



HIGH ROAD WEST

HYBRID PLANNING APPLICATION

FINANCIAL VIABILITY ASSESSMENT REDACTED – FOR PUBLICATION

PREPARED FOR LENDLEASE (HIGH ROAD WEST) LIMITED BY DS2 LLP

28 OCTOBER 2021

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1. FINANCIAL VIABILITY ASSESSMENT

1.1 INTRODUCTION

- 1.1.1.1 This Financial Viability Assessment ('FVA') has been prepared by DS2 on behalf of Lendlease (High Road West) Limited ('the Applicant') to robustly examine the financial viability of the proposals for the High Road West development (hereafter 'HRW'). HRW is located in Tottenham, within the London Borough of Haringey ('LBH'). HRW is situated to the west of the High Road, the Tottenham Hotspur stadium and to the east of the railway line (including White Hart Lane Station) and divided into north and south sections by White Hart Lane.
- 1.1.1.2 This assessment is submitted in support of a hybrid planning application (hereafter 'the Proposed Development') which is to be submitted by DP9 on behalf of the Applicant.
- 1.1.1.3 DS2 is instructed to test the maximum level of affordable housing and additional financial obligations, which can be supported by the Proposed Development without impeding the viability of the project and the chances of delivery.
- 1.1.1.4 The following report has been collated in accordance with policy requirements including:
- National Planning Policy Framework / Guidance (2021)
 - The London Plan (2021)
 - The Homes for Londoners: Affordable Housing and Viability Supplementary Planning Guidance (2017)
 - Better homes for local people The Mayor's Good Practice Guide to Estate Regeneration (2018)
 - London Borough of Haringey's Local Plan Strategic Policies (March 2013, with consolidated alterations (2017)
 - London Borough of Haringey's Development Management DPD (July 2017)
 - Tottenham Area Action Plan (July 2017)
 - London Borough of Haringey's Housing Strategy 2017-2022
- 1.1.1.5 DS2 can confirm that our instruction is not on a contingent fee or success related basis. The report is an objective and impartial view on the development viability of the Proposed Development.

- 1.1.1.6 The report also adheres to the RICS Professional Statement on Financial Viability in Planning, published in May 2019 and effective from September 2019, and the RICS Guidance Note 'Assessing Viability in Planning under the National Planning Policy Framework 2019 for England' published in March 2021.
- 1.1.1.7 ARGUS Developer has been used to demonstrate the project's financial viability. This is commercially available and widely used development appraisal software. It is considered appropriate to assess a development of this type because of its ability to accurately model development timings and cash flows. The use of ARGUS Developer has previously been accepted by LBH for viability testing.
- 1.1.1.8 To inform the report, information prepared by the following independent consultants has been relied upon:
- DP9 – Planning Consultants
 - Rider Levett Bucknall – Cost Advisors
 - CBRE – CPO Advisors ¹
 - Gleeds - Infrastructure Costs Advisors
 - Studio Egret West – Architects
 - Pollard Thomas Edwards – Architects
- 1.1.1.9 This FVA has been structured as follows:
- Site Description – summary of the location and nature of the existing asset;
 - Development proposals – review and description of the Proposed Development;
 - Planning policy – review of the key national, regional, and local planning policies concerning the delivery of affordable housing and financial viability;
 - Viability methodology – description of the methodology employed within the wider context of best practice for FVAs;
 - Development timings – description of the proposed programme subject to a satisfactory planning consent being obtained;
 - Development value – review of the residential values alongside any additional revenue streams that comprise the scheme Gross Development Value ('GDV');

¹ CBRE are advising Haringey who are part of the JV on the acquisition of the existing site

- Development costs – review of the development costs for the proposed project;
- Site Value – analysis in relation to the proposed Site Value / Benchmark Land Value for the financial appraisal;
- Appraisal results and Sensitivity Testing – summary of the financial appraisal outputs and supplementary results of scenario and sensitivity testing;
- Conclusions – statement with the formal affordable housing offer and concluding rationale.

1.1.1.10 The appraisals and figures in this FVA do not represent formal 'Red Book' valuations and should not be relied upon as such. This report has been prepared to accompany the planning application for the purposes of Section 106 discussions only and should only be used for the consideration of these matters.

1.1.1.11 This report is reliant upon market evidence. Readers should be mindful that market evidence is subject to variation over time and if this report is older than six months from the date issued, a summary update is advisable.

1.2 SITE DESCRIPTION

1.2.1 SITE LOCATION

1.2.1.1 HRW is located in Tottenham in the LBH. HRW is situated to the west of the High Road and to the east of the railway line (including White Hart Lane Station). It is divided to the north and south by White Hart Lane. There is a plot to the west of the railway line which is included within the planning application red line boundary.

1.2.1.2 The red line plan for HRW is shown below, with the red line delineating the outline planning application boundary (the 'Outline Proposals') and blue shading showing the detailed application on Plot A. Together, these are read as the Proposed Development. A site location plan is also included at Appendix 1.



Figure 1: High Road West, Tottenham, Site Plan

1.2.2 EXISTING SITE DESCRIPTION

- 1.2.2.1 HRW comprises 8.57ha of mixed-uses in Tottenham, including the Love Lane Estate ('the Estate'), industrial uses, and further residential and retail. The smaller plot to the west of the railway tracks, comprises Whitehall Lodge and the Whitehall and Tenterden Community Centre (site photos are included at Appendix 2).
- 1.2.2.2 To the south of White Hart Lane is the Estate, which comprises 297 residential properties located within nine buildings. The Estate varies in height with low-rise four storey blocks alongside three 10-storey towers. There are several terraced buildings along the High Road which sit outside of the Estate but within the application red line, which include commercial and residential uses.
- 1.2.2.3 The north of HRW is characterised by a mix of light industrial and commercial buildings within the Peacock Industrial Estate and Carbery Enterprise Park. To the east of the Peacock Industrial Estate is the Goods Yard site, which has previously been used in conjunction with the redevelopment of Tottenham Hotspurs FC's (THFC) Stadium and predominantly comprises cleared land. It currently has a temporary planning permission for 18 months for use as a car park (Ref: HGY/2020/3001) in conjunction with the Stadium. The Grange Community Hub and the Station Master's House are also included within this parcel of HRW with the Station Master's Housing being locally listed.
- 1.2.2.4 The Depot site sits to the far north of HRW on the boundary with the Cannon Road development. It currently comprises a large two-storey retail store occupied by B&M together with five small retail units and surface carpark. Within this parcel is 867 – 869 High Road, which is Grade II Listed.
- 1.2.2.5 Both the Goods Yard and Depot sites benefit from extant planning permissions (Refs: HGY/2018/0187 and HGY/2019/2929) which have been taken into consideration as part of the Application and are reflected in the parameter plans accompanying the Application to ensure consistency between such schemes and the Proposed Development should the owner of those sites implement the extant planning permissions independently of the Proposed Development. An application for full planning permission for both the Goods Yard and Depot sites was recently submitted in June 2021 (HGY/2021/1771) for a residential-led mixed-use development.
- 1.2.2.6 Along the eastern boundary, a development at 807 High Road (Ref: HGY/2021/0441) has recently been granted permission. That development straddles HRW's planning application red line boundary and the parameter plans for HRW have incorporated the development of 807 High Road insofar as it relates to the Proposed Development.

- 1.2.2.7 A planning application (Ref: HGY/2021/2283) has been submitted for the Printworks on the High Road. The Printworks' planning application red line boundary overlaps the Proposed Development's planning application red line boundary. The parameter plans for HRW would allow the Printworks development insofar as it relates to HRW. The consistency of Proposed Development parameters to the Printworks proposals should allow the Printworks scheme (if granted) to be brought forward independently of HRW.
- 1.2.2.8 The remainder of north of HRW comprises a range of properties along the High Road. These are characterised by a series of low-rise Victorian terraces with ground floor retail units with residential accommodation above.
- 1.2.2.9 A summary of the existing areas is provided below:

Table 1: Existing Land Use Summary, HRW, October 2021		
Land Use	Existing Land Use GIA (sqm) ²	Existing Land Use GEA (sqm)
Use Class B2: Industrial	9,818sqm	10,800sqm
Use Class B8: Industrial	864sqm	950sqm
TOTAL USE CLASS B:	10,682sqm	11,750sqm
Use Class C3: Residential	31,109sqm	34,220sqm
Use Class C2: Institutional Accommodation	879sqm	967sqm
TOTAL USE CLASS C:	31,988sqm	35,187sqm
Use Class E (a): Retail other than hot food	8,236sqm	9,060sqm
Use Class E (b): Sale of food and drink mainly for consumption on premise	3,759sqm	4,135sqm
Use Class E (e): Medical or healthcare	818sqm	900sqm
Use Class E (g): offices for operational or administrative functions, R+D of products or processes, industrial processes	1,627sqm	1790sqm
TOTAL USE CLASS E:	14,440sqm	15,885sqm
Use Class F1 (d): Public Libraries or reading rooms	455sqm	500sqm
Use Class F1 (f): public places of worship	595sqm	655sqm
Use Class F2 (b): local community halls	1,023sqm	1125sqm
TOTAL USE CLASS F:	2,073sqm	2,280sqm
Sui Generis: Public House	1,086sqm	1,195sqm
Sui Generis: Sub Station	86sqm	95sqm
TOTAL USE SUI GENERIS:	1,172sqm	1,290sqm
TOTAL:	60,355sqm	66,392sqm

² Assumes a factor of 1.1

1.2.3 OWNERSHIP

- 1.2.3.1 The south of HRW is predominantly in LBH's ownership, while the Goods Yard and Depot sites are owned by THFC. The remaining ownership titles consist of a range of individual freeholders and leaseholders which will need to be acquired, with the intention to buy by agreement, although ultimately LBH could use compulsory purchase orders (CPOs) if they choose to use such statutory powers.
- 1.2.3.2 The titles and ownerships are explained further in Section 9 and it is important to note that the pre-planning value of the Site, referred to throughout this report as the Benchmark Land Value ('BLV') is not straightforward given the range of interests. DS2 have engaged with the Council and their viability advisors, BNPPRE, in order to attempt to reach a robust agreement in an expedient manner on the underlying value on an Existing Use Value ('EUUV') basis.

1.2.4 HISTORIC CONTEXT

- 1.2.4.1 Northumberland Park ward is one of the most economically deprived in Haringey, indeed within the country, and there are low levels of economic activity, high levels of unemployment and relatively low household incomes. The ward is ethnically diverse, and the area has been subject to social unrest.
- 1.2.4.2 The Council engaged with communities in the local area which in turn informed the Tottenham Strategic Regeneration Framework ('SRF') which was published in 2014 and provides a series of strategies focused on employment, housing, education, health, environment, and community to guide the regeneration of the area.
- 1.2.4.3 The Tottenham SRF cites Northumberland Park as being the first area for estate renewal and subsequently Cabinet Members delegated powers to officers to initiate a consultation in respect of a High Road West masterplan which resulted in several milestones, including a successful bid for Housing Zone funding to the GLA in 2017.
- 1.2.4.4 Since then, the masterplan proposals have evolved, and the High Road West planning strategy will seek to deliver a range of public benefits including a minimum of 35 percent affordable housing by unit and a commitment to increase this where possible through a viability review process over the lifetime of the development.
- 1.2.4.5 The Proposed Development was presented to existing tenants of the Estate in the Landlord Offer, which also set out the rehousing options for existing tenants, both within the Proposed Development and wider area if desired by residents. Eligible residents were able to vote for or against the proposals in the resident's ballot, which took place in September 2021, with residents voting by majority to approve the offer.

- 1.2.4.6 As part of the Landlord Offer all existing secure council tenants and non-secure council tenants will be offered as social rent home at rents similar to the current council rents on the Estate but guaranteed to be no more than 10% above the average existing Estate rent levels for the respective property type. The Landlord Offer ensures that all existing resident leaseholders will be offered a Shared Equity unit. Provision for rehoming all eligible residents as promised in the Landlord Offer has been included in the unit and tenure mix of the Illustrative Scheme as set out further in Section 3.

1.3 DEVELOPMENT PROPOSALS

1.3.1 PROPOSED DEVELOPMENT

- 1.3.1.1 A hybrid application is being submitted on behalf of the Applicant for the redevelopment of HRW. The development description is included below:
- 1.3.1.2 *“Hybrid Planning application seeking permission for 1) outline component comprising the demolition of existing buildings and for the creation of a new mixed-use development including residential (Use Class C3), commercial, business and service (Use Class E), leisure (Use Class E), community uses (Use Class F1/F2) and Sui Generis uses together with the creation of a new public square, park and associated access, parking and public realm works with matters of layout, scale, appearance, landscaping and access within the site reserved for subsequent approval and 2) detailed component comprising Plot A including the demolition of existing buildings and the creation of 60 residential units (Use Class C3) together with landscaping, parking and other associated works.”*
- 1.3.1.3 The submission includes a detailed planning application for Plot A, with outline application for the remainder of HRW.

1.3.2 OUTLINE PROPOSALS

- 1.3.2.1 The Outline Proposals seek to set minimum and maximum development parameters.
- 1.3.2.2 To test and validate the Outline Proposals, an Illustrative Scheme showing the potential location of buildings, uses and open spaces has been produced. This scheme has been used in the Environmental Impacts Assessment (EIA) for the Proposed Development.
- 1.3.2.3 The Illustrative Scheme lies within the Outline Proposal parameters and comprises the proposed scheme on which this FVA is based. The Illustrative Scheme is not a design template or submitted for approval; it represents one possible way the principles as defined in the submitted planning documents could be interpreted, achieved, and developed into a design.
- 1.3.2.4 An area schedule has been compiled to demonstrate the Illustrative Scheme. The schedule is attached at Appendix 3. The table below summarises the Illustrative Scheme, as well as demonstrating the maximum and minimum Outline Proposal parameters.

Table 2: Proposed Development Summary, HRW, October 2021

Land Use	Minimum GEA (sqm)	Maximum GEA (sqm)	Illustrative GEA (sqm)
Use Class B2: Industrial	0	7,000	0
Use Class B8: Storage and Distribution	0	1,000	0
Total Use Class B	0	8,000	0
Use Class C3: Residential	235,000	280,000	245,685
Total Use Class C	235,000	280,000	245,685
Use Class E(a): Retail other than hot food	4,000	7,800	4,934
Use Class E(b): Sale of food and drink mainly for consumption on premises			
Use Class E(c): Commercial, professional (other than medical) or financial services			
Use Class E(d): Indoor sports, recreation or fitness	500	4,000	3,200
Use Class E(e): Medical or healthcare	0	1,000	0
Use Class E(f): creche, day nursery or centre	0	2,000	0
Use Class E(g): offices for operational or administrative functions, R+D of products or processes, industrial processes	1,525	7,200	4,788
Total Use Class E	6,025	22,000	12,922
Use Class F1(d): Public libraries or reading rooms	500	3,500	1,415
Use Class F1(e): Public halls or exhibition halls			
Use Class F1(f): Public places of worship	0	0	655
Use Class F2(b): local community halls	500	2,500	927
Total Use Class F	1,000	6,000	2,997
Sui Generis: Energy Centre	200	1,800	1,700
Sui Generis: Public House	0	3,000	0
Sui Generis: Sub Station	0	500	0
Sui Generis: Cinema	0	3,000	0
Total Sui Generis	200	8,300	1,700
Residential Car Parking	4,000	15,000	7,865
Total	246,225	339,300	271,169

1.3.2.5 In summary, the Illustrative Scheme comprises:

- 245,685sq m GEA of C3 Residential accommodation
- 7,865 sqm GEA of car parking space
- 12,922 sqm GEA of use class E commercial space
- 2,997 sqm GEA of use class F commercial space
- 1,700 sqm GEA of energy centre

- 1.3.2.6 The Proposed Development comprises a residential led mixed use estate regeneration project which will include the replacement of the existing council homes along with additional affordable and private housing provision, together with new commercial property provision, public park, and a public square. Alongside this, the Proposed Development provides significant public realm improvement through landscaping and realignment of highways and pedestrian routes to create a vibrant environment for residents of HRW and the local community.
- 1.3.2.7 As discussed, the Illustrative Scheme is indicative only and the future form of the development will be defined by way of Reserved Matters Applications (RMAs).

1.3.3 DETAILED PROPOSALS

- 1.3.3.1 The Detailed Proposal comprises Plots A1, A2 and A3, which provide 6,788 sqm GIA of C3 residential accommodation comprising 60 units. These units are proposed to come forward as social rent units for existing council tenants of the Estate.
- 1.3.3.2 The headline residential development areas for Plot A are provided below:

Table 3: Summary of Detailed Proposals Residential Development Areas, HRW, October 2021		
Building	NIA sqm	NIA sqft
Block A1	2,142	23,056
Block A2	1,262	13,584
Block A3	1,039	11,184
TOTAL	4,443	47,824

1.3.4 RESIDENTIAL COMPONENT

- 1.3.4.1 The scheme-wide residential area schedule (NIA) is attached at Appendix 3.
- 1.3.4.2 The Applicant is committed to delivering 35% affordable housing by unit as a minimum provision across the entire site. However, the target is to deliver 40% affordable housing by unit across HRW subject to viability and future as yet unsecured grant funding. Phase A (the part of HRW to the south of White Hart Lane) shall deliver 40% affordable housing by unit calculation. This commitment has been presented through consultation and the residents' ballot and is encapsulated in the Applicant's Development Agreement with LBH.

- 1.3.4.3 The Illustrative Scheme proposes to deliver 2,612 homes of which 1,696 will be for market sale comprising a mix of studio, one, two and three-bedroom apartments. The Illustrative Scheme offers 916 Affordable Housing units which is equivalent to 35% by unit and 40% by habitable room. The tenure split by unit is weighted 55% social rent, and 45% intermediate.
- 1.3.4.4 The intermediate units are proposed as shared ownership. However, under the Landlord Offer existing resident leaseholders of the Estate can take up the option for a shared equity unit based on the value of their current property against the value of a new home in the Proposed Development that suits their requirements. The resident leaseholders have the alternative option of seeking a property elsewhere rather than on the regenerated estate and therefore the final number of shared equity units is uncertain at this stage. DS2 understand there could be up to 46 shared equity units. As the final number of shared equity units, their unit size and the individual equity agreements are unknown at this stage (all of which impact a shared equity unit's value), for simplicity, the FVA has referred to all intermediate units as shared ownership.
- 1.3.4.5 The 2,612 residential homes are distributed throughout HRW and will provide high quality residential accommodation. In total there are 27 blocks of accommodation, as per the below parameter plan:



Figure 3: Illustrative Scheme Parameter Plan

1.3.4.6 The Illustrative Scheme unit mix is provided below:

Table 4: Residential Indicative Mix, HRW, October 2021					
	Market Housing		Affordable Housing		Total
	Market Sale	Shared Ownership	Social Rent		
Units	1,676	416	500		2,612
% of Units	65.0%	15.9%	19.1%		
% of affordable units		45.4%	54.6%		
Total Units	1,696	916			2,612
Total % Units	64.9%	35.1%			

1.3.4.7 All existing social rented homes are being replaced, with the detailed component which comprises Plot A bringing forward the reprovion of 60 social rent homes in the first phase. All existing leaseholders will be offered a shared equity home as part of the Landlord Offer. However as discussed above for the purposes of this FVA all intermediate tenure units have been modelled as shared ownership.

- 1.3.4.8 All residential accommodation will accord as a minimum with the GLA's Housing Quality and Standards as required by the London Plan. The proposals will deliver private outdoor amenity space and incorporate play-spaces.
- 1.3.4.9 Car parking is provided within the Outline Proposals incorporating the following reprovision required for existing residents:

Type	Existing	Proposed
On-Street	254	69
Private	128	9
Total	382	75

- 1.3.4.10 For all other plots a minimum reprovision of 3% accessible parking will be provided. Across the Outline Proposals an additional 7% accessible parking spaces will be identified for provision.

Across the Illustrative Scheme 5,198 cycle spaces are proposed for the residential and commercial uses including both long and short-stay spaces.

1.3.5 RESIDENTIAL UNIT MIX

- 1.3.5.1 The residential unit mix by tenure is tabulated below:

	Number of Units	% Proposed	Combined % Proposed	% Unit Mix Wheelchair
Market				
Studio	85	5%	5%	10%
1 Bed 2p	622	37%	40%	
1 Bed 2pwch	56	3%		
2 Bed 3p	279	16%	45%	
2 Bed 3pwch	89	5%		
2 Bed 4p	396	23%		
3 Bed 5p	139	8%	10%	
3 Bed 5pwch	30	2%		
TOTAL	1,696	100%		

Social Rent				
1 Bed 2p	45	9%	11%	21%
1 Bed 2pwch	10	2%		
2 Bed 3p	133	27%	45%	
2 Bed 3pwch	30	6%		
2 Bed 4p	62	12%		
3 Bed 4p	56	11%	33%	
3 Bed 5p	99	20%		
3 Bed 5pwch	10	2%		
4 Bed 5p	30	6%	11%	
4 Bed 6p	25	5%		
TOTAL	500	100%		
Shared Ownership*				
1 Bed 2p	115	28%	30%	10%
1 Bed 2pwch	11	3%		
2 Bed 3p	68	16%	60%	
2 Bed 3pwch	24	6%		
2 Bed 4p	157	38%		
3 Bed 4p	35	8%	10%	
3 Bed 5pwch	7	2%		
TOTAL	416	100%		

**includes the shared equity provision under the Landlord Offer*

1.3.5.2 As can be seen from Table 7, the unit mix across the affordable tenures aligns with the policy requirements as set out in Annex C of LBH's Housing Strategy (2017-2022).

Table 7: Comparison of Policy and Proposed Unit Mix on a Unit basis, HRW, October 2021					
Tenure		1 Bed	2 Bed	3 Bed	4 Bed
Low Cost Rent	Policy	11%	45%	33%	11%
	Proposed	11%	45%	33%	11%
Intermediate	Policy	30%	60%	10%	
	Proposed	30%	60%	10%	

1.3.5.3 Plot A is submitted in detail and provides 60 Social Rent units, with the following unit mix:

Table 8: Plot A Unit Mix, HRW, October 2021		
Unit Type	Number of Units	% of Mix
1 bed	15	25%
2 bed	16	27%
3 bed	25	42%
4 bed	4	6%
Total	60	100%

1.3.5.4 The below table shows the affordable housing on a per plot basis across the Illustrative Scheme.

Table 9: Affordable Housing Per Plot, Illustrative Scheme, HRW, October 2021				
	Social Rent Units	% of total units in plot	Shared Ownership Units	% of total units in plot
Plot A1	31	100%	0	0%
Plot A2	16	100%	0	0%
Plot A3	13	100%	0	0%
Plot B	141	43%	0	0%
Plot C1	168	94%	0	0%
Plot F	91	20%	74	17%
Plot G	40	100%	0	0%
Plot H	0	0%	26	100%
Plot I1	0	0%	68	100%
Plot J1	0	0%	60	39%
Plot L1	0	0%	54	38%
Plot M1	0	0%	5	2%
Plot M2	0	0%	30	100%
Plot N1	0	0%	43	100%
Plot N3	0	0%	25	100%
Plot N4	0	0%	31	100%
Total	500		416	

1.3.6 TENURE MIX AND REPROVISION

1.3.6.1 The following table summarises the existing unit and tenure mix on the existing Estate and compares it to the Illustrative Scheme to demonstrate the net effect of the Proposed Development.

Table 10: Existing and Illustrative Scheme Mix and Net Effect by Units, HRW, October 2021						
Unit Size	Private (inc. RTB leaseholders)	Social Rent	Shared Ownership	Temporary Acc.	Non-resident Leaseholders	Total
Existing Love Lane Dwellings to be Demolished / lost to change of use						
Studio	0	0	0	0	0	0
1 bed	1	27	0	92	4	124
2 bed	5	7	0	46	3	61
3 bed	14	6	0	72	17	109
4 bed	1	0	0	1	0	2
5 bed	1	0	0	0	0	1
Total	22	40	0	211	24	297
Illustrative Scheme (including detailed application on Plot A)						
Studio	85	0	0	0	0	85
1 bed	678	55	126	0	0	859
2 bed	764	225	248	0	0	1,238
3 bed	169	165	41	0	0	375
4 bed	0	55	0	0	0	55
5 bed	0	0	0	0	0	0
Total	1,696	500	415	0	0	2,612
Net effect						
Studio	+85	0	0	0	0	+85
1 bed	+677	+28	+126	-92	-4	+735
2 bed	+759	218	+248	-46	-3	+1,176
3 bed	+155	+159	+41	-72	-17	+266
4 bed	-1	+55	0	-1	0	+53
5 bed	-1	0	0	0	0	-1
Total	+1,674	+460	+415	-211	-24	+2,314

1.3.6.2 In accordance with policy, the Proposed Development makes reprovion for existing tenants, with all eligible council tenants (both secure tenants and non-secure temporary tenants) provided a new social rent home. All resident leaseholders are offered a shared equity unit, however as discussed these have been modelled as shared ownership in this FVA.

1.3.6.3 Aligned with policy the Development Proposal seeks to maximise the uplift in housing including affordable provision. The tenure split for the affordable accommodation above the reprovion requirement, is as follows.

Table 11: Tenure Mix Accounting for Re-provision, HRW, October 2021			
	Social Rent	Shared Ownership	Total
Illustrative Scheme	500	415	915
Affordable Tenure Split %	55%	45%	
Re-provision Requirement	251	46	297
Illustrative Tenure Mix Excluding Re-provision	249	369	618
Affordable Tenure Split on Additional Affordable %	40%	60%	

1.3.6.4 The tenure mix on the additional affordable housing provided by the Proposed Development accords with the tenure mix requirement of the Tottenham Area Action Plan, which seeks to establish mixed and inclusive communities by outlining a tenure mix requirement of 60% intermediate accommodation and 40% low-cost rent accommodation

1.3.7 SUMMARY

1.3.7.1 In summary, the Proposed Development seeks to add positively to the local area by regenerating the existing estate to providing a more balanced mix of housing including variation of tenures and a higher quality of residential accommodation for both existing and local residents thus reflecting the aspirations of the local community as set out in Resident's Charter and Resident's Design Guide.

1.4 PLANNING POLICY

- 1.4.1.1 The following section of this FVA provides a summary review of the key national, regional and local planning policy that guides the delivery of affordable housing, with reference to the importance of considering scheme specific financial viability and balancing the requirements of obtaining planning obligations with the risks of non-delivery.

1.4.2 NATIONAL POLICY

National Planning Policy Framework

- 1.4.2.1 The National Planning Policy Framework (“NPPF”), revised July 2021, sets out the Government’s planning policies for England and how they should be applied.
- 1.4.2.2 In relation to the delivery of affordable housing, section 20 requires that local planning authorities set strategic policies within their boroughs defining the pattern, scale and quality of development including the delivery of all types of housing including affordable housing.
- 1.4.2.3 Section 34 refers to local plans clearly setting out the contributions that are expected from development, including the levels and types of affordable housing along with other infrastructure.
- 1.4.2.4 Section 60 to 67 seeks to ensure that there is the delivery of a sufficient supply of homes, with a requirement for local authorities to identify the need for different types and sizes of affordable housing, including the identification of those households who are eligible for accommodation. Where this need is evidenced, policies should specify the types of affordable housing required with the expectation that affordable homes will be delivered on-site, unless exceptional circumstances exist.
- 1.4.2.5 Annex Two of the NPPF provides a glossary for affordable housing and defines affordable housing for rent, starter homes, discounted market sales housing and other affordable housing routes to home ownership.

1.4.3 REGIONAL

London Plan March 2021

- 1.4.3.1 The London Plan introduces a policy framework that responds to the 2017 Strategic Housing Market Assessment that identified an annual need of 43,500 new affordable homes per year.
- 1.4.3.2 The approach identified in the London Plan to the delivery of affordable housing and planning viability reflects the approach set out in the Affordable Housing and Viability SPG (2017).

- 1.4.3.3 Strategic Policy H1 sets ten-year targets for net housing completions for each local authority to incorporate in their local Development Plan documents.
- 1.4.3.4 The London Plan sets ambitious housing delivery targets for LBH identifying the net delivery of 15,920 new homes during the period 19/20 to 28/29 equating to 1,592 units per annum. As such the Proposed Development contributes greatly to the housing delivery target with the Illustrative Scheme representing 16.4% of target provision in LBH over the 10-year period.
- 1.4.3.5 Policy H4 seeks to maximise the delivery of affordable housing with a strategic target of 50% of all new homes delivered to be 'genuinely' affordable.
- 1.4.3.6 Policy H5 states that viability review mechanisms should be applied to all viability tested applications at early and late stages in the development process (and mid-term reviews in the case of longer phased schemes) to ensure that affordable housing delivery is maximised as a result of any future improvement in viability.
- 1.4.3.7 The Mayor has provided detailed guidance on viability assessment in the Affordable Housing and Viability SPG (explained below). The Mayor's preferred approach to determining the BLV is an Existing Use Value (EUV+) approach. An alternative approach should only be considered in exceptional circumstances which must be robustly justified by the Applicant and/or the borough in line with the Affordable Housing and Viability SPG.
- 1.4.3.8 Viability Tested Schemes will be subject to:
 - 1. An Early Stage Viability Review if an agreed level of progress on implementation is not made within two years of the permission being granted (or a period agreed by the borough)
 - 2. A Late Stage Viability Review which is triggered when 75% of the units in a scheme are sold or let (or a period agreed by the borough)
 - 3. Mid-Term Reviews prior to implementation of phases for larger phased schemes.
- 1.4.3.9 Policy H6 defines the Mayor's priorities in respect of affordable housing tenures. The policy requires local authorities to seek the following:
 - 1. a minimum of 30% low cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes
 - 2. a minimum of 30% intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared Ownership
 - 3. the remaining 40% to be determined by the borough as low cost rented homes or intermediate products based on identified need.

- 1.4.3.10 The GLA further note a preference for their preferred affordable housing tenures as follows:
- Homes based on social rent levels, including Social Rent and London Affordable Rent
 - London Living Rent
 - London Shared Ownership
- 1.4.3.11 The products all meet the required definitions of the NPPF, Annex Two.
- 1.4.3.12 Part G of the Policy H6 states that where a viability assessment is required to ascertain the maximum level of affordable housing deliverable on a scheme, the assessment should be treated transparently and undertaken in line with the GLA's Affordable Housing and Viability SPG.
- 1.4.3.13 Policy H8 of the London Plan relates to the loss of existing housing and estate redevelopment. It states that for estate regeneration schemes the existing affordable housing floorspace should be replaced on an equivalent basis i.e. where social rented floorspace is lost, it should be replaced by social rented accommodation with rents at levels based on that which has been lost. Policy H8 also states that loss of existing affordable housing should not be permitted unless it is replaced by equivalent or better-quality accommodation.
- 1.4.3.14 In particular, the policy narrative states that where regeneration involves the loss of affordable housing, the policy objective is to seek an uplift in affordable housing wherever possible. The loss of existing housing should be replaced by new housing at existing or higher densities with at least the equivalent level of overall floorspace.
- 1.4.3.15 All estate regeneration schemes are subject to the Viability Tested Route in accordance with Policy H8, to demonstrate they have maximised the delivery of any additional affordable housing
- 1.4.3.16 Policy H10 states that schemes should provide a range of unit sizes and applicants and decision makers should have regard to a range of factors including reference, where available, to robust local evidence in making decisions and the need to deliver mixed and inclusive neighbourhoods, including providing a range of tenures. The process should also be informed by the location of the site, and proximity to, for example, existing and proposed infrastructure, an aim to optimise housing potential on sites, and the need for additional family housing and the role of one and two bed units in freeing up existing family housing.

The Mayor's Affordable Housing and Viability SPG (August 2017)

- 1.4.3.17 The Affordable Housing and Viability SPG reflects the GLA's policy objectives in relation to the delivery of new homes, including affordable housing. The Affordable Housing and Viability SPG includes the following guidance:
- The threshold or 'Fast Track' approach states that where an application proposes 35 per cent of a scheme as affordable housing based on habitable rooms, viability information will not be required (but as per Policy H8 of the London Plan this does not apply to estate regeneration schemes).
 - Schemes which do not meet the 35 per cent threshold, or require public subsidy to do so, will be required to submit detailed viability information in the form of a VA.
 - Schemes that meet or exceed the 35 per cent threshold without public subsidy, provide affordable housing on site, meet the specified tenure mix and all other requirements and obligations are not required to submit viability information.
- 1.4.3.18 As described above, all estate regeneration schemes are subject to the Viability Tested Route in accordance with Policy H8 of the London Plan, to demonstrate they have maximised the delivery of any additional affordable housing

The Mayor's Good Practice Guide to Estate Regeneration (2018)

- 1.4.3.19 The GLA's Good Practice Guide for Estate Regeneration ('GPGER') states that it is vital that estate regeneration plans are used to increase the amount of affordable housing, particularly homes based on social rent levels, wherever possible.
- 1.4.3.20 It places a requirement on boroughs and their partners to always consider alternative options to demolition first.
- 1.4.3.21 The guide encourages full and transparent consultation and involvement of those affected by the project from the outset, re-iterates the need for like-for-like replacement and provision for full right of return or remain for social tenants and that estate regeneration should provide a fair deal to any leaseholds or freeholders affected by the regeneration, being fully compensated for their home loss.
- 1.4.3.22 The GPGER states that where estate regeneration involves demolition of existing homes, funding will be conditional on resident support through a ballot, as delivered through the GLA's Affordable Housing Capital Funding Guide.

1.4.4 LOCAL POLICY – LONDON BOROUGH OF HARINGEY (LBH)

Haringey's Local Plan Strategic Policies (March 2013, with consolidated alterations 2017)

- 1.4.4.1 LBH's affordable housing policy is contained within their Strategic Policy SP2.
- 1.4.4.2 SP2 states that sites capable of delivering 10 units or more will be required to meet 40% affordable housing on a habitable room basis, subject to viability. The affordable housing tenure split target is 60% low-cost rent and 40% intermediate housing (noting this is reversed in the Tottenham Area Action Plan outlined below).
- 1.4.4.3 The policy states that the preferred affordable housing mix in terms of unit size and type of dwellings will be agreed individually for each scheme, driven by an up-to-date assessment of local housing need.
- 1.4.4.4 The policy also requires no net loss of existing affordable housing floorspace in redevelopments and that affordable housing units are designed to a high quality and are fully integrated within schemes.
- 1.4.4.5 The Love Lane Estate is highlighted in the policy for housing estate renewal and improvement.
- 1.4.4.6 Policy SP2 also highlights that where strategic improvements or estate renewal propose an overall uplift in housing numbers on site, the affordable housing policies of the Local Plan will apply and will consider the replacement of socially rented housing, the 40% borough- wide affordable housing floorspace target, and development viability in seeking the maximum reasonable provision.

LBH Development Management DPD (July 2017)

- 1.4.4.7 The Development Management DPD reiterates the principles of the Strategic Policies stating that any loss of existing affordable housing will need to be replaced with at least equivalent new residential floorspace. In particular, policy DM11(D) states "proposals for comprehensive renewal of a social housing estate will be required to re-provide the existing affordable housing on an equivalent habitable room basis, tailored to better meet current housing needs and the achievement of more inclusive and mixed communities."
- 1.4.4.8 DM12 states that mixed tenure development proposed must be designed to be 'tenure blind' with homes across all tenures afforded the same quality of design, space standards and building materials.
- 1.4.4.9 DM13 restates the policy requirement of 40% affordable housing and the tenure split. In addition, it states that on-site provision will be required except in exceptional circumstances.

Tottenham Area Action Plan (July 2017)

- 1.4.4.10 Tottenham Area Action Plan policy AAP3 seeks 10,000 additional new homes across the action plan area. AAP3 B amends the tenure mix requirement for the Tottenham AAP to 60% intermediate accommodation and 40% low-cost rent accommodation in order to rebalance the existing high levels of social rented accommodation in the area to promote mixed and inclusive communities.
- 1.4.4.11 The HRW site allocation in the action plan states a minimum requirement of 1,400 new homes of a mix of tenure, types and unit sizes including re-provision of the existing social tenants and assistance in remaining within the area for resident leaseholders from the Estate. The site allocation also requires the creation of a new public square, new retail provision, new leisure, sports and cultural uses, improvement to east-west pedestrian and cycle connectivity, delivery of new high quality workspace and increased and enhanced quality and quantity of community facilities and social infrastructure including a new Learning Centre incorporating a library and community centre and new and enhanced public open space.

Haringey’s Housing Strategy 2017 – 2022

- 1.4.4.12 Appendix C of the strategy provides additional guidance on the unit mixes sought and the affordability requirements for the different affordable tenures.
- 1.4.4.13 For low-cost rent units the strategy states that rents should be affordable for Haringey residents and as a minimum at rents below Local Housing Allowance (“LHA”) rates.
- 1.4.4.14 For intermediate units LBH’s preferred provision is lower cost shared ownership affordable to households on gross incomes at or below £40k per annum.
- 1.4.4.15 The Housing Strategy outlines the following unit mix requirements for the affordable tenures:

Unit Type	Low Cost Rent	Intermediate
1 bed	11%	30%
2 bed	45%	60%
3 bed	33%	10%
4 bed +	11%	(3 bed or more)

- 1.4.4.16 10% of units are to be wheelchair accessible with an aspiration of 20%.

1.4.5 SUMMARY

- 1.4.5.1 In summary, national, regional and local affordable housing policy support the delivery of the maximum reasonable amount of affordable housing that can be viably delivered, alongside other forms of planning gain.

1.5 VIABILITY METHODOLOGY

- 1.5.1.1 Planning viability should be undertaken in accordance with national planning guidance in the form of the NPPG. The national guidance provides narrative in respect of the key defining variables of Developer's Return and BLV which are covered in greater detail in Sections 9 and 10 for HRW.
- 1.5.1.2 Professional guidance on planning viability methodology is provided in the form of the RICS. Professional Statement 'Financial Viability in Planning: Conduct & Reporting', 1st edition, May 2019 and the RICS Guidance Note 'Assessing Viability in Planning under the National Planning Policy Framework 2019 for England' published in March 2021.

1.5.2 METHODOLOGY

- 1.5.2.1 To assess viability, typically the Residual Land Value ("RLV") of the proposed scheme is assessed by calculating the gross value of the completed development which includes the aggregated value of the commercial and residential income as well as other income such as housing grants and receipts from car parking. This is defined as the Gross Development Value ("GDV") or Net Development Value ("NDV") once purchasers' costs are deducted.
- 1.5.2.2 The GDV or NDV assumes that the property is completed at the date of valuation to a specification that is commensurate with the market and price point to which it is being targeted. The market values informing the GDV are evidenced in Section 7 of this report.
- 1.5.2.3 Once the GDV is established, the cost of building the development is deducted along with professional fees, finance costs, a developer's profit, legal fees, sales and marketing costs, finance and so on. The output is the RLV.
- 1.5.2.4 There are several publications for professional practitioners to follow when assessing RLV, most notably the Guidance Note, 'Valuation of development property', 1st edition, dated October 2019, to be read in conjunction with RICS Valuation – Global Standards (Red Book Global Standards dated 31 January 2020) – incorporating the International Valuation Standards (IVS), in particular IVS 410 (Development Property).

1.5.2.5 The concept of an RLV, as described above, is illustrated in the table below:

Table 13: Residual Land Value Methodology, HRW, October 2021	
Gross Development Value	
	Residential sales income
	Commercial sales income (if relevant)
	Any additional income (e.g. ground rents, car parking)
	Less
Costs	
	Build costs
	Exceptional development costs (e.g. infrastructure provision)
	Professional fees
	Internal overheads
	Planning obligations (e.g. CIL, site specific S106 obligations)
	Marketing costs and disposal fees
	Finance costs
	Less
Development Return	
	Equals
Residual Land Value	

- 1.5.2.6 The output is the RLV. Simply, if the RLV produced by a scheme is lower than an appropriate benchmark value, then the scheme is deemed to be unviable and is therefore unlikely to come forward for development, unless the level of affordable housing and /or planning obligations can be reduced. If the RLV is higher than the benchmark then the scheme can, in theory, provide additional affordable housing and /or other planning obligations.
- 1.5.2.7 However, for HRW we have included the benchmark value within the appraisal as a fixed land cost, to then calculate the residual level of profit the scheme generates. The residual profit then becomes the benchmark by which viability is measured. If a sufficient level of developer's profit is generated against a benchmark profit rate the scheme is deemed to be viable.
- 1.5.2.8 Through scenario testing, it is possible to determine the maximum reasonable level of affordable housing and other obligations that ensure a scheme remains financially viable and retains the highest possible chance of coming forward whilst balancing commercial requirements with policy requirements of the development plan.

1.5.3 BENCHMARK VALUE / SITE VALUE

- 1.5.3.1 The Benchmark Land Value ('BLV') or site value is an integral part of an FVA. This intent of the NPPG (2018 and as updated in 2021) is to ensure the site value should have regard to planning policy and allow the landowner a sufficient receipt to release the land for development.
- 1.5.3.2 The most common approaches to assessing BLV are summarised below:
- Existing Use Value (EUV) plus a premium - the value of the land to the landowner(s) in its existing use, plus a premium to incentivise the landowner to release the site for development
 - Alternative Use Value (AUV) - the value of the land in another use that has a reasonable chance of gaining planning permission or already has planning permission
 - Market Value (MV) - the cost to the developer of acquiring the land provided that the value has regard to development plan policies.

1.5.4 EXISTING USE VALUE (EUV) APPROACH

- 1.5.4.1 The NPPG states that BLV should usually be established based on the existing use value ('EUV') of the land, plus a premium for the landowner. It stipulates that the premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' ('EUV+').
- 1.5.4.2 The principle of this approach is that a landowner should receive at least the value of the land in its 'pre-permission' use, which would normally be lost when bringing forward land for development. A premium is added to provide the landowner with an additional incentive to release the site, having regard to site circumstances.
- 1.5.4.3 The GLA's Affordable Housing and Viability SPG also considers that the EUV+ approach is usually the most appropriate approach for planning purposes.
- 1.5.4.4 An EUV+ approach to site value has been adopted for the purposes of this FVA for most of the existing properties within the HRW planning application red line boundary.
- 1.5.4.5 Further analysis has been undertaken in Section 9 of this FVA.

1.5.5 ALTERNATIVE USE VALUE (AUV) APPROACH

- 1.5.5.1 The NPPG states alternative use value ('AUV') refers to the value of the land for uses other than its existing use, however this should be limited to those uses which fully comply with up-to-date development plan policies.
- 1.5.5.2 The GLA's viability SPG recognises that an AUV approach will only be considered in exceptional circumstances which must be robustly justified by the applicant. In an AUV scenario, the applicant must demonstrate that the site value fully reflects policy requirements, planning obligations and CIL charges, and takes account of site-specific circumstances. Generally, the Mayor will only accept the use of AUV where there is an existing implementable permission for that use. Where there is no existing implementable permission, the approach should only be used if the alternative use would fully comply with development plan policies, and if it can be demonstrated that the alternative use could be implemented on the site in question and there is market demand for that use.
- 1.5.5.3 As there are two extant planning permissions associated with the northern portion of the site (Refs: HGY/2018/0187 and HGY/2019/2929) we have valued these areas on an AUV basis to reflect the value of the permissions.

1.5.6 SUMMARY

- 1.5.6.1 Ultimately the aim of the NPPF is to create a balance so that the site value is not simply included at the expense of planning obligations. Instead, the approach should seek to strike a balance between site value, the developer's return for risk, and the planning obligations required to meet the policy tests, whilst ensuring that the scheme can be delivered.
- 1.5.6.2 The approach adopted within this FVA is robust and has full regard to adopted planning policy and guidance. The approach taken in arriving at BLV is outlined in Section 9.

1.6 DEVELOPMENT TIMINGS

1.6.1.1 The following section sets out the adopted pre-construction, construction and sale timings applied within the ARGUS appraisal of the Proposed Development based on the Illustrative Scheme.

1.6.2 PRE-CONSTRUCTION

1.6.2.1 The development programme is estimated to commence from January 2022 on a current day basis. The six-month pre-construction period within the proposed programme includes allowances for the following;

- Signing of the Section 106 agreement
- Expiration of the Judicial Review period
- Discharging of pre-commencement conditions
- Securing the necessary development funding
- Detailed design
- Tender period for demolition and build contract package(s)
- Site mobilisation
- Preparation of a sales and marketing campaign

1.6.3 CONSTRUCTION PROGRAMME

1.6.3.1 The Applicant has advised as to the construction period for each individual Phase. Table 14 indicates the timing of each element of the Illustrative Scheme as modelled within the cash flow.

Table 14: Summary of Construction Programme Assumptions, HRW, October 2021				
Development Stage	Blocks	Duration (Months)	Date Start	Date End
Pre-Construction		6	January 2022	June 2022
Phase 1 – Construction	A1,A2,A3,D,G	48	September 2022	August 2026
Phase 2 – Construction	F	41	June 2025	June 2028
Phase 3 – Construction	B,C,E	37	February 2029	January 2032
Phase 4 – Construction	L1,M1,M2,J1,K2	75	June 2022	August 2028
Phase 5 – Construction	C2,H,I1,J2,K1,L2,M3,N1,N2,N3,N4	104	February 2023	October 2031
Total Construction				74 months

1.6.3.2 There are multiple plots within some phases which results in extended programme for some phases.

1.6.4 RESIDENTIAL SALES TIMINGS

1.6.4.1 The residential sales programme assumes that an extensive marketing campaign is conducted in advance of practical completion, during the construction period followed by an on-going marketing programme during the sales period.

1.6.4.2 In terms of the sales rate, we have spoken to several local agents and reviewed schemes which are currently selling using the residential development database Molior London. The ARGUS appraisal has been modelled to reflect that 50% of the units could be sold 'off-plan'.

1.6.4.3 The revenue from the pre-sale of the residential units will be received at practical completion. The remaining 'unsold' units within each phase have been modelled to reflect the sale of 5-6 units per month thereafter.

1.6.5 COMMERCIAL TIMINGS

1.6.5.1 DS2 has adopted a six-month rental void within the ARGUS appraisal to account for letting the commercial units. The commercial income is capitalised at the end of the let-up period.

1.6.6 SUMMARY

1.6.6.1 The development timings included in the appraisal based on advice received from the Applicant regarding their anticipated construction programme and the Applicant's costs consultants estimate of construction costs. DS2 have used market evidence of similar scheme in the assumptions regarding the sales timings of the residential space and commercial space.

1.7 DEVELOPMENT VALUE

1.7.1 RESIDENTIAL VALUES

1.7.1.1 In valuing the residential component of the Proposed Development, DS2 has adopted the comparable method of valuation. The present-day value for the residential component has been assessed by DS2, informed by our own research, taking into consideration evidence of recent transactions from comparable schemes from within the vicinity of HRW.

1.7.1.2 There is limited comparable evidence for new build transactions within the immediate vicinity of HRW, so we have therefore drawn upon transactions within Tottenham Hale as well as development local to HRW.

THE VABEL LAWRENCE, 50-56 LAWRENCE ROAD, N15 4EG



Key Points

- Development by Vabel London
- Comprising 42 private units
- Completed in Q2 2021. The developer launched 20 units in early 2021 and has retained 20 for rent
- All units for sale had sold out by Q2 2021
- Based on the asking prices and assuming an average unit size based on the units below, the average marketing prices equate to **£750 per sqft.**
- DS2 summarise asking prices, extracted from Molior, in the table below:

Table 15: Market Sales Evidence – The Vabel Lawrence, HRW, October 2021					
Floor	Beds	sqft	Asking Price	£ per sqft	Date of Price
G	1	603	£475,000	£788	Mar-21
1	1	603	£485,000	£804	Jun-21
G	1	603	£490,000	£813	Jun-21
2	1	759	£590,000	£777	Jun-21
2	1	658	£550,000	£836	Jun-21
3	2	984	£685,000	£696	Jun-21
2	2	732	£575,000	£786	Jun-21
4	2	732	£580,000	£792	Jun-21
3	2	1086	£675,000	£622	Jun-21
3	2	747	£585,000	£783	Jun-21
4	3	990	£655,000	£662	Mar-21
G	2	647	£520,000	£804	Mar-21

- 1.7.1.3 In summary, the Vabel is a significantly smaller development than the subject and as such there is a lower supply of units than there will be at the Proposed Development allowing the price point to be maintained. The Vabel is also located in proximity to Seven Sisters Station providing Victoria line services, therefore providing superior transport amenity than the subject. HRW overall will command a lower price point than the Vabel.

THE LANE, 500 WHITE HART LANE, N17 7NA



Key Points

- Development by Fairview New Homes
- Comprising 144 residential units, 115 private units.
- Completed in Q1 2021. The development sold out in Q2 2021
- Based on the asking prices and assuming an average unit size based on the units below, the average marketing prices equate to **£ 582 per sqft.**
- DS2 summarise asking prices, extracted from Molior, in the tables below:

Table 16: Asking Prices Per Unit Type – The Lane, HRW, October 2021					
Unit		sqft	Asking Price	£ per sqft	Date of Price
FLAT 12	ADELE COURT	445	£355,000	£798	Jun-20
FLAT 13	BRIAN COURT	445	£425,000	£564	Dec-20
FLAT 17	BRIAN COURT	590	£490,000	£535	Dec-20
FLAT 19	BRIAN COURT	544	£333,000	£542	Dec-20
FLAT 20	BRIAN COURT	590	£510,000	£557	Dec-20
FLAT 23	BRIAN COURT	551	£520,000	£548	Dec-20
FLAT 24	BRIAN COURT	613	£346,000	£563	Dec-20
FLAT 4	EMER COURT	551	£345,000	£604	Dec-20
FLAT 11	ADELE COURT	551	£430,000	£578	Dec-20
FLAT 7	BRIAN COURT	543	£450,000	£550	Dec-20
FLAT 9	BRIAN COURT	612	£499,500	£545	Dec-20

Table 16: Asking Prices Per Unit Type – The Lane, HRW, October 2021					
Unit		sqft	Asking Price	£ per sqft	Date of Price
FLAT 12	BRIAN COURT	551	£435,000	£518	Dec-20
FLAT 1	ADELE COURT	612	£320,500	£561	Dec-20
FLAT 4	BRIAN COURT	862	£425,000	£519	Nov-20
FLAT 16	ADELE COURT	860	£429,000	£561	Nov-20
FLAT 6	ADELE COURT	838	£444,000	£589	Nov-20
FLAT 1	BRIAN COURT	860	£510,000	£532	Nov-20
FLAT 6	BRIAN COURT	864	£389,000	£602	Nov-20
FLAT 7	ADELE COURT	838	£320,000	£560	Sep-20
FLAT 3	ADELE COURT	827	£428,000	£523	Sep-20
FLAT 41	ADELE COURT	838	£415,000	£507	Jun-20
FLAT 8	ADELE COURT	864	£461,000	£586	Jun-20
FLAT 10	ADELE COURT	864	£415,000	£550	Jun-20
FLAT 4	ADELE COURT	1083	£498,500	£520	Sep-21
FLAT 5	ADELE COURT	1110	£410,000	£544	Jun-21
FLAT 37	ADELE COURT	1083	£440,500	£545	Jun-21

- 1.7.1.4 The Lane is located approximately 1 mile west of HRW along White Hart Lane. The Lane is not located within proximity to tube or overground stations and therefore we would anticipate that HRW would achieve values higher than The Lane.

TOTTENHAM HALE COMPARABLES

- 1.7.1.5 We have also examined comparable developments in Tottenham Hale. The Tottenham Hale area is outlined with LBH Tottenham Area Action Plan to provide 5,000 new homes and 4,000 jobs. Tottenham Hale is seeing a significant amount of regeneration and place making and with several phases of this regeneration completed.
- 1.7.1.6 Units within the Tottenham Hale area will likely demand premium over the HRW area due to the superior transport amenity provided by access to the Victoria Line as well as Greater Anglia Rail Services to London Liverpool Street, Stratford (London), and Stansted Airport.

HALE WORKS, FERRY LANE, N17 9QQ



Key Points

- Development by Anthology London.
- Construction completed Q2 2021.
- There are 279 residential units, 235 of which are private. The development extends up to 33 storeys in height.
- By the end of Q2 2021, 194 units had been sold having launched in 2018.
- Based on the asking prices and assuming an average unit size based on the units below, the average marketing prices equate to **£757 per sqft**.
- Hale works forms the final phase of the Hale Village development which is otherwise completed and sold.
- DS2 summarise asking prices, extracted from Molior, in the tables below:

Table 17: Market Sales Evidence – Hale Works, HRW, October 2021						
Unit	Floor	Beds	sqft	Asking Price	£ per sqft	Date of Price
17	2	Studio	445	£360,000	£809	Sep-21
61	6	Studio	445	£355,000	£798	Jun-20
72	7	Studio	445	£355,000	£798	Jun-20
161	17	1	590	£460,000	£780	Sep-21
252	28	1	544	£495,000	£910	Sep-21
241	27	1	590	£500,000	£847	Jun-21

Table 17: Market Sales Evidence – Hale Works, HRW, October 2021						
Unit	Floor	Beds	sqft	Asking Price	£ per sqft	Date of Price
244	27	1	551	£490,000	£889	Jun-21
58	6	1	613	£390,000	£636	Mar-21
163	17	1	551	£490,000	£889	Mar-21
64	6	1	551	£450,000	£817	Dec-20
243	27	1	543	£510,000	£939	Dec-20
60	6	1	612	£385,000	£629	Jun-20
65	6	1	551	£430,000	£780	Jun-20
71	7	1	612	£385,000	£629	Jun-20
133	13	2	862	£655,000	£760	Sep-21
231	26	2	860	£590,000	£686	Sep-21
238	27	2	838	£630,000	£752	Sep-21
247	28	2	860	£600,000	£698	Sep-21
239	27	2	864	£600,000	£694	Jun-21
158	17	2	838	£600,000	£716	Sep-20
162	17	2	827	£665,000	£804	Sep-20
56	6	2	838	£565,000	£674	Jun-20
57	6	2	864	£530,000	£613	Jun-20
68	7	2	864	£530,000	£613	Jun-20
277	32	3	1083	£865,000	£799	Sep-21
271	31	3	1110	£890,000	£802	Jun-21
272	31	3	1083	£865,000	£799	Jun-21
276	32	3	1110	£890,000	£802	Jun-21

1.7.1.7 In summary, the Hale Works is in close proximity to Tottenham Hale Station therefore offering superior transport links in comparison to the subject site. Hale Works is the final phase of a major regeneration in this location and therefore is more progressed in regeneration value growth which can be achieved from regeneration schemes. We would therefore anticipate achievable values at HRW to be somewhat lower than those at Hale Works.

1 ASHLEY ROAD, WATERMEAD WAY, N17 9LJ



Key Points

- Development by Argent Related
- Part of the wider Tottenham Hale Regeneration development which will provide over 1000 new homes over several development phases as part of the partnership between LBH and Agent Related.
- Within 1 Ashley Road there are 183 residential units all delivered as private.
- By the end of Q1 2021, 101 units had been sold having launched in 2019.
- Based on the asking prices and assuming an average unit size based on the units below, the average marketing prices equate to **£726 per sqft**.
- DS2 summarise asking prices, extracted from Molior, in the tables below:

Table 18: Market Sales Evidence – 1 Ashley Road, HRW, October 2021						
Unit	Floor	Beds	sqft	Asking Price	£ per sqft	Date of Price
E.123	12	Studio	524	£440,000	£840	Jun-20
E.035	3	1	680	£456,000	£671	Jun-21
E.043	4	1	604	£433,000	£717	Jun-21
E.106	10	1	579	£465,000	£803	Jun-21
W.023	2	1	635	£450,000	£709	Jun-21
W.053	5	1	555	£436,000	£786	Jun-21
W.096	9	1	559	£450,000	£805	Jun-21
W.034	3	1	555	£424,000	£764	Sep-20
E.026	2	2	882	£576,000	£653	Jun-21
E.091	9	2	859	£634,000	£738	Jun-21

Table 18: Market Sales Evidence – 1 Ashley Road, HRW, October 2021						
Unit	Floor	Beds	sqft	Asking Price	£ per sqft	Date of Price
W.051	5	2	788	£590,000	£749	Jun-21
W.082	8	2	818	£630,000	£770	Jun-21
E.021	2	2	832	£581,000	£698	Dec-20
W.075	7	2	774	£570,000	£736	Dec-20
E.021	2	2	832	£581,000	£698	Jun-21
E.037	3	3	1023	£726,000	£710	Jun-21
W.022	2	3	1030	£741,000	£719	Jun-21
W.026	2	3	1103	£719,000	£652	Sep-20

- 1.7.1.8 1 Ashley Road is the first phase to launch as part of Argent's Tottenham Hale regeneration but offers superior transport amenity being located close to the transport amenity of Tottenham Hale Station than the subject. We would consider this scheme the most comparable to the subject compared to the other Tottenham Hale schemes, as 1 Ashley Road is the first phase of a regeneration area. Values for the first phases of High Road West are likely to be only somewhat discounted to those at 1 Ashley Road on account of HRW's lesser transport connections.

1.7.2 RESIDENTIAL PRICING SUMMARY

- 1.7.2.1 Overall, DS2 consider the developments within Tottenham Hale to have superior transport amenity with tube network and mainline train interchange. In addition, the wider redevelopment of Tottenham Hale is more progressed than at HRW with the first residential completions in 2018.
- 1.7.2.2 DS2 would anticipate that the values achievable at HRW are higher than those achieved at The Lane given HRW's proximity to White Hart Lane Station.
- 1.7.2.3 DS2 have not undertaken a unit-by-unit pricing exercise of HRW, as only an outline permission is being sought for the development beyond Plot A and therefore detailed residential design is limited. Overall DS2 would anticipate HRW to achieve a sales value of £700 per sqft on a current day basis.

1.7.3 AFFORDABLE HOUSING VALUES

- 1.7.3.1 In valuing the affordable housing units, regard has been given to the Council's affordable housing policies as well as DS2's professional experience of valuing affordable housing.

- 1.7.3.2 The value of the affordable housing units has been assessed in accordance with Existing Use Value – Social Housing ‘EUV-SH’ principles as outlined in the UK Supplement of the Red Book (January 2019). As previously noted however, the values within the FVA do not constitute a formal ‘Red Book’ valuation and should not be relied upon as such.

Social Rent

- 1.7.3.3 The proposed affordable housing component of the planning application consists of 500 social rent homes which will rehouse the existing 251 secure tenant households and non-secure temporary tenancy households.
- 1.7.3.4 To assess the value of the affordable housing to a developer, DS2 has used specialist discounted cashflow software which is used by the Registered Provider (‘RP’) sector. ProVal assesses the total rental income generated by the affordable homes, then makes deductions to reflect the RP’s costs in delivering and managing the affordable homes long term. This includes costs for management, maintenance & repair, letting, voids, delivery and borrowing (finance). The cashflow is assessed over 45 years and discounted back at an appropriate rate to a present-day value.
- 1.7.3.5 The social rented homes are to be re-provided to existing residents at similar council rents as currently charged, with a guarantee that the rents will be no more than 10% of the average Estate rent for the unit type when the resident moves. Future rental growth will be subject to the National Rent Regime and Rent Standards which set a rent cap or ‘Target Rent’ for social rent homes. It should be noted that several of the existing Estate properties are already let at or near Target Rents. Any social rent homes provided to new tenants from LBH’s Housing Register (once all existing residents have been offered a new home at HRW), will also be subject to the National Rent Regime, Rent Standards and therefore capped at Target Rent rates.
- 1.7.3.6 In summary, the value generated by the social rented homes equates to an average value of £110 per sqft. The affordable revenue is cash flowed as follows: 20% at ‘golden brick’ (i.e. when the RP takes a legal interest in the building at first floor slab) and the remainder of the affordable payments cash flowed based on equal, quarterly payments through the construction period, assumed to be on certification of the RP’s Employer’s Agent.

Intermediate

- 1.7.3.7 Under the Landlord Offer, resident leaseholders of the Estate are offered a shared equity unit as their rehoming option on site. Under a shared equity arrangement, a tenant would own, via leasehold, a portion of the property while the remaining portion would be owned by a RP. Unlike shared ownership there is no rent payable on the unsold equity and no requirement for the RP to offer staircasing (were the tenant purchases further tranches of equity in the property).
- 1.7.3.8 The take up of the Landlord Offer is not yet determined and DS2 are aware that up to 46 shared equity units may be provided for rehousing. As the final number of shared equity units, their unit size and the individual equity agreements are unknown at this stage (all of which impact a shared equity unit's value), for simplicity, the FVA has referred to all intermediate units as shared ownership.
- 1.7.3.9 Shared ownership is an established intermediate product, delivered regularly across London to meet an identified housing need for those neither qualifying for rented affordable homes but unable to access the private home-ownership market.
- 1.7.3.10 Shared ownership is a form of housing where a buyer part-owns the property. A buyer will purchase an initial equity or stake in the property (say between 25% and 50%) from an RP on which they take out a mortgage in the normal manner. They also however pay a rent to the RP (typically between 0.5%-2.75%), based on the percentage of the property that the RP has retained as well as the relevant service charge. Overtime the buyer can seek to purchase further tranches of equity in their property. This process is known as 'Staircasing.'
- 1.7.3.11 The combination of mortgage, rent and service charge forms the purchaser's 'housing costs.' London Plan policy further stipulates that total housing costs cannot exceed 40% of net annual income. Based on a certain level of initial sale, rent and service charge it can be calculated whether a property's housing costs are 'affordable' to those on the applicable intermediate incomes.
- 1.7.3.12 The shared ownership homes are proposed to be affordable to households with gross incomes of up to £90,000 which is in line with the GLA's maximum household income cap.
- 1.7.3.13 In summary, the value generated by the intermediate homes equates to an average value of £420per sqft.
- 1.7.3.14 Should these income thresholds be reduced the value of the intermediate homes will in turn reduce.

1.7.4 ADDITIONAL RESIDENTIAL INCOME

Car Parking revenue

- 1.7.4.1 DS2 have assumed £25,000 would be applied to each car space, and we have assumed that these spaces would be purchased by occupiers.

1.7.5 COMMERCIAL PROPERTY VALUES

Retail

- 1.7.5.1 The Illustrative Scheme incorporates a total NIA of 4,367 sqm (c. 47,006 sqft) of retail (Class E (a-c)) space across the whole development with 3,313 sqm (c. 35,661 sqft) situated within Phase A (to the south of White Hart Lane) and 1,054 sqm (c. 11,345 sqft) allocated in Phase B (to the north of White Hart Lane).
- 1.7.5.2 There is a dearth of retail leasing transactions within Tottenham and as a result DS2 have taken into consideration asking rents in the area to assess rent values. Furthermore, we have expanded our search to neighbouring areas including Wood Green.
- 1.7.5.3 In arriving at an appropriate rent for the retail space of the Proposed Development, we have had regard of the following retail leases:

Address	Date	Floor	Sqft	Rent pa	Rent PER SQFT	Status	Term
87 Green Lanes	Aug-21	Grnd	944	£21,000	£22.25	Achieved	15 yrs
163-167 Fore St	Jul-21	Grnd	1,084	£26,000	£23.99	Asking	-
163 Park	Sep-20	Grnd	626	£11,299	£18.05	Asking	5 yrs
107 Fore	Jul-20	Grnd	1,755	£34,000	£19.37	Achieved	10 yrs
23 Salisbury Rd	May-20	Grnd	259	£6,500	£25.10	Achieved	10 yrs
555-557 High Rd	Jan-20	Grnd	2,500	£62,500	£25.00	Achieved	20 yrs

- 1.7.5.4 The evidence provided in the table above produces a blended average rent of £22.50 per sqft.
- 1.7.5.5 107 Fore lies c.0.5 miles north of the Proposed Development and is the closest comparable geographically. It forms part of the popular Angel shopping area fronting onto Fore Street. Pharmocare have taken the space for a rent of £19.37. The property appears somewhat dated and in need of renovation and as a result we assume the retail space of the Proposed Development to achieve higher values.

- 1.7.5.6 Both 87 Green Lanes and 23 Salisbury Road are located in Wood Green which lies to the West of Tottenham. 83 Green Lane is situated in a prominent main road position on the Western side of Green Lanes and as result experiences high levels of footfall whilst 23 Salisbury Road is situated within a parade of shops. It is important to note 23 Salisbury Road is a very small unit and as a result produces a higher rate per sqft rate. Both properties need modernisation, however, they are situated in more favourable shopping locations which commands higher values. As a result, DS2 assume the retail units of the Proposed Development would achieve a similar rate to these units.
- 1.7.5.7 Considering the information above, DS2 have adopted a rent of £25 per sqft which we anticipate is an optimistic estimate.
- 1.7.5.8 In terms of retail investments there is a dearth of comparable evidence in the Tottenham area and as a result we have expanded our search to encompass neighbouring areas.
- 1.7.5.9 The table below provides a summary of retail transactions that have been considered when applying a yield to the Proposed Development. There are no yield comparables publicly available in the Tottenham area and as such we have derived a value by comparing values on a £ per sqft basis.

Address	Date	Sqft	Sale Price	£ per sqft	Yield
51-53 High Rd, N22 6BH	Sep-20	4,508	£1,700,000	£377	-
421 Lordship Lane, N17 6AG	Dec-19	3,420	£1,037,000	£303	5.06%
344 High Road, N15 4BN	Dec-19	2,553	£766,500	£300	-

- 1.7.5.10 Both 51-53 High Road and 421 Lordship Lane are located in Wood Green which is a more desirable retail destination with higher levels of footfall and as such would achieve a higher capital value. Furthermore, 421 Lordship was sold pre-Covid and as a result is likely to achieve a keener yield than the Proposed Development as the pandemic has impacted the retail industry.
- 1.7.5.11 The Knight Frank Investment Yield Guide (September 2021) recommends a yield of 6.5% for Prime Shops. We are of the opinion that the retail space within the Proposed Development should be discounted in comparison.
- 1.7.5.12 Based on the information above DS2 have adopted a yield of 7% for the retail space.
- 1.7.5.13 We have included a rent-free period of 18 months within our appraisal. This is in consideration of the comparable evidence as well as the current challenges the retail sector is experiencing. This also reflects that that the area is not an established retail location and there will be a requirement to incentivise tenants to the area.

Office

1.7.5.14 There are no new build office leasing transactions within Tottenham, therefore we have expanded our search to include new build offices in locations including Finsbury Park, Hackney and Ilford. In arriving at an appropriate rent for the office space of the Proposed Development we have had regard to the following office leasing transactions:

Address	Date	Floor	Year Built	Sqft	Rent PER SQFT	Status	Term
52-54 White Post Ln, E9 5EN	Mar-21	GRND	2019	2,009	35.24	Achieved	-
Fonthill Rd, N4 3HF	Feb-21	GRND,1	2019	9,450	30.00	Achieved	10 yrs
67-71 Dalston Ln, E8 2FQ	Feb-20	LL,GRND,1	2017	13,417	30.00	Achieved	5 yrs
52-54 White Post Ln, E9 5EN	Jan-20	1st	2019	6,689	35.00	Achieved	6 yrs
210 Ilford Ln, IG1 2LW	Jan-20	GRND	2019	1,000	20.00	Achieved	12 yrs

1.7.5.15 The comparables above produce a blended average of £31.04 per sqft.

1.7.5.16 Fonthill Road is situated in Finsbury Park which is a more established office location in comparison to Tottenham. It is located in Zone 2 and has access to the Piccadilly Line via Finsbury Park underground station making it a more accessible location. As a result, it would achieve higher values than the Proposed Development.

1.7.5.17 Similarly, both 52-54 White Post Lane and 67-71 Dalston Lane are situated in Hackney with the former located to the east closer to Stratford and the latter to the northwest of Dalston. Both are well connected to Stratford station, which will benefit from Crossrail, which is only one rail stop away from 52-54 White Post Lane. These are situated in much more established office locales with significant office provision in Hackney and Stratford.

1.7.5.18 210 Ilford Lane is a new build office located in Ilford and is situated within close proximity to Ilford Station. Like Tottenham, Ilford is a less desirable office location due to its inferior transport amenity, nevertheless, it is also undergoing regeneration with Crossrail set to be provided in Ilford.

1.7.5.19 Taking into account the information above DS2 have adopted a value of £27.50 for the office units at the Proposed Development. With new build offices in Finsbury Park and Hackney only just achieving £30 per sqft it is very unlikely that a new office in Tottenham would achieve those figures.

1.7.5.20 In arriving at an appropriate yield for the office space of the Proposed Development, we have taken into regard the following office transactions.

Address	Date	Sqft	Sale Price	£PER SQFT	Yield
500 White Hart Ln, N17 7NA	Apr-21	3,237	£700,000	£216	5.00%
640-656 High Road, N17 OAD	Apr-20	19,992	£7,000,000	£350	4.75%
10 Station Road	Mar-20	54,971	£15,500,000	£282	4.10%

- 1.7.5.21 500 White Hart Lane is deemed the best comparable as the scheme was built in 2021 with the units situated on the ground floor of a new modern residential development. In addition, the scheme lies less than a mile away from HRW and as such is in a comparable location.
- 1.7.5.22 Following the above, DS2 have adopted a yield of 5% for the office space.
- 1.7.5.23 We have included a rent-free period of 18 months within our appraisal. This is in consideration of the comparable evidence as well as to reflect that the area is not an established office location and there will be a requirement to incentivise tenants to the area.

Sports Facilities

- 1.7.5.24 The Illustrative Scheme will incorporate 9,505 sqft of indoor sports, recreation, or fitness space (use Class E (d)).
- 1.7.5.25 There is a lack of leasing transactions of sports facilities within the Tottenham area and as a result we have expanded our search.
- 1.7.5.26 The following leasing transactions have been considered in order to assume a rent for the sports facilities of the Proposed Development.

Address	Date	Floor	Sqft	Rent pa	Rent PER SQFT	Status	Term
122 Pentonville Rd, N1 9TT	Aug-20	BSMT	3,567	£45,000	£12.62	Achieved	10 yrs
415 Burnt Oak Broadway, HA8 5FD	May-20	GRND	6,070	£85,000	£14.00	Achieved	15 yrs
21 Lombard St, EC3V 9AH	Feb-20	BSMT, GRND	12,960	£222,075	£17.14	Achieved	5 yrs
88-92 Tottenham Ln, N8 7EE	Aug-19	BSMT,GRND	1,087	£18,500	£17.02	Achieved	15 yrs

- 1.7.5.27 The evidence provided in the table above produces a blended average of £15.65.

- 1.7.5.28 122 Pentonville Road is situated between Angel Islington and Kings Cross. The property is not as closely located to tube or rail connections but is within walking distance of the large-scale regeneration of Kings Cross, and TFL Zone 1. The space is currently being used as a Yoga studio. Despite initial rents being low, the lease has stepped rents going from £45,000 pa to in the first year to £50,000 pa in the second year and then £55,000 from third year onwards.
- 1.7.5.29 415 Burnt Oak comprises of self-contained ground floor former D2 use fitness gym in a modern building with residential flats above. The scheme is situated in Edgware and lies 10 minutes away from Edgware Underground station.
- 1.7.5.30 21 Lombard Street is situated in a better location than the Proposed Development as it is located in proximity to Bank Underground station. It is situated within a newly refurbished office with the space currently being tenanted by Pure Gym on the ground floor. It is also important to note that the lease was signed in February 2020 just before the impacts of Covid-19 came into effect. As a result, due to the scheme's superior location DS2 consider that it would achieve higher values than the Proposed Development.
- 1.7.5.31 88-92 Tottenham Lane is the closest scheme geographically to HRW situated in Hornsey which lies to the southwest of Tottenham. The scheme lacks public transport amenities but is located in the prominent position where Tottenham Lane (A103) meets Church Lane and has significant frontage. It is important to note that whilst 88-92 Tottenham Lane is achieving a similar £ per square foot value to 21 Lombard Street the scheme is considerably smaller which increases the rate per square foot. Moreover, the rent per annum is considerably lower in comparison the other schemes and, therefore, DS2 have adopted a lower rent than £17 per sqft.
- 1.7.5.32 Following the information above, DS2 have adopted a rent of £15 per sqft for the sports facilities space (use Class E (d)). The rents have been capitalised at 7% on the same basis as the retail premises.

1.8 DEVELOPMENT COSTS

1.8.1.1 This section provides a summary of the development costs on a present-day basis. The overall costs comprise:

- a) Construction costs
- b) Contingency
- c) Professional fees
- d) Sales, letting, disposal & marketing costs
- e) Compensation costs
- f) Community Infrastructure Levy
- g) Planning obligation
- h) Finance
- i) Profit expectation

1.8.2 CONSTRUCTION COSTS

1.8.2.1 The build cost advice for the Illustrative Scheme has been provided by the Applicant's cost consultants, Rider Levett Bucknall ('RLB'), a summary of which is at Appendix 6. RLB have provided a build cost per plot which has been replicated in the appraisal.

1.8.2.2 The cost estimate includes allowances for preliminaries, main contractor's overheads & profit. The total build costs equate to £728,290,563 or £281 per sqft on the GIA including a contingency.

1.8.2.3 We have also been provided with a cost estimate in regard to site wide infrastructure costs, these include; required demolition and asbestos works, site levels, contamination, landscaping, and utilities. We have applied 20% for overheads and preliminaries. The total infrastructure costs equate to £73,233,798. A summary is at Appendix 7.

1.8.3 CONTINGENCY

1.8.3.1 We understand an allowance has been made within RLB's estimate of build costs for construction contractor's contingency, which is in line with industry benchmarks. The contractor's risk allowance forms a part of the contractor's fixed price for a design and build contract and protects the contractor for unforeseen risks such as the cost of packages.

1.8.3.2 A 5% contingency has been applied to infrastructure costs, in line with industry standards.

- 1.8.3.3 Considering the size, complexity, and outline nature (in part) of the proposals it would not be unreasonable to have an additional developer's contingency risk allowance. This is a separate contingency cost to account for additional risks from construction borne by the developer as these costs are not priced into a fixed price contract sum.
- 1.8.3.4 Over such as long-term project these risks include design development changes required to meet changing building regulations and specifications requirements which have not yet been worked into the design, and unforeseen scope changes and extensions to build programme. Such a development contingency has not been applied as it is considered the Internal Rate of Return ('IRR') threshold (explained further below) at the upper end of the typical range accounts for this risk, but if the IRR threshold were to reduce this assumption would need to be revisited.

1.8.4 PROFESSIONAL FEES

- 1.8.4.1 Professional fees have been included at 10% of the construction costs as an industry standard assumption and appropriate for a scheme of this size and complexity.

1.8.5 SALES, DISPOSAL AND MARKETING COSTS

- 1.8.5.1 The following fees have been adopted in line with industry norms for a development of this scale:

- Market residential sale, residential marketing – 1.5% of market GDV
- Commercial marketing – £2.50 per sqft
- Market residential sale, sales agent fee – 1.5% of market GDV
- Market sale legal fees – £1,000 per unit
- Commercial sales agent fee – 0.5% of commercial GDV
- Commercial letting agent fee – 10% of market rent

1.8.6 COMPENSATION COSTS

- 1.8.6.1 The acquisition of the leasehold premises and freeholds is intended to be acquired by agreement however ultimately CPO powers could be resolved to be used by the council and so 'under the shadow of CPO' occupiers and owners are entitled to statutory compensation. The cost allowances are also included in the Landlord Offer to Estate residents and so were a factor in the resident's ballot. The compensation allowance per use is set out below, but it should be noted these are considered to be minimum figures and may need to be adjusted with provision of additional information on the current occupants and tenancies.

Secure Tenants

- 1.8.6.2 Secure council tenants are entitled to a Home Loss payment. The most recent review of the allowance (The Home Loss Payments (Prescribed Amounts) (England) Regulations 2021) confirmed the minimum payment is £7,100.
- 1.8.6.3 In addition to Home Loss tenants are entitled to disturbance allowance to cover their relocation costs. This includes the costs of removals, disconnection and reconnection of services and appliances, postal redirection and a contribution to replacement floor coverings and curtains where these do not fit the new property. An allowance of █████ per tenant has been made which is a lean estimate.

Resident Leaseholders

- 1.8.6.4 Resident leaseholders are entitled to a Home Loss payment calculated as 10% of the agreed EUV of their property.
- 1.8.6.5 They are also entitled to a disturbance allowance for the same heads of claims as the council tenants and on this basis an allowance of █████ per resident leaseholder has been allowed, which again is on the lower end of assumptions.
- 1.8.6.6 In addition, leaseholders are entitled to have their costs of their own valuation, legal conveyance fees and stamp duty on the onward acquisition paid. This has been assumed at █████ in line with purchasers' costs, however DS2 are aware of higher assumptions of up to █████ of the EUV of the property having been budgeted for these fees elsewhere.

Non-Resident Leaseholders

- 1.8.6.7 Any residential leasehold interest for which a private AST occupant is assumed, has been assumed to be owned by a non-resident leaseholder.
- 1.8.6.8 Non-resident leaseholders are entitled to a Home Loss payment calculated as 7.5% of the agreed EUV of their property.
- 1.8.6.9 They are also entitled to a disturbance allowance as although not required to relocate, they are entitled to claim for various costs associated with relocation of their investment and so are allowed to recover reinvestment costs. An allowance of █████ per non-resident leaseholder has been allowed.
- 1.8.6.10 Additionally, as leaseholders the non-resident leaseholders are entitled to have their costs of their own valuation, legal conveyance fees and stamp duty on the onward acquisition paid. This has been assumed at █████ in line with purchasers' costs, however DS2 are aware of higher assumptions of up to █████ of the EUV of the property having been budgeted for fees for non-resident leaseholders elsewhere.

Commercial Leaseholders

- 1.8.6.11 Commercial leaseholders are entitled to Basic Loss payment which is set at 7.5% of the market value of the property, up to a cap of £75,000 per property interest. Commercial occupiers are also compensated for relocation and disturbance to their business under Occupiers Loss Payment which is set at 2.5% of the EUV of the property capped at £25,000.
- 1.8.6.12 In addition, commercial leaseholders' professional fees are typically covered by the acquiring authority. This includes the cost of valuing their existing property, legal and conveyancing fees. This has been estimated at ■■■ of the EUV.
- 1.8.6.13 It should be noted the above costs reflect the minimum compensation that commercial leaseholders would negotiate and there are additional mechanisms for compensation for the commercial occupiers. The acquisition schedule is currently in the process of being updated, which will provide further information on the compensation costs. DS2 therefore reserve the right to reflect the updated compensation figures in due course.

1.8.7 COMMUNITY INFRASTRUCTURE LEVY

- 1.8.7.1 DS2 have been advised by DP9 of the figure for the current CIL charge for the site wide application and these figures have been included within the appraisal of the Proposed Development. The Borough and Mayoral CIL is estimated at £10,000,000 (to be confirmed by DP9) albeit is subject to final verification by LBH.

1.8.8 PLANNING OBLIGATIONS

- 1.8.8.1 We have been provided with estimated Section 106 costs of £1,253,650 including carbon offset. We reserve the right to update these costs in due course once further discussions have taken place between the Applicant and LBH.

1.8.9 FINANCE

- 1.8.9.1 We have used Internal Rate of Return ('IRR') as the target profit measure for this viability exercise and therefore we have not applied finance costs within this appraisal.

1.8.10 PROFIT EXPECTATION

- 1.8.10.1 Planning viability commonly adopts a percentage of profit on GDV or a profit on cost as the standard approach to profit returns, however for longer term, multi-phased complex cash intensive schemes the use of an IRR measure is also appropriate and widely accepted.

- 1.8.10.2 As set out in Section Five of this report, the approach being adopted in this FVA is to insert the BLV as a fixed land cost in the appraisal model and the level of development return/ profit generated becomes the benchmark by which viability is measure.
- 1.8.10.3 If a return is produced by the appraisal, it is then necessary to compare this return with industry benchmarks to decide whether this is an acceptable level of profit with which to deliver the scheme and consequently, whether the scheme can viably support to provide additional affordable housing.
- 1.8.10.4 The criteria to consider in arriving at an appropriate figure for developer's return include, amongst other things, location, property use type, the scale of development and associated expenditure profile and the economic context.
- 1.8.10.5 Developers, banks, and other funding institutions will have minimum expectations in terms of financial returns that are aligned with the risk profile. Simply, there must be a reasonable prospect that the return will be commensurate with the risks being undertaken.
- 1.8.10.6 In arriving at a suitable IRR target we have consulted RICS published research titled 'Performance Metrics required and achieved return for UK real estate development (2019)'. This provides insight in relation to the nature of development profit for differing types of development both in terms of use, location, and scale. The research analyses a range of sources including publicly available viability assessments that have been provided for planning purposes in respect of development projects, public accounts for UK listed developers, and a survey.
- 1.8.10.7 We also understand that an IRR of [REDACTED] was agreed in [REDACTED] for the south of the site agreed in negotiations between the GLA and the applicant.
- 1.8.10.8 It should be noted that the IRR is an 'ungeared' IRR, calculated before finance/borrowing costs. This is aligned with industry standard practice.
- 1.8.10.9 In arriving in our target IRR, we have considered the following risks of the Proposed Development:
- A lengthy development programme exposes the development to external fluctuations and changes over the development period.
 - A large number of units coming to the market as part of a regeneration development. The development is exposed to volatility in the local housing market and the number of units coming to market will have an impact upon absorption.
 - Complex delivery requirements including neighbourly matters, decant strategies, acquisition of third-party land interest, and the potential need to require LBH to invoke their Compulsory Purchase Powers to assemble the site.

1.8.10.10 To reflect the above considerations, we have adopted a target IRR of 14% in the assessment of viability. We are of the opinion that this is appropriate for planning viability purposes being in accordance with the policy tests and professional guidance as well as being a reasonable reflection of normal market requirements. This also reflects discussions with the Applicant in regard to suitable profit targets they would anticipate from their experience of schemes of a similar nature.

1.9 SITE VALUE

- 1.9.1.1 In arriving at a site value for HRW regard has been given to the approach set out in Section 5 of this FVA. The approach accords with planning policy and best practice guidance, including the Mayor's Affordable Housing & Viability SPG (August 2017) and the NPPG (July 2018).
- 1.9.1.2 The NPPG states that BLV should usually be established on the EUV of the land, plus a premium for the landowner. It stipulates that the premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land.
- 1.9.1.3 Within the Affordable Housing SPG the Mayor has stated that the EUV+ approach is usually the most appropriate for planning purposes.
- 1.9.1.4 The principle of this approach is that a landowner should receive at least the value of the land in its current or 'pre-permission' use, otherwise there is no incentive for a landowner to release their land for redevelopment and in doing so extinguish the value of the existing use. Furthermore, it is considered that a premium is added to provide the landowner with an additional incentive to release the site, having regard to site circumstances. The SPG refers to a range of between 10% and 30% albeit noting that the premium must reflect site specific circumstances and will vary.
- 1.9.1.5 The site value is inputted into the model as a fixed cost with each Phase's land value included at phase commencement to ensure the costs of financing the land acquisition are only incurred from the point that the land is needed for development.
- 1.9.1.6 HRW is formed of multiple ownerships and CBRE have undertaken a valuation exercise identifying the various ownerships, land interests and tenancies within the planning red line in order to inform the potential land assembly costs, acting for LBH. This schedule of land interests is from 2019 based on surveys conducted at that time. DS2 understand new surveys are being conducted at present to re-commence the acquisition work and as such DS2 reserve the right to revisit the EUV valuation when this additional information on the current property interests is available. For clarity CBRE's valuation has not been used and DS2 have undertaken their own assessment of the existing use value, however we have relied upon the tenancy and ownership information within the CBRE schedule.
- 1.9.1.7 HRW as previously identified, is divided by White Hart Lane into north and south areas and these are assessed in turn below.

HRW

1.9.2 SOUTH SITE EUV

1.9.2.1 The south of HRW primarily comprises the existing Estate, retail and residential premises along the High Road, and community uses such as the existing library and Grace Day Centre and church.

1.9.2.2 The valuation of the components is considered by Use Class in turn.

LBH Tenanted Properties

1.9.2.3 DS2 have been provided with the rent schedule for the existing Estate homes which are tenanted through LBH. All tenanted units are rented at or below Target Rents.

1.9.2.4 The rents achieved for each residential block have been input into ProVal, a specialist valuation software for affordable housing. ProVal uses the discounted cashflow method, assessing the total rental income generated by the affordable homes, then making deductions to reflect the RP's costs in delivering and managing the affordable homes long term. This includes costs for management, maintenance & repair, letting, voids, delivery and borrowing (finance). The cashflow is assessed over 45 years and discounted back at an appropriate rate to a present-day value.

1.9.2.5 Given the intention for development of these units, DS2 have not been provided with a forecast of capital expenditures and maintenance costs for these buildings. Management and maintenance costs have been applied at £450 per unit and £550 per unit based on DS2's surveys of RPs and review of RP financial reporting. In addition, 3% voids and bad debts have been applied at the higher end of the standard range of 1 to 3%.

1.9.2.6 Major repairs have been included at 1% of works costs as per a standard assumption, with this cost however applied from day 1 given the assumed current condition of the properties. This equates to c. £600 per unit per annum depending on unit mix.

1.9.2.7 A discount rate of 5.0% has been applied to the appraisal informed by DS2's surveys of RPs, with the discount rate being on the upper end of the typical range for social rent unit of 4.5-5% to account for the condition of the units. Rents and costs have been increased at base inflation assumed at 1.75%. Overall, this results in the following values per block:

Table 24: Value of LBH Tenanted Properties on Love Lane Estate, HRW, October 2021				
Residential Block	Units	Proval Output £	£ / unit (rounded downwards)	Approx. £ per sqft
Brereton Road	5	██████	██████	██████
Charles House	53	██████	██████	██████
Ermine House	56	██████	██████	██████
Kathleen Ferrier Court	13	██████	██████	██████
Moselle House	55	██████	██████	██████
Orchard Place	12	██████	██████	██████
White Hart Lane	11	██████	██████	██████
Whitehall Street	44	██████	██████	██████

- 1.9.2.8 The price per sqft has been approximated based on 50 sqm for 1 bed units, 70 sqm for 2 beds, 90 sqm for 3 beds and 110 sqm for 4 beds. DS2 have not been provided unit NIAs and therefore this assessment is approximate and may under-size the units and therefore inflate the approximate £ per sqft values.

Residential Properties privately owned on Long Leaseholds

- 1.9.2.9 In accordance with the CBRE schedule, several former LBH council tenant properties have been purchased presumably through right to buy. The condition of these units is unknown and as such the condition is assumed to be average, noting the leaseholders would have had the opportunity to have improved their homes.
- 1.9.2.10 In addition to the former council homes, the south of HRW includes several properties along the High Road which comprise ground floor retail or commercial premises with residential flats above. According to the property schedule a number of these residential flats are let out on ASTs with some owner occupation.
- 1.9.2.11 These residential properties will need to be acquired by the Applicant, which ultimately could be through CPO. Home Loss and disturbance payments have therefore been accounted for within the appraisal of the Proposed Development, as noted in the development costs section.
- 1.9.2.12 Unit details such as the of number of bedrooms and square footage have not been supplied and therefore DS2 have assumed each residential unit in private ownership is an average sized two-bedroom property in average condition. Should further information come to light, we reserve the right to reflect this in our assessment.
- 1.9.2.13 DS2 note the following residential comparables, which have been used to determine the EUV for these units:

Table 25: Existing Units – Residential 2-Bed Comparable Evidence, HRW, October 2021			
Address	Price	Date Achieved	Comments
20 Taylor Close	£287,000	Mar-20	Estate block NE of THFC, average to good condition. 667 sqft.
6 Park Lane Close	£275,000	Feb-20	Estate block SE of THFC, modern kitchen fittings but appears to be original heating system.
Flat 48, The Lindales, Grasmere Road	£295,000	Nov-19	Estate block NE of site, average to good condition.
Flat 83, The Lindales, Grasmere Road	£297,500	Oct-19	Estate block NE of site, average to good condition with balcony. 757 sqft.
18 Joyce Avenue	£165,000	Sep-20	Auction sale of maisonette in estate block, condition unknown but let on AST at time of auction.
Flat 10 Woodrow Court, Heybourne Road	£265,000	Sep-20	Estate block with modern kitchen but otherwise average condition. Garage. 518 sqft. GF.
34 Tanners End Lane	£255,000	Mar-20	Estate block to N of site, maisonette in average condition.
Flat 38, The Weymarks, Weir Hall Road	£255,000	Nov-19	Estate block maisonette in average condition to W of site. GF with patio garden.
154 Joyce Avenue	£252,000	Oct-19	Estate block maisonette in average condition.

1.9.2.14 From the evidence above average properties without more modernised fittings achieve c. £250,000. DS2 understand that the current asking price for Flat 12, Burleigh Court at £190,000, which comprises a former council estate flat although the lease only has 46 years remaining. Another average condition 2-bedroom unit in Hawkinge, Gloucester Road is on the market for £200,000 and comprises a flat in an estate block. No recent evidence of flats above commercial premises has been found and the units are assumed to be comparable to the former council flats.

1.9.2.15 Given the condition and lease terms of the properties are unknown [REDACTED] [REDACTED] has been applied to the residential units to be purchased.

Retail Premises

1.9.2.16 Rental information from a 2016 schedule has been provided, however this is considered too historic with some of the mentioned leases now expired.

1.9.2.17 A review of comparable information has been undertaken to assess the rents achievable for the subject units. DS2 note the following:

Table 26: Existing Units – Retail Rents Comparable Evidence, HRW, October 2021

Address	Sqft	Rent	Rent £per sqft	Sign Date	Comments
492-500 High Road	445	£21,000	£47.19	May-21	Asking rent but confirmed letting to Melissa Patisserie on 20-year term. Located by Bruce Grove.
156-158 Fore St	524	£20,001	£38.17	Nov-20	Asking rent, located c. 250m from Silver Street overground
281 Brettenham Rd	682	£8,500	£12.46	Sep-20	GF retail on 5-year lease with 7m rent free with break option at end of 2 nd year. In neighbourhood shopping parade of 6 shops in a residential area
163 Park	626	£11,299	£18.05	Sep-20	Asking rent, let from LBH, GF lockup in a parade with maisonettes above, between HRW and Northumberland Park
127 High Cross Rd	480	£7,000	£14.58	Aug-20	GF unit in parade of shops with council residential units above, in walking distance of Tottenham Hale. Let to private individual for hairdressers.
85 Bruce Grove	607	£14,000	£23.06	Aug-20	Assignment of lease to a Chinese restaurant, demised storage, yard and WC on period parade leading to Bruce Grove station
107 Fore St	1755	£24,000	£13.68	Jul-20	Tenanted to Pharmocare, demised kitchen and WC, part of Angel shopping centre on main high street parade.
57 White Hart Ln	441	£25,000	£56.69	Jun-20	Let to Papa Johns, just west of HRW on 15-year term.
555-557 High Rd	2500	£62,500	£25.00	Jan-20	20-year term further south on High Road close to Bruce Grove, 5 year upward only reviews

1.9.2.18 Based on the above comparables a rent of [REDACTED] has been applied to the retail units at the lowest end of the valuation range given the limited information on the units. We note however there are examples of significantly higher rents in the vicinity.

1.9.2.19 In assessing the yield to be applied to the retail units, DS2 have considered the following comparables:

Table 27: Existing Units – Retail Yield Comparable Evidence, HRW, October 2021

Address	Price	Sqft	£per sqft	Date Sold	Gross yield	Comments
77 Fore Street	£345,000	829	£416	May-20	8.00%	FH shop with residential ground rent (sold off on long lease). Asking price of £300,000 represented a gross yield of 8%.
344 High Road	£766,500	2,553	£300	Dec-19	5.22%	Built in 2009, retail unit fully leased at sale. Between Tottenham Hale and Seven Sisters.
63 White Hart Lane	£165,000	500	£330	Dec-19	5.27%	Just west of subject. Residential upper sold off on long leasehold. Fully tenanted at sale.
9 Great Cambridge Road	£300,000	1,023	£293	Oct-19	4.76%	Unit let to Ladbrokes at sale on 10-year lease, representing a net initial yield of 4.61% sold at auction. Close to White Hart Lane station.

1.9.2.20 In addition, DS2 have reviewed agency yield sheets. For ‘Good Secondary’ and ‘Secondary / Tertiary’ categories the Knight Frank January 2021 yield guide shows a yield of 8.25% and 10% respectively with negative market sentiment. The CBRE yield sheet dated February 2021 states ‘Good Secondary’ for the UK with yields of 8.5% with weaker market sentiment noted.

1.9.2.21 Overall DS2 have applied a yield of ■■■ to the retail units.

Other Uses

1.9.2.22 Other uses on the south of HRW and their valuation commentary are provided below:

Table 28: Other Uses Valuation Commentary, HRW, October 2021			
Use/ Property	Value applied	Value components	Comments
Telecoms to roof of Charles House	█		Applies the rateable value for this registered lease
Various public highways, footpaths and greenspaces	£0		No value has been applied to several freeholds comprising public space and highways
Garages		█ █	Based on DS2's experience and review of comparables
Tottenham Health Centre	█	█ █	No additional evidence to change rent from that applied to retail. Yield improved based on healthcare covenant.
Electricity Substation	£0		Assumed not to be income generating
Coombes Croft Library	█	█ █	Reduced rent from commercial on account of use class. Commercial yield retained.
British Queen Public House	£0		DS2 have been informed that the site is derelict and so no value has been applied
Grace Day Care Centre and Church	█	█ █	Reduced rent from commercial on account of use class. Commercial yield retained.
100 Whitehall Street	█	█	Former residential care home for adults with learning disabilities converted into temporary sheltered accommodation in 2017 but temporary permission now expired. Modern facility now not in use and conversion works may be necessary to return to permitted use. Minimal value therefore applied.

1.9.3 SUMMARY FOR SOUTH OF HRW SITE

1.9.3.1 Applying the component values to the plot schedule results in the following EUVs. No premium has been applied to the properties to the south of the HRW site. DS2 would comment that the High Road retail/ residential premises could be argued to justify a premium as income producing assets. However, given the limited information on the units, no premium has been applied. A full schedule of EUV and compensation costs is attached at Appendix 9.

Table 29: EUV Summary for South of Site, HRW, October 2021

Phase	Plots	EUV
1	A1 & A2, G D	£5,150,000
2	F	£7,642,250
3	B, C1, C2, E	£21,100,000

1.9.4 NORTH SITE LAND VALUE

1.9.4.1 The north of HRW primarily comprises industrial and retail uses, including the Peacock Industrial Estate. The north of HRW also includes the Goods Yard and Depot sites, for which there is an existing planning consent.

1.9.4.2 The components of the land valuation are considered in turn below.

AUV Assessment of the Planning Permissions

1.9.4.3 The Depot site forms the northern most area of HRW and as existing comprises a B&M store, 200 parking spaces and a small retail parade. The viability accompanying the planning application (ref: HGY/2019/2929) agreed the existing use benchmark at £9,810,000 above the agreed residual land value of £9,490,000 in February 2020.

1.9.4.4 Considering reasonably limited time has passed since the values were agreed, these values have been reviewed and are considered reasonable and could be considered light as our assessment of residential values is increased by comparison. The agreed RLV for the scheme has been taken as the AUV for this element of the subject Site. DS2 note this is lower than the viability's BLV assessment and so the more conservative land value has been adopted.

1.9.4.5 The Goods Yard comprises the western area of the north of HRW which currently comprises an area of car parking under a temporary planning permission on cleared land, c. 1,000 sqm of industrial premises at Carberry Enterprise Park and the locally listed Station Masters House.

1.9.4.6 The Goods Yard planning consent proposed 35% affordable housing and so only a short-form viability for validation was required. This demonstrated a RLV without grant of £5,800,000, or with grant of £10,400,000 for the development of 350 units. The scheme went to the Planning Inspectorate and BNPP's proof of evidence (dated April 2019) on behalf of the council showed a RLV for the proposed scheme with the intermediate delivered for shared ownership of £7,881,000. This contrasted against BNPP's assessment of the EUV of £7,170,170. Given the proposed massing is greater than the Depot which has consent for 330 units, the comparatively lower RLV is considered conservative and has been adopted as the AUV for the HRW.

Residential Elements

- 1.9.4.7 As per the south of HRW a value of [REDACTED] has been applied to each residential unit. Most residential units in the north of HRW are situated above retail/ commercial premises and the information on their condition and size is lacking. [REDACTED] is considered to reflect a conservative assessment of value.

Retail Elements

- 1.9.4.8 As per the south of HRW a value of [REDACTED] per sqft has been applied to each retail unit, capitalised at a yield of [REDACTED]. The retail units are situated along High Road and White Hart Lane. As previously discussed, the condition and current tenancy information is unknown and therefore a conservative approach has been adopted.

Industrial Elements

- 1.9.4.9 The north of HRW comprises a significant area of industrial uses including the Peacock Industrial Estate, Nesta Works, Chapel Place and a Timber Yard.
- 1.9.4.10 A review of comparable information has been undertaken to assess the rents achievable for the subject units. DS2 note the following:

Table 30: Existing Units – Industrial Rents Comparable Evidence, HRW, October 2021					
Address	Sqft	Rent	Rent £per sqft	Sign Date	Comments
6-7 West Rd	9,000	Asking	£12.50	Sep-21	Single storey factory warehouse buildings, clear space with electric front roller, parking, 3 phase power, toilets kitchen, either both units or separate.
Unit 9, Compass West Industrial Estate	2,216	Asking	£18.05	Apr-21	GF industrial accommodation with roller shutters, security system, WC, loading and forecourt parking.
10-18 Commercial Rd	3,143	Achieved	£14.32	Apr-21	Clear industrial unit with mezzanine store over ground floor office and WC.
Unit 4a Brantwood Rd	6,070	Asking	£16.50	Mar-21	Roller shutter door, ground and 1stF offices, 3 phase power, 5 forecourt parking spaces
1 Frontier Works, Queen St	902	Achieved	£17.73	Jan-21	Leased from LBH, single storey light industrial unit in estate of 20 small units close to White Hart Lane, just west of site
15 Frontier Works, Queen St	422	Effective	£16.97	Jun-20	Single storey light industrial unit, electricity, WC, parking and water supply, minimum 5-year term.
West Rd	2,132	Asking	£16.42	Jan-20	GF space with roller shutters, yard and WC facilities

- 1.9.4.11 On this basis a rent of [REDACTED] per sqft has been applied to the units. Frontier Works is of note comprising light industrial units just east of HRW which have achieved rents of over £15 per sqft despite being slightly further removed from the main road connections.

1.9.4.12 A reduced rent of [REDACTED] has been applied to the timber yard given the lease includes areas of hard standing and part covered open storage. A reduced rent of [REDACTED] has also been applied to the banqueting hall event space at 825 High Road given its considerable size.

1.9.4.13 In assessing the capital value and yield to be applied to the industrial units, DS2 have considered the following comparables:

Table 31: Existing Units – Industrial Yield Comparable Evidence, HRW, October 2021					
Address	Price	Sqft	£per sqft	Date Sold	Comments
Mill Mead Road	£350,000	2,223	£157	Jun-21	Asking price. Tottenham Hale unit with 1stF office and storage, concertina loading door, 3-phase power, chiller, secure estate barrier.
Foutayne Rd	£1.2m	18,041	£66.52	Apr-21	100% leased at sale, warehouse built in 1963
Unit 11, Foutayne Rd	£2.8m	12,398	£226	Dec-19	Between Tottenham Hale and Seven Sisters. Warehouse with office, staffroom, kitchen, WCs and mezzanine.
Shaftesbury Rd	£6.1m	37,000	£165	Jul-20	Sold to LBH, factory, warehouse, showroom and office. Yard for 10 cars.
110-118 Markfield Rd	£1.68m	6,239	£269	May-20	100% leased at sale, 3-phase power. Between Seven Sisters and Tottenham Hale.
6-7 Nobel Road	£2.8m	22,537	£124	Mar-20	Asking price. In Edmonton off Meridian Way. 3-phase power, roller shutters, trade counter, offices, loading areas. 100% leased at sale.
2 Norman Rd	£4.3m	16,000	£269	Feb-20	Investment purchase. 100% leased at sale. 1930s built. Seven Sisters location.
1-12 Sybil Mews	£2.25m	9,724	£231	U/O	Asking price but under offer. GIY of 2.54% but leases expire in next 12m so asset management opportunity. Built 1975.

1.9.4.14 In addition, DS2 have reviewed agency yield sheets. For secondary estates the Knight Frank January 2021 yield guide shows a yield of 6.00% with stable market sentiment. Yields are keener for distribution and south England estates. The CBRE yield sheet (February 2021) shows secondary estate yields at 6.75% and good secondary at 5.25%.

1.9.4.15 Overall DS2 have applied a yield of [REDACTED] to the industrial units. As a sense check, across the industrial uses in the north of HRW the £per sqft equates to [REDACTED] per sqft, which is at the lower end of the comparable evidence range.

1.9.5 SUMMARY FOR NORTH OF HRW SITE

- 1.9.5.1 Applying the component values to the plot schedule results in the following EUVs / AUVs. No premium has been applied to the north of HRW in consideration of the limited information on the units, but we reserve the right to do so when further information on these units comes to light. Basic Loss Payment and Occupiers Loss Payment has been applied to the units but is considered further under the development costs section. A full schedule of EUV and compensation costs is attached at Appendix 9.
- 1.9.5.2 The AUV land areas cover plots in both Phase 4 and 5. In order to derive a land value for Phase 4 and Phase 5 separately the AUV has been apportioned between the phases based on GEA. The apportionment calculations are as follows:

Table 32: AUV Apportionment, HRW, October 2021				
Goods Yard				
Plot	Phase	GEA	% total GEA	Phase apportioned %
J1	4	183,649	44.3%	90.4%
L1	4	161,901	39.1%	
M2	4	29,040	7.0%	
H1 + 2	5	39,849	9.6%	9.6%
Total		414,439		
B&M				
M1	4	209,725	57.2%	57.2%
N1	5	47,532	13.0%	42.8%
N2	5	53,532	14.6%	
N3	5	23,327	6.4%	
N4	5	32,236	8.8%	
Total		366,352		

1.9.5.3 Overall, this results in the following land values for Phase 4 and Phase 5. A full breakdown of EUV is provided at Appendix 9:

Table 33: BLV Summary for North of Site, HRW, October 2021		
Phase	Plots	Land Value
4	J1,K2,L1, M1, M2	£16,455,955
5	H, I1/2/3, C2,J2,K1,L2,M3,N1,N2,N3,N4	£23,305,045

1.9.5.4 DS2 are working collaboratively with BNP Paribas Real Estate (the Council's appointed advisor) and the Council and are currently in ongoing discussion to reach a robust agreement in regard to the BLV.

1.10 APPRAISAL RESULTS AND SENSITIVITY TESTING

1.10.1 PROPOSED DEVELOPMENT

1.10.1.1 The results of the FVA are presented below. A copy of the ARGUS appraisal summary for the Proposed Development based on the Illustrative Scheme is attached at Appendix 11.

Scheme	Benchmark Land Value (Fixed Cost)	Residual Return (% IRR) Ungeared	Target Return	Surplus/deficit
Proposed development	£71,562,250	6.6%	14%	7.4%

1.10.1.2 From the results above, when comparing the IRR of the Proposed Development to the Benchmark Profit there is a deficit. This indicates that the Illustrative Scheme proposals with 35% affordable housing (on a unit basis) provides in excess of the maximum contribution required by viability. This is not an unusual scenario in our experience for an estate regeneration project and the low IRR is derived by a combination of factors.

1.10.1.3 Factors that make estate regenerations challenging from a development economics perspective include:

- The lead in period for estate regeneration projects is often significant in terms of timings and the requirement for comprehensive community engagement. This is evident at HRW given initial consideration of a masterplan commenced in 2012 (albeit we are not seeking to capture the pre-application timings in the FVA). Regeneration involves disruption and change to established communities and changes to the fabric of such communities needs to be treated carefully and sensitively.
- Prior to undertaking estate regeneration, landowners are tasked with fully establishing whether there are alternatives to achieve the vision and objectives of estate regeneration. This can take time and significant financial resource.
- The delivery of new homes, in accordance with planning policy, will be to a significantly higher design and environmental standard as well as being, in the main, to a size in excess of the existing homes.

- Estate regeneration involves a like for like replacement (full right to return on the same rent and with the same security of tenure) of existing low cost (social) rented homes plus the optimisation of affordable housing on any net uplift in housing. Commonly, the first phases of any regeneration project involve the delivery of a high proportion of social rented accommodation in the first phases in order to re-house those displaced, indeed this is proposed for the south of the HRW site. Clearly, this takes time and is delivered at a significant financial cost to a project. It is generally only the latter phases that provide a reasonable quantum of private homes are delivered, which provide mixed and balanced communities but also to cross-subsidise the early phases.
- Whilst there is a statutory and moral duty to re-provide low cost rented homes, there is also a commitment to ensure that any resident leaseholders who wish to return to the site can do once developed and the landowner will part fund a new property for any interested households to ensure the existing community is not priced out of the regeneration and landowners are encouraged to provide support to those leaseholders who may wish to purchase a home elsewhere.
- Those displaced by estate regeneration will be offered home loss compensation permitted by legislation and London policy seeks that the maximum payments are offered.
- Site assembly in preparation for regeneration is time consuming and expensive and policy requires a 'fair deal' for social tenants but also other leaseholders and freeholders. At HRW there are a number of existing residents, occupiers, leaseholders and freeholders of both residential and commercial uses, whose properties need to be acquired ideally through negotiated agreement rather than through the use of CPO powers. Leaseholders and freeholders will need to be compensated on a market value basis, plus a premium, in order to secure vacant possession.
- Formulating and executing a decant strategy for existing residents of estate regenerations incurs costs and can be challenging given the limited availability of empty homes elsewhere required whilst the regeneration takes place.
- Commonly, estate regeneration projects also require the delivery of other non-income producing community uses and a range of other public benefits at considerable cost.
- The replacement of existing low cost rented homes and the optimisation on the uplift is acknowledged in policy as being economically challenging. Those tasked with delivering such schemes are encouraged to seek gap funding where possible however affordable housing funding delivered by central Government via the GLA is extremely challenging and there is limited financial resource available in the new 2021-26 programme.

1.10.2 SENSITIVITY TESTING

1.10.2.1 Considering the above appraisal results, DS2 has undertaken a sensitivity analysis to determine the change in values and reduction in construction costs that would be required for the IRR to meet the target of 14%. The results of the sensitivity analysis on the residual profit are presented below:

Residual Return (%IRR)	Residential sales values					
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Construction Costs	-10.00%	7.65%	10.82%	13.85%	16.77%	19.58%
	-5.00%	3.93%	7.09%	10.11%	13.01%	15.80%
	0.00%	0.38%	3.56%	6.59%	9.48%	12.25%
	5.00%	-3.02%	0.19%	3.23%	6.13%	8.90%
	10.00%	-6.30%	-3.05%	0.02%	2.93%	5.71%

1.10.2.2 The results of the sensitivity testing demonstrate that through a combination of changes to the sales and build cost inputs an improvement in the Residual Profit can be achieved. As a result, the developer is willing to proceed with the development subject to a planning consent being granted, taking a view on future growth.

1.11 CONCLUSIONS

- 1.11.1.1 The purpose of this FVA is to robustly test the maximum amount of affordable housing and other financial obligations that the Proposed Development can viably support. The FVA is an objective and impartial view on the development viability of the Proposed Development using professional judgement.
- 1.11.1.2 The testing of an illustrative scheme as part of a hybrid application is a common approach in planning viability where it is impractical to test every potential development option possible under a hybrid planning permission, but there is a requirement to test the optimum scheme in planning terms and determine its ability to deliver planning obligations.
- 1.11.1.3 The Existing Use Value for HRW has been examined. This considers the existing residential accommodation which is partially owned and managed by LBH. DS2 has considered the EUV of the HRW site, based upon the current stock of accommodation at the date of this report. An assessment of the values of the various tenures has been undertaken and the EUV is estimated at circa £71.5M.
- 1.11.1.4 Considering the length of the project programme and the scale of upfront capital expenditure required to get the development off the ground, the pool of developer/ investors with the resources to take on this project is small, an IRR-based measure of return has been adopted in this FVA.
- 1.11.1.5 The residual profit of the Illustrative Scheme appraisal is compared against a target profit level of 14% IRR to determine the viability of the Proposed Development.
- 1.11.1.6 DS2 has undertaken an assessment of the Proposed Development which includes the site value for HRW as a fixed land cost. The appraisal demonstrates an outturn IRR of circa 6.6%. This is below the expectation of the level of profit the market would seek, being circa 14%. This demonstrates the Proposed Development is currently not viable with the anticipated planning and affordable housing liabilities.
- 1.11.1.7 The results of the sensitivity testing demonstrate that through a combination of changes to the sales and build cost inputs in the viability of the Proposed Development, an improvement in the Residual Profit can be achieved.
- 1.11.1.8 The Applicant and DS2 look forward to meeting with LBH and the GLA to discuss the content and outputs of this FVA.

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Reviewed by:

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PARTNER

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For and on behalf of: Lend Lease (High Road West) Ltd

Date: 28 October 2021

HRW

APPENDICES

HRW

APPENDIX 1: RED LINE SITE PLAN



Parameter Plan 01 - Planning Application Boundary Plan

1 : 1000

For Approval

— Hybrid Planning Application Boundary

Notes:

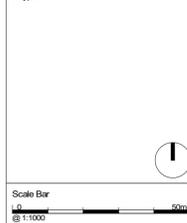
- Where the Site meets an adopted highway the Planning Application Boundary is set in conjunction with the kerblines. Where junction works are expected, the Planning Application Boundary extends further to include both pavements.
- The total site area is 85,735 sqm / 8.57 ha.
- Where the Site meets existing buildings and structures the Planning Application Boundary is set in conjunction with the topographic survey information "LF3364_LAF_XX_ST_DR_G_1001_S2_R6" for the area to the south of White Hart Lane and the OS survey "01456569" for the area to the north of White Hart Lane.

General Notes

No impact fence exists. This drawing should not be used to calculate areas for the purposes of valuation. Do not scale the drawing. All dimensions to be checked on site by the contractor and such dimensions to be their responsibility. All work must comply with relevant British standards and building requirements. Drawing errors and omissions to be reported to the architect.

Rev	Date	Reason for Issue	CH
4	01.10.21	Draft Planning Deliverables	GY
3	20.09.21	Design Freeze Update	GY
2	20.08.21	Outline Design Freeze	NJ
1	16.07.21	Revision 1	NJ

Keyplan



Drawing Title
Parameter Plan 01 - Planning Application Boundary

Project Number	Status
0311	For Information
Scale at A1	Date
1 : 1000	06/04/21
Drawn by	Checked by
NJ	AR
Drawing Number	Revision
0311-SEW-ZZ-DR-1-001001	4



Client
Lendlease
Project
0311 High Road West

HRW

APPENDIX 2: EXISTING SITE PHOTOS

SITE PHOTOS APPENDIX

SITE PHOTOS



View from High Road, looking north west along Whitehall Street



View looking west along Brereton Road



View of High Road looking north from corner with Whitehall Street



View of High Road looking south from corner with Whitehall Street. Coombes Croft library is to right of image



Rear of Love Lane Estate units on Orchard Place



View looking northwest on High Road with subject site comprising units on left of image



Coombes Croft library and units above



View of Ermine House from the south



Units on Whitehall Street



View of Ermine House looking east with Tottenham Hotspurs stadium in background



View looking north up Love Lane towards White Hart Lane Station



Former British Queen Public House



View east along Moselle Street

APPENDIX 3: OUTLINE APPLICATION SCHEDULE OF ACCOMODATION

	Plot C2				Plot D				Plot E				Plot F										
Jan-32	SOS	Feb-30	PC	Jan-32	SOS	May-23	PC	Sep-26	SOS	Nov-29	PC	Jun-31	SOS	Jun-25	PC	Jul-28	SOS	Nov-22					
GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm					
0	5	195	257	279	0	0	0	0	0	0	0	0	12	468	616	669	0	0					
0	11	550	724	787	0	0	0	0	0	0	0	0	123	6,150	8,093	8,798	0	0					
0	6	342	450	489	0	0	0	0	0	0	0	0	3	171	225	245	0	0					
90	11	693	912	991	0	0	0	0	0	0	0	0	21	1,323	1,741	1,893	0	0					
195	6	408	537	584	0	0	0	0	0	0	0	0	10	680	895	973	0	0					
406	3	213	280	305	0	0	0	0	0	0	0	0	101	7,171	9,437	10,258	0	0					
492	10	860	1,132	1,230	0	0	0	0	0	0	0	0	10	860	1,132	1,230	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
1,183	52	3,261	4,291	4,665	0	0	0	0	0	0	0	0	280	16,823	22,139	24,065	0	0					
0	0	0	0	0	19	741	975	1,060	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	141	7,050	9,278	10,085	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	11	605	796	865	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	129	8,127	10,695	11,626	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	23	1,541	2,028	2,204	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	19	1,349	1,775	1,930	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	34	2,924	3,848	4,183	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	4	360	474	515	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	380	22,697	29,869	32,468	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	13	663	873	948	14	714					
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	330					
6,474	0	0	0	0	0	0	0	0	0	0	0	0	10	620	816	887	0	0					
671	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	670					
0	0	0	0	0	0	0	0	0	0	0	0	0	28	1,988	2,616	2,844	10	710					
5,364	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
2,460	0	0	0	0	0	0	0	0	0	0	0	0	20	1,720	2,264	2,460	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	5	450	592	644	0	0					
1,802	0	0	0	0	0	0	0	0	0	0	0	0	6	540	711	772	0	0					
566	0	0	0	0	0	0	0	0	0	0	0	0	9	891	1,173	1,275	0	0					
17,339	0	0	0	0	0	0	0	0	0	0	0	0	91	6,872	9,044	9,830	40	2,424					
0	0	0	0	0	0	0	0	0	0	0	0	0	19	969	1,275	1,386	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	4	220	290	315	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	24	1,512	1,990	2,163	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	3	201	265	288	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	17	1,207	1,588	1,727	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	7	525	691	751	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
0	0	0	0	0	0	0	0	0	0	0	0	0	74	4,634	6,098	6,629	0	0					
18,522	52	3,261	4,291	4,665	380	22,697	29,869	32,468	0	0	0	0	445	28,329	37,281	40,524	40	2,424					
18,694				4,650				35,383								40,410							
248					12	428	535	535			0		14	407	509	553		0					
GEA sqm	Plot C2				Plot D				Plot E				Plot F				NIA sqm						
214	NIA sqm	GIA sqm	GEA sqm	117	146	159	542	677	736	NIA sqm	GIA sqm	GEA sqm	1,657	2,071	2,251	NIA sqm	GIA sqm	GEA sqm	677	846	920	NIA sqm	280
400		294	368	400													294	368	400				
		0	0														51	63	69				
		0	0										1,221	1,526	1,659		0	0					
		0	0														0	0					
		0	0														0	0					
614		411	514	559		830	1,038	1,128		2,878	3,597	3,910		1,022	1,278	1,389						280	

asters House (existing retained use)			865 High Road (existing retained use)				6A White Hart Lane (existing retained use)				La Royale (existing retained use)				Sub Total				Target			
Dec-26	PC	Feb-29	SOS	Apr-26	PC	Sep-28	SOS	Dec-26	PC	Feb-29	SOS	Oct-26	PC	Nov-28	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm
NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm	No Units	NIA Sqm	GIA sqm	GEA sqm
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	66	2,574	3,387	3,682	66	2,574	3,387	3,682
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	481	24,050	31,650	34,403	481	24,050	31,650	34,403
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45	2,565	3,376	3,669	45	2,565	3,376	3,669
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150	9,450	12,436	13,518	150	9,450	12,436	13,518
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	66	4,488	5,906	6,420	66	4,488	5,906	6,420
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	377	26,767	35,225	38,290	377	26,767	35,225	38,290
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	105	9,030	11,883	12,917	105	9,030	11,883	12,917
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26	2,340	3,079	3,347	26	2,340	3,079	3,347
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,316	81,264	106,943	116,248	1,316	81,264	106,943	116,248
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19	741	975	1,060	19	741	975	1,060
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	141	7,050	9,278	10,085	141	7,050	9,278	10,085
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	605	796	865	11	605	796	865
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	129	8,127	10,695	11,626	129	8,127	10,695	11,626
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23	1,541	2,028	2,204	23	1,541	2,028	2,204
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19	1,349	1,775	1,930	19	1,349	1,775	1,930
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34	2,924	3,848	4,183	34	2,924	3,848	4,183
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	360	474	515	4	360	474	515
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	380	22,697	29,869	32,468	380	22,697	29,869	32,468
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45	2,295	3,020	3,283	45	2,295	3,020	3,283
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	550	724	787	10	550	724	787
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	133	8,246	10,852	11,796	133	8,246	10,852	11,796
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30	2,010	2,645	2,875	30	2,010	2,645	2,875
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	62	4,402	5,793	6,297	62	4,402	5,793	6,297
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56	4,200	5,527	6,008	56	4,200	5,527	6,008
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	99	8,514	11,204	12,179	99	8,514	11,204	12,179
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	900	1,184	1,287	10	900	1,184	1,287
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30	2,700	3,553	3,862	30	2,700	3,553	3,862
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25	2,475	3,257	3,540	25	2,475	3,257	3,540
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	36,292	47,760	51,915	500	36,292	47,760	51,915
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	115	5,865	7,718	8,390	115	5,865	7,718	8,390
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	605	796	865	11	605	796	865
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68	4,284	5,638	6,128	68	4,284	5,638	6,128
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23	1,541	2,028	2,204	23	1,541	2,028	2,204
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	157	11,147	14,669	15,946	157	11,147	14,669	15,946
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35	2,625	3,455	3,755	35	2,625	3,455	3,755
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	630	829	901	7	630	829	901
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	416	26,697	35,133	38,190	416	26,697	35,133	38,190
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,612	166,950	219,706	238,821	2,612	166,950	219,706	238,821
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	245,684	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,604	8,255	9,174	0	0	0	0
asters House (existing retained use)	865 High Road (existing retained use)						6A White Hart Lane (existing retained use)			La Royale (existing retained use)			Total									
NIA sqm	GIA sqm	GEA sqm	NIA sqm	GIA sqm	GEA sqm	NIA sqm	GIA sqm	GEA sqm	NIA sqm	GIA sqm	GEA sqm	NIA sqm	GIA sqm	GEA sqm	NIA sqm	GIA sqm	GEA sqm					
0	0	0	0	0	0	63	79	86	185	231	251	4,367	5,459	5,934	Use Class E (a-c)							
0	0	0	0	0	0	0	0	0	0	0	0	883	1,104	1,200	Use Class E (d)							
48	60	65	0	0	0	0	0	0	0	0	0	4,260	5,325	5,788	Use Class E (g)							
0	0	0	0	0	0	0	0	0	0	0	0	1,524	1,904	2,070	Use Class F1							
0	0	0	0	0	0	0	0	0	0	0	0	682	853	927	Use Class F2							
0	0	0	0	0	0	0	0	0	0	0	0	289	361	392	Energy Centre							
48	60	65	0	0	0	63	79	86	185	231	251	0	12,005	15,006	16,311							

Total 185,559 242,967 271,169

HRW

APPENDIX 4: SITE PLAN FOR OUTLINE MASTERPLAN



Parameter Plan 02 – Proposed Development Plots Plan

1 : 1000

- Hybrid Planning Application Boundary
- Development Plots
- Detailed Component Boundary
- A** Development Plot References

Notes:
 1. Refer to Development Specification for further description of this plan, how it is to be secured by condition, and the quantum that applies.

General Notes
 No impact assessment. This drawing should not be used to calculate areas for the purpose of valuation. Do not scale the drawing. All dimensions to be checked on site by the contractor and such dimensions to be their responsibility. All work must comply with relevant British standards and building requirements. Drawing errors and omissions to be reported to the architect.

Rev	Date	Reason for Issue	CH
5	19.10.21	Draft Planning Deliverables	GY
4	01.10.21	Draft Planning Deliverables	GY
3	20.09.21	Design Freeze Update	GY
2	25.08.21	For information	GY
1	20.08.21	Outline Design Freeze	NJ

Keyplan

Scale Bar
 0 50m
 1:1000

Drawing Title
Parameter Plan 02 - Proposed Development Plots Plan

Project Number 0311	Status For Information
Scale at A1 1 : 1000	Date 20/08/21
Drawn by NJ	Checked by AR
Drawing Number 0311-SEW-ZZ-DR-1-001002	Revision 5

Studio Egret West

Client
Lendlease

Project
0311 High Road West

0311 SEW ZZZ
 3 Brewhouse Yard
 London EC1V 4EG
 0207 546 070
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 studioegretwest.com

HRW

APPENDIX 5: PROGRAMME

HRW

APPENDIX 6: RLB COST PLAN



REPORT

21 September 2021

MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2

HIGH ROAD WEST, LONDON

Lendlease



HIGH ROAD WEST, LONDON

Lendlease

MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



TABLE OF CONTENTS

- Introduction
- 1.0 Executive Summary
- 2.0 Basis and Exclusions
- 3.0 Cost Validation Build-up - Plot by Plot
- 4.0 Benchmarking

AUTHORISATION

This report has been prepared by:

Signature

A handwritten signature in black ink, appearing to read 'Jeremy Spill', written over a horizontal line.

Jeremy Spill

and authorised for issue by:

Signature

A handwritten signature in black ink, appearing to read 'P A Sambrook', written over a horizontal line.

Paul Sambrook

INTRODUCTION

Residential has been a leading market sector at RLB for over twenty years, where we have been delivering innovative forward-thinking housing solutions to both the private and public sector. Our expertise is wide ranging, and our clients include national house-builders, blue-chip residential developers, investors, build to rent developers, local authorities and public regeneration specialists. Our residential team operate throughout the UK from 13 regional offices and bring the benefit of their experience to deliver solutions based on insight and sector knowledge to provide independent and objective advice in the UK. Over the last 5 years, we have been actively involved in schemes providing over 20,000 homes, with a value in excess of £3bn.

This document has been prepared to provide a high level validation of the benchmark construction costs included in the HRW Masterplan Cost Model.

The purpose of the report is to appraise the Lendlease construction cost model rates to determine that they are robust, competitive and represent good value for money.

In order to demonstrate value for money and provide validation to the Lendlease Masterplan Cost Model, we have undertaken a benchmarking process. Our extensive track record has allowed us to develop a comprehensive cost data base for similar regeneration projects and this has been used for comparison purposes.



REGENERATION



BUILD TO RENT



MARKET



AFFORDABLE



TOWERS



LATER LIVING



STUDENT PBSA



HOTELS

HIGH ROAD WEST, LONDON

Lendlease

MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



1.0 EXECUTIVE SUMMARY

1.1 Construction Cost Summary

	Nr Units	GIA m2	NIA m2	MASTERPLAN COST MODEL			RLB BENCHMARK			VARIANCE	
				TOTAL £	£/m2 GIA	£/sqft GIA	TOTAL £	£/m2 GIA	£/sqft GIA	£	%
TOTAL CONSTRUCTION COST	2,612	241,065	178,543	740,025,979	3,070	285	728,290,563	3,021	281	(11,735,416)	(1.6%)

The comparison excludes VAT, inflation, site infrastructure, public realm and professional fees.

Our validation exercise has shown that a number of elements in Lendlease's cost model fall above our benchmarks and if adjusted would omit £11,735,416 (1.6%) from Lendlease's construction costs.

A summary of the key variances are detailed in Section 1.2 and Section 3.0 of this report.

For comparison purposes we have used the areas and unit numbers as detailed in HRW CA Summary_V03 provided by Lendlease.

1.0 EXECUTIVE SUMMARY

1.2 Validation Comparison by Asset Class

	Nr Units	GIA m2	NIA m2	LENDLEASE			RLB Benchmark			VARIANCE		Comment
				TOTAL £	GIA £/m2	GIA £/sqft	TOTAL £	GIA £/m2	GIA £/sqft	£	%	
Open Market Sales	1,316	106,171	81,264	342,900,887	3,230	300	334,141,797	3,147	292	(8,759,089)	(2.6%)	In most cases Lendlease's benchmark build cost is higher than RLB's, however, the variance is nominal and may be due to specification and quality assumptions.
Build To Rent	380	29,477	22,697	100,610,159	3,413	317	99,930,567	3,390	315	(679,592)	(0.7%)	Lendlease's benchmark build cost accord with our benchmark.
Intermediate / Shared Ownership	416	35,029	26,673	105,481,934	3,011	280	104,783,309	2,991	278	(698,625)	(0.7%)	Lendlease's benchmark build cost accord with our benchmark.
Affordable Social Rent	500	47,516	36,809	134,456,273	2,830	263	133,745,383	2,815	261	(710,889)	(0.5%)	Lendlease's benchmark build cost accord with our benchmark.
Retail	-	5,113	4,090	8,083,906	1,581	147	7,770,060	1,520	141	(313,846)	(3.9%)	The variance is nominal and this may be due to the assumptions regarding specification and quality of the shop frontage.
Office including CAT A	-	4,953	3,963	13,893,614	2,805	261	13,980,393	2,823	262	86,779	0.6%	Lendlease's benchmark build cost accord with our benchmark.
Other Commercial (CLEO)	-	3,447	2,757	9,668,835	2,805	261	9,729,226	2,823	262	60,391	0.6%	Lendlease's benchmark build cost accord with our benchmark.
Car Parking - Podium	-	1,639	-	2,925,615	1,785	166	2,847,976	1,738	161	(77,639)	(2.7%)	The difference in the benchmark rates may be due to the specification assumptions made between Lendlease and RLB.
Car Parking - Basement	-	7,358	-	18,221,980	2,476	230	17,578,851	2,389	222	(643,129)	(3.5%)	The difference in the benchmark rates may be due to the specification assumptions made between Lendlease and RLB.
Non-income generating areas	-	361	289	3,782,777	10,479	973	3,783,000	10,479	974	223	0.0%	Insufficient information available for RLB to assess - Lendlease rate used.
	2,612	241,065	178,543	740,025,979	3,070	285	728,290,563	3,021	281	(11,735,416)	(1.6%)	

Above costs include main contractor preliminaries, OH&P and risk.

The main differences are summarised below. Please refer to plot build-up for a detail review of the variances.

	LENDLEASE			RLB Benchmark			VARIANCE	
	TOTAL £	GIA £/m2	GIA £/sqft	TOTAL £	GIA £/m2	GIA £/sqft	£	%
Residential	683,449,252	3,132	291	672,601,057	3,083	286	(10,848,195)	(1.6%)
Office including CAT A	13,893,614	2,805	261	13,980,393	2,823	262	86,779	0.6%
Car Parking - Basement	18,221,980	2,476	230	17,578,851	2,389	222	(643,129)	(3.5%)

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1.0 EXECUTIVE SUMMARY

1.2 Validation Comparison by Plot

Block	Type	Nr Storeys	Nr Units	GIA m2	NIA m2	LENdlease			RLB			VARIANCE	
						TOTAL £	£/m2	£/sqft	TOTAL £	£/m2	£/sqft	£	%
Plot A1	Affordable	6	31	3,263	2,519	9,035,970	2,769	257	8,604,831	2,637	245	(431,139)	(4.8%)
Plot A2	Affordable	6	29	3,156	2,441	8,738,737	2,769	257	8,322,662	2,637	245	(416,075)	(4.8%)
Plot B	Open Market/ Affordable	26,18	331	29,969	22,925	91,580,511	3,056	284	93,601,778	3,123	290	2,021,268	2.2%
Plot C1	Open Market/ Affordable	13	179	18,117	13,898	49,272,466	2,720	253	48,313,844	2,667	248	(958,622)	(1.9%)
Plot D1	BTR/Retail/Car Park/Non Income	34,14	380	31,007	23,528	107,659,395	3,472	323	106,538,497	3,436	319	(1,120,898)	(1.0%)
Plot E1	Retail/Other Commercial	4	0	3,597	2,878	9,414,469	2,617	243	9,172,688	2,550	237	(241,781)	(2.6%)
Plot F1	Open Market/Intermediate/ Affordable/Car Parking	27,18,9,6	445	38,304	29,264	116,226,007	3,034	282	117,669,867	3,072	285	1,443,861	1.2%
Plot G1	Affordable/Retail	6	40	3,478	2,704	9,221,151	2,651	246	8,776,114	2,523	234	(445,037)	(4.8%)
Plot H1	Intermediate/Office	5,4,2,1	26	3,406	2,627	9,719,149	2,854	265	9,530,782	2,798	260	(188,367)	(1.9%)
Plot I1	Intermediate/Retail	7,6,3	68	5,992	4,567	16,713,179	2,789	259	16,337,015	2,726	253	(376,164)	(2.3%)
Plot I2	Retail/Office	2	0	713	571	1,851,383	2,597	241	1,814,510	2,545	236	(36,873)	(2.0%)
Plot I3	Office	3	0	616	493	1,750,352	2,841	264	1,723,712	2,798	260	(26,640)	(1.5%)
Plot J1	Open Market/Intermediate/ Affordable/Car Parking	18,8	155	15,952	9,705	47,777,373	2,995	278	45,466,200	2,850	265	(2,311,173)	(4.8%)
Plot K1	Open Market/Office	6,3	77	6,687	5,111	19,864,362	2,971	276	18,711,785	2,798	260	(1,152,577)	(5.8%)
Plot K2	Open Market/Office	6,4,2	63	7,092	5,471	20,876,566	2,944	273	19,845,070	2,798	260	(1,031,496)	(4.9%)
Plot L1	Open Market/Intermediate/ Affordable/Car Parking	21	143	14,005	9,055	44,359,135	3,167	294	44,281,597	3,162	294	(77,539)	(0.2%)
Plot L2	Open Market	9	89	7,430	5,646	22,661,228	3,050	283	22,396,749	3,014	280	(264,479)	(1.2%)
Plot M1	Open Market/Intermediate/ Affordable/Car Parking	29	210	18,032	12,681	64,739,961	3,590	334	63,419,002	3,517	327	(1,320,959)	(2.0%)
Plot M2	Intermediate	8	30	2,482	1,886	7,096,685	2,859	266	6,885,342	2,774	258	(211,343)	(3.0%)
Plot M3	Open Market/Other Commercial	7	31	2,658	2,026	7,914,421	2,978	277	7,437,704	2,798	260	(476,717)	(6.0%)
Plot C2	Open Market/Retail/Other Commercial	10	52	4,806	3,672	14,303,817	2,976	276	13,259,722	2,759	256	(1,044,095)	(7.3%)
Plot J2	Open Market	8	84	6,857	5,210	20,797,875	3,033	282	19,187,485	2,798	260	(1,610,390)	(7.7%)
Plot N1	Intermediate	9	43	4,081	2,929	11,767,330	2,883	268	11,322,475	2,774	258	(444,855)	(3.8%)
Plot N2	Open Market	6	50	4,616	3,118	13,209,037	2,862	266	12,696,203	2,750	256	(512,834)	(3.9%)
Plot N3	Intermediate	6,4	25	1,994	1,515	5,790,399	2,904	270	5,579,677	2,798	260	(210,722)	(3.6%)
Plot N4	Intermediate/Retail	6,3	31	2,755	2,103	7,685,020	2,789	259	7,395,252	2,684	249	(289,768)	(3.8%)
MASTERPLAN TOTAL			2,612	241,065	178,543	740,025,979	3,070	285	728,290,563	3,021	281	(11,735,416)	(1.6%)

Above costs include main contractor preliminaries, OH&P and risk.

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2.0 BASIS OF REPORT

2.1 INFORMATION USED

HRW CA Summary_VO1 - Cost build up spreadsheet produced by Lendlease received 15/9/21.
0311-SEW-ZZ-ZZ-DR-T-001004 REV 3 - Building Height Parameter Plan

2.2 BASIS OF COSTS / ASSUMPTIONS

- 1 The cost validation is based on the preliminary information listed in 2.1.
- 2 The GIFA, NIA and number of units have been extracted from HRW CA Summary_VO1.
- 3 The cost validation report has been generated utilising RLB benchmark data detailed in section 4 of this report and is based on utilising the average benchmark rate for the plot construction. The rates are therefore indicative and further design development is required.
- 4 The cost validation report has been prepared solely for the use of Lendlease to validate their construction costs.
- 5 All costs are at current price (3rd quarter 2021) and exclude inflation.
- 6 The residential benchmark rates are based upon: a wall:floor ratio of 0.55 - 0.6, net to gross of 77% to 80%, handlaid bricks to lower storeys with unitised façade to buildings over 22 storeys, intermediate and BTR specification to be the same as open market.
- 7 The office benchmark rates include for CAT A fitout.
- 8 The retail benchmark rate assumes shell and core with a glass shop front.
- 9 The car park podium benchmark rate includes the concrete podium roof. Finishes to podium are not included.
- 10 The car park basement benchmark rate assumes a single storey basement under the building plot footprint with pulse fan ventilation with a wall:floor ratio of 0.55 - 0.6.
- 11 It has been assumed that the specification for other commercial (CLEO) is the same as CAT A office.
- 12 There is insufficient information to benchmark the energy centre (non-commercial) and we have therefore used Lendlease's rate.

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3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot A1											
Open Market Sales	-	-	-	-	2,150	0		0	0	0%	
Build To Rent	-	-	-	-	2,150	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	6	31	3,263	2,519	2,250	7,341,750	2,062	6,728,306	(613,444)	(8%)	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						7,341,750		6,728,306	(613,444)	(8%)	
Preliminaries, ohp, Contingencies					23.1%	1,694,220	27.9%	1,876,525	182,305	11%	



Block A1 Total		31	3,263	2,519	2,769	9,035,970	2,637	8,604,831	(431,139)	(5%)
		Net:Gross	77.2%							
		Ave size net	81							
		Ave size gross	105							

Plot A2											
Open Market Sales	-	-	-	-	2,150	0		0	0	0%	
Build To Rent	-	-	-	-	2,150	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,150	0		0	0	0%	
Affordable Social Rent	6	29	3,156	2,441	2,250	7,101,000	2,062	6,507,672	(593,328)	(8%)	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						7,101,000		6,507,672	(593,328)	(8%)	
Preliminaries, ohp, Contingencies					23.1%	1,637,737	27.9%	1,814,990	177,253	11%	



Block A2 Total		29	3,156	2,441	2,769	8,738,737	2,637	8,322,662	(416,075)	(5%)
		Net:Gross	77.3%							
		Ave size net	84							
		Ave size gross	109							

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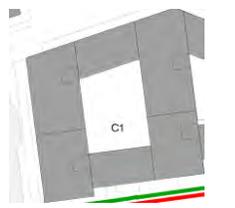
3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot B											
Open Market Sales	26,18	190	16,120	12,493	2,600	41,912,000	2,532	40,815,840	(1,096,160)	(3%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	26,18	141	13,461	10,432	2,200	29,614,200	2,274	30,610,314	996,114	3%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	1		388	-	1,400	543,200	1,347	522,636	(20,564)	(4%)	Under podium
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						72,069,400		71,948,790	(120,610)	(0%)	
Preliminaries, ohp, Contingencies					27.1%	19,511,111	30.1%	21,652,988	2,141,878	11%	



Block B Total		331	29,969	22,925	3,056	91,580,511	3,123	93,601,778	2,021,268	2%
	Net:Gross		76.5%							
	Ave size net		69							
	Ave size gross		89							

Plot C1											
Open Market Sales	13	11	1,067	827	2,400	2,560,800	2,357	2,514,919	(45,881)	(2%)	
Build To Rent	-	-	-	-	2,150	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	13	168	15,641	12,121	2,200	34,410,200	2,146	33,565,586	(844,614)	(2%)	
Retail	1		1,188	950	1,240	1,473,120	1,178	1,399,464	(73,656)	(5%)	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	1		221	-	1,400	309,400	1,347	297,687	(11,713)	(4%)	Under podium
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						38,753,520		37,777,656	(975,864)	(3%)	
Preliminaries, ohp, Contingencies					27.1%	10,518,946	27.9%	10,536,188	17,242	0%	



Block C1 Total		179	18,117	13,898	2,720	49,272,466	2,667	48,313,844	(958,622)	(2%)
	Net:Gross		76.7%							
	Ave size net		72							
	Ave size gross		93							

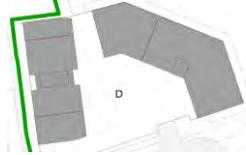
HIGH ROAD WEST, LONDON

Lendlease

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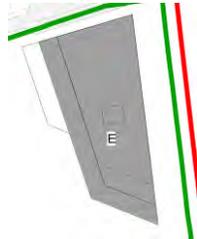
3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot D1											
Open Market Sales	-	-	-	-	2,700	0		0	0	0%	
Build To Rent	34,14	380	29,477	22,697	2,677	78,909,929	2,628	77,465,556	(1,444,373)	(2%)	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,180	0		0	0	0%	
Retail	2	-	677	542	1,240	839,480	1,178	797,506	(41,974)	(5%)	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	1	-	492	-	1,400	688,800	1,347	662,724	(26,076)	(4%)	Under podium
Non-income generating areas	1	-	361	289	8,219	2,966,884	8,219	2,967,059	175	0%	Energy centre -insufficient information to price used LL rate
						83,405,093		81,892,845	(1,512,248)	(2%)	
Preliminaries, ohp, Contingencies					29.1%	24,254,302	30.1%	24,645,652	391,350	2%	



Block D1 Total		380	31,007	23,528	3,472	107,659,395	3,436	106,538,497	(1,120,898)	(1%)
	Net:Gross		75.9%							
	Ave size net		60							
	Ave size gross		78							

Plot E1											
Open Market Sales	-	-	-	-	2,150	0		0	0	0%	
Build To Rent	-	-	-	-	2,150	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,180	0		0	0	0%	
Retail	1	-	691	553	1,240	856,840	1,178	813,998	(42,842)	(5%)	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	4	-	2,906	2,325	2,200	6,393,200	2,188	6,358,328	(34,872)	(1%)	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						7,250,040		7,172,326	(77,714)	(1%)	
Preliminaries, ohp, Contingencies					29.9%	2,164,429	27.9%	2,000,362	(164,067)	(8%)	



Block E1 Total		0	3,597	2,878	2,617	9,414,469	2,550	9,172,688	(241,781)	(3%)
	Net:Gross		80.0%							
	Ave size net		-							
	Ave size gross		-							

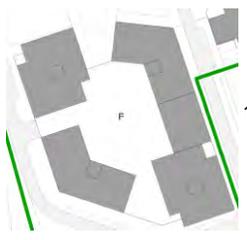
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3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot F1											
Open Market Sales	27,18,9,6	280	21,707	16,823	2,500	54,267,500	2,474	53,703,118	(564,382)	(1%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	27,18,9,6	74	5,993	4,610	2,500	14,982,500	2,474	14,826,682	(155,818)	(1%)	
Affordable Social Rent	27,18,9,6	91	8,867	6,872	2,250	19,950,750	2,231	19,782,277	(168,473)	(1%)	
Retail	-	-	1,199	959	1,240	1,486,760	1,178	1,412,422	(74,338)	(5%)	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	1	-	538	-	1,400	753,200	1,347	724,686	(28,514)	(4%)	Under podium
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
Preliminaries, ohp, Contingencies					27.1%	24,785,297	30.1%	27,220,682	2,435,386	10%	
						91,440,710		90,449,185	(991,525)	(1%)	



Block F1 Total		445	38,304	29,264	3,034	116,226,007	3,072	117,669,867	1,443,861	1%
	Net:Gross		76.4%							
	Ave size net		64							
	Ave size gross		82							

Plot G1											
Open Market Sales	-	-	-	-	2,150	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,150	0		0	0	0%	
Affordable Social Rent	6	40	3,128	2,424	2,250	7,038,000	2,062	6,449,936	(588,064)	(8%)	
Retail	1	-	350	280	1,240	434,000	1,178	412,300	(21,700)	(5%)	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
Preliminaries, ohp, Contingencies					23.4%	1,749,151	27.9%	1,913,878	164,727	9%	
						7,472,000		6,862,236	(609,764)	(8%)	



Block G1 Total		40	3,478	2,704	2,651	9,221,151	2,523	8,776,114	(445,037)	(5%)
	Net:Gross		77.7%							
	Ave size net		61							
	Ave size gross		78							

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3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot H1											
Open Market Sales	-	-	-	-	2,350	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	5,4,2,1	26	2,431	1,847	2,250	5,469,750	2,188	5,319,028	(150,722)	(3%)	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	5,4,2,1	-	975	780	2,200	2,145,000	2,188	2,133,300	(11,700)	(1%)	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						7,614,750		7,452,328	(162,422)	(2%)	
Preliminaries, ohp, Contingencies					27.6%	2,104,399	27.9%	2,078,454	(25,945)	(1%)	



Block H1 Total		26	3,406	2,627	2,854	9,719,149	2,798	9,530,782	(188,367)	(2%)
	Net:Gross		77.1%							
	Ave size net		71							
	Ave size gross		94							

Plot I1											
Open Market Sales	-	-	-	-	2,350	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	7,6,3	68	5,659	4,300	2,250	12,732,809	2,188	12,381,950	(350,860)	(3%)	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	1	-	333	266	1,240	412,970	1,178	392,321	(20,648)	(5%)	
Office	-	-	-	-	2,200	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						13,145,779		12,774,271	(371,508)	(3%)	
Preliminaries, ohp, Contingencies					27.1%	3,567,400	27.9%	3,562,744	(4,656)	(0%)	



Block I1 Total		68	5,992	4,567	2,789	16,713,179	2,726	16,337,015	(376,164)	(2%)
	Net:Gross		76.2%							
	Ave size net		63							
	Ave size gross		83							

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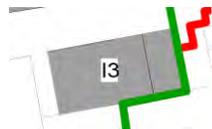
3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot I2											
Open Market Sales	-	-	-	-	2,350	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	1	-	140	112	1,240	173,402	1,178	164,732	(8,670)	(5%)	
Office	2	-	573	459	2,200	1,260,952	2,188	1,254,074	(6,878)	(1%)	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						1,434,354		1,418,806	(15,548)	(1%)	
Preliminaries, ohp, Contingencies					29.1%	417,030	27.9%	395,705	(21,325)	(5%)	



Block I2 Total		0	713	571	2,597	1,851,383	2,545	1,814,510	(36,873)	(2%)
	Net:Gross		80.1%							
	Ave size net		-							
	Ave size gross		-							

Plot I3											
Open Market Sales	-	-	-	-	2,350	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	3	-	616	493	2,200	1,355,200	2,188	1,347,808	(7,392)	(1%)	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						1,355,200		1,347,808	(7,392)	(1%)	
Preliminaries, ohp, Contingencies					29.2%	395,152	27.9%	375,904	(19,248)	(5%)	



Block I3 Total		0	616	493	2,841	1,750,352	2,798	1,723,712	(26,640)	(2%)
	Net:Gross		80.0%							
	Ave size net		-							
	Ave size gross		-							

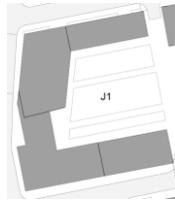
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3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot J1											
Open Market Sales	18,8	95	7,759	5,896	2,500	19,398,616	2,336	18,126,067	(1,272,549)	(7%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	18,8	60	4,859	3,692	2,400	11,661,279	2,336	11,350,312	(310,967)	(3%)	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	146	117	1,240	181,387	1,178	172,318	(9,069)	(5%)	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	3,187	-	2,000	6,374,000	1,852	5,902,324	(471,676)	(7%)	basement
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						37,615,282		35,551,020	(2,064,262)	(5%)	
Preliminaries, ohp, Contingencies					27.0%	10,162,091	27.9%	9,915,180	(246,911)	(2%)	



Block J1 Total		155	15,952	9,705	2,995	47,777,373	2,850	45,466,200	(2,311,173)	(5%)
	Net:Gross		60.8%							
	Ave size net		62							
	Ave size gross		81							

Plot K1											
Open Market Sales	6,3	77	5,956	4,526	2,350	13,996,600	2,188	13,031,728	(964,872)	(7%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	6,3	-	731	585	2,200	1,608,200	2,188	1,599,428	(8,772)	(1%)	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						15,604,800		14,631,156	(973,644)	(6%)	
Preliminaries, ohp, Contingencies					27.3%	4,259,562	27.9%	4,080,629	(178,933)	(4%)	



Block K1 Total		77	6,687	5,111	2,971	19,864,362	2,798	18,711,785	(1,152,577)	(6%)
	Net:Gross		76.4%							
	Ave size net		59							
	Ave size gross		77							

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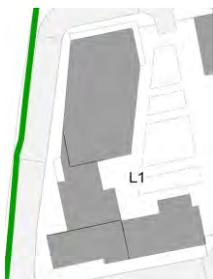
3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot K2											
Open Market Sales	6,4,2	63	5,034	3,825	2,350	11,829,900	2,188	11,014,392	(815,508)	(7%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	6,4,2	-	2,058	1,646	2,200	4,527,600	2,188	4,502,904	(24,696)	(1%)	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						16,357,500		15,517,296	(840,204)	(5%)	
Preliminaries, ohp, Contingencies					27.6%	4,519,066	27.9%	4,327,774	(191,292)	(4%)	



Block K2 Total		63	7,092	5,471	2,944	20,876,566	2,798	19,845,070	(1,031,496)	(5%)	
	Net:Gross		77.1%								
	Ave size net		61								
	Ave size gross		80								

Plot L1											
Open Market Sales	21	89	7,145	5,429	2,600	18,577,000	2,581	18,441,245	(135,755)	(1%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	21	54	4,772	3,626	2,550	12,168,600	2,581	12,316,532	147,932	1%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	2,088	-	2,000	4,176,000	1,852	3,866,976	(309,024)	(7%)	basement
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						34,921,600		34,624,753	(296,847)	(1%)	
Preliminaries, ohp, Contingencies					27.0%	9,437,535	27.9%	9,656,844	219,308	2%	



Block L1 Total		143	14,005	9,055	3,167	44,359,135	3,162	44,281,597	(77,539)	(0%)	
	Net:Gross		64.7%								
	Ave size net		63								
	Ave size gross		83								

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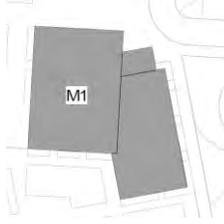
3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot L2											
Open Market Sales	9	89	7,430	5,646	2,400	17,832,000	2,357	17,512,510	(319,490)	(2%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						17,832,000		17,512,510	(319,490)	(2%)	
Preliminaries, ohp, Contingencies					27.1%	4,829,228	27.9%	4,884,239	55,011	1%	



Block L2 Total		89	7,430	5,646	3,050	22,661,228	3,014	22,396,749	(264,479)	(1%)
	Net:Gross		76.0%							
	Ave size net		63							
	Ave size gross		83							

Plot M1											
Open Market Sales	29	205	16,216	12,322	2,895	46,945,320	2,772	44,950,752	(1,994,568)	(4%)	
Build To Rent	-	-	-	-	2,895	0		0	0	0%	
Intermediate / Shared Ownership	29	5	472	359	2,795	1,319,240	2,772	1,308,384	(10,856)	(1%)	
Affordable Social Rent	-	-	-	-	2,675	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	1,344	-	2,000	2,688,000	1,852	2,489,088	(198,912)	(7%)	basement
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						50,952,560		48,748,224	(2,204,336)	(4%)	
Preliminaries, ohp, Contingencies					27.1%	13,787,401	30.1%	14,670,778	883,377	6%	



Block M1 Total		210	18,032	12,681	3,590	64,739,961	3,517	63,419,002	(1,320,959)	(2%)
	Net:Gross		70.3%							
	Ave size net		60							
	Ave size gross		79							

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3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot M2											
Open Market Sales	-	-	-	-	2,350	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	8	30	2,482	1,886	2,250	5,584,500	2,188	5,430,616	(153,884)	(3%)	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						5,584,500		5,430,616	(153,884)	(3%)	
Preliminaries, ohp, Contingencies					27.1%	1,512,185	26.8%	1,454,726	(57,459)	(4%)	



Block M2 Total		30	2,482	1,886	2,859	7,096,685	2,774	6,885,342	(211,343)	(3%)
	Net:Gross		76.0%							
	Ave size net		63							
	Ave size gross		83							

Plot M3											
Open Market Sales	7	31	2,485	1,888	2,350	5,839,750	2,188	5,437,180	(402,570)	(7%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	7	-	173	138	2,200	380,600	2,188	378,524	(2,076)	(1%)	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						6,220,350		5,815,704	(404,646)	(7%)	
Preliminaries, ohp, Contingencies					27.2%	1,694,071	27.9%	1,622,000	(72,071)	(4%)	



Block M2 Total		31	2,658	2,026	2,978	7,914,421	2,798	7,437,704	(476,717)	(6%)
	Net:Gross		76.2%							
	Ave size net		61							
	Ave size gross		80							

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3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot C2											
Open Market Sales	10	52	4,292	3,261	2,350	10,086,200	2,188	9,390,896	(695,304)	(7%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	1	-	146	117	1,240	181,040	1,178	171,988	(9,052)	(5%)	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	1	-	368	294	2,200	809,600	2,188	805,184	(4,416)	(1%)	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						11,076,840		10,368,068	(708,772)	(6%)	
Preliminaries, ohp, Contingencies					29.1%	3,226,977	27.9%	2,891,654	(335,323)	(10%)	



Block C2 Total		52	4,806	3,672	2,976	14,303,817	2,759	13,259,722	(1,044,095)	(7%)
		Net:Gross	76.4%							
		Ave size net	63							
		Ave size gross	83							

Plot J2											
Open Market Sales	8	84	6,857	5,210	2,350	16,113,950	2,188	15,003,116	(1,110,834)	(7%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						16,113,950		15,003,116	(1,110,834)	(7%)	
Preliminaries, ohp, Contingencies					29.1%	4,683,925	27.9%	4,184,369	(499,556)	(11%)	



Block J2 Total		84	6,857	5,210	3,033	20,797,875	2,798	19,187,485	(1,610,390)	(8%)
		Net:Gross	76.0%							
		Ave size net	62							
		Ave size gross	82							

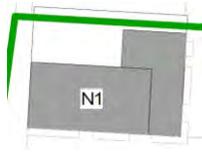
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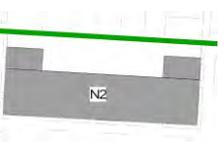
3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot N1											
Open Market Sales	-	-	-	-	2,350	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	9	43	3,855	2,929	2,250	8,673,750	2,188	8,434,740	(239,010)	(3%)	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	226	-	2,000	452,000	1,852	418,552	(33,448)	(7%)	basement
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						9,125,750		8,853,292	(272,458)	(3%)	
Preliminaries, ohp, Contingencies					28.9%	2,641,580	27.9%	2,469,183	(172,397)	(7%)	



Block N1 Total		43	4,081	2,929	2,883	11,767,330	2,774	11,322,475	(444,855)	(4%)
	Net:Gross		71.8%							
	Ave size net		68							
	Ave size gross		90							

Plot N2											
Open Market Sales	6	50	4,103	3,118	2,350	9,642,050	2,188	8,977,364	(664,686)	(7%)	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	-	-	-	-	2,250	0		0	0	0%	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,200	0		0	0	0%	
Car Parking	-	-	513	-	1,173	601,749	1,852	950,076	348,327	58%	basement
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						10,243,799		9,927,440	(316,359)	(3%)	
Preliminaries, ohp, Contingencies					28.9%	2,965,238	27.9%	2,768,763	(196,475)	(7%)	



Block N2 Total		50	4,616	3,118	2,862	13,209,037	2,750	12,696,203	(512,834)	(4%)
	Net:Gross		67.5%							
	Ave size net		62							
	Ave size gross		82							

HIGH ROAD WEST, LONDON

Lendlease

MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2

3.0 COST VALIDATION BUILD-UP - PLOT BY PLOT

Estimated Costs	Nr Storeys	Nr Units	GIA m2	NIA m2	LL £/m2 GIFA Net Trade	Total £	RLB £/m2 GIFA Net Trade	Total £	Variance £	Variance %	Comment
Plot N3											
Open Market Sales	-	-	-	-	2,350	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	6,4	25	1,994	1,515	2,250	4,486,500	2,188	4,362,872	(123,628)	(3%)	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	-	-	-	-	1,240	0		0	0	0%	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						4,486,500		4,362,872	(123,628)	(3%)	
Preliminaries, ohp, Contingencies					29.1%	1,303,899	27.9%	1,216,805	(87,094)	(7%)	
Block N3 Total		25	1,994	1,515	2,904	5,790,399	2,798	5,579,677	(210,722)	(4%)	
		Net:Gross	76.0%								
		Ave size net	61								
		Ave size gross	80								
Plot N4											
Open Market Sales	-	-	-	-	2,350	0		0	0	0%	
Build To Rent	-	-	-	-	2,350	0		0	0	0%	
Intermediate / Shared Ownership	6,3	31	2,512	1,909	2,250	5,652,000	2,188	5,496,256	(155,744)	(3%)	
Affordable Social Rent	-	-	-	-	2,130	0		0	0	0%	
Retail	1	-	243	194	1,240	301,320	1,178	286,254	(15,066)	(5%)	
Office	-	-	-	-	1,240	0		0	0	0%	
Other Commercial (CLEO)	-	-	-	-	2,010	0		0	0	0%	
Car Parking	-	-	-	-	1,173	0		0	0	0%	
Non-income generating areas	-	-	-	-	2,010	0		0	0	0%	
						5,953,320		5,782,510	(170,810)	(3%)	
Preliminaries, ohp, Contingencies					29.1%	1,731,700	27.9%	1,612,742	(118,958)	(7%)	
Block N4 Total		31	2,755	2,103	2,789	7,685,020	2,684	7,395,252	(289,768)	(4%)	
		Net:Gross	76.3%								
		Ave size net	62								
		Ave size gross	81								
MASTERPLAN TOTAL		2,612	241,065	178,543		740,025,979		728,290,563	(11,735,416)	(1.6%)	

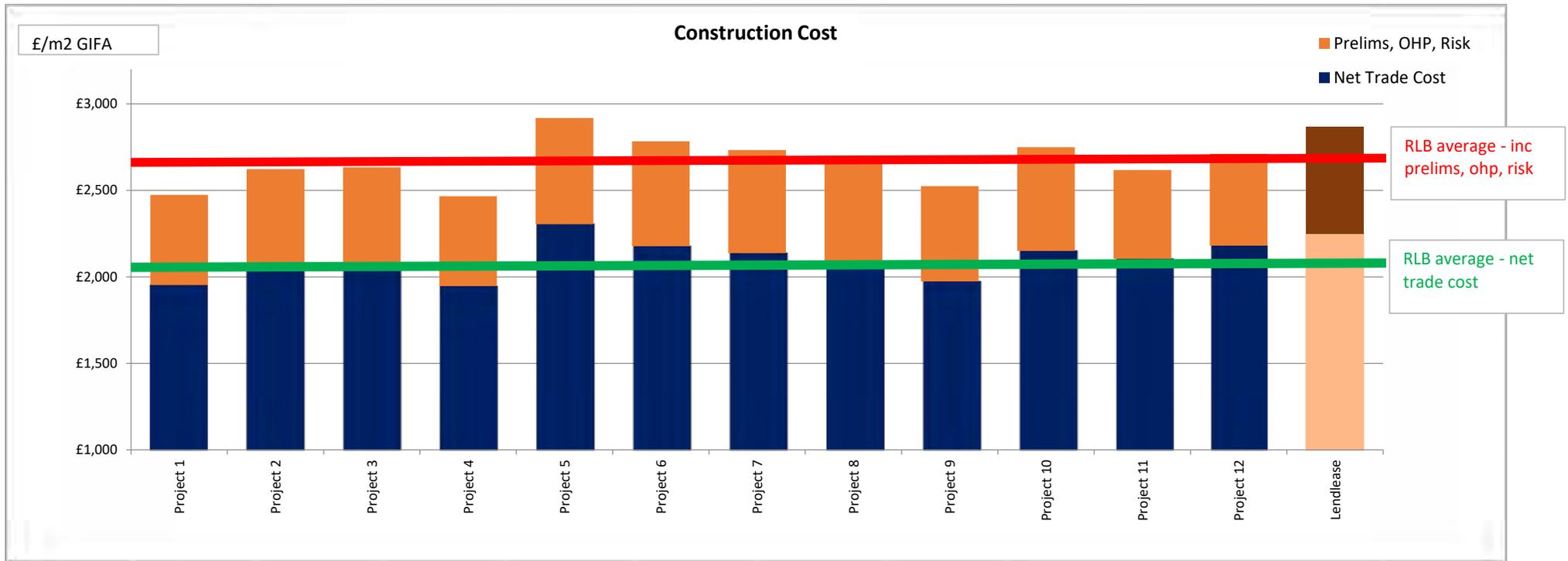
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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - AFFORDABLE RESIDENTIAL UP TO 8 STOREYS



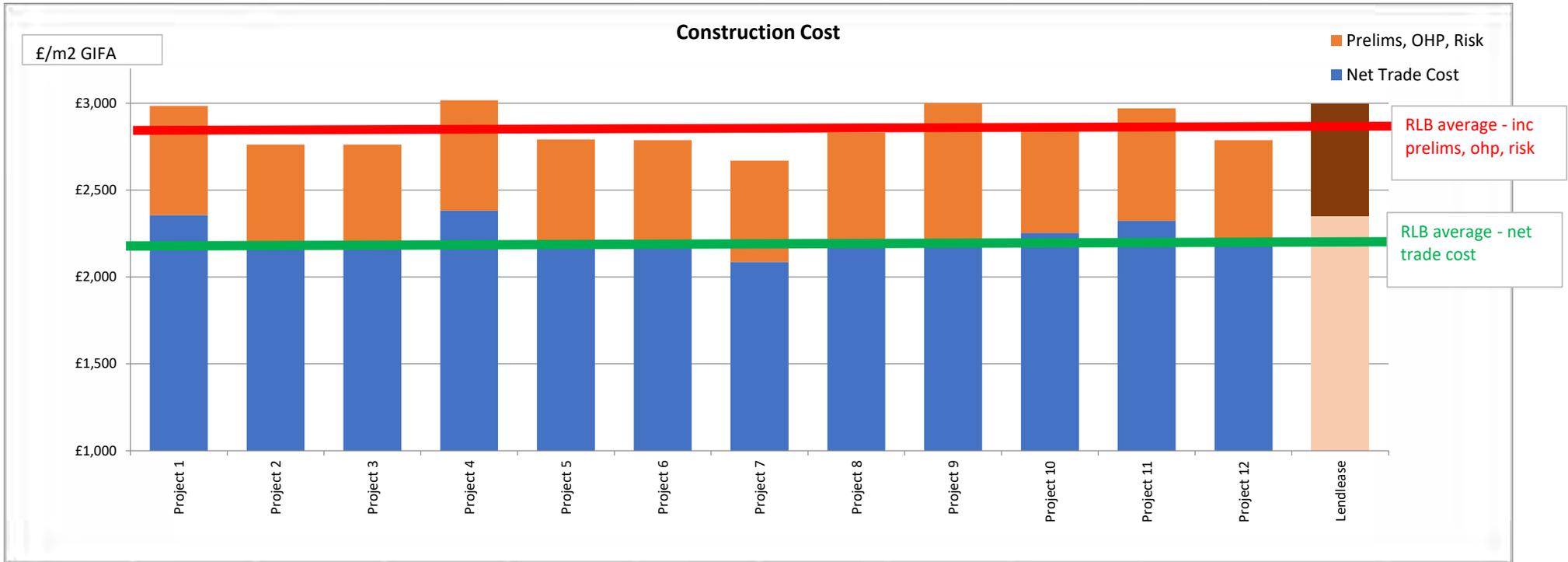
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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - PRIVATE RESIDENTIAL UP TO 8 STOREYS



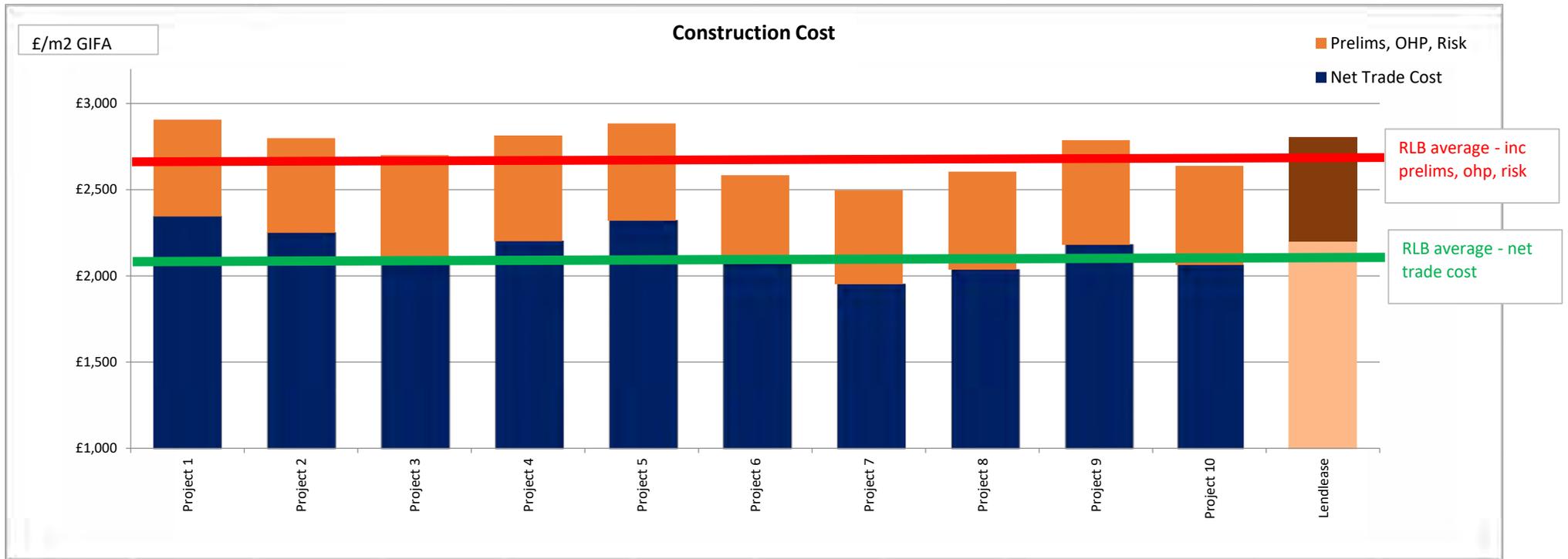
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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - AFFORDABLE RESIDENTIAL 8- 13 STOREYS



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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - PRIVATE RESIDENTIAL 8 - 13 STOREYS



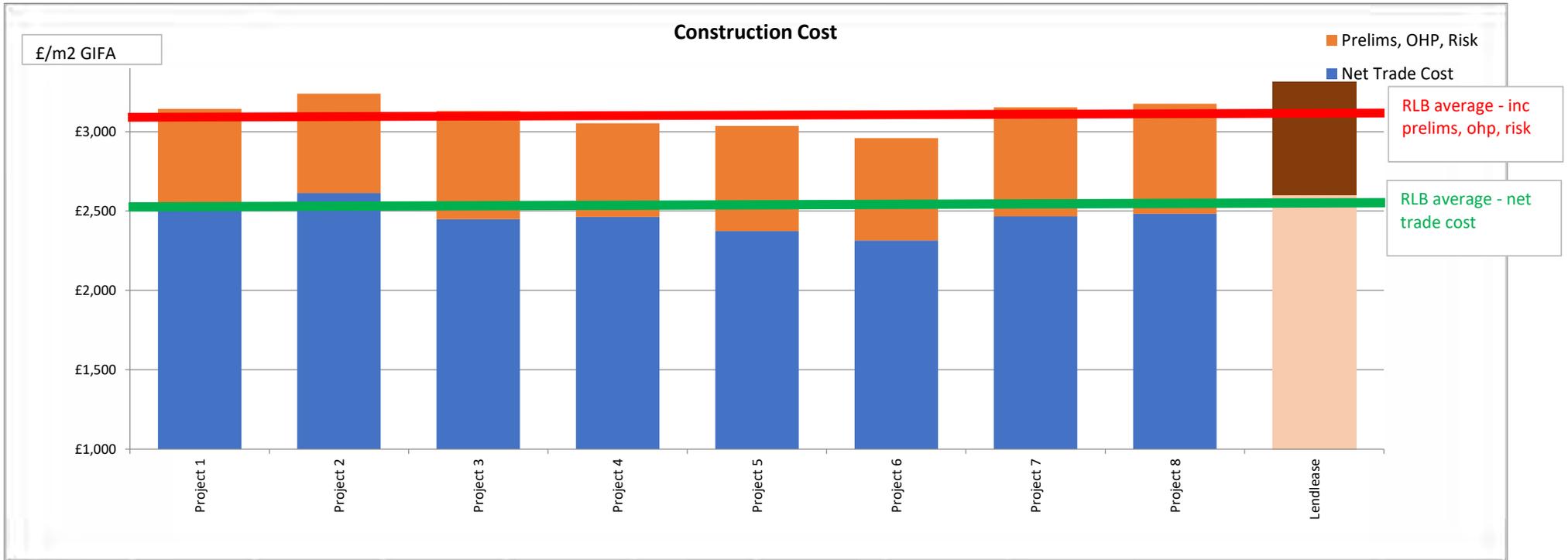
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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - PRIVATE RESIDENTIAL 14 - 20 STOREYS



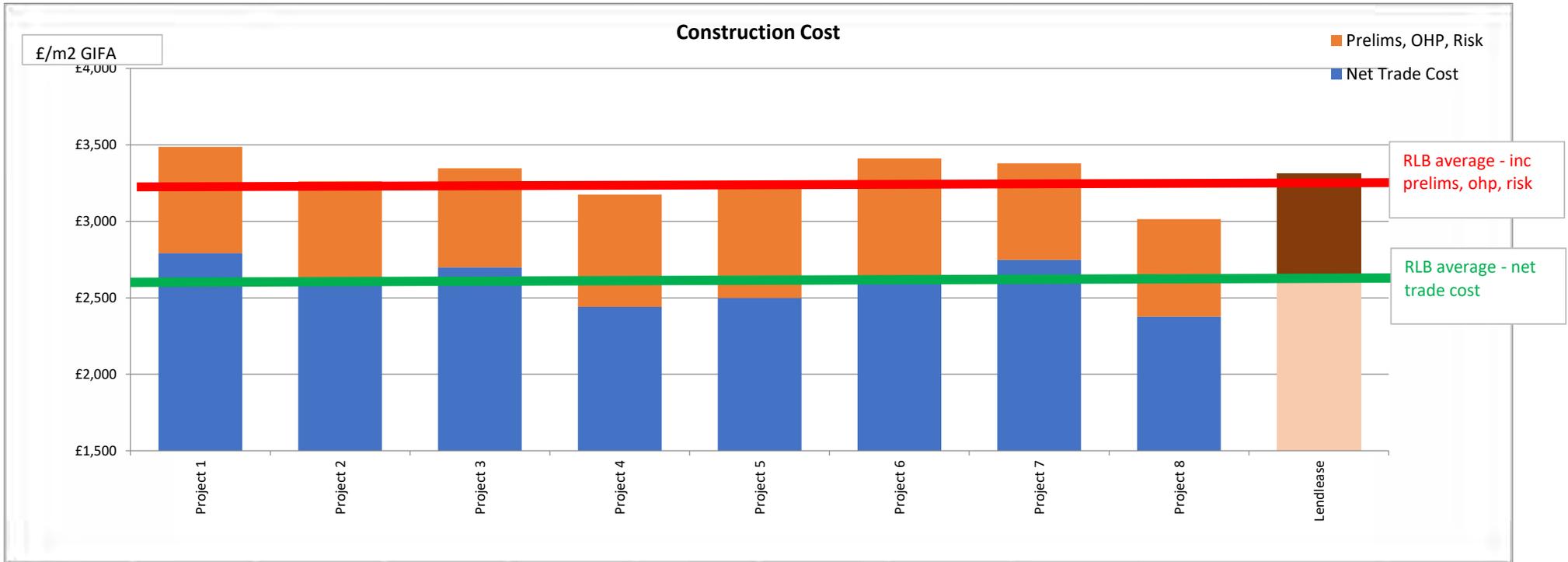
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4.0 BENCHMARK - PRIVATE RESIDENTIAL 21 - 27 STOREYS



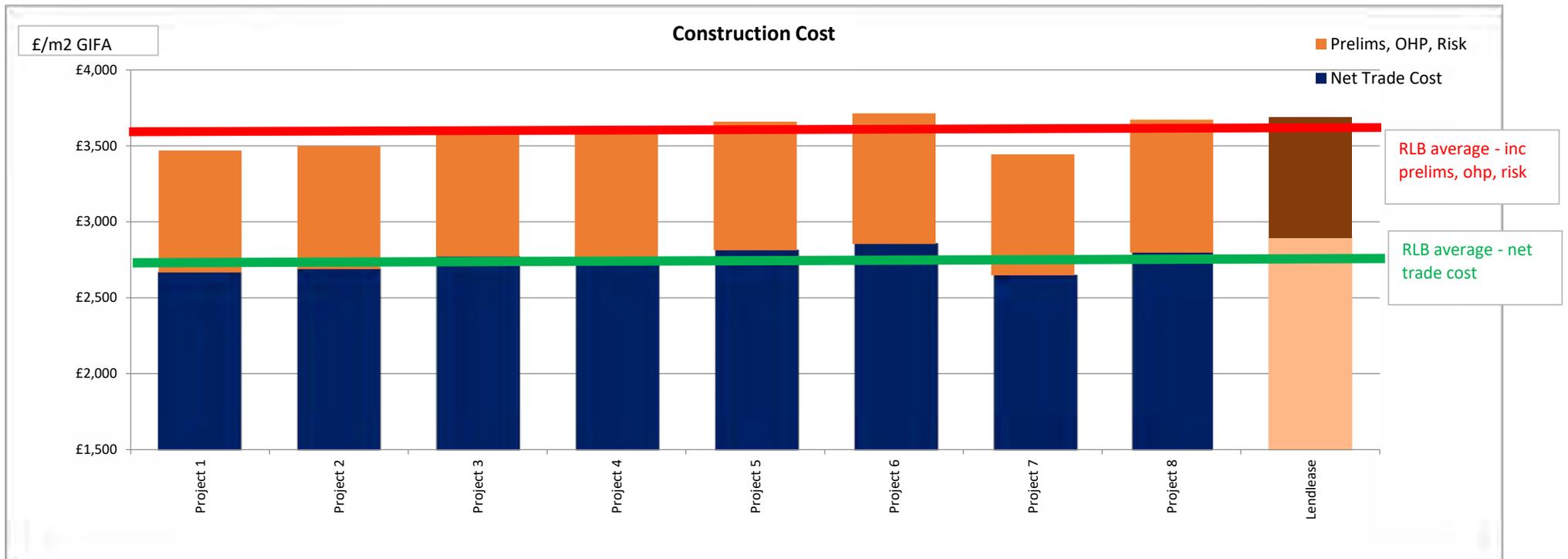
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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - PRIVATE RESIDENTIAL 28 - 34 STOREYS



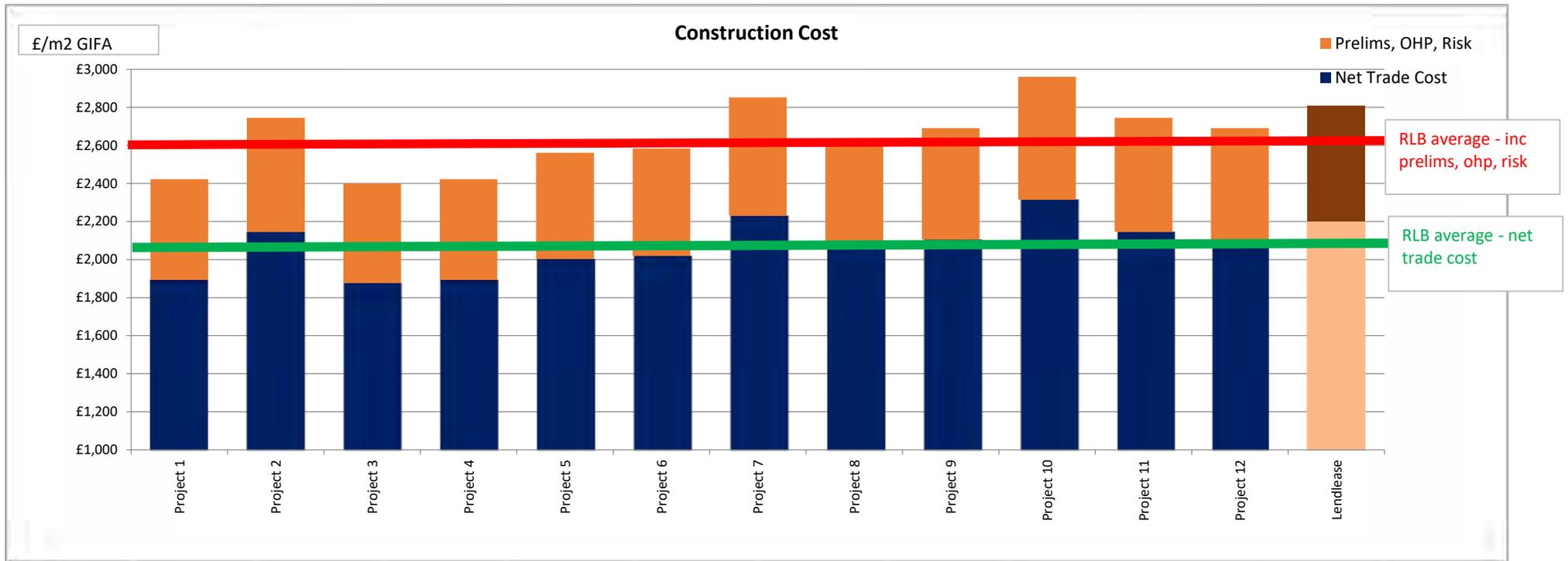
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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - OFFICE (INC CAT A)



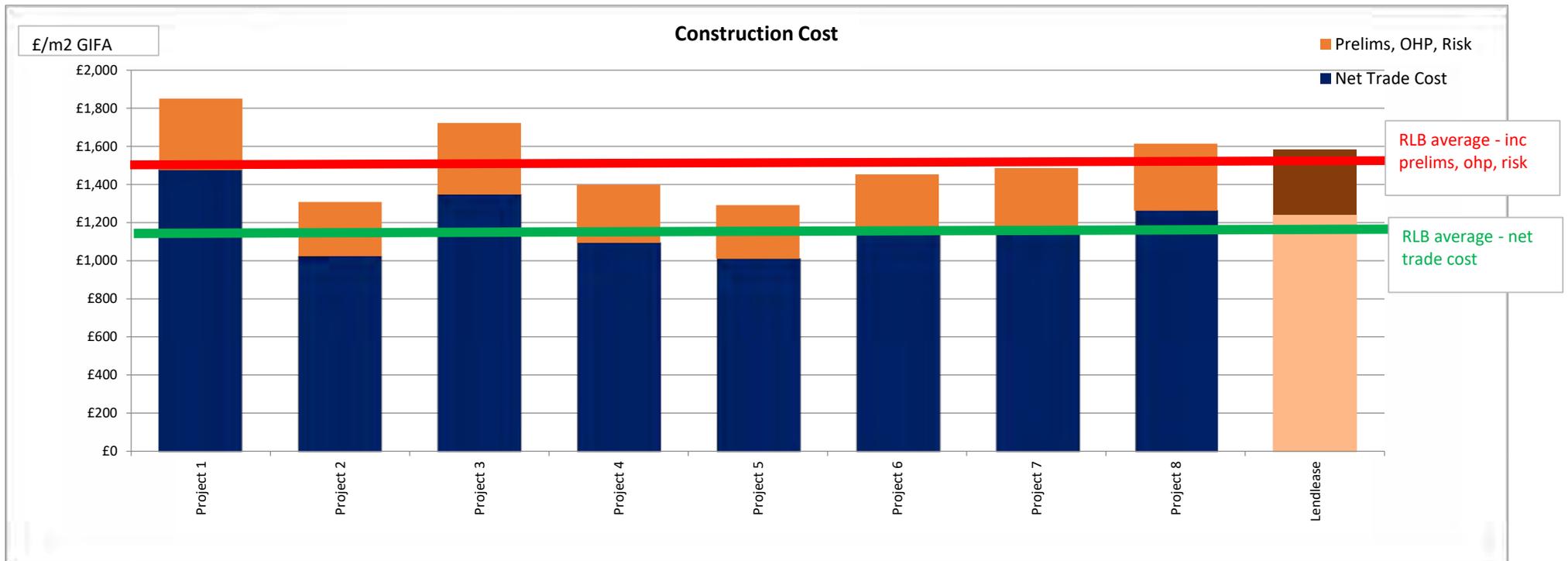
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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - RETAIL SHELL & CORE INCLUDING SHOPFRONT



HIGH ROAD WEST, LONDON

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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - CAR PARK (UNDER PODIUM)



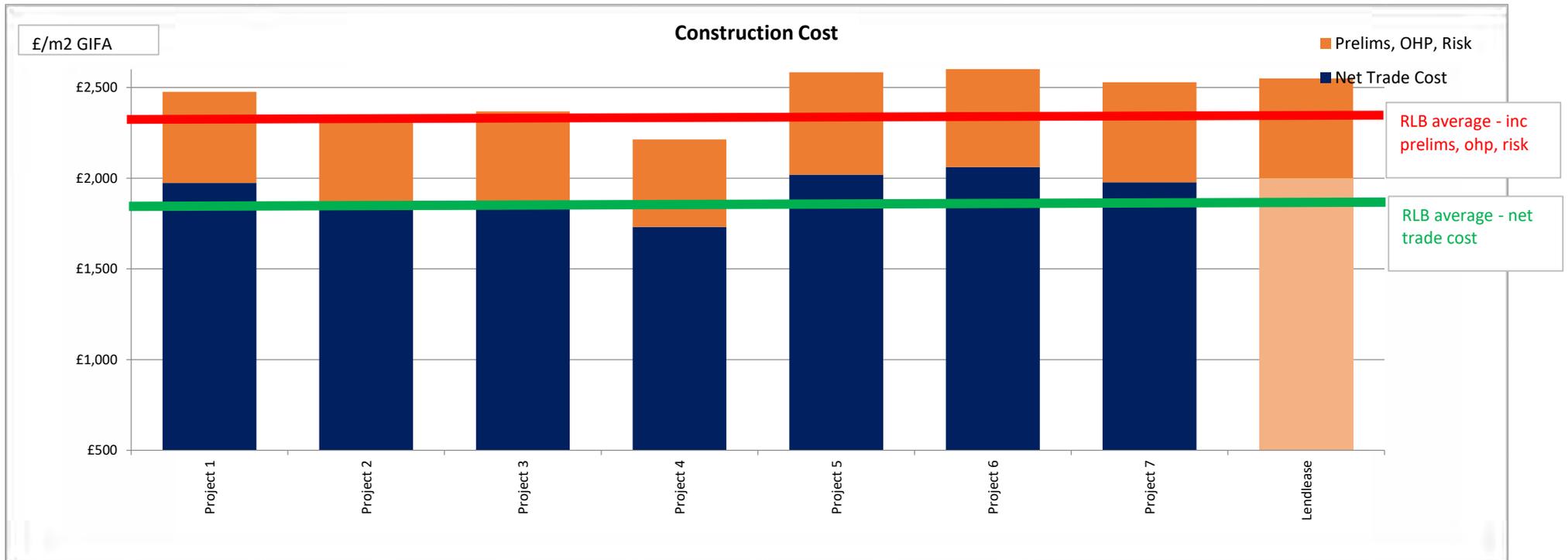
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MASTERPLAN BENCHMARK COST VALIDATION REPORT NR 2



4.0 BENCHMARK - CAR PARK (ONE LEVEL BASEMENT)



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APPENDIX 7: INFRASTRUCTURE COSTS

HRW - ISDS
Site Wide & Infrastructure

	9%	11%	25%	24%	31%	
	In Between					
	1	2	3	4	5	total
subs	1	1	3	4	4	13
apt nos	296	372	669	580	584	2,501
net development area / public realm (m2)	4,172	4,855	9,922	12,083	16,758	47,790
	0.77	0.91				
	PHASES					
Total Net Trade (£)	1	2	3	4	5	total
Demo & Asbestos						
Demolition of existing buildings	£7,000,000	£622,564	£770,459	£1,743,366	£1,682,101	£2,181,510
Asbestos incl surveys	£1,300,000	£115,619	£143,085	£323,768	£312,390	£405,138
Demolition contractor to act as Principal Contractor during						
	excl					
	£8,300,000	£738,183	£913,544	£2,067,134	£1,994,491	£2,586,648
						£8,300,000
Site Levels						
Cut and remove inert material off-site	£1,200,000	£106,725	£132,079	£298,863	£288,360	£373,973
Imported material to build up levels						
	£1,200,000	£106,725	£132,079	£298,863	£288,360	£373,973
						£1,200,000
Contamination						
Contamination strategy (Provisional Sum)						£0
hazardous - non-treatable	£700,000	£62,256	£77,046	£174,337	£168,210	£218,151
hazardous - treatable	£800,000	£53,363	£66,039	£149,431	£144,180	£186,987
non-hazardous off site	£600,000	£53,363	£66,039	£149,431	£144,180	£186,987
	£1,900,000	£168,982	£209,125	£473,199	£456,570	£592,124
						£1,900,000
Landscaping						
Soft landscaping	£2,747,925	£239,890	£279,163	£570,515	£694,773	£963,585
Hard Landscaping	£10,752,750	£938,700	£1,092,375	£2,232,450	£2,718,675	£3,770,550
Allowance for road re-surfacing	£1,250,000	£109,123	£126,988	£259,521	£316,044	£438,324
Square water feature					£2,000,000	
Street furniture allowance	£3,600,000	£314,275	£365,725	£747,420	£910,207	£1,262,373
	£18,350,675	£1,601,988	£1,864,250	£3,809,906	£6,639,699	£6,434,832
						£18,350,675
Infrastructure						
Utilities installed in roadways						
Substations	#REF!	£180,000	£180,000	£540,000	£720,000	£720,000
Electricity	#REF!	£236,800	£297,600	£535,200	£464,000	£467,200
Water	#REF!	£207,200	£260,400	£468,300	£406,000	£408,800
Foul and Surface Water	#REF!	£222,000	£279,000	£501,750	£435,000	£438,000
BT	#REF!	£44,400	£55,800	£100,350	£87,000	£87,600
Gas	#REF!	£74,000	£93,000	£167,250	£145,000	£146,000
DHP - trenching & pipework	£2,058,000	£243,570	£306,108	£550,501	£477,265	£480,557
DHP - Connection	tblc	£0	£0	£0	£0	£0
Plot connection - Water infrastructure charges	#REF!	£224,960	£282,720	£508,440	£440,800	£443,840
	#REF!	£1,432,930	£1,754,628	£3,371,791	£3,175,065	£3,191,997
						£12,926,410
Reinforcement						
	£6,050,000	£88,764	£111,555	£200,620	£5,473,930	£175,130
						£6,050,000
Diversions						
	£3,550,680	£920,232	£528,130	£949,782	£823,428	£829,107
						£4,050,680
Phasing						
	£5,250,000	£466,923	£577,844	£1,307,525	£1,261,576	£1,636,133
						£5,250,000
Energy Centre						
	£0					
Sustainability / Public Overlay						
	#REF!	£118,400	£148,800	£267,600	£232,000	£233,600
						£1,000,400
Other						
	£0					
NET TRADE	#REF!	£5,643,128	£6,239,955	£12,746,419	£20,345,120	£16,053,343
Construction Contingency	2,441,126.60	225,725	249,598	509,857	813,805	642,142
Preliminaries	10,155,086.66	939,016	1,038,329	2,121,004	3,385,428	2,671,310
OH&P	2,274,993.29	210,363	232,612	475,158	758,421	598,440
Target	-	-	-	-	-	-
GROSS EXCL DDC	#REF!	£7,018,232	£7,760,494	£15,852,438	£25,302,773	£19,965,434
DDC	3,794,968.58	350,912	388,025	792,622	1,265,139	998,272
GROSS INCL DDC	£77,694,340	£7,369,144	£8,148,518	£16,645,060	£26,567,912	£20,963,706
	6,009,931	6,645,552	13,574,936	21,667,553	17,097,023	64,994,996

APPENDIX 8: PLAN OF OWNERSHIP PLOTS WITH DEVELOPMENT AREA AND REDLINE OVERLAY



Existing GEA Plan (by Land Ownership Plot)_Topographic Survey

1 : 1000

Key Labels

- Application Boundary
- Indicative Development Zone Boundary
- CPO Boundary
- Detailed Planning Application Extents
- Building Footprints (GEA) by Land Ownership Plot

Note: Where possible, building footprints have been drawn to align with Topographic information received in "1F3364_LAF_XX_ST_DR_G_1001_S2_R3_210714". Where no building information was present, OS Data from drawing "011456569_210315" has been used to estimate boundaries.

General Notes

No implied licence exists. This drawing should not be used to calculate areas for the purposes of valuation. Do not scale this drawing. All dimensions to be checked on site by the contractor and such dimensions to be their responsibility. All work must comply with relevant British Standards and Building Regulations requirements. Drawing errors and omissions to be reported to the architect.

Rev	Date	Reason for Issue	LW	CH
1	28.07.21	For information	LW	CH

Keyplan



Existing GEA Plan (by Land Ownership Plot)_Topographic Survey

Project Number	Status
0311	For Information
Scale at A1	Date
1 : 1000	22/07/21
Drawn by	Checked by
LW	AR
Drawing Number	Revision
0311-SEW-ZZ-00-DR-A-000100	1



Client
Lendlease
Project
0311 High Road West

HRW

APPENDIX 10: B & M AUV

**867-879 HIGH ROAD, LONDON N17
ADDENDUM TO REVIEW OF 'FINANCIAL VIABILITY STATEMENT'**

In December 2019, we reported on the findings of our review of the Applicant's 'Financial Viability Statement' prepared by Quod. The Quod report concluded that the proposed development incorporating 25% affordable housing provided a residual land value of £13.86 million, resulting in a marginal deficit against the benchmark land value of £13.90 million.

Our review concluded that the proposed development can viability provide 35% affordable housing, based on a tenure split of 38% affordable rent and 62% intermediate housing, the latter being disposed of to purchasers with household incomes not exceeding a total of £90,000 per annum. Alternatively, the rented element could be as provided social rent, but this would result in a significantly reduced residual land value of £10.73 million.

In our review, we reduced the benchmark land value from £13.90 million to £9.81 million for the reasons set out at Section 5 of our report.

Changes since our review

The following financial contributions were not included in the Quod's original report and are now reflected in our appraisal:

- Provision of 35% affordable housing (60.5% shared ownership and 39.5% rented).
- The rented element of the affordable housing has been amended from 100% social rent to 50% social rent and 50% London Affordable Rent, which has increased revenue from Quod's original £165 per square foot to £191 per square foot.
- Shared ownership has been modelled so that household incomes required are reduced to £60,000 per annum on a 'cascade' mechanism which allows sales at higher household incomes after an agreed marketing period has elapsed. This reduces revenue from £414 per square foot to £370 per square foot.
- Infrastructure requirements adjusted downwards from £1,044,120 to £926,640 as a result of the removal of the requirement for a public realm contribution of £117,480.
- Carbon off-set payment of £241,926 incorporated in the appraisal (previously £ nil).
- Quod accept have reduced their benchmark land value from £13.90 million to £12.39 million.
- We would also draw the Council's attention to the significant risk associated with the £1.5 million revenue assumed for ground rents in Quod's appraisals. The government has signalled its intentions to introduce legislation to reform residential leaseholds, including requiring freeholders to set peppercorn rents for new leases.

As a result of the changes above, our appraisal generates a residual land value of £9.49 million, which is £0.32 million lower than our benchmark land value of £9.81 million (see Appendix 1). As a consequence of the revisions above, and most notably the Applicant's increase from 25% to 35% affordable housing, the scheme now provides the maximum reasonable proportion of affordable housing.

APPENDIX 1: DEVELOPMENT APPRAISAL – 35% AFFORDABLE HOUSING

**867 - 879 High Road Tottenham
35% Affordable Housing (reduced capital value)**

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Private residential	219	151,900	685.00	475,121	104,051,500
Intermediate housing	65	55,550	370.00	316,210	20,553,664
Social rent	41	33,908	191.00	157,964	6,476,517
Parking	1	0	0.00	720,000	<u>720,000</u>
Totals	326	241,359			131,801,681

Rental Area Summary

	Units	ft ²	Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail	1	2,259	25.00	56,475	56,475	56,475
Ground rents	<u>252</u>			300	<u>75,600</u>	<u>75,600</u>
Totals	253	2,259			132,075	132,075

Investment Valuation

Retail					
Market Rent	56,475	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	815,818
Ground rents					
Current Rent	75,600	YP @	5.0000%	20.0000	1,512,000
					2,327,818

GROSS DEVELOPMENT VALUE

134,129,499

Purchaser's Costs	6.80%	(158,292)	(158,292)
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NET DEVELOPMENT VALUE

133,971,207

NET REALISATION

133,971,207

OUTLAY

ACQUISITION COSTS

Residualised Price			9,485,505
Stamp Duty	5.00%		474,275
Agent Fee	1.00%		94,855
Legal Fee	0.80%		75,884
			10,130,520

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
Retail	2,702 ft ²	112.88 pf ²	305,000
Private residential	189,875 ft ²	246.77 pf ²	46,855,349
Intermediate housing	69,438 ft ²	246.77 pf ²	17,135,037
Social rent	<u>42,386 ft²</u>	246.77 pf ²	<u>10,459,683</u>
Totals	304,401 ft²		74,755,070

Site clearance/utilities	1,815,000	1,815,000
--------------------------	-----------	-----------

Other Construction

Basement car parking & plant	3,000,000
Public realm	2,655,000
Green roofs	256,000
	5,911,000

Municipal Costs

Mayoral and borough CIL	1,500,000
Community space contribution	443,190
Library contribution	483,450
Highways public realm contrib	1
Carbon offset	241,926
	2,668,567

PROFESSIONAL FEES

Architect	10.00%	8,248,107	8,248,107
-----------	--------	-----------	-----------

MARKETING & LETTING

Marketing	1.50%	1,560,773
-----------	-------	-----------

867 - 879 High Road Tottenham

35% Affordable Housing (reduced capital value)

Letting Agent Fee	10.00%	13,208	
Letting Legal Fee	5.00%	6,604	
			1,580,584

DISPOSAL FEES

Private sales agent fee	1.50%	1,558,398	
Sales agent fee commercial	1.00%	6,575	
Sales Legal Fee residential	219 un 800.00 /un	175,200	
Sales Legal Fee commercial		75,000	
			1,815,173

MISCELLANEOUS FEES

Profit on private	17.50%	18,335,013	
Profit on commercial	15.00%	98,629	
Profit on affordable	6.00%	1,621,811	
			20,055,452

FINANCE

Debit Rate 6.500% Credit Rate 0.000% (Nominal)			
Land		1,701,686	
Construction		4,120,818	
Other		1,169,230	
Total Finance Cost			6,991,734

TOTAL COSTS

133,971,206

PROFIT

1

Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.10%
Equivalent Yield% (Nominal)	5.55%
Equivalent Yield% (True)	5.75%
 IRR	 6.46%
 Rent Cover	 0 yrs 0 mths
Profit Erosion (finance rate 6.500%)	0 yrs 0 mths



SHORT FORM VIABILITY STATEMENT

40-52 WHITE HART LANE

TOTTENHAM FOOTBALL & ATHLETIC
COMPANY LTD

January 2018

Our Ref: Q80386

Contents

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2	APPLICATION SITE & SCHEME PROPOSALS	2
3	VIABILITY STATEMENT	5
4	CONCLUSIONS	8

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1 INTRODUCTION

- 1.1 This report sets out a “short form viability statement” in accordance with the London Borough of Haringey validation requirements for a planning application.
- 1.2 The scheme proposes 35% affordable housing in line with the Mayors Fast Track Route therefore viability information is not necessary.
- 1.3 It is understood that London Borough of Haringey within their emerging Planning Obligations SPD requires that a short form viability statement is provided in order to provide a benchmark for any subsequent changes and in order for an assessment of deliverability to be made.
- 1.4 It is not anticipated that this information is shared with third parties or in the public domain given commercially confidentiality. Details of the proposed affordable housing are set out in the Affordable Housing Statement which has been submitted as part of the planning application submission.

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2 APPLICATION SITE & SCHEME PROPOSALS

a) Application Site

- 2.1 The Site is located in London Borough of Haringey, at 44-52 White Hart Lane and is located to the north of White Hart Lane train station in Tottenham. The total site area is 1.276 ha. The site was previously used as a car breakers yard but is currently used as a construction compound under temporary planning permission which expires in 2019 when the use will return to a car breakers yard. Part of the site comprises Carberry Enterprise Park c.1000 sqm GIA floorspace and the locally listed Station Masters House c.180sqm GIA, which is on White Hart Lane itself.
- 2.2 The Site lies within Site Allocation NT5 “High Road West” of the recently adopted Tottenham Area Action Plan. The allocation supports mixed use development including c.1,200 residential units as well as commercial, town centre and other floorspace across the whole allocation.

b) Scheme Proposals

- 2.3 The application seeks planning permission for:

“Hybrid Application with matters of layout, scale, appearance, landscaping and access within the site reserved for residential-led mixed use redevelopment to comprise the demolition of existing buildings/structures and associated site clearance and erection of new buildings/structures and basement to provide residential units, employment (B1 Use), retail (A1 Use), leisure (A3 and D2 Uses) and community (D1 Use) uses, with associated access, parking (including basement parking) and servicing space, infrastructure, public realm works and ancillary development. Change of use of No. 52 White Hart Lane (Station Master’s House) from C3 use to A3 use.”

- 2.4 All matters are reserved except from access for the site. The illustrative scheme that informs the Parameter Plans comprises 330 residential units as well as employment (B1), shop (A1), food and beverage (A3) and leisure/community (D1/D2) floorspace.
- 2.5 Key elements of the outline planning consent are set out in the table below:

Table 2.1 – Proposed Floorspace (sq.m Gross External Areas – unless otherwise stated

Use (Use Class)	Proposed Maximum Floorspace GEA (m2)
Residential (C3)	Up to 32,000m ² (330 units)
Non-Residential (B1,A1,A3,D1,D2)	1,450m ² At least 400m ² of Employment Floorspace (B1 use) Up to 400m ² retail floorspace (A1 use) and; Within 1,450m ² , no limit on other proposed non-residential floorspaces
Car Parking	Up to 124 spaces Parking ratio of 0.3 Including 4,500m ² covered parking floorspace
Back of House Facilities	2,100m ²

c) Affordable Housing Proposals

- 2.6 The proposal seeks permission for up to 40% affordable housing onsite by habitable room. A minimum of 35% affordable housing by habitable room is proposed to be provided without public subsidy, with a higher quantum of up to 40% being provided subject to receipt of grant funding.
- 2.7 The GLA SPG sets out that the GLA will retain flexibility to meet local needs while ensuring the delivery of their preferred affordable housing products. The proposed mix meets the requirements set out in the Tottenham AAP:
- 30% low cost rent by habitable room
 - 30% intermediate tenure by habitable room
 - 40% subject to agreement by the LPA to comprise 10% as low cost rent and 30% as intermediate tenure
- 2.8 The final unit mix and location of the affordable housing will be agreed at the reserved matters stage.
- 2.9 The proposed affordability of the intermediate and low cost rent units are set out below in accordance with Haringey Housing Strategy.

2.10 The low cost rent units are proposed to be capped at the Local Housing Allowances with the following rent caps proposed:

- 1 bedroom units – up to 80% of local market rent
- 2 bedroom units – up to 65% of local market rent
- 3 bedroom units – up to 55% of local market rent
- 4 bedroom units – up to 45% of local market rent

2.11 The intermediate units are proposed to be provided as shared ownership units in line with Haringey's criteria. The units are proposed to be sold at the minimum 25% share of equity and rental on the unsold equity up to 2.75%. In line with the London AMR the income threshold will not exceed £90,000. It is proposed that the focus for these units will be to target incomes of between £30,000 to £70,000, dependent on the unit type.

2.12 Full details are set out within the Affordable Housing Statement.

3 VIABILITY STATEMENT

3.1 In accordance with planning policy the applicant has undertaken a viability in a residual basis the inputs and assumptions are set out in the section below. The residual approach calculates the value of the proposed development minus the total cost of development, allowing for market level profit having regard to the known characteristics of the property and risks associated with the development.

3.2 The area schedule is based on the indicative scheme prepared by F3 architects we have relied upon the floor areas provided.

3.3 In preparing our statement we have adopted a policy compliant scheme outlined as follows:

- 201 private units comprising 58 x 1 beds, 122 x 2 beds, 18 x 3 beds and 7 x 4 beds
- 46 low cost rent units comprising 6 x 1 beds, 18 x 2 beds, 14 x 3 beds and 8 x 4 beds
- 83 intermediate units comprising 23 x 1 beds, 51 x 2 beds and 9 x 3 beds
- 330 total units comprising 83 x 1 beds, 187 x 2 beds, 44 x 3 beds and 9 x 4 beds.

3.4 We have tabulated the resultant aggregated GDV for indicative scheme in respect of each tenure

Table 3.1 – Residential Input Assumptions

Tenure Type	Unit Split	Total GDV	£psf
Private	201	£121,900,000	£825psf
Low Cost Rent	46	£7,200,000	£165psf
Intermediate	83	£21,800,000	£370psf
Total	330	£150,900,000	

3.5 The values are based on current estimates in the market. Affordable Values are in line with LBH affordability criteria set out in section 2.

3.6 Non-residential revenue input and assumptions are set out below:

Table 3.2 – Non Residential Input Assumptions

Input	Assumption	Estimated Total Value
Commercial	c.14,821sqft, £25psf rental value, 6.5% yield, 2 years rent free period	£5,000,000
Purchaser Costs	6.8% of commercial	(£425,000)
Car Parking	£20,000 per space	£1,200,000
Indicative Grant Funding	£60,000 per affordable rented units £28,000 per intermediate unit	£5,000,000
Total Non-Residential Revenue	n/a	£10,800,000

3.7 Following recent government announcements it is considered reasonable to remove all ground rent revenue from the appraisal following the ban on ground rents on all new build leasehold properties.

3.8 Gross Development Value net of purchaser costs is therefore c.£161,800,000.

3.9 The following inputs and assumptions have been applied as part of the appraisal rationale:

Table 3.3 – Other Inputs & Assumptions

Appraisal Input	Comment	Estimated Total Cost
Construction Cost	All in build cost estimated to be c.£250psf on a current day basis equating to £95,000,000	£95,000,000
Construction Programme	Total of 30 months estimating 6 months preconstruction and 24 month build	n/a
Contingency	5% cost allowance applied to all build costs	£4,750,000
Professional Fees	10% cost allowance applied to all build costs	£9,500,000
Mayoral/Borough CIL	Based on current estimates and indexation	£1,000,000
Finance Rate	6.5% per annum 100% debt	£8,400,000
Marketing Fees	2% private residential GDV	£2,400,000
Letting Agent and Legal Fees	15% of annualised rent	£55,000

Appraisal Input	Comment	Estimated Total Cost
Sales Agent and Legal Fees	1.5% of total revenue	£2,350,000
Profit	Blended profit threshold of 17.25% profit on GDV	£27,000,000
Acquisition Costs	SDLT, agent and legal fees commensurate to site value	£675,000
Total Costs	n/a	£151,250,000

- 3.10 On the basis of a policy compliant scheme based on the indicative scheme, with no grant funding the scheme derives a RLV of £5,800,000.
- 3.11 If grant funding is achievable on all unit types the RLV of the indicative scheme is c.£10,550,000. However it is currently unknown if grant funding will be able to be secured on all unit types.
- 3.12 On the basis of 35% affordable housing by habitable room and no grant funding the residual land value of the proposed scheme is c.£10,400,000.

CONFIDENTIAL

4 CONCLUSIONS

- 4.1 The residual valuation is provided to accompany the planning application submission in accordance with the Council's requirements for validation of the application.
- 4.2 The applicant is actively engaging with RPs with a view to be able to provide 40% affordable if grant funding is secured. The 35% affordable housing is provided on the basis of no grant funding this accords with the GLA Viability SPG and draft London Plan. The 35% minimum provision derives a financially equivalent position to the 40% with grant funding proposal.
- 4.3 For schemes with 35% policy compliant mix affordable housing offer with no grant funding submitted without detailed viability submissions a review will be secured prior to implementation an agreed level of progress be made within 24 months.
- 4.4 These figures are based on the indicative scheme and on a current day cost/value basis.

HRW

APPENDIX 11: ILLUSTRATIVE MASTERPLAN APPRAISAL

High Road West
Illustrative Masterplan Financial Viability Appraisal

Development Appraisal
DS2 LLP
28 October 2021

**High Road West
Illustrative Masterplan Financial Viability Appraisal**

Appraisal Summary for All Merged Phases

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Phase 1 - Block A2 - Social Rent	16	13,584	110.00	93,390	1,494,240
Phase 1 - Block A3 - Social Rent	13	11,184	110.00	94,634	1,230,240
Phase 3 - Block B - Market Sale	190	134,473	700.00	495,427	94,131,100
Phase 3 - Block B - Social Rent	141	112,289	110.00	87,601	12,351,790
Phase 3 - Block B - Car Parking	12	0	0.00	25,000	300,000
Phase 3 - Block C - Market Sale	11	8,902	700.00	566,491	6,231,400
Phase 3 - Block C - Social Rent	168	130,469	110.00	85,426	14,351,590
Phase 3 - Block C - Car Parking	6	0	0.00	25,000	150,000
Phase 1 - Block D - Car Parking	12	0	0.00	25,000	300,000
Phase 1 - Block D - Market Sale	380	244,308	700.00	450,041	171,015,600
Phase 2 - Block F - Market Sale	280	181,081	700.00	452,702	126,756,700
Phase 2 - Block F - Social Rent	91	73,970	110.00	89,414	8,136,700
Phase 2 - Block F - Shared Ownership	74	49,880	420.00	283,103	20,949,600
Phase 2 - Block F - Car Parking	14	0	0.00	25,000	350,000
Phase 1 - Block G - Social Rent	40	26,092	110.00	71,753	2,870,120
Phase 5 - Block H - Shared Ownership	26	19,881	420.00	321,155	8,350,020
Phase 5 - Block I1 - Shared Ownership	68	46,285	420.00	285,878	19,439,700
Phase 4 - Block J1 - Market Sale	95	63,464	700.00	467,629	44,424,800
Phase 4 - Block J1 - Shared Ownership	60	39,740	420.00	278,180	16,690,800
Phase 4 - Block M2 - Shared Ownership	30	20,301	420.00	284,214	8,526,420
Phase 5 - Block C2 - Market Sale	52	35,101	700.00	472,513	24,570,700
Phase 1 - Block A1 - Social Rent	31	23,056	110.00	81,812	2,536,160
Phase 5 - Block J2 - Market Sale	84	56,080	700.00	467,333	39,256,000
Phase 5 -Block K1- Market Sale	77	48,717	700.00	442,882	34,101,900
Phase 4 - Block K2 - Market Sale	63	41,172	700.00	457,467	28,820,400
Phase 4 - Block L1 - Market Sale	89	58,437	700.00	459,617	40,905,900
Phase 4 - Block L1 - Shared Ownership	54	39,030	420.00	303,567	16,392,600
Phase 5 - Block L2 - Market Sale	89	60,773	700.00	477,990	42,541,100
Phase 4 - Block M1 - Market Sale	205	132,633	700.00	452,893	92,843,100
Phase 4 - Block M1 - Shared Ownership	5	3,864	420.00	324,576	1,622,880
Phase 5 - Block M3 - Market Sale	31	20,322	700.00	458,884	14,225,400
Phase 5 - Block N1 - Shared Ownership	43	31,527	420.00	307,938	13,241,340
Phase 5 - Block N2 - Market Sale	50	33,562	700.00	469,868	23,493,400
Phase 5 - Block N3 - Shared Ownership	25	16,307	420.00	273,958	6,848,940
Phase 5 - Block N4 - Shared Ownership	<u>31</u>	<u>20,548</u>	420.00	278,392	<u>8,630,160</u>
Totals	2,656	1,797,032			948,080,800

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 3 - Block C - Retail	1	1,701	25.00	42,525	42,525	42,525

High Road West

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Phase 3 - Block C - Sports Facilities	1	3,165	15.00	47,475	47,475	47,475
Phase 1 - Block D - Retail	1	5,834	25.00	145,850	145,850	145,850
Phase 3 - Block E - Retail	1	17,836	25.00	445,900	445,900	445,900
Phase 3 - Block E - Education	1	13,143		0	0	
Phase 2 - Block F - Retail	1	7,288	25.00	182,200	182,200	182,200
Phase 2 - Block F - Office	1	547	27.50	15,043	15,043	15,043
Phase 2 - Block F - Sport Facilities	1	3,169	15.00	47,535	47,535	47,535
Phase 1 - Block G - Retail	1	3,014	25.00	75,350	75,350	75,350
Phase 5 - Block H - Office	1	8,398	25.00	209,950	209,950	209,950
Phase 5 - Block I1 - Retail	1	2,868	25.00	71,700	71,700	71,700
Phase 5 - Block I2 - Retail	1	1,204	25.00	30,100	30,100	30,100
Phase 5 - Block I2 - Office	1	4,936	27.50	135,740	135,740	135,740
Phase 5 - Block I3 - Office	1	5,308	27.50	145,970	145,970	145,970
Phase 4 - Block J1 - Retail	1	1,260	25.00	31,500	31,500	31,500
Phase 5 - Block C2 - Retail	1	1,259	25.00	31,475	31,475	31,475
Phase 5 - Block C2 - Sports Facilities	1	3,169	15.00	47,535	47,535	47,535
Phase 5 - Block K1 - Office	1	6,298	27.50	173,195	173,195	173,195
Phase 4 - Block K2 - Office	1	17,722	27.50	487,355	487,355	487,355
Phase 5 - Block M3 - Community Space	1	1,489		0	0	
Phase 5 - Block N4 - Retail	1	2,091	25.00	52,275	52,275	52,275
Totals	21	111,699			2,418,673	2,418,673

Investment Valuation

Phase 3 - Block C - Retail

Market Rent	42,525	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	548,871

Phase 3 - Block C - Sports Facilities

Market Rent	47,475	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	612,761

Phase 1 - Block D - Retail

Market Rent	145,850	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	1,882,490

Phase 3 - Block E - Retail

Market Rent	445,900	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	5,755,244

Phase 2 - Block F - Retail

Market Rent	182,200	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	2,351,661

Phase 2 - Block F - Office

Market Rent	15,043	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	279,619

**High Road West
Illustrative Masterplan Financial Viability Appraisal**

Phase 2 - Block F - Sport Facilities

Market Rent	47,535	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	613,536

Phase 1 - Block G - Retail

Market Rent	75,350	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	972,545

Phase 5 - Block H - Office

Market Rent	209,950	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	3,902,671

Phase 5 - Block I1 - Retail

Market Rent	71,700	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	925,434

Phase 5 - Block I2 - Retail

Market Rent	30,100	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	388,502

Phase 5 - Block I2 - Office

Market Rent	135,740	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	2,523,213

Phase 5 - Block I3 - Office

Market Rent	145,970	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	2,713,374

Phase 4 - Block J1 - Retail

Market Rent	31,500	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	406,571

Phase 5 - Block C2 - Retail

Market Rent	31,475	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	406,249

Phase 5 - Block C2 - Sports Facilities

Market Rent	47,535	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	613,536

Phase 5 - Block K1 - Office

Market Rent	173,195	YP @	5.0000%	20.0000	
(1yr 6mths Rent Free)		PV 1yr 6mths @	5.0000%	0.9294	3,219,448

Phase 4 - Block K2 - Office

Market Rent	487,355	YP @	5.0000%	20.0000	
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(1yr 6mths Rent Free)	PV 1yr 6mths @	5.0000%	0.9294	9,059,234
Phase 5 - Block N4 - Retail				
Market Rent	52,275	YP @	7.0000%	14,2857
(1yr 6mths Rent Free)	PV 1yr 6mths @	7.0000%	0.9035	674,715
Total Investment Valuation				37,849,673

GROSS DEVELOPMENT VALUE

985,930,473

Purchaser's Costs	6.8%	(78,991)
Purchaser's Costs	6.8%	(128,009)
Purchaser's Costs	6.8%	(391,357)
Purchaser's Costs	6.8%	(220,647)
Purchaser's Costs	6.8%	(66,133)
Purchaser's Costs	6.8%	(265,382)
Purchaser's Costs	6.8%	(62,930)
Purchaser's Costs	6.8%	(197,997)
Purchaser's Costs	6.8%	(184,509)
Purchaser's Costs	6.8%	(27,647)
Purchaser's Costs	6.8%	(69,345)
Purchaser's Costs	6.8%	(218,922)
Purchaser's Costs	6.8%	(616,028)
Purchaser's Costs	6.8%	(45,881)
Effective Purchaser's Costs Rate	6.8%	

(2,573,778)

NET DEVELOPMENT VALUE

983,356,695

Additional Revenue

Phase 1 Grant Funding	3,915,000
Phase 3 - Grant Funding	19,035,761
Phase 3 - LBH Additional Affordable Rev.	5,957,689
Phase 3 - Mayors Land Fund	8,420,201
Phase 3 - Grant Funding	22,680,907
Phase 3 - LBH Additional Affordable Rev.	3,507,152
Phase 3 - Mayors Land Fund	4,956,775
Phase 2 - Grant Funding	15,097,491
Phase 2 - LBH Additional Affordable Rev.	3,845,034
Phase 2 - Mayors Land Fund	5,434,314
Phase 1 - Grant Funding	5,400,216
Phase 1 - LBH Additional Affordable Rev.	1,690,125
Phase 1 - Mayors Land Fund	2,388,710
Phase 1 - Grant Funding	4,185,000

106,514,375

NET REALISATION

1,089,871,070

**High Road West
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OUTLAY

ACQUISITION COSTS

Fixed Price	7,642,250		
Fixed Price	23,305,045		
Fixed Price	21,100,000		
Fixed Price	16,445,955		
Fixed Price	5,150,000		
Total Acquisition		73,643,250	73,643,250
Stamp Duty		3,619,662	
Effective Stamp Duty Rate	4.92%		
Agent Fee	1.3%	957,362	
Legal Fee	0.5%	368,216	
			4,945,241

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Phase 1 - Block A2 & A3 - Construction	32,593	255.35	8,322,662
Phase 3 - Block B - Construction	329,493	284.08	93,601,778
Phase 3 - Block C - Construction	191,948	251.70	48,313,844
Phase 1 - Block D - Construction	334,557	318.45	106,538,497
Phase 3 - Block E - Construction	38,720	236.90	9,172,688
Phase 2 - Block F - Construction	420,520	279.82	117,669,867
Phase 1 - Block G - Construction	38,100	230.34	8,776,114
Phase 5 - Block H - Construction	36,660	259.98	9,530,782
Phase 5 - Block I1 - Construction	64,496	253.30	16,337,015
Phase 5 - Block I2-Construction	7,675	236.42	1,814,510
Phase 5 - Block I3-Construction	6,635	259.79	1,723,712
Phase 4 - Block J 1- Construction	168,952	269.11	45,466,200
Phase 4 - Block M2 - Construction	26,716	257.72	6,885,342
Phase 5 - Block C2 - Construction	51,729	256.33	13,259,722
Phase 1 - Block A1 - Construction	30,342	283.58	8,604,381
Phase 5 - Block J2 - Construction	73,801	259.99	19,187,485
Phase 5 - Block K1 - Construction	71,985	259.94	18,711,785
Phase 4 - Block K2 - Construction	76,335	259.97	19,845,070
Phase 4 - Block L1 - Construction	148,994	297.20	44,281,597
Phase 5 - Block L2 - Construction	79,977	280.04	22,396,749
Phase 4 - Block M1 - Construction	192,939	328.70	63,419,002
Phase 5 - Block M3 - Construction	28,606	260.01	7,437,704
Phase 5 - Block N1 - Construction	43,728	258.93	11,322,475
Phase 5 - Block N2 - Construction	49,248	257.80	12,696,203
Phase 5 - Block N3 - Construction	21,460	260.00	5,579,677
Phase 5 - Block N4 - Construction	<u>29,656</u>	249.37	<u>7,395,252</u>
Totals	2,595,865 ft²		728,290,113
Contingency		5.0%	3,323,102

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S106 (Est.)			501,926	
Carbon Offset (Est.)			751,724	
CIL (Borough & MCIL Est.)			10,000,001	742,866,866
Other Construction Costs				
Phase 2 Infrastructure Costs			7,487,946	
Phase 5 Infrastructure Costs			19,264,252	
Phase 3 Infrastructure Costs			15,295,703	
Phase 4 Infrastructure Costs			24,414,144	
Phase 1 Infrastructure Costs			6,771,753	73,233,798
PROFESSIONAL FEES				
Professional Fees		10.0%	72,251,834	
Professional Fees		10.0%	7,900,557	80,152,391
MARKETING & LETTING				
Resi Marketing		1.5%	11,749,763	
Commercial Marketing	110,210 ft ²	2.5	275,525	
Commercial Letting Agent Fee		10.0%	241,867	
Commercial Letting Legal Fee		5.0%	120,934	12,388,088
DISPOSAL FEES				
Resi Sale Agent		1.5%	11,749,763	
Commercial Sale Agent		1.0%	340,971	
Resi Sale Legal	1,696 un	1,000.0 /un	1,696,000	
Commercial Sale Legal		0.5%	176,379	13,963,113
Additional Costs				
Phase 2 - Homeloss Payments			1,084,400	
Phase 5 - Homeloss Payments			2,702,167	
Phase 3 - Homeloss Payments			2,983,100	
Phase 4 - Homeloss Payments			794,683	
Phase 1 - Homeloss Payments			742,225	8,306,575
TOTAL COSTS				1,009,499,322
PROFIT				80,371,748
Performance Measures				
Profit on GDV%		8.2%		
IRR% (without Interest)		6.6%		

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