December 2015

Area Action Plan Viability and Delivery Report

PREPARED FOR

CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL

DECEMBER 2015

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1. Introduction

Summary

Cushman and Wakefield has been commissioned by City of Bradford Metropolitan District Council (the "Council") to prepare a Viability and Delivery Strategy for the emerging Bradford City Centre Area Action Plan (AAP). The Council submitted its Core Strategy Development Plan Document (DPD) to the Secretary of State for public examination in December 2014, the hearings of which were held in March 2015. Alongside the Local Plan, it is also progressing the development of an AAP to guide the transformation of the City Centre regeneration area to 2030. This will form the spatial planning framework for the City Centre and has been developed in conjunction with the Core Strategy which sets out the overarching plan for the regeneration of the City Centre.

It is critical that the AAP is viable and deliverable in order to enable the Council to achieve its vision and objectives for the City Centre. There is therefore a need for a Delivery Strategy to identify the available options and a preferred approach to the funding and delivery of the AAP and its key intervention projects. The AAP identifies six neighbourhood areas and a number of key development sites within each of these. The scale and nature of potential viability and delivery constraints for these will vary according to the physical and ownership characteristics of the sites as well as market demand characteristics. This Delivery Strategy makes a number of recommendations around potential funding and delivery mechanisms which are most suitable and relevant to addressing the identified development viability issues and constraints identified.

Approach

Our approach is split into the following key tasks:

1. *Review of existing documents* - Bradford City Centre AAP (Draft Preferred Approach document, September 2014) as well as the City Centre AAP Infrastructure Delivery Plan (June 2015). The purpose of this was to understand more about the AAP vision/objectives and the specifics of the development sites in terms of their development constraints. The final version of the AAP has since been reviewed and the analysis updated accordingly
2. *Site visit*s - to each of the sites to further validate/confirm the likely site issues and constraints
3. *Site constraints analysis* - on a site by site basis to understand the likely constraints from a 'bottom up' perspective
4. *Viability analysis* - summary of area wide viability analysis to identify the financial viability implications of the redevelopment of these sites
5. *Review of options for accelerating delivery and funding* - a review of all available potentially suitable options for addressing the constraints identified above and enabling delivery

2. Bradford City Centre AAP

Vision and development objectives

The emerging AAP identifies the following vision and objectives for the City Centre for the next 15 years in conjunction with the Core Strategy:

Vision for Bradford City Centre to 2030:

“The city centre is now a major destination in the wider region, offering a different experience to other cities. The City is the focal point for leisure, office, retail and apartment development, and has become the place residents and visitors want to live, work and socialise.”

“Redevelopment of the City Centre has seen the sensitive renovation and flexible reuse of historic buildings in Little Germany and Goitside for residential and employment.”

“New build development has incorporated the use of high quality design, which respect the heritage of the city’s architecture, and is of the highest viable environmental standards.”

“The City Centre Area Action Plan has helped safeguard and enhance the city’s important cultural assets of the Alhambra, St. Georges Hall, National Media Museum and many more.”

“The City Centre now also benefits from enhanced integrated transport through the delivery of two newly redeveloped railway stations at the Interchange and Forster Square, with enhanced pedestrian and cycle routes between these two major public transport hubs. In combination with other enhanced public transport routes between Manchester City Centre and Airport, Bradford City Centre is now more connected and accessible than ever before”

“The plan has also aided in improving green infrastructure in the city centre by encouraging the formulation of new open spaces, public realm improvements including extensive tree planting and ecological improvements. The plan has built upon the success of the new City Park and the New Market Place by supporting the delivery of green linear spaces.”

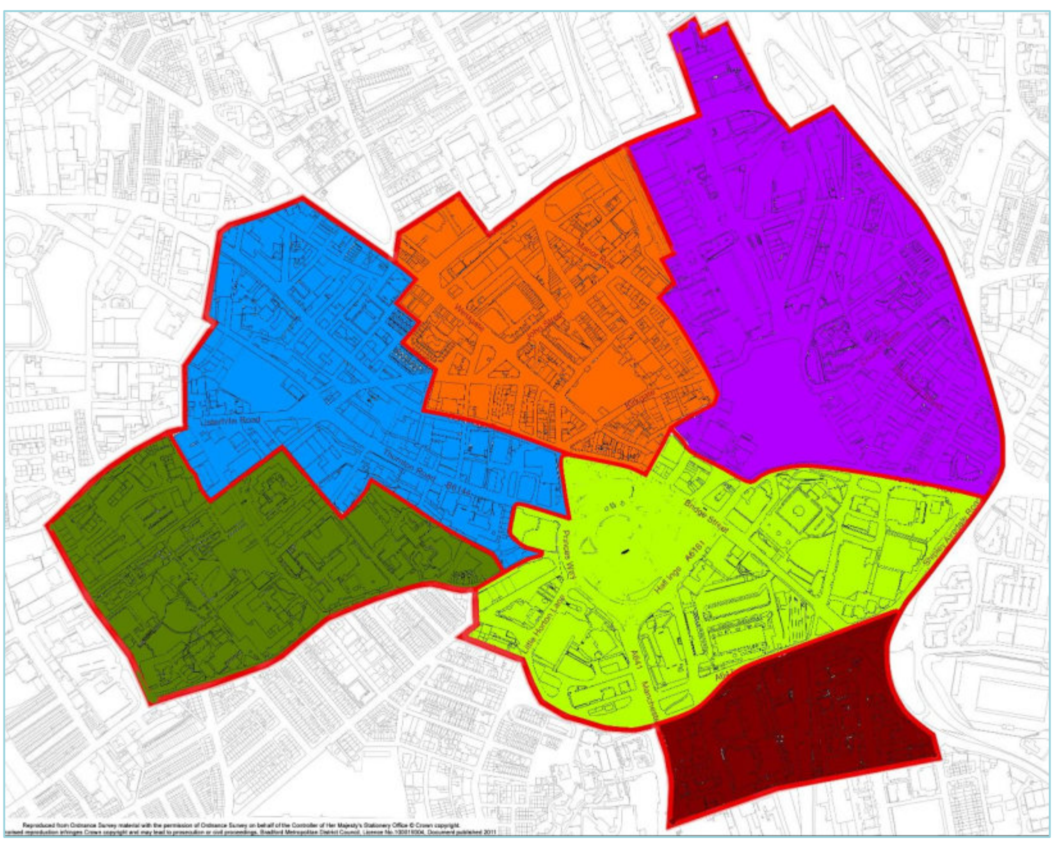
“The plan has not created a new city centre, but will enhanced the existing great qualities and addressed the weaknesses to revitalise the core of the District.”

AAP Objectives

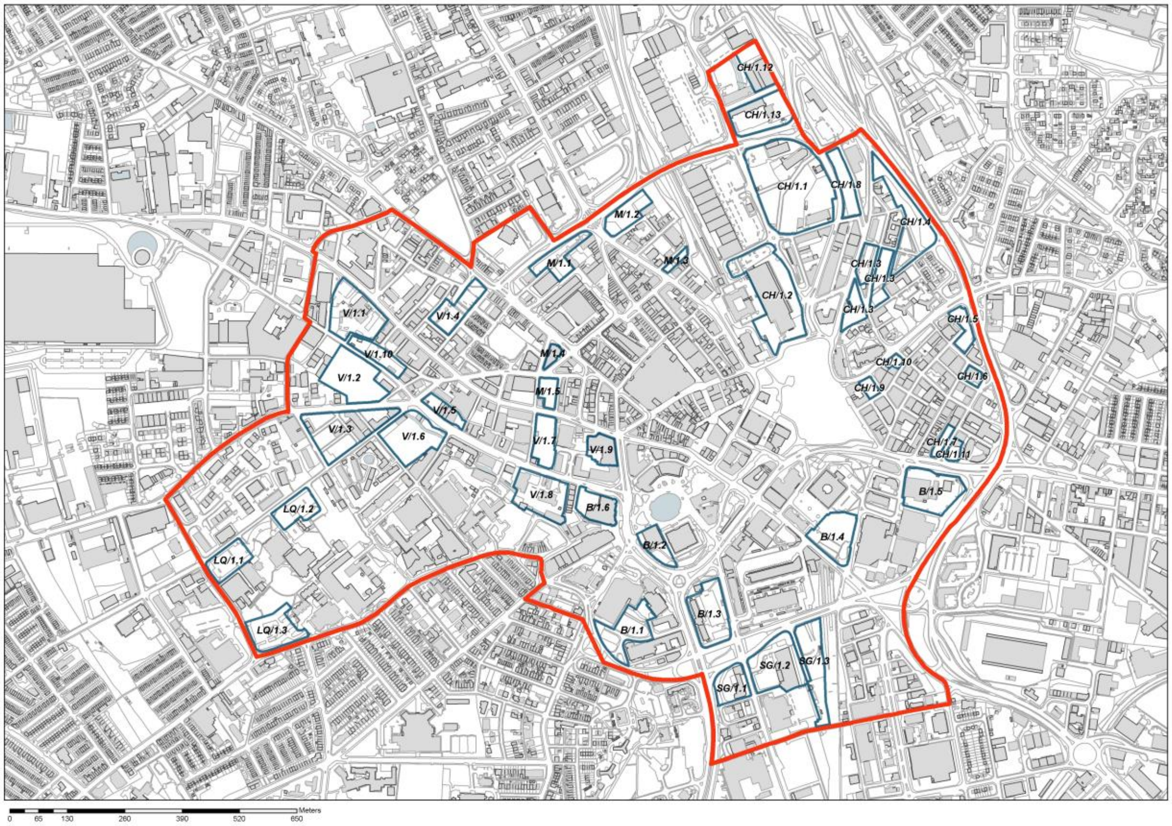
- A unique, high quality shopping and leisure experience reflecting the city's cultural mix.
- An attractive, Inclusive and safe environment.
- Imaginative reuse of the architectural heritage alongside new development of high quality sustainable design.
- A range of good quality housing and facilities to cater for a successful city centre community.
- A thriving economy with new office developments, and a growth in innovative and creative industries through technological enhancements.
- An enhanced higher education campus, with the University & College forming an integral part of the city centre
- Easy access to and around the centre for all sections for the community, and a reduction in issues caused by through traffic problems by supporting sustainable transport measures and integrated transport
- An enhanced natural environment with improved green infrastructure, water management and biodiversity

AAP area and key neighbourhoods

The city centre is made up of six neighbourhoods each with their unique character development patterns. A plan illustrating these is presented below:



The following diagram illustrates the location of the sites proposed for development in the AAP:



A review of each of the development sites has been carried out as part of this report to identify any issues and constraints affecting delivery that will need to be addressed. The results of the analysis are set out at Appendix 2.

3. Market Context

In this section we consider the residential and commercial market context to the development of the Area Action Plan.

Residential Market

The general improvement in market conditions has been reflected across Bradford District which has experienced growth in transactions and sales values over the last 24 months. Figure 3.1 illustrates the range of average house prices across the Bradford District between Q1 2012 to Q2 2015. The average house price has increased from £124,824 in Q1 2012 to £142,389 in to Q2 2015.

Figure 3.1: Bradford District Average House Prices Q1 2012 – Q2 2015

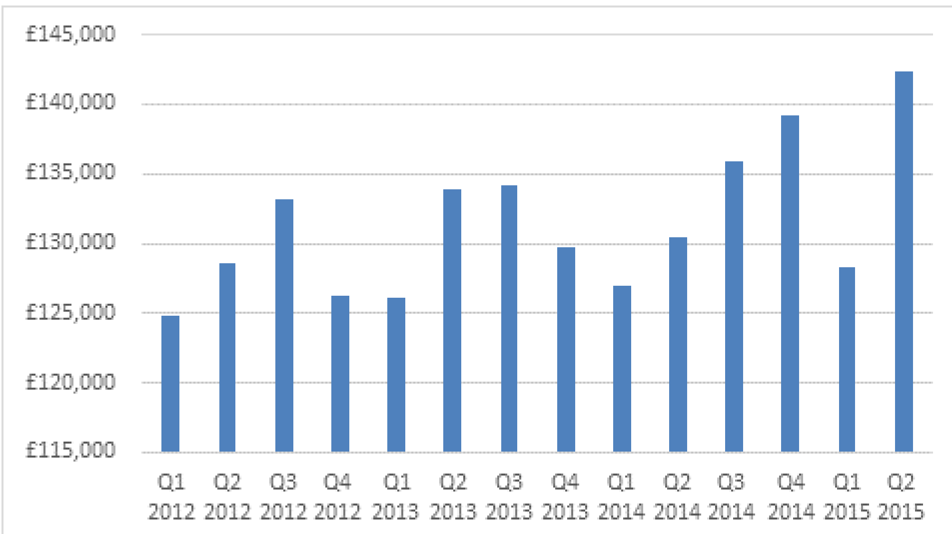
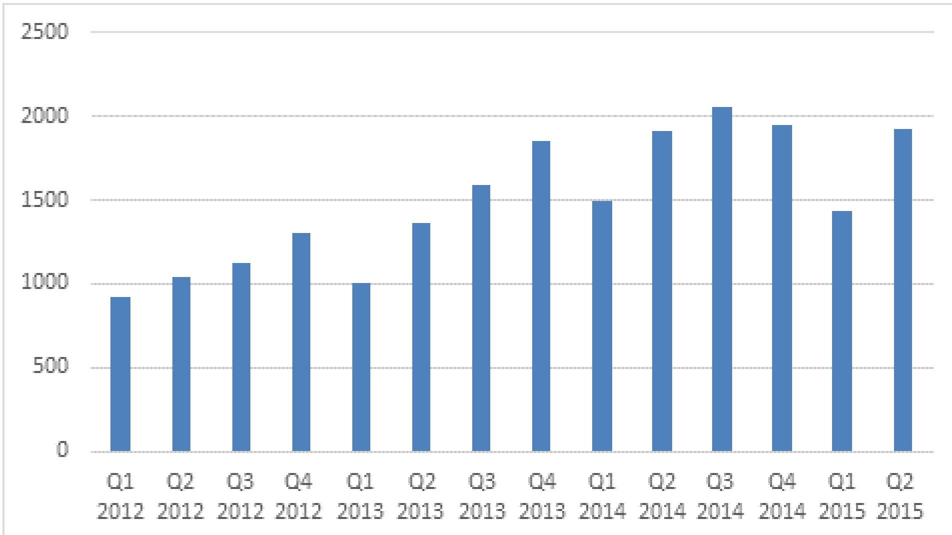


Figure 3.2 shows the number of sales across the Bradford district, with a steady increase over two years from 918 in Q1 2012 to 1,992 in Q2 2015. The sustainability of future growth may depend on the ability to draw in more new buyers.

With market conditions improving over the years, so has the cost of inflation, mainly due to the shortage of labour and contractors over the last 12 months. Over the last two years the build costs for residential development in the region is reported to have increased from £784 per sq m (Q3 2013) to £911 (Q3 2015)1. This trend is a constraining factor on development viability.

1 BCIS Average Prices (Online), October 2015

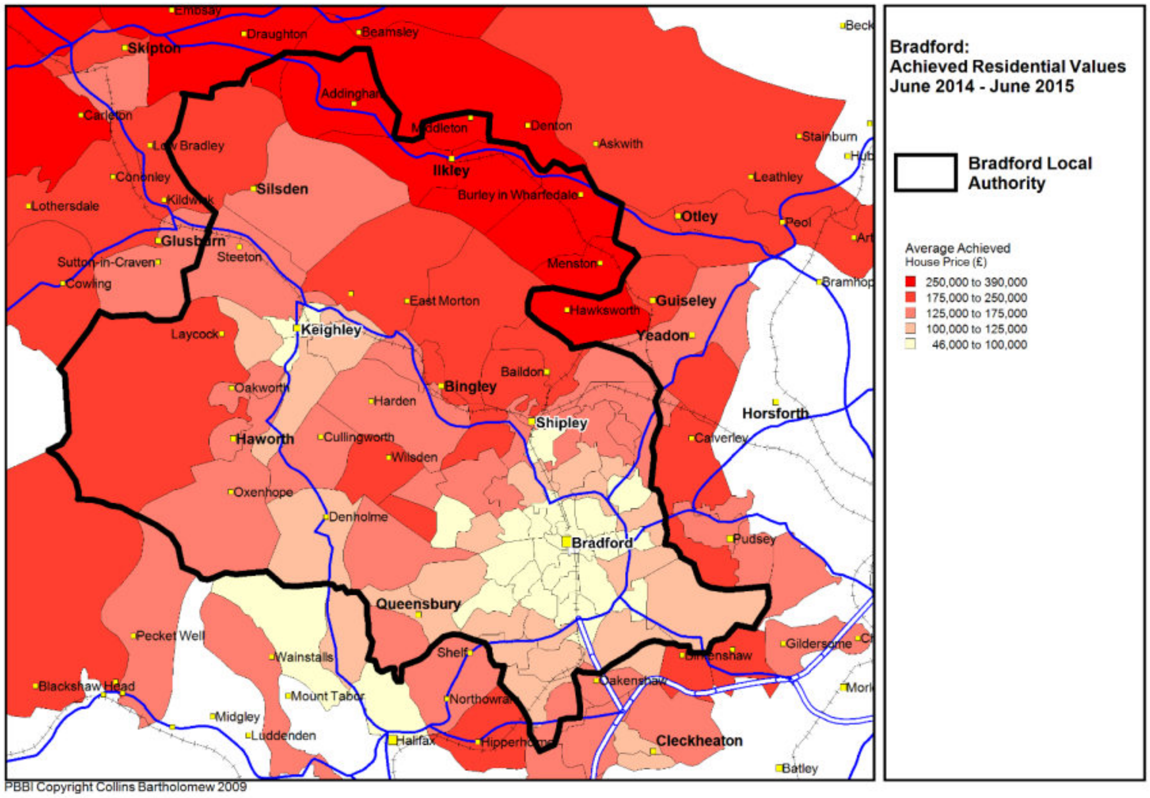
Figure 3.2: Number of residential sales in Bradford 2012 – 2014



Source: Land Registry

Within Bradford City Centre, there is limited diversity within the housing market. Figure 3.3 below displays the different levels of market strength as determined by average house prices across the District. The map shows that the central area of Bradford to be within the lowest value average house price band:

Figure 3.3: Achieved Residential Sales Values June 2014-2015



Source: Land Registry Data (March 2014-2015)

Table 3.1 below lists the average house prices by those post codes relevant to the AAP study area. Although the majority of the AAP is located within BD1, the adjoining postal areas are relevant benchmarks in considering the potential city centre market. As the table shows, within these postal areas average house prices range from £62,000 to £108,000; it should be noted that this data is based on all properties transacted and therefore data can be distorted where locations have a high representation of low quality old housing stock relative to the average.

Table 3.1 Average house prices and number of sales April 2014 to March 2015

Postal area	Overall Average Dwelling Price	Overall Sales (number of transactions)
BD1	£62,706	291
BD2	£108,393	512
BD3	£65,966	158
BD4	£98,302	365
BD5	£73,633	194
BD6	£109,425	446
BD7	£86,083	301
BD8	£81,964	202

In respect of new build activity our research indicates that there has been an upturn in house builder appetite across the District of Bradford with multiple schemes underway and several developers acquisitive. Within Central Bradford despite some signals of improving market conditions in the planning pipeline, generally demand remains subdued as evidenced by a number of stalled apartment schemes. The City Centre housing market is characterised by apartments which were particularly hard hit by the downturn and associated credit crunch and remain challenging from a development viability perspective.

Table 3.2 below lists recent apartment transactions in the City Centre, indicating a range of approximately £50,000 to £90,000 being achieved, which is substantially below the levels achieved at the peak of the last property cycle in 2006/07. These levels are thought likely to equate to up to approximately £150 psf (£1614 psm) assuming typical net floor areas.

Table 3.2: Apartment transactions in Bradford City Centre

Address	Price paid	Date	Source
Apartment 17, Colonial Building 135-139 Sunbridge Road (new build)	£87,250	Sep-15	www.doogal.co.uk
Apartment 68, Broadgate House	£86,000	Aug-15	www.rightmove.co.uk
606 Alexander House 39-41 Bolton Road	£66,300	Jun-15	www.rightmove.co.uk
Apartment 4, Victoria House, Vaughan Street (new build)	£56,700	Aug-15	www.rightmove.co.uk
Apartment 12, Victoria House, Vaughan Street (new build)	£52,000	Jul-15	www.rightmove.co.uk
Apartment 19, Victoria House, Vaughan Street (new build)	£54,600	Jul-15	www.rightmove.co.uk
Apartment 54, Victoria House, Vaughan Street (new build)	£52,500	Jul-15	www.rightmove.co.uk

Within the wider City of Bradford there is evidence of significantly higher sales values being achieved albeit on housing as opposed to flatted schemes. The Persimmon schemes at Rooley Park and Blossom Meadows have recently achieved values of circa £170 per sq ft according to consultation with their sales agents. Further afield in locations such as Queensbury and Shipley there is evidence of new builds reaching over £190 per sq ft. Therefore whilst recent transactions in the City Centre indicate something of a ceiling in respect of new build revenues, there is potential for revenue growth in the wider housing market. Details of new build research are set out at Appendix 3.

Office market

As a result of the challenging market environment there has been little office development in Bradford City Centre since the completion of No1 The Interchange in 2006. The 10,874 sq m (117,000 sq ft) Southgate Scheme, developed by McAleer and Rushe and pre let to Provident Financial is one exception to this, albeit the developer required a public loan to complete the development, which also included a Jury's Inn Hotel. Whilst market evidence for new development in Bradford is limited, some of the most recent letting evidence available from Estates Gazette and Cushman & Wakefield's own Eclipse database has been extrapolated and is set out below to demonstrate headline rental levels and incentives.

Table 3.3: Bradford Office Transactions

Offices						
Development	Size sq m	Size sq ft	Tenant	Rent (£)	£ p sq	Date
No1 The Interchange, Bradford	536	5,762	Xenos Ltd	£ 82,668	£ 14.35	Jan-10
No1 The Interchange, Bradford	381	4,100	Consulting Consortium	£ 62,525	£ 15.25	May-05
No1 The Interchange, Bradford	4,146	44,608	Inland Revenue	£714,218	£ 14.75	Nov-04
No 1 Midpoint Business park			Loop	£555,000	£ 14.00	
Aquarius House, Midpoint	1,348	14,500	Univer	£145,000	£ 10.00	Jan-10
Aquarius House, Midpoint	929	10,000	Morrisons	£ 90,000	£ 9.00	May-10
Shire House,	382	4,108	Drydens Solicitors	£ 41,080	£ 10.00	Dec-08
Beta House, Parkside Court	1,136	12,225	ADSL	£152,812	£ 12.50	Aug-08

The evidence shows a consistent pattern for new / refurbished accommodation with prime, headline rental levels sub £156 per sq m (£14.50 per sq ft) and more typically in the region of £108 – £129 per sq m (£10 - £12 per sq ft). The tenant incentive packages are however variable, contingent on the strength of the occupier and condition of the property amongst other factors. As a rule of thumb 12 months' rent free or capital equivalent, for a 5 year term is commensurate with the market.

One St James Business Park represents a recent refurbishment of office accommodation to a Grade A specification. The refurbishment was completed approximately 3 years ago and both the first floor (926 sq m 9,965 sq ft) and second floor (544 sq m 5,853 sq ft) are still available at quoting rents equivalent to £129 per sq m (£12 per sq ft).

The level of rents in Bradford City Centre are insufficient to enable a speculative development scheme to be viable. Therefore, for many of the sites being promoted for office development through the AAP, assistance is required.

Retail and Leisure

In respect of the retail and leisure market, the City Centre has undoubtedly been buoyed by the recent opening of the long awaited Broadway Shopping Centre which is expected to drive considerable increases in footfall in the City Centre. Although further comparison based retail development is not envisaged, the development of leisure related schemes in particular the eating / drinking sector, are expected with several schemes currently in planning.

4. Viability Testing of AAP Policies

National Planning Policy Guidance provides the following guidance regarding the production of viability assessments in support of plan making:

- Local authorities should ensure that the Local Plan vision and policies are realistic and provide high level assurance that plan policies are viable
- Development of plan policies should be iterative – with draft policies tested against evidence of the likely ability of the market to deliver the plan's policies, and revised as part of a dynamic process
- Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable; site typologies may be used to determine viability at policy level
- The cumulative cost of planning standards and obligations should be tested to ensure viability
- Plan makers should not plan to the margin of viability but should allow for a buffer to respond to changing markets and to avoid the need for frequent plan updating
- Policies should be deliverable and should not be based on an expectation of future rises in values at least for the first five years of the plan period
- Local Plan policies should reflect the desirability of re-using brownfield land, and the fact that brownfield land is often more expensive to develop

This section of the report assesses the viability of the policies and proposals contained within the Area Action Plan. It draws on the area wide viability appraisals carried out as part of the Local Plan Viability Assessment (dated December 2014) as well as individual sites sampled as part of the Council's Community Infrastructure Levy Viability Evidence (dated June 2015).

It should be noted that this assessment focuses on testing the impact of policies on economic viability and does not determine the deliverability of the quantum of development proposed within the Area Action Plan.

Policy Screening

The table below considers each of the policies put forward within the Area Action Plan to determine which are likely to impact on economic viability and therefore necessitate testing.

Table 4.1: Policy Screening

Policy	Impact on viability	Economic viability test applied Y/N
CL1 A – developments to include 'a proportion' of family sized homes with amenity space	Difficult to determine impact on viability given there are no standards set in respect of the 'proportion' of developments that should comply.	N
CL1 B – Encourage re use of vacant upper floors of commercial premises	No requirement as such therefore no negative impact on viability	N

CL1 C – Discourage development that will lead to concentration of multiple occupation	No requirement as such therefore no negative impact on viability	N
CL1 D – requirement for amenity space to be incorporated within all major developments	Wording specifies that this could include balconies, roof top terraces, courtyards, which are considered to be relatively standard in flatted developments and therefore it is considered that this policy generates no additional cost on development.	N
CL1 E – developments expected to achieve a minimum of 250 dwellings per ha	In the current market environment this requirement risks putting a break on development given that the majority of house builders are targeting densities in the range of 30-40 units per ha. The apartment market remains weak and these densities necessitate high rise flats for which there is very limited appetite at the current time.	Y
CL2 A & B – flood risk attenuation where applicable including flood risk assessment	Costs of flood risk assessment expected to be included in the costs for professional fees. Any attenuation measures will be site specific and can only be dealt with as abnormal development costs on a site by site basis.	N
CL3 encouragement of ‘active frontages’ at ground floor level	No requirement imposed on development therefore no impact on development viability	N
CL4 – new schools will be supported	No requirement imposed on development therefore no impact on development viability	N
SL1 – new retail development directed towards primary shopping area and schemes above 1500 sq m gross will require an impact assessment	No additional cost requirement imposed on development other than the cost of impact assessment that would be met out of professional fee allowance.	N
SL2 – provisions for change of use in primary and secondary shopping frontages	No requirement imposed on development therefore no impact on development viability	N
SL3 – Improving connections between shopping areas	No clear or exact standard imposed on development. Potential for costs depending on individual circumstances to be considered on a case by case basis through the planning process and treated as an abnormal development cost	N
SL4 – encouraging development of cultural assets	No requirement imposed on development therefore no impact on development viability	N
B1 Office development – 6,000 net additional jobs to	No direct impact on viability and deliverability of implied quantity of office floor space not assessed through this	N

be created through plan period. Encourage new office developments, re use of vacant premises and flexible working standards	study	
ED1 – encouragement of development in favour of education use	No direct impact on viability	N
M1 – Walking, cycling and public realm	Council will encourage such measures but no requirements or standards imposed on development therefore no negative impact on development viability	N
M2 – Encouraging investment in public transport and infrastructure	'where feasible' developments will be expected to contribute towards the provision of transport services. Therefore, no standards specified and flexibility to consider on a case by case basis	N
M3 – Traffic, Highways and Parking	Reference to parking standards in Core Strategy Document (this is already addressed in the Local Plan viability report dated December 2014). Design quality required with new car parks ancillary to development sites but no specific standards set.	N
M4 – requirement to submit transport assessment with planning application	Costs to be included within professional fees	N
M5 – Biodiversity in the City Centre – requirement to mitigate impact on habitats in relation to several initiatives	Where sites are directly affected by these initiatives there is expected to be an impact on viability. However it is difficult to determine the extent of any cost impact at this stage.	Y
M6 – Green and blue infrastructure – requirement to contribute 'where feasible' to several interventions	Such a contribution will have an impact on viability however no specific level of contribution set therefore difficult to test in general terms.	Y
BF1 – Development proposals should be of high quality design	The policy sets out a number of design principles that must be followed however there is considered to be adequate flexibility in the way that this policy could be interpreted so as not to impose an additional cost impact on development.	N
BF2 – tall buildings must be of a high quality of design	The policy sets out a number of design principles that must be followed however there is considered to be adequate flexibility in the way that this policy could be interpreted so as not to impose an additional cost impact on development.	N
BF3 – new development must be designed to minimise environmental impacts	The policy states a number of requirements including putting in place a management plan, ground contamination and remediation assessed in accordance with EA procedures and compliance with noise levels. However it is difficult to determine	Y

	whether these standards exceed what would generally be required by building and environmental regulations.	
BF4 – encouraging District Heating networks	The policy seeks to encourage district heating networks but does not impose any standards	N

In summary therefore we consider that the following Area Action Plan policies necessitate economic viability testing

- CL1 E – developments expected to achieve a minimum of 250 dwellings per ha
- M5 – Biodiversity in the City Centre – requirement to mitigate impact on habitats in relation to several initiatives
- M6 – Green and blue infrastructure – requirement to contribute 'where feasible' to several interventions
- BF3 – new development must be designed to minimise environmental impacts

The impacts of these policies need to be considered alongside those of the Core Strategy policies which will apply to development within Bradford City Centre as identified in the Local Plan Economic Viability Assessment (Cushman & Wakefield, December 2014):

- HO9 – Housing Quality

  A. New housing development should be high quality and achieve good design.

  B. The Council will encourage and support all new housing residential developments to meet achieve the highest possible sustainable design and construction standards. The minimum acceptable sustainable housing standards are set out in the building regulations

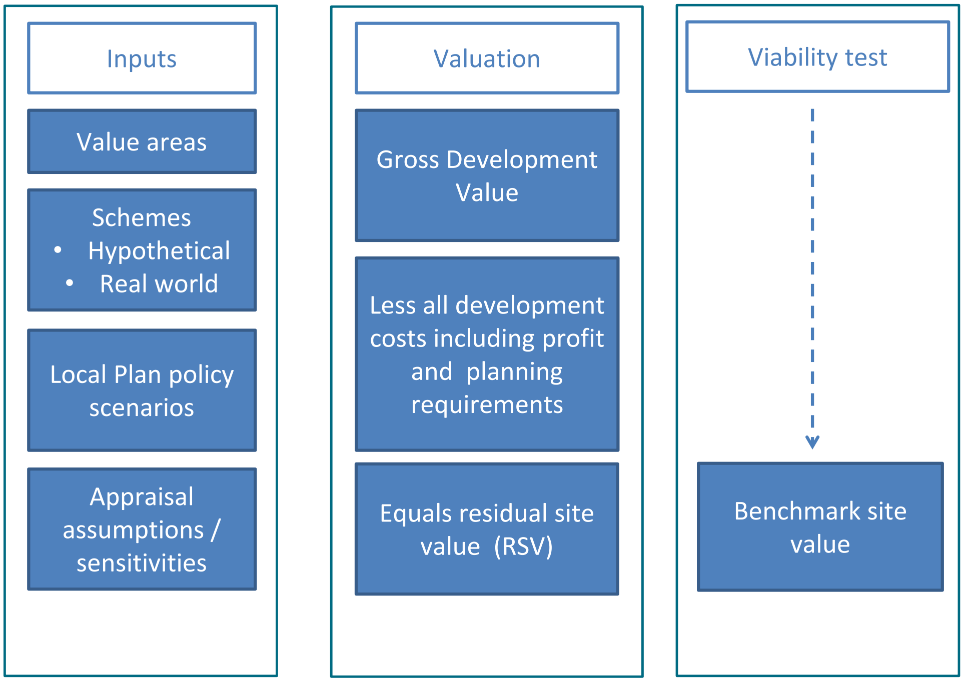
  C. Larger housing sites should include a proportion of new homes which are should be designed to be accessible and easily adaptable to support the changing needs of families and individuals over their lifetime, including older people and people with disabilities
- HO11 – Affordable Housing – requirement for 15% of all units on sites over 15 units in Bradford City Centre

The Council is also proposing to introduce a Community Infrastructure Levy. It has recently published its Draft Charging Schedule which includes a tariff of £5 psm on residential development and £85 per sq sm on retail warehousing in the AAP area.

Approach to viability testing

A series of viability appraisals have been produced to test the Area Action Plan policies and proposals based on a combination of hypothetical sites derived from analysis of development proposals, and sampling of actual AAP sites. Viability is tested by the relationship of residual site values of hypothetical schemes against a benchmark. The site value threshold is benchmarked against the threshold site value to determine viability.

Figure 4.1 Approach to viability testing



Where:

- Gross Development Value (GDV) represents the cumulative capital sales value of the development.
- Development costs represent all the costs incurred by a developer in delivering the completed development scheme – site costs, build costs, contingencies, developer's profit, finance and all relevant professional, legal, sales/marketing fees, stamp duty, policy costs and planning obligations.
- Residual land value represents the difference between Gross Development Value and Development costs.

Site selection and development assumptions

In view of the fact that the residential property class carries the large majority of Local Plan and AAP standards, the viability analysis focuses on residential sites. The development sites and proposals identified in the AAP, as summarised in Table 4.2 below, have been reviewed to identify an appropriate range of site typologies for viability testing. Based on this range of sites, the following have been selected:

Scheme 1: 0.08 ha site, 20 units apartment scheme

Scheme 2: 0.2 ha site, 50 units apartment scheme

Scheme 3: 0.4 ha site, 100 unit apartment scheme

Scheme 4: 0.8 ha site, 200 unit apartment scheme

These sites adequately represent the range of allocations proposed in the Area Action Plan and the site area has been calculated in accordance with the minimum density prescribed in Policy CL1E, which is 250 dwellings per ha.

Table 4.2: AAP development proposals

Site	Area (ha)	Development proposed
CH 1.1 Area East of Valley Road	3.5	600 residential units
CH 1.2 Former Royal Mail building	1.88	Leisure led, no development quantum
CH 1.3 Cathedral Quarter Phase 1	1.40	100 units
CH 1.4 Cathedral Quarter Phase 2	1.52	200 units
CH 1.5 Burnett Street Car Park	0.33	50 units
CH 1.6 Olicana House, Chapel Street	0.34	20 units
CH 1.7 East Parade Car Park	0.18	50 units
CH 1.8 Land West of Wharf Street	0.5	100 units
CH 1.9 Vacant plot surrounded by Church Bank, Vicar Lane	0.15	20 units
CH 1.10 Vacant plot surrounded by Church Bank and Peckover Street	0.1	20 units
CH1.11 Gate Haus 2	0.15	20 units
CH 1.12 Conditioning House	0.5	100 units
CH 1.13 Midland Mills	1	200 units
M 1.1 Car park Simes Street	1.2	200 units
M 1.2 Car park on site of former Carlton Grammar School	0.85	100 units
M 1.3 Stone Street Car Park	0.16	20 units
M 1.4 Former Yorkshire Building Society HQ	0.17	80 units
M 1.5 Former Tetley Street Shed, Tetley Street	0.32	100 units
V 1.1 Former Provident Financial HQ	1.81	400 units
V 1.3 Global Textiles, Listerhills Road Smith Street	1.69	200 units
V 1.4 Wigan Street Car Park	0.80	120 units
V 1.5 Yorkshire Stone Yard Mill	0.35	80 units
V 1.6 Former Beehive Mills	1.45	220 units
V 1.7 Vacant site south of Sunbridge Road	0.5	100 units
V 1.8 Car sales and filling station	1.3	230 units
V 1.9 Sunwin House	0.5	No development proposed
V 1.10 Thornton Road and Water Lane	0.5	100 units
LQ 1.1 University of Bradford Car Park	0.65	Education
LQ 1.2 University of Bradford Car Park	0.75	Education
LQ 1.3 University of Bradford Car Park	0.93	Education
SG 1.1 Clifford Street Car Park	1.4	200 units
SG 1.2 Britannia Mills and Car Park	1.2	Leisure – no quantum of development
SG 1.3 Station Improvements Site	0.95	Infrastructure
B 1.1 Sharpe Street Car Park		Cultural expansion zone
B 1.2 One City Park	1.3	Office development
B 1.3 Jacob's Well Public Service Hub	1.1	Civic offices

B 1.4 Exchange Court	0.68	Office led development
B 1.5 Former Yorkshire Water Depot	1.2	400 units
B 1.6 Bradford Odeon	0.75	Leisure/office use

The following development floor area assumptions have been made for each scheme:

Table 4.3: Development assumptions

	Units	Net floor area	Gross floor area	Blocks
Scheme 1	20 overall, 10 x 1 bed, 10 x 2 bed	10 x 1 beds at 51 sq m (510 sq m) and 10 x 2 beds at 60 (600 sq m) = 1110 sq m	1306 sq m	Single block of 1306 sq m GIA
Scheme 2	50 units overall, 25 x 1 bed, 25 x 2 bed	25 x 1 beds at 51 sq m (1275 sq m) and 25 x 2 bed at 60 sq m (1500 sq m) = 2775 sq m	3265 sq m	Single block of 3265 sq m GIA
Scheme 3	100 units overall, 50 x 1 bed and 50 x 2 bed	50 x 1 beds at 51 sq m (2550 sq m) and 50 x 2 bed at 60 sq m (3000 sq m) = 5550 sq m	6529 sq m	Two blocks of 3265 sq m GIA
Scheme 4	200 units overall, 100 x 1 bed and 100 x 2 bed	100 x 1 beds at 51 sq m (5100 sq m) and 100 x 2 bed at 60 sq m (6000 sq m) = 11,100 sq m	13059 sq m	Three blocks of 4352 sq m GIA each

Appraisal assumptions

Three new build revenue scenarios have been examined to reflect the range of possible market scenarios through the life of the Local Plan. The base level of £1615 psm (£150 psf) is based on maximum sales revenues typically being achieved in Bradford City Centre on new build residential schemes. Two higher level scenarios of £1830 psm and £2045 psm respectively have been modelled to reflect the potential for enhancement of market conditions to reach the revenue levels being achieved on new build schemes in the wider Bradford area.

Sales rates are 30 units per annum for the single block sites (Scheme 1 and 2), Scheme 3 sales rates are increased to 40 units per annum (to represent the potential for two developers to build and sell each block) and Scheme 4 at 50 units per annum (to represent the potential for three developers for each block). Sales commence three months from practical completion of the apartment block.

Build costs are based on BCIS for flats as at October 2015, rebased for the Yorkshire Region. No separate plot external works allowance has been made given the high site cover and minimum ground floor area on the City Centre typologies, although a 10% uplift on costs has been added on the 'policy on' scenarios. All other scenarios remain consistent with the area wide viability modelling carried out as part of the Community Infrastructure Levy viability evidence base.

Table 4.4 Appraisal assumptions

Appraisal category	Assumption applied
Revenues	Three scenarios: Base £1615 psm (£150 psf) High £1830 psm (£170 psf) Higher £2045 psm (£190 psf) Affordable units are transferred at 65% of open market value
Build costs	£1091 psm (£101 psf – BCIS for flats, October 2015, rebased for Yorkshire region)
Professional fees	8% of build costs
Contingencies	3% of build costs
Sales, marketing and legal fees	3.5% of Gross Development Value
Finance	6.5%
Purchaser's costs on land	5.8%
Developer's return	20% of revenue from market units, 6% of revenue from sale of affordable units
Minimum land value benchmark	£296,520 per ha (£120,000 per acre)
Timing assumptions	3 month lead in from land payment Sales rate of 30 units per annum Build timeframe of 12 months per block Sales commence from three months pre completion S106 costs paid at outset

Two policy scenarios have been modelled, the first – policy off/ baseline – with no planning obligations and the second with policy compliant requirements which include 15% affordable housing, a S106 allowance of £1,000 per unit and a 10% uplift on build cost to reflect the potential for additional policy and abnormal impacts. Thus 10% is intended to provide a guide as to the likely impact of additional policy standards listed earlier in this chapter although it is acknowledged that it is merely a guide and that actual costs may vary from case to case.

Scenario	Description
Scenario 1: Baseline / policy off	No planning obligations
Scenario 2: Policy on	15% affordable housing Section 106 payment of £1,000 per unit 10% uplift on build costs for additional policy impacts

Results

The results are presented below as residual land values for each of the schemes, at each revenue level and for both the base/policy off and policy on scenarios. Full appraisal summaries are provided at Appendix 4.

Table 4.5: Base/ Policy off results

Revenue psf	Scheme 1	Scheme 2	Scheme 3	Scheme 4
Net area (ha)	0.08	0.2	0.4	0.8
Benchmark land value per ha	£296,520	£296,520	£296,520	£296,520
Benchmark land value for scheme	£23,722	£59,304	£118,608	£237,216
Residual land value at the following revenue scenarios:				
£150	-£234,168	-£666,786	-£1,465,424	-£3,386,288
£170	-£60,258	-£241,949	-£623,153	-£1,778,540
£190	£104,896	£167,412	£181,157	-£181,615

Table 4.6: Policy on results

Revenue psf	Scheme 1	Scheme 2	Scheme 3	Scheme 4
Net area (ha)	0.08	0.2	0.4	0.8
Benchmark land value per ha	£296,520	£296,520	£296,520	£296,520
Benchmark land value for scheme	£23,722	£59,304	£118,608	£237,216
Residual land value at the following revenue scenarios:				
£150	-£425,765	-£1,203,384	-£2,537,735	-£5,527,014
£170	-£256,161	-£789,360	-£1,726,416	-£3,647,272
£190	-£87,596	-£377,417	-£919,094	-£2,405,858

The results illustrate that each of the schemes generates negative residual land values with the exception of the highest revenue scenario where no planning obligations are imposed on development. These results reflect the very limited viability in the apartment sector at the current time in Bradford, with modest revenues set against increasing build cost and an unfavourable cashflow position in which the capital outlay of building a block of apartments generates high finance costs. We would expect to see some changes in market strength and potential of the apartment sector through the life of the Local Plan / AAP.

In respect of the implications for Area Action Plan policy, we would emphasise that changes in market conditions could enhance the viability of apartment schemes through the 15 life of the AAP / Local Plan and it is notable that none of the apartment led sites in the AAP are proposed to come forward until at least 2020. Therefore there is scope for improvement in this position. However it is recommended that the Council applies particular flexibility in the way that both Local Plan and AAP policies are implemented in Bradford, particularly regarding density requirements and affordable housing. It is also considered sensible that the Council seek to facilitate mechanisms that can support viability and enhance market conditions in the City Centre in order to stimulate delivery, which we consider further in the following chapter.

Commercial appraisals

In respect of the commercial sector, the One City Park office development site (B1.2) has been selected and appraised as part of this analysis. The scheme is based on an assumed gross area of 86,000 sq ft split into two phases of 54,000 sq ft and 32,000 sq ft gross internal area. The results of this appraisal, set out at Appendix 5 demonstrate a similarly marginal position which reflect the difficulties in the development market for speculative office development in the City Centre. In common with the residential sector, it is considered that the Council considers options for intervening to support the office sector to enable its AAP objectives to be met.

5. Options for accelerating delivery

Intervention options

This section presents a number of potential options that could be available to the Council and its public sector partners to accelerate the delivery of the investment priorities identified within the emerging AAP. This Strategy has identified a number of key development constraints, some of which are site specific and others of which apply more generally to the City Centre sites as a whole. It is important to consider the 'long list' of what intervention options are available to address these constraints and to assist to bring forward development. A number of potential intervention options have been identified and these are outlined in further detail below. The Council would need to ensure that any intervention was delivered in accordance with State Aid legislation.

Simplified planning

The Council could seek to streamline the planning process to accelerate development within a defined geographical area. The creation of a Local Development Order (LDO) is a mechanism which can grant planning permission or extend permitted development rights for specific types of development within a defined area. They can create certainty and save time and money for those involved in the planning process. The advantages are that it can make sites increasingly attractive to developers through removing some of the 'red tape' and could accelerate the planning and development process. All Local Planning Authorities have the ability to create LDOs and they are supported within the NPPF. The Council could seek to create an LDO for the City Centre as a whole or alternatively for specific neighbourhoods within the City Centre. Either way, this could be a good mechanism to provide certainty to the market to potentially accelerate development activity at a relatively low cost to the Council, whilst ensuring that its development objectives for the neighbourhoods and sites are maintained. LDOs would be most suited to the more 'oven ready' sites that do not have major development constraints/abnormal costs but where there is a need for intervention to accelerate development prospects and timescales to address constraints more of a market nature. This approach could be applied to many of the sites with the AAP boundary.

Reduce planning gain

Planning gain refers to the increase in the value of land that is achieved through securing planning permission and the obligations that are placed on developers as part of the planning permission to provide financial contributions to the delivery of other services/amenities. These can be legally enforced through Section 106 requirements, which typically place a legal requirement upon developers to provide affordable housing (on or offsite) or to make financial contributions to local education/community service provision. Where sites have specific development viability issues or where they are known to have stalled, reduced planning obligations on a site specific basis could enable schemes to become viable. In order to ensure compatibility with the Local Plan, this would need to be assessed on a site by site basis based on viability assessments to understand the viability issue and the extent to which reduced planning obligations could impact on this to enable delivery.

Investment in off-site infrastructure

The delivery of a number of the schemes may be reliant on enhancements in the capacity of off-site highways or other types of infrastructure (e.g. utilities) (through s106/278 agreements) with an onus upon the developer to make a financial contribution to such works. This could make schemes unviable as above. The Council could, therefore, invest in the required off site infrastructure works to strip this ‘abnormal’ cost from the development scheme to enable delivery. Off-site infrastructure could benefit more than one scheme. Details of sites requiring infrastructure works are set out in the schedule in Appendix 2.

Investment in off-site ‘place-making’

In a similar vein to the above, the Council could invest in off-site ‘place-making’ to accelerate scheme delivery. An example of this is the Mirror Pool public realm works at City Park, and further investment commitments that are being made such as the Oastler Market and City Centre Swimming Pool. Further investment in the public realm is required in some locations to enhance the market attractiveness, values and delivery prospects of adjacent development schemes. This is likely to be particularly relevant to the City Centre based sites where place-making is an integral component of wider City Centre regeneration. It is recommended that a package of place making measures is implemented across the City Centre to further boost environmental quality and distinctiveness.

Direct investment to address site development costs

The Council could invest directly in on-site development costs. This could include investment in land assembly, remediation, infrastructure, earthworks, site access and other ‘abnormal’ costs of development to enhance scheme viability. This investment in enabling works or ‘pump priming’ could be suited to more challenging sites where viable issues are more prevalent and the investment could unlock/accelerate development. State Aid is a key consideration for this option and it could take the form of direct Council investment or grant/loan to developers.

Direct investment in property

Given that a number of the sites are already ‘oven ready’, the only means of accelerating the development process is through direct investment in development projects. This can take a number of forms as below:

- Conventional ‘gap funding’ in accordance with State Aid provisions to plug viability gaps.
- An alternative way of securing delivery is to take a more comprehensive stake in the development process through either acting as a forward investor (and agreeing to forward purchase a building) or taking a head-lease. Under the latter, the Council could take a 35-40 year head-lease on a building with a commitment to annual rental uplifts for inflation. With this long term commitment, the yield is compressed to a level which enables the rent to be priced at a low level – typically below market value – with the prospect that the Council can then sub-let at market value and make a profit rent. As an ‘income strip’, the property would be transferred to the Council for £1 at the end of the term.
- The Council could also explore a ‘put option’ where it enters into an agreement to purchase the completed property as a last resort at a predetermined price thus giving certainty to the developer to enable them to commence development. This could offer the Council the potential to generate a return on its investment either via a subsequent sale of the building or through retaining the ongoing income stream from tenants.

State Aid is a key consideration in all of the above but there are potential routes through the GBER (General Block Exemption Regulation).

The Council are currently considering committing the direct development/investment in the creation of 6,000 sq m of Grade A office space on the former Tyrls Police Station site which forms part of the

Business Forest within the AAP. The Council are also exploring options for collaborating with commercial partners in relation to the creation of a new performance venue in the former Odeon Cinema.

Utilising public sector assets

Where there are sites in Council/public sector ownership, the offer of a deferred land payment (where the payments for land are deferred to the back of the development programme) or geared ground rents (where land is sold on a long lease with the rent linked to the rental value of property delivered) reduces the upfront expenditure requirements for a developer, thus enhancing viability. This could be worth exploring where the Council has land assets that are being proposed for development given the lack of any upfront cost to the Council of this.

Funding sources/mechanisms

This section presents a long list of potential funding sources that could be suitable/available for supporting the acceleration of AAP schemes in the City Centre. This is based upon our knowledge and understanding of what is currently available and there may be additional funding sources specific to the locality or use type of relevance that are worthy of exploration in addition to these.

Leeds City Region LEP - Growth Deal Funding / West Yorkshire Plus / ESIF / Growing Places Fund

The Leeds City Region LEP/Combined Authority has agreed a Growth Deal worth £1bn with Government to 2021. The investment will support the LEP's priorities to improve transport links, boost housing growth, accelerate town centre regeneration, develop a skilled workforce and support businesses. It will support the delivery of a wide range of infrastructure projects across the Combined Authority area which includes the BMDC area. This seeks to deliver new jobs and to double housebuilding levels by 2021. Delivering the infrastructure for growth is one of the key objectives of this as identified within the LEP's Strategic Economic Plan. Under this objective, it seeks to bring forward development sites that commercial investors will not currently finance through site decontamination, clearance and other upfront infrastructure works. The SEP recognises Bradford City Centre as a strategic growth centre and the Canal Road Corridor as a strategic housing growth area.

There will be opportunities for schemes to seek to secure funding through this, particularly towards the costs of upfront enabling infrastructure on some of the more significant housing and employment sites. There will also be opportunities for funding for strategic infrastructure works which could assist to enable delivery. Bradford City Centre has already secured a Local Growth Fund contribution of £5.2million to help meet the costs of delivering One City Park (formerly the Tyrls site within the Business Forest area).

Linked to the wider Growth Deal, the West Yorkshire plus Transport Fund is a £1.6bn package of investments over a 10-year period to promote economic growth and create new employment opportunities. The Transport Fund schemes will increase business productivity by reducing transport costs, expanding labour catchment areas and widening the number and range of accessible employment opportunities. They will unlock growth in existing employment sites and open up new sites for jobs and housing. It seeks to create 20,000 new jobs and 10,000 new homes by 2035. Again, this could provide an opportunity to secure funding for major transport investment which could support scheme delivery.

The Leeds City Region has also been notionally awarded £338m from the European Union to support business growth and create jobs for people in the region over the next seven years as per its ESIF Strategy. This includes ERDF funding for which there could be the potential to secure funding for infrastructure investment to enable scheme delivery.

The Leeds City Region LEP also administers the Growing Places Fund, a revolving infrastructure loan fund that supports economic growth and employment generating schemes across the City Region. The fund is to be used to pay for infrastructure projects that facilitate development, leasing land value, a portion of which can then be recycled into the fund to pay for further infrastructure projects. There is also the potential for Bradford to consider the establishment of its own revolving infrastructure fund.

New Homes Bonus (NHB)

The New Homes Bonus provides local authorities with a financial payment equal to the national average for the council tax band on each additional property and paid for the following six years as an unringfenced grant. Local authorities can utilise the income generated by the New Homes Bonus to pay for infrastructure requirements. The November 2015 Spending Review announced a proposal to review the New Homes Bonus.

Business rate retention

In December 2011, following a lengthy consultation period, proposals to enable local authorities to retain a portion of locally generated business rate income were published and incorporated into the Local Government Finance Bill. The Government introduced the business rate retention scheme from April 2013, which allows local authorities to retain up to 50% of business rate growth, enabling this income to be used for investing in infrastructure. The mechanism includes provision for tariffs and top ups to allow for a 'safety net', to ensure that local authorities in low demand areas are compensated by the redistribution of income from high demand areas. There is a significant case nationally for utilising business rate income for infrastructure funding and delivery, particularly where infrastructure can help unlock economic development and commercial property opportunities as local authorities have the potential opportunity to borrow against future uplifts in business rates to provide upfront infrastructure funding, for example. The November Spending Review announced the intention that local authorities could retain 100% of business rates by the end of the parliament – therefore this provides a potentially valuable source of revenue to be reinvested into enabling / pump priming works.

Proceeds from the disposal of assets

Proceeds from the disposal of surplus Council and other public sector owned assets form a further source of funding that can potentially be used to pay for infrastructure works. Bradford Council owns a significant amount of land, some of which it is anticipated will be available for release for development over the period of the development plan. However, it should be recognised that the utilisation of capital receipts for infrastructure investment purposes will be subject to internal assessment in the same way as any other investment proposal and that there will need to be strong business case in respect of contributing to the Council's corporate objectives and priorities.

There is also potential for utilisation of other public sector assets such as the Homes and Communities Agency (HCA) and other Government Departments. The HCA is taking a stewardship role in the disposal of surplus Government assets including the former Yorkshire Forward property portfolio, in order to ensure that such assets are used to deliver housing development and regeneration.

Council tax increase

Hypothecation of Council Tax has been considered and implemented by a number of local authorities based on a limited increase in Council Tax specifically to help fund new infrastructure development. Effectively, the increase in council tax revenue could be ringfenced specifically for infrastructure in the area – potentially even specifying the infrastructure item for which the council tax supplement is required. This is set as an increase for a defined period, therefore demonstrating a long term commitment to the delivery of enhanced infrastructure. This income stream can then be used either for direct delivery or to be securitised to borrow prudentially to fund the additional provision. Whilst increasing council tax represents a potentially politically sensitive option, it offers an effective and direct means of increasing revenue for infrastructure projects.

Community Infrastructure Levy (CIL)

CIL is a levy which allows local authorities to raise funds from owners or developers of land who are undertaking new building projects in the local area. It is based upon a set charge per sqm of new floorspace by use type and is a non-negotiable levy. Bradford Council is still in the process of developing the viability based evidence base to support its CIL charging schedule but once this is developed and adopted, this will provide a mechanism for the Council to secure guaranteed financial contributions from developers on all new floorspace developed within the District.

Prudential borrowing

The Council can borrow from a number of sources, most commonly from the Public Works Loan Board (PWLB). The cost of prudential borrowing is particularly low and typically ranges from 3-4.5%, well below typical private sector debt or equity costs. However, whilst PWLB borrowing is cheap the local authority needs revenue headroom to ensure debt repayments through the term of the borrowing – taking into consideration the risks of delivery of CIL revenue. The use of prudential borrowing is clearly a valuable source of funding to assist with cashflow, but as it is debt it will not plug any funding gaps.

Institutional investment

There is currently a drive across Central Government to increase the level of investment from institutions for infrastructure projects, particularly from pension funds. Local Government and LEPs are also exploring ways of securing institutional investment in revolving funds, following Greater Manchester's example of using the local authority pension scheme in the 'Evergreen' model. Clearly, the availability of investment from pension funds and other institutions will depend to a considerable extent on the level of return and the guarantees that can offered in infrastructure projects. Indications from elsewhere are that scale and critical mass are also important. However, as with prudential borrowing, this form of funding is equity and must be repaid with interest. Therefore it will not fill funding gaps, but could be a means of assisting with forward funding and cashflow generally.

Joint ventures

The use of a partnership approach to develop a pipeline of sites across an area is a popular potential route that is being pursued by a number of local authorities at present. Such partnerships can include the public sector vesting land and/or equity alongside an equivalent commitment by a commercial partner to deliver a development or regeneration scheme. The site is developed together through the vehicle by leveraging development capital using the public sector assets - the profits are then shared between the two parties or reinvested in further schemes.

The development of an infrastructure based JV has potential where the public sector owns development land and is able to use that land to attract private sector investment to deliver infrastructure. In this case, the private sector would put equity into the JV to pay for infrastructure works, then development takes place on the Council's land, the receipts from which are shared between the parties.

The potential for such mechanisms to be applied on an ad hoc or area wide strategic basis should be explored alongside the audit of assets recommended above.

Housing Growth Zone

Housing Growth Zones (HGZ) could be designated around those selected areas where there is a realistic prospect of significant housing development in the short to medium term. The zones will represent an area in which the public sector can prioritise investment, provide incentives and provide a stimulus for development activity. The measures that could be included within these zones could include:

- Relaxation of planning requirements including affordable housing, S106 and other policy standards and thresholds – consider creation of Simplified Planning Zone status
- Ring fencing revenues from New Homes Bonus and increase in council tax revenues within zone to forward fund enabling works
- Ring fencing of CIL revenues from outside the zone for reinvestment in infrastructure in growth zones
- Utilise proceeds from sales of public sector assets. This should not be limited to LA and HCA assets but should include non-operational and surplus Government estate, including considering how the prospective announcements on the HCA's expanded role on public land may work in the area
- Prioritise schemes within these locations for public sector assistance
- Council tax discount for time limited period
- Group public assets for sale at less than best consideration or through deferred land payment

It is important to note that above measures will not necessarily be applicable in each HGZ, with a tailored approach being required to consider which package of measures are most suitable for each location. For example, a relaxation in affordable housing requirements and specification of housing will not be appropriate across all areas and on all sites. HGZ can also be used as a platform to ask for greater support from central government for the delivery of new housing. This may include a request for the write off/relaxation of any clawback associated with the development of sites within HGZ and support for the housing market in areas of low demand. This is particularly important given the perceived ineffectiveness of the New Homes Bonus, which has come under criticism for redistributing funding from areas of low demand and low council tax bases to areas of high demand and high council tax bases through the top-slicing of grant allocations to fund the scheme.

Joint Housing Investment Fund

In view of the gap in finance available for supporting housing development and regeneration, it is considered that a local funding mechanism could draw on the wide range of sources of equity and debt finance available to provide an alternative means of funding development, thus enhancing the capacity for delivery locally. A single fund could be developed based on the broad principles of a revolving fund under which investments could be made directly to fund development. The fund would be based on securing a return, but it would enable a lower rate of finance than traditional debt and would entail a greater degree of flexibility in respect of lending criteria and repayment terms. It would not be intended to replace conventional development funding, but rather augment it by providing a stream of finance to fund schemes that are less likely to secure borrowing or equity through conventional means, due to risk.

A fund could support direct investments in development schemes whereby a funding agreement is established with a landowner or developer or investment in strategic infrastructure projects that are expected to generate a future revenue stream through CIL/S106 and/or proceeds from asset sales.

City Centre Growth Zone

The Council created the Growth Zone following grant of a Regional Growth Fund allocation in 2013/14. The zone offers the following benefits:

- Super-fast broadband and city centre Wi-Fi. Through the super-connected cities programme residents and businesses will be able to access superfast broadband (speeds up to 100mbs) along with a city centre Wi-Fi offer
- Access to employment and skills support. The Get Bradford Working Programme has been developed to ensure local people can access jobs and employers can get staff with the skills they need.
- Flexible planning. The growth zone provides a range of development and commercial opportunities, suitable for a range of city centre uses
- Business rates discount. Every new full time equivalent job created by an eligible business within the growth zone will be worth a rebate of up to £16,000 on their annual rates payable bill over three years. In addition, businesses bringing commercial floor space back into use will benefit from a one off rebate to cover the risk of empty rates.

The business rate discount provides a significant incentive for new office occupiers in Bradford City Centre which will undoubtedly create a boost to occupier demand.

6. Conclusion

The AAP is a statutory planning policy document that identifies the location, scale and type of new development that is required to meet the overarching priorities and targets of the Local Plan Core Strategy. It provides a spatial planning framework that is fundamental to guiding development proposals over the next 15 years and through specific land use allocations, it ensures that the right development will come forward in the right locations. AAP site proposals and allocations need to be viable and deliverable and reflect market conditions and realities, with sufficient flexibility to respond to changing external factors.

The evidence base suggests that there are likely to be a range of factors impacting upon site development viability and that with the imposition of policy standards (e.g. CIL/affordable housing) on development in the current market, there will be challenges to delivery in terms of both residential and commercial development.

The viability testing of schemes within the AAP area indicates that deliverability of the high density apartment based development dictated by AAP Policy is likely to be difficult especially in the short term. Whilst there is potential for market improvement through the life of the Local Plan/AAP it is considered essential that all AAP policies and standards should be applied in a pragmatic and flexible way.

However, it is also evident that public sector intervention will be required to enable the delivery of a number of the identified AAP sites to support delivery. A number of potential intervention options/mechanisms have been explored and in reality each of these has the potential to accelerate development although some are more pertinent to particular sites than others. There is a need to prioritise these to inform this strategy and to focus on those that are likely to impact on delivery prospects the most across the portfolio of sites identified within the AAP. It is therefore recommended that the following intervention options are explored further by the Council:

1. **Establishment of a Housing Growth Zone (HGZ)**

   There is the opportunity for the Council to consider the establishment of a Bradford Housing Growth Zone to support the delivery of the AAP sites. The HGZ could represent a formal structure and physical boundary to align with the AAP boundary, within which a number of strategic policy and financial mechanisms could apply, including the below

   - Relaxation of planning requirements including affordable housing, S106 and other policy standards and thresholds – consider creation of Simplified Planning Zone status
   - Ring fencing revenues from New Homes Bonus and increase in council tax revenues within zone to forward fund enabling works
   - Ring fencing of CIL revenues from outside the zone for reinvestment in infrastructure in the HGZ. There is the potential to use CIL contributions from higher value areas of the District (e.g. in Wharfedale) to effectively cross-subsidise lower value AAP areas
   - Ring fencing of a proportion of business rate growth within the zone for reinvestment in the zone in accordance with Government policy guidance on business rate retention
   - Utilise proceeds from sales of public sector assets, including Council and HCA assets as well as other surplus/non-operational public sector assets – potential to group public assets for sale at less than best consideration or through deferred land payment

The above are examples of some of the policies/measures that could be implemented and further work is required to ascertain the extent to which they may be applicable to the specific site constraints within this AAP area. The principle of the Zone is that it would enable current financial, physical and planning constraints to be potentially overcome to enable delivery. It could also promote increased public and private sector collaboration to address some of the identified land ownership/assembly issues that may be currently constraining development. The establishment of a Housing Growth Zone could have significant profile raising benefits for the area which could further enhance developer confidence and delivery prospects. It could also assist to promote the area to other funding bodies such as Central Government and the Local Enterprise Partnership through providing confidence over the Council's commitment to the regeneration of the City Centre.

2. **Establishment of a fund to support and enable delivery**

The Council could establish a Revolving Infrastructure Fund (RIF) on a District scale. The principles of this could mirror those of the Leeds City Region LEP Growing Places Fund but to operate specifically at the Bradford District level. It would involve a loan-based infrastructure fund to be established, possibly created through the Council's prudential borrowing capabilities from the outset through the Public Works Loan Board, if no other form of capital is available. The Council could seek to secure an initial external grant (e.g. from the LEP Local Growth Fund or the HCA) to create/extend the initial funding pot.

The principle is that investment is made in key items of infrastructure to enable development, with the money invested to be returned to the Council (through land value uplifts) and re-investment in further provision of infrastructure. It would operate on a revolving basis with the potential for an interest charge over and above that which the Council borrows the money at (if applicable) but still below market rates, to increase the scale of the fund over time. There is also the potential for some degree of reasonable overage to be included as part of the funding agreement based on viability assessments of specific schemes.

The RIF could sit alongside/be part of the HGZ concept with additional ring-fenced revenue streams potentially forming part of the fund. Revenues (e.g. through CIL) secured from higher value areas elsewhere across the District could be allocated to enabling the upfront delivery of infrastructure within the AAP area as a priority objective of the RIF. There may also be infrastructure funding requirements outside of the AAP area (i.e. in higher value areas) which the RIF could fund on the basis of an agreed overage provision to enable the scale of the fund to increase and for additional funding to be made available for the AAP areas where viability is more of an issue.

The RIF concept could be particularly applicable to the larger scale development sites where the infrastructure constraints and upfront funding requirements are more significant. It could be key to unlocking these constraints to deliver the required housing and employment outcomes and the necessary land value uplifts to reinvest in other infrastructure priorities. The RIF model is not wholly applicable to all sites and a robust appraisal approach to assessing site viability is an important part of this as there needs to be sufficient development value to enable the RIF loan to be repaid, otherwise its ability to serve as a revolving fund is compromised.

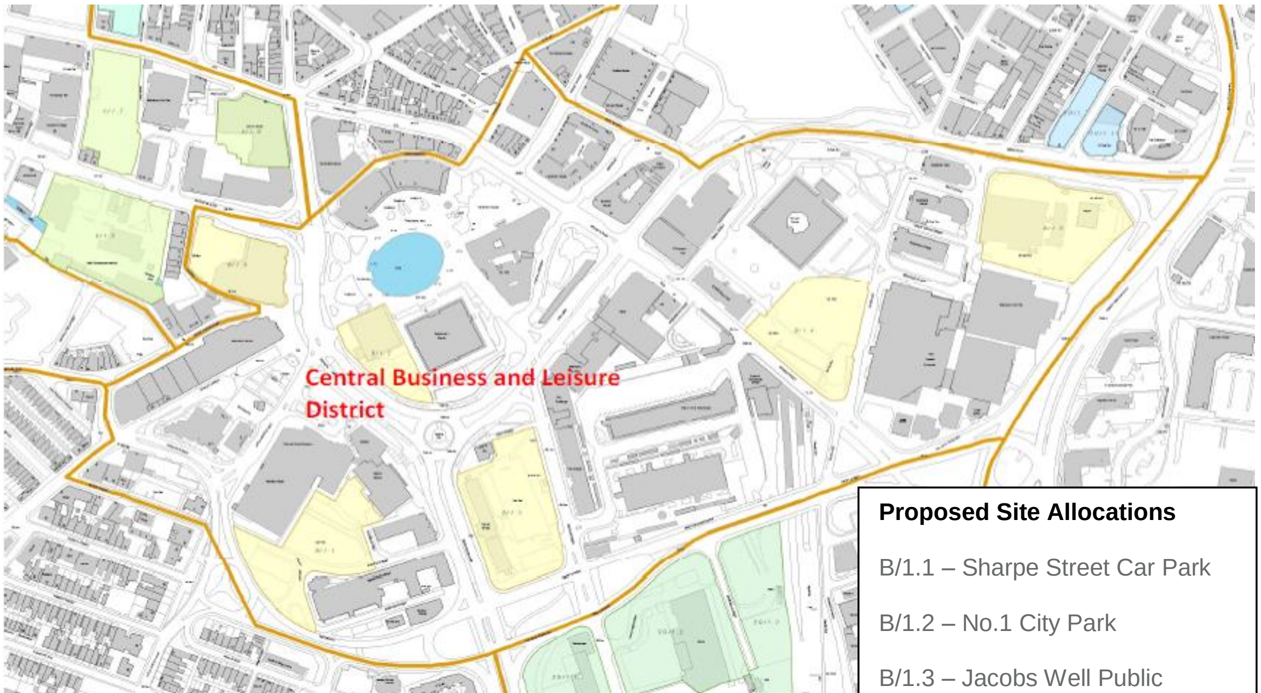
3. **Direct investment and intervention**

In order to support the delivery of development on priority sites, there is an opportunity for the Council to take a far more interventionist approach through the use of its covenant strength and/or via direct investment and development. The ability of the Council to borrow cheaply and access public sector grants, alongside business rate retention, create the basis for a reasonable case in certain circumstances for the Council to invest in property. The Council is currently finalising proposals to embark on one such investment as part of the redevelopment of One City Park. It is recommended that further investigations are carried out to the potential for establishing further individual opportunities for such investment – both commercial and residential – and/or through the creation of a portfolio.

Appendix 1: Site Proposals

The Bowl

The vision is for sites within the Bowl Neighbourhood to be developed for a wide range of uses as part of the growth and regeneration of the area as an employment and leisure-led quarter of the City Centre, particularly as an exemplar for new Grade A office space.



Proposed Site Allocations

B/1.1 – Sharpe Street Car Park

B/1.2 – No.1 City Park

B/1.3 – Jacobs Well Public Service Hub

B/1.4 – Exchange Court

B/1.5 – Former Yorkshire Water Depot

B/1.6 – Former Bradford Odeon

B/1.1 – Sharpe Street Car Park

Proposed Allocation – Expansion of cultural offer and supporting uses (leisure)

B/1.2 – No.1 City Park

Proposed Allocation – Office, with supporting retail and leisure on ground floor levels (grade A)

B/1.3 – Jacobs Well Public Service Hub

Proposed Allocation – General mixed use offering office and residential uses.

B/1.4 – Exchange Court

Proposed Allocation – Provides excellent opportunity for a mixed use scheme offering office and residential uses with the potential of a Magistrates Court.

B/1.5 – Former Yorkshire Water Depot

Proposed Allocation – Mixed use scheme offering offices, apartments and small scale A1-A4, D1 & D2 uses.

B/1.6 - Former Bradford Odeon

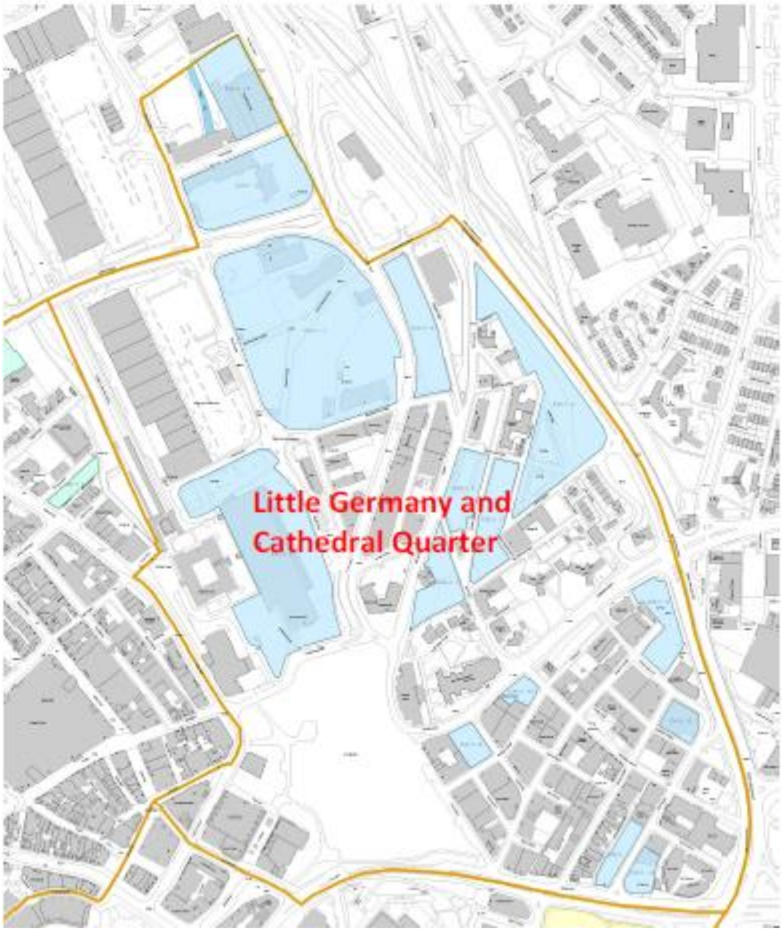
Proposed Allocation – Office led mixed use scheme offering a potential live music venue and associated leisure uses.

The Channel

The Channel neighbourhood is split into two further sub areas; Little Germany and Cathedral Quarter. Little Germany is a conservation led reuse of historic buildings, rather than new build development led, however any new build development within the area will be expected to be of appropriate design to the character and setting of the historic setting and fabric of the conservation area.

Cathedral Quarter will offer some of the largest development sites allocated in the city centre and will be the focus for new build in the city centre with emphasis on high quality design of a significant scale, however any new build development will be expected to be an appropriate scale and design to the character of the Cathedral.

Both neighbourhoods will help deliver the sympathetic reuse of historic buildings for uses including; residential, leisure and offices, appropriately built new built development respecting the historic character of the area. This neighbourhood is expected to deliver 1,110 new homes and new office floor space.



Proposed Site Allocations

CH/1.1 – Area East of Valley Road,

CH/1.2 – Former Royal Mail Sorting Office

CH/1.3 – Cathedral Quarter Phase 1

CH/1.4 – Cathedral Quarter Phase 2

CH/1.5 – Burnett Street Car Park

CH/1.6 – Olicana House, Chapel Street

CH/1.7 – East Parade Car Park

CH/1.8 – Land West of Wharf Street

CH/1.9 – Vacant plot bounded by Church Bank, Vicar Lane and Currer Street

CH/1.10 – Gate Haus 2

CH/1.11 - Conditioning House, Cape Street

CH/1.12 – Midland Mills, Valley Road

CH/1.1 – Area East of Valley Road

Proposed Allocation – Phased residential development offering a minimum of 600 residential units.

CH/1.2 – Former Royal Mail Sorting Office

Proposed Allocation – Mixed use scheme offering retail and office units.

CH/1.3 – Cathedral Quarter Phase 1

Proposed Allocation – Residential scheme offering a minimum 100 units.

CH/1.4 – Cathedral Quarter Phase 2

Proposed Allocation – Residential scheme offering a minimum 200 units.

CH/1.5 – Burnett Street Car Park

Proposed Allocation – Residential scheme offering a minimum 50 units.

CH/1.6 – Olicana House, Chapel Street

Proposed Allocation – Residential Scheme offering a minimum 20 units.

CH/1.7 – East Parade Car Park

Proposed Allocation – Residential scheme offering a minimum 40 units.

CH/1.8 – Land West of Wharf Street

Proposed Allocation – Residential opportunity offering a minimum 70 units

CH/1.9 – Vacant plot bounded by Church Bank, Vicar Lane and Currer Street

Proposed Allocation – Residential opportunity offering a minimum of 20 units with ancillary leisure/retail.

CH/1.10 – Gate Haus 2

Proposed Allocation – Residential Opportunity offering a minimum of 20 units with ancillary leisure/retail.

CH/1.11 – Conditioning House, Cape Street

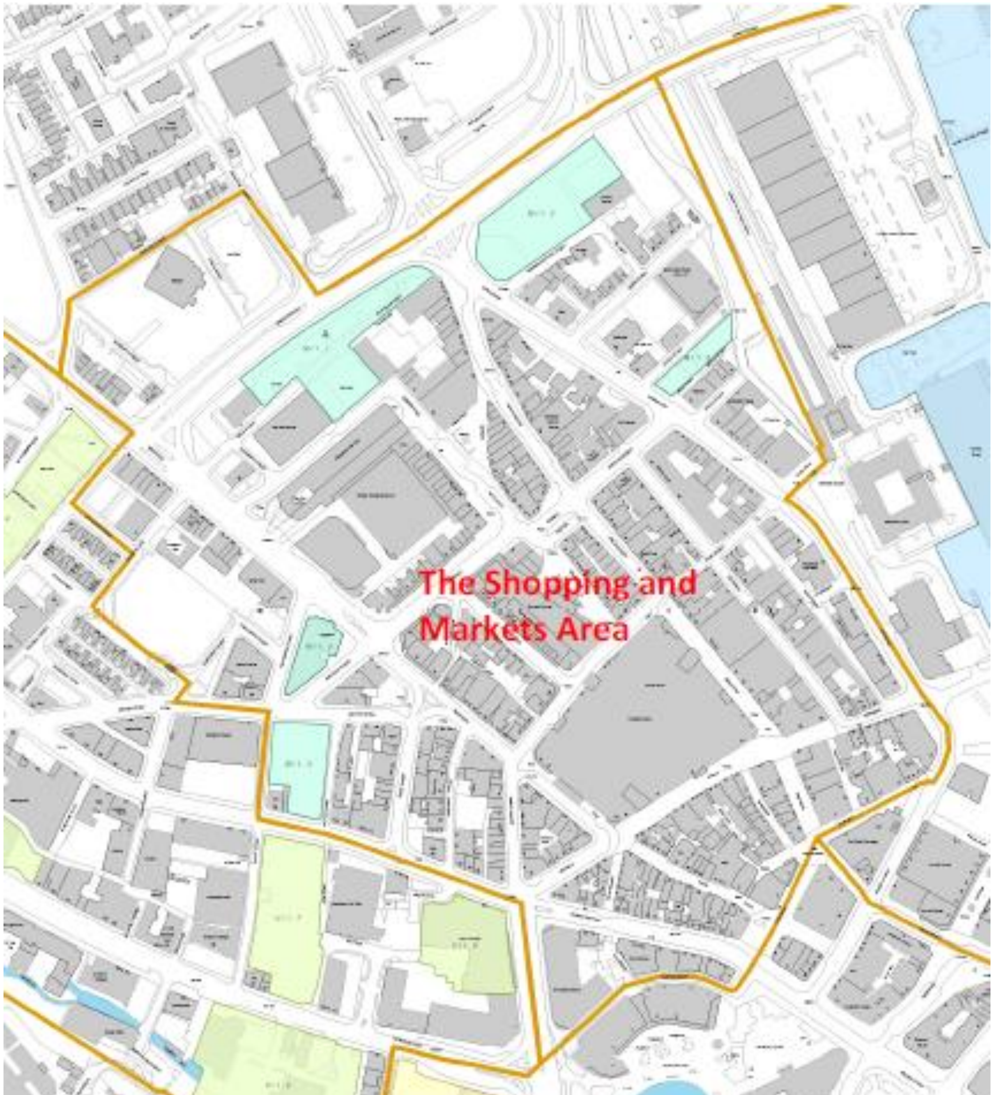
Proposed Allocation – Residential opportunity offering a minimum of 100 units with ancillary leisure/retail.

CH/1.12 – Midland Mills, Valley Road

Proposed Allocation – Residential opportunity offering a minimum 200 units with ancillary leisure/retail.

The Market

The vision is for a focus on small independent retailing and leisure offer, with the introduction of residential into the area. The Plan is committed to continuing the promotion of the existing shopping anchors of the Kirkgate Centre, Kirkgate, Darley Street and the Oastler Centre and to support the independent retail/leisure sector on North Parade and the surrounding streets. Development in the neighbourhood will deliver 475 new homes through both new builds and the re-use of existing buildings.



Proposed Site Allocations

M/1.1 – Former Rawson Market and Car Park, Simes Street

M/1.2 – Car Park on Site of Former Carlton Grammar School, Grammar School Street

M/1.3 – Stone Street Car Park

M/1.4 – Former Yorkshire Building Society Head Quarters, High Point, New John Street

M/1.5 – Former Tetley Street Shed, Tetley Street

M/1.1 – Former Rawson Market and Car Park, Simes Street

The market area of Bradford will already see a significant change in the recent development of the Westfield, Broadway Shopping Centre, however the framework for this area is to continue the promotion of retail sector. Independent retailing and leisure uses is promoted for the North Parade area.

The promotion of city living for the area will be introduced with schemes including a mix of conversion to new build living above leisure/retail uses with the view of establishing a city centre community.

M/1.1 – Former Rawson Market and Car Park, Simes Street

Proposed Allocation - Residential led mixed use scheme, incorporating a minimum of 200 residential units with ancillary leisure and retail floor space.

M/1.2 – Car park on site of former Carlton Grammar School

Proposed Allocation – Residential scheme offering a minimum of 100 units.

M.1.3 – Stone Street Car Park

Proposed Allocation –. Residential scheme offering a minimum of 20 units.

M/1.4 – Former Yorkshire Building Society Head Quarters, High Point, New John Street.

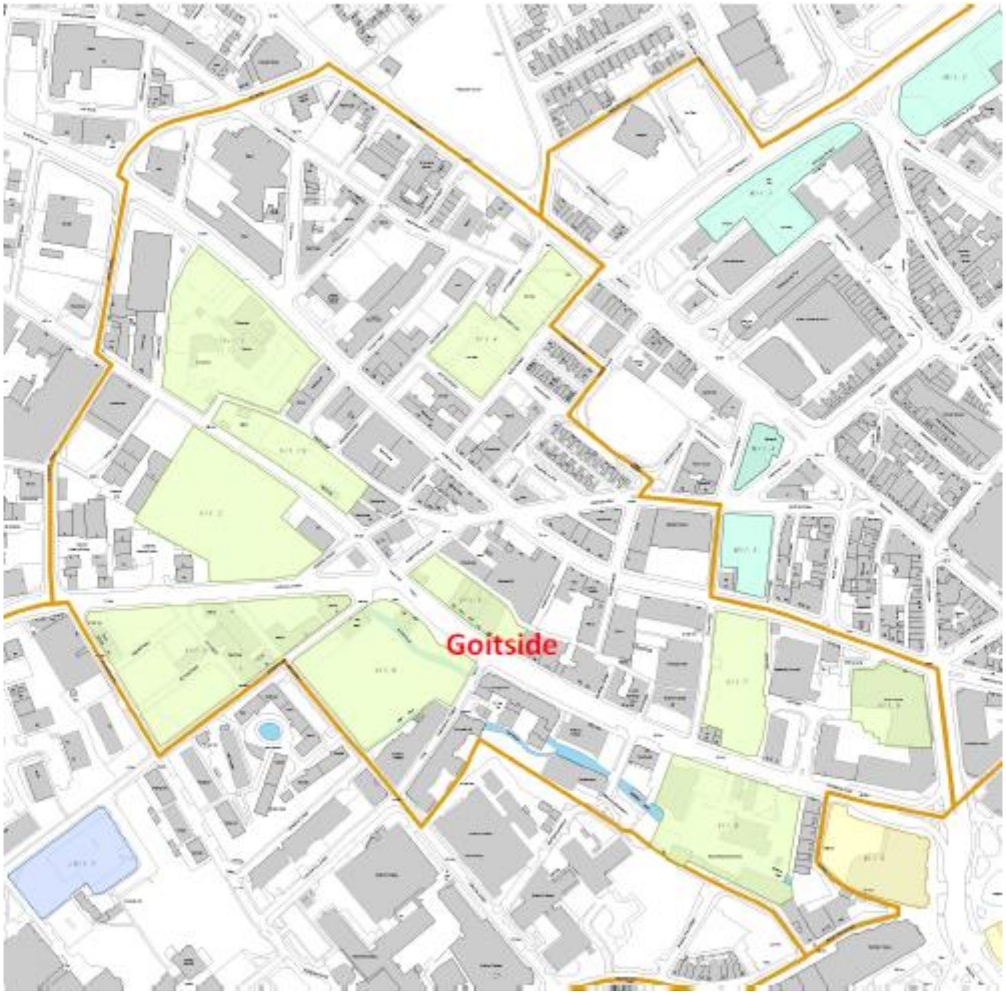
Proposed Allocation – Residential led mixed use offering a minimum of 80 residential units.

M/1.5 – Former Tetley Street Shed, Tetley Street.

Proposed Allocation – Residential led mixed use scheme offering a minimum of 100 residential units.

Goitside

The Goitside area of Bradford has traditionally been the industrial centre of the City and following the steady decline of the City's traditional manufacturing industries, many of the former mills/factories are now vacant/under-occupied. The AAP recognises the opportunity to convert these to residential uses, complimented with small scale retail and leisure uses and live/work units to support the creative industries sector.



Proposed Site Allocations

V/1.1 – Former Provident Financial Headquarters, Sunbridge Road

V/1.2 – Former Gas Works, Thornton Road / Listerhills Road

V/1.3 – Globus Textiles, Listerhills Road / Smith Street / Longside Lane

V/1.4 – Wigan Street Car Park

V/1.5 – Yorkshire Stone Yard, Thornton Road / Lower Grattan Road

V/1.6 – Former Bee Hive Mills, Smith Street

V/1.7 – Vacant Site South of Sunbridge Road, bounded by Tetley Street and Fulton Street

V/1.8 – Car Sales / Filling Station Site, Thornton Road

V/1.9 – Sunwin House, Godwin Street / Sunbridge Road

V/1.10 – Thornton Road Portakabin Sales

V/1.1 – Former Provident Financial Headquarter, Sunbridge Road

Proposed Allocation – Redevelopment of former office building for a residential led mixed use scheme offering a minimum threshold of 400 residential units with ancillary convenience retail and leisure.

V/1.2 – Former gas works and foundry, Thornton Road/ Listerhills Road

Proposed Allocation – Residential led mixed use scheme offering a minimum of residential units with ancillary retail and leisure floor space.

V/1.3 – Globus Textiles, Listerhills Road / Smith Street / Longside Lane

Proposed Allocation – Redevelopment of former mill buildings for a residential mixed use, with the delivery of a minimum of 200 residential units, with supporting leisure and retail floor space on the lower levels of the development.

V/1.4 – Wigan Street Car Park

Proposed Allocation – Residential led mixed use scheme expected to deliver approximately residential units with supporting convenience retail and leisure on the ground floors.

V/1.5 – Yorkshire Stone Yard, Thornton Road / Lower Grattan Road

Proposed Allocation – Development will include the conversion of existing Mill building and a new building to incorporate a minimum of 80 residential units on the upper floors with leisure and retail on the lower/ground floors. (Small scale office development is speculative)

V/1.6 – Former Bee Hive Mills, Smith Street

Proposed Allocation – The site is currently being proposed for a residential allocation, which may include student living and the provision of convenience retail and leisure use. Minimum expected residential units of 220.

V/1.7 – Vacant site to the south of Sunbridge Road, Bounded by Tetley Street and Fulton Street

Proposed Allocation – Residential led mixed use scheme with ancillary leisure and retail use.

V/1.8 – Car Sales / Filling Station Site, Thornton Road

Proposed Allocation – Residential led mixed use scheme offering a minimum of 50 units

V/1.9 – Sunwin House, Godwin Street/Sunbridge Road

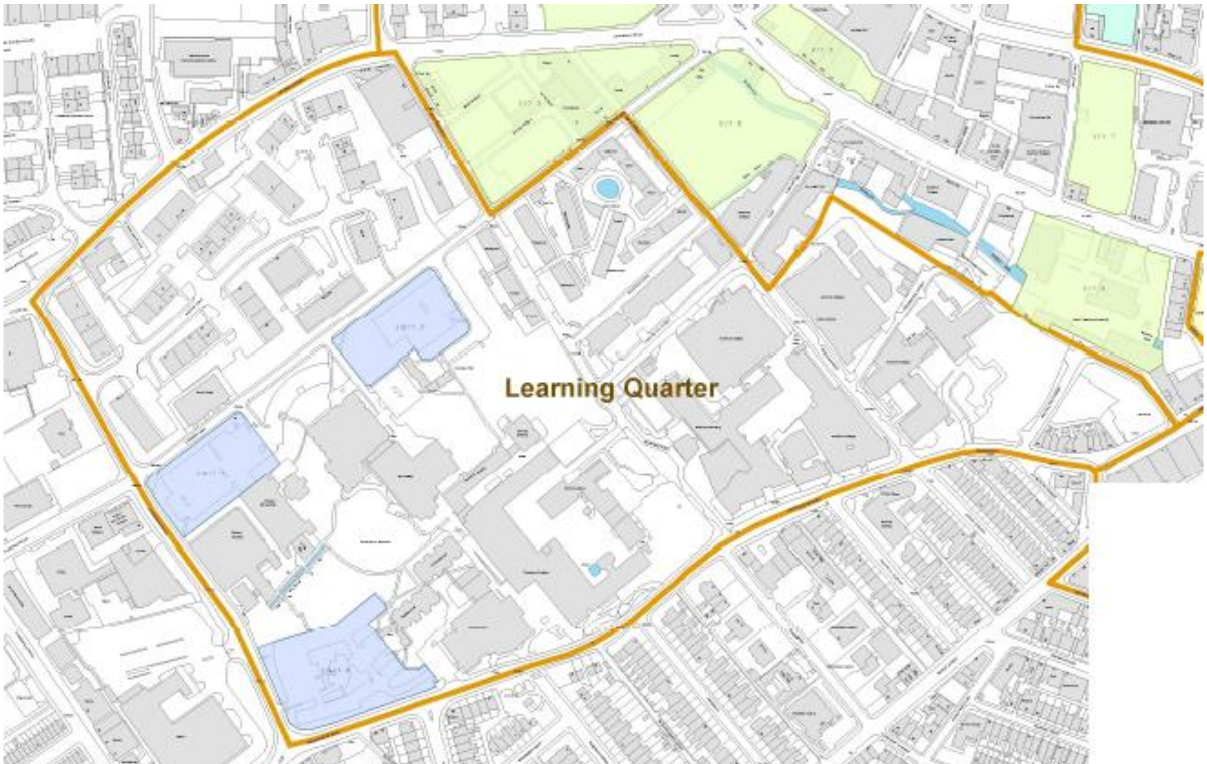
Proposed Allocation – Expected to deliver a mixed use scheme, which makes use of the Grade II listed building, offering residential, retail office and leisure.

V/1.10 – Thornton Road / Water Lane

Proposed Allocation – Expected to deliver a minimum of 100 residential units, with ancillary retail and leisure uses to support residents within the development.

The Learning Quarter

The AAP recognises that the University and College campuses have expanded significantly in recent years and seeks to support this continued growth through safeguarding land for educational uses and student living.



Proposed Site Allocations

LQ/1.1 – University of Bradford Car Park, Longside Lane

LQ/1.2 – University of Bradford Car Park, Longside Lane/ Shrearbridge Road

LQ/1.3 – University of Bradford Car Park, Great Horton Road

LQ/1.1 - University of Bradford Car Park, Longside Lane

Proposed Allocation – Further expansion of the University estate to provide education and ancillary uses (student accommodation)

LQ/1.2 - University of Bradford Car Park, Longside Lane / Shearbridge Road

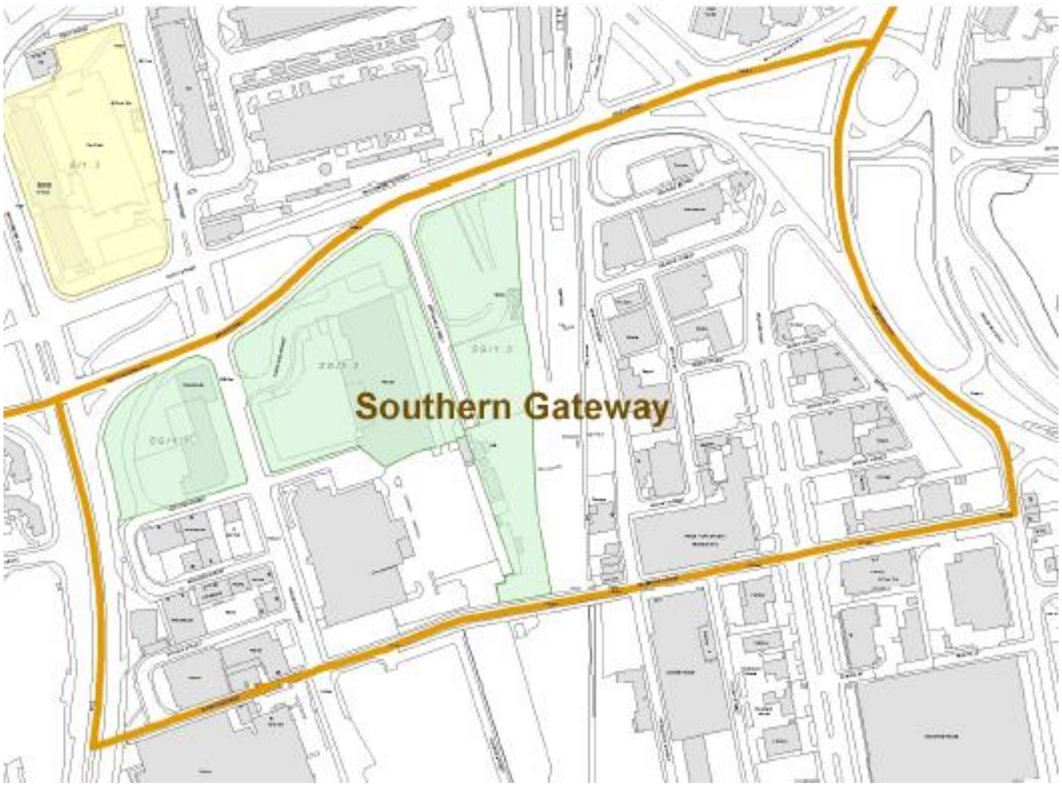
Proposed Allocation – The site is part of a wider area proposed for sports pitches.

LQ/1.3 – University of Bradford Car Park, Great Horton Road

Proposed Allocation – Further expansion of the University estate to provide education and ancillary uses (student accommodation)

Southern Gateway

The Southern Gateway has always been a heavily industrialised area of the city, and still is. However future plans for the area including a new police station, primary school and swimming pool & leisure complex, will steer away the traditional sector focus of this area. The new developments already in place will be further enhanced by the introduction of city centre living, with good access to existing links, and look to further enhance the links to other areas of the city centre, namely the Bowl. The focus is on transforming the area from former industrial uses to residential development and supporting uses.



Proposed Site Allocations
SG/1.1 – Clifford Street Car Park
SG/1.2 – Britannia Mills Car Park, Portland Street
SG/1.3 – Stations Improvement site

SG/1.1 – Clifford Street Car Park

Proposed Allocation – Residential land use expected to deliver a minimum of 200 residential units with ancillary convenience retail floor space.

SG/1.2 – Britannia Mills Car Park, Portland Street

Proposed Allocation – residential/leisure led mixed use scheme, anchored by the new city centre swimming pool complex. The site will ideally be developed in conjunction with site SG/1.6.

SG/1.3 – Stations Improvement Site

Proposed Allocation – The site is proposed for the future masterplanned improvements to the Interchange railway station, including the redevelopment of the car park to include a new station entrance, taxi rank and multi-storey car park. The development will also include a minimum of 200 residential units.

Appendix 2: Site constraints analysis

This section presents an analysis of the key site constraints that could delay/prevent identified AAP priority development sites from being redeveloped in accordance with the AAP ambitions. Our analysis draws upon the following three sources of evidence which have been used to inform this:

1. Bradford City Centre Area Action Plan – Preferred Approach – Draft (September 2014)
2. Bradford City Centre Area Action Plan Infrastructure Delivery Plan (IDP) (June 2015)
3. DTZ site visits to each of the sites (July 2015)

The recently prepared IDP provides a useful overview of the infrastructure gaps/needs within the City Centre if the AAP ambitions are to be realised. The study focuses in more detail on the larger strategic sites but also provides an overview of the City Centre infrastructure provision as a whole. It concludes that there is broadly sufficient infrastructure, either current or planned, to support the housing and economic growth aspirations for Bradford City Centre and that the current evidence shows that the strategy set out in the emerging Area Action Plan is broadly deliverable. It does flag some uncertainties associated with the planning and delivery of certain elements of infrastructure, particularly around the funding associated with this. It identifies the following specific risks:

The requirement for electricity upgrades to support development in the City Centre focused around Thornton Road.

The provision of adequate access to green space through new open space in developments or access to existing parks to support Bradford's regeneration agenda.

The need for additional high quality school places to allow the City Centre to become attractive to families.

It also provides the following conclusions in relation to each infrastructure type:

Transport – the IDP recognises that CMBDC is working closely with national and sub-regional agencies to deliver necessary transport improvements in the City Centre to improve public transport and highway access to the City Centre. It suggests that alongside these improvements a range of on-site highway improvements are likely to be required to deliver each proposed development site. However, these would be site specific transport improvements, which would be funded by the developer of the site.

Utility Networks - the study has highlighted that there is a potential capacity issue in relation to electricity provision. This results in a requirement to upgrade Crown Street Primary Sub Station, at a cost of £2 million to enable the full quantum of development to be delivered in the City Centre. The available electricity capacity would be used by the first tranche of development in the City Centre, it would then fall to the developer(s) that creates the capacity issue to pay the £2 million upgrade. The ability for Northern Powergrid to contribute towards these costs will be dependent on the build out rates proposed development and how quickly Northern Powergrid can 'claw back' the costs of the upgrades.

Telecommunications - the City Centre is well served by broadband and mobile internet and there is no funding gap for essential telecommunications infrastructure.

Flood Risk and Drainage - there are no major flood risk issues in the City Centre and there is no funding gap for essential flood risk and drainage infrastructure.

Green Infrastructure, Open Space and Public Space - there is a deficit of open space in the City Centre and there is no committed funding to increase open space in the City Centre

Sports, Leisure and Recreation - there is a deficit in playing pitches in the City Centre and the wider District.

Community and Cultural - the City Centre has a wide range of community and cultural facilities. The Council will continue to consider external funding options and there is therefore not technically a gap in funding provision for community and cultural facilities.

Education - the delivery of a significant number of new residential units in the City Centre will create a need for new primary and secondary school places. A deficit in secondary school remains at a district wide level.

Health - the City Centre is covered by the Bradford City Clinical Commissioning Group (CCG). Any gap in provision will be delivered through NHS funding and there is no gap in the funding of health infrastructure.

Climate Change and Renewables – the Council is investigating the options for providing a heat network across the City Centre. There is no funding gap for climate change and renewable infrastructure.

Based upon the above, it is evident that there are City Centre-wide infrastructure issues associated with electricity and education infrastructure if the AAP development ambitions are to be realised. The costs of the required electricity works could be £2m based on the IDP and there is no funding earmarked for this at present (total electricity capacity upgrade cost is £4m, split 50/50 with Shipley and the Canal Road Corridor. There are also a number of strategic highway investments required with funding risks attached as well as on-site highway/access issues which will be represent costs to individual developers. It is estimated by Arup in the IDP that the gap in funding for essential highway infrastructure costs could be c.£40-£55m, the majority of which relates to rail station improvements.

The above is largely strategic, City-wide commentary and it is important to drill down to a site-by-site basis. We have used the existing sources of evidence and our own knowledge of the sites supplemented through site visits. This is a high level assessment that is ultimately subjective and should not be relied upon other than for the purposes of informing this strategy – key categories of constraints are:

- Physical constraints – includes known/likely constraints relating to environmental conditions, existing buildings, contamination, heritage, flood risk and topography.
- Legal/ownership constraints – includes constraints relating to ownership (i.e. complex ownerships present greater constraints) and existing uses. A cleared/vacant site in single ownership represents the lowest level of constraint.
- Access constraints – relates to site specific access constraints to the potential redevelopment of the site

This analysis is useful to inform the type of site constraint that is apparent and therefore the level and type of public sector intervention that may be required to address these to accelerate the delivery of development.

In summary, the following constraints appear to be the most prevalent across the identified development sites:

- Topography
- On-site infrastructure needs (e.g. servicing, utilities)
- Ground conditions and contamination based on former uses
- Heritage constraints (e.g. heritage/listed buildings, Conservation Area status)
- Ownerships/existing uses/users

There are other site specific constraints identified including flood risk, access and vegetation although these do not appear to be as prevalent as the above based on our analysis.

		Physical Constraints	Ownership	Access
Site ID	**Site Name**			
The Bowl				
B/1.1	Sharpe Street Car Park	The site consists of two surface car parks with a slope from the south to the north, with highways running across the site.	Multiple ownerships	There are numerous access points to the site.
B/1.2	No 1 City Park	The site is located within the city centre conservation area and adjacent to the grade I listed city hall.	Council ownership	There is access to the site from Princes Way

		Physical Constraints	Ownership	Access
Site ID	**Site Name**			
The Channel/ Goitside				
CH/1.1	Area East of Valley Road	Part of the site is located within the cathedral prescint conservation area and has a grade II listed building . The site has numerous highways running through the site.	Multiple ownerships	The site is fully accessable from 3 separate highways.
CH/1.2	Former Royal Mail Sorting Office	The site is located between two conservation areas and adjoins the grade II listed Midland Hotel. The site consists of the fromer Royal Mail sorting office and warehouse to the rear. (located within flood zone 3a)	Unknown Ownership	The site has access from Valley Road and Canal Road
CH/1.3	Cathedral Quarter Phase 1	The site consists of a number of surface car parks and a grade II listed pub. The multiple sites are bounded by roads with a steep incline.	Unknown Ownership	There is access to all the sites via numerous highways.
CH/1.4	Cathedral Quarter Phase 2	The site consists of a number of surface car parks with a slope from east to west.	Unknown Ownership	There is access to the site via numerous highways.
CH/1.5	Burnett Street Car Park	The site is a surface car park and located in little Germany conservation area. There is a slight slope from east to west.	Unknown Ownership	The site accessed from Burnett Street and is located next to the A650
CH/1.6	Olicana House, Chapel Street	The site currently consists of a vacant council office block with associated surface car parking. The site is within the little Germany conservation area. The buildings character does not warrant retention to its surroundings	Council Ownership	The site is accessed from Scoresby Street.
CH/1.7	East Parade Car Park	The site is currently a hardstanding surface car park wi th a slope from north to south.	Unknown Ownership	The site is accessed from East Parade and is located next to the A6181
CH/1.8	Land West of Wharf Street	The site is currently a flat hardstanding surface with part of the site (south west corner) used as a surface car park	Unknown Ownership	The site is accessed from Canal Road and Wharf Street
CH/1.9	Vacant plot bounded by Church Bank, Vicar lane and Currer Street	The site is a flat hardstanding surface and is currently being used as a flat hardstanding car park.	Unknown Ownership	The site is accessed from Currer Street
CH/1.10	Vacant plot bounded by Church bank, Peckover Street and Currer Street	The site is a flat hardstanding surface and is currently being used as a flat hardstanding car park.	Unknown Ownership	The site is accessed from Currer Street
CH/1.11	Gate Haus 2	A vacant hardstanding surface with a slight slope from north to south.	Unknown Ownership	The site is accessed from East Parade and is located next to the A6181
CH/1.12	Conditioning House, Cape Street	The site contains the vacant grade II listed Conditioning House with flat open space to the north.	Unknown Ownership	The site is accessed from Old Canal Road and Cape Street and located next to the A650
CH/1.13	Midland Mills, Valley Road	The site contains three vacant grade II listed buildings and associated flat hardstanding surface covering the majority of the site	Unknown Ownership	The site is faccessed from Cape Street and Valley Road and is located next to the A650.

		Physical Constraints	Ownership	Access
Site ID	**Site Name**			
The Market				
M/1.1	Former Rawson market and car park, Simes street	The site is currently used as a flat hardstanding car park . The site includes the remains of Simes street chapel (grade Ii listed building)	Council Ownership	The site is accessed from Rawson Road and located next to A6181
M/1.2	Car park on site of former Carlton grammar school, grammar school street	The site is currently used as a hardstanding car park, with a significant level change from south to north .	Unknown Ownership	The site is accessed from Grammer School Street just off Manor Row.
M/1.3	Stone street car park	The site consists of two hardstanding surface car parks with Middle Street running through the middle.	Unknown Ownership	The site is accessed from Stone Street just off Manor Row
M/1.4	Former Yorkshire Building Society Head Quarters, High point, New John Street	The site consists a large vacant building on a small site bounded by a busy junction on the A6181.	Unknown Ownership	The site is accessable but bounded by 3 busy roads next to a junction on the A6181
M/1.5	Former Tetley Street Shed, Tetley Street	The site is currently used as a surface car park following the demolition of the Tetley Street shed. The site has a slope from north to south.	Unknown Ownership	The site is accessed from Tetley Street

		Physical Constraints	Ownership	Access
Site ID	**Site Name**			
The Valley				
V/1.1	Former Provident financial headquarters, Sunbridge Road	The site consists of the vacant former provident finanical headquarters, and associated car parking. There is significant level changes across the site.	Private Ownership	The site is accessed from Sunbridge Road
V/1.2	Former gas works and foundry, Thorton Road/Listerhills Road	The site is currently used as a flat hardstanding surface car park. There is a steep level change to the road to the west of the site.	Private Ownership	The site is accessed from Thorton Road
V/1.3	Globus Textlies, Listerhills Road/Smith Street / Longside Lane	The site consists of multiple buildings/land in current use and in different ownerships spread across different highways	Multiple Ownerships	The site is accessed from numerous highways and bounded by Listerhills Road.
V/1.4	Wigan Street Car Park	The site is currently used as a flat surface car park with a slight slope from north to south, with Longroft Link Road running across the middle of the site.	Council Ownership	The site is fully accessable, bounded by roads on all sides.
V/1.5	Yorkshire Stone Yard and Mill, Thornton Road/ Lower Grattan Road	The site currently extends across the front of Thronton Road, across a number a different buildings (in use) and a vacant mill and stone yard	Multiple Ownerships	The site is accessed from Thornton Road
V/1.6	Former Bee Hive Mills, smith street	A vacant hardstanding site following the demolition of the former Bee Hive Mills. (partial /empty buildings to the west of the site)	Unknown Ownership	The site is accessed from Thornton Road and Tumbling Hill Street.
V/1.7	Vacant Site South of Sunbridge Road, Bounded by Tetley Street and Fulton Street	A vacant site following the demolition of fromer warehousing. The site has a slope from north to south.	Unknown Ownership	The site is accessed from Tetley Street
V/1.8	Car sales/ Filling station site, Thornton Road	The site is flat and currently used as a number of uses including a filling station. There is a very steep bank to the south of the sie.	Multiple Ownerships	The site is accessed from Thornton Road
V/1.9	Sunwin House, Godwin Street/Sunbridge Road	The site consists of a grade II listed former department store.	Private Ownership	The site is fully accessable and is located next to the junction of A6181
V/1.10	Thornton Road/ Water Lane	The site is flat and hardstanding, with a multitude of uses including, car wash, a portakabin site, with part of the site lying in Goitside conservation area.	Multiple Ownerships	The site is fully accessable with the main access from Throrton Road

		Physical Constraints	Ownership	Access
Site ID	**Site Name**			
Learning Quarter Neighbourhood				
LQ/1.1	University of Bradford Car Park, Longside Lane	The site is a flat hardstanding car park adjacent to the university.	Private Ownership	The site is faccessed from Longside lane
LQ/1.2	University of Bradford Car Park, Longside Lane / Shearbridge Road	The site is a flat hardstanding car park adjacent to the university.	Private Ownership	The site is accessed from Longside lane
LQ/1.3	University of Bradford Car Park, Great Horton road	The site is used as a surface car park, with uneven topography.	Private Ownership	The site is accessed from Great Horton Road
Southern Gateway				
SG/1.1	Clifford Street Car Park and Buildings	The site consists of surface car parking and buildings to the east of the site.	Multiple Ownerships	The site is fully accessable with the main access from Clifford Street
SG/1.2	Britannia Mill and Car Park , Portlane Street	The site consists of the former Woolen Mill and a surface car park, with current employment uses.	Multiple Ownerships	The site is fully accessable with the main access from Britannia Street
SG/1.3	Stations Improvement Site	The site is a former coal yard and railway siding and currently operates as a surface car park. The site is relativley flat	Unknown Ownership	The site is fully accessable with the main access from Britannia Street

Appendix 3 new built market evidence

Developer	Number of Beds	Asking Price (£)	Discounted Asking Price (£)	Sales Price Achieved (£)	Area (sqft)	£/sqft
Barratt/ David Wilson Homes, (Open Thursday 10:00am)	**Hewenden Rridge, Cullingworth. 13 plots - CIL Charge zone 3**					
	Nugent 3 bed	£194,995	£185,245	Asking price	1059	£174.92
	hadley 3 bed	£224,995	£213,745	£226,580	986	£229.80
	Bayswater 4 bed	£289,995	£275,495	Asking price	1290	£213.56
	Millford 4 bed	£292,995	£278,345	Asking price	1316	£211.51
	Millford 4 bed	£309,995	£294,495	Asking price	1316	£223.78
	Cornell 4 bed	£319,995	£303,995	Asking price	1358	£223.86
	Cornell 4 bed	£334,995	£318,245	Asking price	1358	£234.35
	Layton 4 bed	£364,995	£346,745	Asking price	1591	£217.94
	Holden 4 bed	£367,995	£349,595	Asking price	1519	£230.15
	Irving 4 bed			£249,995	1167	£214.22
					Average	£217.41
	Vision, Keighley (Barratts) - CIL charge zone 4					
	Newton 2 bed	£99,995	£94,995	Asking price	677	£140.32
	Newton 2 bed	£109,995	£104,495	£112,995	677	£166.91
	Finchley 3 bed	£129,995	£123,495	£124,195	817	£152.01
	Barwick 3 bed	£129,995	£123,495	£123,995	836	£148.32
	Barwick 3 bed	£129,995	£123,495	£124,495	836	£148.92
	Finchley 3 bed	£139,995	£132,995	Asking price	817	£162.78
	Morpeth 3 bed	£154,995	£147,245			
	Padstow 3 bed	£159,995	£151,995			
	Woodbridge 4 bed	£169,995	£161,495	Asking price	1216	£139.80
	thornbury 4 bed	£199,995	£189,995	£184,195	1186	£168.63
	tavistock	£179,995	£170,995	£164,395	1106	£162.74
	Finchley 3 bed	£129,995	£123,495	Asking price	817	£159.11
					Average	£155.29
	Bluebell Woods, Wyke - CIL charge zone 4					
	Holden 4 bed	£342,995	£325,845	£331,995	1536	£216.14
	Winstone 4 bed	£419,995	£398,995	£419,995	1771	£237.15
	Irving 4 bed	£277,995	£264,095	£270,746	1167	£232.00
	Irving 4 bed	£279,995	£265,995	£274,096	1167	£234.87
	Holden 4 bed	£339,995	£322,995	£338,995	1536	£220.70
	Maddoc 5 bed	£389,995	£370,495		1780	
					Average	£228.17
Bellway Homes	**Scalebor Grange, Burley-in-Wharfedale - CIL charge zone 1**					
	Keswick 4 bed	£349,995	£332,495	Asking prices being achieved - 5% discount for incentives allowed	1151	£288.88
	Harewood 4 bed	£409,995	£389,495		1324	£294.18
	Harewood special 4 bed	£439,995	£417,995		1485	£281.48
	Linton	£375,000	£356,250		1291	£275.95
	Spofforth	£460,000	£437,000		1550	£281.94
	Linton	£380,000	£361,000		1291	£279.63
					Average	£283.67
	Queenshead park, Queensbury - CIL charge zone 3					
	Buckden 3 bed	£209,995	£199,495	No information 5% discount from asking prices assumed	1133	£176.08
	Swinton 4 bed	£219,995	£208,995		1059	£197.35
	Ilkley 4 bed	£249,995	£237,495		1216	£195.31
	Settle 4 bed	£269,995	£256,495		1400	£183.21
	Harrogate 4 bed detach	£279,995	£265,995		1485	£179.12
	Knaresborough	£289,995	£275,495		1765	£156.09
	Addingham 4 bed	£229,995	£218,495		1087	£201.01
	Ilkley 4 bed	£254,995	£242,245		1216	£199.21
	Knaresborough 4 bed	£339,995	£322,995		1765	£183.00
					Average	£182.17
Redrow Homes	**Manor Fields, Steeton - 250, 50% sold Cil charge zone 3**					
	3 bed warwick	£245,950	£233,653	Sales agent reports all achieving asking price in last 6 months - 5% discount from asking prices assumed	1059	£220.64
	4 bed Shrewsbury	£255,950	£243,153		1134	£214.42
	4 bed Stratford	£257,950	£245,053		1173	£208.91
	4 bed Oxford	£282,950	£268,803		1300	£206.77
					Average	£212.68
Harron Homes	**Sycamore Chase, Wilsden - CIL charge zone 3**					
	The Aldingham 4 bed detached					
	The Portchester 5 bed detached	£314,995	£283,495.50	Sales agent indicated discount of 10% to allow for incentives and prices agreed below asking price	1562	£181.50
	The Cheveley 4 bed detached					
	The Conisbrough 4 bed townhouse	£239,995	£215,995.50		1227	£176.04
	The Dunstanburgh 5 bed detached	£374,995	£337,495.50		1261	£267.64
	The Edlingham 5 bed detached					
	The Kenilworth 5 bed detached	£309,995	£278,995.50		1706	£163.54
	The Lydforth V0 4 bed detached	£269,995	£242,995.50		1202	£202.16
	The Newark 4 bed					
	The Pembroke 4 bed detached					
	The Richmond 4 bed detached	£264,995	£238,495.50			
	The Rochester V0 4 bed detached					
	The Salcombe V0 4 bed detached					
	The Salcombe 4 bed detached	£329,995	£296,995.50		1534	£193.61
	The Tiverton 4 bed detached					
					Average	£198.17
	Queensbury Park, Queensbury. 114 properties completed (22 affordable) 41 sold - CIL charge zone 3					
	The Ashford 4 bed	£229,995	£218,495	Sales agent reported sales values at or close to asking price	1033	£211.52
	The Jedburgh 4 bed	£213,995	£203,295		1248	£162.90
	The Newark 4 bed	£247,995	£235,595		1136	£207.39
	The Newark 4 bed	£249,995	£237,495			
	The Tiverton 4 bed	£254,995	£242,245		1217	£199.05
	The Tiverton 4 bed	£257,995	£245,095			
	Rochester	£259,995	£246,995		-	
	Settle 4 bed	£265,000	£251,750			
					Average	£195.21

Ben Bailey Homes	**Apperley Green, Apperley Bridge. 69 in total, 31 sold - CIL charge zone 3**					
	The Ashbury 4 bed	£337,950	£321,053	Sales agent reported that all achieved sales prices with minimum incentives - 5% discount from market value assumed	1220	£263.16
	The Thirston 3 bed	£279,950	£265,953		1223	£217.46
	The Hanbury 4 bed	£339,950	£322,953		1212	£266.46
	The Norbury 4 bed	£379,950	£360,953		1368	£263.85
	The Rosebury 4 bed	£400,000	£380,000		1430	£265.73
	The Kirkham 5 bed	£500,000	£475,000		1949	£243.71
	The Hamilton 3 bed	£237,000	£225,150		931	£241.84
	The Kilmington 3 bed	£234,950	£223,203		997	£223.87
	The Sailsbury 4 bed	£400,000	£380,000		1421	£267.42
					Average	£248.79
Yorplace	**Chesnut Gardens, Baildon - CIL charge zone 2**					
	Plot 1	£459,950	£436,953	No sales information available - assume discount of 5% from asking price	2000	£218.48
	Plot 2	£455,000	£432,250		2000	£216.13
	Plot 3	£439,950	£417,953		1870	£223.50
	Plot 4	£439,000	£417,050		1870	£223.02
	Plot 5	£449,000	£426,550		2000	£213.28
	Plot 6	£499,000	£474,050		2550	£185.90
	Plot 7	£499,950	£474,953		2550	£186.26
	Plot 8	£435,000	£413,250		1810	£228.31
	Plot 9	£435,000	£413,250		1810	£228.31
					Average	£213.69
Persimmon Homes	**Rooley Park, Bradford. 109, 15 affordable - CIL charge zone 4**					
	The Morley 2 bed	£114,950	£109,203	No sales information available - assume discount of 5% from asking price	739	£147.77
	The Morley 2 bed	£117,950	£112,053		739	£151.63
	The Hanbury 3 bed	£139,950	£132,953		761	£174.71
	The Souter 3 bed	£139,950	£132,953		932	£142.65
	The Rufford 3 bed	£158,950	£151,003		870	£173.57
	The Rufford 3 bed	£164,950	£156,703		870	£180.12
	The Rufford 3 bed	£169,950	£161,453		870	£185.58
	The Hatfield 3 bed	£189,950	£180,453		969	£186.23
	The Rosebury 4 bed	£209,950	£199,453		1096	£181.98
	The Rosebury 4 bed	£214,950	£204,203		1096	£186.32
	The Keating 4 bed	£214,950	£204,203		1180	£173.05
	The Lumley 4 bed	£214,950	£204,203		1220	£167.38
	The Keating 4 bed	£219,950	£208,953		1180	£177.08
						£171.39
	Blossom Meadows, Buttershaw. 97 - no affordable. Nearly completed (9 left) - CIL charge zone 4					
	The Hanbury 3 bed	£134,950	£128,203	No sales yet - 5% discount from asking price assumed	761	£168.47
	The Hanbury 3 bed	£142,950	£135,803		761	£178.45
	The Rufford 3 bed	£144,950	£137,703		871	£158.10
	The Rufford 3 bed	£159,950	£151,953		871	£174.46
	The Hatfield 3 bed	£169,950	£161,453		960	£168.18
	rosebury	£185,000	£175,750		1096	£160.36
	lumley 4 bed	£180,000	£171,000		1220	£140.16
						£168.00
Dacre Son & Hartley	**Crossfield View - CIL Charge Zone 2**					
	Plot 1 detached 4 bed	£459,950	£436,953	No sales yet - 5% discount from asking price assumed	1851	£236.06
	Plot 2 detached 4 bed	£317,500	£301,625		1376	£219.20
	Plot 3 detached 4 bed	£317,500	£301,625		1376	£219.20
	Plot 4 detached 4 bed	£317,500	£301,625		1376	£219.20
	Plot 5 detached 4 bed	£317,500	£301,625		1376	£219.20
	Plot 6 semi detached 4 bed	£339,950	£322,953		1539	£209.85
	Plot 7 semi detached 4 bed	£339,950	£322,953		1539	£209.85
	Plot 8 semi detached 4 bed	£329,950	£313,453		1376	£227.80
	Plot 9 semi detached 4 bed	£329,950	£313,453		1376	£227.80
						£217.52
Bancroft Homes (Skipton) - Hunters Agents	**Low Bank Lane, Oakworth - CIL charge zone 4**					
	3 bed terrace	£165,000	£156,750		828	£189.31

Appendix 4: Residential appraisal results

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 1

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	11,949	150.00	1,792,395	1,792,395
NET REALISATION				**1,792,395**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(234,168)		
				(234,168)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	14,058 ft²	101 pf²	1,419,858	**1,419,858**	
Contingency		3.00%	42,596		
				42,596	
PROFESSIONAL FEES					
Professional fees		8.00%	113,589		
				113,589	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	62,734		
				62,734	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(12,887)		
Construction			37,742		
Other			4,453		
Total Finance Cost				29,308	
TOTAL COSTS				**1,433,916**	
PROFIT					
				358,479	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		89.12%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 1

Summary Appraisal for Phase 1

Currency in £

REVENUE						
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**	
Flats	1	10,157	150.00	1,523,498	1,523,498	
Flats AH	1	1,793	97.50	174,783	174,783	
Totals	**2**	**11,949**			**1,698,281**	
NET REALISATION				**1,698,281**		
OUTLAY						
ACQUISITION COSTS						
Residualised Price			(425,765)			
				(425,765)		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Flats	11,949 ft²	111 pf²	1,327,534			
Flats AH	2,109 ft²	101 pf²	213,009			
Totals	**14,058 ft²**		**1,540,543**	**1,540,543**		
Contingency		3.00%	46,216			
Statutory/LA			20,000			
				66,216		
PROFESSIONAL FEES						
Professional fees		8.00%	123,243			
				123,243		
DISPOSAL FEES						
Sales, marketing and legal fees		3.50%	53,322			
				53,322		
FINANCE						
Debit Rate 6.500% Credit Rate 0.500% (Nominal)						
Land			(22,289)			
Construction			43,140			
Other			4,669			
Total Finance Cost				25,520		
TOTAL COSTS				**1,383,080**		
PROFIT						
				315,201		
Performance Measures						
Profit on Cost%		22.79%				
Profit on GDV%		18.56%				
Profit on NDV%		18.56%				
IRR		N/A				
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths				

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 1

Summary Appraisal for Phase 1

Currency in £

REVENUE						
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	11,949	170.00	2,031,381	2,031,381
NET REALISATION				**2,031,381**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(60,258)		
				(60,258)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	14,058 ft²	101 pf²	1,419,858	**1,419,858**	
Contingency		3.00%	42,596		
				42,596	
PROFESSIONAL FEES					
Professional fees		8.00%	113,589		
				113,589	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	71,098		
				71,098	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(3,613)		
Construction			36,788		
Other			5,046		
Total Finance Cost				38,222	
TOTAL COSTS				**1,625,105**	
PROFIT					
				406,276	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		62.61%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 1

Summary Appraisal for Phase 1

Currency in £

REVENUE						
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**	
Flats	1	10,157	170.00	1,726,631	1,726,631	
Flats AH	1	1,793	110.50	198,088	198,088	
Totals	**2**	**11,949**			**1,924,718**	
NET REALISATION				**1,924,718**		
OUTLAY						
ACQUISITION COSTS						
Residualised Price			(256,161)			
				(256,161)		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Flats	11,949 ft²	111 pf²	1,327,534			
Flats AH	2,109 ft²	101 pf²	213,009			
Totals	**14,058 ft²**		**1,540,543**	**1,540,543**		
Contingency		3.00%	46,216			
Statutory/LA			20,000			
				66,216		
PROFESSIONAL FEES						
Professional fees		8.00%	123,243			
				123,243		
DISPOSAL FEES						
Sales, marketing and legal fees		3.50%	60,432			
				60,432		
FINANCE						
Debit Rate 6.500% Credit Rate 0.500% (Nominal)						
Land			(14,309)			
Construction			42,234			
Other			5,292			
Total Finance Cost				33,217		
TOTAL COSTS				**1,567,491**		
PROFIT						
				357,228		
Performance Measures						
Profit on Cost%		22.79%				
Profit on GDV%		18.56%				
Profit on NDV%		18.56%				
IRR		77.13%				
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths				

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 1

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	11,949	190.00	2,270,367	2,270,367
NET REALISATION				**2,270,367**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			104,896		
Stamp Duty		4.00%	4,196		
Agent Fee		1.00%	1,049		
Legal Fee		0.50%	524		
				110,665	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	14,058 ft²	101 pf²	1,419,858	**1,419,858**	
Contingency		3.00%	42,596		
				42,596	
PROFESSIONAL FEES					
Professional fees		8.00%	113,589		
				113,589	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	79,463		
				79,463	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			8,649		
Construction			35,834		
Other			5,640		
Total Finance Cost				50,123	
TOTAL COSTS				**1,816,294**	
PROFIT					
				454,073	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		52.73%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 1

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	10,157	190.00	1,929,764	1,929,764
Flats AH	1	1,793	123.50	221,392	221,392
Totals	**2**	**11,949**			**2,151,156**
NET REALISATION				**2,151,156**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(87,596)		
				(87,596)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	11,949 ft²	111 pf²	1,327,534		
Flats AH	2,109 ft²	101 pf²	213,009		
Totals	**14,058 ft²**		**1,540,543**	**1,540,543**	
Contingency		3.00%	46,216		
Statutory/LA			20,000		
				66,216	
PROFESSIONAL FEES					
Professional fees		8.00%	123,243		
				123,243	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	67,542		
				67,542	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(5,291)		
Construction			41,329		
Other			5,915		
Total Finance Cost				41,953	
TOTAL COSTS				**1,751,901**	
PROFIT					
				399,255	
Performance Measures					
Profit on Cost%		22.79%			
Profit on GDV%		18.56%			
Profit on NDV%		18.56%			
IRR		57.51%			
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths			

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 2

Summary Appraisal for Phase 1

Currency in £

REVENUE						
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**	
Flats	1	29,873	150.00	4,480,988	4,480,988	
NET REALISATION				**4,480,988**		
OUTLAY						
ACQUISITION COSTS						
Residualised Price			(666,786)			
				(666,786)		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Flats	35,145 ft²	101 pf²	3,549,645	**3,549,645**		
Contingency		3.00%	106,489			
				106,489		
PROFESSIONAL FEES						
Professional fees		8.00%	283,972			
				283,972		
DISPOSAL FEES						
Sales, marketing and legal fees		3.50%	156,835			
				156,835		
FINANCE						
Debit Rate 6.500% Credit Rate 0.500% (Nominal)						
Land			(36,005)			
Construction			105,087			
Other			85,555			
Total Finance Cost				154,636		
TOTAL COSTS				**3,584,790**		
PROFIT						
				896,197		
Performance Measures						
Profit on Cost%		25.00%				
Profit on GDV%		20.00%				
Profit on NDV%		20.00%				
IRR		38.25%				
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths				

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 2

Summary Appraisal for Phase 1

Currency in £

REVENUE						
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	25,392	150.00	3,808,808	3,808,808
Flats AH	1	4,481	97.50	436,917	436,917
Totals	**2**	**29,873**			**4,245,725**
NET REALISATION				**4,245,725**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(1,203,384)		
				(1,203,384)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	29,873 ft²	111 pf²	3,318,890		
Flats AH	5,272 ft²	111 pf²	585,719		
Totals	**35,145 ft²**		**3,904,609**	**3,904,609**	
Contingency		3.00%	117,138		
Statutory/LA			50,000		
				167,138	
PROFESSIONAL FEES					
Professional fees		8.00%	312,369		
				312,369	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	133,308		
				133,308	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(61,706)		
Construction			119,720		
Other			85,664		
Total Finance Cost				143,677	
TOTAL COSTS				**3,457,718**	
PROFIT					
				788,006	
Performance Measures					
Profit on Cost%		22.79%			
Profit on GDV%		18.56%			
Profit on NDV%		18.56%			
IRR		44.06%			
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths			

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 2

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	25,392	170.00	4,316,649	4,316,649
Flats AH	1	4,481	110.50	495,173	495,173
Totals	**2**	**29,873**			**4,811,821**
NET REALISATION				**4,811,821**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(789,360)		
				(789,360)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	29,873 ft²	111 pf²	3,318,890		
Flats AH	5,272 ft²	111 pf²	585,719		
Totals	**35,145 ft²**		**3,904,609**	**3,904,609**	
Contingency		3.00%	117,138		
Statutory/LA			50,000		
				167,138	
PROFESSIONAL FEES					
Professional fees		8.00%	312,369		
				312,369	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	151,083		
				151,083	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(42,992)		
Construction			118,814		
Other			97,085		
Total Finance Cost				172,908	
TOTAL COSTS				**3,918,747**	
PROFIT					
				893,074	
Performance Measures					
Profit on Cost%		22.79%			
Profit on GDV%		18.56%			
Profit on NDV%		18.56%			
IRR		35.41%			
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths			

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 2

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	29,873	170.00	5,078,453	5,078,453
NET REALISATION				**5,078,453**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(241,949)		
				(241,949)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	35,145 ft²	101 pf²	3,549,645	**3,549,645**	
Contingency		3.00%	106,489		
				106,489	
PROFESSIONAL FEES					
Professional fees		8.00%	283,972		
				283,972	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	177,746		
				177,746	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(14,235)		
Construction			104,133		
Other			96,962		
Total Finance Cost				186,860	
TOTAL COSTS				**4,062,762**	
PROFIT					
				1,015,691	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		33.26%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 2

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	29,873	190.00	5,675,918	5,675,918
NET REALISATION				**5,675,918**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			167,412		
Stamp Duty		4.00%	6,696		
Agent Fee		1.00%	1,674		
Legal Fee		0.50%	837		
				176,619	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	35,145 ft²	101 pf²	3,549,645	**3,549,645**	
Contingency		3.00%	106,489		
				106,489	
PROFESSIONAL FEES					
Professional fees		8.00%	283,972		
				283,972	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	198,657		
				198,657	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			13,804		
Construction			103,179		
Other			108,369		
Total Finance Cost				225,352	
TOTAL COSTS				**4,540,734**	
PROFIT					
				1,135,184	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		30.60%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 2

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats	1	25,392	190.00	4,824,490	4,824,490
Flats AH	1	4,481	123.50	553,428	553,428
Totals	**2**	**29,873**			**5,377,918**
NET REALISATION				**5,377,918**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(377,417)		
				(377,417)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats	29,873 ft²	111 pf²	3,318,890		
Flats AH	5,272 ft²	111 pf²	585,719		
Totals	**35,145 ft²**		**3,904,609**	**3,904,609**	
Contingency		3.00%	117,138		
Statutory/LA			50,000		
				167,138	
PROFESSIONAL FEES					
Professional fees		8.00%	312,369		
				312,369	
DISPOSAL FEES					
Sales, marketing and legal fees		3.50%	168,857		
				168,857	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(22,196)		
Construction			117,909		
Other			108,507		
Total Finance Cost				204,220	
TOTAL COSTS				**4,379,776**	
PROFIT					
				998,141	
Performance Measures					
Profit on Cost%		22.79%			
Profit on GDV%		18.56%			
Profit on NDV%		18.56%			
IRR		31.25%			
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths			

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 3

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats 1	1	29,873	150.00	4,480,988	4,480,988
Flats 2	1	29,873	150.00	4,480,988	4,480,988
Totals	**2**	**59,747**			**8,961,975**
NET REALISATION				**8,961,975**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(1,465,424)		
				(1,465,424)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats 1	35,145 ft²	101 pf²	3,549,645		
Flats 2	35,145 ft²	101 pf²	3,549,645		
Totals	**70,290 ft²**		**7,099,290**	**7,099,290**	
Contingency		3.00%	212,979		
				212,979	
PROFESSIONAL FEES					
Professional fees		8.00%	567,943		
				567,943	
DISPOSAL FEES					
Marketing, sales and legal fees		3.50%	313,669		
				313,669	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(78,150)		
Construction			214,943		
Other			304,331		
Total Finance Cost				441,124	
TOTAL COSTS				**7,169,580**	
PROFIT					
				1,792,395	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		27.40%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 3

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats 1	1	25,392	150.00	3,808,808	3,808,808
Flats 2	1	25,392	150.00	3,808,808	3,808,808
Flats 1AH	1	4,481	97.50	436,917	436,917
Flats 2 AH	1	4,481	97.50	436,917	436,917
Totals	**4**	**59,746**			**8,491,449**
NET REALISATION				**8,491,449**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(2,537,735)		
				(2,537,735)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats 1	29,873 ft²	111 pf²	3,318,890		
Flats 2	29,873 ft²	111 pf²	3,318,890		
Flats 1AH	5,272 ft²	111 pf²	585,719		
Flats 2 AH	5,272 ft²	111 pf²	585,719		
Totals	**70,290 ft²**		**7,809,219**	**7,809,219**	
Contingency		3.00%	234,277		
Statutory/LA			100,000		
				334,277	
PROFESSIONAL FEES					
Professional fees		8.00%	624,738		
				624,738	
DISPOSAL FEES					
Marketing, sales and legal fees		3.50%	266,617		
				266,617	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(128,832)		
Construction			243,967		
Other			303,187		
Total Finance Cost				418,322	
TOTAL COSTS				**6,915,436**	
PROFIT					
				1,576,013	
Performance Measures					
Profit on Cost%		22.79%			
Profit on GDV%		18.56%			
Profit on NDV%		18.56%			
IRR		29.14%			
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths			

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 3

Summary Appraisal for Phase 1

Currency in £

REVENUE						
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**	
Flats 1	1	29,873	170.00	5,078,453	5,078,453	
Flats 2	1	29,873	170.00	5,078,453	5,078,453	
Totals	**2**	**59,747**			**10,156,905**	
NET REALISATION						**10,156,905**
OUTLAY						
ACQUISITION COSTS						
Residualised Price				(632,153)		
						(632,153)
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Flats 1	35,145 ft²	101 pf²	3,549,645			
Flats 2	35,145 ft²	101 pf²	3,549,645			
Totals	**70,290 ft²**		**7,099,290**			**7,099,290**
Contingency		3.00%	212,979			
						212,979
PROFESSIONAL FEES						
Professional fees		8.00%	567,943			
						567,943
DISPOSAL FEES						
Marketing, sales and legal fees		3.50%	355,492			
						355,492
FINANCE						
Debit Rate 6.500% Credit Rate 0.500% (Nominal)						
Land			(36,606)			
Construction			213,671			
Other			344,908			
Total Finance Cost						521,973
TOTAL COSTS						**8,125,524**
PROFIT						
						2,031,381
Performance Measures						
Profit on Cost%		25.00%				
Profit on GDV%		20.00%				
Profit on NDV%		20.00%				
IRR		24.96%				
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths				

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 3

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Flats 1	1	25,392	170.00	4,316,649	4,316,649
Flats 2	1	25,392	170.00	4,316,649	4,316,649
Flats 1AH	1	4,481	110.50	495,173	495,173
Flats 2 AH	1	4,481	110.50	495,173	495,173
Totals	**4**	**59,746**			**9,623,642**

NET REALISATION				**9,623,642**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			(1,726,416)	
				(1,726,416)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Flats 1	29,873 ft²	111 pf²	3,318,890	
Flats 2	29,873 ft²	111 pf²	3,318,890	
Flats 1AH	5,272 ft²	111 pf²	585,719	
Flats 2 AH	5,272 ft²	111 pf²	585,719	
Totals	**70,290 ft²**		**7,809,219**	**7,809,219**
Contingency		3.00%	234,277	
Statutory			100,000	
				334,277
PROFESSIONAL FEES				
Professional fees		8.00%	624,738	
				624,738
DISPOSAL FEES				
Marketing, sales and legal fees		3.50%	302,165	
				302,165
FINANCE				
Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			(92,860)	
Construction			242,759	
Other			343,612	
Total Finance Cost				493,512
TOTAL COSTS				**7,837,494**
PROFIT				
				1,786,148

Performance Measures

Profit on Cost%	22.79%
Profit on GDV%	18.56%
Profit on NDV%	18.56%
IRR	25.57%
Profit Erosion (finance rate 6.500%)	3 yrs 2 mths

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
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Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats 1	1	29,873	190.00	5,675,918	5,675,918
Flats 2	1	29,873	190.00	5,675,918	5,675,918
Totals	**2**	**59,747**			**11,351,835**
NET REALISATION				**11,351,835**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			181,157		
Stamp Duty		4.00%	7,246		
Agent Fee		1.00%	1,812		
Legal Fee		0.50%	906		
				191,120	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats 1	35,145 ft²	101 pf²	3,549,645		
Flats 2	35,145 ft²	101 pf²	3,549,645		
Totals	**70,290 ft²**		**7,099,290**	**7,099,290**	
Contingency		3.00%	212,979		
				212,979	
PROFESSIONAL FEES					
Professional fees		8.00%	567,943		
				567,943	
DISPOSAL FEES					
Marketing, sales and legal fees		3.50%	397,314		
				397,314	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			14,937		
Construction			212,399		
Other			385,485		
Total Finance Cost				612,822	
TOTAL COSTS				**9,081,468**	
PROFIT					
				2,270,367	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		23.54%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 3

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Flats 1	1	25,392	190.00	4,824,490	4,824,490
Flats 2	1	25,392	190.00	4,824,490	4,824,490
Flats 1AH	1	4,481	123.50	553,428	553,428
Flats 2 AH	1	4,481	123.50	553,428	553,428
Totals	**4**	**59,746**			**10,755,835**

NET REALISATION				**10,755,835**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			(919,094)	
				(919,094)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Flats 1	29,873 ft²	111 pf²	3,318,890	
Flats 2	29,873 ft²	111 pf²	3,318,890	
Flats 1AH	5,272 ft²	111 pf²	585,719	
Flats 2 AH	5,272 ft²	111 pf²	585,719	
Totals	**70,290 ft²**		**7,809,219**	**7,809,219**
Contingency		3.00%	234,277	
Statutory/LA			100,000	
				334,277
PROFESSIONAL FEES				
Professional fees		8.00%	624,738	
				624,738
DISPOSAL FEES				
Marketing, sales and legal fees		3.50%	337,714	
				337,714
FINANCE				
Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			(52,890)	
Construction			241,552	
Other			384,037	
Total Finance Cost				572,699
TOTAL COSTS				**8,759,552**
PROFIT				
				1,996,283

Performance Measures

Profit on Cost%	22.79%
Profit on GDV%	18.56%
Profit on NDV%	18.56%
IRR	23.53%
Profit Erosion (finance rate 6.500%)	3 yrs 2 mths

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 4

Summary Appraisal for Phase 1

Currency in £

REVENUE						
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**	
Flats 1	1	39,819	150.00	5,972,865	5,972,865	
Flats 2	1	39,819	150.00	5,972,865	5,972,865	
Flats 3	1	39,819	150.00	5,972,865	5,972,865	
Totals	**3**	**119,457**			**17,918,595**	
NET REALISATION				**17,918,595**		
OUTLAY						
ACQUISITION COSTS						
Residualised Price			(3,386,288)			
				(3,386,288)		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Flats 1	46,846 ft²	101 pf²	4,731,446			
Flats 2	46,846 ft²	101 pf²	4,731,446			
Flats 3	46,846 ft²	101 pf²	4,731,446			
Totals	**140,538 ft²**		**14,194,338**	**14,194,338**		
Contingency		3.00%	425,830			
				425,830		
PROFESSIONAL FEES						
Professional fees		8.00%	1,135,547			
				1,135,547		
DISPOSAL FEES						
Marketing, sales and legal fees		3.50%	627,151			
				627,151		
FINANCE						
Debit Rate 6.500% Credit Rate 0.500% (Nominal)						
Land			(177,499)			
Construction			436,909			
Other			1,078,888			
Total Finance Cost				1,338,298		
TOTAL COSTS				**14,334,876**		
PROFIT						
				3,583,719		
Performance Measures						
Profit on Cost%		25.00%				
Profit on GDV%		20.00%				
Profit on NDV%		20.00%				
IRR		19.32%				
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths				

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 4

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Flats 1	1	33,846	150.00	5,076,923	5,076,923
Flats 2	1	33,846	150.00	5,076,923	5,076,923
Flats 3	1	33,846	150.00	5,076,923	5,076,923
Flats 1 AH	1	5,973	97.50	582,363	582,363
Flats 2 AH	1	5,973	97.50	582,363	582,363
Flats 3 AH	1	5,973	97.50	582,363	582,363
Totals	**6**	**119,457**			**16,977,855**

NET REALISATION				**16,977,855**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			(5,527,014)	
				(5,527,014)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Flats 1	39,819 ft²	111 pf²	4,423,891	
Flats 2	39,819 ft²	111 pf²	4,423,891	
Flats 3	39,819 ft²	111 pf²	4,423,891	
Flats 1 AH	7,027 ft²	111 pf²	780,700	
Flats 2 AH	7,027 ft²	111 pf²	780,700	
Flats 3 AH	7,027 ft²	111 pf²	780,700	
Totals	**140,538 ft²**		**15,613,772**	**15,613,772**
Contingency		3.00%	468,413	
Statutory/LA			200,000	
				668,413
PROFESSIONAL FEES				
Professional fees		8.00%	1,249,102	
				1,249,102
DISPOSAL FEES				
Marketing, sales and legal fees		3.50%	533,077	
				533,077
FINANCE				
Debit Rate 6.500% Credit Rate 0.500% (Nominal)				
Land			(276,338)	
Construction			494,580	
Other			1,071,180	
Total Finance Cost				1,289,422
TOTAL COSTS				**13,826,771**
PROFIT				
				3,151,084
Performance Measures				
Profit on Cost%		22.79%		
Profit on GDV%		18.56%		
Profit on NDV%		18.56%		
IRR		19.71%		
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths		

APPRAISAL SUMMARY DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 4

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats 1	1	39,819	170.00	6,769,247	6,769,247
Flats 2	1	39,819	170.00	6,769,247	6,769,247
Flats 3	1	39,819	170.00	6,769,247	6,769,247
Totals	**3**	**119,457**			**20,307,741**
NET REALISATION				**20,307,741**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(1,778,540)		
				(1,778,540)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats 1	46,846 ft²	101 pf²	4,731,446		
Flats 2	46,846 ft²	101 pf²	4,731,446		
Flats 3	46,846 ft²	101 pf²	4,731,446		
Totals	**140,538 ft²**		**14,194,338**	**14,194,338**	
Contingency		3.00%	425,830		
				425,830	
PROFESSIONAL FEES					
Professional fees		8.00%	1,135,547		
				1,135,547	
DISPOSAL FEES					
Marketing, sales and legal fees		3.50%	710,771		
				710,771	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(99,812)		
Construction			435,319		
Other			1,222,740		
Total Finance Cost				1,558,247	
TOTAL COSTS				**16,246,193**	
PROFIT					
				4,061,548	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		18.22%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 4

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats 1	1	33,846	170.00	5,753,846	5,753,846
Flats 2	1	33,846	170.00	5,753,846	5,753,846
Flats 3	1	33,846	170.00	5,753,846	5,753,846
Flats 1 AH	1	5,973	110.50	660,011	660,011
Flats 2 AH	1	5,973	110.50	660,011	660,011
Flats 3 AH	1	5,973	110.50	660,011	660,011
Totals	**6**	**119,457**			**19,241,569**
NET REALISATION				**19,241,569**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(3,962,725)		
				(3,962,725)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats 1	39,819 ft²	111 pf²	4,423,891		
Flats 2	39,819 ft²	111 pf²	4,423,891		
Flats 3	39,819 ft²	111 pf²	4,423,891		
Flats 1 AH	7,027 ft²	111 pf²	780,700		
Flats 2 AH	7,027 ft²	111 pf²	780,700		
Flats 3 AH	7,027 ft²	111 pf²	780,700		
Totals	**140,538 ft²**		**15,613,772**	**15,613,772**	
Contingency		3.00%	468,413		
Statutory/LA			200,000		
				668,413	
PROFESSIONAL FEES					
Professional fees		8.00%	1,249,102		
				1,249,102	
DISPOSAL FEES					
Marketing, sales and legal fees		3.50%	604,154		
				604,154	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(209,453)		
Construction			493,071		
Other			1,214,003		
Total Finance Cost				1,497,621	
TOTAL COSTS				**15,670,337**	
PROFIT					
				3,571,233	
Performance Measures					
Profit on Cost%		22.79%			
Profit on GDV%		18.56%			
Profit on NDV%		18.56%			
IRR		18.23%			
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths			

APPRAISAL SUMMARY — DTZ DEBENHAM TIE LEUNG LTD

Bradford City Centre AAP
Scheme 4

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats 1	1	33,846	190.00	6,430,769	6,430,769
Flats 2	1	33,846	190.00	6,430,769	6,430,769
Flats 3	1	33,846	190.00	6,430,769	6,430,769
Flats 1 AH	1	5,973	123.50	737,659	737,659
Flats 2 AH	1	5,973	123.50	737,659	737,659
Flats 3 AH	1	5,973	123.50	737,659	737,659
Totals	**6**	**119,457**			**21,505,283**
NET REALISATION				**21,505,283**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(2,405,858)		
				(2,405,858)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats 1	39,819 ft²	111 pf²	4,423,891		
Flats 2	39,819 ft²	111 pf²	4,423,891		
Flats 3	39,819 ft²	111 pf²	4,423,891		
Flats 1 AH	7,027 ft²	111 pf²	780,700		
Flats 2 AH	7,027 ft²	111 pf²	780,700		
Flats 3 AH	7,027 ft²	111 pf²	780,700		
Totals	**140,538 ft²**		**15,613,772**	**15,613,772**	
Contingency		3.00%	468,413		
Statutory/LA			200,000		
				668,413	
PROFESSIONAL FEES					
Professional fees		8.00%	1,249,102		
				1,249,102	
DISPOSAL FEES					
Marketing, sales and legal fees		3.50%	675,231		
				675,231	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(135,145)		
Construction			491,563		
Other			1,356,827		
Total Finance Cost				1,713,244	
TOTAL COSTS				**17,513,904**	
PROFIT					
				3,991,380	
Performance Measures					
Profit on Cost%		22.79%			
Profit on GDV%		18.56%			
Profit on NDV%		18.56%			
IRR		17.29%			
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths			

APPRAISAL SUMMARY **DTZ DEBENHAM TIE LEUNG LTD**

Bradford City Centre AAP
Scheme 4

Summary Appraisal for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Flats 1	1	39,819	190.00	7,565,629	7,565,629
Flats 2	1	39,819	190.00	7,565,629	7,565,629
Flats 3	1	39,819	190.00	7,565,629	7,565,629
Totals	**3**	**119,457**			**22,696,887**
NET REALISATION				**22,696,887**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			(181,615)		
				(181,615)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Flats 1	46,846 ft²	101 pf²	4,731,446		
Flats 2	46,846 ft²	101 pf²	4,731,446		
Flats 3	46,846 ft²	101 pf²	4,731,446		
Totals	**140,538 ft²**		**14,194,338**	**14,194,338**	
Contingency		3.00%	425,830		
				425,830	
PROFESSIONAL FEES					
Professional fees		8.00%	1,135,547		
				1,135,547	
DISPOSAL FEES					
Marketing, sales and legal fees		3.50%	794,391		
				794,391	
FINANCE					
Debit Rate 6.500% Credit Rate 0.500% (Nominal)					
Land			(11,303)		
Construction			433,730		
Other			1,366,592		
Total Finance Cost				1,789,018	
TOTAL COSTS				**18,157,510**	
PROFIT					
				4,539,377	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
Profit on NDV%		20.00%			
IRR		17.51%			
Profit Erosion (finance rate 6.500%)		3 yrs 6 mths			

Appendix 5 Commercial appraisal results

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**
One City Park	1	45,900	15.00	688,500	688,500
Two City Park	1	27,200	15.00	408,000	408,000
Totals	**2**	**73,100**			**1,096,500**
Investment Valuation					
One City Park					
Market Rent	688,500	YP @	8.0000%	12.5000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	8.0000%	0.8250	7,099,938
Two City Park					
Market Rent	408,000	YP @	8.0000%	12.5000	
(2yrs 6mths Rent Free)		PV 2yrs 6mths @	8.0000%	0.8250	4,207,371
					11,307,309
GROSS DEVELOPMENT VALUE				**11,307,309**	
Purchaser's Costs		5.80%	(655,824)		
				(655,824)	
NET DEVELOPMENT VALUE				**10,651,485**	
NET REALISATION				**10,651,485**	
OUTLAY					
ACQUISITION COSTS					
Town Planning			100,000		
				100,000	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
One City Park	54,000 ft²	135 pf²	7,290,000		
Two City Park	32,000 ft²	135 pf²	4,320,000		
Totals	**86,000 ft²**		**11,610,000**	**11,610,000**	
Contingency		3.00%	348,300		
				348,300	
PROFESSIONAL FEES					
professional fees		10.00%	1,161,000		
				1,161,000	
MARKETING & LETTING					
Letting Agent Fee		10.00%	109,650		
Letting Legal Fee		5.00%	54,825		
				164,475	
DISPOSAL FEES					
Sales Agent Fee		1.00%	106,515		
Sales Legal Fee		0.25%	26,629		
				133,144	
FINANCE					
Debit Rate 6.750% Credit Rate 0.000% (Nominal)					
Construction			396,388		
Total Finance Cost				396,388	
TOTAL COSTS				**13,913,307**	
PROFIT					
				(3,261,822)	
Performance Measures					
Profit on Cost%		(23.44)%			
Profit on GDV%		(28.85)%			
Profit on NDV%		(30.62)%			
Development Yield% (on Rent)		7.88%			

Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
IRR	(38.18)%
Rent Cover	-2 yrs -12 mths
Profit Erosion (finance rate 6.750%)	N/A