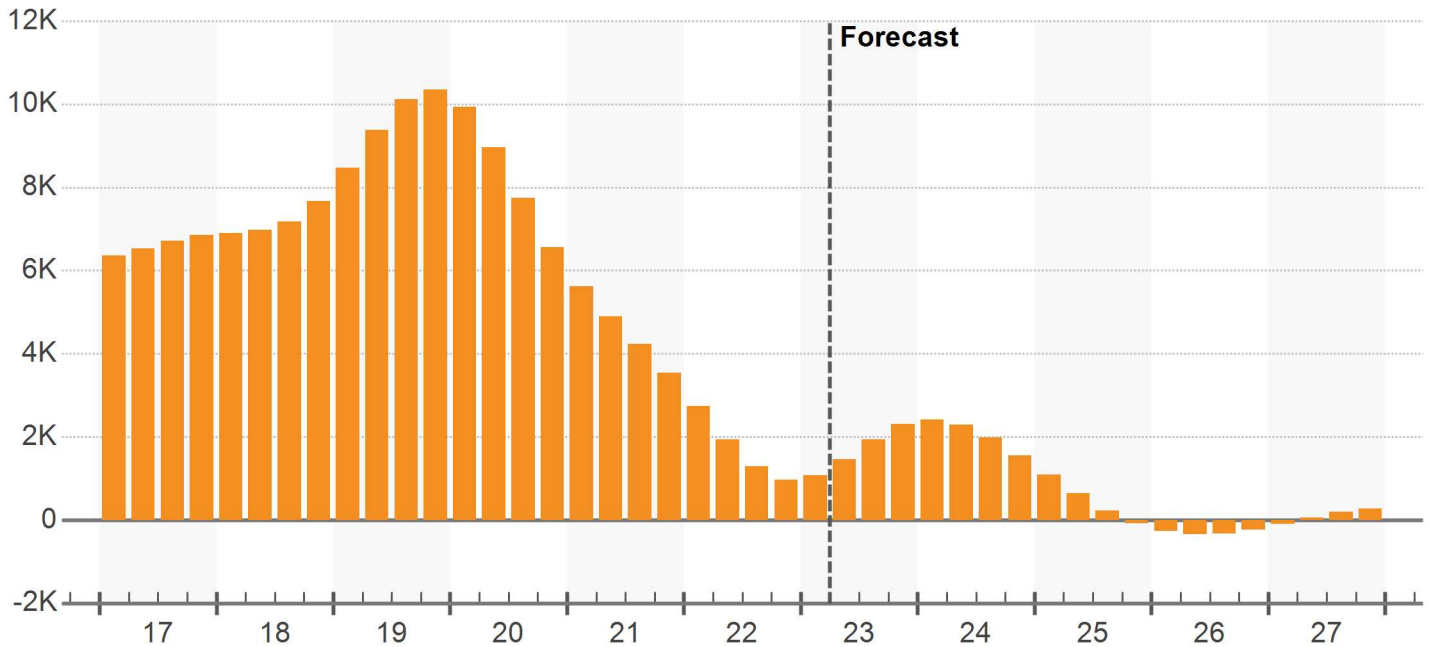
HOUSEHOLD DISPOSABLE INCOME



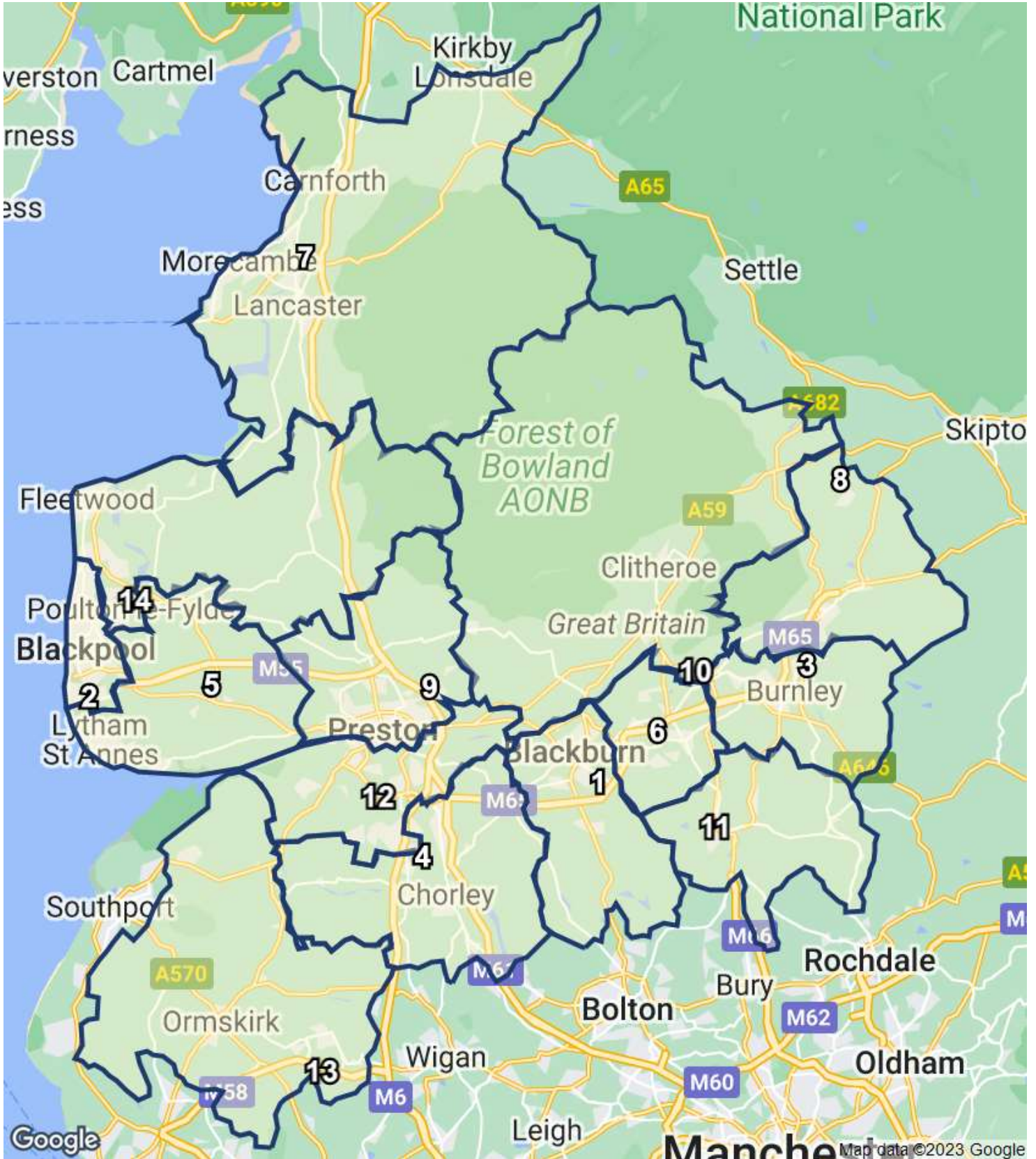
POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



LANCASHIRE SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Blackburn With Darwen	571	17,114	18.1%	1	3	27	0.2%	8	8	130	0.8%	5
2	Blackpool	307	4,396	4.7%	9	3	26	0.6%	9	0	-	-	-
3	Burnley	260	9,224	9.8%	4	1	30	0.3%	7	0	-	-	-
4	Chorley	170	4,869	5.2%	8	1	120	2.5%	1	2	17	0.3%	7
5	Fylde	174	2,323	2.5%	14	6	68	2.9%	4	1	9	0.4%	8
6	Hyndburn	236	8,601	9.1%	5	4	15	0.2%	10	0	-	-	-
7	Lancaster	143	2,823	3.0%	12	0	0	0%	-	11	202	7.2%	2
8	Pendle	229	6,509	6.9%	7	0	0	0%	-	3	146	2.2%	4
9	Preston	263	7,778	8.2%	6	4	92	1.2%	3	3	153	2.0%	3
10	Ribble Valley	80	2,861	3.0%	11	1	8	0.3%	11	0	-	-	-
11	Rossendale	174	4,094	4.3%	10	0	0	0%	-	0	-	-	-
12	South Ribble	282	10,171	10.8%	3	2	105	1.0%	2	1	544	5.3%	1
13	West Lancashire	285	11,213	11.9%	2	3	39	0.4%	6	5	54	0.5%	6
14	Wyre	186	2,354	2.5%	13	2	41	1.7%	5	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualised Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Blackburn With Darwen	£6.01	11	6.1%	10	-0.2%	5
2	Blackpool	£6.26	9	6.2%	7	-0.1%	4
3	Burnley	£6.10	10	6.2%	6	-0.8%	7
4	Chorley	£8.41	1	7.1%	1	-1.7%	13
5	Fylde	£7.69	3	5.6%	11	0.1%	3
6	Hyndburn	£5.91	12	6.8%	2	-2.4%	14
7	Lancaster	£6.31	8	6.2%	9	-1.2%	10
8	Pendle	£5.81	13	6.2%	8	-0.5%	6
9	Preston	£7.18	4	6.6%	5	-0.9%	9
10	Ribble Valley	£6.64	6	5.5%	12	-0.8%	8
11	Rossendale	£5.41	14	5.4%	13	1.0%	1
12	South Ribble	£8.14	2	6.8%	3	-1.5%	12
13	West Lancashire	£6.87	5	6.8%	4	-1.4%	11
14	Wyre	£6.46	7	5.3%	14	0.7%	2

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Blackburn With Darwen	305,925	1.8%	7	(27,898)	-0.2%	12	-
2	Blackpool	333,342	7.6%	14	26,257	0.6%	6	1.0
3	Burnley	481,528	5.2%	12	(389,185)	-4.2%	14	-
4	Chorley	73,432	1.5%	5	49,476	1.0%	4	2.4
5	Fylde	19,620	0.8%	2	100,600	4.3%	3	0.7
6	Hyndburn	127,872	1.5%	4	11,970	0.1%	8	1.1
7	Lancaster	158,319	5.6%	13	11,265	0.4%	9	-
8	Pendle	146,591	2.3%	8	43,048	0.7%	5	-
9	Preston	135,791	1.7%	6	123,063	1.6%	1	0.8
10	Ribble Valley	119,049	4.2%	9	24,622	0.9%	7	0.3
11	Rossendale	37,679	0.9%	3	(6,313)	-0.2%	11	-
12	South Ribble	53,064	0.5%	1	122,828	1.2%	2	1.1
13	West Lancashire	519,161	4.6%	11	(230,480)	-2.1%	13	-
14	Wyre	104,938	4.5%	10	4,472	0.2%	10	9.1

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	98,182,393	783,632	0.8%	755,018	0.8%	1.0
2026	97,398,761	918,225	1.0%	919,308	0.9%	1.0
2025	96,480,536	854,631	0.9%	749,905	0.8%	1.1
2024	95,625,905	881,609	0.9%	526,183	0.6%	1.7
2023	94,744,296	1,098,218	1.2%	489,902	0.5%	2.2
YTD	93,814,732	168,654	0.2%	(96,536)	-0.1%	-
2022	93,646,078	622,961	0.7%	224,748	0.2%	2.8
2021	93,023,117	1,312,594	1.4%	711,974	0.8%	1.8
2020	91,710,523	374,392	0.4%	576,894	0.6%	0.6
2019	91,336,131	684,679	0.8%	1,002,587	1.1%	0.7
2018	90,651,452	376,702	0.4%	1,053,644	1.2%	0.4
2017	90,274,750	532,650	0.6%	1,430,801	1.6%	0.4
2016	89,742,100	1,159,934	1.3%	1,384,531	1.5%	0.8
2015	88,582,166	460,385	0.5%	589,137	0.7%	0.8
2014	88,121,781	(23,689)	0%	1,769,808	2.0%	-
2013	88,145,470	456,505	0.5%	1,527,235	1.7%	0.3
2012	87,688,965	974,469	1.1%	247,340	0.3%	3.9
2011	86,714,496	839,281	1.0%	1,221,031	1.4%	0.7

SPECIALISED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	30,456,702	163,114	0.5%	166,496	0.5%	1.0
2026	30,293,588	175,098	0.6%	178,146	0.6%	1.0
2025	30,118,490	177,872	0.6%	157,330	0.5%	1.1
2024	29,940,618	113,659	0.4%	36,020	0.1%	3.2
2023	29,826,959	626,701	2.1%	618,610	2.1%	1.0
YTD	29,233,826	33,568	0.1%	169,868	0.6%	0.2
2022	29,200,258	(61,219)	-0.2%	(232,509)	-0.8%	-
2021	29,261,477	78,539	0.3%	(36,435)	-0.1%	-
2020	29,182,938	30,094	0.1%	35,108	0.1%	0.9
2019	29,152,844	(65,469)	-0.2%	(88,585)	-0.3%	-
2018	29,218,313	336,278	1.2%	556,004	1.9%	0.6
2017	28,882,035	86,423	0.3%	338,393	1.2%	0.3
2016	28,795,612	118,015	0.4%	196,059	0.7%	0.6
2015	28,677,597	226,458	0.8%	159,512	0.6%	1.4
2014	28,451,139	(78,664)	-0.3%	277,083	1.0%	-
2013	28,529,803	38,794	0.1%	571,452	2.0%	0.1
2012	28,491,009	99,883	0.4%	(229,081)	-0.8%	-
2011	28,391,126	137,281	0.5%	29,344	0.1%	4.7

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	58,479,239	586,490	1.0%	555,298	0.9%	1.1
2026	57,892,749	706,570	1.2%	702,817	1.2%	1.0
2025	57,186,179	639,637	1.1%	556,821	1.0%	1.1
2024	56,546,542	736,697	1.3%	475,908	0.8%	1.5
2023	55,809,845	463,057	0.8%	(70,619)	-0.1%	-
YTD	55,481,874	135,086	0.2%	(236,969)	-0.4%	-
2022	55,346,788	555,868	1.0%	404,910	0.7%	1.4
2021	54,790,920	1,212,577	2.3%	625,155	1.1%	1.9
2020	53,578,343	341,306	0.6%	514,927	1.0%	0.7
2019	53,237,037	726,559	1.4%	1,085,196	2.0%	0.7
2018	52,510,478	(25,641)	0%	411,905	0.8%	-
2017	52,536,119	511,428	1.0%	1,056,775	2.0%	0.5
2016	52,024,691	1,009,859	2.0%	1,152,982	2.2%	0.9
2015	51,014,832	204,133	0.4%	464,677	0.9%	0.4
2014	50,810,699	(34,103)	-0.1%	1,267,459	2.5%	-
2013	50,844,802	387,442	0.8%	692,062	1.4%	0.6
2012	50,457,360	874,586	1.8%	608,370	1.2%	1.4
2011	49,582,774	660,669	1.4%	1,202,982	2.4%	0.5

LIGHT INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	9,246,452	34,028	0.4%	33,224	0.4%	1.0
2026	9,212,424	36,557	0.4%	38,345	0.4%	1.0
2025	9,175,867	37,122	0.4%	35,754	0.4%	1.0
2024	9,138,745	31,253	0.3%	14,255	0.2%	2.2
2023	9,107,492	8,460	0.1%	(58,089)	-0.6%	-
YTD	9,099,032	0	0%	(29,435)	-0.3%	-
2022	9,099,032	128,312	1.4%	52,347	0.6%	2.5
2021	8,970,720	21,478	0.2%	123,254	1.4%	0.2
2020	8,949,242	2,992	0%	26,859	0.3%	0.1
2019	8,946,250	23,589	0.3%	5,976	0.1%	3.9
2018	8,922,661	66,065	0.7%	85,735	1.0%	0.8
2017	8,856,596	(65,201)	-0.7%	35,633	0.4%	-
2016	8,921,797	32,060	0.4%	35,490	0.4%	0.9
2015	8,889,737	29,794	0.3%	(35,052)	-0.4%	-
2014	8,859,943	89,078	1.0%	225,266	2.5%	0.4
2013	8,770,865	30,269	0.3%	263,721	3.0%	0.1
2012	8,740,596	0	0%	(131,949)	-1.5%	-
2011	8,740,596	41,331	0.5%	(11,295)	-0.1%	-

OVERALL RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	£7.78	2.4%	19.0%	3,323,090	3.4%	0%
2026	£7.60	3.1%	16.2%	3,298,960	3.4%	0%
2025	£7.37	3.6%	12.7%	3,304,550	3.4%	0.1%
2024	£7.11	4.2%	8.7%	3,204,340	3.4%	0.3%
2023	£6.82	4.4%	4.4%	2,852,602	3.0%	0.5%
YTD	£6.62	6.4%	1.3%	2,592,224	2.8%	0.3%
2022	£6.54	10.7%	0%	2,327,034	2.5%	0.4%
2021	£5.90	10.4%	-9.7%	1,960,887	2.1%	0.6%
2020	£5.34	7.4%	-18.3%	1,363,639	1.5%	-0.2%
2019	£4.98	7.6%	-23.9%	1,565,428	1.7%	-0.4%
2018	£4.62	5.8%	-29.3%	1,883,336	2.1%	-0.8%
2017	£4.37	5.9%	-33.1%	2,560,278	2.8%	-0.9%
2016	£4.13	6.0%	-36.9%	3,380,378	3.8%	-0.4%
2015	£3.89	3.3%	-40.5%	3,683,026	4.2%	-0.2%
2014	£3.77	2.0%	-42.4%	3,811,778	4.3%	-2.0%
2013	£3.69	1.3%	-43.5%	5,605,275	6.4%	-1.3%
2012	£3.65	1.6%	-44.2%	6,676,005	7.6%	0.8%
2011	£3.59	-2.0%	-45.1%	5,948,876	6.9%	-0.5%

SPECIALISED INDUSTRIAL RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	£8.29	2.5%	17.7%	641,296	2.1%	0%
2026	£8.09	3.2%	14.8%	646,232	2.1%	0%
2025	£7.84	3.7%	11.3%	650,822	2.2%	0.1%
2024	£7.56	4.3%	7.3%	631,810	2.1%	0.2%
2023	£7.25	2.9%	2.9%	555,172	1.9%	-0.2%
YTD	£7.04	4.3%	-0.1%	459,914	1.6%	-0.5%
2022	£7.05	9.2%	0%	596,214	2.0%	0.6%
2021	£6.46	11.3%	-8.4%	424,924	1.5%	0.4%
2020	£5.80	4.9%	-17.7%	313,322	1.1%	0%
2019	£5.53	6.3%	-21.6%	318,336	1.1%	0.1%
2018	£5.20	5.2%	-26.3%	295,220	1.0%	-0.8%
2017	£4.94	5.1%	-29.9%	514,946	1.8%	-0.9%
2016	£4.70	5.0%	-33.3%	766,916	2.7%	-0.3%
2015	£4.48	3.5%	-36.5%	844,960	2.9%	0.2%
2014	£4.32	1.5%	-38.7%	778,014	2.7%	-1.2%
2013	£4.26	1.5%	-39.5%	1,133,761	4.0%	-1.9%
2012	£4.20	0.8%	-40.4%	1,666,419	5.8%	1.1%
2011	£4.17	-1.4%	-40.9%	1,337,455	4.7%	0.4%

LOGISTICS RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	£7.43	2.3%	19.6%	2,509,223	4.3%	0%
2026	£7.26	3.1%	16.9%	2,480,818	4.3%	-0.1%
2025	£7.04	3.6%	13.4%	2,479,866	4.3%	0.1%
2024	£6.80	4.1%	9.5%	2,399,886	4.2%	0.4%
2023	£6.53	5.1%	5.1%	2,141,672	3.8%	0.9%
YTD	£6.34	7.8%	2.1%	2,013,666	3.6%	0.7%
2022	£6.21	12.3%	0%	1,641,611	3.0%	0.2%
2021	£5.53	10.4%	-11.0%	1,522,719	2.8%	1.0%
2020	£5.01	9.0%	-19.4%	935,297	1.7%	-0.3%
2019	£4.59	9.2%	-26.0%	1,108,205	2.1%	-0.7%
2018	£4.21	6.1%	-32.3%	1,466,842	2.8%	-0.8%
2017	£3.96	6.5%	-36.2%	1,904,388	3.6%	-1.1%
2016	£3.72	6.7%	-40.1%	2,449,735	4.7%	-0.4%
2015	£3.48	2.8%	-43.9%	2,592,858	5.1%	-0.5%
2014	£3.39	2.1%	-45.4%	2,853,402	5.6%	-2.6%
2013	£3.32	1.6%	-46.6%	4,154,964	8.2%	-0.7%
2012	£3.26	2.4%	-47.4%	4,459,584	8.8%	0.4%
2011	£3.19	-2.5%	-48.7%	4,193,368	8.5%	-1.2%

LIGHT INDUSTRIAL RENT & VACANCY

Year	Market Rent			Vacancy		
	Per SF	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	£8.28	2.5%	20.1%	172,571	1.9%	0%
2026	£8.08	3.2%	17.2%	171,910	1.9%	0%
2025	£7.83	3.7%	13.5%	173,862	1.9%	0%
2024	£7.55	4.3%	9.5%	172,644	1.9%	0.2%
2023	£7.24	5.0%	5.0%	155,758	1.7%	0.7%
YTD	£7.02	6.0%	1.8%	118,644	1.3%	0.3%
2022	£6.89	7.6%	0%	89,209	1.0%	0.8%
2021	£6.41	8.0%	-7.1%	13,244	0.1%	-1.1%
2020	£5.93	7.1%	-14.0%	115,020	1.3%	-0.3%
2019	£5.54	3.9%	-19.7%	138,887	1.6%	0.2%
2018	£5.33	5.7%	-22.6%	121,274	1.4%	-0.2%
2017	£5.04	5.9%	-26.8%	140,944	1.6%	-0.2%
2016	£4.76	6.2%	-30.9%	163,727	1.8%	-0.9%
2015	£4.49	5.1%	-34.9%	245,208	2.8%	0.7%
2014	£4.27	2.9%	-38.1%	180,362	2.0%	-1.6%
2013	£4.15	-0.9%	-39.8%	316,550	3.6%	-2.7%
2012	£4.19	0.8%	-39.3%	550,002	6.3%	1.5%
2011	£4.15	-1.1%	-39.7%	418,053	4.8%	0.6%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2027	-	-	-	-	-	-	£75.59	-	7.5%
2026	-	-	-	-	-	-	£74.21	-	7.5%
2025	-	-	-	-	-	-	£72.11	-	7.4%
2024	-	-	-	-	-	-	£69.50	-	7.4%
2023	-	-	-	-	-	-	£68.33	-	7.2%
YTD	13	£83.2M	1.2%	£9,251,712	£79.19	8.0%	£69.45	-	6.9%
2022	38	£139.6M	2.7%	£5,818,720	£63.50	7.7%	£68.03	-	6.8%
2021	75	£144M	2.9%	£3,000,709	£64.67	7.0%	£65.12	-	6.5%
2020	74	£127.7M	3.4%	£3,547,380	£48.83	7.9%	£53.42	-	7.4%
2019	91	£114.8M	3.8%	£1,822,969	£35.51	6.5%	£44.81	-	8.3%
2018	152	£89.9M	3.8%	£998,845	£37.80	8.2%	£44.70	-	8.0%
2017	109	£76.4M	5.5%	£1,061,765	£25.15	7.4%	£41.18	-	8.3%
2016	93	£61.1M	3.0%	£1,197,552	£27.28	8.8%	£38.88	-	8.4%
2015	129	£103.4M	5.3%	£1,915,257	£30.39	9.9%	£37.18	-	8.4%
2014	121	£97.3M	3.8%	£1,452,142	£38.06	9.3%	£34.52	-	8.9%
2013	117	£108.9M	4.6%	£1,911,159	£35.27	7.8%	£33.10	-	9.3%
2012	84	£20M	1.9%	£487,714	£20.21	12.3%	£28.13	-	10.4%

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SPECIALISED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2027	-	-	-	-	-	-	£71.96	-	7.6%
2026	-	-	-	-	-	-	£70.58	-	7.6%
2025	-	-	-	-	-	-	£68.52	-	7.5%
2024	-	-	-	-	-	-	£65.99	-	7.5%
2023	-	-	-	-	-	-	£64.78	-	7.3%
YTD	3	£5.6M	0.2%	£5,588,773	£96.02	-	£65.72	-	7.0%
2022	4	£76.8M	3.1%	£25,602,694	£86.04	8.9%	£64.47	-	6.9%
2021	19	£12.6M	1.3%	£1,395,610	£38.23	6.8%	£62.29	-	6.6%
2020	19	£14.7M	3.3%	£2,094,408	£16.88	12.0%	£51.12	-	7.4%
2019	14	£13.4M	2.1%	£1,911,896	£22.79	6.6%	£43.10	-	8.3%
2018	52	£16.9M	2.5%	£529,396	£29.54	8.9%	£43.20	-	8.1%
2017	29	£16.2M	3.7%	£809,384	£18.01	8.3%	£40.02	-	8.3%
2016	34	£2.5M	0.8%	£191,462	£37.89	8.5%	£38.02	-	8.3%
2015	46	£15.9M	4.4%	£996,209	£16.88	11.2%	£36.54	-	8.4%
2014	48	£4.8M	1.6%	£159,237	£11.97	10.0%	£34.45	-	8.7%
2013	47	£15.9M	2.8%	£663,504	£34.88	6.9%	£33.67	-	9.1%
2012	20	£6.2M	1.9%	£440,473	£15.20	-	£27.58	-	10.3%

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LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2027	-	-	-	-	-	-	£76.76	-	7.5%
2026	-	-	-	-	-	-	£75.40	-	7.4%
2025	-	-	-	-	-	-	£73.31	-	7.4%
2024	-	-	-	-	-	-	£70.69	-	7.4%
2023	-	-	-	-	-	-	£69.57	-	7.2%
YTD	10	£77.6M	2.0%	£11,086,377	£78.21	8.0%	£70.79	-	6.9%
2022	30	£55M	2.7%	£3,056,582	£47.46	7.4%	£69.30	-	6.8%
2021	42	£123.5M	3.9%	£3,983,726	£71.54	7.1%	£65.97	-	6.5%
2020	40	£104.1M	3.6%	£4,164,016	£64.07	5.9%	£54.13	-	7.3%
2019	62	£94.3M	4.9%	£2,006,590	£39.49	6.5%	£45.28	-	8.3%
2018	74	£65.8M	4.3%	£1,603,986	£40.55	7.9%	£45.20	-	8.0%
2017	58	£56.6M	6.4%	£1,348,209	£29.62	7.2%	£41.59	-	8.3%
2016	46	£55.9M	4.2%	£1,746,338	£28.05	8.9%	£39.11	-	8.4%
2015	63	£81.3M	5.8%	£3,011,593	£36.70	8.5%	£37.19	-	8.5%
2014	52	£78.5M	5.2%	£3,141,333	£40.32	9.2%	£34.23	-	8.9%
2013	53	£89.9M	6.1%	£3,209,946	£35.36	7.5%	£32.64	-	9.4%
2012	37	£12.3M	2.0%	£615,914	£22.72	10.0%	£28.22	-	10.4%

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LIGHT INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Yield	Price/SF	Price Index	Yield
2027	-	-	-	-	-	-	£80.28	-	7.6%
2026	-	-	-	-	-	-	£78.75	-	7.5%
2025	-	-	-	-	-	-	£76.46	-	7.5%
2024	-	-	-	-	-	-	£73.64	-	7.5%
2023	-	-	-	-	-	-	£72.32	-	7.3%
YTD	-	-	-	-	-	-	£73.42	-	7.0%
2022	4	£7.8M	1.6%	£2,607,575	£53.13	-	£71.84	-	6.9%
2021	14	£8M	2.0%	£997,250	£46.27	6.7%	£69.22	-	6.6%
2020	15	£8.9M	2.9%	£2,236,107	£73.11	-	£56.55	-	7.5%
2019	15	£7.2M	3.0%	£794,889	£27.62	6.7%	£47.55	-	8.4%
2018	26	£7.2M	5.8%	£423,057	£39.34	-	£46.51	-	8.1%
2017	22	£3.6M	6.2%	£363,461	£15.88	-	£42.41	-	8.4%
2016	13	£2.7M	2.7%	£450,559	£14.95	-	£40.27	-	8.5%
2015	20	£6.2M	5.2%	£561,050	£25.27	10.8%	£39.15	-	8.5%
2014	21	£14M	3.3%	£1,165,257	£66.66	-	£36.48	-	9.0%
2013	17	£3.1M	2.2%	£626,700	£34.60	11.5%	£34.08	-	9.5%
2012	27	£1.5M	1.1%	£215,913	£36.67	13.0%	£29.38	-	10.5%

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APPENDIX 5

RPS CORE INFRASTRUCTURE AND ON-PLOT INFRASTRUCTURE COSTS OVERVIEW

INFRASTRUCTURE WORKS - LANCASHIRE CENTRAL ESTIMATED INFRASTRUCTURE COSTS - JANUARY 2022

INFRASTRUCTURE WORKS								
	TOTAL QUANTITY			OVERALL TOTAL	RPS RATE 2022	RPS TOTAL	COMMENT	
Carriageway								
1	Adopted roads; 7.3m carriageway width	2,406	m	2,300	5,533,800	2,300	£5,533,800	
2	Adopted roads; 14.6m carriageway width	84	m	4,800	403,200	4,800	£403,200	
3	Tie-in at junction with main M65 roundabout	2	Nr	5,000	10,000	5,000	£10,000	No details so agree to allowance
4	Tie-in at junctions	2	Nr	25,000	50,000	25,000	£50,000	No details so agree to allowance
5	Pedestrian crossings; all-in incl signals	3	Nr	75,000	225,000	75,000	£225,000	
6	Bus Stops; forming lay-by, shelter, signs	3	Nr	25,000	75,000	25,000	£75,000	
7	Road signage generally (on site only)	4	item	20,000	80,000	20,000	£80,000	No details so assume allowance correct
8	Landscaping to islands and roundabouts; topsoil-grass-Concrete-slab-paving-on-sub-base	1,330	m2	100	133,000	50	£66,500	Landscaping rate only allows for soft landscape if hard then £100/m2 would be acceptable
9	extra over for feature to roundabout	1	item	75,000	75,000	75,000	£75,000	No details so assume allowance correct
					6,585,000		6,518,500	
Surface water drainage								
Main distribution:								
	Pipe runs; excavation, bed and surround, backfill with granular material, disposal of spoil; average n/e 4m deep							
1	300 dia	985	m	225	221,625		£221,625	Discussed all pipes max 2m deep not 4 as per description
2	450 dia	255	m	350	89,250		£89,250	
3	600 dia	430	m	500	215,000		£215,000	
	675 dia	1,370	m	550	753,500		£822,000	
	Manholes	62	Nr	4,500	279,000		£279,000	
	Ditto: flow control	22	Nr	15,000	330,000		£330,000	
	Culverts	565	m	1,500	847,500		£847,500	assume 1500mm culvert
	Outfall headwall into brook	6	Nr	5,000	30,000		£45,000	Based on recent scheme cost
	Fill Existing Ditches	1,815	m	900	1,633,500		£1,361,250	Assume site won spoil can be used in filling and same size ditch as being created
	Attenuation cells; 1.50m deep, set 0.50m below formation; incl	13,937	m2	350	4,877,950		£4,877,950	
	Ditch Type 1	450	m	1,000	450,000		£450,000	13.9m wide 1.3m deep
	Ditch Type 2	700	m	1,150	805,000		£805,000	17m 1.3m deep
	Petrol interceptors	4	Nr	10,000	40,000		£40,000	
					10,572,325		10,383,575	
Foul water drainage								
	Manholes; 1350 dia, max 3.90m deep, min 1.50m deep	61	Nr	3,750	228,750		£228,750	Avg 2.75m deep
	Pipe runs; excavation, bed and surround, backfill with granular							
	225 dia	2,160	m	175	378,000		£486,000	As rate above
	Pumping station; civils and M&E	2	item	500,000	1,000,000		£1,000,000	As no details of volume assume rates from similar sized scheme
	Rising main; c. 200 dia; within existing pavement/road;	650	m	250	162,500		£162,500	Assume avg 1.75m deep
	Connection to existing outfall manhole, A6 Lostock Lane	1	item	5,000	5,000		£10,000	
					1,774,250		1,887,250	
Retaining structures								
	Retaining Wall 1 m high	375	m	750	281,250		£300,000	Assume Concrete construction RPP costs kingpost system would be acceptable
	Retaining Wall 2 m high	520	m	1,250	650,000		£884,000	Allowance for temp works and backfilling to wall needs to be accounted for and large toe for foundation
	Retaining Wall 3 m high	210	m	1,750	367,500		£546,000	Allowance for temp works and backfilling to wall needs to be accounted for and large toe for foundation
					1,298,750		1,730,000	
Landscaping								
1	Landscaping; native grassland (wildflower, meadow grass), native tree and scrub	120,406	m2	10	1,204,060		£1,204,060	Assume topsoil is on site and good to use for landscaping elements
2	Pond; clear ground, construct pond 1.0 - 1.5m deep; (in 6hr)	7,745	m2	50	387,250		£542,150	Spoil to remain on site
3	Wetlands Area	2,178	m2	50	108,900		£108,900	Allowance as no specification
4	Pond plants (varying specifications, as listed by DLA)	7,745	m2	25	193,625		£193,625	
5	Path; clear ground, construct path (3m wide); assume bound gravel	1,490	m	150	223,500		£223,500	Assume this does not include for drainage
6	Path edgings (assumed timber)	2,980	m	15	44,700		£44,700	
7	Habitat Features	1	item	50,000	50,000		£50,000	Assume figure complies to requirements
					2,212,035		2,366,935	
Site preparation and cut/fill (site wide) Volumes provided								

APPENDIX 6

BCIS DATA

£/M2 STUDY

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

Last updated: 18-Jun-2022 05:44

Rebased to 2Q 2022 (361)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
282.12 Advance factories/offices - mixed facilities (class B1)							
Generally (20)	1,358	510	823	1,380	1,658	2,539	19
Up to 500m2 GFA (20)	2,253	1,857	-	2,362	-	2,539	3
500 to 2000m2 GFA (20)	1,287	510	1,151	1,418	1,556	1,711	6
Over 2000m2 GFA (20)	1,133	593	784	880	1,435	2,494	10
284.1 Advance warehouses/stores (15)							
Generally (15)	819	415	606	836	1,030	1,351	10
284.2 Purpose built warehouses/stores							
Generally (15)	1,077	402	620	813	1,221	4,716	34
Up to 500m2 GFA (15)	2,153	668	1,266	1,672	2,714	4,716	6
500 to 2000m2 GFA (15)	894	482	653	813	1,019	1,628	14
Over 2000m2 GFA (15)	797	402	594	705	946	1,606	14
344. Hypermarkets, supermarkets							
Generally (30)	1,699	706	1,138	1,509	2,319	2,979	27
1000 to 7000m2 GFA (30)	1,690	706	1,083	1,509	2,319	2,979	23

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
421. Health Centres, clinics, group practice surgeries								
Generally (15)	2,598	1,179	2,055	2,455	3,097	4,673	58	
Public (15)	2,819	1,179	2,396	2,947	3,166	4,673	40	
Private (15)	2,076	1,341	1,801	2,051	2,263	3,247	17	
515. Cafes, snack bars, coffee bars, milk bars (20)	3,014	1,752	2,317	2,643	3,020	5,338	5	
562.2 Gymnasia, fitness centres, etc (25)	2,221	929	1,230	2,475	3,016	3,647	7	