DEVELOPMENT VIABILITY · BOARD PAPER

Board Paper — Harbour Lane

SCHEME	PLANNING AUTHORITY	VERSION	PREPARED BY
Harbour Lane	Manchester E08000003	Planning submission	Eleanor Hartley

DATE
23 Oct 2026

SURPLUS / (DEFICIT)	NPV	IRR (ANNUAL)
£297,632 Surplus	£255,860	35.9%

TOTAL REVENUE	TOTAL COST	DEVELOPER RETURN
£13,710,543	£10,887,152	£2,032,516

Purpose and recommendation

This paper asks the board to note the appraisal of Harbour Lane, which shows a surplus of £297,632 at the version “Planning submission”.

Scheme overview

Harbour Lane has 48 homes and 4,064 m^2 of floor space (GIA). It completes in month 26 (November 2028). This is the version “Planning submission”, run on engine 1.2.0.

Financial appraisal

The appraisal shows a surplus of £297,632. The NPV is £255,860 and the annual IRR is 35.9%. Each figure comes from the assumptions pinned to this version.

Measure	Value
Surplus / (Deficit)	£297,632
NPV	£255,860
IRR (annual)	35.9%
MIRR (annual)	22.6%
Total revenue	£13,710,543

Measure	Value
Total cost	£10,887,152
Total interest	£493,243
Developer return	£2,032,516
Completes in	month 26 (November 2028)
Homes	48
Total GIA (m^2)	4,064

Sensitivity

At base the surplus is £297,632. It first turns to a deficit at capital values −5%, giving (£291,079) and at build cost +5%, giving (£183,929).

A residual is a large revenue less a large cost. So a small change in either moves it a long way.

Assumptions

Each figure below is pinned to this version. Each one has a note giving its source. The report gives the same figures even if the library changes later.

Assumption	Value	Confidence	Effective from	Source
Affordable rent, share of market rent	80.00%	published	1 April 2011	1
Community Infrastructure Levy	£0/m^2	derived	6 April 2010	2
Contingency	5.00%	estimated	1 April 2026	3
Professional fees	8.00%	estimated	1 April 2026	4
Interest earned on cash	0.00%	estimated	1 April 2026	5
Development finance rate	7.00%	derived	1 April 2026	6
Stamp duty (non-residential)	0% to £150,000; 2% to £250,000; 5% above	published	17 March 2016	7
Affordable rent yield	5.00%	derived	1 April 2026	8
Shared ownership yield	5.25%	derived	1 April 2026	9

Stamp duty (SDLT) on the land is charged at England and Northern Ireland rates. Scotland (LBTT) and Wales (LTT) are not modelled.

Sign-off

Actor	Role	Signed at	Note
Priya Raman	Development director	23 Oct 2026, 14:40 BST	Demonstration sign-off on invented figures.

Citations

1 Affordable rent, share of market rent (`affordable_rent.pct_of_market`) = 80.00% — "MHCLG — Policy statement on rents for social housing", effective 1 April 2011, confidence: published, v1. cited p. 2

2 Community Infrastructure Levy (`cil.rate_per_m2`) = £0/m^2 — "Manchester City Council — planning obligations (no adopted CIL charging schedule)", effective 6 April 2010, confidence: derived, v1. cited p. 2

3 Contingency (`contingency.pct_default`) = 5.00% — "Contingency default (5% of build cost) — industry appraisal convention", effective 1 April 2026, confidence: estimated, v1. cited p. 2

4 Professional fees (`fees.pct_default`) = 8.00% — "Professional fees default (8% of build cost) — industry appraisal convention", effective 1 April 2026, confidence: estimated, v1. cited p. 2

5 Interest earned on cash (`finance.credit_rate`) = 0.00% — "Default credit interest rate on positive balances (appraisal convention)", effective 1 April 2026, confidence: estimated, v1. cited p. 2

6 Development finance rate (`finance.debit_rate`) = 7.00% — "Derived development finance debit rate (SONIA plus senior debt margin)", effective 1 April 2026, confidence: derived, v1. cited p. 2

7 Stamp duty (non-residential) (`sdlt.nonresidential_bands`) = 0% to £150,000; 2% to £250,000; 5% above — "HMRC — Stamp Duty Land Tax: non-residential and mixed use land and property rates", effective 17 March 2016, confidence: published, v1. cited p. 2

8 Affordable rent yield (`yields.AR`) = 5.00% — "Derived all-risks yield — Affordable Rent (UK investment market evidence)", effective 1 April 2026, confidence: derived, v1. cited p. 2

9 Shared ownership yield (`yields.SO`) = 5.25% — "Derived capitalisation yield — Shared Ownership rental element (UK market evidence)", effective 1 April 2026, confidence: derived, v1. cited p. 2